



December 9, 2019

Via Electronic Mail

Mississippi Division of Medicaid
Jennifer Wentworth, Deputy Administrator | Administration
550 High Street, Suite 1000
Jackson, Mississippi 39201

Re: UnitedHealthcare Community Plan of Mississippi MSCAN Medical Loss Ratio for the period of July 1, 2017 through June 30, 2018 Examination Report Transmittal

This letter is to inform you that Myers and Stauffer LC has completed the examination of UnitedHealthcare Community Plan of Mississippi MSCAN Medical Loss Ratio (MLR) for the period of July 1, 2017 through June 30, 2018. As a courtesy to the Mississippi Division of Medicaid (DOM) and other readers, the UnitedHealthcare Community Plan of Mississippi management's response letter is included, if provided, in addition to our examination report, as part of this transmittal packet. Myers and Stauffer LC, in no manner, expresses an opinion on the accuracy, truthfulness, or validity of the statements presented within the management's response letter.

Please contact us at the phone number below if you have questions.

Kind Regards,

Myers and Stauffer LC

**UnitedHealthcare Community Plan of Mississippi
Mississippi Coordinated Access Network
Report on Adjusted Medical Loss Ratio Rebate Calculation
(With Independent Accountant's Report Thereon)**

**State of Mississippi
Division of Medicaid
Jackson, Mississippi**

**For the period of July 1, 2017
through June 30, 2018**

Prepared by:





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State of Mississippi
Division of Medicaid
Jackson, Mississippi

Independent Accountant's Report

We have examined the accompanying Adjusted Medical Loss Ratio Rebate Calculation of UnitedHealthcare Community Plan of Mississippi (UHC) related to the Mississippi Coordinated Access Network for the period of July 1, 2017 through June 30, 2018. UHC's management is responsible for presenting the Medical Loss Ratio Rebate Calculation in accordance with the criteria set forth in the contract between the Division of Medicaid and UHC, Exhibit C: Medical Loss Ratio (MLR) Requirements and Centers for Medicare & Medicaid Services (CMS) federal guidance 42 CFR 438.8. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Adjusted Medical Loss Ratio Rebate Calculation is in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the Medical Loss Ratio Rebate Calculation. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement of the Medical Loss Ratio Calculation, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

The Other Non-Claims Costs amount reported on the Adjusted Medical Loss Ratio Rebate Calculation has not been subjected to the procedures applied in the examination, and accordingly, we express no opinion on it.

The accompanying Adjusted Medical Loss Ratio were prepared for the purpose of complying with the criteria, and is not intended to be a complete presentation in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the above referenced accompanying Adjusted Medical Loss Ratio Rebate Calculation of UHC is presented in accordance with the above referenced criteria, in all material respects, and the Adjusted MLR Percentage Achieved exceeds the CMS minimum requirement of eighty-five percent (85%) for the period of July 1, 2017 through June 30, 2018.

This report is intended solely for the information and use of the Mississippi Division of Medicaid, Milliman, and UHC and is not intended to be and should not be used by anyone other than these specified parties.

Myers and Stauffer LC
November 15, 2019



UNITEDHEALTHCARE COMMUNITY PLAN OF MISSISSIPPI
 MISSISSIPPI COORDINATED ACCESS NETWORK
 ADJUSTED MEDICAL LOSS RATIO

Adjusted Medical Loss Ratio - for the State Fiscal Year Ending June 30, 2018

| Adjusted Medical Loss Ratio - for the State Fiscal Year Ending June 30, 2018 | | | | |
|--|--|-----------------------|---------------------|-----------------------|
| Line # | Revenue or Expense | Reported Amounts | Adjustment Amounts | Adjusted Amounts |
| Revenue and New Enrollee Adjustments | | | | |
| 1 | Total YTD Capitation and Maternity Payments | \$ 1,051,066,757 | \$ - | \$ 1,051,066,757 |
| | Premium Tax Component of Reported Revenue | | | |
| 2 | Less: Health Insurer Tax | \$ 10,611,770 | \$ - | \$ 10,611,770 |
| 3 | Less: Allocation for premium taxes and other revenue-based assessments | \$ 38,486,498 | \$ - | \$ 38,486,498 |
| 4 | NET Current YTD MLR Revenue | \$ 1,001,968,489 | \$ - | \$ 1,001,968,489 |
| MLR Medical and Administrative Expense Adjustments | | | | |
| 5 | Total Net Medical Expenses from Income Statement | \$ 929,005,980 | \$ - | \$ 929,005,980 |
| | MLR Expense Adjustments defined in Exhibit C | | | |
| 6 | Incurred claim adjustment additions | \$ - | \$ - | \$ - |
| 7 | Incurred claim adjustment deductions | \$ 590,269 | \$ - | \$ 590,269 |
| 8 | Incurred claim adjustment exclusions | \$ 1,000 | \$ - | \$ 1,000 |
| 9 | Adjusted Net Medical Expenses | \$ 928,414,711 | \$ - | \$ 928,414,711 |
| | Health care quality improvement (HCQI) and health care information technology meaningful use expenses | | | |
| 10 | HCQI and HIT administrative expenses from Income Statement | \$ 14,649,743 | \$ (338,541) | \$ 14,311,202 |
| 11 | Adjustments or exclusions to HCQI/HIT meaningful use expenses | \$ - | \$ - | \$ - |
| 12 | Adjusted HCQI/HIT expenses | \$ 14,649,743 | \$ (338,541) | \$ 14,311,202 |
| 13 | Other Non-Claims Costs (FOR REPORTING PURPOSES ONLY. NOT INCLUDED IN NUMERATOR.) | \$ 71,077,564 | \$ - | \$ 71,077,564 * |
| 14 | Total Adjusted Current YTD MLR Expenditures | \$ 943,064,454 | \$ (338,541) | \$ 942,725,913 |
| 15 | MLR percentage achieved | 94.1% | 0.0% | 94.1% |
| 16 | MLR percentage requirement for rebate calculation | 85.0% | | 85.0% |
| 17 | Percentage below 85% Requirement | 0.0% | | 0.0% |
| 18 | Dollar Amount of Rebate Requirement | \$ - | \$ - | \$ - |

*The "Other Non-Claims Cost" line reported on the Medical Loss Ratio Rebate Calculation Report has not been subjected to the procedures applied in the examination, and accordingly, we express no opinion on it. However, any adjustments identified during the course of the examination procedures directly affecting the "Other Non-Claims Costs" line, will be properly reflected within the adjustment totals.



Schedule of Adjustments and Comments for the State Fiscal Year Ending June 30, 2018

During our examination we noted certain matters involving costs, that in our determination did not meet the definitions of allowable medical expenses and other operational matters that are presented for your consideration.

Adjustment #1 - To remove non-allowable cost included in HCQI

The health plan reported Health Care Quality Initiative/Health Information Technology (HCQI/HIT) expenses as a percent allocation based on project codes and utilized actual cost for its designated cost segments for the reporting period. Additionally, the health plan completed an MLR questionnaire to verify the amounts reported on the as-filed MLR were accurate and in compliance with the reporting instructions. During this review, UHC self-identified an account associated with their Rally Connect service product that was included as Medicaid HCQI expense in error. The proposed adjustment removes this account from the Medicaid MLR calculation. The HCQI/HIT reporting requirements are addressed in the Exhibit C: Medical Loss Ratio (MLR) Requirements, the Medicaid Managed Care Final Rule 42 CFR § 438.89(e)(3), 45 CFR § 158.150, and 45 CFR § 158.151.

This is a newly identified finding for this examination and as such, we recommend that UHC revises its processes for reporting costs on the MLR Rebate Calculation Report to only include allowable expenses related to activities that improve health care quality in HCQI/HIT.

Proposed Adjustment:

| Line # | Line Description | Amount |
|---------------|--|---------------|
| 10 | HCQI and HIT administrative expenses from Income Statement | \$ (338,541) |



Health Plan Responses

The health plan responses are attached below.



795 Woodlands Parkway, Suite 301
Ridgeland, MS 39157
(601) 718.6623 office
(601) 718.6586 fax

November 19, 2019

Myers and Stauffer LC
133 Peachtree St NE, Suite 3150
Atlanta, GA 30303

Re: MLR Audit Report - MS CAN

We have reviewed the audit report for the Mississippi MLR audit on the MS CAN plan as of June 30, 2018. Our response to the recommended adjustment noted on the report is addressed below. If you require additional information, please let us know.

Adjustment #1 – To remove non-allowable cost included in HCQI

This is a newly identified finding for this examination and as such, we recommend that UHC revises its processes for reporting costs on the MLR Rebate Calculation Report to only include allowable expenses related to activities that improve health care quality in HCQI/HIT.

UHC Response:

The Company agrees to the proposed adjustment to remove the HCQI expenses related to the Rally Connect service product. The Company has also revised its processes to prevent future errors.

Thank you for allowing us the opportunity to address the audit findings. If we can be of any further assistance to you, please do not hesitate to contact us.

A handwritten signature in black ink, appearing to read 'Heath O. Cannon', written over a horizontal line.

Chief Financial Officer
UnitedHealthcare Community Plan of Mississippi