



October 26, 2021

Clerk of the Legislature
Legislative Fiscal Office
P.O. Box 94604
Lincoln, NE 68509

Dear Clerk of the Legislature:

In accordance with Neb. Rev. Stat. 68-995, please find the attached report summarizing administrative spending by the state's contracted Medicaid managed care plans.

The attached report denotes the most recent quarterly revenue, administrative expenses, and calculated administrative expense rate. This report includes information reported by the managed care plans through their required quarterly reporting to DHHS. It is important to note that revenue and expenses can vary quarter to quarter, and DHHS follows federal guidance in performing official Medical Loss Ratio, Administrative Spend, and Profit Cap calculations after managed care plans sufficiently complete specified contract periods.

This quarterly report is informational only, and is not utilized to perform official end-of-contract period calculations. DHHS would also clarify that Medicaid does not reimburse managed care plans for administrative expenses at cost, but rather pays a prospective capitation rate inclusive of administrative cost, and the managed care plans are at risk for any administrative expenditures above the administrative expense rate loaded in the capitation rates.

LB 1158 (2020) also included reporting requirements concerning referrals of Medicaid applicants to job-skills programs. Medicaid is submitting a separate report to the Legislature for this requirement.

If you have any questions, please contact the department at Kevin.Bagley@Nebraska.gov.

Sincerely,

Kevin Bagley, Director
Division of Medicaid and Long-Term Care
Department of Health and Human Services

Attachment

Managed Care Administrative Spending Report (Neb. Rev. Stat. 68-995)

Time Period: Calendar Year 2021 - Quarter 2 (April 1 – June 30)

Health Plan	United Healthcare	Healthy Blue Nebraska	Nebraska Total Care	MCNA Dental
Revenue	\$ 169,490,498	\$ 126,124,656	\$ 177,608,524	\$ 16,374,008
Administrative Expenses	\$ 19,412,628	\$ 8,319,538	\$ 21,630,150	\$ 1,522,783
Administrative Expense Rate	11.5%	6.6%	12.2%	9.3%