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November 14, 2007

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 recommended 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 recommended rate relativities 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

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experience is different than expected. Accordingly, DHS should continue to carefully monitor actual experience and make adjustments as necessary.

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 & Discussion

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 2004, 2005, and 2006.
2. DHS's past rate calculation spreadsheets.
3. Calendar year 2005 and 2006 enrollment reports provided by DHS including breakouts for Cass, Crow Wing, Morrison, Todd, and Wadena counties.
4. 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. These factors were developed using 2005 and 2006 experience data submitted by the MCOs, along with certain adjustments described below. The MCOs provided experience data without a limit on large claims and also with \$250,000 and \$100,000 calendar year limits on large claims. The recommended factors are based on the unlimited experience, but corresponding factors using the \$250,000 and \$100,000 limits (stop loss attachment points) are also shown for reference.

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Table 1: Recommended Rate Relativities by Category and Gender

Rate Cell			Calculated Relative Cost Relativities			Recommended Relativities
Age Grp	Gender	Type	Stop Loss Attachment Point			
			\$ 100,000	\$ 250,000	Unlimited	
0 - 1	F	F & C	1.675	1.867	2.107	2.107
01 - 02	F	F & C	0.590	0.591	0.584	
02 - 15	F	F & C	0.441	0.433	0.426	
16 - 20	F	F & C	0.931	0.910	0.880	
21 - 49	F	F & C	1.509	1.479	1.437	
50 - 64	F	F & C	2.494	2.464	2.379	
0 - 1	M	F & C	1.969	2.135	2.350	2.350
01 - 02	M	F & C	0.695	0.692	0.684	
02 - 15	M	F & C	0.500	0.490	0.484	
16 - 20	M	F & C	0.645	0.640	0.635	
21 - 49	M	F & C	1.024	1.027	1.003	
50 - 64	M	F & C	2.127	2.089	2.031	
All Ages	F	Preg Women	3.868	3.753	3.629	3.629

Table 2: Recommended Relativities by Geographic Area and MERC Adjustments

Geographic Area	Calculated Relative Cost Relativities			Recommended Relativities	MERC Adjusted Area Factors
	Stop Loss Attachment Point				
	\$ 100,000	\$ 250,000	Unlimited		
Hennepin	1.027	1.034	1.040	1.040	1.077
Ramsey	0.936	0.936	0.939	0.939	0.929
Olmsted	0.857	0.840	0.821	0.821	0.809
Core Metro	1.104	1.113	1.131	1.131	1.120
Greater Metro (Sherburne & Wright)	1.104	1.113	1.131	1.131	1.115
North East	1.014	1.006	0.993	0.993	0.979
North Central	1.021	1.017	1.014	1.014	1.000
Carver	0.968	0.967	0.956	0.956	0.946
South West excl. Carver	0.968	0.967	0.956	0.956	0.943
South East	0.913	0.899	0.881	0.881	0.869

Exhibits A.1 and A.2 of this letter show the impact that using these recommended factors would have on current (contract year 2007) 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 MCO specific adjustments.

The factors in Tables 1 and 2 include a revenue neutrality adjustment so that, taken together, they are revenue neutral on the 2006 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.

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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 for 2008.

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 (2004, 2005, and 2006), 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 or March 2007 for most MCOs). I also asked the MCOs to provide incurred claim estimates assuming \$100,000 and \$250,000 individual stop loss limits were in place so that I could examine the impact of large claims on the results.

I examined the impact on the results of applying stop loss limits and determined no adjustments were warranted. In doing so, I took into consideration credibility (measured in member months) and variations in the relative cost factors when the claim limit was changed. I noted that most instances where PMPM claim costs were impacted by the individual stop loss limits involved the 0-1 year rate cells.

I used the data to calculate PMPM claim costs for calendar years 2005 and 2006. I adjusted the experience data to reflect benefit changes between 2005 and 2007. Benefit changes between 2005 and 2006 included:

- Elimination of Part D benefits—the adjustment factors I used are: 0.9996 for F 16-20, 0.9951 for F 21-49, 0.9824 for F 50-64, 0.9992 for M 16-20, 0.9896 for M 21-49, 0.9735 for M 50-64, 0.9994 for PW;
- Removal of the \$500 dental cap for non-pregnant adults—the adjustment factor I used is 1.0029;
- Elimination of coverage of ED drugs—the adjustment factor I used is 0.9807, and it applies only to males ages 50-64;
- Elimination of coverage for most infant circumcisions—the adjustment factor I used is 0.9899, and it applies only to infant males;
- Reduction in the maximum copay for drugs for non-pregnant adults—the adjustment factor I used is 1.0006.

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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;
- Increasing payment rates for critical access mental health providers—the adjustment factor I used is 1.0006, and it is applied to all rate cells for enrollees over age two;
- Adding coverage of certain adult mental health services—the adjustment factors I used were 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.

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 2005 or 2006, but will be in 2008. To do so, I started with fee-for-service dental experience data for calendar years 2002 through 2005 provided to me by DHS last year 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 2004, 2005, and 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 years 2005 and 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 were between 20 and 26%. 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 have not made any adjustments to the historic experience data to reflect other changes. In particular, I have not adjusted for the recent rebasing of hospital FFS rate levels or the emergence of critical access hospitals, which receive a reimbursement differential from Medicare. While I could consider adjustments for these changes, the extent to which either of them has a major impact on the average costs actually incurred by the MCOs is not clear since the MCOs negotiate separately with the hospitals and are not required to pay Medicaid or Medicare FFS rates. The extent to which the changes would impact cost relativities by rate cell is even less clear.

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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. The relativities at the bottom of the exhibit, calculated as an enrollment weighted average of the 2005 and 2006 relativities, were my "initial" relativity factors for the purposes of the discussion below. (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 preliminary 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 2006 enrollment because I believed it was a good proxy for 2008 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. 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 2006 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 2006 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 2006 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.

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Mr. R. Jason Wiley

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November 14, 2007



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/hkl

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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. 2006 Enrollment by Rate Cell													
0 - 1	F	F & C	34,576	18,941	3,257	19,374	6,815	16,640	1,022	13,182	3,888	15,711	133,206
01 - 02	F	F & C	21,650	13,143	2,213	11,778	4,484	13,579	562	8,958	2,634	10,892	89,903
02 - 15	F	F & C	182,511	128,303	16,475	96,715	38,164	101,603	4,339	68,545	19,620	79,409	735,684
16 - 20	F	F & C	47,154	33,687	3,049	21,297	10,224	24,503	750	14,676	4,722	17,218	177,280
21 - 49	F	F & C	118,927	84,237	13,647	76,348	32,137	82,643	3,045	46,954	13,882	57,589	529,409
50 - 64	F	F & C	7,277	4,402	344	2,607	758	2,367	84	1,502	777	1,692	21,810
0 - 1	M	F & C	36,705	19,672	3,570	19,505	6,622	17,546	914	14,506	3,917	16,411	139,368
01 - 02	M	F & C	23,557	13,313	2,227	13,057	4,868	14,820	536	9,321	2,657	10,944	95,300
02 - 15	M	F & C	180,309	130,281	16,745	98,693	38,122	102,984	4,300	68,168	19,481	82,145	742,228
16 - 20	M	F & C	39,387	29,490	2,505	17,435	7,838	18,959	600	11,280	3,536	13,219	144,247
21 - 49	M	F & C	27,917	24,790	3,319	18,775	9,814	26,974	703	13,671	4,164	18,998	146,125
50 - 64	M	F & C	3,886	3,059	210	1,849	534	1,556	33	1,147	603	1,231	14,108
All Ages	F	Preg Women	33,221	13,643	3,676	17,980	6,011	17,854	982	13,538	3,766	16,184	126,855
Total			757,087	516,061	71,235	416,415	166,189	442,028	17,872	285,446	83,647	338,643	3,095,523
2. 2007 Original Capitation Rates including MERC and after Rateable Reductions													
0 - 1	F	F & C	\$ 904.01	\$ 786.36	\$ 878.93	\$ 880.21	\$ 811.32	\$ 836.68	\$ 808.34	\$ 807.94	\$ 759.77	\$ 687.93	\$ 830.26
01 - 02	F	F & C	\$ 257.39	\$ 223.89	\$ 250.25	\$ 250.62	\$ 231.00	\$ 238.22	\$ 230.15	\$ 230.04	\$ 216.32	\$ 195.87	\$ 235.67
02 - 15	F	F & C	\$ 154.37	\$ 134.28	\$ 150.08	\$ 150.30	\$ 138.54	\$ 142.87	\$ 138.03	\$ 137.96	\$ 129.74	\$ 117.47	\$ 141.56
16 - 20	F	F & C	\$ 307.28	\$ 267.29	\$ 298.75	\$ 299.19	\$ 275.77	\$ 284.39	\$ 274.76	\$ 274.62	\$ 258.25	\$ 233.83	\$ 282.30
21 - 49	F	F & C	\$ 533.28	\$ 463.88	\$ 516.49	\$ 519.24	\$ 478.60	\$ 493.56	\$ 476.84	\$ 476.61	\$ 448.19	\$ 405.81	\$ 488.86
50 - 64	F	F & C	\$ 790.94	\$ 688.01	\$ 769.01	\$ 770.13	\$ 709.85	\$ 732.03	\$ 707.24	\$ 706.89	\$ 664.75	\$ 601.90	\$ 732.85
0 - 1	M	F & C	\$ 994.10	\$ 864.73	\$ 966.53	\$ 987.94	\$ 892.18	\$ 920.06	\$ 888.90	\$ 888.46	\$ 835.49	\$ 756.49	\$ 913.18
01 - 02	M	F & C	\$ 270.39	\$ 235.21	\$ 262.89	\$ 263.28	\$ 242.67	\$ 250.26	\$ 241.78	\$ 241.66	\$ 227.25	\$ 205.77	\$ 248.18
02 - 15	M	F & C	\$ 173.64	\$ 151.04	\$ 168.82	\$ 169.07	\$ 155.84	\$ 160.71	\$ 155.27	\$ 155.19	\$ 145.94	\$ 132.14	\$ 159.12
16 - 20	M	F & C	\$ 226.83	\$ 197.31	\$ 220.54	\$ 220.86	\$ 203.57	\$ 209.93	\$ 202.82	\$ 202.72	\$ 190.64	\$ 172.01	\$ 208.64
21 - 49	M	F & C	\$ 326.79	\$ 284.26	\$ 317.73	\$ 318.19	\$ 293.29	\$ 302.45	\$ 292.21	\$ 292.06	\$ 274.65	\$ 248.68	\$ 298.07
50 - 64	M	F & C	\$ 636.28	\$ 553.47	\$ 618.63	\$ 619.53	\$ 571.04	\$ 588.89	\$ 568.94	\$ 568.66	\$ 534.76	\$ 484.19	\$ 584.90
All Ages	F	Preg Women	\$ 1,603.46	\$ 1,394.78	\$ 1,558.98	\$ 1,561.25	\$ 1,439.06	\$ 1,484.03	\$ 1,433.77	\$ 1,433.06	\$ 1,347.62	\$ 1,220.20	\$ 1,473.16
Total			\$ 391.81	\$ 308.69	\$ 399.67	\$ 386.10	\$ 342.30	\$ 355.44	\$ 371.32	\$ 356.25	\$ 334.28	\$ 303.59	\$ 354.89
3. 2007 Capitation Rates Recalculated using Average 2007 Capitation Rate and Recommended Adjustment Factors Incl. MERC													
0 - 1	F	F & C	\$ 804.84	\$ 694.85	\$ 833.56	\$ 836.97	\$ 731.83	\$ 747.27	\$ 707.54	\$ 704.66	\$ 604.92	\$ 649.64	\$ 748.96
01 - 02	F	F & C	\$ 223.18	\$ 192.68	\$ 231.14	\$ 232.08	\$ 202.93	\$ 207.21	\$ 196.19	\$ 195.40	\$ 167.74	\$ 180.14	\$ 206.88
02 - 15	F	F & C	\$ 162.65	\$ 140.42	\$ 168.46	\$ 169.15	\$ 147.90	\$ 151.02	\$ 142.99	\$ 142.41	\$ 122.25	\$ 131.29	\$ 150.92
16 - 20	F	F & C	\$ 336.26	\$ 290.31	\$ 348.26	\$ 349.69	\$ 305.78	\$ 312.21	\$ 295.61	\$ 294.41	\$ 252.74	\$ 271.42	\$ 312.11
21 - 49	F	F & C	\$ 549.14	\$ 474.09	\$ 568.74	\$ 571.06	\$ 499.33	\$ 509.86	\$ 482.75	\$ 480.79	\$ 412.73	\$ 443.25	\$ 510.17
50 - 64	F	F & C	\$ 909.00	\$ 784.77	\$ 941.44	\$ 945.28	\$ 826.54	\$ 843.97	\$ 799.10	\$ 795.85	\$ 683.20	\$ 733.71	\$ 848.99
0 - 1	M	F & C	\$ 897.85	\$ 775.14	\$ 929.89	\$ 933.68	\$ 816.40	\$ 833.62	\$ 789.30	\$ 786.09	\$ 674.82	\$ 724.71	\$ 835.41
01 - 02	M	F & C	\$ 261.38	\$ 225.66	\$ 270.71	\$ 271.81	\$ 237.67	\$ 242.68	\$ 229.78	\$ 228.84	\$ 196.45	\$ 210.98	\$ 242.96
02 - 15	M	F & C	\$ 184.87	\$ 159.60	\$ 191.47	\$ 192.25	\$ 168.10	\$ 171.64	\$ 162.52	\$ 161.88	\$ 138.95	\$ 149.22	\$ 171.48
16 - 20	M	F & C	\$ 242.52	\$ 209.38	\$ 251.18	\$ 252.20	\$ 220.52	\$ 225.17	\$ 213.20	\$ 212.34	\$ 182.28	\$ 195.76	\$ 225.35
21 - 49	M	F & C	\$ 383.18	\$ 330.82	\$ 386.86	\$ 388.48	\$ 348.43	\$ 355.77	\$ 336.86	\$ 335.49	\$ 288.00	\$ 309.29	\$ 353.69
50 - 64	M	F & C	\$ 775.90	\$ 669.86	\$ 803.59	\$ 806.87	\$ 705.52	\$ 720.40	\$ 682.10	\$ 679.32	\$ 583.17	\$ 626.28	\$ 719.23
All Ages	F	Preg Women	\$ 1,386.62	\$ 1,197.12	\$ 1,436.11	\$ 1,441.97	\$ 1,260.84	\$ 1,287.43	\$ 1,218.98	\$ 1,214.03	\$ 1,042.19	\$ 1,119.24	\$ 1,291.56
Total			\$ 386.56	\$ 308.95	\$ 416.53	\$ 405.95	\$ 344.61	\$ 353.48	\$ 354.81	\$ 342.12	\$ 294.55	\$ 315.72	\$ 354.83

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

Rate Cell			Hennepin	Ramsay	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	\$ (99.17)	\$ (91.51)	\$ (45.37)	\$ (43.25)	\$ (79.49)	\$ (89.41)	\$ (100.80)	\$ (103.20)	\$ (154.65)	\$ (38.29)	\$ (81.30)
01 - 02	F	F & C	\$ (34.21)	\$ (31.22)	\$ (19.11)	\$ (18.53)	\$ (28.07)	\$ (31.01)	\$ (33.96)	\$ (34.64)	\$ (48.58)	\$ (15.73)	\$ (28.78)
02 - 15	F	F & C	\$ 8.29	\$ 6.15	\$ 18.37	\$ 18.84	\$ 9.36	\$ 8.15	\$ 4.96	\$ 4.45	\$ (7.49)	\$ 13.82	\$ 9.36
16 - 20	F	F & C	\$ 28.89	\$ 23.02	\$ 49.51	\$ 50.50	\$ 29.99	\$ 27.82	\$ 20.85	\$ 19.79	\$ (5.51)	\$ 37.59	\$ 29.81
21 - 49	F	F & C	\$ 15.85	\$ 10.22	\$ 50.25	\$ 51.82	\$ 20.72	\$ 16.30	\$ 5.90	\$ 4.18	\$ (35.46)	\$ 37.43	\$ 21.31
50 - 64	F	F & C	\$ 118.05	\$ 98.76	\$ 172.43	\$ 175.15	\$ 116.69	\$ 111.94	\$ 91.85	\$ 88.96	\$ 18.46	\$ 131.82	\$ 116.14
0 - 1	M	F & C	\$ (86.25)	\$ (89.58)	\$ (38.64)	\$ (34.25)	\$ (75.78)	\$ (86.44)	\$ (99.60)	\$ (102.37)	\$ (160.67)	\$ (31.78)	\$ (77.78)
01 - 02	M	F & C	\$ (9.02)	\$ (9.55)	\$ 7.81	\$ 8.53	\$ (5.00)	\$ (7.57)	\$ (12.00)	\$ (12.82)	\$ (30.80)	\$ 5.21	\$ (5.23)
02 - 15	M	F & C	\$ 11.23	\$ 8.56	\$ 22.64	\$ 23.18	\$ 12.28	\$ 10.84	\$ 7.25	\$ 5.57	\$ (6.99)	\$ 17.08	\$ 12.36
16 - 20	M	F & C	\$ 15.70	\$ 12.07	\$ 30.64	\$ 31.35	\$ 16.95	\$ 15.24	\$ 10.38	\$ 9.61	\$ (6.35)	\$ 23.15	\$ 16.71
21 - 49	M	F & C	\$ 56.39	\$ 46.56	\$ 79.13	\$ 80.29	\$ 55.14	\$ 53.32	\$ 44.65	\$ 43.43	\$ 13.35	\$ 60.61	\$ 55.63
50 - 64	M	F & C	\$ 139.63	\$ 116.39	\$ 184.97	\$ 187.34	\$ 134.48	\$ 131.51	\$ 113.15	\$ 110.66	\$ 48.41	\$ 142.09	\$ 134.33
All Ages	F	Preg Women	\$ (216.83)	\$ (197.66)	\$ (122.87)	\$ (119.28)	\$ (178.22)	\$ (195.60)	\$ (214.79)	\$ (218.03)	\$ (305.43)	\$ (100.97)	\$ (181.61)
Total			\$ (6.25)	\$ (1.74)	\$ 16.86	\$ 19.85	\$ 2.30	\$ (1.98)	\$ (16.51)	\$ (14.13)	\$ (39.73)	\$ 12.12	\$ (0.06)
5. Dollar Difference as a Percentage of Original Capitation Rates													
0 - 1	F	F & C	-11.0%	-11.6%	-5.2%	-4.9%	-9.8%	-10.7%	-12.5%	-12.8%	-20.4%	-5.6%	-9.8%
01 - 02	F	F & C	-13.3%	-13.9%	-7.6%	-7.4%	-12.2%	-13.0%	-14.8%	-15.1%	-22.5%	-8.0%	-12.2%
02 - 15	F	F & C	5.4%	4.6%	12.2%	12.5%	8.8%	5.7%	3.5%	3.2%	-5.8%	11.8%	6.6%
16 - 20	F	F & C	9.4%	8.6%	16.6%	16.9%	10.9%	9.8%	7.6%	7.2%	-2.1%	16.1%	10.6%
21 - 49	F	F & C	3.0%	2.2%	9.7%	10.0%	4.3%	3.3%	1.2%	0.9%	-7.9%	9.2%	4.4%
50 - 64	F	F & C	14.9%	14.1%	22.4%	22.7%	16.4%	15.3%	13.0%	12.6%	2.8%	21.9%	15.8%
0 - 1	M	F & C	-9.7%	-10.4%	-3.8%	-3.5%	-8.5%	-9.4%	-11.2%	-11.5%	-19.2%	-4.2%	-8.5%
01 - 02	M	F & C	-3.3%	-4.1%	3.0%	3.2%	-2.1%	-3.0%	-5.0%	-5.3%	-13.6%	2.5%	-2.1%
02 - 15	M	F & C	6.5%	5.7%	13.4%	13.7%	7.9%	6.8%	4.7%	4.3%	-4.8%	12.9%	7.8%
16 - 20	M	F & C	6.9%	6.1%	13.9%	14.2%	8.3%	7.3%	5.1%	4.7%	-4.4%	13.4%	8.0%
21 - 49	M	F & C	17.3%	16.4%	24.9%	25.2%	18.8%	17.6%	15.3%	14.9%	4.9%	24.4%	18.7%
50 - 64	M	F & C	21.8%	21.0%	29.9%	30.2%	23.5%	22.3%	19.9%	19.5%	9.1%	29.3%	23.9%
All Ages	F	Preg Women	-13.5%	-14.2%	-7.9%	-7.6%	-12.4%	-13.2%	-15.0%	-15.3%	-22.7%	-8.3%	-12.3%
Total			-1.6%	-0.6%	4.2%	5.1%	0.7%	-0.6%	-4.4%	-4.0%	-11.9%	4.0%	0.0%

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

Rate Cell			Hennepln	Ramsey	Greater Metro	Core Metro	North East	North Central	Carver	South West	Olmsted	South East	Total
1. 2006 Enrollment by Rate Cell													
0 - 1	F	F & C	34,576	18,941	3,257	19,374	6,815	16,840	1,022	13,182	3,888	15,711	133,206
01 - 02	F	F & C	21,660	13,143	2,213	11,778	4,484	13,579	562	8,958	2,634	10,892	89,903
02 - 15	F	F & C	182,511	128,303	16,475	96,715	38,164	101,603	4,339	68,545	19,620	79,409	735,684
16 - 20	F	F & C	47,154	33,687	3,049	21,297	10,224	24,503	750	14,676	4,722	17,218	177,280
21 - 49	F	F & C	118,927	84,237	13,647	76,348	32,137	82,643	3,045	46,954	13,882	57,589	529,409
50 - 64	F	F & C	7,277	4,402	344	2,607	758	2,367	84	1,502	777	1,692	21,810
0 - 1	M	F & C	36,705	19,672	3,570	19,505	6,622	17,546	914	14,506	3,917	16,411	139,368
01 - 02	M	F & C	23,657	13,313	2,227	13,057	4,888	14,820	536	9,321	2,657	10,944	95,300
02 - 15	M	F & C	180,309	130,281	16,745	98,693	38,122	102,984	4,300	68,168	19,481	82,145	742,228
16 - 20	M	F & C	39,387	29,490	2,505	17,435	7,836	18,959	600	11,280	3,536	13,219	144,247
21 - 49	M	F & C	27,917	24,790	3,319	18,775	9,814	26,974	703	13,671	4,164	15,998	146,125
50 - 64	M	F & C	3,886	3,059	210	1,849	534	1,556	33	1,147	608	1,231	14,108
All Ages	F	Preg Women	33,221	13,643	3,676	17,980	6,011	17,854	982	13,538	3,766	16,184	126,855
Total			757,087	516,981	71,235	416,415	166,169	442,028	17,872	285,446	83,647	338,643	3,095,523
2. 2007 Original Capitation Rates without MERC and after Ratable Reductions													
0 - 1	F	F & C	\$ 847.05	\$ 770.63	\$ 864.87	\$ 862.61	\$ 798.34	\$ 823.29	\$ 782.18	\$ 795.01	\$ 747.61	\$ 676.93	\$ 804.86
01 - 02	F	F & C	\$ 241.18	\$ 219.42	\$ 246.25	\$ 245.60	\$ 227.31	\$ 234.41	\$ 225.55	\$ 226.36	\$ 212.86	\$ 192.74	\$ 228.71
02 - 15	F	F & C	\$ 144.84	\$ 131.59	\$ 147.68	\$ 147.30	\$ 136.32	\$ 140.58	\$ 135.27	\$ 135.75	\$ 127.66	\$ 115.59	\$ 137.32
16 - 20	F	F & C	\$ 287.92	\$ 261.94	\$ 293.97	\$ 293.20	\$ 271.36	\$ 279.84	\$ 269.26	\$ 270.23	\$ 254.12	\$ 230.09	\$ 273.59
21 - 49	F	F & C	\$ 499.68	\$ 454.60	\$ 510.19	\$ 508.86	\$ 470.94	\$ 485.66	\$ 467.31	\$ 468.98	\$ 441.02	\$ 399.32	\$ 474.80
50 - 64	F	F & C	\$ 741.12	\$ 674.25	\$ 756.70	\$ 754.72	\$ 698.49	\$ 720.32	\$ 693.10	\$ 695.58	\$ 654.11	\$ 592.26	\$ 707.79
0 - 1	M	F & C	\$ 931.47	\$ 847.43	\$ 951.06	\$ 948.58	\$ 877.90	\$ 905.34	\$ 871.12	\$ 874.25	\$ 822.12	\$ 744.39	\$ 885.21
01 - 02	M	F & C	\$ 253.36	\$ 230.50	\$ 258.69	\$ 258.01	\$ 238.79	\$ 246.25	\$ 236.95	\$ 237.79	\$ 223.62	\$ 202.47	\$ 240.79
02 - 15	M	F & C	\$ 162.70	\$ 148.02	\$ 168.12	\$ 165.69	\$ 153.34	\$ 158.14	\$ 152.16	\$ 152.71	\$ 143.60	\$ 130.02	\$ 154.39
16 - 20	M	F & C	\$ 212.54	\$ 193.36	\$ 217.01	\$ 216.44	\$ 200.31	\$ 206.57	\$ 198.77	\$ 199.48	\$ 187.59	\$ 169.85	\$ 202.12
21 - 49	M	F & C	\$ 306.20	\$ 278.58	\$ 312.64	\$ 311.83	\$ 288.59	\$ 297.61	\$ 286.36	\$ 287.39	\$ 270.26	\$ 244.70	\$ 290.00
50 - 64	M	F & C	\$ 596.19	\$ 542.40	\$ 608.73	\$ 607.14	\$ 561.90	\$ 579.46	\$ 557.56	\$ 559.56	\$ 526.20	\$ 476.45	\$ 566.50
All Ages	F	Preg Women	\$ 1,502.44	\$ 1,366.88	\$ 1,534.04	\$ 1,530.03	\$ 1,416.03	\$ 1,460.29	\$ 1,405.10	\$ 1,410.13	\$ 1,326.06	\$ 1,200.68	\$ 1,428.32
Total			\$ 367.13	\$ 302.52	\$ 393.28	\$ 378.38	\$ 336.83	\$ 349.76	\$ 363.89	\$ 350.55	\$ 328.93	\$ 298.74	\$ 344.28
3. 2007 Capitation Rates Recalculated using Average 2007 Capitation Rate and Recommended Adjustment Factors													
0 - 1	F	F & C	\$ 754.14	\$ 680.95	\$ 820.23	\$ 820.23	\$ 720.13	\$ 735.31	\$ 693.39	\$ 693.39	\$ 595.24	\$ 639.25	\$ 726.25
01 - 02	F	F & C	\$ 209.12	\$ 188.82	\$ 227.44	\$ 227.44	\$ 199.68	\$ 203.90	\$ 192.27	\$ 192.27	\$ 165.08	\$ 177.26	\$ 200.81
02 - 15	F	F & C	\$ 152.41	\$ 137.62	\$ 165.76	\$ 165.76	\$ 145.53	\$ 148.60	\$ 140.13	\$ 140.13	\$ 120.29	\$ 129.19	\$ 146.42
16 - 20	F	F & C	\$ 315.08	\$ 284.50	\$ 342.69	\$ 342.69	\$ 300.87	\$ 307.21	\$ 289.70	\$ 289.70	\$ 248.69	\$ 267.08	\$ 302.52
21 - 49	F	F & C	\$ 514.54	\$ 464.61	\$ 559.64	\$ 559.64	\$ 491.34	\$ 501.70	\$ 473.09	\$ 473.09	\$ 406.13	\$ 436.15	\$ 495.57
50 - 64	F	F & C	\$ 851.73	\$ 769.07	\$ 928.37	\$ 928.37	\$ 813.32	\$ 830.47	\$ 783.12	\$ 783.12	\$ 672.27	\$ 721.97	\$ 820.05
0 - 1	M	F & C	\$ 841.28	\$ 759.64	\$ 915.01	\$ 915.01	\$ 803.34	\$ 820.28	\$ 773.51	\$ 773.51	\$ 664.02	\$ 713.12	\$ 809.95
01 - 02	M	F & C	\$ 244.91	\$ 221.14	\$ 266.38	\$ 266.38	\$ 233.87	\$ 238.80	\$ 225.18	\$ 225.18	\$ 193.31	\$ 207.60	\$ 235.75
02 - 15	M	F & C	\$ 173.22	\$ 156.41	\$ 188.40	\$ 188.40	\$ 165.41	\$ 168.90	\$ 159.27	\$ 159.27	\$ 136.72	\$ 146.83	\$ 166.41
16 - 20	M	F & C	\$ 227.24	\$ 205.19	\$ 247.16	\$ 247.16	\$ 217.00	\$ 221.57	\$ 208.94	\$ 208.94	\$ 179.36	\$ 192.62	\$ 218.33
21 - 49	M	F & C	\$ 359.04	\$ 324.20	\$ 390.51	\$ 390.51	\$ 342.85	\$ 350.08	\$ 330.12	\$ 330.12	\$ 283.39	\$ 304.34	\$ 344.16
50 - 64	M	F & C	\$ 727.02	\$ 656.47	\$ 790.74	\$ 790.74	\$ 694.23	\$ 708.87	\$ 668.46	\$ 668.46	\$ 573.84	\$ 616.26	\$ 696.67
All Ages	F	Preg Women	\$ 1,299.27	\$ 1,173.18	\$ 1,413.13	\$ 1,413.13	\$ 1,240.67	\$ 1,266.83	\$ 1,194.60	\$ 1,194.60	\$ 1,025.51	\$ 1,101.33	\$ 1,252.44
Total			\$ 381.27	\$ 300.82	\$ 409.87	\$ 397.83	\$ 339.09	\$ 347.82	\$ 347.71	\$ 336.65	\$ 289.84	\$ 310.67	\$ 344.28

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

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	\$ (92.92)	\$ (89.88)	\$ (44.64)	\$ (42.38)	\$ (78.22)	\$ (87.98)	\$ (98.79)	\$ (101.63)	\$ (152.37)	\$ (37.68)	\$ (78.74)
01 - 02	F	F & C	\$ (32.06)	\$ (30.59)	\$ (18.81)	\$ (18.16)	\$ (27.62)	\$ (30.51)	\$ (33.28)	\$ (34.09)	\$ (47.81)	\$ (15.48)	\$ (27.91)
02 - 15	F	F & C	\$ 7.77	\$ 6.02	\$ 18.08	\$ 18.47	\$ 9.21	\$ 8.02	\$ 4.86	\$ 4.37	\$ (7.37)	\$ 13.80	\$ 9.10
16 - 20	F	F & C	\$ 27.16	\$ 22.56	\$ 48.72	\$ 49.49	\$ 29.51	\$ 27.37	\$ 20.43	\$ 19.47	\$ (5.42)	\$ 36.99	\$ 28.93
21 - 49	F	F & C	\$ 14.86	\$ 10.01	\$ 49.45	\$ 50.78	\$ 20.39	\$ 18.04	\$ 5.79	\$ 4.11	\$ (34.89)	\$ 36.83	\$ 20.76
50 - 64	F	F & C	\$ 110.61	\$ 94.82	\$ 169.67	\$ 171.65	\$ 114.82	\$ 110.15	\$ 90.02	\$ 87.53	\$ 18.16	\$ 129.71	\$ 112.27
0 - 1	M	F & C	\$ (90.19)	\$ (87.79)	\$ (36.06)	\$ (33.57)	\$ (74.56)	\$ (85.06)	\$ (97.61)	\$ (100.73)	\$ (158.10)	\$ (31.27)	\$ (75.27)
01 - 02	M	F & C	\$ (8.45)	\$ (9.36)	\$ 7.69	\$ 8.36	\$ (4.92)	\$ (7.45)	\$ (11.76)	\$ (12.61)	\$ (30.31)	\$ 5.13	\$ (6.04)
02 - 15	M	F & C	\$ 10.52	\$ 8.39	\$ 22.28	\$ 22.71	\$ 12.07	\$ 10.76	\$ 7.11	\$ 6.56	\$ (6.88)	\$ 16.81	\$ 12.02
16 - 20	M	F & C	\$ 14.71	\$ 11.83	\$ 30.15	\$ 30.72	\$ 16.68	\$ 15.00	\$ 10.17	\$ 9.46	\$ (8.22)	\$ 22.78	\$ 16.22
21 - 49	M	F & C	\$ 52.84	\$ 45.62	\$ 77.87	\$ 78.68	\$ 54.26	\$ 52.47	\$ 43.76	\$ 42.73	\$ 13.14	\$ 59.64	\$ 54.16
50 - 64	M	F & C	\$ 130.83	\$ 114.07	\$ 182.01	\$ 183.60	\$ 132.33	\$ 129.41	\$ 110.89	\$ 108.89	\$ 47.64	\$ 139.81	\$ 130.17
All Ages	F	Preg Women	\$ (203.17)	\$ (193.70)	\$ (120.91)	\$ (116.80)	\$ (175.36)	\$ (193.45)	\$ (210.49)	\$ (215.53)	\$ (300.54)	\$ (99.35)	\$ (175.88)
Total			\$ (5.86)	\$ (1.70)	\$ 16.59	\$ 19.45	\$ 2.26	\$ (1.93)	\$ (16.18)	\$ (13.80)	\$ (39.09)	\$ 11.93	\$ 0.00
5. Dollar Difference as a Percentage of Original Capitation Rates													
0 - 1	F	F & C	-11.0%	-11.8%	-5.2%	-4.9%	-9.8%	-10.7%	-12.5%	-12.8%	-20.4%	-5.6%	-9.8%
01 - 02	F	F & C	-13.3%	-13.9%	-7.6%	-7.4%	-12.2%	-13.0%	-14.8%	-15.1%	-22.5%	-8.0%	-12.2%
02 - 15	F	F & C	5.4%	4.6%	12.2%	12.5%	6.8%	5.7%	3.8%	3.2%	-5.8%	11.8%	6.6%
16 - 20	F	F & C	9.4%	8.6%	16.8%	16.9%	10.9%	9.8%	7.6%	7.2%	-2.1%	16.1%	10.6%
21 - 49	F	F & C	3.0%	2.2%	9.7%	10.0%	4.3%	3.3%	1.2%	0.9%	-7.9%	9.2%	4.4%
50 - 64	F	F & C	14.9%	14.1%	22.4%	22.7%	16.4%	15.3%	13.0%	12.6%	2.8%	21.9%	15.9%
0 - 1	M	F & C	-9.7%	-10.4%	-3.8%	-3.5%	-8.5%	-9.4%	-11.2%	-11.5%	-19.2%	-4.2%	-8.5%
01 - 02	M	F & C	-3.3%	-4.1%	3.0%	3.2%	-2.1%	-3.0%	-5.0%	-5.3%	-13.6%	2.5%	-2.1%
02 - 15	M	F & C	6.5%	5.7%	13.4%	13.7%	7.9%	6.8%	4.7%	4.3%	-4.8%	12.9%	7.8%
16 - 20	M	F & C	6.9%	6.1%	13.9%	14.2%	8.3%	7.3%	5.1%	4.7%	-4.4%	13.4%	8.0%
21 - 49	M	F & C	17.3%	16.4%	24.9%	25.2%	18.8%	17.6%	15.3%	14.9%	4.9%	24.4%	18.7%
50 - 64	M	F & C	21.9%	21.0%	28.9%	30.2%	23.5%	22.3%	19.9%	19.5%	9.1%	29.3%	23.0%
All Ages	F	Preg Women	-13.5%	-14.2%	-7.9%	-7.6%	-12.4%	-13.2%	-15.0%	-15.3%	-22.7%	-8.3%	-12.3%
Total			-1.6%	-0.6%	4.2%	5.1%	0.7%	-0.6%	-4.4%	-4.0%	-11.9%	4.0%	0.0%

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Exhibit B: Member Months and Relativity Factors

Table B-1: 2005 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	33,127	17,360	3,643	20,766	5,740	16,705	13,613	13,993
01 - 02	F	F & C	22,678	12,980	2,512	14,001	4,457	14,085	9,597	10,069
02 - 15	F	F & C	186,884	128,208	19,144	110,878	38,822	102,491	72,876	72,469
16 - 20	F	F & C	46,631	32,459	4,747	24,157	10,253	24,841	15,264	16,008
21 - 49	F	F & C	123,809	82,544	13,760	91,101	32,068	83,091	49,832	53,698
50 - 64	F	F & C	6,869	4,119	588	2,597	821	2,257	1,497	1,577
0 - 1	M	F & C	35,871	17,071	3,792	21,761	6,372	17,418	14,457	14,362
01 - 02	M	F & C	23,653	13,850	2,798	14,721	4,803	14,448	10,130	10,676
02 - 15	M	F & C	183,783	129,631	18,796	114,278	38,867	104,650	71,952	75,888
16 - 20	M	F & C	38,201	27,394	3,685	19,237	8,301	18,935	11,632	11,928
21 - 49	M	F & C	28,886	24,025	4,520	22,159	9,468	26,955	14,574	15,313
50 - 64	M	F & C	3,553	2,846	576	1,903	504	1,474	1,074	1,020
All Ages	F	Preg Women	33,148	13,247	3,801	19,106	5,570	16,831	13,373	14,412
Relativity Factors										
0 - 1	F	F & C	2.726	2.267	1.056	2.647	2.441	2.112	2.107	1.424
01 - 02	F	F & C	0.671	0.622	0.357	0.623	0.385	0.465	0.584	0.470
02 - 15	F	F & C	0.449	0.408	0.351	0.479	0.424	0.448	0.391	0.391
16 - 20	F	F & C	0.864	0.801	0.764	0.993	0.957	0.880	0.823	0.868
21 - 49	F	F & C	1.472	1.341	1.287	1.568	1.546	1.372	1.361	1.281
50 - 64	F	F & C	2.430	2.579	2.141	2.614	2.371	1.853	2.288	1.893
0 - 1	M	F & C	3.415	2.620	1.408	2.502	1.283	2.352	1.912	1.860
01 - 02	M	F & C	0.849	0.608	0.807	0.871	0.539	0.659	0.705	0.553
02 - 15	M	F & C	0.488	0.426	0.398	0.545	0.520	0.501	0.465	0.451
16 - 20	M	F & C	0.609	0.473	0.593	0.809	0.646	0.655	0.640	0.643
21 - 49	M	F & C	0.894	0.890	0.747	1.163	1.080	0.936	1.271	0.857
50 - 64	M	F & C	2.006	1.871	2.026	2.349	1.198	2.156	2.190	1.438
All Ages	F	Preg Women	3.943	3.953	3.407	4.015	3.021	3.358	3.399	3.145

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Exhibit B Cont.: Member Months and Relativity Factors

Table B-2: 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	34,576	18,941	3,888	22,631	6,815	16,640	14,204	15,711
01 - 02	F	F & C	21,660	13,143	2,634	13,991	4,484	13,579	9,520	10,892
02 - 15	F	F & C	182,511	128,303	19,620	113,190	38,164	101,603	72,884	79,409
16 - 20	F	F & C	47,154	33,687	4,722	24,346	10,224	24,503	15,426	17,218
21 - 49	F	F & C	116,927	84,237	13,862	89,995	32,137	82,643	49,999	57,589
50 - 64	F	F & C	7,277	4,402	777	2,951	758	2,367	1,586	1,692
0 - 1	M	F & C	36,705	19,672	3,917	23,075	6,822	17,546	15,420	16,411
01 - 02	M	F & C	23,557	13,313	2,657	15,284	4,868	14,820	9,857	10,944
02 - 15	M	F & C	180,309	130,281	19,481	116,438	38,122	102,984	72,468	82,145
16 - 20	M	F & C	39,387	29,490	3,536	19,940	7,836	18,959	11,880	13,219
21 - 49	M	F & C	27,917	24,780	4,164	22,094	9,814	26,974	14,374	15,998
50 - 64	M	F & C	3,866	3,059	603	2,059	534	1,556	1,180	1,231
All Ages	F	Preg Women	33,221	13,643	3,766	21,658	6,011	17,654	14,520	16,184
Relativity Factors										
0 - 1	F	F & C	2.158	2.151	1.365	2.390	1.501	2.044	1.829	1.304
01 - 02	F	F & C	0.651	0.644	0.433	0.783	0.500	0.543	0.496	0.508
02 - 15	F	F & C	0.423	0.398	0.328	0.478	0.429	0.454	0.435	0.369
16 - 20	F	F & C	0.925	0.838	0.645	0.981	0.924	0.935	0.845	0.819
21 - 49	F	F & C	1.473	1.429	1.262	1.692	1.521	1.466	1.357	1.302
50 - 64	F	F & C	2.352	2.841	1.754	2.495	2.047	2.484	2.119	2.064
0 - 1	M	F & C	2.597	2.314	1.334	2.602	1.758	1.967	1.729	2.025
01 - 02	M	F & C	0.746	0.580	0.462	0.741	0.541	0.654	0.670	0.536
02 - 15	M	F & C	0.487	0.463	0.438	0.549	0.482	0.529	0.468	0.440
16 - 20	M	F & C	0.767	0.490	0.641	0.718	0.687	0.684	0.627	0.576
21 - 49	M	F & C	0.821	0.917	0.992	1.219	1.140	1.108	1.105	0.980
50 - 64	M	F & C	1.958	2.610	1.950	2.147	1.414	1.922	1.807	1.715
All Ages	F	Preg Women	3.989	3.952	3.085	3.875	3.323	3.415	3.395	3.142

Table B-3: Member Month Weighted Average Relativity Factor

Rate Cell			Hennepin	Ramsey	Olmsted	Greater Metro	North East	North Central	South West	South East
0 - 1	F	F & C	2.436	2.206	1.216	2.513	1.938	2.078	1.965	1.361
01 - 02	F	F & C	0.661	0.633	0.396	0.703	0.443	0.503	0.540	0.490
02 - 15	F	F & C	0.436	0.403	0.340	0.478	0.427	0.451	0.413	0.379
16 - 20	F	F & C	0.894	0.820	0.704	0.987	0.940	0.908	0.834	0.843
21 - 49	F	F & C	1.473	1.385	1.275	1.630	1.533	1.419	1.359	1.292
50 - 64	F	F & C	2.369	2.714	1.921	2.551	2.216	2.176	2.201	1.981
0 - 1	M	F & C	3.001	2.458	1.370	2.553	1.524	2.159	1.817	1.948
01 - 02	M	F & C	0.798	0.593	0.639	0.805	0.540	0.656	0.688	0.544
02 - 15	M	F & C	0.487	0.444	0.418	0.547	0.501	0.515	0.467	0.446
16 - 20	M	F & C	0.689	0.482	0.617	0.763	0.656	0.669	0.633	0.608
21 - 49	M	F & C	0.858	0.904	0.864	1.191	1.110	1.022	1.189	0.920
50 - 64	M	F & C	1.980	2.254	1.987	2.244	1.309	2.035	1.969	1.569
All Ages	F	Preg Women	3.966	3.952	3.247	3.941	3.178	3.387	3.397	3.143

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.