



May 19, 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 Central Counseling Center 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 November 22, 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

The background features a blurred image of a person's face and hands, overlaid with a green geometric pattern of lines and hexagons. Various medical icons are scattered throughout, including a syringe, a pill, a stethoscope, a microscope, a virus, and a group of people. A large green cross is centered over the person's face.

CENTRAL UTAH COUNSELING CENTER
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** LC
CERTIFIED PUBLIC ACCOUNTANTS



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, 2021 Paid Through September 30, 2021.....	4
■ Substance Abuse Legacy Adjusted Medical Loss Ratio for the State Fiscal Year Ended June 30, 2021 Paid Through September 30, 2021.....	5
■ Mental Health Expansion Adjusted Medical Loss Ratio for the State Fiscal Year Ended June 30, 2021 Paid Through September 30, 2021.....	6
■ Substance Abuse Expansion Adjusted Medical Loss Ratio for the State Fiscal Year Ended June 30, 2021 Paid Through September 30, 2021.....	7
■ Schedule of Report Disclosures.....	8
■ Schedule of Adjustments and Comments for the State Fiscal Year Ended June 30, 2021.....	9



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 Central Utah Counseling Center (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 substance abuse legacy, and the mental health and substance abuse 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; however, the Adjusted Medical Loss Ratio for the mental health legacy population does not meet the requirement 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
November 22, 2022



CENTRAL UTAH COUNSELING CENTER
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	\$ 3,597,198	\$ (40,636)	\$ 3,556,562
1.2	Quality Improvement	\$ 197,617	\$ (127,836)	\$ 69,781
1.3	Total Numerator [Incurred Claims + Quality Improvement]	\$ 3,794,815	\$ (168,472)	\$ 3,626,343
2. Denominator				
2.1	Premium Revenue	\$ 4,686,388	\$ -	\$ 4,686,388
2.2	Taxes and Fees	\$ 126,902	\$ (12,833)	\$ 114,069
2.3	Total Denominator [Premium Revenue - Taxes and Fees]	\$ 4,559,485	\$ 12,833	\$ 4,572,319
3. Credibility Adjustment				
3.1	Member Months	120,071	-	120,071
3.2	Credibility	Partially Credible		Partially Credible
3.3	Credibility Adjustment	1.9%	0.0%	1.9%
4. MLR Calculation				
4.1	Unadjusted MLR [Total Numerator / Total Denominator]	83.2%	-3.9%	79.3%
4.2	Credibility Adjustment	1.9%	0.0%	1.9%
4.3	Adjusted MLR [Unadjusted MLR + Credibility Adjustment]	85.1%	-4.0%	81.2%
5. Remittance Calculation				
5.1	Is Plan Membership Above the Minimum Credibility Value?	Yes		Yes
5.2	MLR Standard	85.0%		85.0%
5.3	Adjusted MLR			81.2%
5.4	Meets MLR Standard	Yes		No

Note: The Reported Amounts within MLR calculations on line 2.3 contain variances due to rounding.



CENTRAL UTAH COUNSELING CENTER
ADJUSTED MEDICAL LOSS RATIO
LEGACY POPULATION

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

Adjusted Substance Abuse 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	\$ 372,787	\$ (61,491)	\$ 311,296
1.2	Quality Improvement	\$ 15,220	\$ (9,845)	\$ 5,375
1.3	Total Numerator [Incurred Claims + Quality Improvement]	\$ 388,006	\$ (71,336)	\$ 316,670
2. Denominator				
2.1	Premium Revenue	\$ 360,924	\$ -	\$ 360,924
2.2	Taxes and Fees	\$ 10,854	\$ 6,342	\$ 17,196
2.3	Total Denominator [Premium Revenue - Taxes and Fees]	\$ 350,070	\$ (6,342)	\$ 343,728
3. Credibility Adjustment				
3.1	Member Months	120,071	-	120,071
3.2	Credibility	Partially Credible		Partially Credible
3.3	Credibility Adjustment	1.9%	0.0%	1.9%
4. MLR Calculation				
4.1	Unadjusted MLR [Total Numerator / Total Denominator]	110.8%	-18.7%	92.1%
4.2	Credibility Adjustment	1.9%	0.0%	1.9%
4.3	Adjusted MLR [Unadjusted MLR + Credibility Adjustment]	112.7%	-18.8%	94.0%
5. Remittance Calculation				
5.1	Is Plan Membership Above the Minimum Credibility Value?	Yes		Yes
5.2	MLR Standard	85.0%		85.0%
5.3	Adjusted MLR			94.0%
5.4	Meets MLR Standard	Yes		Yes

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



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	\$ 958,202	\$ 21,569	\$ 979,771		\$ 979,771
1.2	Quality Improvement	\$ 46,161	\$ (29,861)	\$ 16,300		\$ 16,300
1.3	Total Numerator [Incurred Claims + Quality Improvement]	\$ 1,004,363	\$ (8,292)	\$ 996,071		\$ 996,071
2. Denominator						
2.1	Premium Revenue	\$ 1,094,680	\$ -	\$ 1,094,680	\$ 64,763	\$ 1,159,443
2.2	Taxes and Fees	\$ -	\$ 16,289	\$ 16,289		\$ 16,289
2.3	Total Denominator [Premium Revenue - Taxes and Fees]	\$ 1,094,680	\$ (16,289)	\$ 1,078,391	\$ 64,763	\$ 1,143,154
3. Credibility Adjustment						
3.1	Member Months	26,915	-	26,915		26,915
3.2	Credibility	Partially Credible		Partially Credible		Partially Credible
3.3	Credibility Adjustment	3.9%	0.0%	3.9%		3.9%
4. MLR Calculation						
4.1	Unadjusted MLR [Total Numerator / Total Denominator]	91.8%	0.7%	92.4%	-5.3%	87.1%
4.2	Credibility Adjustment	3.9%	0.0%	3.9%		3.9%
4.3	Adjusted MLR [Unadjusted MLR + Credibility Adjustment]	95.7%	0.6%	96.3%	-5.3%	91.0%
5. Remittance Calculation						
5.1	Is Plan Membership Above the Minimum Credibility Value?	Yes		Yes		Yes
5.2	MLR Standard	85.0%		85.0%		85.0%
5.3	Adjusted MLR Prior to Risk Corridor Cost Settlement	95.7%		96.3%		96.3%
5.4	Risk Corridor Cost Settlement Due to Health Plan				\$ 64,763	\$ 64,763
5.5	Adjusted MLR					91.0%
5.6	Meets MLR Standard	Yes		Yes		Yes



CENTRAL UTAH COUNSELING CENTER
ADJUSTED MEDICAL LOSS RATIO
EXPANSION POPULATION

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

Adjusted Substance Abuse 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	\$ 525,586	\$ (56,395)	\$ 469,191		\$ 469,191
1.2	Quality Improvement	\$ 19,400	\$ (12,549)	\$ 6,851		\$ 6,851
1.3	Total Numerator [Incurred Claims + Quality Improvement]	\$ 544,986	\$ (68,944)	\$ 476,042		\$ 476,042
2. Denominator						
2.1	Premium Revenue	\$ 460,056	\$ -	\$ 460,056	\$ 95,224	\$ 555,280
2.2	Taxes and Fees	\$ -	\$ 8,944	\$ 8,944		\$ 8,944
2.3	Total Denominator [Premium Revenue - Taxes and Fees]	\$ 460,056	\$ (8,944)	\$ 451,112	\$ 95,224	\$ 546,336
3. Credibility Adjustment						
3.1	Member Months	26,915	-	26,915		26,915
3.2	Credibility	Partially Credible		Partially Credible		Partially Credible
3.3	Credibility Adjustment	3.9%	0.0%	3.9%		3.9%
4. MLR Calculation						
4.1	Unadjusted MLR [Total Numerator / Total Denominator]	118.5%	-13.0%	105.5%	-18.4%	87.1%
4.2	Credibility Adjustment	3.9%	0.0%	3.9%		3.9%
4.3	Adjusted MLR [Unadjusted MLR + Credibility Adjustment]	122.3%	-13.0%	109.4%	-18.4%	91.0%
5. Remittance Calculation						
5.1	Is Plan Membership Above the Minimum Credibility Value?	Yes		Yes		Yes
5.2	MLR Standard	85.0%		85.0%		85.0%
5.3	Adjusted MLR Prior to Risk Corridor Cost Settlement	122.3%		109.4%		109.4%
5.4	Risk Corridor Cost Settlement Due to Health Plan				\$ 95,224	\$ 95,224
5.5	Adjusted MLR					91.0%
5.6	Meets MLR Standard	Yes		Yes		Yes

Note: The Reported Amounts within MLR calculations on line 4.3 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 adjust MLR to reconcile to as-filed PMHP financial report.
- To remove fraud recover costs included on the MLR template that are also captured in the PMHP financial report.
- To remove units from CPT code that does not have cost on Schedule 4.
- To include allocation statistic for transportation cost on Schedule 4.
- To correct allocation formulas on Schedule 3MH.
- To reconcile employee hours on Schedule 6 to supporting documentation.
- To reconcile TPL amounts on Schedule 2BMH and 2BSA to supporting documentation.
- To remove inpatient claims outside of the review period.

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					
		Legacy		Expansion	
Line #	Line Description	Mental Health Amount	Substance Abuse Amount	Mental Health Amount	Substance Abuse Amount
1.1	Incurred Claims	(\$40,636)	(\$61,491)	\$21,569	(\$56,395)

Adjustment #2 – To adjust HCQI expense based on supporting documentation.

The health plan reported health care quality improvement (HCQI) expenses based on costs of activities performed by specific staff members and for client meals. Some of the costs claimed do not qualify as HCQI costs based on current guidance, including client meals cost. Additionally, the full amount of HCQI cost is included as Medicaid cost on the MLR Report. An adjustment was proposed to reclassify client meals costs from HCQI to CBE, to remove non-qualifying HCQI



SCHEDULE OF ADJUSTMENTS AND COMMENTS

expenses, and to remove the non-Medicaid share of the HCQI expenses. The HCQI reporting requirements are addressed in the Medicaid Managed Care Final Rule 42 CFR § 438.8(e)(3).

Proposed Adjustments					
		Legacy		Expansion	
Line #	Line Description	Mental Health Amount	Substance Abuse Amount	Mental Health Amount	Substance Abuse Amount
1.2	Quality Improvement	(\$127,836)	(\$9,845)	(\$29,861)	(\$12,549)

Adjustment #3 – To adjust to include qualifying CBE expenses.

The health plan reported community benefit expenditures (CBE) related to the costs incurred for client non-covered housing. Based on the supporting documentation, the reported CBE costs qualify as allowable costs per CMS guidance. Client meals were incorrectly included in HCQI costs, and the centerwide portion of costs associated with client meals and non-covered housing were not included. Additionally, revenues received for non-covered housing were not offset, and allowable costs were not apportioned to Medicaid. Lastly, all CBE costs were claimed as mental health legacy costs. An adjustment was proposed to reclassify client meals costs inclusive of centerwide allocations from HCQI to CBE; to include non-covered housing centerwide costs; to offset revenues against qualifying CBE costs; to allocate net allowable costs among all populations; and to remove the non-Medicaid share of the remaining allowable CBE expense from the MLR Report. 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					
		Legacy		Expansion	
Line #	Line Description	Mental Health Amount	Substance Abuse Amount	Mental Health Amount	Substance Abuse Amount
2.2	Taxes and Fees	(\$12,833)	\$6,342	\$16,289	\$8,944