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January 7, 2014

Ms. Rachel Butler
Chief Actuary
Health and Human Services Commission
1100 W. 49th Street
Austin, Texas 78756

Re: STAR+PLUS Rate Amendment UMCC V2.10 and STAR+PLUS EXP V1.15

Dear Ms. Butler:

This letter amends the report titled State of Texas Medicaid Managed Care STAR+PLUS Program Rate Setting State Fiscal Year 2014 and dated July 11, 2013. The amended FY2014 capitation rates were developed using identical methods and assumptions as the rates described in that report. The amended rates are assumed to be payable for the period April 1, 2014 through August 31, 2014. The reasons for these revisions are included below:

1. Potentially Preventable Readmission (PPR) Reductions

Effective March 1, 2014 the hospital reimbursement reductions associated with PPRs will be updated. The reimbursement reductions will continue to vary from 1-2% but the hospitals to which they will be applied will change. Attachment 6 Exhibit M (revised) presents the revised impact associated with the initial PPR reductions effective during the period September 1, 2013 through February 28, 2014 followed by the revised reductions effective March 1, 2014 through August 31, 2014.

2. Potentially Preventable Complication (PPC) Reductions

Effective March 1, 2014 HHSC will revise hospital reimbursement to account for PPCs. The reimbursement reductions amount to 2.0-2.5% depending on hospital performance during the evaluation period. Attachment 6 Exhibit O presents the revised provider reimbursement factors used in developing the amended capitation rates.

3. Electronic Visit Verification (EVV)

Effective June 1, 2014 HHSC will require all managed care organizations to incorporate EVV into their management duties for Personal Assistance Services (PAS), Personal Care Services (PCS) and Private Duty Nursing (PDN). Based on an analysis of the impact of EVV on these services in the fee-for-service program the following savings assumptions have been developed:

PAS: 4.0%
PCS: 4.0%
PDN: 3.5%

Attachment 7 Exhibit C presents the EVV adjustment factors used in developing the amended capitation rates. The impact of additional administrative expenses was considered and it has been determined that the administrative allowance included in the rates should be increased by \$1.75 per member per month for the period June 1, 2014 through August 31, 2014. Spread across the entire fiscal year this amounts to an increase to the fixed administrative fee of \$0.44 per member per month.

4. HCBS Attendant Care Increase

Effective March 1, 2014 HHSC will increase the reimbursement paid for Personal Attendant Services provided to HCBS clients by \$0.10. Attachment 7 Exhibit D presents the adjustment factors used in developing the amended capitation rates.

5. Prescription Drug

HHSC will implement several cost containment initiatives in the STAR+PLUS prescription drug program over the next few months. Clients taking drugs in certain drug classes are currently allowed to continue taking a medication when it moves from preferred status to non-preferred status. This is known as grandfathering. HHSC will eliminate grandfathering for the antidepressant and growth hormone categories effective January 1, 2014 and the antipsychotic, and insulin categories effective May 1, 2014. The elimination of grandfathering results in a more rapid shift to less costly preferred drugs.

Effective January 15, 2014, HHSC will include several new drug classes in the Preferred Drug List (PDL). These new drug categories include antibiotic (inhaled), antihypertensive, glucocorticoid, immunosuppressive, growth hormone and hypoglycemic.

Attachment 6-RX presents the derivation of the adjustment factors for the elimination of grandfathering and the addition of the new drug classes. This attachment amends the report titled State of Texas Medicaid Managed Care Rate Setting Pharmacy Carve-in State Fiscal Year 2014 and dated July 11, 2013.

Due to timing issues HHSC will not be able to implement this rate change until April 1, 2014. The capitation rates payable for the five-month period April 1, 2014 through August 31, 2014 have been adjusted to recognize that the current capitation rates will be payable during the period September 1, 2013 through March 31, 2014, i.e., the rates have been adjusted in order to produce the amended capitation amounts for the September 1, 2013 through August 31, 2014 period.

The attached Exhibit A presents the amended FY2014 capitation rates payable for the period April 1, 2014 through August 31, 2014. The exhibit presents the total capitation rate along with all components of the premium – acute care non-inpatient, acute care inpatient, long term care and prescription drugs.

Sincerely,

A handwritten signature in black ink that reads "Evan Dial". The signature is written in a cursive style with a large, sweeping initial "E".

Evan Dial

Enclosure

Actuarial Certification of Amended FY2014 STAR+PLUS HMO Capitation Rates

I, Evan L. Dial, 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 2014 (FY2014) 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 FY2014 STAR+PLUS HMO premium rates developed by HHSC and Rudd and Wisdom satisfy the following:

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

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

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



Evan L. Dial, F.S.A., M.A.A.A.

FY2014 STAR+PLUS Capitation Rates - Amended
Adjusted Per Member Per Month Rates - Effective April 1, 2014

	Medicaid Only		Dual Eligible	
	OCC	HCBS	OCC	HCBS
Total Premium Rates pmpm				
Amerigroup - Bexar	1,150.31	3,951.55	332.76	1,712.41
Molina - Bexar	1,072.62	3,979.04	332.76	1,712.41
Superior - Bexar	1,218.57	3,969.69	332.76	1,712.41
Molina - Dallas	1,030.38	3,901.75	254.49	1,521.19
Superior - Dallas	1,056.51	3,987.88	254.49	1,521.19
Amerigroup - El Paso	1,106.60	4,319.99	374.53	2,056.83
Molina - El Paso	1,201.97	4,034.59	374.53	2,056.83
Amerigroup - Harris	1,303.95	4,823.49	313.27	1,517.27
Molina - Harris	1,237.73	4,788.07	313.27	1,517.27
United - Harris	1,457.67	4,514.41	313.27	1,517.27
Health Spring - Hidalgo	1,400.53	3,697.64	891.17	1,988.60
Molina - Hidalgo	1,391.39	3,942.00	891.17	1,988.60
Superior - Hidalgo	1,458.87	3,778.13	891.17	1,988.60
Amerigroup - Jefferson	1,035.54	3,416.33	194.91	1,398.86
Molina - Jefferson	1,139.94	3,348.87	194.91	1,398.86
United - Jefferson	1,176.50	4,029.46	194.91	1,398.86
Amerigroup - Lubbock	1,048.88	3,061.33	142.15	1,208.99
Superior - Lubbock	1,077.39	3,296.90	142.15	1,208.99
Superior - Nueces	1,362.76	3,980.96	430.45	1,588.63
United - Nueces	1,281.04	3,768.01	430.45	1,588.63
Amerigroup - Tarrant	1,144.43	4,131.07	192.66	1,469.76
Health Spring - Tarrant	1,014.91	4,370.49	192.66	1,469.76
Amerigroup - Travis	1,289.97	4,511.21	229.87	1,661.52
United - Travis	1,196.40	4,231.76	229.87	1,661.52

Acute Care (Non-Inpatient) Premium Rates pmpm (Community Rates with Risk Adjustment)

Amerigroup - Bexar	373.54	1,028.44	0.00	0.00
Molina - Bexar	342.48	1,040.62	0.00	0.00
Superior - Bexar	400.84	1,036.47	0.00	0.00
Molina - Dallas	353.55	985.41	0.00	0.00
Superior - Dallas	364.08	1,022.51	0.00	0.00
Amerigroup - El Paso	344.92	921.67	0.00	0.00
Molina - El Paso	380.91	802.49	0.00	0.00
Amerigroup - Harris	423.60	1,371.23	0.00	0.00
Molina - Harris	397.45	1,356.27	0.00	0.00
United - Harris	484.26	1,240.67	0.00	0.00
Health Spring - Hidalgo	414.84	733.60	0.00	0.00
Molina - Hidalgo	410.46	837.97	0.00	0.00
Superior - Hidalgo	442.64	768.00	0.00	0.00
Amerigroup - Jefferson	356.11	769.04	0.00	0.00
Molina - Jefferson	395.67	743.09	0.00	0.00
United - Jefferson	409.53	1,004.93	0.00	0.00
Amerigroup - Lubbock	360.50	699.26	0.00	0.00
Superior - Lubbock	371.15	800.85	0.00	0.00
Superior - Nueces	450.42	1,036.44	0.00	0.00
United - Nueces	415.80	945.50	0.00	0.00
Amerigroup - Tarrant	414.97	892.13	0.00	0.00
Health Spring - Tarrant	362.78	986.66	0.00	0.00
Amerigroup - Travis	483.26	1,167.13	0.00	0.00
United - Travis	443.71	1,050.45	0.00	0.00

FY2014 STAR+PLUS Capitation Rates - Amended
Adjusted Per Member Per Month Rates - Effective April 1, 2014

	Medicaid Only		Dual Eligible	
	OCC	HCBS	OCC	HCBS
Acute Care (Inpatient) Premium Rates pmpm (Community Rates with Risk Adjustment)				
Amerigroup - Bexar	178.78	545.25	0.00	0.00
Molina - Bexar	163.90	551.72	0.00	0.00
Superior - Bexar	191.84	549.51	0.00	0.00
Molina - Dallas	203.83	582.97	0.00	0.00
Superior - Dallas	209.90	604.93	0.00	0.00
Amerigroup - El Paso	177.49	608.09	0.00	0.00
Molina - El Paso	196.00	529.47	0.00	0.00
Amerigroup - Harris	278.23	1,046.19	0.00	0.00
Molina - Harris	261.08	1,034.78	0.00	0.00
United - Harris	318.10	946.57	0.00	0.00
Health Spring - Hidalgo	146.19	373.15	0.00	0.00
Molina - Hidalgo	144.68	426.23	0.00	0.00
Superior - Hidalgo	156.01	390.62	0.00	0.00
Amerigroup - Jefferson	250.06	548.76	0.00	0.00
Molina - Jefferson	277.84	530.24	0.00	0.00
United - Jefferson	287.56	717.07	0.00	0.00
Amerigroup - Lubbock	243.52	417.95	0.00	0.00
Superior - Lubbock	250.71	478.66	0.00	0.00
Superior - Nueces	229.82	700.15	0.00	0.00
United - Nueces	212.15	638.72	0.00	0.00
Amerigroup - Tarrant	203.17	569.65	0.00	0.00
Health Spring - Tarrant	177.65	630.01	0.00	0.00
Amerigroup - Travis	256.26	722.60	0.00	0.00
United - Travis	235.28	650.35	0.00	0.00
Long Term Care Premium Rates pmpm (Community Rates)				
Amerigroup - Bexar	216.01	1,634.36	332.76	1,712.41
Molina - Bexar	216.01	1,634.36	332.76	1,712.41
Superior - Bexar	216.01	1,634.36	332.76	1,712.41
Molina - Dallas	152.27	1,613.96	254.49	1,521.19
Superior - Dallas	152.27	1,613.96	254.49	1,521.19
Amerigroup - El Paso	192.54	2,112.79	374.53	2,056.83
Molina - El Paso	192.54	2,112.79	374.53	2,056.83
Amerigroup - Harris	230.69	1,577.53	313.27	1,517.27
Molina - Harris	230.69	1,577.53	313.27	1,517.27
United - Harris	230.69	1,577.53	313.27	1,517.27
Health Spring - Hidalgo	530.37	1,980.03	891.17	1,988.60
Molina - Hidalgo	530.37	1,980.03	891.17	1,988.60
Superior - Hidalgo	530.37	1,980.03	891.17	1,988.60
Amerigroup - Jefferson	95.61	1,417.38	194.91	1,398.86
Molina - Jefferson	95.61	1,417.38	194.91	1,398.86
United - Jefferson	95.61	1,417.38	194.91	1,398.86
Amerigroup - Lubbock	83.15	1,439.81	142.15	1,208.99
Superior - Lubbock	83.15	1,439.81	142.15	1,208.99
Superior - Nueces	299.99	1,553.83	430.45	1,588.63
United - Nueces	299.99	1,553.83	430.45	1,588.63
Amerigroup - Tarrant	114.26	1,871.52	192.66	1,469.76
Health Spring - Tarrant	114.26	1,871.52	192.66	1,469.76
Amerigroup - Travis	146.73	1,716.09	229.87	1,661.52
United - Travis	146.73	1,716.09	229.87	1,661.52

FY2014 STAR+PLUS Capitation Rates - Amended
Adjusted Per Member Per Month Rates - Effective April 1, 2014

	Medicaid Only		Dual Eligible	
	OCC	HCBS	OCC	HCBS
FY2014 Prescription Drug Premium Rates pmpm (Community Rates with Risk Adjustment)				
Amerigroup - Bexar	381.98	743.50	0.00	0.00
Molina - Bexar	350.23	752.34	0.00	0.00
Superior - Bexar	409.88	749.35	0.00	0.00
Molina - Dallas	320.73	719.41	0.00	0.00
Superior - Dallas	330.26	746.48	0.00	0.00
Amerigroup - El Paso	391.65	677.44	0.00	0.00
Molina - El Paso	432.52	589.84	0.00	0.00
Amerigroup - Harris	371.43	828.54	0.00	0.00
Molina - Harris	348.51	819.49	0.00	0.00
United - Harris	424.62	749.64	0.00	0.00
Health Spring - Hidalgo	309.13	610.86	0.00	0.00
Molina - Hidalgo	305.88	697.77	0.00	0.00
Superior - Hidalgo	329.85	639.48	0.00	0.00
Amerigroup - Jefferson	333.76	681.15	0.00	0.00
Molina - Jefferson	370.82	658.16	0.00	0.00
United - Jefferson	383.80	890.08	0.00	0.00
Amerigroup - Lubbock	361.71	504.31	0.00	0.00
Superior - Lubbock	372.38	577.58	0.00	0.00
Superior - Nueces	382.53	690.54	0.00	0.00
United - Nueces	353.10	629.96	0.00	0.00
Amerigroup - Tarrant	412.03	797.77	0.00	0.00
Health Spring - Tarrant	360.22	882.30	0.00	0.00
Amerigroup - Travis	403.72	905.39	0.00	0.00
United - Travis	370.68	814.87	0.00	0.00

FY2014 STAR+PLUS Rating
 Provider Reimbursement Adjustments
 Potentially Preventable Readmission (PPR) Reimbursement Reductions

	Medicaid Only		Dual Eligible		Other	Grand Total
	OCC	HCBS	OCC	HCBS		
Estimated Cost Impact of PPR Reductions (1)						
Bexar	-38,783	-7,777	0	0	0	-46,560
Dallas	-50,441	-7,239	0	0	0	-57,681
El Paso	-32,677	-1,193	0	0	-112	-33,982
Harris	-321,862	-44,075	0	0	-2,212	-368,148
Hidalgo	-15,338	-374	0	0	-119	-15,832
Jefferson	-46,291	-2,002	0	0	-179	-48,471
Lubbock	-20,495	-1,295	0	0	0	-21,790
Nueces	-12,300	-573	0	0	-60	-12,934
Tarrant	-80,081	-7,391	0	0	0	-87,472
Travis	-72,322	-6,342	0	0	-352	-79,016
Total	-690,590	-78,262	0	0	-3,034	-771,886
FY2012 Total Inpatient Claims Paid (2)						
Bexar	23,584,844	4,207,151	0	0	53,120	27,845,116
Dallas	31,062,806	3,847,462	0	0	158,706	35,068,973
El Paso	6,983,300	451,390	0	0	18,794	7,453,485
Harris	77,811,129	12,149,242	0	0	733,873	90,694,244
Hidalgo	19,924,089	2,099,776	0	0	172,770	22,196,634
Jefferson	12,234,038	652,993	0	0	91,993	12,979,023
Lubbock	6,692,348	273,253	0	0	13,595	6,979,196
Nueces	10,164,337	2,385,264	0	0	27,262	12,576,863
Tarrant	18,890,601	1,901,340	0	0	77,443	20,869,384
Travis	12,793,890	1,316,716	0	0	129,593	14,240,200
Total	220,141,381	29,284,588	0	0	1,477,149	250,903,118
Rate Adjustment Factor (3)						
Bexar	-0.16%	-0.18%	0.00%	0.00%	0.00%	-0.17%
Dallas	-0.16%	-0.19%	0.00%	0.00%	0.00%	-0.16%
El Paso	-0.47%	-0.26%	0.00%	0.00%	-0.60%	-0.46%
Harris	-0.41%	-0.36%	0.00%	0.00%	-0.30%	-0.41%
Hidalgo	-0.08%	-0.02%	0.00%	0.00%	-0.07%	-0.07%
Jefferson	-0.38%	-0.31%	0.00%	0.00%	-0.19%	-0.37%
Lubbock	-0.31%	-0.47%	0.00%	0.00%	0.00%	-0.31%
Nueces	-0.12%	-0.02%	0.00%	0.00%	-0.22%	-0.10%
Tarrant	-0.42%	-0.39%	0.00%	0.00%	0.00%	-0.42%
Travis	-0.57%	-0.48%	0.00%	0.00%	-0.27%	-0.55%
Total	-0.31%	-0.27%	0.00%	0.00%	-0.21%	-0.31%

Footnotes

(1) Equals the cost impact from application of the PPR reimbursement reductions.

(2) Equals FY2012 health plan fee-for-service claims for all inpatient services (from Encounter database).

Does not include Non-Inpatient services.

(3) Equals Cost Impact of Reimbursement Reduction divided by FY2012 Total Inpatient Claims Paid.

FY2014 STAR+PLUS Rating
 Provider Reimbursement Adjustments
 Potentially Preventable Complications (PPC) Reimbursement Reductions

	Medicaid Only		Dual Eligible		Other	Grand Total
	OCC	HCBS	OCC	HCBS		
Estimated Cost Impact of PPC Reductions (1)						
Bexar	-41,764	-3,920	0	0	0	-45,685
Dallas	-217,653	-27,061	0	0	-122	-244,836
El Paso	-11,770	-68	0	0	0	-11,838
Harris	-231,539	-35,362	0	0	-859	-267,761
Hidalgo	-4,003	-195	0	0	0	-4,198
Jefferson	-6,338	-684	0	0	-45	-7,067
Lubbock	-38,180	-2,388	0	0	-50	-40,617
Nueces	-6,801	-361	0	0	-60	-7,222
Tarrant	-98,944	-9,190	0	0	0	-108,134
Travis	-60,138	-7,404	0	0	-242	-67,784
Total	-717,131	-86,633	0	0	-1,378	-805,142
FY2012 Total Inpatient Claims Paid (2)						
Bexar	23,584,844	4,207,151	0	0	53,120	27,845,116
Dallas	31,062,806	3,847,462	0	0	158,706	35,068,973
El Paso	6,983,300	451,390	0	0	18,794	7,453,485
Harris	77,811,129	12,149,242	0	0	733,873	90,694,244
Hidalgo	19,924,089	2,099,776	0	0	172,770	22,196,634
Jefferson	12,234,038	652,993	0	0	91,993	12,979,023
Lubbock	6,692,348	273,253	0	0	13,595	6,979,196
Nueces	10,164,337	2,385,264	0	0	27,262	12,576,863
Tarrant	18,890,601	1,901,340	0	0	77,443	20,869,384
Travis	12,793,890	1,316,716	0	0	129,593	14,240,200
Total	220,141,381	29,284,588	0	0	1,477,149	250,903,118
Rate Adjustment Factor (3)						
Bexar	-0.18%	-0.09%	0.00%	0.00%	0.00%	-0.16%
Dallas	-0.70%	-0.70%	0.00%	0.00%	-0.08%	-0.70%
El Paso	-0.17%	-0.02%	0.00%	0.00%	0.00%	-0.16%
Harris	-0.30%	-0.29%	0.00%	0.00%	-0.12%	-0.30%
Hidalgo	-0.02%	-0.01%	0.00%	0.00%	0.00%	-0.02%
Jefferson	-0.05%	-0.10%	0.00%	0.00%	-0.05%	-0.05%
Lubbock	-0.57%	-0.87%	0.00%	0.00%	-0.37%	-0.58%
Nueces	-0.07%	-0.02%	0.00%	0.00%	-0.22%	-0.06%
Tarrant	-0.52%	-0.48%	0.00%	0.00%	0.00%	-0.52%
Travis	-0.47%	-0.56%	0.00%	0.00%	-0.19%	-0.48%
Total	-0.33%	-0.30%	0.00%	0.00%	-0.09%	-0.32%

Footnotes

- (1) Equals the cost impact from application of the PPC reimbursement reductions effective 3/1/2014.
 (2) Equals FY2012 health plan fee-for-service claims for all inpatient services (from Encounter database).
 Does not include Non-Inpatient services.
 (3) Equals Cost Impact of Reimbursement Reduction divided by FY2012 Total Inpatient Claims Paid.

FY2014 STAR+PLUS Rating
 Provider Reimbursement Adjustments
 Electronic Visit Verification

	Medicaid Only		Dual Eligible		Other	Grand Total
	OCC	HCBS	OCC	HCBS		
Cost Impact of EVV (1)						
Bexar	-321,003	-165,073	-582,199	-482,916	-2,111	-1,553,302
Dallas	-267,889	-115,891	-479,322	-432,170	-4,234	-1,299,506
El Paso	-44,057	-13,240	-217,331	-64,633	-1,289	-340,551
Harris	-682,410	-256,799	-1,100,816	-601,496	-3,126	-2,644,648
Hidalgo	-411,450	-86,448	-1,470,481	-701,695	-7,580	-2,677,654
Jefferson	-50,263	-29,251	-102,244	-151,754	-912	-334,424
Lubbock	-13,573	-7,195	-26,527	-43,576	-115	-90,986
Nueces	-152,853	-91,042	-272,676	-410,510	-1,024	-928,105
Tarrant	-114,448	-58,136	-202,256	-193,157	-1,382	-569,380
Travis	-82,861	-55,770	-148,388	-181,788	-753	-469,560
Total	-2,140,808	-878,845	-4,602,241	-3,263,695	-22,526	-10,908,115
FY2012 Total Long Term Care Claims Paid (2)						
Bexar	33,347,135	21,388,070	62,239,036	60,085,588	0	177,059,829
Dallas	28,451,082	15,723,584	52,345,776	52,371,830	0	148,892,271
El Paso	5,225,002	1,477,729	26,650,641	7,407,700	0	40,761,072
Harris	78,655,557	34,369,288	117,415,048	72,960,577	0	303,400,469
Hidalgo	48,739,105	9,842,318	176,896,850	78,427,266	0	313,905,540
Jefferson	5,798,176	3,409,202	10,863,985	17,077,953	0	37,149,317
Lubbock	1,404,713	948,231	2,892,755	4,937,495	0	10,183,195
Nueces	17,819,081	10,480,913	31,504,714	47,661,087	0	107,465,795
Tarrant	13,445,541	10,172,429	22,216,303	27,875,362	0	73,709,635
Travis	9,699,597	6,455,180	15,574,086	21,603,329	0	53,332,193
Total	242,584,991	114,266,944	518,599,195	390,408,187	0	1,265,859,316
Rate Adjustment Factor (3)						
Bexar	-0.96%	-0.77%	-0.94%	-0.80%	0.00%	-0.88%
Dallas	-0.94%	-0.74%	-0.92%	-0.83%	0.00%	-0.87%
El Paso	-0.84%	-0.90%	-0.82%	-0.87%	0.00%	-0.84%
Harris	-0.87%	-0.75%	-0.94%	-0.82%	0.00%	-0.87%
Hidalgo	-0.84%	-0.88%	-0.83%	-0.89%	0.00%	-0.85%
Jefferson	-0.87%	-0.86%	-0.94%	-0.89%	0.00%	-0.90%
Lubbock	-0.97%	-0.76%	-0.92%	-0.88%	0.00%	-0.89%
Nueces	-0.86%	-0.87%	-0.87%	-0.86%	0.00%	-0.86%
Tarrant	-0.85%	-0.57%	-0.91%	-0.69%	0.00%	-0.77%
Travis	-0.85%	-0.86%	-0.95%	-0.84%	0.00%	-0.88%
Total	-0.88%	-0.77%	-0.89%	-0.84%	0.00%	-0.86%

Footnotes

(1) Equals the cost impact from application of 4% savings on PAS and PCS and 3.5% savings on PDN.

(4) Equals FY2012 health plan fee-for-service claims for all long term care services (from MCO reported data).

(3) Equals Cost Impact of Reimbursement Reduction divided by FY2012 Total Long Term Care Claims Paid.

FY2014 STAR+PLUS Rating
 Provider Reimbursement Adjustments
 CBA Attendant Increase

	Medicaid Only		Dual Eligible		Other	Grand Total
	OCC	HCBS	OCC	HCBS		
Cost Impact of \$0.10 CBA increase (1)						
Bexar	0	73,693	0	215,587	0	289,281
Dallas	0	51,733	0	192,933	0	244,666
El Paso	0	5,911	0	28,854	0	34,764
Harris	0	105,974	0	266,112	0	372,086
Hidalgo	0	38,510	0	313,256	0	351,766
Jefferson	0	13,052	0	67,747	0	80,799
Lubbock	0	3,212	0	19,453	0	22,665
Nueces	0	40,644	0	183,262	0	223,906
Tarrant	0	25,936	0	86,231	0	112,167
Travis	0	24,212	0	81,149	0	105,361
Total	0	382,877	0	1,454,585	0	1,837,462
FY2012 Total Long Term Care Claims Paid (2)						
Bexar	33,347,135	21,388,070	62,239,036	60,085,588	0	177,059,829
Dallas	28,451,082	15,723,584	52,345,776	52,371,830	0	148,892,271
El Paso	5,225,002	1,477,729	26,650,641	7,407,700	0	40,761,072
Harris	78,655,557	34,369,288	117,415,048	72,960,577	0	303,400,469
Hidalgo	48,739,105	9,842,318	176,896,850	78,427,266	0	313,905,540
Jefferson	5,798,176	3,409,202	10,863,985	17,077,953	0	37,149,317
Lubbock	1,404,713	948,231	2,892,755	4,937,495	0	10,183,195
Nueces	17,819,081	10,480,913	31,504,714	47,661,087	0	107,465,795
Tarrant	13,445,541	10,172,429	22,216,303	27,875,362	0	73,709,635
Travis	9,699,597	6,455,180	15,574,086	21,603,329	0	53,332,193
Total	242,584,991	114,266,944	518,599,195	390,408,187	0	1,265,859,316
Rate Adjustment Factor (3)						
Bexar	0.00%	0.34%	0.00%	0.36%	0.00%	0.16%
Dallas	0.00%	0.33%	0.00%	0.37%	0.00%	0.16%
El Paso	0.00%	0.40%	0.00%	0.39%	0.00%	0.09%
Harris	0.00%	0.31%	0.00%	0.36%	0.00%	0.12%
Hidalgo	0.00%	0.39%	0.00%	0.40%	0.00%	0.11%
Jefferson	0.00%	0.38%	0.00%	0.40%	0.00%	0.22%
Lubbock	0.00%	0.34%	0.00%	0.39%	0.00%	0.22%
Nueces	0.00%	0.39%	0.00%	0.38%	0.00%	0.21%
Tarrant	0.00%	0.25%	0.00%	0.31%	0.00%	0.15%
Travis	0.00%	0.38%	0.00%	0.38%	0.00%	0.20%
Total	0.00%	0.34%	0.00%	0.37%	0.00%	0.15%

Footnotes

(1) Equals the cost impact from application of a \$0.10 increase to HCBS reimbursement effective 3/1/2014.

(4) Equals FY2012 health plan fee-for-service claims for all long term care services (from MCO reported data).

(3) Equals Cost Impact of Reimbursement Reduction divided by FY2012 Total Long Term Care Claims Paid.

Health and Human Services Commission
 FY2014 Pharmacy Rate Setting - Mid Year Adjustments
 PDL Rate Adjustment Factors
 Experience Period: 3/1/2012 - 2/28/2013
 STAR+PLUS

Service Area	MO OCC	MO CBA	Total
Estimated Pharmacy Cost Impact for PDL Changes (1)			
Bexar	-778,110	-78,669	-856,778
Dallas	-626,156	-39,303	-665,459
El Paso	-229,292	-5,138	-234,430
Harris	-1,172,648	-89,515	-1,262,163
Hidalgo	-508,174	-37,581	-545,755
Jefferson	-234,519	-8,468	-242,986
Lubbock	-158,436	-5,659	-164,095
Nueces	-365,676	-41,232	-406,908
Tarrant	-433,100	-22,798	-455,898
Travis	-292,558	-17,363	-309,921
Total	-4,798,669	-345,725	-5,144,394

Total Pharmacy Incurred Claims (2)

Bexar	93,698,687	10,454,513	104,153,200
Dallas	94,681,864	8,329,442	103,011,306
El Paso	30,370,202	1,022,115	31,392,318
Harris	195,112,752	17,969,142	213,081,894
Hidalgo	78,143,178	6,949,602	85,092,780
Jefferson	34,928,387	1,824,048	36,752,435
Lubbock	20,154,655	844,132	20,998,786
Nueces	33,633,169	4,794,858	38,428,028
Tarrant	67,709,630	4,846,575	72,556,205
Travis	40,039,824	3,444,328	43,484,152
Total	688,472,348	60,478,755	748,951,103

FY2014 Claims Cost Adjustment Factors (3)

Bexar	-0.83 %	-0.75 %	-0.82 %
Dallas	-0.66 %	-0.47 %	-0.65 %
El Paso	-0.75 %	-0.50 %	-0.75 %
Harris	-0.60 %	-0.50 %	-0.59 %
Hidalgo	-0.65 %	-0.54 %	-0.64 %
Jefferson	-0.67 %	-0.46 %	-0.66 %
Lubbock	-0.79 %	-0.67 %	-0.78 %
Nueces	-1.09 %	-0.86 %	-1.06 %
Tarrant	-0.64 %	-0.47 %	-0.63 %
Travis	-0.73 %	-0.50 %	-0.71 %
Total	-0.70 %	-0.57 %	-0.69 %

Footnotes:

(1) Equals the estimated cost impact from application of the PDL changes (grandfathering and new drug classes).

(2) Equals total experience period incurred pharmacy claims.

(3) Equals additional cost divided by total incurred claims.