

**AMENDMENT NO. 3 TO B22531**

Contract Start Date:	October 1, 2009	Total Contract Amount:	Per Member/Per Month
Original Contract Expiration Date:	December 31, 2009	Original Contract Amount:	Per Member/Per Month
Current Contract Expiration Date:	December 31, 2009	Previous Amendment(s) Total:	N/A
Requested Contract Expiration Date:	December 31, 2009	Amendment Amount:	N/A

This amendment is by and between the State of Minnesota, through its Commissioner of the Department of Human Services ("STATE") and **Medica**, Managed Care Organization ("MCO"), identified as Contract No. **B22531** to further the Minnesota Medical Assistance Program for the provision of prepaid medical and remedial services pursuant to Title XIX of the Social Security Act; and

WHEREAS, the STATE wishes to exercise the option to amend this contract as provided in Article 21;

WHEREAS, as of October 1, 2009, the medical assistance capitation rates for **Special Needs BasicCare (SNBC) Preferred Integrated Network (PIN)** will be reduced to reflect the statutory changes enacted by the 2009 Minnesota Legislature during the regular session;

WHEREAS, pursuant to Minnesota Statutes, § 16A.152, subd. 4, the Commissioner of Finance reduced the amount of allotted funds for certain medical expenditures, and the unallotments effective July 1, 2009, that impact fee-for-service rates calculations are included in the medical assistance managed care rate reductions effective October 1, 2009, and

WHEREAS, the STATE and the MCO have agreed to amend the Contract to include these legislative and executive changes as stated in the October 1, 2009, rate reductions to the SNBC contract for Contract Year 2009; and

WHEREAS, the STATE and the MCO have agreed to amend the SNBC-PIN rates to reflect these same adjustments.

Therefore, the parties agree that:


**REVISION 1.** Rates listed in Appendix 1a, including Appendix 1A-1 and 1B-1 and 1C-1, and the PMPM projected rates listed in **Appendix 2a** are amended to include the rate methodology adjustments as listed in the SNBC contract rates amendment executed September 8, 2009. These adjustments will be reflected in the revised Appendix pages labeled **Appendix 1A-12**; and **1B-12** and **1C-1** in Appendix 1ab, and the PMPM projected rates for October through December in Appendix 2ab, and incorporated into this contract by reference. ~~The rates are adjusted as follows:~~

EXCEPT AS AMENDED HEREIN, THE TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AND ALL PREVIOUS AMENDMENTS REMAIN IN FULL FORCE AND EFFECT.

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

**APPROVED:**

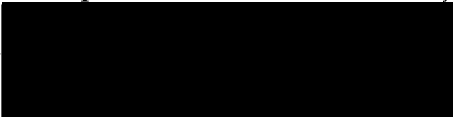
**STATE OF MINNESOTA  
DEPARTMENT OF HUMAN SERVICES**

By: 

Title: Medical Director


Date: 9/22/09

**Medica**  
(Two corporate officers must execute)

By: 

Title: SVP

Date: 9-21-09

and  
By: 

Title: VP of GM

Date: 9/24/09

## **Appendix 1b**

Includes:

Appendix 1A-2

Appendix 1B-2

**SNBC-PIN October 2009 through December 2009  
Base Rate Tables**

Appendix 1A-2

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

	A		B	C		D	E	F	G	H
	From Appendix 2		Rx Base Rate	Spendedown Adjustment	Initial Base Rate	Base Rate MERC Adjustmt.	MHTCM MERC Adjustmt.	DHU Adjustmt.	Base Rate Premium Tax	
Duals	Institutional	Metro 2	\$328.42	\$0.87	\$350.70	\$7.01	\$6.38	N/A	\$3.47	
	Community	Metro 2	389.15	6.95	412.52	8.25	6.38	N/A	4.08	
Non-Duals	Institutional	Metro 2	1,796.06	1.13	2,694.73	53.89	7.15	\$70.06	25.97	
	Community	Metro 2	1,155.45	2.14	1,558.73	31.17	7.15	40.53	15.02	

	I		J	K	L	M	N	O	P	Q
	Non-CBP Final Base Rate with MERC and DHU Removed	Final Base Rate with MERC and DHU Removed	CBP Final Base Rate with MERC and DHU Removed	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	\$347.16	N/A	N/A	N/A	N/A	N/A	\$321.98	\$318.82
	Community	Metro 2	408.35	N/A	N/A	N/A	\$13.81	N/A	321.98	318.82
Non-Duals	Institutional	Metro 2	2,596.75	N/A	\$70.77	N/A	N/A	N/A	360.93	357.39
	Community	Metro 2	1,502.05	N/A	40.94	N/A	14.07	N/A	360.93	357.39

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

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 1B-2**

**Special Needs BasicCare - Preferred Integrated Networks  
October 2009 Capitation Payment Rates  
Medica**

											Oct 2009 - Dec 2009	
		1	2	3	4	5	6	7	8	9	10	11
		MERC Carve Out	DHU Add-on <sup>1</sup>	2009 Risk Adjustment Base Rate <sup>1,2</sup>	Plan Risk Factor <sup>3</sup>	Plan RA Rate <sup>1,2,3</sup>	Plan RA Rate + DHU - Withhold <sup>1,3</sup>	Plan RA Rate + DHU + MERC - Withhold <sup>1,3</sup>	NF Add-on <sup>1</sup>	MH-TCM Add-on - Withhold <sup>1,2</sup>	Total Plan Rate (Includes MERC) <sup>1,3</sup>	Plan Reimbursement Amount (Excludes MERC) <sup>1,3</sup>
Rate Regions		App. 1A (K)	App. 1A (L)	App. 1A (I)		(3 x 4)	(2 + 5) x 0.92	(6 + 1)	App. 1A (N)	[App. 1A (P) - x 0.92] - App. 1A (Q)	(7 + 8 + 9)	(6 + 8 + 9)
Metro 2	Institutionalized	\$13.39	N/A	\$347.16	1.1067	\$384.19	\$353.46	\$366.85	N/A	\$289.84	\$656.69	\$643.30
	Non-Dual	61.04	\$70.77	2,596.75	1.3593	3,529.76	3,312.49	3,373.53	N/A	324.91	3,698.43	3,637.39
Metro 2	Non-Institutionalized	14.63	N/A	408.35	1.1067	451.91	415.76	430.39	\$13.81	\$289.84	734.04	719.41
	Non-Dual	38.32	40.94	1,502.05	1.3593	2,041.74	1,916.06	1,954.38	14.07	324.91	2,293.36	2,255.04

<sup>1</sup> Includes 1% premium tax.

<sup>2</sup> Does not include MERC Carve-Out or DHU Add-On. Includes 1% premium tax.

<sup>3</sup> The plan risk factor and risk adjusted rates will change each quarter

Rate Regions:

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

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 2b**

Includes:

**SNBC-PIN October 2009 through December 2009  
PMPM Cost Models**

**Listed as Appendix 2-b**

Current 2009 Rates,  
and Projected October 2009 through December 2009 Rates

Appendix 2-b

Special Need BasicCare - Preferred Integrated Networks (PINs)  
 Current 2009 Rates and Projected October 2009 - December 2009 Rates  
 Medica

Population: Dual Eligibles, Metro Counties, Institutional

COG	Description	Current 2009 PMPM Rates	Physician & Professional Services Reasonable Reduction & Unallowance	Basic Care Reasonable Reduction & Unallowance	Inpatient Reasonable Reduction	Reimb. Rates for Births: Physician Services	Payment Rates for 2.58% UNCOLA Births: Inpatient	UNCOLA Reduction	Unallowance for Suspension Nursing Facility Rebasing	Estimated October - December 2009 PMPM
001	Inpatient Hospital General	\$50.16	\$0.00	\$0.00	\$0.14	1.0000	1.0000	1.0000	1.0000	\$50.02
006	Rehabilitation	0.17	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	0.17
007	Outpatient Hospital Services	16.27	0.00	0.06	0.00	1.0000	1.0000	1.0000	1.0000	16.21
015	Inpatient Long Term Hospital	0.89	0.00	0.00	0.01	1.0000	1.0000	1.0000	1.0000	0.88
020	Home Health Services	0.09	0.00	0.00	0.00	1.0000	1.0000	0.9742	1.0000	0.09
032	Medical Supply / DME	37.71	0.00	0.70	0.00	1.0000	1.0000	1.0000	1.0000	37.01
036	Transport, Special	51.57	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	51.57
037	Transport, Ambulance	8.28	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	8.28
041	Anesthesia	1.69	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.69
043	Physician Services	46.76	0.31	0.00	0.00	1.0000	1.0000	1.0000	1.0000	46.45
045	Dental	21.23	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	21.23
046	Mental Health	33.31	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	33.31
051	Physical Therapy	7.93	0.19	0.00	0.00	1.0000	1.0000	1.0000	1.0000	7.74
053	Speech Therapy	3.13	0.09	0.00	0.00	1.0000	1.0000	1.0000	1.0000	3.04
054	Occupational Therapy	11.18	0.46	0.00	0.00	1.0000	1.0000	1.0000	1.0000	10.72
055	Podiatry	0.78	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	0.78
057	Chiropractic	0.05	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	0.05
058	Audiology	0.56	0.01	0.00	0.00	1.0000	1.0000	1.0000	1.0000	0.55
062	Chemical Dependency	0.68	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	0.68
063	CD Extended Care / Halfway House	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	0.00
072	Hospice	1.47	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.47
074	Inpatient Hospital 45 Day Psych Contract	0.77	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	0.77
075	Eyeglasses / Contact Lenses	2.31	0.00	0.10	0.00	1.0000	1.0000	1.0000	1.0000	2.21
076	Prosthetics and Orthotics	3.17	0.00	0.07	0.00	1.0000	1.0000	1.0000	1.0000	3.10
077	Hearing Aids	0.87	0.00	0.01	0.00	1.0000	1.0000	1.0000	1.0000	0.86
078	Vision Care	2.50	0.08	0.00	0.00	1.0000	1.0000	1.0000	1.0000	2.42
079	Radiology, Technical Component	12.16	0.04	0.00	0.00	1.0000	1.0000	1.0000	1.0000	12.12
080	Laboratory	1.25	0.00	0.02	0.00	1.0000	1.0000	1.0000	1.0000	1.23
082	Federal Qualified Health Contract Service	3.15	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	3.15
087	End-Stage Renal Dialysis	8.57	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	8.57
091	Nurse Practitioner Services	1.18	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.18
999	Unable to Define	0.28	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	0.28
	Dialectical Behavioral Therapy	0.59	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	0.59
	Prescription Drugs	\$21.41	\$0.00	\$0.00	\$0.00	1.0000	1.0000	1.0000	1.0000	\$21.41
	Spentdown	0.87	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	0.87
	Grand Total	\$352.99								\$350.70
	Mental Health Targeted Case Management	\$318.82	\$0.00	\$0.00	\$0.00	1.0000	1.0000	1.0000	1.0000	\$318.82

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 2-b**  
**Special Need BasicCare - Preferred Integrated Networks (PINs)**  
**Current 2009 Rates and Projected October 2009 - December 2009 Rates**  
**Medica**

**Population: Dual Eligibles, Metro Counties, Community**

COS	Description	Physician & Professional Services		Basic Care		Inpatient		Reimb. Rates for		Payment Rates for 2.5% UNCOLA Reduction	Unallotment for Suspension Nursing Facility Rebasing	Estimated October - December 2009 PMPM
		Reduction & Unallotment	Reduction & Unallotment	Reduction	Reduction	Birthing Services	Birthing Services					
001	Inpatient Hospital General	\$0.00	\$0.00	\$0.07	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	\$46.70
006	Rehabilitation	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.26
007	Outpatient Hospital Services	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	19.86
014	Inpatient Hospital IMD	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.14
015	Inpatient Long Term Hospital	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	7.50
020	Home Health Services	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	26.34
029	KTC - Mental Health	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.73
032	Medical Supply / DME	27.65	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	26.94
036	Transport, Special	15.49	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	15.49
037	Transport, Ambulance	4.42	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	4.42
041	Anesthesia	1.28	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.28
043	Physician Services	49.80	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	49.80
045	Dental	17.74	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	17.74
046	Mental Health	112.96	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	112.96
051	Physical Therapy	2.06	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	2.06
053	Speech Therapy	0.64	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.61
054	Occupational Therapy	2.82	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	2.68
055	Podiatry	0.44	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.43
056	Ambulatory Surgery	0.05	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.05
057	Chiropractic	0.70	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.70
058	Audiology	0.20	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.20
062	Chemical Dependency	7.44	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	7.44
063	CD Extended Care / Halfway House	1.41	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.41
072	Hospice	4.42	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	4.42
074	Inpatient Hospital 45 Day Psych Contract	2.60	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	2.60
075	Eyeglasses / Contact Lenses	2.52	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	2.52
076	Prosthetics and Orthotics	2.17	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	2.17
077	Hearing Aids	0.78	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.77
078	Vision Care	1.36	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.32
079	Radiology, Technical Component	14.53	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	14.46
080	Laboratory	1.79	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.76
082	Federal Qualified Health Contract Service	4.68	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	4.68
083	Rural Health Clinic Services	0.02	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.02
087	End-Stage Renal Dialysis	7.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	7.00
088	Public Health Nursing	0.06	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.06
090	Nurse Midwife Services	0.01	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.01
091	Nurse Practitioner Services	0.28	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.28
999	Unable to Define	1.14	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.14
	Dialectical Behavioral Therapy	0.68	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.68
	Prescription Drugs	\$16.42	\$0.00	\$0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	\$16.42
	Spenddown	6.95	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	6.95
	<b>Grand Total</b>	<b>\$414.94</b>										<b>\$412.52</b>
	Mental Health Targeted Case Management	\$318.82	\$0.00	\$0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	\$318.82
	NF Add-on	\$13.75	\$0.00	\$0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	\$13.67

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 2-b

Special Need BasicCare - Preferred Integrated Networks (PINs)  
Current 2009 Rates and Projected October 2009 - December 2009 Rates

COS	Description	Current 2009 PMPM Rates		Physician & Professional Services Reasonable		Basic Care Reasonable		Inpatient Reasonable		Reimb. Rates for Births: Physician Services		Payment Rates for 2.58% UNCOLA		Unallotment for Suspension Nursing Facility Re-basing		Estimated October - December 2009 PMPM
		Unallotment	Reduction &	Unallotment	Reduction &	Unallotment	Reduction	Unallotment	Reduction	Unallotment	Reduction	Unallotment	Reduction	Unallotment	Reduction	
001	Inpatient Hospital General	\$969.84	\$0.00	\$0.00	\$9.70	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	\$960.14
006	Rehabilitation	8.13	0.00	0.00	0.08	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	8.05
007	Outpatient Hospital Services	71.86	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	68.67
014	Inpatient Hospital IMD	2.20	0.00	0.00	0.02	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	2.18
015	Inpatient Long Term Hospital	11.77	0.00	0.00	0.12	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	11.65
020	Home Health Services	0.69	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.67
032	Medical Supply / DME	86.30	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	83.85
036	Transport, Special	44.59	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	44.59
037	Transport, Ambulance	64.25	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	64.25
040	Child and Teen Checkup	0.05	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.05
041	Anesthesia	10.37	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	10.37
043	Physician Services	183.78	9.57	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	174.21
045	Dental	21.16	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	21.16
046	Mental Health	48.52	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	48.52
051	Physical Therapy	53.23	3.46	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	49.77
053	Speech Therapy	17.42	1.13	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	16.29
054	Occupational Therapy	47.20	3.07	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	44.13
055	Podiatry	2.71	0.18	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	2.55
056	Ambulatory Surgery	0.60	0.00	0.00	0.03	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.57
057	Chiropractic	0.10	0.01	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.09
058	Audiology	0.78	0.05	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.75
062	Chemical Dependency	4.04	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	4.04
063	CD Extended Care / Halfway House	0.05	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.05
072	Hospice	2.71	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	2.71
074	Inpatient Hospital 45 Day Psych Contract	23.50	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	23.50
075	Eyeglasses / Contact Lenses	2.49	0.00	0.00	0.11	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	2.38
076	Prosthetics and Orthotics	16.04	0.00	0.00	0.72	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	15.32
077	Hearing Aids	1.67	0.00	0.00	0.02	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.65
078	Vision Care	2.73	0.18	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	2.55
079	Radiology, Technical Component	60.98	3.96	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	57.02
080	Laboratory	38.98	0.00	0.00	1.75	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	37.23
082	Federal Qualified Health Contract Service	8.69	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	8.69
083	Rural Health Clinic Services	0.02	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.02
087	End-Stage Renal Dialysis	19.56	0.00	0.00	0.86	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	18.70
090	Nurse Midwife Services	0.02	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.02
091	Nurse Practitioner Services	9.74	0.60	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	9.14
091	Dialectical Behavioral Therapy	0.59	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.59
	Prescription Drugs	\$897.54	\$0.00	\$0.00	\$0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	\$897.54
	Spenddown	1.13	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.13
	Grand Total	\$2,736.01														\$2,694.73
	Manual Health Targeted Case Management	\$337.39	\$0.00	\$0.00	\$0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	\$337.39

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 or liability to other parties who receive this work. This material should only be reviewed in its entirety.

### Appendix 2-b

#### Special Need BasicCare - Preferred Integrated Networks (PINs) Current 2009 Rates and Projected October 2009 - December 2009 Rates

##### Medica

Population: Single Eligibles, Metro Counties, Community

COS	Description	Current 2009 PMPM Rates	Physician & Professional Services		Basic Care		Inpatient		Reimb. Rates for Births: Physician Services		Payment Rates for 2.58% UNCOLA Reduction		Unallocation for Suspension Nursing Facility Rebased		Estimated October - December 2009 PMPM
			Reduction & Unallocation	Reduction & Unallocation	Reduction & Unallocation	Reduction & Unallocation	Births: Inpatient	Reduction	Nursing Facility Rebased	Reduction					
001	Inpatient Hospital General	\$547.50	\$0.00	\$0.00	\$0.00	\$5.48	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	\$542.02	
006	Rehabilitation	8.57	0.00	0.00	0.00	0.09	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	8.48	
007	Outpatient Hospital Services	57.92	0.00	0.00	2.61	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	55.31	
014	Inpatient Hospital IMD	1.15	0.00	0.00	0.00	0.01	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.14	
015	Inpatient Long Term Hospital	20.55	0.00	0.00	0.00	0.20	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	20.35	
020	Home Health Services	18.72	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	18.24	
029	RTC - Mental Health	3.53	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	3.53	
032	Medical Supply / DME	48.17	0.00	0.00	2.11	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	46.06	
036	Transport, Special	6.67	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	6.67	
037	Transport, Ambulance	19.50	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	19.50	
040	Child and Teen Checkup	0.06	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.06	
041	Anesthesia	6.20	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	6.20	
043	Physician Services	142.21	7.46	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	134.75	
045	Dental	15.31	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	15.31	
046	Mental Health	88.92	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	88.92	
051	Physical Therapy	4.52	0.29	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	4.23	
053	Speech Therapy	1.03	0.07	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.96	
054	Occupational Therapy	2.92	0.19	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	2.73	
055	Podiatry	1.20	0.08	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.12	
056	Ambulatory Surgery	1.54	0.00	0.00	0.07	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.47	
057	Chiropractic	0.86	0.06	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.80	
058	Audiology	0.26	0.02	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.24	
062	Chemical Dependency	15.19	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	15.19	
063	CD Extended Care / Halfway House	2.01	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	2.01	
072	Hospice	8.74	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	8.74	
074	Inpatient Hospital 45 Day Psych Contract	40.66	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	40.66	
075	Eyeglasses / Contact Lenses	2.57	0.00	0.00	0.12	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	2.45	
076	Prosthetics and Orthotics	5.05	0.00	0.00	0.23	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	4.82	
077	Hearing Aids	0.52	0.00	0.00	0.01	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.51	
078	Vision Care	1.43	0.09	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.34	
079	Radiology, Technical Component	48.95	3.18	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	45.75	
080	Laboratory	21.67	0.00	0.00	0.98	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	20.69	
082	Federal Qualified Health Contractor Service	21.87	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	21.87	
083	Rural Health Clinic Services	0.09	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.09	
087	End-Stage Renal Dialysis	10.66	0.00	0.00	0.48	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	10.18	
088	Public Health Nursing	0.19	0.00	0.00	0.01	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.18	
090	Nurse Midwife Services	0.15	0.01	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.14	
091	Nurse Practitioner Services	2.15	0.08	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	2.05	
999	Unable to Define	0.01	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.01	
	Dialectical Behavioral Therapy	0.68	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.68	
	Prescription Drugs	\$401.14	\$0.00	\$0.00	\$0.00	\$0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	\$401.14	
	Spenddown	2.14	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	2.14	
	Grand Total	\$1,583.14												\$1,558.73	
	Mental Health Targeted Case Management	\$357.39	\$0.00	\$0.00	\$0.00	\$0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	\$357.39	
	NF Add-on	\$14.01	\$0.00	\$0.00	\$0.00	\$0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.9940	\$13.95	

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. Millman 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.