

The background features a blurred image of a person's face and hands, overlaid with a green geometric pattern of lines and various medical icons such as a syringe, a pill, a stethoscope, and a group of people. A large white cross is centered over the person's face. The right side of the page is a dark grey diagonal band containing the title and other text.

WEBER HUMAN SERVICES
Expansion Population
Medicaid Managed Care Programs

Report on Adjusted Medical Loss Ratio
With Independent Accountant's Report Thereon

For the Six-Month Period Ended June 30, 2020
Paid through September 30, 2020



**MYERS AND
STAUFFER**_{LC}
CERTIFIED PUBLIC ACCOUNTANTS



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State of Utah
Department of Health, Division of Medicaid and Health Financing
Salt Lake City, Utah

Independent Accountant's Report

We have examined the accompanying Adjusted Medical Loss Ratio of Weber Human Services Prepaid Mental Health Plan for the six-month period ended June 30, 2020. Weber Human Services' 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.

The accompanying Adjusted Medical Loss Ratio was 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, except for the effect of the item addressed in the Schedule of Reporting Caveats, the above referenced accompanying Adjusted Medical Loss Ratio is presented in accordance with the above referenced criteria, in all material respects. Based on Weber Human Services' insufficient claims experience, it is classified by the Centers for Medicare & Medicaid Services (CMS) as a non-credible health plan for the period under examination. Therefore, in accordance with 42 Code of Federal Regulations § 438.8 (h), it is presumed to meet or exceed the MLR standard of eighty-five percent (85%) for the six-month period ended June 30, 2020.

This report is intended solely for the information and use of the Department of Health, Milliman, and Weber Human Services 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 16, 2022



WEBER HUMAN SERVICES
ADJUSTED MEDICAL LOSS RATIO
EXPANSION POPULATION

Adjusted Mental Health Medical Loss Ratio for the Six-Month Period Ended June 30, 2020 Paid Through September 30, 2020

Adjusted Mental Health Medical Loss Ratio for the Six-Month Period Ended June 30, 2020 Paid Through September 30, 2020 Expansion Population						
Line #	Line Description	Reported Amounts	Adjustment Amounts	Preliminary Adjusted Amounts	Risk Corridor Cost Settlement Amount	Adjusted Amounts
1. Numerator						
1.1	Incurred Claims	\$ 17,229	\$ -	\$ 17,229		\$ 17,229
1.2	Quality Improvement	\$ -	\$ -	\$ -		\$ -
1.3	Total Numerator [Incurred Claims + Quality Improvement]	\$ 17,229	\$ -	\$ 17,229		\$ 17,229
2. Denominator						
2.1	Premium Revenue	\$ 20,571	\$ 405	\$ 20,976	\$ -	\$ 20,976
2.2	Taxes and Fees	\$ -	\$ 288	\$ 288		\$ 288
2.3	Total Denominator [Premium Revenue - Taxes and Fees]	\$ 20,571	\$ 117	\$ 20,688	\$ -	\$ 20,688
3. Credibility Adjustment						
3.1	Member Months	448	-	448		\$ 448
3.1a	Annualized Member Months	896	-	896		\$ 896
3.2	Credibility	Non-Credible		Non-Credible		Non-Credible
3.3	Credibility Adjustment	Non-Credible		Non-Credible		Non-Credible
4. MLR Calculation						
4.1	Unadjusted MLR [Total Numerator / Total Denominator]	83.75%	-0.5%	83.3%	0.0%	83.3%
4.2	Credibility Adjustment	Non-Credible	0.0%	Non-Credible		Non-Credible
4.3	Adjusted MLR [Unadjusted MLR + Credibility Adjustment]	N/A	-0.5%	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



WEBER HUMAN SERVICES
ADJUSTED MEDICAL LOSS RATIO
EXPANSION POPULATION

Adjusted Substance Abuse Medical Loss Ratio for the Six-Month Period Ended June 30, 2020 Paid Through September 30, 2020

Adjusted Substance Abuse Medical Loss Ratio for the Six-Month Period Ended June 30, 2020 Paid Through September 30, 2020						
Expansion Population						
Line #	Line Description	Reported Amounts	Adjustment Amounts	Preliminary Adjusted Amounts	Risk Corridor Cost Settlement Amount	Adjusted Amounts
1. Numerator						
1.1	Incurred Claims	\$ 6,522	\$ (2,756)	\$ 3,766		\$ 3,766
1.2	Quality Improvement	\$ -	\$ -	\$ -		\$ -
1.3	Total Numerator [Incurred Claims + Quality Improvement]	\$ 6,522	\$ (2,756)	\$ 3,766		\$ 3,766
2. Denominator						
2.1	Premium Revenue	\$ 7,535	\$ 145	\$ 7,680	\$ -	\$ 7,680
2.2	Taxes and Fees	\$ -	\$ -	\$ -		\$ -
2.3	Total Denominator [Premium Revenue - Taxes and Fees]	\$ 7,535	\$ 145	\$ 7,680	\$ -	\$ 7,680
3. Credibility Adjustment						
3.1	Member Months	448	-	448		\$ 448
3.1a	Annualized Member Months	896	-	896		\$ 896
3.2	Credibility	Non-Credible		Non-Credible		Non-Credible
3.3	Credibility Adjustment	Non-Credible		Non-Credible		Non-Credible
4. MLR Calculation						
4.1	Unadjusted MLR [Total Numerator / Total Denominator]	86.56%	-37.6%	49.0%	0.0%	49.0%
4.2	Credibility Adjustment	Non-Credible	0.0%	Non-Credible		Non-Credible
4.3	Adjusted MLR [Unadjusted MLR + Credibility Adjustment]	N/A	-37.6%	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



Schedule of Reporting Caveats

During our examination, the following reporting issues were identified.

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

The Department of Health had an 18-month rating period of January 1, 2020 through June 30, 2021. The MLR Report was developed by the Department of Health to capture data for the MLR reporting period of January 1, 2020 through June 30, 2020. 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 six-month MLR reporting period was examined.



Mental Health Schedule of Adjustments and Comments for the Six-Month Period Ended June 30, 2020

During our examination, we identified the following adjustments.

Adjustment #1 – To adjust capitation revenue 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 Adjustment		
Line #	Line Description	Amount
2.1	Premium Revenue	\$405

Adjustment #2 – To adjust CBE per supporting documentation.

The health plan reported community benefit expenditures (CBE) related to a medical clinic for mental health clients, transportation, community outreach team, and advertising. An adjustment was proposed to remove the transportation and advertising expenses from the MLR Report as these are non-covered Medicaid expenses. An adjustment was proposed to apply the mental health capitated percentage to allowable CBE. 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 Adjustment		
Line #	Line Description	Amount
2.2	Taxes and Fees	\$288



Substance Abuse Schedule of Adjustments and Comments for the Six-Month Period Ended June 30, 2020

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 capitated percentages of non-coded state plan services to supporting documentation.
- To adjust reported CPT units to minutes-to-units calculation.
- To adjust Schedule 2BSA to reconcile to supporting documentation.
- To correct Schedule 5 formula errors where all general ledger accounts were not being included, and Basis 1 for each CPT code where not all cost centers were being included.
- To adjust cost center 4 telephone expense to supporting documentation.
- To reconcile retirement liability on cost center 16 to audited financial statements.
- To adjust administrative and non-covered maintenance direct hours to supporting documentation.
- To adjust to revised schedule 6 which impacted cost of all other schedules due to linked Excel workbooks.
- To remove costs related to CPT code H0018 which, per Non-Expansion examination, were picked up under CPT code H0038.

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

Proposed Adjustment		
Line #	Line Description	Amount
1.1	Incurred Claims	\$(2,756)



Adjustment #2 – To adjust capitation revenue 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 Adjustment		
Line #	Line Description	Amount
2.1	Premium Revenue	\$145