Contract Year Ending 2018
Acute Care Program Capitation Rate Certification

October 1, 2017 through October 31, 2017 And April 1, 2017 through April 30, 2017 (Phoenix Health Plan Only)

Prepared for:
The Centers for Medicare & Medicaid Services

Prepared by:
AHCCCS Division of Health Care Management

December 21, 2018
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Introduction and Limitations

The purpose of this rate certification is to provide documentation, including the data, assumptions, and methodologies, used in a revision to the previously submitted April 1, 2017 through April 30, 2017, and October 1, 2017 through October 31, 2017, actuarially sound capitation rates for the Acute Care Program for compliance with the applicable provisions of 42 CFR Part 438 of 81 FR 27497 (published May 6, 2016 and effective July 5, 2016). The revision reflects a retroactive adjustment to capitation rates that covers the Acute Care Contractors’ Health Insurance Provider Fee (HIPF). This rate certification was prepared for the Centers for Medicare & Medicaid Services (CMS), or its actuaries, for review and approval of the actuarially sound certified capitation rates contained herein. This rate certification may not be appropriate for any other purpose. The actuarially sound capitation rates represent projections of future events. Actual results may vary from the projections.

This rate certification may also be made available publicly on the Arizona Health Care Cost Containment System (AHCCCS) website or distributed to other parties. If this rate certification is made available to third parties, then this rate certification should be provided in its entirety. Any third party reviewing this rate certification should be familiar with the AHCCCS Medicaid managed care program, the provisions of 42 CFR Part 438 of 81 FR 27497 applicable to this rate certification, the 2018 Medicaid Managed Care Rate Development Guide, Actuarial Standards of Practice, and generally accepted actuarial principles and practices.

As of the date of signature of this certification, an uncertainty exists regarding the legal status of the HIPF, specifically to the liability of MCOs contracted with Medicaid programs. The certification, the methodology of development for the revision to the rates, and the actuarial soundness of the revised rates rely on AHCCCS’ current understanding of the law. The capitation rates may, at some point in the future, be further revised as appropriate to reflect final clarification of the legality of the HIPF and its impact to AHCCCS Contractors.

The 2018 Medicaid Managed Care Rate Development Guide (2018 Guide) describes the rate development standards and appropriate documentation to be included within Medicaid managed care rate certifications. This rate certification has been organized to follow the 2018 Guide to help facilitate the review of this rate certification by CMS. Sections of the 2018 Guide that do not apply will be marked as “Not Applicable” and will be included in this rate certification as requested by CMS.
Section I Medicaid Managed Care Rates
The capitation rates included with this rate certification are considered actuarially sound according to the following criteria from 42 CFR § 438.4 at 81 FR 27858:

- § 438.4(a) Actuarially sound capitation rates defined. Actuarially sound capitation rates are projected to provide for all reasonable, appropriate, and attainable costs that are required under the terms of the contract and for the operation of the MCO, PIHP, or PAHP for the time period and the population covered under the terms of the contract, and such capitation rates are developed in accordance with the requirements in paragraph (b) of this section.
- § 438.4(b) CMS review and approval of actuarially sound capitation rates. Capitation rates for MCOs, PIHPs, and PAHPs must be reviewed and approved by CMS as actuarially sound. To be approved by CMS, capitation rates must:
  - § 438.4(b)(1) Have been developed in accordance with standards specified in § 438.5 and generally accepted actuarial principles and practices. Any proposed differences among capitation rates according to covered populations must be based on valid rate development standards and not based on the rate of Federal financial participation associated with the covered populations.
  - § 438.4(b)(2) Be appropriate for the populations to be covered and the services to be furnished under the contract.
  - § 438.4(b)(5) Payments from any rate cell must not cross-subsidize or be cross-subsidized by payments for any other rate cell.
  - § 438.4(b)(6) Be certified by an actuary as meeting the applicable requirements of this part, including that the rates have been developed in accordance with the requirements specified in § 438.3(c)(1)(ii) and (e).
  - § 438.4(b)(7) Meet any applicable special contract provisions as specified in § 438.6.
  - § 438.4(b)(8) Be provided to CMS in a format and within a timeframe that meets requirements in § 438.7.

Additionally, the term actuarially sound is defined in Actuarial Standard of Practice (ASOP) 49, “Medicaid Managed Care Capitation Rate Development and Certification,” as:

“Medicaid capitation rates are “actuarially sound” if, for business for which the certification is being prepared and for the period covered by the certification, projected capitation rates and other revenue sources provide for all reasonable, appropriate, and attainable costs. For purposes of this definition, other revenue sources include, but are not limited to, expected reinsuranc, governmental stop-loss cash flows, governmental risk adjustment cash flows, and investment income. For purposes of this definition, costs include, but are not limited to, expected health benefits, health benefit settlement expenses, administrative expenses, the cost of capital, and government-mandated assessments, fees, and taxes.”

As stated on page 2 of the 2018 Guide, CMS will also use these three principles in applying the regulation standards:

- the capitation rates are reasonable and comply with all applicable laws (statutes and regulations) for Medicaid managed care;
the rate development process complies with all applicable laws (statutes and regulations) for the Medicaid program, including but not limited to eligibility, benefits, financing, any applicable waiver or demonstration requirements, and program integrity; and

the documentation is sufficient to demonstrate that the rate development process meets the requirements of 42 CFR Part 438 and generally accepted actuarial principles and practices.
I.1. General Information
This section provides documentation for the General Information section of the 2018 Guide.

I.1.A. Rate Development Standards

I.1.A.i. Rating Period
The revised capitation rates for the Acute Care Program are effective for the one month time period from October 1, 2017 through October 31, 2017 for all contractors active in the 2017 calendar year excepting Phoenix Health Plan. Phoenix Health Plan was acquired by Care1st and its contract discontinued effective May 1, 2017. Consequently, revisions in this certification applying to Phoenix Health Plan are for the one month time period April 1, 2017 through April 30, 2017.

I.1.A.ii. Rate Certification Documentation
This rate certification includes the following items and information:

I.1.A.ii.(a) Letter from Certifying Actuary
The actuarial certification letter for the October 2017 and April 2017 capitation rates for the Acute Care Program, signed by Matthew C. Varitek, FSA, MAAA, is in Appendix 1. Mr. Varitek meets the requirements for the definition of an Actuary described at 42 CFR § 438.2 at 81 FR 27854 and is provided below for reference.

Actuary means an individual who meets the qualification standards established by the American Academy of Actuaries for an actuary and follows the practice standards established by the Actuarial Standards Board. In this part, Actuary refers to an individual who is acting on behalf of the State when used in reference to the development and certification of capitation rates.

Mr. Varitek certifies that the October 2017 and April 2017 capitation rates for the Acute Care Program contained in this rate certification are actuarially sound and meet the standards within the applicable provisions of 42 CFR Part 438 of 81 FR 27497.

I.1.A.ii.(b) Final and Certified Capitation Rates
The revised final and certified capitation rates by rate cell are located in Appendix 2. Additionally, the Acute Care Program contract includes the final and certified capitation rates by rate cell in accordance with 42 CFR § 438.3(c)(1)(i) at 81 FR 27856. The Acute Care contract uses the term risk group instead of rate cell. This rate certification will use the term rate cell to be consistent with the applicable provisions of 42 CFR Part 438 of 81 FR 27497 and the 2018 Guide. AHCCCS will perform a retroactive mass adjustment to the currently approved capitation rates for October 2017 and April 2017 using the revised capitation rates in Appendix 2. Although the fees due from the Contractor in 2018 are based on applicable revenue received during 2017, CMS authorized AHCCCS to make retroactive capitation adjustments to just one month in order to limit the administrative burden.

I.1.A.ii.(c) Final and Certified Capitation Rate Ranges
Not applicable. Rate ranges were not developed for the revised October 2017 and April 2017 capitation rates for the Acute Care Program. As in prior years, AHCCCS uses assumed income tax
rates to develop the revised capitation rates. As of the date of this certification, each Program subcontractor knows its HIPF liability amount for 2018, but may not know the income tax rate that will apply for 2018 income. If a subcontractor’s final 2018 income tax filing reflects a material difference between the actual tax rates and the assumed tax rates, AHCCCS will submit a revised certification to reflect any future adjustments to the capitation rates proposed in this certification.

I.1.A.ii.(d) Program Information
For more information, please refer to the Contract Year Ending 2018 Acute Care Rate Certification dated October 1, 2017.

I.1.A.iii. Rate Development Standards and Federal Financial Participation
For more information, please refer to the Contract Year Ending 2018 Acute Care Rate Certification dated October 1, 2017.

I.1.A.iv. Rate Cell Cross-subsidization
For more information, please refer to the Contract Year Ending 2018 Acute Care Rate Certification dated October 1, 2017.

I.1.A.v. Effective Dates of Changes
For more information, please refer to the Contract Year Ending 2018 Acute Care Rate Certification dated October 1, 2017.

I.1.A.vi. Generally Accepted Actuarial Principles and Practices
For more information, please refer to the Contract Year Ending 2018 Acute Care Rate Certification dated October 1, 2017.

I.1.A.vii. Rates from Previous Rating Periods
For more information, please refer to the Contract Year Ending 2018 Acute Care Rate Certification dated October 1, 2017.

I.1.A.viii. Rate Certification Procedures
For more information, please refer to the Contract Year Ending 2018 Acute Care Rate Certification dated October 1, 2017.

I.1.B. Appropriate Documentation
For more information, please refer to the Contract Year Ending 2018 Acute Care Rate Certification dated October 1, 2017.

I.2. Data
For more information, please refer to the Contract Year Ending 2018 Acute Care Rate Certification dated October 1, 2017.
I.3. Projected Benefit Costs and Trends
For more information, please refer to the Contract Year Ending 2018 Acute Care Rate Certification dated October 1, 2017.

I.4. Special Contract Provisions Related to Payment
For more information, please refer to the Contract Year Ending 2018 Acute Care Rate Certification dated October 1, 2017.

I.5. Projected Non-Benefit Costs

I.5.A. Rate Development Standards
This section of the 2018 Guide provides information on the non-benefit component of the capitation rates.

I.5.B. Appropriate Documentation

I.5.B.i. Description of the Development of Projected Non-Benefit Costs
For more information, please refer to the Contract Year Ending 2018 Acute Care Rate Certification dated October 1, 2017.

I.5.B.ii. Projected Non-Benefit Costs by Category
For more information, please refer to the Contract Year Ending 2018 Acute Care Rate Certification dated October 1, 2017.

I.5.B.iii. Health Insurance Provider’s Fee
I.5.B.iii.(a) Address if in Rates
The CYE 18 capitation rates for the Acute Care Program reflected in this rate certification incorporate the Health Insurance Providers Fee (HIPF). AHCCCS is following previous Acute Care Program capitation rate methodologies for the HIPF, in which capitation rates are amended to reflect the calculated HIPF and related tax impacts. In revising the capitation rates for HIPF, all benefit and non-benefit components remain unchanged and as described in the CYE 2018 Acute Care certification dated October 1, 2017, and an additional component is added inclusive of the reported HIPF liability and associated taxes. The additional HIPF liability PMPM amounts, by rate cell, are given in appendix 4b.

I.5.B.iii.(b) Data Year or Fee Year
The data year is calendar year 2017 for the fee year 2018.

I.5.B.iii.(c) Description of how Fee was Determined
The PMPM capitation adjustments were developed based on the fee liability reported to AHCCCS by the Acute Care Contractors. Contractors were notified of the fee liability for the entire entity by the Treasury Department. Contractors were responsible for allocating an appropriate portion of their fee liability to AHCCCS, which was verified by AHCCCS for reasonableness and appropriateness. To determine if the reported revenue and the HIPF liability allocations to AHCCCS
from the Contractors were reasonable and appropriate, AHCCCS reviewed each Contractor’s HIPF liability allocated to AHCCCS as a percentage of the total HIPF liability from the IRS, and the revenue allocated to AHCCCS as a percentage of the total revenue reported to the IRS. Additionally, AHCCCS compared the revenue allocated to the Acute Care Program from each Contractor against paid capitation data and determined that the revenue allocated by each Contractor was reasonable and appropriate.

As in previous years, the PMPM adjustments were developed based on each Contractor’s actual member months within each applicable rate cell. The estimated impact to the Acute Care Program of this adjustment is a statewide increase of approximately $85.4 million.

I.5.B.iii.(d) Address if not in Rates
Not applicable. The revised CYE 18 Acute Care capitation rates include the fee.

I.5.B.iii.(e) Summary of Benefits Under 26 CFR § 57.2(h)(2)(ix)
For more information, please refer to the Contract Year Ending 2018 Acute Care Rate Certification dated October 1, 2017.

I.6. Risk Adjustment and Acuity Adjustments
For more information, please refer to the Contract Year Ending 2018 Acute Care Rate Certification dated October 1, 2017.
Section II Medicaid Managed Care Rates with Long-Term Services and Supports

Section II of the 2018 Medicaid Managed Care Rate Development Guide is not applicable to the Acute Care Program.

For more information, please refer to the Contract Year Ending 2018 Acute Care Rate Certification dated October 1, 2017.

Section III New Adult Group Capitation Rates

Section III of the 2018 Medicaid Managed Care Rate Development Guide is applicable to the Acute Care Program.

For more information, please refer to the Contract Year Ending 2018 Acute Care Rate Certification dated October 1, 2017.
Appendix 1: Actuarial Certification

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 the Actuarial Standards Board.

The capitation rates included with this rate certification are considered actuarially sound according to the following criteria from 42 CFR § 438.4 at 81 FR 27858:

- § 438.4 (a) Actuarially sound capitation rates defined. Actuarially sound capitation rates are projected to provide for all reasonable, appropriate, and attainable costs that are required under the terms of the contract and for the operation of the MCO, PIHP, or PAHP for the time period and the population covered under the terms of the contract, and such capitation rates are developed in accordance with the requirements in paragraph (b) of this section.
- § 438.4 (b) CMS review and approval of actuarially sound capitation rates. Capitation rates for MCOs, PIHPs, and PAHPs must be reviewed and approved by CMS as actuarially sound. To be approved by CMS, capitation rates must:
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  - § 438.4 (b) (2) Be appropriate for the populations to be covered and the services to be furnished under the contract.
  - § 438.4 (b) (5) Payments from any rate cell must not cross-subsidize or be cross-subsidized by payments for any other rate cell.
  - § 438.4 (b) (6) Be certified by an actuary as meeting the applicable requirements of this part, including that the rates have been developed in accordance with the requirements specified in § 438.3(c)(1)(ii) and (e).
  - § 438.4 (b) (7) Meet any applicable special contract provisions as specified in § 438.6.
  - § 438.4(b) (8) Be provided to CMS in a format and within a timeframe that meets requirements in § 438.7.

Additionally, the term actuarially sound is Actuarial Standard of Practice (ASOP) 49, “Medicaid Managed Care Capitation Rate Development and Certification,” as:

“Medicaid capitation rates are “actuarially sound” if, for business for which the certification is being prepared and for the period covered by the certification, projected capitation rates and other revenue sources provide for all reasonable, appropriate, and attainable costs. For purposes of this definition, other revenue sources include, but are not limited to, expected reinsurance and governmental stop-loss cash flows, governmental risk adjustment cash flows, and investment income. For purposes of this definition, costs include, but are not limited to, expected health benefits, health benefit settlement expenses, administrative expenses, the cost of capital, and government-mandated assessments, fees, and taxes.”
The data, assumptions, and methodologies used to develop the revised CYE 18 capitation rates for the Acute Care Program have been documented according to the guidelines established by CMS in the 2018 Guide. The revised CYE 18 capitation rates for the Acute Care Program are effective for the one-month time period from October 1, 2017 through October 31, 2017 for all Managed Care Organizations except Phoenix Health Plan, whose revised rates are effective for the one-month time period from April 1, 2017 to April 30, 2017.

The actuarially sound capitation rates are based on projections of future events. Actual results may vary from the projections. In developing the actuarially sound capitation rates, I have relied upon data and information provided by AHCCCS and the Acute Care contractors. I have relied upon AHCCCS and the Acute Care contractors for the accuracy of the data and I have accepted the data without audit, after checking the data for reasonableness and consistency.

SIGNATURE ON FILE

Matthew C. Varitek

December 21, 2018

Fellow, Society of Actuaries
Member, American Academy of Actuaries
## Appendix 2: Certified Capitation Rates with HIPF

<table>
<thead>
<tr>
<th>Contractor</th>
<th>GSA</th>
<th>TANF/Kidscares &lt;1</th>
<th>TANF/Kidscares 1-13</th>
<th>TANF/Kidscares 14-44 Female</th>
<th>TANF/Kidscares 14-44 Male</th>
<th>TANF 45+</th>
<th>SSI with Medicare</th>
<th>SSI w/o Medicare</th>
<th>Adults &lt;= 106% FPL</th>
<th>Adults &gt; 106% FPL</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Health Care</td>
<td>02</td>
<td>$517.59</td>
<td>$160.16</td>
<td>$316.83</td>
<td>$187.81</td>
<td>$511.72</td>
<td>$219.10</td>
<td>$1,323.53</td>
<td>$608.01</td>
<td>$415.99</td>
</tr>
<tr>
<td>United Health Care</td>
<td>04</td>
<td>$570.64</td>
<td>$127.20</td>
<td>$277.54</td>
<td>$183.46</td>
<td>$502.20</td>
<td>$166.84</td>
<td>$1,255.48</td>
<td>$600.91</td>
<td>$461.19</td>
</tr>
<tr>
<td>Health Choice Arizona</td>
<td>04</td>
<td>$500.92</td>
<td>$130.91</td>
<td>$276.93</td>
<td>$186.70</td>
<td>$495.57</td>
<td>$166.50</td>
<td>$1,312.15</td>
<td>$592.81</td>
<td>$440.10</td>
</tr>
<tr>
<td>United Health Care</td>
<td>06</td>
<td>$522.11</td>
<td>$152.46</td>
<td>$334.44</td>
<td>$271.97</td>
<td>$582.76</td>
<td>$219.56</td>
<td>$1,632.89</td>
<td>$668.29</td>
<td>$549.42</td>
</tr>
<tr>
<td>Health Choice Arizona</td>
<td>08</td>
<td>$554.99</td>
<td>$134.69</td>
<td>$332.08</td>
<td>$204.36</td>
<td>$710.52</td>
<td>$191.59</td>
<td>$1,297.81</td>
<td>$632.91</td>
<td>$476.06</td>
</tr>
<tr>
<td>United Health Care</td>
<td>10</td>
<td>$577.38</td>
<td>$149.60</td>
<td>$323.15</td>
<td>$199.90</td>
<td>$542.91</td>
<td>$163.18</td>
<td>$1,376.26</td>
<td>$523.76</td>
<td>$411.38</td>
</tr>
<tr>
<td>Care 1st</td>
<td>10</td>
<td>$505.38</td>
<td>$132.50</td>
<td>$285.58</td>
<td>$181.24</td>
<td>$461.43</td>
<td>$135.74</td>
<td>$1,226.35</td>
<td>$500.47</td>
<td>$391.11</td>
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<tr>
<td>Health Choice Arizona</td>
<td>10</td>
<td>$556.16</td>
<td>$142.21</td>
<td>$298.63</td>
<td>$186.52</td>
<td>$507.87</td>
<td>$154.76</td>
<td>$1,233.69</td>
<td>$521.52</td>
<td>$387.24</td>
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<tr>
<td>United Health Care</td>
<td>12</td>
<td>$615.63</td>
<td>$151.78</td>
<td>$348.82</td>
<td>$225.18</td>
<td>$625.57</td>
<td>$205.69</td>
<td>$1,396.85</td>
<td>$683.68</td>
<td>$480.43</td>
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<tr>
<td>Care 1st</td>
<td>12</td>
<td>$582.02</td>
<td>$139.44</td>
<td>$319.23</td>
<td>$199.96</td>
<td>$542.39</td>
<td>$169.52</td>
<td>$1,185.64</td>
<td>$636.27</td>
<td>$432.69</td>
</tr>
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<td>Phoenix Health Plan</td>
<td>12</td>
<td>$481.99</td>
<td>$119.92</td>
<td>$262.17</td>
<td>$153.67</td>
<td>$457.53</td>
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<td>$865.86</td>
<td>$426.78</td>
<td>$362.78</td>
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<td>Health Net</td>
<td>12</td>
<td>$605.57</td>
<td>$133.21</td>
<td>$318.34</td>
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<td>$1,266.68</td>
<td>$673.18</td>
<td>$464.60</td>
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<tr>
<td>Health Choice Arizona</td>
<td>12</td>
<td>$582.60</td>
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<td>$560.95</td>
<td>$197.31</td>
<td>$1,349.04</td>
<td>$674.80</td>
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<tr>
<td>United Health Care</td>
<td>14</td>
<td>$631.18</td>
<td>$151.99</td>
<td>$334.65</td>
<td>$229.98</td>
<td>$610.09</td>
<td>$200.17</td>
<td>$1,425.08</td>
<td>$611.75</td>
<td>$456.67</td>
</tr>
</tbody>
</table>

**Notes:**

1. Capitation rates are shown only for the Contractor(s) and Rate Cells receiving a revision for HIPF.
## Appendix 3: Fiscal Impact Summary with HIPF\(^1\)

<table>
<thead>
<tr>
<th>Rate Cell</th>
<th>Member Months(^2)</th>
<th>Submitted Capitation Rate(^3)</th>
<th>Projected Expenditures at Submitted Rates</th>
<th>Revised Capitation Rate(^4)</th>
<th>Projected Expenditures at Revised Rates</th>
<th>Difference Expenditures</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>TANF/Kidscare &lt;1</td>
<td>31,540</td>
<td>442.68</td>
<td>$13,961,938</td>
<td>576.12</td>
<td>$18,170,908</td>
<td>$4,208,970</td>
<td>30.1%</td>
</tr>
<tr>
<td>TANF/Kidscare 1-13</td>
<td>349,665</td>
<td>110.26</td>
<td>$38,554,857</td>
<td>142.82</td>
<td>$49,938,766</td>
<td>$11,383,909</td>
<td>29.5%</td>
</tr>
<tr>
<td>TANF/Kidscare 14-44 Female</td>
<td>177,735</td>
<td>246.78</td>
<td>$43,861,530</td>
<td>320.66</td>
<td>$56,992,876</td>
<td>$13,131,346</td>
<td>29.9%</td>
</tr>
<tr>
<td>TANF/Kidscare 14-44 Male</td>
<td>94,779</td>
<td>158.23</td>
<td>$14,996,985</td>
<td>205.69</td>
<td>$19,495,231</td>
<td>$4,498,245</td>
<td>30.0%</td>
</tr>
<tr>
<td>TANF 45+</td>
<td>35,505</td>
<td>429.60</td>
<td>$15,253,019</td>
<td>559.90</td>
<td>$19,878,994</td>
<td>$4,625,975</td>
<td>30.3%</td>
</tr>
<tr>
<td>SSI with Medicare</td>
<td>68,388</td>
<td>142.05</td>
<td>$9,714,364</td>
<td>185.66</td>
<td>$12,697,212</td>
<td>$2,982,848</td>
<td>30.7%</td>
</tr>
<tr>
<td>SSI w/o Medicare</td>
<td>34,073</td>
<td>1,002.16</td>
<td>$34,146,389</td>
<td>1,302.99</td>
<td>$44,396,420</td>
<td>$10,250,030</td>
<td>30.0%</td>
</tr>
<tr>
<td>Adults &lt;= 106% FPL</td>
<td>194,406</td>
<td>479.02</td>
<td>$93,123,553</td>
<td>626.29</td>
<td>$121,753,536</td>
<td>$28,629,983</td>
<td>30.7%</td>
</tr>
<tr>
<td>Adults &gt; 106% FPL</td>
<td>54,380</td>
<td>342.88</td>
<td>$18,645,826</td>
<td>447.44</td>
<td>$24,332,059</td>
<td>$5,686,234</td>
<td>30.5%</td>
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<tr>
<td>Total Prospective</td>
<td>1,040,472</td>
<td>$282,258,461</td>
<td>$367,656,002</td>
<td>$85,397,541</td>
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<td></td>
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</tr>
</tbody>
</table>

### Notes:

1. Member months and capitation estimates are shown only for the Contractor(s) receiving a revision for HIPF.

2. The member month counts include the April 2017 enrollment for Phoenix Health Plan, which merged with Care1st effective May 2017, and October 2017 enrollment for all other Contractors subject to the HIPF.

3. The Submitted Capitation Rate represents the average rates across Contractors, most recently submitted for the period October 1, 2017 through October 31, 2017 (and April 1, 2017 through April 30, 2017 for Phoenix Health Plan Only), excluding the additional PMPM amount for the HIPF.

4. The Revised Capitation Rate represents the average rates across Contractors, most recently submitted for the period October 1, 2017 through October 31, 2017 (and April 1, 2017 through April 30, 2017 for Phoenix Health Plan Only), including the additional PMPM amount for the HIPF.
Appendix 4: Projected Benefit and Non-Benefit Costs including HIPF

Appendix 4a: Certified Prospective Capitation Rates Without HIPF

<table>
<thead>
<tr>
<th>Contractor</th>
<th>GSA</th>
<th>TANF/Kidscare &lt;1</th>
<th>TANF/Kidscare 1-13</th>
<th>TANF/Kidscare 14-44 Female</th>
<th>TANF/Kidscare 14-44 Male</th>
<th>TANF 45+</th>
<th>SSI with Medicare</th>
<th>SSI w/o Medicare</th>
<th>Adults &lt;= 106% FPL</th>
<th>Adults &gt; 106% FPL</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Health Care</td>
<td>02</td>
<td>$389.58</td>
<td>$120.55</td>
<td>$238.48</td>
<td>$141.36</td>
<td>$385.17</td>
<td>$164.91</td>
<td>$996.21</td>
<td>$457.65</td>
<td>$313.11</td>
</tr>
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<td>04</td>
<td>$429.51</td>
<td>$95.74</td>
<td>$208.90</td>
<td>$138.09</td>
<td>$378.00</td>
<td>$125.58</td>
<td>$944.99</td>
<td>$452.30</td>
<td>$347.14</td>
</tr>
<tr>
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<td>$99.81</td>
<td>$211.14</td>
<td>$142.35</td>
<td>$377.84</td>
<td>$126.95</td>
<td>$1,000.44</td>
<td>$451.98</td>
<td>$335.55</td>
</tr>
<tr>
<td>United Health Care</td>
<td>06</td>
<td>$392.99</td>
<td>$114.75</td>
<td>$251.73</td>
<td>$204.71</td>
<td>$438.64</td>
<td>$165.26</td>
<td>$1,229.06</td>
<td>$503.02</td>
<td>$413.55</td>
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<td>$102.70</td>
<td>$253.19</td>
<td>$155.82</td>
<td>$541.73</td>
<td>$146.08</td>
<td>$989.51</td>
<td>$482.56</td>
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<td>$434.59</td>
<td>$112.60</td>
<td>$243.23</td>
<td>$150.46</td>
<td>$408.64</td>
<td>$122.82</td>
<td>$1,035.90</td>
<td>$394.23</td>
<td>$309.64</td>
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<td>$397.76</td>
<td>$104.29</td>
<td>$224.77</td>
<td>$142.65</td>
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<td>$106.84</td>
<td>$965.20</td>
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<td>$108.43</td>
<td>$227.69</td>
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<td>$150.44</td>
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<td>$150.67</td>
<td>$1,072.64</td>
<td>$460.46</td>
<td>$343.73</td>
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</table>

**Notes:**

1. Capitation rates are shown only for the Contractor(s) and Rate Cells receiving a revision for HIPF. These rates are the most recently submitted rates effective from October 1, 2017 through October 31, 2017 (April 1, 2017 through April 30, 2017 for Phoenix Health Plan).

2. All benefit and non-benefit costs used for development of these rates are unchanged for the purposes of computing the HIPF revision.
## Appendix 4b: HIPF Increment Added to Rates

<table>
<thead>
<tr>
<th>Contractor</th>
<th>GSA</th>
<th>TANF/KidsCare &lt;1</th>
<th>TANF/KidsCare 1-13</th>
<th>TANF/KidsCare 14-44 Female</th>
<th>TANF/KidsCare 14-44 Male</th>
<th>TANF 45+</th>
<th>SSI with Medicare</th>
<th>SSI w/o Medicare</th>
<th>Adults &lt;= 106% FPL</th>
<th>Adults &gt; 106% FPL</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Health Care</td>
<td>02</td>
<td>$128.00</td>
<td>$39.61</td>
<td>$78.36</td>
<td>$46.45</td>
<td>$126.55</td>
<td>$54.18</td>
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<td>$45.37</td>
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<td>$65.79</td>
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<td>$117.72</td>
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<td>$82.71</td>
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<td>$112.94</td>
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</table>

### Notes:

1. The rates given in Appendix 2 are equal to the sum of the amounts given in Appendices 4a and 4b.