

**STATE OF TEXAS
CHILDREN'S HEALTH INSURANCE
PROGRAM
CHIP RATE SETTING
STATE FISCAL YEAR 2017**

Prepared for:

Texas Health and Human Services Commission

CHIP UMCC 529-12-0002 V2.19, CHIP RSA 529-08-0001 V1.20 and Texas Dental Services
529-13-0003 V1.12

Prepared by:

Khiem D. Ngo, F.S.A., M.A.A.A

Rudd and Wisdom, Inc.

June 29, 2016

TABLE OF CONTENTS

I.	Introduction.....	1
II.	Overview of Rate Setting Methodology	3
III.	Adjustment Factors	5
IV.	Administrative Fees, Taxes and Risk Margin.....	7
V.	CHIP Perinatal	8
VI.	CHIP Dental.....	9
VII.	Summary	10
VIII.	Actuarial Certification	13
IX.	Attachments	14

I. Introduction

Rudd and Wisdom, Inc. has been retained by the Texas Health and Human Services Commission (HHSC) to develop the state fiscal year 2017 (FY2017, September 1, 2016 through August 31, 2017) 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 30 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 FY2017 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 2012 and a projection of future enrollment through August 2017. These projections were prepared by HHSC.
- Claim lag reports by age group for each health plan for the period September 2012 through February 2016. 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 FY2014, FY2015 and the first six months of FY2016. The FSR contains detailed information regarding monthly enrollment, revenue, incurred claims and administrative expenses, as reported by the health plan. These reports were prepared by HHSC.
- 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 (FY2016) 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.
- FY2015 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 FY2015 CHIP health plan claims cost by type of service for certain services. This information was obtained from the encounter database.

- Information from HHSC regarding FY2016 and proposed FY2017 Medicaid provider reimbursement rates.

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 the claims paid amount from (i) the claim lag reports provided by the health plans, (ii) the audited FSRs and (iii) the encounter data files as provided by the EQRO. All comparisons were done by risk group as well as in aggregate. In the case of inconsistent information follow up inquiries were made with each applicable HMO until all information was corrected and reconciled with the other data sources. Ultimately there was satisfactory consistency between all data sources. Although the above data was reviewed for reasonableness, Rudd and Wisdom did not audit the data.

In addition, HHSC employs the Institute for Child Health Policy (ICHP) as an External Quality Review Organization. ICHP reviews the encounter data and provides certification of the data quality. Below is an excerpt from the data certification report for the detail encounter period September 1, 2014 through August 31, 2015 (FY2015).

Based on an administrative review, the EQRO considers the required data elements for all MCO/RSA combination in CHIP to be accurate and complete, meeting the following components of Texas Government Code § 533.0131 for data certification purposes:

- 1. The encounter data for the most recent measurement year are complete, accurate, and reliable.*
- 2. No statistically significant variability in the encounter data is attributable to incompleteness, inaccuracy, or other deficiency as compared to equivalent data for similar populations and when evaluated against professionally accepted standards.*

II. Overview of the Rate Setting Methodology

This report details the development of the medical component of the total premium rate. Information regarding the carve-in of prescription drugs into the CHIP program can be found in the report titled “State of Texas Medicaid Managed Care Rate Setting Pharmacy Carve-in State Fiscal Year 2017”.

The actuarial model used to derive the FY2017 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 FY2015 base period were developed. These estimates were then projected forward to FY2017 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 FY2017 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:

- Bexar County Service Area (San Antonio)
- Dallas County Service Area (Dallas)
- El Paso County Service Area (El Paso)
- Harris County Service Area (Houston)
- Jefferson County Service Area (Jefferson)
- Lubbock County Service Area (Lubbock)
- Nueces County Service Area (Corpus Christi)
- Tarrant County Service Area (Fort Worth)
- Travis County Service Area (Austin)
- Rural County Service Area (All other Texas regions)

Premium rates were determined for the following age groups:

- Children Under Age One Year
- Children Ages 1 to 5 Years
- Children Ages 6 to 14 Years
- Children Ages 15 to 18 Years

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
- Prescription Drugs

Services specifically excluded from the analysis include:

- Dental and Orthodontia Services

We projected the FY2017 cost for each individual health plan by estimating their base period (FY2015) 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 it was determined that no adjustments were necessary.

HHSC utilized the combination of two rating methodologies in setting the FY2017 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 FY2017 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 FY2017 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 FY2017 CHIP health plan premium rates were then defined as the following: the minimum of (a) 108% of the rate developed using the individual experience of the plan and (b) community rate with risk adjustment. The enrollment for children under age one is so small that credible rates could not be set by area. As a result, the rate for this risk group was calculated on a statewide basis.

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 FY2017 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 applies to all service areas but varies by projection year (FY2016 and FY2017).

The trend analysis included a review of HMO and RSA claims experience data through February 29, 2016. Based on this information, estimates of monthly incurred claims were made through December 2015. 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.

The FY2016 trend assumption was developed from two components: (i) the actual estimated trend for the period September 2015 through December 2015 and (ii) the projected trend for the period January 2016 through August 2016. The experience trends for all time periods were adjusted to remove the impact of various provider reimbursement reductions and revisions that have impacted the program. We have assumed the trend for the period January 2016 through August 2016 and all of FY2017 will be 5%.

This analysis was used to select an annual trend rate assumption of 2.2% for FY2016 and 5.0% for FY2017.

Provider Reimbursement and Benefit Revision Adjustment

There were several significant revisions to the Texas Medicaid fee schedule which were included in the CHIP rating analysis. Provider reimbursement and benefit changes were recognized for the following services:

- Inpatient Hospital Reimbursement Change
- Potentially Preventable Readmissions Reduction
- Potentially Preventable Complications Reduction
- Limit Related Party Reimbursement to 100% of Medicaid
- Rural Hospital Outpatient Reimbursement Change
- Therapy Reimbursement Reduction

The rating adjustments for these provider reimbursement 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.

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 (ICHP). 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, Taxes and Risk Margin

The rating methodology includes an explicit provision for health plan administrative services. The amount allocated for administrative expenses is \$8.00 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 (\$0.07 pmpm) and a risk margin (2.0% of premium).

The capitation rates included in this document do not include provision for the Affordable Care Act (ACA) Health Insurance Providers Fee. HHSC has developed a procedure for reimbursing the MCOs for (i) the ACA Health Insurance Providers Fee, (ii) any applicable federal income tax impact resulting from payment of the ACA Health Insurance Providers Fee and (iii) any applicable state premium tax impact resulting from payment of the ACA Health Insurance Providers Fee. Such reimbursement will be provided based on a CMS-approved methodology.

V. CHIP Perinatal

Since January 1, 2007, a new group of clients has 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.

The CHIP benefits provided to expectant mothers are more limited in scope. They include the professional component of delivery services (for those clients under 198% FPL) and limited prenatal and post-natal services only.

We have developed premium rates for three categories of clients: (1) newborns between 198% and 202% FPL; (2) expectant mothers under 198% FPL; and (3) expectant mothers between 198% and 202% FPL.

The CHIP Perinatal FY2017 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 FY2017 CHIP Perinatal rates.

VI. CHIP Dental

The actuarial model used to derive the FY2017 CHIP Dental premium rates relied on recent dental plan financial experience. Historical claims experience data for the dental plans was analyzed and estimates for the base period January 1, 2015 through December 31, 2015 were developed. The claims experience was trended forward to FY2017 using assumed trend rates of 6.7% for FY2016 and FY2017.

Provisions for administrative expenses, taxes and risk margin were added to the projected claims to produce the FY2017 premium rates. Attachment 8 includes additional documentation regarding the rate calculation for CHIP Dental.

VII. Summary

The chart below presents the results of the FY2017 CHIP rating analysis and includes all components of the premium – medical and prescription drug. This report details the development of the medical component of the premium. Further information regarding the prescription drug component of the premium rate can be found in the report titled “State of Texas Medicaid Managed Care Rate Setting Pharmacy Carve-in State Fiscal Year 2017”.

Health Plan	CHIP - Medical & Prescription Drug Rates				DSP
	Under Age 1	Ages 1-5	Ages 6-14	Ages 15-18	
FY2017 CHIP Premium Rates pmpm					
Aetna - Bexar	232.03	121.56	113.58	105.77	3,100.00
Amerigroup - Bexar	232.03	106.83	77.17	99.39	3,100.00
CFHP - Bexar	232.03	151.95	114.96	127.93	3,100.00
Superior - Bexar	232.03	139.69	118.23	125.23	3,100.00
Amerigroup - Dallas	232.03	147.97	124.62	142.77	3,100.00
Molina - Dallas	232.03	128.89	97.46	99.57	3,100.00
Parkland - Dallas	232.03	153.59	124.30	144.84	3,100.00
El Paso First - El Paso	232.03	112.33	101.33	105.72	3,100.00
Superior - El Paso	232.03	120.49	88.67	98.68	3,100.00
Amerigroup - Harris	232.03	127.56	107.32	120.63	3,100.00
CHC - Harris	232.03	176.19	123.30	161.74	3,100.00
Molina - Harris	232.03	136.65	96.43	138.05	3,100.00
TCHP - Harris	232.03	170.41	147.47	226.24	3,100.00
United - Harris	232.03	149.09	107.06	166.38	3,100.00
Amerigroup - Jefferson	232.03	251.15	104.96	160.14	3,100.00
CHC - Jefferson	232.03	171.79	134.01	165.43	3,100.00
Molina - Jefferson	232.03	189.73	102.90	128.95	3,100.00
TCHP - Jefferson	232.03	202.07	155.42	215.94	3,100.00
United - Jefferson	232.03	130.04	112.17	145.91	3,100.00
Firstcare - Lubbock	232.03	134.57	114.90	126.40	3,100.00
Superior - Lubbock	232.03	121.25	106.87	139.58	3,100.00
Christus - Nueces	232.03	172.23	120.23	110.92	3,100.00
Driscoll - Nueces	232.03	188.34	183.72	212.24	3,100.00
Superior - Nueces	232.03	127.66	158.80	144.69	3,100.00
Aetna - Tarrant	232.03	107.46	92.35	123.91	3,100.00
Amerigroup - Tarrant	232.03	116.37	112.30	165.02	3,100.00
Cook - Tarrant	232.03	141.53	130.74	174.32	3,100.00
BCBS - Travis	232.03	166.71	109.94	154.35	3,100.00
Sendero - Travis	232.03	125.98	92.64	111.64	3,100.00
Seton - Travis	232.03	132.33	127.20	178.52	3,100.00
Superior - Travis	232.03	149.70	121.73	161.85	3,100.00
Molina - RSA	232.03	101.15	97.19	124.65	3,100.00
Superior - RSA	232.03	122.61	117.76	147.60	3,100.00

CHIP Perinate - Medical & Prescription Drug Rates

Health Plan	Newborns	Perinate	Perinate	DSP
	198%-202%	<198%	198%-202%	
FY2017 CHIP Perinate Premium Rates pmpm				
Aetna - Bexar	811.72	382.81	273.01	3,100.00
Amerigroup - Bexar	811.72	382.81	273.01	3,100.00
CFHP - Bexar	811.72	382.81	273.01	3,100.00
Superior - Bexar	811.72	382.81	273.01	3,100.00
Amerigroup - Dallas	811.72	392.46	273.01	3,100.00
Molina - Dallas	811.72	392.46	273.01	3,100.00
Parkland - Dallas	811.72	392.46	273.01	3,100.00
El Paso First - El Paso	811.72	444.34	273.01	3,100.00
Superior - El Paso	811.72	444.34	273.01	3,100.00
Amerigroup - Harris	811.72	535.53	273.01	3,100.00
CHC - Harris	811.72	535.53	273.01	3,100.00
Molina - Harris	811.72	535.53	273.01	3,100.00
TCHP - Harris	811.72	535.53	273.01	3,100.00
United - Harris	811.72	535.53	273.01	3,100.00
Amerigroup - Jefferson	811.72	579.09	273.01	3,100.00
CHC - Jefferson	811.72	579.09	273.01	3,100.00
Molina - Jefferson	811.72	579.09	273.01	3,100.00
TCHP - Jefferson	811.72	579.09	273.01	3,100.00
United - Jefferson	811.72	579.09	273.01	3,100.00
Firstcare - Lubbock	811.72	428.97	273.01	3,100.00
Superior - Lubbock	811.72	428.97	273.01	3,100.00
Christus - Nueces	811.72	495.05	273.01	3,100.00
Driscoll - Nueces	811.72	495.05	273.01	3,100.00
Superior - Nueces	811.72	495.05	273.01	3,100.00
Aetna - Tarrant	811.72	402.78	273.01	3,100.00
Amerigroup - Tarrant	811.72	402.78	273.01	3,100.00
Cook - Tarrant	811.72	402.78	273.01	3,100.00
BCBS - Travis	811.72	498.17	273.01	3,100.00
Sendero - Travis	811.72	498.17	273.01	3,100.00
Seton - Travis	811.72	498.17	273.01	3,100.00
Superior - Travis	811.72	498.17	273.01	3,100.00
Molina - RSA	811.72	436.36	273.01	3,100.00
Superior - RSA	811.72	436.36	273.01	3,100.00

CHIP Dental Rates

Health Plan	Under	Ages	Ages	Ages
	Age 1	1-5	6-14	15-18
FY2017 Premium Rates pmpm	3.17	19.32	28.31	25.88

Attachment 1 presents additional information regarding the FY2017 CHIP rates including a comparison to current (FY2016) rates. Attachments 7 and 8 contain additional information regarding the FY2017 CHIP Perinatal and CHIP Dental plan rates, respectively.

VIII. Actuarial Certification of FY2017 CHIP HMO Premium Rates

I, Khiem D. Ngo, 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.

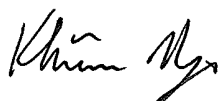
Rudd and Wisdom has been retained by the Texas Health and Human Services Commission (HHSC) to assist in the development of their state fiscal year 2017 (FY2017) managed care rate-setting methodology, assumptions and resulting premium rates and to provide the actuarial certification required under Centers for Medicare and Medicaid Services (CMS) requirements 42 CFR 438.6(c).

I certify that the FY2017 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.



Khiem D. Ngo, F.S.A., M.A.A.A.

IX. Attachments

Attachment 1

Summary of FY2017 CHIP Rating Analysis

Exhibit A presents summary information regarding the FY2017 CHIP health plan rates. Included on the exhibit are current (FY2016) premium, split between medical, prescription drug, and delivery supplemental payment (DSP) rates; FY2017 premium, split between medical, prescription drug and DSP rates; and a comparison of FY2016 and FY2017 premium rates.

Exhibit B presents a comparison of the projected expenditures under the current (FY2016) premiums rates and the FY2017 premium rates. The projection is split by medical (includes DSP) and pharmacy.

FY2017 CHIP Rating Summary

Health Plan	Under Age 1	Ages 1-5	Ages 6-14	Ages 15-18	DSP
Current (9/1/15-8/31/16) Medical Premium Rates pmpm					
Aetna - Bexar	204.93	89.26	68.43	71.05	3,100.00
Amerigroup - Bexar	204.93	97.52	51.74	68.16	3,100.00
CFHP - Bexar	204.93	111.29	73.70	97.51	3,100.00
Superior - Bexar	204.93	102.65	71.72	98.37	3,100.00
Amerigroup - Dallas	204.93	118.34	88.31	103.13	3,100.00
Molina - Dallas	204.93	103.38	73.80	86.17	3,100.00
Parkland - Dallas	204.93	133.66	94.01	104.07	3,100.00
El Paso First - El Paso	204.93	80.34	70.44	83.32	3,100.00
Superior - El Paso	204.93	107.15	68.82	76.46	3,100.00
Amerigroup - Harris	204.93	120.08	69.23	86.54	3,100.00
CHC - Harris	204.93	141.64	86.79	124.23	3,100.00
Molina - Harris	204.93	129.20	85.19	101.50	3,100.00
TCHP - Harris	204.93	161.22	112.67	165.23	3,100.00
United - Harris	204.93	93.71	80.14	152.04	3,100.00
Amerigroup - Jefferson	204.93	64.70	66.12	56.61	3,100.00
CHC - Jefferson	204.93	114.85	85.97	133.05	3,100.00
Molina - Jefferson	204.93	102.45	61.26	53.40	3,100.00
TCHP - Jefferson	204.93	119.95	91.31	128.22	3,100.00
United - Jefferson	204.93	105.57	77.11	105.89	3,100.00
Firstcare - Lubbock	204.93	105.20	69.53	90.71	3,100.00
Superior - Lubbock	204.93	103.35	64.16	82.82	3,100.00
Christus - Nueces	204.93	98.31	105.74	143.98	3,100.00
Driscoll - Nueces	204.93	155.92	116.27	149.83	3,100.00
Superior - Nueces	204.93	163.78	102.48	124.29	3,100.00
Aetna - Tarrant	204.93	91.33	71.58	103.27	3,100.00
Amerigroup - Tarrant	204.93	116.14	83.16	107.80	3,100.00
Cook - Tarrant	204.93	130.29	99.19	136.45	3,100.00
BCBS - Travis	204.93	131.18	83.86	89.29	3,100.00
Sendero - Travis	204.93	130.64	68.43	81.18	3,100.00
Seton - Travis	204.93	125.67	86.43	125.65	3,100.00
Superior - Travis	204.93	130.09	84.79	118.72	3,100.00
Molina - RSA	204.93	80.86	59.30	81.14	3,100.00
Superior - RSA	204.93	85.23	67.45	91.11	3,100.00

FY2017 CHIP Rating Summary

Health Plan	Under Age 1	Ages 1-5	Ages 6-14	Ages 15-18	DSP
Current (9/1/15-8/31/16) Prescription Drug Premium Rates pmpm					
Aetna - Bexar	19.20	14.37	32.15	29.20	
Amerigroup - Bexar	19.20	14.89	23.55	23.23	
CFHP - Bexar	19.20	16.99	33.56	33.23	
Superior - Bexar	19.20	15.67	32.65	33.53	
Amerigroup - Dallas	19.20	18.88	32.89	37.30	
Molina - Dallas	19.20	16.50	27.48	31.17	
Parkland - Dallas	19.20	21.33	35.01	37.64	
El Paso First - El Paso	19.20	15.25	26.76	25.05	
Superior - El Paso	19.20	20.33	26.14	22.99	
Amerigroup - Harris	19.20	19.39	28.60	28.14	
CHC - Harris	19.20	18.62	25.84	28.81	
Molina - Harris	19.20	19.56	28.71	34.13	
TCHP - Harris	19.20	21.19	33.54	38.32	
United - Harris	19.20	14.94	26.67	33.19	
Amerigroup - Jefferson	19.20	17.09	40.32	29.06	
CHC - Jefferson	19.20	21.89	45.46	44.17	
Molina - Jefferson	19.20	25.69	34.02	21.51	
TCHP - Jefferson	19.20	22.86	48.29	42.56	
United - Jefferson	19.20	20.12	40.78	35.15	
Firstcare - Lubbock	19.20	22.03	36.02	40.77	
Superior - Lubbock	19.20	21.64	33.23	37.22	
Christus - Nueces	19.20	20.39	42.24	28.36	
Driscoll - Nueces	19.20	27.83	42.05	32.73	
Superior - Nueces	19.20	28.41	40.09	27.37	
Aetna - Tarrant	19.20	13.86	25.80	29.51	
Amerigroup - Tarrant	19.20	17.63	29.98	30.81	
Cook - Tarrant	19.20	19.78	35.76	39.00	
BCBS - Travis	19.20	15.20	24.60	24.57	
Sendero - Travis	19.20	15.14	20.07	22.34	
Seton - Travis	19.20	14.56	25.35	34.58	
Superior - Travis	19.20	14.27	25.72	35.15	
Molina - RSA	19.20	26.60	35.49	34.48	
Superior - RSA	19.20	28.03	40.37	38.72	

FY2017 CHIP Rating Summary

Health Plan	Under Age 1	Ages 1-5	Ages 6-14	Ages 15-18	DSP
Current Total Premium Rates pmpm					
Aetna - Bexar	224.13	103.63	100.58	100.25	3,100.00
Amerigroup - Bexar	224.13	112.41	75.29	91.39	3,100.00
CFHP - Bexar	224.13	128.28	107.26	130.74	3,100.00
Superior - Bexar	224.13	118.32	104.37	131.90	3,100.00
Amerigroup - Dallas	224.13	137.22	121.20	140.43	3,100.00
Molina - Dallas	224.13	119.88	101.28	117.34	3,100.00
Parkland - Dallas	224.13	154.99	129.02	141.71	3,100.00
El Paso First - El Paso	224.13	95.59	97.20	108.37	3,100.00
Superior - El Paso	224.13	127.48	94.96	99.45	3,100.00
Amerigroup - Harris	224.13	139.47	97.83	114.68	3,100.00
CHC - Harris	224.13	160.26	112.63	153.04	3,100.00
Molina - Harris	224.13	148.76	113.90	135.63	3,100.00
TCHP - Harris	224.13	182.41	146.21	203.55	3,100.00
United - Harris	224.13	108.65	106.81	185.23	3,100.00
Amerigroup - Jefferson	224.13	81.79	106.44	85.67	3,100.00
CHC - Jefferson	224.13	136.74	131.43	177.22	3,100.00
Molina - Jefferson	224.13	128.14	95.28	74.91	3,100.00
TCHP - Jefferson	224.13	142.81	139.60	170.78	3,100.00
United - Jefferson	224.13	125.69	117.89	141.04	3,100.00
Firstcare - Lubbock	224.13	127.23	105.55	131.48	3,100.00
Superior - Lubbock	224.13	124.99	97.39	120.04	3,100.00
Christus - Nueces	224.13	118.70	147.98	172.34	3,100.00
Driscoll - Nueces	224.13	183.75	158.32	182.56	3,100.00
Superior - Nueces	224.13	192.19	142.57	151.66	3,100.00
Aetna - Tarrant	224.13	105.19	97.38	132.78	3,100.00
Amerigroup - Tarrant	224.13	133.77	113.14	138.61	3,100.00
Cook - Tarrant	224.13	150.07	134.95	175.45	3,100.00
BCBS - Travis	224.13	146.38	108.46	113.86	3,100.00
Sendero - Travis	224.13	145.78	88.50	103.52	3,100.00
Seton - Travis	224.13	140.23	111.78	160.23	3,100.00
Superior - Travis	224.13	144.36	110.51	153.87	3,100.00
Molina - RSA	224.13	107.46	94.79	115.62	3,100.00
Superior - RSA	224.13	113.26	107.82	129.83	3,100.00

FY2017 CHIP Rating Summary

Health Plan	Under Age 1	Ages 1-5	Ages 6-14	Ages 15-18	DSP
FY2017 Medical Premium Rates pmpm					
Aetna - Bexar	212.83	102.84	74.90	76.07	3,100.00
Amerigroup - Bexar	212.83	91.05	52.72	71.06	3,100.00
CFHP - Bexar	212.83	129.50	78.54	91.47	3,100.00
Superior - Bexar	212.83	119.20	79.37	87.75	3,100.00
Amerigroup - Dallas	212.83	128.31	87.01	91.21	3,100.00
Molina - Dallas	212.83	111.94	68.00	64.27	3,100.00
Parkland - Dallas	212.83	133.39	86.73	93.49	3,100.00
El Paso First - El Paso	212.83	95.20	69.90	79.90	3,100.00
Superior - El Paso	212.83	102.11	61.17	74.58	3,100.00
Amerigroup - Harris	212.83	111.22	78.43	83.19	3,100.00
CHC - Harris	212.83	156.06	92.73	122.27	3,100.00
Molina - Harris	212.83	121.60	67.80	106.57	3,100.00
TCHP - Harris	212.83	150.94	110.91	171.03	3,100.00
United - Harris	212.83	134.01	77.46	124.87	3,100.00
Amerigroup - Jefferson	212.83	214.26	64.71	112.68	3,100.00
CHC - Jefferson	212.83	141.14	86.99	117.47	3,100.00
Molina - Jefferson	212.83	132.94	50.15	100.92	3,100.00
TCHP - Jefferson	212.83	172.39	95.82	151.94	3,100.00
United - Jefferson	212.83	110.94	69.16	102.66	3,100.00
Firstcare - Lubbock	212.83	114.78	77.39	86.98	3,100.00
Superior - Lubbock	212.83	102.89	69.52	96.71	3,100.00
Christus - Nueces	212.83	149.36	83.45	83.10	3,100.00
Driscoll - Nueces	212.83	157.18	133.61	173.35	3,100.00
Superior - Nueces	212.83	103.28	112.45	113.10	3,100.00
Aetna - Tarrant	212.83	92.09	67.23	90.62	3,100.00
Amerigroup - Tarrant	212.83	100.76	81.69	128.99	3,100.00
Cook - Tarrant	212.83	122.55	95.10	136.26	3,100.00
BCBS - Travis	212.83	147.38	80.81	118.15	3,100.00
Sendero - Travis	212.83	111.37	68.10	85.46	3,100.00
Seton - Travis	212.83	115.54	92.36	140.09	3,100.00
Superior - Travis	212.83	132.34	89.48	123.89	3,100.00
Molina - RSA	212.83	73.98	58.93	84.40	3,100.00
Superior - RSA	212.83	90.83	70.93	98.91	3,100.00

FY2017 CHIP Rating Summary

Health Plan	Under Age 1	Ages 1-5	Ages 6-14	Ages 15-18	DSP
FY2017 Prescription Drug Premium Rates pmpm					
Aetna - Bexar	19.20	18.72	38.68	29.70	
Amerigroup - Bexar	19.20	15.78	24.45	28.33	
CFHP - Bexar	19.20	22.45	36.42	36.46	
Superior - Bexar	19.20	20.49	38.86	37.48	
Amerigroup - Dallas	19.20	19.66	37.61	51.56	
Molina - Dallas	19.20	16.95	29.46	35.30	
Parkland - Dallas	19.20	20.20	37.57	51.35	
El Paso First - El Paso	19.20	17.13	31.43	25.82	
Superior - El Paso	19.20	18.38	27.50	24.10	
Amerigroup - Harris	19.20	16.34	28.89	37.44	
CHC - Harris	19.20	20.13	30.57	39.47	
Molina - Harris	19.20	15.05	28.63	31.48	
TCHP - Harris	19.20	19.47	36.56	55.21	
United - Harris	19.20	15.08	29.60	41.51	
Amerigroup - Jefferson	19.20	36.89	40.25	47.46	
CHC - Jefferson	19.20	30.65	47.02	47.96	
Molina - Jefferson	19.20	56.79	52.75	28.03	
TCHP - Jefferson	19.20	29.68	59.60	64.00	
United - Jefferson	19.20	19.10	43.01	43.25	
Firstcare - Lubbock	19.20	19.79	37.51	39.42	
Superior - Lubbock	19.20	18.36	37.35	42.87	
Christus - Nueces	19.20	22.87	36.78	27.82	
Driscoll - Nueces	19.20	31.16	50.11	38.89	
Superior - Nueces	19.20	24.38	46.35	31.59	
Aetna - Tarrant	19.20	15.37	25.12	33.29	
Amerigroup - Tarrant	19.20	15.61	30.61	36.03	
Cook - Tarrant	19.20	18.98	35.64	38.06	
BCBS - Travis	19.20	19.33	29.13	36.20	
Sendero - Travis	19.20	14.61	24.54	26.18	
Seton - Travis	19.20	16.79	34.84	38.43	
Superior - Travis	19.20	17.36	32.25	37.96	
Molina - RSA	19.20	27.17	38.26	40.25	
Superior - RSA	19.20	31.78	46.83	48.69	

FY2017 CHIP Rating Summary

Health Plan	Under Age 1	Ages 1-5	Ages 6-14	Ages 15-18	DSP
FY2017 Total Premium Rates pmpm					
Aetna - Bexar	232.03	121.56	113.58	105.77	3,100.00
Amerigroup - Bexar	232.03	106.83	77.17	99.39	3,100.00
CFHP - Bexar	232.03	151.95	114.96	127.93	3,100.00
Superior - Bexar	232.03	139.69	118.23	125.23	3,100.00
Amerigroup - Dallas	232.03	147.97	124.62	142.77	3,100.00
Molina - Dallas	232.03	128.89	97.46	99.57	3,100.00
Parkland - Dallas	232.03	153.59	124.30	144.84	3,100.00
El Paso First - El Paso	232.03	112.33	101.33	105.72	3,100.00
Superior - El Paso	232.03	120.49	88.67	98.68	3,100.00
Amerigroup - Harris	232.03	127.56	107.32	120.63	3,100.00
CHC - Harris	232.03	176.19	123.30	161.74	3,100.00
Molina - Harris	232.03	136.65	96.43	138.05	3,100.00
TCHP - Harris	232.03	170.41	147.47	226.24	3,100.00
United - Harris	232.03	149.09	107.06	166.38	3,100.00
Amerigroup - Jefferson	232.03	251.15	104.96	160.14	3,100.00
CHC - Jefferson	232.03	171.79	134.01	165.43	3,100.00
Molina - Jefferson	232.03	189.73	102.90	128.95	3,100.00
TCHP - Jefferson	232.03	202.07	155.42	215.94	3,100.00
United - Jefferson	232.03	130.04	112.17	145.91	3,100.00
Firstcare - Lubbock	232.03	134.57	114.90	126.40	3,100.00
Superior - Lubbock	232.03	121.25	106.87	139.58	3,100.00
Christus - Nueces	232.03	172.23	120.23	110.92	3,100.00
Driscoll - Nueces	232.03	188.34	183.72	212.24	3,100.00
Superior - Nueces	232.03	127.66	158.80	144.69	3,100.00
Aetna - Tarrant	232.03	107.46	92.35	123.91	3,100.00
Amerigroup - Tarrant	232.03	116.37	112.30	165.02	3,100.00
Cook - Tarrant	232.03	141.53	130.74	174.32	3,100.00
BCBS - Travis	232.03	166.71	109.94	154.35	3,100.00
Sendero - Travis	232.03	125.98	92.64	111.64	3,100.00
Seton - Travis	232.03	132.33	127.20	178.52	3,100.00
Superior - Travis	232.03	149.70	121.73	161.85	3,100.00
Molina - RSA	232.03	101.15	97.19	124.65	3,100.00
Superior - RSA	232.03	122.61	117.76	147.60	3,100.00

FY2017 CHIP Rating Summary

Health Plan	Under Age 1	Ages 1-5	Ages 6-14	Ages 15-18	DSP
FY2017 Medical Premium Rate Change					
Aetna - Bexar	3.9%	15.2%	9.5%	7.1%	0.0%
Amerigroup - Bexar	3.9%	-6.6%	1.9%	4.3%	0.0%
CFHP - Bexar	3.9%	16.4%	6.6%	-6.2%	0.0%
Superior - Bexar	3.9%	16.1%	10.7%	-10.8%	0.0%
Amerigroup - Dallas	3.9%	8.4%	-1.5%	-11.6%	0.0%
Molina - Dallas	3.9%	8.3%	-7.9%	-25.4%	0.0%
Parkland - Dallas	3.9%	-0.2%	-7.7%	-10.2%	0.0%
El Paso First - El Paso	3.9%	18.5%	-0.8%	-4.1%	0.0%
Superior - El Paso	3.9%	-4.7%	-11.1%	-2.5%	0.0%
Amerigroup - Harris	3.9%	-7.4%	13.3%	-3.9%	0.0%
CHC - Harris	3.9%	10.2%	6.8%	-1.6%	0.0%
Molina - Harris	3.9%	-5.9%	-20.4%	5.0%	0.0%
TCHP - Harris	3.9%	-6.4%	-1.6%	3.5%	0.0%
United - Harris	3.9%	43.0%	-3.3%	-17.9%	0.0%
Amerigroup - Jefferson	3.9%	231.2%	-2.1%	99.0%	0.0%
CHC - Jefferson	3.9%	22.9%	1.2%	-11.7%	0.0%
Molina - Jefferson	3.9%	29.8%	-18.1%	89.0%	0.0%
TCHP - Jefferson	3.9%	43.7%	4.9%	18.5%	0.0%
United - Jefferson	3.9%	5.1%	-10.3%	-3.1%	0.0%
Firstcare - Lubbock	3.9%	9.1%	11.3%	-4.1%	0.0%
Superior - Lubbock	3.9%	-0.4%	8.4%	16.8%	0.0%
Christus - Nueces	3.9%	51.9%	-21.1%	-42.3%	0.0%
Driscoll - Nueces	3.9%	0.8%	14.9%	15.7%	0.0%
Superior - Nueces	3.9%	-36.9%	9.7%	-9.0%	0.0%
Aetna - Tarrant	3.9%	0.8%	-6.1%	-12.2%	0.0%
Amerigroup - Tarrant	3.9%	-13.2%	-1.8%	19.7%	0.0%
Cook - Tarrant	3.9%	-5.9%	-4.1%	-0.1%	0.0%
BCBS - Travis	3.9%	12.3%	-3.6%	32.3%	0.0%
Sendero - Travis	3.9%	-14.8%	-0.5%	5.3%	0.0%
Seton - Travis	3.9%	-8.1%	6.9%	11.5%	0.0%
Superior - Travis	3.9%	1.7%	5.5%	4.4%	0.0%
Molina - RSA	3.9%	-8.5%	-0.6%	4.0%	0.0%
Superior - RSA	3.9%	6.6%	5.2%	8.6%	0.0%

FY2017 CHIP Rating Summary

Health Plan	Under Age 1	Ages 1-5	Ages 6-14	Ages 15-18	DSP
FY2017 Prescription Drug Premium Rate Change					
Aetna - Bexar	0.0%	30.3%	20.3%	1.7%	
Amerigroup - Bexar	0.0%	6.0%	3.8%	22.0%	
CFHP - Bexar	0.0%	32.1%	8.5%	9.7%	
Superior - Bexar	0.0%	30.8%	19.0%	11.8%	
Amerigroup - Dallas	0.0%	4.1%	14.4%	38.2%	
Molina - Dallas	0.0%	2.7%	7.2%	13.2%	
Parkland - Dallas	0.0%	-5.3%	7.3%	36.4%	
El Paso First - El Paso	0.0%	12.3%	17.5%	3.1%	
Superior - El Paso	0.0%	-9.6%	5.2%	4.8%	
Amerigroup - Harris	0.0%	-15.7%	1.0%	33.0%	
CHC - Harris	0.0%	8.1%	18.3%	37.0%	
Molina - Harris	0.0%	-23.1%	-0.3%	-7.8%	
TCHP - Harris	0.0%	-8.1%	9.0%	44.1%	
United - Harris	0.0%	0.9%	11.0%	25.1%	
Amerigroup - Jefferson	0.0%	115.9%	-0.2%	63.3%	
CHC - Jefferson	0.0%	40.0%	3.4%	8.6%	
Molina - Jefferson	0.0%	121.1%	55.1%	30.3%	
TCHP - Jefferson	0.0%	29.8%	23.4%	50.4%	
United - Jefferson	0.0%	-5.1%	5.5%	23.0%	
Firstcare - Lubbock	0.0%	-10.2%	4.1%	-3.3%	
Superior - Lubbock	0.0%	-15.2%	12.4%	15.2%	
Christus - Nueces	0.0%	12.2%	-12.9%	-1.9%	
Driscoll - Nueces	0.0%	12.0%	19.2%	18.8%	
Superior - Nueces	0.0%	-14.2%	15.6%	15.4%	
Aetna - Tarrant	0.0%	10.9%	-2.6%	12.8%	
Amerigroup - Tarrant	0.0%	-11.5%	2.1%	16.9%	
Cook - Tarrant	0.0%	-4.0%	-0.3%	-2.4%	
BCBS - Travis	0.0%	27.2%	18.4%	47.3%	
Sendero - Travis	0.0%	-3.5%	22.3%	17.2%	
Seton - Travis	0.0%	15.3%	37.4%	11.1%	
Superior - Travis	0.0%	21.7%	25.4%	8.0%	
Molina - RSA	0.0%	2.1%	7.8%	16.7%	
Superior - RSA	0.0%	13.4%	16.0%	25.7%	

FY2017 CHIP Rating Summary

Health Plan	Under Age 1	Ages 1-5	Ages 6-14	Ages 15-18	DSP
FY2017 Total Premium Rate Change					
Aetna - Bexar	3.5%	17.3%	12.9%	5.5%	0.0%
Amerigroup - Bexar	3.5%	-5.0%	2.5%	8.8%	0.0%
CFHP - Bexar	3.5%	18.5%	7.2%	-2.1%	0.0%
Superior - Bexar	3.5%	18.1%	13.3%	-5.1%	0.0%
Amerigroup - Dallas	3.5%	7.8%	2.8%	1.7%	0.0%
Molina - Dallas	3.5%	7.5%	-3.8%	-15.1%	0.0%
Parkland - Dallas	3.5%	-0.9%	-3.7%	2.2%	0.0%
El Paso First - El Paso	3.5%	17.5%	4.2%	-2.4%	0.0%
Superior - El Paso	3.5%	-5.5%	-6.6%	-0.8%	0.0%
Amerigroup - Harris	3.5%	-8.5%	9.7%	5.2%	0.0%
CHC - Harris	3.5%	9.9%	9.5%	5.7%	0.0%
Molina - Harris	3.5%	-8.1%	-15.3%	1.8%	0.0%
TCHP - Harris	3.5%	-6.6%	0.9%	11.1%	0.0%
United - Harris	3.5%	37.2%	0.2%	-10.2%	0.0%
Amerigroup - Jefferson	3.5%	207.1%	-1.4%	86.9%	0.0%
CHC - Jefferson	3.5%	25.6%	2.0%	-6.7%	0.0%
Molina - Jefferson	3.5%	48.1%	8.0%	72.1%	0.0%
TCHP - Jefferson	3.5%	41.5%	11.3%	26.4%	0.0%
United - Jefferson	3.5%	3.5%	-4.9%	3.5%	0.0%
Firstcare - Lubbock	3.5%	5.8%	8.9%	-3.9%	0.0%
Superior - Lubbock	3.5%	-3.0%	9.7%	16.3%	0.0%
Christus - Nueces	3.5%	45.1%	-18.8%	-35.6%	0.0%
Driscoll - Nueces	3.5%	2.5%	16.0%	16.3%	0.0%
Superior - Nueces	3.5%	-33.6%	11.4%	-4.6%	0.0%
Aetna - Tarrant	3.5%	2.2%	-5.2%	-6.7%	0.0%
Amerigroup - Tarrant	3.5%	-13.0%	-0.7%	19.1%	0.0%
Cook - Tarrant	3.5%	-5.7%	-3.1%	-0.6%	0.0%
BCBS - Travis	3.5%	13.9%	1.4%	35.6%	0.0%
Sendero - Travis	3.5%	-13.6%	4.7%	7.8%	0.0%
Seton - Travis	3.5%	-5.6%	13.8%	11.4%	0.0%
Superior - Travis	3.5%	3.7%	10.2%	5.2%	0.0%
Molina - RSA	3.5%	-5.9%	2.5%	7.8%	0.0%
Superior - RSA	3.5%	8.3%	9.2%	13.7%	0.0%

FY2017 CHIP Rating Summary

	Projected PMMP		Projected FY2017 Premium		% Rate Change
	<u>FY2016 Rates</u>	<u>FY2017 Rates</u>	<u>FY2016 Rates</u>	<u>FY2017 Rates</u>	
CHIP					
Medical (1)	97.52	98.66	447,173,411	452,405,098	1.2%
Pharmacy	30.84	35.00	141,423,716	160,508,905	13.5%
Total	128.36	133.66	588,597,127	612,914,003	4.1%
CHIP Perinate					
Medical (1)	394.70	409.69	158,903,041	164,938,088	3.8%
Pharmacy	28.28	51.77	11,387,148	20,843,937	83.0%
Total	422.98	461.46	170,290,189	185,782,025	9.1%
CHIP Dental	23.79	25.79	109,120,730	118,300,373	8.4%

Notes:

(1) Includes Delivery Supplemental Payments.

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 2012 through February 2016. 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 2012 through February 2016.

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 February, 2016, (iii) estimated proportion of that month's incurred claims paid through February, 2016 (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 FY2017 cost based on the plan's actual experience. The top of the exhibit shows summary base period (FY2015) enrollment, premium and claims experience. Trend assumptions for FY2016 and FY2017 are used to project the average base period claims cost to FY2017. 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) \$0.50 pmpm.

The rating methodology includes an explicit provision for administrative expenses. The amount allocated for administrative expenses is \$8.00 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 (\$.070 pmpm).

At the bottom of Exhibit D is a summary of the projected FY2017 cost based on the above assumptions

Sample Health Plan
Enrollment and Premium Experience

Month	Number of Members				Total Members	Premium	Premium pmpm
	<1	1-5	6-14	15-18			
Sep-12	124	5,188	15,901	5,132	26,345	1,912,339	72.59
Oct-12	114	4,896	15,278	4,918	25,206	1,827,852	72.52
Nov-12	104	4,410	14,441	4,721	23,676	1,719,029	72.61
Dec-12	98	4,151	13,842	4,541	22,632	1,643,508	72.62
Jan-13	84	3,945	13,248	4,363	21,640	1,569,212	72.51
Feb-13	80	3,778	12,940	4,286	21,084	1,529,380	72.54
Mar-13	85	3,602	12,610	4,236	20,533	1,493,965	72.76
Apr-13	72	3,458	12,326	4,107	19,963	1,448,064	72.54
May-13	68	3,360	12,063	4,013	19,504	1,413,847	72.49
Jun-13	57	3,315	11,940	3,987	19,299	1,396,455	72.36
Jul-13	54	3,298	11,968	4,010	19,330	1,398,322	72.34
Aug-13	48	3,276	11,957	4,033	19,314	1,396,413	72.30
Sep-13	52	3,228	11,979	4,045	19,304	1,497,835	77.59
Oct-13	44	3,134	11,888	3,989	19,055	1,473,875	77.35
Nov-13	45	3,062	11,636	3,994	18,737	1,453,300	77.56
Dec-13	46	3,004	11,658	3,966	18,674	1,446,630	77.47
Jan-14	43	2,927	11,618	3,986	18,574	1,438,250	77.43
Feb-14	42	2,904	11,562	3,948	18,456	1,428,000	77.37
Mar-14	45	2,878	11,497	3,941	18,361	1,422,305	77.46
Apr-14	45	2,910	11,557	3,950	18,463	1,430,030	77.46
May-14	45	2,927	11,645	3,985	18,603	1,440,864	77.45
Jun-14	46	2,950	11,747	4,021	18,764	1,453,372	77.46
Jul-14	46	2,982	11,862	4,058	18,949	1,467,683	77.45
Aug-14	47	3,013	11,992	4,103	19,155	1,483,648	77.45
Sep-14	46	3,002	11,971	4,090	19,109	1,449,030	75.83
Oct-14	45	2,991	11,950	4,077	19,063	1,444,963	75.80
Nov-14	44	2,980	11,929	4,064	19,017	1,440,896	75.77
Dec-14	43	2,969	11,908	4,051	18,971	1,436,829	75.74
Jan-15	42	2,958	11,887	4,038	18,925	1,432,762	75.71
Feb-15	41	2,947	11,866	4,025	18,879	1,428,695	75.67
Mar-15	40	2,936	11,845	4,012	18,833	1,424,628	75.64
Apr-15	44	2,964	11,847	4,040	18,895	1,431,973	75.79
May-15	44	2,994	11,965	4,080	19,083	1,446,064	75.78
Jun-15	43	3,024	12,085	4,121	19,273	1,459,960	75.75
Jul-15	43	3,039	12,145	4,142	19,369	1,467,176	75.75
Aug-15	47	3,059	12,226	4,170	19,502	1,478,560	75.82
Sep-15	47	3,065	12,252	4,179	19,543	1,561,595	79.91
Oct-15	47	3,068	12,264	4,183	19,562	1,563,110	79.91
Nov-15	47	3,075	12,292	4,193	19,607	1,566,706	79.91
Dec-15	45	3,078	12,304	4,197	19,624	1,567,980	79.90
Jan-16	48	3,081	12,316	4,201	19,646	1,569,858	79.91
Feb-16	46	3,084	12,328	4,205	19,663	1,571,132	79.90
FY2013	988	46,677	158,514	52,347	258,526	18,748,386	72.52
FY2014	547	35,920	140,641	47,987	225,095	17,435,792	77.46
FY2015	520	35,865	143,623	48,913	228,922	17,341,535	75.75

Sample Health Plan
 CHIP Incurred Claims Summary Lag Report

Month Incurred	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13
Ages 6-14															
Sep-12	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-12		86,099	328,120	197,976	18,651	12,689	-1,201	-254	838	990	146	7,384	0	0	1,735
Nov-12			17,351	367,907	68,405	39,292	5,651	3,370	7,579	1,947	657	-57	0	-43	32
Dec-12				79,890	251,389	123,262	19,456	6,304	2,806	2,392	107	-157	-1,160	66	-30
Jan-13					17,198	383,437	95,120	15,460	4,917	5,241	94	3	849	301	371
Feb-13						58,788	330,673	63,094	25,904	8,509	2,334	-1,095	466	0	0
Mar-13							37,050	375,045	87,951	25,614	3,633	1,463	902	-2,288	956
Apr-13								49,356	358,033	79,963	16,664	7,310	348	3,833	720
May-13									50,126	340,480	109,840	31,914	7,497	6,509	1,813
Jun-13										43,481	290,289	255,510	13,292	7,486	1,683
Jul-13											20,983	305,586	130,515	70,186	4,511
Aug-13												32,812	371,147	109,441	16,108
Sep-13													50,488	529,966	240,552
Oct-13														6,091	398,876
Nov-13															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-12	15,901	558,351	1.000	558,351	35.11		5,132	197,614	1.000	197,614	38.51	
Oct-12	15,278	654,945	1.000	654,945	42.87		4,918	219,280	1.000	219,280	44.59	
Nov-12	14,441	512,126	1.000	512,126	35.46		4,721	145,363	1.000	145,363	30.79	
Dec-12	13,842	481,758	1.000	481,758	34.80		4,541	173,388	1.000	173,388	38.18	
Jan-13	13,248	524,336	1.000	524,336	39.58		4,363	152,657	1.000	152,657	34.99	
Feb-13	12,940	488,266	1.000	488,266	37.73		4,286	162,354	1.000	162,354	37.88	
Mar-13	12,610	530,040	1.000	530,040	42.03		4,236	194,139	1.000	194,139	45.83	
Apr-13	12,326	517,116	1.000	517,116	41.95		4,107	157,314	1.000	157,314	38.30	
May-13	12,063	546,601	1.000	546,601	45.31		4,013	124,140	1.000	124,140	30.93	
Jun-13	11,940	626,076	1.000	626,076	52.44		3,987	109,522	1.000	109,522	27.47	
Jul-13	11,968	543,697	1.000	543,697	45.43		4,010	164,529	1.000	164,529	41.03	
Aug-13	11,957	545,204	1.000	545,204	45.60		4,033	148,171	1.000	148,171	36.74	
Sep-13	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-13	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-13	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-13	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-14	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-14	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-14	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-14	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-14	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-14	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-14	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-14	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-14	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-14	11,950	598,716	1.000	598,716	50.10	0.820	4,077	150,967	1.000	150,967	37.02	1.082
Nov-14	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-14	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-15	11,887	635,506	1.000	635,506	53.46	0.923	4,038	184,225	1.000	184,225	45.62	1.161
Feb-15	11,866	521,422	1.000	521,422	43.94	0.552	4,025	166,286	1.000	166,286	41.31	0.932
Mar-15	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-15	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-15	11,965	530,716	1.000	530,716	44.36	0.640	4,080	182,148	1.000	182,148	44.64	1.651
Jun-15	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-15	12,145	603,945	1.000	603,945	49.73	0.969	4,142	154,049	1.000	154,049	37.19	0.942
Aug-15	12,226	734,285	1.000	734,285	60.06	1.265	4,170	282,268	0.998	282,833	67.83	1.612
Sep-15	12,252	601,308	1.000	601,308	49.08	0.885	4,179	186,424	0.996	187,173	44.79	1.324
Oct-15	12,264	574,896	0.999	575,471	46.92	0.937	4,183	167,963	0.992	169,318	40.48	1.093

Sample Health Plan
 Estimated Claims Experience

Ages 6-14							Ages 15-18					
Month	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
Nov-15	12,292	568,615	0.998	569,754	46.35	0.837	4,193	160,190	0.988	162,135	38.67	1.051
Dec-15	12,304	527,662	0.992	531,917	43.23	0.897	4,197	140,761	0.980	143,634	34.22	0.969
Jan-16	12,316	480,186	0.956	502,287	40.78	0.763	4,201	120,835	0.930	129,930	30.93	0.678
Feb-16	12,328	37,308	0.758	49,220	3.99	0.091	4,205	117,532	0.650	180,819	43.00	1.041
FY2013	158,514			6,528,516	41.19		52,347			1,948,470	37.22	
FY2014	140,641			8,824,296	62.74	1.523	47,987			1,689,551	35.21	0.946
FY2015	143,623			7,559,003	52.63	0.839	48,913			2,128,554	43.52	1.236

Sample Health Plan
 Experienced Based Renewal Rating
 Projection Period: FY2017 (9/1/2016 - 8/31/2017)

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2014 - 8/31/2015										
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 (Current Rates)	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	7,559,003	52.63	2,128,554	43.52	11,990,773	52.38
Projected FY2017 Member Months	335		27,561		119,625		44,598		192,119	
Projected FY2017 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										
FY2016	2.2 %		2.2 %		2.2 %		2.2 %			
FY2017	5.0 %		5.0 %		5.0 %		5.0 %			
Provider Reimbursement Changes	1.0000		1.0000		1.0000		1.0000			
Other Reimbursement Changes	0.9798		0.9811		0.9811		0.9806			
Projected Incurred Claims	32,671	97.52	1,824,395	66.19	6,628,249	55.41	2,042,153	45.79	10,527,468	54.80
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		0.75		0.75		0.75		0.75		
Net Reinsurance Cost	168	0.50	13,781	0.50	59,813	0.50	22,299	0.50	96,060	0.50

Sample Health Plan
 Experienced Based Renewal Rating
 Projection Period: FY2017 (9/1/2016 - 8/31/2017)

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Administrative Expenses										
Fixed Amount	2,680	8.00	220,488	8.00	957,000	8.00	356,784	8.00	1,536,952	8.00
Percentage of Premium	5.75 %	6.99	5.75 %	5.00	5.75 %	4.32	5.75 %	3.71	5.75 %	4.28
Risk Margin	2.00 %	2.43	2.00 %	1.74	2.00 %	1.50	2.00 %	1.29	2.00 %	1.49
Premium Tax	1.75 %	2.13	1.75 %	1.52	1.75 %	1.31	1.75 %	1.13	1.75 %	1.30
Maintenance Tax	23	0.070	1,929	0.070	8,374	0.070	3,122	0.070	13,448	0.070
Projected Total Cost	40,753	121.65	2,398,715	87.03	8,985,564	75.11	2,875,967	64.49	14,300,999	74.44
Experience Rate Increase		0.7%		2.1%		0.2%		-28.3%		-7.0%

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 FY2017 cost for each health plan in the service area. The weights used in this formula are the projected number of FY2017 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 FY2017 CHIP HMO community premium rates for the following service areas:

- Exhibit A – Bexar Area
- Exhibit B – Dallas Area
- Exhibit C – El Paso Area
- Exhibit D – Harris Area
- Exhibit E – Jefferson Area
- Exhibit F – Lubbock Area
- Exhibit G – Nueces Area
- Exhibit H – Rural Service Area (RSA)
- Exhibit I – Tarrant Area
- Exhibit J – Travis Area

These exhibits show projected FY2017 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 of the exhibit shows summary base period (FY2015) enrollment, premium and claims experience. Trend assumptions for FY2016 and FY2017 are used to project the average base period claims cost to FY2017. Following that are several adjustments to the base period claims cost to account for benefit and provider reimbursement changes.

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) \$0.50 pmpm.

The amount allocated for administrative expenses is \$8.00 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 (\$.07 pmpm).

At the bottom of the exhibit is a summary of the projected FY2017 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 9/1/2014 - 8/31/2015										
Member Months	48		68,550		185,862		71,552		326,012	
Estimated Incurred Claims										
Professional	2,146	44.70	3,271,581		4,227,757		1,639,439			
Emergency Room	288	6.00	623,465		1,215,592		622,406			
Outpatient Facility	107	2.22	795,667		1,522,614		633,300			
Inpatient Facility	463	9.65	1,054,391		1,683,873		975,918			
Others	43	0.90	886,877		2,025,909		818,848			
Total	3,047	63.47	6,631,981	96.75	10,675,745	57.44	4,689,910	65.55	22,000,682	67.48
Projected FY2017 Member Months	48		74,424		192,144		72,132		338,748	
FY2017 Premium at Current Rates	9,837	204.93	7,890,652	106.02	13,859,558	72.13	6,796,532	94.22	28,556,580	84.30
Annual Trend Assumptions										
FY2016	2.2 %		2.2 %		2.2 %		2.2 %			
FY2017	5.0 %		5.0 %		5.0 %		5.0 %			
Provider Reimbursement Change	1.0000		0.9668		0.9923		0.9994			
Inpatient Reimbursement Change	1.0000		1.0059		1.0086		1.0094			
Projected Incurred Claims	3,269	68.11	7,514,160	100.96	11,853,225	61.69	5,118,157	70.96	24,488,812	72.29
Capitation & Other Expenses/Refunds										
Total	53	1.11	135,732	1.82	405,690	2.11	147,999	2.05	689,474	2.04
Reinsurance Expenses										
Net Reinsurance Cost	5	0.09	12,535	0.17	33,981	0.18	12,857	0.18	59,378	0.18
Administrative Expenses										
Fixed Amount	384	8.00	595,392	8.00	1,537,152	8.00	577,056	8.00	2,709,984	8.00
Percentage of Premium	5.75 %	4.92	5.75 %	7.05	5.75 %	4.58	5.75 %	5.16	5.75 %	5.25
Risk Margin	2.00 %	1.71	2.00 %	2.45	2.00 %	1.59	2.00 %	1.80	2.00 %	1.82
Premium Tax	1.75 %	1.50	1.75 %	2.15	1.75 %	1.39	1.75 %	1.57	1.75 %	1.60
Maintenance Tax	3	0.07	5,210	0.07	13,450	0.07	5,049	0.07	23,712	0.07
Projected Total Cost	4,105	85.51	9,130,419	122.68	15,296,684	79.61	6,476,374	89.79	30,907,581	91.24
Experience Rate Increase		-58.3 %		15.7 %		10.4 %		-4.7 %		8.2 %

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2014 - 8/31/2015										
Member Months	132		134,434		363,990		121,854		620,410	
Estimated Incurred Claims										
Professional	8,647	65.50	6,052,417		8,017,894		2,292,897			
Emergency Room	3,855	29.20	2,154,023		3,760,573		1,350,782			
Outpatient Facility	3,753	28.43	2,384,842		4,279,464		1,583,426			
Inpatient Facility	1,192	9.03	2,057,189		3,931,737		1,393,807			
Others	764	5.79	1,371,297		3,322,582		1,841,976			
Total	18,211	137.96	14,019,768	104.29	23,312,251	64.05	8,462,887	69.45	45,813,115	73.84
Projected FY2017 Member Months	132		149,940		389,736		126,708		666,516	
FY2017 Premium at Current Rates	27,050	204.93	18,605,282	124.08	35,076,264	90.00	13,007,800	102.66	66,716,396	100.10
Annual Trend Assumptions										
FY2016	2.2 %		2.2 %		2.2 %		2.2 %			
FY2017	5.0 %		5.0 %		5.0 %		5.0 %			
Provider Reimbursement Change	1.0007		0.9734		0.9935		0.9990			
Inpatient Reimbursement Change	1.0000		0.9964		0.9973		0.9934			
Projected Incurred Claims	19,555	148.15	16,274,112	108.54	26,539,648	68.10	9,371,446	73.96	52,204,762	78.32
Capitation & Other Expenses/Refunds										
Total	192	1.45	223,442	1.49	640,639	1.64	183,796	1.45	1,048,068	1.57
Reinsurance Expenses										
Net Reinsurance Cost	4	0.03	4,082	0.03	10,786	0.03	3,679	0.03	18,551	0.03
Administrative Expenses										
Fixed Amount	1,056	8.00	1,199,520	8.00	3,117,888	8.00	1,013,664	8.00	5,332,128	8.00
Percentage of Premium	5.75 %	10.02	5.75 %	7.51	5.75 %	4.95	5.75 %	5.31	5.75 %	5.59
Risk Margin	2.00 %	3.49	2.00 %	2.61	2.00 %	1.72	2.00 %	1.85	2.00 %	1.94
Premium Tax	1.75 %	3.05	1.75 %	2.28	1.75 %	1.51	1.75 %	1.61	1.75 %	1.70
Maintenance Tax	9	0.07	10,496	0.07	27,282	0.07	8,870	0.07	46,656	0.07
Projected Total Cost	23,002	174.26	19,570,886	130.52	33,520,710	86.01	11,692,216	92.28	64,806,813	97.23
Experience Rate Increase		-15.0 %		5.2 %		-4.4 %		-10.1 %		-2.9 %

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2014 - 8/31/2015										
Member Months	30		29,119		90,497		41,511		161,157	
Estimated Incurred Claims										
Professional	3,016	100.55	1,270,158		2,738,959		1,261,546			
Emergency Room	290	9.67	120,225		260,781		167,435			
Outpatient Facility	2,158	71.94	389,707		600,868		401,854			
Inpatient Facility	0	0.00	185,246		356,306		315,463			
Others	114	3.80	149,962		262,767		155,936			
Total	5,579	185.96	2,115,297	72.64	4,219,682	46.63	2,302,234	55.46	8,642,793	53.63
Projected FY2017 Member Months	30		31,524		92,088		39,648		163,290	
FY2017 Premium at Current Rates	6,148	204.93	2,757,592	87.48	6,444,312	69.98	3,226,476	81.38	12,434,528	76.15
Annual Trend Assumptions										
FY2016	2.2 %		2.2 %		2.2 %		2.2 %			
FY2017	5.0 %		5.0 %		5.0 %		5.0 %			
Provider Reimbursement Change	0.9951		0.9743		0.9916		0.9972			
Inpatient Reimbursement Change	1.0000		1.0079		1.0045		1.0086			
Projected Incurred Claims	5,957	198.58	2,413,163	76.55	4,589,605	49.84	2,373,280	59.86	9,382,005	57.46
Capitation & Other Expenses/Refunds										
Total	57	1.89	89,022	2.82	251,063	2.73	105,042	2.65	445,183	2.73
Reinsurance Expenses										
Net Reinsurance Cost	6	0.21	11,904	0.38	33,966	0.37	14,652	0.37	60,528	0.37
Administrative Expenses										
Fixed Amount	240	8.00	252,192	8.00	736,704	8.00	317,184	8.00	1,306,320	8.00
Percentage of Premium	5.75 %	13.26	5.75 %	5.58	5.75 %	3.88	5.75 %	4.51	5.75 %	4.36
Risk Margin	2.00 %	4.61	2.00 %	1.94	2.00 %	1.35	2.00 %	1.57	2.00 %	1.52
Premium Tax	1.75 %	4.04	1.75 %	1.70	1.75 %	1.18	1.75 %	1.37	1.75 %	1.33
Maintenance Tax	2	0.07	2,207	0.07	6,446	0.07	2,775	0.07	11,430	0.07
Projected Total Cost	6,920	230.65	3,059,102	97.04	6,207,497	67.41	3,108,213	78.40	12,381,731	75.83
Experience Rate Increase		12.6 %		10.9 % ₃₇		-3.7 %		-3.7 %		-0.4 %

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2014 - 8/31/2015										
Member Months	285		237,273		616,899		217,105		1,071,562	
Estimated Incurred Claims										
Professional	34,468	120.94	10,268,130		16,048,413		6,015,226			
Emergency Room	5,934	20.82	3,684,141		7,998,369		4,480,524			
Outpatient Facility	15,568	54.62	5,860,426		11,982,708		7,592,209			
Inpatient Facility	27,191	95.41	4,985,614		8,345,053		5,678,004			
Others	958	3.36	3,311,283		4,229,519		1,773,373			
Total	84,118	295.15	28,109,594	118.47	48,604,062	78.79	25,539,336	117.64	102,337,109	95.50
Projected FY2017 Member Months	285		248,664		632,448		216,264		1,097,661	
FY2017 Premium at Current Rates	58,404	204.93	36,664,742	147.45	62,841,639	99.36	31,467,624	145.51	131,032,410	119.37
Annual Trend Assumptions										
FY2016	2.2 %		2.2 %		2.2 %		2.2 %			
FY2017	5.0 %		5.0 %		5.0 %		5.0 %			
Provider Reimbursement Change	0.9987		0.9801		0.9961		1.0000			
Inpatient Reimbursement Change	0.9699		0.9787		0.9697		0.9734			
Projected Incurred Claims	87,436	306.79	30,323,958	121.95	51,650,808	81.67	26,575,125	122.88	108,637,326	98.97
Capitation & Other Expenses/Refunds										
Total	2,693	9.45	802,599	3.23	1,700,979	2.69	739,076	3.42	3,245,347	2.96
Reinsurance Expenses										
Net Reinsurance Cost	50	0.17	50,697	0.20	123,560	0.20	40,062	0.19	214,369	0.20
Administrative Expenses										
Fixed Amount	2,280	8.00	1,989,312	8.00	5,059,584	8.00	1,730,112	8.00	8,781,288	8.00
Percentage of Premium	5.75 %	20.62	5.75 %	8.48	5.75 %	5.88	5.75 %	8.55	5.75 %	7.00
Risk Margin	2.00 %	7.17	2.00 %	2.95	2.00 %	2.05	2.00 %	2.97	2.00 %	2.44
Premium Tax	1.75 %	6.27	1.75 %	2.58	1.75 %	1.79	1.75 %	2.60	1.75 %	2.13
Maintenance Tax	20	0.07	17,406	0.07	44,271	0.07	15,138	0.07	76,836	0.07
Projected Total Cost	102,186	358.55	36,667,373	147.46	64,728,400	102.35	32,154,158	148.68	133,652,117	121.76
Experience Rate Increase		75.0 %		0.0 % 38		3.0 %		2.2 %		2.0 %

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2014 - 8/31/2015										
Member Months	28		19,394		48,795		17,593		85,810	
Estimated Incurred Claims										
Professional	1,804	64.41	857,109		1,342,469		520,900			
Emergency Room	0	0.00	199,034		314,594		224,393			
Outpatient Facility	731	26.11	435,861		720,310		485,955			
Inpatient Facility	142	5.06	786,742		357,044		344,180			
Others	128	4.57	214,503		242,883		117,219			
Total	2,804	100.15	2,493,249	128.56	2,977,300	61.02	1,692,648	96.21	7,166,000	83.51
Projected FY2017 Member Months	28		20,772		51,432		16,572		88,804	
FY2017 Premium at Current Rates	5,738	204.93	2,327,702	112.06	4,338,609	84.36	1,923,377	116.06	8,595,426	96.79
Annual Trend Assumptions										
FY2016	2.2 %		2.2 %		2.2 %		2.2 %			
FY2017	5.0 %		5.0 %		5.0 %		5.0 %			
Provider Reimbursement Change	1.0009		0.9901		0.9972		1.0020			
Inpatient Reimbursement Change	1.0000		1.0031		0.9903		0.9954			
Projected Incurred Claims	3,012	107.56	2,845,989	137.01	3,325,689	64.66	1,706,465	102.97	7,881,155	88.75
Capitation & Other Expenses/Refunds										
Total	65	2.32	49,859	2.40	104,254	2.03	33,761	2.04	187,939	2.12
Reinsurance Expenses										
Net Reinsurance Cost	6	0.23	3,472	0.17	7,923	0.15	2,103	0.13	13,505	0.15
Administrative Expenses										
Fixed Amount	224	8.00	166,176	8.00	411,456	8.00	132,576	8.00	710,432	8.00
Percentage of Premium	5.75 %	7.51	5.75 %	9.38	5.75 %	4.76	5.75 %	7.19	5.75 %	6.30
Risk Margin	2.00 %	2.61	2.00 %	3.26	2.00 %	1.66	2.00 %	2.50	2.00 %	2.19
Premium Tax	1.75 %	2.29	1.75 %	2.86	1.75 %	1.45	1.75 %	2.19	1.75 %	1.92
Maintenance Tax	2	0.07	1,454	0.07	3,600	0.07	1,160	0.07	6,216	0.07
Projected Total Cost	3,656	130.58	3,388,895	163.15	4,257,372	82.78	2,073,000	125.09	9,722,924	109.49
Experience Rate Increase		-36.3 %		45.6 %		-1.9 %		7.8 %		13.1 %

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2014 - 8/31/2015										
Member Months	15		22,229		55,663		18,161		96,068	
Estimated Incurred Claims										
Professional	1,247	83.11	814,914		1,412,267		493,257			
Emergency Room	28	1.85	84,295		157,608		74,081			
Outpatient Facility	320	21.34	374,124		551,781		207,238			
Inpatient Facility	384	25.58	262,066		763,392		356,024			
Others	0	0.00	417,979		285,370		95,927			
Total	1,978	131.88	1,953,378	87.88	3,170,418	56.96	1,226,527	67.54	6,352,302	66.12
Projected FY2017 Member Months	15		23,472		56,520		19,236		99,243	
FY2017 Premium at Current Rates	3,074	204.93	2,449,270	104.35	3,776,756	66.82	1,668,165	86.72	7,897,265	79.58
Annual Trend Assumptions										
FY2016	2.2 %		2.2 %		2.2 %		2.2 %			
FY2017	5.0 %		5.0 %		5.0 %		5.0 %			
Provider Reimbursement Change	1.0036		0.9657		0.9956		1.0044			
Inpatient Reimbursement Change	1.0000		1.0033		1.0063		1.0157			
Projected Incurred Claims	2,130	142.03	2,144,518	91.36	3,461,024	61.24	1,422,212	73.93	7,029,886	70.84
Capitation & Other Expenses/Refunds										
Total	-212	-14.13	16,360	0.70	17,569	0.31	-1,540	-0.08	32,177	0.32
Reinsurance Expenses										
Net Reinsurance Cost	5	0.32	6,757	0.29	15,144	0.27	5,141	0.27	27,047	0.27
Administrative Expenses										
Fixed Amount	120	8.00	187,776	8.00	452,160	8.00	153,888	8.00	793,944	8.00
Percentage of Premium	5.75 %	8.66	5.75 %	6.38	5.75 %	4.44	5.75 %	5.22	5.75 %	5.05
Risk Margin	2.00 %	3.01	2.00 %	2.22	2.00 %	1.54	2.00 %	1.82	2.00 %	1.76
Premium Tax	1.75 %	2.64	1.75 %	1.94	1.75 %	1.35	1.75 %	1.59	1.75 %	1.54
Maintenance Tax	1	0.07	1,643	0.07	3,956	0.07	1,347	0.07	6,947	0.07
Projected Total Cost	2,259	150.59	2,604,480	110.96	4,364,480	77.22	1,747,014	90.82	8,718,233	87.85
Experience Rate Increase		-26.5 %		6.3 %		15.6 %		4.7 %		10.4 %

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2014 - 8/31/2015										
Member Months	30		19,295		52,252		21,191		92,768	
Estimated Incurred Claims										
Professional	1,840	61.35	659,037		1,189,246		562,637			
Emergency Room	0	0.00	352,020		698,166		487,030			
Outpatient Facility	114	3.78	804,587		1,538,173		943,888			
Inpatient Facility	0	0.00	144,823		613,821		280,743			
Others	0	0.00	65,376		394,213		254,068			
Total	1,954	65.13	2,025,843	104.99	4,433,619	84.85	2,528,367	119.31	8,989,782	96.91
Projected FY2017 Member Months	30		20,952		52,476		21,492		94,950	
FY2017 Premium at Current Rates	6,148	204.93	3,221,827	153.77	5,971,781	113.80	3,143,804	146.28	12,343,559	130.00
Annual Trend Assumptions										
FY2016	2.2 %		2.2 %		2.2 %		2.2 %			
FY2017	5.0 %		5.0 %		5.0 %		5.0 %			
Provider Reimbursement Change	1.0000		0.9957		1.0014		1.0030			
Inpatient Reimbursement Change	1.0000		0.9276		0.9428		0.9241			
Projected Incurred Claims	2,097	69.89	2,180,409	104.07	4,510,922	85.96	2,550,392	118.67	9,243,820	97.35
Capitation & Other Expenses/Refunds										
Total	750	24.99	499,235	23.83	1,226,009	23.36	493,182	22.95	2,219,176	23.37
Reinsurance Expenses										
Net Reinsurance Cost	11	0.36	6,858	0.33	17,146	0.33	7,116	0.33	31,130	0.33
Administrative Expenses										
Fixed Amount	240	8.00	167,616	8.00	419,808	8.00	171,936	8.00	759,600	8.00
Percentage of Premium	5.75 %	6.56	5.75 %	8.66	5.75 %	7.48	5.75 %	9.53	5.75 %	8.20
Risk Margin	2.00 %	2.28	2.00 %	3.01	2.00 %	2.60	2.00 %	3.32	2.00 %	2.85
Premium Tax	1.75 %	2.00	1.75 %	2.64	1.75 %	2.28	1.75 %	2.90	1.75 %	2.50
Maintenance Tax	2	0.07	1,467	0.07	3,673	0.07	1,504	0.07	6,647	0.07
Projected Total Cost	3,425	114.15	3,155,342	150.60	6,826,031	130.08	3,562,576	165.76	13,547,373	142.68
Experience Rate Increase		-44.3 %		-2.1 %		14.3 %		13.3 %		9.8 %

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2014 - 8/31/2015										
Member Months	206		194,495		516,585		192,756		904,042	
Estimated Incurred Claims										
Professional	16,780	81.46	6,715,680		12,376,686		5,152,211			
Emergency Room	3,980	19.32	833,098		1,912,797		1,188,390			
Outpatient Facility	3,411	16.56	2,032,891		4,203,732		2,064,200			
Inpatient Facility	0	0.00	1,791,778		4,120,473		4,240,878			
Others	1,107	5.38	2,891,302		2,951,933		1,197,086			
Total	25,278	122.71	14,264,749	73.34	25,565,621	49.49	13,842,766	71.81	53,698,413	59.40
Projected FY2017 Member Months	206		211,380		526,932		197,772		936,290	
FY2017 Premium at Current Rates	42,215	204.93	17,661,724	83.55	33,813,703	64.17	17,185,672	86.90	68,703,314	73.38
Annual Trend Assumptions										
FY2016	2.2 %		2.2 %		2.2 %		2.2 %			
FY2017	5.0 %		5.0 %		5.0 %		5.0 %			
Provider Reimbursement Change	1.0008		0.9848		1.0050		1.0098			
Inpatient Reimbursement Change	1.0000		1.0041		1.0065		1.0100			
Projected Incurred Claims	27,148	131.78	16,450,715	77.83	28,306,695	53.72	15,544,498	78.60	60,329,056	64.43
Capitation & Other Expenses/Refunds										
Total	-41	-0.20	-2,539,484	-12.01	-737,584	-1.40	-221,600	-1.12	-3,498,709	-3.74
Reinsurance Expenses										
Net Reinsurance Cost	17	0.08	15,747	0.07	40,150	0.08	15,437	0.08	71,352	0.08
Administrative Expenses										
Fixed Amount	1,648	8.00	1,691,040	8.00	4,215,456	8.00	1,582,176	8.00	7,490,320	8.00
Percentage of Premium	5.75 %	8.88	5.75 %	4.70	5.75 %	3.84	5.75 %	5.44	5.75 %	4.37
Risk Margin	2.00 %	3.09	2.00 %	1.63	2.00 %	1.34	2.00 %	1.89	2.00 %	1.52
Premium Tax	1.75 %	2.70	1.75 %	1.43	1.75 %	1.17	1.75 %	1.66	1.75 %	1.33
Maintenance Tax	14	0.07	14,797	0.07	36,885	0.07	13,844	0.07	65,540	0.07
Projected Total Cost	31,808	154.41	17,273,828	81.72	35,206,190	66.81	18,711,995	94.61	71,223,822	76.07
Experience Rate Increase		-24.7 %		-2.2 %		4.1 %		8.9 %		3.7 %

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2014 - 8/31/2015										
Member Months	100		102,779		258,005		85,597		446,481	
Estimated Incurred Claims										
Professional	4,452	44.52	3,516,998		5,696,969		1,949,516			
Emergency Room	657	6.57	1,048,668		1,906,317		814,278			
Outpatient Facility	1,549	15.49	1,016,504		1,986,266		952,537			
Inpatient Facility	0	0.00	994,902		2,988,865		2,608,347			
Others	1,000	10.00	2,508,693		4,182,325		2,332,212			
Total	7,659	76.59	9,085,767	88.40	16,760,743	64.96	8,656,890	101.14	34,511,059	77.30
Projected FY2017 Member Months	100		113,496		274,824		89,604		478,024	
FY2017 Premium at Current Rates	20,493	204.93	13,480,541	118.78	24,730,555	89.99	10,939,170	122.08	49,170,759	102.86
Annual Trend Assumptions										
FY2016	2.2 %		2.2 %		2.2 %		2.2 %			
FY2017	5.0 %		5.0 %		5.0 %		5.0 %			
Provider Reimbursement Change	1.0000		0.9528		0.9884		0.9996			
Inpatient Reimbursement Change	1.0000		1.0017		1.0032		1.0096			
Projected Incurred Claims	8,219	82.19	10,275,841	90.54	18,996,792	69.12	9,814,011	109.53	39,094,862	81.78
Capitation & Other Expenses/Refunds										
Total	87	0.87	176,837	1.56	294,608	1.07	94,349	1.05	565,881	1.18
Reinsurance Expenses										
Net Reinsurance Cost	25	0.25	31,768	0.28	79,538	0.29	26,376	0.29	137,707	0.29
Administrative Expenses										
Fixed Amount	800	8.00	907,968	8.00	2,198,592	8.00	716,832	8.00	3,824,192	8.00
Percentage of Premium	5.75 %	5.81	5.75 %	6.38	5.75 %	4.99	5.75 %	7.56	5.75 %	5.80
Risk Margin	2.00 %	2.02	2.00 %	2.22	2.00 %	1.74	2.00 %	2.63	2.00 %	2.02
Premium Tax	1.75 %	1.77	1.75 %	1.94	1.75 %	1.52	1.75 %	2.30	1.75 %	1.77
Maintenance Tax	7	0.07	7,945	0.07	19,238	0.07	6,272	0.07	33,462	0.07
Projected Total Cost	10,097	100.97	12,597,081	110.99	23,854,992	86.80	11,776,619	131.43	48,238,789	100.91
Experience Rate Increase		-50.7 %		-6.6 %		-3.5 %		7.7 %		-1.9 %

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2014 - 8/31/2015										
Member Months	73		63,259		151,614		49,847		264,793	
Estimated Incurred Claims										
Professional	8,242	112.90	2,849,857		4,280,140		1,509,240			
Emergency Room	204	2.80	426,136		844,711		403,363			
Outpatient Facility	0	0.00	1,283,283		1,228,448		495,517			
Inpatient Facility	2,070	28.35	1,321,384		2,352,478		1,478,942			
Others	47	0.64	625,149		1,008,329		576,273			
Total	10,563	144.69	6,505,808	102.84	9,714,106	64.07	4,463,335	89.54	20,693,812	78.15
Projected FY2017 Member Months	73		65,892		153,840		49,980		269,785	
FY2017 Premium at Current Rates	14,960	204.93	8,500,588	129.01	12,903,937	83.88	5,654,320	113.13	27,073,805	100.35
Annual Trend Assumptions										
FY2016	2.2 %		2.2 %		2.2 %		2.2 %			
FY2017	5.0 %		5.0 %		5.0 %		5.0 %			
Provider Reimbursement Change	1.0000		0.9752		0.9949		1.0037			
Inpatient Reimbursement Change	1.0000		1.0033		1.0034		1.0112			
Projected Incurred Claims	11,335	155.27	7,115,023	107.98	10,559,091	68.64	4,874,139	97.52	22,559,588	83.62
Capitation & Other Expenses/Refunds										
Total	816	11.17	267,809	4.06	475,981	3.09	179,116	3.58	923,721	3.42
Reinsurance Expenses										
Net Reinsurance Cost	18	0.25	14,280	0.22	35,343	0.23	12,635	0.25	62,276	0.23
Administrative Expenses										
Fixed Amount	584	8.00	527,136	8.00	1,230,720	8.00	399,840	8.00	2,158,280	8.00
Percentage of Premium	5.75 %	11.10	5.75 %	7.65	5.75 %	5.08	5.75 %	6.95	5.75 %	6.06
Risk Margin	2.00 %	3.86	2.00 %	2.66	2.00 %	1.77	2.00 %	2.42	2.00 %	2.11
Premium Tax	1.75 %	3.38	1.75 %	2.33	1.75 %	1.55	1.75 %	2.12	1.75 %	1.84
Maintenance Tax	5	0.07	4,612	0.07	10,769	0.07	3,499	0.07	18,885	0.07
Projected Total Cost	14,097	193.11	8,761,172	132.96	13,604,314	88.43	6,043,346	120.92	28,422,928	105.35
Experience Rate Increase		-5.8 %		3.1 %		5.4 %		6.9 %		5.0 %

Attachment 4

Provider Reimbursement and Benefit Revisions Effective During FY2015, FY2016 and FY2017

This attachment presents information regarding rating adjustments for the various provider reimbursement and benefit revisions that became effective (or will become effective) after the base period used in rate setting (FY2015) and before the end of FY2017.

All adjustments have been calculated through an analysis of health plan encounter data repriced using the old and new reimbursement terms and the impact determined as the relative change in cost. For each adjustment the applicable FY2015 encounter data was repriced using the FFS reimbursement in place during FY2015, the FFS reimbursement that will be in place during FY2017 and the applicable percentage change determined. The attached exhibits present a summary of the derivation of these adjustment factors.

- Exhibit A – Inpatient Hospital Reimbursement Change
- Exhibit B – Potentially Preventable Readmissions (PPR) Reduction
- Exhibit C – Potentially Preventable Complications (PPC) Reduction
- Exhibit D – Limit Related Party Reimbursement to 100% of Medicaid
- Exhibit E – Outpatient Rural Hospital Reimbursement Change Non-imaging Services
- Exhibit F – Outpatient Rural Hospital Reimbursement Change Imaging Services
- Exhibit G – Therapy Reimbursement Reduction

Effective September 1, 2015 HHSC revised the standard dollar amounts applied to the inpatient reimbursement for certain children's, safety net and trauma hospitals. Exhibit A presents a summary of the derivation of the rating adjustment factors.

Effective May 1, 2013 HHSC implemented revisions to hospital reimbursement to account for Potentially Preventable Readmissions (PPR). The reimbursement reductions amount to 1-2% depending on a hospital's performance during the evaluation time period and can change from one fiscal year to the next. A new PPR reduction list will become effective September 1, 2016 however it was not complete at the time these rates were calculated. As a result, the adjustment factors shown in Exhibit B represent the restoration of those reductions that were in place during FY2015 which may or may not continue into FY2017. Once the final FY2017 PPR reduction list is available HHSC and the actuary will determine if an adjustment is needed to these capitation rates.

Effective March 1, 2014 HHSC implemented revisions to hospital reimbursement to account for Potentially Preventable Complications (PPC). The reimbursement reductions amount to 2-2.5% depending on a hospital's performance during the evaluation time period and can change from one fiscal year to the next. A new PPC list will become effective September 1, 2016 however it was not complete at the time these rates were calculated. As a result, the adjustment factors shown in Exhibit C represent the restoration of those reductions that were in place during FY2015 which may or may not continue into FY2017. Once the final FY2017 PPC reduction list is available HHSC and the actuary will determine if an adjustment is needed to these capitation rates.

Effective September 1, 2010, HHSC 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. Attached Exhibit D presents a summary of the derivation of the rating adjustment

factors.

Effective September 1, 2015 HHSC implemented revisions to outpatient rural hospital reimbursement. Exhibits E and F present the rating adjustment factors for non-imaging services and imaging services, respectively.

Effective September 1, 2015 HHSC will implement revisions to the reimbursement for therapy services. Exhibit G presents a summary of the derivation of the rating adjustment factors

For ease of reporting purposes, the numerous provider reimbursement adjustments described above have been consolidated in the community rating exhibits included in Attachment 3. The key below includes a description of where each adjustment has been included in Attachment 3.

Attachment 3 Rating Adjustment Heading

Attachment 4 Exhibits

Provider Reimbursement Changes
Inpatient Reimbursement Changes

Exhibits E, F and G
Exhibits A, B, C and D

Exhibit H presents the consolidated adjustment factors that are used in the community rating exhibits included in Attachment 3.

FY2017 CHIP Rating
 Provider Reimbursement Adjustments
 Hospital Reimbursement Changes - Standard Dollar Amount

	Age Group				Total
	< 1	1-5	6-14	15-18	
Provider Reimbursement Revision (1)					
Bexar	0	26,302	69,603	31,121	127,026
Dallas	0	34,668	57,039	35,164	126,871
El Paso	0	16,612	17,824	17,400	51,836
Harris	0	170,686	309,153	208,617	688,456
Jefferson	0	37,439	26,656	13,248	77,343
Lubbock	0	4,984	16,436	15,394	36,814
Nueces	0	2,992	4,202	9,976	17,170
RSA	0	53,355	145,465	111,514	310,334
Tarrant	0	15,513	44,424	66,724	126,661
Travis	0	21,272	31,201	42,713	95,186
Total	0	383,822	722,003	551,872	1,657,697
FY2017 Total Incurred Claims (2)					
Bexar	1,704	6,575,394	10,388,527	4,383,233	21,348,858
Dallas	9,530	13,867,099	22,815,660	8,177,697	44,869,986
El Paso	6,007	2,102,806	4,050,796	2,148,153	8,307,762
Harris	40,652	27,529,998	46,841,396	23,978,934	98,390,981
Jefferson	3,528	2,446,978	2,897,427	1,522,805	6,870,738
Lubbock	860	1,846,047	2,934,915	1,123,677	5,905,498
Nueces	1,875	1,994,465	4,202,383	2,493,934	8,692,657
RSA	22,234	13,680,828	23,462,023	12,817,750	49,982,835
Tarrant	8,956	9,125,246	15,865,617	8,446,105	33,445,923
Travis	5,037	6,446,011	9,176,781	4,271,335	19,899,164
Total	100,382	85,614,873	142,635,524	69,363,623	297,714,402
Adjustment Factor (3)					
Bexar	0.00 %	0.40 %	0.67 %	0.71 %	0.59 %
Dallas	0.00 %	0.25 %	0.25 %	0.43 %	0.28 %
El Paso	0.00 %	0.79 %	0.44 %	0.81 %	0.62 %
Harris	0.00 %	0.62 %	0.66 %	0.87 %	0.70 %
Jefferson	0.00 %	1.53 %	0.92 %	0.87 %	1.13 %
Lubbock	0.00 %	0.27 %	0.56 %	1.37 %	0.62 %
Nueces	0.00 %	0.15 %	0.10 %	0.40 %	0.20 %
RSA	0.00 %	0.39 %	0.62 %	0.87 %	0.62 %
Tarrant	0.00 %	0.17 %	0.28 %	0.79 %	0.38 %
Travis	0.00 %	0.33 %	0.34 %	1.00 %	0.48 %
Total	0.00 %	0.45 %	0.51 %	0.80 %	0.56 %

Footnotes:

- (1) Equals the cost impact from application of the revised hospital Standard Dollar Amounts effective 9/1/2015.
 (2) Equals FY2015 health plan fee-for-service claims for all services (ICHP provided encounter data).
 (3) Additional cost divided by FY2015 Total Incurred Claims.

FY2017 CHIP Rating
 Provider Reimbursement Adjustments
 Potentially Preventable Readmissions (PPR)

	Age Group				Total
	< 1	1-5	6-14	15-18	
Provider Reimbursement Change (1)					
Bexar	0	0	5,991	2,740	8,731
Dallas	0	92	3,885	5,769	9,746
El Paso	0	19	330	809	1,158
Harris	0	2,312	6,729	14,078	23,119
Jefferson	0	175	603	838	1,617
Lubbock	0	129	490	761	1,380
Nueces	0	0	1,054	719	1,772
RSA	0	615	1,677	7,128	9,421
Tarrant	0	125	2,857	3,925	6,908
Travis	0	181	250	1,561	1,992
Total	0	3,648	23,866	38,329	65,843
FY2015 Total Incurred Claims (2)					
Bexar	1,704	6,575,394	10,388,527	4,383,233	21,348,858
Dallas	9,530	13,867,099	22,815,660	8,177,697	44,869,986
El Paso	6,007	2,102,806	4,050,796	2,148,153	8,307,762
Harris	40,652	27,529,998	46,841,396	23,978,934	98,390,981
Jefferson	3,528	2,446,978	2,897,427	1,522,805	6,870,738
Lubbock	860	1,846,047	2,934,915	1,123,677	5,905,498
Nueces	1,875	1,994,465	4,202,383	2,493,934	8,692,657
RSA	22,234	13,680,828	23,462,023	12,817,750	49,982,835
Tarrant	8,956	9,125,246	15,865,617	8,446,105	33,445,923
Travis	5,037	6,446,011	9,176,781	4,271,335	19,899,164
Total	100,382	85,614,873	142,635,524	69,363,623	297,714,402
Adjustment Factor (3)					
Bexar	0.00 %	0.00 %	0.06 %	0.06 %	0.04 %
Dallas	0.00 %	0.00 %	0.02 %	0.07 %	0.02 %
El Paso	0.00 %	0.00 %	0.01 %	0.04 %	0.01 %
Harris	0.00 %	0.01 %	0.01 %	0.06 %	0.02 %
Jefferson	0.00 %	0.01 %	0.02 %	0.06 %	0.02 %
Lubbock	0.00 %	0.01 %	0.02 %	0.07 %	0.02 %
Nueces	0.00 %	0.00 %	0.03 %	0.03 %	0.02 %
RSA	0.00 %	0.00 %	0.01 %	0.06 %	0.02 %
Tarrant	0.00 %	0.00 %	0.02 %	0.05 %	0.02 %
Travis	0.00 %	0.00 %	0.00 %	0.04 %	0.01 %
Total	0.00 %	0.00 %	0.02 %	0.06 %	0.02 %

Footnotes:

- (1) Equals the net cost/savings resulting from PPR reductions that will become effective 9/1/2016 versus those effective during FY2015.
- (2) Equals FY2015 health plan fee-for-service claims for all services (ICHP provided encounter data).
- (3) Additional cost divided by FY2015 Total Incurred Claims.

FY2017 CHIP Rating
 Provider Reimbursement Adjustments
 Potentially Preventable Complications (PPC)

	Age Group				Total
	< 1	1-5	6-14	15-18	
Provider Reimbursement Change (1)					
Bexar	0	12,289	13,164	7,391	32,844
Dallas	0	3,312	3,280	4,229	10,821
El Paso	0	0	0	271	271
Harris	0	3,197	9,569	23,045	35,812
Jefferson	0	512	727	1,095	2,334
Lubbock	0	994	1,455	1,413	3,862
Nueces	0	205	2,163	337	2,704
RSA	0	2,488	5,310	9,263	17,061
Tarrant	0	138	3,377	9,851	13,366
Travis	0	227	110	3,482	3,819
Total	0	23,363	39,155	60,377	122,895
FY2015 Total Incurred Claims (2)					
Bexar	1,704	6,575,394	10,388,527	4,383,233	21,348,858
Dallas	9,530	13,867,099	22,815,660	8,177,697	44,869,986
El Paso	6,007	2,102,806	4,050,796	2,148,153	8,307,762
Harris	40,652	27,529,998	46,841,396	23,978,934	98,390,981
Jefferson	3,528	2,446,978	2,897,427	1,522,805	6,870,738
Lubbock	860	1,846,047	2,934,915	1,123,677	5,905,498
Nueces	1,875	1,994,465	4,202,383	2,493,934	8,692,657
RSA	22,234	13,680,828	23,462,023	12,817,750	49,982,835
Tarrant	8,956	9,125,246	15,865,617	8,446,105	33,445,923
Travis	5,037	6,446,011	9,176,781	4,271,335	19,899,164
Total	100,382	85,614,873	142,635,524	69,363,623	297,714,402
Adjustment Factor (3)					
Bexar	0.00 %	0.19 %	0.13 %	0.17 %	0.15 %
Dallas	0.00 %	0.02 %	0.01 %	0.05 %	0.02 %
El Paso	0.00 %	0.00 %	0.00 %	0.01 %	0.00 %
Harris	0.00 %	0.01 %	0.02 %	0.10 %	0.04 %
Jefferson	0.00 %	0.02 %	0.03 %	0.07 %	0.03 %
Lubbock	0.00 %	0.05 %	0.05 %	0.13 %	0.07 %
Nueces	0.00 %	0.01 %	0.05 %	0.01 %	0.03 %
RSA	0.00 %	0.02 %	0.02 %	0.07 %	0.03 %
Tarrant	0.00 %	0.00 %	0.02 %	0.12 %	0.04 %
Travis	0.00 %	0.00 %	0.00 %	0.08 %	0.02 %
Total	0.00 %	0.03 %	0.03 %	0.09 %	0.04 %

Footnotes:

- (1) Equals the net cost/savings resulting from PPC reductions that will become effective 9/1/2016 versus those effective during FY2015.
- (2) Equals FY2015 health plan fee-for-service claims for all services (ICHP provided encounter data).
- (3) Additional cost divided by FY2015 Total Incurred Claims.

FY2017 CHIP Rating
 Provider Reimbursement Adjustments
 Limit Reimbursement to Related Parties

	Age Group				
	< 1	1-5	6-14	15-18	Total
Provider Reimbursement Reduction (1)					
Driscoll - Nueces	0	-145,261	-248,434	-200,054	-593,750
Parkland - Dallas	0	-89,434	-131,000	-102,998	-323,431
TCHP - Harris	-1,032	-764,188	-1,745,367	-890,349	-3,400,937
TCHP - Jefferson	0	-30,148	-55,288	-22,300	-107,735
All Others	0	0	0	0	0
Total	-1,032	-1,029,031	-2,180,089	-1,215,701	-4,425,853
FY2015 Total Incurred Claims (2)					
Driscoll - Nueces	1,782	1,685,290	3,518,455	2,204,245	7,409,772
Parkland - Dallas	2,596	6,840,360	10,291,154	3,776,409	20,910,519
TCHP - Harris	23,450	16,404,833	30,618,957	16,180,307	63,227,548
TCHP - Jefferson	2,541	1,038,242	1,615,587	782,793	3,439,163
All Others	70,012	59,646,149	96,591,371	46,419,869	202,727,401
Total	100,382	85,614,873	142,635,524	69,363,623	297,714,402
Adjustment Factor by Plan (3)					
Driscoll - Nueces	0.00 %	-8.62 %	-7.06 %	-9.08 %	-8.01 %
Parkland - Dallas	0.00 %	-1.31 %	-1.27 %	-2.73 %	-1.55 %
TCHP - Harris	-4.40 %	-4.66 %	-5.70 %	-5.50 %	-5.38 %
TCHP - Jefferson	0.00 %	-2.90 %	-3.42 %	-2.85 %	-3.13 %
All Others	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Total	-1.03 %	-1.20 %	-1.53 %	-1.75 %	-1.49 %
Adjustment Factor by SDA (4)					
Bexar	0.00 %	0.00 %	0.00 %	0.00 %	
Dallas	0.00 %	-0.63 %	-0.55 %	-1.21 %	
El Paso	0.00 %	0.00 %	0.00 %	0.00 %	
Harris	-3.01 %	-2.75 %	-3.69 %	-3.65 %	
Jefferson	0.00 %	-1.23 %	-1.92 %	-1.45 %	
Lubbock	0.00 %	0.00 %	0.00 %	0.00 %	
Nueces	0.00 %	-7.38 %	-5.89 %	-8.00 %	
RSA	0.00 %	0.00 %	0.00 %	0.00 %	
Tarrant	0.00 %	0.00 %	0.00 %	0.00 %	
Travis	0.00 %	0.00 %	0.00 %	0.00 %	

Footnotes:

- (1) Equals the cost impact from limiting reimbursement to a related party to 100% of Medicaid.
 (2) Equals FY2015 health plan fee-for-service claims for all services (IHP provided encounter data).
 (3) Additional cost divided by FY2015 Total Incurred Claims.
 (4) Adjustment factor applied by service delivery area.

FY2017 CHIP Rating
 Provider Reimbursement Adjustments
 Outpatient Rural Hospital Reimbursement Increase

	Age Group				Total
	< 1	1-5	6-14	15-18	
Provider Reimbursement Reduction (1)					
Bexar	0	11,287	15,354	6,705	33,346
Dallas	7	2,212	3,051	1,811	7,081
El Paso	0	3	17	0	21
Harris	0	4,051	23,841	8,627	36,519
Jefferson	0	2,085	5,943	4,286	12,313
Lubbock	3	3,631	12,847	4,135	20,616
Nueces	0	3,674	10,547	8,134	22,355
RSA	9	80,527	185,203	130,406	396,144
Tarrant	0	3,626	7,042	9,126	19,795
Travis	0	5,361	15,820	16,970	38,151
Total	19	116,457	279,666	190,199	586,341
FY2015 Total Incurred Claims (2)					
Bexar	1,704	6,575,394	10,388,527	4,383,233	21,348,858
Dallas	9,530	13,867,099	22,815,660	8,177,697	44,869,986
El Paso	6,007	2,102,806	4,050,796	2,148,153	8,307,762
Harris	40,652	27,529,998	46,841,396	23,978,934	98,390,981
Jefferson	3,528	2,446,978	2,897,427	1,522,805	6,870,738
Lubbock	860	1,846,047	2,934,915	1,123,677	5,905,498
Nueces	1,875	1,994,465	4,202,383	2,493,934	8,692,657
RSA	22,234	13,680,828	23,462,023	12,817,750	49,982,835
Tarrant	8,956	9,125,246	15,865,617	8,446,105	33,445,923
Travis	5,037	6,446,011	9,176,781	4,271,335	19,899,164
Total	100,382	85,614,873	142,635,524	69,363,623	297,714,402
Adjustment Factor (3)					
Bexar	0.00 %	0.17 %	0.15 %	0.15 %	0.16 %
Dallas	0.07 %	0.02 %	0.01 %	0.02 %	0.02 %
El Paso	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Harris	0.00 %	0.01 %	0.05 %	0.04 %	0.04 %
Jefferson	0.00 %	0.09 %	0.21 %	0.28 %	0.18 %
Lubbock	0.36 %	0.20 %	0.44 %	0.37 %	0.35 %
Nueces	0.00 %	0.18 %	0.25 %	0.33 %	0.26 %
RSA	0.04 %	0.59 %	0.79 %	1.02 %	0.79 %
Tarrant	0.00 %	0.04 %	0.04 %	0.11 %	0.06 %
Travis	0.00 %	0.08 %	0.17 %	0.40 %	0.19 %
Total	0.02 %	0.14 %	0.20 %	0.27 %	0.20 %

Footnotes:

- (1) Equals the increased cost due to revised outpatient rural hospital reimbursement effective 9/1/2015.
Excludes imaging reimbursement increase.
- (2) Equals FY2015 health plan fee-for-service claims for all services (ICHP provided encounter data).
- (3) Additional cost divided by FY2015 Total Incurred Claims.

FY2016 CHIP Rating
 Provider Reimbursement Adjustments
 Outpatient Rural Hospital Imaging Reimbursement Increase

	Age Group				Total
	< 1	1-5	6-14	15-18	
Provider Reimbursement Reduction (1)					
Bexar	0	102	763	392	1,257
Dallas	0	126	275	307	708
El Paso	0	0	15	0	15
Harris	0	180	752	516	1,448
Jefferson	3	186	621	404	1,214
Lubbock	0	403	1,724	1,017	3,144
Nueces	0	164	856	963	1,983
RSA	9	3,892	17,243	12,897	34,041
Tarrant	0	202	1,020	1,134	2,356
Travis	0	236	985	1,295	2,516
Total	12	5,491	24,254	18,925	48,682
FY2015 Total Incurred Claims (2)					
Bexar	1,704	6,575,394	10,388,527	4,383,233	21,348,858
Dallas	9,530	13,867,099	22,815,660	8,177,697	44,869,986
El Paso	6,007	2,102,806	4,050,796	2,148,153	8,307,762
Harris	40,652	27,529,998	46,841,396	23,978,934	98,390,981
Jefferson	3,528	2,446,978	2,897,427	1,522,805	6,870,738
Lubbock	860	1,846,047	2,934,915	1,123,677	5,905,498
Nueces	1,875	1,994,465	4,202,383	2,493,934	8,692,657
RSA	22,234	13,680,828	23,462,023	12,817,750	49,982,835
Tarrant	8,956	9,125,246	15,865,617	8,446,105	33,445,923
Travis	5,037	6,446,011	9,176,781	4,271,335	19,899,164
Total	100,382	85,614,873	142,635,524	69,363,623	297,714,402
Adjustment Factor (3)					
Bexar	0.00 %	0.00 %	0.01 %	0.01 %	0.01 %
Dallas	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
El Paso	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Harris	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Jefferson	0.09 %	0.01 %	0.02 %	0.03 %	0.02 %
Lubbock	0.00 %	0.02 %	0.06 %	0.09 %	0.05 %
Nueces	0.00 %	0.01 %	0.02 %	0.04 %	0.02 %
RSA	0.04 %	0.03 %	0.07 %	0.10 %	0.07 %
Tarrant	0.00 %	0.00 %	0.01 %	0.01 %	0.01 %
Travis	0.00 %	0.00 %	0.01 %	0.03 %	0.01 %
Total	0.01 %	0.01 %	0.02 %	0.03 %	0.02 %

Footnotes:

- (1) Equals the increased cost due to revised outpatient rural hospital imaging reimbursement effective 9/1/2015.
- (2) Equals FY2015 health plan fee-for-service claims for all services (ICHP provided encounter data).
- (3) Additional cost divided by FY2015 Total Incurred Claims.

FY2017 CHIP Rating
 Provider Reimbursement Adjustments
 Therapy Reimbursement Reduction

	Age Group				Total
	< 1	1-5	6-14	15-18	
Provider Reimbursement Reduction (1)					
Bexar	0	-229,073	-96,256	-9,560	-334,890
Dallas	0	-371,133	-149,809	-10,088	-531,030
El Paso	-30	-53,939	-33,877	-6,057	-93,903
Harris	-52	-550,034	-205,515	-8,850	-764,451
Jefferson	0	-26,609	-14,754	-1,647	-43,010
Lubbock	0	-67,220	-27,519	-186	-94,924
Nueces	0	-12,307	-5,464	-1,631	-19,402
RSA	0	-291,256	-84,163	-17,739	-393,158
Tarrant	0	-434,036	-191,987	-13,448	-639,471
Travis	0	-164,794	-63,187	-2,717	-230,698
Total	-82	-2,200,401	-872,531	-71,922	-3,144,937
FY2015 Total Incurred Claims (2)					
Bexar	1,704	6,575,394	10,388,527	4,383,233	21,348,858
Dallas	9,530	13,867,099	22,815,660	8,177,697	44,869,986
El Paso	6,007	2,102,806	4,050,796	2,148,153	8,307,762
Harris	40,652	27,529,998	46,841,396	23,978,934	98,390,981
Jefferson	3,528	2,446,978	2,897,427	1,522,805	6,870,738
Lubbock	860	1,846,047	2,934,915	1,123,677	5,905,498
Nueces	1,875	1,994,465	4,202,383	2,493,934	8,692,657
RSA	22,234	13,680,828	23,462,023	12,817,750	49,982,835
Tarrant	8,956	9,125,246	15,865,617	8,446,105	33,445,923
Travis	5,037	6,446,011	9,176,781	4,271,335	19,899,164
Total	100,382	85,614,873	142,635,524	69,363,623	297,714,402
Adjustment Factor (3)					
Bexar	0.00 %	-3.48 %	-0.93 %	-0.22 %	-1.57 %
Dallas	0.00 %	-2.68 %	-0.66 %	-0.12 %	-1.18 %
El Paso	-0.49 %	-2.57 %	-0.84 %	-0.28 %	-1.13 %
Harris	-0.13 %	-2.00 %	-0.44 %	-0.04 %	-0.78 %
Jefferson	0.00 %	-1.09 %	-0.51 %	-0.11 %	-0.63 %
Lubbock	0.00 %	-3.64 %	-0.94 %	-0.02 %	-1.61 %
Nueces	0.00 %	-0.62 %	-0.13 %	-0.07 %	-0.22 %
RSA	0.00 %	-2.13 %	-0.36 %	-0.14 %	-0.79 %
Tarrant	0.00 %	-4.76 %	-1.21 %	-0.16 %	-1.91 %
Travis	0.00 %	-2.56 %	-0.69 %	-0.06 %	-1.16 %
Total	-0.08 %	-2.57 %	-0.61 %	-0.10 %	-1.06 %

Footnotes:

- (1) Equals the cost reduction resulting from the therapy reimbursement changes effective 7/15/2016.
- (2) Equals FY2015 health plan fee-for-service claims for all services (ICHP provided encounter data).
- (3) Additional cost divided by FY2015 Total Incurred Claims.

	Age Group			
	< 1	1-5	6-14	15-18
Provider Reimbursement Change Factor (1)				
Bexar	1.0000	0.9668	0.9923	0.9994
Dallas	1.0007	0.9734	0.9935	0.9990
El Paso	0.9951	0.9743	0.9916	0.9972
Harris	0.9987	0.9801	0.9961	1.0000
Jefferson	1.0009	0.9901	0.9972	1.0020
Lubbock	1.0036	0.9657	0.9956	1.0044
Nueces	1.0000	0.9957	1.0014	1.0030
RSA	1.0008	0.9848	1.0050	1.0098
Tarrant	1.0000	0.9528	0.9884	0.9996
Travis	1.0000	0.9752	0.9949	1.0037
Inpatient Reimbursement Change Factor (2)				
Bexar	1.0000	1.0059	1.0086	1.0094
Dallas	1.0000	0.9964	0.9973	0.9934
El Paso	1.0000	1.0079	1.0045	1.0086
Harris	0.9699	0.9787	0.9697	0.9734
Jefferson	1.0000	1.0031	0.9903	0.9954
Lubbock	1.0000	1.0033	1.0063	1.0157
Nueces	1.0000	0.9276	0.9428	0.9241
RSA	1.0000	1.0041	1.0065	1.0100
Tarrant	1.0000	1.0017	1.0032	1.0096
Travis	1.0000	1.0033	1.0034	1.0112

Footnotes:

- (1) The Provider Reimbursement Change Factor consolidates the following adjustments from Exhibit E-G
 - Exhibit E - Outpatient Rural Hospital Reimbursement Increase
 - Exhibit F - Outpatient Rural Hospital Imaging Reimbursement Increase
 - Exhibit G - Therapy Reimbursement Reduction
- (2) The Inpatient Reimbursement Change Factor consolidates the following adjustments from Exhibit A-D
 - Exhibit A - Hospital Reimbursement Changes - Standard Dollar Amount
 - Exhibit B - Potentially Preventable Readmissions (PPR)
 - Exhibit C - Potentially Preventable Complications (PPC)
 - Exhibit D - Limit Reimbursement to Related Parties

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 (Exhibit A-D).

The column titled Case Mix on the chart is the risk adjustment factor. It is the ratio of the predicted average cost of the individual health plan's membership divided by the predicted average cost of the entire service area's membership.

If necessary, an additional adjustment was made to the risk adjustment factors to ensure that, in total, they produce the same premium as the community rates (budget neutral). Exhibit E summarizes the raw, unadjusted risk adjustment factors (case-mix), the budget neutral adjustment applied equally to each risk group within each service area along with the resulting adjusted risk adjustment factors which are used to calculate the risk adjusted community rates.

The risk adjustment factors determined by ICHP for the Under Age 1 category were not applied in developing the FY2017 premium rates due to the relative small size of this category and the resulting variation in acuity scores.

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						
Under Age 1	67	100.00	90.79	90.79	1.00	1.00
Bexar	2	100.00	43.34	29.92	1.00	1.45
Aetna - Bexar	0	0.00	0.00	0.00	0.00	0.00
Amerigroup - Bexar	0	0.00	0.00	0.00	0.00	0.00
CFHP - Bexar	1	50.00	0.00	29.92	1.00	0.00
Superior - Bexar	1	50.00	60.68	29.92	1.00	2.03
Dallas	5	100.00	178.65	88.50	1.00	2.02
Amerigroup - Dallas	5	100.00	178.65	88.50	1.00	2.02
Molina - Dallas	0	0.00	0.00	0.00	0.00	0.00
Parkland - Dallas	0	0.00	0.00	0.00	0.00	0.00
El Paso	3	100.00	43.80	29.92	1.00	1.46
El Paso First - El Paso	3	100.00	43.80	29.92	1.00	1.46
Superior - El Paso	0	0.00	0.00	0.00	0.00	0.00
Harris	22	100.00	94.36	114.30	1.00	0.83
Amerigroup - Harris	1	4.55	24.38	162.34	1.42	0.15
CHC - Harris	6	27.27	70.95	126.57	1.11	0.56
Molina - Harris	0	0.00	0.00	0.00	0.00	0.00
TCHP - Harris	13	59.09	102.87	96.35	0.84	1.07
United - Harris	2	9.09	160.51	197.54	1.73	0.81
Jefferson	1	100.00	0.00	29.92	1.00	0.00
Amerigroup - Jefferson	0	0.00	0.00	0.00	0.00	0.00
CHC - Jefferson	0	0.00	0.00	0.00	0.00	0.00
Molina - Jefferson	0	0.00	0.00	0.00	0.00	0.00
TCHP - Jefferson	0	0.00	0.00	0.00	0.00	0.00
United - Jefferson	1	100.00	0.00	29.92	1.00	0.00
Lubbock	1	100.00	0.00	29.92	1.00	0.00
Firstcare - Lubbock	0	0.00	0.00	0.00	0.00	0.00
Superior - Lubbock	1	100.00	0.00	29.92	1.00	0.00
Nueces	3	100.00	47.78	88.46	1.00	0.54
Christus - Nueces	0	0.00	0.00	0.00	0.00	0.00
Driscoll - Nueces	3	100.00	47.78	88.46	1.00	0.54
Superior - Nueces	0	0.00	0.00	0.00	0.00	0.00
RSA	12	100.00	91.33	114.84	1.00	0.80
Molina - RSA	6	50.00	123.00	185.20	1.61	0.66
Superior - RSA	6	50.00	69.79	67.00	0.58	1.04
Tarrant	9	100.00	69.76	74.01	1.00	0.94
Aetna - Tarrant	4	44.44	50.54	29.92	0.40	1.69
Amerigroup - Tarrant	3	33.33	26.09	112.68	1.52	0.23
Cook - Tarrant	2	22.22	120.07	78.35	1.06	1.53
Travis	9	100.00	116.22	39.77	1.00	2.92
BCBS - Travis	3	33.33	96.56	29.92	0.75	3.23
Sendero - Travis	1	11.11	126.52	29.92	0.75	4.23
Seton - Travis	5	55.56	126.59	48.96	1.23	2.59
Superior - Travis	0	0.00	0.00	0.00	0.00	0.00

Note: CDPS results are based on information in enrollment and encounter datasets. CDPS results were obtained for those enrollees who had been in the program for at least 1 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						
SDA/Health Plan	Number of Enrollees	Percent Affected	Actual PMPM Expenditures Based on Paid Amounts	Predicted PMPM Payment	Case Mix	Spend Ratio
CDPS						
Age 1-5	67,126	100.00	112.45	112.45	1.00	1.00
Bexar	5,150	100.00	104.54	116.00	1.00	0.90
Aetna - Bexar	611	11.86	91.08	102.03	0.88	0.89
Amerigroup - Bexar	147	2.85	65.69	86.04	0.74	0.76
CFHP - Bexar	2,961	57.50	110.51	122.38	1.05	0.90
Superior - Bexar	1,431	27.79	101.77	111.70	0.96	0.91
Dallas	10,213	100.00	121.66	112.65	1.00	1.08
Amerigroup - Dallas	5,378	52.66	109.98	112.06	0.99	0.98
Molina - Dallas	490	4.80	97.28	96.63	0.86	1.01
Parkland - Dallas	4,345	42.54	138.86	115.15	1.02	1.21
El Paso	2,162	100.00	87.40	100.14	1.00	0.87
El Paso First - El Paso	1,490	68.92	87.13	97.94	0.98	0.89
Superior - El Paso	672	31.08	87.99	105.05	1.05	0.84
Harris	17,734	100.00	132.52	109.94	1.00	1.21
Amerigroup - Harris	1,442	8.13	88.65	94.44	0.86	0.94
CHC - Harris	4,525	25.52	149.26	116.37	1.06	1.28
Molina - Harris	159	0.90	130.69	86.97	0.79	1.50
TCHP - Harris	10,238	57.73	138.16	112.55	1.02	1.23
United - Harris	1,370	7.73	78.98	87.16	0.79	0.91
Jefferson	1,457	100.00	156.31	127.00	1.00	1.23
Amerigroup - Jefferson	53	3.64	1037.96	165.18	1.30	6.28
CHC - Jefferson	333	22.86	128.67	137.24	1.08	0.94
Molina - Jefferson	55	3.77	280.60	254.26	2.00	1.10
TCHP - Jefferson	632	43.38	133.13	132.90	1.05	1.00
United - Jefferson	384	26.36	86.00	85.53	0.67	1.01
Lubbock	1,646	100.00	105.05	119.58	1.00	0.88
Firstcare - Lubbock	938	56.99	111.54	123.39	1.03	0.90
Superior - Lubbock	708	43.01	96.39	114.48	0.96	0.84
Nueces	1,449	100.00	127.49	119.95	1.00	1.06
Christus - Nueces	76	5.24	146.28	91.99	0.77	1.59
Driscoll - Nueces	1,183	81.64	126.45	125.36	1.05	1.01
Superior - Nueces	190	13.11	126.06	98.10	0.82	1.29
RSA	14,659	100.00	87.39	110.96	1.00	0.79
Molina - RSA	5,932	40.47	73.74	100.79	0.91	0.73
Superior - RSA	8,727	59.53	96.68	117.89	1.06	0.82
Tarrant	7,825	100.00	104.87	120.99	1.00	0.87
Aetna - Tarrant	1,160	14.82	81.62	107.56	0.89	0.76
Amerigroup - Tarrant	2,692	34.40	86.85	109.19	0.90	0.80
Cook - Tarrant	3,973	50.77	123.70	132.80	1.10	0.93
Travis	4,831	100.00	112.14	104.81	1.00	1.07
BCBS - Travis	1,144	23.68	133.09	116.47	1.11	1.14
Sendero - Travis	426	8.82	117.64	88.02	0.84	1.34
Seton - Travis	1,522	31.50	91.29	101.19	0.97	0.90
Superior - Travis	1,739	36.00	115.86	104.59	1.00	1.11

Note: CDPS results are based on information in enrollment and encounter datasets. CDPS results were obtained for those enrollees who had been in the program for at least 1 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						
SDA/Health Plan	Number of Enrollees	Percent Affected	Actual PMPM Expenditures Based on Paid Amounts	Predicted PMPM Payment	Case Mix	Spend Ratio
CDPS						
Age 6-14	192,193	100.00	90.69	90.69	1.00	1.00
Bexar	15,093	100.00	87.58	94.34	1.00	0.93
Aetna - Bexar	1,549	10.26	68.09	98.73	1.05	0.69
Amerigroup - Bexar	351	2.33	49.41	62.40	0.66	0.79
CFHP - Bexar	9,632	63.82	92.11	92.96	0.99	0.99
Superior - Bexar	3,561	23.59	87.33	99.19	1.05	0.88
Dallas	30,138	100.00	92.48	89.84	1.00	1.03
Amerigroup - Dallas	16,533	54.86	86.58	90.73	1.01	0.95
Molina - Dallas	1,345	4.46	91.89	71.07	0.79	1.29
Parkland - Dallas	12,260	40.68	100.49	90.63	1.01	1.11
El Paso	7,324	100.00	69.33	91.42	1.00	0.76
El Paso First - El Paso	5,025	68.61	70.38	95.12	1.04	0.74
Superior - El Paso	2,299	31.39	67.01	83.24	0.91	0.80
Harris	50,575	100.00	101.10	82.49	1.00	1.23
Amerigroup - Harris	4,798	9.49	72.16	70.47	0.85	1.02
CHC - Harris	11,628	22.99	94.35	74.57	0.90	1.27
Molina - Harris	548	1.08	63.10	69.85	0.85	0.90
TCHP - Harris	29,425	58.18	113.67	89.19	1.08	1.27
United - Harris	4,176	8.26	68.10	72.21	0.88	0.94
Jefferson	3,953	100.00	104.44	98.10	1.00	1.06
Amerigroup - Jefferson	136	3.44	55.33	76.90	0.78	0.72
CHC - Jefferson	771	19.50	88.35	89.84	0.92	0.98
Molina - Jefferson	120	3.04	61.26	100.79	1.03	0.61
TCHP - Jefferson	1,748	44.22	130.71	113.86	1.16	1.15
United - Jefferson	1,178	29.80	85.73	82.19	0.84	1.04
Lubbock	4,570	100.00	80.55	88.18	1.00	0.91
Firstcare - Lubbock	2,289	50.09	88.41	88.37	1.00	1.00
Superior - Lubbock	2,281	49.91	72.65	87.98	1.00	0.83
Nueces	4,142	100.00	128.37	109.32	1.00	1.17
Christus - Nueces	242	5.84	84.68	82.37	0.75	1.03
Driscoll - Nueces	3,329	80.37	131.27	112.22	1.03	1.17
Superior - Nueces	571	13.79	130.08	103.82	0.95	1.25
RSA	42,185	100.00	78.56	94.03	1.00	0.84
Molina - RSA	17,867	42.35	70.10	83.29	0.89	0.84
Superior - RSA	24,318	57.65	84.79	101.93	1.08	0.83
Tarrant	21,486	100.00	89.29	96.51	1.00	0.93
Aetna - Tarrant	2,372	11.04	63.18	74.00	0.77	0.85
Amerigroup - Tarrant	7,472	34.78	75.16	90.19	0.93	0.83
Cook - Tarrant	11,642	54.18	103.46	104.99	1.09	0.99
Travis	12,727	100.00	90.64	92.32	1.00	0.98
BCBS - Travis	2,505	19.68	89.80	83.78	0.91	1.07
Sendero - Travis	909	7.14	73.46	70.60	0.76	1.04
Seton - Travis	4,698	36.91	83.24	100.21	1.09	0.83
Superior - Travis	4,615	36.26	102.13	92.77	1.00	1.10

Note: CDPS results are based on information in enrollment and encounter datasets. CDPS results were obtained for those enrollees who had been in the program for at least 1 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						
SDA/Health Plan	Number of Enrollees	Percent Affected	Actual PMPM Expenditures Based on Paid Amounts	Predicted PMPM Payment	Case Mix	Spend Ratio
CDPS						
Age 15-18	78,986	100.00	112.53	112.53	1.00	1.00
Bexar	6,715	100.00	91.84	120.87	1.00	0.76
Aetna - Bexar	729	10.86	70.14	100.34	0.83	0.70
Amerigroup - Bexar	172	2.56	288.42	95.70	0.79	3.01
CFHP - Bexar	4,291	63.90	85.02	123.19	1.02	0.69
Superior - Bexar	1,523	22.68	100.23	126.62	1.05	0.79
Dallas	11,541	100.00	94.30	101.01	1.00	0.93
Amerigroup - Dallas	6,422	55.65	91.57	102.80	1.02	0.89
Molina - Dallas	596	5.16	72.96	70.37	0.70	1.04
Parkland - Dallas	4,523	39.19	100.90	102.37	1.01	0.99
El Paso	3,841	100.00	69.76	109.04	1.00	0.64
El Paso First - El Paso	2,637	68.65	71.34	111.34	1.02	0.64
Superior - El Paso	1,204	31.35	66.25	103.92	0.95	0.64
Harris	20,449	100.00	141.44	109.62	1.00	1.29
Amerigroup - Harris	2,056	10.05	99.11	85.03	0.78	1.17
CHC - Harris	4,280	20.93	119.11	89.65	0.82	1.33
Molina - Harris	288	1.41	59.00	71.50	0.65	0.83
TCHP - Harris	11,487	56.17	168.37	125.40	1.14	1.34
United - Harris	2,338	11.43	96.01	94.29	0.86	1.02
Jefferson	1,656	100.00	121.04	116.03	1.00	1.04
Amerigroup - Jefferson	68	4.11	71.25	105.46	0.91	0.68
CHC - Jefferson	266	16.06	107.35	106.57	0.92	1.01
Molina - Jefferson	51	3.08	65.14	62.28	0.54	1.05
TCHP - Jefferson	682	41.18	171.42	142.21	1.23	1.21
United - Jefferson	589	35.57	79.92	96.09	0.83	0.83
Lubbock	1,677	100.00	97.63	110.42	1.00	0.88
Firstcare - Lubbock	874	52.12	85.52	105.99	0.96	0.81
Superior - Lubbock	803	47.88	110.78	115.25	1.04	0.96
Nueces	2,022	100.00	151.21	127.15	1.00	1.19
Christus - Nueces	151	7.47	95.75	95.08	0.75	1.01
Driscoll - Nueces	1,625	80.37	163.11	132.92	1.05	1.23
Superior - Nueces	246	12.17	105.32	107.97	0.85	0.98
RSA	17,977	100.00	99.86	119.05	1.00	0.84
Molina - RSA	7,768	43.21	91.06	106.38	0.89	0.86
Superior - RSA	10,209	56.79	106.57	128.70	1.08	0.83
Tarrant	8,282	100.00	121.88	114.73	1.00	1.06
Aetna - Tarrant	1,065	12.86	81.79	103.67	0.90	0.79
Amerigroup - Tarrant	2,537	30.63	124.31	112.19	0.98	1.11
Cook - Tarrant	4,680	56.51	129.43	118.52	1.03	1.09
Travis	4,826	100.00	113.40	108.91	1.00	1.04
BCBS - Travis	940	19.48	112.57	105.91	0.97	1.06
Sendero - Travis	260	5.39	83.24	76.61	0.70	1.09
Seton - Travis	2,117	43.87	113.03	112.44	1.03	1.01
Superior - Travis	1,509	31.27	119.52	111.05	1.02	1.08

Note: CDPS results are based on information in enrollment and encounter datasets. CDPS results were obtained for those enrollees who had been in the program for at least 1 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).

FY2017 CHIP Rating Summary
Adjusted Acuity Scores

Health Plan	Under Age 1	Ages 1-5	Ages 6-14	Ages 15-18
Raw Unadjusted Acuity Scores (1)				
Aetna - Bexar	1.000	0.880	1.047	0.830
Amerigroup - Bexar	1.000	0.742	0.661	0.792
CFHP - Bexar	1.000	1.055	0.985	1.019
Superior - Bexar	1.000	0.963	1.051	1.048
Amerigroup - Dallas	1.000	0.995	1.010	1.018
Molina - Dallas	1.000	0.858	0.791	0.697
Parkland - Dallas	1.000	1.022	1.009	1.013
El Paso First - El Paso	1.000	0.978	1.041	1.021
Superior - El Paso	1.000	1.049	0.911	0.953
Amerigroup - Harris	1.000	0.859	0.854	0.776
CHC - Harris	1.000	1.058	0.904	0.818
Molina - Harris	1.000	0.791	0.847	0.652
TCHP - Harris	1.000	1.024	1.081	1.144
United - Harris	1.000	0.793	0.875	0.860
Amerigroup - Jefferson	1.000	1.301	0.784	0.909
CHC - Jefferson	1.000	1.081	0.916	0.918
Molina - Jefferson	1.000	2.002	1.027	0.537
TCHP - Jefferson	1.000	1.046	1.161	1.226
United - Jefferson	1.000	0.673	0.838	0.828
Firstcare - Lubbock	1.000	1.032	1.002	0.960
Superior - Lubbock	1.000	0.957	0.998	1.044
Christus - Nueces	1.000	0.767	0.753	0.748
Driscoll - Nueces	1.000	1.045	1.027	1.045
Superior - Nueces	1.000	0.818	0.950	0.849
Aetna - Tarrant	1.000	0.889	0.767	0.904
Amerigroup - Tarrant	1.000	0.903	0.934	0.978
Cook - Tarrant	1.000	1.098	1.088	1.033
BCBS - Travis	1.000	1.111	0.908	0.972
Sendero - Travis	1.000	0.840	0.765	0.703
Seton - Travis	1.000	0.965	1.085	1.032
Superior - Travis	1.000	0.998	1.005	1.020
Molina - RSA	1.000	0.908	0.886	0.894
Superior - RSA	1.000	1.062	1.084	1.081

FY2017 CHIP Rating Summary
Adjusted Acuity Scores

Health Plan	Under Age 1	Ages 1-5	Ages 6-14	Ages 15-18
Budget Neutrality Adjustment Factor (2)				
Aetna - Bexar	1.000	1.001	1.001	1.000
Amerigroup - Bexar	1.000	1.001	1.001	1.000
CFHP - Bexar	1.000	1.001	1.001	1.000
Superior - Bexar	1.000	1.001	1.001	1.000
Amerigroup - Dallas	1.000	1.000	1.000	1.000
Molina - Dallas	1.000	1.000	1.000	1.000
Parkland - Dallas	1.000	1.000	1.000	1.000
El Paso First - El Paso	1.000	1.003	0.997	0.998
Superior - El Paso	1.000	1.003	0.997	0.998
Amerigroup - Harris	1.000	1.000	1.002	1.006
CHC - Harris	1.000	1.000	1.002	1.006
Molina - Harris	1.000	1.000	1.002	1.006
TCHP - Harris	1.000	1.000	1.002	1.006
United - Harris	1.000	1.000	1.002	1.006
Amerigroup - Jefferson	1.000	1.010	0.997	0.991
CHC - Jefferson	1.000	1.010	0.997	0.991
Molina - Jefferson	1.000	1.010	0.997	0.991
TCHP - Jefferson	1.000	1.010	0.997	0.991
United - Jefferson	1.000	1.010	0.997	0.991
Firstcare - Lubbock	1.000	1.002	1.000	0.998
Superior - Lubbock	1.000	1.002	1.000	0.998
Christus - Nueces	1.000	0.999	1.001	1.000
Driscoll - Nueces	1.000	0.999	1.001	1.000
Superior - Nueces	1.000	0.999	1.001	1.000
Aetna - Tarrant	1.000	1.006	1.007	1.004
Amerigroup - Tarrant	1.000	1.006	1.007	1.004
Cook - Tarrant	1.000	1.006	1.007	1.004
BCBS - Travis	1.000	0.997	1.007	1.005
Sendero - Travis	1.000	0.997	1.007	1.005
Seton - Travis	1.000	0.997	1.007	1.005
Superior - Travis	1.000	0.997	1.007	1.005
Molina - RSA	1.000	0.997	0.996	0.998
Superior - RSA	1.000	0.997	0.996	0.998

FY2017 CHIP Rating Summary
Adjusted Acuity Scores

Health Plan	Under Age 1	Ages 1-5	Ages 6-14	Ages 15-18
Budget Neutral Acuity Scores (3)				
Aetna - Bexar	1.000	0.880	1.048	0.830
Amerigroup - Bexar	1.000	0.742	0.662	0.791
CFHP - Bexar	1.000	1.056	0.987	1.019
Superior - Bexar	1.000	0.964	1.053	1.047
Amerigroup - Dallas	1.000	0.995	1.009	1.017
Molina - Dallas	1.000	0.858	0.791	0.696
Parkland - Dallas	1.000	1.022	1.008	1.013
El Paso First - El Paso	1.000	0.981	1.037	1.019
Superior - El Paso	1.000	1.052	0.907	0.951
Amerigroup - Harris	1.000	0.859	0.856	0.780
CHC - Harris	1.000	1.058	0.906	0.822
Molina - Harris	1.000	0.791	0.849	0.656
TCHP - Harris	1.000	1.024	1.084	1.150
United - Harris	1.000	0.793	0.877	0.865
Amerigroup - Jefferson	1.000	1.313	0.782	0.901
CHC - Jefferson	1.000	1.091	0.913	0.910
Molina - Jefferson	1.000	2.022	1.025	0.532
TCHP - Jefferson	1.000	1.057	1.158	1.215
United - Jefferson	1.000	0.680	0.835	0.821
Firstcare - Lubbock	1.000	1.034	1.002	0.958
Superior - Lubbock	1.000	0.960	0.998	1.041
Christus - Nueces	1.000	0.766	0.754	0.748
Driscoll - Nueces	1.000	1.044	1.027	1.046
Superior - Nueces	1.000	0.817	0.950	0.849
Aetna - Tarrant	1.000	0.894	0.772	0.907
Amerigroup - Tarrant	1.000	0.908	0.941	0.981
Cook - Tarrant	1.000	1.104	1.096	1.037
BCBS - Travis	1.000	1.108	0.914	0.977
Sendero - Travis	1.000	0.838	0.770	0.707
Seton - Travis	1.000	0.963	1.093	1.037
Superior - Travis	1.000	0.995	1.012	1.025
Molina - RSA	1.000	0.905	0.882	0.892
Superior - RSA	1.000	1.059	1.079	1.079

Footnotes:

- (1) Raw acuity scores as developed by ICHP. Equals the case mix factors from Exhibits A-D.
- (2) Budget neutral adjustment applied uniformly within each service area to ensure acuity adjustment is budget neutral in total.
- (3) Adjusted acuity scores applied to FY2017 Community Rates.

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.

The CHIP benefits provided to expectant mothers are more limited in scope. They include the professional component of delivery services (for those clients under 198% FPL) and limited prenatal and post-natal services only.

We have developed premium rates for three categories of clients: (1) newborns between 198% and 202% FPL; (2) expectant mothers under 198% FPL; and (3) expectant mothers between 198% and 202% FPL.

The CHIP Perinatal FY2017 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.

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 February 29, 2016.

The FY2016 trend assumption was developed from two components: (i) the actual estimated trend for the period September 2015 through December 2015 and (ii) the projected trend for the period January 2016 through August 2016. The experience trends for all time periods were adjusted to remove the impact of various provider reimbursement reductions and revisions that have impacted the program. We have assumed the trend for the period January 2016 through August 2016 and all of FY2017 will be 5%.

This analysis was used to calculate an annual trend rate assumption of 2.5% for FY2016 and 5.0% for FY2017.

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 these 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.

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) \$0.50 pmpm.

The premium rates also include a provision for premium tax (1.75% of premium), maintenance tax (\$0.07 pmpm) and a risk margin (2.0% of premium).

Summary

Exhibit A presents current (FY2016) premium, split between medical, prescription drug, and delivery supplemental payment (DSP) rates; FY2017 premium, split between medical, prescription drug, and DSP rates; and a comparison of FY2016 and FY2017 premium rates. Exhibit B presents the summary community rating exhibit for each service area along with a description of the analysis. The enrollment in both the Newborn 198-202% FPL and Perinate 198-202% 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 198% and 202% FPL.

FY2017 CHIP Perinatal Rating Summary

Health Plan	Newborns 198%-202%	Perinate <198%	Perinate 198%-202%	DSP
Current (9/1/15-8/31/16) Medical Premium Rates pmpm				
Aetna - Bexar	314.61	313.06	206.20	3,100.00
Amerigroup - Bexar	314.61	313.06	206.20	3,100.00
CFHP - Bexar	314.61	313.06	206.20	3,100.00
Superior - Bexar	314.61	313.06	206.20	3,100.00
Amerigroup - Dallas	314.61	367.28	206.20	3,100.00
Molina - Dallas	314.61	367.28	206.20	3,100.00
Parkland - Dallas	314.61	367.28	206.20	3,100.00
El Paso First - El Paso	314.61	342.28	206.20	3,100.00
Superior - El Paso	314.61	342.28	206.20	3,100.00
Amerigroup - Harris	314.61	467.20	206.20	3,100.00
CHC - Harris	314.61	467.20	206.20	3,100.00
Molina - Harris	314.61	467.20	206.20	3,100.00
TCHP - Harris	314.61	467.20	206.20	3,100.00
United - Harris	314.61	467.20	206.20	3,100.00
Amerigroup - Jefferson	314.61	579.66	206.20	3,100.00
CHC - Jefferson	314.61	579.66	206.20	3,100.00
Molina - Jefferson	314.61	579.66	206.20	3,100.00
TCHP - Jefferson	314.61	579.66	206.20	3,100.00
United - Jefferson	314.61	579.66	206.20	3,100.00
Firstcare - Lubbock	314.61	346.05	206.20	3,100.00
Superior - Lubbock	314.61	346.05	206.20	3,100.00
Christus - Nueces	314.61	366.25	206.20	3,100.00
Driscoll - Nueces	314.61	366.25	206.20	3,100.00
Superior - Nueces	314.61	366.25	206.20	3,100.00
Aetna - Tarrant	314.61	329.66	206.20	3,100.00
Amerigroup - Tarrant	314.61	329.66	206.20	3,100.00
Cook - Tarrant	314.61	329.66	206.20	3,100.00
BCBS - Travis	314.61	447.50	206.20	3,100.00
Sendero - Travis	314.61	447.50	206.20	3,100.00
Seton - Travis	314.61	447.50	206.20	3,100.00
Superior - Travis	314.61	447.50	206.20	3,100.00
Molina - RSA	314.61	351.53	206.20	3,100.00
Superior - RSA	314.61	351.53	206.20	3,100.00

FY2017 CHIP Perinatal Rating Summary

Health Plan	Newborns 198%-202%	Perinate <198%	Perinate 198%-202%	DSP
Current (9/1/15-8/31/16) Prescription Drug Premium Rates pmpm				
Aetna - Bexar	7.21	21.44	29.66	
Amerigroup - Bexar	7.21	21.44	29.66	
CFHP - Bexar	7.21	21.44	29.66	
Superior - Bexar	7.21	21.44	29.66	
Amerigroup - Dallas	7.21	11.54	29.66	
Molina - Dallas	7.21	11.54	29.66	
Parkland - Dallas	7.21	11.54	29.66	
El Paso First - El Paso	7.21	29.98	29.66	
Superior - El Paso	7.21	29.98	29.66	
Amerigroup - Harris	7.21	35.07	29.66	
CHC - Harris	7.21	35.07	29.66	
Molina - Harris	7.21	35.07	29.66	
TCHP - Harris	7.21	35.07	29.66	
United - Harris	7.21	35.07	29.66	
Amerigroup - Jefferson	7.21	21.90	29.66	
CHC - Jefferson	7.21	21.90	29.66	
Molina - Jefferson	7.21	21.90	29.66	
TCHP - Jefferson	7.21	21.90	29.66	
United - Jefferson	7.21	21.90	29.66	
Firstcare - Lubbock	7.21	27.04	29.66	
Superior - Lubbock	7.21	27.04	29.66	
Christus - Nueces	7.21	35.31	29.66	
Driscoll - Nueces	7.21	35.31	29.66	
Superior - Nueces	7.21	35.31	29.66	
Aetna - Tarrant	7.21	33.34	29.66	
Amerigroup - Tarrant	7.21	33.34	29.66	
Cook - Tarrant	7.21	33.34	29.66	
BCBS - Travis	7.21	18.51	29.66	
Sendero - Travis	7.21	18.51	29.66	
Seton - Travis	7.21	18.51	29.66	
Superior - Travis	7.21	18.51	29.66	
Molina - RSA	7.21	29.97	29.66	
Superior - RSA	7.21	29.97	29.66	

FY2017 CHIP Perinatal Rating Summary

Health Plan	Newborns 198%-202%	Perinate <198%	Perinate 198%-202%	DSP
Current (9/1/15-8/31/16) Total Premium Rates pmpm				
Aetna - Bexar	321.82	334.50	235.86	3,100.00
Amerigroup - Bexar	321.82	334.50	235.86	3,100.00
CFHP - Bexar	321.82	334.50	235.86	3,100.00
Superior - Bexar	321.82	334.50	235.86	3,100.00
Amerigroup - Dallas	321.82	378.82	235.86	3,100.00
Molina - Dallas	321.82	378.82	235.86	3,100.00
Parkland - Dallas	321.82	378.82	235.86	3,100.00
El Paso First - El Paso	321.82	372.26	235.86	3,100.00
Superior - El Paso	321.82	372.26	235.86	3,100.00
Amerigroup - Harris	321.82	502.27	235.86	3,100.00
CHC - Harris	321.82	502.27	235.86	3,100.00
Molina - Harris	321.82	502.27	235.86	3,100.00
TCHP - Harris	321.82	502.27	235.86	3,100.00
United - Harris	321.82	502.27	235.86	3,100.00
Amerigroup - Jefferson	321.82	601.56	235.86	3,100.00
CHC - Jefferson	321.82	601.56	235.86	3,100.00
Molina - Jefferson	321.82	601.56	235.86	3,100.00
TCHP - Jefferson	321.82	601.56	235.86	3,100.00
United - Jefferson	321.82	601.56	235.86	3,100.00
Firstcare - Lubbock	321.82	373.09	235.86	3,100.00
Superior - Lubbock	321.82	373.09	235.86	3,100.00
Christus - Nueces	321.82	401.56	235.86	3,100.00
Driscoll - Nueces	321.82	401.56	235.86	3,100.00
Superior - Nueces	321.82	401.56	235.86	3,100.00
Aetna - Tarrant	321.82	363.00	235.86	3,100.00
Amerigroup - Tarrant	321.82	363.00	235.86	3,100.00
Cook - Tarrant	321.82	363.00	235.86	3,100.00
BCBS - Travis	321.82	466.01	235.86	3,100.00
Sendero - Travis	321.82	466.01	235.86	3,100.00
Seton - Travis	321.82	466.01	235.86	3,100.00
Superior - Travis	321.82	466.01	235.86	3,100.00
Molina - RSA	321.82	381.50	235.86	3,100.00
Superior - RSA	321.82	381.50	235.86	3,100.00

FY2017 CHIP Perinatal Rating Summary

Health Plan	Newborns 198%-202%	Perinate <198%	Perinate 198%-202%	DSP
FY2017 Medical Premium Rates pmpm				
Aetna - Bexar	795.43	344.88	232.00	3,100.00
Amerigroup - Bexar	795.43	344.88	232.00	3,100.00
CFHP - Bexar	795.43	344.88	232.00	3,100.00
Superior - Bexar	795.43	344.88	232.00	3,100.00
Amerigroup - Dallas	795.43	370.45	232.00	3,100.00
Molina - Dallas	795.43	370.45	232.00	3,100.00
Parkland - Dallas	795.43	370.45	232.00	3,100.00
El Paso First - El Paso	795.43	349.94	232.00	3,100.00
Superior - El Paso	795.43	349.94	232.00	3,100.00
Amerigroup - Harris	795.43	476.99	232.00	3,100.00
CHC - Harris	795.43	476.99	232.00	3,100.00
Molina - Harris	795.43	476.99	232.00	3,100.00
TCHP - Harris	795.43	476.99	232.00	3,100.00
United - Harris	795.43	476.99	232.00	3,100.00
Amerigroup - Jefferson	795.43	534.56	232.00	3,100.00
CHC - Jefferson	795.43	534.56	232.00	3,100.00
Molina - Jefferson	795.43	534.56	232.00	3,100.00
TCHP - Jefferson	795.43	534.56	232.00	3,100.00
United - Jefferson	795.43	534.56	232.00	3,100.00
Firstcare - Lubbock	795.43	376.60	232.00	3,100.00
Superior - Lubbock	795.43	376.60	232.00	3,100.00
Christus - Nueces	795.43	430.93	232.00	3,100.00
Driscoll - Nueces	795.43	430.93	232.00	3,100.00
Superior - Nueces	795.43	430.93	232.00	3,100.00
Aetna - Tarrant	795.43	349.36	232.00	3,100.00
Amerigroup - Tarrant	795.43	349.36	232.00	3,100.00
Cook - Tarrant	795.43	349.36	232.00	3,100.00
BCBS - Travis	795.43	465.71	232.00	3,100.00
Sendero - Travis	795.43	465.71	232.00	3,100.00
Seton - Travis	795.43	465.71	232.00	3,100.00
Superior - Travis	795.43	465.71	232.00	3,100.00
Molina - RSA	795.43	372.16	232.00	3,100.00
Superior - RSA	795.43	372.16	232.00	3,100.00

FY2017 CHIP Perinatal Rating Summary

Health Plan	Newborns 198%-202%	Perinate <198%	Perinate 198%-202%	DSP
FY2017 Prescription Drug Premium Rates pmpm (Community Rate)				
Aetna - Bexar	16.29	37.93	41.01	
Amerigroup - Bexar	16.29	37.93	41.01	
CFHP - Bexar	16.29	37.93	41.01	
Superior - Bexar	16.29	37.93	41.01	
Amerigroup - Dallas	16.29	22.01	41.01	
Molina - Dallas	16.29	22.01	41.01	
Parkland - Dallas	16.29	22.01	41.01	
El Paso First - El Paso	16.29	94.40	41.01	
Superior - El Paso	16.29	94.40	41.01	
Amerigroup - Harris	16.29	58.54	41.01	
CHC - Harris	16.29	58.54	41.01	
Molina - Harris	16.29	58.54	41.01	
TCHP - Harris	16.29	58.54	41.01	
United - Harris	16.29	58.54	41.01	
Amerigroup - Jefferson	16.29	44.53	41.01	
CHC - Jefferson	16.29	44.53	41.01	
Molina - Jefferson	16.29	44.53	41.01	
TCHP - Jefferson	16.29	44.53	41.01	
United - Jefferson	16.29	44.53	41.01	
Firstcare - Lubbock	16.29	52.37	41.01	
Superior - Lubbock	16.29	52.37	41.01	
Christus - Nueces	16.29	64.12	41.01	
Driscoll - Nueces	16.29	64.12	41.01	
Superior - Nueces	16.29	64.12	41.01	
Aetna - Tarrant	16.29	53.42	41.01	
Amerigroup - Tarrant	16.29	53.42	41.01	
Cook - Tarrant	16.29	53.42	41.01	
BCBS - Travis	16.29	32.46	41.01	
Sendero - Travis	16.29	32.46	41.01	
Seton - Travis	16.29	32.46	41.01	
Superior - Travis	16.29	32.46	41.01	
Molina - RSA	16.29	64.20	41.01	
Superior - RSA	16.29	64.20	41.01	

FY2017 CHIP Perinatal Rating Summary

Health Plan	Newborns 198%-202%	Perinate <198%	Perinate 198%-202%	DSP
FY2017 Total Premium Rates pmpm				
Aetna - Bexar	811.72	382.81	273.01	3,100.00
Amerigroup - Bexar	811.72	382.81	273.01	3,100.00
CFHP - Bexar	811.72	382.81	273.01	3,100.00
Superior - Bexar	811.72	382.81	273.01	3,100.00
Amerigroup - Dallas	811.72	392.46	273.01	3,100.00
Molina - Dallas	811.72	392.46	273.01	3,100.00
Parkland - Dallas	811.72	392.46	273.01	3,100.00
El Paso First - El Paso	811.72	444.34	273.01	3,100.00
Superior - El Paso	811.72	444.34	273.01	3,100.00
Amerigroup - Harris	811.72	535.53	273.01	3,100.00
CHC - Harris	811.72	535.53	273.01	3,100.00
Molina - Harris	811.72	535.53	273.01	3,100.00
TCHP - Harris	811.72	535.53	273.01	3,100.00
United - Harris	811.72	535.53	273.01	3,100.00
Amerigroup - Jefferson	811.72	579.09	273.01	3,100.00
CHC - Jefferson	811.72	579.09	273.01	3,100.00
Molina - Jefferson	811.72	579.09	273.01	3,100.00
TCHP - Jefferson	811.72	579.09	273.01	3,100.00
United - Jefferson	811.72	579.09	273.01	3,100.00
Firstcare - Lubbock	811.72	428.97	273.01	3,100.00
Superior - Lubbock	811.72	428.97	273.01	3,100.00
Christus - Nueces	811.72	495.05	273.01	3,100.00
Driscoll - Nueces	811.72	495.05	273.01	3,100.00
Superior - Nueces	811.72	495.05	273.01	3,100.00
Aetna - Tarrant	811.72	402.78	273.01	3,100.00
Amerigroup - Tarrant	811.72	402.78	273.01	3,100.00
Cook - Tarrant	811.72	402.78	273.01	3,100.00
BCBS - Travis	811.72	498.17	273.01	3,100.00
Sendero - Travis	811.72	498.17	273.01	3,100.00
Seton - Travis	811.72	498.17	273.01	3,100.00
Superior - Travis	811.72	498.17	273.01	3,100.00
Molina - RSA	811.72	436.36	273.01	3,100.00
Superior - RSA	811.72	436.36	273.01	3,100.00

FY2017 CHIP Perinatal Rating Summary

Health Plan	Newborns 198%-202%	Perinate <198%	Perinate 198%-202%	DSP
FY2017 Medical Premium Rate Change				
Aetna - Bexar	152.8%	10.2%	12.5%	0.0%
Amerigroup - Bexar	152.8%	10.2%	12.5%	0.0%
CFHP - Bexar	152.8%	10.2%	12.5%	0.0%
Superior - Bexar	152.8%	10.2%	12.5%	0.0%
Amerigroup - Dallas	152.8%	0.9%	12.5%	0.0%
Molina - Dallas	152.8%	0.9%	12.5%	0.0%
Parkland - Dallas	152.8%	0.9%	12.5%	0.0%
El Paso First - El Paso	152.8%	2.2%	12.5%	0.0%
Superior - El Paso	152.8%	2.2%	12.5%	0.0%
Amerigroup - Harris	152.8%	2.1%	12.5%	0.0%
CHC - Harris	152.8%	2.1%	12.5%	0.0%
Molina - Harris	152.8%	2.1%	12.5%	0.0%
TCHP - Harris	152.8%	2.1%	12.5%	0.0%
United - Harris	152.8%	2.1%	12.5%	0.0%
Amerigroup - Jefferson	152.8%	-7.8%	12.5%	0.0%
CHC - Jefferson	152.8%	-7.8%	12.5%	0.0%
Molina - Jefferson	152.8%	-7.8%	12.5%	0.0%
TCHP - Jefferson	152.8%	-7.8%	12.5%	0.0%
United - Jefferson	152.8%	-7.8%	12.5%	0.0%
Firstcare - Lubbock	152.8%	8.8%	12.5%	0.0%
Superior - Lubbock	152.8%	8.8%	12.5%	0.0%
Christus - Nueces	152.8%	17.7%	12.5%	0.0%
Driscoll - Nueces	152.8%	17.7%	12.5%	0.0%
Superior - Nueces	152.8%	17.7%	12.5%	0.0%
Aetna - Tarrant	152.8%	6.0%	12.5%	0.0%
Amerigroup - Tarrant	152.8%	6.0%	12.5%	0.0%
Cook - Tarrant	152.8%	6.0%	12.5%	0.0%
BCBS - Travis	152.8%	4.1%	12.5%	0.0%
Sendero - Travis	152.8%	4.1%	12.5%	0.0%
Seton - Travis	152.8%	4.1%	12.5%	0.0%
Superior - Travis	152.8%	4.1%	12.5%	0.0%
Molina - RSA	152.8%	5.9%	12.5%	0.0%
Superior - RSA	152.8%	5.9%	12.5%	0.0%

FY2017 CHIP Perinatal Rating Summary

Health Plan	Newborns 198%-202%	Perinate <198%	Perinate 198%-202%	DSP
FY2017 Prescription Drug Premium Rate Change				
Aetna - Bexar	125.9%	76.9%	38.3%	
Amerigroup - Bexar	125.9%	76.9%	38.3%	
CFHP - Bexar	125.9%	76.9%	38.3%	
Superior - Bexar	125.9%	76.9%	38.3%	
Amerigroup - Dallas	125.9%	90.7%	38.3%	
Molina - Dallas	125.9%	90.7%	38.3%	
Parkland - Dallas	125.9%	90.7%	38.3%	
El Paso First - El Paso	125.9%	214.9%	38.3%	
Superior - El Paso	125.9%	214.9%	38.3%	
Amerigroup - Harris	125.9%	66.9%	38.3%	
CHC - Harris	125.9%	66.9%	38.3%	
Molina - Harris	125.9%	66.9%	38.3%	
TCHP - Harris	125.9%	66.9%	38.3%	
United - Harris	125.9%	66.9%	38.3%	
Amerigroup - Jefferson	125.9%	103.3%	38.3%	
CHC - Jefferson	125.9%	103.3%	38.3%	
Molina - Jefferson	125.9%	103.3%	38.3%	
TCHP - Jefferson	125.9%	103.3%	38.3%	
United - Jefferson	125.9%	103.3%	38.3%	
Firstcare - Lubbock	125.9%	93.7%	38.3%	
Superior - Lubbock	125.9%	93.7%	38.3%	
Christus - Nueces	125.9%	81.6%	38.3%	
Driscoll - Nueces	125.9%	81.6%	38.3%	
Superior - Nueces	125.9%	81.6%	38.3%	
Aetna - Tarrant	125.9%	60.2%	38.3%	
Amerigroup - Tarrant	125.9%	60.2%	38.3%	
Cook - Tarrant	125.9%	60.2%	38.3%	
BCBS - Travis	125.9%	75.4%	38.3%	
Sendero - Travis	125.9%	75.4%	38.3%	
Seton - Travis	125.9%	75.4%	38.3%	
Superior - Travis	125.9%	75.4%	38.3%	
Molina - RSA	125.9%	114.2%	38.3%	
Superior - RSA	125.9%	114.2%	38.3%	

FY2017 CHIP Perinatal Rating Summary

Health Plan	Newborns 198%-202%	Perinate <198%	Perinate 198%-202%	DSP
FY2017 Total Premium Rate Change				
Aetna - Bexar	152.2%	14.4%	15.8%	0.0%
Amerigroup - Bexar	152.2%	14.4%	15.8%	0.0%
CFHP - Bexar	152.2%	14.4%	15.8%	0.0%
Superior - Bexar	152.2%	14.4%	15.8%	0.0%
Amerigroup - Dallas	152.2%	3.6%	15.8%	0.0%
Molina - Dallas	152.2%	3.6%	15.8%	0.0%
Parkland - Dallas	152.2%	3.6%	15.8%	0.0%
El Paso First - El Paso	152.2%	19.4%	15.8%	0.0%
Superior - El Paso	152.2%	19.4%	15.8%	0.0%
Amerigroup - Harris	152.2%	6.6%	15.8%	0.0%
CHC - Harris	152.2%	6.6%	15.8%	0.0%
Molina - Harris	152.2%	6.6%	15.8%	0.0%
TCHP - Harris	152.2%	6.6%	15.8%	0.0%
United - Harris	152.2%	6.6%	15.8%	0.0%
Amerigroup - Jefferson	152.2%	-3.7%	15.8%	0.0%
CHC - Jefferson	152.2%	-3.7%	15.8%	0.0%
Molina - Jefferson	152.2%	-3.7%	15.8%	0.0%
TCHP - Jefferson	152.2%	-3.7%	15.8%	0.0%
United - Jefferson	152.2%	-3.7%	15.8%	0.0%
Firstcare - Lubbock	152.2%	15.0%	15.8%	0.0%
Superior - Lubbock	152.2%	15.0%	15.8%	0.0%
Christus - Nueces	152.2%	23.3%	15.8%	0.0%
Driscoll - Nueces	152.2%	23.3%	15.8%	0.0%
Superior - Nueces	152.2%	23.3%	15.8%	0.0%
Aetna - Tarrant	152.2%	11.0%	15.8%	0.0%
Amerigroup - Tarrant	152.2%	11.0%	15.8%	0.0%
Cook - Tarrant	152.2%	11.0%	15.8%	0.0%
BCBS - Travis	152.2%	6.9%	15.8%	0.0%
Sendero - Travis	152.2%	6.9%	15.8%	0.0%
Seton - Travis	152.2%	6.9%	15.8%	0.0%
Superior - Travis	152.2%	6.9%	15.8%	0.0%
Molina - RSA	152.2%	14.4%	15.8%	0.0%
Superior - RSA	152.2%	14.4%	15.8%	0.0%

	Newborn 198-202%		Perinate <198%		Perinate 198-202%		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2014- 8/31/2015								
Member Months	48		18,517		523		19,088	
Estimated Incurred Claims								
Professional	4,615	96.14	3,875,022	209.27	69,883	133.62	3,949,520	206.91
Emergency Room	1,108	23.08	4,029	0.22	29	0.05	5,165	0.27
Outpatient Facility	0	0.00	584,759	31.58	9,699	18.55	594,458	31.14
Inpatient Facility	3,753	78.19	212,207	11.46	34,776	66.49	250,737	13.14
Other	0	0.00	486,172	26.26	4,200	8.03	490,372	25.69
Total	9,476	197.41	5,162,189	278.78	118,586	226.74	5,290,252	277.15
Projected FY2017 Member Months	48		15,204		523		15,775	
Projected FY2017 Premium								
Current Rates	15,101	314.61	4,759,705	313.06	107,843	206.20	4,882,649	309.52
Current DSP Rate	0	0.00	0	0.00	106,923	204.44	106,923	6.78
Annual Trend Assumptions								
FY2016	2.50 %		2.50 %		2.50 %			
FY2017	5.00 %		5.00 %		5.00 %			
Provider Reimbursement Change	1.0000		1.0005		1.0000			
Inpatient Reimbursement Changes	1.0402		1.0000		1.0380			
Projected Incurred Claims	10,608	221.01	4,564,061	300.19	132,479	253.31	4,707,148	298.39
Capitated Expenses/Refunds	9	0.19	-10,957	-0.72	-247	-0.47	-11,195	-0.71
Net Reinsurance Cost	4	0.09	1,176	0.08	48	0.09	1,228	0.08
Administrative Expenses								
Fixed Amount	600	12.50	190,050	12.50	6,538	12.50	197,188	12.50
Percentage of Premium	5.75 %	14.86	5.75 %	19.83	5.75 %	16.87	5.75 %	19.72
Risk Margin	2.00 %	5.17	2.00 %	6.90	2.00 %	5.87	2.00 %	6.86
Premium Tax	1.75 %	4.52	1.75 %	6.04	1.75 %	5.13	1.75 %	6.00
Maintenance Tax	3	0.07	1,064	0.07	37	0.07	1,104	0.07
Projected Total Cost	12,404	258.41	5,243,529	344.88	153,429	293.36	5,409,362	342.91
Adjusted Total Cost	12,404	258.41	5,243,529	344.88	46,506	88.92	5,302,439	336.13
Experience Rate Increase		-17.9 %		10.2 %		-56.9 %		8.6 %

	Newborn 198-202%		Perinate <198%		Perinate 198-202%		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2014- 8/31/2015								
Member Months	151		76,788		1,348		78,287	
Estimated Incurred Claims								
Professional	7,370	48.81	12,797,777	166.66	232,864	172.75	13,038,011	166.54
Emergency Room	4,456	29.51	84,261	1.10	1,178	0.87	89,896	1.15
Outpatient Facility	458	3.03	9,465,192	123.26	129,617	96.16	9,595,267	122.57
Inpatient Facility	11,591	76.76	26,607	0.35	129,382	95.98	167,580	2.14
Other	190	1.26	3,326,270	43.32	18,657	13.84	3,345,117	42.73
Total	24,066	159.38	25,700,107	334.69	511,699	379.60	26,235,871	335.12
Projected FY2017 Member Months	151		64,140		1,348		65,639	
Projected FY2017 Premium								
Current Rates	47,507	314.61	23,557,284	367.28	277,958	206.20	23,882,748	363.85
Current DSP Rate	0	0.00	0	0.00	373,633	277.18	373,633	5.69
Annual Trend Assumptions								
FY2016	2.50 %		2.50 %		2.50 %			
FY2017	5.00 %		5.00 %		5.00 %			
Provider Reimbursement Change	1.0000		1.0000		1.0000			
Inpatient Reimbursement Changes	1.0096		0.8946		0.9575			
Projected Incurred Claims	26,148	173.17	20,669,440	322.26	527,328	391.19	21,222,917	323.33
Capitated Expenses/Refunds	245	1.62	25,479	0.40	600	0.45	26,325	0.40
Net Reinsurance Cost	8	0.05	2,351	0.04	42	0.03	2,401	0.04
Administrative Expenses								
Fixed Amount	1,888	12.50	801,750	12.50	16,850	12.50	820,488	12.50
Percentage of Premium	5.75 %	11.91	5.75 %	21.30	5.75 %	25.68	5.75 %	21.37
Risk Margin	2.00 %	4.14	2.00 %	7.41	2.00 %	8.93	2.00 %	7.43
Premium Tax	1.75 %	3.62	1.75 %	6.48	1.75 %	7.82	1.75 %	6.50
Maintenance Tax	11	0.07	4,490	0.07	94	0.07	4,595	0.07
Projected Total Cost	31,270	207.09	23,760,785	370.45	602,116	446.67	24,394,171	371.64
Adjusted Total Cost	31,270	207.09	23,760,785	370.45	228,483	169.50	24,020,538	365.95
Experience Rate Increase		-34.2 %		0.9 %		-17.8 %		0.6 %

	Newborn 198-202%		Perinate <198%		Perinate 198-202%		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2014- 8/31/2015								
Member Months	29		10,651		213		10,893	
Estimated Incurred Claims								
Professional	1,575	54.29	2,575,628	241.82	40,148	188.49	2,617,350	240.28
Emergency Room	0	0.00	427	0.04	0	0.00	427	0.04
Outpatient Facility	0	0.00	351,276	32.98	4,824	22.65	356,100	32.69
Inpatient Facility	227	7.83	0	0.00	20,430	95.92	20,657	1.90
Other	0	0.00	79,446	7.46	1,163	5.46	80,609	7.40
Total	1,802	62.12	3,006,777	282.30	66,564	312.51	3,075,143	282.30
Projected FY2017 Member Months	29		8,256		213		8,498	
Projected FY2017 Premium								
Current Rates	9,124	314.61	2,825,851	342.28	43,921	206.20	2,878,895	338.77
Current DSP Rate	0	0.00	0	0.00	54,561	256.15	54,561	6.42
Annual Trend Assumptions								
FY2016	2.50 %		2.50 %		2.50 %			
FY2017	5.00 %		5.00 %		5.00 %			
Provider Reimbursement Change	1.0000		1.0000		1.0000			
Inpatient Reimbursement Changes	1.0209		1.0000		1.0358			
Projected Incurred Claims	1,979	68.26	2,508,382	303.83	74,205	348.38	2,584,566	304.14
Capitated Expenses/Refunds	0	0.00	-192	-0.02	-6	-0.03	-198	-0.02
Net Reinsurance Cost	15	0.50	2,654	0.32	66	0.31	2,734	0.32
Administrative Expenses								
Fixed Amount	363	12.50	103,200	12.50	2,663	12.50	106,225	12.50
Percentage of Premium	5.75 %	5.17	5.75 %	20.12	5.75 %	22.95	5.75 %	20.14
Risk Margin	2.00 %	1.80	2.00 %	7.00	2.00 %	7.98	2.00 %	7.01
Premium Tax	1.75 %	1.57	1.75 %	6.12	1.75 %	6.99	1.75 %	6.13
Maintenance Tax	2	0.07	578	0.07	15	0.07	595	0.07
Projected Total Cost	2,606	89.86	2,889,085	349.94	85,018	399.15	2,976,709	350.28
Adjusted Total Cost	2,606	89.86	2,889,085	349.94	30,457	142.99	2,922,148	343.86
Experience Rate Increase		-71.4 %		2.2 %		-30.7 %		1.5 %

	Newborn 198-202%		Perinate <198%		Perinate 198-202%		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2014- 8/31/2015								
Member Months	340		138,378		2,664		141,382	
Estimated Incurred Claims								
Professional	47,618	140.05	36,192,137	261.55	565,772	212.38	36,805,528	260.33
Emergency Room	764	2.25	382,758	2.77	14,034	5.27	397,556	2.81
Outpatient Facility	2,663	7.83	12,250,505	88.53	188,719	70.84	12,441,887	88.00
Inpatient Facility	27,958	82.23	283,208	2.05	449,154	168.60	760,320	5.38
Other	0	0.00	4,697,939	33.95	28,499	10.70	4,726,438	33.43
Total	79,003	232.36	53,806,548	388.84	1,246,178	467.78	55,131,728	389.95
Projected FY2017 Member Months	340		115,296		2,664		118,300	
Projected FY2017 Premium								
Current Rates	106,968	314.61	53,866,182	467.20	549,317	206.20	54,522,468	460.88
Current DSP Rate	0	0.00	0	0.00	473,914	177.90	473,914	4.01
Annual Trend Assumptions								
FY2016	2.50 %		2.50 %		2.50 %			
FY2017	5.00 %		5.00 %		5.00 %			
Provider Reimbursement Change	1.0005		1.0001		1.0000			
Inpatient Reimbursement Changes	1.0551		0.9974		1.0304			
Projected Incurred Claims	89,758	264.00	48,129,396	417.44	1,382,033	518.78	49,601,187	419.28
Capitated Expenses/Refunds	318	0.93	185,256	1.61	5,909	2.22	191,483	1.62
Net Reinsurance Cost	79	0.23	6,178	0.05	136	0.05	6,394	0.05
Administrative Expenses								
Fixed Amount	4,250	12.50	1,441,200	12.50	33,300	12.50	1,478,750	12.50
Percentage of Premium	5.75 %	17.65	5.75 %	27.43	5.75 %	33.90	5.75 %	27.54
Risk Margin	2.00 %	6.14	2.00 %	9.54	2.00 %	11.79	2.00 %	9.58
Premium Tax	1.75 %	5.37	1.75 %	8.35	1.75 %	10.32	1.75 %	8.38
Maintenance Tax	24	0.07	8,071	0.07	186	0.07	8,281	0.07
Projected Total Cost	104,342	306.89	54,994,587	476.99	1,570,789	589.64	56,669,717	479.03
Adjusted Total Cost	104,342	306.89	54,994,587	476.99	1,096,874	411.74	56,195,803	475.03
Experience Rate Increase		-2.5 %		2.1 %		99.7 %		3.1 %

	Newborn 198-202%		Perinate <198%		Perinate 198-202%		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2014- 8/31/2015								
Member Months	8		6,083		179		6,270	
Estimated Incurred Claims								
Professional	576	71.99	1,268,837	208.59	31,499	175.97	1,300,912	207.48
Emergency Room	266	33.28	21,500	3.53	659	3.68	22,425	3.58
Outpatient Facility	0	0.00	1,040,934	171.12	18,056	100.87	1,058,990	168.90
Inpatient Facility	1,127	140.93	34,788	5.72	1,774	9.91	37,689	6.01
Other	0	0.00	280,237	46.07	1,409	7.87	281,646	44.92
Total	1,970	246.19	2,646,296	435.03	53,397	298.31	2,701,662	430.89
Projected FY2017 Member Months	8		4,620		179		4,807	
Projected FY2017 Premium								
Current Rates	2,517	314.61	2,678,008	579.66	36,910	206.20	2,717,434	565.31
Current DSP Rate	0	0.00	0	0.00	27,894	155.83	27,894	5.80
Annual Trend Assumptions								
FY2016	2.50 %		2.50 %		2.50 %			
FY2017	5.00 %		5.00 %		5.00 %			
Provider Reimbursement Change	1.0000		1.0004		1.0008			
Inpatient Reimbursement Changes	1.0391		1.0001		1.0022			
Projected Incurred Claims	2,203	275.33	2,164,195	468.44	57,641	322.02	2,224,039	462.67
Capitated Expenses/Refunds	30	3.69	12,541	2.71	387	2.16	12,958	2.70
Net Reinsurance Cost	2	0.27	242	0.05	9	0.05	253	0.05
Administrative Expenses								
Fixed Amount	100	12.50	57,750	12.50	2,238	12.50	60,088	12.50
Percentage of Premium	5.75 %	18.54	5.75 %	30.74	5.75 %	21.40	5.75 %	30.37
Risk Margin	2.00 %	6.45	2.00 %	10.69	2.00 %	7.44	2.00 %	10.56
Premium Tax	1.75 %	5.64	1.75 %	9.35	1.75 %	6.51	1.75 %	9.24
Maintenance Tax	1	0.07	323	0.07	13	0.07	336	0.07
Projected Total Cost	2,580	322.49	2,469,671	534.56	66,615	372.15	2,538,866	528.16
Adjusted Total Cost	2,580	322.49	2,469,671	534.56	38,721	216.32	2,510,971	522.36
Experience Rate Increase		2.5 %		-7.8 %		4.9 %		-7.6 %

	Newborn 198-202%		Perinate <198%		Perinate 198-202%		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2014- 8/31/2015								
Member Months	54		4,895		146		5,095	
Estimated Incurred Claims								
Professional	2,702	50.04	1,088,232	222.31	19,577	134.09	1,110,511	217.96
Emergency Room	154	2.86	16,374	3.34	1,241	8.50	17,769	3.49
Outpatient Facility	867	16.05	325,057	66.41	7,367	50.46	333,290	65.42
Inpatient Facility	817	15.12	0	0.00	14,011	95.97	14,828	2.91
Other	0	0.00	51,983	10.62	788	5.40	52,771	10.36
Total	4,539	84.06	1,481,645	302.69	42,984	294.41	1,529,169	300.13
Projected FY2017 Member Months	54		4,428		146		4,628	
Projected FY2017 Premium								
Current Rates	16,989	314.61	1,532,313	346.05	30,105	206.20	1,579,407	341.27
Current DSP Rate	0	0.00	0	0.00	18,175	124.49	18,175	3.93
Annual Trend Assumptions								
FY2016	2.50 %		2.50 %		2.50 %			
FY2017	5.00 %		5.00 %		5.00 %			
Provider Reimbursement Change	1.0000		1.0064		1.0038			
Inpatient Reimbursement Changes	1.0238		1.0000		1.0279			
Projected Incurred Claims	5,002	92.63	1,451,720	327.85	47,733	326.94	1,504,456	325.08
Capitated Expenses/Refunds	17	0.32	670	0.15	36	0.24	723	0.16
Net Reinsurance Cost	15	0.28	1,110	0.25	34	0.24	1,159	0.25
Administrative Expenses								
Fixed Amount	675	12.50	55,350	12.50	1,825	12.50	57,850	12.50
Percentage of Premium	5.75 %	6.72	5.75 %	21.65	5.75 %	21.60	5.75 %	21.48
Risk Margin	2.00 %	2.34	2.00 %	7.53	2.00 %	7.51	2.00 %	7.47
Premium Tax	1.75 %	2.05	1.75 %	6.59	1.75 %	6.57	1.75 %	6.54
Maintenance Tax	4	0.07	310	0.07	10	0.07	324	0.07
Projected Total Cost	6,313	116.90	1,667,580	376.60	54,849	375.68	1,728,742	373.54
Adjusted Total Cost	6,313	116.90	1,667,580	376.60	36,674	251.19	1,710,567	369.61
Experience Rate Increase		-62.8 %		8.8 %		21.8 %		8.3 %

	Newborn 198-202%		Perinate <198%		Perinate 198-202%		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2014- 8/31/2015								
Member Months	34		3,414		149		3,597	
Estimated Incurred Claims								
Professional	3,809	112.02	811,173	237.60	28,220	189.40	843,202	234.42
Emergency Room	280	8.22	10,435	3.06	0	0.00	10,714	2.98
Outpatient Facility	416	12.24	19,422	5.69	622	4.17	20,461	5.69
Inpatient Facility	974	28.66	9,316	2.73	2,574	17.28	12,865	3.58
Other	0	0.00	251,966	73.80	337	2.26	252,303	70.14
Total	5,479	161.14	1,102,312	322.88	31,753	213.11	1,139,544	316.80
Projected FY2017 Member Months	34		2,244		149		2,427	
Projected FY2017 Premium								
Current Rates	10,697	314.61	821,868	366.25	30,724	206.20	863,289	355.70
Current DSP Rate	0	0.00	0	0.00	29,641	198.93	29,641	12.21
Annual Trend Assumptions								
FY2016	2.50 %		2.50 %		2.50 %			
FY2017	5.00 %		5.00 %		5.00 %			
Provider Reimbursement Change	1.0282		1.0003		1.0000			
Inpatient Reimbursement Changes	1.0204		1.0001		1.0011			
Projected Incurred Claims	6,187	181.96	780,101	347.64	34,212	229.61	820,499	338.07
Capitated Expenses/Refunds	1,613	47.43	66,149	29.48	4,401	29.54	72,163	29.73
Net Reinsurance Cost	13	0.37	690	0.31	47	0.32	750	0.31
Administrative Expenses								
Fixed Amount	425	12.50	28,050	12.50	1,863	12.50	30,338	12.50
Percentage of Premium	5.75 %	15.40	5.75 %	24.78	5.75 %	17.28	5.75 %	24.19
Risk Margin	2.00 %	5.36	2.00 %	8.62	2.00 %	6.01	2.00 %	8.41
Premium Tax	1.75 %	4.69	1.75 %	7.54	1.75 %	5.26	1.75 %	7.36
Maintenance Tax	2	0.07	157	0.07	10	0.07	170	0.07
Projected Total Cost	9,104	267.77	967,014	430.93	44,788	300.59	1,020,905	420.64
Adjusted Total Cost	9,104	267.77	967,014	430.93	15,147	101.66	991,264	408.43
Experience Rate Increase		-14.9 %		17.7 %		-50.7 %		14.8 %

	Newborn 198-202%		Perinate <198%		Perinate 198-202%		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2014- 8/31/2015								
Member Months	222		95,998		1,866		98,086	
Estimated Incurred Claims								
Professional	55,518	250.08	23,971,327	249.71	365,825	196.05	24,392,671	248.69
Emergency Room	0	0.00	204,329	2.13	2,888	1.55	207,217	2.11
Outpatient Facility	3,645	16.42	3,000,517	31.26	56,824	30.45	3,060,986	31.21
Inpatient Facility	467,691	2,106.71	13,481	0.14	192,238	103.02	673,409	6.87
Other	6,503	29.29	1,446,008	15.06	28,213	15.12	1,480,724	15.10
Total	533,357	2,402.51	28,635,662	298.29	645,988	346.19	29,815,007	303.97
Projected FY2017 Member Months	222		75,456		1,866		77,544	
Projected FY2017 Premium								
Current Rates	69,844	314.61	26,524,891	351.53	384,770	206.20	26,979,504	347.93
Current DSP Rate	0	0.00	0	0.00	560,914	300.60	560,914	7.23
Annual Trend Assumptions								
FY2016	2.50 %		2.50 %		2.50 %			
FY2017	5.00 %		5.00 %		5.00 %			
Provider Reimbursement Change	1.0001		1.0031		1.0038			
Inpatient Reimbursement Changes	1.0321		1.0000		1.0148			
Projected Incurred Claims	592,511	2,668.97	24,299,437	322.03	708,215	379.54	25,600,164	330.14
Capitated Expenses/Refunds	275	1.24	160,538	2.13	3,077	1.65	163,889	2.11
Net Reinsurance Cost	17	0.08	5,638	0.07	146	0.08	5,802	0.07
Administrative Expenses								
Fixed Amount	2,775	12.50	943,200	12.50	23,325	12.50	969,300	12.50
Percentage of Premium	5.75 %	170.46	5.75 %	21.40	5.75 %	25.02	5.75 %	21.91
Risk Margin	2.00 %	59.29	2.00 %	7.44	2.00 %	8.70	2.00 %	7.62
Premium Tax	1.75 %	51.88	1.75 %	6.51	1.75 %	7.62	1.75 %	6.67
Maintenance Tax	16	0.07	5,282	0.07	131	0.07	5,428	0.07
Projected Total Cost	658,115	2,964.48	28,081,873	372.16	812,037	435.18	29,552,025	381.10
Adjusted Total Cost	658,115	2,964.48	28,081,873	372.16	251,123	134.58	28,991,111	373.87
Experience Rate Increase		842.3 %		5.9 %		-34.7 %		7.5 %

	Newborn 198-202%		Perinate <198%		Perinate 198-202%		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2014- 8/31/2015								
Member Months	114		38,738		931		39,783	
Estimated Incurred Claims								
Professional	12,574	110.30	5,064,584	130.74	178,779	192.03	5,255,937	132.12
Emergency Room	3,892	34.14	93,426	2.41	1,490	1.60	98,808	2.48
Outpatient Facility	790	6.93	1,074,876	27.75	18,349	19.71	1,094,016	27.50
Inpatient Facility	5,693	49.94	0	0.00	39,602	42.54	45,295	1.14
Other	319	2.80	4,669,646	120.54	27,226	29.24	4,697,191	118.07
Total	23,269	204.11	10,902,532	281.44	265,446	285.12	11,191,247	281.31
Projected FY2017 Member Months	114		32,256		931		33,301	
Projected FY2017 Premium								
Current Rates	35,866	314.61	10,633,559	329.66	191,972	206.20	10,861,398	326.16
Current DSP Rate	0	0.00	0	0.00	214,650	230.56	214,650	6.45
Annual Trend Assumptions								
FY2016	2.50 %		2.50 %		2.50 %			
FY2017	5.00 %		5.00 %		5.00 %			
Provider Reimbursement Change	1.0000		1.0002		1.0001			
Inpatient Reimbursement Changes	1.0331		1.0000		1.0123			
Projected Incurred Claims	25,872	226.95	9,772,388	302.96	289,229	310.67	10,087,489	302.92
Capitated Expenses/Refunds	64	0.56	11,338	0.35	315	0.34	11,717	0.35
Net Reinsurance Cost	41	0.36	9,327	0.29	276	0.30	9,644	0.29
Administrative Expenses								
Fixed Amount	1,425	12.50	403,200	12.50	11,638	12.50	416,263	12.50
Percentage of Premium	5.75 %	15.28	5.75 %	20.09	5.75 %	20.58	5.75 %	20.09
Risk Margin	2.00 %	5.31	2.00 %	6.99	2.00 %	7.16	2.00 %	6.99
Premium Tax	1.75 %	4.65	1.75 %	6.11	1.75 %	6.26	1.75 %	6.11
Maintenance Tax	8	0.07	2,258	0.07	65	0.07	2,331	0.07
Projected Total Cost	30,288	265.68	11,269,073	349.36	333,174	357.87	11,632,535	349.31
Adjusted Total Cost	30,288	265.68	11,269,073	349.36	118,524	127.31	11,417,885	342.87
Experience Rate Increase		-15.6 %		6.0 %		-38.3 %		5.1 %

	Newborn 198-202%		Perinate <198%		Perinate 198-202%		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Estimated Experience 9/1/2014- 8/31/2015								
Member Months	108		28,084		520		28,712	
Estimated Incurred Claims								
Professional	12,245	113.38	9,292,020	330.87	114,512	220.21	9,418,777	328.04
Emergency Room	422	3.91	44,572	1.59	1,359	2.61	46,353	1.61
Outpatient Facility	39	0.36	502,710	17.90	12,151	23.37	514,900	17.93
Inpatient Facility	5,879	54.44	23,496	0.84	44,511	85.60	73,886	2.57
Other	156	1.44	787,981	28.06	7,496	14.42	795,633	27.71
Total	18,742	173.54	10,650,778	379.25	180,029	346.21	10,849,549	377.88
Projected FY2017 Member Months	108		23,676		520		24,304	
Projected FY2017 Premium								
Current Rates	33,978	314.61	10,595,071	447.50	107,224	206.20	10,736,274	441.75
Current DSP Rate	0	0.00	0	0.00	107,562	206.85	107,562	4.43
Annual Trend Assumptions								
FY2016	2.50 %		2.50 %		2.50 %			
FY2017	5.00 %		5.00 %		5.00 %			
Provider Reimbursement Change	1.0000		1.0004		1.0001			
Inpatient Reimbursement Changes	1.0047		1.0001		1.0204			
Projected Incurred Claims	20,266	187.65	9,668,542	408.37	197,728	380.25	9,886,536	406.79
Capitated Expenses/Refunds	356	3.29	8,592	0.36	251	0.48	9,198	0.38
Net Reinsurance Cost	23	0.21	3,995	0.17	96	0.19	4,114	0.17
Administrative Expenses								
Fixed Amount	1,350	12.50	295,950	12.50	6,500	12.50	303,800	12.50
Percentage of Premium	5.75 %	12.94	5.75 %	26.78	5.75 %	25.00	5.75 %	26.68
Risk Margin	2.00 %	4.50	2.00 %	9.31	2.00 %	8.70	2.00 %	9.28
Premium Tax	1.75 %	3.94	1.75 %	8.15	1.75 %	7.61	1.75 %	8.12
Maintenance Tax	8	0.07	1,657	0.07	36	0.07	1,701	0.07
Projected Total Cost	24,311	225.10	11,026,228	465.71	226,090	434.79	11,276,629	463.98
Adjusted Total Cost	24,311	225.10	11,026,228	465.71	118,528	227.94	11,169,067	459.56
Experience Rate Increase		-28.5 %		4.1 %		10.5 %		4.0 %

FY2017 CHIP Perinatal Rating
 Rating Assumptions
 Benefit and Provider Reimbursement Changes

Service Area	IP Hospital Reimbursement Change (1)			PPR Reduction (2)			PPC Reduction (3)		
	NB >198%	Per <198%	Per >198%	NB >198%	Per <198%	Per >198%	NB >198%	Per <198%	Per >198%
Bexar	0.0390	0.0000	0.0332	0.0000	0.0000	0.0000	0.0012	0.0000	0.0046
Dallas	0.0077	0.0000	0.0320	0.0010	0.0000	0.0007	0.0016	0.0000	0.0056
El Paso	0.0209	0.0000	0.0338	0.0000	0.0000	0.0019	0.0000	0.0000	0.0000
Harris	0.0426	0.0003	0.0230	0.0011	0.0000	0.0035	0.0114	0.0000	0.0058
Jefferson	0.0352	0.0005	0.0014	0.0038	0.0000	0.0008	0.0000	0.0000	0.0000
Lubbock	0.0174	0.0000	0.0249	0.0008	0.0000	0.0004	0.0055	0.0000	0.0025
Nueces	0.0184	0.0001	0.0000	0.0000	0.0000	0.0000	0.0020	0.0000	0.0011
RSA	0.0129	0.0000	0.0119	0.0001	0.0000	0.0007	0.0189	0.0000	0.0022
Tarrant	0.0278	0.0000	0.0098	0.0009	0.0000	0.0010	0.0043	0.0000	0.0015
Travis	0.0040	0.0001	0.0148	0.0000	0.0000	0.0023	0.0007	0.0000	0.0032

Service Area	Limit Related Party (4)			OP Rural Hospital Reimb. Change (5)			Imaging Fee Schedule Change (6)		
	NB >198%	Per <198%	Per >198%	NB >198%	Per <198%	Per >198%	NB >198%	Per <198%	Per >198%
Bexar	0.0000	0.0000	0.0000	0.0000	0.0005	0.0000	0.0000	0.0000	0.0000
Dallas	-0.0008	-0.1054	-0.0780	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
El Paso	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Harris	-0.0005	-0.0029	-0.0020	0.0005	0.0001	0.0000	0.0000	0.0000	0.0000
Jefferson	0.0000	-0.0004	0.0000	0.0000	0.0003	0.0007	0.0000	0.0001	0.0001
Lubbock	0.0000	0.0000	0.0000	0.0000	0.0052	0.0025	0.0000	0.0012	0.0013
Nueces	0.0000	0.0000	0.0000	0.0282	0.0001	0.0000	0.0000	0.0002	0.0000
RSA	0.0000	0.0000	0.0000	0.0002	0.0023	0.0029	0.0000	0.0008	0.0009
Tarrant	0.0000	0.0000	0.0000	0.0000	0.0001	0.0000	0.0000	0.0001	0.0001
Travis	0.0000	0.0000	0.0000	0.0000	0.0003	0.0000	0.0000	0.0001	0.0001

FY2017 CHIP Perinatal Rating
 Rating Assumptions
 Benefit and Provider Reimbursement Changes

Service Area	Therapy Reimbursement Change (7)		
	NB >198%	Per <198%	Per >198%
Bexar	0.0000	0.0000	0.0000
Dallas	0.0000	0.0000	0.0000
El Paso	0.0000	0.0000	0.0000
Harris	0.0000	0.0000	0.0000
Jefferson	0.0000	0.0000	0.0000
Lubbock	0.0000	0.0000	0.0000
Nueces	0.0000	0.0000	0.0000
RSA	-0.0001	0.0000	0.0000
Tarrant	0.0000	0.0000	0.0000
Travis	0.0000	0.0000	0.0000

- (1) Inpatient hospital reimbursement change
- (2) Reduction for potentially preventable readmissions
- (3) Reduction for potentially preventable conditions
- (4) Limit reimbursement to related party
- (5) Outpatient rural hospital reimbursement change - non imaging services
- (6) Outpatient rural hospital reimbursement change - imaging services
- (7) Therapy reimbursement reduction

Attachment 8

CHIP Dental Rating

Exhibit A presents a summary of the actuarial model used to derive the FY2017 CHIP Dental premium rates. The premium rates rely on recent dental plan financial experience. Historical claims experience data for the dental plan was analyzed and estimates for the base period January 1st, 2015 through December 31th, 2015 (CY2015) were developed. The claims experience was trended forward to FY2017 using assumed trend rates of 6.7% for FY2015 and FY2016. An adjustment was also made for an expected increase in utilization as a result of the Pay-for-Quality (P4Q) program.

Provision for administrative expenses (\$1.75 pmpm), risk margin (2.0% of premium), premium tax (1.75% of premium) and maintenance tax (\$.023 pmpm) were added to the projected claims to produce the FY2016 premium rates.

The bottom of the exhibit shows a summary of the projected FY2017 cost based on these assumptions and the experience rate increase.

Attached Exhibit B presents a summary of the historical CHIP dental plan claims experience.

Attached Exhibit C presents details regarding the calculation of the trend assumption. The trend analysis included a review of dental plan claims experience through February 29, 2016. The historical quarterly cost per member per month were calculated and adjusted for case-mix differences using members in CY2015Q4 as weights. The annual trend assumption was selected based on the simple average of the past eight calendar quarter trends excluding the high and low. This analysis was used to calculate an annual trend rate assumption of 6.7%.

Attached Exhibit D presents the derivation of the Pay-for-Quality utilization adjustment factors. Effective January 1, 2015, the P4Q program places two percent of each dental plan's premium at risk. In order to retain the full two percent of premium, we have assumed that each dental plan will increase preventive service utilization by closing the gap between the attainable goal and the baseline experience (calendar year 2015) by 15% each year for each of the P4Q measurements. Exhibit D-1 presents the estimated cost increase as a result of the P4Q program. The top of the exhibit shows the CY2015 baseline period measurement value, attainable goal and cost per member receiving services for each of the P4Q measurements. The middle of the exhibit shows the increase in utilization for each of the P4Q measurements needed to close the gap between the attainable goal and the baseline experience by 15% each year. The bottom of the exhibit shows the estimated increase in cost as a result of the P4Q program. Exhibit D-2 presents the derivation of the P4Q adjustment factor by redistributing the estimated increase in cost by age groups.

CHIP Dental Rating
Rating Period: 9/1/2016 - 8/31/2017
Statewide Experience

	<1		1-5		6-14		15-18		Total	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
CY2015 Experience Period										
Member Months	1,983		919,178		2,320,841		820,778		4,062,780	
Estimated CY2015 Incurred Claims										
Non Ortho - Diagnostic	1,299	0.66	4,981,783	5.42	17,537,078	7.56	5,197,910	6.33	27,718,070	6.82
Non Ortho - Preventive	979	0.49	4,118,414	4.48	16,407,229	7.07	4,742,840	5.78	25,269,462	6.22
Non Ortho - Restorative	0	0.00	3,885,921	4.23	15,291,582	6.59	5,124,412	6.24	24,301,915	5.98
Non Ortho - Other	0	0.00	598,157	0.65	2,269,007	0.98	1,510,744	1.84	4,377,908	1.08
Orthodontic	0	0.00	0	0.00	31,172	0.01	99,866	0.12	131,037	0.03
Total	2,278	1.15	13,584,275	14.78	51,536,068	22.21	16,675,772	20.32	81,798,392	20.13
Projected FY2017 Member Months	2,100		960,516		2,422,440		849,408		4,234,464	
Projected FY2017 Premium										
Current Rates	6,300	3.00	17,519,812	18.24	63,249,908	26.11	19,901,629	23.43	100,677,650	23.78
Annual Cost Trend Assumptions										
Non Orthodontia	6.7 %		6.7 %		6.7 %		6.7 %			
Orthodontia	6.7 %		6.7 %		6.7 %		6.7 %			
Non Orthodontia Adjustment Factors										
P4Q Utilization Adjustment	1.000		1.022		1.031		1.023			
Projected FY2017 Incurred Claims										
Non Orthodontia	2,686	1.28	16,157,239	16.82	61,675,988	25.46	19,539,051	23.00	97,374,964	23.00
Orthodontia	0	0.00	0	0.00	36,222	0.01	115,056	0.14	151,277	0.04
Total	2,686	1.28	16,157,239	16.82	61,712,210	25.48	19,654,107	23.14	97,526,242	23.03
Administrative Fee	3,675	1.75	1,680,903	1.75	4,239,270	1.75	1,486,464	1.75	7,410,312	1.75
Risk Margin	133	2.00%	371,128	2.00%	1,371,595	2.00%	439,696	2.00%	2,182,553	2.00%
Premium Tax	117	1.75%	324,737	1.75%	1,200,146	1.75%	384,734	1.75%	1,909,734	1.75%
Maintenance Tax	49	0.02	22,412	0.02	56,524	0.02	19,820	0.02	98,804	0.02
Projected Total Cost	6,659	3.17	18,556,420	19.32	68,579,744	28.31	21,984,821	25.88	109,127,644	25.77
Rate Change %		5.7%		5.9%		8.4%		10.5%		8.4%

CHIP Dental Plan
 Estimated Claims Experience
 All Age Groups

Month	Members	Inc & Pd Claims	Compl Factor	Est. Inc. Claims	Est. Inc. pmpm	Trend Factor
Sep-12	356,533	4,398,203	1.000	4,398,203	12.34	
Oct-12	359,492	5,468,277	1.000	5,468,277	15.21	
Nov-12	367,719	5,035,778	1.000	5,035,778	13.69	
Dec-12	588,209	7,869,471	1.000	7,869,471	13.38	
Jan-13	591,419	11,077,476	1.000	11,077,476	18.73	
Feb-13	590,964	10,135,557	1.000	10,135,557	17.15	
Mar-13	594,260	12,293,322	1.000	12,293,322	20.69	
Apr-13	597,058	10,077,475	1.000	10,077,475	16.88	
May-13	599,943	9,846,880	1.000	9,846,880	16.41	
Jun-13	597,288	11,083,331	1.000	11,083,331	18.56	
Jul-13	590,610	13,230,635	1.000	13,230,635	22.40	
Aug-13	595,504	14,187,064	1.000	14,187,064	23.82	
Sep-13	605,177	9,149,684	1.000	9,149,684	15.12	1.226
Oct-13	598,969	10,436,875	1.000	10,436,875	17.42	1.146
Nov-13	581,071	9,317,681	1.000	9,317,681	16.04	1.171
Dec-13	567,382	8,179,817	1.000	8,179,817	14.42	1.078
Jan-14	567,992	10,595,678	1.000	10,595,678	18.65	0.996
Feb-14	556,730	9,769,244	1.000	9,769,244	17.55	1.023
Mar-14	524,080	11,471,713	1.000	11,471,713	21.89	1.058
Apr-14	490,204	8,844,021	1.000	8,844,021	18.04	1.069
May-14	480,785	8,246,768	1.000	8,246,768	17.15	1.045
Jun-14	460,964	9,255,184	1.000	9,255,184	20.08	1.082
Jul-14	430,612	10,046,233	1.000	10,046,233	23.33	1.041
Aug-14	404,405	9,976,628	1.000	9,976,628	24.67	1.036
Sep-14	376,244	6,252,432	1.000	6,252,432	16.62	1.099
Oct-14	356,988	6,524,637	1.000	6,524,637	18.28	1.049
Nov-14	342,786	5,622,869	1.000	5,622,869	16.40	1.023
Dec-14	335,062	5,708,274	1.000	5,708,274	17.04	1.182
Jan-15	328,791	6,318,322	1.000	6,319,093	19.22	1.030
Feb-15	324,155	5,728,713	1.000	5,729,577	17.68	1.007
Mar-15	331,391	7,550,776	1.000	7,552,320	22.79	1.041
Apr-15	332,084	6,604,434	1.000	6,606,279	19.89	1.103
May-15	329,617	5,759,765	1.000	5,762,125	17.48	1.019
Jun-15	333,325	7,267,399	1.000	7,270,930	21.81	1.086
Jul-15	337,252	8,147,299	0.999	8,151,715	24.17	1.036
Aug-15	342,516	8,170,591	0.999	8,177,423	23.87	0.968
Sep-15	349,086	6,377,619	0.999	6,385,013	18.29	1.101
Oct-15	351,783	6,896,989	0.998	6,908,519	19.64	1.075
Nov-15	350,159	6,259,438	0.996	6,284,964	17.95	1.094
Dec-15	352,621	6,556,707	0.986	6,650,433	18.86	1.107
FY2013	6,428,999			114,703,469	17.84	
FY2014	6,268,371			115,289,526	18.39	1.031
FY2015	4,070,211			79,677,674	19.58	1.064
CY2015	4,062,780			81,798,392	20.13	

CHIP Dental FY2017 Rating
Trend Analysis

Quarter	Member Months				
	<1	1-5	6-14	15-18	Total
CY2013Q1	4,144	298,235	1,091,478	382,786	1,776,643
CY2013Q2	4,519	303,988	1,099,522	386,260	1,794,289
CY2013Q3	4,585	304,607	1,095,575	386,524	1,791,291
CY2013Q4	2,789	292,176	1,075,341	377,116	1,747,422
CY2014Q1	2,219	267,755	1,021,609	357,219	1,648,802
CY2014Q2	1,604	250,851	869,138	310,360	1,431,953
CY2014Q3	890	232,122	715,019	263,230	1,211,261
CY2014Q4	599	215,627	600,807	217,803	1,034,836
CY2015Q1	445	220,182	564,274	199,436	984,337
CY2015Q2	441	225,960	567,472	201,153	995,026
CY2015Q3	493	234,103	586,362	207,896	1,028,854
CY2015Q4	604	238,933	602,733	212,293	1,054,563

Quarter	Esimated Incurred Claims				
	<1	1-5	6-14	15-18	Total
CY2013Q1	5,950	4,091,421	22,709,563	6,699,419	33,506,354
CY2013Q2	4,472	4,032,262	20,719,585	6,251,368	31,007,686
CY2013Q3	4,837	4,349,408	24,619,118	7,594,020	36,567,383
CY2013Q4	3,783	3,439,510	18,676,364	5,814,716	27,934,373
CY2014Q1	2,495	3,751,628	21,538,150	6,544,363	31,836,635
CY2014Q2	2,058	3,581,290	17,288,685	5,473,940	26,345,972
CY2014Q3	1,119	3,569,598	16,963,547	5,741,029	26,275,293
CY2014Q4	349	2,875,160	11,272,894	3,707,376	17,855,780
CY2015Q1	642	3,241,582	12,367,495	3,991,271	19,600,990
CY2015Q2	617	3,386,989	12,284,331	3,967,397	19,639,335
CY2015Q3	638	3,630,441	14,414,186	4,668,887	22,714,151
CY2015Q4	329	3,323,134	12,471,520	4,048,933	19,843,916

Quarter	PMPM - Actual				
	<1	1-5	6-14	15-18	Total
CY2013Q1	1.44	13.72	20.81	17.50	18.86
CY2013Q2	0.99	13.26	18.84	16.18	17.28
CY2013Q3	1.06	14.28	22.47	19.65	20.41
CY2013Q4	1.36	11.77	17.37	15.42	15.99
CY2014Q1	1.12	14.01	21.08	18.32	19.31
CY2014Q2	1.28	14.28	19.89	17.64	18.40
CY2014Q3	1.26	15.38	23.72	21.81	21.69
CY2014Q4	0.58	13.33	18.76	17.02	17.25
CY2015Q1	1.44	14.72	21.92	20.01	19.91
CY2015Q2	1.40	14.99	21.65	19.72	19.74
CY2015Q3	1.29	15.51	24.58	22.46	22.08
CY2015Q4	0.54	13.91	20.69	19.07	18.82

CHIP Dental FY2017 Rating
Trend Analysis

Quarter	PMPM	Case-Mix Adjusted	
	Actual	PMPM	Trend
CY2013Q1	18.86	18.52	
CY2013Q2	17.28	17.03	
CY2013Q3	20.41	20.03	
CY2013Q4	15.99	15.70	
CY2014Q1	19.31	18.91	2.1%
CY2014Q2	18.40	18.16	6.6%
CY2014Q3	21.69	21.44	7.0%
CY2014Q4	17.25	17.17	9.4%
CY2015Q1	19.91	19.89	5.2%
CY2015Q2	19.74	19.74	8.7%
CY2015Q3	22.08	22.09	3.0%
CY2015Q4	18.82	18.82	9.6%

Selected Trend **6.7%**

Avg last 8 quarters - excluding high and low

FY2017 CHIP Dental Rating
P4Q Utilization Adjustment
Statewide Experience

	Preventive	Sealants		Annual Dental Visit				
		6-9	10-14	2-3	4-6	7-10	11-14	15-18
CY2015 Experience Period								
Total Members	185,200	83,342	107,707	16,518	27,483	50,379	46,331	38,607
Num. Members Receiving P4Q Ser	132,210	18,072	13,688	12,272	21,846	40,448	35,256	26,218
Current Measurement %	71.4%	21.7%	12.7%	74.3%	79.5%	80.3%	76.1%	67.9%
Attainable Goal	80.0%	30.0%	25.0%	80.0%	88.0%	90.0%	85.0%	75.0%
Paid per Member (1)	112.52	83.72	68.52	234.46	357.94	371.57	366.93	416.14
Paid per Member Adjusted (2)	123.77	92.10	75.37	257.90	393.74	408.73	403.62	457.75
15% Incremental Improvement (3)								
Year 1	1.3%	1.2%	1.8%	0.9%	1.3%	1.5%	1.3%	1.1%
Year 2	0.7%	0.7%	1.0%	0.5%	0.7%	0.8%	0.8%	0.6%
Total - Percent Increase	2.0%	2.0%	2.9%	1.3%	2.0%	2.3%	2.1%	1.7%
Total - Member Increase	3,748	1,629	3,111	221	550	1,150	969	643
Estimated P4Q Impact (4)	463,931	149,995	234,490	57,116	216,427	469,986	391,296	294,450

(1) Average paid per member for P4Q services for each of the measurements.

(2) Assume Paid per Member will increase by 10% due to additional ancillary services performed on top of P4Q services.

(3) Assume each plan will increase utilization by closing gap between attainable goal and current measurement value

(4) Total Member Increase * Avg. Cost per Member

FY2017 CHIP Dental Rating
Pay for Performance Utilization Adjustment

	Age <1	Age 1-5	Age 6-14	Age 15-18	Total
Estimated Cost Impact of Pay for Performance Utilization Increase (1)					
Preventive Services	-	105,013	265,147	93,771	463,931
Sealant 6-9	-	-	149,995	-	149,995
Sealant 10-14	-		234,490	-	234,490
Annual Dental Visit 2-3	-	57,116			57,116
Annual Dental Visit 4-6	-	140,677	75,749		216,427
Annual Dental Visit 7-10	-		469,986		469,986
Annual Dental Visit 11-14	-		391,296		391,296
Annual Dental Visit 15-18	-			294,450	294,450
Total	-	302,806	1,586,664	388,221	2,277,691
Estimated Incurred Claims -Non Ortho	2,223	13,566,706	51,448,079	16,559,096	81,576,104
Rate Adjustment (2)	0.0 %	2.2 %	3.1 %	2.3 %	2.8 %

Footnotes:

(1) Equals the additional cost assuming an increase in utilization for each of the Pay-for-Quality metrics.

Assumes each plan will close the gap between the attainable goal and the baseline experience value by 15% per year.

(2) Additional cost divided by CY2015 Total Incurred Claims.