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December 14, 2010

Dr. David Palmer
Chief Actuary
Health and Human Services Commission
1100 W. 49th Street
Austin, Texas 78756

Re: CHIP Rate Amendment

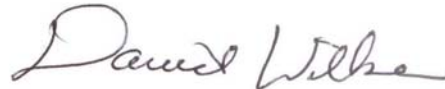
Dear Dr. Palmer:

The Health and Human Services Commission (HHSC) has made further revisions to Medicaid provider reimbursement effective February 1, 2011. Provider reimbursement will be reduced by an additional 1% for most acute care services except for TEFRA facilities, Federal Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs). This reduction in provider reimbursement will impact the current capitation rates. As a result, we have re-determined the FY2011 capitation rates based on the new Medicaid provider reimbursement schedule.

This letter amends the report titled State of Texas Children's Health Insurance Program CHIP Program Rate Setting State Fiscal Year 2011 and dated June 15, 2010. The amended FY2011 capitation rates were developed using identical methods and assumptions as the rates described in that report. The amended rates are assumed to be payable for the period February 1, 2011 through August 31, 2011.

The attached Exhibit A presents the amended FY2011 CHIP, CHIP Perinatal and CHIP Dental capitation rates. Attachment 4 - Exhibit D (revised) presents the revised provider reimbursement adjustment factors used in developing the amended capitation rates.

Sincerely,



David Wilkes

DGW:nlg

Enclosure

FY2011 CHIP Capitation Rates - Amended
Adjusted Per Member Per Month Rates
Effective February 1, 2011

Health Plan	Under Age 1	Ages 1-5	Ages 6-14	Ages 15-18
Seton - Austin	\$ 230.21	\$ 103.95	\$ 83.48	\$ 124.98
Superior - Austin	102.82	77.72	60.76	86.77
Amerigroup - Corpus	56.61	99.33	66.95	109.95
Driscoll - Corpus	170.97	136.79	94.79	156.43
Superior - Corpus	58.62	114.42	71.04	132.33
Amerigroup - Dallas	130.17	97.39	77.49	113.90
Parkland - Dallas	228.17	113.79	95.08	131.87
Unicare - Dallas	155.21	109.79	83.56	116.53
El Paso First - El Paso	99.00	92.52	66.49	77.53
Superior - El Paso	207.88	94.43	67.27	77.08
Aetna - Fort Worth	105.82	84.60	65.35	99.95
Amerigroup - Fort Worth	203.09	85.52	65.25	98.21
Cook - Fort Worth	198.79	98.06	83.87	119.53
Amerigroup - Houston	160.04	96.31	71.58	106.07
CHC - Houston	187.01	103.88	75.96	110.08
Molina - Houston	120.04	81.33	63.45	89.80
TCHP - Houston	393.03	112.73	92.58	130.66
UHC - Houston	257.31	104.43	81.59	123.77
Firstcare - Lubbock	88.81	82.57	78.60	107.40
Superior - Lubbock	104.32	79.45	70.38	92.11
Aetna - San Antonio	126.71	84.84	56.14	70.69
CFHP - San Antonio	167.58	115.03	79.76	102.54
Superior - San Antonio	91.02	97.01	67.75	85.00
EPO Plan	180.96	106.29	75.84	100.11

FY2011 CHIP Perinate Capitation Rates - Amended
 Adjusted Per Member Per Month Rates
 Effective February 1, 2011

<u>Health Plan</u>	<u>Newborn Under 185% FPL</u>	<u>Newborn 185-200% FPL</u>	<u>Perinate Under 185% FPL</u>	<u>Perinate 185-200% FPL</u>	<u>DSP</u>
Austin	\$ 232.46	\$ 506.58	\$ 309.34	\$ 342.41	\$ 3,100.00
Corpus	321.96	506.58	350.33	342.41	\$ 3,100.00
Dallas	327.49	506.58	394.95	342.41	\$ 3,100.00
El Paso	213.75	506.58	389.00	342.41	\$ 3,100.00
Fort Worth	275.32	506.58	430.83	342.41	\$ 3,100.00
Houston	335.03	506.58	606.26	342.41	\$ 3,100.00
Lubbock	293.93	506.58	361.63	342.41	\$ 3,100.00
San Antonio	180.05	506.58	413.06	342.41	\$ 3,100.00
EPO	304.18	506.58	368.52	342.41	\$ 3,100.00

FY2011 CHIP Dental Capitation Rates - Amended
Adjusted Per Member Per Month Rates
Effective February 1, 2011

<u>Health Plan</u>	<u>Under Age 1</u>	<u>Ages 1-5</u>	<u>Ages 6-14</u>	<u>Ages 15-18</u>
Tier I	\$ 1.19	\$ 13.07	\$ 20.61	\$ 16.54
Tier II	1.19	13.20	20.82	16.71
Tier III	1.19	13.46	21.28	17.06

FY2011 CHIP Rating
 Provider Reimbursement Adjustments
 1% Provider Reimbursement Reductions

	Age Group				Total
	< 1	1-5	6-14	15-18	
Provider Reimbursement Reduction (1)					
Austin	-2,390	-41,839	-97,282	-52,863	-194,374
Corpus Christi	-531	-19,595	-57,499	-38,510	-116,135
Dallas	-9,757	-111,337	-227,939	-93,942	-442,975
El Paso	-648	-34,163	-102,551	-51,950	-189,312
Fort Worth	-2,466	-82,269	-184,679	-82,926	-352,341
Houston	-17,147	-287,915	-656,063	-353,737	-1,314,862
Lubbock	-249	-15,490	-40,936	-23,406	-80,081
San Antonio	-2,160	-93,330	-224,759	-111,350	-431,599
EPO	-6,334	-241,916	-594,407	-308,618	-1,151,275
Total	-41,681	-927,855	-2,186,114	-1,117,302	-4,272,953
FY2009 Total Incurred Claims (2)					
Austin	214,892	3,351,104	7,159,700	3,859,439	14,585,135
Corpus Christi	40,379	2,052,921	5,647,112	3,867,888	11,608,300
Dallas	777,735	12,773,341	31,573,186	11,190,114	56,314,377
El Paso	40,899	2,160,095	6,507,979	3,295,982	12,004,956
Fort Worth	348,330	7,729,451	19,505,051	7,619,605	35,202,437
Houston	1,556,306	23,389,440	57,671,227	28,428,104	111,045,077
Lubbock	17,047	1,081,378	3,335,192	1,700,394	6,134,011
San Antonio	141,408	5,923,850	14,360,939	7,087,454	27,513,652
EPO	477,318	17,342,832	43,748,698	22,569,078	84,137,926
Total	3,614,315	75,804,411	189,509,084	89,618,059	358,545,870
Adjustment Factor (3)					
Austin	-1.11 %	-1.25 %	-1.36 %	-1.37 %	-1.33 %
Corpus Christi	-1.31 %	-0.95 %	-1.02 %	-1.00 %	-1.00 %
Dallas	-1.25 %	-0.87 %	-0.72 %	-0.84 %	-0.79 %
El Paso	-1.58 %	-1.58 %	-1.58 %	-1.58 %	-1.58 %
Fort Worth	-0.71 %	-1.06 %	-0.95 %	-1.09 %	-1.00 %
Houston	-1.10 %	-1.23 %	-1.14 %	-1.24 %	-1.18 %
Lubbock	-1.46 %	-1.43 %	-1.23 %	-1.38 %	-1.31 %
San Antonio	-1.53 %	-1.58 %	-1.57 %	-1.57 %	-1.57 %
EPO	-1.33 %	-1.39 %	-1.36 %	-1.37 %	-1.37 %
Total	-1.15 %	-1.22 %	-1.15 %	-1.25 %	-1.19 %