



## INDEPENDENT AUDITORS' REPORT ON MEDICAL LOSS RATIO REPORT

To the Director of the

**ARIZONA DEPARTMENT OF CHILD SAFETY  
(Comprehensive Health Plan Fund)**

We have audited the financial statements of the proprietary fund of the **Comprehensive Health Plan** (“CHP”) Fund, a proprietary fund of the State of Arizona Department of Child Safety (“DCS”) as of and for the year ended September 30, 2023, and our report thereon dated May 28, 2024, which contained an unmodified opinion on those financial statements, appears on pages 1 - 2. Our audit was performed for the purpose of forming an opinion on the September 30, 2023 financial statements as a whole. The accompanying Medical Loss Ratio Report for the year ended September 30, 2023 on pages 21 through 22 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements for the year ended September 30, 2023. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Medical Loss Ratio Report is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "Mayer Hoffman McCann P.C." in a cursive script.

May 28, 2024





Credibility Adjustment	42 CFR§438.8(h)	+	Credibility Adjustment (if applicable)	CHIP and small pop- LTSS' MCOs between 5,400 and 350,000 Annual Member Months	0.7%	0.5%	0.5%	0.5%	0.5%	1.5%	1.5%	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.			
													67	68	69
MIR Calculations	42 CFR§438.8(i) 42 CFR§438.8(k)(vi)		Numerator Expenditures for activities that improve health care quality Total Denominator Premium Revenue Post-licensing and regulatory fees Total Medical Loss Ratio with Credibility Adjustment	\$ 40,709,917.4	\$ 23,529,205.1	\$ 35,700,660.7	\$ 61,045,717.7	\$ 160,585,492.7	\$ 13,113	\$ 160,585,492.7	\$ 9,487,596	\$ 170,098,205			
				\$ 2,575,360.1	\$ 2,321,344.1	\$ 2,312,897.7	\$ 2,217,698.7	\$ 9,487,596	\$ -	\$ -	\$ 9,487,596	\$ -	\$ -		
				\$ 43,285,274.4	\$ 25,850,546.1	\$ 37,873,558.4	\$ 63,263,716.4	\$ 170,073,092	\$ 13,113	\$ 170,098,205	\$ -	\$ -	\$ -		
				\$ 48,761,370	\$ 30,400,754.1	\$ 41,692,216	\$ 67,029,820	\$ 187,243,861	\$ 1,713,305	\$ 188,957,164	\$ -	\$ -	\$ -		
				\$ 47,377,492	\$ 29,448,288	\$ 40,102,895	\$ 66,513,497	\$ 183,829,801	\$ -	\$ 185,343,103	\$ -	\$ -	\$ -		
				91.1%	88.3%	94.4%	95.6%	92.6%	94.4%	93.0%					
Methodology(ies) for allocation of expenditures.	42 CFR§438.8(i) 42 CFR§438.8(k)(vi)		Please describe methodology(ies) for allocation of expenditures: The Department of Child Safety Comprehensive Health Plan (DCS CHIP) does not have multiple contracts and does not allocate expenses across multiple types of expenses. DCS CHIP reports each expense under only one type of expense.												
Explanations															
Aggregation Method	42 CFR§438.8(i)(4)(i) 42 CFR§438.8(k)(vi)		Please describe aggregation methodology: The Department of Child Safety Comprehensive Health Plan (DCS CHIP) is not required to report financial information by risk group/populations and by GSA. DCS CHIP calculates the MLR as one aggregate value.												

Updated March 2023

ML Annual Adjustments Column: **USE FOR ANNUAL REPORT ONLY** - Adjustment column should report prior year audit adjustments. Any adjustments to be deducted should be entered as a negative number.

[2] Annual Adjustments Column: **USE FOR ANNUAL REPORT ONLY** - Adjustment 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.

[3] LTSS: Long-Term Services and Supports.