



HealthPartners®

Medical loss ratio

Audits: We've been waiting for you

January 2017

1

Today's walk through

- **UNDERSTAND** Medical Loss Ratio (MLR) reporting basics
- **LEARN** strategies to navigate through an MLR audit
- **UNDERSTAND** risk areas and prepare for a MLR audit before the audit notice
- **Q&A**



2

Trusted and dedicated



- HealthPartners is a Minnesota-based **integrated health care organization** founded in 1957
- **Provides** health care services and health plan administration
- Employs more than **23,000**
- **Non-profit** & consumer governed

Loyal and supportive



- **1.5 million+ medical and dental health plan members** nationwide
 - Products: Commercial, Medicare, Medicaid, Self-Insured Administration
- **1 million+ patients**
- **Includes** hospital, primary, specialty care, dental and ancillary care services
- **1,700+ physicians**

Learning the MLR basics



PURPOSE

Ensure appropriate proportion of premium dollars to claims and quality improvement activity (QIA) costs
Determine premium rebates

SCOPE

Market segments: Individual, small group and large group
Separate MLR report for Medicare

MLR reporting basics



Retrieving basic calculations

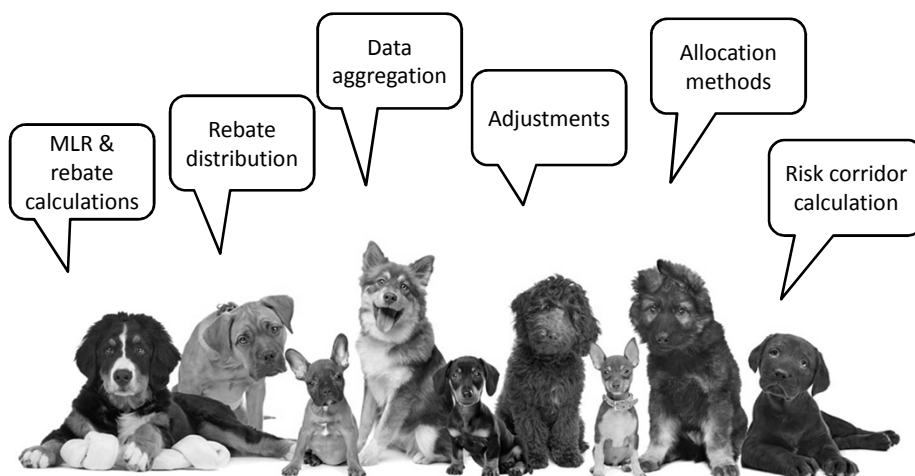


**Total Revenue – Federal & State taxes,
licensing and regulatory fees**



7

MLR audits



MLR audits process

1. Announcement
email (30-45 day
requests)
2. Entrance call

3. Submission of
30 & 45 day info
4. Meetings on
various topics

5. Sample
requests
6. Clarification
requests

7. Bi-weekly
status calls
8. Exam
reporting &
conclusion



9


MLR audit reporting



- 🐾 Call with auditors to review findings
- 🐾 Draft report to CCIO
- 🐾 Draft report received 3 days prior to CCIO exit conference
- 🐾 Exit conference w/CCIO
- 🐾 Report responses due 30 days from receipt of draft report (not date of exit conference)

10

MLR risk areas



Data
Collection of enrollment and premium data

Market segment classifications

Evidence to show proper classification

Enrollment and renewal documentation

Method of counting employees

Process of reporting market segment to Finance

Quality improvement activities (QIA)

Evidence that costs meet MLR definition


Process on how QIA costs are assigned or allocated

Quantitative support of staffing cost allocation (e.g., time studies)

Taxes

Tax Allocations between entities and market segment

More MLR risk areas



Provider payment arrangements

Allocation of TPA administrative expenses

Risk adjustment & reinsurance amounts

Inconsistencies with form instructions

12

MLR tips & tricks



TIP: Not just a finance audit; compliance & other teams need to be familiar with guidelines too.

ENGAGE all teams

REVIEW key info

DETERMINE SMEs in advance

13

Contact us

Steve Bunde 🐾 952.883.6541
steven.d.bunde@healthpartners.com

Stephanie Moscetti 🐾 952.883.7602
stephanie.m.moscetti@healthpartners.com

Need more info



Ready for questions

