

**AMENDMENT NO. 1 TO B22535**

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 **UCare Minnesota**, Managed Care Organization ("MCO"), identified as Contract No. **B22535** 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** 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.

Therefore, the parties agree that:

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

**Rate Adjustment 1. Physician and Professional Services Ratable Reduction.** Amended rates will reflect a reduction for physician and professional services. Office and other outpatient visits, preventive medicine visits, and family planning visits are exempt from this rate reduction when billed by physicians, advanced practice nurses, or physician assistants in a family planning agency or in one of the following primary care practices: general practice, general internal medicine, general pediatrics, general geriatrics, and family medicine. This reduction does not apply to federally qualified health centers, rural health centers or Indian health services. Payment rates for physician and professional services are reduced by total of six and one half percent (6.5%). 76.9% of this reduction is pursuant to Minnesota Laws 2009, chapter 79, article 5, section 51, amended by chapter 173, article 1, section 32, that amends Minnesota Statutes § 256B.76, subd. 1; and the remaining 23.1% reduction is pursuant to Minnesota Statutes § 16A.152, subd. 4, that amends Minnesota Statutes § 256B.766.

**Rate Adjustment 2. Basic Care Ratable Reduction.** For Special Needs BasicCare services provided on or after October 1, 2009, amended rates will reflect a reduction for basic care medical services. Exemptions from this reduction include inpatient hospital services, physician and professional services, family planning services, mental health services, dental services, prescription drugs, home health services, medical transportation and Medicare cost sharing. This reduction does not apply to federally qualified health centers, rural health centers or Indian health services. Payment rates for basic care services are reduced by a total of four and one half percent (4.5%). Two thirds (66%) of this reduction is pursuant to Minnesota Laws 2009, chapter 79, article 5, section 52, amended by chapter 173, article 1, section 42 that amends Minnesota Statutes § 256B.766. The remaining one third (33%) of this reduction is pursuant to Minnesota Statutes § 16A.152, subd. 4, which amends Minnesota Statutes § 256B.766.

**Rate Adjustment 3. Inpatient Hospital Ratable Reduction.** Medical Assistance and GAMC payment rates for inpatient hospital admissions occurring on or after October 1, 2009 are reduced by one percent (1.0%) pursuant to Minnesota Laws 2009, chapter 79, article 5, section 12, which amends Minnesota Statutes § 256.969, subd. 3a(h). Exclusions from this reduction include facilities operated by the Indian Health Service and Indian tribes.

**Rate Adjustment 4. Reimbursement Rates for Births, Professional Services.** For services provided on or after October 1, 2009, there will be one calculated rate for professional services related to labor, delivery, and antepartum and postpartum care when provided for the following diagnosis-related groups: (1) 371 cesarean sections without complicating diagnosis; (2) 372 vaginal delivery with complicating diagnosis; and (3) 373 vaginal delivery without complicating diagnosis. This calculated rate shall not reflect a shift of greater than five percent (5.0%) in the current proportion of all births delivered vaginally and by cesarean section. This payment reduction is pursuant to Minnesota Statutes § 256B.756 as added by Minnesota Laws 2009, chapter 79, article 5, section 50, amended by chapter 173, article 1, section 31.

**Rate Adjustment 5. Reimbursement Rates for Births, Inpatient Facility.** For admissions occurring on or after October 1, 2009, the total operating and property payment rate, excluding disproportionate population adjustment, for the same diagnosis-related groups listed in **Rate Adjustment 4**, shall be no greater than \$3,528. Newborn care is excluded from these rates. This rate reduction applies to Medical Assistance and MinnesotaCare, and is pursuant to Minnesota Laws 2009, chapter 173, article 1, section 14, which amends Minnesota Statutes, § 256.969; and Minnesota Statutes, § 256B.756 as added by Minnesota Laws 2009, chapter 79, article 5, section 50.

**Rate Adjustment 6. Long Term Care Providers.** MCOs must implement a two point five-eight percent (2.58%) rate reduction effective October 1, 2009, for certain providers of State Plan Home Care Services, including but not limited to, nursing and home health services, personal care assistance (PCA) services, private duty nursing (PDN) services, physical therapy, occupational therapy, speech and respiratory therapy services, pursuant to Minnesota Laws 2009, chapter 79, article 8, section 79.

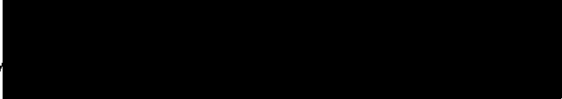
**Rate Adjustment 7. 180-Day Nursing Facility Add-On.** The State shall adjust the nursing facility rates to reflect rebasing for State Fiscal Year 2010, which includes the October 2009 through December 2009 rates, as stated in Minnesota Statutes, § 256B.441, subd. 55, pursuant to Minnesota Laws 2009, Chapter 79, article 8, section 61.

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:**

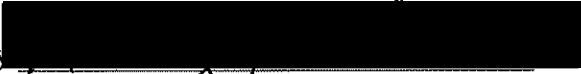
**STATE OF MINNESOTA  
DEPARTMENT OF HUMAN SERVICES**

By 

Title: Medical Director

Date: 9/14/09

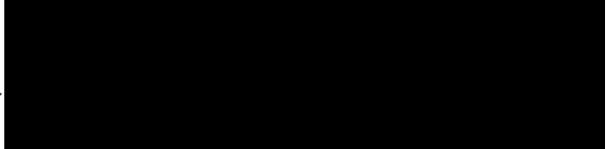
**UCare Minnesota**  
(Two corporate officers must execute)

By 

Title: President + CEO

Date: 9/3/09

and

By 

Title: Senior Vice President, General Counsel + Secretary

Date: 9/3/09

## **Appendix 1a**

---

Includes:

Appendix 1A-1

Appendix 1B-1

Appendix 1C-1

**SNBC October 2009 – December 2009  
Base Rate Tables**

Appendix 1A-1

Special Needs BasicCare

Development of October 2009 through December 2009 Rate Components Per Member Per Month (PMPM)

Duals	Population	Estimated Eligibility for 2009 Enrollment	B		C		D	E	F	G	H	I	J	K	
			Acute Base Rate	From Appendix 2 Base Rate	Rx Base Rate	Spandown Adjustment									Initial Base Rate
Duals	Institutional	Metro 1	\$319.72	\$20.70	\$20.70	\$0.86	\$341.28	\$21.50	\$6.15	\$6.15	N/A	N/A	\$3.23	\$3.39	
		Metro 2	319.72	20.70	20.70	0.86	341.28	6.83	6.15	6.15	N/A	N/A	3.38	3.39	
		Metro 3	319.72	20.70	20.70	0.86	341.28	5.46	6.15	6.15	N/A	N/A	3.39	3.39	
Duals	Community	Metro 1	\$379.15	\$15.87	\$15.87	\$6.91	\$401.93	\$4.32	\$15.04	\$15.04	N/A	N/A	\$2.71	\$2.71	
		Metro 2	379.15	15.87	15.87	6.91	401.93	8.04	15.04	15.04	N/A	N/A	3.98	3.91	
		Metro 3	379.15	15.87	15.87	6.91	401.93	6.43	15.04	15.04	N/A	N/A	3.99	3.91	
Duals	Non-Duals	Metro 1	\$343.52	\$15.31	\$15.31	\$3.40	\$362.23	\$5.80	\$5.80	\$5.80	N/A	N/A	\$3.60	\$3.60	
		Metro 2	1,748.83	867.80	867.80	1.13	2,617.76	\$2.36	86.39	86.39	86.39	86.06	56.72	25.23	25.00
		Metro 3	1,748.83	867.80	867.80	1.13	2,617.76	41.88	86.39	86.39	86.39	18.32	56.72	25.83	25.00
Duals	Community	Metro 1	\$1,123.85	\$387.86	\$387.86	\$2.12	\$1,513.83	\$35.37	\$39.00	\$39.00	\$48.44	\$42.01	\$13.84	\$14.27	
		Metro 2	1,123.85	387.86	387.86	2.12	1,513.83	24.22	59.00	59.00	10.60	42.01	14.94	14.27	
		Metro 3	1,123.85	387.86	387.86	2.12	1,513.83	\$24.63	\$24.63	\$24.63	\$10.77	\$10.77	\$15.19	\$15.19	

Duals	Population	Non-CBP Final Base Rate with MERC and DHU Removed	M	N	O	P	Q	R	S	T
Duals	Institutional	Metro 1	\$338.52	N/A	\$21.50	N/A	N/A	N/A	\$55.49	\$54.94
		Metro 2	338.52	N/A	6.83	N/A	N/A	55.49	54.94	54.94
		Metro 3	338.52	N/A	5.46	N/A	N/A	55.49	54.94	54.94
Duals	Community	Metro 1	\$271.12	\$266.41	\$4.36	N/A	N/A	\$55.49	\$54.94	\$54.94
		Metro 2	390.80	N/A	\$23.32	N/A	N/A	\$64.42	63.78	63.78
		Metro 3	390.80	N/A	8.04	N/A	N/A	64.42	63.78	63.78
Duals	Non-Duals	Metro 1	\$360.03	\$356.43	\$3.80	N/A	N/A	\$64.42	63.78	63.78
		Metro 2	2,499.65	N/A	\$164.92	N/A	N/A	\$50.40	49.90	49.90
		Metro 3	2,499.65	N/A	52.36	N/A	N/A	50.40	49.90	49.90
Duals	Community	Metro 1	\$1,427.09	N/A	\$95.37	N/A	N/A	\$58.52	57.93	57.93
		Metro 2	1,427.09	N/A	39.76	N/A	N/A	58.52	57.93	57.93
		Metro 3	1,427.09	N/A	24.22	N/A	N/A	58.52	57.93	57.93

Metro 1 - Hennepin County  
 Metro 2 - Anoka, Carver, Dakota, Ramsey, Scott, and Washington Counties  
 Metro 3 - Sherburne and Wright Counties  
 Non-Metro - All other 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.

MILLIMAN

8/13/2009

**Appendix 1B-1**  
**Special Needs Basic Care**  
**October 2009 through December 2009 Capitation Payment Rates**  
**Non-CBP Plans**

Rate Regions	MERC		MERC + DHU	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>	Apr. 1A (C) Add-on <sup>1</sup>	Apr. 1A (B) + Add-on <sup>1</sup>	Total Plan Rate (Includes MERC) <sup>1,3</sup>	Plan Reimbursement Amount (Excludes MERC) <sup>1,3</sup>
	Carve Out <sup>1</sup>	DHU Add-on <sup>1</sup>										
Hemepin	Institutionalized	Dual	\$21.50	\$338.52	1.1067	\$374.63	\$344.66	\$366.16	N/A	\$31.05	\$417.21	\$395.71
	Non-Institutionalized	Non-Dual	164.92	2,499.65	1.3593	3,397.77	3,203.79	3,368.71	N/A	46.37	3,415.08	3,250.16
Metro	Institutionalized	Dual	25.32	390.80	1.1067	432.48	397.89	423.21	\$13.81	\$59.27	496.28	470.96
	Non-Institutionalized	Non-Dual	95.37	48.93	1.3593	1,939.85	1,829.67	1,925.04	14.07	53.84	1,992.95	1,897.58
Non-Metro	Institutionalized	Dual	\$6.83	\$338.52	1.1067	\$374.63	\$344.66	\$351.49	N/A	\$31.05	\$402.54	\$395.71
	Non-Institutionalized	Non-Dual	52.36	\$68.75	1.3593	2,499.65	3,189.20	3,241.56	N/A	46.37	3,287.93	3,235.57
NY Metro	Institutionalized	Dual	8.04	\$90.80	1.1067	432.48	\$97.89	405.93	\$13.81	\$59.27	479.00	470.96
	Non-Institutionalized	Non-Dual	30.28	39.76	1.3593	1,939.85	1,821.24	1,851.52	14.07	53.84	1,919.43	1,899.15
Non-Metro	Institutionalized	Dual	\$3.46	\$338.52	1.1067	\$374.63	\$344.66	\$330.12	N/A	\$31.05	\$401.17	\$395.71
	Non-Institutionalized	Non-Dual	41.88	\$18.51	1.3593	2,499.65	3,142.98	3,184.86	N/A	46.37	3,231.23	3,189.35
Hemepin	Institutionalized	Dual	6.43	390.80	1.1067	432.48	397.89	404.32	\$13.81	\$59.27	477.39	470.96
	Non-Institutionalized	Non-Dual	24.22	10.70	1.3593	1,939.85	1,794.50	1,818.72	14.07	53.84	1,886.63	1,862.41
Metro	Institutionalized	Dual	\$4.36	N/A	1.1067	\$300.04	\$276.04	\$280.40	N/A	\$31.05	\$331.45	\$327.09
	Non-Institutionalized	Non-Dual	36.09	\$15.95	1.3593	2,225.94	2,798.53	2,834.42	N/A	46.37	2,880.79	2,844.70
Non-Metro	Institutionalized	Dual	5.80	N/A	1.1067	398.44	366.56	372.36	\$13.81	\$59.27	445.44	439.64
	Non-Institutionalized	Non-Dual	24.63	10.88	1.3593	1,319.02	1,909.63	1,934.26	14.07	53.84	2,002.17	1,977.54

<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:**

- Hemepin: Hemepin County
- Metro: Anoka, Carver, Dakota, Ramsey, Scott & Washington Counties
- NY Metro: Sherburne & Wright Counties
- Non-Metro: All other counties not previously listed

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 IC-1  
Special Needs BasicCare  
October 2009 through December 2009 Capitation Payment Rates  
CBP Plans

Rate Regions	MERC Carve Out		DHU Add-on		MERC + DHU		Risk Adjustment Base Rate <sup>1</sup>		Plan Risk Factor <sup>2</sup>		Plan RA Rate <sup>1,2</sup>		Plan RA Rate + DHU - Withhold <sup>2</sup>		Plan RA Rate + DHU + MERC - Withhold <sup>2</sup>		NF Add-on		MERC Add-on - Withhold		Total Plan Rate (Includes MERC) <sup>2</sup>		Plan Reimbursement Amount (Excludes MERC) <sup>2</sup>	
	App. 1A (B)	1	App. 1A (C)	2	App. 1A (D)	3	App. 1A (E)	4	(E x F)	(E + F) x 0.92	(E + F)	(E + F) x 0.92	(E + F)	App. 1A (G)	App. 1A (H) x 0.92	(E + F + G)	(E + F + G)	(E + F + G)	(E + F + G)					
Non-Metro	Institutionalized	Dual	\$4.36	N/A	\$4.36	\$268.41	1.1067	\$297.04	\$273.28	\$277.64	N/A	\$30.54	\$328.18	\$323.82										
	Non-Institutionalized	Non-Dual	36.09	\$15.79	51.88	2,203.68	1.3593	2,095.46	2,770.35	2,806.44	N/A	45.91	2,852.35	2,816.26										
	Dual		5.80	N/A	5.80	356.43	1.1067	394.45	362.90	368.70	\$13.67	58.68	441.04	435.24										
	Non-Dual		24.63	10.77	35.40	1,503.83	1.3593	2,044.15	1,890.53	1,915.16	13.93	53.30	1,982.39	1,957.76										

<sup>1</sup> Does not include MERC Carve-Out or DHU Add-On.  
<sup>2</sup> The plan risk factor and risk adjusted rates will change each quarter

Rate Regions:  
 Hennepin: Hennepin County  
 Metro: Anoka, Carver, Dakota, Ramsey, Scott & Washington Counties  
 NW Metro: Sherburne & Wright Counties  
 Non-Metro: All other counties not previously listed

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 2a**

**Includes:**

**SNBC October 2009 – December 2009  
PMPM Cost Models**

**Listed as Appendix 2**

**Current 2009 Rates and Projected October 2009 – December 2009 Rates**



**Appendix 2  
Special Need BasicCare  
Current 2009 Rates and Projected October 2009 - December 2009 Rates**

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

COS	Description	Current 2009 PMPM Rates	Physician & Professional Services Rateable Reduction & Unallotment		Basic Care Rateable Reduction & Unallotment		Inpatient Rateable Reduction		Reimb. Rates for Births: Physician Services		Payment Rates for 2.53% UNCOLA Births: Inpatient		Unallotment for Suspension Nursing Facility - December 2009 PMPM		Estimated October PMPM
			Unallotment	Reduction	Unallotment	Reduction	Reduction	Reduction	Reduction	Reduction	Reduction	Reduction	Reduction	Reduction	
001	Inpatient Hospital General	\$48.95	\$0.00		\$0.00		\$0.14		1.0000		1.0000		1.0000		\$48.81
006	Rehabilitation	0.17	0.00		0.00		0.00		1.0000		1.0000		1.0000		0.17
007	Outpatient Hospital Services	15.88	0.00		0.06		0.00		1.0000		1.0000		1.0000		15.82
015	Inpatient Long Term Hospital	0.86	0.00		0.00		0.01		1.0000		1.0000		1.0000		0.85
020	Home Health Services	0.09	0.00		0.00		0.00		1.0000		1.0000		1.0000		0.09
032	Medical Supply / DMFE	36.80	0.00		0.69		0.00		1.0000		1.0000		1.0000		36.11
036	Transport, Special	50.33	0.00		0.00		0.00		1.0000		1.0000		1.0000		50.33
037	Transport, Ambulance	8.08	0.00		0.00		0.00		1.0000		1.0000		1.0000		8.08
041	Anesthesia	1.65	0.00		0.00		0.00		1.0000		1.0000		1.0000		1.65
043	Physician Services	44.85	0.30		0.00		0.00		1.0000		1.0000		1.0000		44.55
045	Dental	20.72	0.00		0.00		0.00		1.0000		1.0000		1.0000		20.72
046	Mental Health	32.50	0.00		0.00		0.00		1.0000		1.0000		1.0000		32.50
051	Physical Therapy	7.74	0.18		0.00		0.00		1.0000		1.0000		1.0000		7.56
053	Speech Therapy	3.06	0.09		0.00		0.00		1.0000		1.0000		1.0000		2.97
054	Occupational Therapy	10.91	0.45		0.00		0.00		1.0000		1.0000		1.0000		10.46
055	Podiatry	0.76	0.00		0.00		0.00		1.0000		1.0000		1.0000		0.76
057	Chiropractic	0.05	0.00		0.00		0.00		1.0000		1.0000		1.0000		0.05
058	Audiology	0.55	0.01		0.00		0.00		1.0000		1.0000		1.0000		0.54
062	Chemical Dependency	0.67	0.00		0.00		0.00		1.0000		1.0000		1.0000		0.67
063	CD Extended Care / Halfway House	0.00	0.00		0.00		0.00		1.0000		1.0000		1.0000		0.00
072	Hospice	1.44	0.00		0.00		0.00		1.0000		1.0000		1.0000		1.44
074	Inpatient Hospital 45 Day Psych Contract	0.75	0.00		0.00		0.00		1.0000		1.0000		1.0000		0.75
075	Eyeglasses / Contact Lenses	2.25	0.00		0.10		0.00		1.0000		1.0000		1.0000		2.15
076	Prosthetics and Orthotics	3.10	0.00		0.07		0.00		1.0000		1.0000		1.0000		3.03
077	Hearing Aids	0.85	0.01		0.00		0.00		1.0000		1.0000		1.0000		0.84
078	Vision Care	2.44	0.08		0.00		0.00		1.0000		1.0000		1.0000		2.36
079	Radiology, Technical Component	11.86	0.04		0.00		0.00		1.0000		1.0000		1.0000		11.82
080	Laboratory	1.22	0.00		0.02		0.00		1.0000		1.0000		1.0000		1.20
082	Federal Qualified Health Contract Service	3.07	0.00		0.00		0.00		1.0000		1.0000		1.0000		3.07
087	End-Stage Renal Dialysis	8.36	0.00		0.00		0.00		1.0000		1.0000		1.0000		8.36
091	Nurse Practitioner Services	1.15	0.00		0.00		0.00		1.0000		1.0000		1.0000		1.15
999	Unable to Define	0.28	0.00		0.00		0.00		1.0000		1.0000		1.0000		0.28
	Dialectical Behavioral Therapy	0.58	0.00		0.00		0.00		1.0000		1.0000		1.0000		0.58
	Total Acute Base Rate	\$321.97													\$319.72
	Prescription Drugs	\$20.70	\$0.00		\$0.00		\$0.00		1.0000		1.0000		1.0000		\$20.70
	Spenddown	0.85	0.00		0.00		0.00		1.0000		1.0000		1.0000		0.85
	Grand Total	\$348.53													\$341.28
	Mental Health Targeted Case Management	\$54.94	\$0.00		\$0.00		\$0.00		1.0000		1.0000		1.0000		\$54.94

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  
Special Need BasicCare  
Current 2009 Rates and Projected October 2009 - December 2009 Rates**

**Population: Dual Eligibles, Non-Metro Counties, Institutional**

COS	Description	Current 2009 PM/PM Rates	Physician & Professional Services				Basic Care Rateable				Reimb. Rates for				Unallowable for				Estimated October -December 2009 PM/PM
			Reduction & Unallowment	Reduction & Unallowment	Reduction	Reduction	Births: Physician Services	Births: Inpatient	Reduction	Suspension Nursing Facility	Reduction	Reduction	Reduction						
001	Inpatient Hospital General	\$31.31	\$0.00	\$0.00	\$0.02	\$0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	\$31.29				
006	Rehabilitation	0.17	0.00	0.00	0.00	0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	0.17				
007	Outpatient Hospital Services	16.90	0.00	0.14	0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	16.76					
014	Inpatient Hospital IMD	0.11	0.00	0.00	0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	0.11					
015	Inpatient Long Term Hospital	1.32	0.00	0.00	0.01	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1.31					
020	Home Health Services	0.06	0.00	0.00	0.00	1,0000	1,0000	0.9742	1,0000	1,0000	1,0000	1,0000	1,0000	0.06					
032	Medical Supply / DMAT	40.53	0.00	1.11	0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	39.42					
036	Transport, Special	50.81	0.00	0.00	0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	50.81					
037	Transport, Ambulance	6.79	0.00	0.00	0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	6.79					
041	Anesthesia	1.26	0.00	0.00	0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1.26					
043	Physician Services	39.31	0.00	0.00	0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	39.23					
045	Dental	19.52	0.00	0.00	0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	19.52					
046	Mental Health	11.39	0.00	0.00	0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	11.39					
051	Physical Therapy	4.66	0.01	0.00	0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	4.65					
053	Speech Therapy	1.17	0.00	0.00	0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1.17					
054	Occupational Therapy	3.99	0.04	0.00	0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	3.95					
055	Podiatry	0.00	0.00	0.00	0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	0.47					
056	Ambulatory Surgery	0.20	0.00	0.00	0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	0.20					
057	Chiropractic	0.14	0.00	0.00	0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	0.14					
058	Audiology	0.32	0.01	0.00	0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	0.31					
062	Chemical Dependency	0.86	0.00	0.00	0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	0.86					
063	CD Extended Care / Halfway House	0.00	0.00	0.00	0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	0.94					
072	Hospice	2.94	0.00	0.00	0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	2.94					
074	Inpatient Hospital 45 Day Psych Contract	0.00	0.00	0.00	0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	0.08					
075	Eye/Glasses / Contact Lenses	1.70	0.00	0.08	0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1.62					
076	Prosthetics and Orthotics	3.05	0.00	0.04	0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	3.01					
077	Hearing Aids	0.55	0.00	0.01	0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	0.54					
078	Prosthetics and Orthotics	1.73	0.04	0.00	0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1.69					
079	Prosthetics and Orthotics	9.41	0.04	0.00	0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	9.37					
080	Radiology, Technical Component	1.28	0.00	0.02	0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1.26					
082	Federal Qualified Health Contract Service	0.10	0.00	0.00	0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	0.10					
083	Rural Health Clinic Services	1.41	0.00	0.00	0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1.41					
087	End-Stage Renal Dialysis	3.15	0.00	0.00	0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	3.15					
088	Public Health Nursing	0.02	0.00	0.00	0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	0.02					
091	Nurse Practitioner Services	0.42	0.00	0.00	0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	0.42					
999	Unable to Define	0.12	0.00	0.00	0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	0.12					
	Dialectical Behavioral Therapy	0.58	0.00	0.00	0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	0.58					
	Total Acute Base Rate	\$257.83												\$256.18					
	Prescription Drugs	\$16.13	\$0.00	\$0.00	\$0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	\$16.13					
	Spenddown	0.46	0.00	0.00	0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	0.46					
	Grand Total	\$274.42												\$272.77					
	Mental Health Targeted Case Management	\$54.94	\$0.00	\$0.00	\$0.00	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	\$54.94					

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  
 Special Need Basic Care  
 Current 2009 Rates and Projected October 2009 - December 2009 Rates  
 Population: Dual Eligibles, Metro Counties, Community

COS	Description	Current 2009 PMFM Rates	Physician & Professional Services Rateable Reduction & Unemployment		Basic Care Rateable Reduction & Unemployment		Inpatient Rateable Reduction	Reimb. Rates for Births: Physician Services	Payment Rates for Births: Inpatient	Reduction	UNCOLA	Unemployment for Suspension Nursing Facility Residing		Estimated October - December 2009 PMFM
			0.00	0.00	0.00	0.00						0.00	0.00	
001	Inpatient Hospital General Rehabilitation	\$45.64	\$0.00	\$0.00	\$0.00	\$0.00	\$0.07	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	\$45.57
006	Outpatient Hospital Services	0.25	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.25
007	Inpatient Hospital IMD	19.43	0.00	0.05	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	19.38
014	Inpatient Long Term Hospital	0.14	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.14
015	Home Health Services	7.40	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	7.33
020	RTC - Mental Health	26.58	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	25.89
029	Medical Supply / DME	0.72	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.72
032	Transport, Special	26.98	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	26.29
036	Transport, Ambulance	15.12	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	15.12
037	Anesthesia	4.31	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	4.31
041	Physician Services	1.25	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.25
043	Dental	47.82	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	47.54
045	Mental Health	17.31	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	17.31
046	Physical Therapy	110.23	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	110.23
051	Speech Therapy	2.01	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.98
053	Occupational Therapy	0.62	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.59
054	Podiatry	2.75	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	2.61
055	Antibiotic Surgery	0.43	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.42
056	Chiropractic	0.04	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.04
057	Audiology	0.68	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.68
058	Chemical Dependency	0.19	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.19
062	CD Extended Care / Halfway House	7.26	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	7.26
063	Hospice	1.38	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.38
072	Inpatient Hospital 45 Day Psych Contract	4.31	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	4.31
074	Hospice	2.54	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	2.54
075	Eye/Glasses / Contact Lenses	2.46	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	2.46
076	Prosthetics and Orthotics	2.12	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	2.07
077	Hearing Aids	0.76	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.75
078	Vision Care	1.32	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.28
079	Radiology, Technical Component	14.18	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	14.11
080	Laboratory	1.74	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.71
082	Federal Qualified Health Contract Service	4.56	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	4.56
083	Rural Health Clinic Services	0.02	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.02
087	End-Stage Renal Dialysis	6.84	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	6.84
088	Public Health Nursing	0.06	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.06
090	Nurse Midwife Services	0.01	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.01
091	Nurse Practitioner Services	0.27	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.27
999	Unable to Define	1.11	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.11
	Dialectical Behavioral Therapy	0.68	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.68
	Total Acute Base Rate	\$381.52												\$379.15
	Prescription Drugs	\$15.87	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	\$15.87
	Spenddown	6.91	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	6.91
	Grand Total	\$404.90												\$401.95
	Mental Health Targeted Case Management	\$63.78	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	\$63.78
	NF Add-on	\$13.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	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.

MILLIMAN

8/13/2009

**Appendix 2  
Special Need BasicCare  
Current 2009 Rates and Projected October 2009 - December 2009 Rates**

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

COS	Description	Current 2009 PMPY Rates	Physician & Professional Services Rateable			Basic Care Rateable			Inpatient Rateable			Reimb. Rates for Services			Payment Rates for 2.5% UNCOLA Reduction			Unallowance for Suspension - Nursing Facility - December 2009 PMPY		
			Reduction & Unallowance	Rateable	Rate	Reduction & Unallowance	Rateable	Rate	Reduction	Rateable	Rate	Reduction	Rateable	Rate	Reduction	Rateable	Rate			
001	Inpatient Hospital General	\$34.56	\$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	1.0000	1.0000	1.0000	\$34.54	
006	Rehabilitation	0.13	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	1.0000	1.0000	1.0000	0.13	
007	Outpatient Hospital Services	20.62	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	1.0000	1.0000	1.0000	20.56	
014	Inpatient Hospital IMD	2.01	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	1.0000	1.0000	1.0000	2.00	
015	Inpatient Long Term Hospital	1.78	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	1.0000	1.0000	1.0000	1.76	
020	Home Health Services	25.03	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	1.0000	1.0000	1.0000	24.38	
029	RTC - Mental Health	10.06	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	1.0000	1.0000	1.0000	10.06	
032	Medical Supply / DME	25.70	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	1.0000	1.0000	1.0000	25.05	
036	Transport, Special	12.90	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	1.0000	1.0000	1.0000	12.90	
037	Transport, Ambulance	3.76	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	1.0000	1.0000	1.0000	3.76	
041	Anesthesia	1.20	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	1.0000	1.0000	1.0000	1.20	
043	Physician Services	43.42	0.22	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	43.20	
045	Dental	20.32	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	1.0000	1.0000	1.0000	20.32	
046	Mental Health	99.60	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	1.0000	1.0000	1.0000	99.60	
051	Physical Therapy	2.30	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	1.0000	1.0000	1.0000	2.30	
053	Speech Therapy	0.30	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	1.0000	1.0000	1.0000	0.29	
054	Occupational Therapy	0.44	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	1.0000	1.0000	1.0000	0.44	
055	Podiatry	0.44	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	1.0000	1.0000	1.0000	0.44	
056	Ambulatory Surgery	0.15	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	1.0000	1.0000	1.0000	0.15	
057	Chiropractic	1.19	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	1.0000	1.0000	1.0000	1.19	
058	Autology	0.18	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	1.0000	1.0000	1.0000	0.18	
062	Chemical Dependency	5.95	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	1.0000	1.0000	1.0000	5.95	
063	CD Extended Care / Halfway House	1.15	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	1.0000	1.0000	1.0000	1.15	
072	Hospice	2.42	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	1.0000	1.0000	1.0000	2.42	
074	Inpatient Hospital 45 Day Psych Contract	0.73	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	1.0000	1.0000	1.0000	0.73	
075	Eye/Glasses / Contact Lenses	3.02	0.00	0.00	0.14	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	2.88	
076	Prosthetics and Orthotics	1.85	0.00	0.00	0.04	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.81	
077	Hearing Aids	0.95	0.00	0.00	0.01	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.94	
078	Vision Care	1.74	0.06	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.68	
079	Radiology, Technical Component	14.40	0.06	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	14.34	
080	Laboratory	1.63	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	1.0000	1.0000	1.0000	1.61	
082	Federal Qualified Health Contract Service	0.61	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	1.0000	1.0000	1.0000	0.61	
083	Rural Health Clinic Services	1.04	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	1.0000	1.0000	1.0000	1.04	
087	End-Stage Renal Dialysis	1.74	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	1.0000	1.0000	1.0000	1.74	
088	Public Health Nursing	0.40	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	1.0000	1.0000	1.0000	0.38	
090	Nurse Midwife Services	0.01	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	1.0000	1.0000	1.0000	0.01	
091	Nurse Practitioner Services	0.36	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	1.0000	1.0000	1.0000	0.36	
999	Unable to Define	0.74	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	1.0000	1.0000	1.0000	0.74	
	Dialectical Behavioral Therapy	0.68	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	1.0000	1.0000	1.0000	0.68	
	Total Acute Base Rate	\$345.31																	\$343.52	
	Prescription Drugs	\$15.31	\$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	1.0000	1.0000	1.0000	\$15.31	
	Spenddown	3.40	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	1.0000	1.0000	1.0000	3.40	
	Grand Total	\$364.22																	\$362.23	
	Mental Health Targeted Case Management	\$63.78	\$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	1.0000	1.0000	1.0000	\$63.78	
	NF Add-on	\$13.75	\$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	1.0000	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.

MILLIMAN

8/13/2009

**Appendix 2  
Special Need BasicCare  
Current 2009 Rates and Projected October 2009 - December 2009 Rates**  
**Population: Single Eligibles, Metro Counties, Institutional**

COS	Description	Current 2009 PMPM Rates	Physician & Professional Services		Basic Care		Inpatient		Reimb. Rates for		Payment Rates for 2.5% UNCCOLA		Unrollment for		Estimated October PMPM
			Reduction & Unrollment	Reduction & Unrollment	Reduction	Reimb. Physician Services	Birthe: Inpatient	Reduction	Suspension Nursing Facility - December 2009						
001	Inpatient Hospital General	\$946.45	\$0.00	\$0.00	\$9.46	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	\$936.99	
006	Rehabilitation	7.93	0.00	0.00	0.08	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	7.85	
007	Outpatient Hospital Services	70.12	0.00	3.11	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	67.01	
014	Inpatient Hospital IMD	2.14	0.00	0.00	0.02	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	2.12	
015	Inpatient Long Term Hospital	11.49	0.00	0.00	0.11	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	11.38	
020	Home Health Services	0.68	0.00	0.00	0.00	1.0000	1.0000	0.9742	1.0000	1.0000	1.0000	1.0000	1.0000	0.66	
032	Medical Supply / DME	84.21	0.00	2.40	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	81.81	
036	Transport, Special	43.51	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	43.51	
037	Transport, Ambulance	62.70	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	62.70	
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	0.05	
041	Anesthesia	10.12	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	10.12	
043	Physician Services	175.44	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	166.10	
045	Dental	20.65	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	20.65	
046	Mental Health	47.35	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	47.35	
051	Physical Therapy	51.94	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	48.56	
053	Speech Therapy	17.00	1.11	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	15.89	
054	Occupational Therapy	46.07	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	43.08	
055	Podiatry	2.64	0.17	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	2.47	
056	Ambulatory Surgery	0.59	0.00	0.03	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.56	
057	Chiropractic	0.10	0.00	0.00	0.01	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.09	
058	Audiology	0.76	0.05	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.71	
062	Chemical Dependency	3.94	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	3.94	
063	CD Extended Care / Halfway House	0.03	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.03	
072	Hospice	2.64	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	2.64	
074	Inpatient Hospital 45 Day Psych Contact	22.94	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	22.94	
075	Eye/Glasses / Contact Lenses	2.43	0.00	0.11	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	2.32	
076	Prosthetics and Orthotics	15.65	0.00	0.70	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	14.95	
077	Hearing Aids	1.63	0.00	0.02	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.61	
078	Vision Care	2.66	0.17	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	2.49	
079	Radiology, Technical Component	59.51	3.86	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	55.65	
080	Laboratory	38.04	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	36.33	
082	Federal Qualified Health Contract Service	8.48	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	8.48	
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	0.02	
087	End-Stage Renal Dialysis	19.08	0.00	0.34	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	18.24	
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	0.02	
091	Nurse Practitioner Services	9.51	0.58	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	8.93	
	Dialectical Behavioral Therapy	0.58	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.58	
	Total Acute Base Rate	\$1,789.10												\$1,748.83	
	Prescription Drugs	\$867.80	\$0.00	\$0.00	\$0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	\$867.80	
	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	1.13	
	Grand Total	\$2,658.03												\$2,617.76	
	Mental Health Targeted Case Management	\$49.90	\$0.00	\$0.00	\$0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	\$49.90	

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 assume no duty or liability to other parties who receive this work. This material should only be reviewed in its entirety.

**Appendix 2  
Special Need BasicCare  
Current 2009 Rates and Projected October 2009 - December 2009 Rates  
Population: Single Eligibles, Non-Metro Counties, Institutional**

COS	Description	Current 2009 PMPM Rates	Physician & Professional Services Rateable Reduction & Unallowment		Basic Care Rateable Reduction & Unallowment		Inpatient Rateable Reduction		Reimb. Rates for Births: Physician Services		Payment Rates for 2.58% UNCOLA Births: Inpatient		Unallowment for Suspension Nursing Facility Rebasing		Estimated October - December 2009 PMPM
			Reduction	Unallowment	Reduction	Unallowment	Reduction	Reduction	Reduction	Reduction	Reduction	Reduction	Reduction	Reduction	
001	Inpatient Hospital General	\$752.90	\$0.00	\$0.00	\$0.00	\$0.00	\$7.36	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	\$745.54
006	Rehabilitation	10.65	0.00	0.00	0.00	0.00	0.10	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	10.55
007	Outpatient Hospital Services	57.39	0.00	0.00	2.58	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	54.81
014	Inpatient Hospital IMD	6.94	0.00	0.00	0.00	0.00	0.07	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	6.87
015	Inpatient Long Term Hospital	22.87	0.00	0.00	0.00	0.00	0.23	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	22.64
020	Home Health Services	0.58	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.57
032	Medical Supply / DMTE	79.32	0.00	0.00	2.66	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	76.66
036	Transport, Special	74.24	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	74.24
037	Transport, Ambulance	46.97	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	46.97
040	Child and Teen Checkup	0.04	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.04
041	Anesthesia	9.60	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	9.60
043	Physician Services	167.49	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	158.87
045	Dental	19.99	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	19.99
046	Mental Health	30.04	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	30.04
051	Physical Therapy	52.35	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	48.95
053	Speech Therapy	14.57	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	13.62
054	Occupational Therapy	44.21	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	41.46
055	Podiatry	0.97	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.91
056	Ambulatory Surgery	1.37	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.31
057	Chiropractic	0.30	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.28
058	Audiology	0.45	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.42
062	Chemical Dependency	4.93	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	4.93
063	CD Extended Care / Halfway House	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.00
072	Hospice	4.47	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	4.47
074	Inpatient Hospital 45 Day Psych Contract	16.82	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	16.82
075	Eye/Contact Lenses	2.36	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	2.26
076	Prosthetics and Orthotics	23.12	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	22.08
077	Hearing Aids	0.51	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.50
078	Prosthetics and Orthotics	2.30	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	2.16
079	Prosthetics and Orthotics	59.16	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	55.35
080	Radiology, Technical Component	1.74	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.74
082	Federal Qualified Health Contract Service	34.38	0.00	0.00	1.55	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	32.83
083	Rural Health Clinic Services	8.73	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	8.73
087	End-Stage Renal Dialysis	13.92	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	13.31
088	Public Health Nursing	0.01	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.01
090	Nurse Midwife Services	0.02	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.02
091	Nurse Practitioner Services	4.50	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	4.25
	Dialectical Behavioral Therapy	0.58	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.58
	Total Acute Base Rate	\$1,570.79													\$1,534.18
	Prescription Drugs	\$720.42	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	\$720.42
	Spentdown	0.96	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.96
	Grand Total	\$2,292.17													\$2,235.56
	Mental Health Targeted Case Management	\$49.90	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	\$49.90

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  
Special Need BasicCare  
Current 2009 Rates and Projected October 2009 - December 2009 Rates  
Population: Single Eligibles, Metro Counties, Community**

CDS	Description	Current 2009 PMFM Rates	Physician & Professional Services Rateable Reduction & Unallowment	Basic Care Rateable Reduction & Unallowment	Inpatient Rateable Reduction	Reimb. Rates for Births: Physician Services	Payment Rates for Births: Inpatient	UNCOLA Reduction	Unallowment for Suspension Nursing Facility Rehabbing	Estimated October
										PMFM
001	Inpatient Hospital General	\$534.30	\$0.00	\$0.00	\$5.34	1.0000	1.0000	1.0000	1.0000	\$528.96
006	Rehabilitation	8.36	0.00	0.00	0.08	1.0000	1.0000	1.0000	1.0000	8.28
007	Outpatient Hospital Services	56.52	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	53.98
014	Inpatient Hospital IMD	1.12	0.00	2.54	0.01	1.0000	1.0000	1.0000	1.0000	1.11
015	Inpatient Long Term Hospital	20.05	0.00	0.00	0.20	1.0000	1.0000	1.0000	1.0000	19.85
020	Home Health Services	18.41	0.00	0.00	0.00	1.0000	1.0000	0.9742	1.0000	17.94
029	RTC - Mental Health	3.45	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	3.45
032	Medical Supply / DME	47.01	0.00	2.06	0.00	1.0000	1.0000	1.0000	1.0000	44.95
036	Transport, Special	6.51	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	6.51
037	Transport, Ambulance	19.03	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	19.03
040	Child and Teen Checkup	0.06	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	0.06
041	Anesthesia	6.05	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	6.05
043	Physician Services	134.88	7.28	0.00	0.00	1.0000	1.0000	1.0000	1.0000	127.60
045	Dental	14.94	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	14.94
046	Mental Health	86.78	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	86.78
051	Physical Therapy	4.41	0.29	0.00	0.00	1.0000	1.0000	1.0000	1.0000	4.12
053	Speech Therapy	1.00	0.07	0.00	0.00	1.0000	1.0000	1.0000	1.0000	0.93
054	Occupational Therapy	2.85	0.19	0.00	0.00	1.0000	1.0000	1.0000	1.0000	2.66
055	Podiatry	1.17	0.08	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.09
056	Ambulatory Surgery	1.51	0.00	0.07	0.00	1.0000	1.0000	1.0000	1.0000	1.44
057	Chiropractic	0.84	0.05	0.00	0.00	1.0000	1.0000	1.0000	1.0000	0.79
058	Audiology	0.26	0.02	0.00	0.00	1.0000	1.0000	1.0000	1.0000	0.24
062	Chemical Dependency	14.82	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	14.82
063	CD Extended Care / Halfway House	1.96	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.96
072	Hospice	8.53	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	8.53
074	Inpatient Hospital 45 Day Psych Contract	39.68	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	39.68
075	Eyeplases / Contact Lenses	2.50	0.00	0.11	0.00	1.0000	1.0000	1.0000	1.0000	2.39
076	Prostheses and Orthotics	4.92	0.00	0.22	0.00	1.0000	1.0000	1.0000	1.0000	4.70
077	Hearing Aids	0.50	0.00	0.01	0.00	1.0000	1.0000	1.0000	1.0000	0.49
078	Vision Care	1.39	0.09	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.30
079	Radiology, Technical Component	47.75	3.10	0.00	0.00	1.0000	1.0000	1.0000	1.0000	44.65
080	Laboratory	21.15	0.00	0.95	0.00	1.0000	1.0000	1.0000	1.0000	20.20
082	Federal Qualified Health Contract Service	21.34	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	21.34
083	Rural Health Clinic Services	0.09	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	0.09
087	End-Stage Renal Dialysis	10.41	0.00	0.47	0.00	1.0000	1.0000	1.0000	1.0000	9.94
088	Public Health Nursing	0.18	0.00	0.01	0.00	1.0000	1.0000	1.0000	1.0000	0.17
090	Nurse Midwife Services	0.15	0.01	0.00	0.00	1.0000	1.0000	1.0000	1.0000	0.14
091	Nurse Practitioner Services	2.08	0.08	0.00	0.00	1.0000	1.0000	1.0000	1.0000	2.00
999	Unable to Define	0.01	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	0.01
	Dialectical Behavioral Therapy		0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	
	Total Acute Base Rate	\$1,147.65								\$1,123.85
	Prescription Drugs	\$387.86	\$0.00	\$0.00	\$0.00	1.0000	1.0000	1.0000	1.0000	\$387.86
	Spenddown	2.12	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	2.12
	Grand Total	\$1,537.63								\$1,513.83
	Mental Health Targeted Case Management	\$57.93	\$0.00	\$0.00	\$0.00	1.0000	1.0000	1.0000	1.0000	\$57.93
	NF Add-on	\$14.01	\$0.00	\$0.00	\$0.00	1.0000	1.0000	1.0000	0.9940	\$13.93

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  
Special Need BasicCare  
Current 2009 Rates and Projected October 2009 - December 2009 Rates**

**Population: Single Eligibles, Non-Metro Counties, Community**

COS	Description	Current 2009 PMPM Rates	Physician & Professional Services Rateable Reduction & Unallowance		Basic Care Rateable Reduction & Unallowance		Inpatient Rateable Reduction		Reimb. Rates for Births: Physician Services		Payment Rates for 2.58% UNICOLA Births: Inpatient		Unallowance for Suspension Nursing Facility - December 2009		Estimated October PMPM
			Rateable	Unallowance	Rateable	Unallowance	Rateable	Unallowance	Rateable	Unallowance	Rateable	Unallowance	Rateable	Unallowance	
001	Inpatient Hospital General Rehabilitation	\$413.63	\$0.00	\$0.00	\$4.14	\$0.00	\$4.14	\$0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	\$409.49
006	Outpatient Hospital Services	9.71	0.00	0.00	0.10	0.00	0.10	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	9.61
007	Inpatient Hospital IMD	62.79	0.00	2.70	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	60.09	
014	Inpatient Long Term Hospital Home Health Services	9.28	0.00	0.00	0.09	0.00	0.09	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	9.19	
015	RTC - Mental Health	15.46	0.00	0.00	0.15	0.00	0.15	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	15.31	
020	Medical Supply / DME	21.39	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	20.84	
029	Transport, Special	21.56	0.00	2.02	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	21.56	
032	Child and Teen Checkup	50.33	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	48.31	
036	Anesthesia	7.90	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	7.90	
037	Physician Services	19.90	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	19.90	
040	Dental	0.06	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	0.06	
041	Physical Therapy	7.70	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	7.70	
043	Occupational Therapy	146.74	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	138.61	
045	Mental Health	18.69	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	18.69	
046	Speech Therapy	102.22	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	102.22	
051	Podiatry	5.79	0.05	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	5.41	
053	Chiropractic	0.76	0.11	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	0.71	
054	Ambulatory Surgery	1.71	0.07	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.60	
055	Chemical Dependency	1.27	0.00	0.13	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.20	
056	CD Extended Care / Halfway House	2.83	0.11	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	2.70	
057	Hospice	1.69	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.58	
058	Eye/Glasses / Contact Lenses	0.22	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	0.21	
062	Prosthetics and Orthotics	11.78	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	11.78	
063	Hearing Aids	1.43	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.43	
072	Prosthetics and Orthotics	6.79	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	6.79	
074	Prosthetics and Orthotics	16.91	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	16.91	
075	Hearing Aids	3.06	0.00	0.14	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	2.92	
076	Prosthetics and Orthotics	6.16	0.00	0.28	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	5.88	
077	Prosthetics and Orthotics	0.78	0.00	0.01	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	0.77	
078	Prosthetics and Orthotics	2.10	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.97	
079	Prosthetics and Orthotics	56.41	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	52.74	
080	Prosthetics and Orthotics	23.54	0.00	1.06	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	22.48	
082	Prosthetics and Orthotics	2.56	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	2.56	
083	Prosthetics and Orthotics	4.72	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	4.72	
087	Prosthetics and Orthotics	3.62	0.00	0.16	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	3.46	
088	Prosthetics and Orthotics	0.58	0.00	0.02	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	0.56	
090	Prosthetics and Orthotics	0.06	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	0.06	
091	Prosthetics and Orthotics	2.77	0.08	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	2.69	
	Total Acute Base Rate	\$1,055.58	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	\$1,041.29	
	Prescription Drugs	\$496.26	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.0000	1.0000	1.0000	1.0000	1.0000	\$496.26	
	Spenddown	1.68	0.00	0.00	0.00	0.00	0.00	0.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.68	
	Grand Total	\$1,553.52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.0000	1.0000	1.0000	1.0000	1.0000	\$1,539.23	
	Mental Health Targeted Case Management	\$57.93	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.0000	1.0000	1.0000	1.0000	1.0000	\$57.93	
	NF Add-on	\$14.01	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.0000	1.0000	1.0000	1.0000	1.0000	\$13.93	

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 assume no duty or liability to other parties who receive this work. This material should only be reviewed in its entirety.

MILLIMAN

8/13/2009