

# Rudd and Wisdom, Inc.

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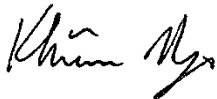
March 31, 2017

Ms. Rachel Butler  
Chief Actuary  
Health and Human Services Commission  
4900 North Lamar  
Austin, Texas 78751

Re: Medical Transportation Program Rate Amendment Contract 529-11-0004-00001C

Dear Ms. Butler:

This letter amends the reports titled State of Texas Medical Transportation Program Rate Setting State Fiscal Year 2017 dated June 29, 2016. The amended FY2017 capitation rates were developed using identical methods and assumptions as the rates described in the original reports. The amended rates are assumed to be payable for the period June 1, 2017 through August 31, 2017.



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

## **A. Summary of the Revisions**

### **Stretcher Service Adjustment**

Effective November 1, 2016 stretcher service was no longer provided by the FRB in the Houston service delivery area. This change was not finalized at the time the September 1, 2016 capitation rates were calculated and therefore could not be incorporated.

## **B. Report Amendments**

This section of the report will detail the amendments to the original report titled State of Texas Medical Transportation Program Rate Setting State Fiscal Year 2017 dated June 29, 2016.

### ***Section I. Introduction***

No changes applicable to this section. The same data sources were utilized in the calculation of this mid-year adjustment.

### ***Section II. Overview of Rate Setting Methodology***

No changes applicable to this section. The rates have been calculated for the same service delivery areas, risk groups and services as outlined in the original report using the same general methodology.

### ***Section III. Adjustment Factors***

The original report has been amended to add the following section.

#### ***Stretcher Service Adjustment***

Effective November 1, 2016 stretcher service was no longer provided by the FRB in the Houston service delivery area. Attachment 4 presents a summary of the derivation of this adjustment factor.

No other changes are applicable to this section.

### ***Section IV. Administrative Fees, Taxes and Risk Margin***

No changes applicable to this section. The same administrative fee, taxes and risk margin assumptions have been applied in this mid-year adjustment.

*Section V. Summary*

The tables in this section are replaced in their entirety with the following mid-year rates effective June 1, 2017 through August 31, 2017.

<u>Region</u>	<u>Medicaid Adults</u>		<u>Medicaid Children</u>		<u>CSHCN</u>	<u>TICP</u>
	<u>Urban</u>	<u>Rural</u>	<u>Urban</u>	<u>Rural</u>		
MTO Region 1	\$9.81	\$14.65	\$1.26	\$1.89	\$1.26	
MTO Region 2	10.41	30.99	0.66	11.62	0.66	
MTO Region 3	9.71	24.38	1.44	2.30	1.44	
MTO Region 5	10.53	17.40	1.52	2.07	1.52	
MTO Region 6	17.02	17.02	2.65	2.65	2.65	
MTO Region 7	13.65	33.91	1.18	2.22	1.18	
MTO Region 8	7.61	17.99	0.66	1.71	0.66	
MTO Region 9	16.90	16.90	1.79	1.79	1.79	
MTO Region 10	8.46	15.09	1.92	2.11	1.92	1.92
MTO Region 11	16.44	19.77	1.48	2.18	1.48	
FRB - SDA 1	13.07	22.64	0.79	2.23	0.79	
FRB - SDA 2	5.76	15.65	0.75	2.29	0.75	

***Section VI. Actuarial Certification of FY2017 FRB and MTO Premium Rates***

I, Khiem D. Ngo, am a principal with the firm 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.

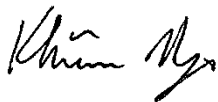
Rudd and Wisdom has been retained by the Texas Health and Human Services Commission (HHSC) to develop the capitation rates applicable to the Texas Medicaid Medical Transportation Program's Full Risk Broker (FRB) and Medical Transportation Organization (MTO) contracts for the state fiscal year 2017 and to provide the actuarial certification required under Centers for Medicare and Medicaid Services (CMS) requirements 42 CFR 438.6(c) (Section 438.4 in the recently approved regulation).

I certify that the FY2017 FRB and MTO 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 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) (Section 438.4 in the recently approved regulation). Any FRB or MTO 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.

## ***Section VII. Attachments***

The following sections indicate any revisions applicable to each of the attachments in the original report titled State of Texas Medical Transportation Program Rate Setting State Fiscal Year 2017 dated June 29, 2016.

### ***Attachment 1 – MTO and FRB Experience by Region Analysis***

Exhibit L has been revised to include the stretcher service adjustment factor. This adjustment only applies to demand response service and derivation for this adjustment is presented in Attachment 4.

No other changes were made to this section.

### ***Attachment 2 – Adjustment for Underreported Claims***

No changes applicable to this section.

### ***Attachment 3 – Limit Demand Response Cost per Trip to 120% of Fee-For-Service***

No changes applicable to this section.

### ***Attachment 4 – Stretcher Service Adjustment***

The original report has been amended to add this section.

Effective November 1, 2016 stretcher service was no longer provided by the FRB in the Houston service delivery area. Attachment 4 presents a summary of the derivation of this adjustment factor.

### C. June 1, 2017 Adjustment

This amendment to the capitation rates will become effective June 1, 2017; however, the stretcher service change noted above has an effective date prior to June 1, 2017. Given that the current capitation rates will continue to be paid through May 31, 2017, the June 1, 2017 through August 31, 2017 capitation rates must be adjusted to ensure the proper premium is paid in aggregate across the entire fiscal year.

The calculation of the adjusted June 1, 2017 capitation rates has been done as follows.

Definitions:

- a. Current Premium – premium rates that are currently in place as of September 1, 2016, and detailed in original actuarial report dated June 29, 2016.
- b. Revised Premium – premium rates that would have been in place as of September 1, 2016, based on calculations performed in Section B. of this amended report.
- c. Adjusted June Premium – premium rates that will be effective June 1, 2017.

$$\text{Adjusted June Premium} = \frac{12 \times \text{Revised Premium} - 9 \times \text{Current Premium}}{3}$$

In the above formula, 12 represents the total number of months (September-August) in the entire rating period and 3 equals the number of months (June-August) in which the adjusted June premium will be paid. Appendix A provides the details of this calculation and the final capitation rates for the period June 1, 2017 through August 31, 2017.

Alternative methods were considered for implementing this rate change, such as retroactively changing rates which would trigger a recoupment or settlement between HHSC and the MCOs to ensure the proper premium was paid over the course of the entire fiscal year. From an administrative perspective, the prospective payment methodology outlined in this section provides the least burdensome approach for HHSC and does not create a material difference in the expected premium payments.

## **D. Attachments**



Region	Area	Medicaid Adults		Medicaid Children		CSHCN	TICP
		Urban	Rural	Urban	Rural		
<b>Current Premiums (1)</b>							
MTO Region 1	Panhandle	\$9.81	\$14.65	\$1.26	\$1.89	\$1.26	
MTO Region 2	West Texas	10.41	30.99	0.66	11.62	0.66	
MTO Region 3	Northwest Central	9.71	24.38	1.44	2.30	1.44	
MTO Region 5	East Texas	10.53	17.40	1.52	2.07	1.52	
MTO Region 6	Southwest Texas	17.02	17.02	2.65	2.65	2.65	
MTO Region 7	Central Texas	13.65	33.91	1.18	2.22	1.18	
MTO Region 8	South Central Texas	7.61	17.99	0.66	1.71	0.66	
MTO Region 9	Southeast Texas	16.90	16.90	1.79	1.79	1.79	
MTO Region 10	South Texas	8.46	15.09	1.92	2.11	1.92	1.92
MTO Region 11	Northeast Central	16.44	19.77	1.48	2.18	1.48	
FRB - SDA 1	Dallas/Fort Worth	13.07	22.64	0.79	2.23	0.79	
FRB - SDA 2	Houston	8.56	22.81	0.79	2.33	0.79	

**Revised Premiums (2)**

MTO Region 1	Panhandle	\$9.81	\$14.65	\$1.26	\$1.89	\$1.26	
MTO Region 2	West Texas	10.41	30.99	0.66	11.62	0.66	
MTO Region 3	Northwest Central	9.71	24.38	1.44	2.30	1.44	
MTO Region 5	East Texas	10.53	17.40	1.52	2.07	1.52	
MTO Region 6	Southwest Texas	17.02	17.02	2.65	2.65	2.65	
MTO Region 7	Central Texas	13.65	33.91	1.18	2.22	1.18	
MTO Region 8	South Central Texas	7.61	17.99	0.66	1.71	0.66	
MTO Region 9	Southeast Texas	16.90	16.90	1.79	1.79	1.79	
MTO Region 10	South Texas	8.46	15.09	1.92	2.11	1.92	1.92
MTO Region 11	Northeast Central	16.44	19.77	1.48	2.18	1.48	
FRB - SDA 1	Dallas/Fort Worth	13.07	22.64	0.79	2.23	0.79	
FRB - SDA 2	Houston	7.86	21.02	0.78	2.32	0.78	

**Adjusted June 1, 2017 Premiums (3)**

MTO Region 1	Panhandle	\$9.81	\$14.65	\$1.26	\$1.89	\$1.26	
MTO Region 2	West Texas	10.41	30.99	0.66	11.62	0.66	
MTO Region 3	Northwest Central	9.71	24.38	1.44	2.30	1.44	
MTO Region 5	East Texas	10.53	17.40	1.52	2.07	1.52	
MTO Region 6	Southwest Texas	17.02	17.02	2.65	2.65	2.65	
MTO Region 7	Central Texas	13.65	33.91	1.18	2.22	1.18	
MTO Region 8	South Central Texas	7.61	17.99	0.66	1.71	0.66	
MTO Region 9	Southeast Texas	16.90	16.90	1.79	1.79	1.79	
MTO Region 10	South Texas	8.46	15.09	1.92	2.11	1.92	1.92
MTO Region 11	Northeast Central	16.44	19.77	1.48	2.18	1.48	
FRB - SDA 1	Dallas/Fort Worth	13.07	22.64	0.79	2.23	0.79	
FRB - SDA 2	Houston	5.76	15.65	0.75	2.29	0.75	

Footnotes:

- (1) Current Premiums - From Attachment 1 of original report titled State of Texas Medical Transportation Program Rate Setting State Fiscal Year 2017 dated June 29, 2016.
- (2) Revised Premiums - From Attachment 1 of this Amended report.
- (3) Adjusted June 1, 2017 Premiums - Premium rates effective 6/1/2017 through August 31, 2017 given that Current Premiums will be payable 9/1/2016 through 5/31/2017.

	Adults				Children (incl. CSHCN)				Total	
	Urban Counties		Rural Counties		Urban Counties		Rural Counties			
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
CY2015 Experience										
Member Months	212,929		119,703		716,831		448,810		1,498,273	
Estimated Client Services Costs										
Demand Response	1,361,668	6.395	895,442	7.481	91,462	0.128	63,440	0.141	2,412,012	1.610
Mileage	50,155	0.236	302,883	2.530	143,645	0.200	302,859	0.675	799,541	0.534
All Other	13,649	0.064	18,977	0.159	272,317	0.380	155,426	0.346	460,369	0.307
Total	1,425,472	6.695	1,217,301	10.169	507,423	0.708	521,725	1.162	3,671,922	2.451
Projected FY2017 Member Months (1)	210,351		116,287		739,398		463,350		1,529,386	
Rating Adjustments										
Client Service Trend		1.050		1.050		1.050		1.050		
Mileage Rate Adjustment Factor		0.964		0.964		0.964		0.964		
Projected FY2017 Client Service Costs	1,525,594	7.253	1,271,344	10.933	561,997	0.760	572,144	1.235	3,931,079	2.570
Administrative Expenses										
Fixed Amount (2)	42,070	0.200	23,257	0.200	147,880	0.200	92,670	0.200	305,877	0.200
Percentage of Premium	453,798	22.0 %	374,753	22.0 %	205,491	22.0 %	192,446	22.0 %	1,226,487	0.802
Total	495,868	2.357	398,010	3.423	353,370	0.478	285,116	0.615	1,532,365	1.002
Risk Margin		2.0 %		2.0 %		2.0 %		2.0 %		
Projected FY2017 Total Cost	2,062,716	9.81	1,703,423	14.65	934,048	1.26	874,755	1.89	5,574,943	3.645
Current Rates (FY2016)	2,288,623	10.88	1,888,498	16.24	1,205,218	1.63	1,139,842	2.46	6,522,181	4.265
% Change		-9.9%		-9.8%		-22.5%		-23.3%		-14.5%

Notes:

(1) From HHSC System Forecasting Division.

(2) Per member per month.

	Adults				Children (incl. CSHCN)				Total	
	Urban Counties		Rural Counties		Urban Counties		Rural Counties			
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
CY2015 Experience										
Member Months	575,682		80,731		1,916,517		220,932		2,793,862	
Estimated Client Services Costs										
Demand Response	3,976,012	6.907	1,064,053	13.180	369,275	0.193	113,428	0.513	5,522,768	1.977
Mileage	105,555	0.183	365,902	4.532	118,773	0.062	346,310	1.567	936,539	0.335
All Other	13,383	0.023	320,976	3.976	53,869	0.028	1,311,310	5.935	1,699,538	0.608
Total	4,094,950	7.113	1,750,931	21.688	541,917	0.283	1,771,047	8.016	8,158,846	2.920
Projected FY2017 Member Months (1)	567,646		79,610		1,984,662		231,509		2,863,428	
Rating Adjustments										
Client Service Trend		1.050		1.050		1.050		1.050		
Mileage Rate Adjustment Factor		0.964		0.964		0.964		0.964		
Projected FY2017 Client Service Costs	4,375,822	7.709	1,858,916	23.350	603,961	0.304	1,998,995	8.635	8,837,694	3.086
Administrative Expenses										
Fixed Amount (2)	113,529	0.200	15,922	0.200	396,932	0.200	46,302	0.200	572,686	0.200
Percentage of Premium	1,299,549	22.0 %	542,716	22.0 %	289,732	22.0 %	592,060	22.0 %	2,724,057	0.951
Total	1,413,078	2.489	558,638	7.017	686,665	0.346	638,361	2.757	3,296,743	1.151
Risk Margin		2.0 %		2.0 %		2.0 %		2.0 %		
Projected FY2017 Total Cost	5,907,041	10.41	2,466,893	30.99	1,316,965	0.66	2,691,180	11.62	12,382,079	4.324
Current Rates (FY2016)	5,137,199	9.05	1,838,997	23.10	3,453,312	1.74	731,569	3.16	11,161,077	3.898
% Change		15.0%		34.1%		-61.9%		267.9%		10.9%

Notes:

(1) From HHSC System Forecasting Division.

(2) Per member per month.

	Adults				Children (incl. CSHCN)				Total	
	Urban Counties		Rural Counties		Urban Counties		Rural Counties			
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
CY2015 Experience										
Member Months	114,897		118,378		308,086		281,361		822,722	
Estimated Client Services Costs										
Demand Response	692,144	6.024	1,683,525	14.222	79,009	0.256	150,973	0.537	2,605,651	3.167
Mileage	50,813	0.442	306,571	2.590	97,103	0.315	198,506	0.706	652,994	0.794
All Other	12,548	0.109	13,262	0.112	51,651	0.168	37,435	0.133	114,895	0.140
Total	755,504	6.575	2,003,359	16.923	227,762	0.739	386,914	1.375	3,373,540	4.100
Projected FY2017 Member Months (1)	113,748		119,703		320,365		289,400		843,216	
Rating Adjustments										
Client Service Trend		1.050		1.050		1.050		1.050		
Mileage Rate Adjustment Factor		0.964		0.964		0.964		0.964		
Under Reported - All Other Services		1.564		1.564		1.564		1.564		
Projected FY2017 Client Service Costs	816,958	7.182	2,193,582	18.325	285,830	0.892	447,314	1.546	3,743,684	4.440
Administrative Expenses										
Fixed Amount (2)	22,750	0.200	23,941	0.200	64,073	0.200	57,880	0.200	168,643	0.200
Percentage of Premium	243,073	22.0 %	641,914	22.0 %	101,288	22.0 %	146,240	22.0 %	1,132,516	1.343
Total	265,823	2.337	665,855	5.563	165,361	0.516	204,120	0.705	1,301,159	1.543
Risk Margin		2.0 %		2.0 %		2.0 %		2.0 %		
Projected FY2017 Total Cost	1,104,878	9.71	2,917,793	24.38	460,398	1.44	664,729	2.30	5,147,799	6.105
Current Rates (FY2016)	1,585,651	13.94	3,053,611	25.51	608,694	1.90	1,012,898	3.50	6,260,854	7.425
% Change		-30.3%		-4.4%		-24.4%		-34.4%		-17.8%

Notes:

(1) From HHSC System Forecasting Division.

(2) Per member per month.

	Adults				Children (incl. CSHCN)				Total	
	Urban Counties		Rural Counties		Urban Counties		Rural Counties		Amount	pmpm
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm		
CY2015 Experience										
Member Months	154,020		549,470		484,496		1,434,845		2,622,832	
Estimated Client Services Costs										
Demand Response	997,928	6.479	5,864,918	10.674	187,066	0.386	783,914	0.546	7,833,827	2.987
Mileage	67,888	0.441	620,573	1.129	129,067	0.266	757,301	0.528	1,574,830	0.600
All Other	44,819	0.291	134,063	0.244	116,003	0.239	302,041	0.211	596,925	0.228
Total	1,110,636	7.211	6,619,553	12.047	432,136	0.892	1,843,256	1.285	10,005,582	3.815
Projected FY2017 Member Months (1)	155,165		547,533		500,886		1,477,529		2,681,114	
Rating Adjustments										
Client Service Trend		1.050		1.050		1.050		1.050		
Mileage Rate Adjustment Factor		0.964		0.964		0.964		0.964		
Projected FY2017 Client Service Costs	1,211,026	7.805	7,131,058	13.024	479,433	0.957	2,028,675	1.373	10,850,192	4.047
Administrative Expenses										
Fixed Amount (2)	31,033	0.200	109,507	0.200	100,177	0.200	295,506	0.200	536,223	0.200
Percentage of Premium	359,543	22.0 %	2,095,953	22.0 %	167,782	22.0 %	672,789	22.0 %	3,296,067	1.229
Total	390,576	2.517	2,205,460	4.028	267,959	0.535	968,295	0.655	3,832,290	1.429
Risk Margin		2.0 %		2.0 %		2.0 %		2.0 %		
Projected FY2017 Total Cost	1,634,288	10.53	9,527,058	17.40	762,645	1.52	3,058,133	2.07	14,982,124	5.588
Current Rates (FY2016)	1,978,352	12.75	10,321,005	18.85	1,036,835	2.07	4,137,082	2.80	17,473,275	6.517
% Change		-17.4%		-7.7%		-26.4%		-26.1%		-14.3%

Notes:

(1) From HHSC System Forecasting Division.

(2) Per member per month.

	Adults				Children (incl. CSHCN)				Total	
	Urban Counties		Rural Counties		Urban Counties		Rural Counties		Amount	pmpm
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm		
CY2015 Experience										
Member Months			136,712				363,748		500,460	
Estimated Client Services Costs										
Demand Response			1,447,129	10.585			188,817	0.519	1,635,946	3.269
Mileage			548,984	4.016			337,802	0.929	886,786	1.772
All Other			20,233	0.148			96,918	0.266	117,150	0.234
Total			2,016,346	14.749			623,537	1.714	2,639,882	5.275
Projected FY2017 Member Months (1)	1		134,633		144		376,379		511,156	
Rating Adjustments										
Client Service Trend				1.050				1.050		
Mileage Rate Adjustment Factor				0.964				0.964		
Under Reported - All Other Services				1.513				1.513		
Limit Demand Response to 120% FFS				0.722				0.722		
Projected FY2017 Client Service Costs			1,714,848	12.737			683,236	1.815	2,398,085	4.691
Administrative Expenses										
Fixed Amount (2)			26,927	0.200			75,276	0.200	102,202	0.200
Percentage of Premium			504,198	22.0 %			219,569	22.0 %	723,767	1.416
Total			531,125	3.945			294,845	0.783	825,970	1.616
Risk Margin				2.0 %				2.0 %		
Projected FY2017 Total Cost	17	17.02	2,291,809	17.02	381	2.65	998,042	2.65	3,290,249	6.437
Current Rates (FY2016)	16	15.52	2,089,503	15.52	416	2.90	1,091,499	2.90	3,181,433	6.224
% Change		9.7%		9.7%		-8.6%		-8.6%		3.4%

Notes:

(1) From HHSC System Forecasting Division.

(2) Per member per month.

	Adults				Children (incl. CSHCN)				Total	
	Urban Counties		Rural Counties		Urban Counties		Rural Counties			
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
CY2015 Experience										
Member Months	616,340		207,447		2,338,534		629,107		3,791,429	
Estimated Client Services Costs										
Demand Response	6,299,459	10.221	5,317,777	25.634	988,622	0.423	577,624	0.918	13,183,483	3.477
Mileage	115,752	0.188	203,727	0.982	133,894	0.057	174,833	0.278	628,206	0.166
All Other	202,726	0.329	77,332	0.373	386,937	0.165	143,623	0.228	810,619	0.214
Total	6,617,937	10.737	5,598,837	26.989	1,509,454	0.645	896,080	1.424	14,622,308	3.857
Projected FY2017 Member Months (1)	612,103		205,440		2,410,907		651,309		3,879,759	
Rating Adjustments										
Client Service Trend		1.050		1.050		1.050		1.050		
Mileage Rate Adjustment Factor		0.964		0.964		0.964		0.964		
Under Reported - All Other Services		1.000		1.000		1.271		1.259		
Limit Demand Response to 120% FFS		0.889		0.889		0.889		0.889		
Projected FY2017 Client Service Costs	6,372,106	10.410	5,372,978	26.154	1,677,285	0.696	969,060	1.488	14,391,430	3.709
Administrative Expenses										
Fixed Amount (2)	122,421	0.200	41,088	0.200	482,181	0.200	130,262	0.200	775,952	0.200
Percentage of Premium	1,694,269	20.3 %	1,412,402	20.3 %	625,109	22.0 %	318,225	22.0 %	4,050,005	1.044
Total	1,816,690	2.968	1,453,490	7.075	1,107,290	0.459	448,487	0.689	4,825,957	1.244
Risk Margin		2.0 %		2.0 %		2.0 %		2.0 %		
Projected FY2017 Total Cost	8,355,914	13.65	6,965,784	33.91	2,841,404	1.18	1,446,477	2.22	19,609,579	5.054
Current Rates (FY2016)	6,255,693	10.22	5,014,789	24.41	2,989,524	1.24	1,615,247	2.48	15,875,254	4.092
% Change		33.6%		38.9%		-5.0%		-10.4%		23.5%

Notes:

(1) From HHSC System Forecasting Division.

(2) Per member per month.

	Adults				Children (incl. CSHCN)				Total	
	Urban Counties		Rural Counties		Urban Counties		Rural Counties		Amount	pmpm
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm		
CY2015 Experience										
Member Months	942,577		120,046		3,053,308		336,979		4,452,910	
Estimated Client Services Costs										
Demand Response	4,697,899	4.984	1,304,811	10.869	458,003	0.150	142,331	0.422	6,603,044	1.483
Mileage	103,056	0.109	148,178	1.234	126,936	0.042	84,354	0.250	462,523	0.104
All Other	56,229	0.060	43,118	0.359	207,060	0.068	87,481	0.260	393,887	0.088
Total	4,857,183	5.153	1,496,107	12.463	791,998	0.259	314,166	0.932	7,459,454	1.675
Projected FY2017 Member Months (1)	941,590		118,683		3,157,464		346,388		4,564,126	
Rating Adjustments										
Client Service Trend		1.050		1.050		1.050		1.050		
Mileage Rate Adjustment Factor		0.964		0.964		0.964		0.964		
Under Reported - All Other Services		1.000		1.000		1.265		1.353		
Projected FY2017 Client Service Costs	5,259,152	5.585	1,598,748	13.471	944,881	0.299	381,351	1.101	8,184,132	1.793
Administrative Expenses										
Fixed Amount (2)	188,318	0.200	23,737	0.200	631,493	0.200	69,278	0.200	912,825	0.200
Percentage of Premium	1,576,899	22.0 %	469,667	22.0 %	456,319	22.0 %	130,445	22.0 %	2,633,330	0.577
Total	1,765,217	1.875	493,403	4.157	1,087,811	0.345	199,723	0.577	3,546,155	0.777
Risk Margin		2.0 %		2.0 %		2.0 %		2.0 %		
Projected FY2017 Total Cost	7,167,723	7.61	2,134,849	17.99	2,074,176	0.66	592,933	1.71	11,969,680	2.623
Current Rates (FY2016)	6,082,670	6.46	1,140,548	9.61	2,525,971	0.80	585,396	1.69	10,334,585	2.264
% Change		17.8%		87.2%		-17.9%		1.3%		15.8%

Notes:

(1) From HHSC System Forecasting Division.

(2) Per member per month.



	Adults				Children (incl. CSHCN)				Total	
	Urban Counties		Rural Counties		Urban Counties		Rural Counties		Amount	pmpm
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm		
CY2015 Experience										
Member Months			98,288				296,671		394,959	
Estimated Client Services Costs										
Demand Response			998,262	10.157			162,436	0.548	1,160,698	2.939
Mileage			115,248	1.173			97,029	0.327	212,277	0.537
All Other			36,393	0.370			60,339	0.203	96,731	0.245
Total			1,149,902	11.699			319,804	1.078	1,469,706	3.721
Projected FY2017 Member Months (1)	1		98,184		20		305,894		404,099	
Rating Adjustments										
Client Service Trend				1.050				1.050		
Mileage Rate Adjustment Factor				0.964				0.964		
Under Reported - All Other Services				1.000				1.000		
Projected FY2017 Client Service Costs			1,241,539	12.645			353,805	1.157	1,595,345	3.948
Administrative Expenses										
Fixed Amount (2)			19,637	0.200			61,179	0.200	80,816	0.200
Percentage of Premium			365,077	22.0 %			120,127	22.0 %	485,204	1.201
Total			384,714	3.918			181,306	0.593	566,020	1.401
Risk Margin				2.0 %				2.0 %		
Projected FY2017 Total Cost	17	16.90	1,659,442	16.90	35	1.79	546,032	1.79	2,205,526	5.458
Current Rates (FY2016)	17	16.75	1,644,584	16.75	65	3.33	1,018,628	3.33	2,663,294	6.591
% Change		0.9%		0.9%		-46.4%		-46.4%		-17.2%

Notes:

(1) From HHSC System Forecasting Division.

(2) Per member per month.

	Adults				Children (incl. CSHCN)				Total	
	Urban Counties		Rural Counties		Urban Counties		Rural Counties		Amount	pmpm
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm		
CY2015 Experience										
Member Months	1,231,400		250,876		4,689,121		667,250		6,838,647	
Estimated Client Services Costs										
Demand Response	6,422,450	5.216	1,937,906	7.725	3,011,535	0.642	355,711	0.533	11,727,601	1.715
Mileage	543,012	0.441	663,765	2.646	897,292	0.191	319,798	0.479	2,423,867	0.354
All Other	126,973	0.103	28,300	0.113	1,556,723	0.332	199,519	0.299	1,911,515	0.280
Total	7,092,434	5.760	2,629,971	10.483	5,465,550	1.166	875,027	1.311	16,062,983	2.349
Projected FY2017 Member Months (1)	1,208,805		246,912		4,838,848		694,544		6,989,109	
Rating Adjustments										
Client Service Trend		1.050		1.050		1.050		1.050		
Mileage Rate Adjustment Factor		0.964		0.964		0.964		0.964		
Projected FY2017 Client Service Costs	7,531,456	6.230	2,782,392	11.269	6,081,994	1.257	975,084	1.404	17,370,926	2.485
Administrative Expenses										
Fixed Amount (2)	241,761	0.200	49,382	0.200	967,770	0.200	138,909	0.200	1,397,822	0.200
Percentage of Premium	2,250,142	22.0 %	819,724	22.0 %	2,040,721	22.0 %	322,471	22.0 %	5,433,059	0.777
Total	2,491,903	2.061	869,107	3.520	3,008,491	0.622	461,380	0.664	6,830,880	0.977
Risk Margin		2.0 %		2.0 %		2.0 %		2.0 %		
Projected FY2017 Total Cost	10,227,918	8.46	3,726,020	15.09	9,276,005	1.92	1,465,779	2.11	24,695,721	3.533
Current Rates (FY2016)	8,352,844	6.91	4,444,420	18.00	15,532,701	3.21	2,354,503	3.39	30,684,468	4.390
% Change		22.4%		-16.2%		-40.3%		-37.7%		-19.5%

Notes:

(1) From HHSC System Forecasting Division.

(2) Per member per month.

	Adults				Children (incl. CSHCN)				Total	
	Urban Counties		Rural Counties		Urban Counties		Rural Counties			
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
CY2015 Experience										
Member Months	113,014		56,707		351,545		150,349		671,616	
Estimated Client Services Costs										
Demand Response	1,272,969	11.264	719,968	12.696	159,247	0.453	83,815	0.557	2,235,999	3.329
Mileage	62,317	0.551	95,399	1.682	45,763	0.130	58,629	0.390	262,108	0.390
All Other	48,922	0.433	20,662	0.364	86,892	0.247	55,649	0.370	212,124	0.316
Total	1,384,207	12.248	836,029	14.743	291,902	0.830	198,093	1.318	2,710,231	4.035
Projected FY2017 Member Months (1)	113,718		56,712		362,540		155,512		688,482	
Rating Adjustments										
Client Service Trend		1.050		1.050		1.050		1.050		
Mileage Rate Adjustment Factor		0.964		0.964		0.964		0.964		
Under Reported - All Other Services		1.000		1.000		1.237		1.219		
Limit Demand Response to 120% FFS		0.925		0.925		0.925		0.925		
Projected FY2017 Client Service Costs	1,404,354	12.349	844,754	14.896	334,422	0.922	226,556	1.457	2,810,085	4.082
Administrative Expenses										
Fixed Amount (2)	22,744	0.200	11,342	0.200	72,508	0.200	31,102	0.200	137,696	0.200
Percentage of Premium	404,813	21.7 %	242,842	21.7 %	117,795	22.0 %	74,585	22.0 %	840,036	1.220
Total	427,557	3.760	254,184	4.482	190,303	0.525	105,688	0.680	977,732	1.420
Risk Margin		2.0 %		2.0 %		2.0 %		2.0 %		
Projected FY2017 Total Cost	1,869,296	16.44	1,121,366	19.77	535,434	1.48	339,024	2.18	3,865,120	5.614
Current Rates (FY2016)	1,250,898	11.00	686,781	12.11	496,679	1.37	295,473	1.90	2,729,831	3.965
% Change		49.4%		63.3%		7.8%		14.7%		41.6%

Notes:

(1) From HHSC System Forecasting Division.

(2) Per member per month.

	Adults				Children (incl. CSHCN)				Total	
	Urban Counties		Rural Counties		Urban Counties		Rural Counties		Amount	pmpm
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm		
CY2015 Experience										
Member Months	1,875,320		98,206		8,077,418		294,126		10,345,070	
Estimated Client Services Costs										
Demand Response	15,933,266	8.496	1,395,498	14.210	2,221,061	0.275	246,536	0.838	19,796,361	1.914
Mileage	556,643	0.297	155,623	1.585	542,095	0.067	148,452	0.505	1,402,813	0.136
All Other	361,862	0.193	-5,854	-0.060	172,616	0.021	12,539	0.043	541,163	0.052
Total	16,851,771	8.986	1,545,266	15.735	2,935,773	0.363	407,527	1.386	21,740,337	2.102
Projected FY2017 Member Months (1)	1,865,250		97,461		8,309,322		303,890		10,575,923	
Rating Adjustments										
Client Service Trend		1.050		1.050		1.050		1.050		
Mileage Rate Adjustment Factor		0.964		0.964		0.964		0.964		
Under Reported - All Other Services		1.000		1.000		1.289		1.235		
Projected FY2017 Client Service Costs	18,159,755	9.736	1,657,471	17.007	3,310,061	0.398	454,080	1.494	23,581,367	2.230
Administrative Expenses										
Fixed Amount (2)	373,050	0.200	19,492	0.200	1,661,864	0.200	60,778	0.200	2,115,185	0.200
Percentage of Premium	5,364,759	22.0 %	485,437	22.0 %	1,439,242	22.0 %	149,038	22.0 %	7,438,475	0.703
Total	5,737,809	3.076	504,929	5.181	3,101,106	0.373	209,816	0.690	9,553,660	0.903
Risk Margin		2.0 %		2.0 %		2.0 %		2.0 %		
Projected FY2017 Total Cost	24,385,269	13.07	2,206,530	22.64	6,542,007	0.79	677,445	2.23	33,811,251	3.197
Current Rates (FY2016)	23,203,709	12.44	2,336,131	23.97	7,644,576	0.92	850,892	2.80	34,035,309	3.218
% Change		5.1%		-5.5%		-14.4%		-20.4%		-0.7%

Notes:

(1) From HHSC System Forecasting Division.

(2) Per member per month.

	Adults				Children (incl. CSHCN)				Total	
	Urban Counties		Rural Counties		Urban Counties		Rural Counties		Amount	pmpm
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm		
CY2015 Experience										
Member Months	2,241,285		236,366		9,172,808		689,810		12,340,268	
Estimated Client Services Costs										
Demand Response	11,831,109	5.279	2,950,458	12.483	1,460,490	0.159	252,930	0.367	16,494,988	1.337
Mileage	1,080,680	0.482	743,807	3.147	1,281,485	0.140	653,468	0.947	3,759,440	0.305
All Other	157,742	0.070	65,662	0.278	698,467	0.076	114,612	0.166	1,036,483	0.084
Total	13,069,531	5.831	3,759,928	15.907	3,440,443	0.375	1,021,009	1.480	21,290,911	1.725
Projected FY2017 Member Months (1)	2,208,697		232,163		9,442,984		714,642		12,598,485	
Rating Adjustments										
Client Service Trend		1.050		1.050		1.050		1.050		
Mileage Rate Adjustment Factor		0.964		0.964		0.964		0.964		
Stretcher Service Adjustment Factor		0.907		0.900		0.965		0.995		
Projected FY2017 Client Service Costs	12,754,329	5.775	3,662,219	15.774	3,733,138	0.395	1,119,614	1.567	21,269,300	1.688
Administrative Expenses										
Fixed Amount (2)	441,739	0.200	46,433	0.200	1,888,597	0.200	142,928	0.200	2,519,697	0.200
Percentage of Premium	3,819,915	22.0 %	1,073,557	22.0 %	1,627,344	22.0 %	365,473	22.0 %	6,886,289	0.547
Total	4,261,654	1.929	1,119,990	4.824	3,515,941	0.372	508,401	0.711	9,405,986	0.747
Risk Margin		2.0 %		2.0 %		2.0 %		2.0 %		
Projected FY2017 Total Cost	17,363,248	7.86	4,879,804	21.02	7,397,019	0.78	1,661,241	2.32	31,301,312	2.485
Current Rates (FY2016)	18,045,052	8.17	5,054,196	21.77	8,215,396	0.87	1,972,411	2.76	33,287,054	2.642
% Change		-3.8%		-3.5%		-10.0%		-15.8%		-6.0%

Notes:

(1) From HHSC System Forecasting Division.

(2) Per member per month.

Medical Transportation Program  
 FY2017 MTO/FRB Rate Setting  
 Underreported Claims Adjustment Factor - All Risk Groups  
 All Other Service Category  
 AMR

Month	Region 3 - All Age Groups			Region 6 - All Age Groups		
	Members	Inc. Claims	PMPM	Members	Inc. Claims	PMPM
Jan-15	67,851	5,891	0.09	41,580	14,958	0.36
Feb-15	67,993	8,195	0.12	41,745	14,359	0.34
Mar-15	68,327	17,411	0.25	41,720	8,444	0.20
Apr-15	68,089	19,689	0.29	41,525	19,884	0.48
May-15	67,958	23,442	0.34	41,435	15,763	0.38
Jun-15	68,228	10,932	0.16	41,550	19,703	0.47
Jul-15	68,132	19,247	0.28	41,486	14,287	0.34
Aug-15	68,582	10,089	0.15	41,695	9,751	0.23
Sep-15	68,911	-	-	41,781	-	-
Oct-15	69,277	-	-	41,819	-	-
Nov-15	69,525	-	-	41,949	-	-
Dec-15	69,689	-	-	42,175	-	-
5/15-8/15	272,900	63,710	0.23	166,166	59,504	0.36
9/15-12/15 - Actual	277,402	-	-	167,724	-	-
9/15-12/15 - Esti (1)	277,402	64,761	0.23	167,724	60,062	0.36
9/15-12/15 - Diff		64,761			60,062	
CY2015		114,895			117,150	
Adj. CY2015 (2)		179,656			177,213	
<b>Adj. Factor</b>		<b>1.564</b>			<b>1.513</b>	

(1) Assumes same PMPM as prior 4 months.

(2) Adjust CY2015 incurred claims by adding additional claims from 9/15-12/15.

Medical Transportation Program  
 FY2017 MTO/FRB Rate Setting  
 Underreported Claims Adjustment Factor - Children Urban Risk Group  
 All Other Service Category  
 Logisticare

Month	Region 7			Region 8			Region 11			SDA 1		
	Members	Inc. Claims	PMPM	Members	Inc. Claims	PMPM	Members	Inc. Claims	PMPM	Members	Inc. Claims	PMPM
Jan-15	196,684	41,040	0.21	255,571	22,626	0.09	29,660	17,355	0.59	682,626	26,662	0.04
Feb-15	197,170	38,166	0.19	255,945	19,079	0.07	29,625	9,423	0.32	681,947	10,563	0.02
Mar-15	196,508	39,227	0.20	255,103	25,896	0.10	29,569	6,787	0.23	679,661	16,423	0.02
Apr-15	194,810	43,228	0.22	253,054	30,279	0.12	29,312	6,333	0.22	673,693	18,328	0.03
May-15	193,557	39,946	0.21	252,468	19,734	0.08	29,133	4,576	0.16	669,605	22,288	0.03
Jun-15	193,189	47,427	0.25	252,446	20,513	0.08	29,098	6,214	0.21	668,541	15,664	0.02
Jul-15	193,329	35,540	0.18	252,475	25,468	0.10	29,028	6,790	0.23	666,612	26,429	0.04
Aug-15	193,617	34,042	0.18	253,724	19,268	0.08	29,127	11,859	0.41	668,136	24,262	0.04
Sep-15	194,025	33,561	0.17	254,769	14,693	0.06	29,190	6,263	0.21	668,961	14,543	0.02
Oct-15	194,341	14,175	0.07	255,113	5,892	0.02	29,187	4,444	0.15	669,985	4,984	0.01
Nov-15	194,764	46	0.00	255,742	237	0.00	29,184	-	-	671,807	1,404	0.00
Dec-15	194,737	37	0.00	255,979	292	0.00	29,278	-	-	670,294	1,525	0.00
6/15-9/15	774,160	150,571	0.19	1,013,414	79,942	0.08	116,443	31,127	0.27	2,672,250	80,897	0.03
10/15-12/15 - Actual	583,842	14,258	0.02	766,834	6,421	0.01	87,649	4,444	0.05	2,012,086	7,913	0.00
10/15-12/15 - Esti (1)	583,842	113,555	0.19	766,834	60,491	0.08	87,649	23,430	0.27	2,012,086	60,912	0.03
10/15-12/15 - Diff		99,297			54,070			18,986			53,000	
CY2015		366,436			203,977			80,045			183,073	
Adj. CY2015 (2)		465,733			258,047			99,031			236,072	
<b>Adj. Factor</b>		<b>1.271</b>			<b>1.265</b>			<b>1.237</b>			<b>1.289</b>	

(1) Assumes same PMPM as prior 4 months.

(2) Adjust CY2015 incurred claims by adding additional claims from 10/15-12/15.

Medical Transportation Program  
 FY2017 MTO/FRB Rate Setting  
 Underreported Claims Adjustment Factor - Children Rural Risk Group  
 All Other Service Category  
 Logisticare

Month	Region 7			Region 8			Region 11			SDA 1		
	Members	Inc. Claims	PMPM	Members	Inc. Claims	PMPM	Members	Inc. Claims	PMPM	Members	Inc. Claims	PMPM
Jan-15	52,096	18,290	0.35	28,112	9,248	0.33	12,527	9,528	0.76	24,802	5,295	0.21
Feb-15	52,353	16,861	0.32	28,222	9,352	0.33	12,539	3,317	0.26	24,733	575	0.02
Mar-15	52,235	26,594	0.51	28,092	6,617	0.24	12,562	8,730	0.69	24,644	1,393	0.06
Apr-15	51,978	9,513	0.18	27,896	8,200	0.29	12,454	8,578	0.69	24,540	865	0.04
May-15	51,855	11,140	0.21	27,789	5,713	0.21	12,346	2,703	0.22	24,416	275	0.01
Jun-15	51,826	18,450	0.36	27,693	8,901	0.32	12,394	2,090	0.17	24,300	725	0.03
Jul-15	51,920	10,184	0.20	27,781	9,103	0.33	12,447	5,629	0.45	24,205	2,349	0.10
Aug-15	52,330	11,913	0.23	27,855	13,874	0.50	12,457	5,281	0.42	24,402	1,550	0.06
Sep-15	52,858	5,981	0.11	28,103	12,016	0.43	12,554	4,617	0.37	24,518	475	0.02
Oct-15	52,925	1,750	0.03	28,334	3,224	0.11	12,653	1,954	0.15	24,517	-	-
Nov-15	53,232	-	-	28,489	-	-	12,748	-	-	24,525	-	-
Dec-15	53,498	-	-	28,613	-	-	12,668	-	-	24,524	553	0.02
6/15-9/15	208,934	46,527	0.22	111,432	43,894	0.39	49,852	17,617	0.35	97,425	5,099	0.05
10/15-12/15 - Actual	159,656	1,750	0.01	85,436	3,224	0.04	38,069	1,954	0.05	73,566	553	0.01
10/15-12/15 - Esti (1)	159,656	35,554	0.22	85,436	33,654	0.39	38,069	13,453	0.35	73,566	3,851	0.05
10/15-12/15 - Diff		33,804			30,430			11,499			3,298	
CY2015		130,676			86,249			52,427			14,055	
Adj. CY2015 (2)		164,480			116,679			63,926			17,353	
<b>Adj. Factor</b>		<b>1.259</b>			<b>1.353</b>			<b>1.219</b>			<b>1.235</b>	

(1) Assumes same PMPM as prior 4 months.

(2) Adjust CY2015 incurred claims by adding additional claims from 10/15-12/15.



Medical Transportation Program  
 FY2017 MTO/FRB Rate Setting  
 Limit Demand Response Cost per Trip to 120% of FFS

Region	MTO	Fee-For-Service FY2014			FSR - FY2015 120 Days			Avg. Cost
		Operating Cost	Trips	Avg. Cost	Operating Cost	Trips	Avg. Cost	Ratio
		(1)	(2)	(3)	(4)	(5)	(6)	(7)=(6)/(3)
3	AMR	3,154,867	49,213	64.11	2,619,161	49,126	53.32	0.83
6	AMR	942,411	36,248	26.00	1,456,151	33,715	43.19	1.66
1	LeFluer	3,206,340	67,525	47.48	2,368,644	65,638	36.09	0.76
8	LeFluer	4,229,878	161,782	26.15	3,846,963	173,749	22.14	0.85
10	LeFluer	22,840,186	690,678	33.07	12,042,870	411,907	29.24	0.88
7	Logisticare	9,628,525	188,449	51.09	12,555,896	182,073	68.96	1.35
8	Logisticare	1,409,959	53,927	26.15	1,858,892	61,242	30.35	1.16
11	Logisticare	1,562,380	41,564	37.59	2,092,418	42,914	48.76	1.30
5	MTM	10,024,837	237,526	42.21	7,639,309	213,799	35.73	0.85
9	MTM	1,473,037	36,235	40.65	1,154,701	26,110	44.22	1.09
2	Project Amist	5,364,428	159,329	33.67	5,568,097	150,473	37.00	1.10

Region	MTO	Cost per Trip Capped at 120% FFS			
		Ratio	Cost per Trip	Proj. Cost	Adj. Factor
		(8)=Min[(7),1.20]	(9)=(8)*(3)	(10)=(9)*(5)	(11)=(10)/(4)
3	AMR	0.83	53.32	2,619,161	1.000
6	AMR	1.20	31.20	1,051,866	0.722
1	LeFluer	0.76	36.09	2,368,644	1.000
8	LeFluer	0.85	22.14	3,846,963	1.000
10	LeFluer	0.88	29.24	12,042,870	1.000
7	Logisticare	1.20	61.31	11,163,303	0.889
8	Logisticare	1.16	30.35	1,858,892	1.000
11	Logisticare	1.20	45.11	1,935,741	0.925
5	MTM	0.85	35.73	7,639,309	1.000
9	MTM	1.09	44.22	1,154,701	1.000
2	Project Amist	1.10	37.00	5,568,097	1.000

Medical Transportation Program  
 FY2017 Mid-Year MTP Rate Setting  
 Rate Adjustment - Demand Response Stretcher Services

FRB SDA 2 - Experience Period 201410 - 201509

	Adult		Children (incl. CSHCN)		Total
	Urban	Rural	Urban	Rural	
Total Demand Response Claims	11,269,014	2,831,869	1,475,843	248,072	15,824,797
Stretcher Services Claims	1,256,389	340,976	62,521	1,604	1,661,490
Rate Adj. Full Year (1)	-11.1%	-12.0%	-4.2%	-0.6%	
Rate Adj. Eff 11/1/16 (2)	-9.3%	-10.0%	-3.5%	-0.5%	
<b>Rate Adj. Factor</b>	<b>0.907</b>	<b>0.900</b>	<b>0.965</b>	<b>0.995</b>	

Notes:

- (1) Rate adjustment for 12-months assuming stretcher service will no longer be provided.  
 (2) Rate adjustment assuming stretcher service will no longer be provided effective 11/1/2016.  
 Determined by multiplying 10/12 to the rate adjustment for 12-month in (1).

## **FY2017 Medical Transportation Program Rate Certification Index**

This index includes the page numbers from the letter which amends the report titled “State of Texas Medical Transportation Program Rate Setting State Fiscal Year 2017” (Original Report) for the applicable sections of the 2016 Medicaid Managed Care Rate Development Guide.

### **1. General Information**

1.A – The rates amend those rates in place as of September 1, 2016, and will be payable on a prospective basis for the period June 1, 2017 through August 31, 2017.

1.B – The above titled report is intended to meet this requirement.

1.C – This index is intended to meet this requirement.

1.D.i – Page 5.

1.D.ii – Page 4.

1.D.iii – Not applicable.

1.D.iv(a) – Pages 1-3 of original report.

1.D.iv(b) – Page 1.

1.D.iv(c) – Page 3 of original report.

1.D.iv(d) – Not applicable. No changes to the eligibility or enrollment criteria will have a significant influence on the Medicaid population.

1.D.iv(e) – Pages 1-2 of original report.

### **2. Data**

2.A.i(a)-(d) – Pages 1-2 of original report.

2.A.ii(a)-(c) – Pages 1-2 of original report.

2.A.iii – Not applicable. Managed care claims data has been used in the rate development.

2.A.iv – Not applicable. Managed care claims data has been used in the rate development.

2.A.v – Not applicable.

2.B – Pages 1-2 of original report.

### **3. Projected Benefit Costs and Trends**

3.A – Page 4 of original report.

3.B – Page 4 of original report.

3.C – Not applicable. The Medical Transportation Program does not have any in-lieu of services.

3.D – All enrollment and claims experience from retrospective eligibility periods was included in the historical data used to develop the rates. No retrospective eligibility adjustment factor is required because (i) all experience data is included and (ii) the retrospective eligibility requirements have remained the same during the experience period.

3.E – Attachment 1.

3.F – Attachments 2-4 pages 22-26.

3.G – Attachments 2-4 pages 22-26.

#### **4. Pass-Through Payments**

4.A – Not applicable. No pass-through payments included in the rate development.

4.B – Not applicable. No pass-through payments included in the rate development.

4.C – Not applicable. No pass-through payments included in the rate development.

#### **5. Projected Non-Benefit Costs**

5.A – Page 5 of original report.

5.B – Page 5 of original report.

5.C – Page 5 of original report.

5.D – Page 5 of original report.

#### **6. Rate Range Development**

6.A – Not applicable.

6.B – Not applicable.

#### **7. Risk Mitigation, Incentives and Related Contractual Provisions**

7.A – Not applicable. No risk mitigation or incentives apply to the Medical Transportation Program which impact the rate.

7.B – Not applicable. Risk adjustment is not applied to the Medical Transportation Program rate development.

7.C – Not applicable.

7.D – Not applicable.

7.E – Not applicable.

7.F – Not applicable.

7.G.i – Not applicable.

7.G.ii – Not applicable.

7.G.iii – Not applicable.

7.G.iv – Not applicable.

## **8. Other Rate Development Considerations**

8.A –The rating methodologies and assumptions used are based on valid rate development standards and are not based on the FMAP rate.

8.B – Understood.

## **9. Procedures for Rate Certifications for Rate and Contract Amendments**

9.A-D – Understood.