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June 30, 2009

Mr. R. Jason Wiley
Managed Care Rate Setter
Minnesota Department of Human Services
540 Cedar Street
St. Paul, MN 55101-2208

Re: Analysis of PMAP Costs by Demographic Rate Cell – Families and Children and Pregnant Women

Dear Jason:

This letter discusses my analysis of capitation rate relativities by rate cell for the PMAP Families and Children and Pregnant Women program. The capitation rates for this program are currently determined on a quarterly basis by blending demographic rates, which do not vary by managed care organization (MCO), and risk adjusted rates, which do. The relativities in this letter are only intended to apply to the demographic rates and not to the risk adjusted rates. This letter also describes my analysis of historic claim cost relativities by (1) geographic area and (2) demographic rate cell. For PMAP, demographic rate cells are defined in terms of age and gender and pregnancy status. The rate relativities in this letter were developed based on this analysis.

The purpose of this analysis is to assist the Minnesota Department of Human Services (DHS) with setting demographic payment rates for contracting MCOs. The results may not be appropriate for other purposes. The results contained in this letter are intended only for use by DHS. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.

This letter should be reviewed only in its entirety. It assumes the reader is familiar with Minnesota's Medicaid programs and managed care rating principles. The results in this report are technical in nature and are dependent upon specific assumptions and methods. No party should rely upon these results without a thorough understanding of those assumptions and methods. Such an understanding may require consultation with qualified professionals.

Differences between the estimates in my analysis and actual amounts depend on the extent to which future experience conforms to the assumptions made for this analysis. It is almost certain that actual experience will not conform exactly to the assumptions used in this analysis. Actual amounts will differ from projected amounts to the extent that actual experience is different than expected. Accordingly, DHS should continue to carefully monitor actual experience and make adjustments as necessary.

This material assumes that the reader is familiar with MN Medicaid programs, their eligibility rules, rating approaches and other factors. The material was prepared solely to provide assistance to DHS to set capitation rates. It may not be appropriate for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. This material should only be reviewed in its entirety.

In performing this analysis, I have relied on data and other information provided to me by DHS and the plans with which it contracts. I have not audited or verified this data and other information. If the underlying data or information is inaccurate or incomplete, the results of this analysis may likewise be inaccurate or incomplete.

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

Data Reliance

For this analysis, I relied on the following data and information:

1. Detailed claim and enrollment data by demographic rate cell and geographic area provided by the MCOs that contract with DHS. Data was provided for calendar years 2006, 2007, and 2008.
2. DHS's past rate calculation spreadsheets.
3. Calendar year 2008 enrollment reports provided by DHS.
4. Calendar year 2006 enrollment reports provided by DHS including breakouts for Cass, Crow Wing, Morrison, Todd, and Wadena counties.
5. Miscellaneous comments and information provided by DHS and the MCOs.

Recommended Demographic Rate Relativities

My recommended rate relativities by demographic rate and geographic area cell are shown in Tables 1 and 2, respectively. The tables show factors developed using MCO experience for each calendar year 2006 through 2008, as well as recommended factors. The recommended factors were developed using experience for 2007 and 2008, along with certain adjustments described below.

Table 1: Rate Relativities by Category and Gender

Rate Cell			Calculated Relative Cost Relativities Factors by Year			Recommended Factors
Age Grp	Gender	Type	2006	2007	2008	
0 - 1	F	F & C	1.981	1.816	1.818	1.817
01 - 02	F	F & C	0.596	0.587	0.582	0.584
02 - 15	F	F & C	0.429	0.431	0.429	0.430
16 - 20	F	F & C	0.894	0.871	0.860	0.864
21 - 49	F	F & C	1.470	1.435	1.479	1.464
50 - 64	F	F & C	2.379	2.460	2.325	2.371
0 - 1	M	F & C	2.241	2.355	2.168	2.230
01 - 02	M	F & C	0.648	0.730	0.667	0.688
02 - 15	M	F & C	0.490	0.505	0.508	0.507
16 - 20	M	F & C	0.678	0.636	0.639	0.638
21 - 49	M	F & C	1.054	1.050	1.058	1.055
50 - 64	M	F & C	2.093	2.321	1.988	2.099
All Ages	F	Preg Women	3.554	3.642	3.774	3.730

Table 2: Relativities by Geographic Area and MERC Adjustments

Geographic Area	Calculated Relative Cost Relativities Factors by Year			Recommended Factors	MERC Adjustment	
	2006	2007	2008		Percentage	MERC Adjusted Area Factors
Hennepin	1.048	1.006	1.025	1.019	6.30%	1.055
Ramsey	0.944	0.928	0.935	0.933	2.00%	0.924
Olmsted	0.781	0.773	0.805	0.793	1.60%	0.783
Core Metro	1.132	1.132	1.121	1.125	2.00%	1.114
Greater Metro (Sherburne & Wright)	1.132	1.132	1.121	1.125	1.60%	1.110
North East	0.953	0.976	1.024	1.008	1.60%	0.994
North Central	1.005	1.044	1.013	1.024	1.60%	1.010
Carver	0.957	0.977	0.996	0.990	2.00%	0.980
South West excl. Carver	0.957	0.977	0.996	0.990	1.60%	0.976
South East	0.874	0.906	0.867	0.880	1.60%	0.868

Exhibits A.1 and A.2 of this letter show the impact of these recommended factors on current (contract year 2009) demographic capitation rates with and without MERC, respectively. The capitation rates used to develop the results in Exhibits A.1 and A.2 are before any MCO specific rate adjustments.

The factors in Tables 1 and 2 include a revenue neutrality adjustment so that, taken together, they are revenue neutral on the 2008 membership distribution. However, the MERC adjustment is not revenue neutral. For example, if area factors increased in an area with a higher than average MERC percentage, overall payments including MERC would be higher.

I am aware of several changes that have occurred over the last few years which have likely contributed to the trends in cost relationships by rate cell as reflected in Tables 1 and 2 above.

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These include:

- Rebasing of the Medicaid fee-for-service (FFS) fee schedule for inpatient services to the extent that the FFS fee schedule impacts MCO reimbursement rates;
- Changes in Medicare reimbursement to Critical Access Hospitals to the extent Medicare reimbursement levels impact MCO reimbursement levels;
- Other changes in provider reimbursement levels mandated by state law;
- Shifts in the mix of business by plan; and
- Variations in cost trends by service category to the extent the mix of services differs by rate cell. Based on anecdotal evidence, we believe cost levels for certain service categories such as personal care attendant services, dental, and mental health may have been trending higher than average.

Covered benefits and cost sharing have also changed over the years, although I adjusted the historical data for these changes as described below, to adjust costs to reflect 2009 benefits and cost sharing.

Methodology

I began by calculating the raw average claim cost per member per month (PMPM) by calendar year, geographic area, and demographic rate cell. The current areas defined for this product include: Hennepin, Ramsey, Olmsted, Greater Metro, North East, North Central, South West, and South East. The current area definitions were established in 2004 and are not being revised.

In Table 2, I have displayed Carver County separately from the rest of the South West region, and I have also split the Greater Metro region into two pieces: Sherburne and Wright counties (called Greater Metro in Table 2) and Core Metro. I have displayed these subregions separately in Table 2 because the MERC percentages differ between these subregions and therefore the MERC adjusted area factors differ by subregion. The area factors before the MERC adjustment do not vary by subregion, however. The demographic rate cells for this program are shown in Table 1, above.

The MCOs provided enrollment and estimated aggregate incurred claim cost by calendar year (2006, 2007, and 2008), which I used for this purpose. I asked the MCOs to provide their best estimate (without margin) of total incurred claims by year using the most recent runout available (February 2009 for most MCOs). I also asked the MCOs to separately report the number and dollar volume of large claims by rate cell so I could consider the impact of large claims on the results. A "large claim" is defined for this study as the total claims for an individual in a calendar year where the total is greater than \$100,000. I examined the impact of large claims on the results and determined no adjustments are needed.

I used the data to calculate PMPM claim costs for calendar years 2006, 2007, and 2008. I adjusted the experience data to reflect benefit changes between 2006 and 2009. Benefit changes between 2006 and 2007 included:

- Adding coverage for the HPV vaccine—the adjustment factors I used are 1.0039 for females 2-15, 1.0052 for females 16-20, and 1.0011 for females 21-49. These factors anticipated a high utilization of this newly offered benefit. I applied a separate set of adjustments to 2008 rates to recognize that utilization would moderate in 2008. These factors are 0.9984 for females 2-15, 0.9948 for females 16-20, and 0.9989 for females 21-49 ;
- Adding coverage of certain adult mental health services—the adjustment factors I used are 1.0040 for females over 15, 1.0016 for males over 15, and 1.0005 for pregnant women;
- Elimination of coverage for remaining infant circumcisions—the adjustment factor I used is 0.9989, and it applies only to infant males.

Benefit changes between 2007 and 2008 included:

- Adding coverage for the Shingles vaccine—the adjustment factor I used is 1.0010 for males and females 50-64;
- Implementation of the model benefit set for mental health services—the adjustment factors I used are 1.014 for pregnant women, 1.0064 for females over 15, and 1.0105 for males over 15;
- Adding coverage for halfway house and extended care treatment services starting July 1—the adjustment factor I used is 1.0011 for males and females over age 2. I applied this factor again to 2009 rates to reflect that coverage would be effective for the entire year;
- Restoring coverage of medically necessary circumcisions—the adjustment factor I used is 1.0011, and it applies only to infant males.

Benefit changes between 2008 and 2009 included:

- Adding coverage for mental health targeted case management services—the adjustment factors I used are 1.0005 for pregnant women, 1.0062 for females over 15, and 1.0137 for males over 15;
- Adding coverage for Rule 5 children's residential mental health treatment services—the adjustment factor I used is 1.0054 for children ages 2-20;
- Adding coverage of intensive mental health outpatient treatment—the adjustment factor I used is 1.0001 for males and females over age 2;
- Removing coverage for the room and board portion of chemical dependency costs for stays in freestanding residential treatment centers—the adjustment factor I used is 0.9992 for all rate cells;
- Implementation of income based limits on copays—the adjustment factor I used is 1.0001 for males and females over age 20.

All of these factors were developed previously as the benefit changes were introduced, as described in prior letters in prior years.

Since I based my analysis on rate relativities (instead of dollar amounts), I did not adjust for changes that applied to all rate cells, such as trend adjustments.

I also made an adjustment to reflect that dental services were not covered by the MCOs in Cass, Crow Wing, Morrison, Todd, or Wadena counties in 2006 but were in 2007 and 2008. This adjustment was developed two years ago, the last time this study was undertaken. To develop the adjustment, I started with fee-for-service dental experience data for calendar years 2002 through 2005 provided to me by DHS for another project. I used the experience data for non-disabled enrollees to develop per member per month claim costs by age and gender in the North Central region. I used an annual trend rate of 7.9% to project costs to 2006. This trend factor was based on an analysis of trend in the FFS data, and takes into account benefit changes during this period.

To determine the percentage of enrollees to which the additional cost would apply, I used enrollment reports provided by DHS for calendar 2006 which included a breakdown of enrollment by region and by county for the five counties listed above. For each demographic rate cell, I determined the percentage of North Central region enrollment made up by the five counties. For PMAP Families and Children and Pregnant Women, the percentages varied by rate cell in the range of 23% and 25%. I then multiplied the adjusted dental claim cost by this percentage to determine the final adjustments to the PMPM claim costs for the North Central region in each calendar year. The impact on the relativities of adding the dental cost was very small.

I then used the adjusted PMPM claim costs to calculate relativities. I first calculated the relativity for each rate cell (demographic and area) in each year, representing the PMPM claim cost of that rate cell relative to the average across all rate cells. A summary of the enrollment and corresponding relativities is included as Exhibit B of this letter. I chose to use the weighted average relativities from the 2007 and 2008 data to develop my "initial" relativity factors for the purposes of the discussion below. I gave two-thirds weight to the most recent year, 2008, and one-third weight to 2007. I chose not to use the 2006 relativities primarily because there have been significant changes in the program since that time. (I am not including the actual claim cost data on either an aggregate or PMPM basis to protect the information, which at least some of the MCOs consider proprietary.)

I then used these initial relativities to calculate demographic and area factors in a step-wise fashion. First, I calculated the average relativity for each demographic rate cell using the current enrollment mix by geographic area and demographic rate cell.

The demographic factor for each demographic rate cell was set equal to the ratio of the average relativity for that demographic rate cell to the average across rate cells using the statewide enrollment mix by demographic rate cell. I then adjusted each initial relativity from Exhibit B by dividing by its demographic factor so calculated.

To calculate the averages in the previous two paragraphs, I used calendar year 2008 enrollment because I believed it was a good proxy for 2010 enrollment. The enrollment figures I used are shown at the top of Exhibits A.1 and A.2.

I then used these demographically adjusted relativities to calculate area factors in a similar fashion. I calculated the average adjusted relativity for each area using the calendar year enrollment mix by demographic rate cell. The area factor was set equal to the ratio of the average relativity factor for that area to the average across areas using the statewide enrollment mix by area. I continued this process, adjusting the initial table of relativities using the demographic and area factors in turn.

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Each set of adjusted relativities was used as a starting point to create another set of factors and this process was repeated until the relativity factors ceased to change (which occurred in fairly few iterations).

As part of the process, each new set of factors was normalized to average to 1.000 based on the 2008 overall enrollment mix. After the iterative process was complete, I applied a final revenue neutrality adjustment to both the demographic and the area factors so that they averaged 1.000 over the calendar year 2008 membership distribution by demographic rate cell and area.

Finally, I adjusted the area factors for MERC as follows. Starting with the recommended area factors in Table 2, I first multiplied by a factor of one minus the average MERC percentage over the 2008 enrollment distribution. I then divided by a factor of one minus the MERC percentage for the area: 6.30% for Hennepin, 2.00% for the remainder of the seven-county metro area, and 1.60% for the remaining areas.



Jason, please contact me if you have any questions about this letter. You can reach me at [REDACTED] or at [REDACTED].

Sincerely,

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

LMW/mtf



Exhibit A.1: Calculation of Percentage Change in Demographic Capitation Rates Including MERC

Rate Cell			Hennepin	Ramsey	Greater Metro	Core Metro	North East	North Central	Carver	South West	Olmsted	South East	Total
1. 2008 Enrollment by Rate Cell													
0 - 1	F	F & C	37,937	19,991	3,866	21,830	6,984	20,513	841	14,478	3,650	17,460	147,549
01 - 02	F	F & C	24,927	13,796	2,820	14,230	5,299	15,580	594	9,558	2,582	11,672	101,058
02 - 15	F	F & C	194,708	126,302	19,390	107,741	39,319	120,306	5,041	72,351	20,214	81,347	786,719
16 - 20	F	F & C	49,803	33,871	3,886	22,655	10,091	28,076	813	16,024	4,438	17,546	187,203
21 - 49	F	F & C	125,368	83,223	16,312	82,031	35,199	99,093	3,539	51,755	14,159	62,269	572,948
50 - 64	F	F & C	7,392	4,335	437	2,704	1,140	3,032	164	1,601	798	1,938	23,541
0 - 1	M	F & C	38,422	20,400	4,311	22,104	6,722	22,396	940	14,731	4,252	17,030	151,308
01 - 02	M	F & C	25,516	15,178	2,777	14,419	5,395	16,708	614	10,720	2,716	12,384	106,428
02 - 15	M	F & C	195,078	128,242	18,981	109,370	40,529	123,330	4,767	73,986	20,326	86,440	801,049
16 - 20	M	F & C	40,689	30,745	3,225	19,007	8,154	22,892	930	12,729	3,586	13,788	155,745
21 - 49	M	F & C	29,841	25,348	4,716	21,841	10,933	35,066	976	14,833	4,093	16,392	164,038
50 - 64	M	F & C	4,103	2,989	276	2,034	791	2,426	103	1,264	721	1,508	16,215
All Ages	F	Preg Women	34,390	15,180	4,082	19,878	6,303	20,656	881	13,878	3,317	16,119	134,684
Total			808,174	519,600	85,080	459,843	176,859	530,075	20,203	307,908	84,852	355,892	3,348,486
2. 2009 Original Capitation Rates including MERC and after Ratable Reductions													
0 - 1	F	F & C	\$ 965.92	\$ 834.54	\$ 1,000.33	\$ 1,004.96	\$ 878.58	\$ 888.02	\$ 849.14	\$ 837.35	\$ 718.80	\$ 771.85	\$ 897.48
01 - 02	F	F & C	\$ 267.91	\$ 231.43	\$ 277.61	\$ 278.61	\$ 243.50	\$ 246.33	\$ 235.41	\$ 232.12	\$ 199.26	\$ 214.18	\$ 248.56
02 - 15	F	F & C	\$ 197.89	\$ 170.83	\$ 204.82	\$ 205.67	\$ 179.96	\$ 181.84	\$ 173.93	\$ 171.44	\$ 147.16	\$ 158.14	\$ 183.43
16 - 20	F	F & C	\$ 410.27	\$ 354.27	\$ 425.14	\$ 426.86	\$ 373.26	\$ 377.29	\$ 360.82	\$ 355.70	\$ 305.48	\$ 328.01	\$ 380.43
21 - 49	F	F & C	\$ 669.58	\$ 577.92	\$ 693.36	\$ 696.26	\$ 608.52	\$ 615.30	\$ 588.27	\$ 580.37	\$ 498.17	\$ 534.81	\$ 620.18
50 - 64	F	F & C	\$ 1,109.63	\$ 958.49	\$ 1,149.26	\$ 1,153.75	\$ 1,008.86	\$ 1,020.25	\$ 975.80	\$ 962.14	\$ 826.03	\$ 886.89	\$ 1,032.29
0 - 1	M	F & C	\$ 1,078.88	\$ 931.21	\$ 1,117.49	\$ 1,122.62	\$ 981.13	\$ 991.83	\$ 948.69	\$ 935.57	\$ 803.24	\$ 862.31	\$ 1,002.35
01 - 02	M	F & C	\$ 313.91	\$ 270.80	\$ 325.09	\$ 326.19	\$ 285.22	\$ 288.52	\$ 275.76	\$ 272.00	\$ 233.36	\$ 250.68	\$ 290.42
02 - 15	M	F & C	\$ 227.00	\$ 195.98	\$ 235.01	\$ 235.96	\$ 206.41	\$ 208.58	\$ 199.56	\$ 196.70	\$ 168.83	\$ 181.30	\$ 210.20
16 - 20	M	F & C	\$ 300.86	\$ 259.74	\$ 311.66	\$ 312.95	\$ 273.55	\$ 276.70	\$ 264.49	\$ 260.72	\$ 223.87	\$ 240.43	\$ 278.84
21 - 49	M	F & C	\$ 473.10	\$ 408.37	\$ 489.79	\$ 491.68	\$ 430.03	\$ 434.60	\$ 415.83	\$ 410.04	\$ 352.03	\$ 377.99	\$ 436.38
50 - 64	M	F & C	\$ 958.25	\$ 827.38	\$ 992.81	\$ 996.55	\$ 871.28	\$ 880.89	\$ 842.78	\$ 831.15	\$ 713.58	\$ 765.74	\$ 884.28
All Ages	F	Preg Women	\$ 1,673.24	\$ 1,443.70	\$ 1,732.15	\$ 1,740.33	\$ 1,520.78	\$ 1,538.44	\$ 1,470.23	\$ 1,449.67	\$ 1,244.13	\$ 1,336.35	\$ 1,556.00
Total			\$ 465.26	\$ 378.50	\$ 504.56	\$ 492.77	\$ 421.49	\$ 427.93	\$ 411.43	\$ 408.70	\$ 348.22	\$ 380.13	\$ 430.81
3. 2009 Capitation Rates Recalculated using Average 2009 Capitation Rate and Recommended Adjustment Factors Incl. MERC													
0 - 1	F	F & C	\$ 826.21	\$ 723.21	\$ 868.57	\$ 872.12	\$ 778.37	\$ 790.36	\$ 767.35	\$ 764.23	\$ 612.69	\$ 679.46	\$ 783.84
01 - 02	F	F & C	\$ 265.32	\$ 232.25	\$ 278.93	\$ 280.07	\$ 249.96	\$ 253.81	\$ 246.42	\$ 245.42	\$ 196.75	\$ 218.20	\$ 251.49
02 - 15	F	F & C	\$ 195.53	\$ 171.15	\$ 205.55	\$ 206.39	\$ 184.20	\$ 187.04	\$ 181.60	\$ 180.86	\$ 145.00	\$ 160.80	\$ 185.16
16 - 20	F	F & C	\$ 392.64	\$ 343.69	\$ 412.77	\$ 414.46	\$ 369.90	\$ 375.61	\$ 364.67	\$ 363.18	\$ 291.17	\$ 322.90	\$ 371.48
21 - 49	F	F & C	\$ 665.73	\$ 582.74	\$ 699.87	\$ 702.72	\$ 627.18	\$ 636.85	\$ 618.30	\$ 615.79	\$ 493.68	\$ 547.48	\$ 630.67
50 - 64	F	F & C	\$ 1,078.11	\$ 943.71	\$ 1,133.39	\$ 1,138.02	\$ 1,015.68	\$ 1,031.34	\$ 1,001.30	\$ 997.23	\$ 799.49	\$ 886.62	\$ 1,002.97
0 - 1	M	F & C	\$ 1,014.04	\$ 887.63	\$ 1,066.04	\$ 1,070.39	\$ 955.32	\$ 970.05	\$ 941.80	\$ 937.97	\$ 751.98	\$ 833.93	\$ 962.10
01 - 02	M	F & C	\$ 312.94	\$ 273.93	\$ 328.99	\$ 330.33	\$ 294.82	\$ 299.37	\$ 290.65	\$ 289.47	\$ 232.07	\$ 257.36	\$ 296.08
02 - 15	M	F & C	\$ 230.40	\$ 201.68	\$ 242.22	\$ 243.21	\$ 217.06	\$ 220.41	\$ 213.99	\$ 213.12	\$ 170.86	\$ 189.48	\$ 218.00
16 - 20	M	F & C	\$ 290.02	\$ 253.87	\$ 304.89	\$ 306.14	\$ 273.23	\$ 277.44	\$ 269.36	\$ 268.27	\$ 215.07	\$ 238.51	\$ 274.24
21 - 49	M	F & C	\$ 479.88	\$ 420.06	\$ 504.49	\$ 506.55	\$ 452.09	\$ 459.06	\$ 445.69	\$ 443.88	\$ 355.86	\$ 394.65	\$ 453.52
50 - 64	M	F & C	\$ 954.50	\$ 835.51	\$ 1,003.45	\$ 1,007.54	\$ 899.23	\$ 913.09	\$ 886.50	\$ 882.90	\$ 707.83	\$ 784.97	\$ 898.42
All Ages	F	Preg Women	\$ 1,695.80	\$ 1,484.40	\$ 1,782.76	\$ 1,790.04	\$ 1,597.61	\$ 1,622.24	\$ 1,574.99	\$ 1,568.59	\$ 1,257.55	\$ 1,394.60	\$ 1,611.90
Total			\$ 454.43	\$ 375.52	\$ 501.54	\$ 489.10	\$ 428.20	\$ 436.79	\$ 425.88	\$ 426.60	\$ 339.48	\$ 382.57	\$ 430.68

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Exhibit A.1 Cont.: Calculation of Percentage Change in Demographic Capitation Rates Incl. MERC

Rate Cell			Hennepin	Ramsey	Greater Metro	Core Metro	North East	North Central	Carver	South West	Olmsted	South East	Total
4. Dollar Difference between Recalculated Capitation Rates and Original Capitation Rates													
0 - 1	F	F & C	\$ (139.71)	\$ (111.33)	\$ (131.76)	\$ (132.84)	\$ (100.21)	\$ (97.66)	\$ (81.79)	\$ (73.13)	\$ (106.11)	\$ (92.39)	\$ (113.63)
01 - 02	F	F & C	\$ (2.59)	\$ 0.82	\$ 1.32	\$ 1.45	\$ 6.46	\$ 7.48	\$ 11.01	\$ 13.29	\$ (2.50)	\$ 4.02	\$ 2.93
02 - 15	F	F & C	\$ (2.36)	\$ 0.32	\$ 0.74	\$ 0.72	\$ 4.24	\$ 5.20	\$ 7.67	\$ 9.42	\$ (2.16)	\$ 2.66	\$ 1.73
16 - 20	F	F & C	\$ (17.63)	\$ (10.58)	\$ (12.37)	\$ (12.40)	\$ (3.35)	\$ (1.69)	\$ 3.84	\$ 7.48	\$ (14.31)	\$ (5.11)	\$ (8.96)
21 - 49	F	F & C	\$ (3.85)	\$ 4.82	\$ 6.51	\$ 6.46	\$ 18.66	\$ 21.55	\$ 30.03	\$ 35.42	\$ (4.48)	\$ 12.68	\$ 10.49
50 - 64	F	F & C	\$ (31.52)	\$ (14.78)	\$ (15.87)	\$ (15.74)	\$ 6.82	\$ 11.09	\$ 25.50	\$ 35.10	\$ (26.53)	\$ (0.27)	\$ (11.32)
0 - 1	M	F & C	\$ (64.84)	\$ (43.58)	\$ (51.45)	\$ (52.23)	\$ (25.81)	\$ (21.78)	\$ (6.89)	\$ 2.40	\$ (51.26)	\$ (28.38)	\$ (40.25)
01 - 02	M	F & C	\$ (0.97)	\$ 3.13	\$ 3.90	\$ 4.14	\$ 9.61	\$ 10.85	\$ 14.89	\$ 17.46	\$ (1.30)	\$ 6.68	\$ 5.66
02 - 15	M	F & C	\$ 3.40	\$ 5.70	\$ 7.21	\$ 7.24	\$ 10.65	\$ 11.83	\$ 14.43	\$ 16.42	\$ 2.03	\$ 8.18	\$ 7.80
16 - 20	M	F & C	\$ (10.84)	\$ (5.87)	\$ (6.77)	\$ (6.81)	\$ (0.32)	\$ 0.74	\$ 4.88	\$ 7.55	\$ (8.80)	\$ (1.93)	\$ (4.60)
21 - 49	M	F & C	\$ 6.78	\$ 11.69	\$ 14.70	\$ 14.87	\$ 22.06	\$ 24.46	\$ 29.87	\$ 33.85	\$ 3.83	\$ 16.65	\$ 17.14
50 - 64	M	F & C	\$ (3.75)	\$ 8.14	\$ 10.64	\$ 10.99	\$ 27.95	\$ 32.21	\$ 43.72	\$ 51.74	\$ (5.75)	\$ 19.23	\$ 14.14
All Ages	F	Preg Women	\$ 22.56	\$ 40.70	\$ 50.61	\$ 49.71	\$ 76.83	\$ 83.79	\$ 104.76	\$ 118.92	\$ 13.42	\$ 58.25	\$ 55.91
Total			\$ (10.83)	\$ (2.98)	\$ (3.02)	\$ (3.68)	\$ 6.71	\$ 8.86	\$ 14.45	\$ 17.90	\$ (8.74)	\$ 2.45	\$ (0.13)
5. Dollar Difference as a Percentage of Original Capitation Rates													
0 - 1	F	F & C	-14.5%	-13.3%	-13.2%	-13.2%	-11.4%	-11.0%	-9.6%	-8.7%	-14.8%	-12.0%	-12.7%
01 - 02	F	F & C	-1.0%	0.4%	0.5%	0.5%	2.7%	3.0%	4.7%	5.7%	-1.3%	1.9%	1.2%
02 - 15	F	F & C	-1.2%	0.2%	0.4%	0.4%	2.4%	2.9%	4.4%	5.5%	-1.5%	1.7%	0.9%
16 - 20	F	F & C	-4.3%	-3.0%	-2.9%	-2.9%	-0.9%	-0.4%	1.1%	2.1%	-4.7%	-1.6%	-2.4%
21 - 49	F	F & C	-0.6%	0.8%	0.9%	0.9%	3.1%	3.5%	5.1%	6.1%	-0.9%	2.4%	1.7%
50 - 64	F	F & C	-2.8%	-1.5%	-1.4%	-1.4%	0.7%	1.1%	2.6%	3.6%	-3.2%	0.0%	-1.1%
0 - 1	M	F & C	-6.0%	-4.7%	-4.6%	-4.7%	-2.6%	-2.2%	-0.7%	0.3%	-6.4%	-3.3%	-4.0%
01 - 02	M	F & C	-0.3%	1.2%	1.2%	1.3%	3.4%	3.8%	5.4%	6.4%	-0.6%	2.7%	1.9%
02 - 15	M	F & C	1.5%	2.9%	3.1%	3.1%	5.2%	5.7%	7.2%	8.3%	1.2%	4.5%	3.7%
16 - 20	M	F & C	-3.6%	-2.3%	-2.2%	-2.2%	-0.1%	0.3%	1.8%	2.9%	-3.9%	-0.8%	-1.6%
21 - 49	M	F & C	1.4%	2.9%	3.0%	3.0%	5.1%	5.6%	7.2%	8.3%	1.1%	4.4%	3.9%
50 - 64	M	F & C	-0.4%	1.0%	1.1%	1.1%	3.2%	3.7%	5.2%	6.2%	-0.8%	2.5%	1.6%
All Ages	F	Preg Women	1.3%	2.8%	2.9%	2.9%	5.1%	5.4%	7.1%	8.2%	1.1%	4.4%	3.6%
Total			-2.3%	-0.8%	-0.6%	-0.7%	1.6%	2.1%	3.5%	4.4%	-2.5%	0.6%	0.0%

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Exhibit A.2: Calculation of Percentage Change in Demographic Capitation Rates Excluding MERC

Rate Cell			Hennepin	Ramsey	Greater Metro	Core Metro	North East	North Central	Carver	South West	Olmsted	South East	Total
1. 2008 Enrollment by Rate Cell													
0 - 1	F	F & C	37,937	19,991	3,866	21,830	6,984	20,513	841	14,478	3,650	17,460	147,549
01 - 02	F	F & C	24,927	13,796	2,820	14,230	5,299	15,580	594	9,558	2,582	11,672	101,058
02 - 15	F	F & C	194,708	126,302	19,390	107,741	39,319	120,306	5,041	72,351	20,214	81,347	786,719
16 - 20	F	F & C	49,803	33,871	3,886	22,655	10,091	28,076	813	16,024	4,438	17,546	187,203
21 - 49	F	F & C	125,368	83,223	16,312	82,031	35,199	99,093	3,539	51,755	14,159	62,269	572,948
50 - 64	F	F & C	7,392	4,335	437	2,704	1,140	3,032	164	1,601	798	1,938	23,541
0 - 1	M	F & C	38,422	20,400	4,311	22,104	6,722	22,396	940	14,731	4,252	17,030	151,308
01 - 02	M	F & C	25,516	15,178	2,777	14,419	5,395	16,708	614	10,720	2,716	12,384	106,428
02 - 15	M	F & C	195,078	128,242	18,981	109,370	40,529	123,330	4,767	73,986	20,326	86,440	801,049
16 - 20	M	F & C	40,689	30,745	3,225	19,007	8,154	22,892	930	12,729	3,586	13,788	155,745
21 - 49	M	F & C	29,841	25,348	4,716	21,841	10,933	35,066	976	14,833	4,093	16,392	164,038
50 - 64	M	F & C	4,103	2,989	276	2,034	791	2,426	103	1,264	721	1,508	16,215
All Ages	F	Preg Women	34,390	15,180	4,082	19,878	6,303	20,656	881	13,878	3,317	16,119	134,684
Total			808,174	519,600	85,080	459,843	176,859	530,075	20,203	307,908	84,852	355,892	3,348,486
2. 2009 Original Capitation Rates without MERC and after Ratable Reductions													
0 - 1	F	F & C	\$ 905.07	\$ 817.85	\$ 984.32	\$ 984.86	\$ 864.52	\$ 873.81	\$ 832.16	\$ 823.96	\$ 707.30	\$ 759.50	\$ 870.38
01 - 02	F	F & C	\$ 251.03	\$ 226.80	\$ 273.16	\$ 273.04	\$ 239.60	\$ 242.39	\$ 230.70	\$ 228.41	\$ 196.07	\$ 210.75	\$ 241.19
02 - 15	F	F & C	\$ 185.42	\$ 167.41	\$ 201.54	\$ 201.56	\$ 177.08	\$ 178.93	\$ 170.45	\$ 168.69	\$ 144.81	\$ 155.61	\$ 177.97
16 - 20	F	F & C	\$ 384.42	\$ 347.18	\$ 418.34	\$ 418.32	\$ 367.29	\$ 371.26	\$ 353.61	\$ 350.01	\$ 300.60	\$ 322.76	\$ 368.75
21 - 49	F	F & C	\$ 627.40	\$ 566.36	\$ 682.26	\$ 682.34	\$ 598.79	\$ 605.45	\$ 576.50	\$ 571.08	\$ 490.19	\$ 526.25	\$ 602.62
50 - 64	F	F & C	\$ 1,039.72	\$ 939.32	\$ 1,130.87	\$ 1,130.68	\$ 992.72	\$ 1,003.92	\$ 956.28	\$ 946.74	\$ 812.81	\$ 872.70	\$ 998.14
0 - 1	M	F & C	\$ 1,010.91	\$ 912.58	\$ 1,099.61	\$ 1,100.16	\$ 965.43	\$ 975.96	\$ 929.71	\$ 920.60	\$ 790.39	\$ 848.51	\$ 972.25
01 - 02	M	F & C	\$ 294.14	\$ 265.38	\$ 319.89	\$ 319.66	\$ 280.65	\$ 283.90	\$ 270.24	\$ 267.65	\$ 229.63	\$ 246.67	\$ 281.90
02 - 15	M	F & C	\$ 212.70	\$ 192.06	\$ 231.25	\$ 231.25	\$ 203.11	\$ 205.25	\$ 195.57	\$ 193.55	\$ 166.13	\$ 178.40	\$ 203.98
16 - 20	M	F & C	\$ 281.91	\$ 254.54	\$ 306.67	\$ 306.69	\$ 269.17	\$ 272.27	\$ 259.20	\$ 256.55	\$ 220.28	\$ 236.59	\$ 270.32
21 - 49	M	F & C	\$ 443.30	\$ 400.20	\$ 481.95	\$ 481.84	\$ 423.15	\$ 427.65	\$ 407.51	\$ 403.48	\$ 346.40	\$ 371.95	\$ 424.83
50 - 64	M	F & C	\$ 897.88	\$ 810.83	\$ 976.92	\$ 976.62	\$ 857.34	\$ 866.79	\$ 825.93	\$ 817.86	\$ 702.16	\$ 753.48	\$ 857.60
All Ages	F	Preg Women	\$ 1,567.83	\$ 1,414.83	\$ 1,704.43	\$ 1,705.52	\$ 1,496.45	\$ 1,513.83	\$ 1,440.82	\$ 1,426.47	\$ 1,224.23	\$ 1,314.97	\$ 1,509.30
Total			\$ 435.95	\$ 370.93	\$ 496.49	\$ 482.92	\$ 414.75	\$ 421.08	\$ 403.20	\$ 402.16	\$ 342.65	\$ 374.04	\$ 418.13
3. 2009 Capitation Rates Recalculated using Average 2009 Capitation Rate and Recommended Adjustment Factors													
0 - 1	F	F & C	\$ 774.16	\$ 708.75	\$ 854.68	\$ 854.68	\$ 765.91	\$ 777.72	\$ 752.00	\$ 752.00	\$ 602.89	\$ 668.59	\$ 760.39
01 - 02	F	F & C	\$ 248.61	\$ 227.60	\$ 274.46	\$ 274.46	\$ 245.96	\$ 249.75	\$ 241.49	\$ 241.49	\$ 193.61	\$ 214.70	\$ 244.10
02 - 15	F	F & C	\$ 183.21	\$ 167.73	\$ 202.26	\$ 202.26	\$ 181.26	\$ 184.05	\$ 177.96	\$ 177.96	\$ 142.68	\$ 158.22	\$ 179.69
16 - 20	F	F & C	\$ 367.90	\$ 336.82	\$ 406.17	\$ 406.17	\$ 363.99	\$ 369.60	\$ 357.37	\$ 357.37	\$ 286.51	\$ 317.73	\$ 360.17
21 - 49	F	F & C	\$ 623.79	\$ 571.08	\$ 688.67	\$ 688.67	\$ 617.15	\$ 626.66	\$ 605.93	\$ 605.93	\$ 485.78	\$ 538.72	\$ 612.98
50 - 64	F	F & C	\$ 1,010.19	\$ 924.84	\$ 1,115.26	\$ 1,115.26	\$ 999.43	\$ 1,014.84	\$ 981.28	\$ 981.28	\$ 786.70	\$ 872.43	\$ 987.48
0 - 1	M	F & C	\$ 950.16	\$ 869.88	\$ 1,048.98	\$ 1,048.98	\$ 940.04	\$ 954.53	\$ 922.96	\$ 922.96	\$ 739.95	\$ 820.59	\$ 933.48
01 - 02	M	F & C	\$ 293.23	\$ 268.45	\$ 323.73	\$ 323.73	\$ 290.11	\$ 294.58	\$ 284.84	\$ 284.84	\$ 228.36	\$ 253.24	\$ 287.47
02 - 15	M	F & C	\$ 215.89	\$ 197.65	\$ 238.34	\$ 238.34	\$ 213.59	\$ 216.88	\$ 209.71	\$ 209.71	\$ 168.13	\$ 186.45	\$ 211.61
16 - 20	M	F & C	\$ 271.75	\$ 248.79	\$ 300.02	\$ 300.02	\$ 268.86	\$ 273.00	\$ 263.97	\$ 263.97	\$ 211.63	\$ 234.69	\$ 265.94
21 - 49	M	F & C	\$ 449.65	\$ 411.66	\$ 496.42	\$ 496.42	\$ 444.86	\$ 451.72	\$ 436.78	\$ 436.78	\$ 350.17	\$ 388.33	\$ 441.62
50 - 64	M	F & C	\$ 894.37	\$ 818.80	\$ 987.39	\$ 987.39	\$ 884.85	\$ 898.48	\$ 868.77	\$ 868.77	\$ 696.50	\$ 772.41	\$ 871.55
All Ages	F	Preg Women	\$ 1,588.97	\$ 1,454.72	\$ 1,754.24	\$ 1,754.24	\$ 1,572.05	\$ 1,596.28	\$ 1,543.49	\$ 1,543.49	\$ 1,237.43	\$ 1,372.29	\$ 1,563.99
Total			\$ 425.81	\$ 368.01	\$ 493.51	\$ 479.31	\$ 421.35	\$ 429.80	\$ 417.36	\$ 419.78	\$ 334.05	\$ 376.45	\$ 418.13

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Mr. R. Jason Wiley
June 30, 2009

Exhibit A.2 Cont.: Calculation of Percentage Change in Demographic Capitation Rates Excluding MERC

Rate Cell			Hennepin	Ramsey	Greater Metro	Core Metro	North East	North Central	Carver	South West	Olmsted	South East	Total
4. Dollar Difference between Recalculated Capitation Rates and Original Capitation Rates													
0 - 1	F	F & C	\$ (130.91)	\$ (109.11)	\$ (129.65)	\$ (130.19)	\$ (98.61)	\$ (96.10)	\$ (80.16)	\$ (71.96)	\$ (104.41)	\$ (90.91)	\$ (109.98)
01 - 02	F	F & C	\$ (2.43)	\$ 0.80	\$ 1.30	\$ 1.42	\$ 6.36	\$ 7.36	\$ 10.79	\$ 13.08	\$ (2.46)	\$ 3.96	\$ 2.91
02 - 15	F	F & C	\$ (2.21)	\$ 0.32	\$ 0.72	\$ 0.71	\$ 4.17	\$ 5.12	\$ 7.52	\$ 9.27	\$ (2.13)	\$ 2.61	\$ 1.73
16 - 20	F	F & C	\$ (16.52)	\$ (10.36)	\$ (12.17)	\$ (12.15)	\$ (3.30)	\$ (1.66)	\$ 3.77	\$ 7.36	\$ (14.09)	\$ (5.03)	\$ (8.58)
21 - 49	F	F & C	\$ (3.61)	\$ 4.73	\$ 6.41	\$ 6.33	\$ 18.36	\$ 21.21	\$ 29.43	\$ 34.85	\$ (4.41)	\$ 12.47	\$ 10.36
50 - 64	F	F & C	\$ (29.53)	\$ (14.49)	\$ (15.62)	\$ (15.42)	\$ 6.72	\$ 10.91	\$ 24.99	\$ 34.53	\$ (26.11)	\$ (0.27)	\$ (10.66)
0 - 1	M	F & C	\$ (60.76)	\$ (42.70)	\$ (50.63)	\$ (51.18)	\$ (25.40)	\$ (21.43)	\$ (6.75)	\$ 2.36	\$ (50.44)	\$ (27.92)	\$ (38.78)
01 - 02	M	F & C	\$ (0.91)	\$ 3.07	\$ 3.84	\$ 4.06	\$ 9.45	\$ 10.68	\$ 14.59	\$ 17.18	\$ (1.27)	\$ 6.57	\$ 5.57
02 - 15	M	F & C	\$ 3.19	\$ 5.59	\$ 7.09	\$ 7.10	\$ 10.48	\$ 11.64	\$ 14.14	\$ 16.16	\$ 1.99	\$ 8.05	\$ 7.63
16 - 20	M	F & C	\$ (10.16)	\$ (5.75)	\$ (6.66)	\$ (6.68)	\$ (0.31)	\$ 0.73	\$ 4.78	\$ 7.43	\$ (8.65)	\$ (1.89)	\$ (4.38)
21 - 49	M	F & C	\$ 6.35	\$ 11.46	\$ 14.46	\$ 14.57	\$ 21.71	\$ 24.07	\$ 29.27	\$ 33.30	\$ 3.77	\$ 16.39	\$ 16.79
50 - 64	M	F & C	\$ (3.51)	\$ 7.97	\$ 10.47	\$ 10.77	\$ 27.51	\$ 31.69	\$ 42.84	\$ 50.92	\$ (5.66)	\$ 18.92	\$ 13.94
All Ages	F	Preg Women	\$ 21.14	\$ 39.89	\$ 49.80	\$ 48.72	\$ 75.60	\$ 82.45	\$ 102.67	\$ 117.02	\$ 13.21	\$ 57.32	\$ 54.69
Total			\$ (10.14)	\$ (2.92)	\$ (2.98)	\$ (3.61)	\$ 6.60	\$ 8.72	\$ 14.16	\$ 17.61	\$ (8.60)	\$ 2.41	\$ 0.00
5. Dollar Difference as a Percentage of Original Capitation Rates													
0 - 1	F	F & C	-14.5%	-13.3%	-13.2%	-13.2%	-11.4%	-11.0%	-9.6%	-8.7%	-14.8%	-12.0%	-12.6%
01 - 02	F	F & C	-1.0%	0.4%	0.5%	0.5%	2.7%	3.0%	4.7%	5.7%	-1.3%	1.9%	1.2%
02 - 15	F	F & C	-1.2%	0.2%	0.4%	0.4%	2.4%	2.9%	4.4%	5.5%	-1.5%	1.7%	1.0%
16 - 20	F	F & C	-4.3%	-3.0%	-2.9%	-2.9%	-0.9%	-0.4%	1.1%	2.1%	-4.7%	-1.6%	-2.3%
21 - 49	F	F & C	-0.6%	0.8%	0.9%	0.9%	3.1%	3.5%	5.1%	6.1%	-0.9%	2.4%	1.7%
50 - 64	F	F & C	-2.8%	-1.5%	-1.4%	-1.4%	0.7%	1.1%	2.6%	3.6%	-3.2%	0.0%	-1.1%
0 - 1	M	F & C	-6.0%	-4.7%	-4.6%	-4.7%	-2.6%	-2.2%	-0.7%	0.3%	-6.4%	-3.3%	-4.0%
01 - 02	M	F & C	-0.3%	1.2%	1.2%	1.3%	3.4%	3.8%	5.4%	6.4%	-0.6%	2.7%	2.0%
02 - 15	M	F & C	1.5%	2.9%	3.1%	3.1%	5.2%	5.7%	7.2%	8.3%	1.2%	4.5%	3.7%
16 - 20	M	F & C	-3.6%	-2.3%	-2.2%	-2.2%	-0.1%	0.3%	1.8%	2.9%	-3.9%	-0.8%	-1.6%
21 - 49	M	F & C	1.4%	2.9%	3.0%	3.0%	5.1%	5.6%	7.2%	8.3%	1.1%	4.4%	4.0%
50 - 64	M	F & C	-0.4%	1.0%	1.1%	1.1%	3.2%	3.7%	5.2%	6.2%	-0.8%	2.5%	1.6%
All Ages	F	Preg Women	1.3%	2.8%	2.9%	2.9%	5.1%	5.4%	7.1%	8.2%	1.1%	4.4%	3.6%
Total			-2.3%	-0.8%	-0.6%	-0.7%	1.6%	2.1%	3.5%	4.4%	-2.5%	0.6%	0.0%

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Exhibit B: Member Months and Relativity Factors

Table B-1: 2006 Member Months and Claim Cost Relativities by Rate Cell

Rate Cell			Hennepin	Ramsey	Olmsted	Greater Metro	North East	North Central	South West	South East
Member Months										
0 - 1	F	F & C	34,357	18,935	3,904	22,612	6,614	17,281	14,202	15,674
01 - 02	F	F & C	21,557	13,144	2,633	13,989	4,483	12,546	9,526	10,853
02 - 15	F	F & C	182,250	128,356	19,638	113,059	38,172	102,790	72,886	79,164
16 - 20	F	F & C	47,033	33,677	4,720	24,309	10,253	24,257	15,471	17,210
21 - 49	F	F & C	118,215	83,849	13,825	89,577	32,154	81,041	49,650	57,254
50 - 64	F	F & C	7,272	4,406	777	2,951	758	2,354	1,611	1,686
0 - 1	M	F & C	36,566	19,666	3,915	23,055	6,617	18,152	15,419	16,370
01 - 02	M	F & C	23,459	13,306	2,665	15,274	4,869	13,661	9,858	10,899
02 - 15	M	F & C	180,131	130,355	19,469	116,304	38,114	104,425	72,428	81,861
16 - 20	M	F & C	39,315	29,475	3,552	19,949	7,856	18,794	11,904	13,212
21 - 49	M	F & C	27,873	24,809	4,148	22,076	9,814	26,813	14,350	15,921
50 - 64	M	F & C	3,885	3,059	603	2,063	534	1,551	1,182	1,227
All Ages	F	Preg Women	33,910	14,021	3,804	21,999	6,012	18,006	14,749	16,239
Relativity Factors										
0 - 1	F	F & C	2.365	2.073	1.273	2.236	1.544	1.879	1.827	1.378
01 - 02	F	F & C	0.637	0.625	0.408	0.764	0.471	0.567	0.477	0.499
02 - 15	F	F & C	0.447	0.409	0.318	0.477	0.418	0.435	0.430	0.367
16 - 20	F	F & C	0.911	0.822	0.655	0.969	0.909	0.919	0.926	0.835
21 - 49	F	F & C	1.502	1.426	1.224	1.706	1.472	1.454	1.331	1.299
50 - 64	F	F & C	2.421	2.642	1.670	2.524	2.061	2.437	2.067	2.037
0 - 1	M	F & C	2.645	2.195	1.280	2.666	1.737	1.984	1.757	2.081
01 - 02	M	F & C	0.730	0.561	0.445	0.716	0.511	0.677	0.646	0.564
02 - 15	M	F & C	0.494	0.462	0.410	0.557	0.474	0.506	0.480	0.436
16 - 20	M	F & C	0.837	0.494	0.614	0.734	0.659	0.706	0.639	0.576
21 - 49	M	F & C	0.875	0.925	0.962	1.252	1.119	1.117	1.133	0.982
50 - 64	M	F & C	2.152	2.608	1.852	2.204	1.397	1.934	1.764	1.585
All Ages	F	Preg Women	3.850	3.786	2.923	3.704	3.154	3.301	3.268	3.359

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Exhibit B Cont.: Member Months and Relativity Factors

Table B-2: 2007 Member Months and Claim Cost Relativities by Rate Cell

Rate Cell			Hennepin	Ramsey	Olmsted	Greater Metro	North East	North Central	South West	South East
Member Months										
0 - 1	F	F & C	37,355	19,110	3,963	24,936	6,670	18,011	14,723	16,728
01 - 02	F	F & C	22,847	13,359	2,490	14,997	5,133	12,351	9,493	11,119
02 - 15	F	F & C	185,261	125,180	19,931	116,496	38,179	103,634	74,256	78,634
16 - 20	F	F & C	47,505	33,341	4,490	24,599	9,911	23,914	15,545	16,924
21 - 49	F	F & C	118,987	82,032	13,858	91,616	33,273	82,456	51,357	59,185
50 - 64	F	F & C	7,275	4,232	814	3,058	932	2,439	1,758	1,886
0 - 1	M	F & C	38,727	20,529	4,012	25,207	6,504	19,630	16,114	17,318
01 - 02	M	F & C	23,811	13,888	2,700	15,630	5,069	13,446	10,456	11,635
02 - 15	M	F & C	183,768	127,097	19,852	119,144	38,369	105,095	74,654	82,368
16 - 20	M	F & C	40,208	29,504	3,663	20,550	7,859	19,330	12,604	13,313
21 - 49	M	F & C	28,456	24,404	4,139	23,779	9,487	28,171	14,451	16,333
50 - 64	M	F & C	3,825	2,933	689	2,072	619	1,739	1,194	1,399
All Ages	F	Preg Women	35,550	13,983	3,911	22,239	5,771	18,699	14,719	16,158
Relativity Factors										
0 - 1	F	F & C	2.415	1.962	1.488	1.867	1.149	1.464	1.457	1.266
01 - 02	F	F & C	0.678	0.584	0.294	0.558	0.844	0.456	0.558	0.545
02 - 15	F	F & C	0.433	0.392	0.300	0.453	0.419	0.488	0.433	0.388
16 - 20	F	F & C	0.784	0.832	0.710	0.925	0.925	0.946	0.936	0.847
21 - 49	F	F & C	1.390	1.380	1.354	1.554	1.522	1.493	1.329	1.318
50 - 64	F	F & C	2.226	2.428	1.656	2.290	2.451	3.753	1.962	2.162
0 - 1	M	F & C	2.552	2.421	1.464	2.447	2.430	2.077	2.220	2.246
01 - 02	M	F & C	0.781	0.798	0.485	1.076	0.443	0.591	0.570	0.587
02 - 15	M	F & C	0.496	0.436	0.384	0.622	0.474	0.533	0.506	0.444
16 - 20	M	F & C	0.615	0.489	0.498	0.862	0.605	0.647	0.678	0.637
21 - 49	M	F & C	0.847	0.886	0.898	1.368	0.981	1.144	1.079	1.021
50 - 64	M	F & C	1.605	2.926	0.873	1.612	2.762	2.677	3.245	2.660
All Ages	F	Preg Women	3.773	3.925	3.274	3.611	3.035	3.617	3.402	3.512

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Exhibit B Cont.: Member Months and Relativity Factors

Table B-3: 2008 Member Months and Claim Cost Relativities by Rate Cell

Rate Cell			Hennepin	Ramsey	Olmsted	Greater Metro	North East	North Central	South West	South East
Member Months										
0 - 1	F	F & C	37,937	19,991	3,650	25,696	6,984	20,513	15,319	17,460
01 - 02	F	F & C	24,927	13,796	2,582	17,050	5,299	15,580	10,152	11,672
02 - 15	F	F & C	194,708	126,302	20,214	127,131	39,319	120,306	77,392	81,347
16 - 20	F	F & C	49,803	33,871	4,438	26,541	10,091	28,076	16,837	17,546
21 - 49	F	F & C	125,368	83,223	14,159	98,343	35,199	99,093	55,294	62,269
50 - 64	F	F & C	7,392	4,335	798	3,141	1,140	3,032	1,765	1,938
0 - 1	M	F & C	38,422	20,400	4,252	26,415	6,722	22,396	15,671	17,030
01 - 02	M	F & C	25,516	15,178	2,716	17,196	5,395	16,708	11,334	12,384
02 - 15	M	F & C	195,078	128,242	20,326	128,351	40,529	123,330	78,753	86,440
16 - 20	M	F & C	40,689	30,745	3,586	22,232	8,154	22,892	13,659	13,788
21 - 49	M	F & C	29,841	25,348	4,093	26,557	10,933	35,066	15,809	16,392
50 - 64	M	F & C	4,103	2,989	721	2,310	791	2,426	1,367	1,508
All Ages	F	Preg Women	34,390	15,180	3,317	23,960	6,303	20,656	14,759	16,119
Relativity Factors										
0 - 1	F	F & C	2.239	2.181	1.278	1.842	1.401	1.519	1.578	1.312
01 - 02	F	F & C	0.697	0.601	0.471	0.629	0.447	0.468	0.522	0.533
02 - 15	F	F & C	0.425	0.389	0.324	0.499	0.434	0.445	0.439	0.390
16 - 20	F	F & C	0.827	0.760	0.790	0.951	1.097	0.915	0.836	0.804
21 - 49	F	F & C	1.465	1.441	1.319	1.720	1.505	1.524	1.294	1.309
50 - 64	F	F & C	2.440	2.293	1.444	2.390	2.083	2.654	2.363	1.786
0 - 1	M	F & C	2.336	2.502	1.901	2.576	1.926	1.764	2.123	1.545
01 - 02	M	F & C	0.870	0.669	0.580	0.670	0.522	0.539	0.563	0.576
02 - 15	M	F & C	0.522	0.445	0.359	0.548	0.537	0.542	0.574	0.424
16 - 20	M	F & C	0.621	0.494	0.526	0.771	0.865	0.691	0.680	0.576
21 - 49	M	F & C	0.910	0.971	1.138	1.253	1.113	1.115	1.055	0.964
50 - 64	M	F & C	1.817	1.977	0.784	2.483	2.768	2.181	1.791	1.748
All Ages	F	Preg Women	3.963	4.259	3.492	3.770	3.433	3.680	3.457	3.455

Table B-4: Weighted Average Relativity Factor

Rate Cell			Hennepin	Ramsey	Olmsted	Greater Metro	North East	North Central	South West	South East
0 - 1	F	F & C	2.298	2.108	1.348	1.850	1.317	1.501	1.538	1.296
01 - 02	F	F & C	0.691	0.595	0.412	0.605	0.580	0.464	0.534	0.537
02 - 15	F	F & C	0.428	0.390	0.316	0.484	0.429	0.459	0.437	0.389
16 - 20	F	F & C	0.812	0.784	0.764	0.942	1.039	0.925	0.869	0.818
21 - 49	F	F & C	1.440	1.421	1.331	1.664	1.511	1.514	1.306	1.312
50 - 64	F	F & C	2.369	2.338	1.515	2.356	2.206	3.020	2.229	1.911
0 - 1	M	F & C	2.408	2.475	1.755	2.533	2.094	1.869	2.156	1.778
01 - 02	M	F & C	0.840	0.712	0.548	0.805	0.496	0.556	0.565	0.580
02 - 15	M	F & C	0.513	0.442	0.368	0.572	0.516	0.539	0.551	0.431
16 - 20	M	F & C	0.619	0.493	0.517	0.801	0.778	0.676	0.680	0.597
21 - 49	M	F & C	0.889	0.943	1.058	1.291	1.069	1.125	1.063	0.983
50 - 64	M	F & C	1.747	2.294	0.814	2.193	2.766	2.346	2.276	2.052
All Ages	F	Preg Women	3.900	4.148	3.420	3.717	3.301	3.659	3.439	3.474

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