

**STATE OF TEXAS
CHILDREN'S HEALTH INSURANCE
PROGRAM
CHIP RATE SETTING
STATE FISCAL YEAR 2011**

Prepared for:
Texas Health and Human Services Commission

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I. Introduction

Rudd and Wisdom, Inc. has been retained by the Texas Health and Human Services Commission (HHSC) to develop the state fiscal year 2011 (FY2011, September 1, 2010 through August 31, 2011) premium rates for health plans participating in the Texas Children's Health Insurance Program (CHIP). This report presents the rating methodology and assumptions used in developing the premium rates.

Rudd and Wisdom has provided actuarial services to the Texas Medicaid program for over 20 years. We have participated in the state's Medicaid managed care rating process since its inception in 1993 and in developing premium rates for CHIP plans since that program's inception in 2000. This year, as in previous years, we have worked closely with HHSC in developing the FY2011 CHIP premium rates.

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

- Monthly enrollment by age group for each health plan. This includes historical enrollment since September 2006 and a projection of future enrollment through August 2011.
- Claim lag reports by age group for each health plan for the period September 2006 through March 2010. These reports were provided by the health plans and include monthly paid claims by month of service.
- Financial Statistical Reports (FSR) for each participating health plan for FY2008, FY2009 and the first six months of FY2010. The FSR contains detailed information regarding monthly enrollment, revenue, incurred claims and administrative expenses, as reported by the health plan.
- Reports from the EQRO summarizing their analysis of the health plan's encounter data.
- Reports from the health plans providing information on high volume claimants during the experience period.
- Current (FY2010) premium rates for each health plan.
- Information from both HHSC and the health plans regarding recent changes in covered services and provider reimbursement under the State Medicaid and CHIP programs.
- Information from the health plans regarding current and projected payment rates for certain capitated services, such as mental health and vision.
- FY2009 acuity risk adjustment analysis prepared by the EQRO for each participating health plan.
- Information from the health plans regarding current and projected reinsurance premium rates.
- Information provided by HHSC regarding FY2009 CHIP health plan claims cost by type of service for certain services. This information was obtained from the encounter database.

- Information from HHSC regarding FY2010 and proposed FY2011 Medicaid provider reimbursement rates.
- Information provided by HHSC regarding the proposed zero-balance DRG rebasing.

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 FY2011 CHIP premium rates relies primarily on health plan financial experience. The historical claims experience data for each health plan was analyzed and estimates for the base period (FY2009) were developed. These estimates were then projected forward to FY2011 using assumed trend rates. Other plan expenditures such as capitated amounts, reinsurance costs and administrative expenses were added to the claims component in order to project the total FY2011 cost under the health plan. These projected total cost rates were determined separately for each health plan. The results of this analysis were then combined for all health plans in a service area in order to develop a set of community rates for each service area.

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

- Austin Area
- Corpus Christi Area
- Dallas Area
- El Paso Area
- Exclusive Provider Organization Area
- Fort Worth Area
- Houston Area
- Lubbock Area
- San Antonio Area

The Exclusive Provider Organization (EPO) plan serves 170 mostly rural Texas counties. The FY2011 premium rates for the EPO were developed using the same methodology as that used for all other CHIP health plans.

Premium rates were determined for the following age groups:

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

The services used in the analysis include the following:

- Inpatient Hospital
- Outpatient Hospital
- Physician Services
- Other Professional Services
- Lab, X-ray and Radiology Services
- Medical Supplies
- Behavioral Health Services
- EPSDT Medical Services
- Family Planning and Genetics Services
- Hearing Services
- Home Health Services
- Emergency Room Services

- Ambulance Services
- Vision Services

Services specifically excluded from the analysis include:

- Prescription Drugs
- Dental and Orthodontia Services

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

We projected the FY2011 cost for each individual health plan by estimating their base period (FY2009) average claims cost and then applying trend and other adjustment factors. (These adjustment factors are described in more detail in Section III.) We added capitation expenses for services capitated by the health plan (such as vision and behavioral health), a net cost of reinsurance, a reasonable provision for administrative expenses and a risk margin. Attachment 2 presents a description and an example of the experience analysis for a sample health plan. This type of analysis was conducted on the experience of each participating CHIP health plan.

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

HHSC utilized the combination of two rating methodologies in setting the FY2011 CHIP premium rates – individual plan experience rating and community rating. The individual plan experience rating method is described above and documented in Attachment 2. The community rates are developed by a weighted average of the projected FY2011 cost for each health plan in the service area (from the individual plan experience rating method). The weights used in this formula are the projected FY2011 number of members enrolled in each health plan by age group. Attachment 3 presents the summary community rating exhibit for each service area along with a description of the analysis.

The base community rate in each service area was adjusted to reflect the health status, or acuity, of the population enrolled in each health plan. The purpose of acuity risk adjustment is to recognize the anticipated cost differential between multiple health plans in a service area by analyzing the health status of their respective memberships. Additional information regarding risk adjustment is included in Section III below under Risk Adjustment and in Attachment 5.

The FY2011 CHIP health plan premium rates were then defined as the following: the minimum of (a) 110% of the rate developed using the individual experience of the plan and (b) the maximum of (i) community rate with full risk adjustment and (ii) 92.5% of the rate

developed using the individual experience of the plan. Any resulting rate decrease was limited to 10%.

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

III. Adjustment Factors

This section contains a description of the adjustment factors used in the FY2011 CHIP rate setting process.

Trend Factors

The rating methodology uses assumed trend factors to adjust the base period claims cost to the projection period. The cost trend factors used in this analysis are a combination of utilization and inflation components. The projected trend rate assumptions were developed by the actuary based on an analysis of recent experience under the CHIP program. A single trend assumption applied to all service areas but varies by projection year (FY2010 and FY2011).

The trend analysis included a review of HMO and EPO claims experience data through March 31, 2010. Based on this information, estimates of monthly incurred claims were made through January 2010. The claims cost and trend experience was reviewed separately by service area. The service area trends were then combined into a statewide average using a weighted average formula with estimated incurred claims as the weights.

In general, the cost trends were relatively high during the period May 2009 through September 2009 across all service areas. It is the opinion of HHSC staff and the consulting actuary that the major cause of the higher than expected cost was the H1N1 pandemic. We do not expect this level of trend to be repeated during the remainder of FY2010 or FY2011. Therefore, we have made adjustments to the trend assumptions to remove the estimated additional cost resulting from H1N1.

FY2009 trends are used in our development of future trend assumptions. For purposes of this analysis, FY2009 trends were defined as the trend during the period September 2008 through April 2009. Trend experience for the period May 2009 through August 2009 was excluded in order to adjust for H1N1. The FY2010 trend assumptions were developed using the weighted average health plan trend for the period October 1, 2009 through January 31, 2010. An additional adjustment was made to the FY2010 trend assumptions to recognize the overstatement in the FY2009 claims experience resulting from H1N1. The FY2009 H1N1 cost impact percentage was defined to be the difference in the trend between (i) the September 2008 through April 2009 experience period and (ii) all of FY2009. The FY2011 trend assumption was selected based on the overall recent experience of the program, adjusted for FREW and H1N1, and the actuary's professional judgment regarding future cost increases.

This analysis was used to select an annual trend rate assumption of 6.0% for FY2010 and 5.0% for FY2011 for each health plan.

Provider Reimbursement Adjustment

There were several significant revisions to the Texas Medicaid fee schedule which were included in the CHIP rating analysis. Reimbursement changes were recognized for the following services: rural health clinics, federally qualified health centers, the 1% provider

rate cuts and the limited DRG rebasing. The cost of additional benefits were recognized for new well-child visits and developmental and autism screenings.

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

Facility Reimbursement Adjustments

For FY2011, HHSC has revised the rating methodology to exclude from the claims experience base any amounts paid by a health plan to a related party in excess of 100% of Medicaid. HHSC staff met with the health plans individually to determine (i) which providers had an owner-relationship to the health plan and (ii) the basis on which the health plan reimbursed the provider. All health plans in the affected service areas were impacted because the related party adjustment lowered the community rate applicable to all of the plans in that area. Exhibit E of Attachment 4 presents a summary of the derivation of these adjustment factors.

DRG Rebasing Adjustments

Effective September 1, 2010, HHSC is implementing zero-based DRG rebasing. This rebasing effort is intended to update the Standard Dollar Amounts and Relative Weights used in the Medicaid DRG payment system while achieving overall budget neutrality. While the rebasing process may be budget neutral overall, it is not budget neutral by program, service area, health plan or risk group.

HHSC staff has utilized the FY2009 encounter data to determine the cost impact from DRG Rebasing on each service area and risk group. Exhibit F of Attachment 4 presents a summary of the resulting adjustment factors.

Risk Adjustment

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

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

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

IV. Administrative Fees and Risk Margin

The rating methodology includes an explicit provision for health plan administrative services. The amount allocated for administrative expenses is \$9.00 per member per month (pmpm) plus 5.75% of gross premium. This amount is intended to provide for all administrative-related services performed by the HMO.

The premium rates also include an amount for premium tax (1.75% of premium), maintenance tax (\$0.11 pmpm) and a risk margin (2.0% of premium).

V. CHIP Perinatal

Since January 1, 2007, a new group of clients have been covered under the CHIP program – CHIP Perinatal. The purpose of this program is to extend CHIP services to unborn children of certain non-Medicaid eligible women. Newborns under this program receive the same benefits as current CHIP participants. There is no cost sharing applied to these participants. Also, for those newborns under 185% of the Federal Poverty Level (FPL), the initial inpatient facility cost will not be the financial responsibility of the health plan. Those costs will be carved-out and paid under Medicaid. All costs (including those for the initial inpatient facility stay) for newborns between 185% and 200% FPL are the responsibility of the health plan.

The CHIP benefits provided to expectant mothers are more limited in scope. They include the professional component of delivery services (for those clients under 185% FPL) and limited prenatal and post-natal services only. There will be no cost sharing applied to these participants.

We have developed premium rates for four categories of clients: (1) newborns under 185% of the Federal Poverty Level (FPL); (2) newborns between 185% and 200% FPL; (3) expectant mothers under 185% FPL; and (4) expectant mothers between 185% and 200% FPL.

The CHIP Perinatal FY2011 premium rates were derived using a methodology very similar to that described in Section II above for CHIP. Attachment 7 presents a description of the rating methodology used in developing the FY2011 CHIP Perinatal rates.

All babies born to mothers under 185% FPL in the CHIP Perinatal program on or after September 1, 2010, will be enrolled in Medicaid. CHIP Perinatal babies under 185% FPL born prior to September 1, 2010, will remain in CHIP Perinatal until their eligibility expires.

VI. CHIP Dental

The actuarial model used to derive the FY2011 CHIP Dental premium rates relied on recent dental plan financial experience. Historical claims experience data for the dental plan was analyzed and estimates for the FY2009 base period were developed. The claims experience was trended forward to FY2011 using assumed trend rates of 10.0% for FY2010 and 8.0% for FY2011.

Effective September 1, 2009, a change was made in the manner in which FQHCs were reimbursed by the program. Prior to that date, HHSC paid the FQHC any difference between their encounter rate and the amount paid by the CHIP dental plan. Beginning September 1, 2009, the CHIP Dental plan is responsible for the full encounter rate for FQHC visits. The rating analysis includes an adjustment for this additional cost.

Provisions for administrative expenses, taxes and risk margin were added to the projected claims to produce the FY2011 premium rates. Attachment 8 includes additional documentation regarding the rate calculation for CHIP Dental.

VII. Summary

The chart below presents results of the FY2011 CHIP rating analysis.

Health Plan	Regular CHIP				DSP
	Under Age 1	Ages 1-5	Ages 6-14	Ages 15-18	
FY2011 Premium Rates pmpm					
Seton – Austin	\$230.98	\$104.29	\$83.75	\$125.45	\$3,100.00
Superior - Austin	103.23	78.03	61.00	87.15	3,100.00
Amerigroup – Corpus	56.67	99.33	66.94	109.97	3,100.00
Driscoll – Corpus	171.71	137.21	95.07	156.94	3,100.00
Superior – Corpus	58.88	114.79	71.26	132.78	3,100.00
Amerigroup – Dallas	130.73	97.67	77.66	114.22	3,100.00
Parkland – Dallas	229.15	114.11	95.29	132.23	3,100.00
Unicare – Dallas	155.88	110.10	83.75	116.85	3,100.00
El Paso First – El Paso	99.52	92.99	66.80	77.90	3,100.00
Superior – El Paso	208.99	94.91	67.59	77.45	3,100.00
Aetna – Fort Worth	106.05	84.86	65.52	100.28	3,100.00
Amerigroup – Fort Worth	203.57	85.80	65.44	98.55	3,100.00
Cook – Fort Worth	199.29	98.40	84.12	119.96	3,100.00
Amerigroup – Houston	160.66	96.69	71.82	106.50	3,100.00
CHC – Houston	187.75	104.29	76.23	110.54	3,100.00
Molina – Houston	120.48	81.64	63.65	90.14	3,100.00
TCHP – Houston	394.57	113.18	92.91	131.20	3,100.00
UHC – Houston	258.32	104.85	81.88	124.28	3,100.00
Firstcare – Lubbock	89.25	82.96	78.91	107.90	3,100.00
Superior – Lubbock	104.82	79.81	70.65	92.52	3,100.00
Aetna – San Antonio	126.74	84.86	56.13	70.69	3,100.00
CFHP – San Antonio	168.49	115.64	80.16	103.08	3,100.00
Superior – San Antonio	91.49	97.51	68.08	85.43	3,100.00
Superior – EPO	181.80	106.79	76.17	100.56	3,100.00

Service Area	CHIP Perinatal				DSP
	Newborns Under 185% FPL	Newborns 185-200% FPL	Perinate Under 185% FPL	Perinate 185-200% FPL	
FY2011 Premium Rates pmpm					
Austin	\$233.26	\$508.97	\$311.05	\$345.91	\$3,100.00
Corpus Christi	323.13	508.97	352.13	345.91	3,100.00
Dallas	329.09	508.97	397.23	345.91	3,100.00
El Paso	214.94	508.97	391.24	345.91	3,100.00
Fort Worth	276.50	508.97	433.32	345.91	3,100.00
Houston	336.52	508.97	609.22	345.91	3,100.00
Lubbock	295.27	508.97	363.61	345.91	3,100.00
San Antonio	181.03	508.97	415.39	345.91	3,100.00
EPO Area	305.76	508.97	370.55	345.91	3,100.00

Tier	CHIP Dental			
	Under Age 1	Ages 1-5	Ages 6-14	Ages 15-18
FY2011 Premium Rates pmpm				
Tier I	\$1.19	\$13.14	\$20.72	\$16.63
Tier II	1.19	13.27	20.93	16.80
Tier III	1.19	13.53	21.40	17.16

Attachment 1 presents additional information regarding the FY2011 CHIP rates including a comparison to current rates. Attachments 7 and 8 contain additional information regarding the CHIP Perinatal and CHIP Dental plan rates, respectively.

VIII. Attachments

Attachment 1

Summary of FY2011 CHIP Rating Analysis

The attached exhibit presents summary information regarding the FY2011 CHIP health plan rates. Included on the exhibit are current (FY2010) premium, projected FY2011 enrollment, FY2011 premium and a comparison of FY2010 and FY2011 rates.

FY2011 CHIP Rating Summary

Health Plan	Age Bracket					Age Bracket				
	<1	1-5	6-14	15-18	Total	<1	1-5	6-14	15-18	Total
Projected FY2011 Member Months										
Seton - Austin	696	33,888	127,248	44,544	206,376					
Superior - Austin	432	23,952	63,852	17,412	105,648					
Amerigroup - Corpus	12	1,380	6,048	2,244	9,684					
Driscoll - Corpus	132	19,440	85,032	33,012	137,616					
Superior - Corpus	48	3,060	8,592	3,588	15,288					
Amerigroup - Dallas	1,056	70,656	263,820	85,680	421,212					
Parkland - Dallas	1,404	69,948	235,956	69,216	376,524					
Unicare - Dallas	300	12,900	49,200	17,376	79,776					
El Paso First - El Paso	252	21,216	102,732	47,904	172,104					
Superior - El Paso	132	13,368	57,492	22,332	93,324					
Aetna - Fort Worth	192	11,556	37,404	14,940	64,092					
Amerigroup - Fort Worth	732	37,056	102,732	25,956	166,476					
Cook - Fort Worth	1,068	63,984	224,256	72,564	361,872					
Amerigroup - Houston	408	34,056	129,444	48,072	211,980					
CHC - Houston	1,836	72,072	199,872	61,776	335,556					
Molina - Houston	48	2,976	14,052	6,276	23,352					
TCHP - Houston	2,640	171,636	576,432	185,292	936,000					
UHC - Houston	312	23,760	120,012	56,700	200,784					
Firstcare - Lubbock	120	9,828	34,488	12,996	57,432					
Superior - Lubbock	204	13,860	49,992	16,140	80,196					
Aetna - San Antonio	144	9,552	38,712	16,200	64,608					
CFHP - San Antonio	576	45,048	181,248	67,332	294,204					
Superior - San Antonio	132	20,988	80,544	30,600	132,264					
EPO Plan	2,856	217,620	860,376	322,152	1,403,004					
Total - All Plans	15,732	1,003,800	3,649,536	1,280,304	5,949,372					

FY2011 CHIP Rating Summary

Health Plan	Age Bracket					Age Bracket				
	<1	1-5	6-14	15-18	Total	<1	1-5	6-14	15-18	Total
FY2010 (Current) Premium Rates pmpm						Projected FY2011 Premium Based on FY2010 Rates				
Seton - Austin	219.27	99.49	79.59	141.16	96.62	152,612	3,371,517	10,127,668	6,287,831	19,939,628
Superior - Austin	242.09	82.01	65.17	106.84	76.58	104,583	1,964,304	4,161,235	1,860,298	8,090,419
Amerigroup - Corpus	88.75	100.19	81.98	107.81	90.57	1,065	138,262	495,815	241,926	877,068
Driscoll - Corpus	177.85	116.22	95.09	136.08	107.99	23,476	2,259,317	8,085,693	4,492,273	14,860,759
Superior - Corpus	89.89	94.21	77.79	102.57	86.93	4,315	288,283	668,372	368,021	1,328,990
Amerigroup - Dallas	108.25	95.71	76.81	109.67	86.74	114,312	6,762,486	20,264,014	9,396,526	36,537,338
Parkland - Dallas	133.54	111.53	92.07	127.01	102.26	187,490	7,801,300	21,724,469	8,791,124	38,504,384
Unicare - Dallas	124.78	97.01	77.60	111.96	88.40	37,434	1,251,429	3,817,920	1,945,417	7,052,200
El Paso First - El Paso	109.83	92.14	71.00	75.03	74.78	27,677	1,954,842	7,293,972	3,594,237	12,870,729
Superior - El Paso	104.95	92.10	67.45	70.47	71.76	13,853	1,231,193	3,877,835	1,573,736	6,696,618
Aetna - Fort Worth	128.51	94.08	69.51	86.23	78.01	24,674	1,087,188	2,599,952	1,288,276	5,000,091
Amerigroup - Fort Worth	108.57	89.95	68.44	87.02	76.30	79,473	3,333,187	7,030,978	2,258,691	12,702,330
Cook - Fort Worth	114.01	107.27	90.64	118.24	99.18	121,763	6,863,564	20,326,564	8,579,967	35,891,858
Amerigroup - Houston	292.59	84.69	63.93	87.53	73.06	119,377	2,884,203	8,275,355	4,207,742	15,486,676
CHC - Houston	215.39	98.79	72.24	103.89	84.55	395,456	7,119,993	14,438,753	6,417,909	28,372,111
Molina - Houston	237.12	102.38	68.26	95.72	80.34	11,382	304,683	959,190	600,739	1,875,993
TCHP - Houston	250.96	119.89	92.78	129.01	105.37	662,534	20,577,440	53,481,361	23,904,521	98,625,856
UHC - Houston	308.91	111.44	83.30	115.53	96.08	96,380	2,647,814	9,997,000	6,550,551	19,291,745
Firstcare - Lubbock	47.51	88.59	68.26	85.65	75.63	5,701	870,663	2,354,151	1,113,107	4,343,622
Superior - Lubbock	51.91	84.64	61.73	81.28	69.60	10,590	1,173,110	3,086,006	1,311,859	5,581,565
Aetna - San Antonio	151.50	94.62	63.32	75.99	71.32	21,816	903,810	2,451,244	1,231,038	4,607,908
CFHP - San Antonio	170.00	105.91	78.00	91.95	85.65	97,920	4,771,034	14,137,344	6,191,177	25,197,475
Superior - San Antonio	167.41	102.76	69.41	82.05	77.72	22,098	2,156,727	5,590,559	2,510,730	10,280,114
EPO Plan	148.97	108.29	76.34	93.74	85.44	425,458	23,566,070	65,681,104	30,198,528	119,871,160
Total - All Plans	175.53	104.88	79.72	105.38	89.74	2,761,439	105,282,418	290,926,553	134,916,225	533,886,636

FY2011 CHIP Rating Summary

Health Plan	Age Bracket					Age Bracket					
	<1	1-5	6-14	15-18	Total	<1	1-5	6-14	15-18	Total	
FY2011 Premium Rates pmpm (Individual Experience Rating)						FY2011 Premium					
Seton - Austin	166.89	117.03	91.25	131.65	104.45	116,152	3,965,783	11,610,751	5,864,107	21,556,793	
Superior - Austin	215.31	73.39	53.94	78.40	63.04	93,013	1,757,826	3,444,029	1,365,102	6,659,971	
Amerigroup - Corpus	37.83	75.33	53.24	114.08	70.47	454	103,950	322,007	256,005	682,415	
Driscoll - Corpus	172.88	144.74	98.45	159.50	119.71	22,820	2,813,710	8,371,542	5,265,280	16,473,352	
Superior - Corpus	69.04	97.31	62.55	131.88	85.80	3,314	297,755	537,406	473,178	1,311,653	
Amerigroup - Dallas	147.77	71.94	67.30	127.54	80.53	156,040	5,083,231	17,754,663	10,927,752	33,921,686	
Parkland - Dallas	216.93	135.00	105.25	124.21	114.68	304,577	9,442,875	24,833,440	8,597,483	43,178,375	
Unicare - Dallas	111.19	128.93	86.25	81.71	92.26	33,357	1,663,185	4,243,612	1,419,874	7,360,028	
El Paso First - El Paso	100.66	94.64	66.52	75.34	72.49	25,366	2,007,804	6,833,672	3,608,952	12,475,794	
Superior - El Paso	206.82	92.29	68.09	82.94	75.30	27,301	1,233,758	3,914,363	1,852,302	7,027,724	
Aetna - Fort Worth	73.00	76.43	54.59	104.47	70.21	14,016	883,223	2,042,046	1,560,728	4,500,013	
Amerigroup - Fort Worth	323.78	63.62	52.00	135.87	68.86	237,008	2,357,605	5,341,866	3,526,555	11,463,035	
Cook - Fort Worth	135.54	117.37	94.86	109.07	101.81	144,762	7,509,682	21,272,551	7,914,694	36,841,689	
Amerigroup - Houston	107.93	72.39	59.82	122.86	76.23	44,036	2,465,382	7,743,684	5,906,241	16,159,343	
CHC - Houston	352.65	95.07	78.81	97.94	87.32	647,461	6,851,986	15,752,196	6,050,523	29,302,167	
Molina - Houston	168.45	66.00	58.40	84.19	66.53	8,086	196,416	820,649	528,402	1,553,552	
TCHP - Houston	304.50	126.45	99.24	134.67	111.82	803,868	21,703,151	57,206,647	24,953,805	104,667,470	
UHC - Houston	140.60	92.42	71.49	126.27	89.55	43,867	2,195,941	8,579,928	7,159,492	17,979,228	
Firstcare - Lubbock	88.33	84.60	79.37	136.33	93.17	10,599	831,418	2,737,399	1,771,725	5,351,142	
Superior - Lubbock	104.65	76.93	68.67	66.48	69.75	21,348	1,066,267	3,432,753	1,073,017	5,593,387	
Aetna - San Antonio	89.58	73.55	51.88	58.08	56.72	12,899	702,555	2,008,494	940,894	3,664,841	
CFHP - San Antonio	174.73	124.60	84.97	116.34	98.39	100,643	5,612,851	15,400,370	7,833,544	28,947,408	
Superior - San Antonio	108.66	90.96	64.26	69.74	69.81	14,343	1,908,993	5,175,416	2,134,092	9,232,844	
EPO Plan	184.75	106.97	75.92	99.46	86.36	527,638	23,277,885	65,320,626	32,040,598	121,166,746	
Total - All Plans	216.94	105.53	80.75	111.71	91.95	3,412,969	105,933,232	294,700,109	143,024,345	547,070,655	

FY2011 CHIP Rating Summary

Health Plan	Age Bracket					Total	Age Bracket				
	<1	1-5	6-14	15-18	Total		<1	1-5	6-14	15-18	Total
FY2011 Premium Rate Change Relative to Current Rates						FY2011 Average Rates (weighted using total program members)					
Seton - Austin	-23.9%	17.6%	14.6%	-6.7%	8.1%	104.49					
Superior - Austin	-11.1%	-10.5%	-17.2%	-26.6%	-17.7%	62.91					
Amerigroup - Corpus	-57.4%	-24.8%	-35.1%	5.8%	-22.2%	70.02					
Driscoll - Corpus	-2.8%	24.5%	3.5%	17.2%	10.9%	119.59					
Superior - Corpus	-23.2%	3.3%	-19.6%	28.6%	-1.3%	83.35					
Amerigroup - Dallas	36.5%	-24.8%	-12.4%	16.3%	-7.2%	81.26					
Parkland - Dallas	62.4%	21.0%	14.3%	-2.2%	12.1%	114.64					
Unicare - Dallas	-10.9%	32.9%	11.1%	-27.0%	4.4%	92.54					
El Paso First - El Paso	-8.3%	2.7%	-6.3%	0.4%	-3.1%	73.25					
Superior - El Paso	97.1%	0.2%	0.9%	17.7%	4.9%	75.73					
Aetna - Fort Worth	-43.2%	-18.8%	-21.5%	21.1%	-10.0%	69.06					
Amerigroup - Fort Worth	198.2%	-29.3%	-24.0%	56.1%	-9.8%	72.73					
Cook - Fort Worth	18.9%	9.4%	4.7%	-7.8%	2.6%	101.82					
Amerigroup - Houston	-63.1%	-14.5%	-6.4%	40.4%	4.3%	75.64					
CHC - Houston	63.7%	-3.8%	9.1%	-5.7%	3.3%	86.40					
Molina - Houston	-29.0%	-35.5%	-14.4%	-12.0%	-17.2%	65.52					
TCHP - Houston	21.3%	5.5%	7.0%	4.4%	6.1%	112.00					
UHC - Houston	-54.5%	-17.1%	-14.2%	9.3%	-6.8%	86.99					
Firstcare - Lubbock	85.9%	-4.5%	16.3%	59.2%	23.2%	92.53					
Superior - Lubbock	101.6%	-9.1%	11.2%	-18.2%	0.2%	69.69					
Aetna - San Antonio	-40.9%	-22.3%	-18.1%	-23.6%	-20.5%	56.97					
CFHP - San Antonio	2.8%	17.6%	8.9%	26.5%	14.9%	98.64					
Superior - San Antonio	-35.1%	-11.5%	-7.4%	-15.0%	-10.2%	70.06					
EPO Plan	24.0%	-1.2%	-0.5%	6.1%	1.1%	86.51					
Total - All Plans	23.6%	0.6%	1.3%	6.0%	2.5%	91.95					

FY2011 CHIP Rating Summary

Health Plan	Age Bracket					Total	Age Bracket					
	<1	1-5	6-14	15-18	<1		1-5	6-14	15-18	Total		
FY2011 Premium Rates pmpm (Community Rating without Risk Adjustment)							FY2011 Premium					
Seton - Austin	185.43	98.96	78.78	116.68	90.63	129,059	3,353,417	10,024,545	5,197,526	18,704,548		
Superior - Austin	185.43	98.96	78.78	116.68	90.04	80,106	2,370,192	5,030,234	2,031,684	9,512,216		
Amerigroup - Corpus	138.48	134.65	92.61	154.32	112.96	1,662	185,815	560,125	346,297	1,093,900		
Driscoll - Corpus	138.48	134.65	92.61	154.32	113.40	18,279	2,617,574	7,875,096	5,094,460	15,605,409		
Superior - Corpus	138.48	134.65	92.61	154.32	115.65	6,647	412,025	795,734	553,705	1,768,111		
Amerigroup - Dallas	178.98	105.46	85.31	121.58	96.30	188,999	7,451,731	22,505,798	10,417,113	40,563,641		
Parkland - Dallas	178.98	105.46	85.31	121.58	96.07	251,282	7,377,062	20,128,793	8,415,393	36,172,530		
Unicare - Dallas	178.98	105.46	85.31	121.58	96.82	53,693	1,360,498	4,197,124	2,112,602	7,723,917		
El Paso First - El Paso	137.15	93.73	67.08	77.76	73.44	34,563	1,988,578	6,891,397	3,724,812	12,639,350		
Superior - El Paso	137.15	93.73	67.08	77.76	73.55	18,104	1,252,984	3,856,639	1,736,442	6,864,169		
Aetna - Fort Worth	198.69	95.48	78.64	114.60	90.42	38,148	1,103,351	2,941,520	1,712,053	5,795,072		
Amerigroup - Fort Worth	198.69	95.48	78.64	114.60	88.52	145,440	3,538,056	8,079,035	2,974,434	14,736,965		
Cook - Fort Worth	198.69	95.48	78.64	114.60	89.18	212,199	6,109,104	17,635,908	8,315,490	32,272,700		
Amerigroup - Houston	295.06	109.73	86.65	124.54	99.35	120,386	3,736,975	11,216,745	5,986,712	21,060,818		
CHC - Houston	295.06	109.73	86.65	124.54	99.72	541,738	7,908,482	17,319,561	7,693,358	33,463,140		
Molina - Houston	295.06	109.73	86.65	124.54	100.20	14,163	326,557	1,217,652	781,590	2,339,962		
TCHP - Houston	295.06	109.73	86.65	124.54	98.97	778,970	18,833,670	49,949,714	23,075,591	92,637,945		
UHC - Houston	295.06	109.73	86.65	124.54	100.41	92,060	2,607,192	10,399,431	7,061,212	20,159,895		
Firstcare - Lubbock	98.60	80.11	73.04	97.64	79.87	11,833	787,338	2,518,895	1,268,886	4,586,951		
Superior - Lubbock	98.60	80.11	73.04	97.64	79.28	20,115	1,110,348	3,651,258	1,575,856	6,357,577		
Aetna - San Antonio	150.10	108.81	75.15	95.58	85.42	21,614	1,039,311	2,909,388	1,548,367	5,518,680		
CFHP - San Antonio	150.10	108.81	75.15	95.58	85.13	86,457	4,901,475	13,621,634	6,435,471	25,045,037		
Superior - San Antonio	150.10	108.81	75.15	95.58	85.29	19,813	2,283,612	6,053,258	2,924,693	11,281,376		
EPO Plan	181.80	106.79	76.17	100.56	86.74	519,211	23,240,039	65,537,413	32,396,461	121,693,124		
Total - All Plans	216.41	105.49	80.81	111.99	92.04	3,404,542	105,895,386	294,916,897	143,380,208	547,597,033		

FY2011 CHIP Rating Summary

Health Plan	Age Bracket					Total	Age Bracket				
	<1	1-5	6-14	15-18	Total		<1	1-5	6-14	15-18	Total
FY2011 Premium Rate Change Relative to Current Rates						FY2011 Average Rates (weighted using total program members)					
Seton - Austin	-15.4%	-0.5%	-1.0%	-17.3%	-6.2%	90.62					
Superior - Austin	-23.4%	20.7%	20.9%	9.2%	17.6%	90.62					
Amerigroup - Corpus	56.0%	34.4%	13.0%	43.1%	24.7%	113.11					
Driscoll - Corpus	-22.1%	15.9%	-2.6%	13.4%	5.0%	113.11					
Superior - Corpus	54.1%	42.9%	19.1%	50.5%	33.0%	113.11					
Amerigroup - Dallas	65.3%	10.2%	11.1%	10.9%	11.0%	96.76					
Parkland - Dallas	34.0%	-5.4%	-7.3%	-4.3%	-6.1%	96.76					
Unicare - Dallas	43.4%	8.7%	9.9%	8.6%	9.5%	96.76					
El Paso First - El Paso	24.9%	1.7%	-5.5%	3.6%	-1.8%	74.06					
Superior - El Paso	30.7%	1.8%	-0.5%	10.3%	2.5%	74.06					
Aetna - Fort Worth	54.6%	1.5%	13.1%	32.9%	15.9%	89.54					
Amerigroup - Fort Worth	83.0%	6.1%	14.9%	31.7%	16.0%	89.54					
Cook - Fort Worth	74.3%	-11.0%	-13.2%	-3.1%	-10.1%	89.54					
Amerigroup - Houston	0.8%	29.6%	35.5%	42.3%	36.0%	99.25					
CHC - Houston	37.0%	11.1%	20.0%	19.9%	17.9%	99.25					
Molina - Houston	24.4%	7.2%	26.9%	30.1%	24.7%	99.25					
TCHP - Houston	17.6%	-8.5%	-6.6%	-3.5%	-6.1%	99.25					
UHC - Houston	-4.5%	-1.5%	4.0%	7.8%	4.5%	99.25					
Firstcare - Lubbock	107.5%	-9.6%	7.0%	14.0%	5.6%	79.59					
Superior - Lubbock	90.0%	-5.4%	18.3%	20.1%	13.9%	79.59					
Aetna - San Antonio	-0.9%	15.0%	18.7%	25.8%	19.8%	85.43					
CFHP - San Antonio	-11.7%	2.7%	-3.6%	3.9%	-0.6%	85.43					
Superior - San Antonio	-10.3%	5.9%	8.3%	16.5%	9.7%	85.43					
EPO Plan	22.0%	-1.4%	-0.2%	7.3%	1.5%	86.87					
Total - All Plans	23.3%	0.6%	1.4%	6.3%	2.6%	92.04					

FY2011 CHIP Rating Summary

Health Plan	Age Bracket					Age Bracket				
	<1	1-5	6-14	15-18	Total	<1	1-5	6-14	15-18	Total
FY2011 Premium Rates pmpm (Community Rating with Risk Adjustment)						FY2011 Premium				
Seton - Austin	219.38	99.05	79.54	119.15	91.77	152,687	3,356,712	10,121,858	5,307,433	18,938,689
Superior - Austin	130.74	98.82	77.26	110.37	87.82	56,479	2,366,897	4,932,922	1,921,777	9,278,074
Amerigroup - Corpus	65.36	114.55	77.20	126.82	94.01	784	158,084	466,920	284,594	910,382
Driscoll - Corpus	171.71	137.21	95.07	156.94	115.94	22,666	2,667,384	8,084,317	5,180,978	15,955,346
Superior - Corpus	65.36	127.43	79.11	147.41	104.77	3,137	389,946	679,719	528,890	1,601,692
Amerigroup - Dallas	138.18	103.23	82.08	120.72	93.63	145,914	7,293,757	21,655,327	10,343,487	39,438,486
Parkland - Dallas	214.60	106.87	89.24	123.83	99.34	301,295	7,475,195	21,056,076	8,571,266	37,403,831
Unicare - Dallas	155.88	110.10	83.75	116.85	95.49	46,765	1,420,339	4,120,312	2,030,355	7,617,771
El Paso First - El Paso	99.52	92.99	66.80	77.90	73.17	25,080	1,972,852	6,862,350	3,731,731	12,592,013
Superior - El Paso	208.99	94.91	67.59	77.45	74.06	27,587	1,268,710	3,885,686	1,729,523	6,911,505
Aetna - Fort Worth	107.61	86.11	66.49	101.76	78.37	20,661	995,122	2,487,054	1,520,247	5,023,084
Amerigroup - Fort Worth	222.24	93.67	71.44	107.59	82.69	162,676	3,471,123	7,339,122	2,792,581	13,765,503
Cook - Fort Worth	198.92	98.22	83.97	119.74	94.00	212,448	6,284,266	18,830,287	8,689,149	34,016,150
Amerigroup - Houston	179.85	108.24	80.41	119.22	93.87	73,379	3,686,241	10,407,956	5,731,269	19,898,845
CHC - Houston	187.75	104.29	76.23	110.54	89.18	344,707	7,516,745	15,235,303	6,828,477	29,925,233
Molina - Houston	145.23	98.41	76.73	108.66	88.21	6,971	292,863	1,078,164	681,948	2,059,946
TCHP - Houston	394.57	113.18	92.91	131.20	105.06	1,041,667	19,425,877	53,555,614	24,310,233	98,333,390
UHC - Houston	258.32	104.85	81.88	124.28	96.84	80,595	2,491,149	9,826,066	7,046,536	19,444,346
Firstcare - Lubbock	83.70	77.80	74.00	101.19	80.82	10,044	764,592	2,552,104	1,315,016	4,641,756
Superior - Lubbock	107.37	81.75	72.37	94.78	78.59	21,904	1,133,094	3,618,048	1,529,726	6,302,772
Aetna - San Antonio	149.56	100.13	66.24	83.42	75.75	21,537	956,486	2,564,384	1,351,445	4,893,852
CFHP - San Antonio	161.25	110.68	76.72	98.65	87.10	92,881	4,985,756	13,905,257	6,642,178	25,626,071
Superior - San Antonio	102.02	108.74	75.92	95.26	85.63	13,467	2,282,157	6,114,639	2,914,907	11,325,170
EPO Plan	181.80	106.79	76.17	100.56	86.74	519,211	23,240,039	65,537,413	32,396,461	121,693,124
Total - All Plans	216.41	105.49	80.81	111.99	92.04	3,404,542	105,895,386	294,916,897	143,380,208	547,597,033

FY2011 CHIP Rating Summary

Health Plan	Age Bracket					Total	Age Bracket				
	<1	1-5	6-14	15-18	Total		<1	1-5	6-14	15-18	Total
FY2011 Premium Rate Change Relative to Current Rates						FY2011 Average Rates (weighted using total program members)					
Seton - Austin	0.0%	-0.4%	-0.1%	-15.6%	-5.0%	91.73					
Superior - Austin	-46.0%	20.5%	18.5%	3.3%	14.7%	88.16					
Amerigroup - Corpus	-26.4%	14.3%	-5.8%	17.6%	3.8%	94.15					
Driscoll - Corpus	-3.5%	18.1%	0.0%	15.3%	7.4%	115.70					
Superior - Corpus	-27.3%	35.3%	1.7%	43.7%	20.5%	101.92					
Amerigroup - Dallas	27.6%	7.9%	6.9%	10.1%	7.9%	94.11					
Parkland - Dallas	60.7%	-4.2%	-3.1%	-2.5%	-2.9%	99.99					
Unicare - Dallas	24.9%	13.5%	7.9%	4.4%	8.0%	95.51					
El Paso First - El Paso	-9.4%	0.9%	-5.9%	3.8%	-2.2%	73.69					
Superior - El Paso	99.1%	3.0%	0.2%	9.9%	3.2%	74.69					
Aetna - Fort Worth	-16.3%	-8.5%	-4.3%	18.0%	0.5%	77.50					
Amerigroup - Fort Worth	104.7%	4.1%	4.4%	23.6%	8.4%	83.37					
Cook - Fort Worth	74.5%	-8.4%	-7.4%	1.3%	-5.2%	94.37					
Amerigroup - Houston	-38.5%	27.8%	25.8%	36.2%	28.5%	93.72					
CHC - Houston	-12.8%	5.6%	5.5%	6.4%	5.5%	88.64					
Molina - Houston	-38.8%	-3.9%	12.4%	13.5%	9.8%	87.44					
TCHP - Houston	57.2%	-5.6%	0.1%	1.7%	-0.3%	105.37					
UHC - Houston	-16.4%	-5.9%	-1.7%	7.6%	0.8%	95.34					
Firstcare - Lubbock	76.2%	-12.2%	8.4%	18.1%	6.9%	80.52					
Superior - Lubbock	106.8%	-3.4%	17.2%	16.6%	12.9%	78.87					
Aetna - San Antonio	-1.3%	5.8%	4.6%	9.8%	6.2%	75.88					
CFHP - San Antonio	-5.1%	4.5%	-1.6%	7.3%	1.7%	87.39					
Superior - San Antonio	-39.1%	5.8%	9.4%	16.1%	10.2%	85.69					
EPO Plan	22.0%	-1.4%	-0.2%	7.3%	1.5%	86.87					
Total - All Plans	23.3%	0.6%	1.4%	6.3%	2.6%	92.04					

FY2011 CHIP Rating Summary

Health Plan	Age Bracket					Age Bracket				
	<1	1-5	6-14	15-18	Total	<1	1-5	6-14	15-18	Total
Minimum of 110% of Individual Experience Rate and Community Rate w/ Risk Adjustment.						FY2011 Premium				
Maximum decrease 10%. Minimum of 92.5% of Individual Rate										
Seton - Austin	230.98	104.29	83.75	125.45	96.62	160,760	3,534,192	10,657,030	5,588,052	19,940,034
Superior - Austin	103.23	78.03	61.00	87.15	69.34	44,596	1,868,902	3,895,035	1,517,435	7,325,968
Amerigroup - Corpus	56.67	99.33	66.94	109.97	81.51	680	137,069	404,850	246,762	789,361
Driscoll - Corpus	171.71	137.21	95.07	156.94	115.94	22,666	2,667,384	8,084,317	5,180,978	15,955,346
Superior - Corpus	58.88	114.79	71.26	132.78	94.38	2,826	351,267	612,296	476,429	1,442,818
Amerigroup - Dallas	130.73	97.67	77.66	114.22	88.59	138,053	6,900,828	20,488,711	9,786,262	37,313,854
Parkland - Dallas	229.15	114.11	95.29	132.23	106.08	321,724	7,982,050	22,483,782	9,152,440	39,939,996
Unicare - Dallas	155.88	110.10	83.75	116.85	95.49	46,765	1,420,339	4,120,312	2,030,355	7,617,771
El Paso First - El Paso	99.52	92.99	66.80	77.90	73.17	25,080	1,972,852	6,862,350	3,731,731	12,592,013
Superior - El Paso	208.99	94.91	67.59	77.45	74.06	27,587	1,268,710	3,885,686	1,729,523	6,911,505
Aetna - Fort Worth	106.05	84.86	65.52	100.28	77.23	20,361	980,646	2,450,875	1,498,132	4,950,015
Amerigroup - Fort Worth	203.57	85.80	65.44	98.55	75.74	149,013	3,179,583	6,722,710	2,558,032	12,609,338
Cook - Fort Worth	199.29	98.40	84.12	119.96	94.17	212,838	6,295,796	18,864,836	8,705,092	34,078,562
Amerigroup - Houston	160.66	96.69	71.82	106.50	83.85	65,548	3,292,853	9,297,238	5,119,638	17,775,277
CHC - Houston	187.75	104.29	76.23	110.54	89.18	344,707	7,516,745	15,235,303	6,828,477	29,925,233
Molina - Houston	120.48	81.64	63.65	90.14	73.18	5,783	242,956	894,432	565,736	1,708,908
TCHP - Houston	394.57	113.18	92.91	131.20	105.06	1,041,667	19,425,877	53,555,614	24,310,233	98,333,390
UHC - Houston	258.32	104.85	81.88	124.28	96.84	80,595	2,491,149	9,826,066	7,046,536	19,444,346
Firstcare - Lubbock	89.25	82.96	78.91	107.90	86.19	10,710	815,334	2,721,475	1,402,287	4,949,806
Superior - Lubbock	104.82	79.81	70.65	92.52	76.72	21,383	1,106,119	3,531,915	1,493,309	6,152,725
Aetna - San Antonio	126.74	84.86	56.13	70.69	64.19	18,251	810,539	2,173,094	1,145,233	4,147,117
CFHP - San Antonio	168.49	115.64	80.16	103.08	91.01	97,050	5,209,552	14,529,424	6,940,326	26,776,352
Superior - San Antonio	91.49	97.51	68.08	85.43	76.79	12,077	2,046,581	5,483,455	2,614,015	10,156,128
EPO Plan	181.80	106.79	76.17	100.56	86.74	519,211	23,240,039	65,537,413	32,396,461	121,693,124
Total - All Plans	215.48	104.36	80.10	110.96	91.19	3,389,930	104,757,362	292,318,220	142,063,477	542,528,989

FY2011 CHIP Rating Summary

Health Plan	Age Bracket					Total	Age Bracket				
	<1	1-5	6-14	15-18	<1		1-5	6-14	15-18	Total	
FY2011 Premium Rate Change Relative to Current Rates											
Seton - Austin	5.3%	4.8%	5.2%	-11.1%	0.0%						
Superior - Austin	-57.4%	-4.9%	-6.4%	-18.4%	-9.4%						
Amerigroup - Corpus	-36.1%	-0.9%	-18.3%	2.0%	-10.0%						
Driscoll - Corpus	-3.5%	18.1%	0.0%	15.3%	7.4%						
Superior - Corpus	-34.5%	21.8%	-8.4%	29.5%	8.6%						
Amerigroup - Dallas	20.8%	2.0%	1.1%	4.1%	2.1%						
Parkland - Dallas	71.6%	2.3%	3.5%	4.1%	3.7%						
Unicare - Dallas	24.9%	13.5%	7.9%	4.4%	8.0%						
El Paso First - El Paso	-9.4%	0.9%	-5.9%	3.8%	-2.2%						
Superior - El Paso	99.1%	3.0%	0.2%	9.9%	3.2%						
Aetna - Fort Worth	-17.5%	-9.8%	-5.7%	16.3%	-1.0%						
Amerigroup - Fort Worth	87.5%	-4.6%	-4.4%	13.3%	-0.7%						
Cook - Fort Worth	74.8%	-8.3%	-7.2%	1.5%	-5.1%						
Amerigroup - Houston	-45.1%	14.2%	12.3%	21.7%	14.8%						
CHC - Houston	-12.8%	5.6%	5.5%	6.4%	5.5%						
Molina - Houston	-49.2%	-20.3%	-6.8%	-5.8%	-8.9%						
TCHP - Houston	57.2%	-5.6%	0.1%	1.7%	-0.3%						
UHC - Houston	-16.4%	-5.9%	-1.7%	7.6%	0.8%						
Firstcare - Lubbock	87.9%	-6.4%	15.6%	26.0%	14.0%						
Superior - Lubbock	101.9%	-5.7%	14.4%	13.8%	10.2%						
Aetna - San Antonio	-16.3%	-10.3%	-11.3%	-7.0%	-10.0%						
CFHP - San Antonio	-0.9%	9.2%	2.8%	12.1%	6.3%						
Superior - San Antonio	-45.3%	-5.1%	-1.9%	4.1%	-1.2%						
EPO Plan	22.0%	-1.4%	-0.2%	7.3%	1.5%						
Total - All Plans	22.8%	-0.5%	0.5%	5.3%	1.6%						

Attachment 2

Individual Health Plan Experience Analysis

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

Exhibit A. This exhibit shows monthly enrollment and earned premium by age group for the period September 2006 through March 2010. This information was provided by HHSC.

Exhibit B. This exhibit shows a sample of a claim lag report. This report includes claim amounts by payment month and month of service. We analyzed claims experience for each plan by age group for the period September 2006 through March 2010.

Exhibit C. This exhibit shows the calculation of estimated monthly incurred claims. The exhibit includes the following information: (i) monthly enrollment, (ii) claim amounts incurred in that month and paid through March, 2010, (iii) estimated proportion of that month's incurred claims paid through March, 2010 (completion factor), (iv) estimated incurred claims, (v) estimated incurred claims pmpm and (vi) the ratio of this month's incurred claims pmpm to the same statistic from one year ago (trend factor). The assumed completion factors and estimated incurred claims were derived based on the actual historical claims payment pattern of the health plan.

Exhibit D. This exhibit is a summary of the sample health plan's projected FY2011 cost based on the plan's actual experience. The top of the exhibit shows summary base period (FY2009) enrollment, premium and claims experience. Trend assumptions for FY2010 and FY2011 are used to project the average base period claims cost to FY2011. Following that are several adjustments for benefit and provider reimbursement changes.

In addition to incurred claims, provision is also made for services that are capitated by the health plan, such as vision and behavioral health services. The cost of reinsurance is also considered. In developing the cost of reinsurance, an assumption is made regarding how much the plan is expected to receive in reinsurance recoveries (reimbursements from the reinsurance company for large claims). We have assumed that the net cost of reinsurance (reinsurance premium less reinsurance recoveries) is the minimum of (a) the actual reinsurance premium rate and (b) \$1.00 pmpm.

The rating methodology includes an explicit provision for administrative expenses. The amount allocated for administrative expenses is \$9.00 pmpm plus 5.75% of gross premium. Provisions are also included for risk margin (2.0% of gross premium), premium tax (1.75%) and maintenance tax (\$.11 pmpm).

At the bottom of Exhibit D is a summary of the projected FY2011 cost based on the above assumptions

Sample Health Plan
Enrollment and Premium Experience

Month	Number of Members				Total Members	Premium	Premium pmpm	Adjusted Premium	Adj Prem pmpm
	<1	1-5	6-14	15-18					
Sep-06	124	5,188	15,901	5,132	26,345	1,912,339	72.59	2,111,234	80.14
Oct-06	114	4,896	15,278	4,918	25,206	1,827,852	72.52	2,019,166	80.11
Nov-06	104	4,410	14,441	4,721	23,676	1,719,029	72.61	1,896,042	80.08
Dec-06	98	4,151	13,842	4,541	22,632	1,643,508	72.62	1,812,129	80.07
Jan-07	84	3,945	13,248	4,363	21,640	1,569,212	72.51	1,732,324	80.05
Feb-07	80	3,778	12,940	4,286	21,084	1,529,380	72.54	1,687,582	80.04
Mar-07	85	3,602	12,610	4,236	20,533	1,493,965	72.76	1,643,939	80.06
Apr-07	72	3,458	12,326	4,107	19,963	1,448,064	72.54	1,597,192	80.01
May-07	68	3,360	12,063	4,013	19,504	1,413,847	72.49	1,560,178	79.99
Jun-07	57	3,315	11,940	3,987	19,299	1,396,455	72.36	1,543,451	79.98
Jul-07	54	3,298	11,968	4,010	19,330	1,398,322	72.34	1,545,808	79.97
Aug-07	48	3,276	11,957	4,033	19,314	1,396,413	72.30	1,544,452	79.97
Sep-07	52	3,228	11,979	4,045	19,304	1,497,835	77.59	1,543,572	79.96
Oct-07	44	3,134	11,888	3,989	19,055	1,473,875	77.35	1,522,731	79.91
Nov-07	45	3,062	11,636	3,994	18,737	1,453,300	77.56	1,498,267	79.96
Dec-07	46	3,004	11,658	3,966	18,674	1,446,630	77.47	1,492,574	79.93
Jan-08	43	2,927	11,618	3,986	18,574	1,438,250	77.43	1,484,446	79.92
Feb-08	42	2,904	11,562	3,948	18,456	1,428,000	77.37	1,474,747	79.91
Mar-08	45	2,878	11,497	3,941	18,361	1,422,305	77.46	1,467,389	79.92
Apr-08	45	2,910	11,557	3,950	18,463	1,430,030	77.46	1,475,489	79.92
May-08	45	2,927	11,645	3,985	18,603	1,440,864	77.45	1,486,714	79.92
Jun-08	46	2,950	11,747	4,021	18,764	1,453,372	77.46	1,499,565	79.92
Jul-08	46	2,982	11,862	4,058	18,949	1,467,683	77.45	1,514,376	79.92
Aug-08	47	3,013	11,992	4,103	19,155	1,483,648	77.45	1,530,863	79.92
Sep-08	46	3,002	11,971	4,090	19,109	1,449,030	75.83	1,527,060	79.91
Oct-08	45	2,991	11,950	4,077	19,063	1,444,963	75.80	1,523,258	79.90
Nov-08	44	2,980	11,929	4,064	19,017	1,440,896	75.77	1,519,455	79.90
Dec-08	43	2,969	11,908	4,051	18,971	1,436,829	75.74	1,515,652	79.89
Jan-09	42	2,958	11,887	4,038	18,925	1,432,762	75.71	1,511,850	79.88
Feb-09	41	2,947	11,866	4,025	18,879	1,428,695	75.67	1,508,047	79.88
Mar-09	40	2,936	11,845	4,012	18,833	1,424,628	75.64	1,504,244	79.87
Apr-09	44	2,964	11,847	4,040	18,895	1,431,973	75.79	1,509,750	79.90
May-09	44	2,994	11,965	4,080	19,083	1,446,064	75.78	1,524,754	79.90
Jun-09	43	3,024	12,085	4,121	19,273	1,459,960	75.75	1,539,877	79.90
Jul-09	43	3,039	12,145	4,142	19,369	1,467,176	75.75	1,547,544	79.90
Aug-09	47	3,059	12,226	4,170	19,502	1,478,560	75.82	1,558,324	79.91
Sep-09	47	3,065	12,252	4,179	19,543	1,561,595	79.91	1,561,595	79.91
Oct-09	47	3,068	12,264	4,183	19,562	1,563,110	79.91	1,563,110	79.91
Nov-09	47	3,075	12,292	4,193	19,607	1,566,706	79.91	1,566,706	79.91
Dec-09	45	3,078	12,304	4,197	19,624	1,567,980	79.90	1,567,980	79.90
Jan-10	48	3,081	12,316	4,201	19,646	1,569,858	79.91	1,569,858	79.91
Feb-10	46	3,084	12,328	4,205	19,663	1,571,132	79.90	1,571,132	79.90
Mar-10	46	3,087	12,340	4,209	19,682	1,572,647	79.90	1,572,647	79.90
FY2007	988	46,677	158,514	52,347	258,526	18,748,386	72.52	20,693,498	80.04
FY2008	547	35,920	140,641	47,987	225,095	17,435,792	77.46	17,990,734	79.93
FY2009	520	35,865	143,623	48,913	228,922	17,341,535	75.75	18,289,816	79.90

Sample Health Plan
 CHIP Incurred Claims Summary Lag Report

Month Incurred	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07
6-14															
Sep-06	98,844	301,670	120,017	19,287	3,265	6,474	1,850	2,341	1,704	316	1,347	807	306	0	160
Oct-06		86,099	328,120	197,976	18,651	12,689	-1,201	-254	838	990	146	7,384	0	0	1,735
Nov-06			17,351	367,907	68,405	39,292	5,651	3,370	7,579	1,947	657	-57	0	-43	32
Dec-06				79,890	251,389	123,262	19,456	6,304	2,806	2,392	107	-157	-1,160	66	-30
Jan-07					17,198	383,437	95,120	15,460	4,917	5,241	94	3	849	301	371
Feb-07						58,788	330,673	63,094	25,904	8,509	2,334	-1,095	466	0	0
Mar-07							37,050	375,045	87,951	25,614	3,633	1,463	902	-2,288	956
Apr-07								49,356	358,033	79,963	16,664	7,310	348	3,833	720
May-07									50,126	340,480	109,840	31,914	7,497	6,509	1,813
Jun-07										43,481	290,289	255,510	13,292	7,486	1,683
Jul-07											20,983	305,586	130,515	70,186	4,511
Aug-07												32,812	371,147	109,441	16,108
Sep-07													50,488	529,966	240,552
Oct-07														6,091	398,876
Nov-07															14,019

Sample Health Plan
 Estimated Claims Experience

Month	Ages 6-14						Ages 15-18					
	Members	Inc & Pd Claims	Compl Factor	Est. Inc. Claims	Est. Inc. pmpm	Trend Factor	Members	Inc & Pd Claims	Compl Factor	Est. Inc. Claims	Est. Inc. pmpm	Trend Factor
Sep-07	11,979	883,569	1.000	883,569	73.76	2.101	4,045	121,542	1.000	121,542	30.05	0.780
Oct-07	11,888	726,038	1.000	726,038	61.07	1.425	3,989	136,479	1.000	136,479	34.21	0.767
Nov-07	11,636	689,010	1.000	689,010	59.21	1.670	3,994	131,288	1.000	131,288	32.87	1.068
Dec-07	11,658	631,106	1.000	631,106	54.14	1.555	3,966	112,702	1.000	112,702	28.42	0.744
Jan-08	11,618	673,253	1.000	673,253	57.95	1.464	3,986	156,610	1.000	156,610	39.29	1.123
Feb-08	11,562	920,872	1.000	920,872	79.65	2.111	3,948	174,974	1.000	174,974	44.32	1.170
Mar-08	11,497	905,576	1.000	905,576	78.77	1.874	3,941	123,638	1.000	123,638	31.37	0.685
Apr-08	11,557	721,089	1.000	721,089	62.40	1.487	3,950	133,668	1.000	133,668	33.84	0.883
May-08	11,645	807,072	1.000	807,072	69.30	1.529	3,985	107,791	1.000	107,791	27.05	0.874
Jun-08	11,747	688,476	1.000	688,476	58.61	1.118	4,021	157,910	1.000	157,910	39.27	1.430
Jul-08	11,862	608,947	1.000	608,947	51.33	1.130	4,058	160,277	1.000	160,277	39.50	0.963
Aug-08	11,992	569,289	1.000	569,289	47.47	1.041	4,103	172,673	1.000	172,673	42.08	1.145
Sep-08	11,971	663,520	1.000	663,520	55.43	0.751	4,090	138,374	1.000	138,374	33.83	1.126
Oct-08	11,950	598,689	1.000	598,689	50.10	0.820	4,077	150,967	1.000	150,967	37.02	1.082
Nov-08	11,929	660,770	1.000	660,770	55.39	0.935	4,064	149,593	1.000	149,593	36.81	1.120
Dec-08	11,908	573,589	1.000	573,589	48.17	0.890	4,051	143,090	1.000	143,090	35.32	1.243
Jan-09	11,887	635,459	1.000	635,459	53.46	0.923	4,038	184,225	1.000	184,225	45.62	1.161
Feb-09	11,866	521,411	1.000	521,411	43.94	0.552	4,025	166,286	1.000	166,286	41.31	0.932
Mar-09	11,845	753,968	1.000	753,968	63.65	0.808	4,012	168,218	1.000	168,218	41.92	1.336
Apr-09	11,847	789,166	1.000	789,166	66.61	1.068	4,040	181,051	1.000	181,051	44.81	1.324
May-09	11,965	530,681	1.000	530,681	44.35	0.640	4,080	182,148	1.000	182,148	44.64	1.651
Jun-09	12,085	493,401	1.000	493,401	40.83	0.697	4,121	227,718	1.000	227,718	55.26	1.407
Jul-09	12,145	604,644	1.000	604,644	49.79	0.970	4,142	154,049	1.000	154,049	37.19	0.942
Aug-09	12,226	734,618	1.000	734,618	60.09	1.266	4,170	282,268	0.998	282,833	67.83	1.612
Sep-09	12,252	602,238	1.000	602,238	49.15	0.887	4,179	186,424	0.996	187,173	44.79	1.324
Oct-09	12,264	575,840	0.999	576,416	47.00	0.938	4,183	167,963	0.992	169,318	40.48	1.093
Nov-09	12,292	579,805	0.998	580,967	47.26	0.853	4,193	160,190	0.988	162,135	38.67	1.051
Dec-09	12,304	540,534	0.992	544,893	44.29	0.919	4,197	140,761	0.980	143,634	34.22	0.969
Jan-10	12,316	628,763	0.956	657,702	53.40	0.999	4,201	120,835	0.930	129,930	30.93	0.678
Feb-10	12,328	450,785	0.758	594,703	48.24	1.098	4,205	117,532	0.650	180,819	43.00	1.041
Mar-10	12,340	38,809	0.075	517,448	41.93	0.659	4,209	19,397	0.085	228,204	54.22	1.293
FY2007	158,514			6,528,516	41.19		52,347			1,948,470	37.22	
FY2008	140,641			8,824,296	62.74	1.523	47,987			1,689,551	35.21	0.946
FY2009	143,623			7,559,915	52.64	0.839	48,913			2,128,554	43.52	1.236

Sample Health Plan
 Experienced Based Renewal Rating
 Projection Period: FY2011 (9/1/2010 - 8/31/2011)

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2008 - 8/31/2009										
Member Months	520		35,865		143,623		48,913		228,922	
Premium Revenue	221,417	425.65	3,075,099	85.74	8,653,311	60.25	5,391,708	110.23	17,341,535	75.75
Adjusted Premium	62,813	120.75	3,057,884	85.26	10,768,883	74.98	4,400,236	89.96	18,289,816	79.90
Estimated Incurred Claims	48,251	92.76	2,254,965	62.87	7,559,915	52.64	2,128,554	43.52	11,991,684	52.38
Projected FY2011 Member Months	335		27,561		119,625		44,598		192,119	
Projected FY2011 Premium Current Rates	40,451	120.75	2,349,851	85.26	8,969,483	74.98	4,012,036	89.96	15,371,821	80.01
Annual Trend Assumptions										
FY2010	6.0 %		6.0 %		6.0 %		6.0 %			
FY2011	5.0 %		5.0 %		5.0 %		5.0 %			
Provider Fee Increase	1.0038		1.0034		1.0041		0.9941			
Other Reimbursement Changes	0.9798		0.9811		0.9811		0.9806			
Projected Incurred Claims	34,014	101.53	1,898,663	68.89	6,903,719	57.71	2,105,588	47.21	10,941,984	56.95
Capitation Expenses										
Vision		1.00		1.00		1.00		1.00		
Behavioral Health		2.50		2.50		2.50		2.50		
Other		0.50		0.50		0.50		0.50		
Total	1,340	4.00	110,244	4.00	478,500	4.00	178,392	4.00	768,476	4.00
Reinsurance Expenses										
Gross Premium		1.25		1.25		1.25		1.25		
Projected Reinsurance Recoveries		0.25		0.25		0.25		0.25		
Net Reinsurance Cost	335	1.00	27,561	1.00	119,625	1.00	44,598	1.00	192,119	1.00

Sample Health Plan
 Experienced Based Renewal Rating
 Projection Period: FY2011 (9/1/2010 - 8/31/2011)

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Administrative Expenses										
Fixed Amount	3,015	9.00	248,049	9.00	1,076,625	9.00	401,382	9.00	1,729,071	9.00
Percentage of Premium	5.75 %	7.35	5.75 %	5.27	5.75 %	4.56	5.75 %	3.90	5.75 %	4.52
Risk Margin	2.00 %	2.56	2.00 %	1.83	2.00 %	1.59	2.00 %	1.36	2.00 %	1.57
Premium Tax	1.75 %	2.24	1.75 %	1.60	1.75 %	1.39	1.75 %	1.19	1.75 %	1.37
Maintenance Tax	37	0.11	3,032	0.11	13,159	0.11	4,906	0.11	21,133	0.11
Projected Total Cost	42,808	127.78	2,527,678	91.71	9,493,512	79.36	3,021,951	67.76	15,085,948	78.52
Experience Rate Increase		5.8%		7.6%		5.8%		-24.7%		-1.9%

Attachment 3

Community Experience Analysis

The following exhibits present a summary of the experience analysis performed for each service area. HHSC utilizes an adjusted community rating methodology in setting the CHIP premium rates. The base community rates by age group vary by service area but are the same for each health plan in a service area. The community rates are developed by a weighted average of the projected FY2011 cost for each health plan in the service area. The weights used in this formula are the projected number of FY2011 members enrolled in each health plan.

Below is a brief description of each of the exhibits contained in the attachment. The exhibits present the derivation of the FY2011 CHIP HMO community premium rates for the following service areas:

- Exhibit A – Austin Area
- Exhibit B – Corpus Christi Area
- Exhibit C – Dallas Area
- Exhibit D – El Paso Area
- Exhibit E – Exclusive Provider Organization (EPO) Area
- Exhibit F – Fort Worth Area
- Exhibit G – Houston Area
- Exhibit H – Lubbock Area
- Exhibit I - San Antonio Area

These exhibits show projected FY2011 experience for each of the service areas. These amounts were derived by summing amounts from each individual health plan in the service area. The experience analysis for individual HMOs is described in Attachment 2. The top portion of the exhibit shows summary base period (FY2009) experience. Following that are projected FY2011 enrollment, premium and incurred claims experience.

In addition to incurred claims, provision is also made for services that are capitated by the HMOs, such as vision and behavioral health services. The cost of reinsurance is also considered. In developing the cost of reinsurance we make an assumption regarding how much the HMO is expected to receive in reinsurance recoveries (reimbursements from the reinsurance company for large claims). We have assumed that the net cost of reinsurance (reinsurance premium less reinsurance recoveries) is the minimum of (a) the actual reinsurance premium rate and (b) \$1.00 pmpm.

The amount allocated for administrative expenses is \$9.00 pmpm plus 5.75% of gross premium. Provisions are also included for risk margin (2.0% of gross premium), premium tax (1.75%) and maintenance tax (\$.11 pmpm).

At the bottom of the exhibit is a summary of the projected FY2011 cost based on these assumptions.

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2008- 8/31/2009										
Member Months	1,178		57,242		173,152		53,072		284,644	
Premium Revenue	114,996	97.62	5,735,178	100.19	13,204,589	76.26	5,694,080	107.29	24,748,842	86.95
Adjusted Premium	270,554	229.67	5,266,712	92.01	12,923,481	74.64	6,990,091	131.71	25,450,838	89.41
Adjusted FY2009 Incurred Claims	146,928	124.73	3,374,518	58.95	7,370,766	42.57	3,850,538	72.55	14,742,750	51.79
Projected FY2011 Member Months	1,128		57,840		191,100		61,956		312,024	
FY2011 Premium at FY2010 Rates	257,195	228.01	5,335,821	92.25	14,288,903	74.77	8,148,129	131.51	28,030,048	89.83
Annual Trend Assumptions										
FY2010	6.0 %		6.0 %		6.0 %		6.0 %			
FY2011	5.0 %		5.0 %		5.0 %		5.0 %			
Provider Fee Increase	1.0103		1.0152		1.0133		1.0010			
Other Reimbursement Changes	1.0014		1.0014		1.0014		1.0014			
Projected Incurred Claims	158,424	140.45	3,858,154	66.70	9,187,273	48.08	5,015,060	80.95	18,218,911	58.39
Capitation Expenses										
Total	19,466	17.26	736,950	12.74	2,505,282	13.11	900,999	14.54	4,162,697	13.34
Reinsurance Expenses										
Net Reinsurance Cost	1,128	1.00	57,840	1.00	191,100	1.00	61,956	1.00	312,024	1.00
Administrative Expenses										
Fixed Amount	10,152	9.00	520,560	9.00	1,719,900	9.00	557,604	9.00	2,808,216	9.00
Percentage of Premium	5.75 %	10.66	5.75 %	5.69	5.75 %	4.53	5.75 %	6.71	5.75 %	5.20
Risk Margin	2.00 %	3.71	2.00 %	1.98	2.00 %	1.58	2.00 %	2.33	2.00 %	1.81
Premium Tax	1.75 %	3.25	1.75 %	1.73	1.75 %	1.38	1.75 %	2.04	1.75 %	1.58
Maintenance Tax	124	0.11	6,362	0.11	21,021	0.11	6,815	0.11	34,323	0.11
Projected Total Cost	209,165	185.43	5,723,609	98.96	15,054,780	78.78	7,229,209	116.68	28,216,764	90.43
Experience Rate Increase		-18.7 %		7.3 %		5.4 %		-11.3 %		0.7 %

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2008- 8/31/2009										
Member Months	226		24,190		95,296		35,761		155,473	
Premium Revenue	26,399	116.81	2,953,485	122.10	8,527,784	89.49	4,167,854	116.55	15,675,522	100.82
Adjusted Premium	33,497	148.22	2,715,068	112.24	8,800,697	92.35	4,668,951	130.56	16,218,212	104.32
Adjusted FY2009 Incurred Claims	22,045	97.54	2,280,417	94.27	5,704,850	59.86	3,971,888	111.07	11,979,200	77.05
Projected FY2011 Member Months	192		23,880		99,672		38,844		162,588	
FY2011 Premium at FY2010 Rates	28,856	150.29	2,685,862	112.47	9,249,880	92.80	5,102,220	131.35	17,066,817	104.97
Annual Trend Assumptions										
FY2010	6.0 %		6.0 %		6.0 %		6.0 %			
FY2011	5.0 %		5.0 %		5.0 %		5.0 %			
Provider Fee Increase	1.0092		1.0104		1.0102		1.0017			
Other Reimbursement Changes	0.9964		0.9964		0.9964		0.9964			
Projected Incurred Claims	20,961	109.17	2,522,522	105.63	6,684,655	67.07	4,792,673	123.38	14,020,811	86.24
Capitation Expenses										
Total	1,168	6.08	146,898	6.15	665,607	6.68	241,061	6.21	1,054,734	6.49
Reinsurance Expenses										
Net Reinsurance Cost	184	0.96	22,983	0.96	95,741	0.96	37,385	0.96	156,293	0.96
Administrative Expenses										
Fixed Amount	1,728	9.00	214,920	9.00	897,048	9.00	349,596	9.00	1,463,292	9.00
Percentage of Premium	5.75 %	7.96	5.75 %	7.74	5.75 %	5.33	5.75 %	8.87	5.75 %	6.53
Risk Margin	2.00 %	2.77	2.00 %	2.69	2.00 %	1.85	2.00 %	3.09	2.00 %	2.27
Premium Tax	1.75 %	2.42	1.75 %	2.36	1.75 %	1.62	1.75 %	2.70	1.75 %	1.99
Maintenance Tax	21	0.11	2,627	0.11	10,964	0.11	4,273	0.11	17,885	0.11
Projected Total Cost	26,588	138.48	3,215,414	134.65	9,230,955	92.61	5,994,463	154.32	18,467,420	113.58
Experience Rate Increase		-7.9 %		19.7 %		-0.2 %		17.5 %		8.2 %

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2008- 8/31/2009										
Member Months	2,565		161,214		519,634		152,715		836,128	
Premium Revenue	281,393	109.70	15,158,338	94.03	40,340,974	77.63	14,039,456	91.93	69,820,160	83.50
Adjusted Premium	316,321	123.32	16,586,486	102.88	43,325,669	83.38	17,845,204	116.85	78,073,680	93.38
Adjusted FY2009 Incurred Claims	342,767	133.63	11,864,042	73.59	29,831,112	57.41	13,411,070	87.82	55,448,992	66.32
Projected FY2011 Member Months	2,760		153,504		548,976		172,272		877,512	
FY2011 Premium at FY2010 Rates	339,236	122.91	15,815,215	103.03	45,806,403	83.44	20,133,067	116.87	82,093,921	93.55
Annual Trend Assumptions										
FY2010	6.0 %		6.0 %		6.0 %		6.0 %			
FY2011	5.0 %		5.0 %		5.0 %		5.0 %			
Provider Fee Increase	1.0029		1.0086		1.0083		0.9981			
Other Reimbursement Changes	0.9952		0.9953		0.9953		0.9954			
Projected Incurred Claims	409,736	148.45	12,621,337	82.22	35,202,570	64.12	16,729,445	97.11	64,963,087	74.03
Capitation Expenses										
Total	10,394	3.77	536,873	3.50	1,850,668	3.37	557,276	3.23	2,955,210	3.37
Reinsurance Expenses										
Net Reinsurance Cost	1,774	0.64	94,678	0.62	328,293	0.60	99,204	0.58	523,948	0.60
Administrative Expenses										
Fixed Amount	24,840	9.00	1,381,536	9.00	4,940,784	9.00	1,550,448	9.00	7,897,608	9.00
Percentage of Premium	5.75 %	10.29	5.75 %	6.06	5.75 %	4.91	5.75 %	6.99	5.75 %	5.53
Risk Margin	2.00 %	3.58	2.00 %	2.11	2.00 %	1.71	2.00 %	2.43	2.00 %	1.92
Premium Tax	1.75 %	3.13	1.75 %	1.85	1.75 %	1.49	1.75 %	2.13	1.75 %	1.68
Maintenance Tax	304	0.11	16,885	0.11	60,387	0.11	18,950	0.11	96,526	0.11
Projected Total Cost	493,974	178.98	16,189,291	105.46	46,831,715	85.31	20,945,108	121.58	84,460,088	96.25
Experience Rate Increase		45.6 %		2.4 %		2.2 %		4.0 %		2.9 %

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2008- 8/31/2009										
Member Months	357		33,277		154,554		64,054		252,242	
Premium Revenue	39,106	109.54	2,576,874	77.44	10,504,778	67.97	5,140,462	80.25	18,261,220	72.40
Adjusted Premium	38,521	107.90	3,065,597	92.12	10,770,767	69.69	4,710,216	73.54	18,585,102	73.68
Adjusted FY2009 Incurred Claims	36,214	101.44	2,176,773	65.41	6,740,829	43.61	3,372,402	52.65	12,326,218	48.87
Projected FY2011 Member Months	384		34,584		160,224		70,236		265,428	
FY2011 Premium at FY2010 Rates	41,531	108.15	3,186,035	92.12	11,171,807	69.73	5,167,973	73.58	19,567,346	73.72
Annual Trend Assumptions										
FY2010	6.0 %		6.0 %		6.0 %		6.0 %			
FY2011	5.0 %		5.0 %		5.0 %		5.0 %			
Provider Fee Increase	1.0032		1.0052		1.0042		0.9935			
Other Reimbursement Changes	0.9899		0.9898		0.9898		0.9898			
Projected Incurred Claims	43,056	112.13	2,505,173	72.44	7,730,703	48.25	4,047,130	57.62	14,326,062	53.97
Capitation Expenses										
Total	788	2.05	84,101	2.43	402,088	2.51	197,194	2.81	684,171	2.58
Reinsurance Expenses										
Net Reinsurance Cost	321	0.84	29,280	0.85	134,541	0.84	58,260	0.83	222,402	0.84
Administrative Expenses										
Fixed Amount	3,456	9.00	311,256	9.00	1,442,016	9.00	632,124	9.00	2,388,852	9.00
Percentage of Premium	5.75 %	7.89	5.75 %	5.39	5.75 %	3.86	5.75 %	4.47	5.75 %	4.23
Risk Margin	2.00 %	2.74	2.00 %	1.87	2.00 %	1.34	2.00 %	1.56	2.00 %	1.47
Premium Tax	1.75 %	2.40	1.75 %	1.64	1.75 %	1.17	1.75 %	1.36	1.75 %	1.29
Maintenance Tax	42	0.11	3,804	0.11	17,625	0.11	7,726	0.11	29,197	0.11
Projected Total Cost	52,667	137.15	3,241,562	93.73	10,748,035	67.08	5,461,254	77.76	19,503,518	73.48
Experience Rate Increase		26.8 %		1.7 %		-3.8 %		5.7 %		-0.3 %

FY2011 CHIP Rating
 Exclusive Provider Organization Service Area

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2008- 8/31/2009										
Member Months	2,504		220,671		820,573		299,725		1,343,473	
Premium Revenue	357,056	142.59	23,114,945	104.75	61,997,721	75.55	28,138,933	93.88	113,608,655	84.56
Adjusted Premium	373,123	149.01	23,893,131	108.27	62,671,704	76.38	27,977,462	93.34	114,915,420	85.54
Adjusted FY2009 Incurred Claims	352,471	140.76	17,431,513	78.99	44,244,738	53.92	22,359,545	74.60	84,388,267	62.81
Projected FY2011 Member Months	2,856		217,620		860,376		322,152		1,403,004	
FY2011 Premium at FY2010 Rates	425,515	148.99	23,562,812	108.28	65,710,627	76.37	30,065,136	93.33	119,764,090	85.36
Annual Trend Assumptions										
FY2010	6.0 %		6.0 %		6.0 %		6.0 %			
FY2011	5.0 %		5.0 %		5.0 %		5.0 %			
Provider Fee Increase	1.0038		1.0061		1.0059		0.9964			
Other Reimbursement Changes	0.9867		0.9867		0.9867		0.9867			
Projected Incurred Claims	443,174	155.17	18,993,722	87.28	51,246,923	59.56	26,297,523	81.63	96,981,341	69.12
Capitation Expenses										
Total	-2,162	-0.76	-161,625	-0.74	-633,966	-0.74	-235,682	-0.73	-1,033,434	-0.74
Reinsurance Expenses										
Net Reinsurance Cost	2,856	1.00	217,620	1.00	860,376	1.00	322,152	1.00	1,403,004	1.00
Administrative Expenses										
Fixed Amount	25,704	9.00	1,958,580	9.00	7,743,384	9.00	2,899,368	9.00	12,627,036	9.00
Percentage of Premium	5.75 %	10.45	5.75 %	6.14	5.75 %	4.38	5.75 %	5.78	5.75 %	4.99
Risk Margin	2.00 %	3.64	2.00 %	2.14	2.00 %	1.52	2.00 %	2.01	2.00 %	1.73
Premium Tax	1.75 %	3.18	1.75 %	1.87	1.75 %	1.33	1.75 %	1.76	1.75 %	1.52
Maintenance Tax	314	0.11	23,938	0.11	94,641	0.11	35,437	0.11	154,330	0.11
Projected Total Cost	519,211	181.80	23,240,039	106.79	65,537,413	76.17	32,396,461	100.56	121,693,124	86.74
Experience Rate Increase		22.0 %		-1.4 %		-0.3 %		7.8 %		1.6 %

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2008- 8/31/2009										
Member Months	1,758		111,558		336,056		101,788		551,160	
Premium Revenue	186,360	106.01	11,107,706	99.57	25,218,028	75.04	11,350,119	111.51	47,862,214	86.84
Adjusted Premium	198,303	112.80	11,129,569	99.76	27,578,795	82.07	10,865,369	106.75	49,772,036	90.30
Adjusted FY2009 Incurred Claims	266,295	151.48	7,536,036	67.55	18,100,112	53.86	8,535,922	83.86	34,438,366	62.48
Projected FY2011 Member Months	1,992		112,596		364,392		113,460		592,440	
FY2011 Premium at FY2010 Rates	225,910	113.41	11,283,939	100.22	29,957,494	82.21	12,126,935	106.88	53,594,278	90.46
Annual Trend Assumptions										
FY2010	6.0 %		6.0 %		6.0 %		6.0 %			
FY2011	5.0 %		5.0 %		5.0 %		5.0 %			
Provider Fee Increase	1.0044		1.0081		1.0068		0.9959			
Other Reimbursement Changes	0.9936		0.9866		0.9857		0.9888			
Projected Incurred Claims	335,144	168.25	8,420,013	74.78	21,678,071	59.49	10,427,906	91.91	40,861,134	68.97
Capitation Expenses										
Total	3,571	1.79	206,496	1.83	676,205	1.86	223,614	1.97	1,109,886	1.87
Reinsurance Expenses										
Net Reinsurance Cost	1,324	0.66	76,954	0.68	260,212	0.71	81,649	0.72	420,139	0.71
Administrative Expenses										
Fixed Amount	17,928	9.00	1,013,364	9.00	3,279,528	9.00	1,021,140	9.00	5,331,960	9.00
Percentage of Premium	5.75 %	11.42	5.75 %	5.49	5.75 %	4.52	5.75 %	6.59	5.75 %	5.13
Risk Margin	2.00 %	3.97	2.00 %	1.91	2.00 %	1.57	2.00 %	2.29	2.00 %	1.78
Premium Tax	1.75 %	3.48	1.75 %	1.67	1.75 %	1.38	1.75 %	2.01	1.75 %	1.56
Maintenance Tax	219	0.11	12,386	0.11	40,083	0.11	12,481	0.11	65,168	0.11
Projected Total Cost	395,786	198.69	10,750,511	95.48	28,656,463	78.64	13,001,977	114.60	52,804,737	89.13
Experience Rate Increase		75.2 %		-4.7 %		-4.3 %		7.2 %		-1.5 %

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2008- 8/31/2009										
Member Months	5,284		289,906		953,354		319,604		1,568,148	
Premium Revenue	1,530,427	289.63	30,837,598	106.37	79,426,358	83.31	39,650,947	124.06	151,445,330	96.58
Adjusted Premium	1,291,308	244.38	31,828,750	109.79	79,370,333	83.25	36,980,311	115.71	149,470,702	95.32
Adjusted FY2009 Incurred Claims	1,255,137	237.54	23,649,861	81.58	59,069,714	61.96	30,125,059	94.26	114,099,771	72.76
Projected FY2011 Member Months	5,244		304,500		1,039,812		358,116		1,707,672	
FY2011 Premium at FY2010 Rates	1,285,129	245.07	33,534,133	110.13	87,151,658	83.81	41,681,461	116.39	163,652,381	95.83
Annual Trend Assumptions										
FY2010	6.0 %		6.0 %		6.0 %		6.0 %			
FY2011	5.0 %		5.0 %		5.0 %		5.0 %			
Provider Fee Increase	1.0001		1.0048		1.0042		0.9949			
Other Reimbursement Changes	0.9646		0.9550		0.9558		0.9616			
Projected Incurred Claims	1,337,506	255.05	26,529,751	87.13	68,825,490	66.19	35,942,484	100.37	132,635,230	77.67
Capitation Expenses										
Total	10,377	1.98	676,304	2.22	2,409,470	2.32	886,519	2.48	3,982,671	2.33
Reinsurance Expenses										
Net Reinsurance Cost	4,667	0.89	258,604	0.85	835,661	0.80	270,169	0.75	1,369,101	0.80
Administrative Expenses										
Fixed Amount	47,196	9.00	2,740,500	9.00	9,358,308	9.00	3,223,044	9.00	15,369,048	9.00
Percentage of Premium	5.75 %	16.97	5.75 %	6.31	5.75 %	4.98	5.75 %	7.16	5.75 %	5.71
Risk Margin	2.00 %	5.90	2.00 %	2.19	2.00 %	1.73	2.00 %	2.49	2.00 %	1.99
Premium Tax	1.75 %	5.16	1.75 %	1.92	1.75 %	1.52	1.75 %	2.18	1.75 %	1.74
Maintenance Tax	577	0.11	33,495	0.11	114,379	0.11	39,393	0.11	187,844	0.11
Projected Total Cost	1,547,318	295.06	33,412,877	109.73	90,103,103	86.65	44,598,463	124.54	169,661,760	99.35
Experience Rate Increase		20.4 %		-0.4 %		3.4 %		7.0 %		3.7 %

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2008- 8/31/2009										
Member Months	252		22,717		78,581		27,323		128,873	
Premium Revenue	21,195	84.11	1,875,047	82.54	4,997,148	63.59	2,365,435	86.57	9,258,825	71.84
Adjusted Premium	12,633	50.13	1,959,289	86.25	5,064,401	64.45	2,274,652	83.25	9,310,974	72.25
Adjusted FY2009 Incurred Claims	16,756	66.49	1,191,697	52.46	3,713,376	47.26	1,828,512	66.92	6,750,341	52.38
Projected FY2011 Member Months	324		23,688		84,480		29,136		137,628	
FY2011 Premium at FY2010 Rates	16,291	50.28	2,043,773	86.28	5,440,157	64.40	2,424,967	83.23	9,925,187	72.12
Annual Trend Assumptions										
FY2010	6.0 %		6.0 %		6.0 %		6.0 %			
FY2011	5.0 %		5.0 %		5.0 %		5.0 %			
Provider Fee Increase	1.0533		1.0538		1.0503		1.0378			
Other Reimbursement Changes	1.0178		1.0165		1.0164		1.0143			
Projected Incurred Claims	25,704	79.33	1,481,524	62.54	4,743,393	56.15	2,284,446	78.41	8,535,067	62.02
Capitation Expenses										
Total	-67	-0.21	-3,604	-0.15	-13,498	-0.16	-4,519	-0.16	-21,688	-0.16
Reinsurance Expenses										
Net Reinsurance Cost	324	1.00	23,688	1.00	84,480	1.00	29,136	1.00	137,628	1.00
Administrative Expenses										
Fixed Amount	2,916	9.00	213,192	9.00	760,320	9.00	262,224	9.00	1,238,652	9.00
Percentage of Premium	5.75 %	5.67	5.75 %	4.61	5.75 %	4.20	5.75 %	5.61	5.75 %	4.57
Risk Margin	2.00 %	1.97	2.00 %	1.60	2.00 %	1.46	2.00 %	1.95	2.00 %	1.59
Premium Tax	1.75 %	1.73	1.75 %	1.40	1.75 %	1.28	1.75 %	1.71	1.75 %	1.39
Maintenance Tax	36	0.11	2,606	0.11	9,293	0.11	3,205	0.11	15,139	0.11
Projected Total Cost	31,948	98.60	1,897,686	80.11	6,170,152	73.04	2,844,743	97.64	10,944,529	79.52
Experience Rate Increase		96.1 %		-7.1 %		13.4 %		17.3 %		10.3 %

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2008- 8/31/2009										
Member Months	788		75,728		290,863		107,236		474,615	
Premium Revenue	101,582	128.91	8,593,249	113.48	22,271,789	76.57	9,941,811	92.71	40,908,431	86.19
Adjusted Premium	130,614	165.75	7,836,247	103.48	21,350,675	73.40	9,291,657	86.65	38,609,193	81.35
Adjusted FY2009 Incurred Claims	91,121	115.64	6,051,129	79.91	15,111,938	51.96	7,463,407	69.60	28,717,596	60.51
Projected FY2011 Member Months	852		75,588		300,504		114,132		491,076	
FY2011 Premium at FY2010 Rates	141,834	166.47	7,831,571	103.61	22,179,147	73.81	9,932,945	87.03	40,085,497	81.63
Annual Trend Assumptions										
FY2010	6.0 %		6.0 %		6.0 %		6.0 %			
FY2011	5.0 %		5.0 %		5.0 %		5.0 %			
Provider Fee Increase	1.0038		1.0034		1.0041		0.9941			
Other Reimbursement Changes	0.9798		0.9811		0.9811		0.9806			
Projected Incurred Claims	107,845	126.58	6,617,920	87.55	17,117,938	56.96	8,617,948	75.51	32,461,652	66.10
Capitation Expenses										
Total	-216	-0.25	98,897	1.31	435,638	1.45	159,016	1.39	693,335	1.41
Reinsurance Expenses										
Net Reinsurance Cost	345	0.41	37,656	0.50	147,606	0.49	55,513	0.49	241,119	0.49
Administrative Expenses										
Fixed Amount	7,668	9.00	680,292	9.00	2,704,536	9.00	1,027,188	9.00	4,419,684	9.00
Percentage of Premium	5.75 %	8.63	5.75 %	6.26	5.75 %	4.32	5.75 %	5.50	5.75 %	4.90
Risk Margin	2.00 %	3.00	2.00 %	2.18	2.00 %	1.50	2.00 %	1.91	2.00 %	1.70
Premium Tax	1.75 %	2.63	1.75 %	1.90	1.75 %	1.32	1.75 %	1.67	1.75 %	1.49
Maintenance Tax	94	0.11	8,315	0.11	33,055	0.11	12,555	0.11	54,018	0.11
Projected Total Cost	127,885	150.10	8,224,398	108.81	22,584,280	75.15	10,908,530	95.58	41,845,093	85.21
Experience Rate Increase		-9.8 %		5.0 %		1.8 %		9.8 %		4.4 %

Attachment 4

Provider Reimbursement Adjustments

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

There were several significant revisions to the Texas Medicaid fee schedule which were included in the CHIP rating analysis. Reimbursement changes were recognized for the following services: rural health clinics, federally qualified health centers, and the 1% provider rate cuts. The cost of additional benefits were recognized for new well-child visits and developmental and autism screenings.

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

Effective September 1, 2009, CHIP health plans were required to pay Rural Health Clinics and Federally Qualified Health Centers the full encounter rate for visits. Attached Exhibit A presents an estimate of the cost impact resulting from this requirement. The FY2011 rates were also adjusted for additional well-child visits, developmental and autism screenings and the 1% provider rate cut. Attached Exhibits B, C and D present the estimated cost impact from these changes.

For FY2011, HHSC has revised the rating methodology to exclude from the claims experience base any amounts paid by a health plan to a related party in excess of 100% of Medicaid. HHSC staff met with the health plans individually to determine (i) which providers had an owner-relationship to the health plan and (ii) the basis on which the health plan reimbursed the provider. All health plans in the affected service areas were impacted because the related party adjustment lowered the community rate applicable to all of the plans in that area. Attached Exhibit E presents a summary of the derivation of these adjustment factors.

Effective September 1, 2010, HHSC is implementing zero-based DRG rebasing. This rebasing effort is intended to update the Standard Dollar Amounts and Relative Weights used in the Medicaid DRG payment system while achieving overall budget neutrality. While the rebasing process may be budget neutral overall, it is not budget neutral by program, service area, health plan or risk group.

HHSC staff has utilized the FY2009 encounter data to determine the cost impact from DRG Rebasing on each service area and risk group. Attached Exhibit F presents a summary of the resulting adjustment factors.

FY2011 CHIP Rating
 Provider Reimbursement Adjustments
 CHIP Prospective Payments to FQHCs and RHCs

<u>Service Area</u>	<u>STAR Adjustment Factor</u>	<u>FY2009 Incurred Claims</u>	<u>Estimated Increase</u>	<u>Adjusted Increase</u>	<u>Adjustment Factor</u>
EPO	0.23 %	84,374,855	196,155	430,892	0.0051
Austin	0.69 %	14,721,570	101,966	142,923	0.0097
Corpus	0.52 %	11,870,419	61,881	94,906	0.0080
Dallas	0.06 %	55,513,396	34,481	188,923	0.0034
El Paso	0.07 %	12,346,395	9,137	43,485	0.0035
Fort Worth	0.00 %	34,245,384	286	95,559	0.0028
Houston	0.00 %	112,524,068	2,772	315,822	0.0028
Lubbock	4.41 %	6,761,667	298,445	317,257	0.0469
San Antonio	0.13 %	28,224,522	37,736	116,259	0.0041
Total		360,582,276	742,858	1,746,025	0.0048

FY2011 CHIP Rating
 Provider Reimbursement Adjustments
 Additional EPSDT Visit Cost Adjustment

	Age Group				Total
	< 1	1-5	6-14	15-18	
EPSDT Increase (1)					
Austin	24	26,155	89,986	0	116,165
Corpus Christi	0	11,044	48,787	0	59,831
Dallas	24	73,882	284,290	0	358,196
El Paso	0	14,648	72,861	0	87,508
Fort Worth	0	52,155	180,562	0	232,717
Houston	24	134,687	502,077	0	636,788
Lubbock	24	11,147	41,071	0	52,241
San Antonio	0	30,917	147,900	0	178,818
EPO	47	97,643	418,064	0	515,754
Total	141	452,279	1,785,598	0	2,238,018
FY2009 Total Incurred Claims (2)					
Austin	152,343	3,361,432	7,349,534	3,858,261	14,721,570
Corpus Christi	21,719	2,264,800	5,634,193	3,949,706	11,870,419
Dallas	344,771	11,950,311	29,942,452	13,275,863	55,513,396
El Paso	37,874	2,178,908	6,750,246	3,379,368	12,346,395
Fort Worth	290,999	7,405,444	18,012,917	8,536,023	34,245,384
Houston	1,234,059	23,373,739	57,841,750	30,074,520	112,524,068
Lubbock	16,652	1,190,592	3,718,696	1,835,727	6,761,667
San Antonio	82,491	5,958,931	14,877,729	7,305,371	28,224,522
EPO	345,879	17,431,169	44,249,369	22,348,438	84,374,855
Total	2,526,787	75,115,326	188,376,887	94,563,277	360,582,276
Adjustment Factor (3)					
Austin	0.02 %	0.78 %	1.22 %	0.00 %	0.79 %
Corpus Christi	0.00 %	0.49 %	0.87 %	0.00 %	0.50 %
Dallas	0.01 %	0.62 %	0.95 %	0.00 %	0.65 %
El Paso	0.00 %	0.67 %	1.08 %	0.00 %	0.71 %
Fort Worth	0.00 %	0.70 %	1.00 %	0.00 %	0.68 %
Houston	0.00 %	0.58 %	0.87 %	0.00 %	0.57 %
Lubbock	0.14 %	0.94 %	1.10 %	0.00 %	0.77 %
San Antonio	0.00 %	0.52 %	0.99 %	0.00 %	0.63 %
EPO	0.01 %	0.56 %	0.94 %	0.00 %	0.61 %
Total	0.01 %	0.60 %	0.95 %	0.00 %	0.62 %

Footnotes:

- (1) Equals the additional cost resulting from application of the FY2011 Medicaid fee schedule to the FY2009 health plans claims.
- (2) Equals FY2009 health plan fee-for-service claims for all services (HMO provided data).
- (3) Additional cost divided by FY2009 Total Incurred Claims.

FY2011 CHIP Rating
 Provider Reimbursement Adjustments
 Developmental and Autism Screening Cost Adjustment

	Age Group				Total
	< 1	1-5	6-14	15-18	
Developmental and Autism Screening Increase (1)					
Austin	1,142	18,930	0	0	20,072
Corpus Christi	207	8,125	0	0	8,332
Dallas	2,553	53,675	0	0	56,228
El Paso	373	10,981	0	0	11,354
Fort Worth	1,780	37,464	0	0	39,244
Houston	5,310	95,775	0	0	101,085
Lubbock	235	7,625	0	0	7,859
San Antonio	780	24,843	0	0	25,623
EPO	2,439	74,141	0	0	76,580
Total	14,818	331,559	0	0	346,377
FY2009 Total Incurred Claims (2)					
Austin	152,343	3,361,432	7,349,534	3,858,261	14,721,570
Corpus Christi	21,719	2,264,800	5,634,193	3,949,706	11,870,419
Dallas	344,771	11,950,311	29,942,452	13,275,863	55,513,396
El Paso	37,874	2,178,908	6,750,246	3,379,368	12,346,395
Fort Worth	290,999	7,405,444	18,012,917	8,536,023	34,245,384
Houston	1,234,059	23,373,739	57,841,750	30,074,520	112,524,068
Lubbock	16,652	1,190,592	3,718,696	1,835,727	6,761,667
San Antonio	82,491	5,958,931	14,877,729	7,305,371	28,224,522
EPO	345,879	17,431,169	44,249,369	22,348,438	84,374,855
Total	2,526,787	75,115,326	188,376,887	94,563,277	360,582,276
Adjustment Factor (3)					
Austin	0.75 %	0.56 %	0.00 %	0.00 %	0.14 %
Corpus Christi	0.95 %	0.36 %	0.00 %	0.00 %	0.07 %
Dallas	0.74 %	0.45 %	0.00 %	0.00 %	0.10 %
El Paso	0.98 %	0.50 %	0.00 %	0.00 %	0.09 %
Fort Worth	0.61 %	0.51 %	0.00 %	0.00 %	0.11 %
Houston	0.43 %	0.41 %	0.00 %	0.00 %	0.09 %
Lubbock	1.41 %	0.64 %	0.00 %	0.00 %	0.12 %
San Antonio	0.95 %	0.42 %	0.00 %	0.00 %	0.09 %
EPO	0.71 %	0.43 %	0.00 %	0.00 %	0.09 %
Total	0.59 %	0.44 %	0.00 %	0.00 %	0.10 %

Footnotes:

- (1) Equals the additional cost resulting from application of the FY2011 Medicaid fee schedule to the FY2009 health plans claims.
- (2) Equals FY2009 health plan fee-for-service claims for all services (HMO provided data).
- (3) Additional cost divided by FY2009 Total Incurred Claims.

FY2011 CHIP Rating
 Provider Reimbursement Adjustments
 1% Provider Reimbursement Reduction

	Age Group				Total
	< 1	1-5	6-14	15-18	
Provider Reimbursement Reduction (1)					
Austin	-1,509	-26,425	-61,442	-33,387	-122,762
Corpus Christi	-335	-12,376	-36,315	-24,322	-73,348
Dallas	-6,162	-70,318	-143,961	-59,332	-279,773
El Paso	-409	-21,576	-64,769	-32,810	-119,565
Fort Worth	-1,558	-51,959	-116,639	-52,374	-222,531
Houston	-10,829	-181,841	-414,355	-223,413	-830,439
Lubbock	-158	-9,783	-25,854	-14,783	-50,577
San Antonio	-1,364	-58,945	-141,953	-70,326	-272,589
EPO	-4,001	-152,789	-375,415	-194,916	-727,121
Total	-26,325	-586,014	-1,380,704	-705,665	-2,698,707
FY2009 Total Incurred Claims (2)					
Austin	214,892	3,351,104	7,159,700	3,859,439	14,585,135
Corpus Christi	40,379	2,052,921	5,647,112	3,867,888	11,608,300
Dallas	777,735	12,773,341	31,573,186	11,190,114	56,314,377
El Paso	40,899	2,160,095	6,507,979	3,295,982	12,004,956
Fort Worth	348,330	7,729,451	19,505,051	7,619,605	35,202,437
Houston	1,556,306	23,389,440	57,671,227	28,428,104	111,045,077
Lubbock	17,047	1,081,378	3,335,192	1,700,394	6,134,011
San Antonio	141,408	5,923,850	14,360,939	7,087,454	27,513,652
EPO	477,318	17,342,832	43,748,698	22,569,078	84,137,926
Total	3,614,315	75,804,411	189,509,084	89,618,059	358,545,870
Adjustment Factor (3)					
Austin	-0.70 %	-0.79 %	-0.86 %	-0.87 %	-0.84 %
Corpus Christi	-0.83 %	-0.60 %	-0.64 %	-0.63 %	-0.63 %
Dallas	-0.79 %	-0.55 %	-0.46 %	-0.53 %	-0.50 %
El Paso	-1.00 %	-1.00 %	-1.00 %	-1.00 %	-1.00 %
Fort Worth	-0.45 %	-0.67 %	-0.60 %	-0.69 %	-0.63 %
Houston	-0.70 %	-0.78 %	-0.72 %	-0.79 %	-0.75 %
Lubbock	-0.92 %	-0.90 %	-0.78 %	-0.87 %	-0.82 %
San Antonio	-0.96 %	-1.00 %	-0.99 %	-0.99 %	-0.99 %
EPO	-0.84 %	-0.88 %	-0.86 %	-0.86 %	-0.86 %
Total	-0.73 %	-0.77 %	-0.73 %	-0.79 %	-0.75 %

Footnotes:

- (1) Equals the cost reduction resulting from application of the 1% provider rate reduction to FY2009 health plans claims.
- (2) Equals FY2009 health plan fee-for-service claims for all services (IHP provided encounter data).
- (3) Additional cost divided by FY2009 Total Incurred Claims.

FY2011 CHIP Rating
 Provider Reimbursement Adjustments
 Related Party Adjustments

	Age Group				
	<u>< 1</u>	<u>1-5</u>	<u>6-14</u>	<u>15-18</u>	<u>Total</u>
Provider Reimbursement Reduction (1)					
Superior - EPO	0	0	0	0	0
Seton - Austin	0	0	0	0	0
Superior - Austin	0	0	0	0	0
Amerigroup - Corpus	0	0	0	0	0
Driscoll - Corpus	0	0	0	0	0
Superior - Corpus	0	0	0	0	0
Amerigroup - Dallas	0	0	0	0	0
Parkland - Dallas	0	0	-1,301	-23,569	-24,870
Unicare - Dallas	0	0	0	0	0
El Paso First - El Paso	0	-1,548	-3,577	-2,034	-7,159
Superior - El Paso	0	0	0	0	0
Aetna - Fort Worth	0	0	0	0	0
Amerigroup - Fort Worth	0	0	0	0	0
Cook - Fort Worth	-643	-96,405	-305,118	-80,477	-482,644
Amerigroup - Houston	0	0	0	0	0
CHC - Houston	-541	-711	-1,428	-1,060	-3,740
Molina - Houston	0	0	0	0	0
TCHP - Houston	-104,326	-925,610	-2,668,146	-1,019,110	-4,717,191
United - Houston	0	0	0	0	0
Mercy - Laredo	0	0	0	0	0
Firstcare - Lubbock	-30	-2,914	-14,990	-14,987	-32,921
Superior - Lubbock	0	0	0	0	0
Aetna - San Antonio	0	0	0	0	0
CFHP - San Antonio	-560	-24,388	-91,074	-122,237	-238,259
Superior - San Antonio	0	0	0	0	0
Total	-106,100	-1,051,576	-3,085,633	-1,263,474	-5,506,784
FY2009 Total Incurred Claims (2)					
Superior - EPO	441,387	16,105,320	40,021,345	20,519,161	77,087,212
Seton - Austin	64,615	2,159,920	5,311,349	3,082,698	10,618,582
Superior - Austin	150,277	1,191,184	1,848,350	776,741	3,966,553
Amerigroup - Corpus	232	107,194	277,327	169,376	554,128
Driscoll - Corpus	13,282	1,721,417	4,985,285	3,398,737	10,118,721
Superior - Corpus	26,865	224,310	384,500	299,776	935,452
Amerigroup - Dallas	92,561	4,347,019	12,187,826	4,530,849	21,158,255
Parkland - Dallas	663,168	6,784,105	15,806,041	5,489,469	28,742,782
Unicare - Dallas	22,007	1,642,217	3,579,320	1,169,797	6,413,340
El Paso First - El Paso	19,762	1,264,261	4,045,176	2,122,083	7,451,283
Superior - El Paso	21,137	895,835	2,462,803	1,173,898	4,553,673
Aetna - Fort Worth	5,568	596,177	1,175,276	1,019,210	2,796,231
Amerigroup - Fort Worth	255,394	1,977,053	3,637,478	1,212,775	7,082,699
Cook - Fort Worth	87,368	5,156,221	14,692,297	5,387,621	25,323,506
Amerigroup - Houston	36,605	2,186,081	5,820,908	3,201,404	11,244,999
CHC - Houston	850,191	3,963,088	8,190,531	3,259,415	16,263,224
Molina - Houston	8,725	211,537	857,221	520,573	1,598,057
TCHP - Houston	619,825	15,394,623	36,793,942	16,124,337	68,932,727
United - Houston	40,960	1,634,111	6,008,625	5,322,375	13,006,071
Mercy - Laredo	35,931	1,237,512	3,727,353	2,049,917	7,050,714
Firstcare - Lubbock	7,650	429,513	1,543,182	1,129,740	3,110,085
Superior - Lubbock	9,396	651,865	1,792,010	570,654	3,023,926
Aetna - San Antonio	7,212	447,648	1,231,769	628,285	2,314,914
CFHP - San Antonio	104,908	3,909,769	9,730,221	5,110,145	18,855,044
Superior - San Antonio	29,288	1,566,433	3,398,950	1,349,024	6,343,694

FY2011 CHIP Rating
 Provider Reimbursement Adjustments
 Related Party Adjustments

	Age Group				
	<u>< 1</u>	<u>1-5</u>	<u>6-14</u>	<u>15-18</u>	<u>Total</u>
Total	3,614,315	75,804,411	189,509,084	89,618,059	358,545,870
Adjustment Factor (3)					
Superior - EPO	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Seton - Austin	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Superior - Austin	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Amerigroup - Corpus	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Driscoll - Corpus	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Superior - Corpus	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Amerigroup - Dallas	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Parkland - Dallas	0.00 %	0.00 %	-0.01 %	-0.43 %	-0.09 %
Unicare - Dallas	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
El Paso First - El Paso	0.00 %	-0.12 %	-0.09 %	-0.10 %	-0.10 %
Superior - El Paso	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Aetna - Fort Worth	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Amerigroup - Fort Worth	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Cook - Fort Worth	-0.74 %	-1.87 %	-2.08 %	-1.49 %	-1.91 %
Amerigroup - Houston	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
CHC - Houston	-0.06 %	-0.02 %	-0.02 %	-0.03 %	-0.02 %
Molina - Houston	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
TCHP - Houston	-16.83 %	-6.01 %	-7.25 %	-6.32 %	-6.84 %
United - Houston	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Mercy - Laredo	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Firstcare - Lubbock	-0.39 %	-0.68 %	-0.97 %	-1.33 %	-1.06 %
Superior - Lubbock	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Aetna - San Antonio	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
CFHP - San Antonio	-0.53 %	-0.62 %	-0.94 %	-2.39 %	-1.26 %
Superior - San Antonio	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Total	-2.94 %	-1.39 %	-1.63 %	-1.41 %	-1.54 %

Footnotes:

- (1) Equals the cost adjustment resulting from disallowing any payments made to a related party in excess of 100% of Medicaid FFS.
- (2) Equals FY2009 health plan fee-for-service claims for all services (ICHP provided encounter data).
- (3) Additional cost divided by FY2009 Total Incurred Claims.

FY2011 CHIP Rating
 Provider Reimbursement Adjustments
 Limited DRG Rebasing Adjustments

	Age Group				Total
	< 1	1-5	6-14	15-18	
Provider Reimbursement Reduction (1)					
Austin	0	2,007	105	18,587	20,699
Corpus Christi	0	-19,548	-34,760	12,126	-42,182
Dallas	-6,039	-50,759	-128,476	-50,604	-235,878
El Paso	-2,748	-62,479	-184,781	134,196	-115,813
Fort Worth	408	-4,733	-1,025	18,758	13,409
Houston	1,583	-87,771	-24,070	296,520	186,262
Lubbock	-754	-10,875	12,114	129,935	130,420
San Antonio	-7,667	-46,269	-138,561	-86,724	-279,222
EPO	-6,387	-191,350	-611,082	-312,526	-1,121,345
Total	-21,605	-471,777	-1,110,537	160,268	-1,443,651
FY2009 Total Incurred Claims (2)					
Austin	214,892	3,351,104	7,159,700	3,859,439	14,585,135
Corpus Christi	40,379	2,052,921	5,647,112	3,867,888	11,608,300
Dallas	777,735	12,773,341	31,573,186	11,190,114	56,314,377
El Paso	40,899	2,160,095	6,507,979	3,295,982	12,004,956
Fort Worth	348,330	7,729,451	19,505,051	7,619,605	35,202,437
Houston	1,556,306	23,389,440	57,671,227	28,428,104	111,045,077
Lubbock	17,047	1,081,378	3,335,192	1,700,394	6,134,011
San Antonio	141,408	5,923,850	14,360,939	7,087,454	27,513,652
EPO	477,318	17,342,832	43,748,698	22,569,078	84,137,926
Total	3,614,315	75,804,411	189,509,084	89,618,059	358,545,870
Adjustment Factor (3)					
Austin	0.00 %	0.06 %	0.00 %	0.48 %	0.14 %
Corpus Christi	0.00 %	-0.95 %	-0.62 %	0.31 %	-0.36 %
Dallas	-0.78 %	-0.40 %	-0.41 %	-0.45 %	-0.42 %
El Paso	-6.72 %	-2.89 %	-2.84 %	4.07 %	-0.96 %
Fort Worth	0.12 %	-0.06 %	-0.01 %	0.25 %	0.04 %
Houston	0.10 %	-0.38 %	-0.04 %	1.04 %	0.17 %
Lubbock	-4.42 %	-1.01 %	0.36 %	7.64 %	2.13 %
San Antonio	-5.42 %	-0.78 %	-0.96 %	-1.22 %	-1.01 %
EPO	-1.34 %	-1.10 %	-1.40 %	-1.38 %	-1.33 %
Total	-0.60 %	-0.62 %	-0.59 %	0.18 %	-0.40 %

Footnotes:

- (1) Equals the cost reduction resulting from application of the zero-based DRG Rebasing to FY2009 health plans claims.
- (2) Equals FY2009 health plan fee-for-service claims for all services (ICHP provided encounter data).
- (3) Additional cost divided by FY2009 Total Incurred Claims.

Attachment 5

Acuity Risk Adjustment

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

The column titled Case Mix on the chart is the acuity risk adjustment factor. It is the ratio of the predicted average cost of the individual health plan's membership divided by the predicted average cost of the entire service area's membership. The risk adjustment factor is applied to the community rate for each health plan and age group.

TEXAS CHIP CDPS SDA/Health Plan Risk
Reporting Period: September 1, 2008 to August 31, 2009

TEXAS CHIP						
SDA/Health Plan	Number of Enrollees	Percent Affected	Actual PMPM Expenditures Based on Paid Amounts	Predicted PMPM Payment	Case Mix	Spend Ratio
CDPS						
TEXAS CHIP(Under Age 1)	699	100.00	167.93	167.93	1.00	1.00
BEXAR	44	100.00	90.53	147.42	1.00	0.61
Aetna	8	18.18	48.46	155.30	1.05	0.31
Community First	22	50.00	140.77	167.43	1.14	0.84
Superior	14	31.82	44.20	105.94	0.72	0.42
DALLAS	127	100.00	101.11	152.29	1.00	0.66
AMERIGROUP	51	40.16	82.40	118.47	0.78	0.70
Parkland	63	49.61	126.69	183.99	1.21	0.69
UniCare	13	10.24	40.70	133.65	0.88	0.30
EPO	107	100.00	200.39	217.36	1.00	0.92
Superior EPO	107	100.00	200.39	217.36	1.00	0.92
El Paso	9	100.00	361.74	151.97	1.00	2.38
El Paso First	7	77.78	120.75	120.24	0.79	1.00
Superior	2	22.22	1124.88	252.48	1.66	4.46
HARRIS	249	100.00	127.25	169.91	1.00	0.75
AMERIGROUP	27	10.84	51.06	104.12	0.61	0.49
Community Health Choice	88	35.34	116.69	108.70	0.64	1.07
Molina	1	0.40	28.35	84.08	0.49	0.34
Texas Children's	120	48.19	159.15	228.43	1.34	0.70
UTMB	13	5.22	65.05	149.55	0.88	0.43
LUBBOCK	9	100.00	42.05	120.07	1.00	0.35
FirstCare	4	44.44	37.91	105.66	0.88	0.36
Superior	5	55.56	46.51	135.55	1.13	0.34
NUECES	15	100.00	164.56	190.89	1.00	0.86
AMERIGROUP	1	6.67	21.61	84.08	0.44	0.26
Driscoll	11	73.33	208.85	220.87	1.16	0.95
Superior	3	20.00	0.00	84.08	0.44	0.00
TARRANT	79	100.00	468.47	160.93	1.00	2.91
AMERIGROUP	34	43.04	995.42	173.63	1.08	5.73
Aetna	3	3.80	20.29	84.08	0.52	0.24
Cook Children's	42	53.16	84.38	155.42	0.97	0.54
TRAVIS	57	100.00	85.45	137.45	1.00	0.62
Seton	35	61.40	93.21	162.23	1.18	0.57
Superior	22	38.60	72.69	96.68	0.70	0.75
WEBB	3	100.00	75.88	84.08	1.00	0.90
Mercy	3	100.00	75.88	84.08	1.00	0.90

Note: CDPS results are based on information in enrollment, encounter and pharmacy datasets. CDPS results were obtained for those enrollees who had been in the program for at least 3 months (age<1) and for those who had been in the program for at least 6 months (age≥1) (permitting one month lapse in enrollment within the 6 months period).

TEXAS CHIP CDPS SDA/Health Plan Risk
Reporting Period: September 1, 2008 to August 31, 2009

TEXAS CHIP						
SDA/Health Plan	Number of Enrollees	Percent Affected	Actual PMPM Expenditures Based on Paid Amounts	Predicted PMPM Payment	Case Mix	Spend Ratio
CDPS						
TEXAS CHIP (Age 1 to 5)	74,522	100.00	81.03	81.03	1.00	1.00
BEXAR	5,675	100.00	83.82	84.29	1.00	0.99
Aetna	686	12.09	49.37	77.57	0.92	0.64
Community First	3,169	55.84	99.41	85.74	1.02	1.16
Superior	1,820	32.07	69.21	84.24	1.00	0.82
DALLAS	12,274	100.00	84.15	81.50	1.00	1.03
AMERIGROUP	5,367	43.73	64.29	79.66	0.98	0.81
Parkland	5,614	45.74	96.72	82.47	1.01	1.17
UniCare	1,293	10.53	111.90	84.96	1.04	1.32
EPO	15,454	100.00	82.26	82.58	1.00	1.00
Superior EPO	15,454	100.00	82.26	82.58	1.00	1.00
El Paso	2,401	100.00	69.61	81.28	1.00	0.86
El Paso First	1,407	58.60	68.31	80.59	0.99	0.85
Superior	994	41.40	71.44	82.26	1.01	0.87
HARRIS	21,448	100.00	85.89	80.21	1.00	1.07
AMERIGROUP	2,673	12.46	64.61	79.23	0.99	0.82
Community Health Choice	4,927	22.97	69.49	76.34	0.95	0.91
Molina	361	1.68	35.19	72.03	0.90	0.49
Texas Children's	11,552	53.86	102.68	82.85	1.03	1.24
UTMB	1,935	9.02	64.22	76.75	0.96	0.84
LUBBOCK	1,704	100.00	51.83	79.11	1.00	0.66
FirstCare	684	40.14	51.62	76.77	0.97	0.67
Superior	1,020	59.86	51.97	80.67	1.02	0.64
NUECES	1,839	100.00	84.94	89.31	1.00	0.95
AMERIGROUP	134	7.29	67.72	76.18	0.85	0.89
Driscoll	1,455	79.12	88.46	91.25	1.02	0.97
Superior	250	13.59	73.19	84.75	0.95	0.86
TARRANT	8,472	100.00	73.46	77.69	1.00	0.95
AMERIGROUP	3,116	36.78	54.35	76.41	0.98	0.71
Aetna	954	11.26	45.52	70.25	0.90	0.65
Cook Children's	4,402	51.96	92.52	80.12	1.03	1.15
TRAVIS	4,281	100.00	66.85	77.65	1.00	0.86
Seton	2,419	56.51	74.26	77.73	1.00	0.96
Superior	1,862	43.49	57.01	77.55	1.00	0.74
WEBB	974	100.00	97.58	81.48	1.00	1.20
Mercy	974	100.00	97.58	81.48	1.00	1.20

Note: CDPS results are based on information in enrollment, encounter and pharmacy datasets. CDPS results were obtained for those enrollees who had been in the program for at least 3 months (age<1) and for those who had been in the program for at least 6 months (age≥1) (permitting one month lapse in enrollment within the 6 months period).

TEXAS CHIP CDPS SDA/Health Plan Risk
Reporting Period: September 1, 2008 to August 31, 2009

TEXAS CHIP						
SDA/Health Plan	Number of Enrollees	Percent Affected	Actual PMPM Expenditures Based on Paid Amounts	Predicted PMPM Payment	Case Mix	Spend Ratio
CDPS						
TEXAS CHIP (Age 6 to 14)	278,795	100.00	57.46	57.46	1.00	1.00
BEXAR	23,688	100.00	52.52	58.99	1.00	0.89
Aetna	3,158	13.33	33.88	52.00	0.88	0.65
Community First	13,416	56.64	60.72	60.23	1.02	1.01
Superior	7,114	30.03	44.87	59.60	1.01	0.75
DALLAS	42,989	100.00	63.14	56.50	1.00	1.12
AMERIGROUP	19,757	45.96	51.87	54.32	0.96	0.95
Parkland	18,471	42.97	73.52	59.06	1.05	1.24
UniCare	4,761	11.07	69.40	55.42	0.98	1.25
EPO	61,795	100.00	54.33	59.05	1.00	0.92
Superior EPO	61,795	100.00	54.33	59.05	1.00	0.92
El Paso	12,309	100.00	43.64	59.85	1.00	0.73
El Paso First	7,693	62.50	41.67	59.59	1.00	0.70
Superior	4,616	37.50	47.00	60.29	1.01	0.78
HARRIS	77,241	100.00	62.72	56.54	1.00	1.11
AMERIGROUP	10,863	14.06	45.14	52.61	0.93	0.86
Community Health Choice	13,602	17.61	50.53	49.87	0.88	1.01
Molina	1,854	2.40	38.30	50.20	0.89	0.76
Texas Children's	40,411	52.32	76.38	60.79	1.08	1.26
UTMB	10,511	13.61	47.39	53.57	0.95	0.88
LUBBOCK	6,444	100.00	43.97	57.54	1.00	0.76
FirstCare	2,681	41.60	45.44	58.28	1.01	0.78
Superior	3,763	58.40	42.88	57.00	0.99	0.75
NUECES	7,728	100.00	60.78	63.62	1.00	0.96
AMERIGROUP	577	7.47	40.18	53.25	0.84	0.75
Driscoll	6,360	82.30	64.53	65.58	1.03	0.98
Superior	791	10.24	44.01	54.57	0.86	0.81
TARRANT	27,880	100.00	59.84	56.27	1.00	1.06
AMERIGROUP	8,042	28.85	37.52	51.19	0.91	0.73
Aetna	3,195	11.46	33.32	47.64	0.85	0.70
Cook Children's	16,643	59.70	74.88	60.16	1.07	1.24
TRAVIS	14,161	100.00	42.14	53.35	1.00	0.79
Seton	9,137	64.52	46.23	53.89	1.01	0.86
Superior	5,024	35.48	34.40	52.34	0.98	0.66
WEBB	4,560	100.00	65.00	55.82	1.00	1.16
Mercy	4,560	100.00	65.00	55.82	1.00	1.16

Note: CDPS results are based on information in enrollment, encounter and pharmacy datasets. CDPS results were obtained for those enrollees who had been in the program for at least 3 months (age<1) and for those who had been in the program for at least 6 months (age≥1) (permitting one month lapse in enrollment within the 6 months period).

TEXAS CHIP CDPS SDA/Health Plan Risk
Reporting Period: September 1, 2008 to August 31, 2009

TEXAS CHIP						
SDA/Health Plan	Number of Enrollees	Percent Affected	Actual PMPM Expenditures Based on Paid Amounts	Predicted PMPM Payment	Case Mix	Spend Ratio
CDPS						
TEXAS CHIP (Age 15 to 18)	110,370	100.00	77.31	77.31	1.00	1.00
BEXAR	10,280	100.00	66.06	75.84	1.00	0.87
Aetna	1,504	14.63	38.07	66.25	0.87	0.57
Community First	5,677	55.22	83.44	78.35	1.03	1.07
Superior	3,099	30.15	47.06	75.65	1.00	0.62
DALLAS	14,713	100.00	75.29	74.78	1.00	1.01
AMERIGROUP	6,956	47.28	67.00	74.29	0.99	0.90
Parkland	5,896	40.07	88.63	76.21	1.02	1.16
UniCare	1,861	12.65	63.43	71.91	0.96	0.88
EPO	26,410	100.00	73.32	79.99	1.00	0.92
Superior EPO	26,410	100.00	73.32	79.99	1.00	0.92
El Paso	6,030	100.00	54.40	78.10	1.00	0.70
El Paso First	4,038	66.97	50.89	78.25	1.00	0.65
Superior	1,992	33.03	61.67	77.79	1.00	0.79
HARRIS	30,211	100.00	87.28	75.79	1.00	1.15
AMERIGROUP	4,527	14.98	64.31	72.56	0.96	0.89
Community Health Choice	4,472	14.80	69.42	67.27	0.89	1.03
Molina	878	2.91	56.31	66.13	0.87	0.85
Texas Children's	14,785	48.94	101.48	79.85	1.05	1.27
UTMB	5,549	18.37	86.55	75.64	1.00	1.14
LUBBOCK	2,589	100.00	63.07	76.95	1.00	0.82
FirstCare	1,186	45.81	89.01	79.67	1.04	1.12
Superior	1,403	54.19	40.86	74.62	0.97	0.55
NUECES	3,392	100.00	107.71	85.64	1.00	1.26
AMERIGROUP	249	7.34	66.66	70.59	0.82	0.94
Driscoll	2,780	81.96	112.53	87.36	1.02	1.29
Superior	363	10.70	96.87	82.05	0.96	1.18
TARRANT	9,737	100.00	78.62	77.94	1.00	1.01
AMERIGROUP	2,291	23.53	63.81	73.13	0.94	0.87
Aetna	1,319	13.55	74.76	69.17	0.89	1.08
Cook Children's	6,127	62.92	84.65	81.39	1.04	1.04
TRAVIS	4,968	100.00	72.91	76.25	1.00	0.96
Seton	3,611	72.69	80.02	77.77	1.02	1.03
Superior	1,357	27.31	53.20	72.04	0.94	0.74
WEBB	2,040	100.00	90.65	75.10	1.00	1.21
Mercy	2,040	100.00	90.65	75.10	1.00	1.21

Note: CDPS results are based on information in enrollment, encounter and pharmacy datasets. CDPS results were obtained for those enrollees who had been in the program for at least 3 months (age<1) and for those who had been in the program for at least 6 months (age≥1) (permitting one month lapse in enrollment within the 6 months period).

Attachment 6

Delivery Supplemental Payment

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

Attachment 7

CHIP Perinatal Rating

Since January 1, 2007, a new group of clients have been covered under the CHIP program – CHIP Perinatal. The purpose of this program is to extend CHIP services to unborn children of certain non-Medicaid eligible women. Newborns under this program receive the same benefits as current CHIP participants. There is no cost sharing applied to these participants. Also, for those newborns under 185% of the Federal Poverty Level (FPL), the initial inpatient facility cost will not be the financial responsibility of the health plan. Those costs will be carved-out and paid under Medicaid. All costs (including those for the initial inpatient facility stay) for newborns between 185% and 200% FPL are the responsibility of the health plan.

The CHIP benefits provided to expectant mothers are more limited in scope. They include the professional component of delivery services (for those clients under 185% FPL) and limited prenatal and post-natal services only. There will be no cost sharing applied to these participants.

We have developed premium rates for four categories of clients: (1) newborns under 185% of the Federal Poverty Level (FPL); (2) newborns between 185% and 200% FPL; (3) expectant mothers under 185% FPL; and (4) expectant mothers between 185% and 200% FPL.

The CHIP Perinatal FY2011 premium rates were derived using a methodology very similar to that described in Section II above for CHIP. Below is a description of the trend, benefit and provider reimbursement adjustments, risk adjustment and administrative cost provisions included in the CHIP Perinatal rates.

Please note that all babies born to mothers under 185% FPL in the CHIP Perinatal program on or after September 1, 2010, will be enrolled in Medicaid. CHIP Perinatal babies under 185% FPL born prior to September 1, 2010, will remain in CHIP Perinatal until their eligibility expires.

Trend Factors

The rating methodology uses assumed trend factors to adjust the base period claims cost to the projection period. The cost trend factors used in this analysis are a combination of utilization and inflation components. The projected trend rate assumptions were developed by the actuary based on an analysis of recent experience under the CHIP Perinatal program. The analysis included a review of claims experience data through March, 2010.

The chart below presents the assumed annual trend rates for FY2010 and FY2011.

	<u>FY2010</u>	<u>FY2011</u>
Newborns Under 185% FPL	10.0 %	10.0 %
Newborns 185-200% FPL	10.0 %	10.0 %
Perinates Under 185% FPL	10.0 %	10.0 %
Perinates 185-200% FPL	10.0 %	10.0 %

Provider Reimbursement Adjustment

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

Administrative Fees and Risk Margin

The rating methodology includes an explicit provision for health plan administrative services. The amount allocated for administrative expenses is \$12.50 pmpm plus 5.75% of gross premium. This amount is intended to provide for all administrative-related services performed by the HMO.

The premium rates also include a provision for premium tax (1.75% of premium), maintenance tax (\$0.11 pmpm) and a risk margin (2.0% of premium).

Summary

Exhibit B of Attachment 7 presents the summary community rating exhibit for each service area along with a description of the analysis. Exhibit A of Attachment 7 presents additional information regarding the FY2011 CHIP Perinatal rates including a comparison to FY2010 rates. The enrollment in both the Newborn 185-200% FPL and Perinate 185-200% FPL risk groups are so small that credible rates could not be set by area. Thus the rates for these two risk groups were calculated on a statewide basis. In addition to the premium, HHSC pays the health plans a \$3,100 delivery supplemental payment (DSP) per maternity delivery for those CHIP Perinatal clients between 185% and 200% FPL.

FY2011 CHIP Perinatal Rating Summary

Health Plan	Age Bracket				Total	Age Bracket				Total
	NB <185%	NB >185%	Per <185%	Per >185%		NB <185%	NB >185%	Per <185%	Per >185%	
Projected FY2011 Member Months										
Superior - EPO	10,049	720	81,492	1,128	93,389					
Superior - Austin	3,627	204	29,232	288	33,351					
Superior - Corpus	318	72	2,388	72	2,850					
Parkland - Dallas	9,907	384	72,156	444	82,891					
El Paso First - El Paso	664	36	5,124	36	5,860					
Superior - El Paso	424	48	3,132	36	3,640					
Amerigroup - Fort Worth	5,274	360	35,172	360	41,166					
CHC - Houston	18,140	1,044	111,600	1,476	132,260					
Firstcare - Lubbock	101	12	1,020	60	1,193					
Superior - Lubbock	368	12	2,388	36	2,804					
CFHP - San Antonio	871	96	7,152	120	8,239					
Superior - San Antonio	727	48	6,984	96	7,855					
Total - All Plans	50,469	3,036	357,840	4,152	415,497					
FY2010 (Current) Premium Rates pmpm						Projected FY2011 Premium Based on FY2010 Rates				
Superior - EPO	238.36	408.55	291.08	309.57	286.54	2,395,303	294,156	23,720,691	349,195	26,759,346
Superior - Austin	268.13	408.55	274.33	309.57	274.78	972,521	83,344	8,019,215	89,156	9,164,236
Superior - Corpus	240.96	408.55	279.25	309.57	279.01	76,673	29,416	666,849	22,289	795,227
Parkland - Dallas	260.85	408.55	397.02	309.57	380.33	2,584,293	156,883	28,647,375	137,449	31,526,001
El Paso First - El Paso	231.41	408.55	356.24	309.57	342.12	153,737	14,708	1,825,374	11,145	2,004,963
Superior - El Paso	231.41	408.55	356.24	309.57	341.94	98,014	19,610	1,115,744	11,145	1,244,512
Amerigroup - Fort Worth	240.22	408.55	410.12	309.57	387.46	1,266,908	147,078	14,424,741	111,445	15,950,172
CHC - Houston	307.78	408.55	585.23	309.57	542.71	5,582,991	426,526	65,311,668	456,925	71,778,110
Firstcare - Lubbock	265.12	408.55	371.30	309.57	359.58	26,790	4,903	378,726	18,574	428,993
Superior - Lubbock	265.12	408.55	371.30	309.57	356.74	97,471	4,903	886,664	11,145	1,000,183
CFHP - San Antonio	168.74	408.55	408.86	309.57	382.03	146,930	39,221	2,924,167	37,148	3,147,466
Superior - San Antonio	168.74	408.55	408.86	309.57	385.43	122,623	19,610	2,855,478	29,719	3,027,431
Total - All Plans	267.97	408.55	421.35	309.57	401.51	13,524,256	1,240,358	150,776,691	1,285,335	166,826,640

FY2011 CHIP Perinatal Rating Summary

Health Plan	Age Bracket				Total	Age Bracket				Total	
	NB <185%	NB >185%	Per <185%	Per >185%		NB <185%	NB >185%	Per <185%	Per >185%		
FY2011 Premium Rates pmpm (Individual Experience Rating)						FY2011 Premium					
Superior - EPO	303.75	457.63	364.92	219.97	357.30	3,052,398	329,496	29,738,008	248,129	33,368,030	
Superior - Austin	233.26	217.57	311.05	132.35	300.47	846,049	44,384	9,092,518	38,118	10,021,069	
Superior - Corpus	323.13	563.72	352.13	242.60	351.47	102,821	40,588	840,883	17,467	1,001,760	
Parkland - Dallas	329.09	548.38	397.23	333.47	389.44	3,260,366	210,578	28,662,496	148,062	32,281,503	
El Paso First - El Paso	226.80	242.00	421.52	-32.28	395.55	150,676	8,712	2,159,864	-1,162	2,318,090	
Superior - El Paso	196.33	250.34	341.70	295.19	323.11	83,156	12,016	1,070,194	10,627	1,175,993	
Amerigroup - Fort Worth	276.50	275.06	433.32	198.27	409.79	1,458,264	99,022	15,240,608	71,377	16,869,270	
CHC - Houston	336.52	736.90	609.22	491.76	571.52	6,104,292	769,326	67,989,312	725,835	75,588,765	
Firstcare - Lubbock	288.90	327.12	353.08	235.87	341.48	29,193	3,925	360,137	14,152	407,408	
Superior - Lubbock	297.03	486.73	368.11	309.54	358.54	109,202	5,841	879,046	11,144	1,005,232	
CFHP - San Antonio	203.36	105.37	496.48	844.49	466.02	177,078	10,116	3,550,849	101,339	3,839,382	
Superior - San Antonio	154.27	207.04	332.35	251.28	314.11	112,108	9,938	2,321,106	24,123	2,467,274	
Total - All Plans	306.83	508.54	452.45	339.41	434.04	15,485,602	1,543,943	161,905,021	1,409,210	180,343,776	
FY2011 Premium Rate Change Relative to Current Rates						FY2011 Average Rates (weighted using total program members)					
Superior - EPO	27.4%	12.0%	25.4%	-28.9%	24.7%	356.72					
Superior - Austin	-13.0%	-46.7%	13.4%	-57.2%	9.3%	299.13					
Superior - Corpus	34.1%	38.0%	26.1%	-21.6%	26.0%	349.06					
Parkland - Dallas	26.2%	34.2%	0.1%	7.7%	2.4%	389.42					
El Paso First - El Paso	-2.0%	-40.8%	18.3%	-110.4%	15.6%	392.02					
Superior - El Paso	-15.2%	-38.7%	-4.1%	-4.6%	-5.5%	322.91					
Amerigroup - Fort Worth	15.1%	-32.7%	5.7%	-36.0%	5.8%	410.76					
CHC - Houston	9.3%	80.4%	4.1%	58.9%	5.3%	575.86					
Firstcare - Lubbock	9.0%	-19.9%	-4.9%	-23.8%	-5.0%	343.92					
Superior - Lubbock	12.0%	19.1%	-0.9%	0.0%	0.5%	359.76					
CFHP - San Antonio	20.5%	-74.2%	21.4%	172.8%	22.0%	461.50					
Superior - San Antonio	-8.6%	-49.3%	-18.7%	-18.8%	-18.5%	308.99					
Total - All Plans	14.5%	24.5%	7.4%	9.6%	8.1%	434.04					

FY2011 CHIP Perinatal Rating Summary

Health Plan	Age Bracket				Total	Age Bracket				Total	
	NB <185%	NB >185%	Per <185%	Per >185%		NB <185%	NB >185%	Per <185%	Per >185%		
FY2011 Premium Rates pmpm (Community Rating)						FY2011 Premium					
Superior - EPO	305.76	459.43	370.55	243.93	362.74	3,072,595	330,790	30,197,165	275,158	33,875,708	
Superior - Austin	233.26	217.57	311.05	132.35	300.47	846,049	44,384	9,092,518	38,118	10,021,069	
Superior - Corpus	323.13	563.72	352.13	242.60	351.47	102,821	40,588	840,883	17,467	1,001,760	
Parkland - Dallas	329.09	548.38	397.23	333.47	389.44	3,260,366	210,578	28,662,496	148,062	32,281,503	
El Paso First - El Paso	214.94	246.77	391.24	131.46	368.77	142,795	8,884	2,004,701	4,732	2,161,112	
Superior - El Paso	214.94	246.77	391.24	131.46	366.25	91,037	11,845	1,225,356	4,732	1,332,971	
Amerigroup - Fort Worth	276.50	275.06	433.32	198.27	409.79	1,458,264	99,022	15,240,608	71,377	16,869,270	
CHC - Houston	336.52	736.90	609.22	491.76	571.52	6,104,292	769,326	67,989,312	725,835	75,588,765	
Firstcare - Lubbock	295.27	406.93	363.61	263.50	353.22	29,837	4,883	370,882	15,810	421,413	
Superior - Lubbock	295.27	406.93	363.61	263.50	353.55	108,557	4,883	868,301	9,486	991,227	
CFHP - San Antonio	181.03	139.26	415.39	580.84	389.81	157,631	13,369	2,970,870	69,701	3,211,572	
Superior - San Antonio	181.03	139.26	415.39	580.84	394.04	131,554	6,685	2,901,085	55,761	3,095,084	
Total - All Plans	307.23	508.97	453.73	345.91	435.27	15,505,800	1,545,236	162,364,179	1,436,239	180,851,454	
FY2011 Premium Rate Change Relative to Current Rates						FY2011 Average Rates (weighted using total program members)					
Superior - EPO	28.3%	12.5%	27.3%	-21.2%	26.6%	362.07					
Superior - Austin	-13.0%	-46.7%	13.4%	-57.2%	9.3%	299.13					
Superior - Corpus	34.1%	38.0%	26.1%	-21.6%	26.0%	349.06					
Parkland - Dallas	26.2%	34.2%	0.1%	7.7%	2.4%	389.42					
El Paso First - El Paso	-7.1%	-39.6%	9.8%	-57.5%	7.8%	366.17					
Superior - El Paso	-7.1%	-39.6%	9.8%	-57.5%	7.1%	366.17					
Amerigroup - Fort Worth	15.1%	-32.7%	5.7%	-36.0%	5.8%	410.76					
CHC - Houston	9.3%	80.4%	4.1%	58.9%	5.3%	575.86					
Firstcare - Lubbock	11.4%	-0.4%	-2.1%	-14.9%	-1.8%	354.63					
Superior - Lubbock	11.4%	-0.4%	-2.1%	-14.9%	-0.9%	354.63					
CFHP - San Antonio	7.3%	-65.9%	1.6%	87.6%	2.0%	386.56					
Superior - San Antonio	7.3%	-65.9%	1.6%	87.6%	2.2%	386.56					
Total - All Plans	14.7%	24.6%	7.7%	11.7%	8.4%	435.27					

	Newborn <185%		Newborn 185-200%		Perinate <185%		Perinate 185-200%		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2008- 8/31/2009										
Member Months	29,779		378		36,062		416		66,635	
Premium Revenue	9,452,481	317.42	248,468	657.32	13,609,472	377.39	75,185	180.73	23,385,606	350.95
Adjusted Premium	7,984,643	268.13	154,432	408.55	9,892,888	274.33	128,781	309.57	18,160,745	272.54
Delivery Payments	0	0.00	0	0.00	0	0.00	139,500	335.34	139,500	2.09
Total Adjusted Premium	7,984,643	268.13	154,432	408.55	9,892,888	274.33	268,281	644.91	18,300,245	274.63
Adjusted FY2009 Incurred Claims	4,781,998	160.58	56,276	148.88	7,948,065	220.40	140,444	337.61	12,926,783	193.99
Projected FY2011 Member Months	3,627		204		29,232		288		33,351	
Projected FY2011 Premium										
Current Rates	972,521	268.13	83,344	408.55	8,019,215	274.33	89,156	309.57	9,164,236	274.78
Current DSP Rate	0	0.00	0	0.00	0	0.00	96,601	335.42	96,601	2.90
Annual Trend Assumptions										
FY2010	10.00 %		10.00 %		10.00 %		10.00 %			
FY2011	10.00 %		10.00 %		10.00 %		10.00 %			
Provider Fee Increase	1.0032		1.0032		0.9997		0.9997			
Other Reimbursement Changes	1.0071		1.0071		1.0005		1.0005			
Projected Incurred Claims	712,030	196.31	37,128	182.00	7,797,265	266.74	117,673	408.59	8,664,096	259.78
Capitation Expenses	2,466	0.68	161	0.79	19,001	0.65	184	0.64	21,813	0.65
Net Reinsurance Cost	5,441	1.50	306	1.50	43,848	1.50	432	1.50	50,027	1.50
Administrative Expenses										
Fixed Amount	45,338	12.50	2,550	12.50	365,400	12.50	3,600	12.50	416,888	12.50
Percentage of Premium	5.75 %	13.41	5.75 %	12.51	5.75 %	17.89	5.75 %	26.90	5.75 %	17.44
Risk Margin	2.00 %	4.67	2.00 %	4.35	2.00 %	6.22	2.00 %	9.36	2.00 %	6.07
Premium Tax	1.75 %	4.08	1.75 %	3.81	1.75 %	5.44	1.75 %	8.19	1.75 %	5.31
Maintenance Tax	399	0.11	22	0.11	3,216	0.11	32	0.11	3,669	0.11
Projected Total Cost	846,049	233.26	44,384	217.57	9,092,518	311.05	134,719	467.77	10,117,670	303.37
Adjusted Total Cost	846,049	233.26	44,384	217.57	9,092,518	311.05	38,118	132.35	10,021,069	300.47
Experience Rate Increase		-13.0 %		-46.7 %		13.4 %		-57.2 %		9.3 %

	Newborn <185%		Newborn 185-200%		Perinate <185%		Perinate 185-200%		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2008- 8/31/2009										
Member Months	2,440		90		3,017		142		5,689	
Premium Revenue	922,501	378.07	63,250	702.78	1,111,978	368.57	25,646	180.61	2,123,375	373.24
Adjusted Premium	587,942	240.96	36,770	408.55	842,497	279.25	43,959	309.57	1,511,168	265.63
Delivery Payments	0	0.00	0	0.00	0	0.00	43,400	305.63	43,400	7.63
Total Adjusted Premium	587,942	240.96	36,770	408.55	842,497	279.25	87,359	615.20	1,554,568	273.26
Adjusted FY2009 Incurred Claims	571,789	234.34	37,445	416.06	765,994	253.89	56,962	401.14	1,432,191	251.75
Projected FY2011 Member Months	318		72		2,388		72		2,850	
Projected FY2011 Premium										
Current Rates	76,673	240.96	29,416	408.55	666,849	279.25	22,289	309.57	795,227	279.01
Current DSP Rate	0	0.00	0	0.00	0	0.00	22,008	305.66	22,008	7.72
Annual Trend Assumptions										
FY2010	10.00 %		10.00 %		10.00 %		10.00 %			
FY2011	10.00 %		10.00 %		10.00 %		10.00 %			
Provider Fee Increase	1.0013		1.0013		0.9989		0.9989			
Other Reimbursement Changes	0.9859		0.9859		0.9977		0.9977			
Projected Incurred Claims	89,069	279.92	35,782	496.98	731,126	306.17	34,829	483.73	890,806	312.54
Capitation Expenses	-506	-1.59	-66	-0.92	-3,821	-1.60	-120	-1.67	-4,513	-1.58
Net Reinsurance Cost	477	1.50	108	1.50	3,582	1.50	108	1.50	4,275	1.50
Administrative Expenses										
Fixed Amount	3,978	12.50	900	12.50	29,850	12.50	900	12.50	35,628	12.50
Percentage of Premium	5.75 %	18.58	5.75 %	32.41	5.75 %	20.25	5.75 %	31.52	5.75 %	20.65
Risk Margin	2.00 %	6.46	2.00 %	11.27	2.00 %	7.04	2.00 %	10.97	2.00 %	7.18
Premium Tax	1.75 %	5.65	1.75 %	9.87	1.75 %	6.16	1.75 %	9.59	1.75 %	6.29
Maintenance Tax	35	0.11	8	0.11	263	0.11	8	0.11	314	0.11
Projected Total Cost	102,821	323.13	40,588	563.72	840,883	352.13	39,475	548.26	1,023,767	359.19
Adjusted Total Cost	102,821	323.13	40,588	563.72	840,883	352.13	17,467	242.60	1,001,760	351.47
Experience Rate Increase		34.1 %		38.0 %		26.1 %		-21.6 %		26.0 %

	Newborn <185%		Newborn 185-200%		Perinate <185%		Perinate 185-200%		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2008- 8/31/2009										
Member Months	73,102		691		83,341		831		157,965	
Premium Revenue	26,855,487	367.37	433,099	626.77	30,919,450	371.00	150,444	181.04	58,358,480	369.44
Adjusted Premium	19,068,657	260.85	282,308	408.55	33,088,044	397.02	257,253	309.57	52,696,261	333.59
Delivery Payments	0	0.00	0	0.00	0	0.00	260,400	313.36	260,400	1.65
Total Adjusted Premium	19,068,657	260.85	282,308	408.55	33,088,044	397.02	517,653	622.93	52,956,661	335.24
Adjusted FY2009 Incurred Claims	17,040,025	233.10	274,285	396.94	24,050,931	288.58	396,013	476.55	41,761,254	264.37
Projected FY2011 Member Months	9,907		384		72,156		444		82,891	
Projected FY2011 Premium										
Current Rates	2,584,293	260.85	156,883	408.55	28,647,375	397.02	137,449	309.57	31,526,001	380.33
Current DSP Rate	0	0.00	0	0.00	0	0.00	139,154	313.41	139,154	1.68
Annual Trend Assumptions										
FY2010	10.00 %		10.00 %		10.00 %		10.00 %			
FY2011	10.00 %		10.00 %		10.00 %		10.00 %			
Provider Fee Increase	0.9947		0.9947		0.9934		0.9934			
Other Reimbursement Changes	1.0066		1.0066		1.0000		1.0000			
Projected Incurred Claims	2,797,862	282.41	184,667	480.90	25,029,672	346.88	254,332	572.82	28,266,533	341.01
Capitation Expenses	27,839	2.81	1,064	2.77	0	0.00	0	0.00	28,903	0.35
Net Reinsurance Cost	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Administrative Expenses										
Fixed Amount	123,840	12.50	4,800	12.50	901,950	12.50	5,550	12.50	1,036,140	12.50
Percentage of Premium	5.75 %	18.92	5.75 %	31.53	5.75 %	22.84	5.75 %	37.20	5.75 %	22.49
Risk Margin	2.00 %	6.58	2.00 %	10.97	2.00 %	7.94	2.00 %	12.94	2.00 %	7.82
Premium Tax	1.75 %	5.76	1.75 %	9.60	1.75 %	6.95	1.75 %	11.32	1.75 %	6.84
Maintenance Tax	1,090	0.11	42	0.11	7,937	0.11	49	0.11	9,118	0.11
Projected Total Cost	3,260,366	329.09	210,578	548.38	28,662,496	397.23	287,216	646.88	32,420,657	391.12
Adjusted Total Cost	3,260,366	329.09	210,578	548.38	28,662,496	397.23	148,062	333.47	32,281,503	389.44
Experience Rate Increase		26.2 %		34.2 %		0.1 %		7.7 %		2.4 %

	Newborn <185%		Newborn 185-200%		Perinate <185%		Perinate 185-200%		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2008- 8/31/2009										
Member Months	8,377		159		10,610		171		19,317	
Premium Revenue	2,301,079	274.69	89,977	565.90	4,400,866	414.78	30,936	180.91	6,822,858	353.20
Adjusted Premium	1,938,522	231.41	64,959	408.55	3,779,706	356.24	52,936	309.57	5,836,124	302.12
Delivery Payments	0	0.00	0	0.00	0	0.00	65,100	380.70	65,100	3.37
Total Adjusted Premium	1,938,522	231.41	64,959	408.55	3,779,706	356.24	118,036	690.27	5,901,224	305.49
Adjusted FY2009 Incurred Claims	1,319,207	157.48	29,001	182.40	3,010,912	283.78	63,127	369.17	4,422,248	228.93
Projected FY2011 Member Months	1,088		84		8,256		72		9,500	
Projected FY2011 Premium										
Current Rates	251,751	231.41	34,318	408.55	2,941,117	356.24	22,289	309.57	3,249,476	342.05
Current DSP Rate	0	0.00	0	0.00	0	0.00	26,862	373.09	26,862	2.83
Annual Trend Assumptions										
FY2010	10.00 %		10.00 %		10.00 %		10.00 %			
FY2011	10.00 %		10.00 %		10.00 %		10.00 %			
Provider Fee Increase	0.9935		0.9935		0.9935		0.9935			
Other Reimbursement Changes	0.9579		0.9579		0.9993		0.9993			
Projected Incurred Claims	197,282	181.34	17,643	210.03	2,814,502	340.90	31,930	443.48	3,061,357	322.25
Capitation Expenses	-516	-0.47	-42	-0.50	-3,949	-0.48	-43	-0.60	-4,550	-0.48
Net Reinsurance Cost	1,134	1.04	99	1.18	8,541	1.03	81	1.13	9,855	1.04
Administrative Expenses										
Fixed Amount	13,599	12.50	1,050	12.50	103,200	12.50	900	12.50	118,749	12.50
Percentage of Premium	5.75 %	12.36	5.75 %	14.19	5.75 %	22.50	5.75 %	29.01	5.75 %	21.31
Risk Margin	2.00 %	4.30	2.00 %	4.94	2.00 %	7.82	2.00 %	10.09	2.00 %	7.41
Premium Tax	1.75 %	3.76	1.75 %	4.32	1.75 %	6.85	1.75 %	8.83	1.75 %	6.49
Maintenance Tax	120	0.11	9	0.11	908	0.11	8	0.11	1,045	0.11
Projected Total Cost	233,832	214.94	20,728	246.77	3,230,058	391.24	36,327	504.54	3,520,945	370.63
Adjusted Total Cost	233,832	214.94	20,728	246.77	3,230,058	391.24	9,465	131.46	3,494,083	367.80
Experience Rate Increase		-7.1 %		-39.6 %		9.8 %		-57.5 %		7.5 %

	Newborn <185%		Newborn 185-200%		Perinate <185%		Perinate 185-200%		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2008- 8/31/2009										
Member Months	73,142		1,061		100,001		1,469		175,673	
Premium Revenue	23,239,711	317.73	684,170	644.84	37,639,619	376.39	265,369	180.65	61,828,869	351.95
Adjusted Premium	17,806,403	243.45	433,472	408.55	30,254,047	302.54	454,758	309.57	48,948,680	278.64
Delivery Payments	0	0.00	0	0.00	0	0.00	303,800	206.81	303,800	1.73
Total Adjusted Premium	17,806,403	243.45	433,472	408.55	30,254,047	302.54	758,558	516.38	49,252,480	280.36
Adjusted FY2009 Incurred Claims	16,280,438	222.59	360,724	339.98	26,736,791	267.37	479,633	326.50	43,857,585	249.65
Projected FY2011 Member Months	10,049		720		81,492		1,128		93,389	
Projected FY2011 Premium										
Current Rates	2,395,303	238.36	294,156	408.55	23,720,691	291.08	349,195	309.57	26,759,346	286.54
Current DSP Rate	0	0.00	0	0.00	0	0.00	231,652	205.37	231,652	2.48
Annual Trend Assumptions										
FY2010	10.00 %		10.00 %		10.00 %		10.00 %			
FY2011	10.00 %		10.00 %		10.00 %		10.00 %			
Provider Fee Increase	0.9959		0.9959		0.9954		0.9954			
Other Reimbursement Changes	0.9826		0.9826		1.0005		1.0005			
Projected Incurred Claims	2,648,526	263.56	289,848	402.57	26,255,483	322.18	443,809	393.45	29,637,666	317.36
Capitation Expenses	-7,037	-0.70	-534	-0.74	-56,852	-0.70	-836	-0.74	-65,258	-0.70
Net Reinsurance Cost	12,490	1.24	971	1.35	102,189	1.25	1,465	1.30	117,115	1.25
Administrative Expenses										
Fixed Amount	125,614	12.50	9,000	12.50	1,018,650	12.50	14,100	12.50	1,167,364	12.50
Percentage of Premium	5.75 %	17.58	5.75 %	26.42	5.75 %	21.31	5.75 %	25.83	5.75 %	21.00
Risk Margin	2.00 %	6.12	2.00 %	9.19	2.00 %	7.41	2.00 %	8.99	2.00 %	7.30
Premium Tax	1.75 %	5.35	1.75 %	8.04	1.75 %	6.48	1.75 %	7.86	1.75 %	6.39
Maintenance Tax	1,105	0.11	79	0.11	8,964	0.11	124	0.11	10,273	0.11
Projected Total Cost	3,072,595	305.76	330,790	459.43	30,197,165	370.55	506,809	449.30	34,107,360	365.22
Adjusted Total Cost	3,072,595	305.76	330,790	459.43	30,197,165	370.55	275,158	243.93	33,875,708	362.74
Experience Rate Increase		28.3 %		12.5 %		27.3 %		-21.2 %		26.6 %

	Newborn <185%		Newborn 185-200%		Perinate <185%		Perinate 185-200%		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2008- 8/31/2009										
Member Months	37,686		569		43,020		598		81,873	
Premium Revenue	11,305,191	299.98	367,722	646.26	18,112,590	421.03	108,051	180.69	29,893,554	365.12
Adjusted Premium	9,052,931	240.22	232,465	408.55	17,643,362	410.12	185,123	309.57	27,113,881	331.17
Delivery Payments	0	0.00	0	0.00	0	0.00	226,300	378.43	226,300	2.76
Total Adjusted Premium	9,052,931	240.22	232,465	408.55	17,643,362	410.12	411,423	688.00	27,340,181	333.93
Adjusted FY2009 Incurred Claims	7,325,871	194.39	109,998	193.32	13,578,079	315.62	253,366	423.69	21,267,314	259.76
Projected FY2011 Member Months	5,274		360		35,172		360		41,166	
Projected FY2011 Premium										
Current Rates	1,266,908	240.22	147,078	408.55	14,424,741	410.12	111,445	309.57	15,950,172	387.46
Current DSP Rate	0	0.00	0	0.00	0	0.00	136,264	378.51	136,264	3.31
Annual Trend Assumptions										
FY2010	10.00 %		10.00 %		10.00 %		10.00 %			
FY2011	10.00 %		10.00 %		10.00 %		10.00 %			
Provider Fee Increase	0.9952		0.9952		0.9928		0.9928			
Other Reimbursement Changes	1.0085		1.0085		1.0001		1.0001			
Projected Incurred Claims	1,245,050	236.08	84,517	234.77	13,336,921	379.19	183,249	509.02	14,849,737	360.73
Capitation Expenses	6,329	1.20	432	1.20	0	0.00	0	0.00	6,761	0.16
Net Reinsurance Cost	1,846	0.35	126	0.35	12,310	0.35	126	0.35	14,408	0.35
Administrative Expenses										
Fixed Amount	65,924	12.50	4,500	12.50	439,650	12.50	4,500	12.50	514,574	12.50
Percentage of Premium	5.75 %	15.90	5.75 %	15.82	5.75 %	24.92	5.75 %	33.16	5.75 %	23.75
Risk Margin	2.00 %	5.53	2.00 %	5.50	2.00 %	8.67	2.00 %	11.54	2.00 %	8.26
Premium Tax	1.75 %	4.84	1.75 %	4.81	1.75 %	7.58	1.75 %	10.09	1.75 %	7.23
Maintenance Tax	580	0.11	40	0.11	3,869	0.11	40	0.11	4,528	0.11
Projected Total Cost	1,458,264	276.50	99,022	275.06	15,240,608	433.32	207,640	576.78	17,005,534	413.10
Adjusted Total Cost	1,458,264	276.50	99,022	275.06	15,240,608	433.32	71,377	198.27	16,869,270	409.79
Experience Rate Increase		15.1 %		-32.7 %		5.7 %		-36.0 %		5.8 %

	Newborn <185%		Newborn 185-200%		Perinate <185%		Perinate 185-200%		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2008- 8/31/2009										
Member Months	127,383		2,089		134,272		1,986		265,730	
Premium Revenue	50,872,248	399.36	1,483,731	710.26	71,250,655	530.64	359,339	180.94	123,965,973	466.51
Adjusted Premium	39,205,940	307.78	853,461	408.55	78,580,003	585.23	614,806	309.57	119,254,209	448.78
Delivery Payments	0	0.00	0	0.00	0	0.00	787,400	396.48	787,400	2.96
Total Adjusted Premium	39,205,940	307.78	853,461	408.55	78,580,003	585.23	1,402,206	706.05	120,041,609	451.74
Adjusted FY2009 Incurred Claims	30,476,560	239.25	1,118,272	535.31	59,549,000	443.50	1,312,283	660.77	92,456,115	347.93
Projected FY2011 Member Months	18,140		1,044		111,600		1,476		132,260	
Projected FY2011 Premium										
Current Rates	5,582,991	307.78	426,526	408.55	65,311,668	585.23	456,925	309.57	71,778,110	542.71
Current DSP Rate	0	0.00	0	0.00	0	0.00	585,219	396.49	585,219	4.42
Annual Trend Assumptions										
FY2010	10.00 %		10.00 %		10.00 %		10.00 %			
FY2011	10.00 %		10.00 %		10.00 %		10.00 %			
Provider Fee Increase	0.9949		0.9949		0.9943		0.9943			
Other Reimbursement Changes	1.0099		1.0099		0.9993		0.9993			
Projected Incurred Claims	5,276,235	290.87	679,442	650.81	59,504,788	533.20	1,172,556	794.41	66,633,021	503.80
Capitation Expenses	-7,800	-0.43	2,067	1.98	450,864	4.04	-6,878	-4.66	438,253	3.31
Net Reinsurance Cost	27,209	1.50	1,566	1.50	167,400	1.50	2,214	1.50	198,389	1.50
Administrative Expenses										
Fixed Amount	226,744	12.50	13,050	12.50	1,395,000	12.50	18,450	12.50	1,653,244	12.50
Percentage of Premium	5.75 %	19.35	5.75 %	42.37	5.75 %	35.03	5.75 %	51.07	5.75 %	33.12
Risk Margin	2.00 %	6.73	2.00 %	14.74	2.00 %	12.18	2.00 %	17.76	2.00 %	11.52
Premium Tax	1.75 %	5.89	1.75 %	12.90	1.75 %	10.66	1.75 %	15.54	1.75 %	10.08
Maintenance Tax	1,995	0.11	115	0.11	12,276	0.11	162	0.11	14,549	0.11
Projected Total Cost	6,104,292	336.52	769,326	736.90	67,989,312	609.22	1,311,054	888.25	76,173,984	575.94
Adjusted Total Cost	6,104,292	336.52	769,326	736.90	67,989,312	609.22	725,835	491.76	75,588,765	571.52
Experience Rate Increase		9.3 %		80.4 %		4.1 %		58.9 %		5.3 %

	Newborn <185%		Newborn 185-200%		Perinate <185%		Perinate 185-200%		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2008- 8/31/2009										
Member Months	3,405		121		3,945		122		7,593	
Premium Revenue	881,455	258.87	62,589	517.26	1,615,380	409.48	22,200	181.97	2,581,624	340.00
Adjusted Premium	902,734	265.12	49,435	408.55	1,464,779	371.30	37,768	309.57	2,454,714	323.29
Delivery Payments	0	0.00	0	0.00	0	0.00	34,100	279.51	34,100	4.49
Total Adjusted Premium	902,734	265.12	49,435	408.55	1,464,779	371.30	71,868	589.08	2,488,814	327.78
Adjusted FY2009 Incurred Claims	682,314	200.39	33,908	280.23	989,027	250.70	54,659	448.02	1,759,908	231.78
Projected FY2011 Member Months	469		24		3,408		96		3,997	
Projected FY2011 Premium										
Current Rates	124,262	265.12	9,805	408.55	1,265,390	371.30	29,719	309.57	1,429,176	357.59
Current DSP Rate	0	0.00	0	0.00	0	0.00	35,928	374.25	35,928	8.99
Annual Trend Assumptions										
FY2010	10.00 %		10.00 %		10.00 %		10.00 %			
FY2011	10.00 %		10.00 %		10.00 %		10.00 %			
Provider Fee Increase	1.0383		1.0383		1.0366		1.0366			
Other Reimbursement Changes	1.0063		1.0063		1.0022		1.0022			
Projected Incurred Claims	118,740	253.34	8,503	354.28	1,074,018	315.15	54,066	563.18	1,255,327	314.09
Capitation Expenses	-107	-0.23	-3	-0.13	-645	-0.19	-13	-0.13	-767	-0.19
Net Reinsurance Cost	703	1.50	36	1.50	5,112	1.50	144	1.50	5,995	1.50
Administrative Expenses										
Fixed Amount	5,859	12.50	300	12.50	42,600	12.50	1,200	12.50	49,959	12.50
Percentage of Premium	5.75 %	16.98	5.75 %	23.40	5.75 %	20.91	5.75 %	36.67	5.75 %	20.84
Risk Margin	2.00 %	5.91	2.00 %	8.14	2.00 %	7.27	2.00 %	12.75	2.00 %	7.25
Premium Tax	1.75 %	5.17	1.75 %	7.12	1.75 %	6.36	1.75 %	11.16	1.75 %	6.34
Maintenance Tax	52	0.11	3	0.11	375	0.11	11	0.11	440	0.11
Projected Total Cost	138,394	295.27	9,766	406.93	1,239,183	363.61	61,224	637.75	1,448,567	362.44
Adjusted Total Cost	138,394	295.27	9,766	406.93	1,239,183	363.61	25,296	263.50	1,412,640	353.45
Experience Rate Increase		11.4 %		-0.4 %		-2.1 %		-14.9 %		-1.2 %

	Newborn <185%		Newborn 185-200%		Perinate <185%		Perinate 185-200%		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2008- 8/31/2009										
Member Months	12,949		344		19,734		398		33,425	
Premium Revenue	4,045,361	312.41	242,140	703.90	8,838,658	447.89	72,083	181.11	13,198,242	394.86
Adjusted Premium	2,185,014	168.74	140,541	408.55	8,068,443	408.86	123,209	309.57	10,517,208	314.65
Delivery Payments	0	0.00	0	0.00	0	0.00	62,000	155.78	62,000	1.85
Total Adjusted Premium	2,185,014	168.74	140,541	408.55	8,068,443	408.86	185,209	465.35	10,579,208	316.51
Adjusted FY2009 Incurred Claims	1,655,925	127.88	33,192	96.49	5,941,126	301.06	204,211	513.09	7,834,454	234.39
Projected FY2011 Member Months	1,597		144		14,136		216		16,093	
Projected FY2011 Premium										
Current Rates	269,554	168.74	58,831	408.55	5,779,645	408.86	66,867	309.57	6,174,897	383.69
Current DSP Rate	0	0.00	0	0.00	0	0.00	25,117	116.28	25,117	1.56
Annual Trend Assumptions										
FY2010	10.00 %		10.00 %		10.00 %		10.00 %			
FY2011	10.00 %		10.00 %		10.00 %		10.00 %			
Provider Fee Increase	0.9942		0.9942		0.9943		0.9943			
Other Reimbursement Changes	0.9836		0.9836		0.9998		0.9998			
Projected Incurred Claims	241,718	151.32	16,440	114.17	5,119,130	362.13	133,311	617.18	5,510,599	342.41
Capitation Expenses	-2,476	-1.55	-316	-2.19	-3,897	-0.28	-75	-0.35	-6,764	-0.42
Net Reinsurance Cost	2,327	1.46	208	1.45	20,632	1.46	314	1.46	23,481	1.46
Administrative Expenses										
Fixed Amount	19,968	12.50	1,800	12.50	176,700	12.50	2,700	12.50	201,168	12.50
Percentage of Premium	5.75 %	10.41	5.75 %	8.01	5.75 %	23.88	5.75 %	40.08	5.75 %	22.62
Risk Margin	2.00 %	3.62	2.00 %	2.79	2.00 %	8.31	2.00 %	13.94	2.00 %	7.87
Premium Tax	1.75 %	3.17	1.75 %	2.44	1.75 %	7.27	1.75 %	12.20	1.75 %	6.89
Maintenance Tax	176	0.11	16	0.11	1,555	0.11	24	0.11	1,770	0.11
Projected Total Cost	289,185	181.03	20,054	139.26	5,871,955	415.39	150,579	697.13	6,331,773	393.44
Adjusted Total Cost	289,185	181.03	20,054	139.26	5,871,955	415.39	125,462	580.84	6,306,656	391.88
Experience Rate Increase		7.3 %		-65.9 %		1.6 %		87.6 %		2.1 %

FY2010 CHIP Perinatal Rating
 Rating Assumptions
 Benefit and Provider Reimbursement Changes

<u>Service Area</u>	<u>RHC/FQHC</u>		<u>1% Provider Rate Cut</u>		<u>EPSDT</u>	
	<u>Newborn</u>	<u>Perinate</u>	<u>Newborn</u>	<u>Perinate</u>	<u>Newborn</u>	<u>Perinate</u>
EPO	1.0051	1.0051	0.9908	0.9903	1.0059	1.0000
Austin	1.0097	1.0097	0.9936	0.9901	1.0059	1.0000
Corpus Christi	1.0080	1.0080	0.9934	0.9910	1.0051	1.0000
Dallas	1.0034	1.0034	0.9913	0.9900	1.0060	1.0000
El Paso	1.0035	1.0035	0.9900	0.9900	1.0075	1.0000
Fort Worth	1.0028	1.0028	0.9924	0.9900	1.0067	1.0000
Houston	1.0028	1.0028	0.9921	0.9915	1.0053	1.0000
Lubbock	1.0469	1.0469	0.9918	0.9902	1.0083	1.0000
San Antonio	1.0041	1.0041	0.9901	0.9902	1.0056	1.0000

	<u>Autism & Develop</u>		<u>DRG Rebasing</u>	
	<u>Newborn</u>	<u>Perinate</u>	<u>Newborn</u>	<u>Perinate</u>
EPO	1.0009	1.0000	0.9760	1.0005
Austin	1.0008	1.0000	1.0004	1.0005
Corpus Christi	1.0007	1.0000	0.9802	0.9977
Dallas	1.0010	1.0000	0.9996	1.0000
El Paso	1.0011	1.0000	0.9497	0.9993
Fort Worth	1.0010	1.0000	1.0008	1.0001
Houston	1.0008	1.0000	1.0038	0.9993
Lubbock	1.0012	1.0000	0.9968	1.0022
San Antonio	1.0008	1.0000	0.9773	0.9998

Attachment 8

CHIP Dental Rating

The actuarial model used to derive the FY2011 CHIP Dental premium rates relies on recent dental plan financial experience. Historical claims experience data for the dental plan was analyzed and estimates for the base period (FY2009, September, 2008 through August, 2009) were developed. The claims experience was trended forward to FY2011 using assumed annual trend rates of 10.0% for FY2010 and 8.0% for FY2011. Provisions for administrative expenses, taxes and risk margin were added to the projected claims to produce the FY2011 premium rates.

Attached Exhibit C presents a summary of historical Dental Plan claims experience.

Attached Exhibit A presents a summary of the experience analysis performed for the CHIP dental plan. The top portion of the exhibit shows summary FY2009 base period experience. Following that is projected FY2011 enrollment, premium and incurred claims experience.

The amount allocated for administrative expenses is \$1.06 pmpm. Provision is also included for risk margin (2.0% of gross premium), premium tax (1.75%) and maintenance tax (\$.037 pmpm).

The bottom of the exhibit shows a summary of the projected FY2011 cost based on these assumptions and the experience rate increase applied to the three rate tiers.

Exhibit B presents the FY2011 premium rates for the three rate tiers. The FY2011 per-capita rates are determined as the FY2010 rates increased by the experience rate increase by age calculated on Exhibit A, as described above.

FY2011 CHIP Dental Rating Analysis

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
FY2009 Estimated Experience										
Member Months	388,680		996,629		3,422,456		1,161,427		5,969,192	
Estimated Incurred Claims	15,304	0.04	9,689,152	9.72	54,652,165	15.97	14,685,526	12.64	79,042,148	13.24
Projected FY2011 Member Months	237,744		1,024,164		3,780,996		1,358,340		6,401,244	
Projected FY2011 Premium (at Current Rates)	275,783	1.16	11,535,257	11.26	68,004,028	17.99	19,133,226	14.09	98,948,294	15.46
Annual Trend Assumptions										
FY2010	10.0 %		10.0 %		10.0 %		10.0 %			
FY2011	8.0 %		8.0 %		8.0 %		8.0 %			
Provider Fee Increase	1.0106		1.0106		1.0106		1.0106			
Projected Incurred Claims	11,239	0.05	11,954,117	11.67	72,488,890	19.17	20,620,625	15.18	105,074,871	16.41
Administrative Expenses										
Fixed Amount	252,009	1.06	1,085,614	1.06	4,007,856	1.06	1,439,840	1.06	6,785,319	1.06
Percentage of Premium	0.00 %	0.00	0.00 %	0.00	0.00 %	0.00	0.00 %	0.00	0.00 %	0.00
Risk Margin	2.00 %	0.02	2.00 %	0.27	2.00 %	0.42	2.00 %	0.34	2.00 %	0.36
Premium Tax	1.75 %	0.02	1.75 %	0.23	1.75 %	0.37	1.75 %	0.30	1.75 %	0.32
Maintenance Tax	8,717	0.04	37,553	0.04	138,637	0.04	49,806	0.04	234,712	0.00
Projected Total Cost	282,561	1.19	13,586,788	13.27	79,621,177	21.06	22,971,710	16.91	116,462,235	18.19
Experience Rate Increase		2.5 %		17.8 %		17.1 %		20.1 %		17.7 %

FY2011 CHIP Dental Rating Analysis

	<u><1</u>	<u>1-5</u>	<u>6-14</u>	<u>15-18</u>
FY2010 Premium Rates				
Tier I	\$ 1.16	\$ 11.16	\$ 17.70	\$ 13.85
Tier II	1.16	11.27	17.88	13.99
Tier III	1.16	11.49	18.28	14.29
FY2011 Premium Rates				
Tier I	\$ 1.19	\$ 13.14	\$ 20.72	\$ 16.63
Tier II	1.19	13.27	20.93	16.80
Tier III	1.19	13.53	21.40	17.16
FY2010 Rate Increase				
Tier I	2.6 %	17.7 %	17.1 %	20.1 %
Tier II	2.6 %	17.7 %	17.1 %	20.1 %
Tier III	2.6 %	17.8 %	17.1 %	20.1 %

CHIP Dental Plan
 Estimated Claims Experience

Month	Members	Inc & Pd Claims	Compl Factor	Est. Inc. Claims	Est. Inc. pmpm	Trend Factor
Sep-07	333,952	3,100,873	1.000	3,100,873	9.29	1.315
Oct-07	354,853	4,232,405	1.000	4,232,405	11.93	1.596
Nov-07	363,491	3,858,384	1.000	3,858,384	10.61	1.511
Dec-07	375,466	3,533,385	1.000	3,533,385	9.41	1.317
Jan-08	382,265	4,847,441	1.000	4,847,441	12.68	1.494
Feb-08	388,895	4,714,058	1.000	4,714,058	12.12	1.520
Mar-08	412,587	5,505,992	1.000	5,505,992	13.35	1.344
Apr-08	438,655	5,308,460	1.000	5,308,460	12.10	1.519
May-08	455,818	4,690,465	1.000	4,690,465	10.29	1.294
Jun-08	473,577	5,869,643	1.000	5,869,643	12.39	1.284
Jul-08	492,308	6,757,844	1.000	6,757,844	13.73	1.409
Aug-08	505,603	7,330,168	1.000	7,330,168	14.50	1.200
Sep-08	493,477	4,829,383	1.000	4,829,383	9.79	1.054
Oct-08	495,033	5,928,459	1.000	5,928,459	11.98	1.004
Nov-08	488,842	5,278,692	1.000	5,278,692	10.80	1.017
Dec-08	486,865	5,231,657	1.000	5,231,657	10.75	1.142
Jan-09	483,461	5,990,523	1.000	5,990,523	12.39	0.977
Feb-09	480,520	6,000,422	1.000	6,000,422	12.49	1.030
Mar-09	488,226	7,477,351	1.000	7,477,351	15.32	1.148
Apr-09	496,012	6,614,772	1.000	6,614,772	13.34	1.102
May-09	504,364	5,810,284	1.000	5,810,284	11.52	1.120
Jun-09	511,292	7,941,868	1.000	7,943,456	15.54	1.253
Jul-09	518,259	8,749,600	0.999	8,758,359	16.90	1.231
Aug-09	522,841	9,169,691	0.999	9,178,870	17.56	1.211
Sep-09	524,165	6,312,305	0.999	6,319,888	12.06	1.232
Oct-09	523,904	6,879,162	0.998	6,892,948	13.16	1.099
Nov-09	524,572	6,512,937	0.998	6,528,606	12.45	1.153
Dec-09	527,169	6,458,359	0.996	6,485,599	12.30	1.145
Jan-10	532,786	7,010,271	0.993	7,056,846	13.25	1.069
Feb-10	528,103	6,993,573	0.988	7,077,799	13.40	1.073
Mar-10	530,759	8,820,446	0.970	9,094,181	17.13	1.119
Apr-10	533,995	6,577,211	0.907	7,250,811	13.58	1.018
May-10	535,839	2,273,314	0.345	6,589,315	12.30	1.067
FY2007	3,753,637			32,026,727	8.53	
FY2008	4,977,470			59,749,118	12.00	1.407
FY2009	5,969,192			79,042,228	13.24	1.103
FY2010	4,761,292			63,295,993	13.29	1.004
9/07-4/08	3,050,164			35,100,998	11.51	
9/08-4/09	3,912,436			47,351,259	12.10	1.052
9/09-4/10	4,225,453			56,706,678	13.42	1.109