

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 virus, a stethoscope, a clipboard, and a group of people. A large green cross is centered over the person's face.

DELTA DENTAL OF IOWA
Dental Wellness Plan
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 December 31, 2021



**MYERS AND
STAUFFER** LC
CERTIFIED PUBLIC ACCOUNTANTS



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State of Iowa
Department of Human Services, Iowa Medicaid Enterprise
Des Moines, Iowa

Independent Accountant's Report

We have examined the Medical Loss Ratio Calculation of Delta Dental of Iowa (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 Calculation 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 other ethical responsibilities in accordance with relevant ethical requirements relating to our engagement.

The accompanying Adjusted Medical Loss Ratio was prepared from information contained in the Medical Loss Ratio Calculation 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, the Adjusted Medical Loss Ratio is presented in accordance with the criteria, in all material respects, and the Adjusted Medical Loss Ratio does not exceed the state requirement of eighty-eight percent (88%) for the state fiscal year ended June 30, 2021.

This report is intended solely for the information and use of the Iowa Medicaid Enterprise, CBIZ Optumas, 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
December 14, 2022



**DELTA DENTAL OF IOWA
ADJUSTED MEDICAL LOSS RATIO
DENTAL WELLNESS PLAN**

Adjusted Medical Loss Ratio for the State Fiscal Year Ended June 30, 2021 Paid Through December 31, 2021

Adjusted Medical Loss Ratio for the State Fiscal Year Ended June 30, 2021 Paid Through December 31, 2021				
Line #	Line Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
Numerator				
1	Adjusted Incurred Claims	\$ 33,153,553	\$ (32,128)	\$ 33,121,425
2	Health Care Quality Improvement Expenses	\$ -	\$ 67,630	\$ 67,630
3	Total Adjusted MLR Numerator	\$ 33,153,553	\$ 35,502	\$ 33,189,055
Denominator				
4	Premium and Other Revenue	\$ 46,389,733	\$ (7,555,255)	\$ 38,834,478
5	Taxes and Fees	\$ -	\$ 424,715	\$ 424,715
6	Total Adjusted MLR Denominator	\$ 46,389,733	\$ (7,979,970)	\$ 38,409,763
MLR Calculation				
7	MLR Percentage Achieved	71.47%	14.9%	86.4%
8	Credibility Adjustment	0.00%	0.0%	0.0%
9	Adjusted MLR Percentage Achieved	71.47%	14.9%	86.4%
MLR Requirement				
10	MLR Requirement	88.00%		88.0%
11	Percentage Below Requirement	16.53%	-14.9%	1.6%
Member Months				
12	Member Months	2,916,316	3,757	2,920,073
Informational Only*				
13	Other Non-Claims Costs	\$ -	\$ -	\$ -

**The "Informational Only" line has not been subjected to the procedures applied in the examination, and accordingly, we express no opinion on it. However, any adjustments identified during the course of the examination procedures directly affecting the "Informational Only" line will be properly reflected within the adjustment totals.*



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 IBNR to supporting documentation

The health plan reported incurred but not reported (IBNR) expense representing less than the incurred claims contained within the health plan's lag table. An adjustment was proposed to increase IBNR to the supporting documentation. The IBNR reporting requirements are addressed in the Medicaid Managed Care Final Rule 42 CFR § 438.8(e)(2).

Proposed Adjustment		
Line #	Line Description	Amount
1	Adjusted Incurred Claims	\$14,443

Adjustment #2 – To adjust incurred claims to supporting documentation

The health plan reported incurred claims amounts that did not reconcile to its lag table for the Medical Loss Ratio (MLR) reporting period. An adjustment was proposed to increase incurred claims to agree with the supporting documentation. The medical expense reporting requirements are addressed in the Medicaid Managed Care Final Rule 42 CFR § 438.8(e)(2).

Proposed Adjustment		
Line #	Line Description	Amount
1	Adjusted Incurred Claims	\$17,253

Adjustment #3 – To adjust HCQI to supporting documentation

The health plan did not report health care quality improvement (HCQI) expenses for the MLR reporting period. The health plan submitted supporting documentation for HCQI expenses subsequent to the filing of the MLR Calculation. The expenses were tested to determine qualifying HCQI expenses based on federal guidance. An adjustment was proposed to reflect qualifying HCQI expenses per supporting documentation. 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 Adjustment		
Line #	Line Description	Amount
2	Health Care Quality Improvement Expenses	\$67,630

Adjustment #4 – To adjust CBE to supporting documentation

The health plan did not report community benefit expenditures (CBE) for the MLR reporting period. The health plan submitted supporting documentation for CBE subsequent to the filing of the MLR Calculation. The expenses were tested to determine qualifying CBE based on federal guidance. An adjustment was proposed to reflect qualifying CBE per supporting documentation. The CBE reporting requirements are addressed in the Medicaid Managed Care Final Rule 42 CFR § 438.8(f)(3).

Proposed Adjustment		
Line #	Line Description	Amount
5	Taxes and Fees	\$281,867

Adjustment #5 – To adjust COVID-19 enhanced dental payments per state data

The health plan reported COVID-19 enhanced dental payments within incurred claims costs. Per state data, the amount reported for enhanced payments was overstated. An adjustment was proposed to report the amount per state data. The medical expense reporting requirements are addressed in the Medicaid Managed Care Final Rule 42 CFR § 438.8(e)(2).

Proposed Adjustment		
Line #	Line Description	Amount
1	Adjusted Incurred Claims	(\$63,824)

Adjustment #6 – To adjust revenues per state data

The health plan reported revenue amounts that did not reflect 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 state data for capitation payments, Health Insurer Fee (HIF) payments, and withhold payments. 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
4	Premium and Other Revenue	\$171,486



Adjustment #7 – To adjust the risk corridor per state data

A risk corridor was contractually in effect for the MLR reporting period. The risk corridor calculation occurred subsequent to the filing of the MLR Calculation and was not reported by the health plan. All applicable MLR examination adjustments are reflected within the final risk corridor calculation. An adjustment was proposed to report the revenues per state data for the risk corridor recoupment. 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
4	Premium and Other Revenue	(\$7,726,741)

Adjustment #8 – To adjust the HIF expense per state data

The health plan did not report the HIF expense for the MLR reporting period. An adjustment was proposed to include HIF expense to reflect state data amounts. The associated HIF revenues were included within Adjustment #6 and adjusted to state data. The taxes and fees reporting requirements are addressed in the Medicaid Managed Care Final Rule 42 CFR § 438.8(f)(3) and the CMS Health Insurance Providers Fee for Medicaid Managed Care Plans FAQ dated October 2014.

Proposed Adjustment		
Line #	Line Description	Amount
5	Taxes and Fees	\$142,848

Adjustment #9 – To adjust member months per state data

The health plan reported member months that did not reflect accurate amounts for the MLR reporting period. An adjustment was proposed to reflect member months per state data. The member month reporting requirements are addressed in the Medicaid Managed Care Final Rule 42 CFR § 438.8(k).

Proposed Adjustment		
Line #	Line Description	Amount
12	Member Months	3,757