

Final
Report on the
Medical Loss Ratio Examination
of
Vantage Health Plan, Inc.
(Monroe, Louisiana)
for the
2015 MLR Reporting Year

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Consumer Information & Insurance Oversight
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Washington, D.C. 20201

OVERSIGHT GROUP

September 3, 2026

In accordance with Title 45 of the Code of Federal Regulations (CFR), section 158.402, the Center for Consumer Information & Insurance Oversight (CCIIO) has completed an examination of the Medical Loss Ratio (MLR) Annual Reporting Form submitted by Vantage Health Plan (the Company) for the 2015 MLR reporting year, including 2015, 2014, and 2013 data reported on that form. Following an exit conference with the Company, the Company responded to each Finding and Corrective Action. This final report, which will be made publicly available, incorporates the Company's response and CCIIO's evaluation of the response.



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I. Executive Summary

The Center for Consumer Information & Insurance Oversight (CCIIO) has performed an examination of the 2015 Medical Loss Ratio (MLR) Annual Reporting Form for Vantage Health Plan, Inc. (the Company) to assess the Company's compliance with the requirements of 45 CFR Part 158. We determined that the Company's 2015 MLR Annual Reporting Form contains numerous elements that are not compliant with the requirements of 45 CFR Part 158, but that do not impact consumer rebates.

We direct the Company to implement the necessary corrective actions to address the findings detailed in this report, including: (1) obtaining and maintaining adequate information to accurately determine the market classification of group policies, and correctly determining the market classification of group policies; (2) implementing policies and procedures to ensure compliance with the requirements of the MLR Annual Reporting Form Filing Instructions; (3) ensuring that incurred claims are properly and accurately calculated and reported; (4) ensuring that quality improvement activity (QIA) expenses are adequately supported with sufficient documentation; and (5) ensuring the accurate calculation and reporting of earned premium and average deductibles.

The examination findings resulted in changes to the Company's reported 2015 MLRs in the individual, small group, and large group markets. As the recalculated MLRs continued to exceed the applicable MLR standards, these findings did not have an impact on the Company's rebate liability in any market.

II. Scope of Examination

CCIIO examined the Company's 2015 MLR Annual Reporting Form to determine compliance with 45 CFR Part 158. Title 45 CFR Part 158 implements section 2718 of the Public Health Service Act (PHS Act). Section 2718 of the PHS Act, as added by the Patient Protection and Affordable Care Act (ACA), generally requires health insurance issuers ("issuers") to submit to the Secretary of the U.S. Department of Health & Human Services (HHS) an annual report concerning premium revenue and expenses related to group and individual health insurance coverage issued. The federal MLR is the proportion of earned premium, less certain taxes and regulatory fees, expended by an issuer on clinical services and activities that improve health care quality in a given state and market, after adjustments for the credibility of the experience or other factors, where applicable, and calculated using the average of three consecutive years of data. Section 2718 also requires an issuer to provide rebates to consumers if it does not meet the applicable MLR standard (generally, 80% in the individual and small group markets and 85% in the large group market).

This is the first examination of the Company's MLR Annual Reporting Form performed by CCIIO. The examination covered the reporting period of January 1, 2013 through December 31, 2015, including 2013, 2014, and 2015 experience and claims run-out through March 31, 2016. We conducted the examination in accordance with the CCIIO Medical Loss Ratio Examination Handbook (the Handbook). The Handbook sets forth the guidelines and procedures for planning

and performing an examination to evaluate the validity and accuracy of the data elements and calculated amounts reported on the MLR Annual Reporting Form, and the accuracy and timeliness of any rebate payments. The examination included assessing the principles used and significant estimates made by the Company, evaluating the reasonableness of expense allocations, and determining compliance with relevant statutory accounting standards, MLR regulations and guidance, and the MLR Annual Reporting Form Filing Instructions.

The Company's response to each finding appears after the finding in the Conclusion, Corrective Actions, Company Responses, and CCIIO Replies section of this Report. The Company's implementation of the corrective actions was not reviewed for proof of implementation or subjected to the procedures applied during the examination. CCIIO's replies are based solely on a review of the Company's response. CCIIO reserves the right to review the actual implementation of the Company's corrective action and proposed action plan for each corrective action in future MLR Annual Reporting Forms, examinations, or as otherwise may be appropriate.

III. Summary of Findings

Page	Key Findings
7	Failure to employ standards consistent with the definitions in §158.103 to correctly determine the size of group policyholders – The Company did not obtain from each group policyholder, at the time of initial application or policy renewal, the average total number of employees (ATNE) employed on the business days of the calendar year preceding the coverage effective date, as required by the regulation, and therefore may not have correctly determined each group's size and market classification.
8	Failure to assign the correct market classification, in accordance with the definition at §158.103 - The Company incorrectly classified one large group policy as a small group market policy on its 2015 MLR Annual Reporting Form. As a result, \$63,837 in incurred claims and \$145,542 in earned premium were reclassified from the small group to the large group market.
8, 9, 10	Failure to submit an MLR Annual Reporting Form in the manner prescribed by the Secretary, as required by §158.110 - The Company failed to report its Medicare Advantage experience in the Medicare MLR Business column on its 2015 MLR Annual Reporting Form. This error did not impact the Company's MLR calculations. The Company failed to report contract reserves in the 3/31 column on its 2014 and 2015 MLR Annual Reporting Forms, in the individual market. As a result, the Company overstated its total three-year aggregate incurred claims on its 2015 MLR Annual Reporting Form by \$245,206 in the individual market.

Page	Key Findings
	The Company failed to report adjusted incurred claims for 2013 in the PY2 column of Part 3, Line 1.1, on its 2015 MLR Annual Reporting Form. This error did not impact the MLR calculation, as Part 3, Line 1.1, is not included in the MLR calculation. The Company improperly reported premium ceded under a 100% quota share arrangement on Part 2, Line 1.12, on its 2015 MLR Annual Reporting Form, in the individual, small group and large group markets. This error did not impact the MLR calculations as Part 2, Line 1.12 is for informational purposes only.
8, 9	Failure to properly report incurred claims, as required by §158.140 - The Company improperly reduced incurred claims reported on its 2014 and 2015 MLR Annual Reporting Forms by the amount of incurred claims ceded to reinsurers. As a result, the Company understated its three-year aggregate incurred claims on its 2015 MLR Annual Reporting Form by a total of \$2,271,396 in the individual market, \$78,996 in the small group market, and \$2,090,677 in the large group market. Due to a calculation error in the total amount of prescription drug claims, the Company incorrectly calculated paid claims reported on Part 2, Line 2.1b, on its 2015 MLR Annual Reporting Form, in the large group market. As a result, the Company understated its current year incurred claims on Part 3, Line 1.2, by \$97,132 in the large group market.
9	Failure to maintain adequate documentation, as required by §158.502 – The Company did not maintain the documents and other records necessary to enable CCIIO to verify that the MLRs and any rebates owed were calculated in accordance with 45 CFR Part 158. Specifically, the Company did not maintain the documents and other sufficient evidence necessary to enable CCIIO to verify that the expenses reported as QIA met the definition set forth in §158.150.
10	Failure to accurately report earned premium, as required by §158.130 - The Company improperly reduced premium written on its 2014 and 2015 MLR Annual Reporting Forms by the amount of premium ceded to reinsurers. As a result, the Company understated its three-year aggregate earned premium on its 2015 MLR Annual Reporting Form by \$980,801 in the individual market, \$184,734 in the small group market, and \$2,061,136 in the large group market.
11	Failure to calculate the average deductible consistent with the requirements of §158.232(c) – The Company incorrectly computed the 2015 average deductible of its individual market policies using the life-years for the current year, instead of the 3-year aggregation of life-years, to weight each deductible level. As a result of this error, the deductible factor has been restated to 1.0 for the individual market.

These findings resulted in changes to the Company's reported MLRs in the individual, small group, and large group markets. As the recalculated MLRs continued to exceed the applicable MLR standards, these findings did not have an impact on the Company's rebate liability in any market.

The three-year adjusted, aggregated numerator and denominator, along with the resulting credibility-adjusted MLRs for 2015, are shown in the following tables. The differences between the amounts in the "As Filed" and "As Recalculated" rows reflect the net impact of the adjustments made to properly: reallocate the experience of one misclassified policy; restate incurred claims and earned premium; and restate the deductible factor to 1.0.

Recalculated MLRs¹ and Rebates for the Individual, Small Group, and Large Group Markets for the 2015 Reporting Year

Louisiana

	Individual Market			
	Numerator	Denominator	MLR	Rebate
As Filed	\$55,874,691	\$67,267,273	85.8%	\$0
As Recalculated	\$57,900,881	\$68,248,074	87.1%	\$0
Difference	\$2,026,190	\$980,801	1.3%	\$0

	Small Group Market			
	Numerator	Denominator	MLR	Rebate
As Filed	\$15,475,126	\$19,342,286	84.3%	\$0
As Recalculated	\$15,490,285	\$19,381,478	84.1%	\$0
Difference	\$15,159	\$39,192	(0.1%)	\$0

	Large Group Market			
	Numerator	Denominator	MLR	Rebate
As Filed	\$168,615,478	\$186,109,620	92.0%	\$0
As Recalculated	\$170,867,124	\$188,316,298	92.1%	\$0
Difference	\$2,251,646	\$2,206,678	0.1%	\$0

IV. Company Overview

A. Description, Territory, and Plan of Operation

The Company is a for-profit health insurance issuer domiciled in Louisiana. The Company sells individual and group health insurance policies in Louisiana.

During the 2013, 2014, and 2015 MLR reporting years, the Company operated in the individual, small group, and large group markets that were subject to the MLR reporting requirements of 45 CFR Part 158. As of December 31, 2015, the Company reported a total of 22,171 covered lives and \$115,321,854 in direct earned premium for policies subject to the MLR reporting and rebate

¹ The MLRs shown may not equal the quotient of the numerator divided by the denominator due to the inclusion of a credibility adjustment, in accordance with §158.230.

requirements under 45 CFR Part 158 and a total of 36,243 covered lives and \$270,434,048 in direct premium from all health lines of business. The Company's only line of business not subject to the MLR regulations at 45 CFR Part 158 is Medicare Advantage policies.

B. Management

The corporate officers and board of directors of the Company as of December 31, 2015 were:

Officers

<u>Name</u>	<u>Title</u>
Patrick G. Jones	President
Rhonda R. Haygood	Chief Financial Officer
Ronald P. Koepke	Treasurer
Mike W. Breard	Executive Vice President
Corbin J. Turpin	Vice President
Michael J. Sampognaro	Secretary

Directors

<u>Name</u>	
Joseph Barron	Patrick G. Jones
Michael J. Belue	Scott K. McClelland
John M. Cage	Reba Nolan
Edward O. Coleman	Terri H. Odom
Matthew Debnam	Joseph B. Reynolds
Bonita H. Dyess	Michael J. Sampognaro
William T. Ferguson	Corbin J. Turpin
Ronald P. Koepke	David A. Yarbrough

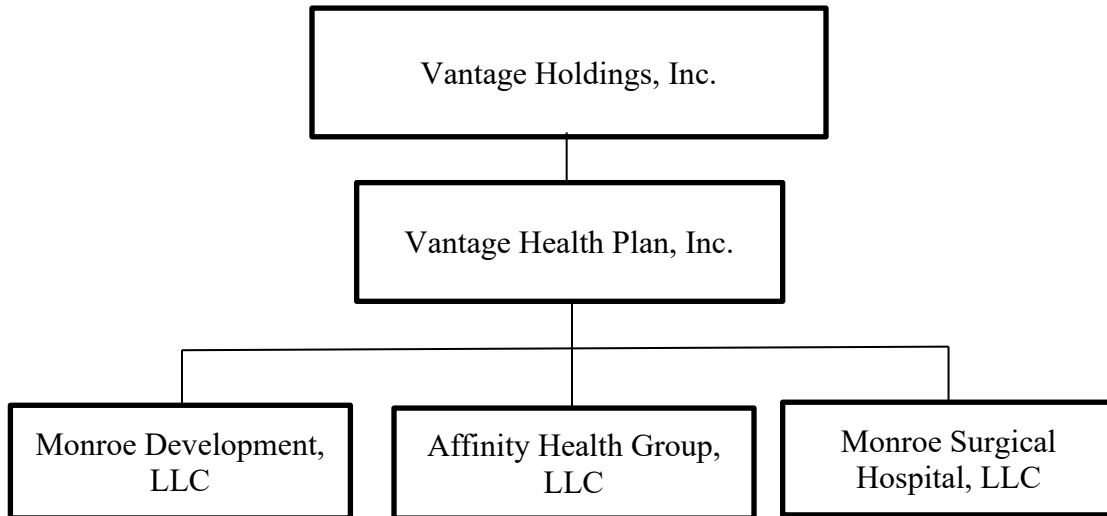
Company management and corporate-level personnel responsible for the preparation, submission, and attestation of the 2015 MLR Annual Reporting Form were:

<u>Name</u>	<u>Title</u>
Patrick G. Jones	CEO Attester
Ronda R. Haygood	CFO Attester

C. Ownership

The Company is a member of an insurance holding group system.

**Vantage Health Plan, Inc.
Organizational Chart as of December 31, 2015²**



D. Agreements

As of December 31, 2015, the Company had entered into the following intercompany agreements that are pertinent to a review of its MLR Annual Reporting Form:

1. A Tax Allocation Agreement with its wholly owned subsidiaries, Monroe Development, LLC and Affinity Health Group, LLC.
2. A Participating Hospital Agreement with Monroe Surgical Hospital, LLC.

E. Reinsurance

During 2013, 2014, and 2015, the Company did not have any reinsurance agreements in effect that impacted the MLR reporting of its health insurance policies subject to the regulations at 45 CFR Part 158.

V. Accounts and Records

The Company's main administrative and financial reporting office is located at 130 DeSiard Street, Suite 300, Monroe, Louisiana, 71201. The Company provided adequate access to its accounts and records, including computer and other electronic systems, as required by §158.501.

As noted herein, the Company did not comply with §158.502 with regard to maintaining adequate documentation and other evidence necessary to enable CCIIO to verify that the MLRs and rebates owed were calculated in accordance with 45 CFR Part 158. Specifically, the Company did not provide sufficient evidence necessary to enable CCIIO to verify that the expenses reported as QIA met the definitions set forth in §158.150.

² This is an excerpt from the organization chart provided by the Company and includes only those entities whose relationship to the Company impacted the MLR examination.

VI. Examination Results

Except as noted in this report, based on the procedures performed, nothing came to our attention that would indicate that the Company's 2013, 2014, and 2015 MLR Annual Reporting Forms were not filed on the form and in the manner prescribed by the Secretary. The Company's 2013, 2014, and 2015 MLR Annual Reporting Forms were filed by the due date.

The Company reported that in 2015, it met the applicable MLR standards in the individual, small group, and large group markets. Therefore, the Company reported that it was not required to pay rebates to its enrollees in these markets.

Based on the reporting errors found during the examination, the Company's MLRs for the 2022 reporting year were recalculated, which did not result in any change to the Company's rebate liability in any market.

A. MLR Data

Market Classification

Incorrect Procedures for Determining Group Size and Market Classification

The Company adopted policies and procedures for determining group size and market classification that are inconsistent with the definitions in §158.103 applicable to the 2013-2015 reporting years. Section 158.103 uses the applicable definitions of Large Employer, Large Group Market, Small Employer, and Small Group Market in section 2791(e) of the PHS Act. Section 2791(e) of the PHS Act requires that small group and large group market classifications be based on the average total number of employees (ATNE) on the business days of the calendar year preceding the coverage effective date. The Company did not obtain the necessary information from group policyholders to correctly determine employer size. Therefore, it may have incorrectly determined the market classification of some group policies for the period covered by this examination.

The Company provided copies of quarterly wage reports that indicated the total number of employees at the time of application or renewal (rather than the ATNE on the business days of the calendar year preceding the coverage effective date), and copies of policyholder premium payment checks. Since the Company based its determinations on the total number of employees at the time of either the initial policy application or policy renewal, based on the information obtained from the Company, the examiners could not confirm whether the Company correctly determined the group size, and consequently the market classification, of its group policies.

Due to the Company's use of the incorrect standard for determining group size and market classification, which could have impacted the market classification of some groups, and the lack of adequate documentation necessary to support its determinations, we cannot conclusively assess whether there were additional errors that could impact the Company's MLRs or rebates.

Incorrect Reporting of Market Classification

In addition to the failure to use the correct standard for determining group size and market classification, the Company did not consistently assign policies to the correct market classification based on the group size information that was available to the Company. Based on testing of the market classification of the Company's policies for the 2015 MLR reporting year, one policy in the sample of 25 small group policies tested was incorrectly classified as a small group market policy when, based on the Company's group-size determinations, the policy should have been reported in the large group market. As a result, current year incurred claims of \$63,837 and earned premium of \$145,542 were reclassified from the small group market to the large group market.

Failure to Report Experience from Medicare Policies

The Company failed to report the Medicare Advantage experience in the Medicare MLR Business column on its 2015 MLR Annual Reporting Form. According to the MLR Annual Reporting Form Filing Instructions, the experience related to Medicare Advantage policies must be reported in column 42. This error did not impact the Company's MLR calculations.

Aggregation

Based upon the procedures performed, other than the reporting errors noted above, nothing additional came to our attention that would indicate that the samples of policies, claims, and other aggregation-related reporting elements tested during the examination were not correctly assigned to the appropriate markets and lines of business in accordance with §158.120.

Incurred Claims

Improper Reporting of Ceded Reinsurance

The Company improperly reduced its paid claims on Part 2, Line 2.1b, on its 2014 and 2015 MLR Annual Reporting Forms by the amount of incurred claims ceded to reinsurers under a quote share agreement. According to §158.140(a) and the MLR Annual Reporting Form Filing Instructions, incurred claims should be reported on a direct basis, unless the agreement is either a 100% assumption reinsurance agreement (with a novation), or a 100% indemnity reinsurance and administrative agreement entered into and effective prior to March 23, 2010. As a result, the Company understated its three-year aggregate incurred claims on Part 3, Line 1.2, on its 2015 MLR Annual Reporting Form by \$2,271,396 in the individual market, \$78,996 in the small group market, and \$2,090,677 in the large group market.

Improper Reporting of Contract Reserves

The Company failed to report the current year and prior year contract reserves in the 3/31 column on Part 2, Lines 2.6b and 2.7, on its 2014 and 2015 MLR Annual Reporting Forms in the individual market. According to the 2015 MLR Annual Reporting Form Filing Instructions, contract reserves reported on Part 2, Line 2.6b, must not exceed the amount reported in the 12/31 column, and must be reported on Part 2, Line 2.7, in the year following the reporting year. As a result, the Company overstated its total three-year aggregate incurred claims on Part 3, Line 1.2, on its 2015 MLR Annual Reporting Form by \$245,206 in the individual market.

Incorrect Reporting of Prescription Drug Claims

The Company incorrectly calculated large group market paid claims reported on Part 2, Line 2.1b, on its 2015 MLR Annual Reporting Form. Due to a calculation error, the Company incorrectly determined the amount of prescription drug claims included in paid claims. As a result, the Company understated its current year incurred claims on Part 3, Line 1.2, by \$97,132 in the large group market.

Improper Reporting of Prior Year Paid Claims

The Company improperly reported its 2013 adjusted incurred claims on Part 3, Line 1.1, in the PY2 column, on its 2015 MLR Annual Reporting Form. According to the 2015 MLR Annual Reporting Form Filing Instructions, the amount(s) reported on Part 3, Line 1.1, PY2 column, must be the same as the amount(s) originally reported on the prior year's MLR Annual Reporting Form. This error did not impact the MLR calculation, as Part 3, Line 1.1, is for informational purposes only and is not included in the MLR calculations.

Based upon the procedures performed, which include validating a sample of incurred claims (as defined by §158.140), other than the incorrect reporting of market classification, and the reporting errors noted above, nothing additional came to our attention that would indicate that the Company did not properly report the reconciled amount of cost-sharing reductions (CSRs) received from HHS, in accordance with §158.140(b)(1)(iii), or that the Company did not accurately report incurred claims.

Claims Recovered Through Fraud Reduction Efforts

The Company did not report any recoveries of paid fraudulent claims, which §158.140(b)(2)(iv) allows as an adjustment to incurred claims up to the amount of fraud reduction expenses.

Quality Improvement Activities (QIA)

Insufficient Documentation of QIA

The Company did not maintain adequate documentation to support the expenses it reported as QIA. Section 158.502 requires an issuer to maintain all documents and other evidence necessary to enable CCIIO to verify compliance with the definitions and criteria set forth in 45 CFR Part 158 and that the MLR and any rebates owed were calculated and provided in accordance with the regulation.

The largest category of QIA expenses reported by the Company was the salaries and related benefits of the employees whose roles and responsibilities included activities that it asserted met the definition of a QIA at §158.150. However, the Company could not provide sufficient time studies of employee activities or otherwise substantiate the salary ratios it used to allocate salaries to QIA. Accordingly, alternative testing procedures were employed, which included reviewing the titles and job descriptions of staff whose salaries were reported as QIA, the percent of staff time allocated to QIA, and other information obtained from the Company related to the employees whose salaries were reported as QIA expenses. Based on the alternative procedures performed, the amount of any misstatement was deemed to be immaterial and not to have a significant impact on the MLR calculations. Therefore, no adjustments were made as a result of this error.

Based upon the procedures performed, other than the error noted above, nothing additional came to our attention that would indicate that QIA expenses tested were not accurately reported and reasonably allocated among the Company's markets, as required by §158.170.

Earned Premium

Improper Reporting of Ceded Reinsurance

The Company improperly reduced premium written reported on Part 2, Line 1.1, on its 2014 and 2015 MLR Annual Reporting Forms by the amount of premium written ceded to reinsurers under a quota share agreement. According to §158.130(a)(1) and the 2015 MLR Annual Reporting Form Filing Instructions, earned premium should be reported on a direct basis, unless the agreement is either a 100% assumption reinsurance agreement (with a novation), or a 100% indemnity reinsurance and administrative agreement entered into and effective prior to March 23, 2010. As a result, the Company understated its three-year aggregate earned premium on Part 3, Line 2.1, on its 2015 MLR Annual Reporting Form by \$980,801 in the individual market, \$184,734 in the small group market, and \$2,061,136 in the large group market.

The Company improperly reported premium ceded under a 100% quota share reinsurance agreement on Part 2, Line 1.12, on its 2015 MLR Annual Reporting Form, in the individual, small group and large group markets. According to the 2015 MLR Annual Reporting Form Filing Instructions, only premium ceded according to a 100% assumption reinsurance agreement (with novation), or premium ceded under a 100% indemnity reinsurance and administrative agreement entered into prior to March 23, 2010, should be reported on Part 2, Line 2.12. The Company's quota share agreement did not meet these criteria. This error did not impact the MLR calculations, as Part 2, Line 1.12, is presented for informational purposes only and earned premium was accurately reported.

Based upon the procedures performed, nothing additional came to our attention that would indicate that earned premium was not properly reported on a direct basis or that the data elements underlying the 2013, 2014, and 2015 premium reported on the Company's 2015 MLR Annual Reporting Form were not in compliant with §158.130.

Taxes

Based upon the procedures performed, nothing came to our attention that would indicate that the taxes and licensing and regulatory fees excluded from 2013, 2014, and 2015 earned premium on the Company's 2015 MLR Annual Reporting Form did not comply with §158.161 and §158.162, and were not accurately reported and reasonably allocated among the Company's markets, as required by §158.170.

Federal Transitional Reinsurance, Risk Adjustment, and Risk Corridors Programs

Based upon the procedures performed, nothing came to our attention that would indicate that the Company did not properly report the expected payments under the federal transitional reinsurance program, or the expected transfer amounts under the federal risk adjustment and risk corridors programs for the 2015 benefit year, in compliance with §158.140(b)(4)(ii).

B. Credibility-Adjusted MLR and Rebate Amount Calculation

Incorrect Calculation of the Average Deductible

The Company incorrectly computed and reported the average deductible on Part 3, Line 4.3, on its 2015 MLR Annual Reporting Form in the individual market, for purposes of calculating the credibility adjustment reported on Part 3, Line 4.5. The Company weighted each deductible level using the average of the life-years for 2015, instead of the 3-year aggregation of life-years as required by §158.232(c)(ii). As a result of the incorrectly calculated average deductible, the deductible factor was incorrectly reported on Part 3, Line 4.4. Based on the documentation provided by the Company, the examiners could not determine the accurate average deductible or deductible factor, and therefore restated the deductible factor to 1.0 for the individual market.

Based upon the procedures performed, other than the incorrect calculation of the average deductible noted above, the Company correctly applied the credibility adjustment in accordance with §§158.230-232, when it calculated and reported its MLRs. The Company's credibility-adjusted MLRs were calculated using the correct formula, and in accordance with 45 CFR Part 158 and the applicable MLR Annual Reporting Form Filing Instructions.

Based on the Company's reported final MLRs, which exceeded the applicable standards in all markets for 2015, the Company used the correct procedures to determine that no rebates were due for any market. As detailed in this report, the examination identified errors in the data underlying the Company's MLR and rebate calculations, resulting in changes to the Company's 2015 MLRs.

C. Rebate Disbursement and Notice

According to its 2015 MLR Annual Reporting Form, the Company did not owe rebates in any market in 2015, and therefore was not required by §158.250 to issue, and did not issue, any Rebate Notices.

D. Compliance with Previous Recommendations

The Company indicated that neither CCIIO nor any state regulatory entity has previously performed an examination of the Company's MLR processes and reporting. The Company informed CCIIO that the Louisiana Department of Insurance performed a financial examination of the Company in 2013 covering the period January 1, 2007 through December 31, 2011. The financial examination resulted in two findings, neither of which impacted the Company's federal MLR calculations or reporting.

VII. Subsequent Events

The Company is required to inform CCIIO of any subsequent events that may affect the currently attested 2015 MLR Annual Reporting Form. No post-December 31, 2015 events were brought to CCIIO's attention.

VIII. Conclusion, Corrective Actions, Company Responses, and CCIIO Replies

CCIIO examined Vantage Health Plan Inc.'s 2015 MLR Annual Reporting Form to assess the Company's compliance with the requirements of 45 CFR Part 158. The examination involved determining the validity and accuracy of the data elements and calculated amounts reported on the MLR Annual Reporting Form, and the accuracy and timeliness of any rebate payments. As detailed above, the Company's 2015 MLR Annual Reporting Form contained numerous elements that were not compliant with the requirements of 45 CFR Part 158. Based on the adjustments made as a result of the examination findings, the Company did not owe rebates to its enrollees in any of the markets.

As a result of this examination, consistent with § 158.402(e), CCIIO directs the Company to implement the following corrective actions:

Corrective Action #1

The Company must adopt and implement procedures to ensure that it obtains and maintains accurate information from its employer groups at the time of policy application and at renewal in order to determine the correct group size and market classification of its group policies, consistent with the definitions in section 2791 (e) of the PHS Act and the applicable requirements of 45 CFR Part 158 and related technical guidance. This should include, but not be limited to, obtaining and maintaining documentation of the average total number of employees for the calendar year preceding the coverage effective (or renewal) date. The Company must utilize this information to accurately determine the market classification of its policies in accordance with the requirements of §158.103.

Company Response

Vantage Health Plan (VHP) acknowledges the six corrective actions identified in the 2015 MLR Examination Preliminary Report. Effective December 31, 2024, VHP no longer operates in insurance markets and does not sell or administer insurance products subject to Medical Loss Ratio (MLR) reporting requirements. Should VHP re-enter a market subject to MLR reporting requirements in the future, the findings and recommendations identified in the report would be considered as part of any applicable compliance and reporting processes.

CCIIO Reply

CCIIO accepts the Company's response and the corrective action plan.

Corrective Action #2

The Company must adopt and implement procedures to ensure it completes the MLR Annual Reporting Form in accordance with §158.110 and the applicable MLR Annual Reporting Form Filing Instructions, including ensuring the experience for its Medicare Advantage line of business is properly reported on the MLR Annual Reporting Form, and properly reporting contract reserves and prior year adjusted incurred claims.

Company Response

Vantage Health Plan (VHP) acknowledges the six corrective actions identified in the 2015 MLR Examination Preliminary Report. Effective December 31, 2024, VHP no longer operates in insurance markets and does not sell or administer insurance products subject to Medical Loss Ratio (MLR) reporting requirements. Should VHP re-enter a market subject to MLR reporting requirements in the future, the findings and recommendations identified in the report would be considered as part of any applicable compliance and reporting processes.

CCIIO Reply

CCIIO accepts the Company's response and the corrective action plan.

Corrective Action #3

The Company must adopt and implement procedures to ensure the accurate reporting of incurred claims, in accordance with §158.140 and the MLR Annual Reporting Form Filing Instructions, including ensuring that claims are reported on a direct basis, and properly calculating prescription drug claims.

Company Response

Vantage Health Plan (VHP) acknowledges the six corrective actions identified in the 2015 MLR Examination Preliminary Report. Effective December 31, 2024, VHP no longer operates in insurance markets and does not sell or administer insurance products subject to Medical Loss Ratio (MLR) reporting requirements. Should VHP re-enter a market subject to MLR reporting requirements in the future, the findings and recommendations identified in the report would be considered as part of any applicable compliance and reporting processes.

CCIIO Reply

CCIIO accepts the Company's response and the corrective action plan.

Corrective Action #4

The Company must adopt and implement a comprehensive MLR records maintenance program under which it maintains all documentation and evidence necessary to enable CCIIO to verify compliance with each element included in the MLR Annual Reporting Form, as required by §158.502. The records maintenance program should include creating and retaining adequate documentation, as may be necessary, to enable CCIIO to verify that expenses included in QIA are for activities that meet the definition of QIA. For salary-related expenses classified as QIA, this includes performing time studies of employee activities or other quantitative analyses of salary ratios to support allocating any such amounts to QIA, as only salary amounts supported by quantitative analyses regarding allocation of time spent on qualifying QIA activities are allowable QIA expenses.

Company Response

Vantage Health Plan (VHP) acknowledges the six corrective actions identified in the 2015 MLR Examination Preliminary Report. Effective December 31, 2024, VHP no longer operates in insurance markets and does not sell or administer insurance products subject to Medical Loss

Ratio (MLR) reporting requirements. Should VHP re-enter a market subject to MLR reporting requirements in the future, the findings and recommendations identified in the report would be considered as part of any applicable compliance and reporting processes.

CCIIO Reply

CCIIO accepts the Company's response and the corrective action plan.

Corrective Action #5

The Company must adopt and implement procedures to ensure that it properly and accurately reports earned premium in accordance with §158.130 and the MLR Annual Reporting Form Filing Instructions, including ensuring that premiums are reported on a direct basis, and properly reporting net assumed less ceded reinsurance.

Company Response

Vantage Health Plan (VHP) acknowledges the six corrective actions identified in the 2015 MLR Examination Preliminary Report. Effective December 31, 2024, VHP no longer operates in insurance markets and does not sell or administer insurance products subject to Medical Loss Ratio (MLR) reporting requirements. Should VHP re-enter a market subject to MLR reporting requirements in the future, the findings and recommendations identified in the report would be considered as part of any applicable compliance and reporting processes.

CCIIO Reply

CCIIO accepts the Company's response and the corrective action plan.

Corrective Action #6

The Company must adopt and implement procedures to ensure that it calculates the average deductible in accordance with §158.232(c), weighting each deductible level using the three-year aggregate life-year experience. Alternatively, the Company may elect to use a deductible factor of 1.0 in lieu of calculating average deductibles.

Company Response

Vantage Health Plan (VHP) acknowledges the six corrective actions identified in the 2015 MLR Examination Preliminary Report. Effective December 31, 2024, VHP no longer operates in insurance markets and does not sell or administer insurance products subject to Medical Loss Ratio (MLR) reporting requirements. Should VHP re-enter a market subject to MLR reporting requirements in the future, the findings and recommendations identified in the report would be considered as part of any applicable compliance and reporting processes.

CCIIO Reply

CCIIO accepts the Company's response and the corrective action plan.

The corrective actions provided in this report should be shared with and adopted by, as applicable, any affiliated entities of the Company, such as its parent or subsidiaries, if any,

that are similarly subject to the MLR reporting and rebate requirements of 45 CFR Part 158.

CCIIO thanks the Company and its staff for its cooperation with this examination.