

**GROUP HEALTH
COOPERATIVE OF SOUTH
CENTRAL WISCONSIN
BadgerCare Plus (BCP)/
Supplemental Security Income
(SSI)**

**Wisconsin Medicaid
Managed Care Programs**

Report on Adjusted Administrative Expenses
With Independent Accountant's Report Thereon

For the Calendar Year Ended December 31, 2023



**MYERS AND
STAUFFER^{LC}**
CERTIFIED PUBLIC ACCOUNTANTS



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State of Wisconsin
Department of Health Services
Madison, Wisconsin

Independent Accountant's Report

We have reviewed the accompanying Adjusted Administrative Expenses of Group Health Cooperative of South Central Wisconsin (health plan) for the calendar year ended December 31, 2023. The health plan's management is responsible for presenting the Administrative Expenses in accordance with the criteria set forth in Wisconsin Financial Reporting Instructions and Centers for Medicare & Medicaid Services (CMS) federal guidance (criteria). This criteria was used to prepare the Adjusted Administrative Expenses. Our responsibility is to express a conclusion on the Adjusted Administrative Expenses based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the Adjusted Administrative Expenses in order for it to be in accordance with the criteria. The procedures performed in a review vary in nature and timing from, and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether the Adjusted Administrative Expenses are in accordance with the criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our engagement.

The procedures we performed were based on our professional judgment and consisted primarily of analytical procedures and inquiries.

The accompanying Adjusted Administrative Expenses was prepared from the Administrative Expenses information for the purpose of complying with the criteria, and is not intended to be a complete presentation in conformity with accounting principles generally accepted in the United States of America.

Based on our review, we are not aware of any material modifications that should be made to the Adjusted Administrative Expenses in order for them to be in accordance with the criteria, once the items addressed in the Schedule of Reporting Caveats are considered.



This report is intended solely for the information and use of the Department of Health Services, Milliman, and the health plan and is not intended to be and should not be used by anyone other than these specified parties.

Myers and Stauffer LC
Kansas City, Missouri
January 27, 2026



GROUP HEALTH COOPERATIVE OF SOUTH CENTRAL WISCONSIN
ADJUSTED ADMINISTRATIVE EXPENSES

Adjusted Administrative Expenses for the Calendar Year Ended December 31, 2023

Adjusted Administrative Expenses for the Calendar Year Ended December 31, 2023				
Line #	Line Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
Administrative Expense - Excluding Medical Loss Ratio Qualified Expenses				
1	Fraud Prevention Activities	\$ 2,334	\$ -	\$ 2,334
2	Sales and Marketing	\$ -	\$ -	\$ -
Direct Expense				
3	Care Management	\$ 180,567	\$ -	\$ 180,567
4	Claims Administration	\$ 106,665	\$ -	\$ 106,665
5	Customer Service	\$ 82,127	\$ -	\$ 82,127
6	Enrollment	\$ 95,277	\$ -	\$ 95,277
7	Risk Score Coding Improvement	\$ -	\$ -	\$ -
8	Interpreter Services During Provider Services	\$ -	\$ -	\$ -
9	Other	\$ -	\$ -	\$ -
Indirect Expense				
10	Accounting and Finance	\$ 267,839	\$ -	\$ 267,839
11	Actuarial and Analytics	\$ 82,815	\$ -	\$ 82,815
12	Executive	\$ 407,584	\$ (4,225)	\$ 403,359
13	Compliance and Legal	\$ 78,056	\$ -	\$ 78,056
14	Facility Related Costs	\$ 189,239	\$ -	\$ 189,239
15	Human Resources	\$ 192,352	\$ -	\$ 192,352
16	Information Technology	\$ 456,437	\$ -	\$ 456,437
17	Provider Network Management	\$ 18,556	\$ -	\$ 18,556
18	Other	\$ 113,259	\$ -	\$ 113,259
19	Unallowable Administrative Expenses	\$ 21,750	\$ (21,750)	\$ (0)
20	Other (please explain)	\$ -	\$ -	\$ -
21	Total Administrative Expense	\$ 2,294,855	\$ (25,975)	\$ 2,268,880

**MLR Qualified Expenses, lines 56-61 reported on the Financial Reporting Template - Exhibit 7, have been subjected to the procedures applied in the MLR examination, and accordingly excluded from this report.*

Note: The amounts reflected within line 21 contain a variance due to rounding.



Schedule of Reporting Caveats

During the course of the engagement, we identified the following reporting caveat.

Caveat #1 – Non-allowable administrative expenses

The Wisconsin Financial Reporting Instructions related to administrative expenses on the Financial Reporting Template – Exhibit 7 define certain non-allowable expenses. Federal guidance provided in 45 Code of Federal Regulations (CFR) § 75.420-475 was utilized to determine allowability of administrative expenses for this engagement. The contract between the Department of Health Services and the health plan requires the health plan to submit the Financial Reporting Template based on the Wisconsin Financial Reporting Instructions. The health plan did not report any non-allowable expenses per 45 CFR § 75.420-475 beyond those identified in the Wisconsin Financial Reporting Instructions.



Schedule of Adjustments

During the course of the engagement, we identified the following adjustments.

Adjustment #1 – To remove health plan self-reported unallowable expenses from adjusted amount

The health plan appropriately identified and self-reported unallowable administrative expenses, per the contract and instructions. However, for purposes of this review, an adjustment was proposed to remove the unallowable expenses to reflect only allowable expense in the adjusted amount of the report. The administrative reporting requirements are addressed in the Wisconsin Financial Reporting Instructions and 45 CFR § 75.420-475.

Proposed Adjustment		
Line #	Line Description	Amount
19	Unallowable Administrative Expenses	(\$21,750)

Adjustment #2 – To remove non-allowable travel expenses per health plan supporting documentation

The health plan reported non-allowable automobile allowance expense. An adjustment was proposed to remove the non-allowable automobile allowance expense per health plan supporting documentation. The administrative reporting requirements are addressed in the Wisconsin Financial Reporting Instructions and 45 CFR § 75.431.

Proposed Adjustment		
Line #	Line Description	Amount
12	Executive	(\$4,225)