



Table of Contents

Table of Contents	.1
Independent Accountant's Report	.2
Mental Health Legacy Adjusted Medical Loss Ratio for the State Fiscal Year Ended June 30, 20. Paid Through September 30, 2022	
Substance Abuse Legacy Adjusted Medical Loss Ratio for the State Fiscal Year Ended June 30, 2022 Paid Through September 30, 2022	4
Mental Health Expansion Adjusted Medical Loss Ratio for the State Fiscal Year Ended June 30, 2022 Paid Through September 30, 2022	5
Substance Abuse Expansion Adjusted Medical Loss Ratio for the State Fiscal Year Ended June 30, 2022 Paid Through September 30, 2022	6
Schedule of Adjustments and Comments for the State Fiscal Year Ended June 30, 2022	.7

MYERS AND STAUFFER www.myersandstauffer.com | page 1



State of Utah

Department of Health and Human Services
Salt Lake City, Utah

Independent Accountant's Report

We have examined the Medical Loss Ratio Report of Healthy U Behavioral (health plan) Prepaid Mental Health Plan for the state fiscal year ended June 30, 2022. The health plan's management is responsible for presenting information contained in the Medical Loss Ratio (MLR) Report in accordance with the criteria set forth in the Code of Federal Regulations (CFR) 42 § 438.8 and other applicable federal guidance (criteria). This criteria was used to prepare the Adjusted Medical Loss Ratios. Our responsibility is to express an opinion on the Adjusted Medical Loss Ratios 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 Ratios are in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the Adjusted Medical Loss Ratios. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement of the Adjusted Medical Loss Ratios, 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to our engagement.

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

In our opinion, the Adjusted Medical Loss Ratios are presented in accordance with the criteria, in all material respects, and the Adjusted Medical Loss Ratios for the mental health and substance abuse expansion populations meet the Centers for Medicare & Medicaid Services (CMS) requirement of eighty-five percent (85%) for the state fiscal year ended June 30, 2022; however, the Adjusted Medical Loss Ratios for the mental health and substance abuse legacy populations do not meet the requirement for the state fiscal year ended June 30, 2022.

This report is intended solely for the information and use of the Utah Department of Health and Human Services, Milliman, and the health plan and is not intended to be and should not be used by anyone other than these specified parties.

Myers and Stauffer LC Kansas City, Missouri June 19, 2024

MYERS AND STAUFFER www.myersandstauffer.com page 2

Adjusted Mental Health Medical Loss Ratio for the State Fiscal Year Ended June 30, 2022 Paid Through September 30, 2022

Line #	Line Description		Donortod Amounts	Adjustment Americate	Adimeted America	
.ine #	Line Description	'	Reported Amounts	Adjustment Amounts	Adjusted Amounts	
1.	Medical Loss Ratio Numerator					
1.1	Incurred Claims	\$	506,176	\$ -	\$ 506,176	
1.2	Activities that Improve Health Care Quality	\$	15,319	\$ 26,356	\$ 41,675	
1.3	MLR Numerator	\$	521,495	\$ -	\$ 547,851	
1.4	Non-Claims Costs (Not Included in Numerator)	\$	129,627	\$ (15,319)	\$ 114,308	
2.	Medical Loss Ratio Denominator					
2.1	Premium Revenue	\$	749,915	\$ -	\$ 749,91	
2.2	Federal, State, and Local Taxes and Licensing and Regulatory Fees	\$	-	\$ -	\$	
2.3	MLR Denominator	\$	749,915	\$ -	\$ 749,91	
3.	MLR Calculation					
3.1	Member Months		19,252	-	19,252	
3.2	Unadjusted MLR		69.50%	3.6%	73.1	
3.3	Credibility Adjustment		4.70%	0.0%	4.7	
3.4	Adjusted MLR		74.20%	3.6%	77.8	
4.	Remittance					
4.2	State Minimum MLR Requirement		85.00%		85.0	
4.6.2	Adjusted MLR				77.8	
4.6.3	Meets MLR Standard		No		No	

^{*}The Non-Claims Costs line has not been subjected to the procedures applied in the examination, including testing for allowability of expenses or appropriate allocation to the Medicaid line of business. Adjustments identified during the course of the examination were not tested to determine any impact on Non-Claims Costs. Accordingly, we express no opinion on the Non-Claims Costs line.

MYERS AND STAUFFER LC www.myersandstauffer.com page 3

Adjusted Substance Abuse Medical Loss Ratio for the State Fiscal Year Ended June 30, 2022 Paid Through September 30, 2022

Adjusted Substance Abuse Medical Loss Ratio for the State Fiscal Year Ended June 30, 2022 Paid Through September 30, 2022							
Line #	Line Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts			
1.	Medical Loss Ratio Numerator						
1.1	Incurred Claims	\$ 24,741	\$ -	\$ 24,741			
1.2	Activities that Improve Health Care Quality	\$ 2,409	\$ 4,243	\$ 6,652			
1.3	MLR Numerator	\$ 27,151	\$ -	\$ 31,394			
1.4	Non-Claims Costs (Not Included in Numerator)	\$ 20,084	\$ (2,409)	\$ 17,675			
2.	Medical Loss Ratio Denominator						
2.1	Premium Revenue	\$ 59,275	\$ -	\$ 59,275			
2.2	Federal, State, and Local Taxes and Licensing and Regulatory Fees	\$ -	\$ -	\$ -			
2.3	MLR Denominator	\$ 59,275	\$ -	\$ 59,275			
3.	MLR Calculation						
3.1	Member Months	19,081	-	19,081			
3.2	Unadjusted MLR	45.80%	7.2%	53.0%			
3.3	Credibility Adjustment	4.70%	0.0%	4.7%			
3.4	Adjusted MLR	50.50%	7.2%	57.7%			
4.	Remittance						
4.2	State Minimum MLR Requirement	85.00%		85.0%			
4.6.2	Adjusted MLR			57.7%			
4.6.3	Meets MLR Standard	No		No			

^{*}The Non-Claims Costs line has not been subjected to the procedures applied in the examination, including testing for allowability of expenses or appropriate allocation to the Medicaid line of business. Adjustments identified during the course of the examination were not tested to determine any impact on Non-Claims Costs. Accordingly, we express no opinion on the Non-Claims Costs line.

MYERS AND STAUFFER LC www.myersandstauffer.com page 4

Adjusted Mental Health Medical Loss Ratio for the State Fiscal Year Ended June 30, 2022 Paid Through September 30, 2022

	Adjusted Mental Health Medical Loss Ratio for the State Fiscal Year Ended June 30, 2022 Paid Through September 30, 2022								
Line #	Line Description	Reported Amounts	Adjustment Amounts	Preliminary Adjusted Amounts	Risk Corridor Cost Settlement	Adjusted Amounts			
1.	Medical Loss Ratio Numerator								
1.1	Incurred Claims	\$ 276,161	\$ -	\$ 276,161		\$ 276,161			
1.2	Activities that Improve Health Care Quality	\$ 6,410	\$ 10,998	\$ 17,408		\$ 17,408			
1.3	MLR Numerator	\$ 282,571	\$ -	\$ 293,569		\$ 293,569			
1.4	Non-Claims Costs (Not Included in Numerator)	\$ 54,265	\$ (6,410)	\$ 47,855		\$ 47,855			
2.	Medical Loss Ratio Denominator								
2.1	Premium Revenue	\$ 514,154	\$ -	\$ 514,154	\$ (134,981)	\$ 379,173			
2.2	Federal, State, and Local Taxes and Licensing and Regulatory Fees	\$ -	\$ -	\$ -		\$ -			
2.3	MLR Denominator	\$ 514,154	\$ -	\$ 514,154	\$ (134,981)	\$ 379,173			
3.	MLR Calculation								
3.1	Member Months	7,413	-	7,413		7,413			
3.2	Unadjusted MLR	55.00%	2.1%	57.1%		77.4%			
3.3	Credibility Adjustment	7.60%	0.0%	7.6%		7.6%			
3.4	Adjusted MLR	62.60%	2.1%	64.7%		85.0%			
4.	Remittance								
4.2	State Minimum MLR Requirement	85.00%		85.0%		85.0%			
4.2.1	Adjusted MLR Prior to Risk Corridor Cost Settlement	62.60%		62.6%		62.6%			
4.6.1	Risk Corridor Cost Settlement Due to Department				\$ (134,981)	\$ (134,981)			
4.6.2	Adjusted MLR					85.0%			
4.6.3	Meets MLR Standard	No		No		Yes			

^{*}The Non-Claims Costs line has not been subjected to the procedures applied in the examination, including testing for allowability of expenses or appropriate allocation to the Medicaid line of business. Adjustments identified during the course of the examination were not tested to determine any impact on Non-Claims Costs. Accordingly, we express no opinion on the Non-Claims Costs line.

MYERS AND STAUFFER LC
www.myersandstauffer.com page 5

Adjusted Substance Abuse Medical Loss Ratio for the State Fiscal Year Ended June 30, 2022 Paid Through September 30, 2022

	Adjusted Substance Abuse Medical Loss Ratio for the State Fiscal Year Ended June 30, 2022 Paid Through September 30, 2022								
Line #	Line Description	Reported Amounts	Adjustment Amounts	Preliminary Adjusted Amounts	Risk Corridor Cost Settlement	Adjusted Amounts			
1.	Medical Loss Ratio Numerator								
1.1	Incurred Claims	\$ 63,369	\$ -	\$ 63,369		\$ 63,369			
1.2	Activities that Improve Health Care Quality	\$ 4,196	\$ 7,638	\$ 11,834		\$ 11,834			
1.3	MLR Numerator	\$ 67,565	\$ -	\$ 75,203		\$ 75,203			
1.4	Non-Claims Costs (Not Included in Numerator)	\$ 35,023	\$ (4,196)	\$ 30,827		\$ 30,827			
2.	Medical Loss Ratio Denominator								
2.1	Premium Revenue	\$ 193,377	\$ -	\$ 193,377	\$ (96,246)	\$ 97,132			
2.2	Federal, State, and Local Taxes and Licensing and Regulatory Fees	\$ -	\$ -	\$ -		\$ -			
2.3	MLR Denominator	\$ 193,377	\$ -	\$ 193,377	\$ (96,246)	\$ 97,132			
3.	MLR Calculation								
3.1	Member Months	7,413	-	7,413		7,413			
3.2	Unadjusted MLR	34.90%	4.0%	38.9%		77.4%			
3.3	Credibility Adjustment	7.58%	0.0%	7.6%		7.6%			
3.4	Adjusted MLR	42.48%	4.0%	46.5%		85.0%			
4.	Remittance								
4.2	State Minimum MLR Requirement	85.00%		85.0%		85.0%			
4.2.1	Adjusted MLR Prior to Risk Corridor Cost Settlement	42.48%		42.5%		42.5%			
4.6.1	Risk Corridor Cost Settlement Due to Department				\$ (96,246)	\$ (96,246)			
4.6.2	Adjusted MLR					85.0%			
4.6.3	Meets MLR Standard	No		No		Yes			

^{*}The Non-Claims Costs line has not been subjected to the procedures applied in the examination, including testing for allowability of expenses or appropriate allocation to the Medicaid line of business. Adjustments identified during the course of the examination were not tested to determine any impact on Non-Claims Costs. Accordingly, we express no opinion on the Non-Claims Costs line.

MYERS AND STAUFFER LC
www.myersandstauffer.com page 6

Schedule of Adjustments and Comments for the State Fiscal Year Ended June 30, 2022

During our examination, we identified the following adjustments.

Adjustment #1 – To adjust HCQI expense based on supporting documentation provided by the health plan.

The health plan reported health care quality improvement (HCQI) expense based on costs of activities performed by specific staff members. The health plan submitted a revised salaries and benefits schedule that did not reconcile to the as-submitted MLR. Adjustments are proposed to report the Medicaid managed care portion of salaries and benefits for qualifying HCQI activities based on testing performed on the revised documentation provided by the health plan. The HCQI reporting requirements are addressed in Medicaid Managed Care Final Rule 42 CFR § 438.8(e)(3).

Proposed Adjustments									
Legacy Population Expansion Population									
		Mental	Substance	Mental	Substance				
Line #	Line Description	Health	Abuse	Health	Abuse				
1.2	Quality Improvement	\$26,356	\$4,243	\$10,998	\$7,638				

Adjustment #2 - To correct a formula error on the as-submitted medical loss ratio template.

The UDHHS MLR Report contains a formula error in the calculation of the Non-Claims Costs. The Non-Claims Cost total is linked to Non-Benefit Expenses. The Non-Benefit Expenses total includes a formula that is linked to the total HCQI line, resulting in HCQI being duplicated in the Non-Claims Costs in the MLR Report. An adjustment was proposed to remove reported HCQI from Non-Claims Costs. The Non-Claims Costs reporting requirements are addressed in the Medicaid Managed Care Final Rule 42 CFR § 438.8(e)(2).

Proposed Adjustments								
Legacy Population Expansion Population								
Line # Line Description		Mental Health	Substance Abuse	Mental Health	Substance Abuse			
1.4	Non-Claims Costs (Not Included in Numerator)	(\$15,319)	(\$2,409)	(\$6,410)	(\$4,196)			

MYERS AND STAUFFER www.myersandstauffer.com | page 7