

The background of the cover is a blurred photograph of a medical professional in a white coat, with a large green cross icon overlaid on their chest. The entire image is covered with a semi-transparent green overlay that features various medical icons: a syringe, a pill, a virus, a stethoscope, a clipboard, and a group of people. A white geometric line pattern is also visible over the green overlay. The right side of the cover is a dark grey diagonal gradient.

HEALTHKEEPERS, INC.

Virginia Department of Medical
Assistance Services

**Managed Care Organization (MCO)
Administrative Expenses**

With Independent Accountant's Report Thereon

For the Calendar Year Ending December 31, 2021



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



Table of Contents

■ Table of Contents.....	1
■ Independent Accountant’s Report.....	2
■ Appendix A: Agreed Upon Procedures.....	3
■ Appendix B: Results.....	6
■ Appendix C: Underwriting Exhibit.....	9
■ Appendix D: Schedule of Adjustments and Comments.....	11



Independent Accountant's Report

Virginia Department of Medical Assistance Services
Richmond, VA

We have performed the procedures enumerated in Appendix A on the administrative expenses for HealthKeepers Inc. for the period of January 1, 2021 through December 31, 2021. We applied these procedures to assist you with respect to analyzing administrative expenses for Medicaid rate development. The above referenced Managed Care Organization (MCO)'s management is responsible for the accuracy and completeness of the financial information.

The Virginia Department of Medical Assistance Services (Department) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of analyzing administrative expenses for Medicaid rate development. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Our procedures are contained within Appendix A and our findings are contained in Appendices B through D. As agreed, materiality limits were applied as specified within the Agreed-Upon Procedures Program.

We were engaged by the Department to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion on the MCO's administrative expenses. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the MCO and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Department, and is not intended to be, and should not be, used by anyone other than this specified party.

Myers and Stauffer LC
Glen Allen, VA
May 18, 2022



Appendix A: Agreed Upon Procedures

Preliminary Work

- 1) Conduct an entrance call with DMAS and Mercer, DMAS' actuary for MCO rate setting. Gain an understanding of information needed by Mercer for rate setting purposes. Determine if either DMAS or Mercer have initial concerns requiring special attention.
- 2) Send an initial request list to each MCO to include, but not limited to, a survey containing a questionnaire, Board of Directors minutes, organizational charts, working trial balance, adjusting journal entries, audited financial statements, reconciliation of the working trial balance and the quarterly reporting, support for the allocation of administrative expenses and net premium income to the Medicaid line of business and between each Medicaid product, cost allocation worksheet summarizing quarterly reporting information and MCO reported adjustments, schedule of related-party transactions, related-party agreements, narrative surrounding reinsurance reporting, etc.
- 3) Conduct an entrance call with appropriate MCO personnel to include (a) determination of MCO personnel who should be contacted during the course of our procedures for information, explanations, documents, etc., and (b) location and availability of the information requested.
- 4) Briefly document the entity's accounting procedures and internal control per MCO responses on the survey. Emphasis should be placed on the ability of the system(s) to generate reliable cost, revenue, and statistical information.
- 5) Read Board of Directors minutes from the beginning of the report period through the current date. Document matters impacting the scope of these procedures such as discussions related to administrative costs and non-allowable or non-recurring costs as described in Step 16. Obtain copies or excerpts of pertinent sections, and file in work papers. Cross-reference matters discussed in the minutes to the related work papers.
- 6) Obtain the audited financial statements including related footnotes. Document matters impacting the scope of these procedures such as the opinion, notes that may provide information regarding non-allowable or non-recurring costs as described in Step 17, and/or related parties.
- 7) Obtain the names of all related parties from the MCO. Inspect the organizational chart, the annual statement submitted to the Virginia Bureau of Insurance (annual statement), and audited financial statements for related parties not identified by the MCO.
- 8) Obtain a summary work paper of related-party transactions from the MCO. Ensure it contains all related parties identified by the MCO and any additional related parties identified through Step 7. Cross-reference procedures performed with respect to items on the summary work paper to other applicable work papers or indicate the procedure performed on the summary work paper.



- 9) Obtain the names of all delegated vendors from the MCO. Inspect the organizational chart, the annual statement, and audited financial statements for delegated vendors not identified by the MCO.
- 10) Consider whether any specific information has come to our attention concerning the existence of possible fraud or prohibited acts. Fraud risk factors for this procedure include: discrepancies in accounting records, conflicting or missing evidential matter, threatened financial stability or profitability, and lack of an effective corporate compliance program. If fraud risk factors are identified, document those risk factors or conditions and our response to them.

Trial Balance Reconciliation

- 11) Reconcile total expenses and total administrative expenses per the adjusted trial balance as of December 31, 2021 to the annual statement for the year ended December 31, 2021 and the quarterly filing required by the Department.
- 12) Obtain the adjusted trial balance as of December 31, 2021. For a sample of 20 accounts, trace the account titles, account numbers, and ending balances for the administrative expenses per the adjusted trial balance to the general ledger for the year ended December 31, 2021.
- 13) Obtain the year-end adjusting journal entries recommended by the independent accountant for the year ended December 31, 2021. Inspect the entries affecting administration expense accounts for propriety. Ensure postings of adjustments to the trial balance, if adjusting journal entries have not been posted to the general ledger at year end.

Administrative Expenses

- 14) Determine how the MCO allocated the administration expenses and net premium income among the various lines of business. Determine how the MCO allocated the administration expenses for the Medicaid line of business to Medallion 4.0, CCC Plus, and any other products included by the MCO in the Medicaid line of business. Determine if any trial balance accounts are allocated between administration and medical expenses.
 - a. Document this understanding through a narrative.
 - b. Document the MCO's support for these allocations.
 - c. Request supporting documentation for the elements of any allocation basis utilized by the MCO and ensure it agrees.
- 15) Document the cost allocation worksheet provided by the MCO in response to the request list. Trace the following elements to the support provided for allocations. Request additional support, as needed, if the self-reported amounts are not full account balances.
 - a. Self-Excluded Expenses
 - b. Healthcare Quality Improvement Expenses (HCQI)
 - c. Fraud Reduction and Recovery Expenses
 - d. Non-recurring expenses such as start-up costs
 - e. Care Coordination
 - f. COVID 19 Related Expenses



- g. Allowable Member Incentives
- 16) Compare administrative and claims adjustment expenses per the quarterly filing for the year ended December 31, 2021 to the prior year and obtain explanations for any fluctuations greater than 10 percent and \$100,000. Determine and document whether the MCO's explanation is consistent with supporting documentation.
- 17) Scan administration expense accounts allocated to the Medicaid line of business for the below types of expenses. Select 15 to 20 accounts from this scan and from Step 15 and request the general ledger and a description of the account contents. If these documents are inconclusive as to the nature of the expense, request invoices for no more than five entries. Confer with the assigned senior manager/partner to select samples and document the reasoning.
- a. Non-allowable expenses as defined either by the MCO contract with DMAS or by CMS Publication 15. Examples of non-allowable expenses include: lobbying, contributions/donations, income tax, management fees for non-Virginia operations, and management fees for the sole purpose of securing an exclusive arrangement.
 - b. Non-recurring expenses such as start-up costs and expenses reimbursed separately from the MCO rate such as the health insurer fee.
 - c. HCQI Expenses
 - d. Fraud Reduction and Recovery Expenses
 - e. Non-recurring expenses such as start-up costs
 - f. Care Coordination
 - g. COVID 19 Related Expenses
 - h. Allowable Member Incentives
- 18) Agree the summary work paper of related-party transactions from the MCO from Step 8 to the trial balance. Obtain agreements or other supporting documentation for payments to or costs allocated from affiliates or parent companies and determine if exclusivity payments or special contractual arrangements are included. Ensure the regulations within CMS Publication 15-1, Chapter 10 have been applied.
- 19) Agree the summary work paper of delegated vendor transactions from the MCO from Step 9 to the trial balance. For vendors with sub-capitated arrangements and the Pharmacy Benefit Manager (PBM), obtain agreements and ensure that medical and administrative expenses were appropriately separated on the quarterly filing. For the PBM, collect information regarding where all costs (claims payments, ingredient cost, dispensing fees, rebates, sales tax, spread pricing, administrative payment, and other) are included on the trial balance and collect information regarding spread pricing, if applicable.
- 20) Prepare a narrative that summarizes the MCOs' methodology for reporting reinsurance premiums and reinsurance recoveries. Include both reinsurance amounts per the annual statement, as well as the allocation methodology to the Medicaid line of business. Agree amounts to the trial balance or document the trial balance account these amounts are included in.

Appendix B: Results

Source of Information

Our procedures were performed to determine allowable administrative expenses for the purpose of Medicaid rate development. Our procedures were not performed to determine whether such administrative expenses were properly reported for purposes of the Bureau of Insurance of the Commonwealth of Virginia.

We used the quarterly filing required by the Department (quarterly filing), the Annual Statement submitted to the Insurance Department of the Commonwealth of Virginia (Annual Statement), and audited financial statements for Healthkeepers, Inc. for the year ended December 31, 2021.

HealthKeepers, Inc. is owned 92.51% by Anthem Southeast, Inc. and 7.49% by UNICARE National Services, Inc. HealthKeepers, Inc. receives administrative services from Anthem, Inc., The Anthem Companies, Inc., Fr Anthem Insurance Companies, Inc., Aspire Health, Inc., and WellPoint Information Technology Services, Inc. (referred to collectively as Anthem). HealthKeepers, Inc. has administrative expenses from two other related parties, Diversified Business Group and IngenioRx, Inc., which are both owned by Anthem, Inc. Diversified Business Group provides utilization management and program integrity services. IngenioRx, Inc. provides prescription benefit management for HealthKeepers, Inc. In order to perform the agreed upon procedures outlined in Appendix A, we obtained a trial balance for HealthKeepers, Inc., as well as related party support.

Healthkeepers, Inc. has delegated certain functions to vendors. Access2Care, LLC and Southeastrans, Inc. provide non-emergency medical transport services. DentaQuest, LLC provides administration of the dental benefit. Public Partnerships LLC (PPL) is the fiscal employer/agent for consumer directed services. Laboratory Corporation of America (LabCorp) provides laboratory services.

Trial Balance Reconciliation

We obtained Healthkeepers, Inc.'s adjusted trial balance as of December 31, 2021, and agreed the account descriptions, account numbers and ending balances for a sample of 20 accounts to the general ledger for the year ended December 31, 2021. No exceptions were noted.

Total administrative expenses including claims adjustment expenses per the Healthkeepers, Inc.'s adjusted trial balance as of December 31, 2021 of \$738,298,595 was reconciled to the total administrative expenses including claims adjustment expenses on the quarterly filing of \$738,298,595. The administrative expenses including claims adjustment expenses per the Healthkeepers, Inc. adjusted trial balance as of December 31, 2021 of \$738,298,595 was reconciled to the total administrative expenses including claims adjustment expense on the Annual Statement of \$738,298,595.

Administrative Expenses

Total claims adjustment expenses and administrative expenses included in the quarterly filing and Annual Statement consist of direct and indirect expense. Direct expenses are those that are unequivocally related to a product, and therefore, are charged directly to that product. Indirect



expenses are recorded at the Anthem level, and allocated to the appropriate entities and products using a variable proxy such as membership or headcounts. The total direct and indirect Medicaid expenses submitted on the quarterly filing for Claims Adjustment and General Administrative expenses are \$103,473,084 and \$141,988,575 respectively. The total direct and indirect Medicaid expenses submitted on the Annual Statement for Claims Adjustment and General Administrative expenses are \$103,473,085 and \$141,988,574 respectively.

We compared total Healthkeepers, Inc. administrative and claim adjustment expenses reported on the quarterly filing by line item for the current year and prior year and obtained explanations for any line item with a change greater than \$100,000 and 10%. Total Medicaid and FAMIS general administrative expenses, excluding investment expenses, for 2020 were \$288,430,053 compared to 2021 expenses of \$254,583,436. The decrease of \$33,846,617 is primarily due to the \$44,319,538 ACA Health Insurance fee that Healthkeepers, Inc. incurred in 2020 but that was not applicable in 2021.

We inspected the accounts and expense categories included in HealthKeepers, Inc.'s trial balance. This included HealthKeepers, Inc. specific and Anthem allocated expenses. We judgmentally selected expense categories and accounts for further inspection from the direct expense. Based on this inspection, we determined that \$1,046,187 in interest expense on late claims payments should be excluded from the Underwriting Exhibit at Appendix C. Additionally, we asked HealthKeepers, Inc. to identify any start-up costs related to the Medicaid Enterprise System (MES) conversion. HealthKeepers, Inc. identified \$944,600 in start-up costs related to MES implementation and Provider Services Solutions (PRSS) implementation. These expenses have been excluded from the Underwriting Exhibit at Appendix C and will be amortized over a five year period beginning with MES and PRSS implementation. These expenses have been excluded from the Underwriting Exhibit at Appendix C and amortization for a portion of start-up costs identified in previous years has been included through a separate adjustment. However, this expense will be excluded for rate setting.

The Master Administrative Services Agreement effective January 2014 incorporates Anthem and HealthKeepers, Inc. as companies providing and companies receiving services. The compensation terms provide for a pass through of costs. A separate agreement with Diversified Business Group was not provided and instead a Memorandum of Understanding effective September 2016 with AIM Specialty Health was referenced. The related expenses are representative of allocated costs. The Pharmacy Benefit Management Services agreement by and between IngenioRx Inc. and CaremarkPCS Health, L.L.C. (CVS Caremark) effective October 2017 incorporates HealthKeepers, Inc. effective October 1, 2019 and allows for a per claim administrative fee. An addendum to this agreement also became effective June 1, 2020. A schedule documenting payments made to Anthem, Diversified Business Group, and IngenioRx Inc. was provided to agree to amounts included with HealthKeepers Inc.'s administrative expenses. Payments made to Anthem, Diversified Business Group, and IngenioRx Inc. were \$97,791,484.12, \$29,430,407.27, and \$550,308,255, respectively.

Schedules documenting allocated costs from Anthem, Diversified Business Group, and Ingenio Rx were provided to agree to amounts included with HealthKeepers, Inc. administrative expenses. Support for allocated costs was received on a sample basis and were found to be allowable.



Access2Care, LLC, Southeastrans, Inc., DentaQuest, PPL, and LabCorp expenses are appropriately split between administrative and medical on the trial balance. These vendors provide non-emergency transportation services, administration of the dental benefit, fiscal employer/agent for consumer directed services, and laboratory services.

Healthcare Quality Improvement Expenses (HCQI)

HCQI expenses are accumulated with administrative expenses at the Anthem level, and allocated to HealthKeepers, Inc. using a variable proxy. HCQI expenses fall into the following five categories: improve health outcomes, activities to prevent hospital readmissions, improve patient safety and reduce medical errors, wellness and health promotion activities, and health information technology quality improvement. Total HCQI expense allocated to Medicaid in 2021 is \$84,242,175. This amount included \$60,676,888 related to care coordination.

Reinsurance

HealthKeepers, Inc. pays reinsurance premiums to Anthem Health Plans of Virginia, Inc. and EyeMed Insurance Company. Reinsurance recoveries are based on expenses for inpatient hospital services subject to defined limitations. Reinsurance premiums of \$22,626,603 were agreed to the trial balance and they have been included in Total Revenues on the quarterly filing. Reinsurance recoveries of \$10,080,164 were agreed to the trial balance and have been offset against Medical Service Expenditures on the quarterly filing. Both reinsurance premiums and recoveries agree to the Annual Statement.

Total Revenues

Total Revenues were agreed to the trial balance. Amounts reported as change in unearned premium reserves and aggregate write-ins were inspected to determine appropriateness for rate setting purposes. The change in unearned premium reserves included reserves related to prior and future periods which were removed for the purposes of this report. There were no aggregate write-ins noted on the quarterly filing. Amounts reported as change in unearned premium reserves were inspected to determine appropriateness for rate setting purposes. Vaccine administration revenues of \$1,789,416 were agreed to the general ledger and were offset against medical expenses on the quarterly filing.



HEALTHKEEPERS, INC.
APPENDIX C: UNDERWRITING EXHIBIT

Underwriting Exhibit for the Year Ending December 31, 2021						
	Medallion 4.0 Non-Expansion	Medallion 4.0 Expansion	CCC Plus Non-Expansion	CCC Plus Expansion	Total Medicaid	FAMIS **
Administrative Expense						
Claims Adjustment Expenses	\$ 38,533,383	\$ 19,177,289	\$ 37,553,303	\$ 8,209,109	\$ 103,473,084	\$ 3,812,303
General Administrative Expenses	\$ 52,876,554	\$ 26,315,597	\$ 51,531,662	\$ 11,264,762	\$ 141,988,575	\$ 5,309,474
Total Administrative Expenses	\$ 91,409,937	\$ 45,492,886	\$ 89,084,965	\$ 19,473,871	\$ 245,461,659	\$ 9,121,777
Less: Self-Reported Excludable Expenses *	\$ (5,741,945)	\$ (2,857,650)	\$ (5,604,010)	\$ (1,225,030)	\$ (15,428,635)	\$ (572,987)
Reported Administrative Expenses	\$ 85,667,992	\$ 42,635,236	\$ 83,480,955	\$ 18,248,841	\$ 230,033,024	\$ 8,548,790
Adjustment 1: Remove 2021 start-up costs.	\$ (511,994)	\$ (210,610)	\$ (136,593)	\$ (28,851)	\$ (888,048)	\$ (56,552)
Adjustment 2: Remove interest expense on late claims payments.	\$ (289,977)	\$ (146,472)	\$ (538,114)	\$ (71,624)	\$ (1,046,187)	\$ -
Adjustment 3: Include Medallion 4.0 and Expansion amortization.	\$ 312,000	\$ 154,707	\$ -	\$ 80,293	\$ 547,000	\$ -
Adjustment 4: Reclassify member incentives from Net Premium Income to Administrative Expenses.	\$ 115,417	\$ -	\$ -	\$ -	\$ 115,417	\$ -
Total Adjusted Administrative Expenses	\$ 85,293,438	\$ 42,432,861	\$ 82,806,248	\$ 18,228,659	\$ 228,761,206	\$ 8,492,238
Total Revenues	\$ 967,367,874	\$ 610,634,939	\$ 1,536,775,452	\$ 306,188,735	\$ 3,420,967,000	\$ -
Adjustment 4: Reclassify member incentives from Net Premium Income to Administrative Expenses.	\$ 115,417	\$ -	\$ -	\$ -	\$ 115,417	\$ -
Adjustment 5: Remove unearned premium reserves not relating to the current period	\$ 5,232,157	\$ 50,122,592	\$ (15,505,069)	\$ 1,186,564	\$ 41,036,244	\$ -
Total Adjusted Revenues	\$ 972,715,448	\$ 660,757,531	\$ 1,521,270,383	\$ 307,375,299	\$ 3,462,118,661	\$ -
Percentage of Adjusted Administration Expenses to Total Adjusted Revenues	8.77%	6.42%	5.44%	5.93%	6.61%	0.00%
Member Months	3,757,992	1,420,636	756,893	177,165	6,112,686	0
Per Member per Month Adjusted Administration Expenses	\$ 22.70	\$ 29.87	\$ 109.40	\$ 102.89	\$ 37.42	
Separately Identified Expenses included in Adjusted Administrative Expenses						
Healthcare Quality Improvement Expenses (HCQI)	\$ 23,385,084	\$ 10,636,688	\$ 40,478,796	\$ 9,741,607	\$ 84,242,175	\$ 2,214,203



HEALTHKEEPERS, INC.
APPENDIX C: UNDERWRITING EXHIBIT

Underwriting Exhibit for the Year Ending December 31, 2021						
	Medallion 4.0 Non-Expansion	Medallion 4.0 Expansion	CCC Plus Non-Expansion	CCC Plus Expansion	Total Medicaid	FAMIS **
Fraud Reduction and Recovery Expenses	\$ 553,444	\$ 226,792	\$ 127,165	\$ 26,755	\$ 934,156	\$ 61,566
Start Up / Other Non Recurring Expenses	\$ 511,994	\$ 210,610	\$ 136,593	\$ 28,851	\$ 888,048	\$ 56,552
Care Coordination expenses as defined within the MCO contract	\$ 11,397,941	\$ 5,184,345	\$ 35,541,260	\$ 8,553,342	\$ 60,676,888	\$ 1,079,207
COVID 19 Related Expenses: Non Recurring	\$ 6,245	\$ 2,616	\$ 1,414	\$ 317	\$ 10,592	\$ 684
COVID 19 Related Expenses: Long Term program changes as a result of the pandemic	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Allowable Member Incentives	\$ 115,417	\$ -	\$ -	\$ -	\$ 115,417	\$ -

* Medicaid expenses excluded by the MCO include Lobbying Expenses (\$340,458), Contributions (\$26,204), and State and Federal Income Taxes (\$15,634,960)

** HealthKeepers, Inc. separated administrative expenses for FAMIS on the information provided but did not separate revenues or member months. FAMIS is included in Comprehensive (Hospital & Medical) for the purposes of the Annual Statement and in All Other Lines of Business for the purposes of the quarterly filing.



Appendix D: Schedule of Adjustments and Comments

During our procedures we noted certain matters involving costs, that in our determination did not meet the definitions of allowable administrative expenses and other operational matters that are presented for your consideration.

Adjustment #1 – Remove 2021 start-up costs.

HealthKeepers, Inc. identified start-up expenses related to Medicaid Enterprise Systems (MES) and Provider Services Solution (PRSS). These expenses are being amortized over five years based on implementation date of the program. The 2021 expenses were removed in total. See Adjustment #3 for the related adjustment to add back the amortization costs for programs that have begun prior to the end of the period. (CMS Pub. 15-1: §2132 – Start-Up Costs)

Proposed Adjustment					
Medallion 4.0 Non-Expansion	Medallion 4.0 Expansion	CCC Plus Non-Expansion	CCC Plus Expansion	Total Medicaid	FAMIS
(\$511,994)	(\$210,610)	(\$136,593)	(\$28,851)	(\$888,048)	(\$56,552)

Adjustment #2 – Remove interest expense on late claims payments.

During inspection of the general ledger detail for Medicaid, allocated expenses related to account 501310, Interest on Paid Claims, we found this account contained non-allowable interest expense related to late claims payments. An adjustment was made to remove this expense. (45 CFR § 75.441)

Proposed Adjustment					
Medallion 4.0 Non-Expansion	Medallion 4.0 Expansion	CCC Plus Non-Expansion	CCC Plus Expansion	Total Medicaid	FAMIS
(\$289,977)	(\$146,472)	(\$538,114)	(\$71,624)	(\$1,046,187)	\$0

Adjustment #3 – Include Medallion 4.0 and Expansion amortization.

HealthKeepers, Inc. has identified start-up costs related to various programs in the current year and in previous years. These expenses were removed each year to be amortized over a period of five years beginning with the start date of each program. Expenses included in this adjustment are \$1,560,000 related to Medallion 4.0 implementation, which began August 1, 2018, and \$1,175,000 related to



SCHEDULE OF ADJUSTMENTS AND COMMENTS

Medicaid Expansion, which began January 1, 2019. Expenses held for the start of the program are \$971,062 related to MES and \$756,000 related to PRSS. (CMS Pub. 15-1: §2132 – Start-Up Costs)

Proposed Adjustment					
Medallion 4.0 Non-Expansion	Medallion 4.0 Expansion	CCC Plus Non-Expansion	CCC Plus Expansion	Total Medicaid	FAMIS
\$312,000	\$154,707	\$0	\$80,293	\$547,000	\$0

Adjustment #4 – Reclassify member incentives from Net Premium Income to Administrative Expenses.

HealthKeepers, Inc. identified \$115,417 in allowable member incentives. These expenses are located in account 403510, Other Premium Refunds, which was included with Net Premium Income on both the Annual Statement and quarterly filing. As the contents of the account include expenses related to member incentives for wellness checkups and COVID-19 vaccines this account has been reclassified to Administrative Expenses. (45 CFR § 158.130)

Proposed Adjustment					
Medallion 4.0 Non-Expansion	Medallion 4.0 Expansion	CCC Plus Non-Expansion	CCC Plus Expansion	Total Medicaid	FAMIS
\$115,417	\$0	\$0	\$0	\$115,417	\$0

Adjustment #5 – Remove unearned premium reserves not relating to the current period.

HealthKeepers, Inc. included unearned premium reserves related to periods prior to January 1, 2021 and subsequent to December 31, 2021 based on their financial reporting procedures. An adjustment of \$41,036,244 was made to remove all unearned premium reserves not related to the period under review, for the purposes of administrative reporting.

Proposed Adjustment					
Medallion 4.0 Non-Expansion	Medallion 4.0 Expansion	CCC Plus Non-Expansion	CCC Plus Expansion	Total Medicaid	FAMIS
\$5,232,157	\$50,122,592	(\$15,505,069)	\$1,186,564	\$41,036,244	\$0