

Arizona Long Term Care System (ALTCS), Elderly and Physically Disabled (EPD) Actuarial Memorandum

I. Purpose

The purpose of this actuarial memorandum is to demonstrate that the Arizona Long Term Care System (ALTCS) Elderly and Physically Disabled (EPD) capitation rates were developed in compliance with 42 CFR 438.6(c). It is not intended for any other purpose.

This memorandum presents a discussion of two revisions to the already approved Contract Year Ending 2013 (CYE 13) EPD capitation rates. The first revision reflects an adjustment for Medicare Part D coverage of benzodiazepine and barbiturate medications for dual eligible members. These rates will be retroactive to October 1, 2012 and in effect through the end of the contract year (September 30, 2013). The second revision reflects enhanced payments to nursing facilities (NFs). These rates are updated retroactively for the first quarter of CYE 13, from October 1, 2012 through December 31, 2012.

II. Overview of Changes

Effective January 1, 2013, for dual eligible members, Medicare will cover benzodiazepines for any condition and barbiturates used for the treatment of epilepsy, cancer or chronic mental health conditions. Therefore, Contractors will no longer be permitted to reimburse prescription claims for these services and thus the capitation rates need to be adjusted.

For CYE 13, NFs are eligible for enhanced payments. Within each Geographic Service Area (GSA), the enhanced payments are allocated among the NFs and Contractors using claims and encounter data incurred between October 2010 and September 2011.

III. Methodology for Calculating Capitation Adjustments

Medicare Coverage of Benzodiazepine and Barbiturate Medications

The acute component of the EPD Long Term Care capitation rates and the acute only capitation rates were adjusted for this impact. The PMPM capitation adjustments were developed based on historical encounter and member month data for dates from October 1, 2010 to September 30, 2011. This PMPM was then applied to actual/projected member months from the effective date of this change (January 1, 2013) to the end of the contract period (September 30, 2013) to get the total dollar impact for CYE 13. This projected CYE 13 impact was then divided by actual/projected member months to develop the CYE 13 capitation adjustment PMPM. The estimated nine month statewide savings is approximately \$384,000.

NF Enhanced Payments

EPD Long Term Care per-member-per-month (PMPM) capitation adjustments were developed based on historical bed day utilization. The PMPM adjustments were developed based on each Contractor's proportion of bed days and actual/projected member months by GSA. AHCCCS excluded Fee For Service (FFS) utilization from the capitation adjustments. Bed day data for Contractors whose utilization of a particular NF was less than 10% of total bed days for that facility was added to the data for the Contractor with the highest volume of utilization at that facility. Funding for these enhanced payments will be added to the already approved EPD Contractors' capitation rates effective for the period of October 1, 2012 through December 31, 2012. The estimated impact of this retroactive capitation rate adjustment is a statewide increase of approximately \$9.4 million.

State law restricts AHCCCS from making adjustments to capitation for NF enhanced payments that exceed the monies available from the NF enhanced payment funding source. Thus when AHCCCS developed the capitation adjustment, a hold back of 20% was applied. AHCCCS will perform a reconciliation (with a risk corridor of 0%) on the NF enhanced payment component of the capitation rate. This reconciliation will be completed after the end of the contract year and will reconcile the NF enhanced payment component paid to Contractors with the actual NF enhanced payment funds available.

Administration/Risk Contingency/Premium Tax Components

The administration and risk contingency components were not impacted by the above changes. The premium tax component was impacted by the above line items.

IV. Proposed Revised Capitation Rates and Their Impacts

With respect to the Part D change in isolation, Table Ia below includes the net capitation rates on a statewide basis for all rate cells as well as the estimated budget impact based off of CYE 13 actual/projected member months. Table IIa below summarizes the adjustments made to the already approved CYE 13 EPD Long Term Care capitation rates on a statewide basis. The impacts to Contractors are less than 0.1%. The appendices contain individual Contractor capitation rates. Appendix Ia displays EPD rates by geographical service area and Contractor. Appendix IIa displays individual Contractor capitation rates at the service category level for all rate cells.

With respect to the one quarter NF enhanced payments retroactive rate adjustment, Table Ib below includes the net capitation rates on a statewide basis for all rate cells as well as the estimated budget impact based off of actual member months for October 2012 through December 2012. (The revised quarterly rates do include the Part D changes as well.) Table IIb below summarizes the adjustments made to the already approved CYE 13 EPD Long Term Care capitation rates on a statewide basis. The impact to Contractors ranges from 3.1% to 5.3%. The appendices contain individual Contractor capitation rates. Appendix Ib displays EPD rates by geographical service area and Contractor. Appendix IIb displays individual Contractor capitation rates at the service category level for EPD Long Term Care.

Table Ia: Proposed Capitation Rates and Budget Impact

Rate Cell	CYE 13 Projected MMs	Approved CYE 13 Rate	Proposed CYE 13 Rate	Previous Estimated CYE 13 Capitation	Revised Estimated CYE 13 Capitation	Dollar impact on CYE 13 estimated current capitation	Pct impact on CYE 13 estimated capitation
EPD Long Term Care	307,659	\$3,060.64	\$3,059.29	\$ 941,632,860	\$ 941,217,521	\$ (415,339)	0.0%
PPC	10,702	\$855.56	\$855.56	\$ 9,156,203	\$ 9,156,203	\$ -	0.0%
Acute Only	4,829	\$498.83	\$497.57	\$ 2,408,850	\$ 2,402,766	\$ (6,085)	-0.3%
Total				\$ 953,197,913	\$ 952,776,489	\$ (421,424)	0.0%

Table IIa: Statewide Projected Net Capitation PMPM EPD Combined

Service Category	Approved Gross CYE 13 Rate		Approved Net CYE 13 Rate	Pct Gross Change	Pct Net Change	Proposed Gross CYE 13 Rate		Proposed Net CYE 13 Rate
	Rate	Mix				Rate	Mix	
Nursing Facility (NF)	\$5,691.53	26.85%	\$1,527.91	0.0%	0.0%	\$5,691.53	26.85%	\$1,527.91
Share of Cost			(\$230.32)		0.0%			(\$230.32)
NF Enhanced Payment			\$0.00					\$0.00
Net Nursing Facility			\$1,297.59		0.0%			\$1,297.59
Home/Community (HCBS)	\$1,453.53	73.15%	\$1,063.32	0.0%	0.0%	\$1,453.53	73.15%	\$1,063.32
Acute Care			\$504.99		0.0%			\$504.99
Reinsurance			(\$177.77)		0.0%			(\$177.77)
Part D Change			\$0.00					(\$1.26)
Case Management			\$113.66		0.0%			\$113.66
Administration			\$166.18		0.0%			\$166.18
Risk Contingency			\$31.46		0.0%			\$31.46
Premium Tax			\$61.21		-0.2%			\$61.12
Net Capitation PMPM			\$3,060.64		0.0%			\$3,059.29

Table Ib: Proposed Capitation Rates and Budget Impact

Rate Cell	Actual MMs (10/01/12 - 12/31/12)	Approved (10/01/12 - 12/31/12) Rate	Proposed (10/01/12 - 12/31/12) Rate	Previous Estimated (10/01/12 - 12/31/12) Capitation	Revised Estimated (10/01/12 - 12/31/12) Capitation	Dollar impact on (10/01/12 - 12/31/12) estimated current capitation	Pct impact on (10/01/12 - 12/31/12) estimated capitation
EPD Long Term Care	75,542	\$3,060.64	\$3,185.56	\$ 231,207,540	\$ 240,644,274	\$ 9,436,734	4.1%
PPC	2,652	\$855.56	\$855.56	\$ 2,268,945	\$ 2,268,945	\$ -	0.0%
Acute Only	1,197	\$498.83	\$497.57	\$ 597,100	\$ 595,591	\$ (1,508)	-0.3%
Total				\$ 234,073,585	\$ 243,508,811	\$ 9,435,226	4.0%

Table IIb: Statewide Projected Net Capitation PMPM EPD Combined

Service Category	Approved Gross (10/01/12 – 12/31/12)		Approved Net (10/01/12 – 12/31/12)		Pct Gross Change	Pct Net Change	Proposed Gross (10/01/12 – 12/31/12)		Proposed Net (10/01/12 – 12/31/12)	
	Rate	Mix	Rate				Rate	Mix	Rate	
Nursing Facility (NF)	\$5,691.53	26.85%	\$1,527.91		0.0%	0.0%	\$5,691.53	26.85%	\$1,527.91	
Share of Cost			(\$230.32)			0.0%			(\$230.32)	
NF Enhanced Payment			\$0.00						\$123.75	
Net Nursing Facility			\$1,297.59			9.5%			\$1,421.34	
Home/Community (HCBS)	\$1,453.53	73.15%	\$1,063.32		0.0%	0.0%	\$1,453.53	73.15%	\$1,063.32	
Acute Care			\$504.99			0.0%			\$504.99	
Reinsurance			(\$177.77)			0.0%			(\$177.77)	
Part D Change			\$0.00						(\$1.26)	
Case Management			\$113.66			0.0%			\$113.66	
Administration			\$166.18			0.0%			\$166.18	
Risk Contingency			\$31.46			0.0%			\$31.46	
Premium Tax			\$61.21			4.0%			\$63.64	
Net Capitation PMPM			\$3,060.64			4.1%			\$3,185.56	

V. Actuarial Certification of the Capitation Rates:

I, Matthew C. Varitek, am an employee of Arizona Health Care Cost Containment System (AHCCCS). 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.

The rates were developed using generally accepted actuarial principles and practices and are considered to be actuarially sound. The rates were developed to demonstrate compliance with the CMS requirements under 42 CFR 438.6(c) and are in accordance with applicable laws and regulations. The rates are appropriate for the Medicaid populations covered and Medicaid services to be furnished under the contract. The rates may not be appropriate for any other purpose. The documentation has been included with this certification. The proposed actuarially sound capitation rates that are associated with this certification are effective for the twelve-month period retroactive to October 1, 2012.

In developing the actuarially sound CYE 13 capitation rates and the actuarially sound methodology for the nursing facility enhanced payments, I have relied upon data and information provided by the health plans and the AHCCCS internal databases. I have accepted the data without audit and have relied upon the health plan auditors and other AHCCCS employees for the accuracy of the data.

This actuarial certification has been based on the actuarial methods, considerations and analyses promulgated from time-to-time through the Actuarial Standards of Practice by the Actuarial Standards Board.

Matthew C. Varitek

Matthew C. Varitek

02-15-2013

Date

Fellow of the Society of Actuaries
Member, American Academy of Actuaries

Appendix Ia

GSA	County	Contractor	EPD Long Term Care Dual	EPD Long Term Care Non-Dual	Acute Only	PPC
40	Pinal/Gila	Bridgeway	\$3,074.15	\$4,408.61	\$618.61	\$925.11
42	LaPaz/Yuma	Evercare	\$2,873.76	\$4,353.96	\$519.71	\$925.11
44	Apache/Coconino/Mohave/Navajo	Evercare	\$2,451.80	\$4,006.83	\$486.02	\$925.11
46	Cochise/Graham/Greenlee	Bridgeway	\$2,824.25	\$3,758.81	\$436.84	\$925.11
48	Yavapai	Evercare	\$3,167.93	\$4,373.13	\$489.98	\$925.11
50	Pima/Santa Cruz	Evercare	\$2,775.27	\$4,118.94	\$377.42	\$784.36
50	Pima	Mercy Care	\$2,973.79	\$4,562.90	\$429.56	\$784.36
52	Maricopa	Bridgeway	\$2,463.06	\$4,701.30	\$428.58	\$844.98
52	Maricopa	Evercare	\$2,740.66	\$4,367.96	\$296.07	\$844.98
52	Maricopa	Mercy Care	\$2,874.48	\$4,570.14	\$560.99	\$844.98

Appendix Ib

GSA	County	Contractor	EPD Long Term Care Dual	EPD Long Term Care Non-Dual	Acute Only	PPC
40	Pinal/Gila	Bridgeway	\$3,155.05	\$4,489.52	\$618.61	\$925.11
42	LaPaz/Yuma	Evercare	\$3,017.08	\$4,497.27	\$519.71	\$925.11
44	Apache/Coconino/Mohave/Navajo	Evercare	\$2,568.62	\$4,123.64	\$486.02	\$925.11
46	Cochise/Graham/Greenlee	Bridgeway	\$2,984.26	\$3,918.82	\$436.84	\$925.11
48	Yavapai	Evercare	\$3,335.16	\$4,540.37	\$489.98	\$925.11
50	Pima/Santa Cruz	Evercare	\$2,936.79	\$4,280.46	\$377.42	\$784.36
50	Pima	Mercy Care	\$3,116.00	\$4,705.12	\$429.56	\$784.36
52	Maricopa	Bridgeway	\$2,611.50	\$4,849.75	\$428.58	\$844.98
52	Maricopa	Evercare	\$2,928.97	\$4,556.26	\$296.07	\$844.98
52	Maricopa	Mercy Care	\$2,965.73	\$4,661.38	\$560.99	\$844.98

Appendix IIa

AHCCCS Capitation Calculation For Rates - Bridgeway CYE 13 Revised Rates Effective October 1, 2012 to September 30, 2013						
Service Category	Dual GSA 40 (Pinal and Gila)			Non Dual GSA 40 (Pinal and Gila)		
	Gross	MIX	Net	Gross	MIX	Net
Nursing Facility	\$5,536.68	25.90%	\$ 1,433.87	\$6,181.07	14.76%	\$ 912.20
Share of Cost			\$ (216.59)			\$ (26.53)
NF Enhanced Payment			\$ -			\$ -
Net Nursing Facility			\$ 1,217.29			\$ 885.67
HCBS Home and Community	\$1,638.20	74.10%	\$ 1,213.95	\$1,518.70	85.24%	\$ 1,294.57
Net HCBS			\$ 1,213.95			\$ 1,294.57
Acute			\$ 285.58			\$ 2,211.08
Reinsurance			\$ (58.63)			\$ (443.58)
Part D Adjustment			\$ (1.48)			\$ -
Net Acute Care			\$ 225.47			\$ 1,767.50
Case Management			\$ 115.45			\$ 115.45
Administration			\$ 210.08			\$ 210.08
Risk/Contingency			\$ 30.42			\$ 47.17
Net Capitation			\$ 3,012.66			\$ 4,320.44
Premium Tax			\$ 61.48			\$ 88.17
Net Cap w/ Premium Tax			\$ 3,074.15			\$ 4,408.61

Appendix IIa

AHCCCS Capitation Calculation For Rates - Bridgeway CYE 13 Revised Rates Effective October 1, 2012 to September 30, 2013	
Rate Cells	GSA 40 (Pinal and Gila)
Acute Care Only (Revised)	\$ 618.61
Prior Period Coverage	\$ 925.11
Rates include premium tax Rates are the same for Dual and Nondual members	

Appendix IIa

<p align="center">AHCCCS Capitation Calculation For Rates - Evercare CYE 13 Revised Rates Effective October 1, 2012 to September 30, 2013</p>						
Service Category	Dual GSA 42 (Yuma and LaPaz)			Non Dual GSA 42 (Yuma and LaPaz)		
	Gross	MIX	Net	Gross	MIX	Net
Nursing Facility	\$5,123.38	38.37%	\$ 1,965.89	\$5,313.76	25.62%	\$ 1,361.47
Share of Cost			\$ (300.41)			\$ (26.66)
NF Enhanced Payment			\$ -			\$ -
Net Nursing Facility			\$ 1,665.48			\$ 1,334.81
HCBS Home and Community	\$1,095.26	61.63%	\$ 675.00	\$1,243.11	74.38%	\$ 924.61
Net HCBS			\$ 675.00			\$ 924.61
Acute Care			\$ 260.47			\$ 2,187.29
Reinsurance			\$ (73.65)			\$ (488.77)
Part D Adjustment			\$ (1.48)			\$ -
Net Acute Care			\$ 185.33			\$ 1,698.52
Case Management			\$ 104.50			\$ 104.50
Administration			\$ 157.35			\$ 157.35
Risk/Contingency			\$ 28.63			\$ 47.09
Net Capitation			\$ 2,816.28			\$ 4,266.88
Premium Tax			\$ 57.48			\$ 87.08
Net Cap w/ Premium Tax			\$ 2,873.76			\$ 4,353.96

Appendix IIa

AHCCCS Capitation Calculation For Rates - Evercare CYE 13 Revised Rates Effective October 1, 2012 to September 30, 2013	
Rate Cells	GSA 42 (Yuma and La Paz)
Acute Care Only (Revised)	\$ 519.71
Prior Period Coverage	\$ 925.11
Rates include premium tax Rates are the same for Dual and Nondual members	

Appendix IIa

AHCCCS Capitation Calculation For Rates - Evercare CYE 13 Revised Rates Effective October 1, 2012 to September 30, 2013						
Service Category	Dual GSA 44 (Apache, Coconino, Mohave and Navajo)			Non Dual GSA 44 (Apache, Coconino, Mohave and Navajo)		
	Gross	MIX	Net	Gross	MIX	Net
Nursing Facility	\$5,243.11	31.69%	\$ 1,661.78	\$6,435.24	19.69%	\$ 1,267.10
Share of Cost			\$ (329.92)			\$ (45.05)
NF Enhanced Payment			\$ -			\$ -
Net Nursing Facility			\$ 1,331.87			\$ 1,222.04
HCBS Home and Community	\$938.73	68.31%	\$ 641.21	\$1,205.97	80.31%	\$ 968.52
Net HCBS			\$ 641.21			\$ 968.52
Acute Care			\$ 185.89			\$ 2,002.66
Reinsurance			\$ (29.92)			\$ (562.06)
Part D Adjustment			\$ (1.48)			\$ -
Net Acute Care			\$ 154.49			\$ 1,440.59
Case Management			\$ 109.65			\$ 109.65
Administration			\$ 141.45			\$ 141.45
Risk/Contingency			\$ 24.10			\$ 44.44
Net Capitation			\$ 2,402.76			\$ 3,926.69
Premium Tax			\$ 49.04			\$ 80.14
Net Cap w/ Premium Tax			\$ 2,451.80			\$ 4,006.83

Appendix IIa

AHCCCS Capitation Calculation For Rates - Evercare CYE 13 Revised Rates Effective October 1, 2012 to September 30, 2013	
Rate Cells	GSA 44 (Apache, Coconino, Mohave, Navajo)
Acute Care Only (Revised)	\$ 486.02
Prior Period Coverage	\$ 925.11
Rates include premium tax Rates are the same for Dual and Nondual members	

Appendix IIa

AHCCCS Capitation Calculation For Rates - Bridgeway CYE 13 Revised Rates Effective October 1, 2012 to September 30, 2013						
Service Category	Dual GSA 46 (Cochise, Graham and Greenlee)			Non Dual GSA 46 (Cochise, Graham and Greenlee)		
	Gross	MIX	Net	Gross	MIX	Net
Nursing Facility	\$4,960.03	39.46%	\$ 1,957.05	\$5,186.15	23.55%	\$ 1,221.12
Share of Cost			\$ (353.69)			\$ (101.19)
NF Enhanced Payment			\$ -			\$ -
Net Nursing Facility			\$ 1,603.36			\$ 1,119.92
HCBS Home and Community	\$1,091.91	60.54%	\$ 661.08	\$1,322.47	76.45%	\$ 1,011.09
Net HCBS			\$ 661.08			\$ 1,011.09
Acute			\$ 225.06			\$ 1,743.52
Reinsurance			\$ (46.88)			\$ (531.37)
Part D Adjustment			\$ (1.48)			\$ -
Net Acute Care			\$ 176.71			\$ 1,212.15
Case Management			\$ 110.23			\$ 110.23
Administration			\$ 188.51			\$ 188.51
Risk/Contingency			\$ 27.88			\$ 41.73
Net Capitation			\$ 2,767.77			\$ 3,683.63
Premium Tax			\$ 56.49			\$ 75.18
Net Cap w/ Premium Tax			\$ 2,824.25			\$ 3,758.81

Appendix IIa

AHCCCS Capitation Calculation For Rates - Bridgeway CYE 13 Revised Rates Effective October 1, 2012 to September 30, 2013	
Rate Cells	GSA 46 (Cochise, Graham, and Greenlee)
Acute Care Only (Revised)	\$ 436.84
Prior Period Coverage	\$ 925.11
Rates include premium tax Rates are the same for Dual and Nondual members	

Appendix IIa

<p align="center">AHCCCS Capitation Calculation For Rates - Evercare CYE 13 Revised Rates Effective October 1, 2012 to September 30, 2013</p>						
Service Category	Dual GSA 48 (Yavapai)			Non Dual GSA 48 (Yavapai)		
	Gross	MIX	Net	Gross	MIX	Net
Nursing Facility	\$5,424.49	38.38%	\$ 2,081.87	\$5,650.70	21.83%	\$ 1,233.60
Share of Cost			\$ (381.71)			\$ (66.27)
NF Enhanced Payment			\$ -			\$ -
Net Nursing Facility			\$ 1,700.16			\$ 1,167.33
HCBS Home and Community	\$1,498.99	61.62%	\$ 923.69	\$1,787.64	78.17%	\$ 1,397.38
Net HCBS			\$ 923.69			\$ 1,397.38
Acute Care			\$ 217.42			\$ 1,965.20
Reinsurance			\$ (38.33)			\$ (564.24)
Part D Adjustment			\$ (1.48)			\$ -
Net Acute Care			\$ 177.61			\$ 1,400.97
Case Management			\$ 97.08			\$ 97.08
Administration			\$ 174.90			\$ 174.90
Risk/Contingency			\$ 31.13			\$ 48.02
Net Capitation			\$ 3,104.57			\$ 4,285.67
Premium Tax			\$ 63.36			\$ 87.46
Net Cap w/ Premium Tax			\$ 3,167.93			\$ 4,373.13

Appendix IIa

AHCCCS Capitation Calculation For Rates - Evercare CYE 13 Revised Rates Effective October 1, 2012 to September 30, 2013	
Rate Cells	GSA 48 (Yavapai)
Acute Care Only (Revised)	\$ 489.98
Prior Period Coverage	\$ 925.11
Rates include premium tax Rates are the same for Dual and Nondual members	

Appendix IIa

AHCCCS Capitation Calculation For Rates - Evercare CYE 13 Revised Rates Effective October 1, 2012 to September 30, 2013						
Service Category	Dual GSA 50 (Pima and Santa Cruz)			Non Dual GSA 50 (Pima and Santa Cruz)		
	Gross	MIX	Net	Gross	MIX	Net
Nursing Facility	\$5,521.18	27.58%	\$ 1,522.83	\$6,433.86	17.41%	\$ 1,120.17
Share of Cost			\$ (291.24)			\$ (41.50)
NF Enhanced Payment			\$ -			\$ -
Net Nursing Facility			\$ 1,231.59			\$ 1,078.67
HCBS Home and Community	\$1,534.22	72.42%	\$ 1,111.06	\$1,805.43	82.59%	\$ 1,491.10
Net HCBS			\$ 1,111.06			\$ 1,491.10
Acute Care			\$ 151.65			\$ 1,840.20
Reinsurance			\$ (78.41)			\$ (697.92)
Part D Adjustment			\$ (1.48)			\$ -
Net Acute Care			\$ 71.76			\$ 1,142.29
Case Management			\$ 114.71			\$ 114.71
Administration			\$ 162.92			\$ 162.92
Risk/Contingency			\$ 27.72			\$ 46.88
Net Capitation			\$ 2,719.76			\$ 4,036.56
Premium Tax			\$ 55.51			\$ 82.38
Net Cap w/ Premium Tax			\$ 2,775.27			\$ 4,118.94

Appendix IIa

AHCCCS Capitation Calculation For Rates - Evercare CYE 13 Revised Rates Effective October 1, 2012 to September 30, 2013

Rate Cells	GSA 50 (Pima and Santa Cruz)
Acute Care Only (Revised)	\$ 377.42
Prior Period Coverage	\$ 784.36

Rates include premium tax
Rates are the same for Dual and Nondual members

Appendix IIa

AHCCCS Capitation Calculation For Rates - Mercy Care CYE 13 Revised Rates Effective October 1, 2012 to September 30, 2013						
Service Category	Dual GSA 50 (Pima)			Non Dual GSA 50 (Pima)		
	Gross	MIX	Net	Gross	MIX	Net
Nursing Facility	\$5,521.18	34.40%	\$ 1,899.06	\$6,433.86	28.36%	\$ 1,824.41
Share of Cost			\$ (291.24)			\$ (41.50)
NF Enhanced Payment			\$ -			\$ -
Net Nursing Facility			\$ 1,607.82			\$ 1,782.91
HCBS Home and Community	\$1,534.22	65.60%	\$ 1,006.51	\$1,805.43	71.64%	\$ 1,293.48
Net HCBS			\$ 1,006.51			\$ 1,293.48
Acute			\$ 151.65			\$ 1,840.20
Reinsurance			\$ (78.00)			\$ (694.26)
Part D Adjustment			\$ (1.48)			\$ -
Net Acute Care			\$ 72.17			\$ 1,145.94
Case Management			\$ 115.20			\$ 115.20
Administration			\$ 82.97			\$ 82.97
Risk/Contingency			\$ 29.64			\$ 51.15
Net Capitation			\$ 2,914.31			\$ 4,471.64
Premium Tax			\$ 59.48			\$ 91.26
Net Cap w/ Premium Tax			\$ 2,973.79			\$ 4,562.90

Appendix IIa

AHCCCS Capitation Calculation For Rates - Mercy Care CYE 13 Revised Rates Effective October 1, 2012 to September 30, 2013

Rate Cells	GSA 50 (Pima)
Acute Care Only (Revised)	\$ 429.56
Prior Period Coverage	\$ 784.36

Rates include premium tax
Rates are the same for Dual and Nondual members

Appendix IIa

AHCCCS Capitation Calculation For Rates - Bridgeway CYE 13 Revised Rates Effective October 1, 2012 to September 30, 2013						
Service Category	Dual GSA 52 (Maricopa)			Non Dual GSA 52 (Maricopa)		
	Gross	MIX	Net	Gross	MIX	Net
Nursing Facility	\$5,496.77	21.18%	\$ 1,164.20	\$6,867.32	22.15%	\$ 1,520.95
Share of Cost			(\$235.05)			(\$37.05)
NF Enhanced Payment			\$0.00			\$0.00
Net Nursing Facility			\$ 929.15			\$ 1,483.90
HCBS Home and Community	\$1,298.26	78.82%	\$ 1,023.29	\$1,673.12	77.85%	\$ 1,302.56
Net HCBS			\$ 1,023.29			\$ 1,302.56
Acute			\$155.92			\$2,385.98
Reinsurance			(\$41.04)			(\$943.76)
Part D Adjustment			(\$1.48)			\$0.00
Net Acute Care			\$ 113.41			\$ 1,442.22
Case Management			\$114.25			\$114.25
Administration			\$209.38			\$209.38
Risk/Contingency			\$24.32			\$54.96
Net Capitation			\$ 2,413.79			\$ 4,607.28
Premium Tax			\$ 49.26			\$ 94.03
Net Cap w/ Premium Tax			\$ 2,463.06			\$ 4,701.30

Appendix IIa

AHCCCS Capitation Calculation For Rates - Bridgeway CYE 13 Revised Rates Effective October 1, 2012 to September 30, 2013

Rate Cells	GSA 52 (Maricopa)
Acute Care Only (Revised)	\$ 428.58
Prior Period Coverage	\$ 844.98

Rates include premium tax
Rates are the same for Dual and Nondual members

Appendix IIa

AHCCCS Capitation Calculation For Rates - Evercare CYE 13 Revised Rates Effective October 1, 2012 to September 30, 2013						
Service Category	Dual GSA 52 (Maricopa)			Non Dual GSA 52 (Maricopa)		
	Gross	MIX	Net	Gross	MIX	Net
Nursing Facility	\$5,656.96	30.42%	\$ 1,720.95	\$6,780.04	20.84%	\$ 1,413.15
Share of Cost			\$ (344.60)			\$ (22.20)
NF Enhanced Payment			\$ -			\$ -
Net Nursing Facility			\$ 1,376.35			\$ 1,390.95
HCBS Home and Community	\$1,415.84	69.58%	\$ 985.11	\$2,161.92	79.16%	\$ 1,711.31
Net HCBS			\$ 985.11			\$ 1,711.31
Acute Care			\$ 159.91			\$ 1,542.44
Reinsurance			\$ (114.00)			\$ (665.29)
Part D Adjustment			\$ (1.48)			\$ -
Net Acute Care			\$ 44.44			\$ 877.15
Case Management			\$ 101.04			\$ 101.04
Administration			\$ 151.17			\$ 151.17
Risk/Contingency			\$ 27.74			\$ 48.97
Net Capitation			\$ 2,685.85			\$ 4,280.60
Premium Tax			\$ 54.81			\$ 87.36
Net Cap w/ Premium Tax			\$ 2,740.66			\$ 4,367.96

Appendix IIa

AHCCCS Capitation Calculation For Rates - Evercare CYE 13 Revised Rates Effective October 1, 2012 to September 30, 2013

Rate Cells	GSA 52 (Maricopa)
Acute Care Only	\$ 296.07
Prior Period Coverage	\$ 844.98
Rates include premium tax Rates are the same for Dual and Nondual members	

Appendix IIa

AHCCCS Capitation Calculation For Rates - Mercy Care CYE 13 Revised Rates Effective October 1, 2012 to September 30, 2013						
Service Category	Dual GSA 52 (Maricopa)			Non Dual GSA 52 (Maricopa)		
	Gross	MIX	Net	Gross	MIX	Net
Nursing Facility	\$5,755.46	25.83%	\$ 1,486.69	\$7,339.58	19.45%	\$ 1,427.84
Share of Cost			\$ (227.63)			\$ (22.24)
NF Enhanced Payment			\$ -			\$ -
Net Nursing Facility			\$ 1,259.06			\$ 1,405.59
HCBS Home and Community	\$1,449.49	74.17%	\$ 1,075.07	\$1,747.05	80.55%	\$ 1,407.18
Net HCBS			\$ 1,075.07			\$ 1,407.18
Acute			\$ 285.27			\$ 2,018.28
Reinsurance			\$ (113.30)			\$ (686.80)
Part D Adjustment			\$ (1.48)			\$ -
Net Acute Care			\$ 170.49			\$ 1,331.48
Case Management			\$ 118.92			\$ 118.92
Administration			\$ 164.42			\$ 164.42
Risk/Contingency			\$ 29.03			\$ 51.14
Net Capitation			\$ 2,816.99			\$ 4,478.73
Premium Tax			\$ 57.49			\$ 91.40
Net Cap w/ Premium Tax			\$ 2,874.48			\$ 4,570.14

Appendix IIa

AHCCCS Capitation Calculation For Rates - Mercy Care CYE 13 Revised Rates Effective October 1, 2012 to September 30, 2013

Rate Cells	GSA 52 (Maricopa)
Acute Care Only (Revised)	\$ 560.99
Prior Period Coverage	\$ 844.98

Rates include premium tax
Rates are the same for Dual and Nondual members

Appendix IIb

AHCCCS Capitation Calculation For Rates - Bridgeway CYE 13 Revised Rates Effective October 1 to December 31, 2012						
Service Category	Dual GSA 40 (Pinal and Gila)			Non Dual GSA 40 (Pinal and Gila)		
	Gross	MIX	Net	Gross	MIX	Net
Nursing Facility	\$5,536.68	25.90%	\$ 1,433.87	\$6,181.07	14.76%	\$ 912.20
Share of Cost			\$ (216.59)			\$ (26.53)
NF Enhanced Payment			\$ 79.29			\$ 79.29
Net Nursing Facility			\$ 1,296.58			\$ 964.96
HCBS Home and Community	\$1,638.20	74.10%	\$ 1,213.95	\$1,518.70	85.24%	\$ 1,294.57
Net HCBS			\$ 1,213.95			\$ 1,294.57
Acute			\$ 285.58			\$ 2,211.08
Reinsurance			\$ (58.63)			\$ (443.58)
Part D Adjustment			\$ (1.48)			\$ -
Net Acute Care			\$ 225.47			\$ 1,767.50
Case Management			\$ 115.45			\$ 115.45
Administration			\$ 210.08			\$ 210.08
Risk/Contingency			\$ 30.42			\$ 47.17
Net Capitation			\$ 3,091.95			\$ 4,399.73
Premium Tax			\$ 63.10			\$ 89.79
Net Cap w/ Premium Tax			\$ 3,155.05			\$ 4,489.52

Appendix IIb

<p align="center">AHCCCS Capitation Calculation For Rates - Evercare CYE 13 Revised Rates Effective October 1 to December 31, 2012</p>						
Service Category	Dual GSA 42 (Yuma and LaPaz)			Non Dual GSA 42 (Yuma and LaPaz)		
	Gross	MIX	Net	Gross	MIX	Net
Nursing Facility	\$5,123.38	38.37%	\$ 1,965.89	\$5,313.76	25.62%	\$ 1,361.47
Share of Cost			\$ (300.41)			\$ (26.66)
NF Enhanced Payment			\$ 140.45			\$ 140.45
Net Nursing Facility			\$ 1,805.93			\$ 1,475.26
HCBS Home and Community	\$1,095.26	61.63%	\$ 675.00	\$1,243.11	74.38%	\$ 924.61
Net HCBS			\$ 675.00			\$ 924.61
Acute Care			\$ 260.47			\$ 2,187.29
Reinsurance			\$ (73.65)			\$ (488.77)
Part D Adjustment			\$ (1.48)			\$ -
Net Acute Care			\$ 185.33			\$ 1,698.52
Case Management			\$ 104.50			\$ 104.50
Administration			\$ 157.35			\$ 157.35
Risk/Contingency			\$ 28.63			\$ 47.09
Net Capitation			\$ 2,956.73			\$ 4,407.33
Premium Tax			\$ 60.34			\$ 89.95
Net Cap w/ Premium Tax			\$ 3,017.08			\$ 4,497.27

Appendix IIb

AHCCCS Capitation Calculation For Rates - Evercare CYE 13 Revised Rates Effective October 1 to December 31, 2012						
Service Category	Dual GSA 44 (Apache, Coconino, Mohave and Navajo)			Non Dual GSA 44 (Apache, Coconino, Mohave and Navajo)		
	Gross	MIX	Net	Gross	MIX	Net
Nursing Facility	\$5,243.11	31.69%	\$ 1,661.78	\$6,435.24	19.69%	\$ 1,267.10
Share of Cost			\$ (329.92)			\$ (45.05)
NF Enhanced Payment			\$ 114.48			\$ 114.48
Net Nursing Facility			\$ 1,446.35			\$ 1,336.52
HCBS Home and Community	\$938.73	68.31%	\$ 641.21	\$1,205.97	80.31%	\$ 968.52
Net HCBS			\$ 641.21			\$ 968.52
Acute Care			\$ 185.89			\$ 2,002.66
Reinsurance			\$ (29.92)			\$ (562.06)
Part D Adjustment			\$ (1.48)			\$ -
Net Acute Care			\$ 154.49			\$ 1,440.59
Case Management			\$ 109.65			\$ 109.65
Administration			\$ 141.45			\$ 141.45
Risk/Contingency			\$ 24.10			\$ 44.44
Net Capitation			\$ 2,517.24			\$ 4,041.17
Premium Tax			\$ 51.37			\$ 82.47
Net Cap w/ Premium Tax			\$ 2,568.62			\$ 4,123.64

Appendix IIb

<p align="center">AHCCCS Capitation Calculation For Rates - Bridgeway CYE 13 Revised Rates Effective October 1 to December 31, 2012</p>						
Service Category	Dual GSA 46 (Cochise, Graham and Greenlee)			Non Dual GSA 46 (Cochise, Graham and Greenlee)		
	Gross	MIX	Net	Gross	MIX	Net
Nursing Facility	\$4,960.03	39.46%	\$ 1,957.05	\$5,186.15	23.55%	\$ 1,221.12
Share of Cost			\$ (353.69)			\$ (101.19)
NF Enhanced Payment			\$ 156.81			\$ 156.81
Net Nursing Facility			\$ 1,760.17			\$ 1,276.73
HCBS Home and Community	\$1,091.91	60.54%	\$ 661.08	\$1,322.47	76.45%	\$ 1,011.09
Net HCBS			\$ 661.08			\$ 1,011.09
Acute			\$ 225.06			\$ 1,743.52
Reinsurance			\$ (46.88)			\$ (531.37)
Part D Adjustment			\$ (1.48)			\$ -
Net Acute Care			\$ 176.71			\$ 1,212.15
Case Management			\$ 110.23			\$ 110.23
Administration			\$ 188.51			\$ 188.51
Risk/Contingency			\$ 27.88			\$ 41.73
Net Capitation			\$ 2,924.58			\$ 3,840.44
Premium Tax			\$ 59.69			\$ 78.38
Net Cap w/ Premium Tax			\$ 2,984.26			\$ 3,918.82

Appendix IIb

AHCCCS Capitation Calculation For Rates - Evercare CYE 13 Revised Rates Effective October 1 to December 31, 2012						
Service Category	Dual GSA 48 (Yavapai)			Non Dual GSA 48 (Yavapai)		
	Gross	MIX	Net	Gross	MIX	Net
Nursing Facility	\$5,424.49	38.38%	\$ 2,081.87	\$5,650.70	21.83%	\$ 1,233.60
Share of Cost			\$ (381.71)			\$ (66.27)
NF Enhanced Payment			\$ 163.89			\$ 163.89
Net Nursing Facility			\$ 1,864.05			\$ 1,331.22
HCBS Home and Community	\$1,498.99	61.62%	\$ 923.69	\$1,787.64	78.17%	\$ 1,397.38
Net HCBS			\$ 923.69			\$ 1,397.38
Acute Care			\$ 217.42			\$ 1,965.20
Reinsurance			\$ (38.33)			\$ (564.24)
Part D Adjustment			\$ (1.48)			\$ -
Net Acute Care			\$ 177.61			\$ 1,400.97
Case Management			\$ 97.08			\$ 97.08
Administration			\$ 174.90			\$ 174.90
Risk/Contingency			\$ 31.13			\$ 48.02
Net Capitation			\$ 3,268.46			\$ 4,449.56
Premium Tax			\$ 66.70			\$ 90.81
Net Cap w/ Premium Tax			\$ 3,335.16			\$ 4,540.37

Appendix IIb

<p align="center">AHCCCS Capitation Calculation For Rates - Evercare CYE 13 Revised Rates Effective October 1 to December 31, 2012</p>						
Service Category	Dual GSA 50 (Pima and Santa Cruz)			Non Dual GSA 50 (Pima and Santa Cruz)		
	Gross	MIX	Net	Gross	MIX	Net
Nursing Facility	\$5,521.18	27.58%	\$ 1,522.83	\$6,433.86	17.41%	\$ 1,120.17
Share of Cost			\$ (291.24)			\$ (41.50)
NF Enhanced Payment			\$ 158.29			\$ 158.29
Net Nursing Facility			\$ 1,389.88			\$ 1,236.96
HCBS Home and Community	\$1,534.22	72.42%	\$ 1,111.06	\$1,805.43	82.59%	\$ 1,491.10
Net HCBS			\$ 1,111.06			\$ 1,491.10
Acute Care			\$ 151.65			\$ 1,840.20
Reinsurance			\$ (78.41)			\$ (697.92)
Part D Adjustment			\$ (1.48)			\$ -
Net Acute Care			\$ 71.76			\$ 1,142.29
Case Management			\$ 114.71			\$ 114.71
Administration			\$ 162.92			\$ 162.92
Risk/Contingency			\$ 27.72			\$ 46.88
Net Capitation			\$ 2,878.05			\$ 4,194.85
Premium Tax			\$ 58.74			\$ 85.61
Net Cap w/ Premium Tax			\$ 2,936.79			\$ 4,280.46

Appendix IIb

AHCCCS Capitation Calculation For Rates - Mercy Care CYE 13 Revised Rates Effective October 1 to December 31, 2012						
Service Category	Dual GSA 50 (Pima)			Non Dual GSA 50 (Pima)		
	Gross	MIX	Net	Gross	MIX	Net
Nursing Facility	\$5,521.18	34.40%	\$ 1,899.06	\$6,433.86	28.36%	\$ 1,824.41
Share of Cost			\$ (291.24)			\$ (41.50)
NF Enhanced Payment			\$ 139.37			\$ 139.37
Net Nursing Facility			\$ 1,747.19			\$ 1,922.28
HCBS Home and Community	\$1,534.22	65.60%	\$ 1,006.51	\$1,805.43	71.64%	\$ 1,293.48
Net HCBS			\$ 1,006.51			\$ 1,293.48
Acute			\$ 151.65			\$ 1,840.20
Reinsurance			\$ (78.00)			\$ (694.26)
Part D Adjustment			\$ (1.48)			\$ -
Net Acute Care			\$ 72.17			\$ 1,145.94
Case Management			\$ 115.20			\$ 115.20
Administration			\$ 82.97			\$ 82.97
Risk/Contingency			\$ 29.64			\$ 51.15
Net Capitation			\$ 3,053.68			\$ 4,611.01
Premium Tax			\$ 62.32			\$ 94.10
Net Cap w/ Premium Tax			\$ 3,116.00			\$ 4,705.12

Appendix IIb

AHCCCS Capitation Calculation For Rates - Bridgeway CYE 13 Revised Rates Effective October 1 to December 31, 2012						
Service Category	Dual GSA 52 (Maricopa)			Non Dual GSA 52 (Maricopa)		
	Gross	MIX	Net	Gross	MIX	Net
Nursing Facility Share of Cost NF Enhanced Payment Net Nursing Facility	\$5,496.77	21.18%	\$ 1,164.20 (\$235.05) \$145.48 \$ 1,074.63	\$6,867.32	22.15%	\$ 1,520.95 (\$37.05) \$145.48 \$ 1,629.38
HCBS Home and Community Net HCBS	\$1,298.26	78.82%	\$ 1,023.29 \$ 1,023.29	\$1,673.12	77.85%	\$ 1,302.56 \$ 1,302.56
Acute Reinsurance Part D Adjustment Net Acute Care			\$155.92 (\$41.04) (\$1.48) \$ 113.41			\$2,385.98 (\$943.76) \$0.00 \$ 1,442.22
Case Management Administration Risk/Contingency Net Capitation			\$114.25 \$209.38 \$24.32 \$ 2,559.27			\$114.25 \$209.38 \$54.96 \$ 4,752.76
Premium Tax Net Cap w/ Premium Tax			\$ 52.23 \$ 2,611.50			\$ 97.00 \$ 4,849.75

Appendix IIb

<p align="center">AHCCCS Capitation Calculation For Rates - Evercare CYE 13 Revised Rates Effective October 1 to December 31, 2012</p>						
Service Category	Dual GSA 52 (Maricopa)			Non Dual GSA 52 (Maricopa)		
	Gross	MIX	Net	Gross	MIX	Net
Nursing Facility	\$5,656.96	30.42%	\$ 1,720.95	\$6,780.04	20.84%	\$ 1,413.15
Share of Cost			\$ (344.60)			\$ (22.20)
NF Enhanced Payment			\$ 184.54			\$ 184.54
Net Nursing Facility			\$ 1,560.89			\$ 1,575.49
HCBS Home and Community	\$1,415.84	69.58%	\$ 985.11	\$2,161.92	79.16%	\$ 1,711.31
Net HCBS			\$ 985.11			\$ 1,711.31
Acute Care			\$ 159.91			\$ 1,542.44
Reinsurance			\$ (114.00)			\$ (665.29)
Part D Adjustment			\$ (1.48)			\$ -
Net Acute Care			\$ 44.44			\$ 877.15
Case Management			\$ 101.04			\$ 101.04
Administration			\$ 151.17			\$ 151.17
Risk/Contingency			\$ 27.74			\$ 48.97
Net Capitation			\$ 2,870.39			\$ 4,465.14
Premium Tax			\$ 58.58			\$ 91.13
Net Cap w/ Premium Tax			\$ 2,928.97			\$ 4,556.26

Appendix IIb

AHCCCS Capitation Calculation For Rates - Mercy Care CYE 13 Revised Rates Effective October 1 to December 31, 2012						
Service Category	Dual GSA 52 (Maricopa)			Non Dual GSA 52 (Maricopa)		
	Gross	MIX	Net	Gross	MIX	Net
Nursing Facility	\$5,755.46	25.83%	\$ 1,486.69	\$7,339.58	19.45%	\$ 1,427.84
Share of Cost			\$ (227.63)			\$ (22.24)
NF Enhanced Payment			\$ 89.42			\$ 89.42
Net Nursing Facility			\$ 1,348.48			\$ 1,495.01
HCBS Home and Community	\$1,449.49	74.17%	\$ 1,075.07	\$1,747.05	80.55%	\$ 1,407.18
Net HCBS			\$ 1,075.07			\$ 1,407.18
Acute			\$ 285.27			\$ 2,018.28
Reinsurance			\$ (113.30)			\$ (686.80)
Part D Adjustment			\$ (1.48)			\$ -
Net Acute Care			\$ 170.49			\$ 1,331.48
Case Management			\$ 118.92			\$ 118.92
Administration			\$ 164.42			\$ 164.42
Risk/Contingency			\$ 29.03			\$ 51.14
Net Capitation			\$ 2,906.41			\$ 4,568.15
Premium Tax			\$ 59.31			\$ 93.23
Net Cap w/ Premium Tax			\$ 2,965.73			\$ 4,661.38