



October 23, 2020

Angela Weaver
Director of Regulatory Services
The Ohio Association of Health Plans
230 E. Town Street
Columbus, Ohio 43215

RE: OHIO MEDICAID MANAGED CARE SAVINGS ANALYSIS – JANUARY 2018 THROUGH DECEMBER 2019

Dear Angela:

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) 2018 and 2019. The original January 2018 and January 2019 capitation rates were adjusted in July 2018, and July and August 2019, respectively. We have accounted for these rating changes in our estimates for the CY 2018 and CY 2019 periods. 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 embedded 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 CY 2018 and CY 2019, 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 preventive 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 managed Medicaid program, except those associated with the MyCare dual-eligible demonstration program, inclusive of both state and federal funding components.¹

We estimate that the capitation rates paid to the MCPs were 13.5% (\$4.1B) to 17.1% (\$5.4B) lower in the CY 2018 through CY 2019 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 assumptions.²

The following table shows additional detail regarding the range above:

Table 1 – Estimated Savings Relative to Fee for Service

	CY 2018 – CY 2019	
	No Assumed Trend Differential	0.5% Annual Trend Differential
Estimated FFS Costs	\$30,095,791,000	\$31,410,794,000
Calculated MCP Revenue ^[1]	\$26,042,852,000	\$26,042,852,000
Total Dollars Saved	\$4,052,939,000	\$5,367,942,000
Total Percentage Saved	13.5%	17.1%

[1] Excludes Health Insuring Corporation (HIC) tax, Franchise Fee 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.

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,

¹ According to the Kaiser Family Foundation, the Ohio Federal Medical Assistance Percentages were 62.86% in CY 2018, and 63.07% in CY 2019.

² During the CY 2018 and CY 2019 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.

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 2018 and CY 2019, we used rate setting information underlying the CY 2008 through CY 2010 and CY 2012 through CY 2019³ 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 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.

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 began covering the ACA Extension population in its managed Medicaid program. Since no historical experience previously existed for this population, both the CY 2014 and CY 2015 Extension rates were developed based on a blend of ABD adult and CFC adult managed care experience.

Pharmacy and non-pharmacy components of the CY 2018 and CY 2019 CFC, ABD and Extension capitation rates were based exclusively on managed care data from CY 2016 and CY 2017, respectively.

Effective January 2017, Ohio began covering the Adoption and Foster Kids (AFK) population in its managed Medicaid program. CY 2016 FFS base data was used to set the CY 2018 rates and CY 2017 managed care data was used to set CY 2019 rates for this population.

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

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.

been enrolled in the FFS program. In developing these estimates, we performed the following steps:

Table 2 - Overview of Savings Estimate Methodology
<p><u>Calculate managed Medicaid program costs (A)</u></p> <p><u>Step 1:</u> Determine aggregate capitation payments made to participating MCPs during the CY 2018 and CY 2019 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, Franchise Fee and the Sales and Use tax, as taxes represent offsetting cost and revenue items for the managed Medicaid program.⁴</p> <p><u>Estimate FFS costs for managed Medicaid enrollees (B)</u></p> <p><u>Step 2:</u> Determine estimated baseline FFS costs by rate cell. Due to the current reliance on the encounter data for most of the populations, comparative FFS data is no longer available. Historical FFS to managed care cost differentials were assumed to continue going forward.⁵ This includes adjusting implied FFS costs to remove the impact of MCP savings, MCP administrative costs, and taxes.</p> <p><u>Step 3:</u> Compare MCP performance for the historical periods to the cost projections estimated by the state's actuaries for the same periods. If the observed MCP performance is better than estimated by the state actuary, additional costs savings are accrued since prospective rates will be reduced. If the MCP performance is worse than estimated by the state actuary, managed care cost savings will be lower than implied in the rate setting methodology.</p> <p><u>Step 4:</u> Add FFS administrative cost difference of 2% to estimated FFS costs.</p> <p><u>Step 5:</u> Apply FFS versus managed care trend differential.⁶</p> <p><u>Final Savings Estimate</u></p> <p>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.</p>

⁴ 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).

⁵ We included the same MCP/Hospital Incentive, Enhanced Maternal Program, and Care Innovation and Community Improvement Program (CICIP) 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.

⁶ 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, CY 2014 for Extension non-delivery, and CY 2017 for AFK (i.e. in CY 2018 savings the 0.5% annual trend differential was compounded for 10 years for CFC non-delivery). No trend differential was assumed for the Delivery rates.

In reports dated January 20, 2017 and October 15, 2018, Wakely performed similar analyses to estimate the savings produced by the MCPs for CY 2013 through CY 2015 and CY 2016 through CY 2017, respectively. The results and corresponding assumptions contained in those reports were relied upon in developing the estimates contained in this report. Please see Wakely’s January 20, 2017 and October 15, 2018 reports for further details on how savings were developed for the CY 2013 through CY 2015 and CY 2016 through CY 2017 periods, respectively.

In estimating the savings for the CY 2018 and CY 2019 rating periods for each population, we assumed that the CY 2016 and CY 2017 base period encounter and cost report data used to develop each period’s capitation rates already reflected estimated MCP historical FFS to managed care cost differentials. Performance by population for the historical periods was compared to the prospective estimates developed by Milliman for those same periods. Composite MCP performance was calculated based on reported results included in the annual 2016 and 2017 Cost Reports. If observed MCP costs are lower than estimated by Milliman, additional cost savings are accrued since prospective rates will be reduced. If the MCP costs are higher than expected, lower managed care cost savings will be accrued since prospective rates will be increased.

The table below summarizes the estimated historical FFS to managed care claim cost differentials for each of these base period years by population:

Table 3 – Estimated Historical FFS to Managed Care Cost Differentials by Population (CY 2016 and CY 2017)

Rating Period	ABD 21+	CFC	Delivery	ABD <21	Extension
CY 2016	-19.05%	-18.64%	-16.34%	-28.93%	-12.58%
CY 2017	-20.45%	-19.58%	-31.87%	-24.72%	-22.63%

Tables 4a and 4b summarize the results of our savings analysis by year and Tables 5a and 5b illustrate the various components that result in our final savings estimates. The CY 2013 through CY 2017 metrics shown in Tables 4a and 5a have been included for reference. The development of those estimates are outlined in the Wakely reports dated January 20, 2017 and October 15, 2018.

Table 4a – Estimated Savings Relative to Fee for Service (CY 2013 – CY 2017)

Based on no assumed trend differential						
	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017	CY 2013 - CY 2017
Estimated FFS Costs (\$M)	\$6,807	\$9,325	\$11,609	\$11,735	\$13,434	\$52,911
Calculated MCP Revenue (\$M) ^[1]	\$6,443	\$8,473	\$10,367	\$10,259	\$11,408	\$46,949
Total Dollars Saved	\$364	\$852	\$1,242	\$1,476	\$2,026	\$5,962
Total Percentage Saved	5.4%	9.1%	10.7%	12.6%	15.1%	11.3%
Based on 0.5% annual trend differential						
	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017	CY 2013 - CY 2017
Estimated FFS Costs (\$M)	\$6,987	\$9,576	\$11,929	\$12,110	\$13,917	\$54,518
Calculated MCP Revenue (\$M) ^[1]	\$6,443	\$8,473	\$10,367	\$10,259	\$11,408	\$46,949
Total Dollars Saved	\$544	\$1,103	\$1,563	\$1,851	\$2,509	\$7,569
Total Percentage Saved	7.8%	11.5%	13.1%	15.3%	18.0%	13.9%

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

Table 4b – Estimated Savings Relative to Fee for Service (CY 2018 – CY 2019)

Based on no assumed trend differential			
	CY 2018	CY 2019	CY 2018 - CY 2019
Estimated FFS Costs (\$M)	\$14,324	\$15,771	\$30,096
Calculated MCP Revenue (\$M) ^[1]	\$12,627	\$13,416	\$26,043
Total Dollars Saved	\$1,697	\$2,355	\$4,053
Total Percentage Saved	11.9%	14.9%	13.5%
Based on 0.5% annual trend differential			
	CY 2018	CY 2019	CY 2018 - CY 2019
Estimated FFS Costs (\$M)	\$14,921	\$16,490	\$31,411
Calculated MCP Revenue (\$M) ^[1]	\$12,627	\$13,416	\$26,043
Total Dollars Saved	\$2,294	\$3,074	\$5,368
Total Percentage Saved	15.4%	18.6%	17.1%

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

Table 5a – Summary of Estimated Savings by Component (CY 2013 – CY 2017)

	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017
Claim Cost Savings versus FFS Implied in Base Period Rate Development	-7.8%	-10.9%	-13.2%	-15.5%	-16.5%
Base Period MCP Financial Savings (MLR)	-2.1%	-2.0%	-2.4%	-2.1%	-3.2%
State Administrative Savings	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
Prospective Additional Managed Care Savings	-4.5%	-4.1%	-2.3%	-0.9%	-0.9%
MCP Administrative Allowance	10.1%	8.9%	8.1%	7.9%	7.6%
Total Estimated Savings (no trend differential)	-5.4%	-9.1%	-10.7%	-12.6%	-15.1%
Impact of Annual 0.5% Trend Differential	-2.6%	-2.6%	-2.7%	-3.1%	-3.5%
Total Estimated Savings (0.5% annual trend differential)	-7.8%	-11.5%	-13.1%	-15.3%	-18.0%

Table 5b – Summary of Estimated Savings by Component (CY 2018 – CY 2019)

	CY 2018	CY 2019
Claim Cost Savings versus FFS Implied in Base Period Rate Development	-18.8%	-20.2%
Base Period MCP Financial Savings (MLR)	2.2%	-0.2%
State Administrative Savings	-2.0%	-2.0%
Prospective Additional Managed Care Savings	-1.0%	-0.7%
MCP Administrative Allowance	7.7%	8.1%
Total Estimated Savings (no trend differential)	-11.9%	-14.9%
Impact of Annual 0.5% Trend Differential	-4.0%	-4.4%
Total Estimated Savings (0.5% annual trend differential)	-15.4%	-18.6%

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 CY 2018 and CY 2019 savings indicate that the MCPs are operating efficiently and producing significant savings compared to costs of those members in the FFS program.

Taylor Pruisner 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 deviations. We are financially independent and free from conflict concerning all matters related to performing the actuarial services underlying this analysis.

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 provides actuarial services to a variety of clients throughout the health industry. Our clients include commercial, Medicare, and Medicaid health plans, the federal government and state governments, medical providers, and other entities that operate in the domestic and international health insurance markets. Wakely has implemented various internal practices to reduce or eliminate the conflict of interest risk in serving our various clients. Except as noted here, 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

Regional Capitation Rates – January 2018 through June 2018								
Category of Aid	Rate Group	North Central	Northwest	Southwest	South Central	Southeast	Northeast	Northeast Central
CFC	HF/HST M+F <1	\$799.63	\$786.89	\$891.70	\$1,091.32	\$1,004.90	\$1,090.69	\$843.29
CFC	HF/HST M+F 1	\$137.97	\$125.79	\$168.35	\$213.26	\$150.08	\$190.95	\$131.85
CFC	HF/HST M+F 2-13	\$106.65	\$105.95	\$124.32	\$127.36	\$117.78	\$127.10	\$115.33
CFC	HF/HST F 14-18	\$203.96	\$182.84	\$220.71	\$200.42	\$205.60	\$197.13	\$200.81
CFC	HF/HST M 14-18	\$149.24	\$163.08	\$178.96	\$153.16	\$162.04	\$163.50	\$157.58
CFC	HF F 19-44	\$360.17	\$355.56	\$340.56	\$378.89	\$347.11	\$337.28	\$331.99
CFC	HF M 19-44	\$246.39	\$248.34	\$234.26	\$242.76	\$254.29	\$224.29	\$229.28
CFC	HF M+F 45-64	\$575.54	\$585.84	\$573.69	\$554.42	\$537.87	\$540.15	\$476.80
CFC	HST F 19-64	\$405.45	\$385.98	\$355.59	\$391.98	\$432.25	\$451.38	\$395.32
ABD	< 21	\$683.10	\$718.68	\$1,063.73	\$1,160.38	\$930.49	\$821.91	\$890.39
ABD	21+	\$1,572.21	\$1,389.30	\$1,457.10	\$1,444.27	\$1,273.93	\$1,446.72	\$1,317.74
Ext	19-34 F	\$324.19	\$322.12	\$328.74	\$354.89	\$330.57	\$315.61	\$316.95
Ext	19-34 M	\$280.45	\$288.82	\$276.45	\$337.10	\$283.05	\$272.36	\$243.27
Ext	35-44 F	\$549.38	\$580.61	\$549.65	\$577.95	\$522.32	\$507.23	\$510.26
Ext	35-44 M	\$461.12	\$493.14	\$452.32	\$518.38	\$470.36	\$423.62	\$410.04
Ext	45-54 F	\$741.52	\$821.44	\$751.01	\$768.63	\$727.40	\$692.27	\$688.22
Ext	45-54 M	\$677.71	\$778.98	\$679.19	\$781.72	\$685.36	\$655.26	\$606.75
Ext	55-64 F	\$829.09	\$817.81	\$785.79	\$840.01	\$810.05	\$748.65	\$729.10
Ext	55-64 M	\$846.67	\$856.12	\$815.64	\$916.93	\$783.24	\$784.37	\$764.21
CFC / EXT	Delivery	\$5,570.72	\$4,790.92	\$5,223.08	\$4,690.56	\$4,269.95	\$4,989.16	\$4,314.39
AFK	AFK	\$303.20	\$323.14	\$318.77	\$287.79	\$270.85	\$284.20	\$313.39

Appendix A (continued)

Regional Capitation Rates – July 2018 through December 2018								
Category of Aid	Rate Group	North Central	Northwest	Southwest	South Central	Southeast	Northeast	Northeast Central
CFC	HF/HST M+F <1	\$801.34	\$781.37	\$883.30	\$1,085.99	\$997.97	\$1,091.71	\$834.48
CFC	HF/HST M+F 1	\$140.16	\$125.92	\$168.85	\$213.44	\$149.57	\$194.15	\$131.22
CFC	HF/HST M+F 2-13	\$141.10	\$118.35	\$147.55	\$147.83	\$136.75	\$156.27	\$133.81
CFC	HF/HST F 14-18	\$257.75	\$207.64	\$256.07	\$241.12	\$243.41	\$243.59	\$236.63
CFC	HF/HST M 14-18	\$201.99	\$189.88	\$214.41	\$194.15	\$196.08	\$206.39	\$193.90
CFC	HF F 19-44	\$407.52	\$389.76	\$383.55	\$434.51	\$392.21	\$382.66	\$366.77
CFC	HF M 19-44	\$286.78	\$277.21	\$264.57	\$275.37	\$281.96	\$250.70	\$252.75
CFC	HF M+F 45-64	\$612.92	\$607.07	\$605.58	\$593.78	\$567.11	\$570.50	\$499.80
CFC	HST F 19-64	\$524.08	\$483.02	\$464.27	\$514.68	\$561.23	\$592.83	\$493.45
ABD	< 21	\$863.55	\$800.03	\$1,227.74	\$1,300.77	\$1,073.40	\$995.98	\$1,050.63
ABD	21+	\$1,708.71	\$1,480.37	\$1,587.93	\$1,574.41	\$1,384.23	\$1,571.96	\$1,413.20
Ext	19-34 F	\$393.59	\$379.42	\$386.16	\$433.80	\$398.68	\$365.05	\$369.79
Ext	19-34 M	\$356.73	\$358.45	\$339.24	\$403.98	\$342.03	\$330.99	\$307.46
Ext	35-44 F	\$627.70	\$636.41	\$625.79	\$663.00	\$584.46	\$568.25	\$575.29
Ext	35-44 M	\$547.00	\$552.56	\$525.25	\$590.89	\$526.76	\$486.19	\$473.42
Ext	45-54 F	\$808.95	\$863.46	\$808.53	\$839.89	\$778.33	\$742.42	\$725.01
Ext	45-54 M	\$743.44	\$822.98	\$736.59	\$844.60	\$725.59	\$707.04	\$652.33
Ext	55-64 F	\$869.99	\$837.05	\$816.71	\$890.07	\$835.42	\$781.76	\$746.24
Ext	55-64 M	\$894.20	\$880.59	\$850.82	\$968.95	\$808.64	\$815.65	\$784.70
CFC / EXT	Delivery	\$5,739.40	\$4,926.70	\$5,380.46	\$4,828.94	\$4,397.41	\$5,278.15	\$4,435.41
AFK	AFK	\$449.61	\$433.04	\$493.64	\$482.44	\$468.99	\$492.79	\$461.15

Appendix A (continued)

Regional Capitation Rates – January 2019 through June 2019								
Category of Aid	Rate Group	North Central	Northwest	Southwest	South Central	Southeast	Northeast	Northeast Central
CFC	HF/HST M+F <1	\$883.98	\$880.72	\$990.21	\$1,211.79	\$892.89	\$1,130.63	\$794.84
CFC	HF/HST M+F 1	\$126.31	\$139.77	\$167.89	\$188.55	\$139.22	\$167.83	\$137.06
CFC	HF/HST M+F 2-13	\$135.86	\$113.92	\$147.72	\$155.90	\$138.38	\$148.21	\$136.01
CFC	HF/HST F 14-18	\$250.60	\$214.04	\$258.82	\$285.17	\$248.84	\$245.58	\$228.00
CFC	HF/HST M 14-18	\$189.04	\$192.69	\$211.73	\$240.30	\$207.61	\$204.05	\$201.05
CFC	HF F 19-44	\$435.01	\$422.20	\$410.59	\$475.66	\$437.06	\$399.39	\$381.81
CFC	HF M 19-44	\$330.20	\$313.75	\$305.60	\$316.35	\$317.48	\$266.69	\$273.66
CFC	HF M+F 45-64	\$593.49	\$567.24	\$587.73	\$589.23	\$558.00	\$550.98	\$561.55
CFC	HST F 19-64	\$574.07	\$489.54	\$492.66	\$502.66	\$515.41	\$570.44	\$472.23
ABD	< 21	\$790.89	\$815.06	\$1,115.79	\$1,220.42	\$953.95	\$950.08	\$1,023.55
ABD	21+	\$1,615.82	\$1,428.53	\$1,578.51	\$1,606.99	\$1,359.45	\$1,497.95	\$1,363.87
Ext	19-34 F	\$466.55	\$455.50	\$451.57	\$521.82	\$467.82	\$411.17	\$400.28
Ext	19-34 M	\$458.54	\$456.19	\$451.23	\$504.74	\$409.84	\$425.52	\$411.76
Ext	35-44 F	\$736.09	\$683.39	\$693.23	\$736.62	\$689.61	\$596.74	\$593.01
Ext	35-44 M	\$631.96	\$606.03	\$654.62	\$719.18	\$644.01	\$558.85	\$570.19
Ext	45-54 F	\$810.82	\$900.25	\$834.41	\$893.57	\$774.58	\$749.88	\$744.45
Ext	45-54 M	\$779.10	\$851.77	\$798.52	\$879.44	\$793.71	\$749.79	\$679.26
Ext	55-64 F	\$844.94	\$882.24	\$880.54	\$937.07	\$869.71	\$782.22	\$780.91
Ext	55-64 M	\$926.73	\$1,045.35	\$918.99	\$1,009.51	\$909.83	\$847.62	\$912.66
CFC / EXT	Delivery	\$5,591.82	\$5,286.59	\$5,296.93	\$4,886.28	\$4,658.11	\$5,357.65	\$4,386.47
AFK	AFK	\$450.03	\$476.16	\$618.45	\$623.34	\$571.96	\$604.81	\$493.24

Appendix A (continued)

		Regional Capitation Rates – July 2017						
Category of Aid	Rate Group	North Central	Northwest	Southwest	South Central	Southeast	Northeast	Northeast Central
CFC	HF/HST M+F <1	\$883.98	\$880.72	\$990.21	\$1,211.79	\$892.96	\$1,130.63	\$794.84
CFC	HF/HST M+F 1	\$126.31	\$139.77	\$167.89	\$188.55	\$139.23	\$167.83	\$137.06
CFC	HF/HST M+F 2-13	\$135.86	\$113.92	\$147.72	\$155.90	\$138.39	\$148.21	\$136.01
CFC	HF/HST F 14-18	\$250.60	\$214.04	\$258.82	\$285.17	\$248.87	\$245.58	\$228.00
CFC	HF/HST M 14-18	\$189.04	\$192.69	\$211.73	\$240.30	\$207.62	\$204.05	\$201.06
CFC	HF F 19-44	\$435.01	\$422.22	\$410.61	\$475.67	\$437.08	\$399.41	\$381.83
CFC	HF M 19-44	\$330.20	\$313.75	\$305.62	\$316.36	\$317.48	\$266.71	\$273.67
CFC	HF M+F 45-64	\$593.51	\$567.29	\$587.80	\$589.30	\$558.09	\$551.08	\$561.63
CFC	HST F 19-64	\$574.07	\$489.54	\$492.66	\$502.66	\$515.41	\$570.44	\$472.23
ABD	< 21	\$790.89	\$815.06	\$1,115.79	\$1,220.42	\$953.96	\$950.09	\$1,023.56
ABD	21+	\$1,616.11	\$1,429.27	\$1,579.67	\$1,608.12	\$1,360.28	\$1,499.09	\$1,364.86
Ext	19-34 F	\$466.55	\$455.52	\$451.63	\$521.89	\$467.89	\$411.21	\$400.30
Ext	19-34 M	\$458.57	\$456.23	\$451.32	\$504.80	\$409.87	\$425.58	\$411.80
Ext	35-44 F	\$736.12	\$683.42	\$693.37	\$736.82	\$689.69	\$596.86	\$593.12
Ext	35-44 M	\$632.00	\$606.14	\$654.83	\$719.40	\$644.09	\$559.02	\$570.39
Ext	45-54 F	\$810.91	\$900.47	\$834.77	\$893.99	\$774.83	\$750.16	\$744.69
Ext	45-54 M	\$779.24	\$852.06	\$799.05	\$880.04	\$794.01	\$750.19	\$679.61
Ext	55-64 F	\$845.10	\$882.76	\$881.25	\$937.91	\$870.31	\$782.75	\$781.46
Ext	55-64 M	\$927.06	\$1,046.22	\$920.11	\$1,010.97	\$910.58	\$848.67	\$914.05
CFC / EXT	Delivery	\$5,591.82	\$5,286.59	\$5,296.93	\$5,018.70	\$4,658.11	\$5,357.65	\$4,386.47
AFK	AFK	\$450.03	\$476.16	\$618.45	\$623.34	\$571.96	\$604.81	\$493.24

Appendix A (continued)

Regional Capitation Rates – August 2019 through December 2019								
Category of Aid	Rate Group	North Central	Northwest	Southwest	South Central	Southeast	Northeast	Northeast Central
CFC	HF/HST M+F <1	\$883.98	\$880.72	\$990.21	\$1,211.79	\$892.96	\$1,130.63	\$794.84
CFC	HF/HST M+F 1	\$126.31	\$139.77	\$167.89	\$188.55	\$139.23	\$167.83	\$137.06
CFC	HF/HST M+F 2-13	\$138.10	\$114.34	\$149.31	\$156.94	\$139.31	\$149.27	\$136.64
CFC	HF/HST F 14-18	\$252.77	\$215.08	\$259.83	\$285.85	\$250.06	\$246.82	\$229.13
CFC	HF/HST M 14-18	\$191.14	\$193.46	\$213.20	\$241.17	\$209.09	\$205.44	\$201.95
CFC	HF F 19-44	\$436.05	\$423.04	\$411.67	\$476.76	\$438.23	\$400.35	\$382.83
CFC	HF M 19-44	\$331.32	\$314.56	\$306.67	\$317.17	\$318.50	\$267.44	\$274.60
CFC	HF M+F 45-64	\$594.14	\$567.73	\$588.41	\$589.88	\$558.66	\$551.71	\$562.33
CFC	HST F 19-64	\$575.35	\$490.19	\$493.74	\$503.54	\$516.09	\$571.66	\$473.25
ABD	< 21	\$801.74	\$817.57	\$1,127.04	\$1,227.30	\$960.68	\$960.75	\$1,032.22
ABD	21+	\$1,619.61	\$1,431.39	\$1,582.30	\$1,610.79	\$1,363.35	\$1,502.30	\$1,367.50
Ext	19-34 F	\$468.37	\$456.87	\$453.41	\$523.46	\$469.43	\$412.44	\$401.86
Ext	19-34 M	\$460.93	\$458.39	\$453.61	\$506.98	\$411.74	\$427.00	\$413.93
Ext	35-44 F	\$738.33	\$684.75	\$695.52	\$738.74	\$691.27	\$598.35	\$594.95
Ext	35-44 M	\$634.63	\$608.43	\$657.55	\$721.92	\$645.88	\$560.79	\$572.58
Ext	45-54 F	\$812.30	\$901.36	\$836.19	\$895.19	\$776.13	\$751.38	\$745.83
Ext	45-54 M	\$781.54	\$853.38	\$800.87	\$881.60	\$795.19	\$751.39	\$681.18
Ext	55-64 F	\$845.91	\$883.15	\$881.79	\$938.49	\$870.94	\$783.30	\$782.06
Ext	55-64 M	\$928.18	\$1,046.86	\$921.04	\$1,011.81	\$911.03	\$849.33	\$915.06
CFC / EXT	Delivery	\$5,591.82	\$5,286.59	\$5,296.93	\$5,018.70	\$4,658.11	\$5,357.65	\$4,386.47
AFK	AFK	\$463.82	\$490.02	\$639.20	\$647.87	\$599.93	\$628.58	\$507.95

Appendix B

Regional Member Months – January 2018 through June 2018								
Category of Aid	Rate Group	North Central	Northwest	Southwest	South Central	Southeast	Northeast	Northeast Central
CFC	HF/HST M+F <1	30,427	21,003	114,331	98,499	31,783	130,423	31,703
CFC	HF/HST M+F 1	26,021	17,616	97,640	89,296	27,576	116,646	27,931
CFC	HF/HST M+F 2-13	281,360	188,335	1,079,879	935,240	311,940	1,267,605	305,261
CFC	HF/HST F 14-18	45,364	31,560	175,282	148,874	54,406	221,550	50,947
CFC	HF/HST M 14-18	44,250	30,495	171,176	147,283	54,811	214,110	50,016
CFC	HF F 19-44	121,299	69,199	422,979	346,000	130,034	561,279	124,069
CFC	HF M 19-44	33,296	20,440	116,630	117,414	48,524	156,758	36,534
CFC	HF M+F 45-64	18,206	10,349	68,955	67,458	23,031	100,319	19,569
CFC	HST F 19-64	10,725	7,827	38,856	35,010	13,470	40,133	12,026
ABD	< 21	24,721	10,182	75,254	57,797	18,797	111,263	19,902
ABD	21+	63,609	26,765	193,268	181,912	69,643	297,857	52,119
Ext	19-34 F	50,072	27,615	177,831	143,473	54,802	247,167	49,529
Ext	19-34 M	54,019	25,959	196,460	152,088	60,831	279,093	51,531
Ext	35-44 F	21,979	13,602	84,447	67,372	26,526	109,005	24,747
Ext	35-44 M	26,699	13,307	102,040	75,615	30,161	134,948	26,101
Ext	45-54 F	26,138	15,201	96,552	75,535	33,446	139,135	29,149
Ext	45-54 M	24,361	12,386	94,682	69,827	29,452	133,126	25,962
Ext	55-64 F	21,733	13,245	84,179	61,110	28,375	129,008	25,728
Ext	55-64 M	19,321	10,391	72,434	51,783	23,834	113,388	21,161
CFC / EXT	Delivery	1,833	1,107	6,758	5,658	1,894	7,954	1,888
AFK	AFK	13,832	9,043	52,604	38,019	19,693	51,584	15,963

Appendix B (continued)

Regional Member Months – July 2018 through December 2018								
Category of Aid	Rate Group	North Central	Northwest	Southwest	South Central	Southeast	Northeast	Northeast Central
CFC	HF/HST M+F <1	30,241	20,254	114,923	97,767	31,650	127,426	31,311
CFC	HF/HST M+F 1	25,635	17,616	97,498	88,143	26,805	114,140	27,118
CFC	HF/HST M+F 2-13	275,316	183,363	1,062,194	921,081	304,402	1,250,360	299,420
CFC	HF/HST F 14-18	44,617	30,752	173,665	146,664	53,378	217,911	49,898
CFC	HF/HST M 14-18	43,861	29,738	169,153	145,540	53,339	210,738	48,912
CFC	HF F 19-44	118,321	68,285	417,473	341,936	127,985	556,176	122,782
CFC	HF M 19-44	29,924	19,233	108,854	109,206	44,890	147,417	33,988
CFC	HF M+F 45-64	17,847	10,195	66,796	65,277	22,235	97,893	19,252
CFC	HST F 19-64	7,562	6,328	31,325	27,309	10,322	31,913	9,332
ABD	< 21	27,557	10,953	77,211	59,860	19,317	113,318	20,145
ABD	21+	68,310	28,020	198,750	185,691	71,225	305,092	53,270
Ext	19-34 F	46,019	25,709	165,021	135,562	51,459	235,318	46,794
Ext	19-34 M	46,662	23,228	173,667	139,784	54,408	256,662	46,140
Ext	35-44 F	20,875	12,867	79,640	65,819	25,674	105,471	23,734
Ext	35-44 M	23,583	11,915	91,738	71,712	28,417	126,645	23,821
Ext	45-54 F	24,129	14,261	90,363	72,439	31,874	131,810	27,463
Ext	45-54 M	22,082	11,361	85,528	65,682	27,530	123,417	23,768
Ext	55-64 F	21,350	13,231	80,584	59,590	27,564	126,037	25,045
Ext	55-64 M	18,140	9,983	68,820	50,138	23,046	109,622	20,518
CFC / EXT	Delivery	1,800	1,097	7,056	6,112	1,944	7,947	1,922
AFK	AFK	13,539	8,110	53,547	40,167	19,127	53,504	15,370

Appendix B (continued)

Regional Member Months – January 2019 through June 2019								
Category of Aid	Rate Group	North Central	Northwest	Southwest	South Central	Southeast	Northeast	Northeast Central
CFC	HF/HST M+F <1	28,779	20,048	111,023	95,773	30,265	122,529	30,992
CFC	HF/HST M+F 1	25,329	17,057	97,006	86,543	26,673	111,993	27,223
CFC	HF/HST M+F 2-13	270,947	180,162	1,044,003	917,278	298,506	1,235,699	295,325
CFC	HF/HST F 14-18	44,642	30,687	170,637	147,307	52,554	214,271	49,705
CFC	HF/HST M 14-18	43,698	29,650	166,449	146,078	52,056	208,514	48,117
CFC	HF F 19-44	117,929	67,274	417,205	348,585	126,519	557,120	122,862
CFC	HF M 19-44	28,926	18,817	103,887	106,144	42,811	142,330	32,302
CFC	HF M+F 45-64	17,809	10,101	65,961	66,412	21,778	97,752	18,645
CFC	HST F 19-64	5,696	5,258	24,789	21,996	8,172	24,819	7,497
ABD	< 21	24,535	10,034	74,688	58,938	19,557	108,027	19,714
ABD	21+	64,240	27,137	196,774	183,572	72,078	300,813	52,817
Ext	19-34 F	43,466	24,907	156,008	133,419	48,920	224,914	46,664
Ext	19-34 M	42,142	21,423	158,226	135,551	50,716	239,657	43,530
Ext	35-44 F	20,365	12,654	76,999	65,785	25,475	103,242	23,993
Ext	35-44 M	21,078	11,259	86,254	70,798	27,478	120,220	23,175
Ext	45-54 F	23,014	13,786	85,575	71,660	30,293	125,988	26,573
Ext	45-54 M	20,653	10,729	79,681	64,918	26,232	116,100	22,474
Ext	55-64 F	21,002	12,959	77,592	59,837	26,930	123,225	24,689
Ext	55-64 M	17,593	9,644	67,530	50,691	22,768	106,724	20,282
CFC / EXT	Delivery	1,705	1,169	6,445	5,588	1,801	7,588	1,849
AFK	AFK	13,139	7,466	53,161	40,358	19,060	55,369	14,185

Appendix B (continued)

Regional Member Months – July 2019								
Category of Aid	Rate Group	North Central	Northwest	Southwest	South Central	Southeast	Northeast	Northeast Central
CFC	HF/HST M+F <1	4,803	3,335	18,399	15,934	5,007	20,238	5,182
CFC	HF/HST M+F 1	4,242	2,822	16,102	13,901	4,407	18,721	4,478
CFC	HF/HST M+F 2-13	44,913	29,871	172,874	151,004	49,091	205,811	48,816
CFC	HF/HST F 14-18	7,463	5,122	28,277	24,433	8,699	35,665	8,207
CFC	HF/HST M 14-18	7,341	4,959	27,566	24,036	8,543	34,774	7,922
CFC	HF F 19-44	19,606	11,209	69,316	57,896	20,804	93,066	20,296
CFC	HF M 19-44	4,827	3,126	17,012	17,180	6,894	23,588	5,279
CFC	HF M+F 45-64	2,994	1,703	10,948	10,976	3,581	16,266	3,030
CFC	HST F 19-64	1,047	890	4,441	3,682	1,369	4,622	1,296
ABD	< 21	4,003	1,651	12,511	9,720	3,331	17,891	3,313
ABD	21+	10,668	4,591	33,148	30,727	12,403	50,212	8,875
Ext	19-34 F	7,232	4,090	25,810	21,576	7,924	37,457	7,600
Ext	19-34 M	7,221	3,505	26,398	22,304	8,264	40,584	7,078
Ext	35-44 F	3,399	2,116	12,846	10,764	4,247	17,379	3,936
Ext	35-44 M	3,581	1,908	14,464	11,783	4,476	20,366	3,800
Ext	45-54 F	3,844	2,293	14,052	11,620	4,886	20,874	4,310
Ext	45-54 M	3,365	1,783	13,062	10,603	4,245	19,343	3,628
Ext	55-64 F	3,464	2,163	12,776	9,856	4,474	20,514	4,095
Ext	55-64 M	2,906	1,645	11,113	8,326	3,725	17,746	3,347
CFC / EXT	Delivery	320	214	1,167	1,031	322	1,401	324
AFK	AFK	2,148	1,274	8,862	6,626	3,254	9,357	2,349

Appendix B (continued)

Regional Member Months – August 2019 through December 2019								
Category of Aid	Rate Group	North Central	Northwest	Southwest	South Central	Southeast	Northeast	Northeast Central
CFC	HF/HST M+F <1	23,607	16,740	91,213	79,059	24,873	102,014	26,151
CFC	HF/HST M+F 1	20,836	13,889	79,453	67,178	21,842	90,820	22,074
CFC	HF/HST M+F 2-13	223,919	149,347	861,766	742,371	243,602	1,024,368	242,449
CFC	HF/HST F 14-18	37,090	25,341	141,414	119,881	42,944	177,302	40,710
CFC	HF/HST M 14-18	36,465	24,923	137,779	118,303	42,595	172,438	39,582
CFC	HF F 19-44	97,211	56,124	344,194	283,094	102,926	460,188	99,778
CFC	HF M 19-44	23,743	15,381	84,050	82,622	33,513	115,897	25,530
CFC	HF M+F 45-64	14,769	8,487	54,411	53,819	17,854	81,031	15,041
CFC	HST F 19-64	5,770	4,500	22,560	18,392	6,889	23,412	6,678
ABD	< 21	19,823	8,336	62,578	48,615	16,717	89,143	16,816
ABD	21+	53,330	23,023	166,693	152,921	63,063	251,285	44,760
Ext	19-34 F	35,568	20,589	127,501	103,805	39,518	186,180	37,385
Ext	19-34 M	36,280	17,669	131,844	108,376	40,717	202,631	35,179
Ext	35-44 F	16,955	10,737	64,718	52,043	21,144	86,849	19,618
Ext	35-44 M	18,213	9,684	73,507	57,790	22,344	102,278	18,974
Ext	45-54 F	18,755	11,539	70,082	56,329	24,350	103,439	21,378
Ext	45-54 M	16,646	8,975	64,972	51,508	20,918	96,545	18,029
Ext	55-64 F	17,059	10,764	63,588	47,996	22,204	102,148	20,160
Ext	55-64 M	14,560	8,230	55,563	40,577	18,634	88,821	16,395
CFC / EXT	Delivery	1,419	917	5,529	4,867	1,513	6,595	1,545
AFK	AFK	10,654	6,435	44,786	34,001	16,221	47,705	11,828

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.
Calendar Year 2016	<u>CFC / ABD / EXT</u> : Included a blend of CY2014 Encounter and Cost Report data.
Calendar Year 2017	<u>CFC / ABD / EXT</u> : Included a blend of CY2015 Encounter and Cost Report data. <u>AFK</u> : Included CY2015 FFS data.
Calendar Year 2018	<u>CFC / ABD / EXT</u> : Included CY2016 Encounter data. <u>AFK</u> : Included CY2016 FFS data.
Calendar Year 2019	<u>CFC / ABD / EXT / AFK</u> : Included CY2017 Encounter data.