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***Commonwealth of Virginia  
Department of Medical  
Assistance Services***

Program of All-Inclusive Care  
for the Elderly (PACE)  
Data Book and Capitation Rates  
Fiscal Year 2015

June 2014

**Submitted by:**

PricewaterhouseCoopers LLP

Three Embarcadero Center

San Francisco, CA 94111

June 25, 2014





Mr. William J. Lessard, Jr.  
Department of Medical Assistance Services  
600 East Broad Street, Suite 1300  
Richmond, VA 23219

June 25, 2014

Dear Bill:

**Re: PACE Data Book and Capitation Rates – FY 2015**

The enclosed report provides a detailed description of the methodology used for calculating capitation rates for Fiscal Year 2015, effective July 1, 2014 to June 30, 2015, for the Virginia Programs of All-Inclusive Care for the Elderly (PACE) that operate as a full PACE program. The methods used for calculating these costs are consistent with Centers for Medicare and Medicaid Services requirements that the capitation rates be developed under guidelines that rates do not exceed the Fee-for-Service Upper Payment Limit, the amount that would be paid by the Medicaid program in the absence of a PACE program, and are appropriate for the population covered by the program.

The development of these rates was overseen by Sandra Hunt, Partner, Susan Maerki, Project Manager, and Peter Davidson, Lead Actuary.

Please call us at 415/498-5365 if you have any questions regarding these capitation rates.

Very Truly Yours,

A handwritten signature in cursive script that reads "PricewaterhouseCoopers".

PricewaterhouseCoopers LLP

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***Program of All-Inclusive Care for the Elderly  
Data Book and Capitation Rates  
Fiscal Year 2015  
Prepared by PricewaterhouseCoopers LLP  
June 2014***

PricewaterhouseCoopers LLP (PwC) has developed the capitation rates for the Virginia Medicaid Program of All-Inclusive Care for the Elderly (PACE) for State Fiscal Year 2015 for rates effective July 1, 2014. This includes PACE rates for programs operational throughout the state. Rate setting for PACE programs is guided by regulations that limit payment to at or below the amount the Medicaid program would pay as a Fee-for-Service Equivalent (FFSE) cost in the absence of the PACE program; this is also referred to as the Upper Payment Limit (UPL). The methodology presented in this report meets the UPL guidelines and conforms to appropriate standards of practice promulgated from time to time by the Actuarial Standards Board. Rates based on UPL guidelines do not require actuarial certification.

The final rates will be established through signed contracts with the PACE plans, which will ensure that the plans concur that the rates paid will allow for contracting with sufficient numbers of providers to ensure appropriate access to health care and that they expect to remain financially sound throughout the contract period. Capitation rates are developed for a population aged 55 and over and vary by dual eligibility status (Medicaid/Medicare or Medicaid Only). The PACE rates are developed for five regions in the state and will be paid to current PACE operators as well as to any expansion sites.

Medicaid PACE rates include funding for acute care as well as the long term care and personal care services under the Elderly or Disabled with Consumer Direction (EDCD) waiver. Total payments to PACE programs include separate payments from the Medicare program for dual eligibles.

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## ***I. Background***

PACE programs provide an alternative to nursing home and home and community-based services care for individuals who are certified as nursing home eligible. Originally developed through the On-Lok program in San Francisco, PACE programs are seen as an option to allow nursing home eligible individuals to remain independent by providing a single source for all needed health and social services. To be eligible for PACE, an individual must be at least 55 years of age and certified by the state as eligible for nursing home services. Enrollment in the program is voluntary.

Medicaid programs pay PACE sites a capitated fee designed to cover the full cost of all services required by PACE enrollees that would otherwise be paid through the Medicaid fee-for-service system. A PACE program is capitated for both Medicaid and Medicare covered services. Medicare's contribution to PACE costs is currently set based on the Average Adjusted Per Capita Cost (AAPCC) for the geographic area in which the PACE program operates and is risk adjusted. PACE centers typically enroll 100 to 200 individuals although there are multi-site programs with larger centers. Consequently, it is important that the capitation rates paid for the program provide an accurate estimate of costs for the specific population that enrolls in the program, as there is little ability for PACE programs to accommodate significant variations in the level of health care need of individual participants through high volume.

Our analysis includes data for all individuals eligible to participate in PACE. This includes the nursing home eligible population, both those who are residents of nursing homes, as well as those who are enrolled in Home and Community Based Care waiver program. Those in the Home and Community Based Care waiver programs may either be in Medicaid Fee-for-Service or in the Medallion II managed care program. We have implicitly assumed that the distribution of enrollment in a PACE program will mirror the PACE-eligible population. In other words, if 55% of the PACE eligible population is currently residing in nursing homes, the UPLs reported here implicitly assume that 55% of the enrollees would otherwise have been nursing home residents for the base calculation. The rates for these and any new PACE programs is assumed to have the same proportion of residents of nursing homes and Home and Community Based Service waiver programs as the eligible population statewide.

### ***PACE capitation rates***

Payments to managed care plans for PACE enrollees are subject to federal rules. As a Medicaid program, the state must comply with federal regulations set by CMS regarding payment levels. Specifically, full PACE programs are subject to rate setting under UPL guidelines. In addition, CMS must approve the payment rates made to each plan. The PACE capitation rates shown in this report are designed to comply with both the CMS definition of actuarial soundness and the UPL. In general, the methodological approach under either guideline can be similar.

Specifically, we have analyzed historical fee-for-service claims for the PACE-eligible population in each region. We then made adjustments to the historical data to reflect modifications of payment arrangements under the fee-for-service program and updated the payment rates to reflect the contract period covered by these rates. We also reviewed financial data provided by the contractor to assess comparability and the reasonableness of the distribution of medical and administrative costs. This financial review provided information used to adjust the fee-for-service results for expectations of managed care savings and an allowance for PACE plan administrative costs.

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## **II. Data sources**

PwC obtained detailed historical fee-for-service claims and eligibility data from the Department of Medical Assistance Services (DMAS) for services incurred and months of enrollment during State Fiscal Years 2012 through 2013 with claims paid through February 2014. The claims in the historical database include Medicaid paid amounts net of any third party insurance payments, which are primarily Medicare payments, and the amounts for which patients are personally responsible for the nursing facility and personal care services. Fee-for-service data are used to develop PACE rates because PACE rate setting guidelines do not permit direct use of encounter data from the contracting PACE plans. In any event, there is insufficient experience from the PACE organizations themselves to use as the basis for rate setting.

The work in this report builds on analyses performed in developing FY 2015 capitation rates for the Medallion 3.0 program. In the Medallion 3.0 program, special adjustments are made to the historical data to reflect changes in payment arrangements due to other programmatic and legislative adjustments. The revised Medallion 3.0 report, dated June 2014, provides a detailed description of the process used for developing the adjustment factors; where applicable, these same adjustment factors are used in the development of the PACE rates.

The claims and eligibility information used in this report includes data for Medicaid recipients who are potentially eligible for the PACE program based on their age, eligibility category, and eligibility for nursing home services. Members eligible for PACE are identified by an indicator on each eligibility record that signifies that the member is in a nursing facility or a Home and Community Based Care waiver.

All claims and eligibility data for members who are not eligible for the PACE program were excluded from the historical data used in these calculations. Members who incurred services indicated as “Nursing Facility/Mental Retardation” are not eligible to enroll in PACE, although they would otherwise qualify for PACE based on this indicator. Another category of members who would qualify for but are unlikely to enroll in PACE are those who receive a high level of special and complex services, such as ventilator assistance. All claims and eligibility periods for both of these groups were removed from the database prior to the calculations shown in this report.

PACE eligibles identified in the DMAS eligibility files were also matched to two other data sets. These are 1) costs associated with consumer-directed personal care services received under the EDCD waiver and 2) acute care costs for the Acute and Long Term Care (ALTC) population enrolled in managed care organizations who continue to receive acute services from their health plan and receive LTC services through Medicaid FFS. The costs for the ALTC population are added to the base for the non-dual PACE eligibles.

Claims and eligibility for retroactive periods (claims incurred prior to a determination of Medicaid eligibility that are ultimately paid by Medicaid) were also removed from the data before summarization because plans are not responsible for retroactive periods of coverage. Claims are limited to those services covered in the approved state plan.

The resulting historical claims and eligibility data were tabulated by service category for dual and non-dual eligibility status and region and are shown in Exhibits 1a - 1b, which are generally referred to as the “Data Book”. The regional data provide an adequate basis for rate setting and no data smoothing techniques are applied. These exhibits in 1a – 1b show unadjusted historical data and are the basis of all future calculations described here. These exhibits show, for informational purposes:

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- Member months for Fiscal Years 2012 and 2013,
  - Medicaid payment amounts for the combined years,
  - Patient payment amounts for the combined years<sup>1</sup>,
  - Costs per member per month (PMPM) for the combined years (a combination of Medicaid and patient payment amounts),
  - Unadjusted units of service for Fiscal Years 2012 and 2013 (a definition of “units” for each category of service is provided in Exhibit 6),
  - Annual units/1,000 members for the combined years, calculated as the total units of service divided by the appropriate member months, multiplied by 1,000, multiplied by 12, and
  - Cost per unit of service.

### ***III. Capitation rate calculations***

The capitation rates for Fiscal Year 2015 are based on the historical data shown in Exhibits 1a – 1b adjusted to reflect changes in payment rates and covered services. Each of the adjustments to the historical data is described in the following section. The adjustments are applied to the historical data and the resulting capitation rates are calculated in Exhibits 4a – 4b.

The steps used for calculating the capitation rates are as follows:

1. The historical data for each Medicare eligibility status and region are brought forward to Exhibits 4a and 4b from the corresponding cell in Exhibits 1a and 1b.<sup>2</sup> This information serves as the starting point for the capitation rate calculation.
2. A number of changes in covered services and payment levels have been mandated by the Legislature or by changes to the Medicaid State Plan. Several of these adjustments were described in the Medallion 3.0 report and applied to the PACE calculations. Additional adjustments that apply to the PACE eligible group are incorporated into these calculations. These adjustments are described in greater detail in Section IV.
3. The claims data are adjusted to update to the FY 2015 contract period; these trend adjustments are described in Section V. The resulting claims are shown in Exhibits 4a and 4b under the column “Completed & Trended Claims”.
4. The data are further adjusted to reflect expected managed care savings, which is applied to the UPL PMPM and results in the PACE PMPM.
5. The managed care adjusted claims from Step 4 are divided by the count of member months for each rate cell (from Exhibits 1a and 1b) to arrive at preliminary PMPM costs by service category. These PMPM costs are summarized for each dual eligibility status and region. Claims are summed to calculate health care cost components for PACE.
6. The final step is adding an allowance for PACE plan administrative costs. The rates shown in Exhibit 5a and 5c include only the Medicaid portion of the payment. The PACE program will also receive a capitation payment from the federal government for the Medicare component of services for dual eligibles.
7. The PACE rates are compared to the estimated Upper Payment Limit cost to confirm that FY 2015 PACE rates meet federal rate setting guidelines.

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<sup>1</sup> Patient payment amounts are primarily for nursing home and personal care services.

<sup>2</sup> Patient payment amounts for adult day care, consumer directed, nursing home, and personal care services are carried forward to the capitation rate calculations in Exhibits 4a and 4b.

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## ***IV. Programmatic and legislative adjustments***

### ***Prescription drug adjustment***

Under the guideline of actuarial soundness for managed care programs, States are not required to reduce the outpatient prescription drug payment by the amount of state drug rebates. However, the PACE rate-setting checklist requires that UPLs be developed based on the FFS equivalent cost. The prescription drug adjustment was based upon a combination of analysis of the DMAS FFS pharmacy payments, including rebate amounts, unit cost, utilization rates, dispensing fees, and application of co-payments.

For the Dual Demonstration population, the majority of prescriptions are covered under the Medicare Part D drug benefit. The Virginia Medicaid program continues to cover the prescription drugs for which federal matching funds remain available but which are specifically excluded by law from Medicare Part D and to cover specific DMAS approved over-the-counter (OTC) drugs, which are also excluded from Part D. For the Medicare Part B covered drugs, DMAS continues to pay for coinsurance and deductibles. Effective January 1, 2013, Medicare Part D began to cover benzodiazepines with no restrictions and barbiturates when used in the treatment of epilepsy, cancer or chronic mental disorders and are no longer paid by Virginia Medicaid. No adjustment is made for the change in drug coverage because historically the costs are very low for the mostly low cost generic drugs.

The DMAS dispensing fee during the data period of FY 2012 and FY 2013 was \$3.75 per script. Dispensing fees during the base period were reported as \$3.75 or as \$0.00 because no dispensing fee is paid if the same prescription is filled more than one time in a month. Therefore the data period dispensing fee average is less than \$3.75. The resulting FY 2015 average dispensing fees are \$3.15 for duals and \$3.07 for the non-dual population.

DMAS Medicaid prescription co-payments on brand name drugs are set at \$3.00 and the co-payment for generic drugs is \$1.00. As mandated by Federal law, co-payments are not imposed on recipients in nursing homes or in community based waivers, although a small amount of co-payment were reported in the FFS data. Because PACE members are certified as nursing home eligible, we have not calculated or applied any further co-payment adjustment.

The DMAS discounts, rebates, and dispensing fees, are applied for the non-dual population, but different adjustments are applied for the dual eligible population. The prescription drugs covered by Medicaid for the dual eligible population contain a different mix of drugs than that used by the non-dual population; the dual mix includes a higher proportion of over-the-counter (OTC) and specialized drugs that do not receive the same discounts and rebates as other Medicaid covered drugs. This mix was considered in calculating the total FFS rebate percentage for the PACE-eligible dual population. Based on analysis of the more recent non-dual claims, we kept the same level of assumed savings from future expected improvements in the Brand-Generic mix.

These adjustments are calculated in Exhibit 2a and applied to the total historical claims data in Exhibits 4a and 4b under the column labeled "Policy and Program Adjustments".

### ***Non-emergency transportation adjustment***

Non-emergency transportation (NET) services were contracted to a broker during the historical data period under a capitated payment methodology and services are not captured in the DMAS FFS claims. The non-emergency transportation adjustment is based on the service cost component (excluding the administrative cost) of the accepted bid for the ABAD nursing home population, a statewide rate at \$27.38 PMPM for FY 2015. This is in addition to the value of claims for emergency transportation services that were extracted from the DMAS FFS

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data. The per member per month value is shown in Exhibit 2b and the adjustment is applied in the total UPL column in Exhibits 4a and 4b.

### *Emergency transportation adjustment*

The value of claims for emergency transportation services were extracted from the DMAS FFS data and are displayed in Exhibits 1a-b. The Virginia General Assembly increased Medicaid emergency transportation rates in FY 2013 to 40% of the applicable Virginia Medicare Ambulance Fee Schedule. Using payments reported for FY 2011, DMAS estimated the current emergency transportation fee schedule at approximately 29% of the Medicare rates. Based on a comparison of historical payments and the estimated dollars needed to increase the rate to 40% of the CY 2012 Medicare ambulance fee schedule, DMAS calculated a 38.4% increase over current DMAS rates. Half of the value is applied to the dual eligible population given that the increase is in the FY 2013 base data. For the non-dual population, the proportion of claims for the ALTC population currently covered by Medallion 3.0 MCOs receives half of the 0.4% increase used for Medallion 3.0 ABAD, resulting in a weighted adjustment of 9.4%. These values are shown in Exhibit 2c and are applied in Exhibits 4a and 4b under the column labeled “Policy and Program Adjustments”.

### *Home and community-based care fee adjustment*

Effective FY 2013, personal care services were increased 1%. Personal care services include personal care, respite care, companion care, and service facilitation provided through the waivers. The result is a 0.5% increase for Consumer Directed Services and Personal Care Services categories and 0% change for Adult Day Care. The calculation is shown in Exhibit 2d, and the adjustment is applied in Exhibits 4a and 4b under the column labeled “Policy and Program Adjustments”.

### *Adult day care fee adjustment*

This adjustment incorporates a fee increase of \$10 per day effective July 1, 2013, the beginning of FY 2014. Northern Virginia rates are higher than the rest of the state; therefore the value of the increase is calculated separately. The calculation is shown in Exhibit 2e, and the adjustment is applied in Exhibits 4a and 4b under the column labeled “Policy and Program Adjustments”.

### *Hospital inpatient adjustment*

The hospital inpatient adjustment includes a 2.6% allowance for a cost per unit increase authorized by the Virginia General Assembly effective FY 2013 (applied to FY 2012 of the base data). While there was no explicit unit cost increase for FY 2014, hospital reimbursement rates were rebased resulting in a weighted average cost per unit change of 4.7% for inpatient medical/surgical and -7.4% for inpatient psychiatric.

For FY 2015, the Virginia General Assembly eliminated the introduced budget regulatory increase so that there will be no unit cost increase.

For inpatient medical/surgical, the positive adjustment is 5.4%. For inpatient psychiatric in acute care hospitals, the negative adjustment is 6.1%. The inpatient psychiatric factor is applied to mental health claims.

These adjustment factors are shown in Exhibit 2f and applied to all hospital inpatient service categories in Exhibits 4a and 4b under the column labeled “Policy and Program Adjustments”.

### *Nursing facility adjustment*

Nursing facility payment can include adjustments to the operating and/or the capital component of the rate. The operating component includes two sub-components; the direct operating rate and the indirect operating rate. The Virginia General Assembly authorized a 2.2% inflation increase for the operating component of the rates in

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FY 2013 and FY 2014 and an additional 1% increase in FY 2013, for a net increase of 2.8% in FY2013 and 1.1% in FY 2014. An additional increase of 3.2% is authorized for FY 2015.

DMAS estimates that 9.7% of the total nursing facility payment is for the capital rent. The Virginia General Assembly increased the nursing facility capital rental rate from 8.0% in FY 2012 to 8.5% for FY 2013 and FY 2014, resulting in a 6.3% increase applied to the FY2012 base period. For FY 2015, the final budget authorized capital rental rate decrease of 3.2%. There is an additional change to the minimum occupancy requirements from 90% to 88% that affects the indirect operating rate and the capital rate components of nursing facility reimbursement. DMAS estimated an increase in reimbursement of \$1.8 million FY 2014.

DMAS provided information on supplemental payments to nursing facilities that are based upon DMAS reconciliation to nursing home submitted cost reports and which are not included in the historical claims databases. An adjustment for the supplemental payments is calculated against the total remitted claims. The 4.5% cost settlement percentage was provided by DMAS and is applied to the DMAS paid amount on the Nursing Facility service line. Nursing facility patient payments do not receive any of the adjustments.

The calculation is shown in Exhibit 2g, and the adjustment is applied in Exhibits 4a and 4b under the column labeled “Policy and Program Adjustments”.

### *DME Fees adjustment*

The Governor’s Introduced Budget included a proposal to reduce Medicaid fees for the DME products covered under the Medicare competitive bid program to a level based on the average of the competitive bid prices in the three areas of the state in the Medicare competitive bid program. This was estimated to result in \$4.9 million in total savings. DMAS estimated that the Medicare competitive bid rates for these services are 33% lower than the current FFS Medicaid rates for these services. DMAS provided a list of DME HCPCS codes subject to the Medicare competitive bid program and the average Medicare bid payment rate for three areas in Virginia that participate in the program. This information was used to determine the proportion of DME claims subject to the fee reduction and the average savings percentage based on the mix of DME codes subject to the savings. Overall, 24% of PACE eligible DME claims dollars were for codes subject to the reduction, and savings on this subset was 33.3%. When that savings is applied to the proportion of DME costs, the overall savings is 7.9%. The calculation is shown in Exhibit 2h, and the adjustment is applied in Exhibits 4a and 4b under the column labeled “Policy and Program Adjustments”.

### *Lab Fees adjustment*

The Introduced Budget includes a 12% reduction to lab fees (\$2.1 million in FFS savings). The 12% reduction was chosen to match the payment rates already in place for the Medallion 3.0 plans. Therefore, this adjustment is applied to any rates based on FFS claims data, including the PACE eligible population. This adjustment will be revised if the final budget authorized by the Virginia General Assembly modifies the Introduced Budget.

It is shown in Exhibit 2i and added in Exhibit 4a and 4c under the column labeled “Policy and Program Adjustments”.

### *Hepatitis C treatment adjustment*

The Hepatitis C Treatment adjustment uses the value calculated for the Medallion 3.0 ABAD population. The Dual population will receive Hepatitis C treatment and drug therapy through their Medicare primary coverage. Therefore, the Hepatitis C Treatment adjustment value is applied only to the non-Dual population rate development.

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It is shown in Exhibit 2j and added in Exhibit 4a and 4c under the column labeled “Policy and Program Adjustments”.

## *Other adjustments*

### **Managed Care Utilization Adjustment**

A further adjustment is made to recognize utilization efficiencies under managed care relative to the FFS system.

Because of the limited number of PACE programs, the voluntary nature of the programs and the small enrollment in each program, there are few estimates of managed care savings based upon actual utilization. Those that are available report net Medicaid savings on the order of 15 percent or more. We also reviewed administrative financial data provided by the contracting PACE plans and conducted discussions with DMAS staff.

The actual level of managed care savings that can be realized depends upon a number of factors. Consequently, there is a range of reasonable savings assumptions. We have assumed that PACE plan utilization management and cost controls will result in reductions in overall costs of 18.4%. Prescription drugs and non-emergency transportation are exempt from the adjustment<sup>3</sup>. A small brand-generic improvement factor for prescription drugs for the non-dual population is incorporated as a managed care savings in the Prescription Drug Adjustment described earlier and the non-emergency transportation adjustment is added as the contracted FY 2015 value.

The managed care adjustment factor is shown in Exhibit 2kj and is applied in Exhibits 4a and 4b under the column labeled “Managed Care Utilization Adjustment”. The managed care adjustment must be considered in conjunction with the administrative cost adjustment described below, to arrive at the expectation of net Medicaid savings.

### **Administrative Cost Adjustment**

The CMS regulations require that administrative costs directly related to the provision of Medicaid State Plan approved services be incorporated into the rate-setting process. The PACE plans provided revenue and administrative cost data for FY 2012 and/or FY 2013 as downloads from their financial reporting systems. These were evaluated to assist in determining an appropriate administrative factor.

The data submitted by the plans included overhead and allocation charges from the integrated delivery system operations that can be classified as medical costs. Because a number of the PACE programs are new and have small enrollment, there was wide variation in reported administrative cost. The administrative cost percentage is expected to decline as full operations are established and enrollment grows. A 15% administrative cost factor is applied to the total adjusted and trended claims amount for each rate payment category. This adjustment is shown in Exhibit 2j. This adjustment factor is applied in the final step of the per capita cost calculations at the bottom of each rate cell worksheet in Exhibits 4a and 4b.

## **V. *Trend adjustments***

The data used for the IBNR and trend calculations reflect experience for the period FY 2011 through FY 2013. Data for FY 2012 to FY 2013 is used to evaluate the base period trend and an additional year of data, FY 2011 through FY 2013, is used to develop contract period projected trend.

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<sup>3</sup> The small amount of non-dual Medicare crossover services is also exempt from the managed care utilization adjustment.

The data must be adjusted to reflect the contract period of FY 2015 through the application of trend rates that reflect changes in payment levels and utilization rates between the data period and the contract period. In addition, the claims data are not 100% “complete” in that some cost information is not available in the claims databases provided. Incomplete data result from the time lag between when services are provided and claims are fully paid. The amount of incomplete claims is referred to as Incurred but Not Reported (IBNR) and can be measured through actuarial models.

Trend and IBNR adjustment factors were developed using historical Virginia Medicaid FFS expenditures for FY 2011 to FY 2013 and are calculated separately for the dual and the non-dual populations. We also had paid claims information with run out through February 2014 and took into consideration the actual experience and information from DMAS on projected utilization and fee increases in budget estimates.

The historical data were evaluated using a PwC model that estimates IBNR amounts using a variety of actuarially accepted methods, and trend using a least-squares regression methodology. Trend and IBNR factors were developed separately for the following service categories: Inpatient Medical/Surgical, Inpatient Psych, Outpatient Hospital, Practitioner, Prescription Drug, and Other. The Other category includes Lab/X-Ray services, DME and transportation. IBNR factors and trend rates for the Medicare crossover service categories for the dual population, which are combined across all services, and long term care services, including Nursing Facility, Adult Day Care, and Personal Care were developed from analysis of the historical data. A combined trend was calculated for agency and consumer directed personal care services.

Annual trend rates are applied to move the historical data from the midpoint of the data period (7/1/2012) to the midpoint of the contract period (1/1/2015), or two and a half years (30 months). Each category of service in Exhibits 3a and 3b shows a Data Period and a Contract Period trend. Data Period trends are applied from the midpoint of the data period to the end of the data period, and were developed from the historical regression analyses and budget work described above. The Contract Period trends are applied from the end of the data period to the midpoint of the contract period. For services with fee increases reflected in the adjustments in 2a through 2h, the contract period trend is in conjunction with the planned cost per unit increase.

Trend rates represent a combination of cost and utilization increases over time. The trend rates used reflect utilization and standard rate increases when additional legislative cost increases or decreases have been applied and represent PMPM increases otherwise. Specifically, the trend models are adjusted for the fee increases or decreases that occurred during the historical base period that are presented as adjustments in Exhibits 2a to 2h. In addition, the Dual data period pharmacy trend was adjusted to reflect removal of drugs that are now covered under Medicare Part D. Effective January 1, 2013, Medicare Part D began to cover benzodiazepines with no restrictions and barbiturates when used in the treatment of epilepsy, cancer or chronic mental disorders and therefore they are no longer paid by Virginia Medicaid. A number greater than 1.0 reflects an increase to the underlying data while a number less than 1.0 represents a decrease. Adjustments to the historical data before the analysis of trend were applied to both the dual and the non-dual trend and are presented in the following table.

<b>Table 1 Summary of Adjustments to Trend</b>		
<b>Service</b>	<b>Time Period</b>	<b>PACE Adjustment</b>
Nursing Facility	Oct 2010 – Jun 2011	0.989
	Jul 2012 – Feb 2014	0.969
Personal Care with Consumer Directed PC	Jul 2010 – Sep 2010	1.040
	Oct 2010 – Jun 2011	0.99
	Jul 2012 – Feb 2014	

<b>Table 1 Summary of Adjustments to Trend</b>		
<b>Service</b>	<b>Time Period</b>	<b>PACE Adjustment</b>
Inpatient - Med/Surg	Jul 2010 – Sep 2010	1.026
	Oct 2010 – Jun 2011	0.995
	Jul 2011 – Jun 2012	1.000
	Jul 2012 – Feb 2014	0.977
Inpatient – Psych	Oct 2010 – Jun 2011	0.995
	Jul 2012 – Feb 2014	0.977
Outpatient Hospital	Oct 2010 – Jun 2011	Dual 0.950
		Non-Dual 0.953
Pharmacy	Jul 2011 - December 2012	Dual 0.868
Other	Jul 2012 - Feb 2014	Dual 0.945
		Non-Dual 0.969

Agency personal care services have had a modest growth rate while Consumer Directed Personal Care (CDPC) services payments continue to rapidly increase<sup>4</sup>. The evaluation of nursing home and personal care services trend included both DMAS and patient payment amounts. Trend evaluation for the Home and Community Based Care services includes both dual and non-dual experience. Adult Day Health was evaluated as an independent service and CDPC and personal care services were combined. For the draft rates, we apply any resulting negative contract period trend.

The total trend rates shown in Exhibits 3a and 3b represent the combination of Data Period and Contract Period trends, and are calculated using compound interest calculations. For these rates, all dual and non-dual data period trend are negative. Contract period service category trend that is negative in the models is set to 0.0%. The result is that overall contract period trend for both dual and non-dual is slightly positive. These trend/IBNR factors are applied to the historical data in Exhibits 4a and 4b by applicable service category in Exhibits 4a and 4b.

## **VI. Summary capitation rates**

The historical data presented in Exhibits 1a and 1b is adjusted by the factors shown in Exhibits 2a through 2i and the Trend and IBNR factors in Exhibits 3a and 3b. These are applied in Exhibits 4a and 4b to determine the rates. This exhibit also presents the UPL rate summary.

A column is added to Exhibits 4a and 4b to show the comparative Upper Payment Limit (UPL) calculation. For most of the service lines, the value of the UPL PMPM is equal to the base period Medicaid payment, the completion factor adjustment, applicable policy and program adjustments, and trend. UPL is before the application of the managed care adjustment. For prescription drug and non-emergency transportation, the projected PMPM value is the same in the UPL and the FY 2015 PACE rates. The 2% administrative factor is the estimated cost of DMAS staff and monitoring activities for the existing FFS programs. The managed care adjustment and health plan administrative factor are applied to the UPL values to produce the PACE rates shown

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<sup>4</sup> The CDPC increase is primarily a utilization trend, rather than a cost trend, effect. There has been an increase in both the proportion of eligibles that elect consumer direction and the approved CDPC level of care (hours per week).

in Exhibit 5a. Averages are weighted by the distribution of member months for the historical FY 2012 to FY 2013 time period. Overall, the PACE rates are approximately 5.6% below the Upper Payment Limit and therefore meet CMS PACE rate setting checklist requirements. Weighting by PACE enrollees as of February 2014 results in a slightly lower statewide total PMPM but PACE rates are 5.6% below the Upper Payment Limit.

Analysis of the PACE eligible population by region indicates variation in the relative proportion of the eligible population that is in nursing homes and the proportion that is supported by home and community based services. The statewide proportion of the PACE eligible population in nursing homes has been decreasing over time. It was 62.1% of Dual and 46.7% of Non-Dual in the FY 2010 to FY 2011 base period used for the FY 2013 PACE rates. It dropped further for the FY 2011 to FY 2012 base period used in the FY 2014 PACE rate setting; 59.0% of the dual eligible population and 45.8% of the non-dual population was in nursing homes. For the FY 2012 to FY 2013 base period used in this year's rate development, 56.5% of the dual eligible population and 42.5% of the non-dual population was in nursing homes. These proportions, as reflected in member month counts for the historical data period, are shown in Table 2.

**Table 2**  
**Nursing Home vs. Non-Nursing Home Blending Factor**

Region	Dual Population			Non-Dual Population		
	Member Months			Member Months		
	NH	Non-NH	%NH	NH	Non-NH	%NH
Northern Virginia	53,779	53,812	50.0%	4,707	6,171	43.3%
Other MSA	87,329	45,576	65.7%	4,204	4,588	47.8%
Richmond/Charlottesville	76,406	59,858	56.1%	4,562	7,996	36.3%
Rural	110,284	92,076	54.5%	5,419	8,675	38.4%
Tidewater	75,352	58,802	56.2%	7,230	7,879	47.9%
Statewide-PACE	403,150	310,125	<b>56.5%</b>	26,123	35,308	<b>42.5%</b>

PACE rates are benchmarked to the statewide average proportion of the eligible population that is in nursing homes. Therefore, the rates in Exhibit 5a are re-weighted to reflect a dual population that is 56.5% in nursing homes and a non-dual population with 42.5% in nursing homes. This is used in conjunction with cost factors that are the ratio of the average PMPM for those in nursing homes and those in community based care relative to the regional average PMPM. The relative cost factors and the resulting blending factors are presented in Exhibit 5b.

A comparison of the rates before and after the blending is shown in Exhibit 5c. PACE capitation rates for FY 2015 after the re-weighting are presented in Exhibit 5d. All averages are weighted by the distribution of member months for the historical FY 2012 to FY 2013 time period.

A comparison of FY 2015 PACE rates to FY 2014 rates in Exhibit 5e shows a 0.44% increase in the dual PACE rates and a 0.95% decrease in the non-dual PACE rates, resulting in an overall increase of 0.28%. The composite year-to-year change by region ranges from a 1.9% increase to a -0.8% decrease. When the draft regional rates are weighted by the February 2014 PACE enrollee population, there is a 0.14% increase in the dual population rates, a 1.56% decrease in the non-dual PACE rates, and an overall weighted year to year decrease of 0.05%.

Actuarially sound rates should fall within a range of several percentage points, taking into consideration the technical calculations performed, PACE plan projected revenue requirements, known changes in provider contracting arrangements, and other factors. Final rates for each plan are negotiated between DMAS and the PACE plan representatives.

**VIRGINIA MEDICAID**  
**FY 2015 PACE Capitation Rate Development**  
**Historical Eligibility, Fee-For-Service Claims, and Utilization Data**  
**Dual Population**

**Exhibit 1a**

Age 55 and Over							
Northern Virginia	Medicaid Payments FY12 - FY13	Patient Payments FY12 - FY13	Total Payments FY12 - FY13	Unadjusted PMPM	Units FY12 - FY13	Units/1000 FY12 - FY13	Cost/Unit FY12 - FY13
Member Months	107,591						
<b>Service Type</b>							
Adult Day Care	\$4,613,585	\$46,137	\$4,659,721	\$43.31	226,360	25,247	\$20.59
Ambulatory Surgery Center	\$2,530	\$0	\$2,530	\$0.02	3	0	\$843.24
Case Management Services	\$2,925	\$0	\$2,925	\$0.03	894	100	\$3.27
Consumer Directed Services	\$28,145,771	\$289,031	\$28,434,802	\$264.29	2,242,032	250,061	\$12.68
DME/Supplies	\$2,826,930	\$1,254	\$2,828,184	\$26.29	31,602	3,525	\$89.49
Emergency	\$1,549	\$0	\$1,549	\$0.01	6	1	\$258.12
FQHC	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Home Health Services	\$30,904	\$0	\$30,904	\$0.29	66	7	\$468.24
Inpatient - Medical/Surgical	\$8,387,844	\$130,159	\$8,518,004	\$79.17	1,094	122	\$7,786.11
Inpatient - Psych	\$329,895	\$15,729	\$345,624	\$3.21	620	69	\$557.46
Lab and X-ray Services	\$15,018	\$0	\$15,018	\$0.14	1,277	142	\$11.76
Medicare Xover - IP	\$2,355,080	\$0	\$2,355,080	\$21.89	2,168	242	\$1,086.29
Medicare Xover - Nursing Facility	\$1,643,358	\$19,818	\$1,663,176	\$15.46	95,069	10,603	\$17.49
Medicare Xover - OP	\$1,240,249	\$529	\$1,240,778	\$11.53	11,023	1,229	\$112.56
Medicare Xover - Other	\$781,697	\$145	\$781,842	\$7.27	37,075	4,135	\$21.09
Medicare Xover - Physician	\$3,015,104	\$612	\$3,015,716	\$28.03	85,982	9,590	\$35.07
Nursing Facility	\$220,923,330	\$48,542,574	\$269,465,903	\$2,504.54	1,428,762	159,355	\$188.60
Outpatient - Other	\$852,054	\$0	\$852,054	\$7.92	250	28	\$3,408.22
Outpatient - Psychological	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Personal Care Services	\$97,537,830	\$424,309	\$97,962,139	\$910.50	948,790	105,822	\$103.25
Physician - Clinic	\$24,535	\$0	\$24,535	\$0.23	7,110	793	\$3.45
Physician - IP Mental Health	\$6,305	\$0	\$6,305	\$0.06	341	38	\$18.49
Physician - OP Mental Health	\$16,534,899	\$24,520	\$16,559,419	\$153.91	1,055,164	117,686	\$15.69
Physician - Other Practitioner	\$759,167	\$41	\$759,208	\$7.06	9,900	1,104	\$76.69
Physician - PCP	\$102,892	\$1,049	\$103,941	\$0.97	1,978	221	\$52.55
Physician - Specialist	\$54,136	\$725	\$54,861	\$0.51	2,118	236	\$25.90
Pharmacy	\$1,078,477	\$0	\$1,078,477	\$10.02	167,416	18,672	\$6.44
Transportation - Emergency	\$3,514	\$0	\$3,514	\$0.03	47	5	\$74.76
Transportation - Non-Emergency	\$0	\$0	\$0	\$0.00	0	0	\$0.00
<b>Total</b>	<b>\$391,269,577</b>	<b>\$49,496,631</b>	<b>\$440,766,207</b>	<b>\$4,096.68</b>	<b>6,357,147</b>		

Note:

Patient Payments are included here for all services but are only carried forward for the following categories: Adult Day Care, Consumer Directed, Medicare Xover - Nursing Facility, Nursing Facility, and Personal Care Services.

Consumer Directed Services payments are not reported as FFS claims but are obtained from supplemental payment files.

**VIRGINIA MEDICAID**  
**FY 2015 PACE Capitation Rate Development**  
**Historical Eligibility, Fee-For-Service Claims, and Utilization Data**  
**Dual Population**

**Exhibit 1a**

Age 55 and Over							
Other MSA	Medicaid Payments FY12 - FY13	Patient Payments FY12 - FY13	Total Payments FY12 - FY13	Unadjusted PMPM	Units FY12 - FY13	Units/1000 FY12 - FY13	Cost/Unit FY12 - FY13
Member Months	132,905						
<b>Service Type</b>							
Adult Day Care	\$572,877	\$17,187	\$590,064	\$4.44	12,991	1,173	\$45.42
Ambulatory Surgery Center	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Case Management Services	\$1,365	\$0	\$1,365	\$0.01	410	37	\$3.33
Consumer Directed Services	\$29,057,379	\$358,942	\$29,416,321	\$221.33	2,985,410	269,553	\$9.85
DME/Supplies	\$2,137,511	\$4,804	\$2,142,315	\$16.12	34,143	3,083	\$62.75
Emergency	\$3,813	\$0	\$3,813	\$0.03	9	1	\$423.72
FQHC	\$691	\$551	\$1,241	\$0.01	14	1	\$88.67
Home Health Services	\$14,015	\$0	\$14,015	\$0.11	92	8	\$152.34
Inpatient - Medical/Surgical	\$2,187,963	\$164,891	\$2,352,853	\$17.70	754	68	\$3,120.50
Inpatient - Psych	\$142,979	\$7,941	\$150,920	\$1.14	296	27	\$509.86
Lab and X-ray Services	\$20,616	\$0	\$20,616	\$0.16	1,523	138	\$13.54
Medicare Xover - IP	\$3,152,324	\$0	\$3,152,324	\$23.72	3,093	279	\$1,019.18
Medicare Xover - Nursing Facility	\$1,877,105	\$59,283	\$1,936,388	\$14.57	132,060	11,924	\$14.66
Medicare Xover - OP	\$1,308,149	\$2	\$1,308,151	\$9.84	11,059	999	\$118.29
Medicare Xover - Other	\$1,115,481	\$136	\$1,115,617	\$8.39	59,898	5,408	\$18.63
Medicare Xover - Physician	\$3,168,429	\$230	\$3,168,660	\$23.84	156,668	14,146	\$20.23
Nursing Facility	\$292,964,754	\$71,143,485	\$364,108,239	\$2,739.61	2,343,863	211,627	\$155.35
Outpatient - Other	\$97,747	\$15	\$97,761	\$0.74	403	36	\$242.58
Outpatient - Psychological	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Personal Care Services	\$33,802,421	\$324,699	\$34,127,120	\$256.78	567,695	51,257	\$60.12
Physician - Clinic	\$129	\$0	\$129	\$0.00	10	1	\$12.90
Physician - IP Mental Health	\$166	\$0	\$166	\$0.00	2	0	\$83.00
Physician - OP Mental Health	\$7,942,661	\$3,378	\$7,946,040	\$59.79	468,249	42,278	\$16.97
Physician - Other Practitioner	\$998,180	\$424	\$998,605	\$7.51	15,851	1,431	\$63.00
Physician - PCP	\$49,254	\$1,092	\$50,345	\$0.38	1,307	118	\$38.52
Physician - Specialist	\$35,815	\$873	\$36,688	\$0.28	1,116	101	\$32.87
Pharmacy	\$1,751,169	\$0	\$1,751,169	\$13.18	275,038	24,833	\$6.37
Transportation - Emergency	\$5,253	\$0	\$5,253	\$0.04	74	7	\$70.99
Transportation - Non-Emergency	\$0	\$0	\$0	\$0.00	0	0	\$0.00
<b>Total</b>	<b>\$382,408,246</b>	<b>\$72,087,934</b>	<b>\$454,496,180</b>	<b>\$3,419.70</b>	<b>7,072,028</b>		

Note:

Patient Payments are included here for all services but are only carried forward for the following categories: Adult Day Care, Consumer Directed, Medicare Xover - Nursing Facility, Nursing Facility, and Personal Care Services.

Consumer Directed Services payments are not reported as FFS claims but are obtained from supplemental payment files.

**VIRGINIA MEDICAID**  
**FY 2015 PACE Capitation Rate Development**  
**Historical Eligibility, Fee-For-Service Claims, and Utilization Data**  
**Dual Population**

**Exhibit 1a**

Age 55 and Over							
Richmond/Charlottesville	Medicaid Payments FY12 - FY13	Patient Payments FY12 - FY13	Total Payments FY12 - FY13	Unadjusted PMPM	Units FY12 - FY13	Units/1000 FY12 - FY13	Cost/Unit FY12 - FY13
Member Months	136,264						
<b>Service Type</b>							
Adult Day Care	\$3,384,519	\$72,294	\$3,456,813	\$25.37	77,333	6,810	\$44.70
Ambulatory Surgery Center	\$3,555	\$0	\$3,555	\$0.03	7	1	\$507.89
Case Management Services	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Consumer Directed Services	\$36,204,866	\$575,226	\$36,780,092	\$269.92	3,719,497	327,555	\$9.89
DME/Supplies	\$3,786,591	\$2,369	\$3,788,960	\$27.81	47,916	4,220	\$79.08
Emergency	\$9,862	\$0	\$9,862	\$0.07	26	2	\$379.32
FQHC	\$2,667	\$99	\$2,766	\$0.02	30	3	\$92.21
Home Health Services	\$12,212	\$0	\$12,212	\$0.09	50	4	\$244.24
Inpatient - Medical/Surgical	\$2,043,152	\$194,695	\$2,237,847	\$16.42	744	66	\$3,007.86
Inpatient - Psych	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Lab and X-ray Services	\$17,543	\$0	\$17,543	\$0.13	1,063	94	\$16.50
Medicare Xover - IP	\$3,836,617	\$0	\$3,836,617	\$28.16	3,984	351	\$963.01
Medicare Xover - Nursing Facility	\$2,194,283	\$41,183	\$2,235,466	\$16.41	146,113	12,867	\$15.30
Medicare Xover - OP	\$1,366,790	\$0	\$1,366,790	\$10.03	14,193	1,250	\$96.30
Medicare Xover - Other	\$1,258,800	\$218	\$1,259,018	\$9.24	65,216	5,743	\$19.31
Medicare Xover - Physician	\$3,840,341	\$129	\$3,840,470	\$28.18	163,268	14,378	\$23.52
Nursing Facility	\$257,805,899	\$68,679,267	\$326,485,166	\$2,395.97	2,034,179	179,138	\$160.50
Outpatient - Other	\$221,267	\$0	\$221,267	\$1.62	203	18	\$1,089.98
Outpatient - Psychological	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Personal Care Services	\$58,465,866	\$724,360	\$59,190,226	\$434.38	861,712	75,886	\$68.69
Physician - Clinic	\$10,652	\$0	\$10,652	\$0.08	4,137	364	\$2.57
Physician - IP Mental Health	\$1,644	\$0	\$1,644	\$0.01	97	9	\$16.95
Physician - OP Mental Health	\$11,170,298	\$8,368	\$11,178,665	\$82.04	767,869	67,622	\$14.56
Physician - Other Practitioner	\$1,196,295	\$369	\$1,196,664	\$8.78	18,791	1,655	\$63.68
Physician - PCP	\$83,323	\$844	\$84,168	\$0.62	1,905	168	\$44.18
Physician - Specialist	\$46,131	\$1,241	\$47,372	\$0.35	1,608	142	\$29.46
Pharmacy	\$1,353,929	\$0	\$1,353,929	\$9.94	203,556	17,926	\$6.65
Transportation - Emergency	\$5,444	\$0	\$5,444	\$0.04	83	7	\$65.59
Transportation - Non-Emergency	\$0	\$0	\$0	\$0.00	0	0	\$0.00
<b>Total</b>	<b>\$388,322,546</b>	<b>\$70,300,663</b>	<b>\$458,623,209</b>	<b>\$3,365.69</b>	<b>8,133,580</b>		

Note:

Patient Payments are included here for all services but are only carried forward for the following categories: Adult Day Care, Consumer Directed, Medicare Xover - Nursing Facility, Nursing Facility, and Personal Care Services.

Consumer Directed Services payments are not reported as FFS claims but are obtained from supplemental payment files.

**VIRGINIA MEDICAID**  
**FY 2015 PACE Capitation Rate Development**  
**Historical Eligibility, Fee-For-Service Claims, and Utilization Data**  
**Dual Population**

**Exhibit 1a**

Age 55 and Over							
Rural	Medicaid Payments FY12 - FY13	Patient Payments FY12 - FY13	Total Payments FY12 - FY13	Unadjusted PMPM	Units FY12 - FY13	Units/1000 FY12 - FY13	Cost/Unit FY12 - FY13
Member Months	202,360						
<b>Service Type</b>							
Adult Day Care	\$607,342	\$7,781	\$615,123	\$3.04	13,448	797	\$45.74
Ambulatory Surgery Center	\$295	\$1,341	\$1,636	\$0.01	2	0	\$817.84
Case Management Services	\$52,874	\$0	\$52,874	\$0.26	15,969	947	\$3.31
Consumer Directed Services	\$57,489,192	\$645,113	\$58,134,305	\$287.28	5,903,770	350,095	\$9.85
DME/Supplies	\$4,578,453	\$4,009	\$4,582,462	\$22.65	70,596	4,186	\$64.91
Emergency	\$20,552	\$0	\$20,552	\$0.10	57	3	\$360.56
FQHC	\$9,035	\$606	\$9,641	\$0.05	130	8	\$74.16
Home Health Services	\$40,742	\$0	\$40,742	\$0.20	145	9	\$280.98
Inpatient - Medical/Surgical	\$2,902,970	\$195,017	\$3,097,987	\$15.31	963	57	\$3,217.02
Inpatient - Psych	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Lab and X-ray Services	\$33,806	\$0	\$33,806	\$0.17	2,678	159	\$12.62
Medicare Xover - IP	\$5,537,392	\$9,236	\$5,546,628	\$27.41	5,441	323	\$1,019.41
Medicare Xover - Nursing Facility	\$3,510,505	\$63,850	\$3,574,355	\$17.66	231,681	13,739	\$15.43
Medicare Xover - OP	\$2,842,974	\$513	\$2,843,487	\$14.05	27,530	1,633	\$103.29
Medicare Xover - Other	\$2,175,332	\$308	\$2,175,640	\$10.75	115,853	6,870	\$18.78
Medicare Xover - Physician	\$5,406,363	\$795	\$5,407,158	\$26.72	261,188	15,489	\$20.70
Nursing Facility	\$336,545,212	\$75,178,129	\$411,723,341	\$2,034.61	2,858,580	169,514	\$144.03
Outpatient - Other	\$85,945	\$0	\$85,945	\$0.42	784	46	\$109.62
Outpatient - Psychological	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Personal Care Services	\$73,285,912	\$942,893	\$74,228,805	\$366.82	1,303,901	77,322	\$56.93
Physician - Clinic	\$34,066	\$0	\$34,066	\$0.17	5,598	332	\$6.09
Physician - IP Mental Health	\$101	\$0	\$101	\$0.00	1	0	\$101.04
Physician - OP Mental Health	\$14,511,790	\$525	\$14,512,315	\$71.72	969,497	57,491	\$14.97
Physician - Other Practitioner	\$1,990,030	\$1,268	\$1,991,298	\$9.84	33,388	1,980	\$59.64
Physician - PCP	\$109,427	\$2,147	\$111,573	\$0.55	3,244	192	\$34.39
Physician - Specialist	\$69,639	\$3,659	\$73,298	\$0.36	2,044	121	\$35.86
Pharmacy	\$2,444,356	\$0	\$2,444,356	\$12.08	353,642	20,971	\$6.91
Transportation - Emergency	\$25,080	\$0	\$25,080	\$0.12	139	8	\$180.43
Transportation - Non-Emergency	\$0	\$0	\$0	\$0.00	0	0	\$0.00
<b>Total</b>	<b>\$514,309,383</b>	<b>\$77,057,189</b>	<b>\$591,366,573</b>	<b>\$2,922.35</b>	<b>12,180,269</b>		

Note:

Patient Payments are included here for all services but are only carried forward for the following categories: Adult Day Care, Consumer Directed, Medicare Xover - Nursing Facility, Nursing Facility, and Personal Care Services.

Consumer Directed Services payments are not reported as FFS claims but are obtained from supplemental payment files.

**VIRGINIA MEDICAID**  
**FY 2015 PACE Capitation Rate Development**  
**Historical Eligibility, Fee-For-Service Claims, and Utilization Data**  
**Dual Population**

**Exhibit 1a**

Age 55 and Over							
Tidewater	Medicaid Payments FY12 - FY13	Patient Payments FY12 - FY13	Total Payments FY12 - FY13	Unadjusted PMPM	Units FY12 - FY13	Units/1000 FY12 - FY13	Cost/Unit FY12 - FY13
Member Months	134,154						
<b>Service Type</b>							
Adult Day Care	\$363,055	\$2,675	\$365,730	\$2.73	8,027	718	\$45.56
Ambulatory Surgery Center	\$4,603	\$5,694	\$10,297	\$0.08	17	2	\$605.72
Case Management Services	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Consumer Directed Services	\$14,462,244	\$206,913	\$14,669,157	\$109.35	1,487,138	133,024	\$9.86
DME/Supplies	\$3,867,187	\$5,118	\$3,872,305	\$28.86	46,195	4,132	\$83.83
Emergency	\$7,349	\$0	\$7,349	\$0.05	22	2	\$334.04
FQHC	\$969	\$937	\$1,906	\$0.01	22	2	\$86.62
Home Health Services	\$7,448	\$0	\$7,448	\$0.06	22	2	\$338.55
Inpatient - Medical/Surgical	\$2,448,145	\$159,220	\$2,607,365	\$19.44	877	78	\$2,973.05
Inpatient - Psych	\$8,580	\$0	\$8,580	\$0.06	15	1	\$572.00
Lab and X-ray Services	\$17,757	\$0	\$17,757	\$0.13	1,430	128	\$12.42
Medicare Xover - IP	\$3,273,639	\$0	\$3,273,639	\$24.40	3,080	276	\$1,062.87
Medicare Xover - Nursing Facility	\$1,612,199	\$84,897	\$1,697,095	\$12.65	105,975	9,479	\$16.01
Medicare Xover - OP	\$1,385,107	\$0	\$1,385,107	\$10.32	15,490	1,386	\$89.42
Medicare Xover - Other	\$1,280,093	\$40	\$1,280,133	\$9.54	62,015	5,547	\$20.64
Medicare Xover - Physician	\$4,564,000	\$318	\$4,564,318	\$34.02	204,312	18,276	\$22.34
Nursing Facility	\$238,503,897	\$70,170,219	\$308,674,116	\$2,300.90	2,020,282	180,713	\$152.79
Outpatient - Other	\$99,323	\$0	\$99,323	\$0.74	116	10	\$856.23
Outpatient - Psychological	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Personal Care Services	\$88,201,284	\$844,409	\$89,045,693	\$663.76	1,253,113	112,090	\$71.06
Physician - Clinic	\$76	\$0	\$76	\$0.00	5	0	\$15.11
Physician - IP Mental Health	\$192	\$0	\$192	\$0.00	8	1	\$24.05
Physician - OP Mental Health	\$17,396,641	\$8,297	\$17,404,938	\$129.74	1,299,403	116,231	\$13.39
Physician - Other Practitioner	\$648,283	\$483	\$648,766	\$4.84	20,767	1,858	\$31.24
Physician - PCP	\$38,832	\$3,191	\$42,023	\$0.31	1,208	108	\$34.79
Physician - Specialist	\$53,475	\$1,921	\$55,395	\$0.41	1,697	152	\$32.64
Pharmacy	\$1,474,440	\$0	\$1,474,440	\$10.99	217,090	19,419	\$6.79
Transportation - Emergency	\$1,992	\$0	\$1,992	\$0.01	34	3	\$58.59
Transportation - Non-Emergency	\$0	\$0	\$0	\$0.00	0	0	\$0.00
<b>Total</b>	<b>\$379,720,808</b>	<b>\$71,494,331</b>	<b>\$451,215,140</b>	<b>\$3,363.41</b>	<b>6,748,360</b>		

Note:

Patient Payments are included here for all services but are only carried forward for the following categories: Adult Day Care, Consumer Directed, Medicare Xover - Nursing Facility, Nursing Facility, and Personal Care Services.

Consumer Directed Services payments are not reported as FFS claims but are obtained from supplemental payment files.

**VIRGINIA MEDICAID**  
**FY 2015 PACE Capitation Rate Development**  
**Historical Eligibility, Fee-For-Service Claims, and Utilization Data**  
**Dual Population**

**Exhibit 1a**

Age 55 and Over							
All Regions	Medicaid Payments FY12 - FY13	Patient Payments FY12 - FY13	Total Payments FY12 - FY13	Unadjusted PMPM	Units FY12 - FY13	Units/1000 FY12 - FY13	Cost/Unit FY12 - FY13
Member Months	713,274						
<b>Service Type</b>							
Adult Day Care	\$9,541,377	\$146,074	\$9,687,451	\$13.58	338,159	5,689	\$28.65
Ambulatory Surgery Center	\$10,982	\$7,035	\$18,018	\$0.03	29	0	\$621.31
Case Management Services	\$57,165	\$0	\$57,165	\$0.08	17,273	291	\$3.31
Consumer Directed Services	\$165,359,452	\$2,075,225	\$167,434,677	\$234.74	16,337,847	274,865	\$10.25
DME/Supplies	\$17,196,672	\$17,553	\$17,214,225	\$24.13	230,452	3,877	\$74.70
Emergency	\$43,125	\$0	\$43,125	\$0.06	120	2	\$359.38
FQHC	\$13,362	\$2,193	\$15,554	\$0.02	196	3	\$79.36
Home Health Services	\$105,321	\$0	\$105,321	\$0.15	375	6	\$280.85
Inpatient - Medical/Surgical	\$17,970,074	\$843,983	\$18,814,056	\$26.38	4,432	75	\$4,245.05
Inpatient - Psych	\$481,454	\$23,670	\$505,124	\$0.71	931	16	\$542.56
Lab and X-ray Services	\$104,740	\$0	\$104,740	\$0.15	7,971	134	\$13.14
Medicare Xover - IP	\$18,155,052	\$9,236	\$18,164,288	\$25.47	17,766	299	\$1,022.42
Medicare Xover - Nursing Facility	\$10,837,450	\$269,031	\$11,106,480	\$15.57	710,898	11,960	\$15.62
Medicare Xover - OP	\$8,143,270	\$1,044	\$8,144,314	\$11.42	79,295	1,334	\$102.71
Medicare Xover - Other	\$6,611,403	\$847	\$6,612,250	\$9.27	340,057	5,721	\$19.44
Medicare Xover - Physician	\$19,994,237	\$2,084	\$19,996,322	\$28.03	871,418	14,661	\$22.95
Nursing Facility	\$1,346,743,092	\$333,713,673	\$1,680,456,765	\$2,355.98	10,685,666	179,774	\$157.26
Outpatient - Other	\$1,356,335	\$15	\$1,356,350	\$1.90	1,756	30	\$772.41
Outpatient - Psychological	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Personal Care Services	\$351,293,314	\$3,260,668	\$354,553,982	\$497.08	4,935,211	83,029	\$71.84
Physician - Clinic	\$69,457	\$0	\$69,457	\$0.10	16,860	284	\$4.12
Physician - IP Mental Health	\$8,408	\$0	\$8,408	\$0.01	449	8	\$18.73
Physician - OP Mental Health	\$67,556,289	\$45,088	\$67,601,377	\$94.78	4,560,182	76,720	\$14.82
Physician - Other Practitioner	\$5,591,955	\$2,587	\$5,594,542	\$7.84	98,697	1,660	\$56.68
Physician - PCP	\$383,727	\$8,323	\$392,050	\$0.55	9,642	162	\$40.66
Physician - Specialist	\$259,196	\$8,418	\$267,614	\$0.38	8,583	144	\$31.18
Pharmacy	\$8,102,371	\$0	\$8,102,371	\$11.36	1,216,742	20,470	\$6.66
Transportation - Emergency	\$41,283	\$0	\$41,283	\$0.06	377	6	\$109.50
Transportation - Non-Emergency	\$0	\$0	\$0	\$0.00	0	0	\$0.00
<b>Total</b>	<b>\$2,056,030,561</b>	<b>\$340,436,748</b>	<b>\$2,396,467,309</b>	<b>\$3,359.81</b>	<b>40,491,384</b>		

Note:

Patient Payments are included here for all services but are only carried forward for the following categories: Adult Day Care, Consumer Directed, Medicare Xover - Nursing Facility, Nursing Facility, and Personal Care Services.

Consumer Directed Services payments are not reported as FFS claims but are obtained from supplemental payment files.

**VIRGINIA MEDICAID**  
**FY 2015 PACE Capitation Rate Development**  
**Historical Eligibility, Fee-For-Service Claims, and Utilization Data**  
**Non-Dual Population**

**Exhibit 1b**

Age 55 and Over							
Northern Virginia	Medicaid Payments FY12 - FY13	Patient Payments FY12 - FY13	Total Payments FY12 - FY13	Unadjusted PMPM	Units FY12 - FY13	Units/1100 FY12 - FY13	Cost/Unit FY12 - FY13
Member Months	10,878						
<b>Service Type</b>							
Adult Day Care	\$78,439	\$0	\$78,439	\$7.21	2,789	3,077	\$28.12
Ambulatory Surgery Center	\$7,506	\$0	\$7,506	\$0.69	13	14	\$577.36
Case Management Services	\$100	\$0	\$100	\$0.01	31	34	\$3.23
Consumer Directed Services	\$4,240,996	\$2,442	\$4,243,438	\$390.09	338,289	373,177	\$12.54
DME/Supplies	\$935,316	\$30	\$935,346	\$85.98	8,662	9,555	\$107.98
Emergency	\$652,681	\$0	\$652,681	\$60.00	1,009	1,113	\$646.86
FQHC	\$10,254	\$0	\$10,254	\$0.94	131	145	\$78.27
Home Health Services	\$468,572	\$0	\$468,572	\$43.07	1,257	1,387	\$372.77
Inpatient - Medical/Surgical	\$9,206,243	\$6,370	\$9,212,613	\$846.89	782	863	\$11,780.84
Inpatient - Psych	\$18,194	\$0	\$18,194	\$1.67	22	24	\$826.98
Lab and X-ray Services	\$384,340	\$0	\$384,340	\$35.33	24,081	26,565	\$15.96
Medicare Xover - IP	\$2,316	\$0	\$2,316	\$0.21	2	2	\$1,158.00
Medicare Xover - Nursing Facility	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Medicare Xover - OP	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Medicare Xover - Other	\$757	\$0	\$757	\$0.07	28	31	\$27.03
Medicare Xover - Physician	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Nursing Facility	\$23,513,826	\$1,524,920	\$25,038,746	\$2,301.75	136,976	151,103	\$182.80
Outpatient - Other	\$1,924,473	\$0	\$1,924,473	\$176.91	2,137	2,357	\$900.55
Outpatient - Psychological	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Personal Care Services	\$10,004,975	\$13,467	\$10,018,442	\$920.97	97,177	107,199	\$103.09
Physician - Clinic	\$986,775	\$0	\$986,775	\$90.71	161,817	178,506	\$6.10
Physician - IP Mental Health	\$1,319	\$0	\$1,319	\$0.12	16	18	\$82.41
Physician - OP Mental Health	\$2,314,432	\$0	\$2,314,432	\$212.76	141,180	155,740	\$16.39
Physician - Other Practitioner	\$666,313	\$53	\$666,365	\$61.26	8,539	9,420	\$78.04
Physician - PCP	\$1,199,766	\$39	\$1,199,805	\$110.30	19,976	22,036	\$60.06
Physician - Specialist	\$889,551	\$45	\$889,596	\$81.78	21,932	24,194	\$40.56
Pharmacy	\$6,282,487	\$0	\$6,282,487	\$577.53	103,053	113,681	\$60.96
Transportation - Emergency	\$159,448	\$0	\$159,448	\$14.66	2,167	2,390	\$73.58
Transportation - Non-Emergency	\$0	\$0	\$0	\$0.00	0	0	\$0.00
<b>Total</b>	<b>\$63,949,078</b>	<b>\$1,547,366</b>	<b>\$65,496,444</b>	<b>\$6,020.94</b>	<b>1,072,066</b>		

Note:

Patient Payments are included here for all services but are only carried forward for the following categories: Adult Day Care, Consumer Directed, Medicare Xover - Nursing Facility, Nursing Facility, and Personal Care Services.

Consumer Directed Services payments are not reported as FFS claims but are obtained from supplemental payment files.

Acute care costs for the ALTC population are obtained from health plan reported encounter data.

**VIRGINIA MEDICAID**  
**FY 2015 PACE Capitation Rate Development**  
**Historical Eligibility, Fee-For-Service Claims, and Utilization Data**  
**Non-Dual Population**

**Exhibit 1b**

Age 55 and Over							
Other MSA	Medicaid Payments FY12 - FY13	Patient Payments FY12 - FY13	Total Payments FY12 - FY13	Unadjusted PMPM	Units FY12 - FY13	Units/1100 FY12 - FY13	Cost/Unit FY12 - FY13
Member Months	8,792						
<b>Service Type</b>							
Adult Day Care	\$49,644	\$0	\$49,644	\$5.65	1,101	1,503	\$45.09
Ambulatory Surgery Center	\$15,304	\$0	\$15,304	\$1.74	22	30	\$695.63
Case Management Services	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Consumer Directed Services	\$3,130,985	\$3,619	\$3,134,604	\$356.54	320,564	437,543	\$9.78
DME/Supplies	\$927,256	\$649	\$927,905	\$105.54	8,749	11,942	\$106.06
Emergency	\$373,659	\$0	\$373,659	\$42.50	866	1,182	\$431.48
FQHC	\$54,897	\$1	\$54,898	\$6.24	727	992	\$75.51
Home Health Services	\$446,337	\$0	\$446,337	\$50.77	1,316	1,796	\$339.16
Inpatient - Medical/Surgical	\$9,240,103	\$1,242	\$9,241,345	\$1,051.14	814	1,111	\$11,353.00
Inpatient - Psych	\$15,440	\$0	\$15,440	\$1.76	22	30	\$701.82
Lab and X-ray Services	\$363,083	\$0	\$363,083	\$41.30	22,935	31,304	\$15.83
Medicare Xover - IP	\$653	\$0	\$653	\$0.07	1	1	\$652.66
Medicare Xover - Nursing Facility	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Medicare Xover - OP	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Medicare Xover - Other	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Medicare Xover - Physician	\$97	\$0	\$97	\$0.01	1	1	\$97.07
Nursing Facility	\$17,824,476	\$805,212	\$18,629,688	\$2,118.99	121,580	165,946	\$153.23
Outpatient - Other	\$1,892,969	\$0	\$1,892,969	\$215.31	2,471	3,373	\$766.07
Outpatient - Psychological	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Personal Care Services	\$2,738,387	\$4,304	\$2,742,691	\$311.96	45,767	62,468	\$59.93
Physician - Clinic	\$479,808	\$0	\$479,808	\$54.57	53,330	72,791	\$9.00
Physician - IP Mental Health	\$1,874	\$0	\$1,874	\$0.21	24	33	\$78.10
Physician - OP Mental Health	\$1,183,929	\$170	\$1,184,099	\$134.68	43,524	59,407	\$27.21
Physician - Other Practitioner	\$521,564	\$22	\$521,586	\$59.33	9,717	13,263	\$53.68
Physician - PCP	\$1,010,952	\$32	\$1,010,984	\$114.99	33,558	45,804	\$30.13
Physician - Specialist	\$741,465	\$10	\$741,475	\$84.34	15,882	21,678	\$46.69
Pharmacy	\$5,544,053	\$0	\$5,544,053	\$630.60	104,319	142,387	\$53.15
Transportation - Emergency	\$281,077	\$0	\$281,077	\$31.97	4,670	6,374	\$60.19
Transportation - Non-Emergency	\$0	\$0	\$0	\$0.00	0	0	\$0.00
<b>Total</b>	<b>\$46,838,012</b>	<b>\$815,262</b>	<b>\$47,653,274</b>	<b>\$5,420.22</b>	<b>791,960</b>		

Note:

Patient Payments are included here for all services but are only carried forward for the following categories: Adult Day Care, Consumer Directed, Medicare Xover - Nursing Facility, Nursing Facility, and Personal Care Services.

Consumer Directed Services payments are not reported as FFS claims but are obtained from supplemental payment files.

Acute care costs for the ALTC population are obtained from health plan reported encounter data.

**VIRGINIA MEDICAID**  
**FY 2015 PACE Capitation Rate Development**  
**Historical Eligibility, Fee-For-Service Claims, and Utilization Data**  
**Non-Dual Population**

**Exhibit 1b**

Age 55 and Over							
Richmond/Charlottesville	Medicaid Payments FY12 - FY13	Patient Payments FY12 - FY13	Total Payments FY12 - FY13	Unadjusted PMPM	Units FY12 - FY13	Units/1100 FY12 - FY13	Cost/Unit FY12 - FY13
Member Months	12,558						
<b>Service Type</b>							
Adult Day Care	\$421,047	\$4,209	\$425,256	\$33.86	16,594	15,856	\$25.63
Ambulatory Surgery Center	\$13,717	\$0	\$13,717	\$1.09	22	21	\$623.49
Case Management Services	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Consumer Directed Services	\$5,883,190	\$5,809	\$5,889,000	\$468.94	605,327	578,423	\$9.73
DME/Supplies	\$1,600,797	\$156	\$1,600,953	\$127.48	13,598	12,994	\$117.73
Emergency	\$870,166	\$151	\$870,317	\$69.30	1,417	1,354	\$614.20
FQHC	\$78,171	\$0	\$78,171	\$6.22	1,039	993	\$75.24
Home Health Services	\$555,451	\$0	\$555,451	\$44.23	2,125	2,031	\$261.39
Inpatient - Medical/Surgical	\$11,673,746	\$1,614	\$11,675,361	\$929.70	991	947	\$11,781.39
Inpatient - Psych	\$57,558	\$0	\$57,558	\$4.58	80	76	\$719.47
Lab and X-ray Services	\$436,842	\$0	\$436,842	\$34.79	24,245	23,167	\$18.02
Medicare Xover - IP	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Medicare Xover - Nursing Facility	\$3	\$415	\$418	\$0.03	25	24	\$16.73
Medicare Xover - OP	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Medicare Xover - Other	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Medicare Xover - Physician	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Nursing Facility	\$19,761,970	\$956,527	\$20,718,497	\$1,649.80	132,726	126,827	\$156.10
Outpatient - Other	\$3,204,364	\$0	\$3,204,364	\$255.16	4,689	4,481	\$683.38
Outpatient - Psychological	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Personal Care Services	\$5,893,542	\$8,892	\$5,902,434	\$470.01	91,025	86,979	\$64.84
Physician - Clinic	\$1,113,389	\$0	\$1,113,389	\$88.66	163,238	155,983	\$6.82
Physician - IP Mental Health	\$2,559	\$0	\$2,559	\$0.20	50	48	\$51.17
Physician - OP Mental Health	\$2,185,203	\$455	\$2,185,658	\$174.04	93,732	89,566	\$23.32
Physician - Other Practitioner	\$1,141,790	\$560	\$1,142,350	\$90.96	12,544	11,986	\$91.07
Physician - PCP	\$926,666	\$83	\$926,749	\$73.80	17,219	16,454	\$53.82
Physician - Specialist	\$910,224	\$25	\$910,249	\$72.48	17,896	17,101	\$50.86
Pharmacy	\$5,791,693	\$0	\$5,791,693	\$461.19	114,451	109,364	\$50.60
Transportation - Emergency	\$322,123	\$0	\$322,123	\$25.65	5,218	4,986	\$61.73
Transportation - Non-Emergency	\$0	\$0	\$0	\$0.00	0	0	\$0.00
<b>Total</b>	<b>\$62,844,211</b>	<b>\$978,897</b>	<b>\$63,823,107</b>	<b>\$5,082.21</b>	<b>1,318,251</b>		

Note:

Patient Payments are included here for all services but are only carried forward for the following categories: Adult Day Care, Consumer Directed, Medicare Xover - Nursing Facility, Nursing Facility, and Personal Care Services.

Consumer Directed Services payments are not reported as FFS claims but are obtained from supplemental payment files.

Acute care costs for the ALTC population are obtained from health plan reported encounter data.

**VIRGINIA MEDICAID**  
**FY 2015 PACE Capitation Rate Development**  
**Historical Eligibility, Fee-For-Service Claims, and Utilization Data**  
**Non-Dual Population**

**Exhibit 1b**

Age 55 and Over							
Rural	Medicaid Payments FY12 - FY13	Patient Payments FY12 - FY13	Total Payments FY12 - FY13	Unadjusted PMPM	Units FY12 - FY13	Units/1100 FY12 - FY13	Cost/Unit FY12 - FY13
Member Months	14,094						
<b>Service Type</b>							
Adult Day Care	\$3,561	\$0	\$3,561	\$0.25	78	66	\$45.65
Ambulatory Surgery Center	\$24,731	\$0	\$24,731	\$1.75	41	35	\$603.20
Case Management Services	\$3,816	\$0	\$3,816	\$0.27	1,146	976	\$3.33
Consumer Directed Services	\$6,228,229	\$18,582	\$6,246,811	\$443.24	639,415	544,431	\$9.77
DME/Supplies	\$1,752,719	\$302	\$1,753,022	\$124.38	17,288	14,720	\$101.40
Emergency	\$820,519	\$0	\$820,519	\$58.22	1,924	1,638	\$426.47
FQHC	\$254,758	\$55	\$254,813	\$18.08	3,427	2,918	\$74.35
Home Health Services	\$935,971	\$0	\$935,971	\$66.41	2,703	2,301	\$346.27
Inpatient - Medical/Surgical	\$12,763,916	\$617	\$12,764,533	\$905.70	1,258	1,071	\$10,146.69
Inpatient - Psych	\$4,350	\$0	\$4,350	\$0.31	7	6	\$621.39
Lab and X-ray Services	\$553,317	\$0	\$553,317	\$39.26	36,535	31,108	\$15.14
Medicare Xover - IP	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Medicare Xover - Nursing Facility	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Medicare Xover - OP	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Medicare Xover - Other	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Medicare Xover - Physician	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Nursing Facility	\$21,714,188	\$678,615	\$22,392,802	\$1,588.87	157,366	133,990	\$142.30
Outpatient - Other	\$3,191,162	\$9	\$3,191,171	\$226.43	5,036	4,288	\$633.67
Outpatient - Psychological	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Personal Care Services	\$5,548,710	\$16,972	\$5,565,682	\$394.91	100,240	85,350	\$55.52
Physician - Clinic	\$791,748	\$0	\$791,748	\$56.18	132,032	112,419	\$6.00
Physician - IP Mental Health	\$1,543	\$0	\$1,543	\$0.11	19	16	\$81.23
Physician - OP Mental Health	\$1,784,435	\$111	\$1,784,546	\$126.62	85,490	72,791	\$20.87
Physician - Other Practitioner	\$580,526	\$250	\$580,776	\$41.21	10,820	9,213	\$53.68
Physician - PCP	\$1,504,019	\$124	\$1,504,143	\$106.73	28,266	24,067	\$53.21
Physician - Specialist	\$1,032,889	\$134	\$1,033,023	\$73.30	20,595	17,536	\$50.16
Pharmacy	\$9,194,817	\$0	\$9,194,817	\$652.41	164,366	139,950	\$55.94
Transportation - Emergency	\$428,192	\$0	\$428,192	\$30.38	4,951	4,216	\$86.49
Transportation - Non-Emergency	\$0	\$0	\$0	\$0.00	0	0	\$0.00
<b>Total</b>	<b>\$69,118,116</b>	<b>\$715,771</b>	<b>\$69,833,886</b>	<b>\$4,955.02</b>	<b>1,413,003</b>		

Note:

Patient Payments are included here for all services but are only carried forward for the following categories: Adult Day Care, Consumer Directed, Medicare Xover - Nursing Facility, Nursing Facility, and Personal Care Services.

Consumer Directed Services payments are not reported as FFS claims but are obtained from supplemental payment files.

Acute care costs for the ALTC population are obtained from health plan reported encounter data.

**VIRGINIA MEDICAID**  
**FY 2015 PACE Capitation Rate Development**  
**Historical Eligibility, Fee-For-Service Claims, and Utilization Data**  
**Non-Dual Population**

**Exhibit 1b**

Age 55 and Over							
Tidewater	Medicaid Payments FY12 - FY13	Patient Payments FY12 - FY13	Total Payments FY12 - FY13	Unadjusted PMPM	Units FY12 - FY13	Units/1100 FY12 - FY13	Cost/Unit FY12 - FY13
Member Months	15,109						
<b>Service Type</b>							
Adult Day Care	\$7,350	\$0	\$7,350	\$0.49	161	128	\$45.65
Ambulatory Surgery Center	\$21,087	\$0	\$21,087	\$1.40	31	25	\$680.21
Case Management Services	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Consumer Directed Services	\$1,623,180	\$2,376	\$1,625,556	\$107.59	165,229	131,228	\$9.84
DME/Supplies	\$1,701,162	\$363	\$1,701,526	\$112.62	14,502	11,518	\$117.33
Emergency	\$970,112	\$30	\$970,142	\$64.21	1,675	1,330	\$579.19
FQHC	\$91,194	\$34	\$91,228	\$6.04	1,091	866	\$83.62
Home Health Services	\$919,713	\$0	\$919,713	\$60.87	2,682	2,130	\$342.92
Inpatient - Medical/Surgical	\$11,484,515	\$900	\$11,485,414	\$760.16	1,159	920	\$9,909.76
Inpatient - Psych	\$17,294	\$0	\$17,294	\$1.14	29	23	\$596.34
Lab and X-ray Services	\$525,008	\$0	\$525,008	\$34.75	35,320	28,052	\$14.86
Medicare Xover - IP	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Medicare Xover - Nursing Facility	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Medicare Xover - OP	\$13	\$0	\$13	\$0.00	2	2	\$6.63
Medicare Xover - Other	\$21	\$0	\$21	\$0.00	2	2	\$10.34
Medicare Xover - Physician	\$2	\$0	\$2	\$0.00	2	2	\$0.77
Nursing Facility	\$30,212,989	\$2,255,317	\$32,468,306	\$2148.91	211,556	168,022	\$153.47
Outpatient - Other	\$2,555,103	\$713	\$2,555,816	\$169.16	3,607	2,865	\$708.57
Outpatient - Psychological	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Personal Care Services	\$11,652,625	\$54,967	\$11,707,591	\$774.87	165,698	131,600	\$70.66
Physician - Clinic	\$1,408,538	\$0	\$1,408,538	\$93.22	266,922	211,994	\$5.28
Physician - IP Mental Health	\$354	\$0	\$354	\$0.02	9	7	\$39.30
Physician - OP Mental Health	\$3,307,105	\$117	\$3,307,222	\$218.89	204,889	162,727	\$16.14
Physician - Other Practitioner	\$976,507	\$94	\$976,600	\$64.64	13,224	10,503	\$73.85
Physician - PCP	\$1,670,472	\$175	\$1,670,647	\$110.57	33,969	26,979	\$49.18
Physician - Specialist	\$1,154,945	\$441	\$1,155,387	\$76.47	24,803	19,699	\$46.58
Pharmacy	\$8,550,897	\$0	\$8,550,897	\$565.94	148,162	117,673	\$57.71
Transportation - Emergency	\$336,643	\$0	\$336,643	\$22.28	5,561	4,417	\$60.54
Transportation - Non-Emergency	\$0	\$0	\$0	\$0.00	0	0	\$0.00
<b>Total</b>	<b>\$79,186,828</b>	<b>\$2,315,526</b>	<b>\$81,502,353</b>	<b>\$5,394.22</b>	<b>1,300,285</b>		

Note:

Patient Payments are included here for all services but are only carried forward for the following categories: Adult Day Care, Consumer Directed, Medicare Xover - Nursing Facility, Nursing Facility, and Personal Care Services.

Consumer Directed Services payments are not reported as FFS claims but are obtained from supplemental payment files.

Acute care costs for the ALTC population are obtained from health plan reported encounter data.

**VIRGINIA MEDICAID**  
**FY 2015 PACE Capitation Rate Development**  
**Historical Eligibility, Fee-For-Service Claims, and Utilization Data**  
**Non-Dual Population**

**Exhibit 1b**

Age 55 and Over							
All Regions	Medicaid Payments FY12 - FY13	Patient Payments FY12 - FY13	Total Payments FY12 - FY13	Unadjusted PMPM	Units FY12 - FY13	Units/1100 FY12 - FY13	Cost/Unit FY12 - FY13
Member Months	61,431						
<b>Service Type</b>							
Adult Day Care	\$560,041	\$4,209	\$564,250	\$9.19	20,723	4,048	\$27.23
Ambulatory Surgery Center	\$82,344	\$0	\$82,344	\$1.34	129	25	\$638.33
Case Management Services	\$3,916	\$0	\$3,916	\$0.06	1,177	230	\$3.33
Consumer Directed Services	\$21,106,581	\$32,828	\$21,139,409	\$344.12	2,068,824	404,128	\$10.22
DME/Supplies	\$6,917,251	\$1,501	\$6,918,752	\$112.63	62,799	12,267	\$110.17
Emergency	\$3,687,137	\$181	\$3,687,318	\$60.02	6,891	1,346	\$535.09
FQHC	\$489,274	\$90	\$489,364	\$7.97	6,415	1,253	\$76.28
Home Health Services	\$3,326,043	\$0	\$3,326,043	\$54.14	10,083	1,970	\$329.87
Inpatient - Medical/Surgical	\$54,368,523	\$10,743	\$54,379,266	\$885.21	5,004	977	\$10,867.16
Inpatient - Psych	\$112,835	\$0	\$112,835	\$1.84	160	31	\$705.22
Lab and X-ray Services	\$2,262,590	\$0	\$2,262,590	\$36.83	143,116	27,957	\$15.81
Medicare Xover - IP	\$2,969	\$0	\$2,969	\$0.05	3	1	\$989.55
Medicare Xover - Nursing Facility	\$3	\$415	\$418	\$0.01	25	5	\$16.73
Medicare Xover - OP	\$13	\$0	\$13	\$0.00	2	0	\$6.63
Medicare Xover - Other	\$777	\$0	\$777	\$0.01	30	6	\$25.91
Medicare Xover - Physician	\$99	\$0	\$99	\$0.00	3	1	\$32.87
Nursing Facility	\$113,027,449	\$6,220,590	\$119,248,039	\$1,941.18	760,204	148,500	\$156.86
Outpatient - Other	\$12,768,071	\$722	\$12,768,793	\$207.86	17,940	3,504	\$711.75
Outpatient - Psychological	\$0	\$0	\$0	\$0.00	0	0	\$0.00
Personal Care Services	\$35,838,238	\$98,603	\$35,936,841	\$585.00	499,907	97,653	\$71.89
Physician - Clinic	\$4,780,258	\$0	\$4,780,258	\$77.82	777,339	151,847	\$6.15
Physician - IP Mental Health	\$7,649	\$0	\$7,649	\$0.12	118	23	\$64.82
Physician - OP Mental Health	\$10,775,104	\$853	\$10,775,957	\$175.42	568,815	111,113	\$18.94
Physician - Other Practitioner	\$3,886,699	\$978	\$3,887,678	\$63.29	54,844	10,713	\$70.89
Physician - PCP	\$6,311,874	\$453	\$6,312,327	\$102.76	132,988	25,978	\$47.47
Physician - Specialist	\$4,729,075	\$655	\$4,729,730	\$76.99	101,108	19,751	\$46.78
Pharmacy	\$35,363,947	\$0	\$35,363,947	\$575.67	634,351	123,915	\$55.75
Transportation - Emergency	\$1,527,484	\$0	\$1,527,484	\$24.87	22,567	4,408	\$67.69
Transportation - Non-Emergency	\$0	\$0	\$0	\$0.00	0	0	\$0.00
<b>Total</b>	<b>\$321,936,244</b>	<b>\$6,372,821</b>	<b>\$328,309,065</b>	<b>\$5,344.37</b>	<b>5,895,565</b>		

Note:

Patient Payments are included here for all services but are only carried forward for the following categories: Adult Day Care, Consumer Directed, Medicare Xover - Nursing Facility, Nursing Facility, and Personal Care Services.

Consumer Directed Services payments are not reported as FFS claims but are obtained from supplemental payment files.

Acute care costs for the ALTC population are obtained from health plan reported encounter data.

**Virginia Medicaid**  
**FY 2015 PACE Capitation Rate Development**  
**Historical Fee-for-Service Claims**  
**Prescription Drug Adjustment**

**Exhibit 2a**

	Dual Eligibles	Non-Dual Eligibles	Source
1. Fee-for-Service Net Cost PMPM	\$11.36	\$575.67	DMAS FY12-FY13 FFS Invoices
2. Fee-for-Service Net Cost per Script	\$6.66	\$55.75	DMAS FY12-FY13 FFS Invoices
3. Average Fee-for-Service Copayment per Script	\$0.02	\$0.04	DMAS FY12-FY13 FFS Invoices
4. Fee-for-Service Gross Cost per Script	\$6.68	\$55.79	= (2.) + (3.)
5. Average Fee-for-Service Dispensing Fees	\$3.15	\$3.07	DMAS FY12-FY13 FFS Invoices
6. Fee-for-Service Ingredient Cost per Script	\$3.53	\$52.72	= (4.) - (5.)
7. Average Fee-for-Service Rebate	9%	36%	Provided by DMAS
8. Fee-for-Service Cost per Script with Rebate	\$3.21	\$33.71	= (6.) * (1 - (7.))
9. Brand-Generic Improvement Adjustment	1.000	0.995	VA Claims Analysis
10. Adjusted Cost PMPM with Brand-Generic Improvement Adjustment	\$3.21	\$33.54	= (8.) * (9.)
11. Average Fee-for-Service Dispensing Fees	\$3.15	\$3.07	= (5.)
12. Adjusted Cost per Script	\$6.35	\$36.61	= (10.) + (11.)
13. Adjusted Cost PMPM	\$10.84	\$378.05	= (12.) * scripts / MM
<b>14. Pharmacy Adjustment Factor</b>	<b>-4.6%</b>	<b>-34.3%</b>	= (13.) / (1.) -1

**Virginia Medicaid  
FY 2015 PACE Capitation Rate Development  
Historical Fee-for-Service Claims  
Non-Emergency Transportation Adjustment**

**Exhibit 2b**

	<b>Adjustment Values</b>	<b>Source</b>
<b>Non-ER Transportation Rate</b>	<b>\$27.38</b>	Non-Emergency Transportation Rate - Service Cost Component Only

**Virginia Medicaid**  
**FY 2015 PACE Capitation Rate Development**  
**Historical Fee-for-Service Claims**  
**Emergency Transportation Adjustment**

**Exhibit 2c**

	Dual Eligibles	Non-Dual Eligibles	Source
1. Total claims in Transportation - Emergency Service Category	\$41,283	\$1,527,484	DMAS FY12-FY13 FFS Invoices
2a. % FFS Claims	100%	48%	DMAS FY12-FY13 FFS Invoices
2b. % MCO Claims	0%	52%	FY12-FY13 ALTC Health Plan Encounter Data
3a. FFS Increase to 40% of Medicare	19.2%	19.2%	Provided by DMAS
3b. MCO Increase to 40% of Medicare	0.2%	0.2%	Estimate based on Medallion 3.0 ABAD population
<b>4. Emergency Transportation Adjustment</b>	<b>19.2%</b>	<b>9.4%</b>	$= ((1.) * (2a.) * (3a.) + (1.) * (2b.) * (3b.)) / (1.)$

**Virginia Medicaid**  
**FY 2015 PACE Capitation Rate Development**  
**Historical Fee-for-Service Claims**  
**Home and Community-Based Care Fee Adjustment**

**Exhibit 2d**

		Adjustment Value	Source
1.	Total Claims in Service Categories		
	a. Adult Day Care	\$10,101,418	DMAS FY12-FY13 FFS Invoices
	b. Consumer Directed Services	\$186,466,033	
	c. Personal Care Services	\$387,131,552	
2.	FY13 Fee Increase	1.0%	Provided by DMAS
3.	Claims associated with FY13 Fee Increase		
	a. Adult Day Care	\$0	DMAS FY12 FFS Invoices
	b. Consumer Directed Services	\$86,170,403	
	c. Personal Care Services	\$185,826,997	
5.	<b>HCBC Fee Adjustment</b>		
	<b>a. Adult Day Care</b>	<b>0.0%</b>	= (3.) * (2.) / (1.)
	<b>b. Consumer Directed Services</b>	<b>0.5%</b>	
	<b>c. Personal Care Services</b>	<b>0.5%</b>	

**Virginia Medicaid**  
**FY 2015 PACE Capitation Rate Development**  
**Historical Fee-for-Service Claims**  
**Adult Day Care Adjustment**

**Exhibit 2e**

	Northern Virginia	Rest of State	Source
1. Total Claims in Adult Day Care	\$4,692,024	\$5,409,394	DMAS FY12-FY13 FFS Invoices
2a. Rates Effective Prior to 7/1/2013	\$50.10	\$45.65	Provided by DMAS
2b. Rates Effective FY14	\$60.10	\$55.65	Provided by DMAS
2c. % Change in rates	20.0%	21.9%	= (2b.) / (2a.) - 1
3a. Claims Associated with Procedure Code S5102	\$4,419,805	\$5,407,907	DMAS FY12-FY13 FFS Invoices
3b. Dollar Change	\$882,196.64	\$1,184,645.46	= (3a.) * (2c.)
<b>4. Adult Day Care Adjustment</b>	<b>18.8%</b>	<b>21.9%</b>	= (3b.) / (1.)

**Virginia Medicaid**  
**FY 2015 PACE Capitation Rate Development**  
**Historical Fee-for-Service Claims**  
**Hospital Inpatient Adjustment**

**Exhibit 2f**

	Inpatient Medical/Surgical	Inpatient - Psych	Source
1a FY12 Claims in IP Service Categories	\$34,395,711	\$191,780	DMAS FY12 FFS Invoices
1b FY13 Claims in IP Service Categories	\$37,942,886	\$402,509	DMAS FY13 FFS Invoices
2. FY12-13 Hospital Capital Percentage*	9.9%	9.9%	Provided by DMAS
3a. FY13 Hospital Rate Change	2.6%	2.6%	Provided by DMAS
3b. Dollar Change	\$805,352	\$4,490	= (1a.) * (1 - (2.)) * (3a.)
4a. FY14 Hospital Rate Change	4.7%	-7.4%	Provided by DMAS
4b. Dollar Change	\$3,120,570	(\$40,454)	= ((1a.) + (1b.)) * (1 - (2.)) * (1 + (3a.)) * (4a.)
<b>5. Hospital Inpatient Adjustment</b>	<b>5.4%</b>	<b>-6.1%</b>	= ((3b.) + (4b.)) / ((1a.) + (1b.))

**Virginia Medicaid**  
**FY 2015 PACE Capitation Rate Development**  
**Historical Fee-for-Service Claims**  
**Nursing Facility Adjustment**

**Exhibit 2g**

	Adjustment Value	Source
1a. FY12 Claims in Nursing Facility Service Category	\$886,380,064	DMAS FY12 FFS Invoices
1b. FY13 Claims in Nursing Facility Service Category	\$913,324,740	DMAS FY13 FFS Invoices
2. FY12-13 Nursing Facility Capital Percentage	9.7%	Provided by DMAS
3a. FY13 Nursing Facility Capital Rental Rate Increase	6.3%	Provided by DMAS
3b. FY15 Nursing Facility Capital Rental Rate Decrease	-3.2%	Provided by DMAS
3c. Dollar Change	<b>(\$384,562)</b>	= (1a.) * (2.) * ((1 + (3a.)) * (1 + (3b.)) - 1) + (1b.) * (2.) * (3b.)
4a. FY13 Nursing Facility Operating Rate Increase	2.8%	Provided by DMAS
4b. FY14 Nursing Facility Operating Rate Increase	1.1%	Provided by DMAS
4c. FY15 Nursing Facility Operating Rate Increase	3.2%	Provided by DMAS
4d. Dollar Change	\$92,361,530	= (1a.) * (1 - (2.)) * (4a.) + ((1a.) + (1b.)) * (1 - (2.)) * ((1 + (4b.) * (1+(4C.)) - 1)
5a. FY14 Occupancy Requirement Change Impact	0.17%	Provided by DMAS
5b. Dollar Change	\$3,215,859	= ((1a.) + (1b.) + (3b.) + (4c.)) * (5a.)
6a. Nursing Facility Cost Settlement Adjustment	4.5%	Provided by DMAS
6b. Dollar Change	\$85,270,393	= ((1a.) + (1b.) + (3b.) + (4c.) + (5b.)) * (6a.)
<b>7. Nursing Facility Adjustment</b>	<b>10.0%</b>	= ((3b.) + (4c.) + (5b.) + (6b.)) / ((1a.) + (1b.))

**Virginia Medicaid**  
**FY 2015 PACE Capitation Rate Development**  
**Historical Fee-for-Service Claims**  
**DME Fees Adjustment**

**Exhibit 2h**

	Adjustment Value	Source
1. Claims Associated with DME/Supplies Service Category	\$21,174,694	FY12-13 FFS Invoices
2. Proportion of Claims subject to change	\$5,043,725	Provided by DMAS
3a. FY15 DME Fee Change	-33.3%	Provided by DMAS
3b. Dollar Change	(\$1,680,192)	= (2.) * (3a.)
<b>4. DME Fee Adjustment</b>	<b>-7.9%</b>	<b>= (3b.) / (1.)</b>

**Virginia Medicaid**  
**FY 2015 PACE Capitation Rate Development**  
**Historical Fee-for-Service Claims**  
**Lab Fee Adjustment**

**Exhibit 2i**

	<b>Adjustment Value</b>	<b>Source</b>
<b>1. Lab Fee Adjustment</b>	<b>-12.0%</b>	Provided by DMAS

**Virginia Medicaid  
 FY 2015 PACE Capitation Rate Development  
 Historical Fee-for-Service Claims  
 Hepatitis C Adjustment**

**Exhibit 2j**

	ABAD	Source
1. Total Claims in Pharmacy Service Categories	\$440,713,205	FY12-13 Health Plan Encounter Data
2. Unique Individuals in Base Period	97,363	FY12-13 Health Plan Encounter Data
3a. Proportion of Population Being Tested for Hepatitis C	2.2%	FY12-13 Health Plan Encounter Data
3b. Number of Individuals Being Tested	2,125	FY12-13 Health Plan Encounter Data
3c. Projected Testing Change in FY15	35%	Estimate
3d. Additional Number of People Being Tested	744	= (3b.) * (3c.)
3e. Average Cost Per Test Per Person	\$42.78	FY12-13 Health Plan Encounter Data
4a. Proportion of Population Diagnosed With Hepatitis C	4.0%	FY12-13 Health Plan Encounter Data
4b. Number of Individuals Diagnosed With Hepatitis C	3,899	FY12-13 Health Plan Encounter Data
4c. Projected Increase in People Diagnosed With Hepatitis C	25%	Estimate
4d. Projected Number of People With Hepatitis C	4,874	= (4b.) * (1 + (4c.))
5a. Proportion of People With Hepatitis C With Drug Therapy	3.6%	FY12-13 Health Plan Encounter Data
5b. Number of Individuals With Hepatitis C With Drug Therapy in Base Period	140	FY12-13 Health Plan Encounter Data
5c. Increase in Proportion of Hepatitis C Receiving Drug Therapy	40%	Estimate
5d. Projected Number of Additional People Going Through Drug Therapy	105	= (4d.) * (5a.) * (1 + (5c.)) - (5b.)
5e. Average Cost of Current Drug Therapy	\$30,182	FY12-13 Health Plan Encounter Data
5f. Average Cost of New Drug Therapy	\$100,000	Estimate
6. Additional Cost of Hepatitis C Treatment	\$20,306,325	= ((3d.) * (3e.)) + ((5f.) - (5e.)) * (5b.) + (5d.) * (5f.)
<b>7. Hepatitis C Treatment Adjustment</b>	<b>4.6%</b>	= (6.) / (1.)

**Virginia Medicaid  
FY 2015 PACE Capitation Rate Development  
Historical Fee-for-Service Claims  
Other Adjustments**

**Exhibit 2k**

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	<b>Adjustment Values</b>	<b>Source</b>
1. <b>Managed Care Utilization Savings</b>	<b>-18.4%</b>	American Academy of Actuaries
2. <b>Administrative Cost</b>	<b>15.0%</b>	Provided by DMAS

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**Virginia Medicaid  
 FY 2015 PACE Capitation Rate Development  
 Historical Fee-for-Service Claims  
 IBNR, Policy/Program, and Trend Adjustments for Dual Population**

**Exhibit 3a**

Category of Service	Completion and Policy/Program Adjustments			Data Period Trend			Contract Period Cost and Utilization Trend	Total Trend Factor
	IBNR	Policy/Program	Total Base Data Adjustments	Cost Trend	Utilization Trend	Cost and Utilization Trend		
Nursing Facility	0.0%	10.0%	10.0%	0.4%	-3.5%	-3.1%	0.0%	0.9689
Adult Day Care	0.0%	20.7%	20.7%	-7.4%	4.8%	-3.0%	3.4%	1.0204
Personal Care	0.0%	0.5%	0.5%	-3.9%	10.1%	5.8%	6.3%	1.1595
Consumer Directed Services	0.0%	0.5%	0.5%	-3.9%	10.1%	5.8%	6.3%	1.1595
IP Medical/Surgical - DRG Services	0.5%	5.4%	5.9%	3.8%	-5.6%	-2.1%	0.0%	0.9794
IP Psych - Per Diem Services	0.0%	-6.1%	-6.1%	3.8%	-5.6%	-2.1%	0.0%	0.9794
Outpatient Hospital	-1.3%	0.0%	-1.3%	-6.5%	-2.4%	-8.8%	0.0%	0.9124
Practitioner	0.1%	0.0%	0.1%	3.7%	1.4%	5.1%	0.0%	1.0513
Prescription Drug	0.0%	-4.6%	-4.6%	-3.3%	-8.0%	-11.1%	0.0%	0.8890
Other	0.1%	-7.9%	-7.8%	-2.1%	-0.1%	-2.2%	2.4%	1.0139
<b>Weighted Average*</b>	0.0%	7.5%	7.5%	-0.4%	-0.5%	-1.0%	1.4%	1.0104
<b>Medicare Crossovers</b>								
Inpatient	0.2%	0.0%	0.2%	2.5%	3.3%	5.9%	2.8%	1.1040
Nursing Facility	0.2%	0.0%	0.2%	2.5%	3.3%	5.9%	2.8%	1.1040
Outpatient	0.2%	0.0%	0.2%	2.5%	3.3%	5.9%	2.8%	1.1040
Professional	0.2%	0.0%	0.2%	2.5%	3.3%	5.9%	2.8%	1.1040
Other	0.2%	0.0%	0.2%	2.5%	3.3%	5.9%	2.8%	1.1040
<b>Weighted Average*</b>	0.2%	0.0%	0.2%	2.5%	3.3%	5.9%	2.8%	1.1040
<b>Months of Trend Applied:</b>				12	12	12	18	

Notes:

Trend rates are calculated based on regression studies of historical Virginia fee-for-service data. Contract period trend for Nursing Home, Adult Day Care, and Personal Care categories also considers DMAS budget projections.

Trend rates have been calculated separately for the broad service categories shown above.

Regressions were based on PMPM costs. Trends for Long Term Care Services were developed from historical data and DMAS budget information.

Data period trend are applied from the midpoint of the data period to the end of the data period using compound interest calculations. Contract period trends are applied from the end of the data period to the midpoint of the contract period using compound interest.

**Total Trend & IBNR = [(1 + Data Period Trend) ^ (months/12) \* (1 + Contract Period Utilization Trend) ^ (months/12) \* (1 + IBNR Adjustment)]**

\*Weighted average is calculated using a distribution by Service Type, before Trend (Adjusted FY 2012-2013 Claims)

**Virginia Medicaid  
 FY 2015 PACE Capitation Rate Development  
 Historical Fee-for-Service Claims  
 IBNR, Policy/Program, and Trend Adjustments for Non-Dual Population**

**Exhibit 3b**

Category of Service	Completion and Policy/Program Adjustments			Data Period Trend			Contract Period Cost and Utilization Trend	Total Trend Factor
	IBNR	Policy/Program	Total Base Data Adjustments	Cost Trend	Utilization Trend	Cost and Utilization Trend		
Nursing Facility	0.0%	10.0%	10.0%	1.0%	-7.0%	-6.1%	0.0%	0.9391
Adult Day Care	0.0%	21.6%	21.7%	-7.4%	4.8%	-3.0%	3.4%	1.0204
Personal Care	0.0%	0.5%	0.5%	-3.9%	10.1%	5.8%	6.3%	1.1595
Consumer Directed Services	0.0%	0.5%	0.5%	-3.9%	10.1%	5.8%	6.3%	1.1595
IP Medical/Surgical - DRG Services	0.0%	5.4%	5.5%	3.9%	-2.5%	1.3%	0.0%	1.0125
IP Psych - Per Diem Services	0.0%	-6.1%	-6.1%	3.9%	-2.5%	1.3%	0.0%	1.0125
Outpatient Hospital	0.1%	0.0%	0.1%	2.9%	1.2%	4.2%	6.1%	1.1389
Practitioner	0.1%	0.0%	0.1%	-6.6%	13.8%	6.3%	0.4%	1.0690
Prescription Drug	0.0%	-34.3%	-34.3%	-2.8%	-1.8%	-4.6%	0.0%	0.9542
Other	0.1%	-6.3%	-6.2%	0.8%	0.3%	1.2%	1.1%	1.0281
<b>Weighted Average*</b>	0.0%	1.9%	1.9%	-0.3%	-0.2%	-0.7%	1.5%	1.0157
<b>Months of Trend Applied:</b>				12	12	12	18	

Notes:

Trend rates are calculated based on regression studies of historical Virginia fee-for-service data. Contract period trend for Nursing Home, Adult Day Care, and Personal Care categories also considers DMAS budget projections.

Trend rates have been calculated separately for the broad service categories shown above.

Regressions were based on PMPM costs. Trends for Long Term Care Services were developed from historical data and DMAS budget information.

Data period trend are applied from the midpoint of the data period to the end of the data period using compound interest calculations. Contract period trends are applied from the end of the data period to the midpoint of the contract period using compound interest.

**Total Trend & IBNR = [(1 + Data Period Trend) ^ (months/12) \* (1+ Contract Period Utilization Trend) ^ (months/12) \* (1 + IBNR Adjustment)]**

\*Weighted average is calculated using a distribution by Service Type, before Trend (Adjusted FY 2012-2013 Claims)

**Virginia Medicaid  
FY 2015 PACE Capitation Rate Development  
Capitation Rate Calculations  
Dual Population**

**Exhibit 4a**

Age 55 and Over										
Northern Virginia	Medicaid Payments FY12 - FY13	Completion Factor Adjustment	Patient Payments FY12 - FY13	Policy and Program Adjustments	Completed and Adjusted Claims	Trend Adjustment	Completed & Trended Claims	UPL PMPM FY15	Managed Care Utilization Adjustment	PACE PMPM FY15
<b>Service Type</b>										
Adult Day Care	\$4,613,585	\$777	\$46,137	\$876,269	\$5,536,767	1.020	\$5,649,935	\$52.51	0.82	\$42.85
Ambulatory Surgery Center	\$2,530	\$2			\$2,532	1.051	\$2,661	\$0.02	0.82	\$0.02
Case Management Services	\$2,925	\$2			\$2,927	1.051	\$3,078	\$0.03	0.82	\$0.02
Consumer Directed Services	\$28,145,771	\$3,752	\$289,031	\$131,421	\$28,569,975	1.160	\$33,127,768	\$307.90	0.82	\$251.25
DME/Supplies	\$2,826,930	\$3,640		(\$224,603)	\$2,605,967	1.014	\$2,642,096	\$24.56	0.82	\$20.04
Emergency	\$1,549	(\$21)			\$1,528	0.912	\$1,394	\$0.01	0.82	\$0.01
FQHC	\$0	\$0			\$0	1.051	\$0	\$0.00	0.82	\$0.00
Home Health Services	\$30,904	(\$413)			\$30,491	0.912	\$27,821	\$0.26	0.82	\$0.21
Inpatient - Medical/Surgical	\$8,387,844	\$37,963		\$457,281	\$8,883,088	0.979	\$8,700,025	\$80.86	0.82	\$65.98
Inpatient - Psych	\$329,895	\$0		(\$19,964)	\$309,931	0.979	\$303,544	\$2.82	0.82	\$2.30
Lab and X-ray Services	\$15,018	\$19		(\$1,804)	\$13,233	1.014	\$13,416	\$0.12	0.82	\$0.10
Medicare Xover - IP	\$2,355,080	\$4,097			\$2,359,177	1.104	\$2,604,473	\$24.21	0.82	\$19.75
Medicare Xover - Nursing Facility	\$1,643,358	\$2,859	\$19,818		\$1,666,034	1.104	\$1,839,261	\$17.09	0.82	\$13.95
Medicare Xover - OP	\$1,240,249	\$2,157			\$1,242,406	1.104	\$1,371,586	\$12.75	0.82	\$10.40
Medicare Xover - Other	\$781,697	\$1,360			\$783,057	1.104	\$864,475	\$8.03	0.82	\$6.56
Medicare Xover - Physician	\$3,015,104	\$5,245			\$3,020,349	1.104	\$3,334,391	\$30.99	0.82	\$25.29
Nursing Facility	\$220,923,330	\$11,873	\$48,542,574	\$22,154,010	\$291,631,786	0.969	\$282,547,592	\$2,626.12	0.82	\$2,142.92
Outpatient - Other	\$852,054	(\$11,379)			\$840,675	0.912	\$767,048	\$7.13	0.82	\$5.82
Outpatient - Psychological	\$0	\$0			\$0	0.912	\$0	\$0.00	0.82	\$0.00
Personal Care Services	\$97,537,830	\$13,002	\$424,309	\$470,290	\$98,445,431	1.160	\$114,150,515	\$1,060.97	0.82	\$865.75
Physician - Clinic	\$24,535	\$18			\$24,553	1.051	\$25,812	\$0.24	0.82	\$0.20
Physician - IP Mental Health	\$6,305	\$5			\$6,309	1.051	\$6,633	\$0.06	0.82	\$0.05
Physician - OP Mental Health	\$16,534,899	\$11,975			\$16,546,874	1.051	\$17,395,222	\$161.68	0.82	\$131.93
Physician - Other Practitioner	\$759,167	\$550			\$759,717	1.051	\$798,667	\$7.42	0.82	\$6.06
Physician - PCP	\$102,892	\$75			\$102,966	1.051	\$108,245	\$1.01	0.82	\$0.82
Physician - Specialist	\$54,136	\$39			\$54,175	1.051	\$56,953	\$0.53	0.82	\$0.43
Pharmacy	\$1,078,477	\$44		(\$49,278)	\$1,029,243	0.889	\$914,965	\$8.50	1.00	\$8.50
Transportation - Emergency	\$3,514	\$5		\$675	\$4,193	1.014	\$4,251	\$0.04	0.82	\$0.03
Transportation - Non-Emergency	\$0	\$0			\$0	1.000	\$0	\$27.38	1.00	\$27.38
<b>Total</b>	<b>\$391,269,577</b>	<b>\$87,645</b>	<b>\$49,321,868</b>	<b>\$23,794,298</b>	<b>\$464,473,388</b>			<b>\$4,463.27</b>		<b>\$3,648.63</b>
Admin Cost Adjustment								2.0%		15.0%
Capitation Rate								\$4,554.35		\$4,292.50

Note:

Patient Payments are carried forward for the following categories: Adult Day Care, Consumer Directed, Medicare Xover - Nursing Facility, Nursing Facility, and Personal Care Services. Patient Payments for Nursing Facility are excluded from Policy and Program Adjustments application.

**Virginia Medicaid  
FY 2015 PACE Capitation Rate Development  
Capitation Rate Calculations  
Dual Population**

**Exhibit 4a**

Age 55 and Over										
Other MSA	Medicaid Payments FY12 - FY13	Completion Factor Adjustment	Patient Payments FY12 - FY13	Policy and Program Adjustments	Completed and Adjusted Claims	Trend Adjustment	Completed & Trended Claims	UPL PMPM FY15	Managed Care Utilization Adjustment	PACE PMPM FY15
<b>Service Type</b>										
Adult Day Care	\$572,877	\$96	\$17,187	\$129,244	\$719,405	1.020	\$734,109	\$5.52	0.82	\$4.51
Ambulatory Surgery Center	\$0	\$0			\$0	1.051	\$0	\$0.00	0.82	\$0.00
Case Management Services	\$1,365	\$1			\$1,366	1.051	\$1,436	\$0.01	0.82	\$0.01
Consumer Directed Services	\$29,057,379	\$3,874	\$358,942	\$135,958	\$29,556,153	1.160	\$34,271,271	\$257.86	0.82	\$210.42
DME/Supplies	\$2,137,511	\$2,753		(\$169,828)	\$1,970,436	1.014	\$1,997,753	\$15.03	0.82	\$12.27
Emergency	\$3,813	(\$51)			\$3,763	0.912	\$3,433	\$0.03	0.82	\$0.02
FQHC	\$691	\$1			\$691	1.051	\$727	\$0.01	0.82	\$0.00
Home Health Services	\$14,015	(\$187)			\$13,828	0.912	\$12,617	\$0.09	0.82	\$0.08
Inpatient - Medical/Surgical	\$2,187,963	\$9,903		\$119,281	\$2,317,147	0.979	\$2,269,395	\$17.08	0.82	\$13.93
Inpatient - Psych	\$142,979	\$0		(\$8,652)	\$134,327	0.979	\$131,558	\$0.99	0.82	\$0.81
Lab and X-ray Services	\$20,616	\$27		(\$2,477)	\$18,166	1.014	\$18,418	\$0.14	0.82	\$0.11
Medicare Xover - IP	\$3,152,324	\$5,484			\$3,157,807	1.104	\$3,486,142	\$26.23	0.82	\$21.40
Medicare Xover - Nursing Facility	\$1,877,105	\$3,265	\$59,283		\$1,939,653	1.104	\$2,141,329	\$16.11	0.82	\$13.15
Medicare Xover - OP	\$1,308,149	\$2,276			\$1,310,425	1.104	\$1,446,677	\$10.89	0.82	\$8.88
Medicare Xover - Other	\$1,115,481	\$1,940			\$1,117,422	1.104	\$1,233,606	\$9.28	0.82	\$7.57
Medicare Xover - Physician	\$3,168,429	\$5,512			\$3,173,941	1.104	\$3,503,953	\$26.36	0.82	\$21.51
Nursing Facility	\$292,964,754	\$15,744	\$71,143,485	\$29,378,265	\$393,502,248	0.969	\$381,244,838	\$2,868.55	0.82	\$2,340.74
Outpatient - Other	\$97,747	(\$1,305)			\$96,441	0.912	\$87,995	\$0.66	0.82	\$0.54
Outpatient - Psychological	\$0	\$0			\$0	0.912	\$0	\$0.00	0.82	\$0.00
Personal Care Services	\$33,802,421	\$4,506	\$324,699	\$163,835	\$34,295,461	1.160	\$39,766,645	\$299.21	0.82	\$244.16
Physician - Clinic	\$129	\$0			\$129	1.051	\$136	\$0.00	0.82	\$0.00
Physician - IP Mental Health	\$166	\$0			\$166	1.051	\$175	\$0.00	0.82	\$0.00
Physician - OP Mental Health	\$7,942,661	\$5,752			\$7,948,413	1.051	\$8,355,923	\$62.87	0.82	\$51.30
Physician - Other Practitioner	\$998,180	\$723			\$998,903	1.051	\$1,050,116	\$7.90	0.82	\$6.45
Physician - PCP	\$49,254	\$36			\$49,289	1.051	\$51,816	\$0.39	0.82	\$0.32
Physician - Specialist	\$35,815	\$26			\$35,841	1.051	\$37,678	\$0.28	0.82	\$0.23
Pharmacy	\$1,751,169	\$72		(\$80,014)	\$1,671,227	0.889	\$1,485,669	\$11.18	1.00	\$11.18
Transportation - Emergency	\$5,253	\$7		\$1,009	\$6,269	1.014	\$6,356	\$0.05	0.82	\$0.04
Transportation - Non-Emergency	\$0	\$0			\$0	1.000	\$0	\$27.38	1.00	\$27.38
<b>Total</b>	<b>\$382,408,246</b>	<b>\$60,452</b>	<b>\$71,903,597</b>	<b>\$29,666,621</b>	<b>\$484,038,916</b>			<b>\$3,664.11</b>		<b>\$2,997.01</b>
Admin Cost Adjustment								2.0%		15.0%
Capitation Rate								\$3,738.89		\$3,525.89

Note:

Patient Payments are carried forward for the following categories: Adult Day Care, Consumer Directed, Medicare Xover - Nursing Facility, Nursing Facility, and Personal Care Services. Patient Payments for Nursing Facility are excluded from Policy and Program Adjustments application.

**Virginia Medicaid  
FY 2015 PACE Capitation Rate Development  
Capitation Rate Calculations  
Dual Population**

**Exhibit 4a**

Age 55 and Over										
Richmond/Charlottesville	Medicaid Payments FY12 - FY13	Completion Factor Adjustment	Patient Payments FY12 - FY13	Policy and Program Adjustments	Completed and Adjusted Claims	Trend Adjustment	Completed & Trended Claims	UPL PMPM FY15	Managed Care Utilization Adjustment	PACE PMPM FY15
<b>Service Type</b>										
Adult Day Care	\$3,384,519	\$570	\$72,294	\$757,159	\$4,214,542	1.020	\$4,300,684	\$31.56	0.82	\$25.75
Ambulatory Surgery Center	\$3,555	\$3			\$3,558	1.051	\$3,740	\$0.03	0.82	\$0.02
Case Management Services	\$0	\$0			\$0	1.051	\$0	\$0.00	0.82	\$0.00
Consumer Directed Services	\$36,204,866	\$4,826	\$575,226	\$169,992	\$36,954,911	1.160	\$42,850,359	\$314.47	0.82	\$256.60
DME/Supplies	\$3,786,591	\$4,876		(\$300,849)	\$3,490,618	1.014	\$3,539,011	\$25.97	0.82	\$21.19
Emergency	\$9,862	(\$132)			\$9,731	0.912	\$8,878	\$0.07	0.82	\$0.05
FQHC	\$2,667	\$2			\$2,669	1.051	\$2,806	\$0.02	0.82	\$0.02
Home Health Services	\$12,212	(\$163)			\$12,049	0.912	\$10,994	\$0.08	0.82	\$0.07
Inpatient - Medical/Surgical	\$2,043,152	\$9,247		\$111,387	\$2,163,786	0.979	\$2,119,194	\$15.55	0.82	\$12.69
Inpatient - Psych	\$0	\$0			\$0	0.979	\$0	\$0.00	0.82	\$0.00
Lab and X-ray Services	\$17,543	\$23		(\$2,108)	\$15,458	1.014	\$15,672	\$0.12	0.82	\$0.09
Medicare Xover - IP	\$3,836,617	\$6,674			\$3,843,291	1.104	\$4,242,899	\$31.14	0.82	\$25.41
Medicare Xover - Nursing Facility	\$2,194,283	\$3,817	\$41,183		\$2,239,284	1.104	\$2,472,114	\$18.14	0.82	\$14.80
Medicare Xover - OP	\$1,366,790	\$2,378			\$1,369,168	1.104	\$1,511,527	\$11.09	0.82	\$9.05
Medicare Xover - Other	\$1,258,800	\$2,190			\$1,260,990	1.104	\$1,392,102	\$10.22	0.82	\$8.34
Medicare Xover - Physician	\$3,840,341	\$6,681			\$3,847,021	1.104	\$4,247,017	\$31.17	0.82	\$25.43
Nursing Facility	\$257,805,899	\$13,855	\$68,679,267	\$25,852,564	\$352,351,584	0.969	\$341,375,997	\$2,505.25	0.82	\$2,044.28
Outpatient - Other	\$221,267	(\$2,955)			\$218,312	0.912	\$199,192	\$1.46	0.82	\$1.19
Outpatient - Psychological	\$0	\$0			\$0	0.912	\$0	\$0.00	0.82	\$0.00
Personal Care Services	\$58,465,866	\$7,794	\$724,360	\$284,156	\$59,482,176	1.160	\$68,971,419	\$506.16	0.82	\$413.03
Physician - Clinic	\$10,652	\$8			\$10,659	1.051	\$11,206	\$0.08	0.82	\$0.07
Physician - IP Mental Health	\$1,644	\$1			\$1,645	1.051	\$1,729	\$0.01	0.82	\$0.01
Physician - OP Mental Health	\$11,170,298	\$8,090			\$11,178,387	1.051	\$11,751,496	\$86.24	0.82	\$70.37
Physician - Other Practitioner	\$1,196,295	\$866			\$1,197,161	1.051	\$1,258,539	\$9.24	0.82	\$7.54
Physician - PCP	\$83,323	\$60			\$83,384	1.051	\$87,659	\$0.64	0.82	\$0.52
Physician - Specialist	\$46,131	\$33			\$46,165	1.051	\$48,531	\$0.36	0.82	\$0.29
Pharmacy	\$1,353,929	\$55		(\$61,864)	\$1,292,121	0.889	\$1,148,655	\$8.43	1.00	\$8.43
Transportation - Emergency	\$5,444	\$7		\$1,046	\$6,497	1.014	\$6,587	\$0.05	0.82	\$0.04
Transportation - Non-Emergency	\$0	\$0			\$0	1.000	\$0	\$27.38	1.00	\$27.38
<b>Total</b>	<b>\$388,322,546</b>	<b>\$68,806</b>	<b>\$70,092,330</b>	<b>\$26,811,483</b>	<b>\$485,295,165</b>			<b>\$3,634.91</b>		<b>\$2,972.68</b>
Admin Cost Adjustment								2.0%		15.0%
Capitation Rate								\$3,709.10		\$3,497.27

Note:

Patient Payments are carried forward for the following categories: Adult Day Care, Consumer Directed, Medicare Xover - Nursing Facility, Nursing Facility, and Personal Care Services. Patient Payments for Nursing Facility are excluded from Policy and Program Adjustments application.

**Virginia Medicaid  
FY 2015 PACE Capitation Rate Development  
Capitation Rate Calculations  
Dual Population**

**Exhibit 4a**

Age 55 and Over										
Rural	Medicaid Payments FY12 - FY13	Completion Factor Adjustment	Patient Payments FY12 - FY13	Policy and Program Adjustments	Completed and Adjusted Claims	Trend Adjustment	Completed & Trended Claims	UPL PMPM FY15	Managed Care Utilization Adjustment	PACE PMPM FY15
<b>Service Type</b>										
Adult Day Care	\$607,342	\$102	\$7,781	\$134,733	\$749,958	1.020	\$765,287	\$3.78	0.82	\$3.09
Ambulatory Surgery Center	\$295	\$0			\$295	1.051	\$310	\$0.00	0.82	\$0.00
Case Management Services	\$52,874	\$38			\$52,912	1.051	\$55,625	\$0.27	0.82	\$0.22
Consumer Directed Services	\$57,489,192	\$7,664	\$645,113	\$268,688	\$58,410,656	1.160	\$67,728,958	\$334.70	0.82	\$273.11
DME/Supplies	\$4,578,453	\$5,896		(\$363,764)	\$4,220,585	1.014	\$4,279,098	\$21.15	0.82	\$17.26
Emergency	\$20,552	(\$274)			\$20,277	0.912	\$18,501	\$0.09	0.82	\$0.07
FQHC	\$9,035	\$7			\$9,042	1.051	\$9,505	\$0.05	0.82	\$0.04
Home Health Services	\$40,742	(\$544)			\$40,198	0.912	\$36,677	\$0.18	0.82	\$0.15
Inpatient - Medical/Surgical	\$2,902,970	\$13,139		\$158,262	\$3,074,370	0.979	\$3,011,013	\$14.88	0.82	\$12.14
Inpatient - Psych	\$0	\$0			\$0	0.979	\$0	\$0.00	0.82	\$0.00
Lab and X-ray Services	\$33,806	\$44		(\$4,062)	\$29,787	1.014	\$30,200	\$0.15	0.82	\$0.12
Medicare Xover - IP	\$5,537,392	\$9,633			\$5,547,025	1.104	\$6,123,779	\$30.26	0.82	\$24.69
Medicare Xover - Nursing Facility	\$3,510,505	\$6,107	\$63,850		\$3,580,462	1.104	\$3,952,741	\$19.53	0.82	\$15.94
Medicare Xover - OP	\$2,842,974	\$4,946			\$2,847,920	1.104	\$3,144,033	\$15.54	0.82	\$12.68
Medicare Xover - Other	\$2,175,332	\$3,784			\$2,179,116	1.104	\$2,405,691	\$11.89	0.82	\$9.70
Medicare Xover - Physician	\$5,406,363	\$9,405			\$5,415,767	1.104	\$5,978,873	\$29.55	0.82	\$24.11
Nursing Facility	\$336,545,212	\$18,087	\$75,178,129	\$33,748,477	\$445,489,905	0.969	\$431,613,103	\$2,132.90	0.82	\$1,740.44
Outpatient - Other	\$85,945	(\$1,148)			\$84,798	0.912	\$77,371	\$0.38	0.82	\$0.31
Outpatient - Psychological	\$0	\$0			\$0	0.912	\$0	\$0.00	0.82	\$0.00
Personal Care Services	\$73,285,912	\$9,769	\$942,893	\$356,353	\$74,594,927	1.160	\$86,495,119	\$427.43	0.82	\$348.78
Physician - Clinic	\$34,066	\$25			\$34,090	1.051	\$35,838	\$0.18	0.82	\$0.14
Physician - IP Mental Health	\$101	\$0			\$101	1.051	\$106	\$0.00	0.82	\$0.00
Physician - OP Mental Health	\$14,511,790	\$10,510			\$14,522,300	1.051	\$15,266,849	\$75.44	0.82	\$61.56
Physician - Other Practitioner	\$1,990,030	\$1,441			\$1,991,471	1.051	\$2,093,572	\$10.35	0.82	\$8.44
Physician - PCP	\$109,427	\$79			\$109,506	1.051	\$115,120	\$0.57	0.82	\$0.46
Physician - Specialist	\$69,639	\$50			\$69,689	1.051	\$73,262	\$0.36	0.82	\$0.30
Pharmacy	\$2,444,356	\$100		(\$111,687)	\$2,332,769	0.889	\$2,073,759	\$10.25	1.00	\$10.25
Transportation - Emergency	\$25,080	\$32		\$4,819	\$29,932	1.014	\$30,346	\$0.15	0.82	\$0.12
Transportation - Non-Emergency	\$0	\$0			\$0	1.000	\$0	\$27.38	1.00	\$27.38
<b>Total</b>	<b>\$514,309,383</b>	<b>\$98,890</b>	<b>\$76,837,766</b>	<b>\$34,191,818</b>	<b>\$625,437,857</b>			<b>\$3,167.40</b>		<b>\$2,591.52</b>
Admin Cost Adjustment								2.0%		15.0%
Capitation Rate								\$3,232.04		\$3,048.85

Note:

Patient Payments are carried forward for the following categories: Adult Day Care, Consumer Directed, Medicare Xover - Nursing Facility, Nursing Facility, and Personal Care Services. Patient Payments for Nursing Facility are excluded from Policy and Program Adjustments application.

**Virginia Medicaid  
FY 2015 PACE Capitation Rate Development  
Capitation Rate Calculations  
Dual Population**

**Exhibit 4a**

Age 55 and Over										
Tidewater	Medicaid Payments FY12 - FY13	Completion Factor Adjustment	Patient Payments FY12 - FY13	Policy and Program Adjustments	Completed and Adjusted Claims	Trend Adjustment	Completed & Trended Claims	UPL PMPM FY15	Managed Care Utilization Adjustment	PACE PMPM FY15
<b>Service Type</b>										
Adult Day Care	\$363,055	\$61	\$2,675	\$80,107	\$445,898	1.020	\$455,012	\$3.39	0.82	\$2.77
Ambulatory Surgery Center	\$4,603	\$3			\$4,606	1.051	\$4,842	\$0.04	0.82	\$0.03
Case Management Services	\$0	\$0			\$0	1.051	\$0	\$0.00	0.82	\$0.00
Consumer Directed Services	\$14,462,244	\$1,928	\$206,913	\$67,799	\$14,738,883	1.160	\$17,090,190	\$127.39	0.82	\$103.95
DME/Supplies	\$3,867,187	\$4,980		(\$307,253)	\$3,564,914	1.014	\$3,614,337	\$26.94	0.82	\$21.98
Emergency	\$7,349	(\$98)			\$7,251	0.912	\$6,616	\$0.05	0.82	\$0.04
FQHC	\$969	\$1			\$970	1.051	\$1,019	\$0.01	0.82	\$0.01
Home Health Services	\$7,448	(\$99)			\$7,349	0.912	\$6,705	\$0.05	0.82	\$0.04
Inpatient - Medical/Surgical	\$2,448,145	\$11,080		\$133,466	\$2,592,691	0.979	\$2,539,260	\$18.93	0.82	\$15.45
Inpatient - Psych	\$8,580	\$0		(\$519)	\$8,061	0.979	\$7,895	\$0.06	0.82	\$0.05
Lab and X-ray Services	\$17,757	\$23		(\$2,134)	\$15,646	1.014	\$15,863	\$0.12	0.82	\$0.10
Medicare Xover - IP	\$3,273,639	\$5,695			\$3,279,334	1.104	\$3,620,304	\$26.99	0.82	\$22.02
Medicare Xover - Nursing Facility	\$1,612,199	\$2,805	\$84,897		\$1,699,900	1.104	\$1,876,648	\$13.99	0.82	\$11.41
Medicare Xover - OP	\$1,385,107	\$2,409			\$1,387,517	1.104	\$1,531,784	\$11.42	0.82	\$9.32
Medicare Xover - Other	\$1,280,093	\$2,227			\$1,282,319	1.104	\$1,415,649	\$10.55	0.82	\$8.61
Medicare Xover - Physician	\$4,564,000	\$7,939			\$4,571,940	1.104	\$5,047,309	\$37.62	0.82	\$30.70
Nursing Facility	\$238,503,897	\$12,818	\$70,170,219	\$23,916,975	\$332,603,908	0.969	\$322,243,452	\$2,402.04	0.82	\$1,960.07
Outpatient - Other	\$99,323	(\$1,326)			\$97,996	0.912	\$89,414	\$0.67	0.82	\$0.54
Outpatient - Psychological	\$0	\$0			\$0	0.912	\$0	\$0.00	0.82	\$0.00
Personal Care Services	\$88,201,284	\$11,758	\$844,409	\$427,485	\$89,484,935	1.160	\$103,760,543	\$773.44	0.82	\$631.13
Physician - Clinic	\$76	\$0			\$76	1.051	\$79	\$0.00	0.82	\$0.00
Physician - IP Mental Health	\$192	\$0			\$193	1.051	\$202	\$0.00	0.82	\$0.00
Physician - OP Mental Health	\$17,396,641	\$12,599			\$17,409,240	1.051	\$18,301,800	\$136.42	0.82	\$111.32
Physician - Other Practitioner	\$648,283	\$469			\$648,753	1.051	\$682,014	\$5.08	0.82	\$4.15
Physician - PCP	\$38,832	\$28			\$38,860	1.051	\$40,852	\$0.30	0.82	\$0.25
Physician - Specialist	\$53,475	\$39			\$53,513	1.051	\$56,257	\$0.42	0.82	\$0.34
Pharmacy	\$1,474,440	\$60		(\$67,370)	\$1,407,130	0.889	\$1,250,895	\$9.32	1.00	\$9.32
Transportation - Emergency	\$1,992	\$3		\$383	\$2,377	1.014	\$2,410	\$0.02	0.82	\$0.01
Transportation - Non-Emergency	\$0	\$0			\$0	1.000	\$0	\$27.38	1.00	\$27.38
<b>Total</b>	<b>\$379,720,808</b>	<b>\$75,400</b>	<b>\$71,309,112</b>	<b>\$24,248,939</b>	<b>\$475,354,259</b>			<b>\$3,632.65</b>		<b>\$2,971.00</b>
Admin Cost Adjustment								2.0%		15.0%
Capitation Rate								\$3,706.79		\$3,495.29

Note:

Patient Payments are carried forward for the following categories: Adult Day Care, Consumer Directed, Medicare Xover - Nursing Facility, Nursing Facility, and Personal Care Services. Patient Payments for Nursing Facility are excluded from Policy and Program Adjustments application.

**Virginia Medicaid  
FY 2015 PACE Capitation Rate Development  
Capitation Rate Calculations  
Dual Population**

**Exhibit 4a**

Age 55 and Over										
All Regions	Medicaid Payments FY12 - FY13	Completion Factor Adjustment	Patient Payments FY12 - FY13	Policy and Program Adjustments	Completed and Adjusted Claims	Trend Adjustment	Completed & Trended Claims	UPL PMPM FY15	Managed Care Utilization Adjustment	PACE PMPM FY15
<b>Service Type</b>										
Adult Day Care	\$9,541,377	\$1,607	\$146,074	\$1,977,513	\$11,666,571	1.020	\$11,905,027	\$16.69	0.82	\$13.62
Ambulatory Surgery Center	\$10,982	\$8			\$10,990	1.051	\$11,554	\$0.02	0.82	\$0.01
Case Management Services	\$57,165	\$41			\$57,206	1.051	\$60,139	\$0.08	0.82	\$0.07
Consumer Directed Services	\$165,359,452	\$22,043	\$2,075,225	\$773,857	\$168,230,578	1.160	\$195,068,546	\$273.48	0.82	\$223.16
DME/Supplies	\$17,196,672	\$22,145		(\$1,366,297)	\$15,852,520	1.014	\$16,072,294	\$22.53	0.82	\$18.39
Emergency	\$43,125	(\$576)			\$42,549	0.912	\$38,823	\$0.05	0.82	\$0.04
FQHC	\$13,362	\$10			\$13,371	1.051	\$14,057	\$0.02	0.82	\$0.02
Home Health Services	\$105,321	(\$1,406)			\$103,914	0.912	\$94,813	\$0.13	0.82	\$0.11
Inpatient - Medical/Surgical	\$17,970,074	\$81,331		\$979,676	\$19,031,081	0.979	\$18,638,887	\$26.13	0.82	\$21.32
Inpatient - Psych	\$481,454	\$0		(\$29,135)	\$452,319	0.979	\$442,997	\$0.62	0.82	\$0.51
Lab and X-ray Services	\$104,740	\$135		(\$12,585)	\$92,290	1.014	\$93,569	\$0.13	0.82	\$0.11
Medicare Xover - IP	\$18,155,052	\$31,582			\$18,186,634	1.104	\$20,077,595	\$28.15	0.82	\$22.97
Medicare Xover - Nursing Facility	\$10,837,450	\$18,852	\$269,031		\$11,125,333	1.104	\$12,282,093	\$17.22	0.82	\$14.05
Medicare Xover - OP	\$8,143,270	\$14,166			\$8,157,435	1.104	\$9,005,607	\$12.63	0.82	\$10.30
Medicare Xover - Other	\$6,611,403	\$11,501			\$6,622,904	1.104	\$7,311,522	\$10.25	0.82	\$8.36
Medicare Xover - Physician	\$19,994,237	\$34,781			\$20,029,019	1.104	\$22,111,542	\$31.00	0.82	\$25.30
Nursing Facility	\$1,346,743,092	\$72,376	\$333,713,673	\$135,050,290	\$1,815,579,431	0.969	\$1,759,024,982	\$2,466.13	0.82	\$2,012.36
Outpatient - Other	\$1,356,335	(\$18,113)			\$1,338,222	0.912	\$1,221,019	\$1.71	0.82	\$1.40
Outpatient - Psychological	\$0	\$0			\$0	0.912	\$0	\$0.00	1.00	\$0.00
Personal Care Services	\$351,293,314	\$46,829	\$3,260,668	\$1,702,119	\$356,302,931	1.160	\$413,144,241	\$579.22	0.82	\$472.65
Physician - Clinic	\$69,457	\$50			\$69,507	1.051	\$73,071	\$0.10	0.82	\$0.08
Physician - IP Mental Health	\$8,408	\$6			\$8,414	1.051	\$8,845	\$0.01	0.82	\$0.01
Physician - OP Mental Health	\$67,556,289	\$48,925			\$67,605,214	1.051	\$71,071,290	\$99.64	0.82	\$81.31
Physician - Other Practitioner	\$5,591,955	\$4,050			\$5,596,004	1.051	\$5,882,908	\$8.25	0.82	\$6.73
Physician - PCP	\$383,727	\$278			\$384,005	1.051	\$403,693	\$0.57	0.82	\$0.46
Physician - Specialist	\$259,196	\$188			\$259,383	1.051	\$272,682	\$0.38	0.82	\$0.31
Pharmacy	\$8,102,371	\$331		(\$370,212)	\$7,732,490	0.889	\$6,873,943	\$9.64	1.00	\$9.64
Transportation - Emergency	\$41,283	\$53		\$7,932	\$49,269	1.014	\$49,952	\$0.07	0.82	\$0.06
Transportation - Non-Emergency	\$0	\$0			\$0	1.000	\$0	\$27.38	1.00	\$27.38
<b>Total</b>	<b>\$2,056,030,561</b>	<b>\$391,193</b>	<b>\$339,464,672</b>	<b>\$138,713,159</b>	<b>\$2,534,599,585</b>			<b>\$3,632.24</b>		<b>\$2,970.72</b>
Admin Cost Adjustment								2.0%		15.0%
Capitation Rate								\$3,706.37		\$3,494.96

Note:

Patient Payments are carried forward for the following categories: Adult Day Care, Consumer Directed, Medicare Xover - Nursing Facility, Nursing Facility, and Personal Care Services. Patient Payments for Nursing Facility are excluded from Trend Adjustment application.

**Virginia Medicaid  
FY 2015 PACE Capitation Rate Development  
Capitation Rate Calculations  
Non-Dual Population**

**Exhibit 4b**

Age 55 and Over										
Northern Virginia	Medicaid Payments FY12 - FY13	Completion Factor Adjustment	Patient Payments FY12 - FY13	Policy and Program Adjustments	Completed and Adjusted Claims	Trend Adjustment	Completed & Trended Claims	UPL PMPM FY15	Managed Care Utilization Adjustment	PACE PMPM FY15
<b>Service Type</b>										
Adult Day Care	\$78,439	\$13		\$14,751	\$93,203	1.020	\$95,108	\$8.74	0.82	\$7.13
Ambulatory Surgery Center	\$7,506	\$9			\$7,515	1.069	\$8,034	\$0.74	0.82	\$0.60
Case Management Services	\$100	\$0			\$100	1.069	\$107	\$0.01	0.82	\$0.01
Consumer Directed Services	\$4,240,996	\$565	\$2,442	\$19,613	\$4,263,616	1.160	\$4,943,795	\$454.47	0.82	\$370.85
DME/Supplies	\$935,316	\$1,102		(\$74,304)	\$862,114	1.028	\$886,343	\$81.48	0.82	\$66.49
Emergency	\$652,681	\$823			\$653,504	1.139	\$744,256	\$68.42	0.82	\$55.83
FQHC	\$10,254	\$13			\$10,267	1.069	\$10,975	\$1.01	0.82	\$0.82
Home Health Services	\$468,572	\$591			\$469,162	1.139	\$534,315	\$49.12	0.82	\$40.08
Inpatient - Medical/Surgical	\$9,206,243	\$4,306		\$499,870	\$9,710,420	1.013	\$9,832,131	\$903.85	0.82	\$737.54
Inpatient - Psych	\$18,194	\$0		(\$1,101)	\$17,093	1.013	\$17,307	\$1.59	0.82	\$1.30
Lab and X-ray Services	\$384,340	\$453		(\$46,175)	\$338,618	1.028	\$348,134	\$32.00	0.82	\$26.11
Medicare Xover - IP	\$2,316	\$0			\$2,316	1.000	\$2,316	\$0.21	1.00	\$0.21
Medicare Xover - Nursing Facility	\$0	\$0			\$0	1.000	\$0	\$0.00	1.00	\$0.00
Medicare Xover - OP	\$0	\$0			\$0	1.000	\$0	\$0.00	1.00	\$0.00
Medicare Xover - Other	\$757	\$0			\$757	1.000	\$757	\$0.07	1.00	\$0.07
Medicare Xover - Physician	\$0	\$0			\$0	1.000	\$0	\$0.00	1.00	\$0.00
Nursing Facility	\$23,513,826	\$539	\$1,524,920	\$2,357,874	\$27,397,159	0.939	\$25,728,596	\$2,365.17	0.82	\$1,929.98
Outpatient - Other	\$1,924,473	\$2,427			\$1,926,900	1.139	\$2,194,489	\$201.73	0.82	\$164.62
Outpatient - Psychological	\$0	\$0			\$0	1.139	\$0	\$0.00	0.82	\$0.00
Personal Care Services	\$10,004,975	\$1,334	\$13,467	\$48,096	\$10,067,872	1.160	\$11,674,008	\$1,073.16	0.82	\$875.70
Physician - Clinic	\$986,775	\$1,238			\$988,013	1.069	\$1,056,205	\$97.09	0.82	\$79.23
Physician - IP Mental Health	\$1,319	\$2			\$1,320	1.069	\$1,411	\$0.13	0.82	\$0.11
Physician - OP Mental Health	\$2,314,432	\$2,903			\$2,317,336	1.069	\$2,477,277	\$227.73	0.82	\$185.83
Physician - Other Practitioner	\$666,313	\$836			\$667,148	1.069	\$713,195	\$65.56	0.82	\$53.50
Physician - PCP	\$1,199,766	\$1,505			\$1,201,271	1.069	\$1,284,182	\$118.05	0.82	\$96.33
Physician - Specialist	\$889,551	\$1,116			\$890,667	1.069	\$952,140	\$87.53	0.82	\$71.42
Pharmacy	\$6,282,487	\$34		(\$1,867,223)	\$4,415,298	0.954	\$4,213,134	\$387.30	1.00	\$387.30
Transportation - Emergency	\$159,448	\$188		\$14,942	\$174,578	1.028	\$179,485	\$16.50	0.82	\$13.46
Transportation - Non-Emergency	\$0	\$0			\$0	1.000	\$0	\$27.38	1.00	\$27.38
<b>Total</b>	<b>\$63,949,078</b>	<b>\$19,996</b>	<b>\$1,540,830</b>	<b>\$966,343</b>	<b>\$66,476,246</b>			<b>\$6,269.06</b>		<b>\$5,191.91</b>
Admin Cost Adjustment								2.0%		15.0%
Capitation Rate								\$6,397.00		\$6,108.12

Note:  
Patient Payments are carried forward for the following categories: Adult Day Care, Consumer Directed, Nursing Facility, and Personal Care Services.  
Patient Payments for Nursing Facility are excluded from Policy and Program Adjustments application.

**Virginia Medicaid  
FY 2015 PACE Capitation Rate Development  
Capitation Rate Calculations  
Non-Dual Population**

**Exhibit 4b**

Age 55 and Over										
Other MSA	Medicaid Payments FY12 - FY13	Completion Factor Adjustment	Patient Payments FY12 - FY13	Policy and Program Adjustments	Completed and Adjusted Claims	Trend Adjustment	Completed & Trended Claims	UPL PMPM FY15	Managed Care Utilization Adjustment	PACE PMPM FY15
<b>Service Type</b>										
Adult Day Care	\$49,644	\$8		\$10,874	\$60,526	1.020	\$61,764	\$7.03	0.82	\$5.73
Ambulatory Surgery Center	\$15,304	\$19			\$15,323	1.069	\$16,381	\$1.86	0.82	\$1.52
Case Management Services	\$0	\$0			\$0	1.069	\$0	\$0.00	0.82	\$0.00
Consumer Directed Services	\$3,130,985	\$417	\$3,619	\$14,488	\$3,149,509	1.160	\$3,651,953	\$415.38	0.82	\$338.95
DME/Supplies	\$927,256	\$1,092		(\$73,664)	\$854,684	1.028	\$878,705	\$99.95	0.82	\$81.56
Emergency	\$373,659	\$471			\$374,130	1.139	\$426,085	\$48.46	0.82	\$39.55
FQHC	\$54,897	\$69			\$54,965	1.069	\$58,759	\$6.68	0.82	\$5.45
Home Health Services	\$446,337	\$563			\$446,900	1.139	\$508,961	\$57.89	0.82	\$47.24
Inpatient - Medical/Surgical	\$9,240,103	\$4,322		\$501,709	\$9,746,134	1.013	\$9,868,292	\$1,122.45	0.82	\$915.92
Inpatient - Psych	\$15,440	\$0		(\$934)	\$14,506	1.013	\$14,688	\$1.67	0.82	\$1.36
Lab and X-ray Services	\$363,083	\$428		(\$43,621)	\$319,889	1.028	\$328,880	\$37.41	0.82	\$30.52
Medicare Xover - IP	\$653	\$0			\$653	1.000	\$653	\$0.07	1.00	\$0.07
Medicare Xover - Nursing Facility	\$0	\$0			\$0	1.000	\$0	\$0.00	1.00	\$0.00
Medicare Xover - OP	\$0	\$0			\$0	1.000	\$0	\$0.00	1.00	\$0.00
Medicare Xover - Other	\$0	\$0			\$0	1.000	\$0	\$0.00	1.00	\$0.00
Medicare Xover - Physician	\$97	\$0			\$97	1.000	\$97	\$0.01	1.00	\$0.01
Nursing Facility	\$17,824,476	\$409	\$805,212	\$1,787,369	\$20,417,465	0.939	\$19,173,985	\$2,180.90	0.82	\$1,779.62
Outpatient - Other	\$1,892,969	\$2,387			\$1,895,356	1.139	\$2,158,565	\$245.52	0.82	\$200.35
Outpatient - Psychological	\$0	\$0			\$0	1.139	\$0	\$0.00	0.82	\$0.00
Personal Care Services	\$2,738,387	\$365	\$4,304	\$13,167	\$2,756,223	1.160	\$3,195,926	\$363.51	0.82	\$296.63
Physician - Clinic	\$479,808	\$602			\$480,410	1.069	\$513,568	\$58.41	0.82	\$47.67
Physician - IP Mental Health	\$1,874	\$2			\$1,877	1.069	\$2,006	\$0.23	0.82	\$0.19
Physician - OP Mental Health	\$1,183,929	\$1,485			\$1,185,414	1.069	\$1,267,231	\$144.14	0.82	\$117.62
Physician - Other Practitioner	\$521,564	\$654			\$522,219	1.069	\$558,262	\$63.50	0.82	\$51.81
Physician - PCP	\$1,010,952	\$1,268			\$1,012,220	1.069	\$1,082,083	\$123.08	0.82	\$100.43
Physician - Specialist	\$741,465	\$930			\$742,395	1.069	\$793,635	\$90.27	0.82	\$73.66
Pharmacy	\$5,544,053	\$30		(\$1,647,753)	\$3,896,331	0.954	\$3,717,929	\$422.89	1.00	\$422.89
Transportation - Emergency	\$281,077	\$331		\$26,341	\$307,749	1.028	\$316,398	\$35.99	0.82	\$29.37
Transportation - Non-Emergency	\$0	\$0			\$0	1.000	\$0	\$27.38	1.00	\$27.38
<b>Total</b>	<b>\$46,838,012</b>	<b>\$15,853</b>	<b>\$813,135</b>	<b>\$587,975</b>	<b>\$48,254,975</b>			<b>\$5,554.69</b>		<b>\$4,615.49</b>
Admin Cost Adjustment								2.0%		15.0%
Capitation Rate								\$5,668.05		\$5,429.99

Note:  
Patient Payments are carried forward for the following categories: Adult Day Care, Consumer Directed, Nursing Facility, and Personal Care Services.  
Patient Payments for Nursing Facility are excluded from Policy and Program Adjustments application.

**Virginia Medicaid  
FY 2015 PACE Capitation Rate Development  
Capitation Rate Calculations  
Non-Dual Population**

**Exhibit 4b**

Age 55 and Over										
Richmond/Charlottesville	Medicaid Payments FY12 - FY13	Completion Factor Adjustment	Patient Payments FY12 - FY13	Policy and Program Adjustments	Completed and Adjusted Claims	Trend Adjustment	Completed & Trended Claims	UPL PMPM FY15	Managed Care Utilization Adjustment	PACE PMPM FY15
<b>Service Type</b>										
Adult Day Care	\$421,047	\$71	\$4,209	\$93,146	\$518,472	1.020	\$529,070	\$42.13	0.82	\$34.38
Ambulatory Surgery Center	\$13,717	\$17			\$13,734	1.069	\$14,682	\$1.17	0.82	\$0.95
Case Management Services	\$0	\$0			\$0	1.069	\$0	\$0.00	0.82	\$0.00
Consumer Directed Services	\$5,883,190	\$784	\$5,809	\$27,218	\$5,917,002	1.160	\$6,860,946	\$546.33	0.82	\$445.81
DME/Supplies	\$1,600,797	\$1,885		(\$127,171)	\$1,475,512	1.028	\$1,516,980	\$120.80	0.82	\$98.57
Emergency	\$870,166	\$1,097			\$871,263	1.139	\$992,256	\$79.01	0.82	\$64.47
FQHC	\$78,171	\$98			\$78,269	1.069	\$83,672	\$6.66	0.82	\$5.44
Home Health Services	\$555,451	\$700			\$556,151	1.139	\$633,384	\$50.44	0.82	\$41.16
Inpatient - Medical/Surgical	\$11,673,746	\$5,461		\$633,848	\$12,313,055	1.013	\$12,467,388	\$992.77	0.82	\$810.10
Inpatient - Psych	\$57,558	\$0		(\$3,483)	\$54,075	1.013	\$54,752	\$4.36	0.82	\$3.56
Lab and X-ray Services	\$436,842	\$515		(\$52,483)	\$384,873	1.028	\$395,690	\$31.51	0.82	\$25.71
Medicare Xover - IP	\$0	\$0			\$0	1.000	\$0	\$0.00	1.00	\$0.00
Medicare Xover - Nursing Facility	\$3	\$0	\$415		\$418	1.000	\$418	\$0.03	1.00	\$0.03
Medicare Xover - OP	\$0	\$0			\$0	1.000	\$0	\$0.00	1.00	\$0.00
Medicare Xover - Other	\$0	\$0			\$0	1.000	\$0	\$0.00	1.00	\$0.00
Medicare Xover - Physician	\$0	\$0			\$0	1.000	\$0	\$0.00	1.00	\$0.00
Nursing Facility	\$19,761,970	\$453	\$956,527	\$1,981,653	\$22,700,603	0.939	\$21,318,073	\$1,697.55	0.82	\$1,385.20
Outpatient - Other	\$3,204,364	\$4,041			\$3,208,405	1.139	\$3,653,956	\$290.96	0.82	\$237.43
Outpatient - Psychological	\$0	\$0			\$0	1.139	\$0	\$0.00	0.82	\$0.00
Personal Care Services	\$5,893,542	\$786	\$8,892	\$28,336	\$5,931,556	1.160	\$6,877,822	\$547.68	0.82	\$446.91
Physician - Clinic	\$1,113,389	\$1,397			\$1,114,786	1.069	\$1,191,728	\$94.90	0.82	\$77.44
Physician - IP Mental Health	\$2,559	\$3			\$2,562	1.069	\$2,739	\$0.22	0.82	\$0.18
Physician - OP Mental Health	\$2,185,203	\$2,741			\$2,187,944	1.069	\$2,338,954	\$186.25	0.82	\$151.98
Physician - Other Practitioner	\$1,141,790	\$1,432			\$1,143,222	1.069	\$1,222,127	\$97.32	0.82	\$79.41
Physician - PCP	\$926,666	\$1,162			\$927,828	1.069	\$991,866	\$78.98	0.82	\$64.45
Physician - Specialist	\$910,224	\$1,142			\$911,366	1.069	\$974,268	\$77.58	0.82	\$63.31
Pharmacy	\$5,791,693	\$31		(\$1,721,354)	\$4,070,370	0.954	\$3,884,000	\$309.28	1.00	\$309.28
Transportation - Emergency	\$322,123	\$379		\$30,187	\$352,690	1.028	\$362,602	\$28.87	0.82	\$23.56
Transportation - Non-Emergency	\$0	\$0			\$0	1.000	\$0	\$27.38	1.00	\$27.38
<b>Total</b>	<b>\$62,844,211</b>	<b>\$24,196</b>	<b>\$975,852</b>	<b>\$889,897</b>	<b>\$64,734,156</b>			<b>\$5,312.18</b>		<b>\$4,396.69</b>
Admin Cost Adjustment								2.0%		15.0%
Capitation Rate								\$5,420.60		\$5,172.58

Note:  
Patient Payments are carried forward for the following categories: Adult Day Care, Consumer Directed, Nursing Facility, and Personal Care Services.  
Patient Payments for Nursing Facility are excluded from Policy and Program Adjustments application.

**Virginia Medicaid  
FY 2015 PACE Capitation Rate Development  
Capitation Rate Calculations  
Non-Dual Population**

**Exhibit 4b**

Age 55 and Over										
Rural	Medicaid Payments FY12 - FY13	Completion Factor Adjustment	Patient Payments FY12 - FY13	Policy and Program Adjustments	Completed and Adjusted Claims	Trend Adjustment	Completed & Trended Claims	UPL PMPM FY15	Managed Care Utilization Adjustment	PACE PMPM FY15
<b>Service Type</b>										
Adult Day Care	\$3,561	\$1		\$780	\$4,341	1.020	\$4,430	\$0.31	0.82	\$0.26
Ambulatory Surgery Center	\$24,731	\$31			\$24,762	1.069	\$26,471	\$1.88	0.82	\$1.53
Case Management Services	\$3,816	\$5			\$3,821	1.069	\$4,085	\$0.29	0.82	\$0.24
Consumer Directed Services	\$6,228,229	\$830	\$18,582	\$28,872	\$6,276,513	1.160	\$7,277,811	\$516.39	0.82	\$421.38
DME/Supplies	\$1,752,719	\$2,064		(\$139,240)	\$1,615,543	1.028	\$1,660,947	\$117.85	0.82	\$96.17
Emergency	\$820,519	\$1,035			\$821,554	1.139	\$935,644	\$66.39	0.82	\$54.17
FQHC	\$254,758	\$320			\$255,078	1.069	\$272,683	\$19.35	0.82	\$15.79
Home Health Services	\$935,971	\$1,180			\$937,151	1.139	\$1,067,293	\$75.73	0.82	\$61.79
Inpatient - Medical/Surgical	\$12,763,916	\$5,971		\$693,041	\$13,462,927	1.013	\$13,631,672	\$967.23	0.82	\$789.26
Inpatient - Psych	\$4,350	\$0		(\$263)	\$4,087	1.013	\$4,138	\$0.29	0.82	\$0.24
Lab and X-ray Services	\$553,317	\$652		(\$66,476)	\$487,492	1.028	\$501,193	\$35.56	0.82	\$29.02
Medicare Xover - IP	\$0	\$0			\$0	1.000	\$0	\$0.00	1.00	\$0.00
Medicare Xover - Nursing Facility	\$0	\$0			\$0	1.000	\$0	\$0.00	1.00	\$0.00
Medicare Xover - OP	\$0	\$0			\$0	1.000	\$0	\$0.00	1.00	\$0.00
Medicare Xover - Other	\$0	\$0			\$0	1.000	\$0	\$0.00	1.00	\$0.00
Medicare Xover - Physician	\$0	\$0			\$0	1.000	\$0	\$0.00	1.00	\$0.00
Nursing Facility	\$21,714,188	\$498	\$678,615	\$2,177,414	\$24,570,714	0.939	\$23,074,289	\$1,637.22	0.82	\$1,335.97
Outpatient - Other	\$3,191,162	\$4,024			\$3,195,186	1.139	\$3,638,902	\$258.20	0.82	\$210.69
Outpatient - Psychological	\$0	\$0			\$0	1.139	\$0	\$0.00	0.82	\$0.00
Personal Care Services	\$5,548,710	\$740	\$16,972	\$26,719	\$5,593,141	1.160	\$6,485,420	\$460.17	0.82	\$375.50
Physician - Clinic	\$791,748	\$993			\$792,741	1.069	\$847,456	\$60.13	0.82	\$49.07
Physician - IP Mental Health	\$1,543	\$2			\$1,545	1.069	\$1,652	\$0.12	0.82	\$0.10
Physician - OP Mental Health	\$1,784,435	\$2,238			\$1,786,673	1.069	\$1,909,988	\$135.52	0.82	\$110.59
Physician - Other Practitioner	\$580,526	\$728			\$581,254	1.069	\$621,372	\$44.09	0.82	\$35.98
Physician - PCP	\$1,504,019	\$1,887			\$1,505,905	1.069	\$1,609,842	\$114.23	0.82	\$93.21
Physician - Specialist	\$1,032,889	\$1,296			\$1,034,184	1.069	\$1,105,563	\$78.44	0.82	\$64.01
Pharmacy	\$9,194,817	\$49		(\$2,732,799)	\$6,462,067	0.954	\$6,166,188	\$437.52	1.00	\$437.52
Transportation - Emergency	\$428,192	\$504		\$40,127	\$468,824	1.028	\$481,999	\$34.20	0.82	\$27.91
Transportation - Non-Emergency	\$0	\$0			\$0	1.000	\$0	\$27.38	1.00	\$27.38
<b>Total</b>	<b>\$69,118,116</b>	<b>\$25,047</b>	<b>\$714,169</b>	<b>\$28,174</b>	<b>\$69,885,506</b>			<b>\$5,088.49</b>		<b>\$4,237.75</b>
Admin Cost Adjustment								2.0%		15.0%
Capitation Rate								\$5,192.34		\$4,985.59

Note:  
Patient Payments are carried forward for the following categories: Adult Day Care, Consumer Directed, Nursing Facility, and Personal Care Services.  
Patient Payments for Nursing Facility are excluded from Policy and Program Adjustments application.

**Virginia Medicaid  
FY 2015 PACE Capitation Rate Development  
Capitation Rate Calculations  
Non-Dual Population**

**Exhibit 4b**

Age 55 and Over										
Tidewater	Medicaid Payments FY12 - FY13	Completion Factor Adjustment	Patient Payments FY12 - FY13	Policy and Program Adjustments	Completed and Adjusted Claims	Trend Adjustment	Completed & Trended Claims	UPL PMPM FY15	Managed Care Utilization Adjustment	PACE PMPM FY15
<b>Service Type</b>										
Adult Day Care	\$7,350	\$1		\$1,610	\$8,961	1.020	\$9,144	\$0.61	0.82	\$0.49
Ambulatory Surgery Center	\$21,087	\$26			\$21,113	1.069	\$22,570	\$1.49	0.82	\$1.22
Case Management Services	\$0	\$0			\$0	1.069	\$0	\$0.00	0.82	\$0.00
Consumer Directed Services	\$1,623,180	\$216	\$2,376	\$7,513	\$1,633,285	1.160	\$1,893,845	\$125.34	0.82	\$102.28
DME/Supplies	\$1,701,162	\$2,004		(\$135,145)	\$1,568,021	1.028	\$1,612,090	\$106.70	0.82	\$87.06
Emergency	\$970,112	\$1,223			\$971,335	1.139	\$1,106,224	\$73.22	0.82	\$59.74
FQHC	\$91,194	\$114			\$91,309	1.069	\$97,611	\$6.46	0.82	\$5.27
Home Health Services	\$919,713	\$1,160			\$920,873	1.139	\$1,048,755	\$69.41	0.82	\$56.64
Inpatient - Medical/Surgical	\$11,484,515	\$5,372		\$623,573	\$12,113,460	1.013	\$12,265,291	\$811.78	0.82	\$662.41
Inpatient - Psych	\$17,294	\$0		(\$1,047)	\$16,247	1.013	\$16,451	\$1.09	0.82	\$0.89
Lab and X-ray Services	\$525,008	\$618		(\$63,075)	\$462,552	1.028	\$475,551	\$31.47	0.82	\$25.68
Medicare Xover - IP	\$0	\$0			\$0	1.000	\$0	\$0.00	1.00	\$0.00
Medicare Xover - Nursing Facility	\$0	\$0			\$0	1.000	\$0	\$0.00	1.00	\$0.00
Medicare Xover - OP	\$13	\$0			\$13	1.000	\$13	\$0.00	1.00	\$0.00
Medicare Xover - Other	\$21	\$0			\$21	1.000	\$21	\$0.00	1.00	\$0.00
Medicare Xover - Physician	\$2	\$0			\$2	1.000	\$2	\$0.00	1.00	\$0.00
Nursing Facility	\$30,212,989	\$692	\$2,255,317	\$3,029,640	\$35,498,639	0.939	\$33,336,673	\$2,206.38	0.82	\$1,800.41
Outpatient - Other	\$2,555,103	\$3,222			\$2,558,325	1.139	\$2,913,600	\$192.84	0.82	\$157.35
Outpatient - Psychological	\$0	\$0			\$0	1.139	\$0	\$0.00	0.82	\$0.00
Personal Care Services	\$11,652,625	\$1,553	\$54,967	\$56,205	\$11,765,350	1.160	\$13,642,286	\$902.91	0.82	\$736.78
Physician - Clinic	\$1,408,538	\$1,767			\$1,410,305	1.069	\$1,507,643	\$99.78	0.82	\$81.42
Physician - IP Mental Health	\$354	\$0			\$354	1.069	\$379	\$0.03	0.82	\$0.02
Physician - OP Mental Health	\$3,307,105	\$4,148			\$3,311,253	1.069	\$3,539,794	\$234.28	0.82	\$191.17
Physician - Other Practitioner	\$976,507	\$1,225			\$977,731	1.069	\$1,045,214	\$69.18	0.82	\$56.45
Physician - PCP	\$1,670,472	\$2,095			\$1,672,567	1.069	\$1,788,007	\$118.34	0.82	\$96.56
Physician - Specialist	\$1,154,945	\$1,449			\$1,156,394	1.069	\$1,236,208	\$81.82	0.82	\$66.76
Pharmacy	\$8,550,897	\$46		(\$2,541,419)	\$6,009,524	0.954	\$5,734,365	\$379.53	1.00	\$379.53
Transportation - Emergency	\$336,643	\$396		\$31,548	\$368,588	1.028	\$378,947	\$25.08	0.82	\$20.47
Transportation - Non-Emergency	\$0	\$0			\$0	1.000	\$0	\$27.38	1.00	\$27.38
<b>Total</b>	<b>\$79,186,828</b>	<b>\$27,331</b>	<b>\$2,312,659</b>	<b>\$1,009,404</b>	<b>\$82,536,221</b>			<b>\$5,565.11</b>		<b>\$4,616.00</b>
Admin Cost Adjustment								2.0%		15.0%
Capitation Rate								\$5,678.69		\$5,430.59

Note:  
Patient Payments are carried forward for the following categories: Adult Day Care, Consumer Directed, Nursing Facility, and Personal Care Services.  
Patient Payments for Nursing Facility are excluded from Policy and Program Adjustments application.

**Virginia Medicaid  
FY 2015 PACE Capitation Rate Development  
Capitation Rate Calculations  
Non-Dual Population**

**Exhibit 4b**

Age 55 and Over										
All Regions	Medicaid Payments FY12 - FY13	Completion Factor Adjustment	Patient Payments FY12 - FY13	Policy and Program Adjustments	Completed and Adjusted Claims	Trend Adjustment	Completed & Trended Claims	UPL PMPM FY15	Managed Care Utilization Adjustment	PACE PMPM FY15
<b>Service Type</b>										
Adult Day Care	\$560,041	\$94	\$4,209	\$121,160	\$685,504	1.020	\$699,515	\$11.39	0.82	\$9.29
Ambulatory Surgery Center	\$82,344	\$103			\$82,447	1.069	\$88,138	\$1.43	0.82	\$1.17
Case Management Services	\$3,916	\$5			\$3,921	1.069	\$4,192	\$0.07	0.82	\$0.06
Consumer Directed Services	\$21,106,581	\$2,814	\$32,828	\$97,703	\$21,239,926	1.160	\$24,628,349	\$400.91	0.82	\$327.14
DME/Supplies	\$6,917,251	\$8,147		(\$549,524)	\$6,375,875	1.028	\$6,555,064	\$106.71	0.82	\$87.07
Emergency	\$3,687,137	\$4,650			\$3,691,787	1.139	\$4,204,465	\$68.44	0.82	\$55.85
FQHC	\$489,274	\$614			\$489,888	1.069	\$523,700	\$8.53	0.82	\$6.96
Home Health Services	\$3,326,043	\$4,194			\$3,330,237	1.139	\$3,792,708	\$61.74	0.82	\$50.38
Inpatient - Medical/Surgical	\$54,368,523	\$25,432		\$2,952,040	\$57,345,995	1.013	\$58,064,774	\$945.21	0.82	\$771.29
Inpatient - Psych	\$112,835	\$0		(\$6,828)	\$106,007	1.013	\$107,336	\$1.75	0.82	\$1.43
Lab and X-ray Services	\$2,262,590	\$2,665		(\$271,831)	\$1,993,424	1.028	\$2,049,448	\$33.36	0.82	\$27.22
Medicare Xover - IP	\$2,969	\$0			\$2,969	1.000	\$2,969	\$0.05	1.00	\$0.05
Medicare Xover - Nursing Facility	\$3	\$0	\$415		\$418	1.000	\$418	\$0.01	1.00	\$0.01
Medicare Xover - OP	\$13	\$0			\$13	1.000	\$13	\$0.00	1.00	\$0.00
Medicare Xover - Other	\$777	\$0			\$777	1.000	\$777	\$0.01	1.00	\$0.01
Medicare Xover - Physician	\$99	\$0			\$99	1.000	\$99	\$0.00	1.00	\$0.00
Nursing Facility	\$113,027,449	\$2,590	\$6,220,590	\$11,333,950	\$130,584,579	0.939	\$122,631,616	\$1,996.26	0.82	\$1,628.95
Outpatient - Other	\$12,768,071	\$16,102			\$12,784,172	1.139	\$14,559,511	\$237.01	0.82	\$193.40
Outpatient - Psychological	\$0	\$0			\$0	1.139	\$0	\$0.00	1.00	\$0.00
Personal Care Services	\$35,838,238	\$4,777	\$98,603	\$172,523	\$36,114,142	1.160	\$41,875,461	\$681.67	0.82	\$556.24
Physician - Clinic	\$4,780,258	\$5,996			\$4,786,254	1.069	\$5,116,599	\$83.29	0.82	\$67.97
Physician - IP Mental Health	\$7,649	\$10			\$7,658	1.069	\$8,187	\$0.13	0.82	\$0.11
Physician - OP Mental Health	\$10,775,104	\$13,516			\$10,788,620	1.069	\$11,533,244	\$187.74	0.82	\$153.20
Physician - Other Practitioner	\$3,886,699	\$4,875			\$3,891,575	1.069	\$4,160,169	\$67.72	0.82	\$55.26
Physician - PCP	\$6,311,874	\$7,917			\$6,319,791	1.069	\$6,755,979	\$109.98	0.82	\$89.74
Physician - Specialist	\$4,729,075	\$5,932			\$4,735,007	1.069	\$5,061,814	\$82.40	0.82	\$67.24
Pharmacy	\$35,363,947	\$190		(\$10,510,547)	\$24,853,590	0.954	\$23,715,616	\$386.05	1.00	\$386.05
Transportation - Emergency	\$1,527,484	\$1,799		\$143,146	\$1,672,429	1.028	\$1,719,431	\$27.99	0.82	\$22.84
Transportation - Non-Emergency	\$0	\$0			\$0	1.000	\$0	\$27.38	1.00	\$27.38
<b>Total</b>	<b>\$321,936,244</b>	<b>\$112,422</b>	<b>\$6,356,645</b>	<b>\$3,481,793</b>	<b>\$331,887,104</b>			<b>\$5,527.22</b>		<b>\$4,586.30</b>
Admin Cost Adjustment								2.0%		15.0%
Capitation Rate								\$5,640.02		\$5,395.64

Note:  
Patient Payments are carried forward for the following categories: Adult Day Care, Consumer Directed, Nursing Facility, and Personal Care Services.  
Patient Payments for Nursing Facility are excluded from Policy and Program Adjustments application.

**Virginia Medicaid**  
**FY 2015 PACE Capitation Rate Development**  
**Summary of FY 2015 Capitation Rates**  
**Before Nursing Home vs Non-Nursing Home Blending Factor Adjustment**

**Exhibit 5a**

Region	Dual Eligibles FY 2015	Non-Dual Eligibles FY 2015	Weighted Average FY 2015	Difference from UPL Rates
<b>PACE Rates</b>				
Northern Virginia	\$4,292.50	\$6,108.12	\$4,459.22	-5.6%
Other MSA	\$3,525.89	\$5,429.99	\$3,644.03	-5.6%
Richmond/Charlottesville	\$3,497.27	\$5,172.58	\$3,638.64	-5.6%
Rural	\$3,048.85	\$4,985.59	\$3,174.95	-5.5%
Tidewater	\$3,495.29	\$5,430.59	\$3,691.19	-5.5%
Statewide Average weighted by PACE Eligibles	\$3,494.96	\$5,346.57	\$3,641.79	-5.6%

Region	Dual Eligibles FY 2015	Non-Dual Eligibles FY 2015	Weighted Average FY 2015
<b>UPL</b>			
Northern Virginia	\$4,554.35	\$6,397.00	\$4,723.55
Other MSA	\$3,738.89	\$5,668.05	\$3,858.58
Richmond/Charlottesville	\$3,709.10	\$5,420.60	\$3,853.52
Rural	\$3,232.04	\$5,192.34	\$3,359.68
Tidewater	\$3,706.79	\$5,678.69	\$3,906.39
Statewide Average weighted by PACE Eligibles	\$3,706.37	\$5,592.48	\$3,855.93

Note:  
Percent change and weighted average by region based on historical member months for PACE eligibles.

**Virginia Medicaid  
 FY 2015 PACE Capitation Rate Development  
 Historical Fee-For-Service Claims  
 Nursing Home vs Non-Nursing Home Blending Factor**

**Exhibit 5b**

**Dual Population**

Region	Cost		Statewide NH Blending	Blend Factor
	%NH of Avg	%Non-NH of Avg		
Northern Virginia	1.27	0.73	56.5%	1.0351
Other MSA	1.31	0.41	56.5%	0.9180
Richmond/Charlottesville	1.35	0.55	56.5%	1.0036
Rural	1.41	0.51	56.5%	1.0181
Tidewater	1.21	0.73	56.5%	1.0017

**Non-Dual Population**

Region	Cost		Statewide NH Blending	Blend Factor
	%NH of Avg	%Non-NH of Avg		
Northern Virginia	1.41	0.69	42.5%	0.9946
Other MSA	1.52	0.52	42.5%	0.9469
Richmond/Charlottesville	1.72	0.59	42.5%	1.0702
Rural	1.53	0.67	42.5%	1.0353
Tidewater	1.31	0.71	42.5%	0.9679

**Virginia Medicaid  
FY 2015 PACE Capitation Rate Development  
Comparison of Capitation Rates  
Before and After Blending Factor Adjustment**

**Exhibit 5c**

Region	Dual Eligibles			Non-Dual Eligibles			Weighted Average		
	Before Blending	After Blending	% Change	Before Blending	After Blending	% Change	Before Blending	After Blending	% Change
<b>PACE Rates</b>									
Northern Virginia	\$4,292.50	\$4,443.28	3.5%	\$6,108.12	\$6,075.03	-0.5%	\$4,459.22	\$4,593.11	3.0%
Other MSA	\$3,525.89	\$3,236.66	-8.2%	\$5,429.99	\$5,141.87	-5.3%	\$3,644.03	\$3,354.87	-7.9%
Richmond/Charlottesville	\$3,497.27	\$3,509.79	0.4%	\$5,172.58	\$5,535.68	7.0%	\$3,638.64	\$3,680.74	1.2%
Rural	\$3,048.85	\$3,103.97	1.8%	\$4,985.59	\$5,161.34	3.5%	\$3,174.95	\$3,237.93	2.0%
Tidewater	\$3,495.29	\$3,501.12	0.2%	\$5,430.59	\$5,256.48	-3.2%	\$3,691.19	\$3,678.81	-0.3%
Statewide Average weighted by PACE Eligibles	\$3,494.96	\$3,482.94	-0.3%	\$5,346.57	\$5,420.27	1.4%	\$3,641.79	\$3,636.56	-0.1%
Statewide Average weighted by PACE Enrollees*	\$3,446.31	\$3,438.48	-0.2%	\$5,346.57	\$5,399.11	1.0%	\$3,585.16	\$3,581.75	-0.1%

Note:

Percent change and weighted average by region based on historical member months for PACE eligibles.

\*Statewide weighted average based on February 2014 PACE Enrollees.

**Virginia Medicaid**  
**FY 2015 PACE Capitation Rate Development**  
**Summary of FY 2015 Capitation Rates**  
**After Nursing vs Non-Nursing Home Blending Factor Adjustment**

**Exhibit 5d**

Region	Dual Eligibles FY 2015	Non-Dual Eligibles FY 2015	Weighted Average FY 2015	Difference from UPL Rates
<b>PACE Rates</b>				
Northern Virginia	\$4,443.28	\$6,075.03	\$4,593.11	-5.6%
Other MSA	\$3,236.66	\$5,141.87	\$3,354.87	-5.6%
Richmond/Charlottesville	\$3,509.79	\$5,535.68	\$3,680.74	-5.6%
Rural	\$3,103.97	\$5,161.34	\$3,237.93	-5.5%
Tidewater	\$3,501.12	\$5,256.48	\$3,678.81	-5.5%
Statewide Average weighted by PACE Eligibles	\$3,482.94	\$5,420.27	\$3,636.56	-5.5%
Statewide Average weighted by PACE Enrollees*	\$3,438.48	\$5,399.11	\$3,581.75	-5.6%

Region	Dual Eligibles FY 2015	Non-Dual Eligibles FY 2015	Weighted Average FY 2015
<b>UPL</b>			
Northern Virginia	\$4,714.33	\$6,362.34	\$4,865.66
Other MSA	\$3,432.18	\$5,367.30	\$3,552.25
Richmond/Charlottesville	\$3,722.38	\$5,801.10	\$3,897.79
Rural	\$3,290.47	\$5,375.38	\$3,426.22
Tidewater	\$3,712.97	\$5,496.62	\$3,893.52
Statewide Average weighted by PACE Eligibles	\$3,693.63	\$5,665.84	\$3,850.02
Statewide Average weighted by PACE Enrollees*	\$3,646.39	\$5,647.62	\$3,792.62

Note:

Percent change and weighted average by region based on historical member months for PACE eligibles.

\*Statewide weighted average based on February 2014 PACE Enrollees.

**Virginia Medicaid**  
**FY 2015 PACE Capitation Rate Development**  
**Comparison of FY 2014 and FY 2015 Capitation Rates**

**Exhibit 5e**

Region	Dual Eligibles			Non-Dual Eligibles			Weighted Average		
	FY 2014	FY 2015	% Change	FY 2014	FY 2015	% Change	FY 2014	FY 2015	% Change
<b>PACE Rates</b>									
Northern Virginia	\$4,355.78	\$4,443.28	2.01%	\$6,017.67	\$6,075.03	0.95%	\$4,508.38	\$4,593.11	1.88%
Other MSA	\$3,237.49	\$3,236.66	-0.03%	\$5,114.21	\$5,141.87	0.54%	\$3,353.93	\$3,354.87	0.03%
Richmond/Charlottesville	\$3,536.16	\$3,509.79	-0.75%	\$5,620.21	\$5,535.68	-1.50%	\$3,712.02	\$3,680.74	-0.84%
Rural	\$3,083.21	\$3,103.97	0.67%	\$5,235.91	\$5,161.34	-1.42%	\$3,223.38	\$3,237.93	0.45%
Tidewater	\$3,493.32	\$3,501.12	0.22%	\$5,385.17	\$5,256.48	-2.39%	\$3,684.82	\$3,678.81	-0.16%
Statewide Average weighted by PACE Eligibles	\$3,467.58	\$3,482.94	0.44%	\$5,472.20	\$5,420.27	-0.95%	\$3,626.54	\$3,636.56	0.28%
Statewide Average weighted by PACE Enrollees*	\$3,433.79	\$3,438.48	0.14%	\$5,484.89	\$5,399.11	-1.56%	\$3,583.67	\$3,581.75	-0.05%

Note:

Percent change and weighted average by region based on historical member months for PACE eligibles.

\*Statewide weighted average based on February 2014 PACE Enrollees.

**Virginia Medicaid  
 FY 2015 PACE Capitation Rate Development  
 Member Months of Eligibles and Enrollees**

**Exhibit 5f**

**PACE Eligibles, Historical Member Months FY 2012 - FY 2013**

<b>Region</b>	<b>Dual Eligibles</b>	<b>Non-Dual Eligibles</b>	<b>Total</b>
	<b>Member Months</b>		
Northern Virginia	107,591	10,878	118,469
Other MSA	132,905	8,792	141,697
Richmond/Charlottesville	136,264	12,558	148,822
Rural	202,360	14,094	216,454
Tidewater	134,154	15,109	149,263
Statewide Average	713,274	61,431	774,705

**PACE Enrollees, February 2014**

<b>Region</b>	<b>Dual Enrollees</b>	<b>Non-Dual Enrollees</b>	<b>Total</b>
	<b>Member Months</b>		
Northern Virginia	38	6	44
Other MSA	96	3	99
Richmond/Charlottesville	216	24	240
Rural	177	9	186
Tidewater	399	31	430
Statewide Average	926	73	999

**Virginia Medicaid  
 FY 2015 PACE Capitation Rate Development  
 Historical Fee-For-Service Claims  
 Description of Unit Counts**

**Exhibit 6**

<b>Service Type</b>	<b>Type of Units</b>
Adult Day Care	Units
Ambulatory Surgery Center	Units
Case Management Services	Units
Consumer Directed Services	Hours
DME/Supplies	Claims
Emergency	Claims
FQHC	Units
Home Health Services	Claims
Inpatient - Medical/Surgical	Admits
Inpatient - Psych	Days
Lab and X-ray Services	Claims
Medicare Xover - IP	Admits
Medicare Xover - Nursing Facility	Days
Medicare Xover - OP	Claims
Medicare Xover - Other	Claims
Medicare Xover - Physician	Claims
Nursing Facility	Days
Outpatient - Other	Claims
Outpatient - Psychological	Claims
Personal Care Services	Units
Pharmacy	Scripts
Physician - Clinic	Units
Physician - IP Mental Health	Units
Physician - OP Mental Health	Units
Physician - Other Practitioner	Units
Physician - PCP	Units
Physician - Specialist	Units
Transportation - Emergency	Claims
Transportation - Non-Emergency	N/A

**Virginia Medicaid**  
**FY 2015 PACE Capitation Rate Development**  
**Historical Fee-for-Service Claims**  
**County Listing by Region**

**Exhibit 7**

Northern Virginia	Other MSA	Richmond/Charlottesville	Rural	Tidewater
Alexandria City	Amherst County	Albemarle County	Accomack County	Lexington City
Arlington County	Appomattox County	Amelia County	Alleghany County	Lunenburg County
Clarke County	Bedford City	Caroline County	Augusta County	Madison County
Fairfax City	Bedford County	Charles City County	Bath County	Martinsville City
Fairfax County	Botetourt County	Charlottesville City	Bland County	Mecklenburg County
Falls Church City	Bristol City	Chesterfield County	Brunswick County	Middlesex County
Fauquier County	Campbell County	Colonial Heights City	Buchanan County	Northampton County
Fredericksburg City	Craig County	Cumberland County	Buckingham County	Northumberland County
Loudoun County	Danville City	Dinwiddie County	Buena Vista City	Norton City
Manassas City	Franklin County	Fluvanna County	Carroll County	Nottoway County
Manassas Park City	Frederick County	Goochland County	Charlotte County	Orange County
Prince William County	Giles County	Greene County	Clifton Forge City	Page County
Spotsylvania County	Harrisonburg, City of	Hanover County	Covington City	Patrick County
Stafford County	Lynchburg City	Henrico County	Culpeper County	Prince Edward County
Warren County	Montgomery County	Hopewell City	Dickenson County	Rappahannock County
	Pittsylvania County	King and Queen County	Emporia City	Richmond County
	Pulaski County	King William County	Essex County	Rockbridge County
	Radford, City of	Louisa County	Floyd County	Russell County
	Roanoke City	Nelson County	Franklin City	Shenandoah County
	Roanoke County	New Kent County	Galax City	Smyth County
	Rockingham County	Petersburg City	Grayson County	Southampton County
	Salem City	Powhatan County	Greensville County	Staunton City
	Washington County	Prince George County	Halifax County	Tazewell County
	Winchester, City of	Richmond City	Henry County	Waynesboro City
		Sussex County	Highland County	Westmoreland County
			Lancaster County	Wise County
			King George County	Wythe County
			Lee County	Scott County

Scott County is in Other MSA for Medallion II rate setting, but is moved to Rural for PACE rate setting.  
 Bedford County is in Roanoke-Alleghany for Medallion II rate setting, but is retained in Other MSA for PACE rate setting.