



May 22, 2023

Utah Department of Health and Human Services
David Meadows, Auditor
288 North 1460 West
Salt Lake City, UT 84116

Mr. Meadows,

Enclosed is the amended independent accountant's report on the Adjusted Medical Loss Ratio (MLR) of Bear River Mental Health Prepaid Mental Health Plan for the state fiscal year ended June 30, 2021. As you are aware, we have updated the 3-2-1 administrative fee in the MLR calculation to only be included in the Medicaid Legacy population based on information provided by the Utah Department of Health and Human Services.

Please destroy all copies of the previously issued report(s) dated August 5, 2022. Please share the amended report with all parties previously receiving a copy of the original report and ask them to destroy all original report copies.

If you have any questions, do not hesitate to contact us.

Sincerely,

Myers and Stauffer LC



BEAR RIVER MENTAL HEALTH
Legacy and Expansion Populations
Medicaid Managed Care Programs
Report on Adjusted Medical Loss Ratio
With Independent Accountant's Report Thereon

For the State Fiscal Year Ended June 30, 2021
Paid through September 30, 2021



**MYERS AND
STAUFFER** L.C.
CERTIFIED PUBLIC ACCOUNTANTS



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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 Bear River Mental (health plan) Prepaid Mental Health Plan for the state fiscal year ended June 30, 2021. 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 legacy and expansion populations meet or exceed the Centers for Medicare & Medicaid Services (CMS) requirement of eighty-five percent (85%) for the state fiscal year ended June 30, 2021.

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
August 5, 2022



**BEAR RIVER MENTAL HEALTH
ADJUSTED MEDICAL LOSS RATIO
LEGACY POPULATION**

Adjusted Mental Health Medical Loss Ratio for the State Fiscal Year Ended June 30, 2021 Paid Through September 30, 2021

Adjusted Mental Health Medical Loss Ratio for the State Fiscal Year Ended June 30, 2021 Paid Through September 30, 2021 Legacy Population				
Line #	Line Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
1. Numerator				
1.1	Incurred Claims	\$ 8,839,720	\$ 2,283	\$ 8,842,003
1.2	Quality Improvement	\$ 31,114	\$ (2,730)	\$ 28,384
1.3	Total Numerator [Incurred Claims + Quality Improvement]	\$ 8,870,834	\$ (447)	\$ 8,870,387
2. Denominator				
2.1	Premium Revenue	\$ 10,501,118	\$ -	\$ 10,501,118
2.2	Taxes and Fees	\$ 201,581	\$ (9,898)	\$ 191,683
2.3	Total Denominator [Premium Revenue - Taxes and Fees]	\$ 10,299,537	\$ 9,898	\$ 10,309,435
3. Credibility Adjustment				
3.1	Member Months	210,766	-	210,766
3.2	Credibility	Partially Credible		Partially Credible
3.3	Credibility Adjustment	1.50%	0.0%	1.5%
4. MLR Calculation				
4.1	Unadjusted MLR [Total Numerator / Total Denominator]	86.10%	-0.1%	86.0%
4.2	Credibility Adjustment	1.50%	0.0%	1.5%
4.3	Adjusted MLR [Unadjusted MLR + Credibility Adjustment]	87.60%	-0.1%	87.5%
5. Remittance Calculation				
5.1	Is Plan Membership Above the Minimum Credibility Value?	Yes		Yes
5.2	MLR Standard	85.00%		85.0%
5.3	Adjusted MLR			87.5%
5.4	Meets MLR Standard	Yes		Yes



BEAR RIVER MENTAL HEALTH
ADJUSTED MEDICAL LOSS RATIO
EXPANSION POPULATION

Adjusted Mental Health Medical Loss Ratio for the State Fiscal Year Ended June 30, 2021 Paid Through September 30, 2021

Adjusted Mental Health Medical Loss Ratio for the State Fiscal Year Ended June 30, 2021 Paid Through September 30, 2021 Expansion Population						
Line #	Line Description	Reported Amounts	Adjustment Amounts	Preliminary Adjusted Amounts	Risk Corridor Cost Settlement	Adjusted Amounts
1. Numerator						
1.1	Incurred Claims	\$ 2,331,050	\$ 8,670	\$ 2,339,719		\$ 2,339,719
1.2	Quality Improvement	\$ 7,690	\$ (675)	\$ 7,015		\$ 7,015
1.3	Total Numerator [Incurred Claims + Quality Improvement]	\$ 2,338,740	\$ 7,995	\$ 2,346,734		\$ 2,346,734
2. Denominator						
2.1	Premium Revenue	\$ 2,595,519	\$ -	\$ 2,595,519	\$ 91,667	\$ 2,687,186
2.2	Taxes and Fees	\$ 22,837	\$ (2,004)	\$ 20,833		\$ 20,833
2.3	Total Denominator [Premium Revenue - Taxes and Fees]	\$ 2,572,682	\$ 2,004	\$ 2,574,686	\$ 91,667	\$ 2,666,353
3. Credibility Adjustment						
3.1	Member Months	46,099	-	46,099		46,099
3.2	Credibility	Partially Credible		Partially Credible		Partially Credible
3.3	Credibility Adjustment	3.00%	0.0%	3.0%		3.0%
4. MLR Calculation						
4.1	Unadjusted MLR [Total Numerator / Total Denominator]	90.90%	0.2%	91.1%	-3.1%	88.0%
4.2	Credibility Adjustment	3.00%	0.0%	3.0%		3.0%
4.3	Adjusted MLR [Unadjusted MLR + Credibility Adjustment]	93.90%	0.2%	94.1%	-3.1%	91.0%
5. Remittance Calculation						
5.1	Is Plan Membership Above the Minimum Credibility Value?	Yes		Yes		Yes
5.2	MLR Standard	85.00%		85.0%		85.0%
5.3	Adjusted MLR Prior to Risk Corridor Cost Settlement	93.90%		94.1%		94.1%
5.4	Risk Corridor Cost Settlement Due to Health Plan				\$ 91,667	\$ 91,667
5.5	Adjusted MLR					91.0%
5.6	Meets MLR Standard	Yes		Yes		Yes

Note: The Reported Amounts within MLR calculations on line 1.3 contain variances due to rounding.



Schedule of Report Disclosures

Note #1 – MLR reporting period does not align with the rating period.

The Utah Department of Health and Human Services (UDHHS) had an 18-month rating period of January 1, 2020 through June 30, 2021 for the Expansion population. The MLR Report was developed by the UDHHS to capture data for the MLR reporting period of July 1, 2020 through June 30, 2021. Per 42 CFR § 438.8, the MLR reporting year should be a period of 12 months consistent with the rating period selected by the state. For purposes of this engagement, the 12-month MLR reporting period was examined.



Schedule of Adjustments and Comments for the State Fiscal Year Ended June 30, 2021

During our examination, we identified the following adjustments.

Adjustment #1 – To adjust incurred claims cost based on adjustments made to the PMHP financial report.

The health plan's incurred claims cost was reported based on the claims cost included in the PMHP financial report. After performing verification procedures on the PMHP report, adjustments were made to the financial report for the following items:

- To remove non-allowable advertising expense from Schedule 4.
- To include omitted procedure codes and correct formulas related to the omitted procedure codes on Schedule 6.
- To adjust group service and transportation direct hours to recalculated amounts on Schedules 5 and 6.
- To adjust Medicaid crossover third party liability payments on Schedule 2B to supporting documentation on Schedule 2B.
- To reconcile inpatient days to supporting documentation on Schedule 4A.

These adjustments to the PMHP report impact the incurred claims cost reported on the MLR. The incurred claims reporting requirements are addressed in the Medicaid Managed Care Final Rule 42 CFR § 438.8(e)(2).

Proposed Adjustments			
		Mental Health	
Line #	Line Description	Legacy Amount	Expansion Amount
1.1	Incurred Claims	\$2,283	\$8,670

Adjustment #2 – To remove non-Medicaid share of reported HCQI expenses.

The health plan reported health care quality improvement (HCQI) expenses based on costs of activities performed by specific staff members. Based on the supporting documentation, reported costs qualify as allowable HCQI costs. However, total HCQI costs are included in the MLR rather than only the portion related to the Medicaid line of business. An adjustment was proposed to remove the non-Medicaid share of total HCQI expenses. The HCQI reporting requirements are addressed in the Medicaid Managed Care Final Rule 42 CFR § 438.8(e)(3).



SCHEDULE OF ADJUSTMENTS AND COMMENTS

Proposed Adjustments			
Mental Health			
Line #	Line Description	Legacy Amount	Expansion Amount
1.2	Quality Improvement	(\$2,730)	(\$675)

Adjustment #3 – To adjust examination fees, state premium taxes, local taxes and assessments to state reported amounts.

The health plan reported an administrative fee, deemed to qualify as a state assessment by UDHHS, which included expense not applicable to the Medicaid managed care line of business. An adjustment was proposed to remove the portion of the fee applicable to the Medicaid fee-for-service population. The qualifying tax reporting requirements are addressed in the Medicaid Managed Care Final Rule 42 CFR § 438.8(f)(3).

Proposed Adjustments			
Mental Health			
Line #	Line Description	Legacy Amount	Expansion Amount
2.2	Taxes and Fees	(\$1,791)	\$0

Adjustment #4 – To remove non-Medicaid share of reported CBE expenses.

The health plan reported community benefit expenditures (CBE) related to the costs incurred net of revenues received for client meals, semi-independent housing, and group home room and board. Based on the supporting documentation, reported costs qualify as allowable CBE costs. However, total CBE costs are included in the MLR rather than only the portion related to the Medicaid line of business. An adjustment was proposed to remove the non-Medicaid share of total CBE expenses. The CBE reporting requirements are addressed in the Medicaid Managed Care Final Rule 42 CFR § 438.8(f)(3) and 45 CFR § 158.162(c).

Proposed Adjustments			
Mental Health			
Line #	Line Description	Legacy Amount	Expansion Amount
2.2	Taxes and Fees	(\$8,107)	(\$2,004)