AMERIGROUP Community Care

ACTUARIAL CERTIFICATION

I, Betty Anne Neal, am the Vice President of Underwriting and Forecasting of AMERIGROUP Corporation. I meet the qualification standards established by the American Academy of Actuaries and have followed the practice standards established by the Actuarial Standards Board.

I hereby certify, to the best of my knowledge and judgment:

1. The rates represent the company's estimate of anticipated future experience;
2. The rates are influenced by many factors and actual experience can vary materially from expected;
3. The benefits are reasonable in relation to the proposed premium;
4. The rates are neither inadequate, nor excessive, nor unfairly discriminatory;
5. The rates are appropriate for the classes of risks for which they have been computed; and
6. The entire rate filing is in compliance with the applicable laws of the State of Arizona, the rules of the Department of Insurance, and all appropriate Actuarial Standards of Practice.

Respectfully submitted,

Betty Anne Neal

Betty Anne Neal, FSA, MAAA
Vice President of Underwriting and Forecasting
AMERIGROUP Corporation

May 2, 2008
Date

Arizona Physicians IPA, Inc.
Actuarial Certification

I, Timothy P. Rice, Senior Consultant, am associated with the firm of Reden & Anders, and am a Member of the American Academy of Actuaries. Reden & Anders has been retained by Arizona Physicians IPA, Inc. (APIPA) to assist in the preparation of Medicaid capitation rates for the period October 1, 2008 through September 30, 2009. Reden & Anders is a wholly owned subsidiary of Ingenix Health Intelligence (Ingenix). Ingenix is a wholly owned subsidiary of UnitedHealth Group (UHG). APIPA is also a wholly owned subsidiary of UHG.

I have relied on data and information provided by the Arizona Health Care Cost Containment System (AHCCCS) in the Bidder's Library. I have also relied on information provided by APIPA for consideration of the anticipated impact of its unique medical management and unit cost experience in relation to the encounter data provided by AHCCCS.

The instructions provided in Acute Care RFP YH09-0001, amendments, and questions and responses instruct bidders to bid rates based on the expected average costs of an enrollee who has average demographic and health status. Bidders may also include the anticipated impact of their unique medical management and unit cost experience. In addition, AHCCCS intends to implement a risk adjustment methodology by April 1, 2009 that will apply retroactively to the October 1, 2008 awarded capitation rates. These characteristics of the RFP create significant uncertainty when attempting to evaluate the actuarial soundness of the bid rates:

- The proposed capitation rates were developed to reflect the expected average monthly cost of an enrollee who has average demographic and health status, per the instructions to bidders. If APIPA retains its contract with AHCCCS in the areas it currently serves, however, they expect their enrolled population to be relatively similar to their current population.

- The encounter data provided by AHCCCS incorporates the medical management and provider contracting impacts of all current contractors in aggregate. While high-level analysis of unit cost levels could be done, adjustments to reflect the impact of APIPA's medical management were anecdotal because there was insufficient information to complete a data-driven analysis.

- The risk adjustment methodology and the details of its implementation are unknown at this time.

I believe that the proposed capitation rates submitted by APIPA are actuarially sound for an average AHCCCS Medicaid enrollee who has average demographic and health status using APIPA's medical management and provider contracts, subject to the following qualifications:

- The demographic and health status characteristics of APIPA's population, if they retain their contracts in the areas they currently serve, will be similar to their current population, not an average population.

- The adjustments to average costs from the AHCCCS encounter data to reflect APIPA medical management experience were developed without sufficient information about medical management impacts reflected in the encounter data.

Except as noted above, I certify that the actuarial methods, considerations and analyses used to prepare APIPA's proposed capitation rates conform to the relevant Standards of Practice as promulgated from time to time by the Actuarial Standards Board.

Arizona Physicians IPA, Inc.
Actuarial Certification
(Cont'd)

This certification applies only to the proposed capitation rates, with the qualifications above, and does not imply an opinion on the actuarial soundness of the capitation rates after risk adjustment is implemented.

Timothy P. Rice

5/5/08

Timothy P. Rice, A,S,A., M.A.A.A
Reden & Anders
12125 Technology Drive
Eden Prairie, MN 55344
Phone: (952) 942-3226
Fax: (952) 942-3201

Date

Milliman

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Suite 3800
Seattle, WA 98101-2605
Tel +1 206 504 5539
Fax +1 206 682 1295
Email: kathi.patterson@milliman.com

May 5, 2008

Actuarial Certification
Bridgeway Health Solutions
AHCCCS Acute Care Capitation Bids (BFO)
GSAs 2, and 10
October 1, 2008 – September 30, 2009

I, Kathi S. Patterson, am a Consulting Actuary with Milliman, Inc. I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. I have been retained by Bridgeway Health Solutions to provide a certification of the actuarial soundness of its proposed capitation rates for Acute Care Services in GSAs 2 and 10 under the Arizona Health Care Cost Containment System (AHCCCS).

The purpose of this certification is to comply with Section III (Capitation) of the Instructions to Offerors contained in the Acute Care Services Request for Proposal (including amendments through the date of this certification) issued by Arizona Health Care Cost Containment System Administration (AHCCCSA). This certification may not be appropriate for other purposes.

The capitation rates to which this certification applies are the AHCCCS BFO bid rates contained in Bridgeway Health Solutions' response the Acute Care Services RFP. The rates apply to the period October 1, 2008 through September 30, 2009.

It is my opinion that the attached rates are adequate, in the aggregate, to fund claims and administrative expenses during the time period for which they are intended. I am assuming that the risk adjustments developed by AHCCCS will be actuarially sound.

My determination is based on a review of the claim experience and other information provided by AHCCCSA, discussions with Bridgeway Health Solutions and my judgment. In performing my analysis, I relied on data and other information provided by AHCCCSA and Bridgeway Health Solutions. I have not audited or verified this data and other information. If the underlying data or information is inaccurate or incomplete, the results of my analysis may likewise be inaccurate or incomplete.

I performed a limited review of the data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of my analysis.

However, I have made adjustments to the inpatient data to reflect the revised CYE09 reinsurance offsets published by AHCCCSA for use in the bids. According to AHCCCSA, in response to my question submitted on March 7, 2008, the high reinsurance offsets are indeed due to high underlying hospital inpatient trends. Rather than try to guess at the inpatient trend rates assumed by AHCCCSA for different aid categories and GSAs, I trended the CYE08 Offsets using our best estimate trend factors (leveraged for the high reinsurance deductible) and subtracted them from the revised CYE09 reinsurance offsets. This difference was then added to the projected inpatient per member per month claim costs for CYE09 to adjust for the implied trend differentials assumed by AHCCCSA. I then adjusted the utilization proportionately. These changes flowed through to the initial bid rates. While some GSA/aid category rates increased, the overall impact was a decrease to the composite bid rate. I feel that this adjustment is necessary in order to produce net capitation rates that are consistent with the published reinsurance offsets.

I also relied on Bridgeway Health Solutions' utilization management and provider reimbursement descriptions without audit. My opinion that the rates are actuarially sound is based on the assumption that Bridgeway Health Solutions is able to manage care consistent with the reasonable managed care assumptions underlying the bid rates and contract with providers at the reimbursement levels consistent with the encounter data. I did not review the financial resources or medical management abilities of any provider to confirm their ability to assume financial risk.

The utilization rates and average costs underlying Bridgeway Health Solutions' initial bid rates are estimates only and include assumptions regarding future experience. In my opinion, the assumptions used are applicable for the purpose of this certification and are reasonably related to the experience of plans currently providing care to AHCCCS beneficiaries and to reasonable expectations. Actual results will differ from the figures indicated in the initial bid rates to the extent that future plan experience differs from the assumptions used to develop the figures.

Actuarial methods, considerations, and analyses used in forming my opinion conform to the appropriate Standards of Practice as promulgated by the Actuarial Standards Board, whose standards form the basis of this statement of opinion.

Kathi S. Patterson
Member, American Academy of Actuaries
May 5, 2008

STATEMENT OF ACTUARIAL OPINION

QUALIFIED CERTIFICATION OF ACTUARIALLY SOUND CAPITATION RATES FOR THE PERIOD OCTOBER 1, 2008 THROUGH SEPTEMBER 30, 2009 HEALTH CHOICE ARIZONA

I, Martin F. Gibson, Consulting Actuary, am a member of the American Academy of Actuaries, and am associated with the firm of Lewis & Ellis, Inc. I have been retained by Health Choice Arizona (HCA) to assist in the development and review of calculations of certain actuarial items. I meet the Academy qualification standards for rendering this statement of actuarial opinion and am experienced with the rating and financial modeling of Medicaid programs.

The purpose of this review is to determine that the capitation rate proposal to provide services to Medicaid beneficiaries in the State of Arizona is actuarially sound and has been prepared using reasonable methods and assumptions. In order to accomplish this, I have reviewed data and assisted in the development of the financial modeling and rating processes employed by HCA. In particular, I reviewed, among other information:

(a) Health benefit plan provisions for the AHCCCS eligible population;
(b) Samples of HCA contracts with participating providers;
(c) HCA historical health care utilization, costs, and recoveries;
(d) HCA historical administrative costs; and,
(e) AHCCCS historical health care utilization and costs and health plan financial data, as provided in the AHCCCS Bidder's Library.

I have relied upon the data supplied by AHCCCS and HCA as to the accuracy and completeness of this information. In other respects, my involvement included the development and review of actuarial assumptions and actuarial methods and such tests of the calculations as I considered necessary in the circumstances.

On March 28th, 2008, through Amendment # 4, AHCCCS notified offerors that a significant change in the AHCCCS reimbursement methodology will occur during the rating period for which the proposed capitation rates will be effective. AHCCCS indicated they will be implementing the use of a "national episodic/diagnostic risk adjustment model" that will be applied to the proposed capitation rates. The risk adjustment model has not been released. Furthermore, Amendment # 4 provided that the model will be released prior to an expected April 2009 implementation date, and that the implementation of the risk adjustment model will include retroactive adjustments to capitation payments back to the beginning of the rating period, which is October 1, 2008.

Bidders have been instructed by AHCCCS to "bid rates by GSA and risk category reflecting the expected average monthly cost of an enrollee who has average demographic and health status using the data provided by AHCCCS in the Bidder's Library. Bidders should not take into account their own unique membership demographic or diagnosis experience..."

Requirements for actuarial soundness include analyzing base utilization and cost data

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from the Medicaid population and making adjustments to account for factors such as medical cost inflation trends, incomplete data, expected utilization changes, cost differentials due to unique provider contracts, and demographic characteristics. Other elements that are considered include the use of other payment mechanisms such as reinsurance, risk-sharing, and risk adjustment.

The AHCCCS bid instructions and the data provided in the Bidder's Library make it necessary to qualify the certification of actuarially sound rates. The data in the Bidder's Library is not sufficiently detailed to determine the average demographic profile of an enrollee in each GSA and risk category or to determine the base to which a health plan should apply its own expected medical management and unit cost levels. In addition, the unknown status of the risk adjustment methodology and its application are a major concern for actuarial soundness.

Also, a number of assumptions were developed for provider reimbursement in Geographic Service Areas (GSAs) where HCA has not provided health care services to AHCCCS beneficiaries in the past. Letters of intent to provide services have been obtained in these areas from various providers, but the financial terms of these agreements have not been finalized. If the financial terms in the final contracts with the providers are significantly greater than the assumptions built into the capitation rates, the actuarial soundness of the rates may be affected.

Therefore, in my opinion, HCA's rates are actuarially sound in relation to the anticipated experience, and are not excessive, inadequate or unfairly discriminatory with the following two qualifications:

1. The "average" rates which have been calculated and to which Health Choice medical management and unit cost factors have been applied are reasonable and sound, which is hereby qualified because of the lack of sufficiency of the data in the Bidder's Library; and,
2. The impact of the risk adjustment methodology, when implemented, does not reduce the rates below those levels that are necessary to provide for all expected costs, including health benefits, health benefit settlement expenses, administrative costs, and the cost of capital.

In addition, I certify that, to the best of my knowledge and judgment, the proposed rates will support the level of services and benefits to be provided to AHCCCS beneficiaries in the State of Arizona, with the following proviso:

1. Upon application of the risk adjustment methodology, AHCCCS will review the resulting rates and ensure they remain actuarially sound.

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STATEMENT OF ACTUARIAL OPINION

QUALIFIED CERTIFICATION OF ACTUARIALLY SOUND CAPITATION RATES FOR THE PERIOD OCTOBER 1, 2008 THROUGH SEPTEMBER 30, 2009 HEALTH CHOICE ARIZONA

A confidential actuarial report describing the procedures followed, analyses performed, and results obtained in support of this statement of opinion will be furnished to HCA and be available for examination by AHCCCSA officials. This statement of opinion was prepared for, and is only to be relied upon by, HCA and the regulators where the opinion is filed.

Martin F. Gibson, ASA, MAAA
Lewis & Ellis, Inc.

May 5, 2008

L&E
Actuaries & Consultants

Mercy Care Plan

Capitation Rate Attestation Statement

From

Southwest Catholic Health Network Corporation
dba
Mercy Care Plan

to the

Arizona Health Care Cost Containment System

We hereby attest that we have reviewed the capitation rates submitted for:

GSA: 10

County: Pima, Santa Cruz

We agree that the rates are reasonable for the services to be covered by the AHCCCS RFP YH09-0001, based on data provided by AHCCCS. We have accepted these data without audit and we have relied upon AHCCCS for the accuracy and completeness of these data.

Nancy Mann 5/6/2008
(Chief Financial Officer's Signature) (Date)

Bud Dirks, ASA, MAAA, Schalles Anderson 5-6-08
(Actuary's Signature, Affiliation) (Date)

ACTUARIAL CERTIFICATION

Molina Healthcare of Arizona, Inc. (MHA)
Price Bid for CYE '09 Acute Care Services RFP for
Arizona Health Care Cost Containment System Administration (AHCCCS)

I, Karen O. MacDonald, am chief actuary of Molina Healthcare, Inc. I am a Fellow of the Society of Actuaries and a member of the American Academy of Actuaries and meet its Qualification Standards for Statements of Actuarial Opinion. I have performed an actuarial certification of MHA's capitation pricing bid for the CYE '09 Acute Care Services RFP for AHCCCS which covers the period from October 1, 2008 to September 30, 2009.

The capitation rates provided with this certification are considered "actuarially sound" for the 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 the services to be furnished under the contract; and,
- the capitation rates meet the requirements of 42, CFR 438.6 (c).

I have examined both the experience data provided by the State of Arizona and the additional information provided by the state and their actuary about the estimated impact of program changes on the projected experience under the program and about the targeted actuarial amounts for certain categories of expense (the latter as provided in a meeting held in Phoenix on April 30th). I also performed a review of the network, contracting, medical management and operating strategy under development for MHA in the areas relevant to the development of a price bid for the CYE '09 Acute Care Services RFP, including but not limited to information regarding the payment methodology anticipated for MHA's provider agreements during the contract period, the best estimate of contract period administrative expenses for MHA, and likely levels of cost and utilization factors based on initial operating budgets and projections for MHA along with Molina Healthcare Inc's recent experience with its other health plans.

In my opinion, MHA's capitation pricing bid rates for the period October 1, 2008 to September 30, 2009 are actuarially sound based on the average demographic and health status of the population as summarized in the data book, have been developed in accordance with generally accepted actuarial principles and practices, and are appropriate for the populations to be covered and the services to be furnished under the contract. I cannot provide an opinion relative to adequacy of the rates following the implementation of risk adjustment planned for implementation 4/1/09 since the data book and supplementary materials do not provide the details necessary to draw a conclusion about that.

In making my opinion, I have relied upon both the accuracy of the underlying records, data summaries, and other calculations provided by the State of Arizona., with respect to the relevant factors related to the development of a price bid. I did not audit the data and calculations, but did review them for reasonableness and consistency and did not find any material defects. In other respects, my examination included such review of the underlying assumptions and methods used and such tests of the calculations as I considered necessary.

Actuarial methods, considerations, and analyses used in forming my opinion conform to the appropriate Standards of Practice as promulgated from time to time by the Actuarial Standards Board, whose standards form the basis of this Statement of Opinion. It should be emphasized that the capitation rates are based on a projection of future costs based on a set of assumptions. Actual costs will vary from the experience assumed in the rates.

The Opinion assumes that reader is familiar with the Acute Care program administered by AHCCCS and actuarial rating techniques. The Opinion is intended for the management of MHA and Molina Healthcare, Inc, and the State of Arizona and should not be relied on by other parties.

Karen O. MacDonald

Karen O. MacDonald, FSA, MAAA
Chief Actuary
Molina Healthcare, Inc.
200 Oceangate, Suite 100
Long Beach, CA 90802

5-1-08
Date

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PHP

Actuarial Certification
Phoenix Health Plan
AHCCCS Acute Care Capitation Bids
October 1, 2008 – September 30, 2009

I, Joel C. Hoffman, am a Principal with Reden & Anders and an Associate of the Society of Actuaries. I am also a Member of the American Academy of Actuaries and meet its Qualification Standards for Prescribed Statements of Actuarial Opinion. I have been retained by Phoenix Health Plan (PHP) to provide a certification of the actuarial soundness of its proposed capitation rates for Acute Care Services in GSA 2, 4, 6, 8, 10, 12 and 14 under the Arizona Health Care Cost Containment System (AHCCCS) Request for Proposal Solicitation No. YH09-0001.

The purpose of this certification is to comply with Section I, Paragraph 12, contained in the Acute Care Request for Proposal (including amendments and best and final solicitation through the date of this certification) issued by AHCCCS Administration. This certification may not be appropriate for other purposes.

The capitation rates to which this certification applies are provided in AHCCCS' required Capitation Calculation for Rates Sheets (CCFRS), which are included along with this certification in the RFP response. The rates apply to the period October 1, 2008 through September 30, 2009.

It is my opinion that the attached rates are adequate, in the aggregate, to fund claims and administrative expenses during the time period for which they are intended.

My determination is based on a review of the claim experience and other information provided by AHCCCS, experience data and descriptions of provider contracts provided by PHP, and my judgment. In performing my analysis, I relied on data and other information provided by AHCCCS and Phoenix Health Plan (PHP). I have relied on Creighton Donovan, Vice President and Chief Financial Officer of PHP, as to the accuracy of the data as expressed in the attached statement. I have not audited or verified this data and other information. If the underlying data or information is inaccurate or incomplete, the results of my analysis may likewise be inaccurate or incomplete.

I performed a limited review of the data used directly in my analysis for reasonableness and consistency and have not found any material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of my analysis.

I also relied on PHP provider reimbursement descriptions without audit. My opinion that the rates are actuarially sound is based on the assumptions reviewed with PHP and outlined in the management letter for this analysis.

My opinion that rates are actuarially sound is based on the assumption that PHP's capitated providers are financially stable and have the financial resources to absorb capitation risk. I did

not review the financial resources or medical management abilities of any provider to confirm their ability to assume financial risk.

The utilization rates and average costs in the CCFRS are estimates only and include assumptions regarding future experience. In my opinion, the assumptions used are applicable for the purpose of this certification and are reasonably related to the experience of PHP and/or experience provided by AHCCCS' and to reasonable expectations. Actual results will differ from the figures indicated in the attached CCFRS to the extent that future PHP experience differs from the assumptions used to develop the figures.

Actuarial methods, considerations, and analyses used in forming my opinion conform to the appropriate Standards of Practice as promulgated by the Actuarial Standards Board, whose standards form the basis of this statement of opinion.

Any changes to the proposed rates including any risk adjustments that AHCCCS may make to match payment to risk are not covered by this opinion.

Joel C. Hoffman
Associate, Society of Actuaries
Member, American Academy of Actuaries

Reden & Anders
1200 17th Street, Suite 750
Denver, CO 80202
Phone: (303) 572-7970

May 2, 2008

Phoenix Health Plan
Community Connection
An Affiliate of Abrazo Health Care

Representation Concerning Matters Pertaining to the Development of AHCCCS Bids

TO: Reden & Anders

FROM: Phoenix Health Plan/Community Connection

Phoenix Health Plan/Community Connection (Company) has engaged Reden & Anders (R&A) to prepare the contract year ended September 30, 2009 Arizona Health Care Cost Containment System (AHCCCS) bids and to provide the actuarial certification accompanying those bids. Certain information and representations were provided to R&A staff upon which they relied in order to reach their conclusions. In connection with this engagement, I represent that, to the best of my knowledge and belief:

1. All information which would affect the development of the bid values has been provided to R&A;
2. Claim information, basic records, listings, summaries and other information furnished to R&A and underlying the calculations for the bid are accurate and complete;
3. Administrative costs provided represent the costs associated with this product; and
4. The aggregate projected margin represented in the bid is consistent with Company's targets.

I understand that R&A has relied on these items to perform its analysis and has not audited the accuracy or completeness of these items beyond an assessment of the general reasonability of the data.

I represent that to the best of my knowledge and belief, the information provided to R&A and presented in the contract year ended September 30, 2009 AHCCCS bid and supporting documentation is a complete and fair projection of the Company's expected costs and expenses for this product and has been prepared consistent with applicable laws, rules and instructions.

Signature _____

Name: Creighton J. Donovan
Title: Vice President & Chief Financial Officer
Date: May 2, 2008

Address: 7878 North 16th Street, Suite 105
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May 3, 2008

Ms. Donna Terry
Chief Financial Officer
Pima Health System
3950 S. Country Club Road, Suite 400
Tucson, AZ 85714

Re: Actuarial Certification after First Round of BFO Process

Dear Donna:

I am enclosing a signed actuarial certification for use with your AHCCCS acute care bid. The rates in this letter are based on our discussion on Friday, May 2. This certification is only appropriate for use with the attached rate sheets. The certification attests to my belief that the rates you are submitting are actuarially sound in the aggregate, subject to the conditions described in the certification. The development of the rates is described in our letter to you dated April 16, 2008 with the following changes:

- For the five capitation rate cells in which the PHS bid was above AHCCCS' actuarially determined rate range, the referral physician utilization per thousand and PMPM claim cost were adjusted down as per AHCCCS' recommendation. These rates reflect reductions in administrative costs and margin that correspond to the reductions in medical costs in AHCCCS' recommendations. For example, if AHCCCS recommended medical costs be reduced by five percent, we have reduced the medical costs by 5% and have also reduced administrative and margin costs by five percent. We believe it is reasonable to assume that this is AHCCCS' expectation.

  Alternatively, we could limit the reduction to rates to the dollar value of the recommended reduction in medical costs only. If you are interested in submitting rates calculated in this manner, please let us know and we will send replacement pages. However, be aware that these rates would be higher and introduce some risk of exceeding the high end of AHCCCS' rate range.

- For the three capitation rate cells in which the PHS bid was within AHCCCS' actuarially determined rate range, the referral physician utilization per thousand and PMPM claim cost were adjusted up such that the resulting capitation rates are 1.5% higher than the bid as per PHS' recommendation. We increased medical, administrative, and margin costs to achieve the increase.

I understand that AHCCCS requires you to submit your capitation proposal using the website. You are also required to submit hard copy printouts of the website CCFR sheets. Therefore, I would ask

that you please review your electronic submission to be sure the figures match those on the attached rate sheets and to be sure the certification is valid.

This letter has been prepared for the internal use of and is only to be relied upon by PHS. No portion of this letter may be provided to any other party without Milliman's prior written consent. In the event such consent is given, the letter must be provided in its entirety. We recommend that any such party have their own actuary or other professional competent in the areas addressed by this letter review the letter to ensure that the party understands the assumptions and uncertainties inherent in our estimates. This letter may not be included in any filings with any public body.

We have relied on data and information provided by PHS and by AHCCCS. We have not audited or verified this data and other information. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise have been inaccurate or incomplete.

We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our analysis.

The capitation rates documented in this letter include projections of future claim and expense levels. These results are estimates only and include assumptions regarding future experience. Actual results will differ from these estimates to the extent that future plan experience differs from the assumptions used to develop the estimates. *We recommend that PHS monitor actual experience carefully as it emerges, and make changes to its operations as appropriate.*

❖❖❖

Donna, thank you for asking us to assist you with the development of these capitation rates. If you have any questions regarding the certification or the rate sheets, please contact Kent Roepke at 952-820-2474 or me at 952-820-2481.

Sincerely,

Leigh M. Wachenheim

Leigh M. Wachenheim, FSA, MAAA
Principal & Consulting Actuary