

Rudd and Wisdom, Inc.

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January 16, 2012

Dr. David Palmer
Chief Actuary
Health and Human Services Commission
1100 W. 49th Street
Austin, Texas 78756

Re: STAR Rate Amendment

Dear Dr. Palmer:

This letter amends the report titled State of Texas Medicaid Managed Care STAR Program Rate Setting State Fiscal Year 2012 and dated July 1, 2011 which was amended in the letter titled STAR Rate Amendment and dated November 10, 2011. The amended FY2012 capitation rates were developed using identical methods and assumptions as the rates described in that report and the previous amendment. The amended rates are assumed to be payable for the period March 1, 2012 through August 31, 2012. The reasons for these revisions are included below:

1. Reciprocity

HHSC recently completed a reciprocity for all managed care services across the state of Texas. New managed care organizations will enter the program while other managed care organizations will exit the program effective March 1, 2012. Any new managed care organization will receive the community rate for the area in which they operate.

2. Capitation of previously non capitated services

Effective March 1, 2012 certain hearing, audiology and early childhood intervention services for children will be capitated under the STAR Program. Previously these services were carved out and paid on a fee-for-services basis. The impact of capitating these services is included in Attachment 5 (revised) Exhibits I and J.

3. Reimbursement Revisions

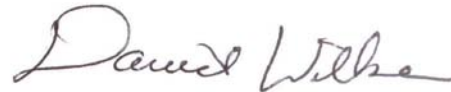
HHSC has made further revisions to Medicaid provider reimbursement effective March 1, 2012. Provider reimbursement will be adjusted for the following services: (i) non emergent services provided in an emergency room, (ii) therapy services and (iii) durable medical equipment. These changes in provider reimbursement will impact the capitation rates currently in effect for FY2012. Attachment 5 Exhibits K, L and M present the revised provider reimbursement factors used in developing the amended capitation rates.

4. Carve-in of Prescription Drug Benefit

Prior to March 1, 2012 the prescription drug benefit for STAR members was carved out of the STAR program and paid by the vendor drug program. Effective March 1, 2012 prescription drugs will be carved into the STAR program and paid by the managed care organizations. A description of the method used to develop the rates associated with prescription drugs and the respective rates can be found in the report titled State of Texas Medicaid Managed Care Pharmacy Carve-in March 1, 2012 and dated January 16, 2012.

The attached Exhibit A presents the amended FY2012 capitation rates.

Sincerely,

A handwritten signature in cursive script that reads "David Wilkes".

David Wilkes

DGW:nlg

Enclosure

Actuarial Certification of Amended FY2012 STAR HMO Capitation Rates

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

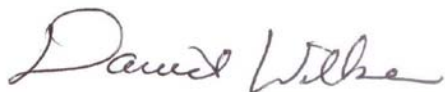
Rudd and Wisdom has been retained by the Texas Health and Human Services Commission (HHSC) to assist in the development of their state fiscal year 2012 (FY2012) managed care rate-setting methodology, assumptions and resulting capitation rates and to provide the actuarial certification required under Centers for Medicare and Medicaid Services (CMS) requirements 42 CFR 438.6(c).

I certify that the amended FY2012 STAR capitation rates developed by HHSC and Rudd and Wisdom satisfy the following:

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

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

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



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

FY2012 STAR Capitation Rates - Amended
Adjusted Per Member Per Month Rates

<u>Health Plan</u>	<u>TANF Children (over age 1)</u>	<u>TANF Children (< 1)</u>	<u>TANF Adults</u>	<u>Pregnant Women</u>	<u>Newborns</u>	<u>Expansion Children (over age 1)</u>	<u>Expansion Children (< 1)</u>	<u>Federal Mandate Children</u>	<u>Delivery Supplemental Payment</u>
Effective March 1, 2012									
Aetna - Bexar	\$ 144.09	\$ 190.59	\$ 315.89	\$ 431.46	\$ 538.87	\$ 129.46	\$ 317.78	\$ 88.55	\$ 3,266.59
Amerigroup - Bexar	129.79	271.06	344.45	427.98	575.56	138.07	245.80	93.82	3,266.59
CFHP - Bexar	119.55	304.33	333.47	428.68	582.51	134.68	217.79	92.77	3,266.59
Superior - Bexar	135.87	272.89	367.02	426.19	585.22	144.39	250.31	96.62	3,266.59
Amerigroup- Dallas	118.81	404.08	243.69	457.29	510.98	131.83	282.95	92.01	3,537.13
Molina - Dallas	144.75	411.60	286.36	461.36	564.82	150.18	320.58	97.99	3,537.13
Parkland - Dallas	164.06	416.24	326.43	463.80	593.13	166.16	361.31	106.26	3,537.13
El Paso First - El Paso	109.95	268.56	262.80	334.94	451.83	111.37	224.69	81.46	3,443.04
Molina - El Paso	104.14	254.92	257.71	335.21	442.68	112.38	246.48	83.32	3,443.04
Superior - El Paso	99.39	242.80	252.07	335.46	434.00	113.15	270.09	84.89	3,443.04
Amerigroup- Harris	117.03	415.29	443.53	500.43	623.80	111.96	327.97	91.03	3,519.20
CHC - Harris	132.85	410.56	386.08	498.34	627.66	132.89	265.14	88.31	3,519.20
Molina - Harris	79.27	287.32	338.78	468.71	624.14	117.23	349.90	95.15	3,519.20
TCHP - Harris	136.28	288.61	310.35	472.68	580.45	129.62	248.99	99.59	3,519.20
United - Harris	73.31	441.35	427.31	473.31	773.32	108.20	288.42	92.08	3,519.20
Amerigroup - Lubbock	112.66	727.63	316.07	425.91	554.61	105.36	394.14	81.57	3,230.39
Firstcare - Lubbock	103.19	741.06	320.53	423.56	557.89	100.13	325.24	84.62	3,230.39
Superior - Lubbock	141.75	692.34	305.97	430.11	545.62	121.52	504.52	71.53	3,230.39
Christus - Nueces	159.99	386.30	371.75	493.78	728.74	167.77	294.67	120.94	3,203.82
Driscoll - Nueces	165.64	419.50	347.29	503.90	736.11	166.84	246.55	123.29	3,203.82
Superior - Nueces	131.41	311.88	453.41	496.35	752.08	173.69	388.18	125.71	3,203.82
Aetna - Tarrant	127.69	212.66	260.64	448.76	515.44	89.27	174.58	79.80	3,635.64
Amerigroup- Tarrant	128.82	301.76	320.03	436.73	548.21	122.50	221.28	91.00	3,635.64
Cook - Tarrant	170.92	384.56	244.76	451.84	525.86	153.38	345.55	105.61	3,635.64
Blue Cross - Travis	118.76	338.43	290.94	526.09	671.75	128.93	283.69	88.13	3,247.49
Sendero - Travis	118.76	338.43	290.94	526.09	671.75	128.93	283.69	88.13	3,247.49
Seton - Travis	118.42	338.43	286.85	513.94	671.75	128.82	283.69	87.97	3,247.49
Superior - Travis	122.70	331.64	309.59	527.09	675.23	133.03	277.98	89.69	3,247.49

FY2012 STAR Rating
 Provider Reimbursement Adjustments
 Capitation of Hearing and Audiology Services

	TANF Children Age 1+	TANF Children <1	TANF Adult	Pregnant Women	Newborn	Expansion Children Age 1+	Expansion Children <1	Federal Mandate Children	Other	Total
Impact of Capitating Hearing and Audiology (1)										
Bexar	9,239	152	0	0	12,916	28,124	625	138,787	0	189,843
Dallas	6,092	215	0	4,648	3,638	55,517	5,865	70,205	0	146,181
El Paso	1,178	0	0	0	6,488	8,357	2,356	39,779	0	58,158
Harris	26,605	665	0	0	57,508	289,246	29,998	331,970	0	735,993
Lubbock	11,276	26	0	0	8,801	22,594	0	39,916	0	82,613
Nueces	9,100	0	0	0	4,775	6,377	0	17,144	0	37,394
Tarrant	5,386	0	0	0	3,526	38,809	187	72,355	0	120,261
Travis	38,114	17	0	4,738	9,133	21,658	4,689	50,832	0	129,181
Total	106,990	1,074	0	9,386	106,785	470,681	43,720	760,989	0	1,499,625
FY2010 Total Incurred Claims (2)										
Bexar	11,814,350	1,705,740	12,355,452	89,397,128	108,325,322	69,447,902	2,809,655	62,303,590	1,487,603	359,646,741
Dallas	15,872,524	3,713,852	9,959,587	113,585,600	128,522,361	132,975,806	16,840,484	104,041,748	6,527,977	532,039,940
El Paso	6,933,684	1,108,559	4,973,859	37,237,153	37,331,851	27,930,560	2,612,467	32,025,933	306,309	150,460,375
Harris	19,810,109	4,259,359	18,734,012	195,201,555	266,430,500	175,890,945	22,257,915	158,660,351	6,985,812	868,230,559
Lubbock	2,551,227	1,160,762	2,768,833	18,809,714	20,763,886	9,291,210	1,091,995	9,817,663	203,063	66,458,351
Nueces	6,762,820	981,263	6,379,457	35,878,673	44,709,938	28,017,747	1,039,884	27,828,354	3,654,463	155,252,599
Tarrant	6,537,777	1,106,118	4,933,173	84,882,044	85,626,784	63,919,597	7,088,081	57,573,205	1,932,156	313,598,936
Travis	21,051,795	4,328,531	22,875,606	34,907,690	52,993,787	34,629,785	5,214,155	24,486,724	2,423,285	202,911,359
Total	91,334,286	18,364,184	82,979,980	609,899,558	744,704,428	542,103,553	58,954,636	476,737,569	23,520,667	2,648,598,860
Rate Adjustment (3)										
Bexar	0.04 %	0.00 %	0.00 %	0.00 %	0.01 %	0.02 %	0.01 %	0.11 %	0.00 %	0.03 %
Dallas	0.02 %	0.00 %	0.00 %	0.00 %	0.00 %	0.02 %	0.02 %	0.03 %	0.00 %	0.01 %
El Paso	0.01 %	0.00 %	0.00 %	0.00 %	0.01 %	0.01 %	0.05 %	0.06 %	0.00 %	0.02 %
Harris	0.07 %	0.01 %	0.00 %	0.00 %	0.01 %	0.08 %	0.07 %	0.10 %	0.00 %	0.04 %
Lubbock	0.22 %	0.00 %	0.00 %	0.00 %	0.02 %	0.12 %	0.00 %	0.20 %	0.00 %	0.06 %
Nueces	0.07 %	0.00 %	0.00 %	0.00 %	0.01 %	0.01 %	0.00 %	0.03 %	0.00 %	0.01 %
Tarrant	0.04 %	0.00 %	0.00 %	0.00 %	0.00 %	0.03 %	0.00 %	0.06 %	0.00 %	0.02 %
Travis	0.09 %	0.00 %	0.00 %	0.01 %	0.01 %	0.03 %	0.04 %	0.10 %	0.00 %	0.03 %
Total	0.06 %	0.00 %	0.00 %	0.00 %	0.01 %	0.04 %	0.04 %	0.08 %	0.00 %	0.03 %

Footnotes:

- (1) Equals the cost resulting from capitating these services into the STAR program.
 (2) Equals FY2010 health plan fee-for-service claims for all services (ICHP provided encounter data).
 (3) Equals estimated cost divided by FY2010 Total Incurred Claims. Effective 3/1/2012.

FY2012 STAR Rating

Provider Reimbursement Adjustments

Capitation of Early Childhood Intervention Services

	TANF Children Age 1+	TANF Children <1	TANF Adult	Pregnant Women	Newborn	Expansion Children Age 1+	Expansion Children <1	Federal Mandate Children	Other	Total
Impact of Capitating ECI Services (1)										
Bexar	43,204	3,888	0	0	86,840	406,678	9,937	130	0	550,677
Dallas	25,922	2,851	0	0	55,517	419,855	32,446	86	0	536,679
El Paso	41,605	8,986	0	0	60,183	280,393	15,899	0	0	407,067
Harris	38,970	7,345	0	0	139,505	754,556	53,573	0	0	993,949
Lubbock	26,311	7,129	0	0	72,280	187,980	9,850	0	0	303,551
Nueces	17,627	1,469	0	0	33,181	122,785	3,586	0	0	178,648
Tarrant	20,435	3,456	0	0	65,151	328,998	24,756	0	0	442,797
Travis	53,530	11,319	0	0	35,038	192,862	15,597	0	0	308,346
Total	267,605	46,444	0	0	547,696	2,694,108	165,644	216	0	3,721,713
FY2010 Total Incurred Claims (2)										
Bexar	11,814,350	1,705,740	12,355,452	89,397,128	108,325,322	69,447,902	2,809,655	62,303,590	1,487,603	359,646,741
Dallas	15,872,524	3,713,852	9,959,587	113,585,600	128,522,361	132,975,806	16,840,484	104,041,748	6,527,977	532,039,940
El Paso	6,933,684	1,108,559	4,973,859	37,237,153	37,331,851	27,930,560	2,612,467	32,025,933	306,309	150,460,375
Harris	19,810,109	4,259,359	18,734,012	195,201,555	266,430,500	175,890,945	22,257,915	158,660,351	6,985,812	868,230,559
Lubbock	2,551,227	1,160,762	2,768,833	18,809,714	20,763,886	9,291,210	1,091,995	9,817,663	203,063	66,458,351
Nueces	6,762,820	981,263	6,379,457	35,878,673	44,709,938	28,017,747	1,039,884	27,828,354	3,654,463	155,252,599
Tarrant	6,537,777	1,106,118	4,933,173	84,882,044	85,626,784	63,919,597	7,088,081	57,573,205	1,932,156	313,598,936
Travis	21,051,795	4,328,531	22,875,606	34,907,690	52,993,787	34,629,785	5,214,155	24,486,724	2,423,285	202,911,359
Total	91,334,286	18,364,184	82,979,980	609,899,558	744,704,428	542,103,553	58,954,636	476,737,569	23,520,667	2,648,598,860
Rate Adjustment (3)										
Bexar	0.18 %	0.11 %	0.00 %	0.00 %	0.04 %	0.29 %	0.18 %	0.00 %	0.00 %	0.08 %
Dallas	0.08 %	0.04 %	0.00 %	0.00 %	0.02 %	0.16 %	0.10 %	0.00 %	0.00 %	0.05 %
El Paso	0.30 %	0.41 %	0.00 %	0.00 %	0.08 %	0.50 %	0.30 %	0.00 %	0.00 %	0.14 %
Harris	0.10 %	0.09 %	0.00 %	0.00 %	0.03 %	0.21 %	0.12 %	0.00 %	0.00 %	0.06 %
Lubbock	0.52 %	0.31 %	0.00 %	0.00 %	0.17 %	1.01 %	0.45 %	0.00 %	0.00 %	0.23 %
Nueces	0.13 %	0.07 %	0.00 %	0.00 %	0.04 %	0.22 %	0.17 %	0.00 %	0.00 %	0.06 %
Tarrant	0.16 %	0.16 %	0.00 %	0.00 %	0.04 %	0.26 %	0.17 %	0.00 %	0.00 %	0.07 %
Travis	0.13 %	0.13 %	0.00 %	0.00 %	0.03 %	0.28 %	0.15 %	0.00 %	0.00 %	0.08 %
Total	0.15 %	0.13 %	0.00 %	0.00 %	0.04 %	0.25 %	0.14 %	0.00 %	0.00 %	0.07 %

Footnotes:

(1) Equals the cost resulting from capitating these services into the STAR program.

(2) Equals FY2010 health plan fee-for-service claims for all services (ICHP provided encounter data).

(3) Equals estimated cost divided by FY2010 Total Incurred Claims. Effective 3/1/2012

FY2012 STAR Rating

Provider Reimbursement Adjustments

Non Emergent Emrgeny Room Reductions

	TANF Children Age 1+	TANF Children <1	TANF Adult	Pregnant Women	Newborn	Expansion Children Age 1+	Expansion Children <1	Federal Mandate Children	Other	Total
Impact of Non Emergent Reductions (1)										
Bexar	-219,190	-36,384	-83,314	-234,264	-747,808	-1,401,221	-53,486	-987,935	-7,486	-3,771,089
Dallas	-98,486	-12,222	-59,081	-118,033	-220,420	-645,959	-46,209	-559,286	-4,984	-1,764,682
El Paso	-113,553	-15,531	-33,645	-66,951	-165,941	-395,710	-19,219	-341,493	-1,014	-1,153,057
Harris	-242,499	-39,070	-98,549	-383,608	-794,176	-1,918,633	-150,743	-1,335,336	-11,968	-4,974,583
Lubbock	-1,233	-362	-1,616	-3,551	-1,805	-3,567	-141	-3,392	0	-15,666
Nueces	-43,985	-6,718	-42,170	-89,582	-93,730	-175,283	-4,214	-163,020	-832	-619,536
Tarrant	-51,364	-4,976	-39,985	-129,093	-152,225	-377,348	-22,535	-378,426	-3,646	-1,159,599
Travis	-289,292	-33,200	-266,857	-93,961	-115,736	-279,777	-21,405	-244,403	-1,346	-1,345,976
Total	-1,059,601	-148,464	-625,218	-1,119,044	-2,291,842	-5,197,498	-317,953	-4,013,291	-31,278	-14,804,189
FY2010 Total Incurred Claims (2)										
Bexar	11,814,350	1,705,740	12,355,452	89,397,128	108,325,322	69,447,902	2,809,655	62,303,590	1,487,603	359,646,741
Dallas	15,872,524	3,713,852	9,959,587	113,585,600	128,522,361	132,975,806	16,840,484	104,041,748	6,527,977	532,039,940
El Paso	6,933,684	1,108,559	4,973,859	37,237,153	37,331,851	27,930,560	2,612,467	32,025,933	306,309	150,460,375
Harris	19,810,109	4,259,359	18,734,012	195,201,555	266,430,500	175,890,945	22,257,915	158,660,351	6,985,812	868,230,559
Lubbock	2,551,227	1,160,762	2,768,833	18,809,714	20,763,886	9,291,210	1,091,995	9,817,663	203,063	66,458,351
Nueces	6,762,820	981,263	6,379,457	35,878,673	44,709,938	28,017,747	1,039,884	27,828,354	3,654,463	155,252,599
Tarrant	6,537,777	1,106,118	4,933,173	84,882,044	85,626,784	63,919,597	7,088,081	57,573,205	1,932,156	313,598,936
Travis	21,051,795	4,328,531	22,875,606	34,907,690	52,993,787	34,629,785	5,214,155	24,486,724	2,423,285	202,911,359
Total	91,334,286	18,364,184	82,979,980	609,899,558	744,704,428	542,103,553	58,954,636	476,737,569	23,520,667	2,648,598,860
Rate Adjustment (3)										
Bexar	-0.93 %	-1.07 %	-0.34 %	-0.13 %	-0.35 %	-1.01 %	-0.95 %	-0.79 %	-0.25 %	-0.52 %
Dallas	-0.31 %	-0.16 %	-0.30 %	-0.05 %	-0.09 %	-0.24 %	-0.14 %	-0.27 %	-0.04 %	-0.17 %
El Paso	-0.82 %	-0.70 %	-0.34 %	-0.09 %	-0.22 %	-0.71 %	-0.37 %	-0.53 %	-0.17 %	-0.38 %
Harris	-0.61 %	-0.46 %	-0.26 %	-0.10 %	-0.15 %	-0.55 %	-0.34 %	-0.42 %	-0.09 %	-0.29 %
Lubbock	-0.02 %	-0.02 %	-0.03 %	-0.01 %	0.00 %	-0.02 %	-0.01 %	-0.02 %	0.00 %	-0.01 %
Nueces	-0.33 %	-0.34 %	-0.33 %	-0.12 %	-0.10 %	-0.31 %	-0.20 %	-0.29 %	-0.01 %	-0.20 %
Tarrant	-0.39 %	-0.22 %	-0.41 %	-0.08 %	-0.09 %	-0.30 %	-0.16 %	-0.33 %	-0.09 %	-0.18 %
Travis	-0.69 %	-0.38 %	-0.58 %	-0.13 %	-0.11 %	-0.40 %	-0.21 %	-0.50 %	-0.03 %	-0.33 %
Total	-0.58 %	-0.40 %	-0.38 %	-0.09 %	-0.15 %	-0.48 %	-0.27 %	-0.42 %	-0.07 %	-0.28 %

Footnotes:

(1) Equals the savings resulting from application of the 40% reduction to non-emergent emergency room reimbursement.

(2) Equals FY2010 health plan fee-for-service claims for all services (ICHP provided encounter data).

(3) Equals estimated cost divided by FY2010 Total Incurred Claims. Effective 3/1/2012.

FY2012 STAR Rating
 Provider Reimbursement Adjustments
 Therapy Rate Reductions

	TANF Children Age 1+	TANF Children <1	TANF Adult	Pregnant Women	Newborn	Expansion Children Age 1+	Expansion Children <1	Federal Mandate Children	Other	Total
Impact of Therapy Rate Reductions (1)										
Bexar	-5,779	-62	-314	-74	-4,210	-80,523	-385	-19,371	-100	-110,817
Dallas	-4,643	-138	-22	-39	-4,443	-87,484	-1,506	-20,252	-174	-118,701
El Paso	-11,806	-290	-1,750	-973	-3,925	-109,490	-717	-47,925	-1,296	-178,171
Harris	-10,263	-407	-321	-285	-8,783	-329,055	-2,487	-99,636	-707	-451,944
Lubbock	-1,395	-58	882	0	-1,184	-7,623	-118	-925	-269	-10,690
Nueces	-1,016	-29	2,836	2,190	-1,931	-24,954	-313	-3,483	-12	-26,712
Tarrant	-1,753	-177	196	212	-2,952	-49,557	-553	-13,196	-664	-68,445
Travis	-16,661	-388	-3,749	-186	-2,229	-52,216	-568	-18,565	-11	-94,573
Total	-53,317	-1,549	-2,241	845	-29,656	-740,903	-6,647	-223,354	-3,232	-1,060,053
FY2010 Total Incurred Claims (2)										
Bexar	11,814,350	1,705,740	12,355,452	89,397,128	108,325,322	69,447,902	2,809,655	62,303,590	1,487,603	359,646,741
Dallas	15,872,524	3,713,852	9,959,587	113,585,600	128,522,361	132,975,806	16,840,484	104,041,748	6,527,977	532,039,940
El Paso	6,933,684	1,108,559	4,973,859	37,237,153	37,331,851	27,930,560	2,612,467	32,025,933	306,309	150,460,375
Harris	19,810,109	4,259,359	18,734,012	195,201,555	266,430,500	175,890,945	22,257,915	158,660,351	6,985,812	868,230,559
Lubbock	2,551,227	1,160,762	2,768,833	18,809,714	20,763,886	9,291,210	1,091,995	9,817,663	203,063	66,458,351
Nueces	6,762,820	981,263	6,379,457	35,878,673	44,709,938	28,017,747	1,039,884	27,828,354	3,654,463	155,252,599
Tarrant	6,537,777	1,106,118	4,933,173	84,882,044	85,626,784	63,919,597	7,088,081	57,573,205	1,932,156	313,598,936
Travis	21,051,795	4,328,531	22,875,606	34,907,690	52,993,787	34,629,785	5,214,155	24,486,724	2,423,285	202,911,359
Total	91,334,286	18,364,184	82,979,980	609,899,558	744,704,428	542,103,553	58,954,636	476,737,569	23,520,667	2,648,598,860
Rate Adjustment (3)										
Bexar	-0.02 %	0.00 %	0.00 %	0.00 %	0.00 %	-0.06 %	-0.01 %	-0.02 %	0.00 %	-0.02 %
Dallas	-0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	-0.03 %	0.00 %	-0.01 %	0.00 %	-0.01 %
El Paso	-0.09 %	-0.01 %	-0.02 %	0.00 %	-0.01 %	-0.20 %	-0.01 %	-0.07 %	-0.21 %	-0.06 %
Harris	-0.03 %	0.00 %	0.00 %	0.00 %	0.00 %	-0.09 %	-0.01 %	-0.03 %	-0.01 %	-0.03 %
Lubbock	-0.03 %	0.00 %	0.02 %	0.00 %	0.00 %	-0.04 %	-0.01 %	0.00 %	-0.07 %	-0.01 %
Nueces	-0.01 %	0.00 %	0.02 %	0.00 %	0.00 %	-0.04 %	-0.02 %	-0.01 %	0.00 %	-0.01 %
Tarrant	-0.01 %	-0.01 %	0.00 %	0.00 %	0.00 %	-0.04 %	0.00 %	-0.01 %	-0.02 %	-0.01 %
Travis	-0.04 %	0.00 %	-0.01 %	0.00 %	0.00 %	-0.08 %	-0.01 %	-0.04 %	0.00 %	-0.02 %
Total	-0.03 %	0.00 %	0.00 %	0.00 %	0.00 %	-0.07 %	-0.01 %	-0.02 %	-0.01 %	-0.02 %

Footnotes:

- (1) Equals the savings resulting from application of the reimbursement reduction to therapy services.
 (2) Equals FY2010 health plan fee-for-service claims for all services (ICHP provided encounter data).
 (3) Equals estimated cost divided by FY2010 Total Incurred Claims. Effective 3/1/2012.

FY2012 STAR Rating

Provider Reimbursement Adjustments

Durable Medical Equipment Reimbursement Changes

	TANF Children Age 1+	TANF Children <1	TANF Adult	Pregnant Women	Newborn	Expansion Children Age 1+	Expansion Children <1	Federal Mandate Children	Other	Total
Impact of DME Reimbursement Changes (1)										
Bexar	3,955	59	-1,409	3,882	4,270	8,267	10	11,502	31	30,568
Dallas	2,645	166	-342	3,935	7,727	21,159	1,916	15,299	671	53,175
El Paso	1,426	8	858	724	2,201	6,679	499	2,664	5	15,062
Harris	1,444	210	1,648	4,145	18,518	17,054	5,783	35,567	184	84,552
Lubbock	147	30	25	20	924	173	112	299	0	1,731
Nueces	192	0	172	1,471	895	2,369	11	3,857	0	8,967
Tarrant	47	4	137	3,994	3,645	9,354	450	8,420	372	26,423
Travis	2,993	85	2,270	19	649	11,112	287	3,628	9	21,052
Total	12,848	561	3,358	18,190	38,830	76,168	9,067	81,235	1,271	241,529
FY2010 Total Incurred Claims (2)										
Bexar	11,814,350	1,705,740	12,355,452	89,397,128	108,325,322	69,447,902	2,809,655	62,303,590	1,487,603	359,646,741
Dallas	15,872,524	3,713,852	9,959,587	113,585,600	128,522,361	132,975,806	16,840,484	104,041,748	6,527,977	532,039,940
El Paso	6,933,684	1,108,559	4,973,859	37,237,153	37,331,851	27,930,560	2,612,467	32,025,933	306,309	150,460,375
Harris	19,810,109	4,259,359	18,734,012	195,201,555	266,430,500	175,890,945	22,257,915	158,660,351	6,985,812	868,230,559
Lubbock	2,551,227	1,160,762	2,768,833	18,809,714	20,763,886	9,291,210	1,091,995	9,817,663	203,063	66,458,351
Nueces	6,762,820	981,263	6,379,457	35,878,673	44,709,938	28,017,747	1,039,884	27,828,354	3,654,463	155,252,599
Tarrant	6,537,777	1,106,118	4,933,173	84,882,044	85,626,784	63,919,597	7,088,081	57,573,205	1,932,156	313,598,936
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Total	91,334,286	18,364,184	82,979,980	609,899,558	744,704,428	542,103,553	58,954,636	476,737,569	23,520,667	2,648,598,860
Rate Adjustment (3)										
Bexar	0.02 %	0.00 %	-0.01 %	0.00 %	0.00 %	0.01 %	0.00 %	0.01 %	0.00 %	0.00 %
Dallas	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.01 %	0.01 %	0.01 %	0.01 %	0.00 %
El Paso	0.01 %	0.00 %	0.01 %	0.00 %	0.00 %	0.01 %	0.01 %	0.00 %	0.00 %	0.01 %
Harris	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.01 %	0.01 %	0.00 %	0.00 %
Lubbock	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.01 %	0.00 %	0.00 %	0.00 %
Nueces	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.01 %	0.00 %	0.00 %
Tarrant	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.01 %	0.00 %	0.01 %	0.01 %	0.00 %
Travis	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.02 %	0.00 %	0.01 %	0.00 %	0.01 %
Total	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.01 %	0.01 %	0.01 %	0.00 %	0.00 %

Footnotes:

(1) Equals the cost resulting from application of the reimbursement changes to DME.

(2) Equals FY2010 health plan fee-for-service claims for all services (ICHP provided encounter data).

(3) Equals estimated cost divided by FY2010 Total Incurred Claims. Effective 3/1/2012.