

**STATE OF TEXAS  
MEDICAID MANAGED CARE  
RATE SETTING  
PHARMACY CARVE-IN  
STATE FISCAL YEAR 2013**

Prepared for:  
Texas Health and Human Services Commission

Prepared by:  
David G. Wilkes, F.S.A., M.A.A.A  
Rudd and Wisdom, Inc.

June 15, 2012

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## I. Introduction

Effective March 1, 2012, the Texas Health and Human Services Commission (HHSC) implemented pharmacy carve-in for all its Medicaid and CHIP managed care programs. Prior to that date the Managed Care Organizations (MCOs) were not financially responsible for the provision of outpatient prescription drug services under the programs. Those services had been carved out and remained the financial responsibility of HHSC directly, provided under the agency's Vendor Drug Program (VDP). Effective with this change, the premium amount paid to the MCOs included provision for prescription drug services and the MCO were financially responsible for those services.

Rudd and Wisdom, Inc. has been retained by HHSC to develop the pharmacy carve-in premium rates for the period fiscal year 2013 (FY2013, September 1, 2012 through August 31, 2013) for those MCOs participating in the Texas Medicaid and CHIP managed care programs. This report presents the rating methodology and assumptions used in developing the pharmacy carve-in premium rates.

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

Rudd and Wisdom has relied on the following data sources as provided by HHSC, its subcontractors, participating MCOs and their Pharmacy Benefit Managers (PBMs):

- Monthly detailed enrollment files for the period September 2007 through March 2012. These files (provided by HHSC) include identification information, health plan code, ZIP Code, risk group and date of birth for all Medicaid and CHIP members.
- Projected monthly enrollment by program, service area and risk group for FY2013. These projections were prepared by HHSC System Forecasting staff.
- Monthly pharmacy claim files for the period September 2007 through March 2012 provided by HHSC and its subcontractor. These files included detailed claims information on all Medicaid and CHIP pharmacy claims paid during the applicable month.
- Summary pharmacy claim reports provided by HHSC and its subcontractor which included monthly paid claim amounts. These reports were used to confirm that all pharmacy claims and payments were included in our analysis.
- Pharmacy claim reports provided by the MCOs which include monthly incurred by program, service area and risk group for the period September 2007 through August 2011. These reports were used to confirm that all pharmacy claims were included in our analysis.
- Information from HHSC regarding recent changes in covered prescription drug services and pharmacy reimbursement under the VDP.
- Information from HHSC regarding anticipated future changes in pharmacy reimbursement under the VDP.

- Information from MCOs regarding administrative cost, pharmacy reimbursement and other provisions included in their PBM contracts.
- Information from HHSC, their subcontractor, several MCOs and their PBMs regarding the anticipated impact of pharmacy carve-in on prescription drug utilization and cost.

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 FY2013 (the rating period) MCO pharmacy carve-in premium rates relies primarily on VDP claims experience. The historical claims experience for each program, service area and risk group was analyzed and estimates for the base period (March 1, 2011 through February 29, 2012) were developed. These estimates were then projected forward to the rating period using assumed trend rates. Additional adjustments were made to the historical experience to reflect programmatic changes in covered services, member cost sharing and pharmacy reimbursement. Administrative expenses, risk margin and premium tax were added to the claims component in order to project the total rating period cost under the MCOs. These projected total cost rates were then used to produce a set of community rates for each program and service area.

The Medicaid and CHIP managed care programs included in this analysis are as follows:

- STAR
- STAR+PLUS
- STAR Health
- CHIP
- CHIP Perinatal

The managed care service areas included in the analysis were as follows:

- Bexar County Service Area– STAR, STAR+PLUS and CHIP
- Dallas County Service Area – STAR, STAR+PLUS and CHIP
- El Paso County Service Area – STAR, STAR+PLUS and CHIP
- Harris County Service Area – STAR, STAR+PLUS and CHIP
- Hidalgo County Service Area – STAR and STAR+PLUS
- Jefferson County Service Area – STAR, STAR+PLUS and CHIP
- Lubbock County Service Area – STAR, STAR+PLUS and CHIP
- Nueces County Service Area – STAR, STAR+PLUS and CHIP
- Tarrant County Service Area – STAR, STAR+PLUS and CHIP
- Travis County Service Area – STAR, STAR+PLUS and CHIP
- MRSA Central Service Area – STAR only
- MRSA Northeast Service Area – STAR only
- MRSA West Service Area – STAR only
- EPO Service Area - CHIP only

The risk groups included in the analysis are as follows:

### STAR Program

- 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
- Disabled and Blind (MRSA service areas only)

#### STAR+PLUS Program

- Medicaid Only – Other Community Care (OCC)
- Medicaid Only – Community-based Alternatives (CBA)

#### CHIP Program

- Under Age 1
- Ages 1 through 5
- Ages 6 through 14
- Ages 15 through 18

#### CHIP Perinatal Program

- Perinate Under 185% FPL
- Perinate Between 185% and 200% FPL
- Newborns Under 185% FPL
- Newborns Between 185% and 200% FPL

The STAR Health program is a statewide program for foster care clients with no separately-rated service areas or risk groups.

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 detailed claim files provided by VDP, (ii) summary paid claims reports provided by HHSC and (iii) claim lag reports provided by the MCOs. There was satisfactory consistency between the three claims data sources.

We projected the rating period cost for each program, service area and risk group by estimating their base period average per-capita claims cost and then applying trend and other adjustment factors (described in Section III below). We added a reasonable provision for administrative expenses, risk margin and premium tax.

Effective September 1, 2011, several of the existing STAR and STAR+PLUS regions experienced an expansion in their service areas. Our rating analysis included the enrollment and claims experience for those clients residing in the expansion counties and expected to move to managed care. In the STAR program, the expansion area clients included in the analysis were those clients residing in the expansion counties and enrolled in PCCM. In the STAR+PLUS program, expansion area clients were assumed to come from both PCCM and FFS. An adjustment was made to the anticipated STAR+PLUS enrollment for the expansion counties to recognize that SSI children are much less likely to voluntarily enroll in STAR+PLUS as compared to their participation rates in PCCM and STAR.

Effective March 1, 2012, several new service areas were added to STAR (Hidalgo, Jefferson and the three MRSA areas) and STAR+PLUS (El Paso, Hidalgo, Jefferson and Lubbock). As discussed above for expansion counties, the rating analysis included the enrollment and claims experience for those clients residing in the new service areas and expected to move to managed care. In the STAR program, the new service area clients included in the analysis were those clients residing in the new service area counties and enrolled in PCCM. In the STAR+PLUS program, new service area clients were assumed to come from STAR (in those areas served by STAR), PCCM and FFS. An adjustment was made to the anticipated STAR+PLUS enrollment for the expansion counties to recognize that SSI children are less likely to voluntarily enroll in STAR+PLUS as compared to PCCM and STAR.

HHSC has utilized a community rating methodology in setting the initial pharmacy carve-in premium rates. The premium rates vary by program, service area and risk group but are the same for each MCO in a service area. Attachment 2 presents the summary community rating exhibit for each program and service area along with a description of the analysis.

### III. Adjustment Factors

This section contains a description of the adjustment factors used in the FY2013 (rating period) pharmacy carve-in premium rate setting process.

#### ***Trend Factors***

The rating methodology uses assumed trend factors to adjust the base period (March 1, 2011 through February 29, 2012) claims cost to the rating period. The cost trend factors used in this analysis are a combination of utilization and inflation components. The trend rate assumptions were developed by the actuary based on an analysis of recent VDP experience under the various Medicaid and CHIP programs. The trend rate assumption varied by program and risk group but was the same for all service areas.

The trend analysis included a review of MCO claims experience data paid through March 31, 2012. Based on this information, estimates of monthly incurred claims were determined through February 2012. The per-capita claims cost and trend experience was reviewed separately by program, service area and risk group. The service area trends were then combined into a statewide average using a weighted average formula with current enrollment as the weights.

The rating period trend assumptions were developed using the following formula:

Rating period trend rate equals one-eighth of the actual FY2009 trend plus two-eighths of the actual FY2010 trend plus three-eighths of the actual FY2011 trend plus two-eighths of the trend for the period September 1, 2011 through February 29, 2012. This formula was used in developing the trend assumptions for all programs and risk groups. The trend assumption for STAR Disabled and Blind clients (in the MRSA service areas only) was developed based on STAR+PLUS Medicaid Only experience. A single trend assumption was developed for the two STAR+PLUS risk groups and a single trend assumption was developed for all CHIP and CHIP Perinatal risk groups.

Attachment 3 is a summary of the cost trend analysis. The chart below presents the assumed annual trend rates for the rating period.

#### Rating Period Trend Assumption

##### STAR

TANF Children Over Age 1	1.8 %
TANF Children Under Age 1	1.8 %
TANF Adults	6.3 %
Pregnant Women	0.0 %
Newborns	3.3 %
Expansion Children Over Age 1	0.0 %



Expansion Children Under Age 1	0.0 %
Federal Mandate Children	1.6 %
Disabled and Blind	5.5 %

#### STAR+PLUS

Medicaid Only OCC	5.5 %
Medicaid Only CBA	5.5 %

#### STAR Health

All Clients	2.4 %
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#### CHIP and CHIP Perinatal

All Clients	1.8 %
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### ***Dispensing Fee Adjustment Factor – September 1, 2011***

Effective September 1, 2011, HHSC reduced the dispensing fee paid to pharmacies under the VDP. The fixed component of the dispensing fee is now \$6.50 and the variable component is 1.96%. The experience period claims (those incurred prior to September 1, 2011) were re-processed using this revised dispensing fee formula and resulting adjustment factors developed. This issue impacted all programs, service areas and risk groups. Attachment 4 presents a summary of the dispensing fee adjustment factor analysis.

### ***Unlimited Prescriptions Adjustment***

Adults (clients age 21 and over) in Medicaid FFS/PCCM have a three prescription per month limit while those adult clients in STAR and STAR+PLUS have unlimited prescriptions. In order to recognize the increase in benefit (and cost) for adult clients moving from FFS/PCCM to managed care, we developed adjustment factors for adult clients in STAR (TANF Adults, Pregnant Women and Disabled and Blind adults) and STAR+PLUS (Medicaid Only adults).

Texas Medicaid Healthcare Partnership (TMHP) conducted an analysis to evaluate the historical cost of unlimited prescriptions for adults in managed care. The intent of TMHP's analysis was to determine what the prescription drug utilization and cost would have been for those adult clients had they been limited to three prescriptions per month. Their analysis considered the order of prescription purchases (in a three prescription limit scenario, the more expensive drugs would likely be among the first three purchased) and the different maximum days supply rules that apply to limited and unlimited prescription clients.

The unlimited prescriptions adjustment applied to adults in STAR and STAR+PLUS expansion counties and new service areas. The adjustment did not impact existing STAR and STAR+PLUS counties, STAR Health, CHIP or CHIP Perinatal. Attachment 5 presents a summary of the unlimited prescriptions adjustment factor analysis.

### ***Copayment Change Adjustment***

Effective March 1, 2012, HHSC implemented a pharmacy cost sharing increase for CHIP clients over 150% FPL. The member copayment increased from \$8 to \$10 for generic drugs and from \$25 to \$35 for brand drugs. We re-priced the base period claims (for the applicable CHIP clients) using these revised copayment amounts and determined the resulting adjustment factors. Attachment 6 presents a summary of the copayment change adjustment factor analysis.

### ***Family Planning Adjustment***

Some of the MCOs that participate in the STAR, CHIP and CHIP Perinatal programs are not able to provide family planning services. HHSC provided us with a listing of those drugs that are not provided by these MCOs. Using base period claims experience, we determined the percentage of claims cost expected to be represented by these family planning drugs. The pharmacy carve-in premium rates for these MCOs have been reduced to reflect the reduced services provided. Attachment 7 presents a summary of the family planning adjustment factor analysis.

### ***Managed Care Efficiency Factor***

The pharmacy reimbursement methodology under pharmacy carve-in is significantly different from that under the carve-out arrangement. The dispensing fee under the VDP program averages approximately \$8.00 per prescription (after the September 1, 2011 dispensing fee reduction discussed above) while the dispensing fee under carve-in is expected to average around \$1.50 per prescription (assumed average for all MCOs combined).

On the ingredient cost side, it is anticipated that the MCOs will pay the pharmacies more than VDP currently pays. For brand drugs we have assumed that the mean Average Wholesale Price (AWP) discount under carve-in will be 16% while the current VDP discount is around 18.3%. For generic drug ingredient cost, we have assumed that the MCOs will pay the pharmacies around 10% more than VDP. These assumptions are based on our analysis of VDP claims experience, pharmacy reimbursement information provided by the MCOs and current Maximum Allowable Cost (MAC) schedules used under several large Texas commercial plans. Please note that the above assumptions are assumed to be applicable to overall pharmacy carve-in experience, not necessarily to any one individual MCO specifically. Also, the pharmacy reimbursement assumptions are assumed to apply to all pharmacies overall, not necessarily to any one individual pharmacy or category of pharmacies.

Based on the above analysis we have established a 5% managed care discount factor for all programs and service areas except the Hidalgo service area in STAR. The 5% assumption was developed assuming that overall pharmacy reimbursement under carve-in would be 4% lower than that under VDP and that the MCOs will have a positive impact on utilization representing 1% of prescription drug cost.

Prescription drug utilization for children in the Hidalgo service area is around 80% higher than that for the remainder of the state. Based on this information it was determined that the opportunity for cost reduction under pharmacy carve-in was greater in the Hidalgo service area than in other service areas. The MCOs are expected to reduce pharmacy cost through more cost-effective professional provider contracting and increased management of both the medical and prescription drug benefit.

The managed care efficiency factors for STAR Hidalgo were determined by assuming that the MCOs would reduce the excess pharmacy cost (defined as excess of Hidalgo cost over the average of the other STAR service areas) by 25%. For example, the pharmacy claims cost for Expansion Children in the Hidalgo service area is 116% higher than that for the remainder of the state. We have assumed that the MCOs will reduce the prescription drug cost by 28.4%. It is anticipated that the opportunities for reducing cost will increase over time. However, given implementation of managed care in a new service area and the authorization of service limitations placed on the MCOs by HHSC, it is our opinion that a lower managed care efficiency factor is reasonable and appropriate.

Attachment 8 presents a summary of the managed care efficiency factor analysis for the Hidalgo service area.

### ***Small Sample Size Adjustments***

Both the CHIP and CHIP Perinatal programs contain risk groups that are too small to set rates on an individual service area basis. These risk groups are the Under Age One risk group in CHIP and the Perinate Between 185% and 200% FPL, Newborns Under 185% FPL and Newborns Between 185% and 200% FPL risk groups in CHIP Perinatal. In those cases we have developed a statewide premium rate which applies to all MCOs in all service areas.

### ***Other Adjustments***

**Risk Adjustment** - The current risk adjustment analysis available to HHSC was not developed for prescription drug cost. Therefore, no acuity risk adjustment has been applied to the pharmacy carve-in premium rates.

**Rebates** - The prescription drug cost analysis presented in this report includes the gross pharmacy cost, i.e., it has not been reduced to reflect formulary rebates. HHSC will retain the rebate management function for both federal and supplemental rebates.

#### IV. Administrative Fees and Risk Margin

The pharmacy carve-in rating methodology includes an explicit provision for administrative services. The amount allocated for administrative expenses is \$1.80 per member per month. This amount is intended to provide for all administrative services performed by the MCO and its subcontractors.

The premium rates also include an amount for premium tax (1.75% of premium) and a risk margin (2.0% of premium).

## V. Summary

Attachment 1 presents the results of the FY2013 pharmacy carve-in rating analysis for each of the Medicaid and CHIP managed care programs.

## VI. Actuarial Certification of FY2013 Pharmacy Carve-in 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.

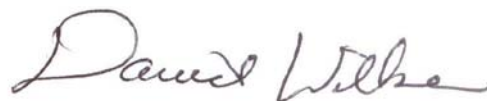
Rudd and Wisdom has been retained by the Texas Health and Human Services Commission (HHSC) to assist in the development of their pharmacy carve-in rate-setting methodology, assumptions and resulting premium rates and to provide the actuarial certification required under Centers for Medicare and Medicaid Services (CMS) requirements 42 CFR 438.6(c). The initial premium rates for the new pharmacy carve-in program are effective for the period fiscal year 2013 (FY2013, September 1, 2012 through August 31, 2013).

I certify that the pharmacy carve-in 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.



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

## VII. Attachments

## ***Attachment 1***

### Summary of Pharmacy Carve-in Rating Analysis

The attached exhibit presents the resulting FY2013 pharmacy carve-in premium rates. The exhibit includes premium rates by risk group for the STAR, STAR+PLUS STAR Health, CHIP and CHIP Perinatal programs.



Pharmacy Carve-in Rate Setting  
FY2013  
Monthly per-Capita Premium Rates

**STAR Program**

Service Area	TANF Children 1+	TANF Children <1	TANF Adults	Pregnant Women	Newborns	Expansion Children 1+	Expansion Children <1	Federal Mandate Children	Disabled & Blind
Bexar	\$ 37.37	\$ 46.35	\$ 115.80	\$ 42.06	\$ 35.65	\$ 26.35	\$ 38.26	\$ 36.28	
Dallas	36.64	36.67	76.73	41.46	30.23	28.86	43.13	35.13	
El Paso	32.49	57.43	97.49	29.25	53.94	29.73	47.32	34.63	
Harris	33.22	36.96	104.06	42.35	36.27	28.31	35.40	31.68	
Hidalgo	49.30	71.40	113.32	44.81	56.94	46.46	62.61	47.03	
Jefferson	51.10	63.61	107.42	37.38	51.63	36.68	61.98	44.34	
Lubbock	34.90	43.32	105.98	37.56	38.96	23.27	42.81	33.53	
Nueces (Standard)	50.70	62.41	113.08	43.55	43.16	39.20	37.79	48.39	
Nueces (no Family Planning)	50.31	62.41	110.83	40.46	43.16	39.20	37.79	47.94	
Tarrant	32.04	34.36	111.29	41.86	26.20	22.27	33.81	32.98	
Travis (Standard)	27.09	29.12	92.62	36.20	25.21	20.56	28.32	26.32	
Travis (no Family Planning)	26.74	29.12	90.38	34.02	25.21	20.56	28.32	25.98	
MRSA - Central	34.25	24.59	74.46	31.86	24.75	24.33	22.50	33.80	293.24
MRSA - Northeast	41.63	41.60	101.02	41.22	40.49	32.11	43.67	40.29	305.21
MRSA - West	35.80	29.41	92.97	31.82	31.16	24.72	29.99	35.37	343.68

**STAR+PLUS Program**

Service Area	Medicaid Only OCC	Medicaid Only CBA
Bexar	\$ 399.55	\$ 766.39
Dallas	328.19	747.52
El Paso	365.41	721.12
Harris	378.70	784.69
Hidalgo	367.92	745.86
Jefferson	325.77	633.66
Lubbock	328.99	707.22
Nueces	407.45	731.97
Tarrant	403.27	832.47
Travis	396.61	893.51

**STAR Health Program** \$ 172.35

**CHIP Program**

Service Area	CHIP				CHIP Perinatal			
	Age <1	Age 1-5	Age 6-14	Age 15-18	Perinate <185%	Perinate 185%+	Newborn <185%	Newborn 185%+
Bexar	\$ 15.38	\$ 17.48	\$ 28.59	\$ 27.45	\$ 10.15	\$ 18.78	\$ 10.83	\$ 9.14
Dallas	15.38	18.88	26.32	22.93	4.53	18.78	10.83	9.14
El Paso	15.38	21.24	23.32	29.62	10.68	18.78	10.83	9.14
Harris	15.38	25.92	32.21	30.78	12.54	18.78	10.83	9.14
Jefferson	15.38	18.44	24.54	24.86	20.74	18.78	10.83	9.14
Lubbock	15.38	16.15	26.76	27.27	11.58	18.78	10.83	9.14
Nueces (Standard)	15.38	25.00	34.89	30.13	20.56	18.78	10.83	9.14
Nueces (no Family Planning)	15.38	25.00	34.83	29.55	20.56	18.78	10.83	9.14
Tarrant	15.38	16.03	27.78	28.80	24.54	18.78	10.83	9.14
Travis (Standard)	15.38	12.98	22.59	28.35	11.47	18.78	10.83	9.14
Travis (no Family Planning)	15.38	12.98	22.58	28.04	11.47	18.78	10.83	9.14
EPO	15.38	23.55	30.08	15 26.35	19.21	18.78	10.83	9.14

## ***Attachment 2***

### **Community Experience Analysis**

The following exhibits present a summary of the experience analysis performed for each Medicaid and CHIP managed care program and service area. HHSC utilizes a community rating methodology in setting the pharmacy carve-in premium rates. The community rates by risk group vary by service area but are the same for each MCO in a service area.

Below is a brief description of the exhibits contained in this attachment. The exhibits present the derivation of the FY2013 (rating period) pharmacy carve-in community premium rates for the programs listed below. Each exhibit contains the rate derivation for each service area and risk group included in the program.

Exhibit A – STAR Program

Exhibit B – STAR+PLUS Program

Exhibit C – STAR Health Program

Exhibit D – CHIP Program

Exhibit E – CHIP Perinatal Program

The actuarial model used to derive the premium rates relies primarily on VDP claims experience. The historical claims experience for each program, service area and risk group was analyzed and estimates for the base period (March 1, 2011 through February 29, 2012) were developed. The top portion of the attached exhibits show summary base period enrollment and claims experience and projected rating period enrollment. The base period per capita claims cost estimates were then projected forward to the rating period using assumed trend rates. Additional adjustments were made to the historical experience to reflect programmatic changes in covered services, member cost sharing and pharmacy reimbursement. Administrative expenses (\$1.80 pmpm), risk margin (2.0%) and premium tax (1.75%) were added to the claims component in order to project the total rating period cost.

STAR Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Bexar Area

	TANF Children 1+		TANF Children <1		TANF Adults		Pregnant Women		Newborns	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	267,077		17,254		88,604		110,703		200,574	
Estimated Incurred Claims	9,390,721	35.16	759,411	44.01	9,373,073	105.79	4,546,748	41.07	6,565,024	32.73
Projected FY2013 Member Months	339,249		22,251		111,332		113,675		210,426	
Annual Trend Assumption	1.8 %		1.8 %		6.3 %		0.0 %		3.3 %	
Provider Reimbursement Adjustments										
Dispensing Fee Reduction 9/1/2011	0.9959		0.9968		0.9952		0.9912		0.9960	
Unlimited Scripts Adjustment	1.0000		1.0000		1.0004		1.0001		1.0000	
Managed Care Discount Factor	0.9500		0.9500		0.9500		0.9500		0.9500	
Projected Incurred Claims	11,591,560	34.17	952,568	42.81	12,208,329	109.66	4,396,782	38.68	6,842,191	32.52
Administrative Expenses	610,648	1.80	40,052	1.80	200,398	1.80	204,615	1.80	378,767	1.80
Risk Margin	2.0 %		2.0 %		2.0 %		2.0 %		2.0 %	
Premium Tax	1.75 %		1.75 %		1.75 %		1.75 %		1.75 %	
Projected Total Cost	12,677,619	37.37	1,031,294	46.35	12,892,183	115.80	4,780,673	42.06	7,502,295	35.65
Current (3/2012 - 8/2012) Rate	12,080,653	35.61	675,327	30.35	12,285,485	110.35	4,934,634	43.41	5,239,616	24.90
Percentage Rate Increase		4.9 %		52.7 %		4.9 %		-3.1 %		43.2 %

STAR Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Bexar Area

	<u>Expansion Children 1+</u>		<u>Expansion Children &lt;1</u>		<u>Federal Mandate Children</u>		<u>Total</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
Estimated VDP Experience 3/1/2011 - 2/29/2012								
Member Months	679,003		10,154		1,000,028		2,373,397	
Estimated Incurred Claims	16,931,996	24.94	376,351	37.06	34,186,691	34.19	82,130,015	34.60
Projected FY2013 Member Months	714,855		8,378		1,057,356		2,577,523	
Annual Trend Assumption	0.0 %		0.0 %		1.6 %			
Provider Reimbursement Adjustments								
Dispensing Fee Reduction 9/1/2011	0.9945		0.9947		0.9958			
Unlimited Scripts Adjustment	1.0000		1.0000		1.0000			
Managed Care Discount Factor	0.9500		0.9500		0.9500			
Projected Incurred Claims	16,841,573	23.56	293,439	35.02	35,018,906	33.12	88,145,347	34.20
Administrative Expenses	1,286,738	1.80	15,081	1.80	1,903,241	1.80	4,639,541	1.80
Risk Margin	2.0 %		2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %		1.75 %			
Projected Total Cost	18,834,609	26.35	320,539	38.26	38,360,672	36.28	96,399,884	37.40
Current (3/2012 - 8/2012) Rate	17,077,879	23.89	256,705	30.64	38,403,183	36.32	90,953,482	35.29
Percentage Rate Increase		10.3 %		24.9 %		-0.1 %		6.0 %

STAR Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Dallas Area

	TANF Children 1+		TANF Children <1		TANF Adults		Pregnant Women		Newborns	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	248,879		20,819		67,812		145,801		310,722	
Estimated Incurred Claims	8,569,944	34.43	717,436	34.46	4,715,446	69.54	5,903,000	40.49	8,551,612	27.52
Projected FY2013 Member Months	365,871		30,404		103,514		144,429		333,113	
Annual Trend Assumption	1.8 %		1.8 %		6.3 %		0.0 %		3.3 %	
Provider Reimbursement Adjustments										
Dispensing Fee Reduction 9/1/2011	0.9961		0.9962		0.9952		0.9907		0.9943	
Unlimited Scripts Adjustment	1.0000		1.0000		1.0000		1.0000		1.0000	
Managed Care Discount Factor	0.9500		0.9500		0.9500		0.9500		0.9500	
Projected Incurred Claims	12,245,216	33.47	1,018,465	33.50	7,458,467	72.05	5,503,413	38.10	9,091,993	27.29
Administrative Expenses	658,569	1.80	54,727	1.80	186,325	1.80	259,972	1.80	599,603	1.80
Risk Margin	2.0 %		2.0 %		2.0 %		2.0 %		2.0 %	
Premium Tax	1.75 %		1.75 %		1.75 %		1.75 %		1.75 %	
Projected Total Cost	13,406,529	36.64	1,115,005	36.67	7,942,641	76.73	5,987,933	41.46	10,069,191	30.23
Current (3/2012 - 8/2012) Rate	12,988,436	35.50	718,447	23.63	7,253,232	70.07	6,184,445	42.82	7,335,148	22.02
Percentage Rate Increase		3.2 %		55.2 %		9.5 %		-3.2 %		37.3 %

STAR Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Dallas Area

	<u>Expansion Children 1+</u>		<u>Expansion Children &lt;1</u>		<u>Federal Mandate Children</u>		<u>Total</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
Estimated VDP Experience 3/1/2011 - 2/29/2012								
Member Months	1,298,290		38,600		1,781,243		3,912,166	
Estimated Incurred Claims	35,759,257	27.54	1,625,386	42.11	58,900,400	33.07	124,742,481	31.89
Projected FY2013 Member Months	1,366,754		33,002		1,910,564		4,287,652	
Annual Trend Assumption	0.0 %		0.0 %		1.6 %			
Provider Reimbursement Adjustments								
Dispensing Fee Reduction 9/1/2011	0.9928		0.9927		0.9951			
Unlimited Scripts Adjustment	1.0000		1.0000		1.0000			
Managed Care Discount Factor	0.9500		0.9500		0.9500			
Projected Incurred Claims	35,505,256	25.98	1,310,550	39.71	61,162,825	32.01	133,296,184	31.09
Administrative Expenses	2,460,158	1.80	59,404	1.80	3,439,015	1.80	7,717,774	1.80
Risk Margin	2.0 %		2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %		1.75 %			
Projected Total Cost	39,444,586	28.86	1,423,329	43.13	67,118,794	35.13	146,508,008	34.17
Current (3/2012 - 8/2012) Rate	35,658,624	26.09	1,061,020	32.15	66,239,250	34.67	137,438,603	32.05
Percentage Rate Increase		10.6 %		34.2 %		1.3 %		6.6 %

STAR Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
El Paso Area

	TANF Children 1+		TANF Children <1		TANF Adults		Pregnant Women		Newborns	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	179,910		11,112		48,821		52,595		91,651	
Estimated Incurred Claims	5,462,889	30.36	611,342	55.02	4,335,647	88.81	1,473,557	28.02	4,621,629	50.43
Projected FY2013 Member Months	203,879		12,522		56,241		53,155		98,495	
Annual Trend Assumption	1.8 %		1.8 %		6.3 %		0.0 %		3.3 %	
Provider Reimbursement Adjustments										
Dispensing Fee Reduction 9/1/2011	0.9947		0.9961		0.9953		0.9901		0.9965	
Unlimited Scripts Adjustment	1.0000		1.0000		1.0001		1.0000		1.0000	
Managed Care Discount Factor	0.9500		0.9500		0.9500		0.9500		0.9500	
Projected Incurred Claims	6,008,638	29.47	669,594	53.47	5,176,348	92.04	1,400,778	26.35	4,936,537	50.12
Administrative Expenses	366,981	1.80	22,539	1.80	101,234	1.80	95,679	1.80	177,291	1.80
Risk Margin	2.0 %		2.0 %		2.0 %		2.0 %		2.0 %	
Premium Tax	1.75 %		1.75 %		1.75 %		1.75 %		1.75 %	
Projected Total Cost	6,624,020	32.49	719,100	57.43	5,483,203	97.49	1,554,760	29.25	5,313,068	53.94
Current (3/2012 - 8/2012) Rate	6,240,722	30.61	532,809	42.55	5,276,558	93.82	1,596,776	30.04	3,773,334	38.31
Percentage Rate Increase		6.1 %		35.0 %		3.9 %		-2.6 %		40.8 %

STAR Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
El Paso Area

	<u>Expansion Children 1+</u>		<u>Expansion Children &lt;1</u>		<u>Federal Mandate Children</u>		<u>Total</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
Estimated VDP Experience 3/1/2011 - 2/29/2012								
Member Months	342,215		8,558		596,146		1,331,008	
Estimated Incurred Claims	9,721,900	28.41	396,098	46.28	19,411,709	32.56	46,034,771	34.59
Projected FY2013 Member Months	360,275		7,535		637,996		1,430,097	
Annual Trend Assumption	0.0 %		0.0 %		1.6 %			
Provider Reimbursement Adjustments								
Dispensing Fee Reduction 9/1/2011	0.9936		0.9948		0.9952			
Unlimited Scripts Adjustment	1.0000		1.0000		1.0000			
Managed Care Discount Factor	0.9500		0.9500		0.9500			
Projected Incurred Claims	9,660,989	26.82	329,574	43.74	20,114,238	31.53	48,296,696	33.77
Administrative Expenses	648,495	1.80	13,562	1.80	1,148,393	1.80	2,574,175	1.80
Risk Margin	2.0 %		2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %		1.75 %			
Projected Total Cost	10,711,153	29.73	356,505	47.32	22,091,045	34.63	52,852,853	36.96
Current (3/2012 - 8/2012) Rate	9,532,880	26.46	325,798	43.24	21,864,121	34.27	49,142,999	34.36
Percentage Rate Increase		12.4 %		9.4 %		1.1 %		7.5 %



STAR Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Jefferson Area

	TANF Children 1+		TANF Children <1		TANF Adults		Pregnant Women		Newborns	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	114,609		7,627		40,639		35,703		61,814	
Estimated Incurred Claims	5,588,735	48.76	466,158	61.12	3,740,628	92.05	1,267,675	35.51	2,982,101	48.24
Projected FY2013 Member Months	135,843		9,073		46,418		37,053		64,687	
Annual Trend Assumption	1.8 %		1.8 %		6.3 %		0.0 %		3.3 %	
Provider Reimbursement Adjustments										
Dispensing Fee Reduction 9/1/2011	0.9958		0.9964		0.9954		0.9904		0.9954	
Unlimited Scripts Adjustment	1.0000		1.0000		1.0650		1.0230		1.0000	
Managed Care Discount Factor	0.9500		0.9500		0.9500		0.9500		0.9500	
Projected Incurred Claims	6,436,478	47.38	539,157	59.42	4,715,872	101.59	1,266,294	34.18	3,098,312	47.90
Administrative Expenses	244,517	1.80	16,332	1.80	83,553	1.80	66,695	1.80	116,437	1.80
Risk Margin	2.0 %		2.0 %		2.0 %		2.0 %		2.0 %	
Premium Tax	1.75 %		1.75 %		1.75 %		1.75 %		1.75 %	
Projected Total Cost	6,941,293	51.10	577,131	63.61	4,986,415	107.42	1,384,923	37.38	3,339,998	51.63
Current (3/2012 - 8/2012) Rate	6,741,870	49.63	330,806	36.46	4,250,065	91.56	1,396,891	37.70	2,255,640	34.87
Percentage Rate Increase		3.0 %		74.5 %		17.3 %		-0.8 %		48.1 %

STAR Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Jefferson Area

	<u>Expansion Children 1+</u>		<u>Expansion Children &lt;1</u>		<u>Federal Mandate Children</u>		<u>Total</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
Estimated VDP Experience 3/1/2011 - 2/29/2012								
Member Months	206,238		3,538		290,146		760,314	
Estimated Incurred Claims	7,316,257	35.47	216,738	61.26	12,245,051	42.20	33,823,343	44.49
Projected FY2013 Member Months	210,906		2,690		299,685		806,355	
Annual Trend Assumption	0.0 %		0.0 %		1.6 %			
Provider Reimbursement Adjustments								
Dispensing Fee Reduction 9/1/2011	0.9942		0.9942		0.9955			
Unlimited Scripts Adjustment	1.0000		1.0000		1.0000			
Managed Care Discount Factor	0.9500		0.9500		0.9500			
Projected Incurred Claims	7,066,522	33.51	155,658	57.86	12,249,396	40.87	35,527,689	44.06
Administrative Expenses	379,630	1.80	4,843	1.80	539,433	1.80	1,451,439	1.80
Risk Margin	2.0 %		2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %		1.75 %			
Projected Total Cost	7,736,262	36.68	166,754	61.98	13,287,096	44.34	38,419,874	47.65
Current (3/2012 - 8/2012) Rate	6,810,142	32.29	113,853	42.32	13,258,072	44.24	35,157,339	43.60
Percentage Rate Increase		13.6 %		46.5 %		0.2 %		9.3 %

STAR Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Harris Area

	TANF Children 1+		TANF Children <1		TANF Adults		Pregnant Women		Newborns	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	445,800		38,412		125,588		243,046		541,810	
Estimated Incurred Claims	13,841,446	31.05	1,334,029	34.73	11,902,808	94.78	10,060,265	41.39	18,076,231	33.36
Projected FY2013 Member Months	638,647		56,426		187,421		243,734		579,076	
Annual Trend Assumption	1.8 %		1.8 %		6.3 %		0.0 %		3.3 %	
Provider Reimbursement Adjustments										
Dispensing Fee Reduction 9/1/2011	0.9960		0.9965		0.9959		0.9906		0.9949	
Unlimited Scripts Adjustment	1.0000		1.0000		1.0008		1.0003		1.0000	
Managed Care Discount Factor	0.9500		0.9500		0.9500		0.9500		0.9500	
Projected Incurred Claims	19,271,106	30.17	1,905,471	33.77	18,433,419	98.35	9,497,067	38.96	19,171,213	33.11
Administrative Expenses	1,149,564	1.80	101,567	1.80	337,358	1.80	438,721	1.80	1,042,336	1.80
Risk Margin	2.0 %		2.0 %		2.0 %		2.0 %		2.0 %	
Premium Tax	1.75 %		1.75 %		1.75 %		1.75 %		1.75 %	
Projected Total Cost	21,216,280	33.22	2,085,234	36.96	19,502,106	104.06	10,322,897	42.35	21,001,090	36.27
Current (3/2012 - 8/2012) Rate	20,589,968	32.24	1,329,403	23.56	18,266,043	97.46	11,053,343	45.35	14,476,888	25.00
Percentage Rate Increase		3.0 %		56.9 %		6.8 %		-6.6 %		45.1 %

STAR Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Harris Area

	<u>Expansion Children 1+</u>		<u>Expansion Children &lt;1</u>		<u>Federal Mandate Children</u>		<u>Total</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
Estimated VDP Experience 3/1/2011 - 2/29/2012								
Member Months	2,100,998		47,965		2,868,353		6,411,972	
Estimated Incurred Claims	56,695,796	26.99	1,645,237	34.30	85,035,766	29.65	198,591,578	30.97
Projected FY2013 Member Months	2,212,037		36,090		3,062,235		7,015,665	
Annual Trend Assumption	0.0 %		0.0 %		1.6 %			
Provider Reimbursement Adjustments								
Dispensing Fee Reduction 9/1/2011	0.9927		0.9905		0.9948			
Unlimited Scripts Adjustment	1.0000		1.0000		1.0000			
Managed Care Discount Factor	0.9500		0.9500		0.9500			
Projected Incurred Claims	56,293,638	25.45	1,164,837	32.28	87,863,293	28.69	213,600,042	30.45
Administrative Expenses	3,981,667	1.80	64,961	1.80	5,512,023	1.80	12,628,198	1.80
Risk Margin	2.0 %		2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %		1.75 %			
Projected Total Cost	62,623,694	28.31	1,277,712	35.40	97,013,315	31.68	235,042,327	33.50
Current (3/2012 - 8/2012) Rate	58,132,343	26.28	1,229,214	34.06	97,654,671	31.89	222,731,873	31.75
Percentage Rate Increase		7.7 %		3.9 %		-0.7 %		5.5 %

STAR Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Hidalgo Area

	TANF Children 1+		TANF Children <1		TANF Adults		Pregnant Women		Newborns	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	503,022		34,652		114,930		120,173		271,400	
Estimated Incurred Claims	29,002,069	57.66	2,927,471	84.48	10,631,653	92.51	5,053,000	42.05	20,251,305	74.62
Projected FY2013 Member Months	708,848		49,005		101,816		127,018		276,169	
Annual Trend Assumption	1.8 %		1.8 %		6.3 %		0.0 %		3.3 %	
Provider Reimbursement Adjustments										
Dispensing Fee Reduction 9/1/2011	0.9946		0.9951		0.9965		0.9916		0.9949	
Unlimited Scripts Adjustment	1.0000		1.0000		1.0650		1.0230		1.0000	
Managed Care Discount Factor	0.7750		0.7750		0.9970		0.9690		0.6800	
Projected Incurred Claims	32,356,911	45.65	3,279,393	66.92	10,922,127	107.27	5,249,820	41.33	14,637,152	53.00
Administrative Expenses	1,275,927	1.80	88,209	1.80	183,270	1.80	228,633	1.80	497,104	1.80
Risk Margin	2.0 %		2.0 %		2.0 %		2.0 %		2.0 %	
Premium Tax	1.75 %		1.75 %		1.75 %		1.75 %		1.75 %	
Projected Total Cost	34,943,208	49.30	3,498,807	71.40	11,538,074	113.32	5,691,899	44.81	15,723,902	56.94
Current (3/2012 - 8/2012) Rate	33,053,591	46.63	2,778,575	56.70	11,016,538	108.20	6,053,689	47.66	12,132,094	43.93
Percentage Rate Increase		5.7 %		25.9 %		4.7 %		-6.0 %		29.6 %

STAR Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Hidalgo Area

	<u>Expansion Children 1+</u>		<u>Expansion Children &lt;1</u>		<u>Federal Mandate Children</u>		<u>Total</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
Estimated VDP Experience 3/1/2011 - 2/29/2012								
Member Months	1,051,945		31,362		1,765,402		3,892,886	
Estimated Incurred Claims	63,471,896	60.34	2,580,167	82.27	84,826,083	48.05	218,743,644	56.19
Projected FY2013 Member Months	1,082,268		33,340		1,813,804		4,192,269	
Annual Trend Assumption	0.0 %		0.0 %		1.6 %			
Provider Reimbursement Adjustments								
Dispensing Fee Reduction 9/1/2011	0.9935		0.9925		0.9947			
Unlimited Scripts Adjustment	1.0000		1.0000		1.0000			
Managed Care Discount Factor	0.7160		0.7160		0.8880			
Projected Incurred Claims	46,451,987	42.92	1,949,191	58.46	78,835,516	43.46	193,682,095	46.20
Administrative Expenses	1,948,083	1.80	60,012	1.80	3,264,848	1.80	7,546,085	1.80
Risk Margin	2.0 %		2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %		1.75 %			
Projected Total Cost	50,285,787	46.46	2,087,483	62.61	85,299,079	47.03	209,068,239	49.87
Current (3/2012 - 8/2012) Rate	44,968,251	41.55	1,839,372	55.17	82,509,965	45.49	194,352,075	46.36
Percentage Rate Increase		11.8 %		13.5 %		3.4 %		7.6 %

STAR Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Lubbock Area

	TANF Children 1+		TANF Children <1		TANF Adults		Pregnant Women		Newborns	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	113,927		7,264		36,948		39,921		66,532	
Estimated Incurred Claims	3,730,336	32.74	298,327	41.07	3,538,335	95.77	1,450,095	36.32	2,390,813	35.93
Projected FY2013 Member Months	127,884		8,357		40,951		41,556		70,661	
Annual Trend Assumption	1.8 %		1.8 %		6.3 %		0.0 %		3.3 %	
Provider Reimbursement Adjustments										
Dispensing Fee Reduction 9/1/2011	0.9951		0.9956		0.9950		0.9913		0.9960	
Unlimited Scripts Adjustment	1.0000		1.0000		1.0100		1.0041		1.0000	
Managed Care Discount Factor	0.9500		0.9500		0.9500		0.9500		0.9500	
Projected Incurred Claims	4,065,836	31.79	333,412	39.90	4,103,344	100.20	1,427,350	34.35	2,522,492	35.70
Administrative Expenses	230,191	1.80	15,042	1.80	73,711	1.80	74,800	1.80	127,190	1.80
Risk Margin	2.0 %		2.0 %		2.0 %		2.0 %		2.0 %	
Premium Tax	1.75 %		1.75 %		1.75 %		1.75 %		1.75 %	
Projected Total Cost	4,463,405	34.90	362,031	43.32	4,339,798	105.98	1,560,675	37.56	2,752,917	38.96
Current (3/2012 - 8/2012) Rate	4,266,214	33.36	260,980	31.23	3,828,486	93.49	1,659,315	39.93	2,054,829	29.08
Percentage Rate Increase		4.6 %		38.7 %		13.4 %		-5.9 %		34.0 %

STAR Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Lubbock Area

	<u>Expansion Children 1+</u>		<u>Expansion Children &lt;1</u>		<u>Federal Mandate Children</u>		<u>Total</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
Estimated VDP Experience 3/1/2011 - 2/29/2012								
Member Months	222,729		4,083		296,517		787,921	
Estimated Incurred Claims	4,860,442	21.82	170,119	41.67	9,330,299	31.47	25,768,766	32.70
Projected FY2013 Member Months	231,423		3,865		313,485		838,181	
Annual Trend Assumption	0.0 %		0.0 %		1.6 %			
Provider Reimbursement Adjustments								
Dispensing Fee Reduction 9/1/2011	0.9937		0.9954		0.9955			
Unlimited Scripts Adjustment	1.0000		1.0000		1.0000			
Managed Care Discount Factor	0.9500		0.9500		0.9500			
Projected Incurred Claims	4,767,440	20.60	152,262	39.40	9,553,611	30.48	26,925,747	32.12
Administrative Expenses	416,562	1.80	6,956	1.80	564,272	1.80	1,508,726	1.80
Risk Margin	2.0 %		2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %		1.75 %			
Projected Total Cost	5,385,976	23.27	165,422	42.81	10,512,087	33.53	29,542,310	35.25
Current (3/2012 - 8/2012) Rate	4,920,062	21.26	104,690	27.09	10,238,406	32.66	27,332,983	32.61
Percentage Rate Increase		9.5 %		58.0 %		2.7 %		8.1 %



STAR Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Nueces Area

	TANF Children 1+		TANF Children <1		TANF Adults		Pregnant Women		Newborns	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	109,049		6,709		35,718		43,791		72,988	
Estimated Incurred Claims	5,274,113	48.36	402,351	59.97	3,686,552	103.21	1,865,283	42.60	2,925,567	40.08
Projected FY2013 Member Months	143,722		8,473		44,910		44,728		76,817	
Annual Trend Assumption	1.8 %		1.8 %		6.3 %		0.0 %		3.3 %	
Provider Reimbursement Adjustments										
Dispensing Fee Reduction 9/1/2011	0.9958		0.9958		0.9952		0.9907		0.9940	
Unlimited Scripts Adjustment	1.0000		1.0000		1.0009		1.0006		1.0000	
Managed Care Discount Factor	0.9500		0.9500		0.9500		0.9500		0.9500	
Projected Incurred Claims	6,754,126	46.99	493,724	58.27	4,807,343	107.04	1,794,192	40.11	3,052,653	39.74
Administrative Expenses	258,700	1.80	15,251	1.80	80,839	1.80	80,511	1.80	138,271	1.80
Risk Margin	2.0 %		2.0 %		2.0 %		2.0 %		2.0 %	
Premium Tax	1.75 %		1.75 %		1.75 %		1.75 %		1.75 %	
<b>Projected Total Cost</b>	7,286,053	50.70	528,805	62.41	5,078,630	113.08	1,947,744	43.55	3,315,246	43.16
Current (3/2012 - 8/2012) Rate	6,775,067	47.14	303,152	35.78	4,796,435	106.80	2,050,348	45.84	2,574,144	33.51
Percentage Rate Increase		7.6 %		74.4 %		5.9 %		-5.0 %		28.8 %
No Family Planning Adjustment Factor	0.9923		1.0000		0.9801		0.9290		1.0000	
<b>Adjusted Rates for No Family Planni</b>	7,230,667	50.31	528,778	62.41	4,977,424	110.83	1,809,709	40.46	3,315,430	43.16
Current (3/2012 - 8/2012) Rate	6,719,016	46.75	303,152	35.78	4,702,123	104.70	1,905,428	42.60	2,574,144	33.51
Percentage Rate Increase		7.6 %		74.4 %		5.9 %		-5.0 %		28.8 %

STAR Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Nueces Area

	<u>Expansion Children 1+</u>		<u>Expansion Children &lt;1</u>		<u>Federal Mandate Children</u>		<u>Total</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
Estimated VDP Experience 3/1/2011 - 2/29/2012								
Member Months	236,140		2,761		354,638		861,794	
Estimated Incurred Claims	8,989,774	38.07	101,501	36.76	16,395,712	46.23	39,640,853	46.00
Projected FY2013 Member Months	242,400		2,162		363,725		926,937	
Annual Trend Assumption	0.0 %		0.0 %		1.6 %			
Provider Reimbursement Adjustments								
Dispensing Fee Reduction 9/1/2011	0.9936		0.9900		0.9955			
Unlimited Scripts Adjustment	1.0000		1.0000		1.0000			
Managed Care Discount Factor	0.9500		0.9500		0.9500			
Projected Incurred Claims	8,710,565	35.93	74,754	34.58	16,286,330	44.78	41,973,687	45.28
Administrative Expenses	436,319	1.80	3,892	1.80	654,704	1.80	1,668,487	1.80
Risk Margin	2.0 %		2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %		1.75 %			
<b>Projected Total Cost</b>	9,503,256	39.20	81,710	37.79	17,601,074	48.39	45,342,519	48.92
Current (3/2012 - 8/2012) Rate	8,576,098	35.38	76,560	35.41	17,389,677	47.81	42,541,480	45.89
Percentage Rate Increase		10.8 %		6.7 %		1.2 %		6.6 %
No Family Planning Adjustment Factor	1.0000		1.0000		0.9906			
<b>Adjusted Rates for No Family Planni</b>	9,502,065	39.20	81,706	37.79	17,436,961	47.94	44,882,739	48.42
Current (3/2012 - 8/2012) Rate	8,576,098	35.38	76,560	35.41	17,215,089	47.33	42,071,609	45.39
Percentage Rate Increase		10.8 %		6.7 %		1.3 %		6.7 %

STAR Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Tarrant Area

	TANF Children 1+		TANF Children <1		TANF Adults		Pregnant Women		Newborns	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	152,557		11,966		44,184		116,079		220,517	
Estimated Incurred Claims	4,556,228	29.87	384,881	32.16	4,484,886	101.50	4,749,290	40.91	5,207,429	23.61
Projected FY2013 Member Months	240,704		19,167		72,338		118,741		238,651	
Annual Trend Assumption	1.8 %		1.8 %		6.3 %		0.0 %		3.3 %	
Provider Reimbursement Adjustments										
Dispensing Fee Reduction 9/1/2011	0.9963		0.9963		0.9965		0.9903		0.9943	
Unlimited Scripts Adjustment	1.0000		1.0000		1.0000		1.0000		1.0000	
Managed Care Discount Factor	0.9500		0.9500		0.9500		0.9500		0.9500	
Projected Incurred Claims	6,988,630	29.03	599,330	31.27	7,618,247	105.31	4,570,534	38.49	5,589,016	23.42
Administrative Expenses	433,267	1.80	34,501	1.80	130,209	1.80	213,734	1.80	429,571	1.80
Risk Margin	2.0 %		2.0 %		2.0 %		2.0 %		2.0 %	
Premium Tax	1.75 %		1.75 %		1.75 %		1.75 %		1.75 %	
Projected Total Cost	7,711,062	32.04	658,526	34.36	8,050,344	111.29	4,970,668	41.86	6,253,078	26.20
Current (3/2012 - 8/2012) Rate	7,481,081	31.08	459,816	23.99	7,513,049	103.86	5,314,857	44.76	4,448,448	18.64
Percentage Rate Increase		3.1 %		43.2 %		7.2 %		-6.5 %		40.6 %

STAR Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Tarrant Area

	<u>Expansion Children 1+</u>		<u>Expansion Children &lt;1</u>		<u>Federal Mandate Children</u>		<u>Total</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
Estimated VDP Experience 3/1/2011 - 2/29/2012								
Member Months	773,430		18,427		1,038,011		2,375,171	
Estimated Incurred Claims	16,098,941	20.81	600,794	32.60	32,093,988	30.92	68,176,437	28.70
Projected FY2013 Member Months	816,041		15,586		1,114,597		2,635,825	
Annual Trend Assumption	0.0 %		0.0 %		1.6 %			
Provider Reimbursement Adjustments								
Dispensing Fee Reduction 9/1/2011	0.9930		0.9926		0.9954			
Unlimited Scripts Adjustment	1.0000		1.0000		1.0000			
Managed Care Discount Factor	0.9500		0.9500		0.9500			
Projected Incurred Claims	16,023,637	19.64	479,184	30.74	33,373,470	29.94	75,242,048	28.55
Administrative Expenses	1,468,874	1.80	28,055	1.80	2,006,274	1.80	4,744,485	1.80
Risk Margin	2.0 %		2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %		1.75 %			
Projected Total Cost	18,174,037	22.27	527,001	33.81	36,758,176	32.98	83,102,891	31.53
Current (3/2012 - 8/2012) Rate	16,843,085	20.64	460,876	29.57	36,603,362	32.84	79,124,573	30.02
Percentage Rate Increase		7.9 %		14.3 %		0.4 %		5.0 %

STAR Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Travis Area

	TANF Children 1+		TANF Children <1		TANF Adults		Pregnant Women		Newborns	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	253,553		18,560		85,080		55,743		115,309	
Estimated Incurred Claims	6,338,907	25.00	501,369	27.01	7,176,863	84.35	1,957,951	35.12	2,607,787	22.62
Projected FY2013 Member Months	284,161		19,650		94,060		58,081		127,541	
Annual Trend Assumption	1.8 %		1.8 %		6.3 %		0.0 %		3.3 %	
Provider Reimbursement Adjustments										
Dispensing Fee Reduction 9/1/2011	0.9950		0.9952		0.9942		0.9900		0.9959	
Unlimited Scripts Adjustment	1.0000		1.0000		1.0003		1.0001		1.0000	
Managed Care Discount Factor	0.9500		0.9500		0.9500		0.9500		0.9500	
Projected Incurred Claims	6,897,283	24.27	515,471	26.23	8,215,619	87.34	1,918,867	33.04	2,865,156	22.46
Administrative Expenses	511,489	1.80	35,371	1.80	169,308	1.80	104,545	1.80	229,574	1.80
Risk Margin	2.0 %		2.0 %		2.0 %		2.0 %		2.0 %	
Premium Tax	1.75 %		1.75 %		1.75 %		1.75 %		1.75 %	
<b>Projected Total Cost</b>	7,697,426	27.09	572,303	29.12	8,711,613	92.62	2,102,247	36.20	3,215,303	25.21
Current (3/2012 - 8/2012) Rate	7,268,832	25.58	441,149	22.45	8,593,334	91.36	2,176,861	37.48	2,033,002	15.94
Percentage Rate Increase		5.9 %		29.7 %		1.4 %		-3.4 %		58.2 %
No Family Planning Adjustment Factor	0.9870		1.0000		0.9758		0.9397		1.0000	
<b>Adjusted Rates for No Family Planni</b>	7,598,459	26.74	572,217	29.12	8,501,155	90.38	1,975,903	34.02	3,215,306	25.21
Current (3/2012 - 8/2012) Rate	7,172,217	25.24	441,149	22.45	8,376,055	89.05	2,052,569	35.34	2,033,002	15.94
Percentage Rate Increase		5.9 %		29.7 %		1.5 %		-3.7 %		58.2 %

STAR Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Travis Area

	<u>Expansion Children 1+</u>		<u>Expansion Children &lt;1</u>		<u>Federal Mandate Children</u>		<u>Total</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
Estimated VDP Experience 3/1/2011 - 2/29/2012								
Member Months	430,684		11,590		539,961		1,510,480	
Estimated Incurred Claims	8,200,499	19.04	312,684	26.98	13,117,346	24.29	40,213,406	26.62
Projected FY2013 Member Months	453,717		8,205		584,034		1,629,449	
Annual Trend Assumption	0.0 %		0.0 %		1.6 %			
Provider Reimbursement Adjustments								
Dispensing Fee Reduction 9/1/2011	0.9945		0.9934		0.9956			
Unlimited Scripts Adjustment	1.0000		1.0000		1.0000			
Managed Care Discount Factor	0.9500		0.9500		0.9500			
Projected Incurred Claims	8,161,970	17.99	208,900	25.46	13,742,660	23.53	42,525,926	26.10
Administrative Expenses	816,691	1.80	14,769	1.80	1,051,261	1.80	2,933,007	1.80
Risk Margin	2.0 %		2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %		1.75 %			
<b>Projected Total Cost</b>	9,328,479	20.56	232,383	28.32	15,370,307	26.32	47,230,061	28.99
Current (3/2012 - 8/2012) Rate	8,584,326	18.92	161,060	19.63	15,167,364	25.97	44,425,928	27.26
Percentage Rate Increase		8.7 %		44.3 %		1.3 %		6.3 %
No Family Planning Adjustment Factor	1.0000		1.0000		0.9869			
<b>Adjusted Rates for No Family Planni</b>	9,328,422	20.56	232,360	28.32	15,173,204	25.98	46,597,025	28.60
Current (3/2012 - 8/2012) Rate	8,584,326	18.92	161,060	19.63	14,962,952	25.62	43,783,330	26.87
Percentage Rate Increase		8.7 %		44.3 %		1.4 %		6.4 %

STAR Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
MRSA Central Area

	TANF Children 1+		TANF Children <1		TANF Adults		Pregnant Women		Newborns	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	209,560		14,184		75,036		55,341		110,104	
Estimated Incurred Claims	6,722,674	32.08	319,696	22.54	4,751,489	63.32	1,658,568	29.97	2,443,795	22.20
Projected FY2013 Member Months	268,471		18,795		122,468		53,329		117,085	
Annual Trend Assumption	1.8 %		1.8 %		6.3 %		0.0 %		3.3 %	
Provider Reimbursement Adjustments										
Dispensing Fee Reduction 9/1/2011	0.9956		0.9945		0.9950		0.9911		0.9948	
Unlimited Scripts Adjustment	1.0000		1.0000		1.0650		1.0230		1.0000	
Managed Care Discount Factor	0.9500		0.9500		0.9500		0.9500		0.9500	
Projected Incurred Claims	8,366,820	31.16	411,092	21.87	8,556,127	69.86	1,539,440	28.87	2,578,544	22.02
Administrative Expenses	483,247	1.80	33,832	1.80	220,442	1.80	95,991	1.80	210,754	1.80
Risk Margin	2.0 %		2.0 %		2.0 %		2.0 %		2.0 %	
Premium Tax	1.75 %		1.75 %		1.75 %		1.75 %		1.75 %	
Projected Total Cost	9,194,875	34.25	462,258	24.59	9,118,513	74.46	1,699,150	31.86	2,897,972	24.75
Current (3/2012 - 8/2012) Rate	8,851,473	32.97	350,721	18.66	8,548,234	69.80	1,793,439	33.63	2,100,514	17.94
Percentage Rate Increase		3.9 %		31.8 %		6.7 %		-5.3 %		38.0 %

STAR Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
MRSA Central Area

	<u>Expansion Children 1+</u>		<u>Expansion Children &lt;1</u>		<u>Federal Mandate Children</u>		<u>Total</u>		<u>Disabled and Blind</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	355,936		8,090		485,784		1,314,035		162,008	
Estimated Incurred Claims	8,139,079	22.87	170,302	21.05	15,405,432	31.71	39,611,035	30.14	38,124,292	235.32
Projected FY2013 Member Months	367,931		4,520		503,393		1,455,992		194,587	
Annual Trend Assumption	0.0 %		0.0 %		1.6 %				5.5 %	
Provider Reimbursement Adjustments										
Dispensing Fee Reduction 9/1/2011	0.9951		0.9927		0.9960				0.9978	
Unlimited Scripts Adjustment	1.0000		1.0000		1.0000				1.1602	
Managed Care Discount Factor	0.9500		0.9500		0.9500				0.9500	
Projected Incurred Claims	7,953,535	21.62	89,738	19.85	15,468,970	30.73	44,964,267	30.88	54,570,570	280.44
Administrative Expenses	662,276	1.80	8,136	1.80	906,108	1.80	2,620,785	1.80	350,257	1.80
Risk Margin	2.0 %		2.0 %		2.0 %				2.0 %	
Premium Tax	1.75 %		1.75 %		1.75 %				1.75 %	
Projected Total Cost	8,951,491	24.33	101,688	22.50	17,013,068	33.80	49,439,015	33.96	57,060,600	293.24
Current (3/2012 - 8/2012) Rate	7,895,801	21.46	98,271	21.74	16,888,837	33.55	46,527,291	31.96	53,369,461	274.27
Percentage Rate Increase		13.4 %		3.5 %		0.7 %		6.3 %		6.9 %



STAR Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
MRSA Northeast Area

	TANF Children 1+		TANF Children <1		TANF Adults		Pregnant Women		Newborns	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	217,028		15,184		71,903		76,664		149,302	
Estimated Incurred Claims	8,545,071	39.37	597,522	39.35	6,215,655	86.45	3,011,587	39.28	5,591,724	37.45
Projected FY2013 Member Months	202,062		13,474		93,294		77,232		164,734	
Annual Trend Assumption	1.8 %		1.8 %		6.3 %		0.0 %		3.3 %	
Provider Reimbursement Adjustments										
Dispensing Fee Reduction 9/1/2011	0.9960		0.9958		0.9956		0.9921		0.9952	
Unlimited Scripts Adjustment	1.0000		1.0000		1.0650		1.0230		1.0000	
Managed Care Discount Factor	0.9500		0.9500		0.9500		0.9500		0.9500	
Projected Incurred Claims	7,731,948	38.27	515,211	38.24	8,903,289	95.43	2,925,187	37.88	6,124,182	37.18
Administrative Expenses	363,711	1.80	24,253	1.80	167,929	1.80	139,017	1.80	296,521	1.80
Risk Margin	2.0 %		2.0 %		2.0 %		2.0 %		2.0 %	
Premium Tax	1.75 %		1.75 %		1.75 %		1.75 %		1.75 %	
Projected Total Cost	8,411,074	41.63	560,483	41.60	9,424,642	101.02	3,183,588	41.22	6,670,861	40.49
Current (3/2012 - 8/2012) Rate	7,969,321	39.44	342,242	25.40	8,986,055	96.32	3,301,650	42.75	4,736,106	28.75
Percentage Rate Increase		5.6 %		63.8 %		4.9 %		-3.6 %		40.8 %

STAR Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
MRSA Northeast Area

	<u>Expansion Children 1+</u>		<u>Expansion Children &lt;1</u>		<u>Federal Mandate Children</u>		<u>Total</u>		<u>Disabled and Blind</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	510,095		12,273		696,060		1,748,509		253,508	
Estimated Incurred Claims	15,710,766	30.80	522,642	42.58	26,565,389	38.17	66,760,356	38.18	62,087,923	244.92
Projected FY2013 Member Months	534,190		6,778		742,558		1,834,321		316,814	
Annual Trend Assumption	0.0 %		0.0 %		1.6 %				5.5 %	
Provider Reimbursement Adjustments										
Dispensing Fee Reduction 9/1/2011	0.9946		0.9944		0.9960				0.9976	
Unlimited Scripts Adjustment	1.0000		1.0000		1.0000				1.1608	
Managed Care Discount Factor	0.9500		0.9500		0.9500				0.9500	
Projected Incurred Claims	15,545,823	29.10	272,679	40.23	27,461,428	36.98	69,479,746	37.88	92,498,674	291.97
Administrative Expenses	961,541	1.80	12,201	1.80	1,336,604	1.80	3,301,777	1.80	570,265	1.80
Risk Margin	2.0 %		2.0 %		2.0 %				2.0 %	
Premium Tax	1.75 %		1.75 %		1.75 %				1.75 %	
Projected Total Cost	17,150,508	32.11	295,978	43.67	29,920,033	40.29	75,617,167	41.22	96,695,001	305.21
Current (3/2012 - 8/2012) Rate	15,496,838	29.01	228,153	33.66	29,776,557	40.10	70,836,922	38.62	90,830,478	286.70
Percentage Rate Increase		10.7 %		29.7 %		0.5 %		6.7 %		6.5 %

STAR Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
MRSA West Area

	TANF Children 1+		TANF Children <1		TANF Adults		Pregnant Women		Newborns	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	201,631		12,720		65,839		83,453		152,752	
Estimated Incurred Claims	6,778,317	33.62	347,620	27.33	5,230,199	79.44	2,498,704	29.94	4,341,108	28.42
Projected FY2013 Member Months	182,847		11,388		72,894		82,957		171,764	
Annual Trend Assumption	1.8 %		1.8 %		6.3 %		0.0 %		3.3 %	
Provider Reimbursement Adjustments										
Dispensing Fee Reduction 9/1/2011	0.9955		0.9941		0.9954		0.9905		0.9947	
Unlimited Scripts Adjustment	1.0000		1.0000		1.0650		1.0230		1.0000	
Managed Care Discount Factor	0.9500		0.9500		0.9500		0.9500		0.9500	
Projected Incurred Claims	5,970,879	32.66	301,890	26.51	6,391,404	87.68	2,390,996	28.82	4,842,978	28.20
Administrative Expenses	329,124	1.80	20,499	1.80	131,209	1.80	149,322	1.80	309,176	1.80
Risk Margin	2.0 %		2.0 %		2.0 %		2.0 %		2.0 %	
Premium Tax	1.75 %		1.75 %		1.75 %		1.75 %		1.75 %	
Projected Total Cost	6,545,457	35.80	334,950	29.41	6,776,741	92.97	2,639,292	31.82	5,352,886	31.16
Current (3/2012 - 8/2012) Rate	6,229,587	34.07	273,887	24.05	6,494,837	89.10	2,771,589	33.41	4,069,093	23.69
Percentage Rate Increase		5.1 %		22.3 %		4.3 %		-4.8 %		31.5 %

STAR Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
MRSA West Area

	<u>Expansion Children 1+</u>		<u>Expansion Children &lt;1</u>		<u>Federal Mandate Children</u>		<u>Total</u>		<u>Disabled and Blind</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	455,030		9,570		633,902		1,614,897		187,212	
Estimated Incurred Claims	10,592,853	23.28	274,386	28.67	21,097,256	33.28	51,160,443	31.68	51,810,553	276.75
Projected FY2013 Member Months	494,086		4,772		702,193		1,722,901		227,341	
Annual Trend Assumption	0.0 %		0.0 %		1.6 %				5.5 %	
Provider Reimbursement Adjustments										
Dispensing Fee Reduction 9/1/2011	0.9944		0.9936		0.9958				0.9979	
Unlimited Scripts Adjustment	1.0000		1.0000		1.0000				1.1572	
Managed Care Discount Factor	0.9500		0.9500		0.9500				0.9500	
Projected Incurred Claims	10,865,772	21.99	129,160	27.06	22,641,044	32.24	53,534,123	31.07	74,792,750	328.99
Administrative Expenses	889,356	1.80	8,590	1.80	1,263,947	1.80	3,101,222	1.80	409,213	1.80
Risk Margin	2.0 %		2.0 %		2.0 %				2.0 %	
Premium Tax	1.75 %		1.75 %		1.75 %				1.75 %	
Projected Total Cost	12,213,120	24.72	143,117	29.99	24,836,354	35.37	58,841,917	34.15	78,131,910	343.68
Current (3/2012 - 8/2012) Rate	11,112,005	22.49	112,487	23.57	24,597,810	35.03	55,661,295	32.31	69,930,002	307.60
Percentage Rate Increase		9.9 %		27.2 %		1.0 %		5.7 %		11.7 %

STAR+PLUS Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Bexar Area

	MO OCC		MO CBA		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012						
Member Months	245,899		15,177		261,076	
Estimated Incurred Claims	91,640,016	372.67	10,873,744	716.46	102,513,760	392.66
Projected FY2013 Member Months	263,746		15,997		279,743	
Annual Trend Assumption	5.5 %		5.5 %			
Provider Reimbursement Adjustments						
Dispensing Fee Reduction 9/1/2011	0.9965		0.9965			
Unlimited Scripts Adjustment	1.0012		1.0012			
Adjustment Factor #3	1.0000		1.0000			
Managed Care Discount Factor	0.9500		0.9500			
Projected Incurred Claims	100,952,148	382.76	11,771,262	735.85	112,723,410	402.95
Administrative Expenses	474,743	1.80	28,794	1.80	503,538	1.80
Risk Margin	2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %			
Projected Total Cost	105,378,588	399.55	12,259,799	766.39	117,638,387	420.52
Current (3/2012 - 8/2012) Rate	102,085,670	387.06	11,473,549	717.24	113,559,219	405.94
Percentage Rate Increase		3.2 %		6.9 %		3.6 %

STAR+PLUS Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Dallas Area

	MO OCC		MO CBA		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012						
Member Months	300,399		9,640		310,039	
Estimated Incurred Claims	91,981,698	306.20	6,744,898	699.68	98,726,596	318.43
Projected FY2013 Member Months	323,954		11,186		335,140	
Annual Trend Assumption	5.5 %		5.5 %			
Provider Reimbursement Adjustments						
Dispensing Fee Reduction 9/1/2011	0.9964		0.9964			
Unlimited Scripts Adjustment	1.0000		1.0000			
Adjustment Factor #3	1.0000		1.0000			
Managed Care Discount Factor	0.9500		0.9500			
Projected Incurred Claims	101,747,157	314.08	8,027,998	717.69	109,775,155	327.55
Administrative Expenses	583,117	1.80	20,135	1.80	603,252	1.80
Risk Margin	2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %			
Projected Total Cost	106,317,168	328.19	8,361,696	747.52	114,678,864	342.18
Current (3/2012 - 8/2012) Rate	103,577,808	319.73	7,846,609	701.47	111,424,417	332.47
Percentage Rate Increase		2.6 %		6.6 %		2.9 %

STAR+PLUS Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
El Paso Area

	MO OCC		MO CBA		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012						
Member Months	154,803		5,546		160,349	
Estimated Incurred Claims	48,774,373	315.07	3,457,444	623.37	52,231,817	325.74
Projected FY2013 Member Months	82,473		4,535		87,008	
Annual Trend Assumption	5.5 %		5.5 %			
Provider Reimbursement Adjustments						
Dispensing Fee Reduction 9/1/2011	0.9974		0.9974			
Unlimited Scripts Adjustment	1.0816		1.0816			
Adjustment Factor #3	1.0000		1.0000			
Managed Care Discount Factor	0.9500		0.9500			
Projected Incurred Claims	28,857,914	349.91	3,139,611	692.28	31,997,525	367.75
Administrative Expenses	148,452	1.80	8,163	1.80	156,615	1.80
Risk Margin	2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %			
Projected Total Cost	30,136,484	365.41	3,270,415	721.12	33,406,899	383.95
Current (3/2012 - 8/2012) Rate	28,277,605	342.87	3,320,383	732.14	31,597,988	363.16
Percentage Rate Increase		6.6 %		-1.5 %		5.7 %

STAR+PLUS Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Jefferson Area

	MO OCC		MO CBA		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012						
Member Months	150,083		3,804		153,887	
Estimated Incurred Claims	41,018,454	273.30	2,027,795	533.10	43,046,249	279.73
Projected FY2013 Member Months	112,611		2,683		115,294	
Annual Trend Assumption	5.5 %		5.5 %			
Provider Reimbursement Adjustments						
Dispensing Fee Reduction 9/1/2011	0.9977		0.9977			
Unlimited Scripts Adjustment	1.1106		1.1106			
Adjustment Factor #3	1.0000		1.0000			
Managed Care Discount Factor	0.9500		0.9500			
Projected Incurred Claims	35,106,375	311.75	1,631,721	608.09	36,738,097	318.65
Administrative Expenses	202,699	1.80	4,830	1.80	207,529	1.80
Risk Margin	2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %			
Projected Total Cost	36,684,753	325.77	1,700,313	633.66	38,385,066	332.93
Current (3/2012 - 8/2012) Rate	33,421,676	296.79	1,597,712	595.42	35,019,388	303.74
Percentage Rate Increase		9.8 %		6.4 %		9.6 %



STAR+PLUS Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Harris Area

	MO OCC		MO CBA		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012						
Member Months	532,901		26,035		558,936	
Estimated Incurred Claims	187,886,890	352.57	19,068,838	732.43	206,955,728	370.27
Projected FY2013 Member Months	562,192		26,832		589,023	
Annual Trend Assumption	5.5 %		5.5 %			
Provider Reimbursement Adjustments						
Dispensing Fee Reduction 9/1/2011	0.9966		0.9966			
Unlimited Scripts Adjustment	1.0027		1.0027			
Adjustment Factor #3	1.0000		1.0000			
Managed Care Discount Factor	0.9500		0.9500			
Projected Incurred Claims	203,905,266	362.70	20,216,660	753.46	224,121,926	380.50
Administrative Expenses	1,011,945	1.80	48,297	1.80	1,060,242	1.80
Risk Margin	2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %			
Projected Total Cost	212,900,998	378.70	21,054,501	784.69	233,955,500	397.19
Current (3/2012 - 8/2012) Rate	205,947,635	366.33	20,713,001	771.96	226,660,636	384.81
Percentage Rate Increase		3.4 %		1.6 %		3.2 %

STAR+PLUS Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Hidalgo Area

	MO OCC		MO CBA		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012						
Member Months	264,108		12,352		276,460	
Estimated Incurred Claims	75,901,383	287.39	7,214,720	584.12	83,116,103	300.64
Projected FY2013 Member Months	257,903		18,557		276,460	
Annual Trend Assumption	5.5 %		5.5 %			
Provider Reimbursement Adjustments						
Dispensing Fee Reduction 9/1/2011	0.9978		0.9978			
Unlimited Scripts Adjustment	1.1935		1.1935			
Adjustment Factor #3	1.0000		1.0000			
Managed Care Discount Factor	0.9500		0.9500			
Projected Incurred Claims	90,863,935	352.32	13,288,400	716.09	104,152,335	376.74
Administrative Expenses	464,225	1.80	33,402	1.80	497,627	1.80
Risk Margin	2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %			
Projected Total Cost	94,886,400	367.92	13,840,833	745.86	108,727,233	393.28
Current (3/2012 - 8/2012) Rate	95,390,489	369.87	13,910,074	749.59	109,300,563	395.36
Percentage Rate Increase		-0.5 %		-0.5 %		-0.5 %

STAR+PLUS Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Lubbock Area

	MO OCC		MO CBA		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012						
Member Months	96,030		3,775		99,805	
Estimated Incurred Claims	26,782,139	278.89	2,270,203	601.36	29,052,343	291.09
Projected FY2013 Member Months	61,048		3,357		64,405	
Annual Trend Assumption	5.5 %		5.5 %			
Provider Reimbursement Adjustments						
Dispensing Fee Reduction 9/1/2011	0.9966		0.9966			
Unlimited Scripts Adjustment	1.1004		1.1004			
Adjustment Factor #3	1.0000		1.0000			
Managed Care Discount Factor	0.9500		0.9500			
Projected Incurred Claims	19,221,381	314.86	2,279,078	678.90	21,500,459	333.83
Administrative Expenses	109,887	1.80	6,043	1.80	115,929	1.80
Risk Margin	2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %			
Projected Total Cost	20,084,434	328.99	2,374,152	707.22	22,458,585	348.71
Current (3/2012 - 8/2012) Rate	19,368,109	317.26	2,294,651	683.54	21,662,760	336.35
Percentage Rate Increase		3.7 %		3.5 %		3.7 %

STAR+PLUS Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Nueces Area

	MO OCC		MO CBA		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012						
Member Months	96,968		8,016		104,984	
Estimated Incurred Claims	36,644,025	377.90	5,452,654	680.26	42,096,679	400.98
Projected FY2013 Member Months	100,499		8,463		108,962	
Annual Trend Assumption	5.5 %		5.5 %			
Provider Reimbursement Adjustments						
Dispensing Fee Reduction 9/1/2011	0.9964		0.9964			
Unlimited Scripts Adjustment	1.0071		1.0071			
Adjustment Factor #3	1.0000		1.0000			
Managed Care Discount Factor	0.9500		0.9500			
Projected Incurred Claims	39,232,323	390.37	5,947,258	702.73	45,179,581	414.63
Administrative Expenses	180,899	1.80	15,234	1.80	196,132	1.80
Risk Margin	2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %			
Projected Total Cost	40,948,802	407.45	6,194,796	731.97	47,143,599	432.66
Current (3/2012 - 8/2012) Rate	40,157,499	399.58	6,110,464	722.01	46,267,963	424.62
Percentage Rate Increase		2.0 %		1.4 %		1.9 %

STAR+PLUS Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Tarrant Area

	MO OCC		MO CBA		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012						
Member Months	170,597		5,982		176,579	
Estimated Incurred Claims	64,229,752	376.50	4,662,317	779.39	68,892,069	390.15
Projected FY2013 Member Months	184,869		6,651		191,521	
Annual Trend Assumption	5.5 %		5.5 %			
Provider Reimbursement Adjustments						
Dispensing Fee Reduction 9/1/2011	0.9968		0.9964			
Unlimited Scripts Adjustment	1.0000		1.0000			
Adjustment Factor #3	1.0000		1.0000			
Managed Care Discount Factor	0.9500		0.9500			
Projected Incurred Claims	71,423,384	386.34	5,317,499	799.45	76,740,883	400.69
Administrative Expenses	332,765	1.80	11,973	1.80	344,738	1.80
Risk Margin	2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %			
Projected Total Cost	74,551,843	403.27	5,537,113	832.47	80,088,956	418.17
Current (3/2012 - 8/2012) Rate	72,176,746	390.42	5,555,686	835.26	77,732,432	405.87
Percentage Rate Increase		3.3 %		-0.3 %		3.0 %

STAR+PLUS Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Travis Area

	MO OCC		MO CBA		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012						
Member Months	101,282		4,087		105,369	
Estimated Incurred Claims	37,421,511	369.48	3,411,102	834.58	40,832,613	387.52
Projected FY2013 Member Months	105,919		4,400		110,319	
Annual Trend Assumption	5.5 %		5.5 %			
Provider Reimbursement Adjustments						
Dispensing Fee Reduction 9/1/2011	0.9969		0.9969			
Unlimited Scripts Adjustment	1.0020		1.0020			
Adjustment Factor #3	1.0000		1.0000			
Managed Care Discount Factor	0.9500		0.9500			
Projected Incurred Claims	40,242,627	379.94	3,776,079	858.20	44,018,706	399.01
Administrative Expenses	190,655	1.80	7,920	1.80	198,575	1.80
Risk Margin	2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %			
Projected Total Cost	42,008,604	396.61	3,931,427	893.51	45,940,032	416.43
Current (3/2012 - 8/2012) Rate	40,950,492	386.62	3,906,653	887.88	44,857,145	406.61
Percentage Rate Increase		2.6 %		0.6 %		2.4 %

STAR Health Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
All Areas

	STAR Health	
	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012		
Member Months	383,052	
Estimated Incurred Claims	64,055,160	167.22
Projected FY2013 Member Months	375,048	
Annual Trend Assumption	2.4 %	
Provider Reimbursement Adjustments		
Dispensing Fee Reduction 9/1/2011	0.9968	
Unlimited Scripts Adjustment	1.0000	
Managed Care Discount Factor	0.9500	
Projected Incurred Claims	61,541,037	164.09
Administrative Expenses	675,086	1.80
Risk Margin	2.0 %	
Premium Tax	1.75 %	
Projected Total Cost	64,640,128	172.35
Current (3/2012 - 8/2012) Rate	59,820,156	159.50
Percentage Rate Increase		8.1 %

CHIP Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Bexar Area

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	996		83,596		335,027		128,183		547,802	
Estimated Incurred Claims	9,051	9.09	1,348,069	16.13	9,005,233	26.88	3,293,900	25.70	13,656,253	24.93
Projected FY2013 Member Months	996		87,492		347,988		133,236		569,712	
Annual Trend Assumption	1.6 %		1.6 %		1.6 %		1.6 %			
Provider Reimbursement Adjustments										
Dispensing Fee Reduction 9/1/2011	0.9888		0.9938		0.9963		0.9961			
Copayment Change Adjustment	0.9827		0.9617		0.9841		0.9851			
Managed Care Discount Factor	0.9500		0.9500		0.9500		0.9500			
Projected Incurred Claims	8,556	8.59	1,311,891	14.99	8,922,220	25.64	3,268,504	24.53	13,511,171	23.72
Administrative Expenses	1,793	1.80	157,486	1.80	626,378	1.80	239,825	1.80	1,025,482	1.80
Risk Margin	2.0 %		2.0 %		2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %		1.75 %		1.75 %			
Projected Total Cost	10,752	15.27	1,526,625	17.45	9,920,622	28.51	3,645,017	27.36	15,103,016	26.51
Current (3/2012 - 8/2012) Rate	14,880	14.94	1,492,614	17.06	9,705,385	27.89	3,526,757	26.47	14,739,636	25.87
Percentage Rate Increase		2.2 %		2.3 %		2.2 %		3.4 %		2.5 %



CHIP Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Dallas Area

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	2,058		161,648		599,214		201,899		964,819	
Estimated Incurred Claims	22,351	10.86	2,839,831	17.57	14,714,442	24.56	4,267,081	21.13	21,843,705	22.64
Projected FY2013 Member Months	1,908		169,212		628,788		210,660		1,010,568	
Annual Trend Assumption	1.6 %		1.6 %		1.6 %		1.6 %			
Provider Reimbursement Adjustments										
Dispensing Fee Reduction	0.9874		0.9924		0.9955		0.9953			
Copayment Change Adjustment	0.9734		0.9604		0.9859		0.9864			
Managed Care Discount Factor	0.9500		0.9500		0.9500		0.9500			
Projected Incurred Claims	19,377	10.16	2,756,490	16.29	14,743,629	23.45	4,252,556	20.19	21,772,051	21.54
Administrative Expenses	3,434	1.80	304,582	1.80	1,131,818	1.80	379,188	1.80	1,819,022	1.80
Risk Margin	2.0 %		2.0 %		2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %		1.75 %		1.75 %			
Projected Total Cost	23,700	15.27	3,180,334	18.79	16,493,971	26.23	4,812,201	22.84	24,510,206	24.25
Current (3/2012 - 8/2012) Rate	28,506	14.94	2,917,215	17.24	15,952,352	25.37	4,653,479	22.09	23,551,551	23.31
Percentage Rate Increase		2.2 %		9.0 %		3.4 %		3.4 %		4.1 %

CHIP Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
El Paso Area

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	473		38,022		173,436		77,434		289,365	
Estimated Incurred Claims	15,148	32.03	761,044	20.02	3,754,316	21.65	2,149,878	27.76	6,680,386	23.09
Projected FY2013 Member Months	312		38,700		169,752		76,476		285,240	
Annual Trend Assumption	1.6 %		1.6 %		1.6 %		1.6 %			
Provider Reimbursement Adjustments										
Dispensing Fee Reduction	0.9947		0.9930		0.9949		0.9964			
Copayment Change Adjustment	0.9810		0.9633		0.9825		0.9905			
Managed Care Discount Factor	0.9500		0.9500		0.9500		0.9500			
Projected Incurred Claims	9,486	30.40	720,876	18.63	3,494,481	20.59	2,038,730	26.66	6,263,572	21.96
Administrative Expenses	562	1.80	69,660	1.80	305,554	1.80	137,657	1.80	513,432	1.80
Risk Margin	2.0 %		2.0 %		2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %		1.75 %		1.75 %			
Projected Total Cost	10,439	15.27	821,336	21.22	3,948,087	23.26	2,261,181	29.57	7,041,044	24.68
Current (3/2012 - 8/2012) Rate	4,661	14.94	830,115	21.45	4,055,375	23.89	2,667,483	34.88	7,557,634	26.50
Percentage Rate Increase		2.2 %		-1.1 %		-2.6 %		-15.2 %		-6.8 %

CHIP Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Jefferson Area

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	320		26,653		89,191		33,621		149,785	
Estimated Incurred Claims	4,483	14.01	658,898	24.72	2,728,136	30.59	977,138	29.06	4,368,655	29.17
Projected FY2013 Member Months	288		27,996		92,208		34,692		155,184	
Annual Trend Assumption	1.6 %		1.6 %		1.6 %		1.6 %			
Provider Reimbursement Adjustments										
Dispensing Fee Reduction	0.9917		0.9939		0.9957		0.9956			
Copayment Change Adjustment	0.9661		0.9610		0.9821		0.9847			
Managed Care Discount Factor	0.9500		0.9500		0.9500		0.9500			
Projected Incurred Claims	3,761	13.06	643,129	22.97	2,683,255	29.10	961,673	27.72	4,291,819	27.66
Administrative Expenses	518	1.80	50,393	1.80	165,974	1.80	62,446	1.80	279,331	1.80
Risk Margin	2.0 %		2.0 %		2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %		1.75 %		1.75 %			
Projected Total Cost	4,446	15.27	720,542	25.74	2,960,238	32.10	1,064,020	30.67	4,749,247	30.60
Current (3/2012 - 8/2012) Rate	4,303	14.94	639,429	22.84	2,946,046	31.95	1,060,881	30.58	4,650,658	29.97
Percentage Rate Increase		2.2 %		12.7 %		0.5 %		0.3 %		2.1 %

CHIP Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Harris Area

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	4,054		299,420		1,028,202		363,453		1,695,129	
Estimated Incurred Claims	68,417	16.88	5,142,663	17.18	23,500,703	22.86	8,390,788	23.09	37,102,571	21.89
Projected FY2013 Member Months	3,804		307,848		1,065,216		375,624		1,752,492	
Annual Trend Assumption	1.6 %		1.6 %		1.6 %		1.6 %			
Provider Reimbursement Adjustments										
Dispensing Fee Reduction	0.9915		0.9920		0.9952		0.9955			
Copayment Change Adjustment	0.9742		0.9585		0.9830		0.9862			
Managed Care Discount Factor	0.9500		0.9500		0.9500		0.9500			
Projected Incurred Claims	60,329	15.86	4,891,156	15.89	23,172,247	21.75	8,282,821	22.05	36,406,553	20.77
Administrative Expenses	6,847	1.80	554,126	1.80	1,917,389	1.80	676,123	1.80	3,154,486	1.80
Risk Margin	2.0 %		2.0 %		2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %		1.75 %		1.75 %			
Projected Total Cost	69,793	15.27	5,657,437	18.38	26,067,154	24.47	9,307,994	24.78	41,102,377	23.45
Current (3/2012 - 8/2012) Rate	56,832	14.94	5,316,535	17.27	25,969,966	24.38	9,334,256	24.85	40,677,589	23.21
Percentage Rate Increase		2.2 %		6.4 %		0.4 %		-0.3 %		1.0 %

CHIP Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Lubbock Area

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	261		29,704		99,407		33,607		162,979	
Estimated Incurred Claims	2,686	10.29	440,524	14.83	2,491,614	25.06	857,191	25.51	3,792,015	23.27
Projected FY2013 Member Months	348		31,344		105,552		34,788		172,032	
Annual Trend Assumption	1.6 %		1.6 %		1.6 %		1.6 %			
Provider Reimbursement Adjustments										
Dispensing Fee Reduction	0.9907		0.9928		0.9959		0.9958			
Copayment Change Adjustment	0.9903		0.9537		0.9829		0.9868			
Managed Care Discount Factor	0.9500		0.9500		0.9500		0.9500			
Projected Incurred Claims	3,418	9.82	428,200	13.66	2,519,530	23.87	848,287	24.38	3,799,435	22.09
Administrative Expenses	626	1.80	56,419	1.80	189,994	1.80	62,618	1.80	309,658	1.80
Risk Margin	2.0 %		2.0 %		2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %		1.75 %		1.75 %			
Projected Total Cost	4,202	15.27	503,501	16.06	2,815,089	26.67	946,395	27.20	4,269,187	24.82
Current (3/2012 - 8/2012) Rate	5,199	14.94	471,100	15.03	2,707,409	25.65	920,490	26.46	4,104,199	23.86
Percentage Rate Increase		2.2 %		6.9 %		4.0 %		2.8 %		4.0 %

CHIP Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Nueces Area

	<u>&lt;1</u>		<u>1-5</u>		<u>6-14</u>		<u>15-18</u>		<u>Total</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	242		26,298		104,373		41,708		172,621	
Estimated Incurred Claims	2,373	9.81	632,068	24.03	3,472,855	33.27	1,185,594	28.43	5,292,890	30.66
Projected FY2013 Member Months	312		27,180		107,340		42,384		177,216	
Annual Trend Assumption	1.6 %		1.6 %		1.6 %		1.6 %			
Provider Reimbursement Adjustments										
Dispensing Fee Reduction	0.9906		0.9928		0.9958		0.9953			
Copayment Change Adjustment	0.9736		0.9547		0.9832		0.9845			
Managed Care Discount Factor	0.9500		0.9500		0.9500		0.9500			
Projected Incurred Claims	2,871	9.20	602,398	22.16	3,402,031	31.69	1,148,557	27.10	5,155,856	29.09
Administrative Expenses	562	1.80	48,924	1.80	193,212	1.80	76,291	1.80	318,989	1.80
Risk Margin	2.0 %		2.0 %		2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %		1.75 %		1.75 %			
<b>Projected Total Cost</b>	3,566	15.27	676,698	24.90	3,735,317	34.80	1,272,569	30.02	5,688,150	32.10
Current (3/2012 - 8/2012) Rate	4,661	14.94	616,171	22.67	3,717,184	34.63	1,211,335	28.58	5,549,351	31.31
Percentage Rate Increase		2.2 %		9.8 %		0.5 %		5.0 %		2.5 %
No Family Planning Adjustment Factor	1.0000		1.0000		0.9984		0.9808			
<b>Adjusted Rates for No Family Planni</b>	4,764	15.27	676,782	24.90	3,728,992	34.74	1,247,785	29.44	5,658,323	31.93
Current (3/2012 - 8/2012) Rate	4,661	14.94	616,171	22.67	3,711,817	34.58	1,185,057	27.96	5,517,706	31.14

Percentage Rate Increase

2.2 %

9.8 %

0.5 %

5.3 %

Attachment 2 - Exhibit D  
2.5 %

CHIP Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Tarrant Area

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	1,805		124,661		418,162		134,122		678,750	
Estimated Incurred Claims	26,902	14.90	1,825,450	14.64	10,895,301	26.06	3,621,334	27.00	16,368,987	24.12
Projected FY2013 Member Months	1,716		130,668		441,588		141,084		715,056	
Annual Trend Assumption	1.6 %		1.6 %		1.6 %		1.6 %			
Provider Reimbursement Adjustments										
Dispensing Fee Reduction	0.9919		0.9924		0.9959		0.9961			
Copayment Change Adjustment	0.9780		0.9600		0.9843		0.9871			
Managed Care Discount Factor	0.9500		0.9500		0.9500		0.9500			
Projected Incurred Claims	24,138	14.07	1,773,498	13.57	10,972,847	24.85	3,643,968	25.83	16,414,451	22.96
Administrative Expenses	3,089	1.80	235,202	1.80	794,858	1.80	253,951	1.80	1,287,101	1.80
Risk Margin	2.0 %		2.0 %		2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %		1.75 %		1.75 %			
Projected Total Cost	28,287	15.27	2,086,962	15.97	12,226,187	27.69	4,049,786	28.70	18,391,223	25.72
Current (3/2012 - 8/2012) Rate	25,637	14.94	1,977,007	15.13	12,090,679	27.38	4,108,366	29.12	18,201,689	25.45
Percentage Rate Increase		2.2 %		5.6 %		1.1 %		-1.4 %		1.0 %



CHIP Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Travis Area

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	1,123		68,426		222,603		70,678		362,830	
Estimated Incurred Claims	6,618	5.89	786,878	11.50	4,644,785	20.87	1,876,898	26.56	7,315,179	20.16
Projected FY2013 Member Months	1,104		71,832		236,748		75,540		385,224	
Annual Trend Assumption	1.6 %		1.6 %		1.6 %		1.6 %			
Provider Reimbursement Adjustments										
Dispensing Fee Reduction	0.9880		0.9929		0.9961		0.9963			
Copayment Change Adjustment	0.9600		0.9584		0.9827		0.9874			
Managed Care Discount Factor	0.9500		0.9500		0.9500		0.9500			
Projected Incurred Claims	6,004	5.44	764,752	10.65	4,704,451	19.87	1,919,910	25.42	7,395,117	19.20
Administrative Expenses	1,987	1.80	129,298	1.80	426,146	1.80	135,972	1.80	693,403	1.80
Risk Margin	2.0 %		2.0 %		2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %		1.75 %		1.75 %			
<b>Projected Total Cost</b>	8,302	15.27	928,883	12.93	5,330,491	22.52	2,135,981	28.28	8,403,657	21.81
Current (3/2012 - 8/2012) Rate	16,494	14.94	862,702	12.01	5,180,046	21.88	2,155,912	28.54	8,215,154	21.33
Percentage Rate Increase		2.2 %		7.7 %		2.9 %		-0.9 %		2.3 %
No Family Planning Adjustment Factor	1.0000		1.0000		0.9994		0.9892			
<b>Adjusted Rates for No Family Planni</b>	16,858	15.27	928,788	12.93	5,329,197	22.51	2,112,854	27.97	8,387,697	21.77
Current (3/2012 - 8/2012) Rate	16,494	14.94	862,702	12.01	5,177,679	21.87	2,132,494	28.23	8,189,369	21.26

Percentage Rate Increase

2.2 %

7.7 %

2.9 %

-0.9 %

Attachment 2 - Exhibit D  
2.4 %

CHIP Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
EPO Area

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	3,165		248,811		951,815		359,983		1,563,774	
Estimated Incurred Claims	45,239	14.29	5,556,856	22.33	27,001,407	28.37	8,859,241	24.61	41,462,743	26.51
Projected FY2013 Member Months	3,036		261,168		992,856		372,012		1,629,072	
Annual Trend Assumption	1.6 %		1.6 %		1.6 %		1.6 %			
Provider Reimbursement Adjustments										
Dispensing Fee Reduction	0.9910		0.9935		0.9957		0.9952			
Copayment Change Adjustment	0.9640		0.9652		0.9847		0.9862			
Managed Care Discount Factor	0.9500		0.9500		0.9500		0.9500			
Projected Incurred Claims	40,333	13.28	5,441,628	20.84	26,866,849	27.06	8,742,004	23.50	41,090,814	25.22
Administrative Expenses	5,465	1.80	470,102	1.80	1,787,141	1.80	669,622	1.80	2,932,330	1.80
Risk Margin	2.0 %		2.0 %		2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %		1.75 %		1.75 %			
Projected Total Cost	47,582	15.27	6,142,058	23.52	29,770,379	29.98	9,778,312	26.28	45,738,331	28.08
Current (3/2012 - 8/2012) Rate	45,358	14.94	6,142,671	23.52	28,951,681	29.16	9,958,761	26.77	45,098,471	27.68
Percentage Rate Increase		2.2 %		0.0 %		2.8 %		-1.8 %		1.4 %

CHIP Perinatal Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Bexar Area

	Perinate <185%		Perinate 185%+		Newborn <185%		Newborn 185%+		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	19,504		388		138		140		20,170	
Estimated Incurred Claims	161,337	8.27	5,155	13.29	164	1.19	454	3.24	167,110	8.29
Projected FY2013 Member Months	16,596		636		0		120		17,352	
Annual Trend Assumption	1.6 %		1.6 %		1.6 %		1.6 %			
Provider Reimbursement Adjustments										
Dispensing Fee Reduction 9/1/2011	0.9872		0.9935		0.9580		0.9905			
Copayment Change Adjustment	1.0000		1.0000		1.0000		1.0000			
Managed Care Discount Factor	0.9500		0.9500		0.9500		0.9500			
Projected Incurred Claims	131,851	7.94	8,167	12.84	0	1.11	375	3.12	140,393	8.09
Administrative Expenses	29,873	1.80	1,145	1.80	0	1.80	216	1.80	31,234	1.80
Risk Margin	2.0 %		2.0 %		2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %		1.75 %		1.75 %			
Projected Total Cost	168,025	10.12	11,912	18.73	0	10.83	1,094	9.12	181,031	10.43
Current (3/2012 - 8/2012) Rate	186,373	11.23	13,712	21.56	0	10.83	1,052	8.77	201,138	11.59
Percentage Rate Increase		-9.8 %		-13.1 %		0.0 %		4.0 %		-10.0 %

CHIP Perinatal Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Dallas Area

	Perinate <185%		Perinate 185%+		Newborn <185%		Newborn 185%+		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	83,893		1,014		705		400		86,012	
Estimated Incurred Claims	222,522	2.65	2,896	2.86	5,810	8.24	1,082	2.71	232,310	2.70
Projected FY2013 Member Months	75,324		1,152		0		336		76,812	
Annual Trend Assumption	1.6 %		1.6 %		1.6 %		1.6 %			
Provider Reimbursement Adjustments										
Dispensing Fee Reduction	0.9906		0.9923		0.9761		0.9888			
Copayment Change Adjustment	1.0000		1.0000		1.0000		1.0000			
Managed Care Discount Factor	0.9500		0.9500		0.9500		0.9500			
Projected Incurred Claims	192,550	2.56	3,176	2.76	0	7.83	874	2.60	196,600	2.56
Administrative Expenses	135,583	1.80	2,074	1.80	0	1.80	605	1.80	138,262	1.80
Risk Margin	2.0 %		2.0 %		2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %		1.75 %		1.75 %			
Projected Total Cost	340,917	4.53	21,577	18.73	0	10.83	3,064	9.12	365,559	4.76
Current (3/2012 - 8/2012) Rate	347,244	4.61	24,837	21.56	0	10.83	2,947	8.77	375,027	4.88
Percentage Rate Increase		-1.8 %		-13.1 %		0.0 %		4.0 %		-2.5 %

CHIP Perinatal Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
El Paso Area

	Perinate <185%		Perinate 185%+		Newborn <185%		Newborn 185%+		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	13,156		236		136		92		13,620	
Estimated Incurred Claims	115,676	8.79	2,735	11.59	680	5.00	884	9.61	119,975	8.81
Projected FY2013 Member Months	11,844		240		0		36		12,120	
Annual Trend Assumption	1.6 %		1.6 %		1.6 %		1.6 %			
Provider Reimbursement Adjustments										
Dispensing Fee Reduction	0.9878		0.9924		0.9835		0.9893			
Copayment Change Adjustment	1.0000		1.0000		1.0000		1.0000			
Managed Care Discount Factor	0.9500		0.9500		0.9500		0.9500			
Projected Incurred Claims	100,081	8.45	2,685	11.19	0	4.78	333	9.25	103,099	8.51
Administrative Expenses	21,319	1.80	432	1.80	0	1.80	65	1.80	21,816	1.80
Risk Margin	2.0 %		2.0 %		2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %		1.75 %		1.75 %			
Projected Total Cost	126,130	10.65	4,495	18.73	0	10.83	328	9.12	130,953	10.80
Current (3/2012 - 8/2012) Rate	139,167	11.75	5,174	21.56	0	10.83	316	8.77	144,657	11.94
Percentage Rate Increase		-9.4 %		-13.1 %		0.0 %		4.0 %		-9.5 %

CHIP Perinatal Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Jefferson Area

	Perinate <185%		Perinate 185%+		Newborn <185%		Newborn 185%+		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	5,912		229		32		108		6,281	
Estimated Incurred Claims	62,917	10.64	3,036	13.26	0	0.00	300	2.78	66,253	10.55
Projected FY2013 Member Months	5,760		156		0		108		6,024	
Annual Trend Assumption	1.6 %		1.6 %		1.6 %		1.6 %			
Provider Reimbursement Adjustments										
Dispensing Fee Reduction	0.9891		0.9943		1.0000		0.9367			
Copayment Change Adjustment	1.0000		1.0000		1.0000		1.0000			
Managed Care Discount Factor	0.9500		0.9500		0.9500		0.9500			
Projected Incurred Claims	58,988	10.24	2,001	12.82	0	0.00	273	2.53	61,262	10.17
Administrative Expenses	10,368	1.80	281	1.80	0	1.80	194	1.80	10,843	1.80
Risk Margin	2.0 %		2.0 %		2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %		1.75 %		1.75 %			
Projected Total Cost	72,058	12.51	2,922	18.73	0	10.83	985	9.12	75,965	12.61
Current (3/2012 - 8/2012) Rate	79,315	13.77	3,363	21.56	0	10.83	947	8.77	83,626	13.88
Percentage Rate Increase		-9.2 %		-13.1 %		0.0 %		4.0 %		-9.2 %

CHIP Perinatal Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Harris Area

	Perinate <185%		Perinate 185%+		Newborn <185%		Newborn 185%+		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	129,400		2,045		1,339		1,197		133,981	
Estimated Incurred Claims	2,434,955	18.82	50,134	24.52	17,193	12.84	10,839	9.06	2,513,121	18.76
Projected FY2013 Member Months	115,368		1,980		0		1,140		118,488	
Annual Trend Assumption	1.6 %		1.6 %		1.6 %		1.6 %			
Provider Reimbursement Adjustments										
Dispensing Fee Reduction	0.9894		0.9906		0.9780		0.9905			
Copayment Change Adjustment	1.0000		1.0000		1.0000		1.0000			
Managed Care Discount Factor	0.9500		0.9500		0.9500		0.9500			
Projected Incurred Claims	2,089,672	18.11	46,781	23.63	0	12.22	9,948	8.73	2,146,400	18.11
Administrative Expenses	207,662	1.80	3,564	1.80	0	1.80	2,052	1.80	213,278	1.80
Risk Margin	2.0 %		2.0 %		2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %		1.75 %		1.75 %			
Projected Total Cost	2,386,841	20.69	37,085	18.73	0	10.83	10,397	9.12	2,434,323	20.54
Current (3/2012 - 8/2012) Rate	2,452,724	21.26	42,689	21.56	0	10.83	9,998	8.77	2,505,410	21.14
Percentage Rate Increase		-2.7 %		-13.1 %		0.0 %		4.0 %		-2.8 %



CHIP Perinatal Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Lubbock Area

	Perinate <185%		Perinate 185%+		Newborn <185%		Newborn 185%+		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	4,698		164		40		56		4,958	
Estimated Incurred Claims	45,509	9.69	1,892	11.54	186	4.65	26	0.46	47,613	9.60
Projected FY2013 Member Months	4,320		168		0		84		4,572	
Annual Trend Assumption	1.6 %		1.6 %		1.6 %		1.6 %			
Provider Reimbursement Adjustments										
Dispensing Fee Reduction	0.9883		0.9914		0.9769		1.0000			
Copayment Change Adjustment	1.0000		1.0000		1.0000		1.0000			
Managed Care Discount Factor	0.9500		0.9500		0.9500		0.9500			
Projected Incurred Claims	40,237	9.31	1,869	11.13	0	4.42	38	0.45	42,144	9.22
Administrative Expenses	7,776	1.80	302	1.80	0	1.80	151	1.80	8,230	1.80
Risk Margin	2.0 %		2.0 %		2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %		1.75 %		1.75 %			
Projected Total Cost	49,883	11.55	3,147	18.73	0	10.83	766	9.12	53,796	11.77
Current (3/2012 - 8/2012) Rate	60,134	13.92	3,622	21.56	0	10.83	737	8.77	64,493	14.11
Percentage Rate Increase		-17.0 %		-13.1 %		0.0 %		4.0 %		-16.6 %

CHIP Perinatal Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Nueces Area

	Perinate <185%		Perinate 185%+		Newborn <185%		Newborn 185%+		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	3,092		154		25		48		3,319	
Estimated Incurred Claims	57,634	18.64	2,558	16.61	110	4.40	738	15.38	61,040	18.39
Projected FY2013 Member Months	2,964		144		0		72		3,180	
Annual Trend Assumption	1.6 %		1.6 %		1.6 %		1.6 %			
Provider Reimbursement Adjustments										
Dispensing Fee Reduction	0.9888		0.9859		0.9922		0.9977			
Copayment Change Adjustment	1.0000		1.0000		1.0000		1.0000			
Managed Care Discount Factor	0.9500		0.9500		0.9500		0.9500			
Projected Incurred Claims	53,148	17.93	2,294	15.93	0	4.25	1,075	14.92	56,517	17.77
Administrative Expenses	5,335	1.80	259	1.80	0	1.80	130	1.80	5,724	1.80
Risk Margin	2.0 %		2.0 %		2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %		1.75 %		1.75 %			
<b>Projected Total Cost</b>	60,762	20.50	2,697	18.73	0	10.83	657	9.12	64,116	20.16
Current (3/2012 - 8/2012) Rate	63,667	21.48	3,105	21.56	0	10.83	631	8.77	67,403	21.20
Percentage Rate Increase		-4.6 %		-13.1 %		0.0 %		4.0 %		-4.9 %
No Family Planning Adjustment Factor	1.0000		1.0000		1.0000		1.0000			
<b>Adjusted Rates for No Family Planni</b>	60,762	20.50	2,697	18.73	0	10.83	657	9.12	64,116	20.16
Current (3/2012 - 8/2012) Rate	63,667	21.48	3,105	21.56	0	10.83	631	8.77	67,403	21.20

Percentage Rate Increase

-4.6 %

-13.1 %

0.0 %

4.0 %

Attachment 2 - Exhibit E  
-4.9 %

CHIP Perinatal Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Tarrant Area

	Perinate <185%		Perinate 185%+		Newborn <185%		Newborn 185%+		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	43,905		977		348		409		45,639	
Estimated Incurred Claims	991,429	22.58	18,480	18.92	3,607	10.36	840	2.05	1,014,356	22.23
Projected FY2013 Member Months	39,552		1,020		0		384		40,956	
Annual Trend Assumption	1.6 %		1.6 %		1.6 %		1.6 %			
Provider Reimbursement Adjustments										
Dispensing Fee Reduction	0.9903		0.9888		0.9756		0.9928			
Copayment Change Adjustment	1.0000		1.0000		1.0000		1.0000			
Managed Care Discount Factor	0.9500		0.9500		0.9500		0.9500			
Projected Incurred Claims	860,492	21.76	18,560	18.20	0	9.84	762	1.98	879,814	21.48
Administrative Expenses	71,194	1.80	1,836	1.80	0	1.80	691	1.80	73,721	1.80
Risk Margin	2.0 %		2.0 %		2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %		1.75 %		1.75 %			
Projected Total Cost	967,985	24.47	19,105	18.73	0	10.83	3,502	9.12	990,592	24.19
Current (3/2012 - 8/2012) Rate	978,912	24.75	21,991	21.56	0	10.83	3,368	8.77	1,004,271	24.52
Percentage Rate Increase		-1.1 %		-13.1 %		0.0 %		4.0 %		-1.4 %

CHIP Perinatal Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
Travis Area

	<u>Perinate &lt;185%</u>		<u>Perinate 185%+</u>		<u>Newborn &lt;185%</u>		<u>Newborn 185%+</u>		<u>Total</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	32,119		413		249		296		33,077	
Estimated Incurred Claims	308,248	9.60	10,356	25.08	468	1.88	1,853	6.26	320,925	9.70
Projected FY2013 Member Months	28,848		420		0		168		29,436	
Annual Trend Assumption	1.6 %		1.6 %		1.6 %		1.6 %			
Provider Reimbursement Adjustments										
Dispensing Fee Reduction	0.9864		0.9937		0.9521		0.9944			
Copayment Change Adjustment	1.0000		1.0000		1.0000		1.0000			
Managed Care Discount Factor	0.9500		0.9500		0.9500		0.9500			
Projected Incurred Claims	265,688	9.21	10,181	24.24	0	1.74	1,017	6.06	276,886	9.41
Administrative Expenses	51,926	1.80	756	1.80	0	1.80	302	1.80	52,985	1.80
Risk Margin	2.0 %		2.0 %		2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %		1.75 %		1.75 %			
<b>Projected Total Cost</b>	329,989	11.44	7,867	18.73	0	10.83	1,532	9.12	339,387	11.53
Current (3/2012 - 8/2012) Rate	357,138	12.38	9,055	21.56	0	10.83	1,473	8.77	367,667	12.49
Percentage Rate Increase		-7.6 %		-13.1 %		0.0 %		4.0 %		-7.7 %
No Family Planning Adjustment Factor	1.0000		1.0000		1.0000		1.0000			
<b>Adjusted Rates for No Family Planni</b>	330,021	11.44	7,867	18.73	0	10.83	1,532	9.12	339,420	11.53
Current (3/2012 - 8/2012) Rate	357,138	12.38	9,055	21.56	0	10.83	1,473	8.77	367,667	12.49

Percentage Rate Increase

-7.6 %

-13.1 %

0.0 %

4.0 %

Attachment 2 - Exhibit E  
-7.7 %

CHIP Perinatal Rate Setting  
FY2013 Pharmacy Capitation Rate Summary  
EPO Area

	Perinate <185%		Perinate 185%+		Newborn <185%		Newborn 185%+		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated VDP Experience 3/1/2011 - 2/29/2012										
Member Months	105,252		1,719		998		809		108,778	
Estimated Incurred Claims	1,820,528	17.30	29,297	17.04	6,901	6.91	9,539	11.79	1,866,265	17.16
Projected FY2013 Member Months	94,668		1,512		0		540		96,720	
Annual Trend Assumption	1.6 %		1.6 %		1.6 %		1.6 %			
Provider Reimbursement Adjustments										
Dispensing Fee Reduction	0.9891		0.9891		0.9788		0.9931			
Copayment Change Adjustment	1.0000		1.0000		1.0000		1.0000			
Managed Care Discount Factor	0.9500		0.9500		0.9500		0.9500			
Projected Incurred Claims	1,575,704	16.64	24,797	16.40	0	6.58	6,152	11.39	1,606,653	16.61
Administrative Expenses	170,402	1.80	2,722	1.80	0	1.80	972	1.80	174,096	1.80
Risk Margin	2.0 %		2.0 %		2.0 %		2.0 %			
Premium Tax	1.75 %		1.75 %		1.75 %		1.75 %			
Projected Total Cost	1,814,136	19.16	28,320	18.73	0	10.83	4,925	9.12	1,847,381	19.10
Current (3/2012 - 8/2012) Rate	1,898,093	20.05	32,599	21.56	0	10.83	4,736	8.77	1,935,428	20.01
Percentage Rate Increase		-4.4 %		-13.1 %		0.0 %		4.0 %		-4.5 %

### ***Attachment 3***

#### **Trend Analysis**

The pharmacy carve-in rating methodology uses assumed trend factors to adjust the base period (March 1, 2011 through February 29, 2012) claims cost to the rating period (FY2013). 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 Vendor Drug Program (VDP) experience under the various Medicaid and CHIP managed care programs. The trend assumptions vary by program and risk group but are uniform for all service areas.

The trend analysis included a review of VDP claims experience data paid through March 31, 2012. Based on this information, estimates of monthly incurred claims were made through February 2012. The FY2012 trends were adjusted to recognize the dispensing fee reduction implemented by VDP on September 1, 2011. The per-capita claims cost and trend experience was reviewed separately by program, service area and risk group. The service area trends were then combined into a single statewide average (for each program and risk group) using a weighted average formula with current enrollment as the weights.

The rating period trend assumptions were developed using the following formula:

Rating period trend rate equals one-eighth of the actual FY2009 trend plus two-eighths of the actual FY2010 trend plus three-eighths of the actual FY2011 trend plus two-eighths of the trend for the period September 2011 through February 2012. This formula was used in developing the trend assumptions for all programs and risk groups. The trend assumption for STAR Disabled and Blind clients (in the MRSA service areas only) was developed based on STAR+PLUS Medicaid Only experience. A single trend assumption was developed for the two STAR+PLUS risk groups and a single trend assumption was developed for all CHIP and CHIP Perinatal risk groups.

The attached exhibits present the trend assumptions for each program. Each exhibit contains the trend derivation for each program and risk.

Exhibit A – STAR Program

Exhibit B – STAR+PLUS Program

Exhibit C – STAR Health Program

Exhibit D – CHIP Program and CHIP Perinatal



FY2013 Pharmacy Carve-in Rating Analysis  
 Historical Trend in Incurred VDP Claims pmpm  
 STAR Program

Month	TANF Children	TANF Adults	Pregnant Women	Newborns	Expansion Children	Federal Mandate Children	Total
<b>Utilization (Days Supply per 1,000) Trend</b>							
FY2009	1.043	1.067	1.026	1.004	0.978	1.048	1.017
FY2010	1.010	0.956	0.984	1.003	0.994	1.001	0.988
FY2011	0.963	1.074	0.955	0.963	0.955	0.973	0.973
9/11-2/12	0.942	1.092	0.928	0.977	0.904	0.940	0.965
<b>Inflation (Cost per Days Supply) Trend</b>							
FY2009	0.990	0.932	0.967	0.981	0.967	0.994	0.985
FY2010	0.985	0.998	1.076	0.955	0.975	0.990	0.993
FY2011	1.076	1.019	1.024	1.108	1.074	1.063	1.059
9/11-2/12	1.068	1.063	0.987	1.106	1.088	1.066	1.055
<b>Incurred Claims pmpm Trend</b>							
FY2009	1.033	0.995	0.992	0.985	0.946	1.041	1.002
FY2010	0.995	0.954	1.059	0.958	0.969	0.990	0.981
FY2011	1.036	1.094	0.978	1.068	1.026	1.034	1.031
9/11-2/12	1.007	1.160	0.916	1.081	0.983	1.002	1.018
Weighted Average	1.018	1.063	1.000	1.033	1.000	1.016	1.011

FY2013 Pharmacy Carve-in Rating Analysis  
 Historical Trend in Incurred VDP Claims pmpm  
 STAR+PLUS Program  
 All Disabled and Blind/Medicaid Only Clients

Month	Bexar	Dallas	El Paso	Jefferson	Harris	Hidalgo	Lubbock	Nueces	Tarrant	Travis	MRSA Central	MRSA Northeast	MRSA West	Total
<b>Utilization (Days Supply per 1,000) Trend</b>														
FY2009	1.108	1.137	1.070	1.019	1.074	1.033	1.043	1.100	1.116	1.114	1.031	1.033	1.033	1.077
FY2010	0.985	0.957	0.975	0.998	0.993	0.989	0.990	1.007	0.965	0.978	0.988	0.979	0.982	0.982
FY2011	1.016	1.047	1.004	1.023	1.031	1.006	1.010	1.033	1.037	1.013	1.012	1.003	1.008	1.020
9/11-2/12	1.039	1.110	1.023	1.329	1.045	1.003	1.087	1.052	1.105	1.054	1.027	1.018	1.021	1.054
<b>Inflation (Cost per Days Supply) Trend</b>														
FY2009	0.942	0.970	1.096	0.993	0.971	1.014	0.982	0.986	0.972	1.009	1.023	0.993	0.985	0.984
FY2010	1.018	1.011	1.009	1.007	1.025	1.004	0.987	0.992	1.005	1.007	1.001	0.998	1.005	1.010
FY2011	1.036	1.006	0.867	1.025	1.042	1.062	1.055	1.032	1.033	1.051	1.031	1.052	1.032	1.032
9/11-2/12	1.087	0.988	1.179	0.969	1.062	1.067	1.051	1.015	1.033	1.034	1.079	1.066	1.100	1.063
<b>Incurred Claims pmpm Trend</b>														
FY2009	1.044	1.103	1.173	1.012	1.043	1.048	1.024	1.084	1.085	1.124	1.055	1.026	1.017	1.060
FY2010	1.002	0.967	0.984	1.005	1.017	0.992	0.977	0.998	0.969	0.985	0.989	0.977	0.987	0.992
FY2011	1.052	1.052	0.870	1.048	1.074	1.069	1.066	1.066	1.072	1.065	1.043	1.055	1.040	1.052
9/11-2/12	1.129	1.097	1.206	1.288	1.110	1.071	1.142	1.067	1.142	1.090	1.108	1.085	1.123	1.120
Weighted Average											Weighted Average: 1.055			

FY2013 Pharmacy Carve-in Rating Analysis  
 Historical Trend in Incurred VDP Claims pmpm  
 STAR Health Program

Month	Members	Scripts	Days Supply	Incurred Claims	Amount of:			Trend in:		
					Scripts pmpm	Days pmpm	Cost pmpm	Scripts pmpm	Days pmpm	Cost pmpm
FY2008	150,930	197,281	5,114,174	23,236,099	1.307	33.88	153.95			
FY2009	361,195	510,753	13,127,051	58,586,666	1.414	36.34	162.20	1.082	1.073	1.054
FY2010	357,783	536,339	13,384,978	57,653,966	1.499	37.41	161.14	1.060	1.029	0.993
FY2011	382,196	554,783	13,867,970	62,326,078	1.452	36.28	163.07	0.968	0.970	1.012
9/10-2/11	188,601	285,529	6,977,270	31,389,018	1.514	36.99	166.43			
9/11-2/12	189,457	272,995	6,859,662	33,106,386	1.441	36.21	174.74	0.952	0.979	1.057
								Weighted Average:		1.024

Fiscal Year	CHIP					CHIP Perinatal					Grand Total
	Age <1	Age 1-5	Age 6-14	Age 15-18	Total	Perinate <185%	Perinate 185%+	Newborn <185%	Newborn 185%+	Total	
Member Months											
FY2008	14,214	809,985	2,894,245	950,750	4,669,194	379,614	7,037	310,244	6,226	703,121	5,372,315
FY2009	14,867	996,651	3,422,470	1,161,412	5,595,400	433,695	6,133	368,294	5,500	813,622	6,409,022
FY2010	16,019	1,020,152	3,695,245	1,307,895	6,039,311	433,339	5,191	362,557	4,101	805,188	6,844,499
FY2011	15,524	1,072,802	3,904,326	1,402,928	6,395,580	440,632	6,550	78,985	3,720	529,887	6,925,467
3/11-2/12	14,497	1,107,239	4,021,430	1,444,688	6,587,854	440,931	7,339	4,010	3,555	455,835	7,043,689
9/10-2/11	8,000	531,037	1,933,832	695,741	3,168,610	213,472	2,997	74,975	2,002	293,446	3,462,056
9/11-2/12	6,973	565,474	2,050,936	737,501	3,360,884	213,771	3,786	0	1,837	219,394	3,580,278
Incurred Claims											
FY2008	237,030	15,483,633	67,502,126	22,680,481	105,903,270	2,537,343	88,085	2,606,020	69,716	5,301,165	111,204,435
FY2009	240,450	18,411,230	81,421,069	28,825,220	128,897,969	4,099,312	97,738	3,364,209	65,833	7,627,093	136,525,062
FY2010	274,008	19,702,507	91,031,173	31,916,773	142,924,461	5,813,583	79,270	3,229,263	41,246	9,163,362	152,087,823
FY2011	240,061	21,358,273	98,549,284	34,203,999	154,351,617	6,306,593	114,582	740,445	39,165	7,200,786	161,552,403
9/10-2/11	143,341	12,419,759	51,534,009	17,422,816	81,519,924	3,081,910	47,524	705,325	28,247	3,863,006	85,382,930
9/11-2/12	108,581	11,211,851	55,672,297	18,857,776	85,850,504	3,065,348	60,549	0	16,040	3,141,937	88,992,442
Incurred Claims pmpm											
FY2008	16.68	19.12	23.32	23.86	22.68	6.68	12.52	8.40	11.20	7.54	20.70
FY2009	16.17	18.47	23.79	24.82	23.04	9.45	15.94	9.13	11.97	9.37	21.30
FY2010	17.11	19.31	24.63	24.40	23.67	13.42	15.27	8.91	10.06	11.38	22.22
FY2011	15.46	19.91	25.24	24.38	24.13	14.31	17.49	9.37	10.53	13.59	23.33
9/10-2/11	17.92	23.39	26.65	25.04	25.73	14.44	15.86	9.41	14.11	13.16	24.66
9/11-2/12	15.57	19.83	27.14	25.57	25.54	14.34	15.99	9.41	8.73	14.32	24.86
Case-mix Adjusted Incurred Claims pmpm											
FY2008											21.69
FY2009											22.23
FY2010											23.01
FY2011											23.50
9/10-2/11											25.00
9/11-2/12											24.82
Trend in Case-mix Adjusted Incurred Claims pmpm											
FY2009											1.025
FY2010											1.035
FY2011											1.021
9/11-2/12											0.993

#### ***Attachment 4***

##### **Dispensing Fee Adjustment Factor – September 1, 2011**

Effective September 1, 2011, HHSC reduced the dispensing fee paid to pharmacies under the VDP. The fixed component of the dispensing fee is now \$6.50 and the variable component is 1.96%. The experience period claims (those incurred prior to the reimbursement change) were re-processed using this revised dispensing fee formula and resulting adjustment factors developed. This issue impacted all programs, service areas and risk groups. Attachment 4 presents a summary of the dispensing fee adjustment factor analysis.

Exhibit A – STAR Program

Exhibit B – STAR+PLUS Program

Exhibit C – STAR Health Program

Exhibit D – CHIP Program

Exhibit E – CHIP Perinatal Program

Vendor Drug Program  
Impact of Provider Reimbursement Change  
Reduction in Dispensing Fee from \$7.35 to \$6.50  
STAR

Attachment 4 - Exhibit A

Risk Group	Bexar	Dallas	El Paso	Jefferson	Harris	Hidalgo	Lubbock
<b>VDP Incurred Claims - 3/1/2011 thru 2/29/2012</b>							
TANF Children 1+	9,390,721	8,569,944	5,462,889	5,588,735	13,841,446	29,002,069	3,730,336
TANF Children <1	759,411	717,436	611,342	466,158	1,334,029	2,927,471	298,327
TANF Adults	9,373,073	4,715,446	4,335,647	3,740,628	11,902,808	10,631,653	3,538,335
Pregnant Women	4,546,748	5,903,000	1,473,557	1,267,675	10,060,265	5,053,000	1,450,095
Newborns	6,565,024	8,551,612	4,621,629	2,982,101	18,076,231	20,251,305	2,390,813
Expansion Children 1+	16,931,996	35,759,257	9,721,900	7,316,257	56,695,796	63,471,896	4,860,442
Expansion Children <1	376,351	1,625,386	396,098	216,738	1,645,237	2,580,167	170,119
Federal Mandate	34,186,691	58,900,400	19,411,709	12,245,051	85,035,766	84,826,083	9,330,299
Disabled and Blind							
Total	82,130,015	124,742,481	46,034,771	33,823,343	198,591,578	218,743,644	25,768,766

**Dispensing Fee Adjustment**

TANF Children 1+	-38,565	-33,124	-29,148	-23,250	-55,718	-155,816	-18,464
TANF Children <1	-2,446	-2,747	-2,390	-1,674	-4,645	-14,319	-1,300
TANF Adults	-44,584	-22,735	-20,533	-17,257	-48,870	-37,382	-17,537
Pregnant Women	-39,936	-55,176	-14,541	-12,154	-94,895	-42,303	-12,657
Newborns	-25,937	-48,807	-16,242	-13,595	-91,594	-103,270	-9,587
Expansion Children 1+	-93,970	-257,122	-62,572	-42,368	-413,785	-415,397	-30,484
Expansion Children <1	-1,988	-11,920	-2,040	-1,246	-15,642	-19,326	-781
Federal Mandate	-144,040	-288,621	-92,470	-55,053	-444,681	-445,777	-42,003
Disabled and Blind							
Total	-391,467	-720,252	-239,935	-166,597	-1,169,831	-1,233,590	-132,813

**Adjusted Incurred Claims**

TANF Children 1+	9,352,156	8,536,820	5,433,741	5,565,485	13,785,728	28,846,253	3,711,872
TANF Children <1	756,965	714,689	608,952	464,484	1,329,384	2,913,152	297,027
TANF Adults	9,328,489	4,692,711	4,315,114	3,723,371	11,853,938	10,594,271	3,520,798
Pregnant Women	4,506,812	5,847,824	1,459,016	1,255,521	9,965,370	5,010,697	1,437,438
Newborns	6,539,087	8,502,805	4,605,387	2,968,506	17,984,637	20,148,035	2,381,226
Expansion Children 1+	16,838,026	35,502,135	9,659,328	7,273,889	56,282,011	63,056,499	4,829,958
Expansion Children <1	374,363	1,613,466	394,058	215,492	1,629,595	2,560,841	169,338
Federal Mandate	34,042,651	58,611,779	19,319,240	12,189,998	84,591,085	84,380,306	9,288,296
Disabled and Blind							
Total	81,738,548	124,022,229	45,794,836	33,656,746	197,421,747	217,510,054	25,635,953

**Dispensing Fee Adjustment Factor**

TANF Children 1+	-0.0041	-0.0039	-0.0053	-0.0042	-0.0040	-0.0054	-0.0049
TANF Children <1	-0.0032	-0.0038	-0.0039	-0.0036	-0.0035	-0.0049	-0.0044
TANF Adults	-0.0048	-0.0048	-0.0047	-0.0046	-0.0041	-0.0035	-0.0050
Pregnant Women	-0.0088	-0.0093	-0.0099	-0.0096	-0.0094	-0.0084	-0.0087
Newborns	-0.0040	-0.0057	-0.0035	-0.0046	-0.0051	-0.0051	-0.0040
Expansion Children 1+	-0.0055	-0.0072	-0.0064	-0.0058	-0.0073	-0.0065	-0.0063
Expansion Children <1	-0.0053	-0.0073	-0.0052	-0.0058	-0.0095	-0.0075	-0.0046
Federal Mandate	-0.0042	-0.0049	-0.0048	-0.0045	-0.0052	-0.0053	-0.0045
Disabled and Blind							
Total	-0.0048	-0.0058	-0.0052	-0.0049	-0.0059	-0.0056	-0.0052

Vendor Drug Program  
Impact of Provider Reimbursement Change  
Reduction in Dispensing Fee from \$7.35 to \$6.50  
STAR

Attachment 4 - Exhibit A

Risk Group	Nueces	Tarrant	Travis	MRSA Central	MRSA Northeast	MRSA West	Total
<b>VDP Incurred Claims - 3/1/2011 thru 2/29/2012</b>							
TANF Children 1+	5,274,113	4,556,228	6,338,907	6,722,674	8,545,071	6,778,317	113,801,450
TANF Children <1	402,351	384,881	501,369	319,696	597,522	347,620	9,667,613
TANF Adults	3,686,552	4,484,886	7,176,863	4,751,489	6,215,655	5,230,199	79,783,234
Pregnant Women	1,865,283	4,749,290	1,957,951	1,658,568	3,011,587	2,498,704	45,495,723
Newborns	2,925,567	5,207,429	2,607,787	2,443,795	5,591,724	4,341,108	86,556,125
Expansion Children 1+	8,989,774	16,098,941	8,200,499	8,139,079	15,710,766	10,592,853	262,489,456
Expansion Children <1	101,501	600,794	312,684	170,302	522,642	274,386	8,992,405
Federal Mandate	16,395,712	32,093,988	13,117,346	15,405,432	26,565,389	21,097,256	428,611,122
Disabled and Blind				38,131,546	62,099,626	51,820,617	152,051,789
Total	39,640,853	68,176,437	40,213,406	77,742,581	128,859,982	102,981,060	1,187,448,917

**Dispensing Fee Adjustment**

TANF Children 1+	-22,305	-16,940	-31,956	-29,843	-34,563	-30,394	-520,086
TANF Children <1	-1,699	-1,416	-2,424	-1,767	-2,531	-2,054	-41,411
TANF Adults	-17,634	-15,541	-41,352	-23,709	-27,371	-23,800	-358,304
Pregnant Women	-17,311	-46,232	-19,578	-14,819	-23,723	-23,706	-417,029
Newborns	-17,660	-29,804	-10,734	-12,599	-26,581	-22,860	-429,269
Expansion Children 1+	-57,212	-112,536	-44,740	-40,275	-84,229	-59,378	-1,714,067
Expansion Children <1	-1,017	-4,425	-2,059	-1,242	-2,929	-1,759	-66,376
Federal Mandate	-74,576	-146,369	-57,147	-61,787	-105,062	-89,010	-2,046,597
Disabled and Blind				-84,007	-147,583	-106,246	-337,836
Total	-209,414	-373,263	-209,989	-270,046	-454,571	-359,208	-5,930,976

**Adjusted Incurred Claims**

TANF Children 1+	5,251,808	4,539,288	6,306,951	6,692,831	8,510,508	6,747,923	113,281,364
TANF Children <1	400,652	383,465	498,945	317,929	594,991	345,566	9,626,202
TANF Adults	3,668,918	4,469,345	7,135,511	4,727,780	6,188,284	5,206,399	79,424,930
Pregnant Women	1,847,972	4,703,058	1,938,373	1,643,749	2,987,864	2,474,998	45,078,694
Newborns	2,907,907	5,177,625	2,597,053	2,431,196	5,565,143	4,318,248	86,126,856
Expansion Children 1+	8,932,562	15,986,405	8,155,759	8,098,804	15,626,537	10,533,475	260,775,389
Expansion Children <1	100,484	596,369	310,625	169,060	519,713	272,627	8,926,029
Federal Mandate	16,321,136	31,947,619	13,060,199	15,343,645	26,460,327	21,008,246	426,564,525
Disabled and Blind				38,047,539	61,952,043	51,714,371	151,713,953
Total	39,431,439	67,803,174	40,003,417	77,472,535	128,405,411	102,621,852	1,181,517,941

**Dispensing Fee Adjustment Factor**

TANF Children 1+	-0.0042	-0.0037	-0.0050	-0.0044	-0.0040	-0.0045	-0.0046
TANF Children <1	-0.0042	-0.0037	-0.0048	-0.0055	-0.0042	-0.0059	-0.0043
TANF Adults	-0.0048	-0.0035	-0.0058	-0.0050	-0.0044	-0.0046	-0.0045
Pregnant Women	-0.0093	-0.0097	-0.0100	-0.0089	-0.0079	-0.0095	-0.0092
Newborns	-0.0060	-0.0057	-0.0041	-0.0052	-0.0048	-0.0053	-0.0050
Expansion Children 1+	-0.0064	-0.0070	-0.0055	-0.0049	-0.0054	-0.0056	-0.0065
Expansion Children <1	-0.0100	-0.0074	-0.0066	-0.0073	-0.0056	-0.0064	-0.0074
Federal Mandate	-0.0045	-0.0046	-0.0044	-0.0040	-0.0040	-0.0042	-0.0048
Disabled and Blind				-0.0022	-0.0024	-0.0021	-0.0022
Total	-0.0053	-0.0055	-0.0052	-0.0035	-0.0035	-0.0035	-0.0050

Vendor Drug Program  
Impact of Provider Reimbursement Change  
Reduction in Dispensing Fee from \$7.35 to \$6.50  
STAR+PLUS

Risk Group	Bexar	Dallas	El Paso	Jefferson	Harris	Hidalgo
<b>VDP Incurred Claims - 3/1/2011 thru 2/29/2012</b>						
Disabled and Blind <21	42,822	19,429	9,917,788	3,197,059	337,879	34,829,041
Disabled and Blind 21+	284,615	203	16,928,136	11,177,322	1,357,669	41,460,768
Medicaid Only OCC <21	4,546,978	909,207	0	896,850	10,426,644	0
Medicaid Only OCC 21+	86,540,760	91,072,491	0	16,609,760	174,890,849	0
Medicaid Only CBA <21	0	21	0	0	0	0
Medicaid Only CBA 21+	10,806,030	6,744,877	0	866,914	18,801,440	0
Total	102,221,205	98,746,228	26,845,924	32,747,905	205,814,481	76,289,809

**Dispensing Fee Adjustment**

Disabled and Blind <21	-192	0	-19,025	-16,098	-1,583	-101,203
Disabled and Blind 21+	-1,099	0	-50,840	-59,965	-6,532	-66,076
Medicaid Only OCC <21	-10,855	-2,100	0	0	-28,288	0
Medicaid Only OCC 21+	-307,586	-329,714	0	0	-587,733	0
Medicaid Only CBA <21	0	0	0	0	0	0
Medicaid Only CBA 21+	-38,280	-21,867	0	0	-65,896	0
Total	-358,013	-353,681	-69,865	-76,063	-690,032	-167,279

**Adjusted Incurred Claims**

Disabled and Blind <21	42,630	19,429	9,898,763	3,180,961	336,296	34,727,838
Disabled and Blind 21+	283,516	203	16,877,296	11,117,357	1,351,137	41,394,692
Medicaid Only OCC <21	4,536,123	907,107	0	896,850	10,398,356	0
Medicaid Only OCC 21+	86,233,174	90,742,777	0	16,609,760	174,303,116	0
Medicaid Only CBA <21	0	21	0	0	0	0
Medicaid Only CBA 21+	10,767,750	6,723,010	0	866,914	18,735,544	0
Total	101,863,192	98,392,547	26,776,059	32,671,842	205,124,449	76,122,530

**Dispensing Fee Adjustment Factor**

Disabled and Blind <21	-0.0045		-0.0019	-0.0050	-0.0047	-0.0029
Disabled and Blind 21+	-0.0039		-0.0030	-0.0054	-0.0048	-0.0016
Medicaid Only OCC <21	-0.0024	-0.0023			-0.0027	
Medicaid Only OCC 21+	-0.0036	-0.0036			-0.0034	
Medicaid Only CBA <21						
Medicaid Only CBA 21+	-0.0035	-0.0032			-0.0035	
Total	-0.0035	-0.0036	-0.0026	-0.0023	-0.0034	-0.0022



Vendor Drug Program  
Impact of Provider Reimbursement Change  
Reduction in Dispensing Fee from \$7.35 to \$6.50  
STAR+PLUS

Risk Group	Lubbock	Nueces	Tarrant	Travis	Total
<b>VDP Incurred Claims - 3/1/2011 thru 2/29/2012</b>					
Disabled and Blind <21	3,786,666	209,152	6,760	49,770	52,396,366
Disabled and Blind 21+	13,104,148	428,273	373	186,798	84,928,305
Medicaid Only OCC <21	0	863,648	1,330,495	916,645	19,890,467
Medicaid Only OCC 21+	0	34,445,977	62,899,257	36,112,936	502,572,030
Medicaid Only CBA <21	0	0	0	0	21
Medicaid Only CBA 21+	0	5,258,704	4,662,317	3,376,428	50,516,710
Total	16,890,814	41,205,754	68,899,202	40,642,577	710,303,899

**Dispensing Fee Adjustment**

Disabled and Blind <21	-10,426	-1,062	0	-271	-149,860
Disabled and Blind 21+	-47,579	-2,392	0	-1,079	-235,563
Medicaid Only OCC <21	0	-1,828	-2,593	-2,034	-47,697
Medicaid Only OCC 21+	0	-125,676	-201,244	-111,167	-1,663,121
Medicaid Only CBA <21	0	0	0	0	0
Medicaid Only CBA 21+	0	-19,419	-17,102	-9,528	-172,093
Total	-58,006	-150,376	-220,939	-124,079	-2,268,334

**Adjusted Incurred Claims**

Disabled and Blind <21	3,776,240	208,090	6,760	49,499	52,246,506
Disabled and Blind 21+	13,056,569	425,881	373	185,719	84,692,742
Medicaid Only OCC <21	0	861,820	1,327,902	914,611	19,842,770
Medicaid Only OCC 21+	0	34,320,301	62,698,013	36,001,769	500,908,909
Medicaid Only CBA <21	0	0	0	0	21
Medicaid Only CBA 21+	0	5,239,285	4,645,215	3,366,900	50,344,617
Total	16,832,808	41,055,378	68,678,263	40,518,498	708,035,565

**Dispensing Fee Adjustment Factor**

Disabled and Blind <21	-0.0028	-0.0051		-0.0054	-0.0029
Disabled and Blind 21+	-0.0036	-0.0056		-0.0058	-0.0028
Medicaid Only OCC <21		-0.0021	-0.0019	-0.0022	-0.0024
Medicaid Only OCC 21+		-0.0036	-0.0032	-0.0031	-0.0033
Medicaid Only CBA <21					
Medicaid Only CBA 21+		-0.0037	-0.0037	-0.0028	-0.0034
Total	-0.0034	-0.0036	-0.0032	-0.0031	-0.0032

Vendor Drug Program  
Impact of Provider Reimbursement Change  
Reduction in Dispensing Fee from \$7.35 to \$6.50  
STAR Health

VDP Incurred Claims - 3/1/2011 thru 2/29/2012	64,055,160
Dispensing Fee Adjustment	-204,584
Adjusted Incurred Claims	63,850,576
Adjustment Factor	-0.0032

Vendor Drug Program  
Impact of Provider Reimbursement Change  
Reduction in Dispensing Fee from \$7.35 to \$6.50  
CHIP

<u>Risk Group</u>	<u>Bexar</u>	<u>Dallas</u>	<u>El Paso</u>	<u>Jefferson</u>	<u>Harris</u>	<u>Lubbock</u>
<b>VDP Incurred Claims - 3/1/2011 thru 2/29/2012</b>						
Under Age 1	9,051	22,351	15,148	4,483	68,417	2,686
Ages 1-5	1,348,069	2,839,831	761,044	658,898	5,142,663	440,524
Ages 6-14	9,005,233	14,714,442	3,754,316	2,728,136	23,500,703	2,491,614
Ages 15-18	3,293,900	4,267,081	2,149,878	977,138	8,390,788	857,191
Total	13,656,253	21,843,705	6,680,386	4,368,655	37,102,571	3,792,015
<b>Dispensing Fee Adjustment</b>						
Under Age 1	-102	-281	-81	-37	-581	-25
Ages 1-5	-8,296	-21,460	-5,359	-4,029	-41,339	-3,152
Ages 6-14	-33,723	-66,023	-19,008	-11,854	-113,563	-10,116
Ages 15-18	-12,718	-20,092	-7,762	-4,280	-38,045	-3,620
Total	-54,839	-107,856	-32,210	-20,200	-193,527	-16,914
<b>Adjusted Incurred Claims</b>						
Under Age 1	8,949	22,070	15,067	4,446	67,836	2,661
Ages 1-5	1,339,773	2,818,371	755,685	654,869	5,101,324	437,372
Ages 6-14	8,971,510	14,648,419	3,735,308	2,716,282	23,387,140	2,481,498
Ages 15-18	3,281,182	4,246,989	2,142,116	972,858	8,352,743	853,571
Total	13,601,414	21,735,849	6,648,176	4,348,455	36,909,044	3,775,101
<b>Dispensing Fee Adjustment Factor</b>						
Under Age 1	-0.0112	-0.0126	-0.0053	-0.0083	-0.0085	-0.0093
Ages 1-5	-0.0062	-0.0076	-0.0070	-0.0061	-0.0080	-0.0072
Ages 6-14	-0.0037	-0.0045	-0.0051	-0.0043	-0.0048	-0.0041
Ages 15-18	-0.0039	-0.0047	-0.0036	-0.0044	-0.0045	-0.0042
Total	-0.0040	-0.0049	-0.0048	-0.0046	-0.0052	-0.0045

Vendor Drug Program  
Impact of Provider Reimbursement Change  
Reduction in Dispensing Fee from \$7.35 to \$6.50  
CHIP

<u>Risk Group</u>	<u>Nueces</u>	<u>Tarrant</u>	<u>Travis</u>	<u>EPO</u>	<u>Total</u>
<b>VDP Incurred Claims - 3/1/2011 thru 2/29/2012</b>					
Under Age 1	2,373	26,902	6,618	45,239	203,268
Ages 1-5	632,068	1,825,450	786,878	5,556,856	19,992,281
Ages 6-14	3,472,855	10,895,301	4,644,785	27,001,407	102,208,792
Ages 15-18	1,185,594	3,621,334	1,876,898	8,859,241	35,479,043
Total	5,292,890	16,368,987	7,315,179	41,462,743	157,883,384
<b>Dispensing Fee Adjustment</b>					
Under Age 1	-22	-217	-79	-409	-1,835
Ages 1-5	-4,532	-13,852	-5,553	-36,077	-143,649
Ages 6-14	-14,633	-44,271	-18,327	-116,192	-447,711
Ages 15-18	-5,576	-14,134	-6,963	-42,093	-155,283
Total	-24,763	-72,475	-30,923	-194,770	-748,477
<b>Adjusted Incurred Claims</b>					
Under Age 1	2,351	26,685	6,539	44,830	201,433
Ages 1-5	627,536	1,811,598	781,325	5,520,779	19,848,632
Ages 6-14	3,458,222	10,851,030	4,626,458	26,885,215	101,761,081
Ages 15-18	1,180,019	3,607,200	1,869,935	8,817,148	35,323,760
Total	5,268,127	16,296,512	7,284,256	41,267,973	157,134,907
<b>Dispensing Fee Adjustment Factor</b>					
Under Age 1	-0.0094	-0.0081	-0.0120	-0.0090	-0.0090
Ages 1-5	-0.0072	-0.0076	-0.0071	-0.0065	-0.0072
Ages 6-14	-0.0042	-0.0041	-0.0039	-0.0043	-0.0044
Ages 15-18	-0.0047	-0.0039	-0.0037	-0.0048	-0.0044
Total	-0.0047	-0.0044	-0.0042	-0.0047	-0.0047

Vendor Drug Program  
Impact of Provider Reimbursement Change  
Reduction in Dispensing Fee from \$7.35 to \$6.50  
CHIP Perinatal

<u>Risk Group</u>	<u>Bexar</u>	<u>Dallas</u>	<u>El Paso</u>	<u>Jefferson</u>	<u>Harris</u>	<u>Lubbock</u>
<b>VDP Incurred Claims - 3/1/2011 thru 2/29/2012</b>						
Perinate <185% FPL	161,337	222,522	115,676	62,917	2,434,955	45,509
Perinate 185%+ FPL	5,155	2,896	2,735	3,036	50,134	1,892
Newborn <185% FPL	164	5,810	680	0	17,193	186
Newborn 185%+ FPL	454	1,082	884	300	10,839	26
Total	167,110	232,310	119,975	66,253	2,513,121	47,613
<b>Dispensing Fee Adjustment</b>						
Perinate <185% FPL	-2,060	-2,086	-1,408	-685	-25,765	-535
Perinate 185%+ FPL	-34	-22	-21	-17	-469	-16
Newborn <185% FPL	-7	-139	-11	0	-379	-4
Newborn 185%+ FPL	-4	-12	-9	-19	-103	0
Total	-2,105	-2,259	-1,449	-721	-26,716	-555
<b>Adjusted Incurred Claims</b>						
Perinate <185% FPL	159,277	220,436	114,268	62,232	2,409,190	44,974
Perinate 185%+ FPL	5,121	2,874	2,714	3,019	49,665	1,876
Newborn <185% FPL	157	5,671	669	0	16,814	182
Newborn 185%+ FPL	450	1,070	875	281	10,736	26
Total	165,005	230,051	118,526	65,532	2,486,405	47,058
<b>Dispensing Fee Adjustment Factor</b>						
Perinate <185% FPL	-0.0128	-0.0094	-0.0122	-0.0109	-0.0106	-0.0117
Perinate 185%+ FPL	-0.0065	-0.0077	-0.0076	-0.0057	-0.0094	-0.0086
Newborn <185% FPL	-0.0420	-0.0239	-0.0165		-0.0220	-0.0231
Newborn 185%+ FPL	-0.0095	-0.0112	-0.0107	-0.0633	-0.0095	0.0000
Total	-0.0126	-0.0097	-0.0121	-0.0109	-0.0106	-0.0117

Vendor Drug Program  
Impact of Provider Reimbursement Change  
Reduction in Dispensing Fee from \$7.35 to \$6.50  
CHIP Perinatal

	<u>Nueces</u>	<u>Tarrant</u>	<u>Travis</u>	<u>EPO</u>	<u>Total</u>
<b>VDP Incurred Claims - 3/1/2011 thru 2/29/2012</b>					
Perinate <185% FPL	57,634	991,429	308,248	1,820,528	6,220,755
Perinate 185%+ FPL	2,558	18,480	10,356	29,297	126,539
Newborn <185% FPL	110	3,607	468	6,901	35,119
Newborn 185%+ FPL	738	840	1,853	9,539	26,555
Total	61,040	1,014,356	320,925	1,866,265	6,408,968

**Dispensing Fee Adjustment**

Perinate <185% FPL	-647	-9,652	-4,193	-19,882	-66,912
Perinate 185%+ FPL	-36	-207	-66	-320	-1,208
Newborn <185% FPL	-1	-88	-22	-147	-798
Newborn 185%+ FPL	-2	-6	-10	-66	-231
Total	-686	-9,953	-4,291	-20,413	-69,149

**Adjusted Incurred Claims**

Perinate <185% FPL	56,987	981,777	304,055	1,800,646	6,153,843
Perinate 185%+ FPL	2,522	18,273	10,290	28,977	125,331
Newborn <185% FPL	109	3,519	446	6,754	34,321
Newborn 185%+ FPL	736	834	1,843	9,473	26,324
Total	60,354	1,004,403	316,634	1,845,852	6,339,819

**Dispensing Fee Adjustment Factor**

Perinate <185% FPL	-0.0112	-0.0097	-0.0136	-0.0109	-0.0108
Perinate 185%+ FPL	-0.0141	-0.0112	-0.0063	-0.0109	-0.0095
Newborn <185% FPL	-0.0078	-0.0244	-0.0479	-0.0212	-0.0227
Newborn 185%+ FPL	-0.0023	-0.0072	-0.0056	-0.0069	-0.0087
Total	-0.0112	-0.0098	-0.0134	-0.0109	-0.0108

## ***Attachment 5***

### **Unlimited Prescriptions Adjustment**

Adults (clients age 21 and over) in Medicaid FFS/PCCM have a three prescription per month limit while those adults in STAR and STAR+PLUS have unlimited prescriptions. In order to recognize the increase in benefit (and cost) for adult clients moving from FFS/PCCM to managed care, we developed adjustment factors for adult clients in STAR (TANF Adults, Pregnant Women and Disabled and Blind adults) and STAR+PLUS (Medicaid Only adults).

Texas Medicaid Healthcare Partnership (TMHP) conducted an analysis to evaluate the historical cost of unlimited prescriptions for adults in managed care. The intent of TMHP's analysis was to determine what the prescription drug utilization and cost would have been for those adult clients had they been limited to three prescriptions per month. Their analysis considered the order of prescription purchases (in a three prescription limit scenario, the more expensive drugs would likely be among the first three purchased) and the differing maximum days supply rules that apply to limited and unlimited prescription clients.

The unlimited prescriptions adjustment applied to adults in STAR and STAR+PLUS expansion counties and new service areas. The adjustment did not impact existing STAR and STAR+PLUS counties, STAR Health, CHIP or CHIP Perinatal. The attached exhibits present a summary of the unlimited prescriptions adjustment factor analysis. Exhibit A is a summary of the information provided by TMHP which was used as the basis for the adjustment factors. Exhibits B and C present the derivation of the adjustment factors for STAR and STAR+PLUS, respectively.

Month	STAR		
	TANF Adults	Pregnant Women	Disabled & Blind

TMHP Estimate of Cost of Monthly Prescriptions in Excess of 3

200709	174,074	85,912	1,006,828
200710	199,379	111,519	1,242,609
200711	178,751	100,070	1,106,641
200712	186,555	114,538	1,015,011
200801	231,864	143,892	1,241,293
200802	106,832	56,802	455,789
200803	165,264	112,461	282,676
200804	186,848	109,029	299,375
200805	165,990	109,429	302,790
200806	158,971	79,113	277,906
200807	166,220	85,738	328,016
200808	153,507	82,275	308,246
200809	165,022	82,834	333,614
200810	180,442	99,588	360,196
200811	141,917	72,545	282,454
200812	190,104	87,823	370,644
200901	195,186	93,990	348,523
200902	161,581	72,097	304,389
200903	196,022	85,265	344,750
200904	191,550	94,523	345,820
200905	172,189	87,520	311,092
200906	179,044	91,330	1,756,123
200907	184,764	99,774	1,742,677
200908	163,834	93,847	1,589,385
FY2008	2,074,256	1,190,779	7,867,180
FY2009	2,121,655	1,061,137	8,089,667

Member Months

FY2008	385,787	1,202,798	123,942
FY2009	409,660	1,193,046	135,317

Cost of More than 3 Scripts pmpm

FY2008	5.38	0.99	63.47
FY2009	5.18	0.89	59.78

Average VDP Cost pmpm

FY2008	80.32	40.54	297.36
FY2009	81.83	40.28	308.68

Percentage Increase

FY2008	6.7 %	2.4 %	21.3 %
FY2009	6.3 %	2.2 %	19.4 %
Factor	6.5 %	2.3 %	20.4 %



Vendor Drug Program  
Impact of Changing to Unlimited Prescriptions for Some Clients  
STAR

<u>Risk Group</u>	<u>Bexar</u>	<u>Dallas</u>	<u>El Paso</u>	<u>Jefferson</u>	<u>Harris</u>	<u>Hidalgo</u>	<u>Lubbock</u>
<b>VDP Incurred Claims - 3/1/2011 thru 2/29/2012</b>							
TANF Children 1+	9,388,778	8,568,028	5,461,849	5,587,645	13,838,447	28,996,207	3,729,636
TANF Children <1	759,224	717,224	611,191	466,040	1,333,663	2,926,789	298,265
TANF Adults	9,371,164	4,714,343	4,334,840	3,739,903	11,900,122	10,629,578	3,537,676
Pregnant Women	4,545,944	5,901,995	1,473,291	1,267,445	10,058,539	5,052,133	1,449,834
Newborns	6,563,505	8,549,612	4,620,488	2,981,412	18,072,044	20,246,868	2,390,256
Expansion Children 1+	16,928,622	35,752,267	9,719,950	7,314,844	56,685,189	63,459,438	4,859,475
Expansion Children <1	376,279	1,625,050	396,027	216,698	1,645,000	2,579,759	170,080
Federal Mandate	34,180,401	58,889,651	19,408,080	12,242,858	85,020,329	84,810,150	9,328,580
Disabled and Blind <21							
Disabled and Blind 21+							
Total	82,113,919	124,718,171	46,025,716	33,816,843	198,553,333	218,700,922	25,763,801

**VDP Incurred Claims for PCCM Clients - 3/1/2011 thru 2/29/2012**

TANF Children 1+	30,841	0	6,414	5,587,645	172,573	28,996,207	654,561
TANF Children <1	207	0	328	466,040	4,831	2,926,789	53,062
TANF Adults	58,514	0	9,196	3,739,903	141,327	10,629,578	545,455
Pregnant Women	13,133	0	1,850	1,267,445	115,726	5,052,133	260,658
Newborns	11,050	0	2,335	2,981,412	95,884	20,246,868	378,445
Expansion Children 1+	47,445	0	9,010	7,314,844	407,891	63,459,438	770,632
Expansion Children <1	1,201	0	81	216,698	7,441	2,579,759	28,941
Federal Mandate	132,422	0	49,459	12,242,858	1,074,543	84,810,150	1,652,263
Disabled and Blind <21							
Disabled and Blind 21+							
Total	294,813	0	78,674	33,816,843	2,020,217	218,700,922	4,344,017

**Unlimited Scripts Adjustment Factor for PCCM Clients**

TANF Children 1+	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
TANF Children <1	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
TANF Adults	1.0650	1.0650	1.0650	1.0650	1.0650	1.0650	1.0650
Pregnant Women	1.0230	1.0230	1.0230	1.0230	1.0230	1.0230	1.0230
Newborns	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Expansion Children 1+	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Expansion Children <1	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Federal Mandate	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Vendor Drug Program  
Impact of Changing to Unlimited Prescriptions for Some Clients  
STAR

<u>Risk Group</u>	<u>Bexar</u>	<u>Dallas</u>	<u>El Paso</u>	<u>Jefferson</u>	<u>Harris</u>	<u>Hidalgo</u>	<u>Lubbock</u>
Disabled and Blind <21							
Disabled and Blind 21+							
<b>Adjusted PCCM Incurred Claims</b>							
TANF Children 1+	30,841	0	6,414	5,587,645	172,573	28,996,207	654,561
TANF Children <1	207	0	328	466,040	4,831	2,926,789	53,062
TANF Adults	62,317	0	9,794	3,982,997	150,513	11,320,501	580,909
Pregnant Women	13,435	0	1,893	1,296,596	118,388	5,168,333	266,653
Newborns	11,050	0	2,335	2,981,412	95,884	20,246,868	378,445
Expansion Children 1+	47,445	0	9,010	7,314,844	407,891	63,459,438	770,632
Expansion Children <1	1,201	0	81	216,698	7,441	2,579,759	28,941
Federal Mandate	132,422	0	49,459	12,242,858	1,074,543	84,810,150	1,652,263
Disabled and Blind <21							
Disabled and Blind 21+							
Total	298,918	0	79,315	34,089,088	2,032,064	219,508,044	4,385,467
<b>Unlimited Scripts Adjustment Factor</b>							
TANF Children 1+	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
TANF Children <1	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
TANF Adults	1.0004	1.0000	1.0001	1.0650	1.0008	1.0650	1.0100
Pregnant Women	1.0001	1.0000	1.0000	1.0230	1.0003	1.0230	1.0041
Newborns	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Expansion Children 1+	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Expansion Children <1	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Federal Mandate	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Disabled and Blind							
Total	1.0000	1.0000	1.0000	1.0081	1.0001	1.0037	1.0016

Vendor Drug Program  
Impact of Changing to Unlimited Prescriptions for Some Clients  
STAR

Risk Group	Nueces	Tarrant	Travis	MRSA Central	MRSA Northeast	MRSA West	Total
<b>VDP Incurred Claims - 3/1/2011 thru 2/29/2012</b>							
TANF Children 1+	5,272,989	4,555,153	6,337,714	6,721,414	8,543,383	6,776,975	113,778,217
TANF Children <1	402,251	384,769	501,263	319,629	597,374	347,539	9,665,222
TANF Adults	3,685,802	4,483,805	7,175,586	4,750,599	6,214,483	5,229,212	79,767,115
Pregnant Women	1,864,956	4,748,481	1,957,607	1,658,286	3,011,057	2,498,272	45,487,841
Newborns	2,924,922	5,206,198	2,607,150	2,443,245	5,590,424	4,340,112	86,536,236
Expansion Children 1+	8,988,020	16,095,810	8,198,894	8,137,479	15,707,727	10,590,776	262,438,491
Expansion Children <1	101,488	600,690	312,621	170,271	522,535	274,331	8,990,829
Federal Mandate	16,392,728	32,088,095	13,114,892	15,402,604	26,560,562	21,093,409	428,532,339
Disabled and Blind <21				8,177,618	13,155,595	11,898,065	33,231,278
Disabled and Blind 21+				29,946,674	48,932,329	39,912,488	118,791,491
Total	39,633,156	68,163,001	40,205,730	77,727,819	128,835,469	102,961,179	1,187,219,059

**VDP Incurred Claims for PCCM Clients - 3/1/2011 thru 2/29/2012**

TANF Children 1+	73,485	0	38,991	6,721,414	8,543,383	6,776,975	57,602,489
TANF Children <1	3,129	0	1,293	319,629	597,374	347,539	4,720,221
TANF Adults	52,082	0	32,206	4,750,599	6,214,483	5,229,212	31,402,554
Pregnant Women	47,592	0	9,230	1,658,286	3,011,057	2,498,272	13,935,381
Newborns	40,502	0	17,607	2,443,245	5,590,424	4,340,112	36,147,884
Expansion Children 1+	185,791	0	57,043	8,137,479	15,707,727	10,590,776	106,688,075
Expansion Children <1	2,833	0	449	170,271	522,535	274,331	3,804,540
Federal Mandate	370,906	0	102,904	15,402,604	26,560,562	21,093,409	163,492,081
Disabled and Blind <21				8,177,618	13,155,595	11,898,065	33,231,278
Disabled and Blind 21+				29,946,674	48,932,329	39,912,488	118,791,491
Total	776,319	0	259,723	77,727,819	128,835,469	102,961,179	569,815,994

**Unlimited Scripts Adjustment Factor for PCCM Clients**

TANF Children 1+	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
TANF Children <1	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
TANF Adults	1.0650	1.0650	1.0650	1.0650	1.0650	1.0650
Pregnant Women	1.0230	1.0230	1.0230	1.0230	1.0230	1.0230
Newborns	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Expansion Children 1+	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Expansion Children <1	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Federal Mandate	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Vendor Drug Program  
Impact of Changing to Unlimited Prescriptions for Some Clients  
STAR

Risk Group	Nueces	Tarrant	Travis	MRSA Central	MRSA Northeast	MRSA West	Total
Disabled and Blind <21				1.0000	1.0000	1.0000	
Disabled and Blind 21+				1.2040	1.2040	1.2040	

**Adjusted PCCM Incurred Claims**

TANF Children 1+	73,485	0	38,991	6,721,414	8,543,383	6,776,975	57,602,489
TANF Children <1	3,129	0	1,293	319,629	597,374	347,539	4,720,221
TANF Adults	55,467	0	34,300	5,059,388	6,618,425	5,569,110	33,443,720
Pregnant Women	48,686	0	9,442	1,696,426	3,080,312	2,555,732	14,255,895
Newborns	40,502	0	17,607	2,443,245	5,590,424	4,340,112	36,147,884
Expansion Children 1+	185,791	0	57,043	8,137,479	15,707,727	10,590,776	106,688,075
Expansion Children <1	2,833	0	449	170,271	522,535	274,331	3,804,540
Federal Mandate	370,906	0	102,904	15,402,604	26,560,562	21,093,409	163,492,081
Disabled and Blind <21				8,177,618	13,155,595	11,898,065	33,231,278
Disabled and Blind 21+				36,055,795	58,914,524	48,054,636	143,024,955
Total	780,799	0	262,029	84,183,870	139,290,859	111,500,685	596,411,138

**Unlimited Scripts Adjustment Factor**

TANF Children 1+	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
TANF Children <1	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
TANF Adults	1.0009	1.0000	1.0003	1.0650	1.0650	1.0650	1.0256
Pregnant Women	1.0006	1.0000	1.0001	1.0230	1.0230	1.0230	1.0070
Newborns	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Expansion Children 1+	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Expansion Children <1	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Federal Mandate	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Disabled and Blind				1.1602	1.1608	1.1572	1.1594
Total	1.0001	1.0000	1.0001	1.0831	1.0812	1.0829	1.0224

Vendor Drug Program  
Impact of Changing to Unlimited Prescriptions for Some Clients  
STAR+PLUS

Attachment 5 - Exhibit C

Risk Group	Bexar	Dallas	El Paso	Jefferson	Harris	Hidalgo	Lubbock	Nueces	Tarrant	Travis	Total
<b>VDP Incurred Claims - 3/1/2011 thru 2/29/2012</b>											
MO OCC <21	4,557,201	909,207	14,457,444	2,228,181	10,507,571	4,291,548	4,249,194	925,782	1,330,495	937,006	44,393,629
MO OCC 21+	87,082,815	91,072,491	34,316,929	38,790,273	177,379,319	71,609,835	22,532,946	35,718,243	62,899,257	36,484,505	657,886,612
MO CBA <21	0	21	0	0	0	0	0	0	0	0	21
MO CBA 21+	10,873,744	6,744,877	3,457,444	2,027,795	19,068,838	7,214,720	2,270,203	5,452,654	4,662,317	3,411,102	65,183,696
Total	102,513,760	98,726,596	52,231,817	43,046,249	206,955,728	83,116,103	29,052,343	42,096,679	68,892,069	40,832,613	767,463,958
<b>VDP Incurred Claims for FFS/PCCM Clients - 3/1/2011 thru 2/29/2012</b>											
MO OCC <21	10,223	0	4,578,285	1,331,331	80,927	4,291,548	1,167,450	62,134	0	20,361	11,542,259
MO OCC 21+	542,055	0	18,982,006	22,180,513	2,488,470	71,609,835	12,994,117	1,272,266	0	371,569	130,440,831
MO CBA <21	0	0	0	0	0	0	0	0	0	0	0
MO CBA 21+	67,714	0	1,912,445	1,160,881	267,398	7,214,720	1,309,163	193,950	0	34,674	12,160,945
Total	619,992	0	25,472,736	24,672,725	2,836,795	83,116,103	15,470,730	1,528,350	0	426,604	154,144,036
<b>Unlimited Scripts Adjustment Factor for PCCM Clients</b>											
MO OCC <21	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
MO OCC 21+	1.2040	1.2040	1.2040	1.2040	1.2040	1.2040	1.2040	1.2040	1.2040	1.2040	
MO CBA <21	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
MO CBA 21+	1.2040	1.2040	1.2040	1.2040	1.2040	1.2040	1.2040	1.2040	1.2040	1.2040	
<b>Adjusted PCCM Incurred Claims</b>											
MO OCC <21	10,223	0	4,578,285	1,331,331	80,927	4,291,548	1,167,450	62,134	0	20,361	11,542,259
MO OCC 21+	652,635	0	22,854,335	26,705,337	2,996,118	86,218,241	15,644,917	1,531,808	0	447,369	157,050,760
MO CBA <21	0	0	0	0	0	0	0	0	0	0	0
MO CBA 21+	81,528	0	2,302,584	1,397,701	321,948	8,686,523	1,576,232	233,516	0	41,747	14,641,778
Total	744,385	0	29,735,204	29,434,370	3,398,992	99,196,312	18,388,599	1,827,458	0	509,477	183,234,798
<b>Unlimited Scripts Adjustment Factor</b>											
MO OCC <21	1.0000	1.0000			1.0000			1.0000	1.0000	1.0000	1.0000
MO OCC 21+	1.0013	1.0000			1.0029			1.0073	1.0000	1.0021	1.0404
MO CBA <21											
MO CBA 21+	1.0013	1.0000			1.0029			1.0073	1.0000	1.0021	1.0381
Total	1.0012	1.0000	1.0816	1.1106	1.0027	1.1935	1.1004	1.0071	1.0000	1.0020	1.0379

## ***Attachment 6***

### **Copayment Change Adjustment**

Effective March 1, 2012, HHSC implemented a pharmacy cost sharing increase for CHIP clients over 150% FPL. The member copayment will increase from \$8 to \$10 for generic drugs and from \$25 to \$35 for brand drugs. We re-priced the base period claims (for the applicable CHIP clients) using these revised copayment amounts and determined the resulting adjustment factors. The attached exhibit presents a summary of the copayment change adjustment factor analysis.

CHIP Rate Setting  
Pharmacy Carve-in  
Analysis of CHIP Rx Cost Sharing Changes

Service Area	Age <1	Age 1-5	Age 6-14	Age 15-18	Total
<b>3/1/2011 - 2/29/2012 Incurred Claims</b>					
Bexar	9,050	1,348,069	9,005,234	3,293,902	13,656,256
Dallas	22,351	2,839,833	14,714,442	4,267,082	21,843,708
El Paso	15,148	761,043	3,754,314	2,149,878	6,680,382
Jefferson	4,483	658,897	2,728,135	977,139	4,368,654
Harris	68,417	5,142,662	23,500,703	8,390,788	37,102,569
Lubbock	2,686	440,525	2,491,616	857,190	3,792,016
Nueces	2,373	632,067	3,472,855	1,185,594	5,292,890
Tarrant	26,902	1,825,449	10,895,301	3,621,335	16,368,987
Travis	6,619	786,877	4,644,785	1,876,898	7,315,179
EPO	45,238	5,556,856	27,001,406	8,859,240	41,462,740
Total	203,267	19,992,278	102,208,790	35,479,045	157,883,380

**Estimated Additional Cost Sharing**

Bexar	144	52,935	141,444	46,469	240,992
Dallas	633	107,154	200,151	53,617	361,555
El Paso	314	29,329	66,129	22,972	118,743
Jefferson	101	22,822	46,936	14,093	83,952
Harris	1,216	210,092	393,866	112,329	717,503
Lubbock	44	18,975	41,395	11,694	72,107
Nueces	55	27,803	58,820	17,467	104,145
Tarrant	450	70,564	164,570	44,072	279,657
Travis	213	31,481	77,720	24,074	133,489
EPO	1,270	201,237	403,093	126,092	731,692
Total	4,440	772,392	1,594,123	472,880	2,843,836

**Adjustment Factor**

Bexar	0.9841	0.9607	0.9843	0.9859	0.9824
Dallas	0.9717	0.9623	0.9864	0.9874	0.9834
El Paso	0.9793	0.9615	0.9824	0.9893	0.9822
Jefferson	0.9776	0.9654	0.9828	0.9856	0.9808
Harris	0.9822	0.9591	0.9832	0.9866	0.9807
Lubbock	0.9836	0.9569	0.9834	0.9864	0.9810
Nueces	0.9769	0.9560	0.9831	0.9853	0.9803
Tarrant	0.9833	0.9613	0.9849	0.9878	0.9829
Travis	0.9678	0.9600	0.9833	0.9872	0.9818
EPO	0.9719	0.9638	0.9851	0.9858	0.9824
Total	0.9782	0.9614	0.9844	0.9867	0.9820

## ***Attachment 7***

### **Family Planning Adjustment**

Some of the MCOs that participate in the STAR, CHIP and CHIP Perinatal programs are not able to provide family planning services. For these MCOs, family planning service will be provided through Fee-for-Service. HHSC provided us with a listing of those family planning drugs that will not be provided by these MCOs. Using base period claims experience, we determined the percentage of prescription drug claims cost expected to be represented by these family planning drugs. The pharmacy carve-in premium rates for those MCOs that do not provide family planning services have been reduced accordingly.

The attached exhibits present a summary of the family planning adjustment factor analysis. Exhibit A presents the analysis for the STAR program. Exhibit B presents the analysis for the CHIP program. Exhibit C presents the analysis for the CHIP Perinatal program.



Risk Group	Nueces	Travis	Total
<b>VDP Incurred Claims - 3/1/2011 thru 2/29/2012</b>			
TANF Children 1+	5,274,113	6,338,907	11,613,020
TANF Children <1	402,351	501,369	903,720
TANF Adults	3,686,552	7,176,863	10,863,415
Pregnant Women	1,865,283	1,957,951	3,823,234
Newborns	2,925,567	2,607,787	5,533,354
Expansion Children 1+	8,989,774	8,200,499	17,190,273
Expansion Children <1	101,501	312,684	414,185
Federal Mandate	16,395,712	13,117,346	29,513,058
Total	39,640,853	40,213,406	79,854,259

**Family Planning Drugs**

TANF Children 1+	-40,390	-82,491	-122,881
TANF Children <1	0	0	0
TANF Adults	-73,363	-173,992	-247,354
Pregnant Women	-132,377	-118,007	-250,384
Newborns	0	0	0
Expansion Children 1+	0	-28	-28
Expansion Children <1	0	0	0
Federal Mandate	-153,550	-172,460	-326,009
Total	-399,680	-546,978	-946,657

**Adjusted Incurred Claims**

TANF Children 1+	5,233,723	6,256,416	11,490,139
TANF Children <1	402,351	501,369	903,720
TANF Adults	3,613,189	7,002,871	10,616,061
Pregnant Women	1,732,906	1,839,944	3,572,850
Newborns	2,925,567	2,607,787	5,533,354
Expansion Children 1+	8,989,774	8,200,471	17,190,245
Expansion Children <1	101,501	312,684	414,185
Federal Mandate	16,242,162	12,944,886	29,187,049
Total	39,241,174	39,666,428	78,907,602

**Family Planning Adjustment Factor**

TANF Children 1+	-0.0077	-0.0130	-0.0106
TANF Children <1	0.0000	0.0000	0.0000
TANF Adults	-0.0199	-0.0242	-0.0228
Pregnant Women	-0.0710	-0.0603	-0.0655
Newborns	0.0000	0.0000	0.0000
Expansion Children 1+	0.0000	0.0000	0.0000
Expansion Children <1	0.0000	0.0000	0.0000
Federal Mandate	-0.0094	-0.0131	-0.0110
Total	-0.0101	-0.0136	-0.0119

<u>Risk Group</u>	<u>Nueces</u>	<u>Travis</u>	<u>Total</u>
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**VDP Incurred Claims - 3/1/2011 thru 2/29/2012**

Under Age 1	2,373	6,618	8,991
Ages 1-5	632,068	786,878	1,418,946
Ages 6-14	3,472,855	4,644,785	8,117,640
Ages 15-18	1,185,594	1,876,898	3,062,492
Total	5,292,890	7,315,179	12,608,069

**Family Planning Drugs**

Under Age 1	0	0	0
Ages 1-5	0	0	0
Ages 6-14	-5,453	-2,654	-8,107
Ages 15-18	-22,749	-20,318	-43,068
Total	-28,202	-22,973	-51,175

**Adjusted Incurred Claims**

Under Age 1	2,373	6,618	8,991
Ages 1-5	632,068	786,878	1,418,946
Ages 6-14	3,467,402	4,642,131	8,109,533
Ages 15-18	1,162,845	1,856,580	3,019,424
Total	5,264,688	7,292,206	12,556,894

**Family Planning Adjustment Factor**

Under Age 1	0.0000	0.0000	0.0000
Ages 1-5	0.0000	0.0000	0.0000
Ages 6-14	-0.0016	-0.0006	-0.0010
Ages 15-18	-0.0192	-0.0108	-0.0141
Total	-0.0053	-0.0031	-0.0041

<u>Risk Group</u>	<u>Nueces</u>	<u>Travis</u>	<u>Total</u>
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**VDP Incurred Claims - 3/1/2011 thru 2/29/2012**

Perinate <185% FPL	57,634	308,248	365,882
Perinate 185%+ FPL	2,558	10,356	12,914
Newborn <185% FPL	110	468	578
Newborn 185%+ FPL	738	1,853	2,591
Total	61,040	320,925	381,965

**Family Planning Drugs**

Perinate <185% FPL	-23	-92	-116
Perinate 185%+ FPL			0
Newborn <185% FPL			0
Newborn 185%+ FPL			0
Total	-23	-92	-116

**Adjusted Incurred Claims**

Perinate <185% FPL	57,611	308,156	365,766
Perinate 185%+ FPL	2,558	10,356	12,914
Newborn <185% FPL	110	468	578
Newborn 185%+ FPL	738	1,853	2,591
Total	61,017	320,833	381,849

**Family Planning Adjustment Factor**

Perinate <185% FPL	-0.0004	-0.0003	-0.0003
Perinate 185%+ FPL	0.0000	0.0000	0.0000
Newborn <185% FPL	0.0000	0.0000	0.0000
Newborn 185%+ FPL	0.0000	0.0000	0.0000
Total	-0.0004	-0.0003	-0.0003

## *Attachment 8*

### Managed Care Efficiency Factor

The pharmacy reimbursement methodology under pharmacy carve-in is significantly different from that which existed under the Vendor Drug Program. The dispensing fee under the VDP program averages approximately \$8.00 per prescription (after the September 1, 2011 dispensing fee reduction discussed in a previous section) while the dispensing fee under carve-in averages around \$1.50 per prescription (assumed average for all MCOs combined).

On the ingredient cost side, it is anticipated that the MCOs will pay the pharmacies more than VDP currently pays. For brand drugs we have assumed that the mean Average Wholesale Price (AWP) discount under carve-in will be 16% while the current VDP discount is around 18.3%. For generic drug ingredient cost, we have assumed that, on average, the MCOs will pay the pharmacies around 10% more than that paid under VDP. These assumptions are based on our analysis of VDP claims experience, pharmacy reimbursement information provided by the MCOs and current Maximum Allowable Cost (MAC) schedules used under several large Texas commercial plans. Please note that the above assumptions are assumed to be applicable to overall pharmacy carve-in experience, not necessarily to any one individual MCO specifically. Also, the pharmacy reimbursement assumptions are assumed to apply to all pharmacies overall, not necessarily to any one individual pharmacy or category of pharmacies.

Based on the above analysis we have established a 5% managed care discount factor for all programs and service areas except the Hidalgo service area in STAR. The 5% assumption was developed assuming that overall pharmacy reimbursement under carve-in will be 4% lower than that under VDP and that the MCOs will have a positive impact on utilization representing 1% of prescription drug cost.

Prescription drug utilization for children in the Hidalgo service area is around 80% higher than that for the remainder of the state. Based on this information it was determined that the opportunity for cost reduction under pharmacy carve-in is greater in the Hidalgo service area than in other STAR service areas. The MCOs are expected to reduce pharmacy cost through more cost-effective professional provider contracting and increased management of both the medical and prescription drug benefit.

The managed care efficiency factors for STAR Hidalgo were determined by assuming that the MCOs would reduce the excess pharmacy cost (defined as excess of Hidalgo cost over the average of the other STAR service areas) by 25%. For example, the pharmacy claims cost for Expansion Children in the Hidalgo service area is around 116% higher than that for the remainder of the state. We have assumed that the MCOs will reduce the prescription drug cost by 28.4%. It is anticipated that the opportunities for reducing cost will increase over time. However, given implementation of managed care in a new service area and the authorization of service limitations placed on the MCO by HHSC, it is our opinion that a lower managed care efficiency factor is reasonable and appropriate.

The attached exhibit presents a summary of the managed care efficiency factor analysis for the STAR Hidalgo service area.



FY2013 Pharmacy Carve-in Rating Analysis  
VDP Experience for STAR

	All Service Areas			Hidalgo			All Areas except Hidalgo			Ratio:		Adjustment
	Member Months	Incurred Claims	Incurred pmpm	Member Months	Incurred Claims	Incurred pmpm	Member Months	Incurred Claims	Incurred pmpm	Hidalgo to All Other	Mean	Factor
TANF Children												
FY2008	1,697,051	60,014,409	35.36	448,365	23,634,547	52.71	1,248,686	36,379,861	29.13	1.809		
FY2009	1,714,621	62,803,918	36.63	431,341	24,578,599	56.98	1,283,280	38,225,319	29.79	1.913		
FY2010	1,911,267	70,051,100	36.65	457,543	26,081,845	57.00	1,453,724	43,969,255	30.25	1.885		
FY2011	2,583,220	99,144,807	38.38	499,864	30,672,726	61.36	2,083,356	68,472,081	32.87	1.867		
9/11-2/12	1,797,435	74,045,575	41.20	291,016	18,805,049	64.62	1,506,419	55,240,527	36.67	1.762	1.818	0.775
TANF Adults												
FY2008	383,876	29,977,484	78.09	52,451	4,011,857	76.49	331,425	25,965,627	78.35	0.976		
FY2009	402,989	31,281,166	77.62	48,167	3,804,618	78.99	354,822	27,476,547	77.44	1.020		
FY2010	469,714	34,766,409	74.02	53,380	3,906,009	73.17	416,334	30,860,400	74.12	0.987		
FY2011	680,298	55,694,894	81.87	80,186	6,926,761	86.38	600,112	48,768,133	81.27	1.063		
9/11-2/12	510,635	46,644,387	91.35	64,487	6,028,794	93.49	446,148	40,615,593	91.04	1.027	1.022	0.997
Pregnant Women												
FY2008	1,202,798	47,779,741	39.72	120,222	5,218,635	43.41	1,082,576	42,561,106	39.31	1.104		
FY2009	1,193,046	46,950,556	39.35	120,754	5,241,401	43.41	1,072,292	41,709,155	38.90	1.116		
FY2010	1,213,837	50,629,798	41.71	123,241	5,833,000	47.33	1,090,596	44,796,798	41.08	1.152		
FY2011	1,214,169	49,581,658	40.84	124,052	5,649,053	45.54	1,090,117	43,932,605	40.30	1.130		
9/11-2/12	584,748	22,351,988	38.22	59,211	2,426,757	40.98	525,537	19,925,231	37.91	1.081	1.122	0.969
Newborns												
FY2008	1,948,609	67,426,253	34.60	206,973	13,795,324	66.65	1,741,636	53,630,928	30.79	2.165		
FY2009	2,061,868	70,149,014	34.02	221,190	14,886,905	67.30	1,840,678	55,262,109	30.02	2.242		
FY2010	2,112,505	68,572,732	32.46	223,035	14,702,668	65.92	1,889,470	53,870,065	28.51	2.312		
FY2011	2,234,986	77,194,920	34.54	248,360	17,729,796	71.39	1,986,626	59,465,125	29.93	2.385		
9/11-2/12	1,198,143	56,309,069	47.00	138,189	12,722,306	92.06	1,059,954	43,586,763	41.12	2.239	2.280	0.680

FY2013 Pharmacy Carve-in Rating Analysis  
VDP Experience for STAR

	All Service Areas			Hidalgo			All Areas except Hidalgo			Ratio:		Adjustment
	Member Months	Incurred Claims	Incurred pmpm	Member Months	Incurred Claims	Incurred pmpm	Member Months	Incurred Claims	Incurred pmpm	Hidalgo to All Other	Mean	Factor
Expansion Children												
FY2008	7,219,895	241,905,372	33.51	920,126	53,523,471	58.17	6,299,769	188,381,900	29.90	1.945		
FY2009	7,239,807	228,573,614	31.57	893,739	52,561,987	58.81	6,346,068	176,011,628	27.74	2.120		
FY2010	8,222,550	250,743,176	30.49	1,012,599	58,995,108	58.26	7,209,951	191,748,067	26.59	2.191		
FY2011	8,953,327	278,913,343	31.15	1,086,460	66,842,662	61.52	7,866,867	212,070,681	26.96	2.282		
9/11-2/12	4,406,903	152,416,558	34.59	539,311	37,446,233	69.43	3,867,592	114,970,325	29.73	2.336	2.164	0.716
Federal Mandate Children												
FY2008	8,429,806	279,920,824	33.21	1,326,117	56,934,549	42.93	7,103,689	222,986,275	31.39	1.368		
FY2009	8,790,473	302,385,654	34.40	1,334,601	62,927,811	47.15	7,455,872	239,457,843	32.12	1.468		
FY2010	10,525,991	357,781,882	33.99	1,568,824	73,426,323	46.80	8,957,167	284,355,559	31.75	1.474		
FY2011	12,099,850	422,329,561	34.90	1,739,848	84,081,763	48.33	10,360,002	338,247,798	32.65	1.480		
9/11-2/12	6,218,527	225,593,048	36.28	887,457	45,539,005	51.31	5,331,070	180,054,042	33.77	1.519	1.459	0.888
Total												
FY2008	20,882,035	727,024,082	34.82	3,074,254	157,118,384	51.11	17,807,781	569,905,698	32.00	1.597		
FY2009	21,402,804	742,143,922	34.68	3,049,792	164,001,321	53.77	18,353,012	578,142,601	31.50	1.707		
FY2010	24,455,864	832,545,096	34.04	3,438,622	182,944,952	53.20	21,017,242	649,600,144	30.91	1.721		
FY2011	27,765,850	982,859,183	35.40	3,778,770	211,902,761	56.08	23,987,080	770,956,422	32.14	1.745		
9/11-2/12	14,716,391	577,360,624	39.23	1,979,671	122,968,143	62.12	12,736,720	454,392,481	35.68	1.741	1.701	0.825