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

**FAMIS and FAMIS MOMS
Data Book and Capitation Rates
Fiscal Year 2015**

Final June 2014

Submitted by:

PricewaterhouseCoopers LLP
Three Embarcadero Center
San Francisco, CA 94111





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

June 24, 2014

Dear Bill:

Re: Revised FY 2015 FAMIS and FAMIS MOMS Data Book and Capitation Rates

The enclosed report provides a detailed description of the methodology used for calculating capitation rates for the Virginia Medicaid FAMIS and FAMIS MOMS programs for FY 2015. The methods used for calculating these costs are consistent with Centers for Medicare and Medicaid Services and State Children's Health Insurance Program requirements.

Please call Sandi Hunt at 415/498-5365 or Susan Maerki at 415/498-5394 if you have any questions regarding these capitation rates.

Very Truly Yours,

PricewaterhouseCoopers LLP

A handwritten signature in black ink that reads "Sandra S. Hunt".

By: Sandra S. Hunt, M.P.A.
Principal

A handwritten signature in black ink that reads "Susan C. Maerki".

Susan Maerki, M.H.S.A., M.A.E.
Director

Table of Contents

I.	FAMIS program rate development	1
I.A.	Introduction	1
I.B.	FAMIS program description	2
I.C.	Data book	3
I.D.	Capitation rate calculations	3
I.E.	FAMIS legislative and program adjustments	4
I.F.	FAMIS Trend and IBNR Adjustments	7
I.G.	Capitation rates for FAMIS	8
II.	FAMIS MOMS program rate development	10
II.A.	Introduction	10
II.B.	FAMIS MOMS program description	10
II.C.	Data book	11
II.D.	FAMIS MOMS legislative and program adjustments	11
II.E.	FAMIS MOMS trend and IBNR adjustments	13
II.F.	Capitation rates for FAMIS MOMS	13

Table of Exhibits

I FAMIS program rate development

- Exhibit I.1a Historical Eligibility, Claims, and Utilization Data – Health Plan Encounter Data – FAMIS
- Exhibit I.1b Historical Eligibility, Claims, and Utilization Data – PCCM Fee-for-Service Data – FAMIS
- Exhibit I.1c Historical Eligibility, Claims, and Utilization Data – Blended MCO and PCCM Data – FAMIS
- Exhibit I.2a Pharmacy Adjustment
- Exhibit I.2b Exempt Infant Formula Carveout Adjustment
- Exhibit I.2c Hospital Inpatient Adjustments
- Exhibit I.2d Emergency Transportation Adjustment
- Exhibit I.2e Durable Medical Equipment Adjustment
- Exhibit I.2f Provider Incentive Payment Adjustment
- Exhibit I.2g Administrative Cost Adjustment
- Exhibit I.3 IBNR, Policy/Program, and Trend Adjustments – FAMIS
- Exhibit I.4 Capitation Rate Calculation – Blended MCO and PCCM Data – FAMIS
- Exhibit I.5a Summary of FY 2015 FAMIS Capitation Rates Below & Above 150% Federal Poverty Level
- Exhibit I.5b Comparison of FY 2014 and FY 2015 FAMIS Capitation Rates
- Exhibit I.5c March 2014 FAMIS Member Months Distribution
- Exhibit I.6 Drug Reinsurance Adjustment
- Exhibit I.7 FY 2015 FAMIS Capitation Rates Below & Above 150% Federal Poverty Level Net of Reinsurance
- Exhibit I.8 Health Insurer Premium Tax Adjustment
- Exhibit I.9a Anthem Blue Cross and Blue Shield FAMIS Capitation Rate
- Exhibit I.9b CoventryCares FAMIS Capitation Rate
- Exhibit I.9c InTotal Health FAMIS Capitation Rate
- Exhibit I.9d Kaiser Permanente FAMIS Capitation Rate

-
- Exhibit I.9e MajestaCare FAMIS Capitation Rate
 - Exhibit I.9f MajestaCare FAMIS Capitation Rate
 - Exhibit I.9g Virginia Premier FAMIS Capitation Rate
 - Exhibit I.9h Summary of FAMIS Average Capitation Rates

II FAMIS MOMS program rate development

- Exhibit II.1 Historical Eligibility, Claims, and Utilization Data – Health Plan Encounter Data – FAMIS MOMS
- Exhibit II.2a Pharmacy Adjustment
- Exhibit II.2b Hospital Inpatient Adjustments
- Exhibit II.2c Emergency Transportation Adjustment
- Exhibit II.2d DME Fee Adjustment
- Exhibit II.2e Provider Incentive Payment Adjustment
- Exhibit II.2f Administrative Cost Adjustment
- Exhibit II.3 IBNR, Policy/Program, and Trend Adjustments – FAMIS MOMS
- Exhibit II.4 Capitation Rate Calculation – Health Plan Encounter Data – FAMIS MOMS
- Exhibit II.5 Comparison of FY 2014 and FY 2015 FAMIS MOMS Capitation Rates

Virginia Medicaid FAMIS and FAMIS MOMS Data Book and Capitation Rates

**Fiscal Year 2015
For Rates Effective July 1, 2014**

**Prepared by PricewaterhouseCoopers LLP
June 2014**

PricewaterhouseCoopers LLP (PwC) has calculated capitation rates for the Virginia Family Access to Medical Insurance Security (FAMIS) program and for pregnant women up to 200% FPL, FAMIS MOMS program, for State Fiscal Year 2015. We primarily used data submitted by the contracting health plans to estimate the cost of providing services. Because of an expansion of managed care into a new region, Far Southwest, we also use one year of Virginia Department of Medical Assistance (DMAS) Fee-for-Service (FFS) paid claims for the FAMIS population that has recently been enrolled in managed care. The development of these rates is discussed in this report and shown in the attached exhibits.

The methodology used is consistent with the actuarial soundness requirements for Medicaid managed care and is similar to the steps described in the Medallion 3.0 Data Book and Capitation Rates Fiscal Year 2015 (the "Medallion 3.0 report"). Please refer to that document for a complete description of the methodology. We have included in the report for the FAMIS and FAMIS MOMS Data Book and Capitation Rates Fiscal Year 2015 only information specific to the FAMIS and FAMIS MOMS programs and rate setting. However, the exhibits accompanying the report are complete.

I. FAMIS program rate development

I.A. Introduction

Title XXI does not impose specific rate setting requirements on states. Consequently, unlike Medicaid Managed Care programs that operate under Title XIX, states have significant flexibility in their approach to determining appropriate payment rates. Similar to most states, Virginia has chosen to mirror the Medicaid rate setting methodology for FAMIS, with appropriate adjustments to recognize differences in the covered population and the goals of the program. The FAMIS per member per month (PMPM) calculation relies on the analysis of health plan data submissions for this enrolled population with adjustments that would meet the test of actuarial soundness.

The development of the FAMIS rates is shown in the attached spreadsheets, with base capitation rates shown in Exhibit I.5a and the associated member months as of March 2014 in Exhibit I.5c. Capitation rate cells for FAMIS are statewide and vary based on the following criteria:

- **Age/Gender.** Capitation rates are paid separately for the following age/gender groups: Under 1, 1-5, 6-14, 15-18 Female, and 15-18 Male.
- **Income Level.** FAMIS includes member co-payment requirements based on income level. There are separate rates for those under and over 150% of the Federal Poverty Level.

I.B. FAMIS program description

The State Children's Health Insurance Program (SCHIP) was promulgated under Title XXI of the Social Security Act through the Balanced Budget Act of 1997. This federal legislation authorized states to expand child health insurance to uninsured, low-income children through either a Medicaid expansion, a commercial-like health plan with comprehensive benefits, or both models. The 2009 federal reauthorization legislation changed the name to Children's Health Insurance Program (CHIP).

Virginia began its program, called Children's Medical Security Insurance Plan (CMSIP), in October 1998 modeled on the Medicaid FFS program. The program covered eligible children from birth through age 18 in families with income at or below 185% of the federal poverty level. State Legislation was passed in 2000 to change CMSIP to a more commercially-based model.

The program transitioned to the Family Access to Medical Insurance Security (FAMIS) in August 2001 with health plan enrollment beginning in December 2001.

The FAMIS program covers eligible children from birth through age 18 in families with income at or below 200% of the Federal Poverty Level. Both a centralized eligibility processing unit and Local Departments of Social Services work together to create a "no wrong door" process that simplifies eligibility determination, resulting in a streamlined and shorter application process. A 12-month waiting period for persons who voluntarily dropped health insurance was ultimately reduced to 4 months. Health care services are delivered through managed health care insurance and FFS programs.

The FAMIS benefit package is designed to be equivalent to the benefit package offered to Virginia State employees and therefore does not cover all of the services offered to children in the Medicaid program.

The following services, which are covered under Medicaid, are not covered under FAMIS:

1. EPSDT services – Early and Period Screening Diagnosis and Treatment services, is not a covered service under FAMIS. However, many of the services that are covered as EPSDT services by Medicaid are covered under FAMIS' well child and immunization benefits.
2. Psychiatric Treatment in freestanding facilities is not covered (but is covered when provided in a psychiatric unit of an acute hospital).
3. Routine transportation to and from medical appointments is not covered. Emergency transportation is covered.
4. Enrollees share in the cost of certain services through limited co-payments similar to commercial health plan practices. The following table shows the schedule of co-payments for children in families above and below 150% federal poverty level.

FAMIS cost sharing requirements by service

Service	Cost sharing	
	>150% FPL	<=150% FPL
Office Visit Copay	\$ 5.00	\$ 2.00
Specialist Copay	\$ 5.00	\$ 2.00
IP Copay/Admit	\$ 25.00	\$ 15.00
Rx	\$ 5.00	\$ 2.00
Annual Co-payment Maximum	\$ 350.00	\$ 180.00

As required by Title XXI, cost sharing will not exceed 5% of a family's gross income for families with incomes from 150% to 200% of poverty. Cost sharing will not exceed 2.5% of gross income for families with incomes below 150% of poverty.

I.C. Data book

The data available to PwC for developing the capitation rates, the process used for selecting the claims and the individuals that are included in the rate development process is similar to the process described in the Medallion 3.0 report. In addition, processing and adjustments that are made to the data in the early stages of the rate development process are similar.

The rate developed is a statewide rate based upon data for FY 2012 and FY 2013. For the FY 2012 Roanoke-Alleghany expansion, all FAMIS members in the Roanoke service area were already in mandatory Managed Care Organizations (MCO) and there were a limited number who transitioned from FFS to MCO in the four localities in the Alleghany service area. For the FY 2013 Far Southwest expansion, all members transitioned from FFS to MCO. Any new FAMIS enrollees throughout the state will be paid the rates described in this report.

In the FAMIS rate setting process, historical claims data for the total population, both the <=150% FPL and the >150% FPL, are combined, adjusted, and trended. We first present the MCO FAMIS encounter summary in Exhibit I.1a. A change in policy effective July 1, 2010 altered the enrollment of FAMIS newborn. Since then, babies born to mothers enrolled in FAMIS MOMS are deemed eligible for FAMIS without having to file an application. As of the FY 2014 rate setting, the Under Age 1 rate cell has two full years of data available under this policy.

The FAMIS FFS costs from the Far Southwest FAMIS expansions are presented in Exhibit I.1b. The blend of the FAMIS MCO and the FAMIS FFS costs are shown in Exhibit I.1c. This blended total is then adjusted and trended. The final adjustment in the rate development reflects the difference in the co-payment schedules for the two income groups and then an administrative cost factor is applied.

I.D. Capitation rate calculations

The capitation rates for FY 2015 are calculated based on the historical data shown in Exhibit I.1a to Exhibit I.1c adjusted to reflect changes in payment rates and covered services. Each adjustment to the historical data is described in the following section. The adjustments are applied to the historical data and resulting capitation rates are presented in Exhibits I.5a and I.5b.

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

1. The combined FY 2012 and FY 2013 historical data for each age-gender rate cell and service category are brought forward to Exhibit I.4 from the corresponding rate cell in Exhibit I.1c. 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 Virginia General Assembly. . In addition, there are other program or service changes not reflected in the base data. Each of these adjustments is described in detail below under Section I.E, and is shown in Exhibits I.2a to I.2f.
3. The claims data are adjusted to reflect the expected value of Incurred But Not Reported (IBNR) claims and to update the data to the FY 2015 contract period. These adjustments are described in Section I.F and are shown in Exhibit I.3. The resulting claims are shown in Exhibit I.4 under the column “Completed & Trended Claims”.
4. The adjusted claims costs from Step 3 are divided by the count of member months for each rate cell (from Exhibit I.1c) to arrive at preliminary PMPM costs by service category.
5. The PMPM costs are summarized by rate cell across all service categories to arrive at the cost for each rate cell.
6. An adjustment is made to reflect the differences in the co-payment schedule applicable to FAMIS members below and above 150% of the Federal Poverty Level in Exhibit I.5a. Co-payment adjustments are made for major service categories; they are not added across all individual claims as health plans may require different collection of co-payments.
7. An adjustment is also made in Exhibit I.5a to reflect average health plan administrative costs plus a 1.5% contribution to reserves. The derivation of this value is included in the Adjustments described in Section I.E.

I.E. FAMIS legislative and program adjustments

Legislation and policy changes in the FAMIS program for FY 2012 and later must be reflected in the development of per capita rates, as the data used to develop rates do not fully include the effect of those changes.

The historical data presented in Exhibit I.1 is adjusted by the policy and program factors described in this section (Exhibits I.2a to I.2h) and the Trend and IBNR factors (Exhibit I.3).

In general, the methodology for FAMIS adjustments is similar to the adjustments in the Medallion 3.0 report. Actual adjustment values may differ where the adjustment is developed using FAMIS encounter data instead of Medallion 3.0 encounter or PCCM data. These adjustments based on FAMIS encounter data are applied to the blended MCO and FFS historical costs in Exhibit I.1c. Separate adjustments were not calculated for the Far Southwest FAMIS FFS data. All of these adjustments are reflected in the column “Policy and Program Adjustments” in Exhibit 4 except for the Provider Incentive and Administrative Cost Adjustments.

Pharmacy adjustment

The outpatient prescription drug adjustment is based on FAMIS health plan data, taking into consideration aspects of pharmacy management reported by the health plans. The calculation uses health plan data, with factors for rebates, and Pharmacy Benefit Management (PBM) fees, to determine an adjusted PMPM amount.

The Federal Affordable Care Act (ACA) signed in March 2010 extended Medicaid FFS pharmacy rebates to Medicaid managed care plans. MCOs are required to submit pharmacy data to the State Medicaid agency, which will then submit the information to the pharmaceutical manufacturers to claim the rebate. PBM contracts with the MCOs are being modified to reduce the rebate available to the MCOs for their Medicaid managed care populations.

The same pharmacy rebates are not available to the state for the FAMIS program. However, the size and drug utilization of the FAMIS population is not, by itself, considered sufficient to allow the plans to negotiate comparable levels of rebate that were contracted for the Medicaid managed care population. Based on plan submitted data, we estimate the effective pharmacy rebate will not change from the amount projected by the health plans, or 2.3%.

The final pharmacy adjustment factors are shown in Exhibit I.2a. The PBM factor is a reduction of 2.8%.

Exempt infant formula carveout adjustment

DMAS policy regarding reimbursement of selected formula for infants with diseases of inborn errors of metabolism requires direct billing for those services. Historically, the health plans referred members to the Woman, Infants, and Children (WIC) program for these services, but pay for services after the WIC benefit maximum is reached. This adjustment removes the amount that the health plans paid for selected formulas after children up to age 19 have met the WIC cap. The exempt formula adjustment is applied to all children up to age 19. DMAS provided a list of HCPCS codes to identify the exempt formula services.

The value of these services has been removed and is shown in Exhibit I.2b. The adjustment is applied to the DME/Supplies service line in Exhibit I.4 under the column labeled "Policy and Program Adjustments".

Hospital inpatient adjustments

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 FAMIS inpatient medical/surgical, the positive adjustment is 5.4%. For inpatient psychiatric in acute care hospitals, the negative adjustment is -5.6%. The inpatient psychiatric factor is applied to mental health claims that are submitted with FFS payment detail and the allocated inpatient mental health subcapitation dollars.

These adjustment factors are shown in Exhibit I.2c and applied to all hospital inpatient service categories in Exhibit I.4 under the column labeled "Policy and Program Adjustments".

Emergency transportation adjustment

The Virginia General Assembly increased Medicaid emergency transportation rates for FY 2013 to 40% of the applicable Virginia Medicare Ambulance Fee Schedule. Under existing contracting arrangements, the MCOs may pay more than the DMAS Medicaid ambulance schedule, and frequently pay more than 40% of Medicare. Using payments reported for FY 2011, DMAS estimated the cost for the MCOs to move all rates to at least 40% of the CY2012 Medicare rates at \$442,537 annually. This must be applied to the FY 2012 base data, is distributed across all managed care programs (Medallion 3.0 and FAMIS/FAMIS MOMS), and is an increase of \$0.03 PMPM. This value is calculated as a percent of the trended Emergency transportation payments.

This adjustment factor is shown in Exhibit I.2d and added in Exhibit 4a under the column labelled "Policy and Program Adjustments".

Durable Medical Equipment fee 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 Medicare 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, and \$1.6 million in MCO savings. DMAS estimated that the rates are 33% lower than the current FFS Medicaid rates for these DME services.

DMAS provided a list of DME HCPCS codes subject to the Medicare competitive bid program, the cost savings per unit and a calculated savings percentage per affected DME code. This information was used to compare the DMAS fee schedule to the MCO average fee schedule. The difference between the Medicare competitive bid prices and the MCO DME fee schedule 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, 5.5% of FAMIS DME claims dollars were for codes subject to the reduction, with an estimated savings of 33.2%. This adjustment will be revised if the final budget authorized by the Virginia General Assembly modifies the Introduced Budget.

This results in adjustment factor reduction of 1.8%. It is shown in Exhibit 2e and added in Exhibit 4a and 4c under the column labeled “Policy and Program Adjustments”.

Provider incentive adjustment

The Provider Incentive Payment Adjustment takes into consideration the various ways that health plans provide incentive payments to providers for coordinating care and ensuring access. Depending on the plan, this can be done through an increase in provider fee schedules, payment of case management fees, and/or provider incentive programs. To the extent that it has been used to increase professional fee schedules, the amount is already included in the claims and encounter data. Some plans reported the case management and incentive amounts as capitation payments. To avoid double counting, we did not include the value of the capitation amounts that plans reported as representing those payments in the base data. Their value has been incorporated into the Provider Incentive Payment Adjustment.

This adjustment represents the percentage value of the case management and provider incentive payments that are paid separately from the encounter data. The value of the FAMIS incentive is \$1.83 PMPM. This translates to 1.3% of the weighted average PMPM medical cost. This percentage is shown in Exhibit I.2f and is presented as the dollar value applicable to the rate cell in the service line labeled Provider Incentive Payment Adjustment in Exhibit I.4.

Plan administration 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. Each health plan provided revenue and administrative cost data for calendar year 2012 consistent with the information provided to the Virginia Bureau of Insurance on the required form entitled *Analysis of Operations by Lines of Business*, and as necessary, notes to interpret the financial figures. We also received the *Underwriting and Investment Exhibit, Part 3, Analysis of Expenses*.

The first step of the calculation of the administrative factor develops an administrative dollar PMPM. The administrative adjustment uses figures from these reports, adjusted to remove self-reported payment of state taxes and other disallowed costs as identified by DMAS in previous health plan audits. It is weighted by the calendar year member month distribution to arrive at an average administrative cost across all contracted health plans.

The average administrative dollar PMPM is apportioned across the eligibility groups enrolled in the Virginia DMAS managed care programs - ABAD, ALTC, LIFC Child, LIFC Adult, FAMIS, FAMIS MOMS, and Foster Care/Adoption Assistance - using the ratio of the adjusted and trended base PMPM for each aid category. The CY 2013 FAMIS administrative PMPM is \$10.09 and is the sum of lines 1 and 2 of the administrative adjustment exhibit.

Using the breakdown of administrative expenses from the BOI reports, the salary and all other general administrative components of the historical PMPM are separately trended to the FY 2015 contract period. The salary component is trended using the Bureau of Labor Statistics 2013 calendar year employment cost trend for total compensation, private industry, management, business and financial services. The non-salary administrative component and the Claims Adjustment expense components are trended using the 2013 calendar year Consumer Price Index for All Urban Consumers (CPI-U). The trended administrative PMPM is \$10.41 PMPM for FAMIS.

To reflect an estimate of administrative activity, these administrative dollars PMPM were reallocated based on weighting by claims volume PMPM for each eligibility group. This is 1.28 average claims PMPM for FAMIS compared to 1.42 average claims for LIFC Child, with an overall average of 2.25 claims across all program categories, including Medallion 3.0, FAMIS and FAMIS MOMS. The reallocation increases the FAMIS administrative PMPM to \$12.06 making it more comparable to the LIFC Child allocation.

The reallocated administrative cost is compared to the weighted average of the medical component of the FY 2015 base rates to determine separate administrative allowances as a percentage of the base capitation rate. This

percentage is then increased by a 1.50% contribution to reserves. The allowance for a contribution to reserve is the same as in last year's rate setting. The trended value of the administrative factor is 9.4% for FAMIS.

Effective January 1, 2014, health plans, including Medicaid and FAMIS managed care plans, will be subject to a health plan excise tax established under the Affordable Care Act. Formal Federal guidance on the calculation of the value of the tax has been issued, but the tax assessment for each plan has not been calculated. A rate adjustment for the excise tax will not be known until later this year and is not included in the administrative cost adjustment presented here.

The administrative cost factor is applied to the total adjusted and trended claims amount for each rate payment category. This adjustment factor is applied in the final step of the per capita cost calculations after the application of the co-payment adjustment in Exhibit I.5a.

I.F. FAMIS Trend and IBNR Adjustments

Trend and IBNR adjustment factors usually use FAMIS encounter data and apply the same methodology described in the Medallion 3.0 report. We used the monthly historical health plan expenditures for FY 2012 and FY 2013 with run-out through October 2013 to develop the historical data period trend and monthly historical health plan expenditures from July 2010, the beginning of FY 2011, through December 2013 with run-out through February 2014 to develop the contract period trend. The FY 2013 Far Southwest encounter data was excluded from the model.

We have observed age-gender mix changes in the FAMIS population. During the data period, there has been an increase in the proportion of higher cost FAMIS children, particularly the Under Age 1, likely due to a policy change that made children born to FAMIS MOMS eligible for FAMIS without an application, and a decrease in both the male and females Age 15 to 20 rate cells.

However, with the inclusion of the run out data, we observe different changes in the age-gender mix. Specifically, towards the end of 2013 and through the beginning of 2014, we observe a sharp drop off in the number of Under Age 1, presumably due to the policy decision to halt new enrollment into the FAMIS MOMS program as of December 31, 2013. Those births were a major source of newborn enrollment. During the same time, we observe larger month-to-month increases in the children Age 1-5 and Age 6-14, possibly due to "woodwork" enrollment associated with outreach activities marketing the enrollment period for the individual health exchange. While analysis of the period evaluated for data period trend shows an age-gender increase of 8.1 for inpatient hospital, driven primarily by the increase in newborns, this reversed to a decrease of 6.0% when evaluated to March 2014. All Services age-gender mix increased by 1.9% over the period evaluated for data trend; by March 2014, the All Services age-gender mix had decreased to -1.7%.

Because of this rapid change, contract period trend was evaluated using a model that excludes the Under Age 1 population and age-gender factors developed without the Under Age 1 were applied to the trend models.

Incurred But Not Reported (IBNR) completion factors in the first column of Exhibit I.3 are based on the FAMIS historical data and are applied to the total claims in the first column of Exhibit I.4, with the dollar value of the IBNR completion factors shown in the second column of that exhibit. The data used in this analysis has run-out through October 2013 or four months past the end of the data reporting period, and the resulting IBNR factors, with the exception of inpatient hospital, are generally small. IBNR factors for Outpatient Hospital, Inpatient Psychiatric, Practitioner, Prescription Drug and Other services are all calculated to be 1.0% or less. Inpatient Hospital IBNR is 2.1%, likely due to the impact of more high cost newborn claims. The second column of Exhibit I.3 provides information on the cumulative impact of the policy and program adjustments in Exhibits I.2a - I.2f. This is for information purposes and should be evaluated in conjunction with the IBNR and applied trend.

Inpatient hospital trend for both data period and contract period trend is adjusted downward during the FY 2013 time period for the 2.6% unit cost increase that is in the second year of the historical base data. The contract period trend is also adjusted downward for the FY 2014 rebasing increase of 4.7%. These unit cost increases are included in the Inpatient Hospital Adjustments in Exhibit I.2c. Pharmacy data trend relies upon the standard models. We modified the pharmacy contract period model results to add a 1% increase in trend. This factor represents the projected 4% utilization trend of specialty drugs applied to the 25% of prescription drug expenditures for specialty drugs.

Utilization and cost trends are presented separately for the data period and as a combined trend for the contract period. Overall, the data period trend, using the adjusted FAMIS trend factors and weighted by the service distribution in the FAMIS population, has a weighted average of 6.8%. The contract period trend is lower with a weighted average of 4.2%.

The resulting trend factors are shown in Exhibit I.3. These trend and IBNR factors are applied to the historical data in Exhibit I.4 by applicable service category. The Exhibit I.4 includes an additional column "Base Claims Redistribution FY11-12" which represents the redistributed value of individual annual inpatient claims costs above \$250,000. Approximately \$913,000, or 3.8% of the inpatient dollars, was redistributed across the inpatient hospital service lines. IBNR is applied to the Total Base Claims excluding the redistributed dollars.

I.G. Capitation rates for FAMIS

Adjustment for FAMIS co-payment schedule

The FAMIS benefit package includes member co-payments for inpatient admissions, physician office visits, and outpatient pharmacy services. FAMIS copayments have not changed over time. Using this information, the historical data for each plan was increased separately for the under and over 150% FPL populations by the value of the co-payments. The total value of the co-payments was added to the historical claims base to arrive at a total cost of services. The co-payment adjustment is applied for major service categories. There are some differences among plan co-payment schedules, such as variation between medical supplies and DME co-payments, which are not applied because of insufficient information or lack of claims detail. FFS FAMIS copayments were blended with the reported MCO copayment amounts.

The final step in developing the capitation rates for FAMIS is to adjust the combined base rates for the under 150% FPL and over 150% FPL. This was done through a factor that valued the differences in the co-payment amount for separate categories relative to the average utilization of the entire FAMIS population. The separate under 150% FPL and over 150% FPL co-payment adjustment values for medical services for each age-gender cell is shown under the columns Copay Value FAMIS ≤150% and Copay Value FAMIS >150% in Exhibit I.5a. The co-payment adjustments for FY 2015 are slightly higher than those that were applied to the FY 2014 FAMIS rate setting for both those under 150% and those over 150% FPL. These values are subtracted from the medical component of the base rate.

The administrative factor is then applied to the medical component of the capitation rate to produce the statewide FAMIS rates. The resulting values are shown in the last two columns of Exhibit I.5a.

Exhibit I.5b is the summary comparison of FY 2014 and FY 2015 FAMIS rates. Compared to those rates, average statewide FAMIS ≤150% FPL rates increase 2.25% and average state wide FAMIS >150% FPL rates increase 2.40% with a weighted average increase of 2.36%. This comparison uses the FAMIS member months as of March 2014 that are shown in Exhibit I.5c.

Drug reinsurance adjustment

DMAS proposes to reinsure 90% of the cost of drug costs above \$150,000 per member per year. This will apply to the combined cost of pharmacy prescription drugs as well as the cost of can drugs administered under professional

supervision in a hospital outpatient or physician office setting. The FAMIS reinsurance program does not focus on one drug or a group of drugs but is designed around members with high drug costs regardless of the drugs therapy that is used. The goal is to address the high cost drug issue using financial criteria rather than drug criteria. DMAS has determined that a reinsurance program will not cover 100% of the cost. This is to provide an incentive for plans to continue to manage the appropriate use of all drugs.

The FY 2012 and FY 2013 historical data was analyzed to determine the total dollars and the number of members with drug costs in increments of \$25,000. This included outpatient prescription pharmacy drugs, specialty drugs administered in a hospital outpatient or physician office setting, or a combination of both. Results of the continuance table analysis indicated there was an increase in the dollar expenditure of those with high annual drug costs between the two base years. For FAMIS, high cost members account for approximately 11.2% of pharmacy expense.

The reinsurance amounts were calculated separately for each year. This begins with the calculation of the discounted threshold, the annual cost drug cost, that when trended to FY 2015, would reach the FY 2015 \$150,000 reinsurance threshold. A 12% specialty drug unit cost trend was used as the discount rate. In general, members with \$100,000 to \$125,000 in annual drug costs during the base period were estimated to meet the \$150,000 threshold for FY 2015.

Exhibit I.6 presents the steps in the reinsurance calculation and information on the number of people who met the threshold in each of the base years. For FY 2012, the dollars above the discounted threshold amounts were trended three years at 12%. This amount is reduced by \$150,000 per person plus the additional 10% of risk that will be retained by the health plans. This is the estimate of the 90% reinsurance pool for that year. The calculation is repeated for the FY 2013 dollars above the discounted threshold amount, which is trended at 12% for two years. The average of the two year base period reinsurance pool is divided by the historical members in the aid category to develop each reinsurance amount PMPM.

The FAMIS reinsurance amount is \$2.21 PMPM. This amount is subtracted from the FAMIS capitation payment to fund a drug reinsurance pool.

This calculation is shown in Exhibit I.6 and the FAMIS rates, as adjusted for removal of the drug reinsurance amount and weighted by the March 2014 member month distribution, are shown in Exhibits I.7.

Health insurer premium tax adjustment

Effective January 1, 2014, health plans, including FAMIS managed care plans, will be subject to a health plan excise tax established under the Affordable Care Act. Formal Federal guidance on the calculation of the value of the tax has been issued, but the 2014 health plan allocations have not been calculated by the Internal Revenue Service.

A rate adjustment for the excise tax is not presented here because the cost will not be known until August 2014 and will not be paid by the health plans until September 2014. DMAS plans to adjust FY 2015 capitation rates to reflect this cost in October. . DMAS plans to adjust FY 2015 capitation rates to reflect this cost in October and make a lump sum payment for FY 2015 at that time.

A placeholder adjustment is shown in Exhibit I.8. There will be a separate premium tax adjustment for each health plan. These are placeholder Exhibits I.9a to I.9g.

II. FAMIS MOMS program rate development

II.A. Introduction

Title XXI does not impose specific rate setting requirements on states. Similar to most states, Virginia has chosen to mirror the Medicaid rate setting methodology for FAMIS MOMS, with appropriate adjustments to recognize differences in the covered population and the goals of the program. The FAMIS MOMS PMPM calculation relies on the analysis of health plan data submissions for this enrolled population with adjustments that would meet the test of actuarial soundness. There is a single statewide rate for FAMIS MOMS.

II.B. FAMIS MOMS program description

The 2004-2005 Virginia General Assembly budgeted funding for a program “to expand prenatal care, pregnancy-related services, and 60 days of post-partum care under FAMIS to an annual estimated 380 pregnant women who are over the age of 19 with annual family income less than or equal to 150 percent of the federal poverty level”. It was also expected that a small number of women, aged 10 to 19, who are not eligible and enrolled in FAMIS, may qualify for the program once they become pregnant.

DMAS, as the agency responsible for implementing the program, interprets the legislative intent of FAMIS MOMS to provide full Medicaid benefits for pregnant women to the covered Federal Poverty Level (FPL) through the CHIP program. Full Medicaid benefits for pregnant women include all services, except dental, and include non-emergency transportation, which is not a covered benefit for FAMIS children. Pregnant women who are under age 21 are also eligible for EPSDT-related services. The provision of full Medicaid benefits also means that, in contrast to the FAMIS program for children, there are no co-payments for services.

Since the program was established, there have been eligibility income expansions in the FAMIS MOMS program and it now covers pregnant women up to 200% of FPL. The schedule of the income expansions was:

FAMIS MOMS income eligibility

Federal poverty level	Effective date
133-150% FPL	August 1, 2005
133-166% FPL	September 1, 2007
133-185% FPL	July 1, 2008
133-200% FPL	July 1, 2009

Eligibility begins with a determination of pregnancy and income verification and continues through the month of delivery, plus an additional two months. One important difference between Medicaid for pregnant women (under either FFS or Medallion 3.0) and FAMIS MOMS is that Medicaid offers up to three months of retroactive coverage while the FAMIS MOMS' effective date of coverage is the first of the month that the signed application was received. There is no retroactive coverage for FAMIS MOMS enrollees. Based on a policy change effective July 1, 2011, babies born to FAMIS Moms are automatically covered for the birth month plus two additional months but not beyond the first three months; the parent or guardian must submit an application to Medicaid or FAMIS on behalf of the newborn.

Eligible women are enrolled in managed care plans wherever possible. If a woman's FFS OB-GYN participates with one of the available managed care organizations, DMAS will transition her into that MCO to provide continuity of

care. However, similar to Medicaid rules, a woman can opt out of an MCO if she is in her last trimester and her regular OB-GYN does not participate with the MCO.

DMAS halted new enrollment into the FAMIS MOMS program on December 31, 2013 based on a decision by the 2013 General Assembly to discontinue FAMIS MOMS because higher income pregnant women will be eligible to enroll in the Qualified Health Plans that are available through the Federal Health Benefits Exchange. However, the 2014 General Assembly reauthorized the FAMIS MOMS program. The program will be restarted as soon as feasible, but it may take several months. Many women will qualify for both premium subsidies and Cost Sharing Reduction assistance that lowers total out of pocket liability.

The FAMIS MOMS rates developed in this report for FY 2015 will be paid for those currently enrolled in FAMIS MOMS until they exhaust eligibility three months after the birth of their child. These rates take into account that members incur higher costs in the last months of enrollment. New rates will be issued for new enrollees in FAMIS MOMS.

II.C. Data book

Approach to rate setting for FAMIS MOMS

The FY 2015 FAMIS MOMS rate setting uses MCO data for FY 2012 and FY 2013, the period from July 1, 2011 to June 30, 2013. In developing proposed capitation rates, a key consideration is the method by which women will be enrolled in the health plan and the potential variation in the length of plan enrollment. A very small difference in the average length of plan enrollment can have a material difference in the capitation rate, since most of the cost is incurred at the time of delivery and is not evenly spread over the entire pregnancy and enrollment period.

The rate development is based on FAMIS MOMS data, both for base data and trend development in the rate setting. As of December 31, 2013, DMAS discontinued FAMIS MOMS enrollment. Therefore rates have been developed based on the assumption that there will be no new FAMIS MOMS enrollees three months after the last of the current enrollees as of December 31, 2013 completes her pregnancy. We have revised the base data to evaluate only those that deliver within the time period to take into account the costs that are associated with this enrollment period.

Development of the Data Book for FAMIS MOMS rate setting follows the same methodology described in the Medallion II report, including use of the DMAS capitation payment file to determine eligibility, claims matching, and inclusion of subcapitated services.

The historical eligibility and cost presented in Exhibit II.1 represents six months of experience, the birth month and the three months prior to the delivery plus two months following the delivery. This was developed by first identifying all deliveries within the base period and building eligibility and costs relative to that date.

II.D. FAMIS MOMS legislative and program adjustments

In general, the methodology for FAMIS MOMS adjustments is similar to the adjustments in the Medallion 3.0 report. Actual adjustment values may differ where the adjustment is developed using FAMIS MOMS encounter data instead of Medallion II encounter data. All of these adjustment are reflected in the column "Policy and Program Adjustments" in Exhibits 4 except for the Provider Incentive and Administrative Cost Adjustments.

The historical data presented in Exhibit II.1 is adjusted by the policy and program factors summarized in the table (Exhibits II.2a to II.2f) and the Trend and IBNR factors (Exhibit II.3).

Medallion 3.0 Adjustment Methodology Used in FAMIS MOMS Rates

Medallion Exhibit Number and Adjustment Name	FAMIS MOMS Exhibits	FAMIS MOMS values
2a Pharmacy Adjustment	2a	II.2a: -1.4% applied to pharmacy services
2b Exempt Infant Formula Carveout	Not applicable	Applies only to children
2c Hospital Inpatient	2b	II.2b: Same as FAMIS and Med 3.0
2d Freestanding Psychiatric Hospital	Not applicable	Not a covered FAMIS MOMS service
2f Emergency Transportation Fee Increase	2c	II.2c: \$0.03 PMPM and 0.5% of the trended PMPM
2f DME Fee Adjustment	2d	II.2d: -0.1% applied to DME services
2g Provider Incentive	2e	II.2e: \$1.83 PMPM and 0.2% of the weighted average PMPM medical cost
2h Administrative Cost	2f	II.2f: \$46.03 PMPM based on reallocation weighted by claims 5.0% of base capitation rate with contribution to reserves

Pharmacy adjustment

The size and drug utilization of the FAMIS MOMS population is not sufficient to allow the plans to negotiate levels of rebate that were contracted for the Medicaid managed care population. Based on plan submitted data, we do not expect additional reductions to the managed care rebate and use the health plan projection of 2.3%.

The final pharmacy adjustment factors are shown in Exhibit II.2a. The PBM factor is a reduction of 1.4%.

Durable Medical Equipment fee adjustment

This is calculated in the same way as in the Medallion 3.0 and FAMIS program and uses the FAMIS MOMS experience. Overall, 6.4% of FAMIS MOMS DME claims dollars were for codes subject to the reduction and the expected savings on this subset averaged 1.8%.

This results in adjustment factor reduction of -0.1%. It is shown in Exhibit 2d and added in Exhibit II. 4 under the column labeled "Policy and Program Adjustments".

Plan administration adjustment

The administrative allowance for FAMIS MOMS is calculated using the same revised approach that was used to develop the administrative allowance for the Medallion 3.0 and FAMIS programs. These administrative dollars were based upon trended CY 2013 costs PMPM that were then reallocated based on weighting by claims volume PMPM for each eligibility group. The reallocation decreases the FAMIS MOMS administrative cost adjustment from \$93.80 PMPM to \$46.03 PMPM.

The reallocated administrative cost is compared to the medical component of the FY 2015 base rate to determine administrative allowance as a percentage of the base capitation rate, a value of 3.5%. This percentage is then

increased by a 1.50% contribution to reserves. The allowance for a contribution to reserve is the same as in last year's rate setting. With the contribution to reserves, the final administrative factor is 5.0% for FAMIS MOMS.

This adjustment factor is shown in Exhibit II.2f and is presented as the dollar value applicable to rate cell in the line labeled Admin Cost Adjustment in Exhibit II.4.

II.E. FAMIS MOMS trend and IBNR adjustments

IBNR completion factors in the first column of Exhibit II.3 are applied to the total claims in the first column of Exhibit II.4 and the dollar value of the IBNR completion factors are shown in the second column of that exhibit. Since the data used in this analysis has run-out through October 2013, or four months past the end of the data reporting period, the resulting IBNR factors are generally small. IBNR factors for Inpatient Medical/Surgical, Inpatient Psychiatric, Outpatient, Practitioner, Prescription Drug and Other services are all 0.7% or less. The second column of Exhibit II.3 is information on the cumulative impact of the policy and program adjustments in Exhibits II.2a to II.2d. This is for information purposes and should be evaluated in conjunction with the IBNR and applied trend.

Data period and contract period trend values are set to 0.0% to reflect the expectation that both utilization and cost trend is expected to remain level as the remaining FAMIS MOMS deliver their infants.

The trend factors are shown in Exhibit II.3. These trend and IBNR factors are applied to the historical data in Exhibit II.4 by applicable service category.

II.F. Capitation rates for FAMIS MOMS

The historical data presented in Exhibit II.1 is adjusted by the factors shown in Exhibits II.2a through II.2e and the Trend and IBNR factors in Exhibit II.3. The administrative adjustment is then added to the completed and adjusted claims. The result of these calculations is shown in Exhibit II.4.

The FY 2015 FAMIS MOMS base rate of \$1,319.06 is presented in Exhibit II.5. The comparison of FAMIS MOMS rates from FY 2014 and FY 2015 is also shown in Exhibit II.5 and is an increase of 28.95%. This increase is driven by the fact that the base data was limited to months immediately prior to and post delivery, the time period with the highest concentration of costs for this population.

Virginia Medicaid
FY 2015 Capitation Rate Development for the FAMIS Program
Health Plan Encounter Data - Family Access to Medical Insurance Security (FAMIS)
Historical Eligibility, Claims, and Utilization Data

Section I
Exhibit 1a

Age Under 1												
MCO Statewide	Raw Claims FY12	Raw Claims FY13	Capitation FY12	Capitation FY13	Unadjusted PMPM 12	Unadjusted PMPM 13	Units FY12	Units FY13	Units/1000 FY12	Units/1000 FY13	Cost/Unit FY12	Cost/Unit FY13
Member Months	29,951	34,303										
Service Type												
DME/Supplies	\$111,898	\$100,134	\$0	\$0	\$3.74	\$2.92	1,544	1,730	619	605	\$72.47	\$57.88
FQHC / RHC	\$58,034	\$61,989	\$0	\$0	\$1.94	\$1.81	1,234	1,270	494	444	\$47.03	\$48.81
Home Health	\$6,973	\$26,892	\$0	\$0	\$0.23	\$0.78	46	53	18	19	\$151.59	\$507.41
IP - Maternity	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
IP - Newborn	\$4,224,510	\$6,463,662	\$0	\$0	\$141.05	\$188.43	897	1,490	359	521	\$4,709.60	\$4,338.03
IP - Other	\$1,147,500	\$670,817	\$0	\$0	\$38.31	\$19.56	143	139	57	49	\$8,024.48	\$4,826.02
IP - Psych	\$1,928	\$0	\$11,140	\$13,140	\$0.44	\$0.38	3	0	1	-	\$4,356.08	-
Lab	\$35,033	\$47,979	\$16,326	\$18,310	\$1.71	\$1.93	4,181	5,456	1,675	1,909	\$12.28	\$12.15
OP - Emergency Room & Related	\$316,397	\$415,657	\$0	\$0	\$10.56	\$12.12	1,844	2,336	739	817	\$171.58	\$177.94
OP - Other	\$542,761	\$535,693	\$0	\$0	\$18.12	\$15.62	1,374	1,648	550	577	\$395.02	\$325.06
Pharmacy	\$456,255	\$589,175	\$0	\$0	\$15.23	\$17.18	8,511	10,179	3,410	3,561	\$53.61	\$57.88
Prof - Anesthesia	\$36,250	\$45,365	\$0	\$0	\$1.21	\$1.32	167	226	67	79	\$217.07	\$200.73
Prof - Child EPSDT	\$610,057	\$746,656	\$0	\$0	\$20.37	\$21.77	13,055	17,915	5,231	6,267	\$46.73	\$41.68
Prof - Evaluation & Management	\$2,491,743	\$3,205,593	\$3,058	\$3,398	\$83.30	\$93.55	31,124	39,175	12,470	13,704	\$80.16	\$81.91
Prof - Maternity	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
Prof - Other	\$1,395,672	\$1,762,004	\$2,976	\$3,039	\$46.70	\$51.45	26,730	32,002	10,709	11,195	\$52.33	\$55.15
Prof - Psych	\$80	\$135	\$14,088	\$16,658	\$0.47	\$0.49	4	4	2	1	\$3,541.89	\$4,198.22
Prof - Specialist	\$165,882	\$278,646	\$0	\$0	\$5.54	\$8.12	1,390	1,861	557	651	\$119.34	\$149.73
Prof - Vision	\$13,631	\$14,974	\$32,050	\$36,725	\$1.53	\$1.51	259	272	104	95	\$176.38	\$190.07
Radiology	\$41,633	\$48,987	\$0	\$0	\$1.39	\$1.43	2,656	3,350	1,064	1,172	\$15.67	\$14.62
Transportation/Ambulance	\$22,952	\$30,416	\$265	\$2,107	\$0.78	\$0.95	112	180	45	63	\$207.30	\$180.68
Total	\$11,679,190	\$15,044,775	\$79,904	\$93,375	\$392.61	\$441.31	95,274	119,286				

Note:
*Plans may not provide complete unit counts for subcapitated encounters, thus Cost/Unit may not be accurate.

Virginia Medicaid
FY 2015 Capitation Rate Development for the FAMIS Program
Health Plan Encounter Data - Family Access to Medical Insurance Security (FAMIS)
Historical Eligibility, Claims, and Utilization Data

Section I
Exhibit 1a

Age 1-5												
MCO Statewide	Raw Claims FY12	Raw Claims FY13	Capitation FY12	Capitation FY13	Unadjusted PMPM 12	Unadjusted PMPM 13	Units FY12	Units FY13	Units/1000 FY12	Units/1000 FY13	Cost/Unit FY12	Cost/Unit FY13
Member Months	209,834	219,325										
Service Type												
DME/Supplies	\$327,248	\$305,304	\$0	\$0	\$1.56	\$1.39	3,714	4,337	212	237	\$88.11	\$70.40
FQHC / RHC	\$156,302	\$151,043	\$0	\$0	\$0.74	\$0.69	4,162	4,029	238	220	\$37.55	\$37.49
Home Health	\$5,339	\$5,771	\$0	\$0	\$0.03	\$0.03	35	30	2	2	\$152.54	\$192.37
IP - Maternity	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
IP - Newborn	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
IP - Other	\$1,514,851	\$1,794,377	\$0	\$0	\$7.22	\$8.18	302	317	17	17	\$5,016.06	\$5,660.50
IP - Psych	\$11,082	\$11,586	\$75,568	\$82,497	\$0.41	\$0.43	10	16	1	1	\$8,665.03	\$5,880.21
Lab	\$301,379	\$406,184	\$116,377	\$119,928	\$1.99	\$2.40	39,321	44,926	2,249	2,458	\$10.62	\$11.71
OP - Emergency Room & Related	\$1,720,038	\$2,001,706	\$0	\$0	\$8.20	\$9.13	9,980	11,439	571	626	\$172.35	\$174.99
OP - Other	\$3,203,117	\$3,261,616	\$0	\$0	\$15.27	\$14.87	6,834	7,332	391	401	\$468.70	\$444.85
Pharmacy	\$2,964,591	\$3,108,154	\$0	\$0	\$14.13	\$14.17	65,137	72,112	3,725	3,945	\$45.51	\$43.10
Prof - Anesthesia	\$187,796	\$202,352	\$0	\$0	\$0.89	\$0.92	1,288	1,377	74	75	\$145.80	\$146.95
Prof - Child EPSDT	\$932,786	\$878,847	\$0	\$0	\$4.45	\$4.01	27,349	27,256	1,564	1,491	\$34.11	\$32.24
Prof - Evaluation & Management	\$5,958,143	\$6,325,003	\$21,636	\$22,197	\$28.50	\$28.94	91,465	96,678	5,231	5,290	\$65.38	\$65.65
Prof - Maternity	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
Prof - Other	\$1,536,231	\$1,667,067	\$21,385	\$20,593	\$7.42	\$7.69	48,265	53,456	2,760	2,925	\$32.27	\$31.57
Prof - Psych	\$48,986	\$52,514	\$96,002	\$104,763	\$0.69	\$0.72	1,167	1,287	67	70	\$124.24	\$122.20
Prof - Specialist	\$558,771	\$584,972	\$0	\$0	\$2.66	\$2.67	5,501	5,601	315	306	\$101.58	\$104.44
Prof - Vision	\$85,197	\$108,968	\$226,737	\$237,333	\$1.49	\$1.58	1,909	2,132	109	117	\$163.40	\$162.43
Radiology	\$107,280	\$117,355	\$0	\$0	\$0.51	\$0.54	6,441	7,012	368	384	\$16.66	\$16.74
Transportation/Ambulance	\$46,122	\$87,334	\$929	\$9,959	\$0.22	\$0.44	364	617	21	34	\$129.26	\$157.69
Total	\$19,665,260	\$21,070,152	\$558,634	\$597,271	\$96.38	\$98.79	313,244	339,954				

Note:
*Plans may not provide complete unit counts for subcapitated encounters, thus Cost/Unit may not be accurate.

Virginia Medicaid
FY 2015 Capitation Rate Development for the FAMIS Program
Health Plan Encounter Data - Family Access to Medical Insurance Security (FAMIS)
Historical Eligibility, Claims, and Utilization Data

Section I
Exhibit 1a

Age 6-14												
MCO Statewide	Raw Claims FY12	Raw Claims FY13	Capitation FY12	Capitation FY13	Unadjusted PMPM 12	Unadjusted PMPM 13	Units FY12	Units FY13	Units/1000 FY12	Units/1000 FY13	Cost/Unit FY12	Cost/Unit FY13
Member Months	310,107	345,803										
Service Type												
DME/Supplies	\$438,243	\$440,040	\$0	\$0	\$1.41	\$1.27	3,670	4,261	142	148	\$119.41	\$103.27
FQHC / RHC	\$156,720	\$169,326	\$0	\$0	\$0.51	\$0.49	3,783	4,088	146	142	\$41.43	\$41.42
Home Health	\$13,479	\$7,149	\$0	\$0	\$0.04	\$0.02	60	57	2	2	\$224.65	\$125.42
IP - Maternity	\$5,119	\$4,037	\$0	\$0	\$0.02	\$0.01	2	2	0	0	\$2,559.27	\$2,018.56
IP - Newborn	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
IP - Other	\$3,065,446	\$1,620,312	\$0	\$0	\$9.89	\$4.69	299	253	12	9	\$10,252.33	\$6,404.40
IP - Psych	\$277,594	\$265,859	\$114,069	\$130,880	\$1.26	\$1.15	669	598	26	21	\$585.45	\$663.44
Lab	\$335,747	\$476,930	\$179,726	\$197,916	\$1.66	\$1.95	45,122	56,169	1,746	1,949	\$11.42	\$12.01
OP - Emergency Room & Related	\$2,177,119	\$2,337,224	\$0	\$0	\$7.02	\$6.76	8,832	10,365	342	360	\$246.50	\$225.49
OP - Other	\$3,225,453	\$3,336,218	\$0	\$0	\$10.40	\$9.65	8,596	9,274	333	322	\$375.23	\$359.74
Pharmacy	\$7,443,539	\$8,910,436	\$0	\$0	\$24.00	\$25.77	97,009	118,541	3,754	4,114	\$76.73	\$75.17
Prof - Anesthesia	\$156,601	\$148,473	\$0	\$0	\$0.50	\$0.43	978	967	38	34	\$160.12	\$153.54
Prof - Child EPSDT	\$222,010	\$214,846	\$0	\$0	\$0.72	\$0.62	8,379	8,804	324	306	\$26.50	\$24.40
Prof - Evaluation & Management	\$5,691,367	\$6,568,882	\$32,055	\$35,994	\$18.46	\$19.10	85,007	98,654	3,289	3,423	\$67.33	\$66.95
Prof - Maternity	\$3,325	\$2,224	\$0	\$0	\$0.01	\$0.01	26	5	1	0	\$127.90	\$444.79
Prof - Other	\$2,611,659	\$4,756,027	\$32,276	\$33,522	\$8.53	\$13.85	51,076	64,335	1,976	2,233	\$51.76	\$74.45
Prof - Psych	\$479,561	\$470,730	\$160,174	\$177,689	\$2.06	\$1.88	12,918	12,039	500	418	\$49.52	\$53.86
Prof - Specialist	\$801,412	\$792,089	\$0	\$0	\$2.58	\$2.29	6,976	7,488	270	260	\$114.88	\$105.78
Prof - Vision	\$203,091	\$251,760	\$338,675	\$377,709	\$1.75	\$1.82	8,751	9,310	339	323	\$61.91	\$67.61
Radiology	\$267,046	\$274,749	\$0	\$0	\$0.86	\$0.79	11,790	12,660	456	439	\$22.65	\$21.70
Transportation/Ambulance	\$70,666	\$96,930	\$992	\$10,566	\$0.23	\$0.31	538	933	21	32	\$133.19	\$115.22
Total	\$27,645,200	\$31,144,242	\$857,968	\$964,277	\$91.91	\$92.85	354,481	418,803				

Note:
*Plans may not provide complete unit counts for subcapitated encounters, thus Cost/Unit may not be accurate.

Virginia Medicaid
FY 2015 Capitation Rate Development for the FAMIS Program
Health Plan Encounter Data - Family Access to Medical Insurance Security (FAMIS)
Historical Eligibility, Claims, and Utilization Data

Section I
Exhibit 1a

Age 15-18 Female												
MCO Statewide	Raw Claims FY12	Raw Claims FY13	Capitation FY12	Capitation FY13	Unadjusted PMPM 12	Unadjusted PMPM 13	Units FY12	Units FY13	Units/1000 FY12	Units/1000 FY13	Cost/Unit FY12	Cost/Unit FY13
Member Months	54,906	60,196										
Service Type												
DME/Supplies	\$89,907	\$114,756	\$0	\$0	\$1.64	\$1.91	565	742	123	148	\$159.13	\$154.66
FQHC / RHC	\$54,349	\$52,353	\$0	\$0	\$0.99	\$0.87	1,215	1,288	266	257	\$44.73	\$40.65
Home Health	\$1,476	\$1,194	\$0	\$0	\$0.03	\$0.02	7	8	2	2	\$210.84	\$149.28
IP - Maternity	\$319,959	\$232,742	\$0	\$0	\$5.83	\$3.87	110	92	24	18	\$2,908.72	\$2,529.80
IP - Newborn	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
IP - Other	\$772,432	\$514,315	\$0	\$0	\$14.07	\$8.54	95	71	21	14	\$8,130.86	\$7,243.87
IP - Psych	\$120,921	\$158,313	\$20,809	\$22,042	\$2.58	\$3.00	276	335	60	67	\$513.51	\$538.37
Lab	\$162,096	\$188,230	\$32,014	\$34,513	\$3.54	\$3.70	18,835	21,300	4,116	4,246	\$10.31	\$10.46
OP - Emergency Room & Related	\$794,372	\$889,639	\$0	\$0	\$14.47	\$14.78	2,533	3,049	554	608	\$313.61	\$291.78
OP - Other	\$1,091,258	\$1,119,841	\$0	\$0	\$19.88	\$18.60	2,418	2,501	528	499	\$451.31	\$447.76
Pharmacy	\$1,533,205	\$1,570,871	\$0	\$0	\$27.92	\$26.10	27,706	31,300	6,055	6,240	\$55.34	\$50.19
Prof - Anesthesia	\$63,082	\$54,408	\$0	\$0	\$1.15	\$0.90	336	299	73	60	\$187.74	\$181.97
Prof - Child EPSDT	\$62,508	\$52,842	\$0	\$0	\$1.14	\$0.88	1,618	1,788	354	356	\$38.63	\$29.55
Prof - Evaluation & Management	\$1,253,038	\$1,394,319	\$5,396	\$5,887	\$22.92	\$23.26	18,293	20,642	3,998	4,115	\$68.79	\$67.83
Prof - Maternity	\$191,661	\$157,280	\$0	\$0	\$3.49	\$2.61	306	263	67	52	\$626.34	\$598.02
Prof - Other	\$430,404	\$519,434	\$5,833	\$5,909	\$7.95	\$8.73	8,265	10,158	1,806	2,025	\$52.78	\$51.72
Prof - Psych	\$135,247	\$135,778	\$30,940	\$34,477	\$3.03	\$2.83	3,054	3,105	667	619	\$54.42	\$54.83
Prof - Specialist	\$235,194	\$223,383	\$0	\$0	\$4.28	\$3.71	2,175	2,358	475	470	\$108.14	\$94.73
Prof - Vision	\$32,087	\$37,589	\$60,213	\$66,040	\$1.68	\$1.72	1,750	1,784	382	356	\$52.74	\$58.09
Radiology	\$167,615	\$170,470	\$0	\$0	\$3.05	\$2.83	3,831	4,135	837	824	\$43.75	\$41.23
Transportation/Ambulance	\$32,153	\$36,518	\$237	\$2,419	\$0.59	\$0.65	253	363	55	72	\$128.02	\$107.26
Total	\$7,542,966	\$7,624,276	\$155,442	\$171,288	\$140.21	\$129.50	93,641	105,581				

Note:
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Virginia Medicaid
FY 2015 Capitation Rate Development for the FAMIS Program
Health Plan Encounter Data - Family Access to Medical Insurance Security (FAMIS)
Historical Eligibility, Claims, and Utilization Data

Section I
Exhibit 1a

Age 15-18 Male												
MCO Statewide	Raw Claims FY12	Raw Claims FY13	Capitation FY12	Capitation FY13	Unadjusted PMPM 12	Unadjusted PMPM 13	Units FY12	Units FY13	Units/1000 FY12	Units/1000 FY13	Cost/Unit FY12	Cost/Unit FY13
Member Months	54,270	60,551										
Service Type												
DME/Supplies	\$89,957	\$143,234	\$0	\$0	\$1.66	\$2.37	631	946	140	187	\$142.56	\$151.41
FQHC / RHC	\$25,136	\$30,671	\$0	\$0	\$0.46	\$0.51	542	747	120	148	\$46.38	\$41.06
Home Health	\$4,298	\$5,358	\$0	\$0	\$0.08	\$0.09	25	21	6	4	\$171.92	\$255.13
IP - Maternity	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
IP - Newborn	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
IP - Other	\$724,027	\$611,296	\$0	\$0	\$13.34	\$10.10	82	76	18	15	\$8,829.60	\$8,043.37
IP - Psych	\$156,741	\$174,073	\$22,810	\$24,340	\$3.31	\$3.28	295	330	65	65	\$608.65	\$601.25
Lab	\$55,855	\$69,975	\$31,301	\$34,217	\$1.61	\$1.72	7,281	8,430	1,610	1,671	\$11.97	\$12.36
OP - Emergency Room & Related	\$581,525	\$610,032	\$0	\$0	\$10.72	\$10.07	1,841	2,178	407	432	\$315.87	\$280.09
OP - Other	\$859,994	\$939,814	\$0	\$0	\$15.85	\$15.52	1,716	1,906	379	378	\$501.16	\$493.08
Pharmacy	\$1,418,996	\$1,965,785	\$0	\$0	\$26.15	\$32.46	15,987	20,091	3,535	3,982	\$88.76	\$97.84
Prof - Anesthesia	\$39,113	\$42,649	\$0	\$0	\$0.72	\$0.70	205	234	45	46	\$190.80	\$182.26
Prof - Child EPSDT	\$31,481	\$29,288	\$0	\$0	\$0.58	\$0.48	1,056	1,125	233	223	\$29.81	\$26.03
Prof - Evaluation & Management	\$846,464	\$999,642	\$5,156	\$5,761	\$15.69	\$16.60	12,304	14,665	2,721	2,906	\$69.21	\$68.56
Prof - Maternity	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
Prof - Other	\$587,792	\$929,243	\$5,807	\$5,978	\$10.94	\$15.45	7,271	9,688	1,608	1,920	\$81.64	\$96.53
Prof - Psych	\$110,248	\$115,255	\$31,344	\$34,497	\$2.61	\$2.47	2,774	2,609	613	517	\$51.04	\$57.40
Prof - Specialist	\$214,654	\$244,487	\$0	\$0	\$3.96	\$4.04	1,564	1,900	346	377	\$137.25	\$128.68
Prof - Vision	\$27,190	\$30,253	\$59,442	\$66,336	\$1.60	\$1.60	1,263	1,351	279	268	\$68.59	\$71.49
Radiology	\$79,340	\$96,995	\$0	\$0	\$1.46	\$1.60	3,066	3,518	678	697	\$25.88	\$27.57
Transportation/Ambulance	\$31,957	\$37,655	\$360	\$2,425	\$0.60	\$0.66	207	343	46	68	\$156.12	\$116.85
Total	\$5,884,770	\$7,075,706	\$156,222	\$173,555	\$111.31	\$119.72	58,110	70,158				

Note:
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Virginia Medicaid
FY 2015 Capitation Rate Development for the FAMIS Program
Health Plan Encounter Data - Family Access to Medical Insurance Security (FAMIS)
Historical Eligibility, Claims, and Utilization Data

Section I
Exhibit 1a

All Age Categories												
MCO Statewide	Raw Claims FY12	Raw Claims FY13	Capitation FY12	Capitation FY13	Unadjusted PMPM 12	Unadjusted PMPM 13	Units FY12	Units FY13	Units/1000 FY12	Units/1000 FY13	Cost/Unit FY12	Cost/Unit FY13
Member Months	659,068	720,178										
Service Type												
DME/Supplies	\$1,057,252	\$1,103,468	\$0	\$0	\$1.60	\$1.53	10,124	12,016	184	200	\$104.43	\$91.83
FQHC / RHC	\$450,542	\$465,383	\$0	\$0	\$0.68	\$0.65	10,936	11,422	199	190	\$41.20	\$40.74
Home Health	\$31,565	\$46,364	\$0	\$0	\$0.05	\$0.06	173	169	3	3	\$182.46	\$274.35
IP - Maternity	\$325,078	\$236,779	\$0	\$0	\$0.49	\$0.33	112	94	2	2	\$2,902.48	\$2,518.93
IP - Newborn	\$4,224,510	\$6,463,662	\$0	\$0	\$6.41	\$8.98	897	1,490	16	25	\$4,709.60	\$4,338.03
IP - Other	\$7,224,257	\$5,211,117	\$0	\$0	\$10.96	\$7.24	921	856	17	14	\$7,843.93	\$6,087.75
IP - Psych	\$568,266	\$609,832	\$244,397	\$272,900	\$1.23	\$1.23	1,253	1,279	23	21	\$648.57	\$690.17
Lab	\$890,109	\$1,189,298	\$375,743	\$404,885	\$1.92	\$2.21	114,740	136,281	2,089	2,271	\$11.03	\$11.70
OP - Emergency Room & Related	\$5,589,451	\$6,254,259	\$0	\$0	\$8.48	\$8.68	25,030	29,367	456	489	\$223.31	\$212.97
OP - Other	\$8,922,583	\$9,193,181	\$0	\$0	\$13.54	\$12.77	20,938	22,661	381	378	\$426.14	\$405.68
Pharmacy	\$13,816,585	\$16,144,421	\$0	\$0	\$20.96	\$22.42	214,350	252,223	3,903	4,203	\$64.46	\$64.01
Prof - Anesthesia	\$482,843	\$493,247	\$0	\$0	\$0.73	\$0.68	2,974	3,103	54	52	\$162.35	\$158.96
Prof - Child EPSDT	\$1,858,842	\$1,922,479	\$0	\$0	\$2.82	\$2.67	51,457	56,888	937	948	\$36.12	\$33.79
Prof - Evaluation & Management	\$16,240,755	\$18,493,439	\$67,303	\$73,237	\$24.74	\$25.78	238,193	269,814	4,337	4,496	\$68.47	\$68.81
Prof - Maternity	\$194,987	\$159,504	\$0	\$0	\$0.30	\$0.22	332	268	6	4	\$587.31	\$595.16
Prof - Other	\$6,561,759	\$9,633,775	\$68,278	\$69,042	\$10.06	\$13.47	141,607	169,639	2,578	2,827	\$46.82	\$57.20
Prof - Psych	\$774,123	\$774,412	\$332,547	\$368,084	\$1.68	\$1.59	19,917	19,044	363	317	\$55.56	\$59.99
Prof - Specialist	\$1,975,914	\$2,123,577	\$0	\$0	\$3.00	\$2.95	17,606	19,208	321	320	\$112.23	\$110.56
Prof - Vision	\$361,198	\$443,544	\$717,117	\$784,143	\$1.64	\$1.70	13,932	14,849	254	247	\$77.40	\$82.68
Radiology	\$662,913	\$708,557	\$0	\$0	\$1.01	\$0.98	27,784	30,675	506	511	\$23.86	\$23.10
Transportation/Ambulance	\$203,851	\$288,853	\$2,784	\$27,476	\$0.31	\$0.44	1,474	2,436	27	41	\$140.19	\$129.86
Total	\$72,417,384	\$81,959,151	\$1,808,169	\$1,999,766	\$112.62	\$116.58	914,750	1,053,782				

Note:
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Virginia Medicaid
FY 2015 Capitation Rate Development for the FAMIS Program
Fee-For-Service Data - Family Access to Medical Insurance Security (FAMIS)
Historical Eligibility, Claims, and Utilization Data

Section I
Exhibit 1b

Age Under 1												
PCCM Far Southwest	Raw Claims FY12	Raw Claims FY13	Capitation FY12	Capitation FY13	Unadjusted PMPM 12	Unadjusted PMPM 13	Units FY12	Units FY13	Units/1000 FY12	Units/1000 FY13	Cost/Unit FY12	Cost/Unit FY13
Member Months	52	-										
Service Type												
DME/Supplies	\$2,126	\$0	\$0	\$0	\$40.89	\$0.00	17	0	3,923	-	\$125.07	-
FQHC / RHC	\$427	\$0	\$0	\$0	\$8.21	\$0.00	6	0	1,385	-	\$71.19	-
Home Health	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
IP - Maternity	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
IP - Newborn	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
IP - Other	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
IP - Psych	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
Lab	\$206	\$0	\$0	\$0	\$3.96	\$0.00	19	0	4,385	-	\$10.84	-
OP - Emergency Room	\$90	\$0	\$0	\$0	\$1.73	\$0.00	3	0	692	-	\$30.00	-
OP - Other	\$18	\$0	\$0	\$0	\$0.35	\$0.00	2	0	462	-	\$9.05	-
Pharmacy	\$10,049	\$0	\$0	\$0	\$193.25	\$0.00	24	0	5,538	-	\$418.72	-
Prof - Anesthesia	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
Prof - Child EPSDT	\$235	\$0	\$0	\$0	\$4.51	\$0.00	21	0	4,846	-	\$11.18	-
Prof - Evaluation & Management	\$2,560	\$0	\$0	\$0	\$49.23	\$0.00	42	0	9,692	-	\$60.95	-
Prof - Maternity	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
Prof - Other	\$721	\$0	\$0	\$0	\$13.86	\$0.00	27	0	6,231	-	\$26.69	-
Prof - Psych	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
Prof - Specialist	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
Prof - Vision	\$137	\$0	\$0	\$0	\$2.63	\$0.00	2	0	462	-	\$68.33	-
Radiology	\$26	\$0	\$0	\$0	\$0.51	\$0.00	1	0	231	-	\$26.44	-
Transportation/Ambulance	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
Total	\$16,595	\$0	\$0	\$0	\$319.13	\$0.00	164	0				

Note:
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Virginia Medicaid
FY 2015 Capitation Rate Development for the FAMIS Program
Fee-For-Service Data - Family Access to Medical Insurance Security (FAMIS)
Historical Eligibility, Claims, and Utilization Data

Section I
Exhibit 1b

Age 1-5												
PCCM Far Southwest	Raw Claims FY12	Raw Claims FY13	Capitation FY12	Capitation FY13	Unadjusted PMPM 12	Unadjusted PMPM 13	Units FY12	Units FY13	Units/1000 FY12	Units/1000 FY13	Cost/Unit FY12	Cost/Unit FY13
Member Months	3,886	-										
Service Type												
DME/Supplies	\$4,025	\$0	\$0	\$0	\$1.04	\$0.00	112	0	346	-	\$35.94	-
FQHC / RHC	\$27,941	\$0	\$0	\$0	\$7.19	\$0.00	388	0	1,198	-	\$72.01	-
Home Health	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
IP - Maternity	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
IP - Newborn	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
IP - Other	\$52,425	\$0	\$0	\$0	\$13.49	\$0.00	19	0	59	-	\$2,759.20	-
IP - Psych	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
Lab	\$16,886	\$0	\$0	\$0	\$4.35	\$0.00	1,386	0	4,280	-	\$12.18	-
OP - Emergency Room	\$24,022	\$0	\$0	\$0	\$6.18	\$0.00	281	0	868	-	\$85.49	-
OP - Other	\$55,315	\$0	\$0	\$0	\$14.23	\$0.00	112	0	346	-	\$493.89	-
Pharmacy	\$122,128	\$0	\$0	\$0	\$31.43	\$0.00	2,360	0	7,288	-	\$51.75	-
Prof - Anesthesia	\$5,028	\$0	\$0	\$0	\$1.29	\$0.00	46	0	142	-	\$109.30	-
Prof - Child EPSDT	\$7,606	\$0	\$0	\$0	\$1.96	\$0.00	324	0	1,001	-	\$23.48	-
Prof - Evaluation & Management	\$108,934	\$0	\$0	\$0	\$28.03	\$0.00	1,791	0	5,531	-	\$60.82	-
Prof - Maternity	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
Prof - Other	\$39,014	\$0	\$0	\$0	\$10.04	\$0.00	848	0	2,619	-	\$46.01	-
Prof - Psych	\$1,692	\$0	\$0	\$0	\$0.44	\$0.00	22	0	68	-	\$76.91	-
Prof - Specialist	\$16,288	\$0	\$0	\$0	\$4.19	\$0.00	86	0	266	-	\$189.40	-
Prof - Vision	\$5,455	\$0	\$0	\$0	\$1.40	\$0.00	92	0	284	-	\$59.29	-
Radiology	\$3,967	\$0	\$0	\$0	\$1.02	\$0.00	191	0	590	-	\$20.77	-
Transportation/Ambulance	\$1,923	\$0	\$0	\$0	\$0.49	\$0.00	24	0	74	-	\$80.10	-
Total	\$492,650	\$0	\$0	\$0	\$126.77	\$0.00	8,082	0				

Note:
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Virginia Medicaid
FY 2015 Capitation Rate Development for the FAMIS Program
Fee-For-Service Data - Family Access to Medical Insurance Security (FAMIS)
Historical Eligibility, Claims, and Utilization Data

Section I
Exhibit 1b

Age 6-14												
PCCM Far Southwest	Raw Claims FY12	Raw Claims FY13	Capitation FY12	Capitation FY13	Unadjusted PMPM 12	Unadjusted PMPM 13	Units FY12	Units FY13	Units/1000 FY12	Units/1000 FY13	Cost/Unit FY12	Cost/Unit FY13
Member Months	6,523	-										
Service Type												
DME/Supplies	\$15,359	\$0	\$0	\$0	\$2.35	\$0.00	161	0	296	-	\$95.39	-
FQHC / RHC	\$55,556	\$0	\$0	\$0	\$8.52	\$0.00	735	0	1,352	-	\$75.59	-
Home Health	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
IP - Maternity	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
IP - Newborn	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
IP - Other	\$25,456	\$0	\$0	\$0	\$3.90	\$0.00	10	0	18	-	\$2,545.63	-
IP - Psych	\$23,868	\$0	\$0	\$0	\$3.66	\$0.00	31	0	57	-	\$769.95	-
Lab	\$25,930	\$0	\$0	\$0	\$3.98	\$0.00	1,967	0	3,619	-	\$13.18	-
OP - Emergency Room	\$55,040	\$0	\$0	\$0	\$8.44	\$0.00	327	0	602	-	\$168.32	-
OP - Other	\$64,535	\$0	\$0	\$0	\$9.89	\$0.00	184	0	338	-	\$350.74	-
Pharmacy	\$341,310	\$0	\$0	\$0	\$52.32	\$0.00	4,926	0	9,062	-	\$69.29	-
Prof - Anesthesia	\$3,634	\$0	\$0	\$0	\$0.56	\$0.00	29	0	53	-	\$125.30	-
Prof - Child EPSDT	\$2,011	\$0	\$0	\$0	\$0.31	\$0.00	97	0	178	-	\$20.73	-
Prof - Evaluation & Management	\$131,787	\$0	\$0	\$0	\$20.20	\$0.00	2,221	0	4,086	-	\$59.34	-
Prof - Maternity	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
Prof - Other	\$56,868	\$0	\$0	\$0	\$8.72	\$0.00	1,351	0	2,485	-	\$42.09	-
Prof - Psych	\$22,538	\$0	\$0	\$0	\$3.46	\$0.00	334	0	614	-	\$67.48	-
Prof - Specialist	\$18,714	\$0	\$0	\$0	\$2.87	\$0.00	136	0	250	-	\$137.60	-
Prof - Vision	\$22,124	\$0	\$0	\$0	\$3.39	\$0.00	383	0	705	-	\$57.76	-
Radiology	\$10,546	\$0	\$0	\$0	\$1.62	\$0.00	459	0	844	-	\$22.98	-
Transportation/Ambulance	\$855	\$0	\$0	\$0	\$0.13	\$0.00	14	0	26	-	\$61.07	-
Total	\$876,131	\$0	\$0	\$0	\$134.31	\$0.00	13,365	0				

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Virginia Medicaid
FY 2015 Capitation Rate Development for the FAMIS Program
Fee-For-Service Data - Family Access to Medical Insurance Security (FAMIS)
Historical Eligibility, Claims, and Utilization Data

Section I
Exhibit 1b

Age 15-18 Female												
PCCM Far Southwest	Raw Claims FY12	Raw Claims FY13	Capitation FY12	Capitation FY13	Unadjusted PMPM 12	Unadjusted PMPM 13	Units FY12	Units FY13	Units/1000 FY12	Units/1000 FY13	Cost/Unit FY12	Cost/Unit FY13
Member Months	1,290	-										
Service Type												
DME/Supplies	\$1,630	\$0	\$0	\$0	\$1.26	\$0.00	19	0	177	-	\$85.81	-
FQHC / RHC	\$12,091	\$0	\$0	\$0	\$9.37	\$0.00	160	0	1,488	-	\$75.57	-
Home Health	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
IP - Maternity	\$1,713	\$0	\$0	\$0	\$1.33	\$0.00	1	0	9	-	\$1,712.84	-
IP - Newborn	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
IP - Other	\$2,793	\$0	\$0	\$0	\$2.16	\$0.00	2	0	19	-	\$1,396.42	-
IP - Psych	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
Lab	\$10,864	\$0	\$0	\$0	\$8.42	\$0.00	771	0	7,172	-	\$14.09	-
OP - Emergency Room	\$15,311	\$0	\$0	\$0	\$11.87	\$0.00	84	0	781	-	\$182.28	-
OP - Other	\$26,596	\$0	\$0	\$0	\$20.62	\$0.00	53	0	493	-	\$501.81	-
Pharmacy	\$59,915	\$0	\$0	\$0	\$46.44	\$0.00	1,236	0	11,497	-	\$48.47	-
Prof - Anesthesia	\$886	\$0	\$0	\$0	\$0.69	\$0.00	7	0	65	-	\$126.57	-
Prof - Child EPSDT	\$336	\$0	\$0	\$0	\$0.26	\$0.00	28	0	260	-	\$11.99	-
Prof - Evaluation & Management	\$29,370	\$0	\$0	\$0	\$22.77	\$0.00	441	0	4,102	-	\$66.60	-
Prof - Maternity	\$713	\$0	\$0	\$0	\$0.55	\$0.00	1	0	9	-	\$713.10	-
Prof - Other	\$7,782	\$0	\$0	\$0	\$6.03	\$0.00	81	0	753	-	\$96.08	-
Prof - Psych	\$4,013	\$0	\$0	\$0	\$3.11	\$0.00	64	0	595	-	\$62.70	-
Prof - Specialist	\$5,716	\$0	\$0	\$0	\$4.43	\$0.00	38	0	353	-	\$150.42	-
Prof - Vision	\$3,342	\$0	\$0	\$0	\$2.59	\$0.00	61	0	567	-	\$54.78	-
Radiology	\$5,010	\$0	\$0	\$0	\$3.88	\$0.00	121	0	1,126	-	\$41.41	-
Transportation/Ambulance	\$320	\$0	\$0	\$0	\$0.25	\$0.00	4	0	37	-	\$80.00	-
Total	\$188,401	\$0	\$0	\$0	\$146.04	\$0.00	3,172	0				

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Virginia Medicaid
FY 2015 Capitation Rate Development for the FAMIS Program
Fee-For-Service Data - Family Access to Medical Insurance Security (FAMIS)
Historical Eligibility, Claims, and Utilization Data

Section I
Exhibit 1b

Age 15-18 Male												
PCCM Far Southwest	Raw Claims FY12	Raw Claims FY13	Capitation FY12	Capitation FY13	Unadjusted PMPM 12	Unadjusted PMPM 13	Units FY12	Units FY13	Units/1000 FY12	Units/1000 FY13	Cost/Unit FY12	Cost/Unit FY13
Member Months	1,545	-										
Service Type												
DME/Supplies	\$7,224	\$0	\$0	\$0	\$4.68	\$0.00	77	0	598	-	\$93.82	-
FQHC / RHC	\$14,784	\$0	\$0	\$0	\$9.57	\$0.00	208	0	1,616	-	\$71.08	-
Home Health	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
IP - Maternity	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
IP - Newborn	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
IP - Other	\$28,652	\$0	\$0	\$0	\$18.54	\$0.00	3	0	23	-	\$9,550.67	-
IP - Psych	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
Lab	\$6,122	\$0	\$0	\$0	\$3.96	\$0.00	447	0	3,472	-	\$13.69	-
OP - Emergency Room	\$23,188	\$0	\$0	\$0	\$15.01	\$0.00	97	0	753	-	\$239.05	-
OP - Other	\$23,759	\$0	\$0	\$0	\$15.38	\$0.00	43	0	334	-	\$552.54	-
Pharmacy	\$75,973	\$0	\$0	\$0	\$49.17	\$0.00	1,095	0	8,505	-	\$69.38	-
Prof - Anesthesia	\$1,412	\$0	\$0	\$0	\$0.91	\$0.00	8	0	62	-	\$176.55	-
Prof - Child EPSDT	\$475	\$0	\$0	\$0	\$0.31	\$0.00	23	0	179	-	\$20.65	-
Prof - Evaluation & Management	\$25,312	\$0	\$0	\$0	\$16.38	\$0.00	402	0	3,122	-	\$62.97	-
Prof - Maternity	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
Prof - Other	\$9,116	\$0	\$0	\$0	\$5.90	\$0.00	111	0	862	-	\$82.13	-
Prof - Psych	\$3,346	\$0	\$0	\$0	\$2.17	\$0.00	58	0	450	-	\$57.69	-
Prof - Specialist	\$7,365	\$0	\$0	\$0	\$4.77	\$0.00	49	0	381	-	\$150.31	-
Prof - Vision	\$4,459	\$0	\$0	\$0	\$2.89	\$0.00	88	0	683	-	\$50.67	-
Radiology	\$4,099	\$0	\$0	\$0	\$2.65	\$0.00	161	0	1,250	-	\$25.46	-
Transportation/Ambulance	\$1,708	\$0	\$0	\$0	\$1.11	\$0.00	14	0	109	-	\$121.96	-
Total	\$236,995	\$0	\$0	\$0	\$153.39	\$0.00	2,884	0				

Note:
*Plans may not provide complete unit counts for subcapitated encounters, thus Cost/Unit may not be accurate.

Virginia Medicaid
FY 2015 Capitation Rate Development for the FAMIS Program
Fee-For-Service Data - Family Access to Medical Insurance Security (FAMIS)
Historical Eligibility, Claims, and Utilization Data

Section I
Exhibit 1b

All Age Categories												
PCCM Far Southwest	Raw Claims FY12	Raw Claims FY13	Capitation FY12	Capitation FY13	Unadjusted PMPM 12	Unadjusted PMPM 13	Units FY12	Units FY13	Units/1000 FY12	Units/1000 FY13	Cost/Unit FY12	Cost/Unit FY13
Member Months	13,296	-										
Service Type												
DME/Supplies	\$30,365	\$0	\$0	\$0	\$2.28	\$0.00	386	0	348	-	\$78.67	-
FQHC / RHC	\$110,800	\$0	\$0	\$0	\$8.33	\$0.00	1,497	0	1,351	-	\$74.01	-
Home Health	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
IP - Maternity	\$1,713	\$0	\$0	\$0	\$0.13	\$0.00	1	0	1	-	\$1,712.84	-
IP - Newborn	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
IP - Other	\$109,326	\$0	\$0	\$0	\$8.22	\$0.00	34	0	31	-	\$3,215.47	-
IP - Psych	\$23,868	\$0	\$0	\$0	\$1.80	\$0.00	31	0	28	-	\$769.95	-
Lab	\$60,007	\$0	\$0	\$0	\$4.51	\$0.00	4,590	0	4,143	-	\$13.07	-
OP - Emergency Room	\$117,652	\$0	\$0	\$0	\$8.85	\$0.00	792	0	715	-	\$148.55	-
OP - Other	\$170,224	\$0	\$0	\$0	\$12.80	\$0.00	394	0	356	-	\$432.04	-
Pharmacy	\$609,376	\$0	\$0	\$0	\$45.83	\$0.00	9,641	0	8,701	-	\$63.21	-
Prof - Anesthesia	\$10,960	\$0	\$0	\$0	\$0.82	\$0.00	90	0	81	-	\$121.78	-
Prof - Child EPSDT	\$10,662	\$0	\$0	\$0	\$0.80	\$0.00	493	0	445	-	\$21.63	-
Prof - Evaluation & Management	\$297,963	\$0	\$0	\$0	\$22.41	\$0.00	4,897	0	4,420	-	\$60.85	-
Prof - Maternity	\$713	\$0	\$0	\$0	\$0.05	\$0.00	1	0	1	-	\$713.10	-
Prof - Other	\$113,501	\$0	\$0	\$0	\$8.54	\$0.00	2,418	0	2,182	-	\$46.94	-
Prof - Psych	\$31,589	\$0	\$0	\$0	\$2.38	\$0.00	478	0	431	-	\$66.09	-
Prof - Specialist	\$48,083	\$0	\$0	\$0	\$3.62	\$0.00	309	0	279	-	\$155.61	-
Prof - Vision	\$35,515	\$0	\$0	\$0	\$2.67	\$0.00	626	0	565	-	\$56.73	-
Radiology	\$23,649	\$0	\$0	\$0	\$1.78	\$0.00	933	0	842	-	\$25.35	-
Transportation/Ambulance	\$4,805	\$0	\$0	\$0	\$0.36	\$0.00	56	0	51	-	\$85.80	-
Total	\$1,810,771	\$0	\$0	\$0	\$136.19	\$0.00	27,667	0				

Note:
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Virginia Medicaid

FY 2015 Capitation Rate Development for the FAMIS Program

Blended Health Plan Encounter and Fee-for-Service Data - Family Access to Medical Insurance Security (FAMIS)

Historical Eligibility, Claims, and Utilization Data

Section I Exhibit 1c

Age Under 1						
Blended Statewide	Raw Claims FY12	Raw Claims FY13	Capitation FY12	Capitation FY13	Unadjusted PMPM 12	Unadjusted PMPM 13
Member Months	30,003	34,303				
Service Type						
DME/Supplies	\$114,024	\$100,134	\$0	\$0	\$3.80	\$2.92
FQHC / RHC	\$58,462	\$61,989	\$0	\$0	\$1.95	\$1.81
Home Health	\$6,973	\$26,892	\$0	\$0	\$0.23	\$0.78
IP - Maternity	\$0	\$0	\$0	\$0	\$0.00	\$0.00
IP - Newborn	\$4,224,510	\$6,463,662	\$0	\$0	\$140.80	\$188.43
IP - Other	\$1,147,500	\$670,817	\$0	\$0	\$38.25	\$19.56
IP - Psych	\$1,928	\$0	\$11,140	\$13,140	\$0.44	\$0.38
Lab	\$35,239	\$47,979	\$16,326	\$18,310	\$1.72	\$1.93
OP - Emergency Room & Related	\$316,487	\$415,657	\$0	\$0	\$10.55	\$12.12
OP - Other	\$542,779	\$535,693	\$0	\$0	\$18.09	\$15.62
Pharmacy	\$466,304	\$589,175	\$0	\$0	\$15.54	\$17.18
Prof - Anesthesia	\$36,250	\$45,365	\$0	\$0	\$1.21	\$1.32
Prof - Child EPSDT	\$610,292	\$746,656	\$0	\$0	\$20.34	\$21.77
Prof - Evaluation & Management	\$2,494,302	\$3,205,593	\$3,058	\$3,398	\$83.24	\$93.55
Prof - Maternity	\$0	\$0	\$0	\$0	\$0.00	\$0.00
Prof - Other	\$1,396,393	\$1,762,004	\$2,976	\$3,039	\$46.64	\$51.45
Prof - Psych	\$80	\$135	\$14,088	\$16,658	\$0.47	\$0.49
Prof - Specialist	\$165,882	\$278,646	\$0	\$0	\$5.53	\$8.12
Prof - Vision	\$13,768	\$14,974	\$32,050	\$36,725	\$1.53	\$1.51
Radiology	\$41,659	\$48,987	\$0	\$0	\$1.39	\$1.43
Transportation/Ambulance	\$22,952	\$30,416	\$265	\$2,107	\$0.77	\$0.95
Total	\$11,695,784	\$15,044,775	\$79,904	\$93,375	\$392.48	\$441.31

Note:

*Plans may not provide complete unit counts for subcapitated encounters, thus Cost/Unit may not be accurate.

Virginia Medicaid

FY 2015 Capitation Rate Development for the FAMIS Program

Blended Health Plan Encounter and Fee-for-Service Data - Family Access to Medical Insurance Security (FAMIS)

Historical Eligibility, Claims, and Utilization Data

Section I Exhibit 1c

Age 1-5						
Blended Statewide	Raw Claims FY12	Raw Claims FY13	Capitation FY12	Capitation FY13	Unadjusted PMPM 12	Unadjusted PMPM 13
Member Months	213,720	219,325				
Service Type						
DME/Supplies	\$331,273	\$305,304	\$0	\$0	\$1.55	\$1.39
FQHC / RHC	\$184,244	\$151,043	\$0	\$0	\$0.86	\$0.69
Home Health	\$5,339	\$5,771	\$0	\$0	\$0.02	\$0.03
IP - Maternity	\$0	\$0	\$0	\$0	\$0.00	\$0.00
IP - Newborn	\$0	\$0	\$0	\$0	\$0.00	\$0.00
IP - Other	\$1,567,276	\$1,794,377	\$0	\$0	\$7.33	\$8.18
IP - Psych	\$11,082	\$11,586	\$75,568	\$82,497	\$0.41	\$0.43
Lab	\$318,265	\$406,184	\$116,377	\$119,928	\$2.03	\$2.40
OP - Emergency Room & Related	\$1,744,060	\$2,001,706	\$0	\$0	\$8.16	\$9.13
OP - Other	\$3,258,432	\$3,261,616	\$0	\$0	\$15.25	\$14.87
Pharmacy	\$3,086,719	\$3,108,154	\$0	\$0	\$14.44	\$14.17
Prof - Anesthesia	\$192,823	\$202,352	\$0	\$0	\$0.90	\$0.92
Prof - Child EPSDT	\$940,392	\$878,847	\$0	\$0	\$4.40	\$4.01
Prof - Evaluation & Management	\$6,067,078	\$6,325,003	\$21,636	\$22,197	\$28.49	\$28.94
Prof - Maternity	\$0	\$0	\$0	\$0	\$0.00	\$0.00
Prof - Other	\$1,575,245	\$1,667,067	\$21,385	\$20,593	\$7.47	\$7.69
Prof - Psych	\$50,678	\$52,514	\$96,002	\$104,763	\$0.69	\$0.72
Prof - Specialist	\$575,059	\$584,972	\$0	\$0	\$2.69	\$2.67
Prof - Vision	\$90,652	\$108,968	\$226,737	\$237,333	\$1.49	\$1.58
Radiology	\$111,248	\$117,355	\$0	\$0	\$0.52	\$0.54
Transportation/Ambulance	\$48,045	\$87,334	\$929	\$9,959	\$0.23	\$0.44
Total	\$20,157,909	\$21,070,152	\$558,634	\$597,271	\$96.93	\$98.79

Note:

*Plans may not provide complete unit counts for subcapitated encounters, thus Cost/Unit may not be accurate.

Virginia Medicaid

FY 2015 Capitation Rate Development for the FAMIS Program

Blended Health Plan Encounter and Fee-for-Service Data - Family Access to Medical Insurance Security (FAMIS)

Historical Eligibility, Claims, and Utilization Data

Section I Exhibit 1c

Age 6-14						
Blended Statewide	Raw Claims FY12	Raw Claims FY13	Capitation FY12	Capitation FY13	Unadjusted PMPM 12	Unadjusted PMPM 13
Member Months	316,630	345,803				
Service Type						
DME/Supplies	\$453,601	\$440,040	\$0	\$0	\$1.43	\$1.27
FQHC / RHC	\$212,277	\$169,326	\$0	\$0	\$0.67	\$0.49
Home Health	\$13,479	\$7,149	\$0	\$0	\$0.04	\$0.02
IP - Maternity	\$5,119	\$4,037	\$0	\$0	\$0.02	\$0.01
IP - Newborn	\$0	\$0	\$0	\$0	\$0.00	\$0.00
IP - Other	\$3,090,903	\$1,620,312	\$0	\$0	\$9.76	\$4.69
IP - Psych	\$301,463	\$265,859	\$114,069	\$130,880	\$1.31	\$1.15
Lab	\$361,676	\$476,930	\$179,726	\$197,916	\$1.71	\$1.95
OP - Emergency Room & Related	\$2,232,159	\$2,337,224	\$0	\$0	\$7.05	\$6.76
OP - Other	\$3,289,989	\$3,336,218	\$0	\$0	\$10.39	\$9.65
Pharmacy	\$7,784,849	\$8,910,436	\$0	\$0	\$24.59	\$25.77
Prof - Anesthesia	\$160,235	\$148,473	\$0	\$0	\$0.51	\$0.43
Prof - Child EPSDT	\$224,021	\$214,846	\$0	\$0	\$0.71	\$0.62
Prof - Evaluation & Management	\$5,823,154	\$6,568,882	\$32,055	\$35,994	\$18.49	\$19.10
Prof - Maternity	\$3,325	\$2,224	\$0	\$0	\$0.01	\$0.01
Prof - Other	\$2,668,527	\$4,756,027	\$32,276	\$33,522	\$8.53	\$13.85
Prof - Psych	\$502,099	\$470,730	\$160,174	\$177,689	\$2.09	\$1.88
Prof - Specialist	\$820,126	\$792,089	\$0	\$0	\$2.59	\$2.29
Prof - Vision	\$225,215	\$251,760	\$338,675	\$377,709	\$1.78	\$1.82
Radiology	\$277,592	\$274,749	\$0	\$0	\$0.88	\$0.79
Transportation/Ambulance	\$71,521	\$96,930	\$992	\$10,566	\$0.23	\$0.31
Total	\$28,521,330	\$31,144,242	\$857,968	\$964,277	\$92.79	\$92.85

Note:

*Plans may not provide complete unit counts for subcapitated encounters, thus Cost/Unit may not be accurate.

Virginia Medicaid

FY 2015 Capitation Rate Development for the FAMIS Program

Blended Health Plan Encounter and Fee-for-Service Data - Family Access to Medical Insurance Security (FAMIS)

Historical Eligibility, Claims, and Utilization Data

Section I Exhibit 1c

Age 15-18 Female						
Blended Statewide	Raw Claims FY12	Raw Claims FY13	Capitation FY12	Capitation FY13	Unadjusted PMPM 12	Unadjusted PMPM 13
Member Months	56,196	60,196				
Service Type						
DME/Supplies	\$91,537	\$114,756	\$0	\$0	\$1.63	\$1.91
FQHC / RHC	\$66,440	\$52,353	\$0	\$0	\$1.18	\$0.87
Home Health	\$1,476	\$1,194	\$0	\$0	\$0.03	\$0.02
IP - Maternity	\$321,672	\$232,742	\$0	\$0	\$5.72	\$3.87
IP - Newborn	\$0	\$0	\$0	\$0	\$0.00	\$0.00
IP - Other	\$775,225	\$514,315	\$0	\$0	\$13.80	\$8.54
IP - Psych	\$120,921	\$158,313	\$20,809	\$22,042	\$2.52	\$3.00
Lab	\$172,960	\$188,230	\$32,014	\$34,513	\$3.65	\$3.70
OP - Emergency Room & Related	\$809,683	\$889,639	\$0	\$0	\$14.41	\$14.78
OP - Other	\$1,117,854	\$1,119,841	\$0	\$0	\$19.89	\$18.60
Pharmacy	\$1,593,120	\$1,570,871	\$0	\$0	\$28.35	\$26.10
Prof - Anesthesia	\$63,968	\$54,408	\$0	\$0	\$1.14	\$0.90
Prof - Child EPSDT	\$62,844	\$52,842	\$0	\$0	\$1.12	\$0.88
Prof - Evaluation & Management	\$1,282,408	\$1,394,319	\$5,396	\$5,887	\$22.92	\$23.26
Prof - Maternity	\$192,374	\$157,280	\$0	\$0	\$3.42	\$2.61
Prof - Other	\$438,186	\$519,434	\$5,833	\$5,909	\$7.90	\$8.73
Prof - Psych	\$139,260	\$135,778	\$30,940	\$34,477	\$3.03	\$2.83
Prof - Specialist	\$240,910	\$223,383	\$0	\$0	\$4.29	\$3.71
Prof - Vision	\$35,429	\$37,589	\$60,213	\$66,040	\$1.70	\$1.72
Radiology	\$172,625	\$170,470	\$0	\$0	\$3.07	\$2.83
Transportation/Ambulance	\$32,473	\$36,518	\$237	\$2,419	\$0.58	\$0.65
Total	\$7,731,366	\$7,624,276	\$155,442	\$171,288	\$140.34	\$129.50

Note:

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Virginia Medicaid

FY 2015 Capitation Rate Development for the FAMIS Program

Blended Health Plan Encounter and Fee-for-Service Data - Family Access to Medical Insurance Security (FAMIS)

Historical Eligibility, Claims, and Utilization Data

Section I Exhibit 1c

Age 15-18 Male						
Blended Statewide	Raw Claims FY12	Raw Claims FY13	Capitation FY12	Capitation FY13	Unadjusted PMPM 12	Unadjusted PMPM 13
Member Months	55,815	60,551				
Service Type						
DME/Supplies	\$97,182	\$143,234	\$0	\$0	\$1.74	\$2.37
FQHC / RHC	\$39,920	\$30,671	\$0	\$0	\$0.72	\$0.51
Home Health	\$4,298	\$5,358	\$0	\$0	\$0.08	\$0.09
IP - Maternity	\$0	\$0	\$0	\$0	\$0.00	\$0.00
IP - Newborn	\$0	\$0	\$0	\$0	\$0.00	\$0.00
IP - Other	\$752,679	\$611,296	\$0	\$0	\$13.49	\$10.10
IP - Psych	\$156,741	\$174,073	\$22,810	\$24,340	\$3.22	\$3.28
Lab	\$61,976	\$69,975	\$31,301	\$34,217	\$1.67	\$1.72
OP - Emergency Room & Related	\$604,713	\$610,032	\$0	\$0	\$10.83	\$10.07
OP - Other	\$883,753	\$939,814	\$0	\$0	\$15.83	\$15.52
Pharmacy	\$1,494,970	\$1,965,785	\$0	\$0	\$26.78	\$32.46
Prof - Anesthesia	\$40,525	\$42,649	\$0	\$0	\$0.73	\$0.70
Prof - Child EPSDT	\$31,956	\$29,288	\$0	\$0	\$0.57	\$0.48
Prof - Evaluation & Management	\$871,777	\$999,642	\$5,156	\$5,761	\$15.71	\$16.60
Prof - Maternity	\$0	\$0	\$0	\$0	\$0.00	\$0.00
Prof - Other	\$596,909	\$929,243	\$5,807	\$5,978	\$10.80	\$15.45
Prof - Psych	\$113,594	\$115,255	\$31,344	\$34,497	\$2.60	\$2.47
Prof - Specialist	\$222,019	\$244,487	\$0	\$0	\$3.98	\$4.04
Prof - Vision	\$31,649	\$30,253	\$59,442	\$66,336	\$1.63	\$1.60
Radiology	\$83,439	\$96,995	\$0	\$0	\$1.49	\$1.60
Transportation/Ambulance	\$33,665	\$37,655	\$360	\$2,425	\$0.61	\$0.66
Total	\$6,121,765	\$7,075,706	\$156,222	\$173,555	\$112.48	\$119.72

Note:

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Virginia Medicaid

FY 2015 Capitation Rate Development for the FAMIS Program

Blended Health Plan Encounter and Fee-for-Service Data - Family Access to Medical Insurance Security (FAMIS)

Historical Eligibility, Claims, and Utilization Data

Section I Exhibit 1c

All Age Categories						
Blended Statewide	Raw Claims FY12	Raw Claims FY13	Capitation FY12	Capitation FY13	Unadjusted PMPM 12	Unadjusted PMPM 13
Member Months	672,364	720,178				
Service Type						
DME/Supplies	\$1,087,617	\$1,103,468	\$0	\$0	\$1.62	\$1.53
FQHC / RHC	\$561,343	\$465,383	\$0	\$0	\$0.83	\$0.65
Home Health	\$31,565	\$46,364	\$0	\$0	\$0.05	\$0.06
IP - Maternity	\$326,791	\$236,779	\$0	\$0	\$0.49	\$0.33
IP - Newborn	\$4,224,510	\$6,463,662	\$0	\$0	\$6.28	\$8.98
IP - Other	\$7,333,583	\$5,211,117	\$0	\$0	\$10.91	\$7.24
IP - Psych	\$592,135	\$609,832	\$244,397	\$272,900	\$1.24	\$1.23
Lab	\$950,116	\$1,189,298	\$375,743	\$404,885	\$1.97	\$2.21
OP - Emergency Room & Related	\$5,707,102	\$6,254,259	\$0	\$0	\$8.49	\$8.68
OP - Other	\$9,092,807	\$9,193,181	\$0	\$0	\$13.52	\$12.77
Pharmacy	\$14,425,961	\$16,144,421	\$0	\$0	\$21.46	\$22.42
Prof - Anesthesia	\$493,803	\$493,247	\$0	\$0	\$0.73	\$0.68
Prof - Child EPSDT	\$1,869,504	\$1,922,479	\$0	\$0	\$2.78	\$2.67
Prof - Evaluation & Management	\$16,538,719	\$18,493,439	\$67,303	\$73,237	\$24.70	\$25.78
Prof - Maternity	\$195,700	\$159,504	\$0	\$0	\$0.29	\$0.22
Prof - Other	\$6,675,260	\$9,633,775	\$68,278	\$69,042	\$10.03	\$13.47
Prof - Psych	\$805,711	\$774,412	\$332,547	\$368,084	\$1.69	\$1.59
Prof - Specialist	\$2,023,998	\$2,123,577	\$0	\$0	\$3.01	\$2.95
Prof - Vision	\$396,713	\$443,544	\$717,117	\$784,143	\$1.66	\$1.70
Radiology	\$686,562	\$708,557	\$0	\$0	\$1.02	\$0.98
Transportation/Ambulance	\$208,656	\$288,853	\$2,784	\$27,476	\$0.31	\$0.44
Total	\$74,228,155	\$81,959,151	\$1,808,169	\$1,999,766	\$113.09	\$116.58

Note:

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Virginia Medicaid
FY 2015 Capitation Rate Development
Health Plan Encounter Data - Family Access to Medical Insurance Security (FAMIS)
Pharmacy Adjustment

Section I
Exhibit 2a

	FAMIS	Source
1. Health Plan Total Drug Cost PMPM	\$21.95	FY12-13 Health Plan Encounter Data
2. Health Plan Drug Ingredient Cost PMPM	\$21.24	Health Plan Encounter Analysis
3. Change in Average Managed Care Discount	-0.1%	From Plan Data
4. Current Average Managed Care Rebate	2.3%	From Plan Data
5. FY15 Managed Care Dispensing Fee PMPM	\$0.48	From Plan Data
6. Average PBM Admin Cost PMPM	\$0.09	From Plan Data
7. Adjusted PMPM with FY15 Pharmacy Pricing Arrangements	\$21.34	= (2.) * (1 - (3.)) * (1 - (4.)) + (5.) + (6.)
8. Pharmacy Adjustment	-2.8%	= (7.) / (1.) - 1

Virginia Medicaid
FY 2015 Capitation Rate Development
Health Plan Encounter Data - Family Access to Medical Insurance Security (FAMIS)
Exempt Infant Formula Carveout Adjustment

Section I
Exhibit 2b

	FAMIS Age 0-5	FAMIS Age 6-18	Source
1. Claims Associated with Exempt Infant Formula	\$8,148	\$8,148	FY12-13 Health Plan Encounter Data
2. Total Claims in DME/Supplies Service Category	\$850,735	\$1,340,350	FY12-13 Health Plan Encounter Data
3. Exempt Infant Formula Carveout Adjustment	-1.0%	-0.6%	= - (1.) / (2.)

Virginia Medicaid
FY 2015 Capitation Rate Development
Health Plan Encounter Data - Family Access to Medical Insurance Security (FAMIS)
Hospital Inpatient Adjustments

Section I
Exhibit 2c

	Inpatient Medical/Surgical	Inpatient Psychiatric	Source
1a. FY12 Total Claims in IP Service Categories	\$11,884,884	\$592,135	FY12 Health Plan Encounter Data
1b. FY13 Total Claims in IP Service Categories	\$11,911,557	\$609,832	FY13 Health Plan Encounter Data
2. FY12-13 Hospital Capital Percentage Adjusted	9.9%	9.9%	Provided by DMAS
3a. FY13 Hospital Rate Change	2.6%	2.6%	Provided by DMAS
3b. Dollar Change	\$278,277	\$13,864	= (1a.) * (1 - (2.)) * (3a.)
4a. FY14 Hospital Rate Change	4.7%	-7.4%	Provided by DMAS
4b. Dollar Change	\$1,013,519	(\$80,767)	= (((1a.) + (1b.)) * (1 - (2.)) + (3b.)) * (4a.)
5. Hospital Inpatient Adjustment	5.4%	-5.6%	= ((3b.) + (4b.)) / ((1a.) + (1b.))

Virginia Medicaid
FY 2015 Capitation Rate Development
Health Plan Encounter Data - Family Access to Medical Insurance Security (FAMIS)
Emergency Transportation Adjustment

Section I
Exhibit 2d

	FAMIS	Source
1. Claims Associated with Transportation	\$497,509	FY12-13 Health Plan Encounter Data
2. Base Period Member Months	1,392,542	FY12-13 Health Plan Encounter Data
3. Total Trend Factor for Transportation	1.0345	FY11-13 Health Plan Encounter Data
4. Trended Base Period Transportation PMPM	\$0.37	= (1.) / (2.) * (3.)
5. FY13 Emergency Transportation PMPM Increase	\$0.03	Provided by DMAS. PMPM based on annualized Mar 2014 Member Months
6. Emergency Transportation Adjustment	7.2%	= (5.) / (4.)

Virginia Medicaid
FY 2015 Capitation Rate Development
Health Plan Encounter Data - Family Access to Medical Insurance Security (FAMIS)
DME Fee Adjustment

Section I
Exhibit 2e

	FAMIS	Source
1. Claims Associated with DME/Supplies Service Category	\$2,191,085	FY12-13 Health Plan Encounter Data
2. Proportion of Claims subject to change	\$120,995	Provided by DMAS
3a. FY15 DME Fee Change	-33.2%	Provided by DMAS
3b. Dollar Change	(\$40,169)	= (2.) * (3a.)
4. DME Fee Adjustment	-1.8%	= (3b.) / (1.)

Virginia Medicaid
FY 2015 Capitation Rate Development
Health Plan Encounter Data - Family Access to Medical Insurance Security (FAMIS)
Provider Incentive Payment Adjustment

Section I
Exhibit 2f

	Adjustment Value	Source
Provider Incentive Payment Adjustment	1.3%	From Plan Data

Virginia Medicaid
FY 2015 Capitation Rate Development
Health Plan Encounter Data - Family Access to Medical Insurance Security (FAMIS)
Administrative Cost Adjustment

Section I
Exhibit 2g

	FAMIS	Source
1. Claims Adjustment Expense PMPM	\$3.52	Expense from CY2012 BOI Reports; Member months from capitation payment files
2. General Admin Expense PMPM	\$6.57	Expense from CY2012 BOI Reports; Member months from capitation payment files
3. Claims Adjustment Expense Increase %	1.5%	BLS CPI-U
4. General Admin Expense Increase %	2.4%	Weighted average of BLS Compensation Trend and CPI
5a. Administrative PMPM*	\$10.41	$= (1.) * (1 + (3.)) ^ (18 \text{ months}/12) + (2.) * (1 + (4.)) ^ (18 \text{ months}/12)$
5b. Administrative PMPM Weighted by Claims	\$12.06	Reallocation of administrative costs weighted by claims
6. Adjusted and Trended Base PMPM	\$139.03	Weighted average of medical component of FY2014 FAMIS Base Rates
7. Administrative allowance as % of Base Capitation Rate	7.9%	$= (5b.) / (((5b.) + (6.)) / (1 - (8.)))$
8. Contribution to Reserves as % of Base Capitation Rate	1.5%	Provided by DMAS
9. Administrative Factor as % of Base Capitation Rate	9.4%	$= (7.) + (8.)$

*Note:

Administrative increases are applied from midpoint of CY2013 to the midpoint of the contract period (18 months) using compound interest calculations.

Virginia Medicaid

FY 2015 Capitation Rate Development

Health Plan Encounter Data - Family Access to Medical Insurance Security (FAMIS) Incurred But Not Reported (IBNR), Policy/Program, and Trend Adjustments

Section I Exhibit 3

Category of Service	FAMIS							
	Completion and Policy/Program Adjustments			Data Period Trend			Contract Period Cost and Utilization Trend	Total Trend Factor
	IBNR	Policy/ Program ¹	Total Base Data Adjustments	Cost Trend	Utilization Trend	Cost and Utilization Trend		
Inpatient Medical/Surgical	2.1%	5.4%	7.7%	-10.8%	18.0%	5.3%	0.0%	1.0526
Inpatient Psychiatric	0.2%	-5.6%	-5.4%	0.0%	8.9%	8.9%	5.2%	1.1750
Outpatient Hospital	0.8%	0.0%	0.8%	-1.5%	4.3%	2.6%	0.5%	1.0343
Practitioner	0.8%	0.0%	0.8%	8.4%	4.6%	13.3%	6.5%	1.2451
Prescription Drug ²	0.0%	-2.8%	-2.8%	-4.2%	3.9%	-0.4%	6.4%	1.0920
Other	1.0%	-0.3%	0.7%	-4.2%	4.4%	0.0%	2.3%	1.0345
Weighted Average³	0.8%	0.2%	1.1%	0.6%	6.5%	6.8%	4.2%	1.1373
Months of Trend Applied				12	12	12	18	

¹ The Policy and Program Adjustments are summarized in this table as weighted averages and are applied at the rate cell level in Exhibit 4.

² Pharmacy contract period trend includes additional 1% for utilization on specialty drugs

³ Weighted averages for Completion and Program Adjustments are calculated using a distribution by Service Type, before Trend and Adjustments (Total Claims FY12-13), whereas weighted averages for Trends are calculated using a distribution by Service Type, before Trend (Adjusted FY12-13 Claims)

Trend rates for managed care plans are calculated based on regression studies of historical health plan data.

Trend rates have been calculated separately for the broad service categories shown above. Utilization trend is based on service units per thousand.

Data period trends are applied from the midpoint of the data period to the end of the data period using compound interest calculations; includes FY12-13 incurred claims paid through Oct 2013.

Contract period trends are applied from the end of the data period to the midpoint of the contract period using compound interest calculations; includes FY11-13 incurred claims paid through Feb 2014.

Total Trend = [(1 + data period trend) ^ (months/12) * (1 + contract period trend) ^ (months/12)]

Virginia Medicaid
FY 2015 Capitation Rate Development
Health Plan Encounter Data - Family Access to Medical Insurance Security (FAMIS)
Capitation Rate Calculations

Section I
Exhibit 4

Age Under 1										
Statewide	Total Base Claims FY12-13	Base Claims Redistribution FY12-13	Total Redistributed Base Claims FY12-13	Completion Factor Adjustments ¹	Policy and Program Adjustments ²	Patient Copay	Completed and Adjusted Claims FY12-13	Trend Adjustment	Completed & Trended Claims FY15	PMPM FY15
Service Type										
DME/Supplies	\$214,158		\$214,158	\$2,131	(\$6,037)	\$0	\$210,253	1.034	\$217,502	\$3.38
FQHC / RHC	\$120,451		\$120,451	\$927		\$4,007	\$125,385	1.245	\$156,114	\$2.43
Home Health	\$33,865		\$33,865	\$285		\$268	\$34,418	1.034	\$35,599	\$0.55
IP - Maternity	\$0	\$0	\$0			\$0	\$0	1.053	\$0	\$0.00
IP - Newborn	\$10,688,172	(\$43,224)	\$10,644,948	\$229,110	\$590,301	\$21,101	\$11,485,459	1.053	\$12,090,009	\$188.01
IP - Other	\$1,818,316	(\$7,353)	\$1,810,963	\$38,977	\$100,424	\$6,256	\$1,956,620	1.053	\$2,059,609	\$32.03
IP - Psych	\$26,208		\$26,208	\$4	(\$1,459)	\$18	\$24,771	1.175	\$29,107	\$0.45
Lab	\$117,854		\$117,854	\$828		\$14,698	\$133,379	1.034	\$137,978	\$2.15
OP - Emergency Room	\$732,145		\$732,145	\$6,154		\$40,439	\$778,737	1.034	\$805,455	\$12.53
OP - Other	\$1,078,471		\$1,078,471	\$9,065		\$12,152	\$1,099,688	1.034	\$1,137,418	\$17.69
Pharmacy	\$1,055,479		\$1,055,479		(\$29,304)	\$77,084	\$1,103,260	1.092	\$1,204,747	\$18.73
Prof - Anesthesia	\$81,616		\$81,616	\$628		\$0	\$82,244	1.245	\$102,400	\$1.59
Prof - Child EPSDT	\$1,356,948		\$1,356,948	\$10,442		\$0	\$1,367,389	1.245	\$1,702,507	\$26.48
Prof - Evaluation & Management	\$5,706,352		\$5,706,352	\$43,861		\$237,057	\$5,987,270	1.245	\$7,454,619	\$115.92
Prof - Maternity	\$0		\$0			\$0	\$0	1.245	\$0	\$0.00
Prof - Other	\$3,164,412		\$3,164,412	\$24,304		\$100,823	\$3,289,539	1.245	\$4,095,733	\$63.69
Prof - Psych	\$30,960		\$30,960	\$2		\$14	\$30,976	1.245	\$38,568	\$0.60
Prof - Specialist	\$444,528		\$444,528	\$3,421		\$10,193	\$458,142	1.245	\$570,423	\$8.87
Prof - Vision	\$97,517		\$97,517	\$221		\$1,325	\$99,063	1.245	\$123,341	\$1.92
Radiology	\$90,647		\$90,647	\$902		\$16,563	\$108,111	1.034	\$111,839	\$1.74
Transportation/Ambulance	\$55,740		\$55,740	\$531	\$4,070	\$192	\$60,533	1.034	\$62,620	\$0.97
Provider Incentive Payment Adjustment										\$6.32
Total	\$26,913,838	(\$50,577)	\$26,863,261	\$371,792	\$657,996	\$542,190	\$28,435,239		\$32,135,587	\$506.05

¹ Completion Factor Adjustment is applied to non-capitated claims only

² Policy and Program Adjustments are calculated based on Completed Claims = Total Base Claims + Completion Factor Adjustment.

Virginia Medicaid
FY 2015 Capitation Rate Development
Health Plan Encounter Data - Family Access to Medical Insurance Security (FAMIS)
Capitation Rate Calculations

Section I
Exhibit 4

Age 1-5										
Statewide	Total Base Claims FY12-13	Base Claims Redistribution FY12-13	Total Redistributed Base Claims FY12-13	Completion Factor Adjustments ¹	Policy and Program Adjustments ²	Patient Copay	Completed and Adjusted Claims FY12-13	Trend Adjustment	Completed & Trended Claims FY15	PMPM FY15
Service Type										
DME/Supplies	\$636,577		\$636,577	\$6,335	(\$17,944)	\$0	\$624,968	1.034	\$646,515	\$1.49
FQHC / RHC	\$335,287		\$335,287	\$2,580		\$16,126	\$353,993	1.245	\$440,749	\$1.02
Home Health	\$11,110		\$11,110	\$93		\$317	\$11,521	1.034	\$11,916	\$0.03
IP - Maternity	\$0	\$0	\$0			\$0	\$0	1.053	\$0	\$0.00
IP - Newborn	\$0	\$0	\$0			\$0	\$0	1.053	\$0	\$0.00
IP - Other	\$3,361,653	\$124,846	\$3,486,500	\$72,060	\$193,177	\$15,041	\$3,766,778	1.053	\$3,965,046	\$9.16
IP - Psych	\$180,734		\$180,734	\$47	(\$10,062)	\$60	\$170,778	1.175	\$200,670	\$0.46
Lab	\$960,754		\$960,754	\$7,210		\$129,289	\$1,097,253	1.034	\$1,135,082	\$2.62
OP - Emergency Room	\$3,745,766		\$3,745,766	\$31,484		\$224,526	\$4,001,775	1.034	\$4,139,073	\$9.56
OP - Other	\$6,520,048		\$6,520,048	\$54,802		\$60,063	\$6,634,913	1.034	\$6,862,551	\$15.85
Pharmacy	\$6,194,873		\$6,194,873		(\$171,991)	\$588,145	\$6,611,027	1.092	\$7,219,164	\$16.67
Prof - Anesthesia	\$395,175		\$395,175	\$3,041		\$0	\$398,216	1.245	\$495,810	\$1.14
Prof - Child EPSDT	\$1,819,239		\$1,819,239	\$13,999		\$0	\$1,833,238	1.245	\$2,282,524	\$5.27
Prof - Evaluation & Management	\$12,435,914		\$12,435,914	\$95,358		\$801,948	\$13,333,219	1.245	\$16,600,901	\$38.34
Prof - Maternity	\$0		\$0			\$0	\$0	1.245	\$0	\$0.00
Prof - Other	\$3,284,291		\$3,284,291	\$24,950		\$242,589	\$3,551,830	1.245	\$4,422,306	\$10.21
Prof - Psych	\$303,957		\$303,957	\$794		\$6,369	\$311,120	1.245	\$387,369	\$0.89
Prof - Specialist	\$1,160,031		\$1,160,031	\$8,926		\$45,259	\$1,214,216	1.245	\$1,511,794	\$3.49
Prof - Vision	\$663,689		\$663,689	\$1,536		\$7,422	\$672,647	1.245	\$837,498	\$1.93
Radiology	\$228,602		\$228,602	\$2,275		\$52,882	\$283,760	1.034	\$293,543	\$0.68
Transportation/Ambulance	\$146,267		\$146,267	\$1,347	\$10,677	\$840	\$159,131	1.034	\$164,617	\$0.38
Provider Incentive Payment Adjustment										\$1.51
Total	\$42,383,967	\$124,846	\$42,508,813	\$326,838	\$3,857	\$2,190,875	\$45,030,383		\$51,617,129	\$120.70

¹ Completion Factor Adjustment is applied to non-capitated claims only

² Policy and Program Adjustments are calculated based on Completed Claims = Total Base Claims + Completion Factor Adjustment.

Virginia Medicaid
FY 2015 Capitation Rate Development
Health Plan Encounter Data - Family Access to Medical Insurance Security (FAMIS)
Capitation Rate Calculations

Section I
Exhibit 4

Age 6-14										
Statewide	Total Base Claims FY12-13	Base Claims Redistribution FY12-13	Total Redistributed Base Claims FY12-13	Completion Factor Adjustments ¹	Policy and Program Adjustments ²	Patient Copay	Completed and Adjusted Claims FY12-13	Trend Adjustment	Completed & Trended Claims FY15	PMPM FY15
Service Type										
DME/Supplies	\$893,641		\$893,641	\$8,893	(\$22,032)	\$0	\$880,502	1.034	\$910,859	\$1.38
FQHC / RHC	\$381,603		\$381,603	\$2,936		\$16,600	\$401,139	1.245	\$499,449	\$0.75
Home Health	\$20,628		\$20,628	\$173		\$521	\$21,322	1.034	\$22,054	\$0.03
IP - Maternity	\$9,156	(\$384)	\$8,772	\$196	\$487	\$178	\$9,633	1.053	\$10,140	\$0.02
IP - Newborn	\$0	\$0	\$0			\$0	\$0	1.053	\$0	\$0.00
IP - Other	\$4,711,215	(\$196,300)	\$4,514,915	\$100,989	\$250,575	\$13,333	\$4,879,812	1.053	\$5,136,666	\$7.75
IP - Psych	\$812,272		\$812,272	\$1,180	(\$45,277)	\$3,089	\$771,264	1.175	\$906,263	\$1.37
Lab	\$1,216,247		\$1,216,247	\$8,346		\$134,619	\$1,359,212	1.034	\$1,406,073	\$2.12
OP - Emergency Room	\$4,569,383		\$4,569,383	\$38,407		\$202,778	\$4,810,567	1.034	\$4,975,614	\$7.51
OP - Other	\$6,626,207		\$6,626,207	\$55,695		\$77,734	\$6,759,636	1.034	\$6,991,553	\$10.55
Pharmacy	\$16,695,284		\$16,695,284		(\$463,518)	\$895,020	\$17,126,786	1.092	\$18,702,252	\$28.23
Prof - Anesthesia	\$308,708		\$308,708	\$2,376		\$0	\$311,083	1.245	\$387,323	\$0.58
Prof - Child EPSDT	\$438,868		\$438,868	\$3,377		\$0	\$442,245	1.245	\$550,629	\$0.83
Prof - Evaluation & Management	\$12,460,085		\$12,460,085	\$95,357		\$759,339	\$13,314,781	1.245	\$16,577,944	\$25.03
Prof - Maternity	\$5,549		\$5,549	\$43		\$37	\$5,629	1.245	\$7,009	\$0.01
Prof - Other	\$7,490,353		\$7,490,353	\$57,132		\$272,359	\$7,819,844	1.245	\$9,736,317	\$14.70
Prof - Psych	\$1,310,692		\$1,310,692	\$7,486		\$67,156	\$1,385,334	1.245	\$1,724,849	\$2.60
Prof - Specialist	\$1,612,215		\$1,612,215	\$12,406		\$60,153	\$1,684,774	1.245	\$2,097,675	\$3.17
Prof - Vision	\$1,193,360		\$1,193,360	\$3,670		\$16,164	\$1,213,194	1.245	\$1,510,522	\$2.28
Radiology	\$552,341		\$552,341	\$5,497		\$92,446	\$650,284	1.034	\$672,703	\$1.02
Transportation/Ambulance	\$180,010		\$180,010	\$1,676	\$13,141	\$1,097	\$195,925	1.034	\$202,679	\$0.31
Provider Incentive Payment Adjustment										\$1.40
Total	\$61,487,816	(\$196,684)	\$61,291,133	\$405,836	(\$266,624)	\$2,612,621	\$64,042,965		\$73,028,573	\$111.64

¹ Completion Factor Adjustment is applied to non-capitated claims only

² Policy and Program Adjustments are calculated based on Completed Claims = Total Base Claims + Completion Factor Adjustment.

Virginia Medicaid
FY 2015 Capitation Rate Development
Health Plan Encounter Data - Family Access to Medical Insurance Security (FAMIS)
Capitation Rate Calculations

Section I
Exhibit 4

Age 15-18 Female										
Statewide	Total Base Claims FY12-13	Base Claims Redistribution FY12-13	Total Redistributed Base Claims FY12-13	Completion Factor Adjustments ¹	Policy and Program Adjustments ²	Patient Copay	Completed and Adjusted Claims FY12-13	Trend Adjustment	Completed & Trended Claims FY15	PMPM FY15
Service Type										
DME/Supplies	\$206,293		\$206,293	\$2,053	(\$5,086)	\$0	\$203,260	1.034	\$210,268	\$1.81
FQHC / RHC	\$118,793		\$118,793	\$914		\$5,620	\$125,328	1.245	\$156,043	\$1.34
Home Health	\$2,670		\$2,670	\$22		\$214	\$2,907	1.034	\$3,006	\$0.03
IP - Maternity	\$554,414	\$21,311	\$575,726	\$11,884	\$31,899	\$5,498	\$625,006	1.053	\$657,904	\$5.65
IP - Newborn	\$0	\$0	\$0			\$0	\$0	1.053	\$0	\$0.00
IP - Other	\$1,289,539	\$49,615	\$1,339,154	\$27,642	\$74,197	\$4,078	\$1,445,072	1.053	\$1,521,135	\$13.07
IP - Psych	\$322,085		\$322,085	\$581	(\$17,960)	\$1,614	\$306,320	1.175	\$359,937	\$3.09
Lab	\$427,717		\$427,717	\$3,595		\$41,466	\$472,777	1.034	\$489,077	\$4.20
OP - Emergency Room	\$1,699,322		\$1,699,322	\$14,283		\$57,685	\$1,771,290	1.034	\$1,832,062	\$15.74
OP - Other	\$2,237,695		\$2,237,695	\$18,808		\$22,161	\$2,278,665	1.034	\$2,356,843	\$20.25
Pharmacy	\$3,163,991		\$3,163,991		(\$87,843)	\$246,834	\$3,322,981	1.092	\$3,628,657	\$31.18
Prof - Anesthesia	\$118,377		\$118,377	\$911		\$0	\$119,288	1.245	\$148,522	\$1.28
Prof - Child EPSDT	\$115,686		\$115,686	\$890		\$0	\$116,576	1.245	\$145,147	\$1.25
Prof - Evaluation & Management	\$2,688,011		\$2,688,011	\$20,598		\$162,746	\$2,871,354	1.245	\$3,575,060	\$30.72
Prof - Maternity	\$349,654		\$349,654	\$2,691		\$1,003	\$353,347	1.245	\$439,945	\$3.78
Prof - Other	\$969,363		\$969,363	\$7,369		\$47,056	\$1,023,788	1.245	\$1,274,696	\$10.95
Prof - Psych	\$340,455		\$340,455	\$2,116		\$18,101	\$360,672	1.245	\$449,065	\$3.86
Prof - Specialist	\$464,293		\$464,293	\$3,573		\$19,041	\$486,907	1.245	\$606,238	\$5.21
Prof - Vision	\$199,271		\$199,271	\$562		\$2,609	\$202,442	1.245	\$252,056	\$2.17
Radiology	\$343,095		\$343,095	\$3,414		\$29,467	\$375,976	1.034	\$388,939	\$3.34
Transportation/Ambulance	\$71,646		\$71,646	\$687	\$5,232	\$534	\$78,099	1.034	\$80,791	\$0.69
Provider Incentive Payment Adjustment										\$2.02
Total	\$15,682,372	\$70,926	\$15,753,298	\$122,593	\$438	\$665,725	\$16,542,055		\$18,575,391	\$161.61

¹ Completion Factor Adjustment is applied to non-capitated claims only

² Policy and Program Adjustments are calculated based on Completed Claims = Total Base Claims + Completion Factor Adjustment.

Virginia Medicaid
FY 2015 Capitation Rate Development
Health Plan Encounter Data - Family Access to Medical Insurance Security (FAMIS)
Capitation Rate Calculations

Section I
Exhibit 4

Age 15-18 Male										
Statewide	Total Base Claims FY12-13	Base Claims Redistribution FY12-13	Total Redistributed Base Claims FY12-13	Completion Factor Adjustments ¹	Policy and Program Adjustments ²	Patient Copay	Completed and Adjusted Claims FY12-13	Trend Adjustment	Completed & Trended Claims FY15	PMPM FY15
Service Type										
DME/Supplies	\$240,416		\$240,416	\$2,393	(\$5,927)	\$0	\$236,881	1.034	\$245,048	\$2.11
FQHC / RHC	\$70,591		\$70,591	\$543		\$2,667	\$73,802	1.245	\$91,889	\$0.79
Home Health	\$9,656		\$9,656	\$81		\$298	\$10,035	1.034	\$10,379	\$0.09
IP - Maternity	\$0	\$0	\$0			\$0	\$0	1.053	\$0	\$0.00
IP - Newborn	\$0	\$0	\$0			\$0	\$0	1.053	\$0	\$0.00
IP - Other	\$1,363,975	\$51,488	\$1,415,463	\$29,238	\$78,426	\$3,965	\$1,527,093	1.053	\$1,607,473	\$13.81
IP - Psych	\$377,965		\$377,965	\$688	(\$21,076)	\$1,520	\$359,097	1.175	\$421,952	\$3.63
Lab	\$197,470		\$197,470	\$1,313		\$16,701	\$215,484	1.034	\$222,913	\$1.92
OP - Emergency Room	\$1,214,744		\$1,214,744	\$10,210		\$41,847	\$1,266,802	1.034	\$1,310,265	\$11.26
OP - Other	\$1,823,567		\$1,823,567	\$15,327		\$15,340	\$1,854,235	1.034	\$1,917,852	\$16.48
Pharmacy	\$3,460,755		\$3,460,755		(\$96,082)	\$142,428	\$3,507,101	1.092	\$3,829,713	\$32.91
Prof - Anesthesia	\$83,174		\$83,174	\$640		\$0	\$83,814	1.245	\$104,355	\$0.90
Prof - Child EPSDT	\$61,243		\$61,243	\$471		\$0	\$61,715	1.245	\$76,840	\$0.66
Prof - Evaluation & Management	\$1,882,336		\$1,882,336	\$14,401		\$108,606	\$2,005,343	1.245	\$2,496,809	\$21.46
Prof - Maternity	\$0		\$0			\$0	\$0	1.245	\$0	\$0.00
Prof - Other	\$1,537,938		\$1,537,938	\$11,744		\$36,026	\$1,585,707	1.245	\$1,974,330	\$16.97
Prof - Psych	\$294,690		\$294,690	\$1,761		\$15,833	\$312,284	1.245	\$388,818	\$3.34
Prof - Specialist	\$466,507		\$466,507	\$3,590		\$14,015	\$484,112	1.245	\$602,757	\$5.18
Prof - Vision	\$187,680		\$187,680	\$476		\$2,113	\$190,270	1.245	\$236,901	\$2.04
Radiology	\$180,434		\$180,434	\$1,796		\$24,480	\$206,710	1.034	\$213,836	\$1.84
Transportation/Ambulance	\$74,105		\$74,105	\$710	\$5,411	\$364	\$80,591	1.034	\$83,369	\$0.72
Provider Incentive Payment Adjustment										\$1.72
Total	\$13,527,248	\$51,488	\$13,578,736	\$95,382	(\$39,249)	\$426,205	\$14,061,074		\$15,835,499	\$137.81

¹ Completion Factor Adjustment is applied to non-capitated claims only

² Policy and Program Adjustments are calculated based on Completed Claims = Total Base Claims + Completion Factor Adjustment.

Virginia Medicaid

FY 2015 Capitation Rate Development

Health Plan Encounter Data - Family Access to Medical Insurance Security (FAMIS)

Summary of FY 2015 Base Capitation Rates Below & Above 150% Federal Poverty Level

Section I Exhibit 5a

Age Group	Combined Base Rates	Copay Value PMPM FAMIS <=150%	Copay Value PMPM FAMIS >150%	Admin Cost Adjustment	Statewide		
					FAMIS <=150% Total with Admin	FAMIS >150% Total with Admin	
Under 1	\$506.05	\$2.00	\$4.85	9.36%	\$556.14	\$552.99	
1-5	\$120.70	\$2.06	\$4.89	9.36%	\$130.91	\$127.78	
6-14	\$111.64	\$2.07	\$4.98	9.36%	\$120.89	\$117.68	
Female 15-18	\$161.61	\$2.13	\$5.06	9.36%	\$175.97	\$172.73	
Male 15-18	\$137.81	\$2.16	\$5.16	9.36%	\$149.66	\$146.36	
					Overall FAMIS		
Average					\$142.59	\$141.31	\$141.59

Note:

Average is weighted by health plan enrollment distribution as of March 2014.

Virginia Medicaid

FY 2015 Capitation Rate Development

Health Plan Encounter Data - Family Access to Medical Insurance Security (FAMIS)

Comparison of FY 2014 and FY 2015 Capitation Rates

Section I Exhibit 5b

		Statewide					
Aid Category		FAMIS <=150%			FAMIS >150%		
	Age Group	FY 2014	FY 2015	% Change	FY 2014	FY 2015	% Change
FAMIS	Under 1	\$507.04	\$556.14	9.68%	\$503.94	\$552.99	9.73%
	1-5	\$131.44	\$130.91	-0.40%	\$128.31	\$127.78	-0.41%
	6-14	\$117.48	\$120.89	2.90%	\$114.25	\$117.68	3.00%
	Female 15-18	\$177.21	\$175.97	-0.70%	\$173.96	\$172.73	-0.71%
	Male 15-18	\$145.39	\$149.66	2.93%	\$142.10	\$146.36	2.99%
Average		\$139.46	\$142.59	2.25%	\$138.00	\$141.31	2.40%

Overall FAMIS Average		
FY 2014	FY 2015	% Difference
\$138.33	\$141.59	2.36%

Note:

Average is weighted by health plan enrollment distribution as of March 2014.

Virginia Medicaid
FY 2015 Capitation Rate Development
Health Plan Encounter Data - Family Access to Medical Insurance Security (FAMIS)
March 2014 Member Month Distribution

Section I
Exhibit 5c

Aid Category	Age Group	Statewide
FAMIS <= 150%	Under 1	349
	1-5	3,929
	6-14	6,494
	Female 15-18	1,052
	Male 15-18	1,048
Aid Category Total		12,872
FAMIS >150%	Under 1	1,386
	1-5	13,534
	6-14	22,432
	Female 15-18	3,915
	Male 15-18	3,901
Aid Category Total		45,168
Total		58,040

**Virginia Medicaid
 FY 2015 Capitation Rate Development
 Drug Reinsurance Adjustment**

**Section I
 Exhibit 6**

	FAMIS	Source
1a. FY12 Number of Individuals Exceeding the Threshold	4	FY12 Health Plan Encounter Data
1b. FY12 Total Dollars For Individuals Exceeding the Discounted Threshold	\$914,019	FY12 Health Plan Encounter Data
1c. FY12 Trended to FY15 Total Dollars For Individuals Exceeding the Threshold	\$1,284,131	FY12 Health Plan Encounter Data
1d. FY12 Amount of Reinsurance	\$615,718	= ((1c.) - ((1a.) * \$150,000)) * 90%
2a. FY13 Number of Individuals Exceeding the Threshold	4	FY13 Health Plan Encounter Data
2b. FY13 Total Dollars For Individuals Exceeding the Discounted Threshold	\$2,637,184	FY13 Health Plan Encounter Data
2c. FY13 Trended to FY15 Total Dollars For Individuals Exceeding the Threshold	\$3,308,083	FY13 Health Plan Encounter Data
2d. FY13 Amount of Reinsurance	\$2,437,275	= ((2c.) - ((2a.) * \$150,000)) * 90%
3. Average Reinsurance Amount	\$1,526,496	= ((1d.) + (2d.)) / 2
4. Annualized Historical Member Months	689,623	Health Plan Encounter Data
5. Estimated PMPM	\$2.21	= (3.) / (4.)

Note:
 Discounted threshold is based upon FY15 reinsurance threshold of \$150,000 per person per year discounted by 12% unit cost trend per year

Virginia Medicaid

FY 2015 Capitation Rate Development

FAMIS Capitation Rates Net of Drug Reinsurance Adjustment

Summary of FY 2015 Base Capitation Rates Below & Above 150% Federal Poverty Level

Section I Exhibit 7

Age Group	Statewide		
	FAMIS <=150% Total with Admin	FAMIS >150% Total with Admin	
Under 1	\$553.92	\$550.77	
1-5	\$128.69	\$125.57	
6-14	\$118.67	\$115.46	
Female 15-18	\$173.75	\$170.52	
Male 15-18	\$147.44	\$144.14	
Overall FAMIS			
Average	\$140.38	\$139.10	\$139.38

Note:

Average is weighted by health plan enrollment distribution as of March 2014.

**Virginia Medicaid
FY 2015 Capitation Rate Development
Health Insurer Premium Tax Adjustment**

**Section I
Exhibit 8**

Health Plan	Adjustment Value	Source
Anthem Blue Cross and Blue Shield	TBD	Allocation of Federal Assessment to VA Medicaid
CoventryCares of Virginia	TBD	Allocation of Federal Assessment to VA Medicaid
InTotal Health	TBD	Allocation of Federal Assessment to VA Medicaid
Kaiser Permanente	TBD	Allocation of Federal Assessment to VA Medicaid
MajestaCare	TBD	Allocation of Federal Assessment to VA Medicaid
Optima Family Care	TBD	Allocation of Federal Assessment to VA Medicaid
Virginia Premier Health Plan	TBD	Allocation of Federal Assessment to VA Medicaid

Virginia Medicaid

FY 2015 Capitation Rate Development

Anthem Blue Cross and Blue Shield FAMIS Capitation Rates Net of Drug Reinsurance Adjustment Summary of FY 2015 Base Capitation Rates Below & Above 150% Federal Poverty Level

Section I Exhibit 9a

Age Group	Statewide		
	FAMIS <=150% Total with Admin	FAMIS >150% Total with Admin	
Under 1	\$553.92	\$550.77	
1-5	\$128.69	\$125.57	
6-14	\$118.67	\$115.46	
Female 15-18	\$173.75	\$170.52	
Male 15-18	\$147.44	\$144.14	
Overall FAMIS			
Average	\$140.03	\$138.99	\$139.21

Note:

Average is weighted by health plan enrollment distribution as of March 2014.

Virginia Medicaid

FY 2015 Capitation Rate Development

CoventryCares of Virginia FAMIS Capitation Rates Net of Drug Reinsurance Adjustment Summary of FY 2015 Base Capitation Rates Below & Above 150% Federal Poverty Level

Section I Exhibit 9b

Age Group	Statewide		
	FAMIS <=150% Total with Admin	FAMIS >150% Total with Admin	
Under 1	\$553.92	\$550.77	
1-5	\$128.69	\$125.57	
6-14	\$118.67	\$115.46	
Female 15-18	\$173.75	\$170.52	
Male 15-18	\$147.44	\$144.14	
Overall FAMIS			
Average	\$144.62	\$141.00	\$141.73

Note:

Average is weighted by health plan enrollment distribution as of March 2014.

Virginia Medicaid

FY 2015 Capitation Rate Development

InTotal Health FAMIS Capitation Rates Net of Drug Reinsurance Adjustment

Summary of FY 2015 Base Capitation Rates Below & Above 150% Federal Poverty Level

Section I Exhibit 9c

Age Group	Statewide		
	FAMIS <=150% Total with Admin	FAMIS >150% Total with Admin	
Under 1	\$553.92	\$550.77	
1-5	\$128.69	\$125.57	
6-14	\$118.67	\$115.46	
Female 15-18	\$173.75	\$170.52	
Male 15-18	\$147.44	\$144.14	
Overall FAMIS			
Average	\$141.25	\$142.09	\$141.91

Note:

Average is weighted by health plan enrollment distribution as of March 2014.

Virginia Medicaid

FY 2015 Capitation Rate Development

Kaiser Permanente FAMIS Capitation Rates Net of Drug Reinsurance Adjustment

Summary of FY 2015 Base Capitation Rates Below & Above 150% Federal Poverty Level

Section I Exhibit 9d

Age Group	Statewide		
	FAMIS <=150% Total with Admin	FAMIS >150% Total with Admin	
Under 1	\$553.92	\$550.77	
1-5	\$128.69	\$125.57	
6-14	\$118.67	\$115.46	
Female 15-18	\$173.75	\$170.52	
Male 15-18	\$147.44	\$144.14	
Overall FAMIS			
Average	\$161.20	\$186.60	\$182.40

Note:

Average is weighted by health plan enrollment distribution as of March 2014.

Virginia Medicaid

FY 2015 Capitation Rate Development

MajestaCare FAMIS Capitation Rates Net of Drug Reinsurance Adjustment

Summary of FY 2015 Base Capitation Rates Below & Above 150% Federal Poverty Level

Section I Exhibit 9e

Age Group	Statewide		
	FAMIS <=150% Total with Admin	FAMIS >150% Total with Admin	
Under 1	\$553.92	\$550.77	
1-5	\$128.69	\$125.57	
6-14	\$118.67	\$115.46	
Female 15-18	\$173.75	\$170.52	
Male 15-18	\$147.44	\$144.14	
Overall FAMIS			
Average	\$151.66	\$145.41	\$147.04

Note:

Average is weighted by health plan enrollment distribution as of March 2014.

Virginia Medicaid

FY 2015 Capitation Rate Development

Optima Family Care FAMIS Capitation Rates Net of Drug Reinsurance Adjustment

Summary of FY 2015 Base Capitation Rates Below & Above 150% Federal Poverty Level

Section I Exhibit 9f

Age Group	Statewide		
	FAMIS <=150% Total with Admin	FAMIS >150% Total with Admin	
Under 1	\$553.92	\$550.77	
1-5	\$128.69	\$125.57	
6-14	\$118.67	\$115.46	
Female 15-18	\$173.75	\$170.52	
Male 15-18	\$147.44	\$144.14	
Overall FAMIS			
Average	\$142.10	\$136.71	\$137.90

Note:

Average is weighted by health plan enrollment distribution as of March 2014.

Virginia Medicaid

FY 2015 Capitation Rate Development

Virginia Premier Health Plan FAMIS Capitation Rates Net of Drug Reinsurance Adjustment Summary of FY 2015 Base Capitation Rates Below & Above 150% Federal Poverty Level

Section I Exhibit 9g

Age Group	Statewide		
	FAMIS <=150% Total with Admin	FAMIS >150% Total with Admin	
Under 1	\$553.92	\$550.77	
1-5	\$128.69	\$125.57	
6-14	\$118.67	\$115.46	
Female 15-18	\$173.75	\$170.52	
Male 15-18	\$147.44	\$144.14	
Overall FAMIS			
Average	\$137.69	\$138.77	\$138.51

Note:

Average is weighted by health plan enrollment distribution as of March 2014.

Virginia Medicaid

FY 2015 Capitation Rate Development

Summary of Average FY 2015 Base Capitation Rates Net of Drug Reinsurance Adjustment Below & Above 150% Federal Poverty Level

Section I Exhibit 9h

Age Group	Statewide		
	FAMIS <=150% Total with Admin	FAMIS >150% Total with Admin	
Under 1	\$553.92	\$550.77	
1-5	\$128.69	\$125.57	
6-14	\$118.67	\$115.46	
Female 15-18	\$173.75	\$170.52	
Male 15-18	\$147.44	\$144.14	
Overall FAMIS			
Average	\$140.38	\$139.10	\$139.38

Note:

Average is weighted by health plan enrollment distribution as of March 2014.

Virginia Medicaid
FY 2015 Capitation Rate Development
Health Plan Encounter Data - FAMIS MOMS
Historical Eligibility, Claims, and Utilization Data

Section II
Exhibit 1

Age 10 and Over Female												
Statewide	Raw Claims FY12	Raw Claims FY13	Capitation FY12	Capitation FY13	Unadjusted PMPM 12	Unadjusted PMPM 13	Units FY12	Units FY13	Units/1000 FY12	Units/1000 FY13	Cost/Unit FY12	Cost/Unit FY13
Member Months	8,902	10,623										
Service Type												
DME/Supplies	\$23,064	\$26,247	\$0	\$0	\$2.59	\$2.47	158	200	213	226	\$145.97	\$131.24
FQHC / RHC	\$39,891	\$50,314	\$0	\$0	\$4.48	\$4.74	393	382	530	432	\$101.50	\$131.71
Home Health	\$16,805	\$8,815	\$0	\$0	\$1.89	\$0.83	44	37	59	42	\$381.93	\$238.24
IP - Maternity	\$4,824,287	\$5,765,245	\$0	\$0	\$541.93	\$542.71	1,681	2,033	2,266	2,297	\$2,869.89	\$2,835.83
IP - Newborn	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	0	0	-	-
IP - Other	\$387,837	\$166,060	\$0	\$0	\$43.57	\$15.63	46	39	62	44	\$8,431.23	\$4,257.96
IP - Psych	\$1,664	\$0	\$0	\$0	\$0.19	\$0.00	3	0	4	0	\$554.74	-
Lab	\$98,025	\$123,404	\$3,122	\$4,614	\$11.36	\$12.05	6,986	8,238	9,417	9,306	\$14.48	\$15.54
OP - Emergency Room & Related	\$258,145	\$317,852	\$0	\$0	\$29.00	\$29.92	839	989	1,131	1,117	\$307.68	\$321.39
OP - Other	\$634,005	\$773,759	\$0	\$0	\$71.22	\$72.84	2,527	3,127	3,406	3,532	\$250.89	\$247.44
Pharmacy	\$359,170	\$384,067	\$0	\$0	\$40.35	\$36.15	8,975	10,700	12,098	12,087	\$40.02	\$35.89
Prof - Anesthesia	\$290,340	\$331,768	\$0	\$0	\$32.62	\$31.23	1,637	1,958	2,207	2,212	\$177.36	\$169.44
Prof - Child EPSDT	\$24,282	\$14,314	\$0	\$0	\$2.73	\$1.35	270	332	364	375	\$89.93	\$43.11
Prof - Evaluation & Management	\$466,242	\$536,254	\$1,731	\$2,056	\$52.57	\$50.67	6,733	7,823	9,076	8,837	\$69.50	\$68.81
Prof - Maternity	\$2,720,496	\$3,288,936	\$0	\$0	\$305.61	\$309.61	4,622	5,283	6,231	5,968	\$588.60	\$622.55
Prof - Other	\$208,446	\$270,428	\$733	\$765	\$23.50	\$25.53	1,769	2,282	2,385	2,578	\$118.25	\$118.84
Prof - Psych	\$5,627	\$7,407	\$0	\$0	\$0.63	\$0.70	84	120	113	136	\$66.98	\$61.72
Prof - Specialist	\$141,649	\$144,562	\$0	\$0	\$15.91	\$13.61	1,443	1,694	1,945	1,914	\$98.16	\$85.34
Prof - Vision	\$1,076	\$2,330	\$7,131	\$7,149	\$0.92	\$0.89	16	38	22	43	\$512.90	\$249.44
Radiology	\$414,672	\$492,968	\$0	\$0	\$46.58	\$46.41	5,203	6,359	7,014	7,183	\$79.70	\$77.52
Transportation/Ambulance	\$10,362	\$24,553	\$27,579	\$33,332	\$4.26	\$5.45	99	246	133	278	\$383.24	\$235.31
Total	\$10,926,084	\$12,729,282	\$40,295	\$47,917	\$1,231.90	\$1,202.79	43,528	51,880				

Virginia Medicaid
FY 2015 Capitation Rate Development
Health Plan Encounter Data - FAMIS MOMS
Pharmacy Adjustment

Section II
Exhibit 2a

	FAMIS MOMS	Source
1. Health Plan Total Drug Cost PMPM	\$38.07	FY12-13 Health Plan Encounter Data
2. Health Plan Drug Ingredient Cost PMPM	\$36.64	Health Plan Encounter Analysis
3. Change in Average Managed Care Discount	-0.1%	From Plan Data
4. Current Average Managed Care Rebate	2.3%	From Plan Data
5. FY15 Managed Care Dispensing Fee PMPM	\$1.41	From Plan Data
6. Average PBM Admin Cost PMPM	\$0.26	From Plan Data
7. Adjusted PMPM with FY14 Pharmacy Pricing Arrangements	\$37.54	= (2.) * (1 - (3.)) * (1 - (4.)) + (5.) + (6.)
8. Pharmacy Adjustment	-1.4%	= (7.) / (1.) - 1

**Virginia Medicaid
FY 2015 Capitation Rate Development
Health Plan Encounter Data - FAMIS MOMS
Hospital Inpatient Adjustments**

**Section II
Exhibit 2b**

	Inpatient Medical/Surgical	Inpatient Psychiatric	Source
1a. FY12 Total Claims in IP Service Categories	\$5,212,124	\$1,664	FY12 Health Plan Encounter Data
1b. FY13 Total Claims in IP Service Categories	\$5,931,306	\$0	FY13 Health Plan Encounter Data
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	\$122,038	\$39	= (1a.) * (1 - (2.)) * (3a.)
4a. FY14 Hospital Rate Change	4.7%	-7.4%	Provided by DMAS
4b. Dollar Change	\$474,226	(\$113)	= (((1a.) + (1b.)) * (1 - (2.)) + (3b.)) * (4a.)
5. Hospital Inpatient Adjustment	5.4%	-4.5%	= ((3b.) + (4b.)) / ((1a.) + (1b.))

Virginia Medicaid
FY 2015 Capitation Rate Development
Health Plan Encounter Data - FAMIS MOMS
Emergency Transportation Adjustment

Section II
Exhibit 2c

	FAMIS MOMS	Source
1. Claims Associated with Transportation	\$95,826	FY12-13 Health Plan Encounter Data
2. Base Period Member Months	19,525	FY12-13 Health Plan Encounter Data
3. Total Trend Factor for Transportation	1.0000	FY11-13 Health Plan Encounter Data
4. Trended Base Period Transportation PMPM	\$4.91	= (1.) / (2.) * (3.)
5. FY13 Emergency Transportation Dollar Increase	\$0.03	Provided by DMAS. PMPM based on annualized March 2014 Member Months
6. Emergency Transportation Adjustment	0.5%	= (5.) / (6.)

Virginia Medicaid
FY 2015 Capitation Rate Development
Health Plan Encounter Data - FAMIS MOMS
DME Fee Adjustment

Section II
Exhibit 2d

	FAMIS MOMS	Source
1. Claims Associated with DME/Supplies Service Category	\$49,311	FY12-13 Health Plan Encounter Data
2. Proportion of Claims subject to change	\$3,150	Provided by DMAS
3a. FY15 DME Fee Change	-1.8%	Provided by DMAS
3b. Dollar Change	(\$58)	= (2.) * (3a.)
4. DME Fee Adjustment	-0.1%	= (3b.) / (1.)

Virginia Medicaid
FY 2015 Capitation Rate Development
Health Plan Encounter Data - FAMIS MOMS
Provider Incentive Payment Adjustment

Section II
Exhibit 2e

	Adjustment Value	Source
Provider Incentive Payment Adjustment	0.2%	From Plan Data

Virginia Medicaid
FY 2015 Capitation Rate Development
Health Plan Encounter Data - FAMIS MOMS
Administrative Cost Adjustment

Section II
Exhibit 2f

	FAMIS MOMS	Source
1. Claims Adjustment Expense PMPM	\$31.74	Expense from CY2012 BOI Reports; Member months from capitation payment files
2. General Admin Expense PMPM	\$59.25	Expense from CY2012 BOI Reports; Member months from capitation payment files
3. Claims Adjustment Expense Increase %	1.5%	BLS CPI-U
4. General Admin Expense Increase %	2.4%	Weighted average of BLS Compensation Trend and CPI
5a. Administrative PMPM*	\$93.85	= (1.) * (1+ (3.)) ^ (18 months/12) + (2.) * (1+ (4.)) ^ (18 months/12)
5b. Administrative PMPM Weighted by Claims	\$46.03	Reallocation of administrative costs weighted by claims
6. Adjusted and Trended Base PMPM	\$1,253.25	Weighted average of medical component of FY 2014 FAMIS Moms Base Rates
7. Administrative allowance as % of Base Capitation Rate	3.5%	= (5b.) / (((5b.) + (6.)) / (1 - (8.)))
8. Contribution to Reserves as % of Base Capitation Rate	1.5%	Provided by DMAS
9. Administrative Factor as % of Base Capitation Rate	5.0%	= (7.) + (8.)

Virginia Medicaid
FY 2015 Capitation Rate Development
Health Plan Encounter Data - FAMIS MOMS
Incurred But Not Reported (IBNR), Policy/Program, and Trend Adjustments

Section II
Exhibit 3

FAMIS MOMS								
Category of Service	Completion and Policy/Program Adjustments			Data Period Trend			Contract Period Cost and Utilization Trend	Total Trend Factor
	IBNR	Policy/Program ¹	Total Base Data Adjustments	Cost Trend	Utilization Trend	Cost and Utilization Trend		
Inpatient Medical/Surgical	0.2%	5.4%	5.5%	0.0%	0.0%	0.0%	0.0%	1.0000
Inpatient Psychiatric	0.6%	-4.5%	-3.9%	0.0%	0.0%	0.0%	0.0%	1.0000
Outpatient Hospital	0.6%	0.0%	0.6%	0.0%	0.0%	0.0%	0.0%	1.0000
Practitioner	0.5%	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	1.0000
Prescription Drug	0.0%	-1.4%	-1.4%	0.0%	0.0%	0.0%	0.0%	1.0000
Other	0.7%	0.0%	0.7%	0.0%	0.0%	0.0%	0.0%	1.0000
Weighted Average*	0.4%	2.5%	2.8%	0.0%	0.0%	0.0%	0.0%	1.0000
Months of Trend Applied				n/a	n/a	n/a	n/a	

¹ The Policy and Program Adjustments are summarized in this table as weighted averages and are applied at the rate cell level in Exhibit 4.

² Weighted averages for Completion and Program Adjustments are calculated using a distribution by Service Type.

Trend rates are not applied to the data as this population is assumed to be at 100% utilization and there are no historical or expected fee changes.

Virginia Medicaid
FY 2015 Capitation Rate Development
Health Plan Encounter Data - FAMIS MOMS
Capitation Rate Calculations

Section II
Exhibit 4

Age 10 and Over Female							
Statewide	Total Base Claims FY12-13	Completion Factor Adjustments ¹	Policy and Program Adjustments ²	Completed and Adjusted Claims FY12-13	Trend Adjustment	Completed & Trended Claims FY15	PMPM FY15
Service Type							
DME/Supplies	\$49,311	\$322	(\$58)	\$49,575	1.000	\$49,575	\$2.54
FQHC / RHC	\$90,205	\$492		\$90,697	1.000	\$90,697	\$4.65
Home Health	\$25,620	\$166		\$25,785	1.000	\$25,785	\$1.32
IP - Maternity	\$10,589,533	\$19,631	\$567,676	\$11,176,840	1.000	\$11,176,840	\$572.44
IP - Newborn	\$0	\$0		\$0	1.000	\$0	\$0.00
IP - Other	\$553,897	\$1,027	\$29,693	\$584,617	1.000	\$584,617	\$29.94
IP - Psych	\$1,664	\$10	(\$75)	\$1,599	1.000	\$1,599	\$0.08
Lab	\$229,165	\$1,448		\$230,613	1.000	\$230,613	\$11.81
OP - Emergency Room	\$575,997	\$3,724		\$579,721	1.000	\$579,721	\$29.69
OP - Other	\$1,407,764	\$9,100		\$1,416,865	1.000	\$1,416,865	\$72.57
Pharmacy	\$743,237	\$0	(\$10,329)	\$732,908	1.000	\$732,908	\$37.54
Prof - Anesthesia	\$622,107	\$3,396		\$625,503	1.000	\$625,503	\$32.04
Prof - Child EPSDT	\$38,596	\$211		\$38,807	1.000	\$38,807	\$1.99
Prof - Evaluation & Management	\$1,006,282	\$5,472		\$1,011,754	1.000	\$1,011,754	\$51.82
Prof - Maternity	\$6,009,432	\$32,801		\$6,042,233	1.000	\$6,042,233	\$309.46
Prof - Other	\$480,372	\$2,614		\$482,986	1.000	\$482,986	\$24.74
Prof - Psych	\$13,034	\$71		\$13,105	1.000	\$13,105	\$0.67
Prof - Specialist	\$286,210	\$1,562		\$287,773	1.000	\$287,773	\$14.74
Prof - Vision	\$17,685	\$19		\$17,704	1.000	\$17,704	\$0.91
Radiology	\$907,639	\$5,935		\$913,575	1.000	\$913,575	\$46.79
Transportation/Ambulance	\$95,826	\$228	\$523	\$96,578	1.000	\$96,578	\$4.95
Provider Incentive Payment Adjustment							\$2.58
Total	\$23,743,578	\$88,228	\$587,430	\$24,419,236		\$24,419,236	\$1,253.25
Admin Cost Adjustment							\$65.82
FAMIS MOMS Capitation Rate							\$1,319.06

¹ Completion Factor Adjustment is applied to non-capitated claims only

² Policy and Program Adjustments are calculated based on Completed Claims = Total Base Claims + Completion Factor Adjustment.

Virginia Medicaid
FY 2015 Capitation Rate Development
Health Plan Encounter Data - FAMIS MOMS
Comparison of FY 2014 and FY 2015 Capitation Rates and Member Months

Section II
Exhibit 5

FAMIS MOMS - Age 10 and Over Female	Statewide		
	FY 2014	FY 2015	% Change
Capitation Rate	\$1,022.94	\$1,319.06	28.95%
March 2014 Member Months		974	