

# **Actuarial Review of the TennCare and TennCare Partners Programs**

Development of Fiscal Year 2009 Per Capita Costs

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## **SECTION 1 – EXECUTIVE SUMMARY**

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At the request of the Bureau of TennCare, Aon Consulting (Aon) has calculated per capita costs for the TennCare program for State Fiscal Year (“SFY”) 2009. As part of our analysis, we have also restated the costs for the SFY 2008. The per capita costs shown in this report are calculated to assist in the development of the TennCare budget and to develop medical and behavior health rates for the managed care organizations.

TennCare returned to at-risk contracts with managed care organizations in Middle Tennessee on April 1, 2007. TennCare will also return to at-risk contract in East Tennessee (effective January 1, 2009) and West Tennessee (effective November 1, 2008). The TennCare Select population, however, will continue to be paid on a fee-for-service basis in all regions.

The purpose of this report is to provide per capita costs for SFY 2009 for the TennCare and TennCare Partners programs. These programs represent a large portion of the TennCare budget. These estimates are based on a detailed analysis of data provided by the TennCare Bureau, review of the provider payments and invoices paid to managed care and behavior health organizations and the current program’s plan of benefits and eligible groups.

There have been many material changes to the TennCare program over the last 18 months. In Middle Tennessee, the TennCare program implemented combined MCO/BHO capitated risk contracts during SFY 2007. Capitated risk contracts will be rolled out to East and West Tennessee, with staggered implementation dates, during SFY 2009. For SFY 2009, a portion of the year will be paid under FFS and portion will be paid under the risk-based capitation rates for the East and West. Under the combined risk contracts, the BHO experience will be included in the MCO payment and will no longer be included within the BHO reports as in the past. (This is consistent with the reporting of the Middle Region in the 2008 Report.)

We received significant assistance in obtaining data and background information for this report from the TennCare Bureau. Aon has relied upon this data and its integrity. Further details of the data received are discussed in Section IV of this report.

### **Methodology**

The per capita costs shown in this report are developed based on actual SFY 2009 capitation rates for each region and actual TennCare utilization experience subset by key demographic and eligibility categories. Health plan payments to providers form the primary basis of the calculation of the cost per unit of service. In order to be consistent with prevailing MCO capitation rates, a separate medically needy category was not included in the analysis this year.

Aon developed baseline per capita costs using claims incurred between November 1, 2006 and October 31, 2007 and paid through January 2008. Relatively small completion factors (2% to 8% depending on type of service) were required to develop the baseline data. Medicare Part D was implemented on January 1, 2006, removing the majority of the pharmacy expenditures for many SSI and dual eligible members. Since this change occurred before the experience period used for this report, no adjustments were necessary to reflect this benefit reduction before projecting SFY 2009 experience. The “hard limits” in the pharmacy program were implemented on August 1, 2005. These “hard limits” were replaced by “soft limits” effective February 1, 2007. Emerging data was analyzed and found to require no additional adjustments for this change.

Historical experience for home health and private duty nursing benefits was adjusted to reflect the new benefit limitations that will become effective in September of 2008.

The per capita costs were updated using inflation factors to estimate expected costs for SFYs 2008 and 2009. SFY 2008 projections use the historical trends and completion factors to update the baseline data to the

current period. The current period is then rolled forward a full year using projected trends to come up with the final SFY 2009 projection.

## Summary

Based on methodologies and assumptions detailed in this report, Aon has developed per capita costs for SFYs 2008 and 2009. Consistent with last year's methodology, Aon collected data for this year's report directly from the MCOs and BHOs. Pharmacy and dental encounter data was collected directly from TennCare. Aon (in agreement with the TennCare Bureau) decided to define the baseline data as November 2006 through October 2007. The data was based on incurred claims from November 2006 through October 2007, with claims run-out through January 2008. The data used was reconciled to the submitted Medical Fund Target Reports from the MCOs and the Medical Loss Ratio Reports from the BHOs, as well as Invoice Statements received from the State Auditors. The managed care data for Middle Tennessee was reconciled to the Medical Loss Ratio Reports submitted by each MCO.

Using the historical encounter data, Aon was able to develop completion factors that needed to be applied to the baseline data. Due to the claims run-out period, the factors varied by service category from 2% to 8% for the baseline period.

Aon applied the historical trends to calculate the baseline SFY 2008 per capita costs. Details of this calculation and the various breakouts are included in the Appendices. We used the projected incurred data and completion factors to estimate the projected claims for SFY 2008, that is, from July 2007 through June 2008. Reconciliation of these numbers to emerging invoices and MCO payments provided verification of our historical trends and completion factors. The data was then projected to SFY 2009.

Members in TennCare Select High are not covered by the at-risk capitation programs and were therefore analyzed separately. Aon has also added a new group of members, TennCare Select Low. These members are not currently enrolled in the risk-contract in Middle Tennessee but appear to reside in Middle Tennessee and are not covered by TennCare Select High.

## MCO Per Capita Costs – SFY 2008

MCO Per Capita Costs - Fiscal Year 2008												
Summary By Rate Group												
Aid Category	East		Middle		West		TennCare Select High		TennCare Select Low		Total	
	Excluding Pharmacy	Including Pharmacy	Excluding Pharmacy	Including Pharmacy	Excluding Pharmacy	Including Pharmacy	Excluding Pharmacy	Including Pharmacy	Excluding Pharmacy	Including Pharmacy	Excluding Pharmacy	Including Pharmacy
Medicaid (TANF & Related)	\$ 156.86	\$ 197.71	\$ 189.81	\$ 223.49	\$ 146.20	\$ 172.61	\$ 188.86	\$ 251.05	\$ 278.34	\$ 278.34	\$ 165.11	\$ 199.31
Uninsured/Uninsurable	\$ 78.89	\$ 116.30	\$ 83.06	\$ 115.08	\$ 76.48	\$ 105.00	\$ 44.34	\$ 128.59	\$ 270.71	\$ 270.71	\$ 82.48	\$ 115.92
Disabled	\$ 553.13	\$ 760.94	\$ 711.80	\$ 904.71	\$ 591.56	\$ 748.82	\$ 444.46	\$ 559.58	\$ 163.47	\$ 163.47	\$ 553.56	\$ 721.45
Duals/Waiver Duals	\$ 87.57	\$ 90.47	\$ 115.36	\$ 118.07	\$ 60.96	\$ 64.16	\$ 227.56	\$ 240.91	\$ 39.92	\$ 39.92	\$ 89.17	\$ 92.19
State Only & Judicial	\$ -	\$ -	\$ 467.67	\$ 608.68	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 467.67	\$ 608.68
BHO Priority	\$ -	\$ -	\$ 408.30	\$ 408.30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 408.30	\$ 408.30
All Eligibility Groups	\$ 187.58	\$ 240.61	\$ 247.65	\$ 290.94	\$ 179.41	\$ 216.35	\$ 380.93	\$ 481.09	\$ 149.93	\$ 149.93	\$ 212.74	\$ 260.51

Last year's report projected SFY 2008 per capita costs to be \$205.28 without pharmacy and \$258.05 with pharmacy. The restated SFY 2008 estimate of \$212.74 without pharmacy is 3.6% higher than last year. The difference appears to be driven by higher than expected home health and private duty nursing costs associated with the Duals/Waiver Dual category. The restated SFY 2008 estimate including pharmacy of \$260.51 is higher by 1.0%. The increased medical costs were mitigated by lower than expected pharmacy trend.

There could be many reasons for the deviations from actual to expected, such as enrollment shifts, etc. A detailed review of the variations is beyond the scope of this project.



## Enrollment and Membership Review

During the last two SFYs, the impact of the disenrolled membership has begun to taper off. In fact there was an increase in average membership in SFY 2008 over SFY 2007. Below is a summary of the enrollment numbers received from the TennCare detailed eligibility file:

MCO Enrollment Analysis (Average Monthly Enrollees)					
Summary By Rate Group					
	Fiscal Year 2007	Fiscal Year 2008	2007-2008 Change	Fiscal Year 2009	2008-2009 Change
Medicaid (TANF & Related)	806,591	824,669	18,079	801,722	(22,948)
Uninsured/Uninsurable	36,033	33,324	(2,709)	31,881	(1,443)
Disabled	163,543	166,647	3,104	162,142	(4,505)
Duals/Waiver Duals	192,097	197,148	5,051	191,205	(5,943)
State Only & Judicial	6,007	7,109	1,102	6,356	(754)
All Eligibility Groups	1,204,272	1,228,898	24,626	1,193,305	(35,593)

The enrollment has leveled off after the significant disenrollment process that began in August 2005. There were still some residual reductions into 2006 and 2007 due to the appeals process for many members. Aon used the most recent enrollment information as the basis for our projections. The June 2008 membership levels were projected forward at a lower level anticipating further reductions of the medically needy population. The projected enrollment, however, does not consider the impact of any changes in the local Tennessee economy. A downturn in the Tennessee economy could cause these enrollment assumptions to be understated.

AON initially had eligibility data by member through January 2008. The projected 2008 enrollment was based upon this member level data adjusted by more recent aggregate membership. The 2008 enrollment projection was compared to the enrollment in the most recent TennCare budget forecasts and was within acceptable ranges. From this information, Aon was able to develop projected expenditures for SFY 2008. Below is a summary:

Region	Fiscal Year 2008 - Projected Expenditures				
	MCO	BHO	MCO and BHO	Pharmacy	Total
East	\$ 941,393,810	\$ 139,100,752	\$ 1,080,494,561	\$ 269,714,495	\$ 1,350,209,057
Middle	\$ 1,106,420,866	\$ -	\$ 1,106,420,866	\$ 198,400,061	\$ 1,304,820,927
West	\$ 781,812,133	\$ 86,113,460	\$ 867,925,593	\$ 163,243,290	\$ 1,031,168,883
TennCare Select High	\$ 278,153,211	\$ 41,594,637	\$ 319,747,848	\$ 73,137,876	\$ 392,885,724
TennCare Select Low - Middle	\$ 17,350,347	\$ 1,361,568	\$ 18,711,915	\$ -	\$ 18,711,915
Total	\$ 3,125,130,367	\$ 268,170,416	\$ 3,393,300,783	\$ 704,495,722	\$ 4,097,796,505
Total - PMPM	\$ 212.74	\$ 26.09	\$ 230.10	\$ 47.77	\$ 277.88

Note that in the table above, the Middle region MCO expenditures include the associated behavioral health expenditures for capitated members. Because the BHO services are partially included with the MCO expenditures, the MCO and BHO per member per month ("PMPM") amounts can not be added directly to obtain the "MCO and BHO" total PMPM expenditures.

With our processes and trends validated, we performed a detailed trend analysis, which was required to bring the baseline data up to the projection period.

## MCO Per Capita Costs – SFY 2009

MCO Per Capita Costs - Fiscal Year 2009												
Summary By Rate Group												
Aid Category	East		Middle		West		TennCare Select High		TennCare Select Low		Total	
	Excluding Pharmacy	Including Pharmacy	Excluding Pharmacy	Including Pharmacy	Excluding Pharmacy	Including Pharmacy	Excluding Pharmacy	Including Pharmacy	Excluding Pharmacy	Including Pharmacy	Excluding Pharmacy	Including Pharmacy
Medicaid (TANF & Related)	\$ 170.18	\$ 214.35	\$ 173.34	\$ 209.76	\$ 160.03	\$ 188.60	\$ 199.43	\$ 266.64	\$ 285.29	\$ 285.29	\$ 168.83	\$ 205.83
Uninsured/Uninsurable	\$ 89.23	\$ 129.63	\$ 73.46	\$ 107.96	\$ 83.74	\$ 114.56	\$ 47.29	\$ 139.36	\$ 280.89	\$ 280.89	\$ 85.24	\$ 121.32
Disabled	\$ 587.28	\$ 811.72	\$ 735.20	\$ 943.43	\$ 642.39	\$ 812.25	\$ 470.63	\$ 594.72	\$ 169.02	\$ 169.02	\$ 585.67	\$ 766.24
Duals/Waiver Duals	\$ 84.39	\$ 87.53	\$ 214.22	\$ 217.14	\$ 63.70	\$ 67.15	\$ 257.82	\$ 272.24	\$ 44.02	\$ 44.02	\$ 118.63	\$ 121.91
State Only & Judicial	\$ 468.19	\$ 576.70	\$ 557.42	\$ 709.72	\$ 558.22	\$ 672.21	\$ -	\$ -	\$ -	\$ -	\$ 531.76	\$ 656.38
BHO Priority	\$ 228.93	\$ 228.93	\$ 354.55	\$ 354.55	\$ 243.05	\$ 243.05	\$ -	\$ -	\$ -	\$ -	\$ 289.67	\$ 289.67
All Eligibility Groups	\$ 209.85	\$ 267.29	\$ 249.04	\$ 295.67	\$ 205.98	\$ 246.14	\$ 403.58	\$ 511.50	\$ 154.78	\$ 154.78	\$ 230.27	\$ 281.82

The report indicates that the per capita costs are anticipated to increase 8.2% or \$21.31 per capita over the SFY 2008 projection; however, some of the increase is due to the addition of BHO costs for East and West Tennessee for a portion of the year. As discussed earlier, the Middle BHO costs are now being reported under the Middle MCO capitation contract effective April 1, 2007. The East will include these costs effective January 1, 2009 and the West effective November 1, 2009. This change causes the MCO costs to be artificially inflated.

Consistent with SFY 2008, Aon developed aggregate projections for SFY 2009. Below is a summary of the projections.

Region	Fiscal Year 2009 - Projected Expenditures				
	MCO	BHO	MCO and BHO	Pharmacy	Total
East	\$ 1,017,443,856	\$ 68,109,400	\$ 1,085,553,256	\$ 279,428,775	\$ 1,364,982,031
Middle	\$ 1,095,826,265	\$ -	\$ 1,095,826,265	\$ 210,493,575	\$ 1,306,319,840
West	\$ 865,249,313	\$ 27,813,426	\$ 893,062,739	\$ 168,980,977	\$ 1,062,043,716
TennCare Select High	\$ 296,145,570	\$ 43,338,187	\$ 339,483,757	\$ 79,188,440	\$ 418,672,197
TennCare Select Low - Middle	\$ 17,691,297	\$ 1,357,381	\$ 19,048,677.98	\$ -	\$ 19,048,678
Total	\$ 3,292,356,301	\$ 140,618,394	\$ 3,432,974,695	\$ 738,091,767	\$ 4,171,066,462
Total - PMPM	\$ 230.27	\$ 30.03	\$ 239.74	\$ 51.54	\$ 291.28

As in the SFY 2008 projection, the Total MCO PMPM and BHO PMPM can not be added directly to obtain the Total MCO and BHO PMPM. (This is due to BHO services being covered by the new and existing MCO contracts during various parts of SFY 2009.) When compared with the projected SFY 2008, the projected SFY 2009 per capita cost for combined MCO and BHO is expected to increase 4.2% while the combined MCO, BHO, and pharmacy per capita cost is expected to increase 4.8%.

## **Pharmacy Per Capita Costs**

Below is a brief summary of the Pharmacy projections:

<b>Summary of Per Capita Costs by Aid Category Pharmacy</b>		
Aid Category	FY 2008 PMPM	FY 2009 PMPM
Medicaid	\$ 34.20	\$ 37.00
Uninsured/Uninsurable	\$ 33.43	\$ 36.08
Disabled	\$ 167.88	\$ 180.57
Duals/Waiver Duals	\$ 3.02	\$ 3.27
State Only & Judicials	\$ 115.20	\$ 124.62
All Eligibility Groups	\$ 47.77	\$ 51.54

The projected SFY 2008 per capita pharmacy cost in the 2007 Report was \$52.78.

Changes to the pharmacy program before and during the baseline period included the change from the “Hard Script Limits” (implemented on August 1, 2005) to the “Soft Limits” on February 1, 2007. While an increase in pharmacy incurred claims after this change would not be surprising, this change did not appear to have a significant impact. Even though dual eligible enrollees were transitioned to Medicare Part D benefits effective January 1, 2006, TennCare still covers non-Part D drugs, which is a small subset of therapeutic classes, for these members.

Consistent with last year’s report, Aon developed a breakdown of the pharmacy expenditures by brand and generics. This becomes increasingly important when highly utilized drugs have gone off patent. The savings from generic conversions are offset by the introduction of new drugs to the market, in particular specialty drugs and biological agents.

Below is a summary of SFY 2008 and SFY 2009 pharmacy costs:

<b>Summary of Per Capita Costs by Service Category Pharmacy</b>				
Service Category	Fiscal Year 2008 PMPM		Fiscal Year 2009 PMPM	
	PMPM	Total	PMPM	Total
Member Months		14,746,776		14,322,281
Brand	\$ 34.84	\$ 513,708,790	\$ 37.59	\$ 538,308,803
Generic	\$ 11.25	\$ 165,896,187	\$ 12.13	\$ 173,729,836
Non-Drug*	\$ 1.16	\$ 17,080,254	\$ 1.25	\$ 17,870,169
Total	\$ 47.24	\$ 696,685,231	\$ 50.96	\$ 729,908,808
Admin %	\$ 0.53	\$ 7,810,491	\$ 0.57	\$ 8,182,959
Premium Tax	\$ -	\$ -	\$ -	\$ -
Total Premium Rate	\$ 47.77	\$ 704,495,722	\$ 51.53	\$ 738,091,767

This breakdown shows that almost 75% of the pharmacy claims expenditures are due to brand name drugs, even though almost 60% of prescriptions are for generic drugs. This highlights the vast unit cost difference between brand name and generic drugs. Pharmacy trends are anticipated to be in the 8-10% range for the next few years.

## Dental Per Capita Costs

Consistent with the calculation of the per capita costs for the MCOs, Aon developed the cost for the separate dental program. Projected costs for this program are detailed below and include a 3.75% administrative load for SFY 2008 and SFY 2009:

Summary of Dental Per Capita Costs				
By Aid Category				
	FY2008		FY2009	
Medicaid (TANF & Related)	\$	12.57	\$	13.18
Uninsured/Uninsurable	\$	17.94	\$	18.79
Disabled	\$	4.85	\$	5.10
Duals/Waiver Duals	\$	0.04	\$	0.05
All Eligibility Groups	\$	9.65	\$	10.12

The projected per capita cost for SFY 2008 in last years report was \$9.54. SFY 2008's experience was approximately 1% higher than anticipated.

An increase of 4.9% (\$0.47 per capita) is indicated for SFY 2009 over SFY 2008. Using the SFY 2008 and SFY 2009 enrollment assumptions outlined earlier, the total dental expense for SFY 2009 is anticipated to be \$144,971,044.

Consistent with last year's report, the data received was very detailed and was of high quality. Aon was able to develop a further breakdown of the dental expenditures by major service category. Below is a summary:

Summary By Service Category - Dental								
All Eligibility Groups								
Service Category	State							
	Fiscal Year 2008			Fiscal Year 2009				
	Per Capita	Total	Per Capita	Total				
Diagnostic	\$	1.44	\$	21,146,372	\$	1.51	\$	21,540,354
Preventive	\$	1.52	\$	22,296,559	\$	1.59	\$	22,709,840
Restorative	\$	3.54	\$	51,836,957	\$	3.71	\$	52,823,405
Endodontics	\$	0.83	\$	12,096,655	\$	0.87	\$	12,324,206
Oral Surgery	\$	0.91	\$	13,331,422	\$	0.95	\$	13,574,374
Orthodontics	\$	0.64	\$	9,338,285	\$	0.67	\$	9,514,664
Other	\$	0.45	\$	6,560,873	\$	0.47	\$	6,686,654
Admin	\$	0.33	\$	4,808,118	\$	0.34	\$	4,898,446
Total	\$	9.65	\$	141,415,239	\$	10.12	\$	144,071,944

## **TennCare Partners - BHO Per Capita Costs**

Beginning July 1, 2004, TennCare Partners entered into a risk contract with Tennessee Behavioral Health, Inc. for the East Tennessee Region (TBH East) that pays capitation rates based on demographic group and priority status. During SFY 2008, the MCO risk contracts in Middle Tennessee were responsible for services previously paid under TennCare Partners for their enrollees. The remainder of the state is funded on the basis of a fixed monthly budget. This budget is currently divided between payments for individuals who are classified as priority (SPMI/SED) and non-priority. The following table shows SFY 2008 per capita costs for statewide BHO services:

BHO Per Capita Costs - Fiscal Year 2008					
Summary By Rate Group					
	East	West	TC Select High	TC Select Low	Statewide
Priority	\$ 210.06	\$ 234.14	\$ 257.70	\$ 131.24	\$ 224.22
Non-Priority	\$ 7.91	\$ 3.35	\$ 20.81	\$ 5.52	\$ 6.75
State Only & Judicial	\$ 444.66	\$ 449.95			\$ 446.65
All Eligibility Groups	\$ 27.52	\$ 19.66	\$ 56.96	\$ 11.77	\$ 26.09

Per capita costs by age and eligibility along with a budget summary, based on incurred claims grossed for administration costs and margin, for SFY 2008 are shown below.

BHO Per Capita Costs - Fiscal Year 2008					
Summary By Rate Group					
	Age Group	Membership	PMPM		Total
BHO Priority	Ages 0 - 13	138,225	\$ 197.11	\$	27,245,317
	Ages 14 - 18	115,683	\$ 260.42	\$	30,126,163
	Ages 19 - 20	23,527	\$ 199.25	\$	4,687,819
	Age 21+	521,275	\$ 224.50	\$	117,028,623
	Total	798,710	\$ 224.22	\$	179,087,923
BHO Non-Priority	Ages 0 - 13	3,763,943	\$ 3.96	\$	14,899,162
	Ages 14 - 18	1,135,391	\$ 20.47	\$	23,246,444
	Ages 19 - 20	377,183	\$ 5.49	\$	2,069,709
	Age 21+	4,146,929	\$ 5.64	\$	23,404,506
	Total	9,423,447	\$ 6.75	\$	63,619,820
State Only & Judicials	Ages 0 - 13	48	\$ 747.72	\$	35,644
	Ages 14 - 18	244	\$ 1,351.01	\$	329,713
	Ages 19 - 20	1,150	\$ 483.37	\$	555,874
	Age 21+	55,566	\$ 441.66	\$	24,541,441
	Total	57,008	\$ 446.65	\$	25,462,673
All Groups	All Ages	10,279,165	\$ 26.09	\$	268,170,416

## **BHO Per Capita Costs – SFY 2009**

The SFY 2009 per capita costs were developed using a current year trend that varies by payment and service type and includes a 10% administrative load and 2% premium tax. Grants were assumed to remain level on a per member basis. The results in East and West Tennessee reflect the carve-in of BHO services to the MCO contracts as of November 1, 2008 for the West and January 1, 2009 for the East. Members in TennCare Select High are not covered by the at-risk capitation programs and therefore have their own statewide

definition. Members in TennCare Select Low are members not currently enrolled in the MCO's and not eligible for TennCare Select High.

BHO Per Capita Costs - Fiscal Year 2009					
Summary By Rate Group					
	East	West	TC Select High	TC Select Low	Statewide
Priority	\$ 216.40	\$ 240.45	\$ 268.72	\$ 134.85	\$ 234.94
Non-Priority	\$ 8.17	\$ 3.46	\$ 21.79	\$ 5.79	\$ 8.65
State Only & Judicial	\$ 457.65	\$ 462.30			\$ 459.00
All Eligibility Groups	\$ 28.00	\$ 19.83	\$ 59.06	\$ 11.88	\$ 30.03
2008 Current Projection	\$ 27.52	\$ 19.66	\$ 56.96	\$ 11.77	\$ 26.09
Difference	1.8%	0.9%	3.7%	0.9%	15.1%

The large statewide per capita increase is driven by the movement of members from the East and West regions into at risk MCO plans that cover BHO services. Behavioral health drugs are paid on a fee-for-service basis. The costs for BHO drugs are not included above and can be found in the appendices for pharmacy.

The data received this year by the BHO was reconciled to the MLR reports. Aon was able to develop a further breakdown of the BHO expenditures by major service category within a region; details can be found in the appendices. Below is a summary by priority status and age group.

BHO Per Capita Costs - Fiscal Year 2009					
Summary By Rate Group					
	Age Group	Enrollment	PMPM		Total
BHO Priority	Ages 0 - 13	78,368	\$ 217.25	\$	17,025,854
	Ages 14 - 18	75,572	\$ 267.08	\$	20,183,671
	Ages 19 - 20	14,327	\$ 239.64	\$	3,433,291
	Age 21+	230,077	\$ 230.12	\$	52,944,943
	Total	398,344	\$ 234.94	\$	93,587,758
BHO Non-Priority	Ages 0 - 13	1,681,754	\$ 5.50	\$	9,243,011
	Ages 14 - 18	544,337	\$ 27.16	\$	14,782,647
	Ages 19 - 20	184,760	\$ 7.43	\$	1,373,401
	Age 21+	1,851,284	\$ 6.20	\$	11,485,196
	Total	4,262,135	\$ 8.65	\$	36,884,255
State Only & Judicials	Ages 0 - 13	22	\$ 923.61	\$	20,248
	Ages 14 - 18	76	\$ 1,380.64	\$	105,413
	Ages 19 - 20	413	\$ 503.38	\$	207,874
	Age 21+	21,594	\$ 454.42	\$	9,812,846
	Total	22,105	\$ 459.00	\$	10,146,381
All Groups	All Ages	4,682,584	\$ 30.03	\$	140,618,394

Note that enrollment is lower than the MCO enrollment due to BHO members' movement to the combined risk contracts.

## **SECTION II – PROGRAM OVERVIEW**

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On January 1, 1994, Tennessee began a new health care reform program called TennCare. This program, which required no new taxes, essentially replaced the Medicaid Program in Tennessee. TennCare was designed as a managed care model. It extended coverage to uninsured and uninsurable persons who were not eligible for Medicaid.

The TennCare program was implemented as a five-year demonstration program approved by the federal Health Care Financing Administration (HCFA), which is now known as the Centers for Medicare and Medicaid Services (CMS). The program received several extensions after the original expiration date of December 30, 1999. In July 2002, Tennessee began a new five-year TennCare demonstration program.

The current TennCare program is really two programs. TennCare Medicaid is for persons who are Medicaid eligible; and TennCare Standard is for persons who are not Medicaid eligible, but who have been determined to meet the state's criteria as being either uninsured or uninsurable. Historically, individuals in both programs have received the same services. TennCare Standard enrollees with family incomes at or above poverty level are required to pay premiums and copays, however.

New reforms to TennCare were approved by CMS in the spring of 2005. According to these reforms, TennCare Standard adults ages 19 and over were to be disenrolled from the program, beginning in August 2005. TennCare Medically Needy adults ages 21 and older who were not pregnant were to be disenrolled also. The majority of disenrollment occurred by November 2006.

Historically, TennCare services are offered through several managed care entities. Each enrollee had a Managed Care Organization (MCO) for his or her primary care and medical/surgical services, a Behavioral Health Organization (BHO) for his or her behavioral health and substance abuse treatment services, and a Pharmacy Benefits Manager (PBM) for his or her pharmacy services. Children under the age of 21 are eligible for dental services, which are provided by a Dental Benefits Manager (DBM). Enrollees are allowed to choose the MCO they wish from among those available in the areas in which they live.

Prior to July 2002, MCO's were "at risk"- meaning that their compensation was based on a per member per month capitation fee for each enrollee, regardless of how many services the enrollee used. However, because of instability among some of the MCOs participating in TennCare, the "at risk" concept was replaced in July 2002 with a "non-risk" arrangement. MCOs began submitting invoices to TennCare for payment of medical services delivered and receiving a fixed administrative fee. The state added its own MCO, called TennCare Select, to serve as a backup if other plans failed or there was inadequate MCO capacity in any area of the state. TennCare Select is administered by BlueCross/BlueShield of Tennessee.

### **Current 1115 Waiver and Historical Perspective**

Tennessee was granted a five-year waiver from the Centers for Medicare and Medicaid Services (CMS) effective July 1, 2002. The waiver provides for a number of changes in TennCare including changes in the eligible population and changes in the program design, such as service limits and cost sharing. While the new waiver was effective July 1, 2002, the benefit changes that were allowed under that waiver were never fully implemented in an effort to negotiate settlements to many outstanding lawsuits.

Under the waiver, TennCare was approved to enter into a "stabilization" plan, also effective July 2002, whereby risk-based contracts for managed care organizations were converted to Administrative Services Only (ASO) contracts. The transition to ASO contracts has resulted in more detailed data reporting from the MCO's; in particular, the amount paid for specific services is captured. This data collection is further detailed in Section IV (Data Sources). Since the inception of the stabilization plan, the TennCare Bureau has also

gained stronger control over most expenditures to providers through specific contractual terms with managed care organizations.

Effective October 2002, dental services were carved out of the managed care contracts. The services are now paid fee-for-service and are administered by a Dental Benefits Manager (DBM), Doral Dental USA. As the DBM for TennCare, Doral is responsible for maintaining an adequate dental provider network, paying provider claims and providing member and outreach services.

Effective July 1, 2003, the State took over the Non-Dual MCO pharmacy programs on a fee-for-service basis. MCO pharmacy per capita costs are presented in the development of the TennCare per capita costs. Behavioral pharmacy (hereafter referred to as BHO pharmacy) per capita costs are presented in the development of the TennCare Partners per capita cost. A new pharmacy benefit manager, First Health, was awarded a contract effective January 1, 2004.

A Preferred Drug List (PDL) was phased in, beginning October, 2003. It was fully implemented January, 2004. Although this is a voluntary PDL, compliance is currently over 80%. Savings from the PDL is primarily achieved through enhanced rebates, which are not included in our projection.

TennCare Partners underwent a vendor solicitation process to secure behavioral health organizations (BHO's) by region. Beginning July 1, 2004, there is a risk contract with a BHO in East Tennessee that pays capitation rates that differ by demographic group and priority status. The remainder of the state is funded on the basis of a fixed monthly budget. This budget is currently divided between payments for individuals who are classified as priority (SPMI/SED) and non-priority. Behavioral health drugs are paid on a fee-for-service basis.

In late 2004, the State of Tennessee was in a budget crisis. Increases for TennCare were not sustainable and the Bureau was at an impasse with the Tennessee Justice Center regarding relief from consent decrees.

In early 2005, the TennCare reform plan was finalized and included disenrollments and benefit reductions. In July 2005, disenrollment of more than 190,000 TennCare Standard adults began. In August 2005, the hard limit for the pharmacy benefit was implemented. Monthly prescriptions are limited to five per member, with no more than two allowed for brand drugs. Later in that month the State also obtained substantial relief from the most onerous provisions of Grier Consent Decree.

In 2007, TennCare was granted a 3-year waiver extension. Effective September 1, 2008, the home health and private duty nursing ("PDN") benefit will be modified for members aged 21 and over to address the unexpected and rapidly increasing costs associated with these benefits. The major changes to this benefit for members over 20 include:

1. Eliminate PDN benefit except for ventilator-dependent individuals. The PDN benefit will be replaced by the home health intermittent nursing benefit.
2. The number of combined hours of home health nursing and aide care that will be permitted each week has been increased to 35 hours, with the possibility of increasing to 40 hours for individuals eligible for level 2 nursing facility care.
3. Nursing services will not be approved if the only skilled service needed is routine medication administration. (Services will be approved for IV or IM medications.)



## **Current Environment**

Beginning April 1, 2007, TennCare returned a portion of eligibles in Middle Tennessee to a full risk capitated model. Members in TennCare who reside in the Middle Tennessee region and are not in TennCare Select High are mandatorily required to enroll in one of the full risk MCOs.

Beginning November 1, 2008, TennCare will return a portion of eligible members in West Tennessee to a full risk capitated model. Members in TennCare who reside in the West Tennessee region and are not in TennCare Select High will be required to enroll in one of the full risk MCO's.

Beginning January 1, 2009, TennCare will return a portion of eligible members in East Tennessee to a full risk capitated model. Members in TennCare who reside in the East Tennessee region and are not in TennCare Select High will be required to enroll in one of the full risk MCO's.

The new capitation arrangements cover all medical and behavioral health services under one capitation arrangement. This caused a shift in budget reporting from the BHO to MCO contracts in these regions for behavioral health services. Pharmacy and dental services for eligibles in each region will remain under the fee for service program.

Prior to July 1, 2004, TennCare Partners contracted with two Behavioral Health Organizations (BHOs) to provide mental health services statewide. Plan members choose from either Premier Behavioral Systems of Tennessee (Premier) or Tennessee Behavioral Health, Inc. (TBH). Beginning July 1, 2004, TennCare Partners entered into a full capitation agreement with TBH to provide mental health services for all members in the East Region. Middle Tennessee managed care eligibles, as of April 1, 2007 are no longer eligible for the separate TennCare Partners program and receive their behavioral health services through their MCO. This will also occur in West Tennessee (November 1, 2008) and East Tennessee (January 1, 2009). Members not assigned to a full risk plan are assigned to either Premier or TBH for their mental health services.

## SECTION III – PROJECT SCOPE

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At the request of the Tennessee Office of the Comptroller and the Bureau of TennCare, Aon Consulting (Aon) has calculated per capita costs for the TennCare and TennCare Partners programs for SFY 2009. The per capita costs shown in this report are calculated to assist in the development of the TennCare budget and to develop medical fund targets for managed care organizations. With a return to at-risk contracts with managed care organizations, these per capita costs can also serve as the basis for developing capitation rates.

This report describes the methods, data and assumptions used to develop per capita costs for the acute care portion of the TennCare program. Administrative costs associated with those portions of the program that are covered by contracts with managed care organizations are included in these calculations.

A number of material changes in the TennCare program have been implemented by the Governor's office. These changes have been integrated into the report through various benefit adjustments, members' disenrollments and headcount projections.

The report this year includes a summary of per capita and projected costs by Region and Statewide. This provides the Bureau with a better understanding of potential capitation rates by region, aid category and coverage.

## SECTION IV – DATA SOURCES

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### **TennCare Claims and Encounter Data**

#### **Medical Claims and Encounter Data**

TennCare received detailed claims and encounter data from each of the MCOs for the period July 2002 through January 2008. This data was then compiled and loaded into a central data warehouse. Aon received information regarding capitated payments and recoveries not available on the encounter data.

The data was segregated into the following broad service categories: inpatient hospital, outpatient hospital, home health care, professional, and pharmacy. We performed numerous diagnostic analyses to ensure the data was credible.

To ensure the completeness of the data, we compared the encounter data for each plan to the paid expenditure data reported in the monthly Medical Fund Target reports that are submitted to the Bureau of TennCare and the Department of Commerce and Insurance. The claims received from the MCOs provided less than 1% deviation from the reports. Due to the accuracy of the data, Aon continues to use current periods.

#### **Pharmacy Claims and Encounter Data**

The TennCare Bureau received detailed claims and encounter data from the pharmacy benefit manager, currently FirstHealth. This data was compiled and loaded into a central data warehouse. Aon obtained detailed claims and encounter data submitted to the TennCare Bureau for the period July 1, 2002 through January 31, 2008.

The pharmacy program recently underwent three major changes:

1. Effective August 1, 2005, the pharmacy “hard limits” of 5 prescriptions per month were implemented. This limit was removed February 1, 2007.
2. Effective November 1, 2005, the Preferred Drug List (PDL) was expanded.
3. Effective January 1, 2006, Medicaid Dual members were auto-enrolled in the Medicare Part D program.

None of the changes above had an impact on the data used in the report. There also continue to be numerous operational and medical management initiatives implemented, such as concurrent DUR and disease management.

The first two changes regarding script limits and the PDL were fully implemented prior to the baseline data period. Emerging pharmacy data does not indicate that removal of the script limit has sent utilization to prior levels. Implementation of the PDL and current practice patterns has not warranted any additional data adjustment for this change. The third change, regarding Medicare Part D enrollees, significantly reduced pharmacy claims for the Dual members. The majority of their pharmacy coverage is through Medicare Part D, with the State financially responsible for the non-Medicare covered drugs and the “clawback” tax. This “clawback” obligation is not included in this report, but should be recognized as a budgetary item. TennCare is currently budgeting \$250 million for SFY 2009.

## **Dental Claims and Encounter Data**

Aon received dental encounter data from the TennCare Bureau for claims paid from July 2002 through January 2008. The same dental vendor was in place for the entire data period. We selected claims incurred from November 2006 and October 2007, paid through January 2008, as our base data period. This data represents twelve months of experience with three months of run-out.

The data was aggregated by age and aid category. Effective August 1, 2005, all dental benefits were eliminated for members age 21 and older.

## **TennCare Partners Claims and Encounter Data**

Aon obtained the following data from Advocare, the current behavioral health services provider; and from this data, Aon selected base year data:

- UB92 inpatient and outpatient detailed encounter data with dates of payment from July 1, 2001 through January 31, 2008.
- HCFA 1500 professional detailed encounter data with dates of payment from July 1, 2001 through January 31, 2008.
- BHO monthly Medical Loss Ratio reports, which are submitted to the Bureau of TennCare and the Department of Commerce and Insurance with payment information through March 2008.

On July 1, 2004, TennCare Partners entered into a full-risk capitation agreement with Tennessee Behavioral Health, Inc. for the East Tennessee Region (TBH East.) Aon used the most recent data available to establish the statewide capitation rates. We used data incurred between November 2006 and October 2007, paid through January 2008, to establish the baseline per capita costs.

## **Eligibility Data**

The Bureau of TennCare provided detailed eligibility data for the period July 2002 through January 2008. From this data, we selected the appropriate time period corresponding to the baseline encounter data. Aon calculated member months of eligibility from this data segregated by eligibility category, demographic group, health plan, region and month. The calculations include counts of fractional months for members who started or ended their eligibility in the middle of the month.

In addition, Advocare provided eligibility data from October 1, 2003 through January 30, 2008 by age group, priority status, and vendor/contract. This allowed Aon to reconcile the difference in BHO and MCO enrollment. The final difference was membership levels of State-Only and Judicial members, who only have BHO benefits.

## **Medical Fund Target Reports and Medical Loss Ratio Reports**

MCOs are required to submit monthly reports that show how their experience compares to the medical fund targets. This was historically a loss ratio report, but the fund targets reported are no longer relevant to the MCOs due to their movement to an ASO relationship. These reports are valuable as a check to the claims data received.

BHOs continue to submit a medical loss ratio report that compares their experience to their capitation or funding level.

Aon received the MFT and MLR Reports for the period July 2002 through June 2008. The reports include required capitation adjustments, recoveries and claim triangle reports.

## **Invoices**

Aon received detailed invoices for all the major service groups, including the MCOs, BHOs, Pharmacy and Dental. These invoices were used to validate both the claims data and MFT reports. The invoices were available from July 2003 through June 2008.



# SECTION V – TENNCARE PER CAPITA COST

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## Eligibility Classes

Per capita costs for the TennCare program vary based on eligibility category. There are logical categories within which the data needed to be summarized and rates calculated. Each of the groups has different characteristics and represents a unique utilization pattern.

Aon has summarized per capita costs based on current groups participating under the program. We then projected the costs for each of the groups independently and multiplied by projected enrollment levels to determine both overall projected costs and overall projected per capita costs.

## Demographic Groupings

In addition to eligibility category, the per capita costs also vary significantly based on demographic group. Age groupings are used for most eligibility categories where use of health care services varies by demographic grouping. The “Duals/Waiver Duals” category is the only group without an age breakout. Below is a summary of the most detailed demographic groupings:

Age Groups	Gender Split
Under 1	Combined
01-13	Combined
14-20	Male/Female
21-44	Male/Female
45-64	Combined
65 and over	Combined

To develop medical fund targets or capitation rates, we combined the data for infants ages 0-1 for the Medicaid, Uninsured, and Uninsurable/Medically Eligible categories, although the historical experience data for these rate cells is shown in this report. There are very few infants in the Uninsurable category, in particular, and we believe the data are not sufficiently stable to project a per capita cost for this population separately.

## Base Year Cost and Utilization

### Determination of Units

Encounter records were classified into the detailed service categories shown in the attached tables using combinations of diagnosis codes, procedure codes, revenue codes and claim type indicators. Hospital inpatient data was run through the HCFA grouper and assigned a DRG. Over 95% of the data was assigned a DRG, which is very high considering not all providers are compensated in that manner. After grouping and categorizing the claims, they were further summarized into appropriate eligibility and demographic groups.

In this summarization process, unit counts were made for each service category. The following table details the types of units that were counted for each detailed service category.

Determination of Service Units	
Major Service Group	Units Counted
Pharmacy	Prescriptions
Home Health Care	Claims
Inpatient	Days
Outpatient	Claims
Professional	Services
DME/Supplies	Claims
Lab	Services
Radiology	Services
Transportation	Claims

In the table, “Services” indicates the actual unit counts that were recorded on each claim. “Claims” or “Prescriptions” refers to a count of “1” for each claim record in the historical database. “Days” are used for inpatient units, and represent the inpatient length of stay, outlined below.

### Data Adjustments and Anomalies

Below is a summary of the capitation payments added to the claims data by each participating MCO for the base period November 2006 through October 2007.

Capitation Payments Loaded To Baseline Data	
MCO	Amount
BlueCare	\$ 2,374,157
Better Health Plans, Inc.	\$ 1,764,815
John Deere Health	\$ 1,727,723
TLC Family Care	\$ 12,055,430
OmniCare Health Plan, Inc.	\$ 5,738,560
Preferred Health Partnership of Tennessee, Inc.	\$ -
TennCare Select	\$ 3,704,654
VHP	\$ 33,946
Total	\$ 27,399,285

Below is a summary of the case management fees added to the claims data by each participating MCO for the base period November 2006 through October 2007:



Case Management Fees Loaded To Baseline Data	
MCO	Amount
BlueCare	\$ -
Better Health Plans, Inc.	\$ 311,942
John Deere Health	\$ -
TLC Family Care	\$ 3,066,951
OmniCare Health Plan, Inc.	\$ -
Preferred Health Partnership of Tennessee, Inc.	\$ 130,997
TennCare Select	\$ 583,890
VHP	\$ -
Total	\$ 4,093,780

The capitation amounts and case management fees were added to the professional evaluation and management component only and spread evenly across all eligibility groups and demographic categories.

A final review was performed to ensure that the projected paid claims were consistent and balanced to the data reported by the MCOs. No further adjustment factors were necessary.

### **Third Party Liability and Participant Cost Sharing**

The per capita costs shown here are inclusive of adjustments for Third Party Liability, with the exception of subrogation. We have assumed plans will continue to collect payments for Third Party Liability at levels similar to those observed during the data period.

Additional recoveries beyond those inherent in the data are not included in this report. Past reports indicate this amount to be approximately 1%.

## **Claims Completion and Trend Factors**

### **Completion Factors**

The baseline data covers claims incurred from November 2006 through October 2007 with claim payments through January 2008. Using detailed claims data and triangular reports from the MFTs, Aon was able to calculate the outstanding Incurred But Not Reported (IBNR) claims. Since the run-out period was three months (November – January 2008), the completion factors were small. Aon subsequently used the incurred lag data from the June 2008 MFT's to verify the factors.

The baseline data covers claims incurred from November 2006 through October 2007. All the claims were adequately adjusted (see above) to reflect any outstanding IBNR claims to provide a “complete” baseline data set.

### **Trend Factors**

#### **Current Period Trend**

Trend rates are comprised of changes in cost per unit of service as well as changes in the volume of services used per person over time. Aon has examined the historical data for the most recent 24 month period. From this, we were able to calculate combined utilization and cost trend rates using a simple regression

methodology. Although most of the provider contracts are frozen, our trend rates recognize the impact of built in escalators (e.g., CPI adjustments, charge master increases, Medicare payment trends, etc.).

### Historical Trends

Since our experience period included claims incurred from November 2006 through October 2007 with paid claims data was available through January 2008, Aon used the MFT and Invoice details to adjust the current trend assumptions. To do this, Aon used the current period trends to project paid claims for the last eight months of the SFY. From that forecast and the calculated completion factors discussed earlier, we were able to develop total incurred claims for SFY 2008 that more accurately reflect emerging experience. The overall trend for the historical period would then equal the change in per capita costs from the baseline data.

Aon has developed regional trend rates for this projection that vary by service type. Details can be found in Exhibit 6a to 6d for each region.

Should there be any additional increases in costs per unit of service due to contractual negotiation, those additional costs will either need to be explicitly funded, or savings in utilization will be required to cover those additional costs.

Aon has reviewed the trends by eligibility and demographic groups. Due to the impact of enrollment swings resulting from member disenrollment, trends by service grouping, as detailed above, are believed to more accurately reflect a group-specific trend.

### Administrative Costs and Premium Taxes

The rates in our actuarial review use health plan encounter data as the baseline. In order to develop a total per capita cost, it is necessary to add an amount to cover health plan administration. Tennessee plans are also required to pay a 2% premium tax on their premium revenues. This applied to the MCOs and BHOs only. Because pharmacy claims are paid through a TPA arrangement, the premium tax does not apply to these services.

Aon received ASO fee schedules from the medical administrators. The medical rates vary by vendor and volume. Pharmacy administrative costs were developed from estimated budgets from the TennCare Bureau. Rates in the following table are shown as a percent of total per capita costs.

Summary of MCO Per Capita Fees			
	ASO Fees -FY08	ASO Fees -FY09	Premium Tax
Medical	6.25%	6.25%	2.00%
Pharmacy	1.11%	1.11%	N/A

### Per Capita Costs

The per capita costs are calculated based on the historical data shown in Exhibit 2. As discussed above (Data Adjustments and Anomalies) the data was adjusted to reflect missing elements and capitation amounts. The final baseline was checked against the MFT report, Invoices and the prior Actuarial Report. The adjusted data was determined to be consistent.

The steps used for calculating the per capita costs for SFY 2008 and 2009 are as follows. This follows prior reports with the exception that each region was calculated separately and added together to get a statewide

total budget amount. Regions were broken out into East (a), West (b), TennCare Select High enrollees Statewide (c), TennCare Select Low (d), and Middle (e).

1. Exhibit 2 provides the baseline data for the appropriate region (a, b, c, d, or e). The exhibit includes billed charges, paid expenditures, member months, units (as discussed earlier), utilization rates based on a “per 1,000” methodology, amount billed and paid per unit of service, and per member per month billed and paid.

The encounter data is summarized by the demographic and eligibility rate cells. As the data cells become smaller, the credibility of each specific cell decreases. This information is the starting point for the per capita cost calculation.

2. The results in Exhibit 2 are brought forward to Exhibit 3, which includes utilization rates per 1,000, paid expenditures per unit, paid expenditure PMPM and member months for each rate cell and service category. The regional trend rates used and factors applied are detailed in Exhibit 3 and are also brought into Exhibit 6.
3. The paid amounts are multiplied by any data adjustment factors (primarily IBNR factors for this analysis) to complete the data period claims. The historical trend factors are then applied to move the data to the mid-point of SFY 2008 (January 1, 2008). The current trend factors are applied to SFY 2008 to project the per capita costs for SFY 2009 (mid-point of January 1, 2009).
4. Administrative costs are added to calculate the per capita costs for SFY 2009. Administrative loads are different for pharmacy (discussed earlier).

Resulting per capita costs for each region and rate cell are calculated in Exhibit 3. A weighted average value for the full SFY is shown in these exhibits.

Exhibit 4 summarizes the projected rates by major service category on a PMPM basis as well as a total budgeted amount. Exhibit 5 similarly summarizes all the rate cells by both PMPM and a total basis.

The per capita costs include adjustments for Third Party Liability and participant point-of-service cost sharing. We have assumed that plans will continue to collect Third Party Liability payments consistent with their experience during the data period.

Point-of-service cost sharing is currently required for some of those individuals who are in the Uninsured and Uninsurable eligibility categories. Most cost sharing applies only to those with an income above 100% of the federal poverty level. Current levels of cost sharing are reflected in the per capita costs.

A similar rate development process applies to the pharmacy costs. The details are shown in Exhibits 7 through 10.

Exhibit 1 provides statewide summary of the base data and budgeted amounts.

## Projected MCO Per Capita Costs by Rate Group

Emerging SFY 2008 experience indicates the previously-calculated medical per capita costs were understated by 3.6%. The majority of this difference is due to the increased home health and private duty nursing costs associated with the “Dual/Waiver Dual” eligibility category.

MCO Per Capita Costs - Fiscal Year 2008 Summary By Rate Group												
Aid Category	East		Middle		West		TennCare Select High		TennCare Select Low		Total	
	Excluding Pharmacy	Including Pharmacy	Excluding Pharmacy	Including Pharmacy	Excluding Pharmacy	Including Pharmacy	Excluding Pharmacy	Including Pharmacy	Excluding Pharmacy	Including Pharmacy	Excluding Pharmacy	Including Pharmacy
Medicaid (TANF & Related)	\$ 156.86	\$ 197.71	\$ 189.81	\$ 223.49	\$ 146.20	\$ 172.61	\$ 188.86	\$ 251.05	\$ 278.34	\$ 278.34	\$ 165.11	\$ 199.31
Uninsured/Uninsurable	\$ 78.89	\$ 116.30	\$ 83.06	\$ 115.08	\$ 76.48	\$ 105.00	\$ 44.34	\$ 128.59	\$ 270.71	\$ 270.71	\$ 82.48	\$ 115.92
Disabled	\$ 553.13	\$ 760.94	\$ 711.80	\$ 904.71	\$ 591.56	\$ 748.82	\$ 444.46	\$ 559.58	\$ 163.47	\$ 163.47	\$ 553.56	\$ 721.45
Duals/Waiver Duals	\$ 87.57	\$ 90.47	\$ 115.36	\$ 118.07	\$ 60.96	\$ 64.16	\$ 227.56	\$ 240.91	\$ 39.92	\$ 39.92	\$ 89.17	\$ 92.19
State Only & Judicial	\$ -	\$ -	\$ 467.67	\$ 608.68	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 467.67	\$ 608.68
BHO Priority	\$ -	\$ -	\$ 408.30	\$ 408.30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 408.30	\$ 408.30
All Eligibility Groups	\$ 187.58	\$ 240.61	\$ 247.65	\$ 290.94	\$ 179.41	\$ 216.35	\$ 380.93	\$ 481.09	\$ 149.93	\$ 149.93	\$ 212.74	\$ 260.51

## Medicare Modernization Act

Prior to January 1, 2006, TennCare paid pharmacy benefits with the Federal Government reimbursing TennCare for part of the costs. As a result of the Medicare Modernization Act (“MMA”), beginning January 1, 2006, Medicare will be responsible for paying prescription drug benefits for dual eligibles (“Duals”) with TennCare reimbursing Medicare for part of the costs, called the “clawback” amount. The liability for these benefits will need to be added to the per capita costs developed in this report.

## Enrollment

Enrollment numbers use actual enrollment through March 2008, with projections assuming 100% of the March levels for all categories.

## Projected 2009 Per Capita Costs by Eligibility Group/Age/Sex

The appendices include a detailed breakdown of each rate cell by various demographic categories. Below is a brief summary of the projection by major age/sex categories.

		Fiscal Year 2009		
Aid Category		Statewide		
	Age Group	Medical	Pharmacy	Total
Medicaid (TANF & Related)				
	Age Under 1	\$ 537.69	\$ 21.24	\$ 558.93
	Age 1 - 13	\$ 92.13	\$ 26.74	\$ 118.88
	Age 14 - 20 Female	\$ 189.33	\$ 33.50	\$ 222.83
	Age 14 - 20 Male	\$ 91.80	\$ 30.78	\$ 122.58
	Age 21 - 44 Female	\$ 297.01	\$ 55.24	\$ 352.25
	Age 21 - 44 Male	\$ 164.01	\$ 41.66	\$ 205.67
	Age 45 - 64	\$ 336.18	\$ 117.11	\$ 453.29
	Age 65+	\$ 344.21	\$ 88.68	\$ 432.88
	All Ages	\$ 168.83	\$ 37.00	\$ 205.83
Uninsured/Uninsurable				
	Age Under 1	\$ -	\$ -	\$ -
	Age 1 - 13	\$ 71.13	\$ 35.14	\$ 106.27
	Age 14 - 18 Female	\$ 100.98	\$ 38.66	\$ 139.64
	Age 14 - 18 Male	\$ 77.24	\$ 39.21	\$ 116.45
	Age 19 - 20	\$ 82.26	\$ 38.93	\$ 121.19
	Age 21+	\$ 347.46	\$ 10.01	\$ 357.47
	All Ages	\$ 85.24	\$ 36.08	\$ 121.32
Disabled				
	Age <21	\$ 594.25	\$ 143.26	\$ 737.51
	Age 21+	\$ 582.24	\$ 195.48	\$ 777.72
	All Ages	\$ 585.67	\$ 180.57	\$ 766.24
Duals/Waiver Duals				
	All Ages	\$ 118.63	\$ 3.27	\$ 121.91
State Only & Judicials				
	All Ages	\$ 531.76	\$ 124.62	\$ 656.38
BHO Priority Additional Payment				
	All Ages	\$ 289.67	\$ -	\$ 289.67
All Ages				
	All Groups	\$ 230.27	\$ 51.54	\$ 281.82

These demographic breaks are consistent with prior reports. However, they do include two categories previously included in BHO projections. The "State Only & Judicials" are covered by the MCO's under at-risk contracts and additional payments are provided for BHO Priority members under the at-risk contracts. Further details and projected expenditures can be found in both the executive summary and appendices.



# SECTION VI – TENNCARE PARTNERS PER CAPITA COST

## **Eligibility Classes**

TennCare Partners provide coverage for all individuals who are eligible for the TennCare program, as well as some individuals who qualify under special rules, i.e., the State Only and Judicial eligibles. State Only eligibles are priority individuals whose Medicaid application is pending. Judicials are individuals who were involuntarily placed in an inpatient facility. Both of these groups are eligible only for TennCare Partners benefits and are not eligible to participate in the TennCare physical health program.

Per capita costs for the TennCare Partners program vary based on behavioral health severity level (SPMI/SED status), age and region. These rate cells were chosen because they reflect known differences in cost of behavioral health services. Rates do not vary by gender. This is consistent with experience and prior rating classifications. Below is a summary of the age/gender groupings utilized.

Age Groups	Gender Split
0-13	Combined
14-18	Combined
19-20	Combined
21 and over	Combined

## **Base Year Cost and Utilization**

Aon obtained the following data from Advocare, the current behavioral health services provider, and from this data, selected base year data:

- UB92 inpatient and outpatient detailed encounter data with dates of payment from July 1, 2001 through January 31, 2008.
- HCFA 1500 professional detailed encounter data with dates of payment from July 1, 2001 through January 31, 2008.
- Utilization by provider and service type for services covered by grant payments, Community Mental Health Centers, Tennessee Christian Medical Center and Regional Mental Health Institutions (“RMHI”) from July 1, 2001 through January 31, 2008. Effective October 30, 2006, RMHI data was included in the FFS data addressed in the first two bullets above.
- BHO monthly Medical Loss Ratio reports, which are submitted to the Department of Commerce and Insurance with payment information through June 2008.
- Eligibility data from October 1, 2003 through June 30, 2008 by age group, priority status and vendor/contract.

Beginning July 1, 2004, TennCare Partners entered into a full capitation agreement with TBH to provide mental health services to members in the East Region. Beginning April 1, 2007, BHO covered services were included under the capitation rates in the Middle Region.

## **Determination of Units**

Encounter records were classified into the detailed service categories shown in the attached tables using a combination of diagnosis codes, procedure codes, revenue codes and claim type indicators.

The following table details the types of units that were counted for each detailed service category. In the table, “Services” indicates the actual unit counts that were recorded on each claim. “Claims” refers to a count of “1” for each claim record in the historical database. “Days” are used for inpatient units, and represent the inpatient length of stay, outlined below.

Determination of Service Units	
Major Service Group	Units Counted
Inpatient	Days
Outpatient	Claims
Case Rates	Claims
In-Home Services	Services
Supported Housing	Services
23 Hour	Services
IOP	Services
Partial Hospitalization	Services
Transportation	Claims

## **Data Adjustments and Anomalies**

The Premier and TBH detailed encounter datasets provided relative cost and utilization by rate cells. However, the encounter data had to be supplemented with other data sources because many services are capitated or paid through other aggregated payment methods whose payment information is not available from the encounter data. The table below shows the payment amounts that were added to the encounter data by type of service. These amounts were reported as paid per the Premier Behavioral Systems, Inc. (Premier) and the Tennessee Behavioral Health, Inc. Medical Loss Ratio reports. Some services were reported separately for children and adults, and were appropriately allocated to the encounter data within these demographic categories.

Additions to Encounter Data by Data Source			
November 2006 through October 2007			
	ADULT	CHILD	TOTAL
Grant Payments	\$ 12,661,968	\$ 4,431,266	\$ 17,093,234
Transportation Cap	\$ 432,192	\$ 373,950	\$ 806,142
Total	\$ 13,094,161	\$ 4,805,215	\$ 17,899,376

Because the health plan financial experience appears to be the most accurate representation of actual expenditures, the statewide per capita costs were then adjusted to match the plan’s financial experience.



## Claims Completion Factors and Trend Factors

Using detailed claims and lag reports from the March 2008 MLR's, Aon estimated the outstanding Incurred but Not Reported (IBNR) claims and the associated completion factors. Since the run-out period was three months (November 2007 to January 2008), the completion factors were small.

The application of healthcare trend adjustments to the base data are complicated by a variety of factors. The nature of the payments being projected is the combination of three separate components of the program. The first component is comprised of services that are capitated, thus providing little detail on the workings of the program over time. Community mental health center case rates are fully capitated, while transportation and outpatient services are partially capitated. The second component is comprised of grant payments and inpatient hospital – regional mental health institute payments where little detail is available. The third component is comprised of services for which data is available and benchmarks can be applied. Each of the three components represents a significant portion of the non-pharmacy portion of the program.

The existence of case rate payments, grants and other capitated services will moderate the utilization trend, as measured against other similar programs. Consequently, Aon developed trend rate assumptions that vary by payment and service type and are available in the exhibits.

Below are the component current trends we utilized in our mental health projections, with further details included in the attachments.

- Fee-for-service data was assumed to trend at an approximate overall rate of 7%.
- Case rates are currently fixed and are assumed to increase at a utilization level of 3%.
- The RMHI trend was assumed to be 5%.

## Administrative Costs

The per capita costs include a 10% administrative fee. Additionally, plans in Tennessee are required to pay a 2% premium tax on their premium revenues. An adjustment for this tax has also been made. Both are measured as a percent of total per capita costs.

## Per Capita Costs – SFY 2008

Beginning July 1, 2004, TennCare Partners entered into a risk contract with Tennessee Behavioral Health, Inc. for the East Tennessee region (TBH East) that pays capitation rates based on demographic group and priority status. The remainder of the state is funded on the basis of a fixed monthly budget. This budget is currently divided between payments for individuals who are classified as priority (SPMI/SED) and non-priority. Below is a brief summary of 2008 per capita costs by region and member status:

BHO Per Capita Costs - Fiscal Year 2008					
Summary By Rate Group					
	East	West	TC Select High	TC Select Low	Statewide
Priority	\$ 210.06	\$ 234.14	\$ 257.70	\$ 131.24	\$ 224.22
Non-Priority	\$ 7.91	\$ 3.35	\$ 20.81	\$ 5.52	\$ 6.75
State Only & Judicial	\$ 444.66	\$ 449.95			\$ 446.65
All Eligibility Groups	\$ 27.52	\$ 19.66	\$ 56.96	\$ 11.77	\$ 26.09

## **BHO Per Capita Costs – SFY 2008**

The SFY 2009 per capita costs were developed using the current year trend rates shown above and includes a 10% administrative load and 2% premium tax.

BHO Per Capita Costs - Fiscal Year 2009					
Summary By Rate Group					
	East	West	TC Select High	TC Select Low	Statewide
Priority	\$ 216.40	\$ 240.45	\$ 268.72	\$ 134.85	\$ 234.94
Non-Priority	\$ 8.17	\$ 3.46	\$ 21.79	\$ 5.79	\$ 8.65
State Only & Judicial	\$ 457.65	\$ 462.30			\$ 459.00
All Eligibility Groups	\$ 28.00	\$ 19.83	\$ 59.06	\$ 11.88	\$ 30.03
2008 Current Projection	\$ 27.52	\$ 19.66	\$ 56.96	\$ 11.77	\$ 26.09
Difference	1.8%	0.9%	3.7%	0.9%	15.1%

The large statewide per capita increase is driven by the movement of members from the East and West regions into at risk-MCO plans that cover BHO services.

Grants were assumed to remain level on a PMPM basis. Like the MCO rate development, the historical trend rates were used to develop the SFY 2009 numbers and reflect additional financial results in the MLR reports. By region, only modest increases are needed over SFY 2008 levels.

Behavioral health drugs are paid on a fee-for-service basis. SFY 2008 expected per capita costs have been developed using encounter data provided by TennCare. The costs for these drugs can be found in the appendices for pharmacy.

The data received this year by the BHO was reconciled to the MLR reports. Aon was able to develop a further breakdown of the BHO expenditures by major group and region. Below is a summary of the projected enrollment utilized and resulting expenditures:

BHO Eligibility - Fiscal Year 2009					
Summary By Rate Group					
	East	West	TC Select High	TC Select Low	Statewide
Priority	197,744	84,453	110,758	5,389	398,344
Non-Priority	2,218,675	1,311,513	623,035	108,912	4,262,135
State Only & Judicial	15,693	6,412			22,105
All Eligibility Groups	2,432,113	1,402,378	733,793	114,301	4,682,584

BHO Expenditures- Fiscal Year 2009					
Summary By Rate Group					
	East	West	TC Select High	TC Select Low	Statewide
Priority	\$ 42,791,364	\$ 20,306,842	\$ 29,762,842	\$ 726,711	\$ 93,587,758
Non-Priority	\$ 18,135,971	\$ 4,542,268	\$ 13,575,346	\$ 630,670	\$ 36,884,255
State Only & Judicial	\$ 7,182,065	\$ 2,964,316	\$ -	\$ -	\$ 10,146,381
All Eligibility Groups	\$ 68,109,400	\$ 27,813,426	\$ 43,338,187	\$ 1,357,381	\$ 140,618,394

A detailed summary by major service type is not appropriate on a statewide basis since the capitation amounts are integrated into the Middle Region reports for the full period and the East and West Regions for part of the period.

## SECTION VII – DENTAL PER CAPITA COST

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### Eligibility Classes

Dental per capita costs vary based on eligibility category. There are four logical categories within which the data needed to be summarized and rates calculated. Each of the groups has different characteristics and represents a unique utilization pattern. Below is brief summary of the categories used.

TennCare Eligibility Classes	
Current	Ages
Medicaid (TANF & Related)	Under 21
Uninsured/Uninsurable	Under 21
Disabled	Under 21
Duals/Waiver Duals	Under 21

Aon has summarized per capita costs based on the current groups participating under the program. We then projected costs for each of the groups independently and multiplied by projected enrollment levels to get both overall projected costs and overall projected per capita costs.

### Demographic Groupings

In addition to eligibility category, the per capita costs also vary significantly based on demographic group. Age groupings are used for most eligibility categories where use of health care services varies by demographic grouping. Below is a summary of the demographic groups.

Age Groups	Gender Split
Under 14	Combined
14-20	Male/Female
21 and over	Combined

There are a limited number of claims for those ages 21 and over. The majority of these claims are related to orthodontic procedures and members within a treatment going over the age limitations.

### Base Year Cost and Utilization

#### Determination of Units

Encounter records were classified into the detailed service categories shown in the attached tables using a combination of diagnosis codes, procedure codes, revenue codes and claim type indicators. After grouping and categorizing the claims, they were further summarized into appropriate eligibility and demographic groups.

In this summarization process, unit counts were made for each service category. “Services” indicates the actual unit counts that were recorded on each claim. All units in the dental encounter data were tabulated based on number of services rendered on each claim record.

Determination of Service Units	
Major Service Group	Units Counted
Diagnostic	Services
Preventive	Services
Restorative	Services
Endodontics	Services
Oral Surgery	Services
Orthodontics	Services
Other	Services

## **Data Adjustments and Anomalies**

A review was performed to ensure that the projected paid claims were consistent and balanced to the data reported by the TennCare. The review showed the data to be satisfactory, and no adjustments were required.

### **Third Party Liability and Participant Cost Sharing**

The per capita costs shown here are inclusive of adjustments for Third Party Liability, with the exception of subrogation. We have assumed plans will continue to collect payments for Third Party Liability at levels similar to those observed during the data period.

## **Claims Completion and Trend Factors**

### **Completion Factors**

Dental data are complete and required no additional adjustments to the incurred claims.

### **Trend Factors**

The baseline data covers claims incurred from November 2006 through October 2007 and paid by January 2008.

### **Current Period Trend**

Trend rates are comprised of changes in cost per unit of service as well as changes in the volume of services used per person over time. Aon has examined the historical data for SFYs 2005, 2006 and 2007 YTD to calculate combined utilization and cost trend rates. Our trend rates recognize the impact of escalators built into provider contracts (e.g., CPI adjustments, charge master increases, etc.). These provide the basis for the current trends.

### **Historical Trends**

Since paid claims data was available through January 2008, Aon used the Invoice details to adjust the current trend assumptions. To do this Aon used the current period trends to project paid claims for the last three months of the SFY. From that forecast, we are able to develop total incurred claims for SFY 2008 that more accurately reflect emerging experience. The overall trend for the historical period would then equal the change in per capita costs from the baseline data.

The trend to SFY 2009 (5.0%) is anticipated to be slightly higher than the historical trend (2.0%).

Should there be any additional increases in costs per unit of service due to contractual negotiation, those additional costs will either need to be explicitly funded, or savings in utilization will be required to cover the additional costs.

## **Administrative Costs**

The rates in our actuarial review use dental plan encounter data as the baseline. In order to develop a total per capita cost, it is necessary to add an amount to cover dental plan administration. Since the dental plan self-funded, it is not subject to the 2.0% Tennessee premium tax.

Aon received ASO fee schedules for the dental administrators. Administrative costs, as a percent of total per capita costs, are expected to be 3.75% for both SFYs.

## **Per Capita Costs**

The per capita costs are calculated based on the historical data shown in Exhibit 11. This data serves as the baseline costs and was checked against the Invoices and the prior Actuarial Report. The data was determined to be consistent.

The steps used for calculating the per capita costs for SFY 2008 and 2009 are as follows:

1. Exhibit 11 provides the baseline data. The exhibit includes billed charges, paid expenditures, member months, units (as discussed earlier), utilization rates based on a “per 1,000” methodology, amount billed and paid per unit of service, and per member per month billed and paid.

The encounter data is summarized by the demographic and eligibility rate cells. As the data cells become smaller, the credibility of each specific cell decreases. This information is the starting point for the per capita cost calculation.

2. The results in Exhibit 11 are brought forward to Exhibit 12, which includes utilization rates per 1,000, paid expenditures per unit, paid expenditure PMPM and member months for each rate cell and service category. The trends used and factors applied are detailed in Exhibit 12 as well.
3. The historical trend factors are then applied to move the data to the mid-point of SFY 2008 (January 1, 2008). The current trend factor is applied to SFY 2008 to project the per capita costs for SFY 2009 (mid-point of January 1, 2009).
4. Administrative costs are added to calculate the per capita costs for SFY 2008 and SFY 2009.

Resulting per capita costs are calculated in Exhibit 12 for each of the per capita cost cells. A weighted average value for the full SFY is shown in these exhibits.

Exhibit 13 summarizes the projected rates by major service category on a PMPM basis as well as a total budgeted amount. Exhibit 14 similarly summarizes all the rate cells by both PMPM and a total basis. Exhibit 14 also provides a summary of the projections by each major region – East, Middle and West.

The per capita costs include adjustments for Third Party Liability and any participant point-of-service cost sharing. We have assumed that plans will continue to collect Third Party Liability payments consistent with their experience during the data period. Current levels of any cost sharing are reflected in the per capita costs.

## Projected Dental Per Capita Costs by Rate Group

Emerging SFY 2008 experience is shown below:

Dental Per Capita Costs - Fiscal Year 2008						
Summary By Rate Group						
	East	Middle	West	State		
Medicaid (TANF & Related)	\$ 13.16	\$ 12.72	\$ 11.81	\$	\$	12.57
Uninsured/Uninsurable	\$ 19.11	\$ 17.20	\$ 17.06	\$	\$	17.94
Disabled	\$ 4.20	\$ 4.98	\$ 5.47	\$	\$	4.85
Duals/Waiver Duals	\$ 0.04	\$ 0.04	\$ 0.05	\$	\$	0.04
All Eligibility Groups	\$ 9.60	\$ 9.94	\$ 9.38	\$	\$	9.65

## Projected Dental Costs by Service Categories

Summary By Service Category - Dental					
All Eligibility Groups					
Service Category	State				
	Fiscal Year 2008		Fiscal Year 2009		
	Per Capita	Total**	Per Capita	Total*	
Diagnostic	\$ 1.44	\$ 21,146,372	\$ 1.51	\$ 21,500,234	
Preventive	\$ 1.52	\$ 22,296,559	\$ 1.59	\$ 22,667,430	
Restorative	\$ 3.54	\$ 51,836,957	\$ 3.71	\$ 52,725,785	
Endodontics	\$ 0.83	\$ 12,096,655	\$ 0.87	\$ 12,301,292	
Oral Surgery	\$ 0.91	\$ 13,331,422	\$ 0.95	\$ 13,549,399	
Orthodontics	\$ 0.64	\$ 9,338,285	\$ 0.67	\$ 9,497,353	
Other	\$ 0.45	\$ 6,560,873	\$ 0.47	\$ 6,674,332	
Admin	\$ 0.33	\$ 4,808,118	\$ 0.34	\$ 4,889,377	
Total	\$ 9.65	\$ 141,415,239	\$ 10.12	\$ 143,805,202	
*FY09 Assumed Average Enrollment		1,184,744			
**FY08 Assumed Average Enrollment		1,221,785			

Enrollment numbers use actual enrollment through June 2008. There was no growth assumption in the population for SFY 2009.

**Projected 2009 Per Capita Costs by Eligibility Group/Age/Sex**

The appendices include a detailed breakdown of each rate cell by various demographic categories. Below is a brief summary of the projection by major age/sex categories and region.

Aid Category		FY 2009			
		PMPM			
Age Group		East	Middle	West	State
Medicaid (TANF & Related)	Age Under 14	\$ 14.63	\$ 13.79	\$ 13.57	\$ 14.00
	Ages 14 - 20 : Female	\$ 35.92	\$ 37.28	\$ 30.35	\$ 34.47
	Ages 14 - 20 : Male	\$ 29.00	\$ 29.92	\$ 23.05	\$ 27.32
	Ages Over 21	\$ -	\$ -	\$ -	\$ -
	All Ages	\$ 13.79	\$ 13.33	\$ 12.37	\$ 13.18
Uninsured/Uninsurable	Age Under 14	\$ 17.31	\$ 16.00	\$ 15.95	\$ 16.49
	Ages 14 - 20 : Female	\$ 27.31	\$ 25.19	\$ 25.05	\$ 26.03
	Ages 14 - 20 : Male	\$ 22.12	\$ 19.78	\$ 17.49	\$ 20.20
	Ages Over 21	\$ -	\$ -	\$ -	\$ -
	All Ages	\$ 20.02	\$ 18.02	\$ 17.90	\$ 18.79
Disabled	Age Under 14	\$ 13.91	\$ 13.24	\$ 13.24	\$ 13.33
	Ages 14 - 20 : Female	\$ 31.48	\$ 25.68	\$ 27.51	\$ 28.06
	Ages 14 - 20 : Male	\$ 25.44	\$ 21.32	\$ 18.49	\$ 21.35
	Ages Over 21	\$ -	\$ -	\$ -	\$ -
	All Ages	\$ 4.42	\$ 5.24	\$ 5.75	\$ 5.10
Duals	Age Under 14	\$ 14.21	\$ 7.19	\$ 8.31	\$ 10.17
	Ages 14 - 20 : Female	\$ 65.89	\$ 57.38	\$ 47.39	\$ 56.76
	Ages 14 - 20 : Male	\$ 77.07	\$ 39.87	\$ 53.88	\$ 56.15
	Ages Over 21	\$ -	\$ -	\$ -	\$ -
	All Ages	\$ 0.05	\$ 0.04	\$ 0.05	\$ 0.05
All Groups	All Ages	\$ 10.07	\$ 10.43	\$ 9.83	\$ 10.12





# EXHIBITS

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## Managed Care Organizations (MCO) – Statewide

Exhibit 1 – TennCare Medical Rate and Budget Summary

## Managed Care Organizations (MCO) – East

Exhibit 2a – Historical Encounter Data

Exhibit 3a – Development of Per Capita Costs

Exhibit 4a – Total TennCare Medical Budget Amount

Exhibit 5a – TennCare Medical Rate and Budget Summary

Exhibit 6a – Trend Assumptions

## Managed Care Organizations (MCO) – West

Exhibit 2b – Historical Encounter Data

Exhibit 3b – Development of Per Capita Costs

Exhibit 4b – Total TennCare Medical Budget Amount

Exhibit 5b – TennCare Medical Rate and Budget Summary

Exhibit 6b – Trend Assumptions

## Managed Care Organizations (MCO) – TennCare Select High

Exhibit 2c – Historical Encounter Data

Exhibit 3c – Development of Per Capita Costs

Exhibit 4c – Total TennCare Medical Budget Amount

Exhibit 5c – TennCare Medical Rate and Budget Summary

Exhibit 6c – Trend Assumptions

## Managed Care Organizations (MCO) – TennCare Select Low

Exhibit 2d – Historical Encounter Data

Exhibit 3d – Development of Per Capita Costs

Exhibit 4d – Total TennCare Medical Budget Amount

Exhibit 5d – TennCare Medical Rate and Budget Summary

Exhibit 6d – Trend Assumptions

## Managed Care Organizations (MCO) Capitation Rate Development – Middle

Exhibit 2e – Historical Encounter Data

Exhibit 3e – Development of Per Capita Costs

Exhibit 5e – TennCare Medical Rate and Budget Summary

Exhibit 6e – Trend Assumptions

## Pharmacy Benefit

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Exhibit 7 – Pharmacy Historical Encounter Data – MCO & BHO  
Exhibit 8 – Development of Pharmacy Statewide Per Capita Costs  
Exhibit 9 – Total Pharmacy Budget Amount  
Exhibit 10 – Pharmacy Rate and Budget Summary

Dental Benefit

Exhibit 11 – Dental Historical Encounter Data  
Exhibit 12 – Development of Dental Statewide Per Capita Costs  
Exhibit 13 – Total Dental Budget Amount  
Exhibit 14 – Dental Rate and Budget Summary

Behavioral Health Organizations (BHO) – Statewide

Exhibit 15 – TennCare Partners BHO Rate and Budget Summary

Behavioral Health Organizations (BHO) – East

Exhibit 16a – BHO Priority Per Capita Costs  
Exhibit 17a – BHO Non-Priority Per Capita Costs  
Exhibit 18a – BHO State Only & Judicials Per Capita Costs  
Exhibit 19a – TennCare Partners BHO Rate and Budget Summary

Behavioral Health Organizations (BHO) – West

Exhibit 16b – BHO Priority Per Capita Costs  
Exhibit 17b – BHO Non-Priority Per Capita Costs  
Exhibit 18b – BHO State Only & Judicials Per Capita Costs  
Exhibit 19b – TennCare Partners BHO Rate and Budget Summary

Behavioral Health Organizations (BHO) – TennCare Select High

Exhibit 16c – BHO Priority Per Capita Costs  
Exhibit 17c – BHO Non-Priority Per Capita Costs  
Exhibit 19c – TennCare Partners BHO Rate and Budget Summary

Behavioral Health Organizations (BHO) – TennCare Select Low

Exhibit 16d – BHO Priority Per Capita Costs  
Exhibit 17d – BHO Non-Priority Per Capita Costs  
Exhibit 19d – TennCare Partners BHO Rate and Budget Summary

Exhibit 20 – BHO Trend Assumptions

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Development of Per Capita Costs:**

**Exhibit 1**

**State**

Aid Category	Age Group	Fiscal Year 2008			Fiscal Year 2009		
		Members	PMPM	Total	Members	PMPM	Total
Medicaid (TANF & Related)	Age Under 1	298,382	\$ 493.45	\$ 147,236,781	280,062	\$ 537.51	\$ 150,536,700
	Age 1 - 13	4,935,272	\$ 84.61	\$ 417,564,926	4,797,262	\$ 92.13	\$ 441,993,261
	Age 14 - 20 Female	1,004,721	\$ 187.71	\$ 188,592,875	973,873	\$ 189.33	\$ 184,380,917
	Age 14 - 20 Male	833,906	\$ 82.91	\$ 69,136,835	810,142	\$ 91.80	\$ 74,370,906
	Age 21 - 44 Female	2,073,376	\$ 294.24	\$ 610,062,601	2,021,474	\$ 297.01	\$ 600,394,006
	Age 21 - 44 Male	444,548	\$ 191.86	\$ 85,289,472	439,947	\$ 164.01	\$ 72,155,808
	Age 45 - 64	280,011	\$ 384.07	\$ 107,542,663	274,445	\$ 336.18	\$ 92,263,762
	Age 65+	25,817	\$ 330.86	\$ 8,541,875	23,453	\$ 344.21	\$ 8,072,554
	All Ages	9,896,033	\$ 165.11	\$ 1,633,968,029	9,620,659	\$ 168.82	\$ 1,624,167,914
Uninsured/Uninsurable	Age Under 1	-	\$ -	\$ -	-	\$ -	\$ -
	Age 1 - 13	219,315	\$ 67.98	\$ 14,909,852	212,196	\$ 70.95	\$ 15,056,014
	Age 14 - 18 Female	73,180	\$ 99.05	\$ 7,248,847	70,169	\$ 100.98	\$ 7,085,643
	Age 14 - 18 Male	78,364	\$ 78.00	\$ 6,112,144	75,151	\$ 77.24	\$ 5,804,347
	Age 19 - 20	18,814	\$ 71.89	\$ 1,352,469	15,378	\$ 82.26	\$ 1,264,941
	Age 21+	10,216	\$ 328.92	\$ 3,360,121	9,678	\$ 347.46	\$ 3,362,633
	All Ages	399,889	\$ 82.48	\$ 32,983,433	382,572	\$ 85.14	\$ 32,573,578
	Disabled	Age <21	561,901	\$ 540.88	\$ 303,923,298	555,518	\$ 594.25
	Age 21+	1,437,864	\$ 558.52	\$ 803,076,015	1,390,185	\$ 582.24	\$ 809,419,924
	All Ages	1,999,765	\$ 553.56	\$ 1,106,999,313	1,945,703	\$ 585.67	\$ 1,139,536,169
Duals/Waiver Duals	All Ages	2,365,780	\$ 89.17	\$ 210,950,917	2,294,461	\$ 118.63	\$ 272,201,919
All Groups	All Ages	14,661,467	\$ 203.59	\$ 2,984,901,693	14,243,394	\$ 215.43	\$ 3,068,479,580

**Additional Payment From BHO Under MCO Risk Contract**

		Fiscal Year 2008			Fiscal Year 2009		
		Projected	PMPM	Total	Projected	PMPM	Total
State Only & Judicials	All Ages	28,301	\$ 467.67	\$ 13,235,596	54,161	\$ 531.76	\$ 28,800,549
BHO Priority	All Ages	311,025	\$ 408.30	\$ 126,993,079	673,139	\$ 289.67	\$ 194,987,843
All Groups With Additional BHO Payments		14,689,768	\$ 212.74	\$ 3,125,130,367	14,297,556	\$ 230.27	\$ 3,292,267,973



TennCare  
 FY 2009 Per Capita Cost Development  
 Historical Encounter Data

Exhibit 2a

East

Total For All Aid Categories All Ages							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	4,936,480						
Home Health Care	65,934,895	57,382,126	494,153	1,201	133.43	116.12	11.62
IP - Maternity	65,582,323	24,625,961	32,614	79	2,010.86	755.07	4.99
IP - Newborn	84,930,446	42,946,058	44,019	107	1,929.40	975.63	8.70
IP - Medical	289,785,216	100,027,810	191,095	465	1,516.45	523.45	20.26
IP - Surgery	115,963,818	30,166,769	18,808	46	6,165.66	1,603.93	6.11
IP - Other	3,837,031	2,478,690	10,796	26	355.41	229.59	0.50
Subtotal - Inpatient	560,098,835	200,245,288	297,332	723	1,883.75	673.47	40.56
OP - Emergency Room	323,831,754	64,416,733	370,973	902	872.93	173.64	13.05
OP - Laboratory	27,387,700	6,077,203	382,302	929	71.64	15.90	1.23
OP - Radiology	102,744,639	18,113,345	646,397	1,571	158.95	28.02	3.67
OP - Surgery	209,740,925	64,191,660	62,678	152	3,346.32	1,024.15	13.00
OP - Other	82,652,086	29,681,178	100,866	245	819.42	294.26	6.01
Subtotal - Outpatient	746,357,104	182,480,119	1,563,216	3,800	477.45	116.73	36.97
Prof - Evaluation & Management	324,559,471	132,850,059	2,162,364	5,256	150.09	61.44	26.91
Prof - Maternity	41,524,365	18,221,552	31,468	76	1,319.57	579.05	3.69
Prof - Surgery	131,138,745	40,668,094	250,656	609	523.18	162.25	8.24
Prof - DME/Supplies	35,002,481	20,221,081	93,322	227	375.07	216.68	4.10
Prof - Lab	73,490,847	24,223,420	1,544,488	3,754	47.58	15.68	4.91
Prof - Radiology	100,391,512	31,151,782	633,694	1,540	158.42	49.16	6.31
Prof - Transportation	38,590,550	18,704,358	184,291	448	209.40	101.49	3.79
Prof - Other	202,221,248	80,189,668	8,038,384	19,540	25.16	9.98	16.24
Subtotal - Professional	946,919,218	366,230,015	12,938,667	31,452	73.19	28.31	74.19
Total	\$ 2,319,310,051	\$ 806,337,549					\$ 163.34

TennCare  
 FY 2009 Per Capita Cost Development  
 Historical Encounter Data

Exhibit 2a

East

Medicaid (TANF & Related)							
All Ages							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	3,217,582						
Home Health Care	4,332,738	2,868,249	112,314	419	38.58	25.54	0.89
IP - Maternity	63,862,394	23,972,641	31,718	118	2,013.44	755.81	7.45
IP - Newborn	73,503,473	38,128,290	41,244	154	1,782.16	924.46	11.85
IP - Medical	102,397,430	34,196,493	42,994	160	2,381.67	795.38	10.63
IP - Surgery	42,525,153	10,494,460	6,569	24	6,473.61	1,597.57	3.26
IP - Other	741,647	397,320	361	1	2,054.42	1,100.61	0.12
Subtotal - Inpatient	283,030,096	107,189,204	122,886	458	2,303.19	872.27	33.31
OP - Emergency Room	233,443,588	47,244,827	294,684	1,099	792.18	160.32	14.68
OP - Laboratory	16,520,097	3,672,961	240,168	896	68.79	15.29	1.14
OP - Radiology	51,657,227	8,848,874	294,316	1,098	175.52	30.07	2.75
OP - Surgery	119,370,850	35,552,737	38,869	145	3,071.11	914.68	11.05
OP - Other	38,234,858	9,432,854	61,196	228	624.79	154.14	2.93
Subtotal - Outpatient	459,226,621	104,752,254	929,233	3,466	494.20	112.73	32.56
Prof - Evaluation & Management	230,944,047	94,746,177	1,554,701	5,798	148.55	60.94	29.45
Prof - Maternity	40,489,216	17,776,170	30,520	114	1,326.65	582.44	5.52
Prof - Surgery	77,826,907	23,846,404	157,841	589	493.07	151.08	7.41
Prof - DME/Supplies	9,690,798	5,811,457	34,702	129	279.26	167.47	1.81
Prof - Lab	50,850,036	17,199,004	1,109,271	4,137	45.84	15.50	5.35
Prof - Radiology	61,608,460	19,481,611	395,357	1,474	155.83	49.28	6.05
Prof - Transportation	14,477,026	5,100,970	35,552	133	407.21	143.48	1.59
Prof - Other	108,975,610	40,406,549	2,350,929	8,768	46.35	17.19	12.56
Subtotal - Professional	594,862,099	224,368,341	5,668,873	21,142	104.93	39.58	69.73
Total	\$ 1,341,451,554	\$ 439,178,048					\$ 136.49

TennCare  
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Exhibit 2a

East

Medicaid (TANF & Related)							
Age Under 1							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	94,255						
Home Health Care	150,681	98,089	360	46	418.56	272.47	1.04
IP - Maternity	1,506	2,955	3	0	502.00	984.97	0.03
IP - Newborn	46,940,679	23,369,527	23,277	2,964	2,016.61	1,003.98	247.94
IP - Medical	10,676,339	2,837,210	4,196	534	2,544.41	676.17	30.10
IP - Surgery	2,536,259	404,902	421	54	6,024.37	961.76	4.30
IP - Other	25,397	4,646	7	1	3,628.16	663.73	0.05
Subtotal - Inpatient	60,180,180	26,619,240	27,904	3,553	2,156.69	953.96	282.42
OP - Emergency Room	5,593,219	1,365,773	10,345	1,317	540.67	132.02	14.49
OP - Laboratory	431,205	89,143	8,013	1,020	53.81	11.12	0.95
OP - Radiology	894,490	202,127	3,120	397	286.70	64.78	2.14
OP - Surgery	1,281,734	463,282	555	71	2,309.43	834.74	4.92
OP - Other	1,277,602	378,615	1,636	208	780.93	231.43	4.02
Subtotal - Outpatient	9,478,249	2,498,940	23,669	3,013	400.45	105.58	26.51
Prof - Evaluation & Management	24,169,342	9,546,717	134,133	17,077	180.19	71.17	101.29
Prof - Maternity	7,744	3,372	4	1	1,935.89	843.00	0.04
Prof - Surgery	3,140,640	1,107,166	7,534	959	416.86	146.96	11.75
Prof - DME/Supplies	980,876	533,715	3,024	385	324.36	176.49	5.66
Prof - Lab	576,842	203,865	13,754	1,751	41.94	14.82	2.16
Prof - Radiology	722,559	193,386	10,553	1,344	68.47	18.33	2.05
Prof - Transportation	611,166	182,556	791	101	772.65	230.79	1.94
Prof - Other	5,968,080	2,519,855	172,628	21,978	34.57	14.60	26.73
Subtotal - Professional	36,177,249	14,290,631	342,421	43,595	105.65	41.73	151.62
Total	\$ 105,986,360	\$ 43,506,900					\$ 461.59

TennCare  
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 Historical Encounter Data

Exhibit 2a

East

Medicaid (TANF & Related)							
Age 1 - 13							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	1,586,198						
Home Health Care	1,443,063	1,137,561	5,531	42	260.90	205.67	0.72
IP - Maternity	5,310	5,662	7	0	758.58	808.82	0.00
IP - Newborn	10,412,508	4,857,826	3,890	29	2,676.74	1,248.80	3.06
IP - Medical	21,639,096	7,206,919	10,111	76	2,140.15	712.78	4.54
IP - Surgery	5,809,399	1,413,160	1,095	8	5,305.39	1,290.56	0.89
IP - Other	55,771	137,566	63	0	885.25	2,183.58	0.09
Subtotal - Inpatient	37,922,084	13,621,132	15,166	115	2,500.47	898.14	8.59
OP - Emergency Room	63,492,606	14,440,616	116,465	881	545.16	123.99	9.10
OP - Laboratory	4,650,121	1,158,251	65,052	492	71.48	17.80	0.73
OP - Radiology	7,572,416	1,483,797	35,240	267	214.88	42.11	0.94
OP - Surgery	31,742,532	10,803,430	12,846	97	2,471.01	841.00	6.81
OP - Other	9,467,423	2,688,520	25,670	194	368.81	104.73	1.69
Subtotal - Outpatient	116,925,098	30,574,613	255,273	1,931	458.04	119.77	19.28
Prof - Evaluation & Management	82,687,268	37,104,506	649,858	4,916	127.24	57.10	23.39
Prof - Maternity	7,348	3,160	3	0	2,449.33	1,053.25	0.00
Prof - Surgery	16,255,520	5,024,834	49,097	371	331.09	102.35	3.17
Prof - DME/Supplies	2,349,843	1,436,392	11,363	86	206.80	126.41	0.91
Prof - Lab	8,700,446	3,094,747	251,189	1,900	34.64	12.32	1.95
Prof - Radiology	5,687,440	1,629,175	73,845	559	77.02	22.06	1.03
Prof - Transportation	3,048,279	1,106,066	8,090	61	376.80	136.72	0.70
Prof - Other	34,512,240	14,800,830	999,266	7,560	34.54	14.81	9.33
Subtotal - Professional	153,248,385	64,199,710	2,042,711	15,454	75.02	31.43	40.47
Total	\$ 309,538,630	\$ 109,533,016					\$ 69.05



TennCare  
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 Historical Encounter Data

Exhibit 2a

East

Medicaid (TANF & Related) Age 14 - 20 Female							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	328,516						
Home Health Care	412,261	342,611	5,770	211	71.45	59.38	1.04
IP - Maternity	16,569,720	6,122,673	8,792	321	1,884.64	696.39	18.64
IP - Newborn	4,575,243	3,109,033	4,076	149	1,122.48	762.77	9.46
IP - Medical	7,442,260	2,631,569	3,305	121	2,251.82	796.24	8.01
IP - Surgery	2,072,615	455,517	333	12	6,224.07	1,367.92	1.39
IP - Other	377,381	155,695	73	3	5,169.60	2,132.81	0.47
Subtotal - Inpatient	31,037,218	12,474,487	16,579	606	1,872.08	752.43	37.97
OP - Emergency Room	30,256,468	5,741,089	33,727	1,232	897.10	170.22	17.48
OP - Laboratory	2,609,649	575,510	38,346	1,401	68.06	15.01	1.75
OP - Radiology	4,910,558	776,193	25,706	939	191.03	30.20	2.36
OP - Surgery	8,371,720	2,531,537	3,247	119	2,578.29	779.65	7.71
OP - Other	4,882,202	1,120,901	6,646	243	734.61	168.66	3.41
Subtotal - Outpatient	51,030,597	10,745,231	107,672	3,933	473.94	99.80	32.71
Prof - Evaluation & Management	24,069,977	9,629,991	155,808	5,691	154.48	61.81	29.31
Prof - Maternity	10,828,398	4,778,947	8,189	299	1,322.31	583.58	14.55
Prof - Surgery	5,368,312	1,725,372	12,589	460	426.43	137.05	5.25
Prof - DME/Supplies	415,213	261,746	1,774	65	234.05	147.55	0.80
Prof - Lab	9,502,258	3,317,488	213,472	7,798	44.51	15.54	10.10
Prof - Radiology	8,988,008	2,998,592	50,595	1,848	177.65	59.27	9.13
Prof - Transportation	2,007,794	692,107	5,192	190	386.71	133.30	2.11
Prof - Other	12,499,905	4,589,822	200,959	7,341	62.20	22.84	13.97
Subtotal - Professional	73,679,865	27,994,064	648,578	23,691	113.60	43.16	85.21
Total	\$ 156,159,941	\$ 51,556,394					\$ 156.94

TennCare  
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Exhibit 2a

East

Medicaid (TANF & Related) Age 14 - 20 Male							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	272,421						
Home Health Care	344,384	236,543	4,478	197	76.91	52.82	0.87
IP - Maternity	-	-	-	-	-	-	-
IP - Newborn	3,485	540	2	0	1,742.49	269.77	0.00
IP - Medical	5,267,118	1,754,286	1,941	86	2,713.61	903.81	6.44
IP - Surgery	4,497,494	1,316,141	726	32	6,194.90	1,812.87	4.83
IP - Other	14,883	8,863	8	0	1,860.37	1,107.92	0.03
Subtotal - Inpatient	9,782,981	3,079,829	2,677	118	3,654.46	1,150.48	11.31
OP - Emergency Room	15,400,870	2,953,111	18,054	795	853.04	163.57	10.84
OP - Laboratory	707,452	163,983	9,446	416	74.89	17.36	0.60
OP - Radiology	2,991,968	519,316	15,900	700	188.17	32.66	1.91
OP - Surgery	5,452,566	1,392,771	1,676	74	3,253.32	831.01	5.11
OP - Other	2,080,564	559,845	2,035	90	1,022.39	275.11	2.06
Subtotal - Outpatient	26,633,421	5,589,026	47,111	2,075	565.33	118.64	20.52
Prof - Evaluation & Management	11,240,484	4,457,431	74,518	3,282	150.84	59.82	16.36
Prof - Maternity	1,550	756	1	0	1,550.00	755.68	0.00
Prof - Surgery	4,186,781	1,238,732	8,892	392	470.85	139.31	4.55
Prof - DME/Supplies	539,636	354,843	1,821	80	296.34	194.86	1.30
Prof - Lab	1,405,740	478,895	33,742	1,486	41.66	14.19	1.76
Prof - Radiology	2,563,848	768,543	24,481	1,078	104.73	31.39	2.82
Prof - Transportation	1,349,259	414,675	2,224	98	606.68	186.45	1.52
Prof - Other	4,945,436	2,124,890	137,916	6,075	35.86	15.41	7.80
Subtotal - Professional	26,232,733	9,838,765	283,595	12,492	92.50	34.69	36.12
Total	\$ 62,993,518	\$ 18,744,163					\$ 68.81

TennCare  
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 Historical Encounter Data

Exhibit 2a

East

Medicaid (TANF & Related) Age 21 - 44 Female							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	674,752						
Home Health Care	1,046,217	507,349	83,071	1,477	12.59	6.11	0.75
IP - Maternity	47,245,676	17,828,022	22,903	407	2,062.86	778.41	26.42
IP - Newborn	11,565,010	6,788,362	9,993	178	1,157.31	679.31	10.06
IP - Medical	35,628,725	12,332,661	14,269	254	2,496.93	864.30	18.28
IP - Surgery	12,951,195	3,190,553	2,143	38	6,043.49	1,488.83	4.73
IP - Other	118,049	34,354	61	1	1,935.23	563.18	0.05
Subtotal - Inpatient	107,508,656	40,173,952	49,369	878	2,177.66	813.75	59.54
OP - Emergency Room	91,648,796	17,463,360	91,422	1,626	1,002.48	191.02	25.88
OP - Laboratory	6,624,049	1,374,262	101,236	1,800	65.43	13.57	2.04
OP - Radiology	23,463,621	3,830,080	137,389	2,443	170.78	27.88	5.68
OP - Surgery	51,752,335	14,554,014	14,905	265	3,472.15	976.45	21.57
OP - Other	14,684,371	3,078,573	19,235	342	763.42	160.05	4.56
Subtotal - Outpatient	188,173,173	40,300,289	364,187	6,477	516.69	110.66	59.73
Prof - Evaluation & Management	68,298,982	26,073,445	413,376	7,352	165.22	63.07	38.64
Prof - Maternity	29,624,648	12,981,083	22,308	397	1,327.98	581.90	19.24
Prof - Surgery	34,301,753	10,409,514	57,089	1,015	600.85	182.34	15.43
Prof - DME/Supplies	3,093,023	1,883,868	9,974	177	310.11	188.88	2.79
Prof - Lab	26,094,847	8,716,869	513,556	9,133	50.81	16.97	12.92
Prof - Radiology	34,133,244	11,032,289	179,966	3,201	189.66	61.30	16.35
Prof - Transportation	5,130,442	1,786,334	13,237	235	387.58	134.95	2.65
Prof - Other	37,368,374	11,346,201	557,746	9,919	67.00	20.34	16.82
Subtotal - Professional	238,045,314	84,229,604	1,767,252	31,429	134.70	47.66	124.83
Total	\$ 534,773,359	\$ 165,211,194					\$ 244.85

TennCare  
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 Historical Encounter Data

Exhibit 2a

East

Medicaid (TANF & Related) Age 21 - 44 Male							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	156,729						
Home Health Care	278,618	116,690	4,961	380	56.16	23.52	0.74
IP - Maternity	10,953	5,149	3	0	3,651.00	1,716.41	0.03
IP - Newborn	2,853	883	3	0	951.15	294.35	0.01
IP - Medical	9,319,684	3,006,472	2,963	227	3,145.35	1,014.67	19.18
IP - Surgery	7,797,502	2,284,490	947	73	8,233.90	2,412.34	14.58
IP - Other	69,734	25,095	32	2	2,179.19	784.20	0.16
Subtotal - Inpatient	17,200,726	5,322,088	3,948	302	4,356.82	1,348.05	33.96
OP - Emergency Room	18,031,737	3,493,785	17,493	1,339	1,030.80	199.72	22.29
OP - Laboratory	438,788	85,943	5,506	422	79.69	15.61	0.55
OP - Radiology	4,900,588	814,227	27,272	2,088	179.69	29.86	5.20
OP - Surgery	8,648,967	2,283,241	2,447	187	3,534.52	933.08	14.57
OP - Other	2,188,427	488,878	2,014	154	1,086.61	242.74	3.12
Subtotal - Outpatient	34,208,507	7,166,074	54,732	4,191	625.02	130.93	45.72
Prof - Evaluation & Management	10,597,043	3,761,618	59,408	4,549	178.38	63.32	24.00
Prof - Maternity	2,085	961	2	0	1,042.50	480.46	0.01
Prof - Surgery	6,616,724	1,961,824	9,790	750	675.87	200.39	12.52
Prof - DME/Supplies	850,695	522,314	2,385	183	356.69	219.00	3.33
Prof - Lab	1,525,103	468,448	29,406	2,251	51.86	15.93	2.99
Prof - Radiology	4,317,055	1,281,006	27,247	2,086	158.44	47.01	8.17
Prof - Transportation	1,252,468	434,690	1,890	145	662.68	229.99	2.77
Prof - Other	4,966,179	1,599,495	88,716	6,793	55.98	18.03	10.21
Subtotal - Professional	30,127,353	10,030,356	218,844	16,756	137.67	45.83	64.00
Total	\$ 81,815,204	\$ 22,635,208					\$ 144.42

TennCare  
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 Historical Encounter Data

Exhibit 2a

East

Medicaid (TANF & Related) Age 45 - 64							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	96,054						
Home Health Care	363,462	202,665	7,986	998	45.51	25.38	2.11
IP - Maternity	29,229	8,180	10	1	2,922.90	817.99	0.09
IP - Newborn	3,694	2,119	3	0	1,231.42	706.29	0.02
IP - Medical	11,122,522	3,856,780	4,207	526	2,643.81	916.75	40.15
IP - Surgery	5,733,264	1,234,229	752	94	7,624.02	1,641.26	12.85
IP - Other	58,042	8,522	15	2	3,869.46	568.14	0.09
Subtotal - Inpatient	16,946,751	5,109,831	4,987	623	3,398.19	1,024.63	53.20
OP - Emergency Room	8,828,415	1,750,614	7,083	885	1,246.42	247.16	18.23
OP - Laboratory	756,381	139,957	9,567	1,195	79.06	14.63	1.46
OP - Radiology	6,767,666	1,194,298	47,447	5,928	142.64	25.17	12.43
OP - Surgery	11,464,812	3,277,767	3,034	379	3,778.78	1,080.35	34.12
OP - Other	3,147,834	728,762	3,735	467	842.79	195.12	7.59
Subtotal - Outpatient	30,965,107	7,091,398	70,866	8,853	436.95	100.07	73.83
Prof - Evaluation & Management	9,478,141	3,999,370	64,848	8,101	146.16	61.67	41.64
Prof - Maternity	17,443	7,892	13	2	1,341.77	607.09	0.08
Prof - Surgery	7,701,706	2,295,854	12,541	1,567	614.12	183.07	23.90
Prof - DME/Supplies	1,409,913	793,917	4,185	523	336.90	189.71	8.27
Prof - Lab	2,951,690	892,327	52,354	6,541	56.38	17.04	9.29
Prof - Radiology	4,978,065	1,509,825	27,550	3,442	180.69	54.80	15.72
Prof - Transportation	940,083	413,845	3,697	462	254.28	111.94	4.31
Prof - Other	8,247,460	3,223,537	181,484	22,673	45.44	17.76	33.56
Subtotal - Professional	35,724,501	13,136,568	346,672	43,310	103.05	37.89	136.76
Total	\$ 83,999,821	\$ 25,540,462					\$ 265.90

TennCare  
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 Historical Encounter Data

Exhibit 2a

East

Medicaid (TANF & Related) Age 65+							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	8,658						
Home Health Care	294,052	226,741	157	218	1,872.94	1,444.21	26.19
IP - Maternity	-	-	-	-	-	-	-
IP - Newborn	-	-	-	-	-	-	-
IP - Medical	1,301,684	570,597	2,002	2,775	650.19	285.01	65.90
IP - Surgery	1,127,425	195,469	152	211	7,417.27	1,285.98	22.58
IP - Other	22,390	22,579	102	141	219.51	221.36	2.61
Subtotal - Inpatient	2,451,499	788,645	2,256	3,127	1,086.66	349.58	91.08
OP - Emergency Room	191,478	36,479	95	132	2,015.56	383.99	4.21
OP - Laboratory	302,452	85,913	3,002	4,161	100.75	28.62	9.92
OP - Radiology	155,920	28,836	2,242	3,107	69.54	12.86	3.33
OP - Surgery	656,183	246,696	159	220	4,126.94	1,551.55	28.49
OP - Other	506,436	388,759	225	312	2,250.83	1,727.82	44.90
Subtotal - Outpatient	1,812,469	786,683	5,723	7,932	316.70	137.46	90.86
Prof - Evaluation & Management	402,808	173,100	2,752	3,814	146.37	62.90	19.99
Prof - Maternity	-	-	-	-	-	-	-
Prof - Surgery	255,471	83,108	309	428	826.77	268.96	9.60
Prof - DME/Supplies	51,598	24,661	176	244	293.17	140.12	2.85
Prof - Lab	93,110	26,366	1,798	2,492	51.79	14.66	3.05
Prof - Radiology	218,242	68,794	1,120	1,552	194.86	61.42	7.95
Prof - Transportation	137,535	70,696	431	597	319.11	164.03	8.16
Prof - Other	467,935	201,918	12,214	16,928	38.31	16.53	23.32
Subtotal - Professional	1,626,700	648,642	18,800	26,055	86.53	34.50	74.91
Total	\$ 6,184,720	\$ 2,450,712					\$ 283.04

TennCare  
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Exhibit 2a

East

Uninsured/Uninsurable All Ages							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	169,197						
Home Health Care	652,793	614,481	1,692	120	385.81	363.17	3.63
IP - Maternity	365,168	98,848	156	11	2,340.82	633.64	0.58
IP - Newborn	41,066	22,549	49	3	838.07	460.19	0.13
IP - Medical	2,411,598	853,140	993	70	2,428.60	859.15	5.04
IP - Surgery	1,477,034	201,617	145	10	10,186.44	1,390.47	1.19
IP - Other	77,028	52,458	16	1	4,814.25	3,278.64	0.31
Subtotal - Inpatient	4,371,894	1,228,614	1,359	96	3,216.99	904.06	7.26
OP - Emergency Room	5,640,899	1,020,728	7,213	512	782.05	141.51	6.03
OP - Laboratory	740,521	167,198	9,670	686	76.58	17.29	0.99
OP - Radiology	1,875,890	318,705	11,174	792	167.88	28.52	1.88
OP - Surgery	3,679,767	1,152,043	1,400	99	2,628.41	822.89	6.81
OP - Other	1,585,659	398,345	2,628	186	603.37	151.58	2.35
Subtotal - Outpatient	13,522,736	3,057,019	32,085	2,276	421.47	95.28	18.07
Prof - Evaluation & Management	6,918,935	2,979,759	57,023	4,044	121.34	52.26	17.61
Prof - Maternity	144,939	64,604	138	10	1,050.28	468.15	0.38
Prof - Surgery	2,505,384	753,264	5,764	409	434.66	130.68	4.45
Prof - DME/Supplies	379,296	261,566	1,060	75	357.83	246.76	1.55
Prof - Lab	1,601,236	562,799	37,493	2,659	42.71	15.01	3.33
Prof - Radiology	1,569,198	474,978	11,910	845	131.75	39.88	2.81
Prof - Transportation	347,271	125,604	635	45	546.88	197.80	0.74
Prof - Other	4,527,986	2,031,657	152,571	10,821	29.68	13.32	12.01
Subtotal - Professional	17,994,246	7,254,231	266,594	18,908	67.50	27.21	42.87
Total	\$ 36,541,670	\$ 12,154,345					\$ 71.84

TennCare  
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Exhibit 2a

East

Uninsured/Uninsurable Age Under 1							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	2						
Home Health Care	-	-	-	-	-	-	-
IP - Maternity	-	-	-	-	-	-	-
IP - Newborn	-	-	-	-	-	-	-
IP - Medical	-	-	-	-	-	-	-
IP - Surgery	-	-	-	-	-	-	-
IP - Other	-	-	-	-	-	-	-
Subtotal - Inpatient	-	-	-	-	-	-	-
OP - Emergency Room	-	-	-	-	-	-	-
OP - Laboratory	-	-	-	-	-	-	-
OP - Radiology	-	-	-	-	-	-	-
OP - Surgery	-	-	-	-	-	-	-
OP - Other	-	-	-	-	-	-	-
Subtotal - Outpatient	-	-	-	-	-	-	-
Prof - Evaluation & Management	-	-	-	-	-	-	-
Prof - Maternity	-	-	-	-	-	-	-
Prof - Surgery	-	-	-	-	-	-	-
Prof - DME/Supplies	-	-	-	-	-	-	-
Prof - Lab	-	-	-	-	-	-	-
Prof - Radiology	-	-	-	-	-	-	-
Prof - Transportation	-	-	-	-	-	-	-
Prof - Other	-	-	-	-	-	-	-
Subtotal - Professional	-	-	-	-	-	-	-
Total	\$ -	\$ -					\$ -



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Exhibit 2a

East

Uninsured/Uninsurable Age 1 - 13							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	87,143						
Home Health Care	302,396	288,263	175	24	1,727.98	1,647.22	3.31
IP - Maternity	-	-	-	-	-	-	-
IP - Newborn	-	-	-	-	-	-	-
IP - Medical	1,225,914	377,972	470	65	2,608.33	804.19	4.34
IP - Surgery	596,538	102,510	65	9	9,177.51	1,577.08	1.18
IP - Other	38,502	45,790	5	1	7,700.36	9,158.01	0.53
Subtotal - Inpatient	1,860,954	526,272	540	74	3,446.21	974.58	6.04
OP - Emergency Room	1,950,082	357,525	3,292	453	592.37	108.60	4.10
OP - Laboratory	341,413	80,637	4,682	645	72.92	17.22	0.93
OP - Radiology	523,724	96,718	2,510	346	208.66	38.53	1.11
OP - Surgery	1,360,428	495,144	676	93	2,012.47	732.46	5.68
OP - Other	730,043	199,293	1,772	244	411.99	112.47	2.29
Subtotal - Outpatient	4,905,691	1,229,317	12,932	1,781	379.35	95.06	14.11
Prof - Evaluation & Management	3,310,939	1,491,235	29,554	4,070	112.03	50.46	17.11
Prof - Maternity	-	-	-	-	-	-	-
Prof - Surgery	1,026,627	312,410	2,790	384	367.97	111.97	3.59
Prof - DME/Supplies	160,950	114,427	418	58	385.05	273.75	1.31
Prof - Lab	567,028	207,736	15,372	2,117	36.89	13.51	2.38
Prof - Radiology	387,792	114,066	4,096	564	94.68	27.85	1.31
Prof - Transportation	92,646	31,662	139	19	666.52	227.78	0.36
Prof - Other	2,207,567	1,002,046	75,920	10,454	29.08	13.20	11.50
Subtotal - Professional	7,753,550	3,273,581	128,289	17,666	60.44	25.52	37.57
Total	\$ 14,822,590	\$ 5,317,433					\$ 61.02

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Exhibit 2a

East

Uninsured/Uninsurable Age 14 - 18 Female							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	28,607						
Home Health Care	2,624	1,342	8	3	328.04	167.73	0.05
IP - Maternity	299,888	75,161	126	53	2,380.06	596.51	2.63
IP - Newborn	33,587	18,798	35	15	959.62	537.09	0.66
IP - Medical	320,873	130,884	172	72	1,865.54	760.95	4.58
IP - Surgery	59,780	28,275	19	8	3,146.30	1,488.15	0.99
IP - Other	-	-	-	-	-	-	-
Subtotal - Inpatient	714,127	253,117	352	148	2,028.77	719.08	8.85
OP - Emergency Room	1,386,508	240,724	1,443	605	960.85	166.82	8.41
OP - Laboratory	195,053	44,975	2,274	954	85.78	19.78	1.57
OP - Radiology	439,088	73,801	2,566	1,076	171.12	28.76	2.58
OP - Surgery	737,184	226,450	261	109	2,824.46	867.62	7.92
OP - Other	293,094	77,456	299	125	980.25	259.05	2.71
Subtotal - Outpatient	3,050,926	663,406	6,843	2,871	445.85	96.95	23.19
Prof - Evaluation & Management	1,426,429	605,707	11,318	4,748	126.03	53.52	21.17
Prof - Maternity	108,939	47,394	104	44	1,047.49	455.71	1.66
Prof - Surgery	419,022	128,010	946	397	442.94	135.32	4.47
Prof - DME/Supplies	67,350	46,873	183	77	368.03	256.13	1.64
Prof - Lab	470,537	166,685	10,676	4,478	44.07	15.61	5.83
Prof - Radiology	442,914	139,071	2,728	1,144	162.36	50.98	4.86
Prof - Transportation	65,398	23,441	137	57	477.36	171.10	0.82
Prof - Other	801,669	362,912	30,496	12,792	26.29	11.90	12.69
Subtotal - Professional	3,802,258	1,520,093	56,588	23,738	67.19	26.86	53.14
Total	\$ 7,569,935	\$ 2,437,958					\$ 85.22

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Exhibit 2a

East

Uninsured/Uninsurable Age 14 - 18 Male							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	31,445						
Home Health Care	325,316	314,232	20	8	16,265.80	15,711.61	9.99
IP - Maternity	-	-	-	-	-	-	-
IP - Newborn	-	-	-	-	-	-	-
IP - Medical	151,639	76,289	87	33	1,742.98	876.89	2.43
IP - Surgery	593,882	35,001	31	12	19,157.49	1,129.07	1.11
IP - Other	2,604	2,502	4	2	651.00	625.56	0.08
Subtotal - Inpatient	748,125	113,793	122	47	6,132.17	932.73	3.62
OP - Emergency Room	1,002,832	171,316	1,202	459	834.30	142.53	5.45
OP - Laboratory	113,968	24,135	1,511	577	75.43	15.97	0.77
OP - Radiology	316,357	51,757	1,782	680	177.53	29.04	1.65
OP - Surgery	534,261	130,513	156	60	3,424.75	836.62	4.15
OP - Other	197,031	43,625	212	81	929.39	205.78	1.39
Subtotal - Outpatient	2,164,449	421,346	4,863	1,856	445.09	86.64	13.40
Prof - Evaluation & Management	1,057,830	438,972	8,386	3,200	126.14	52.35	13.96
Prof - Maternity	-	-	-	-	-	-	-
Prof - Surgery	381,078	114,223	896	342	425.31	127.48	3.63
Prof - DME/Supplies	63,696	45,358	186	71	342.45	243.86	1.44
Prof - Lab	183,558	64,682	4,210	1,607	43.60	15.36	2.06
Prof - Radiology	246,548	72,097	2,248	858	109.67	32.07	2.29
Prof - Transportation	78,211	27,960	97	37	806.30	288.25	0.89
Prof - Other	553,679	253,179	17,542	6,694	31.56	14.43	8.05
Subtotal - Professional	2,564,601	1,016,471	33,565	12,809	76.41	30.28	32.33
Total	\$ 5,802,491	\$ 1,865,842					\$ 59.34

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East

Uninsured/Uninsurable Age 19 - 20							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	14,194						
Home Health Care	4,694	2,144	12	10	391.17	178.70	0.15
IP - Maternity	64,718	22,039	29	25	2,231.67	759.98	1.55
IP - Newborn	7,081	3,407	13	11	544.68	262.10	0.24
IP - Medical	154,973	44,408	59	50	2,626.67	752.67	3.13
IP - Surgery	34,275	4,297	7	6	4,896.40	613.92	0.30
IP - Other	-	-	-	-	-	-	-
Subtotal - Inpatient	261,047	74,152	108	91	2,417.10	686.59	5.22
OP - Emergency Room	780,728	137,375	840	710	929.44	163.54	9.68
OP - Laboratory	47,485	9,690	638	539	74.43	15.19	0.68
OP - Radiology	164,643	23,506	1,058	894	155.62	22.22	1.66
OP - Surgery	242,765	57,866	86	73	2,822.84	672.86	4.08
OP - Other	76,521	17,729	108	91	708.52	164.15	1.25
Subtotal - Outpatient	1,312,141	246,166	2,730	2,308	480.64	90.17	17.34
Prof - Evaluation & Management	551,856	206,858	3,755	3,175	146.97	55.09	14.57
Prof - Maternity	33,049	15,520	30	25	1,101.63	517.32	1.09
Prof - Surgery	178,890	53,430	361	305	495.54	148.01	3.76
Prof - DME/Supplies	19,675	14,017	64	54	307.42	219.01	0.99
Prof - Lab	169,956	58,722	3,509	2,967	48.43	16.73	4.14
Prof - Radiology	146,017	48,997	1,063	899	137.36	46.09	3.45
Prof - Transportation	34,919	10,348	55	46	634.89	188.15	0.73
Prof - Other	274,539	130,082	12,728	10,761	21.57	10.22	9.16
Subtotal - Professional	1,408,901	537,974	21,565	18,232	65.33	24.95	37.90
Total	\$ 2,986,783	\$ 860,436					\$ 60.62

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Exhibit 2a

East

Uninsured/Uninsurable Age 21+							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	7,806						
Home Health Care	17,763	8,500	1,477	2,270	12.03	5.75	1.09
IP - Maternity	562	1,648	1	2	562.00	1,647.85	0.21
IP - Newborn	398	344	1	2	398.00	343.50	0.04
IP - Medical	558,200	223,588	205	315	2,722.93	1,090.67	28.64
IP - Surgery	192,559	31,534	23	35	8,372.12	1,371.04	4.04
IP - Other	35,922	4,166	7	11	5,131.74	595.14	0.53
Subtotal - Inpatient	787,641	261,280	237	364	3,323.38	1,102.45	33.47
OP - Emergency Room	520,750	113,788	436	670	1,194.38	260.98	14.58
OP - Laboratory	42,603	7,761	565	869	75.40	13.74	0.99
OP - Radiology	432,078	72,922	3,258	5,008	132.62	22.38	9.34
OP - Surgery	805,130	242,069	221	340	3,643.12	1,095.34	31.01
OP - Other	288,970	60,243	237	364	1,219.28	254.19	7.72
Subtotal - Outpatient	2,089,530	496,783	4,717	7,251	442.98	105.32	63.64
Prof - Evaluation & Management	571,880	236,986	4,010	6,164	142.61	59.10	30.36
Prof - Maternity	2,951	1,691	4	6	737.75	422.65	0.22
Prof - Surgery	499,767	145,191	771	1,185	648.21	188.32	18.60
Prof - DME/Supplies	67,625	40,891	209	321	323.57	195.65	5.24
Prof - Lab	210,156	64,974	3,726	5,728	56.40	17.44	8.32
Prof - Radiology	345,928	100,748	1,775	2,729	194.89	56.76	12.91
Prof - Transportation	76,097	32,194	207	318	367.62	155.53	4.12
Prof - Other	690,532	283,438	15,885	24,419	43.47	17.84	36.31
Subtotal - Professional	2,464,937	906,113	26,587	40,870	92.71	34.08	116.07
Total	\$ 5,359,870	\$ 1,672,676					\$ 214.27

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Exhibit 2a

East

Disabled All Ages							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	589,830						
Home Health Care	21,911,688	16,577,302	238,013	4,842	92.06	69.65	28.11
IP - Maternity	1,297,062	536,010	710	14	1,826.85	754.94	0.91
IP - Newborn	11,246,873	4,724,026	2,624	53	4,286.16	1,800.31	8.01
IP - Medical	170,829,617	53,902,470	77,919	1,585	2,192.40	691.78	91.39
IP - Surgery	69,300,402	18,985,336	11,704	238	5,921.09	1,622.12	32.19
IP - Other	1,718,854	689,795	864	18	1,989.41	798.37	1.17
Subtotal - Inpatient	254,392,808	78,837,636	93,821	1,909	2,711.47	840.30	133.66
OP - Emergency Room	82,101,100	15,664,629	66,798	1,359	1,229.10	234.51	26.56
OP - Laboratory	9,860,789	2,186,228	128,653	2,617	76.65	16.99	3.71
OP - Radiology	47,632,965	8,656,732	330,258	6,719	144.23	26.21	14.68
OP - Surgery	82,788,306	25,122,174	21,194	431	3,906.21	1,185.34	42.59
OP - Other	35,072,053	12,877,158	33,889	689	1,034.91	379.98	21.83
Subtotal - Outpatient	257,455,214	64,506,922	580,792	11,816	443.28	111.07	109.37
Prof - Evaluation & Management	84,024,544	33,985,109	532,424	10,832	157.82	63.83	57.62
Prof - Maternity	864,446	369,492	782	16	1,105.43	472.50	0.63
Prof - Surgery	49,318,082	15,595,982	84,212	1,713	585.64	185.20	26.44
Prof - DME/Supplies	23,858,600	13,549,614	55,390	1,127	430.74	244.62	22.97
Prof - Lab	20,183,326	6,203,476	381,476	7,761	52.91	16.26	10.52
Prof - Radiology	36,030,692	10,844,566	219,837	4,473	163.90	49.33	18.39
Prof - Transportation	16,673,562	7,682,675	67,148	1,366	248.31	114.41	13.03
Prof - Other	84,231,285	35,252,866	3,902,974	79,405	21.58	9.03	59.77
Subtotal - Professional	315,184,536	123,483,779	5,244,243	106,693	60.10	23.55	209.35
Total	\$ 848,944,245	\$ 283,405,639					\$ 480.49

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Exhibit 2a

East

Disabled Age <21							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	49,189						
Home Health Care	6,787,149	6,345,188	4,288	1,046	1,582.82	1,479.75	128.99
IP - Maternity	177,343	68,932	109	27	1,627.00	632.40	1.40
IP - Newborn	10,678,505	4,426,655	2,248	548	4,750.22	1,969.15	89.99
IP - Medical	5,685,142	1,767,502	2,460	600	2,311.03	718.50	35.93
IP - Surgery	806,075	467,052	245	60	3,290.10	1,906.34	9.49
IP - Other	124,384	46,232	53	13	2,346.87	872.31	0.94
Subtotal - Inpatient	17,471,449	6,776,374	5,115	1,248	3,415.73	1,324.80	137.76
OP - Emergency Room	3,071,434	586,272	3,998	975	768.24	146.64	11.92
OP - Laboratory	720,524	213,043	8,419	2,054	85.58	25.30	4.33
OP - Radiology	980,668	215,571	4,456	1,087	220.08	48.38	4.38
OP - Surgery	2,660,435	800,867	845	206	3,148.44	947.77	16.28
OP - Other	3,551,514	1,692,339	8,106	1,977	438.13	208.78	34.40
Subtotal - Outpatient	10,984,575	3,508,092	25,824	6,300	425.36	135.85	71.32
Prof - Evaluation & Management	5,262,049	2,060,949	30,795	7,513	170.87	66.92	41.90
Prof - Maternity	115,971	49,798	104	25	1,115.11	478.83	1.01
Prof - Surgery	1,873,384	539,767	2,619	639	715.30	206.10	10.97
Prof - DME/Supplies	1,879,893	1,195,788	2,573	628	730.62	464.74	24.31
Prof - Lab	642,955	222,570	13,449	3,281	47.81	16.55	4.52
Prof - Radiology	733,664	218,572	7,049	1,720	104.08	31.01	4.44
Prof - Transportation	513,574	219,251	1,724	421	297.90	127.18	4.46
Prof - Other	9,228,545	3,791,896	913,779	222,921	10.10	4.15	77.09
Subtotal - Professional	20,250,035	8,298,591	972,092	237,146	20.83	8.54	168.71
Total	\$ 55,493,208	\$ 24,928,245					\$ 506.78

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Exhibit 2a

East

Disabled Age 21+							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	540,641						
Home Health Care	15,124,539	10,232,113	233,725	5,188	64.71	43.78	18.93
IP - Maternity	1,119,720	467,078	601	13	1,863.09	777.17	0.86
IP - Newborn	568,368	297,370	376	8	1,511.62	790.88	0.55
IP - Medical	165,144,475	52,134,968	75,459	1,675	2,188.53	690.90	96.43
IP - Surgery	68,494,327	18,518,283	11,459	254	5,977.34	1,616.05	34.25
IP - Other	1,594,470	643,562	811	18	1,966.05	793.54	1.19
Subtotal - Inpatient	236,921,359	72,061,262	88,706	1,969	2,670.86	812.36	133.29
OP - Emergency Room	79,029,666	15,078,357	62,800	1,394	1,258.43	240.10	27.89
OP - Laboratory	9,140,265	1,973,185	120,234	2,669	76.02	16.41	3.65
OP - Radiology	46,652,298	8,441,162	325,802	7,231	143.19	25.91	15.61
OP - Surgery	80,127,871	24,321,307	20,349	452	3,937.68	1,195.21	44.99
OP - Other	31,520,539	11,184,819	25,783	572	1,222.53	433.81	20.69
Subtotal - Outpatient	246,470,638	60,998,830	554,968	12,318	444.12	109.91	112.83
Prof - Evaluation & Management	78,762,495	31,924,159	501,629	11,134	157.01	63.64	59.05
Prof - Maternity	748,475	319,693	678	15	1,103.95	471.52	0.59
Prof - Surgery	47,444,698	15,056,215	81,593	1,811	581.48	184.53	27.85
Prof - DME/Supplies	21,978,707	12,353,826	52,817	1,172	416.13	233.90	22.85
Prof - Lab	19,540,371	5,980,906	368,027	8,169	53.09	16.25	11.06
Prof - Radiology	35,297,028	10,625,995	212,788	4,723	165.88	49.94	19.65
Prof - Transportation	16,159,988	7,463,424	65,424	1,452	247.00	114.08	13.80
Prof - Other	75,002,740	31,460,970	2,989,195	66,348	25.09	10.52	58.19
Subtotal - Professional	294,934,500	115,185,188	4,272,151	94,824	69.04	26.96	213.05
Total	\$ 793,451,037	\$ 258,477,394					\$ 478.09



**TennCare  
FY 2009 Per Capita Cost Development  
Historical Encounter Data**

**Exhibit 2a**

**East**

<b>Duals/Waiver Duals All Ages</b>							
<b>November 2006 through October 2007 Incurred; Paid through January 2008</b>							
<b>Service Category</b>	<b>Billed Charges</b>	<b>Paid Expenditures</b>	<b>Units</b>	<b>Units / 1000</b>	<b>Billed Charge /Unit</b>	<b>Paid Expenditures / Unit</b>	<b>Paid Expenditures PMPM</b>
Member Months	959,871						
Home Health Care	39,037,675	37,322,095	142,134	1,777	274.65	262.58	38.88
IP - Maternity	57,699	18,462	30	0	1,923.29	615.40	0.02
IP - Newborn	139,035	71,194	102	1	1,363.09	697.98	0.07
IP - Medical	14,146,571	11,075,706	69,189	865	204.46	160.08	11.54
IP - Surgery	2,661,230	485,356	390	5	6,823.67	1,244.50	0.51
IP - Other	1,299,502	1,339,116	9,555	119	136.00	140.15	1.40
Subtotal - Inpatient	18,304,038	12,989,834	79,266	991	230.92	163.88	13.53
OP - Emergency Room	2,646,167	486,549	2,278	28	1,161.62	213.59	0.51
OP - Laboratory	266,292	50,816	3,811	48	69.87	13.33	0.05
OP - Radiology	1,578,558	289,034	10,649	133	148.24	27.14	0.30
OP - Surgery	3,902,001	2,364,705	1,215	15	3,211.52	1,946.26	2.46
OP - Other	7,759,516	6,972,821	3,153	39	2,460.99	2,211.49	7.26
Subtotal - Outpatient	16,152,533	10,163,925	21,106	264	765.31	481.57	10.59
Prof - Evaluation & Management	2,671,945	1,139,015	18,216	228	146.68	62.53	1.19
Prof - Maternity	25,765	11,287	28	0	920.18	403.09	0.01
Prof - Surgery	1,488,372	472,444	2,839	35	524.26	166.41	0.49
Prof - DME/Supplies	1,073,787	598,444	2,170	27	494.83	275.78	0.62
Prof - Lab	856,248	258,142	16,248	203	52.70	15.89	0.27
Prof - Radiology	1,183,161	350,627	6,590	82	179.54	53.21	0.37
Prof - Transportation	7,092,690	5,795,110	80,956	1,012	87.61	71.58	6.04
Prof - Other	4,486,368	2,498,595	1,631,910	20,402	2.75	1.53	2.60
Subtotal - Professional	18,878,337	11,123,663	1,758,957	21,990	10.73	6.32	11.59
Total	\$ 92,372,583	\$ 71,599,517					\$ 74.59

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Development of Per Capita Costs:**

**Exhibit 3a**

**East**

<b>Medicaid (TANF &amp; Related)</b>														
<b>All Ages</b>														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS	MCO CAP 6 MONTHS	Total
Member Months			3,217,582					3,291,045				1,588,684	1,588,684	3,177,367
Home Health Care	419	26	0.89	1.049	1.043	0.98	0.994	0.97	1.150	1.000	0.994	1.11		
IP - Maternity	118	756	7.45	1.010	1.080	8.13	0.997	8.10	1.030	1.000	1.001	8.36		
IP - Newborn	154	924	11.85	1.010	1.080	12.92	1.007	13.02	1.030	1.000	0.979	13.12		
IP - Medical	160	795	10.63	1.010	1.080	11.59	1.005	11.65	1.030	1.000	0.999	11.99		
IP - Surgery	24	1,598	3.26	1.010	1.080	3.56	1.013	3.60	1.030	1.000	1.003	3.72		
IP - Other	1	1,101	0.12	1.010	1.080	0.13	0.993	0.134	1.030	1.000	0.995	0.14		
Subtotal - Inpatient	458	872	33.31			36.33	1.005	36.51	1.030	1.000	0.993	37.33		
OP - Emergency Room	1,099	160	14.68	1.033	1.020	15.48	1.003	15.52	1.100	1.000	1.001	17.09		
OP - Laboratory	896	15	1.14	1.023	1.020	1.19	0.997	1.19	1.070	1.000	0.999	1.27		
OP - Radiology	1,098	30	2.75	1.023	1.020	2.87	1.006	2.89	1.070	1.000	1.003	3.10		
OP - Surgery	145	915	11.05	1.033	1.020	11.65	1.003	11.68	1.100	1.000	1.002	12.88		
OP - Other	228	154	2.93	1.023	1.020	3.06	0.999	3.06	1.070	1.000	0.997	3.26		
Subtotal - Outpatient	3,466	113	32.56			34.25	1.003	34.34	1.094	1.000	1.001	37.60		
Prof - Evaluation & Management	5,798	61	29.45	1.017	1.015	30.40	1.002	30.44	1.050	1.000	0.998	31.89		
Prof - Maternity	114	582	5.52	1.017	1.015	5.70	0.997	5.69	1.050	1.000	1.001	5.98		
Prof - Surgery	589	151	7.41	1.017	1.015	7.65	1.005	7.69	1.050	1.000	1.001	8.09		
Prof - DME/Supplies	129	167	1.81	1.017	1.015	1.86	1.007	1.88	1.050	1.000	1.000	1.97		
Prof - Lab	4,137	16	5.35	1.017	1.015	5.52	0.999	5.51	1.050	1.000	1.001	5.80		
Prof - Radiology	1,474	49	6.05	1.017	1.015	6.25	1.003	6.27	1.050	1.000	1.002	6.60		
Prof - Transportation	133	143	1.59	1.017	1.015	1.64	1.003	1.64	1.050	1.000	1.000	1.72		
Prof - Other	8,768	17	12.56	1.017	1.015	12.96	1.001	12.98	1.050	1.000	0.999	13.61		
Subtotal - Professional	21,142	40	69.73			71.98	1.002	72.10	1.050	1.000	0.999	75.66		
Total			\$ 136.49			\$ 143.54	1.003	\$ 143.92	1.056	1.000	0.998	\$ 151.70		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			\$ 148.77			\$ 156.44		\$ 156.86				\$ 165.34	\$ 175.02	\$ 170.18

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Development of Per Capita Costs:**

**Exhibit 3a**

**East**

<b>Medicaid (TANF &amp; Related)</b>														
<b>Age Under 1</b>														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS	MCO CAP 6 MONTHS	Total
Member Months			94,255					97,782				45,565	45,565	91,130
Home Health Care	46	272	1.04	1.049	1.043	1.14	1.000	1.14	1.150	1.000	1.000	1.31		
IP - Maternity	0	985	0.03	1.010	1.080	0.03	1.000	0.03	1.030	1.000	1.000	0.04		
IP - Newborn	2,964	1,004	247.94	1.010	1.080	270.39	1.000	270.39	1.030	1.000	1.000	278.50		
IP - Medical	534	676	30.10	1.010	1.080	32.83	1.000	32.83	1.030	1.000	1.000	33.81		
IP - Surgery	54	962	4.30	1.010	1.080	4.68	1.000	4.68	1.030	1.000	1.000	4.83		
IP - Other	1	664	0.05	1.010	1.080	0.05	1.000	0.054	1.030	1.000	1.000	0.06		
Subtotal - Inpatient	3,553	954	282.42			307.99	1.000	307.99	1.030	1.000	1.000	317.23		
OP - Emergency Room	1,317	132	14.49	1.033	1.020	15.27	1.000	15.27	1.100	1.000	1.000	16.80		
OP - Laboratory	1,020	11	0.95	1.023	1.020	0.99	1.000	0.99	1.070	1.000	1.000	1.06		
OP - Radiology	397	65	2.14	1.023	1.020	2.24	1.000	2.24	1.070	1.000	1.000	2.40		
OP - Surgery	71	835	4.92	1.033	1.020	5.18	1.000	5.18	1.100	1.000	1.000	5.70		
OP - Other	208	231	4.02	1.023	1.020	4.19	1.000	4.19	1.070	1.000	1.000	4.49		
Subtotal - Outpatient	3,013	106	26.51			27.87	1.000	27.87	1.070	1.000	1.000	30.44		
Prof - Evaluation & Management	17,077	71	101.29	1.017	1.015	104.56	1.000	104.56	1.050	1.000	1.000	109.79		
Prof - Maternity	1	843	0.04	1.017	1.015	0.04	1.000	0.04	1.050	1.000	1.000	0.04		
Prof - Surgery	959	147	11.75	1.017	1.015	12.13	1.000	12.13	1.050	1.000	1.000	12.73		
Prof - DME/Supplies	385	176	5.66	1.017	1.015	5.85	1.000	5.85	1.050	1.000	1.000	6.14		
Prof - Lab	1,751	15	2.16	1.017	1.015	2.23	1.000	2.23	1.050	1.000	1.000	2.34		
Prof - Radiology	1,344	18	2.05	1.017	1.015	2.12	1.000	2.12	1.050	1.000	1.000	2.22		
Prof - Transportation	101	231	1.94	1.017	1.015	2.00	1.000	2.00	1.050	1.000	1.000	2.10		
Prof - Other	21,978	15	26.73	1.017	1.015	27.60	1.000	27.60	1.050	1.000	1.000	28.98		
Subtotal - Professional	43,595	42	151.62			156.51	1.000	156.51	1.050	1.000	1.000	164.34		
Total			\$ 461.59			\$ 493.52	1.000	\$ 493.52	1.039	1.000	1.000	\$ 513.32		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			\$ 503.09			\$ 537.89		\$ 537.89				\$ 559.47	\$ 504.49	\$ 531.98

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Development of Per Capita Costs:**

**Exhibit 3a**

**East**

<b>Medicaid (TANF &amp; Related)</b>														
<b>Age 1 - 13</b>														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS	MCO CAP 6 MONTHS	Total
Member Months			1,586,198					1,617,328				780,678	780,678	1,561,355
Home Health Care	42	206	0.72	1.049	1.043	0.78	1.000	0.78	1.150	1.000	1.000	0.90		
IP - Maternity	0	809	0.00	1.010	1.080	0.00	1.000	0.00	1.030	1.000	1.000	0.00		
IP - Newborn	29	1,249	3.06	1.010	1.080	3.34	1.000	3.34	1.030	1.000	1.000	3.44		
IP - Medical	76	713	4.54	1.010	1.080	4.95	1.000	4.95	1.030	1.000	1.000	5.10		
IP - Surgery	8	1,291	0.89	1.010	1.080	0.97	1.000	0.97	1.030	1.000	1.000	1.00		
IP - Other	0	2,184	0.09	1.010	1.080	0.09	1.000	0.095	1.030	1.000	1.000	0.10		
Subtotal - Inpatient	115	898	8.59			9.36	1.000	9.36	1.030	1.000	1.000	9.65		
OP - Emergency Room	881	124	9.10	1.033	1.020	9.60	1.000	9.60	1.100	1.000	1.000	10.56		
OP - Laboratory	492	18	0.73	1.023	1.020	0.76	1.000	0.76	1.070	1.000	1.000	0.82		
OP - Radiology	267	42	0.94	1.023	1.020	0.98	1.000	0.98	1.070	1.000	1.000	1.04		
OP - Surgery	97	841	6.81	1.033	1.020	7.18	1.000	7.18	1.100	1.000	1.000	7.90		
OP - Other	194	105	1.69	1.023	1.020	1.77	1.000	1.77	1.070	1.000	1.000	1.89		
Subtotal - Outpatient	1,931	120	19.28			20.28	1.000	20.28	1.070	1.000	1.000	22.21		
Prof - Evaluation & Management	4,916	57	23.39	1.017	1.015	24.15	1.000	24.15	1.050	1.000	1.000	25.35		
Prof - Maternity	0	1,053	0.00	1.017	1.015	0.00	1.000	0.00	1.050	1.000	1.000	0.00		
Prof - Surgery	371	102	3.17	1.017	1.015	3.27	1.000	3.27	1.050	1.000	1.000	3.43		
Prof - DME/Supplies	86	126	0.91	1.017	1.015	0.93	1.000	0.93	1.050	1.000	1.000	0.98		
Prof - Lab	1,900	12	1.95	1.017	1.015	2.01	1.000	2.01	1.050	1.000	1.000	2.11		
Prof - Radiology	559	22	1.03	1.017	1.015	1.06	1.000	1.06	1.050	1.000	1.000	1.11		
Prof - Transportation	61	137	0.70	1.017	1.015	0.72	1.000	0.72	1.050	1.000	1.000	0.76		
Prof - Other	7,560	15	9.33	1.017	1.015	9.63	1.000	9.63	1.050	1.000	1.000	10.11		
Subtotal - Professional	15,454	31	40.47			41.78	1.000	41.78	1.050	1.000	1.000	43.87		
Total			\$ 69.05			\$ 72.21	1.000	\$ 72.21	1.054	1.000	1.000	\$ 76.62		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			\$ 75.26			\$ 78.71		\$ 78.71				\$ 83.51	\$ 94.56	\$ 89.04

**TennCare**  
**FY 2009 Per Capita Cost Development**  
 Development of Per Capita Costs:

**Exhibit 3a**

**East**

<b>Medicaid (TANF &amp; Related)</b>														
<b>Age 14 - 20 Female</b>														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS	MCO CAP 6 MONTHS	Total
Member Months			328,516					331,150				159,263	159,263	318,527
Home Health Care	211	59	1.04	1.049	1.043	1.14	1.000	1.14	1.150	1.000	1.000	1.31		
IP - Maternity	321	696	18.64	1.010	1.080	20.32	1.000	20.32	1.030	1.000	1.000	20.93		
IP - Newborn	149	763	9.46	1.010	1.080	10.32	1.000	10.32	1.030	1.000	1.000	10.63		
IP - Medical	121	796	8.01	1.010	1.080	8.74	1.000	8.74	1.030	1.000	1.000	9.00		
IP - Surgery	12	1,368	1.39	1.010	1.080	1.51	1.000	1.51	1.030	1.000	1.000	1.56		
IP - Other	3	2,133	0.47	1.010	1.080	0.52	1.000	0.517	1.030	1.000	1.000	0.53		
Subtotal - Inpatient	606	752	37.97			41.41	1.000	41.41	1.030	1.000	1.000	42.65		
OP - Emergency Room	1,232	170	17.48	1.033	1.020	18.42	1.000	18.42	1.100	1.000	1.000	20.26		
OP - Laboratory	1,401	15	1.75	1.023	1.020	1.83	1.000	1.83	1.070	1.000	1.000	1.96		
OP - Radiology	939	30	2.36	1.023	1.020	2.47	1.000	2.47	1.070	1.000	1.000	2.64		
OP - Surgery	119	780	7.71	1.033	1.020	8.12	1.000	8.12	1.100	1.000	1.000	8.93		
OP - Other	243	169	3.41	1.023	1.020	3.56	1.000	3.56	1.070	1.000	1.000	3.81		
Subtotal - Outpatient	3,933	100	32.71			34.40	1.000	34.40	1.070	1.000	1.000	37.61		
Prof - Evaluation & Management	5,691	62	29.31	1.017	1.015	30.26	1.000	30.26	1.050	1.000	1.000	31.77		
Prof - Maternity	299	584	14.55	1.017	1.015	15.02	1.000	15.02	1.050	1.000	1.000	15.77		
Prof - Surgery	460	137	5.25	1.017	1.015	5.42	1.000	5.42	1.050	1.000	1.000	5.69		
Prof - DME/Supplies	65	148	0.80	1.017	1.015	0.82	1.000	0.82	1.050	1.000	1.000	0.86		
Prof - Lab	7,798	16	10.10	1.017	1.015	10.42	1.000	10.42	1.050	1.000	1.000	10.95		
Prof - Radiology	1,848	59	9.13	1.017	1.015	9.42	1.000	9.42	1.050	1.000	1.000	9.89		
Prof - Transportation	190	133	2.11	1.017	1.015	2.17	1.000	2.17	1.050	1.000	1.000	2.28		
Prof - Other	7,341	23	13.97	1.017	1.015	14.42	1.000	14.42	1.050	1.000	1.000	15.14		
Subtotal - Professional	23,691	43	85.21			87.97	1.000	87.97	1.050	1.000	1.000	92.36		
Total			\$ 156.94			\$ 164.92	1.000	\$ 164.92	1.050	1.000	1.000	\$ 173.93		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			\$ 171.05			\$ 179.75		\$ 179.75				\$ 189.57	\$ 204.60	\$ 197.09

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 3a

East

Medicaid (TANF & Related)														
Age 14 - 20 Male														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS	MCO CAP 6 MONTHS	Total
Member Months			272,421					274,888				132,433	132,433	264,866
Home Health Care	197	53	0.87	1.049	1.043	0.95	1.000	0.95	1.150	1.000	1.000	1.09		
IP - Maternity	-	-	-	1.010	1.080	-	1.000	-	1.030	1.000	1.000	-		
IP - Newborn	0	270	0.00	1.010	1.080	0.00	1.000	0.00	1.030	1.000	1.000	0.00		
IP - Medical	86	904	6.44	1.010	1.080	7.02	1.000	7.02	1.030	1.000	1.000	7.23		
IP - Surgery	32	1,813	4.83	1.010	1.080	5.27	1.000	5.27	1.030	1.000	1.000	5.43		
IP - Other	0	1,108	0.03	1.010	1.080	0.04	1.000	0.035	1.030	1.000	1.000	0.04		
Subtotal - Inpatient	118	1,150	11.31			12.33	1.000	12.33	1.030	1.000	1.000	12.70		
OP - Emergency Room	795	164	10.84	1.033	1.020	11.43	1.000	11.43	1.100	1.000	1.000	12.57		
OP - Laboratory	416	17	0.60	1.023	1.020	0.63	1.000	0.63	1.070	1.000	1.000	0.67		
OP - Radiology	700	33	1.91	1.023	1.020	1.99	1.000	1.99	1.070	1.000	1.000	2.13		
OP - Surgery	74	831	5.11	1.033	1.020	5.39	1.000	5.39	1.100	1.000	1.000	5.93		
OP - Other	90	275	2.06	1.023	1.020	2.15	1.000	2.15	1.070	1.000	1.000	2.30		
Subtotal - Outpatient	2,075	119	20.52			21.58	1.000	21.58	1.070	1.000	1.000	23.59		
Prof - Evaluation & Management	3,282	60	16.36	1.017	1.015	16.89	1.000	16.89	1.050	1.000	1.000	17.74		
Prof - Maternity	0	756	0.00	1.017	1.015	0.00	1.000	0.00	1.050	1.000	1.000	0.00		
Prof - Surgery	392	139	4.55	1.017	1.015	4.69	1.000	4.69	1.050	1.000	1.000	4.93		
Prof - DME/Supplies	80	195	1.30	1.017	1.015	1.34	1.000	1.34	1.050	1.000	1.000	1.41		
Prof - Lab	1,486	14	1.76	1.017	1.015	1.81	1.000	1.81	1.050	1.000	1.000	1.91		
Prof - Radiology	1,078	31	2.82	1.017	1.015	2.91	1.000	2.91	1.050	1.000	1.000	3.06		
Prof - Transportation	98	186	1.52	1.017	1.015	1.57	1.000	1.57	1.050	1.000	1.000	1.65		
Prof - Other	6,075	15	7.80	1.017	1.015	8.05	1.000	8.05	1.050	1.000	1.000	8.45		
Subtotal - Professional	12,492	35	36.12			37.28	1.000	37.28	1.050	1.000	1.000	39.15		
Total			\$ 68.81			\$ 72.14	1.000	\$ 72.14	1.054	1.000	1.000	\$ 76.53		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			\$ 74.99			\$ 78.63		\$ 78.63				\$ 83.41	\$ 110.31	\$ 96.86

**TennCare**  
**FY 2009 Per Capita Cost Development**  
 Development of Per Capita Costs:

**Exhibit 3a**

**East**

<b>Medicaid (TANF &amp; Related)</b>														
<b>Age 21 - 44 Female</b>														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS	MCO CAP 6 MONTHS	Total
Member Months			674,752					690,917				334,581	334,581	669,161
Home Health Care	1,477	6	0.75	1.049	1.043	0.82	1.000	0.82	1.150	1.000	1.000	0.95		
IP - Maternity	407	778	26.42	1.010	1.080	28.81	1.000	28.81	1.030	1.000	1.000	29.68		
IP - Newborn	178	679	10.06	1.010	1.080	10.97	1.000	10.97	1.030	1.000	1.000	11.30		
IP - Medical	254	864	18.28	1.010	1.080	19.93	1.000	19.93	1.030	1.000	1.000	20.53		
IP - Surgery	38	1,489	4.73	1.010	1.080	5.16	1.000	5.16	1.030	1.000	1.000	5.31		
IP - Other	1	563	0.05	1.010	1.080	0.06	1.000	0.056	1.030	1.000	1.000	0.06		
Subtotal - Inpatient	878	814	59.54			64.93	1.000	64.93	1.030	1.000	1.000	66.88		
OP - Emergency Room	1,626	191	25.88	1.033	1.020	27.28	1.000	27.28	1.100	1.000	1.000	30.01		
OP - Laboratory	1,800	14	2.04	1.023	1.020	2.13	1.000	2.13	1.070	1.000	1.000	2.28		
OP - Radiology	2,443	28	5.68	1.023	1.020	5.93	1.000	5.93	1.070	1.000	1.000	6.34		
OP - Surgery	265	976	21.57	1.033	1.020	22.74	1.000	22.74	1.100	1.000	1.000	25.01		
OP - Other	342	160	4.56	1.023	1.020	4.76	1.000	4.76	1.070	1.000	1.000	5.10		
Subtotal - Outpatient	6,477	111	59.73			62.83	1.000	62.83	1.070	1.000	1.000	68.73		
Prof - Evaluation & Management	7,352	63	38.64	1.017	1.015	39.89	1.000	39.89	1.050	1.000	1.000	41.88		
Prof - Maternity	397	582	19.24	1.017	1.015	19.86	1.000	19.86	1.050	1.000	1.000	20.85		
Prof - Surgery	1,015	182	15.43	1.017	1.015	15.93	1.000	15.93	1.050	1.000	1.000	16.72		
Prof - DME/Supplies	177	189	2.79	1.017	1.015	2.88	1.000	2.88	1.050	1.000	1.000	3.03		
Prof - Lab	9,133	17	12.92	1.017	1.015	13.34	1.000	13.34	1.050	1.000	1.000	14.00		
Prof - Radiology	3,201	61	16.35	1.017	1.015	16.88	1.000	16.88	1.050	1.000	1.000	17.72		
Prof - Transportation	235	135	2.65	1.017	1.015	2.73	1.000	2.73	1.050	1.000	1.000	2.87		
Prof - Other	9,919	20	16.82	1.017	1.015	17.36	1.000	17.36	1.050	1.000	1.000	18.23		
Subtotal - Professional	31,429	48	124.83			128.86	1.000	128.86	1.050	1.000	1.000	135.30		
Total			\$ 244.85			\$ 257.45	1.000	\$ 257.45	1.050	1.000	1.000	\$ 271.86		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			\$ 266.86			\$ 280.59		\$ 280.59				\$ 296.30	\$ 302.22	\$ 299.26

**TennCare**  
**FY 2009 Per Capita Cost Development**  
 Development of Per Capita Costs:

**Exhibit 3a**

**East**

<b>Medicaid (TANF &amp; Related)</b>														
<b>Age 21 - 44 Male</b>														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS	MCO CAP 6 MONTHS	Total
Member Months			156,729					171,284				84,143	84,143	168,285
Home Health Care	380	24	0.74	1.049	1.043	0.81	1.000	0.81	1.150	1.000	1.000	0.94		
IP - Maternity	0	1,716	0.03	1.010	1.080	0.04	1.000	0.04	1.030	1.000	1.000	0.04		
IP - Newborn	0	294	0.01	1.010	1.080	0.01	1.000	0.01	1.030	1.000	1.000	0.01		
IP - Medical	227	1,015	19.18	1.010	1.080	20.92	1.000	20.92	1.030	1.000	1.000	21.55		
IP - Surgery	73	2,412	14.58	1.010	1.080	15.90	1.000	15.90	1.030	1.000	1.000	16.37		
IP - Other	2	784	0.16	1.010	1.080	0.17	1.000	0.175	1.030	1.000	1.000	0.18		
Subtotal - Inpatient	302	1,348	33.96			37.03	1.000	37.03	1.030	1.000	1.000	38.14		
OP - Emergency Room	1,339	200	22.29	1.033	1.020	23.50	1.000	23.50	1.100	1.000	1.000	25.85		
OP - Laboratory	422	16	0.55	1.023	1.020	0.57	1.000	0.57	1.070	1.000	1.000	0.61		
OP - Radiology	2,088	30	5.20	1.023	1.020	5.42	1.000	5.42	1.070	1.000	1.000	5.80		
OP - Surgery	187	933	14.57	1.033	1.020	15.36	1.000	15.36	1.100	1.000	1.000	16.89		
OP - Other	154	243	3.12	1.023	1.020	3.26	1.000	3.26	1.070	1.000	1.000	3.48		
Subtotal - Outpatient	4,191	131	45.72			48.11	1.000	48.11	1.070	1.000	1.000	52.64		
Prof - Evaluation & Management	4,549	63	24.00	1.017	1.015	24.78	1.000	24.78	1.050	1.000	1.000	26.01		
Prof - Maternity	0	480	0.01	1.017	1.015	0.01	1.000	0.01	1.050	1.000	1.000	0.01		
Prof - Surgery	750	200	12.52	1.017	1.015	12.92	1.000	12.92	1.050	1.000	1.000	13.57		
Prof - DME/Supplies	183	219	3.33	1.017	1.015	3.44	1.000	3.44	1.050	1.000	1.000	3.61		
Prof - Lab	2,251	16	2.99	1.017	1.015	3.09	1.000	3.09	1.050	1.000	1.000	3.24		
Prof - Radiology	2,086	47	8.17	1.017	1.015	8.44	1.000	8.44	1.050	1.000	1.000	8.86		
Prof - Transportation	145	230	2.77	1.017	1.015	2.86	1.000	2.86	1.050	1.000	1.000	3.01		
Prof - Other	6,793	18	10.21	1.017	1.015	10.54	1.000	10.54	1.050	1.000	1.000	11.06		
Subtotal - Professional	16,756	46	64.00			66.07	1.000	66.07	1.050	1.000	1.000	69.37		
Total			\$ 144.42			\$ 152.02	1.000	\$ 152.02	1.052	1.000	1.000	\$ 161.09		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			\$ 157.41			\$ 165.69		\$ 165.69				\$ 175.57	\$ 183.16	\$ 179.37



**TennCare**  
**FY 2009 Per Capita Cost Development**  
 Development of Per Capita Costs:

**Exhibit 3a**

**East**

<b>Medicaid (TANF &amp; Related)</b>														
<b>Age 45 - 64</b>														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS	MCO CAP 6 MONTHS	Total
Member Months			96,054					99,513				48,410	48,410	96,820
Home Health Care	998	25	2.11	1.049	1.043	2.31	1.000	2.31	1.150	1.000	1.000	2.65		
IP - Maternity	1	818	0.09	1.010	1.080	0.09	1.000	0.09	1.030	1.000	1.000	0.10		
IP - Newborn	0	706	0.02	1.010	1.080	0.02	1.000	0.02	1.030	1.000	1.000	0.02		
IP - Medical	526	917	40.15	1.010	1.080	43.79	1.000	43.79	1.030	1.000	1.000	45.10		
IP - Surgery	94	1,641	12.85	1.010	1.080	14.01	1.000	14.01	1.030	1.000	1.000	14.43		
IP - Other	2	568	0.09	1.010	1.080	0.10	1.000	0.097	1.030	1.000	1.000	0.10		
Subtotal - Inpatient	623	1,025	53.20			58.01	1.000	58.01	1.030	1.000	1.000	59.75		
OP - Emergency Room	885	247	18.23	1.033	1.020	19.21	1.000	19.21	1.100	1.000	1.000	21.13		
OP - Laboratory	1,195	15	1.46	1.023	1.020	1.52	1.000	1.52	1.070	1.000	1.000	1.63		
OP - Radiology	5,928	25	12.43	1.023	1.020	12.98	1.000	12.98	1.070	1.000	1.000	13.89		
OP - Surgery	379	1,080	34.12	1.033	1.020	35.97	1.000	35.97	1.100	1.000	1.000	39.57		
OP - Other	467	195	7.59	1.023	1.020	7.92	1.000	7.92	1.070	1.000	1.000	8.48		
Subtotal - Outpatient	8,853	100	73.83			77.60	1.000	77.60	1.070	1.000	1.000	84.69		
Prof - Evaluation & Management	8,101	62	41.64	1.017	1.015	42.98	1.000	42.98	1.050	1.000	1.000	45.13		
Prof - Maternity	2	607	0.08	1.017	1.015	0.08	1.000	0.08	1.050	1.000	1.000	0.09		
Prof - Surgery	1,567	183	23.90	1.017	1.015	24.67	1.000	24.67	1.050	1.000	1.000	25.91		
Prof - DME/Supplies	523	190	8.27	1.017	1.015	8.53	1.000	8.53	1.050	1.000	1.000	8.96		
Prof - Lab	6,541	17	9.29	1.017	1.015	9.59	1.000	9.59	1.050	1.000	1.000	10.07		
Prof - Radiology	3,442	55	15.72	1.017	1.015	16.23	1.000	16.23	1.050	1.000	1.000	17.04		
Prof - Transportation	462	112	4.31	1.017	1.015	4.45	1.000	4.45	1.050	1.000	1.000	4.67		
Prof - Other	22,673	18	33.56	1.017	1.015	34.64	1.000	34.64	1.050	1.000	1.000	36.38		
Subtotal - Professional	43,310	38	136.76			141.18	1.000	141.18	1.050	1.000	1.000	148.24		
Total			\$ 265.90			\$ 279.10	1.000	\$ 279.10	1.052	1.000	1.000	\$ 295.34		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			\$ 289.81			\$ 304.20		\$ 304.20				\$ 321.89	\$ 334.68	\$ 328.29

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Development of Per Capita Costs:**

**Exhibit 3a**

**East**

<b>Medicaid (TANF &amp; Related)</b>														
<b>Age 65+</b>														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS	MCO CAP 6 MONTHS	Total
Member Months			8,658					8,183				3,611	3,611	7,223
Home Health Care	218	1,444	26.19	1.049	1.043	28.65	1.000	28.65	1.150	1.000	1.000	32.95		
IP - Maternity	-	-	-	1.010	1.080	-	1.000	-	1.030	1.000	1.000	-		
IP - Newborn	-	-	-	1.010	1.080	-	1.000	-	1.030	1.000	1.000	-		
IP - Medical	2,775	285	65.90	1.010	1.080	71.87	1.000	71.87	1.030	1.000	1.000	74.02		
IP - Surgery	211	1,286	22.58	1.010	1.080	24.62	1.000	24.62	1.030	1.000	1.000	25.36		
IP - Other	141	221	2.61	1.010	1.080	2.84	1.000	2.844	1.030	1.000	1.000	2.93		
Subtotal - Inpatient	3,127	350	91.08			99.33	1.000	99.33	1.030	1.000	1.000	102.31		
OP - Emergency Room	132	384	4.21	1.033	1.020	4.44	1.000	4.44	1.100	1.000	1.000	4.88		
OP - Laboratory	4,161	29	9.92	1.023	1.020	10.36	1.000	10.36	1.070	1.000	1.000	11.08		
OP - Radiology	3,107	13	3.33	1.023	1.020	3.48	1.000	3.48	1.070	1.000	1.000	3.72		
OP - Surgery	220	1,552	28.49	1.033	1.020	30.03	1.000	30.03	1.100	1.000	1.000	33.04		
OP - Other	312	1,728	44.90	1.023	1.020	46.87	1.000	46.87	1.070	1.000	1.000	50.16		
Subtotal - Outpatient	7,932	137	90.86			95.18	1.000	95.18	1.070	1.000	1.000	102.88		
Prof - Evaluation & Management	3,814	63	19.99	1.017	1.015	20.64	1.000	20.64	1.050	1.000	1.000	21.67		
Prof - Maternity	-	-	-	1.017	1.015	-	1.000	-	1.050	1.000	1.000	-		
Prof - Surgery	428	269	9.60	1.017	1.015	9.91	1.000	9.91	1.050	1.000	1.000	10.40		
Prof - DME/Supplies	244	140	2.85	1.017	1.015	2.94	1.000	2.94	1.050	1.000	1.000	3.09		
Prof - Lab	2,492	15	3.05	1.017	1.015	3.14	1.000	3.14	1.050	1.000	1.000	3.30		
Prof - Radiology	1,552	61	7.95	1.017	1.015	8.20	1.000	8.20	1.050	1.000	1.000	8.61		
Prof - Transportation	597	164	8.16	1.017	1.015	8.43	1.000	8.43	1.050	1.000	1.000	8.85		
Prof - Other	16,928	17	23.32	1.017	1.015	24.07	1.000	24.07	1.050	1.000	1.000	25.28		
Subtotal - Professional	26,055	35	74.91			77.33	1.000	77.33	1.050	1.000	1.000	81.20		
Total			\$ 283.04			\$ 300.50	1.000	\$ 300.50	1.059	1.000	1.000	\$ 319.34		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			\$ 308.49			\$ 327.52		\$ 327.52				\$ 348.05	\$ 365.57	\$ 356.81

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 3a

East

Uninsured/Uninsurable														
All Ages														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS	MCO CAP 6 MONTHS	Total
Member Months			169,197					160,672				76,128	76,128	152,256
Home Health Care	120	363	3.63	1.049	1.043	3.97	1.028	4.08	1.150	1.000	1.011	4.75		
IP - Maternity	11	634	0.58	1.010	1.080	0.64	1.002	0.64	1.030	1.000	0.982	0.65		
IP - Newborn	3	460	0.13	1.010	1.080	0.15	1.016	0.15	1.030	1.000	0.991	0.15		
IP - Medical	70	859	5.04	1.010	1.080	5.50	0.911	5.01	1.030	1.000	1.002	5.17		
IP - Surgery	10	1,390	1.19	1.010	1.080	1.30	0.962	1.25	1.030	1.000	1.007	1.30		
IP - Other	1	3,279	0.31	1.010	1.080	0.34	0.992	0.34	1.030	1.000	1.011	0.35		
Subtotal - Inpatient	96	904	7.26			7.92	0.932	7.38	1.030	1.000	1.001	7.61		
OP - Emergency Room	512	142	6.03	1.033	1.020	6.36	0.966	6.14	1.100	1.000	0.993	6.71		
OP - Laboratory	686	17	0.99	1.023	1.020	1.03	1.006	1.04	1.070	1.000	1.003	1.11		
OP - Radiology	792	29	1.88	1.023	1.020	1.97	0.925	1.82	1.070	1.000	0.999	1.95		
OP - Surgery	99	823	6.81	1.033	1.020	7.18	0.935	6.71	1.100	1.000	1.003	7.40		
OP - Other	186	152	2.35	1.023	1.020	2.46	0.961	2.36	1.070	1.000	1.004	2.54		
Subtotal - Outpatient	2,276	95	18.07			18.99	0.951	18.07	1.091	1.000	0.999	19.70		
Prof - Evaluation & Management	4,044	52	17.61	1.017	1.015	18.18	0.988	17.96	1.050	1.000	1.001	18.89		
Prof - Maternity	10	468	0.38	1.017	1.015	0.39	0.995	0.39	1.050	1.000	0.979	0.40		
Prof - Surgery	409	131	4.45	1.017	1.015	4.60	0.939	4.32	1.050	1.000	1.000	4.53		
Prof - DME/Supplies	75	247	1.55	1.017	1.015	1.60	0.958	1.53	1.050	1.000	1.003	1.61		
Prof - Lab	2,659	15	3.33	1.017	1.015	3.43	0.969	3.33	1.050	1.000	0.996	3.48		
Prof - Radiology	845	40	2.81	1.017	1.015	2.90	0.929	2.69	1.050	1.000	0.995	2.81		
Prof - Transportation	45	198	0.74	1.017	1.015	0.77	0.912	0.70	1.050	1.000	0.998	0.73		
Prof - Other	10,821	13	12.01	1.017	1.015	12.40	0.962	11.93	1.050	1.000	1.002	12.55		
Subtotal - Professional	18,908	27	42.87			44.26	0.968	42.85	1.050	1.000	1.000	45.01		
Total			\$ 71.84			\$ 75.14	0.963	\$ 72.38	1.064	1.000	1.001	\$ 77.07		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			\$ 78.29			\$ 81.90		\$ 78.89				\$ 84.00	\$ 94.45	\$ 89.23

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 3a

East

Uninsured/Uninsurable														
Age Under 1														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development				Fiscal Year 2009 Rate Development						
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS	MCO CAP 6 MONTHS	Total
Member Months			2					-				-	-	-
Home Health Care	-	-	-	1.049	1.043	-	1.000	-	1.150	1.000	1.000	-		
IP - Maternity	-	-	-	1.010	1.080	-	1.000	-	1.030	1.000	1.000	-		
IP - Newborn	-	-	-	1.010	1.080	-	1.000	-	1.030	1.000	1.000	-		
IP - Medical	-	-	-	1.010	1.080	-	1.000	-	1.030	1.000	1.000	-		
IP - Surgery	-	-	-	1.010	1.080	-	1.000	-	1.030	1.000	1.000	-		
IP - Other	-	-	-	1.010	1.080	-	1.000	-	1.030	1.000	1.000	-		
Subtotal - Inpatient	-	-	-			-	1.000	-	1.030	1.000	1.000	-		
OP - Emergency Room	-	-	-	1.033	1.020	-	1.000	-	1.100	1.000	1.000	-		
OP - Laboratory	-	-	-	1.023	1.020	-	1.000	-	1.070	1.000	1.000	-		
OP - Radiology	-	-	-	1.023	1.020	-	1.000	-	1.070	1.000	1.000	-		
OP - Surgery	-	-	-	1.033	1.020	-	1.000	-	1.100	1.000	1.000	-		
OP - Other	-	-	-	1.023	1.020	-	1.000	-	1.070	1.000	1.000	-		
Subtotal - Outpatient	-	-	-			-	1.000	-	1.070	1.000	1.000	-		
Prof - Evaluation & Management	-	-	-	1.017	1.015	-	1.000	-	1.050	1.000	1.000	-		
Prof - Maternity	-	-	-	1.017	1.015	-	1.000	-	1.050	1.000	1.000	-		
Prof - Surgery	-	-	-	1.017	1.015	-	1.000	-	1.050	1.000	1.000	-		
Prof - DME/Supplies	-	-	-	1.017	1.015	-	1.000	-	1.050	1.000	1.000	-		
Prof - Lab	-	-	-	1.017	1.015	-	1.000	-	1.050	1.000	1.000	-		
Prof - Radiology	-	-	-	1.017	1.015	-	1.000	-	1.050	1.000	1.000	-		
Prof - Transportation	-	-	-	1.017	1.015	-	1.000	-	1.050	1.000	1.000	-		
Prof - Other	-	-	-	1.017	1.015	-	1.000	-	1.050	1.000	1.000	-		
Subtotal - Professional	-	-	-			-	1.000	-	1.050	1.000	1.000	-		
Total			\$ -			\$ -	1.000	\$ -	#DIV/0!	#DIV/0!	1.000	\$ -		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			\$ -			\$ -		\$ -				\$ -	\$ 504.49	\$ -

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Development of Per Capita Costs:**

**Exhibit 3a**

**East**

<b>Uninsured/Uninsurable</b>														
<b>Age 1 - 13</b>														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS	MCO CAP 6 MONTHS	Total
Member Months			87,143					84,806				40,623	40,623	81,245
Home Health Care	24	1,647	3.31	1.049	1.043	3.62	1.000	3.62	1.150	1.000	1.000	4.16		
IP - Maternity	-	-	-	1.010	1.080	-	1.000	-	1.030	1.000	1.000	-		
IP - Newborn	-	-	-	1.010	1.080	-	1.000	-	1.030	1.000	1.000	-		
IP - Medical	65	804	4.34	1.010	1.080	4.73	1.000	4.73	1.030	1.000	1.000	4.87		
IP - Surgery	9	1,577	1.18	1.010	1.080	1.28	1.000	1.28	1.030	1.000	1.000	1.32		
IP - Other	1	9,158	0.53	1.010	1.080	0.57	1.000	0.573	1.030	1.000	1.000	0.59		
Subtotal - Inpatient	74	975	6.04			6.59	1.000	6.59	1.030	1.000	1.000	6.78		
OP - Emergency Room	453	109	4.10	1.033	1.020	4.32	1.000	4.32	1.100	1.000	1.000	4.76		
OP - Laboratory	645	17	0.93	1.023	1.020	0.97	1.000	0.97	1.070	1.000	1.000	1.03		
OP - Radiology	346	39	1.11	1.023	1.020	1.16	1.000	1.16	1.070	1.000	1.000	1.24		
OP - Surgery	93	732	5.68	1.033	1.020	5.99	1.000	5.99	1.100	1.000	1.000	6.59		
OP - Other	244	112	2.29	1.023	1.020	2.39	1.000	2.39	1.070	1.000	1.000	2.55		
Subtotal - Outpatient	1,781	95	14.11			14.83	1.000	14.83	1.070	1.000	1.000	16.17		
Prof - Evaluation & Management	4,070	50	17.11	1.017	1.015	17.67	1.000	17.67	1.050	1.000	1.000	18.55		
Prof - Maternity	-	-	-	1.017	1.015	-	1.000	-	1.050	1.000	1.000	-		
Prof - Surgery	384	112	3.59	1.017	1.015	3.70	1.000	3.70	1.050	1.000	1.000	3.89		
Prof - DME/Supplies	58	274	1.31	1.017	1.015	1.36	1.000	1.36	1.050	1.000	1.000	1.42		
Prof - Lab	2,117	14	2.38	1.017	1.015	2.46	1.000	2.46	1.050	1.000	1.000	2.58		
Prof - Radiology	564	28	1.31	1.017	1.015	1.35	1.000	1.35	1.050	1.000	1.000	1.42		
Prof - Transportation	19	228	0.36	1.017	1.015	0.38	1.000	0.38	1.050	1.000	1.000	0.39		
Prof - Other	10,454	13	11.50	1.017	1.015	11.87	1.000	11.87	1.050	1.000	1.000	12.46		
Subtotal - Professional	17,666	26	37.57			38.78	1.000	38.78	1.050	1.000	1.000	40.72		
Total			\$ 61.02			\$ 63.81	1.000	\$ 63.81	1.058	1.000	1.000	\$ 67.84		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			\$ 66.51			\$ 69.55		\$ 69.55				\$ 73.94	\$ 81.81	\$ 77.87

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Development of Per Capita Costs:**

**Exhibit 3a**

**East**

<b>Uninsured/Uninsurable</b>														
<b>Age 14 - 18 Female</b>														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS	MCO CAP 6 MONTHS	Total
Member Months			28,607					28,504				13,624	13,624	27,247
Home Health Care	3	168	0.05	1.049	1.043	0.05	1.000	0.05	1.150	1.000	1.000	0.06		
IP - Maternity	53	597	2.63	1.010	1.080	2.87	1.000	2.87	1.030	1.000	1.000	2.95		
IP - Newborn	15	537	0.66	1.010	1.080	0.72	1.000	0.72	1.030	1.000	1.000	0.74		
IP - Medical	72	761	4.58	1.010	1.080	4.99	1.000	4.99	1.030	1.000	1.000	5.14		
IP - Surgery	8	1,488	0.99	1.010	1.080	1.08	1.000	1.08	1.030	1.000	1.000	1.11		
IP - Other	-	-	-	1.010	1.080	-	1.000	-	1.030	1.000	1.000	-		
Subtotal - Inpatient	148	719	8.85			9.65	1.000	9.65	1.030	1.000	1.000	9.94		
OP - Emergency Room	605	167	8.41	1.033	1.020	8.87	1.000	8.87	1.100	1.000	1.000	9.76		
OP - Laboratory	954	20	1.57	1.023	1.020	1.64	1.000	1.64	1.070	1.000	1.000	1.76		
OP - Radiology	1,076	29	2.58	1.023	1.020	2.69	1.000	2.69	1.070	1.000	1.000	2.88		
OP - Surgery	109	868	7.92	1.033	1.020	8.34	1.000	8.34	1.100	1.000	1.000	9.18		
OP - Other	125	259	2.71	1.023	1.020	2.83	1.000	2.83	1.070	1.000	1.000	3.02		
Subtotal - Outpatient	2,871	97	23.19			24.38	1.000	24.38	1.070	1.000	1.000	26.60		
Prof - Evaluation & Management	4,748	54	21.17	1.017	1.015	21.86	1.000	21.86	1.050	1.000	1.000	22.95		
Prof - Maternity	44	456	1.66	1.017	1.015	1.71	1.000	1.71	1.050	1.000	1.000	1.80		
Prof - Surgery	397	135	4.47	1.017	1.015	4.62	1.000	4.62	1.050	1.000	1.000	4.85		
Prof - DME/Supplies	77	256	1.64	1.017	1.015	1.69	1.000	1.69	1.050	1.000	1.000	1.78		
Prof - Lab	4,478	16	5.83	1.017	1.015	6.01	1.000	6.01	1.050	1.000	1.000	6.32		
Prof - Radiology	1,144	51	4.86	1.017	1.015	5.02	1.000	5.02	1.050	1.000	1.000	5.27		
Prof - Transportation	57	171	0.82	1.017	1.015	0.85	1.000	0.85	1.050	1.000	1.000	0.89		
Prof - Other	12,792	12	12.69	1.017	1.015	13.10	1.000	13.10	1.050	1.000	1.000	13.75		
Subtotal - Professional	23,738	27	53.14			54.85	1.000	54.85	1.050	1.000	1.000	57.60		
Total			\$ 85.22			\$ 88.93	1.000	\$ 88.93	1.053	1.000	1.000	\$ 94.19		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			\$ 92.89			\$ 96.93		\$ 96.93				\$ 102.66	\$ 116.99	\$ 109.83

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Development of Per Capita Costs:**

**Exhibit 3a**

**East**

<b>Uninsured/Uninsurable</b>														
<b>Age 14 - 18 Male</b>														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS	MCO CAP 6 MONTHS	Total
Member Months			31,445					31,159				14,929	14,929	29,859
Home Health Care	8	15,712	9.99	1.049	1.043	10.93	1.000	10.93	1.150	1.000	1.000	12.57		
IP - Maternity	-	-	-	1.010	1.080	-	1.000	-	1.030	1.000	1.000	-		
IP - Newborn	-	-	-	1.010	1.080	-	1.000	-	1.030	1.000	1.000	-		
IP - Medical	33	877	2.43	1.010	1.080	2.65	1.000	2.65	1.030	1.000	1.000	2.73		
IP - Surgery	12	1,129	1.11	1.010	1.080	1.21	1.000	1.21	1.030	1.000	1.000	1.25		
IP - Other	2	626	0.08	1.010	1.080	0.09	1.000	0.087	1.030	1.000	1.000	0.09		
Subtotal - Inpatient	47	933	3.62			3.95	1.000	3.95	1.030	1.000	1.000	4.06		
OP - Emergency Room	459	143	5.45	1.033	1.020	5.74	1.000	5.74	1.100	1.000	1.000	6.32		
OP - Laboratory	577	16	0.77	1.023	1.020	0.80	1.000	0.80	1.070	1.000	1.000	0.86		
OP - Radiology	680	29	1.65	1.023	1.020	1.72	1.000	1.72	1.070	1.000	1.000	1.84		
OP - Surgery	60	837	4.15	1.033	1.020	4.37	1.000	4.37	1.100	1.000	1.000	4.81		
OP - Other	81	206	1.39	1.023	1.020	1.45	1.000	1.45	1.070	1.000	1.000	1.55		
Subtotal - Outpatient	1,856	87	13.40			14.09	1.000	14.09	1.070	1.000	1.000	15.38		
Prof - Evaluation & Management	3,200	52	13.96	1.017	1.015	14.41	1.000	14.41	1.050	1.000	1.000	15.13		
Prof - Maternity	-	-	-	1.017	1.015	-	1.000	-	1.050	1.000	1.000	-		
Prof - Surgery	342	127	3.63	1.017	1.015	3.75	1.000	3.75	1.050	1.000	1.000	3.94		
Prof - DME/Supplies	71	244	1.44	1.017	1.015	1.49	1.000	1.49	1.050	1.000	1.000	1.56		
Prof - Lab	1,607	15	2.06	1.017	1.015	2.12	1.000	2.12	1.050	1.000	1.000	2.23		
Prof - Radiology	858	32	2.29	1.017	1.015	2.37	1.000	2.37	1.050	1.000	1.000	2.49		
Prof - Transportation	37	288	0.89	1.017	1.015	0.92	1.000	0.92	1.050	1.000	1.000	0.96		
Prof - Other	6,694	14	8.05	1.017	1.015	8.31	1.000	8.31	1.050	1.000	1.000	8.73		
Subtotal - Professional	12,809	30	32.33			33.37	1.000	33.37	1.050	1.000	1.000	35.04		
Total			\$ 59.34			\$ 62.33	1.000	\$ 62.33	1.071	1.000	1.000	\$ 67.05		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			\$ 64.67			\$ 67.94		\$ 67.94				\$ 73.08	\$ 87.30	\$ 80.19

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 3a

East

Disabled All Ages														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS	MCO CAP 6 MONTHS	Total
Member Months			589,830					591,280				282,020	282,020	564,039
Home Health Care	4,842	70	28.11	1.049	1.043	30.75	1.000	30.74	1.150	1.000	1.000	35.33		
IP - Maternity	14	755	0.91	1.010	1.080	0.99	1.000	0.99	1.030	1.000	1.000	1.02		
IP - Newborn	53	1,800	8.01	1.010	1.080	8.73	0.999	8.72	1.030	1.000	0.999	8.97		
IP - Medical	1,585	692	91.39	1.010	1.080	99.66	1.000	99.67	1.030	1.000	1.000	102.67		
IP - Surgery	238	1,622	32.19	1.010	1.080	35.10	1.000	35.11	1.030	1.000	1.000	36.16		
IP - Other	18	798	1.17	1.010	1.080	1.28	1.000	1.275	1.030	1.000	1.000	1.31		
Subtotal - Inpatient	1,909	840	133.66			145.76	1.000	145.76	1.030	1.000	1.000	150.14		
OP - Emergency Room	1,359	235	26.56	1.033	1.020	27.99	1.000	28.00	1.100	1.000	1.000	30.80		
OP - Laboratory	2,617	17	3.71	1.023	1.020	3.87	1.000	3.87	1.070	1.000	1.000	4.14		
OP - Radiology	6,719	26	14.68	1.023	1.020	15.32	1.000	15.32	1.070	1.000	1.000	16.40		
OP - Surgery	431	1,185	42.59	1.033	1.020	44.89	1.000	44.90	1.100	1.000	1.000	49.39		
OP - Other	689	380	21.83	1.023	1.020	22.79	1.000	22.79	1.070	1.000	1.000	24.38		
Subtotal - Outpatient	11,816	111	109.37			114.87	1.000	114.88	1.089	1.000	1.000	125.11		
Prof - Evaluation & Management	10,832	64	57.62	1.017	1.015	59.48	1.000	59.48	1.050	1.000	1.000	62.46		
Prof - Maternity	16	472	0.63	1.017	1.015	0.65	1.000	0.65	1.050	1.000	1.000	0.68		
Prof - Surgery	1,713	185	26.44	1.017	1.015	27.30	1.000	27.30	1.050	1.000	1.000	28.66		
Prof - DME/Supplies	1,127	245	22.97	1.017	1.015	23.71	1.000	23.71	1.050	1.000	1.000	24.90		
Prof - Lab	7,761	16	10.52	1.017	1.015	10.86	1.000	10.86	1.050	1.000	1.000	11.40		
Prof - Radiology	4,473	49	18.39	1.017	1.015	18.98	1.000	18.98	1.050	1.000	1.000	19.93		
Prof - Transportation	1,366	114	13.03	1.017	1.015	13.45	1.000	13.45	1.050	1.000	1.000	14.12		
Prof - Other	79,405	9	59.77	1.017	1.015	61.70	1.000	61.70	1.050	1.000	1.000	64.78		
Subtotal - Professional	106,693	24	209.35			216.12	1.000	216.12	1.050	1.000	1.000	226.93		
Total			\$ 480.49			\$ 507.50	1.000	\$ 507.50	1.059	1.000	1.000	\$ 537.51		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			\$ 523.69			\$ 553.13		\$ 553.13				\$ 585.84	\$ 588.72	\$ 587.28



**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Development of Per Capita Costs:**

**Exhibit 3a**

**East**

<b>Disabled Age &lt;21</b>														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS	MCO CAP 6 MONTHS	Total
Member Months			49,189					49,244				23,455	23,455	46,909
Home Health Care	1,046	1,480	128.99	1.049	1.043	141.13	1.000	141.13	1.150	1.000	1.000	162.30		
IP - Maternity	27	632	1.40	1.010	1.080	1.53	1.000	1.53	1.030	1.000	1.000	1.57		
IP - Newborn	548	1,969	89.99	1.010	1.080	98.14	1.000	98.14	1.030	1.000	1.000	101.08		
IP - Medical	600	718	35.93	1.010	1.080	39.19	1.000	39.19	1.030	1.000	1.000	40.36		
IP - Surgery	60	1,906	9.49	1.010	1.080	10.35	1.000	10.35	1.030	1.000	1.000	10.67		
IP - Other	13	872	0.94	1.010	1.080	1.02	1.000	1.025	1.030	1.000	1.000	1.06		
Subtotal - Inpatient	1,248	1,325	137.76			150.23	1.000	150.23	1.030	1.000	1.000	154.74		
OP - Emergency Room	975	147	11.92	1.033	1.020	12.56	1.000	12.56	1.100	1.000	1.000	13.82		
OP - Laboratory	2,054	25	4.33	1.023	1.020	4.52	1.000	4.52	1.070	1.000	1.000	4.84		
OP - Radiology	1,087	48	4.38	1.023	1.020	4.58	1.000	4.58	1.070	1.000	1.000	4.90		
OP - Surgery	206	948	16.28	1.033	1.020	17.16	1.000	17.16	1.100	1.000	1.000	18.88		
OP - Other	1,977	209	34.40	1.023	1.020	35.92	1.000	35.92	1.070	1.000	1.000	38.43		
Subtotal - Outpatient	6,300	136	71.32			74.74	1.000	74.74	1.070	1.000	1.000	80.86		
Prof - Evaluation & Management	7,513	67	41.90	1.017	1.015	43.25	1.000	43.25	1.050	1.000	1.000	45.41		
Prof - Maternity	25	479	1.01	1.017	1.015	1.05	1.000	1.05	1.050	1.000	1.000	1.10		
Prof - Surgery	639	206	10.97	1.017	1.015	11.33	1.000	11.33	1.050	1.000	1.000	11.89		
Prof - DME/Supplies	628	465	24.31	1.017	1.015	25.09	1.000	25.09	1.050	1.000	1.000	26.35		
Prof - Lab	3,281	17	4.52	1.017	1.015	4.67	1.000	4.67	1.050	1.000	1.000	4.90		
Prof - Radiology	1,720	31	4.44	1.017	1.015	4.59	1.000	4.59	1.050	1.000	1.000	4.82		
Prof - Transportation	421	127	4.46	1.017	1.015	4.60	1.000	4.60	1.050	1.000	1.000	4.83		
Prof - Other	222,921	4	77.09	1.017	1.015	79.58	1.000	79.58	1.050	1.000	1.000	83.56		
Subtotal - Professional	237,146	9	168.71			174.15	1.000	174.15	1.050	1.000	1.000	182.86		
Total			\$ 506.78			\$ 540.26	1.000	\$ 540.26	1.073	1.000	1.002	\$ 580.76		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			\$ 552.35			\$ 588.84		\$ 588.84				\$ 632.99	\$ 699.07	\$ 666.03

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 3a

East

Disabled Age 21+														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					Total
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS	MCO CAP 6 MONTHS	
Member Months			540,641					542,036				258,565	258,565	517,130
Home Health Care	5,188	44	18.93	1.049	1.043	20.71	1.000	20.71	1.150	1.000	1.000	23.81		
IP - Maternity	13	777	0.86	1.010	1.080	0.94	1.000	0.94	1.030	1.000	1.000	0.97		
IP - Newborn	8	791	0.55	1.010	1.080	0.60	1.000	0.60	1.030	1.000	1.000	0.62		
IP - Medical	1,675	691	96.43	1.010	1.080	105.16	1.000	105.16	1.030	1.000	1.000	108.32		
IP - Surgery	254	1,616	34.25	1.010	1.080	37.35	1.000	37.35	1.030	1.000	1.000	38.47		
IP - Other	18	794	1.19	1.010	1.080	1.30	1.000	1.298	1.030	1.000	1.000	1.34		
Subtotal - Inpatient	1,969	812	133.29			145.36	1.000	145.36	1.030	1.000	1.000	149.72		
OP - Emergency Room	1,394	240	27.89	1.033	1.020	29.40	1.000	29.40	1.100	1.000	1.000	32.34		
OP - Laboratory	2,669	16	3.65	1.023	1.020	3.81	1.000	3.81	1.070	1.000	1.000	4.08		
OP - Radiology	7,231	26	15.61	1.023	1.020	16.30	1.000	16.30	1.070	1.000	1.000	17.44		
OP - Surgery	452	1,195	44.99	1.033	1.020	47.42	1.000	47.42	1.100	1.000	1.000	52.16		
OP - Other	572	434	20.69	1.023	1.020	21.60	1.000	21.60	1.070	1.000	1.000	23.11		
Subtotal - Outpatient	12,318	110	112.83			118.52	1.000	118.52	1.070	1.000	1.000	129.13		
Prof - Evaluation & Management	11,134	64	59.05	1.017	1.015	60.96	1.000	60.96	1.050	1.000	1.000	64.00		
Prof - Maternity	15	472	0.59	1.017	1.015	0.61	1.000	0.61	1.050	1.000	1.000	0.64		
Prof - Surgery	1,811	185	27.85	1.017	1.015	28.75	1.000	28.75	1.050	1.000	1.000	30.19		
Prof - DME/Supplies	1,172	234	22.85	1.017	1.015	23.59	1.000	23.59	1.050	1.000	1.000	24.77		
Prof - Lab	8,169	16	11.06	1.017	1.015	11.42	1.000	11.42	1.050	1.000	1.000	11.99		
Prof - Radiology	4,723	50	19.65	1.017	1.015	20.29	1.000	20.29	1.050	1.000	1.000	21.30		
Prof - Transportation	1,452	114	13.80	1.017	1.015	14.25	1.000	14.25	1.050	1.000	1.000	14.96		
Prof - Other	66,348	11	58.19	1.017	1.015	60.07	1.000	60.07	1.050	1.000	1.000	63.07		
Subtotal - Professional	94,824	27	213.05			219.93	1.000	219.93	1.050	1.000	1.000	230.93		
Total			\$ 478.09			\$ 504.52	1.000	\$ 504.52	1.053	1.000	1.004	\$ 533.58		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			\$ 521.08			\$ 549.89		\$ 549.89				\$ 581.56	\$ 578.71	\$ 580.14

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Development of Per Capita Costs:**

**Exhibit 3a**

**East**

Duals/Waiver Duals All Ages														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS	MCO CAP 6 MONTHS	Total
Member Months			959,871					975,636				469,588	469,588	939,176
Home Health Care	1,777	263	38.88	1.049	1.043	42.54	1.000	42.54	1.150	1.000	1.000	48.92		
IP - Maternity	0	615	0.02	1.010	1.080	0.02	1.000	0.02	1.030	1.000	1.000	0.02		
IP - Newborn	1	698	0.07	1.010	1.080	0.08	1.000	0.08	1.030	1.000	1.000	0.08		
IP - Medical	865	160	11.54	1.010	1.080	12.58	1.000	12.58	1.030	1.000	1.000	12.96		
IP - Surgery	5	1,245	0.51	1.010	1.080	0.55	1.000	0.55	1.030	1.000	1.000	0.57		
IP - Other	119	140	1.40	1.010	1.080	1.52	1.000	1.521	1.030	1.000	1.000	1.57		
Subtotal - Inpatient	991	164	13.53			14.76	1.000	14.76	1.030	1.000	1.000	15.20		
OP - Emergency Room	28	214	0.51	1.033	1.020	0.53	1.000	0.53	1.100	1.000	1.000	0.59		
OP - Laboratory	48	13	0.05	1.023	1.020	0.06	1.000	0.06	1.070	1.000	1.000	0.06		
OP - Radiology	133	27	0.30	1.023	1.020	0.31	1.000	0.31	1.070	1.000	1.000	0.34		
OP - Surgery	15	1,946	2.46	1.033	1.020	2.60	1.000	2.60	1.100	1.000	1.000	2.86		
OP - Other	39	2,211	7.26	1.023	1.020	7.58	1.000	7.58	1.070	1.000	1.000	8.11		
Subtotal - Outpatient	264	482	10.59			11.08	1.000	11.08	1.078	1.000	1.000	11.95		
Prof - Evaluation & Management	228	63	1.19	1.017	1.015	1.22	1.000	1.22	1.050	1.000	1.000	1.29		
Prof - Maternity	0	403	0.01	1.017	1.015	0.01	1.000	0.01	1.050	1.000	1.000	0.01		
Prof - Surgery	35	166	0.49	1.017	1.015	0.51	1.000	0.51	1.050	1.000	1.000	0.53		
Prof - DME/Supplies	27	276	0.62	1.017	1.015	0.64	1.000	0.64	1.050	1.000	1.000	0.68		
Prof - Lab	203	16	0.27	1.017	1.015	0.28	1.000	0.28	1.050	1.000	1.000	0.29		
Prof - Radiology	82	53	0.37	1.017	1.015	0.38	1.000	0.38	1.050	1.000	1.000	0.40		
Prof - Transportation	1,012	72	6.04	1.017	1.015	6.23	1.000	6.23	1.050	1.000	1.000	6.54		
Prof - Other	20,402	2	2.60	1.017	1.015	2.69	1.000	2.69	1.050	1.000	1.000	2.82		
Subtotal - Professional	21,990	6	11.59			11.96	1.000	11.96	1.050	1.000	1.000	12.56		
Total			\$ 74.59			\$ 80.35	1.000	\$ 80.35	1.103	1.000	1.000	\$ 88.64		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			\$ 81.30			\$ 87.57		\$ 87.57				\$ 96.61	\$ 72.18	\$ 84.39

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Development of Per Capita Costs:**

**Exhibit 3a**

**East**

<b>Total For All Aid Categories</b>														
<b>All Ages</b>														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS	MCO CAP 6 MONTHS	Total
Member Months			4,936,480					5,018,633				2,416,419	2,416,419	4,832,839
Home Health Care	1,201	116	11.62	1.045	1.043	12.66	1.000	12.66	1.147	1.000	1.000	14.51		
IP - Maternity	79	755	4.99	1.015	1.080	5.47	0.997	5.45	1.032	1.000	1.001	5.64		
IP - Newborn	107	976	8.70	1.014	1.080	9.52	1.006	9.58	1.031	1.000	0.981	9.70		
IP - Medical	465	523	20.26	1.004	1.080	21.96	1.001	21.99	1.026	1.000	1.000	22.55		
IP - Surgery	46	1,604	6.11	1.003	1.080	6.62	1.004	6.65	1.025	1.000	1.001	6.82		
IP - Other	26	230	0.50	1.006	1.080	0.545	0.999	0.545	1.027	1.000	0.999	0.56		
Subtotal - Inpatient	723	673	40.56			44.12	1.002	44.22	1.028	1.000	0.996	45.26		
OP - Emergency Room	902	174	13.05	1.033	1.020	13.75	1.002	13.78	1.099	1.000	1.001	15.16		
OP - Laboratory	929	16	1.23	1.020	1.020	1.28	0.998	1.28	1.068	1.000	0.999	1.36		
OP - Radiology	1,571	28	3.67	1.018	1.020	3.81	1.002	3.82	1.066	1.000	1.001	4.08		
OP - Surgery	152	1,024	13.00	1.030	1.020	13.66	1.001	13.67	1.097	1.000	1.001	15.02		
OP - Other	245	294	6.01	1.018	1.020	6.25	0.999	6.24	1.066	1.000	0.999	6.65		
Subtotal - Outpatient	3,800	117	36.97			38.76	1.001	38.79	1.089	1.000	1.001	42.27		
Prof - Evaluation & Management	5,256	61	26.91	1.016	1.015	27.76	1.001	27.79	1.049	1.000	0.998	29.10		
Prof - Maternity	76	579	3.69	1.022	1.015	3.83	0.997	3.82	1.052	1.000	1.001	4.02		
Prof - Surgery	609	162	8.24	1.014	1.015	8.48	1.002	8.50	1.048	1.000	1.001	8.91		
Prof - DME/Supplies	227	217	4.10	1.008	1.015	4.19	1.002	4.20	1.044	1.000	1.000	4.38		
Prof - Lab	3,754	16	4.91	1.016	1.015	5.06	0.999	5.06	1.049	1.000	1.001	5.31		
Prof - Radiology	1,540	49	6.31	1.015	1.015	6.50	1.001	6.51	1.048	1.000	1.001	6.83		
Prof - Transportation	448	101	3.79	1.012	1.015	3.89	1.000	3.89	1.047	1.000	1.000	4.08		
Prof - Other	19,540	10	16.24	1.012	1.015	16.69	1.000	16.68	1.047	1.000	1.000	17.45		
Subtotal - Professional	31,452	28	74.19			76.41	1.000	76.44	1.048	1.000	1.000	80.09		
Total			\$ 163.34			\$ 171.94	1.001	\$ 172.10	1.059	1.000	0.999	\$ 182.12		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			\$ 178.03			\$ 187.40		\$ 187.58				\$ 198.50	\$ 200.78	\$ 199.64

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Development of Per Capita Costs:**

East

**Exhibit 4a**

Total For All Aid Categories All Ages											
Service Category	Admin Loads	11/2006 through 10/2007 Incurred		Fiscal Year 2008				Fiscal Year 2009			
		PMPM	Total	PMPM	TOTAL	PMPM	FFS 6 MONHTS	MCO CAP	CAP 6-MONHTS	PMPM	TOTAL
Member Months			4,936,480		5,018,633		2,416,419		2,416,419		4,832,839
Home Health Care		\$ 11.62	\$ 57,382,126	\$ 12.66	\$ 63,524,192	\$ 14.51	\$ 35,058,222				
IP - Maternity		\$ 4.99	\$ 24,625,961	\$ 5.45	\$ 27,372,553	\$ 5.64	\$ 13,623,471				
IP - Newborn		\$ 8.70	\$ 42,946,058	\$ 9.58	\$ 48,103,432	\$ 9.70	\$ 23,432,653				
IP - Medical		\$ 20.26	\$ 100,027,810	\$ 21.99	\$ 110,360,334	\$ 22.55	\$ 54,482,210				
IP - Surgery		\$ 6.11	\$ 30,166,769	\$ 6.65	\$ 33,355,620	\$ 6.82	\$ 16,476,496				
IP - Other		\$ 0.50	\$ 2,478,690	\$ 0.54	\$ 2,732,647	\$ 0.56	\$ 1,350,802				
Subtotal - Inpatient		\$ 40.56	\$ 200,245,288	\$ 44.22	\$ 221,924,585	\$ 45.26	\$ 109,365,633				
OP - Emergency Room		\$ 13.05	\$ 64,416,733	\$ 13.78	\$ 69,136,654	\$ 15.16	\$ 36,625,242				
OP - Laboratory		\$ 1.23	\$ 6,077,203	\$ 1.28	\$ 6,419,748	\$ 1.36	\$ 3,297,412				
OP - Radiology		\$ 3.67	\$ 18,113,345	\$ 3.82	\$ 19,165,443	\$ 4.08	\$ 9,853,477				
OP - Surgery		\$ 13.00	\$ 64,191,660	\$ 13.67	\$ 68,611,019	\$ 15.02	\$ 36,290,338				
OP - Other		\$ 6.01	\$ 29,681,178	\$ 6.24	\$ 31,316,184	\$ 6.65	\$ 16,064,102				
Subtotal - Outpatient		\$ 36.97	\$ 182,480,119	\$ 38.79	\$ 194,649,050	\$ 42.27	\$ 102,130,572				
Prof - Evaluation & Management		\$ 26.91	\$ 132,850,059	\$ 27.79	\$ 139,443,685	\$ 29.10	\$ 70,327,170				
Prof - Maternity		\$ 3.69	\$ 18,221,552	\$ 3.82	\$ 19,168,616	\$ 4.02	\$ 9,724,954				
Prof - Surgery		\$ 8.24	\$ 40,668,094	\$ 8.50	\$ 42,642,587	\$ 8.91	\$ 21,527,669				
Prof - DME/Supplies		\$ 4.10	\$ 20,221,081	\$ 4.20	\$ 21,074,084	\$ 4.38	\$ 10,593,694				
Prof - Lab		\$ 4.91	\$ 24,223,420	\$ 5.06	\$ 25,374,686	\$ 5.31	\$ 12,827,741				
Prof - Radiology		\$ 6.31	\$ 31,151,782	\$ 6.51	\$ 32,654,871	\$ 6.83	\$ 16,503,331				
Prof - Transportation		\$ 3.79	\$ 18,704,358	\$ 3.89	\$ 19,545,719	\$ 4.08	\$ 9,849,957				
Prof - Other		\$ 16.24	\$ 80,189,668	\$ 16.68	\$ 83,726,745	\$ 17.45	\$ 42,177,601				
Subtotal - Professional		\$ 74.19	\$ 366,230,015	\$ 76.44	\$ 383,630,993	\$ 80.09	\$ 193,532,116				
Total		\$ 163.34	\$ 806,337,549	\$ 172.10	\$ 863,728,820	\$ 182.12	\$ 440,086,543				
Admin %	6.3%	\$ 11.13	\$ 54,927,626	\$ 11.72	\$ 58,837,113	\$ 12.41	\$ 29,978,647				
Premium Tax	2.0%	\$ 3.56	\$ 17,576,840	\$ 3.75	\$ 18,827,876	\$ 3.97	\$ 9,593,167				
Total Premium Rate		\$ 178.03	\$ 878,842,015	\$ 187.58	\$ 941,393,810	\$ 198.50	\$ 479,658,358	\$ 200.78	\$ 485,168,523	\$ 199.64	\$ 964,826,881

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Development of Per Capita Costs:**

**Exhibit 5a**

**East**

Aid Category	Age Group	Fiscal Year 2008			Fiscal Year 2009		
		Members	PMPM	Total	Members	PMPM	Total
Medicaid (TANF & Related)	Age Under 1	97,782	\$ 537.89	\$ 52,596,143	91,130	\$ 531.98	\$ 48,479,355
	Age 1 - 13	1,617,328	\$ 78.71	\$ 127,295,669	1,561,355	\$ 89.04	\$ 139,018,977
	Age 14 - 20 Female	331,150	\$ 179.75	\$ 59,523,181	318,527	\$ 197.09	\$ 62,777,398
	Age 14 - 20 Male	274,888	\$ 78.63	\$ 21,613,758	264,866	\$ 96.86	\$ 25,655,467
	Age 21 - 44 Female	690,917	\$ 280.59	\$ 193,867,519	669,161	\$ 299.26	\$ 200,254,374
	Age 21 - 44 Male	171,284	\$ 165.69	\$ 28,379,302	168,285	\$ 179.37	\$ 30,184,541
	Age 45 - 64	99,513	\$ 304.20	\$ 30,271,969	96,820	\$ 328.29	\$ 31,784,790
	Age 65+	8,183	\$ 327.52	\$ 2,679,927	7,223	\$ 356.81	\$ 2,577,208
	All Ages	3,291,045	\$ 156.86	\$ 516,227,469	3,177,367	\$ 170.18	\$ 540,732,110
Uninsured/Uninsurable	Age Under 1	-	\$ -	\$ -	-	\$ -	\$ -
	Age 1 - 13	84,806	\$ 69.55	\$ 5,898,036	81,245	\$ 77.87	\$ 6,326,813
	Age 14 - 18 Female	28,504	\$ 96.93	\$ 2,762,794	27,247	\$ 109.83	\$ 2,992,422
	Age 14 - 18 Male	31,159	\$ 67.94	\$ 2,116,944	29,859	\$ 80.19	\$ 2,394,381
	Age 19 - 20	11,756	\$ 68.92	\$ 810,233	9,680	\$ 80.22	\$ 776,510
	Age 21+	4,446	\$ 244.59	\$ 1,087,380	4,225	\$ 259.18	\$ 1,095,019
	All Ages	160,672	\$ 78.89	\$ 12,675,387	152,256	\$ 89.23	\$ 13,585,145
Disabled	Age <21	49,244	\$ 588.84	\$ 28,996,312	46,909	\$ 666.03	\$ 31,242,964
	Age 21+	542,036	\$ 549.89	\$ 298,058,053	517,130	\$ 580.14	\$ 300,006,106
	All Ages	591,280	\$ 553.13	\$ 327,054,365	564,039	\$ 587.28	\$ 331,249,070
Duals/Waiver Duals	All Ages	975,636	\$ 87.57	\$ 85,436,589	939,176	\$ 84.39	\$ 79,260,556
All Groups	All Ages	5,018,633	\$ 187.58	\$ 941,393,810	4,832,839	\$ 199.64	\$ 964,826,881

**Additional Payment From BHO Under MCO Risk Contract - January 2009**

	Age Group	Fiscal Year 2009		
		6-months	PMPM	Total
State Only & Judicials	All Ages	15,693	\$ 468.19	\$ 7,347,424
BHO Priority	All Ages	197,744	\$ 228.93	\$ 45,269,552
All Groups With Additional BHO Payments		5,018,633	187.58	\$ 941,393,810
		4,848,532	209.85	\$ 1,017,443,856

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Trend Assumption**

**Exhibit 6a**

<b>East</b>
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**TANF & Related**  
**Uninsured & Underinsured**

	Historical Trend	Current Trend	Fee Increase 7/2006 Adjustments	Months From Data Period*		Trend FY2008	Annual FY2009	Factor July-Dec 08
				Midpoint of 5/1/2007 to Midpoint of FY2008	July-Dec 08			
Home Health Care	7.5%	15.0%	0.0%	8	17	1.049	1.150	1.207
IP - Maternity	1.5%	3.0%	0.0%	8	17	1.010	1.030	1.040
IP - Newborn	1.5%	3.0%	0.0%	8	17	1.010	1.030	1.040
IP - Medical	1.5%	3.0%	0.0%	8	17	1.010	1.030	1.040
IP - Surgery	1.5%	3.0%	0.0%	8	17	1.010	1.030	1.040
IP - Other	1.5%	3.0%	0.0%	8	17	1.010	1.030	1.040
OP - Emergency Room	5.0%	10.0%	0.0%	8	17	1.033	1.100	1.136
OP - Laboratory	3.5%	7.0%	0.0%	8	17	1.023	1.070	1.095
OP - Radiology	3.5%	7.0%	0.0%	8	17	1.023	1.070	1.095
OP - Surgery	5.0%	10.0%	0.0%	8	17	1.033	1.100	1.136
OP - Other	3.5%	7.0%	0.0%	8	17	1.023	1.070	1.095
Prof - Evaluation & Management	2.5%	5.0%	0.0%	8	17	1.017	1.050	1.067
Prof - Maternity	2.5%	5.0%	0.0%	8	17	1.017	1.050	1.067
Prof - Surgery	2.5%	5.0%	0.0%	8	17	1.017	1.050	1.067
Prof - DME/Supplies	2.5%	5.0%	0.0%	8	17	1.017	1.050	1.067
Prof - Lab	2.5%	5.0%	0.0%	8	17	1.017	1.050	1.067
Prof - Radiology	2.5%	5.0%	0.0%	8	17	1.017	1.050	1.067
Prof - Transportation	2.5%	5.0%	0.0%	8	17	1.017	1.050	1.067
Prof - Other	2.5%	5.0%	0.0%	8	17	1.017	1.050	1.067

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Trend Assumption**

**Exhibit 6a**

<b>East</b>
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**Disabled, Duals, Waiver Duals**

	Historical Trend	Current Trend	Fee Increase 7/2006 Adjustments	Months From Data Period*		Trend FY2008	Annual FY2009	Factor July-Dec 08
				Midpoint of 5/1/2007 to FY2008	Midpoint of July-Dec 08			
Home Health Care	7.5%	15.0%	0.0%	8	17	1.049	1.150	1.207
IP - Maternity	1.5%	3.0%	0.0%	8	17	1.010	1.030	1.040
IP - Newborn	1.5%	3.0%	0.0%	8	17	1.010	1.030	1.040
IP - Medical	1.5%	3.0%	0.0%	8	17	1.010	1.030	1.040
IP - Surgery	1.5%	3.0%	0.0%	8	17	1.010	1.030	1.040
IP - Other	1.5%	3.0%	0.0%	8	17	1.010	1.030	1.040
OP - Emergency Room	5.0%	10.0%	0.0%	8	17	1.033	1.100	1.136
OP - Laboratory	3.5%	7.0%	0.0%	8	17	1.023	1.070	1.095
OP - Radiology	3.5%	7.0%	0.0%	8	17	1.023	1.070	1.095
OP - Surgery	5.0%	10.0%	0.0%	8	17	1.033	1.100	1.136
OP - Other	3.5%	7.0%	0.0%	8	17	1.023	1.070	1.095
Prof - Evaluation & Management	2.5%	5.0%	0.0%	8	17	1.017	1.050	1.067
Prof - Maternity	2.5%	5.0%	0.0%	8	17	1.017	1.050	1.067
Prof - Surgery	2.5%	5.0%	0.0%	8	17	1.017	1.050	1.067
Prof - DME/Supplies	2.5%	5.0%	0.0%	8	17	1.017	1.050	1.067
Prof - Lab	2.5%	5.0%	0.0%	8	17	1.017	1.050	1.067
Prof - Radiology	2.5%	5.0%	0.0%	8	17	1.017	1.050	1.067
Prof - Transportation	2.5%	5.0%	0.0%	8	17	1.017	1.050	1.067
Prof - Other	2.5%	5.0%	0.0%	8	17	1.017	1.050	1.067



TennCare  
 FY 2009 Per Capita Cost Development  
 Historical Encounter Data

Exhibit 2b

West

Total For All Aid Categories All Ages							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	4,309,289						
Home Health Care	35,963,227	30,176,741	342,599	954	104.97	88.08	7.00
IP - Maternity	53,670,459	23,604,983	31,135	87	1,723.80	758.15	5.48
IP - Newborn	54,089,911	25,564,144	25,782	72	2,097.97	991.55	5.93
IP - Medical	166,573,727	73,222,510	108,053	301	1,541.59	677.65	16.99
IP - Surgery	114,567,265	38,241,591	30,559	85	3,749.05	1,251.40	8.87
IP - Other	7,959,306	6,200,853	4,437	12	1,793.85	1,397.53	1.44
Subtotal - Inpatient	396,860,668	166,834,081	199,966	557	1,984.64	834.31	38.71
OP - Emergency Room	203,067,190	72,667,540	201,142	560	1,009.57	361.27	16.86
OP - Laboratory	7,691,912	2,810,834	122,385	341	62.85	22.97	0.65
OP - Radiology	45,970,261	14,845,758	277,117	772	165.89	53.57	3.45
OP - Surgery	147,967,531	61,922,186	31,455	88	4,704.10	1,968.60	14.37
OP - Other	137,352,587	53,233,637	78,200	218	1,756.43	680.74	12.35
Subtotal - Outpatient	542,049,481	205,479,955	710,299	1,978	763.13	289.29	47.68
Prof - Evaluation & Management	195,175,856	103,827,703	1,346,580	3,750	144.94	77.10	24.09
Prof - Maternity	34,134,957	14,223,659	18,555	52	1,839.66	766.57	3.30
Prof - Surgery	62,439,110	18,357,697	114,294	318	546.30	160.62	4.26
Prof - DME/Supplies	17,300,425	9,347,199	34,998	97	494.33	267.08	2.17
Prof - Lab	69,400,884	18,691,845	1,492,384	4,156	46.50	12.52	4.34
Prof - Radiology	62,367,743	19,588,959	411,250	1,145	151.65	47.63	4.55
Prof - Transportation	35,125,568	16,846,994	162,137	451	216.64	103.91	3.91
Prof - Other	169,522,945	64,254,192	9,673,810	26,938	17.52	6.64	14.91
Subtotal - Professional	645,467,487	265,138,248	13,254,008	36,908	48.70	20.00	61.53
Total	\$ 1,620,340,863	\$ 667,629,025					\$ 154.93

TennCare  
 FY 2009 Per Capita Cost Development  
 Historical Encounter Data

Exhibit 2b

West

Medicaid (TANF & Related)							
All Ages							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	3,123,601						
Home Health Care	3,753,041	2,753,119	43,836	168	85.62	62.80	0.88
IP - Maternity	51,334,373	22,667,594	29,954	115	1,713.77	756.75	7.26
IP - Newborn	45,989,124	21,525,969	22,806	88	2,016.54	943.87	6.89
IP - Medical	62,639,846	28,758,430	36,921	142	1,696.59	778.92	9.21
IP - Surgery	52,395,091	16,802,142	12,637	49	4,146.17	1,329.60	5.38
IP - Other	1,708,373	1,203,878	621	2	2,751.00	1,938.61	0.39
Subtotal - Inpatient	214,066,807	90,958,013	102,939	395	2,079.55	883.61	29.12
OP - Emergency Room	153,918,698	58,007,734	161,962	622	950.34	358.16	18.57
OP - Laboratory	4,524,916	1,654,891	76,279	293	59.32	21.70	0.53
OP - Radiology	25,670,639	8,573,343	151,106	581	169.88	56.74	2.74
OP - Surgery	87,764,753	38,183,082	20,469	79	4,287.69	1,865.41	12.22
OP - Other	69,788,425	27,051,278	46,455	178	1,502.28	582.31	8.66
Subtotal - Outpatient	341,667,431	133,470,328	456,271	1,753	748.83	292.52	42.73
Prof - Evaluation & Management	143,624,694	77,880,592	999,174	3,839	143.74	77.94	24.93
Prof - Maternity	33,019,906	13,761,113	17,903	69	1,844.38	768.65	4.41
Prof - Surgery	38,491,918	11,325,831	75,472	290	510.02	150.07	3.63
Prof - DME/Supplies	4,834,165	2,493,358	11,757	45	411.17	212.07	0.80
Prof - Lab	51,580,270	14,147,756	1,097,831	4,218	46.98	12.89	4.53
Prof - Radiology	36,022,739	11,382,999	267,452	1,027	134.69	42.56	3.64
Prof - Transportation	14,025,820	4,605,910	31,357	120	447.29	146.89	1.47
Prof - Other	82,496,606	31,205,560	2,815,786	10,817	29.30	11.08	9.99
Subtotal - Professional	404,096,117	166,803,119	5,316,732	20,425	76.00	31.37	53.40
Total	\$ 963,583,397	\$ 393,984,578					\$ 126.13

TennCare  
 FY 2009 Per Capita Cost Development  
 Historical Encounter Data

Exhibit 2b

West

Medicaid (TANF & Related) Age Under 1							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	81,693						
Home Health Care	116,087	59,728	4,986	732	23.28	11.98	0.73
IP - Maternity	897	801	2	0	448.75	400.62	0.01
IP - Newborn	12,022,603	6,618,984	6,740	990	1,783.77	982.05	81.02
IP - Medical	5,766,410	4,136,219	3,877	569	1,487.34	1,066.86	50.63
IP - Surgery	6,301,768	3,319,709	1,552	228	4,060.42	2,138.99	40.64
IP - Other	76,748	68,258	51	7	1,504.85	1,338.40	0.84
Subtotal - Inpatient	24,168,426	14,143,971	12,222	1,795	1,977.45	1,157.26	173.14
OP - Emergency Room	5,274,288	2,961,553	6,369	936	828.12	464.99	36.25
OP - Laboratory	142,457	57,819	1,813	266	78.58	31.89	0.71
OP - Radiology	433,158	209,568	2,603	382	166.41	80.51	2.57
OP - Surgery	1,010,214	641,447	288	42	3,507.69	2,227.25	7.85
OP - Other	4,807,686	1,852,817	2,094	308	2,295.93	884.82	22.68
Subtotal - Outpatient	11,667,803	5,723,203	13,167	1,934	886.14	434.66	70.06
Prof - Evaluation & Management	11,728,142	6,568,208	70,956	10,423	165.29	92.57	80.40
Prof - Maternity	4,432	1,257	2	0	2,216.00	628.33	0.02
Prof - Surgery	1,586,332	539,582	2,844	418	557.78	189.73	6.61
Prof - DME/Supplies	254,351	122,332	793	116	320.75	154.26	1.50
Prof - Lab	554,947	149,747	17,859	2,623	31.07	8.38	1.83
Prof - Radiology	615,507	174,318	10,707	1,573	57.49	16.28	2.13
Prof - Transportation	635,092	171,302	987	145	643.46	173.56	2.10
Prof - Other	5,492,989	2,496,473	134,995	19,830	40.69	18.49	30.56
Subtotal - Professional	20,871,793	10,223,217	239,143	35,128	87.28	42.75	125.14
Total	\$ 56,824,109	\$ 30,150,120					\$ 369.07

TennCare  
 FY 2009 Per Capita Cost Development  
 Historical Encounter Data

Exhibit 2b

West

Medicaid (TANF & Related)							
Age 1 - 13							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	1,568,437						
Home Health Care	1,428,211	1,155,021	5,703	44	250.43	202.53	0.74
IP - Maternity	21,092	13,129	21	0	1,004.36	625.17	0.01
IP - Newborn	2,589,715	1,283,239	1,640	13	1,579.09	782.46	0.82
IP - Medical	15,194,368	8,164,508	10,198	78	1,489.94	800.60	5.21
IP - Surgery	7,673,957	2,814,430	1,908	15	4,021.99	1,475.07	1.79
IP - Other	858,272	697,597	191	1	4,493.57	3,652.34	0.44
Subtotal - Inpatient	26,337,404	12,972,902	13,958	107	1,886.90	929.42	8.27
OP - Emergency Room	46,174,098	23,529,286	61,152	468	755.07	384.77	15.00
OP - Laboratory	1,496,857	637,344	19,144	146	78.19	33.29	0.41
OP - Radiology	3,954,813	1,915,370	20,195	155	195.83	94.84	1.22
OP - Surgery	25,910,375	14,564,552	6,128	47	4,228.19	2,376.72	9.29
OP - Other	41,205,433	15,859,216	21,487	164	1,917.69	738.08	10.11
Subtotal - Outpatient	118,741,576	56,505,767	128,106	980	926.90	441.09	36.03
Prof - Evaluation & Management	48,244,535	29,513,910	395,758	3,028	121.90	74.58	18.82
Prof - Maternity	19,474	7,698	9	0	2,163.78	855.29	0.00
Prof - Surgery	8,748,297	2,755,452	23,943	183	365.38	115.08	1.76
Prof - DME/Supplies	1,069,841	575,591	3,200	24	334.33	179.87	0.37
Prof - Lab	7,757,336	2,064,745	239,446	1,832	32.40	8.62	1.32
Prof - Radiology	3,815,555	1,083,896	55,292	423	69.01	19.60	0.69
Prof - Transportation	3,294,052	1,165,559	8,257	63	398.94	141.16	0.74
Prof - Other	24,377,970	11,316,597	815,830	6,242	29.88	13.87	7.22
Subtotal - Professional	97,327,061	48,483,447	1,541,735	11,796	63.13	31.45	30.91
Total	\$ 243,834,251	\$ 119,117,137					\$ 75.95

TennCare  
 FY 2009 Per Capita Cost Development  
 Historical Encounter Data

Exhibit 2b

West

Medicaid (TANF & Related)							
Age 14 - 20 Female							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	333,390						
Home Health Care	366,870	297,178	2,253	81	162.84	131.90	0.89
IP - Maternity	13,756,823	6,099,616	8,467	305	1,624.76	720.40	18.30
IP - Newborn	7,092,269	3,464,467	3,640	131	1,948.43	951.78	10.39
IP - Medical	4,998,391	2,344,530	3,087	111	1,619.17	759.48	7.03
IP - Surgery	3,617,588	1,192,188	749	27	4,829.89	1,591.71	3.58
IP - Other	61,855	23,374	33	1	1,874.39	708.30	0.07
Subtotal - Inpatient	29,526,925	13,124,176	15,976	575	1,848.21	821.49	39.37
OP - Emergency Room	19,071,665	6,520,277	18,866	679	1,010.90	345.61	19.56
OP - Laboratory	669,676	248,668	8,375	301	79.96	29.69	0.75
OP - Radiology	2,392,362	824,524	14,679	528	162.98	56.17	2.47
OP - Surgery	7,075,744	2,792,686	2,040	73	3,468.50	1,368.96	8.38
OP - Other	6,041,392	2,360,941	4,684	169	1,289.79	504.04	7.08
Subtotal - Outpatient	35,250,839	12,747,096	48,644	1,751	724.67	262.05	38.23
Prof - Evaluation & Management	16,710,477	8,612,889	107,188	3,858	155.90	80.35	25.83
Prof - Maternity	8,899,978	3,740,929	4,658	168	1,910.69	803.12	11.22
Prof - Surgery	3,280,168	957,495	7,262	261	451.69	131.85	2.87
Prof - DME/Supplies	741,502	332,256	651	23	1,139.02	510.38	1.00
Prof - Lab	9,409,995	2,703,349	192,583	6,932	48.86	14.04	8.11
Prof - Radiology	4,652,879	1,493,301	32,383	1,166	143.68	46.11	4.48
Prof - Transportation	2,129,108	673,249	5,026	181	423.62	133.95	2.02
Prof - Other	9,536,237	3,446,791	401,471	14,450	23.75	8.59	10.34
Subtotal - Professional	55,360,343	21,960,259	751,222	27,039	73.69	29.23	65.87
Total	\$ 120,504,978	\$ 48,128,709					\$ 144.36

TennCare  
 FY 2009 Per Capita Cost Development  
 Historical Encounter Data

Exhibit 2b

West

Medicaid (TANF & Related)							
Age 14 - 20 Male							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	268,403						
Home Health Care	139,311	89,242	11,693	523	11.91	7.63	0.33
IP - Maternity	-	-	-	-	-	-	-
IP - Newborn	26,683	7,441	8	0	3,335.42	930.08	0.03
IP - Medical	3,191,420	1,270,776	1,318	59	2,421.41	964.17	4.73
IP - Surgery	5,283,939	787,061	791	35	6,680.07	995.02	2.93
IP - Other	28,284	22,565	35	2	808.11	644.72	0.08
Subtotal - Inpatient	8,530,326	2,087,843	2,152	96	3,963.91	970.19	7.78
OP - Emergency Room	8,069,056	3,014,651	8,071	361	999.76	373.52	11.23
OP - Laboratory	354,326	126,704	20,432	913	17.34	6.20	0.47
OP - Radiology	1,665,990	626,851	7,212	322	231.00	86.92	2.34
OP - Surgery	4,236,358	1,919,685	897	40	4,722.81	2,140.12	7.15
OP - Other	3,559,960	1,347,393	1,747	78	2,037.76	771.26	5.02
Subtotal - Outpatient	17,885,691	7,035,284	38,359	1,715	466.27	183.41	26.21
Prof - Evaluation & Management	5,452,772	3,042,787	39,962	1,787	136.45	76.14	11.34
Prof - Maternity	4,550	2,005	2	0	2,275.00	1,002.40	0.01
Prof - Surgery	2,287,090	634,128	3,716	166	615.47	170.65	2.36
Prof - DME/Supplies	227,906	121,545	658	29	346.36	184.72	0.45
Prof - Lab	1,370,174	352,814	31,672	1,416	43.26	11.14	1.31
Prof - Radiology	1,408,895	404,189	14,900	666	94.56	27.13	1.51
Prof - Transportation	906,228	277,583	1,598	71	567.10	173.71	1.03
Prof - Other	3,169,065	1,299,094	92,572	4,139	34.23	14.03	4.84
Subtotal - Professional	14,826,680	6,134,145	185,080	8,275	80.11	33.14	22.85
Total	\$ 41,382,008	\$ 15,346,515					\$ 57.18

TennCare  
 FY 2009 Per Capita Cost Development  
 Historical Encounter Data

Exhibit 2b

West

Medicaid (TANF & Related) Age 21 - 44 Female							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	681,153						
Home Health Care	1,116,134	704,864	10,036	177	111.21	70.23	1.03
IP - Maternity	37,540,527	16,544,305	21,451	378	1,750.06	771.26	24.29
IP - Newborn	24,228,883	10,144,731	10,767	190	2,250.29	942.21	14.89
IP - Medical	23,945,664	9,112,093	12,725	224	1,881.78	716.08	13.38
IP - Surgery	17,810,729	4,953,417	4,860	86	3,664.76	1,019.22	7.27
IP - Other	401,301	204,796	125	2	3,210.41	1,638.37	0.30
Subtotal - Inpatient	103,927,105	40,959,341	49,928	880	2,081.54	820.37	60.13
OP - Emergency Room	62,921,252	18,419,018	56,992	1,004	1,104.04	323.19	27.04
OP - Laboratory	1,503,724	468,356	21,408	377	70.24	21.88	0.69
OP - Radiology	11,978,656	3,435,840	75,707	1,334	158.22	45.38	5.04
OP - Surgery	37,617,998	13,804,429	8,727	154	4,310.53	1,581.81	20.27
OP - Other	10,366,653	4,097,819	13,015	229	796.52	314.85	6.02
Subtotal - Outpatient	124,388,282	40,225,463	175,849	3,098	707.36	228.75	59.06
Prof - Evaluation & Management	51,384,567	25,044,230	316,151	5,570	162.53	79.22	36.77
Prof - Maternity	24,060,439	9,996,825	13,194	232	1,823.59	757.68	14.68
Prof - Surgery	17,002,225	4,816,949	28,980	511	586.69	166.22	7.07
Prof - DME/Supplies	1,480,363	781,400	3,818	67	387.73	204.66	1.15
Prof - Lab	28,748,560	7,938,827	543,524	9,575	52.89	14.61	11.65
Prof - Radiology	20,187,442	6,560,182	122,695	2,162	164.53	53.47	9.63
Prof - Transportation	5,552,543	1,782,132	11,695	206	474.78	152.38	2.62
Prof - Other	29,498,435	9,274,115	1,102,629	19,425	26.75	8.41	13.62
Subtotal - Professional	177,914,574	66,194,661	2,142,686	37,748	83.03	30.89	97.18
Total	\$ 407,346,094	\$ 148,084,330					\$ 217.40

TennCare  
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Exhibit 2b

West

Medicaid (TANF & Related) Age 21 - 44 Male							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	101,883						
Home Health Care	326,552	287,733	282	33	1,157.99	1,020.33	2.82
IP - Maternity	-	-	-	-	-	-	-
IP - Newborn	-	-	-	-	-	-	-
IP - Medical	2,440,229	837,437	1,253	148	1,947.51	668.35	8.22
IP - Surgery	2,910,802	719,778	622	73	4,679.75	1,157.20	7.06
IP - Other	179,585	82,061	42	5	4,275.84	1,953.84	0.81
Subtotal - Inpatient	5,530,616	1,639,276	1,917	226	2,885.04	855.13	16.09
OP - Emergency Room	5,923,540	1,640,111	5,759	678	1,028.57	284.79	16.10
OP - Laboratory	108,378	32,013	1,575	186	68.81	20.33	0.31
OP - Radiology	1,521,949	418,486	9,230	1,087	164.89	45.34	4.11
OP - Surgery	3,686,508	1,270,861	702	83	5,251.44	1,810.34	12.47
OP - Other	696,312	266,418	842	99	826.97	316.41	2.61
Subtotal - Outpatient	11,936,687	3,627,889	18,108	2,133	659.19	200.35	35.61
Prof - Evaluation & Management	3,714,511	1,756,244	23,222	2,735	159.96	75.63	17.24
Prof - Maternity	-	-	-	-	-	-	-
Prof - Surgery	1,720,056	482,516	2,487	293	691.62	194.02	4.74
Prof - DME/Supplies	418,706	214,351	764	90	548.04	280.56	2.10
Prof - Lab	874,781	223,795	17,769	2,093	49.23	12.59	2.20
Prof - Radiology	1,617,482	475,573	10,476	1,234	154.40	45.40	4.67
Prof - Transportation	575,906	172,988	715	84	805.46	241.94	1.70
Prof - Other	2,424,035	753,017	71,062	8,370	34.11	10.60	7.39
Subtotal - Professional	11,345,476	4,078,485	126,495	14,899	89.69	32.24	40.03
Total	\$ 29,139,332	\$ 9,633,382					\$ 94.55



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Exhibit 2b

West

Medicaid (TANF & Related) Age 45 - 64							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	81,606						
Home Health Care	185,916	93,236	8,829	1,298	21.06	10.56	1.14
IP - Maternity	15,033	9,744	13	2	1,156.41	749.52	0.12
IP - Newborn	28,971	7,106	11	2	2,633.73	646.04	0.09
IP - Medical	6,102,464	2,437,624	3,319	488	1,838.65	734.45	29.87
IP - Surgery	8,329,437	2,844,242	1,988	292	4,189.86	1,430.71	34.85
IP - Other	93,075	96,140	80	12	1,163.44	1,201.75	1.18
Subtotal - Inpatient	14,568,980	5,394,857	5,411	796	2,692.47	997.02	66.11
OP - Emergency Room	6,380,864	1,890,812	4,703	692	1,356.76	402.04	23.17
OP - Laboratory	244,574	82,491	3,475	511	70.38	23.74	1.01
OP - Radiology	3,554,793	1,082,628	20,625	3,033	172.35	52.49	13.27
OP - Surgery	7,922,669	3,054,701	1,639	241	4,833.84	1,863.76	37.43
OP - Other	1,990,384	797,518	2,394	352	831.41	333.13	9.77
Subtotal - Outpatient	20,093,284	6,908,150	32,836	4,828	611.93	210.38	84.65
Prof - Evaluation & Management	6,119,300	3,202,716	43,891	6,454	139.42	72.97	39.25
Prof - Maternity	31,033	12,400	38	6	816.66	326.31	0.15
Prof - Surgery	3,753,627	1,104,222	6,025	886	623.01	183.27	13.53
Prof - DME/Supplies	617,463	333,374	1,801	265	342.84	185.11	4.09
Prof - Lab	2,769,010	693,641	52,976	7,790	52.27	13.09	8.50
Prof - Radiology	3,561,578	1,137,967	20,171	2,966	176.57	56.42	13.94
Prof - Transportation	852,206	318,400	2,619	385	325.39	121.57	3.90
Prof - Other	7,662,431	2,519,608	183,437	26,974	41.77	13.74	30.88
Subtotal - Professional	25,366,648	9,322,328	310,958	45,726	81.58	29.98	114.24
Total	\$ 60,214,827	\$ 21,718,570					\$ 266.14

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Exhibit 2b

West

Medicaid (TANF & Related) Age 65+							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	7,037						
Home Health Care	73,961	66,117	54	92	1,369.66	1,224.39	9.40
IP - Maternity	-	-	-	-	-	-	-
IP - Newborn	-	-	-	-	-	-	-
IP - Medical	1,000,900	455,243	1,144	1,951	874.91	397.94	64.70
IP - Surgery	466,872	171,317	167	285	2,795.64	1,025.85	24.35
IP - Other	9,253	9,086	64	109	144.57	141.97	1.29
Subtotal - Inpatient	1,477,025	635,646	1,375	2,345	1,074.20	462.29	90.33
OP - Emergency Room	103,936	32,027	50	85	2,078.71	640.53	4.55
OP - Laboratory	4,923	1,495	57	97	86.36	26.23	0.21
OP - Radiology	168,919	60,076	855	1,458	197.57	70.26	8.54
OP - Surgery	304,887	134,722	48	82	6,351.82	2,806.71	19.15
OP - Other	1,120,605	469,156	192	327	5,836.49	2,443.52	66.67
Subtotal - Outpatient	1,703,269	697,475	1,202	2,050	1,417.03	580.26	99.12
Prof - Evaluation & Management	270,389	139,610	2,046	3,489	132.15	68.24	19.84
Prof - Maternity	-	-	-	-	-	-	-
Prof - Surgery	114,123	35,487	215	367	530.80	165.06	5.04
Prof - DME/Supplies	24,033	12,509	72	123	333.79	173.74	1.78
Prof - Lab	95,467	20,838	2,002	3,414	47.69	10.41	2.96
Prof - Radiology	163,400	53,573	828	1,412	197.34	64.70	7.61
Prof - Transportation	80,686	44,696	460	784	175.40	97.17	6.35
Prof - Other	335,444	99,865	13,790	23,517	24.33	7.24	14.19
Subtotal - Professional	1,083,541	406,577	19,413	33,106	55.82	20.94	57.78
Total	\$ 4,337,797	\$ 1,805,815					\$ 256.63

TennCare  
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Exhibit 2b

West

Uninsured/Uninsurable All Ages							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	102,803						
Home Health Care	95,026	56,609	2,598	303	36.58	21.79	0.55
IP - Maternity	159,606	77,676	94	11	1,697.94	826.34	0.76
IP - Newborn	35,808	20,028	22	3	1,627.62	910.38	0.19
IP - Medical	1,238,853	561,324	872	102	1,420.70	643.72	5.46
IP - Surgery	1,448,843	332,082	292	34	4,961.79	1,137.27	3.23
IP - Other	18,545	14,784	23	3	806.28	642.79	0.14
Subtotal - Inpatient	2,901,655	1,005,894	1,303	152	2,226.90	771.98	9.78
OP - Emergency Room	2,088,313	762,058	2,361	276	884.50	322.77	7.41
OP - Laboratory	223,200	98,792	2,255	263	98.98	43.81	0.96
OP - Radiology	759,558	284,392	4,218	492	180.08	67.42	2.77
OP - Surgery	2,044,171	951,750	501	58	4,080.18	1,899.70	9.26
OP - Other	1,652,222	635,823	1,160	135	1,424.33	548.12	6.18
Subtotal - Outpatient	6,767,464	2,732,815	10,495	1,225	644.83	260.39	26.58
Prof - Evaluation & Management	2,884,721	1,604,274	24,630	2,875	117.12	65.13	15.61
Prof - Maternity	87,427	37,061	40	5	2,185.68	926.52	0.36
Prof - Surgery	901,717	267,388	2,007	234	449.29	133.23	2.60
Prof - DME/Supplies	132,645	76,357	322	38	411.94	237.13	0.74
Prof - Lab	955,492	256,280	21,571	2,518	44.30	11.88	2.49
Prof - Radiology	691,672	201,101	5,688	664	121.60	35.36	1.96
Prof - Transportation	248,945	81,696	274	32	908.56	298.16	0.79
Prof - Other	2,345,516	955,574	84,367	9,848	27.80	11.33	9.30
Subtotal - Professional	8,248,135	3,479,730	138,899	16,213	59.38	25.05	33.85
Total	\$ 18,012,279	\$ 7,275,048					\$ 70.77

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Exhibit 2b

West

Uninsured/Uninsurable Age Under 1							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	-						
Home Health Care	-	-	-	-	-	-	-
IP - Maternity	-	-	-	-	-	-	-
IP - Newborn	-	-	-	-	-	-	-
IP - Medical	-	-	-	-	-	-	-
IP - Surgery	-	-	-	-	-	-	-
IP - Other	-	-	-	-	-	-	-
Subtotal - Inpatient	-	-	-	-	-	-	-
OP - Emergency Room	-	-	-	-	-	-	-
OP - Laboratory	-	-	-	-	-	-	-
OP - Radiology	-	-	-	-	-	-	-
OP - Surgery	-	-	-	-	-	-	-
OP - Other	-	-	-	-	-	-	-
Subtotal - Outpatient	-	-	-	-	-	-	-
Prof - Evaluation & Management	-	-	-	-	-	-	-
Prof - Maternity	-	-	-	-	-	-	-
Prof - Surgery	-	-	-	-	-	-	-
Prof - DME/Supplies	-	-	-	-	-	-	-
Prof - Lab	-	-	-	-	-	-	-
Prof - Radiology	-	-	-	-	-	-	-
Prof - Transportation	-	-	-	-	-	-	-
Prof - Other	-	-	-	-	-	-	-
Subtotal - Professional	-	-	-	-	-	-	-
Total	\$ -	\$ -					\$ -

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West

Uninsured/Uninsurable Age 1 - 13							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	53,443						
Home Health Care	49,025	32,474	899	202	54.53	36.12	0.61
IP - Maternity	-	-	-	-	-	-	-
IP - Newborn	-	-	-	-	-	-	-
IP - Medical	241,072	118,336	167	37	1,443.54	708.60	2.21
IP - Surgery	501,725	127,952	82	18	6,118.60	1,560.39	2.39
IP - Other	-	-	-	-	-	-	-
Subtotal - Inpatient	742,797	246,287	249	56	2,983.12	989.11	4.61
OP - Emergency Room	759,470	333,265	1,045	235	726.77	318.91	6.24
OP - Laboratory	59,242	27,408	686	154	86.36	39.95	0.51
OP - Radiology	214,803	95,950	1,399	314	153.54	68.59	1.80
OP - Surgery	667,260	352,706	191	43	3,493.51	1,846.63	6.60
OP - Other	1,145,670	447,032	638	143	1,795.72	700.68	8.36
Subtotal - Outpatient	2,846,446	1,256,361	3,959	889	718.98	317.34	23.51
Prof - Evaluation & Management	1,323,722	777,968	12,013	2,697	110.19	64.76	14.56
Prof - Maternity	-	-	-	-	-	-	-
Prof - Surgery	299,723	86,351	785	176	381.81	110.00	1.62
Prof - DME/Supplies	31,352	16,785	108	24	290.30	155.42	0.31
Prof - Lab	277,365	75,157	7,875	1,768	35.22	9.54	1.41
Prof - Radiology	160,286	45,608	1,990	447	80.55	22.92	0.85
Prof - Transportation	118,508	37,872	53	12	2,235.99	714.57	0.71
Prof - Other	875,447	386,189	41,326	9,279	21.18	9.34	7.23
Subtotal - Professional	3,086,404	1,425,932	64,150	14,404	48.11	22.23	26.68
Total	\$ 6,724,672	\$ 2,961,053					\$ 55.41

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Exhibit 2b

West

Uninsured/Uninsurable Age 14 - 18 Female							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	18,209						
Home Health Care	613	244	1	1	613.00	243.87	0.01
IP - Maternity	123,764	56,874	77	51	1,607.33	738.63	3.12
IP - Newborn	9,581	8,325	11	7	871.04	756.81	0.46
IP - Medical	327,038	148,478	254	167	1,287.55	584.56	8.15
IP - Surgery	67,588	16,522	23	15	2,938.62	718.36	0.91
IP - Other	-	-	-	-	-	-	-
Subtotal - Inpatient	527,972	230,200	365	241	1,446.50	630.68	12.64
OP - Emergency Room	439,442	163,256	438	289	1,003.29	372.73	8.97
OP - Laboratory	37,942	17,171	411	271	92.32	41.78	0.94
OP - Radiology	175,200	65,383	884	583	198.19	73.96	3.59
OP - Surgery	253,496	116,053	65	43	3,899.94	1,785.44	6.37
OP - Other	209,682	86,535	180	119	1,164.90	480.75	4.75
Subtotal - Outpatient	1,115,763	448,398	1,978	1,304	564.09	226.69	24.62
Prof - Evaluation & Management	544,794	300,306	4,650	3,064	117.16	64.58	16.49
Prof - Maternity	65,888	28,474	30	20	2,196.27	949.12	1.56
Prof - Surgery	118,603	33,750	306	202	387.59	110.30	1.85
Prof - DME/Supplies	15,204	8,268	35	23	434.40	236.22	0.45
Prof - Lab	278,266	78,586	5,973	3,936	46.59	13.16	4.32
Prof - Radiology	134,216	38,577	1,052	693	127.58	36.67	2.12
Prof - Transportation	36,501	9,716	66	43	553.04	147.22	0.53
Prof - Other	362,792	158,126	10,449	6,886	34.72	15.13	8.68
Subtotal - Professional	1,556,263	655,803	22,561	14,868	68.98	29.07	36.02
Total	\$ 3,200,611	\$ 1,334,645					\$ 73.30

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Exhibit 2b

West

Uninsured/Uninsurable Age 14 - 18 Male							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	18,554						
Home Health Care	19,154	9,509	1,430	925	13.39	6.65	0.51
IP - Maternity	-	-	-	-	-	-	-
IP - Newborn	-	-	-	-	-	-	-
IP - Medical	378,498	161,996	193	125	1,961.13	839.36	8.73
IP - Surgery	186,901	21,344	36	23	5,191.71	592.90	1.15
IP - Other	-	-	-	-	-	-	-
Subtotal - Inpatient	565,400	183,340	229	148	2,468.99	800.61	9.88
OP - Emergency Room	374,197	139,603	401	259	933.16	348.14	7.52
OP - Laboratory	81,211	34,947	849	549	95.65	41.16	1.88
OP - Radiology	153,129	50,971	786	508	194.82	64.85	2.75
OP - Surgery	316,694	150,284	92	60	3,442.33	1,633.52	8.10
OP - Other	159,241	56,763	133	86	1,197.30	426.79	3.06
Subtotal - Outpatient	1,084,473	432,567	2,261	1,462	479.64	191.32	23.31
Prof - Evaluation & Management	418,631	225,497	3,521	2,277	118.90	64.04	12.15
Prof - Maternity	-	-	-	-	-	-	-
Prof - Surgery	183,910	55,798	364	235	505.25	153.29	3.01
Prof - DME/Supplies	40,911	26,588	69	45	592.91	385.34	1.43
Prof - Lab	103,026	26,631	2,362	1,528	43.62	11.27	1.44
Prof - Radiology	111,662	31,400	1,075	695	103.87	29.21	1.69
Prof - Transportation	52,355	17,667	64	41	818.05	276.05	0.95
Prof - Other	312,155	145,738	11,500	7,438	27.14	12.67	7.85
Subtotal - Professional	1,222,649	529,319	18,955	12,259	64.50	27.93	28.53
Total	\$ 2,891,675	\$ 1,154,735					\$ 62.24

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West

Uninsured/Uninsurable Age 19 - 20							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	8,148						
Home Health Care	3,970	3,683	19	28	208.95	193.85	0.45
IP - Maternity	22,886	7,912	9	13	2,542.90	879.14	0.97
IP - Newborn	-	-	-	-	-	-	-
IP - Medical	83,541	40,414	72	106	1,160.29	561.31	4.96
IP - Surgery	115,045	21,579	28	41	4,108.75	770.67	2.65
IP - Other	2,930	949	3	4	976.67	316.21	0.12
Subtotal - Inpatient	224,402	70,854	112	165	2,003.59	632.63	8.70
OP - Emergency Room	348,492	84,823	311	458	1,120.55	272.74	10.41
OP - Laboratory	32,445	15,078	155	228	209.32	97.28	1.85
OP - Radiology	48,499	12,189	105	155	461.90	116.09	1.50
OP - Surgery	159,577	66,632	40	59	3,989.42	1,665.80	8.18
OP - Other	40,484	11,628	71	105	570.20	163.78	1.43
Subtotal - Outpatient	629,497	190,351	682	1,004	923.02	279.11	23.36
Prof - Evaluation & Management	261,352	124,477	1,908	2,810	136.98	65.24	15.28
Prof - Maternity	15,699	6,082	8	12	1,962.38	760.25	0.75
Prof - Surgery	88,078	24,822	161	237	547.07	154.18	3.05
Prof - DME/Supplies	2,633	1,345	12	18	219.38	112.09	0.17
Prof - Lab	137,674	37,434	2,494	3,673	55.20	15.01	4.59
Prof - Radiology	72,273	20,880	514	757	140.61	40.62	2.56
Prof - Transportation	24,508	9,170	34	50	720.83	269.70	1.13
Prof - Other	132,981	49,640	4,001	5,892	33.24	12.41	6.09
Subtotal - Professional	735,198	273,849	9,132	13,449	80.51	29.99	33.61
Total	\$ 1,593,067	\$ 538,737					\$ 66.12



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**Exhibit 2b**

**West**

Uninsured/Uninsurable Age 21+							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	4,448						
Home Health Care	22,264	10,699	249	672	89.41	42.97	2.41
IP - Maternity	12,956	12,889	8	22	1,619.50	1,611.18	2.90
IP - Newborn	26,226	11,704	11	30	2,384.19	1,063.96	2.63
IP - Medical	208,704	92,100	186	502	1,122.07	495.16	20.70
IP - Surgery	577,583	144,685	123	332	4,695.80	1,176.30	32.53
IP - Other	15,615	13,835	20	54	780.73	691.77	3.11
Subtotal - Inpatient	841,084	275,213	348	939	2,416.91	790.84	61.87
OP - Emergency Room	166,712	41,111	166	448	1,004.29	247.66	9.24
OP - Laboratory	12,359	4,188	154	415	80.26	27.20	0.94
OP - Radiology	167,925	59,899	1,044	2,816	160.85	57.37	13.47
OP - Surgery	647,144	266,075	113	305	5,726.94	2,354.65	59.82
OP - Other	97,144	33,864	138	372	703.95	245.39	7.61
Subtotal - Outpatient	1,091,285	405,138	1,615	4,357	675.72	250.86	91.08
Prof - Evaluation & Management	336,222	176,025	2,538	6,847	132.48	69.36	39.57
Prof - Maternity	5,840	2,505	2	5	2,920.00	1,252.56	0.56
Prof - Surgery	211,404	66,666	391	1,055	540.67	170.50	14.99
Prof - DME/Supplies	42,545	23,370	98	264	434.13	238.47	5.25
Prof - Lab	159,162	38,472	2,867	7,734	55.52	13.42	8.65
Prof - Radiology	213,235	64,636	1,057	2,851	201.74	61.15	14.53
Prof - Transportation	17,073	7,270	57	154	299.53	127.55	1.63
Prof - Other	662,141	215,881	17,091	46,106	38.74	12.63	48.53
Subtotal - Professional	1,647,621	594,827	24,101	65,017	68.36	24.68	133.72
Total	\$ 3,602,254	\$ 1,285,877					\$ 289.07

TennCare  
 FY 2009 Per Capita Cost Development  
 Historical Encounter Data

Exhibit 2b

West

Disabled All Ages							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	459,974						
Home Health Care	22,934,026	19,366,778	231,033	6,027	99.27	83.83	42.10
IP - Maternity	2,125,836	843,828	1,068	28	1,990.48	790.10	1.83
IP - Newborn	7,948,594	3,942,586	2,884	75	2,756.10	1,367.05	8.57
IP - Medical	97,049,660	40,662,213	55,130	1,438	1,760.38	737.57	88.40
IP - Surgery	58,690,899	20,650,493	17,150	447	3,422.21	1,204.11	44.89
IP - Other	5,976,602	4,745,676	2,574	67	2,321.91	1,843.70	10.32
Subtotal - Inpatient	171,791,591	70,844,795	78,806	2,056	2,179.93	898.98	154.02
OP - Emergency Room	45,873,685	13,543,994	35,868	936	1,278.96	377.61	29.45
OP - Laboratory	2,856,526	1,027,685	42,943	1,120	66.52	23.93	2.23
OP - Radiology	19,092,558	5,851,769	118,696	3,097	160.85	49.30	12.72
OP - Surgery	56,346,775	22,139,786	10,169	265	5,541.03	2,177.18	48.13
OP - Other	50,652,117	17,314,272	26,431	690	1,916.39	655.07	37.64
Subtotal - Outpatient	174,821,661	59,877,505	234,107	6,107	746.76	255.77	130.18
Prof - Evaluation & Management	47,156,779	23,601,418	312,267	8,147	151.01	75.58	51.31
Prof - Maternity	980,030	408,435	560	15	1,750.05	729.35	0.89
Prof - Surgery	22,041,974	6,528,501	35,325	922	623.98	184.81	14.19
Prof - DME/Supplies	11,773,313	6,518,888	21,816	569	539.66	298.81	14.17
Prof - Lab	16,272,422	4,155,765	362,857	9,466	44.85	11.45	9.03
Prof - Radiology	25,025,778	7,813,249	134,345	3,505	186.28	58.16	16.99
Prof - Transportation	12,105,410	5,267,654	46,721	1,219	259.10	112.75	11.45
Prof - Other	80,172,745	29,392,967	4,773,746	124,539	16.79	6.16	63.90
Subtotal - Professional	215,528,451	83,686,876	5,687,637	148,381	37.89	14.71	181.94
Total	\$ 585,075,729	\$ 233,775,955					\$ 508.24

TennCare  
 FY 2009 Per Capita Cost Development  
 Historical Encounter Data

Exhibit 2b

West

Disabled Age <21							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	75,238						
Home Health Care	12,073,193	10,686,620	75,499	12,042	159.91	141.55	142.04
IP - Maternity	284,191	162,884	178	28	1,596.58	915.08	2.16
IP - Newborn	6,088,628	3,278,960	2,133	340	2,854.49	1,537.25	43.58
IP - Medical	7,962,271	4,288,006	3,254	519	2,446.92	1,317.76	56.99
IP - Surgery	4,550,614	2,252,578	1,283	205	3,546.85	1,755.71	29.94
IP - Other	108,789	128,157	111	18	980.08	1,154.57	1.70
Subtotal - Inpatient	18,994,492	10,110,584	6,959	1,110	2,729.49	1,452.88	134.38
OP - Emergency Room	3,756,139	1,655,384	3,319	529	1,131.71	498.76	22.00
OP - Laboratory	526,330	196,185	5,902	941	89.18	33.24	2.61
OP - Radiology	801,134	334,822	3,496	558	229.16	95.77	4.45
OP - Surgery	5,488,642	2,978,561	867	138	6,330.61	3,435.48	39.59
OP - Other	10,876,909	5,656,104	6,636	1,058	1,639.08	852.34	75.18
Subtotal - Outpatient	21,449,154	10,821,056	20,220	3,225	1,060.79	535.17	143.82
Prof - Evaluation & Management	4,656,986	2,519,257	29,070	4,637	160.20	86.66	33.48
Prof - Maternity	162,903	71,453	83	13	1,962.69	860.88	0.95
Prof - Surgery	1,884,988	535,809	2,097	334	898.90	255.51	7.12
Prof - DME/Supplies	2,556,994	1,362,301	2,922	466	875.08	466.22	18.11
Prof - Lab	865,393	239,588	20,346	3,245	42.53	11.78	3.18
Prof - Radiology	858,586	251,872	8,928	1,424	96.17	28.21	3.35
Prof - Transportation	753,857	302,412	2,075	331	363.30	145.74	4.02
Prof - Other	8,879,466	4,698,348	1,336,932	213,233	6.64	3.51	62.45
Subtotal - Professional	20,619,172	9,981,040	1,402,453	223,684	14.70	7.12	132.66
Total	\$ 73,136,012	\$ 41,599,301					\$ 552.91

TennCare  
 FY 2009 Per Capita Cost Development  
 Historical Encounter Data

Exhibit 2b

West

Disabled Age 21+							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	384,737						
Home Health Care	10,860,833	8,680,158	155,534	4,851	69.83	55.81	22.56
IP - Maternity	1,841,645	680,944	890	28	2,069.26	765.11	1.77
IP - Newborn	1,859,966	663,626	751	23	2,476.65	883.66	1.72
IP - Medical	89,087,389	36,374,206	51,876	1,618	1,717.31	701.18	94.54
IP - Surgery	54,140,285	18,397,916	15,867	495	3,412.13	1,159.51	47.82
IP - Other	5,867,813	4,617,519	2,463	77	2,382.38	1,874.75	12.00
Subtotal - Inpatient	152,797,098	60,734,211	71,847	2,241	2,126.70	845.33	157.86
OP - Emergency Room	42,117,546	11,888,610	32,549	1,015	1,293.97	365.25	30.90
OP - Laboratory	2,330,196	831,500	37,041	1,155	62.91	22.45	2.16
OP - Radiology	18,291,424	5,516,947	115,200	3,593	158.78	47.89	14.34
OP - Surgery	50,858,133	19,161,225	9,302	290	5,467.44	2,059.90	49.80
OP - Other	39,775,208	11,658,168	19,795	617	2,009.36	588.95	30.30
Subtotal - Outpatient	153,372,507	49,056,449	213,887	6,671	717.07	229.36	127.51
Prof - Evaluation & Management	42,499,793	21,082,160	283,197	8,833	150.07	74.44	54.80
Prof - Maternity	817,127	336,982	477	15	1,713.05	706.46	0.88
Prof - Surgery	20,156,987	5,992,692	33,228	1,036	606.63	180.35	15.58
Prof - DME/Supplies	9,216,320	5,156,587	18,894	589	487.79	272.92	13.40
Prof - Lab	15,407,028	3,916,177	342,511	10,683	44.98	11.43	10.18
Prof - Radiology	24,167,192	7,561,377	125,417	3,912	192.69	60.29	19.65
Prof - Transportation	11,351,553	4,965,241	44,646	1,393	254.26	111.21	12.91
Prof - Other	71,293,279	24,694,619	3,436,814	107,195	20.74	7.19	64.19
Subtotal - Professional	194,909,279	73,705,836	4,285,184	133,656	45.48	17.20	191.57
Total	\$ 511,939,717	\$ 192,176,653					\$ 499.50

TennCare  
 FY 2009 Per Capita Cost Development  
 Historical Encounter Data

Exhibit 2b

West

Duals/Waiver Duals All Ages							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	622,911						
Home Health Care	9,181,133	8,000,235	65,132	1,255	140.96	122.83	12.84
IP - Maternity	50,645	15,885	19	0	2,665.51	836.05	0.03
IP - Newborn	116,386	75,562	70	1	1,662.66	1,079.46	0.12
IP - Medical	5,645,367	3,240,544	15,130	291	373.12	214.18	5.20
IP - Surgery	2,032,431	456,874	480	9	4,234.23	951.82	0.73
IP - Other	255,787	236,515	1,219	23	209.83	194.02	0.38
Subtotal - Inpatient	8,100,616	4,025,379	16,918	326	478.82	237.93	6.46
OP - Emergency Room	1,186,493	353,754	951	18	1,247.63	371.98	0.57
OP - Laboratory	87,271	29,466	908	17	96.11	32.45	0.05
OP - Radiology	447,506	136,254	3,097	60	144.50	44.00	0.22
OP - Surgery	1,811,832	647,569	316	6	5,733.65	2,049.27	1.04
OP - Other	15,259,823	8,232,264	4,154	80	3,673.52	1,981.77	13.22
Subtotal - Outpatient	18,792,925	9,399,307	9,426	182	1,993.73	997.17	15.09
Prof - Evaluation & Management	1,509,662	741,420	10,509	202	143.65	70.55	1.19
Prof - Maternity	47,594	17,050	52	1	915.27	327.88	0.03
Prof - Surgery	1,003,501	235,977	1,490	29	673.49	158.37	0.38
Prof - DME/Supplies	560,302	258,596	1,103	21	507.98	234.45	0.42
Prof - Lab	592,700	132,044	10,125	195	58.54	13.04	0.21
Prof - Radiology	627,554	191,610	3,765	73	166.68	50.89	0.31
Prof - Transportation	8,745,393	6,891,735	83,785	1,614	104.38	82.26	11.06
Prof - Other	4,508,078	2,700,091	1,999,911	38,527	2.25	1.35	4.33
Subtotal - Professional	17,594,784	11,168,523	2,110,740	40,662	8.34	5.29	17.93
Total	\$ 53,669,457	\$ 32,593,444					\$ 52.32

**TennCare**  
**FY 2009 Per Capita Cost Development**  
 Development of Per Capita Costs:

**Exhibit 3b**

**West**

Medicaid (TANF & Related)														
All Ages														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 4 MONTHS	MCO CAP 8 MONTHS	Total
Member Months			3,123,601					3,170,007				1,016,953	2,033,907	3,050,860
Home Health Care	168	63	0.88	1.069	1.043	0.98	1.005	0.99	1.150	1.000	1.001	1.14		
IP - Maternity	115	757	7.26	1.014	1.080	7.95	0.999	7.94	1.030	1.000	1.003	8.20		
IP - Newborn	88	944	6.89	1.014	1.080	7.54	1.007	7.60	1.030	1.000	0.992	7.76		
IP - Medical	142	779	9.21	1.014	1.080	10.08	1.005	10.13	1.030	1.000	0.997	10.40		
IP - Surgery	49	1,330	5.38	1.014	1.080	5.89	1.010	5.95	1.030	1.000	0.997	6.11		
IP - Other	2	1,939	0.39	1.014	1.080	0.42	1.005	0.424	1.030	1.000	1.000	0.44		
Subtotal - Inpatient	395	884	29.12			31.88	1.005	32.04	1.030	1.000	0.997	32.91		
OP - Emergency Room	622	358	18.57	1.046	1.020	19.82	1.001	19.85	1.100	1.000	1.000	21.83		
OP - Laboratory	293	22	0.53	1.032	1.020	0.56	1.000	0.56	1.070	1.000	1.000	0.60		
OP - Radiology	581	57	2.74	1.032	1.020	2.89	1.005	2.91	1.070	1.000	1.002	3.12		
OP - Surgery	79	1,865	12.22	1.046	1.020	13.05	1.002	13.08	1.100	1.000	1.002	14.41		
OP - Other	178	582	8.66	1.032	1.020	9.12	0.998	9.11	1.070	1.000	0.997	9.72		
Subtotal - Outpatient	1,753	293	42.73			45.44	1.001	45.49	1.092	1.000	1.000	49.67		
Prof - Evaluation & Management	3,839	78	24.93	1.023	1.015	25.91	1.002	25.96	1.050	1.000	0.999	27.22		
Prof - Maternity	69	769	4.41	1.023	1.015	4.58	0.999	4.57	1.050	1.000	1.003	4.82		
Prof - Surgery	290	150	3.63	1.023	1.015	3.77	1.005	3.79	1.050	1.000	1.002	3.98		
Prof - DME/Supplies	45	212	0.80	1.023	1.015	0.83	1.009	0.84	1.050	1.000	1.002	0.88		
Prof - Lab	4,218	13	4.53	1.023	1.015	4.71	1.001	4.71	1.050	1.000	1.002	4.96		
Prof - Radiology	1,027	43	3.64	1.023	1.015	3.79	1.005	3.80	1.050	1.000	1.003	4.01		
Prof - Transportation	120	147	1.47	1.023	1.015	1.53	1.003	1.54	1.050	1.000	1.001	1.61		
Prof - Other	10,817	11	9.99	1.023	1.015	10.38	1.003	10.41	1.050	1.000	0.999	10.92		
Subtotal - Professional	20,425	31	53.40			55.48	1.002	55.62	1.050	1.000	1.000	58.41		
Total			\$ 126.13			\$ 133.79	1.003	\$ 134.14	1.060	1.000	0.999	\$ 142.13		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			\$ 137.47			\$ 145.82		\$ 146.20				\$ 154.90	\$ 162.59	\$ 160.03

**TennCare**  
**FY 2009 Per Capita Cost Development**  
 Development of Per Capita Costs:

**Exhibit 3b**

**West**

Medicaid (TANF & Related)														
Age Under 1														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 4 MONTHS	MCO CAP 8 MONTHS	Total
Member Months			81,693					84,964				26,438	52,877	79,315
Home Health Care	732	12	0.73	1.069	1.043	0.81	1.000	0.81	1.150	1.000	1.000	0.94		
IP - Maternity	0	401	0.01	1.014	1.080	0.01	1.000	0.01	1.030	1.000	1.000	0.01		
IP - Newborn	990	982	81.02	1.014	1.080	88.71	1.000	88.71	1.030	1.000	1.000	91.37		
IP - Medical	569	1,067	50.63	1.014	1.080	55.43	1.000	55.43	1.030	1.000	1.000	57.10		
IP - Surgery	228	2,139	40.64	1.014	1.080	44.49	1.000	44.49	1.030	1.000	1.000	45.82		
IP - Other	7	1,338	0.84	1.014	1.080	0.91	1.000	0.915	1.030	1.000	1.000	0.94		
Subtotal - Inpatient	1,795	1,157	173.14			189.56	1.000	189.56	1.030	1.000	1.000	195.24		
OP - Emergency Room	936	465	36.25	1.046	1.020	38.70	1.000	38.70	1.100	1.000	1.000	42.57		
OP - Laboratory	266	32	0.71	1.032	1.020	0.75	1.000	0.75	1.070	1.000	1.000	0.80		
OP - Radiology	382	81	2.57	1.032	1.020	2.70	1.000	2.70	1.070	1.000	1.000	2.89		
OP - Surgery	42	2,227	7.85	1.046	1.020	8.38	1.000	8.38	1.100	1.000	1.000	9.22		
OP - Other	308	885	22.68	1.032	1.020	23.89	1.000	23.89	1.070	1.000	1.000	25.56		
Subtotal - Outpatient	1,934	435	70.06			74.42	1.000	74.42	1.070	1.000	1.000	81.04		
Prof - Evaluation & Management	10,423	93	80.40	1.023	1.015	83.54	1.000	83.54	1.050	1.000	1.000	87.71		
Prof - Maternity	0	628	0.02	1.023	1.015	0.02	1.000	0.02	1.050	1.000	1.000	0.02		
Prof - Surgery	418	190	6.61	1.023	1.015	6.86	1.000	6.86	1.050	1.000	1.000	7.21		
Prof - DME/Supplies	116	154	1.50	1.023	1.015	1.56	1.000	1.56	1.050	1.000	1.000	1.63		
Prof - Lab	2,623	8	1.83	1.023	1.015	1.90	1.000	1.90	1.050	1.000	1.000	2.00		
Prof - Radiology	1,573	16	2.13	1.023	1.015	2.22	1.000	2.22	1.050	1.000	1.000	2.33		
Prof - Transportation	145	174	2.10	1.023	1.015	2.18	1.000	2.18	1.050	1.000	1.000	2.29		
Prof - Other	19,830	18	30.56	1.023	1.015	31.75	1.000	31.75	1.050	1.000	1.000	33.34		
Subtotal - Professional	35,128	43	125.14			130.02	1.000	130.02	1.050	1.000	1.000	136.52		
Total			\$ 369.07			\$ 394.81	1.000	\$ 394.81	1.044	1.000	1.000	\$ 413.74		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			\$ 402.25			\$ 430.31		\$ 430.31				\$ 450.94	\$ 469.10	\$ 463.05

**TennCare**  
**FY 2009 Per Capita Cost Development**  
 Development of Per Capita Costs:

**Exhibit 3b**

**West**

Medicaid (TANF & Related)														
Age 1 - 13														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 4 MONTHS	MCO CAP 8 MONTHS	Total
Member Months			1,568,437					1,582,375				506,927	1,013,853	1,520,780
Home Health Care	44	203	0.74	1.069	1.043	0.82	1.000	0.82	1.150	1.000	1.000	0.94		
IP - Maternity	0	625	0.01	1.014	1.080	0.01	1.000	0.01	1.030	1.000	1.000	0.01		
IP - Newborn	13	782	0.82	1.014	1.080	0.90	1.000	0.90	1.030	1.000	1.000	0.92		
IP - Medical	78	801	5.21	1.014	1.080	5.70	1.000	5.70	1.030	1.000	1.000	5.87		
IP - Surgery	15	1,475	1.79	1.014	1.080	1.96	1.000	1.96	1.030	1.000	1.000	2.02		
IP - Other	1	3,652	0.44	1.014	1.080	0.49	1.000	0.487	1.030	1.000	1.000	0.50		
Subtotal - Inpatient	107	929	8.27			9.06	1.000	9.06	1.030	1.000	1.000	9.33		
OP - Emergency Room	468	385	15.00	1.046	1.020	16.01	1.000	16.01	1.100	1.000	1.000	17.61		
OP - Laboratory	146	33	0.41	1.032	1.020	0.43	1.000	0.43	1.070	1.000	1.000	0.46		
OP - Radiology	155	95	1.22	1.032	1.020	1.29	1.000	1.29	1.070	1.000	1.000	1.38		
OP - Surgery	47	2,377	9.29	1.046	1.020	9.91	1.000	9.91	1.100	1.000	1.000	10.90		
OP - Other	164	738	10.11	1.032	1.020	10.65	1.000	10.65	1.070	1.000	1.000	11.40		
Subtotal - Outpatient	980	441	36.03			38.29	1.000	38.29	1.070	1.000	1.000	41.75		
Prof - Evaluation & Management	3,028	75	18.82	1.023	1.015	19.55	1.000	19.55	1.050	1.000	1.000	20.53		
Prof - Maternity	0	855	0.00	1.023	1.015	0.01	1.000	0.01	1.050	1.000	1.000	0.01		
Prof - Surgery	183	115	1.76	1.023	1.015	1.83	1.000	1.83	1.050	1.000	1.000	1.92		
Prof - DME/Supplies	24	180	0.37	1.023	1.015	0.38	1.000	0.38	1.050	1.000	1.000	0.40		
Prof - Lab	1,832	9	1.32	1.023	1.015	1.37	1.000	1.37	1.050	1.000	1.000	1.44		
Prof - Radiology	423	20	0.69	1.023	1.015	0.72	1.000	0.72	1.050	1.000	1.000	0.75		
Prof - Transportation	63	141	0.74	1.023	1.015	0.77	1.000	0.77	1.050	1.000	1.000	0.81		
Prof - Other	6,242	14	7.22	1.023	1.015	7.50	1.000	7.50	1.050	1.000	1.000	7.87		
Subtotal - Professional	11,796	31	30.91			32.12	1.000	32.12	1.050	1.000	1.000	33.72		
Total			\$ 75.95			\$ 80.28	1.000	\$ 80.28	1.058	1.000	1.000	\$ 85.74		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			\$ 82.78			\$ 87.50		\$ 87.50				\$ 93.45	\$ 97.24	\$ 95.98



**TennCare**  
**FY 2009 Per Capita Cost Development**  
 Development of Per Capita Costs:

**Exhibit 3b**

**West**

<b>Medicaid (TANF &amp; Related)</b>														
<b>Age 14 - 20 Female</b>														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 4 MONTHS	MCO CAP 8 MONTHS	Total
Member Months			333,390					336,971				107,970	215,940	323,910
Home Health Care	81	132	0.89	1.069	1.043	0.99	1.000	0.99	1.150	1.000	1.000	1.14		
IP - Maternity	305	720	18.30	1.014	1.080	20.03	1.000	20.03	1.030	1.000	1.000	20.63		
IP - Newborn	131	952	10.39	1.014	1.080	11.38	1.000	11.38	1.030	1.000	1.000	11.72		
IP - Medical	111	759	7.03	1.014	1.080	7.70	1.000	7.70	1.030	1.000	1.000	7.93		
IP - Surgery	27	1,592	3.58	1.014	1.080	3.92	1.000	3.92	1.030	1.000	1.000	4.03		
IP - Other	1	708	0.07	1.014	1.080	0.08	1.000	0.077	1.030	1.000	1.000	0.08		
Subtotal - Inpatient	575	821	39.37			43.10	1.000	43.10	1.030	1.000	1.000	44.39		
OP - Emergency Room	679	346	19.56	1.046	1.020	20.88	1.000	20.88	1.100	1.000	1.000	22.96		
OP - Laboratory	301	30	0.75	1.032	1.020	0.79	1.000	0.79	1.070	1.000	1.000	0.84		
OP - Radiology	528	56	2.47	1.032	1.020	2.61	1.000	2.61	1.070	1.000	1.000	2.79		
OP - Surgery	73	1,369	8.38	1.046	1.020	8.94	1.000	8.94	1.100	1.000	1.000	9.84		
OP - Other	169	504	7.08	1.032	1.020	7.46	1.000	7.46	1.070	1.000	1.000	7.98		
Subtotal - Outpatient	1,751	262	38.23			40.67	1.000	40.67	1.070	1.000	1.000	44.41		
Prof - Evaluation & Management	3,858	80	25.83	1.023	1.015	26.84	1.000	26.84	1.050	1.000	1.000	28.18		
Prof - Maternity	168	803	11.22	1.023	1.015	11.66	1.000	11.66	1.050	1.000	1.000	12.24		
Prof - Surgery	261	132	2.87	1.023	1.015	2.98	1.000	2.98	1.050	1.000	1.000	3.13		
Prof - DME/Supplies	23	510	1.00	1.023	1.015	1.04	1.000	1.04	1.050	1.000	1.000	1.09		
Prof - Lab	6,932	14	8.11	1.023	1.015	8.42	1.000	8.42	1.050	1.000	1.000	8.85		
Prof - Radiology	1,166	46	4.48	1.023	1.015	4.65	1.000	4.65	1.050	1.000	1.000	4.89		
Prof - Transportation	181	134	2.02	1.023	1.015	2.10	1.000	2.10	1.050	1.000	1.000	2.20		
Prof - Other	14,450	9	10.34	1.023	1.015	10.74	1.000	10.74	1.050	1.000	1.000	11.28		
Subtotal - Professional	27,039	29	65.87			68.44	1.000	68.44	1.050	1.000	1.000	71.86		
Total			\$ 144.36			\$ 153.20	1.000	\$ 153.20	1.050	1.000	1.000	\$ 161.80		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			\$ 157.34			\$ 166.97		\$ 166.97				\$ 176.35	\$ 185.88	\$ 182.70

**TennCare**  
**FY 2009 Per Capita Cost Development**  
 Development of Per Capita Costs:

**Exhibit 3b**

**West**

<b>Medicaid (TANF &amp; Related)</b>														
<b>Age 14 - 20 Male</b>														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 4 MONTHS	MCO CAP 8 MONTHS	Total
Member Months			268,403					271,148				86,835	173,670	260,505
Home Health Care	523	8	0.33	1.069	1.043	0.37	1.000	0.37	1.150	1.000	1.000	0.43		
IP - Maternity	-	-	-	1.014	1.080	-	1.000	-	1.030	1.000	1.000	-		
IP - Newborn	0	930	0.03	1.014	1.080	0.03	1.000	0.03	1.030	1.000	1.000	0.03		
IP - Medical	59	964	4.73	1.014	1.080	5.18	1.000	5.18	1.030	1.000	1.000	5.34		
IP - Surgery	35	995	2.93	1.014	1.080	3.21	1.000	3.21	1.030	1.000	1.000	3.31		
IP - Other	2	645	0.08	1.014	1.080	0.09	1.000	0.092	1.030	1.000	1.000	0.09		
Subtotal - Inpatient	96	970	7.78			8.52	1.000	8.52	1.030	1.000	1.000	8.77		
OP - Emergency Room	361	374	11.23	1.046	1.020	11.99	1.000	11.99	1.100	1.000	1.000	13.19		
OP - Laboratory	913	6	0.47	1.032	1.020	0.50	1.000	0.50	1.070	1.000	1.000	0.53		
OP - Radiology	322	87	2.34	1.032	1.020	2.46	1.000	2.46	1.070	1.000	1.000	2.63		
OP - Surgery	40	2,140	7.15	1.046	1.020	7.63	1.000	7.63	1.100	1.000	1.000	8.40		
OP - Other	78	771	5.02	1.032	1.020	5.29	1.000	5.29	1.070	1.000	1.000	5.66		
Subtotal - Outpatient	1,715	183	26.21			27.87	1.000	27.87	1.070	1.000	1.000	30.41		
Prof - Evaluation & Management	1,787	76	11.34	1.023	1.015	11.78	1.000	11.78	1.050	1.000	1.000	12.37		
Prof - Maternity	0	1,002	0.01	1.023	1.015	0.01	1.000	0.01	1.050	1.000	1.000	0.01		
Prof - Surgery	166	171	2.36	1.023	1.015	2.45	1.000	2.45	1.050	1.000	1.000	2.58		
Prof - DME/Supplies	29	185	0.45	1.023	1.015	0.47	1.000	0.47	1.050	1.000	1.000	0.49		
Prof - Lab	1,416	11	1.31	1.023	1.015	1.37	1.000	1.37	1.050	1.000	1.000	1.43		
Prof - Radiology	666	27	1.51	1.023	1.015	1.56	1.000	1.56	1.050	1.000	1.000	1.64		
Prof - Transportation	71	174	1.03	1.023	1.015	1.07	1.000	1.07	1.050	1.000	1.000	1.13		
Prof - Other	4,139	14	4.84	1.023	1.015	5.03	1.000	5.03	1.050	1.000	1.000	5.28		
Subtotal - Professional	8,275	33	22.85			23.75	1.000	23.75	1.050	1.000	1.000	24.93		
Total			\$ 57.18			\$ 60.50	1.000	\$ 60.50	1.057	1.000	1.000	\$ 64.54		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			\$ 62.32			\$ 65.94		\$ 65.94				\$ 70.34	\$ 84.25	\$ 79.61

**TennCare**  
**FY 2009 Per Capita Cost Development**  
 Development of Per Capita Costs:

**Exhibit 3b**

**West**

<b>Medicaid (TANF &amp; Related)</b>														
<b>Age 21 - 44 Female</b>														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 4 MONTHS	MCO CAP 8 MONTHS	Total
Member Months			681,153					691,620				222,819	445,638	668,457
Home Health Care	177	70	1.03	1.069	1.043	1.15	1.000	1.15	1.150	1.000	1.000	1.33		
IP - Maternity	378	771	24.29	1.014	1.080	26.59	1.000	26.59	1.030	1.000	1.000	27.39		
IP - Newborn	190	942	14.89	1.014	1.080	16.31	1.000	16.31	1.030	1.000	1.000	16.80		
IP - Medical	224	716	13.38	1.014	1.080	14.65	1.000	14.65	1.030	1.000	1.000	15.09		
IP - Surgery	86	1,019	7.27	1.014	1.080	7.96	1.000	7.96	1.030	1.000	1.000	8.20		
IP - Other	2	1,638	0.30	1.014	1.080	0.33	1.000	0.329	1.030	1.000	1.000	0.34		
Subtotal - Inpatient	880	820	60.13			65.83	1.000	65.83	1.030	1.000	1.000	67.81		
OP - Emergency Room	1,004	323	27.04	1.046	1.020	28.86	1.000	28.86	1.100	1.000	1.000	31.75		
OP - Laboratory	377	22	0.69	1.032	1.020	0.72	1.000	0.72	1.070	1.000	1.000	0.78		
OP - Radiology	1,334	45	5.04	1.032	1.020	5.31	1.000	5.31	1.070	1.000	1.000	5.69		
OP - Surgery	154	1,582	20.27	1.046	1.020	21.63	1.000	21.63	1.100	1.000	1.000	23.80		
OP - Other	229	315	6.02	1.032	1.020	6.34	1.000	6.34	1.070	1.000	1.000	6.78		
Subtotal - Outpatient	3,098	229	59.06			62.87	1.000	62.87	1.070	1.000	1.000	68.79		
Prof - Evaluation & Management	5,570	79	36.77	1.023	1.015	38.20	1.000	38.20	1.050	1.000	1.000	40.11		
Prof - Maternity	232	758	14.68	1.023	1.015	15.25	1.000	15.25	1.050	1.000	1.000	16.01		
Prof - Surgery	511	166	7.07	1.023	1.015	7.35	1.000	7.35	1.050	1.000	1.000	7.71		
Prof - DME/Supplies	67	205	1.15	1.023	1.015	1.19	1.000	1.19	1.050	1.000	1.000	1.25		
Prof - Lab	9,575	15	11.65	1.023	1.015	12.11	1.000	12.11	1.050	1.000	1.000	12.71		
Prof - Radiology	2,162	53	9.63	1.023	1.015	10.01	1.000	10.01	1.050	1.000	1.000	10.51		
Prof - Transportation	206	152	2.62	1.023	1.015	2.72	1.000	2.72	1.050	1.000	1.000	2.85		
Prof - Other	19,425	8	13.62	1.023	1.015	14.15	1.000	14.15	1.050	1.000	1.000	14.85		
Subtotal - Professional	37,748	31	97.18			100.97	1.000	100.97	1.050	1.000	1.000	106.02		
Total			\$ 217.40			\$ 230.83	1.000	\$ 230.83	1.050	1.000	1.000	\$ 243.94		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			\$ 236.95			\$ 251.58		\$ 251.58				\$ 265.88	\$ 275.52	\$ 272.31

**TennCare**  
**FY 2009 Per Capita Cost Development**  
 Development of Per Capita Costs:

**Exhibit 3b**

**West**

<b>Medicaid (TANF &amp; Related)</b>														
<b>Age 21 - 44 Male</b>														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 4 MONTHS	MCO CAP 8 MONTHS	Total
Member Months			101,883					111,396				36,443	72,885	109,328
Home Health Care	33	1,020	2.82	1.069	1.043	3.15	1.000	3.15	1.150	1.000	1.000	3.62		
IP - Maternity	-	-	-	1.014	1.080	-	1.000	-	1.030	1.000	1.000	-		
IP - Newborn	-	-	-	1.014	1.080	-	1.000	-	1.030	1.000	1.000	-		
IP - Medical	148	668	8.22	1.014	1.080	9.00	1.000	9.00	1.030	1.000	1.000	9.27		
IP - Surgery	73	1,157	7.06	1.014	1.080	7.73	1.000	7.73	1.030	1.000	1.000	7.97		
IP - Other	5	1,954	0.81	1.014	1.080	0.88	1.000	0.882	1.030	1.000	1.000	0.91		
Subtotal - Inpatient	226	855	16.09			17.62	1.000	17.62	1.030	1.000	1.000	18.14		
OP - Emergency Room	678	285	16.10	1.046	1.020	17.18	1.000	17.18	1.100	1.000	1.000	18.90		
OP - Laboratory	186	20	0.31	1.032	1.020	0.33	1.000	0.33	1.070	1.000	1.000	0.35		
OP - Radiology	1,087	45	4.11	1.032	1.020	4.33	1.000	4.33	1.070	1.000	1.000	4.63		
OP - Surgery	83	1,810	12.47	1.046	1.020	13.31	1.000	13.31	1.100	1.000	1.000	14.65		
OP - Other	99	316	2.61	1.032	1.020	2.75	1.000	2.75	1.070	1.000	1.000	2.95		
Subtotal - Outpatient	2,133	200	35.61			37.91	1.000	37.91	1.070	1.000	1.000	41.48		
Prof - Evaluation & Management	2,735	76	17.24	1.023	1.015	17.91	1.000	17.91	1.050	1.000	1.000	18.81		
Prof - Maternity	-	-	-	1.023	1.015	-	1.000	-	1.050	1.000	1.000	-		
Prof - Surgery	293	194	4.74	1.023	1.015	4.92	1.000	4.92	1.050	1.000	1.000	5.17		
Prof - DME/Supplies	90	281	2.10	1.023	1.015	2.19	1.000	2.19	1.050	1.000	1.000	2.30		
Prof - Lab	2,093	13	2.20	1.023	1.015	2.28	1.000	2.28	1.050	1.000	1.000	2.40		
Prof - Radiology	1,234	45	4.67	1.023	1.015	4.85	1.000	4.85	1.050	1.000	1.000	5.09		
Prof - Transportation	84	242	1.70	1.023	1.015	1.76	1.000	1.76	1.050	1.000	1.000	1.85		
Prof - Other	8,370	11	7.39	1.023	1.015	7.68	1.000	7.68	1.050	1.000	1.000	8.06		
Subtotal - Professional	14,899	32	40.03			41.59	1.000	41.59	1.050	1.000	1.000	43.67		
Total			\$ 94.55			\$ 100.26	1.000	\$ 100.26	1.057	1.000	1.000	\$ 106.91		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			\$ 103.06			\$ 109.28		\$ 109.28				\$ 116.53	\$ 128.08	\$ 124.23

**TennCare**  
**FY 2009 Per Capita Cost Development**  
 Development of Per Capita Costs:

**Exhibit 3b**

**West**

<b>Medicaid (TANF &amp; Related)</b>														
<b>Age 45 - 64</b>														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 4 MONTHS	MCO CAP 8 MONTHS	Total
Member Months			81,606					84,757				27,492	54,984	82,475
Home Health Care	1,298	11	1.14	1.069	1.043	1.27	1.000	1.27	1.150	1.000	1.000	1.46		
IP - Maternity	2	750	0.12	1.014	1.080	0.13	1.000	0.13	1.030	1.000	1.000	0.13		
IP - Newborn	2	646	0.09	1.014	1.080	0.10	1.000	0.10	1.030	1.000	1.000	0.10		
IP - Medical	488	734	29.87	1.014	1.080	32.70	1.000	32.70	1.030	1.000	1.000	33.68		
IP - Surgery	292	1,431	34.85	1.014	1.080	38.16	1.000	38.16	1.030	1.000	1.000	39.30		
IP - Other	12	1,202	1.18	1.014	1.080	1.29	1.000	1.290	1.030	1.000	1.000	1.33		
Subtotal - Inpatient	796	997	66.11			72.38	1.000	72.38	1.030	1.000	1.000	74.55		
OP - Emergency Room	692	402	23.17	1.046	1.020	24.73	1.000	24.73	1.100	1.000	1.000	27.20		
OP - Laboratory	511	24	1.01	1.032	1.020	1.06	1.000	1.06	1.070	1.000	1.000	1.14		
OP - Radiology	3,033	52	13.27	1.032	1.020	13.97	1.000	13.97	1.070	1.000	1.000	14.95		
OP - Surgery	241	1,864	37.43	1.046	1.020	39.96	1.000	39.96	1.100	1.000	1.000	43.95		
OP - Other	352	333	9.77	1.032	1.020	10.29	1.000	10.29	1.070	1.000	1.000	11.02		
Subtotal - Outpatient	4,828	210	84.65			90.02	1.000	90.02	1.070	1.000	1.000	98.26		
Prof - Evaluation & Management	6,454	73	39.25	1.023	1.015	40.78	1.000	40.78	1.050	1.000	1.000	42.82		
Prof - Maternity	6	326	0.15	1.023	1.015	0.16	1.000	0.16	1.050	1.000	1.000	0.17		
Prof - Surgery	886	183	13.53	1.023	1.015	14.06	1.000	14.06	1.050	1.000	1.000	14.76		
Prof - DME/Supplies	265	185	4.09	1.023	1.015	4.24	1.000	4.24	1.050	1.000	1.000	4.46		
Prof - Lab	7,790	13	8.50	1.023	1.015	8.83	1.000	8.83	1.050	1.000	1.000	9.27		
Prof - Radiology	2,966	56	13.94	1.023	1.015	14.49	1.000	14.49	1.050	1.000	1.000	15.21		
Prof - Transportation	385	122	3.90	1.023	1.015	4.05	1.000	4.05	1.050	1.000	1.000	4.26		
Prof - Other	26,974	14	30.88	1.023	1.015	32.08	1.000	32.08	1.050	1.000	1.000	33.68		
Subtotal - Professional	45,726	30	114.24			118.69	1.000	118.69	1.050	1.000	1.000	124.63		
Total			\$ 266.14			\$ 282.36	1.000	\$ 282.36	1.052	1.000	1.000	\$ 298.90		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			\$ 290.07			\$ 307.75		\$ 307.75				\$ 325.78	\$ 348.87	\$ 341.17

**TennCare**  
**FY 2009 Per Capita Cost Development**  
 Development of Per Capita Costs:

**Exhibit 3b**

**West**

<b>Medicaid (TANF &amp; Related)</b>														
<b>Age 65+</b>														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 4 MONTHS	MCO CAP 8 MONTHS	Total
Member Months			7,037					6,777				2,030	4,059	6,089
Home Health Care	92	1,224	9.40	1.069	1.043	10.47	1.000	10.47	1.150	1.000	1.000	12.04		
IP - Maternity	-	-	-	1.014	1.080	-	1.000	-	1.030	1.000	1.000	-		
IP - Newborn	-	-	-	1.014	1.080	-	1.000	-	1.030	1.000	1.000	-		
IP - Medical	1,951	398	64.70	1.014	1.080	70.83	1.000	70.83	1.030	1.000	1.000	72.96		
IP - Surgery	285	1,026	24.35	1.014	1.080	26.65	1.000	26.65	1.030	1.000	1.000	27.45		
IP - Other	109	142	1.29	1.014	1.080	1.41	1.000	1.414	1.030	1.000	1.000	1.46		
Subtotal - Inpatient	2,345	462	90.33			98.90	1.000	98.90	1.030	1.000	1.000	101.87		
OP - Emergency Room	85	641	4.55	1.046	1.020	4.86	1.000	4.86	1.100	1.000	1.000	5.34		
OP - Laboratory	97	26	0.21	1.032	1.020	0.22	1.000	0.22	1.070	1.000	1.000	0.24		
OP - Radiology	1,458	70	8.54	1.032	1.020	8.99	1.000	8.99	1.070	1.000	1.000	9.62		
OP - Surgery	82	2,807	19.15	1.046	1.020	20.44	1.000	20.44	1.100	1.000	1.000	22.48		
OP - Other	327	2,444	66.67	1.032	1.020	70.23	1.000	70.23	1.070	1.000	1.000	75.15		
Subtotal - Outpatient	2,050	580	99.12			104.74	1.000	104.74	1.070	1.000	1.000	112.83		
Prof - Evaluation & Management	3,489	68	19.84	1.023	1.015	20.61	1.000	20.61	1.050	1.000	1.000	21.64		
Prof - Maternity	-	-	-	1.023	1.015	-	1.000	-	1.050	1.000	1.000	-		
Prof - Surgery	367	165	5.04	1.023	1.015	5.24	1.000	5.24	1.050	1.000	1.000	5.50		
Prof - DME/Supplies	123	174	1.78	1.023	1.015	1.85	1.000	1.85	1.050	1.000	1.000	1.94		
Prof - Lab	3,414	10	2.96	1.023	1.015	3.08	1.000	3.08	1.050	1.000	1.000	3.23		
Prof - Radiology	1,412	65	7.61	1.023	1.015	7.91	1.000	7.91	1.050	1.000	1.000	8.31		
Prof - Transportation	784	97	6.35	1.023	1.015	6.60	1.000	6.60	1.050	1.000	1.000	6.93		
Prof - Other	23,517	7	14.19	1.023	1.015	14.75	1.000	14.75	1.050	1.000	1.000	15.48		
Subtotal - Professional	33,106	21	57.78			60.03	1.000	60.03	1.050	1.000	1.000	63.03		
Total			\$ 256.63			\$ 274.15	1.000	\$ 274.15	1.054	1.000	1.000	\$ 289.78		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			\$ 279.70			\$ 298.80		\$ 298.80				\$ 315.83	\$ 305.17	\$ 308.72

**TennCare**  
**FY 2009 Per Capita Cost Development**  
 Development of Per Capita Costs:

**Exhibit 3b**

**West**

Uninsured/Uninsurable														
All Ages														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 4 MONTHS	MCO CAP 8 MONTHS	Total
Member Months			102,803					97,188				30,626	61,252	91,879
Home Health Care	303	22	0.55	1.069	1.043	0.61	0.928	0.57	1.150	1.000	0.999	0.65		
IP - Maternity	11	826	0.76	1.014	1.080	0.83	0.955	0.79	1.030	1.000	0.994	0.81		
IP - Newborn	3	910	0.19	1.014	1.080	0.21	0.765	0.16	1.030	1.000	1.000	0.17		
IP - Medical	102	644	5.46	1.014	1.080	5.98	0.956	5.71	1.030	1.000	1.000	5.89		
IP - Surgery	34	1,137	3.23	1.014	1.080	3.54	0.812	2.87	1.030	1.000	0.992	2.93		
IP - Other	3	643	0.14	1.014	1.080	0.16	0.580	0.09	1.030	1.000	0.973	0.09		
Subtotal - Inpatient	152	772	9.78			10.71	0.899	9.63	1.030	1.000	0.997	9.89		
OP - Emergency Room	276	323	7.41	1.046	1.020	7.91	0.993	7.86	1.100	1.000	0.995	8.60		
OP - Laboratory	263	44	0.96	1.032	1.020	1.01	1.001	1.01	1.070	1.000	0.992	1.07		
OP - Radiology	492	67	2.77	1.032	1.020	2.91	0.931	2.71	1.070	1.000	1.002	2.91		
OP - Surgery	58	1,900	9.26	1.046	1.020	9.88	0.890	8.80	1.100	1.000	0.996	9.64		
OP - Other	135	548	6.18	1.032	1.020	6.52	0.996	6.49	1.070	1.000	1.007	7.00		
Subtotal - Outpatient	1,225	260	26.58			28.24	0.952	26.87	1.089	1.000	0.999	29.23		
Prof - Evaluation & Management	2,875	65	15.61	1.023	1.015	16.21	0.968	15.70	1.050	1.000	0.999	16.46		
Prof - Maternity	5	927	0.36	1.023	1.015	0.37	0.993	0.37	1.050	1.000	0.987	0.39		
Prof - Surgery	234	133	2.60	1.023	1.015	2.70	0.904	2.44	1.050	1.000	0.994	2.55		
Prof - DME/Supplies	38	237	0.74	1.023	1.015	0.77	0.895	0.69	1.050	1.000	1.006	0.73		
Prof - Lab	2,518	12	2.49	1.023	1.015	2.59	0.944	2.45	1.050	1.000	0.988	2.54		
Prof - Radiology	664	35	1.96	1.023	1.015	2.03	0.870	1.77	1.050	1.000	0.990	1.84		
Prof - Transportation	32	298	0.79	1.023	1.015	0.83	0.975	0.80	1.050	1.000	0.995	0.84		
Prof - Other	9,848	11	9.30	1.023	1.015	9.66	0.919	8.87	1.050	1.000	1.000	9.32		
Subtotal - Professional	16,213	25	33.85			35.17	0.941	33.10	1.050	1.000	0.997	34.66		
Total			\$ 70.77			\$ 74.73	0.939	\$ 70.17	1.063	1.000	0.998	\$ 74.43		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			\$ 77.13			\$ 81.45		\$ 76.48				\$ 81.12	\$ 85.05	\$ 83.74

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

West

Exhibit 3b

Uninsured/Uninsurable Age Under 1													
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development				
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 4 MONTHS	MCO CAP 8 MONTHS
Member Months			-					-			-	-	-
Home Health Care	-	-	-	1.069	1.043	-	1.000	-	1.150	1.000	1.000	-	
IP - Maternity	-	-	-	1.014	1.080	-	1.000	-	1.030	1.000	1.000	-	
IP - Newborn	-	-	-	1.014	1.080	-	1.000	-	1.030	1.000	1.000	-	
IP - Medical	-	-	-	1.014	1.080	-	1.000	-	1.030	1.000	1.000	-	
IP - Surgery	-	-	-	1.014	1.080	-	1.000	-	1.030	1.000	1.000	-	
IP - Other	-	-	-	1.014	1.080	-	1.000	-	1.030	1.000	1.000	-	
Subtotal - Inpatient	-	-	-			-	1.000	-	1.030	1.000	1.000	-	
OP - Emergency Room	-	-	-	1.046	1.020	-	1.000	-	1.100	1.000	1.000	-	
OP - Laboratory	-	-	-	1.032	1.020	-	1.000	-	1.070	1.000	1.000	-	
OP - Radiology	-	-	-	1.032	1.020	-	1.000	-	1.070	1.000	1.000	-	
OP - Surgery	-	-	-	1.046	1.020	-	1.000	-	1.100	1.000	1.000	-	
OP - Other	-	-	-	1.032	1.020	-	1.000	-	1.070	1.000	1.000	-	
Subtotal - Outpatient	-	-	-			-	1.000	-	1.070	1.000	1.000	-	
Prof - Evaluation & Management	-	-	-	1.023	1.015	-	1.000	-	1.050	1.000	1.000	-	
Prof - Maternity	-	-	-	1.023	1.015	-	1.000	-	1.050	1.000	1.000	-	
Prof - Surgery	-	-	-	1.023	1.015	-	1.000	-	1.050	1.000	1.000	-	
Prof - DME/Supplies	-	-	-	1.023	1.015	-	1.000	-	1.050	1.000	1.000	-	
Prof - Lab	-	-	-	1.023	1.015	-	1.000	-	1.050	1.000	1.000	-	
Prof - Radiology	-	-	-	1.023	1.015	-	1.000	-	1.050	1.000	1.000	-	
Prof - Transportation	-	-	-	1.023	1.015	-	1.000	-	1.050	1.000	1.000	-	
Prof - Other	-	-	-	1.023	1.015	-	1.000	-	1.050	1.000	1.000	-	
Subtotal - Professional	-	-	-			-	1.000	-	1.050	1.000	1.000	-	
Total			\$ -			\$ -	1.000	\$ -	1.000	1.000	1.000	\$ -	
Admin %			6.3%			6.3%		6.3%				6.3%	
Premium Tax			2.0%			2.0%		2.0%				2.0%	
Total Premium Rate			\$ -			\$ -		\$ -				\$ -	\$ 469.10 \$ -



TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

West

Exhibit 3b

Uninsured/Uninsurable														
Age 1 - 13														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 4 MONTHS	MCO CAP 8 MONTHS	Total
Member Months			53,443					51,136				16,264	32,527	48,791
Home Health Care	202	36	0.61	1.069	1.043	0.68	1.000	0.68	1.150	1.000	1.000	0.78		
IP - Maternity	-	-	-	1.014	1.080	-	1.000	-	1.030	1.000	1.000	-		
IP - Newborn	-	-	-	1.014	1.080	-	1.000	-	1.030	1.000	1.000	-		
IP - Medical	37	709	2.21	1.014	1.080	2.42	1.000	2.42	1.030	1.000	1.000	2.50		
IP - Surgery	18	1,560	2.39	1.014	1.080	2.62	1.000	2.62	1.030	1.000	1.000	2.70		
IP - Other	-	-	-	1.014	1.080	-	1.000	-	1.030	1.000	1.000	-		
Subtotal - Inpatient	56	989	4.61			5.05	1.000	5.05	1.030	1.000	1.000	5.20		
OP - Emergency Room	235	319	6.24	1.046	1.020	6.66	1.000	6.66	1.100	1.000	1.000	7.32		
OP - Laboratory	154	40	0.51	1.032	1.020	0.54	1.000	0.54	1.070	1.000	1.000	0.58		
OP - Radiology	314	69	1.80	1.032	1.020	1.89	1.000	1.89	1.070	1.000	1.000	2.02		
OP - Surgery	43	1,847	6.60	1.046	1.020	7.04	1.000	7.04	1.100	1.000	1.000	7.75		
OP - Other	143	701	8.36	1.032	1.020	8.81	1.000	8.81	1.070	1.000	1.000	9.43		
Subtotal - Outpatient	889	317	23.51			24.94	1.000	24.94	1.070	1.000	1.000	27.10		
Prof - Evaluation & Management	2,697	65	14.56	1.023	1.015	15.12	1.000	15.12	1.050	1.000	1.000	15.88		
Prof - Maternity	-	-	-	1.023	1.015	-	1.000	-	1.050	1.000	1.000	-		
Prof - Surgery	176	110	1.62	1.023	1.015	1.68	1.000	1.68	1.050	1.000	1.000	1.76		
Prof - DME/Supplies	24	155	0.31	1.023	1.015	0.33	1.000	0.33	1.050	1.000	1.000	0.34		
Prof - Lab	1,768	10	1.41	1.023	1.015	1.46	1.000	1.46	1.050	1.000	1.000	1.53		
Prof - Radiology	447	23	0.85	1.023	1.015	0.89	1.000	0.89	1.050	1.000	1.000	0.93		
Prof - Transportation	12	715	0.71	1.023	1.015	0.74	1.000	0.74	1.050	1.000	1.000	0.77		
Prof - Other	9,279	9	7.23	1.023	1.015	7.51	1.000	7.51	1.050	1.000	1.000	7.88		
Subtotal - Professional	14,404	22	26.68			27.72	1.000	27.72	1.050	1.000	1.000	29.11		
Total			\$ 55.41			\$ 58.39	1.000	\$ 58.39	1.058	1.000	1.000	\$ 62.18		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			<b>\$ 60.39</b>			<b>\$ 63.64</b>		<b>\$ 63.64</b>				<b>\$ 67.77</b>	<b>\$ 71.11</b>	<b>\$ 70.00</b>

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 3b

West

Uninsured/Uninsurable Age 14 - 18 Female														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 4 MONTHS	MCO CAP 8 MONTHS	Total
Member Months			18,209					18,144				5,780	11,559	17,339
Home Health Care	1	244	0.01	1.069	1.043	0.01	1.000	0.01	1.150	1.000	1.000	0.02		
IP - Maternity	51	739	3.12	1.014	1.080	3.42	1.000	3.42	1.030	1.000	1.000	3.52		
IP - Newborn	7	757	0.46	1.014	1.080	0.50	1.000	0.50	1.030	1.000	1.000	0.52		
IP - Medical	167	585	8.15	1.014	1.080	8.93	1.000	8.93	1.030	1.000	1.000	9.20		
IP - Surgery	15	718	0.91	1.014	1.080	0.99	1.000	0.99	1.030	1.000	1.000	1.02		
IP - Other	-	-	-	1.014	1.080	-	1.000	-	1.030	1.000	1.000	-		
Subtotal - Inpatient	241	631	12.64			13.84	1.000	13.84	1.030	1.000	1.000	14.26		
OP - Emergency Room	289	373	8.97	1.046	1.020	9.57	1.000	9.57	1.100	1.000	1.000	10.53		
OP - Laboratory	271	42	0.94	1.032	1.020	0.99	1.000	0.99	1.070	1.000	1.000	1.06		
OP - Radiology	583	74	3.59	1.032	1.020	3.78	1.000	3.78	1.070	1.000	1.000	4.05		
OP - Surgery	43	1,785	6.37	1.046	1.020	6.80	1.000	6.80	1.100	1.000	1.000	7.48		
OP - Other	119	481	4.75	1.032	1.020	5.01	1.000	5.01	1.070	1.000	1.000	5.36		
Subtotal - Outpatient	1,304	227	24.62			26.15	1.000	26.15	1.070	1.000	1.000	28.48		
Prof - Evaluation & Management	3,064	65	16.49	1.023	1.015	17.14	1.000	17.14	1.050	1.000	1.000	17.99		
Prof - Maternity	20	949	1.56	1.023	1.015	1.62	1.000	1.62	1.050	1.000	1.000	1.71		
Prof - Surgery	202	110	1.85	1.023	1.015	1.93	1.000	1.93	1.050	1.000	1.000	2.02		
Prof - DME/Supplies	23	236	0.45	1.023	1.015	0.47	1.000	0.47	1.050	1.000	1.000	0.50		
Prof - Lab	3,936	13	4.32	1.023	1.015	4.48	1.000	4.48	1.050	1.000	1.000	4.71		
Prof - Radiology	693	37	2.12	1.023	1.015	2.20	1.000	2.20	1.050	1.000	1.000	2.31		
Prof - Transportation	43	147	0.53	1.023	1.015	0.55	1.000	0.55	1.050	1.000	1.000	0.58		
Prof - Other	6,886	15	8.68	1.023	1.015	9.02	1.000	9.02	1.050	1.000	1.000	9.47		
Subtotal - Professional	14,868	29	36.02			37.42	1.000	37.42	1.050	1.000	1.000	39.29		
Total			\$ 73.30			\$ 77.43	1.000	\$ 77.43	1.053	1.000	1.000	\$ 82.04		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			\$ 79.89			\$ 84.39		\$ 84.39				\$ 89.42	\$ 96.45	\$ 94.11

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Development of Per Capita Costs:**

**Exhibit 3b**

**West**

Uninsured/Uninsurable														
Age 14 - 18 Male														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 4 MONTHS	MCO CAP 8 MONTHS	Total
Member Months			18,554					18,736				6,013	12,026	18,039
Home Health Care	925	7	0.51	1.069	1.043	0.57	1.000	0.57	1.150	1.000	1.000	0.66		
IP - Maternity	-	-	-	1.014	1.080	-	1.000	-	1.030	1.000	1.000	-		
IP - Newborn	-	-	-	1.014	1.080	-	1.000	-	1.030	1.000	1.000	-		
IP - Medical	125	839	8.73	1.014	1.080	9.56	1.000	9.56	1.030	1.000	1.000	9.85		
IP - Surgery	23	593	1.15	1.014	1.080	1.26	1.000	1.26	1.030	1.000	1.000	1.30		
IP - Other	-	-	-	1.014	1.080	-	1.000	-	1.030	1.000	1.000	-		
Subtotal - Inpatient	148	801	9.88			10.82	1.000	10.82	1.030	1.000	1.000	11.14		
OP - Emergency Room	259	348	7.52	1.046	1.020	8.03	1.000	8.03	1.100	1.000	1.000	8.83		
OP - Laboratory	549	41	1.88	1.032	1.020	1.98	1.000	1.98	1.070	1.000	1.000	2.12		
OP - Radiology	508	65	2.75	1.032	1.020	2.89	1.000	2.89	1.070	1.000	1.000	3.10		
OP - Surgery	60	1,634	8.10	1.046	1.020	8.65	1.000	8.65	1.100	1.000	1.000	9.51		
OP - Other	86	427	3.06	1.032	1.020	3.22	1.000	3.22	1.070	1.000	1.000	3.45		
Subtotal - Outpatient	1,462	191	23.31			24.78	1.000	24.78	1.070	1.000	1.000	27.01		
Prof - Evaluation & Management	2,277	64	12.15	1.023	1.015	12.63	1.000	12.63	1.050	1.000	1.000	13.26		
Prof - Maternity	-	-	-	1.023	1.015	-	1.000	-	1.050	1.000	1.000	-		
Prof - Surgery	235	153	3.01	1.023	1.015	3.12	1.000	3.12	1.050	1.000	1.000	3.28		
Prof - DME/Supplies	45	385	1.43	1.023	1.015	1.49	1.000	1.49	1.050	1.000	1.000	1.56		
Prof - Lab	1,528	11	1.44	1.023	1.015	1.49	1.000	1.49	1.050	1.000	1.000	1.57		
Prof - Radiology	695	29	1.69	1.023	1.015	1.76	1.000	1.76	1.050	1.000	1.000	1.85		
Prof - Transportation	41	276	0.95	1.023	1.015	0.99	1.000	0.99	1.050	1.000	1.000	1.04		
Prof - Other	7,438	13	7.85	1.023	1.015	8.16	1.000	8.16	1.050	1.000	1.000	8.57		
Subtotal - Professional	12,259	28	28.53			29.64	1.000	29.64	1.050	1.000	1.000	31.12		
Total			\$ 62.24			\$ 65.81	1.000	\$ 65.81	1.055	1.000	1.000	\$ 69.94		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			\$ 67.83			\$ 71.73		\$ 71.73				\$ 76.22	\$ 78.47	\$ 77.72

**TennCare**  
**FY 2009 Per Capita Cost Development**  
 Development of Per Capita Costs:

**Exhibit 3b**

**West**

<b>Disabled All Ages</b>														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 4 MONTHS	MCO CAP 8 MONTHS	Total
Member Months			459,974					460,715				146,617	293,235	439,852
Home Health Care	6,027	84	42.10	1.069	1.043	46.92	0.998	46.85	1.150	1.000	0.999	53.82		
IP - Maternity	28	790	1.83	1.014	1.080	2.01	1.000	2.01	1.030	1.000	1.000	2.07		
IP - Newborn	75	1,367	8.57	1.014	1.080	9.38	0.997	9.36	1.030	1.000	0.998	9.63		
IP - Medical	1,438	738	88.40	1.014	1.080	96.78	1.000	96.81	1.030	1.000	1.000	99.72		
IP - Surgery	447	1,204	44.89	1.014	1.080	49.15	1.000	49.16	1.030	1.000	1.000	50.64		
IP - Other	67	1,844	10.32	1.014	1.080	11.30	1.001	11.302	1.030	1.000	1.000	11.64		
Subtotal - Inpatient	2,056	899	154.02			168.63	1.000	168.64	1.030	1.000	1.000	173.71		
OP - Emergency Room	936	378	29.45	1.046	1.020	31.43	1.000	31.43	1.100	1.000	1.000	34.58		
OP - Laboratory	1,120	24	2.23	1.032	1.020	2.35	1.000	2.35	1.070	1.000	1.000	2.52		
OP - Radiology	3,097	49	12.72	1.032	1.020	13.40	1.000	13.41	1.070	1.000	1.000	14.35		
OP - Surgery	265	2,177	48.13	1.046	1.020	51.38	1.000	51.38	1.100	1.000	1.000	56.52		
OP - Other	690	655	37.64	1.032	1.020	39.65	0.999	39.63	1.070	1.000	1.000	42.38		
Subtotal - Outpatient	6,107	256	130.18			138.21	1.000	138.20	1.088	1.000	1.000	150.36		
Prof - Evaluation & Management	8,147	76	51.31	1.023	1.015	53.31	1.000	53.32	1.050	1.000	1.000	56.00		
Prof - Maternity	15	729	0.89	1.023	1.015	0.92	1.000	0.92	1.050	1.000	1.000	0.97		
Prof - Surgery	922	185	14.19	1.023	1.015	14.75	1.000	14.75	1.050	1.000	1.000	15.49		
Prof - DME/Supplies	569	299	14.17	1.023	1.015	14.72	1.000	14.72	1.050	1.000	1.000	15.46		
Prof - Lab	9,466	11	9.03	1.023	1.015	9.39	1.000	9.39	1.050	1.000	1.000	9.86		
Prof - Radiology	3,505	58	16.99	1.023	1.015	17.65	1.001	17.66	1.050	1.000	1.000	18.55		
Prof - Transportation	1,219	113	11.45	1.023	1.015	11.90	1.000	11.90	1.050	1.000	1.000	12.50		
Prof - Other	124,539	6	63.90	1.023	1.015	66.39	1.000	66.39	1.050	1.000	1.000	69.71		
Subtotal - Professional	148,381	15	181.94			189.03	1.000	189.07	1.050	1.000	1.000	198.54		
Total			\$ 508.24			\$ 542.79	1.000	\$ 542.75	1.062	1.000	1.000	\$ 576.43		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			\$ 553.94			\$ 591.60		\$ 591.56				\$ 628.26	\$ 649.45	\$ 642.39

**TennCare**  
**FY 2009 Per Capita Cost Development**  
 Development of Per Capita Costs:

**Exhibit 3b**

**West**

<b>Disabled Age &lt;21</b>														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					Total
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 4 MONTHS	MCO CAP 8 MONTHS	
Member Months			75,238					75,108				23,856	47,712	71,568
Home Health Care	12,042	142	142.04	1.069	1.043	158.28	1.000	158.28	1.150	1.000	1.000	182.02		
IP - Maternity	28	915	2.16	1.014	1.080	2.37	1.000	2.37	1.030	1.000	1.000	2.44		
IP - Newborn	340	1,537	43.58	1.014	1.080	47.71	1.000	47.71	1.030	1.000	1.000	49.15		
IP - Medical	519	1,318	56.99	1.014	1.080	62.40	1.000	62.40	1.030	1.000	1.000	64.27		
IP - Surgery	205	1,756	29.94	1.014	1.080	32.78	1.000	32.78	1.030	1.000	1.000	33.76		
IP - Other	18	1,155	1.70	1.014	1.080	1.86	1.000	1.865	1.030	1.000	1.000	1.92		
Subtotal - Inpatient	1,110	1,453	134.38			147.13	1.000	147.13	1.030	1.000	1.000	151.54		
OP - Emergency Room	529	499	22.00	1.046	1.020	23.49	1.000	23.49	1.100	1.000	1.000	25.83		
OP - Laboratory	941	33	2.61	1.032	1.020	2.75	1.000	2.75	1.070	1.000	1.000	2.94		
OP - Radiology	558	96	4.45	1.032	1.020	4.69	1.000	4.69	1.070	1.000	1.000	5.02		
OP - Surgery	138	3,435	39.59	1.046	1.020	42.26	1.000	42.26	1.100	1.000	1.000	46.48		
OP - Other	1,058	852	75.18	1.032	1.020	79.19	1.000	79.19	1.070	1.000	1.000	84.73		
Subtotal - Outpatient	3,225	535	143.82			152.37	1.000	152.37	1.070	1.000	1.000	165.00		
Prof - Evaluation & Management	4,637	87	33.48	1.023	1.015	34.79	1.000	34.79	1.050	1.000	1.000	36.53		
Prof - Maternity	13	861	0.95	1.023	1.015	0.99	1.000	0.99	1.050	1.000	1.000	1.04		
Prof - Surgery	334	256	7.12	1.023	1.015	7.40	1.000	7.40	1.050	1.000	1.000	7.77		
Prof - DME/Supplies	466	466	18.11	1.023	1.015	18.81	1.000	18.81	1.050	1.000	1.000	19.75		
Prof - Lab	3,245	12	3.18	1.023	1.015	3.31	1.000	3.31	1.050	1.000	1.000	3.47		
Prof - Radiology	1,424	28	3.35	1.023	1.015	3.48	1.000	3.48	1.050	1.000	1.000	3.65		
Prof - Transportation	331	146	4.02	1.023	1.015	4.18	1.000	4.18	1.050	1.000	1.000	4.38		
Prof - Other	213,233	4	62.45	1.023	1.015	64.88	1.000	64.88	1.050	1.000	1.000	68.13		
Subtotal - Professional	223,684	7	132.66			137.83	1.000	137.83	1.050	1.000	1.000	144.73		
<b>Total</b>			<b>\$ 552.91</b>			<b>\$ 595.60</b>	<b>1.000</b>	<b>\$ 595.60</b>	<b>1.077</b>	<b>1.000</b>	<b>1.003</b>	<b>\$ 643.29</b>		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
<b>Total Premium Rate</b>			<b>\$ 602.62</b>			<b>\$ 649.16</b>		<b>\$ 649.16</b>				<b>\$ 701.13</b>	<b>\$ 780.67</b>	<b>\$ 754.16</b>

**TennCare**  
**FY 2009 Per Capita Cost Development**  
 Development of Per Capita Costs:

**Exhibit 3b**

**West**

<b>Disabled Age 21+</b>														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 4 MONTHS	MCO CAP 8 MONTHS	Total
Member Months			384,737					385,607				122,761	245,523	368,284
Home Health Care	4,851	56	22.56	1.069	1.043	25.14	1.000	25.14	1.150	1.000	1.000	28.91		
IP - Maternity	28	765	1.77	1.014	1.080	1.94	1.000	1.94	1.030	1.000	1.000	2.00		
IP - Newborn	23	884	1.72	1.014	1.080	1.89	1.000	1.89	1.030	1.000	1.000	1.95		
IP - Medical	1,618	701	94.54	1.014	1.080	103.51	1.000	103.51	1.030	1.000	1.000	106.61		
IP - Surgery	495	1,160	47.82	1.014	1.080	52.35	1.000	52.35	1.030	1.000	1.000	53.93		
IP - Other	77	1,875	12.00	1.014	1.080	13.14	1.000	13.14	1.030	1.000	1.000	13.53		
Subtotal - Inpatient	2,241	845	157.86			172.83	1.000	172.83	1.030	1.000	1.000	178.01		
OP - Emergency Room	1,015	365	30.90	1.046	1.020	32.98	1.000	32.98	1.100	1.000	1.000	36.28		
OP - Laboratory	1,155	22	2.16	1.032	1.020	2.28	1.000	2.28	1.070	1.000	1.000	2.44		
OP - Radiology	3,593	48	14.34	1.032	1.020	15.11	1.000	15.11	1.070	1.000	1.000	16.16		
OP - Surgery	290	2,060	49.80	1.046	1.020	53.16	1.000	53.16	1.100	1.000	1.000	58.48		
OP - Other	617	589	30.30	1.032	1.020	31.92	1.000	31.92	1.070	1.000	1.000	34.15		
Subtotal - Outpatient	6,671	229	127.51			135.44	1.000	135.44	1.070	1.000	1.000	147.51		
Prof - Evaluation & Management	8,833	74	54.80	1.023	1.015	56.93	1.000	56.93	1.050	1.000	1.000	59.78		
Prof - Maternity	15	706	0.88	1.023	1.015	0.91	1.000	0.91	1.050	1.000	1.000	0.96		
Prof - Surgery	1,036	180	15.58	1.023	1.015	16.18	1.000	16.18	1.050	1.000	1.000	16.99		
Prof - DME/Supplies	589	273	13.40	1.023	1.015	13.93	1.000	13.93	1.050	1.000	1.000	14.62		
Prof - Lab	10,683	11	10.18	1.023	1.015	10.58	1.000	10.58	1.050	1.000	1.000	11.10		
Prof - Radiology	3,912	60	19.65	1.023	1.015	20.42	1.000	20.42	1.050	1.000	1.000	21.44		
Prof - Transportation	1,393	111	12.91	1.023	1.015	13.41	1.000	13.41	1.050	1.000	1.000	14.08		
Prof - Other	107,195	7	64.19	1.023	1.015	66.69	1.000	66.69	1.050	1.000	1.000	70.02		
Subtotal - Professional	133,656	17	191.57			199.05	1.000	199.05	1.050	1.000	1.000	209.00		
Total			\$ 499.50			\$ 532.46	1.000	\$ 532.46	1.053	1.000	1.005	\$ 563.43		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			\$ 544.42			\$ 580.34		\$ 580.34				\$ 614.10	\$ 623.95	\$ 620.67

**TennCare**  
**FY 2009 Per Capita Cost Development**  
 Development of Per Capita Costs:

**Exhibit 3b**

**West**

Duals/Waiver Duals														
All Ages														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 4 MONTHS	MCO CAP 8 MONTHS	Total
Member Months			622,911					629,697				201,769	403,537	605,306
Home Health Care	1,255	123	12.84	1.069	1.043	14.31	1.000	14.31	1.150	1.000	1.000	16.46		
IP - Maternity	0	836	0.03	1.014	1.080	0.03	1.000	0.03	1.030	1.000	1.000	0.03		
IP - Newborn	1	1,079	0.12	1.014	1.080	0.13	1.000	0.13	1.030	1.000	1.000	0.14		
IP - Medical	291	214	5.20	1.014	1.080	5.70	1.000	5.70	1.030	1.000	1.000	5.87		
IP - Surgery	9	952	0.73	1.014	1.080	0.80	1.000	0.80	1.030	1.000	1.000	0.83		
IP - Other	23	194	0.38	1.014	1.080	0.42	1.000	0.416	1.030	1.000	1.000	0.43		
Subtotal - Inpatient	326	238	6.46			7.08	1.000	7.08	1.030	1.000	1.000	7.29		
OP - Emergency Room	18	372	0.57	1.046	1.020	0.61	1.000	0.61	1.100	1.000	1.000	0.67		
OP - Laboratory	17	32	0.05	1.032	1.020	0.05	1.000	0.05	1.070	1.000	1.000	0.05		
OP - Radiology	60	44	0.22	1.032	1.020	0.23	1.000	0.23	1.070	1.000	1.000	0.25		
OP - Surgery	6	2,049	1.04	1.046	1.020	1.11	1.000	1.11	1.100	1.000	1.000	1.22		
OP - Other	80	1,982	13.22	1.032	1.020	13.92	1.000	13.92	1.070	1.000	1.000	14.90		
Subtotal - Outpatient	182	997	15.09			15.92	1.000	15.92	1.073	1.000	1.000	17.08		
Prof - Evaluation & Management	202	71	1.19	1.023	1.015	1.24	1.000	1.24	1.050	1.000	1.000	1.30		
Prof - Maternity	1	328	0.03	1.023	1.015	0.03	1.000	0.03	1.050	1.000	1.000	0.03		
Prof - Surgery	29	158	0.38	1.023	1.015	0.39	1.000	0.39	1.050	1.000	1.000	0.41		
Prof - DME/Supplies	21	234	0.42	1.023	1.015	0.43	1.000	0.43	1.050	1.000	1.000	0.45		
Prof - Lab	195	13	0.21	1.023	1.015	0.22	1.000	0.22	1.050	1.000	1.000	0.23		
Prof - Radiology	73	51	0.31	1.023	1.015	0.32	1.000	0.32	1.050	1.000	1.000	0.34		
Prof - Transportation	1,614	82	11.06	1.023	1.015	11.50	1.000	11.50	1.050	1.000	1.000	12.07		
Prof - Other	38,527	1	4.33	1.023	1.015	4.50	1.000	4.50	1.050	1.000	1.000	4.73		
Subtotal - Professional	40,662	5	17.93			18.63	1.000	18.63	1.050	1.000	1.000	19.56		
Total			\$ 52.32			\$ 55.93	1.000	\$ 55.93	1.080	1.000	1.000	\$ 60.39		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			\$ 57.03			\$ 60.96		\$ 60.96				\$ 65.82	\$ 62.64	\$ 63.70

**TennCare**  
**FY 2009 Per Capita Cost Development**  
 Development of Per Capita Costs:

Exhibit 3b

**West**

Total For All Aid Categories														
All Ages														
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development					
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 4 MONTHS	MCO CAP 8 MONTHS	Total
Member Months			4,309,289					4,357,606				1,395,966	2,791,931	4,187,897
Home Health Care	954	88	7.00	1.062	1.043	7.76	0.999	7.75	1.145	1.000	0.999	8.87		
IP - Maternity	87	758	5.48	1.017	1.080	6.01	0.999	6.01	1.031	1.000	1.003	6.21		
IP - Newborn	72	992	5.93	1.015	1.080	6.50	1.005	6.54	1.030	1.000	0.993	6.69		
IP - Medical	301	678	16.99	1.010	1.080	18.52	1.002	18.55	1.027	1.000	0.999	19.03		
IP - Surgery	85	1,251	8.87	1.010	1.080	9.68	1.003	9.71	1.027	1.000	0.999	9.95		
IP - Other	12	1,398	1.44	1.007	1.080	1.56	1.000	1.565	1.025	1.000	1.000	1.61		
Subtotal - Inpatient	557	834	38.71			42.28	1.002	42.37	1.028	1.000	0.999	43.49		
OP - Emergency Room	560	361	16.86	1.047	1.020	18.01	1.001	18.02	1.100	1.000	1.000	19.82		
OP - Laboratory	341	23	0.65	1.029	1.020	0.68	1.000	0.68	1.068	1.000	1.000	0.73		
OP - Radiology	772	54	3.45	1.029	1.020	3.62	1.002	3.63	1.068	1.000	1.002	3.88		
OP - Surgery	88	1,969	14.37	1.044	1.020	15.30	1.000	15.30	1.098	1.000	1.001	16.82		
OP - Other	218	681	12.35	1.030	1.020	12.99	0.999	12.97	1.068	1.000	0.998	13.84		
Subtotal - Outpatient	1,978	289	47.68			50.60	1.000	50.61	1.088	1.000	1.000	55.09		
Prof - Evaluation & Management	3,750	77	24.09	1.023	1.015	25.02	1.001	25.05	1.049	1.000	0.999	26.26		
Prof - Maternity	52	767	3.30	1.026	1.015	3.44	0.999	3.44	1.051	1.000	1.003	3.62		
Prof - Surgery	318	161	4.26	1.021	1.015	4.42	1.002	4.42	1.048	1.000	1.001	4.64		
Prof - DME/Supplies	97	267	2.17	1.017	1.015	2.24	1.001	2.24	1.045	1.000	1.001	2.35		
Prof - Lab	4,156	13	4.34	1.023	1.015	4.51	1.000	4.51	1.049	1.000	1.002	4.74		
Prof - Radiology	1,145	48	4.55	1.021	1.015	4.71	1.002	4.72	1.048	1.000	1.002	4.96		
Prof - Transportation	451	104	3.91	1.021	1.015	4.05	1.001	4.06	1.048	1.000	1.000	4.25		
Prof - Other	26,938	7	14.91	1.020	1.015	15.44	1.000	15.44	1.047	1.000	1.000	16.17		
Subtotal - Professional	36,908	20	61.53			63.82	1.001	63.88	1.049	1.000	1.000	66.99		
Total			\$ 154.93			\$ 164.46	1.001	\$ 164.61	1.060	1.000	1.000	\$ 174.44		
Admin %			6.3%			6.3%		6.3%				6.3%		
Premium Tax			2.0%			2.0%		2.0%				2.0%		
Total Premium Rate			\$ 168.86			\$ 179.25		\$ 179.41				\$ 190.13	\$ 197.58	\$ 195.10



**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Development of Per Capita Costs:**

**Exhibit 4b**

**West**

Total For All Aid Categories All Ages											
Service Category	Admin Loads	11/2006 through 10/2007 Incurred		Fiscal Year 2008		Fiscal Year 2009					
		PMPM	Total	PMPM	Total	PMPM	FFS 4 MONHTS	MCO CAP	CAP 8-MONTHS	PMPM	TOTAL
Member Months			4,309,289		4,357,606		1,395,966		2,791,931		4,187,897
Home Health Care		\$ 7.00	\$ 30,176,741	\$ 7.75	\$ 33,779,425	\$ 8.87	\$ 12,387,828				
IP - Maternity		\$ 5.48	\$ 23,604,983	\$ 6.01	\$ 26,187,443	\$ 6.21	\$ 8,673,173				
IP - Newborn		\$ 5.93	\$ 25,564,144	\$ 6.54	\$ 28,493,211	\$ 6.69	\$ 9,340,182				
IP - Medical		\$ 16.99	\$ 73,222,510	\$ 18.55	\$ 80,854,014	\$ 19.03	\$ 26,563,648				
IP - Surgery		\$ 8.87	\$ 38,241,591	\$ 9.71	\$ 42,296,444	\$ 9.95	\$ 13,895,788				
IP - Other		\$ 1.44	\$ 6,200,853	\$ 1.57	\$ 6,821,438	\$ 1.61	\$ 2,240,546				
Subtotal - Inpatient		\$ 38.71	\$ 166,834,081	\$ 42.37	\$ 184,652,549	\$ 43.49	\$ 60,713,336				
OP - Emergency Room		\$ 16.86	\$ 72,667,540	\$ 18.02	\$ 78,544,921	\$ 19.82	\$ 27,669,286				
OP - Laboratory		\$ 0.65	\$ 2,810,834	\$ 0.68	\$ 2,983,862	\$ 0.73	\$ 1,020,482				
OP - Radiology		\$ 3.45	\$ 14,845,758	\$ 3.63	\$ 15,797,844	\$ 3.88	\$ 5,412,540				
OP - Surgery		\$ 14.37	\$ 61,922,186	\$ 15.30	\$ 66,675,661	\$ 16.82	\$ 23,480,892				
OP - Other		\$ 12.35	\$ 53,233,637	\$ 12.97	\$ 56,523,408	\$ 13.84	\$ 19,313,999				
Subtotal - Outpatient		\$ 47.68	\$ 205,479,955	\$ 50.61	\$ 220,525,696	\$ 55.09	\$ 76,897,200				
Prof - Evaluation & Management		\$ 24.09	\$ 103,827,703	\$ 25.05	\$ 109,156,666	\$ 26.26	\$ 36,662,726				
Prof - Maternity		\$ 3.30	\$ 14,223,659	\$ 3.44	\$ 14,978,836	\$ 3.62	\$ 5,057,554				
Prof - Surgery		\$ 4.26	\$ 18,357,697	\$ 4.42	\$ 19,281,056	\$ 4.64	\$ 6,481,405				
Prof - DME/Supplies		\$ 2.17	\$ 9,347,199	\$ 2.24	\$ 9,773,696	\$ 2.35	\$ 3,275,363				
Prof - Lab		\$ 4.34	\$ 18,691,845	\$ 4.51	\$ 19,637,170	\$ 4.74	\$ 6,612,936				
Prof - Radiology		\$ 4.55	\$ 19,588,959	\$ 4.72	\$ 20,567,973	\$ 4.96	\$ 6,919,040				
Prof - Transportation		\$ 3.91	\$ 16,846,994	\$ 4.06	\$ 17,671,093	\$ 4.25	\$ 5,935,961				
Prof - Other		\$ 14.91	\$ 64,254,192	\$ 15.44	\$ 67,288,473	\$ 16.17	\$ 22,569,761				
Subtotal - Professional		\$ 61.53	\$ 265,138,248	\$ 63.88	\$ 278,354,963	\$ 66.99	\$ 93,514,747				
Total		\$ 154.93	\$ 667,629,025	\$ 164.61	\$ 717,312,632	\$ 174.44	\$ 243,513,112				
Admin %	6.3%	\$ 10.55	\$ 45,478,816	\$ 11.21	\$ 48,863,258	\$ 11.88	\$ 16,588,087				
Premium Tax	2.0%	\$ 3.38	\$ 14,553,221	\$ 3.59	\$ 15,636,243	\$ 3.80	\$ 5,308,188				
Total Premium Rate		\$ 168.86	\$ 727,661,062	\$ 179.41	\$ 781,812,133	\$ 190.13	\$ 265,409,386	\$ 197.58	\$ 551,628,647	\$ 195.10	\$ 817,038,033

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Development of Per Capita Costs:**

**Exhibit 5b**

**West**

Aid Category	Age Group	Fiscal Year 2008			Fiscal Year 2009		
		Members	PMPM	Total	Members	PMPM	Total
Medicaid (TANF & Related)	Age Under 1	84,964	\$ 430.31	\$ 36,560,654	79,315	\$ 463.05	\$ 36,726,670
	Age 1 - 13	1,582,375	\$ 87.50	\$ 138,463,021	1,520,780	\$ 95.98	\$ 145,960,847
	Age 14 - 20 Female	336,971	\$ 166.97	\$ 56,265,105	323,910	\$ 182.70	\$ 59,179,629
	Age 14 - 20 Male	271,148	\$ 65.94	\$ 17,879,817	260,505	\$ 79.61	\$ 20,739,880
	Age 21 - 44 Female	691,620	\$ 251.58	\$ 174,001,025	668,457	\$ 272.31	\$ 182,024,435
	Age 21 - 44 Male	111,396	\$ 109.28	\$ 12,173,311	109,328	\$ 124.23	\$ 13,581,713
	Age 45 - 64	84,757	\$ 307.75	\$ 26,084,255	82,475	\$ 341.17	\$ 28,138,370
	Age 65+	6,777	\$ 298.80	\$ 2,024,932	6,089	\$ 308.72	\$ 1,879,862
	All Ages	3,170,007	\$ 146.20	\$ 463,452,118	3,050,860	\$ 160.03	\$ 488,231,406
Uninsured/Uninsurable	Age Under 1	-	\$ -	\$ -	-	\$ -	\$ -
	Age 1 - 13	51,136	\$ 63.64	\$ 3,254,133	48,791	\$ 70.00	\$ 3,415,271
	Age 14 - 18 Female	18,144	\$ 84.39	\$ 1,531,208	17,339	\$ 94.11	\$ 1,631,681
	Age 14 - 18 Male	18,736	\$ 71.73	\$ 1,343,855	18,039	\$ 77.72	\$ 1,402,009
	Age 19 - 20	6,823	\$ 76.09	\$ 519,175	5,521	\$ 85.18	\$ 470,312
	Age 21+	2,349	\$ 333.80	\$ 784,155	2,189	\$ 353.83	\$ 774,457
	All Ages	97,188	\$ 76.48	\$ 7,432,525	91,879	\$ 83.74	\$ 7,693,731
Disabled	Age <21	75,108	\$ 649.16	\$ 48,757,150	71,568	\$ 754.16	\$ 53,973,667
	Age 21+	385,607	\$ 580.34	\$ 223,782,594	368,284	\$ 620.67	\$ 228,581,436
	All Ages	460,715	\$ 591.56	\$ 272,539,744	439,852	\$ 642.39	\$ 282,555,102
Duals/Waiver Duals	All Ages	629,697	\$ 60.96	\$ 38,387,746	605,306	\$ 63.70	\$ 38,557,794
All Groups	All Ages	4,357,606	\$ 179.41	\$ 781,812,133	4,187,897	\$ 195.10	\$ 817,038,033

**Additional Payment From BHO Under MCO Risk Contract - November 2008**

		Fiscal Year 2009		
		8-months	PMPM	Total
State Only & Judicials	All Ages	12,824	\$ 558.22	\$ 7,158,799
BHO Priority	All Ages	168,905	\$ 243.05	\$ 41,052,481
All Groups With Additional BHO Payments		4,357,606	179.41	\$ 781,812,133
		4,200,721	205.98	\$ 865,249,313

TennCare  
 FY 2009 Per Capita Cost Development  
 Trend Assumption

Exhibit 6b

West
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TANF & Related  
 Uninsured & Underinsured

	Historical Trend	Current Trend	Fee Increase 7/2006 Adjustments	Months From Data Period* Midpoint of 5/1/2007 to		Trend FY2008	Annual FY2009	Factor July-Oct 08
				Midpoint of FY2008	Midpoint of July-Oct 08			
Home Health Care	10.5%	15.0%	0.0%	8	16	1.069	1.150	1.229
IP - Maternity	2.1%	3.0%	0.0%	8	16	1.014	1.030	1.044
IP - Newborn	2.1%	3.0%	0.0%	8	16	1.014	1.030	1.044
IP - Medical	2.1%	3.0%	0.0%	8	16	1.014	1.030	1.044
IP - Surgery	2.1%	3.0%	0.0%	8	16	1.014	1.030	1.044
IP - Other	2.1%	3.0%	0.0%	8	16	1.014	1.030	1.044
OP - Emergency Room	7.0%	10.0%	0.0%	8	16	1.046	1.100	1.151
OP - Laboratory	4.9%	7.0%	0.0%	8	16	1.032	1.070	1.105
OP - Radiology	4.9%	7.0%	0.0%	8	16	1.032	1.070	1.105
OP - Surgery	7.0%	10.0%	0.0%	8	16	1.046	1.100	1.151
OP - Other	4.9%	7.0%	0.0%	8	16	1.032	1.070	1.105
Prof - Evaluation & Management	3.5%	5.0%	0.0%	8	16	1.023	1.050	1.074
Prof - Maternity	3.5%	5.0%	0.0%	8	16	1.023	1.050	1.074
Prof - Surgery	3.5%	5.0%	0.0%	8	16	1.023	1.050	1.074
Prof - DME/Supplies	3.5%	5.0%	0.0%	8	16	1.023	1.050	1.074
Prof - Lab	3.5%	5.0%	0.0%	8	16	1.023	1.050	1.074
Prof - Radiology	3.5%	5.0%	0.0%	8	16	1.023	1.050	1.074
Prof - Transportation	3.5%	5.0%	0.0%	8	16	1.023	1.050	1.074
Prof - Other	3.5%	5.0%	0.0%	8	16	1.023	1.050	1.074

TennCare  
 FY 2009 Per Capita Cost Development  
 Trend Assumption

Exhibit 6b

West
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Disabled, Duals, Waiver Duals

	Historical Trend	Current Trend	Fee Increase 7/2006 Adjustments	Months From Data Period*		Trend FY2008	Annual FY2009	Factor July-Oct 08
				Midpoint of 5/1/2007 to FY2008	Midpoint of July-Oct 08			
Home Health Care	10.5%	15.0%	0.0%	8	16	1.069	1.150	1.229
IP - Maternity	2.1%	3.0%	0.0%	8	16	1.014	1.030	1.044
IP - Newborn	2.1%	3.0%	0.0%	8	16	1.014	1.030	1.044
IP - Medical	2.1%	3.0%	0.0%	8	16	1.014	1.030	1.044
IP - Surgery	2.1%	3.0%	0.0%	8	16	1.014	1.030	1.044
IP - Other	2.1%	3.0%	0.0%	8	16	1.014	1.030	1.044
OP - Emergency Room	7.0%	10.0%	0.0%	8	16	1.046	1.100	1.151
OP - Laboratory	4.9%	7.0%	0.0%	8	16	1.032	1.070	1.105
OP - Radiology	4.9%	7.0%	0.0%	8	16	1.032	1.070	1.105
OP - Surgery	7.0%	10.0%	0.0%	8	16	1.046	1.100	1.151
OP - Other	4.9%	7.0%	0.0%	8	16	1.032	1.070	1.105
Prof - Evaluation & Management	3.5%	5.0%	0.0%	8	16	1.023	1.050	1.074
Prof - Maternity	3.5%	5.0%	0.0%	8	16	1.023	1.050	1.074
Prof - Surgery	3.5%	5.0%	0.0%	8	16	1.023	1.050	1.074
Prof - DME/Supplies	3.5%	5.0%	0.0%	8	16	1.023	1.050	1.074
Prof - Lab	3.5%	5.0%	0.0%	8	16	1.023	1.050	1.074
Prof - Radiology	3.5%	5.0%	0.0%	8	16	1.023	1.050	1.074
Prof - Transportation	3.5%	5.0%	0.0%	8	16	1.023	1.050	1.074
Prof - Other	3.5%	5.0%	0.0%	8	16	1.023	1.050	1.074

TennCare  
 FY 2009 Per Capita Cost Development  
 Historical Encounter Data

Exhibit 2c

Statewide

TCS High

Total For All Aid Categories All Ages							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	709,346						
Home Health Care	67,738,945	63,055,611	245,785	4,158	275.60	256.55	88.89
IP - Maternity	3,616,177	2,152,302	2,308	39	1,566.80	932.54	3.03
IP - Newborn	75,246,210	30,465,155	19,755	334	3,808.97	1,542.15	42.95
IP - Medical	75,245,489	37,000,215	27,983	473	2,688.97	1,322.24	52.16
IP - Surgery	3,596,857	1,207,268	643	11	5,593.87	1,877.56	1.70
IP - Other	648,071	190,922	242	4	2,677.98	788.93	0.27
Subtotal - Inpatient	158,352,804	71,015,861	50,931	862	3,109.16	1,394.35	100.11
OP - Emergency Room	42,185,314	10,500,043	44,485	753	948.30	236.04	14.80
OP - Laboratory	5,839,223	1,930,514	73,734	1,247	79.19	26.18	2.72
OP - Radiology	10,130,545	2,408,094	36,630	620	276.56	65.74	3.39
OP - Surgery	26,289,423	9,284,439	6,726	114	3,908.63	1,380.38	13.09
OP - Other	25,186,390	9,876,270	50,803	859	495.77	194.40	13.92
Subtotal - Outpatient	109,630,894	33,999,360	212,378	3,593	516.21	160.09	47.93
Prof - Evaluation & Management	49,159,862	20,082,801	294,496	4,982	166.93	68.19	28.31
Prof - Maternity	2,726,608	1,144,690	1,940	33	1,405.47	590.05	1.61
Prof - Surgery	15,491,973	4,303,670	20,487	347	756.19	210.07	6.07
Prof - DME/Supplies	11,675,901	7,966,475	18,017	305	648.05	442.16	11.23
Prof - Lab	5,523,586	2,064,060	141,309	2,391	39.09	14.61	2.91
Prof - Radiology	7,935,067	2,121,762	72,927	1,234	108.81	29.09	2.99
Prof - Transportation	6,022,676	2,427,065	19,492	330	308.98	124.52	3.42
Prof - Other	51,841,314	20,017,206	6,671,479	112,861	7.77	3.00	28.22
Subtotal - Professional	150,376,985	60,127,728	7,240,147	122,481	20.77	8.30	84.76
Total	\$ 486,099,627	\$ 228,198,560					\$ 321.70

**TennCare  
FY 2009 Per Capita Cost Development  
Historical Encounter Data**

**Exhibit 2c**

Statewide

**TCS High**

Medicaid (TANF & Related) All Ages							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	154,500						
Home Health Care	2,506,105	2,328,549	1,190	92	2,105.97	1,956.76	15.07
IP - Maternity	1,182,770	665,708	792	62	1,493.40	840.54	4.31
IP - Newborn	7,455,930	3,728,523	3,349	260	2,226.32	1,113.32	24.13
IP - Medical	6,376,305	2,785,924	2,469	192	2,582.55	1,128.36	18.03
IP - Surgery	542,962	350,619	151	12	3,595.78	2,321.98	2.27
IP - Other	98,167	59,059	97	8	1,012.03	608.85	0.38
Subtotal - Inpatient	15,656,134	7,589,832	6,858	533	2,282.90	1,106.71	49.13
OP - Emergency Room	9,191,338	2,076,994	11,633	904	790.11	178.54	13.44
OP - Laboratory	617,632	204,063	8,120	631	76.06	25.13	1.32
OP - Radiology	1,509,914	333,578	6,984	542	216.20	47.76	2.16
OP - Surgery	3,802,642	1,235,139	1,155	90	3,292.33	1,069.38	7.99
OP - Other	2,518,363	792,012	5,360	416	469.84	147.76	5.13
Subtotal - Outpatient	17,639,889	4,641,786	33,252	2,583	530.49	139.59	30.04
Prof - Evaluation & Management	11,306,464	5,107,925	76,247	5,922	148.29	66.99	33.06
Prof - Maternity	933,280	395,002	690	54	1,352.58	572.47	2.56
Prof - Surgery	2,348,160	672,011	4,288	333	547.61	156.72	4.35
Prof - DME/Supplies	520,044	333,013	1,741	135	298.70	191.28	2.16
Prof - Lab	1,583,531	646,175	50,497	3,922	31.36	12.80	4.18
Prof - Radiology	1,503,504	419,063	13,685	1,063	109.87	30.62	2.71
Prof - Transportation	819,935	262,313	2,195	170	373.55	119.50	1.70
Prof - Other	5,689,892	2,361,695	240,665	18,692	23.64	9.81	15.29
Subtotal - Professional	24,704,809	10,197,197	390,008	30,292	63.34	26.15	66.00
Total	\$ 60,506,938	\$ 24,757,363					\$ 160.24

TennCare  
 FY 2009 Per Capita Cost Development  
 Historical Encounter Data

Exhibit 2c

Statewide

TCS High

Medicaid (TANF & Related)							
Age Under 1							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	4,114						
Home Health Care	33,377	23,431	52	152	641.87	450.59	5.70
IP - Maternity	-	-	-	-	-	-	-
IP - Newborn	4,500,101	2,403,754	1,737	5,067	2,590.73	1,383.85	584.31
IP - Medical	871,984	487,495	448	1,307	1,946.39	1,088.16	118.50
IP - Surgery	99,939	92,757	42	123	2,379.50	2,208.50	22.55
IP - Other	-	-	-	-	-	-	-
Subtotal - Inpatient	5,472,025	2,984,006	2,227	6,496	2,457.13	1,339.92	725.35
OP - Emergency Room	329,072	99,864	479	1,397	687.00	208.48	24.27
OP - Laboratory	25,752	7,831	268	782	96.09	29.22	1.90
OP - Radiology	78,806	20,754	187	545	421.42	110.98	5.04
OP - Surgery	131,944	56,090	42	123	3,141.51	1,335.47	13.63
OP - Other	134,564	46,206	162	473	830.64	285.23	11.23
Subtotal - Outpatient	700,137	230,745	1,138	3,320	615.23	202.76	56.09
Prof - Evaluation & Management	1,876,583	691,585	7,428	21,667	252.64	93.11	168.11
Prof - Maternity	-	-	-	-	-	-	-
Prof - Surgery	237,220	65,793	275	802	862.62	239.25	15.99
Prof - DME/Supplies	94,207	60,661	294	858	320.43	206.33	14.75
Prof - Lab	16,557	5,686	386	1,126	42.89	14.73	1.38
Prof - Radiology	69,846	17,028	1,041	3,037	67.10	16.36	4.14
Prof - Transportation	67,492	18,930	93	271	725.72	203.54	4.60
Prof - Other	695,393	259,092	9,651	28,152	72.05	26.85	62.98
Subtotal - Professional	3,057,299	1,118,776	19,168	55,912	159.50	58.37	271.95
Total	\$ 9,262,837	\$ 4,356,957					\$ 1,059.09

TennCare  
 FY 2009 Per Capita Cost Development  
 Historical Encounter Data

Exhibit 2c

Statewide

TCS High

Medicaid (TANF & Related)							
Age 1 - 13							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	77,347						
Home Health Care	2,175,774	2,018,705	833	129	2,611.97	2,423.42	26.10
IP - Maternity	20,200	3,508	5	1	4,040.07	701.52	0.05
IP - Newborn	1,756,514	747,726	816	127	2,152.59	916.33	9.67
IP - Medical	2,742,911	1,248,860	1,128	175	2,431.66	1,107.15	16.15
IP - Surgery	442,555	251,764	106	16	4,175.05	2,375.13	3.26
IP - Other	45,425	37,525	76	12	597.70	493.75	0.49
Subtotal - Inpatient	5,007,605	2,289,383	2,131	331	2,349.89	1,074.32	29.60
OP - Emergency Room	2,844,690	714,916	4,723	733	602.31	151.37	9.24
OP - Laboratory	301,884	107,590	4,170	647	72.39	25.80	1.39
OP - Radiology	503,453	125,946	1,719	267	292.88	73.27	1.63
OP - Surgery	2,249,829	807,736	720	112	3,124.76	1,121.85	10.44
OP - Other	1,693,824	590,716	4,290	666	394.83	137.70	7.64
Subtotal - Outpatient	7,593,680	2,346,904	15,622	2,424	486.09	150.23	30.34
Prof - Evaluation & Management	4,737,981	2,342,155	37,573	5,829	126.10	62.34	30.28
Prof - Maternity	6,305	2,749	6	1	1,050.83	458.12	0.04
Prof - Surgery	989,287	282,674	1,778	276	556.40	158.98	3.65
Prof - DME/Supplies	292,217	191,749	1,008	156	289.90	190.23	2.48
Prof - Lab	409,446	168,163	16,355	2,537	25.03	10.28	2.17
Prof - Radiology	308,431	77,769	3,886	603	79.37	20.01	1.01
Prof - Transportation	230,680	86,333	772	120	298.81	111.83	1.12
Prof - Other	2,843,445	1,207,342	155,770	24,167	18.25	7.75	15.61
Subtotal - Professional	9,817,791	4,358,934	217,148	33,690	45.21	20.07	56.36
Total	\$ 24,594,850	\$ 11,013,926					\$ 142.40



**TennCare  
FY 2009 Per Capita Cost Development  
Historical Encounter Data**

**Exhibit 2c**

Statewide

**TCS High**

<b>Medicaid (TANF &amp; Related) Age 14 - 20 Female</b>							
<b>November 2006 through October 2007 Incurred; Paid through January 2008</b>							
<b>Service Category</b>	<b>Billed Charges</b>	<b>Paid Expenditures</b>	<b>Units</b>	<b>Units / 1000</b>	<b>Billed Charge /Unit</b>	<b>Paid Expenditures / Unit</b>	<b>Paid Expenditures PMPM</b>
Member Months	29,860						
Home Health Care	74,582	70,470	224	90	332.96	314.60	2.36
IP - Maternity	882,250	461,436	587	236	1,502.98	786.09	15.45
IP - Newborn	570,548	362,325	550	221	1,037.36	658.77	12.13
IP - Medical	511,712	220,354	264	106	1,938.30	834.68	7.38
IP - Surgery	468	2,566	1	0	468.00	2,565.77	0.09
IP - Other	40,642	7,882	17	7	2,390.71	463.65	0.26
Subtotal - Inpatient	2,005,620	1,054,563	1,419	570	1,413.40	743.17	35.32
OP - Emergency Room	2,984,046	643,128	3,103	1,247	961.66	207.26	21.54
OP - Laboratory	190,235	55,847	2,421	973	78.58	23.07	1.87
OP - Radiology	467,578	90,621	2,923	1,175	159.96	31.00	3.03
OP - Surgery	680,251	177,418	213	86	3,193.67	832.95	5.94
OP - Other	380,349	83,606	519	209	732.85	161.09	2.80
Subtotal - Outpatient	4,702,459	1,050,621	9,179	3,689	512.31	114.46	35.18
Prof - Evaluation & Management	2,413,611	1,076,318	16,451	6,611	146.72	65.43	36.04
Prof - Maternity	674,835	288,258	510	205	1,323.21	565.21	9.65
Prof - Surgery	418,162	128,198	1,023	411	408.76	125.32	4.29
Prof - DME/Supplies	52,871	33,459	146	59	362.13	229.17	1.12
Prof - Lab	843,132	343,758	23,005	9,245	36.65	14.94	11.51
Prof - Radiology	593,572	180,387	3,842	1,544	154.50	46.95	6.04
Prof - Transportation	272,189	82,681	754	303	360.99	109.66	2.77
Prof - Other	1,169,450	469,015	30,052	12,077	38.91	15.61	15.71
Subtotal - Professional	6,437,824	2,602,074	75,783	30,455	84.95	34.34	87.14
Total	\$ 13,220,485	\$ 4,777,728					\$ 160.00

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Statewide

TCS High

Medicaid (TANF & Related) Age 14 - 20 Male							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	37,036						
Home Health Care	218,122	214,544	79	26	2,761.04	2,715.75	5.79
IP - Maternity	-	-	-	-	-	-	-
IP - Newborn	-	-	-	-	-	-	-
IP - Medical	1,923,761	678,581	466	151	4,128.24	1,456.18	18.32
IP - Surgery	-	3,532	2	1	-	1,766.23	0.10
IP - Other	-	-	-	-	-	-	-
Subtotal - Inpatient	1,923,761	682,113	468	152	4,110.60	1,457.51	18.42
OP - Emergency Room	2,035,934	437,563	2,284	740	891.39	191.58	11.81
OP - Laboratory	73,305	24,800	889	288	82.46	27.90	0.67
OP - Radiology	343,384	76,772	1,666	540	206.11	46.08	2.07
OP - Surgery	471,103	129,119	112	36	4,206.28	1,152.85	3.49
OP - Other	193,825	49,439	236	76	821.29	209.49	1.33
Subtotal - Outpatient	3,117,552	717,693	5,187	1,681	601.03	138.36	19.38
Prof - Evaluation & Management	1,684,167	793,023	11,581	3,752	145.43	68.48	21.41
Prof - Maternity	-	-	-	-	-	-	-
Prof - Surgery	535,898	144,976	926	300	578.72	156.56	3.91
Prof - DME/Supplies	67,023	38,149	245	79	273.56	155.71	1.03
Prof - Lab	181,577	78,282	7,997	2,591	22.71	9.79	2.11
Prof - Radiology	324,487	83,672	3,522	1,141	92.13	23.76	2.26
Prof - Transportation	155,638	47,153	346	112	449.82	136.28	1.27
Prof - Other	742,970	362,194	41,648	13,494	17.84	8.70	9.78
Subtotal - Professional	3,691,760	1,547,449	66,265	21,470	55.71	23.35	41.78
Total	\$ 8,951,195	\$ 3,161,800					\$ 85.37

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Statewide

**TCS High**

<b>Medicaid (TANF &amp; Related) Age 21 - 44 Female</b>							
<b>November 2006 through October 2007 Incurred; Paid through January 2008</b>							
<b>Service Category</b>	<b>Billed Charges</b>	<b>Paid Expenditures</b>	<b>Units</b>	<b>Units / 1000</b>	<b>Billed Charge /Unit</b>	<b>Paid Expenditures / Unit</b>	<b>Paid Expenditures PMPM</b>
Member Months	4,077						
Home Health Care	4,250	1,398	2	6	2,125.00	699.05	0.34
IP - Maternity	280,319	200,765	200	589	1,401.59	1,003.82	49.25
IP - Newborn	628,767	214,718	246	724	2,555.96	872.84	52.67
IP - Medical	202,559	116,972	149	439	1,359.46	785.05	28.69
IP - Surgery	-	-	-	-	-	-	-
IP - Other	12,100	13,652	4	12	3,025.00	3,412.97	3.35
Subtotal - Inpatient	1,123,745	546,106	599	1,763	1,876.03	911.70	133.96
OP - Emergency Room	829,330	152,873	847	2,493	979.14	180.49	37.50
OP - Laboratory	25,280	7,777	358	1,054	70.61	21.72	1.91
OP - Radiology	88,126	14,425	460	1,354	191.58	31.36	3.54
OP - Surgery	205,910	53,066	60	177	3,431.83	884.44	13.02
OP - Other	109,305	20,393	148	436	738.55	137.79	5.00
Subtotal - Outpatient	1,257,950	248,534	1,873	5,514	671.62	132.69	60.97
Prof - Evaluation & Management	515,980	181,250	2,815	8,287	183.30	64.39	44.46
Prof - Maternity	252,140	103,995	174	512	1,449.08	597.67	25.51
Prof - Surgery	134,647	40,756	231	680	582.89	176.43	10.00
Prof - DME/Supplies	8,891	6,488	38	112	233.97	170.74	1.59
Prof - Lab	129,102	48,871	2,649	7,798	48.74	18.45	11.99
Prof - Radiology	188,139	55,149	1,212	3,568	155.23	45.50	13.53
Prof - Transportation	77,412	22,326	208	612	372.17	107.34	5.48
Prof - Other	216,110	58,602	2,694	7,930	80.22	21.75	14.38
Subtotal - Professional	1,522,420	517,439	10,021	29,499	151.92	51.64	126.93
<b>Total</b>	<b>\$ 3,908,365</b>	<b>\$ 1,313,477</b>					<b>\$ 322.21</b>

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Statewide

TCS High

Medicaid (TANF & Related) Age 21 - 44 Male							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	2,017						
Home Health Care	-	-	-	-	-	-	-
IP - Maternity	-	-	-	-	-	-	-
IP - Newborn	-	-	-	-	-	-	-
IP - Medical	120,955	23,784	8	48	15,119.38	2,973.06	11.79
IP - Surgery	-	-	-	-	-	-	-
IP - Other	-	-	-	-	-	-	-
Subtotal - Inpatient	120,955	23,784	8	48	15,119.38	2,973.06	11.79
OP - Emergency Room	165,307	28,012	190	1,130	870.04	147.43	13.89
OP - Laboratory	1,176	217	14	83	84.02	15.47	0.11
OP - Radiology	27,098	4,681	28	167	967.78	167.17	2.32
OP - Surgery	63,606	11,710	8	48	7,950.79	1,463.79	5.81
OP - Other	4,588	1,048	3	18	1,529.23	349.24	0.52
Subtotal - Outpatient	261,776	45,667	243	1,446	1,077.27	187.93	22.64
Prof - Evaluation & Management	74,845	22,200	377	2,243	198.53	58.89	11.01
Prof - Maternity	-	-	-	-	-	-	-
Prof - Surgery	32,433	9,474	52	309	623.71	182.20	4.70
Prof - DME/Supplies	810	712	9	54	89.97	79.09	0.35
Prof - Lab	3,479	1,318	99	589	35.14	13.32	0.65
Prof - Radiology	18,587	4,966	178	1,059	104.42	27.90	2.46
Prof - Transportation	16,524	4,890	22	131	751.08	222.29	2.42
Prof - Other	18,185	4,526	811	4,825	22.42	5.58	2.24
Subtotal - Professional	164,862	48,087	1,548	9,210	106.50	31.06	23.84
Total	\$ 547,593	\$ 117,539					\$ 58.28

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Statewide

**TCS High**

Medicaid (TANF & Related) Age 45 - 64							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	49						
Home Health Care	-	-	-	-	-	-	-
IP - Maternity	-	-	-	-	-	-	-
IP - Newborn	-	-	-	-	-	-	-
IP - Medical	2,424	9,877	6	1,462	404.00	1,646.12	200.51
IP - Surgery	-	-	-	-	-	-	-
IP - Other	-	-	-	-	-	-	-
Subtotal - Inpatient	2,424	9,877	6	1,462	404.00	1,646.12	200.51
OP - Emergency Room	2,958	639	7	1,705	422.60	91.28	12.97
OP - Laboratory	-	-	-	-	-	-	-
OP - Radiology	1,470	378	1	244	1,470.25	377.91	7.67
OP - Surgery	-	-	-	-	-	-	-
OP - Other	1,908	604	2	487	954.00	302.09	12.27
Subtotal - Outpatient	6,336	1,621	10	2,436	633.64	162.10	32.91
Prof - Evaluation & Management	3,297	1,392	22	5,360	149.84	63.27	28.26
Prof - Maternity	-	-	-	-	-	-	-
Prof - Surgery	513	139	3	731	171.00	46.46	2.83
Prof - DME/Supplies	4,025	1,795	1	244	4,025.00	1,794.56	36.43
Prof - Lab	237	96	6	1,462	39.52	16.06	1.96
Prof - Radiology	443	91	4	974	110.75	22.87	1.86
Prof - Transportation	-	-	-	-	-	-	-
Prof - Other	4,339	924	39	9,501	111.26	23.69	18.76
Subtotal - Professional	12,854	4,438	75	18,271	171.38	59.17	90.09
Total	\$ 21,614	\$ 15,935					\$ 323.51

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Statewide

TCS High

Medicaid (TANF & Related) Age 65+							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	-						
Home Health Care	-	-	-	-	-	-	-
IP - Maternity	-	-	-	-	-	-	-
IP - Newborn	-	-	-	-	-	-	-
IP - Medical	-	-	-	-	-	-	-
IP - Surgery	-	-	-	-	-	-	-
IP - Other	-	-	-	-	-	-	-
Subtotal - Inpatient	-	-	-	-	-	-	-
OP - Emergency Room	-	-	-	-	-	-	-
OP - Laboratory	-	-	-	-	-	-	-
OP - Radiology	-	-	-	-	-	-	-
OP - Surgery	-	-	-	-	-	-	-
OP - Other	-	-	-	-	-	-	-
Subtotal - Outpatient	-	-	-	-	-	-	-
Prof - Evaluation & Management	-	-	-	-	-	-	-
Prof - Maternity	-	-	-	-	-	-	-
Prof - Surgery	-	-	-	-	-	-	-
Prof - DME/Supplies	-	-	-	-	-	-	-
Prof - Lab	-	-	-	-	-	-	-
Prof - Radiology	-	-	-	-	-	-	-
Prof - Transportation	-	-	-	-	-	-	-
Prof - Other	-	-	-	-	-	-	-
Subtotal - Professional	-	-	-	-	-	-	-
Total	\$ -	\$ -					\$ -

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Statewide

TCS High

Uninsured/Uninsurable All Ages							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	773						
Home Health Care	-	-	-	-	-	-	-
IP - Maternity	-	-	-	-	-	-	-
IP - Newborn	-	-	-	-	-	-	-
IP - Medical	1,905	1,093	3	47	635.00	364.47	1.41
IP - Surgery	-	-	-	-	-	-	-
IP - Other	-	-	-	-	-	-	-
Subtotal - Inpatient	1,905	1,093	3	47	635.00	364.47	1.41
OP - Emergency Room	26,576	5,402	38	590	699.37	142.15	6.98
OP - Laboratory	943	213	12	186	78.57	17.75	0.28
OP - Radiology	9,350	1,586	37	574	252.71	42.86	2.05
OP - Surgery	1,538	104	1	16	1,538.44	104.02	0.13
OP - Other	4,016	892	5	78	803.20	178.39	1.15
Subtotal - Outpatient	42,424	8,196	93	1,443	456.17	88.13	10.60
Prof - Evaluation & Management	23,946	9,570	182	2,824	131.57	52.58	12.37
Prof - Maternity	-	-	-	-	-	-	-
Prof - Surgery	3,904	1,289	12	186	325.37	107.45	1.67
Prof - DME/Supplies	1,138	642	6	93	189.74	106.92	0.83
Prof - Lab	3,384	1,207	97	1,505	34.89	12.45	1.56
Prof - Radiology	5,051	1,734	38	590	132.92	45.63	2.24
Prof - Transportation	4,597	1,123	9	140	510.74	124.82	1.45
Prof - Other	10,079	4,962	219	3,398	46.02	22.66	6.42
Subtotal - Professional	52,100	20,527	563	8,736	92.54	36.46	26.54
Total	\$ 96,428	\$ 29,817					\$ 38.55

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Statewide

TCS High

Uninsured/Uninsurable Age Under 1							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	-						
Home Health Care	-	-	-	-	-	-	-
IP - Maternity	-	-	-	-	-	-	-
IP - Newborn	-	-	-	-	-	-	-
IP - Medical	-	-	-	-	-	-	-
IP - Surgery	-	-	-	-	-	-	-
IP - Other	-	-	-	-	-	-	-
Subtotal - Inpatient	-	-	-	-	-	-	-
OP - Emergency Room	-	-	-	-	-	-	-
OP - Laboratory	-	-	-	-	-	-	-
OP - Radiology	-	-	-	-	-	-	-
OP - Surgery	-	-	-	-	-	-	-
OP - Other	-	-	-	-	-	-	-
Subtotal - Outpatient	-	-	-	-	-	-	-
Prof - Evaluation & Management	-	-	-	-	-	-	-
Prof - Maternity	-	-	-	-	-	-	-
Prof - Surgery	-	-	-	-	-	-	-
Prof - DME/Supplies	-	-	-	-	-	-	-
Prof - Lab	-	-	-	-	-	-	-
Prof - Radiology	-	-	-	-	-	-	-
Prof - Transportation	-	-	-	-	-	-	-
Prof - Other	-	-	-	-	-	-	-
Subtotal - Professional	-	-	-	-	-	-	-
Total	\$ -	\$ -					\$ -



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Statewide

TCS High

Uninsured/Uninsurable Age 1 - 13							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	211						
Home Health Care	-	-	-	-	-	-	-
IP - Maternity	-	-	-	-	-	-	-
IP - Newborn	-	-	-	-	-	-	-
IP - Medical	-	-	-	-	-	-	-
IP - Surgery	-	-	-	-	-	-	-
IP - Other	-	-	-	-	-	-	-
Subtotal - Inpatient	-	-	-	-	-	-	-
OP - Emergency Room	4,456	965	11	625	405.08	87.71	4.57
OP - Laboratory	61	20	2	114	30.50	10.15	0.10
OP - Radiology	-	-	-	-	-	-	-
OP - Surgery	-	-	-	-	-	-	-
OP - Other	4,016	892	5	284	803.20	178.39	4.22
Subtotal - Outpatient	8,533	1,877	18	1,022	474.05	104.29	8.88
Prof - Evaluation & Management	5,312	2,306	47	2,669	113.03	49.05	10.91
Prof - Maternity	-	-	-	-	-	-	-
Prof - Surgery	484	279	3	170	161.33	92.86	1.32
Prof - DME/Supplies	42	15	1	57	42.00	15.38	0.07
Prof - Lab	452	179	18	1,022	25.11	9.92	0.84
Prof - Radiology	443	106	7	397	63.29	15.13	0.50
Prof - Transportation	-	-	-	-	-	-	-
Prof - Other	2,398	1,200	59	3,350	40.65	20.34	5.68
Subtotal - Professional	9,132	4,084	135	7,665	67.64	30.25	19.33
Total	\$ 17,664	\$ 5,961					\$ 28.21

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Statewide

TCS High

Uninsured/Uninsurable Age 14 - 18 Female							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	193						
Home Health Care	-	-	-	-	-	-	-
IP - Maternity	-	-	-	-	-	-	-
IP - Newborn	-	-	-	-	-	-	-
IP - Medical	-	-	-	-	-	-	-
IP - Surgery	-	-	-	-	-	-	-
IP - Other	-	-	-	-	-	-	-
Subtotal - Inpatient	-	-	-	-	-	-	-
OP - Emergency Room	11,216	1,562	8	497	1,401.94	195.24	8.09
OP - Laboratory	436	125	6	373	72.68	20.87	0.65
OP - Radiology	1,995	202	4	249	498.75	50.59	1.05
OP - Surgery	-	-	-	-	-	-	-
OP - Other	-	-	-	-	-	-	-
Subtotal - Outpatient	13,647	1,890	18	1,119	758.15	104.97	9.79
Prof - Evaluation & Management	6,189	2,565	56	3,482	110.52	45.80	13.29
Prof - Maternity	-	-	-	-	-	-	-
Prof - Surgery	314	65	1	62	314.00	65.05	0.34
Prof - DME/Supplies	76	13	1	62	76.00	13.33	0.07
Prof - Lab	1,622	632	48	2,985	33.79	13.17	3.28
Prof - Radiology	618	180	8	497	77.23	22.53	0.93
Prof - Transportation	2,169	611	5	311	433.82	122.29	3.17
Prof - Other	1,790	1,097	60	3,731	29.83	18.28	5.68
Subtotal - Professional	12,778	5,164	179	11,131	71.39	28.85	26.76
Total	\$ 26,425	\$ 7,053					\$ 36.55

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Statewide

TCS High

Uninsured/Uninsurable Age 14 - 18 Male							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	289						
Home Health Care	-	-	-	-	-	-	-
IP - Maternity	-	-	-	-	-	-	-
IP - Newborn	-	-	-	-	-	-	-
IP - Medical	1,905	1,093	3	124	635.00	364.47	3.78
IP - Surgery	-	-	-	-	-	-	-
IP - Other	-	-	-	-	-	-	-
Subtotal - Inpatient	1,905	1,093	3	124	635.00	364.47	3.78
OP - Emergency Room	3,139	588	7	290	448.42	84.05	2.03
OP - Laboratory	382	46	3	124	127.23	15.35	0.16
OP - Radiology	7,355	1,383	33	1,368	222.89	41.92	4.78
OP - Surgery	1,538	104	1	41	1,538.44	104.02	0.36
OP - Other	-	-	-	-	-	-	-
Subtotal - Outpatient	12,415	2,122	44	1,824	282.15	48.22	7.33
Prof - Evaluation & Management	8,286	3,394	56	2,321	147.97	60.61	11.72
Prof - Maternity	-	-	-	-	-	-	-
Prof - Surgery	2,403	688	4	166	600.85	171.98	2.38
Prof - DME/Supplies	1,020	613	4	166	255.11	153.20	2.12
Prof - Lab	834	252	20	829	41.69	12.58	0.87
Prof - Radiology	3,434	1,324	18	746	190.79	73.56	4.57
Prof - Transportation	1,558	339	3	124	519.20	112.89	1.17
Prof - Other	5,352	2,280	68	2,819	78.71	33.53	7.88
Subtotal - Professional	22,888	8,889	173	7,171	132.30	51.38	30.70
Total	\$ 37,208	\$ 12,104					\$ 41.81

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Statewide

TCS High

Uninsured/Uninsurable Age 19 - 20							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	71						
Home Health Care	-	-	-	-	-	-	-
IP - Maternity	-	-	-	-	-	-	-
IP - Newborn	-	-	-	-	-	-	-
IP - Medical	-	-	-	-	-	-	-
IP - Surgery	-	-	-	-	-	-	-
IP - Other	-	-	-	-	-	-	-
Subtotal - Inpatient	-	-	-	-	-	-	-
OP - Emergency Room	7,766	2,287	12	2,040	647.15	190.55	32.40
OP - Laboratory	64	21	1	170	64.04	21.42	0.30
OP - Radiology	-	-	-	-	-	-	-
OP - Surgery	-	-	-	-	-	-	-
OP - Other	-	-	-	-	-	-	-
Subtotal - Outpatient	7,830	2,308	13	2,210	602.30	177.54	32.70
Prof - Evaluation & Management	4,159	1,306	23	3,911	180.81	56.76	18.50
Prof - Maternity	-	-	-	-	-	-	-
Prof - Surgery	703	258	4	680	175.75	64.47	3.65
Prof - DME/Supplies	-	-	-	-	-	-	-
Prof - Lab	476	145	11	1,870	43.26	13.19	2.06
Prof - Radiology	556	124	5	850	111.20	24.76	1.75
Prof - Transportation	870	173	1	170	870.00	173.23	2.45
Prof - Other	539	385	32	5,441	16.83	12.03	5.45
Subtotal - Professional	7,302	2,390	76	12,922	96.08	31.45	33.87
Total	\$ 15,132	\$ 4,698					\$ 66.57

TennCare  
 FY 2009 Per Capita Cost Development  
 Historical Encounter Data

Exhibit 2c

Statewide

TCS High

Uninsured/Uninsurable Age 21+							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	9						
Home Health Care	-	-	-	-	-	-	-
IP - Maternity	-	-	-	-	-	-	-
IP - Newborn	-	-	-	-	-	-	-
IP - Medical	-	-	-	-	-	-	-
IP - Surgery	-	-	-	-	-	-	-
IP - Other	-	-	-	-	-	-	-
Subtotal - Inpatient	-	-	-	-	-	-	-
OP - Emergency Room	-	-	-	-	-	-	-
OP - Laboratory	-	-	-	-	-	-	-
OP - Radiology	-	-	-	-	-	-	-
OP - Surgery	-	-	-	-	-	-	-
OP - Other	-	-	-	-	-	-	-
Subtotal - Outpatient	-	-	-	-	-	-	-
Prof - Evaluation & Management	-	-	-	-	-	-	-
Prof - Maternity	-	-	-	-	-	-	-
Prof - Surgery	-	-	-	-	-	-	-
Prof - DME/Supplies	-	-	-	-	-	-	-
Prof - Lab	-	-	-	-	-	-	-
Prof - Radiology	-	-	-	-	-	-	-
Prof - Transportation	-	-	-	-	-	-	-
Prof - Other	-	-	-	-	-	-	-
Subtotal - Professional	-	-	-	-	-	-	-
Total	\$ -	\$ -					\$ -

TennCare  
 FY 2009 Per Capita Cost Development  
 Historical Encounter Data

Exhibit 2c

Statewide

TCS High

Disabled All Ages							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	532,427						
Home Health Care	61,675,979	57,464,974	240,760	5,426	256.17	238.68	107.93
IP - Maternity	2,433,408	1,486,594	1,516	34	1,605.15	980.60	2.79
IP - Newborn	67,757,674	26,688,990	16,367	369	4,139.90	1,630.66	50.13
IP - Medical	68,651,933	34,091,184	25,223	568	2,721.80	1,351.59	64.03
IP - Surgery	3,053,895	856,649	492	11	6,207.10	1,741.16	1.61
IP - Other	549,904	131,863	145	3	3,792.44	909.40	0.25
Subtotal - Inpatient	142,446,814	63,255,280	43,743	986	3,256.45	1,446.07	118.81
OP - Emergency Room	32,796,656	8,390,564	32,641	736	1,004.77	257.06	15.76
OP - Laboratory	5,180,562	1,716,062	65,090	1,467	79.59	26.36	3.22
OP - Radiology	8,572,051	2,064,480	29,428	663	291.29	70.15	3.88
OP - Surgery	22,359,237	8,021,250	5,543	125	4,033.78	1,447.10	15.07
OP - Other	22,364,656	8,983,312	45,260	1,020	494.14	198.48	16.87
Subtotal - Outpatient	91,273,162	29,175,668	177,962	4,011	512.88	163.94	54.80
Prof - Evaluation & Management	37,670,118	14,899,761	217,109	4,893	173.51	68.63	27.98
Prof - Maternity	1,789,288	748,614	1,243	28	1,439.49	602.26	1.41
Prof - Surgery	13,084,247	3,613,082	16,115	363	811.93	224.21	6.79
Prof - DME/Supplies	11,137,693	7,620,142	16,220	366	686.66	469.80	14.31
Prof - Lab	3,882,718	1,401,446	89,901	2,026	43.19	15.59	2.63
Prof - Radiology	6,400,139	1,693,385	58,955	1,329	108.56	28.72	3.18
Prof - Transportation	5,042,519	2,024,522	15,317	345	329.21	132.17	3.80
Prof - Other	45,843,796	17,515,437	6,291,274	141,795	7.29	2.78	32.90
Subtotal - Professional	124,850,519	49,516,388	6,706,134	151,145	18.62	7.38	93.00
Total	\$ 420,246,474	\$ 199,412,309					\$ 374.53

TennCare  
 FY 2009 Per Capita Cost Development  
 Historical Encounter Data

Exhibit 2c

Statewide  
 TCS High

Disabled Age <21							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	398,616						
Home Health Care	54,018,354	50,356,519	192,238	5,787	281.00	261.95	126.33
IP - Maternity	939,746	573,015	584	18	1,609.15	981.19	1.44
IP - Newborn	66,383,190	25,680,767	15,206	458	4,365.59	1,688.86	64.42
IP - Medical	57,942,512	29,821,559	20,606	620	2,811.92	1,447.23	74.81
IP - Surgery	2,666,206	767,183	417	13	6,393.78	1,839.77	1.92
IP - Other	503,206	118,635	136	4	3,700.04	872.32	0.30
Subtotal - Inpatient	128,434,859	56,961,157	36,949	1,112	3,476.00	1,541.62	142.90
OP - Emergency Room	19,658,245	5,567,945	20,996	632	936.29	265.19	13.97
OP - Laboratory	4,716,069	1,582,969	58,927	1,774	80.03	26.86	3.97
OP - Radiology	6,764,328	1,710,772	21,579	650	313.47	79.28	4.29
OP - Surgery	18,821,129	7,026,283	4,637	140	4,058.90	1,515.26	17.63
OP - Other	19,844,272	8,323,038	43,478	1,309	456.42	191.43	20.88
Subtotal - Outpatient	69,804,042	24,211,006	149,617	4,504	466.55	161.82	60.74
Prof - Evaluation & Management	29,999,562	12,207,851	173,021	5,209	173.39	70.56	30.63
Prof - Maternity	675,149	285,050	486	15	1,389.19	586.52	0.72
Prof - Surgery	10,488,372	2,878,506	11,466	345	914.74	251.05	7.22
Prof - DME/Supplies	9,770,840	6,701,378	14,089	424	693.51	475.65	16.81
Prof - Lab	2,519,587	913,464	61,960	1,865	40.66	14.74	2.29
Prof - Radiology	4,125,184	1,069,347	42,938	1,293	96.07	24.90	2.68
Prof - Transportation	3,472,138	1,504,343	10,217	308	339.84	147.24	3.77
Prof - Other	41,273,968	15,716,169	5,501,622	165,622	7.50	2.86	39.43
Subtotal - Professional	102,324,799	41,276,108	5,815,799	175,080	17.59	7.10	103.55
Total	\$ 354,582,055	\$ 172,804,791					\$ 433.51

TennCare  
 FY 2009 Per Capita Cost Development  
 Historical Encounter Data

Exhibit 2c

Statewide  
 TCS High

Disabled Age 21+							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	133,811						
Home Health Care	7,657,625	7,108,455	48,522	4,351	157.82	146.50	53.12
IP - Maternity	1,493,662	913,579	932	84	1,602.64	980.24	6.83
IP - Newborn	1,374,484	1,008,223	1,161	104	1,183.88	868.41	7.53
IP - Medical	10,709,421	4,269,626	4,617	414	2,319.56	924.76	31.91
IP - Surgery	387,689	89,466	75	7	5,169.19	1,192.88	0.67
IP - Other	46,698	13,228	9	1	5,188.67	1,469.76	0.10
Subtotal - Inpatient	14,011,955	6,294,123	6,794	609	2,062.40	926.42	47.04
OP - Emergency Room	13,138,412	2,822,619	11,645	1,044	1,128.24	242.39	21.09
OP - Laboratory	464,493	133,094	6,163	553	75.37	21.60	0.99
OP - Radiology	1,807,723	353,708	7,849	704	230.31	45.06	2.64
OP - Surgery	3,538,108	994,967	906	81	3,905.20	1,098.20	7.44
OP - Other	2,520,384	660,274	1,782	160	1,414.36	370.52	4.93
Subtotal - Outpatient	21,469,120	4,964,661	28,345	2,542	757.42	175.15	37.10
Prof - Evaluation & Management	7,670,557	2,691,909	44,088	3,954	173.98	61.06	20.12
Prof - Maternity	1,114,139	463,563	757	68	1,471.78	612.37	3.46
Prof - Surgery	2,595,875	734,576	4,649	417	558.37	158.01	5.49
Prof - DME/Supplies	1,366,853	918,764	2,131	191	641.41	431.14	6.87
Prof - Lab	1,363,131	487,982	27,941	2,506	48.79	17.46	3.65
Prof - Radiology	2,274,955	624,038	16,017	1,436	142.03	38.96	4.66
Prof - Transportation	1,570,381	520,179	5,100	457	307.92	102.00	3.89
Prof - Other	4,569,829	1,799,268	789,652	70,815	5.79	2.28	13.45
Subtotal - Professional	22,525,720	8,240,279	890,335	79,844	25.30	9.26	61.58
Total	\$ 65,664,419	\$ 26,607,518					\$ 198.84



TennCare  
 FY 2009 Per Capita Cost Development  
 Historical Encounter Data

Exhibit 2c

Statewide

TCS High

Duals/Waiver Duals All Ages							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	21,646						
Home Health Care	3,556,860	3,262,089	3,835	2,126	927.47	850.61	150.70
IP - Maternity	-	-	-	-	-	-	-
IP - Newborn	32,606	47,642	39	22	836.05	1,221.60	2.20
IP - Medical	215,345	122,013	288	160	747.73	423.66	5.64
IP - Surgery	-	-	-	-	-	-	-
IP - Other	-	-	-	-	-	-	-
Subtotal - Inpatient	247,951	169,655	327	181	758.26	518.82	7.84
OP - Emergency Room	170,743	27,083	173	96	986.95	156.55	1.25
OP - Laboratory	40,086	10,176	512	284	78.29	19.88	0.47
OP - Radiology	39,229	8,451	181	100	216.74	46.69	0.39
OP - Surgery	126,005	27,946	27	15	4,666.86	1,035.05	1.29
OP - Other	299,355	100,054	178	99	1,681.77	562.10	4.62
Subtotal - Outpatient	675,419	173,710	1,071	594	630.64	162.19	8.03
Prof - Evaluation & Management	159,333	65,545	958	531	166.32	68.42	3.03
Prof - Maternity	4,040	1,074	7	4	577.14	153.41	0.05
Prof - Surgery	55,661	17,288	72	40	773.08	240.11	0.80
Prof - DME/Supplies	17,025	12,679	50	28	340.51	253.58	0.59
Prof - Lab	53,953	15,232	814	451	66.28	18.71	0.70
Prof - Radiology	26,372	7,580	249	138	105.91	30.44	0.35
Prof - Transportation	155,625	139,107	1,971	1,093	78.96	70.58	6.43
Prof - Other	297,547	135,111	139,321	77,236	2.14	0.97	6.24
Subtotal - Professional	769,557	393,616	143,442	79,521	5.36	2.74	18.18
Total	\$ 5,249,787	\$ 3,999,070					\$ 184.75

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Development of Per Capita Costs:**

**Exhibit 3c**

**Statewide  
TCS High**

<b>Medicaid (TANF &amp; Related)</b>												
<b>All Ages</b>												
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development				Fiscal Year 2009 Rate Development				
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			154,500					160,123				161,008
Home Health Care	92	1,957	15.07	1.098	1.043	17.25	0.995	17.16	1.150	1.000	1.000	19.74
IP - Maternity	62	841	4.31	1.020	1.080	4.75	0.980	4.65	1.030	1.000	0.994	4.76
IP - Newborn	260	1,113	24.13	1.020	1.080	26.58	1.016	27.01	1.030	1.000	0.981	27.31
IP - Medical	192	1,128	18.03	1.020	1.080	19.86	1.007	19.99	1.030	1.000	0.996	20.51
IP - Surgery	12	2,322	2.27	1.020	1.080	2.50	1.002	2.51	1.030	1.000	0.993	2.56
IP - Other	8	609	0.38	1.020	1.080	0.42	0.985	0.41	1.030	1.000	0.997	0.43
Subtotal - Inpatient	533	1,107	49.13			54.10	1.009	54.57	1.030	1.000	0.989	55.57
OP - Emergency Room	904	179	13.44	1.066	1.020	14.62	0.998	14.59	1.100	1.000	0.998	16.02
OP - Laboratory	631	25	1.32	1.046	1.020	1.41	0.995	1.40	1.070	1.000	0.999	1.50
OP - Radiology	542	48	2.16	1.046	1.020	2.30	1.000	2.31	1.070	1.000	0.998	2.46
OP - Surgery	90	1,069	7.99	1.066	1.020	8.69	0.995	8.65	1.100	1.000	0.999	9.50
OP - Other	416	148	5.13	1.046	1.020	5.47	0.994	5.44	1.070	1.000	0.998	5.81
Subtotal - Outpatient	2,583	140	30.04			32.49	0.997	32.39	1.092	1.000	0.998	35.29
Prof - Evaluation & Management	5,922	67	33.06	1.033	1.015	34.68	1.001	34.71	1.050	1.000	0.996	36.31
Prof - Maternity	54	572	2.56	1.033	1.015	2.68	0.981	2.63	1.050	1.000	0.994	2.75
Prof - Surgery	333	157	4.35	1.033	1.015	4.56	1.001	4.57	1.050	1.000	0.997	4.78
Prof - DME/Supplies	135	191	2.16	1.033	1.015	2.26	1.002	2.26	1.050	1.000	0.995	2.37
Prof - Lab	3,922	13	4.18	1.033	1.015	4.39	0.991	4.35	1.050	1.000	0.998	4.56
Prof - Radiology	1,063	31	2.71	1.033	1.015	2.85	0.995	2.83	1.050	1.000	0.997	2.96
Prof - Transportation	170	120	1.70	1.033	1.015	1.78	0.998	1.78	1.050	1.000	0.997	1.86
Prof - Other	18,692	10	15.29	1.033	1.015	16.04	1.000	16.03	1.050	1.000	0.997	16.79
Subtotal - Professional	30,292	26	66.00			69.24	0.999	69.16	1.050	1.000	0.997	72.38
<b>Total</b>			<b>\$ 160.24</b>			<b>\$ 173.08</b>	<b>1.001</b>	<b>\$ 173.28</b>	<b>1.061</b>	<b>1.000</b>	<b>0.995</b>	<b>\$ 182.97</b>
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
<b>Total Premium Rate</b>			<b>\$ 174.65</b>			<b>\$ 188.64</b>		<b>\$ 188.86</b>				<b>\$ 199.43</b>

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 3c

Statewide  
 TCS High

Medicaid (TANF & Related) Age Under 1												
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development				Fiscal Year 2009 Rate Development				
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			4,114					4,406				4,312
Home Health Care	152	451	5.70	1.098	1.043	6.52	1.000	6.52	1.150	1.000	1.000	7.50
IP - Maternity	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Newborn	5,067	1,384	584.31	1.020	1.080	643.47	1.000	643.47	1.030	1.000	1.000	662.78
IP - Medical	1,307	1,088	118.50	1.020	1.080	130.50	1.000	130.50	1.030	1.000	1.000	134.41
IP - Surgery	123	2,208	22.55	1.020	1.080	24.83	1.000	24.83	1.030	1.000	1.000	25.58
IP - Other	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
Subtotal - Inpatient	6,496	1,340	725.35			798.80	1.000	798.80	1.030	1.000	1.000	822.77
OP - Emergency Room	1,397	208	24.27	1.066	1.020	26.39	1.000	26.39	1.100	1.000	1.000	29.03
OP - Laboratory	782	29	1.90	1.046	1.020	2.03	1.000	2.03	1.070	1.000	1.000	2.17
OP - Radiology	545	111	5.04	1.046	1.020	5.38	1.000	5.38	1.070	1.000	1.000	5.76
OP - Surgery	123	1,335	13.63	1.066	1.020	14.82	1.000	14.82	1.100	1.000	1.000	16.31
OP - Other	473	285	11.23	1.046	1.020	11.99	1.000	11.99	1.070	1.000	1.000	12.83
Subtotal - Outpatient	3,320	203	56.09			60.62	1.000	60.62	1.070	1.000	1.000	66.10
Prof - Evaluation & Management	21,667	93	168.11	1.033	1.015	176.35	1.000	176.35	1.050	1.000	1.000	185.17
Prof - Maternity	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Surgery	802	239	15.99	1.033	1.015	16.78	1.000	16.78	1.050	1.000	1.000	17.62
Prof - DME/Supplies	858	206	14.75	1.033	1.015	15.47	1.000	15.47	1.050	1.000	1.000	16.24
Prof - Lab	1,126	15	1.38	1.033	1.015	1.45	1.000	1.45	1.050	1.000	1.000	1.52
Prof - Radiology	3,037	16	4.14	1.033	1.015	4.34	1.000	4.34	1.050	1.000	1.000	4.56
Prof - Transportation	271	204	4.60	1.033	1.015	4.83	1.000	4.83	1.050	1.000	1.000	5.07
Prof - Other	28,152	27	62.98	1.033	1.015	66.07	1.000	66.07	1.050	1.000	1.000	69.37
Subtotal - Professional	55,912	58	271.95			285.28	1.000	285.28	1.050	1.000	1.000	299.55
Total			\$ 1,059.09			\$ 1,151.22	1.000	\$ 1,151.22	1.038	1.000	1.000	\$ 1,195.91
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
Total Premium Rate			\$ 1,154.32			\$ 1,254.74		\$ 1,254.74				\$ 1,303.44

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Development of Per Capita Costs:**

**Exhibit 3c**

**Statewide**

**TCS High**

<b>Medicaid (TANF &amp; Related)</b>												
<b>Age 1 - 13</b>												
	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development				Fiscal Year 2009 Rate Development				
Service Category	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			77,347					79,409				79,868
Home Health Care	129	2,423	26.10	1.098	1.043	29.87	1.000	29.87	1.150	1.000	1.000	34.35
IP - Maternity	1	702	0.05	1.020	1.080	0.05	1.000	0.05	1.030	1.000	1.000	0.05
IP - Newborn	127	916	9.67	1.020	1.080	10.65	1.000	10.65	1.030	1.000	1.000	10.97
IP - Medical	175	1,107	16.15	1.020	1.080	17.78	1.000	17.78	1.030	1.000	1.000	18.31
IP - Surgery	16	2,375	3.26	1.020	1.080	3.58	1.000	3.58	1.030	1.000	1.000	3.69
IP - Other	12	494	0.49	1.020	1.080	0.53	1.000	0.534	1.030	1.000	1.000	0.55
Subtotal - Inpatient	331	1,074	29.60			32.60	1.000	32.60	1.030	1.000	1.000	33.57
OP - Emergency Room	733	151	9.24	1.066	1.020	10.05	1.000	10.05	1.100	1.000	1.000	11.05
OP - Laboratory	647	26	1.39	1.046	1.020	1.48	1.000	1.48	1.070	1.000	1.000	1.59
OP - Radiology	267	73	1.63	1.046	1.020	1.74	1.000	1.74	1.070	1.000	1.000	1.86
OP - Surgery	112	1,122	10.44	1.066	1.020	11.35	1.000	11.35	1.100	1.000	1.000	12.49
OP - Other	666	138	7.64	1.046	1.020	8.15	1.000	8.15	1.070	1.000	1.000	8.72
Subtotal - Outpatient	2,424	150	30.34			32.78	1.000	32.78	1.070	1.000	1.000	35.72
Prof - Evaluation & Management	5,829	62	30.28	1.033	1.015	31.77	1.000	31.77	1.050	1.000	1.000	33.35
Prof - Maternity	1	458	0.04	1.033	1.015	0.04	1.000	0.04	1.050	1.000	1.000	0.04
Prof - Surgery	276	159	3.65	1.033	1.015	3.83	1.000	3.83	1.050	1.000	1.000	4.03
Prof - DME/Supplies	156	190	2.48	1.033	1.015	2.60	1.000	2.60	1.050	1.000	1.000	2.73
Prof - Lab	2,537	10	2.17	1.033	1.015	2.28	1.000	2.28	1.050	1.000	1.000	2.39
Prof - Radiology	603	20	1.01	1.033	1.015	1.05	1.000	1.05	1.050	1.000	1.000	1.11
Prof - Transportation	120	112	1.12	1.033	1.015	1.17	1.000	1.17	1.050	1.000	1.000	1.23
Prof - Other	24,167	8	15.61	1.033	1.015	16.37	1.000	16.37	1.050	1.000	1.000	17.19
Subtotal - Professional	33,690	20	56.36			59.12	1.000	59.12	1.050	1.000	1.000	62.07
Total			\$ 142.40			\$ 154.36	1.000	\$ 154.36	1.069	1.000	1.000	\$ 165.71
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
Total Premium Rate			\$ 155.20			\$ 168.24		\$ 168.24				\$ 180.61

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Development of Per Capita Costs:**

**Exhibit 3c**

Statewide  
TCS High

<b>Medicaid (TANF &amp; Related)</b>												
<b>Age 14 - 20 Female</b>												
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development				Fiscal Year 2009 Rate Development				
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			29,860					30,469				30,545
Home Health Care	90	315	2.36	1.098	1.043	2.70	1.000	2.70	1.150	1.000	1.000	3.11
IP - Maternity	236	786	15.45	1.020	1.080	17.02	1.000	17.02	1.030	1.000	1.000	17.53
IP - Newborn	221	659	12.13	1.020	1.080	13.36	1.000	13.36	1.030	1.000	1.000	13.76
IP - Medical	106	835	7.38	1.020	1.080	8.13	1.000	8.13	1.030	1.000	1.000	8.37
IP - Surgery	0	2,566	0.09	1.020	1.080	0.09	1.000	0.09	1.030	1.000	1.000	0.10
IP - Other	7	464	0.26	1.020	1.080	0.29	1.000	0.291	1.030	1.000	1.000	0.30
Subtotal - Inpatient	570	743	35.32			38.89	1.000	38.89	1.030	1.000	1.000	40.06
OP - Emergency Room	1,247	207	21.54	1.066	1.020	23.42	1.000	23.42	1.100	1.000	1.000	25.76
OP - Laboratory	973	23	1.87	1.046	1.020	2.00	1.000	2.00	1.070	1.000	1.000	2.14
OP - Radiology	1,175	31	3.03	1.046	1.020	3.24	1.000	3.24	1.070	1.000	1.000	3.47
OP - Surgery	86	833	5.94	1.066	1.020	6.46	1.000	6.46	1.100	1.000	1.000	7.11
OP - Other	209	161	2.80	1.046	1.020	2.99	1.000	2.99	1.070	1.000	1.000	3.20
Subtotal - Outpatient	3,689	114	35.18			38.10	1.000	38.10	1.070	1.000	1.000	41.66
Prof - Evaluation & Management	6,611	65	36.04	1.033	1.015	37.81	1.000	37.81	1.050	1.000	1.000	39.70
Prof - Maternity	205	565	9.65	1.033	1.015	10.13	1.000	10.13	1.050	1.000	1.000	10.63
Prof - Surgery	411	125	4.29	1.033	1.015	4.50	1.000	4.50	1.050	1.000	1.000	4.73
Prof - DME/Supplies	59	229	1.12	1.033	1.015	1.18	1.000	1.18	1.050	1.000	1.000	1.23
Prof - Lab	9,245	15	11.51	1.033	1.015	12.08	1.000	12.08	1.050	1.000	1.000	12.68
Prof - Radiology	1,544	47	6.04	1.033	1.015	6.34	1.000	6.34	1.050	1.000	1.000	6.65
Prof - Transportation	303	110	2.77	1.033	1.015	2.90	1.000	2.90	1.050	1.000	1.000	3.05
Prof - Other	12,077	16	15.71	1.033	1.015	16.48	1.000	16.48	1.050	1.000	1.000	17.30
Subtotal - Professional	30,455	34	87.14			91.41	1.000	91.41	1.050	1.000	1.000	95.98
<b>Total</b>			<b>\$ 160.00</b>			<b>\$ 171.11</b>	<b>1.000</b>	<b>\$ 171.11</b>	<b>1.051</b>	<b>1.000</b>	<b>1.000</b>	<b>\$ 180.81</b>
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
<b>Total Premium Rate</b>			<b>\$ 174.39</b>			<b>\$ 186.49</b>		<b>\$ 186.49</b>				<b>\$ 197.07</b>

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Development of Per Capita Costs:**

**Exhibit 3c**

**Statewide**  
**TCS High**

<b>Medicaid (TANF &amp; Related)</b>												
<b>Age 14 - 20 Male</b>												
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development				Fiscal Year 2009 Rate Development				
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			37,036					39,616				40,104
Home Health Care	26	2,716	5.79	1.098	1.043	6.63	1.000	6.63	1.150	1.000	1.000	7.62
IP - Maternity	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Newborn	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Medical	151	1,456	18.32	1.020	1.080	20.18	1.000	20.18	1.030	1.000	1.000	20.78
IP - Surgery	1	1,766	0.10	1.020	1.080	0.11	1.000	0.11	1.030	1.000	1.000	0.11
IP - Other	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
Subtotal - Inpatient	152	1,458	18.42			20.28	1.000	20.28	1.030	1.000	1.000	20.89
OP - Emergency Room	740	192	11.81	1.066	1.020	12.85	1.000	12.85	1.100	1.000	1.000	14.13
OP - Laboratory	288	28	0.67	1.046	1.020	0.71	1.000	0.71	1.070	1.000	1.000	0.76
OP - Radiology	540	46	2.07	1.046	1.020	2.21	1.000	2.21	1.070	1.000	1.000	2.37
OP - Surgery	36	1,153	3.49	1.066	1.020	3.79	1.000	3.79	1.100	1.000	1.000	4.17
OP - Other	76	209	1.33	1.046	1.020	1.42	1.000	1.42	1.070	1.000	1.000	1.52
Subtotal - Outpatient	1,681	138	19.38			20.99	1.000	20.99	1.070	1.000	1.000	22.96
Prof - Evaluation & Management	3,752	68	21.41	1.033	1.015	22.46	1.000	22.46	1.050	1.000	1.000	23.58
Prof - Maternity	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Surgery	300	157	3.91	1.033	1.015	4.11	1.000	4.11	1.050	1.000	1.000	4.31
Prof - DME/Supplies	79	156	1.03	1.033	1.015	1.08	1.000	1.08	1.050	1.000	1.000	1.13
Prof - Lab	2,591	10	2.11	1.033	1.015	2.22	1.000	2.22	1.050	1.000	1.000	2.33
Prof - Radiology	1,141	24	2.26	1.033	1.015	2.37	1.000	2.37	1.050	1.000	1.000	2.49
Prof - Transportation	112	136	1.27	1.033	1.015	1.34	1.000	1.34	1.050	1.000	1.000	1.40
Prof - Other	13,494	9	9.78	1.033	1.015	10.26	1.000	10.26	1.050	1.000	1.000	10.77
Subtotal - Professional	21,470	23	41.78			43.83	1.000	43.83	1.050	1.000	1.000	46.02
Total			\$ 85.37			\$ 91.73	1.000	\$ 91.73	1.057	1.000	1.000	\$ 97.49
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
Total Premium Rate			\$ 93.05			\$ 99.98		\$ 99.98				\$ 106.26

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Development of Per Capita Costs:**

**Exhibit 3c**

**Statewide**  
**TCS High**

<b>Medicaid (TANF &amp; Related)</b>												
<b>Age 21 - 44 Female</b>												
	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development				Fiscal Year 2009 Rate Development				
Service Category	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			4,077					4,095				4,061
Home Health Care	6	699	0.34	1.098	1.043	0.39	1.000	0.39	1.150	1.000	1.000	0.45
IP - Maternity	589	1,004	49.25	1.020	1.080	54.24	1.000	54.24	1.030	1.000	1.000	55.86
IP - Newborn	724	873	52.67	1.020	1.080	58.01	1.000	58.01	1.030	1.000	1.000	59.75
IP - Medical	439	785	28.69	1.020	1.080	31.60	1.000	31.60	1.030	1.000	1.000	32.55
IP - Surgery	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Other	12	3,413	3.35	1.020	1.080	3.69	1.000	3.688	1.030	1.000	1.000	3.80
Subtotal - Inpatient	1,763	912	133.96			147.53	1.000	147.53	1.030	1.000	1.000	151.96
OP - Emergency Room	2,493	180	37.50	1.066	1.020	40.77	1.000	40.77	1.100	1.000	1.000	44.85
OP - Laboratory	1,054	22	1.91	1.046	1.020	2.04	1.000	2.04	1.070	1.000	1.000	2.18
OP - Radiology	1,354	31	3.54	1.046	1.020	3.78	1.000	3.78	1.070	1.000	1.000	4.04
OP - Surgery	177	884	13.02	1.066	1.020	14.15	1.000	14.15	1.100	1.000	1.000	15.57
OP - Other	436	138	5.00	1.046	1.020	5.34	1.000	5.34	1.070	1.000	1.000	5.71
Subtotal - Outpatient	5,514	133	60.97			66.08	1.000	66.08	1.070	1.000	1.000	72.35
Prof - Evaluation & Management	8,287	64	44.46	1.033	1.015	46.64	1.000	46.64	1.050	1.000	1.000	48.97
Prof - Maternity	512	598	25.51	1.033	1.015	26.76	1.000	26.76	1.050	1.000	1.000	28.10
Prof - Surgery	680	176	10.00	1.033	1.015	10.49	1.000	10.49	1.050	1.000	1.000	11.01
Prof - DME/Supplies	112	171	1.59	1.033	1.015	1.67	1.000	1.67	1.050	1.000	1.000	1.75
Prof - Lab	7,798	18	11.99	1.033	1.015	12.58	1.000	12.58	1.050	1.000	1.000	13.20
Prof - Radiology	3,568	46	13.53	1.033	1.015	14.19	1.000	14.19	1.050	1.000	1.000	14.90
Prof - Transportation	612	107	5.48	1.033	1.015	5.75	1.000	5.75	1.050	1.000	1.000	6.03
Prof - Other	7,930	22	14.38	1.033	1.015	15.08	1.000	15.08	1.050	1.000	1.000	15.83
Subtotal - Professional	29,499	52	126.93			133.15	1.000	133.15	1.050	1.000	1.000	139.81
Total			\$ 322.21			\$ 347.16	1.000	\$ 347.16	1.045	1.000	1.000	\$ 364.57
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
Total Premium Rate			\$ 351.18			\$ 378.37		\$ 378.37				\$ 397.35

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Development of Per Capita Costs:**

**Exhibit 3c**

**Statewide**

**TCS High**

<b>Medicaid (TANF &amp; Related)</b>												
<b>Age 21 - 44 Male</b>												
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development				Fiscal Year 2009 Rate Development				
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			2,017					2,081				2,071
Home Health Care	-	-	-	1.098	1.043	-	1.000	-	1.150	1.000	1.000	-
IP - Maternity	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Newborn	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Medical	48	2,973	11.79	1.020	1.080	12.99	1.000	12.99	1.030	1.000	1.000	13.38
IP - Surgery	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Other	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
Subtotal - Inpatient	48	2,973	11.79			12.99	1.000	12.99	1.030	1.000	1.000	13.38
OP - Emergency Room	1,130	147	13.89	1.066	1.020	15.10	1.000	15.10	1.100	1.000	1.000	16.61
OP - Laboratory	83	15	0.11	1.046	1.020	0.11	1.000	0.11	1.070	1.000	1.000	0.12
OP - Radiology	167	167	2.32	1.046	1.020	2.48	1.000	2.48	1.070	1.000	1.000	2.65
OP - Surgery	48	1,464	5.81	1.066	1.020	6.31	1.000	6.31	1.100	1.000	1.000	6.94
OP - Other	18	349	0.52	1.046	1.020	0.55	1.000	0.55	1.070	1.000	1.000	0.59
Subtotal - Outpatient	1,446	188	22.64			24.56	1.000	24.56	1.070	1.000	1.000	26.92
Prof - Evaluation & Management	2,243	59	11.01	1.033	1.015	11.55	1.000	11.55	1.050	1.000	1.000	12.12
Prof - Maternity	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Surgery	309	182	4.70	1.033	1.015	4.93	1.000	4.93	1.050	1.000	1.000	5.17
Prof - DME/Supplies	54	79	0.35	1.033	1.015	0.37	1.000	0.37	1.050	1.000	1.000	0.39
Prof - Lab	589	13	0.65	1.033	1.015	0.69	1.000	0.69	1.050	1.000	1.000	0.72
Prof - Radiology	1,059	28	2.46	1.033	1.015	2.58	1.000	2.58	1.050	1.000	1.000	2.71
Prof - Transportation	131	222	2.42	1.033	1.015	2.54	1.000	2.54	1.050	1.000	1.000	2.67
Prof - Other	4,825	6	2.24	1.033	1.015	2.35	1.000	2.35	1.050	1.000	1.000	2.47
Subtotal - Professional	9,210	31	23.84			25.01	1.000	25.01	1.050	1.000	1.000	26.26
Total			\$ 58.28			\$ 62.55	1.000	\$ 62.55	1.054	1.000	1.000	\$ 66.56
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
Total Premium Rate			\$ 63.52			\$ 68.18		\$ 68.18				\$ 72.54



**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Development of Per Capita Costs:**

**Exhibit 3c**

**Statewide**

**TCS High**

<b>Medicaid (TANF &amp; Related)</b>												
<b>Age 45 - 64</b>												
	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development				Fiscal Year 2009 Rate Development				
Service Category	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			49					46				48
Home Health Care	-	-	-	1.098	1.043	-	1.000	-	1.150	1.000	1.000	-
IP - Maternity	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Newborn	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Medical	1,462	1,646	200.51	1.020	1.080	220.81	1.000	220.81	1.030	1.000	1.000	227.44
IP - Surgery	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Other	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
Subtotal - Inpatient	1,462	1,646	200.51			220.81	1.000	220.81	1.030	1.000	1.000	227.44
OP - Emergency Room	1,705	91	12.97	1.066	1.020	14.10	1.000	14.10	1.100	1.000	1.000	15.51
OP - Laboratory	-	-	-	1.046	1.020	-	1.000	-	1.070	1.000	1.000	-
OP - Radiology	244	378	7.67	1.046	1.020	8.19	1.000	8.19	1.070	1.000	1.000	8.76
OP - Surgery	-	-	-	1.066	1.020	-	1.000	-	1.100	1.000	1.000	-
OP - Other	487	302	12.27	1.046	1.020	13.09	1.000	13.09	1.070	1.000	1.000	14.01
Subtotal - Outpatient	2,436	162	32.91			35.38	1.000	35.38	1.070	1.000	1.000	38.28
Prof - Evaluation & Management	5,360	63	28.26	1.033	1.015	29.64	1.000	29.64	1.050	1.000	1.000	31.12
Prof - Maternity	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Surgery	731	46	2.83	1.033	1.015	2.97	1.000	2.97	1.050	1.000	1.000	3.12
Prof - DME/Supplies	244	1,795	36.43	1.033	1.015	38.22	1.000	38.22	1.050	1.000	1.000	40.13
Prof - Lab	1,462	16	1.96	1.033	1.015	2.05	1.000	2.05	1.050	1.000	1.000	2.15
Prof - Radiology	974	23	1.86	1.033	1.015	1.95	1.000	1.95	1.050	1.000	1.000	2.05
Prof - Transportation	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Other	9,501	24	18.76	1.033	1.015	19.68	1.000	19.68	1.050	1.000	1.000	20.66
Subtotal - Professional	18,271	59	90.09			94.51	1.000	94.51	1.050	1.000	1.000	99.23
<b>Total</b>			<b>\$ 323.51</b>			<b>\$ 350.70</b>	<b>1.000</b>	<b>\$ 350.70</b>	<b>1.039</b>	<b>1.000</b>	<b>1.000</b>	<b>\$ 364.95</b>
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
<b>Total Premium Rate</b>			<b>\$ 352.60</b>			<b>\$ 382.24</b>		<b>\$ 382.24</b>				<b>\$ 397.77</b>

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 3c

Statewide  
 TCS High

Medicaid (TANF & Related) Age 65+												
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development				Fiscal Year 2009 Rate Development				
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			-					-				-
Home Health Care	-	-	-	1.098	1.043	-	1.000	-	1.150	1.000	1.000	-
IP - Maternity	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Newborn	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Medical	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Surgery	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Other	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
Subtotal - Inpatient	-	-	-			-	1.000	-	1.030	1.000	1.000	-
OP - Emergency Room	-	-	-	1.066	1.020	-	1.000	-	1.100	1.000	1.000	-
OP - Laboratory	-	-	-	1.046	1.020	-	1.000	-	1.070	1.000	1.000	-
OP - Radiology	-	-	-	1.046	1.020	-	1.000	-	1.070	1.000	1.000	-
OP - Surgery	-	-	-	1.066	1.020	-	1.000	-	1.100	1.000	1.000	-
OP - Other	-	-	-	1.046	1.020	-	1.000	-	1.070	1.000	1.000	-
Subtotal - Outpatient	-	-	-			-	1.000	-	1.070	1.000	1.000	-
Prof - Evaluation & Management	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Maternity	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Surgery	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - DME/Supplies	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Lab	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Radiology	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Transportation	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Other	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Subtotal - Professional	-	-	-			-	1.000	-	1.050	1.000	1.000	-
Total			\$ -			\$ -	1.000	\$ -	1.000	1.000	1.000	\$ -
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
Total Premium Rate			\$ -			\$ -		\$ -				\$ -

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 3c

Statewide  
**TCS High**

Uninsured/Uninsurable All Ages												
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development			
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			773					749				770
Home Health Care	-	-	-	1.098	1.043	-	1.000	-	1.150	1.000	1.000	-
IP - Maternity	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Newborn	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Medical	47	364	1.41	1.020	1.080	1.56	0.979	1.52	1.030	1.000	1.025	1.61
IP - Surgery	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Other	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
Subtotal - Inpatient	47	364	1.41			1.56	0.979	1.52	1.030	1.000	1.025	1.61
OP - Emergency Room	590	142	6.98	1.066	1.020	7.59	0.957	7.27	1.100	1.000	1.004	8.03
OP - Laboratory	186	18	0.28	1.046	1.020	0.29	1.070	0.31	1.070	1.000	1.020	0.34
OP - Radiology	574	43	2.05	1.046	1.020	2.19	1.003	2.19	1.070	1.000	1.026	2.41
OP - Surgery	16	104	0.13	1.066	1.020	0.15	0.979	0.14	1.100	1.000	1.025	0.16
OP - Other	78	178	1.15	1.046	1.020	1.23	0.990	1.22	1.070	1.000	0.928	1.21
Subtotal - Outpatient	1,443	88	10.60			11.45	0.972	11.14	1.090	1.000	1.001	12.15
Prof - Evaluation & Management	2,824	53	12.37	1.033	1.015	12.98	1.006	13.06	1.050	1.000	1.003	13.75
Prof - Maternity	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Surgery	186	107	1.67	1.033	1.015	1.75	0.954	1.67	1.050	1.000	1.001	1.76
Prof - DME/Supplies	93	107	0.83	1.033	1.015	0.87	0.983	0.86	1.050	1.000	1.023	0.92
Prof - Lab	1,505	12	1.56	1.033	1.015	1.64	1.055	1.73	1.050	1.000	1.014	1.84
Prof - Radiology	590	46	2.24	1.033	1.015	2.35	0.986	2.32	1.050	1.000	1.019	2.48
Prof - Transportation	140	125	1.45	1.033	1.015	1.52	1.051	1.60	1.050	1.000	1.028	1.73
Prof - Other	3,398	23	6.42	1.033	1.015	6.73	1.008	6.79	1.050	1.000	1.003	7.15
Subtotal - Professional	8,736	36	26.54			27.84	1.006	28.02	1.050	1.000	1.007	29.63
Total			\$ 38.55			\$ 40.85	0.996	\$ 40.68	1.060	1.000	1.006	\$ 43.39
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
Total Premium Rate			\$ 42.02			\$ 44.53		\$ 44.34				\$ 47.29

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 3c

Statewide  
 TCS High

Uninsured/Uninsurable Age Under 1												
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development				Fiscal Year 2009 Rate Development				
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			-					-				-
Home Health Care	-	-	-	1.098	1.043	-	1.000	-	1.150	1.000	1.000	-
IP - Maternity	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Newborn	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Medical	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Surgery	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Other	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
Subtotal - Inpatient	-	-	-			-	1.000	-	1.030	1.000	1.000	-
OP - Emergency Room	-	-	-	1.066	1.020	-	1.000	-	1.100	1.000	1.000	-
OP - Laboratory	-	-	-	1.046	1.020	-	1.000	-	1.070	1.000	1.000	-
OP - Radiology	-	-	-	1.046	1.020	-	1.000	-	1.070	1.000	1.000	-
OP - Surgery	-	-	-	1.066	1.020	-	1.000	-	1.100	1.000	1.000	-
OP - Other	-	-	-	1.046	1.020	-	1.000	-	1.070	1.000	1.000	-
Subtotal - Outpatient	-	-	-			-	1.000	-	1.070	1.000	1.000	-
Prof - Evaluation & Management	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Maternity	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Surgery	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - DME/Supplies	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Lab	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Radiology	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Transportation	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Other	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Subtotal - Professional	-	-	-			-	1.000	-	1.050	1.000	1.000	-
Total			\$ -			\$ -	1.000	\$ -	1.000	1.000	1.000	\$ -
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
Total Premium Rate			\$ -			\$ -		\$ -				\$ -

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 3c

Statewide  
**TCS High**

Uninsured/Uninsurable Age 1 - 13												
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development			
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			211					203				194
Home Health Care	-	-	-	1.098	1.043	-	1.000	-	1.150	1.000	1.000	-
IP - Maternity	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Newborn	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Medical	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Surgery	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Other	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
Subtotal - Inpatient	-	-	-			-	1.000	-	1.030	1.000	1.000	-
OP - Emergency Room	625	88	4.57	1.066	1.020	4.96	1.000	4.96	1.100	1.000	1.000	5.46
OP - Laboratory	114	10	0.10	1.046	1.020	0.10	1.000	0.10	1.070	1.000	1.000	0.11
OP - Radiology	-	-	-	1.046	1.020	-	1.000	-	1.070	1.000	1.000	-
OP - Surgery	-	-	-	1.066	1.020	-	1.000	-	1.100	1.000	1.000	-
OP - Other	284	178	4.22	1.046	1.020	4.50	1.000	4.50	1.070	1.000	1.000	4.82
Subtotal - Outpatient	1,022	104	8.88			9.57	1.000	9.57	1.070	1.000	1.000	10.39
Prof - Evaluation & Management	2,669	49	10.91	1.033	1.015	11.44	1.000	11.44	1.050	1.000	1.000	12.02
Prof - Maternity	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Surgery	170	93	1.32	1.033	1.015	1.38	1.000	1.38	1.050	1.000	1.000	1.45
Prof - DME/Supplies	57	15	0.07	1.033	1.015	0.08	1.000	0.08	1.050	1.000	1.000	0.08
Prof - Lab	1,022	10	0.84	1.033	1.015	0.89	1.000	0.89	1.050	1.000	1.000	0.93
Prof - Radiology	397	15	0.50	1.033	1.015	0.53	1.000	0.53	1.050	1.000	1.000	0.55
Prof - Transportation	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Other	3,350	20	5.68	1.033	1.015	5.96	1.000	5.96	1.050	1.000	1.000	6.26
Subtotal - Professional	7,665	30	19.33			20.27	1.000	20.27	1.050	1.000	1.000	21.29
Total			\$ 28.21			\$ 29.84	1.000	\$ 29.84	1.056	1.000	1.000	\$ 31.68
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
Total Premium Rate			\$ 30.74			\$ 32.53		\$ 32.53				\$ 34.52

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 3c

Statewide  
**TCS High**

Uninsured/Uninsurable Age 14 - 18 Female												
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development			
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			193					217				231
Home Health Care	-	-	-	1.098	1.043	-	1.000	-	1.150	1.000	1.000	-
IP - Maternity	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Newborn	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Medical	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Surgery	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Other	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
Subtotal - Inpatient	-	-	-			-	1.000	-	1.030	1.000	1.000	-
OP - Emergency Room	497	195	8.09	1.066	1.020	8.80	1.000	8.80	1.100	1.000	1.000	9.68
OP - Laboratory	373	21	0.65	1.046	1.020	0.69	1.000	0.69	1.070	1.000	1.000	0.74
OP - Radiology	249	51	1.05	1.046	1.020	1.12	1.000	1.12	1.070	1.000	1.000	1.20
OP - Surgery	-	-	-	1.066	1.020	-	1.000	-	1.100	1.000	1.000	-
OP - Other	-	-	-	1.046	1.020	-	1.000	-	1.070	1.000	1.000	-
Subtotal - Outpatient	1,119	105	9.79			10.61	1.000	10.61	1.070	1.000	1.000	11.62
Prof - Evaluation & Management	3,482	46	13.29	1.033	1.015	13.94	1.000	13.94	1.050	1.000	1.000	14.64
Prof - Maternity	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Surgery	62	65	0.34	1.033	1.015	0.35	1.000	0.35	1.050	1.000	1.000	0.37
Prof - DME/Supplies	62	13	0.07	1.033	1.015	0.07	1.000	0.07	1.050	1.000	1.000	0.08
Prof - Lab	2,985	13	3.28	1.033	1.015	3.44	1.000	3.44	1.050	1.000	1.000	3.61
Prof - Radiology	497	23	0.93	1.033	1.015	0.98	1.000	0.98	1.050	1.000	1.000	1.03
Prof - Transportation	311	122	3.17	1.033	1.015	3.32	1.000	3.32	1.050	1.000	1.000	3.49
Prof - Other	3,731	18	5.68	1.033	1.015	5.96	1.000	5.96	1.050	1.000	1.000	6.26
Subtotal - Professional	11,131	29	26.76			28.07	1.000	28.07	1.050	1.000	1.000	29.47
Total			\$ 36.55			\$ 38.68	1.000	\$ 38.68	1.055	1.000	1.000	\$ 41.09
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
Total Premium Rate			\$ 39.84			\$ 42.16		\$ 42.16				\$ 44.79

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 3c

Statewide  
**TCS High**

Uninsured/Uninsurable Age 14 - 18 Male												
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development			
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			289					275				290
Home Health Care	-	-	-	1.098	1.043	-	1.000	-	1.150	1.000	1.000	-
IP - Maternity	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Newborn	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Medical	124	364	3.78	1.020	1.080	4.16	1.000	4.16	1.030	1.000	1.000	4.28
IP - Surgery	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Other	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
Subtotal - Inpatient	124	364	3.78			4.16	1.000	4.16	1.030	1.000	1.000	4.28
OP - Emergency Room	290	84	2.03	1.066	1.020	2.21	1.000	2.21	1.100	1.000	1.000	2.43
OP - Laboratory	124	15	0.16	1.046	1.020	0.17	1.000	0.17	1.070	1.000	1.000	0.18
OP - Radiology	1,368	42	4.78	1.046	1.020	5.10	1.000	5.10	1.070	1.000	1.000	5.46
OP - Surgery	41	104	0.36	1.066	1.020	0.39	1.000	0.39	1.100	1.000	1.000	0.43
OP - Other	-	-	-	1.046	1.020	-	1.000	-	1.070	1.000	1.000	-
Subtotal - Outpatient	1,824	48	7.33			7.87	1.000	7.87	1.070	1.000	1.000	8.50
Prof - Evaluation & Management	2,321	61	11.72	1.033	1.015	12.30	1.000	12.30	1.050	1.000	1.000	12.91
Prof - Maternity	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Surgery	166	172	2.38	1.033	1.015	2.49	1.000	2.49	1.050	1.000	1.000	2.62
Prof - DME/Supplies	166	153	2.12	1.033	1.015	2.22	1.000	2.22	1.050	1.000	1.000	2.33
Prof - Lab	829	13	0.87	1.033	1.015	0.91	1.000	0.91	1.050	1.000	1.000	0.96
Prof - Radiology	746	74	4.57	1.033	1.015	4.80	1.000	4.80	1.050	1.000	1.000	5.04
Prof - Transportation	124	113	1.17	1.033	1.015	1.23	1.000	1.23	1.050	1.000	1.000	1.29
Prof - Other	2,819	34	7.88	1.033	1.015	8.26	1.000	8.26	1.050	1.000	1.000	8.67
Subtotal - Professional	7,171	51	30.70			32.21	1.000	32.21	1.050	1.000	1.000	33.82
Total			\$ 41.81			\$ 44.24	1.000	\$ 44.24	1.052	1.000	1.000	\$ 46.60
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
Total Premium Rate			\$ 45.57			\$ 48.22		\$ 48.22				\$ 50.79

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 3c

Statewide  
**TCS High**

Disabled All Ages												
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development				Fiscal Year 2009 Rate Development				
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			532,427					545,518				547,540
Home Health Care	5,426	239	107.93	1.098	1.043	123.51	0.992	122.47	1.150	0.952	0.994	133.25
IP - Maternity	34	981	2.79	1.020	1.080	3.07	1.024	3.15	1.030	1.000	1.006	3.26
IP - Newborn	369	1,631	50.13	1.020	1.080	55.20	0.986	54.42	1.030	1.000	0.996	55.83
IP - Medical	568	1,352	64.03	1.020	1.080	70.51	0.992	69.93	1.030	1.000	0.998	71.86
IP - Surgery	11	1,741	1.61	1.020	1.080	1.77	0.990	1.75	1.030	1.000	0.997	1.80
IP - Other	3	909	0.25	1.020	1.080	0.27	0.990	0.270	1.030	1.000	0.997	0.28
Subtotal - Inpatient	986	1,446	118.81			130.84	0.990	129.52	1.030	1.000	0.997	133.03
OP - Emergency Room	736	257	15.76	1.066	1.020	17.13	1.006	17.23	1.100	1.000	1.002	18.98
OP - Laboratory	1,467	26	3.22	1.046	1.020	3.44	0.989	3.40	1.070	1.000	0.997	3.63
OP - Radiology	663	70	3.88	1.046	1.020	4.14	0.995	4.12	1.070	1.000	0.999	4.40
OP - Surgery	125	1,447	15.07	1.066	1.020	16.38	0.992	16.24	1.100	1.000	0.998	17.82
OP - Other	1,020	198	16.87	1.046	1.020	18.01	0.988	17.80	1.070	1.000	0.997	18.98
Subtotal - Outpatient	4,011	164	54.80			59.10	0.995	58.79	1.070	1.000	1.014	63.81
Prof - Evaluation & Management	4,893	69	27.98	1.033	1.015	29.36	0.995	29.22	1.050	1.000	0.999	30.64
Prof - Maternity	28	602	1.41	1.033	1.015	1.47	1.024	1.51	1.050	1.000	1.007	1.60
Prof - Surgery	363	224	6.79	1.033	1.015	7.12	0.997	7.10	1.050	1.000	0.999	7.44
Prof - DME/Supplies	366	470	14.31	1.033	1.015	15.01	0.991	14.88	1.050	1.000	0.998	15.59
Prof - Lab	2,026	16	2.63	1.033	1.015	2.76	1.006	2.78	1.050	1.000	1.002	2.92
Prof - Radiology	1,329	29	3.18	1.033	1.015	3.34	1.008	3.36	1.050	1.000	1.002	3.54
Prof - Transportation	345	132	3.80	1.033	1.015	3.99	1.000	3.99	1.050	1.000	1.000	4.19
Prof - Other	141,795	3	32.90	1.033	1.015	34.51	0.990	34.17	1.050	1.000	0.997	35.78
Subtotal - Professional	151,145	7	93.00			97.56	0.994	97.01	1.050	1.000	0.998	101.70
Total			\$ 374.53			\$ 411.01	0.992	\$ 407.79	1.077	0.986	0.998	\$ 431.80
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
Total Premium Rate			\$ 408.21			\$ 447.97		\$ 444.46				\$ 470.63



TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 3c

Statewide

TCS High

Disabled Age <21												
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development				Fiscal Year 2009 Rate Development				
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			398,616					401,632				401,234
Home Health Care	5,787	262	126.33	1.098	1.043	144.57	1.000	144.57	1.150	1.000	1.000	166.25
IP - Maternity	18	981	1.44	1.020	1.080	1.58	1.000	1.58	1.030	1.000	1.000	1.63
IP - Newborn	458	1,689	64.42	1.020	1.080	70.95	1.000	70.95	1.030	1.000	1.000	73.08
IP - Medical	620	1,447	74.81	1.020	1.080	82.39	1.000	82.39	1.030	1.000	1.000	84.86
IP - Surgery	13	1,840	1.92	1.020	1.080	2.12	1.000	2.12	1.030	1.000	1.000	2.18
IP - Other	4	872	0.30	1.020	1.080	0.33	1.000	0.328	1.030	1.000	1.000	0.34
Subtotal - Inpatient	1,112	1,542	142.90			157.37	1.000	157.37	1.030	1.000	1.000	162.09
OP - Emergency Room	632	265	13.97	1.066	1.020	15.19	1.000	15.19	1.100	1.000	1.000	16.71
OP - Laboratory	1,774	27	3.97	1.046	1.020	4.24	1.000	4.24	1.070	1.000	1.000	4.54
OP - Radiology	650	79	4.29	1.046	1.020	4.58	1.000	4.58	1.070	1.000	1.000	4.90
OP - Surgery	140	1,515	17.63	1.066	1.020	19.16	1.000	19.16	1.100	1.000	1.000	21.08
OP - Other	1,309	191	20.88	1.046	1.020	22.29	1.000	22.29	1.070	1.000	1.000	23.85
Subtotal - Outpatient	4,504	162	60.74			65.46	1.000	65.46	1.070	1.000	1.000	71.07
Prof - Evaluation & Management	5,209	71	30.63	1.033	1.015	32.13	1.000	32.13	1.050	1.000	1.000	33.73
Prof - Maternity	15	587	0.72	1.033	1.015	0.75	1.000	0.75	1.050	1.000	1.000	0.79
Prof - Surgery	345	251	7.22	1.033	1.015	7.58	1.000	7.58	1.050	1.000	1.000	7.95
Prof - DME/Supplies	424	476	16.81	1.033	1.015	17.64	1.000	17.64	1.050	1.000	1.000	18.52
Prof - Lab	1,865	15	2.29	1.033	1.015	2.40	1.000	2.40	1.050	1.000	1.000	2.52
Prof - Radiology	1,293	25	2.68	1.033	1.015	2.81	1.000	2.81	1.050	1.000	1.000	2.95
Prof - Transportation	308	147	3.77	1.033	1.015	3.96	1.000	3.96	1.050	1.000	1.000	4.16
Prof - Other	165,622	3	39.43	1.033	1.015	41.36	1.000	41.36	1.050	1.000	1.000	43.43
Subtotal - Professional	175,080	7	103.55			108.62	1.000	108.62	1.050	1.000	1.000	114.05
Total			\$ 433.51			\$ 476.02	1.000	\$ 476.02	1.077	1.000	1.002	\$ 513.47
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
Total Premium Rate			\$ 472.49			\$ 518.82		\$ 518.82				\$ 559.64

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 3c

Statewide  
**TCS High**

Disabled Age 21+												
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development				Fiscal Year 2009 Rate Development				
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			133,811					143,886				146,306
Home Health Care	4,351	146	53.12	1.098	1.043	60.79	1.000	60.79	1.150	0.612	1.000	42.76
IP - Maternity	84	980	6.83	1.020	1.080	7.52	1.000	7.52	1.030	1.000	1.000	7.74
IP - Newborn	104	868	7.53	1.020	1.080	8.30	1.000	8.30	1.030	1.000	1.000	8.55
IP - Medical	414	925	31.91	1.020	1.080	35.14	1.000	35.14	1.030	1.000	1.000	36.19
IP - Surgery	7	1,193	0.67	1.020	1.080	0.74	1.000	0.74	1.030	1.000	1.000	0.76
IP - Other	1	1,470	0.10	1.020	1.080	0.11	1.000	0.109	1.030	1.000	1.000	0.11
Subtotal - Inpatient	609	926	47.04			51.80	1.000	51.80	1.030	1.000	1.000	53.35
OP - Emergency Room	1,044	242	21.09	1.066	1.020	22.93	1.000	22.93	1.100	1.000	1.000	25.23
OP - Laboratory	553	22	0.99	1.046	1.020	1.06	1.000	1.06	1.070	1.000	1.000	1.14
OP - Radiology	704	45	2.64	1.046	1.020	2.82	1.000	2.82	1.070	1.000	1.000	3.02
OP - Surgery	81	1,098	7.44	1.066	1.020	8.08	1.000	8.08	1.100	1.000	1.000	8.89
OP - Other	160	371	4.93	1.046	1.020	5.27	1.000	5.27	1.070	1.000	1.000	5.64
Subtotal - Outpatient	2,542	175	37.10			40.17	1.000	40.17	1.093	1.000	1.000	43.91
Prof - Evaluation & Management	3,954	61	20.12	1.033	1.015	21.10	1.000	21.10	1.050	1.000	1.000	22.16
Prof - Maternity	68	612	3.46	1.033	1.015	3.63	1.000	3.63	1.050	1.000	1.000	3.82
Prof - Surgery	417	158	5.49	1.033	1.015	5.76	1.000	5.76	1.050	1.000	1.000	6.05
Prof - DME/Supplies	191	431	6.87	1.033	1.015	7.20	1.000	7.20	1.050	1.000	1.000	7.56
Prof - Lab	2,506	17	3.65	1.033	1.015	3.83	1.000	3.83	1.050	1.000	1.000	4.02
Prof - Radiology	1,436	39	4.66	1.033	1.015	4.89	1.000	4.89	1.050	1.000	1.000	5.14
Prof - Transportation	457	102	3.89	1.033	1.015	4.08	1.000	4.08	1.050	1.000	1.000	4.28
Prof - Other	70,815	2	13.45	1.033	1.015	14.11	1.000	14.11	1.050	1.000	1.000	14.81
Subtotal - Professional	79,844	9	61.58			64.60	1.000	64.60	1.050	1.000	1.000	67.83
Total			\$ 198.84			\$ 217.36	1.000	\$ 217.36	1.081	0.891	0.992	\$ 207.85
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
Total Premium Rate			\$ 216.72			\$ 236.91		\$ 236.91				\$ 226.54

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 3c

Statewide

TCS High

Duals/Waiver Duals All Ages												
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development					Fiscal Year 2009 Rate Development			
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			21,646					23,806				24,474
Home Health Care	2,126	851	150.70	1.098	1.043	172.46	1.000	172.46	1.150	1.000	1.000	198.33
IP - Maternity	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Newborn	22	1,222	2.20	1.020	1.080	2.42	1.000	2.42	1.030	1.000	1.000	2.50
IP - Medical	160	424	5.64	1.020	1.080	6.21	1.000	6.21	1.030	1.000	1.000	6.39
IP - Surgery	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Other	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
Subtotal - Inpatient	181	519	7.84			8.63	1.000	8.63	1.030	1.000	1.000	8.89
OP - Emergency Room	96	157	1.25	1.066	1.020	1.36	1.000	1.36	1.100	1.000	1.000	1.50
OP - Laboratory	284	20	0.47	1.046	1.020	0.50	1.000	0.50	1.070	1.000	1.000	0.54
OP - Radiology	100	47	0.39	1.046	1.020	0.42	1.000	0.42	1.070	1.000	1.000	0.45
OP - Surgery	15	1,035	1.29	1.066	1.020	1.40	1.000	1.40	1.100	1.000	1.000	1.54
OP - Other	99	562	4.62	1.046	1.020	4.93	1.000	4.93	1.070	1.000	1.000	5.28
Subtotal - Outpatient	594	162	8.03			8.62	1.000	8.62	1.080	1.000	1.000	9.30
Prof - Evaluation & Management	531	68	3.03	1.033	1.015	3.18	1.000	3.18	1.050	1.000	1.000	3.34
Prof - Maternity	4	153	0.05	1.033	1.015	0.05	1.000	0.05	1.050	1.000	1.000	0.05
Prof - Surgery	40	240	0.80	1.033	1.015	0.84	1.000	0.84	1.050	1.000	1.000	0.88
Prof - DME/Supplies	28	254	0.59	1.033	1.015	0.61	1.000	0.61	1.050	1.000	1.000	0.65
Prof - Lab	451	19	0.70	1.033	1.015	0.74	1.000	0.74	1.050	1.000	1.000	0.78
Prof - Radiology	138	30	0.35	1.033	1.015	0.37	1.000	0.37	1.050	1.000	1.000	0.39
Prof - Transportation	1,093	71	6.43	1.033	1.015	6.74	1.000	6.74	1.050	1.000	1.000	7.08
Prof - Other	77,236	1	6.24	1.033	1.015	6.55	1.000	6.55	1.050	1.000	1.000	6.88
Subtotal - Professional	79,521	3	18.18			19.08	1.000	19.08	1.050	1.000	1.000	20.03
Total			\$ 184.75			\$ 208.78	1.000	\$ 208.78	1.133	1.000	1.000	\$ 236.55
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
Total Premium Rate			\$ 201.36			\$ 227.56		\$ 227.56				\$ 257.82

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 3c

Statewide  
 TCS High

Total For All Aid Categories All Ages												
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development				Fiscal Year 2009 Rate Development				
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			709,346					730,196				733,793
Home Health Care	4,158	257	88.89	1.097	1.043	101.68	0.992	100.88	1.151	0.957	0.993	110.38
IP - Maternity	39	933	3.03	1.019	1.080	3.34	1.010	3.37	1.030	1.000	1.002	3.48
IP - Newborn	334	1,542	42.95	1.017	1.080	47.15	0.990	46.66	1.030	1.000	0.993	47.74
IP - Medical	473	1,322	52.16	1.016	1.080	57.24	0.993	56.83	1.030	1.000	0.997	58.33
IP - Surgery	11	1,878	1.70	1.019	1.080	1.87	0.994	1.86	1.030	1.000	0.995	1.91
IP - Other	4	789	0.27	1.019	1.080	0.30	0.988	0.29	1.030	1.000	0.996	0.30
Subtotal - Inpatient	862	1,394	100.11			109.89	0.992	109.01	1.030	1.000	0.995	111.76
OP - Emergency Room	753	236	14.80	1.063	1.020	16.06	1.004	16.12	1.100	1.000	1.000	17.74
OP - Laboratory	1,247	26	2.72	1.043	1.020	2.90	0.989	2.86	1.070	1.000	0.996	3.05
OP - Radiology	620	66	3.39	1.043	1.020	3.61	0.996	3.60	1.070	1.000	0.998	3.84
OP - Surgery	114	1,380	13.09	1.062	1.020	14.19	0.992	14.08	1.100	1.000	0.997	15.44
OP - Other	859	194	13.92	1.043	1.020	14.82	0.989	14.65	1.070	1.000	0.996	15.62
Subtotal - Outpatient	3,593	160	47.93			51.57	0.995	51.31	1.088	1.000	0.998	55.68
Prof - Evaluation & Management	4,982	68	28.31	1.031	1.015	29.65	0.997	29.56	1.050	1.000	0.998	30.96
Prof - Maternity	33	590	1.61	1.032	1.015	1.69	1.009	1.71	1.050	1.000	1.001	1.80
Prof - Surgery	347	210	6.07	1.030	1.015	6.35	0.998	6.33	1.050	1.000	0.998	6.64
Prof - DME/Supplies	305	442	11.23	1.029	1.015	11.73	0.992	11.64	1.050	1.000	0.997	12.18
Prof - Lab	2,391	15	2.91	1.032	1.015	3.05	1.002	3.06	1.050	1.000	1.000	3.21
Prof - Radiology	1,234	29	2.99	1.031	1.015	3.13	1.005	3.15	1.050	1.000	1.001	3.31
Prof - Transportation	330	125	3.42	1.034	1.015	3.59	1.000	3.59	1.051	1.000	0.999	3.77
Prof - Other	112,861	3	28.22	1.030	1.015	29.52	0.991	29.26	1.050	1.000	0.996	30.62
Subtotal - Professional	122,481	8	84.76			88.72	0.995	88.29	1.050	1.000	0.997	92.47
Total			\$ 321.70			\$ 351.86	0.993	\$ 349.50	1.079	0.987	0.995	\$ 370.29
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
Total Premium Rate			\$ 350.63			\$ 383.50		\$ 380.93				\$ 403.58

**TennCare  
FY 2009 Per Capita Cost Development  
Development of Per Capita Costs:**

**Exhibit 4c**

Statewide

**TCS High**

Total For All Aid Categories							
All Ages							
Service Category	Admin Loads	11/2006 through 10/2007 Incurred		Fiscal Year 2008		Fiscal Year 2009	
		PMPM	Total	PMPM	Total	PMPM	Total
Member Months			709,346		730,196		733,793
Home Health Care		\$ 88.89	\$ 63,055,611	\$ 100.88	\$ 73,662,579	\$ 110.38	\$ 80,993,488
IP - Maternity		\$ 3.03	\$ 2,152,302	\$ 3.37	\$ 2,462,234	\$ 3.48	\$ 2,553,649
IP - Newborn		\$ 42.95	\$ 30,465,155	\$ 46.66	\$ 34,072,285	\$ 47.74	\$ 35,029,205
IP - Medical		\$ 52.16	\$ 37,000,215	\$ 56.83	\$ 41,495,266	\$ 58.33	\$ 42,803,918
IP - Surgery		\$ 1.70	\$ 1,207,268	\$ 1.86	\$ 1,358,312	\$ 1.91	\$ 1,399,367
IP - Other		\$ 0.27	\$ 190,922	\$ 0.29	\$ 213,687	\$ 0.30	\$ 220,380
Subtotal - Inpatient		\$ 100.11	\$ 71,015,861	\$ 109.01	\$ 79,601,784	\$ 111.76	\$ 82,006,520
OP - Emergency Room		\$ 14.80	\$ 10,500,043	\$ 16.12	\$ 11,773,189	\$ 17.74	\$ 13,015,621
OP - Laboratory		\$ 2.72	\$ 1,930,514	\$ 2.86	\$ 2,091,968	\$ 3.05	\$ 2,240,705
OP - Radiology		\$ 3.39	\$ 2,408,094	\$ 3.60	\$ 2,626,542	\$ 3.84	\$ 2,817,729
OP - Surgery		\$ 13.09	\$ 9,284,439	\$ 14.08	\$ 10,279,022	\$ 15.44	\$ 11,327,254
OP - Other		\$ 13.92	\$ 9,876,270	\$ 14.65	\$ 10,698,760	\$ 15.62	\$ 11,458,904
Subtotal - Outpatient		\$ 47.93	\$ 33,999,360	\$ 51.31	\$ 37,469,481	\$ 55.68	\$ 40,860,213
Prof - Evaluation & Management		\$ 28.31	\$ 20,082,801	\$ 29.56	\$ 21,582,804	\$ 30.96	\$ 22,715,306
Prof - Maternity		\$ 1.61	\$ 1,144,690	\$ 1.71	\$ 1,246,519	\$ 1.80	\$ 1,317,673
Prof - Surgery		\$ 6.07	\$ 4,303,670	\$ 6.33	\$ 4,623,828	\$ 6.64	\$ 4,869,337
Prof - DME/Supplies		\$ 11.23	\$ 7,966,475	\$ 11.64	\$ 8,497,316	\$ 12.18	\$ 8,933,955
Prof - Lab		\$ 2.91	\$ 2,064,060	\$ 3.06	\$ 2,231,107	\$ 3.21	\$ 2,354,558
Prof - Radiology		\$ 2.99	\$ 2,121,762	\$ 3.15	\$ 2,298,082	\$ 3.31	\$ 2,425,853
Prof - Transportation		\$ 3.42	\$ 2,427,065	\$ 3.59	\$ 2,622,936	\$ 3.77	\$ 2,768,361
Prof - Other		\$ 28.22	\$ 20,017,206	\$ 29.26	\$ 21,369,135	\$ 30.62	\$ 22,468,297
Subtotal - Professional		\$ 84.76	\$ 60,127,728	\$ 88.29	\$ 64,471,727	\$ 92.47	\$ 67,853,339
Total		\$ 321.70	\$ 228,198,560	\$ 349.50	\$ 255,205,571	\$ 370.29	\$ 271,713,560
Admin %	6.3%	\$ 21.91	\$ 15,544,861	\$ 23.81	\$ 17,384,576	\$ 25.22	\$ 18,509,098
Premium Tax	2.0%	\$ 7.01	\$ 4,974,356	\$ 7.62	\$ 5,563,064	\$ 8.07	\$ 5,922,911
Total Premium Rate		\$ 350.63	\$ 248,717,776	\$ 380.93	\$ 278,153,211	\$ 403.58	\$ 296,145,570

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Development of Per Capita Costs:**

**Exhibit 5c**

Statewide

**TCS High**

Aid Category	Age Group	Fiscal Year 2008			Fiscal Year 2009		
		Members	PMPM	Total	Members	PMPM	Total
Medicaid (TANF & Related)	Age Under 1	4,406	\$ 1,254.74	\$ 5,528,976	4,312	\$ 1,303.44	\$ 5,620,569
	Age 1 - 13	79,409	\$ 168.24	\$ 13,359,797	79,868	\$ 180.61	\$ 14,424,997
	Age 14 - 20 Female	30,469	\$ 186.49	\$ 5,682,241	30,545	\$ 197.07	\$ 6,019,576
	Age 14 - 20 Male	39,616	\$ 99.98	\$ 3,960,669	40,104	\$ 106.26	\$ 4,261,358
	Age 21 - 44 Female	4,095	\$ 378.37	\$ 1,549,471	4,061	\$ 397.35	\$ 1,613,646
	Age 21 - 44 Male	2,081	\$ 68.18	\$ 141,905	2,071	\$ 72.54	\$ 150,202
	Age 45 - 64	46	\$ 382.24	\$ 17,682	48	\$ 397.77	\$ 19,093
	Age 65+	-	\$ -	\$ -	-	\$ -	\$ -
	All Ages	160,123	\$ 188.86	\$ 30,240,741	161,008	\$ 199.43	\$ 32,109,440
Uninsured/Uninsurable	Age Under 1	-	\$ -	\$ -	-	\$ -	\$ -
	Age 1 - 13	203	\$ 32.53	\$ 6,593	194	\$ 34.52	\$ 6,681
	Age 14 - 18 Female	217	\$ 42.16	\$ 9,163	231	\$ 44.79	\$ 10,332
	Age 14 - 18 Male	275	\$ 48.22	\$ 13,240	290	\$ 50.79	\$ 14,707
	Age 19 - 20	54	\$ 77.47	\$ 4,218	57	\$ 83.27	\$ 4,706
	Age 21+	-	\$ -	\$ -	-	\$ -	\$ -
	All Ages	749	\$ 44.34	\$ 33,214	770	\$ 47.29	\$ 36,426
Disabled	Age <21	401,632	\$ 518.82	\$ 208,374,565	401,234	\$ 559.64	\$ 224,545,402
	Age 21+	143,886	\$ 236.91	\$ 34,087,600	146,306	\$ 226.54	\$ 33,144,481
	All Ages	545,518	\$ 444.46	\$ 242,462,165	547,540	\$ 470.63	\$ 257,689,883
Duals/Waiver Duals	All Ages	23,806	\$ 227.56	\$ 5,417,092	24,474	\$ 257.82	\$ 6,309,821
All Groups	All Ages	730,196	\$ 380.93	\$ 278,153,211	733,793	\$ 403.58	\$ 296,145,570

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Trend Assumption**

**Exhibit 6c**

**TCS High**

**TANF & Related**  
**Uninsured & Underinsured**

	Historical Trend	Current Trend	Fee Increase 7/2006 Adjustments	Months From Data Period* Midpoint of 5/1/2007 to midpoint of		Trend FY2008	Annual FY2009	Factor Total FY2009
				FY2008	FY2009			
Home Health Care	15.0%	15.0%	0.0%	8	20	1.098	1.150	1.262
IP - Maternity	3.0%	3.0%	0.0%	8	20	1.020	1.030	1.050
IP - Newborn	3.0%	3.0%	0.0%	8	20	1.020	1.030	1.050
IP - Medical	3.0%	3.0%	0.0%	8	20	1.020	1.030	1.050
IP - Surgery	3.0%	3.0%	0.0%	8	20	1.020	1.030	1.050
IP - Other	3.0%	3.0%	0.0%	8	20	1.020	1.030	1.050
OP - Emergency Room	10.0%	10.0%	0.0%	8	20	1.066	1.100	1.172
OP - Laboratory	7.0%	7.0%	0.0%	8	20	1.046	1.070	1.119
OP - Radiology	7.0%	7.0%	0.0%	8	20	1.046	1.070	1.119
OP - Surgery	10.0%	10.0%	0.0%	8	20	1.066	1.100	1.172
OP - Other	7.0%	7.0%	0.0%	8	20	1.046	1.070	1.119
Prof - Evaluation & Management	5.0%	5.0%	0.0%	8	20	1.033	1.050	1.085
Prof - Maternity	5.0%	5.0%	0.0%	8	20	1.033	1.050	1.085
Prof - Surgery	5.0%	5.0%	0.0%	8	20	1.033	1.050	1.085
Prof - DME/Supplies	5.0%	5.0%	0.0%	8	20	1.033	1.050	1.085
Prof - Lab	5.0%	5.0%	0.0%	8	20	1.033	1.050	1.085
Prof - Radiology	5.0%	5.0%	0.0%	8	20	1.033	1.050	1.085
Prof - Transportation	5.0%	5.0%	0.0%	8	20	1.033	1.050	1.085
Prof - Other	5.0%	5.0%	0.0%	8	20	1.033	1.050	1.085

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Trend Assumption**

**Exhibit 6c**

**TCS High**

**Disabled, Duals, Waiver Duals**

	Historical Trend	Current Trend	Fee Increase 7/2006 Adjustments	Months From Data Period*		Trend FY2007	Annual FY2008	Factor Total FY2008
				Midpoint of 5/1/2006 to FY2007	FY2008			
Home Health Care	15.0%	15.0%	0.0%	8	20	1.098	1.150	1.262
IP - Maternity	3.0%	3.0%	0.0%	8	20	1.020	1.030	1.050
IP - Newborn	3.0%	3.0%	0.0%	8	20	1.020	1.030	1.050
IP - Medical	3.0%	3.0%	0.0%	8	20	1.020	1.030	1.050
IP - Surgery	3.0%	3.0%	0.0%	8	20	1.020	1.030	1.050
IP - Other	3.0%	3.0%	0.0%	8	20	1.020	1.030	1.050
OP - Emergency Room	10.0%	10.0%	0.0%	8	20	1.066	1.100	1.172
OP - Laboratory	7.0%	7.0%	0.0%	8	20	1.046	1.070	1.119
OP - Radiology	7.0%	7.0%	0.0%	8	20	1.046	1.070	1.119
OP - Surgery	10.0%	10.0%	0.0%	8	20	1.066	1.100	1.172
OP - Other	7.0%	7.0%	0.0%	8	20	1.046	1.070	1.119
Prof - Evaluation & Management	5.0%	5.0%	0.0%	8	20	1.033	1.050	1.085
Prof - Maternity	5.0%	5.0%	0.0%	8	20	1.033	1.050	1.085
Prof - Surgery	5.0%	5.0%	0.0%	8	20	1.033	1.050	1.085
Prof - DME/Supplies	5.0%	5.0%	0.0%	8	20	1.033	1.050	1.085
Prof - Lab	5.0%	5.0%	0.0%	8	20	1.033	1.050	1.085
Prof - Radiology	5.0%	5.0%	0.0%	8	20	1.033	1.050	1.085
Prof - Transportation	5.0%	5.0%	0.0%	8	20	1.033	1.050	1.085
Prof - Other	5.0%	5.0%	0.0%	8	20	1.033	1.050	1.085



TennCare  
 FY 2009 Per Capita Cost Development  
 Historical Encounter Data

Exhibit 2d

TCS Low-Middle

Total For All Aid Categories All Ages							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	106,863						
Home Health Care	937,281	859,527	2,418	272	387.63	355.47	8.04
IP - Maternity	3,776,050	1,593,580	1,980	222	1,907.10	804.84	14.91
IP - Newborn	4,092,044	1,962,044	1,868	210	2,190.60	1,050.34	18.36
IP - Medical	9,003,855	3,760,114	4,473	502	2,012.93	840.62	35.19
IP - Surgery	1,001,902	450,309	128	14	7,827.36	3,518.04	4.21
IP - Other	167,537	161,476	1,022	115	163.93	158.00	1.51
Subtotal - Inpatient	18,041,388	7,927,524	9,471	1,064	1,904.91	837.03	74.18
OP - Emergency Room	2,828,328	568,049	2,807	315	1,007.60	202.37	5.32
OP - Laboratory	189,608	69,011	3,871	435	48.98	17.83	0.65
OP - Radiology	1,041,284	215,064	4,811	540	216.44	44.70	2.01
OP - Surgery	1,755,478	486,643	393	44	4,466.87	1,238.28	4.55
OP - Other	1,203,629	289,630	771	87	1,561.13	375.66	2.71
Subtotal - Outpatient	7,018,327	1,628,398	12,653	1,421	554.68	128.70	15.24
Prof - Evaluation & Management	3,354,088	1,372,807	19,337	2,171	173.45	70.99	12.85
Prof - Maternity	1,160,558	523,841	761	85	1,525.04	688.36	4.90
Prof - Surgery	1,896,435	572,275	3,690	414	513.94	155.09	5.36
Prof - DME/Supplies	388,407	264,768	749	84	518.57	353.50	2.48
Prof - Lab	393,433	147,020	9,212	1,034	42.71	15.96	1.38
Prof - Radiology	1,102,347	315,218	7,017	788	157.10	44.92	2.95
Prof - Transportation	538,131	258,889	2,407	270	223.57	107.56	2.42
Prof - Other	2,505,949	771,691	62,045	6,967	40.39	12.44	7.22
Subtotal - Professional	11,339,348	4,226,511	105,218	11,815	107.77	40.17	39.55
Total	\$ 37,336,344	\$ 14,641,959					\$ 137.02

TennCare  
 FY 2009 Per Capita Cost Development  
 Historical Encounter Data

Exhibit 2d

TCS Low-Middle

Medicaid (TANF & Related) All Ages							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	25,573						
Home Health Care	12,339	8,098	1,464	687	8.43	5.53	0.32
IP - Maternity	3,723,569	1,565,183	1,953	916	1,906.59	801.42	61.20
IP - Newborn	1,678,158	1,197,362	1,242	583	1,351.17	964.06	46.82
IP - Medical	4,849,711	1,529,819	1,590	746	3,050.13	962.15	59.82
IP - Surgery	-	-	-	-	-	-	-
IP - Other	30,827	9,067	17	8	1,813.36	533.36	0.35
Subtotal - Inpatient	10,282,266	4,301,431	4,802	2,253	2,141.25	895.76	168.20
OP - Emergency Room	1,290,500	258,089	1,387	651	930.43	186.08	10.09
OP - Laboratory	62,672	17,533	752	353	83.34	23.32	0.69
OP - Radiology	284,607	58,714	1,081	507	263.28	54.31	2.30
OP - Surgery	468,547	161,719	149	70	3,144.61	1,085.36	6.32
OP - Other	288,050	78,600	297	139	969.86	264.65	3.07
Subtotal - Outpatient	2,394,376	574,655	3,666	1,720	653.13	156.75	22.47
Prof - Evaluation & Management	1,763,599	737,101	10,129	4,753	174.11	72.77	28.82
Prof - Maternity	1,131,773	512,501	743	349	1,523.25	689.77	20.04
Prof - Surgery	816,510	229,174	1,521	714	536.82	150.67	8.96
Prof - DME/Supplies	43,438	30,153	158	74	274.93	190.84	1.18
Prof - Lab	171,675	67,559	4,355	2,044	39.42	15.51	2.64
Prof - Radiology	392,394	113,298	2,799	1,313	140.19	40.48	4.43
Prof - Transportation	165,138	51,956	238	112	693.86	218.30	2.03
Prof - Other	1,309,535	336,238	10,011	4,698	130.81	33.59	13.15
Subtotal - Professional	5,794,062	2,077,980	29,954	14,056	193.43	69.37	81.26
Total	\$ 18,483,043	\$ 6,962,163					\$ 272.25

TennCare  
 FY 2009 Per Capita Cost Development  
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Exhibit 2d

TCS Low-Middle

Medicaid (TANF & Related) Age Under 1							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	1,751						
Home Health Care	-	-	-	-	-	-	-
IP - Maternity	-	-	-	-	-	-	-
IP - Newborn	1,389,829	981,242	969	6,643	1,434.29	1,012.63	560.54
IP - Medical	224,811	128,046	128	877	1,756.33	1,000.36	73.15
IP - Surgery	-	-	-	-	-	-	-
IP - Other	-	-	-	-	-	-	-
Subtotal - Inpatient	1,614,640	1,109,288	1,097	7,520	1,471.87	1,011.20	633.69
OP - Emergency Room	86,852	20,044	121	829	717.79	165.65	11.45
OP - Laboratory	12,651	2,524	179	1,227	70.68	14.10	1.44
OP - Radiology	20,975	3,146	55	377	381.36	57.20	1.80
OP - Surgery	19,700	7,260	8	55	2,462.49	907.44	4.15
OP - Other	35,615	18,012	46	315	774.25	391.56	10.29
Subtotal - Outpatient	175,794	50,985	409	2,804	429.81	124.66	29.13
Prof - Evaluation & Management	779,571	339,537	3,550	24,335	219.60	95.64	193.96
Prof - Maternity	-	-	-	-	-	-	-
Prof - Surgery	91,597	30,539	180	1,234	508.87	169.66	17.45
Prof - DME/Supplies	7,852	4,455	30	206	261.73	148.49	2.54
Prof - Lab	3,778	1,045	108	740	34.98	9.68	0.60
Prof - Radiology	16,478	3,993	238	1,632	69.24	16.78	2.28
Prof - Transportation	30,467	7,141	21	144	1,450.80	340.03	4.08
Prof - Other	148,321	72,180	2,897	19,859	51.20	24.92	41.23
Subtotal - Professional	1,078,063	458,890	7,024	48,150	153.48	65.33	262.14
Total	\$ 2,868,497	\$ 1,619,163					\$ 924.96

TennCare  
 FY 2009 Per Capita Cost Development  
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Exhibit 2d

TCS Low-Middle

Medicaid (TANF & Related) Age 1 - 13							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	5,973						
Home Health Care	-	-	-	-	-	-	-
IP - Maternity	-	-	-	-	-	-	-
IP - Newborn	208,694	157,479	171	344	1,220.43	920.93	26.36
IP - Medical	216,363	113,277	95	191	2,277.51	1,192.39	18.96
IP - Surgery	-	-	-	-	-	-	-
IP - Other	-	-	-	-	-	-	-
Subtotal - Inpatient	425,057	270,756	266	534	1,597.96	1,017.88	45.33
OP - Emergency Room	252,437	57,624	379	761	666.06	152.04	9.65
OP - Laboratory	20,998	7,337	199	400	105.52	36.87	1.23
OP - Radiology	24,942	5,377	97	195	257.13	55.43	0.90
OP - Surgery	107,159	39,428	37	74	2,896.18	1,065.62	6.60
OP - Other	39,485	9,934	50	100	789.69	198.69	1.66
Subtotal - Outpatient	445,019	119,699	762	1,531	584.01	157.09	20.04
Prof - Evaluation & Management	311,365	136,543	2,313	4,647	134.62	59.03	22.86
Prof - Maternity	-	-	-	-	-	-	-
Prof - Surgery	70,037	19,310	124	249	564.81	155.73	3.23
Prof - DME/Supplies	8,005	5,158	40	80	200.12	128.96	0.86
Prof - Lab	14,450	6,346	623	1,252	23.19	10.19	1.06
Prof - Radiology	27,907	7,173	296	595	94.28	24.23	1.20
Prof - Transportation	36,923	13,721	57	115	647.77	240.73	2.30
Prof - Other	113,009	45,609	2,752	5,529	41.06	16.57	7.64
Subtotal - Professional	581,696	233,860	6,205	12,466	93.75	37.69	39.15
Total	\$ 1,451,773	\$ 624,316					\$ 104.52

TennCare  
 FY 2009 Per Capita Cost Development  
 Historical Encounter Data

Exhibit 2d

TCS Low-Middle

Medicaid (TANF & Related) Age 14 - 20 Female							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	1,650						
Home Health Care	9,081	6,403	1,189	8,648	7.64	5.38	3.88
IP - Maternity	479,258	222,835	290	2,109	1,652.61	768.40	135.06
IP - Newborn	15,287	13,852	27	196	566.19	513.05	8.40
IP - Medical	151,352	101,152	61	444	2,481.19	1,658.23	61.31
IP - Surgery	-	-	-	-	-	-	-
IP - Other	-	-	-	-	-	-	-
Subtotal - Inpatient	645,897	337,840	378	2,749	1,708.72	893.76	204.76
OP - Emergency Room	155,139	29,197	150	1,091	1,034.26	194.65	17.70
OP - Laboratory	11,390	2,978	145	1,055	78.55	20.54	1.80
OP - Radiology	30,465	4,720	157	1,142	194.04	30.07	2.86
OP - Surgery	36,385	10,203	20	145	1,819.24	510.17	6.18
OP - Other	24,539	3,913	37	269	663.21	105.77	2.37
Subtotal - Outpatient	257,918	51,012	509	3,702	506.71	100.22	30.92
Prof - Evaluation & Management	90,126	34,442	576	4,189	156.47	59.79	20.87
Prof - Maternity	176,413	82,954	137	996	1,287.68	605.51	50.28
Prof - Surgery	51,186	13,520	59	429	867.56	229.15	8.19
Prof - DME/Supplies	8,942	6,590	14	102	638.70	470.72	3.99
Prof - Lab	31,992	12,480	788	5,731	40.60	15.84	7.56
Prof - Radiology	53,022	17,257	292	2,124	181.58	59.10	10.46
Prof - Transportation	16,689	4,448	25	182	667.54	177.92	2.70
Prof - Other	169,804	38,914	597	4,342	284.43	65.18	23.58
Subtotal - Professional	598,172	210,605	2,488	18,095	240.42	84.65	127.64
Total	\$ 1,511,069	\$ 605,859					\$ 367.20

TennCare  
 FY 2009 Per Capita Cost Development  
 Historical Encounter Data

Exhibit 2d

TCS Low-Middle

Medicaid (TANF & Related) Age 14 - 20 Male							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	1,139						
Home Health Care	-	-	-	-	-	-	-
IP - Maternity	10,146	1,634	2	21	5,072.83	817.06	1.43
IP - Newborn	-	-	-	-	-	-	-
IP - Medical	38,630	42,752	63	664	613.17	678.60	37.53
IP - Surgery	-	-	-	-	-	-	-
IP - Other	21,016	3,160	8	84	2,627.03	395.00	2.77
Subtotal - Inpatient	69,791	47,546	73	769	956.05	651.32	41.73
OP - Emergency Room	58,046	10,116	57	600	1,018.35	177.47	8.88
OP - Laboratory	1,258	121	6	63	209.63	20.18	0.11
OP - Radiology	2,084	282	3	32	694.67	93.84	0.25
OP - Surgery	11,249	5,141	3	32	3,749.58	1,713.58	4.51
OP - Other	2,123	471	4	42	530.75	117.86	0.41
Subtotal - Outpatient	74,759	16,131	73	769	1,024.10	220.97	14.16
Prof - Evaluation & Management	26,679	10,339	166	1,748	160.72	62.28	9.07
Prof - Maternity	1,800	682	1	11	1,800.00	681.67	0.60
Prof - Surgery	9,797	3,049	18	190	544.28	169.41	2.68
Prof - DME/Supplies	58	40	1	11	57.84	40.30	0.04
Prof - Lab	2,474	800	85	895	29.10	9.41	0.70
Prof - Radiology	5,399	1,365	66	695	81.81	20.68	1.20
Prof - Transportation	6,384	4,593	11	116	580.40	417.52	4.03
Prof - Other	8,670	3,589	147	1,548	58.98	24.41	3.15
Subtotal - Professional	61,262	24,456	495	5,214	123.76	49.41	21.47
Total	\$ 205,812	\$ 88,132					\$ 77.36

TennCare  
 FY 2009 Per Capita Cost Development  
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Exhibit 2d

TCS Low-Middle

Medicaid (TANF & Related) Age 21 - 44 Female							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	9,427						
Home Health Care	2,415	1,110	3	4	805.00	370.03	0.12
IP - Maternity	3,228,679	1,338,364	1,658	2,111	1,947.33	807.22	141.98
IP - Newborn	64,348	44,789	75	95	857.98	597.18	4.75
IP - Medical	1,556,552	410,019	536	682	2,904.02	764.96	43.50
IP - Surgery	-	-	-	-	-	-	-
IP - Other	984	2,854	2	3	492.00	1,426.86	0.30
Subtotal - Inpatient	4,850,564	1,796,025	2,271	2,891	2,135.87	790.85	190.53
OP - Emergency Room	523,688	98,067	472	601	1,109.51	207.77	10.40
OP - Laboratory	13,671	3,981	183	233	74.71	21.75	0.42
OP - Radiology	133,933	30,870	522	665	256.58	59.14	3.27
OP - Surgery	219,926	76,448	62	79	3,547.20	1,233.03	8.11
OP - Other	100,252	23,719	122	155	821.74	194.42	2.52
Subtotal - Outpatient	991,471	233,085	1,361	1,733	728.49	171.26	24.73
Prof - Evaluation & Management	380,045	144,982	2,450	3,119	155.12	59.18	15.38
Prof - Maternity	953,560	428,865	605	770	1,576.13	708.87	45.50
Prof - Surgery	214,999	70,568	636	810	338.05	110.96	7.49
Prof - DME/Supplies	10,853	8,163	40	51	271.32	204.08	0.87
Prof - Lab	104,129	41,341	2,397	3,051	43.44	17.25	4.39
Prof - Radiology	188,249	56,306	1,162	1,479	162.00	48.46	5.97
Prof - Transportation	31,440	12,269	94	120	334.47	130.52	1.30
Prof - Other	705,631	141,460	2,474	3,149	285.22	57.18	15.01
Subtotal - Professional	2,588,906	903,954	9,858	12,549	262.62	91.70	95.89
Total	\$ 8,433,355	\$ 2,934,174					\$ 311.27

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Exhibit 2d

TCS Low-Middle

Medicaid (TANF & Related) Age 21 - 44 Male							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	3,724						
Home Health Care	-	-	-	-	-	-	-
IP - Maternity	-	-	-	-	-	-	-
IP - Newborn	-	-	-	-	-	-	-
IP - Medical	1,970,444	548,241	448	1,444	4,398.31	1,223.75	147.21
IP - Surgery	-	-	-	-	-	-	-
IP - Other	8,827	3,053	7	23	1,261.00	436.21	0.82
Subtotal - Inpatient	1,979,271	551,295	455	1,466	4,350.05	1,211.64	148.03
OP - Emergency Room	168,290	32,269	158	509	1,065.13	204.23	8.66
OP - Laboratory	803	171	15	48	53.50	11.40	0.05
OP - Radiology	25,905	4,371	34	110	761.92	128.55	1.17
OP - Surgery	41,867	9,686	12	39	3,488.94	807.16	2.60
OP - Other	53,811	12,729	21	68	2,562.44	606.14	3.42
Subtotal - Outpatient	290,676	59,226	240	773	1,211.15	246.77	15.90
Prof - Evaluation & Management	100,931	38,371	570	1,837	177.07	67.32	10.30
Prof - Maternity	-	-	-	-	-	-	-
Prof - Surgery	290,632	67,874	388	1,250	749.05	174.93	18.23
Prof - DME/Supplies	2,890	2,385	13	42	222.31	183.45	0.64
Prof - Lab	6,602	2,725	182	586	36.28	14.97	0.73
Prof - Radiology	53,373	14,201	384	1,237	138.99	36.98	3.81
Prof - Transportation	39,656	8,718	18	58	2,203.10	484.32	2.34
Prof - Other	108,422	18,845	414	1,334	261.89	45.52	5.06
Subtotal - Professional	602,506	153,119	1,969	6,345	306.00	77.76	41.11
Total	\$ 2,872,453	\$ 763,639					\$ 205.05



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Exhibit 2d

TCS Low-Middle

Medicaid (TANF & Related) Age 45 - 64							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	1,518						
Home Health Care	843	585	272	2,151	3.10	2.15	0.39
IP - Maternity	5,487	2,349	3	24	1,829.00	783.01	1.55
IP - Newborn	-	-	-	-	-	-	-
IP - Medical	227,718	90,225	92	727	2,475.20	980.70	59.45
IP - Surgery	-	-	-	-	-	-	-
IP - Other	-	-	-	-	-	-	-
Subtotal - Inpatient	233,205	92,574	95	751	2,454.79	974.46	61.00
OP - Emergency Room	45,960	10,736	49	387	937.95	219.10	7.07
OP - Laboratory	1,901	422	25	198	76.05	16.90	0.28
OP - Radiology	42,719	9,054	190	1,502	224.84	47.65	5.97
OP - Surgery	17,184	6,239	6	47	2,863.95	1,039.76	4.11
OP - Other	22,050	5,241	15	119	1,470.00	349.42	3.45
Subtotal - Outpatient	129,813	31,692	285	2,253	455.49	111.20	20.88
Prof - Evaluation & Management	56,933	24,731	410	3,242	138.86	60.32	16.29
Prof - Maternity	-	-	-	-	-	-	-
Prof - Surgery	46,491	14,978	101	799	460.31	148.29	9.87
Prof - DME/Supplies	4,839	3,361	20	158	241.95	168.06	2.21
Prof - Lab	6,675	2,431	150	1,186	44.50	16.21	1.60
Prof - Radiology	37,820	10,058	263	2,079	143.80	38.24	6.63
Prof - Transportation	2,895	923	11	87	263.19	83.95	0.61
Prof - Other	41,835	13,736	677	5,353	61.79	20.29	9.05
Subtotal - Professional	197,489	70,219	1,632	12,904	121.01	43.03	46.27
Total	\$ 561,351	\$ 195,070					\$ 128.53

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TCS Low-Middle

Medicaid (TANF & Related) Age 65+							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	392						
Home Health Care	-	-	-	-	-	-	-
IP - Maternity	-	-	-	-	-	-	-
IP - Newborn	-	-	-	-	-	-	-
IP - Medical	463,841	96,107	167	5,117	2,777.49	575.49	245.42
IP - Surgery	-	-	-	-	-	-	-
IP - Other	-	-	-	-	-	-	-
Subtotal - Inpatient	463,841	96,107	167	5,117	2,777.49	575.49	245.42
OP - Emergency Room	88	36	1	31	87.75	36.20	0.09
OP - Laboratory	-	-	-	-	-	-	-
OP - Radiology	3,585	895	23	705	155.88	38.90	2.28
OP - Surgery	15,077	7,315	1	31	15,077.01	7,314.60	18.68
OP - Other	10,175	4,580	2	61	5,087.50	2,289.82	11.69
Subtotal - Outpatient	28,925	12,825	27	827	1,071.30	475.01	32.75
Prof - Evaluation & Management	17,948	8,158	94	2,881	190.94	86.79	20.83
Prof - Maternity	-	-	-	-	-	-	-
Prof - Surgery	41,772	9,336	15	460	2,784.78	622.40	23.84
Prof - DME/Supplies	-	-	-	-	-	-	-
Prof - Lab	1,574	391	22	674	71.55	17.79	1.00
Prof - Radiology	10,145	2,945	98	3,003	103.52	30.05	7.52
Prof - Transportation	685	142	1	31	685.00	142.48	0.36
Prof - Other	13,843	1,905	53	1,624	261.18	35.94	4.86
Subtotal - Professional	85,967	22,877	283	8,672	303.77	80.84	58.42
Total	\$ 578,733	\$ 131,809					\$ 336.59

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Exhibit 2d

TCS Low-Middle

Uninsured/Uninsurable All Ages							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	6,224						
Home Health Care	13,975	4,638	432	833	32.35	10.74	0.75
IP - Maternity	23,709	7,968	10	19	2,370.93	796.85	1.28
IP - Newborn	2,102	312	2	4	1,050.75	156.09	0.05
IP - Medical	689,132	550,627	399	769	1,727.15	1,380.02	88.47
IP - Surgery	-	-	-	-	-	-	-
IP - Other	-	-	-	-	-	-	-
Subtotal - Inpatient	714,942	558,907	411	792	1,739.52	1,359.87	89.80
OP - Emergency Room	339,455	68,823	278	536	1,221.06	247.57	11.06
OP - Laboratory	18,334	3,952	217	418	84.49	18.21	0.64
OP - Radiology	349,356	70,100	2,148	4,141	162.64	32.63	11.26
OP - Surgery	446,041	139,093	104	201	4,288.86	1,337.43	22.35
OP - Other	223,067	47,874	196	378	1,138.10	244.25	7.69
Subtotal - Outpatient	1,376,254	329,842	2,943	5,674	467.64	112.08	52.99
Prof - Evaluation & Management	422,637	174,064	3,046	5,873	138.75	57.14	27.97
Prof - Maternity	9,392	4,004	7	13	1,341.71	572.01	0.64
Prof - Surgery	395,579	130,099	916	1,766	431.86	142.03	20.90
Prof - DME/Supplies	99,656	66,039	216	416	461.37	305.74	10.61
Prof - Lab	86,787	32,693	1,996	3,848	43.48	16.38	5.25
Prof - Radiology	292,151	88,444	1,588	3,062	183.97	55.70	14.21
Prof - Transportation	38,794	22,398	180	347	215.52	124.43	3.60
Prof - Other	421,169	143,111	9,816	18,925	42.91	14.58	22.99
Subtotal - Professional	1,766,165	660,851	17,765	34,251	99.42	37.20	106.18
Total	\$ 3,871,336	\$ 1,554,238					\$ 249.71

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TCS Low-Middle

Uninsured/Uninsurable Age Under 1							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	-						
Home Health Care	-	-	-	-	-	-	-
IP - Maternity	-	-	-	-	-	-	-
IP - Newborn	-	-	-	-	-	-	-
IP - Medical	-	-	-	-	-	-	-
IP - Surgery	-	-	-	-	-	-	-
IP - Other	-	-	-	-	-	-	-
Subtotal - Inpatient	-	-	-	-	-	-	-
OP - Emergency Room	-	-	-	-	-	-	-
OP - Laboratory	-	-	-	-	-	-	-
OP - Radiology	-	-	-	-	-	-	-
OP - Surgery	-	-	-	-	-	-	-
OP - Other	-	-	-	-	-	-	-
Subtotal - Outpatient	-	-	-	-	-	-	-
Prof - Evaluation & Management	-	-	-	-	-	-	-
Prof - Maternity	-	-	-	-	-	-	-
Prof - Surgery	-	-	-	-	-	-	-
Prof - DME/Supplies	-	-	-	-	-	-	-
Prof - Lab	-	-	-	-	-	-	-
Prof - Radiology	-	-	-	-	-	-	-
Prof - Transportation	-	-	-	-	-	-	-
Prof - Other	-	-	-	-	-	-	-
Subtotal - Professional	-	-	-	-	-	-	-
Total	\$ -	\$ -					\$ -

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TCS Low-Middle

Uninsured/Uninsurable Age 1 - 13							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	1,293						
Home Health Care	-	-	-	-	-	-	-
IP - Maternity	900	1,689	2	19	450.00	844.66	1.31
IP - Newborn	-	-	-	-	-	-	-
IP - Medical	198,613	33,500	42	390	4,728.88	797.62	25.91
IP - Surgery	-	-	-	-	-	-	-
IP - Other	-	-	-	-	-	-	-
Subtotal - Inpatient	199,513	35,189	44	408	4,534.38	799.76	27.22
OP - Emergency Room	7,239	2,223	6	56	1,206.48	370.44	1.72
OP - Laboratory	824	221	12	111	68.67	18.45	0.17
OP - Radiology	784	124	3	28	261.42	41.30	0.10
OP - Surgery	-	-	-	-	-	-	-
OP - Other	9,098	5,092	15	139	606.56	339.49	3.94
Subtotal - Outpatient	17,945	7,660	36	334	498.49	212.79	5.92
Prof - Evaluation & Management	11,323	4,645	103	956	109.93	45.09	3.59
Prof - Maternity	1,840	749	1	9	1,840.00	749.38	0.58
Prof - Surgery	1,110	337	3	28	370.00	112.21	0.26
Prof - DME/Supplies	1,329	869	5	46	265.80	173.72	0.67
Prof - Lab	891	371	37	343	24.08	10.02	0.29
Prof - Radiology	1,055	333	20	186	52.74	16.67	0.26
Prof - Transportation	-	-	-	-	-	-	-
Prof - Other	4,695	2,671	85	789	55.23	31.42	2.07
Subtotal - Professional	22,243	9,974	254	2,357	87.57	39.27	7.71
Total	\$ 239,701	\$ 52,824					\$ 40.86

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TCS Low-Middle

Uninsured/Uninsurable Age 14 - 18 Female							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	383						
Home Health Care	-	-	-	-	-	-	-
IP - Maternity	938	1,434	2	63	469.00	716.96	3.75
IP - Newborn	-	-	-	-	-	-	-
IP - Medical	-	-	-	-	-	-	-
IP - Surgery	-	-	-	-	-	-	-
IP - Other	-	-	-	-	-	-	-
Subtotal - Inpatient	938	1,434	2	63	469.00	716.96	3.75
OP - Emergency Room	3,054	725	5	157	610.80	145.07	1.90
OP - Laboratory	260	41	4	125	65.00	10.20	0.11
OP - Radiology	641	72	1	31	641.00	71.97	0.19
OP - Surgery	-	-	-	-	-	-	-
OP - Other	135	14	1	31	135.00	13.71	0.04
Subtotal - Outpatient	4,090	852	11	345	371.82	77.44	2.23
Prof - Evaluation & Management	5,872	2,461	43	1,348	136.56	57.23	6.43
Prof - Maternity	2,200	1,246	1	31	2,200.00	1,246.04	3.26
Prof - Surgery	948	397	4	125	237.00	99.30	1.04
Prof - DME/Supplies	-	-	-	-	-	-	-
Prof - Lab	965	344	21	659	45.95	16.39	0.90
Prof - Radiology	127	30	1	31	127.00	30.19	0.08
Prof - Transportation	-	-	-	-	-	-	-
Prof - Other	3,179	1,444	51	1,599	62.33	28.32	3.77
Subtotal - Professional	13,291	5,923	121	3,794	109.84	48.95	15.48
Total	\$ 18,319	\$ 8,208					\$ 21.45

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TCS Low-Middle

Uninsured/Uninsurable Age 14 - 18 Male							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	202						
Home Health Care	-	-	-	-	-	-	-
IP - Maternity	-	-	-	-	-	-	-
IP - Newborn	-	-	-	-	-	-	-
IP - Medical	-	-	-	-	-	-	-
IP - Surgery	-	-	-	-	-	-	-
IP - Other	-	-	-	-	-	-	-
Subtotal - Inpatient	-	-	-	-	-	-	-
OP - Emergency Room	2,577	193	5	298	515.40	38.54	0.96
OP - Laboratory	356	57	3	179	118.67	18.91	0.28
OP - Radiology	147	17	1	60	147.00	17.48	0.09
OP - Surgery	-	-	-	-	-	-	-
OP - Other	-	-	-	-	-	-	-
Subtotal - Outpatient	3,080	267	9	536	342.22	29.66	1.32
Prof - Evaluation & Management	2,295	786	17	1,012	135.01	46.22	3.90
Prof - Maternity	-	-	-	-	-	-	-
Prof - Surgery	-	-	-	-	-	-	-
Prof - DME/Supplies	-	-	-	-	-	-	-
Prof - Lab	126	93	9	536	14.05	10.35	0.46
Prof - Radiology	304	74	5	298	60.80	14.81	0.37
Prof - Transportation	-	-	-	-	-	-	-
Prof - Other	649	479	20	1,190	32.47	23.96	2.38
Subtotal - Professional	3,375	1,432	51	3,035	66.18	28.08	7.10
Total	\$ 6,455	\$ 1,699					\$ 8.43

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TCS Low-Middle

Uninsured/Uninsurable Age 19 - 20							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	439						
Home Health Care	-	-	-	-	-	-	-
IP - Maternity	-	-	-	-	-	-	-
IP - Newborn	-	-	-	-	-	-	-
IP - Medical	521	1,636	1	27	521.00	1,636.30	3.72
IP - Surgery	-	-	-	-	-	-	-
IP - Other	-	-	-	-	-	-	-
Subtotal - Inpatient	521	1,636	1	27	521.00	1,636.30	3.72
OP - Emergency Room	17,404	2,839	21	573	828.75	135.20	6.46
OP - Laboratory	2,566	597	12	328	213.83	49.78	1.36
OP - Radiology	28,013	4,883	118	3,222	237.39	41.38	11.11
OP - Surgery	41,682	9,157	4	109	10,420.54	2,289.24	20.84
OP - Other	910	430	1	27	910.00	429.93	0.98
Subtotal - Outpatient	90,574	17,906	156	4,260	580.61	114.78	40.75
Prof - Evaluation & Management	17,496	6,657	128	3,495	136.69	52.01	15.15
Prof - Maternity	-	-	-	-	-	-	-
Prof - Surgery	6,808	2,224	14	382	486.27	158.84	5.06
Prof - DME/Supplies	1,512	1,492	2	55	755.97	746.12	3.40
Prof - Lab	6,842	2,954	227	6,199	30.14	13.01	6.72
Prof - Radiology	10,399	2,973	51	1,393	203.90	58.29	6.77
Prof - Transportation	839	312	2	55	419.51	156.20	0.71
Prof - Other	11,584	3,464	159	4,342	72.86	21.79	7.88
Subtotal - Professional	55,480	20,077	583	15,920	95.16	34.44	45.69
Total	\$ 146,575	\$ 39,620					\$ 90.16



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TCS Low-Middle

Uninsured/Uninsurable Age 21+							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	3,907						
Home Health Care	13,975	4,638	432	1,327	32.35	10.74	1.19
IP - Maternity	21,871	4,845	6	18	3,645.22	807.54	1.24
IP - Newborn	2,102	312	2	6	1,050.75	156.09	0.08
IP - Medical	489,998	515,490	356	1,093	1,376.40	1,448.01	131.93
IP - Surgery	-	-	-	-	-	-	-
IP - Other	-	-	-	-	-	-	-
Subtotal - Inpatient	513,971	520,648	364	1,118	1,412.01	1,430.35	133.25
OP - Emergency Room	309,181	62,843	241	740	1,282.91	260.76	16.08
OP - Laboratory	14,328	3,036	186	571	77.03	16.32	0.78
OP - Radiology	319,771	65,004	2,025	6,219	157.91	32.10	16.64
OP - Surgery	404,359	129,936	100	307	4,043.59	1,299.36	33.25
OP - Other	212,924	42,338	179	550	1,189.52	236.52	10.84
Subtotal - Outpatient	1,260,564	303,157	2,731	8,387	461.58	111.01	77.59
Prof - Evaluation & Management	385,651	159,515	2,755	8,461	139.98	57.90	40.82
Prof - Maternity	5,352	2,009	5	15	1,070.40	401.72	0.51
Prof - Surgery	386,714	127,141	895	2,749	432.08	142.06	32.54
Prof - DME/Supplies	96,815	63,678	209	642	463.23	304.68	16.30
Prof - Lab	77,962	28,931	1,702	5,227	45.81	17.00	7.40
Prof - Radiology	280,266	85,034	1,511	4,640	185.48	56.28	21.76
Prof - Transportation	37,955	22,085	178	547	213.23	124.07	5.65
Prof - Other	401,062	135,052	9,501	29,179	42.21	14.21	34.56
Subtotal - Professional	1,671,777	623,445	16,756	51,460	99.77	37.21	159.56
Total	\$ 3,460,286	\$ 1,451,887					\$ 371.58

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TCS Low-Middle

Disabled All Ages							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	34,800						
Home Health Care	170,832	116,920	179	62	954.37	653.18	3.36
IP - Maternity	28,771	20,429	17	6	1,692.44	1,201.72	0.59
IP - Newborn	2,410,921	763,968	622	214	3,876.08	1,228.24	21.95
IP - Medical	3,204,702	1,450,319	1,106	381	2,897.56	1,311.32	41.68
IP - Surgery	1,001,902	450,309	128	44	7,827.36	3,518.04	12.94
IP - Other	5,563	9,270	8	3	695.35	1,158.70	0.27
Subtotal - Inpatient	6,651,860	2,694,295	1,881	649	3,536.34	1,432.37	77.42
OP - Emergency Room	1,117,399	226,105	928	320	1,204.09	243.65	6.50
OP - Laboratory	84,248	27,967	1,072	370	78.59	26.09	0.80
OP - Radiology	390,677	83,773	1,361	469	287.05	61.55	2.41
OP - Surgery	697,435	176,541	133	46	5,243.87	1,327.38	5.07
OP - Other	640,912	123,665	261	90	2,455.60	473.81	3.55
Subtotal - Outpatient	2,930,671	638,051	3,755	1,295	780.47	169.92	18.33
Prof - Evaluation & Management	1,129,768	445,986	5,782	1,994	195.39	77.13	12.82
Prof - Maternity	19,393	7,336	11	4	1,763.00	666.95	0.21
Prof - Surgery	672,684	209,070	1,223	422	550.03	170.95	6.01
Prof - DME/Supplies	237,211	162,816	342	118	693.60	476.07	4.68
Prof - Lab	126,218	43,876	2,708	934	46.61	16.20	1.26
Prof - Radiology	399,800	108,647	2,545	878	157.09	42.69	3.12
Prof - Transportation	235,020	101,025	925	319	254.08	109.22	2.90
Prof - Other	753,733	278,627	27,919	9,627	27.00	9.98	8.01
Subtotal - Professional	3,573,827	1,357,384	41,455	14,295	86.21	32.74	39.01
Total	\$ 13,327,189	\$ 4,806,649					\$ 138.12

TennCare  
 FY 2009 Per Capita Cost Development  
 Historical Encounter Data

Exhibit 2d

TCS Low-Middle

Disabled Age <21							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	8,695						
Home Health Care	2,931	2,931	3	4	976.97	976.97	0.34
IP - Maternity	-	-	-	-	-	-	-
IP - Newborn	2,410,171	762,141	620	856	3,887.37	1,229.26	87.65
IP - Medical	92,505	46,820	93	128	994.67	503.44	5.38
IP - Surgery	366,328	104,074	20	28	18,316.39	5,203.69	11.97
IP - Other	-	-	-	-	-	-	-
Subtotal - Inpatient	2,869,003	913,036	733	1,012	3,914.06	1,245.61	105.01
OP - Emergency Room	72,432	16,784	81	112	894.23	207.21	1.93
OP - Laboratory	15,875	6,852	155	214	102.42	44.21	0.79
OP - Radiology	16,186	6,199	39	54	415.02	158.94	0.71
OP - Surgery	99,984	14,820	8	11	12,497.94	1,852.55	1.70
OP - Other	44,106	16,595	46	63	958.83	360.76	1.91
Subtotal - Outpatient	248,582	61,250	329	454	755.57	186.17	7.04
Prof - Evaluation & Management	312,404	130,438	911	1,257	342.92	143.18	15.00
Prof - Maternity	-	-	-	-	-	-	-
Prof - Surgery	49,647	17,408	46	63	1,079.29	378.44	2.00
Prof - DME/Supplies	15,764	14,183	24	33	656.81	590.95	1.63
Prof - Lab	7,432	2,495	169	233	43.98	14.76	0.29
Prof - Radiology	15,807	4,001	226	312	69.94	17.70	0.46
Prof - Transportation	8,257	2,968	28	39	294.88	106.01	0.34
Prof - Other	215,150	92,732	4,644	6,409	46.33	19.97	10.67
Subtotal - Professional	624,460	264,225	6,048	8,347	103.25	43.69	30.39
Total	\$ 3,744,977	\$ 1,241,442					\$ 142.78

TennCare  
 FY 2009 Per Capita Cost Development  
 Historical Encounter Data

Exhibit 2d

TCS Low-Middle

Disabled Age 21+							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	26,105						
Home Health Care	167,901	113,989	176	81	953.98	647.66	4.37
IP - Maternity	28,771	20,429	17	8	1,692.44	1,201.72	0.78
IP - Newborn	750	1,827	2	1	375.00	913.28	0.07
IP - Medical	3,112,198	1,403,499	1,013	466	3,072.26	1,385.49	53.76
IP - Surgery	635,574	346,235	108	50	5,884.95	3,205.88	13.26
IP - Other	5,563	9,270	8	4	695.35	1,158.70	0.36
Subtotal - Inpatient	3,782,856	1,781,259	1,148	528	3,295.17	1,551.62	68.24
OP - Emergency Room	1,044,966	209,321	847	389	1,233.73	247.13	8.02
OP - Laboratory	68,373	21,115	917	422	74.56	23.03	0.81
OP - Radiology	374,491	77,575	1,322	608	283.28	58.68	2.97
OP - Surgery	597,451	161,721	125	57	4,779.61	1,293.77	6.20
OP - Other	596,806	107,069	215	99	2,775.84	498.00	4.10
Subtotal - Outpatient	2,682,088	576,800	3,426	1,575	782.86	168.36	22.10
Prof - Evaluation & Management	817,364	315,548	4,871	2,239	167.80	64.78	12.09
Prof - Maternity	19,393	7,336	11	5	1,763.00	666.95	0.28
Prof - Surgery	623,037	191,662	1,177	541	529.34	162.84	7.34
Prof - DME/Supplies	221,447	148,633	318	146	696.38	467.40	5.69
Prof - Lab	118,786	41,381	2,539	1,167	46.78	16.30	1.59
Prof - Radiology	383,993	104,646	2,319	1,066	165.59	45.13	4.01
Prof - Transportation	226,763	98,057	897	412	252.80	109.32	3.76
Prof - Other	538,583	185,895	23,275	10,699	23.14	7.99	7.12
Subtotal - Professional	2,949,367	1,093,159	35,407	16,276	83.30	30.87	41.88
Total	\$ 9,582,213	\$ 3,565,207					\$ 136.57

TennCare  
 FY 2009 Per Capita Cost Development  
 Historical Encounter Data

Exhibit 2d

TCS Low-Middle

Duals/Waiver Duals All Ages							
November 2006 through October 2007 Incurred; Paid through January 2008							
Service Category	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charge /Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	40,267						
Home Health Care	740,134	729,872	343	102	2,157.83	2,127.91	18.13
IP - Maternity	-	-	-	-	-	-	-
IP - Newborn	863	401	2	1	431.50	200.70	0.01
IP - Medical	260,310	229,350	1,378	411	188.90	166.44	5.70
IP - Surgery	-	-	-	-	-	-	-
IP - Other	131,147	143,139	997	297	131.54	143.57	3.55
Subtotal - Inpatient	392,319	372,891	2,377	708	165.05	156.87	9.26
OP - Emergency Room	80,974	15,033	214	64	378.38	70.25	0.37
OP - Laboratory	24,354	19,559	1,830	545	13.31	10.69	0.49
OP - Radiology	16,644	2,477	221	66	75.31	11.21	0.06
OP - Surgery	143,455	9,290	7	2	20,493.63	1,327.19	0.23
OP - Other	51,600	39,492	17	5	3,035.30	2,323.06	0.98
Subtotal - Outpatient	317,027	85,851	2,289	682	138.50	37.51	2.13
Prof - Evaluation & Management	38,085	15,656	380	113	100.22	41.20	0.39
Prof - Maternity	-	-	-	-	-	-	-
Prof - Surgery	11,662	3,932	30	9	388.72	131.07	0.10
Prof - DME/Supplies	8,102	5,761	33	10	245.51	174.58	0.14
Prof - Lab	8,753	2,892	153	46	57.21	18.90	0.07
Prof - Radiology	18,001	4,829	85	25	211.78	56.81	0.12
Prof - Transportation	99,179	83,511	1,064	317	93.21	78.49	2.07
Prof - Other	21,513	13,715	14,299	4,261	1.50	0.96	0.34
Subtotal - Professional	205,294	130,296	16,044	4,781	12.80	8.12	3.24
Total	\$ 1,654,776	\$ 1,318,910					\$ 32.75

**TennCare  
FY 2009 Per Capita Cost Development**

**Exhibit 3d**

Development of Per Capita Costs:

**TCS Low-Middle**

Medicaid (TANF & Related) All Ages												
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development				Fiscal Year 2009 Rate Development				
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			25,573					27,481				26,905
Home Health Care	687	6	0.32	1.098	1.043	0.36	0.912	0.33	1.150	1.000	0.939	0.36
IP - Maternity	916	801	61.20	1.020	1.080	67.40	1.010	68.11	1.030	1.000	0.981	68.80
IP - Newborn	583	964	46.82	1.020	1.080	51.56	0.458	23.64	1.030	1.000	0.936	22.79
IP - Medical	746	962	59.82	1.020	1.080	65.88	0.984	64.81	1.030	1.000	1.001	66.84
IP - Surgery	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Other	8	533	0.35	1.020	1.080	0.39	1.039	0.41	1.030	1.000	1.006	0.42
Subtotal - Inpatient	2,253	896	168.20			185.23	0.847	156.96	1.030	1.000	0.983	158.86
OP - Emergency Room	651	186	10.09	1.066	1.020	10.97	0.987	10.83	1.100	1.000	0.995	11.85
OP - Laboratory	353	23	0.69	1.046	1.020	0.73	0.943	0.69	1.070	1.000	0.992	0.73
OP - Radiology	507	54	2.30	1.046	1.020	2.45	0.988	2.42	1.070	1.000	0.993	2.57
OP - Surgery	70	1,085	6.32	1.066	1.020	6.88	1.009	6.94	1.100	1.000	0.998	7.62
OP - Other	139	265	3.07	1.046	1.020	3.28	0.874	2.87	1.070	1.000	0.992	3.05
Subtotal - Outpatient	1,720	157	22.47			24.31	0.977	23.74	1.092	1.000	0.995	25.82
Prof - Evaluation & Management	4,753	73	28.82	1.033	1.015	30.24	0.715	21.61	1.050	1.000	0.977	22.17
Prof - Maternity	349	690	20.04	1.033	1.015	21.02	1.008	21.18	1.050	1.000	0.980	21.79
Prof - Surgery	714	151	8.96	1.033	1.015	9.40	0.949	8.93	1.050	1.000	0.998	9.35
Prof - DME/Supplies	74	191	1.18	1.033	1.015	1.24	0.912	1.13	1.050	1.000	0.983	1.16
Prof - Lab	2,044	16	2.64	1.033	1.015	2.77	1.003	2.78	1.050	1.000	0.984	2.87
Prof - Radiology	1,313	40	4.43	1.033	1.015	4.65	0.992	4.61	1.050	1.000	0.989	4.79
Prof - Transportation	112	218	2.03	1.033	1.015	2.13	0.953	2.03	1.050	1.000	0.998	2.13
Prof - Other	4,698	34	13.15	1.033	1.015	13.79	0.876	12.08	1.050	1.000	0.983	12.46
Subtotal - Professional	14,056	69	81.26			85.24	0.872	74.34	1.050	1.000	0.983	76.73
Total			\$ 272.25			\$ 295.15	0.865	\$ 255.38	1.042	1.000	0.984	\$ 261.76
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
Total Premium Rate			\$ 296.73			\$ 321.69		\$ 278.34				\$ 285.29

**TennCare  
FY 2009 Per Capita Cost Development**

**Exhibit 3d**

Development of Per Capita Costs:

**TCS Low-Middle**

Medicaid (TANF & Related) Age Under 1												
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development				Fiscal Year 2009 Rate Development				
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			1,751					600				516
Home Health Care	-	-	-	1.098	1.043	-	1.000	-	1.150	1.000	1.000	-
IP - Maternity	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Newborn	6,643	1,013	560.54	1.020	1.080	617.30	1.000	617.30	1.030	1.000	1.000	635.82
IP - Medical	877	1,000	73.15	1.020	1.080	80.55	1.000	80.55	1.030	1.000	1.000	82.97
IP - Surgery	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Other	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
Subtotal - Inpatient	7,520	1,011	633.69			697.85	1.000	697.85	1.030	1.000	1.000	718.79
OP - Emergency Room	829	166	11.45	1.066	1.020	12.45	1.000	12.45	1.100	1.000	1.000	13.69
OP - Laboratory	1,227	14	1.44	1.046	1.020	1.54	1.000	1.54	1.070	1.000	1.000	1.65
OP - Radiology	377	57	1.80	1.046	1.020	1.92	1.000	1.92	1.070	1.000	1.000	2.05
OP - Surgery	55	907	4.15	1.066	1.020	4.51	1.000	4.51	1.100	1.000	1.000	4.96
OP - Other	315	392	10.29	1.046	1.020	10.98	1.000	10.98	1.070	1.000	1.000	11.75
Subtotal - Outpatient	2,804	125	29.13			31.40	1.000	31.40	1.070	1.000	1.000	34.11
Prof - Evaluation & Management	24,335	96	193.96	1.033	1.015	203.47	1.000	203.47	1.050	1.000	1.000	213.64
Prof - Maternity	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Surgery	1,234	170	17.45	1.033	1.015	18.30	1.000	18.30	1.050	1.000	1.000	19.22
Prof - DME/Supplies	206	148	2.54	1.033	1.015	2.67	1.000	2.67	1.050	1.000	1.000	2.80
Prof - Lab	740	10	0.60	1.033	1.015	0.63	1.000	0.63	1.050	1.000	1.000	0.66
Prof - Radiology	1,632	17	2.28	1.033	1.015	2.39	1.000	2.39	1.050	1.000	1.000	2.51
Prof - Transportation	144	340	4.08	1.033	1.015	4.28	1.000	4.28	1.050	1.000	1.000	4.49
Prof - Other	19,859	25	41.23	1.033	1.015	43.25	1.000	43.25	1.050	1.000	1.000	45.42
Subtotal - Professional	48,150	65	262.14			274.99	1.000	274.99	1.050	1.000	1.000	288.74
Total			\$ 924.96			\$ 1,004.24	1.000	\$ 1,004.24	1.037	1.000	1.000	\$ 1,041.63
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
Total Premium Rate			\$ 1,008.13			\$ 1,094.54		\$ 1,094.54				\$ 1,135.30

**TennCare  
FY 2009 Per Capita Cost Development**

**Exhibit 3d**

Development of Per Capita Costs:

**TCS Low-Middle**

<b>Medicaid (TANF &amp; Related) Age 1 - 13</b>												
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development				Fiscal Year 2009 Rate Development				
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			5,973					7,237				7,262
Home Health Care	-	-	-	1.098	1.043	-	1.000	-	1.150	1.000	1.000	-
IP - Maternity	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Newborn	344	921	26.36	1.020	1.080	29.03	1.000	29.03	1.030	1.000	1.000	29.91
IP - Medical	191	1,192	18.96	1.020	1.080	20.88	1.000	20.88	1.030	1.000	1.000	21.51
IP - Surgery	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Other	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
Subtotal - Inpatient	534	1,018	45.33			49.92	1.000	49.92	1.030	1.000	1.000	51.42
OP - Emergency Room	761	152	9.65	1.066	1.020	10.49	1.000	10.49	1.100	1.000	1.000	11.54
OP - Laboratory	400	37	1.23	1.046	1.020	1.31	1.000	1.31	1.070	1.000	1.000	1.40
OP - Radiology	195	55	0.90	1.046	1.020	0.96	1.000	0.96	1.070	1.000	1.000	1.03
OP - Surgery	74	1,066	6.60	1.066	1.020	7.18	1.000	7.18	1.100	1.000	1.000	7.89
OP - Other	100	199	1.66	1.046	1.020	1.78	1.000	1.78	1.070	1.000	1.000	1.90
Subtotal - Outpatient	1,531	157	20.04			21.71	1.000	21.71	1.070	1.000	1.000	23.76
Prof - Evaluation & Management	4,647	59	22.86	1.033	1.015	23.98	1.000	23.98	1.050	1.000	1.000	25.18
Prof - Maternity	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Surgery	249	156	3.23	1.033	1.015	3.39	1.000	3.39	1.050	1.000	1.000	3.56
Prof - DME/Supplies	80	129	0.86	1.033	1.015	0.91	1.000	0.91	1.050	1.000	1.000	0.95
Prof - Lab	1,252	10	1.06	1.033	1.015	1.11	1.000	1.11	1.050	1.000	1.000	1.17
Prof - Radiology	595	24	1.20	1.033	1.015	1.26	1.000	1.26	1.050	1.000	1.000	1.32
Prof - Transportation	115	241	2.30	1.033	1.015	2.41	1.000	2.41	1.050	1.000	1.000	2.53
Prof - Other	5,529	17	7.64	1.033	1.015	8.01	1.000	8.01	1.050	1.000	1.000	8.41
Subtotal - Professional	12,466	38	39.15			41.07	1.000	41.07	1.050	1.000	1.000	43.12
Total			\$ 104.52			\$ 112.70	1.000	\$ 112.70	1.045	1.000	1.000	\$ 118.30
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
Total Premium Rate			\$ 113.92			\$ 122.84		\$ 122.84				\$ 128.94



**TennCare  
FY 2009 Per Capita Cost Development**

**Exhibit 3d**

Development of Per Capita Costs:

**TCS Low-Middle**

<b>Medicaid (TANF &amp; Related) Age 14 - 20 Female</b>												
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development				Fiscal Year 2009 Rate Development				
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			1,650					1,566				1,413
Home Health Care	8,648	5	3.88	1.098	1.043	4.44	1.000	4.44	1.150	1.000	1.000	5.11
IP - Maternity	2,109	768	135.06	1.020	1.080	148.73	1.000	148.73	1.030	1.000	1.000	153.20
IP - Newborn	196	513	8.40	1.020	1.080	9.25	1.000	9.25	1.030	1.000	1.000	9.52
IP - Medical	444	1,658	61.31	1.020	1.080	67.51	1.000	67.51	1.030	1.000	1.000	69.54
IP - Surgery	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Other	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
Subtotal - Inpatient	2,749	894	204.76			225.49	1.000	225.49	1.030	1.000	1.000	232.26
OP - Emergency Room	1,091	195	17.70	1.066	1.020	19.24	1.000	19.24	1.100	1.000	1.000	21.16
OP - Laboratory	1,055	21	1.80	1.046	1.020	1.93	1.000	1.93	1.070	1.000	1.000	2.06
OP - Radiology	1,142	30	2.86	1.046	1.020	3.05	1.000	3.05	1.070	1.000	1.000	3.27
OP - Surgery	145	510	6.18	1.066	1.020	6.72	1.000	6.72	1.100	1.000	1.000	7.40
OP - Other	269	106	2.37	1.046	1.020	2.53	1.000	2.53	1.070	1.000	1.000	2.71
Subtotal - Outpatient	3,702	100	30.92			33.48	1.000	33.48	1.070	1.000	1.000	36.60
Prof - Evaluation & Management	4,189	60	20.87	1.033	1.015	21.90	1.000	21.90	1.050	1.000	1.000	22.99
Prof - Maternity	996	606	50.28	1.033	1.015	52.74	1.000	52.74	1.050	1.000	1.000	55.38
Prof - Surgery	429	229	8.19	1.033	1.015	8.60	1.000	8.60	1.050	1.000	1.000	9.03
Prof - DME/Supplies	102	471	3.99	1.033	1.015	4.19	1.000	4.19	1.050	1.000	1.000	4.40
Prof - Lab	5,731	16	7.56	1.033	1.015	7.93	1.000	7.93	1.050	1.000	1.000	8.33
Prof - Radiology	2,124	59	10.46	1.033	1.015	10.97	1.000	10.97	1.050	1.000	1.000	11.52
Prof - Transportation	182	178	2.70	1.033	1.015	2.83	1.000	2.83	1.050	1.000	1.000	2.97
Prof - Other	4,342	65	23.58	1.033	1.015	24.74	1.000	24.74	1.050	1.000	1.000	25.98
Subtotal - Professional	18,095	85	127.64			133.90	1.000	133.90	1.050	1.000	1.000	140.60
Total			\$ 367.20			\$ 397.31	1.000	\$ 397.31	1.041	1.000	1.000	\$ 414.56
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
Total Premium Rate			\$ 400.22			\$ 433.04		\$ 433.04				\$ 451.84

**TennCare**  
**FY 2009 Per Capita Cost Development**

**Exhibit 3d**

Development of Per Capita Costs:

**TCS Low-Middle**

Medicaid (TANF & Related)												
Age 14 - 20 Male												
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development				Fiscal Year 2009 Rate Development				
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			1,139					1,199				1,182
Home Health Care	-	-	-	1.098	1.043	-	1.000	-	1.150	1.000	1.000	-
IP - Maternity	21	817	1.43	1.020	1.080	1.58	1.000	1.58	1.030	1.000	1.000	1.63
IP - Newborn	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Medical	664	679	37.53	1.020	1.080	41.33	1.000	41.33	1.030	1.000	1.000	42.57
IP - Surgery	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Other	84	395	2.77	1.020	1.080	3.05	1.000	3.055	1.030	1.000	1.000	3.15
Subtotal - Inpatient	769	651	41.73			45.96	1.000	45.96	1.030	1.000	1.000	47.34
OP - Emergency Room	600	177	8.88	1.066	1.020	9.65	1.000	9.65	1.100	1.000	1.000	10.62
OP - Laboratory	63	20	0.11	1.046	1.020	0.11	1.000	0.11	1.070	1.000	1.000	0.12
OP - Radiology	32	94	0.25	1.046	1.020	0.26	1.000	0.26	1.070	1.000	1.000	0.28
OP - Surgery	32	1,714	4.51	1.066	1.020	4.91	1.000	4.91	1.100	1.000	1.000	5.40
OP - Other	42	118	0.41	1.046	1.020	0.44	1.000	0.44	1.070	1.000	1.000	0.47
Subtotal - Outpatient	769	221	14.16			15.38	1.000	15.38	1.070	1.000	1.000	16.89
Prof - Evaluation & Management	1,748	62	9.07	1.033	1.015	9.52	1.000	9.52	1.050	1.000	1.000	10.00
Prof - Maternity	11	682	0.60	1.033	1.015	0.63	1.000	0.63	1.050	1.000	1.000	0.66
Prof - Surgery	190	169	2.68	1.033	1.015	2.81	1.000	2.81	1.050	1.000	1.000	2.95
Prof - DME/Supplies	11	40	0.04	1.033	1.015	0.04	1.000	0.04	1.050	1.000	1.000	0.04
Prof - Lab	895	9	0.70	1.033	1.015	0.74	1.000	0.74	1.050	1.000	1.000	0.77
Prof - Radiology	695	21	1.20	1.033	1.015	1.26	1.000	1.26	1.050	1.000	1.000	1.32
Prof - Transportation	116	418	4.03	1.033	1.015	4.23	1.000	4.23	1.050	1.000	1.000	4.44
Prof - Other	1,548	24	3.15	1.033	1.015	3.30	1.000	3.30	1.050	1.000	1.000	3.47
Subtotal - Professional	5,214	49	21.47			22.52	1.000	22.52	1.050	1.000	1.000	23.64
Total			\$ 77.36			\$ 83.86	1.000	\$ 83.86	1.043	1.000	1.000	\$ 87.87
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
Total Premium Rate			\$ 84.31			\$ 91.40		\$ 91.40				\$ 95.78

**TennCare**  
**FY 2009 Per Capita Cost Development**

**Exhibit 3d**

Development of Per Capita Costs:

**TCS Low-Middle**

Medicaid (TANF & Related)												
Age 21 - 44 Female												
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development				Fiscal Year 2009 Rate Development				
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			9,427					10,451				10,121
Home Health Care	4	370	0.12	1.098	1.043	0.13	1.000	0.13	1.150	1.000	1.000	0.15
IP - Maternity	2,111	807	141.98	1.020	1.080	156.35	1.000	156.35	1.030	1.000	1.000	161.05
IP - Newborn	95	597	4.75	1.020	1.080	5.23	1.000	5.23	1.030	1.000	1.000	5.39
IP - Medical	682	765	43.50	1.020	1.080	47.90	1.000	47.90	1.030	1.000	1.000	49.34
IP - Surgery	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Other	3	1,427	0.30	1.020	1.080	0.33	1.000	0.333	1.030	1.000	1.000	0.34
Subtotal - Inpatient	2,891	791	190.53			209.82	1.000	209.82	1.030	1.000	1.000	216.12
OP - Emergency Room	601	208	10.40	1.066	1.020	11.31	1.000	11.31	1.100	1.000	1.000	12.44
OP - Laboratory	233	22	0.42	1.046	1.020	0.45	1.000	0.45	1.070	1.000	1.000	0.48
OP - Radiology	665	59	3.27	1.046	1.020	3.50	1.000	3.50	1.070	1.000	1.000	3.74
OP - Surgery	79	1,233	8.11	1.066	1.020	8.82	1.000	8.82	1.100	1.000	1.000	9.70
OP - Other	155	194	2.52	1.046	1.020	2.69	1.000	2.69	1.070	1.000	1.000	2.87
Subtotal - Outpatient	1,733	171	24.73			26.76	1.000	26.76	1.070	1.000	1.000	29.24
Prof - Evaluation & Management	3,119	59	15.38	1.033	1.015	16.13	1.000	16.13	1.050	1.000	1.000	16.94
Prof - Maternity	770	709	45.50	1.033	1.015	47.73	1.000	47.73	1.050	1.000	1.000	50.11
Prof - Surgery	810	111	7.49	1.033	1.015	7.85	1.000	7.85	1.050	1.000	1.000	8.25
Prof - DME/Supplies	51	204	0.87	1.033	1.015	0.91	1.000	0.91	1.050	1.000	1.000	0.95
Prof - Lab	3,051	17	4.39	1.033	1.015	4.60	1.000	4.60	1.050	1.000	1.000	4.83
Prof - Radiology	1,479	48	5.97	1.033	1.015	6.27	1.000	6.27	1.050	1.000	1.000	6.58
Prof - Transportation	120	131	1.30	1.033	1.015	1.37	1.000	1.37	1.050	1.000	1.000	1.43
Prof - Other	3,149	57	15.01	1.033	1.015	15.74	1.000	15.74	1.050	1.000	1.000	16.53
Subtotal - Professional	12,549	92	95.89			100.59	1.000	100.59	1.050	1.000	1.000	105.62
Total			\$ 311.27			\$ 337.31	1.000	\$ 337.31	1.039	1.000	1.000	\$ 351.13
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
Total Premium Rate			\$ 339.26			\$ 367.64		\$ 367.64				\$ 382.71

**TennCare  
FY 2009 Per Capita Cost Development**

**Exhibit 3d**

Development of Per Capita Costs:

**TCS Low-Middle**

<b>Medicaid (TANF &amp; Related) Age 21 - 44 Male</b>												
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development				Fiscal Year 2009 Rate Development				
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			3,724					4,427				4,426
Home Health Care	-	-	-	1.098	1.043	-	1.000	-	1.150	1.000	1.000	-
IP - Maternity	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Newborn	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Medical	1,444	1,224	147.21	1.020	1.080	162.12	1.000	162.12	1.030	1.000	1.000	166.98
IP - Surgery	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Other	23	436	0.82	1.020	1.080	0.90	1.000	0.903	1.030	1.000	1.000	0.93
Subtotal - Inpatient	1,466	1,212	148.03			163.02	1.000	163.02	1.030	1.000	1.000	167.91
OP - Emergency Room	509	204	8.66	1.066	1.020	9.42	1.000	9.42	1.100	1.000	1.000	10.36
OP - Laboratory	48	11	0.05	1.046	1.020	0.05	1.000	0.05	1.070	1.000	1.000	0.05
OP - Radiology	110	129	1.17	1.046	1.020	1.25	1.000	1.25	1.070	1.000	1.000	1.34
OP - Surgery	39	807	2.60	1.066	1.020	2.83	1.000	2.83	1.100	1.000	1.000	3.11
OP - Other	68	606	3.42	1.046	1.020	3.65	1.000	3.65	1.070	1.000	1.000	3.90
Subtotal - Outpatient	773	247	15.90			17.20	1.000	17.20	1.070	1.000	1.000	18.77
Prof - Evaluation & Management	1,837	67	10.30	1.033	1.015	10.81	1.000	10.81	1.050	1.000	1.000	11.35
Prof - Maternity	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Surgery	1,250	175	18.23	1.033	1.015	19.12	1.000	19.12	1.050	1.000	1.000	20.07
Prof - DME/Supplies	42	183	0.64	1.033	1.015	0.67	1.000	0.67	1.050	1.000	1.000	0.71
Prof - Lab	586	15	0.73	1.033	1.015	0.77	1.000	0.77	1.050	1.000	1.000	0.81
Prof - Radiology	1,237	37	3.81	1.033	1.015	4.00	1.000	4.00	1.050	1.000	1.000	4.20
Prof - Transportation	58	484	2.34	1.033	1.015	2.46	1.000	2.46	1.050	1.000	1.000	2.58
Prof - Other	1,334	46	5.06	1.033	1.015	5.31	1.000	5.31	1.050	1.000	1.000	5.57
Subtotal - Professional	6,345	78	41.11			43.13	1.000	43.13	1.050	1.000	1.000	45.29
Total			\$ 205.05			\$ 223.35	1.000	\$ 223.35	1.037	1.000	1.000	\$ 231.97
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
Total Premium Rate			\$ 223.49			\$ 243.43		\$ 243.43				\$ 252.83

**TennCare**  
**FY 2009 Per Capita Cost Development**

**Exhibit 3d**

Development of Per Capita Costs:

**TCS Low-Middle**

Medicaid (TANF & Related)												
Age 45 - 64												
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development				Fiscal Year 2009 Rate Development				
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			1,518					1,625				1,613
Home Health Care	2,151	2	0.39	1.098	1.043	0.44	1.000	0.44	1.150	1.000	1.000	0.51
IP - Maternity	24	783	1.55	1.020	1.080	1.70	1.000	1.70	1.030	1.000	1.000	1.76
IP - Newborn	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Medical	727	981	59.45	1.020	1.080	65.47	1.000	65.47	1.030	1.000	1.000	67.43
IP - Surgery	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Other	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
Subtotal - Inpatient	751	974	61.00			67.17	1.000	67.17	1.030	1.000	1.000	69.19
OP - Emergency Room	387	219	7.07	1.066	1.020	7.69	1.000	7.69	1.100	1.000	1.000	8.46
OP - Laboratory	198	17	0.28	1.046	1.020	0.30	1.000	0.30	1.070	1.000	1.000	0.32
OP - Radiology	1,502	48	5.97	1.046	1.020	6.37	1.000	6.37	1.070	1.000	1.000	6.81
OP - Surgery	47	1,040	4.11	1.066	1.020	4.47	1.000	4.47	1.100	1.000	1.000	4.92
OP - Other	119	349	3.45	1.046	1.020	3.69	1.000	3.69	1.070	1.000	1.000	3.94
Subtotal - Outpatient	2,253	111	20.88			22.51	1.000	22.51	1.070	1.000	1.000	24.45
Prof - Evaluation & Management	3,242	60	16.29	1.033	1.015	17.09	1.000	17.09	1.050	1.000	1.000	17.95
Prof - Maternity	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Surgery	799	148	9.87	1.033	1.015	10.35	1.000	10.35	1.050	1.000	1.000	10.87
Prof - DME/Supplies	158	168	2.21	1.033	1.015	2.32	1.000	2.32	1.050	1.000	1.000	2.44
Prof - Lab	1,186	16	1.60	1.033	1.015	1.68	1.000	1.68	1.050	1.000	1.000	1.76
Prof - Radiology	2,079	38	6.63	1.033	1.015	6.95	1.000	6.95	1.050	1.000	1.000	7.30
Prof - Transportation	87	84	0.61	1.033	1.015	0.64	1.000	0.64	1.050	1.000	1.000	0.67
Prof - Other	5,353	20	9.05	1.033	1.015	9.49	1.000	9.49	1.050	1.000	1.000	9.97
Subtotal - Professional	12,904	43	46.27			48.53	1.000	48.53	1.050	1.000	1.000	50.96
Total			\$ 128.53			\$ 138.66	1.000	\$ 138.66	1.044	1.000	1.000	\$ 145.11
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
Total Premium Rate			\$ 140.09			\$ 151.13		\$ 151.13				\$ 158.15

**TennCare  
FY 2009 Per Capita Cost Development**

**Exhibit 3d**

Development of Per Capita Costs:

**TCS Low-Middle**

Medicaid (TANF & Related) Age 65+												
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development				Fiscal Year 2009 Rate Development				
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			392					376				372
Home Health Care	-	-	-	1.098	1.043	-	1.000	-	1.150	1.000	1.000	-
IP - Maternity	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Newborn	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Medical	5,117	575	245.42	1.020	1.080	270.27	1.000	270.27	1.030	1.000	1.000	278.38
IP - Surgery	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Other	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
Subtotal - Inpatient	5,117	575	245.42			270.27	1.000	270.27	1.030	1.000	1.000	278.38
OP - Emergency Room	31	36	0.09	1.066	1.020	0.10	1.000	0.10	1.100	1.000	1.000	0.11
OP - Laboratory	-	-	-	1.046	1.020	-	1.000	-	1.070	1.000	1.000	-
OP - Radiology	705	39	2.28	1.046	1.020	2.44	1.000	2.44	1.070	1.000	1.000	2.61
OP - Surgery	31	7,315	18.68	1.066	1.020	20.31	1.000	20.31	1.100	1.000	1.000	22.34
OP - Other	61	2,290	11.69	1.046	1.020	12.48	1.000	12.48	1.070	1.000	1.000	13.36
Subtotal - Outpatient	827	475	32.75			35.33	1.000	35.33	1.070	1.000	1.000	38.42
Prof - Evaluation & Management	2,881	87	20.83	1.033	1.015	21.85	1.000	21.85	1.050	1.000	1.000	22.95
Prof - Maternity	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Surgery	460	622	23.84	1.033	1.015	25.01	1.000	25.01	1.050	1.000	1.000	26.26
Prof - DME/Supplies	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Lab	674	18	1.00	1.033	1.015	1.05	1.000	1.05	1.050	1.000	1.000	1.10
Prof - Radiology	3,003	30	7.52	1.033	1.015	7.89	1.000	7.89	1.050	1.000	1.000	8.28
Prof - Transportation	31	142	0.36	1.033	1.015	0.38	1.000	0.38	1.050	1.000	1.000	0.40
Prof - Other	1,624	36	4.86	1.033	1.015	5.10	1.000	5.10	1.050	1.000	1.000	5.36
Subtotal - Professional	8,672	81	58.42			61.28	1.000	61.28	1.050	1.000	1.000	64.35
Total			\$ 336.59			\$ 366.89	1.000	\$ 366.89	1.037	1.000	1.000	\$ 381.15
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
Total Premium Rate			\$ 366.86			\$ 399.88		\$ 399.88				\$ 415.42

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Development of Per Capita Costs:**

**Exhibit 3d**

**TCS Low-Middle**

Uninsured/Uninsurable All Ages												
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development				Fiscal Year 2009 Rate Development				
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			6,224					5,900				5,697
Home Health Care	833	11	0.75	1.098	1.043	0.85	0.924	0.79	1.150	1.000	0.988	0.8949
IP - Maternity	19	797	1.28	1.020	1.080	1.41	1.050	1.48	1.030	1.000	1.008	1.54
IP - Newborn	4	156	0.05	1.020	1.080	0.06	0.924	0.05	1.030	1.000	0.988	0.05
IP - Medical	769	1,380	88.47	1.020	1.080	97.43	0.944	91.95	1.030	1.000	0.992	93.94
IP - Surgery	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Other	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
Subtotal - Inpatient	792	1,360	89.80			98.89	0.945	93.49	1.030	1.000	0.992	95.53
OP - Emergency Room	536	248	11.06	1.066	1.020	12.02	0.919	11.05	1.100	1.000	0.986	11.98
OP - Laboratory	418	18	0.64	1.046	1.020	0.68	0.881	0.60	1.070	1.000	0.973	0.62
OP - Radiology	4,141	33	11.26	1.046	1.020	12.02	0.890	10.70	1.070	1.000	0.978	11.21
OP - Surgery	201	1,337	22.35	1.066	1.020	24.30	0.891	21.65	1.100	1.000	0.979	23.31
OP - Other	378	244	7.69	1.046	1.020	8.21	0.957	7.86	1.070	1.000	0.994	8.36
Subtotal - Outpatient	5,674	112	52.99			57.23	0.906	51.87	1.089	1.000	0.982	55.48
Prof - Evaluation & Management	5,873	57	27.97	1.033	1.015	29.34	0.921	27.02	1.050	1.000	0.986	27.98
Prof - Maternity	13	572	0.64	1.033	1.015	0.67	1.078	0.73	1.050	1.000	1.011	0.77
Prof - Surgery	1,766	142	20.90	1.033	1.015	21.93	0.917	20.11	1.050	1.000	0.986	20.82
Prof - DME/Supplies	416	306	10.61	1.033	1.015	11.13	0.917	10.21	1.050	1.000	0.986	10.57
Prof - Lab	3,848	16	5.25	1.033	1.015	5.51	0.888	4.89	1.050	1.000	0.977	5.02
Prof - Radiology	3,062	56	14.21	1.033	1.015	14.91	0.909	13.55	1.050	1.000	0.984	14.00
Prof - Transportation	347	124	3.60	1.033	1.015	3.77	0.917	3.46	1.050	1.000	0.986	3.58
Prof - Other	18,925	15	22.99	1.033	1.015	24.12	0.923	22.27	1.050	1.000	0.987	23.08
Subtotal - Professional	34,251	37	106.18			111.38	0.918	102.23	1.050	1.000	0.986	105.81
Total			\$ 249.71			\$ 268.35	0.926	\$ 248.37	1.051	1.000	0.987	\$ 257.72
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
Total Premium Rate			\$ 272.17			\$ 292.48		\$ 270.71				\$ 280.89

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 3d

TCS Low-Middle

Uninsured/Uninsurable Age Under 1												
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development				Fiscal Year 2009 Rate Development				
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			-					-				-
Home Health Care	-	-	-	1.098	1.043	-	1.000	-	1.150	1.000	1.000	-
IP - Maternity	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Newborn	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Medical	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Surgery	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Other	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
Subtotal - Inpatient	-	-	-			-	1.000	-	1.030	1.000	1.000	-
OP - Emergency Room	-	-	-	1.066	1.020	-	1.000	-	1.100	1.000	1.000	-
OP - Laboratory	-	-	-	1.046	1.020	-	1.000	-	1.070	1.000	1.000	-
OP - Radiology	-	-	-	1.046	1.020	-	1.000	-	1.070	1.000	1.000	-
OP - Surgery	-	-	-	1.066	1.020	-	1.000	-	1.100	1.000	1.000	-
OP - Other	-	-	-	1.046	1.020	-	1.000	-	1.070	1.000	1.000	-
Subtotal - Outpatient	-	-	-			-	1.000	-	1.070	1.000	1.000	-
Prof - Evaluation & Management	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Maternity	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Surgery	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - DME/Supplies	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Lab	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Radiology	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Transportation	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Other	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Subtotal - Professional	-	-	-			-	1.000	-	1.050	1.000	1.000	-
Total			\$ -			\$ -	1.000	\$ -	1.000	1.000	1.000	\$ -
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
Total Premium Rate			\$ -			\$ -		\$ -				\$ -



TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 3d

TCS Low-Middle

Uninsured/Uninsurable Age 1 - 13												
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development				Fiscal Year 2009 Rate Development				
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			1,293					1,570				1,572
Home Health Care	-	-	-	1.098	1.043	-	1.000	-	1.150	1.000	1.000	-
IP - Maternity	19	845	1.31	1.020	1.080	1.44	1.000	1.44	1.030	1.000	1.000	1.48
IP - Newborn	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Medical	390	798	25.91	1.020	1.080	28.53	1.000	28.53	1.030	1.000	1.000	29.39
IP - Surgery	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Other	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
Subtotal - Inpatient	408	800	27.22			29.97	1.000	29.97	1.030	1.000	1.000	30.87
OP - Emergency Room	56	370	1.72	1.066	1.020	1.87	1.000	1.87	1.100	1.000	1.000	2.06
OP - Laboratory	111	18	0.17	1.046	1.020	0.18	1.000	0.18	1.070	1.000	1.000	0.20
OP - Radiology	28	41	0.10	1.046	1.020	0.10	1.000	0.10	1.070	1.000	1.000	0.11
OP - Surgery	-	-	-	1.066	1.020	-	1.000	-	1.100	1.000	1.000	-
OP - Other	139	339	3.94	1.046	1.020	4.20	1.000	4.20	1.070	1.000	1.000	4.50
Subtotal - Outpatient	334	213	5.92			6.36	1.000	6.36	1.070	1.000	1.000	6.86
Prof - Evaluation & Management	956	45	3.59	1.033	1.015	3.77	1.000	3.77	1.050	1.000	1.000	3.96
Prof - Maternity	9	749	0.58	1.033	1.015	0.61	1.000	0.61	1.050	1.000	1.000	0.64
Prof - Surgery	28	112	0.26	1.033	1.015	0.27	1.000	0.27	1.050	1.000	1.000	0.29
Prof - DME/Supplies	46	174	0.67	1.033	1.015	0.70	1.000	0.70	1.050	1.000	1.000	0.74
Prof - Lab	343	10	0.29	1.033	1.015	0.30	1.000	0.30	1.050	1.000	1.000	0.32
Prof - Radiology	186	17	0.26	1.033	1.015	0.27	1.000	0.27	1.050	1.000	1.000	0.28
Prof - Transportation	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Other	789	31	2.07	1.033	1.015	2.17	1.000	2.17	1.050	1.000	1.000	2.28
Subtotal - Professional	2,357	39	7.71			8.09	1.000	8.09	1.050	1.000	1.000	8.50
Total			\$ 40.86			\$ 44.42	1.000	\$ 44.42	1.039	1.000	1.000	\$ 46.23
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
Total Premium Rate			\$ 44.53			\$ 48.42		\$ 48.42				\$ 50.39

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 3d

TCS Low-Middle

Uninsured/Uninsurable Age 14 - 18 Female												
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development				Fiscal Year 2009 Rate Development				
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			383					438				432
Home Health Care	-	-	-	1.098	1.043	-	1.000	-	1.150	1.000	1.000	-
IP - Maternity	63	717	3.75	1.020	1.080	4.13	1.000	4.13	1.030	1.000	1.000	4.25
IP - Newborn	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Medical	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Surgery	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Other	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
Subtotal - Inpatient	63	717	3.75			4.13	1.000	4.13	1.030	1.000	1.000	4.25
OP - Emergency Room	157	145	1.90	1.066	1.020	2.06	1.000	2.06	1.100	1.000	1.000	2.27
OP - Laboratory	125	10	0.11	1.046	1.020	0.11	1.000	0.11	1.070	1.000	1.000	0.12
OP - Radiology	31	72	0.19	1.046	1.020	0.20	1.000	0.20	1.070	1.000	1.000	0.21
OP - Surgery	-	-	-	1.066	1.020	-	1.000	-	1.100	1.000	1.000	-
OP - Other	31	14	0.04	1.046	1.020	0.04	1.000	0.04	1.070	1.000	1.000	0.04
Subtotal - Outpatient	345	77	2.23			2.41	1.000	2.41	1.070	1.000	1.000	2.64
Prof - Evaluation & Management	1,348	57	6.43	1.033	1.015	6.75	1.000	6.75	1.050	1.000	1.000	7.08
Prof - Maternity	31	1,246	3.26	1.033	1.015	3.42	1.000	3.42	1.050	1.000	1.000	3.59
Prof - Surgery	125	99	1.04	1.033	1.015	1.09	1.000	1.09	1.050	1.000	1.000	1.14
Prof - DME/Supplies	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Lab	659	16	0.90	1.033	1.015	0.94	1.000	0.94	1.050	1.000	1.000	0.99
Prof - Radiology	31	30	0.08	1.033	1.015	0.08	1.000	0.08	1.050	1.000	1.000	0.09
Prof - Transportation	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Other	1,599	28	3.77	1.033	1.015	3.96	1.000	3.96	1.050	1.000	1.000	4.16
Subtotal - Professional	3,794	49	15.48			16.24	1.000	16.24	1.050	1.000	1.000	17.05
Total			\$ 21.45			\$ 22.78	1.000	\$ 22.78	1.048	1.000	1.000	\$ 23.94
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
Total Premium Rate			\$ 23.38			\$ 24.82		\$ 24.82				\$ 26.09

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 3d

TCS Low-Middle

Uninsured/Uninsurable Age 14 - 18 Male												
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development				Fiscal Year 2009 Rate Development				
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			202					292				309
Home Health Care	-	-	-	1.098	1.043	-	1.000	-	1.150	1.000	1.000	-
IP - Maternity	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Newborn	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Medical	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Surgery	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Other	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
Subtotal - Inpatient	-	-	-			-	1.000	-	1.030	1.000	1.000	-
OP - Emergency Room	298	39	0.96	1.066	1.020	1.04	1.000	1.04	1.100	1.000	1.000	1.14
OP - Laboratory	179	19	0.28	1.046	1.020	0.30	1.000	0.30	1.070	1.000	1.000	0.32
OP - Radiology	60	17	0.09	1.046	1.020	0.09	1.000	0.09	1.070	1.000	1.000	0.10
OP - Surgery	-	-	-	1.066	1.020	-	1.000	-	1.100	1.000	1.000	-
OP - Other	-	-	-	1.046	1.020	-	1.000	-	1.070	1.000	1.000	-
Subtotal - Outpatient	536	30	1.32			1.43	1.000	1.43	1.070	1.000	1.000	1.56
Prof - Evaluation & Management	1,012	46	3.90	1.033	1.015	4.09	1.000	4.09	1.050	1.000	1.000	4.29
Prof - Maternity	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Surgery	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - DME/Supplies	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Lab	536	10	0.46	1.033	1.015	0.48	1.000	0.48	1.050	1.000	1.000	0.51
Prof - Radiology	298	15	0.37	1.033	1.015	0.39	1.000	0.39	1.050	1.000	1.000	0.40
Prof - Transportation	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Other	1,190	24	2.38	1.033	1.015	2.49	1.000	2.49	1.050	1.000	1.000	2.62
Subtotal - Professional	3,035	28	7.10			7.45	1.000	7.45	1.050	1.000	1.000	7.82
Total			\$ 8.43			\$ 8.88	1.000	\$ 8.88	1.053	1.000	1.000	\$ 9.39
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
Total Premium Rate			\$ 9.18			\$ 9.68		\$ 9.68				\$ 10.23

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Development of Per Capita Costs:**

**Exhibit 3d**

**TCS Low-Middle**

<b>Disabled All Ages</b>												
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development				Fiscal Year 2009 Rate Development				
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			34,800					38,989				38,549
Home Health Care	62	653	3.36	1.098	1.043	3.84	0.974	3.75	1.150	0.572	1.000	2.47
IP - Maternity	6	1,202	0.59	1.020	1.080	0.65	0.972	0.63	1.030	1.000	0.997	0.65
IP - Newborn	214	1,228	21.95	1.020	1.080	24.18	1.085	26.24	1.030	1.000	1.008	27.23
IP - Medical	381	1,311	41.68	1.020	1.080	45.90	0.975	44.76	1.030	1.000	0.998	45.99
IP - Surgery	44	3,518	12.94	1.020	1.080	14.25	0.998	14.22	1.030	1.000	1.000	14.64
IP - Other	3	1,159	0.27	1.020	1.080	0.29	0.972	0.285	1.030	1.000	0.997	0.29
Subtotal - Inpatient	649	1,432	77.42			85.26	1.010	86.13	1.030	1.000	1.001	88.80
OP - Emergency Room	320	244	6.50	1.066	1.020	7.06	0.980	6.92	1.100	1.000	0.998	7.60
OP - Laboratory	370	26	0.80	1.046	1.020	0.86	0.999	0.86	1.070	1.000	1.000	0.92
OP - Radiology	469	62	2.41	1.046	1.020	2.57	0.980	2.52	1.070	1.000	0.998	2.69
OP - Surgery	46	1,327	5.07	1.066	1.020	5.52	0.981	5.41	1.100	1.000	0.998	5.94
OP - Other	90	474	3.55	1.046	1.020	3.79	0.987	3.74	1.070	1.000	0.999	4.00
Subtotal - Outpatient	1,295	170	18.33			19.80	0.982	19.45	1.070	1.000	1.016	21.15
Prof - Evaluation & Management	1,994	77	12.82	1.033	1.015	13.44	1.005	13.51	1.050	1.000	1.000	14.19
Prof - Maternity	4	667	0.21	1.033	1.015	0.22	0.972	0.21	1.050	1.000	0.997	0.22
Prof - Surgery	422	171	6.01	1.033	1.015	6.30	0.981	6.18	1.050	1.000	0.998	6.48
Prof - DME/Supplies	118	476	4.68	1.033	1.015	4.91	0.981	4.82	1.050	1.000	0.998	5.05
Prof - Lab	934	16	1.26	1.033	1.015	1.32	0.978	1.29	1.050	1.000	0.998	1.36
Prof - Radiology	878	43	3.12	1.033	1.015	3.28	0.976	3.20	1.050	1.000	0.998	3.35
Prof - Transportation	319	109	2.90	1.033	1.015	3.05	0.975	2.97	1.050	1.000	0.997	3.11
Prof - Other	9,627	10	8.01	1.033	1.015	8.40	1.009	8.48	1.050	1.000	1.001	8.91
Subtotal - Professional	14,295	33	39.01			40.92	0.994	40.66	1.050	1.000	0.999	42.67
Total			\$ 138.12			\$ 149.83	1.001	\$ 149.99	1.044	0.989	1.001	\$ 155.08
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
Total Premium Rate			\$ 150.54			\$ 163.30		\$ 163.47				\$ 169.02

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Development of Per Capita Costs:**

**Exhibit 3d**

**TCS Low-Middle**

<b>Disabled Age &lt;21</b>												
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development				Fiscal Year 2009 Rate Development				
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			8,695					10,574				10,536
Home Health Care	4	977	0.34	1.098	1.043	0.39	1.000	0.39	1.150	1.000	1.000	0.44
IP - Maternity	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Newborn	856	1,229	87.65	1.020	1.080	96.53	1.000	96.53	1.030	1.000	1.000	99.43
IP - Medical	128	503	5.38	1.020	1.080	5.93	1.000	5.93	1.030	1.000	1.000	6.11
IP - Surgery	28	5,204	11.97	1.020	1.080	13.18	1.000	13.18	1.030	1.000	1.000	13.58
IP - Other	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
Subtotal - Inpatient	1,012	1,246	105.01			115.64	1.000	115.64	1.030	1.000	1.000	119.11
OP - Emergency Room	112	207	1.93	1.066	1.020	2.10	1.000	2.10	1.100	1.000	1.000	2.31
OP - Laboratory	214	44	0.79	1.046	1.020	0.84	1.000	0.84	1.070	1.000	1.000	0.90
OP - Radiology	54	159	0.71	1.046	1.020	0.76	1.000	0.76	1.070	1.000	1.000	0.81
OP - Surgery	11	1,853	1.70	1.066	1.020	1.85	1.000	1.85	1.100	1.000	1.000	2.04
OP - Other	63	361	1.91	1.046	1.020	2.04	1.000	2.04	1.070	1.000	1.000	2.18
Subtotal - Outpatient	454	186	7.04			7.59	1.000	7.59	1.070	1.000	1.000	8.24
Prof - Evaluation & Management	1,257	143	15.00	1.033	1.015	15.74	1.000	15.74	1.050	1.000	1.000	16.52
Prof - Maternity	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Surgery	63	378	2.00	1.033	1.015	2.10	1.000	2.10	1.050	1.000	1.000	2.21
Prof - DME/Supplies	33	591	1.63	1.033	1.015	1.71	1.000	1.71	1.050	1.000	1.000	1.80
Prof - Lab	233	15	0.29	1.033	1.015	0.30	1.000	0.30	1.050	1.000	1.000	0.32
Prof - Radiology	312	18	0.46	1.033	1.015	0.48	1.000	0.48	1.050	1.000	1.000	0.51
Prof - Transportation	39	106	0.34	1.033	1.015	0.36	1.000	0.36	1.050	1.000	1.000	0.38
Prof - Other	6,409	20	10.67	1.033	1.015	11.19	1.000	11.19	1.050	1.000	1.000	11.75
Subtotal - Professional	8,347	44	30.39			31.88	1.000	31.88	1.050	1.000	1.000	33.47
Total			\$ 142.78			\$ 155.50	1.000	\$ 155.50	1.036	1.000	1.001	\$ 161.27
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
Total Premium Rate			\$ 155.62			\$ 169.48		\$ 169.48				\$ 175.77

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Development of Per Capita Costs:**

**Exhibit 3d**

**TCS Low-Middle**

<b>Disabled Age 21+</b>												
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development				Fiscal Year 2009 Rate Development				
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			26,105					28,414				28,013
Home Health Care	81	648	4.37	1.098	1.043	5.00	1.000	5.00	1.150	0.561	1.000	3.23
IP - Maternity	8	1,202	0.78	1.020	1.080	0.86	1.000	0.86	1.030	1.000	1.000	0.89
IP - Newborn	1	913	0.07	1.020	1.080	0.08	1.000	0.08	1.030	1.000	1.000	0.08
IP - Medical	466	1,385	53.76	1.020	1.080	59.21	1.000	59.21	1.030	1.000	1.000	60.98
IP - Surgery	50	3,206	13.26	1.020	1.080	14.61	1.000	14.61	1.030	1.000	1.000	15.04
IP - Other	4	1,159	0.36	1.020	1.080	0.39	1.000	0.391	1.030	1.000	1.000	0.40
Subtotal - Inpatient	528	1,552	68.24			75.14	1.000	75.14	1.030	1.000	1.000	77.40
OP - Emergency Room	389	247	8.02	1.066	1.020	8.72	1.000	8.72	1.100	1.000	1.000	9.59
OP - Laboratory	422	23	0.81	1.046	1.020	0.86	1.000	0.86	1.070	1.000	1.000	0.92
OP - Radiology	608	59	2.97	1.046	1.020	3.17	1.000	3.17	1.070	1.000	1.000	3.39
OP - Surgery	57	1,294	6.20	1.066	1.020	6.74	1.000	6.74	1.100	1.000	1.000	7.41
OP - Other	99	498	4.10	1.046	1.020	4.38	1.000	4.38	1.070	1.000	1.000	4.68
Subtotal - Outpatient	1,575	168	22.10			23.87	1.000	23.87	1.089	1.000	1.000	26.00
Prof - Evaluation & Management	2,239	65	12.09	1.033	1.015	12.68	1.000	12.68	1.050	1.000	1.000	13.31
Prof - Maternity	5	667	0.28	1.033	1.015	0.29	1.000	0.29	1.050	1.000	1.000	0.31
Prof - Surgery	541	163	7.34	1.033	1.015	7.70	1.000	7.70	1.050	1.000	1.000	8.09
Prof - DME/Supplies	146	467	5.69	1.033	1.015	5.97	1.000	5.97	1.050	1.000	1.000	6.27
Prof - Lab	1,167	16	1.59	1.033	1.015	1.66	1.000	1.66	1.050	1.000	1.000	1.75
Prof - Radiology	1,066	45	4.01	1.033	1.015	4.21	1.000	4.21	1.050	1.000	1.000	4.42
Prof - Transportation	412	109	3.76	1.033	1.015	3.94	1.000	3.94	1.050	1.000	1.000	4.14
Prof - Other	10,699	8	7.12	1.033	1.015	7.47	1.000	7.47	1.050	1.000	1.000	7.84
Subtotal - Professional	16,276	31	41.88			43.93	1.000	43.93	1.050	1.000	1.000	46.12
Total			\$ 136.57			\$ 147.94	1.000	\$ 147.94	1.050	0.985	0.999	\$ 152.75
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
Total Premium Rate			\$ 148.85			\$ 161.24		\$ 161.24				\$ 166.49

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 3d

TCS Low-Middle

Duals/Waiver Duals All Ages												
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development				Fiscal Year 2009 Rate Development				
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			40,267					43,354				43,150
Home Health Care	102	2,128	18.13	1.098	1.043	20.74	1.000	20.74	1.150	1.000	1.000	23.85
IP - Maternity	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Newborn	1	201	0.01	1.020	1.080	0.01	1.000	0.01	1.030	1.000	1.000	0.01
IP - Medical	411	166	5.70	1.020	1.080	6.27	1.000	6.27	1.030	1.000	1.000	6.46
IP - Surgery	-	-	-	1.020	1.080	-	1.000	-	1.030	1.000	1.000	-
IP - Other	297	144	3.55	1.020	1.080	3.91	1.000	3.915	1.030	1.000	1.000	4.03
Subtotal - Inpatient	708	157	9.26			10.20	1.000	10.20	1.030	1.000	1.000	10.50
OP - Emergency Room	64	70	0.37	1.066	1.020	0.41	1.000	0.41	1.100	1.000	1.000	0.45
OP - Laboratory	545	11	0.49	1.046	1.020	0.52	1.000	0.52	1.070	1.000	1.000	0.55
OP - Radiology	66	11	0.06	1.046	1.020	0.07	1.000	0.07	1.070	1.000	1.000	0.07
OP - Surgery	2	1,327	0.23	1.066	1.020	0.25	1.000	0.25	1.100	1.000	1.000	0.28
OP - Other	5	2,323	0.98	1.046	1.020	1.05	1.000	1.05	1.070	1.000	1.000	1.12
Subtotal - Outpatient	682	38	2.13			2.29	1.000	2.29	1.079	1.000	1.000	2.47
Prof - Evaluation & Management	113	41	0.39	1.033	1.015	0.41	1.000	0.41	1.050	1.000	1.000	0.43
Prof - Maternity	-	-	-	1.033	1.015	-	1.000	-	1.050	1.000	1.000	-
Prof - Surgery	9	131	0.10	1.033	1.015	0.10	1.000	0.10	1.050	1.000	1.000	0.11
Prof - DME/Supplies	10	175	0.14	1.033	1.015	0.15	1.000	0.15	1.050	1.000	1.000	0.16
Prof - Lab	46	19	0.07	1.033	1.015	0.08	1.000	0.08	1.050	1.000	1.000	0.08
Prof - Radiology	25	57	0.12	1.033	1.015	0.13	1.000	0.13	1.050	1.000	1.000	0.13
Prof - Transportation	317	78	2.07	1.033	1.015	2.18	1.000	2.18	1.050	1.000	1.000	2.28
Prof - Other	4,261	1	0.34	1.033	1.015	0.36	1.000	0.36	1.050	1.000	1.000	0.38
Subtotal - Professional	4,781	8	3.24			3.39	1.000	3.39	1.050	1.000	1.000	3.56
Total			\$ 32.75			\$ 36.62	1.000	\$ 36.62	1.103	1.000	1.000	\$ 40.39
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
Total Premium Rate			\$ 35.70			\$ 39.92		\$ 39.92				\$ 44.02

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 3d

TCS Low-Middle

Total For All Aid Categories All Ages												
Service Category	11/2006 through 10/2007 Incurred			Fiscal Year 2008 Rate Development				Fiscal Year 2009 Rate Development				
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjustment	Enrollment Impact	FFS 6 MONTHS
Member Months			106,863					115,723				114,301
Home Health Care	272	355	8.04	1.097	1.043	9.20	0.995	9.15	1.213	0.967	0.929	9.97
IP - Maternity	222	805	14.91	1.012	1.080	16.30	1.010	16.46	1.070	1.000	0.936	16.49
IP - Newborn	210	1,050	18.36	1.029	1.080	20.40	0.709	14.46	1.081	1.000	0.931	14.56
IP - Medical	502	841	35.19	1.011	1.080	38.42	0.976	37.51	0.946	1.000	1.082	38.36
IP - Surgery	14	3,518	4.21	1.055	1.080	4.80	0.998	4.79	1.085	1.000	0.950	4.94
IP - Other	115	158	1.51	1.016	1.080	1.66	1.000	1.66	1.091	1.000	0.950	1.72
Subtotal - Inpatient	1,064	837	74.18			81.58	0.918	74.88	1.011	1.000	1.005	76.07
OP - Emergency Room	315	202	5.32	1.060	1.020	5.75	0.977	5.62	1.038	1.000	1.049	6.12
OP - Laboratory	435	18	0.65	1.050	1.020	0.69	0.980	0.68	1.076	1.000	0.991	0.72
OP - Radiology	540	45	2.01	1.015	1.020	2.09	0.956	1.99	0.816	1.000	1.290	2.10
OP - Surgery	44	1,238	4.55	1.038	1.020	4.82	0.968	4.67	0.881	1.000	1.231	5.06
OP - Other	87	376	2.71	1.037	1.020	2.87	0.954	2.74	0.960	1.000	1.106	2.91
Subtotal - Outpatient	1,421	129	15.24			16.22	0.968	15.69	0.951	1.000	1.133	16.91
Prof - Evaluation & Management	2,171	71	12.85	1.024	1.015	13.36	0.839	11.21	0.965	1.000	1.068	11.56
Prof - Maternity	85	688	4.90	1.025	1.015	5.10	1.008	5.14	1.088	1.000	0.938	5.24
Prof - Surgery	414	155	5.36	1.014	1.015	5.51	0.955	5.27	0.887	1.000	1.171	5.46
Prof - DME/Supplies	84	353	2.48	1.022	1.015	2.57	0.960	2.47	0.872	1.000	1.191	2.56
Prof - Lab	1,034	16	1.38	1.011	1.015	1.41	0.972	1.37	0.900	1.000	1.143	1.41
Prof - Radiology	788	45	2.95	1.006	1.015	3.01	0.965	2.91	0.840	1.000	1.229	3.00
Prof - Transportation	270	108	2.42	1.032	1.015	2.54	0.974	2.47	1.028	1.000	1.019	2.59
Prof - Other	6,967	12	7.22	1.019	1.015	7.47	0.937	6.99	0.922	1.000	1.121	7.23
Subtotal - Professional	11,815	40	39.55			40.98	0.923	37.84	0.949	1.000	1.088	39.07
Total			\$ 137.02			\$ 147.97	0.930	\$ 137.56	1.001	0.998	1.034	\$ 142.01
Admin %			6.3%			6.3%		6.3%				6.3%
Premium Tax			2.0%			2.0%		2.0%				2.0%
Total Premium Rate			\$ 149.34			\$ 161.27		\$ 149.93				\$ 154.78



**TennCare  
FY 2009 Per Capita Cost Development  
Development of Per Capita Costs:**

**Exhibit 4d**

**TCS Low-Middle**

Total For All Aid Categories							
All Ages							
Service Category	Admin Loads	11/2006 through 10/2007 Incurred		Fiscal Year 2008		Fiscal Year 2009	
		PMPM	Total	PMPM	Total	PMPM	Total
Member Months			106,863		115,723		114,301
Home Health Care		\$ 8.04	\$ 859,527	\$ 9.15	\$ 1,059,090	\$ 9.97	\$ 1,139,050
IP - Maternity		\$ 14.91	\$ 1,593,580	\$ 16.46	\$ 1,904,852	\$ 16.49	\$ 1,884,763
IP - Newborn		\$ 18.36	\$ 1,962,044	\$ 14.46	\$ 1,673,325	\$ 14.56	\$ 1,663,777
IP - Medical		\$ 35.19	\$ 3,760,114	\$ 37.51	\$ 4,340,506	\$ 38.36	\$ 4,385,019
IP - Surgery		\$ 4.21	\$ 450,309	\$ 4.79	\$ 554,413	\$ 4.94	\$ 564,489
IP - Other		\$ 1.51	\$ 161,476	\$ 1.66	\$ 191,977	\$ 1.72	\$ 196,582
Subtotal - Inpatient		\$ 74.18	\$ 7,927,524	\$ 74.88	\$ 8,665,073	\$ 76.07	\$ 8,694,630
OP - Emergency Room		\$ 5.32	\$ 568,049	\$ 5.62	\$ 650,270	\$ 6.12	\$ 699,309
OP - Laboratory		\$ 0.65	\$ 69,011	\$ 0.68	\$ 78,402	\$ 0.72	\$ 82,561
OP - Radiology		\$ 2.01	\$ 215,064	\$ 1.99	\$ 230,719	\$ 2.10	\$ 239,750
OP - Surgery		\$ 4.55	\$ 486,643	\$ 4.67	\$ 540,236	\$ 5.06	\$ 578,642
OP - Other		\$ 2.71	\$ 289,630	\$ 2.74	\$ 316,524	\$ 2.91	\$ 332,084
Subtotal - Outpatient		\$ 15.24	\$ 1,628,398	\$ 15.69	\$ 1,816,150	\$ 16.91	\$ 1,932,346
Prof - Evaluation & Management		\$ 12.85	\$ 1,372,807	\$ 11.21	\$ 1,297,574	\$ 11.56	\$ 1,321,496
Prof - Maternity		\$ 4.90	\$ 523,841	\$ 5.14	\$ 594,788	\$ 5.24	\$ 599,273
Prof - Surgery		\$ 5.36	\$ 572,275	\$ 5.27	\$ 609,393	\$ 5.46	\$ 624,638
Prof - DME/Supplies		\$ 2.48	\$ 264,768	\$ 2.47	\$ 285,546	\$ 2.56	\$ 292,943
Prof - Lab		\$ 1.38	\$ 147,020	\$ 1.37	\$ 158,915	\$ 1.41	\$ 161,481
Prof - Radiology		\$ 2.95	\$ 315,218	\$ 2.91	\$ 336,682	\$ 3.00	\$ 343,249
Prof - Transportation		\$ 2.42	\$ 258,889	\$ 2.47	\$ 286,315	\$ 2.59	\$ 296,138
Prof - Other		\$ 7.22	\$ 771,691	\$ 6.99	\$ 809,417	\$ 7.23	\$ 826,522
Subtotal - Professional		\$ 39.55	\$ 4,226,511	\$ 37.84	\$ 4,378,631	\$ 39.07	\$ 4,465,740
Total		\$ 137.02	\$ 14,641,959	\$ 137.56	\$ 15,918,944	\$ 142.01	\$ 16,231,765
Admin %	6.3%	\$ 9.33	\$ 997,409	\$ 9.37	\$ 1,084,397	\$ 9.67	\$ 1,105,706
Premium Tax	2.0%	\$ 2.99	\$ 319,171	\$ 3.00	\$ 347,007	\$ 3.10	\$ 353,826
Total Premium Rate		\$ 149.34	\$ 15,958,539	\$ 149.93	\$ 17,350,347	\$ 154.78	\$ 17,691,297

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 5d

TCS Low-Middle

Aid Category	Age Group	Fiscal Year 2008			Fiscal Year 2009		
		Projected	PMPM	Total	Projected	PMPM	Total
Medicaid (TANF & Related)	Age Under 1	600	\$ 1,094.54	\$ 656,703	516	\$ 1,135.30	\$ 585,813
	Age 1 - 13	7,237	\$ 122.84	\$ 888,971	7,262	\$ 128.94	\$ 936,409
	Age 14 - 20 Female	1,566	\$ 433.04	\$ 678,098	1,413	\$ 451.84	\$ 638,396
	Age 14 - 20 Male	1,199	\$ 91.40	\$ 109,593	1,182	\$ 95.78	\$ 113,187
	Age 21 - 44 Female	10,451	\$ 367.64	\$ 3,842,217	10,121	\$ 382.71	\$ 3,873,356
	Age 21 - 44 Male	4,427	\$ 243.43	\$ 1,077,692	4,426	\$ 252.83	\$ 1,119,028.18
	Age 45 - 64	1,625	\$ 151.13	\$ 245,582	1,613	\$ 158.15	\$ 255,168.46
	Age 65+	376	\$ 399.88	\$ 150,225	372	\$ 415.42	\$ 154,535.21
	All Ages	27,481	\$ 278.34	\$ 7,649,082	26,905	\$ 285.29	\$ 7,675,892.89
Uninsured/Uninsurable	Age Under 1	-	\$ -	\$ -	-	\$ -	\$ -
	Age 1 - 13	1,570	\$ 48.42	\$ 76,002	1,572	\$ 50.39	\$ 79,205.55
	Age 14 - 18 Female	438	\$ 24.82	\$ 10,862	432	\$ 26.09	\$ 11,272.98
	Age 14 - 18 Male	292	\$ 9.68	\$ 2,825	309	\$ 10.23	\$ 3,159.86
	Age 19 - 20	180	\$ 104.70	\$ 18,843	120	\$ 111.78	\$ 13,413.12
	Age 21+	3,421	\$ 435.17	\$ 1,488,586	3,264	\$ 457.46	\$ 1,493,156.62
	All Ages	5,900	\$ 270.71	\$ 1,597,118	5,697	\$ 280.89	\$ 1,600,208.13
Disabled	Age <21	10,574	\$ 169.48	\$ 1,792,071	10,536	\$ 175.77	\$ 1,851,821.86
	Age 21+	28,414	\$ 161.24	\$ 4,581,523	28,013	\$ 166.49	\$ 4,663,819.71
	All Ages	38,989	\$ 163.47	\$ 6,373,593	38,549	\$ 169.02	\$ 6,515,641.56
Duals/Waiver Duals	All Ages	43,354	\$ 39.92	\$ 1,730,554	43,150	\$ 44.02	\$ 1,899,555
All Groups	All Ages	115,723	\$ 149.93	\$ 17,350,347	114,301	\$ 154.78	\$ 17,691,297

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Trend Assumption**

**Exhibit 6d**

**TCS Low-Middle**

**TANF & Related**  
**Uninsured & Underinsured**

	Historical Trend	Current Trend	Fee Increase 7/2006 Adjustments	Months From Data Period* Midpoint of 5/1/2007 to midpoint of		Trend FY2008	Annual FY2009	Factor Total FY2009
				FY2008	FY2009			
Home Health Care	15.0%	15.0%	0.0%	8	20	1.098	1.150	1.262
IP - Maternity	3.0%	3.0%	0.0%	8	20	1.020	1.030	1.050
IP - Newborn	3.0%	3.0%	0.0%	8	20	1.020	1.030	1.050
IP - Medical	3.0%	3.0%	0.0%	8	20	1.020	1.030	1.050
IP - Surgery	3.0%	3.0%	0.0%	8	20	1.020	1.030	1.050
IP - Other	3.0%	3.0%	0.0%	8	20	1.020	1.030	1.050
OP - Emergency Room	10.0%	10.0%	0.0%	8	20	1.066	1.100	1.172
OP - Laboratory	7.0%	7.0%	0.0%	8	20	1.046	1.070	1.119
OP - Radiology	7.0%	7.0%	0.0%	8	20	1.046	1.070	1.119
OP - Surgery	10.0%	10.0%	0.0%	8	20	1.066	1.100	1.172
OP - Other	7.0%	7.0%	0.0%	8	20	1.046	1.070	1.119
Prof - Evaluation & Management	5.0%	5.0%	0.0%	8	20	1.033	1.050	1.085
Prof - Maternity	5.0%	5.0%	0.0%	8	20	1.033	1.050	1.085
Prof - Surgery	5.0%	5.0%	0.0%	8	20	1.033	1.050	1.085
Prof - DME/Supplies	5.0%	5.0%	0.0%	8	20	1.033	1.050	1.085
Prof - Lab	5.0%	5.0%	0.0%	8	20	1.033	1.050	1.085
Prof - Radiology	5.0%	5.0%	0.0%	8	20	1.033	1.050	1.085
Prof - Transportation	5.0%	5.0%	0.0%	8	20	1.033	1.050	1.085
Prof - Other	5.0%	5.0%	0.0%	8	20	1.033	1.050	1.085

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Trend Assumption**

**Exhibit 6d**

**TCS Low-Middle**

**Disabled, Duals, Waiver Duals**

	Historical Trend	Current Trend	Fee Increase 7/2006 Adjustments	Months From Data Period*		Trend FY2007	Annual FY2008	Factor Total FY2008
				Midpoint of 5/1/2006 to FY2007	FY2008			
Home Health Care	15.0%	15.0%	0.0%	8	20	1.098	1.150	1.262
IP - Maternity	3.0%	3.0%	0.0%	8	20	1.020	1.030	1.050
IP - Newborn	3.0%	3.0%	0.0%	8	20	1.020	1.030	1.050
IP - Medical	3.0%	3.0%	0.0%	8	20	1.020	1.030	1.050
IP - Surgery	3.0%	3.0%	0.0%	8	20	1.020	1.030	1.050
IP - Other	3.0%	3.0%	0.0%	8	20	1.020	1.030	1.050
OP - Emergency Room	10.0%	10.0%	0.0%	8	20	1.066	1.100	1.172
OP - Laboratory	7.0%	7.0%	0.0%	8	20	1.046	1.070	1.119
OP - Radiology	7.0%	7.0%	0.0%	8	20	1.046	1.070	1.119
OP - Surgery	10.0%	10.0%	0.0%	8	20	1.066	1.100	1.172
OP - Other	7.0%	7.0%	0.0%	8	20	1.046	1.070	1.119
Prof - Evaluation & Management	5.0%	5.0%	0.0%	8	20	1.033	1.050	1.085
Prof - Maternity	5.0%	5.0%	0.0%	8	20	1.033	1.050	1.085
Prof - Surgery	5.0%	5.0%	0.0%	8	20	1.033	1.050	1.085
Prof - DME/Supplies	5.0%	5.0%	0.0%	8	20	1.033	1.050	1.085
Prof - Lab	5.0%	5.0%	0.0%	8	20	1.033	1.050	1.085
Prof - Radiology	5.0%	5.0%	0.0%	8	20	1.033	1.050	1.085
Prof - Transportation	5.0%	5.0%	0.0%	8	20	1.033	1.050	1.085
Prof - Other	5.0%	5.0%	0.0%	8	20	1.033	1.050	1.085

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Exhibit 2e

Middle

Total For All Aid Categories All Ages					
April 07 - February 2008					
Service Category	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	4,062,034				
Home Health Care	106,173,816	43,104	127	2,463.20	26.14
IP - Maternity	32,975,984	29,728	88	1,109.26	8.12
IP - Newborn	32,353,522	41,584	123	778.03	7.96
IP - Medical	76,321,974	71,673	212	1,064.86	18.79
IP - Surgery	61,637,196	25,474	75	2,419.61	15.17
IP - Other	2,770,821	6,523	19	424.78	0.68
Subtotal - Inpatient	206,059,497	174,982	517	1,177.60	50.73
OP - Emergency Room	61,216,400	247,577	731	247.26	15.07
OP - Laboratory	3,982,283	264,396	781	15.06	0.98
OP - Radiology	13,118,674	315,706	933	41.55	3.23
OP - Surgery	47,953,935	45,734	135	1,048.54	11.81
OP - Other	37,272,149	60,908	180	611.94	9.18
Subtotal - Outpatient	163,543,441	934,321	2,760	175.04	40.26
Prof - Evaluation & Management	97,524,861	1,599,879	4,726	60.96	24.01
Prof - Maternity	14,322,367	28,310	84	505.91	3.53
Prof - Surgery	25,879,668	210,623	622	122.87	6.37
Prof - DME/Supplies	7,632,534	51,367	152	148.59	1.88
Prof - Lab	12,459,396	1,112,957	3,288	11.19	3.07
Prof - Radiology	18,617,368	452,067	1,335	41.18	4.58
Prof - Transportation	28,607,982	298,964	883	95.69	7.04
Prof - Other	47,185,156	8,695,836	25,689	5.43	11.62
Subtotal - Professional	252,229,332	12,450,004	36,780	20.26	62.09
NPMH - Inpatient	4,421,199	11,767	35	375.73	1.09
NPMH - Outpatient	8,552,514	239,007	706	35.78	2.11
NPMH - Case Rates	2,489,185	21,770	64	114.34	0.61
NPMH - Grants	5,174,922	-	-	-	1.27
NPMH - In-Home Services	-	-	-	-	-
NPMH - Supported Housing	509,136	7,432	22	68.51	0.13
NPMH - 23 Hour	22,776	489	1	46.58	0.01
NPMH - Intensive Outpatient	984,663	14,407	43	68.35	0.24
NPMH - Partial Hospitalization	66,401	4,225	12	15.72	0.02
NPMH - Transportation	1,405,541	108,719	321	12.93	0.35
Subtotal - Non-Priority Mental Health	23,626,337	407,816	1,205	57.93	5.82

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Exhibit 2e

Middle

Total For All Aid Categories All Ages					
April 07 - February 2008					
Service Category	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM
PMH - Inpatient	8,968,232	21,733	64	412.66	2.21
PMH - Inpatient RMHI	5,889,798	15,765	47	373.60	1.45
PMH - Outpatient	9,279,212	107,502	318	86.32	2.28
PMH - Case Rates	13,823,596	175,641	519	78.70	3.40
PMH - Grants	53,250,523	-	-	-	13.11
PMH - In-Home Services	-	-	-	-	-
PMH - Supported Housing	1,368,675	19,194	57	71.31	0.34
PMH - 23 Hour	15,394	257	1	59.90	0.00
PMH - Intensive Outpatient	533,126	7,550	22	70.61	0.13
PMH - Partial Hospitalization	105,150	11,392	34	9.23	0.03
PMH - Transportation	185,067	35,163	104	5.26	0.05
Subtotal - Priority Mental Health	93,418,773	394,197	1,165	236.98	23.00
Total	\$ 845,051,197				\$ 208.04

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**Exhibit 2e**

**Middle**

<b>Medicaid (TANF &amp; Related) All Ages</b>					
<b>April 07 - February 2008</b>					
<b>Service Category</b>	<b>Paid Expenditures</b>	<b>Units</b>	<b>Units / 1000</b>	<b>Paid Expenditures / Unit</b>	<b>Paid Expenditures PMPM</b>
Member Months	2,946,602				
Home Health Care	3,358,463	3,628	15	925.71	1.14
IP - Maternity	32,386,207	29,264	119	1,106.69	10.99
IP - Newborn	29,689,341	39,915	163	743.81	10.08
IP - Medical	36,241,349	30,368	124	1,193.41	12.30
IP - Surgery	31,653,244	11,666	48	2,713.29	10.74
IP - Other	1,519,510	4,688	19	324.13	0.52
Subtotal - Inpatient	131,489,652	115,901	472	1,134.50	44.62
OP - Emergency Room	48,257,671	207,322	844	232.77	16.38
OP - Laboratory	2,720,818	173,467	706	15.68	0.92
OP - Radiology	7,650,750	170,360	694	44.91	2.60
OP - Surgery	31,342,251	32,513	132	963.99	10.64
OP - Other	11,703,103	39,478	161	296.45	3.97
Subtotal - Outpatient	101,674,592	623,140	2,538	163.16	34.51
Prof - Evaluation & Management	76,472,324	1,267,169	5,161	60.35	25.95
Prof - Maternity	14,101,608	27,791	113	507.42	4.79
Prof - Surgery	17,389,118	142,745	581	121.82	5.90
Prof - DME/Supplies	2,808,012	25,390	103	110.60	0.95
Prof - Lab	9,787,840	887,870	3,616	11.02	3.32
Prof - Radiology	12,947,700	320,288	1,304	40.43	4.39
Prof - Transportation	7,522,946	57,836	236	130.07	2.55
Prof - Other	29,716,791	4,687,594	19,090	6.34	10.09
Subtotal - Professional	170,746,339	7,416,683	30,204	23.02	57.95
NPMH - Inpatient	3,109,066	8,187	33	379.76	1.06
NPMH - Outpatient	4,657,308	106,233	433	43.84	1.58
NPMH - Case Rates	1,400,880	10,282	42	136.25	0.48
NPMH - Grants	3,056,344	-	-	-	1.04
NPMH - In-Home Services	-	-	-	-	-
NPMH - Supported Housing	5,441	69	0	78.86	0.00
NPMH - 23 Hour	13,445	196	1	68.60	0.00
NPMH - Intensive Outpatient	839,596	12,213	50	68.75	0.28
NPMH - Partial Hospitalization	57,579	3,120	13	18.45	0.02
NPMH - Transportation	1,023,956	36,380	148	28.15	0.35
Subtotal - Non-Priority Mental Health	14,163,615	176,680	720	80.17	4.81
<b>Total</b>	<b>\$ 421,432,661</b>				<b>\$ 143.02</b>

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**Exhibit 2e**

**Middle**

<b>Medicaid (TANF &amp; Related) Age Under 1</b>					
<b>April 07 - February 2008</b>					
<b>Service Category</b>	<b>Paid Expenditures</b>	<b>Units</b>	<b>Units / 1000</b>	<b>Paid Expenditures / Unit</b>	<b>Paid Expenditures PMPM</b>
Member Months	99,415				
Home Health Care	78,430	89	11	881.23	0.79
IP - Maternity	-	-	-	-	-
IP - Newborn	20,907,808	26,901	3,247	777.21	210.31
IP - Medical	4,073,289	3,044	367	1,338.14	40.97
IP - Surgery	4,633,820	1,328	160	3,489.32	46.61
IP - Other	19,513	37	4	527.38	0.20
Subtotal - Inpatient	29,634,430	31,310	3,779	946.48	298.09
OP - Emergency Room	1,314,247	7,280	879	180.53	13.22
OP - Laboratory	56,322	4,723	570	11.92	0.57
OP - Radiology	120,803	2,201	266	54.89	1.22
OP - Surgery	614,181	588	71	1,044.53	6.18
OP - Other	1,033,399	1,782	215	579.91	10.39
Subtotal - Outpatient	3,138,952	16,574	2,001	189.39	31.57
Prof - Evaluation & Management	8,525,943	120,145	14,502	70.96	85.76
Prof - Maternity	-	-	-	-	-
Prof - Surgery	1,093,521	6,412	774	170.54	11.00
Prof - DME/Supplies	182,432	1,697	205	107.50	1.84
Prof - Lab	59,908	7,279	879	8.23	0.60
Prof - Radiology	176,220	11,038	1,332	15.96	1.77
Prof - Transportation	217,299	910	110	238.88	2.19
Prof - Other	3,207,492	209,630	25,304	15.30	32.26
Subtotal - Professional	13,462,815	357,110	43,105	37.70	135.42
NPMH - Inpatient	-	-	-	-	-
NPMH - Outpatient	6,178	64	8	96.53	0.06
NPMH - Case Rates	275	1	0	275.00	0.00
NPMH - Grants	1,951	-	-	-	0.02
NPMH - In-Home Services	-	-	-	-	-
NPMH - Supported Housing	-	-	-	-	-
NPMH - 23 Hour	-	-	-	-	-
NPMH - Intensive Outpatient	-	-	-	-	-
NPMH - Partial Hospitalization	-	-	-	-	-
NPMH - Transportation	35,322	-	-	-	0.36
Subtotal - Non-Priority Mental Health	43,725	65	8	672.70	0.44
<b>Total</b>	<b>\$ 46,358,352</b>				<b>\$ 466.31</b>



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**Exhibit 2e**

**Middle**

<b>Medicaid (TANF &amp; Related) Age 1 - 13</b>					
<b>April 07 - February 2008</b>					
<b>Service Category</b>	<b>Paid Expenditures</b>	<b>Units</b>	<b>Units / 1000</b>	<b>Paid Expenditures / Unit</b>	<b>Paid Expenditures PMPM</b>
Member Months	1,499,134				
Home Health Care	1,330,457	1,664	13	799.55	0.89
IP - Maternity	8,113	6	0	1,352.15	0.01
IP - Newborn	6,681,828	10,243	82	652.33	4.46
IP - Medical	10,407,160	7,185	58	1,448.46	6.94
IP - Surgery	5,044,255	1,849	15	2,728.10	3.36
IP - Other	394,417	1,138	9	346.59	0.26
Subtotal - Inpatient	22,535,773	20,421	163	1,103.56	15.03
OP - Emergency Room	14,254,945	78,621	629	181.31	9.51
OP - Laboratory	570,116	44,044	353	12.94	0.38
OP - Radiology	1,028,533	22,510	180	45.69	0.69
OP - Surgery	8,419,298	9,148	73	920.34	5.62
OP - Other	3,480,611	15,105	121	230.43	2.32
Subtotal - Outpatient	27,753,504	169,428	1,356	163.81	18.51
Prof - Evaluation & Management	32,360,094	557,990	4,466	57.99	21.59
Prof - Maternity	3,060	7	0	437.17	0.00
Prof - Surgery	3,815,823	38,075	305	100.22	2.55
Prof - DME/Supplies	696,416	9,941	80	70.05	0.46
Prof - Lab	1,428,766	200,450	1,605	7.13	0.95
Prof - Radiology	1,112,815	61,829	495	18.00	0.74
Prof - Transportation	1,602,542	14,064	113	113.95	1.07
Prof - Other	10,054,229	1,021,430	8,176	9.84	6.71
Subtotal - Professional	51,073,745	1,903,785	15,239	26.83	34.07
NPMH - Inpatient	152,283	436	3	349.27	0.10
NPMH - Outpatient	1,475,672	51,876	415	28.45	0.98
NPMH - Case Rates	671,693	4,753	38	141.32	0.45
NPMH - Grants	697,088	-	-	-	0.46
NPMH - In-Home Services	-	-	-	-	-
NPMH - Supported Housing	2,320	29	0	80.00	0.00
NPMH - 23 Hour	-	-	-	-	-
NPMH - Intensive Outpatient	1,847	28	0	65.96	0.00
NPMH - Partial Hospitalization	96	15	0	6.40	0.00
NPMH - Transportation	517,774	13,149	105	39.38	0.35
Subtotal - Non-Priority Mental Health	3,518,772	70,286	563	50.06	2.35
<b>Total</b>	<b>\$ 106,212,252</b>				<b>\$ 70.85</b>

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**Exhibit 2e**

**Middle**

<b>Medicaid (TANF &amp; Related) Age 14 - 20 Female</b>					
<b>April 07 - February 2008</b>					
<b>Service Category</b>	<b>Paid Expenditures</b>	<b>Units</b>	<b>Units / 1000</b>	<b>Paid Expenditures / Unit</b>	<b>Paid Expenditures PMPM</b>
Member Months	277,843				
Home Health Care	243,596	242	10	1,006.60	0.88
IP - Maternity	7,846,747	7,540	326	1,040.68	28.24
IP - Newborn	70,220	103	4	681.75	0.25
IP - Medical	2,631,324	2,584	112	1,018.31	9.47
IP - Surgery	1,566,900	615	27	2,547.81	5.64
IP - Other	458,051	1,406	61	325.78	1.65
Subtotal - Inpatient	12,573,243	12,248	529	1,026.55	45.25
OP - Emergency Room	5,500,807	21,779	941	252.57	19.80
OP - Laboratory	462,215	26,402	1,140	17.51	1.66
OP - Radiology	760,214	12,899	557	58.94	2.74
OP - Surgery	2,356,858	3,604	156	653.96	8.48
OP - Other	1,239,836	4,726	204	262.34	4.46
Subtotal - Outpatient	10,319,930	69,410	2,998	148.68	37.14
Prof - Evaluation & Management	6,185,974	104,329	4,506	59.29	22.26
Prof - Maternity	3,550,714	7,615	329	466.28	12.78
Prof - Surgery	967,882	7,704	333	125.63	3.48
Prof - DME/Supplies	161,407	1,053	45	153.28	0.58
Prof - Lab	1,801,490	159,426	6,886	11.30	6.48
Prof - Radiology	1,780,210	36,191	1,563	49.19	6.41
Prof - Transportation	801,960	6,111	264	131.23	2.89
Prof - Other	2,842,566	764,043	32,999	3.72	10.23
Subtotal - Professional	18,092,203	1,086,472	46,925	16.65	65.12
NPMH - Inpatient	407,338	1,210	52	336.64	1.47
NPMH - Outpatient	333,160	6,219	269	53.57	1.20
NPMH - Case Rates	150,143	1,384	60	108.48	0.54
NPMH - Grants	301,714	-	-	-	1.09
NPMH - In-Home Services	-	-	-	-	-
NPMH - Supported Housing	-	-	-	-	-
NPMH - 23 Hour	98	7	0	13.93	0.00
NPMH - Intensive Outpatient	98,335	1,366	59	71.99	0.35
NPMH - Partial Hospitalization	4,543	297	13	15.30	0.02
NPMH - Transportation	97,206	3,496	151	27.80	0.35
Subtotal - Non-Priority Mental Health	1,392,536	13,979	604	99.61	5.01
<b>Total</b>	<b>\$ 42,621,508</b>				<b>\$ 153.40</b>

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**Exhibit 2e**

**Middle**

<b>Medicaid (TANF &amp; Related) Age 14 - 20 Male</b>					
<b>April 07 - February 2008</b>					
<b>Service Category</b>	<b>Paid Expenditures</b>	<b>Units</b>	<b>Units / 1000</b>	<b>Paid Expenditures / Unit</b>	<b>Paid Expenditures PMPM</b>
Member Months	224,915				
Home Health Care	63,646	121	6	526.00	0.28
IP - Maternity	-	-	-	-	-
IP - Newborn	-	-	-	-	-
IP - Medical	1,692,743	1,320	70	1,282.38	7.53
IP - Surgery	2,319,325	790	42	2,935.85	10.31
IP - Other	423,200	1,736	93	243.78	1.88
Subtotal - Inpatient	4,435,268	3,846	205	1,153.22	19.72
OP - Emergency Room	2,664,914	10,970	585	242.93	11.85
OP - Laboratory	86,232	5,759	307	14.97	0.38
OP - Radiology	381,321	7,349	392	51.89	1.70
OP - Surgery	1,142,388	997	53	1,145.83	5.08
OP - Other	755,825	1,408	75	536.81	3.36
Subtotal - Outpatient	5,030,680	26,483	1,413	189.96	22.37
Prof - Evaluation & Management	2,858,507	47,995	2,561	59.56	12.71
Prof - Maternity	-	-	-	-	-
Prof - Surgery	868,502	5,475	292	158.63	3.86
Prof - DME/Supplies	154,424	1,280	68	120.64	0.69
Prof - Lab	191,482	20,584	1,098	9.30	0.85
Prof - Radiology	434,935	17,701	944	24.57	1.93
Prof - Transportation	669,017	5,328	284	125.57	2.97
Prof - Other	846,225	122,223	6,521	6.92	3.76
Subtotal - Professional	6,023,094	220,586	11,769	27.30	26.78
NPMH - Inpatient	527,561	1,459	78	361.59	2.35
NPMH - Outpatient	841,218	14,860	793	56.61	3.74
NPMH - Case Rates	222,410	1,416	76	157.07	0.99
NPMH - Grants	547,543	-	-	-	2.43
NPMH - In-Home Services	-	-	-	-	-
NPMH - Supported Housing	3,121	40	2	78.03	0.01
NPMH - 23 Hour	79	1	0	78.52	0.00
NPMH - Intensive Outpatient	209,556	3,135	167	66.84	0.93
NPMH - Partial Hospitalization	5,051	56	3	90.20	0.02
NPMH - Transportation	76,784	1,997	107	38.46	0.34
Subtotal - Non-Priority Mental Health	2,433,324	22,964	1,225	105.96	10.82
<b>Total</b>	<b>\$ 17,986,011</b>				<b>\$ 79.97</b>

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**Exhibit 2e**

**Middle**

<b>Medicaid (TANF &amp; Related) Age 21 - 44 Female</b>					
<b>April 07 - February 2008</b>					
<b>Service Category</b>	<b>Paid Expenditures</b>	<b>Units</b>	<b>Units / 1000</b>	<b>Paid Expenditures / Unit</b>	<b>Paid Expenditures PMPM</b>
Member Months	612,591				
Home Health Care	637,716	737	14	865.29	1.04
IP - Maternity	24,495,433	21,689	425	1,129.39	39.99
IP - Newborn	2,029,485	2,668	52	760.68	3.31
IP - Medical	11,305,196	10,760	211	1,050.67	18.45
IP - Surgery	10,846,981	4,541	89	2,388.68	17.71
IP - Other	162,914	267	5	610.16	0.27
Subtotal - Inpatient	48,840,009	39,925	782	1,223.29	79.73
OP - Emergency Room	19,482,209	70,719	1,385	275.49	31.80
OP - Laboratory	1,238,825	72,126	1,413	17.18	2.02
OP - Radiology	3,683,280	82,833	1,623	44.47	6.01
OP - Surgery	14,208,426	14,178	278	1,002.15	23.19
OP - Other	3,543,018	12,952	254	273.55	5.78
Subtotal - Outpatient	42,155,759	252,808	4,952	166.75	68.82
Prof - Evaluation & Management	20,293,913	334,296	6,549	60.71	33.13
Prof - Maternity	10,528,647	20,121	394	523.27	17.19
Prof - Surgery	7,351,373	57,609	1,128	127.61	12.00
Prof - DME/Supplies	914,896	6,691	131	136.74	1.49
Prof - Lab	5,512,813	434,854	8,518	12.68	9.00
Prof - Radiology	7,483,384	148,365	2,906	50.44	12.22
Prof - Transportation	2,882,554	21,466	420	134.29	4.71
Prof - Other	9,537,204	2,190,748	42,914	4.35	15.57
Subtotal - Professional	64,504,783	3,214,150	62,962	20.07	105.30
NPMH - Inpatient	1,378,538	3,386	66	407.13	2.25
NPMH - Outpatient	1,414,223	24,496	480	57.73	2.31
NPMH - Case Rates	293,423	2,180	43	134.60	0.48
NPMH - Grants	1,077,806	-	-	-	1.76
NPMH - In-Home Services	-	-	-	-	-
NPMH - Supported Housing	-	-	-	-	-
NPMH - 23 Hour	10,469	165	3	63.45	0.02
NPMH - Intensive Outpatient	425,225	6,145	120	69.20	0.69
NPMH - Partial Hospitalization	31,204	1,985	39	15.72	0.05
NPMH - Transportation	213,341	9,757	191	21.87	0.35
Subtotal - Non-Priority Mental Health	4,844,230	48,114	942	100.68	7.91
<b>Total</b>	<b>\$ 160,982,497</b>				<b>\$ 262.79</b>

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**Exhibit 2e**

**Middle**

<b>Medicaid (TANF &amp; Related) Age 21 - 44 Male</b>					
<b>April 07 - February 2008</b>					
<b>Service Category</b>	<b>Paid Expenditures</b>	<b>Units</b>	<b>Units / 1000</b>	<b>Paid Expenditures / Unit</b>	<b>Paid Expenditures PMPM</b>
Member Months	138,146				
Home Health Care	80,442	126	11	638.43	0.58
IP - Maternity	2,111	2	0	1,055.58	0.02
IP - Newborn	-	-	-	-	-
IP - Medical	2,207,495	1,697	147	1,300.82	15.98
IP - Surgery	3,304,310	1,016	88	3,252.27	23.92
IP - Other	31,123	62	5	501.98	0.23
Subtotal - Inpatient	5,545,039	2,777	241	1,996.77	40.14
OP - Emergency Room	3,020,795	11,931	1,036	253.19	21.87
OP - Laboratory	81,238	4,987	433	16.29	0.59
OP - Radiology	627,055	13,330	1,158	47.04	4.54
OP - Surgery	1,729,989	1,518	132	1,139.65	12.52
OP - Other	654,150	1,286	112	508.67	4.74
Subtotal - Outpatient	6,113,228	33,052	2,871	184.96	44.25
Prof - Evaluation & Management	2,751,400	45,464	3,949	60.52	19.92
Prof - Maternity	1,452	2	0	725.81	0.01
Prof - Surgery	1,447,629	11,578	1,006	125.03	10.48
Prof - DME/Supplies	265,968	1,729	150	153.83	1.93
Prof - Lab	251,730	21,554	1,872	11.68	1.82
Prof - Radiology	796,000	20,653	1,794	38.54	5.76
Prof - Transportation	592,911	3,421	297	173.34	4.29
Prof - Other	948,820	125,870	10,934	7.54	6.87
Subtotal - Professional	7,055,910	230,271	20,002	30.64	51.08
NPMH - Inpatient	465,571	1,187	103	392.23	3.37
NPMH - Outpatient	316,735	3,972	345	79.74	2.29
NPMH - Case Rates	31,081	284	25	109.44	0.22
NPMH - Grants	273,624	-	-	-	1.98
NPMH - In-Home Services	-	-	-	-	-
NPMH - Supported Housing	-	-	-	-	-
NPMH - 23 Hour	-	-	-	-	-
NPMH - Intensive Outpatient	78,704	1,120	97	70.27	0.57
NPMH - Partial Hospitalization	9,088	590	51	15.40	0.07
NPMH - Transportation	50,513	4,781	415	10.56	0.37
Subtotal - Non-Priority Mental Health	1,225,316	11,934	1,037	102.67	8.87
<b>Total</b>	<b>\$ 20,019,935</b>				<b>\$ 144.92</b>

**TennCare  
FY 2009 Per Capita Cost Development  
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**Exhibit 2e**

**Middle**

<b>Medicaid (TANF &amp; Related) Age 45 - 64</b>					
<b>April 07 - February 2008</b>					
<b>Service Category</b>	<b>Paid Expenditures</b>	<b>Units</b>	<b>Units / 1000</b>	<b>Paid Expenditures / Unit</b>	<b>Paid Expenditures PMPM</b>
Member Months	84,776				
Home Health Care	298,152	342	48	871.79	3.52
IP - Maternity	33,802	27	4	1,251.94	0.40
IP - Newborn	-	-	-	-	-
IP - Medical	3,429,135	3,318	470	1,033.49	40.45
IP - Surgery	3,624,700	1,349	191	2,686.95	42.76
IP - Other	30,292	42	6	721.24	0.36
Subtotal - Inpatient	7,117,930	4,736	670	1,502.94	83.96
OP - Emergency Room	1,942,765	5,866	830	331.19	22.92
OP - Laboratory	195,287	12,762	1,806	15.30	2.30
OP - Radiology	1,007,020	27,394	3,878	36.76	11.88
OP - Surgery	2,736,997	2,377	336	1,151.45	32.29
OP - Other	534,669	1,876	266	285.00	6.31
Subtotal - Outpatient	6,416,739	50,275	7,116	127.63	75.69
Prof - Evaluation & Management	3,296,593	53,814	7,617	61.26	38.89
Prof - Maternity	17,734	46	7	385.53	0.21
Prof - Surgery	1,787,829	15,520	2,197	115.20	21.09
Prof - DME/Supplies	402,909	2,843	402	141.72	4.75
Prof - Lab	515,755	41,416	5,862	12.45	6.08
Prof - Radiology	1,112,033	23,264	3,293	47.80	13.12
Prof - Transportation	672,681	5,879	832	114.42	7.93
Prof - Other	2,031,634	213,216	30,181	9.53	23.96
Subtotal - Professional	9,837,169	355,998	50,391	27.63	116.04
NPMH - Inpatient	177,660	507	72	350.42	2.10
NPMH - Outpatient	237,654	4,432	627	53.62	2.80
NPMH - Case Rates	31,254	261	37	119.75	0.37
NPMH - Grants	146,430	-	-	-	1.73
NPMH - In-Home Services	-	-	-	-	-
NPMH - Supported Housing	-	-	-	-	-
NPMH - 23 Hour	2,800	23	3	121.74	0.03
NPMH - Intensive Outpatient	25,929	419	59	61.88	0.31
NPMH - Partial Hospitalization	7,595	176	25	43.15	0.09
NPMH - Transportation	29,042	2,774	393	10.47	0.34
Subtotal - Non-Priority Mental Health	658,365	8,592	1,216	76.63	7.77
<b>Total</b>	<b>\$ 24,328,355</b>				<b>\$ 286.97</b>

**TennCare  
FY 2009 Per Capita Cost Development  
Historical Encounter Data**

**Exhibit 2e**

**Middle**

<b>Medicaid (TANF &amp; Related) Age 65+</b>					
<b>April 07 - February 2008</b>					
<b>Service Category</b>	<b>Paid Expenditures</b>	<b>Units</b>	<b>Units / 1000</b>	<b>Paid Expenditures / Unit</b>	<b>Paid Expenditures PMPM</b>
Member Months	9,782				
Home Health Care	626,024	307	377	2,039.17	64.00
IP - Maternity	-	-	-	-	-
IP - Newborn	-	-	-	-	-
IP - Medical	495,008	460	564	1,076.11	50.60
IP - Surgery	312,953	178	218	1,758.17	31.99
IP - Other	-	-	-	-	-
Subtotal - Inpatient	807,962	638	783	1,266.40	82.59
OP - Emergency Room	76,988	156	191	493.51	7.87
OP - Laboratory	30,582	2,664	3,268	11.48	3.13
OP - Radiology	42,523	1,844	2,262	23.06	4.35
OP - Surgery	134,113	103	126	1,302.07	13.71
OP - Other	461,595	343	421	1,345.76	47.19
Subtotal - Outpatient	745,801	5,110	6,268	145.95	76.24
Prof - Evaluation & Management	199,900	3,136	3,847	63.74	20.43
Prof - Maternity	-	-	-	-	-
Prof - Surgery	56,559	372	456	152.04	5.78
Prof - DME/Supplies	29,560	156	191	189.49	3.02
Prof - Lab	25,897	2,307	2,830	11.23	2.65
Prof - Radiology	52,103	1,247	1,530	41.78	5.33
Prof - Transportation	83,981	659	808	127.52	8.58
Prof - Other	248,620	40,435	49,602	6.15	25.42
Subtotal - Professional	696,619	48,312	59,264	14.42	71.21
NPMH - Inpatient	115	2	2	57.57	0.01
NPMH - Outpatient	32,467	314	385	103.40	3.32
NPMH - Case Rates	600	3	4	200.00	0.06
NPMH - Grants	10,187	-	-	-	1.04
NPMH - In-Home Services	-	-	-	-	-
NPMH - Supported Housing	-	-	-	-	-
NPMH - 23 Hour	-	-	-	-	-
NPMH - Intensive Outpatient	-	-	-	-	-
NPMH - Partial Hospitalization	2	1	1	1.51	0.00
NPMH - Transportation	3,975	426	523	9.32	0.41
Subtotal - Non-Priority Mental Health	47,346	746	916	63.43	4.84
<b>Total</b>	<b>\$ 2,923,752</b>				<b>\$ 298.88</b>

**TennCare  
FY 2009 Per Capita Cost Development  
Historical Encounter Data**

**Exhibit 2e**

**Middle**

<b>Uninsured/Uninsurable All Ages</b>					
<b>April 07 - February 2008</b>					
<b>Service Category</b>	<b>Paid Expenditures</b>	<b>Units</b>	<b>Units / 1000</b>	<b>Paid Expenditures / Unit</b>	<b>Paid Expenditures PMPM</b>
Member Months	124,980				
Home Health Care	298,997	217	21	1,377.87	2.39
IP - Maternity	60,800	51	5	1,192.16	0.49
IP - Newborn	1,087	2	0	543.74	0.01
IP - Medical	473,844	334	32	1,418.70	3.79
IP - Surgery	593,084	175	17	3,389.05	4.75
IP - Other	7,400	28	3	264.29	0.06
Subtotal - Inpatient	1,136,216	590	57	1,925.79	9.09
OP - Emergency Room	806,115	3,671	352	219.59	6.45
OP - Laboratory	85,530	5,458	524	15.67	0.68
OP - Radiology	213,431	3,617	347	59.01	1.71
OP - Surgery	703,480	725	70	970.32	5.63
OP - Other	301,807	1,189	114	253.83	2.41
Subtotal - Outpatient	2,110,364	14,660	1,408	143.95	16.89
Prof - Evaluation & Management	1,814,657	34,837	3,345	52.09	14.52
Prof - Maternity	21,631	53	5	408.14	0.17
Prof - Surgery	319,777	2,539	244	125.95	2.56
Prof - DME/Supplies	68,947	525	50	131.33	0.55
Prof - Lab	178,283	19,809	1,902	9.00	1.43
Prof - Radiology	178,949	6,506	625	27.51	1.43
Prof - Transportation	161,470	1,021	98	158.18	1.29
Prof - Other	764,376	111,518	10,707	6.85	6.12
Subtotal - Professional	3,508,091	176,807	16,976	19.84	28.07
NPMH - Inpatient	35,148	94	9	373.91	0.28
NPMH - Outpatient	147,523	2,509	241	58.80	1.18
NPMH - Case Rates	76,478	488	47	156.72	0.61
NPMH - Grants	87,896	-	-	-	0.70
NPMH - In-Home Services	-	-	-	-	-
NPMH - Supported Housing	-	-	-	-	-
NPMH - 23 Hour	968	22	2	44.00	0.01
NPMH - Intensive Outpatient	28,444	538	52	52.87	0.23
NPMH - Partial Hospitalization	84	10	1	8.42	0.00
NPMH - Transportation	44,862	1,058	102	42.42	0.36
Subtotal - Non-Priority Mental Health	421,403	4,719	453	89.31	3.37
<b>Total</b>	<b>\$ 7,475,072</b>				<b>\$ 59.81</b>



**TennCare  
FY 2009 Per Capita Cost Development  
Historical Encounter Data**

**Exhibit 2e**

**Middle**

Uninsured/Uninsurable Age Under 1					
April 07 - February 2008					
Service Category	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	-				
Home Health Care	-	-	-	-	-
IP - Maternity	-	-	-	-	-
IP - Newborn	-	-	-	-	-
IP - Medical	-	-	-	-	-
IP - Surgery	-	-	-	-	-
IP - Other	-	-	-	-	-
Subtotal - Inpatient	-	-	-	-	-
OP - Emergency Room	-	-	-	-	-
OP - Laboratory	-	-	-	-	-
OP - Radiology	-	-	-	-	-
OP - Surgery	-	-	-	-	-
OP - Other	-	-	-	-	-
Subtotal - Outpatient	-	-	-	-	-
Prof - Evaluation & Management	-	-	-	-	-
Prof - Maternity	-	-	-	-	-
Prof - Surgery	-	-	-	-	-
Prof - DME/Supplies	-	-	-	-	-
Prof - Lab	-	-	-	-	-
Prof - Radiology	-	-	-	-	-
Prof - Transportation	-	-	-	-	-
Prof - Other	-	-	-	-	-
Subtotal - Professional	-	-	-	-	-
NPMH - Inpatient	-	-	-	-	-
NPMH - Outpatient	-	-	-	-	-
NPMH - Case Rates	-	-	-	-	-
NPMH - Grants	-	-	-	-	-
NPMH - In-Home Services	-	-	-	-	-
NPMH - Supported Housing	-	-	-	-	-
NPMH - 23 Hour	-	-	-	-	-
NPMH - Intensive Outpatient	-	-	-	-	-
NPMH - Partial Hospitalization	-	-	-	-	-
NPMH - Transportation	-	-	-	-	-
Subtotal - Non-Priority Mental Health	-	-	-	-	-
Total	\$ -				\$ -

**TennCare  
FY 2009 Per Capita Cost Development  
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**Exhibit 2e**

**Middle**

Uninsured/Uninsurable Age 1 - 13					
April 07 - February 2008					
Service Category	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	74,880				
Home Health Care	234,643	139	22	1,688.08	3.13
IP - Maternity	-	-	-	-	-
IP - Newborn	-	-	-	-	-
IP - Medical	260,244	164	26	1,586.85	3.48
IP - Surgery	229,146	66	11	3,471.91	3.06
IP - Other	-	-	-	-	-
Subtotal - Inpatient	489,390	230	37	2,127.78	6.54
OP - Emergency Room	395,852	1,923	308	205.85	5.29
OP - Laboratory	30,998	2,211	354	14.02	0.41
OP - Radiology	84,912	1,675	268	50.69	1.13
OP - Surgery	374,117	410	66	912.48	5.00
OP - Other	178,143	776	124	229.57	2.38
Subtotal - Outpatient	1,064,021	6,995	1,121	152.11	14.21
Prof - Evaluation & Management	1,113,149	21,494	3,445	51.79	14.87
Prof - Maternity	-	-	-	-	-
Prof - Surgery	168,592	1,398	224	120.60	2.25
Prof - DME/Supplies	40,274	275	44	146.45	0.54
Prof - Lab	75,007	9,989	1,601	7.51	1.00
Prof - Radiology	60,706	2,902	465	20.92	0.81
Prof - Transportation	77,649	390	62	199.27	1.04
Prof - Other	457,801	60,524	9,699	7.56	6.11
Subtotal - Professional	1,993,179	96,971	15,540	20.55	26.62
NPMH - Inpatient	3,200	4	1	800.00	0.04
NPMH - Outpatient	72,817	1,423	228	51.17	0.97
NPMH - Case Rates	33,715	213	34	158.28	0.45
NPMH - Grants	33,187	-	-	-	0.44
NPMH - In-Home Services	-	-	-	-	-
NPMH - Supported Housing	-	-	-	-	-
NPMH - 23 Hour	-	-	-	-	-
NPMH - Intensive Outpatient	-	-	-	-	-
NPMH - Partial Hospitalization	39	7	1	5.61	0.00
NPMH - Transportation	25,915	-	-	-	0.35
Subtotal - Non-Priority Mental Health	168,872	1,647	264	102.53	2.26
Total	\$ 3,950,106				\$ 52.75

**TennCare**  
**FY 2009 Per Capita Cost Development**  
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**Exhibit 2e**

**Middle**

Uninsured/Uninsurable Age 14 - 19 Female					
April 07 - February 2008					
Service Category	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	24,115				
Home Health Care	62,382	66	33	945.18	2.59
IP - Maternity	60,800	51	25	1,192.16	2.52
IP - Newborn	1,087	2	1	543.74	0.05
IP - Medical	115,733	81	40	1,428.80	4.80
IP - Surgery	190,638	36	18	5,295.49	7.91
IP - Other	7,400	28	14	264.29	0.31
Subtotal - Inpatient	375,658	198	99	1,897.26	15.58
OP - Emergency Room	207,458	905	450	229.23	8.60
OP - Laboratory	41,587	2,005	998	20.74	1.72
OP - Radiology	59,040	1,082	538	54.57	2.45
OP - Surgery	198,716	192	96	1,034.98	8.24
OP - Other	43,340	210	105	206.38	1.80
Subtotal - Outpatient	550,140	4,394	2,187	125.20	22.81
Prof - Evaluation & Management	403,497	7,648	3,806	52.76	16.73
Prof - Maternity	21,631	53	26	408.14	0.90
Prof - Surgery	61,879	526	262	117.64	2.57
Prof - DME/Supplies	12,283	97	48	126.63	0.51
Prof - Lab	80,025	7,445	3,705	10.75	3.32
Prof - Radiology	67,632	1,763	877	38.36	2.80
Prof - Transportation	36,851	296	147	124.34	1.53
Prof - Other	172,003	30,274	15,065	5.68	7.13
Subtotal - Professional	855,802	48,102	23,937	17.79	35.49
NPMH - Inpatient	299	4	2	74.82	0.01
NPMH - Outpatient	30,754	547	272	56.22	1.28
NPMH - Case Rates	17,655	161	80	109.66	0.73
NPMH - Grants	18,250	-	-	-	0.76
NPMH - In-Home Services	-	-	-	-	-
NPMH - Supported Housing	-	-	-	-	-
NPMH - 23 Hour	968	22	11	44.00	0.04
NPMH - Intensive Outpatient	9,580	212	105	45.19	0.40
NPMH - Partial Hospitalization	-	-	-	-	-
NPMH - Transportation	9,263	259	129	35.72	0.38
Subtotal - Non-Priority Mental Health	86,769	1,205	600	71.99	3.60
Total	\$ 1,930,751				\$ 80.07

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**Exhibit 2e**

**Middle**

<b>Uninsured/Uninsurable Age 14 - 19 Male</b>					
<b>April 07 - February 2008</b>					
<b>Service Category</b>	<b>Paid Expenditures</b>	<b>Units</b>	<b>Units / 1000</b>	<b>Paid Expenditures / Unit</b>	<b>Paid Expenditures PMPM</b>
Member Months	25,985				
Home Health Care	1,972	12	6	164.32	0.08
IP - Maternity	-	-	-	-	-
IP - Newborn	-	-	-	-	-
IP - Medical	97,868	89	41	1,099.64	3.77
IP - Surgery	173,301	73	34	2,373.98	6.67
IP - Other	-	-	-	-	-
Subtotal - Inpatient	271,168	162	75	1,673.88	10.44
OP - Emergency Room	202,806	843	389	240.58	7.80
OP - Laboratory	12,946	1,242	574	10.42	0.50
OP - Radiology	69,479	860	397	80.79	2.67
OP - Surgery	130,647	123	57	1,062.17	5.03
OP - Other	80,325	203	94	395.69	3.09
Subtotal - Outpatient	496,203	3,271	1,511	151.70	19.10
Prof - Evaluation & Management	298,010	5,695	2,630	52.33	11.47
Prof - Maternity	-	-	-	-	-
Prof - Surgery	89,306	615	284	145.21	3.44
Prof - DME/Supplies	16,391	153	71	107.13	0.63
Prof - Lab	23,251	2,375	1,097	9.79	0.89
Prof - Radiology	50,611	1,841	850	27.49	1.95
Prof - Transportation	46,970	335	155	140.30	1.81
Prof - Other	134,572	20,720	9,569	6.49	5.18
Subtotal - Professional	659,110	31,734	14,655	20.77	25.37
NPMH - Inpatient	31,648	86	40	368.00	1.22
NPMH - Outpatient	43,952	539	249	81.54	1.69
NPMH - Case Rates	25,107	114	53	220.24	0.97
NPMH - Grants	36,460	-	-	-	1.40
NPMH - In-Home Services	-	-	-	-	-
NPMH - Supported Housing	-	-	-	-	-
NPMH - 23 Hour	-	-	-	-	-
NPMH - Intensive Outpatient	18,864	326	151	57.87	0.73
NPMH - Partial Hospitalization	45	3	1	14.98	0.00
NPMH - Transportation	9,685	798	369	12.13	0.37
Subtotal - Non-Priority Mental Health	165,762	1,866	862	88.82	6.38
<b>Total</b>	<b>\$ 1,594,215</b>				<b>\$ 61.35</b>

**TennCare  
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Historical Encounter Data**

**Exhibit 2e**

**Middle**

<b>Disabled All Ages</b>					
<b>April 07 - February 2008</b>					
<b>Service Category</b>	<b>Paid Expenditures</b>	<b>Units</b>	<b>Units / 1000</b>	<b>Paid Expenditures / Unit</b>	<b>Paid Expenditures PMPM</b>
Member Months	331,385				
Home Health Care	18,057,745	11,323	410	1,594.78	54.49
IP - Maternity	525,448	409	15	1,284.71	1.59
IP - Newborn	2,663,093	1,667	60	1,597.54	8.04
IP - Medical	38,568,854	39,393	1,426	979.08	116.39
IP - Surgery	28,795,831	13,343	483	2,158.12	86.90
IP - Other	1,237,763	1,788	65	692.26	3.74
Subtotal - Inpatient	71,790,990	56,600	2,050	1,268.39	216.64
OP - Emergency Room	11,793,302	35,370	1,281	333.43	35.59
OP - Laboratory	1,140,554	82,327	2,981	13.85	3.44
OP - Radiology	5,136,042	137,778	4,989	37.28	15.50
OP - Surgery	15,509,433	12,137	440	1,277.86	46.80
OP - Other	12,204,656	15,333	555	795.97	36.83
Subtotal - Outpatient	45,783,986	282,945	10,246	161.81	138.16
Prof - Evaluation & Management	18,667,119	288,584	10,450	64.69	56.33
Prof - Maternity	194,273	456	17	426.04	0.59
Prof - Surgery	7,950,217	63,275	2,291	125.65	23.99
Prof - DME/Supplies	4,601,878	24,656	893	186.64	13.89
Prof - Lab	2,410,763	198,142	7,175	12.17	7.27
Prof - Radiology	5,305,372	121,616	4,404	43.62	16.01
Prof - Transportation	9,199,873	87,343	3,163	105.33	27.76
Prof - Other	15,527,474	2,658,889	96,283	5.84	46.86
Subtotal - Professional	63,856,969	3,442,962	124,675	18.55	192.70
NPMH - Inpatient	1,219,468	3,390	123	359.73	3.68
NPMH - Outpatient	1,431,739	58,029	2,101	24.67	4.32
NPMH - Case Rates	488,024	5,647	204	86.42	1.47
NPMH - Grants	1,067,043	-	-	-	3.22
NPMH - In-Home Services	-	-	-	-	-
NPMH - Supported Housing	257,860	3,623	131	71.17	0.78
NPMH - 23 Hour	8,187	246	9	33.28	0.02
NPMH - Intensive Outpatient	83,733	1,197	43	69.95	0.25
NPMH - Partial Hospitalization	8,692	1,084	39	8.02	0.03
NPMH - Transportation	126,705	23,719	859	5.34	0.38
Subtotal - Non-Priority Mental Health	4,691,452	96,935	3,510	48.40	14.16
<b>Total</b>	<b>\$ 204,181,143</b>				<b>\$ 616.15</b>

**TennCare  
FY 2009 Per Capita Cost Development  
Historical Encounter Data**

**Exhibit 2e**

**Middle**

<b>Disabled Age &lt;21</b>					
<b>April 07 - February 2008</b>					
<b>Service Category</b>	<b>Paid Expenditures</b>	<b>Units</b>	<b>Units / 1000</b>	<b>Paid Expenditures / Unit</b>	<b>Paid Expenditures PMPM</b>
Member Months	21,976				
Home Health Care	2,102,208	998	545	2,106.42	95.66
IP - Maternity	50,268	43	23	1,169.02	2.29
IP - Newborn	2,660,303	1,657	905	1,605.49	121.05
IP - Medical	937,395	786	429	1,192.61	42.66
IP - Surgery	1,880,397	621	339	3,028.01	85.57
IP - Other	510,672	1,037	566	492.45	23.24
Subtotal - Inpatient	6,039,035	4,144	2,263	1,457.30	274.80
OP - Emergency Room	377,415	1,581	863	238.72	17.17
OP - Laboratory	40,768	2,571	1,404	15.86	1.86
OP - Radiology	58,005	1,153	630	50.31	2.64
OP - Surgery	528,645	413	226	1,280.01	24.06
OP - Other	646,371	1,066	582	606.35	29.41
Subtotal - Outpatient	1,651,203	6,784	3,704	243.40	75.14
Prof - Evaluation & Management	1,004,004	11,209	6,120	89.57	45.69
Prof - Maternity	17,655	41	22	430.61	0.80
Prof - Surgery	276,152	889	485	310.63	12.57
Prof - DME/Supplies	195,736	829	453	236.11	8.91
Prof - Lab	41,245	3,635	1,985	11.35	1.88
Prof - Radiology	78,643	3,297	1,800	23.85	3.58
Prof - Transportation	143,392	1,206	659	118.90	6.52
Prof - Other	996,039	281,825	153,890	3.53	45.32
Subtotal - Professional	2,752,866	302,931	165,414	9.09	125.27
NPMH - Inpatient	94,573	270	147	350.27	4.30
NPMH - Outpatient	135,334	11,266	6,152	12.01	6.16
NPMH - Case Rates	70,652	1,005	549	70.30	3.21
NPMH - Grants	92,058	-	-	-	4.19
NPMH - In-Home Services	-	-	-	-	-
NPMH - Supported Housing	80	3	2	26.67	0.00
NPMH - 23 Hour	-	-	-	-	-
NPMH - Intensive Outpatient	2,810	39	21	72.05	0.13
NPMH - Partial Hospitalization	26	4	2	6.61	0.00
NPMH - Transportation	7,419	846	462	8.77	0.34
Subtotal - Non-Priority Mental Health	402,953	13,433	7,335	30.00	18.34
<b>Total</b>	<b>\$ 12,948,265</b>				<b>\$ 589.20</b>

**TennCare  
FY 2009 Per Capita Cost Development  
Historical Encounter Data**

**Exhibit 2e**

**Middle**

<b>Disabled Age 21+</b>					
<b>April 07 - February 2008</b>					
<b>Service Category</b>	<b>Paid Expenditures</b>	<b>Units</b>	<b>Units / 1000</b>	<b>Paid Expenditures / Unit</b>	<b>Paid Expenditures PMPM</b>
Member Months	309,409				
Home Health Care	15,955,537	10,325	400	1,545.33	51.57
IP - Maternity	475,181	366	14	1,298.31	1.54
IP - Newborn	2,790	10	0	279.02	0.01
IP - Medical	37,631,459	38,607	1,497	974.73	121.62
IP - Surgery	26,915,435	12,722	493	2,115.66	86.99
IP - Other	727,091	751	29	968.16	2.35
Subtotal - Inpatient	65,751,956	52,456	2,034	1,253.47	212.51
OP - Emergency Room	11,415,887	33,789	1,310	337.86	36.90
OP - Laboratory	1,099,786	79,756	3,093	13.79	3.55
OP - Radiology	5,078,037	136,625	5,299	37.17	16.41
OP - Surgery	14,980,788	11,724	455	1,277.79	48.42
OP - Other	11,558,285	14,267	553	810.14	37.36
Subtotal - Outpatient	44,132,783	276,161	10,711	159.81	142.64
Prof - Evaluation & Management	17,663,115	277,375	10,758	63.68	57.09
Prof - Maternity	176,618	415	16	425.59	0.57
Prof - Surgery	7,674,066	62,386	2,420	123.01	24.80
Prof - DME/Supplies	4,406,142	23,827	924	184.92	14.24
Prof - Lab	2,369,518	194,507	7,544	12.18	7.66
Prof - Radiology	5,226,729	118,319	4,589	44.17	16.89
Prof - Transportation	9,056,481	86,137	3,341	105.14	29.27
Prof - Other	14,531,435	2,377,064	92,191	6.11	46.97
Subtotal - Professional	61,104,103	3,140,030	121,782	19.46	197.49
NPMH - Inpatient	1,124,896	3,120	121	360.54	3.64
NPMH - Outpatient	1,296,405	46,763	1,814	27.72	4.19
NPMH - Case Rates	417,372	4,642	180	89.91	1.35
NPMH - Grants	974,985	-	-	-	3.15
NPMH - In-Home Services	-	-	-	-	-
NPMH - Supported Housing	257,780	3,620	140	71.21	0.83
NPMH - 23 Hour	8,187	246	10	33.28	0.03
NPMH - Intensive Outpatient	80,923	1,158	45	69.88	0.26
NPMH - Partial Hospitalization	8,666	1,080	42	8.02	0.03
NPMH - Transportation	119,286	22,872	887	5.22	0.39
Subtotal - Non-Priority Mental Health	4,288,500	83,501	3,238	51.36	13.86
<b>Total</b>	<b>\$ 191,232,879</b>				<b>\$ 618.06</b>

TennCare  
 FY 2009 Per Capita Cost Development  
 Historical Encounter Data

Exhibit 2e

Middle

State Only & Judicials All Ages					
April 07 - February 2008					
Service Category	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	27,727				
PMH - Inpatient	2,385,427	5,840	2,527	408.46	86.03
PMH - Inpatient RMHI	2,658,723	6,498	2,812	409.16	95.89
PMH - Outpatient	987,772	30,501	13,200	32.38	35.62
PMH - Case Rates	1,021,560	27,783	12,024	36.77	36.84
PMH - Grants	5,033,316	-	-	-	181.53
PMH - In-Home Services	-	-	-	-	-
PMH - Supported Housing	40,445	1,513	655	26.73	1.46
PMH - 23 Hour	645	24	10	26.88	0.02
PMH - Intensive Outpatient	71,978	1,005	435	71.62	2.60
PMH - Partial Hospitalization	25,620	2,057	890	12.46	0.92
PMH - Transportation	13,790	571	247	24.16	0.50
Subtotal - Mental Health	12,239,276	75,792	32,802	161.49	441.42
Total	\$ 12,239,276				\$ 441.42



**TennCare  
FY 2009 Per Capita Cost Development  
Historical Encounter Data**

**Exhibit 2e**

**Middle**

<b>Duals/Waiver Duals All Ages</b>					
<b>April 07 - February 2008</b>					
<b>Service Category</b>	<b>Paid Expenditures</b>	<b>Units</b>	<b>Units / 1000</b>	<b>Paid Expenditures / Unit</b>	<b>Paid Expenditures PMPM</b>
Member Months	631,341				
Home Health Care	84,458,611	27,936	531	3,023.29	133.78
IP - Maternity	3,528	4	0	882.06	0.01
IP - Newborn	-	-	-	-	-
IP - Medical	1,037,926	1,578	30	657.75	1.64
IP - Surgery	595,037	290	6	2,051.85	0.94
IP - Other	6,148	19	0	323.56	0.01
Subtotal - Inpatient	1,642,639	1,891	36	868.66	2.60
OP - Emergency Room	359,312	1,214	23	295.97	0.57
OP - Laboratory	35,381	3,144	60	11.25	0.06
OP - Radiology	118,450	3,951	75	29.98	0.19
OP - Surgery	398,772	359	7	1,110.79	0.63
OP - Other	13,062,583	4,908	93	2,661.49	20.69
Subtotal - Outpatient	13,974,498	13,576	258	1,029.35	22.13
Prof - Evaluation & Management	570,762	9,289	177	61.44	0.90
Prof - Maternity	4,855	10	0	485.53	0.01
Prof - Surgery	220,555	2,064	39	106.86	0.35
Prof - DME/Supplies	153,697	796	15	193.09	0.24
Prof - Lab	82,509	7,136	136	11.56	0.13
Prof - Radiology	185,347	3,657	70	50.68	0.29
Prof - Transportation	11,723,693	152,764	2,904	76.74	18.57
Prof - Other	1,176,515	1,237,836	23,528	0.95	1.86
Subtotal - Professional	14,117,933	1,413,552	26,868	9.99	22.36
NPMH - Inpatient	57,517	96	2	599.13	0.09
NPMH - Outpatient	2,315,944	72,236	1,373	32.06	3.67
NPMH - Case Rates	523,803	5,353	102	97.85	0.83
NPMH - Grants	963,639	-	-	-	1.53
NPMH - In-Home Services	-	-	-	-	-
NPMH - Supported Housing	245,835	3,740	71	65.73	0.39
NPMH - 23 Hour	176	25	0	7.02	0.00
NPMH - Intensive Outpatient	32,890	459	9	71.66	0.05
NPMH - Partial Hospitalization	45	11	0	4.13	0.00
NPMH - Transportation	210,018	47,563	904	4.42	0.33
Subtotal - Non-Priority Mental Health	4,349,866	129,483	2,461	33.59	6.89
<b>Total</b>	<b>\$ 118,543,547</b>				<b>\$ 187.76</b>

TennCare  
 FY 2009 Per Capita Cost Development  
 Historical Encounter Data

Exhibit 2e

Middle

BHO Priority All Ages					
April 07 - February 2008					
Service Category	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM
Member Months	278,877				
PMH - Inpatient	6,582,805	15,893	684	414.20	23.60
PMH - Inpatient RMHI	3,231,075	9,267	399	348.66	11.59
PMH - Outpatient	8,291,440	77,001	3,313	107.68	29.73
PMH - Case Rates	12,802,036	147,858	6,362	86.58	45.91
PMH - Grants	48,217,207	-	-	-	172.90
PMH - In-Home Services	-	-	-	-	-
PMH - Supported Housing	1,328,231	17,681	761	75.12	4.76
PMH - 23 Hour	14,749	233	10	63.30	0.05
PMH - Intensive Outpatient	461,148	6,545	282	70.46	1.65
PMH - Partial Hospitalization	79,530	9,335	402	8.52	0.29
PMH - Transportation	171,277	34,592	1,488	4.95	0.61
Subtotal - Priority Mental Health	81,179,497	318,405	13,701	254.96	291.09
Total	\$ 81,179,497				\$ 291.09

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Capitation Rate Development**

Middle

**Exhibit 3e**

<b>Medicaid (TANF &amp; Related)</b>								
<b>Age Under 1</b>								
Service Category	April 07 - February 2008			Data Adjustment Factors				Minimum
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	Managed Care Impact	Contract Year PMPM
Membership	99,415							
Home Health Care	10.7	881.23	0.79	1.198	1.106	1.000	0.5%	1.05
IP - Maternity	-	-	-	1.039	1.083	1.000	-4.8%	-
IP - Newborn	3,247	777	210.31	1.039	1.083	1.000	-4.8%	225.20
IP - Medical	367	1,338	40.97	1.039	1.083	1.000	-9.7%	41.63
IP - Surgery	160	3,489	46.61	1.039	1.083	1.000	-9.0%	47.73
IP - Other	4	527	0.20	1.039	1.083	1.000	-17.1%	0.18
Subtotal - Inpatient	3,779	6,132	298.09					314.74
OP - Emergency Room	879	181	13.22	1.131	1.044	1.000	-8.6%	14.26
OP - Laboratory	570	12	0.57	1.091	1.044	1.000	-8.5%	0.59
OP - Radiology	266	55	1.22	1.091	1.044	1.000	-9.0%	1.26
OP - Surgery	71	1,045	6.18	1.131	1.044	1.000	-11.2%	6.47
OP - Other	215	580	10.39	1.091	1.044	1.000	-5.9%	11.14
Subtotal - Outpatient	2,001	1,872	31.57					33.72
Prof - Evaluation & Management	14,502	71	85.76	1.065	1.034	1.000	4.5%	98.60
Prof - Maternity	-	-	-	1.065	1.034	1.000	0.8%	-
Prof - Surgery	774	171	11.00	1.065	1.034	1.000	-4.6%	11.55
Prof - DME/Supplies	205	108	1.84	1.065	1.034	1.000	-5.8%	1.90
Prof - Lab	879	8	0.60	1.065	1.034	1.000	-6.4%	0.62
Prof - Radiology	1,332	16	1.77	1.065	1.034	1.000	-4.8%	1.86
Prof - Transportation	110	239	2.19	1.065	1.034	1.000	-5.9%	2.27
Prof - Other	25,304	15	32.26	1.065	1.034	1.000	0.7%	35.75
Subtotal - Professional	43,105	627	135.42					152.55
NPMH - Inpatient	-	-	-	1.065	1.097	1.000	0.0%	-
NPMH - Outpatient	8	97	0.06	1.118	1.097	1.000	0.0%	0.08
NPMH - Case Rates	0	275	0.00	1.039	1.161	1.000	0.0%	-
NPMH - Grants	-	-	0.02	1.000	1.000	1.000	0.0%	0.02
NPMH - In-Home Services	-	-	-	1.091	1.097	1.000	0.0%	-
NPMH - Supported Housing	-	-	-	1.091	1.097	1.000	0.0%	-
NPMH - 23 Hour	-	-	-	1.091	1.097	1.000	0.0%	-
NPMH - Intensive Outpatient	-	-	-	1.091	1.097	1.000	0.0%	-
NPMH - Partial Hospitalization	-	-	-	1.091	1.097	1.000	0.0%	-
NPMH - Transportation	-	-	0.36	1.091	1.097	1.000	0.0%	0.43
Subtotal - Non-Priority Mental Health	8	372	0.44					0.53
Total			\$ 466.31					\$ 502.59
Third Party Liability (TPL) Recoveries								0.0%
Admin %								9.0%
Premium Tax								2.0%
Total Premium Rate								<b>\$ 564.71</b>

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Capitation Rate Development**

**Middle**

**Exhibit 3e**

<b>Medicaid (TANF &amp; Related)</b>								
<b>Age 1 - 13</b>								
Service Category	April 07 - February 2008			Data Adjustment Factors				Minimum
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	Managed Care Impact	Contract Year PMPM
Membership	1,499,134							
Home Health Care	13.3	799.55	0.89	1.198	1.106	1.000	0.5%	1.19
IP - Maternity	0	1,352	0.01	1.039	1.083	1.000	-4.8%	0.01
IP - Newborn	82	652	4.46	1.039	1.083	1.000	-4.8%	4.77
IP - Medical	58	1,448	6.94	1.039	1.083	1.000	-9.7%	7.05
IP - Surgery	15	2,728	3.36	1.039	1.083	1.000	-9.0%	3.44
IP - Other	9	347	0.26	1.039	1.083	1.000	-17.1%	0.25
Subtotal - Inpatient	163	6,528	15.03					15.52
OP - Emergency Room	629	181	9.51	1.131	1.044	1.000	-8.6%	10.25
OP - Laboratory	353	13	0.38	1.091	1.044	1.000	-8.5%	0.39
OP - Radiology	180	46	0.69	1.091	1.044	1.000	-9.0%	0.71
OP - Surgery	73	920	5.62	1.131	1.044	1.000	-11.2%	5.89
OP - Other	121	230	2.32	1.091	1.044	1.000	-5.9%	2.48
Subtotal - Outpatient	1,356	1,391	18.51					19.72
Prof - Evaluation & Management	4,466	58	21.59	1.065	1.034	1.000	4.5%	24.82
Prof - Maternity	0	437	0.00	1.065	1.034	1.000	0.8%	-
Prof - Surgery	305	100	2.55	1.065	1.034	1.000	-4.6%	2.67
Prof - DME/Supplies	80	70	0.46	1.065	1.034	1.000	-5.8%	0.48
Prof - Lab	1,605	7	0.95	1.065	1.034	1.000	-6.4%	0.98
Prof - Radiology	495	18	0.74	1.065	1.034	1.000	-4.8%	0.78
Prof - Transportation	113	114	1.07	1.065	1.034	1.000	-5.9%	1.11
Prof - Other	8,176	10	6.71	1.065	1.034	1.000	0.7%	7.43
Subtotal - Professional	15,239	814	34.07					38.27
NPMH - Inpatient	3	349	0.10	1.065	1.097	1.000	0.0%	0.12
NPMH - Outpatient	415	28	0.98	1.118	1.097	1.000	0.0%	1.21
NPMH - Case Rates	38	141	0.45	1.039	1.161	1.000	0.0%	0.54
NPMH - Grants	-	-	0.46	1.000	1.000	1.000	0.0%	0.46
NPMH - In-Home Services	-	-	-	1.091	1.097	1.000	0.0%	-
NPMH - Supported Housing	0	80	0.00	1.091	1.097	1.000	0.0%	-
NPMH - 23 Hour	-	-	-	1.091	1.097	1.000	0.0%	-
NPMH - Intensive Outpatient	0	66	0.00	1.091	1.097	1.000	0.0%	-
NPMH - Partial Hospitalization	0	6	0.00	1.091	1.097	1.000	0.0%	-
NPMH - Transportation	105	39	0.35	1.091	1.097	1.000	0.0%	0.41
Subtotal - Non-Priority Mental Health	563	711	2.35					2.74
Total			\$ 70.85					\$ 77.44
Third Party Liability (TPL) Recoveries								0.0%
Admin %								9.0%
Premium Tax								2.0%
Total Premium Rate								<b>\$ 87.01</b>

TennCare  
 FY 2009 Per Capita Cost Development  
 Capitation Rate Development

Middle

Exhibit 3e

Medicaid (TANF & Related) Age 14 - 20 Female								
Service Category	April 07 - February 2008			Data Adjustment Factors				Minimum
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	Managed Care Impact	Contract Year PMPM
Membership	277,843							
Home Health Care	10.5	1,006.60	0.88	1.198	1.106	1.000	0.5%	1.17
IP - Maternity	326	1,041	28.24	1.039	1.083	1.000	-4.8%	30.24
IP - Newborn	4	682	0.25	1.039	1.083	1.000	-4.8%	0.27
IP - Medical	112	1,018	9.47	1.039	1.083	1.000	-9.7%	9.62
IP - Surgery	27	2,548	5.64	1.039	1.083	1.000	-9.0%	5.77
IP - Other	61	326	1.65	1.039	1.083	1.000	-17.1%	1.53
Subtotal - Inpatient	529	5,614	45.25					47.43
OP - Emergency Room	941	253	19.80	1.131	1.044	1.000	-8.6%	21.36
OP - Laboratory	1,140	18	1.66	1.091	1.044	1.000	-8.5%	1.73
OP - Radiology	557	59	2.74	1.091	1.044	1.000	-9.0%	2.84
OP - Surgery	156	654	8.48	1.131	1.044	1.000	-11.2%	8.89
OP - Other	204	262	4.46	1.091	1.044	1.000	-5.9%	4.78
Subtotal - Outpatient	2,998	1,245	37.14					39.60
Prof - Evaluation & Management	4,506	59	22.26	1.065	1.034	1.000	4.5%	25.60
Prof - Maternity	329	466	12.78	1.065	1.034	1.000	0.8%	14.18
Prof - Surgery	333	126	3.48	1.065	1.034	1.000	-4.6%	3.65
Prof - DME/Supplies	45	153	0.58	1.065	1.034	1.000	-5.8%	0.60
Prof - Lab	6,886	11	6.48	1.065	1.034	1.000	-6.4%	6.68
Prof - Radiology	1,563	49	6.41	1.065	1.034	1.000	-4.8%	6.71
Prof - Transportation	264	131	2.89	1.065	1.034	1.000	-5.9%	2.99
Prof - Other	32,999	4	10.23	1.065	1.034	1.000	0.7%	11.34
Subtotal - Professional	46,925	1,000	65.12					71.75
NPMH - Inpatient	52	337	1.47	1.065	1.097	1.000	0.0%	1.71
NPMH - Outpatient	269	54	1.20	1.118	1.097	1.000	0.0%	1.47
NPMH - Case Rates	60	108	0.54	1.039	1.161	1.000	0.0%	0.65
NPMH - Grants	-	-	1.09	1.000	1.000	1.000	0.0%	1.09
NPMH - In-Home Services	-	-	-	1.091	1.097	1.000	0.0%	-
NPMH - Supported Housing	-	-	-	1.091	1.097	1.000	0.0%	-
NPMH - 23 Hour	0	14	0.00	1.091	1.097	1.000	0.0%	-
NPMH - Intensive Outpatient	59	72	0.35	1.091	1.097	1.000	0.0%	0.42
NPMH - Partial Hospitalization	13	15	0.02	1.091	1.097	1.000	0.0%	0.02
NPMH - Transportation	151	28	0.35	1.091	1.097	1.000	0.0%	0.42
Subtotal - Non-Priority Mental Health	604	628	5.01					5.78
Total			\$ 153.40					\$ 165.73
Third Party Liability (TPL) Recoveries								0.0%
Admin %								9.0%
Premium Tax								2.0%
Total Premium Rate								\$ 186.21

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Capitation Rate Development**

Middle

**Exhibit 3e**

<b>Medicaid (TANF &amp; Related)</b>								
<b>Age 14 - 20 Male</b>								
Service Category	April 07 - February 2008			Data Adjustment Factors				Minimum
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	Managed Care Impact	Contract Year PMPM
Membership	224,915							
Home Health Care	6.5	526.00	0.28	1.198	1.106	1.000	0.5%	0.37
IP - Maternity	-	-	-	1.039	1.083	1.000	-4.8%	-
IP - Newborn	-	-	-	1.039	1.083	1.000	-4.8%	-
IP - Medical	70	1,282	7.53	1.039	1.083	1.000	-9.7%	7.65
IP - Surgery	42	2,936	10.31	1.039	1.083	1.000	-9.0%	10.56
IP - Other	93	244	1.88	1.039	1.083	1.000	-17.1%	1.76
Subtotal - Inpatient	205	4,462	19.72					19.97
OP - Emergency Room	585	243	11.85	1.131	1.044	1.000	-8.6%	12.78
OP - Laboratory	307	15	0.38	1.091	1.044	1.000	-8.5%	0.40
OP - Radiology	392	52	1.70	1.091	1.044	1.000	-9.0%	1.76
OP - Surgery	53	1,146	5.08	1.131	1.044	1.000	-11.2%	5.32
OP - Other	75	537	3.36	1.091	1.044	1.000	-5.9%	3.60
Subtotal - Outpatient	1,413	1,992	22.37					23.86
Prof - Evaluation & Management	2,561	60	12.71	1.065	1.034	1.000	4.5%	14.61
Prof - Maternity	-	-	-	1.065	1.034	1.000	0.8%	-
Prof - Surgery	292	159	3.86	1.065	1.034	1.000	-4.6%	4.05
Prof - DME/Supplies	68	121	0.69	1.065	1.034	1.000	-5.8%	0.72
Prof - Lab	1,098	9	0.85	1.065	1.034	1.000	-6.4%	0.88
Prof - Radiology	944	25	1.93	1.065	1.034	1.000	-4.8%	2.03
Prof - Transportation	284	126	2.97	1.065	1.034	1.000	-5.9%	3.08
Prof - Other	6,521	7	3.76	1.065	1.034	1.000	0.7%	4.17
Subtotal - Professional	11,769	505	26.78					29.54
NPMH - Inpatient	78	362	2.35	1.065	1.097	1.000	0.0%	2.74
NPMH - Outpatient	793	57	3.74	1.118	1.097	1.000	0.0%	4.59
NPMH - Case Rates	76	157	0.99	1.039	1.161	1.000	0.0%	1.19
NPMH - Grants	-	-	2.43	1.000	1.000	1.000	0.0%	2.43
NPMH - In-Home Services	-	-	-	1.091	1.097	1.000	0.0%	-
NPMH - Supported Housing	2	78	0.01	1.091	1.097	1.000	0.0%	0.02
NPMH - 23 Hour	0	79	0.00	1.091	1.097	1.000	0.0%	-
NPMH - Intensive Outpatient	167	67	0.93	1.091	1.097	1.000	0.0%	1.12
NPMH - Partial Hospitalization	3	90	0.02	1.091	1.097	1.000	0.0%	0.03
NPMH - Transportation	107	38	0.34	1.091	1.097	1.000	0.0%	0.41
Subtotal - Non-Priority Mental Health	1,225	927	10.82					12.53
Total			\$ 79.97					\$ 86.27
Third Party Liability (TPL) Recoveries								0.0%
Admin %								9.0%
Premium Tax								2.0%
Total Premium Rate								<b>\$ 96.93</b>

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Capitation Rate Development**

Middle

**Exhibit 3e**

<b>Medicaid (TANF &amp; Related)</b>								
<b>Age 21 - 44 Female</b>								
Service Category	April 07 - February 2008			Data Adjustment Factors				Minimum
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	Managed Care Impact	Contract Year PMPM
Membership	612,591							
Home Health Care	14.4	865.29	1.04	1.198	1.106	0.951	0.5%	1.32
IP - Maternity	425	1,129	39.99	1.039	1.083	1.000	-4.8%	42.82
IP - Newborn	52	761	3.31	1.039	1.083	1.000	-4.8%	3.55
IP - Medical	211	1,051	18.45	1.039	1.083	1.000	-9.7%	18.75
IP - Surgery	89	2,389	17.71	1.039	1.083	1.000	-9.0%	18.13
IP - Other	5	610	0.27	1.039	1.083	1.000	-17.1%	0.25
Subtotal - Inpatient	782	5,940	79.73					83.50
OP - Emergency Room	1,385	275	31.80	1.131	1.044	1.000	-8.6%	34.31
OP - Laboratory	1,413	17	2.02	1.091	1.044	1.000	-8.5%	2.10
OP - Radiology	1,623	44	6.01	1.091	1.044	1.000	-9.0%	6.23
OP - Surgery	278	1,002	23.19	1.131	1.044	1.000	-11.2%	24.30
OP - Other	254	274	5.78	1.091	1.044	1.000	-5.9%	6.20
Subtotal - Outpatient	4,952	1,613	68.82					73.14
Prof - Evaluation & Management	6,549	61	33.13	1.065	1.034	1.000	4.5%	38.08
Prof - Maternity	394	523	17.19	1.065	1.034	1.000	0.8%	19.06
Prof - Surgery	1,128	128	12.00	1.065	1.034	1.000	-4.6%	12.60
Prof - DME/Supplies	131	137	1.49	1.065	1.034	1.000	-5.8%	1.54
Prof - Lab	8,518	13	9.00	1.065	1.034	1.000	-6.4%	9.28
Prof - Radiology	2,906	50	12.22	1.065	1.034	1.000	-4.8%	12.81
Prof - Transportation	420	134	4.71	1.065	1.034	1.000	-5.9%	4.87
Prof - Other	42,914	4	15.57	1.065	1.034	1.000	0.7%	17.25
Subtotal - Professional	62,962	1,050	105.30					115.49
NPMH - Inpatient	66	407	2.25	1.065	1.097	1.000	0.0%	2.63
NPMH - Outpatient	480	58	2.31	1.118	1.097	1.000	0.0%	2.83
NPMH - Case Rates	43	135	0.48	1.039	1.161	1.000	0.0%	0.58
NPMH - Grants	-	-	1.76	1.000	1.000	1.000	0.0%	1.76
NPMH - In-Home Services	-	-	-	1.091	1.097	1.000	0.0%	-
NPMH - Supported Housing	-	-	-	1.091	1.097	1.000	0.0%	-
NPMH - 23 Hour	3	63	0.02	1.091	1.097	1.000	0.0%	0.02
NPMH - Intensive Outpatient	120	69	0.69	1.091	1.097	1.000	0.0%	0.83
NPMH - Partial Hospitalization	39	16	0.05	1.091	1.097	1.000	0.0%	0.06
NPMH - Transportation	191	22	0.35	1.091	1.097	1.000	0.0%	0.42
Subtotal - Non-Priority Mental Health	942	770	7.91					9.13
Total			\$ 262.79					\$ 282.58
Third Party Liability (TPL) Recoveries								0.0%
Admin %								9.0%
Premium Tax								2.0%
Total Premium Rate								<b>\$ 317.51</b>

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Capitation Rate Development**

Middle

**Exhibit 3e**

<b>Medicaid (TANF &amp; Related)</b>								
<b>Age 21 - 44 Male</b>								
Service Category	April 07 - February 2008			Data Adjustment Factors				Minimum
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	Managed Care Impact	Contract Year PMPM
Membership	138,146							
Home Health Care	10.9	638.43	0.58	1.198	1.106	0.985	0.5%	0.76
IP - Maternity	0	1,056	0.02	1.039	1.083	1.000	-4.8%	0.02
IP - Newborn	-	-	-	1.039	1.083	1.000	-4.8%	-
IP - Medical	147	1,301	15.98	1.039	1.083	1.000	-9.7%	16.23
IP - Surgery	88	3,252	23.92	1.039	1.083	1.000	-9.0%	24.50
IP - Other	5	502	0.23	1.039	1.083	1.000	-17.1%	0.21
Subtotal - Inpatient	241	6,111	40.14					40.96
OP - Emergency Room	1,036	253	21.87	1.131	1.044	1.000	-8.6%	23.59
OP - Laboratory	433	16	0.59	1.091	1.044	1.000	-8.5%	0.61
OP - Radiology	1,158	47	4.54	1.091	1.044	1.000	-9.0%	4.70
OP - Surgery	132	1,140	12.52	1.131	1.044	1.000	-11.2%	13.12
OP - Other	112	509	4.74	1.091	1.044	1.000	-5.9%	5.07
Subtotal - Outpatient	2,871	1,965	44.25					47.09
Prof - Evaluation & Management	3,949	61	19.92	1.065	1.034	1.000	4.5%	22.90
Prof - Maternity	0	726	0.01	1.065	1.034	1.000	0.8%	0.01
Prof - Surgery	1,006	125	10.48	1.065	1.034	1.000	-4.6%	11.00
Prof - DME/Supplies	150	154	1.93	1.065	1.034	1.000	-5.8%	2.00
Prof - Lab	1,872	12	1.82	1.065	1.034	1.000	-6.4%	1.88
Prof - Radiology	1,794	39	5.76	1.065	1.034	1.000	-4.8%	6.04
Prof - Transportation	297	173	4.29	1.065	1.034	1.000	-5.9%	4.44
Prof - Other	10,934	8	6.87	1.065	1.034	1.000	0.7%	7.61
Subtotal - Professional	20,002	1,296	51.08					55.88
NPMH - Inpatient	103	392	3.37	1.065	1.097	1.000	0.0%	3.94
NPMH - Outpatient	345	80	2.29	1.118	1.097	1.000	0.0%	2.81
NPMH - Case Rates	25	109	0.22	1.039	1.161	1.000	0.0%	0.27
NPMH - Grants	-	-	1.98	1.000	1.000	1.000	0.0%	1.98
NPMH - In-Home Services	-	-	-	1.091	1.097	1.000	0.0%	-
NPMH - Supported Housing	-	-	-	1.091	1.097	1.000	0.0%	-
NPMH - 23 Hour	-	-	-	1.091	1.097	1.000	0.0%	-
NPMH - Intensive Outpatient	97	70	0.57	1.091	1.097	1.000	0.0%	0.68
NPMH - Partial Hospitalization	51	15	0.07	1.091	1.097	1.000	0.0%	0.08
NPMH - Transportation	415	11	0.37	1.091	1.097	1.000	0.0%	0.44
Subtotal - Non-Priority Mental Health	1,037	678	8.87					10.20
Total			\$ 144.92					\$ 154.89
Third Party Liability (TPL) Recoveries								0.0%
Admin %								9.0%
Premium Tax								2.0%
Total Premium Rate								<b>\$ 174.03</b>



TennCare  
 FY 2009 Per Capita Cost Development  
 Capitation Rate Development

Middle

Exhibit 3e

Medicaid (TANF & Related) Age 45 - 64								
Service Category	April 07 - February 2008			Data Adjustment Factors				Minimum
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	Managed Care Impact	Contract Year PMPM
Membership	84,776							
Home Health Care	48.4	871.79	3.52	1.198	1.106	0.821	0.5%	3.84
IP - Maternity	4	1,252	0.40	1.039	1.083	1.000	-4.8%	0.43
IP - Newborn	-	-	-	1.039	1.083	1.000	-4.8%	-
IP - Medical	470	1,033	40.45	1.039	1.083	1.000	-9.7%	41.10
IP - Surgery	191	2,687	42.76	1.039	1.083	1.000	-9.0%	43.78
IP - Other	6	721	0.36	1.039	1.083	1.000	-17.1%	0.33
Subtotal - Inpatient	670	5,694	83.96					85.64
OP - Emergency Room	830	331	22.92	1.131	1.044	1.000	-8.6%	24.72
OP - Laboratory	1,806	15	2.30	1.091	1.044	1.000	-8.5%	2.40
OP - Radiology	3,878	37	11.88	1.091	1.044	1.000	-9.0%	12.31
OP - Surgery	336	1,151	32.29	1.131	1.044	1.000	-11.2%	33.83
OP - Other	266	285	6.31	1.091	1.044	1.000	-5.9%	6.75
Subtotal - Outpatient	7,116	1,820	75.69					80.01
Prof - Evaluation & Management	7,617	61	38.89	1.065	1.034	1.000	4.5%	44.71
Prof - Maternity	7	386	0.21	1.065	1.034	1.000	0.8%	0.23
Prof - Surgery	2,197	115	21.09	1.065	1.034	1.000	-4.6%	22.14
Prof - DME/Supplies	402	142	4.75	1.065	1.034	1.000	-5.8%	4.92
Prof - Lab	5,862	12	6.08	1.065	1.034	1.000	-6.4%	6.27
Prof - Radiology	3,293	48	13.12	1.065	1.034	1.000	-4.8%	13.75
Prof - Transportation	832	114	7.93	1.065	1.034	1.000	-5.9%	8.21
Prof - Other	30,181	10	23.96	1.065	1.034	1.000	0.7%	26.56
Subtotal - Professional	50,391	888	116.04					126.79
NPMH - Inpatient	72	350	2.10	1.065	1.097	1.000	0.0%	2.45
NPMH - Outpatient	627	54	2.80	1.118	1.097	1.000	0.0%	3.44
NPMH - Case Rates	37	120	0.37	1.039	1.161	1.000	0.0%	0.44
NPMH - Grants	-	-	1.73	1.000	1.000	1.000	0.0%	1.73
NPMH - In-Home Services	-	-	-	1.091	1.097	1.000	0.0%	-
NPMH - Supported Housing	-	-	-	1.091	1.097	1.000	0.0%	-
NPMH - 23 Hour	3	122	0.03	1.091	1.097	1.000	0.0%	0.04
NPMH - Intensive Outpatient	59	62	0.31	1.091	1.097	1.000	0.0%	0.37
NPMH - Partial Hospitalization	25	43	0.09	1.091	1.097	1.000	0.0%	0.11
NPMH - Transportation	393	10	0.34	1.091	1.097	1.000	0.0%	0.41
Subtotal - Non-Priority Mental Health	1,216	761	7.77					8.99
Total			\$ 286.97					\$ 305.27
Third Party Liability (TPL) Recoveries								0.0%
Admin %								9.0%
Premium Tax								2.0%
Total Premium Rate								\$ 343.00

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Capitation Rate Development**

Middle

**Exhibit 3e**

<b>Medicaid (TANF &amp; Related)</b>								
<b>Age 65+</b>								
Service Category	April 07 - February 2008			Data Adjustment Factors				Minimum
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	Managed Care Impact	Contract Year PMPM
Membership	9,782							
Home Health Care	376.6	2,039.17	64.00	1.198	1.106	0.778	0.5%	66.25
IP - Maternity	-	-	-	1.039	1.083	1.000	-4.8%	-
IP - Newborn	-	-	-	1.039	1.083	1.000	-4.8%	-
IP - Medical	564	1,076	50.60	1.039	1.083	1.000	-9.7%	51.41
IP - Surgery	218	1,758	31.99	1.039	1.083	1.000	-9.0%	32.76
IP - Other	-	-	-	1.039	1.083	1.000	-17.1%	-
Subtotal - Inpatient	783	2,834	82.59					84.17
OP - Emergency Room	191	494	7.87	1.131	1.044	1.000	-8.6%	8.49
OP - Laboratory	3,268	11	3.13	1.091	1.044	1.000	-8.5%	3.26
OP - Radiology	2,262	23	4.35	1.091	1.044	1.000	-9.0%	4.50
OP - Surgery	126	1,302	13.71	1.131	1.044	1.000	-11.2%	14.37
OP - Other	421	1,346	47.19	1.091	1.044	1.000	-5.9%	50.55
Subtotal - Outpatient	6,268	3,176	76.24					81.17
Prof - Evaluation & Management	3,847	64	20.43	1.065	1.034	1.000	4.5%	23.49
Prof - Maternity	-	-	-	1.065	1.034	1.000	0.8%	-
Prof - Surgery	456	152	5.78	1.065	1.034	1.000	-4.6%	6.07
Prof - DME/Supplies	191	189	3.02	1.065	1.034	1.000	-5.8%	3.14
Prof - Lab	2,830	11	2.65	1.065	1.034	1.000	-6.4%	2.72
Prof - Radiology	1,530	42	5.33	1.065	1.034	1.000	-4.8%	5.58
Prof - Transportation	808	128	8.58	1.065	1.034	1.000	-5.9%	8.89
Prof - Other	49,602	6	25.42	1.065	1.034	1.000	0.7%	28.16
Subtotal - Professional	59,264	592	71.21					78.05
NPMH - Inpatient	2	58	0.01	1.065	1.097	1.000	0.0%	0.01
NPMH - Outpatient	385	103	3.32	1.118	1.097	1.000	0.0%	4.07
NPMH - Case Rates	4	200	0.06	1.039	1.161	1.000	0.0%	0.07
NPMH - Grants	-	-	1.04	1.000	1.000	1.000	0.0%	1.04
NPMH - In-Home Services	-	-	-	1.091	1.097	1.000	0.0%	-
NPMH - Supported Housing	-	-	-	1.091	1.097	1.000	0.0%	-
NPMH - 23 Hour	-	-	-	1.091	1.097	1.000	0.0%	-
NPMH - Intensive Outpatient	-	-	-	1.091	1.097	1.000	0.0%	-
NPMH - Partial Hospitalization	1	2	0.00	1.091	1.097	1.000	0.0%	-
NPMH - Transportation	523	9	0.41	1.091	1.097	1.000	0.0%	0.49
Subtotal - Non-Priority Mental Health	916	372	4.84					5.68
Total			\$ 298.88					\$ 315.32
Third Party Liability (TPL) Recoveries								0.0%
Admin %								9.0%
Premium Tax								2.0%
Total Premium Rate								\$ 354.29

TennCare  
 FY 2009 Per Capita Cost Development  
 Capitation Rate Development

Middle

Exhibit 3e

Uninsured/Uninsurable Age 1 - 13								
Service Category	April 07 - February 2008			Data Adjustment Factors				Minimum
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	Managed Care Impact	Contract Year PMPM
Membership	74,880							
Home Health Care	22.3	1,688.08	3.13	1.198	1.106	1.000	0.5%	4.17
IP - Maternity	-	-	-	1.039	1.083	1.000	-4.8%	-
IP - Newborn	-	-	-	1.039	1.083	1.000	-4.8%	-
IP - Medical	26	1,587	3.48	1.039	1.083	1.000	-9.7%	3.53
IP - Surgery	11	3,472	3.06	1.039	1.083	1.000	-9.0%	3.13
IP - Other	-	-	-	1.039	1.083	1.000	-17.1%	-
Subtotal - Inpatient	37	5,059	6.54					6.66
OP - Emergency Room	308	206	5.29	1.131	1.044	1.000	-8.6%	5.70
OP - Laboratory	354	14	0.41	1.091	1.044	1.000	-8.5%	0.43
OP - Radiology	268	51	1.13	1.091	1.044	1.000	-9.0%	1.17
OP - Surgery	66	912	5.00	1.131	1.044	1.000	-11.2%	5.24
OP - Other	124	230	2.38	1.091	1.044	1.000	-5.9%	2.55
Subtotal - Outpatient	1,121	1,413	14.21					15.09
Prof - Evaluation & Management	3,445	52	14.87	1.065	1.034	1.000	4.5%	17.09
Prof - Maternity	-	-	-	1.065	1.034	1.000	0.8%	-
Prof - Surgery	224	121	2.25	1.065	1.034	1.000	-4.6%	2.37
Prof - DME/Supplies	44	146	0.54	1.065	1.034	1.000	-5.8%	0.56
Prof - Lab	1,601	8	1.00	1.065	1.034	1.000	-6.4%	1.03
Prof - Radiology	465	21	0.81	1.065	1.034	1.000	-4.8%	0.85
Prof - Transportation	62	199	1.04	1.065	1.034	1.000	-5.9%	1.07
Prof - Other	9,699	8	6.11	1.065	1.034	1.000	0.7%	6.77
Subtotal - Professional	15,540	554	26.62					29.74
NPMH - Inpatient	1	800	0.04	1.065	1.097	1.000	0.0%	0.05
NPMH - Outpatient	228	51	0.97	1.118	1.097	1.000	0.0%	1.19
NPMH - Case Rates	34	158	0.45	1.039	1.161	1.000	0.0%	0.54
NPMH - Grants	-	-	0.44	1.000	1.000	1.000	0.0%	0.44
NPMH - In-Home Services	-	-	-	1.091	1.097	1.000	0.0%	-
NPMH - Supported Housing	-	-	-	1.091	1.097	1.000	0.0%	-
NPMH - 23 Hour	-	-	-	1.091	1.097	1.000	0.0%	-
NPMH - Intensive Outpatient	-	-	-	1.091	1.097	1.000	0.0%	-
NPMH - Partial Hospitalization	1	6	0.00	1.091	1.097	1.000	0.0%	-
NPMH - Transportation	-	-	0.35	1.091	1.097	1.000	0.0%	0.41
Subtotal - Non-Priority Mental Health	264	1,015	2.26					2.63
Total			\$ 52.75					\$ 58.29
Third Party Liability (TPL) Recoveries								0.0%
Admin %								9.0%
Premium Tax								2.0%
Total Premium Rate								\$ 65.49

TennCare  
 FY 2009 Per Capita Cost Development  
 Capitation Rate Development

Middle

Exhibit 3e

Uninsured/Uninsurable Age 14 - 19 Female								
Service Category	April 07 - February 2008			Data Adjustment Factors				Minimum
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	Managed Care Impact	Contract Year PMPM
Membership	24,115							
Home Health Care	32.8	945.18	2.59	1.198	1.106	1.000	0.5%	3.45
IP - Maternity	25	1,192	2.52	1.039	1.083	1.000	-4.8%	2.70
IP - Newborn	1	544	0.05	1.039	1.083	1.000	-4.8%	0.05
IP - Medical	40	1,429	4.80	1.039	1.083	1.000	-9.7%	4.88
IP - Surgery	18	5,295	7.91	1.039	1.083	1.000	-9.0%	8.09
IP - Other	14	264	0.31	1.039	1.083	1.000	-17.1%	0.29
Subtotal - Inpatient	99	8,724	15.58					16.01
OP - Emergency Room	450	229	8.60	1.131	1.044	1.000	-8.6%	9.28
OP - Laboratory	998	21	1.72	1.091	1.044	1.000	-8.5%	1.79
OP - Radiology	538	55	2.45	1.091	1.044	1.000	-9.0%	2.54
OP - Surgery	96	1,035	8.24	1.131	1.044	1.000	-11.2%	8.64
OP - Other	105	206	1.80	1.091	1.044	1.000	-5.9%	1.93
Subtotal - Outpatient	2,187	1,546	22.81					24.18
Prof - Evaluation & Management	3,806	53	16.73	1.065	1.034	1.000	4.5%	19.24
Prof - Maternity	26	408	0.90	1.065	1.034	1.000	0.8%	1.00
Prof - Surgery	262	118	2.57	1.065	1.034	1.000	-4.6%	2.69
Prof - DME/Supplies	48	127	0.51	1.065	1.034	1.000	-5.8%	0.53
Prof - Lab	3,705	11	3.32	1.065	1.034	1.000	-6.4%	3.42
Prof - Radiology	877	38	2.80	1.065	1.034	1.000	-4.8%	2.94
Prof - Transportation	147	124	1.53	1.065	1.034	1.000	-5.9%	1.58
Prof - Other	15,065	6	7.13	1.065	1.034	1.000	0.7%	7.90
Subtotal - Professional	23,937	884	35.49					39.30
NPMH - Inpatient	2	75	0.01	1.065	1.097	1.000	0.0%	0.01
NPMH - Outpatient	272	56	1.28	1.118	1.097	1.000	0.0%	1.56
NPMH - Case Rates	80	110	0.73	1.039	1.161	1.000	0.0%	0.88
NPMH - Grants	-	-	0.76	1.000	1.000	1.000	0.0%	0.76
NPMH - In-Home Services	-	-	-	1.091	1.097	1.000	0.0%	-
NPMH - Supported Housing	-	-	-	1.091	1.097	1.000	0.0%	-
NPMH - 23 Hour	11	44	0.04	1.091	1.097	1.000	0.0%	0.05
NPMH - Intensive Outpatient	105	45	0.40	1.091	1.097	1.000	0.0%	0.48
NPMH - Partial Hospitalization	-	-	-	1.091	1.097	1.000	0.0%	-
NPMH - Transportation	129	36	0.38	1.091	1.097	1.000	0.0%	0.46
Subtotal - Non-Priority Mental Health	600	366	3.60					4.20
Total			\$ 80.07					\$ 87.14
Third Party Liability (TPL) Recoveries								0.0%
Admin %								9.0%
Premium Tax								2.0%
Total Premium Rate								\$ 97.91

TennCare  
 FY 2009 Per Capita Cost Development  
 Capitation Rate Development

Middle

Exhibit 3e

Uninsured/Uninsurable Age 14 - 19 Male								
Service Category	April 07 - February 2008			Data Adjustment Factors				Minimum
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	Managed Care Impact	Contract Year PMPM
Membership	25,985							
Home Health Care	5.5	164.32	0.08	1.198	1.106	1.000	0.5%	0.10
IP - Maternity	-	-	-	1.039	1.083	1.000	-4.8%	-
IP - Newborn	-	-	-	1.039	1.083	1.000	-4.8%	-
IP - Medical	41	1,100	3.77	1.039	1.083	1.000	-9.7%	3.83
IP - Surgery	34	2,374	6.67	1.039	1.083	1.000	-9.0%	6.83
IP - Other	-	-	-	1.039	1.083	1.000	-17.1%	-
Subtotal - Inpatient	75	3,474	10.44					10.66
OP - Emergency Room	389	241	7.80	1.131	1.044	1.000	-8.6%	8.42
OP - Laboratory	574	10	0.50	1.091	1.044	1.000	-8.5%	0.52
OP - Radiology	397	81	2.67	1.091	1.044	1.000	-9.0%	2.78
OP - Surgery	57	1,062	5.03	1.131	1.044	1.000	-11.2%	5.27
OP - Other	94	396	3.09	1.091	1.044	1.000	-5.9%	3.31
Subtotal - Outpatient	1,511	1,790	19.10					20.30
Prof - Evaluation & Management	2,630	52	11.47	1.065	1.034	1.000	4.5%	13.18
Prof - Maternity	-	-	-	1.065	1.034	1.000	0.8%	-
Prof - Surgery	284	145	3.44	1.065	1.034	1.000	-4.6%	3.61
Prof - DME/Supplies	71	107	0.63	1.065	1.034	1.000	-5.8%	0.65
Prof - Lab	1,097	10	0.89	1.065	1.034	1.000	-6.4%	0.92
Prof - Radiology	850	27	1.95	1.065	1.034	1.000	-4.8%	2.04
Prof - Transportation	155	140	1.81	1.065	1.034	1.000	-5.9%	1.87
Prof - Other	9,569	6	5.18	1.065	1.034	1.000	0.7%	5.74
Subtotal - Professional	14,655	489	25.37					28.01
NPMH - Inpatient	40	368	1.22	1.065	1.097	1.000	0.0%	1.42
NPMH - Outpatient	249	82	1.69	1.118	1.097	1.000	0.0%	2.07
NPMH - Case Rates	53	220	0.97	1.039	1.161	1.000	0.0%	1.17
NPMH - Grants	-	-	1.40	1.000	1.000	1.000	0.0%	1.40
NPMH - In-Home Services	-	-	-	1.091	1.097	1.000	0.0%	-
NPMH - Supported Housing	-	-	-	1.091	1.097	1.000	0.0%	-
NPMH - 23 Hour	-	-	-	1.091	1.097	1.000	0.0%	-
NPMH - Intensive Outpatient	151	58	0.73	1.091	1.097	1.000	0.0%	0.87
NPMH - Partial Hospitalization	1	15	0.00	1.091	1.097	1.000	0.0%	-
NPMH - Transportation	369	12	0.37	1.091	1.097	1.000	0.0%	0.45
Subtotal - Non-Priority Mental Health	862	755	6.38					7.38
Total			\$ 61.35					\$ 66.45
Third Party Liability (TPL) Recoveries								0.0%
Admin %								9.0%
Premium Tax								2.0%
Total Premium Rate								\$ 74.66

TennCare  
 FY 2009 Per Capita Cost Development  
 Capitation Rate Development

Middle

Exhibit 3e

Disabled Age <21								
Service Category	April 07 - February 2008			Data Adjustment Factors				Minimum
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	Managed Care Impact	Contract Year PMPM
Membership	21,976							
Home Health Care	545.0	2,106.42	95.66	1.198	1.106	1.000	0.5%	127.31
IP - Maternity	23	1,169	2.29	1.039	1.083	1.000	-4.8%	2.45
IP - Newborn	905	1,605	121.05	1.039	1.083	1.000	-4.8%	129.63
IP - Medical	429	1,193	42.66	1.039	1.083	1.000	-9.7%	43.34
IP - Surgery	339	3,028	85.57	1.039	1.083	1.000	-9.0%	87.62
IP - Other	566	492	23.24	1.039	1.083	1.000	-17.1%	21.66
Subtotal - Inpatient	2,263	7,488	274.80					284.70
OP - Emergency Room	863	239	17.17	1.131	1.044	1.000	-8.6%	18.52
OP - Laboratory	1,404	16	1.86	1.091	1.044	1.000	-8.5%	1.93
OP - Radiology	630	50	2.64	1.091	1.044	1.000	-9.0%	2.74
OP - Surgery	226	1,280	24.06	1.131	1.044	1.000	-11.2%	25.21
OP - Other	582	606	29.41	1.091	1.044	1.000	-5.9%	31.51
Subtotal - Outpatient	3,704	2,191	75.14					79.91
Prof - Evaluation & Management	6,120	90	45.69	1.065	1.034	1.000	4.5%	52.53
Prof - Maternity	22	431	0.80	1.065	1.034	1.000	0.8%	0.89
Prof - Surgery	485	311	12.57	1.065	1.034	1.000	-4.6%	13.20
Prof - DME/Supplies	453	236	8.91	1.065	1.034	1.000	-5.8%	9.23
Prof - Lab	1,985	11	1.88	1.065	1.034	1.000	-6.4%	1.94
Prof - Radiology	1,800	24	3.58	1.065	1.034	1.000	-4.8%	3.75
Prof - Transportation	659	119	6.52	1.065	1.034	1.000	-5.9%	6.76
Prof - Other	153,890	4	45.32	1.065	1.034	1.000	0.7%	50.22
Subtotal - Professional	165,414	1,225	125.27					138.52
NPMH - Inpatient	147	350	4.30	1.065	1.097	1.000	0.0%	5.03
NPMH - Outpatient	6,152	12	6.16	1.118	1.097	1.000	0.0%	7.55
NPMH - Case Rates	549	70	3.21	1.039	1.161	1.000	0.0%	3.88
NPMH - Grants	-	-	4.19	1.000	1.000	1.000	0.0%	4.19
NPMH - In-Home Services	-	-	-	1.091	1.097	1.000	0.0%	-
NPMH - Supported Housing	2	27	0.00	1.091	1.097	1.000	0.0%	-
NPMH - 23 Hour	-	-	-	1.091	1.097	1.000	0.0%	-
NPMH - Intensive Outpatient	21	72	0.13	1.091	1.097	1.000	0.0%	0.15
NPMH - Partial Hospitalization	2	7	0.00	1.091	1.097	1.000	0.0%	-
NPMH - Transportation	462	9	0.34	1.091	1.097	1.000	0.0%	0.40
Subtotal - Non-Priority Mental Health	7,335	547	18.34					21.20
Total			\$ 589.20					\$ 651.64
Third Party Liability (TPL) Recoveries								0.0%
Admin %								9.0%
Premium Tax								2.0%
Total Premium Rate								\$ 732.18

TennCare  
 FY 2009 Per Capita Cost Development  
 Capitation Rate Development

Middle

Exhibit 3e

Disabled Age 21+								
Service Category	April 07 - February 2008			Data Adjustment Factors				Minimum
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	Managed Care Impact	Contract Year PMPM
Membership	309,409							
Home Health Care	400.4	1,545.33	51.57	1.198	1.106	0.812	0.5%	55.71
IP - Maternity	14	1,298	1.54	1.039	1.083	1.000	-4.8%	1.65
IP - Newborn	0	279	0.01	1.039	1.083	1.000	-4.8%	0.01
IP - Medical	1,497	975	121.62	1.039	1.083	1.000	-9.7%	123.58
IP - Surgery	493	2,116	86.99	1.039	1.083	1.000	-9.0%	89.08
IP - Other	29	968	2.35	1.039	1.083	1.000	-17.1%	2.19
Subtotal - Inpatient	2,034	5,636	212.51					216.51
OP - Emergency Room	1,310	338	36.90	1.131	1.044	1.000	-8.6%	39.80
OP - Laboratory	3,093	14	3.55	1.091	1.044	1.000	-8.5%	3.70
OP - Radiology	5,299	37	16.41	1.091	1.044	1.000	-9.0%	17.01
OP - Surgery	455	1,278	48.42	1.131	1.044	1.000	-11.2%	50.75
OP - Other	553	810	37.36	1.091	1.044	1.000	-5.9%	40.02
Subtotal - Outpatient	10,711	2,477	142.64					151.28
Prof - Evaluation & Management	10,758	64	57.09	1.065	1.034	1.000	4.5%	65.64
Prof - Maternity	16	426	0.57	1.065	1.034	1.000	0.8%	0.63
Prof - Surgery	2,420	123	24.80	1.065	1.034	1.000	-4.6%	26.05
Prof - DME/Supplies	924	185	14.24	1.065	1.034	1.000	-5.8%	14.76
Prof - Lab	7,544	12	7.66	1.065	1.034	1.000	-6.4%	7.89
Prof - Radiology	4,589	44	16.89	1.065	1.034	1.000	-4.8%	17.70
Prof - Transportation	3,341	105	29.27	1.065	1.034	1.000	-5.9%	30.32
Prof - Other	92,191	6	46.97	1.065	1.034	1.000	0.7%	52.04
Subtotal - Professional	121,782	965	197.49					215.03
NPMH - Inpatient	121	361	3.64	1.065	1.097	1.000	0.0%	4.25
NPMH - Outpatient	1,814	28	4.19	1.118	1.097	1.000	0.0%	5.14
NPMH - Case Rates	180	90	1.35	1.039	1.161	1.000	0.0%	1.63
NPMH - Grants	-	-	3.15	1.000	1.000	1.000	0.0%	3.15
NPMH - In-Home Services	-	-	-	1.091	1.097	1.000	0.0%	-
NPMH - Supported Housing	140	71	0.83	1.091	1.097	1.000	0.0%	1.00
NPMH - 23 Hour	10	33	0.03	1.091	1.097	1.000	0.0%	0.03
NPMH - Intensive Outpatient	45	70	0.26	1.091	1.097	1.000	0.0%	0.31
NPMH - Partial Hospitalization	42	8	0.03	1.091	1.097	1.000	0.0%	0.03
NPMH - Transportation	887	5	0.39	1.091	1.097	1.000	0.0%	0.46
Subtotal - Non-Priority Mental Health	3,238	666	13.86					16.00
Total			\$ 618.06					\$ 654.53
Third Party Liability (TPL) Recoveries								0.0%
Admin %								9.0%
Premium Tax								2.0%
Total Premium Rate								\$ 735.43

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Capitation Rate Development**

**Middle**

**Exhibit 3e**

<b>Duals/Waiver Duals</b>								
<b>All Ages</b>								
Service Category	April 07 - February 2008			Data Adjustment Factors				Minimum
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	Managed Care Impact	Contract Year PMPM
Membership	631,341							
Home Health Care	531.0	3,023.29	133.78	1.198	1.106	0.746	0.5%	132.88
IP - Maternity	0	882	0.01	1.039	1.083	1.000	-4.8%	0.01
IP - Newborn	-	-	-	1.039	1.083	1.000	-4.8%	-
IP - Medical	30	658	1.64	1.039	1.083	1.000	-9.7%	1.67
IP - Surgery	6	2,052	0.94	1.039	1.083	1.000	-9.0%	0.96
IP - Other	0	324	0.01	1.039	1.083	1.000	-17.1%	0.01
Subtotal - Inpatient	36	3,915	2.60					2.65
OP - Emergency Room	23	296	0.57	1.131	1.044	1.000	-8.6%	0.61
OP - Laboratory	60	11	0.06	1.091	1.044	1.000	-8.5%	0.05
OP - Radiology	75	30	0.19	1.091	1.044	1.000	-9.0%	0.19
OP - Surgery	7	1,111	0.63	1.131	1.044	1.000	-11.2%	0.67
OP - Other	93	2,661	20.69	1.091	1.044	1.000	-5.9%	22.16
Subtotal - Outpatient	258	4,109	22.13					23.68
Prof - Evaluation & Management	177	61	0.90	1.065	1.034	1.000	4.5%	1.04
Prof - Maternity	0	486	0.01	1.065	1.034	1.000	0.8%	0.01
Prof - Surgery	39	107	0.35	1.065	1.034	1.000	-4.6%	0.36
Prof - DME/Supplies	15	193	0.24	1.065	1.034	1.000	-5.8%	0.25
Prof - Lab	136	12	0.13	1.065	1.034	1.000	-6.4%	0.13
Prof - Radiology	70	51	0.29	1.065	1.034	1.000	-4.8%	0.30
Prof - Transportation	2,904	77	18.57	1.065	1.034	1.000	-5.9%	19.23
Prof - Other	23,528	1	1.86	1.065	1.034	1.000	0.7%	2.06
Subtotal - Professional	26,868	987	22.36					23.38
NPMH - Inpatient	2	599	0.09	1.065	1.097	1.000	0.0%	0.11
NPMH - Outpatient	1,373	32	3.67	1.118	1.097	1.000	0.0%	4.50
NPMH - Case Rates	102	98	0.83	1.039	1.161	1.000	0.0%	1.00
NPMH - Grants	-	-	1.53	1.000	1.000	1.000	0.0%	1.53
NPMH - In-Home Services	-	-	-	1.091	1.097	1.000	0.0%	-
NPMH - Supported Housing	71	66	0.39	1.091	1.097	1.000	0.0%	0.47
NPMH - 23 Hour	0	7	0.00	1.091	1.097	1.000	0.0%	-
NPMH - Intensive Outpatient	9	72	0.05	1.091	1.097	1.000	0.0%	0.06
NPMH - Partial Hospitalization	0	4	0.00	1.091	1.097	1.000	0.0%	-
NPMH - Transportation	904	4	0.33	1.091	1.097	1.000	0.0%	0.40
Subtotal - Non-Priority Mental Health	2,461	882	6.89					8.07
Total			\$ 187.76					\$ 190.66
Third Party Liability (TPL) Recoveries								0.0%
Admin %								9.0%
Premium Tax								2.0%
Total Premium Rate								<b>\$ 214.22</b>



TennCare  
 FY 2009 Per Capita Cost Development  
 Capitation Rate Development

Middle

Exhibit 3e

State Only & Judicials All Ages								
Service Category	April 07 - February 2008			Data Adjustment Factors				Minimum
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	Managed Care Impact	Contract Year PMPM
Membership	27,727							
PMH - Inpatient	2,527	408	86.03	1.065	1.097	1.000	0.0%	100.54
PMH - Inpatient RMHI	2,812	409	95.89	1.032	1.205	1.000	0.0%	119.31
PMH - Outpatient	13,200	32	35.62	1.118	1.097	1.000	0.0%	43.69
PMH - Case Rates	12,024	37	36.84	1.039	1.161	1.000	0.0%	44.43
PMH - Grants	-	-	181.53	1.000	1.000	1.000	0.0%	181.53
PMH - In-Home Services	-	-	-	1.091	1.097	1.000	0.0%	-
PMH - Supported Housing	655	27	1.46	1.091	1.097	1.000	0.0%	1.75
PMH - 23 Hour	10	27	0.02	1.091	1.097	1.000	0.0%	0.03
PMH - Intensive Outpatient	435	72	2.60	1.091	1.097	1.000	0.0%	3.11
PMH - Partial Hospitalization	890	12	0.92	1.091	1.097	1.000	0.0%	1.11
PMH - Transportation	247	24	0.50	1.091	1.097	1.000	0.0%	0.60
Subtotal - Mental Health	32,802	1,049	441.42					496.10
Total			\$ 441.42					\$ 496.10
Third Party Liability (TPL) Recoveries								0.0%
Admin %								9.0%
Premium Tax								2.0%
Total Premium Rate								\$ 557.42

TennCare  
 FY 2009 Per Capita Cost Development  
 Capitation Rate Development

Middle

Exhibit 3e

BHO Priority All Ages								
Service Category	April 07 - February 2008			Data Adjustment Factors				Minimum
	Utilization Rates Per 1,000	Expenditure Per Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	Managed Care Impact	Contract Year PMPM
Membership	278,877							
PMH - Inpatient	684	414	23.60	1.065	1.097	1.000	0.0%	27.59
PMH - Inpatient RMHI	399	349	11.59	1.032	1.205	1.000	0.0%	14.42
PMH - Outpatient	3,313	108	29.73	1.118	1.097	1.000	0.0%	36.46
PMH - Case Rates	6,362	87	45.91	1.039	1.161	1.000	0.0%	55.36
PMH - Grants	-	-	172.90	1.000	1.000	1.000	0.0%	172.90
PMH - In-Home Services	-	-	-	1.091	1.097	1.000	0.0%	-
PMH - Supported Housing	761	75	4.76	1.091	1.097	1.000	0.0%	5.70
PMH - 23 Hour	10	63	0.05	1.091	1.097	1.000	0.0%	0.06
PMH - Intensive Outpatient	282	70	1.65	1.091	1.097	1.000	0.0%	1.98
PMH - Partial Hospitalization	402	9	0.29	1.091	1.097	1.000	0.0%	0.34
PMH - Transportation	1,488	5	0.61	1.091	1.097	1.000	0.0%	0.74
Subtotal - Priority Mental Health	13,701	1,179	291.09					315.55
Total			\$ 291.09					\$ 315.55
Third Party Liability (TPL) Recoveries								0.0%
Admin %								9.0%
Premium Tax								2.0%
Total Premium Rate								\$ 354.55

**TennCare  
FY 2009 Rate Summary & Budget Projection**

**Middle**

**Exhibit 5e**

Aid Category	Age Group	Fiscal Year 2008			Fiscal Year 2009		
		Members	PMPM	Total	Members	PMPM	Total
Medicaid (TANF & Related)	Age Under 1	110,630	\$ 469.08	\$ 51,894,305	104,789	\$ 564.71	\$ 59,175,640
	Age 1 - 13	1,648,923	\$ 83.42	\$ 137,557,467	1,627,997	\$ 87.01	\$ 141,652,031
	Age 14 - 20 Female	304,566	\$ 218.16	\$ 66,444,250	299,479	\$ 186.21	\$ 55,765,918
	Age 14 - 20 Male	247,056	\$ 103.51	\$ 25,572,998	243,485	\$ 96.93	\$ 23,601,014
	Age 21 - 44 Female	676,293	\$ 350.15	\$ 236,802,369	669,674	\$ 317.51	\$ 212,628,195
	Age 21 - 44 Male	155,360	\$ 280.11	\$ 43,517,262	155,837	\$ 174.03	\$ 27,120,324
	Age 45 - 64	94,069	\$ 541.34	\$ 50,923,175	93,488	\$ 343.00	\$ 32,066,340
	Age 65+	10,482	\$ 351.73	\$ 3,686,792	9,769	\$ 354.29	\$ 3,460,950
	All Ages	3,247,378	\$ 189.81	\$ 616,398,619	3,204,518	\$ 173.34	\$ 555,470,413
Uninsured/Uninsurable	Age Under 1	-	\$ 469.08	\$ -	-	\$ 564.71	\$ -
	Age 1 - 13	81,601	\$ 69.55	\$ 5,675,088	80,394	\$ 65.49	\$ 5,265,023
	Age 14 - 19 Female	25,877	\$ 113.41	\$ 2,934,821	24,920	\$ 97.91	\$ 2,439,935
	Age 14 - 19 Male	27,903	\$ 94.44	\$ 2,635,281	26,655	\$ 74.66	\$ 1,990,091
	All Ages	135,381	\$ 83.06	\$ 11,245,190	131,970	\$ 73.46	\$ 9,695,049
Disabled	Age <21	25,342	\$ 631.48	\$ 16,003,201	25,270	\$ 732.18	\$ 18,502,391
	Age 21+	337,921	\$ 717.82	\$ 242,566,246	330,452	\$ 735.43	\$ 243,024,082
	All Ages	363,264	\$ 711.80	\$ 258,569,447	355,722	\$ 735.20	\$ 261,526,473
Duals/Waiver Duals	All Ages	693,287	\$ 115.36	\$ 79,978,937	682,355	\$ 214.22	\$ 146,174,193
All Groups	All Ages	4,439,309	\$ 217.64	\$ 966,192,192	4,374,565	\$ 222.39	\$ 972,866,128

Additional Payment From BHO Under MCO Risk Contract		Fiscal Year 2008			Fiscal Year 2009		
		Members	PMPM	Total	Members	PMPM	Total
State Only & Judicials	All Ages	28,301	\$ 467.67	\$ 13,235,596	25,644	\$ 557.42	\$ 14,294,326
BHO Priority	All Ages	311,025	\$ 408.30	\$ 126,993,079	306,489	\$ 354.55	\$ 108,665,811
All Groups With Additional BHO Payments		4,467,610	\$ 247.65	\$ 1,106,420,866	4,400,209	\$ 249.04	\$ 1,095,826,265

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Trend Assumptions**

**Middle**

**Exhibit 6e**

	Annual Trend	Seasonality Adjustment	Months From Data Period To Contract Period *	Trend Factor
Home Health Care	15.0%	0.0%	15.5	1.198
IP - Maternity	3.0%	0.0%	15.5	1.039
IP - Newborn	3.0%	0.0%	15.5	1.039
IP - Medical	3.0%	0.0%	15.5	1.039
IP - Surgery	3.0%	0.0%	15.5	1.039
IP - Other	3.0%	0.0%	15.5	1.039
OP - Emergency Room	10.0%	0.0%	15.5	1.131
OP - Laboratory	7.0%	0.0%	15.5	1.091
OP - Radiology	7.0%	0.0%	15.5	1.091
OP - Surgery	10.0%	0.0%	15.5	1.131
OP - Other	7.0%	0.0%	15.5	1.091
Prof - Evaluation & Management	5.0%	0.0%	15.5	1.065
Prof - Maternity	5.0%	0.0%	15.5	1.065
Prof - Surgery	5.0%	0.0%	15.5	1.065
Prof - DME/Supplies	5.0%	0.0%	15.5	1.065
Prof - Lab	5.0%	0.0%	15.5	1.065
Prof - Radiology	5.0%	0.0%	15.5	1.065
Prof - Transportation	5.0%	0.0%	15.5	1.065
Prof - Other	5.0%	0.0%	15.5	1.065
MH - Inpatient (FFS)	5.0%	0.0%	15.5	1.065
MH - Inpatient (RMHI)	2.5%	0.0%	15.5	1.032
MH - Outpatient	9.0%	0.0%	15.5	1.118
MH - Case Rates	3.0%	0.0%	15.5	1.039
MH - Grants	0.0%	0.0%	15.5	1.000
MH - In-Home Services	7.0%	0.0%	15.5	1.091
MH - Supported Housing	7.0%	0.0%	15.5	1.091
MH - 23 Hour	7.0%	0.0%	15.5	1.091
MH - Intensive Outpatient	7.0%	0.0%	15.5	1.091
MH - Partial Hospitalization	7.0%	0.0%	15.5	1.091
MH - Transportation	7.0%	0.0%	15.5	1.091

\* Mid-point of data period (April 2007 - February 2008) to mid-point of contract period July 1, 2008 to June 30, 2009 (01/1/2009) is 15.5 months

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 7

State

Total Prescription Drug Experience November 2006 through October 2007											
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Paid Expenditures PMPM
<b>Grand Total</b>	<b>MCO and BHO Combined</b>										
Member Months	14,487,356										
Brand	489,475,058	4,769,341	3,950	102.63	33.79						
Generic	157,888,760	8,765,533	7,261	18.01	10.90						
Non-Drug*	<u>16,299,729</u>	<u>547,566</u>	<u>454</u>	<u>29.77</u>	<u>1.13</u>						
Grand Total	663,663,548	14,082,440	11,665	47.13	45.81						
<b>Total</b>	<b>MCO/Physical Health</b>					<b>BHO/Mental Health</b>					<b>MCO/BHO</b>
Member Months	14,487,356					14,487,356					
Brand	308,912,564	2,907,994	2,409	106.23	21.32	180,562,494	1,861,347	1,542	97.01	12.46	33.79
Generic	131,344,345	7,196,398	5,961	18.25	9.07	26,544,415	1,569,135	1,300	16.92	1.83	10.90
Non-Drug*	<u>16,301,103</u>	<u>522,658</u>	<u>433</u>	<u>31.19</u>	<u>1.13</u>	<u>(1,373)</u>	<u>24,908</u>	<u>21</u>	<u>(0.06)</u>	<u>(0.00)</u>	<u>1.13</u>
Grand Total	456,558,011	10,627,050	8,802	42.96	31.51	207,105,537	3,455,390	2,862	59.94	14.30	45.81
* Non-Drugs include medical supplies, bulk chemicals, etc											

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 7

State

Medicaid (TANF and Related) November 2006 through October 2007											
	MCO/Physical Health					BHO/Mental Health					MCO/BHO
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Paid Expenditures PMPM
<b>Age Under 1</b>											
Member Months	286,135					286,135					
Brand	4,032,999	37,466	1,571	107.64	14.09	18,067	314	13	57.52	0.06	14.16
Generic	1,276,245	84,775	3,555	15.05	4.46	10,562	1,972	83	5.36	0.04	4.50
Non-Drug*	48,251	3,582	150	13.47	0.17	6	13	1	0.46	0.00	0.17
Subtotal	5,357,495	125,823	5,277	42.58	18.72	28,636	2,299	96	12.46	0.10	18.82
<b>Ages 1 - 13</b>											
Member Months	4,851,832					4,851,832					
Brand	58,474,840	789,995	1,954	74.02	12.05	25,293,841	231,309	572	109.35	5.21	17.27
Generic	26,686,502	1,342,744	3,321	19.87	5.50	2,194,543	107,355	266	20.44	0.45	5.95
Non-Drug*	2,052,395	88,479	219	23.20	0.42	(63)	1,150	3	(0.05)	(0.00)	0.42
Subtotal	87,213,737	2,221,219	5,494	39.26	17.98	27,488,322	339,814	840	80.89	5.67	23.64
<b>Ages 14 - 20 : Female</b>											
Member Months	994,778					994,778					
Brand	13,385,496	172,793	2,084	77.47	13.46	6,452,434	43,952	530	146.81	6.49	19.94
Generic	8,177,609	481,280	5,806	16.99	8.22	844,404	42,879	517	19.69	0.85	9.07
Non-Drug*	623,391	21,720	262	28.70	0.63	66	371	4	0.18	0.00	0.63
Subtotal	22,186,495	675,792	8,152	32.83	22.30	7,296,904	87,203	1,052	83.68	7.34	29.64
<b>Ages 14 - 20 : Male</b>											
Member Months	822,526					822,526					
Brand	8,663,351	72,840	1,063	118.94	10.53	9,084,733	58,793	858	154.52	11.04	21.58
Generic	3,349,922	189,639	2,767	17.66	4.07	764,170	30,720	448	24.88	0.93	5.00
Non-Drug*	373,420	11,503	168	32.46	0.45	(67)	365	5	(0.18)	(0.00)	0.45
Subtotal	12,386,694	273,982	3,997	45.21	15.06	9,848,837	89,878	1,311	109.58	11.97	27.03
* Non-Drugs include medical supplies, bulk chemicals, etc											

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 7

State

Medicaid (TANF & Related) November 2006 through October 2007											
	MCO/Physical Health					BHO/Mental Health					MCO/BHO
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Paid Expenditures PMPM
<b>Ages 21 - 44 : Female</b>											
Member Months	2,029,585					2,029,585					
Brand	44,786,505	474,891	2,808	94.31	22.07	19,857,924	162,846	963	121.94	9.78	31.85
Generic	27,052,191	1,677,041	9,916	16.13	13.33	4,862,064	226,998	1,342	21.42	2.40	15.72
Non-Drug*	2,717,435	95,086	562	28.58	1.34	74	3,353	20	0.02	0.00	1.34
Subtotal	74,556,131	2,247,019	13,286	33.18	36.73	24,720,063	393,197	2,325	62.87	12.18	48.91
<b>Ages 21 - 44 : Male</b>											
Member Months	406,515					406,515					
Brand	6,659,121	54,171	1,599	122.93	16.38	3,300,792	22,080	652	149.49	8.12	24.50
Generic	3,967,812	210,499	6,214	18.85	9.76	670,886	28,289	835	23.72	1.65	11.41
Non-Drug*	405,017	13,315	393	30.42	1.00	(982)	549	16	(1.79)	(0.00)	0.99
Subtotal	11,031,950	277,985	8,206	39.69	27.14	3,970,696	50,918	1,503	77.98	9.77	36.91
<b>Ages 45 - 64</b>											
Member Months	268,959					268,959					
Brand	14,591,006	127,105	5,671	114.79	54.25	4,287,295	34,140	1,523	125.58	15.94	70.19
Generic	6,675,544	355,894	15,879	18.76	24.82	1,334,551	52,313	2,334	25.51	4.96	29.78
Non-Drug*	1,017,544	28,755	1,283	35.39	3.78	(160)	727	32	(0.22)	(0.00)	3.78
Subtotal	22,284,093	511,754	22,833	43.54	82.85	5,621,686	87,180	3,890	64.48	20.90	103.75
<b>Age 65 &amp; Over</b>											
Member Months	26,985					26,985					
Brand	1,306,839	15,477	6,882	84.44	48.43	209,919	2,414	1,073	86.97	7.78	56.21
Generic	483,836	31,846	14,162	15.19	17.93	54,993	2,898	1,289	18.98	2.04	19.97
Non-Drug*	70,815	2,508	1,115	28.23	2.62	(60)	153	68	(0.39)	(0.00)	2.62
Subtotal	1,861,489	49,831	22,159	37.36	68.98	264,852	5,465	2,430	48.47	9.81	78.80
* Non-Drugs include medical supplies, bulk chemicals, etc											

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 7

State

<b>Medicaid (TANF &amp; Related)</b>											
<b>November 2006 through October 2007</b>											
	<b>MCO/Physical Health</b>					<b>BHO/Mental Health</b>					<b>MCO/BHO</b>
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Paid Expenditures PMPM
<b>Total</b>											
Member Months	9,687,316					9,687,316					
Brand	151,900,155	1,744,738	2,161	87.06	15.68	68,505,006	871,376	1,079	78.62	7.07	22.75
Generic	77,669,662	4,373,717	5,418	17.76	8.02	10,896,620	798,469	989	13.65	1.12	9.14
Non-Drug*	7,308,267	264,949	328	27.58	0.75	(1,245)	10,728	13	(0.12)	(0.00)	0.75
<b>Total</b>	<b>236,878,084</b>	<b>6,383,403</b>	<b>7,907</b>	<b>37.11</b>	<b>24.45</b>	<b>79,400,381</b>	<b>1,680,572</b>	<b>2,082</b>	<b>47.25</b>	<b>8.20</b>	<b>32.65</b>
* Non-Drugs include medical supplies, bulk chemicals, etc											



TennCare  
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 Development of Per Capita Costs:

Exhibit 7

State

Uninsured/Uninsurable November 2006 through October 2007											
	MCO/Physical Health					BHO/Mental Health					MCO/BHO
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Paid Expenditures PMPM
<b>Age Under 1</b>											
Member Months	3					3					
Brand	-	-	-	-	-	-	-	-	-	-	-
Generic	45	1	4,000	-	-	-	-	-	-	-	-
Non-Drug*	-	-	-	-	-	-	-	-	-	-	-
Subtotal	45	1	4,000	45.32	-	-	-	-	-	-	-
<b>Ages 1 - 13</b>											
Member Months	223,126					223,126					
Brand	3,777,501	36,491	1,963	103.52	16.93	1,659,248	12,217	657	135.82	7.44	24.37
Generic	1,157,496	51,759	2,784	22.36	5.19	145,728	5,048	271	28.87	0.65	5.84
Non-Drug*	226,895	4,492	242	50.52	1.02	-	51	3	-	-	1.02
Subtotal	5,161,892	92,741	4,988	55.66	23.13	1,804,976	17,316	931	104.24	8.09	31.22
<b>Ages 14 - 20 : Female</b>											
Member Months	84,442					84,442					
Brand	1,420,928	17,489	568	355.64	16.83	648,159	3,995	2,485	37.06	7.68	24.50
Generic	680,445	29,909	474	204.06	8.06	78,306	3,335	4,250	2.62	0.93	8.99
Non-Drug*	62,594	2,573	3	2,884.51	0.74	-	22	366	-	-	0.74
Subtotal	2,163,967	7,352	1,045	294.35	25.63	726,465	49,971	7,101	14.54	8.60	34.23
<b>Ages 14 - 20 : Male</b>											
Member Months	91,747					91,747					
Brand	1,717,489	10,295	1,347	166.82	18.72	881,869	2,999	392	294.07	9.61	28.33
Generic	404,557	20,564	2,690	19.67	4.41	94,544	1,825	239	51.80	1.03	5.44
Non-Drug*	85,869	1,955	256	43.92	0.94	(127)	22	3	(5.68)	(0.00)	0.93
Subtotal	2,207,914	32,815	4,292	67.28	24.07	976,286	4,846	634	201.45	10.64	34.71
* Non-Drugs include medical supplies, bulk chemicals, etc											

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 7

State

Uninsured/Uninsurable November 2006 through October 2007											
	MCO/Physical Health					BHO/Mental Health					MCO/BHO
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Paid Expenditures PMPM
<b>Ages 21+</b>											
Member Months	18,780					18,780					
Brand	97,755	809	517	120.83	5.21	20,737	209	134	99.22	1.10	6.31
Generic	35,655	1,709	1,092	20.86	1.90	4,320	322	206	13.42	0.23	2.13
Non-Drug*	6,669	152	97	43.85	0.36	-	11	7	-	-	0.36
Subtotal	140,080	2,670	1,706	52.46	7.46	25,057	542	346	46.27	1.33	8.79
<b>Total</b>											
Member Months	418,097					418,097					
Brand	7,013,672	51,591	1,481	135.95	16.78	3,210,013	32,914	945	97.53	7.68	24.45
Generic	2,278,199	77,368	2,221	29.45	5.45	322,898	37,104	1,065	8.70	0.77	6.22
Non-Drug*	382,027	6,621	190	57.70	0.91	(127)	2,657	76	(0.05)	(0.00)	0.91
Total	9,673,898	135,579	3,891	71.35	23.14	3,532,783	72,675	2,086	48.61	8.45	31.59
* Non-Drugs include medical supplies, bulk chemicals, etc											

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 7

State

Disabled November 2006 through October 2007											
	MCO/Physical Health					BHO/Mental Health					MCO/BHO
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Paid Expenditures PMPM
<b>Ages Under 21</b>											
Member Months	555,560					555,560					
Brand	33,143,471	152,566	3,295	217.24	59.66	28,907,945	395,943	8,552	73.01	52.03	111.69
Generic	5,447,045	249,550	5,390	21.83	9.80	2,296,948	154,732	3,342	14.84	4.13	13.94
Non-Drug*	855,354	20,991	453	40.75	1.54	845	2,014	44	0.42	0.00	1.54
Subtotal	39,445,869	423,107	9,139	93.23	71.00	31,205,738	552,690	11,938	56.46	56.17	127.17
<b>Ages Over 21</b>											
Member Months	1,421,012					1,421,012					
Brand	112,675,315	797,914	6,738	141.21	79.29	71,455,526	345,658	2,919	206.72	50.28	129.58
Generic	44,428,426	2,183,413	18,438	20.35	31.27	11,922,514	431,576	3,645	27.63	8.39	39.66
Non-Drug*	7,573,009	201,864	1,705	37.52	5.33	(901)	7,319	62	(0.12)	(0.00)	5.33
Subtotal	164,676,750	3,183,191	26,881	51.73	115.89	83,377,138	784,553	6,625	106.27	58.67	174.56
<b>Total</b>											
Member Months	1,976,572					1,976,572					
Brand	145,818,786	950,480	5,770	153.42	73.77	100,363,471	741,601	4,502	135.33	50.78	124.55
Generic	49,875,470	2,432,963	14,771	20.50	25.23	14,219,461	586,308	3,560	24.25	7.19	32.43
Non-Drug*	8,428,363	222,855	1,353	37.82	4.26	(56)	9,334	57	(0.01)	(0.00)	4.26
Total	204,122,619	3,606,298	21,894	56.60	103.27	114,582,876	1,337,243	8,119	85.69	57.97	161.24
* Non-Drugs include medical supplies, bulk chemicals, etc											

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 7

State

Duals, Waiver Duals and State Only & Judicials November 2006 through October 2007											
	MCO/Physical Health					BHO/Mental Health					MCO/BHO
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Paid Expenditures PMPM
<b>Duals/Waiver Duals</b>											
Member Months	2,326,519					2,326,519					
Brand	3,770,269	155,611	803	24.23	1.62	1,385,368	176,169	909	7.86	0.60	2.22
Generic	1,150,500	284,402	1,467	4.05	0.49	260,909	109,900	567	2.37	0.11	0.61
Non-Drug*	151,098	26,765	138	5.65	0.06	(84)	1,828	9	(0.05)	(0.00)	0.06
Total	5,071,867	466,778	2,408	10.87	2.18	1,646,192	287,897	1,485	5.72	0.71	2.89
<b>State Only &amp; Judicials</b>											
Member Months	78,853					78,853					
Brand	409,682	5,575	848	73.49	5.20	7,098,637	39,287	5,979	180.69	90.02	95.21971518
Generic	370,514	27,948	4,253	13.26	4.70	844,528	37,354	5,685	22.61	10.71	15.4090408
Non-Drug*	31,347	1,468	223	21.36	0.40	139	361	55	0.38	0.00	0.399298255
Total	811,543	34,991	5,325	23.19	10.29	7,943,304	77,003	11,719	103.16	100.74	111.0280542

\* Non-Drugs include medical supplies, bulk chemicals, etc

State

Total Prescription Drug Experience																		
November 2006 through October 2007								Data Adjustment Factors					Capitation Rates					
	Units Per 1,000	Paid Expenditures / Unit	Paid Expenditures PMPM	Units Per 1,000	Paid Expenditures / Unit	Paid Expenditures PMPM	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Benefit/Enrollment Impact	Benefit Adjust	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjust.	Enrollment Impact	FY 2009 PMPM	
<b>Grand Total</b>	<b>MCO and BHO Combined</b>																	
Member Months	14,487,356												14,746,776	-				14,322,281
Brand	3,950	203.24	33.79					1.0331	1.0000	34.90	1.0000	0.9980	34.84	1.0800	1.0000	0.9990		37.59
Generic	7,261	35.17	10.90					1.0331	1.0000	11.26	1.0000	0.9992	11.25	1.0800	1.0000	0.9984		12.13
Non-Drug*	454	31.13	1.13					1.0331	1.0000	1.16	1.0000	0.9965	1.16	1.0800	1.0000	0.9975		1.25
Grand Total	11,665	47.13	45.81							47.32			47.24	1.0800	1.0000	0.9988		50.96
<b>Total</b>	<b>MCO/Physical Health</b>			<b>BHO/Mental Health</b>			<b>MCO/BHO</b>											
Member Months	14,487,356												14,746,776					14,322,281
Brand	2,409	106.23	21.32	1,542	97.01	12.46	33.79	1.0331	1.0000	34.90	1.0000	0.9980	34.84	1.0800	1.0000	0.9990		37.59
Generic	5,961	18.25	9.07	1,300	16.92	1.83	10.90	1.0331	1.0000	11.26	1.0000	0.9992	11.25	1.0800	1.0000	0.9984		12.13
Non-Drug*	433	31.19	1.13	21	(0.06)	(0.00)	1.13	1.0331	1.0000	1.16	1.0000	0.9965	1.16	1.0800	1.0000	0.9975		1.25
Grand Total	8,802	42.96	31.51	2,862	59.94	14.30	45.81			47.32			47.24	1.0800	1.0000	0.9988		50.96
Admin %										1.11%			1.11%					1.11%
Premium Tax										0.00%			0.00%					0.00%
Total Premium Rate							\$ 46.32			\$ 47.85			\$ 47.77					\$ 51.53
* Non-Drugs include medical supplies, bulk chemicals, etc																		

TennCare  
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Medicaid (TANF and Related)																	
November 2006 through October 2007																	
	MCO/Physical Health			BHO/Mental Health			MCO/BHO	Data Adjustment Factors					Capitation Rates				
	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Benefit/Enrollment Impact	Benefit Adjust.	Enrollment Impact	FY 2008 PMPM	Trend To FY 2008	Benefit Adjust.	Enrollment Impact	FY 2009 PMPM
<b>Age Under 1</b>																	
Member Months	286,135												298,382				280,105
Brand	1,571	107.64	14.09	13	57.52	0.06	14.16	1.0331	1.0000	14.63	1.0000	1.0001	14.63	1.0800	1.0000	1.0001	15.80
Generic	3,555	15.05	4.46	83	5.36	0.04	4.50	1.0331	1.0000	4.65	1.0000	0.9998	4.64	1.0800	1.0000	0.9996	5.01
Non-Drug*	150	13.47	0.17	1	0.46	0.00	0.17	1.0331	1.0000	0.17	1.0000	1.0006	0.17	1.0800	1.0000	1.0006	0.19
Subtotal	5,277	42.58	18.72	96	12.46	0.10	18.82			19.45			19.45				21.00
Admin %							1.11%			1.11%			1.11%				1.11%
Premium Tax							0.00%			0.00%			0.00%				0.00%
Total Premium Rate							\$ 19.03			\$ 19.66			\$ 19.66				\$ 21.24
<b>Ages 1 - 13</b>																	
Member Months	4,851,832												4,935,272				4,797,945
Brand	1,954	74.02	12.05	572	109.35	5.21	17.27	1.0331	1.0000	17.84	1.0000	1.0009	17.85	1.0800	1.0000	1.0006	19.29
Generic	3,321	19.87	5.50	266	20.44	0.45	5.95	1.0331	1.0000	6.15	1.0000	1.0059	6.19	1.0800	1.0000	1.0001	6.68
Non-Drug*	219	23.20	0.42	3	(0.05)	(0.00)	0.42	1.0331	1.0000	0.44	1.0000	1.0008	0.44	1.0800	1.0000	1.0008	0.47
Subtotal	5,494	39.26	17.98	840	80.89	5.67	23.64			24.42			24.48				26.45
Admin %							1.11%			1.11%			1.11%				1.11%
Premium Tax							0.00%			0.00%			0.00%				0.00%
Total Premium Rate							\$ 23.91			\$ 24.70			\$ 24.75				\$ 26.74
<b>Ages 14 - 20 : Female</b>																	
Member Months	994,778												1,004,721				973,997
Brand	2,084	77.47	13.46	530	146.81	6.49	19.94	1.0331	1.0000	20.60	1.0000	1.0004	20.61	1.0800	1.0000	1.0022	22.31
Generic	5,806	16.99	8.22	517	19.69	0.85	9.07	1.0331	1.0000	9.37	1.0000	1.0000	9.37	1.0800	1.0000	1.0005	10.12
Non-Drug*	262	28.70	0.63	4	0.18	0.00	0.63	1.0331	1.0000	0.65	1.0000	0.9998	0.65	1.0800	1.0000	1.0005	0.70
Subtotal	8,152	32.83	22.30	1,052	83.68	7.34	29.64			30.62			30.63				33.13
Admin %							1.11%			1.11%			1.11%				1.11%
Premium Tax							0.00%			0.00%			0.00%				0.00%
Total Premium Rate							\$ 29.97			\$ 30.96			\$ 30.97				\$ 33.50
<b>Ages 14 - 20 : Male</b>																	
Member Months	822,526												833,906				810,243
Brand	1,063	118.94	10.53	858	154.52	11.04	21.58	1.0331	1.0000	22.29	1.0000	1.0054	22.41	1.0800	1.0000	1.0052	24.33
Generic	2,767	17.66	4.07	448	24.88	0.93	5.00	1.0331	1.0000	5.17	1.0000	1.0017	5.18	1.0800	1.0000	1.0015	5.60
Non-Drug*	168	32.46	0.45	5	(0.18)	(0.00)	0.45	1.0331	1.0000	0.47	1.0000	1.0008	0.47	1.0800	1.0000	1.0017	0.51
Subtotal	3,997	45.21	15.06	1,311	109.58	11.97	27.03			27.93			28.06				30.44
Admin %							1.11%			1.11%			1.11%				1.11%
Premium Tax							0.00%			0.00%			0.00%				0.00%
Total Premium Rate							\$ 27.34			\$ 28.24			\$ 28.37				\$ 30.78

\* Non-Drugs include medical supplies, bulk chemicals, etc

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Medicaid (TANF & Related)																	
November 2006 through October 2007																	
	MCO/Physical Health			BHO/Mental Health			MCO/BHO	Data Adjustment Factors					Capitation Rates				
	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Benefit/Enrollment Impact	Benefit Adjust.	Enrollment Impact	FY 2008 PMPM	Trend To FY 2008	Benefit Adjust	Enrollment Impact	FY 2009 PMPM
<b>Ages 21 - 44 : Female</b>																	
Member Months	2,029,585												2,073,376				2,021,616
Brand	2,808	94.31	22.07	963	121.94	9.78	31.85	1.0331	1.0000	32.90	1.0000	1.0007	32.93	1.0800	1.0000	1.0004	35.57
Generic	9,916	16.13	13.33	1,342	21.42	2.40	15.72	1.0331	1.0000	16.24	1.0000	1.0006	16.25	1.0800	1.0000	1.0003	17.56
Non-Drug*	562	28.58	1.34	20	0.02	0.00	1.34	1.0331	1.0000	1.38	1.0000	1.0007	1.38	1.0800	1.0000	1.0010	1.50
Subtotal	13,286	33.18	36.73	2,325	62.87	12.18	48.91			50.53			50.56				54.63
Admin %							1.11%			1.11%			1.11%			1.11%	
Premium Tax							0.00%			0.00%			0.00%			0.00%	
Total Premium Rate							\$ 49.46			\$ 51.10			\$ 51.13			\$ 55.24	
<b>Ages 21 - 44 : Male</b>																	
Member Months	406,515												444,548				439,940
Brand	1,599	122.93	16.38	652	149.49	8.12	24.50	1.0331	1.0000	25.31	1.0000	1.0002	25.32	1.0800	1.0000	1.0005	27.35
Generic	6,214	18.85	9.76	835	23.72	1.65	11.41	1.0331	1.0000	11.79	1.0000	1.0001	11.79	1.0800	1.0000	0.9999	12.73
Non-Drug*	393	30.42	1.00	16	(1.79)	(0.00)	0.99	1.0331	1.0000	1.03	1.0000	1.0003	1.03	1.0800	1.0000	1.0002	1.11
Subtotal	8,206	39.69	27.14	1,056	77.98	9.77	36.91			38.13			38.13				41.20
Admin %							1.11%			1.11%			1.11%			1.11%	
Premium Tax							0.00%			0.00%			0.00%			0.00%	
Total Premium Rate							\$ 37.32			\$ 38.55			\$ 38.56			\$ 41.66	
<b>Ages 45 - 64</b>																	
Member Months	268,959												280,011				274,461
Brand	5,671	114.79	54.25	1,523	125.58	15.94	70.19	1.0331	1.0000	72.51	1.0000	1.0001	72.52	1.0800	1.0000	1.0004	78.35
Generic	15,879	18.76	24.82	2,334	25.51	4.96	29.78	1.0331	1.0000	30.77	1.0000	1.0001	30.77	1.0800	1.0000	1.0003	33.24
Non-Drug*	1,283	35.39	3.78	32	(0.22)	(0.00)	3.78	1.0331	1.0000	3.91	1.0000	1.0004	3.91	1.0800	1.0000	1.0007	4.22
Subtotal	22,833	43.54	82.85	3,890	64.48	20.90	103.75			107.19			107.19				115.81
Admin %							1.11%			1.11%			1.11%			1.11%	
Premium Tax							0.00%			0.00%			0.00%			0.00%	
Total Premium Rate							\$ 104.92			\$ 108.39			\$ 108.39			\$ 117.11	
<b>Age 65 &amp; Over</b>																	
Member Months	26,985												25,817				23,450
Brand	6,882	84.44	48.43	1,073	86.97	7.78	56.21	1.0331	1.0000	58.07	1.0000	0.9988	57.99	1.0800	1.0000	0.9977	62.49
Generic	14,162	15.19	17.93	1,289	18.98	2.04	19.97	1.0331	1.0000	20.63	1.0000	0.9996	20.62	1.0800	1.0000	0.9996	22.26
Non-Drug*	1,115	28.23	2.62	68	(0.39)	(0.00)	2.62	1.0331	1.0000	2.71	1.0000	1.0009	2.71	1.0800	1.0000	1.0050	2.94
Subtotal	22,159	37.36	68.98	2,430	48.47	9.81	78.80			81.40			81.33				87.70
Admin %							1.11%			1.11%			1.11%			1.11%	
Premium Tax							0.00%			0.00%			0.00%			0.00%	
Total Premium Rate							\$ 79.68			\$ 82.31			\$ 82.24			\$ 88.68	

\* Non-Drugs include medical supplies, bulk chemicals, etc

State

Medicaid (TANF & Related)																	
November 2006 through October 2007																	
	MCO/Physical Health			BHO/Mental Health			MCO/BHO	Data Adjustment Factors					Capitation Rates				
	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Benefit/Enrollment Impact	Benefit Adjust.	Enrollment Impact	FY 2008 PMPM	Trend To FY 2008	Benefit Adjust.	Enrollment Impact	FY 2009 PMPM
<b>Total</b>																	
Member Months	9,687,316											9,896,033				9,621,758	
Brand	2,161	87.06	15.68	1,079	78.62	7.07	22.75	1.0331	1.0000	23.50	1.0000	1.0025	23.56	1.0800	1.0000	1.0020	25.50
Generic	5,418	17.76	8.02	989	13.65	1.12	9.14	1.0331	1.0000	9.44	1.0000	1.0029	9.47	1.0800	1.0000	1.0018	10.25
Non-Drug*	328	27.58	0.75	13	(0.12)	(0.00)	0.75	1.0331	1.0000	0.78	1.0000	1.0042	0.78	1.0800	1.0000	1.0030	0.85
<b>Total</b>	7,907	37.11	24.45	2,082	47.25	8.20	32.65			33.73			33.82				36.59
Admin %							1.11%			1.11%			1.11%			1.11%	
Premium Tax							0.00%			0.00%			0.00%			0.00%	
<b>Total Premium Rate</b>							<b>\$ 33.01</b>			<b>\$ 34.11</b>			<b>\$ 34.20</b>			<b>\$ 37.00</b>	

\* Non-Drugs include medical supplies, bulk chemicals, etc



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Uninsured/Uninsurable																	
November 2006 through October 2007																	
	MCO/Physical Health			BHO/Mental Health			MCO/BHO	Data Adjustment Factors					Capitation Rates				
	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Benefit/Enrollment Impact	Benefit Adjust.	Enrollment Impact	FY 2008 PMPM	Trend To FY 2008	Benefit Adjust.	Enrollment Impact	FY 2009 PMPM
<b>Age Under 1</b>																	
Member Months	3											-	-			-	
Brand	-	-	-	-	-	-	-	1.0331	1.0000	-	1.0000	1.0000	-	1.0800	1.0000	1.0000	-
Generic	4,000	-	-	-	-	-	-	1.0331	1.0000	-	1.0000	1.0000	-	1.0800	1.0000	1.0000	-
Non-Drug*	-	-	-	-	-	-	-	1.0331	1.0000	-	1.0000	1.0000	-	1.0800	1.0000	1.0000	-
Subtotal	4,000	45.32	-	-	-	-	-										
Admin %							1.11%			1.11%			1.11%				1.11%
Premium Tax							0.00%			0.00%			0.00%				0.00%
Total Premium Rate							\$ -			\$ -			\$ -				\$ -
<b>Ages 1 - 13</b>																	
Member Months	223,126											219,315					212,206
Brand	1,963	103.52	16.93	657	135.82	7.44	24.37	1.0331	1.0000	25.17	1.0000	0.9986	25.14	1.0800	1.0000	0.9987	27.11
Generic	2,784	22.36	5.19	271	28.87	0.65	5.84	1.0331	1.0000	6.03	1.0000	0.9987	6.03	1.0800	1.0000	0.9989	6.50
Non-Drug*	242	50.52	1.02	3	-	-	1.02	1.0331	1.0000	1.05	1.0000	1.0010	1.05	1.0800	1.0000	0.9998	1.14
Subtotal	4,988	55.66	23.13	931	104.24	8.09	31.22			32.26			32.22				34.75
Admin %							1.11%			1.11%			1.11%				1.11%
Premium Tax							0.00%			0.00%			0.00%				0.00%
Total Premium Rate							\$ 31.57			\$ 32.62			\$ 32.58				\$ 35.14
<b>Ages 14 - 20 : Female</b>																	
Member Months	84,442											81,530					76,945
Brand	568	355.64	16.83	2,485	37.06	7.68	24.50	1.0331	1.0000	25.31	1.0000	1.0009	25.33	1.0800	1.0000	1.0008	27.38
Generic	474	204.06	8.06	3	2.62	0.93	8.99	1.0331	1.0000	9.28	1.0000	0.9998	9.28	1.0800	1.0000	0.9996	10.02
Non-Drug*	3	2,884.51	0.74	366	-	-	0.74	1.0331	1.0000	0.77	1.0000	1.0000	0.77	1.0800	1.0000	0.9963	0.82
Subtotal	1,045	294.35	25.63	7,101	14.54	8.60	34.23			35.36			35.38				38.23
Admin %							1.11%			1.11%			1.11%				1.11%
Premium Tax							0.00%			0.00%			0.00%				0.00%
Total Premium Rate							\$ 34.61			\$ 35.76			\$ 35.78				\$ 38.66
<b>Ages 14 - 20 : Male</b>																	
Member Months	91,747											88,617					83,433
Brand	1,347	166.82	18.72	392	294.07	9.61	28.33	1.0331	1.0000	29.27	1.0000	0.9998	29.26	1.0800	1.0000	1.0021	31.67
Generic	2,690	19.67	4.41	239	51.80	1.03	5.44	1.0331	1.0000	5.62	1.0000	0.9994	5.62	1.0800	1.0000	0.9997	6.06
Non-Drug*	256	43.92	0.94	3	(5.68)	(0.00)	0.93	1.0331	1.0000	0.97	1.0000	0.9991	0.96	1.0800	1.0000	0.9988	1.04
Subtotal	4,292	67.28	24.07	634	201.45	10.64	34.71			35.85			35.84				38.78
Admin %							1.11%			1.11%			1.11%				1.11%
Premium Tax							0.00%			0.00%			0.00%				0.00%
Total Premium Rate							\$ 35.10			\$ 36.26			\$ 36.25				\$ 39.21

\* Non-Drugs include medical supplies, bulk chemicals, etc

State

Uninsured/Uninsurable																	
November 2006 through October 2007																	
	MCO/Physical Health			BHO/Mental Health			MCO/BHO	Data Adjustment Factors					Capitation Rates				
	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Benefit/Enrollment Impact	Benefit Adjust.	Enrollment Impact	FY 2008 PMPM	Trend To FY 2008	Benefit Adjust.	Enrollment Impact	FY 2009 PMPM
<b>Age 21+</b>																	
Member Months	18,780											10,427				9,943	
Brand	517	120.83	5.21	134	99.22	1.10	6.31	1.0331	1.0000	6.52	1.0000	1.0036	6.54	1.0800	1.0000	1.0063	7.11
Generic	1,092	20.86	1.90	206	13.42	0.23	2.13	1.0331	1.0000	2.20	1.0000	1.0034	2.21	1.0800	1.0000	0.9997	2.38
Non-Drug*	97	43.85	0.36	7	-	-	0.36	1.0331	1.0000	0.37	1.0000	1.0177	0.37	1.0800	1.0000	1.0022	0.40
Subtotal	1,706	52.46	7.46	346	46.27	1.33	8.79			9.08			9.12				9.90
Admin %							1.11%			1.11%			1.11%				1.11%
Premium Tax							0.00%			0.00%			0.00%				0.00%
Total Premium Rate							<b>\$ 8.89</b>			<b>\$ 9.19</b>			<b>\$ 9.22</b>				<b>\$ 10.01</b>
<b>Total</b>																	
Member Months	418,097											399,889				382,528	
Brand	1,481	135.95	16.78	945	97.53	7.68	24.45	1.0331	1.0000	25.26	1.0000	1.0137	25.61	1.0800	1.0000	0.9995	27.64
Generic	2,221	29.45	5.45	1,065	8.70	0.77	6.22	1.0331	1.0000	6.43	1.0000	1.0113	6.50	1.0800	1.0000	0.9982	7.01
Non-Drug*	190	57.70	0.91	76	(0.05)	(0.00)	0.91	1.0331	1.0000	0.94	1.0000	1.0135	0.96	1.0800	1.0000	1.0002	1.03
Total	3,891	71.35	23.14	2,086	48.61	8.45	31.59			32.63			33.06				35.68
Admin %							1.11%			1.11%			1.11%				1.11%
Premium Tax							0.00%			0.00%			0.00%				0.00%
Total Premium Rate							<b>\$ 31.94</b>			<b>\$ 33.00</b>			<b>\$ 33.43</b>				<b>\$ 36.08</b>
* Non-Drugs include medical supplies, bulk chemicals, etc																	

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November 2006 through October 2007													Disabled				
MCO/Physical Health				BHO/Mental Health			MCO/BHO		Data Adjustment Factors					Capitation Rates			
	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Benefit/Enrollment Impact	Benefit Adjust.	Enrollment Impact	FY 2008 PMPM	Trend To FY 2008	Benefit Adjust.	Enrollment Impact	FY 2009 PMPM
<b>Ages Under 21</b>																	
Member Months	555,560												561,901				555,325
Brand	3,295	217.24	59.66	8,552	73.01	52.03	111.69	1.0331	1.0000	115.38	1.0000	0.9990	115.27	1.0800	1.0000	0.9996	124.45
Generic	5,390	21.83	9.80	3,342	14.84	4.13	13.94	1.0331	1.0000	14.40	1.0000	0.9991	14.39	1.0800	1.0000	0.9979	15.50
Non-Drug*	453	93.23	1.54	44	0.42	0.00	1.54	1.0331	1.0000	1.59	1.0000	0.9985	1.59	1.0800	1.0000	0.9997	1.72
Subtotal	9,139	93.23	71.00	11,938	56.46	56.17	127.17			131.38			131.25				141.67
Admin %							1.11%			1.11%			1.11%				1.11%
Premium Tax							0.00%			0.00%			0.00%				0.00%
Total Premium Rate							<b>\$ 128.60</b>			<b>\$ 132.85</b>			<b>\$ 132.72</b>				<b>\$ 143.26</b>
<b>Ages Over 21</b>																	
Member Months	1,421,012												1,437,864				1,389,806
Brand	6,738	141.21	79.29	2,919	206.72	50.28	129.58	1.0331	1.0000	133.86	1.0000	0.9962	133.36	1.0800	1.0000	0.9968	143.56
Generic	18,438	20.35	31.27	3,645	27.63	8.39	39.66	1.0331	1.0000	40.97	1.0000	0.9955	40.78	1.0800	1.0000	0.9961	43.87
Non-Drug*	1,705	37.52	5.33	62	(0.12)	(0.00)	5.33	1.0331	1.0000	5.50	1.0000	0.9940	5.47	1.0800	1.0000	0.9944	5.88
Subtotal	26,881	51.73	115.89	6,625	106.27	58.67	174.56			180.33			179.61				193.31
Admin %							1.11%			1.11%			1.11%				1.11%
Premium Tax							0.00%			0.00%			0.00%				0.00%
Total Premium Rate							<b>\$ 176.52</b>			<b>\$ 182.35</b>			<b>\$ 181.62</b>				<b>\$ 195.48</b>
<b>Total</b>																	
Member Months	1,976,572												1,999,765				1,945,131
Brand	5,770	153.42	73.77	4,502	135.33	50.78	124.55	1.0331	1.0000	128.67	1.0000	0.9969	128.28	1.0800	1.0000	0.9969	138.11
Generic	14,771	20.50	25.23	3,560	24.25	7.19	32.43	1.0331	1.0000	33.50	1.0000	0.9960	33.37	1.0800	1.0000	0.9927	35.77
Non-Drug*	1,353	37.82	4.26	57	(0.01)	(0.00)	4.26	1.0331	1.0000	4.41	1.0000	0.9945	4.38	1.0800	1.0000	0.9910	4.69
Total	21,894	56.60	103.27	8,119	85.69	57.97	161.24			166.57			166.02				178.57
Admin %							1.11%			1.11%			1.11%				1.11%
Premium Tax							0.00%			0.00%			0.00%				0.00%
Total Premium Rate							<b>\$ 163.05</b>			<b>\$ 168.44</b>			<b>\$ 167.88</b>				<b>\$ 180.57</b>
* Non-Drugs include medical supplies, bulk chemicals, etc																	

State

Duals, Waiver Duals and State Only & Judicials																	
November 2006 through October 2007																	
	MCO/Physical Health			BHO/Mental Health			MCO/BHO	Data Adjustment Factors					Capitation Rates				
	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	PMPM Before Benefit/Enrollment Impact	Benefit Adjust.	Enrollment Impact	FY 2008 PMPM	Trend To FY 2008	Benefit Adjust.	Enrollment Impact	FY 2009 PMPM
<b>Duals/Waiver Duals</b>																	
Member Months	2,326,519												2,365,780				2,293,965
Brand	803	24.23	1.62	909	7.86	0.60	2.22	1.0331	1.0000	2.29	1.0000	1.0029	2.30	1.0800	1.0000	1.0021	2.48
Generic	1,467	4.05	0.49	567	2.37	0.11	0.61	1.0331	1.0000	0.63	1.0000	1.0009	0.63	1.0800	1.0000	1.0000	0.68
Non-Drug*	138	5.65	0.06	9	(0.05)	(0.00)	0.06	1.0331	1.0000	0.07	1.0000	0.9995	0.07	1.0800	1.0000	0.9994	0.07
Total	2,408	10.87	2.18	1,485	5.72	0.71	2.89			2.98			2.99				3.23
Admin %							1.11%			1.11%			1.11%				1.11%
Premium Tax							0.00%			0.00%			0.00%				0.00%
Total Premium Rate							<b>\$ 2.92</b>			<b>\$ 3.02</b>			<b>\$ 3.02</b>				<b>\$ 3.27</b>
<b>State Only &amp; Judicials</b>																	
Member Months	78,853												85,309				78,899
Brand	848	73.49	5.20	5,979	180.69	90.02	95.22	1.0331	1.0000	98.37	1.0000	0.9924	97.62	1.0800	1.0000	0.9686	102.11
Generic	4,253	13.26	4.70	5,685	22.61	10.71	15.41	1.0331	1.0000	15.92	1.0000	0.9985	15.89	1.0800	1.0000	0.9670	16.60
Non-Drug*	223	21.36	0.40	55	0.38	0.00	0.40	1.0331	1.0000	0.41	1.0000	1.0052	0.41	1.0800	1.0000	0.9655	0.43
Total	5,325	23.19	10.29	11,719	103.16	100.74	111.03			114.70			113.92				119.15
Admin %							1.11%			1.11%			1.11%				1.11%
Premium Tax							0.00%			0.00%			0.00%				0.00%
Total Premium Rate							<b>\$ 112.27</b>			<b>\$ 115.98</b>			<b>\$ 115.20</b>				<b>\$ 120.48</b>
* Non-Drugs include medical supplies, bulk chemicals, etc																	

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Development of Per Capita Costs:**

**Exhibit 9**

State

<b>Total Prescription Drug For All Aid Categories</b>						
<b>All Ages</b>						
Service Category	11/2006 through 10/2007 Incurred		Fiscal Year 2008		Fiscal Year 2009	
	PMPM	Total	PMPM	Total	PMPM	Total
Member Months		14,487,356		14,746,776		14,322,281
Brand	\$ 33.79	\$ 489,475,058	\$ 34.84	\$ 513,708,790	\$ 37.59	\$ 538,308,803
Generic	\$ 10.90	\$ 157,888,760	\$ 11.25	\$ 165,896,187	\$ 12.13	\$ 173,729,836
Non-Drug*	\$ 1.13	\$ 16,299,729	\$ 1.16	\$ 17,080,254	\$ 1.25	\$ 17,870,169
<b>Total</b>	<b>\$ 45.81</b>	<b>\$ 663,663,548</b>	<b>\$ 47.24</b>	<b>\$ 696,685,231</b>	<b>\$ 50.96</b>	<b>\$ 729,908,808</b>
Admin %	\$ 0.51	\$ 7,440,287	\$ 0.53	\$ 7,810,491	\$ 0.57	\$ 8,182,959
Premium Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Premium Rate</b>	<b>\$ 46.32</b>	<b>\$ 671,103,835</b>	<b>\$ 47.77</b>	<b>\$ 704,495,722</b>	<b>\$ 51.53</b>	<b>\$ 738,091,767</b>
* Non-Drugs include medical supplies, bulk chemicals, etc						

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Development of Per Capita Costs:**

<b>East</b>
-------------

**Exhibit 9a**

<b>Total Prescription Drug For All Aid Categories</b>							
<b>All Ages</b>							
Service Category	11/2006 through 10/2007 Incurred		Fiscal Year 2008		Fiscal Year 2009		
	PMPM	Total	PMPM	Total	PMPM	Total	
Member Months		4,967,992		5,054,153		4,864,225	
Brand	\$ 36.99	\$ 183,786,813	\$ 38.08	\$ 192,463,962	\$ 40.97	\$ 199,306,541	
Generic	\$ 12.88	\$ 63,994,107	\$ 13.28	\$ 67,119,450	\$ 14.31	\$ 69,624,769	
Non-Drug*	\$ 1.38	\$ 6,834,940	\$ 1.41	\$ 7,140,856	\$ 1.52	\$ 7,399,538	
<b>Total</b>	<b>\$ 51.25</b>	<b>\$ 254,615,859</b>	<b>\$ 52.77</b>	<b>\$ 266,724,267</b>	<b>\$ 56.81</b>	<b>\$ 276,330,848</b>	
Admin %	\$ 0.57	\$ 2,854,481	\$ 0.59	\$ 2,990,228	\$ 0.64	\$ 3,097,927	
Premium Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Total Premium Rate</b>	<b>\$ 51.83</b>	<b>\$ 257,470,341</b>	<b>\$ 53.36</b>	<b>\$ 269,714,495</b>	<b>\$ 57.45</b>	<b>\$ 279,428,775</b>	
* Non-Drugs include medical supplies, bulk chemicals, etc							

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Development of Per Capita Costs:**

**Exhibit 9b**

**Middle**

<b>Total Prescription Drug For All Aid Categories</b>							
<b>All Ages</b>							
Service Category	11/2006 through 10/2007 Incurred		Fiscal Year 2008		Fiscal Year 2009		
	PMPM	Total	PMPM	Total	PMPM	Total	
Member Months		4,481,100		4,583,334		4,514,510	
Brand	\$ 29.90	\$ 133,997,494	\$ 30.88	\$ 141,517,197	\$ 33.24	\$ 150,054,087	
Generic	\$ 10.47	\$ 46,935,097	\$ 10.82	\$ 49,599,165	\$ 11.67	\$ 52,703,809	
Non-Drug*	\$ 1.07	\$ 4,815,686	\$ 1.11	\$ 5,084,108	\$ 1.20	\$ 5,402,012	
<b>Total</b>	<b>\$ 41.45</b>	<b>\$ 185,748,277</b>	<b>\$ 42.81</b>	<b>\$ 196,200,470</b>	<b>\$ 46.11</b>	<b>\$ 208,159,908</b>	
Admin %	\$ 0.46	\$ 2,082,411	\$ 0.48	\$ 2,199,590	\$ 0.52	\$ 2,333,667	
Premium Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Total Premium Rate</b>	<b>\$ 41.92</b>	<b>\$ 187,830,689</b>	<b>\$ 43.29</b>	<b>\$ 198,400,061</b>	<b>\$ 46.63</b>	<b>\$ 210,493,575</b>	
* Non-Drugs include medical supplies, bulk chemicals, etc							

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Development of Per Capita Costs:**

**Exhibit 9c**

**West**

<b>Total Prescription Drug For All Aid Categories</b>							
<b>All Ages</b>							
Service Category	11/2006 through 10/2007 Incurred		Fiscal Year 2008		Fiscal Year 2009		
	PMPM	Total	PMPM	Total	PMPM	Total	
Member Months		4,328,918		4,379,094		4,207,133	
Brand	\$ 25.91	\$ 112,178,487	\$ 26.72	\$ 117,016,948	\$ 28.78	\$ 121,060,708	
Generic	\$ 8.93	\$ 38,659,537	\$ 9.22	\$ 40,384,936	\$ 9.95	\$ 41,869,048	
Non-Drug*	\$ 0.89	\$ 3,864,721	\$ 0.92	\$ 4,031,585	\$ 0.99	\$ 4,177,789	
<b>Total</b>	<b>\$ 35.74</b>	<b>\$ 154,702,745</b>	<b>\$ 36.86</b>	<b>\$ 161,433,470</b>	<b>\$ 39.72</b>	<b>\$ 167,107,546</b>	
Admin %	\$ 0.40	\$ 1,734,362	\$ 0.41	\$ 1,809,820	\$ 0.45	\$ 1,873,431	
Premium Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Total Premium Rate</b>	<b>\$ 36.14</b>	<b>\$ 156,437,107</b>	<b>\$ 37.28</b>	<b>\$ 163,243,290</b>	<b>\$ 40.17</b>	<b>\$ 168,980,977</b>	
* Non-Drugs include medical supplies, bulk chemicals, etc							



**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Development of Per Capita Costs:**

**Exhibit 9d**

**TCSHi**

<b>Total Prescription Drug For All Aid Categories</b>						
<b>All Ages</b>						
Service Category	11/2006 through 10/2007 Incurred		Fiscal Year 2008		Fiscal Year 2009	
	PMPM	Total	PMPM	Total	PMPM	Total
Member Months		709,346		730,196		733,793
Brand	\$ 83.90	\$ 59,512,264	\$ 85.88	\$ 62,710,683	\$ 92.52	\$ 67,887,467
Generic	\$ 11.70	\$ 8,300,019	\$ 12.04	\$ 8,792,635	\$ 12.99	\$ 9,532,210
Non-Drug*	\$ 1.11	\$ 784,384	\$ 1.13	\$ 823,705	\$ 1.21	\$ 890,829
<b>Total</b>	<b>\$ 96.70</b>	<b>\$ 68,596,667</b>	<b>\$ 99.05</b>	<b>\$ 72,327,023</b>	<b>\$ 106.72</b>	<b>\$ 78,310,506</b>
Admin %	\$ 1.08	\$ 769,033	\$ 1.11	\$ 810,853	\$ 1.20	\$ 877,934
Premium Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Premium Rate</b>	<b>\$ 97.79</b>	<b>\$ 69,365,699</b>	<b>\$ 100.16</b>	<b>\$ 73,137,876</b>	<b>\$ 107.92</b>	<b>\$ 79,188,440</b>
* Non-Drugs include medical supplies, bulk chemicals, etc						

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 10

State

		Prescription Drug Experience								
Aid Category	Age Group	November 2006 through October 2007			Fiscal Year 2008			Fiscal Year 2009		
		Members	PMPM	Total	Projected	PMPM	Total	Projected	PMPM	Total
Medicaid (TANF & Related)	Age Under 1	286,135	\$ 19.03	\$ 5,446,515	298,382	\$ 19.66	\$ 5,867,412	280,105	\$ 21.24	\$ 5,948,656
	Age 1 - 13	4,851,832	\$ 23.94	\$ 116,150,161	4,935,272	\$ 24.75	\$ 122,145,613	4,797,945	\$ 26.74	\$ 128,307,372
	Age 14 - 20 Female	994,778	\$ 29.97	\$ 29,813,936	1,004,721	\$ 30.97	\$ 31,115,504	973,997	\$ 33.50	\$ 32,631,335
	Age 14 - 20 Male	822,526	\$ 27.34	\$ 22,484,811	833,906	\$ 28.37	\$ 23,659,116	810,243	\$ 30.78	\$ 24,936,770
	Age 21 - 44 Female	2,029,585	\$ 49.46	\$ 100,389,172	2,073,376	\$ 51.13	\$ 106,012,821	2,021,616	\$ 55.24	\$ 111,677,052
	Age 21 - 44 Male	406,515	\$ 37.32	\$ 15,170,840	444,548	\$ 38.56	\$ 17,141,938	439,940	\$ 41.66	\$ 18,326,557
	Age 45 - 64	268,959	\$ 104.92	\$ 28,218,629	280,011	\$ 108.39	\$ 30,351,736	274,461	\$ 117.11	\$ 32,142,293
	Age 65+	26,985	\$ 79.68	\$ 2,150,179	25,817	\$ 82.24	\$ 2,123,125	23,450	\$ 88.68	\$ 2,079,551
All Ages	9,687,316	\$ 33.01	\$ 319,824,242	9,896,033	\$ 34.20	\$ 338,417,265	9,621,758	\$ 37.00	\$ 356,049,586	
Uninsured/Uninsurable	Age Under 1	3	\$ 15.28	\$ 46	-	\$ -	\$ -	-	\$ -	\$ -
	Age 1 - 13	223,126	\$ 31.57	\$ 7,044,973	219,315	\$ 32.58	\$ 7,144,572	212,206	\$ 35.14	\$ 7,456,872
	Age 14 - 20 Female	84,442	\$ 34.61	\$ 2,922,836	81,530	\$ 35.78	\$ 2,917,009	76,945	\$ 38.66	\$ 2,974,365
	Age 14 - 20 Male	91,747	\$ 35.10	\$ 3,219,898	88,617	\$ 36.25	\$ 3,212,021	83,433	\$ 39.21	\$ 3,271,415
	Age 21+	18,780	\$ 8.89	\$ 166,988	10,427	\$ 9.22	\$ 96,178	9,943	\$ 10.01	\$ 99,499
	All Ages	418,097	\$ 31.94	\$ 13,354,741	399,889	\$ 33.43	\$ 13,369,780	382,528	\$ 36.08	\$ 13,802,151
Disabled	Age <21	555,560	\$ 128.60	\$ 71,443,677	561,901	\$ 132.72	\$ 74,575,834	555,325	\$ 143.26	\$ 79,554,652
	Age 21+	1,421,012	\$ 176.52	\$ 250,834,804	1,437,864	\$ 181.62	\$ 261,151,530	1,389,806	\$ 195.48	\$ 271,676,273
	All Ages	1,976,572	\$ 163.05	\$ 322,278,481	1,999,765	\$ 167.88	\$ 335,727,364	1,945,131	\$ 180.57	\$ 351,230,925
Duals/Waiver Duals	All Ages	2,326,519	\$ 2.92	\$ 6,793,375	2,365,780	\$ 3.02	\$ 7,153,585	2,293,965	\$ 3.27	\$ 7,503,070
State Only & Judicials	All Ages	78,853	\$ 112.27	\$ 8,852,996	85,309	\$ 115.20	\$ 9,827,728	76,280	\$ 124.62	\$ 9,506,034
All Groups	All Ages	14,487,356	\$ 46.32	\$ 671,103,835	14,746,776	\$ 47.77	\$ 704,495,722	14,319,661	\$ 51.54	\$ 738,091,767

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 10a

East

Prescription Drug Experience										
Aid Category	Age Group	November 2006 through October 2007			Fiscal Year 2008			Fiscal Year 2009		
		Members	PMPM	Total	Projected	PMPM	Total	Projected	PMPM	Total
Medicaid (TANF & Related)	Age Under 1	94,255	\$ 20.28	\$ 1,911,806	97,782	\$ 20.95	\$ 2,048,928	91,130	\$ 22.63	\$ 2,062,299
	Age 1 - 13	1,586,198	\$ 29.21	\$ 46,328,797	1,617,328	\$ 30.17	\$ 48,799,788	1,561,355	\$ 32.59	\$ 50,879,771
	Age 14 - 20 Female	328,516	\$ 35.53	\$ 11,673,432	331,150	\$ 36.71	\$ 12,156,069	318,527	\$ 39.65	\$ 12,628,096
	Age 14 - 20 Male	272,421	\$ 31.15	\$ 8,486,934	274,888	\$ 32.18	\$ 8,846,935	264,866	\$ 34.76	\$ 9,206,352
	Age 21 - 44 Female	674,752	\$ 58.67	\$ 39,584,359	690,917	\$ 60.60	\$ 41,872,800	669,161	\$ 65.45	\$ 43,798,627
	Age 21 - 44 Male	156,729	\$ 43.69	\$ 6,847,326	171,284	\$ 45.13	\$ 7,730,633	168,285	\$ 48.74	\$ 8,202,923
	Age 45 - 64	96,054	\$ 118.63	\$ 11,395,118	99,513	\$ 122.55	\$ 12,195,825	96,820	\$ 132.36	\$ 12,815,058
	Age 65+	8,658	\$ 92.37	\$ 799,774	8,183	\$ 95.42	\$ 780,800	7,223	\$ 103.06	\$ 744,365
	All Ages	3,217,582	\$ 39.479	\$ 127,027,545	3,291,045	\$ 40.85	\$ 134,431,777	3,177,367	\$ 44.17	\$ 140,337,492
					\$ -					
Uninsured/Uninsurable	Age Under 1	2	\$ 22.91	\$ 46	-	\$ 23.67	\$ -	-	\$ 25.57	\$ -
	Age 1 - 13	87,143	\$ 37.54	\$ 3,270,950	84,806	\$ 38.78	\$ 3,288,467	81,245	\$ 41.88	\$ 3,402,419
	Age 14 - 20 Female	34,918	\$ 41.48	\$ 1,448,242	33,670	\$ 42.85	\$ 1,442,646	31,498	\$ 46.27	\$ 1,457,556
	Age 14 - 20 Male	39,327	\$ 31.86	\$ 1,252,805	37,750	\$ 32.91	\$ 1,242,306	35,288	\$ 35.54	\$ 1,254,192
	Age 21+	7,806	\$ 7.97	\$ 62,223	4,446	\$ 8.23	\$ 36,607	4,225	\$ 8.89	\$ 37,572
	All Ages	169,197	\$ 35.66	\$ 6,034,265	160,672	\$ 37.41	\$ 6,010,027	152,256	\$ 40.40	\$ 6,151,739
					\$ -			\$ -		
Disabled	Age <21	49,189	\$ 182.23	\$ 8,963,949	49,244	\$ 188.26	\$ 9,270,481	46,909	\$ 203.32	\$ 9,537,556
	Age 21+	540,641	\$ 202.88	\$ 109,684,739	542,036	\$ 209.59	\$ 113,603,522	517,130	\$ 226.35	\$ 117,054,180
	All Ages	589,830	\$ 201.16	\$ 118,648,688	591,280	\$ 207.81	\$ 122,874,003	564,039	\$ 224.44	\$ 126,591,735
					\$ -			\$ -		
Duals/Waiver Duals	All Ages	959,871	\$ 2.81	\$ 2,694,936	975,636	\$ 2.90	\$ 2,829,761	939,176	\$ 3.13	\$ 2,941,932
State Only & Judicials	All Ages	31,512	\$ 97.26	\$ 3,064,907	35,520	\$ 100.48	\$ 3,568,927	31,387	\$ 108.51	\$ 3,405,876
All Groups	All Ages	4,967,992	\$ 51.83	\$ 257,470,341	5,054,153	\$ 53.36	\$ 269,714,495	4,864,225	\$ 57.45	\$ 279,428,775

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 10b

Middle

Prescription Drug Experience										
Aid Category	Age Group	November 2006 through October 2007			Fiscal Year 2008			Fiscal Year 2009		
		Members	PMPM	Total	Projected	PMPM	Total	Projected	PMPM	Total
Medicaid (TANF & Related)	Age Under 1	106,074	\$ 16.15	\$ 1,713,260	111,230	\$ 16.69	\$ 1,855,933	105,348	\$ 18.02	\$ 1,898,426
	Age 1 - 13	1,619,850	\$ 22.24	\$ 36,020,711	1,656,160	\$ 22.97	\$ 38,045,723	1,635,943	\$ 24.81	\$ 40,587,787
	Age 14 - 20 Female	303,011	\$ 28.86	\$ 8,745,100	306,132	\$ 29.81	\$ 9,127,257	301,016	\$ 32.20	\$ 9,692,702
	Age 14 - 20 Male	244,666	\$ 26.81	\$ 6,559,293	248,255	\$ 27.70	\$ 6,875,543	244,767	\$ 29.91	\$ 7,321,266
	Age 21 - 44 Female	669,605	\$ 51.07	\$ 34,199,621	686,744	\$ 52.76	\$ 36,234,613	679,937	\$ 56.98	\$ 38,745,499
	Age 21 - 44 Male	145,886	\$ 38.55	\$ 5,624,397	159,787	\$ 39.83	\$ 6,363,990	160,256	\$ 43.01	\$ 6,893,284
	Age 45 - 64	91,250	\$ 110.59	\$ 10,091,568	95,694	\$ 114.25	\$ 10,932,913	95,117	\$ 123.39	\$ 11,736,364
	Age 65+	11,290	\$ 76.38	\$ 862,356	10,858	\$ 78.91	\$ 856,752	10,138	\$ 85.22	\$ 863,993
	All Ages	3,191,633	\$ 32.53	\$ 103,816,306	3,274,858	\$ 33.68	\$ 110,292,724	3,232,522	\$ 36.42	\$ 117,739,320
Uninsured/Uninsurable	Age Under 1	1	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -
	Age 1 - 13	82,327	\$ 27.65	\$ 2,276,631	83,171	\$ 28.57	\$ 2,375,992	81,976	\$ 30.85	\$ 2,529,224
	Age 14 - 20 Female	27,314	\$ 31.71	\$ 866,039	26,335	\$ 32.76	\$ 862,609	25,298	\$ 35.38	\$ 894,914
	Age 14 - 20 Male	29,165	\$ 42.63	\$ 1,243,460	28,143	\$ 44.04	\$ 1,239,537	26,819	\$ 47.57	\$ 1,275,718
	Age 21+	6,516	\$ 12.22	\$ 79,636	3,632	\$ 12.63	\$ 45,860	3,530	\$ 13.64	\$ 48,131
	All Ages	145,324	\$ 30.73	\$ 4,465,766	141,281	\$ 32.02	\$ 4,523,999	137,623	\$ 34.50	\$ 4,747,988
Disabled	Age <21	32,517	\$ 106.89	\$ 3,475,701	35,916	\$ 110.42	\$ 3,966,029	35,613	\$ 119.26	\$ 4,247,156
	Age 21+	361,824	\$ 194.57	\$ 70,400,375	366,336	\$ 201.00	\$ 73,634,785	358,086	\$ 217.08	\$ 77,734,686
	All Ages	394,341	\$ 187.34	\$ 73,876,076	402,252	\$ 192.92	\$ 77,600,814	393,699	\$ 208.23	\$ 81,981,842
Duals/Waiver Duals	All Ages	722,091	\$ 2.62	\$ 1,889,822	736,641	\$ 2.70	\$ 1,991,640	725,009	\$ 2.92	\$ 2,117,008
State Only & Judicials	All Ages	27,712	\$ 136.50	\$ 3,782,718	28,301	\$ 141.01	\$ 3,990,883	25,657	\$ 152.30	\$ 3,907,418
All Groups	All Ages	4,481,100	\$ 41.92	\$ 187,830,689	4,583,334	\$ 43.29	\$ 198,400,061	4,514,510	\$ 46.63	\$ 210,493,575

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 10c

West

Prescription Drug Experience										
Aid Category	Age Group	November 2006 through October 2007			Fiscal Year 2008			Fiscal Year 2009		
		Members	PMPM	Total	Projected	PMPM	Total	Projected	PMPM	Total
Medicaid (TANF & Related)	Age Under 1	81,693	\$ 20.18	\$ 1,648,948	84,964	\$ 20.85	\$ 1,771,671	79,315	\$ 22.52	\$ 1,786,196
	Age 1 - 13	1,568,437	\$ 19.06	\$ 29,900,204	1,582,375	\$ 19.69	\$ 31,163,258	1,520,780	\$ 21.27	\$ 32,346,224
	Age 14 - 20 Female	333,390	\$ 21.58	\$ 7,194,911	336,971	\$ 22.29	\$ 7,512,605	323,910	\$ 24.08	\$ 7,799,134
	Age 14 - 20 Male	268,403	\$ 17.18	\$ 4,611,296	271,148	\$ 17.75	\$ 4,812,465	260,505	\$ 19.17	\$ 4,993,466
	Age 21 - 44 Female	681,153	\$ 38.83	\$ 26,448,386	691,620	\$ 40.11	\$ 27,742,678	668,457	\$ 43.32	\$ 28,958,642
	Age 21 - 44 Male	101,883	\$ 26.28	\$ 2,677,485	111,396	\$ 27.15	\$ 3,024,255	109,328	\$ 29.32	\$ 3,205,575
	Age 45 - 64	81,606	\$ 82.49	\$ 6,731,323	84,757	\$ 85.21	\$ 7,222,397	82,475	\$ 92.03	\$ 7,590,197
	Age 65+	7,037	\$ 69.36	\$ 488,049	6,777	\$ 71.65	\$ 485,574	6,089	\$ 77.38	\$ 471,193
	All Ages	3,123,601	\$ 25.52	\$ 79,700,603	3,170,007	\$ 26.41	\$ 83,734,903	3,050,860	\$ 28.57	\$ 87,150,627
Uninsured/Uninsurable	Age Under 1	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -
	Age 1 - 13	53,443	\$ 27.89	\$ 1,490,786	51,136	\$ 28.82	\$ 1,473,568	48,791	\$ 31.12	\$ 1,518,480
	Age 14 - 20 Female	22,000	\$ 26.16	\$ 575,592	21,304	\$ 27.03	\$ 575,803	19,918	\$ 29.19	\$ 581,426
	Age 14 - 20 Male	22,911	\$ 30.66	\$ 702,554	22,399	\$ 31.68	\$ 709,567	20,981	\$ 34.21	\$ 717,806
	Age 21+	4,448	\$ 5.65	\$ 25,130	2,349	\$ 5.84	\$ 13,710	2,189	\$ 6.30	\$ 13,796
	All Ages	102,803	\$ 27.18	\$ 2,794,062	97,188	\$ 28.53	\$ 2,772,648	91,879	\$ 30.82	\$ 2,831,507
Disabled	Age <21	75,238	\$ 106.26	\$ 7,995,043	75,108	\$ 109.78	\$ 8,245,164	71,568	\$ 118.56	\$ 8,485,073
	Age 21+	384,737	\$ 161.18	\$ 62,013,233	385,607	\$ 166.51	\$ 64,208,388	368,284	\$ 179.83	\$ 66,229,883
	All Ages	459,974	\$ 152.20	\$ 70,008,276	460,715	\$ 157.26	\$ 72,453,551	439,852	\$ 169.86	\$ 74,714,955
Duals/Waiver Duals	All Ages	622,911	\$ 3.10	\$ 1,928,794	629,697	\$ 3.20	\$ 2,014,269	605,306	\$ 3.45	\$ 2,091,147
State Only & Judicials	All Ages	19,628	\$ 102.17	\$ 2,005,372	21,488	\$ 105.54	\$ 2,267,918	19,236	\$ 113.99	\$ 2,192,740
All Groups	All Ages	4,328,918	\$ 36.14	\$ 156,437,107	4,379,094	\$ 37.28	\$ 163,243,290	4,207,133	\$ 40.17	\$ 168,980,977

TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 10d

TennCare Select High

Prescription Drug Experience										
Aid Category	Age Group	November 2006 through October 2007			Fiscal Year 2008			Fiscal Year 2009		
		Members	PMPM	Total	Projected	PMPM	Total	Projected	PMPM	Total
Medicaid (TANF & Related)	Age Under 1	4,114	\$ 41.93	\$ 172,502	4,406	\$ 43.32	\$ 190,880	4,312	\$ 46.78	\$ 201,735
	Age 1 - 13	77,347	\$ 50.43	\$ 3,900,448	79,409	\$ 52.10	\$ 4,136,844	79,868	\$ 56.26	\$ 4,493,590
	Age 14 - 20 Female	29,860	\$ 73.69	\$ 2,200,492	30,469	\$ 76.13	\$ 2,319,573	30,545	\$ 82.22	\$ 2,511,403
	Age 14 - 20 Male	37,036	\$ 76.34	\$ 2,827,289	39,616	\$ 78.86	\$ 3,124,173	40,104	\$ 85.17	\$ 3,415,686
	Age 21 - 44 Female	4,077	\$ 38.47	\$ 156,806	4,095	\$ 39.74	\$ 162,730	4,061	\$ 42.92	\$ 174,284
	Age 21 - 44 Male	2,017	\$ 10.72	\$ 21,632	2,081	\$ 11.08	\$ 23,060	2,071	\$ 11.97	\$ 24,776
	Age 45 - 64	49	\$ 12.58	\$ 620	46	\$ 12.99	\$ 601	48	\$ 14.03	\$ 674
	Age 65+	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -
	All Ages	154,500	\$ 60.06	\$ 9,279,788	160,123	\$ 62.19	\$ 9,957,861	161,008	\$ 67.21	\$ 10,822,147
Uninsured/Uninsurable	Age Under 1	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -
	Age 1 - 13	211	\$ 31.26	\$ 6,606	203	\$ 32.29	\$ 6,545	194	\$ 34.87	\$ 6,749
	Age 14 - 20 Female	210	\$ 157.23	\$ 32,962	221	\$ 162.43	\$ 35,951	231	\$ 175.43	\$ 40,469
	Age 14 - 20 Male	343	\$ 61.38	\$ 21,079	325	\$ 63.41	\$ 20,611	346	\$ 68.49	\$ 23,699
	Age 21+	9	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -
	All Ages	773	\$ 78.42	\$ 60,647	749	\$ 84.25	\$ 63,107	770	\$ 92.07	\$ 70,916
Disabled	Age <21	398,616	\$ 127.97	\$ 51,008,985	401,632	\$ 132.20	\$ 53,094,160	401,234	\$ 142.77	\$ 57,284,868
	Age 21+	133,811	\$ 65.29	\$ 8,736,457	143,886	\$ 67.45	\$ 9,704,835	146,306	\$ 72.84	\$ 10,657,525
	All Ages	532,427	\$ 112.21	\$ 59,745,442	545,518	\$ 115.12	\$ 62,798,995	547,540	\$ 124.09	\$ 67,942,392
Duals/Waiver Duals	All Ages	21,646	\$ 12.93	\$ 279,823	23,806	\$ 13.35	\$ 317,914	24,474	\$ 14.42	\$ 352,984
State Only & Judicials	All Ages	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -
All Groups	All Ages	709,346	\$ 97.79	\$ 69,365,699	730,196	\$ 100.16	\$ 73,137,876	733,793	\$ 107.92	\$ 79,188,440

TennCare  
 FY 2009 Per Capita Cost Development  
 Historical Encounter Data

Exhibit 11

State

All Aid Categories Dental Experience							
November 2006 through October 2007 Incurred							
	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
<b>Age Under 14</b>							
Member Months	5,660,679						
Diagnostic	17,520,260	13,252,566	475,387	1,008	36.85	27.88	2.34
Preventive	19,375,717	15,769,006	536,653	1,138	36.10	29.38	2.79
Restorative	34,843,271	26,718,046	272,411	577	127.91	98.08	4.72
Endodontics	6,120,215	5,211,791	45,306	96	135.09	115.04	0.92
Oral Surgery	5,625,421	4,425,784	61,076	129	92.11	72.46	0.78
Orthodontics	3,987,637	3,403,849	17,961	38	222.02	189.51	0.60
Other	3,706,089	3,025,502	61,880	131	59.89	48.89	0.53
Subtotal	91,178,608	71,806,545	1,470,674	3,118	62.00	48.83	12.69
<b>Ages 14 - 20 : Female</b>							
Member Months	1,169,987						
Diagnostic	5,495,220	4,127,861	135,390	1,389	40.59	30.49	3.53
Preventive	3,977,032	3,266,480	98,494	1,010	40.38	33.16	2.79
Restorative	16,716,587	13,414,890	113,373	1,163	147.45	118.33	11.47
Endodontics	4,763,719	3,815,424	8,774	90	542.96	434.88	3.26
Oral Surgery	6,543,513	5,217,724	28,911	297	226.34	180.48	4.46
Orthodontics	3,697,034	3,331,764	23,880	245	154.81	139.52	2.85
Other	2,555,271	2,039,789	21,489	220	118.91	94.92	1.74
Subtotal	43,748,376	35,213,933	430,310	4,413	101.67	81.83	30.10
<b>Ages 14 - 20 : Male</b>							
Member Months	1,081,753						
Diagnostic	4,082,268	3,069,022	99,059	1,099	41.21	30.98	2.84
Preventive	3,069,941	2,529,084	77,143	856	39.80	32.78	2.34
Restorative	12,580,375	10,011,554	84,835	941	148.29	118.01	9.25
Endodontics	3,350,237	2,678,391	6,313	70	530.68	424.26	2.48
Oral Surgery	4,121,350	3,287,208	18,766	208	219.62	175.17	3.04
Orthodontics	2,540,184	2,319,578	16,479	183	154.15	140.76	2.14
Other	1,630,390	1,288,463	13,701	152	119.00	94.04	1.19
Total	31,374,744	25,183,300	316,297	3,509	99.19	79.62	23.28

TennCare  
 FY 2009 Per Capita Cost Development  
 Historical Encounter Data

Exhibit 11

State

All Aid Categories Dental Experience							
November 2006 through October 2007 Incurred							
	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
<b>Ages Over 21</b>							
Member Months	6,496,085						
Diagnostic	-	-	-	-	-	-	-
Preventive	-	-	-	-	-	-	-
Restorative	-	-	-	-	-	-	-
Endodontics	-	-	-	-	-	-	-
Oral Surgery	-	-	-	-	-	-	-
Orthodontics	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-
<b>Total</b>							
Member Months	14,408,504						
Diagnostic	27,097,748	20,449,449	709,835	591	38.17	28.81	1.42
Preventive	26,422,689	21,564,571	712,290	593	37.10	30.27	1.50
Restorative	64,140,232	50,144,490	470,619	392	136.29	106.55	3.48
Endodontics	14,234,171	11,705,606	60,393	50	235.69	193.83	0.81
Oral Surgery	16,290,284	12,930,716	108,753	91	149.79	118.90	0.90
Orthodontics	10,224,855	9,055,192	58,320	49	175.32	155.27	0.63
Other	7,891,750	6,353,755	97,070	81	81.30	65.46	0.44
<b>Total</b>	166,301,728	132,203,778	2,217,281	1,847	75.00	59.62	9.18



TennCare  
 FY 2009 Per Capita Cost Development  
 Historical Encounter Data

Exhibit 11

State

Medicaid (TANF and Related)							
November 2006 through October 2007 Incurred							
	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
<b>Age Under 14</b>							
Member Months	5,137,967						
Diagnostic	15,748,780	12,050,184	426,485	996	36.93	28.25	2.35
Preventive	17,401,453	14,152,010	481,314	1,124	36.15	29.40	2.75
Restorative	31,747,554	24,380,974	247,628	578	128.21	98.46	4.75
Endodontics	5,659,383	4,825,498	42,301	99	133.79	114.08	0.94
Oral Surgery	4,913,486	3,881,596	53,640	125	91.60	72.36	0.76
Orthodontics	3,342,838	2,857,958	14,746	34	226.70	193.82	0.56
Other	<u>3,320,601</u>	<u>2,734,095</u>	<u>55,604</u>	<u>130</u>	<u>59.72</u>	<u>49.17</u>	<u>0.53</u>
Subtotal	82,134,095	64,882,315	1,321,718	3,087	62.14	49.09	12.63
<b>Ages 14 - 20 : Female</b>							
Member Months	994,778						
Diagnostic	4,793,835	3,642,170	117,555	1,418	40.78	30.98	3.66
Preventive	3,421,088	2,809,044	84,603	1,021	40.44	33.20	2.82
Restorative	14,760,621	11,868,885	99,936	1,206	147.70	118.77	11.93
Endodontics	4,262,328	3,410,639	7,844	95	543.37	434.80	3.43
Oral Surgery	5,716,544	4,561,048	25,354	306	225.47	179.89	4.58
Orthodontics	3,119,385	2,841,341	20,037	242	155.68	141.81	2.86
Other	<u>2,214,435</u>	<u>1,776,317</u>	<u>18,715</u>	<u>226</u>	<u>118.33</u>	<u>94.92</u>	<u>1.79</u>
Subtotal	38,288,235	30,909,444	374,043	4,512	102.36	82.64	31.07
<b>Ages 14 - 20 : Male</b>							
Member Months	822,526						
Diagnostic	3,246,208	2,473,380	78,200	1,141	41.51	31.63	3.01
Preventive	2,403,733	1,979,570	60,068	876	40.02	32.96	2.41
Restorative	10,267,628	8,176,263	68,802	1,004	149.24	118.84	9.94
Endodontics	2,783,656	2,227,908	5,237	76	531.51	425.39	2.71
Oral Surgery	3,233,236	2,583,408	14,661	214	220.54	176.21	3.14
Orthodontics	1,945,490	1,803,424	12,624	184	154.11	142.86	2.19
Other	<u>1,262,185</u>	<u>1,007,986</u>	<u>10,905</u>	<u>159</u>	<u>115.74</u>	<u>92.43</u>	<u>1.23</u>
Subtotal	25,142,136	20,251,939	250,497	3,655	100.37	80.85	24.62

TennCare  
 FY 2009 Per Capita Cost Development  
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Exhibit 11

State

Medicaid (TANF & Related)							
November 2006 through October 2007 Incurred							
	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
<b>Ages Over 21</b>							
Member Months	2,732,045						
Diagnostic	-	-	-	-	-	-	-
Preventive	-	-	-	-	-	-	-
Restorative	-	-	-	-	-	-	-
Endodontics	-	-	-	-	-	-	-
Oral Surgery	-	-	-	-	-	-	-
Orthodontics	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-
<b>Total</b>							
Member Months	9,687,316						
Diagnostic	23,788,822	18,165,734	622,241	771	38.23	29.19	1.88
Preventive	23,226,275	18,940,624	625,985	775	37.10	30.26	1.96
Restorative	56,775,803	44,426,122	416,365	516	136.36	106.70	4.59
Endodontics	12,705,367	10,464,045	55,382	69	229.41	188.94	1.08
Oral Surgery	13,863,265	11,026,051	93,655	116	148.03	117.73	1.14
Orthodontics	8,407,713	7,502,723	47,406	59	177.35	158.26	0.77
Other	6,797,221	5,518,398	85,224	106	79.76	64.75	0.57
<b>Total</b>	145,564,466	116,043,697	1,946,258	2,411	74.79	59.62	11.98

TennCare  
 FY 2009 Per Capita Cost Development  
 Historical Encounter Data

Exhibit 11

State

Uninsured/Uninsurable							
November 2006 through October 2007 Incurred							
	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
<b>Age Under 14</b>							
Member Months	223,129						
Diagnostic	865,100	519,987	24,618	1,324	35.14	21.12	2.33
Preventive	987,679	821,690	28,215	1,517	35.01	29.12	3.68
Restorative	1,499,403	1,110,791	12,454	670	120.39	89.19	4.98
Endodontics	192,219	160,131	1,277	69	150.50	125.38	0.72
Oral Surgery	335,371	251,101	3,489	188	96.11	71.96	1.13
Orthodontics	386,774	316,821	2,034	109	190.13	155.74	1.42
Other	<u>197,783</u>	<u>140,396</u>	<u>3,399</u>	<u>183</u>	<u>58.19</u>	<u>41.31</u>	<u>0.63</u>
Subtotal	4,464,329	3,320,918	75,487	4,060	59.14	43.99	14.88
<b>Ages 14 - 20 : Female</b>							
Member Months	84,442						
Diagnostic	347,702	218,489	8,925	1,268	38.96	24.48	2.59
Preventive	288,925	241,156	7,366	1,047	39.23	32.74	2.86
Restorative	827,987	637,804	6,193	880	133.69	102.98	7.55
Endodontics	184,229	143,848	323	46	570.00	445.07	1.70
Oral Surgery	462,578	362,459	1,793	255	258.03	202.18	4.29
Orthodontics	314,475	254,530	2,158	307	145.70	117.92	3.01
Other	<u>166,770</u>	<u>124,567</u>	<u>1,398</u>	<u>199</u>	<u>119.30</u>	<u>89.11</u>	<u>1.48</u>
Subtotal	2,592,664	1,982,855	28,156	4,001	92.08	70.42	23.48
<b>Ages 14 - 20 : Male</b>							
Member Months	91,747						
Diagnostic	302,449	193,098	7,802	1,020	38.77	24.75	2.10
Preventive	259,586	217,901	6,667	872	38.94	32.69	2.38
Restorative	737,046	563,468	5,218	683	141.24	107.98	6.14
Endodontics	147,097	114,188	271	35	543.51	421.91	1.24
Oral Surgery	359,275	277,669	1,494	195	240.46	185.84	3.03
Orthodontics	243,047	204,051	1,858	243	130.84	109.85	2.22
Other	<u>136,343</u>	<u>102,457</u>	<u>1,075</u>	<u>141</u>	<u>126.86</u>	<u>95.33</u>	<u>1.12</u>
Subtotal	2,184,843	1,672,833	24,384	3,189	89.60	68.60	18.23

TennCare  
 FY 2009 Per Capita Cost Development  
 Historical Encounter Data

Exhibit 11

State

Uninsured/Uninsurable							
November 2006 through October 2007 Incurred							
	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
<b>Ages Over 21</b>							
Member Months	18,780						
Diagnostic	-	-	-	-	-	-	-
Preventive	-	-	-	-	-	-	-
Restorative	-	-	-	-	-	-	-
Endodontics	-	-	-	-	-	-	-
Oral Surgery	-	-	-	-	-	-	-
Orthodontics	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-
<b>Total</b>							
Member Months	418,097						
Diagnostic	1,515,251	931,575	41,345	1,187	36.65	22.53	2.23
Preventive	1,536,189	1,280,748	42,247	1,213	36.36	30.32	3.06
Restorative	3,064,436	2,312,063	23,866	685	128.40	96.88	5.53
Endodontics	523,544	418,167	1,871	54	279.82	223.50	1.00
Oral Surgery	1,157,224	891,229	6,776	194	170.78	131.52	2.13
Orthodontics	944,296	775,403	6,050	174	156.07	128.16	1.85
Other	500,895	367,420	5,871	169	85.31	62.58	0.88
<b>Total</b>	9,241,836	6,976,605	128,026	3,675	72.19	54.49	16.69

TennCare  
 FY 2009 Per Capita Cost Development  
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Exhibit 11

State

Disabled							
November 2006 through October 2007 Incurred							
	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
<b>Age Under 14</b>							
Member Months	299,320						
Diagnostic	905,671	681,875	24,264	973	37.33	28.10	2.28
Preventive	985,327	794,337	27,095	1,086	36.37	29.32	2.65
Restorative	1,595,846	1,225,905	12,324	494	129.49	99.47	4.10
Endodontics	268,613	226,162	1,728	69	155.46	130.89	0.76
Oral Surgery	376,458	293,012	3,946	158	95.41	74.26	0.98
Orthodontics	257,689	228,734	1,178	47	218.82	194.23	0.76
Other	<u>187,671</u>	<u>150,977</u>	<u>2,876</u>	<u>115</u>	<u>65.24</u>	<u>52.49</u>	<u>0.50</u>
Subtotal	4,577,275	3,601,002	73,410	2,943	62.35	49.05	12.03
<b>Ages 14 - 20 : Female</b>							
Member Months	89,942						
Diagnostic	347,331	262,370	8,748	1,167	39.70	29.99	2.92
Preventive	262,374	212,467	6,412	855	40.92	33.14	2.36
Restorative	1,108,400	893,153	7,118	950	155.71	125.47	9.93
Endodontics	309,715	254,892	594	79	521.54	429.22	2.83
Oral Surgery	357,903	288,758	1,733	231	206.47	166.58	3.21
Orthodontics	260,608	233,488	1,661	222	156.92	140.59	2.60
Other	<u>168,727</u>	<u>135,025</u>	<u>1,348</u>	<u>180</u>	<u>125.20</u>	<u>100.20</u>	<u>1.50</u>
Subtotal	2,815,059	2,280,154	27,613	3,684	101.95	82.57	25.35
<b>Ages 14 - 20 : Male</b>							
Member Months	166,298						
Diagnostic	528,005	398,389	12,919	932	40.87	30.84	2.40
Preventive	403,118	328,663	10,322	745	39.05	31.84	1.98
Restorative	1,548,064	1,248,217	10,665	770	145.16	117.04	7.51
Endodontics	411,343	328,706	786	57	523.20	418.09	1.98
Oral Surgery	513,757	413,862	2,536	183	202.55	163.17	2.49
Orthodontics	349,521	309,979	1,976	143	176.87	156.86	1.86
Other	<u>225,547</u>	<u>172,811</u>	<u>1,693</u>	<u>122</u>	<u>133.21</u>	<u>102.06</u>	<u>1.04</u>
Subtotal	3,979,355	3,200,627	40,898	2,951	97.30	78.26	19.25

TennCare  
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State

Disabled							
November 2006 through October 2007 Incurred							
	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
<b>Ages Over 21</b>							
Member Months	1,421,012						
Diagnostic	-	-	-	-	-	-	-
Preventive	-	-	-	-	-	-	-
Restorative	-	-	-	-	-	-	-
Endodontics	-	-	-	-	-	-	-
Oral Surgery	-	-	-	-	-	-	-
Orthodontics	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-
<b>Total</b>							
Member Months	1,976,572						
Diagnostic	1,781,007	1,342,634	45,931	279	38.78	29.23	0.68
Preventive	1,650,819	1,335,468	43,829	266	37.67	30.47	0.68
Restorative	4,252,309	3,367,276	30,107	183	141.24	111.84	1.70
Endodontics	989,671	809,760	3,108	19	318.43	260.55	0.41
Oral Surgery	1,248,118	995,632	8,215	50	151.92	121.19	0.50
Orthodontics	867,818	772,201	4,815	29	180.25	160.39	0.39
Other	581,945	458,813	5,917	36	98.35	77.54	0.23
<b>Total</b>	11,371,688	9,081,783	141,922	862	80.13	63.99	4.59

TennCare  
 FY 2009 Per Capita Cost Development  
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Exhibit 11

State

Duals/Waiver Duals							
November 2006 through October 2007 Incurred							
	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
<b>Age Under 14</b>							
Member Months	263						
Diagnostic	709	520	19	866	37.29	27.35	1.97
Preventive	1,258	968	29	1,325	43.27	33.31	3.68
Restorative	467	377	4	204	104.50	84.25	1.43
Endodontics	-	-	-	-	-	-	-
Oral Surgery	106	76	1	51	95.00	68.00	0.29
Orthodontics	336	336	3	153	100.00	100.00	1.27
Other	34	34	1	51	30.00	30.00	0.13
Subtotal	2,910	2,311	58	2,650	50.04	39.73	8.77
<b>Ages 14 - 20 : Female</b>							
Member Months	825						
Diagnostic	6,352	4,831	162	2,359	39.17	29.79	5.86
Preventive	4,645	3,813	114	1,659	40.72	33.43	4.62
Restorative	19,580	15,048	125	1,822	156.32	120.13	18.24
Endodontics	7,447	6,045	12	179	605.36	491.36	7.33
Oral Surgery	6,488	5,459	30	439	214.85	180.78	6.62
Orthodontics	2,567	2,404	25	358	104.32	97.73	2.91
Other	5,340	3,881	29	423	183.65	133.46	4.70
Subtotal	52,419	41,481	498	7,239	105.33	83.35	50.28
<b>Ages 14 - 20 : Male</b>							
Member Months	1,182						
Diagnostic	5,607	4,155	138	1,396	40.76	30.20	3.51
Preventive	3,504	2,949	86	874	40.69	34.25	2.49
Restorative	27,637	23,605	151	1,532	183.05	156.35	19.96
Endodontics	8,142	7,589	19	193	428.24	399.18	6.42
Oral Surgery	15,082	12,269	75	760	201.28	163.74	10.38
Orthodontics	2,125	2,125	21	216	100.00	100.00	1.80
Other	6,314	5,209	28	284	225.84	186.32	4.41
Subtotal	68,410	57,902	518	5,255	132.12	111.82	48.97

TennCare  
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Exhibit 11

State

Duals/Waiver Duals							
November 2006 through October 2007 Incurred							
	Billed Charges	Paid Expenditures	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	Paid Expenditures PMPM
<b>Ages Over 21</b>							
Member Months	2,324,249						
Diagnostic	-	-	-	-	-	-	-
Preventive	-	-	-	-	-	-	-
Restorative	-	-	-	-	-	-	-
Endodontics	-	-	-	-	-	-	-
Oral Surgery	-	-	-	-	-	-	-
Orthodontics	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-
<b>Total</b>							
Member Months	2,326,519						
Diagnostic	12,668	9,506	319	2	39.74	29.82	0.00
Preventive	9,407	7,731	229	1	41.03	33.72	0.00
Restorative	47,685	39,030	281	1	169.87	139.04	0.02
Endodontics	15,589	13,634	31	0	497.82	435.39	0.01
Oral Surgery	21,676	17,804	106	1	204.02	167.57	0.01
Orthodontics	5,027	4,865	49	0	102.16	98.86	0.00
Other	11,688	9,124	58	0	200.98	156.88	0.00
<b>Total</b>	123,739	101,693	1,074	6	115.25	94.72	0.04



State

All Aid Categories Dental Experience														
	Units Per 1,000	Paid Expenditures / Unit	Paid Expenditures PMPM	Data Adjustment Factors					Capitation Rates					
				Trend To FY 2008	IBNR Completion	Benefit Adjust.	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjust.	Enrollment Impact	FY 2009 PMPM	
<b>Age Under 14</b>														
Member Months	5,660,679									5,755,442				5,588,198
Diagnostic	1,008	27.88	2.34	1.0133	1.0066	1.0000	2.39	0.9997	2.39	1.0500	1.0000	0.9996	2.51	
Preventive	1,138	29.38	2.79	1.0133	1.0066	1.0000	2.84	0.9990	2.84	1.0500	1.0000	0.9996	2.98	
Restorative	577	98.08	4.72	1.0133	1.0066	1.0000	4.81	1.0004	4.82	1.0500	1.0000	1.0001	5.06	
Endodontics	96	115.04	0.92	1.0133	1.0066	1.0000	0.94	1.0007	0.94	1.0500	1.0000	0.9999	0.99	
Oral Surgery	129	72.46	0.78	1.0133	1.0066	1.0000	0.80	0.9993	0.80	1.0500	1.0000	0.9996	0.84	
Orthodontics	38	189.51	0.60	1.0133	1.0066	1.0000	0.61	0.9994	0.61	1.0500	1.0000	1.0006	0.64	
Other	131	48.89	0.53	1.0133	1.0066	1.0000	0.55	1.0000	0.55	1.0500	1.0000	1.0012	0.57	
Subtotal	3,118	48.83	12.69				12.94		12.94				13.58	
Admin %			3.40%				3.40%		3.40%				3.40%	
Premium Tax			0.00%				0.00%		0.00%				0.00%	
Total Premium Rate			\$ 13.13				\$ 13.39		\$ 13.39				\$ 14.06	
<b>Ages 14 - 20 : Female</b>														
Member Months	1,169,987									1,178,066				1,140,711
Diagnostic	1,389	30.49	3.53	1.0133	1.0066	1.0000	3.60	1.0008	3.60	1.0500	1.0000	1.0006	3.78	
Preventive	1,010	33.16	2.79	1.0133	1.0066	1.0000	2.85	0.9999	2.85	1.0500	1.0000	1.0000	2.99	
Restorative	1,163	118.33	11.47	1.0133	1.0066	1.0000	11.69	1.0010	11.71	1.0500	1.0000	1.0012	12.31	
Endodontics	90	434.88	3.26	1.0133	1.0066	1.0000	3.33	1.0014	3.33	1.0500	1.0000	1.0011	3.50	
Oral Surgery	297	180.48	4.46	1.0133	1.0066	1.0000	4.55	1.0001	4.55	1.0500	1.0000	1.0007	4.78	
Orthodontics	245	139.52	2.85	1.0133	1.0066	1.0000	2.90	0.9997	2.90	1.0500	1.0000	1.0010	3.05	
Other	220	94.92	1.74	1.0133	1.0066	1.0000	1.78	1.0006	1.78	1.0500	1.0000	1.0007	1.87	
Subtotal	4,413	81.83	30.10				30.70		30.72				32.28	
Admin %			3.40%				3.40%		3.40%				3.40%	
Premium Tax			0.00%				0.00%		0.00%				0.00%	
Total Premium Rate			\$ 31.16				\$ 31.78		\$ 31.80				\$ 33.42	
<b>Ages 14 - 20 : Male</b>														
Member Months	1,081,753									1,092,330				1,058,402
Diagnostic	1,099	30.98	2.84	1.0133	1.0066	1.0000	2.89	1.0011	2.90	1.0500	1.0000	1.0010	3.04	
Preventive	856	32.78	2.34	1.0133	1.0066	1.0000	2.38	1.0000	2.38	1.0500	1.0000	1.0003	2.50	
Restorative	941	118.01	9.25	1.0133	1.0066	1.0000	9.44	1.0015	9.45	1.0500	1.0000	1.0017	9.94	
Endodontics	70	424.26	2.48	1.0133	1.0066	1.0000	2.53	1.0019	2.53	1.0500	1.0000	1.0016	2.66	
Oral Surgery	208	175.17	3.04	1.0133	1.0066	1.0000	3.10	0.9999	3.10	1.0500	1.0000	1.0009	3.26	
Orthodontics	183	140.76	2.14	1.0133	1.0066	1.0000	2.19	1.0003	2.19	1.0500	1.0000	1.0013	2.30	
Other	152	94.04	1.19	1.0133	1.0066	1.0000	1.21	1.0001	1.22	1.0500	1.0000	1.0008	1.28	
Subtotal	3,509	80.85	23.28				23.75		23.77				24.99	
Admin %			3.40%				3.40%		3.40%				3.40%	
Premium Tax			0.00%				0.00%		0.00%				0.00%	
Total Premium Rate			\$ 24.10				\$ 24.58		\$ 24.60				\$ 25.87	

State

All Aid Categories Dental Experience													
				Data Adjustment Factors					Capitation Rates				
	Units Per 1,000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	Benefit Adjust.	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjust.	Enrollment Impact	FY 2009 PMPM
<b>Ages Over 21</b>													
Member Months	6,496,085								6,635,589				6,456,070
Diagnostic	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
Preventive	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
Restorative	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
Endodontics	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
Oral Surgery	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
Orthodontics	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
Other	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
Subtotal	-	-	-				-		-				-
Admin %			3.40%				3.40%		3.40%				3.40%
Premium Tax			0.00%				0.00%		0.00%				0.00%
Total Premium Rate			\$ -				\$ -		\$ -				\$ -
<b>Total</b>													
Member Months	14,408,504								14,661,427				14,243,381
Diagnostic	591	28.81	1.42	1.0133	1.0066	1.0000	1.45	0.9963	1.44	1.0500	1.0000	0.9986	1.51
Preventive	593	30.27	1.50	1.0133	1.0066	1.0000	1.53	0.9962	1.52	1.0500	1.0000	0.9985	1.59
Restorative	392	106.55	3.48	1.0133	1.0066	1.0000	3.55	0.9960	3.54	1.0500	1.0000	0.9990	3.71
Endodontics	50	193.83	0.81	1.0133	1.0066	1.0000	0.83	0.9957	0.83	1.0500	1.0000	0.9988	0.87
Oral Surgery	91	118.90	0.90	1.0133	1.0066	1.0000	0.92	0.9934	0.91	1.0500	1.0000	0.9982	0.95
Orthodontics	49	155.27	0.63	1.0133	1.0066	1.0000	0.64	0.9936	0.64	1.0500	1.0000	0.9988	0.67
Other	81	65.46	0.44	1.0133	1.0066	1.0000	0.45	0.9949	0.45	1.0500	1.0000	0.9991	0.47
<b>Total</b>	<b>1,847</b>	<b>59.62</b>	<b>9.18</b>				<b>9.36</b>		<b>9.32</b>				<b>9.77</b>
Admin %			3.40%				3.40%		3.40%				3.40%
Premium Tax			0.00%				0.00%		0.00%				0.00%
Total Premium Rate			\$ <b>9.50</b>				\$ <b>9.69</b>		\$ <b>9.65</b>				\$ <b>10.12</b>

State

Medicaid (TANF and Related)													
			Data Adjustment Factors						Capitation Rates				
	Units Per 1,000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	Benefit Adjust.	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjust.	Enrollment Impact	FY 2009 PMPM
<b>Age Under 14</b>													
Member Months	5,137,967								5,233,654				5,083,857
Diagnostic	996	28.25	2.35	1.0133	1.0066	1.0000	2.39	0.9998	2.39	1.0500	1.0000	0.9996	2.51
Preventive	1,124	29.40	2.75	1.0133	1.0066	1.0000	2.81	0.9995	2.81	1.0500	1.0000	0.9996	2.95
Restorative	578	98.46	4.75	1.0133	1.0066	1.0000	4.84	1.0004	4.84	1.0500	1.0000	1.0000	5.08
Endodontics	99	114.08	0.94	1.0133	1.0066	1.0000	0.96	1.0004	0.96	1.0500	1.0000	0.9999	1.01
Oral Surgery	125	72.36	0.76	1.0133	1.0066	1.0000	0.77	1.0001	0.77	1.0500	1.0000	0.9998	0.81
Orthodontics	34	193.82	0.56	1.0133	1.0066	1.0000	0.57	1.0015	0.57	1.0500	1.0000	1.0010	0.60
Other	130	49.17	0.53	1.0133	1.0066	1.0000	0.54	1.0002	0.54	1.0500	1.0000	1.0013	0.57
Subtotal	3,087	49.09	12.63				12.88		12.88				13.52
Admin %			3.40%				3.40%		3.40%				3.40%
Premium Tax			0.00%				0.00%		0.00%				0.00%
Total Premium Rate			\$ 13.07				\$ 13.33		\$ 13.33				\$ 14.00
<b>Ages 14 - 20 : Female</b>													
Member Months	994,778								1,004,721				974,678
Diagnostic	1,418	30.98	3.66	1.0133	1.0066	1.0000	3.73	1.0000	3.73	1.0500	1.0000	1.0002	3.92
Preventive	1,021	33.20	2.82	1.0133	1.0066	1.0000	2.88	1.0000	2.88	1.0500	1.0000	1.0001	3.02
Restorative	1,206	118.77	11.93	1.0133	1.0066	1.0000	12.17	1.0000	12.17	1.0500	1.0000	1.0007	12.79
Endodontics	95	434.80	3.43	1.0133	1.0066	1.0000	3.50	1.0000	3.50	1.0500	1.0000	1.0003	3.67
Oral Surgery	306	179.89	4.58	1.0133	1.0066	1.0000	4.68	1.0000	4.68	1.0500	1.0000	1.0007	4.91
Orthodontics	242	141.81	2.86	1.0133	1.0066	1.0000	2.91	1.0000	2.91	1.0500	1.0000	1.0014	3.06
Other	226	94.92	1.79	1.0133	1.0066	1.0000	1.82	1.0000	1.82	1.0500	1.0000	1.0004	1.91
Subtotal	4,512	82.64	31.07				31.69		31.69				33.30
Admin %			3.40%				3.40%		3.40%				3.40%
Premium Tax			0.00%				0.00%		0.00%				0.00%
Total Premium Rate			\$ 32.17				\$ 32.81		\$ 32.81				\$ 34.47
<b>Ages 14 - 20 : Male</b>													
Member Months	822,526								833,906				810,357
Diagnostic	1,141	31.63	3.01	1.0133	1.0066	1.0000	3.07	1.0001	3.07	1.0500	1.0000	1.0004	3.22
Preventive	876	32.96	2.41	1.0133	1.0066	1.0000	2.45	1.0001	2.45	1.0500	1.0000	1.0003	2.58
Restorative	1,004	118.84	9.94	1.0133	1.0066	1.0000	10.14	1.0002	10.14	1.0500	1.0000	1.0009	10.66
Endodontics	76	425.39	2.71	1.0133	1.0066	1.0000	2.76	1.0001	2.76	1.0500	1.0000	1.0004	2.90
Oral Surgery	214	176.21	3.14	1.0133	1.0066	1.0000	3.20	1.0003	3.20	1.0500	1.0000	1.0011	3.37
Orthodontics	184	142.86	2.19	1.0133	1.0066	1.0000	2.24	1.0003	2.24	1.0500	1.0000	1.0015	2.35
Other	159	92.43	1.23	1.0133	1.0066	1.0000	1.25	1.0002	1.25	1.0500	1.0000	1.0008	1.31
Subtotal	3,655	80.85	24.62				25.11		25.12				26.39
Admin %			3.40%				3.40%		3.40%				3.40%
Premium Tax			0.00%				0.00%		0.00%				0.00%
Total Premium Rate			\$ 25.49				\$ 26.00		\$ 26.00				\$ 27.32

State

Medicaid (TANF & Related)													
				Data Adjustment Factors					Capitation Rates				
	Units Per 1,000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	Benefit Adjust.	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjust.	Enrollment Impact	FY 2009 PMPM
<b>Ages Over 21</b>													
Member Months	2,732,045								2,823,751				2,763,915
Diagnostic	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
Preventive	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
Restorative	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
Endodontics	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
Oral Surgery	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
Orthodontics	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
Other	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
<b>Total</b>	-	-	-				-	1.0000	-				-
Admin %			3.40%				3.40%		3.40%				3.40%
Premium Tax			0.00%				0.00%		0.00%				0.00%
Total Premium Rate			\$ -				\$ -		\$ -				\$ -
<b>Total</b>													
Member Months	9,687,316								9,896,033				9,632,807
Diagnostic	771	29.19	1.88	1.0133	1.0066	1.0000	1.91	0.9947	1.90	1.0500	1.0000	0.9976	1.99
Preventive	775	30.26	1.96	1.0133	1.0066	1.0000	1.99	0.9950	1.98	1.0500	1.0000	0.9975	2.08
Restorative	516	106.70	4.59	1.0133	1.0066	1.0000	4.68	0.9943	4.65	1.0500	1.0000	0.9980	4.87
Endodontics	69	188.94	1.08	1.0133	1.0066	1.0000	1.10	0.9936	1.09	1.0500	1.0000	0.9977	1.15
Oral Surgery	116	117.73	1.14	1.0133	1.0066	1.0000	1.16	0.9927	1.15	1.0500	1.0000	0.9979	1.21
Orthodontics	59	158.26	0.77	1.0133	1.0066	1.0000	0.79	0.9934	0.78	1.0500	1.0000	0.9988	0.82
Other	106	64.75	0.57	1.0133	1.0066	1.0000	0.58	0.9937	0.58	1.0500	1.0000	0.9985	0.61
<b>Total</b>	2,411	59.62	11.98				12.22		12.15				12.73
Admin %			3.40%				3.40%		3.40%				3.40%
Premium Tax			0.00%				0.00%		0.00%				0.00%
Total Premium Rate			\$ 12.40				\$ 12.65		\$ 12.57				\$ 13.18

State

Uninsured/Uninsurable													
			Data Adjustment Factors					Capitation Rates					
	Units Per 1,000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	Benefit Adjust.	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjust.	Enrollment Impact	FY 2009 PMPM
<b>Age Under 14</b>													
Member Months	223,129								219,315				212,544
Diagnostic	1,324	21.12	2.33	1.0133	1.0066	1.0000	2.38	0.9992	2.38	1.0500	1.0000	0.9995	2.49
Preventive	1,517	29.12	3.68	1.0133	1.0066	1.0000	3.76	0.9999	3.76	1.0500	1.0000	1.0000	3.94
Restorative	670	89.19	4.98	1.0133	1.0066	1.0000	5.08	1.0001	5.08	1.0500	1.0000	1.0000	5.33
Endodontics	69	125.38	0.72	1.0133	1.0066	1.0000	0.73	0.9991	0.73	1.0500	1.0000	0.9995	0.77
Oral Surgery	188	71.96	1.13	1.0133	1.0066	1.0000	1.15	0.9976	1.15	1.0500	1.0000	0.9983	1.20
Orthodontics	109	155.74	1.42	1.0133	1.0066	1.0000	1.45	1.0003	1.45	1.0500	1.0000	0.9994	1.52
Other	183	41.31	0.63	1.0133	1.0066	1.0000	0.64	1.0000	0.64	1.0500	1.0000	1.0005	0.67
Subtotal	4,060	43.99	14.88				15.18		15.18				15.93
Admin %			3.40%				3.40%		3.40%				3.40%
Premium Tax			0.00%				0.00%		0.00%				0.00%
Total Premium Rate			\$ 15.41				\$ 15.72		\$ 15.71				\$ 16.49
<b>Ages 14 - 20 : Female</b>													
Member Months	84,442								81,530				77,066
Diagnostic	1,268	24.48	2.59	1.0133	1.0066	1.0000	2.64	0.9999	2.64	1.0500	1.0000	0.9996	2.77
Preventive	1,047	32.74	2.86	1.0133	1.0066	1.0000	2.91	0.9999	2.91	1.0500	1.0000	0.9996	3.06
Restorative	880	102.98	7.55	1.0133	1.0066	1.0000	7.70	1.0001	7.70	1.0500	1.0000	0.9996	8.09
Endodontics	46	445.07	1.70	1.0133	1.0066	1.0000	1.74	1.0002	1.74	1.0500	1.0000	1.0010	1.83
Oral Surgery	255	202.18	4.29	1.0133	1.0066	1.0000	4.38	0.9996	4.38	1.0500	1.0000	0.9992	4.59
Orthodontics	307	117.92	3.01	1.0133	1.0066	1.0000	3.07	1.0000	3.07	1.0500	1.0000	1.0005	3.23
Other	199	89.11	1.48	1.0133	1.0066	1.0000	1.50	0.9997	1.50	1.0500	1.0000	0.9994	1.58
Subtotal	4,001	70.42	23.48				23.95		23.95				25.14
Admin %			3.40%				3.40%		3.40%				3.40%
Premium Tax			0.00%				0.00%		0.00%				0.00%
Total Premium Rate			\$ 24.31				\$ 24.79		\$ 24.79				\$ 26.03
<b>Ages 14 - 20 : Male</b>													
Member Months	91,747								88,617				83,562
Diagnostic	1,020	24.75	2.10	1.0133	1.0066	1.0000	2.15	0.9996	2.15	1.0500	1.0000	0.9997	2.25
Preventive	872	32.69	2.38	1.0133	1.0066	1.0000	2.42	0.9996	2.42	1.0500	1.0000	0.9997	2.54
Restorative	683	107.98	6.14	1.0133	1.0066	1.0000	6.26	0.9997	6.26	1.0500	1.0000	0.9996	6.57
Endodontics	35	421.91	1.24	1.0133	1.0066	1.0000	1.27	1.0000	1.27	1.0500	1.0000	0.9993	1.33
Oral Surgery	195	185.84	3.03	1.0133	1.0066	1.0000	3.09	0.9986	3.08	1.0500	1.0000	0.9999	3.24
Orthodontics	243	109.85	2.22	1.0133	1.0066	1.0000	2.27	0.9980	2.26	1.0500	1.0000	1.0006	2.38
Other	141	95.33	1.12	1.0133	1.0066	1.0000	1.14	0.9998	1.14	1.0500	1.0000	0.9997	1.20
Subtotal	3,189	68.60	18.23				18.60		18.58				19.51
Admin %			3.40%				3.40%		3.40%				3.40%
Premium Tax			0.00%				0.00%		0.00%				0.00%
Total Premium Rate			\$ 18.87				\$ 19.25		\$ 19.24				\$ 20.20

State

Uninsured/Uninsurable													
	Units Per 1,000	Paid Expenditures / Unit	Paid Expenditures PMPM	Data Adjustment Factors					Capitation Rates				
				Trend To FY 2008	IBNR Completion	Benefit Adjust.	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjust.	Enrollment Impact	FY 2009 PMPM
<b>Ages Over 21</b>													
Member Months	18,780								10,388				9,960
Diagnostic	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
Preventive	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
Restorative	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
Endodontics	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
Oral Surgery	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
Orthodontics	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
Other	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
<b>Total</b>	-	-	-										
Admin %			3.40%				3.40%		3.40%				3.40%
Premium Tax			0.00%				0.00%		0.00%				0.00%
Total Premium Rate			\$ -				\$ -		\$ -				\$ -
<b>Total</b>													
Member Months	418,097								399,850				383,133
Diagnostic	1,187	22.53	2.23	1.0133	1.0066	1.0000	2.27	1.0193	2.32	1.0500	1.0000	0.9996	2.43
Preventive	1,213	30.32	3.06	1.0133	1.0066	1.0000	3.12	1.0212	3.19	1.0500	1.0000	1.0020	3.36
Restorative	685	96.88	5.53	1.0133	1.0066	1.0000	5.64	1.0184	5.74	1.0500	1.0000	0.9978	6.02
Endodontics	54	223.50	1.00	1.0133	1.0066	1.0000	1.02	1.0164	1.04	1.0500	1.0000	0.9954	1.08
Oral Surgery	194	131.52	2.13	1.0133	1.0066	1.0000	2.17	1.0135	2.20	1.0500	1.0000	0.9920	2.30
Orthodontics	174	128.16	1.85	1.0133	1.0066	1.0000	1.89	1.0167	1.92	1.0500	1.0000	0.9962	2.01
Other	169	62.58	0.88	1.0133	1.0066	1.0000	0.90	1.0165	0.91	1.0500	1.0000	0.9954	0.95
<b>Total</b>	3,675	54.49	16.69				17.02		17.33				18.15
Admin %			3.40%				3.40%		3.40%				3.40%
Premium Tax			0.00%				0.00%		0.00%				0.00%
Total Premium Rate			\$ 17.27				\$ 17.62		\$ 17.94				\$ 18.79

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Development of Per Capita Costs:**

State

Disabled													
	Units Per 1,000	Paid Expenditures / Unit	Paid Expenditures PMPM	Data Adjustment Factors					Capitation Rates				
				Trend To FY 2008	IBNR Completion	Benefit Adjust.	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjust.	Enrollment Impact	FY 2009 PMPM
<b>Age Under 14</b>													
Member Months	299,320									302,243			291,577
Diagnostic	973	28.10	2.28	1.0133	1.0066	1.0000	2.32	0.9984	2.32	1.0500	1.0000	0.9990	2.43
Preventive	1,086	29.32	2.65	1.0133	1.0066	1.0000	2.71	0.9983	2.70	1.0500	1.0000	0.9992	2.84
Restorative	494	99.47	4.10	1.0133	1.0066	1.0000	4.18	1.0009	4.18	1.0500	1.0000	1.0003	4.39
Endodontics	69	130.89	0.76	1.0133	1.0066	1.0000	0.77	0.9998	0.77	1.0500	1.0000	0.9997	0.81
Oral Surgery	158	74.26	0.98	1.0133	1.0066	1.0000	1.00	1.0010	1.00	1.0500	1.0000	1.0005	1.05
Orthodontics	47	194.23	0.76	1.0133	1.0066	1.0000	0.78	1.0016	0.78	1.0500	1.0000	1.0003	0.82
Other	115	52.49	0.50	1.0133	1.0066	1.0000	0.51	1.0008	0.51	1.0500	1.0000	1.0009	0.54
Subtotal	2,943	49.05	12.03				12.27		12.27				12.88
Admin %			3.40%				3.40%		3.40%				3.40%
Premium Tax			0.00%				0.00%		0.00%				0.00%
Total Premium Rate			<b>\$ 12.45</b>				<b>\$ 12.70</b>		<b>\$ 12.70</b>				<b>\$ 13.33</b>
<b>Ages 14 - 20 : Female</b>													
Member Months	89,942									90,953			88,114
Diagnostic	1,167	29.99	2.92	1.0133	1.0066	1.0000	2.98	0.9990	2.97	1.0500	1.0000	0.9991	3.12
Preventive	855	33.14	2.36	1.0133	1.0066	1.0000	2.41	0.9992	2.41	1.0500	1.0000	0.9994	2.53
Restorative	950	125.47	9.93	1.0133	1.0066	1.0000	10.13	0.9989	10.12	1.0500	1.0000	0.9990	10.61
Endodontics	79	429.22	2.83	1.0133	1.0066	1.0000	2.89	0.9981	2.89	1.0500	1.0000	0.9985	3.02
Oral Surgery	231	166.58	3.21	1.0133	1.0066	1.0000	3.27	1.0007	3.28	1.0500	1.0000	1.0003	3.44
Orthodontics	222	140.59	2.60	1.0133	1.0066	1.0000	2.65	0.9996	2.65	1.0500	1.0000	0.9990	2.78
Other	180	100.20	1.50	1.0133	1.0066	1.0000	1.53	0.9999	1.53	1.0500	1.0000	0.9999	1.61
Subtotal	3,684	82.57	25.35				25.86		25.84				27.11
Admin %			3.40%				3.40%		3.40%				3.40%
Premium Tax			0.00%				0.00%		0.00%				0.00%
Total Premium Rate			<b>\$ 26.24</b>				<b>\$ 26.77</b>		<b>\$ 26.75</b>				<b>\$ 28.06</b>
<b>Ages 14 - 20 : Male</b>													
Member Months	166,298									168,705			163,419
Diagnostic	932	30.84	2.40	1.0133	1.0066	1.0000	2.44	1.0000	2.44	1.0500	1.0000	0.9998	2.57
Preventive	745	31.84	1.98	1.0133	1.0066	1.0000	2.02	1.0000	2.02	1.0500	1.0000	0.9999	2.12
Restorative	770	117.04	7.51	1.0133	1.0066	1.0000	7.66	1.0007	7.66	1.0500	1.0000	1.0001	8.04
Endodontics	57	418.09	1.98	1.0133	1.0066	1.0000	2.02	0.9992	2.01	1.0500	1.0000	0.9993	2.11
Oral Surgery	183	163.17	2.49	1.0133	1.0066	1.0000	2.54	1.0004	2.54	1.0500	1.0000	0.9992	2.66
Orthodontics	143	156.86	1.86	1.0133	1.0066	1.0000	1.90	1.0029	1.91	1.0500	1.0000	1.0013	2.00
Other	122	102.06	1.04	1.0133	1.0066	1.0000	1.06	1.0003	1.06	1.0500	1.0000	0.9998	1.11
Subtotal	2,951	78.26	19.25				19.63		19.64				20.62
Admin %			3.40%				3.40%		3.40%				3.40%
Premium Tax			0.00%				0.00%		0.00%				0.00%
Total Premium Rate			<b>\$ 19.92</b>				<b>\$ 20.32</b>		<b>\$ 20.33</b>				<b>\$ 21.35</b>

State

Disabled													
				Data Adjustment Factors					Capitation Rates				
	Units Per 1,000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	Benefit Adjust.	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjust.	Enrollment Impact	FY 2009 PMPM
<b>Ages Over 21</b>													
Member Months	1,421,012								1,437,864				1,387,304
Diagnostic	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
Preventive	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
Restorative	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
Endodontics	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
Oral Surgery	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
Orthodontics	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
Other	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
<b>Total</b>	-	-	-										
Admin %			3.40%				3.40%		3.40%				3.40%
Premium Tax			0.00%				0.00%		0.00%				0.00%
Total Premium Rate			\$ -				\$ -		\$ -				\$ -
<b>Total</b>													
Member Months	1,976,572								1,999,765				1,930,414
Diagnostic	279	29.23	0.68	1.0133	1.0066	1.0000	0.69	0.9987	0.69	1.0500	1.0000	1.0007	0.73
Preventive	266	30.47	0.68	1.0133	1.0066	1.0000	0.69	0.9983	0.69	1.0500	1.0000	1.0004	0.72
Restorative	183	111.84	1.70	1.0133	1.0066	1.0000	1.74	1.0005	1.74	1.0500	1.0000	1.0019	1.83
Endodontics	19	260.55	0.41	1.0133	1.0066	1.0000	0.42	0.9994	0.42	1.0500	1.0000	1.0015	0.44
Oral Surgery	50	121.19	0.50	1.0133	1.0066	1.0000	0.51	1.0011	0.51	1.0500	1.0000	1.0022	0.54
Orthodontics	29	160.39	0.39	1.0133	1.0066	1.0000	0.40	1.0019	0.40	1.0500	1.0000	1.0026	0.42
Other	36	77.54	0.23	1.0133	1.0066	1.0000	0.24	1.0006	0.24	1.0500	1.0000	1.0024	0.25
<b>Total</b>	862	63.99	4.59				4.69		4.69				4.93
Admin %			3.40%				3.40%		3.40%				3.40%
Premium Tax			0.00%				0.00%		0.00%				0.00%
Total Premium Rate			\$ 4.76				\$ 4.85		\$ 4.85				\$ 5.10



TennCare  
 FY 2009 Per Capita Cost Development  
 Development of Per Capita Costs:

Exhibit 12

State

Duals/Waiver Duals													
	Units Per 1,000	Paid Expenditures / Unit	Paid Expenditures PMPM	Data Adjustment Factors					Capitation Rates				
				Trend To FY 2008	IBNR Completion	Benefit Adjust.	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjust.	Enrollment Impact	FY 2009 PMPM
<b>Age Under 14</b>													
Member Months	263								230				220
Diagnostic	866	27.35	1.97	1.0133	1.0066	1.0000	2.01	1.0238	2.06	1.0500	1.0000	1.0150	2.20
Preventive	1,325	33.31	3.68	1.0133	1.0066	1.0000	3.75	1.0643	3.99	1.0500	1.0000	1.0207	4.28
Restorative	204	84.25	1.43	1.0133	1.0066	1.0000	1.46	1.0949	1.60	1.0500	1.0000	1.0935	1.83
Endodontics	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
Oral Surgery	51	68.00	0.29	1.0133	1.0066	1.0000	0.29	1.1086	0.33	1.0500	1.0000	0.9585	0.33
Orthodontics	153	100.00	1.27	1.0133	1.0066	1.0000	1.30	0.8095	1.05	1.0500	1.0000	0.9452	1.04
Other	51	30.00	0.13	1.0133	1.0066	1.0000	0.13	1.1086	0.14	1.0500	1.0000	0.9585	0.14
Subtotal	2,650	39.73	8.77				8.95		9.17				9.83
Admin %			3.40%				3.40%		3.40%				3.40%
Premium Tax			0.00%				0.00%		0.00%				0.00%
Total Premium Rate			\$ 9.08				\$ 9.26		\$ 9.50				\$ 10.17
<b>Ages 14 - 20 : Female</b>													
Member Months	825								862				852
Diagnostic	2,359	29.79	5.86	1.0133	1.0066	1.0000	5.97	1.0062	6.01	1.0500	1.0000	1.0001	6.31
Preventive	1,659	33.43	4.62	1.0133	1.0066	1.0000	4.71	1.0081	4.75	1.0500	1.0000	1.0007	4.99
Restorative	1,822	120.13	18.24	1.0133	1.0066	1.0000	18.60	1.0081	18.76	1.0500	1.0000	1.0118	19.93
Endodontics	179	491.36	7.33	1.0133	1.0066	1.0000	7.47	0.9965	7.45	1.0500	1.0000	1.0009	7.83
Oral Surgery	439	180.78	6.62	1.0133	1.0066	1.0000	6.75	1.0284	6.94	1.0500	1.0000	1.0310	7.51
Orthodontics	358	97.73	2.91	1.0133	1.0066	1.0000	2.97	0.9494	2.82	1.0500	1.0000	0.9508	2.82
Other	423	133.46	4.70	1.0133	1.0066	1.0000	4.80	1.0530	5.05	1.0500	1.0000	1.0254	5.44
Subtotal	7,239	83.35	50.28				51.29		51.78				54.83
Admin %			3.40%				3.40%		3.40%				3.40%
Premium Tax			0.00%				0.00%		0.00%				0.00%
Total Premium Rate			\$ 52.05				\$ 53.09		\$ 53.60				\$ 56.76
<b>Ages 14 - 20 : Male</b>													
Member Months	1,182								1,102				1,064
Diagnostic	1,396	30.20	3.51	1.0133	1.0066	1.0000	3.58	1.0255	3.68	1.0500	1.0000	1.0360	4.00
Preventive	874	34.25	2.49	1.0133	1.0066	1.0000	2.54	1.0193	2.59	1.0500	1.0000	1.0314	2.81
Restorative	1,532	156.35	19.96	1.0133	1.0066	1.0000	20.36	1.0251	20.87	1.0500	1.0000	1.0199	22.36
Endodontics	193	399.18	6.42	1.0133	1.0066	1.0000	6.55	1.0431	6.83	1.0500	1.0000	1.0427	7.48
Oral Surgery	760	163.74	10.38	1.0133	1.0066	1.0000	10.58	0.9903	10.48	1.0500	1.0000	1.0065	11.08
Orthodontics	216	100.00	1.80	1.0133	1.0066	1.0000	1.83	0.9908	1.82	1.0500	1.0000	0.9982	1.90
Other	284	186.32	4.41	1.0133	1.0066	1.0000	4.49	0.9826	4.42	1.0500	1.0000	0.9975	4.62
Subtotal	5,255	111.82	48.97				49.95		50.69				54.24
Admin %			3.40%				3.40%		3.40%				3.40%
Premium Tax			0.00%				0.00%		0.00%				0.00%
Total Premium Rate			\$ 50.70				\$ 51.71		\$ 52.47				\$ 56.15

State

Duals/Waiver Duals													
				Data Adjustment Factors					Capitation Rates				
	Units Per 1,000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To FY 2008	IBNR Completion	Benefit Adjust.	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Benefit Adjust.	Enrollment Impact	FY 2009 PMPM
<b>Ages Over 21</b>													
Member Months	2,324,249								2,363,586				2,294,891
Diagnostic	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
Preventive	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
Restorative	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
Endodontics	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
Oral Surgery	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
Orthodontics	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
Other	-	-	-	1.0133	1.0066	1.0000	-	1.0000	-	1.0500	1.0000	1.0000	-
<b>Total</b>	-	-	-										
Admin %			3.40%				3.40%		3.40%				3.40%
Premium Tax			0.00%				0.00%		0.00%				0.00%
Total Premium Rate			\$ -				\$ -		\$ -				\$ -
<b>Total</b>													
Member Months	2,326,519								2,365,780				2,297,028
Diagnostic	2	29.82	0.00	1.0133	1.0066	1.0000	0.00	0.9844	0.00	1.0500	1.0000	1.0226	0.00
Preventive	1	33.72	0.00	1.0133	1.0066	1.0000	0.00	0.9818	0.00	1.0500	1.0000	1.0202	0.00
Restorative	1	139.04	0.02	1.0133	1.0066	1.0000	0.02	0.9768	0.02	1.0500	1.0000	1.0215	0.02
Endodontics	0	435.39	0.01	1.0133	1.0066	1.0000	0.01	0.9862	0.01	1.0500	1.0000	1.0288	0.01
Oral Surgery	1	167.57	0.01	1.0133	1.0066	1.0000	0.01	0.9536	0.01	1.0500	1.0000	1.0173	0.01
Orthodontics	0	98.86	0.00	1.0133	1.0066	1.0000	0.00	0.9269	0.00	1.0500	1.0000	0.9769	0.00
Other	0	156.88	0.00	1.0133	1.0066	1.0000	0.00	0.9780	0.00	1.0500	1.0000	1.0164	0.00
<b>Total</b>	6	94.72	0.04				0.04		0.04				0.05
Admin %			3.40%				3.40%		3.40%				3.40%
Premium Tax			0.00%				0.00%		0.00%				0.00%
Total Premium Rate			\$ 0.05				\$ 0.05		\$ 0.04				\$ 0.05

**TennCare**  
**FY 2009 Per Capita Cost Development**  
**Development of Per Capita Costs:**

**Exhibit 13**

State

<b>Total Dental Experience</b>						
Service Category	11/2006 through 10/2007 Incurred		Fiscal Year 2008		Fiscal Year 2009	
	PMPM	Total	PMPM	Total	PMPM	Total
<b>Total</b>						
Member Months		14,408,504		14,661,427		14,243,381
Diagnostic	\$ 1.42	\$ 20,449,449	\$ 1.44	\$ 21,146,372	\$ 1.51	\$ 21,540,354
Preventive	\$ 1.50	\$ 21,564,571	\$ 1.52	\$ 22,296,559	\$ 1.59	\$ 22,709,840
Restorative	\$ 3.48	\$ 50,144,490	\$ 3.54	\$ 51,836,957	\$ 3.71	\$ 52,823,405
Endodontics	\$ 0.81	\$ 11,705,606	\$ 0.83	\$ 12,096,655	\$ 0.87	\$ 12,324,206
Oral Surgery	\$ 0.90	\$ 12,930,716	\$ 0.91	\$ 13,331,422	\$ 0.95	\$ 13,574,374
Orthodontics	\$ 0.63	\$ 9,055,192	\$ 0.64	\$ 9,338,285	\$ 0.67	\$ 9,514,664
Other	\$ 0.44	\$ 6,353,755	\$ 0.45	\$ 6,560,873	\$ 0.47	\$ 6,686,654
<b>Total</b>	\$ 9.18	\$ 132,203,778	\$ 9.32	\$ 136,607,121	\$ 9.77	\$ 139,173,498
Admin	\$ 0.32	\$ 4,653,135	\$ 0.33	\$ 4,808,118	\$ 0.34	\$ 4,898,446
Premium Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Premium Rate</b>	\$ 9.50	\$ 136,856,913	\$ 9.65	\$ 141,415,239	\$ 10.12	\$ 144,071,944

State

Total Dental Experience										
Aid Category	Age Group	11/2006 through 10/2007 Incurred			Fiscal Year 2008			Fiscal Year 2009		
		Members	PMPM	Total	Projected	PMPM	Total	Projected	PMPM	Total
Medicaid (TANF and Related)	Age Under 14	5,137,967	\$ 13.07	\$ 67,165,958	5,233,654	\$ 13.33	\$ 69,790,116	5,083,857	\$ 14.00	\$ 71,176,923
	Ages 14 - 20 : Female	994,778	\$ 32.17	\$ 31,997,354	1,004,721	\$ 32.81	\$ 32,962,419	974,678	\$ 34.47	\$ 33,594,959
	Ages 14 - 20 : Male	822,526	\$ 25.49	\$ 20,964,740	833,906	\$ 26.00	\$ 21,683,072	810,357	\$ 27.32	\$ 22,142,184
	Ages Over 21	2,732,045	\$ -	\$ -	2,823,751	\$ -	\$ -	2,763,915	\$ -	\$ -
	Total	9,687,316	\$ 12.40	\$ 120,128,051	9,896,033	\$ 12.57	\$ 124,435,607	9,632,807	\$ 13.18	\$ 126,914,066
Uninsured/Uninsurable	Age Under 14	223,129	\$ 15.41	\$ 3,437,803	219,315	\$ 15.71	\$ 3,445,544	212,544	\$ 16.49	\$ 3,505,117
	Ages 14 - 20 : Female	84,442	\$ 24.31	\$ 2,052,644	81,530	\$ 24.79	\$ 2,021,345	77,066	\$ 26.03	\$ 2,005,656
	Ages 14 - 20 : Male	91,747	\$ 18.87	\$ 1,731,711	88,617	\$ 19.24	\$ 1,704,839	83,562	\$ 20.20	\$ 1,687,636
	Ages Over 21	18,780	\$ -	\$ -	10,388	\$ -	\$ -	9,960	\$ -	\$ -
	Total	418,097	\$ 17.27	\$ 7,222,159	399,850	\$ 17.94	\$ 7,171,728	383,133	\$ 18.79	\$ 7,198,409
Disabled	Age Under 14	299,320	\$ 12.45	\$ 3,727,745	302,243	\$ 12.70	\$ 3,838,818	291,577	\$ 13.33	\$ 3,887,746
	Ages 14 - 20 : Female	89,942	\$ 26.24	\$ 2,360,408	90,953	\$ 26.75	\$ 2,432,695	88,114	\$ 28.06	\$ 2,472,693
	Ages 14 - 20 : Male	166,298	\$ 19.92	\$ 3,313,278	168,705	\$ 20.33	\$ 3,430,171	163,419	\$ 21.35	\$ 3,488,653
	Ages Over 21	1,421,012	\$ -	\$ -	1,437,864	\$ -	\$ -	1,387,304	\$ -	\$ -
	Total	1,976,572	\$ 4.76	\$ 9,401,432	1,999,765	\$ 4.85	\$ 9,701,684	1,930,414	\$ 5.10	\$ 9,849,091
Duals/Waiver Duals	Age Under 14	263	\$ 9.08	\$ 2,392	230	\$ 9.50	\$ 2,182	220	\$ 10.17	\$ 2,243
	Ages 14 - 20 : Female	825	\$ 52.05	\$ 42,941	862	\$ 53.60	\$ 46,213	852	\$ 56.76	\$ 48,386
	Ages 14 - 20 : Male	1,182	\$ 50.70	\$ 59,939	1,102	\$ 52.47	\$ 57,825	1,064	\$ 56.15	\$ 59,747
	Ages Over 21	2,324,249	\$ -	\$ -	2,363,586	\$ -	\$ -	2,294,891	\$ -	\$ -
	Total	2,326,519	\$ 0.05	\$ 105,272	2,365,780	\$ 0.04	\$ 106,220	2,297,028	\$ 0.05	\$ 110,376
All Groups	All Ages	14,408,504	\$ 9.50	\$ 136,856,913	14,661,427	\$ 9.65	\$ 141,415,239	14,243,381	\$ 10.12	\$ 144,071,944

East

Total Dental Experience										
Aid Category	Age Group	11/2006 through 10/2007 Incurred			Fiscal Year 2008			Fiscal Year 2009		
		Members	PMPM	Total	Projected	PMPM	Total	Projected	PMPM	Total
Medicaid (TANF and Related)	Age Under 14	1,714,755	\$ 13.66	\$ 23,431,105	1,751,154	\$ 13.94	\$ 24,406,494	1,690,593	\$ 14.63	\$ 24,740,548
	Ages 14 - 20 : Female	340,240	\$ 33.54	\$ 11,410,235	343,701	\$ 34.21	\$ 11,756,546	331,548	\$ 35.92	\$ 11,907,876
	Ages 14 - 20 : Male	286,624	\$ 27.08	\$ 7,760,385	290,378	\$ 27.62	\$ 8,019,090	280,554	\$ 29.00	\$ 8,135,172
	Ages Over 21	938,466	\$ -	\$ -	972,311	\$ -	\$ -	945,575	\$ -	\$ -
	Total	3,280,085	\$ 12.99	\$ 42,601,725	3,357,544	\$ 13.16	\$ 44,182,130	3,248,270	\$ 13.79	\$ 44,783,596
Uninsured/Uninsurable	Age Under 14	87,236	\$ 16.17	\$ 1,410,385	84,893	\$ 16.49	\$ 1,399,925	81,483	\$ 17.31	\$ 1,410,874
	Ages 14 - 20 : Female	35,047	\$ 25.50	\$ 893,688	33,786	\$ 26.01	\$ 878,733	31,662	\$ 27.31	\$ 864,671
	Ages 14 - 20 : Male	39,485	\$ 20.66	\$ 815,597	37,875	\$ 21.07	\$ 797,965	35,483	\$ 22.12	\$ 784,942
	Ages Over 21	7,811	\$ -	\$ -	4,446	\$ -	\$ -	4,233	\$ -	\$ -
	Total	169,579	\$ 18.40	\$ 3,119,670	160,999	\$ 19.11	\$ 3,076,622	152,860	\$ 20.02	\$ 3,060,487
Disabled	Age Under 14	89,406	\$ 12.98	\$ 1,160,890	90,429	\$ 13.24	\$ 1,197,628	86,836	\$ 13.91	\$ 1,207,549
	Ages 14 - 20 : Female	26,066	\$ 29.40	\$ 766,263	26,132	\$ 29.98	\$ 783,543	25,058	\$ 31.48	\$ 788,912
	Ages 14 - 20 : Male	47,876	\$ 23.75	\$ 1,137,148	48,387	\$ 24.23	\$ 1,172,238	46,509	\$ 25.44	\$ 1,183,071
	Ages Over 21	581,518	\$ -	\$ -	585,685	\$ -	\$ -	560,814	\$ -	\$ -
	Total	744,866	\$ 4.11	\$ 3,064,301	750,633	\$ 4.20	\$ 3,153,409	719,217	\$ 4.42	\$ 3,179,532
Duals/Waiver Duals	Age Under 14	81	\$ 13.27	\$ 1,070	77	\$ 13.54	\$ 1,042	81	\$ 14.21	\$ 1,148
	Ages 14 - 20 : Female	243	\$ 61.52	\$ 14,959	275	\$ 62.75	\$ 17,280	277	\$ 65.89	\$ 18,250
	Ages 14 - 20 : Male	322	\$ 71.96	\$ 23,208	321	\$ 73.40	\$ 23,595	346	\$ 77.07	\$ 26,686
	Ages Over 21	967,025	\$ -	\$ -	983,509	\$ -	\$ -	948,673	\$ -	\$ -
	Total	967,672	\$ 0.04	\$ 39,236	984,183	\$ 0.04	\$ 41,917	949,377	\$ 0.05	\$ 46,084
<b>All Groups</b>	All Ages	5,162,202	\$ 9.46	\$ 48,824,933	5,253,359	\$ 9.60	\$ 50,454,078	5,069,724	\$ 10.07	\$ 51,069,700

Middle

Total Dental Experience										
Aid Category	Age Group	11/2006 through 10/2007 Incurred			Fiscal Year 2008			Fiscal Year 2009		
		Members	PMPM	Total	Projected	PMPM	Total	Projected	PMPM	Total
Medicaid (TANF and Related)	Age Under 14	1,756,236	\$ 12.87	\$ 22,610,851	1,798,643	\$ 13.13	\$ 23,619,429	1,773,914	\$ 13.79	\$ 24,459,418
	Ages 14 - 20 : Female	314,993	\$ 34.81	\$ 10,965,766	318,039	\$ 35.51	\$ 11,292,987	312,822	\$ 37.28	\$ 11,663,140
	Ages 14 - 20 : Male	260,322	\$ 27.94	\$ 7,273,161	264,667	\$ 28.50	\$ 7,542,288	261,204	\$ 29.92	\$ 7,815,785
	Ages Over 21	920,534	\$ -	\$ -	955,452	\$ -	\$ -	948,728	\$ -	\$ -
	Total	3,252,084	\$ 12.56	\$ 40,849,778	3,336,801	\$ 12.72	\$ 42,454,704	3,296,668	\$ 13.33	\$ 43,938,343
Uninsured/Uninsurable	Age Under 14	82,426	\$ 14.94	\$ 1,231,140	83,241	\$ 15.23	\$ 1,268,153	82,111	\$ 16.00	\$ 1,313,485
	Ages 14 - 20 : Female	27,359	\$ 23.52	\$ 643,524	26,401	\$ 23.99	\$ 633,399	25,408	\$ 25.19	\$ 640,070
	Ages 14 - 20 : Male	29,278	\$ 18.47	\$ 540,697	28,259	\$ 18.84	\$ 532,313	26,965	\$ 19.78	\$ 533,331
	Ages Over 21	6,518	\$ -	\$ -	3,593	\$ -	\$ -	3,534	\$ -	\$ -
	Total	145,580	\$ 16.59	\$ 2,415,362	141,494	\$ 17.20	\$ 2,433,865	138,018	\$ 18.02	\$ 2,486,886
Disabled	Age Under 14	94,783	\$ 12.07	\$ 1,143,623	97,772	\$ 12.31	\$ 1,203,255	95,889	\$ 12.92	\$ 1,239,079
	Ages 14 - 20 : Female	27,306	\$ 23.98	\$ 654,765	28,219	\$ 24.46	\$ 690,173	27,827	\$ 25.68	\$ 714,602
	Ages 14 - 20 : Male	49,759	\$ 19.91	\$ 990,541	51,591	\$ 20.30	\$ 1,047,530	50,802	\$ 21.32	\$ 1,083,081
	Ages Over 21	405,023	\$ -	\$ -	412,628	\$ -	\$ -	404,638	\$ -	\$ -
	Total	576,872	\$ 4.83	\$ 2,788,929	590,211	\$ 4.98	\$ 2,940,958	579,156	\$ 5.24	\$ 3,036,762
Duals/Waiver Duals	Age Under 14	92	\$ 6.71	\$ 617	65	\$ 6.85	\$ 445	59	\$ 7.19	\$ 423
	Ages 14 - 20 : Female	240	\$ 53.58	\$ 12,854	258	\$ 54.65	\$ 14,089	287	\$ 57.38	\$ 16,458
	Ages 14 - 20 : Male	499	\$ 37.23	\$ 18,569	437	\$ 37.97	\$ 16,576	400	\$ 39.87	\$ 15,966
	Ages Over 21	728,497	\$ -	\$ -	743,768	\$ -	\$ -	732,974	\$ -	\$ -
	Total	729,328	\$ 0.04	\$ 32,041	744,527	\$ 0.04	\$ 31,110	733,720	\$ 0.04	\$ 32,848
All Groups	All Ages	4,703,864	\$ 9.80	\$ 46,086,109	4,813,034	\$ 9.94	\$ 47,860,637	4,747,561	\$ 10.43	\$ 49,494,838

West

Total Dental Experience										
Aid Category	Age Group	11/2006 through 10/2007 Incurred			Fiscal Year 2008			Fiscal Year 2009		
		Members	PMPM	Total	Projected	PMPM	Total	Projected	PMPM	Total
Medicaid (TANF and Related)	Age Under 14	1,666,975	\$ 12.67	\$ 21,124,001	1,683,857	\$ 12.93	\$ 21,764,192	1,619,350	\$ 13.57	\$ 21,976,957
	Ages 14 - 20 : Female	339,545	\$ 28.34	\$ 9,621,352	342,982	\$ 28.90	\$ 9,912,886	330,309	\$ 30.35	\$ 10,023,944
	Ages 14 - 20 : Male	275,581	\$ 21.52	\$ 5,931,195	278,861	\$ 21.95	\$ 6,121,694	268,599	\$ 23.05	\$ 6,191,227
	Ages Over 21	873,046	\$ -	\$ -	895,988	\$ -	\$ -	869,612	\$ -	\$ -
	Total	3,155,146	\$ 11.62	\$ 36,676,548	3,201,688	\$ 11.81	\$ 37,798,772	3,087,869	\$ 12.37	\$ 38,192,128
Uninsured/Uninsurable	Age Under 14	53,467	\$ 14.89	\$ 796,278	51,181	\$ 15.19	\$ 777,467	48,950	\$ 15.95	\$ 780,759
	Ages 14 - 20 : Female	22,036	\$ 23.39	\$ 515,432	21,344	\$ 23.86	\$ 509,214	19,996	\$ 25.05	\$ 500,915
	Ages 14 - 20 : Male	22,984	\$ 16.33	\$ 375,417	22,483	\$ 16.66	\$ 374,561	21,115	\$ 17.49	\$ 369,362
	Ages Over 21	4,450	\$ -	\$ -	2,349	\$ -	\$ -	2,194	\$ -	\$ -
	Total	102,937	\$ 16.39	\$ 1,687,127	97,357	\$ 17.06	\$ 1,661,241	92,255	\$ 17.90	\$ 1,651,036
Disabled	Age Under 14	115,131	\$ 12.36	\$ 1,423,232	114,042	\$ 12.61	\$ 1,437,935	108,852	\$ 13.24	\$ 1,441,118
	Ages 14 - 20 : Female	36,570	\$ 25.69	\$ 939,379	36,601	\$ 26.20	\$ 958,979	35,229	\$ 27.51	\$ 969,179
	Ages 14 - 20 : Male	68,662	\$ 17.27	\$ 1,185,590	68,726	\$ 17.61	\$ 1,210,403	66,108	\$ 18.49	\$ 1,222,500
	Ages Over 21	434,471	\$ -	\$ -	439,550	\$ -	\$ -	421,852	\$ -	\$ -
	Total	654,834	\$ 5.42	\$ 3,548,201	658,920	\$ 5.47	\$ 3,607,318	632,041	\$ 5.75	\$ 3,632,798
Duals/Waiver Duals	Age Under 14	91	\$ 7.76	\$ 705	88	\$ 7.92	\$ 696	81	\$ 8.31	\$ 672
	Ages 14 - 20 : Female	342	\$ 44.25	\$ 15,127	329	\$ 45.13	\$ 14,844	289	\$ 47.39	\$ 13,677
	Ages 14 - 20 : Male	361	\$ 50.31	\$ 18,162	344	\$ 51.31	\$ 17,654	317	\$ 53.88	\$ 17,095
	Ages Over 21	628,726	\$ -	\$ -	636,309	\$ -	\$ -	613,244	\$ -	\$ -
	Total	629,520	\$ 0.05	\$ 33,995	637,070	\$ 0.05	\$ 33,194	613,930	\$ 0.05	\$ 31,444
All Groups	All Ages	4,542,437	\$ 9.23	\$ 41,945,871	4,595,035	\$ 9.38	\$ 43,100,525	4,426,096	\$ 9.83	\$ 43,507,406





State

Total BHO Experience								
Aid Category	Age Group	Fiscal Year 2008			Fiscal Year 2009			
		Projected	PMPM	Total	Projected	PMPM	Total	
BHO Priority	Ages 0 - 13	138,225	\$ 197.11	\$ 27,245,317	78,368	\$ 217.25	\$ 17,025,854	
	Ages 14 - 18	115,683	\$ 260.42	\$ 30,126,163	75,572	\$ 267.08	\$ 20,183,671	
	Ages 19 - 20	23,527	\$ 199.25	\$ 4,687,819	14,327	\$ 239.64	\$ 3,433,291	
	Age 21+	521,275	\$ 224.50	\$ 117,028,623	230,077	\$ 230.12	\$ 52,944,943	
	Total	798,710	\$ 224.22	\$ 179,087,923	398,344	\$ 234.94	\$ 93,587,758	
BHO Non-Priority	Ages 0 - 13	3,763,943	\$ 3.96	\$ 14,899,162	1,681,754	\$ 5.50	\$ 9,243,011	
	Ages 14 - 18	1,135,391	\$ 20.47	\$ 23,246,444	544,337	\$ 27.16	\$ 14,782,647	
	Ages 19 - 20	377,183	\$ 5.49	\$ 2,069,709	184,760	\$ 7.43	\$ 1,373,401	
	Age 21+	4,146,929	\$ 5.64	\$ 23,404,506	1,851,284	\$ 6.20	\$ 11,485,196	
	Total	9,423,447	\$ 6.75	\$ 63,619,820	4,262,135	\$ 8.65	\$ 36,884,255	
State Only & Judicials	Ages 0 - 13	48	\$ 747.72	\$ 35,644	22	\$ 923.61	\$ 20,248	
	Ages 14 - 18	244	\$ 1,351.01	\$ 329,713	76	\$ 1,380.64	\$ 105,413	
	Ages 19 - 20	1,150	\$ 483.37	\$ 555,874	413	\$ 503.38	\$ 207,874	
	Age 21+	55,566	\$ 441.66	\$ 24,541,441	21,594	\$ 454.42	\$ 9,812,846	
	Total	57,008	\$ 446.65	\$ 25,462,673	22,105	\$ 459.00	\$ 10,146,381	
All Groups	All Ages	10,279,165	\$ 26.09	\$ 268,170,416	4,682,584	\$ 30.03	\$ 140,618,394	



BHO Priority All Ages														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	386,013										413,498			197,744
Inpatient - FFS	12,598,307	30,461	947	413.59	32.64	1.000	1.029	1.000	33.59	1.015	34.09	1.037	1.002	35.42
Inpatient - RMHI	8,850,901	25,725	800	344.06	22.93	1.000	1.029	1.000	23.60	0.977	23.06	1.037	0.997	23.85
Outpatient	1,761,212	32,911	1,023	53.51	4.56	1.000	1.026	1.000	4.68	1.002	4.69	1.067	1.000	5.00
CMHC	30,381,154	154,061	4,789	197.20	78.70	1.000	1.103	1.000	86.80	1.002	86.99	1.022	1.000	88.97
Grant Payments	5,268,753	-	-	-	13.65	1.000	1.000	1.000	13.65	1.000	13.64	1.000	1.000	13.64
In-Home Services	1,702,517	4,248	132	400.78	4.41	1.000	1.061	1.000	4.68	1.064	4.98	1.052	1.008	5.28
Supported Housing	3,600,221	45,442	1,413	79.23	9.33	1.000	1.045	1.000	9.74	0.977	9.52	1.052	0.997	9.98
23 Hour	254	1	0	254.14	0.00	1.000	1.026	1.000	0.00	0.977	0.00	1.052	0.997	0.00
IOP	726,950	11,445	356	63.52	1.88	1.000	1.027	1.000	1.93	1.007	1.95	1.052	1.001	2.05
Partial Hospitalization	19,887	149	5	133.47	0.05	1.000	1.032	1.000	0.05	0.984	0.05	1.052	0.997	0.05
Transportation - FFS	2,192,655	65,131	2,025	33.67	5.68	1.000	1.036	1.000	5.88	0.986	5.80	1.052	0.998	6.10
Transportation - CSA Cap	32,202	-	-	-	0.08	1.000	1.000	1.000	0.08	0.997	0.08	1.052	1.000	0.09
<b>Total</b>	<b>\$ 67,135,014</b>	<b>369,574</b>	<b>11,489</b>	<b>181.66</b>	<b>\$ 173.92</b>				<b>\$ 184.69</b>		<b>\$ 184.85</b>			<b>\$ 190.43</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 197.64</b>				<b>\$ 209.88</b>		<b>\$ 210.06</b>			<b>\$ 216.40</b>

BHO Priority Age 0 - 13														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	47,150										56,716			27,538
Inpatient - FFS	1,795,138	3,858	982	465.30	38.07	1.000	1.029	1.000	39.18	1.000	39.18	1.037	1.000	40.64
Inpatient - RMHI	2,280	6	2	380.00	0.05	1.000	1.029	1.000	0.05	1.000	0.05	1.037	1.000	0.05
Outpatient	220,045	4,648	1,183	47.34	4.67	1.000	1.026	1.000	4.79	1.000	4.79	1.067	1.000	5.11
CMHC	4,247,701	19,176	4,880	221.51	90.09	1.000	1.103	1.000	99.36	1.000	99.36	1.022	1.000	101.59
Grant Payments	563,875	-	-	-	11.96	1.000	1.000	1.000	11.96	1.000	11.96	1.000	1.000	11.96
In-Home Services	612,782	1,480	377	414.04	13.00	1.000	1.061	1.000	13.78	1.000	13.78	1.052	1.000	14.50
Supported Housing	-	-	-	-	-	1.000	1.045	1.000	-	1.000	-	1.052	1.000	-
23 Hour	-	-	-	-	-	1.000	1.026	1.000	-	1.000	-	1.052	1.000	-
IOP	47,050	636	162	73.98	1.00	1.000	1.027	1.000	1.02	1.000	1.02	1.052	1.000	1.08
Partial Hospitalization	-	-	-	-	-	1.000	1.032	1.000	-	1.000	-	1.052	1.000	-
Transportation - FFS	78,114	2,212	563	35.31	1.66	1.000	1.036	1.000	1.72	1.000	1.72	1.052	1.000	1.81
Transportation - CSA Cap	3,459	-	-	-	0.07	1.000	1.000	1.000	0.07	1.000	0.07	1.052	1.000	0.08
<b>Total</b>	<b>\$ 7,570,444</b>	<b>32,016</b>	<b>8,148</b>	<b>236.46</b>	<b>\$ 160.56</b>				<b>\$ 171.93</b>		<b>\$ 171.93</b>			<b>\$ 176.81</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 182.46</b>				<b>\$ 195.38</b>		<b>\$ 195.38</b>			<b>\$ 200.92</b>

BHO Priority Age 14 - 18														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	35,475										39,157			18,787
Inpatient - FFS	3,930,182	12,209	4,130	321.91	110.79	1.000	1.029	1.000	114.01	1.000	114.01	1.037	1.000	118.26
Inpatient - RMHI	55,860	147	50	380.00	1.57	1.000	1.029	1.000	1.62	1.000	1.62	1.037	1.000	1.68
Outpatient	210,224	4,203	1,422	50.02	5.93	1.000	1.026	1.000	6.08	1.000	6.08	1.067	1.000	6.48
CMHC	2,625,091	13,066	4,420	200.91	74.00	1.000	1.103	1.000	81.61	1.000	81.61	1.022	1.000	83.44
Grant Payments	672,688	-	-	-	18.96	1.000	1.000	1.000	18.96	1.000	18.96	1.000	1.000	18.96
In-Home Services	1,089,735	2,768	936	393.69	30.72	1.000	1.061	1.000	32.58	1.000	32.58	1.052	1.000	34.28
Supported Housing	1,105	4	1	276.24	0.03	1.000	1.045	1.000	0.03	1.000	0.03	1.052	1.000	0.03
23 Hour	-	-	-	-	-	1.000	1.026	1.000	-	1.000	-	1.052	1.000	-
IOP	270,301	4,225	1,429	63.98	7.62	1.000	1.027	1.000	7.83	1.000	7.83	1.052	1.000	8.23
Partial Hospitalization	800	4	1	200.00	0.02	1.000	1.032	1.000	0.02	1.000	0.02	1.052	1.000	0.02
Transportation - FFS	171,222	3,996	1,352	42.85	4.83	1.000	1.036	1.000	5.00	1.000	5.00	1.052	1.000	5.26
Transportation - CSA Cap	2,603	-	-	-	0.07	1.000	1.000	1.000	0.07	1.000	0.07	1.052	1.000	0.08
<b>Total</b>	<b>\$ 9,029,811</b>	<b>40,622</b>	<b>13,741</b>	<b>222.29</b>	<b>\$ 254.54</b>				<b>\$ 267.82</b>		<b>\$ 267.82</b>			<b>\$ 276.73</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 289.25</b>				<b>\$ 304.34</b>		<b>\$ 304.34</b>			<b>\$ 314.47</b>

BHO Priority Age 19 - 20														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	8,698										9,274			4,416
Inpatient - FFS	367,108	690	952	532.04	42.20	1.000	1.029	1.000	43.43	1.000	43.43	1.037	1.000	45.05
Inpatient - RMHI	67,820	179	247	378.88	7.80	1.000	1.029	1.000	8.02	1.000	8.02	1.037	1.000	8.32
Outpatient	68,673	889	1,226	77.25	7.89	1.000	1.026	1.000	8.10	1.000	8.10	1.067	1.000	8.64
CMHC	414,621	2,150	2,966	192.85	47.67	1.000	1.103	1.000	52.57	1.000	52.57	1.022	1.000	53.75
Grant Payments	87,065	-	-	-	10.01	1.000	1.000	1.000	10.01	1.000	10.01	1.000	1.000	10.01
In-Home Services	-	-	-	-	-	1.000	1.061	1.000	-	1.000	-	1.052	1.000	-
Supported Housing	34,001	496	684	68.55	3.91	1.000	1.045	1.000	4.08	1.000	4.08	1.052	1.000	4.30
23 Hour	-	-	-	-	-	1.000	1.026	1.000	-	1.000	-	1.052	1.000	-
IOP	22,528	330	455	68.27	2.59	1.000	1.027	1.000	2.66	1.000	2.66	1.052	1.000	2.80
Partial Hospitalization	5,121	51	70	100.41	0.59	1.000	1.032	1.000	0.61	1.000	0.61	1.052	1.000	0.64
Transportation - FFS	23,666	554	764	42.72	2.72	1.000	1.036	1.000	2.82	1.000	2.82	1.052	1.000	2.97
Transportation - CSA Cap	749	-	-	-	0.09	1.000	1.000	1.000	0.09	1.000	0.09	1.052	1.000	0.09
<b>Total</b>	<b>\$ 1,091,351</b>	<b>5,339</b>	<b>7,365</b>	<b>204.41</b>	<b>\$ 125.47</b>				<b>\$ 132.39</b>		<b>\$ 132.39</b>			<b>\$ 136.56</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 142.57</b>				<b>\$ 150.44</b>		<b>\$ 150.44</b>			<b>\$ 155.18</b>

East

For Priority and Non-Priority members (not TCS High), as of 1/1/2009, BHO is included in MCO cap rates.  
 FY09 includes 6 months FFS projection and 6 months \$0 PMPM

BHO Priority Age 21+														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	294,690										308,351			147,002
Inpatient - FFS	6,505,878	13,704	558	474.74	22.08	1.000	1.029	1.000	22.72	1.000	22.72	1.037	1.000	23.57
Inpatient - RMHI	8,724,941	25,393	1,034	343.60	29.61	1.000	1.029	1.000	30.47	1.000	30.47	1.037	1.000	31.60
Outpatient	1,262,270	23,171	944	54.48	4.28	1.000	1.026	1.000	4.39	1.000	4.39	1.067	1.000	4.69
CMHC	23,093,742	119,669	4,873	192.98	78.37	1.000	1.103	1.000	86.43	1.000	86.43	1.022	1.000	88.37
Grant Payments	3,945,125		-	-	13.39	1.000	1.000	1.000	13.39	1.000	13.39	1.000	1.000	13.39
In-Home Services			-	-	-	1.000	1.061	1.000	-	1.000	-	1.052	1.000	-
Supported Housing	3,565,116	44,942	1,830	79.33	12.10	1.000	1.045	1.000	12.64	1.000	12.64	1.052	1.000	13.30
23 Hour	254	1	0	254.14	0.00	1.000	1.026	1.000	0.00	1.000	0.00	1.052	1.000	0.00
IOP	387,072	6,254	255	61.89	1.31	1.000	1.027	1.000	1.35	1.000	1.35	1.052	1.000	1.42
Partial Hospitalization	13,966	94	4	148.57	0.05	1.000	1.032	1.000	0.05	1.000	0.05	1.052	1.000	0.05
Transportation - FFS	1,919,653	58,369	2,377	32.89	6.51	1.000	1.036	1.000	6.75	1.000	6.75	1.052	1.000	7.10
Transportation - CSA Cap	25,391		-	-	0.09	1.000	1.000	1.000	0.09	1.000	0.09	1.052	1.000	0.09
<b>Total</b>	<b>\$ 49,443,408</b>	<b>291,597</b>	<b>11,874</b>	<b>169.56</b>	<b>\$ 167.78</b>				<b>\$ 178.27</b>		<b>\$ 178.27</b>			<b>\$ 183.57</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 190.66</b>				<b>\$ 202.58</b>		<b>\$ 202.58</b>			<b>\$ 208.60</b>

Development of Per Capita Costs:

East

BHO Non-Priority All Ages														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	4,550,467										4,605,135			2,218,675
Inpatient - FFS	11,037,543	28,918	76	381.68	2.43	1.000	1.029	1.000	2.50	0.991	2.47	1.037	0.998	2.56
Inpatient - RMHI	-	-	-	-	-	1.000	1.029	1.000	-	1.000	-	1.037	1.000	-
Outpatient	3,208,137	55,218	146	58.10	0.71	1.000	1.026	1.000	0.72	1.000	0.72	1.067	1.000	0.77
CMHC	10,400,608	33,976	90	306.12	2.29	1.000	1.103	1.000	2.52	0.998	2.52	1.022	1.000	2.57
Grant Payments	2,294,048	-	-	-	0.50	1.000	1.000	1.000	0.50	0.995	0.50	1.000	0.999	0.50
In-Home Services	1,085,153	1,733	5	626.17	0.24	1.000	1.061	1.000	0.25	0.989	0.25	1.052	0.997	0.26
Supported Housing	142,111	1,452	4	97.87	0.03	1.000	1.045	1.000	0.03	1.000	0.03	1.052	1.001	0.03
23 Hour	574	3	0	191.43	0.00	1.000	1.026	1.000	0.00	1.004	0.00	1.052	1.002	0.00
IOP	993,273	15,729	41	63.15	0.22	1.000	1.027	1.000	0.22	0.993	0.22	1.052	0.999	0.23
Partial Hospitalization	43,461	243	1	178.85	0.01	1.000	1.032	1.000	0.01	1.000	0.01	1.052	1.001	0.01
Transportation - FFS	683,376	19,260	51	35.48	0.15	1.000	1.036	1.000	0.16	0.997	0.16	1.052	1.000	0.16
Transportation - CSA Cap	363,396	-	-	-	0.08	1.000	1.000	1.000	0.08	1.000	0.08	1.052	1.000	0.08
<b>Total</b>	<b>\$ 30,251,682</b>	<b>156,532</b>	<b>413</b>	<b>193.26</b>	<b>\$ 6.65</b>				<b>\$ 7.00</b>		<b>\$ 6.96</b>			<b>\$ 7.19</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 7.55</b>				<b>\$ 7.95</b>		<b>\$ 7.91</b>			<b>\$ 8.17</b>

BHO Non-Priority Age 0 - 13														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	1,746,439										1,769,012			851,578
Inpatient - FFS	1,295,732	4,078	28	317.74	0.74	1.000	1.029	1.000	0.76	1.000	0.76	1.037	1.000	0.79
Inpatient - RMHI	-	-	-	-	-	1.000	1.029	1.000	-	1.000	-	1.037	1.000	-
Outpatient	758,752	12,696	87	59.76	0.43	1.000	1.026	1.000	0.45	1.000	0.45	1.067	1.000	0.48
CMHC	3,800,213	12,001	82	316.66	2.18	1.000	1.103	1.000	2.40	1.000	2.40	1.022	1.000	2.45
Grant Payments	512,499	-	-	-	0.29	1.000	1.000	1.000	0.29	1.000	0.29	1.000	1.000	0.29
In-Home Services	454,219	498	3	912.09	0.26	1.000	1.061	1.000	0.28	1.000	0.28	1.052	1.000	0.29
Supported Housing	-	-	-	-	-	1.000	1.045	1.000	-	1.000	-	1.052	1.000	-
23 Hour	-	-	-	-	-	1.000	1.026	1.000	-	1.000	-	1.052	1.000	-
IOP	19,515	271	2	72.01	0.01	1.000	1.027	1.000	0.01	1.000	0.01	1.052	1.000	0.01
Partial Hospitalization	3,176	16	0	198.51	0.00	1.000	1.032	1.000	0.00	1.000	0.00	1.052	1.000	0.00
Transportation - FFS	33,432	1,082	7	30.90	0.02	1.000	1.036	1.000	0.02	1.000	0.02	1.052	1.000	0.02
Transportation - CSA Cap	128,128	-	-	-	0.07	1.000	1.000	1.000	0.07	1.000	0.07	1.052	1.000	0.08
<b>Total</b>	<b>\$ 7,005,666</b>	<b>30,642</b>	<b>211</b>	<b>228.63</b>	<b>\$ 4.01</b>				<b>\$ 4.28</b>		<b>\$ 4.28</b>			<b>\$ 4.42</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 4.56</b>				<b>\$ 4.87</b>		<b>\$ 4.87</b>			<b>\$ 5.02</b>

Development of Per Capita Costs:

East

BHO Non-Priority Age 14 - 18														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	494,872										491,120			235,558
Inpatient - FFS	5,999,918	16,578	402	361.92	12.12	1.000	1.029	1.000	12.48	1.000	12.48	1.037	1.000	12.94
Inpatient - RMHI						1.000	1.029	1.000		1.000		1.037	1.000	
Outpatient	458,812	8,188	199	56.03	0.93	1.000	1.026	1.000	0.95	1.000	0.95	1.067	1.000	1.01
CMHC	1,883,379	6,021	146	312.80	3.81	1.000	1.103	1.000	4.20	1.000	4.20	1.022	1.000	4.29
Grant Payments	777,423				1.57	1.000	1.000	1.000	1.57	1.000	1.57	1.000	1.000	1.57
In-Home Services	630,933	1,235	30	510.88	1.27	1.000	1.061	1.000	1.35	1.000	1.35	1.052	1.000	1.42
Supported Housing	19,052	147	4	129.60	0.04	1.000	1.045	1.000	0.04	1.000	0.04	1.052	1.000	0.04
23 Hour						1.000	1.026	1.000		1.000		1.052	1.000	
IOP	468,732	7,361	178	63.68	0.95	1.000	1.027	1.000	0.97	1.000	0.97	1.052	1.000	1.02
Partial Hospitalization	6,705	36	1	186.24	0.01	1.000	1.032	1.000	0.01	1.000	0.01	1.052	1.000	0.01
Transportation - FFS	187,753	4,674	113	40.17	0.38	1.000	1.036	1.000	0.39	1.000	0.39	1.052	1.000	0.41
Transportation - CSA Cap	36,307				0.07	1.000	1.000	1.000	0.07	1.000	0.07	1.052	1.000	0.08
<b>Total</b>	<b>\$ 10,469,013</b>	<b>44,240</b>	<b>1,073</b>	<b>236.64</b>	<b>\$ 21.15</b>				<b>\$ 22.04</b>		<b>\$ 22.04</b>			<b>\$ 22.81</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 24.04</b>				<b>\$ 25.05</b>		<b>\$ 25.05</b>			<b>\$ 25.92</b>

BHO Non-Priority Age 19 - 20														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	159,620										161,611			77,675
Inpatient - FFS	328,670	1,215	91	270.51	2.06	1.000	1.029	1.000	2.12	1.000	2.12	1.037	1.000	2.20
Inpatient - RMHI						1.000	1.029	1.000		1.000		1.037	1.000	
Outpatient	119,493	1,765	133	67.70	0.75	1.000	1.026	1.000	0.77	1.000	0.77	1.067	1.000	0.82
CMHC	167,244	584	44	286.38	1.05	1.000	1.103	1.000	1.16	1.000	1.16	1.022	1.000	1.18
Grant Payments	58,222				0.36	1.000	1.000	1.000	0.36	1.000	0.36	1.000	1.000	0.36
In-Home Services						1.000	1.061	1.000		1.000		1.052	1.000	
Supported Housing	5,529	20	2	276.44	0.03	1.000	1.045	1.000	0.04	1.000	0.04	1.052	1.000	0.04
23 Hour						1.000	1.026	1.000		1.000		1.052	1.000	
IOP	34,917	582	44	59.99	0.22	1.000	1.027	1.000	0.22	1.000	0.22	1.052	1.000	0.24
Partial Hospitalization	1,985	15	1	132.34	0.01	1.000	1.032	1.000	0.01	1.000	0.01	1.052	1.000	0.01
Transportation - FFS	13,254	316	24	41.94	0.08	1.000	1.036	1.000	0.09	1.000	0.09	1.052	1.000	0.09
Transportation - CSA Cap	13,753				0.09	1.000	1.000	1.000	0.09	1.000	0.09	1.052	1.000	0.09
<b>Total</b>	<b>\$ 743,067</b>	<b>4,497</b>	<b>338</b>	<b>165.24</b>	<b>\$ 4.66</b>				<b>\$ 4.85</b>		<b>\$ 4.85</b>			<b>\$ 5.03</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 5.29</b>				<b>\$ 5.51</b>		<b>\$ 5.51</b>			<b>\$ 5.72</b>

Development of Per Capita Costs:

East

BHO Non-Priority Age 21+														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	2,149,535										2,183,392			1,053,864
Inpatient - FFS	3,413,224	7,047	39	484.35	1.59	1.000	1.029	1.000	1.63	1.000	1.63	1.037	1.000	1.69
Inpatient - RMHI			-	-	-	1.000	1.029	1.000	-	1.000	-	1.037	1.000	-
Outpatient	1,871,081	32,569	182	57.45	0.87	1.000	1.026	1.000	0.89	1.000	0.89	1.067	1.000	0.95
CMHC	4,549,772	15,370	86	296.02	2.12	1.000	1.103	1.000	2.33	1.000	2.33	1.022	1.000	2.39
Grant Payments	945,904		-	-	0.44	1.000	1.000	1.000	0.44	1.000	0.44	1.000	1.000	0.44
In-Home Services			-	-	-	1.000	1.061	1.000	-	1.000	-	1.052	1.000	-
Supported Housing	117,531	1,285	7	91.46	0.05	1.000	1.045	1.000	0.06	1.000	0.06	1.052	1.000	0.06
23 Hour	574	3	0	191.43	0.00	1.000	1.026	1.000	0.00	1.000	0.00	1.052	1.000	0.00
IOP	470,109	7,515	42	62.56	0.22	1.000	1.027	1.000	0.22	1.000	0.22	1.052	1.000	0.24
Partial Hospitalization	31,595	176	1	179.52	0.01	1.000	1.032	1.000	0.02	1.000	0.02	1.052	1.000	0.02
Transportation - FFS	448,937	13,188	74	34.04	0.21	1.000	1.036	1.000	0.22	1.000	0.22	1.052	1.000	0.23
Transportation - CSA Cap	185,208		-	-	0.09	1.000	1.000	1.000	0.09	1.000	0.09	1.052	1.000	0.09
<b>Total</b>	<b>\$ 12,033,936</b>	<b>77,153</b>	<b>431</b>	<b>155.97</b>	<b>\$ 5.60</b>				<b>\$ 5.90</b>		<b>\$ 5.90</b>			<b>\$ 6.11</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 6.36</b>				<b>\$ 6.71</b>		<b>\$ 6.71</b>			<b>\$ 6.94</b>



Development of Per Capita Costs:

East

BHO State Only & Judicials														
All Ages														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	31,512										35,520			15,693
Inpatient - FFS	2,548,879	6,282	2,392	405.74	80.88	1.000	1.029	1.000	83.24	0.993	82.68	1.037	0.996	85.45
Inpatient - RMHI	3,931,305	11,358	4,325	346.13	124.75	1.000	1.029	1.000	128.38	0.998	128.15	1.037	0.998	132.70
Outpatient	311,164	2,932	1,117	106.13	9.87	1.000	1.026	1.000	10.13	1.001	10.13	1.067	1.000	10.81
CMHC	3,785,458	14,702	5,599	257.48	120.13	1.000	1.103	1.000	132.49	0.999	132.40	1.022	1.001	135.49
Grant Payments	938,045	-	-	-	29.77	1.000	1.000	1.000	29.77	0.998	29.70	1.000	0.999	29.66
In-Home Services	11,220	5	2	2,244.00	0.36	1.000	1.061	1.000	0.38	0.761	0.29	1.052	0.814	0.25
Supported Housing	108,986	1,098	418	99.26	3.46	1.000	1.045	1.000	3.61	1.000	3.61	1.052	1.002	3.81
23 Hour	-	-	-	-	-	1.000	1.026	1.000	-	1.000	-	1.052	1.000	-
IOP	47,358	796	303	59.49	1.50	1.000	1.027	1.000	1.54	1.001	1.55	1.052	1.001	1.63
Partial Hospitalization	-	-	-	-	-	1.000	1.032	1.000	-	1.000	-	1.052	1.000	-
Transportation - FFS	82,233	2,466	939	33.35	2.61	1.000	1.036	1.000	2.70	1.001	2.71	1.052	1.001	2.85
Transportation - CSA Cap	2,713	-	-	-	0.09	1.000	1.000	1.000	0.09	1.000	0.09	1.052	1.000	0.09
<b>Total</b>	<b>\$ 11,767,361</b>	<b>39,639</b>	<b>15,095</b>	<b>296.86</b>	<b>\$ 373.42</b>				<b>\$ 392.33</b>		<b>\$ 391.30</b>			<b>\$ 402.73</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 424.34</b>				<b>\$ 445.82</b>		<b>\$ 444.66</b>			<b>\$ 457.65</b>

BHO State Only & Judicials														
Age 0 - 13														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	30										26			16
Inpatient - FFS	7,472	18	7,176	415.13	248.24	1.000	1.029	1.000	255.46	1.000	255.46	1.037	1.000	264.98
Inpatient - RMHI	7,600	20	7,973	380.00	252.48	1.000	1.029	1.000	259.82	1.000	259.82	1.037	1.000	269.51
Outpatient	23	1	399	23.06	0.77	1.000	1.026	1.000	0.79	1.000	0.79	1.067	1.000	0.84
CMHC	10,831	33	13,156	328.21	359.82	1.000	1.103	1.000	396.86	1.000	396.86	1.022	1.000	405.75
Grant Payments	2,088	-	-	-	69.35	1.000	1.000	1.000	69.35	1.000	69.35	1.000	1.000	69.35
In-Home Services	-	-	-	-	-	1.000	1.061	1.000	-	1.000	-	1.052	1.000	-
Supported Housing	-	-	-	-	-	1.000	1.045	1.000	-	1.000	-	1.052	1.000	-
23 Hour	-	-	-	-	-	1.000	1.026	1.000	-	1.000	-	1.052	1.000	-
IOP	-	-	-	-	-	1.000	1.027	1.000	-	1.000	-	1.052	1.000	-
Partial Hospitalization	-	-	-	-	-	1.000	1.032	1.000	-	1.000	-	1.052	1.000	-
Transportation - FFS	-	-	-	-	-	1.000	1.036	1.000	-	1.000	-	1.052	1.000	-
Transportation - CSA Cap	2	-	-	-	0.07	1.000	1.000	1.000	0.07	1.000	0.07	1.052	1.000	0.08
<b>Total</b>	<b>\$ 28,016</b>	<b>72</b>	<b>28,703</b>	<b>389.11</b>	<b>\$ 930.74</b>				<b>\$ 982.35</b>		<b>\$ 982.35</b>			<b>\$ 1,010.51</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 1,057.66</b>				<b>\$ 1,116.31</b>		<b>\$ 1,116.31</b>			<b>\$ 1,148.30</b>

BHO State Only & Judicials Age 14 - 18														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	171										147			53
Inpatient - FFS	83,436	145	10,150	575.42	486.71	1.000	1.029	1.000	500.86	1.000	500.86	1.037	1.000	519.53
Inpatient - RMHI	58,690	155	10,850	378.65	342.36	1.000	1.029	1.000	352.31	1.000	352.31	1.037	1.000	365.44
Outpatient	1,069	14	980	76.33	6.23	1.000	1.026	1.000	6.39	1.000	6.39	1.067	1.000	6.82
CMHC	19,338	67	4,690	288.63	112.81	1.000	1.103	1.000	124.41	1.000	124.41	1.022	1.000	127.20
Grant Payments	13,993			-	81.63	1.000	1.000	1.000	81.63	1.000	81.63	1.000	1.000	81.63
In-Home Services	11,220	5	350	2,244.00	65.45	1.000	1.061	1.000	69.42	1.000	69.42	1.052	1.000	73.03
Supported Housing				-	-	1.000	1.045	1.000	-	1.000	-	1.052	1.000	-
23 Hour				-	-	1.000	1.026	1.000	-	1.000	-	1.052	1.000	-
IOP				-	-	1.000	1.027	1.000	-	1.000	-	1.052	1.000	-
Partial Hospitalization				-	-	1.000	1.032	1.000	-	1.000	-	1.052	1.000	-
Transportation - FFS	35	1	70	34.95	0.20	1.000	1.036	1.000	0.21	1.000	0.21	1.052	1.000	0.22
Transportation - CSA Cap	13			-	0.07	1.000	1.036	1.000	0.08	1.000	0.08	1.052	1.000	0.08
<b>Total</b>	<b>\$ 187,793</b>	<b>387</b>	<b>27,090</b>	<b>485.25</b>	<b>\$ 1,095.46</b>				<b>\$ 1,135.31</b>		<b>\$ 1,135.31</b>			<b>\$ 1,173.95</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 1,244.84</b>				<b>\$ 1,290.13</b>		<b>\$ 1,290.13</b>			<b>\$ 1,334.04</b>

BHO State Only & Judicials Age 19 - 20														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	535										649			268
Inpatient - FFS	54,779	105	2,356	521.71	102.44	1.000	1.029	1.000	105.42	1.000	105.42	1.037	1.000	109.35
Inpatient - RMHI	100,700	265	5,947	380.00	188.32	1.000	1.029	1.000	193.79	1.000	193.79	1.037	1.000	201.02
Outpatient	5,620	57	1,279	98.60	10.51	1.000	1.026	1.000	10.78	1.000	10.78	1.067	1.000	11.50
CMHC	48,211	211	4,735	228.49	90.16	1.000	1.103	1.000	99.44	1.000	99.44	1.022	1.000	101.67
Grant Payments	18,301			-	34.22	1.000	1.000	1.000	34.22	1.000	34.22	1.000	1.000	34.22
In-Home Services				-	-	1.000	1.061	1.000	-	1.000	-	1.052	1.000	-
Supported Housing				-	-	1.000	1.045	1.000	-	1.000	-	1.052	1.000	-
23 Hour				-	-	1.000	1.026	1.000	-	1.000	-	1.052	1.000	-
IOP	719	12	269	59.89	1.34	1.000	1.027	1.000	1.38	1.000	1.38	1.052	1.000	1.45
Partial Hospitalization				-	-	1.000	1.032	1.000	-	1.000	-	1.052	1.000	-
Transportation - FFS	910	15	337	60.68	1.70	1.000	1.036	1.000	1.76	1.000	1.76	1.052	1.000	1.86
Transportation - CSA Cap	46			-	0.09	1.000	1.000	1.000	0.09	1.000	0.09	1.052	1.000	0.09
<b>Total</b>	<b>\$ 229,286</b>	<b>665</b>	<b>14,923</b>	<b>344.79</b>	<b>\$ 428.79</b>				<b>\$ 446.89</b>		<b>\$ 446.89</b>			<b>\$ 461.15</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 487.26</b>				<b>\$ 507.82</b>		<b>\$ 507.82</b>			<b>\$ 524.04</b>

Development of Per Capita Costs:

East

BHO State Only & Judicials Age 21+														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	30,776										34,698			15,356
Inpatient - FFS	2,403,191	6,014	2,345	399.60	78.09	1.000	1.029	1.000	80.36	1.000	80.36	1.037	1.000	83.35
Inpatient - RMHI	3,764,315	10,918	4,257	344.78	122.31	1.000	1.029	1.000	125.87	1.000	125.87	1.037	1.000	130.56
Outpatient	304,452	2,860	1,115	106.45	9.89	1.000	1.026	1.000	10.15	1.000	10.15	1.067	1.000	10.82
CMHC	3,707,078	14,391	5,611	257.60	120.45	1.000	1.103	1.000	132.85	1.000	132.85	1.022	1.000	135.83
Grant Payments	903,664				29.36	1.000	1.000	1.000	29.36	1.000	29.36	1.000	1.000	29.36
In-Home Services						1.000	1.061	1.000		1.000		1.052	1.000	
Supported Housing	108,986	1,098	428	99.26	3.54	1.000	1.045	1.000	3.70	1.000	3.70	1.052	1.000	3.89
23 Hour						1.000	1.026	1.000		1.000		1.052	1.000	
IOP	46,639	784	306	59.49	1.52	1.000	1.027	1.000	1.56	1.000	1.56	1.052	1.000	1.64
Partial Hospitalization						1.000	1.032	1.000		1.000		1.052	1.000	
Transportation - FFS	81,288	2,450	955	33.18	2.64	1.000	1.036	1.000	2.74	1.000	2.74	1.052	1.000	2.88
Transportation - CSA Cap	2,652				0.09	1.000	1.000	1.000	0.09	1.000	0.09	1.052	1.000	0.09
<b>Total</b>	<b>\$ 11,322,266</b>	<b>38,515</b>	<b>15,017</b>	<b>293.97</b>	<b>\$ 367.89</b>				<b>\$ 386.66</b>		<b>\$ 386.66</b>			<b>\$ 398.42</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 418.06</b>				<b>\$ 439.39</b>		<b>\$ 439.39</b>			<b>\$ 452.75</b>

East

		Total BHO Experience					
Aid Category	Age Group	Fiscal Year 2008			Fiscal Year 2009		
		Projected	PMPM	Total	Projected	PMPM	Total
BHO Priority	Ages 0 - 13	56,716	\$ 195.38	\$ 11,081,161	27,538	\$ 200.92	\$ 5,532,959
	Ages 14 - 18	39,157	\$ 304.34	\$ 11,917,072	18,787	\$ 314.47	\$ 5,908,033
	Ages 19 - 20	9,274	\$ 150.44	\$ 1,395,175	4,416	\$ 155.18	\$ 685,338
	Age 21+	308,351	\$ 202.58	\$ 62,465,873	147,002	\$ 208.60	\$ 30,665,033
	Total	413,498	\$ 210.06	\$ 86,859,281	197,744	\$ 216.40	\$ 42,791,364
BHO Non-Priority	Ages 0 - 13	1,769,012	\$ 4.87	\$ 8,613,587	851,578	\$ 5.02	\$ 4,274,109
	Ages 14 - 18	491,120	\$ 25.05	\$ 12,301,230	235,558	\$ 25.92	\$ 6,106,404
	Ages 19 - 20	161,611	\$ 5.51	\$ 891,234	77,675	\$ 5.72	\$ 444,186
	Age 21+	2,183,392	\$ 6.71	\$ 14,641,177	1,053,864	\$ 6.94	\$ 7,311,272
	Total	4,605,135	\$ 7.91	\$ 36,447,229	2,218,675	\$ 8.17	\$ 18,135,971
State Only & Judicials	Ages 0 - 13	26	\$ 1,116.31	\$ 28,849	16	\$ 1,148.30	\$ 18,348
	Ages 14 - 18	147	\$ 1,290.13	\$ 189,832	53	\$ 1,334.04	\$ 70,632
	Ages 19 - 20	649	\$ 507.82	\$ 329,568	268	\$ 524.04	\$ 140,476
	Age 21+	34,698	\$ 439.39	\$ 15,245,993	15,356	\$ 452.75	\$ 6,952,609
	Total	35,520	\$ 444.66	\$ 15,794,242	15,693	\$ 457.65	\$ 7,182,065
All Groups	All Ages	5,054,153	\$ 27.52	\$ 139,100,752	2,432,113	\$ 28.00	\$ 68,109,400

Development of Per Capita Costs:

West

BHO Priority All Ages														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	266,236										268,022			84,453
Inpatient - FFS	8,604,238	20,440	921	420.95	32.32	1.000	1.029	1.000	33.26	1.001	33.29	1.033	1.000	34.37
Inpatient - RMHI	11,735,950	34,156	1,540	343.60	44.08	1.000	1.029	1.000	45.36	1.002	45.47	1.033	1.001	47.02
Outpatient	1,170,491	25,093	1,131	46.65	4.40	1.000	1.026	1.000	4.51	1.001	4.51	1.059	1.000	4.78
CMHC	21,262,951	125,621	5,662	169.26	79.86	1.000	1.103	1.000	88.08	0.999	87.99	1.020	1.000	89.71
Grant Payments	3,978,024	-	-	-	14.94	1.000	1.000	1.000	14.94	1.000	14.95	1.000	1.000	14.95
In-Home Services	557,690	254	11	2,195.63	2.09	1.000	1.061	1.000	2.22	0.992	2.20	1.046	0.996	2.29
Supported Housing	2,719,194	36,612	1,650	74.27	10.21	1.000	1.045	1.000	10.67	1.002	10.69	1.046	1.001	11.19
23 Hour	442	2	0	220.99	0.00	1.000	1.026	1.000	0.00	1.002	0.00	1.046	1.001	0.00
IOP	250,703	4,261	192	58.84	0.94	1.000	1.027	1.000	0.97	0.993	0.96	1.046	0.997	1.00
Partial Hospitalization	1,904	16	1	118.98	0.01	1.000	1.032	1.000	0.01	0.997	0.01	1.046	0.995	0.01
Transportation - FFS	1,514,214	60,998	2,749	24.82	5.69	1.000	1.036	1.000	5.89	1.001	5.90	1.046	1.001	6.18
Transportation - CSA Cap	22,013	-	-	-	0.08	1.000	1.000	1.000	0.08	1.000	0.08	1.046	1.000	0.09
<b>Total</b>	<b>\$ 51,817,812</b>	<b>307,453</b>	<b>13,858</b>	<b>168.54</b>	<b>\$ 194.63</b>				<b>\$ 206.00</b>		<b>\$ 206.04</b>			<b>\$ 211.60</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 221.17</b>				<b>\$ 234.09</b>		<b>\$ 234.14</b>			<b>\$ 240.45</b>

BHO Priority Age 0 - 13														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	44,323										43,971			13,811
Inpatient - FFS	876,229	1,610	436	544.24	19.77	1.000	1.029	1.000	20.34	1.000	20.34	1.033	1.000	21.02
Inpatient - RMHI	43,880	116	31	378.28	0.99	1.000	1.029	1.000	1.02	1.000	1.02	1.033	1.000	1.05
Outpatient	141,187	3,233	875	43.67	3.19	1.000	1.026	1.000	3.27	1.000	3.27	1.059	1.000	3.46
CMHC	3,994,597	21,300	5,767	187.54	90.12	1.000	1.103	1.000	99.40	1.000	99.40	1.020	1.000	101.38
Grant Payments	455,641	-	-	-	10.28	1.000	1.000	1.000	10.28	1.000	10.28	1.000	1.000	10.28
In-Home Services	263,850	116	31	2,274.57	5.95	1.000	1.061	1.000	6.31	1.000	6.31	1.046	1.000	6.61
Supported Housing	-	-	-	-	-	1.000	1.045	1.000	-	1.000	-	1.046	1.000	-
23 Hour	-	-	-	-	-	1.000	1.026	1.000	-	1.000	-	1.046	1.000	-
IOP	110,372	1,852	501	59.60	2.49	1.000	1.027	1.000	2.56	1.000	2.56	1.046	1.000	2.68
Partial Hospitalization	-	-	-	-	-	1.000	1.032	1.000	-	1.000	-	1.046	1.000	-
Transportation - FFS	93,408	3,551	961	26.30	2.11	1.000	1.036	1.000	2.18	1.000	2.18	1.046	1.000	2.28
Transportation - CSA Cap	3,252	-	-	-	0.07	1.000	1.000	1.000	0.07	1.000	0.07	1.046	1.000	0.08
<b>Total</b>	<b>\$ 5,982,416</b>	<b>31,778</b>	<b>8,604</b>	<b>188.26</b>	<b>\$ 134.97</b>				<b>\$ 145.44</b>		<b>\$ 145.44</b>			<b>\$ 148.83</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 153.38</b>				<b>\$ 165.27</b>		<b>\$ 165.27</b>			<b>\$ 169.12</b>

Development of Per Capita Costs:

West

BHO Priority Age 14 - 18														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	28,053										28,162			8,826
Inpatient - FFS	1,754,716	4,739	2,027	370.27	62.55	1.000	1.029	1.000	64.37	1.000	64.37	1.033	1.000	66.50
Inpatient - RMHI	165,220	436	187	378.94	5.89	1.000	1.029	1.000	6.06	1.000	6.06	1.033	1.000	6.26
Outpatient	136,354	2,358	1,009	57.83	4.86	1.000	1.026	1.000	4.99	1.000	4.99	1.059	1.000	5.28
CMHC	2,401,529	11,255	4,814	213.37	85.61	1.000	1.103	1.000	94.42	1.000	94.42	1.020	1.000	96.30
Grant Payments	406,033			-	14.47	1.000	1.000	1.000	14.47	1.000	14.47	1.000	1.000	14.47
In-Home Services	293,840	138	59	2,129.27	10.47	1.000	1.061	1.000	11.11	1.000	11.11	1.046	1.000	11.62
Supported Housing				-	-	1.000	1.045	1.000	-	1.000	-	1.046	1.000	-
23 Hour				-	-	1.000	1.026	1.000	-	1.000	-	1.046	1.000	-
IOP	82,731	1,389	594	59.56	2.95	1.000	1.027	1.000	3.03	1.000	3.03	1.046	1.000	3.17
Partial Hospitalization	1,904	16	7	118.98	0.07	1.000	1.032	1.000	0.07	1.000	0.07	1.046	1.000	0.07
Transportation - FFS	85,855	2,678	1,146	32.06	3.06	1.000	1.036	1.000	3.17	1.000	3.17	1.046	1.000	3.32
Transportation - CSA Cap	2,058			-	0.07	1.000	1.000	1.000	0.07	1.000	0.07	1.046	1.000	0.08
<b>Total</b>	<b>\$ 5,330,240</b>	<b>23,009</b>	<b>9,842</b>	<b>231.66</b>	<b>\$ 190.01</b>				<b>\$ 201.76</b>		<b>\$ 201.76</b>			<b>\$ 207.07</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 215.92</b>				<b>\$ 229.27</b>		<b>\$ 229.27</b>			<b>\$ 235.30</b>

BHO Priority Age 19 - 20														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	5,866										6,311			2,021
Inpatient - FFS	217,027	342	700	634.58	37.00	1.000	1.029	1.000	38.07	1.000	38.07	1.033	1.000	39.33
Inpatient - RMHI	120,689	320	655	377.15	20.57	1.000	1.029	1.000	21.17	1.000	21.17	1.033	1.000	21.87
Outpatient	31,178	557	1,139	55.98	5.31	1.000	1.026	1.000	5.45	1.000	5.45	1.059	1.000	5.77
CMHC	249,364	1,565	3,201	159.34	42.51	1.000	1.103	1.000	46.88	1.000	46.88	1.020	1.000	47.82
Grant Payments	53,587			-	9.13	1.000	1.000	1.000	9.13	1.000	9.13	1.000	1.000	9.13
In-Home Services				-	-	1.000	1.061	1.000	-	1.000	-	1.046	1.000	-
Supported Housing	1,105	4	8	276.24	0.19	1.000	1.045	1.000	0.20	1.000	0.20	1.046	1.000	0.21
23 Hour				-	-	1.000	1.026	1.000	-	1.000	-	1.046	1.000	-
IOP	1,483	26	53	57.04	0.25	1.000	1.027	1.000	0.26	1.000	0.26	1.046	1.000	0.27
Partial Hospitalization				-	-	1.000	1.032	1.000	-	1.000	-	1.046	1.000	-
Transportation - FFS	21,778	940	1,923	23.17	3.71	1.000	1.036	1.000	3.85	1.000	3.85	1.046	1.000	4.02
Transportation - CSA Cap	505			-	0.09	1.000	1.000	1.000	0.09	1.000	0.09	1.046	1.000	0.09
<b>Total</b>	<b>\$ 696,716</b>	<b>3,754</b>	<b>7,679</b>	<b>185.59</b>	<b>\$ 118.76</b>				<b>\$ 125.10</b>		<b>\$ 125.10</b>			<b>\$ 128.51</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 134.96</b>				<b>\$ 142.16</b>		<b>\$ 142.16</b>			<b>\$ 146.04</b>

Development of Per Capita Costs:

West

BHO Priority Age 21+														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	187,994										189,578			59,795
Inpatient - FFS	5,756,266	13,749	878	418.67	30.62	1.000	1.029	1.000	31.51	1.000	31.51	1.033	1.000	32.55
Inpatient - RMHI	11,406,161	33,284	2,125	342.69	60.67	1.000	1.029	1.000	62.44	1.000	62.44	1.033	1.000	64.50
Outpatient	861,771	18,945	1,209	45.49	4.58	1.000	1.026	1.000	4.70	1.000	4.70	1.059	1.000	4.98
CMHC	14,617,460	91,501	5,841	159.75	77.75	1.000	1.103	1.000	85.76	1.000	85.76	1.020	1.000	87.46
Grant Payments	3,062,764			-	16.29	1.000	1.000	1.000	16.29	1.000	16.29	1.000	1.000	16.29
In-Home Services				-	-	1.000	1.061	1.000	-	1.000	-	1.046	1.000	-
Supported Housing	2,718,089	36,608	2,337	74.25	14.46	1.000	1.045	1.000	15.10	1.000	15.10	1.046	1.000	15.80
23 Hour	442	2	0	220.99	0.00	1.000	1.026	1.000	0.00	1.000	0.00	1.046	1.000	0.00
IOP	56,117	994	63	56.46	0.30	1.000	1.027	1.000	0.31	1.000	0.31	1.046	1.000	0.32
Partial Hospitalization				-	-	1.000	1.032	1.000	-	1.000	-	1.046	1.000	-
Transportation - FFS	1,313,172	53,829	3,436	24.40	6.99	1.000	1.036	1.000	7.24	1.000	7.24	1.046	1.000	7.57
Transportation - CSA Cap	16,198			-	0.09	1.000	1.000	1.000	0.09	1.000	0.09	1.046	1.000	0.09
<b>Total</b>	<b>\$ 39,808,441</b>	<b>248,912</b>	<b>15,889</b>	<b>159.93</b>	<b>\$ 211.75</b>				<b>\$ 223.43</b>		<b>\$ 223.43</b>			<b>\$ 229.57</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 240.63</b>				<b>\$ 253.90</b>		<b>\$ 253.90</b>			<b>\$ 260.88</b>

West

BHO Non-Priority All Ages														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	4,043,053										4,089,584			1,311,513
Inpatient - FFS	6,434,895	16,382	49	392.80	1.59	1.000	1.029	1.000	1.64	0.999	1.64	1.033	1.000	1.69
Inpatient - RMHI	-	-	-	-	-	1.000	1.029	1.000	-	1.000	-	1.033	1.000	-
Outpatient	1,831,702	31,642	94	57.89	0.45	1.000	1.026	1.000	0.46	1.000	0.46	1.059	1.000	0.49
CMHC	1,416,375	9,473	28	149.52	0.35	1.000	1.103	1.000	0.39	1.000	0.39	1.020	1.001	0.39
Grant Payments	857,099	-	-	-	0.21	1.000	1.000	1.000	0.21	1.000	0.21	1.000	1.000	0.21
In-Home Services	214,055	94	0	2,277.18	0.05	1.000	1.061	1.000	0.06	0.994	0.06	1.046	0.997	0.06
Supported Housing	45,401	637	2	71.27	0.01	1.000	1.045	1.000	0.01	1.004	0.01	1.046	1.003	0.01
23 Hour	754	3	0	251.29	0.00	1.000	1.026	1.000	0.00	1.004	0.00	1.046	1.003	0.00
IOP	109,701	1,896	6	57.86	0.03	1.000	1.027	1.000	0.03	1.001	0.03	1.046	1.001	0.03
Partial Hospitalization	714	6	0	118.98	0.00	1.000	1.032	1.000	0.00	0.991	0.00	1.046	0.997	0.00
Transportation - FFS	275,859	10,297	31	26.79	0.07	1.000	1.036	1.000	0.07	1.002	0.07	1.046	1.002	0.07
Transportation - CSA Cap	320,307	-	-	-	0.08	1.000	1.000	1.000	0.08	1.000	0.08	1.046	1.000	0.08
<b>Total</b>	<b>\$ 11,506,862</b>	<b>70,430</b>	<b>209</b>	<b>163.38</b>	<b>\$ 2.85</b>				<b>\$ 2.95</b>		<b>\$ 2.95</b>			<b>\$ 3.05</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 3.23</b>				<b>\$ 3.35</b>		<b>\$ 3.35</b>			<b>\$ 3.46</b>

BHO Non-Priority Age 0 - 13														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	1,699,583										1,713,452			548,043
Inpatient - FFS	672,901	1,953	14	344.55	0.40	1.000	1.029	1.000	0.41	1.000	0.41	1.033	1.000	0.42
Inpatient - RMHI	-	-	-	-	-	1.000	1.029	1.000	-	1.000	-	1.033	1.000	-
Outpatient	460,830	7,830	55	58.85	0.27	1.000	1.026	1.000	0.28	1.000	0.28	1.059	1.000	0.29
CMHC	401,339	2,534	18	158.38	0.24	1.000	1.103	1.000	0.26	1.000	0.26	1.020	1.000	0.27
Grant Payments	136,971	-	-	-	0.08	1.000	1.000	1.000	0.08	1.000	0.08	1.000	1.000	0.08
In-Home Services	93,500	45	0	2,077.78	0.06	1.000	1.061	1.000	0.06	1.000	0.06	1.046	1.000	0.06
Supported Housing	-	-	-	-	-	1.000	1.045	1.000	-	1.000	-	1.046	1.000	-
23 Hour	-	-	-	-	-	1.000	1.026	1.000	-	1.000	-	1.046	1.000	-
IOP	10,537	176	1	59.87	0.01	1.000	1.027	1.000	0.01	1.000	0.01	1.046	1.000	0.01
Partial Hospitalization	-	-	-	-	-	1.000	1.032	1.000	-	1.000	-	1.046	1.000	-
Transportation - FFS	21,337	811	6	26.31	0.01	1.000	1.036	1.000	0.01	1.000	0.01	1.046	1.000	0.01
Transportation - CSA Cap	124,691	-	-	-	0.07	1.000	1.000	1.000	0.07	1.000	0.07	1.046	1.000	0.08
<b>Total</b>	<b>\$ 1,922,105</b>	<b>13,349</b>	<b>94</b>	<b>143.99</b>	<b>\$ 1.13</b>				<b>\$ 1.18</b>		<b>\$ 1.18</b>			<b>\$ 1.22</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 1.29</b>				<b>\$ 1.34</b>		<b>\$ 1.34</b>			<b>\$ 1.39</b>



West

BHO Non-Priority Age 14 - 18														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	492,447										493,819			157,886
Inpatient - FFS	2,248,010	6,078	148	369.86	4.56	1.000	1.029	1.000	4.70	1.000	4.70	1.033	1.000	4.85
Inpatient - RMHI						1.000	1.029	1.000		1.000		1.033	1.000	
Outpatient	392,629	5,778	141	67.95	0.80	1.000	1.026	1.000	0.82	1.000	0.82	1.059	1.000	0.87
CMHC	237,404	1,438	35	165.09	0.48	1.000	1.103	1.000	0.53	1.000	0.53	1.020	1.000	0.54
Grant Payments	253,661				0.52	1.000	1.000	1.000	0.52	1.000	0.52	1.000	1.000	0.52
In-Home Services	120,555	49	1	2,460.31	0.24	1.000	1.061	1.000	0.26	1.000	0.26	1.046	1.000	0.27
Supported Housing						1.000	1.045	1.000		1.000		1.046	1.000	
23 Hour						1.000	1.026	1.000		1.000		1.046	1.000	
IOP	25,386	425	10	59.73	0.05	1.000	1.027	1.000	0.05	1.000	0.05	1.046	1.000	0.06
Partial Hospitalization	714	6	0	118.98	0.00	1.000	1.032	1.000	0.00	1.000	0.00	1.046	1.000	0.00
Transportation - FFS	50,322	2,010	49	25.04	0.10	1.000	1.036	1.000	0.11	1.000	0.11	1.046	1.000	0.11
Transportation - CSA Cap	36,129				0.07	1.000	1.000	1.000	0.07	1.000	0.07	1.046	1.000	0.08
<b>Total</b>	<b>\$ 3,364,811</b>	<b>15,784</b>	<b>385</b>	<b>213.18</b>	<b>\$ 6.83</b>				<b>\$ 7.06</b>		<b>\$ 7.06</b>			<b>\$ 7.29</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 7.76</b>				<b>\$ 8.02</b>		<b>\$ 8.02</b>			<b>\$ 8.29</b>

BHO Non-Priority Age 19 - 20														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	155,653										160,064			51,447
Inpatient - FFS	212,832	366	28	581.51	1.37	1.000	1.029	1.000	1.41	1.000	1.41	1.033	1.000	1.45
Inpatient - RMHI						1.000	1.029	1.000		1.000		1.033	1.000	
Outpatient	46,965	779	60	60.29	0.30	1.000	1.026	1.000	0.31	1.000	0.31	1.059	1.000	0.33
CMHC	39,816	271	21	146.92	0.26	1.000	1.103	1.000	0.28	1.000	0.28	1.020	1.000	0.29
Grant Payments	25,883				0.17	1.000	1.000	1.000	0.17	1.000	0.17	1.000	1.000	0.17
In-Home Services						1.000	1.061	1.000		1.000		1.046	1.000	
Supported Housing						1.000	1.045	1.000		1.000		1.046	1.000	
23 Hour						1.000	1.026	1.000		1.000		1.046	1.000	
IOP	6,664	117	9	56.96	0.04	1.000	1.027	1.000	0.04	1.000	0.04	1.046	1.000	0.05
Partial Hospitalization						1.000	1.032	1.000		1.000		1.046	1.000	
Transportation - FFS	4,121	179	14	23.02	0.03	1.000	1.036	1.000	0.03	1.000	0.03	1.046	1.000	0.03
Transportation - CSA Cap	13,411				0.09	1.000	1.000	1.000	0.09	1.000	0.09	1.046	1.000	0.09
<b>Total</b>	<b>\$ 349,692</b>	<b>1,712</b>	<b>132</b>	<b>204.26</b>	<b>\$ 2.25</b>				<b>\$ 2.32</b>		<b>\$ 2.32</b>			<b>\$ 2.40</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 2.55</b>				<b>\$ 2.64</b>		<b>\$ 2.64</b>			<b>\$ 2.73</b>

Development of Per Capita Costs:

West

BHO Non-Priority Age 21+														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	1,695,370										1,722,248			554,137
Inpatient - FFS	3,301,153	7,985	57	413.42	1.95	1.000	1.029	1.000	2.00	1.000	2.00	1.033	1.000	2.07
Inpatient - RMHI			-	-	-	1.000	1.029	1.000	-	1.000	-	1.033	1.000	-
Outpatient	931,278	17,255	122	53.97	0.55	1.000	1.026	1.000	0.56	1.000	0.56	1.059	1.000	0.60
CMHC	737,815	5,230	37	141.07	0.44	1.000	1.103	1.000	0.48	1.000	0.48	1.020	1.000	0.49
Grant Payments	440,584		-	-	0.26	1.000	1.000	1.000	0.26	1.000	0.26	1.000	1.000	0.26
In-Home Services			-	-	-	1.000	1.061	1.000	-	1.000	-	1.046	1.000	-
Supported Housing	45,401	637	5	71.27	0.03	1.000	1.045	1.000	0.03	1.000	0.03	1.046	1.000	0.03
23 Hour	754	3	0	251.29	0.00	1.000	1.026	1.000	0.00	1.000	0.00	1.046	1.000	0.00
IOP	67,114	1,178	8	56.97	0.04	1.000	1.027	1.000	0.04	1.000	0.04	1.046	1.000	0.04
Partial Hospitalization			-	-	-	1.000	1.032	1.000	-	1.000	-	1.046	1.000	-
Transportation - FFS	200,080	7,297	52	27.42	0.12	1.000	1.036	1.000	0.12	1.000	0.12	1.046	1.000	0.13
Transportation - CSA Cap	146,076		-	-	0.09	1.000	1.000	1.000	0.09	1.000	0.09	1.046	1.000	0.09
<b>Total</b>	<b>\$ 5,870,255</b>	<b>39,585</b>	<b>280</b>	<b>148.29</b>	<b>\$ 3.46</b>				<b>\$ 3.58</b>		<b>\$ 3.58</b>			<b>\$ 3.71</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 3.93</b>				<b>\$ 4.07</b>		<b>\$ 4.07</b>			<b>\$ 4.21</b>

West

BHO State Only & Judicials														
All Ages														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	19,628										21,488			6,412
Inpatient - FFS	1,125,073	2,549	1,558	441.38	57.32	1.000	1.029	1.000	58.99	1.000	59.01	1.033	1.000	60.96
Inpatient - RMHI	4,417,363	13,376	8,178	330.25	225.05	1.000	1.029	1.000	231.59	1.000	231.57	1.033	0.997	238.59
Outpatient	199,358	3,167	1,936	62.95	10.16	1.000	1.026	1.000	10.42	1.000	10.42	1.059	1.000	11.03
CMHC	1,096,984	7,291	4,457	150.46	55.89	1.000	1.103	1.000	61.64	0.999	61.61	1.020	0.999	62.77
Grant Payments	576,350	-	-	-	29.36	1.000	1.000	1.000	29.36	1.000	29.36	1.000	0.998	29.31
In-Home Services	-	-	-	-	-	1.000	1.061	1.000	-	1.000	-	1.046	1.000	-
Supported Housing	3,157	40	24	78.93	0.16	1.000	1.045	1.000	0.17	1.001	0.17	1.046	1.002	0.18
23 Hour	221	1	1	220.99	0.01	1.000	1.026	1.000	0.01	1.001	0.01	1.046	1.002	0.01
IOP	11,332	205	125	55.28	0.58	1.000	1.027	1.000	0.59	0.988	0.59	1.046	0.997	0.61
Partial Hospitalization	-	-	-	-	-	1.000	1.032	1.000	-	1.000	-	1.046	1.000	-
Transportation - FFS	59,432	2,484	1,519	23.93	3.03	1.000	1.036	1.000	3.14	0.999	3.13	1.046	0.999	3.28
Transportation - CSA Cap	1,690	-	-	-	0.09	1.000	1.000	1.000	0.09	1.000	0.09	1.046	1.000	0.09
<b>Total</b>	<b>\$ 7,490,960</b>	<b>29,113</b>	<b>17,799</b>	<b>257.31</b>	<b>\$ 381.64</b>				<b>\$ 395.99</b>		<b>\$ 395.96</b>			<b>\$ 406.82</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 433.68</b>				<b>\$ 449.99</b>		<b>\$ 449.95</b>			<b>\$ 462.30</b>

BHO State Only & Judicials														
Age 0 - 13														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	30										22			6
Inpatient - FFS						1.000	1.029	1.000	-	1.000	-	1.033	1.000	-
Inpatient - RMHI	3,040	8	3,242	380.00	102.66	1.000	1.029	1.000	105.64	1.000	105.64	1.033	1.000	109.14
Outpatient	167	5	2,026	33.38	5.64	1.000	1.026	1.000	5.78	1.000	5.78	1.059	1.000	6.12
CMHC	3,180	17	6,889	187.06	107.38	1.000	1.103	1.000	118.44	1.000	118.44	1.020	1.000	120.79
Grant Payments	584				19.74	1.000	1.000	1.000	19.74	1.000	19.74	1.000	1.000	19.74
In-Home Services						1.000	1.061	1.000	-	1.000	-	1.046	1.000	-
Supported Housing						1.000	1.045	1.000	-	1.000	-	1.046	1.000	-
23 Hour						1.000	1.026	1.000	-	1.000	-	1.046	1.000	-
IOP	419	7	2,837	59.90	14.16	1.000	1.027	1.000	14.54	1.000	14.54	1.046	1.000	15.21
Partial Hospitalization						1.000	1.032	1.000	-	1.000	-	1.046	1.000	-
Transportation - FFS	279	8	3,242	34.85	9.41	1.000	1.036	1.000	9.75	1.000	9.75	1.046	1.000	10.20
Transportation - CSA Cap	2				0.07	1.000	1.000	1.000	0.07	1.000	0.07	1.046	1.000	0.08
<b>Total</b>	<b>\$ 7,672</b>	<b>45</b>	<b>18,235</b>	<b>170.48</b>	<b>\$ 259.06</b>				<b>\$ 273.96</b>		<b>\$ 273.96</b>			<b>\$ 281.28</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 294.39</b>				<b>\$ 311.32</b>		<b>\$ 311.32</b>			<b>\$ 319.63</b>

Development of Per Capita Costs:

West

BHO State Only & Judicials														
Age 14 - 18														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	91										97			23
Inpatient - FFS	5,481	26	3,444	210.80	60.51	1.000	1.029	1.000	62.27	1.000	62.27	1.033	1.000	64.32
Inpatient - RMHI	84,520	223	29,543	379.01	933.10	1.000	1.029	1.000	960.23	1.000	960.23	1.033	1.000	991.97
Outpatient	1,062	18	2,385	59.02	11.73	1.000	1.026	1.000	12.03	1.000	12.03	1.059	1.000	12.74
CMHC	11,211	29	3,842	386.57	123.76	1.000	1.103	1.000	136.50	1.000	136.50	1.020	1.000	139.22
Grant Payments	8,477				93.58	1.000	1.000	1.000	93.58	1.000	93.58	1.000	1.000	93.58
In-Home Services						1.000	1.061	1.000		1.000		1.046	1.000	
Supported Housing						1.000	1.045	1.000		1.000		1.046	1.000	
23 Hour						1.000	1.026	1.000		1.000		1.046	1.000	
IOP	175	3	397	58.43	1.94	1.000	1.027	1.000	1.99	1.000	1.99	1.046	1.000	2.08
Partial Hospitalization						1.000	1.032	1.000		1.000		1.046	1.000	
Transportation - FFS	313	14	1,855	22.34	3.45	1.000	1.036	1.000	3.58	1.000	3.58	1.046	1.000	3.74
Transportation - CSA Cap	7				0.07	1.000	1.000	1.000	0.07	1.000	0.07	1.046	1.000	0.08
<b>Total</b>	<b>\$ 111,245</b>	<b>313</b>	<b>41,466</b>	<b>355.42</b>	<b>\$ 1,228.14</b>				<b>\$ 1,270.25</b>		<b>\$ 1,270.25</b>			<b>\$ 1,307.74</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 1,395.62</b>				<b>\$ 1,443.46</b>		<b>\$ 1,443.46</b>			<b>\$ 1,486.07</b>

BHO State Only & Judicials														
Age 19 - 20														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	465										501			145
Inpatient - FFS	30,572	61	1,576	501.18	65.81	1.000	1.029	1.000	67.73	1.000	67.73	1.033	1.000	69.97
Inpatient - RMHI	106,020	279	7,207	380.00	228.23	1.000	1.029	1.000	234.86	1.000	234.86	1.033	1.000	242.63
Outpatient	4,984	65	1,679	76.67	10.73	1.000	1.026	1.000	11.00	1.000	11.00	1.059	1.000	11.65
CMHC	21,064	131	3,384	160.79	45.34	1.000	1.103	1.000	50.01	1.000	50.01	1.020	1.000	51.01
Grant Payments	13,721				29.54	1.000	1.000	1.000	29.54	1.000	29.54	1.000	1.000	29.54
In-Home Services						1.000	1.061	1.000		1.000		1.046	1.000	
Supported Housing						1.000	1.045	1.000		1.000		1.046	1.000	
23 Hour						1.000	1.026	1.000		1.000		1.046	1.000	
IOP						1.000	1.027	1.000		1.000		1.046	1.000	
Partial Hospitalization						1.000	1.032	1.000		1.000		1.046	1.000	
Transportation - FFS	1,907	87	2,247	21.92	4.10	1.000	1.036	1.000	4.25	1.000	4.25	1.046	1.000	4.45
Transportation - CSA Cap	40				0.09	1.000	1.000	1.000	0.09	1.000	0.09	1.046	1.000	0.09
<b>Total</b>	<b>\$ 178,308</b>	<b>623</b>	<b>16,094</b>	<b>286.21</b>	<b>\$ 383.84</b>				<b>\$ 397.48</b>		<b>\$ 397.48</b>			<b>\$ 409.33</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 436.18</b>				<b>\$ 451.68</b>		<b>\$ 451.68</b>			<b>\$ 465.15</b>

Development of Per Capita Costs:

West

BHO State Only & Judicials Age 21+														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	19,044										20,868			6,238
Inpatient - FFS	1,089,020	2,462	1,551	442.33	57.19	1.000	1.029	1.000	58.85	1.000	58.85	1.033	1.000	60.79
Inpatient - RMHI	4,223,783	12,866	8,107	328.29	221.80	1.000	1.029	1.000	228.24	1.000	228.24	1.033	1.000	235.79
Outpatient	193,145	3,079	1,940	62.73	10.14	1.000	1.026	1.000	10.40	1.000	10.40	1.059	1.000	11.02
CMHC	1,061,530	7,114	4,483	149.22	55.74	1.000	1.103	1.000	61.48	1.000	61.48	1.020	1.000	62.70
Grant Payments	553,567		-	-	29.07	1.000	1.000	1.000	29.07	1.000	29.07	1.000	1.000	29.07
In-Home Services			-	-	-	1.000	1.061	1.000	-	1.000	-	1.046	1.000	-
Supported Housing	3,157	40	25	78.93	0.17	1.000	1.045	1.000	0.17	1.000	0.17	1.046	1.000	0.18
23 Hour	221	1	1	220.99	0.01	1.000	1.026	1.000	0.01	1.000	0.01	1.046	1.000	0.01
IOP	10,737	195	123	55.06	0.56	1.000	1.027	1.000	0.58	1.000	0.58	1.046	1.000	0.61
Partial Hospitalization			-	-	-	1.000	1.032	1.000	-	1.000	-	1.046	1.000	-
Transportation - FFS	56,934	2,375	1,497	23.97	2.99	1.000	1.036	1.000	3.10	1.000	3.10	1.046	1.000	3.24
Transportation - CSA Cap	1,641		-	-	0.09	1.000	1.000	1.000	0.09	1.000	0.09	1.046	1.000	0.09
<b>Total</b>	<b>\$ 7,193,736</b>	<b>28,132</b>	<b>17,727</b>	<b>255.71</b>	<b>\$ 377.75</b>				<b>\$ 391.99</b>		<b>\$ 391.99</b>			<b>\$ 403.50</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 429.26</b>				<b>\$ 445.44</b>		<b>\$ 445.44</b>			<b>\$ 458.52</b>

West

		Total BHO Experience					
Aid Category	Age Group	Fiscal Year 2008			Fiscal Year 2009		
		Projected	PMPM	Total	Projected	PMPM	Total
BHO Priority	Ages 0 - 13	43,971	\$ 165.27	\$ 7,266,999	13,811	\$ 169.12	\$ 2,335,681
	Ages 14 - 18	28,162	\$ 229.27	\$ 6,456,739	8,826	\$ 235.30	\$ 2,076,783
	Ages 19 - 20	6,311	\$ 142.16	\$ 897,201	2,021	\$ 146.04	\$ 295,190
	Age 21+	189,578	\$ 253.90	\$ 48,134,132	59,795	\$ 260.88	\$ 15,599,188
	Total	268,022	\$ 234.14	\$ 62,755,071	84,453	\$ 240.45	\$ 20,306,842
BHO Non-Priority	Ages 0 - 13	1,713,452	\$ 1.34	\$ 2,292,985	548,043	\$ 1.39	\$ 759,605
	Ages 14 - 18	493,819	\$ 8.02	\$ 3,959,279	157,886	\$ 8.29	\$ 1,308,399
	Ages 19 - 20	160,064	\$ 2.64	\$ 422,448	51,447	\$ 2.73	\$ 140,325
	Age 21+	1,722,248	\$ 4.07	\$ 7,015,245	554,137	\$ 4.21	\$ 2,333,940
	Total	4,089,584	\$ 3.35	\$ 13,689,957	1,311,513	\$ 3.46	\$ 4,542,268
State Only & Judicials	Ages 0 - 13	22	\$ 311.32	\$ 6,795	6	\$ 319.63	\$ 1,900
	Ages 14 - 18	97	\$ 1,443.46	\$ 139,881	23	\$ 1,486.07	\$ 34,781
	Ages 19 - 20	501	\$ 451.68	\$ 226,306	145	\$ 465.15	\$ 67,398
	Age 21+	20,868	\$ 445.44	\$ 9,295,449	6,238	\$ 458.52	\$ 2,860,237
	Total	21,488	\$ 449.95	\$ 9,668,432	6,412	\$ 462.30	\$ 2,964,316
All Groups	All Ages	4,379,094	\$ 19.66	\$ 86,113,460	1,402,378	\$ 19.83	\$ 27,813,426

BHO Priority All Ages														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	108,411										111,442			110,758
Inpatient - FFS	7,123,871	16,863	1,867	422.46	65.71	1.000	1.029	1.000	67.62	0.997	67.42	1.050	1.000	70.80
Inpatient - RMHI	1,479,415	3,919	434	377.50	13.65	1.000	1.029	1.000	14.04	1.024	14.38	1.050	1.006	15.19
Outpatient	1,120,417	21,753	2,408	51.51	10.33	1.000	1.026	1.000	10.60	0.993	10.53	1.090	0.999	11.46
CMHC	8,305,396	38,481	4,259	215.83	76.61	1.000	1.103	1.000	84.49	0.998	84.33	1.030	0.999	86.75
Grant Payments	2,361,803	-	-	-	21.79	1.000	1.000	1.000	21.79	1.035	22.55	1.000	1.010	22.77
In-Home Services	1,711,650	2,359	261	725.58	15.79	1.000	1.061	1.000	16.75	0.989	16.55	1.070	0.996	17.64
Supported Housing	319,364	3,991	442	80.02	2.95	1.000	1.045	1.000	3.08	1.041	3.20	1.070	1.011	3.46
23 Hour	-	-	-	-	-	1.000	1.026	1.000	-	1.000	-	1.070	1.000	-
IOP	347,647	5,528	612	62.89	3.21	1.000	1.027	1.000	3.29	0.985	3.24	1.070	0.999	3.46
Partial Hospitalization	953	5	1	190.59	0.01	1.000	1.032	1.000	0.01	0.999	0.01	1.070	0.993	0.01
Transportation - FFS	462,488	12,791	1,416	36.16	4.27	1.000	1.036	1.000	4.42	1.015	4.49	1.070	1.006	4.83
Transportation - CSA Cap	8,268	-	-	-	0.08	1.000	1.000	1.000	0.08	1.002	0.08	1.070	1.000	0.08
<b>Total</b>	<b>\$ 23,241,271</b>	<b>105,690</b>	<b>11,699</b>	<b>219.90</b>	<b>\$ 214.38</b>				<b>\$ 226.17</b>		<b>\$ 226.78</b>			<b>\$ 236.47</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 243.61</b>				<b>\$ 257.01</b>		<b>\$ 257.70</b>			<b>\$ 268.72</b>

BHO Priority Age 0 - 13														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	36,121										37,086			36,599
Inpatient - FFS	1,923,818	5,182	1,722	371.25	53.26	1.000	1.029	1.000	54.81	1.000	54.81	1.050	1.000	57.55
Inpatient - RMHI	113,920	300	100	379.73	3.15	1.000	1.029	1.000	3.25	1.000	3.25	1.050	1.000	3.41
Outpatient	333,433	6,599	2,192	50.53	9.23	1.000	1.026	1.000	9.47	1.000	9.47	1.090	1.000	10.32
CMHC	3,556,008	15,972	5,306	222.64	98.45	1.000	1.103	1.000	108.58	1.000	108.58	1.030	1.000	111.84
Grant Payments	172,263	-	-	-	4.77	1.000	1.000	1.000	4.77	1.000	4.77	1.000	1.000	4.77
In-Home Services	872,043	1,081	359	806.70	24.14	1.000	1.061	1.000	25.61	1.000	25.61	1.070	1.000	27.40
Supported Housing	-	-	-	-	-	1.000	1.045	1.000	-	1.000	-	1.070	1.000	-
23 Hour	-	-	-	-	-	1.000	1.026	1.000	-	1.000	-	1.070	1.000	-
IOP	51,466	785	261	65.56	1.42	1.000	1.027	1.000	1.46	1.000	1.46	1.070	1.000	1.57
Partial Hospitalization	953	5	2	190.59	0.03	1.000	1.032	1.000	0.03	1.000	0.03	1.070	1.000	0.03
Transportation - FFS	82,808	1,933	642	42.84	2.29	1.000	1.036	1.000	2.38	1.000	2.38	1.070	1.000	2.54
Transportation - CSA Cap	2,650	-	-	-	0.07	1.000	1.000	1.000	0.07	1.000	0.07	1.070	1.000	0.08
<b>Total</b>	<b>\$ 7,109,363</b>	<b>31,857</b>	<b>10,583</b>	<b>223.16</b>	<b>\$ 196.82</b>				<b>\$ 210.42</b>		<b>\$ 210.42</b>			<b>\$ 219.50</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 223.66</b>				<b>\$ 239.11</b>		<b>\$ 239.11</b>			<b>\$ 249.43</b>

BHO Priority Age 14 - 18														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	47,752										47,999			47,638
Inpatient - FFS	3,775,649	9,352	2,350	403.73	79.07	1.000	1.029	1.000	81.37	1.000	81.37	1.050	1.000	85.43
Inpatient - RMHI	380,130	1,002	252	379.37	7.96	1.000	1.029	1.000	8.19	1.000	8.19	1.050	1.000	8.60
Outpatient	631,799	11,912	2,993	53.04	13.23	1.000	1.026	1.000	13.57	1.000	13.57	1.090	1.000	14.79
CMHC	3,355,725	14,980	3,764	224.01	70.27	1.000	1.103	1.000	77.51	1.000	77.51	1.030	1.000	79.83
Grant Payments	224,192	-	-	-	4.69	1.000	1.000	1.000	4.69	1.000	4.69	1.000	1.000	4.69
In-Home Services	839,607	1,278	321	656.97	17.58	1.000	1.061	1.000	18.65	1.000	18.65	1.070	1.000	19.95
Supported Housing	20,238	252	63	80.31	0.42	1.000	1.045	1.000	0.44	1.000	0.44	1.070	1.000	0.47
23 Hour	-	-	-	-	-	1.000	1.026	1.000	-	1.000	-	1.070	1.000	-
IOP	277,064	4,449	1,118	62.28	5.80	1.000	1.027	1.000	5.96	1.000	5.96	1.070	1.000	6.38
Partial Hospitalization	-	-	-	-	-	1.000	1.032	1.000	-	1.000	-	1.070	1.000	-
Transportation - FFS	149,479	4,133	1,039	36.17	3.13	1.000	1.036	1.000	3.24	1.000	3.24	1.070	1.000	3.47
Transportation - CSA Cap	3,503	-	-	-	0.07	1.000	1.000	1.000	0.07	1.000	0.07	1.070	1.000	0.08
<b>Total</b>	<b>\$ 9,657,386</b>	<b>47,358</b>	<b>11,901</b>	<b>203.92</b>	<b>\$ 202.24</b>				<b>\$ 213.70</b>		<b>\$ 213.70</b>			<b>\$ 223.71</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 229.82</b>				<b>\$ 242.84</b>		<b>\$ 242.84</b>			<b>\$ 254.21</b>

BHO Priority Age 19 - 20														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	7,289										7,810			7,781
Inpatient - FFS	318,646	509	838	626.02	43.71	1.000	1.029	1.000	44.98	1.000	44.98	1.050	1.000	47.23
Inpatient - RMHI	402,656	924	1,521	435.78	55.24	1.000	1.029	1.000	56.85	1.000	56.85	1.050	1.000	59.69
Outpatient	52,301	979	1,612	53.42	7.18	1.000	1.026	1.000	7.36	1.000	7.36	1.090	1.000	8.02
CMHC	349,166	1,871	3,080	186.62	47.90	1.000	1.103	1.000	52.83	1.000	52.83	1.030	1.000	54.42
Grant Payments	573,860	-	-	-	78.73	1.000	1.000	1.000	78.73	1.000	78.73	1.000	1.000	78.73
In-Home Services	-	-	-	-	-	1.000	1.061	1.000	-	1.000	-	1.070	1.000	-
Supported Housing	102,725	1,229	2,023	83.58	14.09	1.000	1.045	1.000	14.72	1.000	14.72	1.070	1.000	15.75
23 Hour	-	-	-	-	-	1.000	1.026	1.000	-	1.000	-	1.070	1.000	-
IOP	6,785	101	166	67.18	0.93	1.000	1.027	1.000	0.96	1.000	0.96	1.070	1.000	1.02
Partial Hospitalization	-	-	-	-	-	1.000	1.032	1.000	-	1.000	-	1.070	1.000	-
Transportation - FFS	27,693	896	1,475	30.91	3.80	1.000	1.036	1.000	3.94	1.000	3.94	1.070	1.000	4.21
Transportation - CSA Cap	628	-	-	-	0.09	1.000	1.000	1.000	0.09	1.000	0.09	1.070	1.000	0.09
<b>Total</b>	<b>\$ 1,834,461</b>	<b>6,509</b>	<b>10,715</b>	<b>281.83</b>	<b>\$ 251.66</b>				<b>\$ 260.45</b>		<b>\$ 260.45</b>			<b>\$ 269.16</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 285.98</b>				<b>\$ 295.96</b>		<b>\$ 295.96</b>			<b>\$ 305.87</b>



BHO Priority Age 21+														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	17,249										18,547			18,739
Inpatient - FFS	1,105,758	1,820	1,266	607.56	64.11	1.000	1.029	1.000	65.97	1.000	65.97	1.050	1.000	69.27
Inpatient - RMHI	582,709	1,693	1,178	344.19	33.78	1.000	1.029	1.000	34.76	1.000	34.76	1.050	1.000	36.50
Outpatient	102,883	2,263	1,574	45.46	5.96	1.000	1.026	1.000	6.12	1.000	6.12	1.090	1.000	6.67
CMHC	1,044,497	5,658	3,936	184.61	60.55	1.000	1.103	1.000	66.79	1.000	66.79	1.030	1.000	68.79
Grant Payments	1,391,488	-	-	-	80.67	1.000	1.000	1.000	80.67	1.000	80.67	1.000	1.000	80.67
In-Home Services	-	-	-	-	-	1.000	1.061	1.000	-	1.000	-	1.070	1.000	-
Supported Housing	196,400	2,510	1,746	78.25	11.39	1.000	1.045	1.000	11.90	1.000	11.90	1.070	1.000	12.73
23 Hour	-	-	-	-	-	1.000	1.026	1.000	-	1.000	-	1.070	1.000	-
IOP	12,332	193	134	63.89	0.71	1.000	1.027	1.000	0.73	1.000	0.73	1.070	1.000	0.79
Partial Hospitalization	-	-	-	-	-	1.000	1.032	1.000	-	1.000	-	1.070	1.000	-
Transportation - FFS	202,507	5,829	4,055	34.74	11.74	1.000	1.036	1.000	12.16	1.000	12.16	1.070	1.000	13.01
Transportation - CSA Cap	1,486	-	-	-	0.09	1.000	1.000	1.000	0.09	1.000	0.09	1.070	1.000	0.09
<b>Total</b>	<b>\$ 4,640,060</b>	<b>19,966</b>	<b>13,890</b>	<b>232.40</b>	<b>\$ 269.00</b>				<b>\$ 279.19</b>		<b>\$ 279.19</b>			<b>\$ 288.52</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 305.69</b>				<b>\$ 317.26</b>		<b>\$ 317.26</b>			<b>\$ 327.86</b>

BHO Non-Priority All Ages														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	600,935										618,753			623,035
Inpatient - FFS	4,603,892	12,871	257	357.69	7.66	1.000	1.029	1.000	7.88	0.989	7.80	1.050	0.998	8.17
Inpatient - RMHI	-	-	-	-	-	1.000	1.029	1.000	-	1.000	-	1.050	1.000	-
Outpatient	1,184,654	19,729	394	60.05	1.97	1.000	1.026	1.000	2.02	0.990	2.00	1.090	0.997	2.18
CMHC	2,437,205	8,890	178	274.15	4.06	1.000	1.103	1.000	4.47	0.988	4.42	1.030	0.997	4.54
Grant Payments	690,046	-	-	-	1.15	1.000	1.000	1.000	1.15	1.011	1.16	1.000	1.003	1.16
In-Home Services	1,136,501	1,914	38	593.78	1.89	1.000	1.061	1.000	2.01	0.986	1.98	1.070	0.996	2.11
Supported Housing	66,565	361	7	184.39	0.11	1.000	1.045	1.000	0.12	0.994	0.12	1.070	0.999	0.12
23 Hour	-	-	-	-	-	1.000	1.026	1.000	-	1.000	-	1.070	1.000	-
IOP	290,162	4,598	92	63.11	0.48	1.000	1.027	1.000	0.50	0.988	0.49	1.070	0.997	0.52
Partial Hospitalization	2,400	12	0	200.00	0.00	1.000	1.032	1.000	0.00	0.983	0.00	1.070	0.997	0.00
Transportation - FFS	156,111	4,470	89	34.92	0.26	1.000	1.036	1.000	0.27	0.993	0.27	1.070	0.999	0.29
Transportation - CSA Cap	46,586	-	-	-	0.08	1.000	1.000	1.000	0.08	1.002	0.08	1.070	1.000	0.08
<b>Total</b>	<b>\$ 10,614,122</b>	<b>52,845</b>	<b>1,055</b>	<b>200.85</b>	<b>\$ 17.66</b>				<b>\$ 18.50</b>		<b>\$ 18.31</b>			<b>\$ 19.17</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 20.07</b>				<b>\$ 21.02</b>		<b>\$ 20.81</b>			<b>\$ 21.79</b>

BHO Non-Priority Age 0 - 13														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	262,295										266,634			267,347
Inpatient - FFS	634,166	1,465	67	432.88	2.42	1.000	1.029	1.000	2.49	1.000	2.49	1.050	1.000	2.61
Inpatient - RMHI	-	-	-	-	-	1.000	1.029	1.000	-	1.000	-	1.050	1.000	-
Outpatient	469,419	7,960	364	58.97	1.79	1.000	1.026	1.000	1.84	1.000	1.84	1.090	1.000	2.00
CMHC	1,237,957	4,258	195	290.74	4.72	1.000	1.103	1.000	5.21	1.000	5.21	1.030	1.000	5.36
Grant Payments	80,626	-	-	-	0.31	1.000	1.000	1.000	0.31	1.000	0.31	1.000	1.000	0.31
In-Home Services	740,398	1,556	71	475.83	2.82	1.000	1.061	1.000	2.99	1.000	2.99	1.070	1.000	3.20
Supported Housing	-	-	-	-	-	1.000	1.045	1.000	-	1.000	-	1.070	1.000	-
23 Hour	-	-	-	-	-	1.000	1.026	1.000	-	1.000	-	1.070	1.000	-
IOP	19,514	263	12	74.20	0.07	1.000	1.027	1.000	0.08	1.000	0.08	1.070	1.000	0.08
Partial Hospitalization	-	-	-	-	-	1.000	1.032	1.000	-	1.000	-	1.070	1.000	-
Transportation - FFS	21,152	614	28	34.45	0.08	1.000	1.036	1.000	0.08	1.000	0.08	1.070	1.000	0.09
Transportation - CSA Cap	19,243	-	-	-	0.07	1.000	1.000	1.000	0.07	1.000	0.07	1.070	1.000	0.08
<b>Total</b>	<b>\$ 3,222,476</b>	<b>16,116</b>	<b>737</b>	<b>199.96</b>	<b>\$ 12.29</b>				<b>\$ 13.06</b>		<b>\$ 13.06</b>			<b>\$ 13.74</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 13.96</b>				<b>\$ 14.85</b>		<b>\$ 14.85</b>			<b>\$ 15.61</b>

BHO Non-Priority Age 14 - 18														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	143,399										145,001			145,425
Inpatient - FFS	3,251,202	10,143	849	320.54	22.67	1.000	1.029	1.000	23.33	1.000	23.33	1.050	1.000	24.50
Inpatient - RMHI						1.000	1.029	1.000	-	1.000	-	1.050	1.000	-
Outpatient	570,380	9,532	798	59.84	3.98	1.000	1.026	1.000	4.08	1.000	4.08	1.090	1.000	4.45
CMHC	1,017,318	3,814	319	266.73	7.09	1.000	1.103	1.000	7.82	1.000	7.82	1.030	1.000	8.06
Grant Payments	140,490				0.98	1.000	1.000	1.000	0.98	1.000	0.98	1.000	1.000	0.98
In-Home Services	355,623	342	29	1,039.83	2.48	1.000	1.061	1.000	2.63	1.000	2.63	1.070	1.000	2.81
Supported Housing	49,493	157	13	315.24	0.35	1.000	1.045	1.000	0.36	1.000	0.36	1.070	1.000	0.39
23 Hour						1.000	1.026	1.000	-	1.000	-	1.070	1.000	-
IOP	238,592	3,806	318	62.69	1.66	1.000	1.027	1.000	1.71	1.000	1.71	1.070	1.000	1.83
Partial Hospitalization	1,800	9	1	200.00	0.01	1.000	1.032	1.000	0.01	1.000	0.01	1.070	1.000	0.01
Transportation - FFS	101,462	2,799	234	36.25	0.71	1.000	1.036	1.000	0.73	1.000	0.73	1.070	1.000	0.78
Transportation - CSA Cap	10,521				0.07	1.000	1.000	1.000	0.07	1.000	0.07	1.070	1.000	0.08
<b>Total</b>	<b>\$ 5,736,880</b>	<b>30,602</b>	<b>2,561</b>	<b>187.47</b>	<b>\$ 40.01</b>				<b>\$ 41.73</b>		<b>\$ 41.73</b>			<b>\$ 43.89</b>
Admin %						10.0%			10.0%		10.0%			10.0%
Premium Tax						2.0%			2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 45.46</b>				<b>\$ 47.43</b>		<b>\$ 47.43</b>			<b>\$ 49.87</b>

BHO Non-Priority Age 19 - 20														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	52,225										53,062			53,363
Inpatient - FFS	263,497	499	115	528.05	5.05	1.000	1.029	1.000	5.19	1.000	5.19	1.050	1.000	5.45
Inpatient - RMHI						1.000	1.029	1.000	-	1.000	-	1.050	1.000	-
Outpatient	47,310	784	180	60.34	0.91	1.000	1.026	1.000	0.93	1.000	0.93	1.090	1.000	1.01
CMHC	62,481	289	66	216.20	1.20	1.000	1.103	1.000	1.32	1.000	1.32	1.030	1.000	1.36
Grant Payments	182,679				3.50	1.000	1.000	1.000	3.50	1.000	3.50	1.000	1.000	3.50
In-Home Services	40,480	16	4	2,530.00	0.78	1.000	1.061	1.000	0.82	1.000	0.82	1.070	1.000	0.88
Supported Housing	4,851	63	14	76.99	0.09	1.000	1.045	1.000	0.10	1.000	0.10	1.070	1.000	0.10
23 Hour						1.000	1.026	1.000	-	1.000	-	1.070	1.000	-
IOP	7,548	132	30	57.18	0.14	1.000	1.027	1.000	0.15	1.000	0.15	1.070	1.000	0.16
Partial Hospitalization	600	3	1	200.00	0.01	1.000	1.032	1.000	0.01	1.000	0.01	1.070	1.000	0.01
Transportation - FFS	8,594	298	68	28.84	0.16	1.000	1.036	1.000	0.17	1.000	0.17	1.070	1.000	0.18
Transportation - CSA Cap	4,500				0.09	1.000	1.000	1.000	0.09	1.000	0.09	1.070	1.000	0.09
<b>Total</b>	<b>\$ 622,540</b>	<b>2,084</b>	<b>479</b>	<b>298.72</b>	<b>\$ 11.92</b>				<b>\$ 12.27</b>		<b>\$ 12.27</b>			<b>\$ 12.75</b>
Admin %						10.0%			10.0%		10.0%			10.0%
Premium Tax						2.0%			2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 13.55</b>				<b>\$ 13.95</b>		<b>\$ 13.95</b>			<b>\$ 14.49</b>

BHO Non-Priority Age 21+														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	143,016										154,056			156,899
Inpatient - FFS	455,027	764	64	595.58	3.18	1.000	1.029	1.000	3.27	1.000	3.27	1.050	1.000	3.44
Inpatient - RMHI						1.000	1.029	1.000	-	1.000	-	1.050	1.000	-
Outpatient	97,545	1,453	122	67.13	0.68	1.000	1.026	1.000	0.70	1.000	0.70	1.090	1.000	0.76
CMHC	119,448	529	44	225.80	0.84	1.000	1.103	1.000	0.92	1.000	0.92	1.030	1.000	0.95
Grant Payments	286,251				2.00	1.000	1.000	1.000	2.00	1.000	2.00	1.000	1.000	2.00
In-Home Services						1.000	1.061	1.000	-	1.000	-	1.070	1.000	-
Supported Housing	12,221	141	12	86.67	0.09	1.000	1.045	1.000	0.09	1.000	0.09	1.070	1.000	0.10
23 Hour						1.000	1.026	1.000	-	1.000	-	1.070	1.000	-
IOP	24,509	397	33	61.74	0.17	1.000	1.027	1.000	0.18	1.000	0.18	1.070	1.000	0.19
Partial Hospitalization						1.000	1.032	1.000	-	1.000	-	1.070	1.000	-
Transportation - FFS	24,902	759	64	32.81	0.17	1.000	1.036	1.000	0.18	1.000	0.18	1.070	1.000	0.19
Transportation - CSA Cap	12,323				0.09	1.000	1.000	1.000	0.09	1.000	0.09	1.070	1.000	0.09
<b>Total</b>	<b>\$ 1,032,226</b>	<b>4,043</b>	<b>339</b>	<b>255.31</b>	<b>\$ 7.22</b>				<b>\$ 7.43</b>		<b>\$ 7.43</b>			<b>\$ 7.72</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 8.20</b>				<b>\$ 8.44</b>		<b>\$ 8.44</b>			<b>\$ 8.77</b>

Total BHO Experience							
Aid Category	Age Group	Fiscal Year 2008			Fiscal Year 2009		
		Projected	PMPM	Total	Projected	PMPM	Total
BHO Priority	Ages 0 - 13	37,086	\$ 239.11	\$ 8,867,649	36,599	\$ 249.43	\$ 9,128,888
	Ages 14 - 18	47,999	\$ 242.84	\$ 11,655,777	47,638	\$ 254.21	\$ 12,110,112
	Ages 19 - 20	7,810	\$ 295.96	\$ 2,311,492	7,781	\$ 305.87	\$ 2,379,940
	Age 21+	18,547	\$ 317.26	\$ 5,884,278	18,739	\$ 327.86	\$ 6,143,902
	Total	111,442	\$ 257.70	\$ 28,719,196	110,758	\$ 268.72	\$ 29,762,842
BHO Non-Priority	Ages 0 - 13	266,634	\$ 14.85	\$ 3,958,207	267,347	\$ 15.61	\$ 4,172,843
	Ages 14 - 18	145,001	\$ 47.43	\$ 6,876,697	145,425	\$ 49.87	\$ 7,252,895
	Ages 19 - 20	53,062	\$ 13.95	\$ 740,130	53,363	\$ 14.49	\$ 773,222
	Age 21+	154,056	\$ 8.44	\$ 1,300,407	156,899	\$ 8.77	\$ 1,376,385
	Total	618,753	\$ 20.81	\$ 12,875,440	623,035	\$ 21.79	\$ 13,575,346
All Groups	All Ages	730,196	\$ 56.96	\$ 41,594,637	733,793	\$ 59.06	\$ 43,338,187



<b>BHO Priority All Ages</b>														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	5,684										5,748			5,389
Inpatient - FFS	271,574	596	1,258	455.66	47.78	1.000	1.029	1.000	49.17	0.990	48.69	1.050	0.021	50.67
Inpatient - RMHI	46,568	134	283	347.52	8.19	1.000	1.029	1.000	8.43	0.900	7.59	1.050	0.122	7.03
Outpatient	26,763	528	1,115	50.69	4.71	1.000	1.026	1.000	4.83	0.993	4.80	1.090	0.227	5.22
CMHC	131,939	772	1,630	170.91	23.21	1.000	1.103	1.000	25.60	1.009	25.82	1.030	0.040	26.56
Grant Payments	76,192	-	-	-	13.41	1.000	1.000	1.000	13.41	0.992	13.30	1.000	0.075	13.34
In-Home Services	-	-	-	-	-	1.000	1.061	1.000	-	1.000	-	1.070	1.000	-
Supported Housing	50,426	627	1,324	80.42	8.87	1.000	1.045	1.000	9.27	0.992	9.20	1.070	0.117	9.93
23 Hour	105	3	6	34.90	0.02	1.000	1.026	1.000	0.02	0.992	0.02	1.070	57.569	0.02
IOP	6,132	108	228	56.78	1.08	1.000	1.027	1.000	1.11	0.989	1.10	1.070	0.955	1.15
Partial Hospitalization	2,050	19	40	107.88	0.36	1.000	1.032	1.000	0.37	0.992	0.37	1.070	2.922	0.40
Transportation - FFS	27,545	849	1,793	32.44	4.85	1.000	1.036	1.000	5.02	0.899	4.52	1.070	0.209	4.25
Transportation - CSA Cap	480	-	-	-	0.08	1.000	1.000	1.000	0.08	0.999	0.08	1.070	12.696	0.09
<b>Total</b>	<b>\$ 639,772</b>	<b>3,636</b>	<b>7,677</b>	<b>175.95</b>	<b>\$ 112.57</b>				<b>\$ 117.31</b>		<b>\$ 115.49</b>			<b>\$ 118.67</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 127.91</b>				<b>\$ 133.31</b>		<b>\$ 131.24</b>			<b>\$ 134.85</b>

<b>BHO Priority Age 0 - 13</b>														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	390										452			420
Inpatient - FFS	1,870	1	31	1,870.00	4.80	1.000	1.029	1.000	4.94	1.000	4.94	1.050	1.000	5.19
Inpatient - RMHI	-	-	-	-	-	1.000	1.029	1.000	-	1.000	-	1.050	1.000	-
Outpatient	806	29	893	27.79	2.07	1.000	1.026	1.000	2.12	1.000	2.12	1.090	1.000	2.31
CMHC	16,476	61	1,879	270.09	42.30	1.000	1.103	1.000	46.65	1.000	46.65	1.030	1.000	48.05
Grant Payments	971	-	-	-	2.49	1.000	1.000	1.000	2.49	1.000	2.49	1.000	1.000	2.49
In-Home Services	-	-	-	-	-	1.000	1.061	1.000	-	1.000	-	1.070	1.000	-
Supported Housing	-	-	-	-	-	1.000	1.045	1.000	-	1.000	-	1.070	1.000	-
23 Hour	-	-	-	-	-	1.000	1.026	1.000	-	1.000	-	1.070	1.000	-
IOP	-	-	-	-	-	1.000	1.027	1.000	-	1.000	-	1.070	1.000	-
Partial Hospitalization	-	-	-	-	-	1.000	1.032	1.000	-	1.000	-	1.070	1.000	-
Transportation - FFS	431	18	555	23.96	1.11	1.000	1.036	1.000	1.15	1.000	1.15	1.070	1.000	1.23
Transportation - CSA Cap	29	-	-	-	0.07	1.000	1.000	1.000	0.07	1.000	0.07	1.070	1.000	0.08
<b>Total</b>	<b>\$ 20,583</b>	<b>109</b>	<b>3,358</b>	<b>188.83</b>	<b>\$ 52.84</b>				<b>\$ 57.43</b>		<b>\$ 57.43</b>			<b>\$ 59.35</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 60.05</b>				<b>\$ 65.26</b>		<b>\$ 65.26</b>			<b>\$ 67.44</b>

BHO Priority Age 14 - 18														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	367										366			321
Inpatient - FFS	59,678	250	8,174	238.71	162.60	1.000	1.029	1.000	167.33	1.000	167.33	1.050	1.000	175.70
Inpatient - RMHI	3,800	10	327	380.00	10.35	1.000	1.029	1.000	10.65	1.000	10.65	1.050	1.000	11.19
Outpatient	2,135	38	1,242	56.19	5.82	1.000	1.026	1.000	5.97	1.000	5.97	1.090	1.000	6.50
CMHC	9,432	32	1,046	294.74	25.70	1.000	1.103	1.000	28.34	1.000	28.34	1.030	1.000	29.19
Grant Payments	3,890				10.60	1.000	1.000	1.000	10.60	1.000	10.60	1.000	1.000	10.60
In-Home Services						1.000	1.061	1.000		1.000		1.070	1.000	
Supported Housing						1.000	1.045	1.000		1.000		1.070	1.000	
23 Hour						1.000	1.026	1.000		1.000		1.070	1.000	
IOP	2,635	44	1,439	59.89	7.18	1.000	1.027	1.000	7.37	1.000	7.37	1.070	1.000	7.89
Partial Hospitalization						1.000	1.032	1.000		1.000		1.070	1.000	
Transportation - FFS	732	19	621	38.53	1.99	1.000	1.036	1.000	2.07	1.000	2.07	1.070	1.000	2.21
Transportation - CSA Cap	27				0.07	1.000	1.000	1.000	0.07	1.000	0.07	1.070	1.000	0.08
<b>Total</b>	<b>\$ 82,329</b>	<b>393</b>	<b>12,849</b>	<b>209.49</b>	<b>\$ 224.32</b>				<b>\$ 232.40</b>		<b>\$ 232.40</b>			<b>\$ 243.36</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 254.90</b>				<b>\$ 264.10</b>		<b>\$ 264.10</b>			<b>\$ 276.54</b>

BHO Priority Age 19 - 20														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	146										131			108
Inpatient - FFS	4,356	3	247	1,452.08	29.94	1.000	1.029	1.000	30.81	1.000	30.81	1.050	1.000	32.35
Inpatient - RMHI	42,768	124	10,225	344.90	293.90	1.000	1.029	1.000	302.44	1.000	302.44	1.050	1.000	317.56
Outpatient	835	25	2,062	33.38	5.73	1.000	1.026	1.000	5.88	1.000	5.88	1.090	1.000	6.41
CMHC	3,444	18	1,484	191.34	23.67	1.000	1.103	1.000	26.10	1.000	26.10	1.030	1.000	26.89
Grant Payments	1,324				9.10	1.000	1.000	1.000	9.10	1.000	9.10	1.000	1.000	9.10
In-Home Services						1.000	1.061	1.000		1.000		1.070	1.000	
Supported Housing						1.000	1.045	1.000		1.000		1.070	1.000	
23 Hour						1.000	1.026	1.000		1.000		1.070	1.000	
IOP						1.000	1.027	1.000		1.000		1.070	1.000	
Partial Hospitalization						1.000	1.032	1.000		1.000		1.070	1.000	
Transportation - FFS	26,382	812	66,959	32.49	181.29	1.000	1.036	1.000	187.82	1.000	187.82	1.070	1.000	200.96
Transportation - CSA Cap	13				0.09	1.000	1.000	1.000	0.09	1.000	0.09	1.070	1.000	0.09
<b>Total</b>	<b>\$ 79,121</b>	<b>982</b>	<b>80,978</b>	<b>80.57</b>	<b>\$ 543.71</b>				<b>\$ 562.24</b>		<b>\$ 562.24</b>			<b>\$ 593.36</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 617.85</b>				<b>\$ 638.90</b>		<b>\$ 638.90</b>			<b>\$ 674.28</b>



Development of Per Capita Costs:

**TCS Low**

BHO Priority Age 21+														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	4,782										4,799			4,540
Inpatient - FFS	205,670	342	858	601.37	43.01	1.000	1.029	1.000	44.26	1.000	44.26	1.050	1.000	46.48
Inpatient - RMHI						1.000	1.029	1.000	-	1.000	-	1.050	1.000	-
Outpatient	22,987	436	1,094	52.72	4.81	1.000	1.026	1.000	4.93	1.000	4.93	1.090	1.000	5.37
CMHC	102,588	661	1,659	155.20	21.46	1.000	1.103	1.000	23.66	1.000	23.66	1.030	1.000	24.37
Grant Payments	70,006				14.64	1.000	1.000	1.000	14.64	1.000	14.64	1.000	1.000	14.64
In-Home Services						1.000	1.061	1.000	-	1.000	-	1.070	1.000	-
Supported Housing	50,426	627	1,574	80.42	10.55	1.000	1.045	1.000	11.02	1.000	11.02	1.070	1.000	11.79
23 Hour	105	3	8	34.90	0.02	1.000	1.026	1.000	0.02	1.000	0.02	1.070	1.000	0.02
IOP	3,497	64	161	54.63	0.73	1.000	1.027	1.000	0.75	1.000	0.75	1.070	1.000	0.80
Partial Hospitalization	2,050	19	48	107.88	0.43	1.000	1.032	1.000	0.44	1.000	0.44	1.070	1.000	0.47
Transportation - FFS						1.000	1.036	1.000	-	1.000	-	1.070	1.000	-
Transportation - CSA Cap	412				0.09	1.000	1.000	1.000	0.09	1.000	0.09	1.070	1.000	0.09
<b>Total</b>	<b>\$ 457,739</b>	<b>2,152</b>	<b>5,401</b>	<b>212.70</b>	<b>\$ 95.73</b>				<b>\$ 99.82</b>		<b>\$ 99.82</b>			<b>\$ 104.05</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 108.79</b>				<b>\$ 113.43</b>		<b>\$ 113.43</b>			<b>\$ 118.24</b>

**TCS Low**

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<b>BHO Non-Priority</b>														
<b>All Ages</b>														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	101,180										109,975			108,912
Inpatient - FFS	329,844	529	63	623.52	3.26	1.000	1.029	1.000	3.35	1.016	3.41	1.050	0.309	3.59
Inpatient - RMHI	-	-	-	-	-	1.000	1.029	1.000	-	1.000	-	1.050	1.000	-
Outpatient	28,326	413	49	68.59	0.28	1.000	1.026	1.000	0.29	1.001	0.29	1.090	3.790	0.31
CMHC	20,596	94	11	219.11	0.20	1.000	1.103	1.000	0.22	1.000	0.22	1.030	4.591	0.23
Grant Payments	52,874	-	-	-	0.52	1.000	1.000	1.000	0.52	1.002	0.52	1.000	1.911	0.52
In-Home Services	15,851	4	0	3,962.75	0.16	1.000	1.061	1.000	0.17	1.012	0.17	1.070	6.399	0.18
Supported Housing	-	-	-	-	-	1.000	1.045	1.000	-	1.000	-	1.070	1.000	-
23 Hour	-	-	-	-	-	1.000	1.026	1.000	-	1.000	-	1.070	1.000	-
IOP	9,223	148	18	62.32	0.09	1.000	1.027	1.000	0.09	0.992	0.09	1.070	11.494	0.10
Partial Hospitalization	-	-	-	-	-	1.000	1.032	1.000	-	1.000	-	1.070	1.000	-
Transportation - FFS	7,759	126	15	61.58	0.08	1.000	1.036	1.000	0.08	0.883	0.07	1.070	14.397	0.07
Transportation - CSA Cap	8,486	-	-	-	0.08	1.000	1.000	1.000	0.08	0.999	0.08	1.070	12.766	0.09
<b>Total</b>	<b>\$ 472,960</b>	<b>1,314</b>	<b>156</b>	<b>359.94</b>	<b>\$ 4.67</b>				<b>\$ 4.81</b>		<b>\$ 4.86</b>			<b>\$ 5.10</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 5.31</b>				<b>\$ 5.47</b>		<b>\$ 5.52</b>			<b>\$ 5.79</b>

<b>BHO Non-Priority</b>														
<b>Age 0 - 13</b>														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	13,492										14,844			14,786
Inpatient - FFS	3,930	1	1	3,930.00	0.29	1.000	1.029	1.000	0.30	1.000	0.30	1.050	1.000	0.31
Inpatient - RMHI	-	-	-	-	-	1.000	1.029	1.000	-	1.000	-	1.050	1.000	-
Outpatient	3,054	57	51	53.58	0.23	1.000	1.026	1.000	0.23	1.000	0.23	1.090	1.000	0.25
CMHC	1,205	6	5	200.87	0.09	1.000	1.103	1.000	0.10	1.000	0.10	1.030	1.000	0.10
Grant Payments	1,193	-	-	-	0.09	1.000	1.000	1.000	0.09	1.000	0.09	1.000	1.000	0.09
In-Home Services	15,851	4	4	3,962.75	1.17	1.000	1.061	1.000	1.25	1.000	1.25	1.070	1.000	1.33
Supported Housing	-	-	-	-	-	1.000	1.045	1.000	-	1.000	-	1.070	1.000	-
23 Hour	-	-	-	-	-	1.000	1.026	1.000	-	1.000	-	1.070	1.000	-
IOP	-	-	-	-	-	1.000	1.027	1.000	-	1.000	-	1.070	1.000	-
Partial Hospitalization	-	-	-	-	-	1.000	1.032	1.000	-	1.000	-	1.070	1.000	-
Transportation - FFS	-	-	-	-	-	1.000	1.036	1.000	-	1.000	-	1.070	1.000	-
Transportation - CSA Cap	990	-	-	-	0.07	1.000	1.000	1.000	0.07	1.000	0.07	1.070	1.000	0.08
<b>Total</b>	<b>\$ 26,223</b>	<b>68</b>	<b>60</b>	<b>385.63</b>	<b>\$ 1.94</b>				<b>\$ 2.04</b>		<b>\$ 2.04</b>			<b>\$ 2.17</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 2.21</b>				<b>\$ 2.32</b>		<b>\$ 2.32</b>			<b>\$ 2.47</b>

TCS Low

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BHO Non-Priority Age 14 - 18														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	4,594										5,451			5,468
Inpatient - FFS	71,437	220	575	324.71	15.55	1.000	1.029	1.000	16.00	1.000	16.00	1.050	1.000	16.80
Inpatient - RMHI						1.000	1.029	1.000		1.000		1.050	1.000	
Outpatient	2,268	41	107	55.32	0.49	1.000	1.026	1.000	0.51	1.000	0.51	1.090	1.000	0.55
CMHC	548	6	16	91.37	0.12	1.000	1.103	1.000	0.13	1.000	0.13	1.030	1.000	0.14
Grant Payments	3,708				0.81	1.000	1.000	1.000	0.81	1.000	0.81	1.000	1.000	0.81
In-Home Services						1.000	1.061	1.000		1.000		1.070	1.000	
Supported Housing						1.000	1.045	1.000		1.000		1.070	1.000	
23 Hour						1.000	1.026	1.000		1.000		1.070	1.000	
IOP						1.000	1.027	1.000		1.000		1.070	1.000	
Partial Hospitalization						1.000	1.032	1.000		1.000		1.070	1.000	
Transportation - FFS	501	18	47	27.85	0.11	1.000	1.036	1.000	0.11	1.000	0.11	1.070	1.000	0.12
Transportation - CSA Cap	337				0.07	1.000	1.000	1.000	0.07	1.000	0.07	1.070	1.000	0.08
<b>Total</b>	<b>\$ 78,800</b>	<b>285</b>	<b>745</b>	<b>276.49</b>	<b>\$ 17.15</b>				<b>\$ 17.64</b>		<b>\$ 17.64</b>			<b>\$ 18.50</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 19.49</b>				<b>\$ 20.04</b>		<b>\$ 20.04</b>			<b>\$ 21.02</b>

BHO Non-Priority Age 19 - 20														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	2,590										2,447			2,274
Inpatient - FFS	4,511	4	19	1,127.75	1.74	1.000	1.029	1.000	1.79	1.000	1.79	1.050	1.000	1.88
Inpatient - RMHI						1.000	1.029	1.000		1.000		1.050	1.000	
Outpatient	1,045	15	69	69.65	0.40	1.000	1.026	1.000	0.41	1.000	0.41	1.090	1.000	0.45
CMHC	88	1	5	88.49	0.03	1.000	1.103	1.000	0.04	1.000	0.04	1.030	1.000	0.04
Grant Payments	916				0.35	1.000	1.000	1.000	0.35	1.000	0.35	1.000	1.000	0.35
In-Home Services						1.000	1.061	1.000		1.000		1.070	1.000	
Supported Housing						1.000	1.045	1.000		1.000		1.070	1.000	
23 Hour						1.000	1.026	1.000		1.000		1.070	1.000	
IOP	332	6	28	55.25	0.13	1.000	1.027	1.000	0.13	1.000	0.13	1.070	1.000	0.14
Partial Hospitalization						1.000	1.032	1.000		1.000		1.070	1.000	
Transportation - FFS	7,258	108	500	67.20	2.80	1.000	1.036	1.000	2.90	1.000	2.90	1.070	1.000	3.11
Transportation - CSA Cap	223				0.09	1.000	1.000	1.000	0.09	1.000	0.09	1.070	1.000	0.09
<b>Total</b>	<b>\$ 14,373</b>	<b>134</b>	<b>621</b>	<b>107.26</b>	<b>\$ 5.55</b>				<b>\$ 5.72</b>		<b>\$ 5.72</b>			<b>\$ 6.06</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 6.31</b>				<b>\$ 6.50</b>		<b>\$ 6.50</b>			<b>\$ 6.89</b>

**TCS Low**

For Priority and Non-Priority members (not TCS High), as of 4/1/2007, BHO is included in MCO cap rates.  
This data represents TCS Low members not yet enrolled in MCO.

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BHO Non-Priority Age 21+														
Service Category	November 2006 through October 2007					Data Adjustment Factors					Capitation Rates			
	Paid Expenditures	Units	Units / 1000	Paid Expenditures / Unit	Paid Expenditures PMPM	Trend To Contract Period	IBNR Completion	Benefit Adjustment	PMPM Before Enrollment Impact	Enrollment Impact	FY 2008 PMPM	Trend To FY 2009	Enrollment Impact	FY 2009 PMPM
Member Months	80,504										87,233			86,383
Inpatient - FFS	249,966	304	45	822.26	3.11	1.000	1.029	1.000	3.20	1.000	3.20	1.050	1.000	3.36
Inpatient - RMHI						1.000	1.029	1.000	-	1.000	-	1.050	1.000	-
Outpatient	21,959	300	45	73.20	0.27	1.000	1.026	1.000	0.28	1.000	0.28	1.090	1.000	0.30
CMHC	18,754	81	12	231.54	0.23	1.000	1.103	1.000	0.26	1.000	0.26	1.030	1.000	0.26
Grant Payments	47,057				0.58	1.000	1.000	1.000	0.58	1.000	0.58	1.000	1.000	0.58
In-Home Services						1.000	1.061	1.000	-	1.000	-	1.070	1.000	-
Supported Housing						1.000	1.045	1.000	-	1.000	-	1.070	1.000	-
23 Hour						1.000	1.026	1.000	-	1.000	-	1.070	1.000	-
IOP	8,892	142	21	62.62	0.11	1.000	1.027	1.000	0.11	1.000	0.11	1.070	1.000	0.12
Partial Hospitalization						1.000	1.032	1.000	-	1.000	-	1.070	1.000	-
Transportation - FFS						1.000	1.036	1.000	-	1.000	-	1.070	1.000	-
Transportation - CSA Cap	6,936				0.09	1.000	1.000	1.000	0.09	1.000	0.09	1.070	1.000	0.09
<b>Total</b>	<b>\$ 353,564</b>	<b>827</b>	<b>123</b>	<b>427.53</b>	<b>\$ 4.39</b>				<b>\$ 4.52</b>		<b>\$ 4.52</b>			<b>\$ 4.72</b>
Admin %					10.0%				10.0%		10.0%			10.0%
Premium Tax					2.0%				2.0%		2.0%			2.0%
<b>Total Premium Rate</b>					<b>\$ 4.99</b>				<b>\$ 5.13</b>		<b>\$ 5.13</b>			<b>\$ 5.37</b>

TCS Low

		Total BHO Experience					
Aid Category	Age Group	Fiscal Year 2008			Fiscal Year 2009		
		Projected	PMPM	Total	Projected	PMPM	Total
BHO Priority	Ages 0 - 13	452	\$ 65.26	\$ 29,508	420	\$ 67.44	\$ 28,326
	Ages 14 - 18	366	\$ 264.10	\$ 96,574	321	\$ 276.54	\$ 88,743
	Ages 19 - 20	131	\$ 638.90	\$ 83,951	108	\$ 674.28	\$ 72,822
	Age 21+	4,799	\$ 113.43	\$ 544,340	4,540	\$ 118.24	\$ 536,820
	Total	5,748	\$ 131.24	\$ 754,374	5,389	\$ 134.85	\$ 726,711
BHO Non-Priority	Ages 0 - 13	14,844	\$ 2.32	\$ 34,383	14,786	\$ 2.47	\$ 36,453
	Ages 14 - 18	5,451	\$ 20.04	\$ 109,238	5,468	\$ 21.02	\$ 114,950
	Ages 19 - 20	2,447	\$ 6.50	\$ 15,897	2,274	\$ 6.89	\$ 15,669
	Age 21+	87,233	\$ 5.13	\$ 447,676	86,383	\$ 5.37	\$ 463,598
	Total	109,975	\$ 5.52	\$ 607,194	108,912	\$ 5.79	\$ 630,670
All Groups	All Ages	115,723	\$ 11.77	\$ 1,361,568	114,301	\$ 11.88	\$ 1,357,381



**All Regions**

			Provider Fee Adjustment	Midpoint of 5/1/2007 to midpoint of		Trend FY2008	Annual FY2009	Factor Total	West	East
	Historical	Current		Trend To	Trend To					
	Trend	Trend		10/08	12/08					
			FY2008	FY2009	FY2008	FY2009		FY2009	FY2009	
MH - Inpatient (FFS)	0.0%	5.0%	0.0%	8	20	1.000	1.050	1.050	1.033	1.037
MH - Inpatient (RMHI)	0.0%	5.0%	0.0%	8	20	1.000	1.050	1.050	1.033	1.037
MH - Outpatient	0.0%	9.0%	0.0%	8	20	1.000	1.090	1.090	1.059	1.067
MH - Case Rates	0.0%	3.0%	0.0%	8	20	1.000	1.030	1.030	1.020	1.022
MH - Grants*	0.0%	0.0%	0.0%	8	20	1.000	1.000	1.000	1.000	1.000
MH - In-Home Services	0.0%	7.0%	0.0%	8	20	1.000	1.070	1.070	1.046	1.052
MH - Supported Housing	0.0%	7.0%	0.0%	8	20	1.000	1.070	1.070	1.046	1.052
MH - 23 Hour	0.0%	7.0%	0.0%	8	20	1.000	1.070	1.070	1.046	1.052
MH - Intensive Outpatient	0.0%	7.0%	0.0%	8	20	1.000	1.070	1.070	1.046	1.052
MH - Partial Hospitalization	0.0%	7.0%	0.0%	8	20	1.000	1.070	1.070	1.046	1.052
MH - Transportation	0.0%	7.0%	0.0%	8	20	1.000	1.070	1.070	1.046	1.052

\* Grants are a total budgeted amount resulting in implied trends.