

**Amerigroup Louisiana, Inc.
Report on Medical Loss Ratio Rebate Calculation
(With Independent Accountant's Report Thereon)**

**State of Louisiana
Louisiana Department of Health
Baton Rouge, Louisiana**

**For the period of February 1, 2012
through December 31, 2012**

Prepared by:





Table of Contents

Independent Accountant's Report	1
Organizational Background	2
Adjusted Medical Loss Ratio Rebate Calculation	3



Independent Accountant's Report

State of Louisiana
Louisiana Department of Health
Baton Rouge, Louisiana

We have examined the accompanying Adjusted Medical Loss Ratio Rebate Calculation of Amerigroup Louisiana, Inc. (AGP) for the period of February 1, 2012 through December 31, 2012. AGP's management is responsible for the preparation and fair presentation of the Medical Loss Ratio Rebate Calculation in accordance with the Bayou Health's MCO Financial Reporting Guide. Our responsibility is to express an opinion on the Medical Loss Ratio Rebate Calculation based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Based on these standards, our examination included examining, on a test basis, evidence supporting AGP's Medical Loss Ratio Rebate Calculation for the period of February 1, 2012 through December 31, 2012 and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

An examination involves performing procedures to obtain evidence about the amounts reported in the Medical Loss Ratio Rebate Calculation. The procedures selected depend on the examiner's professional judgment, including the assessment of the risks of material misstatement of the Medical Loss Ratio Rebate Calculation. An examination also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. A calculation of less than Eighty-Five Percent (85%) requires that the Managed Care Organization rebate a portion of their capitation payments received from Bayou Health.

In our opinion, the above referenced accompanying Adjusted Medical Loss Ratio Rebate Calculation of AGP for the period cited present fairly, in all material respects, based on the criteria set forth in the Bayou Health's MCO Financial Reporting Guide and exceeds the eighty-five percent (85%) requirement.

This report is intended solely for the information and use of the Louisiana Department of Health and AGP and is not intended to be and should not be used by anyone other than these specified parties.

Myers and Stauffer LC
December 5, 2016
Atlanta, GA



Organizational Background

Amerigroup Louisiana, Inc. (AGP) is a wholly owned subsidiary of Amerigroup Corporation, which commenced operations on February 1, 2012 and is licensed as a health maintenance organization in the state of Louisiana.

On December 24, 2012, WellPoint, Inc. completed the acquisition of all of Amerigroup Corporation's outstanding shares. As a result of the acquisition, Amerigroup Louisiana is now an indirect subsidiary of WellPoint. WellPoint now operates as Anthem.

Amerigroup Louisiana's members include children and families served by Medicaid's TANF as well as people with disabilities. AGP is currently one of five providers that offer services on a full-risk basis. Amerigroup Louisiana serves children, families, seniors and people with disabilities through the BAYOU HEALTH program. Effective February 1, 2012, Amerigroup Louisiana commenced operations in New Orleans and North Shore. Effective April 1, 2012, Amerigroup Louisiana commenced operations in Baton Rouge, Lafayette, and Thibodaux; and on June 1, 2012, Amerigroup Louisiana commenced operations in the remaining regions of Alexandria, Lake Charles, Monroe and Shreveport.

Our examination was conducted from March 28, 2016 to December 5, 2016.



Amerigroup Louisiana, Inc.
 Adjusted Medical Loss Ratio (MLR) Rebate Calculation
 For the Period of February 1, 2012 through December 31, 2012

The following table summarizes:

- AGP's reported Medical Loss Ratio Rebate Calculation data
- Myers and Stauffer's adjusted Medical Loss Rebate Calculation Data utilizing documentation obtained from AGP

MLR Line #	MLR Line Description	Reported MLR Feb 2012 through Dec 2012	Adjustments	Adjusted MLR Feb 2012 through Dec 2012
Revenue and New Enrollee Adjustments				
1	Total YTD Capitation and Maternity Payments	\$247,283,781	\$0	\$247,283,781
2	Less: Premium tax	5,563,885	0	5,563,885
3	Net YTD MLR Revenue	\$241,719,896	\$0	\$241,719,896
4	Less: Adjustment attributed to new enrollees	\$0	\$0	\$0
5	Adjusted MLR Capitation Revenue	\$241,719,896	\$0	\$241,719,896
MLR Medical and Administrative Expense Adjustments				
6	Total Net Medical Expenses from I/S	\$232,583,831	\$0	\$232,583,831
7	Add: Incurred claim adjustment additions	867,111	0	867,111
8	Less: Incurred claim adjustment deductions	0	0	0
9	Less: Incurred claim adjustment exclusions	1,821,697	0	1,821,697
10	Adjusted Net Medical Expenses	\$231,629,245	\$0	\$231,629,245
11	Add: HCQI and HIT expenses	\$4,956,089	\$0	\$4,956,089
12	Adjustments or Exclusions to HCQI/HIT	0	0	0
13	Adjusted HCQI/HIT expenses	\$4,956,089	\$0	\$4,956,089
14	Total Adjusted current YTD MLR Expenditures	\$236,585,334	\$0	\$236,585,334
15	Add: Adj. attributed to new enrollees	0	0	0
16	Total Adj. MLR Expenses	\$236,585,334	\$0	\$236,585,334
17	MLR percentage achieved	97.9%		97.9%
18	MLR percentage requirement	85.0%		85.0%
19	Percentage above requirement	12.9%		12.9%
20	Dollar amount of rebate requirement	\$0		\$0