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December 16, 2009

Ms. Karen Peed  
Minnesota Department of Human Services  
540 Cedar Street  
St. Paul, MN 55101-2208

**Re: Analysis of MSHO/MSC+ Seniors Costs by Demographic Rate Cell**

Dear Karen:

This letter discusses my analysis of capitation rate relativities by rate cell for the prepaid seniors programs. This letter describes my analysis of historic claim cost relativities by (1) geographic area and (2) demographic rate cell. For seniors, demographic rate cells are defined in terms of age, gender, and institutional 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.

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.

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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 which were developed using experience for 2007 and 2008, along with certain adjustments described below.

**Table 1: Recommended Rate Relativities by Category and Gender**

Rate Cell			Calculated Relative Cost Relativities Factors by Year			Recommended Factors
Age Grp	Gender	Type	2006	2007	2008	
65 - 74	F	AGED INSTITUTIONALIZED	0.775	0.753	0.717	0.729
75 - 84	F	AGED INSTITUTIONALIZED	0.579	0.571	0.540	0.550
85 +	F	AGED INSTITUTIONALIZED	0.425	0.408	0.410	0.409
All Ages - Non MC	F	AGED INSTITUTIONALIZED	3.293	3.064	2.178	2.473
65 - 74	M	AGED INSTITUTIONALIZED	0.831	0.757	0.713	0.727
75 - 84	M	AGED INSTITUTIONALIZED	0.672	0.634	0.612	0.619
85 +	M	AGED INSTITUTIONALIZED	0.549	0.523	0.533	0.529
All Ages - Non MC	M	AGED INSTITUTIONALIZED	3.293	3.064	2.178	2.473
65 - 74	F	AGED NON-INSTITUTIONALIZED	0.987	1.018	1.021	1.020
75 +	F	AGED NON-INSTITUTIONALIZED	1.170	1.144	1.149	1.147
All Ages - Non MC	F	AGED NON-INSTITUTIONALIZED	2.474	2.635	2.745	2.707
65 - 74	M	AGED NON-INSTITUTIONALIZED	0.936	0.957	0.968	0.964
75 +	M	AGED NON-INSTITUTIONALIZED	1.223	1.204	1.171	1.182
All Ages - Non MC	M	AGED NON-INSTITUTIONALIZED	2.460	2.713	2.913	2.844

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**Table 2: Recommended Relativities by Geographic Area and MERC Adjustments**

Calculated Relative Cost Relativities Factors by Year				MERC			
Geographic Area	2006	2007	2008	Area	Recommended Factors	Percentage	MERC Adjusted Area Factors
Hennepin	1.251	1.172	1.150	Hennepin	1.157	6.30%	1.195
Ramsey	1.322	1.326	1.279	Ramsey	1.295	2.00%	1.279
Core Metro	1.079	1.067	1.056	Core Metro	1.060	2.00%	1.047
Greater Metro (Sherburne & Wright)	1.079	1.067	1.056	Greater Metro (Sherburne & Wright)	1.060	1.60%	1.043
North East	0.705	0.694	0.741	North East	0.725	1.60%	0.713
North Central	0.830	0.888	0.887	North Central	0.887	1.60%	0.873
Carver	0.866	0.849	0.921	Carver	0.897	2.00%	0.886
South West excl. Carver	0.866	0.849	0.921	South West excl. Carver	0.897	1.60%	0.882
Olmsted/South East	0.758	0.819	0.823	Olmsted /South East	0.822	1.60%	0.808

Exhibits A.1, A.2, and A.3 of this letter show the impact of these recommended factors on current (contract year 2009) demographic capitation rates with MERC, without MERC, and the average with and without MERC, respectively. The capitation rates used to develop the results in Exhibits A.1, A.2, and A.3 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. Exhibits A.1 and A.2 are not revenue neutral. However, Exhibit A.3, which represents the average rate actually received by the plans based on 2008 enrollment, is revenue neutral.

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. These include:

- Changes in provider reimbursement levels;
- 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.

I understand DHS intends to phase in these new rate relativities by applying two-thirds of the adjustments to rates shown in Exhibit A. This phase in recognizes that these new factors are significantly different from prior factors and that plans are still continuing to improve in identifying and separating Medicare-covered and Medicaid-covered costs in their data.

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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, Greater Metro, North East, North Central, South West, and South East (including Olmsted). 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 have made no adjustments.

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 only adding coverage of certain adult mental health services—the adjustment factors I used are 1.0001 for Institutionalized and 1.0015 for Non-Institutionalized.

Benefit changes between 2007 and 2008 included:

- Adding coverage for the Shingles vaccine—the adjustment factor I used is 1.0044 for all Non-Medicare males and females;
- Implementation of the model benefit set for mental health services—the adjustment factors I used were 1.0008 for Institutionalized, 1.0032 for Non-Institutionalized females and 1.0030 for Non-Institutionalized males;
- Adding coverage for halfway house and extended care treatment services starting July 1—the adjustment factor I used is 1.0011 for Non-Institutionalized. I applied this factor again to 2009 rates to reflect that coverage would be effective for the entire year.

Benefit changes between 2008 and 2009 included:

- Adding coverage for mental health targeted case management services—the adjustment factors I used were 1.0009 for Institutionalized, 1.0031 for Non-Institutionalized females and 1.0036 for Non-Institutionalized males;

- 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;
- Implementation of income based limits on copays—the adjustment factor I used is 1.0001.

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. 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 of the age of the data. (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. Because the non-Medicare institutionalized rate cells include very little enrollment, I chose to use a weighted average of the initial male and female factors for both genders.

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. 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.



Karen, 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
<b>1. 2008 Enrollment by Rate Cell (including MSHO)</b>													
65 - 74	F	Instit	3,698	1,701	439	1,043	1,172	2,652	89	1,496	267	1,644	14,201
75 - 84	F	Instit	6,771	3,368	973	3,355	2,940	7,411	296	4,872	522	5,634	36,142
85 +	F	Instit	12,074	6,429	2,318	6,091	7,261	19,225	798	14,986	1,459	14,724	85,366
All Ages - Non MC	F	Instit	253	72	31	96	76	144	-	56	-	134	862
65 - 74	M	Instit	2,762	1,196	352	792	886	2,085	82	1,301	196	1,418	11,069
75 - 84	M	Instit	2,746	1,322	435	1,126	1,188	3,634	76	2,518	237	2,564	15,846
85 +	M	Instit	1,986	1,125	392	1,042	1,299	4,286	158	3,306	284	3,567	17,444
All Ages - Non MC	M	Instit	218	28	19	42	59	89	-	65	-	54	574
65 - 74	F	Non-Inst	23,433	14,522	2,000	12,993	6,267	18,059	653	8,632	2,338	10,150	99,047
75 +	F	Non-Inst	27,568	15,993	4,217	16,072	11,394	36,073	1,500	18,950	4,011	22,791	158,569
All Ages - Non MC	F	Non-Inst	9,041	2,918	186	1,306	98	513	87	483	527	418	15,577
65 - 74	M	Non-Inst	13,562	7,940	1,045	5,108	3,356	11,204	226	5,025	1,541	5,919	54,926
75 +	M	Non-Inst	11,467	5,469	981	4,790	2,143	10,478	328	5,747	1,663	6,802	49,867
All Ages - Non MC	M	Non-Inst	7,255	2,321	39	787	76	267	36	419	447	270	11,918
<b>Total</b>			<b>122,834</b>	<b>64,404</b>	<b>13,428</b>	<b>54,642</b>	<b>38,215</b>	<b>116,120</b>	<b>4,330</b>	<b>67,855</b>	<b>13,492</b>	<b>76,089</b>	<b>571,409</b>
<b>2. 2009 Original Capitation Rates with MERC and after Ratable Reductions</b>													
65 - 74	F	Instit	\$ 645.61	\$ 769.46	\$ 546.33	\$ 548.51	\$ 327.97	\$ 412.55	\$ 408.23	\$ 402.62	\$ 386.87	\$ 386.71	\$ 518.58
75 - 84	F	Instit	\$ 449.53	\$ 535.50	\$ 380.03	\$ 381.57	\$ 228.51	\$ 287.26	\$ 284.29	\$ 280.36	\$ 269.38	\$ 269.26	\$ 343.25
85 +	F	Instit	\$ 315.36	\$ 375.34	\$ 266.44	\$ 267.58	\$ 160.24	\$ 201.47	\$ 199.29	\$ 196.50	\$ 188.79	\$ 188.72	\$ 230.34
All Ages - Non MC	F	Instit	\$ 2,937.50	\$ 3,496.71	\$ 2,483.06	\$ 2,493.49	\$ 1,491.91	\$ 1,875.91	\$ 1,856.50	\$ 1,830.59	\$ 1,758.86	\$ 1,758.13	\$ 2,358.14
65 - 74	M	Instit	\$ 634.47	\$ 755.65	\$ 536.72	\$ 538.82	\$ 322.55	\$ 405.29	\$ 401.30	\$ 395.34	\$ 379.88	\$ 380.17	\$ 502.58
75 - 84	M	Instit	\$ 500.12	\$ 595.96	\$ 422.92	\$ 424.68	\$ 254.14	\$ 319.55	\$ 316.39	\$ 312.00	\$ 299.40	\$ 299.65	\$ 374.57
85 +	M	Instit	\$ 413.18	\$ 492.12	\$ 349.43	\$ 350.84	\$ 209.92	\$ 264.05	\$ 261.10	\$ 257.50	\$ 247.42	\$ 247.32	\$ 293.85
All Ages - Non MC	M	Instit	\$ 2,936.49	\$ 3,497.67	\$ 2,482.29	\$ 2,492.71	\$ 1,492.23	\$ 1,875.74	\$ 1,856.40	\$ 1,830.52	\$ 1,758.79	\$ 1,758.07	\$ 2,367.67
65 - 74	F	Non-Inst	\$ 783.00	\$ 932.27	\$ 662.18	\$ 664.73	\$ 397.65	\$ 500.22	\$ 495.08	\$ 487.77	\$ 468.71	\$ 468.51	\$ 643.72
75 +	F	Non-Inst	\$ 935.23	\$ 1,114.18	\$ 790.85	\$ 793.98	\$ 475.45	\$ 597.91	\$ 591.11	\$ 583.00	\$ 560.20	\$ 559.97	\$ 716.58
All Ages - Non MC	F	Non-Inst	\$ 2,251.22	\$ 2,681.55	\$ 1,903.38	\$ 1,911.52	\$ 1,143.38	\$ 1,438.50	\$ 1,424.23	\$ 1,404.26	\$ 1,349.19	\$ 1,348.63	\$ 2,179.87
65 - 74	M	Non-Inst	\$ 717.04	\$ 853.77	\$ 606.51	\$ 608.89	\$ 364.48	\$ 458.23	\$ 453.15	\$ 446.95	\$ 429.46	\$ 429.28	\$ 585.43
75 +	M	Non-Inst	\$ 1,005.29	\$ 1,197.61	\$ 850.19	\$ 853.47	\$ 510.79	\$ 642.38	\$ 635.80	\$ 626.42	\$ 601.94	\$ 602.38	\$ 796.75
All Ages - Non MC	M	Non-Inst	\$ 2,121.32	\$ 2,527.31	\$ 1,794.53	\$ 1,800.62	\$ 1,078.71	\$ 1,356.16	\$ 1,342.24	\$ 1,323.20	\$ 1,271.24	\$ 1,270.71	\$ 2,072.74
<b>Total</b>			<b>\$ 941.88</b>	<b>\$ 1,032.50</b>	<b>\$ 626.54</b>	<b>\$ 688.21</b>	<b>\$ 358.57</b>	<b>\$ 467.08</b>	<b>\$ 478.47</b>	<b>\$ 436.54</b>	<b>\$ 520.31</b>	<b>\$ 427.32</b>	<b>\$ 642.93</b>
<b>3. 2009 Capitation Rates Recalculated using Average 2009 Capitation Rate and Recommended Adjustment Factors Incl. MERC</b>													
65 - 74	F	Instit	\$ 560.38	\$ 599.47	\$ 488.72	\$ 490.72	\$ 334.29	\$ 409.15	\$ 415.18	\$ 413.49	\$ 378.88	\$ 378.88	\$ 470.02
75 - 84	F	Instit	\$ 422.82	\$ 452.32	\$ 368.75	\$ 370.26	\$ 252.23	\$ 308.72	\$ 313.26	\$ 311.99	\$ 285.87	\$ 285.87	\$ 342.80
85 +	F	Instit	\$ 314.30	\$ 336.23	\$ 274.11	\$ 275.23	\$ 187.49	\$ 229.48	\$ 232.86	\$ 231.91	\$ 212.50	\$ 212.50	\$ 247.66
All Ages - Non MC	F	Instit	\$ 1,900.75	\$ 2,033.35	\$ 1,657.70	\$ 1,664.46	\$ 1,133.87	\$ 1,387.80	\$ 1,408.24	\$ 1,402.51	\$ 1,285.11	\$ 1,285.11	\$ 1,595.27
65 - 74	M	Instit	\$ 559.10	\$ 598.11	\$ 487.61	\$ 489.60	\$ 333.53	\$ 408.22	\$ 414.23	\$ 412.55	\$ 378.01	\$ 378.01	\$ 464.90
75 - 84	M	Instit	\$ 475.78	\$ 508.97	\$ 414.94	\$ 416.63	\$ 283.82	\$ 347.38	\$ 352.49	\$ 351.06	\$ 321.68	\$ 321.68	\$ 381.19
85 +	M	Instit	\$ 406.75	\$ 435.12	\$ 354.73	\$ 356.18	\$ 242.64	\$ 296.98	\$ 301.35	\$ 300.13	\$ 275.00	\$ 275.00	\$ 314.96
All Ages - Non MC	M	Instit	\$ 1,900.75	\$ 2,033.35	\$ 1,657.70	\$ 1,664.46	\$ 1,133.87	\$ 1,387.80	\$ 1,408.24	\$ 1,402.51	\$ 1,285.11	\$ 1,285.11	\$ 1,609.36
65 - 74	F	Non-Inst	\$ 783.62	\$ 838.29	\$ 683.42	\$ 686.21	\$ 467.46	\$ 572.15	\$ 580.57	\$ 578.21	\$ 529.81	\$ 529.81	\$ 667.03
75 +	F	Non-Inst	\$ 881.69	\$ 943.20	\$ 768.95	\$ 772.09	\$ 525.96	\$ 643.75	\$ 653.23	\$ 650.57	\$ 596.12	\$ 596.12	\$ 716.05
All Ages - Non MC	F	Non-Inst	\$ 2,080.56	\$ 2,225.70	\$ 1,814.51	\$ 1,821.92	\$ 1,241.13	\$ 1,519.09	\$ 1,541.45	\$ 1,535.19	\$ 1,406.68	\$ 1,406.68	\$ 1,998.33
65 - 74	M	Non-Inst	\$ 741.26	\$ 792.97	\$ 646.48	\$ 649.11	\$ 442.19	\$ 541.22	\$ 549.19	\$ 546.96	\$ 501.17	\$ 501.17	\$ 628.11
75 +	M	Non-Inst	\$ 908.56	\$ 971.94	\$ 792.38	\$ 795.61	\$ 541.99	\$ 663.37	\$ 673.14	\$ 670.40	\$ 614.28	\$ 614.28	\$ 756.16
All Ages - Non MC	M	Non-Inst	\$ 2,185.47	\$ 2,337.93	\$ 1,906.01	\$ 1,913.79	\$ 1,303.72	\$ 1,595.69	\$ 1,619.18	\$ 1,612.60	\$ 1,477.61	\$ 1,477.61	\$ 2,113.00
<b>Total</b>			<b>\$ 904.39</b>	<b>\$ 893.99</b>	<b>\$ 614.97</b>	<b>\$ 681.24</b>	<b>\$ 402.57</b>	<b>\$ 510.41</b>	<b>\$ 536.07</b>	<b>\$ 494.19</b>	<b>\$ 564.37</b>	<b>\$ 460.53</b>	<b>\$ 642.82</b>

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Ms. Karen Peed  
December 16, 2009

Exhibit A.1 Cont.: 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
<b>4. Dollar Difference between Recalculated Capitation Rates and Original Capitation Rates</b>													
65 - 74	F	Instit	\$ (85.23)	\$ (169.98)	\$ (57.61)	\$ (57.79)	\$ 6.32	\$ (3.39)	\$ 6.95	\$ 10.87	\$ (7.99)	\$ (7.83)	\$ (48.56)
75 - 84	F	Instit	\$ (26.70)	\$ (83.18)	\$ (11.27)	\$ (11.31)	\$ 23.72	\$ 21.46	\$ 28.97	\$ 31.63	\$ 16.49	\$ 16.61	\$ (0.45)
85 +	F	Instit	\$ (1.06)	\$ (39.12)	\$ 7.66	\$ 7.65	\$ 27.26	\$ 28.01	\$ 33.57	\$ 35.42	\$ 23.71	\$ 23.78	\$ 17.32
All Ages - Non MC	F	Instit	\$ (1,036.75)	\$ (1,463.35)	\$ (825.36)	\$ (829.03)	\$ (358.04)	\$ (488.11)	\$ (448.26)	\$ (428.08)	\$ (473.75)	\$ (473.02)	\$ (762.87)
65 - 74	M	Instit	\$ (75.37)	\$ (157.54)	\$ (49.12)	\$ (49.22)	\$ 10.98	\$ 2.93	\$ 12.93	\$ 17.21	\$ (1.87)	\$ (2.16)	\$ (37.67)
75 - 84	M	Instit	\$ (24.34)	\$ (86.99)	\$ (7.98)	\$ (8.05)	\$ 29.68	\$ 27.83	\$ 36.10	\$ 39.06	\$ 22.28	\$ 22.02	\$ 6.62
85 +	M	Instit	\$ (6.43)	\$ (57.00)	\$ 5.31	\$ 5.35	\$ 32.72	\$ 32.93	\$ 40.26	\$ 42.63	\$ 27.58	\$ 27.69	\$ 21.11
All Ages - Non MC	M	Instit	\$ (1,035.74)	\$ (1,464.32)	\$ (824.60)	\$ (828.25)	\$ (358.36)	\$ (487.94)	\$ (448.17)	\$ (428.01)	\$ (473.68)	\$ (472.96)	\$ (758.31)
65 - 74	F	Non-Inst	\$ 0.62	\$ (93.99)	\$ 21.24	\$ 21.48	\$ 69.81	\$ 71.93	\$ 85.49	\$ 90.44	\$ 61.10	\$ 61.30	\$ 23.32
75 +	F	Non-Inst	\$ (53.54)	\$ (170.99)	\$ (21.91)	\$ (21.89)	\$ 50.51	\$ 45.84	\$ 62.12	\$ 67.57	\$ 35.92	\$ 36.15	\$ (0.53)
All Ages - Non MC	F	Non-Inst	\$ (170.66)	\$ (455.85)	\$ (88.86)	\$ (89.60)	\$ 97.75	\$ 80.59	\$ 117.23	\$ 130.93	\$ 57.49	\$ 58.05	\$ (181.54)
65 - 74	M	Non-Inst	\$ 24.23	\$ (60.79)	\$ 39.97	\$ 40.22	\$ 77.71	\$ 82.99	\$ 96.04	\$ 100.01	\$ 71.71	\$ 71.89	\$ 42.68
75 +	M	Non-Inst	\$ (96.74)	\$ (225.67)	\$ (57.82)	\$ (57.86)	\$ 31.20	\$ 20.99	\$ 37.33	\$ 43.98	\$ 12.34	\$ 11.90	\$ (40.59)
All Ages - Non MC	M	Non-Inst	\$ 64.15	\$ (189.37)	\$ 111.48	\$ 113.16	\$ 225.01	\$ 239.52	\$ 276.94	\$ 289.40	\$ 206.37	\$ 206.90	\$ 40.26
Total			\$ (37.48)	\$ (138.51)	\$ (11.57)	\$ (6.97)	\$ 44.00	\$ 43.33	\$ 57.61	\$ 57.65	\$ 44.06	\$ 33.21	\$ (0.12)
<b>5. Dollar Difference as a Percentage of Original Capitation Rates</b>													
65 - 74	F	Instit	-13.2%	-22.1%	-10.5%	-10.5%	1.9%	-0.8%	1.7%	2.7%	-2.1%	-2.0%	-9.4%
75 - 84	F	Instit	-5.9%	-15.5%	-3.0%	-3.0%	10.4%	7.5%	10.2%	11.3%	6.1%	6.2%	-0.1%
85 +	F	Instit	-0.3%	-10.4%	2.9%	2.9%	17.0%	13.9%	16.8%	18.0%	12.6%	12.6%	7.5%
All Ages - Non MC	F	Instit	-35.3%	-41.8%	-33.2%	-33.2%	-24.0%	-26.0%	-24.1%	-23.4%	-26.9%	-26.9%	-32.4%
65 - 74	M	Instit	-11.9%	-20.8%	-9.2%	-9.1%	3.4%	0.7%	3.2%	4.4%	-0.5%	-0.6%	-7.5%
75 - 84	M	Instit	-4.9%	-14.6%	-1.9%	-1.9%	11.7%	8.7%	11.4%	12.5%	7.4%	7.3%	1.8%
85 +	M	Instit	-1.6%	-11.6%	1.5%	1.5%	15.6%	12.5%	15.4%	16.6%	11.1%	11.2%	7.2%
All Ages - Non MC	M	Instit	-35.3%	-41.9%	-33.2%	-33.2%	-24.0%	-26.0%	-24.1%	-23.4%	-26.9%	-26.9%	-32.0%
65 - 74	F	Non-Inst	0.1%	-10.1%	3.2%	3.2%	17.6%	14.4%	17.3%	18.5%	13.0%	13.1%	3.6%
75 +	F	Non-Inst	-5.7%	-15.3%	-2.8%	-2.8%	10.6%	7.7%	10.5%	11.6%	6.4%	6.5%	-0.1%
All Ages - Non MC	F	Non-Inst	-7.6%	-17.0%	-4.7%	-4.7%	8.5%	5.6%	8.2%	9.3%	4.3%	4.3%	-8.3%
65 - 74	M	Non-Inst	3.4%	-7.1%	6.6%	6.6%	21.3%	18.1%	21.2%	22.4%	16.7%	16.7%	7.3%
75 +	M	Non-Inst	-9.6%	-18.8%	-6.8%	-6.8%	6.1%	3.3%	5.9%	7.0%	2.1%	2.0%	-5.1%
All Ages - Non MC	M	Non-Inst	3.0%	-7.5%	6.2%	6.3%	20.9%	17.7%	20.6%	21.9%	16.2%	16.3%	1.9%
Total			-4.0%	-13.4%	-1.8%	-1.0%	12.3%	9.3%	12.0%	13.2%	8.5%	7.8%	0.0%

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.





**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
<b>1. 2008 Enrollment by Rate Cell (including MSHO)</b>													
65 - 74	F	Instt	3,698	1,701	439	1,043	1,172	2,652	89	1,496	267	1,644	14,201
75 - 84	F	Instt	6,771	3,368	973	3,355	2,940	7,411	296	4,872	522	5,634	36,142
85 +	F	Instt	12,074	6,429	2,318	6,091	7,261	19,225	798	14,986	1,459	14,724	85,366
All Ages - Non MC	F	Instt	253	72	31	96	76	144	-	56	-	134	862
65 - 74	M	Instt	2,762	1,196	352	792	886	2,085	82	1,301	196	1,418	11,069
75 - 84	M	Instt	2,746	1,322	435	1,126	1,188	3,634	76	2,518	237	2,564	15,846
85 +	M	Instt	1,986	1,125	392	1,042	1,299	4,286	158	3,306	284	3,567	17,444
All Ages - Non MC	M	Instt	218	28	19	42	59	89	-	65	-	54	574
65 - 74	F	Non-Inst	23,433	14,522	2,000	12,993	6,267	18,059	653	8,632	2,338	10,150	99,047
75 +	F	Non-Inst	27,568	15,993	4,217	16,072	11,394	36,073	1,500	18,950	4,011	22,791	158,569
All Ages - Non MC	F	Non-Inst	9,041	2,918	186	1,306	98	513	87	483	527	418	15,577
65 - 74	M	Non-Inst	13,562	7,940	1,045	5,108	3,356	11,204	226	5,025	1,541	5,919	54,926
75 +	M	Non-Inst	11,467	5,469	981	4,790	2,143	10,478	328	5,747	1,663	6,802	49,867
All Ages - Non MC	M	Non-Inst	7,255	2,321	39	787	76	267	36	419	447	270	11,918
<b>Total</b>			<b>122,834</b>	<b>64,404</b>	<b>13,428</b>	<b>54,642</b>	<b>38,215</b>	<b>116,120</b>	<b>4,330</b>	<b>67,855</b>	<b>13,492</b>	<b>76,089</b>	<b>571,409</b>
<b>2. 2009 Original Capitation Rates without MERC and after Ratable Reductions</b>													
65 - 74	F	Instt	\$ 604.94	\$ 754.07	\$ 537.59	\$ 537.54	\$ 322.72	\$ 405.95	\$ 400.07	\$ 396.18	\$ 380.68	\$ 380.52	\$ 501.84
75 - 84	F	Instt	\$ 421.21	\$ 524.79	\$ 373.95	\$ 373.94	\$ 224.85	\$ 282.66	\$ 278.61	\$ 275.87	\$ 265.07	\$ 264.96	\$ 333.45
85 +	F	Instt	\$ 295.49	\$ 367.84	\$ 262.18	\$ 262.23	\$ 157.67	\$ 198.24	\$ 195.30	\$ 193.35	\$ 185.77	\$ 185.70	\$ 224.36
All Ages - Non MC	F	Instt	\$ 2,752.44	\$ 3,426.77	\$ 2,443.33	\$ 2,443.62	\$ 1,468.04	\$ 1,845.89	\$ 1,819.37	\$ 1,801.30	\$ 1,730.71	\$ 1,730.00	\$ 2,277.62
65 - 74	M	Instt	\$ 594.50	\$ 740.53	\$ 528.14	\$ 528.04	\$ 317.39	\$ 398.81	\$ 393.28	\$ 389.01	\$ 373.81	\$ 374.09	\$ 486.60
75 - 84	M	Instt	\$ 468.61	\$ 584.04	\$ 416.15	\$ 416.19	\$ 250.07	\$ 314.44	\$ 310.07	\$ 307.01	\$ 294.61	\$ 294.86	\$ 364.18
85 +	M	Instt	\$ 387.15	\$ 482.28	\$ 343.84	\$ 343.82	\$ 206.56	\$ 259.83	\$ 255.87	\$ 253.38	\$ 243.46	\$ 243.36	\$ 286.72
All Ages - Non MC	M	Instt	\$ 2,751.50	\$ 3,427.72	\$ 2,442.58	\$ 2,442.86	\$ 1,468.35	\$ 1,845.73	\$ 1,819.28	\$ 1,801.23	\$ 1,730.65	\$ 1,729.94	\$ 2,275.93
65 - 74	F	Non-Inst	\$ 733.67	\$ 913.63	\$ 651.58	\$ 651.43	\$ 391.29	\$ 492.22	\$ 485.18	\$ 479.97	\$ 461.21	\$ 461.01	\$ 623.80
75 +	F	Non-Inst	\$ 876.31	\$ 1,091.90	\$ 778.20	\$ 778.10	\$ 467.84	\$ 588.34	\$ 579.29	\$ 573.67	\$ 551.24	\$ 551.01	\$ 696.68
All Ages - Non MC	F	Non-Inst	\$ 2,109.39	\$ 2,627.92	\$ 1,872.92	\$ 1,873.29	\$ 1,125.09	\$ 1,415.48	\$ 1,395.74	\$ 1,381.79	\$ 1,327.60	\$ 1,327.06	\$ 2,080.90
65 - 74	M	Non-Inst	\$ 671.86	\$ 836.69	\$ 596.80	\$ 596.71	\$ 358.65	\$ 450.90	\$ 444.09	\$ 439.79	\$ 422.59	\$ 422.41	\$ 567.02
75 +	M	Non-Inst	\$ 941.96	\$ 1,173.66	\$ 836.59	\$ 836.40	\$ 502.62	\$ 632.10	\$ 623.09	\$ 616.40	\$ 592.31	\$ 592.74	\$ 772.27
All Ages - Non MC	M	Non-Inst	\$ 1,987.68	\$ 2,476.76	\$ 1,765.82	\$ 1,764.61	\$ 1,061.45	\$ 1,334.47	\$ 1,315.39	\$ 1,302.03	\$ 1,250.90	\$ 1,250.38	\$ 1,976.42
<b>Total</b>			<b>\$ 882.54</b>	<b>\$ 1,011.85</b>	<b>\$ 616.52</b>	<b>\$ 674.45</b>	<b>\$ 352.83</b>	<b>\$ 459.61</b>	<b>\$ 468.90</b>	<b>\$ 429.56</b>	<b>\$ 511.99</b>	<b>\$ 420.49</b>	<b>\$ 622.39</b>
<b>3. 2009 Capitation Rates Recalculated using Average 2009 Capitation Rate and Recommended Adjustment Factors</b>													
65 - 74	F	Instt	\$ 525.08	\$ 587.48	\$ 480.90	\$ 480.90	\$ 328.94	\$ 402.61	\$ 406.87	\$ 406.87	\$ 372.81	\$ 372.81	\$ 455.20
75 - 84	F	Instt	\$ 396.18	\$ 443.27	\$ 362.85	\$ 362.85	\$ 248.19	\$ 303.78	\$ 307.00	\$ 307.00	\$ 281.30	\$ 281.30	\$ 333.27
85 +	F	Instt	\$ 294.50	\$ 329.50	\$ 269.72	\$ 269.72	\$ 184.49	\$ 225.81	\$ 228.20	\$ 228.20	\$ 209.10	\$ 209.10	\$ 241.42
All Ages - Non MC	F	Instt	\$ 1,781.00	\$ 1,992.68	\$ 1,631.17	\$ 1,631.17	\$ 1,115.73	\$ 1,365.60	\$ 1,380.07	\$ 1,380.07	\$ 1,264.55	\$ 1,264.55	\$ 1,542.11
65 - 74	M	Instt	\$ 523.88	\$ 586.14	\$ 479.81	\$ 479.81	\$ 328.19	\$ 401.69	\$ 405.95	\$ 405.95	\$ 371.96	\$ 371.96	\$ 450.50
75 - 84	M	Instt	\$ 445.80	\$ 498.79	\$ 408.30	\$ 408.30	\$ 279.28	\$ 341.82	\$ 345.44	\$ 345.44	\$ 316.53	\$ 316.53	\$ 370.92
85 +	M	Instt	\$ 381.12	\$ 426.42	\$ 349.06	\$ 349.06	\$ 238.76	\$ 292.23	\$ 295.32	\$ 295.32	\$ 270.60	\$ 270.60	\$ 307.53
All Ages - Non MC	M	Instt	\$ 1,781.00	\$ 1,992.68	\$ 1,631.17	\$ 1,631.17	\$ 1,115.73	\$ 1,365.60	\$ 1,380.07	\$ 1,380.07	\$ 1,264.55	\$ 1,264.55	\$ 1,548.78
65 - 74	F	Non-Inst	\$ 734.25	\$ 821.52	\$ 672.48	\$ 672.48	\$ 459.98	\$ 562.99	\$ 568.96	\$ 568.96	\$ 521.33	\$ 521.33	\$ 646.78
75 +	F	Non-Inst	\$ 826.14	\$ 924.33	\$ 756.64	\$ 756.64	\$ 517.55	\$ 633.45	\$ 640.17	\$ 640.17	\$ 586.58	\$ 586.58	\$ 696.67
All Ages - Non MC	F	Non-Inst	\$ 1,949.48	\$ 2,181.19	\$ 1,785.48	\$ 1,785.48	\$ 1,221.27	\$ 1,494.78	\$ 1,510.62	\$ 1,510.62	\$ 1,384.17	\$ 1,384.17	\$ 1,907.28
65 - 74	M	Non-Inst	\$ 694.56	\$ 777.12	\$ 636.13	\$ 636.13	\$ 435.12	\$ 532.56	\$ 538.21	\$ 538.21	\$ 493.15	\$ 493.15	\$ 608.75
75 +	M	Non-Inst	\$ 851.32	\$ 952.50	\$ 779.70	\$ 779.70	\$ 533.32	\$ 652.75	\$ 659.67	\$ 659.67	\$ 604.45	\$ 604.45	\$ 733.49
All Ages - Non MC	M	Non-Inst	\$ 2,047.79	\$ 2,291.18	\$ 1,875.51	\$ 1,875.51	\$ 1,282.86	\$ 1,570.16	\$ 1,586.80	\$ 1,586.80	\$ 1,453.97	\$ 1,453.97	\$ 2,014.32
<b>Total</b>			<b>\$ 847.42</b>	<b>\$ 876.11</b>	<b>\$ 605.13</b>	<b>\$ 667.62</b>	<b>\$ 396.13</b>	<b>\$ 502.24</b>	<b>\$ 525.35</b>	<b>\$ 486.29</b>	<b>\$ 555.34</b>	<b>\$ 453.16</b>	<b>\$ 622.72</b>

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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
<b>4. Dollar Difference between Recalculated Capitation Rates and Original Capitation Rates</b>													
65 - 74	F	Instt	\$ (79.86)	\$ (166.58)	\$ (56.69)	\$ (56.64)	\$ 6.22	\$ (3.34)	\$ 6.81	\$ 10.70	\$ (7.86)	\$ (7.71)	\$ (46.64)
75 - 84	F	Instt	\$ (25.02)	\$ (81.51)	\$ (11.09)	\$ (11.09)	\$ 23.34	\$ 21.12	\$ 28.39	\$ 31.12	\$ 16.23	\$ 16.34	\$ (0.17)
85 +	F	Instt	\$ (0.99)	\$ (38.34)	\$ 7.54	\$ 7.50	\$ 26.82	\$ 27.57	\$ 32.90	\$ 34.85	\$ 23.33	\$ 23.40	\$ 17.06
All Ages - Non MC	F	Instt	\$ (971.44)	\$ (1,434.09)	\$ (812.16)	\$ (812.45)	\$ (352.31)	\$ (480.30)	\$ (439.30)	\$ (421.23)	\$ (466.17)	\$ (465.45)	\$ (735.51)
65 - 74	M	Instt	\$ (70.62)	\$ (154.39)	\$ (48.33)	\$ (48.24)	\$ 10.80	\$ 2.88	\$ 12.67	\$ 16.93	\$ (1.84)	\$ (2.12)	\$ (36.10)
75 - 84	M	Instt	\$ (22.81)	\$ (85.25)	\$ (7.86)	\$ (7.89)	\$ 29.21	\$ 27.38	\$ 35.38	\$ 38.43	\$ 21.92	\$ 21.67	\$ 6.74
85 +	M	Instt	\$ (6.02)	\$ (55.86)	\$ 5.22	\$ 5.24	\$ 32.20	\$ 32.40	\$ 39.45	\$ 41.95	\$ 27.14	\$ 27.24	\$ 20.82
All Ages - Non MC	M	Instt	\$ (970.49)	\$ (1,435.03)	\$ (811.40)	\$ (811.68)	\$ (352.62)	\$ (480.13)	\$ (439.21)	\$ (421.16)	\$ (466.10)	\$ (465.39)	\$ (727.15)
65 - 74	F	Non-Inst	\$ 0.58	\$ (92.11)	\$ 20.90	\$ 21.05	\$ 68.69	\$ 70.78	\$ 83.78	\$ 88.99	\$ 60.13	\$ 60.32	\$ 22.98
75 +	F	Non-Inst	\$ (50.17)	\$ (167.57)	\$ (21.56)	\$ (21.46)	\$ 49.70	\$ 45.11	\$ 60.88	\$ 66.49	\$ 35.34	\$ 35.57	\$ (0.01)
All Ages - Non MC	F	Non-Inst	\$ (159.91)	\$ (446.73)	\$ (87.44)	\$ (87.81)	\$ 96.19	\$ 79.30	\$ 114.88	\$ 128.84	\$ 56.57	\$ 57.12	\$ (173.61)
65 - 74	M	Non-Inst	\$ 22.70	\$ (59.57)	\$ 39.33	\$ 39.42	\$ 76.46	\$ 81.66	\$ 94.12	\$ 98.41	\$ 70.56	\$ 70.74	\$ 41.73
75 +	M	Non-Inst	\$ (90.64)	\$ (221.16)	\$ (56.89)	\$ (56.70)	\$ 30.70	\$ 20.65	\$ 36.59	\$ 43.27	\$ 12.15	\$ 11.71	\$ (38.78)
All Ages - Non MC	M	Non-Inst	\$ 60.11	\$ (185.59)	\$ 109.70	\$ 110.90	\$ 221.41	\$ 235.69	\$ 271.41	\$ 284.77	\$ 203.07	\$ 203.59	\$ 37.89
Total			\$ (35.12)	\$ (135.74)	\$ (11.39)	\$ (6.83)	\$ 43.30	\$ 42.63	\$ 56.45	\$ 56.73	\$ 43.35	\$ 32.68	\$ 0.33
<b>5. Dollar Difference as a Percentage of Original Capitation Rates</b>													
65 - 74	F	Instt	-13.2%	-22.1%	-10.5%	-10.5%	1.9%	-0.8%	1.7%	2.7%	-2.1%	-2.0%	-9.3%
75 - 84	F	Instt	-5.9%	-15.5%	-3.0%	-3.0%	10.4%	7.5%	10.2%	11.3%	6.1%	6.2%	-0.1%
85 +	F	Instt	-0.3%	-10.4%	2.9%	2.9%	17.0%	13.9%	16.8%	18.0%	12.6%	12.6%	7.6%
All Ages - Non MC	F	Instt	-35.3%	-41.8%	-33.2%	-33.2%	-24.0%	-26.0%	-24.1%	-23.4%	-26.9%	-26.9%	-32.3%
65 - 74	M	Instt	-11.9%	-20.8%	-9.2%	-9.1%	3.4%	0.7%	3.2%	4.4%	-0.5%	-0.6%	-7.4%
75 - 84	M	Instt	-4.9%	-14.6%	-1.9%	-1.9%	11.7%	8.7%	11.4%	12.5%	7.4%	7.3%	1.9%
85 +	M	Instt	-1.6%	-11.6%	1.5%	1.5%	15.6%	12.5%	15.4%	16.6%	11.1%	11.2%	7.3%
All Ages - Non MC	M	Instt	-35.3%	-41.9%	-33.2%	-33.2%	-24.0%	-26.0%	-24.1%	-23.4%	-26.9%	-26.9%	-31.9%
65 - 74	F	Non-Inst	0.1%	-10.1%	3.2%	3.2%	17.6%	14.4%	17.3%	18.5%	13.0%	13.1%	3.7%
75 +	F	Non-Inst	-5.7%	-15.3%	-2.8%	-2.8%	10.6%	7.7%	10.5%	11.6%	6.4%	6.5%	0.0%
All Ages - Non MC	F	Non-Inst	-7.6%	-17.0%	-4.7%	-4.7%	8.5%	5.6%	8.2%	9.3%	4.3%	4.3%	-8.3%
65 - 74	M	Non-Inst	3.4%	-7.1%	6.6%	6.6%	21.3%	18.1%	21.2%	22.4%	16.7%	16.7%	7.4%
75 +	M	Non-Inst	-9.6%	-18.8%	-6.8%	-6.8%	6.1%	3.3%	5.9%	7.0%	2.1%	2.0%	-5.0%
All Ages - Non MC	M	Non-Inst	3.0%	-7.5%	6.2%	6.3%	20.9%	17.7%	20.6%	21.9%	16.2%	16.3%	1.9%
Total			-4.0%	-13.4%	-1.8%	-1.0%	12.3%	9.3%	12.0%	13.2%	8.5%	7.8%	0.1%

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**Exhibit A.3: Calculation of Percentage Change in Demographic Capitation Rates (Average with and without MERC)**

Rate Cell			Hennepin	Ramsey	Greater Metro	Core Metro	North East	North Central	Carver	South West	Olmsted	South East	Total
<b>1. 2008 Enrollment by Rate Cell - MSC Duals and All Non MC</b>													
65 - 74	F	Instit	1,052	438	104	279	287	518	31	209	72	299	3,288
75 - 84	F	Instit	1,450	823	218	571	633	1,066	61	213	123	788	5,948
85 +	F	Instit	2,186	1,347	358	841	1,211	2,201	129	664	328	1,758	11,022
All Ages - Non MC	F	Instit	253	72	31	96	76	144	-	56	-	134	862
65 - 74	M	Instit	1,084	313	75	266	251	310	42	158	11	219	2,730
75 - 84	M	Instit	628	290	103	197	263	678	5	195	84	355	2,799
85 +	M	Instit	452	226	94	213	265	624	54	130	120	383	2,561
All Ages - Non MC	M	Instit	218	28	19	42	59	89	-	65	-	54	574
65 - 74	F	Non-Inst	8,485	4,374	621	3,768	1,820	5,403	223	1,134	635	1,711	28,175
75 +	F	Non-Inst	8,875	3,931	819	4,067	3,532	7,998	317	1,174	780	2,608	34,101
All Ages - Non MC	F	Non-Inst	9,041	2,918	186	1,306	98	513	87	483	527	418	15,577
65 - 74	M	Non-Inst	5,238	2,849	454	1,778	972	3,649	65	1,061	411	1,388	17,865
75 +	M	Non-Inst	4,241	1,501	261	1,280	676	2,467	44	542	434	1,005	12,452
All Ages - Non MC	M	Non-Inst	7,255	2,321	39	787	76	267	36	419	447	270	11,918
Total			50,461	21,430	3,382	15,492	10,219	25,926	1,093	6,502	3,974	11,391	149,870
<b>2. 2008 Enrollment by Rate Cell - MSHO Duals</b>													
65 - 74	F	Instit	2,646	1,263	335	764	885	2,134	58	1,287	195	1,345	10,913
75 - 84	F	Instit	5,321	2,545	755	2,784	2,307	6,345	235	4,659	399	4,846	30,194
85 +	F	Instit	9,888	5,082	1,960	5,250	6,050	17,025	669	14,322	1,131	12,966	74,344
All Ages - Non MC	F	Instit	-	-	-	-	-	-	-	-	-	-	-
65 - 74	M	Instit	1,678	883	276	527	635	1,775	40	1,143	185	1,198	8,339
75 - 84	M	Instit	2,118	1,032	332	929	925	2,956	71	2,323	153	2,209	13,047
85 +	M	Instit	1,534	899	299	828	1,034	3,661	105	3,176	164	3,184	14,884
All Ages - Non MC	M	Instit	-	-	-	-	-	-	-	-	-	-	-
65 - 74	F	Non-Inst	14,948	10,148	1,379	9,224	4,447	12,656	430	7,497	1,703	8,439	70,872
75 +	F	Non-Inst	18,693	12,062	3,399	12,005	7,862	28,076	1,183	17,777	3,231	20,183	124,468
All Ages - Non MC	F	Non-Inst	-	-	-	-	-	-	-	-	-	-	-
65 - 74	M	Non-Inst	8,324	5,091	591	3,330	2,384	7,555	162	3,964	1,130	4,532	37,062
75 +	M	Non-Inst	7,226	3,968	720	3,510	1,467	8,011	285	5,204	1,229	5,796	37,415
All Ages - Non MC	M	Non-Inst	-	-	-	-	-	-	-	-	-	-	-
Total			72,373	42,974	10,046	39,150	27,996	90,194	3,237	61,352	9,519	64,698	421,539
<b>3. 2009 Original Capitation Rates (Average with and without MERC)</b>													
65 - 74	F	Instit	\$ 634.04	\$ 765.50	\$ 544.26	\$ 545.57	\$ 326.69	\$ 411.26	\$ 405.41	\$ 401.72	\$ 385.20	\$ 385.59	\$ 514.71
75 - 84	F	Instit	\$ 443.46	\$ 532.88	\$ 378.66	\$ 380.27	\$ 227.72	\$ 286.60	\$ 283.12	\$ 280.16	\$ 268.36	\$ 268.66	\$ 341.63
85 +	F	Instit	\$ 311.76	\$ 373.77	\$ 265.79	\$ 266.84	\$ 159.81	\$ 201.10	\$ 198.64	\$ 196.36	\$ 188.11	\$ 188.36	\$ 229.56
All Ages - Non MC	F	Instit	\$ 2,752.44	\$ 3,426.77	\$ 2,443.33	\$ 2,443.62	\$ 1,468.04	\$ 1,845.89	\$ -	\$ 1,801.30	\$ -	\$ 1,730.00	\$ 2,277.62
65 - 74	M	Instit	\$ 618.78	\$ 751.69	\$ 534.88	\$ 535.21	\$ 321.08	\$ 404.33	\$ 397.19	\$ 394.57	\$ 379.54	\$ 379.23	\$ 498.64
75 - 84	M	Instit	\$ 492.91	\$ 593.34	\$ 421.32	\$ 423.19	\$ 253.24	\$ 318.60	\$ 315.98	\$ 311.62	\$ 297.70	\$ 298.99	\$ 372.73
85 +	M	Instit	\$ 407.25	\$ 490.15	\$ 348.09	\$ 349.40	\$ 209.23	\$ 263.44	\$ 259.32	\$ 257.34	\$ 245.75	\$ 246.89	\$ 292.80
All Ages - Non MC	M	Instit	\$ 2,751.50	\$ 3,427.72	\$ 2,442.58	\$ 2,442.86	\$ 1,468.35	\$ 1,845.73	\$ -	\$ 1,801.23	\$ -	\$ 1,729.94	\$ 2,275.93
65 - 74	F	Non-Inst	\$ 765.14	\$ 926.66	\$ 658.89	\$ 660.87	\$ 395.80	\$ 497.83	\$ 491.70	\$ 486.75	\$ 466.67	\$ 467.25	\$ 638.05
75 +	F	Non-Inst	\$ 916.26	\$ 1,108.71	\$ 788.40	\$ 789.96	\$ 473.09	\$ 595.79	\$ 588.61	\$ 582.42	\$ 558.46	\$ 558.94	\$ 712.30
All Ages - Non MC	F	Non-Inst	\$ 2,109.39	\$ 2,627.92	\$ 1,872.92	\$ 1,873.29	\$ 1,125.09	\$ 1,415.48	\$ 1,395.74	\$ 1,381.79	\$ 1,327.60	\$ 1,327.06	\$ 2,080.90
65 - 74	M	Non-Inst	\$ 699.59	\$ 847.64	\$ 602.29	\$ 604.65	\$ 362.80	\$ 455.84	\$ 450.56	\$ 445.44	\$ 427.63	\$ 427.67	\$ 579.44
75 +	M	Non-Inst	\$ 981.87	\$ 1,191.04	\$ 846.57	\$ 848.91	\$ 508.21	\$ 639.96	\$ 634.11	\$ 625.48	\$ 599.43	\$ 600.96	\$ 790.63
All Ages - Non MC	M	Non-Inst	\$ 1,987.68	\$ 2,476.76	\$ 1,765.82	\$ 1,764.61	\$ 1,061.45	\$ 1,334.47	\$ 1,315.39	\$ 1,302.03	\$ 1,250.90	\$ 1,250.38	\$ 1,976.42
Total			\$ 917.50	\$ 1,025.63	\$ 624.02	\$ 684.31	\$ 357.03	\$ 465.41	\$ 476.05	\$ 435.88	\$ 517.86	\$ 426.30	\$ 637.55
<b>4. 2009 Capitation Rates Recalculated using Average 2009 Capitation Rate and Recommended Adjustment Factors</b>													
65 - 74	F	Instit	\$ 550.34	\$ 596.39	\$ 486.87	\$ 488.09	\$ 332.98	\$ 407.87	\$ 412.31	\$ 412.56	\$ 377.24	\$ 377.77	\$ 466.59
75 - 84	F	Instit	\$ 417.12	\$ 450.11	\$ 367.43	\$ 369.00	\$ 251.36	\$ 308.01	\$ 311.97	\$ 311.77	\$ 284.79	\$ 285.23	\$ 341.23
85 +	F	Instit	\$ 310.71	\$ 334.82	\$ 273.43	\$ 274.47	\$ 186.99	\$ 229.06	\$ 232.11	\$ 231.75	\$ 211.73	\$ 212.09	\$ 246.85
All Ages - Non MC	F	Instit	\$ 1,781.00	\$ 1,992.68	\$ 1,631.17	\$ 1,631.17	\$ 1,115.73	\$ 1,365.60	\$ -	\$ 1,380.07	\$ -	\$ 1,264.55	\$ 1,542.11
65 - 74	M	Instit	\$ 545.27	\$ 594.97	\$ 485.93	\$ 486.32	\$ 332.01	\$ 407.25	\$ 409.98	\$ 411.75	\$ 377.67	\$ 377.08	\$ 461.35
75 - 84	M	Instit	\$ 468.92	\$ 506.73	\$ 413.36	\$ 415.17	\$ 282.81	\$ 346.34	\$ 352.03	\$ 350.63	\$ 319.85	\$ 320.96	\$ 379.37
85 +	M	Instit	\$ 400.91	\$ 433.38	\$ 353.38	\$ 354.72	\$ 241.85	\$ 296.29	\$ 299.31	\$ 299.94	\$ 273.14	\$ 274.53	\$ 313.87
All Ages - Non MC	M	Instit	\$ 1,781.00	\$ 1,992.68	\$ 1,631.17	\$ 1,631.17	\$ 1,115.73	\$ 1,365.60	\$ -	\$ 1,380.07	\$ -	\$ 1,264.55	\$ 1,548.78
65 - 74	F	Non-Inst	\$ 765.75	\$ 833.24	\$ 680.02	\$ 682.23	\$ 465.29	\$ 569.41	\$ 576.60	\$ 577.00	\$ 527.51	\$ 528.38	\$ 661.27
75 +	F	Non-Inst	\$ 863.81	\$ 938.56	\$ 766.56	\$ 768.18	\$ 523.35	\$ 641.47	\$ 650.47	\$ 649.93	\$ 594.26	\$ 595.03	\$ 711.88
All Ages - Non MC	F	Non-Inst	\$ 1,949.48	\$ 2,181.19	\$ 1,785.48	\$ 1,785.48	\$ 1,221.27	\$ 1,494.78	\$ 1,510.62	\$ 1,510.62	\$ 1,384.17	\$ 1,384.17	\$ 1,907.28
65 - 74	M	Non-Inst	\$ 723.22	\$ 787.28	\$ 641.98	\$ 644.59	\$ 440.14	\$ 538.40	\$ 546.04	\$ 545.11	\$ 499.03	\$ 499.29	\$ 621.81
75 +	M	Non-Inst	\$ 887.39	\$ 966.60	\$ 789.00	\$ 791.36	\$ 539.25	\$ 660.87	\$ 671.35	\$ 669.39	\$ 611.72	\$ 612.83	\$ 750.50
All Ages - Non MC	M	Non-Inst	\$ 2,047.79	\$ 2,291.18	\$ 1,875.51	\$ 1,875.51	\$ 1,282.86	\$ 1,570.16	\$ 1,586.80	\$ 1,586.80	\$ 1,453.97	\$ 1,453.97	\$ 2,014.32
Total			\$ 880.99	\$ 888.04	\$ 612.49	\$ 677.38	\$ 400.85	\$ 508.58	\$ 533.37	\$ 493.44	\$ 561.71	\$ 459.43	\$ 637.55

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Ms. Karen Peed  
December 16, 2009

**Exhibit A.3 Cont.: Calculation of Percentage Change in Demographic Capitation Rates (Average with and without MERC)**

Rate Cell			Hennepin	Ramsey	Greater Metro	Core Metro	North East	North Central	Carver	South West	Olmsted	South East	Total
<b>5. Dollar Difference between Recalculated Capitation Rates and Original Capitation Rates</b>													
65 - 74	F	Instt	\$ (83.71)	\$ (169.11)	\$ (57.39)	\$ (57.49)	\$ 6.29	\$ (3.38)	\$ 6.90	\$ 10.85	\$ (7.96)	\$ (7.81)	\$ (48.12)
75 - 84	F	Instt	\$ (26.34)	\$ (82.77)	\$ (11.23)	\$ (11.27)	\$ 23.64	\$ 21.41	\$ 28.85	\$ 31.61	\$ 16.43	\$ 16.57	\$ (0.40)
85 +	F	Instt	\$ (1.04)	\$ (38.96)	\$ 7.65	\$ 7.63	\$ 27.18	\$ 27.96	\$ 33.47	\$ 35.39	\$ 23.63	\$ 23.74	\$ 17.29
All Ages - Non MC	F	Instt	\$ (971.44)	\$ (1,434.09)	\$ (812.16)	\$ (812.45)	\$ (352.31)	\$ (480.30)	\$ -	\$ (421.23)	\$ -	\$ (465.45)	\$ (735.51)
65 - 74	M	Instt	\$ (73.50)	\$ (156.71)	\$ (48.95)	\$ (48.89)	\$ 10.93	\$ 2.92	\$ 12.79	\$ 17.17	\$ (1.87)	\$ (2.15)	\$ (37.29)
75 - 84	M	Instt	\$ (23.99)	\$ (86.61)	\$ (7.95)	\$ (8.02)	\$ 29.57	\$ 27.74	\$ 36.05	\$ 39.01	\$ 22.15	\$ 21.98	\$ 6.64
85 +	M	Instt	\$ (6.34)	\$ (56.77)	\$ 5.29	\$ 5.32	\$ 32.61	\$ 32.85	\$ 39.98	\$ 42.60	\$ 27.39	\$ 27.64	\$ 21.07
All Ages - Non MC	M	Instt	\$ (970.49)	\$ (1,435.03)	\$ (811.40)	\$ (811.68)	\$ (352.62)	\$ (480.13)	\$ -	\$ (421.16)	\$ -	\$ (465.39)	\$ (727.15)
65 - 74	F	Non-Inst	\$ 0.61	\$ (93.42)	\$ 21.14	\$ 21.36	\$ 69.49	\$ 71.58	\$ 84.91	\$ 90.25	\$ 60.84	\$ 61.14	\$ 23.22
75 +	F	Non-Inst	\$ (52.45)	\$ (170.15)	\$ (21.84)	\$ (21.78)	\$ 50.26	\$ 45.68	\$ 61.86	\$ 67.51	\$ 35.80	\$ 36.08	\$ (0.42)
All Ages - Non MC	F	Non-Inst	\$ (159.91)	\$ (446.73)	\$ (87.44)	\$ (87.81)	\$ 96.19	\$ 79.30	\$ 114.88	\$ 128.84	\$ 56.57	\$ 57.12	\$ (173.61)
65 - 74	M	Non-Inst	\$ 23.64	\$ (60.35)	\$ 39.69	\$ 39.94	\$ 77.35	\$ 82.56	\$ 95.49	\$ 99.67	\$ 71.40	\$ 71.62	\$ 42.37
75 +	M	Non-Inst	\$ (94.48)	\$ (224.43)	\$ (57.57)	\$ (57.55)	\$ 31.04	\$ 20.91	\$ 37.23	\$ 43.91	\$ 12.29	\$ 11.87	\$ (40.14)
All Ages - Non MC	M	Non-Inst	\$ 60.11	\$ (185.59)	\$ 109.70	\$ 110.90	\$ 221.41	\$ 235.69	\$ 271.41	\$ 284.77	\$ 203.07	\$ 203.59	\$ 37.89
Total			\$ (36.51)	\$ (137.59)	\$ (11.53)	\$ (6.93)	\$ 43.81	\$ 43.17	\$ 57.31	\$ 57.56	\$ 43.85	\$ 33.13	\$ -
<b>6. Dollar Difference as a Percentage of Original Capitation Rates</b>													
65 - 74	F	Instt	-13.2%	-22.1%	-10.5%	-10.5%	1.9%	-0.8%	1.7%	2.7%	-2.1%	-2.0%	-9.3%
75 - 84	F	Instt	-5.9%	-15.5%	-3.0%	-3.0%	10.4%	7.5%	10.2%	11.3%	6.1%	6.2%	-0.1%
85 +	F	Instt	-0.3%	-10.4%	2.9%	2.9%	17.0%	13.9%	16.8%	18.0%	12.6%	12.6%	7.5%
All Ages - Non MC	F	Instt	-35.3%	-41.8%	-33.2%	-33.2%	-24.0%	-26.0%	0.0%	-23.4%	0.0%	-26.9%	-32.3%
65 - 74	M	Instt	-11.9%	-20.8%	-9.2%	-9.1%	3.4%	0.7%	3.2%	4.4%	-0.5%	-0.6%	-7.5%
75 - 84	M	Instt	-4.9%	-14.6%	-1.9%	-1.9%	11.7%	8.7%	11.4%	12.5%	7.4%	7.3%	1.8%
85 +	M	Instt	-1.6%	-11.6%	1.5%	1.5%	15.6%	12.5%	15.4%	16.6%	11.1%	11.2%	7.2%
All Ages - Non MC	M	Instt	-35.3%	-41.9%	-33.2%	-33.2%	-24.0%	-26.0%	0.0%	-23.4%	0.0%	-26.9%	-31.9%
65 - 74	F	Non-Inst	0.1%	-10.1%	3.2%	3.2%	17.6%	14.4%	17.3%	18.5%	13.0%	13.1%	3.6%
75 +	F	Non-Inst	-5.7%	-15.3%	-2.8%	-2.8%	10.6%	7.7%	10.5%	11.6%	6.4%	6.5%	-0.1%
All Ages - Non MC	F	Non-Inst	-7.6%	-17.0%	-4.7%	-4.7%	8.5%	5.6%	8.2%	9.3%	4.3%	4.3%	-8.3%
65 - 74	M	Non-Inst	3.4%	-7.1%	6.6%	6.6%	21.3%	18.1%	21.2%	22.4%	16.7%	16.7%	7.3%
75 +	M	Non-Inst	-9.6%	-18.8%	-6.8%	-6.8%	6.1%	3.3%	5.9%	7.0%	2.1%	2.0%	-5.1%
All Ages - Non MC	M	Non-Inst	3.0%	-7.5%	6.2%	6.3%	20.9%	17.7%	20.6%	21.9%	16.2%	16.3%	1.9%
Total			-4.0%	-13.4%	-1.8%	-1.0%	12.3%	9.3%	12.0%	13.2%	8.5%	7.8%	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	Greater Metro	North East	North Central	South West	Olmsted/South East
Member Months									
65 - 74	F	Instit	3,725	1,529	1,345	807	2,651	1,530	2,130
75 - 84	F	Instit	7,541	4,203	3,991	3,292	8,072	5,417	7,011
85 +	F	Instit	12,526	7,162	9,025	7,388	20,318	16,290	16,726
All Ages - Non MC	F	Instit	323	66	109	46	60	33	84
65 - 74	M	Instit	2,734	1,127	953	789	1,977	1,299	1,618
75 - 84	M	Instit	3,078	1,412	1,606	1,272	3,743	2,980	3,100
85 +	M	Instit	1,999	1,207	1,421	1,541	4,665	3,734	4,017
All Ages - Non MC	M	Instit	275	59	40	10	51	41	54
65 - 74	F	Non-Inst	21,348	13,727	12,777	5,332	14,811	9,144	11,394
75 +	F	Non-Inst	23,514	15,256	16,307	8,302	28,452	18,806	23,765
All Ages - Non MC	F	Non-Inst	8,681	2,603	1,594	127	433	456	1,045
65 - 74	M	Non-Inst	12,588	7,201	5,392	2,988	8,721	4,650	6,679
75 +	M	Non-Inst	9,017	4,983	4,292	1,645	8,133	5,624	7,257
All Ages - Non MC	M	Non-Inst	6,484	2,169	855	87	235	440	676
Relativity Factors									
65 - 74	F	Instit	0.769	0.709	0.764	0.655	0.920	0.694	0.653
75 - 84	F	Instit	0.594	0.548	0.636	0.490	0.543	0.548	0.483
85 +	F	Instit	0.432	0.400	0.434	0.357	0.374	0.432	0.335
All Ages - Non MC	F	Instit	3.259	2.472	2.527	1.304	1.386	0.928	1.646
65 - 74	M	Instit	0.875	0.871	0.609	0.795	0.739	0.766	0.888
75 - 84	M	Instit	0.617	0.597	0.627	0.547	0.686	0.599	0.604
85 +	M	Instit	0.550	0.515	0.542	0.383	0.499	0.526	0.457
All Ages - Non MC	M	Instit	7.583	1.960	4.704	2.552	4.691	6.933	1.598
65 - 74	F	Non-Inst	1.276	1.318	1.079	0.702	0.821	0.799	0.805
75 +	F	Non-Inst	1.690	1.915	1.292	0.685	0.930	0.967	0.829
All Ages - Non MC	F	Non-Inst	3.134	3.416	2.938	2.106	1.875	1.519	1.946
65 - 74	M	Non-Inst	1.265	1.343	1.116	0.604	0.725	0.726	0.710
75 +	M	Non-Inst	1.656	1.895	1.529	0.877	0.954	0.976	0.824
All Ages - Non MC	M	Non-Inst	3.242	2.806	2.245	2.335	2.646	2.262	2.144

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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	Greater Metro	North East	North Central	South West	Olmsted/South East
Member Months									
65 - 74	F	Instit	3,778	1,664	1,580	770	2,499	1,480	2,162
75 - 84	F	Instit	7,178	3,850	4,260	3,221	7,536	5,103	6,640
85 +	F	Instit	12,361	7,138	8,907	7,935	19,740	16,327	16,744
All Ages - Non MC	F	Instit	326	60	73	46	61	19	81
65 - 74	M	Instit	2,821	1,234	1,016	788	1,819	1,264	1,703
75 - 84	M	Instit	2,830	1,409	1,517	1,232	3,761	2,708	3,105
85 +	M	Instit	2,016	1,254	1,382	1,503	4,456	3,701	4,141
All Ages - Non MC	M	Instit	239	40	26	17	46	48	31
65 - 74	F	Non-Inst	22,802	14,361	14,191	6,067	16,178	9,273	12,081
75 +	F	Non-Inst	27,150	16,108	19,317	11,138	32,589	20,054	26,432
All Ages - Non MC	F	Non-Inst	9,058	2,812	1,687	119	413	520	947
65 - 74	M	Non-Inst	13,263	7,538	5,892	3,210	9,616	5,124	7,111
75 +	M	Non-Inst	10,460	5,238	5,269	2,234	9,298	5,982	8,184
All Ages - Non MC	M	Non-Inst	7,417	2,282	942	91	222	434	616
Relativity Factors									
65 - 74	F	Instit	0.687	0.773	0.727	0.762	0.757	0.683	0.749
75 - 84	F	Instit	0.558	0.509	0.655	0.462	0.586	0.477	0.504
85 +	F	Instit	0.383	0.411	0.423	0.344	0.401	0.353	0.346
All Ages - Non MC	F	Instit	2.351	2.264	2.106	2.399	1.986	0.819	1.920
65 - 74	M	Instit	0.836	0.853	0.485	0.541	0.892	0.610	0.700
75 - 84	M	Instit	0.571	0.579	0.511	0.516	0.619	0.543	0.687
85 +	M	Instit	0.416	0.451	0.555	0.454	0.457	0.493	0.481
All Ages - Non MC	M	Instit	5.094	2.589	8.504	1.019	6.171	1.942	3.660
65 - 74	F	Non-Inst	1.200	1.344	1.128	0.682	0.914	0.834	0.841
75 +	F	Non-Inst	1.515	1.869	1.224	0.657	0.944	0.977	0.853
All Ages - Non MC	F	Non-Inst	3.224	3.559	2.396	2.648	2.034	1.821	2.078
65 - 74	M	Non-Inst	1.159	1.328	1.104	0.524	0.821	0.825	0.775
75 +	M	Non-Inst	1.639	1.785	1.317	0.797	0.925	0.989	0.900
All Ages - Non MC	M	Non-Inst	3.130	2.981	3.124	0.825	2.479	2.711	3.614

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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	Greater Metro	North East	North Central	South West	Olmsted/South East
Member Months									
65 - 74	F	Instit	3,698	1,701	1,482	1,172	2,652	1,585	1,911
75 - 84	F	Instit	6,771	3,368	4,328	2,940	7,411	5,168	6,156
85 +	F	Instit	12,074	6,429	8,409	7,261	19,225	15,784	16,184
All Ages - Non MC	F	Instit	253	72	127	76	144	56	134
65 - 74	M	Instit	2,762	1,196	1,144	886	2,085	1,383	1,613
75 - 84	M	Instit	2,746	1,322	1,561	1,188	3,634	2,594	2,801
85 +	M	Instit	1,986	1,125	1,434	1,299	4,286	3,464	3,851
All Ages - Non MC	M	Instit	218	28	61	59	89	65	54
65 - 74	F	Non-Inst	23,433	14,522	14,993	6,267	18,059	9,285	12,488
75 +	F	Non-Inst	27,568	15,993	20,289	11,394	36,073	20,450	26,802
All Ages - Non MC	F	Non-Inst	9,041	2,918	1,492	98	513	570	945
65 - 74	M	Non-Inst	13,562	7,940	6,153	3,356	11,204	5,251	7,461
75 +	M	Non-Inst	11,467	5,469	5,771	2,143	10,478	6,075	8,464
All Ages - Non MC	M	Non-Inst	7,255	2,321	826	76	267	455	718
Relativity Factors									
65 - 74	F	Instit	0.675	0.720	0.627	0.760	0.701	0.698	0.703
75 - 84	F	Instit	0.488	0.513	0.554	0.457	0.545	0.509	0.496
85 +	F	Instit	0.383	0.433	0.410	0.329	0.401	0.377	0.353
All Ages - Non MC	F	Instit	2.293	2.428	1.827	1.426	1.723	1.082	0.624
65 - 74	M	Instit	0.764	0.850	0.623	0.566	0.712	0.606	0.657
75 - 84	M	Instit	0.591	0.497	0.585	0.549	0.583	0.561	0.591
85 +	M	Instit	0.551	0.464	0.564	0.378	0.459	0.494	0.512
All Ages - Non MC	M	Instit	3.348	0.855	4.128	0.529	4.543	0.716	3.364
65 - 74	F	Non-Inst	1.217	1.288	1.057	0.696	0.892	0.910	0.855
75 +	F	Non-Inst	1.417	1.720	1.261	0.790	0.934	1.090	0.838
All Ages - Non MC	F	Non-Inst	3.322	3.617	2.374	2.462	1.489	1.819	2.199
65 - 74	M	Non-Inst	1.097	1.290	1.079	0.611	0.871	0.859	0.777
75 +	M	Non-Inst	1.540	1.560	1.281	0.827	0.923	1.051	0.865
All Ages - Non MC	M	Non-Inst	3.242	3.464	3.263	1.127	3.918	1.627	3.638

**Table B-4: Member Month Weighted Average Relativity Factor**

Relativity Factors									
65 - 74	F	Instit	0.679	0.738	0.661	0.761	0.720	0.693	0.719
75 - 84	F	Instit	0.511	0.512	0.587	0.459	0.559	0.498	0.499
85 +	F	Instit	0.383	0.426	0.415	0.334	0.401	0.369	0.351
All Ages - Non MC	F	Instit	2.312	2.373	1.920	1.750	1.810	0.994	1.056
65 - 74	M	Instit	0.788	0.851	0.577	0.558	0.772	0.607	0.671
75 - 84	M	Instit	0.585	0.524	0.560	0.538	0.595	0.555	0.623
85 +	M	Instit	0.506	0.460	0.561	0.404	0.458	0.493	0.501
All Ages - Non MC	M	Instit	3.930	1.433	5.587	0.692	5.086	1.125	3.463
65 - 74	F	Non-Inst	1.212	1.306	1.081	0.692	0.899	0.885	0.850
75 +	F	Non-Inst	1.450	1.770	1.249	0.746	0.938	1.052	0.843
All Ages - Non MC	F	Non-Inst	3.290	3.598	2.381	2.524	1.670	1.820	2.159
65 - 74	M	Non-Inst	1.118	1.303	1.087	0.582	0.855	0.848	0.776
75 +	M	Non-Inst	1.573	1.635	1.293	0.817	0.923	1.030	0.877
All Ages - Non MC	M	Non-Inst	3.204	3.303	3.217	1.026	3.439	1.988	3.630

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.