HEALTH NET ACCESS, INC. D/B/A ARIZONA COMPLETE HEALTH – COMPLETE CARE PLAN

ACC-Regional Behavioral Health Agreement

Contract Year Ended September 30, 2023

(With Independent Accountants' Report Thereon)

HEALTH NET ACCESS, INC. D/B/A ARIZONA COMPLETE HEALTH – COMPLETE CARE PLAN

ACC-Regional Behavioral Health Agreement

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KPMG LLP
Suite 900
10 South Broadway
St. Louis, MO 63102-1761

Independent Accountants' Report

The Board of Directors and Stockholder
Health Net Access, Inc. d/b/a Arizona Complete Health – Complete Care Plan:

We have examined the Medical Loss Ratio Report (the subject matter) of Health Net Access, Inc. d/b/a Arizona Complete Health – Complete Care Plan (the Company) for the contract year ended September 30, 2023. The Company's management is responsible for the subject matter in accordance with the Arizona Health Care Cost Containment System (AHCCCS) Financial Reporting Guide (FRG) effective October 1, 2022 (the criteria). Our responsibility is to express an opinion on the subject matter 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 subject matter is in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the subject matter. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the subject matter, 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 the examination engagement.

In our opinion, the Medical Loss Ratio Report of the Company for the contract year ended September 30, 2023 is presented in accordance with the Arizona Health Care Cost Containment System (AHCCCS) Financial Reporting Guide (FRG) effective October 1, 2022, in all material respects.

The purpose of this report is to satisfy requirements of the Arizona Health Care Cost Containment System (AHCCCS) Financial Reporting Guide (FRG). Accordingly, this report is not suitable for any other purpose.

/s/ KPMG LLP

St. Louis, Missouri
June 7, 2024

HEALTH NET ACCESS, INC. D/B/A ARIZONA
COMPLETE HEALTH - COMPLETE CARE PLAN
Medical Loss Ratio Report
Contract Year Ended September 30, 2023

MLR Category	Citation	Format of Amount to be Entered	Line #	Detail	Specific Applicability to Line of Business	Financial Statement Account # (If applicable)	GAAP Basis Dec-22	GAAP Basis Mar-23	GAAP Basis Jun-23	GAAP Basis Sep-23	GAAP Basis CYE 23	Annual Adjustments[1]	Annual Adjustments[2]	Incurred Basis Restated CYE23	NOTES: Do not duplicate any amounts in GAAP Basis (Columns H - L) should agree to the submitted financial statements. *USE FOR ANNUAL REPORT ONLY*[1,2] - Adjustment columns should report prior year adjustments (Column M) and true up any estimates (Column N) to present on an incurred date of service basis. Any adjustments to be deducted should be entered as a negative number.
				Member Months			2,885,608	2,932,493	2,841,714	2,749,788	11,409,603	(695)	-	11,408,908	
				Revenue											
				Include											
Premium Revenue	42 CFR§438.8(f)(2)(i)	+	1	Prospective Capitation	ALL	40105-01	$ 569,819,627	$ 572,998,662	$ 565,813,540	$ 534,173,849	$ 2,242,805,678	$ (1,779,824)	$ -	$ 2,241,025,854	Include full capitation including 1% withhold payment. Exclude State Directed Payments revenue (reported in line 16) and risk adjustment revenue (reported in line 6).
	42 CFR§438.8(f)(2)(iii)	+/-	2	APM 1% Withhold Settlement 42 CFR 438.6(b)(3) and Performance Based Payments (PBP) reimbursed by AHCCCS	ACC/ALTCS (ACOM 306) ALL - PBP	40115-01	$ 1,484,611	$ 5,281,344	$ 1,344,871	$ (390,887)	$ 7,719,939	$ (2,644,554)	$ -	$ 5,075,385	Include Alternative Payment Model (APM) settlements related to Withholds, Incentives (see ACOM 306) and Performance Based Payments (see ACOM 307). Unearned withhold should be deducted. Earned incentive should be added.
	42 CFR§438.8(f)(2)(ii)	+	3	Delivery Supplement	ACC/ALTCS	40120-01	$ 12,588,297	$ 11,914,983	$ 9,211,694	$ 13,382,817	$ 47,097,792	$ -	$ -	$ 47,097,792	
	42 CFR§438.8(f)(2)(iv)	+	4	Unpaid Cost Sharing Amounts	ALL		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	Include unpaid cost-sharing amounts that could have been collected from enrollees under the contract, except those amounts that can be shown it made a reasonable, but unsuccessful, effort to collect.
	42 CFR§438.8(f)(2)(v)	+/-	5	Changes to Unearned Premium Reserves	ALL		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	Include adjustments to Deferred Revenue
		+/-	6	Risk Adjustment **(Footnote Suspended)**	ACC	40105-01; Footnote (Suspended)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	Include amounts for risk adjustment after adjusted amounts are computed or amounts that can be reasonably estimated and accrued.
	42 CFR§438.8 (f)(2)(vi)	+/-	7	Prospective Tiered	ACC/ACC-RBHA/ALTCS	40125-01, 40130-01, 40135-01	$ (37,309,965)	$ (32,292,687)	$ (20,029,461)	$ (30,864,971)	$ (120,497,084)	$ 56,454,570	$ -	$ (64,042,515)	
		+/-	8	Reserved			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
		+/-	9	Other Reconciliation Settlements	ACC/ACC-RBHA/ALTCS	40145-01	$ 110,074	$ (1,722,735)	$ 406,258	$ 673,910	$ (532,492)	$ -	$ -	$ (532,492)	Include other reconciliation settlements like APSI settlement (see ACOM 325). Do not include monthly premium component of APSI.
		+/-	10	Share of Cost (SOC) Settlement	ALTCS	40150-01	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
		+/-	11	Reserved			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
		+	12	Reserved			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
		+	13	**Other Income**	ALL	40310-01	$ 20,000	$ -	$ -	$ -	$ 20,000	$ -	$ -	$ 20,000	Other income should not include any types of non-operating income such as gain on sale, etc.
		+	14	Patient Contributions	ALTCS	40315-01	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
		+/-	15	Other Accruals (Explain below)	ALL		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	42 CFR§438.8(f)(2)(i)	+	16	State Directed Payments Revenue	ALL		$ 112,192,423	$ 98,638,063	$ 114,714,507	$ 97,360,601	$ 422,905,595	$ -	$ -	$ 422,905,595	If the State Directed Payment process takes almost a year or more, plans should use the most accurate available information for MLR reporting. Include Rural, Nursing Facility, APSI, PSI, HEATHII, ARP and Targeted Investments State Directed Payments.
			17	**Total Premium Revenue**		Should agree to 40105-01 through 40315-01	**$ 658,905,068**	**$ 654,817,630**	**$ 671,461,409**	**$ 614,335,320**	**$ 2,599,519,427**	**$ 52,030,192**	**$ -**	**$ 2,651,549,618**	
Taxes, Licensing and Regulatory Fees				**Taxes, Licensing and Regulatory Fees**											
	42 CFR§438.8(f)(3)(iii)	+	18	Federal Income & Federal Tax (include Tax Benefit)	ACC/ACC-RBHA/ALTCS	90105-01	$ 3,304,025	$ 4,208,683	$ 8,052,461	$ 2,837,477	$ 18,402,646	$ -	$ -	$ 18,402,646	Exclude Federal income taxes and tax benefit on investment income, capital gains and Federal employment taxes.
		+	19	Premium Tax	ALL	90205-01	$ 14,587,338	$ 14,038,492	$ 14,107,288	$ 11,789,661	$ 54,522,778	$ (452,392)	$ -	$ 54,070,386	
		+	20	Reserved			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	42 CFR§438.8(f)(3)	+	21	Other Federal, State, Local Taxes and Licensing and Regulatory Fees	ALL		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	42 CFR§438.8(f)(3)	+	22	Community Benefit Expenses (otherwise exempt from Federal income tax) and Community Reinvestment Expenses meeting requirements of 45 CFR 158.162c	ACC/ACC-RBHA/ALTCS	990105-01	$ 601,025	$ 1,810,877	$ 1,068,982	$ 273,454	$ 3,754,338	$ -	$ -	$ 3,754,338	Limited to 3% of earned premium
			23	**Total Taxes, Licensing and Regulatory Fees**			**$ 18,492,387**	**$ 20,058,053**	**$ 23,228,730**	**$ 14,900,592**	**$ 76,679,761**	**$ (452,392)**	**$ -**	**$ 76,227,370**	

See accompanying independent accountants' report

HEALTH NET ACCESS, INC. D/B/A ARIZONA
COMPLETE HEALTH - COMPLETE CARE PLAN
Medical Loss Ratio Report
Contract Year Ended September 30, 2023

MLR Category	Citation	Format of Amount to be Entered	Line #	Detail	Specific Applicability to Line of Business	Financial Statement Account # (If applicable)	GAAP Basis Dec-22	GAAP Basis Mar-23	GAAP Basis Jun-23	GAAP Basis Sep-23	GAAP Basis CYE 23	Annual Adjustments[1]	Annual Adjustments[2]	Incurred Basis Restated CYE23	NOTES: Do not duplicate any amounts in GAAP Basis (Columns H - L) should agree to the submitted financial statements. *USE FOR ANNUAL REPORT ONLY*[1,2] - Adjustment columns should report prior year adjustments (Column M) and true up any
				Member Months			2,885,608	2,932,493	2,841,714	2,749,788	11,409,603	(695)	-	11,408,908	
				Incurred Claims											
				Include											
	42 CFR§438.8(e)(2)(i)(A) & 42 CFR§438.230(c)(2)(1)	+	24	Include paid claims to providers/subcontractors for Medicaid covered services to Medicaid enrollees. Exclude sub-capitation/block payments related to delegated managed care administrative expenses. The costs of the delegated managed care activities cannot be included in the managed care plan's medical loss ratio calculation. Contractors who have providers/subcontractors with delegated managed care activities must include these costs in admin unless they are quality improvement activities which should be reported in the Expenditures for Activities that Improve Health Care Quality Section.	ALL	50105-01 through 50350-01, 50370-01; 60105-01 through 61305-01 (ACC-RBHA)	$ 491,603,300	$ 491,735,217	$ 489,568,911	$ 452,024,524	$ 1,924,931,952	$ (129,896,069)	$ -	$ 1,795,035,883	Total reported in lines 24 and 25 should equal the total reported in the income statement for Account #'s 50105-01 to 50360-01 and 50370-01 (60105 through 61305 for RBHAs). For ALTCS/EPD and DDD LOBs: exclude Account # 50365-01 - ALTCS Case Management which should be reported in lines 59-64, as appropriate. The majority of the items explicitly requested to be quantified on a subsequent line in the Incurred Claims section are not to be reported in line 24.
Incurred Claims	42 CFR§438.8(e)(2)(i)(G)	+	25	Changes in other claims-related reserves (Change in unpaid claims between the prior year's and the current year's unpaid claims (i.e., RBUC) and change in claims incurred but not reported (IBNR) from the prior year to the current year)	ALL	Change in A/C 20120-01	$ 7,843	$ (3,792,154)	$ (4,289,439)	$ (9,719,500)	$ (17,793,251)	$ 191,949,221	$ -	$ 174,155,971	Report changes each quarter from the prior Contract year RBUCS and IBNR
	42 CFR§438.8(e)(2)(i)(C)	+	26	Provider Withholds from Payments	ALL		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	42 CFR§438.8(e)(2)(iii)(A)	+	27	Provider Incentive/Bonus Payments (Include Unreimbursed PBP)	ALL		$ 1,188,326	$ (59,249)	$ (131,415)	$ (1,330,295)	$ (332,633)	$ -	$ -	$ (332,633)	Include Incentives or bonuses to providers that are not included as part of APM Performance Based Payments. Also include Unreimbursed
	42 CFR§438.8(e)(2)(iii)(B)	-	28	Payments recovered through Fraud Recovery efforts less related expenses	ALL	81405-01	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	Report total Fraud Recoveries reduced by Fraud Recovery Expenses. ***The amount of Fraud Recovery expenses must not include Fraud Prevention Activities.***
	42 CFR§438.8(e)(2)(i)(H)	+	29	Contingent Benefits/ Medical claim portion of lawsuits	ALL		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	42 CFR§438.3(e)(1)(i)	+	30	Value Added Services (Explain below)	ALL		$ 66,390	$ 116,180	$ 78,659	$ 50,849	$ 312,078	$ -	$ -	$ 312,078	Include those services provided in addition to those covered under the state plan for which costs are not included in capitation payments (i.e., services not covered by AHCCCS). These
	42 CFR§438.8(e)(2)(i)(A)	+	31	Provider Payments Attributable to State Directed Payments	ALL		$ 112,192,423	$ 98,638,063	$ 114,714,507	$ 97,360,601	$ 422,905,595	$ -	$ -	$ 422,905,595	If the State Directed Payment process takes almost a year or more, plans should use the
				Deduct											
	42 CFR§438.8(e)(2)(vi)	-	32	Reinsurance Recoveries	ALL	70105-01	$ (13,046,951)	$ (11,184,219)	$ (15,546,312)	$ 5,656,715	$ (34,120,766)	$ (25,316,212)	$ -	$ (59,436,978)	Amount should be generally stated as a negative number.
	42 CFR§438.8(e)(2)(ii)(A)	-	33	Provider/Subcontractor Overpayment Recoveries	ALL	70305-01	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	Amount should be generally stated as a negative number.
	42 CFR§438.8(e)(2)(ii)(B)	-	34	Rx Rebates (received/accrued)	ALL	70310-05	$ (691,463)	$ (673,593)	$ (622,206)	$ (640,063)	$ (2,627,324)	$ -	$ -	$ (2,627,324)	Amount should be generally stated as a negative number.
		-	35	Pharmacy Performance Guarantee	ALL	70310-10	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	Amount should be generally stated as a negative number.
	42 CFR§438.8(e)(2) (i)(D)(E)	-	36	TPL, COB, Subrogation Recoveries and recoverable COB claims	ALL	70205-02	$ (962,320)	$ (1,068,612)	$ (1,371,744)	$ (1,014,607)	$ (4,417,283)	$ -	$ -	$ (4,417,283)	Amount should be generally stated as a negative number.
			37	**Total Incurred Claims**			**$ 590,357,549**	**$ 573,711,633**	**$ 582,400,961**	**$ 542,388,225**	**$ 2,288,858,367**	**$ 36,736,940.36**	**$ -**	**$ 2,325,595,307.45**	

HEALTH NET ACCESS, INC. D/B/A ARIZONA
COMPLETE HEALTH - COMPLETE CARE PLAN
Medical Loss Ratio Report
Contract Year Ended September 30, 2023

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						Member Months	2,885,608	2,932,493	2,841,714	2,749,788	11,409,603	(695)	-	11,408,908	
				Non-Claims Costs											
		+	38	Compensation	ALL	80105-01	$ 29,958,684	$ 18,531,522	$ 18,297,814	$ 21,747,868	$ 88,535,888	$ -	$ -	$ 88,535,888	Exclude Compensation classified as Health Care Quality Improvement expenses (reported in lines 59 -64).
		+	39	Occupancy	ALL	80205-01	$ 1,531,784	$ 684,794	$ 676,505	$ 770,674	$ 3,663,757	$ -	$ -	$ 3,663,757	
		+	40	Depreciation	ALL	80305-01	$ 2,882,564	$ 3,160,998	$ 3,122,738	$ 3,557,418	$ 12,723,718	$ -	$ -	$ 12,723,718	
		+	41	Care Management/Care Coordination not included in Health Care Quality Improvement Expenses	ALL	80405-01	$ 867,935	$ 1,053,106	$ 1,076,387	$ 961,076	$ 3,958,504	$ -	$ -	$ 3,958,504	
		+	42	Professional and Outside Services	ALL	80505-01	$ 8,769,680	$ 7,726,698	$ 7,640,302	$ 7,823,630	$ 31,960,310	$ -	$ -	$ 31,960,310	Exclude expenses classified as Health Care Quality Improvement expenses (reported in lines 59-64) or as Fraud, Waste and Abuse expenses (reported in line 66).
		+	43	Office Supplies and Equipment	ALL	80605-01	$ 392,028	$ 345,371	$ 221,958	$ 382,007	$ 1,341,364	$ -	$ -	$ 1,341,364	
		+	44	Travel	ALL	80705-01	$ 79,338	$ 141,727	$ 140,145	$ 161,321	$ 522,532	$ -	$ -	$ 522,532	
		+	45	Repair and Maintenance	ALL	80805-01	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
		+	46	Bank Service Charge	ALL	80905-01	$ 301,283	$ 190,436	$ 183,030	$ 204,332	$ 879,081	$ -	$ -	$ 879,081	
		+	47	Insurance	ALL	81005-01	$ 265,597	$ 186,567	$ 185,706	$ 195,488	$ 833,358	$ -	$ -	$ 833,358	
		+	48	Marketing	ALL	81105-01	$ (27,396)	$ 196,559	$ 145,919	$ 141,058	$ 456,140	$ -	$ -	$ 456,140	
		+	49	Interest Expense	ALL	81205-01	$ 207,068	$ 54,552	$ 57,261	$ 37,525	$ 356,406	$ -	$ -	$ 356,406	
		+	50	Pharmacy Benefit Manager Expenses	ALL	81305-01	$ 619,958	$ 2,984,797	$ 3,011,381	$ 2,845,760	$ 9,461,896	$ -	$ -	$ 9,461,896	
	42 CFR§ 438.8(e)(2)(v)(A)(1)	+	51	Amounts paid to third party vendors for secondary network savings	ALL	81505-01	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Non-Claims Costs (Administrative Expenditures)	42 CFR§ 438.8(e)(2)(v)(A)(1)	+	52	Amounts paid to third party vendors for network development, administrative fees, claims processing, and utilization management.	ALL	81505-01	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	The portion of the sub-capitation/block payment that is explicitly attributable to the provision of administrative services, or delegated managed care activities, and associated reporting requirements by the provider unless the provider/subcontractor provides Medicaid-covered services directly to Medicaid enrollees, and if the functions are performed by the provider/subcontractor's own employees, and not through a contracted network of providers should be included in this line and excluded from line 24.
	42 CFR§ 438.8(e)(2)(v)(A)(3)	+	53	Amounts paid, including amounts paid to a provider, for professional or administrative services that do not represent compensation or reimbursement for covered services provided to an enrollee. (e.g., Non-Medical (Administrative component) of Sub-Capitated or Block Payments)	ALL	81605-01	$ 1,587,370	$ 2,121,463	$ 4,008,612	$ 2,956,369	$ 10,673,814	$ -	$ -	$ 10,673,814	The portion of the sub-capitation/block payment that is explicitly attributable to the provision of administrative services, or delegated managed care activities, and associated reporting requirements by the provider unless the provider/subcontractor provides Medicaid-covered services directly to Medicaid enrollees, and if the functions are performed by the provider/subcontractor's own employees, and not through a contracted network of providers should be included in this line and excluded from line 24.
		+	54	Interpretation/Translation Services	ALL	82505-01	$ 269,532	$ 146,244	$ 162,208	$ 204,979	$ 782,962	$ -	$ -	$ 782,962	
		+	55	Other Administrative Expenses	ALL	83005-01	$ 960,377	$ 982,064	$ 494,424	$ 892,339	$ 3,329,204	$ -	$ -	$ 3,329,204	
	42 CFR§ 438.8(e)(2)(v)(A)(4)	+	56	Fines and penalties assessed by regulatory authorities	ALL	Footnote 13	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	Include AHCCCS sanctions
		+	57	Loss Adjustment Expense			$ -	$ -	$ -	$ -	$ -		$ -	$ -	Loss Adjustment Expense is considered a cost-containment expense and should be reported as a non-claims cost. It should not be included in the numerator (including Incurred Claims or Health Care Quality).
			58	**Total Non-Claims Costs**			**$ 48,665,800**	**$ 38,506,899**	**$ 39,424,390**	**$ 42,881,844**	**$ 169,478,934**	**$ -**	**$ -**	**$ 169,478,934**	

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				Member Months			2,885,608	2,932,493	2,841,714	2,749,788	11,409,603	(695)	-	11,408,908	
Expenditures for activities that improve health care quality	42 CFR§438.8(e)(3)			**Health Care Quality Improvement and Other Expenses**											For ALTCS/EPD and DDD LOBs: Account # 50365-01 - ALTCS Case Management should be reported in lines 59-64 below, as appropriate.
	45 CFR§158.150(b)(1)	+	59	Improvement of health outcomes	ALL	81705-01	$ -	$ 8,271,086	$ 7,087,741	$ 7,410,535	$ 22,769,362	$ -	$ -	$ 22,769,362	
	45 CFR§158.150(b)(2)	+	60	Activities to prevent hospital readmission	ALL	81705-01	$ 1,005,586	$ 344,479	$ 403,038	$ 376,384	$ 2,129,488	$ -	$ -	$ 2,129,488	
	45 CFR§158.150(b)(2)(iii)	+	61	Improvement of patient safety and reduce medical errors	ALL	81705-01	$ -	$ 469,767	$ (169,224)	$ 333,634	$ 634,176	$ -	$ -	$ 634,176	
	45 CFR§158.150(b)(2)(iv)(4)	+	62	Wellness and health promotion activities	ALL	81705-01	$ 65,978	$ 1,558,432	$ 1,517,421	$ 1,903,406	$ 5,045,237	$ -	$ -	$ 5,045,237	
	45 CFR§158.150(b)(2)(v) & 45 CFR§158.151	+	63	Health information technology expenses related to improving health care quality	ALL	81705-01	$ 95,393	$ 194,407	$ 1,092,137	$ 756,991	$ 2,138,929	$ -	$ -	$ 2,138,929	
	42 CFR§438.8(e)(3)(ii) & 42 CFR§438.358(b) and (c).	+	64	Activities related to external quality review	ALL	81705-01	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
			65	**Total Health Care Quality Improvement and Other Expenses**			**$ 1,166,957**	**$ 10,838,171**	**$ 9,931,113**	**$ 10,780,950**	**$ 32,717,192**	**$ -**	**$ -**	**$ 32,717,192**	
Expenditures related to activities compliant with 42 CFR § 438.608(a)(1) through (5), (7), (8) and (b).	42 CFR§438.8(e)(4) & 45 CFR§158.150(c)(8)	+	66	Program Integrity: Fraud, Waste, and Abuse Prevention Expenses	ALL	81810-01	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	Improvements to infrastructure that prevents fraud, waste and abuse **on a** going forward **basis**.
Credibility Adjustment	42 CFR§438.8(h)	+	67	Credibility Adjustment (If applicable)	CHP and small non-LTSS[2] MCOs between 5,400 and 380,000 **Annual** Member Months		0.0%	0.0%	0.0%	0.0%	0.0%			0.0%	If an MCO's annual member months are determined to be partially-credible, the credibility adjustment factor must be manually entered as calculated using the guidance in the Credibility Adjustment tab.
MLR Calculations				**Numerator**											
			68	Incurred Claims			$ 590,357,549	$ 573,711,633	$ 582,400,961	$ 542,388,225	$ 2,288,858,367	$ 36,736,940	$ -	$ 2,325,595,307	
			69	Expenditures for activities that improve health care quality			$ 1,166,957	$ 10,838,171	$ 9,931,113	$ 10,780,950	$ 32,717,192	$ -	$ -	$ 32,717,192	
			70	Total			$ 591,524,506	$ 584,549,804	$ 592,332,074	$ 553,169,175	$ 2,321,575,559	$ 36,736,940	$ -	$ 2,358,312,499	
				Denominator											
			71	Premium Revenue			$ 658,905,068	$ 654,817,630	$ 671,461,409	$ 614,335,320	$ 2,599,519,427	$ 52,030,192	$ -	$ 2,651,549,618	
			72	Taxes, licensing and regulatory fees			$ 18,492,387	$ 20,058,053	$ 23,228,730	$ 14,900,592	$ 76,679,761	$ (452,392)	$ -	$ 76,227,370	
			73	Total			$ 640,412,681	$ 634,759,577	$ 648,232,679	$ 599,434,729	$ 2,522,839,665	$ 52,482,583	$ -	$ 2,575,322,249	
			74	**Medical Loss Ratio**			92.4%	92.1%	91.4%	92.3%	92.0%			91.6%	
			75	**Medical Loss Ratio with Credibility Adjustment**			92.4%	92.1%	91.4%	92.3%	92.0%			91.6%	
Methodology(is) for allocation of expenditures.	42 CFR§438.8(g) 42 CFR§438.8(k)(vii)		76	Please describe methodology(ies) for allocation of expenditures: AzCH-CCP utilizes the AHCCCS Mapping Matrix based on procedure code and provider type to report to the appropriate expense categories. Expenses not directly attributable to a risk group are allocated based on historical and/or current claims payments.												**Each expense must be included under only one type of expense.** If a portion of the expense fits under the definition of, or criteria for, one type of expense and the remainder fits into a different type of expense, the expense must be pro-rated between types of expenses. Expenses that benefit multiple contracts must be reported on a pro-rata basis. Allocation to each category must be based on a generally accepted accounting method that is expected to yield the most accurate results. Shared expenses, including expenses under the terms of a management contract, must be apportioned pro rata to the contract incurring the expense. Expenses that relate solely to the operation of a reporting entity, such as personnel costs associated with the adjusting and paying of claims, must be borne solely by the reporting entity and are not to be apportioned to the other entities.

See accompanying independent accountants' report

HEALTH NET ACCESS, INC. D/B/A ARIZONA
COMPLETE HEALTH - COMPLETE CARE PLAN
Medical Loss Ratio Report
Contract Year Ended September 30, 2023

MLR Category	Citation	Format of Amount to be Entered	Line #	Detail	Specific Applicability to Line of Business	Financial Statement Account # (If applicable)	GAAP Basis Dec-22	GAAP Basis Mar-23	GAAP Basis Jun-23	GAAP Basis Sep-23	GAAP Basis CYE 23	Annual Adjustments[1]	Annual Adjustments[2]	Incurred Basis Restated CYE23	NOTES: Do not duplicate any amounts in GAAP Basis (Columns H - L) should agree to the submitted financial statements. *USE FOR ANNUAL REPORT ONLY*[1,2] - Adjustment columns should report prior year adjustments (Column M) and true up any
				Member Months			2,885,608	2,932,493	2,841,714	2,749,788	11,409,603	(695)	-	11,408,908	
Explanations			77												
			78	Amounts in the Value-Added Services line (#31) are comprised of non-covered services per AHCCCS reference file (RF123) and transportation and lodging costs for family of transplant members who need to stay close to the hospital to care for them.										
			79	The sub cap admin is reflective of additional guidance from AHCCCS and consistent with the CY22 Sub Cap-Block Purchase Expense deliverable submitted on May 22, 2023.										
			80												
			81												
			82												
			83												
Aggregation Method	42 CFR§438.8(h)(4)(i); 42 CFR§438.8(k)(xii)		84	Please describe aggregation methodology: AzCH-CCP aggregates all risk groups/populations and GSAs to report on the MLR.											AHCCCS requires that the MLR be calculated as one aggregate value representing all risk groups/populations and GSAs. AHCCCS reserves the right to modify this requirement and obtain MLR information on a risk group and/or GSA specific basis.

HEALTH NET ACCESS, INC. D/B/A ARIZONA
COMPLETE HEALTH - COMPLETE CARE PLAN
Medical Loss Ratio Report Proof
Contract Year Ended September 30, 2023

		GAAP Basis					[1a]	[1b]	Incurred Basis
		Dec-22	Mar-23	Jun-23	Sep-23	CYE 23	Annual Adjustments	Annual Adjustments	Restated CYE 23
[2]	**Total Premium Revenue**	$ 658,905,068	$ 654,817,630	$ 671,461,409	$ 614,335,320	$ 2,599,519,427	$ 52,030,192	$ -	$ 2,651,549,618
[3]	**Total Taxes, Licensing & Regulatory Fees**	$ 18,492,387	$ 20,058,053	$ 23,228,730	$ 14,900,592	$ 76,679,761	$ (452,392)	$ -	$ 76,227,370
[4]	**Total Incurred Claims**	$ 589,169,222	$ 573,770,882	$ 582,532,376	$ 543,718,520	$ 2,289,191,000	$ 36,736,940	$ -	$ 2,325,927,941
[5]	**Total Non-Claims Costs**	$ 48,665,800	$ 38,506,899	$ 39,424,390	$ 42,881,844	$ 169,478,934	$ -	$ -	$ 169,478,934
[6]	**Total Health Care Quality Improvement and Other Expenses**	$ 1,166,957	$ 10,838,171	$ 9,931,113	$ 10,780,950	$ 32,717,192	$ -	$ -	$ 32,717,192
[7]	**Program Integrity: Fraud, Waste, and Abuse Prevention Expenses**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
[8]	**MLR Calculated Net Operating Income:**	$ 1,410,701	$ 11,643,624	$ 16,344,800	$ 2,053,415	$ 31,452,539			$ 31,452,539
[9]	**Enter: 99999 Net Profit (Loss)**	$ 8,006,958	$ 20,966,907	$ 25,308,195	$ 10,771,410	$ 65,053,471			$ 65,053,471
[9]	**Enter: 88999 Profit/(Loss) from Non-Operations**	$ 5,995,233	$ 7,512,406	$ 7,894,414	$ 8,444,541	$ 29,846,594			$ 29,846,594
[10]	**Community Benefit / Reinvestment Expenses**	$ 601,025	$ 1,810,877	$ 1,068,982	$ 273,454	$ 3,754,338			$ 3,754,338
[11]	**Check Figure**	$ 1,410,701	$ 11,643,624	$ 16,344,800	$ 2,053,414	$ 31,452,539			$ 31,452,539
[12]	**Difference**	$ 0	$ 0	$ (0)	$ 0	$ 0	$ 0	$ 0	$ 0

Notes:

[1a] USE FOR ANNUAL MLR REPORT ONLY - Adjustments column should report prior year adjustments. Any adjustments to be deducted should be entered as a negative number.
[1b] USE FOR ANNUAL MLR REPORT ONLY - Adjustments column should true up any estimates to present on an incurred date of service basis. Any adjustments to be deducted should be entered as a negative number.
[2] Line #17 of the MLR Reporting Template. Note: Premium revenue does not include non-operating income such as investment income or interest income.
[3] Line #23 of the MLR Reporting Template.
[4] Line #37 of the MLR Reporting Template. **Note**: Total Incurred Claims does not include Line item 27- Provider Incentive/Bonus Payments
[5] Line #58 of the MLR Reporting Template.
[6] Line #65 of the MLR Reporting Template.
[7] Line #66 of the MLR Reporting Template. Fraud prevention includes improvements to infrastructure that prevents fraud, waste and abuse going forward.
[8] Auto calculates - do not enter anything in these cells.
[9] Enter (in natural state): Net Profit (Loss) and Profit(Loss) from Non-Operations which includes accounts 88999-01 and 88999-02, as presented on Financial Reporting Template.
[10] Enter Community Benefit / Reinvestment Expense.
[11] Auto calculates - do not enter anything in these cells.
[12] Auto calculates. If the difference is greater than $1.00 or less than ($1.00), reconcile the difference.

See accompanying independent accountants' report