

PREFERRED INTEGRATED NETWORK (PIN) AMENDMENT

AMENDMENT NO. 1 TO B22531

Contract Start Date: <u>September 1, 2009</u>	Total Contract Amount: <u>N/A</u>
Original Contract Expiration Date: <u>12/31/2009</u>	Original Contract Amount: <u>PMPM</u>
Current Contract Expiration Date: <u>12/31/2009</u>	Previous Amendment(s): <u>PMPM</u>
Requested Contract Expiration Date: <u>12/31/2009</u>	Amendment Amount: <u>N/A</u>

This amendment is by and between the State of Minnesota, through its Commissioner of the Department of Human Services ("State") and Medica Health Plans Managed Care Organization (MCO), identified as Contract No. **B22531** for Special Needs BasicCare medical care program; and

WHEREAS, the State, pursuant to Minnesota Statutes, § 245.4682, subd. 3, is authorized to implement up to three projects to demonstrate the integration of physical and mental health services within prepaid health plans and their coordination with County social services (herein known as the Preferred Integrated Network, or PIN). The State shall require that each PIN project be based on locally defined partnerships that include at least one MCO, a community integrated service network, and the county or counties within the MCO Service Area; and

WHEREAS, Counties shall retain responsibility and authority for social services in these locally defined partnerships; and

WHEREAS, the State is in need of provision of health care services, including mental health care services, coordinated with county social services for persons eligible for medical assistance with serious mental illness or emotional disturbance; and

WHEREAS, the MCO represents that it is willing to provide for the services set forth in this amendment to the 2009 Special Needs BasicCare Contract.

Therefore, the parties agree that:

REVISION 1. Article 6A. Preferred Integrated Network. The Articles of this Contract are amended to add a new **Article 6A** as follows:

Article 6A Preferred Integrated Network The Preferred Integrated Network (PIN) demonstration project is designed to integrate mental health treatment within the mainstream health care delivery system, ensure coordination with social services, and improve outcomes through timely and effective care through locally defined partnerships pursuant to Minnesota Statutes, § 245.4682, subd. 3. Expected outcomes include improvement in access and quality of physical and mental health care for persons with serious Mental Illness, or Children with Emotional Disturbance (ED), while maintaining access to county administered social services. The PIN will effectively manage the range of treatment and supportive services each Enrollee requires in order to maintain the highest possible level of health, mental wellness and function.

6A.1 General Requirements

6A.1.1 Local Partnership Agreement. Partnership agreement must be approved by the STATE prior to the STATE and MCO contract agreement and implementation. MCO will maintain this agreement until the termination of the project. Any substantive changes in this agreement must be submitted to the STATE for review and approval. For purposes of this section, substantive change means any change that has a direct effect on an Enrollee's ability to access care or services provided by either the MCO or the county partner(s).

- (A) The MCO shall have an agreement with the county partner(s). The agreement must include:
- (1) Enrollee outreach and identification of health and social service needs paired with coordinated access to appropriate resources;
 - (2) A structure for ongoing monitoring of performance;
 - (3) A process for the identification and resolution of problems associated with the effective and efficient coordination and delivery of mental health and medical services to Enrollees; and
 - (4) A process that ensures an active role for local stakeholders to participate in the monitoring and structure of the PIN program. Stakeholders include but are not limited to, Enrollees, Providers, advocates and local advisory councils.
- (B) A description or definition of the roles of each partner, and the assigned responsibilities for the management of the Preferred Integrated Network in order to coordinate access to health care, mental health care and social services for PIN Enrollees;

6A.2 Duties of the PIN MCO

6A.2.1 PIN Program Structure. The MCO is responsible for identifying and implementing strategies for integration of mental health care and physical health care for PIN Enrollees with Mental Illness. The MCO will meet quarterly with the STATE to review the effectiveness of these strategies. The MCO will participate in workgroups in order to improve the integration of mental health and physical health care. Examples of proposed strategies include:

- (A) Co-location of mental health and primary care services,
- (B) Consultative models including continuing education, to improve management of mental health issues Enrollees might be experiencing when presenting in primary care settings,

- (C) Consultative models including continuing education, to improve management of medical issues Enrollees might be experiencing when presenting in a mental health care setting; and
- (D) Comprehensive Care Management and Case Management models.

6A 2.2 Eligibility. Eligibility for the MCO PIN will be determined by the STATE. In addition to the eligibility criteria listed in section 3.1, specific PIN eligibility must be determined. Eligibility for the PIN program includes the following:

- (A) **Service Area.** Section 3.1.1 does not apply to the PIN Enrollee. The Service Area for the PIN Enrollee is limited to the county or counties contracted with the MCO as a Preferred Integrated Network.
- (B) **Eligible PIN Enrollees.** In addition to section 3.1.2, Specific Enrollee Eligibility groups include:
 - (1) Children with ED, (including those with SED.) For SNBC, this age group includes those Children who are at least age eighteen (18) and those less than age twenty-one (21).
 - (2) Disabled Adults with SMI.

6A.3 Enrollment

Enrollment into the PIN will be completed by the STATE.

- (A) Potential Enrollees who meet the criteria for the PIN may opt out of the PIN program within sixty (60) days of receiving notice of enrollment. Enrollees who do not opt out will be enrolled into the PIN through the preferential enrollment process.
- (B) For all Enrollees who are preferentially enrolled into the PIN program, enrollment becomes voluntary at any time after the initial thirty (30) days.
- (C) Disabled adults with SMI or SPMI may also enroll on a voluntary basis into the PIN with payment arrangements for a Medical Spenddown.
- (D) If the Enrollee chooses to disenroll from the PIN, Enrollee options include:
 - (1) Enrollees between the ages of eighteen (18) and twenty-one (21) who are designated as disabled due to SED may return to fee-for-service, or enroll in an SNBC MCO within their Service Area.
 - (2) Adults who are designated as disabled may return to fee-for service, or enroll in an SNBC MCO within their Service Area.

- (3) Once the Enrollee chooses to disenroll from the PIN, MCO coverage will end as outlined in section 3.22 of the SNBC contract.

(E) Preferential Enrollment Intervals.

- (1) Initial PIN preferential enrollment process will be phased in on a monthly basis through the end of Contract Year 2009. Following the phase-in period, preferential Enrollees will be enrolled on a semi-annual basis.
- (2) Each MCO must submit to the State for review and approval by July 1st, 2009, the MCO plan describing the initial phase-in process. Enrollment may be initiated after approval of the process.

6A.3.2 Enrollment responsibilities of MCO are the same as stated in section 3.6 of this Contract, with the exception of:

- (A) The PIN Enrollee will not be required to enroll in the SNP for Medicare Part D services;
- (B) For PIN Enrollees who are eligible for Medicare when enrolled by the STATE, and choose to enroll in the MCO SNP, the MCO must follow the Medicare enrollment process outlined in section 3.6.3.
- (C) Section 3.6.6(A) does not apply to the PIN Enrollee. It is not mandatory that the Enrollee enroll in the Medicare SNP sponsored by the PIN MCO; and
- (D) For purposes of the PIN, section 3.6.7 includes Enrollees who are eligible for Medicare coverage at the time of enrollment.

6A.4 Enrollee Information

6A.4.1 New Enrollment Information.

- (A) A list shall be maintained by the MCO of all Primary Care Providers who also offer mental health services to specific individuals based on age or diagnosis, for use as a resource by the case managers when assisting Enrollees to establish a Primary Care Provider relationship, and
- (B) All Enrollees and prospective Enrollees will be sent a PCNL or a Provider directory, and a list of mental health Providers available in the PIN.

6A.4.2 Direct Enrollee Communication. The MCO member services must:

- (A) Be knowledgeable of the PIN program; and

- (B) Be aware of the types of Mental Illnesses PIN Enrollees may be diagnosed with. This includes the potential signs and symptoms characteristic to serious Mental Illness; and
- (C) Be experienced or receive training in appropriate communication skills that are unique to working with persons who live with chronic Mental Illness, with an emphasis on crisis intervention communication.

6A.5 Payments to MCO. Rates for the PIN are determined using the SNBC rate methodology, with the addition of the add-on rates as listed in Appendix 1, SNBC PINs 2009 Base Rate Tables, and incorporated into this agreement by reference. Payment for Medicaid service providers for the months of May and June will be made no earlier than July 1 of the same Contract Year, pursuant to Minnesota Statutes, § 245.4682, subd. 3(i).

6A.6 Managed Care Withhold. For capitation payments made specific to the PIN, the State shall withhold eight percent (8%) as stated in section 4.17 of the SNBC contract. Data resulting from PIN Enrollees will be used in the calculation of the SNBC withhold measures. The percent of withheld funds will be returned to the MCO according to the timelines stated in section 4.17.

6A.7 Benefit Design and Administration

6A.7.1 PIN Enrollee Services. In addition to the covered services in the Special Needs BasicCare Contract, the PIN partnership will coordinate the provision of the following:

- (A) Within thirty (30) days of enrollment in the PIN, the MCO will assess, triage, and place each Enrollee in an appropriate level of Care Management or Case Management.
 - (1) Each PIN Enrollee will be assigned a primary care manager or case manager designated to coordinate the integration of health care and mental health care needs.
 - (2) Once a primary case manager or care manager has been assigned to a PIN Enrollee, the MCO must ensure the assigned contact person remains as consistent as possible.
 - (3) The MCO will re-assign case managers or care managers at the Enrollee's reasonable request, making every effort to promote an effective working relationship with the Enrollee.
- (B) Within thirty (30) days of enrollment in the PIN program, the MCO will conduct an age appropriate health risk screening by phone or face-to-face that includes mental health screening. Subsequent to initial screening, the MCO will:

- (1) Follow-up with triage that ensures the identification of health and social services needs paired with well coordinated access to appropriate services that may include:
 - (a) Immediate referral and treatment for a current health or mental health issue;
 - (b) Urgent referral and treatment if Enrollee's condition requires this level of intervention; or
 - (c) Immediate referral for necessary social services or resources.
- (2) In addition to referral services, provide a process for continuity of services from the Enrollee's primary care provider for maintenance of treatment and ongoing monitoring.
- (C) Based on the assessment and screening completed in (A) and (B) the MCO will incorporate appropriate follow-up of identified risks and medical or mental health needs into the Enrollee's plan of care;
- (D) Develop processes or activities to maintain continuity of health care coverage;
- (E) MCO will provide Enrollee assistance in establishing a primary care provider relationship;
- (F) Coordination of additional assessments and services as appropriate for each Enrollee. These assessments may include:
 - (1) Periodic Functional assessment;
 - (2) Complete physical assessment;
 - (3) Identify current social services, and assess for additional social needs;
 - (4) Chemical health screening;
 - (5) Chronic disease management care planning process that incorporates the coordination of mental health needs with physical health needs;
 - (6) Assistance in making appropriate referrals to the county for any Enrollees in need of housing, employment, or other social services not covered under this contract; and
 - (7) Court ordered assessments and treatments;
 - (8) For adult PIN Enrollees, the MCO shall make every effort to ensure that all adult enrollees receive an annual physical examination. The MCO will strongly encourage and assist in scheduling an annual preventive physical

exam, and will offer to coordinate any transportation needs. The MCO will document: 1) Enrollee refusals; and 2) MCO efforts to educate Enrollees who choose to refuse this annual exam.

- (9) For Children age eighteen (18) through twenty (20), provide Child and Teen Checkups following the periodicity schedules outlined in section 6.4.1 of this Contract. MCO will document in the child's case management plan or care plan, any efforts to offer healthy child education to parents, and will note specific reasons why children miss these required check-ups.

(G) Coordination of annual follow-up will include:

- (1) Review and update of Mental Illness diagnosis and treatment history, including substance abuse screening; and
- (2) Follow-up risk assessment for previously identified risk factors.

6A.7.2 Care Management Plans In addition to the mental health Case Management requirements listed in Article 6, the care plans developed for PIN Enrollees must:

- (A) Address a comprehensive array of life domains in order to support the Enrollee's needs. The MCO will work in a collaborative manner with the STATE and other PIN MCOs to develop and implement a common operational standard for comprehensive care planning across all PIN programs.
- (B) Identify friends, relatives and other natural supports that the Enrollee wishes to involve in their care;
- (C) Identify Enrollee specific preferences regarding the Enrollee's treatment and service delivery needs, and incorporate the treatment preferences of the enrollee into the care planning process.
- (D) Include, if available, the Minnesota Advance Psychiatric Directive information completed by the adult Enrollee for use in the event of a Mental Illness crisis and the Enrollee is determined to no longer have the mental capacity to participate in the decision making process regarding the Enrollee's mental health care or medical health care needs. See Minnesota Statutes, § 253B.03, subd. 6d.

6A.8 Quality Assessment

6A.8.1 Process reports specific to the PIN program must be submitted to the State by July 1st of the Contract Year. These include:

- (A) Copies of all initial screening and assessment tools. Subsequent updates of current tools or changes to new tools will be submitted to the STATE within thirty (30) days of any changes.
- (B) Any practice guidelines that appropriately apply, or could be revised to apply, to the coordination of access to all areas of health care for Enrollees who live with chronic Mental Illness.
- (C) A description of the MCO PIN strategies, including a description of the Case Management and triage process, including updates or changes to these strategies.
- (D) Any descriptions of evaluation tools, quality improvement initiatives, or quality improvement activities that are directed specifically at PIN Enrollees.

6A.8.2 Quality review reports, if available, must be submitted to the State by December 31st of the first Contract Year, and will be scheduled to coincide with other program reporting requirements in subsequent Contract Years. These include:

- (A) Results from any MCO PIN evaluation process, including feedback on applied quality improvement initiatives or activities that are specific to the PIN program;
- (B) The MCO and contracted Providers will provide PIN service delivery and care plan documentation to any external quality review organization under contract with the State; and
- (C) As required in Article 8, when submitting reports related to the Grievance System, the MCO will identify the PIN Enrollee on all Grievances or Appeals.
- (D) Targeted Case Management reporting includes:
 - (1) The number of Enrollees who were found to be eligible for TCM following the initial PIN assessment described in 6A.7.1(A);
 - (2) The number of Enrollees receiving TCM at time of enrollment, but found ineligible for TCM following the PIN assessment; and
 - (3) The number of Enrollees who had not received TCM prior to PIN enrollment, but were found to be eligible for TCM after the initial PIN assessment. For these Enrollees, the MCO must report the enrollment date, and the actual date the initial TCM services were provided to each Enrollee.

IN WITNESS WHEREOF, the parties hereto have executed this Contract. This Contract is hereby accepted and considered binding in accordance with the terms outlined in the preceding statements.

STATE OF MINNESOTA

Medica Health Plans (MCO)

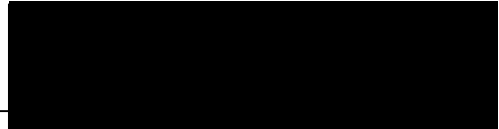
DEPARTMENT OF HUMAN SERVICES

(Two corporate officers must execute)

By:



By:



Title:

Assistant Commissioner

Title:

SVP

Date:

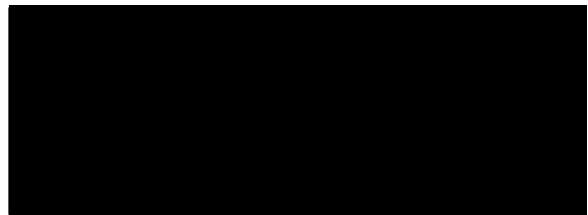
7/2/09

Date:

6-26-09

and

By:



Title:

VP of BM of CHA

Date:

6.29.09

Appendix 1

SNBC PINs 2009 Base Rate Tables

This material assumes that the reader is familiar with Minnesota Medicaid programs, their benefits, eligibility, administration and other factors. The material was prepared solely to provide assistance to the State of Minnesota in setting rates for capitated programs. 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.

Appendix 1A
Special Needs BasicCare - Preferred Integrated Networks
Development of 2009 Rate Components Per Member Per Month (PMPM)
Medica

Population	A.		B.		C.		D.	E.	F.	G.	H.
	Acute Base Rate	Rx Base Rate	From Appendix 2	Spendedown Adjustment	Initial Base Rate	Base Rate MERC Adjstmt.	MHTCM MERC Adjstmt.	DHU Adjstmt.	Base Rate Premium Tax		
Duals	Institutional	Metro 2	330.71	21.41	0.87	352.99	7.06	6.38	N/A	3.49	
	Community	Metro 2	391.57	16.42	6.95	414.94	8.30	6.38	N/A	4.11	
Non-Duals	Institutional	Metro 2	1,837.34	897.54	1.13	2,736.01	54.72	7.15	71.14	26.37	
	Community	Metro 2	1,179.86	401.14	2.14	1,583.14	31.66	7.15	41.16	15.26	

Population	I.		J.	K.	L.	M.	N.	O.	P.	Q.
	Non-CBP Final Base Rate with MERC and DHU Removed	CBP Final Base Rate with MERC and DHU Removed	DHU Add-Back for Non-CBP (includes Premium Tax)	MERC Add-Back	DHU Add-Back for Non-CBP (includes Premium Tax)	DHU Add-Back for CBP	NF Add-On for Non-CBP (includes Premium Tax)	NF Add-On for CBP	MHTCM Add-On for Non-CBP (includes Premium Tax)	MHTCM Add-On for CBP
Duals	Institutional	Metro 2	349.42	N/A	13.44	N/A	N/A	N/A	321.98	318.82
	Community	Metro 2	410.75	N/A	14.68	N/A	13.89	N/A	321.98	318.82
Non-Duals	Institutional	Metro 2	2,636.52	N/A	61.87	71.85	N/A	N/A	360.93	357.39
	Community	Metro 2	1,525.58	N/A	38.81	41.58	14.15	N/A	360.93	357.39

Metro 2 - Anoka, Carver, Dakota, Ramsey, Scott, and Washington Counties

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Appendix 1B
Special Needs BasicCare - Preferred Integrated Networks
2009 Capitation Payment Rates
Medica

		Sep 2009 - Dec 2009												
Rate Regions	MERC Carve Out	DHU Add-on ¹	2009 Risk Adjustment Base Rate ^{1,2}	Plan Risk Factor ³	Plan RA Rate ^{1,2,3}	Plan RA Rate + DHU - Withhold ^{1,3}	Plan RA Rate + DHU + MERC - Withhold ^{1,3}	NF Add-on ¹	MH-TCM Add-on - Withhold ^{1,2}	Total Plan Rate (Includes MERC) ^{1,3}	Plan Reimbursement Amount (Excludes MERC) ^{1,3}			
												1	2	3
Metro 2	Institutionalized	Dual	\$13.44	N/A	\$349.42	1.1067	\$386.69	(3 x 4)	(2 + 5) x 0.92	(6 + 1)	App. 1A (N)	App. 1A (F)	(7 + 8 + 9)	(6 + 8 + 9)
	Non-Dual	Non-Dual	61.87	\$71.85	2,636.52	1.3593	3,583.82			\$355.76	3,363.22	\$289.84	\$659.04	\$645.60
	Non-Institutionalized	Dual	14.68	N/A	410.75	1.1067	494.57			418.20	432.88	\$289.84	736.61	721.93
	Non-Dual	Non-Dual	38.81	41.58	1,525.58	1.3593	2,073.72			1,946.08	1,984.89	324.91	2,323.94	2,285.13

¹ Includes 1% premium tax.
² Does not include MERC Carve-Out or DHU Add-On. Includes 1% premium tax.
³ The plan risk factor and risk adjusted rates will change each quarter

Rate Regions: _____
 Metro 2: Anoka, Carver, Dakota, Ramsey, Scott & Washington Counties

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Appendix 2

SNBC PINs PMPM Cost Models

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Appendix 2
Special Need BasicCare - Preferred Integrated Networks (PINs)
PMPM Cost Models for 2005 Experience and Projected 2009 Rates
Medica
Population: Dual Eligibles, Metro Counties, Institutional

COS	Description	DHS 2005 Liability PMPM *	Trend	Additional Multiplicative Adjustment	Over/Under Prediction Adjustment	Additional Additive Adjustment	Adjustment for Utilization Savings and Administration/M argin	Projected 2009 PMPM
001	Inpatient Hospital General	\$35.88	1.269	1.260	0.87	\$0.00	1.005	\$50.16
006	Rehabilitation	0.15	1.269	1.000	0.87	0.00	1.005	0.17
007	Outpatient Hospital Services	14.66	1.269	1.000	0.87	0.00	1.005	16.27
015	Inpatient Long Term Hospital	0.65	1.269	1.220	0.87	0.00	1.005	0.89
020	Home Health Services	0.09	1.050	1.040	0.87	0.00	1.005	0.09
032	Medical Supply / DME	33.98	1.269	1.000	0.87	0.00	1.005	37.71
036	Transport, Special	46.48	1.269	1.000	0.87	0.00	1.005	51.57
037	Transport, Ambulance	7.46	1.269	1.000	0.87	0.00	1.005	8.28
041	Anesthesia	1.52	1.269	1.000	0.87	0.00	1.005	1.69
043	Physician Services	41.42	1.269	1.000	0.87	0.80	1.005	46.76
045	Dental	19.13	1.269	1.000	0.87	0.00	1.005	21.23
046	Mental Health	29.47	1.269	1.018	0.87	0.00	1.005	33.31
051	Physical Therapy	6.87	1.269	1.040	0.87	0.00	1.005	7.93
053	Speech Therapy	2.71	1.269	1.040	0.87	0.00	1.005	3.13
054	Occupational Therapy	9.68	1.269	1.040	0.87	0.00	1.005	11.18
055	Podiatry	0.70	1.269	1.000	0.87	0.00	1.005	0.78
057	Chiropractic	0.04	1.269	1.000	0.87	0.00	1.005	0.05
058	Audiology	0.51	1.269	1.000	0.87	0.00	1.005	0.56
062	Chemical Dependency	0.59	1.269	1.040	0.87	0.00	1.005	0.68
063	CD Extended Care / Halfway House	0.00	1.269	1.000	0.87	0.00	1.005	0.00
072	Hospice	1.33	1.269	1.000	0.87	0.00	1.005	1.47
074	Inpatient Hospital 45 Day Psych Contract	0.69	1.269	1.000	0.87	0.00	1.005	0.77
075	Eyeglasses / Contact Lenses	2.08	1.269	1.000	0.87	0.00	1.005	2.31
076	Prosthetics and Orthotics	2.86	1.269	1.000	0.87	0.00	1.005	3.17
077	Hearing Aids	0.78	1.269	1.000	0.87	0.00	1.005	0.87
078	Vision Care	2.26	1.269	1.000	0.87	0.00	1.005	2.50
079	Radiology, Technical Component	10.96	1.269	1.000	0.87	0.00	1.005	12.16
080	Laboratory	1.12	1.269	1.000	0.87	0.00	1.005	1.25
082	Federal Qualified Health Contract Service	2.84	1.269	1.000	0.87	0.00	1.005	3.15
087	End-Stage Renal Dialysis	7.72	1.269	1.000	0.87	0.00	1.005	8.57
091	Nurse Practitioner Services	1.06	1.269	1.000	0.87	0.00	1.005	1.18
999	Unable to Define	0.25	1.269	1.000	0.87	0.00	1.005	0.28
	Dialectical Behavioral Therapy	0.67	1.000	1.000	0.87	0.00	1.005	0.59
	Total Acute Base Rate	\$286.65						\$330.71
	Prescription Drugs	\$622.75	1.453	0.027	0.87	\$0.05	1.005	\$21.41
	Spenddown	1.98	1.000	0.500	1.00	(0.13)	1.005	0.87
	Grand Total	\$911.38						\$352.99
	Mental Health Targeted Case Management	\$296.48	1.070	1.000	1.00	\$0.00	1.005	\$318.82
	2005 Eligible Months	19,918						

* The Mental Health Targeted Case Management amounts reflect FY 2008 PMPM amounts.

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Appendix 2
Special Need BasicCare - Preferred Integrated Networks (PINs)
PMPM Cost Models for 2005 Experience and Projected 2009 Rates
Medica
Population: Dual Eligibles, Metro Counties, Community

COS	Description	DHS 2005 Liability PMPM *	Trend	Additional Multiplicative Adjustment	Over/Under Prediction Adjustment	Additional Additive Adjustment	Adjustment for Utilization Savings and Administration/M argin	Projected 2009 PMPM
001	Inpatient Hospital General	\$28.81	1.269	1.260	1.01	\$0.00	1.005	\$46.77
006	Rehabilitation	0.20	1.269	1.000	1.01	0.00	1.005	0.26
007	Outpatient Hospital Services	15.45	1.269	1.000	1.01	0.00	1.005	19.91
014	Inpatient Hospital IMD	0.11	1.269	1.000	1.01	0.00	1.005	0.14
015	Inpatient Long Term Hospital	4.82	1.269	1.220	1.01	0.00	1.005	7.58
020	Home Health Services	24.40	1.050	1.040	1.01	0.00	1.005	27.04
029	RTC - Mental Health	0.57	1.269	1.000	1.01	0.00	1.005	0.73
032	Medical Supply / DME	21.46	1.269	1.000	1.01	0.00	1.005	27.65
036	Transport, Special	12.02	1.269	1.000	1.01	0.00	1.005	15.49
037	Transport, Ambulance	3.43	1.269	1.000	1.01	0.00	1.005	4.42
041	Anesthesia	0.99	1.269	1.000	1.01	0.00	1.005	1.28
043	Physician Services	38.04	1.269	1.000	1.01	0.80	1.005	49.80
045	Dental	13.77	1.269	1.000	1.01	0.00	1.005	17.74
046	Mental Health	86.10	1.269	1.018	1.01	0.00	1.005	112.96
051	Physical Therapy	1.54	1.269	1.040	1.01	0.00	1.005	2.06
053	Speech Therapy	0.48	1.269	1.040	1.01	0.00	1.005	0.64
054	Occupational Therapy	2.10	1.269	1.040	1.01	0.00	1.005	2.82
055	Podiatry	0.34	1.269	1.000	1.01	0.00	1.005	0.44
056	Ambulatory Surgery	0.04	1.269	1.000	1.01	0.00	1.005	0.05
057	Chiropractic	0.54	1.269	1.000	1.01	0.00	1.005	0.70
058	Audiology	0.15	1.269	1.000	1.01	0.00	1.005	0.20
062	Chemical Dependency	5.55	1.269	1.040	1.01	0.00	1.005	7.44
063	CD Extended Care / Halfway House	1.10	1.269	1.000	1.01	0.00	1.005	1.41
072	Hospice	3.43	1.269	1.000	1.01	0.00	1.005	4.42
074	Inpatient Hospital 45 Day Psych Contract	2.02	1.269	1.000	1.01	0.00	1.005	2.60
075	Eyeglasses / Contact Lenses	1.95	1.269	1.000	1.01	0.00	1.005	2.52
076	Prosthetics and Orthotics	1.69	1.269	1.000	1.01	0.00	1.005	2.17
077	Hearing Aids	0.60	1.269	1.000	1.01	0.00	1.005	0.78
078	Vision Care	1.05	1.269	1.000	1.01	0.00	1.005	1.36
079	Radiology, Technical Component	11.28	1.269	1.000	1.01	0.00	1.005	14.53
080	Laboratory	1.39	1.269	1.000	1.01	0.00	1.005	1.79
082	Federal Qualified Health Contract Service	3.63	1.269	1.000	1.01	0.00	1.005	4.68
083	Rural Health Clinic Services	0.01	1.269	1.000	1.01	0.00	1.005	0.02
087	End-Stage Renal Dialysis	5.44	1.269	1.000	1.01	0.00	1.005	7.00
088	Public Health Nursing	0.05	1.269	1.000	1.01	0.00	1.005	0.06
090	Nurse Midwife Services	0.01	1.269	1.000	1.01	0.00	1.005	0.01
091	Nurse Practitioner Services	0.22	1.269	1.000	1.01	0.00	1.005	0.28
999	Unable to Define	0.88	1.269	1.000	1.01	0.00	1.005	1.14
	Dialectical Behavioral Therapy	0.67	1.000	1.000	1.01	0.00	1.005	0.68
	Total Acute Base Rate	\$296.34						\$391.57
	Prescription Drugs	\$411.06	1.453	0.027	1.01	\$0.05	1.005	\$16.42
	Spenddown	27.85	1.000	0.287	1.00	(1.06)	1.005	6.95
	Grand Total	\$735.25						\$414.94
	Mental Health Targeted Case Management	\$296.48	1.070	1.000	1.00	\$0.00	1.005	\$318.82
	2005 Eligible Months	233,845						

* The Mental Health Targeted Case Management amounts reflect FY 2008 PMPM amounts.

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Appendix 2
Special Need Basic Care - Preferred Integrated Networks (PINs)
PMPM Cost Models for 2005 Experience and Projected 2009 Rates
Medica
Population: Single Eligibles, Metro Counties, Institutional

COS	Description	DHS 2005 Liability PMPM *	Trend	Additional Multiplicative Adjustment	Over/Under Prediction Adjustment	Additional Additive Adjustment	Adjustment for Utilization Savings and Administration/M argin	Projected 2009 PMPM
001	Inpatient Hospital General	\$693.66	1.269	1.260	0.87	\$0.00	1.005	\$969.84
006	Rehabilitation	7.32	1.269	1.000	0.87	0.00	1.005	8.13
007	Outpatient Hospital Services	64.76	1.269	1.000	0.87	0.00	1.005	71.86
014	Inpatient Hospital IMD	1.98	1.269	1.000	0.87	0.00	1.005	2.20
015	Inpatient Long Term Hospital	8.70	1.269	1.220	0.87	0.00	1.005	11.77
020	Home Health Services	0.73	1.050	1.040	0.87	0.00	1.005	0.69
032	Medical Supply / DME	77.77	1.269	1.000	0.87	0.00	1.005	86.30
036	Transport, Special	40.18	1.269	1.000	0.87	0.00	1.005	44.59
037	Transport, Ambulance	57.90	1.269	1.000	0.87	0.00	1.005	64.25
040	Child and Teen Checkup	0.05	1.269	1.000	0.87	0.00	1.005	0.05
041	Anesthesia	9.34	1.269	1.000	0.87	0.00	1.005	10.37
043	Physician Services	162.01	1.269	1.000	0.87	4.00	1.005	183.78
045	Dental	19.07	1.269	1.000	0.87	0.00	1.005	21.16
046	Mental Health	42.94	1.269	1.018	0.87	0.00	1.005	48.52
051	Physical Therapy	46.12	1.269	1.040	0.87	0.00	1.005	53.23
053	Speech Therapy	15.09	1.269	1.040	0.87	0.00	1.005	17.42
054	Occupational Therapy	40.90	1.269	1.040	0.87	0.00	1.005	47.20
055	Podiatry	2.44	1.269	1.000	0.87	0.00	1.005	2.71
056	Ambulatory Surgery	0.54	1.269	1.000	0.87	0.00	1.005	0.60
057	Chiropractic	0.09	1.269	1.000	0.87	0.00	1.005	0.10
058	Audiology	0.70	1.269	1.000	0.87	0.00	1.005	0.78
062	Chemical Dependency	3.50	1.269	1.040	0.87	0.00	1.005	4.04
063	CD Extended Care / Halfway House	0.02	1.269	1.000	0.87	0.00	1.005	0.03
072	Hospice	2.44	1.269	1.000	0.87	0.00	1.005	2.71
074	Inpatient Hospital 45 Day Psych Contract	21.18	1.269	1.000	0.87	0.00	1.005	23.50
075	Eyeglasses / Contact Lenses	2.24	1.269	1.000	0.87	0.00	1.005	2.49
076	Prosthetics and Orthotics	14.46	1.269	1.000	0.87	0.00	1.005	16.04
077	Hearing Aids	1.50	1.269	1.000	0.87	0.00	1.005	1.67
078	Vision Care	2.46	1.269	1.000	0.87	0.00	1.005	2.73
079	Radiology, Technical Component	54.96	1.269	1.000	0.87	0.00	1.005	60.98
080	Laboratory	35.13	1.269	1.000	0.87	0.00	1.005	38.98
082	Federal Qualified Health Contract Service	7.83	1.269	1.000	0.87	0.00	1.005	8.69
083	Rural Health Clinic Services	0.02	1.269	1.000	0.87	0.00	1.005	0.02
087	End-Stage Renal Dialysis	17.62	1.269	1.000	0.87	0.00	1.005	19.56
090	Nurse Midwife Services	0.02	1.269	1.000	0.87	0.00	1.005	0.02
091	Nurse Practitioner Services	8.78	1.269	1.000	0.87	0.00	1.005	9.74
	Dialectical Behavioral Therapy	0.67	1.000	1.000	0.87	0.00	1.005	0.59
	Total Acute Base Rate	\$1,465.13						\$1,837.34
	Prescription Drugs	\$706.17	1.453	1.000	0.87	\$0.57	1.005	\$897.54
	Spenddown	2.63	1.000	0.500	1.00	(0.19)	1.005	1.13
	Grand Total	\$2,173.93						\$2,736.01
	Mental Health Targeted Case Management	\$332.35	1.070	1.000	1.00	\$0.00	1.005	\$357.39
	2005 Eligible Months	8,584						

* The Mental Health Targeted Case Management amounts reflect FY 2008 PMPM amounts.

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Appendix 2
Special Need BasicCare - Preferred Integrated Networks (PINs)
PMPM Cost Models for 2005 Experience and Projected 2009 Rates
Medica
Population: Single Eligibles, Metro Counties, Community

COS	Description	DHS 2005 Liability PMPM *	Trend	Additional Multiplicative Adjustment	Over/Under Prediction Adjustment	Additional Additive Adjustment	Adjustment for Utilization Savings and Administration/M argin	Projected 2009 PMPM
001	Inpatient Hospital General	\$337.31	1.269	1.260	1.01	\$0.00	1.005	\$547.50
006	Rehabilitation	6.65	1.269	1.000	1.01	0.00	1.005	8.57
007	Outpatient Hospital Services	44.96	1.269	1.000	1.01	0.00	1.005	57.92
014	Inpatient Hospital IMD	0.89	1.269	1.000	1.01	0.00	1.005	1.15
015	Inpatient Long Term Hospital	13.08	1.269	1.220	1.01	0.00	1.005	20.55
020	Home Health Services	16.90	1.050	1.040	1.01	0.00	1.005	18.72
029	RTC - Mental Health	2.74	1.269	1.000	1.01	0.00	1.005	3.53
032	Medical Supply / DME	37.39	1.269	1.000	1.01	0.00	1.005	48.17
036	Transport, Special	5.18	1.269	1.000	1.01	0.00	1.005	6.67
037	Transport, Ambulance	15.14	1.269	1.000	1.01	0.00	1.005	19.50
040	Child and Teen Checkup	0.05	1.269	1.000	1.01	0.00	1.005	0.06
041	Anesthesia	4.82	1.269	1.000	1.01	0.00	1.005	6.20
043	Physician Services	107.29	1.269	1.000	1.01	4.00	1.005	142.21
045	Dental	11.88	1.269	1.000	1.01	0.00	1.005	15.31
046	Mental Health	67.78	1.269	1.018	1.01	0.00	1.005	88.92
051	Physical Therapy	3.38	1.269	1.040	1.01	0.00	1.005	4.52
053	Speech Therapy	0.77	1.269	1.040	1.01	0.00	1.005	1.03
054	Occupational Therapy	2.18	1.269	1.040	1.01	0.00	1.005	2.92
055	Podiatry	0.93	1.269	1.000	1.01	0.00	1.005	1.20
056	Ambulatory Surgery	1.20	1.269	1.000	1.01	0.00	1.005	1.54
057	Chiropractic	0.67	1.269	1.000	1.01	0.00	1.005	0.86
058	Audiology	0.20	1.269	1.000	1.01	0.00	1.005	0.26
062	Chemical Dependency	11.33	1.269	1.040	1.01	0.00	1.005	15.19
063	CD Extended Care / Halfway House	1.56	1.269	1.000	1.01	0.00	1.005	2.01
072	Hospice	6.78	1.269	1.000	1.01	0.00	1.005	8.74
074	Inpatient Hospital 45 Day Psych Contract	31.56	1.269	1.000	1.01	0.00	1.005	40.66
075	Eyeglasses / Contact Lenses	1.99	1.269	1.000	1.01	0.00	1.005	2.57
076	Prosthetics and Orthotics	3.92	1.269	1.000	1.01	0.00	1.005	5.05
077	Hearing Aids	0.40	1.269	1.000	1.01	0.00	1.005	0.52
078	Vision Care	1.11	1.269	1.000	1.01	0.00	1.005	1.43
079	Radiology, Technical Component	37.98	1.269	1.000	1.01	0.00	1.005	48.93
080	Laboratory	16.82	1.269	1.000	1.01	0.00	1.005	21.67
082	Federal Qualified Health Contract Service	16.98	1.269	1.000	1.01	0.00	1.005	21.87
083	Rural Health Clinic Services	0.07	1.269	1.000	1.01	0.00	1.005	0.09
087	End-Stage Renal Dialysis	8.28	1.269	1.000	1.01	0.00	1.005	10.66
088	Public Health Nursing	0.15	1.269	1.000	1.01	0.00	1.005	0.19
090	Nurse Midwife Services	0.12	1.269	1.000	1.01	0.00	1.005	0.15
091	Nurse Practitioner Services	1.65	1.269	1.000	1.01	0.00	1.005	2.13
999	Unable to Define	0.01	1.269	1.000	1.01	0.00	1.005	0.01
	Dialectical Behavioral Therapy	0.67	1.000	1.000	1.01	0.00	1.005	0.68
	Total Acute Base Rate	\$822.76						\$1,179.86
	Prescription Drugs	\$271.65	1.453	1.000	1.01	\$0.57	1.005	\$401.14
	Spenddown	6.96	1.000	0.363	1.00	(0.40)	1.005	2.14
	Grand Total	\$1,101.36						\$1,583.14
	Mental Health Targeted Case Management	\$332.35	1.070	1.000	1.00	\$0.00	1.005	\$357.39
	2005 Eligible Months	235,448						

* The Mental Health Targeted Case Management amounts reflect FY 2008 PMPM amounts.

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Appendix 3

SNBC PINs NF Add-On Rate Development

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Appendix 3
Special Needs BasicCare - Preferred Integrated Networks
100 Day Nursing Facility Add-On Rate Calculation
2009
Single Eligible Population

	CY 2008	CY 2009
NF Add-On	\$12.67	\$14.01
Per Diem	\$168.28	\$172.09
Monthly Freq	0.125%	0.125%

Year	Month	(1) Monthly Enrollment	(2) - Total NF Add- On Paid to Health Plans	(3) Admissions	NF Days for Admissions in Month by Contract Period		Health Plan Payments to NF for Admissions in Month by Contract Period	
					CY2008	CY2009	CY 2008	CY 2009
2008	January	23	291	0.0288	72.0	0.0	348	0
	February	34	431	0.0425	72.0	0.0	515	0
	March	66	836	0.0825	72.0	0.0	1,000	0
	April	97	1,229	0.1213	72.0	0.0	1,469	0
	May	152	1,926	0.1900	72.0	0.0	2,302	0
	June	348	4,409	0.4350	72.0	0.0	5,271	0
	July	724	9,174	0.9050	72.0	0.0	10,965	0
	August	832	10,542	1.0400	72.0	0.0	12,601	0
	September	865	10,960	1.0813	72.0	0.0	13,101	0
	October	898	11,378	1.1225	54.6	17.4	10,305	3,370
	November	931	11,797	1.1638	35.0	37.0	6,849	7,416
	December	961	12,177	1.2013	12.6	59.4	2,546	12,280
Total 2008 Contract Period		5,931	\$75,151		53.9	18.1	\$67,271	\$23,066
2009	January	991	13,882	1.2388		72.0		15,349
	February	1,021	14,302	1.2763		72.0		15,813
	March	1,054	14,764	1.3175		72.0		16,324
	April	1,087	15,226	1.3588		72.0		16,836
	May	1,120	15,689	1.4000		72.0		17,347
	June	1,153	16,151	1.4413		72.0		17,858
	July	1,186	16,613	1.4825		72.0		18,369
	August	1,219	17,075	1.5238		72.0		18,880
	September	1,252	17,538	1.5650		72.0		19,391
	October	1,285	18,000	1.6063		54.6		15,080
	November	1,318	18,462	1.6475		35.0		9,915
	December	1,351	18,924	1.6888		12.6		3,661
Total 2009 Contract Period		14,037	\$196,627			61.2		\$184,823
Grand Total							\$67,271	\$207,888

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Appendix 3
Special Needs BasicCare - Preferred Integrated Networks
100 Day Nursing Facility Add-On Rate Calculation
Calendar Year 2009
Single Eligible Population

Rate Component	2008	2009
Section A		
Monthly Claim Frequency (Rounded)		0.125%
(x) Truncated Medicaid Length of Stay		61.2
(x) Charge per Day		<u>\$172.09</u>
= Initial Rate (1)	\$12.89	\$13.17
Section B		
2009 NF \$ for 2008 Admits		\$23,066
(/) 2009 Eligible Months		<u>14,037</u>
= Tail Rate (2)	\$0.00	\$1.64
Section C		
2008 NF Rates to Health Plans		(\$75,151)
2007 Enrollment Adjustment in 2008		\$0
(+) 2008 NF \$ for 2008 Admits		<u>\$67,271</u>
= Enrollment Adjustment Dollars		(\$7,880)
(/) 2009 Eligible Months		<u>14,037</u>
= Enrollment Adjustment Rate (3)	\$0.00	(\$0.56)
Section D		
Initial Base Rate = (1)+(2)+(3)	\$12.89	\$14.25
Disenrollment Fee Adjustment	<u>0.983</u>	<u>0.983</u>
Final Base Rate	\$12.67	\$14.01

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Appendix 3
Special Needs BasicCare - Preferred Integrated Networks
100 Day Nursing Facility Add-On Rate Calculation
Calendar Year 2009
Dual Eligible Population

Rate Component	2008	2009
Section A		
Monthly Claim Frequency (Rounded)		0.125%
(x) Truncated Medicaid Length of Stay		51.8
(x) Charge per Day		<u>\$172.09</u>
= Initial Rate (1)	\$10.38	\$11.14
Section B		
2009 NF \$ for 2008 Admits		\$44,338
(/) 2009 Eligible Months		<u>26,527</u>
= Tail Rate (2)	\$0.00	\$1.67
Section C		
2008 NF Rates to Health Plans		(\$147,982)
2007 Enrollment Adjustment in 2008		\$0
(+) 2008 NF \$ for 2008 Admits		<u>\$179,345</u>
= Enrollment Adjustment Dollars		\$31,363
(/) 2009 Eligible Months		<u>26,527</u>
= Enrollment Adjustment Rate (3)	\$0.00	\$1.18
Section D		
Initial Base Rate = (1)+(2)+(3)	\$10.38	\$13.99
Disenrollment Fee Adjustment	<u>0.983</u>	<u>0.983</u>
Final Base Rate	\$10.20	\$13.75

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Appendix 3
Special Needs BasicCare - Preferred Integrated Networks
100 Day Nursing Facility Add-On Rate Calculation
2009
Dual Eligible Population

	CY 2008	CY 2009
NF Add-On	\$10.20	\$13.75
Per Diem	\$168.28	\$172.09
Monthly Freq	0.125%	0.125%

Year	Month	(1) Monthly Enrollment	(2) Total NF Add-On Paid to Health Plans	(3) Admissions	NF Days for Admissions in Month by Contract Period		Health Plan Payments to NF for Admissions in Month by Contract Period	
					CY2008	CY2009	CY 2008	CY 2009
2008	January	558	5,694	0.6975	73.0	0.0	8,568	0
	February	599	6,112	0.7488	73.0	0.0	9,198	0
	March	685	6,989	0.8563	73.0	0.0	10,519	0
	April	736	7,510	0.9200	73.0	0.0	11,302	0
	May	815	8,316	1.0188	73.0	0.0	12,515	0
	June	1,116	11,387	1.3950	73.0	0.0	17,137	0
	July	1,481	15,111	1.8513	73.0	0.0	22,742	0
	August	1,580	16,122	1.9750	73.0	0.0	24,262	0
	September	1,642	16,754	2.0525	73.0	0.0	25,214	0
	October	1,704	17,387	2.1300	55.3	17.7	19,826	6,483
	November	1,766	18,019	2.2075	35.5	37.5	13,171	14,262
	December	1,821	18,581	2.2763	12.8	60.2	4,892	23,592
Total 2008 Contract Period		14,503	\$147,982		58.8	14.2	\$179,345	\$44,338

2009	January	1,876	25,799	2.3450		73.0		29,459
	February	1,931	26,555	2.4138		73.0		30,323
	March	1,993	27,408	2.4913		73.0		31,297
	April	2,055	28,261	2.5688		73.0		32,270
	May	2,117	29,113	2.6463		73.0		33,244
	June	2,179	29,966	2.7238		73.0		34,217
	July	2,241	30,819	2.8013		73.0		35,191
	August	2,303	31,671	2.8788		73.0		36,164
	September	2,365	32,524	2.9563		73.0		37,138
	October	2,427	33,377	3.0338		55.3		28,878
	November	2,489	34,229	3.1113		35.5		18,984
	December	2,551	35,082	3.1888		12.8		7,009
Total 2009 Contract Period		26,527	\$364,804			62.1		\$354,174

Grand Total							\$179,345	\$398,512
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