



May 24, 2024

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 Weber Human Services Prepaid Mental Health Plan for the state fiscal year ending June 30, 2021. As you are aware, we have updated the MLR report to reflect expenses based on the health plan's audited financial statements, which were restated to reclassify the GASB 68 Pension Adjustment from operating expense to non-operating expense.

Please destroy all copies of the previously issued report(s) dated November 23, 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



WEBER HUMAN SERVICES
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 Ending 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 of Weber Human Service (the plan) Prepaid Mental Health Plan for the state fiscal year ending June 30, 2021. The health plan's management is responsible for presenting 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 Ratio. Our responsibility is to express an opinion on the Adjusted Medical Loss Ratio 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 is in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the Adjusted Medical Loss Ratio. 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 Ratio, 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 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 above referenced criteria, in all material respects, and the Adjusted Medical Loss Ratio Percentage Achieved for the mental health legacy population does not meet the Centers for Medicare & Medicaid Services (CMS) requirement of eighty-five percent (85%); however, the Adjusted Medical Loss Ratio for the substance abuse legacy population meets the requirement of eighty-five percent (85%) for the state fiscal year ending June 30, 2021.

Based on Weber Human Services' insufficient claims experience for the expansion population, it is classified by the Centers for Medicare & Medicaid Services (CMS) as a non-credible health plan for the expansion population for the period under examination. Therefore, in accordance with 42 Code of Federal Regulations § 438.8 (h), it is presumed that the expansion population meets or exceeds the MLR standard of eighty-five percent (85%).

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 23, 2022



WEBER HUMAN SERVICES
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	\$ 9,649,374	\$ (31,314)	\$ 9,618,060
1.2	Quality Improvement	\$ 2,345,600	\$ (2,345,600)	\$ -
1.3	Total Numerator [Incurred Claims + Quality Improvement]	\$ 11,994,974	\$ (2,376,914)	\$ 9,618,061
2. Denominator				
2.1	Premium Revenue	\$ 15,822,352	\$ 374,536	\$ 16,196,888
2.2	Taxes and Fees	\$ 240,547	\$ (16,928)	\$ 223,619
2.3	Total Denominator [Premium Revenue - Taxes and Fees]	\$ 15,581,804	\$ 391,464	\$ 15,973,269
3. Credibility Adjustment				
3.1	Member Months	342,099	182	342,281
3.2	Credibility	Partially Credible		Partially Credible
3.3	Credibility Adjustment	1.10%	0.0%	1.1%
4. MLR Calculation				
4.1	Unadjusted MLR [Total Numerator / Total Denominator]	76.98%	-16.8%	60.2%
4.2	Credibility Adjustment	1.10%	0.0%	1.1%
4.3	Adjusted MLR [Unadjusted MLR + Credibility Adjustment]	78.08%	-16.8%	61.3%
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			61.3%
5.4	Meets MLR Standard	No		No

Note: The Reported Amount within the MLR calculation on lines 1.3 and 2.3 contain a variance due to rounding.



WEBER HUMAN SERVICES
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	\$ 1,322,724	\$ (79,156)	\$ 1,243,568
1.2	Quality Improvement	\$ 289,191	\$ (289,191)	\$ -
1.3	Total Numerator [Incurred Claims + Quality Improvement]	\$ 1,611,916	\$ (368,347)	\$ 1,243,568
2. Denominator				
2.1	Premium Revenue	\$ 1,447,782	\$ (368,268)	\$ 1,079,514
2.2	Taxes and Fees	\$ -	\$ 35,167	\$ 35,167
2.3	Total Denominator [Premium Revenue - Taxes and Fees]	\$ 1,447,782	\$ (403,435)	\$ 1,044,347
3. Credibility Adjustment				
3.1	Member Months	342,099	(6,594)	335,505
3.2	Credibility	Partially Credible		Partially Credible
3.3	Credibility Adjustment	1.10%	0.0%	1.1%
4. MLR Calculation				
4.1	Unadjusted MLR [Total Numerator / Total Denominator]	111.34%	7.8%	119.1%
4.2	Credibility Adjustment	1.10%	0.0%	1.1%
4.3	Adjusted MLR [Unadjusted MLR + Credibility Adjustment]	112.44%	7.8%	120.2%
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			120.2%
5.4	Meets MLR Standard	Yes		Yes

Note: The Reported Amount within MLR calculation on line 1.3 contains a variance due to rounding.



WEBER HUMAN SERVICES
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	Incurring Claims	\$ 32,087	\$ 20,899	\$ 52,986		\$ 52,986
1.2	Quality Improvement	\$ 6,890	\$ (6,890)	\$ -		\$ -
1.3	Total Numerator [Incurring Claims + Quality Improvement]	\$ 38,976	\$ 14,009	\$ 52,985		\$ 52,985
2. Denominator						
2.1	Premium Revenue	\$ -	\$ 61,245	\$ 61,245	\$ -	\$ 61,245
2.2	Taxes and Fees	\$ -	\$ 428	\$ 428		\$ 428
2.3	Total Denominator [Premium Revenue - Taxes and Fees]	\$ -	\$ 60,817	\$ 60,817	\$ -	\$ 60,817
3. Credibility Adjustment						
3.1	Member Months	1,331	(6)	1,325		1,325
3.2	Credibility	Non-Credible		Non-Credible		Non-Credible
3.3	Credibility Adjustment	Non-Credible	Non-Credible	Non-Credible		Non-Credible
4. MLR Calculation						
4.1	Unadjusted MLR [Total Numerator / Total Denominator]	0.00%	87.1%	87.1%	0.0%	87.1%
4.2	Credibility Adjustment	Non-Credible	Non-Credible	Non-Credible		Non-Credible
4.3	Adjusted MLR [Unadjusted MLR + Credibility Adjustment]	N/A	N/A	N/A	0.0%	N/A
5. Remittance Calculation						
5.1	Is Plan Membership Above the Minimum Credibility Value?	No		No		No
5.2	MLR Standard	85.00%		85.0%		85.0%
5.3	Adjusted MLR Prior to Risk Corridor Cost Settlement	N/A		N/A		N/A
5.4	Risk Corridor Cost Settlement Due to Department				\$ -	\$ -
5.5	Adjusted MLR					N/A
5.6	Meets MLR Standard	Yes		Yes		Yes



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	\$ 3,120	\$ 19,201	\$ 22,322		\$ 22,322
1.2	Quality Improvement	\$ 660	\$ (660)	\$ -		\$ -
1.3	Total Numerator [Incurred Claims + Quality Improvement]	\$ 3,781	\$ 18,541	\$ 22,322		\$ 22,322
2. Denominator						
2.1	Premium Revenue	\$ -	\$ 22,441	\$ 22,441	\$ 2,262	\$ 24,703
2.2	Taxes and Fees	\$ -	\$ 173	\$ 173		\$ 173
2.3	Total Denominator [Premium Revenue - Taxes and Fees]	\$ -	\$ 22,268	\$ 22,268	\$ 2,262	\$ 24,530
3. Credibility Adjustment						
3.1	Member Months	1,331	(6)	1,325		1,325
3.2	Credibility	Non-Credible		Non-Credible		Non-Credible
3.3	Credibility Adjustment	Non-Credible	Non-Credible	Non-Credible		Non-Credible
4. MLR Calculation						
4.1	Unadjusted MLR [Total Numerator / Total Denominator]	0.00%	100.2%	100.2%	-9.2%	91.0%
4.2	Credibility Adjustment	Non-Credible	Non-Credible	Non-Credible		Non-Credible
4.3	Adjusted MLR [Unadjusted MLR + Credibility Adjustment]	N/A	N/A	N/A	-9.2%	N/A
5. Remittance Calculation						
5.1	Is Plan Membership Above the Minimum Credibility Value?	No		No		No
5.2	MLR Standard	85.00%		85.0%		85.0%
5.3	Adjusted MLR Prior to Risk Corridor Cost Settlement	N/A		N/A		N/A
5.4	Risk Corridor Cost Settlement Due to Health Plan				\$ 2,262	\$ 2,262
5.5	Adjusted MLR					N/A
5.6	Meets MLR Standard	Yes		Yes		Yes

Note: The Reported Amount within MLR calculation on line 1.3 contains a variance 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 twelve-month MLR reporting period was examined.



Schedule of Adjustments and Comments for the State Fiscal Year Ending 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 cost 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 correct cost allocations and formula errors identified on Schedule 5.
- To correct supportive living cost assignment on the Schedule 5.
- To adjust administrative direct hours to health plan support.
- To adjust units to state data.
- To adjust inpatient days and cost to health plan support and remove claims outside of the cost report period.
- To remove unsupported hour allocations on the Schedule 6.

These adjustments to the PMHP report then impacted the incurred claims cost reported on the MLR report. The incurred claims reported 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	(\$31,314)	(\$79,156)	\$20,899	\$19,201

Adjustment #2 – To remove health care quality improvement expenses that do not qualify or that were otherwise being reported as incurred claims.

The health plan reported health care quality improvement (HCQI) expenses from various areas of their financial statements. HCQI eligible activities supporting these costs were requested to support the expenses based on the health plans records. The health plan did not provide support for these



SCHEDULE OF ADJUSTMENTS AND COMMENTS

costs. Additionally, the largest portion of these costs was already being included on the cost report as incurred claims. Therefore, an adjustment was proposed to remove the HCQI expenses from the MLR Report. 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	(\$2,345,600)	(\$289,191)	(\$6,890)	(\$660)

Adjustment #3 – To adjust capitation revenues per state data.

The health plan reported revenue amounts that did not reflect all payments received for its members applicable to the covered dates of service for the MLR reporting period. An adjustment was proposed to report the revenues per the state data. The revenue reporting requirements are addressed in the Medicaid Managed Care Final Rule 42 CFR § 438.8(f)(2).

Proposed Adjustments					
Legacy				Expansion	
Line #	Line Description	Mental Health Amount	Substance Abuse Amount	Mental Health Amount	Substance Abuse Amount
2.1	Premium Revenue	\$374,536	(\$368,268)	\$61,245	\$22,441

Adjustment #4 – To adjust CBE per supporting documentation.

The health plan reported community benefit expenditures (CBE) related to a medical clinic for mental health clients, transportation, and the community outreach team. An adjustment was proposed to apply the mental health and substance abuse capitated percentage to allowable CBE and to allocate CBE to each population by percent of incurred claims to total. 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).



SCHEDULE OF ADJUSTMENTS AND COMMENTS

Proposed Adjustments					
Legacy			Expansion		
Line #	Line Description	Mental Health Amount	Substance Abuse Amount	Mental Health Amount	Substance Abuse Amount
2.2	Taxes and Fees	(\$158,640)	\$10,306	\$428	\$179

Adjustment #5 – To adjust member months per state data.

An adjustment was proposed to report the member months per the state data. The member month reporting requirements are addressed in the Medicaid Managed Care Final Rule 42 CFR § 438.8(k)(1)(xiii).

Proposed Adjustments					
Legacy			Expansion		
Line #	Line Description	Mental Health Amount	Substance Abuse Amount	Mental Health Amount	Substance Abuse Amount
3.1	Member Months	182	(6,594)	(6)	(6)

Adjustment #6 - To allocate examination fees, state premium taxes, local taxes and assessments to state reported amounts.

The health plan did not report an administrative fee, deemed to qualify as a state assessment by UDHHS, on its MLR. An adjustment was proposed to include the Medicaid managed care portion of the fee. The qualifying tax reporting requirements are addressed in the Medicaid Managed Care Final Rule 42 CFR § 438.8(f)(3).

Proposed Adjustments					
Legacy			Expansion		
Line #	Line Description	Mental Health Amount	Substance Abuse Amount	Mental Health Amount	Substance Abuse Amount
2.2	Taxes and Fees	\$141,712	\$24,861	\$0	\$0