

**STATE OF TEXAS
MEDICAID MANAGED CARE
STAR PROGRAM RATE SETTING
STATE FISCAL YEAR 2007**

Prepared for:
Texas Health and Human Services Commission



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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 2007 (FY2007, September 1, 2006 through August 31, 2007) premium rates for HMOs participating in the Texas Medicaid STAR program. 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 20 years. We have participated in the state's managed care rating process since its inception in 1993. This year, as in previous years, we have worked closely with HHSC in developing the FY2007 HMO premium rates.

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

- Monthly enrollment by risk group for each health plan. This includes historical enrollment since September 2003 and a projection of future enrollment through August 2007. These projections were prepared by HHSC System Forecasting staff.
- Claim lag reports by risk group for each health plan for the period September 2003 through March 2006. These reports include monthly paid claims by month of service.
- Financial Statistical Reports (FSR) for each participating HMO for FY2004, FY2005 and the first six months of FY2006. The FSR contains detailed information regarding monthly enrollment, revenue, incurred claims and administrative expenses, as reported by the HMO.
- Reports from the EQRO summarizing their analysis of the HMO's encounter claims data.
- Reports from the health plans providing information on high volume claimants during the experience period.
- Current (FY2006) premium rates and Delivery Supplemental Payment rates by risk group for each HMO.
- The number of maternity deliveries by HMO and risk group for the period September 2003 through December 2005.
- Information regarding recent changes in covered services and provider reimbursement under the Medicaid plans.
- Information from the HMOs regarding current and projected payment rates for certain capitated services, such as mental health and vision.
- Information regarding FY2005 third party reimbursement from each of the HMOs.
- Information from each of the health plans regarding out-of-network claims experience and provider reimbursement.
- FY2005 acuity risk adjustment analysis provided by the EQRO for each participating health plan.
- Information from the HMOs regarding current and projected reinsurance premium rates.

- Historical enrollment and claims experience data for the Medicaid Fee-for-Service (FFS) plan and Primary Care Case Management (PCCM) plan.

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

II. Overview of the Rate Setting Methodology

The actuarial model used to derive the FY2007 STAR HMO premium rates relies primarily on health plan financial experience. The historical claims experience for each HMO and PCCM (by area) was analyzed and estimates for the base period (FY2005) were developed. These estimates were then projected forward to FY2007 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 FY2007 cost under the health plan. These projected total cost rates were determined separately for each risk group for each health plan. The results of this analysis were then combined for all HMOs and PCCM in a service area in order to develop a set of community rates for each service delivery area (SDA).

The managed care SDAs used in the analysis were as follows:

- Bexar County SDA (San Antonio)
- Dallas County SDA (Dallas)
- El Paso County SDA (El Paso)
- Harris County SDA (Houston)
- Lubbock County SDA (Lubbock)
- Tarrant County SDA (Fort Worth)
- Travis County SDA (Austin)

A description of the rating methodology utilized for the new Nueces SDA will be presented in a separate document.

The risk groups (or rating populations) used in the analysis are as follows:

- TANF Children Over Age One Year
- TANF Children Under Age One Year
- TANF Adults
- Pregnant Women
- Newborns
- Expansion Children Over Age One Year
- Expansion Children Under Age One Year
- Federal Mandate Children

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 (except in the Dallas service area)
- EPSDT Medical Services
- Family Planning and Genetics Services
- Comprehensive Care Program Services

- Vision Services
- Hearing Services
- Home Health Services
- Emergency Room Services
- Ambulance Services

Services specifically excluded from the analysis include:

- Prescription Drugs
- 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 HMOs, (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 FY2007 cost for each individual HMO by estimating their base period (FY2005) average claims cost and then applying trend and other adjustment factors. (These adjustment factors are described in Section III.) We added capitation expenses for services capitated by the HMO (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 HMO. This type of analysis was conducted on the experience of each health plan.

Beginning September 1, 2006, the PCCM plan will be eliminated from the managed care SDAs and those clients enrolled in PCCM will be moved to the HMOs. In order to recognize this change in the risk characteristics of the HMO populations, PCCM experience data was included in our rating analysis. Estimated FY2005 PCCM claims experience was projected to FY2007 using the same methodology and trends as those used to project HMO experience. A managed care efficiency factor was applied to adjust the PCCM claims to an assumed HMO level. More information about this managed care efficiency factor is presented in Section III. The resulting PCCM projected claims were used to develop the FY2007 incurred claims assumption for use in the community rates.

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 utilizes a community rating methodology in setting the STAR base premium rates. The base rates vary by SDA and risk group but are the same for each HMO in a service area. The community rates are developed by a weighted average of the projected FY2007 cost for each health plan in the service area. The weights used in this formula are the projected FY2007 number of clients enrolled in each health plan by risk group. Attachment 3 presents the summary community rating exhibit for each SDA along with a description of the analysis.

The projected FY2007 average total per-capita cost in a service area is called the unadjusted premium rate. This rate includes provision for all health care and administrative services to be provided by the HMO. This rate is then separated into two pieces – (i) non-maternity related expenses and (ii) maternity expenses. This adjustment is made on a cost neutral basis. The premium rate for non-maternity expenses is called the adjusted premium rate. These are the rates that are actually paid to the HMO. The amount paid for maternity expenses is called the Delivery Supplemental Payment. More information on this adjustment is provided in Section III below under Risk Adjustment and in Attachment 10.

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 11. The final FY2007 premium rates were defined as the maximum of (a) community rates without acuity risk adjustment and (b) community rates with acuity risk adjustment.

FY2007 will include a number of HMOs participating in the STAR program for the first time. As there is no historical experience on these plan to use in developing acuity risk adjustment factors, these plans will receive the community rates for their service area.

III. Adjustment Factors

This section contains a description of the adjustment factors used in the FY2007 STAR 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 various HMO plans. A single trend assumption applied to all service areas but varies by risk group and projection year (FY2006 and FY2007).

The trend analysis included a review of HMO claims experience data through March 31, 2006. Based on this information, estimates of monthly incurred claims were made through January 2006. The claims cost and trend experience was reviewed separately by service area and risk group. The service area trends were then combined into a statewide average using a weighted average formula with estimated incurred claims as the weights.

The FY2006 trend assumptions by risk group were developed using the weighted average HMO trend for the period September 1, 2005 through January 31, 2006 (the first five months of FY2006). The FY2007 trend assumptions were developed based on an average of the HMO experience trends for the most recent three years (FY2004 through FY2006). In the formulas used to derive these future trend assumptions, the actual FY2004 trend was adjusted to reflect a reduction in hospital provider reimbursement that went into effect on September 1, 2003.

Attachment 4 is a summary of the cost trend analysis. The chart below presents the assumed annual trend rates for FY2006 and FY2007.

	<u>FY2006</u>	<u>FY2007</u>
TANF Children Over Age 1	4.7%	5.3%
TANF Children Under Age 1	4.7%	5.3%
TANF Adults	5.3%	8.0%
Pregnant Women	3.4%	4.5%
Newborns	10.6%	8.6%
Expansion Children Over Age 1	6.3%	4.2%
Expansion Children Under Age 1	6.3%	4.2%
Federal Mandate Children	2.7%	4.7%

Managed Care Efficiency Factor

A major change to STAR for FY2007 is the elimination of PCCM in the SDAs beginning September 1, 2006, and the movement of those clients to HMOs. We have considered this in our analysis by including the actual PCCM claims experience in our rating model. In

each service area where PCCM currently serves TANF-related clients, we used FY2005 PCCM claims experience in deriving the FY2007 community rates.

The basic premise regarding the future cost of current PCCM clients is that their FY2007 gross cost under the HMO model (including administrative expenses and risk margin) will be the same as the projected FY2007 gross cost under the PCCM model. Since administrative expenses and risk margin are significantly higher under the HMO model, in order for the gross cost to be the same as the PCCM it is necessary for the medical claims cost to be lower than that under the PCCM. We prepared an analysis which considered all of the cost factors (including PCCM case management fees and TMHP costs) and concluded that the managed care efficiency under the HMO model would need to be 10.2%, relative to the PCCM, in order for the gross cost for the two models to be equal. Therefore, we have applied a 10.2% managed care efficiency (or claims adjustment factor) to the FY2005 PCCM claims experience. Our analysis is presented in Attachment 12.

Provider Reimbursement Adjustment

Effective March 1, 2006, a Medicaid provider reimbursement increase was implemented for Nurse Practitioners, Clinical Nurse Specialists, Certified Nurse Midwives, and Certified Registered Nurse Anesthetists. The reimbursement factor for these providers is being increased from .85 to .92. Attachment 5 presents the estimated cost impact from this revision.

Benefit Change Factors

Effective September 1, 2005, the State restored several services and covered providers that were reduced or eliminated in FY2004. These revisions impact adult clients only. The rate setting process includes adjustments for the estimated cost impact of these revisions. Attachment 6 presents the estimated cost impact from these revisions.

Out-of-Network Adjustment

Effective September 1, 2006, the state will implement a change in the rules regarding STAR HMO reimbursement to out-of-network providers. Currently, HMOs are allowed to pay out-of-network providers a discounted Medicaid fee-for-service (FFS) rate using a discount of up to 12%. Beginning September 1, 2006, the maximum discount will be 3%. Attachment 7 presents the estimated cost impact from this revision.

Third Party Recoveries

The rating methodology included a factor to recognize those health plans that do not satisfy a minimum level of recoveries for coordination of benefits. Any plan that did not recover at least 0.6% of claims had its projected claims cost reduced by 0.6% less their actual percentage of recoveries. For example, if a health plan has third party recoveries (TPR) of 0.4% of claims, then their projected claims cost would be reduced by 0.2%. Any plan that exceeded the minimum standard of 0.6% had no penalty applied. Additional information regarding TPR is included in Attachment 8.

Investment Income Adjustment

An investment income credit was included in the rating process to account for the income expected to be generated between the time the health plan receives the premium from HHSC and the time they pay claims. This revision is new for FY2007. We have assumed that the value of this timing (or cash flow) difference is 0.25% of premium. Attachment 9 presents our analysis and estimate of the value of this revision.

Risk Adjustment

Several risk adjustment techniques are employed in the rate setting methodology. Premium rates are established separately by area of the state and risk 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 rate for maternity services. In addition, the rating methodology includes a health status adjustment.

The rate setting methodology incorporates a risk adjustment technique that is designed to provide uniform treatment of the health plans for costs related to maternity services. Maternity cases occur in several risk groups – Pregnant Women, TANF Adults, TANF Children and Federal Mandate Children. As a result, it is possible for one health plan to enroll a higher percentage of TANF Adults, for example, who are pregnant and therefore generally more expensive. In order to recognize the potential inequity that may arise between health plans, HHSC developed this risk adjustment methodology. The goal is to reimburse the plans uniformly for maternity cases.

The State pays a delivery supplemental payment (DSP) for each delivery in a managed care plan. The amount of the payment is a function of the average delivery cost in the service area. Attachment 10 contains additional information regarding the DSP payment amounts.

In order to achieve cost neutrality, the projected cost of maternity expenses is subtracted from the unadjusted premium rates. The resulting adjusted premium rates are the rates actually paid to the HMOs, in addition to any DSP amounts.

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. 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 acuity risk adjustment is included in Attachment 11.

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 administrative services. The amount allocated for administrative expenses is \$10.1275 per member per month plus 7.5% of gross premium. This amount is intended to provide for all administrative-related services performed by the HMO.

The administrative fee amounts were determined based on a review of (i) the administrative fee provision included in Medicaid HMO premium rates in other states, (ii) the reported administrative expenses of the STAR HMOs and (iii) the fees paid for similar services for other large Texas health plans.

The premium rates also include a risk margin equal to 2.0% of gross premium.

V. Summary

The chart below presents the results of the FY2007 STAR rating analysis.

Health Plan	TANF Children (over age 1)	TANF Children (<1)	TANF Adults	Pregnant Women	Newborns
Monthly Adjusted Premium Rates					
Aetna – Bexar	87.11	280.34	261.68	399.99	650.47
CFHP – Bexar	90.91	289.18	263.79	402.62	657.32
Superior – Bexar	87.11	280.34	261.68	399.99	650.47
Americaid – Dallas	88.10	251.69	215.51	346.16	629.32
Parkland – Dallas	88.90	246.78	217.89	347.27	675.67
Unicare – Dallas	88.10	251.69	215.51	346.16	629.32
El Paso First – El Paso	78.14	240.24	216.63	386.23	573.28
Superior – El Paso	75.90	238.42	219.32	380.91	556.63
Americaid – Harris	81.07	302.01	248.26	375.46	683.09
CHC – Harris	82.68	307.04	245.04	375.39	663.55
Molina – Harris	82.68	307.04	245.04	375.39	663.55
Evercare- Harris	82.68	307.04	245.04	375.39	663.55
TCHP – Harris	82.96	340.57	205.90	345.74	646.43
Firstcare – Lubbock	86.38	207.08	253.16	510.74	416.38
Superior – Lubbock	86.38	207.08	253.16	510.74	416.38
Aetna – Tarrant	86.26	179.21	278.94	380.48	559.23
Americaid – Tarrant	86.26	179.21	278.94	380.48	559.23
Cook – Tarrant	86.26	179.21	278.94	380.48	559.23
Americaid – Travis	72.42	208.56	188.96	399.01	737.13
Superior – Travis	73.05	213.76	195.85	417.81	740.08

Health Plan	Expansion Children (over age 1)	Expansion Children (<1)	Federal Mandate Children	Delivery Supplemental Payment
Monthly Adjusted Premium Rates				
Aetna – Bexar	87.41	184.41	67.40	3,166.59
CFHP – Bexar	87.63	189.42	69.09	3,166.59
Superior – Bexar	87.41	184.41	67.40	3,166.59
Americaid – Dallas	106.52	220.55	72.79	3,437.13
Parkland – Dallas	108.05	224.44	72.97	3,437.13
Unicare – Dallas	106.52	220.55	72.79	3,437.13
El Paso First – El Paso	93.34	187.04	67.77	3,343.04
Superior – El Paso	90.95	181.32	66.95	3,343.04
Americaid – Harris	89.97	207.27	69.51	3,419.20
CHC – Harris	92.21	217.52	70.79	3,419.20
Molina – Harris	92.21	217.52	70.79	3,419.20
Evercare – Harris	92.21	217.52	70.79	3,419.20
TCHP – Harris	94.75	231.79	72.77	3,419.20
Firstcare – Lubbock	88.21	238.86	76.09	3,130.39
Superior – Lubbock	88.21	238.86	76.09	3,130.39
Aetna – Tarrant	98.68	187.79	74.67	3,535.64
Americaid – Tarrant	98.68	187.79	74.67	3,535.64
Cook – Tarrant	98.68	187.79	74.67	3,535.64
Americaid – Travis	86.04	216.23	64.05	3,147.49
Superior – Travis	86.18	215.26	64.06	3,147.49

The above premium rates include provision for 1915(b)(3) waiver services. The STAR HMOs cover annual adult well-checks and adult inpatient hospital days in excess of thirty.

The chart below presents the amount included in the FY2007 STAR HMO premium rates for 1915(b)(3) waiver services.

<u>Health Plan</u>	<u>TANF Adults</u>	<u>Pregnant Women</u>
Monthly Premium Rate for 1915(b)(3) Services		
All Plans/All Areas	\$ 3.85	\$ 2.56

Attachment 1 presents additional information regarding the FY2007 rates including a comparison to current (FY2006) rates.

VI. Actuarial Certification of FY2007 STAR HMO Premium Rates

I, David G. Wilkes, 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 2007 (FY2007) 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 FY2007 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.



David G. Wilkes, F.S.A., M.A.A.A.

VII. Attachments

Attachment 1

Summary of FY2007 STAR Rating Analysis

The attached exhibit presents summary information regarding the FY2007 rates. Included on the exhibit are current (FY2006) premium and delivery supplemental payment (DSP) rates, projected FY2007 enrollment, FY2007 premium and DSP rates and a comparison of FY2006 and FY2007 rates.

FY2007 STAR Rating Summary

Health Plan	TANF Children (over age 1)	TANF Children (< 1)	TANF Adults	Pregnant Women	Newborns	Expansion Children (over age 1)	Expansion Children (< 1)	Federal Mandate Children	Total
Projected FY2007 Member Months									
CFHP - Bexar	40,296	3,297	11,939	49,008	64,976	174,180	13,500	231,179	588,376
Superior - Bexar	34,880	3,088	12,152	43,211	59,349	127,846	11,487	170,477	462,491
PCCM - Bexar	47,101	2,694	8,783	26,704	56,085	154,934	5,265	231,669	533,234
Americaid - Dallas	68,764	3,696	13,475	31,790	69,030	285,548	44,497	331,276	848,076
Parkland - Dallas	74,599	5,600	17,014	76,601	92,795	350,309	64,184	325,165	1,006,267
PCCM - Dallas	33,574	2,181	7,900	34,711	54,208	121,019	10,995	125,423	390,011
El Paso First - El Paso	42,575	4,359	12,781	28,185	36,861	105,138	12,667	166,659	409,225
Superior - El Paso	64,831	4,508	10,587	26,097	39,426	140,294	10,930	211,310	507,982
PCCM - El Paso	25,133	941	4,496	3,703	7,243	35,104	1,434	87,517	165,573
Americaid - Harris	110,128	7,019	29,074	71,400	116,901	400,115	53,310	493,247	1,281,194
CHC - Harris	47,881	4,721	16,341	70,463	87,140	199,437	34,967	207,150	668,101
TCHP - Harris	63,318	3,193	8,337	29,858	49,667	327,583	56,483	377,755	916,195
PCCM - Harris	79,010	4,270	12,718	43,960	95,679	325,451	26,390	354,430	941,907
Firstcare - Lubbock	14,409	1,063	4,196	15,643	19,637	52,487	2,033	78,371	187,838
PCCM - Lubbock	11,846	865	3,478	12,883	18,591	37,596	1,161	47,080	133,500
Americaid - Tarrant	100,902	6,602	27,098	88,926	157,326	419,131	46,912	450,878	1,297,775
Superior - Travis	167,937	13,892	54,206	33,437	58,353	163,189	19,402	170,890	681,306
Americaid - Travis	35,434	6,305	17,667	13,623	19,390	31,793	11,545	35,835	171,593
Total	1,062,618	78,293	272,242	700,203	1,102,657	3,451,157	427,162	4,096,311	11,190,643
Total - w/o PCCM	865,954	67,343	234,867	578,242	870,852	2,777,052	381,916	3,250,192	9,026,418
Projected FY2007 Deliveries									
CFHP - Bexar	52	0	117	5,283	0	0	0	46	5,499
Superior - Bexar	24	0	105	4,213	0	0	0	34	4,376
PCCM - Bexar	47	0	81	2,767	0	0	0	46	2,941
Americaid - Dallas	55	0	104	3,468	0	0	0	133	3,760
Parkland - Dallas	82	0	174	8,388	0	0	0	195	8,838
PCCM - Dallas	30	0	71	3,794	0	0	0	63	3,958
El Paso First - El Paso	30	0	102	2,931	0	0	0	33	3,097
Superior - El Paso	58	0	61	2,753	0	0	0	85	2,957
PCCM - El Paso	20	0	31	388	0	0	0	26	465
Americaid - Harris	99	0	262	7,861	0	0	0	247	8,469
CHC - Harris	53	0	168	7,673	0	0	0	104	7,998
TCHP - Harris	25	0	43	2,804	0	0	0	76	2,948
PCCM - Harris	55	0	100	4,238	0	0	0	106	4,500
Firstcare - Lubbock	10	0	39	1,741	0	0	0	24	1,813
PCCM - Lubbock	8	0	32	1,434	0	0	0	14	1,488
Americaid - Tarrant	91	0	266	9,809	0	0	0	225	10,390
Superior - Travis	218	0	575	3,665	0	0	0	85	4,543
Americaid - Travis	50	0	111	988	0	0	0	11	1,159
Total	1,009	0	2,441	74,197	0	0	0	1,552	79,199
Total - w/o PCCM	848	0	2,126	61,577	0	0	0	1,297	65,847

FY2007 STAR Rating Summary

Health Plan	TANF Children (over age 1)	TANF Children (< 1)	TANF Adults	Pregnant Women	Newborns	Expansion Children (over age 1)	Expansion Children (< 1)	Federal Mandate Children	Total
FY2006 Unadjusted Premium Rates pmpm									
CFHP - Bexar	88.50	262.56	256.58	696.63	555.80	81.69	153.14	71.22	187.82
Superior - Bexar	84.23	230.03	243.32	699.98	563.36	80.14	152.05	68.58	203.18
PCCM - Bexar	84.23	230.03	243.32	699.98	563.36	80.14	152.05	68.58	161.50
Americaid - Dallas	88.58	354.92	214.60	681.11	551.52	98.48	263.13	73.68	158.31
Parkland - Dallas	89.83	425.91	220.47	688.05	622.35	101.25	281.53	75.61	200.16
PCCM - Dallas	88.58	354.92	214.60	681.11	551.52	98.48	263.13	73.68	212.90
El Paso First - El Paso	97.91	225.82	226.94	710.89	550.54	91.03	204.07	75.46	178.67
Superior - El Paso	85.93	241.41	232.96	706.28	495.48	89.97	174.86	71.24	150.95
PCCM - El Paso	85.93	241.41	232.96	706.28	495.48	89.97	174.86	71.24	116.46
Americaid - Harris	77.89	298.40	257.64	694.15	678.97	77.68	260.05	71.60	177.46
CHC - Harris	83.66	261.56	280.11	716.06	706.42	77.41	271.79	75.57	243.12
TCHP - Harris	71.62	388.15	207.57	630.91	711.87	79.89	294.24	74.28	144.67
PCCM - Harris	77.89	298.40	257.64	694.15	678.97	77.68	260.05	71.60	173.80
Firstcare - Lubbock	81.27	200.58	226.04	838.61	340.93	87.19	193.10	73.38	174.97
PCCM - Lubbock	81.27	200.58	226.04	838.61	340.93	87.19	193.10	73.38	194.91
Americaid - Tarrant	78.27	324.06	274.24	714.57	465.19	69.77	372.08	79.97	182.58
Superior - Travis	77.40	195.71	218.22	603.78	520.87	85.50	155.03	63.16	155.41
Americaid - Travis	77.40	195.71	218.22	603.78	520.87	85.50	155.03	63.16	191.90
Total	82.04	271.90	238.15	696.10	578.82	83.88	261.61	72.96	178.64
Total - w/o PCCM	81.95	270.55	237.97	693.73	576.29	84.06	263.72	73.43	179.57
Projected FY2007 Premium Based on FY2006 Unadjusted Rates									
CFHP - Bexar	3,566,223	865,721	3,063,273	34,140,747	36,113,895	14,228,794	2,067,343	16,464,558	110,510,553
Superior - Bexar	2,937,976	710,322	2,956,878	30,246,865	33,434,875	10,245,614	1,746,553	11,691,300	93,970,383
PCCM - Bexar	3,967,291	619,645	2,137,087	18,692,230	31,595,873	12,416,429	800,577	15,887,835	86,116,966
Americaid - Dallas	6,091,086	1,311,659	2,891,711	21,652,383	38,071,419	28,120,812	11,708,596	24,408,411	134,256,076
Parkland - Dallas	6,701,233	2,385,088	3,750,973	52,705,051	57,751,258	35,468,796	18,069,611	24,585,761	201,417,770
PCCM - Dallas	2,973,993	773,973	1,695,279	23,642,162	29,897,006	11,917,904	2,893,169	9,241,195	83,034,680
El Paso First - El Paso	4,168,562	984,400	2,900,592	20,036,262	20,293,330	9,570,729	2,584,937	12,576,054	73,114,865
Superior - El Paso	5,570,890	1,088,268	2,466,363	18,431,541	19,534,953	12,622,261	1,911,141	15,053,723	76,679,140
PCCM - El Paso	2,159,687	227,268	1,047,478	2,615,606	3,588,641	3,158,335	250,797	6,234,718	19,282,531
Americaid - Harris	8,577,877	2,094,459	7,490,545	49,562,216	79,372,120	31,080,957	13,863,382	35,316,459	227,358,014
CHC - Harris	4,005,757	1,234,917	4,577,300	50,455,864	61,557,193	15,438,443	9,503,567	15,654,352	162,427,393
TCHP - Harris	4,534,828	1,239,427	1,730,575	18,837,896	35,356,513	26,170,605	16,619,584	28,059,630	132,549,058
PCCM - Harris	6,154,097	1,274,081	3,276,571	30,515,028	64,962,916	25,281,043	6,862,653	25,377,192	163,703,582
Firstcare - Lubbock	1,170,983	213,122	948,440	13,118,291	6,694,911	4,576,325	392,582	5,750,854	32,865,508
PCCM - Lubbock	962,707	173,504	786,250	10,803,397	6,338,120	3,278,027	224,187	3,454,735	26,020,927
Americaid - Tarrant	7,897,619	2,139,283	7,431,381	63,543,859	73,186,319	29,242,786	17,454,872	36,056,734	236,952,854
Superior - Travis	12,998,309	2,718,847	11,828,819	20,188,479	30,394,571	13,952,635	3,007,904	10,793,435	105,882,999
Americaid - Travis	2,742,564	1,233,925	3,855,359	8,225,565	10,099,796	2,718,326	1,789,893	2,263,323	32,928,750
Total	87,181,681	21,287,908	64,834,874	487,413,443	638,243,707	289,488,821	111,751,346	298,870,268	1,999,072,048

FY2007 STAR Rating Summary

Health Plan	TANF Children (over age 1)	TANF Children (< 1)	TANF Adults	Pregnant Women	Newborns	Expansion Children (over age 1)	Expansion Children (< 1)	Federal Mandate Children	Total
FY2006 Adjusted Premium Rates pmpm									
CFHP - Bexar	85.30	262.56	225.05	356.59	555.80	81.69	153.14	70.24	158.26
Superior - Bexar	81.18	230.03	213.41	358.30	563.36	80.14	152.05	67.63	169.89
PCCM - Bexar	81.18	230.03	213.41	358.30	563.36	80.14	152.05	67.63	143.21
Americaid - Dallas	85.30	354.92	186.20	307.25	551.52	98.48	263.13	71.79	142.84
Parkland - Dallas	86.51	425.91	191.29	310.37	622.35	101.25	281.53	73.67	170.05
PCCM - Dallas	85.30	354.92	186.20	307.25	551.52	98.48	263.13	71.79	178.16
El Paso First - El Paso	94.62	225.82	200.83	347.35	550.54	91.03	204.07	74.40	152.04
Superior - El Paso	83.04	241.41	206.16	345.09	495.48	89.97	174.86	70.24	131.05
PCCM - El Paso	83.04	241.41	206.16	345.09	495.48	89.97	174.86	70.24	106.69
Americaid - Harris	75.28	298.40	227.92	320.04	678.97	77.68	260.05	70.18	155.16
CHC - Harris	80.85	261.56	247.79	330.14	706.42	77.41	271.79	74.06	200.96
TCHP - Harris	69.22	388.15	183.63	290.89	711.87	79.89	294.24	72.80	132.60
PCCM - Harris	75.28	298.40	227.92	320.04	678.97	77.68	260.05	70.18	155.19
Firstcare - Lubbock	77.51	200.58	203.50	501.47	340.93	87.19	193.10	72.44	145.71
PCCM - Lubbock	77.51	200.58	203.50	501.47	340.93	87.19	193.10	72.44	161.13
Americaid - Tarrant	74.73	324.06	238.18	318.23	465.19	69.77	372.08	78.20	153.78
Superior - Travis	73.69	195.71	193.85	322.44	520.87	85.50	155.03	61.79	138.41
Americaid - Travis	73.69	195.71	193.85	322.44	520.87	85.50	155.03	61.79	166.00
Total	78.89	271.90	209.81	333.41	578.82	83.88	261.61	71.53	154.43
Total - w/o PCCM	78.74	270.55	209.65	331.03	576.29	84.06	263.72	71.97	154.77
Projected FY2007 Premium Based on FY2006 Adjusted Rates									
CFHP - Bexar	3,437,275	865,721	2,686,841	17,475,918	36,113,895	14,228,794	2,067,343	16,238,002	93,113,788
Superior - Bexar	2,831,591	710,322	2,593,405	15,482,516	33,434,875	10,245,614	1,746,553	11,529,347	78,574,223
PCCM - Bexar	3,823,634	619,645	1,874,386	9,568,025	31,595,873	12,416,429	800,577	15,667,749	76,366,318
Americaid - Dallas	5,865,541	1,311,659	2,509,024	9,767,431	38,071,419	28,120,812	11,708,596	23,782,299	121,136,780
Parkland - Dallas	6,453,564	2,385,088	3,254,518	23,774,532	57,751,258	35,468,796	18,069,611	23,954,940	171,112,306
PCCM - Dallas	2,863,870	773,973	1,470,927	10,665,024	29,897,006	11,917,904	2,893,169	9,004,145	69,486,016
El Paso First - El Paso	4,028,488	984,400	2,566,872	9,789,975	20,293,330	9,570,729	2,584,937	12,399,396	62,218,127
Superior - El Paso	5,383,530	1,088,268	2,182,630	9,005,692	19,534,953	12,622,261	1,911,141	14,842,413	66,570,887
PCCM - El Paso	2,087,053	227,268	926,975	1,277,991	3,588,641	3,158,335	250,797	6,147,201	17,664,261
Americaid - Harris	8,290,442	2,094,459	6,626,475	22,850,813	79,372,120	31,080,957	13,863,382	34,616,048	198,794,696
CHC - Harris	3,871,210	1,234,917	4,049,156	23,262,714	61,557,193	15,438,443	9,503,567	15,341,555	134,258,755
TCHP - Harris	4,382,865	1,239,427	1,530,980	8,685,479	35,356,513	26,170,605	16,619,584	27,500,553	121,486,006
PCCM - Harris	5,947,880	1,274,081	2,898,603	14,069,048	64,962,916	25,281,043	6,862,653	24,873,901	146,170,126
Firstcare - Lubbock	1,116,807	213,122	853,865	7,844,445	6,694,911	4,576,325	392,582	5,677,185	27,369,241
PCCM - Lubbock	918,167	173,504	707,847	6,460,189	6,338,120	3,278,027	224,187	3,410,480	21,510,522
Americaid - Tarrant	7,540,425	2,139,283	6,454,224	28,298,924	73,186,319	29,242,786	17,454,872	35,258,680	199,575,513
Superior - Travis	12,375,264	2,718,847	10,507,821	10,781,366	30,394,571	13,952,635	3,007,904	10,559,315	94,297,722
Americaid - Travis	2,611,105	1,233,925	3,424,806	4,392,744	10,099,796	2,718,326	1,789,893	2,214,230	28,484,825
Total	83,828,711	21,287,908	57,119,355	233,452,827	638,243,707	289,488,821	111,751,346	293,017,440	1,728,190,114

FY2007 STAR Rating Summary

Health Plan	TANF Children (over age 1)	TANF Children (< 1)	TANF Adults	Pregnant Women	Newborns	Expansion Children (over age 1)	Expansion Children (< 1)	Federal Mandate Children	Total
FY2006 DSP Payment Rates per Delivery									
CFHP - Bexar	3,166.59	3,166.59	3,166.59	3,166.59	3,166.59	3,166.59	3,166.59	3,166.59	3,166.59
Superior - Bexar	3,166.59	3,166.59	3,166.59	3,166.59	3,166.59	3,166.59	3,166.59	3,166.59	3,166.59
PCCM - Bexar	3,166.59	3,166.59	3,166.59	3,166.59	3,166.59	3,166.59	3,166.59	3,166.59	3,166.59
Americaid - Dallas	3,437.13	3,437.13	3,437.13	3,437.13	3,437.13	3,437.13	3,437.13	3,437.13	3,437.13
Parkland - Dallas	3,437.13	3,437.13	3,437.13	3,437.13	3,437.13	3,437.13	3,437.13	3,437.13	3,437.13
PCCM - Dallas	3,437.13	3,437.13	3,437.13	3,437.13	3,437.13	3,437.13	3,437.13	3,437.13	3,437.13
El Paso First - El Paso	3,343.04	3,343.04	3,343.04	3,343.04	3,343.04	3,343.04	3,343.04	3,343.04	3,343.04
Superior - El Paso	3,343.04	3,343.04	3,343.04	3,343.04	3,343.04	3,343.04	3,343.04	3,343.04	3,343.04
PCCM - El Paso	3,343.04	3,343.04	3,343.04	3,343.04	3,343.04	3,343.04	3,343.04	3,343.04	3,343.04
Americaid - Harris	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20
CHC - Harris	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20
TCHP - Harris	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20
PCCM - Harris	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20
Firstcare - Lubbock	3,130.39	3,130.39	3,130.39	3,130.39	3,130.39	3,130.39	3,130.39	3,130.39	3,130.39
PCCM - Lubbock	3,130.39	3,130.39	3,130.39	3,130.39	3,130.39	3,130.39	3,130.39	3,130.39	3,130.39
Americaid - Tarrant	3,535.64	3,535.64	3,535.64	3,535.64	3,535.64	3,535.64	3,535.64	3,535.64	3,535.64
Superior - Travis	3,147.49	3,147.49	3,147.49	3,147.49	3,147.49	3,147.49	3,147.49	3,147.49	3,147.49
Americaid - Travis	3,147.49	3,147.49	3,147.49	3,147.49	3,147.49	3,147.49	3,147.49	3,147.49	3,147.49
Total	3,316.05		3,312.38	3,361.00				3,389.10	3,359.48

Projected FY2007 DSP Payments Based on FY2006 DSP Rates

CFHP - Bexar	165,882	0	370,494	16,729,442	0	0	0	146,410	17,412,227
Superior - Bexar	77,316	0	330,937	13,341,086	0	0	0	107,966	13,857,306
PCCM - Bexar	149,149	0	255,873	8,760,463	0	0	0	146,720	9,312,205
Americaid - Dallas	189,080	0	356,625	11,920,903	0	0	0	455,455	12,922,063
Parkland - Dallas	282,047	0	596,473	28,829,846	0	0	0	670,582	30,378,947
PCCM - Dallas	103,859	0	244,371	13,040,254	0	0	0	215,548	13,604,032
El Paso First - El Paso	99,632	0	341,828	9,799,168	0	0	0	111,429	10,352,057
Superior - El Paso	195,058	0	205,279	9,204,046	0	0	0	282,567	9,886,950
PCCM - El Paso	67,217	0	103,718	1,296,235	0	0	0	87,772	1,554,941
Americaid - Harris	338,895	0	894,679	26,878,759	0	0	0	843,254	28,955,587
CHC - Harris	180,088	0	575,496	26,237,027	0	0	0	354,144	27,346,755
TCHP - Harris	86,599	0	148,236	9,586,390	0	0	0	258,324	10,079,548
PCCM - Harris	189,106	0	343,525	14,489,786	0	0	0	363,560	15,385,977
Firstcare - Lubbock	31,573	0	120,840	5,450,180	0	0	0	73,599	5,676,193
PCCM - Lubbock	25,957	0	100,175	4,488,424	0	0	0	44,214	4,658,771
Americaid - Tarrant	321,079	0	938,929	34,679,463	0	0	0	797,072	36,736,542
Superior - Travis	687,153	0	1,808,494	11,534,527	0	0	0	268,938	14,299,112
Americaid - Travis	156,138	0	350,328	3,108,776	0	0	0	33,837	3,649,079
Total	3,345,827	0	8,086,300	249,374,774	0	0	0	5,261,391	266,068,293

FY2007 STAR Rating Summary

Health Plan	TANF Children (over age 1)	TANF Children (< 1)	TANF Adults	Pregnant Women	Newborns	Expansion Children (over age 1)	Expansion Children (< 1)	Federal Mandate Children	Total
Projected FY2007 Premium Based on FY2006 Adjusted Rates including DSP									
CFHP - Bexar	3,603,157	865,721	3,057,334	34,205,360	36,113,895	14,228,794	2,067,343	16,384,412	110,526,016
Superior - Bexar	2,908,907	710,322	2,924,343	28,823,603	33,434,875	10,245,614	1,746,553	11,637,313	92,431,529
PCCM - Bexar	3,972,783	619,645	2,130,259	18,328,488	31,595,873	12,416,429	800,577	15,814,469	85,678,523
Americaid - Dallas	6,054,621	1,311,659	2,865,649	21,688,334	38,071,419	28,120,812	11,708,596	24,237,755	134,058,844
Parkland - Dallas	6,735,611	2,385,088	3,850,991	52,604,377	57,751,258	35,468,796	18,069,611	24,625,522	201,491,253
PCCM - Dallas	2,967,729	773,973	1,715,298	23,705,278	29,897,006	11,917,904	2,893,169	9,219,693	83,090,049
El Paso First - El Paso	4,128,120	984,400	2,908,700	19,589,143	20,293,330	9,570,729	2,584,937	12,510,825	72,570,184
Superior - El Paso	5,578,588	1,088,268	2,387,909	18,209,738	19,534,953	12,622,261	1,911,141	15,124,980	76,457,838
PCCM - El Paso	2,154,269	227,268	1,030,693	2,574,226	3,588,641	3,158,335	250,797	6,234,973	19,219,202
Americaid - Harris	8,629,337	2,094,459	7,521,154	49,729,572	79,372,120	31,080,957	13,863,382	35,459,303	227,750,283
CHC - Harris	4,051,298	1,234,917	4,624,652	49,499,740	61,557,193	15,438,443	9,503,567	15,695,699	161,605,510
TCHP - Harris	4,469,464	1,239,427	1,679,216	18,271,869	35,356,513	26,170,605	16,619,584	27,758,877	131,565,554
PCCM - Harris	6,136,986	1,274,081	3,242,128	28,558,834	64,962,916	25,281,043	6,862,653	25,237,462	161,556,104
Firstcare - Lubbock	1,148,380	213,122	974,705	13,294,625	6,694,911	4,576,325	392,582	5,750,785	33,045,434
PCCM - Lubbock	944,124	173,504	808,023	10,948,614	6,338,120	3,278,027	224,187	3,454,694	26,169,292
Americaid - Tarrant	7,861,504	2,139,283	7,393,153	62,978,387	73,186,319	29,242,786	17,454,872	36,055,751	236,312,055
Superior - Travis	13,062,417	2,718,847	12,316,315	22,315,893	30,394,571	13,952,635	3,007,904	10,828,253	108,596,834
Americaid - Travis	2,767,243	1,233,925	3,775,135	7,501,520	10,099,796	2,718,326	1,789,893	2,248,066	32,133,904
Total	87,174,538	21,287,908	65,205,655	482,827,601	638,243,707	289,488,821	111,751,346	298,278,831	1,994,258,407

FY2007 STAR Rating Summary

Health Plan	TANF Children (over age 1)	TANF Children (< 1)	TANF Adults	Pregnant Women	Newborns	Expansion Children (over age 1)	Expansion Children (< 1)	Federal Mandate Children	Total
FY2007 Unadjusted Premium Rates pmpm (Community Rates)									
CFHP - Bexar	90.32	280.34	290.80	726.51	650.47	87.41	184.41	68.03	202.84
Superior - Bexar	90.32	280.34	290.80	726.51	650.47	87.41	184.41	68.03	221.49
PCCM - Bexar	90.32	280.34	290.80	726.51	650.47	87.41	184.41	68.03	175.76
Americaid - Dallas	91.35	251.69	246.70	722.06	629.32	106.52	220.55	74.50	167.25
Parkland - Dallas	91.35	251.69	246.70	722.06	629.32	106.52	220.55	74.50	200.57
PCCM - Dallas	91.35	251.69	246.70	722.06	629.32	106.52	220.55	74.50	229.23
El Paso First - El Paso	78.63	238.42	242.68	730.99	556.63	90.95	181.32	67.98	175.45
Superior - El Paso	78.63	238.42	242.68	730.99	556.63	90.95	181.32	67.98	155.26
PCCM - El Paso	78.63	238.42	242.68	730.99	556.63	90.95	181.32	67.98	117.37
Americaid - Harris	85.32	307.04	274.55	733.29	663.55	92.21	217.52	72.06	182.25
CHC - Harris	85.32	307.04	274.55	733.29	663.55	92.21	217.52	72.06	240.14
TCHP - Harris	85.32	307.04	274.55	733.29	663.55	92.21	217.52	72.06	145.42
PCCM - Harris	85.32	307.04	274.55	733.29	663.55	92.21	217.52	72.06	178.95
Firstcare - Lubbock	88.57	207.08	281.96	859.16	416.38	88.21	238.86	77.03	188.72
PCCM - Lubbock	88.57	207.08	281.96	859.16	416.38	88.21	238.86	77.03	211.52
Americaid - Tarrant	89.44	179.21	313.59	770.46	559.23	98.68	187.79	76.44	200.21
Superior - Travis	76.57	208.56	219.00	710.17	737.13	86.04	216.23	65.52	181.74
Americaid - Travis	76.57	208.56	219.00	710.17	737.13	86.04	216.23	65.52	229.88
Total	84.86	248.59	258.75	737.95	628.34	94.95	210.70	71.74	187.76

FY2007 Unadjusted Premium Rate Change Relative to FY2006 (Community Rates)

CFHP - Bexar	2.1 %	6.8 %	13.3 %	4.3 %	17.0 %	7.0 %	20.4 %	-4.5 %	8.0 %
Superior - Bexar	7.2 %	21.9 %	19.5 %	3.8 %	15.5 %	9.1 %	21.3 %	-0.8 %	9.0 %
PCCM - Bexar	7.2 %	21.9 %	19.5 %	3.8 %	15.5 %	9.1 %	21.3 %	-0.8 %	8.8 %
Americaid - Dallas	3.1 %	-29.1 %	15.0 %	6.0 %	14.1 %	8.2 %	-16.2 %	1.1 %	5.7 %
Parkland - Dallas	1.7 %	-40.9 %	11.9 %	4.9 %	1.1 %	5.2 %	-21.7 %	-1.5 %	0.2 %
PCCM - Dallas	3.1 %	-29.1 %	15.0 %	6.0 %	14.1 %	8.2 %	-16.2 %	1.1 %	7.7 %
El Paso First - El Paso	-19.7 %	5.6 %	6.9 %	2.8 %	1.1 %	-0.1 %	-11.1 %	-9.9 %	-1.8 %
Superior - El Paso	-8.5 %	-1.2 %	4.2 %	3.5 %	12.3 %	1.1 %	3.7 %	-4.6 %	2.9 %
PCCM - El Paso	-8.5 %	-1.2 %	4.2 %	3.5 %	12.3 %	1.1 %	3.7 %	-4.6 %	0.8 %
Americaid - Harris	9.5 %	2.9 %	6.6 %	5.6 %	-2.3 %	18.7 %	-16.4 %	0.6 %	2.7 %
CHC - Harris	2.0 %	17.4 %	-2.0 %	2.4 %	-6.1 %	19.1 %	-20.0 %	-4.6 %	-1.2 %
TCHP - Harris	19.1 %	-20.9 %	32.3 %	16.2 %	-6.8 %	15.4 %	-26.1 %	-3.0 %	0.5 %
PCCM - Harris	9.5 %	2.9 %	6.6 %	5.6 %	-2.3 %	18.7 %	-16.4 %	0.6 %	3.0 %
Firstcare - Lubbock	9.0 %	3.2 %	24.7 %	2.4 %	22.1 %	1.2 %	23.7 %	5.0 %	7.9 %
PCCM - Lubbock	9.0 %	3.2 %	24.7 %	2.4 %	22.1 %	1.2 %	23.7 %	5.0 %	8.5 %
Americaid - Tarrant	14.3 %	-44.7 %	14.3 %	7.8 %	20.2 %	41.4 %	-49.5 %	-4.4 %	9.7 %
Superior - Travis	-1.1 %	6.6 %	0.4 %	17.6 %	41.5 %	0.6 %	39.5 %	3.7 %	16.9 %
Americaid - Travis	-1.1 %	6.6 %	0.4 %	17.6 %	41.5 %	0.6 %	39.5 %	3.7 %	19.8 %
Total	3.4 %	-8.6 %	8.7 %	6.0 %	8.6 %	13.2 %	-19.5 %	-1.7 %	5.1 %

FY2007 STAR Rating Summary

Health Plan	TANF Children (over age 1)	TANF Children (< 1)	TANF Adults	Pregnant Women	Newborns	Expansion Children (over age 1)	Expansion Children (< 1)	Federal Mandate Children	Total
FY2007 Unadjusted Premium (Community Rates - Including PCCM)									
CFHP - Bexar	3,639,708	924,336	3,471,818	35,605,261	42,265,113	15,225,589	2,489,531	15,727,031	119,348,388
Superior - Bexar	3,150,524	865,669	3,533,863	31,393,379	38,604,679	11,175,412	2,118,308	11,597,489	102,439,323
PCCM - Bexar	4,254,305	755,161	2,554,103	19,400,763	36,481,325	13,543,231	970,980	15,760,351	93,720,218
Americaid - Dallas	6,281,831	930,148	3,324,261	22,954,090	43,441,649	30,417,568	9,813,791	24,680,415	141,843,752
Parkland - Dallas	6,814,916	1,409,445	4,197,245	55,310,026	58,397,636	37,316,086	14,155,541	24,225,179	201,826,073
PCCM - Dallas	3,067,125	548,854	1,948,863	25,063,491	34,114,180	12,891,293	2,424,966	9,344,178	89,402,951
El Paso First - El Paso	3,347,798	1,039,324	3,101,723	20,602,808	20,517,754	9,562,740	2,296,718	11,329,977	71,798,842
Superior - El Paso	5,097,766	1,074,788	2,569,230	19,076,419	21,945,810	12,760,313	1,981,706	14,365,523	78,871,554
PCCM - El Paso	1,976,269	224,453	1,091,166	2,707,120	4,031,524	3,192,879	260,057	5,949,690	19,433,159
Americaid - Harris	9,396,507	2,155,102	7,982,299	52,356,545	77,569,059	36,896,001	11,595,890	35,541,992	233,493,394
CHC - Harris	4,085,405	1,449,644	4,486,509	51,669,686	57,821,180	18,390,798	7,605,800	14,926,683	160,435,705
TCHP - Harris	5,402,501	980,429	2,289,041	21,894,679	32,956,408	30,207,547	12,285,991	27,219,973	133,236,570
PCCM - Harris	6,741,413	1,310,971	3,491,678	32,235,472	63,487,183	30,010,961	5,740,199	25,539,252	168,557,130
Firstcare - Lubbock	1,276,208	220,024	1,183,093	13,439,677	8,176,564	4,630,105	485,619	6,036,767	35,448,058
PCCM - Lubbock	1,049,216	179,123	980,775	11,068,070	7,740,812	3,316,550	277,316	3,626,493	28,238,356
Americaid - Tarrant	9,024,857	1,183,026	8,497,610	68,514,293	87,980,516	41,359,075	8,809,615	34,463,107	259,832,097
Superior - Travis	12,858,199	2,897,313	11,870,913	23,745,728	43,014,284	14,040,863	4,195,377	11,196,558	123,819,235
Americaid - Travis	2,713,001	1,314,920	3,869,078	9,674,926	14,293,194	2,735,515	2,496,514	2,347,856	39,445,004
Total	90,177,549	19,462,728	70,443,269	516,712,431	692,838,869	327,672,524	90,003,921	293,878,517	2,101,189,808

FY2007 STAR Rating Summary

Health Plan	TANF Children (over age 1)	TANF Children (< 1)	TANF Adults	Pregnant Women	Newborns	Expansion Children (over age 1)	Expansion Children (< 1)	Federal Mandate Children	Total
FY2007 Adjusted Premium Rates pmpm (Community Rates)									
CFHP - Bexar	87.11	280.34	261.68	399.99	650.47	87.41	184.41	67.40	174.59
Superior - Bexar	87.11	280.34	261.68	399.99	650.47	87.41	184.41	67.40	189.75
PCCM - Bexar	87.11	280.34	261.68	399.99	650.47	87.41	184.41	67.40	158.37
Americaid - Dallas	88.10	251.69	215.51	346.16	629.32	106.52	220.55	72.79	151.73
Parkland - Dallas	88.10	251.69	215.51	346.16	629.32	106.52	220.55	72.79	170.63
PCCM - Dallas	88.10	251.69	215.51	346.16	629.32	106.52	220.55	72.79	194.31
El Paso First - El Paso	75.90	238.42	219.32	380.91	556.63	90.95	181.32	66.95	149.90
Superior - El Paso	75.90	238.42	219.32	380.91	556.63	90.95	181.32	66.95	136.01
PCCM - El Paso	75.90	238.42	219.32	380.91	556.63	90.95	181.32	66.95	107.94
Americaid - Harris	82.68	307.04	245.04	375.39	663.55	92.21	217.52	70.79	160.92
CHC - Harris	82.68	307.04	245.04	375.39	663.55	92.21	217.52	70.79	201.08
TCHP - Harris	82.68	307.04	245.04	375.39	663.55	92.21	217.52	70.79	132.79
PCCM - Harris	82.68	307.04	245.04	375.39	663.55	92.21	217.52	70.79	161.15
Firstcare - Lubbock	86.38	207.08	253.16	510.74	416.38	88.21	238.86	76.09	158.50
PCCM - Lubbock	86.38	207.08	253.16	510.74	416.38	88.21	238.86	76.09	176.63
Americaid - Tarrant	86.26	179.21	278.94	380.48	559.23	98.68	187.79	74.67	171.91
Superior - Travis	72.42	208.56	188.96	399.01	737.13	86.04	216.23	64.05	162.69
Americaid - Travis	72.42	208.56	188.96	399.01	737.13	86.04	216.23	64.05	200.92
Total	81.71	248.59	229.05	381.80	628.34	94.95	210.70	70.46	163.99

FY2007 Adjusted Premium Rate Change Relative to FY2006 (Community Rates)

CFHP - Bexar	2.1 %	6.8 %	16.3 %	12.2 %	17.0 %	7.0 %	20.4 %	-4.0 %	10.3 %
Superior - Bexar	7.3 %	21.9 %	22.6 %	11.6 %	15.5 %	9.1 %	21.3 %	-0.3 %	11.7 %
PCCM - Bexar	7.3 %	21.9 %	22.6 %	11.6 %	15.5 %	9.1 %	21.3 %	-0.3 %	10.6 %
Americaid - Dallas	3.3 %	-29.1 %	15.7 %	12.7 %	14.1 %	8.2 %	-16.2 %	1.4 %	6.2 %
Parkland - Dallas	1.8 %	-40.9 %	12.7 %	11.5 %	1.1 %	5.2 %	-21.7 %	-1.2 %	0.3 %
PCCM - Dallas	3.3 %	-29.1 %	15.7 %	12.7 %	14.1 %	8.2 %	-16.2 %	1.4 %	9.1 %
El Paso First - El Paso	-19.8 %	5.6 %	9.2 %	9.7 %	1.1 %	-0.1 %	-11.1 %	-10.0 %	-1.4 %
Superior - El Paso	-8.6 %	-1.2 %	6.4 %	10.4 %	12.3 %	1.1 %	3.7 %	-4.7 %	3.8 %
PCCM - El Paso	-8.6 %	-1.2 %	6.4 %	10.4 %	12.3 %	1.1 %	3.7 %	-4.7 %	1.2 %
Americaid - Harris	9.8 %	2.9 %	7.5 %	17.3 %	-2.3 %	18.7 %	-16.4 %	0.9 %	3.7 %
CHC - Harris	2.3 %	17.4 %	-1.1 %	13.7 %	-6.1 %	19.1 %	-20.0 %	-4.4 %	0.1 %
TCHP - Harris	19.4 %	-20.9 %	33.4 %	29.0 %	-6.8 %	15.4 %	-26.1 %	-2.8 %	0.1 %
PCCM - Harris	9.8 %	2.9 %	7.5 %	17.3 %	-2.3 %	18.7 %	-16.4 %	0.9 %	3.8 %
Firstcare - Lubbock	11.4 %	3.2 %	24.4 %	1.8 %	22.1 %	1.2 %	23.7 %	5.0 %	8.8 %
PCCM - Lubbock	11.4 %	3.2 %	24.4 %	1.8 %	22.1 %	1.2 %	23.7 %	5.0 %	9.6 %
Americaid - Tarrant	15.4 %	-44.7 %	17.1 %	19.6 %	20.2 %	41.4 %	-49.5 %	-4.5 %	11.8 %
Superior - Travis	-1.7 %	6.6 %	-2.5 %	23.7 %	41.5 %	0.6 %	39.5 %	3.7 %	17.5 %
Americaid - Travis	-1.7 %	6.6 %	-2.5 %	23.7 %	41.5 %	0.6 %	39.5 %	3.7 %	21.0 %
Total	3.6 %	-8.6 %	9.2 %	14.5 %	8.6 %	13.2 %	-19.5 %	-1.5 %	6.2 %

FY2007 STAR Rating Summary

Health Plan	TANF Children (over age 1)	TANF Children (< 1)	TANF Adults	Pregnant Women	Newborns	Expansion Children (over age 1)	Expansion Children (< 1)	Federal Mandate Children	Total
FY2007 Adjusted Premium (Community Rates)									
CFHP - Bexar	3,510,410	924,336	3,124,155	19,602,979	42,265,113	15,225,589	2,489,531	15,580,622	102,722,736
Superior - Bexar	3,038,604	865,669	3,179,987	17,284,068	38,604,679	11,175,412	2,118,308	11,489,523	87,756,250
PCCM - Bexar	4,103,175	755,161	2,298,339	10,681,364	36,481,325	13,543,231	970,980	15,613,631	84,447,204
Americaid - Dallas	6,058,372	930,148	2,903,929	11,004,490	43,441,649	30,417,568	9,813,791	24,111,986	128,681,933
Parkland - Dallas	6,572,494	1,409,445	3,666,530	26,516,349	58,397,636	37,316,086	14,155,541	23,667,235	171,701,314
PCCM - Dallas	2,958,020	548,854	1,702,442	12,015,765	34,114,180	12,891,293	2,424,966	9,128,967	75,784,488
El Paso First - El Paso	3,231,543	1,039,324	2,803,195	10,735,819	20,517,754	9,562,740	2,296,718	11,157,489	61,344,582
Superior - El Paso	4,920,741	1,074,788	2,321,953	9,940,440	21,945,810	12,760,313	1,981,706	14,146,821	69,092,572
PCCM - El Paso	1,907,642	224,453	986,146	1,410,640	4,031,524	3,192,879	260,057	5,859,112	17,872,453
Americaid - Harris	9,105,110	2,155,102	7,124,153	26,802,695	77,569,059	36,896,001	11,595,890	34,915,602	206,163,612
CHC - Harris	3,958,711	1,449,644	4,004,182	26,451,074	57,821,180	18,390,798	7,605,800	14,663,616	134,345,006
TCHP - Harris	5,234,963	980,429	2,042,955	11,208,463	32,956,408	30,207,547	12,285,991	26,740,250	121,657,007
PCCM - Harris	6,532,354	1,310,971	3,116,301	16,502,188	63,487,183	30,010,961	5,740,199	25,089,150	151,789,307
Firstcare - Lubbock	1,244,635	220,024	1,062,253	7,989,497	8,176,564	4,630,105	485,619	5,963,168	29,771,866
PCCM - Lubbock	1,023,259	179,123	880,600	6,579,645	7,740,812	3,316,550	277,316	3,582,280	23,579,585
Americaid - Tarrant	8,703,778	1,183,026	7,558,680	33,834,831	87,980,516	41,359,075	8,809,615	33,666,035	223,095,555
Superior - Travis	12,161,836	2,897,313	10,242,755	13,341,506	43,014,284	14,040,863	4,195,377	10,946,268	110,840,202
Americaid - Travis	2,566,073	1,314,920	3,338,414	5,435,844	14,293,194	2,735,515	2,496,514	2,295,371	34,475,846
Total	86,831,722	19,462,728	62,356,969	267,337,658	692,838,869	327,672,524	90,003,921	288,617,125	1,835,121,516

FY2007 STAR Rating Summary

Health Plan	TANF Children (over age 1)	TANF Children (< 1)	TANF Adults	Pregnant Women	Newborns	Expansion Children (over age 1)	Expansion Children (< 1)	Federal Mandate Children	Total
FY2007 DSP Payment Rates per Delivery									
CFHP - Bexar	3,166.59	3,166.59	3,166.59	3,166.59	3,166.59	3,166.59	3,166.59	3,166.59	3,166.59
Superior - Bexar	3,166.59	3,166.59	3,166.59	3,166.59	3,166.59	3,166.59	3,166.59	3,166.59	3,166.59
PCCM - Bexar	3,166.59	3,166.59	3,166.59	3,166.59	3,166.59	3,166.59	3,166.59	3,166.59	3,166.59
Americaid - Dallas	3,437.13	3,437.13	3,437.13	3,437.13	3,437.13	3,437.13	3,437.13	3,437.13	3,437.13
Parkland - Dallas	3,437.13	3,437.13	3,437.13	3,437.13	3,437.13	3,437.13	3,437.13	3,437.13	3,437.13
PCCM - Dallas	3,437.13	3,437.13	3,437.13	3,437.13	3,437.13	3,437.13	3,437.13	3,437.13	3,437.13
El Paso First - El Paso	3,343.04	3,343.04	3,343.04	3,343.04	3,343.04	3,343.04	3,343.04	3,343.04	3,343.04
Superior - El Paso	3,343.04	3,343.04	3,343.04	3,343.04	3,343.04	3,343.04	3,343.04	3,343.04	3,343.04
PCCM - El Paso	3,343.04	3,343.04	3,343.04	3,343.04	3,343.04	3,343.04	3,343.04	3,343.04	3,343.04
Americaid - Harris	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20
CHC - Harris	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20
TCHP - Harris	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20
PCCM - Harris	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20	3,419.20
Firstcare - Lubbock	3,130.39	3,130.39	3,130.39	3,130.39	3,130.39	3,130.39	3,130.39	3,130.39	3,130.39
PCCM - Lubbock	3,130.39	3,130.39	3,130.39	3,130.39	3,130.39	3,130.39	3,130.39	3,130.39	3,130.39
Americaid - Tarrant	3,535.64	3,535.64	3,535.64	3,535.64	3,535.64	3,535.64	3,535.64	3,535.64	3,535.64
Superior - Travis	3,147.49	3,147.49	3,147.49	3,147.49	3,147.49	3,147.49	3,147.49	3,147.49	3,147.49
Americaid - Travis	3,147.49	3,147.49	3,147.49	3,147.49	3,147.49	3,147.49	3,147.49	3,147.49	3,147.49
Total	3,316.05		3,312.38	3,361.00				3,389.10	3,359.48
Projected FY2007 DSP Payments									
CFHP - Bexar	165,882	0	370,494	16,729,442	0	0	0	146,410	17,412,227
Superior - Bexar	77,316	0	330,937	13,341,086	0	0	0	107,966	13,857,306
PCCM - Bexar	149,149	0	255,873	8,760,463	0	0	0	146,720	9,312,205
Americaid - Dallas	189,080	0	356,625	11,920,903	0	0	0	455,455	12,922,063
Parkland - Dallas	282,047	0	596,473	28,829,846	0	0	0	670,582	30,378,947
PCCM - Dallas	103,859	0	244,371	13,040,254	0	0	0	215,548	13,604,032
El Paso First - El Paso	99,632	0	341,828	9,799,168	0	0	0	111,429	10,352,057
Superior - El Paso	195,058	0	205,279	9,204,046	0	0	0	282,567	9,886,950
PCCM - El Paso	67,217	0	103,718	1,296,235	0	0	0	87,772	1,554,941
Americaid - Harris	338,895	0	894,679	26,878,759	0	0	0	843,254	28,955,587
CHC - Harris	180,088	0	575,496	26,237,027	0	0	0	354,144	27,346,755
TCHP - Harris	86,599	0	148,236	9,586,390	0	0	0	258,324	10,079,548
PCCM - Harris	189,106	0	343,525	14,489,786	0	0	0	363,560	15,385,977
Firstcare - Lubbock	31,573	0	120,840	5,450,180	0	0	0	73,599	5,676,193
PCCM - Lubbock	25,957	0	100,175	4,488,424	0	0	0	44,214	4,658,771
Americaid - Tarrant	321,079	0	938,929	34,679,463	0	0	0	797,072	36,736,542
Superior - Travis	687,153	0	1,808,494	11,534,527	0	0	0	268,938	14,299,112
Americaid - Travis	156,138	0	350,328	3,108,776	0	0	0	33,837	3,649,079
Total	3,345,827	0	8,086,300	249,374,774	0	0	0	5,261,391	266,068,293

FY2007 STAR Rating Summary

Health Plan	TANF Children (over age 1)	TANF Children (< 1)	TANF Adults	Pregnant Women	Newborns	Expansion Children (over age 1)	Expansion Children (< 1)	Federal Mandate Children	Total
FY2007 Total Premium Rate Based on FY2007 Adjusted Community Rates plus DSP									
CFHP - Bexar	91.23	280.34	292.71	741.35	650.47	87.41	184.41	68.03	204.18
Superior - Bexar	89.33	280.34	288.91	708.73	650.47	87.41	184.41	68.03	219.71
PCCM - Bexar	90.28	280.34	290.81	728.05	650.47	87.41	184.41	68.03	175.83
Americaid - Dallas	90.85	251.69	241.97	721.15	629.32	106.52	220.55	74.16	166.97
Parkland - Dallas	91.89	251.69	250.57	722.53	629.32	106.52	220.55	74.85	200.82
PCCM - Dallas	91.20	251.69	246.44	721.84	629.32	106.52	220.55	74.50	229.19
El Paso First - El Paso	78.24	238.42	246.06	728.58	556.63	90.95	181.32	67.62	175.20
Superior - El Paso	78.91	238.42	238.71	733.60	556.63	90.95	181.32	68.29	155.48
PCCM - El Paso	78.58	238.42	242.39	730.92	556.63	90.95	181.32	67.95	117.33
Americaid - Harris	85.75	307.04	275.81	751.84	663.55	92.21	217.52	72.50	183.52
CHC - Harris	86.44	307.04	280.26	747.74	663.55	92.21	217.52	72.50	242.02
TCHP - Harris	84.05	307.04	262.82	696.45	663.55	92.21	217.52	71.47	143.79
PCCM - Harris	85.07	307.04	272.05	705.00	663.55	92.21	217.52	71.81	177.49
Firstcare - Lubbock	88.57	207.08	281.96	859.16	416.38	88.21	238.86	77.03	188.72
PCCM - Lubbock	88.57	207.08	281.96	859.16	416.38	88.21	238.86	77.03	211.52
Americaid - Tarrant	89.44	179.21	313.59	770.46	559.23	98.68	187.79	76.44	200.21
Superior - Travis	76.51	208.56	222.32	743.97	737.13	86.04	216.23	65.63	183.68
Americaid - Travis	76.83	208.56	208.79	627.20	737.13	86.04	216.23	65.00	222.18
Total	84.86	248.59	258.75	737.95	628.34	94.95	210.70	71.74	187.76

Projected FY2007 Premium Based on FY2007 Adjusted Community Rates plus DSP

CFHP - Bexar	3,676,293	924,336	3,494,649	36,332,421	42,265,113	15,225,589	2,489,531	15,727,031	120,134,963
Superior - Bexar	3,115,921	865,669	3,510,925	30,625,154	38,604,679	11,175,412	2,118,308	11,597,489	101,613,556
PCCM - Bexar	4,252,323	755,161	2,554,211	19,441,827	36,481,325	13,543,231	970,980	15,760,351	93,759,409
Americaid - Dallas	6,247,451	930,148	3,260,554	22,925,394	43,441,649	30,417,568	9,813,791	24,567,442	141,603,996
Parkland - Dallas	6,854,541	1,409,445	4,263,002	55,346,194	58,397,636	37,316,086	14,155,541	24,337,816	202,080,261
PCCM - Dallas	3,061,879	548,854	1,946,813	25,056,019	34,114,180	12,891,293	2,424,966	9,344,515	89,388,520
El Paso First - El Paso	3,331,175	1,039,324	3,145,023	20,534,987	20,517,754	9,562,740	2,296,718	11,268,918	71,696,639
Superior - El Paso	5,115,799	1,074,788	2,527,232	19,144,486	21,945,810	12,760,313	1,981,706	14,429,389	78,979,522
PCCM - El Paso	1,974,859	224,453	1,089,864	2,706,875	4,031,524	3,192,879	260,057	5,946,884	19,427,394
Americaid - Harris	9,444,005	2,155,102	8,018,832	53,681,455	77,569,059	36,896,001	11,595,890	35,758,856	235,119,199
CHC - Harris	4,138,799	1,449,644	4,579,678	52,688,101	57,821,180	18,390,798	7,605,800	15,017,760	161,691,760
TCHP - Harris	5,321,562	980,429	2,191,191	20,794,853	32,956,408	30,207,547	12,285,991	26,998,573	131,736,555
PCCM - Harris	6,721,460	1,310,971	3,459,826	30,991,974	63,487,183	30,010,961	5,740,199	25,452,710	167,175,284
Firstcare - Lubbock	1,276,208	220,024	1,183,093	13,439,677	8,176,564	4,630,105	485,619	6,036,767	35,448,058
PCCM - Lubbock	1,049,216	179,123	980,775	11,068,070	7,740,812	3,316,550	277,316	3,626,493	28,238,356
Americaid - Tarrant	9,024,857	1,183,026	8,497,610	68,514,293	87,980,516	41,359,075	8,809,615	34,463,107	259,832,097
Superior - Travis	12,848,990	2,897,313	12,051,249	24,876,033	43,014,284	14,040,863	4,195,377	11,215,206	125,139,314
Americaid - Travis	2,722,211	1,314,920	3,688,742	8,544,620	14,293,194	2,735,515	2,496,514	2,329,208	38,124,924
Total	90,177,549	19,462,728	70,443,269	516,712,431	692,838,869	327,672,524	90,003,921	293,878,517	2,101,189,808

FY2007 STAR Rating Summary

Health Plan	TANF Children (over age 1)	TANF Children (< 1)	TANF Adults	Pregnant Women	Newborns	Expansion Children (over age 1)	Expansion Children (< 1)	Federal Mandate Children	Total
FY2007 Unadjusted Premium Rates pmpm (Community Rates with Risk Adjustment)									
CFHP - Bexar	94.27	289.18	293.15	731.29	657.32	87.63	189.42	69.74	205.22
Superior - Bexar	85.77	270.90	288.49	721.10	642.97	87.11	178.53	65.71	218.48
PCCM - Bexar	90.32	280.34	290.80	726.51	650.47	87.41	184.41	68.03	175.76
Americaid - Dallas	90.45	259.13	243.26	716.45	567.01	104.64	214.94	74.32	160.88
Parkland - Dallas	92.19	246.78	249.42	724.38	675.67	108.05	224.44	74.69	205.94
PCCM - Dallas	91.35	251.69	246.70	722.06	629.32	106.52	220.55	74.50	229.23
El Paso First - El Paso	80.95	240.24	239.70	741.19	573.28	93.34	187.04	68.82	178.95
Superior - El Paso	77.11	236.66	246.27	719.97	541.06	89.16	174.69	67.32	152.44
PCCM - El Paso	78.63	238.42	242.68	730.99	556.63	90.95	181.32	67.98	117.37
Americaid - Harris	83.66	302.01	278.16	733.43	683.08	89.97	207.27	70.76	182.32
CHC - Harris	88.77	291.83	290.51	757.68	647.09	92.54	210.09	71.48	240.62
TCHP - Harris	85.62	340.57	230.70	675.37	646.43	94.75	231.79	74.07	144.96
PCCM - Harris	85.32	307.04	274.55	733.29	663.55	92.21	217.52	72.06	178.95
Firstcare - Lubbock	88.57	207.08	281.96	859.16	416.38	88.21	238.86	77.03	188.72
PCCM - Lubbock	88.57	207.08	281.96	859.16	416.38	88.21	238.86	77.03	211.52
Americaid - Tarrant	89.44	179.21	313.59	770.46	559.23	98.68	187.79	76.44	200.21
Superior - Travis	77.24	213.76	226.98	743.63	740.08	86.18	215.27	65.53	184.55
Americaid - Travis	73.39	197.09	194.49	628.05	728.25	85.32	217.86	65.46	218.72
Total	84.86	248.59	258.75	737.95	628.34	94.95	210.70	71.74	187.76
FY2007 Adjusted Premium Rate Change Relative to FY2006 (Community Rates with Risk Adjustment)									
CFHP - Bexar	6.5%	10.1%	14.3%	5.0%	18.3%	7.3%	23.7%	-2.1%	9.3%
Superior - Bexar	1.8%	17.8%	18.6%	3.0%	14.1%	8.7%	17.4%	-4.2%	7.5%
PCCM - Bexar	7.2%	21.9%	19.5%	3.8%	15.5%	9.1%	21.3%	-0.8%	8.8%
Americaid - Dallas	2.1%	-27.0%	13.4%	5.2%	2.8%	6.3%	-18.3%	0.9%	1.6%
Parkland - Dallas	2.6%	-42.1%	13.1%	5.3%	8.6%	6.7%	-20.3%	-1.2%	2.9%
PCCM - Dallas	3.1%	-29.1%	15.0%	6.0%	14.1%	8.2%	-16.2%	1.1%	7.7%
El Paso First - El Paso	-17.3%	6.4%	5.6%	4.3%	4.1%	2.5%	-8.3%	-8.8%	0.2%
Superior - El Paso	-10.3%	-2.0%	5.7%	1.9%	9.2%	-0.9%	-0.1%	-5.5%	1.0%
PCCM - El Paso	-8.5%	-1.2%	4.2%	3.5%	12.3%	1.1%	3.7%	-4.6%	0.8%
Americaid - Harris	7.4%	1.2%	8.0%	5.7%	0.6%	15.8%	-20.3%	-1.2%	2.7%
CHC - Harris	6.1%	11.6%	3.7%	5.8%	-8.4%	19.6%	-22.7%	-5.4%	-1.0%
TCHP - Harris	19.5%	-12.3%	11.1%	7.0%	-9.2%	18.6%	-21.2%	-0.3%	0.2%
PCCM - Harris	9.5%	2.9%	6.6%	5.6%	-2.3%	18.7%	-16.4%	0.6%	3.0%
Firstcare - Lubbock	9.0%	3.2%	24.7%	2.4%	22.1%	1.2%	23.7%	5.0%	7.9%
PCCM - Lubbock	9.0%	3.2%	24.7%	2.4%	22.1%	1.2%	23.7%	5.0%	8.5%
Americaid - Tarrant	14.3%	-44.7%	14.3%	7.8%	20.2%	41.4%	-49.5%	-4.4%	9.7%
Superior - Travis	-0.2%	9.2%	4.0%	23.2%	42.1%	0.8%	38.9%	3.8%	18.7%
Americaid - Travis	-5.2%	0.7%	-10.9%	4.0%	39.8%	-0.2%	40.5%	3.6%	14.0%
Total	3.4%	-8.6%	8.7%	6.0%	8.6%	13.2%	-19.5%	-1.7%	5.1%

FY2007 STAR Rating Summary

Health Plan	TANF Children (over age 1)	TANF Children (< 1)	TANF Adults	Pregnant Women	Newborns	Expansion Children (over age 1)	Expansion Children (< 1)	Federal Mandate Children	Total
FY2007 Adjusted Premium (Community Rates with Risk Adjustment)									
CFHP - Bexar	3,798,548	953,493	3,499,841	35,839,194	42,710,099	15,264,279	2,557,132	16,121,668	120,744,254
Superior - Bexar	2,991,684	836,512	3,505,841	31,159,446	38,159,693	11,136,721	2,050,707	11,202,852	101,043,457
PCCM - Bexar	4,254,305	755,161	2,554,103	19,400,763	36,481,325	13,543,231	970,980	15,760,351	93,720,218
Americaid - Dallas	6,219,717	957,646	3,277,929	22,775,965	39,140,632	29,881,120	9,564,174	24,619,318	136,436,502
Parkland - Dallas	6,877,029	1,381,946	4,243,577	55,488,151	62,698,653	37,852,533	14,405,158	24,286,277	207,233,323
PCCM - Dallas	3,067,125	548,854	1,948,863	25,063,491	34,114,180	12,891,293	2,424,966	9,344,178	89,402,951
El Paso First - El Paso	3,446,575	1,047,239	3,063,714	20,890,328	21,131,536	9,814,011	2,369,165	11,469,232	73,231,801
Superior - El Paso	4,998,989	1,066,873	2,607,239	18,788,900	21,332,027	12,509,042	1,909,258	14,226,268	77,438,596
PCCM - El Paso	1,976,269	224,453	1,091,166	2,707,120	4,031,524	3,192,879	260,057	5,949,690	19,433,159
Americaid - Harris	9,213,179	2,119,819	8,087,202	52,366,788	79,852,785	35,998,031	11,049,425	34,901,533	233,588,762
CHC - Harris	4,250,196	1,377,846	4,747,193	53,388,645	56,387,633	18,456,916	7,346,026	14,806,819	160,761,275
TCHP - Harris	5,421,038	1,087,510	1,923,455	20,165,477	32,106,228	31,039,398	13,092,231	27,980,295	132,815,632
PCCM - Harris	6,741,413	1,310,971	3,491,678	32,235,472	63,487,183	30,010,961	5,740,199	25,539,252	168,557,130
Firstcare - Lubbock	1,276,208	220,024	1,183,093	13,439,677	8,176,564	4,630,105	485,619	6,036,767	35,448,058
PCCM - Lubbock	1,049,216	179,123	980,775	11,068,070	7,740,812	3,316,550	277,316	3,626,493	28,238,356
Americaid - Tarrant	9,024,857	1,183,026	8,497,610	68,514,293	87,980,516	41,359,075	8,809,615	34,463,107	259,832,097
Superior - Travis	12,970,858	2,969,607	12,303,821	24,864,479	43,186,451	14,063,772	4,176,623	11,198,499	125,734,111
Americaid - Travis	2,600,342	1,242,626	3,436,170	8,556,174	14,121,027	2,712,606	2,515,268	2,345,915	37,530,128
Total	90,177,549	19,462,728	70,443,269	516,712,431	692,838,869	327,672,524	90,003,921	293,878,517	2,101,189,808

FY2007 STAR Rating Summary

Health Plan	TANF Children (over age 1)	TANF Children (< 1)	TANF Adults	Pregnant Women	Newborns	Expansion Children (over age 1)	Expansion Children (< 1)	Federal Mandate Children	Total
FY2007 Adjusted Premium Rates pmpm (Community Rates with Risk Adjustment)									
CFHP - Bexar	90.91	289.18	263.79	402.62	657.32	87.63	189.42	69.09	176.76
Superior - Bexar	82.72	270.90	259.60	397.01	642.97	87.11	178.53	65.11	186.98
PCCM - Bexar	87.11	280.34	261.68	399.99	650.47	87.41	184.41	67.40	158.37
Americaid - Dallas	87.23	259.13	212.51	343.47	567.01	104.64	214.94	72.61	145.48
Parkland - Dallas	88.90	246.78	217.89	347.27	675.67	108.05	224.44	72.97	175.90
PCCM - Dallas	88.10	251.69	215.51	346.16	629.32	106.52	220.55	72.79	194.31
El Paso First - El Paso	78.14	240.24	216.63	386.23	573.28	93.34	187.04	67.77	153.07
Superior - El Paso	74.42	234.52	222.20	380.98	573.02	88.74	172.78	65.74	135.83
PCCM - El Paso	75.90	238.42	219.32	380.91	556.63	90.95	181.32	66.95	107.94
Americaid - Harris	81.07	302.01	248.26	375.46	683.09	89.97	207.27	69.51	160.99
CHC - Harris	86.02	291.83	259.28	387.88	647.10	92.54	210.09	70.22	200.27
TCHP - Harris	82.96	340.57	205.90	345.74	646.43	94.75	231.79	72.77	133.28
PCCM - Harris	82.68	307.04	245.04	375.39	663.55	92.21	217.52	70.79	161.15
Firstcare - Lubbock	86.38	207.08	253.16	510.74	416.38	88.21	238.86	76.09	158.50
PCCM - Lubbock	86.38	207.08	253.16	510.74	416.38	88.21	238.86	76.09	176.63
Americaid - Tarrant	86.26	179.21	278.94	380.48	559.23	98.68	187.79	74.67	171.91
Superior - Travis	73.05	213.76	195.85	417.81	740.08	86.18	215.26	64.06	164.68
Americaid - Travis	69.41	197.09	167.82	352.87	728.25	85.32	217.85	64.00	192.99
Total	81.71	248.46	229.04	382.02	629.48	94.93	210.65	70.43	164.09

FY2007 Adjusted Premium Rate Change Relative to FY2006 (Community Rates with Risk Adjustment)

CFHP - Bexar	6.6%	10.1%	17.2%	12.9%	18.3%	7.3%	23.7%	-1.6%	11.7%
Superior - Bexar	1.9%	17.8%	21.6%	10.8%	14.1%	8.7%	17.4%	-3.7%	10.1%
PCCM - Bexar	7.3%	21.9%	22.6%	11.6%	15.5%	9.1%	21.3%	-0.3%	10.6%
Americaid - Dallas	2.3%	-27.0%	14.1%	11.8%	2.8%	6.3%	-18.3%	1.1%	1.8%
Parkland - Dallas	2.8%	-42.1%	13.9%	11.9%	8.6%	6.7%	-20.3%	-1.0%	3.4%
PCCM - Dallas	3.3%	-29.1%	15.7%	12.7%	14.1%	8.2%	-16.2%	1.4%	9.1%
El Paso First - El Paso	-17.4%	6.4%	7.9%	11.2%	4.1%	2.5%	-8.3%	-8.9%	0.7%
Superior - El Paso	-10.4%	-2.9%	7.8%	10.4%	15.6%	-1.4%	-1.2%	-6.4%	3.6%
PCCM - El Paso	-8.6%	-1.2%	6.4%	10.4%	12.3%	1.1%	3.7%	-4.7%	1.2%
Americaid - Harris	7.7%	1.2%	8.9%	17.3%	0.6%	15.8%	-20.3%	-1.0%	3.8%
CHC - Harris	6.4%	11.6%	4.6%	17.5%	-8.4%	19.6%	-22.7%	-5.2%	-0.3%
TCHP - Harris	19.9%	-12.3%	12.1%	18.9%	-9.2%	18.6%	-21.2%	0.0%	0.5%
PCCM - Harris	9.8%	2.9%	7.5%	17.3%	-2.3%	18.7%	-16.4%	0.9%	3.8%
Firstcare - Lubbock	11.4%	3.2%	24.4%	1.8%	22.1%	1.2%	23.7%	5.0%	8.8%
PCCM - Lubbock	11.4%	3.2%	24.4%	1.8%	22.1%	1.2%	23.7%	5.0%	9.6%
Americaid - Tarrant	15.4%	-44.7%	17.1%	19.6%	20.2%	41.4%	-49.5%	-4.5%	11.8%
Superior - Travis	-0.9%	9.2%	1.0%	29.6%	42.1%	0.8%	38.8%	3.7%	19.0%
Americaid - Travis	-5.8%	0.7%	-13.4%	9.4%	39.8%	-0.2%	40.5%	3.6%	16.3%
Total	3.6%	-8.6%	9.2%	14.6%	8.8%	13.2%	-19.5%	-1.5%	6.3%

FY2007 STAR Rating Summary

Health Plan	TANF Children (over age 1)	TANF Children (< 1)	TANF Adults	Pregnant Women	Newborns	Expansion Children (over age 1)	Expansion Children (< 1)	Federal Mandate Children	Total
FY2007 Adjusted Premium (Community Rates with Risk Adjustment)									
CFHP - Bexar	3,663,205	953,493	3,149,371	19,731,774	42,710,099	15,264,279	2,557,132	15,971,585	104,000,938
Superior - Bexar	2,885,407	836,512	3,154,771	17,155,273	38,159,693	11,136,721	2,050,707	11,099,670	86,478,754
PCCM - Bexar	4,103,175	755,161	2,298,339	10,681,364	36,481,325	13,543,231	970,980	15,613,631	84,447,204
Americaid - Dallas	5,998,468	957,646	2,863,598	10,918,767	39,140,632	29,881,120	9,564,174	24,052,296	123,376,703
Parkland - Dallas	6,631,734	1,381,946	3,707,003	26,601,212	62,698,653	37,852,533	14,405,158	23,726,925	177,005,164
PCCM - Dallas	2,958,020	548,854	1,702,442	12,015,765	34,114,180	12,891,293	2,424,966	9,128,967	75,784,488
El Paso First - El Paso	3,326,890	1,047,239	2,768,845	10,885,858	21,131,536	9,814,011	2,369,165	11,294,624	62,638,169
Superior - El Paso	4,824,912	1,057,218	2,352,415	9,942,372	22,592,110	12,450,250	1,888,448	13,892,005	68,999,730
PCCM - El Paso	1,907,642	224,453	986,146	1,410,640	4,031,524	3,192,879	260,057	5,859,112	17,872,453
Americaid - Harris	8,928,539	2,119,819	7,217,778	26,807,939	79,853,584	35,998,031	11,049,425	34,286,430	206,261,545
CHC - Harris	4,118,886	1,377,846	4,236,841	27,331,054	56,388,197	18,456,916	7,346,026	14,545,865	133,801,632
TCHP - Harris	5,252,925	1,087,510	1,716,672	10,323,239	32,106,228	31,039,398	13,092,231	27,491,020	122,109,223
PCCM - Harris	6,532,354	1,310,971	3,116,301	16,502,188	63,487,183	30,010,961	5,740,199	25,089,150	151,789,307
Firstcare - Lubbock	1,244,635	220,024	1,062,253	7,989,497	8,176,564	4,630,105	485,619	5,963,168	29,771,866
PCCM - Lubbock	1,023,259	179,123	880,600	6,579,645	7,740,812	3,316,550	277,316	3,582,280	23,579,585
Americaid - Tarrant	8,703,778	1,183,026	7,558,680	33,834,831	87,980,516	41,359,075	8,809,615	33,666,035	223,095,555
Superior - Travis	12,268,394	2,969,607	10,616,288	13,970,075	43,186,451	14,063,772	4,176,415	10,947,071	112,198,073
Americaid - Travis	2,459,515	1,242,626	2,964,881	4,807,275	14,121,027	2,712,606	2,515,142	2,293,474	33,116,546
Total	86,831,739	19,453,073	62,353,224	267,488,770	694,100,314	327,613,731	89,982,776	288,503,307	1,836,326,934

FY2007 STAR Rating Summary

Health Plan	TANF Children (over age 1)	TANF Children (< 1)	TANF Adults	Pregnant Women	Newborns	Expansion Children (over age 1)	Expansion Children (< 1)	Federal Mandate Children	Total
Maximum of Adjusted Community Rate w/o Risk Adjustment and Adjusted Community Rate with Risk Adjustment									
CFHP - Bexar	90.91	289.18	263.79	402.62	657.32	87.63	189.42	69.09	176.76
Superior - Bexar	87.11	280.34	261.68	399.99	650.47	87.41	184.41	67.40	189.75
PCCM - Bexar	87.11	280.34	261.68	399.99	650.47	87.41	184.41	67.40	158.37
Americaid - Dallas	88.10	251.69	215.51	346.16	629.32	106.52	220.55	72.79	151.73
Parkland - Dallas	88.90	246.78	217.89	347.27	675.67	108.05	224.44	72.97	175.90
PCCM - Dallas	88.10	251.69	215.51	346.16	629.32	106.52	220.55	72.79	194.31
El Paso First - El Paso	78.14	240.24	216.63	386.23	573.28	93.34	187.04	67.77	153.06
Superior - El Paso	75.90	238.42	219.32	380.91	556.63	90.95	181.32	66.95	136.01
PCCM - El Paso	75.90	238.42	219.32	380.91	556.63	90.95	181.32	66.95	107.94
Americaid - Harris	81.07	302.01	248.26	375.46	683.09	89.97	207.27	69.51	160.99
CHC - Harris	82.68	307.04	245.04	375.39	663.55	92.21	217.52	70.79	201.09
TCHP - Harris	82.96	340.57	205.90	345.74	646.43	94.75	231.79	72.77	133.28
PCCM - Harris	82.68	307.04	245.04	375.39	663.55	92.21	217.52	70.79	161.15
Firstcare - Lubbock	86.38	207.08	253.16	510.74	416.38	88.21	238.86	76.09	158.50
PCCM - Lubbock	86.38	207.08	253.16	510.74	416.38	88.21	238.86	76.09	176.62
Americaid - Tarrant	86.26	179.21	278.94	380.48	559.23	98.68	187.79	74.67	171.91
Superior - Travis	73.05	213.76	195.85	417.81	740.08	86.18	215.26	64.06	164.68
Americaid - Travis	72.42	208.56	188.96	399.01	737.13	86.04	216.23	64.05	200.92
Total	81.95	250.55	229.68	381.96	634.66	95.17	212.18	70.63	164.86
FY2007 Adjusted Premium Rate Change									
CFHP - Bexar	6.6%	10.1%	17.2%	12.9%	18.3%	7.3%	23.7%	-1.6%	11.7%
Superior - Bexar	7.3%	21.9%	22.6%	11.6%	15.5%	9.1%	21.3%	-0.3%	11.7%
PCCM - Bexar	7.3%	21.9%	22.6%	11.6%	15.5%	9.1%	21.3%	-0.3%	10.6%
Americaid - Dallas	3.3%	-29.1%	15.7%	12.7%	14.1%	8.2%	-16.2%	1.4%	6.2%
Parkland - Dallas	2.8%	-42.1%	13.9%	11.9%	8.6%	6.7%	-20.3%	-1.0%	3.4%
PCCM - Dallas	3.3%	-29.1%	15.7%	12.7%	14.1%	8.2%	-16.2%	1.4%	9.1%
El Paso First - El Paso	-17.4%	6.4%	7.9%	11.2%	4.1%	2.5%	-8.3%	-8.9%	0.7%
Superior - El Paso	-8.6%	-1.2%	6.4%	10.4%	12.3%	1.1%	3.7%	-4.7%	3.8%
PCCM - El Paso	-8.6%	-1.2%	6.4%	10.4%	12.3%	1.1%	3.7%	-4.7%	1.2%
Americaid - Harris	7.7%	1.2%	8.9%	17.3%	0.6%	15.8%	-20.3%	-1.0%	3.8%
CHC - Harris	2.3%	17.4%	-1.1%	13.7%	-6.1%	19.1%	-20.0%	-4.4%	0.1%
TCHP - Harris	19.8%	-12.3%	12.1%	18.9%	-9.2%	18.6%	-21.2%	0.0%	0.5%
PCCM - Harris	9.8%	2.9%	7.5%	17.3%	-2.3%	18.7%	-16.4%	0.9%	3.8%
Firstcare - Lubbock	11.4%	3.2%	24.4%	1.8%	22.1%	1.2%	23.7%	5.0%	8.8%
PCCM - Lubbock	11.4%	3.2%	24.4%	1.8%	22.1%	1.2%	23.7%	5.0%	9.6%
Americaid - Tarrant	15.4%	-44.7%	17.1%	19.6%	20.2%	41.4%	-49.5%	-4.5%	11.8%
Superior - Travis	-0.9%	9.2%	1.0%	29.6%	42.1%	0.8%	38.9%	3.7%	19.0%
Americaid - Travis	-1.7%	6.6%	-2.5%	23.7%	41.5%	0.6%	39.5%	3.7%	21.0%
Total	3.9%	-7.9%	9.5%	14.6%	9.6%	13.5%	-18.9%	-1.3%	6.8%

FY2007 STAR Rating Summary

Health Plan	TANF Children (over age 1)	TANF Children (< 1)	TANF Adults	Pregnant Women	Newborns	Expansion Children (over age 1)	Expansion Children (< 1)	Federal Mandate Children	Total
FY2007 Adjusted Premium									
CFHP - Bexar	3,663,337	953,493	3,149,352	19,731,777	42,710,301	15,263,426	2,557,112	15,972,147	104,000,943
Superior - Bexar	3,038,431	865,677	3,179,993	17,283,985	38,604,770	11,175,057	2,118,263	11,490,137	87,756,313
PCCM - Bexar	4,102,941	755,168	2,298,343	10,681,312	36,481,410	13,542,801	970,959	15,614,466	84,447,401
Americaid - Dallas	6,058,079	930,157	2,903,973	11,004,374	43,441,952	30,416,622	9,813,897	24,113,575	128,682,629
Parkland - Dallas	6,631,856	1,381,963	3,707,078	26,601,094	62,699,112	37,850,898	14,405,369	23,727,324	177,004,694
PCCM - Dallas	2,957,878	548,859	1,702,468	12,015,637	34,114,418	12,890,893	2,424,993	9,129,569	75,784,713
El Paso First - El Paso	3,326,845	1,047,260	2,768,817	10,885,799	21,131,544	9,813,598	2,369,219	11,294,450	62,637,531
Superior - El Paso	4,920,639	1,074,789	2,321,955	9,940,474	21,945,872	12,759,749	1,981,746	14,147,203	69,092,429
PCCM - El Paso	1,907,602	224,453	986,147	1,410,645	4,031,535	3,192,738	260,062	5,859,270	17,872,453
Americaid - Harris	8,928,084	2,119,797	7,217,834	26,807,793	79,853,751	35,998,374	11,049,656	34,285,573	206,260,863
CHC - Harris	3,958,833	1,449,644	4,004,218	26,451,173	57,821,516	18,390,116	7,605,930	14,664,173	134,345,604
TCHP - Harris	5,252,853	1,087,496	1,716,651	10,323,206	32,106,299	31,038,488	13,092,215	27,489,221	122,106,429
PCCM - Harris	6,532,555	1,310,971	3,116,329	16,502,249	63,487,552	30,009,848	5,740,297	25,090,104	151,789,906
Firstcare - Lubbock	1,244,611	220,029	1,062,233	7,989,454	8,176,538	4,629,861	485,614	5,963,239	29,771,579
PCCM - Lubbock	1,023,239	179,127	880,583	6,579,610	7,740,786	3,316,376	277,313	3,582,322	23,579,357
Americaid - Tarrant	8,703,828	1,183,055	7,558,742	33,834,569	87,981,223	41,359,871	8,809,531	33,667,080	223,097,898
Superior - Travis	12,267,784	2,969,602	10,616,233	13,970,235	43,186,235	14,063,603	4,176,492	10,947,236	112,197,418
Americaid - Travis	2,566,104	1,314,943	3,338,413	5,435,892	14,293,131	2,735,494	2,496,475	2,295,216	34,475,667
Total	87,085,500	19,616,484	62,529,363	267,449,279	699,807,944	328,447,811	90,635,145	289,332,303	1,844,903,829

Attachment 2

Individual HMO Experience Analysis

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

Exhibit A. This exhibit shows monthly enrollment, number of maternity deliveries and earned premium by risk group for the period September 2003 through March 2006. All of this information was provided by HHSC.

Exhibit B. This exhibit shows a sample of a claim lag report for one risk group. This report includes claim amounts by payment month and month of service. We analyzed claims experience for the period September 2003 through January 2006.

Exhibit C. This exhibit shows the calculation of estimated monthly incurred claims for one risk group. The report includes the following information: (i) monthly enrollment, (ii) claim amounts incurred in that month and paid through March 31, 2006, (iii) estimated proportion of that month's incurred claims paid through March 31, 2006 (completion factor), (iv) estimated incurred claims, (v) estimated incurred claims per member per month (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 HMO.

Exhibit D. This exhibit is a summary of the sample HMO's projected FY2007 cost based on the HMO's actual experience for two risk groups. The top of the exhibit shows summary base period (FY2005) enrollment, premium and claims experience. Next are projected FY2007 enrollment and premium based on current (FY2006) rates. Trend assumptions for FY2006 and FY2007 are used to project the average base period claims cost to FY2007. Following that are several adjustment factors. Combining these factors results in projected FY2007 incurred claims.

In addition to incurred claims, provision is also made for services that are capitated by the HMO, 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 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) \$1.50 pmpm.

A provision for administrative expenses is included in the amount of \$10.1275 pmpm and 7.5% of gross premium. A risk margin is also included at 2.0% of gross premium.

At the bottom of Exhibit D is a summary of the projected FY2007 cost based on the above assumptions. Cost projections are presented both with and without the inclusion of maternity expenses.

Sample HMO
Enrollment and Premium Experience

Month	Members								Total Members
	TANF Children	TANF Ch <1	TANF Adults	Pregnant Women	Newborns	Expansion Children	Exp Ch <1	Fed Mand Children	
Sep-03	2,140	182	1,053	1,055	1,145	2,117	711	2,551	10,954
Oct-03	2,150	179	1,058	1,076	1,218	2,175	716	2,603	11,175
Nov-03	2,209	171	1,086	1,177	1,275	2,199	707	2,630	11,454
Dec-03	2,265	168	1,128	1,208	1,339	2,297	761	2,677	11,843
Jan-04	2,355	193	1,169	1,204	1,450	2,458	804	2,848	12,481
Feb-04	2,456	226	1,244	1,289	1,539	2,964	975	3,422	14,115
Mar-04	2,482	244	1,236	1,344	1,658	3,208	1,071	3,492	14,735
Apr-04	2,492	253	1,231	1,436	1,729	3,594	1,288	3,904	15,927
May-04	2,454	268	1,246	1,805	1,781	4,144	1,443	4,496	17,637
Jun-04	2,617	274	1,338	2,102	1,916	4,899	1,638	5,321	20,105
Jul-04	2,751	285	1,473	2,397	2,119	5,308	1,671	5,805	21,809
Aug-04	3,016	295	1,621	2,754	2,291	6,191	1,912	6,697	24,777
Sep-04	3,347	340	1,790	3,119	2,470	6,913	2,086	7,652	27,717
Oct-04	3,499	354	1,892	3,359	2,719	7,244	2,125	8,122	29,314
Nov-04	3,849	411	2,164	3,432	2,964	8,137	2,399	9,481	32,837
Dec-04	4,146	422	2,323	3,463	3,264	8,773	2,570	10,371	35,332
Jan-05	4,320	469	2,449	3,391	3,493	8,991	2,600	10,680	36,393
Feb-05	4,492	509	2,571	3,503	3,617	9,523	2,702	11,263	38,180
Mar-05	4,578	528	2,577	3,453	3,814	9,663	2,723	11,299	38,635
Apr-05	4,569	559	2,624	3,585	3,939	10,085	2,799	11,829	39,989
May-05	4,698	597	2,735	3,669	4,128	10,496	2,838	12,387	41,548
Jun-05	4,848	636	2,837	3,643	4,283	11,070	2,872	12,951	43,140
Jul-05	5,085	650	2,905	3,653	4,413	11,282	2,914	13,177	44,079
Aug-05	5,192	637	2,925	3,801	4,545	11,615	2,789	13,210	44,714
Sep-05	6,018	626	2,539	4,016	4,931	13,220	2,835	14,940	49,125
Oct-05	6,110	644	2,733	4,011	5,063	12,726	2,564	14,228	48,079
Nov-05	5,813	618	2,733	3,962	5,084	12,645	2,445	14,323	47,623
Dec-05	5,791	603	2,686	3,807	5,208	13,279	2,496	15,017	48,887
Jan-06	5,617	586	2,571	3,636	5,265	13,671	2,398	15,504	49,248
Feb-06	5,543	580	2,479	3,576	5,148	13,992	2,467	15,567	49,352
Mar-06	5,283	546	2,336	3,464	5,294	14,038	2,399	15,267	48,627
FY2004	29,387	2,738	14,883	18,847	19,460	41,554	13,697	46,446	187,012
FY2005	52,623	6,112	29,792	42,071	43,649	113,792	31,417	132,422	451,878
FY2006	40,175	4,203	18,077	26,472	35,993	93,571	17,604	104,846	340,941

Sample HMO
Enrollment and Premium Experience

Month	Deliveries				Deliveries (continued)					Total Deliveries
	TANF Children	TANF Ch <l	TANF Adults	Pregnant Women	Newborns	Expansion Children	Exp Ch <l	Fed Mand Children		
Sep-03	1	0	9	126	0	0	0	2	138	
Oct-03	5	0	9	147	0	0	0	3	164	
Nov-03	2	0	7	140	0	0	0	1	150	
Dec-03	4	0	9	145	0	0	0	1	159	
Jan-04	8	0	15	154	0	0	0	1	178	
Feb-04	3	0	9	145	0	0	0	2	159	
Mar-04	1	0	13	138	0	0	0	7	159	
Apr-04	1	0	13	164	0	0	0	1	179	
May-04	4	0	6	163	0	0	0	1	174	
Jun-04	1	0	18	196	0	0	0	3	218	
Jul-04	9	0	22	276	0	0	0	3	310	
Aug-04	5	0	19	263	0	0	0	3	290	
Sep-04	5	0	24	297	0	0	0	1	327	
Oct-04	5	0	23	350	0	0	0	3	381	
Nov-04	3	0	32	362	0	0	0	4	401	
Dec-04	3	0	20	404	0	0	0	5	432	
Jan-05	6	0	27	366	0	0	0	4	403	
Feb-05	3	0	19	324	0	0	0	3	349	
Mar-05	9	0	32	370	0	0	0	3	414	
Apr-05	9	0	27	353	0	0	0	5	394	
May-05	6	0	28	410	0	0	0	1	445	
Jun-05	11	0	41	370	0	0	0	4	426	
Jul-05	6	0	23	434	0	0	0	8	471	
Aug-05	4	0	29	427	0	0	0	9	469	
Sep-05	13	0	13	474	0	0	0	6	506	
Oct-05	13	0	29	423	0	0	0	7	472	
Nov-05	5	0	25	406	0	0	0	11	447	
Dec-05	7	0	24	483	0	0	0	8	522	
Jan-06	6	0	16	492	0	0	0	10	524	
Feb-06										
Mar-06										
FY2004	44	0	149	2,057	0	0	0	28	2,278	
FY2005	70	0	325	4,467	0	0	0	50	4,912	
FY2006	44	0	107	2,278	0	0	0	42	2,471	

Sample HMO
Enrollment and Premium Experience

Month	Premium		TANF Adults	Pregnant Women	Newborns	Expansion Children	Exp Ch <1	Fed Mand Children	Deliveries	Total
	TANF Children	TANF Ch <1								
Sep-03	195,532	102,497	227,027	301,350	644,830	185,619	400,414	187,499	434,975	2,679,741
Oct-03	196,446	100,807	228,105	307,349	685,941	190,704	403,230	191,321	516,926	2,820,828
Nov-03	201,836	96,302	234,142	336,198	718,042	192,808	398,161	193,305	472,799	2,843,593
Dec-03	206,953	94,613	243,197	345,053	754,085	201,401	428,572	196,760	501,166	2,971,799
Jan-04	215,176	108,692	252,036	343,911	816,597	215,517	452,789	209,328	561,054	3,175,100
Feb-04	224,405	127,276	268,206	368,190	866,719	259,884	549,091	251,517	501,166	3,416,454
Mar-04	226,780	137,413	266,482	383,900	933,736	281,277	603,155	256,662	501,166	3,590,572
Apr-04	227,694	142,482	265,404	410,179	973,721	315,122	725,363	286,944	564,206	3,911,115
May-04	224,222	150,930	268,638	515,580	1,003,006	363,346	812,654	330,456	548,446	4,217,278
Jun-04	239,115	154,309	288,473	600,415	1,079,034	429,544	922,472	391,094	687,134	4,791,590
Jul-04	251,359	160,503	317,579	684,679	1,193,357	465,405	941,057	426,668	977,117	5,417,724
Aug-04	275,572	166,135	349,488	786,653	1,290,222	542,827	1,076,781	492,230	914,077	5,893,984
Sep-04	305,815	191,478	385,924	890,911	1,391,030	606,132	1,174,773	562,422	1,030,701	6,539,185
Oct-04	319,704	199,362	407,915	959,465	1,531,259	635,154	1,196,736	596,967	1,200,908	7,047,470
Nov-04	351,683	231,463	466,558	980,316	1,669,236	713,452	1,351,045	696,854	1,263,948	7,724,555
Dec-04	378,820	237,658	500,839	989,171	1,838,187	769,217	1,447,347	762,269	1,361,660	8,285,166
Jan-05	394,718	264,127	528,004	968,605	1,967,153	788,331	1,464,242	784,980	1,270,252	8,430,412
Feb-05	410,434	286,654	554,308	1,000,597	2,036,986	834,977	1,521,685	827,831	1,100,045	8,573,515
Mar-05	418,292	297,354	555,601	986,315	2,147,930	847,252	1,533,512	830,477	1,304,924	8,921,656
Apr-05	417,470	314,812	565,734	1,024,019	2,218,327	884,253	1,576,313	869,432	1,241,884	9,112,243
May-05	429,256	336,212	589,666	1,048,013	2,324,766	920,289	1,598,276	910,445	1,402,636	9,559,559
Jun-05	442,962	358,176	611,657	1,040,587	2,412,057	970,618	1,617,424	951,899	1,342,748	9,748,127
Jul-05	464,616	366,061	626,318	1,043,443	2,485,269	989,206	1,641,077	968,510	1,484,587	10,069,087
Aug-05	474,393	358,739	630,630	1,085,718	2,559,608	1,018,403	1,570,681	970,935	1,478,283	10,147,390
Sep-05	544,990	387,801	602,149	1,261,827	3,054,705	1,275,069	1,756,254	1,207,899	1,594,907	11,685,602
Oct-05	553,322	398,952	648,158	1,260,256	3,136,478	1,227,423	1,588,372	1,150,334	1,487,739	11,451,034
Nov-05	526,425	382,845	648,158	1,244,860	3,149,487	1,219,610	1,514,653	1,158,015	1,408,940	11,252,993
Dec-05	524,433	373,552	637,012	1,196,159	3,226,304	1,280,760	1,546,247	1,214,124	1,645,339	11,643,930
Jan-06	508,676	363,021	609,738	1,142,431	3,261,615	1,318,568	1,485,537	1,253,498	1,651,643	11,594,727
Feb-06	501,974	359,304	587,920	1,123,579	3,189,135	1,349,528	1,528,282	1,258,592	0	9,898,314
Mar-06	478,428	338,242	554,006	1,088,389	3,279,580	1,353,965	1,486,157	1,234,337	0	9,813,103
FY2004	2,685,090	1,541,959	3,208,775	5,383,457	10,959,288	3,643,455	7,713,739	3,413,781	7,180,233	45,729,778
FY2005	4,808,164	3,442,095	6,423,155	12,017,160	24,581,807	9,977,283	17,693,112	9,733,017	15,482,575	104,158,368
FY2006	3,638,248	2,603,716	4,287,141	8,317,502	22,297,304	9,024,923	10,905,502	8,476,799	7,788,567	77,339,703

Sample HMO
Claims Lag Report

Month Incurred	Month Paid	Sep-03	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	
TANF Children (over age 1)																			
Sep-03	1000	47156	8341	3957	2079	579	1539	22	193	213	0	373	0	81	0	0	0	0	0
Oct-03		8701	39700	19906	5289	4776	492	6	366	16	0	94	79	0	0	0	0	0	0
Nov-03			1233	35388	163476	12818	2260	8818	145	51	524	-82	132	0	0	0	80	0	0
Dec-03				193	52634	38379	24471	22090	906	690	257	491	332	0	6704	51	158		
Jan-04					196	50933	38693	8913	4932	230	925	2115	89	0	38	0	29		
Feb-04						31	45023	62910	13298	2143	928	534	372	158	163	0	0		
Mar-04							0	36452	76394	11165	5046	1776	1651	3225	406	1592	0		
Apr-04								0	53209	51888	9970	3533	1281	929	762	221	176		
May-04									1585	41013	30073	11262	2092	1907	482	460	518		
Jun-04										3230	50726	20244	6454	4166	535	230	25		
Jul-04											3883	87700	45829	10161	3696	1499	488		
Aug-04												119	75192	87224	12162	5501	5722		
Sep-04													3083	107042	50751	12587	2901		
Oct-04														8177	66240	54266	10337		
Nov-04															5927	95711	61082		
Dec-04																9190	104078		
Jan-05																			
Feb-05																			
Mar-05																			
Apr-05																			
May-05																			
Jun-05																			
Jul-05																			
Aug-05																			
Sep-05																			
Oct-05																			
Nov-05																			
Dec-05																			
Jan-06																			
Total	1000	55857	49273	59444	223674	107517	112479	139210	151029	110639	102331	128160	136585	223070	147865	181387	197589		

Sample HMO
 Estimated Claims Experience

Month	TANF Children (over age 1)		Compl Factor	Est Inc Claims	Est Inc pmpm	Trend Factor
	Members	Inc & Pd Claims				
Sep-03	2,140	65,723	1.000	65,723	30.71	
Oct-03	2,150	79,426	1.000	79,426	36.94	
Nov-03	2,209	224,844	1.000	224,844	101.79	
Dec-03	2,265	147,354	1.000	147,354	65.06	
Jan-04	2,355	107,565	1.000	107,565	45.68	
Feb-04	2,456	126,276	1.000	126,276	51.42	
Mar-04	2,482	137,777	1.000	137,777	55.51	
Apr-04	2,492	128,990	1.000	128,990	51.76	
May-04	2,454	89,478	1.000	89,478	36.46	
Jun-04	2,617	86,217	1.000	86,217	32.95	
Jul-04	2,751	154,801	1.000	154,801	56.27	
Aug-04	3,016	187,566	1.000	187,566	62.19	
Sep-04	3,347	242,168	1.000	242,168	72.35	2.356
Oct-04	3,499	148,172	0.999	148,320	42.39	1.147
Nov-04	3,849	192,133	0.999	192,325	49.97	0.491
Dec-04	4,146	190,592	0.999	190,783	46.02	0.707
Jan-05	4,320	184,772	0.998	185,142	42.86	0.938
Feb-05	4,492	203,375	0.997	203,987	45.41	0.883
Mar-05	4,578	218,850	0.997	219,508	47.95	0.864
Apr-05	4,569	233,615	0.996	234,553	51.34	0.992
May-05	4,698	224,050	0.994	225,402	47.98	1.316
Jun-05	4,848	214,436	0.990	216,602	44.68	1.356
Jul-05	5,085	316,706	0.987	320,877	63.10	1.121
Aug-05	5,192	303,849	0.980	310,050	59.72	0.960
Sep-05	6,018	365,246	0.965	378,493	62.89	0.869
Oct-05	6,110	317,391	0.925	343,126	56.16	1.325
Nov-05	5,813	199,873	0.750	266,497	45.85	0.917
Dec-05	5,791	144,438	0.520	277,765	47.96	1.042
Jan-06	5,617	25,978	0.104	249,787	44.47	1.038
Feb-06	5,543					
Mar-06	5,283					
9/03-11/03	6,499			369,993	56.93	
12/03-2/04	7,076			381,196	53.87	
3/04-5/04	7,428			356,245	47.96	
6/04-8/04	8,384			428,584	51.12	
9/04-11/04	10,695			582,814	54.49	0.957
12/04-2/05	12,958			579,912	44.75	0.831
3/05-5/05	13,845			679,463	49.08	1.023
6/05-8/05	15,125			847,529	56.03	1.096
9/05-11/05	17,941			988,116	55.08	1.011
FY2004	29,387			1,536,017	52.27	
FY2005	52,623			2,689,719	51.11	0.978
FY2006	29,349			1,515,668	51.64	1.032

Sample HMO
 Experienced Based Renewal Rating

	TANF Children (over age 1)		TANF Children <1	
	Amount	per Member per Month	Amount	per Member per Month
FY2005 Experience Period				
Member Months	52,623		6,112	
Premium Revenue	4,808,164	91.37	3,442,095	563.17
Adjusted Premium	4,765,539	90.56	3,786,323	619.49
Estimated Incurred Claims	2,689,719	51.11	1,638,385	268.06
Projected FY2007 Member Months	63,827		7,114	
Projected FY2007 Premium				
Current Unadjusted Rates	7,288,405	114.19	812,348	114.19
Current Adjusted Rates	5,780,173	90.56	4,407,052	619.49
Current DSP Rate	261,537	3,151.99	0	3,151.99
Annual Cost Trend Assumptions				
FY2006	4.7 %		4.7 %	
FY2007	5.3 %		5.3 %	
Provider Reimbursement Adjustment		1.0006		1.0006
Benefit Change Factor		1.0000		1.0000
Out-of-Network Adjustment		1.009		1.012
Third Party Recovery Adjustment		1.000		1.000
Projected FY2007 Incurred Claims	3,631,118	56.89	2,128,936	299.26
Capitation Expenses				
Vision	63,827	1.00	7,114	1.00
Mental Health	159,568	2.50	17,785	2.50
PCP	191,481	3.00	21,342	3.00
Other	0	0.00	0	0.00
Total	414,876	6.50	46,241	6.50
Reinsurance Expenses				
Gross Premium	319,135	5.00	35,570	5.00
Projected Reinsurance Recoveries	223,395	3.50	24,899	3.50
Net Reinsurance Cost	95,741	1.50	10,671	1.50
Administrative Expenses				
Fixed Amount	638,270	10.00	71,140	10.00
Percentage of Premium	395,143	7.50 %	186,576	7.50 %
Total	1,033,413		257,716	
Risk Margin	105,371	2.0 %	49,753	2.0 %
Investment Income Adjustment		0.9975		0.9975
Projected FY2007 Total Cost				
with deliveries	5,268,568	82.54	2,487,674	349.69
without deliveries	5,007,031	78.45	2,487,674	349.69

Attachment 3

Community Experience Analysis

The following exhibits present a summary of the experience analysis performed for each Service Delivery Area (SDA). HHSC utilizes an adjusted community rating methodology in setting the STAR premium rates. The base community rates by risk group vary by SDA but are the same for each HMO in a service area. The community rates are developed by a weighted average of the projected FY2007 cost for each health plan in the service area. The weights used in this formula are the projected number of FY2007 clients 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 FY2007 STAR HMO premium rates for the following service areas:

- Exhibit A – Bexar SDA
- Exhibit B – Dallas SDA
- Exhibit C – El Paso SDA
- Exhibit D – Harris SDA
- Exhibit E – Lubbock SDA
- Exhibit F – Tarrant SDA
- Exhibit G – Travis SDA

These exhibits show projected FY2007 experience for each of the service areas. These amounts were derived by summing amounts from each individual health plan in the SDA (including PCCM, if applicable). The experience analysis for individual HMOs is described in Attachment 2. The top portion of the exhibit shows summary base period (FY2005) experience. Following that are projected FY2007 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) \$1.50 pmpm.

A provision for administrative expenses is included in the amount of \$10.1275 pmpm and 7.5% of gross premium. A risk margin is also included at 2.0% of gross premium.

Near the bottom of the exhibit is a summary of the projected FY2007 cost based on these assumptions. Cost projections are presented both with and without the inclusion of maternity expenses.

FY2007 STAR Rating Summary
Bexar SDA Total

	TANF Children (age 1+)		TANF Children <1		TANF Adults		Pregnant Women		Newborns	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
FY2005 Experience Period										
Member Months	168,461		12,989		45,630		116,756		163,596	
Premium Revenue	13,074,258	77.61	3,474,947	267.53	9,398,867	205.98	38,775,835	332.11	87,484,597	534.76
Adjusted Premium	13,856,862	82.26	3,122,274	240.38	9,895,283	216.86	41,766,467	357.72	91,757,486	560.88
FY2005 Incurred Claims	10,368,775	61.55	2,820,302	217.13	9,944,602	217.94	69,298,189	593.53	78,313,405	478.70
Proj.FY2007 Member Months	122,277		9,079		32,874		118,923		180,410	
Projected FY2007 Premium										
Current Unadjusted Rates	10,471,708	85.64	2,195,692	241.84	8,157,199	248.13	83,079,952	698.60	101,144,590	560.64
Current Adjusted Rates	10,092,499	82.54	2,195,688	241.84	7,154,632	217.64	42,526,460	357.60	101,144,642	560.64
Current DSP Rate	392,347	3.21	0	0.00	957,304	29.12	38,830,991	326.52	0	0.00
Annual Cost Trend Assumptions										
FY2006	4.7 %		4.7 %		5.3 %		3.4 %		10.6 %	
FY2007	5.3 %		5.3 %		8.0 %		4.5 %		8.6 %	
Provider Reimbursement Adjust.		1.0006		1.0006		1.0006		1.0006		1.0006
Benefit Change Factor		1.0000		1.0000		1.0030		1.0030		1.0000
Out-of-Network Adjustment		1.001		1.003		1.002		1.002		1.002
Third Party Recovery Adjust.		0.999		0.999		0.999		0.999		0.999
Projected Incurred Claims	8,302,635	67.90	2,178,219	239.92	8,182,037	248.89	76,593,823	644.06	103,887,383	575.84
Capitation Expenses Total	295,941	2.42	25,363	2.79	109,007	3.32	410,823	3.45	483,832	2.68
Net Reinsurance Cost	183,416	1.50	13,618	1.50	49,311	1.50	178,385	1.50	270,615	1.50

FY2007 STAR Rating Summary
Bexar SDA Total

	TANF Children (age 1+)		TANF Children <1		TANF Adults		Pregnant Women		Newborns	
	Amount	pppm	Amount	pppm	Amount	pppm	Amount	pppm	Amount	pppm
Administrative Expenses										
Fixed Amount	1,238,364	10.1275	91,947	10.1275	332,933	10.1275	1,204,397	10.1275	1,827,104	10.1275
Percentage of Premium	828,340	7.50%	190,887	7.50%	716,984	7.50%	6,479,955	7.50%	8,801,334	7.50%
Total	2,066,705		282,834		1,049,916		7,684,352		10,628,438	
Risk Margin	220,891	2.00%	50,903	2.00%	191,196	2.00%	1,727,988	2.00%	2,347,022	2.00%
Investment Income Adjust.		0.9975		0.9975		0.9975		0.9975		0.9975
Projected Total Cost										
with deliveries	11,044,537	90.32	2,545,166	280.34	9,559,785	290.80	86,399,402	726.51	117,351,118	650.47
without deliveries	10,652,189	87.11	2,545,166	280.34	8,602,481	261.68	47,568,411	399.99	117,351,118	650.47
Experience Rate Increase										
with deliveries		5.5%		15.9%		17.2%		4.0%		16.0%
without deliveries		5.5%		15.9%		20.2%		11.9%		16.0%

FY2007 STAR Rating Summary
Bexar SDA Total

	Exp Children (age 1+)		Exp Children <1		Fed Mand Children		Deliveries		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
FY2005 Experience Period										
Member Months	536,585		33,751		721,286		12,841		1,799,054	
Premium Revenue	42,964,361	80.07	6,238,535	184.84	50,872,302	70.53	40,661,274	3,166.59	292,944,976	162.83
Adjusted Premium	43,272,984	80.65	5,145,027	152.44	49,369,490	68.45	40,661,274	3,166.59	298,847,146	166.11
FY2005 Incurred Claims	31,588,759	58.87	4,638,737	137.44	31,989,034	44.35			238,961,803	132.83
Proj.FY2007 Member Months	456,961		30,252		633,324				1,584,101	
Projected FY2007 Premium										
Current Unadjusted Rates	36,890,816	80.73	4,614,485	152.54	44,042,790	69.54			290,597,233	183.45
Current Adjusted Rates	36,890,837	80.73	4,614,473	152.54	43,435,098	68.58			248,054,330	156.59
Current DSP Rate	0	0.00	0	0.00	401,096	0.63			40,581,738	25.62
Annual Cost Trend Assumptions										
FY2006	6.3 %		6.3 %		2.7 %					
FY2007	4.2 %		4.2 %		4.7 %					
Provider Reimbursement Adjust.		1.0006		1.0006		1.0006				
Benefit Change Factor		1.0000		1.0000		1.0000				
Out-of-Network Adjustment		1.001		1.002		1.001				
Third Party Recovery Adjust.		0.999		0.999		0.999				
Projected Incurred Claims	29,821,278	65.26	4,611,254	152.43	30,215,902	47.71			263,792,530	166.53
Capitation Expenses										
Total	1,105,538	2.42	98,480	3.26	1,509,653	2.38			4,038,637	2.55
Net Reinsurance Cost	685,442	1.50	45,377	1.50	949,986	1.50			2,376,151	1.50

FY2007 STAR Rating Summary
Bexar SDA Total

	Exp Children (age 1+)		Exp Children <1		Fed Mand Children		Deliveries		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Administrative Expenses										
Fixed Amount	4,627,873	10.1275	306,373	10.1275	6,413,992	10.1275	16,042,983	10.1275	10.1275	
Percentage of Premium	2,995,817	7.50%	418,411	7.50%	3,231,365	7.50%	23,663,095	7.50 %	7.50 %	
Total	7,623,690		724,785		9,645,357		39,706,077		25.07	
Risk Margin	798,885	2.00%	111,576	2.00%	861,697	2.00%	6,310,159	2.0 %	2.0 %	
Investment Income Adjust.		0.9975		0.9975		0.9975			0.9975	
Projected Total Cost										
with deliveries	39,944,231	87.41	5,578,819	184.41	43,084,872	68.03	315,507,928	199.17	199.17	
without deliveries	39,944,231	87.41	5,578,819	184.41	42,683,776	67.40	274,926,190	173.55	173.55	
Experience Rate Increase										
with deliveries		8.3 %		20.9 %		-2.2 %		8.6 %	8.6 %	
without deliveries		8.3 %		20.9 %		-1.7 %		9.3 %	9.3 %	

FY2007 STAR Rating Summary
Dallas SDA Total

	TANF Children (age 1+)		TANF Children <1		TANF Adults		Pregnant Women		Newborns	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
FY2005 Experience Period										
Member Months	248,686		16,273		58,709		136,584		186,550	
Premium Revenue	18,820,556	75.68	6,584,544	404.63	10,341,590	176.15	42,388,844	310.35	111,153,952	595.84
Adjusted Premium	21,329,824	85.77	6,256,854	384.49	11,047,968	188.18	42,118,417	308.37	107,694,563	577.30
FY2005 Incurred Claims	15,324,031	61.62	3,148,175	193.46	10,754,902	183.19	80,747,095	591.19	86,370,785	462.99
Proj.FY2007 Member Months	176,937		11,476		38,388		143,102		216,034	
Projected FY2007 Premium										
Current Unadjusted Rates	15,766,207	89.11	4,470,715	389.56	8,337,989	217.20	97,999,699	684.83	125,719,502	581.94
Current Adjusted Rates	15,182,975	85.81	4,470,719	389.56	7,234,469	188.46	44,206,986	308.92	125,719,682	581.94
Current DSP Rate	574,986	3.25	0	0.00	1,197,469	31.19	53,791,003	375.89	0	0.00
Annual Cost Trend Assumptions										
FY2006	4.7 %		4.7 %		5.3 %		3.4 %		10.6 %	
FY2007	5.3 %		5.3 %		8.0 %		4.5 %		8.6 %	
Provider Reimbursement Adjust.		1.0006		1.0006		1.0006		1.0006		1.0006
Benefit Change Factor		1.0000		1.0000		1.0030		1.0030		1.0000
Out-of-Network Adjustment		1.001		1.001		1.001		1.001		1.001
Third Party Recovery Adjust.		0.998		0.998		0.998		0.998		0.998
Projected Incurred Claims	12,022,856	67.95	2,446,522	213.18	8,022,352	208.98	91,610,836	640.18	120,125,612	556.05
Capitation Expenses Total	668,796	3.78	45,149	3.93	140,251	3.65	512,648	3.58	799,938	3.70
Net Reinsurance Cost	181,386	1.03	12,697	1.11	40,786	1.06	173,102	1.21	232,819	1.08

FY2007 STAR Rating Summary
Dallas SDA Total

	TANF Children (age 1+)		TANF Children <1		TANF Adults		Pregnant Women		Newborns	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Administrative Expenses										
Fixed Amount	1,791,928	10.1275	116,226	10.1275	388,776	10.1275	1,449,262	10.1275	2,187,883	10.1275
Percentage of Premium	1,212,290	7.50%	216,633	7.50%	710,278	7.50%	7,749,570	7.50%	10,196,510	7.50%
Total	3,004,218		332,860		1,099,053		9,198,833		12,384,393	
Risk Margin	323,277	2.00%	57,769	2.00%	189,407	2.00%	2,066,552	2.00%	2,719,069	2.00%
Investment Income Adjust.		0.9975		0.9975		0.9975		0.9975		0.9975
Projected Total Cost										
with deliveries	16,163,871	91.35	2,888,446	251.69	9,470,369	246.70	103,327,607	722.06	135,953,465	629.32
without deliveries	15,588,886	88.10	2,888,446	251.69	8,272,900	215.51	49,536,604	346.16	135,953,465	629.32
Experience Rate Increase										
with deliveries		2.5 %		-35.4 %		13.6 %		5.4 %		8.1 %
without deliveries		2.7 %		-35.4 %		14.4 %		12.1 %		8.1 %

FY2007 STAR Rating Summary
Dallas SDA Total

	Exp Children (age 1+)		Exp Children <1		Fed Mand Children		Deliveries		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
FY2005 Experience Period										
Member Months	856,455		137,684		857,469		16,101		2,498,410	
Premium Revenue	78,399,891	91.54	34,074,036	247.48	63,041,121	73.52	55,342,600	3,437.13	420,147,135	168.17
Adjusted Premium	85,397,504	99.71	37,565,937	272.84	62,194,884	72.53	55,342,600	3,437.13	428,948,552	171.69
FY2005 Incurred Claims	63,009,394	73.57	22,928,517	166.53	41,955,958	48.93			324,238,856	129.78
Proj.FY2007 Member Months	756,876		119,676		781,865				2,244,354	
Projected FY2007 Premium										
Current Unadjusted Rates	75,507,979	99.76	32,671,426	273.00	58,235,321	74.48			418,708,838	186.56
Current Adjusted Rates	75,507,512	99.76	32,671,376	273.00	56,741,384	72.57			361,735,103	161.18
Current DSP Rate	0	0.00	0	0.00	1,341,585	1.72			56,905,043	25.35
Annual Cost Trend Assumptions										
FY2006	6.3 %		6.3 %			2.7 %				
FY2007	4.2 %		4.2 %			4.7 %				
Provider Reimbursement Adjust.		1.0006		1.0006		1.0006				
Benefit Change Factor		1.0000		1.0000		1.0000				
Out-of-Network Adjustment		1.001		1.001		1.001				
Third Party Recovery Adjust.		0.998		0.998		0.998				
Projected Incurred Claims	61,655,125	81.46	22,056,323	184.30	41,133,907	52.61			359,073,533	159.99
Capitation Expenses										
Total	3,029,242	4.00	547,358	4.57	3,013,751	3.85			8,757,134	3.90
Net Reinsurance Cost	798,818	1.06	131,005	1.09	782,172	1.00			2,352,785	1.05

FY2007 STAR Rating Summary
Dallas SDA Total

	Exp Children (age 1+)		Exp Children <1		Fed Mand Children		Deliveries		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Administrative Expenses										
Fixed Amount	7,665,262	10.1275	1,212,021	10.1275	7,918,336	10.1275	22,729,694	10.1275	22,729,694	10.1275
Percentage of Premium	6,046,871	7.50%	1,979,572	7.50%	4,368,733	7.50%	32,480,458	7.50%	32,480,458	7.50%
Total	13,712,133		3,191,593		12,287,069		55,210,152		55,210,152	24.60
Risk Margin	1,612,499	2.00%	527,886	2.00%	1,164,995	2.00%	8,661,456	2.0%	8,661,456	2.0%
Investment Income Adjust.		0.9975		0.9975		0.9975		0.9975		0.9975
Projected Total Cost										
with deliveries	80,624,947	106.52	26,394,299	220.55	58,249,773	74.50	433,072,777	192.96	433,072,777	192.96
without deliveries	80,624,947	106.52	26,394,299	220.55	56,908,188	72.79	376,167,734	167.61	376,167,734	167.61
Experience Rate Increase										
with deliveries		6.8%		-19.2%		0.0%		3.4%		3.4%
without deliveries		6.8%		-19.2%		0.3%		3.4%		3.4%

FY2007 STAR Rating Summary
El Paso SDA Total

	TANF Children (age 1+)		TANF Children <1		TANF Adults		Pregnant Women		Newborns	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
FY2005 Experience Period										
Member Months	152,557		10,597		35,471		55,150		74,967	
Premium Revenue	12,015,389	78.76	3,272,777	308.84	5,398,686	152.20	16,468,893	298.62	32,924,007	439.18
Adjusted Premium	13,084,472	85.77	2,500,835	235.99	7,249,045	204.37	19,085,870	346.07	38,601,757	514.92
FY2005 Incurred Claims	7,182,384	47.08	1,892,094	178.55	6,294,329	177.45	32,751,379	593.86	30,281,420	403.93
Proj.FY2007 Member Months	132,539		9,809		27,865		57,985		83,530	
Projected FY2007 Premium										
Current Unadjusted Rates	11,899,184	89.78	2,299,935	234.48	6,414,421	230.20	41,083,403	708.52	43,416,937	519.78
Current Adjusted Rates	11,499,071	86.76	2,299,936	234.48	5,676,477	203.72	20,073,659	346.19	43,416,923	519.78
Current DSP Rate	361,907	2.73	0	0.00	650,825	23.36	20,299,448	350.08	0	0.00
Annual Cost Trend Assumptions										
FY2006	4.7 %		4.7 %		5.3 %		3.4 %		10.6 %	
FY2007	5.3 %		5.3 %		8.0 %		4.5 %		8.6 %	
Provider Reimbursement Adjust.		1.0006		1.0006		1.0006		1.0006		1.0006
Benefit Change Factor		1.0000		1.0000		1.0030		1.0030		1.0000
Out-of-Network Adjustment		1.001		1.001		1.001		1.001		1.001
Third Party Recovery Adjust.		1.000		1.000		1.000		1.000		1.000
Projected Incurred Claims	6,890,708	51.99	1,933,571	197.13	5,646,796	202.65	37,376,977	644.60	40,581,306	485.83
Capitation Expenses Total	1,107,616	8.36	80,313	8.19	181,969	6.53	441,421	7.61	683,991	8.19
Net Reinsurance Cost	114,784	0.87	8,485	0.87	24,090	0.86	50,146	0.86	72,267	0.87

FY2007 STAR Rating Summary
El Paso SDA Total

	TANF Children (age 1+)		TANF Children <1		TANF Adults		Pregnant Women		Newborns	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Administrative Expenses										
Fixed Amount	1,342,290	10.1275	99,337	10.1275	282,200	10.1275	587,241	10.1275	845,949	10.1275
Percentage of Premium	781,637	7.50%	175,392	7.50%	507,159	7.50%	3,178,976	7.50%	3,487,132	7.50%
Total	2,123,927		274,729		789,359		3,766,217		4,333,080	
Risk Margin	208,437	2.00%	46,771	2.00%	135,242	2.00%	847,727	2.00%	929,902	2.00%
Investment Income Adjust.		0.9975		0.9975		0.9975		0.9975		0.9975
Projected Total Cost										
with deliveries	10,421,833	78.63	2,338,565	238.42	6,762,119	242.68	42,386,347	730.99	46,495,088	556.63
without deliveries	10,059,926	75.90	2,338,565	238.42	6,111,294	219.32	22,086,899	380.91	46,495,088	556.63
Experience Rate Increase										
with deliveries		-12.4 %		1.7 %		5.4 %		3.2 %		7.1 %
without deliveries		-12.5 %		1.7 %		7.7 %		10.0 %		7.1 %

	Exp Children (age 1+)		Exp Children <1		Fed Mand Children		Deliveries		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
FY2005 Experience Period										
Member Months	310,084		27,066		503,584		6,304		1,169,476	
Premium Revenue	27,634,686	89.12	4,588,499	169.53	34,384,716	68.28	21,075,995	3,343.04	157,763,649	134.90
Adjusted Premium	27,994,304	90.28	5,100,632	188.45	35,979,337	71.45	21,075,995	3,343.04	170,672,247	145.94
FY2005 Incurred Claims	17,560,057	56.63	3,546,999	131.05	19,957,034	39.63			119,465,696	102.15
Proj.FY2007 Member Months	280,537		25,031		465,486				1,082,780	
Projected FY2007 Premium										
Current Unadjusted Rates	25,351,485	90.37	4,746,869	189.64	33,864,819	72.75			169,077,052	156.15
Current Adjusted Rates	25,351,325	90.37	4,746,875	189.64	33,389,010	71.73			146,453,275	135.26
Current DSP Rate	0	0.00	0	0.00	481,768	1.03			21,793,948	20.13
Annual Cost Trend Assumptions										
FY2006	6.3 %		6.3 %							
FY2007	4.2 %		4.2 %							
Provider Reimbursement Adjust.		1.0006		1.0006		1.0006				
Benefit Change Factor		1.0000		1.0000		1.0000				
Out-of-Network Adjustment		1.001		1.001		1.001				
Third Party Recovery Adjust.		1.000		1.000		1.000				
Projected Incurred Claims	17,623,310	62.82	3,638,968	145.38	19,862,272	42.67			133,553,907	123.34
Capitation Expenses										
Total	2,442,483	8.71	203,510	8.13	3,731,277	8.02			8,872,579	8.19
Net Reinsurance Cost	242,865	0.87	21,642	0.86	402,920	0.87			937,199	0.87

	Exp Children (age 1+)		Exp Children <1		Fed Mand Children		Deliveries		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Administrative Expenses										
Fixed Amount	2,841,135	10.1275	253,499	10.1275	4,714,206	10.1275	10,965,855	10.1275	10,965,855	10.1275
Percentage of Premium	1,913,695	7.50%	340,386	7.50%	2,373,389	7.50%	12,757,767	7.50 %	12,757,767	7.50 %
Total	4,754,829		593,885		7,087,595		23,723,622		23,723,622	21.91
Risk Margin	510,319	2.00%	90,770	2.00%	632,904	2.00%	3,402,071	2.0 %	3,402,071	2.0 %
Investment Income Adjust.		0.9975		0.9975		0.9975		0.9975		0.9975
Projected Total Cost										
with deliveries	25,515,932	90.95	4,538,481	181.32	31,645,191	67.98	170,103,555	157.10	170,103,555	157.10
without deliveries	25,515,932	90.95	4,538,481	181.32	31,163,422	66.95	148,309,606	136.97	148,309,606	136.97
Experience Rate Increase										
with deliveries		0.6 %		-4.4 %		-6.6 %		0.6 %		0.6 %
without deliveries		0.6 %		-4.4 %		-6.7 %		1.1 %		1.1 %

	TANF Children (age 1+)		TANF Children <1		TANF Adults		Pregnant Women		Newborns	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
FY2005 Experience Period										
Member Months	426,751		31,003		103,955		214,606		305,898	
Premium Revenue	29,450,087	69.01	11,851,517	382.27	22,248,449	214.02	72,935,995	339.86	209,943,915	686.32
Adjusted Premium	31,954,393	74.88	9,455,780	305.00	23,567,432	226.71	68,618,173	319.74	210,103,082	686.84
FY2005 Incurred Claims	23,735,891	55.62	7,349,261	237.05	21,078,955	202.77	127,533,908	594.27	148,482,889	485.40
Proj.FY2007 Member Months	300,337		19,203		66,470		215,682		349,386	
Projected FY2007 Premium										
Current Unadjusted Rates	23,272,828	77.49	5,842,886	304.27	17,074,963	256.88	149,371,064	692.55	241,248,855	690.49
Current Adjusted Rates	22,492,398	74.89	5,842,884	304.27	15,105,213	227.25	68,868,054	319.30	241,248,743	690.49
Current DSP Rate	794,687	2.65	0	0.00	1,961,936	29.52	77,191,962	357.90	0	0.00
Annual Cost Trend Assumptions										
FY2006	4.7 %		4.7 %		5.3 %		3.4 %		10.6 %	
FY2007	5.3 %		5.3 %		8.0 %		4.5 %		8.6 %	
Provider Reimbursement Adjust.		1.0006		1.0006		1.0006		1.0006		1.0006
Benefit Change Factor		1.0000		1.0000		1.0030		1.0030		1.0000
Out-of-Network Adjustment		1.006		1.008		1.008		1.007		1.008
Third Party Recovery Adjust.		1.000		0.999		0.999		0.999		0.999
Projected Incurred Claims	18,524,816	61.68	5,057,737	263.38	15,495,418	233.12	139,865,215	648.48	205,246,892	587.45
Capitation Expenses										
Total	1,380,454	4.60	77,299	4.03	324,514	4.88	1,205,980	5.59	1,185,451	3.39
Net Reinsurance Cost	302,559	1.01	19,869	1.03	64,112	0.96	234,741	1.09	364,702	1.04

	TANF Children (age 1+)		TANF Children <1		TANF Adults		Pregnant Women		Newborns	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Administrative Expenses										
Fixed Amount	3,041,668	10.1275	194,480	10.1275	673,172	10.1275	2,184,316	10.1275	3,538,408	10.1275
Percentage of Premium	1,921,937	7.50%	442,211	7.50%	1,368,715	7.50%	11,861,729	7.50%	17,387,537	7.50%
Total	4,963,605		636,691		2,041,887		14,046,044		20,925,945	
Risk Margin	512,517	2.00%	117,923	2.00%	364,991	2.00%	3,163,128	2.00%	4,636,677	2.00%
Investment Income Adjust.		0.9975		0.9975		0.9975		0.9975		0.9975
Projected Total Cost										
with deliveries	25,625,826	85.32	5,896,146	307.04	18,249,527	274.55	158,156,382	733.29	231,833,829	663.55
without deliveries	24,831,139	82.68	5,896,146	307.04	16,287,592	245.04	80,964,420	375.39	231,833,829	663.55
Experience Rate Increase										
with deliveries		10.1 %		0.9 %		6.9 %		5.9 %		-3.9 %
without deliveries		10.4 %		0.9 %		7.8 %		17.6 %		-3.9 %

	Exp Children (age 1+)		Exp Children <1		Fed Mand Children		Deliveries		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
FY2005 Experience Period										
Member Months	1,429,249		200,198		1,580,456		24,055		4,292,116	
Premium Revenue	109,766,323	76.80	41,711,253	208.35	113,239,672	71.65	82,247,816	3,419.20	693,395,028	161.55
Adjusted Premium	111,662,193	78.13	54,208,198	270.77	112,593,361	71.24	82,247,816	3,419.20	704,410,429	164.12
FY2005 Incurred Claims	86,855,462	60.77	32,442,086	162.05	72,495,517	45.87			519,973,968	121.15
Proj.FY2007 Member Months	1,252,587		171,150		1,432,582				3,807,397	
Projected FY2007 Premium										
Current Unadjusted Rates	97,972,098	78.22	46,849,293	273.73	104,408,229	72.88			686,040,216	180.19
Current Adjusted Rates	97,971,048	78.21	46,849,185	273.73	102,332,058	71.43			600,709,583	157.77
Current DSP Rate	0	0.00	0	0.00	1,819,283	1.27			81,767,867	21.48
Annual Cost Trend Assumptions										
FY2006	6.3 %		6.3 %							
FY2007	4.2 %		4.2 %							
Provider Reimbursement Adjust.		1.0006		1.0006		1.0006				
Benefit Change Factor		1.0000		1.0000		1.0000				
Out-of-Network Adjustment		1.005		1.005		1.006				
Third Party Recovery Adjust.		1.000		0.999		1.000				
Projected Incurred Claims	84,750,019	67.66	30,866,877	180.35	71,070,387	49.61			570,877,360	149.94
Capitation Expenses										
Total	6,014,979	4.80	981,149	5.73	6,576,496	4.59			17,746,322	4.66
Net Reinsurance Cost	1,343,719	1.07	194,326	1.14	1,500,031	1.05			4,024,059	1.06

	Exp Children (age 1+)		Exp Children <1		Fed Mand Children		Deliveries		Total	
	Amount	pppm	Amount	pppm	Amount	pppm	Amount	pppm	Amount	pppm
Administrative Expenses										
Fixed Amount	12,685,572	10.1275	1,733,320	10.1275	14,508,473	10.1275	38,559,409	10.1275	38,559,409	10.1275
Percentage of Premium	8,662,898	7.50%	2,792,091	7.50%	7,742,092	7.50%	52,179,210	7.50%	52,179,210	7.50%
Total	21,348,470		4,525,411		22,250,566		90,738,619		90,738,619	23.83
Risk Margin	2,310,106	2.00%	744,558	2.00%	2,064,558	2.00%	13,914,456	2.0%	13,914,456	2.0%
Investment Income Adjust.		0.9975		0.9975		0.9975				0.9975
Projected Total Cost										
with deliveries	115,505,307	92.21	37,227,881	217.52	103,227,900	72.06	695,722,798	182.73	695,722,798	182.73
without deliveries	115,505,307	92.21	37,227,881	217.52	101,408,617	70.79	613,954,931	161.25	613,954,931	161.25
Experience Rate Increase										
with deliveries		17.9%		-20.5%		-1.1%		1.4%		1.4%
without deliveries		17.9%		-20.5%		-0.9%		1.9%		1.9%

	TANF Children (age 1+)		TANF Children <1		TANF Adults		Pregnant Women		Newborns	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
FY2005 Experience Period										
Member Months	35,098		2,764		9,863		28,889		40,429	
Premium Revenue	3,193,216	90.98	585,996	212.01	2,153,981	218.39	11,537,111	399.36	14,360,381	355.20
Adjusted Premium	2,720,446	77.51	554,403	200.58	2,007,121	203.50	14,486,967	501.47	13,783,459	340.93
FY2005 Incurred Claims	2,125,886	60.57	436,712	158.00	2,093,619	212.27	20,404,590	706.31	12,255,647	303.14
Proj.FY2007 Member Months	26,254		1,928		7,674		28,525		38,228	
Projected FY2007 Premium										
Current Unadjusted Rates	2,133,633	81.27	386,626	200.58	1,734,686	226.04	23,921,730	838.61	13,033,099	340.93
Current Adjusted Rates	2,034,974	77.51	386,626	200.58	1,561,712	203.50	14,304,634	501.47	13,033,031	340.93
Current DSP Rate	57,530	2.19	0	0.00	221,016	28.80	9,938,604	348.41	0	0.00
Annual Cost Trend Assumptions										
FY2006	4.7 %		4.7 %		5.3 %		3.4 %		10.6 %	
FY2007	5.3 %		5.3 %		8.0 %		4.5 %		8.6 %	
Provider Reimbursement Adjust.		1.0006		1.0006		1.0006		1.0006		1.0006
Benefit Change Factor		1.0000		1.0000		1.0030		1.0030		1.0000
Out-of-Network Adjustment		1.000		1.000		1.000		1.000		1.000
Third Party Recovery Adjust.		1.000		1.000		1.000		1.000		1.000
Projected Incurred Claims	1,754,053	66.81	335,990	174.31	1,859,320	242.28	21,848,747	765.94	13,927,181	364.32
Capitation Expenses										
Total	50,459	1.92	3,731	1.94	14,656	1.91	54,672	1.92	69,653	1.82
Net Reinsurance Cost	39,382	1.50	2,891	1.50	11,511	1.50	42,788	1.50	57,342	1.50

	TANF Children (age 1+)		TANF Children <1		TANF Adults		Pregnant Women		Newborns	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Administrative Expenses										
Fixed Amount	265,891	10.1275	19,521	10.1275	77,721	10.1275	288,891	10.1275	387,153	10.1275
Percentage of Premium	174,407	7.50%	29,936	7.50%	162,290	7.50%	1,838,081	7.50%	1,193,803	7.50%
Total	440,298		49,457		240,011		2,126,972		1,580,956	
Risk Margin	46,508	2.00%	7,983	2.00%	43,277	2.00%	490,155	2.00%	318,348	2.00%
Investment Income Adjust.		0.9975		0.9975		0.9975		0.9975		0.9975
Projected Total Cost										
with deliveries	2,325,425	88.57	399,146	207.08	2,163,868	281.96	24,507,747	859.16	15,917,376	416.38
without deliveries	2,267,894	86.38	399,146	207.08	1,942,853	253.16	14,569,142	510.74	15,917,376	416.38
Experience Rate Increase										
with deliveries		9.0 %		3.2 %		24.7 %		2.4 %		22.1 %
without deliveries		11.4 %		3.2 %		24.4 %		1.8 %		22.1 %

	Exp Children (age 1+)		Exp Children <1		Fed Mand Children		Deliveries		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
FY2005 Experience Period										
Member Months	110,916		4,281		146,270		3,373		378,510	
Premium Revenue	9,930,309	89.53	998,629	233.27	9,908,330	67.74	10,559,673	3,130.39	63,227,625	167.04
Adjusted Premium	9,670,766	87.19	826,661	193.10	10,595,799	72.44	10,559,673	3,130.39	65,205,294	172.27
FY2005 Incurred Claims	6,641,650	59.88	783,166	182.94	7,623,592	52.12			52,364,862	138.34
Proj.FY2007 Member Months	90,083		3,194		125,451				321,338	
Projected FY2007 Premium										
Current Unadjusted Rates	7,854,271	87.19	616,768	193.10	9,205,386	73.38			58,886,200	183.25
Current Adjusted Rates	7,854,352	87.19	616,768	193.10	9,087,665	72.44			48,879,763	152.11
Current DSP Rate	0	0.00	0	0.00	117,813	0.94			10,334,963	32.16
Annual Cost Trend Assumptions										
FY2006	6.3 %		6.3 %							
FY2007	4.2 %		4.2 %							
Provider Reimbursement Adjust.		1.0006		1.0006		1.0006				
Benefit Change Factor		1.0000		1.0000		1.0000				
Out-of-Network Adjustment		1.000		1.000		1.000				
Third Party Recovery Adjust.		1.000		1.000		1.000				
Projected Incurred Claims	5,977,919	66.36	647,559	202.74	7,034,034	56.07			53,384,802	166.13
Capitation Expenses										
Total	184,386	2.05	7,490	2.34	274,455	2.19			659,501	2.05
Net Reinsurance Cost	135,125	1.50	4,791	1.50	188,176	1.50			482,006	1.50

	Exp Children (age 1+)		Exp Children <1		Fed Mand Children		Deliveries		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Administrative Expenses										
Fixed Amount	912,317	10.1275	32,348	10.1275	1,270,504	10.1275	3,254,346	10.1275	3,254,346	10.1275
Percentage of Premium	595,999	7.50%	57,220	7.50%	724,745	7.50%	4,776,481	7.50%	4,776,481	7.50%
Total	1,508,316		89,568		1,995,249		8,030,827		8,030,827	24.99
Risk Margin	158,933	2.00%	15,259	2.00%	193,265	2.00%	1,273,728	2.0%	1,273,728	2.0%
Investment Income Adjust.		0.9975		0.9975		0.9975				0.9975
Projected Total Cost										
with deliveries	7,946,655	88.21	762,936	238.86	9,663,261	77.03	63,686,414	198.19	63,686,414	198.19
without deliveries	7,946,655	88.21	762,936	238.86	9,545,448	76.09	53,351,450	166.03	53,351,450	166.03
Experience Rate Increase										
with deliveries		1.2%		23.7%		5.0%		8.2%		8.2%
without deliveries		1.2%		23.7%		5.0%		7.6%		7.6%

	TANF Children (age 1+)		TANF Children <1		TANF Adults		Pregnant Women		Newborns	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
FY2005 Experience Period										
Member Months	135,113		9,528		38,232		102,952		140,809	
Premium Revenue	9,040,411	66.91	3,796,813	398.49	8,725,689	228.23	31,119,301	302.27	61,557,471	437.17
Adjusted Premium	10,096,994	74.73	3,087,644	324.06	9,106,098	238.18	32,762,415	318.23	65,502,939	465.19
FY2005 Incurred Claims	8,104,078	59.98	1,215,963	127.62	9,069,013	237.21	64,791,812	629.34	56,996,667	404.78
Proj.FY2007 Member Months	100,902		6,602		27,098		88,926		157,326	
Projected FY2007 Premium										
Current Unadjusted Rates	7,897,619	78.27	2,139,283	324.06	7,431,381	274.24	63,543,859	714.57	73,186,319	465.19
Current Adjusted Rates	7,540,425	74.73	2,139,283	324.06	6,454,224	238.18	28,298,924	318.23	73,186,319	465.19
Current DSP Rate	321,079	3.18	0	0.00	938,929	34.65	34,679,463	389.98	0	0.00
Annual Cost Trend Assumptions										
FY2006	4.7 %		4.7 %		5.3 %		3.4 %		10.6 %	
FY2007	5.3 %		5.3 %		8.0 %		4.5 %		8.6 %	
Provider Reimbursement Adjust.		1.0006		1.0006		1.0006		1.0006		1.0006
Benefit Change Factor		1.0000		1.0000		1.0030		1.0030		1.0000
Out-of-Network Adjustment		1.007		1.007		1.007		1.007		1.007
Third Party Recovery Adjust.		1.000		1.000		1.000		1.000		1.000
Projected Incurred Claims	6,722,108	66.62	935,631	141.73	7,385,314	272.54	61,094,837	687.03	77,047,090	489.73
Capitation Expenses										
Total	392,510	3.89	67,467	10.22	36,040	1.33	120,050	1.35	1,101,280	7.00
Net Reinsurance Cost	51,460	0.51	3,367	0.51	13,820	0.51	45,352	0.51	80,236	0.51

	TANF Children (age 1+)		TANF Children <1		TANF Adults		Pregnant Women		Newborns	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Administrative Expenses										
Fixed Amount	1,021,888	10.1275	66,857	10.1275	274,436	10.1275	900,598	10.1275	1,593,316	10.1275
Percentage of Premium	676,864	7.50%	88,727	7.50%	637,321	7.50%	5,138,572	7.50%	6,598,539	7.50%
Total	1,698,752		155,584		911,757		6,039,170		8,191,854	
Risk Margin	180,497	2.00%	23,661	2.00%	169,952	2.00%	1,370,286	2.00%	1,759,610	2.00%
Investment Income Adjust.		0.9975		0.9975		0.9975		0.9975		0.9975
Projected Total Cost										
with deliveries	9,024,857	89.44	1,183,026	179.21	8,497,610	313.59	68,514,293	770.46	87,980,516	559.23
without deliveries	8,703,778	86.26	1,183,026	179.21	7,558,680	278.94	33,834,831	380.48	87,980,516	559.23
Experience Rate Increase										
with deliveries		14.3 %		-44.7 %		14.3 %		7.8 %		20.2 %
without deliveries		15.4 %		-44.7 %		17.1 %		19.6 %		20.2 %

	Exp Children (age 1+)		Exp Children <1		Fed Mand Children		Deliveries		Total	
	Amount	pppm	Amount	pppm	Amount	pppm	Amount	pppm	Amount	pppm
FY2005 Experience Period										
Member Months	489,774		59,913		506,484		12,074		1,482,805	
Premium Revenue	32,178,152	65.70	24,375,005	406.84	34,876,488	68.86	42,689,317	3,535.64	248,358,647	167.49
Adjusted Premium	34,171,532	69.77	22,292,429	372.08	39,607,049	78.20	42,689,317	3,535.64	259,316,417	174.88
FY2005 Incurred Claims	31,982,242	65.30	7,767,121	129.64	26,124,445	51.58			206,051,341	138.96
Proj.FY2007 Member Months	419,131		46,912		450,878				1,297,775	
Projected FY2007 Premium										
Current Unadjusted Rates	29,242,786	69.77	17,454,872	372.08	36,056,734	79.97			236,952,854	182.58
Current Adjusted Rates	29,242,786	69.77	17,454,872	372.08	35,258,680	78.20			199,575,513	153.78
Current DSP Rate	0	0.00	0	0.00	797,072	1.77			36,736,542	28.31
Annual Cost Trend Assumptions										
FY2006	6.3 %		6.3 %							
FY2007	4.2 %		4.2 %							
Provider Reimbursement Adjust.		1.0006		1.0006		1.0006				
Benefit Change Factor		1.0000		1.0000		1.0000				
Out-of-Network Adjustment		1.007		1.007		1.007				
Third Party Recovery Adjust.		1.000		1.000		1.000				
Projected Incurred Claims	30,537,902	72.86	6,785,764	144.65	25,186,060	55.86			215,694,706	166.20
Capitation Expenses										
Total	2,527,361	6.03	707,896	15.09	1,285,003	2.85			6,237,608	4.81
Net Reinsurance Cost	213,757	0.51	23,925	0.51	229,948	0.51			661,865	0.51

FY2007 STAR Rating Summary
Tarrant SDA Total

	Exp Children (age 1+)		Exp Children <1		Fed Mand Children		Deliveries		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Administrative Expenses										
Fixed Amount	4,244,752	10.1275	475,097	10.1275	4,566,270	10.1275	13,143,212	10.1275	13,143,212	10.1275
Percentage of Premium	3,101,931	7.50%	660,721	7.50%	2,584,733	7.50%	19,487,407	7.50%	19,487,407	7.50%
Total	7,346,682		1,135,818		7,151,003		32,630,620		32,630,620	25.14
Risk Margin	827,181	2.00%	176,192	2.00%	689,262	2.00%	5,196,642		5,196,642	2.0%
Investment Income Adjust.		0.9975		0.9975		0.9975				0.9975
Projected Total Cost										
with deliveries	41,359,075	98.68	8,809,615	187.79	34,463,107	76.44	259,832,097		259,832,097	200.21
without deliveries	41,359,075	98.68	8,809,615	187.79	33,666,035	74.67	223,095,555		223,095,555	171.91
Experience Rate Increase										
with deliveries		41.4%		-49.5%		-4.4%				9.7%
without deliveries		41.4%		-49.5%		-4.5%				10.0%

	TANF Children (age 1+)		TANF Children <1		TANF Adults		Pregnant Women		Newborns	
	Amount	pppm	Amount	pppm	Amount	pppm	Amount	pppm	Amount	pppm
FY2005 Experience Period										
Member Months	200,014		19,510		71,804		48,472		65,178	
Premium Revenue	14,483,014	72.41	4,271,715	218.95	12,934,773	180.14	14,404,909	297.18	35,374,056	542.73
Adjusted Premium	14,739,032	73.69	3,818,302	195.71	13,919,205	193.85	15,629,312	322.44	33,949,265	520.87
FY2005 Incurred Claims	9,002,630	45.01	2,989,517	153.23	11,212,913	156.16	27,709,019	571.65	34,938,847	536.05
Proj.FY2007 Member Months	203,370		20,197		71,873		47,060		77,744	
Projected FY2007 Premium										
Current Unadjusted Rates	15,740,873	77.40	3,952,772	195.71	15,684,178	218.22	28,414,044	603.78	40,494,367	520.87
Current Adjusted Rates	14,986,369	73.69	3,952,772	195.71	13,932,627	193.85	15,174,110	322.44	40,494,367	520.87
Current DSP Rate	843,291	4.15	0	0.00	2,158,822	30.04	14,643,303	311.16	0	0.00
Annual Cost Trend Assumptions										
FY2006	4.7 %		4.7 %		5.3 %		3.4 %		10.6 %	
FY2007	5.3 %		5.3 %		8.0 %		4.5 %		8.6 %	
Provider Reimbursement Adjust.		1.0006		1.0006		1.0006		1.0006		1.0006
Benefit Change Factor		1.0000		1.0000		1.0030		1.0030		1.0000
Out-of-Network Adjustment		1.009		1.012		1.010		1.010		1.009
Third Party Recovery Adjust.		1.000		1.000		1.000		1.000		1.000
Projected Incurred Claims	10,192,927	50.12	3,454,914	171.06	12,934,308	179.96	29,457,840	625.96	50,539,632	650.08
Capitation Expenses										
Total	1,545,939	7.60	133,249	6.60	508,898	7.08	318,246	6.76	548,426	7.05
Net Reinsurance Cost	328,754	1.62	28,916	1.43	109,291	1.52	68,806	1.46	117,843	1.52

	TANF Children (age 1+)		TANF Children <1		TANF Adults		Pregnant Women		Newborns	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Administrative Expenses										
Fixed Amount	2,059,634	10.1275	204,546	10.1275	727,896	10.1275	476,603	10.1275	787,349	10.1275
Percentage of Premium	1,167,840	7.50%	315,917	7.50%	1,180,499	7.50%	2,506,549	7.50%	4,298,061	7.50%
Total	3,227,474		520,464		1,908,396		2,983,152		5,085,410	
Risk Margin	311,424	2.00%	84,245	2.00%	314,800	2.00%	668,413	2.00%	1,146,150	2.00%
Investment Income Adjust.		0.9975		0.9975		0.9975		0.9975		0.9975
Projected Total Cost										
with deliveries	15,571,201	76.57	4,212,233	208.56	15,739,991	219.00	33,420,653	710.17	57,307,478	737.13
without deliveries	14,727,909	72.42	4,212,233	208.56	13,581,169	188.96	18,777,351	399.01	57,307,478	737.13
Experience Rate Increase										
with deliveries		-1.1 %		6.6 %		0.4 %		17.6 %		41.5 %
without deliveries		-1.7 %		6.6 %		-2.5 %		23.7 %		41.5 %

	Exp Children (age 1+)		Exp Children <1		Fed Mand Children		Deliveries		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
FY2005 Experience Period										
Member Months	248,240		33,826		247,546		6,001		934,590	
Premium Revenue	20,804,994	83.81	5,833,970	172.47	15,511,232	62.66	18,888,087	3,147.49	142,506,750	152.48
Adjusted Premium	21,224,520	85.50	5,244,045	155.03	15,295,867	61.79	18,888,087	3,147.49	142,707,635	152.70
FY2005 Incurred Claims	13,010,258	52.41	5,384,761	159.19	9,139,398	36.92			113,387,343	121.32
Proj.FY2007 Member Months	194,982		30,948		206,725				852,899	
Projected FY2007 Premium										
Current Unadjusted Rates	16,670,960	85.50	4,797,797	155.03	13,056,758	63.16			138,811,750	162.75
Current Adjusted Rates	16,670,960	85.50	4,797,797	155.03	12,773,544	61.79			122,782,547	143.96
Current DSP Rate	0	0.00	0	0.00	302,775	1.46			17,948,191	21.04
Annual Cost Trend Assumptions										
FY2006	6.3 %		6.3 %							
FY2007	4.2 %		4.2 %							
Provider Reimbursement Adjust.		1.0006		1.0006		1.0006				
Benefit Change Factor		1.0000		1.0000		1.0000				
Out-of-Network Adjustment		1.009		1.012		1.009				
Third Party Recovery Adjust.		1.000		1.000		1.000				
Projected Incurred Claims	11,429,844	58.62	5,525,683	178.55	8,287,610	40.09			131,822,759	154.56
Capitation Expenses										
Total	1,498,035	7.68	190,454	6.15	1,572,775	7.61			6,316,021	7.41
Net Reinsurance Cost	318,114	1.63	41,782	1.35	334,423	1.62			1,347,929	1.58

FY2007 STAR Rating Summary
Travis SDA Total

	Exp Children (age 1+)		Exp Children <1		Fed Mand Children		Deliveries		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Administrative Expenses										
Fixed Amount	1,974,680	10.1275	313,421	10.1275	2,093,609	10.1275	8,637,739	10.1275	8,637,739	10.1275
Percentage of Premium	1,258,228	7.50%	501,892	7.50%	1,015,831	7.50%	12,244,818	7.50 %	12,244,818	7.50 %
Total	3,232,908		815,313		3,109,440		20,882,556		20,882,556	24.48
Risk Margin	335,528	2.00%	133,838	2.00%	270,888	2.00%	3,265,285	2.0 %	3,265,285	2.0 %
Investment Income Adjust.		0.9975		0.9975		0.9975		0.9975		0.9975
Projected Total Cost										
with deliveries	16,776,377	86.04	6,691,892	216.23	13,544,414	65.52	163,264,239	191.42	163,264,239	191.42
without deliveries	16,776,377	86.04	6,691,892	216.23	13,241,639	64.05	145,316,048	170.38	145,316,048	170.38
Experience Rate Increase										
with deliveries		0.6 %		39.5 %		3.7 %		17.6 %		17.6 %
without deliveries		0.6 %		39.5 %		3.7 %		16.0 %		16.0 %

Attachment 4

Trend Analysis

The FY2007 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 various HMO plans. A single trend assumption applied to all service areas but varies by risk group and year.

The trend analysis included a review of HMO claims experience data through March 31, 2006. Based on this information, estimates of monthly incurred claims were made through January 2006. The claims cost and trend experience was reviewed separately by service area and risk group. The service area trends were then combined into a statewide average using a weighted average formula with estimated incurred claims as the weights.

The FY2006 trend assumption by risk group was developed using the weighted average HMO trend for the period September 1, 2005 through January 31, 2006 (the first five months of FY2006). The FY2007 trend assumption was developed based on an average of the HMO experience trends for the most recent three years (FY2004 through FY2006). In the formulas used to derive these future trend assumptions, the actual FY2004 trend was adjusted to reflect a reduction in hospital provider reimbursement that went into effect on September 1, 2003.

The attached exhibits present recent trend experience under the FFS (Exhibit A), PCCM (Exhibit B) and HMO (Exhibit C) plans and the derivation of the trend assumptions used in the ration analysis. The chart below presents the assumed annual trend rates for FY2006 and FY2007.

	<u>FY2006</u>	<u>FY2007</u>
TANF Children Over Age 1	4.7%	5.3%
TANF Children Under Age 1	4.7%	5.3%
TANF Adults	5.3%	8.0%
Pregnant Women	3.4%	4.5%
Newborns	10.6%	8.6%
Expansion Children Over Age 1	6.3%	4.2%
Expansion Children Under Age 1	6.3%	4.2%
Federal Mandate Children	2.7%	4.7%

Health and Human Services Commission
 Analysis of Statewide FFS Claims Cost Trends
 Summary of Results - 3/2006

Risk Group	FY2003			FY2004			
	RM	Incurred Claims (1,000s)	Incurred Claims per RM	RM	Incurred Claims (1,000s)	Incurred Claims per RM	Trend Factor
TANF - Children	2,578,940	225,199	87.32	2,302,266	205,835	89.41	1.024
TANF - Adult	804,000	146,103	181.72	618,465	118,615	191.79	1.055
Pregnant Women	614,905	290,539	472.49	662,418	310,046	468.05	0.991
Newborns	642,917	350,215	544.73	686,798	369,947	538.65	0.989
Expansion Children	3,385,329	434,145	128.24	3,863,313	486,313	125.88	0.982
Federal Mandate Children	3,920,140	193,935	49.47	4,547,067	228,573	50.27	1.016
All Insured Risk Groups	11,946,231	1,640,136	137.29	12,680,327	1,719,328	135.59	0.988
FY2005							
TANF - Children	2,003,119	194,929	97.31				1.088
TANF - Adult	460,616	93,518	203.03				1.059
Pregnant Women	688,419	322,335	468.22				1.000
Newborns	723,600	381,816	527.66				0.980
Expansion Children	3,998,055	520,254	130.13				1.034
Federal Mandate Children	4,777,659	245,334	51.35				1.022
All Insured Risk Groups	12,651,468	1,758,187	138.97				1.025

Health and Human Services Commission
Analysis of PCCM Cost Trends

	<u>Southeast</u>	<u>Bexar</u>	<u>Lubbock</u>	<u>Harris</u>	<u>Dallas</u>	<u>El Paso</u>	<u>PCCM Average</u>	<u>Weighted Average</u>
TANF - Children >1								
FY2004	1.001	1.025	1.049	0.944	0.864	0.917	0.967	0.964
FY2005	0.999	1.021	0.927	0.962	1.250	1.026	1.025	1.025
FY2006	1.001	0.904	1.159	0.950	0.886	0.838	0.937	0.939
TANF - Children <1								
FY2004	0.908	0.977	1.058	0.699	0.694	0.591	0.775	0.795
FY2005	0.885	1.121	1.383	0.868	0.992	1.566	1.028	1.062
FY2006	0.770	0.549	1.075	0.725	0.702	0.839	0.709	0.735
TANF - Children								
FY2004	0.971	1.013	1.070	0.896	0.824	0.845	0.929	0.928
FY2005	0.978	1.044	1.001	0.949	1.206	1.083	1.029	1.026
FY2006	0.960	0.832	1.112	0.901	0.838	0.814	0.885	0.888
TANF - Adults								
FY2004	1.090	1.006	1.061	1.010	1.060	1.124	1.061	1.046
FY2005	1.147	1.155	1.065	0.940	0.993	1.217	1.070	1.068
FY2006	0.777	1.144	1.051	0.896	1.080	1.245	0.990	1.007
Pregnant Women								
FY2004	0.995	0.990	1.061	0.972	1.023	1.032	1.005	0.997
FY2005	0.989	1.049	1.026	0.960	0.982	1.063	0.998	0.996
FY2006	1.042	1.070	0.972	0.999	1.031	1.082	1.025	1.027
Newborns								
FY2004	0.997	1.184	1.123	0.897	1.216	1.063	1.047	1.049
FY2005	0.850	0.964	0.876	0.911	0.842	1.003	0.907	0.905
FY2006	1.128	0.950	0.763	0.865	0.842	0.967	0.911	0.918
Expansion Children >1								
FY2004	1.031	1.056	1.018	0.971	0.859	0.964	0.981	0.981
FY2005	0.940	0.963	1.022	1.028	1.092	1.055	1.022	1.018
FY2006	0.913	1.040	1.024	0.880	1.170	0.945	0.974	0.981
Expansion Children <1								
FY2004	0.963	0.884	0.958	0.891	0.500	1.095	0.792	0.843
FY2005	0.995	1.175	1.664	1.203	1.709	0.965	1.264	1.308
FY2006	1.263	1.748	1.284	0.863	0.718	0.576	0.905	0.991
Expansion Children								
FY2004	1.010	1.031	1.013	0.925	0.707	0.960	0.918	0.928
FY2005	0.945	0.979	1.058	1.055	1.199	1.032	1.056	1.055
FY2006	0.958	1.073	1.032	0.838	0.993	0.896	0.932	0.938
Federal Mandate Children								
FY2004	0.996	0.993	1.114	1.052	0.916	0.899	1.009	1.006
FY2005	0.981	0.966	1.006	0.856	1.260	1.088	0.970	0.976
FY2006	0.926	0.923	0.959	0.922	0.931	0.984	0.935	0.931

Health and Human Services Commission
Analysis of HMO Cost Trends

	Bexar	Dallas	El Paso	Harris	Lubbock	Tarrant	Travis	HMO Average	Weighted Average
TANF - Children >1									
FY2004	0.903	1.102	0.941	1.143	0.816	1.041	0.891	1.021	1.044
FY2005	1.091	1.006	1.029	1.042	1.211	1.083	1.094	1.034	1.055
FY2006	1.243	1.051	1.185	0.880	1.055	1.078	1.230	1.051	1.081
TANF - Children <1									
FY2004	0.704	0.773	0.544	0.741	0.939	0.922	0.763	0.732	0.752
FY2005	1.316	1.068	1.046	1.511	0.783	0.854	1.121	1.159	1.242
FY2006	0.917	0.912	1.302	0.452	0.947	1.848	1.137	0.843	1.049
TANF - Children									
FY2004	0.857	1.021	0.808	1.009	0.816	1.010	0.853	0.941	0.960
FY2005	1.142	1.012	1.023	1.136	1.141	1.044	1.151	1.067	1.091
FY2006	1.164	1.032	1.202	0.736	1.044	1.161	1.203	0.999	1.047
TANF - Adults									
FY2004	0.885	1.007	1.231	1.057	0.915	0.988	0.989	1.024	1.022
FY2005	1.236	1.177	1.067	1.062	1.392	1.167	1.041	1.103	1.117
FY2006	1.188	0.991	1.204	1.035	1.101	1.019	0.995	1.040	1.053
Pregnant Women									
FY2004	1.015	0.978	1.085	1.024	1.155	1.033	1.056	1.026	1.028
FY2005	1.045	1.068	1.035	1.011	1.205	1.059	1.087	1.051	1.052
FY2006	1.045	0.965	1.034	1.077	1.086	1.023	1.024	1.032	1.034
Newborns									
FY2004	1.029	0.882	0.985	1.125	1.034	1.013	0.886	1.004	1.016
FY2005	1.138	1.101	1.058	0.954	0.998	1.089	1.431	1.073	1.093
FY2006	1.123	1.168	1.034	0.940	1.324	1.165	1.313	1.098	1.106
Expansion Children >1									
FY2004	0.952	1.049	1.029	1.072	0.987	1.015	0.964	1.022	1.033
FY2005	1.110	0.975	1.098	1.019	1.022	1.005	1.022	1.018	1.018
FY2006	1.191	1.142	1.098	1.024	1.016	1.074	1.077	1.088	1.092

Health and Human Services Commission
 Analysis of HMO Cost Trends

	Bexar	Dallas	El Paso	Harris	Lubbock	Tarrant	Travis	HMO Average	Weighted Average
Expansion Children <1									
FY2004	0.750	1.005	1.102	1.314	0.814	0.923	0.803	1.050	1.093
FY2005	1.227	1.091	1.012	1.048	1.204	1.017	1.477	1.091	1.103
FY2006	1.130	1.149	1.174	0.842	1.262	0.817	1.158	0.991	1.016
Expansion Children									
FY2004	0.897	1.009	1.018	1.112	0.955	0.972	0.889	1.002	1.018
FY2005	1.119	0.995	1.060	1.015	1.036	1.004	1.121	1.027	1.027
FY2006	1.183	1.135	1.097	0.964	1.034	1.013	1.089	1.055	1.063
Federal Mandate Children									
FY2004	0.907	0.938	1.015	1.073	1.056	1.197	0.870	1.015	1.028
FY2005	1.060	1.076	1.118	1.023	1.161	1.022	1.187	1.063	1.061
FY2006	1.052	1.028	1.175	1.017	0.935	0.958	1.007	1.021	1.027

Health and Human Services Commission
Analysis of Medicaid Cost Trends

Risk Group	FFS	PCCM	HMO	Average	Risk Group	FFS	PCCM	HMO	Average
TANF - Children (over age one)									
FY2004		0.964	1.044		Newborns				
FY2004-Adj		0.984	1.065		FY2004	0.989	1.049	1.016	1.011
FY2005		1.025	1.055		FY2004-Adj	1.009	1.070	1.037	1.032
FY2006		0.939	1.081		FY2005	0.980	0.905	1.093	1.008
Average		0.987	1.066		FY2006	0.918	0.918	1.106	1.002
					Average	0.990	0.942	1.086	
TANF - Children (under age one)									
FY2004		0.795	0.752		Expansion Children (over age one)				
FY2004-Adj		0.811	0.768		FY2004	0.981	0.981	1.033	
FY2005		1.062	1.242		FY2004-Adj	1.001	1.001	1.054	
FY2006		0.735	1.049		FY2005	1.018	1.018	1.018	
Average		0.897	1.080		FY2006	0.981	0.981	1.092	
					Average	1.002	1.002	1.051	
TANF - Children (total)									
FY2004	1.024	0.928	0.960	0.991	Expansion Children (under age one)				
FY2004-Adj	1.045	0.947	0.979	1.011	FY2004	0.843	0.843	1.093	
FY2005	1.088	1.026	1.091	1.081	FY2004-Adj	0.860	0.860	1.116	
FY2006		0.888	1.047	0.955	FY2005	1.308	1.308	1.103	
Average	1.073	0.962	1.053		FY2006	0.991	0.991	1.016	
					Average	1.107	1.107	1.075	
TANF - Adults									
FY2004	1.055	1.046	1.022	1.044	Expansion Children (total)				
FY2004-Adj	1.077	1.067	1.043	1.065	FY2004	0.982	0.928	1.018	0.987
FY2005	1.059	1.068	1.117	1.079	FY2004-Adj	1.002	0.947	1.039	1.007
FY2006		1.007	1.053	1.029	FY2005	1.034	1.055	1.027	1.034
Average	1.065	1.046	1.080		FY2006	0.938	0.938	1.063	1.000
					Average	1.023	0.993	1.042	
Pregnant Women									
FY2004	0.991	0.997	1.028	1.004	Federal Mandate Children				
FY2004-Adj	1.011	1.018	1.049	1.025	FY2004	1.016	1.006	1.028	1.018
FY2005	1.000	0.996	1.052	1.018	FY2004-Adj	1.037	1.026	1.049	1.039
FY2006		1.027	1.034	1.031	FY2005	1.022	0.976	1.061	1.028
Average	1.004	1.012	1.045		FY2006	0.931	0.931	1.027	0.974
					Average	1.027	0.970	1.047	

Health and Human Services Commission
Trend Assumptions for FY2007 Managed Care Rating

	<u>FY2006</u>	<u>FY2007</u>
TANF - Children (over age one)	4.7 %	5.3 %
TANF - Children (under age one)	4.7 %	5.3 %
TANF - Adults	5.3 %	8.0 %
Pregnant Women	3.4 %	4.5 %
Newborns	10.6 %	8.6 %
Expansion Children (over age one)	6.3 %	4.2 %
Expansion Children (under age one)	6.3 %	4.2 %
Federal Mandate Children	2.7 %	4.7 %
Overall Weighted Average	4.9 %	5.0 %

Attachment 5

Provider Reimbursement Adjustment

Effective March 1, 2006, a Medicaid provider reimbursement increase was implemented for Nurse Practitioners, Clinical Nurse Specialists, Certified Nurse Midwives, and Certified Registered Nurse Anesthetists. The reimbursement factor for these providers is being increased from .85 to .92. The attached exhibit presents the estimated cost impact from this revision.

FY2007 STAR Rating

Estimated Impact of Increase in Reimbursement for NPs, CNSs CNMs and CRNAs (1)

<u>Risk Group</u>	<u>FY2004 Incurred Claims (2)</u>	<u>FY2004 Impacted Providers (3)</u>	<u>Adjustment Amount (4)</u>	<u>Adjustment Factor (5)</u>
TANF Children Age 1+	57,695,863			
TANF Children Age <1	13,396,981			
TANF Adults	56,013,394			
Pregnant Women	250,777,125			
Newborns	263,140,215			
Expansion Children Age 1+	152,385,626			
Expansion Children Age <1	50,696,870			
Federal Mandate Children	117,541,308			
Total	961,647,382	7,388,080	608,430	1.0006

Notes:

- (1) Effective 9/1/2006, the reimbursement factor for these providers is being increased from .85 to .92.
- (2) FY2004 incurred FFS claims for all STAR HMOs for all services.
- (3) FY2004 incurred FFS claims for all STAR HMOs for all services provided by NPs, CNSs CNMs and CRNAs.
- (4) Equals FY2004 claims for all services provided by NPs, CNSs CNMs and CRNAs times .07/.85.
- (5) Equals Adjustment Amount divided by FY2004 total incurred claims.

Attachment 6

Benefit Change Factors

Effective September 1, 2006, the State restored several services and covered providers that were reduced or eliminated in FY2004. These revisions impact adult clients only. The rate setting process includes adjustments for the estimated cost impact of these revisions. The attached exhibit presents the estimated cost impact from these revisions.

Health and Human Services Commission
 FY2005 STAR HMO Rating Analysis
 Impact of Benefit Reductions

<u>Type of Service</u>	<u>Estimated Biennial Cost Impact (1)</u>	<u>Risk Group</u>	<u>Projected FY2004/05 Program Expenditures (2)</u>
Hearing Aids	\$ 1,500,000	TANF Adults	\$ 619,000,000
Eyeglasses	9,800,000	Pregnant Women	1,419,500,000
Counselors/Psychologists		Aged	852,900,000
Podiatrists		Disabled and Blind	3,456,400,000
Chiropractic Services	2,040,000	Medically Needy	1,060,800,000
Total	13,340,000	Total	7,408,600,000

Estimated Average Cost Impact of Benefit Changes on Medicaid Program Adults (3): 0.2 %

Footnotes:

- (1) Estimated by HHSC Actuarial Analysis Division.
- (2) Projected by HHSC Actuarial Analysis Division.
- (3) Equals Estimated cost impact of benefit reductions divided by projected FY2004/05 program expenditures.

Health and Human Services Commission
 FY2007 HMO Rating Analysis
 Impact of Benefit Changes

Type of Service	Estimated Biennial Cost Impact (1)	Percentage of Total Claims	Risk Group	Projected FY2004/05 Program Expenditures (2)
Hearing Aids	\$ 1,500,000	0.02 %	TANF Adults	\$ 619,000,000
Eyeglasses	9,800,000	0.13 %	Pregnant Women	1,419,500,000
Counselors/Psychologists	11,900,000	0.16 %	Aged	852,900,000
Chiropractic Services	2,040,000	0.03 %	Disabled and Blind	3,456,400,000
			Medically Needy	1,060,800,000
Total	25,240,000	0.34 %	Total	7,408,600,000

Estimated Cost Impact of All Benefit Changes on Medicaid Adults (3) 0.30 %

Footnotes:

- (1) Estimated by HHSC Actuarial Analysis Division.
- (2) Projected by HHSC Actuarial Analysis Division.
- (3) Equals Estimated cost impact of benefit reductions divided by projected FY2004/05 program expenditures. The Counselors/Psychologists benefit is assumed to begin 12/1/2005.

Attachment 7

Out-of-Network Adjustment

Effective September 1, 2006, the state will implement a change in the rules regarding STAR HMO reimbursement to out-of-network providers. Currently, HMOs are allowed to pay out-of-network providers a discounted Medicaid fee-for-service (FFS) rate using a discount of up to 12%. Beginning September 1, 2006, the maximum discount will be 3%.

The attached exhibit presents the estimated cost impact from this revision. The exhibit shows FY2005 in-network and out-of-network claims experience as reported by the HMOs. Based on this information, the FY2005 cost impact of the program change was estimated. The resulting percentage impact for each individual health plan was then used in the FY2007 rating analysis.

Health and Human Services Commission
 Analysis of Out-of-Network Reimbursement in the STAR Program
 And the Cost Impact of the Proposed New Rule

Health Plan	FY2005 Experience Cost			Out-of-Net as % of Total	Current Out-of-Net Reimb. (4)	New Rule (5)	Cost Impact	% of Total Claims
	In-Net Claims	Out-of-Net Claims	Total Claims					
STAR								
CFHP - Bexar	80,505,224	1,576,668	82,081,891	1.92%	M-0%	M-0%	0	0.0%
Superior - Bexar	44,726,734	3,824,562	48,551,296	7.88%	M-10%	M-3%	267,719	0.6%
Bexar Total	125,231,957	5,401,230	130,633,187	4.13%			267,719	0.2%
Americaid - Dallas	92,025,158	12,092,122	104,117,281	11.61%	M-6%	M-3%	362,764	0.3%
Parkland - Dallas	127,232,158	10,933,764	138,165,922	7.91%	M-0%	M-0%	0	0.0%
Dallas Total	219,257,316	23,025,887	242,283,203	9.50%			362,764	0.1%
El Paso First - El Paso	59,971,741	5,398,996	65,370,737	8.26%	M-0%	M-0%	0	0.0%
Superior - El Paso	36,308,752	2,858,631	39,167,383	7.30%	M-6%	M-3%	85,759	0.2%
El Paso Total	96,280,493	8,257,628	104,538,120	7.90%			85,759	0.1%
Americaid - Harris	130,397,611	30,902,095	161,299,706	19.16%	M-12%	M-3%	2,781,189	1.7%
CHC - Harris	69,578,276	11,200,660	80,778,936	13.87%	M-7%	M-3%	448,026	0.6%
TCHP - Harris	76,444,598	8,347,972	84,792,569	9.85%	M-0%	M-0%	0	0.0%
Harris Total	276,420,485	50,450,726	326,871,211	15.43%			3,229,215	1.0%
Firstcare - Lubbock	23,559,258	1,714,689	25,273,947	6.78%	M-0%	M-0%	0	0.0%
Americaid - Tarrant	185,133,224	19,562,330	204,695,554	9.56%	M-10%	M-3%	1,369,363	0.7%
Superior - Travis	84,613,036	10,028,388	94,641,424	10.60%	M-10%	M-3%	701,987	0.7%
Americaid- Travis	13,242,876	4,485,267	17,728,143	25.30%	M-10%	M-3%	313,969	1.8%
Travis Total	97,855,912	14,513,655	112,369,567	12.92%			1,015,956	0.9%
Total - STAR	1,023,738,645	122,926,144	1,146,664,790	10.72%			6,330,776	0.6%

Attachment 8

Third Party Recoveries

The rating methodology includes a factor to recognize those health plans that do not satisfy a minimum level of recoveries for coordination of benefits. Any plan that did not recover at least 0.6% of claims had its projected claims cost reduced by 0.6% less their actual percentage of recoveries. For example, if a specific health plan has third party recoveries (TPR) of 0.2% of claims, then their projected claims cost would be reduced by 0.4%. Any plan that exceeded the minimum TPR standard of 0.6% had no penalty applied.

The attached chart presents a summary of health plan TPR experience for FY2005.

FY2007 STAR Rating
 Analysis of Plan-reported Third Party Recovery (TPR) Experience

	TPR		Incurred Claims		TPR/Claims		Adjustment Factor
	FY2004	FY2005	FY2004	FY2005	FY2004	FY2005	
CFHP - Bexar	351,203	217,122	75,106,744	81,965,341	0.5 %	0.3 %	0.4 %
Superior - Bexar	833,319	1,039,002	39,358,753	48,071,413	2.1 %	2.2 %	2.3 %
Americaid - Dallas	730,053	775,542	85,963,415	102,085,744	0.8 %	0.8 %	0.9 %
Parkland - Dallas	288,516	243,746	123,829,290	137,501,317	0.2 %	0.2 %	0.0 %
El Paso First - El Paso	74,286	364,619	35,879,723	48,168,603	0.2 %	0.8 %	1.4 %
Superior - El Paso	723,244	617,669	33,964,620	39,014,221	2.1 %	1.6 %	2.2 %
Americaid - Harris	644,694	1,139,380	145,671,526	160,131,100	0.4 %	0.7 %	0.4 %
CHC - Harris	352,683	231,753	85,795,405	80,784,774	0.4 %	0.3 %	0.0 %
TCHP - Harris	81,215	1,743,994	67,411,748	84,619,054	0.1 %	2.1 %	3.3 %
Firstcare - Lubbock	1,146,007	1,638,048	21,162,283	25,266,618	5.4 %	6.5 %	9.4 %
Americaid - Tarrant	1,025,253	2,588,358	159,514,547	203,060,736	0.6 %	1.3 %	0.4 %
Superior - Travis	1,684,441	1,908,470	86,332,683	94,174,830	2.0 %	2.0 %	3.9 %
Americaid - Travis	72	108,160	808,047	16,972,563		0.6 %	0.7 %
Total - All Plans	7,934,984	12,615,862	960,798,785	1,121,816,312	0.8 %	1.1 %	0.8 %

Attachment 9

Investment Income Adjustment

An investment income credit was included in the rating process to account for the income expected to be generated by the HMO between the time they receive the premium from HHSC and the time they pay claims. This revision is new for FY2007. We have assumed that the value of this timing (or cash flow) difference is 0.25% of premium. The attached exhibit presents our analysis and estimate of the value of this revision.

FY2007 Rating
Investment Income Assumption

<u>Program</u>	<u>Average Claims Lag (1)</u>	<u>FFS Claims/ Total (2)</u>	<u>Interest Rate (3)</u>	<u>Investment Income Factor (4)</u>
STAR	1.54	0.820	3.5 %	0.37 %
STAR+PLUS	1.52	0.852	3.5 %	0.38 %
CHIP	1.20	0.714	3.5 %	0.25 %

Footnotes:

- (1) The average time (in months) between the beginning of the month of claim incurral and payment date for all plans combined.
- (2) Equals the ratio of projected FY2007 FFS claims to FY2007 premium for all plans combined.
- (3) Assumed annual interest rate earned by the plan.
- (4) Equals Average Claims Lag divided by 12 times FFS Claims/Total times Interest Rate.

Attachment 10

Delivery Supplemental Payment

The rate setting methodology incorporates a risk adjustment technique that is designed to provide uniform treatment of the health plans for costs related to maternity services. Maternity cases occur in several risk groups – Pregnant Women, TANF Adults, TANF Children and Federal Mandate Children. As a result, it is possible for one health plan to enroll a higher percentage of TANF Adults who are pregnant and therefore generally more expensive. In order to recognize the potential inequity that might arise between health plans, HHSC developed this risk adjustment methodology. The goal is to reimburse the plans uniformly for maternity expenses.

The State pays a delivery supplemental payment (DSP) for each delivery in a managed care plan. The amount of the payment is a function of the average delivery cost in the area. The attached exhibit presents the FY2007 DSP payment rates by area.

In order to achieve cost neutrality, the projected cost of maternity expenses is subtracted from the unadjusted premium rates. The resulting adjusted premium rates are the rates actually paid to the HMOs in addition to any DSP amounts.

Health and Human Services Commission
FY2007 STAR Rating
Delivery Supplemental Payment (DSP) Rates per Delivery

<u>Service Delivery Area</u>	<u>DSP Amount</u>
Bexar SDA	\$ 3,166.59
Dallas SDA	3,437.13
El Paso SDA	3,343.04
Harris SDA	3,419.20
Lubbock SDA	3,130.39
Tarrant SDA	3,535.64
Travis SDA	3,147.49

Attachment 11

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 memberships. 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 risk group.

The column titled Case Mix on the chart is the 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 risk 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.

For FY2007, as an introductory step toward the use of acuity risk adjustment in the STAR program, the risk adjustment factors were only applied to those plans with an overall positive acuity factor. Any new HMO to a service area will receive the community rates.

TEXAS STAR CDPS Health Plan/SDA Risk
Reporting Period: September 1, 2004 to August 30, 2005

STAR MCO						
SDA/Health Plan	Percent Affected	Actual PMPM Expenditures Based on Paid Amounts	Predicted PMPM Payment	Case Mix	Spend Ratio	
CDPS						
TEXAS STAR MCO--TANF Children	100.00	49.14	49.14	1.000	1.000	1.000
LUBBOCK	1.67	62.25	48.70	1.000	1.000	1.278
First Care	100.00	62.25	48.70	1.000	1.000	1.278
EL PASO						
Superior	9.86	50.15	49.94	1.000	1.000	1.004
El Paso First	64.36	40.98	49.07	0.983	0.983	0.835
	35.64	67.09	51.54	1.032	1.032	1.302
TRAVIS						
Amerigroup	20.63	41.66	49.85	1.000	1.000	0.836
Superior	7.67	41.18	47.53	0.953	0.953	0.866
	92.33	41.70	50.02	1.003	1.003	0.834
BEXAR						
Superior	7.80	52.80	52.85	1.000	1.000	0.999
Community First	45.95	44.46	50.15	0.949	0.949	0.887
	54.05	59.75	55.10	1.043	1.043	1.084
HARRIS						
Amerigroup	27.74	46.02	47.68	1.000	1.000	0.965
Texas Children's	54.37	38.37	46.86	0.983	0.983	0.819
Community Health	27.43	59.62	47.98	1.006	1.006	1.243
	18.20	48.57	49.72	1.043	1.043	0.977
DALLAS						
Amerigroup	18.81	56.05	47.43	1.000	1.000	1.182
Parkland	48.90	51.88	46.96	0.990	0.990	1.105
	51.10	60.04	47.88	1.009	1.009	1.254
TARRANT						
Amerigroup	13.50	53.37	50.67	1.000	1.000	1.053
	100.00	53.37	50.67	1.000	1.000	1.053

Note: CDPS results are based on information in enrollment and encounter datasets from September 1, 2004 to August 30, 2005. CDPS results were obtained for those enrollees who had been in the program for at least 3 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 STAR CDPS Health Plan/SDA Risk
Reporting Period: September 1, 2004 to August 30, 2005

STAR MCO						
SDA/Health Plan	Percent Affected	Actual PMPM Expenditures Based on Paid Amounts	Predicted PMPM Payment	Case Mix	Spend Ratio	
CDPS						
TEXAS STAR MCO--TANF Newborn	100.00	162.64	162.64	1.000	1.000	1.000
LUBBOCK	1.56	134.51	141.55	1.000	1.000	0.950
EL PASO	100.00	134.51	141.55	1.000	1.000	0.950
First Care	11.44	143.10	168.84	1.000	1.000	0.848
Superior	57.13	109.10	167.75	0.994	0.994	0.650
El Paso First	42.87	191.53	170.39	1.009	1.009	1.124
TRAVIS	30.25	184.70	164.26	1.000	1.000	1.124
Amerigroup	18.12	211.85	153.40	0.934	0.934	1.381
Superior	81.88	179.42	166.36	1.013	1.013	1.079
BEXAR	8.61	258.49	194.46	1.000	1.000	1.329
Superior	43.66	297.86	187.23	0.963	0.963	1.591
Community First	56.34	228.61	199.95	1.028	1.028	1.143
HARRIS	23.96	138.58	148.47	1.000	1.000	0.933
Amerigroup	52.66	128.30	145.35	0.979	0.979	0.883
Texas Children's	23.92	164.53	163.89	1.104	1.104	1.004
Community Health	23.42	136.34	140.44	0.946	0.946	0.971
DALLAS	13.45	142.03	170.31	1.000	1.000	0.834
Amerigroup	42.03	163.19	175.08	1.028	1.028	0.932
Parkland	57.97	126.50	166.81	0.979	0.979	0.758
TARRANT	10.73	127.54	150.65	1.000	1.000	0.847
Amerigroup	100.00	127.54	150.65	1.000	1.000	0.847

Note: CDPS results are based on information in enrollment and encounter datasets from September 1, 2004 to August 30, 2005. CDPS results were obtained for those enrollees who had been in the program for at least 3 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 STAR CDPS Health Plan/SDA Risk
Reporting Period: September 1, 2004 to August 30, 2005

STAR MCO						
SDA/Health Plan	Percent Affected	Actual PMPM Expenditures Based on Paid Amounts	Predicted PMPM Payment	Case Mix	Spend Ratio	
CDPS						
TEXAS STAR MCO--TANF Adult	100.00	180.58	180.58	1.000	1.000	1.000
LUBBOCK	1.60	206.36	203.07	1.000	1.000	1.016
First Care	100.00	206.36	203.07	1.000	1.000	1.016
EL PASO	9.28	164.57	166.62	1.000	1.000	0.988
Superior	52.41	131.00	168.77	1.013	1.013	0.776
El Paso First	47.59	202.07	164.22	0.986	0.986	1.230
TRAVIS	26.28	158.78	169.16	1.000	1.000	0.939
Amerigroup	14.69	123.80	147.87	0.874	0.874	0.837
Superior	85.31	164.38	172.57	1.020	1.020	0.953
BEXAR	9.20	197.42	187.50	1.000	1.000	1.053
Superior	50.03	181.67	186.00	0.992	0.992	0.977
Community First	49.97	213.26	189.01	1.008	1.008	1.128
HARRIS	26.09	187.21	187.71	1.000	1.000	0.997
Amerigroup	60.74	164.93	190.36	1.014	1.014	0.866
Texas Children's	14.64	203.69	157.80	0.841	0.841	1.291
Community Health	24.62	231.82	198.83	1.059	1.059	1.166
DALLAS	14.60	170.39	174.09	1.000	1.000	0.979
Amerigroup	47.43	175.66	171.76	0.987	0.987	1.023
Parkland	52.57	165.63	176.19	1.012	1.012	0.940
TARRANT	12.94	220.83	199.99	1.000	1.000	1.104
Amerigroup	100.00	220.83	199.99	1.000	1.000	1.104

Note: CDPS results are based on information in enrollment and encounter datasets from September 1, 2004 to August 30, 2005. CDPS results were obtained for those enrollees who had been in the program for at least 3 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 STAR CDPS Health Plan/SDA Risk
Reporting Period: September 1, 2004 to August 30, 2005

STAR MCO					
SDA/Health Plan	Percent Affected	Actual PMPM Expenditures Based on Paid Amounts	Predicted PMPM Payment	Case Mix	Spend Ratio
CDPS					
TEXAS STAR MCO--Pregnant Women	100.00	634.49	634.49	1.000	1.000
LUBBOCK	2.65	711.24	635.26	1.000	1.120
First Care	100.00	711.24	635.26	1.000	1.120
EL PASO	9.54	652.44	646.34	1.000	1.009
Superior	44.49	592.98	635.84	0.984	0.933
El Paso First	55.51	700.42	654.82	1.013	1.070
TRAVIS	10.79	547.40	594.74	1.000	0.920
Amerigroup	15.13	495.17	514.12	0.864	0.000
Superior	84.87	556.41	608.67	1.023	0.914
BEXAR	13.47	651.83	619.82	1.000	1.052
Superior	38.80	643.61	614.45	0.991	1.047
Community First	61.20	656.99	623.20	1.005	1.054
HARRIS	24.49	617.92	646.96	1.000	0.955
Amerigroup	60.45	591.93	645.45	0.998	0.917
Texas Children's	9.53	628.93	594.41	0.919	1.058
Community Health	30.01	667.26	666.80	1.031	1.001
DALLAS	17.97	646.52	629.51	1.000	1.027
Amerigroup	48.53	635.00	625.92	0.994	1.015
Parkland	51.47	657.34	632.87	1.005	1.039
TARRANT	21.08	660.76	649.49	1.000	1.017
Amerigroup	100.00	660.76	649.49	1.000	1.017

Note: CDPS results are based on information in enrollment and encounter datasets from September 1, 2004 to August 30, 2005. CDPS results were obtained for those enrollees who had been in the program for at least 3 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 STAR CDPS Health Plan/SDA Risk
Reporting Period: September 1, 2004 to August 30, 2005

STAR MCO						
SDA/Health Plan	Percent Affected	Actual PMPM Expenditures Based on Paid Amounts	Predicted PMPM Payment	Case Mix	Spend Ratio	
CDPS						
TEXAS STAR MCO--STAR Newborns	100.00	363.13	363.13	1.000	1.000	1.000
LUBBOCK	2.49	367.84	399.18	1.000	1.000	0.921
EL PASO	100.00	367.84	399.18	1.000	1.000	0.921
First Care	8.63	303.98	348.75	1.000	1.000	0.872
Superior	54.60	258.13	339.60	0.974	0.974	0.760
El Paso First	45.40	359.36	359.80	1.032	1.032	0.999
TRAVIS	9.60	325.05	356.41	1.000	1.000	0.912
Amerigroup	8.85	341.77	351.05	0.985	0.985	0.974
Superior	91.15	323.72	356.84	1.001	1.001	0.907
BEXAR	13.14	365.55	378.31	1.000	1.000	0.966
Superior	35.51	338.12	373.08	0.986	0.986	0.906
Community First	64.49	380.71	381.19	1.008	1.008	0.999
HARRIS	25.76	404.05	343.54	1.000	1.000	1.176
Amerigroup	54.46	427.54	352.04	1.025	1.025	1.214
Texas Children's	15.20	364.35	333.40	0.970	0.970	1.093
Community Health	30.34	382.25	333.53	0.971	0.971	1.146
DALLAS	19.01	396.29	393.80	1.000	1.000	1.006
Amerigroup	47.34	334.62	357.66	0.908	0.908	0.936
Parkland	52.66	451.11	425.93	1.082	1.082	1.059
TARRANT	21.36	324.45	354.78	1.000	1.000	0.915
Amerigroup	100.00	324.45	354.78	1.000	1.000	0.915

Note: CDPS results are based on information in enrollment and encounter datasets from September 1, 2004 to August 30, 2005. CDPS results were obtained for those enrollees who had been in the program for at least 3 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 STAR CDPS Health Plan/SDA Risk
 Reporting Period: September 1, 2004 to August 30, 2005

STAR MCO						
SDA/Health Plan	Percent Affected	Actual PMPM Expenditures Based on Paid Amounts	Predicted PMPM Payment	Case Mix	Spend Ratio	
CDPS						
TEXAS STAR MCO--Expansion Children	100.00	59.26	59.26	1.000	1.000	1.000
LUBBOCK	2.07	58.40	57.93	1.000	1.000	1.008
First Care	100.00	58.40	57.93	1.000	1.000	1.008
EL PASO	7.52	56.14	59.32	1.000	1.000	0.946
Superior	59.58	46.61	58.21	0.981	0.981	0.801
El Paso First	40.42	70.17	60.94	1.027	1.027	1.151
TRAVIS	8.61	48.26	56.75	1.000	1.000	0.850
Amerigroup	6.75	47.12	56.24	0.991	0.991	0.838
Superior	93.25	48.34	56.78	1.001	1.001	0.851
BEXAR	9.95	53.86	59.25	1.000	1.000	0.909
Superior	39.13	47.43	59.04	0.996	0.996	0.803
Community First	60.87	57.99	59.39	1.002	1.002	0.976
HARRIS	31.72	51.93	58.03	1.000	1.000	0.895
Amerigroup	48.11	42.45	56.73	0.978	0.978	0.748
Texas Children's	32.58	67.11	59.76	1.030	1.030	1.123
Community Health	19.31	50.30	58.39	1.006	1.006	0.861
DALLAS	23.06	74.43	60.94	1.000	1.000	1.221
Amerigroup	43.81	64.72	59.87	0.982	0.982	1.081
Parkland	56.19	81.92	61.77	1.014	1.014	1.326
TARRANT	17.07	62.60	60.70	1.000	1.000	1.031
Amerigroup	100.00	62.60	60.70	1.000	1.000	1.031

Note: CDPS results are based on information in enrollment and encounter datasets from September 1, 2004 to August 30, 2005. CDPS results were obtained for those enrollees who had been in the program for at least 3 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 STAR CDPS Health Plan/SDA Risk
Reporting Period: September 1, 2004 to August 30, 2005

STAR MCO						
SDA/Health Plan	Percent Affected	Actual PMPM Expenditures Based on Paid Amounts	Predicted PMPM Payment	Case Mix	Spend Ratio	
CDPS						
TEXAS STAR MCO--Expansion Newborn	100.00	134.18	134.18	1.000	1.000	1.000
LUBBOCK	0.57	166.99	162.89	1.000	1.000	1.025
First Care	100.00	166.99	162.89	1.000	1.000	1.025
EL PASO	5.89	117.51	131.12	1.000	1.000	0.896
Superior	44.43	92.22	126.19	0.962	0.962	0.731
El Paso First	55.57	137.96	135.11	1.030	1.030	1.021
TRAVIS	8.08	131.83	139.26	1.000	1.000	0.947
Amerigroup	25.86	166.43	140.57	1.009	1.009	1.184
Superior	74.14	121.37	138.87	0.997	0.997	0.874
BEXAR	5.32	119.98	135.95	1.000	1.000	0.883
Superior	43.21	103.59	131.40	0.967	0.967	0.788
Community First	56.79	132.57	139.45	1.026	1.026	0.951
HARRIS	35.59	133.05	131.71	1.000	1.000	1.010
Amerigroup	44.82	102.17	125.77	0.955	0.955	0.812
Texas Children's	38.18	175.25	140.61	1.068	1.068	1.246
Community Health	17.01	120.13	127.49	0.968	0.968	0.942
DALLAS	29.19	151.42	134.90	1.000	1.000	1.122
Amerigroup	37.84	124.98	131.22	0.973	0.973	0.952
Parkland	62.16	167.14	137.09	1.016	1.016	1.219
TARRANT	15.35	115.50	135.42	1.000	1.000	0.853
Amerigroup	100.00	115.50	135.42	1.000	1.000	0.853

Note: CDPS results are based on information in enrollment and encounter datasets from September 1, 2004 to August 30, 2005. CDPS results were obtained for those enrollees who had been in the program for at least 3 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 STAR CDPS Health Plan/SDA Risk
Reporting Period: September 1, 2004 to August 30, 2005

STAR MCO						
SDA/Health Plan	Percent Affected	Actual PMPM Expenditures Based on Paid Amounts	Predicted PMPM Payment	Case Mix	Spend Ratio	
CDPS						
TEXAS STAR MCO--Federal Mandate Ch	100.00	46.72	46.72	1.000	1.000	1.000
LUBBOCK	2.46	51.26	52.60	1.000	1.000	0.975
First Care	100.00	51.26	52.60	1.000	1.000	0.975
EL PASO	10.47	49.21	46.62	1.000	1.000	1.056
Superior	56.66	35.72	46.18	0.991	0.991	0.773
El Paso First	43.34	67.01	47.21	1.013	1.013	1.419
TRAVIS	7.44	37.63	45.66	1.000	1.000	0.824
Amerigroup	9.58	42.56	45.60	0.999	0.999	0.000
Superior	90.42	37.17	45.67	1.000	1.000	0.814
BEXAR	11.42	41.70	47.74	1.000	1.000	0.873
Superior	39.76	33.26	46.02	0.964	0.964	0.723
Community First	60.24	47.23	48.86	1.023	1.023	0.967
HARRIS	31.99	44.72	45.97	1.000	1.000	0.973
Amerigroup	49.25	36.37	45.20	0.983	0.983	0.805
Texas Children's	33.18	58.10	47.30	1.029	1.029	1.228
Community Health	17.57	43.08	45.67	0.993	0.993	0.943
DALLAS	20.64	49.77	45.34	1.000	1.000	1.098
Amerigroup	50.16	45.39	45.23	0.998	0.998	1.004
Parkland	49.84	54.16	45.46	1.003	1.003	1.191
TARRANT	15.58	52.42	49.00	1.000	1.000	1.070
Amerigroup	100.00	52.42	49.00	1.000	1.000	1.070

Note: CDPS results are based on information in enrollment and encounter datasets from September 1, 2004 to August 30, 2005. CDPS results were obtained for those enrollees who had been in the program for at least 3 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 12

Managed Care Efficiency Factor

Beginning September 1, 2006, the PCCM will be eliminated from STAR service delivery areas and those clients will be moved to HMOs. There will be no new PCCM enrollment beginning September 1, 2006 and all current PCCM clients will be moved to HMOs by December 1, 2006. In developing the FY2007 premium rates we have included the actual claims experience from current PCCM clients. We have made the assumption that the FY2007 gross cost of current PCCM clients under the HMO model will be the same as that under the PCCM model. Since administrative expenses and risk margin are significantly higher under the HMO model, in order for the gross cost to be the same as the PCCM it is necessary for the claims cost to be lower than that under the PCCM.

The analysis summarized below presents the calculation of our assumed managed care efficiency factor for PCCM claims.

The projected average FY2007 incurred claims for current PCCM clients is \$161.23 pmpm. In addition, the PCCM has a \$2.92 pmpm case management fee and a TMHP administrative cost of \$5.47 pmpm. So the total FY2007 average cost for current PCCM clients is \$169.62 pmpm. The TMHP administrative cost for HMO clients is \$1.75 pmpm. To determine the managed care efficiency factor necessary in order to satisfy our equal gross cost requirement, we must solve the following equation for X.

$$\$169.62 \text{ pmpm} = \frac{\$161.23 \text{ pmpm} (1-X) + \$10 \text{ pmpm}}{(1 - 5.75\% - 2.0\%)} + \$1.75 \text{ pmpm}$$

Therefore, in order for the gross cost under the HMO model to be the same as the projected FY2007 gross cost under the PCCM model, the PCCM claims cost will need to be discounted by 10.2%.