

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

The Board of Directors of the Company
1 East Washington Street, Suite 900
Phoenix, Arizona 85004

We have performed the procedures enumerated below on the Medical Loss Ratio ("MLR") calculations required by the Arizona Healthcare Cost Containment System ("AHCCCS") for the Arizona Long Term Care ("LTC") contract for the contract year ended September 30, 2023 ("the subject matter"). Arizona Physicians IPA (the "Company" or "Contractor") is responsible for the subject matter.

The Company has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of compliance with reporting requirements of the AHCCCS for the subject matter. The procedures performed are specified in AHCCCS financial reporting guide 42 C.F.R. §§ 438.8.

We make no representation regarding the appropriateness of the procedures either for the purpose for which our report has been requested or for any other purpose. Accordingly, this report may not be suitable for either the purpose of which this report has been requested or 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.

The procedures we performed, and our findings, over the LTC Line of Business are as follows:

- 1.** Obtained the summarized entries by account number that the Company recorded to its Statement of Revenue and Expense, for the period October 1, 2022 through September 30, 2023 as well as any applicable adjustments.
 - a.** No findings were identified in the performance of this procedure.
- 2.** Obtained the breakout of the Statement of Revenue and Expense from Step 1. by line of business (LOB).
 - a.** No findings were identified in the performance of this procedure.
- 3.** Agreed the breakout of the Statement of Revenue and Expense from Step 2. to the Statement of Revenue and Expense from Step 1, by account number.
 - a.** No findings were identified in the performance of this procedure.
- 4.** For each LOB, obtained the breakout of the Statement of Revenue and Expense by incurred month, summarized by CY 23 (Oct'22 through Sep'23) incurred months and other incurred months.
 - a.** No findings were identified in the performance of this procedure.

- 5.** Agreed the Statement of Revenue and Expense obtained in Step 4. to the Statement of Revenue and Expense obtained in Step 2, by LOB.
 - a.** No findings were identified in the performance of this procedure.
- 6.** Agreed the incurred basis Member Months reported on the "MLR H-1" worksheet, cell O6, to the incurred basis trial balance obtained in Step 4, by LOB.
 - a.** No findings were identified in the performance of this procedure.
- 7.** Agreed the incurred basis Total Premium Revenue (line 17) reported on the "MLR H-1" worksheet, cell O26, to the incurred basis trial balance obtained in Step 4, by LOB plus State Directed Payments Revenue.
 - a.** No findings were identified in the performance of this procedure.
- 8.** Agreed the incurred basis Total Taxes, Licensing & Regulatory Fees (line 23) reported on the "MLR H-1" worksheet, cell O34, to the incurred basis trial balance obtained in Step 4, by LOB.
 - a.** No findings were identified in the performance of this procedure.
- 9.** Agreed the incurred basis Total Incurred Claims (line 37) reported on the "MLR H-1" worksheet, cell O52, to the incurred basis trial balance obtained in Step 4, by LOB plus any provider payments attributable to State Directed Payments, less the administrative component of Sub-Capitated Payments.
 - a.** No findings were identified in the performance of this procedure.
- 10.** Agreed the incurred basis Total Non-Claims Costs (line 58) reported on the "MLR H-1" worksheet, cell O75, to the incurred basis trial balance obtained in Step 4, by LOB plus the administrative component of Sub-Capitated Payments.
 - a.** No findings were identified in the performance of this procedure.
- 11.** Agreed the incurred basis Total Health Care Quality Improvement and Other Expenses (line 65) reported on the "MLR H-1" worksheet, cell O84, to the incurred basis trial balance obtained in Step 4, by LOB.
 - a.** No findings were identified in the performance of this procedure.
- 12.** Agreed the incurred basis Program Integrity: Fraud, Waste, and Abuse Prevention Expenses (line 66) reported on the "MLR H-1" worksheet, cell O86, to the incurred basis trial balance obtained in Step 4, by LOB.
 - a.** No findings were identified in the performance of this procedure.
- 13.** Recalculated the Credibility Adjustment (If applicable) (line 67) reported on the "MLR H1" worksheet, cell O88, and agree to the credibility adjustment guidance provided by AHCCCS, by LOB.
 - a.** No findings were identified in the performance of this procedure.
- 14.** Confirmed the mathematical accuracy of the "MLR Calculations" section of the "MLR H1" worksheet, lines 68 through 75, by LOB.
 - a.** No findings were identified in the performance of this procedure.

We were engaged by the Company 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, respectively, on the subject matter. 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 Company 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 Company and AHCCCS and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Deloitte & Touche LLP". The signature is written in a cursive, flowing style.

May 14, 2024