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

**FAMIS and FAMIS Moms
Data Book and Capitation Rates
Fiscal Year 2013**

May 2012

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

May 31, 2013

Dear Bill:

Re: DRAFT FY 2013 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 2013. 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 Maerki".

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

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***FAMIS and FAMIS MOMS
Data Book and Capitation Rates
Fiscal Year 2013
Prepared by PricewaterhouseCoopers LLP
May 2013***

PricewaterhouseCoopers LLP (PwC) has calculated capitation rates for the Virginia Family Access to Medical Insurance Security (FAMIS) program and for pregnant woman up to 200% FPL, FAMIS MOMS program, for State Fiscal Year 2013. We primarily use 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 Virginia Department of Medical Assistance (DMAS) Fee for Service paid claims for the FAMIS population that will be 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 II Data Book and Capitation Rates Fiscal Year 2013 (the "Medallion II 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 2013 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 April 2012 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 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 or both a Medicaid expansion and a commercial-like health plan with comprehensive benefits. 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 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 fee-for-service 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 free standing 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. (Exception: Children living in non-managed care areas may receive non-emergency transportation services.) 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 II 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 so there is no impact on the rate setting process of the Medallion II Far Southwest expansion. For the FY 2012 Roanoke-Alleghany expansion, all FAMIS members in the Roanoke service area were already in mandatory MCO and there were a limited number who transitioned from FFS to MCO in the four localities in the Alleghany service area. 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. Beginning the second year of the historical base period, babies born to mothers enrolled in FAMIS MOMS were deemed eligible for FAMIS without having to file an application. As a result, there was more than a 50% increase in PMPM historical costs for FAMIS Age Under 1 between the two base years. Therefore, for the FAMIS Under Age 1 rate cell only, the base period data in Exhibit I.1a is limited to the FY 2011 historical payments.

The FAMIS FFS costs from the Roanoke-Alleghany and 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 2013 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 2010 and FY 2011 historical data for each age-sex 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. Each of these adjustments, as well as adjustments for other services not included in the source data, is described in detail below under Section I.E, and is shown in Exhibits I.2a – I.2i.
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 2013 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.1) 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 2010 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.2i) and the Trend and IBNR factors (Exhibit I.3).

In general, the methodology for FAMIS adjustments is similar to the adjustments in the Medallion II report. Actual adjustment values may differ where the adjustment is developed using FAMIS 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.

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 be reduced by 70%, from approximately 2.6% to 0.8%.

The final pharmacy adjustment factors are shown in Exhibit I.2a. The PBM factor is a reduction of 0.4%.

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”.

Durable medical equipment adjustment

This adjustment reflects a reduction in durable medical equipment payment rates. DMAS provided reductions by product category and modifiers for new or rented equipment. Adjustments ranged from no change to a 15% decrease. The reductions were applied as a weighted average based on the mix of affected DME codes reported in the health plan encounter data.

This adjustment is shown in Exhibit I.2c and is applied to the FY 2010 base period portion of the base data to the DME service lines in Exhibit I.4 under the column labeled “Policy and Program Adjustments”.

Clinical laboratory adjustment

For FY 2011, DMAS reduced clinical laboratory fees by an average of 5%. The clinical laboratory codes are similar to the Medicare clinical laboratory schedule. We compared health plan clinical laboratory payments rate to the DMAS payment rates, estimated at 88% of Medicare payment, for the mix of clinical laboratory services used by the Medallion II, FAMIS and FAMIS Moms population. Our analysis indicated that approximately one third of health plan clinical laboratory payments were already lower than 83% of the CMS Medicare fee schedule. The average 5% reduction is applied to the proportion of clinical laboratory payments that are at or above 88% of the Medicare schedule. Payments between 83% and 88% of the Medicare schedule were reduced proportionately to meet the 83% payment level.

This adjustment is shown in Exhibit 2d and is applied to the full base period to the Lab service lines in Exhibit I.4 under the column labeled “Policy and Program Adjustments”.

Hospital inpatient adjustments

The hospital inpatient adjustment factor reflects a FY 2010 reduction in capital reimbursement from 80% to 75% of cost for non-exempt hospitals (applied to the first year of the base data) and a FY 2012 capital reimbursement rate reduction from 75% to 71% of cost (applied to both years of the base data). These are applied to the capital component estimated at 10%. Unlike the FY 2010 capital reduction which exempted select hospitals, there are no FY 2012 exemptions and all hospitals are included. The result is that the FY 2010 exempt hospitals have a similar percentage reduction taken from a different base. These changes apply to both inpatient medical/surgical and inpatient psychiatric hospitals.

The hospital inpatient adjustment includes a 2.6% allowance for a cost per unit increase authorized by the Virginia General Assembly for FY13. It is applied to the operating cost component. There were no unit cost increases in the FY2010 and FY2011 period used in the base data.

For inpatient medical/surgical the net adjustment is 1.8% and for inpatient psychiatric in acute care hospitals the net adjustment is 1.9%. 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, but exclude payments to freestanding psychiatric hospitals. These adjustment factors are shown in Exhibit I.2e and applied to all hospital inpatient service categories in Exhibit I.4 under the column labeled "Policy and Program Adjustments".

Hospital outpatient adjustment

The FY 2010 budget required a new reduction for outpatient hospital services. The General Assembly reduced the cost basis from 80% to 77% for FY 2011 (eventually this was limited only to the period from July 1, 2010 through September 30, 2010) and then to 76% for FY 2012, a decrease of 5.0% from the original 80% base. This is applied to all outpatient services except for triage fees paid in an Emergency Department. DMAS estimates that 6% of outpatient hospital payments are for the triage fees. The impact of the triage exemption is calculated relative to the proportion of Emergency Room and Related outpatient payments, which varies by program and aid category.

This produces a 4.2% reduction for FAMIS on the ER and Related service line. The full 5.0% reduction is applied to the Outpatient-Other services line for all programs and aid categories. These adjustment factors are shown in Exhibit I.2f and applied in Exhibit I.4 under the column labeled "Policy and Program Adjustments".

Mental health parity adjustment

No adjustment is made for Mental Health Parity. Analysis of the health plan encounter data and additional information submitted by the plans indicates that mental health benefits appear to be administered similarly to EPSDT in the LIFC program. In the few cases where members approach benefit limits, the claims have been approved and paid.

Behavioral health utilization adjustment

DMAS is making significant changes to the process to authorize and deliver Community Mental Health Rehabilitation Services (CMHRS) for children that is expected to increase referrals for traditional behavioral health services that are provided by psychiatrists, psychologists, and other clinicians whose services are covered by the MCOs. The estimated annual cost is an increase of \$900,000 for services to Medallion II and FAMIS children 6 to 21. FAMIS children are allocated 8.6% of the total, based upon the current distribution and use of mental health services, as described in the Medallion II report. This adjustment factor is shown in Exhibit I.2g and added 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 amount is distributed across all managed care programs (Medallion II and FAMIS/FAMIS MOMS) and is an increase of \$0.05 PMPM. This value is calculated as a percent of the trended Emergency transportation payments. This adjustment factor is shown in Exhibit I.2h and added in Exhibit 4a 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 \$2.31 PMPM. This translates to 2.0% of the weighted average PMPM medical cost. This percentage is shown in Exhibit I.2i 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 2011 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*. Separately, plans provided third and fourth quarter results for their Medicaid and FAMIS lines of business in order to evaluate the impact of the FY 2012 rates that went into effect in July 2011.

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.

The first step of the calculation of the administrative factor develops an administrative dollar PMPM. We develop the historical administrative PMPM and subtract the self-reported disallowed costs. The administrative dollar PMPM is apportioned across the eligibility groups enrolled in the Virginia Medicaid managed care programs - ABAD, ALTC, LIFC Child, LIFC Adult, FAMIS, and FAMIS MOMS - using the ratio of the adjusted and trended base PMPM for each aid category. The CY 2011 FAMIS administrative PMPM is \$9.14.

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 2013 contract period. The salary component is trended using the Bureau of Labor Statistics 2011 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 2011 calendar year Consumer Price Index for All Urban Consumers (CPI-U).

The trended administrative PMPM is \$9.52 PMPM for FAMIS. These administrative dollars PMPM were reallocated based on weighting by claims volume PMPM for each eligibility group. The reallocation increases the FAMIS administrative PMPM to \$11.69, 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 2013 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 10.37% for FAMIS.

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 uses FAMIS encounter data and applies the same methodology described in the Medallion II report. This would use the monthly historical health plan expenditures for FY 2010 and FY 2011 with run out through October 2011 to develop the historical data period trend. We have updated the contract period trend using monthly health plan expenditures for FY 2009 through December 2011 with run out through February 2012 for the final rate development.

This year, we observed substantial increases in FAMIS trend between FY 2010 and FY 2011. Because of this, the FAMIS trend was subjected to additional analysis, including removal of outlier payments and for changes in age-gender mix. We note an increase in the proportion of higher cost FAMIS children, particularly Under Age 1 and in both the male and females Age 15 to 20 rate cells. The underlying trend also showed substantial increases in inpatient hospital, albeit on a very small base, and in professional services.

As noted, because of the significant increase in the FAMIS Under Age 1 historical costs, we use only the FY 2011 data for the historical base for that rate cell. We also removed the FAMIS Under Age 1 member months and claims from the data used to develop the FAMIS trend factors. Analysis of the revised base exhibits shows a small age-gender effect for inpatient and outpatient hospital and the other services categories. Over this analysis period the proportion of members in the reference cost rate cell, Child 6-14, decreased while the proportion of children in the higher cost rate cells, Male and Female Age 15-18, increased. Overall, the risk mix for all services combined decreased approximately 0.1% from July 2008 to February 2012.

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 2011, or four months past the end of the data reporting period, and the resulting IBNR factors are generally small. IBNR factors for Inpatient Medical/Surgical, Inpatient Psychiatric, Outpatient Hospital, Practitioner, Prescription Drug and Other services are all calculated to be 1.0% or less.

The second column of Exhibit I.3 provides information on the cumulative impact of the policy and program adjustments in Exhibits I.2a - I.2h. This is for information purposes and should be evaluated in conjunction with the IBNR and applied trend.

Utilization and cost trend 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 5.6%. The Contract period trend is lower with a weighted average of 3.5%. 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.

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 in 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.

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-sex cell is shown under the columns Copay Value FAMIS \leq 150% and Copay Value FAMIS $>$ 150% in Exhibit I.5a. The co-payment adjustments for FY 2013 are similar to those that were applied to the FY 2012 FAMIS rate setting for those under 150% FPL but somewhat higher for 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 2012 and FY 2013 FAMIS rates. Compared to those rates, average statewide FAMIS \leq 150% FPL rates increase 16.80% and average state wide FAMIS $>$ 150% FPL rates increase 16.55% with a weighted average increase of 16.61%. This comparison uses the FAMIS member months as of April 2012.

II. FAMIS MOMS 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 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. 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 is 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 is:

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 fee-for-service (FFS) or Medallion II) 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. Babies born to FAMIS Moms are not automatically covered 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 (MCO), 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.

II.C. Data book

Approach to rate setting for FAMIS MOMS

The FY 2013 FAMIS MOMS rate setting uses MCO data for the period FY 2010 and FY 2011, the period from July 1, 2009 to June 30, 2011. 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 eligibility period.

Up until FY 2011, PwC used the available MCO health plan encounter and claims data for a similar LIFC population, program category PD-91, in conjunction with the available FAMIS MOMS data, to develop rates for FAMIS MOMS. Because of some observed changes in the average length of enrollment between the FAMIS MOMS and the PD-91 population, at that time we assessed whether the data for the FAMIS MOMS population was sufficient on its own to establish a capitation rate. That analysis showed that while there are some unexpected anomalies in the data, the results are sufficiently stable to allow development of the capitation rate directly from the population that is covered by the program. Therefore, the FY 2011 rate setting used FAMIS MOMS encounter information for the base data but used both FAMIS MOMS and PD-91 data to evaluate trend. As of last year, we use only FAMIS MOMS data for rate setting.

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.

II.D. FAMIS MOMS legislative and program adjustments

In general, the methodology for FAMIS MOMS adjustments is similar to the adjustments in the Medallion II 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.2g) and the Trend and IBNR factors (Exhibit II.3).

Medallion II Adjustment Methodology Used in FAMIS MOMS Rates		
Medallion Exhibit Number and Adjustment Name	FAMIS MOMS Exhibits	FAMIS MOMS values
2a Pharmacy Adjustment	2a	-0.04% applied to pharmacy services (see below)
2b Exempt Infant Formula Carveout	Not applicable	Applies only to children
2c DME/Supplies Fee Reduction	2b	-2.5% applied to DME services
2d Clinical Lab Fee Reduction	2c	-0.8% applied to Lab services
2e Hospital Inpatient	2d	1.9% applied to Inpatient Medical/Surgical and 1.8% to Inpatient Psychiatric
2f Freestanding Psychiatric Hospital	Not applicable	Not a covered FAMIS MOMS service
2g Hospital Outpatient	2e	-4.0% applied to OP-Emergency Room and Related -5.0% applied to OP-Other
2h Mental Health Parity	Not applicable	No members exceed limits in historical period
2i Behavioral Health Utilization	Not applicable	Applies to Medallion II and FAMIS Age 6 - 20 only
2j Emergency Transportation Fee Increase	2f	\$0.05 PMPM and 1.14% of the trended PMPM
2k Provider Incentive	2g	\$2.36 PMPM and 0.3% of the weighted average PMPM medical cost
2l Administrative Cost	2h	\$38.33 PMPM based on reallocation wtd by claims 5.38% 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 estimate the effective pharmacy rebate will be reduced by 70%, from approximately 2.8% to 0.8%.

The final pharmacy adjustment factors are shown in Exhibit II.2a. The PBM factor is a reduction of 0.04%.

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 II and FAMIS program. These administrative dollars were based upon trended CY 2011 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 \$75.34 PMPM to \$38.33 PMPM.

The reallocated administrative cost is compared to the medical component of the FY 2013 base rate to determine administrative allowance as a percentage of the base capitation rate, a value of 3.88%.

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 5.38% for FAMIS MOMS.

This adjustment factor is shown in Exhibit II.2h 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

Trend and IBNR adjustment factors uses FAMIS MOMS encounter data and applies the same methodology described in the Medallion II report. This uses monthly historical health plan expenditures for FY 2010 and FY 2011 with run out through October 2011 to develop the historical data period trend and the monthly health plan expenditures for FY 2009 through FY 2011 with run out through February 2012 to develop the contract period trend. Although FAMIS MOMS data is used to develop trend for the majority of the service categories, Inpatient Psychiatric and Prescription Drug use the LIFC Adult values

Incurred But Not Reported (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 2011, 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 Hospital, Practitioner, Prescription Drug and Other services are all set to 0.6% 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 - II.2ef. This is for information purposes and should be evaluated in conjunction with the IBNR and applied trend.

Utilization and cost trend are presented separately for the data period and as a combined trend for the contract period. The weighted average data period trend assigned is increasing 7.5% due to general increases in utilization unit cost that is consistent across all major service categories and an increase in pharmacy cost. Contract period trend is a weighted average increase of 1.8%.

The resulting 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.2f 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.

FY 2013 FAMIS MOMS base rate is presented in Exhibit II.5. The comparison of FAMIS MOMS rates from FY 2012 and FY 2013 is also shown in Exhibit II.5 and is an increase of 9.74%.

Virginia Medicaid
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Historical Eligibility, Claims, and Utilization Data

Section I
Exhibit 1a

Age Under 1												
MCO Statewide	Raw Claims FY10	Raw Claims FY11	Capitation FY10	Capitation FY11	Unadjusted PMPM 10	Unadjusted PMPM 11	Units FY10	Units FY11	Units/1000 FY10	Units/1000 FY11	Cost/Unit FY10	Cost/Unit FY11
Member Months	16,493	20,838										
Service Type												
DME/Supplies	\$106,544	\$60,444	\$0	\$0	\$6.46	\$2.90	1,259	1,018	916	586	\$84.63	\$59.38
FQHC / RHC	\$25,868	\$39,385	\$0	\$0	\$1.57	\$1.89	681	933	495	537	\$37.99	\$42.21
Home Health	\$2,356	\$2,147	\$0	\$0	\$0.14	\$0.10	13	12	9	7	\$181.27	\$178.96
IP - Maternity	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
IP - Newborn	\$485,045	\$3,072,212	\$0	\$0	\$29.41	\$147.43	74	678	54	390	\$6,554.67	\$4,531.29
IP - Other	\$486,505	\$415,883	\$0	\$0	\$29.50	\$19.96	91	104	66	60	\$5,346.21	\$3,998.88
IP - Psych	\$0	\$0	\$4,788	\$6,176	\$0.29	\$0.30	0	0	-	-	-	-
Lab	\$23,093	\$28,967	\$9,213	\$11,578	\$1.96	\$1.95	2,861	3,768	2,082	2,170	\$11.29	\$10.76
OP - Emergency Room & Related	\$188,102	\$257,475	\$0	\$0	\$11.40	\$12.36	1,038	1,380	755	795	\$181.22	\$186.58
OP - Other	\$412,633	\$405,391	\$0	\$0	\$25.02	\$19.45	773	1,074	562	618	\$533.81	\$377.46
Pharmacy	\$309,353	\$429,989	\$0	\$0	\$18.76	\$20.63	5,343	7,352	3,887	4,234	\$57.90	\$58.49
Prof - Anesthesia	\$24,173	\$25,817	\$0	\$0	\$1.47	\$1.24	136	121	99	70	\$177.74	\$213.37
Prof - Child EPSDT	\$525,877	\$495,866	\$0	\$0	\$31.88	\$23.80	10,528	10,681	7,660	6,151	\$49.95	\$46.43
Prof - Evaluation & Management	\$1,035,255	\$1,778,369	\$7,822	\$2,199	\$63.24	\$85.45	15,181	23,815	11,045	13,714	\$68.71	\$74.77
Prof - Maternity	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
Prof - Other	\$381,117	\$933,869	\$1,807	\$2,305	\$23.22	\$44.93	11,451	20,722	8,332	11,933	\$33.44	\$45.18
Prof - Psych	\$0	\$165	\$6,398	\$8,252	\$0.39	\$0.40	2	2	1	1	\$3,198.97	\$4,208.79
Prof - Specialist	\$74,856	\$118,466	\$0	\$0	\$4.54	\$5.69	705	1,088	513	627	\$106.18	\$108.88
Prof - Vision	\$6,817	\$8,295	\$16,615	\$21,795	\$1.42	\$1.44	152	163	111	94	\$154.16	\$184.60
Radiology	\$19,638	\$26,712	\$0	\$0	\$1.19	\$1.28	1,103	1,735	803	999	\$17.80	\$15.40
Transportation/Ambulance	\$5,711	\$16,475	\$0	\$0	\$0.35	\$0.79	44	76	32	44	\$129.80	\$216.77
Total	\$4,112,945	\$8,115,929	\$46,643	\$52,303	\$252.20	\$391.99	51,435	74,722				

Note:

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

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Historical Eligibility, Claims, and Utilization Data

Section I
Exhibit 1a

Age 1-5												
MCO Statewide	Raw Claims FY10	Raw Claims FY11	Capitation FY10	Capitation FY11	Unadjusted PMPM 10	Unadjusted PMPM 11	Units FY10	Units FY11	Units/1000 FY10	Units/1000 FY11	Cost/Unit FY10	Cost/Unit FY11
Member Months	183,888	190,222										
Service Type												
DME/Supplies	\$235,466	\$290,302	\$0	\$0	\$1.28	\$1.53	2,925	3,315	191	209	\$80.50	\$87.57
FQHC / RHC	\$106,323	\$129,371	\$0	\$0	\$0.58	\$0.68	3,292	3,589	215	226	\$32.30	\$36.05
Home Health	\$6,538	\$4,193	\$0	\$0	\$0.04	\$0.02	32	29	2	2	\$204.30	\$144.60
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	\$3,089,463	\$1,901,752	\$0	\$0	\$16.80	\$10.00	302	300	20	19	\$10,230.01	\$6,339.17
IP - Psych	\$0	\$539	\$60,732	\$63,896	\$0.33	\$0.34	0	1	-	0	-	\$64,434.35
Lab	\$268,553	\$300,075	\$103,645	\$108,671	\$2.02	\$2.15	33,486	37,540	2,185	2,368	\$11.12	\$10.89
OP - Emergency Room & Related	\$1,619,827	\$1,745,425	\$0	\$0	\$8.81	\$9.18	8,661	9,148	565	577	\$187.03	\$190.80
OP - Other	\$2,764,936	\$2,917,308	\$0	\$0	\$15.04	\$15.34	5,173	6,161	338	389	\$534.49	\$473.51
Pharmacy	\$2,419,529	\$2,397,832	\$0	\$0	\$13.16	\$12.61	56,560	62,391	3,691	3,936	\$42.78	\$38.43
Prof - Anesthesia	\$177,128	\$167,633	\$0	\$0	\$0.96	\$0.88	1,213	1,170	79	74	\$146.02	\$143.28
Prof - Child EPSDT	\$913,317	\$787,394	\$0	\$0	\$4.97	\$4.14	27,162	24,391	1,773	1,539	\$33.62	\$32.28
Prof - Evaluation & Management	\$4,832,826	\$5,346,544	\$79,282	\$19,146	\$26.71	\$28.21	80,501	84,400	5,253	5,324	\$61.02	\$63.57
Prof - Maternity	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
Prof - Other	\$1,195,070	\$1,354,559	\$22,010	\$21,651	\$6.62	\$7.23	39,957	43,300	2,607	2,732	\$30.46	\$31.78
Prof - Psych	\$43,353	\$44,263	\$81,153	\$85,381	\$0.68	\$0.68	1,050	1,080	69	68	\$118.58	\$120.04
Prof - Specialist	\$509,473	\$493,495	\$0	\$0	\$2.77	\$2.59	5,383	4,993	351	315	\$94.64	\$98.84
Prof - Vision	\$54,007	\$63,286	\$188,053	\$201,267	\$1.32	\$1.39	1,453	1,628	95	103	\$166.59	\$162.50
Radiology	\$110,487	\$98,972	\$0	\$0	\$0.60	\$0.52	6,378	6,157	416	388	\$17.32	\$16.07
Transportation/Ambulance	\$59,081	\$61,823	\$0	\$0	\$0.32	\$0.33	326	348	21	22	\$181.23	\$177.65
Total	\$18,405,374	\$18,104,766	\$534,875	\$500,011	\$103.00	\$97.81	273,854	289,941				

Note:

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Age 6-14												
MCO Statewide	Raw Claims FY10	Raw Claims FY11	Capitation FY10	Capitation FY11	Unadjusted PMPM 10	Unadjusted PMPM 11	Units FY10	Units FY11	Units/1000 FY10	Units/1000 FY11	Cost/Unit FY10	Cost/Unit FY11
Member Months	277,873	282,851										
Service Type												
DME/Supplies	\$312,014	\$290,782	\$0	\$0	\$1.12	\$1.03	2,854	2,790	123	118	\$109.33	\$104.22
FQHC / RHC	\$127,128	\$118,534	\$0	\$0	\$0.46	\$0.42	3,219	2,978	139	126	\$39.49	\$39.80
Home Health	\$15,793	\$9,457	\$0	\$0	\$0.06	\$0.03	71	40	3	2	\$222.44	\$236.43
IP - Maternity	\$6,235	\$12,325	\$0	\$0	\$0.02	\$0.04	3	5	0	0	\$2,078.38	\$2,465.00
IP - Newborn	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
IP - Other	\$1,713,908	\$1,594,622	\$0	\$0	\$6.17	\$5.64	276	226	12	10	\$6,209.81	\$7,055.85
IP - Psych	\$223,105	\$257,913	\$97,243	\$104,646	\$1.15	\$1.28	560	525	24	22	\$572.05	\$690.59
Lab	\$346,316	\$340,981	\$163,382	\$169,911	\$1.83	\$1.81	38,930	43,234	1,681	1,834	\$13.09	\$11.82
OP - Emergency Room & Related	\$2,057,760	\$1,884,987	\$0	\$0	\$7.41	\$6.66	8,115	7,905	350	335	\$253.57	\$238.45
OP - Other	\$2,884,984	\$2,939,442	\$0	\$0	\$10.38	\$10.39	6,992	7,413	302	314	\$412.61	\$396.53
Pharmacy	\$6,128,523	\$6,641,885	\$0	\$0	\$22.06	\$23.48	87,095	91,533	3,761	3,883	\$70.37	\$72.56
Prof - Anesthesia	\$133,748	\$128,871	\$0	\$0	\$0.48	\$0.46	918	846	40	36	\$145.70	\$152.33
Prof - Child EPSDT	\$274,926	\$239,834	\$0	\$0	\$0.99	\$0.85	8,892	8,187	384	347	\$30.92	\$29.29
Prof - Evaluation & Management	\$4,551,098	\$4,876,992	\$119,275	\$28,517	\$16.81	\$17.34	74,617	76,434	3,222	3,243	\$62.59	\$64.18
Prof - Maternity	\$3,569	\$8,650	\$0	\$0	\$0.01	\$0.03	3	7	0	0	\$1,189.53	\$1,235.74
Prof - Other	\$1,552,240	\$2,003,398	\$33,743	\$33,514	\$5.71	\$7.20	42,638	43,484	1,841	1,845	\$37.20	\$46.84
Prof - Psych	\$389,042	\$419,739	\$144,781	\$144,590	\$1.92	\$2.00	10,476	10,829	452	459	\$50.96	\$52.11
Prof - Specialist	\$593,962	\$617,460	\$0	\$0	\$2.14	\$2.18	6,207	6,229	268	264	\$95.69	\$99.13
Prof - Vision	\$119,341	\$149,388	\$288,243	\$304,780	\$1.47	\$1.61	6,993	7,998	302	339	\$58.28	\$56.79
Radiology	\$232,360	\$230,815	\$0	\$0	\$0.84	\$0.82	10,408	10,065	449	427	\$22.33	\$22.93
Transportation/Ambulance	\$56,972	\$55,104	\$0	\$0	\$0.21	\$0.19	455	410	20	17	\$125.21	\$134.40
Total	\$21,723,023	\$22,821,178	\$846,668	\$785,958	\$81.22	\$83.46	309,722	321,138				

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

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Exhibit 1a

Age 15-18 Female												
MCO Statewide	Raw Claims FY10	Raw Claims FY11	Capitation FY10	Capitation FY11	Unadjusted PMPM 10	Unadjusted PMPM 11	Units FY10	Units FY11	Units/1000 FY10	Units/1000 FY11	Cost/Unit FY10	Cost/Unit FY11
Member Months	50,676	51,113										
Service Type												
DME/Supplies	\$53,992	\$75,295	\$0	\$0	\$1.07	\$1.47	389	428	92	100	\$138.80	\$175.92
FQHC / RHC	\$51,169	\$38,005	\$0	\$0	\$1.01	\$0.74	1,432	1,019	339	239	\$35.73	\$37.30
Home Health	\$10,857	\$10,251	\$0	\$0	\$0.21	\$0.20	29	35	7	8	\$374.38	\$292.87
IP - Maternity	\$361,516	\$351,837	\$0	\$0	\$7.13	\$6.88	145	132	34	31	\$2,493.21	\$2,665.43
IP - Newborn	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
IP - Other	\$377,154	\$379,319	\$0	\$0	\$7.44	\$7.42	78	68	18	16	\$4,835.31	\$5,578.22
IP - Psych	\$132,810	\$79,231	\$19,625	\$17,604	\$3.01	\$1.89	233	180	55	42	\$654.22	\$537.98
Lab	\$169,538	\$162,755	\$29,961	\$30,924	\$3.94	\$3.79	17,776	18,349	4,209	4,308	\$11.22	\$10.56
OP - Emergency Room & Related	\$791,346	\$698,681	\$0	\$0	\$15.62	\$13.67	2,602	2,338	616	549	\$304.13	\$298.84
OP - Other	\$793,059	\$959,256	\$0	\$0	\$15.65	\$18.77	1,963	2,225	465	522	\$404.00	\$431.13
Pharmacy	\$1,259,570	\$1,207,018	\$0	\$0	\$24.86	\$23.61	23,978	25,449	5,678	5,975	\$52.53	\$47.43
Prof - Anesthesia	\$60,921	\$59,647	\$0	\$0	\$1.20	\$1.17	321	347	76	81	\$189.78	\$171.89
Prof - Child EPSDT	\$47,309	\$51,501	\$0	\$0	\$0.93	\$1.01	1,444	1,464	342	344	\$32.76	\$35.18
Prof - Evaluation & Management	\$1,046,381	\$1,111,492	\$20,692	\$4,880	\$21.06	\$21.84	16,781	16,859	3,974	3,958	\$63.59	\$66.22
Prof - Maternity	\$229,687	\$206,507	\$0	\$0	\$4.53	\$4.04	567	430	134	101	\$405.09	\$480.25
Prof - Other	\$380,615	\$405,266	\$6,246	\$6,099	\$7.63	\$8.05	8,264	7,398	1,957	1,737	\$46.81	\$55.60
Prof - Psych	\$114,595	\$109,076	\$28,997	\$28,956	\$2.83	\$2.70	2,934	2,642	695	620	\$48.94	\$52.25
Prof - Specialist	\$162,620	\$187,245	\$0	\$0	\$3.21	\$3.66	2,004	2,151	475	505	\$81.15	\$87.05
Prof - Vision	\$19,353	\$24,690	\$52,650	\$55,083	\$1.42	\$1.56	1,495	1,644	354	386	\$48.16	\$48.52
Radiology	\$175,770	\$151,245	\$0	\$0	\$3.47	\$2.96	3,909	3,601	926	845	\$44.97	\$42.00
Transportation/Ambulance	\$24,293	\$24,239	\$0	\$0	\$0.48	\$0.47	196	213	46	50	\$123.95	\$113.80
Total	\$6,262,556	\$6,292,556	\$158,170	\$143,547	\$126.70	\$125.92	86,540	86,972				

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

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Age 15-18 Male												
MCO Statewide	Raw Claims FY10	Raw Claims FY11	Capitation FY10	Capitation FY11	Unadjusted PMPM 10	Unadjusted PMPM 11	Units FY10	Units FY11	Units/1000 FY10	Units/1000 FY11	Cost/Unit FY10	Cost/Unit FY11
Member Months	49,635	50,643										
Service Type												
DME/Supplies	\$85,517	\$97,681	\$0	\$0	\$1.72	\$1.93	523	578	126	137	\$163.51	\$169.00
FQHC / RHC	\$18,521	\$20,771	\$0	\$0	\$0.37	\$0.41	473	528	114	125	\$39.16	\$39.34
Home Health	\$6,137	\$10,028	\$0	\$0	\$0.12	\$0.20	22	35	5	8	\$278.94	\$286.52
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	\$767,948	\$938,626	\$0	\$0	\$15.47	\$18.53	70	85	17	20	\$10,970.68	\$11,042.66
IP - Psych	\$97,910	\$102,405	\$14,147	\$18,929	\$2.26	\$2.40	233	186	56	44	\$480.93	\$652.34
Lab	\$55,053	\$55,198	\$29,020	\$30,358	\$1.69	\$1.69	5,637	6,794	1,363	1,610	\$14.91	\$12.59
OP - Emergency Room & Related	\$525,656	\$579,783	\$0	\$0	\$10.59	\$11.45	1,627	1,681	393	398	\$323.08	\$344.90
OP - Other	\$682,591	\$906,959	\$0	\$0	\$13.75	\$17.91	1,245	1,554	301	368	\$548.27	\$583.63
Pharmacy	\$1,187,356	\$1,156,306	\$0	\$0	\$23.92	\$22.83	14,593	15,001	3,528	3,555	\$81.36	\$77.08
Prof - Anesthesia	\$35,235	\$41,439	\$0	\$0	\$0.71	\$0.82	198	220	48	52	\$177.95	\$188.36
Prof - Child EPSDT	\$24,443	\$27,456	\$0	\$0	\$0.49	\$0.54	918	984	222	233	\$26.63	\$27.90
Prof - Evaluation & Management	\$655,778	\$747,904	\$20,182	\$4,810	\$13.62	\$14.86	10,438	11,265	2,524	2,669	\$64.76	\$66.82
Prof - Maternity	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
Prof - Other	\$202,423	\$235,827	\$6,229	\$6,091	\$4.20	\$4.78	5,225	5,366	1,263	1,271	\$39.93	\$45.08
Prof - Psych	\$94,796	\$99,273	\$27,889	\$28,666	\$2.47	\$2.53	2,582	2,566	624	608	\$47.52	\$49.86
Prof - Specialist	\$167,814	\$213,070	\$0	\$0	\$3.38	\$4.21	1,340	1,653	324	392	\$125.23	\$128.90
Prof - Vision	\$15,199	\$21,849	\$51,503	\$54,430	\$1.34	\$1.51	1,002	1,311	242	311	\$66.57	\$58.18
Radiology	\$74,876	\$82,506	\$0	\$0	\$1.51	\$1.63	2,770	2,976	670	705	\$27.03	\$27.72
Transportation/Ambulance	\$19,849	\$27,971	\$0	\$0	\$0.40	\$0.55	148	147	36	35	\$134.12	\$190.28
Total	\$4,717,099	\$5,365,052	\$148,970	\$143,284	\$98.04	\$108.77	49,044	52,930				

Note:

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

Virginia Medicaid
FY 2013 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 FY10	Raw Claims FY11	Capitation FY10	Capitation FY11	Unadjusted PMPM 10	Unadjusted PMPM 11	Units FY10	Units FY11	Units/1000 FY10	Units/1000 FY11	Cost/Unit FY10	Cost/Unit FY11
Member Months	578,565	595,667										
Service Type												
DME/Supplies	\$793,532	\$814,503	\$0	\$0	\$1.37	\$1.37	7,950	8,129	165	164	\$99.82	\$100.20
FQHC / RHC	\$329,010	\$346,066	\$0	\$0	\$0.57	\$0.58	9,097	9,047	189	182	\$36.17	\$38.25
Home Health	\$41,681	\$36,077	\$0	\$0	\$0.07	\$0.06	167	151	3	3	\$249.59	\$238.92
IP - Maternity	\$367,751	\$364,162	\$0	\$0	\$0.64	\$0.61	148	137	3	3	\$2,484.81	\$2,658.12
IP - Newborn	\$485,045	\$3,072,212	\$0	\$0	\$0.84	\$5.16	74	678	2	14	\$6,554.67	\$4,531.29
IP - Other	\$6,434,978	\$5,230,202	\$0	\$0	\$11.12	\$8.78	817	783	17	16	\$7,876.35	\$6,679.70
IP - Psych	\$453,824	\$440,089	\$196,534	\$211,250	\$1.12	\$1.09	1,026	892	21	18	\$633.88	\$730.20
Lab	\$862,553	\$887,974	\$335,221	\$351,441	\$2.07	\$2.08	98,690	109,685	2,047	2,210	\$12.14	\$11.30
OP - Emergency Room & Related	\$5,182,691	\$5,166,350	\$0	\$0	\$8.96	\$8.67	22,043	22,452	457	452	\$235.12	\$230.11
OP - Other	\$7,538,203	\$8,128,358	\$0	\$0	\$13.03	\$13.65	16,146	18,427	335	371	\$466.88	\$441.11
Pharmacy	\$11,304,330	\$11,833,030	\$0	\$0	\$19.54	\$19.87	187,569	201,726	3,890	4,064	\$60.27	\$58.66
Prof - Anesthesia	\$431,205	\$423,408	\$0	\$0	\$0.75	\$0.71	2,786	2,704	58	54	\$154.78	\$156.59
Prof - Child EPSDT	\$1,785,872	\$1,602,052	\$0	\$0	\$3.09	\$2.69	48,944	45,707	1,015	921	\$36.49	\$35.05
Prof - Evaluation & Management	\$12,121,339	\$13,861,301	\$247,253	\$59,552	\$21.38	\$23.37	197,518	212,773	4,097	4,286	\$62.62	\$65.43
Prof - Maternity	\$233,255	\$215,157	\$0	\$0	\$0.40	\$0.36	570	437	12	9	\$409.22	\$492.35
Prof - Other	\$3,711,465	\$4,932,919	\$70,035	\$69,660	\$6.54	\$8.40	107,535	120,270	2,230	2,423	\$35.17	\$41.59
Prof - Psych	\$641,784	\$672,516	\$289,218	\$295,846	\$1.61	\$1.63	17,044	17,119	354	345	\$54.62	\$56.57
Prof - Specialist	\$1,508,725	\$1,629,736	\$0	\$0	\$2.61	\$2.74	15,639	16,114	324	325	\$96.47	\$101.14
Prof - Vision	\$214,718	\$267,509	\$597,065	\$637,355	\$1.40	\$1.52	11,095	12,744	230	257	\$73.17	\$71.00
Radiology	\$613,130	\$590,250	\$0	\$0	\$1.06	\$0.99	24,568	24,534	510	494	\$24.96	\$24.06
Transportation/Ambulance	\$165,907	\$185,611	\$0	\$0	\$0.29	\$0.31	1,169	1,194	24	24	\$141.92	\$155.45
Total	\$55,220,998	\$60,699,481	\$1,735,326	\$1,625,104	\$98.44	\$104.63	770,595	825,703				

Note:

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

Virginia Medicaid
FY 2013 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 FY10	Raw Claims FY11	Capitation FY10	Capitation FY11	Unadjusted PMPM 10	Unadjusted PMPM 11	Units FY10	Units FY11	Units/1000 FY10	Units/1000 FY11	Cost/Unit FY10	Cost/Unit FY11
Member Months	59	72										
Service Type												
DME/Supplies	\$558	\$6,489	\$0	\$0	\$9.46	\$90.13	7	50	1,424	8,333	\$79.73	\$129.79
FQHC / RHC	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
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	\$1,756	\$3,736	\$0	\$0	\$29.76	\$51.89	1	2	203	333	\$1,755.99	\$1,868.16
IP - Psych	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
Lab	\$156	\$404	\$0	\$0	\$2.65	\$5.61	12	34	2,441	5,667	\$13.03	\$11.88
OP - Emergency Room	\$30	\$485	\$0	\$0	\$0.51	\$6.74	1	5	203	833	\$30.00	\$97.07
OP - Other	\$247	\$2,029	\$0	\$0	\$4.18	\$28.18	3	13	610	2,167	\$82.17	\$156.08
Pharmacy	\$1,062	\$35,711	\$0	\$0	\$18.00	\$495.99	27	100	5,492	16,667	\$39.34	\$357.11
Prof - Anesthesia	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
Prof - Child EPSDT	\$933	\$515	\$0	\$0	\$15.81	\$7.15	26	25	5,288	4,167	\$35.89	\$20.60
Prof - Evaluation & Management	\$2,819	\$6,653	\$0	\$0	\$47.77	\$92.40	46	99	9,356	16,500	\$61.27	\$67.20
Prof - Maternity	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
Prof - Other	\$436	\$926	\$0	\$0	\$7.38	\$12.86	20	29	4,068	4,833	\$21.78	\$31.93
Prof - Psych	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
Prof - Specialist	\$0	\$169	\$0	\$0	\$0.00	\$2.35	0	1	-	167	-	\$169.49
Prof - Vision	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
Radiology	\$41	\$79	\$0	\$0	\$0.70	\$1.09	3	8	610	1,333	\$13.75	\$9.83
Transportation/Ambulance	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
Total	\$8,038	\$57,197	\$0	\$0	\$136.23	\$794.40	146	366				

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

Virginia Medicaid
FY 2013 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 FY10	Raw Claims FY11	Capitation FY10	Capitation FY11	Unadjusted PMPM 10	Unadjusted PMPM 11	Units FY10	Units FY11	Units/1000 FY10	Units/1000 FY11	Cost/Unit FY10	Cost/Unit FY11
Member Months	3,039	3,808										
Service Type												
DME/Supplies	\$6,068	\$10,381	\$0	\$0	\$2.00	\$2.73	79	133	312	419	\$76.82	\$78.05
FQHC / RHC	\$19,978	\$23,958	\$0	\$0	\$6.57	\$6.29	297	335	1,173	1,056	\$67.27	\$71.52
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	\$36,667	\$25,524	\$0	\$0	\$12.07	\$6.70	13	13	51	41	\$2,820.50	\$1,963.37
IP - Psych	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
Lab	\$16,305	\$20,653	\$0	\$0	\$5.37	\$5.42	1,310	1,630	5,173	5,136	\$12.45	\$12.67
OP - Emergency Room	\$18,738	\$16,931	\$0	\$0	\$6.17	\$4.45	178	171	703	539	\$105.27	\$99.01
OP - Other	\$44,400	\$73,330	\$0	\$0	\$14.61	\$19.26	84	194	332	611	\$528.57	\$377.99
Pharmacy	\$100,454	\$164,756	\$0	\$0	\$33.06	\$43.26	2,067	2,582	8,162	8,136	\$48.60	\$63.81
Prof - Anesthesia	\$3,955	\$4,841	\$0	\$0	\$1.30	\$1.27	162	205	640	646	\$24.41	\$23.62
Prof - Child EPSDT	\$7,623	\$7,132	\$0	\$0	\$2.51	\$1.87	283	336	1,118	1,059	\$26.94	\$21.23
Prof - Evaluation & Management	\$87,119	\$116,175	\$0	\$0	\$28.67	\$30.51	1,543	1,980	6,093	6,239	\$56.46	\$58.67
Prof - Maternity	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
Prof - Other	\$20,417	\$35,634	\$0	\$0	\$6.72	\$9.36	1,635	2,501	6,457	7,881	\$12.49	\$14.25
Prof - Psych	\$1,410	\$1,183	\$0	\$0	\$0.46	\$0.31	25	74	99	233	\$56.41	\$15.98
Prof - Specialist	\$13,618	\$13,580	\$0	\$0	\$4.48	\$3.57	74	94	292	296	\$184.03	\$144.47
Prof - Vision	\$3,807	\$5,483	\$0	\$0	\$1.25	\$1.44	83	110	328	347	\$45.86	\$49.84
Radiology	\$2,941	\$4,541	\$0	\$0	\$0.97	\$1.19	171	208	675	655	\$17.20	\$21.83
Transportation/Ambulance	\$0	\$1,255	\$0	\$0	\$0.00	\$0.33	0	10	-	32	-	\$125.50
Total	\$383,500	\$525,356	\$0	\$0	\$126.20	\$137.96	8,004	10,576				

Note:

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

Virginia Medicaid
FY 2013 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 FY10	Raw Claims FY11	Capitation FY10	Capitation FY11	Unadjusted PMPM 10	Unadjusted PMPM 11	Units FY10	Units FY11	Units/1000 FY10	Units/1000 FY11	Cost/Unit FY10	Cost/Unit FY11
Member Months	5,872	6,621										
Service Type												
DME/Supplies	\$8,638	\$22,806	\$0	\$0	\$1.47	\$3.44	160	183	327	332	\$53.98	\$124.62
FQHC / RHC	\$46,299	\$47,300	\$0	\$0	\$7.88	\$7.14	655	683	1,339	1,238	\$70.69	\$69.25
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	\$37,689	\$42,374	\$0	\$0	\$6.42	\$6.40	10	10	20	18	\$3,768.95	\$4,237.43
IP - Psych	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
Lab	\$28,429	\$27,623	\$0	\$0	\$4.84	\$4.17	1,893	2,136	3,869	3,871	\$15.02	\$12.93
OP - Emergency Room	\$41,846	\$38,026	\$0	\$0	\$7.13	\$5.74	286	244	584	442	\$146.32	\$155.84
OP - Other	\$46,903	\$65,354	\$0	\$0	\$7.99	\$9.87	174	271	356	491	\$269.56	\$241.16
Pharmacy	\$349,175	\$356,015	\$0	\$0	\$59.47	\$53.77	4,835	4,967	9,881	9,002	\$72.22	\$71.68
Prof - Anesthesia	\$3,955	\$2,608	\$0	\$0	\$0.67	\$0.39	159	94	325	170	\$24.87	\$27.74
Prof - Child EPSDT	\$3,340	\$2,647	\$0	\$0	\$0.57	\$0.40	181	148	370	268	\$18.46	\$17.89
Prof - Evaluation & Management	\$113,623	\$136,247	\$0	\$0	\$19.35	\$20.58	2,034	2,349	4,157	4,257	\$55.86	\$58.00
Prof - Maternity	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
Prof - Other	\$46,732	\$53,583	\$0	\$0	\$7.96	\$8.09	3,256	4,340	6,654	7,866	\$14.35	\$12.35
Prof - Psych	\$15,024	\$13,795	\$0	\$0	\$2.56	\$2.08	249	221	509	401	\$60.34	\$62.42
Prof - Specialist	\$25,981	\$17,521	\$0	\$0	\$4.42	\$2.65	141	145	288	263	\$184.26	\$120.84
Prof - Vision	\$19,969	\$23,866	\$0	\$0	\$3.40	\$3.60	457	520	934	942	\$43.70	\$45.90
Radiology	\$9,468	\$9,196	\$0	\$0	\$1.61	\$1.39	422	445	862	807	\$22.44	\$20.66
Transportation/Ambulance	\$3,282	\$3,088	\$0	\$0	\$0.56	\$0.47	18	36	37	65	\$182.33	\$85.76
Total	\$800,353	\$862,048	\$0	\$0	\$136.30	\$130.20	14,930	16,792				

Note:

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Virginia Medicaid
FY 2013 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 FY10	Raw Claims FY11	Capitation FY10	Capitation FY11	Unadjusted PMPM 10	Unadjusted PMPM 11	Units FY10	Units FY11	Units/1000 FY10	Units/1000 FY11	Cost/Unit FY10	Cost/Unit FY11
Member Months	1,277	1,357										
Service Type												
DME/Supplies	\$4,485	\$3,082	\$0	\$0	\$3.51	\$2.27	55	42	517	371	\$81.55	\$73.38
FQHC / RHC	\$14,960	\$17,407	\$0	\$0	\$11.72	\$12.83	193	235	1,814	2,078	\$77.51	\$74.07
Home Health	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
IP - Maternity	\$5,767	\$8,371	\$0	\$0	\$4.52	\$6.17	3	3	28	27	\$1,922.45	\$2,790.39
IP - Newborn	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
IP - Other	\$7,443	\$8,180	\$0	\$0	\$5.83	\$6.03	3	1	28	9	\$2,480.96	\$8,180.48
IP - Psych	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
Lab	\$12,042	\$12,940	\$0	\$0	\$9.43	\$9.54	812	919	7,630	8,126	\$14.83	\$14.08
OP - Emergency Room	\$26,338	\$12,193	\$0	\$0	\$20.63	\$8.98	121	64	1,137	566	\$217.67	\$190.52
OP - Other	\$18,017	\$35,326	\$0	\$0	\$14.11	\$26.03	72	101	677	893	\$250.23	\$349.77
Pharmacy	\$101,293	\$87,597	\$0	\$0	\$79.32	\$64.55	1,760	1,622	16,539	14,343	\$57.55	\$54.01
Prof - Anesthesia	\$950	\$1,663	\$0	\$0	\$0.74	\$1.23	42	69	395	610	\$22.62	\$24.11
Prof - Child EPSDT	\$620	\$177	\$0	\$0	\$0.49	\$0.13	39	29	366	256	\$15.89	\$6.09
Prof - Evaluation & Management	\$29,708	\$26,277	\$0	\$0	\$23.26	\$19.36	520	452	4,886	3,997	\$57.13	\$58.14
Prof - Maternity	\$5,206	\$3,859	\$0	\$0	\$4.08	\$2.84	5	9	47	80	\$1,041.23	\$428.83
Prof - Other	\$8,487	\$10,357	\$0	\$0	\$6.65	\$7.63	686	595	6,446	5,261	\$12.37	\$17.41
Prof - Psych	\$3,604	\$2,535	\$0	\$0	\$2.82	\$1.87	55	50	517	442	\$65.53	\$50.70
Prof - Specialist	\$4,962	\$3,599	\$0	\$0	\$3.89	\$2.65	40	25	376	221	\$124.05	\$143.96
Prof - Vision	\$4,911	\$5,706	\$0	\$0	\$3.85	\$4.20	112	128	1,052	1,132	\$43.85	\$44.58
Radiology	\$6,653	\$7,023	\$0	\$0	\$5.21	\$5.18	208	179	1,955	1,583	\$31.99	\$39.24
Transportation/Ambulance	\$2,093	\$380	\$0	\$0	\$1.64	\$0.28	13	6	122	53	\$161.00	\$63.33
Total	\$257,541	\$246,675	\$0	\$0	\$201.68	\$181.77	4,739	4,529				

Note:

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

Virginia Medicaid
FY 2013 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 FY10	Raw Claims FY11	Capitation FY10	Capitation FY11	Unadjusted PMPM 10	Unadjusted PMPM 11	Units FY10	Units FY11	Units/1000 FY10	Units/1000 FY11	Cost/Unit FY10	Cost/Unit FY11
Member Months	1,356	1,426										
Service Type												
DME/Supplies	\$1,918	\$6,958	\$0	\$0	\$1.41	\$4.88	25	84	221	707	\$76.71	\$82.84
FQHC / RHC	\$7,069	\$7,768	\$0	\$0	\$5.21	\$5.45	97	108	858	909	\$72.88	\$71.93
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	\$11,936	\$64,740	\$0	\$0	\$8.80	\$45.40	2	3	18	25	\$5,968.25	\$21,579.86
IP - Psych	\$6,758	\$12,337	\$0	\$0	\$4.98	\$8.65	10	15	88	126	\$675.82	\$822.45
Lab	\$5,226	\$6,669	\$0	\$0	\$3.85	\$4.68	358	474	3,168	3,989	\$14.60	\$14.07
OP - Emergency Room	\$14,903	\$11,780	\$0	\$0	\$10.99	\$8.26	72	79	637	665	\$206.99	\$149.11
OP - Other	\$14,856	\$32,446	\$0	\$0	\$10.96	\$22.75	30	75	265	631	\$495.19	\$432.61
Pharmacy	\$58,975	\$54,538	\$0	\$0	\$43.49	\$38.25	875	986	7,743	8,297	\$67.40	\$55.31
Prof - Anesthesia	\$745	\$1,579	\$0	\$0	\$0.55	\$1.11	34	78	301	656	\$21.90	\$20.25
Prof - Child EPSDT	\$271	\$537	\$0	\$0	\$0.20	\$0.38	44	29	389	244	\$6.16	\$18.50
Prof - Evaluation & Management	\$17,997	\$22,955	\$0	\$0	\$13.27	\$16.10	315	394	2,788	3,316	\$57.13	\$58.26
Prof - Maternity	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
Prof - Other	\$7,881	\$5,587	\$0	\$0	\$5.81	\$3.92	604	251	5,345	2,112	\$13.05	\$22.26
Prof - Psych	\$1,633	\$2,658	\$0	\$0	\$1.20	\$1.86	31	45	274	379	\$52.67	\$59.08
Prof - Specialist	\$9,068	\$14,123	\$0	\$0	\$6.69	\$9.90	31	66	274	555	\$292.51	\$213.98
Prof - Vision	\$4,459	\$4,464	\$0	\$0	\$3.29	\$3.13	103	98	912	825	\$43.29	\$45.55
Radiology	\$3,716	\$2,849	\$0	\$0	\$2.74	\$2.00	124	138	1,097	1,161	\$29.97	\$20.64
Transportation/Ambulance	\$583	\$1,245	\$0	\$0	\$0.43	\$0.87	4	10	35	84	\$145.63	\$124.50
Total	\$167,992	\$253,231	\$0	\$0	\$123.89	\$177.58	2,759	2,933				

Note:

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

Virginia Medicaid
FY 2013 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 FY10	Raw Claims FY11	Capitation FY10	Capitation FY11	Unadjusted PMPM 10	Unadjusted PMPM 11	Units FY10	Units FY11	Units/1000 FY10	Units/1000 FY11	Cost/Unit FY10	Cost/Unit FY11
Member Months	11,603	13,284										
Service Type												
DME/Supplies	\$21,667	\$49,717	\$0	\$0	\$1.87	\$3.74	326	492	337	444	\$66.46	\$101.05
FQHC / RHC	\$88,307	\$96,434	\$0	\$0	\$7.61	\$7.26	1,242	1,361	1,285	1,229	\$71.10	\$70.85
Home Health	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
IP - Maternity	\$5,767	\$8,371	\$0	\$0	\$0.50	\$0.63	3	3	3	3	\$1,922.45	\$2,790.39
IP - Newborn	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	-	-	-	-
IP - Other	\$95,491	\$144,555	\$0	\$0	\$8.23	\$10.88	29	29	30	26	\$3,292.81	\$4,984.64
IP - Psych	\$6,758	\$12,337	\$0	\$0	\$0.58	\$0.93	10	15	10	14	\$675.82	\$822.45
Lab	\$62,159	\$68,288	\$0	\$0	\$5.36	\$5.14	4,385	5,193	4,535	4,691	\$14.18	\$13.15
OP - Emergency Room & Related	\$101,855	\$79,415	\$0	\$0	\$8.78	\$5.98	658	563	681	509	\$154.80	\$141.06
OP - Other	\$124,422	\$208,485	\$0	\$0	\$10.72	\$15.69	363	654	375	591	\$342.76	\$318.78
Pharmacy	\$610,959	\$698,617	\$0	\$0	\$52.66	\$52.59	9,564	10,257	9,891	9,265	\$63.88	\$68.11
Prof - Anesthesia	\$9,604	\$10,692	\$0	\$0	\$0.83	\$0.80	397	446	411	403	\$24.19	\$23.97
Prof - Child EPSDT	\$12,788	\$11,007	\$0	\$0	\$1.10	\$0.83	573	567	593	512	\$22.32	\$19.41
Prof - Evaluation & Management	\$251,265	\$308,306	\$0	\$0	\$21.66	\$23.21	4,458	5,274	4,611	4,764	\$56.36	\$58.46
Prof - Maternity	\$5,206	\$3,859	\$0	\$0	\$0.45	\$0.29	5	9	5	8	\$1,041.23	\$428.83
Prof - Other	\$83,953	\$106,087	\$0	\$0	\$7.24	\$7.99	6,201	7,716	6,413	6,970	\$13.54	\$13.75
Prof - Psych	\$21,671	\$20,171	\$0	\$0	\$1.87	\$1.52	360	390	372	352	\$60.20	\$51.72
Prof - Specialist	\$53,629	\$48,993	\$0	\$0	\$4.62	\$3.69	286	331	296	299	\$187.51	\$148.01
Prof - Vision	\$33,145	\$39,519	\$0	\$0	\$2.86	\$2.97	755	856	781	773	\$43.90	\$46.17
Radiology	\$22,819	\$23,688	\$0	\$0	\$1.97	\$1.78	928	978	960	883	\$24.59	\$24.22
Transportation/Ambulance	\$5,958	\$5,968	\$0	\$0	\$0.51	\$0.45	35	62	36	56	\$170.21	\$96.25
Total	\$1,617,423	\$1,944,508	\$0	\$0	\$139.40	\$146.38	30,578	35,196				

Note:

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

Virginia Medicaid

FY 2013 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 FY10	Raw Claims FY11	Capitation FY10	Capitation FY11	Unadjusted PMPM 10	Unadjusted PMPM 11
Member Months	16,552	20,910				
Service Type						
DME/Supplies	\$107,102	\$66,934	\$0	\$0	\$6.47	\$3.20
FQHC / RHC	\$25,868	\$39,385	\$0	\$0	\$1.56	\$1.88
Home Health	\$2,356	\$2,147	\$0	\$0	\$0.14	\$0.10
IP - Maternity	\$0	\$0	\$0	\$0	\$0.00	\$0.00
IP - Newborn	\$485,045	\$3,072,212	\$0	\$0	\$29.30	\$146.93
IP - Other	\$488,261	\$419,620	\$0	\$0	\$29.50	\$20.07
IP - Psych	\$0	\$0	\$4,788	\$6,176	\$0.29	\$0.30
Lab	\$23,250	\$29,370	\$9,213	\$11,578	\$1.96	\$1.96
OP - Emergency Room & Related	\$188,132	\$257,960	\$0	\$0	\$11.37	\$12.34
OP - Other	\$412,879	\$407,420	\$0	\$0	\$24.94	\$19.48
Pharmacy	\$310,415	\$465,700	\$0	\$0	\$18.75	\$22.27
Prof - Anesthesia	\$24,173	\$25,817	\$0	\$0	\$1.46	\$1.23
Prof - Child EPSDT	\$526,810	\$496,381	\$0	\$0	\$31.83	\$23.74
Prof - Evaluation & Management	\$1,038,074	\$1,785,022	\$7,822	\$2,199	\$63.19	\$85.47
Prof - Maternity	\$0	\$0	\$0	\$0	\$0.00	\$0.00
Prof - Other	\$381,553	\$934,795	\$1,807	\$2,305	\$23.16	\$44.82
Prof - Psych	\$0	\$165	\$6,398	\$8,252	\$0.39	\$0.40
Prof - Specialist	\$74,856	\$118,635	\$0	\$0	\$4.52	\$5.67
Prof - Vision	\$6,817	\$8,295	\$16,615	\$21,795	\$1.42	\$1.44
Radiology	\$19,679	\$26,791	\$0	\$0	\$1.19	\$1.28
Transportation/Ambulance	\$5,711	\$16,475	\$0	\$0	\$0.35	\$0.79
Total	\$4,120,982	\$8,173,126	\$46,643	\$52,303	\$251.79	\$393.37

Note:

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

Virginia Medicaid

FY 2013 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 FY10	Raw Claims FY11	Capitation FY10	Capitation FY11	Unadjusted PMPM 10	Unadjusted PMPM 11
Member Months	186,927	194,030				
Service Type						
DME/Supplies	\$241,534	\$300,682	\$0	\$0	\$1.29	\$1.55
FQHC / RHC	\$126,301	\$153,329	\$0	\$0	\$0.68	\$0.79
Home Health	\$6,538	\$4,193	\$0	\$0	\$0.03	\$0.02
IP - Maternity	\$0	\$0	\$0	\$0	\$0.00	\$0.00
IP - Newborn	\$0	\$0	\$0	\$0	\$0.00	\$0.00
IP - Other	\$3,126,129	\$1,927,276	\$0	\$0	\$16.72	\$9.93
IP - Psych	\$0	\$539	\$60,732	\$63,896	\$0.32	\$0.33
Lab	\$284,858	\$320,727	\$103,645	\$108,671	\$2.08	\$2.21
OP - Emergency Room & Related	\$1,638,564	\$1,762,356	\$0	\$0	\$8.77	\$9.08
OP - Other	\$2,809,337	\$2,990,638	\$0	\$0	\$15.03	\$15.41
Pharmacy	\$2,519,983	\$2,562,587	\$0	\$0	\$13.48	\$13.21
Prof - Anesthesia	\$181,082	\$172,475	\$0	\$0	\$0.97	\$0.89
Prof - Child EPSDT	\$920,940	\$794,526	\$0	\$0	\$4.93	\$4.09
Prof - Evaluation & Management	\$4,919,945	\$5,462,720	\$79,282	\$19,146	\$26.74	\$28.25
Prof - Maternity	\$0	\$0	\$0	\$0	\$0.00	\$0.00
Prof - Other	\$1,215,487	\$1,390,193	\$22,010	\$21,651	\$6.62	\$7.28
Prof - Psych	\$44,763	\$45,445	\$81,153	\$85,381	\$0.67	\$0.67
Prof - Specialist	\$523,091	\$507,075	\$0	\$0	\$2.80	\$2.61
Prof - Vision	\$57,814	\$68,768	\$188,053	\$201,267	\$1.32	\$1.39
Radiology	\$113,427	\$103,514	\$0	\$0	\$0.61	\$0.53
Transportation/Ambulance	\$59,081	\$63,078	\$0	\$0	\$0.32	\$0.33
Total	\$18,788,874	\$18,630,122	\$534,875	\$500,011	\$103.38	\$98.59

Note:

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

Virginia Medicaid

FY 2013 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 FY10	Raw Claims FY11	Capitation FY10	Capitation FY11	Unadjusted PMPM 10	Unadjusted PMPM 11
Member Months	283,745	289,472				
Service Type						
DME/Supplies	\$320,651	\$313,588	\$0	\$0	\$1.13	\$1.08
FQHC / RHC	\$173,427	\$165,833	\$0	\$0	\$0.61	\$0.57
Home Health	\$15,793	\$9,457	\$0	\$0	\$0.06	\$0.03
IP - Maternity	\$6,235	\$12,325	\$0	\$0	\$0.02	\$0.04
IP - Newborn	\$0	\$0	\$0	\$0	\$0.00	\$0.00
IP - Other	\$1,751,598	\$1,636,997	\$0	\$0	\$6.17	\$5.66
IP - Psych	\$223,105	\$257,913	\$97,243	\$104,646	\$1.13	\$1.25
Lab	\$374,745	\$368,604	\$163,382	\$169,911	\$1.90	\$1.86
OP - Emergency Room & Related	\$2,099,606	\$1,923,013	\$0	\$0	\$7.40	\$6.64
OP - Other	\$2,931,887	\$3,004,797	\$0	\$0	\$10.33	\$10.38
Pharmacy	\$6,477,698	\$6,997,900	\$0	\$0	\$22.83	\$24.17
Prof - Anesthesia	\$137,703	\$131,479	\$0	\$0	\$0.49	\$0.45
Prof - Child EPSDT	\$278,266	\$242,482	\$0	\$0	\$0.98	\$0.84
Prof - Evaluation & Management	\$4,664,721	\$5,013,238	\$119,275	\$28,517	\$16.86	\$17.42
Prof - Maternity	\$3,569	\$8,650	\$0	\$0	\$0.01	\$0.03
Prof - Other	\$1,598,972	\$2,056,981	\$33,743	\$33,514	\$5.75	\$7.22
Prof - Psych	\$404,066	\$433,534	\$144,781	\$144,590	\$1.93	\$2.00
Prof - Specialist	\$619,943	\$634,981	\$0	\$0	\$2.18	\$2.19
Prof - Vision	\$139,310	\$173,255	\$288,243	\$304,780	\$1.51	\$1.65
Radiology	\$241,828	\$240,010	\$0	\$0	\$0.85	\$0.83
Transportation/Ambulance	\$60,254	\$58,191	\$0	\$0	\$0.21	\$0.20
Total	\$22,523,377	\$23,683,227	\$846,668	\$785,958	\$82.36	\$84.53

Note:

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Virginia Medicaid

FY 2013 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 FY10	Raw Claims FY11	Capitation FY10	Capitation FY11	Unadjusted PMPM 10	Unadjusted PMPM 11
Member Months	51,953	52,470				
Service Type						
DME/Supplies	\$58,477	\$78,377	\$0	\$0	\$1.13	\$1.49
FQHC / RHC	\$66,130	\$55,412	\$0	\$0	\$1.27	\$1.06
Home Health	\$10,857	\$10,251	\$0	\$0	\$0.21	\$0.20
IP - Maternity	\$367,283	\$360,208	\$0	\$0	\$7.07	\$6.87
IP - Newborn	\$0	\$0	\$0	\$0	\$0.00	\$0.00
IP - Other	\$384,597	\$387,499	\$0	\$0	\$7.40	\$7.39
IP - Psych	\$132,810	\$79,231	\$19,625	\$17,604	\$2.93	\$1.85
Lab	\$181,580	\$175,694	\$29,961	\$30,924	\$4.07	\$3.94
OP - Emergency Room & Related	\$817,685	\$710,875	\$0	\$0	\$15.74	\$13.55
OP - Other	\$811,076	\$994,583	\$0	\$0	\$15.61	\$18.96
Pharmacy	\$1,360,862	\$1,294,615	\$0	\$0	\$26.19	\$24.67
Prof - Anesthesia	\$61,871	\$61,310	\$0	\$0	\$1.19	\$1.17
Prof - Child EPSDT	\$47,929	\$51,678	\$0	\$0	\$0.92	\$0.98
Prof - Evaluation & Management	\$1,076,089	\$1,137,769	\$20,692	\$4,880	\$21.11	\$21.78
Prof - Maternity	\$234,893	\$210,366	\$0	\$0	\$4.52	\$4.01
Prof - Other	\$389,102	\$415,623	\$6,246	\$6,099	\$7.61	\$8.04
Prof - Psych	\$118,199	\$111,611	\$28,997	\$28,956	\$2.83	\$2.68
Prof - Specialist	\$167,583	\$190,844	\$0	\$0	\$3.23	\$3.64
Prof - Vision	\$24,264	\$30,396	\$52,650	\$55,083	\$1.48	\$1.63
Radiology	\$182,423	\$158,268	\$0	\$0	\$3.51	\$3.02
Transportation/Ambulance	\$26,386	\$24,619	\$0	\$0	\$0.51	\$0.47
Total	\$6,520,097	\$6,539,230	\$158,170	\$143,547	\$128.54	\$127.36

Note:

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

Virginia Medicaid

FY 2013 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 FY10	Raw Claims FY11	Capitation FY10	Capitation FY11	Unadjusted PMPM 10	Unadjusted PMPM 11
Member Months	50,991	52,069				
Service Type						
DME/Supplies	\$87,434	\$104,639	\$0	\$0	\$1.71	\$2.01
FQHC / RHC	\$25,590	\$28,539	\$0	\$0	\$0.50	\$0.55
Home Health	\$6,137	\$10,028	\$0	\$0	\$0.12	\$0.19
IP - Maternity	\$0	\$0	\$0	\$0	\$0.00	\$0.00
IP - Newborn	\$0	\$0	\$0	\$0	\$0.00	\$0.00
IP - Other	\$779,884	\$1,003,366	\$0	\$0	\$15.29	\$19.27
IP - Psych	\$104,668	\$114,742	\$14,147	\$18,929	\$2.33	\$2.57
Lab	\$60,278	\$61,867	\$29,020	\$30,358	\$1.75	\$1.77
OP - Emergency Room & Related	\$540,559	\$591,562	\$0	\$0	\$10.60	\$11.36
OP - Other	\$697,447	\$939,405	\$0	\$0	\$13.68	\$18.04
Pharmacy	\$1,246,330	\$1,210,844	\$0	\$0	\$24.44	\$23.25
Prof - Anesthesia	\$35,980	\$43,019	\$0	\$0	\$0.71	\$0.83
Prof - Child EPSDT	\$24,714	\$27,992	\$0	\$0	\$0.48	\$0.54
Prof - Evaluation & Management	\$673,774	\$770,858	\$20,182	\$4,810	\$13.61	\$14.90
Prof - Maternity	\$0	\$0	\$0	\$0	\$0.00	\$0.00
Prof - Other	\$210,304	\$241,414	\$6,229	\$6,091	\$4.25	\$4.75
Prof - Psych	\$96,428	\$101,931	\$27,889	\$28,666	\$2.44	\$2.51
Prof - Specialist	\$176,881	\$227,193	\$0	\$0	\$3.47	\$4.36
Prof - Vision	\$19,658	\$26,313	\$51,503	\$54,430	\$1.40	\$1.55
Radiology	\$78,592	\$85,355	\$0	\$0	\$1.54	\$1.64
Transportation/Ambulance	\$20,432	\$29,216	\$0	\$0	\$0.40	\$0.56
Total	\$4,885,091	\$5,618,283	\$148,970	\$143,284	\$98.72	\$110.65

Note:

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Virginia Medicaid

FY 2013 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 FY10	Raw Claims FY11	Capitation FY10	Capitation FY11	Unadjusted PMPM 10	Unadjusted PMPM 11
Member Months	590,168	608,951				
Service Type						
DME/Supplies	\$815,199	\$864,220	\$0	\$0	\$1.38	\$1.42
FQHC / RHC	\$417,316	\$442,499	\$0	\$0	\$0.71	\$0.73
Home Health	\$41,681	\$36,077	\$0	\$0	\$0.07	\$0.06
IP - Maternity	\$373,519	\$372,533	\$0	\$0	\$0.63	\$0.61
IP - Newborn	\$485,045	\$3,072,212	\$0	\$0	\$0.82	\$5.05
IP - Other	\$6,530,470	\$5,374,757	\$0	\$0	\$11.07	\$8.83
IP - Psych	\$460,582	\$452,425	\$196,534	\$211,250	\$1.11	\$1.09
Lab	\$924,711	\$956,263	\$335,221	\$351,441	\$2.13	\$2.15
OP - Emergency Room & Related	\$5,284,546	\$5,245,766	\$0	\$0	\$8.95	\$8.61
OP - Other	\$7,662,625	\$8,336,842	\$0	\$0	\$12.98	\$13.69
Pharmacy	\$11,915,289	\$12,531,647	\$0	\$0	\$20.19	\$20.58
Prof - Anesthesia	\$440,809	\$434,100	\$0	\$0	\$0.75	\$0.71
Prof - Child EPSDT	\$1,798,659	\$1,613,059	\$0	\$0	\$3.05	\$2.65
Prof - Evaluation & Management	\$12,372,603	\$14,169,607	\$247,253	\$59,552	\$21.38	\$23.37
Prof - Maternity	\$238,462	\$219,016	\$0	\$0	\$0.40	\$0.36
Prof - Other	\$3,795,418	\$5,039,005	\$70,035	\$69,660	\$6.55	\$8.39
Prof - Psych	\$663,456	\$692,687	\$289,218	\$295,846	\$1.61	\$1.62
Prof - Specialist	\$1,562,354	\$1,678,728	\$0	\$0	\$2.65	\$2.76
Prof - Vision	\$247,863	\$307,028	\$597,065	\$637,355	\$1.43	\$1.55
Radiology	\$635,949	\$613,938	\$0	\$0	\$1.08	\$1.01
Transportation/Ambulance	\$171,865	\$191,579	\$0	\$0	\$0.29	\$0.31
Total	\$56,838,421	\$62,643,989	\$1,735,326	\$1,625,104	\$99.25	\$105.54

Note:

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Virginia Medicaid
FY 2013 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	\$20.39	FY10-11 Health Plan Encounter Data
2a. Current Average Managed Care Rebate	2.6%	From Plan Data
2b. Average Managed Care Rebate Reduction for FY13	70.0%	From DMAS
2c. FY13 Effective Managed Care Rebate	0.8%	= (2a.) * (2b.)
3. Adjusted PMPM with Managed Care Rebate	\$20.23	= (1.) * (1 - (2c.))
4. Average PBM Admin Cost PMPM	\$0.08	From Plan Data
5. Adjusted PMPM with FY13 Pharmacy Pricing Arrangement	\$20.30	= (3.) + (4.)
6. Pharmacy Adjustment	-0.4%	= (5.) / (1.) - 1

Virginia Medicaid
FY 2013 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	\$8,529	\$1,469	FY10-11 Health Plan Encounter Data
2. Total Claims in DME/Supplies Service Category	\$716,252	\$963,167	FY10-11 Health Plan Encounter Data
3. Exempt Infant Formula Carveout Adjustment	-1.2%	-0.2%	= - (1.) / (2.)

Virginia Medicaid
FY 2013 Capitation Rate Development
Health Plan Encounter Data - Family Access to Medical Insurance Security (FAMIS)
DME/Supplies Fee Reduction Adjustment

Section I
Exhibit 2c

	FAMIS	Source
1. Claims Associated with DME HCPCs	\$548,331	FY10 Health Plan Encounter Data
2. % Fee Reduction Effective FY11	10.0%	Provided by DMAS
3. Dollar Decrease	\$54,833	= (1.) * (2.)
4. Total claims in DME/Supplies Service Category	\$1,679,419	FY10-11 Health Plan Encounter Data
5. DME/Supplies Fee Reduction Adjustment	-3.3%	= - (3.) / (4.)

Virginia Medicaid
FY 2013 Capitation Rate Development
Health Plan Encounter Data - Family Access to Medical Insurance Security (FAMIS)
Clinical Lab Fee Reduction Adjustment

Section I
Exhibit 2d

	FAMIS	Source
1. % Fee Reduction Effective FY11*	3.7%	Provided by DMAS
2. Claims Associated with Clinical Lab Procedure Codes	\$785,756	FY09 Health Plan Encounter Data
3. Dollar Decrease	\$28,888	= (1.) * (2.)
4. Total claims in Lab Service Category	\$856,813	FY09 Health Plan Encounter Data
5. % of FY10 claims in base period Lab Service Category	49.1%	FY10-11 Health Plan Encounter Data
6. Clinical Lab Fee Reduction Adjustment	-1.7%	= (3.) / (4.) * (5.)

* Note:

Reduction of 5% is applied to to claims paid at 88% of CMS Fee Schedule

Fee reduction % calculated as a weighted average based on claims paid above and below 88% of FY09 CMS Fee Schedule

Virginia Medicaid
FY 2013 Capitation Rate Development
Health Plan Encounter Data - Family Access to Medical Insurance Security (FAMIS)
Hospital Inpatient Adjustments

Section I
Exhibit 2e

	Inpatient Medical/Surgical	Inpatient Psychiatric	Source
1. FY10-11 Total Claims in IP Service Categories	\$16,208,536	\$913,008	FY11 Health Plan Encounter Data
2. FY10 Hospital Capital Percentage Adjusted for Exempt Hospitals*	9.5%	9.4%	Provided by DMAS
3a. FY12 Capital Reimbursement Reduction	5.3%	5.3%	Provided by DMAS
3b. Dollar Change	(\$82,065)	(\$4,592)	= - (1.) * (2.) * (3a.)
4a. FY13 Hospital Rate Increase	2.6%	2.6%	Provided by DMAS
4b. Dollar Change	\$381,415	\$21,500	= (1.) * ((1 + (4a.)) * (1 - (2.)) + (2.) - 1))
5. Hospital Inpatient Adjustment	1.8%	1.9%	= ((3b.) + (4b.)) / (1.)

*Exempt hospitals are CHKD, UVA, and MCV for FY10.

Virginia Medicaid
FY 2013 Capitation Rate Development
Health Plan Encounter Data - Family Access to Medical Insurance Security (FAMIS)
Hospital Outpatient Adjustment

Section I
Exhibit 2f

		FAMIS	Source
1.	Claims Associated with Outpatient Services		
	a. OP - Emergency Room & Related	\$10,342,180	FY10-11 Health Plan Encounter Data
	b. OP - Other	\$15,586,589	FY10-11 Health Plan Encounter Data
2.	% ER Triage of Total Outpatient	6.0%	Provided by DMAS
3.	% OP - Emergency Room & Related of Total Outpatient	39.9%	= (1a.) / ((1a.) + (1b.))
4.	% of Claims Exempt from Fee Reduction	15.0%	= (2.) / (3.)
5.	FY12 Hospital Outpatient Rate Reduction	5.0%	Provided by DMAS
6.	Dollar Decrease		
	a. OP - Emergency Room & Related	\$439,323	= (1a.) * (1 - (4.)) * (5.)
	b. OP - Other	\$779,329	= (1b.) * (5.)
7.	Hospital Outpatient Adjustment		
	a. OP - Emergency Room & Related	-4.2%	= - (6.) / (1.)
	b. OP - Other	-5.0%	= - (6.) / (1.)

Virginia Medicaid
FY 2013 Capitation Rate Development
Health Plan Encounter Data - Family Access to Medical Insurance Security (FAMIS)
Behavioral Health Utilization Adjustment

Section I
Exhibit 2g

	FAMIS Age 6 - 18	Source
1. Estimated additional annual expenditures	\$900,000	Provided by DMAS
2. % Allocation	8.6%	FY10-11 Health Plan Encounter Data
3. Estimated additional annual expenditures by Aid Categor	\$77,380	= (1.) * (2.)
4. Prof - Psych Service Category - Ages 6 - 18	\$815,200	FY10-11 Average Annual Health Plan Encounter Data
5. Behavioral Health Utilization Adjustment	9.5%	= (3.) / (4.)

Virginia Medicaid
FY 2013 Capitation Rate Development
Health Plan Encounter Data - Family Access to Medical Insurance Security (FAMIS)
Emergency Transportation Adjustment

Section I
Exhibit 2h

	FAMIS	Source
1. Claims Associated with Transportation	\$357,732	FY10-11 Health Plan Encounter Data
2. Base Period Member Months	1,182,567	FY10-11 Health Plan Encounter Data
3. Total Trend Factor for Transportation	1.0993	FY09-11 Health Plan Encounter Data
4. Trended Base Period Transportation PMPM	\$0.33	= (1.) / (2.) * (3.)
5. FY13 Emergency Transportation PMPM Increase	\$0.05	Provided by DMAS. PMPM based on annualized Feb 2012 Member Months
6. Emergency Transportation Adjustment	16.53%	= (5.) / (6.)

Virginia Medicaid
FY 2013 Capitation Rate Development
Health Plan Encounter Data - Family Access to Medical Insurance Security (FAMIS)
Provider Incentive Payment Adjustment

Section I
Exhibit 2i

	Adjustment Value	Source
Provider Incentive Payment Adjustment	2.0%	From Plan Data

Virginia Medicaid
FY 2013 Capitation Rate Development
Health Plan Encounter Data - Family Access to Medical Insurance Security (FAMIS)
Administrative Cost Adjustment

Section I
Exhibit 2j

	FAMIS	Source
1. Claims Adjustment Expense PMPM	\$2.17	Expense from CY2011 BOI Reports; Member months from capitation payment files
2. General Admin Expense PMPM	\$6.96	Expense from CY2011 BOI Reports; Member months from capitation payment files
3. Claims Adjustment Expense Increase %	3.0%	BLS CPI-U
4. General Admin Expense Increase %	2.7%	Weighted average of BLS Compensation Trend and CPI
5a. Administrative PMPM*	\$9.52	$= (1.) * (1 + (3.)) ^ (18 \text{ months}/12) + (2.) * (1 + (4.)) ^ (18 \text{ months}/12)$
5b. Administrative PMPM Weighted by Claims	\$11.69	Reallocation of administrative costs weighted by claims
6. Adjusted and Trended Base PMPM	\$118.20	Weighted average of medical component of FY2012 FAMIS Base Rates
7. Administrative allowance as % of Base Capitation Rate	8.87%	$= (5b.) / (((5b.) + (6.)) / (1 - (8.)))$
8. Contribution to Reserves as % of Base Capitation Rate	1.50%	Provided by DMAS
9. Administrative Factor as % of Base Capitation Rate	10.37%	$= (7.) + (8.)$

*Note:

Administrative increases are applied from midpoint of CY2011 to the midpoint of the contract period (18 months) using compound interest calculations.

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FY 2013 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	0.3%	1.8%	2.2%	7.1%	-6.8%	-0.2%	0.0%	0.9980
Inpatient Psychiatric	0.0%	1.9%	1.9%	5.4%	-5.9%	-0.8%	0.0%	0.9920
Outpatient Hospital	0.7%	-4.7%	-4.0%	-5.4%	8.0%	2.1%	3.7%	1.0781
Practitioner	0.4%	0.3%	0.7%	4.6%	6.5%	11.4%	5.9%	1.2135
Prescription Drug	0.0%	-0.4%	-0.4%	-4.6%	6.7%	1.8%	1.1%	1.0348
Other	0.7%	-0.8%	-0.1%	3.1%	2.2%	5.4%	2.8%	1.0993
Weighted Average*	0.4%	-0.8%	-0.4%	0.9%	4.8%	5.6%	3.5%	1.1129

Months of Trend Applied for Age Over 1	12	12	12	18
Months of Trend Applied for Age Under 1	6	6	6	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 Weighted averages for Completion and Program Adjustments are calculated using a distribution by Service Type, before Trend and Adjustments (Total Claims FY10-11), whereas weighted averages for Trends are calculated using a distribution by Service Type, before Trend (Adjusted FY10-11 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 FY10-11 incurred claims paid through Oct 2011

Contract period trends are applied from the end of the data period to the midpoint of the contract period using compound interest calculations; includes FY09-11 incurred claims paid through Feb 2012.

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

Virginia Medicaid

FY 2013 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 FY11	Completion Factor Adjustments ¹	Policy and Program Adjustments ²	Patient Copay	Completed and Adjusted Claims FY11	Trend Adjustment ³	Completed & Trended Claims FY13	PMPM FY13
Service Type								
DME/Supplies	\$66,934	\$836	(\$3,020)	\$0	\$64,750	1.071	\$69,330	\$3.32
FQHC / RHC	\$39,385	\$281		\$1,323	\$40,989	1.150	\$47,126	\$2.25
Home Health	\$2,147	\$28		\$48	\$2,223	1.067	\$2,372	\$0.11
IP - Maternity	\$0			\$0	\$0	0.999	\$0	\$0.00
IP - Newborn	\$3,072,212	\$19,034	\$57,091	\$9,220	\$3,157,557	0.999	\$3,154,398	\$150.86
IP - Other	\$419,620	\$2,600	\$7,798	\$2,350	\$432,367	0.999	\$431,935	\$20.66
IP - Psych	\$6,176		\$114	\$0	\$6,290	0.996	\$6,265	\$0.30
Lab	\$40,948	\$367	(\$684)	\$6,438	\$47,070	1.071	\$50,399	\$2.41
OP - Emergency Room	\$257,960	\$3,360	(\$11,101)	\$11,072	\$261,291	1.067	\$278,787	\$13.33
OP - Other	\$407,420	\$5,306	(\$20,636)	\$4,533	\$396,623	1.067	\$423,181	\$20.24
Pharmacy	\$465,700	\$0	(\$1,903)	\$30,404	\$494,202	1.026	\$506,842	\$24.24
Prof - Anesthesia	\$25,817	\$184		\$0	\$26,001	1.150	\$29,894	\$1.43
Prof - Child EPSDT	\$496,381	\$3,537		\$0	\$499,917	1.150	\$574,760	\$27.49
Prof - Evaluation & Management	\$1,787,221	\$12,718		\$89,761	\$1,889,700	1.150	\$2,172,607	\$103.90
Prof - Maternity	\$0			\$0	\$0	1.150	\$0	\$0.00
Prof - Other	\$937,100	\$6,660		\$38,253	\$982,013	1.150	\$1,129,030	\$53.99
Prof - Psych	\$8,418	\$1		\$7	\$8,426	1.150	\$9,687	\$0.46
Prof - Specialist	\$118,635	\$845		\$4,039	\$123,520	1.150	\$142,012	\$6.79
Prof - Vision	\$30,090	\$59		\$491	\$30,640	1.150	\$35,227	\$1.68
Radiology	\$26,791	\$335		\$5,943	\$33,068	1.071	\$35,407	\$1.69
Transportation/Ambulance	\$16,475	\$206	\$2,758	\$68	\$19,505	1.071	\$20,885	\$1.00
Provider Incentive Payment Adjustment								\$8.69
Total	\$8,225,429	\$56,356	\$30,418	\$203,950	\$8,516,154		\$9,120,145	\$444.85

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.

³ Trend adjustment reflects 6 months of data period trend and 18 months of contract period trend.

Virginia Medicaid

FY 2013 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 FY10-11	Completion Factor Adjustments ¹	Policy and Program Adjustments ²	Patient Copay	Completed and Adjusted Claims FY10-11	Trend Adjustment	Completed & Trended Claims FY13	PMPM FY13
Service Type								
DME/Supplies	\$542,216	\$3,788	(\$24,329)	\$0	\$521,676	1.099	\$573,459	\$1.51
FQHC / RHC	\$279,630	\$1,083		\$12,202	\$292,915	1.213	\$355,445	\$0.93
Home Health	\$10,731	\$74		\$251	\$11,055	1.078	\$11,919	\$0.03
IP - Maternity	\$0			\$0	\$0	0.998	\$0	\$0.00
IP - Newborn	\$0			\$0	\$0	0.998	\$0	\$0.00
IP - Other	\$5,053,405	\$17,007	\$93,644	\$13,750	\$5,177,805	0.998	\$5,167,450	\$13.56
IP - Psych	\$125,166	\$0	\$2,318	\$15	\$127,499	0.992	\$126,479	\$0.33
Lab	\$817,902	\$4,230	(\$13,601)	\$122,343	\$930,873	1.099	\$1,023,274	\$2.69
OP - Emergency Room	\$3,400,921	\$23,338	(\$145,458)	\$144,127	\$3,422,928	1.078	\$3,690,278	\$9.69
OP - Other	\$5,799,975	\$39,802	(\$291,989)	\$48,213	\$5,596,001	1.078	\$6,033,081	\$15.84
Pharmacy	\$5,082,571	\$0	(\$20,765)	\$504,772	\$5,566,579	1.035	\$5,760,109	\$15.12
Prof - Anesthesia	\$353,557	\$1,369		\$0	\$354,926	1.213	\$430,694	\$1.13
Prof - Child EPSDT	\$1,715,466	\$6,642		\$0	\$1,722,108	1.213	\$2,089,736	\$5.49
Prof - Evaluation & Management	\$10,481,092	\$40,201		\$690,771	\$11,212,064	1.213	\$13,605,560	\$35.71
Prof - Maternity	\$0			\$0	\$0	1.213	\$0	\$0.00
Prof - Other	\$2,649,341	\$10,089		\$216,552	\$2,875,982	1.213	\$3,489,932	\$9.16
Prof - Psych	\$256,743	\$349		\$5,467	\$262,559	1.213	\$318,609	\$0.84
Prof - Specialist	\$1,030,166	\$3,989		\$41,005	\$1,075,160	1.213	\$1,304,680	\$3.42
Prof - Vision	\$515,902	\$490		\$7,120	\$523,512	1.213	\$635,269	\$1.67
Radiology	\$216,941	\$1,516		\$48,235	\$266,692	1.099	\$293,164	\$0.77
Transportation/Ambulance	\$122,159	\$853	\$20,337	\$644	\$143,993	1.099	\$158,286	\$0.42
Provider Incentive Payment Adjustment								\$2.36
Total	\$38,453,883	\$154,820	(\$379,843)	\$1,855,467	\$40,084,326		\$45,067,425	\$120.66

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 2013 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 FY10-11	Completion Factor Adjustments ¹	Policy and Program Adjustments ²	Patient Copay	Completed and Adjusted Claims FY10-11	Trend Adjustment	Completed & Trended Claims FY13	PMPM FY13
Service Type								
DME/Supplies	\$634,239	\$4,431	(\$21,827)	\$0	\$616,844	1.099	\$678,073	\$1.18
FQHC / RHC	\$339,260	\$1,314		\$13,064	\$353,638	1.213	\$429,131	\$0.75
Home Health	\$25,250	\$173		\$473	\$25,897	1.078	\$27,919	\$0.05
IP - Maternity	\$18,560	\$62	\$344	\$190	\$19,157	0.998	\$19,118	\$0.03
IP - Newborn	\$0			\$0	\$0	0.998	\$0	\$0.00
IP - Other	\$3,388,595	\$11,404	\$62,793	\$11,510	\$3,474,302	0.998	\$3,467,354	\$6.05
IP - Psych	\$682,907	\$98	\$12,649	\$2,575	\$698,228	0.992	\$692,643	\$1.21
Lab	\$1,076,642	\$5,193	(\$17,898)	\$128,601	\$1,192,538	1.099	\$1,310,913	\$2.29
OP - Emergency Room	\$4,022,619	\$27,605	(\$172,048)	\$128,783	\$4,006,958	1.078	\$4,319,925	\$7.54
OP - Other	\$5,936,684	\$40,740	(\$298,871)	\$61,444	\$5,739,997	1.078	\$6,188,324	\$10.80
Pharmacy	\$13,475,598	\$1	(\$55,054)	\$752,748	\$14,173,292	1.035	\$14,666,048	\$25.59
Prof - Anesthesia	\$269,182	\$1,042		\$0	\$270,224	1.213	\$327,910	\$0.57
Prof - Child EPSDT	\$520,748	\$2,016		\$0	\$522,764	1.213	\$634,361	\$1.11
Prof - Evaluation & Management	\$9,825,752	\$37,472		\$632,706	\$10,495,930	1.213	\$12,736,550	\$22.22
Prof - Maternity	\$12,219	\$47		\$16	\$12,282	1.213	\$14,904	\$0.03
Prof - Other	\$3,723,210	\$14,155		\$227,011	\$3,964,377	1.213	\$4,810,673	\$8.39
Prof - Psych	\$1,126,970	\$3,243	\$107,282	\$52,727	\$1,290,222	1.213	\$1,565,652	\$2.73
Prof - Specialist	\$1,254,924	\$4,859		\$50,234	\$1,310,017	1.213	\$1,589,673	\$2.77
Prof - Vision	\$905,588	\$1,210		\$13,829	\$920,627	1.213	\$1,117,158	\$1.95
Radiology	\$481,838	\$3,366		\$76,383	\$561,587	1.099	\$617,332	\$1.08
Transportation/Ambulance	\$118,445	\$827	\$19,718	\$795	\$139,786	1.099	\$153,662	\$0.27
Provider Incentive Payment Adjustment								\$1.92
Total	\$47,839,230	\$159,259	(\$362,912)	\$2,153,089	\$49,788,665		\$55,367,321	\$98.51

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 2013 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 FY10-11	Completion Factor Adjustments ¹	Policy and Program Adjustments ²	Patient Copay	Completed and Adjusted Claims FY10-11	Trend Adjustment	Completed & Trended Claims FY13	PMPM FY13
Service Type								
DME/Supplies	\$136,854	\$956	(\$4,710)	\$0	\$133,100	1.099	\$146,312	\$1.40
FQHC / RHC	\$121,542	\$471		\$4,856	\$126,869	1.213	\$153,952	\$1.47
Home Health	\$21,107	\$145		\$290	\$21,542	1.078	\$23,225	\$0.22
IP - Maternity	\$727,491	\$2,448	\$13,481	\$6,195	\$749,616	0.998	\$748,117	\$7.16
IP - Newborn	\$0			\$0	\$0	0.998	\$0	\$0.00
IP - Other	\$772,096	\$2,598	\$14,308	\$3,260	\$792,262	0.998	\$790,678	\$7.57
IP - Psych	\$249,270	\$43	\$4,617	\$1,475	\$255,405	0.992	\$253,362	\$2.43
Lab	\$418,159	\$2,496	(\$6,959)	\$42,037	\$455,732	1.099	\$500,969	\$4.80
OP - Emergency Room	\$1,528,559	\$10,490	(\$65,377)	\$39,353	\$1,513,025	1.078	\$1,631,201	\$15.62
OP - Other	\$1,805,658	\$12,391	(\$90,902)	\$17,976	\$1,745,123	1.078	\$1,881,427	\$18.02
Pharmacy	\$2,655,478	\$0	(\$10,849)	\$206,074	\$2,850,703	1.035	\$2,949,812	\$28.25
Prof - Anesthesia	\$123,182	\$477		\$0	\$123,659	1.213	\$150,057	\$1.44
Prof - Child EPSDT	\$99,607	\$386		\$0	\$99,993	1.213	\$121,339	\$1.16
Prof - Evaluation & Management	\$2,239,430	\$8,572		\$140,614	\$2,388,616	1.213	\$2,898,526	\$27.76
Prof - Maternity	\$445,259	\$1,724		\$1,437	\$448,420	1.213	\$544,147	\$5.21
Prof - Other	\$817,070	\$3,116		\$42,691	\$862,877	1.213	\$1,047,080	\$10.03
Prof - Psych	\$287,763	\$890	\$27,399	\$14,901	\$330,953	1.213	\$401,604	\$3.85
Prof - Specialist	\$358,427	\$1,388		\$16,812	\$376,626	1.213	\$457,027	\$4.38
Prof - Vision	\$162,394	\$212		\$2,300	\$164,906	1.213	\$200,109	\$1.92
Radiology	\$340,691	\$2,380		\$25,967	\$369,038	1.099	\$405,670	\$3.88
Transportation/Ambulance	\$51,005	\$356	\$8,491	\$363	\$60,216	1.099	\$66,193	\$0.63
Provider Incentive Payment Adjustment								\$2.93
Total	\$13,361,044	\$51,538	(\$110,501)	\$566,601	\$13,868,682		\$15,370,806	\$150.13

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 2013 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 FY10-11	Completion Factor Adjustments ¹	Policy and Program Adjustments ²	Patient Copay	Completed and Adjusted Claims FY10-11	Trend Adjustment	Completed & Trended Claims FY13	PMPM FY13
Service Type								
DME/Supplies	\$192,073	\$1,342	(\$6,610)	\$0	\$186,805	1.099	\$205,348	\$1.99
FQHC / RHC	\$54,130	\$210		\$2,301	\$56,640	1.213	\$68,732	\$0.67
Home Health	\$16,165	\$111		\$216	\$16,492	1.078	\$17,780	\$0.17
IP - Maternity	\$0			\$0	\$0	0.998	\$0	\$0.00
IP - Newborn	\$0			\$0	\$0	0.998	\$0	\$0.00
IP - Other	\$1,783,250	\$6,001	\$33,045	\$3,415	\$1,825,712	0.998	\$1,822,060	\$17.68
IP - Psych	\$252,486	\$45	\$4,677	\$1,480	\$258,687	0.992	\$256,617	\$2.49
Lab	\$181,523	\$853	(\$3,017)	\$15,401	\$194,760	1.099	\$214,093	\$2.08
OP - Emergency Room	\$1,132,121	\$7,769	(\$48,421)	\$26,326	\$1,117,796	1.078	\$1,205,102	\$11.69
OP - Other	\$1,636,851	\$11,233	(\$82,404)	\$11,988	\$1,577,668	1.078	\$1,700,893	\$16.50
Pharmacy	\$2,457,174	\$0	(\$10,039)	\$121,948	\$2,569,084	1.035	\$2,658,402	\$25.79
Prof - Anesthesia	\$78,998	\$306		\$0	\$79,304	1.213	\$96,233	\$0.93
Prof - Child EPSDT	\$52,706	\$204		\$0	\$52,910	1.213	\$64,205	\$0.62
Prof - Evaluation & Management	\$1,469,625	\$5,593		\$90,326	\$1,565,544	1.213	\$1,899,749	\$18.43
Prof - Maternity	\$0			\$0	\$0	1.213	\$0	\$0.00
Prof - Other	\$464,038	\$1,749		\$28,314	\$494,101	1.213	\$599,579	\$5.82
Prof - Psych	\$254,916	\$768	\$24,270	\$12,721	\$292,675	1.213	\$355,153	\$3.45
Prof - Specialist	\$404,074	\$1,565		\$11,636	\$417,275	1.213	\$506,352	\$4.91
Prof - Vision	\$151,904	\$178		\$1,846	\$153,928	1.213	\$186,788	\$1.81
Radiology	\$163,947	\$1,145		\$20,351	\$185,443	1.099	\$203,851	\$1.98
Transportation/Ambulance	\$49,648	\$347	\$8,265	\$261	\$58,521	1.099	\$64,329	\$0.62
Provider Incentive Payment Adjustment								\$2.34
Total	\$10,795,629	\$39,419	(\$80,234)	\$348,531	\$11,103,343		\$12,125,267	\$120.00

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 2013 Capitation Rate Development

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

Summary of FY 2013 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	\$444.85	\$1.82	\$4.52	10.37%	\$494.28	\$491.26	
1-5	\$120.66	\$1.93	\$4.71	10.37%	\$132.46	\$129.36	
6-14	\$98.51	\$1.99	\$4.87	10.37%	\$107.69	\$104.48	
Female 15-18	\$150.13	\$2.04	\$4.94	10.37%	\$165.23	\$161.98	
Male 15-18	\$120.00	\$2.05	\$4.97	10.37%	\$131.59	\$128.33	
					Overall FAMIS		
Average					\$138.41	\$133.45	\$134.55

Note:

Average is weighted by health plan enrollment distribution as of April 2012.

Virginia Medicaid

FY 2013 Capitation Rate Development

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

Comparison of FY 2012 and FY 2013 Capitation Rates

Section I Exhibit 5b

		Statewide					
Aid Category		FAMIS <=150%			FAMIS >150%		
Age Group		FY 2012	FY 2013	% Change	FY 2012	FY 2013	% Change
FAMIS	Under 1	\$291.10	\$494.28	69.79%	\$288.25	\$491.26	70.43%
	1-5	\$116.76	\$132.46	13.44%	\$113.67	\$129.36	13.80%
	6-14	\$97.78	\$107.69	10.14%	\$94.56	\$104.48	10.48%
	Female 15-18	\$157.39	\$165.23	4.98%	\$154.13	\$161.98	5.09%
	Male 15-18	\$118.45	\$131.59	11.10%	\$115.17	\$128.33	11.42%
Average		\$118.50	\$138.41	16.80%	\$114.50	\$133.45	16.55%

Overall FAMIS Average		
FY 2012	FY 2013	% Difference
\$115.39	\$134.55	16.61%

Note:

Average is weighted by health plan enrollment distribution as of April 2012.

Virginia Medicaid
FY 2013 Capitation Rate Development
Health Plan Encounter Data - Family Access to Medical Insurance Security (FAMIS)
April 2012 Member Month Distribution

Section I
Exhibit 5c

Aid Category	Age Group	Statewide
FAMIS <= 150%	Under 1	514
	1-5	4,016
	6-14	5,838
	Female 15-18	1,011
	Male 15-18	1,007
Aid Category Total		12,386
FAMIS >150%	Under 1	1,605
	1-5	14,016
	6-14	20,813
	Female 15-18	3,668
	Male 15-18	3,589
Aid Category Total		43,691
Total		56,077

Virginia Medicaid
FY 2013 Capitation Rate Development
Health Plan Encounter Data - FAMIS MOMS
Historical Eligibility, Claims, and Utilization Data

Section II
Exhibit 1

All Ages												
Statewide	Raw Claims FY10	Raw Claims FY11	Capitation FY10	Capitation FY11	Unadjusted PMPM 10	Unadjusted PMPM 11	Units FY10	Units FY11	Units/1000 FY10	Units/1000 FY11	Cost/Unit FY10	Cost/Unit FY11
Member Months	11,891	12,708										
Service Type												
DME/Supplies	\$30,131	\$25,764	\$0	\$0	\$2.53	\$2.03	129	207	130	195	\$233.57	\$124.47
FQHC / RHC	\$35,657	\$57,402	\$0	\$0	\$3.00	\$4.52	575	608	580	574	\$62.01	\$94.41
Home Health	\$12,645	\$19,114	\$0	\$0	\$1.06	\$1.50	35	69	35	65	\$361.28	\$277.02
IP - Maternity	\$3,974,814	\$4,705,468	\$0	\$0	\$334.27	\$370.28	1,489	1,660	1,503	1,568	\$2,669.45	\$2,834.62
IP - Newborn	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0	0	0	0	-	-
IP - Other	\$97,706	\$102,391	\$0	\$0	\$8.22	\$8.06	12	26	12	25	\$8,142.13	\$3,938.10
IP - Psych	\$0	\$8,961	\$0	\$0	\$0.00	\$0.71	0	21	0	20	-	\$426.71
Lab	\$145,200	\$160,355	\$6,455	\$7,288	\$12.75	\$13.19	16,361	18,115	16,511	17,106	\$9.27	\$9.25
OP - Emergency Room & Related	\$295,189	\$361,124	\$0	\$0	\$24.82	\$28.42	839	1,116	847	1,054	\$351.83	\$323.59
OP - Other	\$756,432	\$802,167	\$0	\$0	\$63.61	\$63.12	3,100	3,326	3,128	3,141	\$244.01	\$241.18
Pharmacy	\$301,184	\$397,267	\$0	\$0	\$25.33	\$31.26	10,532	11,682	10,629	11,031	\$28.60	\$34.01
Prof - Anesthesia	\$322,705	\$297,143	\$0	\$0	\$27.14	\$23.38	1,502	1,594	1,516	1,505	\$214.85	\$186.41
Prof - Child EPSDT	\$13,318	\$15,765	\$0	\$0	\$1.12	\$1.24	322	340	325	321	\$41.36	\$46.37
Prof - Evaluation & Management	\$458,839	\$543,179	\$8,069	\$3,542	\$39.27	\$43.02	6,966	8,032	7,030	7,585	\$67.03	\$68.07
Prof - Maternity	\$2,269,394	\$2,637,766	\$0	\$0	\$190.85	\$207.57	4,174	4,740	4,212	4,476	\$543.70	\$556.49
Prof - Other	\$155,388	\$181,574	\$1,134	\$1,089	\$13.16	\$14.37	2,435	1,929	2,457	1,822	\$64.28	\$94.69
Prof - Psych	\$4,563	\$6,132	\$0	\$0	\$0.38	\$0.48	127	176	128	166	\$35.93	\$34.84
Prof - Specialist	\$123,596	\$127,707	\$0	\$0	\$10.39	\$10.05	2,020	2,425	2,039	2,290	\$61.19	\$52.66
Prof - Vision	\$2,017	\$3,076	\$9,119	\$9,886	\$0.94	\$1.02	127	138	128	130	\$87.68	\$93.93
Radiology	\$490,816	\$545,604	\$0	\$0	\$41.28	\$42.93	5,407	6,211	5,457	5,865	\$90.77	\$87.84
Transportation/Ambulance	\$12,829	\$29,003	\$28,884	\$31,602	\$3.51	\$4.77	290	486	293	459	\$143.84	\$124.70
Total	\$9,502,422	\$11,026,961	\$53,661	\$53,407	\$803.64	\$871.92	56,442	62,901				

**Virginia Medicaid
 FY 2013 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	\$28.39	FY10-11 Health Plan Encounter Data
2a. Current Average Managed Care Rebate	2.8%	From Plan Data
2b. Average Managed Care Rebate Reduction for FY13	70.0%	From DMAS
2c. FY13 Effective Managed Care Rebate	0.8%	= (2a.) * (2b.)
3. Adjusted PMPM with Managed Care Rebate	\$28.16	= (1.) * (1 - (2c.))
4. Average PBM Admin Cost PMPM	\$0.22	From Plan Data
5. Adjusted PMPM with FY13 Pharmacy Pricing Arrangemei	\$28.38	= (3.) + (4.)
6. Pharmacy Adjustment	-0.04%	= (5.) / (1.) - 1

Virginia Medicaid
FY 2013 Capitation Rate Development
Health Plan Encounter Data - FAMIS MOMS
DME/Supplies Fee Reduction Adjustment

Section II
Exhibit 2b

	FAMIS MOMS	Source
1. Claims Associated with DME HCPCs	\$14,061	FY10 Health Plan Encounter Data
2. % Fee Reduction Effective FY11	10.0%	Provided by DMAS
3. Dollar Decrease	\$1,406	= (1.) * (2.)
4. Total claims in DME/Supplies Service Category	\$55,895	FY10-11 Health Plan Encounter Data
5. DME/Supplies Fee Reduction Adjustment	-2.5%	= (3.) / (4.)

Virginia Medicaid
FY 2013 Capitation Rate Development
Health Plan Encounter Data - FAMIS MOMS
Clinical Lab Fee Reduction Adjustment

Section II
Exhibit 2c

	FAMIS MOMS	Source
1. % Fee Reduction Effective FY11*	2.3%	Provided by DMAS
2. Claims Associated with Clinical Lab Procedure Codes	\$117,815	FY09 Health Plan Encounter Data
3. Dollar Decrease	\$2,741	= (1.) * (2.)
4. Total claims in Lab Service Category	\$160,355	FY09 Health Plan Encounter Data
5. % of FY10 claims in base period Lab Service Category	47.5%	FY10-11 Health Plan Encounter Data
5. Clinical Lab Fee Reduction Adjustment	-0.8%	= (3.) / (4.) * (5.)

* Note:

Reduction of 5% is applied to to claims paid at 88% of CMS Fee Schedule

Fee reduction % calculated as a weighted average based on claims paid above and below 88% of FY09 CMS Fee Schedule

Virginia Medicaid
FY 2013 Capitation Rate Development
Health Plan Encounter Data - FAMIS MOMS
Hospital Inpatient Adjustments

Section II
Exhibit 2d

	Inpatient Medical/Surgical	Inpatient Psychiatric	Source
1. FY10-11 Total Claims in IP Service Categories	\$8,880,378	\$8,961	FY10-11 Health Plan Encounter Data
2. FY10 Hospital Capital Percentage Adjusted for Exempt Hospitals*	9.4%	9.8%	Provided by DMAS
3a. FY12 Capital Reimbursement Reduction	5.3%	5.3%	Provided by DMAS
3b. Dollar Change	(\$44,373)	(\$47)	= - (1.) * (2.) * (3a.)
4a. FY13 Hospital Rate Increase	2.6%	2.6%	Provided by DMAS
4b. Dollar Change	\$209,258	\$210	= (1.) * ((1 + (4a.)) * (1 - (2.)) + (2.) - 1))
5. Hospital Inpatient Adjustment	1.9%	1.8%	= ((3b.) + (4b.)) / (1.)

*Exempt hospitals are CHKD, UVA, and MCV for FY10.

Virginia Medicaid
FY 2013 Capitation Rate Development
Health Plan Encounter Data - FAMIS MOMS
Hospital Outpatient Adjustment

Section II
Exhibit 2e

		Outpatient	Source
1. Claims Associated with Outpatient Services	a. OP - Emergency Room & Related	\$656,313	FY10-11 Health Plan Encounter Data
	b. OP - Other	\$1,558,599	FY10-11 Health Plan Encounter Data
2. % ER Triage of Total Outpatient		6.0%	Provided by DMAS
3. % OP - Emergency Room & Related of Total Outpatient		29.6%	= (1a.) / ((1a.) + (1b.))
4. % of Claims Exempt from Fee Reduction		20.2%	= (2.) / (3.)
5. FY12 Hospital Outpatient Rate Reduction		5.0%	Provided by DMAS
6. Dollar Decrease	a. OP - Emergency Room & Related	\$26,171	= (1a.) * (1 - (4.)) * (5.)
	b. OP - Other	\$77,930	= (1b.) * (5.)
7. Hospital Outpatient Adjustment	a. OP - Emergency Room & Related	-4.0%	= (6.) / (1.)
	b. OP - Other	-5.0%	= (6.) / (1.)

Virginia Medicaid
FY 2013 Capitation Rate Development
Health Plan Encounter Data - FAMIS MOMS
Emergency Transportation Adjustment

Section II
Exhibit 2f

	FAMIS MOMS	Source
1. Claims Associated with Transportation	\$102,318	FY10-11 Health Plan Encounter Data
2. Base Period Member Months	24,599	FY10-11 Health Plan Encounter Data
3. Total Trend Factor for Transportation	1.1585	FY09-11 Health Plan Encounter Data
4. Trended Base Period Transportation PMPM	\$4.82	= (1.) / (2.) * (3.)
5. FY13 Emergency Transportation Dollar Increase	\$0.05	Provided by DMAS. PMPM based on annualized Feb 2012 Member Months
6. Emergency Transportation Adjustment	1.14%	= (5.) / (6.)

Virginia Medicaid
FY 2013 Capitation Rate Development
Health Plan Encounter Data - FAMIS MOMS
Provider Incentive Payment Adjustment

Section II
Exhibit 2g

	Adjustment Value	Source
Provider Incentive Payment Adjustment	0.3%	From Plan Data

Virginia Medicaid
FY 2013 Capitation Rate Development
Health Plan Encounter Data - FAMIS MOMS
Administrative Cost Adjustment

Section II
Exhibit 2h

	FAMIS MOMS	Source
1. Claims Adjustment Expense PMPM	\$17.20	Expense from CY2011 BOI Reports; Member months from capitation payment files
2. General Admin Expense PMPM	\$55.11	Expense from CY2011 BOI Reports; Member months from capitation payment files
3. Claims Adjustment Expense Increase %	3.0%	BLS CPI-U
4. General Admin Expense Increase %	2.7%	Weighted average of BLS Compensation Trend and CPI
5a. Administrative PMPM*	\$75.34	$= (1.) * (1 + (3.)) ^ (18 \text{ months}/12) + (2.) * (1 + (4.)) ^ (18 \text{ months}/12)$
5b. Administrative PMPM Weighted by Claims	\$38.33	Reallocation of administrative costs weighted by claims
6. Adjusted and Trended Base PMPM	\$935.24	Weighted average of medical component of FY 2012 FAMIS Moms Base Rates
7. Administrative allowance as % of Base Capitation Rate	3.88%	$= (5b.) / (((5b.) + (6.)) / (1 - (8.)))$
8. Contribution to Reserves as % of Base Capitation Rate	1.50%	Provided by DMAS
9. Administrative Factor as % of Base Capitation Rate	5.38%	$= (7.) + (8.)$

*Note:

Administrative increases are applied from midpoint of CY2011 to the midpoint of the contract period (18 months) using compound interest calculations.

Virginia Medicaid
FY 2013 Capitation Rate Development
Health Plan Encounter Data - FAMIS MOMS
Incurred But Not Reported (IBNR), Policy/Program, and Trend Adjustments

Section II
Exhibit 3

Category of Service	FAMIS MOMS							
	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	0.3%	1.9%	2.2%	4.0%	4.3%	8.5%	1.3%	1.1069
Inpatient Psychiatric ³	0.2%	1.8%	2.1%	-2.2%	-6.4%	-8.4%	0.0%	0.9160
Outpatient Hospital	0.5%	-4.6%	-4.1%	-5.6%	11.9%	5.7%	0.0%	1.0570
Practitioner	0.6%	0.0%	0.6%	4.1%	3.0%	7.2%	1.4%	1.0940
Prescription Drug ³	0.0%	0.0%	0.0%	3.0%	5.4%	8.5%	7.4%	1.2076
Other	0.4%	-0.2%	0.2%	10.2%	-4.0%	5.8%	6.2%	1.1585
Weighted Average*	0.4%	0.3%	0.7%	3.5%	4.1%	7.5%	1.8%	1.1042

Months of Trend Applied	12	12	12	18
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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, before Trend and Adjustments (Total Claims FY10-11), whereas weighted averages for Trends are calculated using a distribution by Service Type, before Trend (Adjusted FY10-11 Claims)

³ Inpatient Psych and Pharmacy trend rates have been defaulted to LIFC Adult values.

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 FY10-11 incurred claims paid through Oct 2011

Contract period trends are applied from the end of the data period to the midpoint of the contract period using compound interest calculations; includes FY09-11 incurred claims paid through February 2012.

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

Virginia Medicaid
FY 2013 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 FY10-11	Completion Factor Adjustments ¹	Policy and Program Adjustments ²	Completed and Adjusted Claims FY10-11	Trend Adjustment	Completed & Trended Claims FY13	PMPM FY13
Service Type							
DME/Supplies	\$55,895	\$207	(\$1,411)	\$54,691	1.158	\$63,357	\$2.58
FQHC / RHC	\$93,059	\$534		\$93,592	1.094	\$102,394	\$4.16
Home Health	\$31,759	\$168		\$31,927	1.057	\$33,746	\$1.37
IP - Maternity	\$8,680,282	\$27,913	\$161,688	\$8,869,883	1.107	\$9,817,671	\$399.11
IP - Newborn	\$0	\$0		\$0	1.107	\$0	\$0.00
IP - Other	\$200,096	\$643	\$3,727	\$204,467	1.107	\$226,315	\$9.20
IP - Psych	\$8,961	\$21	\$164	\$9,146	0.916	\$8,377	\$0.34
Lab	\$319,298	\$1,131	(\$2,601)	\$317,827	1.158	\$368,191	\$14.97
OP - Emergency Room	\$656,313	\$3,469	(\$26,309)	\$633,473	1.057	\$669,581	\$27.22
OP - Other	\$1,558,599	\$8,239	(\$78,342)	\$1,488,496	1.057	\$1,573,340	\$63.96
Pharmacy	\$698,451	\$0	(\$272)	\$698,179	1.208	\$843,091	\$34.27
Prof - Anesthesia	\$619,848	\$3,555		\$623,403	1.094	\$682,031	\$27.73
Prof - Child EPSDT	\$29,083	\$167		\$29,250	1.094	\$32,001	\$1.30
Prof - Evaluation & Management	\$1,013,629	\$5,748		\$1,019,377	1.094	\$1,115,243	\$45.34
Prof - Maternity	\$4,907,160	\$28,148		\$4,935,308	1.094	\$5,399,444	\$219.50
Prof - Other	\$339,185	\$1,933		\$341,118	1.094	\$373,198	\$15.17
Prof - Psych	\$10,695	\$61		\$10,757	1.094	\$11,768	\$0.48
Prof - Specialist	\$251,303	\$1,441		\$252,745	1.094	\$276,514	\$11.24
Prof - Vision	\$24,098	\$29		\$24,127	1.094	\$26,396	\$1.07
Radiology	\$1,036,420	\$3,835		\$1,040,255	1.158	\$1,205,097	\$48.99
Transportation/Ambulance	\$102,318	\$155	\$1,169	\$103,642	1.158	\$120,065	\$4.88
Provider Incentive Payment Adjustment							\$2.36
Total	\$20,636,451	\$87,397	\$57,812	\$20,781,660		\$22,947,821	\$935.24
Admin Cost Adjustment							\$53.16
FAMIS MOMS Capitation Rate							\$988.39

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 2013 Capitation Rate Development
Health Plan Encounter Data - FAMIS MOMS
Comparison of FY 2012 and FY 2013 Capitation Rates and Member Months

Section II
Exhibit 5

FAMIS MOMS - Age 10 and Over Female	Statewide		
	FY 2012	FY 2013	% Change
Capitation Rate	\$900.64	\$988.39	9.74%
April 2012 Member Months		1,230	