



# Planning for Healthy Babies (P4HB) Rate Range Development

For the Contract Period July 1, 2014 through June 30, 2015

State of Georgia  
Department of Community Health

**Aon Hewitt**  
**Health and Benefits**  
May 23, 2014





May 23, 2014

Mr. Jerry Dubberly  
Chief Medicaid Division  
Georgia Department of Community Health  
2 Peachtree Street, NW – 34th Floor  
Atlanta, Georgia 30303-3159

**Re: FY15 Actuarial Rate Ranges for the Planning for Healthy Babies (P4HB) Program**

Dear Mr. Dubberly:

We have calculated the actuarial rate ranges for the Care Management Organizations (CMOs) participating in the State's family planning demonstration, Planning for Healthy Babies (P4HB), for the contract period July 1, 2014 through June 30, 2015. The following report describes the methods used for calculating the rates.

Thank you for our continued partnership. We value and appreciate the relationship. Please call me at 336-856-8286 if you have any questions regarding these capitation rates or the methods that were used in the calculation.

Sincerely,

A handwritten signature in black ink that reads "Sabrina H. Gibson". The signature is written in a cursive style and is positioned above the printed name.

Sabrina H. Gibson, FSA, MAAA  
Senior Vice President  
Aon Hewitt

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## **Overview of Report**

This report provides an actuarial certification of the rate ranges for the State of Georgia's Medicaid family planning demonstration, Planning for Healthy Babies (P4HB), for the contract period effective July 1, 2014 through June 30, 2015.

The Georgia P4HB section 1115(a) Medicaid Demonstration expands the provision of family planning (FP) services to uninsured women, ages 18 through 44, who have family income at or below 200 percent of the Federal Poverty Level (FPL), and who are not otherwise eligible for Medicaid or the Children's Health Insurance Program (CHIP).

In addition, the Demonstration provides Interpregnancy Care (IPC) services to women who meet the same eligibility requirements above and who deliver a very low birth weight (VLBW) baby (less than 1,500 grams or 3 pounds, 5 ounces) on or after January 1, 2011.

Lastly, women, ages 18 through 44, who have family income at or below 200 percent of the FPL, who deliver a VLBW baby on or after January 1, 2011, and who qualify under the Low Income Medicaid Class of Assistance, or the Aged Blind and Disabled Classes of Assistance, under the Georgia Medicaid State plan are eligible for the Resource Mothers Outreach (RMO) component of the demonstration.

This report has been structured in a manner to facilitate the Centers for Medicare and Medicaid Services (CMS) ease in using its rate-setting checklist in reviewing the Planning for Healthy Babies (P4HB) rates.

## Summary of Rate Ranges

The table below outlines the full risk capitation and health insurance provider fee rate ranges for the contract period effective July 1, 2014 through June 30, 2015. For the Planning for Healthy Babies (P4HB) program, the rate ranges reflect all health care services provided to enrollees. The per member per month rate structure is split for those eligible for family planning (FP), those eligible for interpregnancy care (IPC) and those eligible for resource mother only services (RMO). In addition to the cost of health care and care management services, the rates include an administrative cost allowance.

Members under the FP portion of the P4HB demonstration receive family planning services only and members in the RMO portion of the P4HB demonstration receive outreach services only; however, members in the IPC portion of the demonstration receive family planning services and resource mothers outreach services plus additional services to treat chronic conditions including primary care services. Therefore, the IPC rate ranges include the ACA required PCP enhancement calculated using 2014 Medicare rates. Since the PCP enhancement payment period ends on December 31, 2014, capitation rate ranges with the PCP enhancement are applicable for the six month period: July 1, 2014 to December 31, 2014. Rate ranges without the PCP enhancement are applicable for the six month period: January 1, 2015 to June 30, 2015.

Additionally, adjustments to the rate ranges for the Health Insurance Providers Fee (HIF) defined in Section 9010 of the Patient Protection and Affordable Care Act have been estimated and included in this certification. Table 1 below includes a summary of the proposed rate range adjustments for the HIF. Please refer to section AA.3.2 for additional details.

**TABLE 1 - Capitation and HIF Adjustment to the Rate Ranges**

	Rate Range w/o PCP		Rate Range w/ PCP		Rate Range - Blend		HIF Adjustment to the Rate Ranges			
	Jan 2015 - Jun 2015		Jul 2014 - Dec 2014				Jul 2014 - Jun 2015			
	Low PMPM	High PMPM	Low PMPM	High PMPM	Low PMPM	High PMPM	Low%	High%	Low PMPM	High PMPM
Family Planning	\$ 27.12	\$ 29.99	\$ 27.12	\$ 29.99	\$ 27.12	\$ 29.99	0.0%	5.0%	\$0.00	\$ 1.50
Interpregnancy	\$ 219.36	\$ 223.32	\$ 220.96	\$ 224.95	\$ 220.16	\$ 224.13	0.0%	5.0%	\$0.00	\$ 11.21
Resource Mother Only	\$ 156.98	\$ 159.43	\$ 156.98	\$ 159.43	\$ 156.98	\$ 159.43	0.0%	5.0%	\$0.00	\$ 7.97

## **AA.1.0 Overview of Rate-Setting Methodology**

Aon Hewitt established the full risk capitation rate ranges for the Planning for Healthy Babies (P4HB) program, effective for the contract period effective July 1, 2014 through June 30, 2015.

The per member per month capitation rates were developed to appropriately reflect the risk of the Planning for Healthy Babies (P4HB) eligibility groups. The capitation rates were developed through an analysis of detailed enrollment and medical and prescription drug claim encounter data received from the Care Management Organizations (CMOs) via the MMIS encounter data submissions and audited by Myers and Stauffer. Using the encounter data and enrollment data, base period per member per month costs (PMPMs) are developed using appropriate factors as outlined in the remaining sections of this document.

The Rate Setting Checklist detail sections below provide additional details about the rate setting methodology.

Exhibit 1 summarizes the projected low and high rate ranges for each eligibility category of the demonstration program (FP, IPC and RMO).

Exhibit 2 summarizes the ACA PCP Enhanced Payment for IPC.

Exhibit 3 summarizes the expected total expenditures under the proposed rates.



## AA.1.1 Actuarial Certification

I, Sabrina Gibson am associated with the firm Aon Hewitt. I am a member of the American Academy of Actuaries and a Fellow of the Society of Actuaries. I meet the qualification standards established by the American Academy of Actuaries and have followed the practice standards established from time-to-time by the Actuarial Standards Board. I am contracted with the State of Georgia and am generally familiar with the Planning For Healthy Babies program including eligibility rules and benefit provisions.

The capitation rates provided with this certification are considered actuarially sound for purposes of 42 CFR 438.6(c), according to the following criteria:

- The capitation rates have been developed in accordance with generally accepted actuarial principles and practices;
- The capitation rates are appropriate for the populations to be covered, and services to be furnished under the contract; and
- The capitation rates meet the requirements of 42 CFR 438.6(c).

For the purposes of this certification, actuarial soundness is defined as follows:

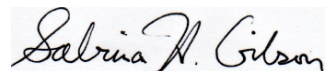
Medicaid benefit plan capitation rates are “actuarially sound” if, for business in the state for which the certification is being prepared and for the period covered by the certification, projected premiums – including expected reinsurance and governmental stop-loss cash flows, governmental risk adjustment cash flows, and investment income – provide for all reasonable, appropriate and attainable costs, including health benefits, health benefit settlement expenses, marketing and administrative expenses, any government-mandated assessments, fees, and taxes, and the cost of capital.

The assumptions used in the development of the actuarially sound capitation rates have been documented in this report. The actuarially sound capitation rate ranges that are associated with this certification are effective for the 6-month period beginning July 1, 2014 and ending December 31, 2014 and the 6 month period beginning January 1, 2015 and ending June 30, 2015. The difference in the rates is the inclusion of the ACA mandated PCP enhancement payment in the first 6 months period.

The actuarially sound capitation rates are based on a projection of future events. It may be expected that actual experience will vary from the experience assumed in the rates.

In developing the actuarially sound capitation rates, we have relied upon data and information provided by the Care Management Organizations and the State of Georgia. Detailed data has been validated to financial records provided by the State and their intermediary, Myers and Stauffer. We did not audit the data. But in addition to financial record validation, the data was reviewed for reasonableness and consistency.

The health plans should evaluate the rates in the context of their own experience, expenses, capital and surplus, and profit requirements prior to agreeing to contract with the State. The health plans may require rates above, equal to, or below the actuarially sound capitation rates that are associated with this certification.



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Sabrina H. Gibson, FSA., MAAA  
Member, American Academy of Actuaries  
Fellow, Society of Actuaries

### **AA.1.2 Projection of Expenditures**

Exhibit 3 outlines the projected expenditures based on enrollment assumptions for the contract period July 1, 2014 to June 30, 2015 for the P4HB demonstration program. Note that the total expenditures are based on proposed rates excluding the HIF adjustments to the rates.

### **AA.1.3 Procurement, Prior Approval and Rate Setting**

Table 1 shows the full risk capitation and the HIF adjustment to the rate ranges calculated by Aon Hewitt in an actuarially sound manner. The Department of Community Health negotiates the rates with each CMO within the actuarial sound rate ranges.

### **AA.1.5 Risk Contracts**

The CMOs assume the risk for the cost of services covered under the contract and incur losses if the costs of furnishing the services exceed the payments under the contract. The CMOs must accept as payment in full the amount paid by the state for all services and eligible populations defined in the special terms and conditions of the Georgia Families contract.

### **AA.1.6 Limits on Payments to Other Providers**

No supplemental payments are made to providers for the same services included in the capitation payments.

## **AA.2.0 Base Year Utilization and Cost Data**

The base utilization and cost data used in setting rates are claims incurred September 1, 2012 to August 30, 2013, paid through November 30, 2013. During this period, DCH auto enrolled members in the Family Planning category when they lost Medicaid eligibility. DCH discontinued this auto enrollment process for FP members effective June 2013. To capture the correct member claims to match the population that will be enrolled for the period to which the capitation rates apply, Aon Hewitt extracted and summarized the utilization and cost data for only the non-auto enrolled FP eligible members. Base data was extracted for all members (auto enrolled and non-auto enrolled members) in the IPC eligibility category, since the enrollment process is not changing for this eligibility category.

Aon Hewitt obtained the following data from the State of Georgia and from this data selected the base data used to develop capitation rates:

- Detailed CMO inpatient, outpatient, professional, ancillary and prescription drug paid claims and utilization data with dates of service from September 1, 2011 to August 30, 2013, paid through November 30, 2013;
- Detailed eligibility and auto enrollee data for the enrollees from September 1, 2011 to August 30, 2013;
- CMO MLR reports, through November 2013, certified by the CMO's Chief Executive Officer or Chief Financial Officer. The MLR reports include claim data as well as details for case management and administrative costs.

From the detailed claim and eligibility data sets, summarized data by eligibility category was extracted to compute the relative per member per month costs.

The claims data, once completed for incurred but not paid claims through actuarial completion factors, was used to develop the relative per member per month costs.

The members in the IPC and the RMO portions of the demonstration have access to a resource mother for case management services. The PMPM cost estimate for this service is based on the anticipated cost to employ nurse case managers and resource mother outreach coordinators for the projected membership in these portions of the demonstration.

## **AA.2.1 Medicaid Eligibles Under the Contract**

Aon Hewitt, with guidance from the state, reviewed enrollment criteria for this demonstration program.

The following individuals are eligible for the family planning portion of the demonstration program:

- Uninsured women, ages 18 through 44, who have family income up to and including 200 percent of the FPL, who are not otherwise eligible for Medicaid or CHIP.

The following individuals are eligible for the interpregnancy portion of the program:

- Uninsured women, ages 18 through 44, who deliver a very low birth weight (VLBW) baby on or after January 1, 2011, who have family income up to and including 200 percent of the FPL, who are not otherwise eligible for Medicaid or CHIP.

The following individuals are eligible for the resource mother only portion of the program:

- Women, ages 18 through 44, who have family income at or below 200 percent of the FPL, who deliver a VLBW baby on or after January 1, 2011, and who qualify under the Low Income

Medicaid Class of Assistance, or the Aged Blind and Disabled Classes of Assistance, under the Georgia Medicaid State plan.

### **AA.2.2 Dual Eligibles**

Dual eligible beneficiaries only receive resource mother outreach services through this demonstration.

### **AA.2.3 Spend Down**

Individuals with spend down requirements are not included in the rate development process, because they are not a covered class for this demonstration program.

### **AA.2.4 State Plan Services Only**

Only services covered under the demonstration plan were considered in the rate development.

### **AA.2.5 Services by Capitated Entity out of Contracted Savings**

Additional services were not included in the capitated rate. Only services covered under the demonstration were considered.

### **AA.3.0 Adjustments to the Base Year Data**

The following section describes adjustments made to the data. Care was taken to ensure the actuarial soundness of each component. All the adjustments are mutually exclusive and have not been taken twice.

#### **AA.3.1 Benefit Differences**

Only services covered under the demonstration plan were considered, so benefit adjustments are not needed.

#### **AA.3.2 Administrative Cost Allowance Calculations**

The rate development outlined in Exhibit 1 includes a range for the combined administrative and profit allowance for each eligibility category of the demonstration (FP, IPC, and RMO). In addition, we have included a 2.25% premium tax which was provided by the State.

Section 9010 of the ACA requires each non-exempt health insurer to pay a portion of the total 2015 HIF amount based on the insurer's share of total non-exempt net written health insurance premiums in calendar year 2014. This includes Medicaid Managed Care Organizations. This fee and the tax consequence of the fee being non-tax deductible must be included in the capitation rates to maintain the actuarial soundness of the capitation rates. Therefore, a HIF adjustment to the capitation rate range for covering the expected cost of the fee is included as part of the capitation rate development.

The HIF adjustment to the rate range was developed as a percentage of the FY15 capitation rates similar to other taxes. Since the HIF amounts are unknown at this time, we developed a range of possible percentages to produce the HIF adjustment to the rate range. The range was 0% to 5% and the HIF adjustment to the capitation rate range was developed by multiplying these percentages by the blended FY15 rates – low end of each range by each other and high end of each range by each other. The blended FY15 rates were developed by weighting together the July 1, 2014 – December 31, 2014 rates and the January 1, 2015 – June 30, 2015 rates.

DCH has developed a capitation payment process for the HIF payment owed by each CMO in 2015 by which the actual HIF rates within the HIF adjustment rate ranges are calculated after the CMO HIF payment amount is known. The rates will be multiplied by the CMO's by rate cell member months for FY15 as of July 2015 to develop an aggregate lump sum capitation payment. This lump sum capitation payment is targeted to be paid to the CMOs in September 2015.

#### **AA.3.3 Special Populations Adjustment**

During the base data period, DCH auto enrolled members in the Family Planning category when they lost Medicaid eligibility. DCH discontinued this auto enrollment process for FP members effective June 2013. To capture the correct member claims to match the population that will be enrolled for the period to which the capitation rates apply, Aon Hewitt extracted and summarized the utilization and cost data for only the non-auto enrolled FP eligible members.

Base data was extracted for all members (auto enrolled and non-auto enrolled members) in the IPC eligibility category, since the enrollment process is not changing for this eligibility category.

Rates have been segregated by those eligible for FP, those eligible for IPC and those eligible for RMO portions of the demonstration to ensure the capitation rates are reflective of expected costs under the program.

### **AA.3.4 Eligibility Adjustment**

As mentioned above, non-auto enrollee data was the basis for the FP portion of the program. No additional eligibility adjustments are required.

### **AA.3.5 DSH Payments**

DSH payments are not included as part of the capitation rates. These payments are made separately by the State.

### **AA.3.6 Third Party Liability**

The rates are based on the experience of the current CMOs and reflect the CMO's TPL collections. The level of collections is not expected to change from the base period to the capitation payment period. Aon Hewitt confirmed with the CMOs that all TPL collections have been reflected in the claims data as offsets requiring no specific TPL adjustment to be made.

### **AA.3.7 Copayments, Coinsurance and Deductibles in Capitated Rates**

Cost sharing amounts in the P4HB base period are the same as in the capitation payment period, so there is no adjustment to the data.

### **AA.3.8 Graduate Medical Education**

The cost of Graduate Medical Education are not included as part of the capitation rates. These payments are made separately by the State.

### **AA.3.9 FQHC and RHC reimbursement**

Beginning July 1, 2008, CMOs are required to contract with FQHCs in their regions at PPS levels. By January 1, 2009, all CMOs claims systems were configured to pay FQHCs at the PPS level.

### **AA.3.10 Medical Cost/Trend Inflation**

Trend is comprised of changes in cost per unit of service as well as changes in the volume of services used per person over time. Using the historical Georgia trend reported for the P4HB program by the CMOs, Aon Hewitt developed trend ranges for each category of service. The trend was applied for 22 months. This projects the claims data from September 1, 2012 through August 31, 2013 centered at March 1, 2013 to the contract period, July 1, 2014 through June 30, 2015, centered at January 1, 2015. The trend factor is applied to the base period experience shown in Exhibit 1.

One consideration we made on the outpatient trend is the removal of the outpatient payment floor of 20% of billed charges for certain services at certain hospitals. Our analysis showed that this change could create a negative trend of 5% - 10% on outpatient services. We included that shift in our final expected outpatient trend factors.

Below are further details on other cost adjustments:

- Base period expenditures for pharmacy reported on Exhibit 1 are gross of rebates. Based on historical pharmacy rebates achieved by the CMOs for family planning services and expectations for the upcoming contract period, a pharmacy rebate adjustment of 1.4% is applied to account for anticipated rebates.
- Effective April 1, 2014, the state updated their current Diagnosis-Related Group (DRG) from Tricare version 24 to Tricare version 30. Exhibit 1 includes a factor to account for the expected

impact. Because the members in the demonstration receive limited inpatient services, Aon Hewitt is using the analysis done for the GA Families adult low income population to estimate the expected impact.

- Members under the FP portion of the P4HB demonstration receive family planning services only and members in the RMO portion of the P4HB demonstration receive outreach services only however members in the IPC portion of the demonstration receive family planning services plus additional services including primary care services. Because ACA requires that the eligible primary care services provided by eligible providers to Medicaid populations be reimbursed at no less than the corresponding Medicare rate level in calendar year 2014, rate ranges for the IPC portion of this demonstration have been calculated to include the impact of the enhanced PCP payments for the contract period.

In the Medicaid Managed Care Payment for PCP Services 2013 and 2014 Technical Guidance and Rate Setting Practices document, the Centers for Medicare and Medicaid Services (CMS) presented three approved models for passing the enhanced payments through capitated arrangements. The State implemented this provision under Model 1: Full Risk Prospective Capitation. Using the methodology as described in the PCP payment adjustment proposal approved by CMS, the SFY2014 enhanced PCP differential estimates for Low Income Medicaid Age 21-44 Female rate cell, are used as the basis to adjust the IPC rate ranges. Because the members in the IPC portion are receiving evaluation and management services similar to the Low Income (LIM) GA Families members, Aon Hewitt is using the percentage increase due to the PCP enhanced rate for the LIM Female 21-44 rate cell to adjust the IPC rate range. Exhibit 2 outlines the calculation for the PCP rate adjustment. Note that no PCP rate adjustment is needed for the FP or RMO only portions of the demonstration, since family planning services are expected to be provided by OB/GYN providers and would not be eligible for the ACA primary care rate increase and RMO services are administrative only.

### **AA.3.11 Utilization Adjustments**

There are no expected utilization adjustments.

### **AA.3.12 Utilization and Cost Assumptions**

Capitation rate ranges were based on claim data and aggregate financial expenditure data previously mentioned for the covered population. Changes to the auto-enrollment population for FP moved that population from mandatory enrollment to voluntary enrollment which impacts selection. Aon Hewitt isolated the claims for members who elected into the program instead of being auto-assigned to the program to isolate the correct base data to use for the rate development. This eliminated any further adjustments for selection.

### **AA.3.13 Post Eligibility Treatment of Income**

The claim data is net of any patient liability.

### **AA.3.14 Incomplete Data Adjustment**

The completion factors are based on information received from the CMOs and are applied by major service category. The completion factors estimate the incurred but not paid amount for the claims incurred from September 1, 2012 to August 31, 2013 and paid through November 31, 2013. With three months of additional run out, the factors are relatively small and are shown in Exhibit 1.

## **AA.4.0 Establish Rate Category Groupings**

See sections AA.4.1 – AA.4.4 below.

### **AA.4.1 Age**

Because only adults ages 18 to 44 are eligible for the demonstration, by design, rates reflect the appropriate age grouping.

### **AA.4.2 Gender**

Because only women are eligible for the demonstration, by design, rates by gender are generated.

### **AA.4.3 Locality Region**

The rate ranges that have been established for this demonstration are statewide, and we do not expect significant differences that would warrant regional rates.

### **AA.4.4 Eligibility Categories**

Rate ranges were established to reflect the cost patterns for particular eligibility categories. Populations covered under this demonstration include:

- Family Planning: Uninsured women, ages 18 through 44, who have family income up to and including 200 percent of the FPL, who are not otherwise eligible for Medicaid or CHIP.
- Interpregnancy Care: Uninsured women, ages 18 through 44, who deliver a very low birth weight (VLBW) baby on or after January 1, 2011, who have family income up to and including 200 percent of the FPL, who are not otherwise eligible for Medicaid or CHIP.
- Resource Mother Only: Women, ages 18 through 44, who have family income at or below 200 percent of the FPL, who deliver a VLBW baby on or after January 1, 2011, and who qualify under the Low Income Medicaid Class of Assistance, or the Aged Blind and Disabled Classes of Assistance, under the Georgia Medicaid State plan.



### **AA.5.0 Data Smoothing**

No data smoothing adjustments were necessary.

### **AA.5.1 Special Populations and Assessment of the Data for Distortions**

See section AA.5.0.

### **AA.5.2 Cost Neutral Data Smoothing Adjustment**

See section AA.5.0.



State of GA - Department of Community Health  
 Planning For Healthy Babies  
 Summary of Projected Rate Ranges -Low  
 Rating Period: July 1, 2014-June 30, 2015

Exhibit 1

Family Planning (FP)												
	Base Period: Sept12-Aug13			Completion Factor	Completed PMPM	Trend	Rx Rebates	Inpatient DRG Impact	Adjusted PMPM	MC Savings	Projected PMPM	
	Utilization/1000	Unit Cost	PMPM									
MMs:	140,829											
Inpatient	0.7	\$ 2,074.82	\$ 0.12	0.675	\$ 0.17	1.031	1.000	0.919	\$ 0.17	0.0%	\$ 0.17	
Outpatient	131.9	\$ 278.89	\$ 3.07	0.996	\$ 3.08	1.000	1.000	1.000	\$ 3.08	0.0%	\$ 3.08	
Professional-E&M	1,204.7	\$ 57.84	\$ 5.81	0.996	\$ 5.83	1.021	1.000	1.000	\$ 5.95	0.0%	\$ 5.95	
Professional-Other	2,638.5	\$ 37.57	\$ 8.26	0.996	\$ 8.29	1.021	1.000	1.000	\$ 8.46	0.0%	\$ 8.46	
Dental	-	\$ -	\$ -	0.996	\$ -	1.018	1.000	1.000	\$ -	0.0%	\$ -	
RX	2,550.6	\$ 23.61	\$ 5.02	1.000	\$ 5.02	1.065	0.986	1.000	\$ 5.27	0.0%	\$ 5.27	
Total-Claims			\$ 22.27		\$ 22.39				\$ 22.93		\$ 22.93	
Administrative Expense Percentage											13.50%	
Subtotal - Claims + Administrative Expense											\$ 26.51	
Resource Mother Case Management (Not Applicable for FP Members)											\$ -	
Subtotal - Claims + Administrative Expense + Resource Mother Case Management											\$ 26.51	
Premium Tax Percentage											2.25%	
Total Rate											27.12	

Interpregnancy (IPC)												
	Base Period: Sept12-Aug13			Completion Factor	Completed PMPM	Trend	Rx Rebates	Inpatient DRG Impact	Adjusted PMPM	MC Savings	Projected PMPM	
	Utilization/1000	Unit Cost	PMPM									
MMs:	1,532											
Inpatient	23.5	\$ 5,201.32	\$ 10.19	0.675	\$ 15.09	1.031	1.000	0.919	\$ 14.30	0.0%	14.30	
Outpatient	438.6	\$ 415.75	\$ 15.20	0.996	\$ 15.26	1.000	1.000	1.000	\$ 15.26	0.0%	15.26	
Professional-E&M	1,723.2	\$ 56.41	\$ 8.10	0.996	\$ 8.13	1.021	1.000	1.000	\$ 8.30	0.0%	8.30	
Professional-Other	3,869.5	\$ 38.26	\$ 12.34	0.996	\$ 12.38	1.021	1.000	1.000	\$ 12.64	0.0%	12.64	
Dental	313.3	\$ 36.27	\$ 0.95	0.996	\$ 0.95	1.018	1.000	1.000	\$ 0.97	0.0%	0.97	
RX	4,966.1	\$ 21.67	\$ 8.97	1.000	\$ 8.97	1.065	0.986	1.000	\$ 9.42	0.0%	9.42	
Total-Claims			\$ 55.73		\$ 60.77				\$ 60.88		\$ 60.88	
Administrative Expense Percentage											5.50%	
Subtotal - Claims + Administrative Expense											\$ 64.43	
Resource Mother Case Management											\$ 150.00	
Subtotal - Claims + Administrative Expense + Resource Mother Case Management											\$ 214.43	
Premium Tax Percentage											2.25%	
Total Rate											219.36	

Resource Mother Only (RMO)	
Resource Mother Case Management	\$ 150.00
Administrative Expense Percentage	2.25%
Premium Tax Percentage	2.25%
Total Rate	156.98



State of GA - Department of Community Health  
 Planning For Healthy Babies  
 Summary of Projected Rate Ranges -High  
 Rating Period: July 1, 2014-June 30, 2015

Exhibit 1

Family Planning (FP)												
	Base Period: Sept12-Aug13			Completion Factor	Completed PMPM	Trend	Rx Rebates	Inpatient DRG Impact	Adjusted PMPM	MC Savings	Projected PMPM	
	Utilization/1000	Unit Cost	PMPM									
MMs:	140,829											
Inpatient	0.7	\$ 2,074.82	\$ 0.12	0.675	\$ 0.17	1.063	1.000	0.919	\$ 0.17	0.0%	0.17	
Outpatient	131.9	\$ 278.89	\$ 3.07	0.996	\$ 3.08	1.046	1.000	1.000	\$ 3.22	0.0%	3.22	
Professional-E&M	1,204.7	\$ 57.84	\$ 5.81	0.996	\$ 5.83	1.043	1.000	1.000	\$ 6.08	0.0%	6.08	
Professional-Other	2,638.5	\$ 37.57	\$ 8.26	0.996	\$ 8.29	1.043	1.000	1.000	\$ 8.64	0.0%	8.64	
Dental	-	\$ -	\$ -	0.996	\$ -	1.037	1.000	1.000	\$ -	0.0%	-	
RX	2,550.6	\$ 23.61	\$ 5.02	1.000	\$ 5.02	1.065	0.986	1.000	\$ 5.27	0.0%	5.27	
Total-Claims			\$ 22.27		\$ 22.39				\$ 23.38			\$ 23.38
Administrative Expense Percentage												20.25%
Subtotal - Claims + Administrative Expense												\$ 29.31
Resource Mother Case Management (Not Applicable for FP Members)												\$ -
Subtotal - Claims + Administrative Expense + Resource Mother Case Management												\$ 29.31
Premium Tax Percentage												2.25%
Total Rate												29.99

Interpregnancy (IPC)												
	Base Period: Sept12-Aug13			Completion Factor	Completed PMPM	Trend	Rx Rebates	Inpatient DRG Impact	Adjusted PMPM	MC Savings	Projected PMPM	
	Utilization/1000	Unit Cost	PMPM									
MMs:	1,532											
Inpatient	23.5	\$ 5,201.32	\$ 10.19	0.675	\$ 15.09	1.063	1.000	0.919	\$ 14.74	0.0%	14.74	
Outpatient	438.6	\$ 415.75	\$ 15.20	0.996	\$ 15.26	1.046	1.000	1.000	\$ 15.96	0.0%	15.96	
Professional-E&M	1,723.2	\$ 56.41	\$ 8.10	0.996	\$ 8.13	1.043	1.000	1.000	\$ 8.47	0.0%	8.47	
Professional-Other	3,869.5	\$ 38.26	\$ 12.34	0.996	\$ 12.38	1.043	1.000	1.000	\$ 12.91	0.0%	12.91	
Dental	313.3	\$ 36.27	\$ 0.95	0.996	\$ 0.95	1.037	1.000	1.000	\$ 0.99	0.0%	0.99	
RX	4,966.1	\$ 21.67	\$ 8.97	1.000	\$ 8.97	1.065	0.986	1.000	\$ 9.42	0.0%	9.42	
Total-Claims			\$ 55.73		\$ 60.77				\$ 62.49			\$ 62.49
Administrative Expense Percentage												8.50%
Subtotal - Claims + Administrative Expense												\$ 68.29
Resource Mother Case Management												\$ 150.00
Subtotal - Claims + Administrative Expense + Resource Mother Case Management												\$ 218.29
Premium Tax Percentage												2.25%
Total Rate												223.32

Resource Mother Only (RMO)		
Resource Mother Case Management		\$ 150.00
Administrative Expense Percentage		3.75%
Premium Tax Percentage		2.25%
Total Rate		159.43



State of GA - Department of Community Health  
 Planning For Healthy Babies  
 Interpregnancy ACA PCP Enhanced Payment  
 Rating Period: July 1, 2014-December 31, 2014

Exhibit 2

	A	B	C=A/B	D	E=C*D	F	G=E+F	H=G/E-1	
LIM Age 21-44 Female Region	Proj FY14 MMs	Projected FY14 Claim Cost Evaluation & Mgt	Total	% Evaluation & Mgt	Low FY14 Rate w/o PCP	Low FY14 Rate Evaluation & Mgt	FY14 Low Rate ACA PCP Differential PMPM	Enhanced PMPM w/ low PCP Differential	Increase w/PCP vs. w/o PCP
Atlanta	603,243	\$ 38.62	\$ 298.41	12.9%	\$ 344.95	\$ 44.64	\$ 7.94	\$ 52.59	17.8%
Central	181,000	\$ 33.43	\$ 288.02	11.6%	\$ 332.93	\$ 38.64	\$ 8.10	\$ 46.74	20.9%
East	86,840	\$ 35.91	\$ 329.31	10.9%	\$ 380.66	\$ 41.51	\$ 7.33	\$ 48.84	17.7%
North	159,271	\$ 47.59	\$ 392.60	12.1%	\$ 453.82	\$ 55.02	\$ 10.38	\$ 65.40	18.9%
SE	119,572	\$ 40.27	\$ 344.74	11.7%	\$ 398.50	\$ 46.55	\$ 8.02	\$ 54.57	17.2%
SW	140,646	\$ 32.72	\$ 306.47	10.7%	\$ 354.27	\$ 37.82	\$ 7.35	\$ 45.17	19.4%
<b>Total</b>	<b>1,290,572</b>	<b>\$ 38.33</b>	<b>\$ 315.83</b>	<b>12.1%</b>	<b>\$ 365.08</b>	<b>\$ 44.30</b>	<b>\$ 8.17</b>	<b>\$ 52.47</b>	<b>18.4%</b>

P4HB - ACA PCP Enhanced Rate Estimate - Low													
	Base Period			Trend (Utilization)	Projected Contract Period			ACA - PCP Enhanced Payment					
	Util/1000	Unit Cost	PMPM		Util/1000	Unit Cost	PMPM	% Chg (column H above)	PMPM w/Enh Pymt	PCP Claim Differential	Risk Margin	Premium Tax	PCP Rate Differential
E&M	1,729	\$ 56.41	\$ 8.13	1.021	1,766	\$ 56.41	\$ 8.30	18.4%	\$ 9.83	\$ 1.53	2.00%	2.25%	\$ 1.60

P4HB - ACA PCP Enhanced Rate Estimate - High													
	Base Period			Trend (Utilization)	Projected Contract Period			ACA - PCP Enhanced Payment					
	Util/1000	Unit Cost	PMPM		Util/1000	Unit Cost	PMPM	% Chg (column H above)	PMPM w/Enh Pymt	PCP Claim Differential	Risk Margin	Premium Tax	PCP Rate Differential
E&M	1,729	\$ 56.41	\$ 8.13	1.043	1,803	\$ 56.41	\$ 8.47	18.4%	\$ 10.04	\$ 1.56	2.00%	2.25%	\$ 1.63

Rate Range with PCP						
	Low Rate Range			High Rate Range		
	Low Rate	PCP Differential	Low w/PCP	High Rate	PCP Differential	High w/PCP
Interpregnancy	\$ 219.36	\$ 1.60	\$ 220.96	\$ 223.32	\$ 1.63	\$ 224.95



State of GA - Department of Community Health  
 Planning For Healthy Babies  
 Summary of Rate Ranges & Projected Expenditures

Exhibit 3

	Membership	Rate Range w PCP (Jul-Dec 2014)		Rate Range w/o PCP (Jan-Jun 2015)	
	Projected FY15 Mem Mos	Low	High	Low	High
Family Planning	275,352	\$ 27.12	\$ 29.99	\$ 27.12	\$ 29.99
Interpregnancy	3,696	\$ 220.96	\$ 224.95	\$ 219.36	\$ 223.32
Resource Mother Only	660	\$ 156.98	\$ 159.43	\$ 156.98	\$ 159.43
<b>Total</b>	<b>279,708</b>	<b>\$ 29.99</b>	<b>\$ 32.87</b>	<b>\$ 29.96</b>	<b>\$ 32.85</b>

	Membership	FY 15 & FY14 Rates			Total Projected Cost		Difference FY15 vs. FY14	
	Projected FY15 Mem Mos	FY15 with PCP (Jul-Dec 2014)	FY 15 w/o PCP (Jan-Jun 2015)	FY14 w/PCP (July 13-Jun14)	FY15	FY14	%	\$
Family Planning	275,352	\$ 27.12	\$ 27.12	\$ 41.35	\$ 7,466,888	\$ 11,385,805	-34%	\$ (3,918,918)
Interpregnancy	3,696	\$ 220.96	\$ 219.36	\$ 240.00	\$ 813,721	\$ 887,040	-8%	\$ (73,319)
Resource Mother Only	660	\$ 156.98	\$ 156.98	\$ 119.73	\$ 103,610	\$ 79,022	31%	\$ 24,588
<b>Total</b>	<b>279,708</b>	<b>\$ 29.99</b>	<b>\$ 29.96</b>	<b>\$ 44.16</b>	<b>\$ 8,384,218</b>	<b>\$ 12,351,867</b>	<b>-32%</b>	<b>\$ (3,967,649)</b>