



January 20, 2017

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Ohio Medicaid Managed Care Savings Analysis – January 2013 through December 2015

Dear Miranda:

Wakely Consulting Group, Inc. (Wakely) has been retained by the Ohio Association of Health Plans (OAHP) to assist in an evaluation of the programmatic savings that the Managed Care Plans (MCPs) achieved for the State of Ohio's Managed Medicaid program under oversight by the Ohio Department of Medicaid (ODM) during the Calendar Years (CY) 2013 through 2015. The original January 2013 capitation rates were adjusted in July 2013. The CY 2014 and CY 2015 rates were not adjusted during the course of their respective years. We have accounted for the July 2013 rating changes in our estimates for the CY 2013 period. This report includes a comparison of capitation rates for members enrolled with participating MCPs to estimated costs if those same members were enrolled in the State of Ohio's Fee for Service (FFS) program.

Wakely relied on data provided by each of the MCPs as well as capitation rates and rating documentation from ODM in performing this analysis. We relied on the accuracy of this documentation and the assumptions imbedded in the rate development. If those assumptions differ from actual experience, then our estimates will be affected. Actual results will likely vary from our estimates. This report was prepared to assist OAHP in estimating savings achieved by MCPs participating in the Ohio Managed Medicaid program during Calendar Years 2013 through 2015, and satisfies Actuarial Standard of Practice 41 reporting requirements. Other uses may be inappropriate.

We understand this report may be shared with outside parties. When it is shared, it should be shared in its entirety. This document and the supporting exhibits/files constitute the entirety of the report and supersede any previous communications on the project. Wakely does not intend to create a reliance by outside parties receiving this report. Outside parties receiving this report should retain their own qualified experts in interpreting the results. It is the responsibility of the organizations receiving this report to review the assumptions carefully and notify Wakely of any potential concerns.

Executive Summary

This report compares MCP capitation rates to estimated costs for those same members if they had been covered by traditional FFS Medicaid. MCPs achieve programmatic savings by promoting efficient use of the health care system and eliminating wasteful or inefficient spending by placing an emphasis on preventative care, managing chronic patients, and detecting and treating serious illnesses early.

In states where recent FFS data is used to set managed care rates, the comparison of estimated FFS costs to MCP capitation rates is relatively straightforward. When plan encounter data is the primary data source, it is more difficult to develop comparable FFS cost estimates. While this exercise necessarily incorporates review of older FFS experience, it uses all of the available information and, in our opinion, is reasonable and actuarially sound. The estimates in this report include all MCP dollars associated with the Medicaid program, except those associated with the MyCare dual-eligible demonstration program, inclusive of both state and federal funding components¹.

We estimate that the capitation rates paid to the MCPs were 8.9% (\$2.5B) to 11.3% (\$3.2B) lower in the CY 2013 through CY 2015 period than estimated costs if ODM had served those same members in the FFS program.

The low end of the estimated range assumes that the trend assumptions used by the state’s actuaries in the capitation rate development are representative of FFS trends, and the high end assumes that annual FFS trends would have been 0.5% higher than the state actuaries’ trend assumptions².

The following table shows additional detail regarding the range above:

Table 1 – Estimated Savings Relative to Fee For Service

Based on no assumed trend differential	CY 2013 – CY 2015
Estimated FFS Costs	\$27,741,384,000
Calculated MCO Revenue [1]	\$25,282,492,000
Total Dollars Saved	\$2,458,892,000
Total Percentage Saved	8.9%
Based on 0.5% annual trend differential	CY 2013 – CY 2015
Theoretical FFS Costs	\$28,491,486,000
Calculated MCO Revenue [1]	\$25,282,492,000
Total Dollars Saved	\$3,208,994,000
Total Percentage Saved	11.3%

[1] Excludes Health Insuring Corporation (HIC) tax and Sales and Use tax.

Definitions and Programmatic History

The following definitions and information may be helpful in understanding the various assumptions and methodology used in our analysis:

Capitation rates – Capitation rates are the monthly payments made to each MCP for Medicaid enrollees. They are published by the state’s actuary and vary by rate cell and geographic region. We have not risk adjusted plan-level capitation rates, as the composite risk level across all plans is 1.0.

¹ According to the Kaiser Family Foundation, the Ohio Federal Medical Assistance Percentages were 63.58% in 2013, 63.02% in 2014, and 62.64% 2015.

² During the 2008-2015 rating periods the assumed annual trend used in setting the Ohio Medicaid capitation rates was generally lower than the trend rates we would expect to see in an unmanaged FFS population. We believe that it is reasonable, and possibly conservative, to assume that annual FFS trends would be 0.5% higher.

Fee for Service Administrative Costs – We have assumed that ODM administrative costs to operate the FFS program are 2% higher than ODM administrative costs to operate the managed care program. This assumption is consistent with assumptions used in other states. Therefore, our savings estimates are approximately 2% higher than they would be otherwise in recognition of decreased state administrative costs for the managed care program.

Managed care has a long history in Ohio’s Medicaid program. A review of the rate setting methodology from historical rating periods was necessary as the actuarial assumptions used to set those rates include the managed care savings necessary for MCPs to achieve targeted financial performance. To develop comparable FFS cost estimates for CY 2013 through 2015, we used rate setting information underlying the CY 2008 through CY 2010 and CY 2012 through CY 2015³ capitation rates.

From CY 2006 through CY 2008 the state of Ohio transitioned the majority of the Covered Families and Children (CFC) and Aged, Blind and Disabled (ABD) 21+ populations into the managed Medicaid program. As a result, the CY 2008 through CY 2010 rate developments for these populations relied on a blend of FFS, Encounter, and Cost Report base data. The following tables illustrate the transition from FFS base data to encounter and cost report base data that occurred from CY 2008 through CY 2010⁴ for each population.

Table 2 – CFC FFS, Encounter, and Cost Report Data Weight by Rating Period

Rating Period	FFS Data Weight	Encounter Data Weight	Cost Report Data Weight
CY 2008	14.5% to 100%*	0% to 42.75%*	0% to 42.75%*
CY 2009	10.8% to 29.4%*	35.3% to 44.6%*	35.3% to 44.6%*
CY 2010	0%	60%	40%

*The weights applied to the FFS, Encounter, and Cost Report components vary by region

Table 3 – ABD 21+ FFS, Encounter, and Cost Report Data Weight by Rating Period

Rating Period	FFS Data Weight	Encounter Data Weight	Cost Report Data Weight
CY 2008	100%	0%	0%
CY 2009	34.6% to 100%*	0% to 32.7%*	0% to 32.7%*
CY 2010	0% to 55.6%*	44.4% to 60%*	0% to 40%*

*The weights applied to the FFS, Encounter, and Cost Report components vary by region

The pharmacy benefit was carved-out of the managed Medicaid program for CY 2010 and thus was not included in the rate development for that period. Pharmacy was again included as a managed care benefit for the CY 2012 and CY 2013 rating periods. The prospective development of pharmacy costs for CY 2012 and CY 2013 were based on one month of managed care data (January 2010) and eleven months of FFS data (February through December 2010). During that time, non-pharmacy rates were developed using a blend of managed care Encounter and Cost Report data. Pharmacy and

³ Each capitation rate development used historical Encounter and/or FFS data from earlier periods. Appendix C summarizes the historical data underlying each capitation rating period relevant to this analysis. CY 2011 is not included as it was not used as base experience in the development of subsequent rates.

⁴ Wakely was able to obtain rating documentation beginning with the CY 2008 rating period. We were not able to obtain the rate development for the 2006 and 2007 rating periods.

non-pharmacy components of the CY 2014 and CY 2015 CFC and ABD 21+ capitation rates were based exclusively on managed care data from CY 2012 and CY 2013, respectively.

Beginning July 2013 Ohio expanded the managed Medicaid program to include the ABD <21 population. A blend of CY 2009 and CY 2010 FFS base data was used to set the July 2013 rates for this population. CY 2012 FFS base data was used to develop ABD <21 capitation rates for CY 2014 and CY 2015.

Effective January 2014 Ohio again expanded its managed Medicaid program to cover the ACA Extension population. Since no historical experience previously existed for this population, both the CY 2014 and CY 2015 rates were developed based on a blend of ABD adult and CFC adult managed care experience.

Methodology, Assumptions, and Results

Wakely estimated savings produced by the MCPs by comparing capitation payments from ODM for the managed Medicaid populations to estimated costs for those same populations if they had been enrolled in the FFS program. In developing these estimates, we performed the following steps:

Table 4 - Overview of Savings Estimate Methodology

Calculate managed Medicaid program costs (A)

Step 1: Determine aggregate capitation payments made to participating MCPs during the CY 2013, CY 2014 and CY 2015 rating periods. This step consisted of multiplying total managed Medicaid monthly enrollment by the published capitation rates for each region and rate cell. The capitation rates used in this analysis excluded the Health Insuring Corporation (HIC) tax and the Sales and Use tax, as taxes represent offsetting cost and revenue items for the managed Medicaid program⁵.

Estimate FFS costs for managed Medicaid enrollees (B)

Step 2: Determine estimated baseline FFS costs by rate cell. Due to the current reliance on the encounter data for the ABD 21+ and CFC populations, comparative FFS data is no longer available. Historical FFS to managed care cost differentials were assumed to continue going forward.⁶ This includes adjusting implied FFS costs to remove the impact of MCP savings, MCP administrative costs, and taxes.

Step 3: Compare the composite MCP medical loss ratios for the historical periods to the loss ratios originally estimated by the state's actuaries for the same periods. Composite MCP loss ratios were calculated based on a review of audited financial statements for each plan. If the observed MCP loss ratio is lower than estimated by the state actuary, additional costs savings are accrued since prospective rates will be reduced. If the MCP loss ratio is higher than expected, managed care cost savings will be lower than implied in the rate setting methodology.

Step 5: Incorporate additional cost savings for new populations (ABD <21 – July 2013, Extension – CY 2014).

Step 6: Add FFS administrative cost difference of 2% to estimated FFS costs.

Step 7: Apply FFS versus managed care trend differential⁷.

Final Savings Estimate

Compare results of managed Medicaid program cost calculation (A) to estimated FFS costs for managed Medicaid plan enrollees (B). Subtracting (A) from (B) results in estimated dollar savings.

⁵ We did not consider the impact of potential matching federal dollars on premium or other taxes, assuming that similar taxes could be levied on providers under the FFS program (and vice versa).

⁶ We included the same MCP/Hospital Incentive PMPMs for all baseline FFS cost estimates as were included in the managed Medicaid program. This assumes that these costs represented provider funding that would also have been included in a FFS environment.

⁷ The 0.5% trend differential was assumed to have been achieved starting with CY 2008 for CFC non-delivery, CY 2009 for ABD 21+, July 2013 for ABD <21, and CY 2014 for Extension non-delivery (i.e. for CY 2013 savings the 0.5% annual trend differential was compounded for 6 years for CFC non-delivery). No trend differential was assumed for the Delivery rates.

In estimating the savings for the CY 2013 through CY 2015 rating periods for the ABD 21+ and CFC populations we initially assumed that the 2008, 2009, 2010, 2012 and 2013 base period encounter and cost report data used to develop those rates already reflected estimated MCP historical FFS to managed care cost differentials. This is based on aggregate MCP financial results for 2008 through 2010, 2012, and 2013 that generally conformed to the state actuaries' assumptions regarding expected loss ratios. CY 2008 was not directly used in developing the CY 2013 through CY 2015 capitation rates. However, it was used to develop the CY 2010 rates and therefore had an indirect impact on CY 2013 through CY 2015 savings. The table below summarizes the observed and estimated loss ratios for each of these base period years:

Table 5 – Comparison of Observed and Estimated Loss Ratios (2008 – 2010, 2012, and 2013)

Rating Period	Expected Loss Ratio ⁸	Observed Loss Ratio	Difference
CY 2008	90.2%	95.9%	6.3%
CY 2009	90.3%	95.4%	5.6%
CY 2010	88.8%	85.3%	-4.0%
CY 2012	89.5%	87.5%	-2.2%
CY 2013	89.3%	87.1%	-2.5%

We were not able to obtain rating documentation for CY 2007 and instead assumed the FFS to managed care cost differential for this period was similar to our estimate for CY 2008. Since pharmacy was carved out for CY 2010, we made adjustments to the CY 2008 through CY 2010 MCP financials to estimate the non-pharmacy loss ratios for comparison to the expected non-pharmacy loss ratios implied by the rate setting documents.

As illustrated in Table 5, the observed non-pharmacy loss ratios for CY 2008 and CY 2009 were higher than the state actuaries' expected loss ratio. This deviation resulted in lower estimated managed care cost savings than were implied by the rate setting documents. The observed non-pharmacy loss ratio for CY 2010 and the observed total loss ratios (pharmacy and non-pharmacy combined) for CY 2012 and CY 2013 were lower than the state actuaries' expected loss ratios. This deviation resulted in higher estimated managed care cost savings than were implied by the combination of the rate setting methodology and the historical FFS to managed care cost differentials that were carried forward from the prior base periods. Favorable MCP loss ratio deviation does not necessarily indicate a higher level of MCP profits. Such results may have been driven by more intensive medical management and efficiencies and associated additional administrative costs not reflected in the favorable loss ratio.

Beginning with CY 2014, the Extension population was included in the managed Medicaid program. The CY 2014 and CY 2015 Extension rates were based on a blend of ABD adult and CFC adult managed care experience. The employed rating methodology results in the same expected net managed care savings percentage as was achieved by the other populations (ABD <21, ABD 21+ and CFC). This estimated savings percentage was reduced by explicit adjustments made by the state actuaries' during rate development. These adjustments were made to account for the Extension population being new to the managed care environment.

⁸ As calculated by the state actuary.

Table 6 summarizes the results of our savings analysis by year and Table 7 illustrates the various components that result in our final savings estimates.

Table 6 – Estimated Savings Relative to Fee For Service

Based on no assumed trend differential	CY 2013	CY 2014	CY 2015	CY 2013 - CY 2015
Estimated FFS Costs	\$6,807,035,000	\$9,325,294,000	\$11,609,055,000	\$27,741,384,000
Calculated MCO Revenue [1]	\$6,442,694,000	\$8,473,027,000	\$10,366,771,000	\$25,282,492,000
Total Dollars Saved	\$364,341,000	\$852,267,000	\$1,242,284,000	\$2,458,892,000
Total Percentage Saved	5.4%	9.1%	10.7%	8.9%
Based on 0.5% annual trend differential	CY 2013	CY 2014	CY 2015	CY 2013 - CY 2015
Theoretical FFS Costs	\$6,986,636,000	\$9,575,544,000	\$11,929,306,000	\$28,491,486,000
Calculated MCO Revenue [1]	\$6,442,694,000	\$8,473,027,000	\$10,366,771,000	\$25,282,492,000
Total Dollars Saved	\$543,942,000	\$1,102,517,000	\$1,562,535,000	\$3,208,994,000
Total Percentage Saved	7.8%	11.5%	13.1%	11.3%

[1] Excludes Health Insuring Corporation (HIC) tax and Sales and Use tax.

Table 7 – Summary of Estimated Savings by Component

	CY 2013	CY 2014	CY 2015
Claim Cost Savings versus FFS Implied in Base Period Rate Development	-7.8%	-10.9%	-13.2%
Base Period MCP Financial Savings (MLR)	-2.1%	-2.0%	-2.4%
State Administrative Savings	-2.0%	-2.0%	-2.0%
Prospective Additional Managed Care Savings	-4.5%	-4.1%	-2.3%
MCO Administrative Allowance	10.1%	8.9%	8.1%
Total Estimated Savings (no trend differential)	-5.4%	-9.1%	-10.7%
Impact of Annual 0.5% Trend Differential	-2.6%	-2.6%	-2.7%
Total Estimated Savings (0.5% annual trend differential)	-7.8%	-11.5%	-13.1%

In performing this analysis, we have not attempted to adjust for any potential errors or inconsistencies included in the rate setting processes. In our opinion, any differences arising from such issues would be more likely to increase the savings estimates than decrease them. Based on our review of the financial results for MCPs, we assumed that no pay for performance funds were paid out in any year. If pay for performance funds were paid out they would represent an offset to these savings.

Conclusion

The estimated range of savings indicates that the MCPs are operating efficiently and producing significant savings compared to costs of those members in the FFS program.

Taylor Puisner and Ryan Link are responsible for this communication. We are Members of the American Academy of Actuaries and Fellows of the Society of Actuaries. We meet the Qualification Standards of the American Academy of Actuaries to issue this report. We completed the analysis using sound actuarial practice. To the best of our knowledge, the report and methods used in the analysis are in compliance with the appropriate Actuarial Standards of Practice with no known

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deviations. We are financially independent and free from conflict concerning all matters related to performing the actuarial services underlying this analysis. In addition, Wakely is organizationally and financially independent to OAHP.

The assumptions and resulting estimates included in this report are inherently uncertain. Users of the results should be qualified to use it and understand the results and the inherent uncertainty. Actual results may vary, potentially materially, from our estimates. There are no known relevant events subsequent to the date of information received that would impact the results of this report. Wakely and the undersigned actuaries are financially independent and free from conflict concerning all matters related to performing the actuarial services underlying this analysis. In addition, Wakely is organizationally and financially independent to OAHP.

Please do not hesitate to call us if you have any questions or if we may be of additional assistance. Thank you for the opportunity to work on this important project.

Sincerely,

 Signature

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Appendix A

Category of Aid	Rate Group	Regional Capitation Rates – January 2013 through June 2013 ⁹							
		Central	East Central	Northeast	Northeast Central	Northwest	Southeast	Southwest	West Central
CFC	HF/HST M+F <1	\$798.04	\$649.85	\$937.54	\$712.23	\$616.76	\$731.27	\$710.60	\$705.60
CFC	HF/HST M+F 1	\$163.66	\$180.37	\$177.16	\$175.99	\$168.40	\$172.12	\$211.94	\$164.35
CFC	HF/HST M+F 2-13	\$117.98	\$125.25	\$110.97	\$133.53	\$122.93	\$132.72	\$130.93	\$121.33
CFC	HF/HST M 14-18	\$162.20	\$153.24	\$150.51	\$165.72	\$156.55	\$166.04	\$172.12	\$166.42
CFC	HF/HST F 14-18	\$196.82	\$199.78	\$181.22	\$203.80	\$202.38	\$212.50	\$212.30	\$211.16
CFC	HF M 19-44	\$305.90	\$243.98	\$264.38	\$287.75	\$289.23	\$278.51	\$301.21	\$302.77
CFC	HF F 19-44	\$418.54	\$391.78	\$365.46	\$409.66	\$426.82	\$414.86	\$400.86	\$448.61
CFC	HF M+F 45-64	\$608.31	\$551.28	\$564.77	\$589.11	\$716.70	\$601.37	\$623.73	\$690.39
CFC	HST F 19-64	\$442.93	\$522.96	\$484.62	\$600.66	\$508.73	\$501.68	\$481.98	\$539.44
CFC	Delivery	\$4,485.78	\$4,634.30	\$4,864.23	\$4,577.90	\$4,245.24	\$3,909.81	\$5,352.32	\$6,582.72
ABD	21+	\$1,518.25	\$1,437.30	\$1,535.62	\$1,396.11	\$1,445.01	\$1,258.37	\$1,373.00	\$1,545.32

Category of Aid	Rate Group	Regional Capitation Rates – July 2013 through December 2013 ⁸						
		North Central	Northwest	Southwest	South Central	Southeast	Northeast	Northeast Central
CFC	HF/HST M+F <1	\$688.99	\$577.26	\$788.89	\$927.89	\$644.67	\$911.18	\$558.23
CFC	HF/HST M+F 1	\$170.33	\$142.19	\$196.32	\$170.47	\$163.82	\$179.50	\$158.74
CFC	HF/HST M+F 2-13	\$124.01	\$112.41	\$129.92	\$122.58	\$125.60	\$123.62	\$113.89
CFC	HF/HST M 14-18	\$167.15	\$137.09	\$165.65	\$177.40	\$167.09	\$155.71	\$139.99
CFC	HF/HST F 14-18	\$200.55	\$193.11	\$201.99	\$198.45	\$200.66	\$196.87	\$180.51
CFC	HF M 19-44	\$294.32	\$263.86	\$281.06	\$304.88	\$258.02	\$266.55	\$228.67
CFC	HF F 19-44	\$423.86	\$395.09	\$392.24	\$412.17	\$393.11	\$386.08	\$350.52
CFC	HF M+F 45-64	\$712.05	\$629.61	\$625.10	\$613.62	\$612.86	\$594.22	\$493.99
CFC	HST F 19-64	\$536.17	\$416.22	\$463.29	\$407.73	\$452.75	\$505.39	\$423.28
CFC	Delivery	\$4,330.74	\$4,061.04	\$5,695.47	\$4,647.11	\$3,964.61	\$5,225.51	\$3,736.94
ABD	21+	\$1,407.65	\$1,359.35	\$1,378.49	\$1,433.00	\$1,231.86	\$1,469.59	\$1,234.83
ABD	< 21	\$582.75	\$720.41	\$858.21	\$1,008.23	\$795.93	\$715.73	\$871.93

⁹ All capitation rates shown in Appendix A include Health Insuring Corporation Tax and Sales and Use Taxes



Appendix A (continued)

Category of Aid	Rate Group	Regional Capitation Rates – CY 2014 ⁸						
		North Central	Northwest	Southwest	South Central	Southeast	Northeast	Northeast Central
CFC	HF/HST M+F <1	\$713.44	\$544.03	\$913.70	\$990.37	\$825.54	\$1,004.16	\$709.21
CFC	HF/HST M+F 1	\$189.01	\$146.09	\$230.96	\$184.52	\$154.12	\$201.69	\$152.04
CFC	HF/HST M+F 2-13	\$117.90	\$110.28	\$142.52	\$126.31	\$142.03	\$124.51	\$114.68
CFC	HF/HST M 14-18	\$149.00	\$137.80	\$177.23	\$150.65	\$177.88	\$153.86	\$136.81
CFC	HF/HST F 14-18	\$186.28	\$195.68	\$215.76	\$198.01	\$203.80	\$195.30	\$188.24
CFC	HF M 19-44	\$273.63	\$231.33	\$265.71	\$277.90	\$249.30	\$243.76	\$203.52
CFC	HF F 19-44	\$400.39	\$358.87	\$374.28	\$396.83	\$384.82	\$367.93	\$332.66
CFC	HF M+F 45-64	\$607.39	\$490.11	\$596.31	\$647.79	\$577.53	\$542.05	\$441.14
CFC	HST F 19-64	\$477.15	\$399.62	\$429.35	\$404.76	\$449.32	\$535.02	\$396.18
CFC	Delivery	\$5,522.04	\$5,965.90	\$5,598.86	\$5,841.55	\$5,201.02	\$5,600.65	\$4,710.04
ABD	21+	\$1,358.07	\$1,349.32	\$1,424.46	\$1,396.59	\$1,290.99	\$1,404.32	\$1,156.84
ABD	< 21	\$510.20	\$661.06	\$903.75	\$1,009.73	\$773.38	\$659.93	\$721.51
Ext.	19-34 M	\$247.03	\$214.94	\$235.44	\$234.25	\$219.28	\$210.05	\$178.51
Ext.	19-34 F	\$392.81	\$341.43	\$374.09	\$397.82	\$372.24	\$383.57	\$325.84
Ext.	35-44 M	\$457.81	\$409.38	\$444.17	\$456.92	\$425.77	\$450.33	\$378.59
Ext.	35-44 F	\$537.38	\$468.35	\$512.78	\$722.78	\$670.10	\$507.28	\$429.24
Ext.	45-54 M	\$711.93	\$644.04	\$695.96	\$917.98	\$848.33	\$698.61	\$584.87
Ext.	45-54 F	\$866.57	\$793.31	\$853.77	\$969.41	\$899.13	\$816.03	\$683.28
Ext.	55-64 M	\$837.81	\$758.83	\$819.65	\$858.67	\$797.65	\$891.01	\$744.36
Ext.	55-64 F	\$941.30	\$853.15	\$921.34	\$1,037.37	\$960.80	\$920.45	\$772.10
Ext.	Delivery	\$5,522.04	\$5,965.90	\$5,598.86	\$5,841.55	\$5,201.02	\$5,600.65	\$4,710.04



Appendix A (continued)

Category of Aid	Rate Group	Regional Capitation Rates – CY 2015 ⁸						
		North Central	Northwest	Southwest	South Central	Southeast	Northeast	Northeast Central
CFC	HF/HST M+F <1	\$631.43	\$556.87	\$820.10	\$893.36	\$719.17	\$906.13	\$666.21
CFC	HF/HST M+F 1	\$177.60	\$139.96	\$173.99	\$186.35	\$176.99	\$168.14	\$154.11
CFC	HF/HST M+F 2-13	\$131.43	\$122.02	\$139.79	\$139.84	\$142.64	\$125.94	\$128.74
CFC	HF/HST M 14-18	\$161.86	\$157.55	\$180.58	\$169.25	\$191.44	\$159.75	\$162.95
CFC	HF/HST F 14-18	\$222.60	\$195.55	\$224.36	\$227.26	\$222.20	\$198.62	\$193.02
CFC	HF M 19-44	\$292.61	\$260.12	\$276.21	\$285.55	\$277.45	\$244.82	\$231.98
CFC	HF F 19-44	\$452.45	\$405.82	\$380.20	\$405.41	\$418.85	\$370.94	\$355.16
CFC	HF M+F 45-64	\$723.69	\$642.66	\$673.42	\$665.11	\$653.09	\$586.56	\$523.42
CFC	HST F 19-64	\$545.69	\$391.96	\$436.09	\$420.80	\$446.76	\$470.26	\$427.10
CFC	Delivery	\$6,564.97	\$6,416.62	\$6,847.04	\$7,549.74	\$6,313.13	\$5,495.26	\$4,599.83
ABD	21+	\$1,366.62	\$1,294.34	\$1,427.13	\$1,389.48	\$1,259.19	\$1,340.83	\$1,224.25
ABD	< 21	\$455.62	\$573.27	\$812.64	\$986.83	\$732.91	\$645.72	\$766.12
Ext.	19-34 M	\$260.93	\$229.34	\$228.32	\$224.68	\$224.84	\$198.95	\$183.74
Ext.	19-34 F	\$416.00	\$365.54	\$363.81	\$383.93	\$382.64	\$365.53	\$337.46
Ext.	35-44 M	\$476.24	\$424.77	\$429.48	\$438.95	\$429.42	\$421.78	\$388.12
Ext.	35-44 F	\$570.09	\$501.73	\$500.40	\$692.11	\$661.55	\$481.60	\$444.02
Ext.	45-54 M	\$735.25	\$659.84	\$671.34	\$875.33	\$823.39	\$650.81	\$598.10
Ext.	45-54 F	\$887.34	\$801.46	\$821.02	\$928.91	\$889.11	\$760.86	\$699.20
Ext.	55-64 M	\$865.18	\$776.91	\$791.04	\$823.57	\$794.17	\$827.99	\$760.27
Ext.	55-64 F	\$972.16	\$873.32	\$889.58	\$991.86	\$942.87	\$861.21	\$791.92
Ext.	Delivery	\$6,564.97	\$6,416.62	\$6,847.04	\$7,549.74	\$6,313.13	\$5,495.26	\$4,599.83



Appendix B

Category of Aid	Rate Group	MMs / Deliveries by Region – January 2013 through June 2013							
		Central	East Central	Northeast	Northeast Central	Northwest	Southeast	Southwest	West Central
CFC	HF/HST M+F <1	99,261	51,967	58,709	39,587	31,002	27,121	54,269	40,134
CFC	HF/HST M+F 1	86,396	44,434	52,784	34,916	26,090	22,348	48,947	35,113
CFC	HF/HST M+F 2-13	915,294	485,299	544,468	383,958	280,475	256,387	514,118	385,758
CFC	HF/HST M 14-18	130,520	76,499	87,903	59,881	40,730	42,974	71,709	56,099
CFC	HF/HST F 14-18	132,991	78,366	93,242	62,141	41,934	44,084	75,401	58,139
CFC	HF M 19-44	138,549	75,706	72,880	58,746	41,293	53,736	64,550	53,773
CFC	HF F 19-44	388,386	227,229	263,579	183,572	119,364	121,158	225,119	169,958
CFC	HF M+F 45-64	57,100	33,804	41,331	26,243	14,562	18,923	28,889	23,804
CFC	HST F 19-64	20,269	11,525	12,080	9,658	6,871	6,418	12,864	8,371
CFC	Delivery	5,529	3,055	3,743	2,522	1,774	1,571	3,182	1,757
ABD	21+	149,791	78,349	162,200	46,183	73,298	73,895	95,789	66,818

Category of Aid	Rate Group	MMs / Deliveries by Region – July 2013 through December 2013						
		North Central	Northwest	Southwest	South Central	Southeast	Northeast	Northeast Central
CFC	HF/HST M+F <1	29,827	21,474	107,124	92,752	31,180	123,778	31,600
CFC	HF/HST M+F 1	27,051	17,277	96,056	83,118	27,366	111,148	26,972
CFC	HF/HST M+F 2-13	276,336	192,618	1,035,988	876,115	301,121	1,204,094	289,899
CFC	HF/HST M 14-18	39,540	27,548	145,985	124,609	49,471	195,851	45,673
CFC	HF/HST F 14-18	41,454	28,393	152,479	127,698	49,788	202,395	46,592
CFC	HF M 19-44	41,713	26,874	137,094	134,168	59,756	166,572	45,941
CFC	HF F 19-44	129,982	79,113	455,934	377,606	141,921	588,340	133,209
CFC	HF M+F 45-64	18,217	9,863	64,395	58,596	22,652	92,307	20,184
CFC	HST F 19-64	6,506	4,368	22,582	18,728	5,621	20,375	6,009
CFC	Delivery	2,027	1,320	5,190	5,691	1,959	9,212	2,151
ABD	21+	54,432	23,474	169,698	165,718	69,685	256,928	46,302
ABD	< 21	18,819	4,854	49,019	40,495	12,610	81,662	12,880



Appendix B (continued)

Category of Aid	Rate Group	MMs / Deliveries by Region – CY 2014						
		North Central	Northwest	Southwest	South Central	Southeast	Northeast	Northeast Central
CFC	HF/HST M+F <1	61,051	43,811	224,579	195,168	63,918	257,228	65,027
CFC	HF/HST M+F 1	56,075	39,348	208,296	178,327	59,763	238,229	58,465
CFC	HF/HST M+F 2-13	571,742	406,689	2,177,489	1,812,785	632,586	2,488,839	602,395
CFC	HF/HST M 14-18	83,821	60,266	315,456	268,102	106,645	413,654	96,688
CFC	HF/HST F 14-18	86,776	61,003	328,792	271,333	107,602	423,998	97,972
CFC	HF M 19-44	84,773	57,293	290,314	277,888	126,251	349,920	94,492
CFC	HF F 19-44	271,280	173,109	978,823	795,278	303,150	1,238,690	280,358
CFC	HF M+F 45-64	40,288	22,848	145,954	130,975	51,125	207,033	44,154
CFC	HST F 19-64	15,395	11,843	59,624	47,553	17,501	55,106	18,105
CFC	Delivery	3,821	3,362	14,517	10,995	3,912	15,665	3,898
ABD	21+	111,087	48,043	350,040	343,009	140,969	530,792	95,737
ABD	< 21	40,291	10,140	108,091	86,102	26,711	179,652	28,212
Ext.	19-34 M	34,185	18,011	118,601	94,224	46,111	173,743	28,144
Ext.	19-34 F	30,459	17,777	101,871	81,820	40,237	152,250	26,453
Ext.	35-44 M	16,206	8,328	56,177	42,389	20,187	81,942	13,318
Ext.	35-44 F	12,689	8,046	43,937	34,220	17,974	62,505	12,275
Ext.	45-54 M	18,376	9,797	67,292	45,095	23,176	97,462	15,159
Ext.	45-54 F	20,251	12,383	72,353	50,691	28,168	104,408	19,337
Ext.	55-64 M	13,453	8,043	47,504	31,522	17,569	77,330	12,601
Ext.	55-64 F	16,622	10,335	60,682	41,669	23,086	97,753	17,614
Ext.	Delivery	115	58	585	319	114	740	86



Appendix B (continued)

Category of Aid	Rate Group	MMs / Deliveries by Region – CY 2015						
		North Central	Northwest	Southwest	South Central	Southeast	Northeast	Northeast Central
CFC	HF/HST M+F <1	63,508	42,625	229,161	202,916	65,886	257,439	64,210
CFC	HF/HST M+F 1	57,315	39,668	208,156	184,215	59,084	237,035	60,431
CFC	HF/HST M+F 2-13	577,148	406,871	2,195,711	1,860,901	640,161	2,492,390	616,458
CFC	HF/HST M 14-18	88,966	64,534	336,270	287,518	112,134	430,991	102,501
CFC	HF/HST F 14-18	90,862	64,277	346,735	290,369	111,055	437,480	103,339
CFC	HF M 19-44	87,896	58,204	296,783	290,273	124,057	366,966	96,401
CFC	HF F 19-44	268,320	166,817	947,347	785,020	290,771	1,191,970	270,260
CFC	HF M+F 45-64	42,396	24,198	149,923	137,544	50,202	214,499	43,967
CFC	HST F 19-64	24,756	19,662	86,558	74,762	27,604	82,278	27,316
CFC	Delivery	3,299	2,169	11,754	10,391	3,631	14,251	3,546
ABD	21+	101,446	41,087	309,983	311,723	119,924	484,285	85,279
ABD	< 21	34,477	7,691	90,987	72,300	20,276	150,626	22,760
Ext.	19-34 M	88,817	44,182	323,457	257,083	105,854	449,760	81,477
Ext.	19-34 F	79,508	45,099	291,721	236,553	93,939	406,232	81,809
Ext.	35-44 M	41,634	20,860	158,446	120,824	48,331	210,154	39,903
Ext.	35-44 F	33,284	21,144	133,127	106,223	45,805	176,244	39,181
Ext.	45-54 M	43,140	22,542	166,318	120,353	51,021	232,835	41,761
Ext.	45-54 F	46,130	27,644	176,395	131,167	59,969	247,639	50,406
Ext.	55-64 M	32,655	18,711	119,552	84,258	38,428	187,028	33,205
Ext.	55-64 F	37,470	22,119	142,372	103,756	48,280	223,095	43,488
Ext.	Delivery	391	208	2,517	1,787	482	2,934	578



Appendix C

Historical Rating Period	Base Information Used to Develop Capitation Rates
Calendar Year 2008	<u>ABD 21+</u> : Included FFS data from CY2005 and CY2006 <u>CFC</u> : Included a blend of FFS, Encounter and Cost Report data from CY2005 and CY2006
Calendar Year 2009	<u>ABD 21+</u> : Included FFS data from CY2006 and a blend of FFS, Encounter and Cost Report data from CY2007 <u>CFC</u> : Included a blend of FFS, Encounter and Cost Report data from CY2006 and CY2007
Calendar Year 2010	<u>ABD 21+</u> : Included a blend of FFS, Encounter and Cost Report data from CY2007 and CY2008 <u>CFC</u> : Included a blend of Encounter and Cost Report data from CY2007 and CY2008
Calendar Year 2012	<u>ABD 21+ / CFC</u> : Included a blend of Encounter and Cost Report data from CY2009 and CY2010 for non-pharmacy; included 1 month of managed care (January 2010) and 11 months of FFS (February through December 2010) for pharmacy.
January – June 2013	<u>ABD 21+ / CFC</u> : Included a blend of Encounter and Cost Report data from CY2009 and CY2010 for non-pharmacy; included 1 month of managed care (January 2010) and 11 months of FFS (February through December 2010) for pharmacy.
July to December 2013	<u>ABD 21+ / CFC</u> : Included a blend of Encounter and Cost Report data from CY2010 for non-pharmacy; included 1 month of managed care (January 2010) and 11 months of FFS (February through December 2010) for pharmacy. <u>ABD <21</u> : Included FFS data from CY2009 and CY2010
Calendar Year 2014	<u>ABD 21+ / CFC</u> : Included CY2012 Cost Report data as the rate base, supplemented with the January through June 2012 Encounter data to support member-level rate adjustments. <u>ABD <21</u> : Included FFS data from CY2012. <u>Extension</u> : Used rate base established from estimated claim costs for the CFC and ABD 21+ populations.
Calendar Year 2015	<u>ABD 21+ / CFC</u> : Included CY2013 Cost Report data as the rate base, supplemented with CY2013 Encounter data to support member-level rate adjustments. <u>ABD <21</u> : Included FFS data from CY2012. <u>Extension</u> : Used rate base established from estimated claim costs for the CFC and ABD 21+ populations.