

THE FACTS ABOUT Medicaid Managed Care Rates

States pay Medicaid Managed Care plans a **fixed monthly capitation rate** to cover beneficiaries' health care needs. The rate is the same amount each month, regardless of how many or what types of services the member needs.

Ohio's actuary considers a variety of factors when setting capitation rates, including:

- + Records of services, financial statements and other data.
- + Regional differences and variances.
- + Outpatient facility reimbursement updates and other program changes.
- + Pricing adjustments and taxes.

Ohio Medicaid Managed Care **plans are at risk for any service costs** exceeding the capitation payment, thus incentivizing plans to provide coordinated care resulting in positive health outcomes.

All capitation rates are federally required to be actuarially sound, meaning **they cannot be arbitrarily raised or lowered** without clear justification.