

**STATE OF TEXAS
CHILDREN'S HEALTH INSURANCE
PROGRAM
CHIP RATE SETTING
STATE FISCAL YEAR 2015**

Prepared for:

Texas Health and Human Services Commission
CHIP UMCC V2.11, CHIP RSA V1.14 and CHIP Dental V1.7

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I. Introduction

Rudd and Wisdom, Inc. has been retained by the Texas Health and Human Services Commission (HHSC) to develop the state fiscal year 2015 (FY2015, September 1, 2014 through August 31, 2015) premium rates for health plans participating in the Texas Children's Health Insurance Program (CHIP). This report presents the rating methodology and assumptions used in developing the premium rates.

Rudd and Wisdom has provided actuarial services to the Texas Medicaid program for over 25 years. We have participated in the state's Medicaid managed care rating process since its inception in 1993 and in developing premium rates for CHIP plans since that program's inception in 2000. This year, as in previous years, we have worked closely with HHSC in developing the FY2015 CHIP premium rates.

Rudd and Wisdom has relied on the following data sources as provided by HHSC, the participating health plans and the agency's External Quality Review Organization (EQRO):

- Monthly enrollment by age group for each health plan. This includes historical enrollment since September 2010 and a projection of future enrollment through August 2015.
- Claim lag reports by age group for each health plan for the period September 2010 through February 2014. These reports were provided by the health plans and include monthly paid claims by month of service.
- Financial Statistical Reports (FSR) for each participating health plan for FY2012, FY2013 and the first six months of FY2014. The FSR contains detailed information regarding monthly enrollment, revenue, incurred claims and administrative expenses, as reported by the health plan.
- Reports from the EQRO summarizing their analysis of the health plan's encounter data.
- Reports from the health plans providing information on high volume claimants during the experience period.
- Current (FY2014) premium rates for each health plan.
- Information from both HHSC and the health plans regarding recent changes in covered services and provider reimbursement under the State Medicaid and CHIP programs.
- Information from the health plans regarding current and projected payment rates for certain capitated services, such as mental health and vision.
- FY2013 acuity risk adjustment analysis prepared by the EQRO for each participating health plan.
- Information from the health plans regarding current and projected reinsurance premium rates.
- Information provided by HHSC regarding FY2013 CHIP health plan claims cost by type of service for certain services. This information was obtained from the encounter database.

- Information from HHSC regarding FY2014 and proposed FY2015 Medicaid provider reimbursement rates.

Although the above data was reviewed for reasonableness, Rudd and Wisdom did not audit the data.

II. Overview of the Rate Setting Methodology

This report details the development of the medical component of the total premium rate. Information regarding the carve-in of prescription drugs into the CHIP program can be found in the report titled “State of Texas Medicaid Managed Care Rate Setting Pharmacy Carve-in State Fiscal Year 2015”.

The actuarial model used to derive the FY2015 CHIP premium rates relies primarily on health plan financial experience. The historical claims experience data for each health plan was analyzed and estimates for the FY2013 base period were developed. These estimates were then projected forward to FY2015 using assumed trend rates. Other plan expenditures such as capitated amounts, reinsurance costs and administrative expenses were added to the claims component in order to project the total FY2015 cost under the health plan. These projected total cost rates were determined separately for each health plan. The results of this analysis were then combined for all health plans in a service area in order to develop a set of community rates for each service area.

The health plans under review are located in the following service areas:

- Bexar County Service Area (San Antonio)
- Dallas County Service Area (Dallas)
- El Paso County Service Area (El Paso)
- Harris County Service Area (Houston)
- Jefferson County Service Area (Jefferson)
- Lubbock County Service Area (Lubbock)
- Nueces County Service Area (Corpus Christi)
- Tarrant County Service Area (Fort Worth)
- Travis County Service Area (Austin)
- Rural County Service Area

The Rural Service Area (RSA) plan serves 174 mostly rural Texas counties. The FY2015 premium rates for the RSA were developed using the same methodology as that used for all other CHIP health plans.

Premium rates were determined for the following age groups:

- Under Age One Year
- Ages 1 – 5
- Ages 6 - 14
- Ages 15 - 18

The services used in the analysis include the following:

- Inpatient Hospital
- Outpatient Hospital
- Physician Services
- Other Professional Services
- Lab, X-ray and Radiology Services
- Medical Supplies

- Behavioral Health Services
- EPSDT Medical Services
- Family Planning and Genetics Services
- Hearing Services
- Home Health Services
- Emergency Room Services
- Ambulance Services
- Vision Services
- Prescription Drugs

Services specifically excluded from the analysis include:

- Dental and Orthodontia Services

After accumulating all of the information to be used in the rate setting process, a comparison of the various sources of claims data was performed to check for consistency. We compared (i) the claim lag reports provided by the health plans, (ii) the claim amounts included in the FSRs and (iii) the claim amounts in the encounter data files as provided by the EQRO. There was satisfactory consistency between the three claims data sources for each of the health plans.

We projected the FY2015 cost for each individual health plan by estimating their base period (FY2013) average claims cost and then applying trend and other adjustment factors. (These adjustment factors are described in more detail in Section III.) We added capitation expenses for services capitated by the health plan (such as vision and behavioral health), a net cost of reinsurance, a reasonable provision for administrative expenses and a risk margin. Attachment 2 presents a description and an example of the experience analysis for a sample health plan. This type of analysis was conducted on the experience of each participating CHIP health plan.

The analysis of base period claims experience for each health plan attempted to identify and adjust for any distortions in the data. Significant variations in experience, including the impact from unusually large individual claims, were investigated and adjustments were made if deemed appropriate.

HHSC utilized the combination of two rating methodologies in setting the FY2015 CHIP premium rates – individual plan experience rating and community rating. The individual plan experience rating method is described above and documented in Attachment 2. The community rates are developed by a weighted average of the projected FY2015 cost for each health plan in the service area (from the individual plan experience rating method). The weights used in this formula are the projected FY2015 number of members enrolled in each health plan by age group. Attachment 3 presents the summary community rating exhibit for each service area along with a description of the analysis.

The base community rate in each service area was adjusted to reflect the health status, or acuity, of the population enrolled in each health plan. The purpose of acuity risk adjustment is to recognize the anticipated cost differential between multiple health plans in a service area by analyzing the health status of their respective memberships. Additional information regarding risk adjustment is included in Section III below under Risk Adjustment and in

Attachment 5.

The FY2015 CHIP health plan premium rates were then defined as the following: the minimum of (a) 110% of the rate developed using the individual experience of the plan and (b) community rate with risk adjustment. The enrollment for children under age one is so small that credible rates could not be set by area. As a result the rate for this risk group was calculated on a statewide basis.

In addition to the premium, HHSC pays the CHIP health plans a \$3,100 delivery supplemental payment (DSP) per maternity delivery. Additional information regarding DSP is included in Attachment 6.

III. Adjustment Factors

This section contains a description of the adjustment factors used in the FY2015 CHIP rate setting process.

Trend Factors

The rating methodology uses assumed trend factors to adjust the base period claims cost to the projection period. The cost trend factors used in this analysis are a combination of utilization and inflation components. The projected trend rate assumptions were developed by the actuary based on an analysis of recent experience under the CHIP program. A single trend assumption applies to all service areas but varies by projection year (FY2014 and FY2015).

The trend analysis included a review of HMO and RSA claims experience data through February 28, 2014. Based on this information, estimates of monthly incurred claims were made through December 2013. The claims cost and trend experience was reviewed separately by service area. The service area trends were then combined into a statewide average using a weighted average formula with estimated incurred claims as the weights.

The FY2014 trend assumption was developed from two components: (i) the actual estimated trend for the period September 2013 through December 2013 and (ii) the projected trend for the period January 2014 through August 2014. The experience trends for all time periods were adjusted to remove the impact of various provider reimbursement reductions and revisions that have impacted the program. We have assumed the trend for the period January 2014 through August 2014 and all of FY2015 will be 5%.

This analysis was used to select an annual trend rate assumption of 3.1% for FY2014 and 5.0% for FY2015 for each health plan.

Provider Reimbursement and Benefit Revision Adjustment

There were several significant revisions to the Texas Medicaid fee schedule which were included in the CHIP rating analysis. Provider reimbursement and benefit changes were recognized for the following services:

- APR-DRG Transition for Rural and Children's Hospitals
- Inpatient Outlier Payment Reduction
- 5.3% Outpatient Hospital Reimbursement Reduction
- Outpatient Imaging Fee Schedule Reduction
- Emergency Room Reimbursement Reduction – Flat Fee for Non-Urgent Visit
- Emergency Room Reimbursement Reduction – Multiple Visits Within 36 Hours
- 5% Ambulance Reimbursement Reduction
- Therapy Reimbursement Change
- Potentially Preventable Readmissions Reduction
- Potentially Preventable Complications Reduction
- Limit Related Party Reimbursement to 100% of Medicaid
- Reduction of Medicaid Reimbursement in Excess of Medicare

The rating adjustments for these provider reimbursement and benefit changes were calculated by applying actual health plan encounter data to the old and new reimbursement basis and the resulting impact determined. Attachment 4 presents a summary of the derivation of these adjustment factors.

Risk Adjustment

Several risk adjustment techniques are employed in the rate setting methodology. Premium rates are established separately by area and age group in order to recognize the inherent geographical and demographical variation in the cost of delivering care. In an attempt to treat the health plans more equitably regarding maternity expenses, the methodology includes a separate payment for maternity services. The rating methodology also includes a health status adjustment.

The base community rate in each service area was adjusted to reflect the health status, or acuity, of the population enrolled in each health plan. The purpose of risk adjustment is to recognize the anticipated cost differential between multiple health plans in a service area by analyzing the health status of their respective members. The risk analysis was performed by the University of Florida's Institute for Child Health Policy (ICHP). The methodology used to incorporate the acuity risk adjustment is the Chronic Illness and Disability Payment System (CDPS). Additional information regarding risk adjustment is included in Attachment 5.

Although the results of the risk adjustment analysis were reviewed for reasonableness, Rudd and Wisdom did not audit the risk adjustment data or the results of ICHP's analysis.

IV. Administrative Fees and Risk Margin

The rating methodology includes an explicit provision for health plan administrative services. The amount allocated for administrative expenses is \$8.00 per member per month (pmpm) plus 5.75% of gross premium. This amount is intended to provide for all administrative-related services performed by the HMO.

The premium rates also include an amount for premium tax (1.75% of premium), maintenance tax (\$0.065 pmpm) and a risk margin (2.0% of premium).

V. CHIP Perinatal

Since January 1, 2007, a new group of clients have been covered under the CHIP program – CHIP Perinatal. The purpose of this program is to extend CHIP services to unborn children of certain non-Medicaid eligible women. Newborns under this program receive the same benefits as current CHIP participants. There is no cost sharing applied to these participants.

The CHIP benefits provided to expectant mothers are more limited in scope. They include the professional component of delivery services (for those clients under 185% FPL) and limited prenatal and post-natal services only.

We have developed premium rates for three categories of clients: (1) newborns between 185% and 200% FPL; (2) expectant mothers under 185% FPL; and (3) expectant mothers between 185% and 200% FPL.

The CHIP Perinatal FY2015 premium rates were derived using a methodology very similar to that described in Section II above for CHIP. Attachment 7 presents a description of the rating methodology used in developing the FY2015 CHIP Perinatal rates.

VI. CHIP Dental

The actuarial model used to derive the FY2015 CHIP Dental premium rates relied on recent dental plan financial experience. Historical claims experience data for the dental plans was analyzed and estimates for the base period January 1, 2013 through December 31, 2013 were developed. The claims experience was trended forward to FY2015 using assumed trend rates of 5.0% for FY2014 and FY2015.

Provisions for administrative expenses, taxes and risk margin were added to the projected claims to produce the FY2015 premium rates. Attachment 8 includes additional documentation regarding the rate calculation for CHIP Dental.

VII. Summary

The chart below presents the results of the FY2015 CHIP rating analysis and includes all components of the premium – medical and prescription drug. This report details the development of the medical component of the premium. Further information regarding the prescription drug component of the premium rate can be found in the report titled “State of Texas Medicaid Managed Care Rate Setting Pharmacy Carve-in State Fiscal Year 2015”.

Health Plan	CHIP - Medical & Prescription Drug Rates				DSP
	Under Age 1	Ages 1-5	Ages 6-14	Ages 15-18	
FY2015 CHIP Premium Rates pmpm					
Aetna - Bexar	150.46	113.34	96.60	103.00	3,100.00
Amerigroup - Bexar	150.46	71.28	68.24	75.21	3,100.00
CFHP - Bexar	150.46	129.86	104.87	133.04	3,100.00
Superior - Bexar	150.46	119.72	105.13	113.30	3,100.00
Amerigroup - Dallas	150.46	154.09	117.25	148.90	3,100.00
Molina - Dallas	150.46	125.43	93.73	112.93	3,100.00
Parkland - Dallas	150.46	147.24	121.56	156.88	3,100.00
El Paso First - El Paso	150.46	113.94	88.36	95.28	3,100.00
Superior - El Paso	150.46	120.00	99.99	103.53	3,100.00
Amerigroup - Harris	150.46	148.05	100.76	151.33	3,100.00
CHC - Harris	150.46	138.16	100.54	144.75	3,100.00
Molina - Harris	150.46	138.28	91.48	163.26	3,100.00
TCHP - Harris	150.46	159.79	135.61	184.33	3,100.00
United - Harris	150.46	112.00	102.11	143.36	3,100.00
Amerigroup - Jefferson	150.46	57.76	101.96	81.97	3,100.00
CHC - Jefferson	150.46	127.26	112.86	177.83	3,100.00
Molina - Jefferson	150.46	109.41	112.01	92.76	3,100.00
TCHP - Jefferson	150.46	147.90	135.61	192.32	3,100.00
United - Jefferson	150.46	115.43	134.30	164.99	3,100.00
Firstcare - Lubbock	150.46	132.99	85.65	115.62	3,100.00
Superior - Lubbock	150.46	105.39	90.00	109.47	3,100.00
Christus - Nueces	150.46	88.50	112.96	139.49	3,100.00
Driscoll - Nueces	150.46	151.48	147.55	189.08	3,100.00
Superior - Nueces	150.46	167.20	125.01	149.39	3,100.00
Aetna - Tarrant	150.46	114.29	89.52	107.24	3,100.00
Amerigroup - Tarrant	150.46	126.26	113.28	120.87	3,100.00
Cook - Tarrant	150.46	164.28	143.44	163.71	3,100.00
BCBS - Travis	150.46	136.27	102.96	125.05	3,100.00
Sendero - Travis	150.46	89.21	74.66	96.39	3,100.00
Seton - Travis	150.46	131.49	110.13	137.51	3,100.00
Superior - Travis	150.46	131.76	109.18	145.14	3,100.00
Molina - RSA	150.46	100.62	93.76	103.59	3,100.00
Superior - RSA	150.46	112.71	107.28	120.88	3,100.00

CHIP Perinate - Medical & Prescription Drug Rates

Health Plan	Newborns 185%-200%	Perinate <185%	Perinate 185%-200%	DSP
FY2015 CHIP Perinate Premium Rates pmpm				
Aetna - Bexar	801.28	400.00	301.83	3,100.00
Amerigroup - Bexar	801.28	400.00	301.83	3,100.00
CFHP - Bexar	801.28	400.00	301.83	3,100.00
Superior - Bexar	801.28	400.00	301.83	3,100.00
Amerigroup - Dallas	801.28	436.33	301.83	3,100.00
Molina - Dallas	801.28	436.33	301.83	3,100.00
Parkland - Dallas	801.28	436.33	301.83	3,100.00
El Paso First - El Paso	801.28	377.68	301.83	3,100.00
Superior - El Paso	801.28	377.68	301.83	3,100.00
Amerigroup - Harris	801.28	564.28	301.83	3,100.00
CHC - Harris	801.28	564.28	301.83	3,100.00
Molina - Harris	801.28	564.28	301.83	3,100.00
TCHP - Harris	801.28	564.28	301.83	3,100.00
United - Harris	801.28	564.28	301.83	3,100.00
Amerigroup - Jefferson	801.28	662.72	301.83	3,100.00
CHC - Jefferson	801.28	662.72	301.83	3,100.00
Molina - Jefferson	801.28	662.72	301.83	3,100.00
TCHP - Jefferson	801.28	662.72	301.83	3,100.00
United - Jefferson	801.28	662.72	301.83	3,100.00
Firstcare - Lubbock	801.28	425.92	301.83	3,100.00
Superior - Lubbock	801.28	425.92	301.83	3,100.00
Christus - Nueces	801.28	422.28	301.83	3,100.00
Driscoll - Nueces	801.28	422.28	301.83	3,100.00
Superior - Nueces	801.28	422.28	301.83	3,100.00
Aetna - Tarrant	801.28	401.93	301.83	3,100.00
Amerigroup - Tarrant	801.28	401.93	301.83	3,100.00
Cook - Tarrant	801.28	401.93	301.83	3,100.00
BCBS - Travis	801.28	494.38	301.83	3,100.00
Sendero - Travis	801.28	494.38	301.83	3,100.00
Seton - Travis	801.28	494.38	301.83	3,100.00
Superior - Travis	801.28	494.38	301.83	3,100.00
Molina - RSA	801.28	417.24	301.83	3,100.00
Superior - RSA	801.28	417.24	301.83	3,100.00

CHIP Dental Rates

Health Plan	Under Age 1	Ages 1-5	Ages 6-14	Ages 15-18
FY2015 Premium Rates pmpm	3.24	17.03	25.04	21.74

Attachment 1 presents additional information regarding the FY2015 CHIP rates including a comparison to current (FY2014) rates. Attachments 7 and 8 contain additional information regarding the FY2015 CHIP Perinatal and CHIP Dental plan rates, respectively.

VIII. Actuarial Certification of FY2015 CHIP HMO Premium Rates

I, Khiem D. Ngo, am a principal with the firm of Rudd and Wisdom, Inc., Consulting Actuaries (Rudd and Wisdom). I am a Fellow of the Society of Actuaries and a member of the American Academy of Actuaries. I meet the Academy's qualification standards for rendering this opinion.

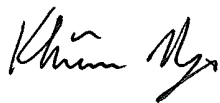
Rudd and Wisdom has been retained by the Texas Health and Human Services Commission (HHSC) to assist in the development of their state fiscal year 2015 (FY2015) managed care rate-setting methodology, assumptions and resulting premium rates and to provide the actuarial certification required under Centers for Medicare and Medicaid Services (CMS) requirements 42 CFR 438.6(c).

I certify that the FY2015 HMO premium rates developed by HHSC and Rudd and Wisdom satisfy the following:

- (a) The premium rates have been developed in accordance with generally accepted actuarial principals and practices;
- (b) The premium rates are appropriate for the populations and services covered under the managed care contract; and
- (c) The premium rates are actuarially sound as defined in the regulations.

We have relied on historical experience data and program information provided to us by HHSC. We have reviewed the data for reasonableness but have not audited the data.

Please note that actual health plan contractor experience will differ from these projections. Rudd and Wisdom has developed these rates on behalf of the State to demonstrate compliance with the CMS requirements under 42 CFR 438.6(c). Any health plan contracting with the State should analyze its own projected premium needs before deciding whether to contract with the State.



Khiem D. Ngo, F.S.A., M.A.A.A.

IX. Attachments

Attachment 1

Summary of FY2015 CHIP Rating Analysis

The attached exhibit presents summary information regarding the FY2015 CHIP health plan rates. Included on the exhibit are current (FY2014) premium, split between medical and prescription drug, and delivery supplemental payment (DSP) rates, FY2015 premium, split between medical and prescription drug, and DSP rates and a comparison of FY2014 and FY2015 premium rates.

FY2015 CHIP Rating Summary

Health Plan	Under Age 1	Ages 1-5	Ages 6-14	Ages 15-18	DSP
Current (9/1/13-8/31/14) Medical Premium Rates pmpm					
Aetna - Bexar	161.36	84.84	60.12	93.09	3,100.00
Amerigroup - Bexar	161.36	49.48	36.95	47.11	3,100.00
CFHP - Bexar	161.36	106.20	80.23	105.30	3,100.00
Superior - Bexar	161.36	104.39	69.53	102.95	3,100.00
Amerigroup - Dallas	161.36	120.83	80.58	96.24	3,100.00
Molina - Dallas	161.36	129.43	65.12	83.34	3,100.00
Parkland - Dallas	161.36	130.68	85.09	103.65	3,100.00
El Paso First - El Paso	161.36	92.69	60.36	72.85	3,100.00
Superior - El Paso	161.36	87.26	64.56	75.16	3,100.00
Amerigroup - Harris	161.36	110.53	80.86	105.53	3,100.00
CHC - Harris	161.36	116.30	73.44	109.42	3,100.00
Molina - Harris	161.36	119.25	85.60	104.69	3,100.00
TCHP - Harris	161.36	133.79	103.08	144.14	3,100.00
United - Harris	161.36	96.39	71.02	119.16	3,100.00
Amerigroup - Jefferson	161.36	57.03	67.62	68.60	3,100.00
CHC - Jefferson	161.36	114.07	62.45	127.16	3,100.00
Molina - Jefferson	161.36	61.12	57.46	95.42	3,100.00
TCHP - Jefferson	161.36	123.95	90.27	116.20	3,100.00
United - Jefferson	161.36	116.35	75.44	123.90	3,100.00
Firstcare - Lubbock	161.36	92.62	62.56	124.18	3,100.00
Superior - Lubbock	161.36	74.11	51.43	74.16	3,100.00
Christus - Nueces	161.36	105.67	83.81	92.71	3,100.00
Driscoll - Nueces	161.36	129.36	115.76	150.02	3,100.00
Superior - Nueces	161.36	101.11	90.74	92.96	3,100.00
Aetna - Tarrant	161.36	109.05	71.92	97.05	3,100.00
Amerigroup - Tarrant	161.36	106.83	78.94	100.11	3,100.00
Cook - Tarrant	161.36	133.82	99.02	124.16	3,100.00
BCBS - Travis	161.36	94.28	91.57	91.71	3,100.00
Sendero - Travis	161.36	94.11	52.23	66.06	3,100.00
Seton - Travis	161.36	113.65	90.84	113.03	3,100.00
Superior - Travis	161.36	104.65	85.66	116.37	3,100.00
Molina - RSA	161.36	80.93	60.44	77.91	3,100.00
Superior - RSA	161.36	92.91	72.77	91.64	3,100.00

FY2015 CHIP Rating Summary

Health Plan	Under Age 1	Ages 1-5	Ages 6-14	Ages 15-18	DSP
Current (9/1/13-8/31/14) Prescription Drug Premium Rates pmpm					
Aetna - Bexar	22.21	14.60	27.04	28.09	
Amerigroup - Bexar	22.21	13.00	25.38	21.71	
CFHP - Bexar	22.21	16.76	33.10	29.15	
Superior - Bexar	22.21	18.36	31.97	31.76	
Amerigroup - Dallas	22.21	18.80	30.55	31.47	
Molina - Dallas	22.21	20.71	25.38	28.02	
Parkland - Dallas	22.21	20.27	32.15	33.78	
El Paso First - El Paso	22.21	19.27	24.82	23.99	
Superior - El Paso	22.21	18.14	26.54	24.75	
Amerigroup - Harris	22.21	19.21	28.20	27.54	
CHC - Harris	22.21	17.43	22.09	24.63	
Molina - Harris	22.21	17.87	25.75	23.56	
TCHP - Harris	22.21	20.05	31.01	32.44	
United - Harris	22.21	15.75	23.29	29.23	
Amerigroup - Jefferson	22.21	21.65	51.57	31.37	
CHC - Jefferson	22.21	25.50	28.05	34.24	
Molina - Jefferson	22.21	13.67	25.81	25.69	
TCHP - Jefferson	22.21	27.71	40.54	31.29	
United - Jefferson	22.21	26.01	33.88	33.36	
Firstcare - Lubbock	22.21	19.00	32.95	43.59	
Superior - Lubbock	22.21	15.20	27.09	26.03	
Christus - Nueces	22.21	24.14	32.06	23.98	
Driscoll - Nueces	22.21	25.24	37.90	33.78	
Superior - Nueces	22.21	24.45	36.82	25.94	
Aetna - Tarrant	22.21	14.20	25.92	27.21	
Amerigroup - Tarrant	22.21	13.91	28.45	28.07	
Cook - Tarrant	22.21	17.43	35.69	34.81	
BCBS - Travis	22.21	13.10	26.05	26.20	
Sendero - Travis	22.21	17.29	19.65	24.95	
Seton - Travis	22.21	15.80	25.83	31.68	
Superior - Travis	22.21	14.94	25.04	34.15	
Molina - RSA	22.21	20.68	31.27	27.69	
Superior - RSA	22.21	23.75	37.64	32.57	

FY2015 CHIP Rating Summary

Health Plan	Under Age 1	Ages 1-5	Ages 6-14	Ages 15-18	DSP
Current Total Premium Rates pmpm					
Aetna - Bexar	183.57	99.44	87.16	121.18	3,100.00
Amerigroup - Bexar	183.57	62.48	62.33	68.82	3,100.00
CFHP - Bexar	183.57	122.96	113.33	134.45	3,100.00
Superior - Bexar	183.57	122.75	101.50	134.71	3,100.00
Amerigroup - Dallas	183.57	139.63	111.13	127.71	3,100.00
Molina - Dallas	183.57	150.14	90.50	111.36	3,100.00
Parkland - Dallas	183.57	150.95	117.24	137.43	3,100.00
El Paso First - El Paso	183.57	111.96	85.18	96.84	3,100.00
Superior - El Paso	183.57	105.40	91.10	99.91	3,100.00
Amerigroup - Harris	183.57	129.74	109.06	133.07	3,100.00
CHC - Harris	183.57	133.73	95.53	134.05	3,100.00
Molina - Harris	183.57	137.12	111.35	128.25	3,100.00
TCHP - Harris	183.57	153.84	134.09	176.58	3,100.00
United - Harris	183.57	112.14	94.31	148.39	3,100.00
Amerigroup - Jefferson	183.57	78.68	119.19	99.97	3,100.00
CHC - Jefferson	183.57	139.57	90.50	161.40	3,100.00
Molina - Jefferson	183.57	74.79	83.27	121.11	3,100.00
TCHP - Jefferson	183.57	151.66	130.81	147.49	3,100.00
United - Jefferson	183.57	142.36	109.32	157.26	3,100.00
Firstcare - Lubbock	183.57	111.62	95.51	167.77	3,100.00
Superior - Lubbock	183.57	89.31	78.52	100.19	3,100.00
Christus - Nueces	183.57	129.81	115.87	116.69	3,100.00
Driscoll - Nueces	183.57	154.60	153.66	183.80	3,100.00
Superior - Nueces	183.57	125.56	127.56	118.90	3,100.00
Aetna - Tarrant	183.57	123.25	97.84	124.26	3,100.00
Amerigroup - Tarrant	183.57	120.74	107.39	128.18	3,100.00
Cook - Tarrant	183.57	151.25	134.71	158.97	3,100.00
BCBS - Travis	183.57	107.38	117.62	117.91	3,100.00
Sendero - Travis	183.57	111.40	71.88	91.01	3,100.00
Seton - Travis	183.57	129.45	116.67	144.71	3,100.00
Superior - Travis	183.57	119.59	110.70	150.52	3,100.00
Molina - RSA	183.57	101.61	91.71	105.60	3,100.00
Superior - RSA	183.57	116.66	110.41	124.21	3,100.00

FY2015 CHIP Rating Summary

Health Plan	Under Age 1	Ages 1-5	Ages 6-14	Ages 15-18	DSP
FY2015 Medical Premium Rates pmpm					
Aetna - Bexar	137.13	96.93	65.38	75.71	3,100.00
Amerigroup - Bexar	137.13	58.45	42.15	51.26	3,100.00
CFHP - Bexar	137.13	112.55	73.14	100.23	3,100.00
Superior - Bexar	137.13	102.83	71.84	83.94	3,100.00
Amerigroup - Dallas	137.13	132.42	84.45	109.64	3,100.00
Molina - Dallas	137.13	107.23	66.82	82.35	3,100.00
Parkland - Dallas	137.13	126.53	87.55	115.51	3,100.00
El Paso First - El Paso	137.13	97.41	61.90	71.13	3,100.00
Superior - El Paso	137.13	102.59	70.05	77.29	3,100.00
Amerigroup - Harris	137.13	127.47	76.26	118.80	3,100.00
CHC - Harris	137.13	120.67	78.03	116.19	3,100.00
Molina - Harris	137.13	118.11	68.28	126.60	3,100.00
TCHP - Harris	137.13	139.56	105.25	147.96	3,100.00
United - Harris	137.13	96.86	77.89	113.33	3,100.00
Amerigroup - Jefferson	137.13	44.28	65.10	56.66	3,100.00
CHC - Jefferson	137.13	105.11	81.08	135.82	3,100.00
Molina - Jefferson	137.13	88.37	77.62	68.73	3,100.00
TCHP - Jefferson	137.13	122.84	98.30	148.00	3,100.00
United - Jefferson	137.13	95.66	97.00	126.58	3,100.00
Firstcare - Lubbock	137.13	112.73	55.52	81.01	3,100.00
Superior - Lubbock	137.13	89.33	58.34	76.70	3,100.00
Christus - Nueces	137.13	75.55	81.16	112.90	3,100.00
Driscoll - Nueces	137.13	129.31	106.01	153.04	3,100.00
Superior - Nueces	137.13	139.60	86.10	117.48	3,100.00
Aetna - Tarrant	137.13	100.30	66.24	81.17	3,100.00
Amerigroup - Tarrant	137.13	110.81	83.82	91.48	3,100.00
Cook - Tarrant	137.13	144.17	106.13	123.91	3,100.00
BCBS - Travis	137.13	121.54	78.66	95.47	3,100.00
Sendero - Travis	137.13	79.57	57.04	73.59	3,100.00
Seton - Travis	137.13	117.28	84.13	104.98	3,100.00
Superior - Travis	137.13	117.52	83.41	110.81	3,100.00
Molina - RSA	137.13	74.38	60.02	74.50	3,100.00
Superior - RSA	137.13	83.31	68.68	86.93	3,100.00

FY2015 CHIP Rating Summary

Health Plan	Under Age 1	Ages 1-5	Ages 6-14	Ages 15-18	DSP
FY2015 Prescription Drug Premium Rates pmpm					
Aetna - Bexar	13.33	16.41	31.22	27.29	
Amerigroup - Bexar	13.33	12.83	26.09	23.95	
CFHP - Bexar	13.33	17.31	31.73	32.81	
Superior - Bexar	13.33	16.89	33.29	29.36	
Amerigroup - Dallas	13.33	21.67	32.80	39.26	
Molina - Dallas	13.33	18.20	26.91	30.58	
Parkland - Dallas	13.33	20.71	34.01	41.37	
El Paso First - El Paso	13.33	16.53	26.46	24.15	
Superior - El Paso	13.33	17.41	29.94	26.24	
Amerigroup - Harris	13.33	20.58	24.50	32.53	
CHC - Harris	13.33	17.49	22.51	28.56	
Molina - Harris	13.33	20.17	23.20	36.66	
TCHP - Harris	13.33	20.23	30.36	36.37	
United - Harris	13.33	15.14	24.22	30.03	
Amerigroup - Jefferson	13.33	13.48	36.86	25.31	
CHC - Jefferson	13.33	22.15	31.78	42.01	
Molina - Jefferson	13.33	21.04	34.39	24.03	
TCHP - Jefferson	13.33	25.06	37.31	44.32	
United - Jefferson	13.33	19.77	37.30	38.41	
Firstcare - Lubbock	13.33	20.26	30.13	34.61	
Superior - Lubbock	13.33	16.06	31.66	32.77	
Christus - Nueces	13.33	12.95	31.80	26.59	
Driscoll - Nueces	13.33	22.17	41.54	36.04	
Superior - Nueces	13.33	27.60	38.91	31.91	
Aetna - Tarrant	13.33	13.99	23.28	26.07	
Amerigroup - Tarrant	13.33	15.45	29.46	29.39	
Cook - Tarrant	13.33	20.11	37.31	39.80	
BCBS - Travis	13.33	14.73	24.30	29.58	
Sendero - Travis	13.33	9.64	17.62	22.80	
Seton - Travis	13.33	14.21	26.00	32.53	
Superior - Travis	13.33	14.24	25.77	34.33	
Molina - RSA	13.33	26.24	33.74	29.09	
Superior - RSA	13.33	29.40	38.60	33.95	

FY2015 CHIP Rating Summary

Health Plan	Under Age 1	Ages 1-5	Ages 6-14	Ages 15-18	DSP
FY2015 Total Premium Rates pmpm					
Aetna - Bexar	150.46	113.34	96.60	103.00	3,100.00
Amerigroup - Bexar	150.46	71.28	68.24	75.21	3,100.00
CFHP - Bexar	150.46	129.86	104.87	133.04	3,100.00
Superior - Bexar	150.46	119.72	105.13	113.30	3,100.00
Amerigroup - Dallas	150.46	154.09	117.25	148.90	3,100.00
Molina - Dallas	150.46	125.43	93.73	112.93	3,100.00
Parkland - Dallas	150.46	147.24	121.56	156.88	3,100.00
El Paso First - El Paso	150.46	113.94	88.36	95.28	3,100.00
Superior - El Paso	150.46	120.00	99.99	103.53	3,100.00
Amerigroup - Harris	150.46	148.05	100.76	151.33	3,100.00
CHC - Harris	150.46	138.16	100.54	144.75	3,100.00
Molina - Harris	150.46	138.28	91.48	163.26	3,100.00
TCHP - Harris	150.46	159.79	135.61	184.33	3,100.00
United - Harris	150.46	112.00	102.11	143.36	3,100.00
Amerigroup - Jefferson	150.46	57.76	101.96	81.97	3,100.00
CHC - Jefferson	150.46	127.26	112.86	177.83	3,100.00
Molina - Jefferson	150.46	109.41	112.01	92.76	3,100.00
TCHP - Jefferson	150.46	147.90	135.61	192.32	3,100.00
United - Jefferson	150.46	115.43	134.30	164.99	3,100.00
Firstcare - Lubbock	150.46	132.99	85.65	115.62	3,100.00
Superior - Lubbock	150.46	105.39	90.00	109.47	3,100.00
Christus - Nueces	150.46	88.50	112.96	139.49	3,100.00
Driscoll - Nueces	150.46	151.48	147.55	189.08	3,100.00
Superior - Nueces	150.46	167.20	125.01	149.39	3,100.00
Aetna - Tarrant	150.46	114.29	89.52	107.24	3,100.00
Amerigroup - Tarrant	150.46	126.26	113.28	120.87	3,100.00
Cook - Tarrant	150.46	164.28	143.44	163.71	3,100.00
BCBS - Travis	150.46	136.27	102.96	125.05	3,100.00
Sendero - Travis	150.46	89.21	74.66	96.39	3,100.00
Seton - Travis	150.46	131.49	110.13	137.51	3,100.00
Superior - Travis	150.46	131.76	109.18	145.14	3,100.00
Molina - RSA	150.46	100.62	93.76	103.59	3,100.00
Superior - RSA	150.46	112.71	107.28	120.88	3,100.00

FY2015 CHIP Rating Summary

Health Plan	Under Age 1	Ages 1-5	Ages 6-14	Ages 15-18	DSP
FY2015 Medical Premium Rate Change					
Aetna - Bexar	-15.0%	14.3%	8.7%	-18.7%	0.0%
Amerigroup - Bexar	-15.0%	18.1%	14.1%	8.8%	0.0%
CFHP - Bexar	-15.0%	6.0%	-8.8%	-4.8%	0.0%
Superior - Bexar	-15.0%	-1.5%	3.3%	-18.5%	0.0%
Amerigroup - Dallas	-15.0%	9.6%	4.8%	13.9%	0.0%
Molina - Dallas	-15.0%	-17.2%	2.6%	-1.2%	0.0%
Parkland - Dallas	-15.0%	-3.2%	2.9%	11.4%	0.0%
El Paso First - El Paso	-15.0%	5.1%	2.6%	-2.4%	0.0%
Superior - El Paso	-15.0%	17.6%	8.5%	2.8%	0.0%
Amerigroup - Harris	-15.0%	15.3%	-5.7%	12.6%	0.0%
CHC - Harris	-15.0%	3.8%	6.3%	6.2%	0.0%
Molina - Harris	-15.0%	-1.0%	-20.2%	20.9%	0.0%
TCHP - Harris	-15.0%	4.3%	2.1%	2.7%	0.0%
United - Harris	-15.0%	0.5%	9.7%	-4.9%	0.0%
Amerigroup - Jefferson	-15.0%	-22.4%	-3.7%	-17.4%	0.0%
CHC - Jefferson	-15.0%	-7.9%	29.8%	6.8%	0.0%
Molina - Jefferson	-15.0%	44.6%	35.1%	-28.0%	0.0%
TCHP - Jefferson	-15.0%	-0.9%	8.9%	27.4%	0.0%
United - Jefferson	-15.0%	-17.8%	28.6%	2.2%	0.0%
Firstcare - Lubbock	-15.0%	21.7%	-11.3%	-34.8%	0.0%
Superior - Lubbock	-15.0%	20.5%	13.4%	3.4%	0.0%
Christus - Nueces	-15.0%	-28.5%	-3.2%	21.8%	0.0%
Driscoll - Nueces	-15.0%	0.0%	-8.4%	2.0%	0.0%
Superior - Nueces	-15.0%	38.1%	-5.1%	26.4%	0.0%
Aetna - Tarrant	-15.0%	-8.0%	-7.9%	-16.4%	0.0%
Amerigroup - Tarrant	-15.0%	3.7%	6.2%	-8.6%	0.0%
Cook - Tarrant	-15.0%	7.7%	7.2%	-0.2%	0.0%
BCBS - Travis	-15.0%	28.9%	-14.1%	4.1%	0.0%
Sendero - Travis	-15.0%	-15.5%	9.2%	11.4%	0.0%
Seton - Travis	-15.0%	3.2%	-7.4%	-7.1%	0.0%
Superior - Travis	-15.0%	12.3%	-2.6%	-4.8%	0.0%
Molina - RSA	-15.0%	-8.1%	-0.7%	-4.4%	0.0%
Superior - RSA	-15.0%	-10.3%	-5.6%	-5.1%	0.0%

FY2015 CHIP Rating Summary

Health Plan	Under Age 1	Ages 1-5	Ages 6-14	Ages 15-18	DSP
FY2014 Prescription Drug Premium Rate Change					
Aetna - Bexar	-40.0%	12.4%	15.5%	-2.8%	
Amerigroup - Bexar	-40.0%	-1.3%	2.8%	10.3%	
CFHP - Bexar	-40.0%	3.3%	-4.1%	12.6%	
Superior - Bexar	-40.0%	-8.0%	4.1%	-7.6%	
Amerigroup - Dallas	-40.0%	15.3%	7.4%	24.8%	
Molina - Dallas	-40.0%	-12.1%	6.0%	9.1%	
Parkland - Dallas	-40.0%	2.2%	5.8%	22.5%	
El Paso First - El Paso	-40.0%	-14.2%	6.6%	0.7%	
Superior - El Paso	-40.0%	-4.0%	12.8%	6.0%	
Amerigroup - Harris	-40.0%	7.1%	-13.1%	18.1%	
CHC - Harris	-40.0%	0.3%	1.9%	16.0%	
Molina - Harris	-40.0%	12.9%	-9.9%	55.6%	
TCHP - Harris	-40.0%	0.9%	-2.1%	12.1%	
United - Harris	-40.0%	-3.9%	4.0%	2.7%	
Amerigroup - Jefferson	-40.0%	-37.7%	-28.5%	-19.3%	
CHC - Jefferson	-40.0%	-13.1%	13.3%	22.7%	
Molina - Jefferson	-40.0%	53.9%	33.2%	-6.5%	
TCHP - Jefferson	-40.0%	-9.6%	-8.0%	41.6%	
United - Jefferson	-40.0%	-24.0%	10.1%	15.1%	
Firstcare - Lubbock	-40.0%	6.6%	-8.6%	-20.6%	
Superior - Lubbock	-40.0%	5.7%	16.9%	25.9%	
Christus - Nueces	-40.0%	-46.4%	-0.8%	10.9%	
Driscoll - Nueces	-40.0%	-12.2%	9.6%	6.7%	
Superior - Nueces	-40.0%	12.9%	5.7%	23.0%	
Aetna - Tarrant	-40.0%	-1.5%	-10.2%	-4.2%	
Amerigroup - Tarrant	-40.0%	11.1%	3.6%	4.7%	
Cook - Tarrant	-40.0%	15.4%	4.5%	14.3%	
BCBS - Travis	-40.0%	12.4%	-6.7%	12.9%	
Sendero - Travis	-40.0%	-44.2%	-10.3%	-8.6%	
Seton - Travis	-40.0%	-10.1%	0.7%	2.7%	
Superior - Travis	-40.0%	-4.7%	2.9%	0.5%	
Molina - RSA	-40.0%	26.9%	7.9%	5.1%	
Superior - RSA	-40.0%	23.8%	2.6%	4.2%	

FY2015 CHIP Rating Summary

Health Plan	Under Age 1	Ages 1-5	Ages 6-14	Ages 15-18	DSP
FY2014 Total Premium Rate Change					
Aetna - Bexar	-18.0%	14.0%	10.8%	-15.0%	0.0%
Amerigroup - Bexar	-18.0%	14.1%	9.5%	9.3%	0.0%
CFHP - Bexar	-18.0%	5.6%	-7.5%	-1.0%	0.0%
Superior - Bexar	-18.0%	-2.5%	3.6%	-15.9%	0.0%
Amerigroup - Dallas	-18.0%	10.4%	5.5%	16.6%	0.0%
Molina - Dallas	-18.0%	-16.5%	3.6%	1.4%	0.0%
Parkland - Dallas	-18.0%	-2.5%	3.7%	14.2%	0.0%
El Paso First - El Paso	-18.0%	1.8%	3.7%	-1.6%	0.0%
Superior - El Paso	-18.0%	13.9%	9.8%	3.6%	0.0%
Amerigroup - Harris	-18.0%	14.1%	-7.6%	13.7%	0.0%
CHC - Harris	-18.0%	3.3%	5.2%	8.0%	0.0%
Molina - Harris	-18.0%	0.8%	-17.8%	27.3%	0.0%
TCHP - Harris	-18.0%	3.9%	1.1%	4.4%	0.0%
United - Harris	-18.0%	-0.1%	8.3%	-3.4%	0.0%
Amerigroup - Jefferson	-18.0%	-26.6%	-14.5%	-18.0%	0.0%
CHC - Jefferson	-18.0%	-8.8%	24.7%	10.2%	0.0%
Molina - Jefferson	-18.0%	46.3%	34.5%	-23.4%	0.0%
TCHP - Jefferson	-18.0%	-2.5%	3.7%	30.4%	0.0%
United - Jefferson	-18.0%	-18.9%	22.9%	4.9%	0.0%
Firstcare - Lubbock	-18.0%	19.1%	-10.3%	-31.1%	0.0%
Superior - Lubbock	-18.0%	18.0%	14.6%	9.3%	0.0%
Christus - Nueces	-18.0%	-31.8%	-2.5%	19.5%	0.0%
Driscoll - Nueces	-18.0%	-2.0%	-4.0%	2.9%	0.0%
Superior - Nueces	-18.0%	33.2%	-2.0%	25.6%	0.0%
Aetna - Tarrant	-18.0%	-7.3%	-8.5%	-13.7%	0.0%
Amerigroup - Tarrant	-18.0%	4.6%	5.5%	-5.7%	0.0%
Cook - Tarrant	-18.0%	8.6%	6.5%	3.0%	0.0%
BCBS - Travis	-18.0%	26.9%	-12.5%	6.1%	0.0%
Sendero - Travis	-18.0%	-19.9%	3.9%	5.9%	0.0%
Seton - Travis	-18.0%	1.6%	-5.6%	-5.0%	0.0%
Superior - Travis	-18.0%	10.2%	-1.4%	-3.6%	0.0%
Molina - RSA	-18.0%	-1.0%	2.2%	-1.9%	0.0%
Superior - RSA	-18.0%	-3.4%	-2.8%	-2.7%	0.0%

Attachment 2

Individual Health Plan Experience Analysis

The following exhibits present a summary of the experience analysis performed for each participating health plan. These exhibits use hypothetical experience data from a sample health plan. The actual analysis is based on experience data provided by each plan. This data was checked for reasonableness by comparing to other data sources provided by HHSC, the EQRO and the health plan. Below is a brief description of each of the exhibits contained in this attachment.

Exhibit A. This exhibit shows monthly enrollment and earned premium by age group for the period September 2010 through February 2014. This information was provided by HHSC.

Exhibit B. This exhibit shows a sample of a claim lag report. This report includes claim amounts by payment month and month of service. We analyzed claims experience for each plan by age group for the period September 2010 through February 2014.

Exhibit C. This exhibit shows the calculation of estimated monthly incurred claims. The exhibit includes the following information: (i) monthly enrollment, (ii) claim amounts incurred in that month and paid through February, 2014, (iii) estimated proportion of that month's incurred claims paid through February, 2014 (completion factor), (iv) estimated incurred claims, (v) estimated incurred claims pmpm and (vi) the ratio of this month's incurred claims pmpm to the same statistic from one year ago (trend factor). The assumed completion factors and estimated incurred claims were derived based on the actual historical claims payment pattern of the health plan.

Exhibit D. This exhibit is a summary of the sample health plan's projected FY2015 cost based on the plan's actual experience. The top of the exhibit shows summary base period (FY2013) enrollment, premium and claims experience. Trend assumptions for FY2014 and FY2015 are used to project the average base period claims cost to FY2015. Following that are several adjustments for benefit and provider reimbursement changes.

In addition to incurred claims, provision is also made for services that are capitated by the health plan, such as vision and behavioral health services. The cost of reinsurance is also considered. In developing the cost of reinsurance, an assumption is made regarding how much the plan is expected to receive in reinsurance recoveries (reimbursements from the reinsurance company for large claims). We have assumed that the net cost of reinsurance (reinsurance premium less reinsurance recoveries) is the minimum of (a) the actual reinsurance premium rate and (b) \$0.75 pmpm.

The rating methodology includes an explicit provision for administrative expenses. The amount allocated for administrative expenses is \$8.00 pmpm plus 5.75% of gross premium. Provisions are also included for risk margin (2.0% of gross premium), premium tax (1.75%) and maintenance tax (\$.065 pmpm).

At the bottom of Exhibit D is a summary of the projected FY2015 cost based on the above assumptions

Month	Number of Members				Total Members	Premium	Premium pmpm
	<1	1-5	6-14	15-18			
Sep-10	124	5,188	15,901	5,132	26,345	1,912,339	72.59
Oct-10	114	4,896	15,278	4,918	25,206	1,827,852	72.52
Nov-10	104	4,410	14,441	4,721	23,676	1,719,029	72.61
Dec-10	98	4,151	13,842	4,541	22,632	1,643,508	72.62
Jan-11	84	3,945	13,248	4,363	21,640	1,569,212	72.51
Feb-11	80	3,778	12,940	4,286	21,084	1,529,380	72.54
Mar-11	85	3,602	12,610	4,236	20,533	1,493,965	72.76
Apr-11	72	3,458	12,326	4,107	19,963	1,448,064	72.54
May-11	68	3,360	12,063	4,013	19,504	1,413,847	72.49
Jun-11	57	3,315	11,940	3,987	19,299	1,396,455	72.36
Jul-11	54	3,298	11,968	4,010	19,330	1,398,322	72.34
Aug-11	48	3,276	11,957	4,033	19,314	1,396,413	72.30
Sep-11	52	3,228	11,979	4,045	19,304	1,497,835	77.59
Oct-11	44	3,134	11,888	3,989	19,055	1,473,875	77.35
Nov-11	45	3,062	11,636	3,994	18,737	1,453,300	77.56
Dec-11	46	3,004	11,658	3,966	18,674	1,446,630	77.47
Jan-12	43	2,927	11,618	3,986	18,574	1,438,250	77.43
Feb-12	42	2,904	11,562	3,948	18,456	1,428,000	77.37
Mar-12	45	2,878	11,497	3,941	18,361	1,422,305	77.46
Apr-12	45	2,910	11,557	3,950	18,463	1,430,030	77.46
May-12	45	2,927	11,645	3,985	18,603	1,440,864	77.45
Jun-12	46	2,950	11,747	4,021	18,764	1,453,372	77.46
Jul-12	46	2,982	11,862	4,058	18,949	1,467,683	77.45
Aug-12	47	3,013	11,992	4,103	19,155	1,483,648	77.45
Sep-12	46	3,002	11,971	4,090	19,109	1,449,030	75.83
Oct-12	45	2,991	11,950	4,077	19,063	1,444,963	75.80
Nov-12	44	2,980	11,929	4,064	19,017	1,440,896	75.77
Dec-12	43	2,969	11,908	4,051	18,971	1,436,829	75.74
Jan-13	42	2,958	11,887	4,038	18,925	1,432,762	75.71
Feb-13	41	2,947	11,866	4,025	18,879	1,428,695	75.67
Mar-13	40	2,936	11,845	4,012	18,833	1,424,628	75.64
Apr-13	44	2,964	11,847	4,040	18,895	1,431,973	75.79
May-13	44	2,994	11,965	4,080	19,083	1,446,064	75.78
Jun-13	43	3,024	12,085	4,121	19,273	1,459,960	75.75
Jul-13	43	3,039	12,145	4,142	19,369	1,467,176	75.75
Aug-13	47	3,059	12,226	4,170	19,502	1,478,560	75.82
Sep-13	47	3,065	12,252	4,179	19,543	1,561,595	79.91
Oct-13	47	3,068	12,264	4,183	19,562	1,563,110	79.91
Nov-13	47	3,075	12,292	4,193	19,607	1,566,706	79.91
Dec-13	45	3,078	12,304	4,197	19,624	1,567,980	79.90
Jan-14	48	3,081	12,316	4,201	19,646	1,569,858	79.91
Feb-14	46	3,084	12,328	4,205	19,663	1,571,132	79.90
FY2011	988	46,677	158,514	52,347	258,526	18,748,386	72.52
FY2012	547	35,920	140,641	47,987	225,095	17,435,792	77.46
FY2013	520	35,865	143,623	48,913	228,922	17,341,535	75.75

Sample Health Plan
CHIP Incurred Claims Summary Lag Report

Month Incurred	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11
6-14															
Sep-10	98,844	301,670	120,017	19,287	3,265	6,474	1,850	2,341	1,704	316	1,347	807	306	0	160
Oct-10		86,099	328,120	197,976	18,651	12,689	-1,201	-254	838	990	146	7,384	0	0	1,735
Nov-10			17,351	367,907	68,405	39,292	5,651	3,370	7,579	1,947	657	-57	0	-43	32
Dec-10				79,890	251,389	123,262	19,456	6,304	2,806	2,392	107	-157	-1,160	66	-30
Jan-11					17,198	383,437	95,120	15,460	4,917	5,241	94	3	849	301	371
Feb-11						58,788	330,673	63,094	25,904	8,509	2,334	-1,095	466	0	0
Mar-11							37,050	375,045	87,951	25,614	3,633	1,463	902	-2,288	956
Apr-11								49,356	358,033	79,963	16,664	7,310	348	3,833	720
May-11									50,126	340,480	109,840	31,914	7,497	6,509	1,813
Jun-11										43,481	290,289	255,510	13,292	7,486	1,683
Jul-11											20,983	305,586	130,515	70,186	4,511
Aug-11												32,812	371,147	109,441	16,108
Sep-11													50,488	529,966	240,552
Oct-11														6,091	398,876
Nov-11															14,019

Sample Health Plan
 Estimated Claims Experience

Month	Ages 6-14						Ages 15-18					
	Members	Inc & Pd Claims	Compl Factor	Est. Inc. Claims	Est. Inc. pmpm	Trend Factor	Members	Inc & Pd Claims	Compl Factor	Est. Inc. Claims	Est. Inc. pmpm	Trend Factor
Sep-10	15,901	558,351	1.000	558,351	35.11		5,132	197,614	1.000	197,614	38.51	
Oct-10	15,278	654,945	1.000	654,945	42.87		4,918	219,280	1.000	219,280	44.59	
Nov-10	14,441	512,126	1.000	512,126	35.46		4,721	145,363	1.000	145,363	30.79	
Dec-10	13,842	481,758	1.000	481,758	34.80		4,541	173,388	1.000	173,388	38.18	
Jan-11	13,248	524,336	1.000	524,336	39.58		4,363	152,657	1.000	152,657	34.99	
Feb-11	12,940	488,266	1.000	488,266	37.73		4,286	162,354	1.000	162,354	37.88	
Mar-11	12,610	530,040	1.000	530,040	42.03		4,236	194,139	1.000	194,139	45.83	
Apr-11	12,326	517,116	1.000	517,116	41.95		4,107	157,314	1.000	157,314	38.30	
May-11	12,063	546,601	1.000	546,601	45.31		4,013	124,140	1.000	124,140	30.93	
Jun-11	11,940	626,076	1.000	626,076	52.44		3,987	109,522	1.000	109,522	27.47	
Jul-11	11,968	543,697	1.000	543,697	45.43		4,010	164,529	1.000	164,529	41.03	
Aug-11	11,957	545,204	1.000	545,204	45.60		4,033	148,171	1.000	148,171	36.74	
Sep-11	11,979	883,569	1.000	883,569	73.76	2.101	4,045	121,542	1.000	121,542	30.05	0.780
Oct-11	11,888	726,038	1.000	726,038	61.07	1.425	3,989	136,479	1.000	136,479	34.21	0.767
Nov-11	11,636	689,010	1.000	689,010	59.21	1.670	3,994	131,288	1.000	131,288	32.87	1.068
Dec-11	11,658	631,106	1.000	631,106	54.14	1.555	3,966	112,702	1.000	112,702	28.42	0.744
Jan-12	11,618	673,253	1.000	673,253	57.95	1.464	3,986	156,610	1.000	156,610	39.29	1.123
Feb-12	11,562	920,872	1.000	920,872	79.65	2.111	3,948	174,974	1.000	174,974	44.32	1.170
Mar-12	11,497	905,576	1.000	905,576	78.77	1.874	3,941	123,638	1.000	123,638	31.37	0.685
Apr-12	11,557	721,089	1.000	721,089	62.40	1.487	3,950	133,668	1.000	133,668	33.84	0.883
May-12	11,645	807,072	1.000	807,072	69.30	1.529	3,985	107,791	1.000	107,791	27.05	0.874
Jun-12	11,747	688,476	1.000	688,476	58.61	1.118	4,021	157,910	1.000	157,910	39.27	1.430
Jul-12	11,862	608,947	1.000	608,947	51.33	1.130	4,058	160,277	1.000	160,277	39.50	0.963
Aug-12	11,992	569,289	1.000	569,289	47.47	1.041	4,103	172,673	1.000	172,673	42.08	1.145
Sep-12	11,971	663,520	1.000	663,520	55.43	0.751	4,090	138,374	1.000	138,374	33.83	1.126
Oct-12	11,950	598,716	1.000	598,716	50.10	0.820	4,077	150,967	1.000	150,967	37.02	1.082
Nov-12	11,929	660,770	1.000	660,770	55.39	0.935	4,064	149,593	1.000	149,593	36.81	1.120
Dec-12	11,908	573,589	1.000	573,589	48.17	0.890	4,051	143,090	1.000	143,090	35.32	1.243
Jan-13	11,887	635,506	1.000	635,506	53.46	0.923	4,038	184,225	1.000	184,225	45.62	1.161
Feb-13	11,866	521,422	1.000	521,422	43.94	0.552	4,025	166,286	1.000	166,286	41.31	0.932
Mar-13	11,845	753,968	1.000	753,968	63.65	0.808	4,012	168,218	1.000	168,218	41.92	1.336
Apr-13	11,847	789,166	1.000	789,166	66.61	1.068	4,040	181,051	1.000	181,051	44.81	1.324
May-13	11,965	530,716	1.000	530,716	44.36	0.640	4,080	182,148	1.000	182,148	44.64	1.651
Jun-13	12,085	493,401	1.000	493,401	40.83	0.697	4,121	227,718	1.000	227,718	55.26	1.407
Jul-13	12,145	603,945	1.000	603,945	49.73	0.969	4,142	154,049	1.000	154,049	37.19	0.942
Aug-13	12,226	734,285	1.000	734,285	60.06	1.265	4,170	282,268	0.998	282,833	67.83	1.612
Sep-13	12,252	601,308	1.000	601,308	49.08	0.885	4,179	186,424	0.996	187,173	44.79	1.324
Oct-13	12,264	574,896	0.999	575,471	46.92	0.937	4,183	167,963	0.992	169,318	40.48	1.093

Sample Health Plan
 Estimated Claims Experience

Ages 6-14							Ages 15-18					
Month	Members	Inc & Pd Claims	Compl Factor	Est. Inc. Claims	Est. Inc. pmpm	Trend Factor	Members	Inc & Pd Claims	Compl Factor	Est. Inc. Claims	Est. Inc. pmpm	Trend Factor
Nov-13	12,292	568,615	0.998	569,754	46.35	0.837	4,193	160,190	0.988	162,135	38.67	1.051
Dec-13	12,304	527,662	0.992	531,917	43.23	0.897	4,197	140,761	0.980	143,634	34.22	0.969
Jan-14	12,316	480,186	0.956	502,287	40.78	0.763	4,201	120,835	0.930	129,930	30.93	0.678
Feb-14	12,328	37,308	0.758	49,220	3.99	0.091	4,205	117,532	0.650	180,819	43.00	1.041
FY2011	158,514			6,528,516	41.19		52,347			1,948,470	37.22	
FY2012	140,641			8,824,296	62.74	1.523	47,987			1,689,551	35.21	0.946
FY2013	143,623			7,559,003	52.63	0.839	48,913			2,128,554	43.52	1.236

Sample Health Plan
 Experienced Based Renewal Rating
 Projection Period: FY2015 (9/1/2014 - 8/31/2015)

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2012 - 8/31/2013										
Member Months	520		35,865		143,623		48,913		228,922	
Premium Revenue	221,417	425.65	3,075,099	85.74	8,653,311	60.25	5,391,708	110.23	17,341,535	75.75
Adjusted Premium (Current Rates)	62,813	120.75	3,057,884	85.26	10,768,883	74.98	4,400,236	89.96	18,289,816	79.90
Estimated Incurred Claims	48,251	92.76	2,254,965	62.87	7,559,003	52.63	2,128,554	43.52	11,990,773	52.38
Projected FY2015 Member Months	335		27,561		119,625		44,598		192,119	
Projected FY2015 Premium Current Rates	40,451	120.75	2,349,851	85.26	8,969,483	74.98	4,012,036	89.96	15,371,821	80.01
Annual Trend Assumptions										
FY2014	3.1 %		3.1 %		3.1 %		3.1 %			
FY2015	5.0 %		5.0 %		5.0 %		5.0 %			
Provider Reimbursement Changes	0.9581		0.9489		0.9483		0.9481			
Other Reimbursement Changes	0.9798		0.9811		0.9811		0.9806			
Projected Incurred Claims	31,577	94.26	1,746,413	63.37	6,340,921	53.01	1,953,216	43.80	10,072,128	52.43
Capitation Expenses										
Vision		1.00		1.00		1.00		1.00		
Behavioral Health		2.50		2.50		2.50		2.50		
Other		0.50		0.50		0.50		0.50		
Total	1,340	4.00	110,244	4.00	478,500	4.00	178,392	4.00	768,476	4.00
Reinsurance Expenses										
Gross Premium		1.25		1.25		1.25		1.25		
Projected Reinsurance Recoveries		0.50		0.50		0.50		0.50		
Net Reinsurance Cost	251	0.75	20,671	0.75	89,719	0.75	33,449	0.75	144,089	0.75

Sample Health Plan
 Experienced Based Renewal Rating
 Projection Period: FY2015 (9/1/2014 - 8/31/2015)

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Administrative Expenses										
Fixed Amount	2,680	8.00	220,488	8.00	957,000	8.00	356,784	8.00	1,536,952	8.00
Percentage of Premium	5.75 %	6.80	5.75 %	4.84	5.75 %	4.18	5.75 %	3.60	5.75 %	4.15
Risk Margin	2.00 %	2.37	2.00 %	1.68	2.00 %	1.45	2.00 %	1.25	2.00 %	1.44
Premium Tax	1.75 %	2.07	1.75 %	1.47	1.75 %	1.27	1.75 %	1.09	1.75 %	1.26
Maintenance Tax	22	0.065	1,791	0.065	7,776	0.065	2,899	0.065	12,488	0.065
Projected Total Cost	39,636	118.32	2,320,008	84.18	8,700,459	72.73	2,789,767	62.55	13,849,870	72.09
Experience Rate Increase		-2.0%		-1.3%		-3.0%		-30.5%		-9.9%

Attachment 3

Community Experience Analysis

The following exhibits present a summary of the experience analysis performed for each service area. HHSC utilizes an adjusted community rating methodology in setting the CHIP premium rates. The base community rates by age group vary by service area but are the same for each health plan in a service area. The community rates are developed by a weighted average of the projected FY2015 cost for each health plan in the service area. The weights used in this formula are the projected number of FY2015 members enrolled in each health plan.

Below is a brief description of each of the exhibits contained in the attachment. The exhibits present the derivation of the FY2015 CHIP HMO community premium rates for the following service areas:

- Exhibit A – Bexar Area
- Exhibit B – Dallas Area
- Exhibit C – El Paso Area
- Exhibit D – Harris Area
- Exhibit E – Jefferson Area
- Exhibit F – Lubbock Area
- Exhibit G – Nueces Area
- Exhibit H – Rural Service Area (RSA)
- Exhibit I – Tarrant Area
- Exhibit J – Travis Area

These exhibits show projected FY2015 experience for each of the service areas. These amounts were derived by summing amounts from each individual health plan in the service area. The experience analysis for individual HMOs is described in Attachment 2. The top portion of the exhibit shows summary base period (FY2013) experience. Following that are projected FY2015 enrollment, premium and incurred claims experience.

In addition to incurred claims, provision is also made for services that are capitated by the HMOs, such as vision and behavioral health services. The cost of reinsurance is also considered. In developing the cost of reinsurance we make an assumption regarding how much the HMO is expected to receive in reinsurance recoveries (reimbursements from the reinsurance company for large claims). We have assumed that the net cost of reinsurance (reinsurance premium less reinsurance recoveries) is the minimum of (a) the actual reinsurance premium rate and (b) \$0.75 pmpm.

The amount allocated for administrative expenses is \$8.00 pmpm plus 5.75% of gross premium. Provisions are also included for risk margin (2.0% of gross premium), premium tax (1.75%) and maintenance tax (\$.065 pmpm).

At the bottom of the exhibit is a summary of the projected FY2015 cost based on these assumptions.

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2012 - 8/31/2013										
Member Months	962		92,182		353,914		133,443		580,501	
Estimated Incurred Claims	52,400	54.47	7,900,860	85.71	19,179,324	54.19	9,601,152	71.95	36,733,736	63.28
Projected FY2015 Member Months	962		92,182		353,914		133,443		580,501	
FY2015 Premium at Current Rates	155,228	161.36	9,351,790	101.45	25,948,903	73.32	13,377,082	100.25	48,833,003	84.12
Annual Trend Assumptions										
FY2014	3.1 %		3.1 %		3.1 %		3.1 %			
FY2015	5.0 %		5.0 %		5.0 %		5.0 %			
Provider Reimbursement Change	0.9789		0.9732		0.9745		0.9797			
Inpatient Reimbursement Change	0.9977		0.9989		0.9947		0.9922			
Projected Incurred Claims	55,403	57.59	8,314,338	90.19	20,126,496	56.87	10,103,084	75.71	38,599,322	66.49
Capitation & Other Expenses/Refunds										
Total	304	0.32	112,597	1.22	457,525	1.29	162,938	1.22	733,363	1.26
Reinsurance Expenses										
Net Reinsurance Cost	181	0.19	16,111	0.17	63,826	0.18	24,565	0.18	104,683	0.18
Administrative Expenses										
Fixed Amount	7,696	8.00	737,456	8.00	2,831,312	8.00	1,067,544	8.00	4,644,008	8.00
Percentage of Premium	5.75 %	4.20	5.75 %	6.33	5.75 %	4.22	5.75 %	5.41	5.75 %	4.83
Risk Margin	2.00 %	1.46	2.00 %	2.20	2.00 %	1.47	2.00 %	1.88	2.00 %	1.68
Premium Tax	1.75 %	1.28	1.75 %	1.93	1.75 %	1.28	1.75 %	1.65	1.75 %	1.47
Maintenance Tax	63	0.07	5,992	0.07	23,004	0.07	8,674	0.07	37,733	0.07
Projected Total Cost	70,328	73.11	10,150,822	110.12	25,969,242	73.38	12,560,005	94.12	48,750,396	83.98
Experience Rate Increase		-54.7 %		8.5 %		0.1 %		-6.1 %		-0.2 %

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2012 - 8/31/2013										
Member Months	1,967		175,388		666,260		221,463		1,065,078	
Estimated Incurred Claims	216,197	109.91	17,323,056	98.77	41,104,601	61.69	17,926,616	80.95	76,570,470	71.89
Projected FY2015 Member Months	1,967		175,388		666,260		221,463		1,065,078	
FY2015 Premium at Current Rates	317,395	161.36	22,040,898	125.67	54,177,781	81.32	21,716,857	98.06	98,252,931	92.25
Annual Trend Assumptions										
FY2014	3.1 %		3.1 %		3.1 %		3.1 %			
FY2015	5.0 %		5.0 %		5.0 %		5.0 %			
Provider Reimbursement Change	0.9878		0.9854		0.9879		0.9900			
Inpatient Reimbursement Change	0.9955		1.0018		0.9998		1.0272			
Projected Incurred Claims	230,140	117.00	18,513,240	105.56	43,950,816	65.97	19,735,326	89.11	82,429,522	77.39
Capitation & Other Expenses/Refunds										
Total	4,860	2.47	460,041	2.62	1,667,405	2.50	495,288	2.24	2,627,595	2.47
Reinsurance Expenses										
Net Reinsurance Cost	124	0.06	9,899	0.06	39,821	0.06	13,811	0.06	63,654	0.06
Administrative Expenses										
Fixed Amount	15,736	8.00	1,403,104	8.00	5,330,080	8.00	1,771,704	8.00	8,520,624	8.00
Percentage of Premium	5.75 %	8.11	5.75 %	7.39	5.75 %	4.87	5.75 %	6.32	5.75 %	5.59
Risk Margin	2.00 %	2.82	2.00 %	2.57	2.00 %	1.69	2.00 %	2.20	2.00 %	1.94
Premium Tax	1.75 %	2.47	1.75 %	2.25	1.75 %	1.48	1.75 %	1.92	1.75 %	1.70
Maintenance Tax	128	0.07	11,400	0.07	43,307	0.07	14,395	0.07	69,230	0.07
Projected Total Cost	277,335	140.99	22,538,877	128.51	56,388,319	84.63	24,343,122	109.92	103,547,652	97.22
Experience Rate Increase		-12.6 %		2.3 %		4.1 %		12.1 %		5.4 %

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2012 - 8/31/2013										
Member Months	389		40,029		173,738		76,011		290,167	
Estimated Incurred Claims	13,797	35.47	3,072,708	76.76	7,550,520	43.46	3,869,124	50.90	14,506,150	49.99
Projected FY2015 Member Months	389		40,029		173,738		76,011		290,167	
FY2015 Premium at Current Rates	62,769	161.36	3,617,967	90.38	10,777,226	62.03	5,600,372	73.68	20,058,334	69.13
Annual Trend Assumptions										
FY2014	3.1 %		3.1 %		3.1 %		3.1 %			
FY2015	5.0 %		5.0 %		5.0 %		5.0 %			
Provider Reimbursement Change	0.9783		0.9807		0.9799		0.9784			
Inpatient Reimbursement Change	1.0000		0.9542		1.0076		1.0036			
Projected Incurred Claims	14,611	37.56	3,112,755	77.76	8,070,395	46.45	4,112,801	54.11	15,310,562	52.76
Capitation & Other Expenses/Refunds										
Total	1,472	3.79	154,979	3.87	689,587	3.97	281,515	3.70	1,127,554	3.89
Reinsurance Expenses										
Net Reinsurance Cost	164	0.42	17,950	0.45	81,212	0.47	37,654	0.50	136,980	0.47
Administrative Expenses										
Fixed Amount	3,112	8.00	320,232	8.00	1,389,904	8.00	608,088	8.00	2,321,336	8.00
Percentage of Premium	5.75 %	3.17	5.75 %	5.73	5.75 %	3.75	5.75 %	4.22	5.75 %	4.14
Risk Margin	2.00 %	1.10	2.00 %	1.99	2.00 %	1.30	2.00 %	1.47	2.00 %	1.44
Premium Tax	1.75 %	0.96	1.75 %	1.74	1.75 %	1.14	1.75 %	1.28	1.75 %	1.26
Maintenance Tax	25	0.07	2,602	0.07	11,293	0.07	4,941	0.07	18,861	0.07
Projected Total Cost	21,420	55.06	3,987,313	99.61	11,317,559	65.14	5,574,585	73.34	20,900,876	72.03
Experience Rate Increase		-65.9 %		10.2 %		5.0 %		-0.5 %		4.2 %

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2012 - 8/31/2013										
Member Months	3,607		324,076		1,137,328		394,092		1,859,103	
Estimated Incurred Claims	521,975	144.71	33,885,876	104.56	81,850,354	71.97	42,687,752	108.32	158,945,958	85.50
Projected FY2015 Member Months	3,607		324,076		1,137,328		394,092		1,859,103	
FY2015 Premium at Current Rates	582,026	161.36	40,207,140	124.07	103,223,625	90.76	50,569,454	128.32	194,582,244	104.66
Annual Trend Assumptions										
FY2014	3.1 %		3.1 %		3.1 %		3.1 %			
FY2015	5.0 %		5.0 %		5.0 %		5.0 %			
Provider Reimbursement Change	0.9882		0.9769		0.9808		0.9824			
Inpatient Reimbursement Change	1.0689		0.9816		0.9831		0.9765			
Projected Incurred Claims	596,897	165.48	35,175,368	108.54	85,440,740	75.12	44,333,018	112.49	165,546,024	89.05
Capitation & Other Expenses/Refunds										
Total	17,490	4.85	880,351	2.72	2,309,498	2.03	993,666	2.52	4,201,006	2.26
Reinsurance Expenses										
Net Reinsurance Cost	907	0.25	96,996	0.30	308,386	0.27	101,470	0.26	507,759	0.27
Administrative Expenses										
Fixed Amount	28,856	8.00	2,592,608	8.00	9,098,624	8.00	3,152,736	8.00	14,872,824	8.00
Percentage of Premium	5.75 %	11.35	5.75 %	7.60	5.75 %	5.43	5.75 %	7.84	5.75 %	6.33
Risk Margin	2.00 %	3.95	2.00 %	2.64	2.00 %	1.89	2.00 %	2.73	2.00 %	2.20
Premium Tax	1.75 %	3.45	1.75 %	2.31	1.75 %	1.65	1.75 %	2.38	1.75 %	1.93
Maintenance Tax	234	0.07	21,065	0.07	73,926	0.07	25,616	0.07	120,842	0.07
Projected Total Cost	712,028	197.40	42,835,788	132.18	107,437,762	94.47	53,708,846	136.29	204,694,424	110.10
Experience Rate Increase		22.3 %		6.5 %		4.1 %		6.2 %		5.2 %

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2012 - 8/31/2013										
Member Months	298		27,968		94,922		34,952		158,140	
Estimated Incurred Claims	48,126	161.50	2,470,439	88.33	6,976,034	73.49	3,585,780	102.59	13,080,380	82.71
Projected FY2015 Member Months	298		27,968		94,922		34,952		158,140	
FY2015 Premium at Current Rates	48,085	161.36	3,211,066	114.81	7,450,803	78.49	4,111,157	117.62	14,821,112	93.72
Annual Trend Assumptions										
FY2014	3.1 %		3.1 %		3.1 %		3.1 %			
FY2015	5.0 %		5.0 %		5.0 %		5.0 %			
Provider Reimbursement Change	0.9830		0.9794		0.9840		0.9860			
Inpatient Reimbursement Change	0.9120		0.9610		0.9769		1.0239			
Projected Incurred Claims	46,706	156.73	2,517,193	90.00	7,259,547	76.48	3,918,770	112.12	13,742,216	86.90
Capitation & Other Expenses/Refunds										
Total	549	1.84	42,889	1.53	129,929	1.37	46,631	1.33	219,998	1.39
Reinsurance Expenses										
Net Reinsurance Cost	74	0.25	7,401	0.26	20,733	0.22	6,838	0.20	35,045	0.22
Administrative Expenses										
Fixed Amount	2,384	8.00	223,744	8.00	759,376	8.00	279,616	8.00	1,265,120	8.00
Percentage of Premium	5.75 %	10.60	5.75 %	6.35	5.75 %	5.47	5.75 %	7.73	5.75 %	6.14
Risk Margin	2.00 %	3.69	2.00 %	2.21	2.00 %	1.90	2.00 %	2.69	2.00 %	2.13
Premium Tax	1.75 %	3.23	1.75 %	1.93	1.75 %	1.67	1.75 %	2.35	1.75 %	1.87
Maintenance Tax	19	0.07	1,818	0.07	6,170	0.07	2,272	0.07	10,279	0.07
Projected Total Cost	54,953	184.41	3,086,237	110.35	9,033,983	95.17	4,700,693	134.49	16,875,865	106.71
Experience Rate Increase		14.3 %		-3.9 %		21.2 %		14.3 %		13.9 %

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2012 - 8/31/2013										
Member Months	405		31,415		106,550		34,979		173,349	
Estimated Incurred Claims	17,255	42.61	2,384,329	75.90	4,176,317	39.20	2,015,374	57.62	8,593,276	49.57
Projected FY2015 Member Months	405		31,415		106,550		34,979		173,349	
FY2015 Premium at Current Rates	65,351	161.36	2,613,701	83.20	6,024,936	56.55	3,449,585	98.62	12,153,572	70.11
Annual Trend Assumptions										
FY2014	3.1 %		3.1 %		3.1 %		3.1 %			
FY2015	5.0 %		5.0 %		5.0 %		5.0 %			
Provider Reimbursement Change	0.9820		0.9806		0.9824		0.9815			
Inpatient Reimbursement Change	1.0000		1.0226		1.0255		1.0204			
Projected Incurred Claims	18,343	45.29	2,588,284	82.39	4,554,760	42.75	2,185,065	62.47	9,346,452	53.92
Capitation & Other Expenses/Refunds										
Total	114	0.28	12,525	0.40	47,604	0.45	14,057	0.40	74,300	0.43
Reinsurance Expenses										
Net Reinsurance Cost	180	0.44	12,209	0.39	39,033	0.37	13,543	0.39	64,964	0.37
Administrative Expenses										
Fixed Amount	3,240	8.00	251,320	8.00	852,400	8.00	279,832	8.00	1,386,792	8.00
Percentage of Premium	5.75 %	3.44	5.75 %	5.80	5.75 %	3.28	5.75 %	4.53	5.75 %	3.99
Risk Margin	2.00 %	1.20	2.00 %	2.02	2.00 %	1.14	2.00 %	1.58	2.00 %	1.39
Premium Tax	1.75 %	1.05	1.75 %	1.76	1.75 %	1.00	1.75 %	1.38	1.75 %	1.21
Maintenance Tax	26	0.07	2,042	0.07	6,926	0.07	2,274	0.07	11,268	0.07
Projected Total Cost	24,202	59.76	3,167,271	100.82	6,078,146	57.05	2,756,653	78.81	12,026,271	69.38
Experience Rate Increase		-63.0 %		21.2 %		0.9 %		-20.1 %		-1.0 %

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2012 - 8/31/2013										
Member Months	301		27,759		107,136		41,425		176,621	
Estimated Incurred Claims	29,522	98.08	2,510,956	90.46	6,712,077	62.65	4,190,793	101.17	13,443,348	76.11
Projected FY2015 Member Months	301		27,759		107,136		41,425		176,621	
FY2015 Premium at Current Rates	48,569	161.36	3,405,096	122.67	11,764,814	109.81	5,689,633	137.35	20,908,112	118.38
Annual Trend Assumptions										
FY2014	3.1 %		3.1 %		3.1 %		3.1 %			
FY2015	5.0 %		5.0 %		5.0 %		5.0 %			
Provider Reimbursement Change	0.9588		0.9751		0.9765		0.9864			
Inpatient Reimbursement Change	1.0000		0.9946		1.0271		1.0089			
Projected Incurred Claims	30,642	101.80	2,636,239	94.97	7,287,690	68.02	4,514,871	108.99	14,469,441	81.92
Capitation & Other Expenses/Refunds										
Total	148,924	494.76	434,225	15.64	1,798,977	16.79	640,193	15.45	3,022,319	17.11
Reinsurance Expenses										
Net Reinsurance Cost	127	0.42	11,894	0.43	48,186	0.45	18,849	0.46	79,056	0.45
Administrative Expenses										
Fixed Amount	2,408	8.00	222,072	8.00	857,088	8.00	331,400	8.00	1,412,968	8.00
Percentage of Premium	5.75 %	38.44	5.75 %	7.57	5.75 %	5.93	5.75 %	8.45	5.75 %	6.83
Risk Margin	2.00 %	13.37	2.00 %	2.63	2.00 %	2.06	2.00 %	2.94	2.00 %	2.38
Premium Tax	1.75 %	11.70	1.75 %	2.30	1.75 %	1.80	1.75 %	2.57	1.75 %	2.08
Maintenance Tax	20	0.07	1,804	0.07	6,964	0.07	2,693	0.07	11,480	0.07
Projected Total Cost	201,238	668.56	3,653,298	131.61	11,048,513	103.13	6,086,193	146.92	20,989,242	118.84
Experience Rate Increase		314.3 %		7.3 %		-6.1 %		7.0 %		0.4 %

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2012 - 8/31/2013										
Member Months	3,201		266,370		1,003,891		370,756		1,644,218	
Estimated Incurred Claims	211,201	65.98	15,304,553	57.46	46,343,749	46.16	22,566,130	60.87	84,425,634	51.35
Projected FY2015 Member Months	3,201		266,370		1,003,891		370,756		1,644,218	
FY2015 Premium at Current Rates	516,513	161.36	23,309,447	87.51	67,489,864	67.23	31,640,126	85.34	122,955,951	74.78
Annual Trend Assumptions										
FY2014	3.1 %		3.1 %		3.1 %		3.1 %			
FY2015	5.0 %		5.0 %		5.0 %		5.0 %			
Provider Reimbursement Change	0.9853		0.9800		0.9857		0.9838			
Inpatient Reimbursement Change	0.9997		1.0214		1.0013		0.9886			
Projected Incurred Claims	225,207	70.36	16,584,048	62.26	49,516,291	49.32	23,759,236	64.08	90,084,782	54.79
Capitation & Other Expenses/Refunds										
Total	6,339	1.98	353,332	1.33	1,146,686	1.14	466,189	1.26	1,972,546	1.20
Reinsurance Expenses										
Net Reinsurance Cost	336	0.10	27,471	0.10	103,324	0.10	38,649	0.10	169,780	0.10
Administrative Expenses										
Fixed Amount	25,608	8.00	2,130,960	8.00	8,031,128	8.00	2,966,048	8.00	13,153,744	8.00
Percentage of Premium	5.75 %	5.11	5.75 %	4.56	5.75 %	3.73	5.75 %	4.67	5.75 %	4.08
Risk Margin	2.00 %	1.78	2.00 %	1.59	2.00 %	1.30	2.00 %	1.62	2.00 %	1.42
Premium Tax	1.75 %	1.56	1.75 %	1.39	1.75 %	1.13	1.75 %	1.42	1.75 %	1.24
Maintenance Tax	208	0.07	17,314	0.07	65,253	0.07	24,099	0.07	106,874	0.07
Projected Total Cost	284,749	88.96	21,119,476	79.29	65,041,637	64.79	30,115,162	81.23	116,561,023	70.89
Experience Rate Increase		-44.9 %		-9.4 %		-3.6 %		-4.8 %		-5.2 %

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2012 - 8/31/2013										
Member Months	1,894		138,011		467,542		149,409		756,856	
Estimated Incurred Claims	128,297	67.74	13,507,048	97.87	34,149,800	73.04	12,854,454	86.04	60,639,599	80.12
Projected FY2015 Member Months	1,894		138,011		467,542		149,409		756,856	
FY2015 Premium at Current Rates	305,616	161.36	16,796,208	121.70	41,830,266	89.47	16,998,493	113.77	75,930,582	100.32
Annual Trend Assumptions										
FY2014	3.1 %		3.1 %		3.1 %		3.1 %			
FY2015	5.0 %		5.0 %		5.0 %		5.0 %			
Provider Reimbursement Change	0.9876		0.9854		0.9893		0.9875			
Inpatient Reimbursement Change	1.0750		1.0180		0.9694		0.9696			
Projected Incurred Claims	147,453	77.85	14,667,927	106.28	35,454,156	75.83	13,323,899	89.18	63,593,435	84.02
Capitation & Other Expenses/Refunds										
Total	2,573	1.36	80,762	0.59	527,951	1.13	147,628	0.99	758,914	1.00
Reinsurance Expenses										
Net Reinsurance Cost	980	0.52	64,288	0.47	222,797	0.48	74,064	0.50	362,129	0.48
Administrative Expenses										
Fixed Amount	15,152	8.00	1,104,088	8.00	3,740,336	8.00	1,195,272	8.00	6,054,848	8.00
Percentage of Premium	5.75 %	5.58	5.75 %	7.33	5.75 %	5.43	5.75 %	6.27	5.75 %	5.95
Risk Margin	2.00 %	1.94	2.00 %	2.55	2.00 %	1.89	2.00 %	2.18	2.00 %	2.07
Premium Tax	1.75 %	1.70	1.75 %	2.23	1.75 %	1.65	1.75 %	1.91	1.75 %	1.81
Maintenance Tax	123	0.07	8,971	0.07	30,390	0.07	9,712	0.07	49,196	0.07
Projected Total Cost	183,736	97.01	17,597,830	127.51	44,171,967	94.48	16,298,977	109.09	78,252,510	103.39
Experience Rate Increase		-39.9 %		4.8 %		5.6 %		-4.1 %		3.1 %

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2012 - 8/31/2013										
Member Months	1,207		79,282		255,271		83,326		419,086	
Estimated Incurred Claims	83,966	69.57	6,978,745	88.02	15,204,006	59.56	6,513,657	78.17	28,780,373	68.67
Projected FY2015 Member Months	1,207		79,282		255,271		83,326		419,086	
FY2015 Premium at Current Rates	194,762	161.36	8,439,895	106.45	22,213,473	87.02	9,200,037	110.41	40,048,166	95.56
Annual Trend Assumptions										
FY2014	3.1 %		3.1 %		3.1 %		3.1 %			
FY2015	5.0 %		5.0 %		5.0 %		5.0 %			
Provider Reimbursement Change	0.9815		0.9804		0.9826		0.9810			
Inpatient Reimbursement Change	1.0000		0.9934		0.9889		0.9934			
Projected Incurred Claims	89,215	73.91	7,357,881	92.81	15,993,191	62.65	6,871,728	82.47	30,312,015	72.33
Capitation & Other Expenses/Refunds										
Total	10,532	8.73	312,954	3.95	821,638	3.22	333,051	4.00	1,478,176	3.53
Reinsurance Expenses										
Net Reinsurance Cost	491	0.41	25,873	0.33	95,436	0.37	36,019	0.43	157,818	0.38
Administrative Expenses										
Fixed Amount	9,656	8.00	634,256	8.00	2,042,168	8.00	666,608	8.00	3,352,688	8.00
Percentage of Premium	5.75 %	5.79	5.75 %	6.68	5.75 %	4.72	5.75 %	6.03	5.75 %	5.36
Risk Margin	2.00 %	2.01	2.00 %	2.32	2.00 %	1.64	2.00 %	2.10	2.00 %	1.86
Premium Tax	1.75 %	1.76	1.75 %	2.03	1.75 %	1.44	1.75 %	1.84	1.75 %	1.63
Maintenance Tax	78	0.07	5,153	0.07	16,593	0.07	5,416	0.07	27,241	0.07
Projected Total Cost	121,517	100.68	9,211,179	116.18	20,960,249	82.11	8,743,450	104.93	39,036,395	93.15
Experience Rate Increase		-37.6 %		9.1 %		-5.6 %		-5.0 %		-2.5 %

Attachment 4

Provider Reimbursement and Benefit Revision Adjustments

This attachment presents information regarding the various provider reimbursement and benefit revision adjustments considered in the rating analysis and how the adjustment factors were developed.

There were several significant revisions to the Texas Medicaid fee schedule which were included in the CHIP rating analysis. The rating adjustments for these provider reimbursement and benefit changes were calculated by applying actual health plan encounter data to the old and new reimbursement basis and the resulting impact determined. The attached exhibits present a summary of the derivation of these adjustment factors.

Exhibit A – APR-DRG Transition for Rural and Children’s Hospital

Exhibit B – Inpatient Outlier Payment Reduction

Exhibit C – 5.3% Outpatient Hospital Reimbursement Reduction

Exhibit D – Outpatient Imaging Fee Schedule Reduction

Exhibit E – Potentially Preventable Readmissions (PPR) Reduction

Exhibit F – Potentially Preventable Complications (PPC) Reduction

Exhibit G – Emergency Room Reimbursement Reduction – Multiple Visits within 36 Hours

Exhibit H – Emergency Room Reimbursement Reduction – Flat Fee for Non-Urgent Visit

Exhibit I – 5% Ambulance Reimbursement Reduction

Exhibit J – Therapy Reimbursement Change

Exhibit K – Medicaid Rates in Excess of Medicare Reduction

Exhibit L – Limit Related Party Reimbursement to 100% of Medicaid

Effective September 1, 2013 HHSC transitioned all rural and children’s facilities to the APR-DRG reimbursement system. Attached Exhibit A presents a summary of the derivation of the rating adjustment factors.

Effective September 1, 2013 HHSC reduced the outlier portion of inpatient facility reimbursement by 10%. Children’s hospitals are excluded from this reduction. Exhibit B presents a summary of the derivation of the rating adjustment factors.

Effective September 1, 2013 HHSC implemented an outpatient hospital reduction of 5.3%, which excludes clinical lab and outpatient imaging services. This reduction does not apply to children’s hospitals, rural hospitals, or state-owned teaching hospitals. Exhibit C presents a summary of the derivation of the rating adjustment factors.

Effective September 1, 2013 HHSC reduced hospital imaging reimbursement to 125% of the amount reimbursed for imaging performed in a physician’s office. Exhibit D presents a summary of the derivation of the rating adjustment factors.

Effective May 1, 2013 HHSC implemented revisions to hospital reimbursement to account for Potentially Preventable Readmissions (PPR). The reimbursement reductions amount to 1-2% depending on a hospital’s performance during the evaluation time period. Exhibit E presents a summary of the derivation of the rating adjustment factors.

Effective March 1, 2014 HHSC implemented revisions to hospital reimbursement to account for Potentially Preventable Complications (PPC). The reimbursement reductions amount to 2.0%-2.5% depending on a hospital's performance during the evaluation time period. Exhibit F presents a summary of the derivation of the rating adjustment factors.

Effective September 1, 2013 HHSC reduced reimbursement for non-emergent services provided in the emergency room. This included (i) a reduction in payment if an individual returns to the emergency department within a 36 hour period and (ii) non-urgent visit will be reimbursed using a flat fee. Exhibits G and H presents a summary of the derivation of the rating adjustment factors.

Effective September 1, 2013 HHSC reduced ambulance reimbursement by 5%. Exhibit I presents a summary of the derivation of the rating adjustment factors.

Effective September 1, 2013, HHSC implemented revisions to the therapy fee schedules. Reimbursement will be reduced by 2.5% for Comprehensive Outpatient Rehabilitation Facilities/Outpatient Rehabilitation Facilities (CORFs/ORFs), 4% for independent therapist operating in an office setting, and 1.5% for therapy services provided inside the home. Exhibit J presents a summary of the derivation of the rating adjustment factors.

Effective September 1, 2013 HHSC reduced all Medicaid rates that are in excess of Medicare. Exhibit K presents a summary of the derivation of the rating adjustment factors.

Effective September 1, 2010, HHSC revised the rating methodology to exclude from the claims experience base any amounts paid by a health plan to a related party in excess of 100% of Medicaid. Exhibit L presents a summary of the derivation of the rating adjustment factors.

FY2015 CHIP Rating
 Provider Reimbursement Adjustments
 APR-DRG Implementation - Rural and Children's Hospitals

	Age Group				
	< 1	1-5	6-14	15-18	Total
Provider Reimbursement Revision (1)					
Bexar	0	-6,892	-67,667	-9,543	-84,102
Dallas	-132	138,399	187,445	607,213	932,925
El Paso	0	-136,121	54,290	16,151	-65,680
Harris	56,680	758,621	2,505,232	971,934	4,292,467
Jefferson	-4,932	-5,330	92,450	199,510	281,699
Lubbock	0	51,369	99,469	47,761	198,599
Nueces	0	-13,418	178,035	42,500	207,116
RSA	-63	382,649	113,160	-195,763	299,983
Tarrant	10,511	230,718	-994,520	-328,191	-1,081,481
Travis	0	-44,678	-154,791	-33,488	-232,956
Total	62,066	1,355,317	2,013,103	1,318,085	4,748,570
FY2013 Total Incurred Claims (2)					
Bexar	56,132	7,657,642	17,807,118	8,675,641	34,196,534
Dallas	219,251	17,518,837	39,881,856	17,398,664	75,018,607
El Paso	14,673	2,972,077	7,050,706	3,589,083	13,626,540
Harris	596,006	32,840,719	79,279,499	40,497,232	153,213,456
Jefferson	56,041	2,317,544	6,699,294	3,292,251	12,365,129
Lubbock	21,934	2,233,451	3,796,509	1,836,963	7,888,857
Nueces	27,497	2,484,892	6,497,614	4,047,628	13,057,631
RSA	208,624	17,393,155	45,263,822	21,049,790	83,915,390
Tarrant	139,038	12,746,834	32,822,428	11,435,212	57,143,512
Travis	88,696	6,769,321	14,200,980	6,088,663	27,147,660
Total	1,427,892	104,934,472	253,299,826	117,911,127	477,573,316
Adjustment Factor (3)					
Bexar	0.00 %	-0.09 %	-0.38 %	-0.11 %	-0.25 %
Dallas	-0.06 %	0.79 %	0.47 %	3.49 %	1.24 %
El Paso	0.00 %	-4.58 %	0.77 %	0.45 %	-0.48 %
Harris	9.51 %	2.31 %	3.16 %	2.40 %	2.80 %
Jefferson	-8.80 %	-0.23 %	1.38 %	6.06 %	2.28 %
Lubbock	0.00 %	2.30 %	2.62 %	2.60 %	2.52 %
Nueces	0.00 %	-0.54 %	2.74 %	1.05 %	1.59 %
RSA	-0.03 %	2.20 %	0.25 %	-0.93 %	0.36 %
Tarrant	7.56 %	1.81 %	-3.03 %	-2.87 %	-1.89 %
Travis	0.00 %	-0.66 %	-1.09 %	-0.55 %	-0.86 %
Total	4.35 %	1.29 %	0.79 %	1.12 %	0.99 %

Footnotes:

- (1) Equals the additional cost resulting from transitioning children's hospitals and rural hospitals to APR-DRG.
- (2) Equals FY2013 health plan fee-for-service claims for all services (ICHP provided encounter data).
- (3) Additional cost divided by FY2013 Total Incurred Claims.

FY2015 CHIP Rating
 Provider Reimbursement Adjustments
 Inpatient Hospital Outlier Payment Reduction

	Age Group				Total
	< 1	1-5	6-14	15-18	
Provider Reimbursement Reduction (1)					
Bexar	0	-145	-246	-22,175	-22,566
Dallas	0	0	-864	-1,465	-2,330
El Paso	0	-114	-117	-1,053	-1,285
Harris	-45	-8,133	-74,546	-36,247	-118,971
Jefferson	0	-345	-7,727	-27	-8,100
Lubbock	0	0	-143	-3,857	-4,000
Nueces	0	0	0	-2,876	-2,876
RSA	0	-999	-36,741	-21,562	-59,303
Tarrant	0	0	0	-2,258	-2,258
Travis	0	0	-868	0	-868
Total	-45	-9,737	-121,253	-91,522	-222,557
FY2013 Total Incurred Claims (2)					
Bexar	56,132	7,657,642	17,807,118	8,675,641	34,196,534
Dallas	219,251	17,518,837	39,881,856	17,398,664	75,018,607
El Paso	14,673	2,972,077	7,050,706	3,589,083	13,626,540
Harris	596,006	32,840,719	79,279,499	40,497,232	153,213,456
Jefferson	56,041	2,317,544	6,699,294	3,292,251	12,365,129
Lubbock	21,934	2,233,451	3,796,509	1,836,963	7,888,857
Nueces	27,497	2,484,892	6,497,614	4,047,628	13,057,631
RSA	208,624	17,393,155	45,263,822	21,049,790	83,915,390
Tarrant	139,038	12,746,834	32,822,428	11,435,212	57,143,512
Travis	88,696	6,769,321	14,200,980	6,088,663	27,147,660
Total	1,427,892	104,934,472	253,299,826	117,911,127	477,573,316
Adjustment Factor (3)					
Bexar	0.00 %	0.00 %	0.00 %	-0.26 %	-0.07 %
Dallas	0.00 %	0.00 %	0.00 %	-0.01 %	0.00 %
El Paso	0.00 %	0.00 %	0.00 %	-0.03 %	-0.01 %
Harris	-0.01 %	-0.02 %	-0.09 %	-0.09 %	-0.08 %
Jefferson	0.00 %	-0.01 %	-0.12 %	0.00 %	-0.07 %
Lubbock	0.00 %	0.00 %	0.00 %	-0.21 %	-0.05 %
Nueces	0.00 %	0.00 %	0.00 %	-0.07 %	-0.02 %
RSA	0.00 %	-0.01 %	-0.08 %	-0.10 %	-0.07 %
Tarrant	0.00 %	0.00 %	0.00 %	-0.02 %	0.00 %
Travis	0.00 %	0.00 %	-0.01 %	0.00 %	0.00 %
Total	0.00 %	-0.01 %	-0.05 %	-0.08 %	-0.05 %

Footnotes:

- (1) Equals the savings resulting from reducing outlier payment by ten percent.
- (2) Equals FY2013 health plan fee-for-service claims for all services (ICHP provided encounter data).
- (3) Additional cost divided by FY2013 Total Incurred Claims.

FY2015 CHIP Rating
 Provider Reimbursement Adjustments
 5.3% Outpatient Hospital Reimbursement Reduction

	Age Group				Total
	< 1	1-5	6-14	15-18	
Provider Reimbursement Reduction (1)					
Bexar	-186	-36,151	-109,549	-54,807	-200,691
Dallas	-444	-28,674	-76,490	-44,353	-149,961
El Paso	-61	-9,041	-43,453	-24,062	-76,617
Harris	-1,797	-196,214	-598,563	-414,858	-1,211,432
Jefferson	-421	-11,061	-32,491	-19,927	-63,899
Lubbock	-104	-8,159	-12,745	-7,608	-28,615
Nueces	-18	-2,789	-7,937	-6,644	-17,389
RSA	-671	-68,261	-172,021	-110,927	-351,880
Tarrant	-199	-28,227	-104,216	-58,361	-191,002
Travis	-522	-21,644	-65,460	-54,984	-142,611
Total	-4,422	-410,220	-1,222,925	-796,530	-2,434,098
FY2013 Total Incurred Claims (2)					
Bexar	56,132	7,657,642	17,807,118	8,675,641	34,196,534
Dallas	219,251	17,518,837	39,881,856	17,398,664	75,018,607
El Paso	14,673	2,972,077	7,050,706	3,589,083	13,626,540
Harris	596,006	32,840,719	79,279,499	40,497,232	153,213,456
Jefferson	56,041	2,317,544	6,699,294	3,292,251	12,365,129
Lubbock	21,934	2,233,451	3,796,509	1,836,963	7,888,857
Nueces	27,497	2,484,892	6,497,614	4,047,628	13,057,631
RSA	208,624	17,393,155	45,263,822	21,049,790	83,915,390
Tarrant	139,038	12,746,834	32,822,428	11,435,212	57,143,512
Travis	88,696	6,769,321	14,200,980	6,088,663	27,147,660
Total	1,427,892	104,934,472	253,299,826	117,911,127	477,573,316
Adjustment Factor (3)					
Bexar	-0.33 %	-0.47 %	-0.62 %	-0.63 %	-0.59 %
Dallas	-0.20 %	-0.16 %	-0.19 %	-0.25 %	-0.20 %
El Paso	-0.41 %	-0.30 %	-0.62 %	-0.67 %	-0.56 %
Harris	-0.30 %	-0.60 %	-0.76 %	-1.02 %	-0.79 %
Jefferson	-0.75 %	-0.48 %	-0.48 %	-0.61 %	-0.52 %
Lubbock	-0.47 %	-0.37 %	-0.34 %	-0.41 %	-0.36 %
Nueces	-0.07 %	-0.11 %	-0.12 %	-0.16 %	-0.13 %
RSA	-0.32 %	-0.39 %	-0.38 %	-0.53 %	-0.42 %
Tarrant	-0.14 %	-0.22 %	-0.32 %	-0.51 %	-0.33 %
Travis	-0.59 %	-0.32 %	-0.46 %	-0.90 %	-0.53 %
Total	-0.31 %	-0.39 %	-0.48 %	-0.68 %	-0.51 %

Footnotes:

- (1) Equals a 5.3% reimbursement reduction for outpatient services, except for lab and outpatient imaging services. Reduction does not apply to children's hospital, rural hospitals, or state-owned teaching hospitals.
- (2) Equals FY2013 health plan fee-for-service claims for all services (ICHP provided encounter data).
- (3) Additional cost divided by FY2013 Total Incurred Claims.

FY2015 CHIP Rating
 Provider Reimbursement Adjustments
 Outpatient Imaging Fee Schedule Change

	Age Group				Total
	< 1	1-5	6-14	15-18	
Provider Reimbursement Reduction (1)					
Bexar	-150	-31,452	-101,921	-47,699	-181,223
Dallas	-658	-60,563	-195,215	-80,215	-336,651
El Paso	-61	-11,054	-46,504	-30,248	-87,866
Harris	-2,684	-151,658	-418,032	-175,406	-747,779
Jefferson	-351	-15,344	-56,647	-19,119	-91,461
Lubbock	-143	-12,414	-34,786	-19,863	-67,205
Nueces	-843	-10,092	-42,977	-17,115	-71,026
RSA	-740	-111,265	-339,705	-167,941	-619,651
Tarrant	-960	-64,918	-167,110	-62,366	-295,353
Travis	-454	-28,707	-72,520	-25,127	-126,808
Total	-7,045	-497,466	-1,475,415	-645,098	-2,625,024
FY2013 Total Incurred Claims (2)					
Bexar	56,132	7,657,642	17,807,118	8,675,641	34,196,534
Dallas	219,251	17,518,837	39,881,856	17,398,664	75,018,607
El Paso	14,673	2,972,077	7,050,706	3,589,083	13,626,540
Harris	596,006	32,840,719	79,279,499	40,497,232	153,213,456
Jefferson	56,041	2,317,544	6,699,294	3,292,251	12,365,129
Lubbock	21,934	2,233,451	3,796,509	1,836,963	7,888,857
Nueces	27,497	2,484,892	6,497,614	4,047,628	13,057,631
RSA	208,624	17,393,155	45,263,822	21,049,790	83,915,390
Tarrant	139,038	12,746,834	32,822,428	11,435,212	57,143,512
Travis	88,696	6,769,321	14,200,980	6,088,663	27,147,660
Total	1,427,892	104,934,472	253,299,826	117,911,127	477,573,316
Adjustment Factor (3)					
Bexar	-0.27 %	-0.41 %	-0.57 %	-0.55 %	-0.53 %
Dallas	-0.30 %	-0.35 %	-0.49 %	-0.46 %	-0.45 %
El Paso	-0.42 %	-0.37 %	-0.66 %	-0.84 %	-0.64 %
Harris	-0.45 %	-0.46 %	-0.53 %	-0.43 %	-0.49 %
Jefferson	-0.63 %	-0.66 %	-0.85 %	-0.58 %	-0.74 %
Lubbock	-0.65 %	-0.56 %	-0.92 %	-1.08 %	-0.85 %
Nueces	-3.07 %	-0.41 %	-0.66 %	-0.42 %	-0.54 %
RSA	-0.35 %	-0.64 %	-0.75 %	-0.80 %	-0.74 %
Tarrant	-0.69 %	-0.51 %	-0.51 %	-0.55 %	-0.52 %
Travis	-0.51 %	-0.42 %	-0.51 %	-0.41 %	-0.47 %
Total	-0.49 %	-0.47 %	-0.58 %	-0.55 %	-0.55 %

Footnotes:

- (1) Equals the cost reduction resulting from limiting outpatient imaging to 125% of the reimbursement in a physician's office.
- (2) Equals FY2013 health plan fee-for-service claims for all services (ICHP provided encounter data).
- (3) Additional cost divided by FY2013 Total Incurred Claims.

FY2015 CHIP Rating
 Provider Reimbursement Adjustments
 Potentially Preventable Readmissions (PPR)

	Age Group				Total
	< 1	1-5	6-14	15-18	
Provider Reimbursement Reduction (1)					
Bexar	-78	-365	-8,986	-6,705	-16,134
Dallas	-11	-6,047	-4,262	-7,553	-17,873
El Paso	0	0	-845	-1,604	-2,449
Harris	0	-1,461	-13,258	-20,440	-35,159
Jefferson	0	-560	-2,108	-1,274	-3,943
Lubbock	0	-155	-742	-1,625	-2,522
Nueces	0	0	-1,454	-2,178	-3,632
RSA	0	-1,100	-5,440	-5,757	-12,296
Tarrant	0	-59	-6,283	-7,820	-14,162
Travis	0	-28	-1,215	-2,721	-3,964
Total	-89	-9,775	-44,594	-57,677	-112,135
FY2013 Total Incurred Claims (2)					
Bexar	56,132	7,657,642	17,807,118	8,675,641	34,196,534
Dallas	219,251	17,518,837	39,881,856	17,398,664	75,018,607
El Paso	14,673	2,972,077	7,050,706	3,589,083	13,626,540
Harris	596,006	32,840,719	79,279,499	40,497,232	153,213,456
Jefferson	56,041	2,317,544	6,699,294	3,292,251	12,365,129
Lubbock	21,934	2,233,451	3,796,509	1,836,963	7,888,857
Nueces	27,497	2,484,892	6,497,614	4,047,628	13,057,631
RSA	208,624	17,393,155	45,263,822	21,049,790	83,915,390
Tarrant	139,038	12,746,834	32,822,428	11,435,212	57,143,512
Travis	88,696	6,769,321	14,200,980	6,088,663	27,147,660
Total	1,427,892	104,934,472	253,299,826	117,911,127	477,573,316
Adjustment Factor (3)					
Bexar	-0.14 %	0.00 %	-0.05 %	-0.08 %	-0.05 %
Dallas	-0.01 %	-0.03 %	-0.01 %	-0.04 %	-0.02 %
El Paso	0.00 %	0.00 %	-0.01 %	-0.04 %	-0.02 %
Harris	0.00 %	0.00 %	-0.02 %	-0.05 %	-0.02 %
Jefferson	0.00 %	-0.02 %	-0.03 %	-0.04 %	-0.03 %
Lubbock	0.00 %	-0.01 %	-0.02 %	-0.09 %	-0.03 %
Nueces	0.00 %	0.00 %	-0.02 %	-0.05 %	-0.03 %
RSA	0.00 %	-0.01 %	-0.01 %	-0.03 %	-0.01 %
Tarrant	0.00 %	0.00 %	-0.02 %	-0.07 %	-0.02 %
Travis	0.00 %	0.00 %	-0.01 %	-0.04 %	-0.01 %
Total	-0.01 %	-0.01 %	-0.02 %	-0.05 %	-0.02 %

Footnotes:

- (1) Equals the savings resulting from reducing reimbursement for potentially preventable readmissions (PPR).
- (2) Equals FY2013 health plan fee-for-service claims for all services (ICHP provided encounter data).
- (3) Additional cost divided by FY2013 Total Incurred Claims.

FY2015 CHIP Rating
 Provider Reimbursement Adjustments
 Potentially Preventable Complications (PPC)

	Age Group				Total
	< 1	1-5	6-14	15-18	
Provider Reimbursement Reduction (1)					
Bexar	0	-147	-4,664	-15,260	-20,072
Dallas	0	-6,501	-5,095	-6,936	-18,532
El Paso	0	-77	0	-683	-760
Harris	-195	-4,942	-19,749	-37,717	-62,603
Jefferson	0	-311	-2,217	-1,739	-4,268
Lubbock	0	-729	-1,936	-4,658	-7,323
Nueces	0	-10	-641	-1,610	-2,261
RSA	0	-6,603	-14,793	-16,796	-38,192
Tarrant	-84	-878	-3,308	-8,809	-13,078
Travis	0	-71	-153	-4,009	-4,233
Total	-278	-20,269	-52,557	-98,219	-171,323
FY2013 Total Incurred Claims (2)					
Bexar	56,132	7,657,642	17,807,118	8,675,641	34,196,534
Dallas	219,251	17,518,837	39,881,856	17,398,664	75,018,607
El Paso	14,673	2,972,077	7,050,706	3,589,083	13,626,540
Harris	596,006	32,840,719	79,279,499	40,497,232	153,213,456
Jefferson	56,041	2,317,544	6,699,294	3,292,251	12,365,129
Lubbock	21,934	2,233,451	3,796,509	1,836,963	7,888,857
Nueces	27,497	2,484,892	6,497,614	4,047,628	13,057,631
RSA	208,624	17,393,155	45,263,822	21,049,790	83,915,390
Tarrant	139,038	12,746,834	32,822,428	11,435,212	57,143,512
Travis	88,696	6,769,321	14,200,980	6,088,663	27,147,660
Total	1,427,892	104,934,472	253,299,826	117,911,127	477,573,316
Adjustment Factor (3)					
Bexar	0.00 %	0.00 %	-0.03 %	-0.18 %	-0.06 %
Dallas	0.00 %	-0.04 %	-0.01 %	-0.04 %	-0.02 %
El Paso	0.00 %	0.00 %	0.00 %	-0.02 %	-0.01 %
Harris	-0.03 %	-0.02 %	-0.02 %	-0.09 %	-0.04 %
Jefferson	0.00 %	-0.01 %	-0.03 %	-0.05 %	-0.03 %
Lubbock	0.00 %	-0.03 %	-0.05 %	-0.25 %	-0.09 %
Nueces	0.00 %	0.00 %	-0.01 %	-0.04 %	-0.02 %
RSA	0.00 %	-0.04 %	-0.03 %	-0.08 %	-0.05 %
Tarrant	-0.06 %	-0.01 %	-0.01 %	-0.08 %	-0.02 %
Travis	0.00 %	0.00 %	0.00 %	-0.07 %	-0.02 %
Total	-0.02 %	-0.02 %	-0.02 %	-0.08 %	-0.04 %

Footnotes:

- (1) Equals the savings resulting from reducing reimbursement for potentially preventable complications (PPC).
- (2) Equals FY2013 health plan fee-for-service claims for all services (ICHP provided encounter data).
- (3) Additional cost divided by FY2013 Total Incurred Claims.

FY2015 CHIP Rating
 Provider Reimbursement Adjustments
 Non-Emergent Emergency Room Reduction - 36 Hour Limitation

	Age Group				
	< 1	1-5	6-14	15-18	Total
Provider Reimbursement Reduction (1)					
Bexar	0	-3,909	-9,155	-3,032	-16,096
Dallas	-33	-7,591	-16,462	-4,508	-28,595
El Paso	0	-226	-1,056	-926	-2,207
Harris	-227	-28,760	-46,020	-15,493	-90,500
Jefferson	0	-1,034	-1,199	-383	-2,616
Lubbock	0	-413	-932	-110	-1,455
Nueces	0	-7,649	-27,836	-7,391	-42,876
RSA	0	-3,890	-6,032	-2,374	-12,296
Tarrant	0	-4,675	-4,655	-1,142	-10,472
Travis	0	-2,357	-5,730	-2,385	-10,472
Total	-260	-60,504	-119,077	-37,743	-217,584
FY2013 Total Incurred Claims (2)					
Bexar	56,132	7,657,642	17,807,118	8,675,641	34,196,534
Dallas	219,251	17,518,837	39,881,856	17,398,664	75,018,607
El Paso	14,673	2,972,077	7,050,706	3,589,083	13,626,540
Harris	596,006	32,840,719	79,279,499	40,497,232	153,213,456
Jefferson	56,041	2,317,544	6,699,294	3,292,251	12,365,129
Lubbock	21,934	2,233,451	3,796,509	1,836,963	7,888,857
Nueces	27,497	2,484,892	6,497,614	4,047,628	13,057,631
RSA	208,624	17,393,155	45,263,822	21,049,790	83,915,390
Tarrant	139,038	12,746,834	32,822,428	11,435,212	57,143,512
Travis	88,696	6,769,321	14,200,980	6,088,663	27,147,660
Total	1,427,892	104,934,472	253,299,826	117,911,127	477,573,316
Adjustment Factor (3)					
Bexar	0.00 %	-0.05 %	-0.05 %	-0.03 %	-0.05 %
Dallas	-0.02 %	-0.04 %	-0.04 %	-0.03 %	-0.04 %
El Paso	0.00 %	-0.01 %	-0.01 %	-0.03 %	-0.02 %
Harris	-0.04 %	-0.09 %	-0.06 %	-0.04 %	-0.06 %
Jefferson	0.00 %	-0.04 %	-0.02 %	-0.01 %	-0.02 %
Lubbock	0.00 %	-0.02 %	-0.02 %	-0.01 %	-0.02 %
Nueces	0.00 %	-0.31 %	-0.43 %	-0.18 %	-0.33 %
RSA	0.00 %	-0.02 %	-0.01 %	-0.01 %	-0.01 %
Tarrant	0.00 %	-0.04 %	-0.01 %	-0.01 %	-0.02 %
Travis	0.00 %	-0.03 %	-0.04 %	-0.04 %	-0.04 %
Total	-0.02 %	-0.06 %	-0.05 %	-0.03 %	-0.05 %

Footnotes:

- (1) Equals the cost reduction for multiple visits within a 36-hour period for non-emergency visits.
- (2) Equals FY2013 health plan fee-for-service claims for all services (ICHP provided encounter data).
- (3) Additional cost divided by FY2013 Total Incurred Claims.

FY2015 CHIP Rating
 Provider Reimbursement Adjustments
 Non-Emergent Emergency Room Reduction - Flat Fee

	Age Group				Total
	< 1	1-5	6-14	15-18	
Provider Reimbursement Reduction (1)					
Bexar	-636	-78,354	-199,722	-57,229	-335,942
Dallas	-1,049	-84,154	-168,502	-37,948	-291,653
El Paso	-125	-8,738	-31,160	-14,506	-54,530
Harris	-1,081	-167,915	-331,053	-93,964	-594,012
Jefferson	0	-4,506	-8,640	-3,853	-16,999
Lubbock	0	-4,864	-10,831	-4,839	-20,534
Nueces	-163	-28,557	-67,657	-19,990	-116,366
RSA	-258	-18,408	-47,068	-19,185	-84,919
Tarrant	-135	-14,077	-36,644	-8,992	-59,849
Travis	-53	-27,291	-73,179	-24,577	-125,100
Total	-3,501	-436,863	-974,457	-285,084	-1,699,904
FY2013 Total Incurred Claims (2)					
Bexar	56,132	7,657,642	17,807,118	8,675,641	34,196,534
Dallas	219,251	17,518,837	39,881,856	17,398,664	75,018,607
El Paso	14,673	2,972,077	7,050,706	3,589,083	13,626,540
Harris	596,006	32,840,719	79,279,499	40,497,232	153,213,456
Jefferson	56,041	2,317,544	6,699,294	3,292,251	12,365,129
Lubbock	21,934	2,233,451	3,796,509	1,836,963	7,888,857
Nueces	27,497	2,484,892	6,497,614	4,047,628	13,057,631
RSA	208,624	17,393,155	45,263,822	21,049,790	83,915,390
Tarrant	139,038	12,746,834	32,822,428	11,435,212	57,143,512
Travis	88,696	6,769,321	14,200,980	6,088,663	27,147,660
Total	1,427,892	104,934,472	253,299,826	117,911,127	477,573,316
Adjustment Factor (3)					
Bexar	-1.13 %	-1.02 %	-1.12 %	-0.66 %	-0.98 %
Dallas	-0.48 %	-0.48 %	-0.42 %	-0.22 %	-0.39 %
El Paso	-0.85 %	-0.29 %	-0.44 %	-0.40 %	-0.40 %
Harris	-0.18 %	-0.51 %	-0.42 %	-0.23 %	-0.39 %
Jefferson	0.00 %	-0.19 %	-0.13 %	-0.12 %	-0.14 %
Lubbock	0.00 %	-0.22 %	-0.29 %	-0.26 %	-0.26 %
Nueces	-0.59 %	-1.15 %	-1.04 %	-0.49 %	-0.89 %
RSA	-0.12 %	-0.11 %	-0.10 %	-0.09 %	-0.10 %
Tarrant	-0.10 %	-0.11 %	-0.11 %	-0.08 %	-0.10 %
Travis	-0.06 %	-0.40 %	-0.52 %	-0.40 %	-0.46 %
Total	-0.25 %	-0.42 %	-0.38 %	-0.24 %	-0.36 %

Footnotes:

- (1) Equals the cost reduction resulting from using a flat fee for non-emergency visits.
- (2) Equals FY2013 health plan fee-for-service claims for all services (ICHP provided encounter data).
- (3) Additional cost divided by FY2013 Total Incurred Claims.

FY2015 CHIP Rating
 Provider Reimbursement Adjustments
 5% Ambulance Reimbursement Reduction

	Age Group				Total
	< 1	1-5	6-14	15-18	
Provider Reimbursement Reduction (1)					
Bexar	0	-1,751	-4,508	-5,523	-11,782
Dallas	-18	-2,592	-5,959	-4,250	-12,819
El Paso	0	-521	-2,109	-1,314	-3,945
Harris	-54	-7,323	-13,867	-10,135	-31,379
Jefferson	-23	-1,012	-3,325	-800	-5,159
Lubbock	0	-982	-1,543	-1,282	-3,806
Nueces	0	-728	-1,827	-1,333	-3,889
RSA	0	-6,153	-22,305	-18,744	-47,202
Tarrant	-52	-3,318	-7,152	-4,390	-14,912
Travis	-23	-2,557	-5,201	-5,323	-13,104
Total	-170	-26,937	-67,797	-53,094	-147,997
FY2013 Total Incurred Claims (2)					
Bexar	56,132	7,657,642	17,807,118	8,675,641	34,196,534
Dallas	219,251	17,518,837	39,881,856	17,398,664	75,018,607
El Paso	14,673	2,972,077	7,050,706	3,589,083	13,626,540
Harris	596,006	32,840,719	79,279,499	40,497,232	153,213,456
Jefferson	56,041	2,317,544	6,699,294	3,292,251	12,365,129
Lubbock	21,934	2,233,451	3,796,509	1,836,963	7,888,857
Nueces	27,497	2,484,892	6,497,614	4,047,628	13,057,631
RSA	208,624	17,393,155	45,263,822	21,049,790	83,915,390
Tarrant	139,038	12,746,834	32,822,428	11,435,212	57,143,512
Travis	88,696	6,769,321	14,200,980	6,088,663	27,147,660
Total	1,427,892	104,934,472	253,299,826	117,911,127	477,573,316
Adjustment Factor (3)					
Bexar	0.00 %	-0.02 %	-0.03 %	-0.06 %	-0.03 %
Dallas	-0.01 %	-0.01 %	-0.01 %	-0.02 %	-0.02 %
El Paso	0.00 %	-0.02 %	-0.03 %	-0.04 %	-0.03 %
Harris	-0.01 %	-0.02 %	-0.02 %	-0.03 %	-0.02 %
Jefferson	-0.04 %	-0.04 %	-0.05 %	-0.02 %	-0.04 %
Lubbock	0.00 %	-0.04 %	-0.04 %	-0.07 %	-0.05 %
Nueces	0.00 %	-0.03 %	-0.03 %	-0.03 %	-0.03 %
RSA	0.00 %	-0.04 %	-0.05 %	-0.09 %	-0.06 %
Tarrant	-0.04 %	-0.03 %	-0.02 %	-0.04 %	-0.03 %
Travis	-0.03 %	-0.04 %	-0.04 %	-0.09 %	-0.05 %
Total	-0.01 %	-0.03 %	-0.03 %	-0.05 %	-0.03 %

Footnotes:

- (1) Equals the cost reduction resulting from reducing ambulance reimbursement by 5%.
- (2) Equals FY2013 health plan fee-for-service claims for all services (ICHP provided encounter data).
- (3) Additional cost divided by FY2013 Total Incurred Claims.

FY2015 CHIP Rating
 Provider Reimbursement Adjustments
 Therapy Reimbursement Reduction

	Age Group				Total
	< 1	1-5	6-14	15-18	
Provider Reimbursement Reduction (1)					
Bexar	-10	-34,689	-30,221	-10,375	-75,295
Dallas	-99	-31,646	-22,283	-2,172	-56,200
El Paso	-2	-16,864	-17,665	-7,108	-41,639
Harris	-68	-107,313	-99,965	-9,886	-217,233
Jefferson	-52	-6,974	-5,675	-2,199	-14,900
Lubbock	0	-8,103	-5,534	-398	-14,036
Nueces	0	-4,116	-5,268	-3,595	-12,980
RSA	-38	-65,462	-63,126	-20,877	-149,503
Tarrant	-8	-37,976	-28,613	-7,470	-74,066
Travis	-5	-23,890	-22,280	-4,153	-50,328
Total	-282	-337,033	-300,630	-68,234	-706,179
FY2013 Total Incurred Claims (2)					
Bexar	56,132	7,657,642	17,807,118	8,675,641	34,196,534
Dallas	219,251	17,518,837	39,881,856	17,398,664	75,018,607
El Paso	14,673	2,972,077	7,050,706	3,589,083	13,626,540
Harris	596,006	32,840,719	79,279,499	40,497,232	153,213,456
Jefferson	56,041	2,317,544	6,699,294	3,292,251	12,365,129
Lubbock	21,934	2,233,451	3,796,509	1,836,963	7,888,857
Nueces	27,497	2,484,892	6,497,614	4,047,628	13,057,631
RSA	208,624	17,393,155	45,263,822	21,049,790	83,915,390
Tarrant	139,038	12,746,834	32,822,428	11,435,212	57,143,512
Travis	88,696	6,769,321	14,200,980	6,088,663	27,147,660
Total	1,427,892	104,934,472	253,299,826	117,911,127	477,573,316
Adjustment Factor (3)					
Bexar	-0.02 %	-0.45 %	-0.17 %	-0.12 %	-0.22 %
Dallas	-0.05 %	-0.18 %	-0.06 %	-0.01 %	-0.07 %
El Paso	-0.01 %	-0.57 %	-0.25 %	-0.20 %	-0.31 %
Harris	-0.01 %	-0.33 %	-0.13 %	-0.02 %	-0.14 %
Jefferson	-0.09 %	-0.30 %	-0.08 %	-0.07 %	-0.12 %
Lubbock	0.00 %	-0.36 %	-0.15 %	-0.02 %	-0.18 %
Nueces	0.00 %	-0.17 %	-0.08 %	-0.09 %	-0.10 %
RSA	-0.02 %	-0.38 %	-0.14 %	-0.10 %	-0.18 %
Tarrant	-0.01 %	-0.30 %	-0.09 %	-0.07 %	-0.13 %
Travis	-0.01 %	-0.35 %	-0.16 %	-0.07 %	-0.19 %
Total	-0.02 %	-0.32 %	-0.12 %	-0.06 %	-0.15 %

Footnotes:

- (1) Equals the savings resulting from therapy reimbursement reduction effective 9/1/13.
- (2) Equals FY2013 health plan fee-for-service claims for all services (ICHP provided encounter data).
- (3) Additional cost divided by FY2013 Total Incurred Claims.

FY2015 CHIP Rating
 Provider Reimbursement Adjustments
 Reduction of Medicaid Rates in Excess of Medicare

	Age Group				Total
	< 1	1-5	6-14	15-18	
Provider Reimbursement Reduction (1)					
Bexar	-206	-22,304	-2,377	-262	-25,150
Dallas	-364	-43,843	-5,865	-979	-51,052
El Paso	-73	-11,415	-686	-148	-12,323
Harris	-1,171	-103,719	-3,983	-834	-109,706
Jefferson	-110	-8,680	-172	-11	-8,972
Lubbock	-152	-8,788	-276	-206	-9,422
Nueces	-119	-8,268	-545	-82	-9,015
RSA	-1,391	-76,604	-5,463	-1,326	-84,784
Tarrant	-364	-33,286	-2,654	-205	-36,509
Travis	-589	-28,383	-2,382	-281	-31,635
Total	-4,538	-345,293	-24,404	-4,333	-378,567
FY2013 Total Incurred Claims (2)					
Bexar	56,132	7,657,642	17,807,118	8,675,641	34,196,534
Dallas	219,251	17,518,837	39,881,856	17,398,664	75,018,607
El Paso	14,673	2,972,077	7,050,706	3,589,083	13,626,540
Harris	596,006	32,840,719	79,279,499	40,497,232	153,213,456
Jefferson	56,041	2,317,544	6,699,294	3,292,251	12,365,129
Lubbock	21,934	2,233,451	3,796,509	1,836,963	7,888,857
Nueces	27,497	2,484,892	6,497,614	4,047,628	13,057,631
RSA	208,624	17,393,155	45,263,822	21,049,790	83,915,390
Tarrant	139,038	12,746,834	32,822,428	11,435,212	57,143,512
Travis	88,696	6,769,321	14,200,980	6,088,663	27,147,660
Total	1,427,892	104,934,472	253,299,826	117,911,127	477,573,316
Adjustment Factor (3)					
Bexar	-0.37 %	-0.29 %	-0.01 %	0.00 %	-0.07 %
Dallas	-0.17 %	-0.25 %	-0.01 %	-0.01 %	-0.07 %
El Paso	-0.50 %	-0.38 %	-0.01 %	0.00 %	-0.09 %
Harris	-0.20 %	-0.32 %	-0.01 %	0.00 %	-0.07 %
Jefferson	-0.20 %	-0.37 %	0.00 %	0.00 %	-0.07 %
Lubbock	-0.69 %	-0.39 %	-0.01 %	-0.01 %	-0.12 %
Nueces	-0.43 %	-0.33 %	-0.01 %	0.00 %	-0.07 %
RSA	-0.67 %	-0.44 %	-0.01 %	-0.01 %	-0.10 %
Tarrant	-0.26 %	-0.26 %	-0.01 %	0.00 %	-0.06 %
Travis	-0.66 %	-0.42 %	-0.02 %	0.00 %	-0.12 %
Total	-0.32 %	-0.33 %	-0.01 %	0.00 %	-0.08 %

Footnotes:

- (1) Equals the savings resulting from reducing Medicaid reimbursement in excess of Medicare.
- (2) Equals FY2013 health plan fee-for-service claims for all services (ICHP provided encounter data).
- (3) Additional cost divided by FY2013 Total Incurred Claims.

FY2015 CHIP Rating
 Provider Reimbursement Adjustments
 Related Party Adjustments

	Age Group				
	< 1	1-5	6-14	15-18	Total
Provider Reimbursement Reduction (1)					
CFHP - Bexar	-49	-2,072	-12,562	-13,092	-27,775
Parkland - Dallas	-809	-89,178	-185,997	-114,823	-390,807
TCHP - Harris	-17,426	-1,341,013	-3,668,690	-1,802,168	-6,829,297
TCHP - Jefferson	0	-82,391	-229,878	-108,957	-421,226
All Others	0	0	0	0	0
Total	-18,283	-1,514,654	-4,097,127	-2,039,041	-7,669,105
FY2013 Total Incurred Claims (2)					
CFHP - Bexar	38,596	4,658,745	12,042,794	6,272,499	23,012,634
Parkland - Dallas	123,991	7,783,108	17,915,601	7,434,494	33,257,195
TCHP - Harris	286,547	20,568,894	51,555,549	24,948,866	97,359,856
TCHP - Jefferson	12,999	1,249,853	4,070,395	1,563,066	6,896,312
All Others	965,759	70,673,872	167,715,487	77,692,200	317,047,319
Total	1,427,892	104,934,472	253,299,826	117,911,127	477,573,316
Adjustment Factor (3)					
CFHP - Bexar	-0.13 %	-0.04 %	-0.10 %	-0.21 %	-0.12 %
Parkland - Dallas	-0.65 %	-1.15 %	-1.04 %	-1.54 %	-1.18 %
TCHP - Harris	-6.08 %	-6.52 %	-7.12 %	-7.22 %	-7.01 %
TCHP - Jefferson	0.00 %	-6.59 %	-5.65 %	-6.97 %	-6.11 %
All Others	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Total	-1.28 %	-1.44 %	-1.62 %	-1.73 %	-1.61 %

Footnotes:

- (1) Equals the cost reduction resulting from disallowing any payments made to a related party in excess of 100% of Medicaid.
- (2) Equals FY2013 health plan fee-for-service claims for all services (ICHP provided encounter data).
- (3) Additional cost divided by FY2013 Total Incurred Claims.

Attachment 5

Acuity Risk Adjustment

The rate setting methodology incorporates a risk adjustment technique that is designed to adjust the base community rate in each service area to reflect the health status, or acuity, of the population enrolled in each health plan. The purpose of acuity risk adjustment is to recognize the anticipated cost differential between multiple health plans in a service area by analyzing the health status of their respective members. The risk analysis was performed by the University of Florida's Institute for Child Health Policy (ICHP). The methodology used to incorporate the risk adjustment is the Chronic Illness and Disability Payment System (CDPS). The attached exhibits (provided by ICHP) present a summary of the risk adjustment analysis. There is a separate exhibit for each age group.

The column titled Case Mix on the chart is the acuity risk adjustment factor. It is the ratio of the predicted average cost of the individual health plan's membership divided by the predicted average cost of the entire service area's membership. The risk adjustment factor is applied to the community rate for each health plan and age group. If necessary, an additional adjustment was made to the risk adjusted community rates to ensure that, in total, they produce the same premium as the community rates.

The risk adjustment factors determined by ICHP for the Under Age 1 category were not applied in developing the FY2015 premium rates due to the relative small size of this category and the resulting variation in acuity scores.

TEXAS CHIP CDPS SDA/Health Plan Risk
Reporting Period: Sep 1, 2012 to Aug 31, 2013

TEXAS CHIP						
SDA/Health Plan	Number of Enrollees	Percent Affected	Actual PMPM Expenditures Based on Paid Amounts	Predicted PMPM Payment	Case Mix	Spend Ratio
CDPS						
Under Age 1	836	100.00	188.23	188.23	1.00	1.00
Bexar	65	100.00	57.49	118.36	1.00	0.49
Aetna - Bexar	8	12.31	82.81	105.32	0.89	0.79
Amerigroup - Bexar	2	3.08	35.65	78.09	0.66	0.46
CFHP - Bexar	40	61.54	55.46	128.56	1.09	0.43
Superior - Bexar	15	23.08	50.75	109.06	0.92	0.47
Dallas	107	100.00	85.94	171.57	1.00	0.50
Amerigroup - Dallas	62	57.94	99.57	155.89	0.91	0.64
Molina - Dallas	6	5.61	97.22	192.51	1.12	0.50
Parkland - Dallas	39	36.45	61.20	193.52	1.13	0.32
El Paso	14	100.00	54.39	110.49	1.00	0.49
El Paso First - El Paso	12	85.71	56.84	114.54	1.04	0.50
Superior - El Paso	2	14.29	34.79	78.09	0.71	0.45
Harris	225	100.00	408.58	216.25	1.00	1.89
Amerigroup - Harris	15	6.67	40.80	92.11	0.43	0.44
CHC - Harris	39	17.33	1834.66	139.60	0.65	13.14
Molina - Harris	1	0.44	131.32	78.09	0.36	1.68
TCHP - Harris	144	64.00	161.45	238.82	1.10	0.68
United - Harris	26	11.56	77.51	239.73	1.11	0.32
Jefferson	17	100.00	425.80	186.03	1.00	2.29
Amerigroup - Jefferson	0	0.00	0.00	0.00	0.00	0.00
CHC - Jefferson	2	11.76	134.56	207.69	1.12	0.65
Molina - Jefferson	1	5.88	415.01	78.09	0.42	5.31
TCHP - Jefferson	8	47.06	900.59	294.86	1.59	3.05
United - Jefferson	6	35.29	116.71	78.09	0.42	1.49
Lubbock	22	100.00	48.14	108.47	1.00	0.44
Firstcare - Lubbock	12	54.55	48.18	132.29	1.22	0.36
Superior - Lubbock	10	45.45	48.10	78.09	0.72	0.62
Nueces	21	100.00	81.75	225.22	1.00	0.36
Christus - Nueces	2	9.52	49.97	78.09	0.35	0.64
Driscoll - Nueces	16	76.19	89.96	217.46	0.97	0.41
Superior - Nueces	3	14.29	61.26	368.57	1.64	0.17
RSA	184	100.00	118.61	216.95	1.00	0.55
Molina - RSA	76	41.30	77.28	247.12	1.14	0.31
Superior - RSA	108	58.70	148.73	194.97	0.90	0.76
Tarrant	106	100.00	130.21	180.67	1.00	0.72
Aetna - Tarrant	13	12.26	146.06	344.36	1.91	0.42
Amerigroup - Tarrant	20	18.87	98.00	136.19	0.75	0.72
Cook - Tarrant	73	68.87	134.90	152.79	0.85	0.88
Travis	75	100.00	91.01	161.29	1.00	0.56
BCBS - Travis	11	14.67	70.99	88.38	0.55	0.80
Sendero - Travis	6	8.00	102.16	123.45	0.77	0.83
Seton - Travis	35	46.67	87.14	149.11	0.92	0.58
Superior - Travis	23	30.67	104.91	228.66	1.42	0.46

Note: CDPS results are based on information in enrollment and encounter datasets. CDPS results were obtained for those enrollees who had been in the program for at least 1 months (age<1) and for those who had been in the program for at least 6 months (age≥1) (permitting one month lapse in enrollment within the 6 months period).

TEXAS CHIP CDPS SDA/Health Plan Risk
Reporting Period: Sep 1, 2012 to Aug 31, 2013

TEXAS CHIP						
SDA/Health Plan	Number of Enrollees	Percent Affected	Actual PMPM Expenditures Based on Paid Amounts	Predicted PMPM Payment	Case Mix	Spend Ratio
CDPS						
Age 1-5	89,468	100.00	109.17	109.17	1.00	1.00
Bexar	6,838	100.00	104.33	110.00	1.00	0.95
Aetna - Bexar	691	10.11	111.26	106.58	0.97	1.04
Amerigroup - Bexar	265	3.88	54.32	83.32	0.76	0.65
CFHP - Bexar	3,832	56.04	113.43	112.42	1.02	1.01
Superior - Bexar	2,050	29.98	90.66	109.73	1.00	0.83
Dallas	12,953	100.00	124.37	117.93	1.00	1.05
Amerigroup - Dallas	6,474	49.98	133.46	121.56	1.03	1.10
Molina - Dallas	859	6.63	77.41	102.07	0.87	0.76
Parkland - Dallas	5,620	43.39	120.96	116.15	0.98	1.04
El Paso	2,917	100.00	85.46	94.10	1.00	0.91
El Paso First - El Paso	1,686	57.80	83.99	92.04	0.98	0.91
Superior - El Paso	1,231	42.20	87.50	96.94	1.03	0.90
Harris	24,113	100.00	124.55	104.81	1.00	1.19
Amerigroup - Harris	2,140	8.87	108.64	112.57	1.07	0.97
CHC - Harris	6,736	27.94	103.79	95.68	0.91	1.08
Molina - Harris	322	1.34	125.32	110.30	1.05	1.14
TCHP - Harris	13,311	55.20	141.90	110.66	1.06	1.28
United - Harris	1,604	6.65	87.86	82.77	0.79	1.06
Jefferson	2,115	100.00	101.39	118.58	1.00	0.85
Amerigroup - Jefferson	63	2.98	53.51	70.97	0.60	0.75
CHC - Jefferson	567	26.81	100.63	116.63	0.98	0.86
Molina - Jefferson	82	3.88	55.39	110.82	0.93	0.50
TCHP - Jefferson	888	41.99	117.17	131.96	1.11	0.89
United - Jefferson	515	24.35	87.72	104.13	0.88	0.84
Lubbock	2,338	100.00	88.95	111.10	1.00	0.80
Firstcare - Lubbock	1,157	49.49	101.22	124.17	1.12	0.82
Superior - Lubbock	1,181	50.51	77.02	98.39	0.89	0.78
Nueces	2,092	100.00	114.33	114.07	1.00	1.00
Christus - Nueces	143	6.84	69.09	65.60	0.58	1.05
Driscoll - Nueces	1,575	75.29	112.10	112.28	0.98	1.00
Superior - Nueces	374	17.88	140.76	139.81	1.23	1.01
RSA	19,824	100.00	93.93	107.91	1.00	0.87
Molina - RSA	8,794	44.36	74.68	101.20	0.94	0.74
Superior - RSA	11,030	55.64	109.50	113.35	1.05	0.97
Tarrant	10,341	100.00	105.76	111.77	1.00	0.95
Aetna - Tarrant	1,277	12.35	69.14	87.72	0.78	0.79
Amerigroup - Tarrant	3,426	33.13	78.98	96.92	0.87	0.81
Cook - Tarrant	5,638	54.52	130.07	126.09	1.13	1.03
Travis	5,937	100.00	95.73	108.09	1.00	0.89
BCBS - Travis	619	10.43	102.05	112.94	1.04	0.90
Sendero - Travis	261	4.40	73.53	73.94	0.68	0.99
Seton - Travis	2,125	35.79	91.96	108.99	1.01	0.84
Superior - Travis	2,932	49.39	99.10	109.21	1.01	0.91

Note: CDPS results are based on information in enrollment and encounter datasets. CDPS results were obtained for those enrollees who had been in the program for at least 1 months (age<1) and for those who had been in the program for at least 6 months (age≥1) (permitting one month lapse in enrollment within the 6 months period).

TEXAS CHIP CDPS SDA/Health Plan Risk
Reporting Period: Sep 1, 2012 to Aug 31, 2013

TEXAS CHIP						
SDA/Health Plan	Number of Enrollees	Percent Affected	Actual PMPM Expenditures Based on Paid Amounts	Predicted PMPM Payment	Case Mix	Spend Ratio
CDPS						
Age 6-15	358,941	100.00	88.80	88.80	1.00	1.00
Bexar	28,826	100.00	83.31	94.19	1.00	0.88
Aetna - Bexar	2,932	10.17	71.22	92.35	0.98	0.77
Amerigroup - Bexar	1,404	4.87	43.17	77.17	0.82	0.56
CFHP - Bexar	16,881	58.56	91.92	93.84	1.00	0.98
Superior - Bexar	7,609	26.40	75.33	98.48	1.05	0.76
Dallas	54,903	100.00	91.45	86.09	1.00	1.06
Amerigroup - Dallas	28,491	51.89	91.98	85.84	1.00	1.07
Molina - Dallas	3,961	7.21	60.38	70.42	0.82	0.86
Parkland - Dallas	22,451	40.89	95.95	89.00	1.03	1.08
El Paso	14,054	100.00	69.20	90.41	1.00	0.77
El Paso First - El Paso	8,471	60.27	64.19	85.94	0.95	0.75
Superior - El Paso	5,583	39.73	76.84	97.25	1.08	0.79
Harris	94,110	100.00	97.46	83.03	1.00	1.17
Amerigroup - Harris	9,859	10.48	76.62	74.52	0.90	1.03
CHC - Harris	22,107	23.49	88.50	68.46	0.82	1.29
Molina - Harris	1,605	1.71	56.82	70.56	0.85	0.81
TCHP - Harris	52,812	56.12	111.49	92.35	1.11	1.21
United - Harris	7,727	8.21	60.89	73.66	0.89	0.83
Jefferson	7,841	100.00	98.86	100.75	1.00	0.98
Amerigroup - Jefferson	290	3.70	61.30	102.77	1.02	0.60
CHC - Jefferson	1,503	19.17	89.85	88.62	0.88	1.01
Molina - Jefferson	375	4.78	67.52	95.89	0.95	0.70
TCHP - Jefferson	3,453	44.04	119.66	104.03	1.03	1.15
United - Jefferson	2,220	28.31	81.78	104.01	1.03	0.79
Lubbock	8,768	100.00	64.97	85.43	1.00	0.76
Firstcare - Lubbock	4,069	46.41	67.98	83.16	0.97	0.82
Superior - Lubbock	4,699	53.59	62.35	87.39	1.02	0.71
Nueces	8,818	100.00	96.20	98.19	1.00	0.98
Christus - Nueces	732	8.30	69.33	77.25	0.79	0.90
Driscoll - Nueces	6,863	77.83	99.76	100.90	1.03	0.99
Superior - Nueces	1,223	13.87	90.98	94.51	0.96	0.96
RSA	81,935	100.00	79.34	90.63	1.00	0.88
Molina - RSA	36,113	44.08	66.44	83.89	0.93	0.79
Superior - RSA	45,822	55.92	89.60	95.98	1.06	0.93
Tarrant	38,620	100.00	100.16	95.25	1.00	1.05
Aetna - Tarrant	4,001	10.36	71.87	66.66	0.70	1.08
Amerigroup - Tarrant	12,877	33.34	82.80	84.35	0.89	0.98
Cook - Tarrant	21,742	56.30	115.43	106.80	1.12	1.08
Travis	21,066	100.00	82.47	87.37	1.00	0.94
BCBS - Travis	2,169	10.30	75.22	83.68	0.96	0.90
Sendero - Travis	998	4.74	58.38	60.68	0.69	0.96
Seton - Travis	8,913	42.31	89.31	89.50	1.02	1.00
Superior - Travis	8,986	42.66	79.56	88.73	1.02	0.90

Note: CDPS results are based on information in enrollment and encounter datasets. CDPS results were obtained for those enrollees who had been in the program for at least 1 months (age<1) and for those who had been in the program for at least 6 months (age≥1) (permitting one month lapse in enrollment within the 6 months period).

TEXAS CHIP						
SDA/Health Plan	Number of Enrollees	Percent Affected	Actual PMPM Expenditures Based on Paid Amounts	Predicted PMPM Payment	Case Mix	Spend Ratio
CDPS						
Age 15-18	148,970	100.00	109.40	109.40	1.00	1.00
Bexar	12,863	100.00	90.41	106.99	1.00	0.85
Aetna - Bexar	1,592	12.38	74.07	94.65	0.88	0.78
Amerigroup - Bexar	734	5.71	38.14	83.08	0.78	0.46
CFHP - Bexar	7,425	57.72	107.78	113.83	1.06	0.95
Superior - Bexar	3,112	24.19	67.89	101.84	0.95	0.67
Dallas	21,532	100.00	114.24	104.46	1.00	1.09
Amerigroup - Dallas	11,361	52.76	110.03	104.19	1.00	1.06
Molina - Dallas	1,889	8.77	64.01	81.14	0.78	0.79
Parkland - Dallas	8,282	38.46	130.58	109.77	1.05	1.19
El Paso	7,338	100.00	75.16	106.91	1.00	0.70
El Paso First - El Paso	4,713	64.23	73.70	103.73	0.97	0.71
Superior - El Paso	2,625	35.77	77.82	112.70	1.05	0.69
Harris	38,169	100.00	133.77	106.02	1.00	1.26
Amerigroup - Harris	4,417	11.57	113.65	102.84	0.97	1.11
CHC - Harris	8,379	21.95	120.76	90.32	0.85	1.34
Molina - Harris	804	2.11	91.36	115.90	1.09	0.79
TCHP - Harris	20,308	53.21	151.19	115.01	1.08	1.31
United - Harris	4,261	11.16	104.24	94.94	0.90	1.10
Jefferson	3,428	100.00	136.17	124.91	1.00	1.09
Amerigroup - Jefferson	146	4.26	48.56	78.64	0.63	0.62
CHC - Jefferson	538	15.69	123.17	130.52	1.04	0.94
Molina - Jefferson	196	5.72	47.87	74.65	0.60	0.64
TCHP - Jefferson	1,444	42.12	162.42	137.70	1.10	1.18
United - Jefferson	1,104	32.21	132.73	119.34	0.96	1.11
Lubbock	3,422	100.00	86.74	105.20	1.00	0.82
Firstcare - Lubbock	1,685	49.24	89.34	108.12	1.03	0.83
Superior - Lubbock	1,737	50.76	84.20	102.37	0.97	0.82
Nueces	4,051	100.00	131.75	125.67	1.00	1.05
Christus - Nueces	432	10.66	127.83	96.49	0.77	1.32
Driscoll - Nueces	3,114	76.87	136.42	130.80	1.04	1.04
Superior - Nueces	505	12.47	104.65	115.81	0.92	0.90
RSA	35,576	100.00	90.01	113.67	1.00	0.79
Molina - RSA	16,088	45.22	79.06	104.15	0.92	0.76
Superior - RSA	19,488	54.78	99.06	121.53	1.07	0.82
Tarrant	14,554	100.00	112.83	112.82	1.00	1.00
Aetna - Tarrant	1,847	12.69	71.26	83.64	0.74	0.85
Amerigroup - Tarrant	4,145	28.48	97.87	94.27	0.84	1.04
Cook - Tarrant	8,562	58.83	128.58	127.69	1.13	1.01
Travis	8,037	100.00	108.90	106.96	1.00	1.02
BCBS - Travis	854	10.63	90.78	97.31	0.91	0.93
Sendero - Travis	320	3.98	74.27	75.01	0.70	0.99
Seton - Travis	4,080	50.77	122.74	107.00	1.00	1.15
Superior - Travis	2,783	34.63	96.59	112.95	1.06	0.86

Note: CDPS results are based on information in enrollment and encounter datasets. CDPS results were obtained for those enrollees who had been in the program for at least 1 months (age<1) and for those who had been in the program for at least 6 months (age≥1) (permitting one month lapse in enrollment within the 6 months period).

Attachment 6

Delivery Supplemental Payment

The rate setting methodology includes a risk adjustment technique designed to provide uniform treatment of the health plans for costs related to maternity services. In order to recognize the potential inequity that might arise between health plans with respect to the proportion of maternity cases, HHSC reimburses each plan \$3,100 for each birth.

Attachment 7

CHIP Perinatal Rating

Since January 1, 2007, a new group of clients have been covered under the CHIP program – CHIP Perinatal. The purpose of this program is to extend CHIP services to unborn children of certain non-Medicaid eligible women. Newborns under this program receive the same benefits as current CHIP participants. There is no cost sharing applied to these participants.

The CHIP benefits provided to expectant mothers are more limited in scope. They include the professional component of delivery services (for those clients under 185% FPL) and limited prenatal and post-natal services only.

We have developed premium rates for three categories of clients: (1) newborns between 185% and 200% FPL; (2) expectant mothers under 185% FPL; and (3) expectant mothers between 185% and 200% FPL.

The CHIP Perinatal FY2015 premium rates were derived using a methodology very similar to that described in Section II above for CHIP. Below is a description of the trend, benefit and provider reimbursement adjustments, risk adjustment and administrative cost provisions included in the CHIP Perinatal rates.

Trend Factors

The rating methodology uses assumed trend factors to adjust the base period claims cost to the projection period. The cost trend factors used in this analysis are a combination of utilization and inflation components. The projected trend rate assumptions were developed by the actuary based on an analysis of recent experience under the CHIP Perinatal program. The analysis included a review of claims experience data through February, 2014.

The FY2014 trend assumption was developed from two components: (i) the actual estimated trend for the period September 2013 through December 2013 and (ii) the projected trend for the period January 2014 through August 2014. The experience trends for all time periods were adjusted to remove the impact of various provider reimbursement reductions and revisions that have impacted the program. We have assumed the trend for the period January 2014 through August 2014 and all of FY2015 will be 5%.

This analysis was used to select an annual trend rate assumption of 7.4% for FY2014 and 5.0% for FY2015 for each health plan.

Provider Reimbursement Adjustment

The types of adjustments for benefit and provider reimbursement changes, and the methodology for estimating the cost impact of the changes, are the same for CHIP Perinatal as described in Section III above for CHIP. Exhibit C presents a summary of the adjustment factors.

Administrative Fees and Risk Margin

The rating methodology includes an explicit provision for health plan administrative services. The amount allocated for administrative expenses is \$12.50 pmpm plus 5.75% of gross premium.

This amount is intended to provide for all administrative-related services performed by the HMO.

In addition to incurred claims, provision is also made for services that are capitated by the HMOs, such as vision and behavioral health services. The cost of reinsurance is also considered. In developing the cost of reinsurance we make an assumption regarding how much the HMO is expected to receive in reinsurance recoveries (reimbursements from the reinsurance company for large claims). We have assumed that the net cost of reinsurance (reinsurance premium less reinsurance recoveries) is the minimum of (a) the actual reinsurance premium rate and (b) \$0.75 pmpm.

The premium rates also include a provision for premium tax (1.75% of premium), maintenance tax (\$0.065 pmpm) and a risk margin (2.0% of premium).

Summary

Exhibit A presents current (FY2014) premium, split between medical and prescription drug, and delivery supplemental payment (DSP) rates, FY2015 premium, split between medical and prescription drug, and DSP rates and a comparison of FY2014 and FY2015 premium rates. Exhibit B presents the summary community rating exhibit for each service area along with a description of the analysis. The enrollment in both the Newborn 185-200% FPL and Perinate 185-200% FPL risk groups are so small that credible rates could not be set by area. Thus the rates for these two risk groups were calculated on a statewide basis. In addition to the premium, HHSC pays the health plans a \$3,100 delivery supplemental payment (DSP) per maternity delivery for those CHIP Perinatal clients between 185% and 200% FPL.

FY2015 CHIP Perinatal Rating Summary

Health Plan	Newborn 185% - 200%	Perinate <185%	Perinate 185% - 200%	DSP
Current (9/1/13-8/31/14) Medical Premium Rates pmpm				
Aetna - Bexar	623.65	390.54	290.36	3,100.00
Amerigroup - Bexar	623.65	390.54	290.36	3,100.00
CFHP - Bexar	623.65	390.54	290.36	3,100.00
Superior - Bexar	623.65	390.54	290.36	3,100.00
Amerigroup - Dallas	623.65	452.95	290.36	3,100.00
Molina - Dallas	623.65	452.95	290.36	3,100.00
Parkland - Dallas	623.65	452.95	290.36	3,100.00
El Paso First - El Paso	623.65	345.33	290.36	3,100.00
Superior - El Paso	623.65	345.33	290.36	3,100.00
Amerigroup - Harris	623.65	553.95	290.36	3,100.00
CHC - Harris	623.65	553.95	290.36	3,100.00
Molina - Harris	623.65	553.95	290.36	3,100.00
TCHP - Harris	623.65	553.95	290.36	3,100.00
United - Harris	623.65	553.95	290.36	3,100.00
Amerigroup - Jefferson	623.65	547.91	290.36	3,100.00
CHC - Jefferson	623.65	547.91	290.36	3,100.00
Molina - Jefferson	623.65	547.91	290.36	3,100.00
TCHP - Jefferson	623.65	547.91	290.36	3,100.00
United - Jefferson	623.65	547.91	290.36	3,100.00
Firstcare - Lubbock	623.65	355.55	290.36	3,100.00
Superior - Lubbock	623.65	355.55	290.36	3,100.00
Christus - Nueces	623.65	328.13	290.36	3,100.00
Driscoll - Nueces	623.65	328.13	290.36	3,100.00
Superior - Nueces	623.65	328.13	290.36	3,100.00
Aetna - Tarrant	623.65	328.57	290.36	3,100.00
Amerigroup - Tarrant	623.65	328.57	290.36	3,100.00
Cook - Tarrant	623.65	328.57	290.36	3,100.00
BCBS - Travis	623.65	407.11	290.36	3,100.00
Sendero - Travis	623.65	407.11	290.36	3,100.00
Seton - Travis	623.65	407.11	290.36	3,100.00
Superior - Travis	623.65	407.11	290.36	3,100.00
Molina - RSA	623.65	373.48	290.36	3,100.00
Superior - RSA	623.65	373.48	290.36	3,100.00

FY2015 CHIP Perinatal Rating Summary

Health Plan	Newborn 185% - 200%	Perinate <185%	Perinate 185% - 200%	DSP
Current (9/1/13-8/31/14) Prescription Drug Premium Rates pmpm				
Aetna - Bexar	8.52	13.44	20.36	
Amerigroup - Bexar	8.52	13.44	20.36	
CFHP - Bexar	8.52	13.44	20.36	
Superior - Bexar	8.52	13.44	20.36	
Amerigroup - Dallas	8.52	6.81	20.36	
Molina - Dallas	8.52	6.81	20.36	
Parkland - Dallas	8.52	6.81	20.36	
El Paso First - El Paso	8.52	16.29	20.36	
Superior - El Paso	8.52	16.29	20.36	
Amerigroup - Harris	8.52	25.09	20.36	
CHC - Harris	8.52	25.09	20.36	
Molina - Harris	8.52	25.09	20.36	
TCHP - Harris	8.52	25.09	20.36	
United - Harris	8.52	25.09	20.36	
Amerigroup - Jefferson	8.52	13.83	20.36	
CHC - Jefferson	8.52	13.83	20.36	
Molina - Jefferson	8.52	13.83	20.36	
TCHP - Jefferson	8.52	13.83	20.36	
United - Jefferson	8.52	13.83	20.36	
Firstcare - Lubbock	8.52	12.75	20.36	
Superior - Lubbock	8.52	12.75	20.36	
Christus - Nueces	8.52	21.76	20.36	
Driscoll - Nueces	8.52	21.81	20.36	
Superior - Nueces	8.52	21.81	20.36	
Aetna - Tarrant	8.52	27.56	20.36	
Amerigroup - Tarrant	8.52	27.56	20.36	
Cook - Tarrant	8.52	27.56	20.36	
BCBS - Travis	8.52	14.32	20.36	
Sendero - Travis	8.52	14.32	20.36	
Seton - Travis	8.52	14.31	20.36	
Superior - Travis	8.52	14.32	20.36	
Molina - RSA	8.52	21.69	20.36	
Superior - RSA	8.52	21.69	20.36	

FY2015 CHIP Perinatal Rating Summary

Health Plan	Newborn 185% - 200%	Perinate <185%	Perinate 185% - 200%	DSP
Current (9/1/13-8/31/14) Total Premium Rates pmpm				
Aetna - Bexar	632.17	403.98	310.72	3,100.00
Amerigroup - Bexar	632.17	403.98	310.72	3,100.00
CFHP - Bexar	632.17	403.98	310.72	3,100.00
Superior - Bexar	632.17	403.98	310.72	3,100.00
Amerigroup - Dallas	632.17	459.76	310.72	3,100.00
Molina - Dallas	632.17	459.76	310.72	3,100.00
Parkland - Dallas	632.17	459.76	310.72	3,100.00
El Paso First - El Paso	632.17	361.62	310.72	3,100.00
Superior - El Paso	632.17	361.62	310.72	3,100.00
Amerigroup - Harris	632.17	579.04	310.72	3,100.00
CHC - Harris	632.17	579.04	310.72	3,100.00
Molina - Harris	632.17	579.04	310.72	3,100.00
TCHP - Harris	632.17	579.04	310.72	3,100.00
United - Harris	632.17	579.04	310.72	3,100.00
Amerigroup - Jefferson	632.17	561.74	310.72	3,100.00
CHC - Jefferson	632.17	561.74	310.72	3,100.00
Molina - Jefferson	632.17	561.74	310.72	3,100.00
TCHP - Jefferson	632.17	561.74	310.72	3,100.00
United - Jefferson	632.17	561.74	310.72	3,100.00
Firstcare - Lubbock	632.17	368.30	310.72	3,100.00
Superior - Lubbock	632.17	368.30	310.72	3,100.00
Christus - Nueces	632.17	349.89	310.72	3,100.00
Driscoll - Nueces	632.17	349.94	310.72	3,100.00
Superior - Nueces	632.17	349.94	310.72	3,100.00
Aetna - Tarrant	632.17	356.13	310.72	3,100.00
Amerigroup - Tarrant	632.17	356.13	310.72	3,100.00
Cook - Tarrant	632.17	356.13	310.72	3,100.00
BCBS - Travis	632.17	421.43	310.72	3,100.00
Sendero - Travis	632.17	421.43	310.72	3,100.00
Seton - Travis	632.17	421.42	310.72	3,100.00
Superior - Travis	632.17	421.43	310.72	3,100.00
Molina - RSA	632.17	395.17	310.72	3,100.00
Superior - RSA	632.17	395.17	310.72	3,100.00

FY2015 CHIP Perinatal Rating Summary

Health Plan	Newborn 185% - 200%	Perinate <185%	Perinate 185% - 200%	DSP
FY2015 Medical Premium Rates pmpm				
Aetna - Bexar	790.67	381.84	270.12	3,100.00
Amerigroup - Bexar	790.67	381.84	270.12	3,100.00
CFHP - Bexar	790.67	381.84	270.12	3,100.00
Superior - Bexar	790.67	381.84	270.12	3,100.00
Amerigroup - Dallas	790.67	427.35	270.12	3,100.00
Molina - Dallas	790.67	427.35	270.12	3,100.00
Parkland - Dallas	790.67	427.35	270.12	3,100.00
El Paso First - El Paso	790.67	352.31	270.12	3,100.00
Superior - El Paso	790.67	352.31	270.12	3,100.00
Amerigroup - Harris	790.67	528.87	270.12	3,100.00
CHC - Harris	790.67	528.87	270.12	3,100.00
Molina - Harris	790.67	528.87	270.12	3,100.00
TCHP - Harris	790.67	528.87	270.12	3,100.00
United - Harris	790.67	528.87	270.12	3,100.00
Amerigroup - Jefferson	790.67	634.77	270.12	3,100.00
CHC - Jefferson	790.67	634.77	270.12	3,100.00
Molina - Jefferson	790.67	634.77	270.12	3,100.00
TCHP - Jefferson	790.67	634.77	270.12	3,100.00
United - Jefferson	790.67	634.77	270.12	3,100.00
Firstcare - Lubbock	790.67	406.36	270.12	3,100.00
Superior - Lubbock	790.67	406.36	270.12	3,100.00
Christus - Nueces	790.67	393.20	270.12	3,100.00
Driscoll - Nueces	790.67	393.20	270.12	3,100.00
Superior - Nueces	790.67	393.20	270.12	3,100.00
Aetna - Tarrant	790.67	367.68	270.12	3,100.00
Amerigroup - Tarrant	790.67	367.68	270.12	3,100.00
Cook - Tarrant	790.67	367.68	270.12	3,100.00
BCBS - Travis	790.67	476.72	270.12	3,100.00
Sendero - Travis	790.67	476.72	270.12	3,100.00
Seton - Travis	790.67	476.72	270.12	3,100.00
Superior - Travis	790.67	476.72	270.12	3,100.00
Molina - RSA	790.67	391.35	270.12	3,100.00
Superior - RSA	790.67	391.35	270.12	3,100.00

FY2015 CHIP Perinatal Rating Summary

Health Plan	Newborn 185% - 200%	Perinate <185%	Perinate 185% - 200%	DSP
FY2015 Prescription Drug Premium Rates pmpm (Community Rate)				
Aetna - Bexar	10.61	18.16	31.71	
Amerigroup - Bexar	10.61	18.16	31.71	
CFHP - Bexar	10.61	18.16	31.71	
Superior - Bexar	10.61	18.16	31.71	
Amerigroup - Dallas	10.61	8.98	31.71	
Molina - Dallas	10.61	8.98	31.71	
Parkland - Dallas	10.61	8.98	31.71	
El Paso First - El Paso	10.61	25.37	31.71	
Superior - El Paso	10.61	25.37	31.71	
Amerigroup - Harris	10.61	35.41	31.71	
CHC - Harris	10.61	35.41	31.71	
Molina - Harris	10.61	35.41	31.71	
TCHP - Harris	10.61	35.41	31.71	
United - Harris	10.61	35.41	31.71	
Amerigroup - Jefferson	10.61	27.95	31.71	
CHC - Jefferson	10.61	27.95	31.71	
Molina - Jefferson	10.61	27.95	31.71	
TCHP - Jefferson	10.61	27.95	31.71	
United - Jefferson	10.61	27.95	31.71	
Firstcare - Lubbock	10.61	19.56	31.71	
Superior - Lubbock	10.61	19.56	31.71	
Christus - Nueces	10.61	29.08	31.71	
Driscoll - Nueces	10.61	29.08	31.71	
Superior - Nueces	10.61	29.08	31.71	
Aetna - Tarrant	10.61	34.25	31.71	
Amerigroup - Tarrant	10.61	34.25	31.71	
Cook - Tarrant	10.61	34.25	31.71	
BCBS - Travis	10.61	17.66	31.71	
Sendero - Travis	10.61	17.66	31.71	
Seton - Travis	10.61	17.66	31.71	
Superior - Travis	10.61	17.66	31.71	
Molina - RSA	10.61	25.89	31.71	
Superior - RSA	10.61	25.89	31.71	

FY2015 CHIP Perinatal Rating Summary

Health Plan	Newborn 185% - 200%	Perinate <185%	Perinate 185% - 200%	DSP
FY2015 Total Premium Rates pmpm				
Aetna - Bexar	801.28	400.00	301.83	3,100.00
Amerigroup - Bexar	801.28	400.00	301.83	3,100.00
CFHP - Bexar	801.28	400.00	301.83	3,100.00
Superior - Bexar	801.28	400.00	301.83	3,100.00
Amerigroup - Dallas	801.28	436.33	301.83	3,100.00
Molina - Dallas	801.28	436.33	301.83	3,100.00
Parkland - Dallas	801.28	436.33	301.83	3,100.00
El Paso First - El Paso	801.28	377.68	301.83	3,100.00
Superior - El Paso	801.28	377.68	301.83	3,100.00
Amerigroup - Harris	801.28	564.28	301.83	3,100.00
CHC - Harris	801.28	564.28	301.83	3,100.00
Molina - Harris	801.28	564.28	301.83	3,100.00
TCHP - Harris	801.28	564.28	301.83	3,100.00
United - Harris	801.28	564.28	301.83	3,100.00
Amerigroup - Jefferson	801.28	662.72	301.83	3,100.00
CHC - Jefferson	801.28	662.72	301.83	3,100.00
Molina - Jefferson	801.28	662.72	301.83	3,100.00
TCHP - Jefferson	801.28	662.72	301.83	3,100.00
United - Jefferson	801.28	662.72	301.83	3,100.00
Firstcare - Lubbock	801.28	425.92	301.83	3,100.00
Superior - Lubbock	801.28	425.92	301.83	3,100.00
Christus - Nueces	801.28	422.28	301.83	3,100.00
Driscoll - Nueces	801.28	422.28	301.83	3,100.00
Superior - Nueces	801.28	422.28	301.83	3,100.00
Aetna - Tarrant	801.28	401.93	301.83	3,100.00
Amerigroup - Tarrant	801.28	401.93	301.83	3,100.00
Cook - Tarrant	801.28	401.93	301.83	3,100.00
BCBS - Travis	801.28	494.38	301.83	3,100.00
Sendero - Travis	801.28	494.38	301.83	3,100.00
Seton - Travis	801.28	494.38	301.83	3,100.00
Superior - Travis	801.28	494.38	301.83	3,100.00
Molina - RSA	801.28	417.24	301.83	3,100.00
Superior - RSA	801.28	417.24	301.83	3,100.00

FY2015 CHIP Perinatal Rating Summary

Health Plan	Newborn 185% - 200%	Perinate <185%	Perinate 185% - 200%	DSP
FY2015 Medical Premium Rate Change				
Aetna - Bexar	26.8%	-2.2%	-7.0%	0.0%
Amerigroup - Bexar	26.8%	-2.2%	-7.0%	0.0%
CFHP - Bexar	26.8%	-2.2%	-7.0%	0.0%
Superior - Bexar	26.8%	-2.2%	-7.0%	0.0%
Amerigroup - Dallas	26.8%	-5.7%	-7.0%	0.0%
Molina - Dallas	26.8%	-5.7%	-7.0%	0.0%
Parkland - Dallas	26.8%	-5.7%	-7.0%	0.0%
El Paso First - El Paso	26.8%	2.0%	-7.0%	0.0%
Superior - El Paso	26.8%	2.0%	-7.0%	0.0%
Amerigroup - Harris	26.8%	-4.5%	-7.0%	0.0%
CHC - Harris	26.8%	-4.5%	-7.0%	0.0%
Molina - Harris	26.8%	-4.5%	-7.0%	0.0%
TCHP - Harris	26.8%	-4.5%	-7.0%	0.0%
United - Harris	26.8%	-4.5%	-7.0%	0.0%
Amerigroup - Jefferson	26.8%	15.9%	-7.0%	0.0%
CHC - Jefferson	26.8%	15.9%	-7.0%	0.0%
Molina - Jefferson	26.8%	15.9%	-7.0%	0.0%
TCHP - Jefferson	26.8%	15.9%	-7.0%	0.0%
United - Jefferson	26.8%	15.9%	-7.0%	0.0%
Firstcare - Lubbock	26.8%	14.3%	-7.0%	0.0%
Superior - Lubbock	26.8%	14.3%	-7.0%	0.0%
Christus - Nueces	26.8%	19.8%	-7.0%	0.0%
Driscoll - Nueces	26.8%	19.8%	-7.0%	0.0%
Superior - Nueces	26.8%	19.8%	-7.0%	0.0%
Aetna - Tarrant	26.8%	11.9%	-7.0%	0.0%
Amerigroup - Tarrant	26.8%	11.9%	-7.0%	0.0%
Cook - Tarrant	26.8%	11.9%	-7.0%	0.0%
BCBS - Travis	26.8%	17.1%	-7.0%	0.0%
Sendero - Travis	26.8%	17.1%	-7.0%	0.0%
Seton - Travis	26.8%	17.1%	-7.0%	0.0%
Superior - Travis	26.8%	17.1%	-7.0%	0.0%
Molina - RSA	26.8%	4.8%	-7.0%	0.0%
Superior - RSA	26.8%	4.8%	-7.0%	0.0%

FY2015 CHIP Perinatal Rating Summary

Health Plan	Newborn 185% - 200%	Perinate <185%	Perinate 185% - 200%	DSP
FY2015 Prescription Drug Premium Rate Change				
Aetna - Bexar	24.5%	35.1%	55.7%	
Amerigroup - Bexar	24.5%	35.1%	55.7%	
CFHP - Bexar	24.5%	35.1%	55.7%	
Superior - Bexar	24.5%	35.1%	55.7%	
Amerigroup - Dallas	24.5%	31.9%	55.7%	
Molina - Dallas	24.5%	31.9%	55.7%	
Parkland - Dallas	24.5%	31.9%	55.7%	
El Paso First - El Paso	24.5%	55.7%	55.7%	
Superior - El Paso	24.5%	55.7%	55.7%	
Amerigroup - Harris	24.5%	41.1%	55.7%	
CHC - Harris	24.5%	41.1%	55.7%	
Molina - Harris	24.5%	41.1%	55.7%	
TCHP - Harris	24.5%	41.1%	55.7%	
United - Harris	24.5%	41.1%	55.7%	
Amerigroup - Jefferson	24.5%	102.1%	55.7%	
CHC - Jefferson	24.5%	102.1%	55.7%	
Molina - Jefferson	24.5%	102.1%	55.7%	
TCHP - Jefferson	24.5%	102.1%	55.7%	
United - Jefferson	24.5%	102.1%	55.7%	
Firstcare - Lubbock	24.5%	53.4%	55.7%	
Superior - Lubbock	24.5%	53.4%	55.7%	
Christus - Nueces	24.5%	33.6%	55.7%	
Driscoll - Nueces	24.5%	33.3%	55.7%	
Superior - Nueces	24.5%	33.3%	55.7%	
Aetna - Tarrant	24.5%	24.3%	55.7%	
Amerigroup - Tarrant	24.5%	24.3%	55.7%	
Cook - Tarrant	24.5%	24.3%	55.7%	
BCBS - Travis	24.5%	23.3%	55.7%	
Sendero - Travis	24.5%	23.3%	55.7%	
Seton - Travis	24.5%	23.4%	55.7%	
Superior - Travis	24.5%	23.3%	55.7%	
Molina - RSA	24.5%	19.4%	55.7%	
Superior - RSA	24.5%	19.4%	55.7%	

FY2015 CHIP Perinatal Rating Summary

Health Plan	Newborn 185% - 200%	Perinate <185%	Perinate 185% - 200%	DSP
FY2015 Total Premium Rate Change				
Aetna - Bexar	26.8%	-1.0%	-2.9%	0.0%
Amerigroup - Bexar	26.8%	-1.0%	-2.9%	0.0%
CFHP - Bexar	26.8%	-1.0%	-2.9%	0.0%
Superior - Bexar	26.8%	-1.0%	-2.9%	0.0%
Amerigroup - Dallas	26.8%	-5.1%	-2.9%	0.0%
Molina - Dallas	26.8%	-5.1%	-2.9%	0.0%
Parkland - Dallas	26.8%	-5.1%	-2.9%	0.0%
El Paso First - El Paso	26.8%	4.4%	-2.9%	0.0%
Superior - El Paso	26.8%	4.4%	-2.9%	0.0%
Amerigroup - Harris	26.8%	-2.5%	-2.9%	0.0%
CHC - Harris	26.8%	-2.5%	-2.9%	0.0%
Molina - Harris	26.8%	-2.5%	-2.9%	0.0%
TCHP - Harris	26.8%	-2.5%	-2.9%	0.0%
United - Harris	26.8%	-2.5%	-2.9%	0.0%
Amerigroup - Jefferson	26.8%	18.0%	-2.9%	0.0%
CHC - Jefferson	26.8%	18.0%	-2.9%	0.0%
Molina - Jefferson	26.8%	18.0%	-2.9%	0.0%
TCHP - Jefferson	26.8%	18.0%	-2.9%	0.0%
United - Jefferson	26.8%	18.0%	-2.9%	0.0%
Firstcare - Lubbock	26.8%	15.6%	-2.9%	0.0%
Superior - Lubbock	26.8%	15.6%	-2.9%	0.0%
Christus - Nueces	26.8%	20.7%	-2.9%	0.0%
Driscoll - Nueces	26.8%	20.7%	-2.9%	0.0%
Superior - Nueces	26.8%	20.7%	-2.9%	0.0%
Aetna - Tarrant	26.8%	12.9%	-2.9%	0.0%
Amerigroup - Tarrant	26.8%	12.9%	-2.9%	0.0%
Cook - Tarrant	26.8%	12.9%	-2.9%	0.0%
BCBS - Travis	26.8%	17.3%	-2.9%	0.0%
Sendero - Travis	26.8%	17.3%	-2.9%	0.0%
Seton - Travis	26.8%	17.3%	-2.9%	0.0%
Superior - Travis	26.8%	17.3%	-2.9%	0.0%
Molina - RSA	26.8%	5.6%	-2.9%	0.0%
Superior - RSA	26.8%	5.6%	-2.9%	0.0%

	Newborn 185-200%		Perinate <185%		Perinate 185-200%		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2012- 8/31/2013								
Member Months	216		18,831		485		19,532	
Estimated Incurred Claims	11,735	54.33	5,691,667	302.25	154,802	319.18	5,858,205	299.93
Projected FY2015 Member Months	216		18,831		485		19,532	
Projected FY2015 Premium								
Current Rates	134,708	623.65	7,354,259	390.54	140,825	290.36	7,629,792	390.63
Current DSP Rate	0	0.00	0	0.00	105,412	217.34	105,412	5.40
Annual Trend Assumptions								
FY2014	7.40 %		7.40 %		7.40 %			
FY2015	5.00 %		5.00 %		5.00 %			
Provider Reimbursement Change	0.9629		0.9962		0.9975			
Inpatient Reimbursement Changes	0.9997		0.9792		0.9813			
Projected Incurred Claims	12,739	58.98	6,261,089	332.49	170,877	352.32	6,444,705	329.96
Capitated Expenses/Refunds	150	0.69	7,712	0.41	179	0.37	8,041	0.41
Net Reinsurance Cost	20	0.09	1,855	0.10	66	0.14	1,940	0.10
Administrative Expenses								
Fixed Amount	2,700	12.50	235,388	12.50	6,063	12.50	244,150	12.50
Percentage of Premium	5.75 %	4.60	5.75 %	21.96	5.75 %	23.22	5.75 %	21.79
Risk Margin	2.00 %	1.60	2.00 %	7.64	2.00 %	8.07	2.00 %	7.58
Premium Tax	1.75 %	1.40	1.75 %	6.68	1.75 %	7.07	1.75 %	6.63
Maintenance Tax	14	0.07	1,224	0.07	32	0.07	1,270	0.07
Projected Total Cost	17,263	79.92	7,190,350	381.84	195,818	403.75	7,403,431	379.04
Adjusted Total Cost	17,263	79.92	7,190,350	381.84	90,406	186.40	7,298,020	373.64
Experience Rate Increase		-87.2 %		-2.2 %		-35.8 %		-4.3 %

	Newborn 185-200%		Perinate <185%		Perinate 185-200%		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2012- 8/31/2013								
Member Months	518		83,651		1,180		85,349	
Estimated Incurred Claims	98,477	190.11	28,107,886	336.01	441,392	374.06	28,647,754	335.65
Projected FY2015 Member Months	518		83,651		1,180		85,349	
Projected FY2015 Premium								
Current Rates	323,051	623.65	37,889,720	452.95	342,625	290.36	38,555,396	451.74
Current DSP Rate	0	0.00	0	0.00	356,490	302.11	356,490	4.18
Annual Trend Assumptions								
FY2014	7.40 %		7.40 %		7.40 %			
FY2015	5.00 %		5.00 %		5.00 %			
Provider Reimbursement Change	0.9917		0.9861		0.9888			
Inpatient Reimbursement Changes	0.9808		1.0000		0.9896			
Projected Incurred Claims	108,016	208.52	31,256,671	373.66	487,064	412.77	31,851,751	373.19
Capitated Expenses/Refunds	1,948	3.76	40,185	0.48	261	0.22	42,394	0.50
Net Reinsurance Cost	28	0.05	4,290	0.05	59	0.05	4,377	0.05
Administrative Expenses								
Fixed Amount	6,475	12.50	1,045,638	12.50	14,750	12.50	1,066,863	12.50
Percentage of Premium	5.75 %	14.29	5.75 %	24.57	5.75 %	27.04	5.75 %	24.54
Risk Margin	2.00 %	4.97	2.00 %	8.55	2.00 %	9.41	2.00 %	8.54
Premium Tax	1.75 %	4.35	1.75 %	7.48	1.75 %	8.23	1.75 %	7.47
Maintenance Tax	34	0.07	5,437	0.07	77	0.07	5,548	0.07
Projected Total Cost	128,729	248.51	35,748,311	427.35	554,929	470.28	36,431,969	426.86
Adjusted Total Cost	128,729	248.51	35,748,311	427.35	198,439	168.17	36,075,479	422.68
Experience Rate Increase		-60.2 %		-5.7 %		-42.1 %		-6.4 %

	Newborn 185-200%		Perinate <185%		Perinate 185-200%		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2012- 8/31/2013								
Member Months	67		12,317		198		12,582	
Estimated Incurred Claims	49,048	732.06	3,332,153	270.53	79,685	402.45	3,460,886	275.07
Projected FY2015 Member Months	67		12,317		198		12,582	
Projected FY2015 Premium								
Current Rates	41,785	623.65	4,253,430	345.33	57,491	290.36	4,352,705	345.95
Current DSP Rate	0	0.00	0	0.00	65,088	328.73	65,088	5.17
Annual Trend Assumptions								
FY2014	7.40 %		7.40 %		7.40 %			
FY2015	5.00 %		5.00 %		5.00 %			
Provider Reimbursement Change	0.9964		0.9983		0.9995			
Inpatient Reimbursement Changes	1.1464		1.0000		0.9966			
Projected Incurred Claims	63,181	943.00	3,751,281	304.56	89,510	452.07	3,903,972	310.28
Capitated Expenses/Refunds	86	1.28	15,975	1.30	256	1.29	16,318	1.30
Net Reinsurance Cost	18	0.27	5,118	0.42	78	0.39	5,214	0.41
Administrative Expenses								
Fixed Amount	838	12.50	153,963	12.50	2,475	12.50	157,275	12.50
Percentage of Premium	5.75 %	60.81	5.75 %	20.26	5.75 %	29.63	5.75 %	20.62
Risk Margin	2.00 %	21.15	2.00 %	7.05	2.00 %	10.31	2.00 %	7.17
Premium Tax	1.75 %	18.51	1.75 %	6.17	1.75 %	9.02	1.75 %	6.28
Maintenance Tax	4	0.07	801	0.07	13	0.07	818	0.07
Projected Total Cost	70,859	1,057.59	4,339,379	352.31	102,024	515.27	4,512,261	358.63
Adjusted Total Cost	70,859	1,057.59	4,339,379	352.31	36,937	186.55	4,447,174	353.46
Experience Rate Increase		69.6 %		2.0 %		-35.8 %		2.2 %

	Newborn 185-200%		Perinate <185%		Perinate 185-200%		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2012- 8/31/2013								
Member Months	1,420		129,328		2,503		133,251	
Estimated Incurred Claims	1,206,653	849.76	54,104,433	418.35	1,494,249	596.98	56,805,335	426.30
Projected FY2015 Member Months	1,420		129,328		2,503		133,251	
Projected FY2015 Premium								
Current Rates	885,583	623.65	71,641,246	553.95	726,771	290.36	73,253,600	549.74
Current DSP Rate	0	0.00	0	0.00	654,047	261.31	654,047	4.91
Annual Trend Assumptions								
FY2014	7.40 %		7.40 %		7.40 %			
FY2015	5.00 %		5.00 %		5.00 %			
Provider Reimbursement Change	0.9976		0.9895		0.9947			
Inpatient Reimbursement Changes	1.0489		0.9985		0.9786			
Projected Incurred Claims	1,423,810	1,002.68	60,282,977	466.12	1,640,251	655.31	63,347,038	475.40
Capitated Expenses/Refunds	18,376	12.94	-17,361	-0.13	-1,179	-0.47	-164	0.00
Net Reinsurance Cost	585	0.41	9,113	0.07	170	0.07	9,867	0.07
Administrative Expenses								
Fixed Amount	17,750	12.50	1,616,600	12.50	31,288	12.50	1,665,638	12.50
Percentage of Premium	5.75 %	65.35	5.75 %	30.41	5.75 %	42.41	5.75 %	31.01
Risk Margin	2.00 %	22.73	2.00 %	10.58	2.00 %	14.75	2.00 %	10.79
Premium Tax	1.75 %	19.89	1.75 %	9.26	1.75 %	12.91	1.75 %	9.44
Maintenance Tax	92	0.07	8,406	0.07	163	0.07	8,661	0.07
Projected Total Cost	1,613,938	1,136.58	68,397,497	528.87	1,846,068	737.54	71,857,503	539.26
Adjusted Total Cost	1,613,938	1,136.58	68,397,497	528.87	1,192,021	476.24	71,203,456	534.36
Experience Rate Increase		82.2 %		-4.5 %		64.0 %		-2.8 %

	Newborn 185-200%		Perinate <185%		Perinate 185-200%		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2012- 8/31/2013								
Member Months	96		5,741		159		5,996	
Estimated Incurred Claims	30,383	316.49	2,916,203	507.96	151,758	954.45	3,098,344	516.74
Projected FY2015 Member Months	96		5,741		159		5,996	
Projected FY2015 Premium								
Current Rates	59,870	623.65	3,145,551	547.91	46,167	290.36	3,251,589	542.29
Current DSP Rate	0	0.00	0	0.00	58,910	370.50	58,910	9.82
Annual Trend Assumptions								
FY2014	7.40 %		7.40 %		7.40 %			
FY2015	5.00 %		5.00 %		5.00 %			
Provider Reimbursement Change	0.9931		0.9814		0.9919			
Inpatient Reimbursement Changes	0.9878		0.9999		1.0025			
Projected Incurred Claims	33,612	350.12	3,227,235	562.14	170,175	1,070.29	3,431,022	572.22
Capitated Expenses/Refunds	110	1.15	-1,679	-0.29	51	0.32	-1,518	-0.25
Net Reinsurance Cost	52	0.54	299	0.05	9	0.05	359	0.06
Administrative Expenses								
Fixed Amount	1,200	12.50	71,763	12.50	1,988	12.50	74,950	12.50
Percentage of Premium	5.75 %	23.15	5.75 %	36.50	5.75 %	68.82	5.75 %	37.14
Risk Margin	2.00 %	8.05	2.00 %	12.70	2.00 %	23.94	2.00 %	12.92
Premium Tax	1.75 %	7.05	1.75 %	11.11	1.75 %	20.95	1.75 %	11.30
Maintenance Tax	6	0.07	373	0.07	10	0.07	390	0.07
Projected Total Cost	38,652	402.63	3,644,188	634.77	190,312	1,196.93	3,873,152	645.96
Adjusted Total Cost	38,652	402.63	3,644,188	634.77	131,402	826.43	3,814,242	636.13
Experience Rate Increase		-35.4 %		15.9 %		184.6 %		17.3 %

	Newborn 185-200%		Perinate <185%		Perinate 185-200%		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2012- 8/31/2013								
Member Months	89		4,685		131		4,905	
Estimated Incurred Claims	39,459	443.36	1,474,351	314.70	53,980	412.06	1,567,791	319.63
Projected FY2015 Member Months	89		4,685		131		4,905	
Projected FY2015 Premium								
Current Rates	55,505	623.65	1,665,752	355.55	38,037	290.36	1,759,294	358.67
Current DSP Rate	0	0.00	0	0.00	18,607	142.03	18,607	3.79
Annual Trend Assumptions								
FY2014	7.40 %		7.40 %		7.40 %			
FY2015	5.00 %		5.00 %		5.00 %			
Provider Reimbursement Change	0.9935		0.9979		0.9973			
Inpatient Reimbursement Changes	1.3256		1.0007		0.9968			
Projected Incurred Claims	58,603	658.46	1,660,296	354.39	60,515	461.95	1,779,414	362.78
Capitated Expenses/Refunds	29	0.32	2,060	0.44	93	0.71	2,181	0.44
Net Reinsurance Cost	38	0.42	1,732	0.37	32	0.25	1,802	0.37
Administrative Expenses								
Fixed Amount	1,113	12.50	58,563	12.50	1,638	12.50	61,313	12.50
Percentage of Premium	5.75 %	42.68	5.75 %	23.37	5.75 %	30.21	5.75 %	23.90
Risk Margin	2.00 %	14.85	2.00 %	8.13	2.00 %	10.51	2.00 %	8.31
Premium Tax	1.75 %	12.99	1.75 %	7.11	1.75 %	9.19	1.75 %	7.27
Maintenance Tax	6	0.07	305	0.07	9	0.07	319	0.07
Projected Total Cost	66,064	742.29	1,903,817	406.36	68,824	525.37	2,038,705	415.64
Adjusted Total Cost	66,064	742.29	1,903,817	406.36	50,217	383.34	2,020,099	411.84
Experience Rate Increase		19.0 %		14.3 %		32.0 %		14.8 %

	Newborn 185-200%		Perinate <185%		Perinate 185-200%		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2012- 8/31/2013								
Member Months	79		3,042		131		3,252	
Estimated Incurred Claims	8,126	102.87	916,525	301.29	38,458	293.57	963,110	296.16
Projected FY2015 Member Months	79		3,042		131		3,252	
Projected FY2015 Premium								
Current Rates	49,268	623.65	998,171	328.13	38,037	290.36	1,085,477	333.79
Current DSP Rate	0	0.00	0	0.00	27,902	212.99	27,902	8.58
Annual Trend Assumptions								
FY2014	7.40 %		7.40 %		7.40 %			
FY2015	5.00 %		5.00 %		5.00 %			
Provider Reimbursement Change	0.9878		0.9990		0.9995			
Inpatient Reimbursement Changes	1.0045		1.0000		1.0018			
Projected Incurred Claims	9,093	115.10	1,032,532	339.43	43,426	331.49	1,085,050	333.66
Capitated Expenses/Refunds	561	7.11	10,785	3.55	694	5.30	12,041	3.70
Net Reinsurance Cost	30	0.37	957	0.31	48	0.37	1,034	0.32
Administrative Expenses								
Fixed Amount	988	12.50	38,025	12.50	1,638	12.50	40,650	12.50
Percentage of Premium	5.75 %	8.59	5.75 %	22.61	5.75 %	22.22	5.75 %	22.25
Risk Margin	2.00 %	2.99	2.00 %	7.86	2.00 %	7.73	2.00 %	7.74
Premium Tax	1.75 %	2.61	1.75 %	6.88	1.75 %	6.76	1.75 %	6.77
Maintenance Tax	5	0.07	198	0.07	9	0.07	211	0.07
Projected Total Cost	11,797	149.33	1,196,129	393.20	50,623	386.44	1,258,550	387.01
Adjusted Total Cost	11,797	149.33	1,196,129	393.20	22,722	173.45	1,230,648	378.43
Experience Rate Increase		-76.1 %		19.8 %		-40.3 %		13.4 %

	Newborn 185-200%		Perinate <185%		Perinate 185-200%		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2012- 8/31/2013								
Member Months	747		102,176		1,700		104,623	
Estimated Incurred Claims	130,848	175.16	30,746,378	300.92	528,474	310.87	31,405,700	300.18
Projected FY2015 Member Months	747		102,176		1,700		104,623	
Projected FY2015 Premium								
Current Rates	465,867	623.65	38,160,692	373.48	493,612	290.36	39,120,171	373.92
Current DSP Rate	0	0.00	0	0.00	477,307	280.77	477,307	4.56
Annual Trend Assumptions								
FY2014	7.40 %		7.40 %		7.40 %			
FY2015	5.00 %		5.00 %		5.00 %			
Provider Reimbursement Change	0.9920		0.9974		0.9990			
Inpatient Reimbursement Changes	1.0098		1.0000		1.0146			
Projected Incurred Claims	147,811	197.87	34,582,542	338.46	604,057	355.33	35,334,410	337.73
Capitated Expenses/Refunds	4,434	5.94	310,887	3.04	4,728	2.78	320,050	3.06
Net Reinsurance Cost	75	0.10	10,497	0.10	166	0.10	10,738	0.10
Administrative Expenses								
Fixed Amount	9,338	12.50	1,277,200	12.50	21,250	12.50	1,307,788	12.50
Percentage of Premium	5.75 %	13.75	5.75 %	22.50	5.75 %	23.56	5.75 %	22.46
Risk Margin	2.00 %	4.78	2.00 %	7.83	2.00 %	8.19	2.00 %	7.81
Premium Tax	1.75 %	4.19	1.75 %	6.85	1.75 %	7.17	1.75 %	6.83
Maintenance Tax	49	0.07	6,641	0.07	111	0.07	6,800	0.07
Projected Total Cost	178,681	239.20	39,986,483	391.35	696,477	409.69	40,861,641	390.56
Adjusted Total Cost	178,681	239.20	39,986,483	391.35	219,170	128.92	40,384,334	386.00
Experience Rate Increase		-61.6 %		4.8 %		-55.6 %		3.2 %

	Newborn 185-200%		Perinate <185%		Perinate 185-200%		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2012- 8/31/2013								
Member Months	440		42,395		887		43,722	
Estimated Incurred Claims	663,039	1,506.91	12,046,406	284.15	254,214	286.60	12,963,659	296.50
Projected FY2015 Member Months	440		42,395		887		43,722	
Projected FY2015 Premium								
Current Rates	274,406	623.65	13,929,725	328.57	257,549	290.36	14,461,680	330.76
Current DSP Rate	0	0.00	0	0.00	260,473	293.66	260,473	5.96
Annual Trend Assumptions								
FY2014	7.40 %		7.40 %		7.40 %			
FY2015	5.00 %		5.00 %		5.00 %			
Provider Reimbursement Change	0.9977		0.9903		0.9953			
Inpatient Reimbursement Changes	1.0425		1.0000		0.9974			
Projected Incurred Claims	777,694	1,767.49	13,452,960	317.32	284,588	320.84	14,515,242	331.99
Capitated Expenses/Refunds	1,200	2.73	106,563	2.51	838	0.94	108,600	2.48
Net Reinsurance Cost	201	0.46	14,558	0.34	430	0.49	15,190	0.35
Administrative Expenses								
Fixed Amount	5,500	12.50	529,938	12.50	11,088	12.50	546,525	12.50
Percentage of Premium	5.75 %	113.30	5.75 %	21.14	5.75 %	21.27	5.75 %	22.07
Risk Margin	2.00 %	39.41	2.00 %	7.35	2.00 %	7.40	2.00 %	7.68
Premium Tax	1.75 %	34.48	1.75 %	6.43	1.75 %	6.47	1.75 %	6.72
Maintenance Tax	29	0.07	2,756	0.07	58	0.07	2,842	0.07
Projected Total Cost	866,987	1,970.43	15,587,596	367.68	328,178	369.99	16,782,762	383.85
Adjusted Total Cost	866,987	1,970.43	15,587,596	367.68	67,706	76.33	16,522,289	377.89
Experience Rate Increase		216.0 %		11.9 %		-73.7 %		14.2 %

	Newborn 185-200%		Perinate <185%		Perinate 185-200%		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2012- 8/31/2013								
Member Months	230		29,083		392		29,705	
Estimated Incurred Claims	71,471	310.75	10,775,109	370.50	191,191	487.73	11,037,771	371.58
Projected FY2015 Member Months	230		29,083		392		29,705	
Projected FY2015 Premium								
Current Rates	143,440	623.65	11,839,980	407.11	113,821	290.36	12,097,241	407.25
Current DSP Rate	0	0.00	0	0.00	108,491	276.76	108,491	3.65
Annual Trend Assumptions								
FY2014	7.40 %		7.40 %		7.40 %			
FY2015	5.00 %		5.00 %		5.00 %			
Provider Reimbursement Change	0.9963		0.9989		0.9995			
Inpatient Reimbursement Changes	0.9988		1.0000		0.8010			
Projected Incurred Claims	80,204	348.71	12,137,724	417.35	172,614	440.34	12,390,542	417.12
Capitated Expenses/Refunds	351	1.52	37,901	1.30	877	2.24	39,128	1.32
Net Reinsurance Cost	21	0.09	6,327	0.22	92	0.24	6,440	0.22
Administrative Expenses								
Fixed Amount	2,875	12.50	363,538	12.50	4,900	12.50	371,313	12.50
Percentage of Premium	5.75 %	23.06	5.75 %	27.41	5.75 %	28.93	5.75 %	27.40
Risk Margin	2.00 %	8.02	2.00 %	9.53	2.00 %	10.06	2.00 %	9.53
Premium Tax	1.75 %	7.02	1.75 %	8.34	1.75 %	8.81	1.75 %	8.34
Maintenance Tax	15	0.07	1,890	0.07	25	0.07	1,931	0.07
Projected Total Cost	92,226	400.98	13,864,508	476.72	197,247	503.18	14,153,981	476.48
Adjusted Total Cost	92,226	400.98	13,864,508	476.72	88,756	226.42	14,045,490	472.83
Experience Rate Increase		-35.7 %		17.1 %		-22.0 %		16.1 %

FY2015 CHIP Perinatal Rating
 Rating Assumptions
 Benefit and Provider Reimbursement Changes

Service Area	APR-DRG (1)			Outlier Reduction (2)			Outpatient 5.3% (3)		
	NB >185%	Per <185%	Per >185%	NB >185%	Per <185%	Per >185%	NB >185%	Per <185%	Per >185%
Bexar	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0004	-0.0033	-0.0022
Dallas	-0.0071	0.0000	-0.0039	0.0000	0.0000	0.0000	-0.0025	-0.0122	-0.0078
El Paso	0.1552	0.0000	0.0000	0.0000	0.0000	0.0000	-0.0010	-0.0007	-0.0005
Harris	0.1498	0.0000	-0.0065	-0.0370	0.0000	0.0000	-0.0007	-0.0033	-0.0023
Jefferson	0.0000	0.0004	0.0158	0.0000	0.0000	0.0000	-0.0029	-0.0015	-0.0015
Lubbock	0.3260	0.0008	0.0021	0.0000	0.0000	-0.0044	-0.0003	-0.0017	-0.0022
Nueces	0.0051	0.0000	0.0032	0.0000	0.0000	0.0000	0.0000	-0.0008	-0.0005
RSA	0.0149	0.0000	0.0164	0.0000	0.0000	0.0000	-0.0011	-0.0010	-0.0008
Tarrant	0.0591	0.0000	0.0005	0.0000	0.0000	0.0000	-0.0003	-0.0061	-0.0035
Travis	0.0000	0.0000	-0.1947	0.0000	0.0000	0.0000	-0.0002	-0.0004	-0.0004

Service Area	Outpatient Imaging (4)			PPR Reduction (5)			PPC Reduction (6)		
	NB >185%	Per <185%	Per >185%	NB >185%	Per <185%	Per >185%	NB >185%	Per <185%	Per >185%
Bexar	-0.0331	-0.0004	-0.0003	0.0000	0.0000	0.0000	0.0000	0.0000	-0.0026
Dallas	-0.0017	-0.0017	-0.0034	-0.0014	0.0000	-0.0006	-0.0108	0.0000	-0.0059
El Paso	0.0000	-0.0009	0.0000	-0.0038	0.0000	-0.0022	-0.0038	0.0000	-0.0012
Harris	-0.0002	-0.0071	-0.0029	-0.0046	0.0000	-0.0039	-0.0119	0.0000	-0.0073
Jefferson	-0.0015	-0.0170	-0.0066	-0.0060	0.0000	-0.0051	-0.0062	-0.0001	-0.0080
Lubbock	-0.0004	-0.0003	-0.0002	0.0000	0.0000	0.0000	-0.0003	-0.0001	-0.0009
Nueces	-0.0014	-0.0001	0.0000	-0.0006	0.0000	-0.0014	0.0000	0.0000	0.0000
RSA	-0.0019	-0.0013	-0.0002	-0.0004	0.0000	-0.0003	-0.0046	0.0000	-0.0015
Tarrant	-0.0008	-0.0035	-0.0011	-0.0003	0.0000	-0.0012	-0.0154	0.0000	-0.0019
Travis	-0.0005	-0.0005	-0.0001	-0.0005	0.0000	-0.0020	-0.0007	0.0000	-0.0034

FY2015 CHIP Perinatal Rating
 Rating Assumptions
 Benefit and Provider Reimbursement Changes

	ER - 36 Hour Visits (7)			ER - Flat Fee (8)			Ambulance 5% (9)		
	NB >185%	Per <185%	Per >185%	NB >185%	Per <185%	Per >185%	NB >185%	Per <185%	Per >185%
Bexar	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	-0.0001	0.0000
Dallas	0.0000	0.0000	0.0000	-0.0005	0.0000	0.0000	-0.0002	0.0000	0.0000
El Paso	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	-0.0008	-0.0001	0.0000
Harris	0.0000	0.0000	0.0000	-0.0004	-0.0001	0.0000	-0.0001	0.0000	-0.0001
Jefferson	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	-0.0001	0.0000
Lubbock	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	-0.0001	-0.0003
Nueces	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	-0.0001	0.0000
RSA	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	-0.0010	-0.0003	0.0000
Tarrant	0.0000	-0.0001	0.0000	0.0000	0.0000	-0.0001	-0.0002	0.0000	0.0000
Travis	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	-0.0002	0.0000

	Therapy (10)			Medicaid Excess Medicare (11)			Limit Related Party (12)		
	NB >185%	Per <185%	Per >185%	NB >185%	Per <185%	Per >185%	NB >185%	Per <185%	Per >185%
Bexar	0.0000	0.0000	0.0000	-0.0045	0.0000	0.0000	-0.0003	-0.0208	-0.0161
Dallas	0.0000	0.0000	0.0000	-0.0034	0.0000	0.0000	0.0000	0.0000	0.0000
El Paso	0.0000	0.0000	0.0000	-0.0018	0.0000	0.0000	0.0000	0.0000	0.0000
Harris	0.0000	0.0000	0.0000	-0.0010	0.0000	0.0000	-0.0369	-0.0015	-0.0039
Jefferson	-0.0001	0.0000	0.0000	-0.0024	0.0000	0.0000	0.0000	-0.0004	0.0000
Lubbock	-0.0024	0.0000	0.0000	-0.0034	0.0000	0.0000	0.0000	0.0000	0.0000
Nueces	0.0000	0.0000	0.0000	-0.0108	0.0000	0.0000	0.0000	0.0000	0.0000
RSA	0.0000	0.0000	0.0000	-0.0040	0.0000	0.0000	0.0000	0.0000	0.0000
Tarrant	0.0000	0.0000	0.0000	-0.0010	0.0000	0.0000	0.0000	0.0000	0.0000
Travis	0.0000	0.0000	0.0000	-0.0030	0.0000	0.0000	0.0000	0.0000	0.0001

FY2015 CHIP Perinatal Rating
Rating Assumptions
Benefit and Provider Reimbursement Changes

- (1) APR-DRG Implementation
- (2) Inpatient Outlier payment reduced by 10%
- (3) Outpatient hospital reimbursement reduced by 5.3%
- (4) Outpatient imaging fee schedule limited to 125% of reimbursement in a physician office
- (5) Reduction for potentially preventable readmissions
- (6) Reduction for potentially preventable complications
- (7) Reduction for multiple visits within a 36-hour period
- (8) Flat fee for non-urgent ER visits
- (9) Ambulance reimbursement reduced by 5%
- (10) Therapy reimbursement reduction
- (11) Reduction for Medicaid rates in excess of Medicare
- (12) Limit reimbursement to related party

Attachment 8

CHIP Dental Rating

Exhibit A presents a summary of the actuarial model used to derive the FY2015 CHIP Dental premium rates. The premium rates rely on recent dental plan financial experience. Historical claims experience data for the dental plan was analyzed and estimates for the base period January 1st, 2013 through December 31th, 2013 were developed. The claims experience was trended forward to FY2015 using assumed trend rates of 5.0% for FY2014 and FY2015. An adjustment was also made for an expected increase in utilization as a result of the Pay-for-Quality (P4Q) program.

Provision for administrative expenses (\$1.75 pmpm), risk margin (2.0% of premium), premium tax (1.75% of premium) and maintenance tax (\$.022 pmpm) were added to the projected claims to produce the FY2015 premium rates.

The bottom of the exhibit shows a summary of the projected FY2015 cost based on these assumptions and the experience rate increase.

Attached Exhibit B presents a summary of the historical CHIP dental plan claims experience.

Attached Exhibit C presents the derivation of the Pay-for-Quality utilization adjustment factors. Effective January 1, 2014, the P4Q program places two percent of each dental plan's premium at risk. In order to retain the full two percent of premium, we have assumed that each dental plan will increase preventive service utilization by closing the gap between the attainable goal and the baseline experience (calendar year 2013) by 15% each year for each of the P4Q measurements. Exhibit C-1 presents the estimated cost increase as a result of the P4Q program. The top of the exhibit shows the CY2013 baseline period measurement value, attainable goal and cost per member receiving services for each of the P4Q measurements. The middle of the exhibit shows the increase in utilization for each of the P4Q measurements needed to close the gap between the attainable goal and the baseline experience by 15% each year. The bottom of the exhibit shows the estimated increase in cost as a result of the P4Q program. Exhibit C-2 presents the derivation of the P4Q adjustment factor by redistributing the estimated increase in cost by age groups.

CHIP Dental Experience Based Rating
Rating Period: 9/1/2014 - 8/31/2015
Experience Period - CY2013

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Experience Period - CY2013										
Member Months	15,529		1,203,843		4,387,340		1,541,489		7,148,201	
Estimated Incurred Claims	19,233	1.24	15,898,005	13.21	86,702,601	19.76	26,282,362	17.05	128,902,201	18.03
Projected FY2015 Member Months	8,784		1,082,916		4,172,904		1,462,236		6,726,840	
Annual Trend Assumptions	5.0 %		5.0 %		5.0 %		5.0 %			
Adjustment Factors										
P4Q Utilization Adjustment	1.0000		1.0208		1.0418		1.0358			
Projected Incurred Claims	11,801	1.34	15,835,076	14.62	93,192,539	22.33	28,010,322	19.16	137,049,738	20.37
Administrative Fee	15,372	1.75	1,895,103	1.75	7,302,582	1.75	2,558,913	1.75	11,771,970	1.75
Risk Margin	569	2.00%	368,907	2.00%	2,090,089	2.00%	635,863	2.00%	3,095,428	2.00%
Premium Tax	498	1.75%	322,793	1.75%	1,828,828	1.75%	556,380	1.75%	2,708,499	1.75%
Maintenance Tax	190	0.02	23,463	0.02	90,413	0.02	31,682	0.02	145,748	0.02
Projected Total Cost	28,429	3.24	18,445,342	17.03	104,504,451	25.04	31,793,160	21.74	154,771,383	23.01
Current Rates	28,812	3.28	16,915,148	15.62	94,975,295	22.76	28,265,022	19.33	140,184,276	20.84
% Change		-1.3%		9.0%		10.0%		12.5%		10.4%

CHIP Dental Plan
 Estimated Claims Experience

Month	Members	Inc & Pd Claims	Compl Factor	Est. Inc. Claims	Est. Inc. pmpm	Trend Factor
Sep-10	546,569	6,956,609	1.000	6,956,609	12.73	
Oct-10	545,063	7,558,497	1.000	7,558,497	13.87	
Nov-10	542,034	7,318,913	1.000	7,318,913	13.50	
Dec-10	538,796	7,537,181	1.000	7,537,181	13.99	
Jan-11	536,577	7,694,796	1.000	7,694,796	14.34	
Feb-11	537,500	6,824,784	1.000	6,824,784	12.70	
Mar-11	536,573	9,920,502	1.000	9,920,502	18.49	
Apr-11	535,733	7,337,541	1.000	7,337,541	13.70	
May-11	535,074	6,935,288	1.000	6,935,288	12.96	
Jun-11	539,688	9,458,059	1.000	9,458,059	17.53	
Jul-11	540,817	9,444,089	1.000	9,444,089	17.46	
Aug-11	544,801	11,167,528	1.000	11,167,528	20.50	
Sep-11	549,975	7,206,553	1.000	7,206,553	13.10	1.030
Oct-11	554,117	7,954,633	1.000	7,954,633	14.36	1.035
Nov-11	567,712	7,765,905	1.000	7,765,905	13.68	1.013
Dec-11	562,985	8,327,331	1.000	8,327,331	14.79	1.057
Jan-12	561,869	8,735,700	1.000	8,735,700	15.55	1.084
Feb-12	566,073	9,111,999	1.000	9,111,999	16.10	1.268
Mar-12	571,294	9,213,127	1.000	9,213,127	16.13	0.872
Apr-12	579,145	8,855,074	1.000	8,855,074	15.29	1.116
May-12	581,835	8,737,869	1.000	8,737,869	15.02	1.159
Jun-12	580,687	11,368,330	1.000	11,368,330	19.58	1.117
Jul-12	581,961	11,410,485	1.000	11,410,485	19.61	1.123
Aug-12	583,655	13,151,670	1.000	13,151,670	22.53	1.099
Sep-12	580,858	7,310,425	1.000	7,310,425	12.59	0.960
Oct-12	581,854	9,240,900	1.000	9,240,900	15.88	1.106
Nov-12	582,679	8,333,685	1.000	8,333,685	14.30	1.046
Dec-12	588,619	7,849,114	1.000	7,849,114	13.33	0.902
Jan-13	591,835	11,050,926	1.000	11,050,926	18.67	1.201
Feb-13	591,288	10,108,885	1.000	10,108,885	17.10	1.062
Mar-13	594,607	12,265,288	1.000	12,269,245	20.63	1.280
Apr-13	597,567	10,047,438	0.999	10,055,036	16.83	1.101
May-13	601,087	9,822,863	0.999	9,833,589	16.36	1.089
Jun-13	603,239	11,057,671	0.998	11,075,195	18.36	0.938
Jul-13	606,029	13,188,647	0.998	13,217,931	21.81	1.112
Aug-13	607,278	14,150,219	0.997	14,186,157	23.36	1.037
Sep-13	608,036	9,109,998	0.996	9,144,030	15.04	1.195
Oct-13	602,571	10,390,507	0.995	10,441,097	17.33	1.091
Nov-13	581,640	9,261,169	0.991	9,340,984	16.06	1.123
Dec-13	563,024	8,066,053	0.979	8,239,466	14.63	1.097
FY2011	6,479,225			98,153,786	15.15	
FY2012	6,841,308			111,838,675	16.35	1.079
FY2013	7,126,940			124,531,088	17.47	1.069
CY2013	7,148,201			128,962,541	18.04	

FY2015 CHIP Dental Rating
P4Q Utilization Adjustment
Statewide Experience

	Preventive	Sealants		Annual Dental Visit				
		6-9	10-14	2-3	4-6	7-10	11-14	15-18
CY2013 Experience Period								
Total Members	274,636	158,106	208,022	14,043	27,655	81,030	82,072	69,052
Number of Members Receiving P4Q Services	182,401	28,032	22,028	9,248	20,237	60,552	57,052	41,734
Current Measurement %	66.4%	17.7%	10.6%	65.9%	73.2%	74.7%	69.5%	60.4%
Attainment Goal	80.0%	30.0%	25.0%	80.0%	88.0%	90.0%	85.0%	75.0%
Average Cost per Member	87.20	107.22	107.22	145.96	254.33	301.05	311.84	326.19
15% Incremental Improvement (1)								
Year 1 - CY2014 (i)	2.0%	1.8%	2.2%	2.1%	2.2%	2.3%	2.3%	2.2%
Year 2 - FY2015 (ii)	1.2%	1.0%	1.2%	1.2%	1.3%	1.3%	1.3%	1.2%
Total - Percent Increase	3.2%	2.9%	3.4%	3.3%	3.5%	3.6%	3.6%	3.4%
Total - Member Increase	8,767	4,559	7,045	467	963	2,908	2,987	2,363
Estimated P4Q Impact (2)	764,518	488,825	755,365	68,123	244,995	875,496	931,364	770,759

(1) Assume each plan will increase utilization by closing gap between attainable goal and current measurement value

(i) $15\% * (\text{attainable goal} - \text{current measurement percent})$

(ii) $15\% * (\text{attainable goal} - \text{current measurement percent} + \text{year 1 increase}) * 8/12$

(2) Total Member Increase * Avg. Cost per Member

FY2015 CHIP Dental Rating
Pay for Performance Utilization Adjustment

	Age <u><1</u>	Age <u>1-5</u>	Age <u>6-14</u>	Age <u>15-18</u>	<u>Total</u>
Estimated Cost Impact of Pay for Performance Utilization Increase (1)					
Preventive Services	-	127,144	467,966	169,408	764,518
Sealant	-	-	1,244,190	-	1,244,190
Annual Dental Visit 2-3	-	68,122	-	-	68,122
Annual Dental Visit 4-6	-	135,559	109,436	-	244,995
Annual Dental Visit 7-10	-	-	875,496	-	875,496
Annual Dental Visit 11-14	-	-	931,364	-	931,364
Annual Dental Visit 15-18	-	-	-	770,759	770,759
Total	-	330,825	3,628,452	940,167	4,899,444
CY2013 Total Incurred Claims	18,626	15,911,453	86,744,990	26,287,472	128,962,541
Rate Adjustment (2)	0.00 %	2.08 %	4.18 %	3.58 %	3.80 %

Footnotes:

(1) Equals the additional cost assuming an increase in utilization for 20 months (CY2013 to FY2015) for each of the Pay-for-Quality metrics.

Assumes each plan will close the gap between the attainable goal and the baseline experience value by 15% per year.

(2) Additional cost divided by CY2013 Total Incurred Claims.