

**STATE OF TEXAS
MEDICAID MANAGED CARE
STAR PROGRAM RATE SETTING
STATE FISCAL YEAR 2013**

Prepared for:
Texas Health and Human Services Commission

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I. Introduction

Rudd and Wisdom, Inc. has been retained by the Texas Health and Human Services Commission (HHSC) to develop the state fiscal year 2013 (FY2013, September 1, 2012 through August 31, 2013) premium rates for HMOs participating in the Texas Medicaid STAR program. 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 25 years. We have participated in the state's managed care rating process since its inception in 1993. This year, as in previous years, we have worked closely with HHSC in developing the FY2013 HMO premium rates.

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

- Monthly enrollment by risk group for each health plan. This includes historical enrollment since September 2008 and a projection of future enrollment through August 2013. These projections were prepared by HHSC System Forecasting staff.
- Claim lag reports by risk group for each health plan for the period September 2008 through February 2012. These reports include monthly paid claims by month of service.
- Financial Statistical Reports (FSR) for each participating HMO for FY2010, FY2011 and the first six months of FY2012. The FSR contains detailed information regarding monthly enrollment, revenue, incurred claims and administrative expenses, as reported by the HMO.
- Reports from the EQRO summarizing their analysis of the HMO's encounter claims data.
- Reports from the health plans providing information on high volume claimants during the experience period.
- Current (FY2012) premium rates and Delivery Supplemental Payment rates by risk group for each HMO.
- The number of maternity deliveries by HMO and risk group for the period September 2008 through December 2011.
- Information from both HHSC and the HMOs regarding recent changes in covered services and provider reimbursement under the Medicaid program.
- Information from the HMOs regarding current and projected payment rates for certain capitated services, such as mental health and vision.
- Information regarding FY2011 third party reimbursement from each of the HMOs.
- FY2011 acuity risk adjustment analysis provided by the EQRO for each participating health plan.
- Information from the HMOs regarding current and projected reinsurance premium rates.

- Historical enrollment and claims experience data for the Medicaid Primary Care Case Management (PCCM) plan.
- Information provided by HHSC regarding FY2011 health plan claims cost by type of service for certain services. This information was obtained from the encounter database.
- Information provided by HHSC regarding proposed FY2013 Medicaid provider reimbursement rates.
- Information provided by HHSC regarding the DRG rebasing.
- Information provided by HHSC regarding historical FQHC wrap payments previously paid by HHSC.
- Information provided by HHSC regarding newly capitated services previously paid by HHSC.

Although the above data was reviewed for reasonableness, Rudd and Wisdom did not audit the data.

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 STAR program can be found in the report titled State of Texas Medicaid Managed Care Rate Setting Pharmacy Carve-in State Fiscal Year 2013.

The actuarial model used to derive the FY2013 STAR HMO premium rates relies primarily on health plan financial experience. The historical claims experience for each HMO (by area) was analyzed and estimates for the base period (FY2011) were developed. These estimates were then projected forward to FY2013 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 FY2013 cost under the health plan. These projected total cost rates were determined separately for each risk group for each health plan. The results of this analysis were then combined for all HMOs in a service area in order to develop a set of community rates for each service area.

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

- Bexar County Service Area (San Antonio)
- Dallas County Service Area (Dallas)
- El Paso County Service Area (El Paso)
- Harris County Service Area (Houston)
- Lubbock County Service Area (Lubbock)
- Nueces County Service Area (Corpus Christi)
- Tarrant County Service Area (Fort Worth)
- Travis County Service Area (Austin)

A description of the rating methodology utilized for the new Jefferson, Hidalgo and MRSA SDAs can be found in the report titled State of Texas Medicaid Managed Care STAR Program Rate Setting Hidalgo, Jefferson and MRSA Service Delivery Areas State Fiscal Year 2013.

The risk groups (or rating populations) used in the analysis are as follows:

- TANF Children Over Age One Year
- TANF Children Under Age One Year
- TANF Adults
- Pregnant Women
- Newborns
- Expansion Children Over Age One Year
- Expansion Children Under Age One Year
- Federal Mandate Children

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 (except in the Dallas service area)
- EPSDT Medical Services
- Family Planning and Genetics Services
- Comprehensive Care Program Services
- Vision Services
- Hearing Services
- Home Health Services
- Emergency Room Services
- Ambulance Services
- Prescription Drugs

Services specifically excluded from the analysis include:

- Dental and Orthodontia Services

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

We projected the FY2013 cost for each individual HMO by estimating their base period (FY2011) average claims cost and then applying trend and other adjustment factors. (These adjustment factors are described in Section III.) We added capitation expenses for services capitated by the HMO (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 HMO. This type of analysis was conducted for each health plan.

Beginning September 1, 2011, several of the existing STAR regions saw an expansion in their service area. For these areas, the PCCM experience for the new expansion counties has been included in the rating analysis. Estimated FY2011 PCCM claims experience was projected to FY2013 using the same methodology and trends as those used to project HMO experience. A managed care efficiency factor was applied to adjust the PCCM claims to an assumed HMO level. More information about this managed care efficiency factor is presented in Section III. The resulting PCCM projected claims were used to develop the FY2013 incurred claims assumption for use in the community rates.

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

HHSC utilizes a community rating methodology in setting the STAR base premium rates. The base rates vary by service area and risk group but are the same for each HMO in a service area. The community rates are developed by a weighted average of the projected FY2013 cost for each health plan in the service area. The weights used in this formula are the projected FY2013 number of clients enrolled in each health plan by risk group. Attachment 3 presents the summary community rating exhibit for each service area along with a description of the analysis.

The projected FY2013 average total per-capita cost in a service area is called the unadjusted premium rate. This rate includes provision for all health care and administrative services to be provided by the HMO. This rate is then separated into two components – (i) non-maternity related expenses and (ii) maternity expenses. The premium rate for non-maternity expenses is called the adjusted premium rate. These are the monthly rates paid to the HMO. The amount paid for maternity expenses is called the Delivery Supplemental Payment. More information on this adjustment is provided in Section III below under Risk Adjustment and in Attachment 8.

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 9.

III. Adjustment Factors

This section contains a description of the adjustment factors used in the FY2013 STAR 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 various HMO plans. A single trend assumption applied to all service areas but varies by risk group and projection year (FY2012 and FY2013).

The trend analysis included a review of HMO claims experience data through February 29, 2012. Based on this information, estimates of monthly incurred claims were made through December 2011. The claims cost and trend experience was reviewed separately by service area and risk group. The service area trends were then combined into a statewide average using a weighted average formula with estimated incurred claims as the weights.

The FY2012 trend assumptions were developed from two components: (i) the actual estimated trend for the period September 2011 through December 2011 and (ii) the projected trend for the period January 2012 through August 2012. The experience trends for the period September 2011 through December 2011 were adjusted to remove the impact of the various provider reimbursement reductions effective September 1, 2011 which are discussed further in this report. The trends for the final eight months of FY2012 for risk groups other than Newborns were projected using experience from FY2009 (3/10 weight), FY2010 (3/10 weight), FY2011 (3/10 weight) and the first four months of FY2012 (1/10 weight). The FY2013 trend assumptions for risk groups other than Newborns were then developed from a simple average of the FY2009 trend, FY2010 trend, FY2011 trend and projected FY2012 trend. The trend for the final eight months of FY2012 for Newborns was projected using experience from FY2009 (3/7 weight), FY2010 (3/7 weight) and the first four months of FY2012 (1/7 weight). The FY2013 trend assumption for Newborns was based on the average of the FY2009, FY2010 and projected FY2012 trends. The FY2011 trend was excluded from these calculations because the movement of former CHIP Perinatal newborns under 185% FPL to STAR resulted in a one-time reduction in the newborn trend for FY2011.

Attachment 4 is a summary of the cost trend analysis. The chart below presents the assumed annual trend rates for FY2012 and FY2013.

	<u>FY2012</u>	<u>FY2013</u>
TANF Children Over Age 1	6.7 %	8.9 %
TANF Children Under Age 1	6.7 %	8.9 %
TANF Adults	6.8 %	7.3 %
Pregnant Women	0.2 %	1.8 %
Newborns	-2.3 %	1.5 %
Expansion Children Over Age 1	4.2 %	4.9 %
Expansion Children Under Age 1	4.2 %	4.9 %
Federal Mandate Children	3.8 %	5.2 %

Managed Care Efficiency Factor

Effective September 1, 2011, HHSC implemented service area expansions for several existing STAR areas. This resulted in the elimination of PCCM in these counties and the movement of those clients to MCOs. We have considered this in our analysis by including the actual PCCM claims experience in our rating model. In each of the expansion counties we used FY2011 PCCM claims experience in deriving the FY2013 community rates.

The basic premise regarding the future cost of current PCCM clients is that their FY2013 gross cost under the MCO model (including administrative expenses and risk margin) will be the same as the projected FY2013 gross cost under the PCCM model. Since administrative expenses and risk margin are significantly higher under the HMO model, in order for the gross cost to be the same as the PCCM it is necessary for the medical claims cost to be lower than that under the PCCM. We prepared an analysis which considered all of the cost factors (including PCCM case management fees and TMHP costs) and concluded that the managed care efficiency under the HMO model would need to be 10.1%, relative to the PCCM, in order for the gross cost for the two models to be equal. Therefore, we have applied a 10.1% managed care efficiency (or claims adjustment factor) to the FY2011 PCCM claims experience. Our analysis is presented in Attachment 10.

Provider Reimbursement Adjustments

Medicaid provider reimbursement changes were provided for the following services: the two 1% provider rate cuts effective 9/1/2010 and 2/1/2011, the inclusion of wrap payments for FQHCs effective 9/1/2011, DRG rebasing, legislative mandated provider rate reductions, the transition of outpatient imaging services to a fee schedule, 40% reduction for non emergent services provided in an emergency room, and further revision to the DME and therapy fee schedules.

The legislative mandated provider rate reductions included the following:

- 8% hospital rate reduction
- 10.5% laboratory rate reduction (excludes DSHS and physician lab)
- Varying durable medical equipment reductions.
- 5% reduction for all other providers excluding ambulance, private duty nursing

(children only), home health (children only), dental, orthodontics, physicians (includes psychiatrists, optometrists, radiologists, podiatrists and orthodontists), FQHCs, Rural Health Centers and TEFRA reimbursed hospitals.

The rating adjustments for these provider reimbursement changes were calculated by applying actual health plan encounter data to the old and new reimbursement basis and the resulting impact determined. Attachment 5 presents a summary of the derivation of these adjustment factors.

Newly Capitated Services

Effective March 1, 2012 several services previously carved out of the STAR program became capitated services. Certain Early Childhood Intervention (ECI) services and hearing and audiology services for children will now be the responsibility of the participating MCOs. Exhibits J and K of attachment 5 present a summary of the derivation of these adjustment factors.

Related Party Adjustments

Beginning in FY2011, 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. HHSC staff met with the health plans individually to determine (i) which providers had an owner-relationship to the health plan and (ii) the basis on which the health plan reimbursed the provider. All health plans in the affected service areas were impacted because the related party adjustment lowered the community rate applicable to all of the plans in that area. Exhibit B of Attachment 5 presents a summary of the derivation of these adjustment factors.

DRG Rebasing Adjustments

Effective September 1, 2011, HHSC rebased the DRG reimbursement system and required rural hospitals to be reimbursed their full cost standard dollar amount. This rebasing effort was intended to update the Standard Dollar Amounts and Relative Weights used in the Medicaid DRG payment system. HHSC staff has utilized the FY2011 encounter data to determine the cost impact from DRG Rebasing on each service area and risk group. Exhibit D of Attachment 5 presents a summary of the resulting adjustment factors.

Family Planning Exclusion

Some of the MCOs that participate in the STAR program are not able to provide family planning services. HHSC provided us with a listing of those services that will not be provided by these MCOs. Adjustment factors were determined through an evaluation of the base period experience for the areas in which these plans operate. The premium rates for these MCOs have been reduced to reflect the reduced services provided. Attachment 6 provides additional information regarding this adjustment.

Third Party Recoveries

The rating methodology included a factor to recognize those health plans that do not satisfy a minimum level of recoveries for coordination of benefits. Any plan that did not recover at least 2.0% of claims had its projected claims cost reduced by 2.0% less their actual percentage of recoveries. For example, if a health plan has third party recoveries (TPR) of 1.5% of claims, then their projected claims cost would be reduced by 0.5%. Any plan that exceeded the minimum standard of 2.0% had no penalty applied. Additional information regarding TPR is included in Attachment 7.

Risk Adjustment

Several risk adjustment techniques are employed in the rate setting methodology. Premium rates are established separately by area of the state and risk 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 rate for maternity services. In addition, the rating methodology includes a health status adjustment.

The rate setting methodology incorporates a risk adjustment technique that is designed to provide uniform treatment of the health plans for costs related to maternity services. Maternity cases occur in several risk groups – Pregnant Women, TANF Adults, TANF Children and Federal Mandate Children. As a result, it is possible for one health plan to enroll a higher percentage of TANF Adults, for example, who are pregnant and therefore generally more expensive. In order to recognize the potential inequity that may arise between health plans, HHSC developed this risk adjustment methodology. The goal is to reimburse the plans uniformly for maternity delivery costs.

The State pays a delivery supplemental payment (DSP) for each delivery in a managed care plan. The amount of the payment is a function of the average delivery cost in the service area. Attachment 8 contains additional information regarding the DSP payment amounts.

In order to achieve cost neutrality, the projected cost of maternity expenses is subtracted from the unadjusted premium rates. The resulting adjusted premium rates are the rates actually paid to the HMOs, in addition to any DSP amounts.

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. The risk analysis was performed by the University of Florida's Institute for Child Health Policy (IHP). The methodology used to incorporate the acuity risk adjustment is the Chronic Illness and Disability Payment System (CDPS). Additional information regarding acuity risk adjustment is included in Attachment 9.

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

IV. Administrative Fees and Risk Margin

The rating methodology includes an explicit provision for administrative services. The amount allocated for administrative expenses is \$8.00 pmpm plus 5.75% of gross premium. This amount is intended to provide for all administrative-related services performed by the HMO.

The administrative fee amounts were determined based on a review of (i) the administrative fee provision included in Medicaid HMO premium rates in other states, (ii) the reported administrative expenses of the STAR HMOs and (iii) the fees paid for similar services for other large Texas health plans.

The premium rates also include an amount for premium tax (1.75% of premium), maintenance tax (\$0.125 pmpm) and a risk margin (2.0% of premium).

V. Summary

The chart below presents the results of the FY2013 STAR 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 2013

Health Plan	TANF Children (over age 1)	TANF Children (<1)	TANF Adults	Pregnant Women	Newborns
Monthly Adjusted Premium Rates					
Aetna - Bexar	\$142.10	\$454.46	\$475.87	\$442.52	\$541.99
Amerigroup – Bexar	165.89	385.62	496.70	446.94	603.82
CFHP – Bexar	161.76	337.41	464.91	438.27	547.16
Superior – Bexar	176.80	399.16	532.57	454.42	669.47
Amerigroup – Dallas	161.05	387.92	342.65	455.74	551.82
Molina – Dallas	168.13	369.67	363.40	454.36	577.11
Parkland – Dallas	168.82	367.52	371.60	456.53	601.11
El Paso First - El Paso	130.16	356.35	370.37	342.08	524.10
Molina – El Paso	139.36	330.92	370.63	346.76	528.46
Superior - El Paso	146.78	309.00	370.88	350.48	532.25
Amerigroup - Harris	145.25	434.35	546.42	503.73	682.77
CHC – Harris	145.11	413.58	516.02	504.67	608.19
Molina – Harris	163.21	581.67	429.94	473.13	720.13
TCHP – Harris	156.79	330.92	439.36	479.42	575.62
United – Harris	144.27	440.29	563.80	481.64	715.80
Amerigroup – Lubbock	146.66	692.52	425.74	422.70	605.14
Firstcare – Lubbock	130.67	782.91	417.02	422.12	586.75
Superior – Lubbock	172.50	565.97	437.93	423.58	630.60
Christus - Nueces	214.66	716.95	454.75	495.53	714.05
Driscoll - Nueces	208.90	810.99	418.17	502.49	734.12
Superior - Nueces	220.65	551.02	510.91	515.94	680.29
Aetna - Tarrant	160.14	257.34	412.58	422.91	632.16
Amerigroup - Tarrant	162.45	278.61	436.42	424.46	562.70
Cook - Tarrant	174.83	284.54	449.01	426.82	607.66
Blue Cross Blue Shield – Travis	150.42	371.30	382.07	605.26	731.84
Sendero – Travis	150.42	371.30	382.07	605.26	731.84
Seton - Travis	149.70	371.30	376.26	592.13	731.84
Superior - Travis	152.09	378.72	398.81	605.47	743.62

Health Plan	Expansion Children (over age 1)	Expansion Children (<1)	Federal Mandate Children	Delivery Supplemental Payment
Monthly Adjusted Premium Rates				
Aetna – Bexar	\$151.69	\$261.22	\$112.04	\$3,266.59
Amerigroup – Bexar	163.23	242.58	128.80	3,266.59
CFHP – Bexar	165.97	239.09	128.70	3,266.59
Superior – Bexar	163.99	237.06	133.88	3,266.59
Amerigroup – Dallas	165.92	320.60	128.08	3,537.13
Molina – Dallas	174.17	348.69	131.02	3,537.13
Parkland – Dallas	181.51	371.68	135.92	3,537.13
El Paso First – El Paso	144.63	257.35	114.95	3,443.04
Molina – El Paso	146.64	266.05	117.11	3,443.04
Superior – El Paso	148.22	276.73	119.00	3,443.04
Amerigroup – Harris	147.83	343.30	123.00	3,519.20
CHC – Harris	144.23	264.55	113.63	3,519.20
Molina – Harris	160.74	246.53	129.20	3,519.20
TCHP – Harris	159.96	293.97	132.10	3,519.20
United – Harris	155.95	299.75	139.14	3,519.20
Amerigroup – Lubbock	132.05	324.60	113.71	3,230.39
Firstcare – Lubbock	131.02	408.82	115.93	3,230.39
Superior – Lubbock	133.75	191.77	109.99	3,230.39
Christus – Nueces	204.17	277.21	171.48	3,203.82
Driscoll – Nueces	196.86	275.43	173.33	3,203.82
Superior – Nueces	235.82	231.84	174.80	3,203.82
Aetna – Tarrant	132.19	228.14	115.21	3,635.64
Amerigroup – Tarrant	149.97	220.41	131.75	3,635.64
Cook – Tarrant	177.71	323.00	141.47	3,635.64
Blue Cross Blue Shield – Travis	164.58	279.50	116.39	3,247.49
Sendero – Travis	164.58	279.50	116.39	3,247.49
Seton – Travis	164.40	279.50	115.87	3,247.49
Superior – Travis	165.24	279.51	116.93	3,247.49

The above premium rates include provision for 1915(b)(3) waiver services. The STAR HMOs cover adult inpatient hospital days in excess of thirty. The chart below presents the amount included in the FY2013 STAR HMO premium rates for 1915(b)(3) waiver services.

Health Plan	TANF Adults	Pregnant Women
Monthly Premium Rate for 1915(b)(3) Services		
All Plans/All Areas	\$ 3.85	\$ 2.56

Attachment 1 presents additional information regarding the FY2013 rates including a comparison to current (FY2012) rates.

VI. Actuarial Certification of FY2013 STAR HMO Premium Rates

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

Rudd and Wisdom has been retained by the Texas Health and Human Services Commission (HHSC) to assist in the development of their state fiscal year 2013 (FY2013) 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 FY2013 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.



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VII. Attachments

Attachment 1

Summary of FY2013 STAR Rating Analysis

The attached exhibit presents summary information regarding the FY2013 rates. Included on the exhibit are current (FY2012) premium, split between medical, prescription drug and delivery supplemental payment (DSP) rates, FY2013 premium, split between medical, prescription drug and DSP rates and a comparison of FY2012 and FY2013 premium rates.

FY2013 STAR Rating Summary

Health Plan	TANF Children (over age 1)	TANF Children (< 1)	TANF Adults	Pregnant Women	Newborns	Expansion Children (over age 1)	Expansion Children (< 1)	Federal Mandate Children	DSP
Current (3/1/12-8/31/12) Medical Premium Rates pmpm									
Aetna - Bexar	144.09	190.59	315.89	431.46	538.87	129.46	317.78	88.55	3,266.59
Amerigroup - Bexar	129.79	271.06	344.45	427.98	575.56	138.07	245.80	93.82	3,266.59
CFHP - Bexar	119.55	304.33	333.47	428.68	582.51	134.68	217.79	92.77	3,266.59
Superior - Bexar	135.87	272.89	367.02	426.19	585.22	144.39	250.31	96.62	3,266.59
Amerigroup - Dallas	118.81	404.08	243.69	457.29	510.98	131.83	282.95	92.01	3,537.13
Molina - Dallas	144.75	411.60	286.36	461.36	564.82	150.18	320.58	97.99	3,537.13
Parkland - Dallas	164.06	416.24	326.43	463.80	593.13	166.16	361.31	106.26	3,537.13
El Paso First - El Paso	109.95	268.56	262.80	334.94	451.83	111.37	224.69	81.46	3,443.04
Molina - El Paso	104.14	254.92	257.71	335.21	442.68	112.38	246.48	83.32	3,443.04
Superior - El Paso	99.39	242.80	252.07	335.46	434.00	113.15	270.09	84.89	3,443.04
Amerigroup - Harris	117.03	415.29	443.53	500.43	623.80	111.96	327.97	91.03	3,519.20
CHC - Harris	132.85	410.56	386.08	498.34	627.66	132.89	265.14	88.31	3,519.20
Molina - Harris	79.27	287.32	338.78	468.71	624.14	117.23	349.90	95.15	3,519.20
TCHP - Harris	136.28	288.61	310.35	472.68	580.45	129.62	248.99	99.59	3,519.20
United - Harris	73.31	441.35	427.31	473.31	773.32	108.20	288.42	92.08	3,519.20
Amerigroup - Lubbock	112.66	727.63	316.07	425.91	554.61	105.36	394.14	81.57	3,230.39
Firstcare - Lubbock	103.19	741.06	320.53	423.56	557.89	100.13	325.24	84.62	3,230.39
Superior - Lubbock	141.75	692.34	305.97	430.11	545.62	121.52	504.52	71.53	3,230.39
Christus - Nueces	159.99	386.30	371.75	493.78	728.74	167.77	294.67	120.94	3,203.82
Driscoll - Nueces	165.64	419.50	347.29	503.90	736.11	166.84	246.55	123.29	3,203.82
Superior - Nueces	131.41	311.88	453.41	496.35	752.08	173.69	388.18	125.71	3,203.82
Aetna - Tarrant	127.69	212.66	260.64	448.76	515.44	89.27	174.58	79.80	3,635.64
Amerigroup - Tarrant	128.82	301.76	320.03	436.73	548.21	122.50	221.28	91.00	3,635.64
Cook - Tarrant	170.92	384.56	244.76	451.84	525.86	153.38	345.55	105.61	3,635.64
BCBS - Travis	118.76	338.43	290.94	526.09	671.75	128.93	283.69	88.13	3,247.49
Sendero - Travis	118.76	338.43	290.94	526.09	671.75	128.93	283.69	88.13	3,247.49
Seton - Travis	118.42	338.43	286.85	513.94	671.75	128.82	283.69	87.97	3,247.49
Superior - Travis	122.70	331.64	309.59	527.09	675.23	133.03	277.98	89.69	3,247.49
Current (3/1/12-8/31/12) Prescription Drug Premium Rates pmpm									
Aetna - Bexar	35.61	30.35	110.35	43.41	24.90	23.89	30.64	36.32	
Amerigroup - Bexar	35.61	30.35	110.35	43.41	24.90	23.89	30.64	36.32	
CFHP - Bexar	35.61	30.35	110.35	43.41	24.90	23.89	30.64	36.32	
Superior - Bexar	35.61	30.35	110.35	43.41	24.90	23.89	30.64	36.32	
Amerigroup - Dallas	35.50	23.63	70.07	42.82	22.02	26.09	32.15	34.67	
Molina - Dallas	35.50	23.63	70.07	42.82	22.02	26.09	32.15	34.67	
Parkland - Dallas	35.50	23.63	70.07	42.82	22.02	26.09	32.15	34.67	
El Paso First - El Paso	30.61	42.55	93.82	30.04	38.31	26.46	43.24	34.27	
Molina - El Paso	30.61	42.55	93.82	30.04	38.31	26.46	43.24	34.27	
Superior - El Paso	30.61	42.55	93.82	30.04	38.31	26.46	43.24	34.27	
Amerigroup - Harris	32.24	23.56	97.46	45.35	25.00	26.28	34.06	31.89	
CHC - Harris	32.24	23.56	97.46	45.35	25.00	26.28	34.06	31.89	
Molina - Harris	32.24	23.56	97.46	45.35	25.00	26.28	34.06	31.89	
TCHP - Harris	32.24	23.56	97.46	45.35	25.00	26.28	34.06	31.89	
United - Harris	32.24	23.56	97.46	45.35	25.00	26.28	34.06	31.89	
Amerigroup - Lubbock	33.36	31.23	93.49	39.93	29.08	21.26	27.09	32.66	
Firstcare - Lubbock	33.36	31.23	93.49	39.93	29.08	21.26	27.09	32.66	
Superior - Lubbock	33.36	31.23	93.49	39.93	29.08	21.26	27.09	32.66	
Christus - Nueces	46.75	35.78	104.70	42.60	33.51	35.38	35.41	47.33	
Driscoll - Nueces	47.14	35.78	106.80	45.84	33.51	35.38	35.41	47.81	
Superior - Nueces	47.14	35.78	106.80	45.84	33.51	35.38	35.41	47.81	
Aetna - Tarrant	31.08	23.99	103.86	44.76	18.64	20.64	29.57	32.84	
Amerigroup - Tarrant	31.08	23.99	103.86	44.76	18.64	20.64	29.57	32.84	
Cook - Tarrant	31.08	23.99	103.86	44.76	18.64	20.64	29.57	32.84	
BCBS - Travis	25.58	22.45	91.36	37.48	15.94	18.92	19.63	25.97	
Sendero - Travis	25.58	22.45	91.36	37.48	15.94	18.92	19.63	25.97	
Seton - Travis	25.24	22.45	89.05	35.34	15.94	18.92	19.63	25.62	
Superior - Travis	25.58	22.45	91.36	37.48	15.94	18.92	19.63	25.97	

FY2013 STAR Rating Summary

Health Plan	TANF Children (over age 1)	TANF Children (< 1)	TANF Adults	Pregnant Women	Newborns	Expansion Children (over age 1)	Expansion Children (< 1)	Federal Mandate Children	DSP
Current (3/1/12-8/31/12) Total Premium Rates pmpm									
Aetna - Bexar	179.70	220.94	426.24	474.87	563.77	153.35	348.42	124.87	3,266.59
Amerigroup - Bexar	165.40	301.41	454.80	471.39	600.46	161.96	276.44	130.14	3,266.59
CFHP - Bexar	155.16	334.68	443.82	472.09	607.41	158.57	248.43	129.09	3,266.59
Superior - Bexar	171.48	303.24	477.37	469.60	610.12	168.28	280.95	132.94	3,266.59
Amerigroup - Dallas	154.31	427.71	313.76	500.11	533.00	157.92	315.10	126.68	3,537.13
Molina - Dallas	180.25	435.23	356.43	504.18	586.84	176.27	352.73	132.66	3,537.13
Parkland - Dallas	199.56	439.87	396.50	506.62	615.15	192.25	393.46	140.93	3,537.13
El Paso First - El Paso	140.56	311.11	356.62	364.98	490.14	137.83	267.93	115.73	3,443.04
Molina - El Paso	134.75	297.47	351.53	365.25	480.99	138.84	289.72	117.59	3,443.04
Superior - El Paso	130.00	285.35	345.89	365.50	472.31	139.61	313.33	119.16	3,443.04
Amerigroup - Harris	149.27	438.85	540.99	545.78	648.80	138.24	362.03	122.92	3,519.20
CHC - Harris	165.09	434.12	483.54	543.69	652.66	159.17	299.20	120.20	3,519.20
Molina - Harris	111.51	310.88	436.24	514.06	649.14	143.51	383.96	127.04	3,519.20
TCHP - Harris	168.52	312.17	407.81	518.03	605.45	155.90	283.05	131.48	3,519.20
United - Harris	105.55	464.91	524.77	518.66	798.32	134.48	322.48	123.97	3,519.20
Amerigroup - Lubbock	146.02	758.86	409.56	465.84	583.69	126.62	421.23	114.23	3,230.39
Firstcare - Lubbock	136.55	772.29	414.02	463.49	586.97	121.39	352.33	117.28	3,230.39
Superior - Lubbock	175.11	723.57	399.46	470.04	574.70	142.78	531.61	104.19	3,230.39
Christus - Nueces	206.74	422.08	476.45	536.38	762.25	203.15	330.08	168.27	3,203.82
Driscoll - Nueces	212.78	455.28	454.09	549.74	769.62	202.22	281.96	171.10	3,203.82
Superior - Nueces	178.55	347.66	560.21	542.19	785.59	209.07	423.59	173.52	3,203.82
Aetna - Tarrant	158.77	236.65	364.50	493.52	534.08	109.91	204.15	112.64	3,635.64
Amerigroup - Tarrant	159.90	325.75	423.89	481.49	566.85	143.14	250.85	123.84	3,635.64
Cook - Tarrant	202.00	408.55	348.62	496.60	544.50	174.02	375.12	138.45	3,635.64
BCBS - Travis	144.34	360.88	382.30	563.57	687.69	147.85	303.32	114.10	3,247.49
Sendero - Travis	144.34	360.88	382.30	563.57	687.69	147.85	303.32	114.10	3,247.49
Seton - Travis	143.66	360.88	375.90	549.28	687.69	147.74	303.32	113.59	3,247.49
Superior - Travis	148.28	354.09	400.95	564.57	691.17	151.95	297.61	115.66	3,247.49
FY2013 Medical Premium Rates pmpm (Community Rate with Risk Adjustment)									
Aetna - Bexar	104.73	408.11	360.07	400.46	506.34	125.34	222.96	75.76	3,266.59
Amerigroup - Bexar	128.52	339.27	380.90	404.88	568.17	136.88	204.32	92.52	3,266.59
CFHP - Bexar	124.39	291.06	349.11	396.21	511.51	139.62	200.83	92.42	3,266.59
Superior - Bexar	139.43	352.81	416.77	412.36	633.82	137.64	198.80	97.60	3,266.59
Amerigroup - Dallas	124.41	351.25	265.92	414.28	521.59	137.06	277.47	92.95	3,537.13
Molina - Dallas	131.49	333.00	286.67	412.90	546.88	145.31	305.56	95.89	3,537.13
Parkland - Dallas	132.18	330.85	294.87	415.07	570.88	152.65	328.55	100.79	3,537.13
El Paso First - El Paso	97.67	298.92	272.88	312.83	470.16	114.90	210.03	80.32	3,443.04
Molina - El Paso	106.87	273.49	273.14	317.51	474.52	116.91	218.73	82.48	3,443.04
Superior - El Paso	114.29	251.57	273.39	321.23	478.31	118.49	229.41	84.37	3,443.04
Amerigroup - Harris	112.03	397.39	442.36	461.38	646.50	119.52	307.90	91.32	3,519.20
CHC - Harris	111.89	376.62	411.96	462.32	571.92	115.92	229.15	81.95	3,519.20
Molina - Harris	129.99	544.71	325.88	430.78	683.86	132.43	211.13	97.52	3,519.20
TCHP - Harris	123.57	293.96	335.30	437.07	539.35	131.65	258.57	100.42	3,519.20
United - Harris	111.05	403.33	459.74	439.29	679.53	127.64	264.35	107.46	3,519.20
Amerigroup - Lubbock	111.76	649.20	319.76	385.14	566.18	108.78	281.79	80.18	3,230.39
Firstcare - Lubbock	95.77	739.59	311.04	384.56	547.79	107.75	366.01	82.40	3,230.39
Superior - Lubbock	137.60	522.65	331.95	386.02	591.64	110.48	148.96	76.46	3,230.39
Christus - Nueces	164.35	654.54	343.92	455.07	670.89	164.97	239.42	123.54	3,203.82
Driscoll - Nueces	158.20	748.58	305.09	458.94	690.96	157.66	237.64	124.94	3,203.82
Superior - Nueces	169.95	488.61	397.83	472.39	637.13	196.62	194.05	126.41	3,203.82
Aetna - Tarrant	128.10	222.98	301.29	381.05	605.96	109.92	194.33	82.23	3,635.64
Amerigroup - Tarrant	130.41	244.25	325.13	382.60	536.50	127.70	186.60	98.77	3,635.64
Cook - Tarrant	142.79	250.18	337.72	384.96	581.46	155.44	289.19	108.49	3,635.64
BCBS - Travis	123.33	342.18	289.45	569.06	706.63	144.02	251.18	90.07	3,247.49
Sendero - Travis	123.33	342.18	289.45	569.06	706.63	144.02	251.18	90.07	3,247.49
Seton - Travis	122.96	342.18	285.88	558.11	706.63	143.84	251.18	89.89	3,247.49
Superior - Travis	125.00	349.60	306.19	569.27	718.41	144.68	251.19	90.61	3,247.49

FY2013 STAR Rating Summary

Health Plan	TANF Children (over age 1)	TANF Children (< 1)	TANF Adults	Pregnant Women	Newborns	Expansion Children (over age 1)	Expansion Children (< 1)	Federal Mandate Children	DSP
FY2013 Prescription Drug Premium Rates pmpm (Community Rate)									
Aetna - Bexar	37.37	46.35	115.80	42.06	35.65	26.35	38.26	36.28	
Amerigroup - Bexar	37.37	46.35	115.80	42.06	35.65	26.35	38.26	36.28	
CFHP - Bexar	37.37	46.35	115.80	42.06	35.65	26.35	38.26	36.28	
Superior - Bexar	37.37	46.35	115.80	42.06	35.65	26.35	38.26	36.28	
Amerigroup - Dallas	36.64	36.67	76.73	41.46	30.23	28.86	43.13	35.13	
Molina - Dallas	36.64	36.67	76.73	41.46	30.23	28.86	43.13	35.13	
Parkland - Dallas	36.64	36.67	76.73	41.46	30.23	28.86	43.13	35.13	
El Paso First - El Paso	32.49	57.43	97.49	29.25	53.94	29.73	47.32	34.63	
Molina - El Paso	32.49	57.43	97.49	29.25	53.94	29.73	47.32	34.63	
Superior - El Paso	32.49	57.43	97.49	29.25	53.94	29.73	47.32	34.63	
Amerigroup - Harris	33.22	36.96	104.06	42.35	36.27	28.31	35.40	31.68	
CHC - Harris	33.22	36.96	104.06	42.35	36.27	28.31	35.40	31.68	
Molina - Harris	33.22	36.96	104.06	42.35	36.27	28.31	35.40	31.68	
TCHP - Harris	33.22	36.96	104.06	42.35	36.27	28.31	35.40	31.68	
United - Harris	33.22	36.96	104.06	42.35	36.27	28.31	35.40	31.68	
Amerigroup - Lubbock	34.90	43.32	105.98	37.56	38.96	23.27	42.81	33.53	
Firstcare - Lubbock	34.90	43.32	105.98	37.56	38.96	23.27	42.81	33.53	
Superior - Lubbock	34.90	43.32	105.98	37.56	38.96	23.27	42.81	33.53	
Christus - Nueces	50.31	62.41	110.83	40.46	43.16	39.20	37.79	47.94	
Driscoll - Nueces	50.70	62.41	113.08	43.55	43.16	39.20	37.79	48.39	
Superior - Nueces	50.70	62.41	113.08	43.55	43.16	39.20	37.79	48.39	
Aetna - Tarrant	32.04	34.36	111.29	41.86	26.20	22.27	33.81	32.98	
Amerigroup - Tarrant	32.04	34.36	111.29	41.86	26.20	22.27	33.81	32.98	
Cook - Tarrant	32.04	34.36	111.29	41.86	26.20	22.27	33.81	32.98	
BCBS - Travis	27.09	29.12	92.62	36.20	25.21	20.56	28.32	26.32	
Sendero - Travis	27.09	29.12	92.62	36.20	25.21	20.56	28.32	26.32	
Seton - Travis	26.74	29.12	90.38	34.02	25.21	20.56	28.32	25.98	
Superior - Travis	27.09	29.12	92.62	36.20	25.21	20.56	28.32	26.32	
FY2013 Total Premium Rates pmpm									
Aetna - Bexar	142.10	454.46	475.87	442.52	541.99	151.69	261.22	112.04	3,266.59
Amerigroup - Bexar	165.89	385.62	496.70	446.94	603.82	163.23	242.58	128.80	3,266.59
CFHP - Bexar	161.76	337.41	464.91	438.27	547.16	165.97	239.09	128.70	3,266.59
Superior - Bexar	176.80	399.16	532.57	454.42	669.47	163.99	237.06	133.88	3,266.59
Amerigroup - Dallas	161.05	387.92	342.65	455.74	551.82	165.92	320.60	128.08	3,537.13
Molina - Dallas	168.13	369.67	363.40	454.36	577.11	174.17	348.69	131.02	3,537.13
Parkland - Dallas	168.82	367.52	371.60	456.53	601.11	181.51	371.68	135.92	3,537.13
El Paso First - El Paso	130.16	356.35	370.37	342.08	524.10	144.63	257.35	114.95	3,443.04
Molina - El Paso	139.36	330.92	370.63	346.76	528.46	146.64	266.05	117.11	3,443.04
Superior - El Paso	146.78	309.00	370.88	350.48	532.25	148.22	276.73	119.00	3,443.04
Amerigroup - Harris	145.25	434.35	546.42	503.73	682.77	147.83	343.30	123.00	3,519.20
CHC - Harris	145.11	413.58	516.02	504.67	608.19	144.23	264.55	113.63	3,519.20
Molina - Harris	163.21	581.67	429.94	473.13	720.13	160.74	246.53	129.20	3,519.20
TCHP - Harris	156.79	330.92	439.36	479.42	575.62	159.96	293.97	132.10	3,519.20
United - Harris	144.27	440.29	563.80	481.64	715.80	155.95	299.75	139.14	3,519.20
Amerigroup - Lubbock	146.66	692.52	425.74	422.70	605.14	132.05	324.60	113.71	3,230.39
Firstcare - Lubbock	130.67	782.91	417.02	422.12	586.75	131.02	408.82	115.93	3,230.39
Superior - Lubbock	172.50	565.97	437.93	423.58	630.60	133.75	191.77	109.99	3,230.39
Christus - Nueces	214.66	716.95	454.75	495.53	714.05	204.17	277.21	171.48	3,203.82
Driscoll - Nueces	208.90	810.99	418.17	502.49	734.12	196.86	275.43	173.33	3,203.82
Superior - Nueces	220.65	551.02	510.91	515.94	680.29	235.82	231.84	174.80	3,203.82
Aetna - Tarrant	160.14	257.34	412.58	422.91	632.16	132.19	228.14	115.21	3,635.64
Amerigroup - Tarrant	162.45	278.61	436.42	424.46	562.70	149.97	220.41	131.75	3,635.64
Cook - Tarrant	174.83	284.54	449.01	426.82	607.66	177.71	323.00	141.47	3,635.64
BCBS - Travis	150.42	371.30	382.07	605.26	731.84	164.58	279.50	116.39	3,247.49
Sendero - Travis	150.42	371.30	382.07	605.26	731.84	164.58	279.50	116.39	3,247.49
Seton - Travis	149.70	371.30	376.26	592.13	731.84	164.40	279.50	115.87	3,247.49
Superior - Travis	152.09	378.72	398.81	605.47	743.62	165.24	279.51	116.93	3,247.49

FY2013 STAR Rating Summary

Health Plan	TANF Children (over age 1)	TANF Children (< 1)	TANF Adults	Pregnant Women	Newborns	Expansion Children (over age 1)	Expansion Children (< 1)	Federal Mandate Children	DSP
FY2013 Medical Premium Rate Change									
Aetna - Bexar	-27.3%	114.1%	14.0%	-7.2%	-6.0%	-3.2%	-29.8%	-14.4%	0.0%
Amerigroup - Bexar	-1.0%	25.2%	10.6%	-5.4%	-1.3%	-0.9%	-16.9%	-1.4%	0.0%
CFHP - Bexar	4.0%	-4.4%	4.7%	-7.6%	-12.2%	3.7%	-7.8%	-0.4%	0.0%
Superior - Bexar	2.6%	29.3%	13.6%	-3.2%	8.3%	-4.7%	-20.6%	1.0%	0.0%
Amerigroup - Dallas	4.7%	-13.1%	9.1%	-9.4%	2.1%	4.0%	-1.9%	1.0%	0.0%
Molina - Dallas	-9.2%	-19.1%	0.1%	-10.5%	-3.2%	-3.2%	-4.7%	-2.1%	0.0%
Parkland - Dallas	-19.4%	-20.5%	-9.7%	-10.5%	-3.8%	-8.1%	-9.1%	-5.1%	0.0%
El Paso First - El Paso	-11.2%	11.3%	3.8%	-6.6%	4.1%	3.2%	-6.5%	-1.4%	0.0%
Molina - El Paso	2.6%	7.3%	6.0%	-5.3%	7.2%	4.0%	-11.3%	-1.0%	0.0%
Superior - El Paso	15.0%	3.6%	8.5%	-4.2%	10.2%	4.7%	-15.1%	-0.6%	0.0%
Amerigroup - Harris	-4.3%	-4.3%	-0.3%	-7.8%	3.6%	6.8%	-6.1%	0.3%	0.0%
CHC - Harris	-15.8%	-8.3%	6.7%	-7.2%	-8.9%	-12.8%	-13.6%	-7.2%	0.0%
Molina - Harris	64.0%	89.6%	-3.8%	-8.1%	9.6%	13.0%	-39.7%	2.5%	0.0%
TCHP - Harris	-9.3%	1.9%	8.0%	-7.5%	-7.1%	1.6%	3.8%	0.8%	0.0%
United - Harris	51.5%	-8.6%	7.6%	-7.2%	-12.1%	18.0%	-8.3%	16.7%	0.0%
Amerigroup - Lubbock	-0.8%	-10.8%	1.2%	-9.6%	2.1%	3.2%	-28.5%	-1.7%	0.0%
Firstcare - Lubbock	-7.2%	-0.2%	-3.0%	-9.2%	-1.8%	7.6%	12.5%	-2.6%	0.0%
Superior - Lubbock	-2.9%	-24.5%	8.5%	-10.3%	8.4%	-9.1%	-70.5%	6.9%	0.0%
Christus - Nueces	2.7%	69.4%	-7.5%	-7.8%	-7.9%	-1.7%	-18.7%	2.1%	0.0%
Driscoll - Nueces	-4.5%	78.4%	-12.2%	-8.9%	-6.1%	-5.5%	-3.6%	1.3%	0.0%
Superior - Nueces	29.3%	56.7%	-12.3%	-4.8%	-15.3%	13.2%	-50.0%	0.6%	0.0%
Aetna - Tarrant	0.3%	4.9%	15.6%	-15.1%	17.6%	23.1%	11.3%	3.0%	0.0%
Amerigroup - Tarrant	1.2%	-19.1%	1.6%	-12.4%	-2.1%	4.2%	-15.7%	8.5%	0.0%
Cook - Tarrant	-16.5%	-34.9%	38.0%	-14.8%	10.6%	1.3%	-16.3%	2.7%	0.0%
BCBS - Travis	3.8%	1.1%	-0.5%	8.2%	5.2%	11.7%	-11.5%	2.2%	0.0%
Sendero - Travis	3.8%	1.1%	-0.5%	8.2%	5.2%	11.7%	-11.5%	2.2%	0.0%
Seton - Travis	3.8%	1.1%	-0.3%	8.6%	5.2%	11.7%	-11.5%	2.2%	0.0%
Superior - Travis	1.9%	5.4%	-1.1%	8.0%	6.4%	8.8%	-9.6%	1.0%	0.0%
FY2013 Prescription Drug Premium Rate Change									
Aetna - Bexar	4.9%	52.7%	4.9%	-3.1%	43.2%	10.3%	24.9%	-0.1%	
Amerigroup - Bexar	4.9%	52.7%	4.9%	-3.1%	43.2%	10.3%	24.9%	-0.1%	
CFHP - Bexar	4.9%	52.7%	4.9%	-3.1%	43.2%	10.3%	24.9%	-0.1%	
Superior - Bexar	4.9%	52.7%	4.9%	-3.1%	43.2%	10.3%	24.9%	-0.1%	
Amerigroup - Dallas	3.2%	55.2%	9.5%	-3.2%	37.3%	10.6%	34.2%	1.3%	
Molina - Dallas	3.2%	55.2%	9.5%	-3.2%	37.3%	10.6%	34.2%	1.3%	
Parkland - Dallas	3.2%	55.2%	9.5%	-3.2%	37.3%	10.6%	34.2%	1.3%	
El Paso First - El Paso	6.1%	35.0%	3.9%	-2.6%	40.8%	12.4%	9.4%	1.1%	
Molina - El Paso	6.1%	35.0%	3.9%	-2.6%	40.8%	12.4%	9.4%	1.1%	
Superior - El Paso	6.1%	35.0%	3.9%	-2.6%	40.8%	12.4%	9.4%	1.1%	
Amerigroup - Harris	3.0%	56.9%	6.8%	-6.6%	45.1%	7.7%	3.9%	-0.7%	
CHC - Harris	3.0%	56.9%	6.8%	-6.6%	45.1%	7.7%	3.9%	-0.7%	
Molina - Harris	3.0%	56.9%	6.8%	-6.6%	45.1%	7.7%	3.9%	-0.7%	
TCHP - Harris	3.0%	56.9%	6.8%	-6.6%	45.1%	7.7%	3.9%	-0.7%	
United - Harris	3.0%	56.9%	6.8%	-6.6%	45.1%	7.7%	3.9%	-0.7%	
Amerigroup - Lubbock	4.6%	38.7%	13.4%	-5.9%	34.0%	9.5%	58.0%	2.7%	
Firstcare - Lubbock	4.6%	38.7%	13.4%	-5.9%	34.0%	9.5%	58.0%	2.7%	
Superior - Lubbock	4.6%	38.7%	13.4%	-5.9%	34.0%	9.5%	58.0%	2.7%	
Christus - Nueces	7.6%	74.4%	5.9%	-5.0%	28.8%	10.8%	6.7%	1.3%	
Driscoll - Nueces	7.6%	74.4%	5.9%	-5.0%	28.8%	10.8%	6.7%	1.2%	
Superior - Nueces	7.6%	74.4%	5.9%	-5.0%	28.8%	10.8%	6.7%	1.2%	
Aetna - Tarrant	3.1%	43.2%	7.2%	-6.5%	40.6%	7.9%	14.3%	0.4%	
Amerigroup - Tarrant	3.1%	43.2%	7.2%	-6.5%	40.6%	7.9%	14.3%	0.4%	
Cook - Tarrant	3.1%	43.2%	7.2%	-6.5%	40.6%	7.9%	14.3%	0.4%	
BCBS - Travis	5.9%	29.7%	1.4%	-3.4%	58.2%	8.7%	44.3%	1.3%	
Sendero - Travis	5.9%	29.7%	1.4%	-3.4%	58.2%	8.7%	44.3%	1.3%	
Seton - Travis	5.9%	29.7%	1.5%	-3.7%	58.2%	8.7%	44.3%	1.4%	
Superior - Travis	5.9%	29.7%	1.4%	-3.4%	58.2%	8.7%	44.3%	1.3%	

FY2013 STAR Rating Summary

Health Plan	TANF Children (over age 1)	TANF Children (< 1)	TANF Adults	Pregnant Women	Newborns	Expansion Children (over age 1)	Expansion Children (< 1)	Federal Mandate Children	DSP
FY2013 Total Premium Rate Change									
Aetna - Bexar	-20.9%	105.7%	11.6%	-6.8%	-3.9%	-1.1%	-25.0%	-10.3%	0.0%
Amerigroup - Bexar	0.3%	27.9%	9.2%	-5.2%	0.6%	0.8%	-12.2%	-1.0%	0.0%
CFHP - Bexar	4.3%	0.8%	4.8%	-7.2%	-9.9%	4.7%	-3.8%	-0.3%	0.0%
Superior - Bexar	3.1%	31.6%	11.6%	-3.2%	9.7%	-2.5%	-15.6%	0.7%	0.0%
Amerigroup - Dallas	4.4%	-9.3%	9.2%	-8.9%	3.5%	5.1%	1.7%	1.1%	0.0%
Molina - Dallas	-6.7%	-15.1%	2.0%	-9.9%	-1.7%	-1.2%	-1.1%	-1.2%	0.0%
Parkland - Dallas	-15.4%	-16.4%	-6.3%	-9.9%	-2.3%	-5.6%	-5.5%	-3.6%	0.0%
El Paso First - El Paso	-7.4%	14.5%	3.9%	-6.3%	6.9%	4.9%	-3.9%	-0.7%	0.0%
Molina - El Paso	3.4%	11.2%	5.4%	-5.1%	9.9%	5.6%	-8.2%	-0.4%	0.0%
Superior - El Paso	12.9%	8.3%	7.2%	-4.1%	12.7%	6.2%	-11.7%	-0.1%	0.0%
Amerigroup - Harris	-2.7%	-1.0%	1.0%	-7.7%	5.2%	6.9%	-5.2%	0.1%	0.0%
CHC - Harris	-12.1%	-4.7%	6.7%	-7.2%	-6.8%	-9.4%	-11.6%	-5.5%	0.0%
Molina - Harris	46.4%	87.1%	-1.4%	-8.0%	10.9%	12.0%	-35.8%	1.7%	0.0%
TCHP - Harris	-7.0%	6.0%	7.7%	-7.5%	-4.9%	2.6%	3.9%	0.5%	0.0%
United - Harris	36.7%	-5.3%	7.4%	-7.1%	-10.3%	16.0%	-7.0%	12.2%	0.0%
Amerigroup - Lubbock	0.4%	-8.7%	4.0%	-9.3%	3.7%	4.3%	-22.9%	-0.5%	0.0%
Firstcare - Lubbock	-4.3%	1.4%	0.7%	-8.9%	0.0%	7.9%	16.0%	-1.2%	0.0%
Superior - Lubbock	-1.5%	-21.8%	9.6%	-9.9%	9.7%	-6.3%	-63.9%	5.6%	0.0%
Christus - Nueces	3.8%	69.9%	-4.6%	-7.6%	-6.3%	0.5%	-16.0%	1.9%	0.0%
Driscoll - Nueces	-1.8%	78.1%	-7.9%	-8.6%	-4.6%	-2.7%	-2.3%	1.3%	0.0%
Superior - Nueces	23.6%	58.5%	-8.8%	-4.8%	-13.4%	12.8%	-45.3%	0.7%	0.0%
Aetna - Tarrant	0.9%	8.7%	13.2%	-14.3%	18.4%	20.3%	11.8%	2.3%	0.0%
Amerigroup - Tarrant	1.6%	-14.5%	3.0%	-11.8%	-0.7%	4.8%	-12.1%	6.4%	0.0%
Cook - Tarrant	-13.5%	-30.4%	28.8%	-14.1%	11.6%	2.1%	-13.9%	2.2%	0.0%
BCBS - Travis	4.2%	2.9%	-0.1%	7.4%	6.4%	11.3%	-7.9%	2.0%	0.0%
Sendero - Travis	4.2%	2.9%	-0.1%	7.4%	6.4%	11.3%	-7.9%	2.0%	0.0%
Seton - Travis	4.2%	2.9%	0.1%	7.8%	6.4%	11.3%	-7.9%	2.0%	0.0%
Superior - Travis	2.6%	7.0%	-0.5%	7.2%	7.6%	8.7%	-6.1%	1.1%	0.0%

Attachment 2

Individual HMO Experience Analysis

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

Exhibit A. This exhibit shows monthly enrollment, number of maternity deliveries and earned premium by risk group for the period September 2009 through February 2012. All of this information was provided by HHSC.

Exhibit B. This exhibit shows a sample of a claim lag report for one risk group. This report includes claim amounts by payment month and month of service. We analyzed claims experience for the period September 2009 through December 2011.

Exhibit C. This exhibit shows the calculation of estimated monthly incurred claims for one risk group. The report includes the following information: (i) monthly enrollment, (ii) claim amounts incurred in that month and paid through February 29, 2012, (iii) estimated proportion of that month's incurred claims paid through February 29, 2012 (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 HMO.

Exhibit D. This exhibit is a summary of the sample HMO's projected FY2013 cost based on the HMO's actual experience. The top of the exhibit shows summary base period (FY2011) enrollment, premium and claims experience. Next are projected FY2013 enrollment and premium based on current (FY2012) rates. Trend assumptions for FY2012 and FY2013 are used to project the average base period claims cost to FY2013. Adjustment factors are used to recognize the cost impact of benefit and provider reimbursement changes. Combining these factors results in projected FY2013 incurred claims.

In addition to incurred claims, provision is also made for services that are capitated by the HMO, 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 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) \$0.75 pmpm.

A provision for administrative expenses is included in the amount of \$8.00 pmpm and 5.75% of gross premium. Additional provisions are also included for premium tax (1.75% of premium), maintenance tax (\$0.125 pmpm) and risk margin (2.0% of premium).

At the bottom of Exhibit D is a summary of the projected FY2013 cost based on the above assumptions. Cost projections are presented both with and without the inclusion of maternity expenses.

Sample HMO
 Enrollment and Premium Experience
 Number of Members

Month	TANF Children	TANF Ch <1	TANF Adults	Pregnant Women	Newborns	Expansion Children	Exp Ch <1	Fed Mand Children	Total Members
Sep-09	4,100	319	1,116	3,386	4,700	15,639	905	20,713	50,878
Oct-09	4,079	291	1,086	3,372	4,762	15,399	886	20,347	50,222
Nov-09	4,055	284	1,088	3,391	4,795	15,843	899	20,899	51,254
Dec-09	4,006	279	1,067	3,289	4,852	15,851	891	20,904	51,139
Jan-10	3,938	269	1,054	3,256	4,908	15,520	862	20,641	50,448
Feb-10	3,780	268	1,012	3,376	4,908	15,306	855	20,262	49,767
Mar-10	3,611	246	958	3,328	4,985	14,980	833	19,860	48,801
Apr-10	3,454	227	918	3,323	4,953	14,766	819	19,672	48,132
May-10	3,321	229	901	3,373	4,961	14,900	867	20,010	48,562
Jun-10	3,274	225	884	3,406	4,960	14,722	840	20,034	48,345
Jul-10	3,220	216	872	3,440	4,921	14,652	819	20,059	48,199
Aug-10	3,229	223	850	3,499	4,927	14,959	847	20,580	49,114
Sep-10	3,278	229	842	3,492	4,930	14,850	801	20,322	48,744
Oct-10	3,230	226	826	3,541	4,961	14,718	792	20,044	48,338
Nov-10	3,294	223	840	3,510	5,013	14,872	820	20,159	48,731
Dec-10	3,297	213	813	3,375	5,033	14,681	832	20,029	48,273
Jan-11	3,137	193	782	3,317	5,061	14,296	804	19,507	47,097
Feb-11	3,066	188	766	3,336	5,047	14,264	830	19,387	46,884
Mar-11	2,979	186	743	3,340	5,172	14,237	817	19,258	46,732
Apr-11	2,917	179	721	3,442	5,198	14,254	806	19,168	46,685
May-11	2,822	179	722	3,510	5,259	15,360	857	20,795	49,504
Jun-11	2,816	183	743	3,502	5,275	15,769	863	21,570	50,721
Jul-11	2,789	187	751	3,525	5,307	15,708	844	21,465	50,576
Aug-11	2,850	194	746	3,560	5,340	15,771	834	21,629	50,924
Sep-11	2,887	192	750	3,570	5,312	15,508	793	21,241	50,253
Oct-11	2,913	190	768	3,571	5,318	15,178	740	20,696	49,374
Nov-11	2,991	207	779	3,524	5,330	15,545	729	21,021	50,126
Dec-11	3,035	218	800	3,446	5,331	15,657	686	21,156	50,329
Jan-12	3,058	212	819	3,367	5,335	15,096	635	20,565	49,087
Feb-12	3,009	207	791	3,377	5,309	14,479	597	19,753	47,522
FY2010	44,067	3,076	11,806	40,439	58,632	182,537	10,323	243,981	594,861
FY2011	36,475	2,380	9,295	41,450	61,596	178,780	9,900	243,333	583,209
FY2012	17,893	1,226	4,707	20,855	31,935	91,463	4,180	124,432	296,691

Sample HMO
 Enrollment and Premium Experience
 Number of Deliveries

Month	Deliveries (continued)								Total Deliveries
	TANF Children	TANF Ch <1	TANF Adults	Pregnant Women	Newborns	Expansion Children	Exp Ch <1	Fed Mand Children	
Sep-09	4	0	12	372	0	0	0	4	392
Oct-09	4	0	11	353	0	0	0	5	373
Nov-09	4	0	11	347	0	0	0	4	366
Dec-09	3	0	13	349	0	0	0	4	369
Jan-10	4	0	10	372	0	0	0	5	391
Feb-10	3	0	8	337	0	0	0	6	354
Mar-10	2	0	7	340	0	0	0	6	355
Apr-10	2	0	8	332	0	0	0	5	347
May-10	4	0	11	358	0	0	0	5	378
Jun-10	2	0	12	356	0	0	0	6	376
Jul-10	2	0	9	348	0	0	0	7	366
Aug-10	3	0	9	387	0	0	0	7	406
Sep-10	3	0	8	371	0	0	0	8	390
Oct-10	4	0	8	377	0	0	0	10	399
Nov-10	2	0	9	383	0	0	0	9	403
Dec-10	3	0	11	393	0	0	0	11	418
Jan-11	3	0	7	388	0	0	0	9	407
Feb-11	1	0	6	356	0	0	0	9	372
Mar-11	4	0	8	387	0	0	0	9	408
Apr-11	3	0	7	368	0	0	0	8	386
May-11	2	0	6	369	0	0	0	7	384
Jun-11	4	0	8	347	0	0	0	9	368
Jul-11	2	0	8	407	0	0	0	9	426
Aug-11	3	0	10	420	0	0	0	9	442
Sep-11	4	0	5	396	0	0	0	8	413
Oct-11	3	0	8	395	0	0	0	7	413
Nov-11	4	0	9	395	0	0	0	8	416
Dec-11	4	0	10	382	0	0	0	6	402
Jan-12	4	0	7	393	0	0	0	8	412
Feb-12									
FY2009	37	0	121	4,251	0	0	0	64	4,473
FY2010	34	0	96	4,566	0	0	0	107	4,803
FY2011	19	0	39	1,961	0	0	0	37	2,056

Sample HMO
 Enrollment and Premium Experience
 Premium Amount

Month	TANF Children	TANF Ch <1	TANF Adults	Pregnant Women	Newborns	Expansion Children	Exp Ch <1	Fed Mand Children	Deliveries	Total
Sep-09	332,838	73,380	238,166	1,213,204	2,647,792	1,253,309	137,605	1,400,820	1,241,303	8,538,417
Oct-09	331,133	66,939	231,763	1,208,188	2,682,720	1,234,076	134,716	1,376,068	1,181,138	8,446,741
Nov-09	329,185	65,329	232,190	1,214,995	2,701,311	1,269,658	136,693	1,413,399	1,158,972	8,521,732
Dec-09	325,207	64,178	227,708	1,178,449	2,733,423	1,270,299	135,477	1,413,738	1,168,472	8,516,950
Jan-10	319,687	61,878	224,934	1,166,625	2,764,971	1,243,773	131,067	1,395,951	1,238,137	8,547,022
Feb-10	306,860	61,648	215,971	1,209,621	2,764,971	1,226,623	130,003	1,370,319	1,120,973	8,406,989
Mar-10	293,141	56,587	204,447	1,192,422	2,808,350	1,200,497	126,658	1,343,132	1,124,139	8,349,373
Apr-10	280,396	52,217	195,910	1,190,631	2,790,322	1,183,347	124,529	1,330,417	1,098,807	8,246,576
May-10	269,599	52,677	192,282	1,208,546	2,794,829	1,194,086	131,827	1,353,276	1,196,971	8,394,094
Jun-10	265,783	51,757	188,654	1,220,370	2,794,266	1,179,821	127,722	1,354,899	1,190,638	8,373,910
Jul-10	261,400	49,686	186,094	1,232,552	2,772,295	1,174,211	124,529	1,356,590	1,158,972	8,316,329
Aug-10	262,130	51,297	181,399	1,253,692	2,775,675	1,198,814	128,786	1,391,825	1,285,636	8,529,253
Sep-10	285,547	64,198	220,335	1,396,765	3,206,817	1,298,039	147,712	1,369,703	1,234,970	9,224,085
Oct-10	281,365	63,357	216,148	1,416,365	3,226,982	1,286,500	146,053	1,350,966	1,263,469	9,251,204
Nov-10	286,940	62,516	219,811	1,403,965	3,260,806	1,299,962	151,216	1,358,717	1,276,136	9,320,068
Dec-10	287,202	59,712	212,746	1,349,966	3,273,816	1,283,266	153,429	1,349,955	1,323,635	9,293,726
Jan-11	273,264	54,106	204,634	1,326,767	3,292,029	1,249,613	148,266	1,314,772	1,288,802	9,152,252
Feb-11	267,079	52,704	200,447	1,334,367	3,282,922	1,246,816	153,060	1,306,684	1,177,971	9,022,051
Mar-11	259,501	52,143	194,428	1,335,967	3,364,231	1,244,456	150,663	1,297,989	1,291,969	9,191,347
Apr-11	254,100	50,181	188,671	1,376,766	3,381,143	1,245,942	148,634	1,291,923	1,222,304	9,159,664
May-11	245,824	50,181	188,933	1,403,965	3,420,822	1,342,618	158,039	1,401,583	1,215,971	9,427,935
Jun-11	245,302	51,302	194,428	1,400,765	3,431,229	1,378,368	159,146	1,453,818	1,165,305	9,479,664
Jul-11	242,950	52,424	196,522	1,409,965	3,452,044	1,373,036	155,642	1,446,741	1,348,967	9,678,291
Aug-11	248,264	54,386	195,213	1,423,964	3,473,510	1,378,543	153,798	1,457,795	1,399,633	9,785,105
Sep-11	297,274	43,338	259,365	1,655,945	3,747,191	1,679,827	187,243	1,781,695	1,349,102	11,000,980
Oct-11	299,952	42,887	265,590	1,656,408	3,751,424	1,644,081	174,729	1,735,980	1,349,102	10,920,152
Nov-11	307,983	46,724	269,394	1,634,607	3,759,889	1,683,834	172,131	1,763,241	1,358,901	10,996,706
Dec-11	312,514	49,207	276,656	1,598,427	3,760,594	1,695,966	161,978	1,774,565	1,313,169	10,943,077
Jan-12	314,882	47,853	283,227	1,561,783	3,763,416	1,635,199	149,936	1,724,992	1,345,835	10,827,122
Feb-12	309,837	46,724	273,544	1,566,421	3,745,075	1,568,365	140,964	1,656,882	0	9,307,811
FY2009	3,577,359	707,572	2,519,518	14,489,294	33,030,924	14,628,515	1,569,612	16,500,435	14,164,157	101,187,386
FY2010	3,177,337	667,209	2,432,316	16,579,586	40,066,350	15,627,160	1,825,659	16,400,644	15,209,132	111,985,392
FY2011	1,842,442	276,733	1,627,775	9,673,592	22,527,588	9,907,272	986,982	10,437,356	6,716,109	63,995,848

Sample HMO
Claims Lag Report

Month Incurred	Month Paid	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11
TANF Children (over age 1)																		
Sep-09	68,212	147,950	16,059	5,966	20,511	1,330	645	64	59	-27	112	797	-326	448	0	0	5	
Oct-09		103,276	118,655	61,550	6,955	1,158	638	684	1,312	198	506	227	-161	-33	0	-27	0	
Nov-09			90,434	171,062	28,091	3,758	2,938	1,694	-214	754	847	860	125	136	7	0	0	
Dec-09				90,881	124,083	15,371	4,990	435	-330	1,720	386	83	-165	-153	10	19	47	
Jan-10					97,844	127,149	40,379	5,262	3,476	1,488	1,223	981	107	1,066	-582	-2,408	-10	
Feb-10						77,717	131,369	21,331	3,621	2,091	865	1,535	248	403	-111	-126	-1,231	
Mar-10							79,464	135,926	19,217	4,819	1,694	1,116	1,070	211	1,584	-44	-39	
Apr-10								60,269	130,643	23,717	1,450	546	529	-174	1,732	-95	17	
May-10									80,430	191,680	-16,818	6,125	2,776	1,256	335	-119	175	
Jun-10										74,221	83,587	-2,906	21,245	1,323	-134	-378	139	
Jul-10											63,875	99,563	14,869	9,373	875	-333	229	
Aug-10												91,674	107,506	26,721	3,834	5,506	-410	
Sep-10													49,765	105,987	10,964	1,942	1,616	
Oct-10														62,184	116,464	11,308	32,743	
Nov-10															60,160	89,026	13,074	
Dec-10																21,653	105,662	
Jan-11																		42,774
Feb-11																		
Mar-11																		
Apr-11																		
May-11																		
Jun-11																		
Jul-11																		
Aug-11																		
Sep-11																		
Oct-11																		
Nov-11																		
Dec-11																		
Jan-12																		
Feb-12																		
Total	68,212	251,226	225,148	329,458	277,483	226,483	260,424	225,665	238,213	300,662	137,726	200,602	197,587	208,749	195,136	125,926	194,792	

Sample HMO
 Estimated Claims Experience

Month	TANF Children (over age 1)		Compl Factor	Est Inc Claims	Est Inc pmpm	Trend Factor
	Members	Inc & Pd Claims				
Sep-09	4,100	261,811	1.000	261,811	63.86	
Oct-09	4,079	294,919	1.000	294,919	72.30	
Nov-09	4,055	299,842	1.000	299,842	73.94	
Dec-09	4,006	237,423	1.000	237,423	59.27	
Jan-10	3,938	275,872	1.000	275,872	70.05	
Feb-10	3,780	237,543	1.000	237,543	62.84	
Mar-10	3,611	243,542	1.000	243,542	67.44	
Apr-10	3,454	214,063	1.000	214,063	61.98	
May-10	3,321	267,783	1.000	267,783	80.63	
Jun-10	3,274	177,175	1.000	177,175	54.12	
Jul-10	3,220	188,593	1.000	188,593	58.57	
Aug-10	3,229	235,978	1.000	235,978	73.08	
Sep-10	3,278	172,239	1.000	172,239	52.54	0.823
Oct-10	3,230	224,445	1.000	224,445	69.49	0.961
Nov-10	3,294	171,091	1.000	171,091	51.94	0.702
Dec-10	3,297	138,391	1.000	138,391	41.97	0.708
Jan-11	3,137	221,637	1.000	221,637	70.65	1.009
Feb-11	3,066	213,563	1.000	213,563	69.66	1.108
Mar-11	2,979	167,719	1.000	167,719	56.30	0.835
Apr-11	2,917	158,555	1.000	158,555	54.36	0.877
May-11	2,822	173,336	1.000	173,336	61.42	0.762
Jun-11	2,816	141,047	1.000	141,047	50.09	0.926
Jul-11	2,789	148,487	0.999	148,635	53.29	0.910
Aug-11	2,850	143,018	0.998	143,304	50.28	0.688
Sep-11	2,887	159,606	0.998	159,926	55.40	1.054
Oct-11	2,913	165,468	0.998	165,800	56.92	0.819
Nov-11	2,991	210,176	0.993	211,658	70.76	1.362
Dec-11	3,035	202,181	0.980	206,307	67.98	1.619
FY2010	44,067			2,934,543	66.59	
FY2011	36,475			2,073,963	56.86	0.854
FY2012	11,826			743,691	62.89	1.100

Sample HMO
Experienced-based Renewal Rating

	TANF Children (over age 1)		TANF Children <1	
	Amount	per Member per Month	Amount	per Member per Month
FY2011 Experience Period				
Member Months	36,475		2,380	
Premium Revenue	3,177,337	87.11	667,209	280.34
Adjusted Premium	3,755,831	102.97	537,214	225.72
Estimated Incurred Claims	2,073,963	56.86	559,742	235.19
Projected FY2013 Member Months	63,827		7,114	
Projected FY2013 Premium				
Current Unadjusted Rates	6,743,323	105.65	751,594	105.65
Current Adjusted Rates	6,572,266	102.97	1,605,772	225.72
Current DSP Rate	187,647	3,266.59	0	3,266.59
Annual Cost Trend Assumptions				
FY2012	6.7 %		6.7 %	
FY2013	8.9 %		8.9 %	
Provider Reimbursement Adj		0.9306		0.9558
Other Reimbursement Changes		1.0196		1.0194
Facility Reimbursement Changes		0.9734		0.9014
Out-of-Network Adjustment		1.0000		1.0000
Third Party Recovery Adjustment		1.0000		1.0000
Projected FY2013 Incurred Claims	3,894,724	61.02	1,707,431	240.01
Capitation Expenses				
Vision	63,827	1.00	7,114	1.00
Mental Health	159,568	2.50	17,785	2.50
PCP	191,481	3.00	21,342	3.00
Other	0	0.00	0	0.00
Total	414,876	6.50	46,241	6.50
Reinsurance Expenses				
Gross Premium	319,135	5.00	35,570	5.00
Projected Reinsurance Recoveries	271,265	4.25	30,235	4.25
Net Reinsurance Cost	47,870	0.75	5,336	0.75
Administrative Expenses				
Fixed Amount	510,616	8.00	56,912	8.00
Percentage of Premium	309,805	5.75 %	115,433	5.75 %
Total	820,421		172,345	
Risk Margin	107,758	2.0 %	40,150	2.0 %
Premium Tax	94,289	1.75 %	35,132	1.75 %
Maintenance Tax	7,978	0.13	889	0.13
Projected FY2013 Total Cost				
with deliveries	5,387,916	84.41	2,007,524	282.19
without deliveries	5,200,269	81.47	2,007,524	282.19

Attachment 3

Community Experience Analysis

The following exhibits present a summary of the experience analysis performed for each managed care service area. HHSC utilizes an adjusted community rating methodology in setting the STAR premium rates. The base community rates by risk group vary by service area but are the same for each HMO in a service area. The community rates are developed by a weighted average of the projected FY2013 cost for each health plan in the service area. The weights used in this formula are the projected number of FY2013 clients enrolled in each health plan.

Below is a brief description of the exhibits contained in this attachment. The exhibits present the derivation of the FY2013 STAR HMO community rates for the following service areas:

- Exhibit A – Bexar Service Area
- Exhibit B – Dallas Service Area
- Exhibit C – El Paso Service Area
- Exhibit D – Harris Service Area
- Exhibit E – Lubbock Service Area
- Exhibit F – Nueces Service Area
- Exhibit G – Tarrant Service Area
- Exhibit H – Travis Service Area

These exhibits show projected FY2013 experience for each of the service areas. These amounts were derived by summing amounts from each individual health plan in the service area. The experience analysis for individual HMOs is described in Attachment 2. The top portion of the exhibit shows summary base period (FY2011) experience and projected FY2013 enrollment, premium and incurred claims experience.

In addition to incurred claims, provision is also made for services that are capitated by the HMOs, such as vision and behavioral health services. The cost of reinsurance is also considered. In developing the cost of reinsurance we make an assumption regarding how much the HMO is expected to receive in reinsurance recoveries (reimbursements from the reinsurance company for large claims). We have assumed that the net cost of reinsurance (reinsurance premium less reinsurance recoveries) is the minimum of (a) the actual reinsurance premium rate and (b) \$0.75 pmpm.

A provision for administrative expenses is included in the amount of \$8.00 pmpm and 5.75% of gross premium. Additional provisions are also included for premium tax (1.75% of premium), maintenance tax (\$0.125 pmpm) and risk margin (2.0% of premium).

The bottom of the exhibit shows a summary of the projected FY2013 cost based on these assumptions. Cost projections are presented both with and without the inclusion of maternity expenses.

FY2013 STAR Rating Summary
Bexar SDA Total

	<u>TANF Children (age 1+)</u>		<u>TANF Children <1</u>		<u>TANF Adults</u>		<u>Pregnant Women</u>		<u>Newborns</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
FY2011 Experience Period										
Member Months	189,305		12,288		59,858		116,466		201,426	
Premium Revenue	27,079,363	143.05	4,263,135	346.94	23,431,168	391.45	56,185,417	482.42	146,135,819	725.51
Adjusted Premium	24,580,482	129.85	3,342,433	272.01	20,594,821	344.06	49,851,828	428.04	115,986,733	575.83
FY2011 Incurred Claims	19,349,804	102.22	3,581,338	291.46	21,739,898	363.19	84,647,885	726.80	113,581,293	563.89
Proj FY2013 Member Months	339,249		22,251		111,332		113,675		210,426	
Projected FY2013 Premium										
Current Unadjusted Rates	45,410,195	133.86	6,048,035	271.81	43,857,371	393.93	88,399,418	777.65	121,339,882	576.64
Current Adjusted Rates	44,111,578	130.03	6,048,035	271.81	38,432,326	345.20	48,641,486	427.90	121,339,882	576.64
Current DSP Rate	1,392,815	4.11	0	0.00	5,364,087	48.18	40,208,140	353.71	0	0.00
Annual Cost Trend Assumptions										
FY2012	6.7 %		6.7 %		6.8 %		0.2 %		-2.3 %	
FY2013	8.9 %		8.9 %		7.3 %		1.8 %		1.5 %	
Provider Reimbursement Adj		0.9306		0.9558		0.9452		0.9657		0.9708
Other Reimbursement Changes		1.0196		1.0194		1.0128		1.0129		1.0148
Facility Reimbursement Changes		0.9734		0.9014		0.9500		0.9349		0.9169
Out-of-Network Adjustment		1.0000		1.0000		1.0000		1.0000		1.0000
Third Party Recovery Adjustment		1.0000		1.0000		1.0000		1.0000		1.0000
Projected Incurred Claims	37,214,282	109.70	6,618,345	297.44	42,140,285	378.51	77,067,660	677.96	106,287,850	505.11
Capitation Expenses	527,208	1.55	18,723	0.84	118,991	1.07	-21,682	-0.19	70,562	0.34
Net Reinsurance Cost	220,091	0.65	14,140	0.64	68,422	0.61	71,227	0.63	131,281	0.62

FY2013 STAR Rating Summary
 Bexar SDA Total

	<u>TANF Children (age 1+)</u>		<u>TANF Children <1</u>		<u>TANF Adults</u>		<u>Pregnant Women</u>		<u>Newborns</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
Administrative Expenses										
Fixed Amount	2,713,991	8.00	178,010	8.00	890,656	8.00	909,400	8.00	1,683,411	8.00
Percentage of Premium	2,587,054	5.75%	434,077	5.75%	2,746,802	5.75%	4,958,394	5.75%	6,874,548	5.75%
Total	5,301,045	15.63	612,088	27.51	3,637,458	32.67	5,867,795	51.62	8,557,959	40.67
Risk Margin	899,845	2.00%	150,983	2.00%	955,409	2.00%	1,724,659	2.00%	2,391,147	2.00%
Premium Tax	787,364	1.75%	132,111	1.75%	835,983	1.75%	1,509,077	1.75%	2,092,254	1.75%
Maintenance Tax	42,406	0.13	2,781	0.13	13,916	0.13	14,209	0.13	26,303	0.13
Projected Total Cost										
with deliveries	44,992,241	132.62	7,549,172	339.27	47,770,465	429.08	86,232,944	758.59	119,557,356	568.17
without deliveries	43,599,426	128.52	7,549,172	339.27	42,406,378	380.90	46,024,803	404.88	119,557,356	568.17
Experience Rate Increase										
with deliveries		-0.9 %		24.8 %		8.9 %		-2.5 %		-1.5 %
without deliveries		-1.2 %		24.8 %		10.3 %		-5.4 %		-1.5 %

FY2013 STAR Rating Summary
Bexar SDA Total

	<u>Exp Children (age 1+)</u>		<u>Exp Children <1</u>		<u>Fed Mand Children</u>		<u>Deliveries</u>		<u>Total</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
FY2011 Experience Period										
Member Months	682,616		13,323		994,777		13,874		2,270,059	
Premium Revenue	98,868,745	144.84	3,142,368	235.87	101,041,724	101.57	45,320,904	3,266.59	460,147,739	202.70
Adjusted Premium	94,253,342	138.08	3,268,811	245.36	93,323,373	93.81	45,320,904	3,266.59	405,201,823	178.50
FY2011 Incurred Claims	75,767,696	111.00	2,315,720	173.82	73,363,873	73.75			394,347,507	173.72
Proj FY2013 Member Months	714,855		8,378		1,057,356				2,577,523	
Projected FY2013 Premium										
Current Unadjusted Rates	98,704,930	138.08	2,073,225	247.46	99,708,745	94.30			505,541,802	196.13
Current Adjusted Rates	98,704,930	138.08	2,073,225	247.46	99,184,749	93.80			458,536,213	177.90
Current DSP Rate	0	0.00	0	0.00	482,063	0.46			47,447,105	18.41
Annual Cost Trend Assumptions										
FY2012	4.2 %		4.2 %		3.8 %					
FY2013	4.9 %		4.9 %		5.2 %					
Provider Reimbursement Adj		0.9316		0.9382		0.9259				
Other Reimbursement Changes		1.0267		1.0207		1.0156				
Facility Reimbursement Changes		0.9793		0.9603		0.9755				
Out-of-Network Adjustment		1.0000		1.0000		1.0000				
Third Party Recovery Adjustment		1.0000		1.0000		1.0000				
Projected Incurred Claims	81,237,612	113.64	1,463,818	174.72	78,109,727	73.87			430,139,579	166.88
Capitation Expenses	1,047,761	1.47	12,197	1.46	1,572,337	1.49			3,346,097	1.30
Net Reinsurance Cost	462,608	0.65	5,088	0.61	696,169	0.66			1,669,026	0.65

FY2013 STAR Rating Summary
 Bexar SDA Total

	<u>Exp Children (age 1+)</u>		<u>Exp Children <1</u>		<u>Fed Mand Children</u>		<u>Deliveries</u>		<u>Total</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
Administrative Expenses										
Fixed Amount	5,718,838	8.00	67,025	8.00	8,458,851	8.00			20,620,182	8.00
Percentage of Premium	5,626,497	5.75%	98,428	5.75%	5,652,743	5.75%			28,978,543	5.75%
Total	11,345,335	15.87	165,453	19.75	14,111,593	13.35			49,598,725	19.24
Risk Margin	1,957,043	2.00%	34,236	2.00%	1,966,171	2.00%			10,079,493	2.00%
Premium Tax	1,712,412	1.75%	29,956	1.75%	1,720,400	1.75%			8,819,557	1.75%
Maintenance Tax	89,357	0.13	1,047	0.13	132,170	0.13			322,190	0.13
Projected Total Cost										
with deliveries	97,852,128	136.88	1,711,796	204.32	98,308,566	92.98			503,974,668	195.53
without deliveries	97,852,128	136.88	1,711,796	204.32	97,826,503	92.52			456,527,563	177.12
Experience Rate Increase										
with deliveries		-0.9 %		-17.4 %		-1.4 %				-0.3 %
without deliveries		-0.9 %		-17.4 %		-1.4 %				-0.4 %

FY2013 STAR Rating Summary
Dallas SDA Total

	<u>TANF Children (age 1+)</u>		<u>TANF Children <1</u>		<u>TANF Adults</u>		<u>Pregnant Women</u>		<u>Newborns</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
FY2011 Experience Period										
Member Months	183,096		13,806		45,180		154,887		283,676	
Premium Revenue	23,772,076	129.83	5,632,393	407.98	14,758,364	326.66	84,578,817	546.07	175,743,472	619.52
Adjusted Premium	26,539,016	144.95	5,682,166	411.59	12,912,516	285.80	71,479,041	461.49	159,963,370	563.90
FY2011 Incurred Claims	18,400,268	100.50	3,620,905	262.28	12,502,684	276.73	113,092,302	730.16	145,708,628	513.65
Proj FY2013 Member Months	365,871		30,404		103,514		144,429		333,113	
Projected FY2013 Premium										
Current Unadjusted Rates	54,254,588	148.29	12,490,652	410.82	34,405,514	332.38	122,919,878	851.08	187,391,659	562.55
Current Adjusted Rates	52,871,445	144.51	12,490,652	410.82	29,144,725	281.55	66,604,826	461.16	187,391,659	562.55
Current DSP Rate	1,252,380	3.42	0	0.00	4,830,190	46.66	54,626,347	378.22	0	0.00
Annual Cost Trend Assumptions										
FY2012	6.7 %		6.7 %		6.8 %		0.2 %		-2.3 %	
FY2013	8.9 %		8.9 %		7.3 %		1.8 %		1.5 %	
Provider Reimbursement Adj		0.9443		0.9638		0.9319		0.9645		0.9762
Other Reimbursement Changes		1.0071		1.0047		1.0026		1.0027		1.0040
Facility Reimbursement Changes		0.9948		0.9813		0.9794		0.9778		0.9678
Out-of-Network Adjustment		1.0000		1.0000		1.0000		1.0000		1.0000
Third Party Recovery Adjustment		1.0000		1.0000		1.0000		1.0000		1.0000
Projected Incurred Claims	40,418,838	110.47	8,804,673	289.59	30,038,990	290.19	101,721,071	704.30	160,943,526	483.15
Capitation Expenses	1,088,957	2.98	94,905	3.12	294,665	2.85	439,735	3.04	1,037,558	3.11
Net Reinsurance Cost	191,389	0.52	16,129	0.53	52,251	0.50	72,136	0.50	177,803	0.53

FY2013 STAR Rating Summary
 Dallas SDA Total

	<u>TANF Children (age 1+)</u>		<u>TANF Children <1</u>		<u>TANF Adults</u>		<u>Pregnant Women</u>		<u>Newborns</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
Administrative Expenses										
Fixed Amount	2,926,972	8.00	243,232	8.00	828,113	8.00	1,155,431	8.00	2,664,904	8.00
Percentage of Premium	2,838,269	5.75%	582,163	5.75%	1,984,033	5.75%	6,570,022	5.75%	10,474,875	5.75%
Total	5,765,241	15.76	825,395	27.15	2,812,146	27.17	7,725,453	53.49	13,139,779	39.45
Risk Margin	987,224	2.00%	202,491	2.00%	690,099	2.00%	2,285,225	2.00%	3,643,435	2.00%
Premium Tax	863,821	1.75%	177,180	1.75%	603,836	1.75%	1,999,572	1.75%	3,188,006	1.75%
Maintenance Tax	45,734	0.13	3,801	0.13	12,939	0.13	18,054	0.13	41,639	0.13
Projected Total Cost										
with deliveries	49,361,204	134.91	10,124,574	333.00	34,504,926	333.34	114,261,245	791.12	182,171,746	546.88
without deliveries	48,108,824	131.49	10,124,574	333.00	29,674,736	286.67	59,634,898	412.90	182,171,746	546.88
Experience Rate Increase										
with deliveries		-9.0 %		-18.9 %		0.3 %		-7.0 %		-2.8 %
without deliveries		-9.0 %		-18.9 %		1.8 %		-10.5 %		-2.8 %

FY2013 STAR Rating Summary
 Dallas SDA Total

	<u>Exp Children (age 1+)</u>		<u>Exp Children <1</u>		<u>Fed Mand Children</u>		<u>Deliveries</u>		<u>Total</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
FY2011 Experience Period										
Member Months	1,294,757		55,980		1,721,259		17,753		3,752,641	
Premium Revenue	196,779,966	151.98	15,765,132	281.62	185,697,583	107.88	62,794,669	3,537.13	702,727,802	187.26
Adjusted Premium	194,470,006	150.20	17,918,839	320.09	168,542,117	97.92	62,794,669	3,537.13	657,507,072	175.21
FY2011 Incurred Claims	148,638,068	114.80	14,169,411	253.11	127,388,190	74.01			583,520,456	155.50
Proj FY2013 Member Months	1,366,754		33,002		1,910,564				4,287,652	
Projected FY2013 Premium										
Current Unadjusted Rates	205,157,504	150.11	10,363,100	314.01	188,599,989	98.71			815,582,885	190.22
Current Adjusted Rates	205,157,504	150.11	10,363,100	314.01	186,921,982	97.84			750,945,894	175.14
Current DSP Rate	0	0.00	0	0.00	1,342,740	0.70			62,051,656	14.47
Annual Cost Trend Assumptions										
FY2012	4.2 %		4.2 %		3.8 %					
FY2013	4.9 %		4.9 %		5.2 %					
Provider Reimbursement Adj		0.9504		0.9608		0.9409				
Other Reimbursement Changes		1.0098		1.0062		1.0047				
Facility Reimbursement Changes		0.9963		0.9905		0.9933				
Out-of-Network Adjustment		1.0000		1.0000		1.0000				
Third Party Recovery Adjustment		1.0000		1.0000		1.0000				
Projected Incurred Claims	163,986,250	119.98	8,743,272	264.93	144,983,243	75.89			659,639,862	153.85
Capitation Expenses	3,920,473	2.87	98,172	2.97	5,524,806	2.89			12,499,271	2.92
Net Reinsurance Cost	727,430	0.53	16,450	0.50	981,294	0.51			2,234,882	0.52

FY2013 STAR Rating Summary
 Dallas SDA Total

	<u>Exp Children (age 1+)</u>		<u>Exp Children <1</u>		<u>Fed Mand Children</u>		<u>Deliveries</u>		<u>Total</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
Administrative Expenses										
Fixed Amount	10,934,036	8.00	264,018	8.00	15,284,511	8.00			34,301,216	8.00
Percentage of Premium	11,419,883	5.75%	579,831	5.75%	10,611,303	5.75%			45,060,379	5.75%
Total	22,353,919	16.36	843,849	25.57	25,895,814	13.55			79,361,595	18.51
Risk Margin	3,972,133	2.00%	201,680	2.00%	3,690,888	2.00%			15,673,175	2.00%
Premium Tax	3,475,617	1.75%	176,470	1.75%	3,229,527	1.75%			13,714,028	1.75%
Maintenance Tax	170,844	0.13	4,125	0.13	238,820	0.13			535,956	0.13
Projected Total Cost										
with deliveries	198,606,666	145.31	10,084,018	305.56	184,544,393	96.59			783,658,771	182.77
without deliveries	198,606,666	145.31	10,084,018	305.56	183,201,653	95.89			721,607,115	168.30
Experience Rate Increase										
with deliveries		-3.2 %		-2.7 %		-2.2 %				-3.9 %
without deliveries		-3.2 %		-2.7 %		-2.0 %				-3.9 %

FY2013 STAR Rating Summary
El Paso SDA Total

	<u>TANF Children (age 1+)</u>		<u>TANF Children <1</u>		<u>TANF Adults</u>		<u>Pregnant Women</u>		<u>Newborns</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
FY2011 Experience Period										
Member Months	160,953		9,625		41,850		51,417		87,250	
Premium Revenue	17,052,774	105.95	2,450,433	254.58	11,807,551	282.14	21,554,865	419.22	49,065,568	562.35
Adjusted Premium	16,754,366	104.09	2,450,876	254.63	10,781,970	257.63	17,235,150	335.20	38,612,846	442.55
FY2011 Incurred Claims	12,589,403	78.22	2,144,070	222.75	10,626,232	253.91	33,816,609	657.69	40,810,255	467.74
Proj FY2013 Member Months	203,879		12,522		56,241		53,155		98,495	
Projected FY2013 Premium										
Current Unadjusted Rates	21,787,132	106.86	3,189,620	254.72	16,419,882	291.95	36,437,531	685.50	43,562,771	442.29
Current Adjusted Rates	21,225,432	104.11	3,189,620	254.72	14,477,940	257.43	17,819,127	335.23	43,562,771	442.29
Current DSP Rate	787,019	3.86	0	0.00	2,246,466	39.94	19,298,068	363.05	0	0.00
Annual Cost Trend Assumptions										
FY2012	6.7 %		6.7 %		6.8 %		0.2 %		-2.3 %	
FY2013	8.9 %		8.9 %		7.3 %		1.8 %		1.5 %	
Provider Reimbursement Adj		0.9626		0.9733		0.9668		0.9815		0.9863
Other Reimbursement Changes		1.0211		1.0216		1.0109		1.0109		1.0141
Facility Reimbursement Changes		0.9676		0.9126		0.9529		0.9130		0.9013
Out-of-Network Adjustment		1.0000		1.0000		1.0000		1.0000		1.0000
Third Party Recovery Adjustment		0.9934		0.9941		0.9929		0.9941		0.9934
Projected Incurred Claims	17,505,999	85.86	2,923,510	233.47	15,131,650	269.05	32,114,629	604.17	40,913,267	415.39
Capitation Expenses	1,117,307	5.48	64,739	5.17	305,210	5.43	152,854	2.88	511,726	5.20
Net Reinsurance Cost	150,265	0.74	9,244	0.74	41,459	0.74	39,229	0.74	72,691	0.74

	<u>TANF Children (age 1+)</u>		<u>TANF Children <1</u>		<u>TANF Adults</u>		<u>Pregnant Women</u>		<u>Newborns</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
Administrative Expenses										
Fixed Amount	1,631,028	8.00	100,176	8.00	449,930	8.00	425,240	8.00	787,958	8.00
Percentage of Premium	1,298,044	5.75%	196,913	5.75%	1,012,462	5.75%	2,080,077	5.75%	2,687,439	5.75%
Total	2,929,072	14.37	297,088	23.73	1,462,393	26.00	2,505,317	47.13	3,475,397	35.29
Risk Margin	451,494	2.00%	68,491	2.00%	352,161	2.00%	723,505	2.00%	934,761	2.00%
Premium Tax	395,057	1.75%	59,930	1.75%	308,141	1.75%	633,067	1.75%	817,916	1.75%
Maintenance Tax	25,485	0.13	1,565	0.13	7,030	0.13	6,644	0.13	12,312	0.13
Projected Total Cost										
with deliveries	22,574,678	110.73	3,424,568	273.49	17,608,043	313.08	36,175,245	680.56	46,738,071	474.52
without deliveries	21,787,659	106.87	3,424,568	273.49	15,361,577	273.14	16,877,176	317.51	46,738,071	474.52
Experience Rate Increase										
with deliveries		3.6 %		7.4 %		7.2 %		-0.7 %		7.3 %
without deliveries		2.6 %		7.4 %		6.1 %		-5.3 %		7.3 %

FY2013 STAR Rating Summary
El Paso SDA Total

	<u>Exp Children (age 1+)</u>		<u>Exp Children <1</u>		<u>Fed Mand Children</u>		<u>Deliveries</u>		<u>Total</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
FY2011 Experience Period										
Member Months	339,010		11,640		582,243		6,208		1,283,989	
Premium Revenue	41,233,723	121.63	3,034,642	260.71	52,430,523	90.05	21,375,046	3,443.04	198,630,079	154.70
Adjusted Premium	38,099,929	112.39	2,868,923	246.47	48,513,062	83.32	21,375,046	3,443.04	175,317,122	136.54
FY2011 Incurred Claims	29,737,635	87.72	2,124,073	182.48	34,463,429	59.19			166,311,706	129.53
Proj FY2013 Member Months	360,275		7,535		637,996				1,430,097	
Projected FY2013 Premium										
Current Unadjusted Rates	40,483,644	112.37	1,846,617	245.08	53,578,031	83.98			217,305,228	151.95
Current Adjusted Rates	40,483,644	112.37	1,846,617	245.08	53,140,337	83.29			195,745,488	136.88
Current DSP Rate	0	0.00	0	0.00	439,329	0.69			22,770,882	15.92
Annual Cost Trend Assumptions										
FY2012	4.2 %		4.2 %		3.8 %					
FY2013	4.9 %		4.9 %		5.2 %					
Provider Reimbursement Adj		0.9585		0.9758		0.9630				
Other Reimbursement Changes		1.0310		1.0270		1.0125				
Facility Reimbursement Changes		0.9759		0.9354		0.9775				
Out-of-Network Adjustment		1.0000		1.0000		1.0000				
Third Party Recovery Adjustment		0.9939		0.9929		0.9933				
Projected Incurred Claims	33,109,869	91.90	1,398,830	185.65	39,041,060	61.19			182,138,813	127.36
Capitation Expenses	1,816,346	5.04	25,912	3.44	3,326,734	5.21			7,320,828	5.12
Net Reinsurance Cost	266,067	0.74	5,529	0.73	470,538	0.74			1,055,024	0.74

FY2013 STAR Rating Summary
El Paso SDA Total

	<u>Exp Children (age 1+)</u>		<u>Exp Children <1</u>		<u>Fed Mand Children</u>		<u>Deliveries</u>		<u>Total</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
Administrative Expenses										
Fixed Amount	2,882,201	8.00	60,277	8.00	5,103,968	8.00			11,440,778	8.00
Percentage of Premium	2,421,958	5.75%	94,763	5.75%	3,051,125	5.75%			12,842,781	5.75%
Total	5,304,159	14.72	155,040	20.58	8,155,092	12.78			24,283,559	16.98
Risk Margin	842,420	2.00%	32,961	2.00%	1,061,261	2.00%			4,467,054	2.00%
Premium Tax	737,118	1.75%	28,841	1.75%	928,603	1.75%			3,908,672	1.75%
Maintenance Tax	45,034	0.13	942	0.13	79,749	0.13			178,762	0.13
Projected Total Cost										
with deliveries	42,121,014	116.91	1,648,055	218.73	53,063,038	83.17			223,352,713	156.18
without deliveries	42,121,014	116.91	1,648,055	218.73	52,623,709	82.48			200,581,831	140.26
Experience Rate Increase										
with deliveries		4.0 %		-10.8 %		-1.0 %				2.8 %
without deliveries		4.0 %		-10.8 %		-1.0 %				2.5 %

FY2013 STAR Rating Summary
Harris SDA Total

	<u>TANF Children (age 1+)</u>		<u>TANF Children <1</u>		<u>TANF Adults</u>		<u>Pregnant Women</u>		<u>Newborns</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
FY2011 Experience Period										
Member Months	306,150		23,568		74,244		252,315		494,296	
Premium Revenue	39,771,515	129.91	7,593,850	322.21	32,070,965	431.97	142,674,653	565.46	343,651,199	695.23
Adjusted Premium	38,664,571	126.29	8,736,605	370.70	28,793,173	387.82	123,713,023	490.31	305,620,895	618.30
FY2011 Incurred Claims	27,224,453	88.93	6,726,783	285.42	27,740,575	373.64	197,180,055	781.48	280,708,827	567.90
Proj FY2013 Member Months	638,647		56,426		187,421		243,734		579,076	
Projected FY2013 Premium										
Current Unadjusted Rates	82,678,762	129.46	20,718,948	367.19	83,321,647	444.57	218,393,648	896.03	358,490,147	619.07
Current Adjusted Rates	80,495,961	126.04	20,718,948	367.19	72,408,594	386.34	119,405,845	489.90	358,490,147	619.07
Current DSP Rate	2,634,007	4.12	0	0.00	10,632,086	56.73	95,168,998	390.46	0	0.00
Annual Cost Trend Assumptions										
FY2012	6.7 %		6.7 %		6.8 %		0.2 %		-2.3 %	
FY2013	8.9 %		8.9 %		7.3 %		1.8 %		1.5 %	
Provider Reimbursement Adj		0.9427		0.9632		0.9425		0.9682		0.9834
Other Reimbursement Changes		1.0152		1.0122		1.0095		1.0095		1.0108
Facility Reimbursement Changes		0.9761		0.9671		0.9900		0.9654		0.9294
Out-of-Network Adjustment		1.0000		1.0000		1.0000		1.0000		1.0000
Third Party Recovery Adjustment		1.0000		1.0000		1.0000		1.0000		1.0000
Projected Incurred Claims	61,644,892	96.52	17,644,787	312.71	75,590,600	403.32	183,328,936	752.17	301,274,940	520.27
Capitation Expenses	2,895,823	4.53	219,694	3.89	820,404	4.38	660,324	2.71	1,910,852	3.30
Net Reinsurance Cost	379,647	0.59	33,539	0.59	100,041	0.53	135,156	0.55	342,768	0.59

FY2013 STAR Rating Summary
Harris SDA Total

	<u>TANF Children (age 1+)</u>		<u>TANF Children <1</u>		<u>TANF Adults</u>		<u>Pregnant Women</u>		<u>Newborns</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
Administrative Expenses										
Fixed Amount	5,109,173	8.00	451,410	8.00	1,499,367	8.00	1,949,873	8.00	4,632,604	8.00
Percentage of Premium	4,454,462	5.75%	1,166,296	5.75%	4,957,951	5.75%	11,824,335	5.75%	19,583,899	5.75%
Total	9,563,636	14.97	1,617,706	28.67	6,457,319	34.45	13,774,208	56.51	24,216,504	41.82
Risk Margin	1,549,378	2.00%	405,668	2.00%	1,724,505	2.00%	4,112,812	2.00%	6,811,791	2.00%
Premium Tax	1,355,706	1.75%	354,960	1.75%	1,508,942	1.75%	3,598,711	1.75%	5,960,317	1.75%
Maintenance Tax	79,831	0.13	7,053	0.13	23,428	0.13	30,467	0.13	72,384	0.13
Projected Total Cost										
with deliveries	77,468,912	121.30	20,283,408	359.47	86,225,238	460.06	205,640,613	843.71	340,589,556	588.16
without deliveries	74,834,905	117.18	20,283,408	359.47	75,593,152	403.33	110,471,616	453.25	340,589,556	588.16
Experience Rate Increase										
with deliveries		-6.3 %		-2.1 %		3.5 %		-5.8 %		-5.0 %
without deliveries		-7.0 %		-2.1 %		4.4 %		-7.5 %		-5.0 %

FY2013 STAR Rating Summary
Harris SDA Total

	<u>Exp Children (age 1+)</u>		<u>Exp Children <1</u>		<u>Fed Mand Children</u>		<u>Deliveries</u>		<u>Total</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
FY2011 Experience Period										
Member Months	2,077,592		76,437		2,766,640		30,433		6,071,241	
Premium Revenue	268,645,562	129.31	21,434,007	280.41	277,316,960	100.24	107,101,109	3,519.20	1,133,158,709	186.64
Adjusted Premium	261,350,035	125.79	20,591,284	269.39	261,063,963	94.36	107,101,109	3,519.20	1,048,533,549	172.70
FY2011 Incurred Claims	199,842,443	96.19	16,275,015	212.92	197,561,486	71.41			953,259,637	157.01
Proj FY2013 Member Months	2,212,037		36,090		3,062,235				7,015,665	
Projected FY2013 Premium										
Current Unadjusted Rates	278,861,013	126.07	9,759,143	270.41	292,571,848	95.54			1,344,795,157	191.68
Current Adjusted Rates	278,861,013	126.07	9,759,143	270.41	289,241,569	94.45			1,229,381,219	175.23
Current DSP Rate	0	0.00	0	0.00	2,699,825	0.88			111,134,915	15.84
Annual Cost Trend Assumptions										
FY2012	4.2 %		4.2 %		3.8 %					
FY2013	4.9 %		4.9 %		5.2 %					
Provider Reimbursement Adj		0.9425		0.9577		0.9403				
Other Reimbursement Changes		1.0207		1.0164		1.0120				
Facility Reimbursement Changes		0.9794		0.9699		0.9768				
Out-of-Network Adjustment		1.0000		1.0000		1.0000				
Third Party Recovery Adjustment		1.0000		1.0000		1.0000				
Projected Incurred Claims	219,130,396	99.06	7,929,816	219.73	221,949,361	72.48			1,088,493,729	155.15
Capitation Expenses	10,660,203	4.82	144,430	4.00	13,880,183	4.53			31,191,913	4.45
Net Reinsurance Cost	1,390,660	0.63	22,603	0.63	1,882,157	0.61			4,286,570	0.61

FY2013 STAR Rating Summary
Harris SDA Total

	<u>Exp Children (age 1+)</u>		<u>Exp Children <1</u>		<u>Fed Mand Children</u>		<u>Deliveries</u>		<u>Total</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
Administrative Expenses										
Fixed Amount	17,696,299	8.00	288,717	8.00	24,497,879	8.00			56,125,324	8.00
Percentage of Premium	15,830,231	5.75%	533,071	5.75%	16,684,045	5.75%			75,034,291	5.75%
Total	33,526,530	15.16	821,789	22.77	41,181,924	13.45			131,159,615	18.70
Risk Margin	5,506,167	2.00%	185,416	2.00%	5,803,146	2.00%			26,098,884	2.00%
Premium Tax	4,817,896	1.75%	162,239	1.75%	5,077,753	1.75%			22,836,523	1.75%
Maintenance Tax	276,505	0.13	4,511	0.13	382,779	0.13			876,958	0.13
Projected Total Cost										
with deliveries	275,308,358	124.46	9,270,804	256.88	290,157,304	94.75			1,304,944,193	186.00
without deliveries	275,308,358	124.46	9,270,804	256.88	287,457,479	93.87			1,193,809,278	170.16
Experience Rate Increase										
with deliveries		-1.3 %		-5.0 %		-0.8 %				-3.0 %
without deliveries		-1.3 %		-5.0 %		-0.6 %				-2.9 %

FY2013 STAR Rating Summary
Lubbock SDA Total

	<u>TANF Children (age 1+)</u>		<u>TANF Children <1</u>		<u>TANF Adults</u>		<u>Pregnant Women</u>		<u>Newborns</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
FY2011 Experience Period										
Member Months	106,388		7,121		34,205		39,643		67,388	
Premium Revenue	12,307,117	115.68	2,286,912	321.16	10,197,854	298.14	21,119,194	532.73	35,832,394	531.73
Adjusted Premium	11,976,326	112.57	5,182,827	727.85	10,811,879	316.09	16,879,650	425.79	37,366,924	554.50
FY2011 Incurred Claims	8,734,523	82.10	3,507,296	492.55	9,517,209	278.24	23,952,431	604.20	32,754,966	486.07
Proj FY2013 Member Months	127,884		8,357		40,951		41,556		70,661	
Projected FY2013 Premium										
Current Unadjusted Rates	15,515,318	121.32	6,047,255	723.64	15,504,863	378.62	32,361,425	778.75	39,103,170	553.39
Current Adjusted Rates	14,793,462	115.68	6,047,255	723.64	12,905,345	315.14	17,706,410	426.09	39,103,170	553.39
Current DSP Rate	655,409	5.13	0	0.00	2,204,867	53.84	14,864,746	357.71	0	0.00
Annual Cost Trend Assumptions										
FY2012	6.7 %		6.7 %		6.8 %		0.2 %		-2.3 %	
FY2013	8.9 %		8.9 %		7.3 %		1.8 %		1.5 %	
Provider Reimbursement Adj		0.9697		0.9881		0.9726		0.9798		0.9884
Other Reimbursement Changes		1.0336		1.0318		1.0198		1.0198		1.0241
Facility Reimbursement Changes		1.0123		0.9914		1.0405		1.0767		1.0314
Out-of-Network Adjustment		1.0000		1.0000		1.0000		1.0000		1.0000
Third Party Recovery Adjustment		1.0000		1.0000		1.0000		1.0000		1.0000
Projected Incurred Claims	12,378,142	96.79	4,834,163	578.48	13,475,483	329.07	27,553,293	663.05	35,558,116	503.22
Capitation Expenses	62,736	0.49	4,528	0.54	22,044	0.54	26,548	0.64	43,451	0.61
Net Reinsurance Cost	47,713	0.37	3,186	0.38	15,507	0.38	19,513	0.47	30,398	0.43

FY2013 STAR Rating Summary
Lubbock SDA Total

	<u>TANF Children (age 1+)</u>		<u>TANF Children <1</u>		<u>TANF Adults</u>		<u>Pregnant Women</u>		<u>Newborns</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
Administrative Expenses										
Fixed Amount	1,023,073	8.00	66,854	8.00	327,606	8.00	332,445	8.00	565,290	8.00
Percentage of Premium	859,492	5.75%	311,947	5.75%	879,703	5.75%	1,775,002	5.75%	2,300,387	5.75%
Total	1,882,564	14.72	378,801	45.33	1,207,309	29.48	2,107,447	50.71	2,865,677	40.56
Risk Margin	298,954	2.00%	108,503	2.00%	305,984	2.00%	617,392	2.00%	800,135	2.00%
Premium Tax	261,584	1.75%	94,940	1.75%	267,736	1.75%	540,218	1.75%	700,118	1.75%
Maintenance Tax	15,986	0.13	1,045	0.13	5,119	0.13	5,194	0.13	8,833	0.13
Projected Total Cost										
with deliveries	14,947,679	116.88	5,425,166	649.20	15,299,181	373.60	30,869,606	742.85	40,006,727	566.18
without deliveries	14,292,270	111.76	5,425,166	649.20	13,094,314	319.76	16,004,861	385.14	40,006,727	566.18
Experience Rate Increase										
with deliveries		-3.7 %		-10.3 %		-1.3 %		-4.6 %		2.3 %
without deliveries		-3.4 %		-10.3 %		1.5 %		-9.6 %		2.3 %

FY2013 STAR Rating Summary
Lubbock SDA Total

	<u>Exp Children (age 1+)</u>		<u>Exp Children <1</u>		<u>Fed Mand Children</u>		<u>Deliveries</u>		<u>Total</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
FY2011 Experience Period										
Member Months	226,986		5,442		294,769		5,226		781,941	
Premium Revenue	29,166,673	128.50	1,742,957	320.28	26,622,169	90.32	16,880,849	3,230.39	139,275,269	178.11
Adjusted Premium	23,904,075	105.31	2,117,403	389.09	24,049,569	81.59	16,880,849	3,230.39	132,288,653	169.18
FY2011 Incurred Claims	18,226,172	80.30	1,167,452	214.53	17,412,175	59.07			115,272,223	147.42
Proj FY2013 Member Months	231,423		3,865		313,485				838,181	
Projected FY2013 Premium										
Current Unadjusted Rates	24,789,547	107.12	1,525,019	394.62	25,425,874	81.11			160,272,471	191.21
Current Adjusted Rates	24,789,547	107.12	1,525,019	394.62	25,212,458	80.43			142,082,665	169.51
Current DSP Rate	0	0.00	0	0.00	218,522	0.70			17,943,543	21.41
Annual Cost Trend Assumptions										
FY2012	4.2 %		4.2 %		3.8 %					
FY2013	4.9 %		4.9 %		5.2 %					
Provider Reimbursement Adj		0.9684		0.9873		0.9678				
Other Reimbursement Changes		1.0439		1.0334		1.0217				
Facility Reimbursement Changes		1.0074		1.0274		1.0057				
Out-of-Network Adjustment		1.0000		1.0000		1.0000				
Third Party Recovery Adjustment		1.0000		1.0000		1.0000				
Projected Incurred Claims	20,685,365	89.38	949,900	245.80	20,108,420	64.14			135,542,883	161.71
Capitation Expenses	121,903	0.53	2,419	0.63	163,245	0.52			446,874	0.53
Net Reinsurance Cost	94,138	0.41	1,815	0.47	126,853	0.40			339,123	0.40

FY2013 STAR Rating Summary
Lubbock SDA Total

	<u>Exp Children (age 1+)</u>		<u>Exp Children <1</u>		<u>Fed Mand Children</u>		<u>Deliveries</u>		<u>Total</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
Administrative Expenses										
Fixed Amount	1,851,387	8.00	30,916	8.00	2,507,877	8.00			6,705,448	8.00
Percentage of Premium	1,447,457	5.75%	62,617	5.75%	1,457,868	5.75%			9,094,473	5.75%
Total	3,298,845	14.25	93,533	24.20	3,965,745	12.65			15,799,921	18.85
Risk Margin	503,463	2.00%	21,780	2.00%	507,085	2.00%			3,163,295	2.00%
Premium Tax	440,531	1.75%	19,057	1.75%	443,699	1.75%			2,767,883	1.75%
Maintenance Tax	28,928	0.13	483	0.13	39,186	0.13			104,773	0.13
Projected Total Cost										
with deliveries	25,173,172	108.78	1,088,987	281.79	25,354,232	80.88			158,164,751	188.70
without deliveries	25,173,172	108.78	1,088,987	281.79	25,135,710	80.18			140,221,208	167.29
Experience Rate Increase										
with deliveries		1.5 %		-28.6 %		-0.3 %				-1.3 %
without deliveries		1.5 %		-28.6 %		-0.3 %				-1.3 %

FY2013 STAR Rating Summary
Nueces SDA Total

	<u>TANF Children (age 1+)</u>		<u>TANF Children <1</u>		<u>TANF Adults</u>		<u>Pregnant Women</u>		<u>Newborns</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
FY2011 Experience Period										
Member Months	80,464		5,351		26,556		45,557		74,131	
Premium Revenue	13,631,920	169.42	2,760,294	515.85	11,242,975	423.37	26,395,545	579.40	65,415,871	882.43
Adjusted Premium	12,896,654	160.28	2,056,088	384.24	10,010,956	376.98	23,023,788	505.39	54,021,247	728.72
FY2011 Incurred Claims	9,398,528	116.80	2,697,885	504.18	8,177,939	307.95	31,171,719	684.24	42,903,683	578.75
Proj FY2013 Member Months	143,722		8,473		44,910		44,728		76,817	
Projected FY2013 Premium										
Current Unadjusted Rates	23,579,691	164.06	3,212,965	379.22	19,436,210	432.78	37,638,421	841.49	56,166,111	731.17
Current Adjusted Rates	22,929,472	159.54	3,212,965	379.22	17,302,837	385.27	22,547,749	504.10	56,166,111	731.17
Current DSP Rate	604,721	4.21	0	0.00	1,980,887	44.11	14,983,330	334.99	0	0.00
Annual Cost Trend Assumptions										
FY2012	6.7 %		6.7 %		6.8 %		0.2 %		-2.3 %	
FY2013	8.9 %		8.9 %		7.3 %		1.8 %		1.5 %	
Provider Reimbursement Adj		0.9344		0.9636		0.9424		0.9662		0.9722
Other Reimbursement Changes		1.0112		1.0102		1.0060		1.0060		1.0075
Facility Reimbursement Changes		1.0041		0.9982		1.0140		1.0022		0.9942
Out-of-Network Adjustment		1.0000		1.0000		1.0000		1.0000		1.0000
Third Party Recovery Adjustment		1.0000		1.0000		1.0000		1.0000		1.0000
Projected Incurred Claims	18,506,418	128.77	4,823,051	569.25	15,236,165	339.26	30,410,610	679.90	42,932,527	558.89
Capitation Expenses	2,208,966	15.37	121,236	14.31	319,573	7.12	1,549,987	34.65	3,031,640	39.47
Net Reinsurance Cost	95,643	0.67	5,725	0.68	28,177	0.63	30,889	0.69	51,955	0.68

	<u>TANF Children (age 1+)</u>		<u>TANF Children <1</u>		<u>TANF Adults</u>		<u>Pregnant Women</u>		<u>Newborns</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
Administrative Expenses										
Fixed Amount	1,149,778	8.00	67,781	8.00	359,284	8.00	357,827	8.00	614,537	8.00
Percentage of Premium	1,396,441	5.75%	318,877	5.75%	1,013,322	5.75%	2,055,698	5.75%	2,963,332	5.75%
Total	2,546,219	17.72	386,659	45.64	1,372,606	30.56	2,413,525	53.96	3,577,869	46.58
Risk Margin	485,719	2.00%	110,914	2.00%	352,460	2.00%	715,026	2.00%	1,030,724	2.00%
Premium Tax	425,004	1.75%	97,050	1.75%	308,402	1.75%	625,647	1.75%	901,884	1.75%
Maintenance Tax	17,965	0.13	1,059	0.13	5,614	0.13	5,591	0.13	9,602	0.13
Projected Total Cost										
with deliveries	24,285,933	168.98	5,545,693	654.54	17,622,997	392.40	35,751,276	799.30	51,536,201	670.89
without deliveries	23,681,212	164.77	5,545,693	654.54	15,642,110	348.30	20,767,945	464.31	51,536,201	670.89
Experience Rate Increase										
with deliveries		3.0 %		72.6 %		-9.3 %		-5.0 %		-8.2 %
without deliveries		3.3 %		72.6 %		-9.6 %		-7.9 %		-8.2 %

FY2013 STAR Rating Summary
Nueces SDA Total

	<u>Exp Children (age 1+)</u>		<u>Exp Children <1</u>		<u>Fed Mand Children</u>		<u>Deliveries</u>		<u>Total</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
FY2011 Experience Period										
Member Months	242,741		3,660		362,397		5,366		840,857	
Premium Revenue	42,498,059	175.08	1,435,010	392.06	47,900,943	132.18	17,192,701	3,203.82	211,280,617	251.27
Adjusted Premium	40,758,390	167.91	1,069,157	292.11	43,905,025	121.15	17,192,701	3,203.82	187,741,306	223.27
FY2011 Incurred Claims	29,042,673	119.64	668,393	182.61	30,845,237	85.11			154,906,056	184.22
Proj FY2013 Member Months	242,400		2,162		363,725				926,937	
Projected FY2013 Premium										
Current Unadjusted Rates	40,729,702	168.03	623,962	288.59	44,475,743	122.28			225,862,805	243.67
Current Adjusted Rates	40,729,702	168.03	623,962	288.59	44,153,344	121.39			207,666,142	224.03
Current DSP Rate	0	0.00	0	0.00	245,283	0.67			17,814,221	19.22
Annual Cost Trend Assumptions										
FY2012	4.2 %		4.2 %		3.8 %					
FY2013	4.9 %		4.9 %		5.2 %					
Provider Reimbursement Adj		0.9333		0.9386		0.9276				
Other Reimbursement Changes		1.0157		1.0139		1.0086				
Facility Reimbursement Changes		1.0049		1.0045		1.0025				
Out-of-Network Adjustment		1.0000		1.0000		1.0000				
Third Party Recovery Adjustment		1.0000		1.0000		1.0000				
Projected Incurred Claims	30,197,949	124.58	412,551	190.81	31,706,892	87.17			174,226,163	187.96
Capitation Expenses	3,897,667	16.08	36,869	17.05	6,063,145	16.67			17,229,082	18.59
Net Reinsurance Cost	160,429	0.66	1,479	0.68	243,512	0.67			617,809	0.67

FY2013 STAR Rating Summary
 Nueces SDA Total

	<u>Exp Children (age 1+)</u>		<u>Exp Children <1</u>		<u>Fed Mand Children</u>		<u>Deliveries</u>		<u>Total</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
Administrative Expenses										
Fixed Amount	1,939,197	8.00	17,297	8.00	2,909,797	8.00			7,415,498	8.00
Percentage of Premium	2,301,623	5.75%	29,764	5.75%	2,602,991	5.75%			12,682,049	5.75%
Total	4,240,820	17.50	47,061	21.77	5,512,788	15.16			20,097,547	21.68
Risk Margin	800,564	2.00%	10,353	2.00%	905,388	2.00%			4,411,147	2.00%
Premium Tax	700,494	1.75%	9,059	1.75%	792,215	1.75%			3,859,754	1.75%
Maintenance Tax	30,300	0.13	270	0.13	45,466	0.13			115,867	0.13
Projected Total Cost										
with deliveries	40,028,224	165.13	517,642	239.42	45,269,405	124.46			220,557,369	237.94
without deliveries	40,028,224	165.13	517,642	239.42	45,024,122	123.79			202,743,148	218.72
Experience Rate Increase										
with deliveries		-1.7 %		-17.0 %		1.8 %				-2.3 %
without deliveries		-1.7 %		-17.0 %		2.0 %				-2.4 %

FY2013 STAR Rating Summary
Tarrant SDA Total

	<u>TANF Children (age 1+)</u>		<u>TANF Children <1</u>		<u>TANF Adults</u>		<u>Pregnant Women</u>		<u>Newborns</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
FY2011 Experience Period										
Member Months	96,669		7,125		24,657		119,544		204,084	
Premium Revenue	12,768,065	132.08	2,120,825	297.65	7,495,595	304.00	59,737,192	499.71	130,325,845	638.59
Adjusted Premium	13,784,227	142.59	2,216,699	311.11	7,077,313	287.03	53,140,629	444.53	108,898,146	533.59
FY2011 Incurred Claims	9,764,486	101.01	1,306,868	183.41	7,278,420	295.19	82,844,383	693.00	107,664,407	527.55
Proj FY2013 Member Months	240,704		19,167		72,338		118,741		238,651	
Projected FY2013 Premium										
Current Unadjusted Rates	35,145,173	146.01	5,904,272	308.04	24,484,506	338.47	99,354,213	836.73	127,216,179	533.06
Current Adjusted Rates	34,282,883	142.43	5,904,272	308.04	20,852,694	288.27	52,807,098	444.72	127,216,179	533.06
Current DSP Rate	915,492	3.80	0	0.00	3,399,506	46.99	45,168,219	380.39	0	0.00
Annual Cost Trend Assumptions										
FY2012	6.7 %		6.7 %		6.8 %		0.2 %		-2.3 %	
FY2013	8.9 %		8.9 %		7.3 %		1.8 %		1.5 %	
Provider Reimbursement Adj		0.9474		0.9497		0.9452		0.9663		0.9750
Other Reimbursement Changes		1.0081		1.0080		1.0001		1.0001		1.0017
Facility Reimbursement Changes		1.0009		1.0007		1.0010		0.9930		0.9794
Out-of-Network Adjustment		1.0000		1.0000		1.0000		1.0000		1.0000
Third Party Recovery Adjustment		0.9993		0.9993		0.9996		0.9995		0.9995
Projected Incurred Claims	26,987,027	112.12	3,910,367	204.02	23,145,158	319.96	80,504,704	677.98	119,358,165	500.14
Capitation Expenses	993,797	4.13	111,545	5.82	318,132	4.40	501,417	4.22	1,253,336	5.25
Net Reinsurance Cost	102,342	0.43	7,644	0.40	23,704	0.33	42,369	0.36	92,674	0.39

FY2013 STAR Rating Summary
Tarrant SDA Total

	<u>TANF Children (age 1+)</u>		<u>TANF Children <1</u>		<u>TANF Adults</u>		<u>Pregnant Women</u>		<u>Newborns</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
Administrative Expenses										
Fixed Amount	1,925,632	8.00	153,336	8.00	578,706	8.00	949,930	8.00	1,909,205	8.00
Percentage of Premium	1,908,548	5.75%	265,916	5.75%	1,529,611	5.75%	5,210,787	5.75%	7,792,248	5.75%
Total	3,834,180	15.93	419,252	21.87	2,108,317	29.15	6,160,717	51.88	9,701,453	40.65
Risk Margin	663,843	2.00%	92,493	2.00%	532,038	2.00%	1,812,448	2.00%	2,710,347	2.00%
Premium Tax	580,862	1.75%	80,931	1.75%	465,534	1.75%	1,585,892	1.75%	2,371,554	1.75%
Maintenance Tax	30,088	0.13	2,396	0.13	9,042	0.13	14,843	0.13	29,831	0.13
Projected Total Cost										
with deliveries	33,192,140	137.90	4,624,627	241.28	26,601,925	367.74	90,622,390	763.19	135,517,361	567.85
without deliveries	32,276,648	134.09	4,624,627	241.28	23,202,419	320.75	45,454,170	382.80	135,517,361	567.85
Experience Rate Increase										
with deliveries		-5.6 %		-21.7 %		8.6 %		-8.8 %		6.5 %
without deliveries		-5.9 %		-21.7 %		11.3 %		-13.9 %		6.5 %

FY2013 STAR Rating Summary
Tarrant SDA Total

	<u>Exp Children (age 1+)</u>		<u>Exp Children <1</u>		<u>Fed Mand Children</u>		<u>Deliveries</u>		<u>Total</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
FY2011 Experience Period										
Member Months	769,216		28,292		1,002,574		13,094		2,252,162	
Premium Revenue	105,536,154	137.20	7,349,871	259.79	101,606,689	101.35	47,605,070	3,635.64	426,940,236	189.57
Adjusted Premium	98,951,198	128.64	7,421,646	262.33	94,788,602	94.55	47,605,070	3,635.64	386,278,460	171.51
FY2011 Incurred Claims	79,859,626	103.82	5,115,723	180.82	76,215,396	76.02			370,049,309	164.31
Proj FY2013 Member Months	816,041		15,586		1,114,597				2,635,825	
Projected FY2013 Premium										
Current Unadjusted Rates	104,701,191	128.30	3,985,037	255.68	106,186,268	95.27			506,976,838	192.34
Current Adjusted Rates	104,701,191	128.30	3,985,037	255.68	105,292,368	94.47			455,041,722	172.64
Current DSP Rate	0	0.00	0	0.00	677,417	0.61			50,160,635	19.03
Annual Cost Trend Assumptions										
FY2012	4.2 %		4.2 %		3.8 %					
FY2013	4.9 %		4.9 %		5.2 %					
Provider Reimbursement Adj		0.9495		0.9549		0.9467				
Other Reimbursement Changes		1.0115		1.0101		1.0020				
Facility Reimbursement Changes		0.9996		0.9920		0.9993				
Out-of-Network Adjustment		1.0000		1.0000		1.0000				
Third Party Recovery Adjustment		0.9992		0.9993		0.9993				
Projected Incurred Claims	88,833,656	108.86	2,945,464	188.98	87,648,326	78.64			433,332,868	164.40
Capitation Expenses	3,660,004	4.49	101,088	6.49	4,287,504	3.85			11,226,822	4.26
Net Reinsurance Cost	356,698	0.44	6,480	0.42	490,163	0.44			1,122,075	0.43

FY2013 STAR Rating Summary
Tarrant SDA Total

	<u>Exp Children (age 1+)</u>		<u>Exp Children <1</u>		<u>Fed Mand Children</u>		<u>Deliveries</u>		<u>Total</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
Administrative Expenses										
Fixed Amount	6,528,328	8.00	124,688	8.00	8,916,775	8.00			21,086,599	8.00
Percentage of Premium	6,320,596	5.75%	202,023	5.75%	6,447,757	5.75%			29,677,487	5.75%
Total	12,848,924	15.75	326,711	20.96	15,364,532	13.78			50,764,086	19.26
Risk Margin	2,198,468	2.00%	70,269	2.00%	2,242,698	2.00%			10,322,604	2.00%
Premium Tax	1,923,660	1.75%	61,485	1.75%	1,962,361	1.75%			9,032,279	1.75%
Maintenance Tax	102,005	0.13	1,948	0.13	139,325	0.13			329,478	0.13
Projected Total Cost										
with deliveries	109,923,416	134.70	3,513,445	225.42	112,134,908	100.61			516,130,212	195.81
without deliveries	109,923,416	134.70	3,513,445	225.42	111,457,491	100.00			465,969,577	176.78
Experience Rate Increase										
with deliveries		5.0 %		-11.8 %		5.6 %				1.8 %
without deliveries		5.0 %		-11.8 %		5.9 %				2.4 %

FY2013 STAR Rating Summary
Travis SDA Total

	<u>TANF Children (age 1+)</u>		<u>TANF Children <1</u>		<u>TANF Adults</u>		<u>Pregnant Women</u>		<u>Newborns</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
FY2011 Experience Period										
Member Months	254,153		18,733		84,803		54,959		101,454	
Premium Revenue	29,940,911	117.81	4,499,744	240.20	26,654,827	314.32	29,495,975	536.69	72,691,318	716.50
Adjusted Premium	30,177,197	118.74	6,340,866	338.48	24,656,695	290.75	28,911,965	526.06	68,156,260	671.80
FY2011 Incurred Claims	22,502,178	88.54	4,803,193	256.40	20,444,354	241.08	42,862,785	779.90	64,225,688	633.05
Proj FY2013 Member Months	284,161		19,650		94,060		58,081		127,541	
Projected FY2013 Premium										
Current Unadjusted Rates	34,756,049	122.31	6,638,322	337.82	30,553,150	324.83	50,323,066	866.43	85,715,511	672.06
Current Adjusted Rates	33,741,376	118.74	6,638,322	337.82	27,411,630	291.43	30,564,485	526.24	85,715,511	672.06
Current DSP Rate	807,304	2.84	0	0.00	2,798,280	29.75	19,685,487	338.93	0	0.00
Annual Cost Trend Assumptions										
FY2012	6.7 %		6.7 %		6.8 %		0.2 %		-2.3 %	
FY2013	8.9 %		8.9 %		7.3 %		1.8 %		1.5 %	
Provider Reimbursement Adj		0.9454		0.9666		0.9567		0.9763		0.9857
Other Reimbursement Changes		1.0640		1.0611		1.0566		1.0566		1.0582
Facility Reimbursement Changes		0.9977		0.9776		0.9955		0.9879		0.9599
Out-of-Network Adjustment		1.0000		1.0000		1.0000		1.0000		1.0000
Third Party Recovery Adjustment		1.0000		1.0000		1.0000		1.0000		1.0000
Projected Incurred Claims	29,338,876	103.25	5,870,036	298.73	26,149,720	278.01	47,086,364	810.71	80,165,730	628.55
Capitation Expenses	615,633	2.17	42,764	2.18	199,484	2.12	129,978	2.24	277,653	2.18
Net Reinsurance Cost	182,840	0.64	12,677	0.65	57,853	0.62	38,646	0.67	82,525	0.65

FY2013 STAR Rating Summary
Travis SDA Total

	<u>TANF Children (age 1+)</u>		<u>TANF Children <1</u>		<u>TANF Adults</u>		<u>Pregnant Women</u>		<u>Newborns</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
Administrative Expenses										
Fixed Amount	2,273,286	8.00	157,202	8.00	752,481	8.00	464,645	8.00	1,020,327	8.00
Percentage of Premium	2,061,496	5.75%	386,625	5.75%	1,726,353	5.75%	3,032,372	5.75%	5,182,127	5.75%
Total	4,334,782	15.25	543,827	27.68	2,478,834	26.35	3,497,017	60.21	6,202,455	48.63
Risk Margin	717,042	2.00%	134,478	2.00%	600,471	2.00%	1,054,738	2.00%	1,802,479	2.00%
Premium Tax	627,412	1.75%	117,668	1.75%	525,412	1.75%	922,896	1.75%	1,577,169	1.75%
Maintenance Tax	35,520	0.13	2,456	0.13	11,758	0.13	7,260	0.13	15,943	0.13
Projected Total Cost										
with deliveries	35,852,105	126.17	6,723,906	342.18	30,023,531	319.20	52,736,899	907.99	90,123,954	706.63
without deliveries	35,044,801	123.33	6,723,906	342.18	27,225,251	289.45	33,051,411	569.06	90,123,954	706.63
Experience Rate Increase										
with deliveries		3.2 %		1.3 %		-1.7 %		4.8 %		5.1 %
without deliveries		3.9 %		1.3 %		-0.7 %		8.1 %		5.1 %

FY2013 STAR Rating Summary
Travis SDA Total

	<u>Exp Children (age 1+)</u>		<u>Exp Children <1</u>		<u>Fed Mand Children</u>		<u>Deliveries</u>		<u>Total</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
FY2011 Experience Period										
Member Months	423,233		20,360		510,236		6,843		1,467,931	
Premium Revenue	51,361,093	121.35	6,505,517	319.53	47,442,057	92.98	22,224,089	3,247.49	268,591,442	182.97
Adjusted Premium	54,573,664	128.94	5,780,021	283.89	44,971,599	88.14	22,224,089	3,247.49	263,568,267	179.55
FY2011 Incurred Claims	45,372,688	107.21	3,949,804	194.00	33,070,232	64.81			237,230,922	161.61
Proj FY2013 Member Months	453,717		8,205		584,034				1,629,449	
Projected FY2013 Premium										
Current Unadjusted Rates	58,581,908	129.12	2,329,717	283.95	51,811,880	88.71			320,709,603	196.82
Current Adjusted Rates	58,581,908	129.12	2,329,717	283.95	51,478,902	88.14			296,461,852	181.94
Current DSP Rate	0	0.00	0	0.00	379,329	0.65			23,670,400	14.53
Annual Cost Trend Assumptions										
FY2012	4.2 %		4.2 %		3.8 %					
FY2013	4.9 %		4.9 %		5.2 %					
Provider Reimbursement Adj		0.9532		0.9642		0.9498				
Other Reimbursement Changes		1.0692		1.0639		1.0600				
Facility Reimbursement Changes		1.0000		0.9950		0.9987				
Out-of-Network Adjustment		1.0000		1.0000		1.0000				
Third Party Recovery Adjustment		1.0000		1.0000		1.0000				
Projected Incurred Claims	54,185,903	119.43	1,775,845	216.44	41,561,402	71.16			286,133,876	175.60
Capitation Expenses	977,102	2.15	17,503	2.13	1,264,502	2.17			3,524,618	2.16
Net Reinsurance Cost	289,044	0.64	5,111	0.62	376,334	0.64			1,045,031	0.64

FY2013 STAR Rating Summary
Travis SDA Total

	<u>Exp Children (age 1+)</u>		<u>Exp Children <1</u>		<u>Fed Mand Children</u>		<u>Deliveries</u>		<u>Total</u>	
	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>	<u>Amount</u>	<u>pmpm</u>
Administrative Expenses										
Fixed Amount	3,629,736	8.00	65,638	8.00	4,672,272	8.00			13,035,588	8.00
Percentage of Premium	3,757,418	5.75%	118,502	5.75%	3,046,389	5.75%			19,311,283	5.75%
Total	7,387,155	16.28	184,141	22.44	7,718,661	13.22			32,346,871	19.85
Risk Margin	1,306,928	2.00%	41,218	2.00%	1,059,614	2.00%			6,716,968	2.00%
Premium Tax	1,143,562	1.75%	36,066	1.75%	927,162	1.75%			5,877,347	1.75%
Maintenance Tax	56,715	0.13	1,026	0.13	73,004	0.13			203,681	0.13
Projected Total Cost										
with deliveries	65,346,408	144.02	2,060,910	251.18	52,980,679	90.72			335,848,392	206.11
without deliveries	65,346,408	144.02	2,060,910	251.18	52,601,350	90.07			312,177,991	191.59
Experience Rate Increase										
with deliveries		11.5 %		-11.5 %		2.3 %				4.7 %
without deliveries		11.5 %		-11.5 %		2.2 %				5.3 %

Attachment 4

Trend Analysis

The FY2013 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 various HMO plans. A single trend assumption applied to all service areas but varies by risk group and year.

The trend analysis included a review of HMO claims experience data through February 29, 2012. Based on this information, estimates of monthly incurred claims were made through December 2011. The claims cost and trend experience was reviewed separately by service area and risk group. The service area trends were then combined into a statewide average using a weighted average formula with estimated incurred claims as the weights.

The FY2012 trend assumptions were developed from two components: (i) the actual estimated trend for the period September 2011 through December 2011 and (ii) the projected trend for the period January 2012 through August 2012. The experience trends for the period September 2011 through December 2011 were adjusted to remove the impact of the various provider reimbursement reductions effective September 1, 2011 and discussed further in this report. The trends for the final eight months of FY2012 for risk groups other than Newborns were projected using experience from FY2009 (3/10 weight), FY2010 (3/10 weight), FY2011 (3/10 weight) and the first four months of FY2012 (1/10 weight). The FY2013 trend assumptions for risk groups other than Newborns were then developed from a simple average of the FY2009 trend, FY2010 trend, FY2011 trend and projected FY2012 trend. The trend for the final eight months of FY2012 for Newborns was projected using experience from FY2009 (3/7 weight), FY2010 (3/7 weight) and the first four months of FY2012 (1/7 weight). The FY2013 trend assumption for Newborns was based on the average of the FY2009, FY2010 and projected FY2012 trends. The FY2011 trend was excluded from these calculations because the movement of former CHIP Perinatal newborns under 185% FPL to STAR resulted in a one-time reduction in the newborn trend for FY2011.

The attached exhibits present recent trend experience under the HMO plans (Exhibit A) and the trend assumptions used in the rating analysis (Exhibit B). The chart below presents the assumed annual trend rates for FY2012 and FY2013.

	<u>FY2012</u>	<u>FY2013</u>
TANF Children Over Age 1	6.7 %	8.9 %
TANF Children Under Age 1	6.7 %	8.9 %
TANF Adults	6.8 %	7.3 %
Pregnant Women	0.2 %	1.8 %
Newborns	-2.3 %	1.5 %
Expansion Children Over Age 1	4.2 %	4.9 %
Expansion Children Under Age 1	4.2 %	4.9 %
Federal Mandate Children	3.8 %	5.2 %

Health and Human Services Commission
Analysis of STAR HMO Cost Trend Factors

	<u>Bexar</u>	<u>Dallas</u>	<u>El Paso</u>	<u>Harris</u>	<u>Lubbock</u>	<u>Nueces</u>	<u>Tarrant</u>	<u>Travis</u>	<u>HMO Average</u>	<u>Weighted Average</u>
TANF - Children >1										
FY2009	1.222	0.995	1.098	1.196	1.164	1.078	1.470	1.262	1.180	1.193
FY2010	1.013	1.226	1.079	1.069	0.967	1.046	0.881	1.061	1.064	1.067
FY2011	1.057	0.959	1.065	0.975	1.021	1.034	1.139	1.068	1.025	1.030
FY2012	1.069	0.910	1.003	0.993	0.944	0.936	1.186	1.196	1.039	1.039
TANF - Children <1										
FY2009	0.828	1.482	1.000	0.795	1.434	1.211	1.095	1.227	1.046	1.124
FY2010	0.934	1.002	1.117	1.256	1.639	0.811	1.103	1.368	1.188	1.208
FY2011	1.402	0.901	1.145	0.971	0.900	1.837	0.807	1.122	1.094	1.127
FY2012	0.650	1.103	0.651	0.716	0.549	0.613	1.933	1.117	0.856	0.973
TANF - Children										
FY2009	1.151	1.073	1.089	1.098	1.202	1.104	1.410	1.250	1.156	1.167
FY2010	0.994	1.170	1.073	1.102	1.106	0.996	0.904	1.088	1.074	1.074
FY2011	1.103	0.962	1.086	0.991	0.967	1.154	1.103	1.082	1.045	1.047
FY2012	0.994	0.961	0.951	0.960	0.845	0.870	1.287	1.182	1.016	1.022
TANF - Adults										
FY2009	1.215	1.117	1.096	1.173	0.945	1.266	0.880	1.193	1.139	1.159
FY2010	1.037	1.041	1.054	1.072	1.049	1.016	1.089	1.025	1.049	1.045
FY2011	1.103	0.986	1.093	1.010	0.983	0.899	1.092	0.972	1.030	1.021
FY2012	1.059	1.019	0.869	1.031	0.894	1.071	1.166	1.218	1.103	1.057
Pregnant Women										
FY2009	1.054	1.073	1.064	1.100	0.816	1.127	1.022	1.047	1.059	1.063
FY2010	1.041	1.000	1.001	1.056	0.944	1.040	1.020	1.063	1.030	1.030
FY2011	1.022	0.964	1.048	0.959	0.916	0.928	0.952	1.052	0.977	0.976
FY2012	1.015	0.952	0.984	0.979	0.993	0.938	0.929	0.966	0.968	0.971

Health and Human Services Commission
Analysis of STAR HMO Cost Trend Factors

	<u>Bexar</u>	<u>Dallas</u>	<u>El Paso</u>	<u>Harris</u>	<u>Lubbock</u>	<u>Nueces</u>	<u>Tarrant</u>	<u>Travis</u>	<u>HMO Average</u>	<u>Weighted Average</u>
Newborns										
FY2009	1.049	0.989	1.020	1.022	1.466	1.078	1.102	1.377	1.060	1.068
FY2010	0.925	1.028	0.957	1.045	1.120	0.894	0.939	1.005	0.999	1.000
FY2011	1.051	0.926	1.115	0.908	0.981	0.914	1.072	0.992	0.970	0.972
FY2012	1.069	0.758	1.040	0.922	1.009	0.863	0.844	0.762	0.895	0.901
Expansion Children >1										
FY2009	1.140	1.089	1.162	1.066	1.274	1.083	1.144	1.168	1.102	1.106
FY2010	1.100	1.120	1.041	1.101	0.881	1.078	1.061	1.156	1.092	1.093
FY2011	1.019	0.988	1.040	0.996	1.025	0.944	1.066	1.121	1.013	1.015
FY2012	1.019	1.028	0.936	1.029	0.887	1.025	1.224	1.054	1.044	1.050
Expansion Children <1										
FY2009	1.160	0.929	1.137	1.160	1.602	1.320	1.197	1.744	1.119	1.169
FY2010	1.160	1.240	1.073	0.998	1.316	0.766	1.108	0.926	1.075	1.090
FY2011	0.847	0.953	0.924	0.961	0.638	0.799	0.890	0.874	0.923	0.925
FY2012	1.372	1.098	1.018	1.091	1.482	1.197	1.395	0.972	1.144	1.162
Expansion Children										
FY2009	1.131	1.012	1.141	1.034	1.287	1.086	1.122	1.212	1.067	1.074
FY2010	1.097	1.123	1.042	1.080	0.907	1.059	1.062	1.103	1.084	1.084
FY2011	1.009	0.972	1.023	0.977	0.980	0.937	1.039	1.075	0.994	0.995
FY2012	1.021	1.002	0.926	0.999	0.895	1.024	1.205	1.023	1.023	1.029
Federal Mandate Children										
FY2009	1.095	1.090	1.101	1.104	1.070	1.165	1.091	1.267	1.106	1.109
FY2010	1.073	1.033	1.047	1.068	0.948	1.053	1.068	1.035	1.053	1.053
FY2011	1.014	1.006	0.969	0.998	0.992	0.959	1.058	1.019	1.007	1.007
FY2012	1.006	0.971	0.930	0.991	0.912	0.958	1.148	1.105	1.005	1.010

Health and Human Services Commission
Trend Assumptions for FY2013 STAR Rating

	<u>FY2012</u>	<u>FY2013</u>
TANF - Children (over age one)	6.7 %	8.9 %
TANF - Children (under age one)	6.7 %	8.9 %
TANF - Adults	6.8 %	7.3 %
Pregnant Women	0.2 %	1.8 %
Newborns	-2.3 %	1.5 %
Expansion Children (over age one)	4.2 %	4.9 %
Expansion Children (under age one)	4.2 %	4.9 %
Federal Mandate Children	3.8 %	5.2 %

Attachment 5

Provider Reimbursement and Benefit Revisions Effective During FY2012 and FY2013

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 (FY2011) and before the end of FY2013.

Medicaid provider reimbursement changes were provided for the following services: the two 1% provider rate cuts effective 9/1/2010 and 2/1/2011, the inclusion of wrap payments for FQHCs effective 9/1/2011, DRG rebasing, legislative mandated provider rate reductions, the transition of outpatient imaging services to a fee schedule, 40% reduction for non emergent services provided in an emergency room, and further revision to the DME and therapy fee schedules.

The legislative mandated provider rate reductions included the following:

- 8% hospital rate reduction
- 10.5% laboratory rate reduction (excludes DSHS and physician lab)
- Varying durable medical equipment reductions.
- 5% reduction for all other providers excluding ambulance, private duty nursing (children only), home health (children only), dental, orthodontics, physicians (includes psychiatrists, optometrists, radiologists, podiatrists and orthodontists), FQHCs, Rural Health Centers and TEFRA reimbursed hospitals.

Effective September 1, 2010 and again on February 1, 2011, Medicaid reduced reimbursement by 1% for most providers and services. Attached Exhibit A presents the estimated cost impact for the reimbursement reduction.

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 B presents a summary of the derivation of the rating adjustment factors.

Effective September 1, 2011, HHSC implemented legislative mandated provider rate reductions described above. Attached Exhibit C presents a summary of the derivation of the rating adjustment factors for services other than inpatient facility. Attached Exhibit D presents a summary of the derivation of the adjustment factors for reductions to inpatient facility reimbursement and DRG rebasing.

Effective September 1, 2011, HHSC implemented a new fee schedule for outpatient imaging services. Attached Exhibit E presents a summary of the derivation of the rating adjustment factors.

Effective September 1, 2011, HHSC required STAR MCOs to pay Federally Qualified Health Centers (FQHCs) the full encounter rate. Attached Exhibit F presents a summary of the derivation of the rating adjustment factors.

Effective September 1, 2011, HHSC implemented a 40% reduction to reimbursement for non-emergent services provided in the emergency room. Attached Exhibit G presents a summary of the derivation of the rating adjustment factors.

Effective March 1, 2012 HHSC made further revisions to the Therapy and Durable Medical Equipment fee schedules. Attached Exhibits H and I presents a summary of the derivation of the rating adjustment factors.

Effective March 1, 2012 HHSC carved in several services previously not capitated under the STAR program. Certain Early Childhood Intervention (ECI) services and hearing and audiology services for children are now the responsibility of the MCOs. Attached Exhibit J and K presents a summary of the derivation of the rating adjustment factors.

FY2013 STAR Rating
 Provider Reimbursement Adjustments
 1% Provider Rate Reductions

	TANF Children Age 1+	TANF Children <1	TANF Adult	Pregnant Women	Newborn	Expansion Children Age 1+	Expansion Children <1	Federal Mandate Children	Other	Total
Estimated Cost Impact of Both 1% Provider Rate Reductions (1)										
Bexar	-50,366	-6,472	-44,065	-214,843	-170,636	-283,803	-8,446	-261,587	-2,182	-1,042,400
Dallas	-63,189	-8,849	-39,269	-301,812	-228,890	-538,589	-47,386	-428,988	-4,755	-1,661,728
El Paso	-38,976	-5,114	-28,420	-75,151	-64,259	-114,387	-7,169	-124,418	-1,625	-459,519
Harris	-78,221	-13,470	-65,738	-502,632	-365,782	-696,790	-56,437	-645,722	-6,231	-2,431,022
Lubbock	-16,918	-2,614	-15,554	-36,853	-30,555	-37,742	-1,620	-40,278	-129	-182,262
Nueces	-26,454	-3,796	-18,877	-76,627	-66,979	-101,109	-2,362	-104,435	-811	-401,450
Tarrant	-31,706	-4,574	-19,682	-213,290	-156,220	-288,916	-22,044	-243,023	-2,412	-981,868
Travis	-80,815	-13,095	-62,885	-85,857	-79,687	-163,878	-15,958	-109,005	-1,005	-612,185
Total	-386,646	-57,984	-294,491	-1,507,065	-1,163,008	-2,225,213	-161,422	-1,957,455	-19,149	-7,772,434
FY2011 Total Incurred Claims (2)										
Bexar	18,552,478	3,725,768	21,708,620	81,208,835	103,093,625	74,824,154	2,294,211	69,306,200	2,541,024	377,254,914
Dallas	18,002,943	3,432,039	12,451,695	114,443,070	137,051,458	146,486,306	14,380,437	126,735,381	3,647,308	576,630,639
El Paso	12,108,236	2,244,500	10,631,071	32,360,445	39,827,276	29,108,694	2,206,612	32,766,283	649,258	161,902,375
Harris	25,928,615	5,786,117	26,765,955	189,445,098	263,223,401	192,129,794	15,049,559	189,684,221	8,672,707	916,685,466
Lubbock	5,035,172	1,504,574	5,678,274	14,236,951	19,472,917	10,405,050	724,751	10,472,514	566,970	68,097,173
Nueces	8,826,869	2,085,966	7,827,587	29,301,646	39,408,645	27,604,962	632,374	28,962,804	2,095,805	146,746,659
Tarrant	9,460,942	1,348,736	7,290,643	82,195,312	96,921,036	78,427,076	5,335,658	71,744,583	5,422,932	358,146,917
Travis	21,751,395	4,870,408	21,618,891	40,115,151	58,818,972	44,614,825	4,285,723	31,133,717	3,986,910	231,195,993
Total	119,666,650	24,998,108	113,972,737	583,306,509	757,817,329	603,600,861	44,909,325	560,805,702	27,582,915	2,836,660,136
Rate Adjustment (3)										
Bexar	-0.27 %	-0.17 %	-0.20 %	-0.26 %	-0.17 %	-0.38 %	-0.37 %	-0.38 %	-0.09 %	-0.28 %
Dallas	-0.35 %	-0.26 %	-0.32 %	-0.26 %	-0.17 %	-0.37 %	-0.33 %	-0.34 %	-0.13 %	-0.29 %
El Paso	-0.32 %	-0.23 %	-0.27 %	-0.23 %	-0.16 %	-0.39 %	-0.32 %	-0.38 %	-0.25 %	-0.28 %
Harris	-0.30 %	-0.23 %	-0.25 %	-0.27 %	-0.14 %	-0.36 %	-0.38 %	-0.34 %	-0.07 %	-0.27 %
Lubbock	-0.34 %	-0.17 %	-0.27 %	-0.26 %	-0.16 %	-0.36 %	-0.22 %	-0.38 %	-0.02 %	-0.27 %
Nueces	-0.30 %	-0.18 %	-0.24 %	-0.26 %	-0.17 %	-0.37 %	-0.37 %	-0.36 %	-0.04 %	-0.27 %
Tarrant	-0.34 %	-0.34 %	-0.27 %	-0.26 %	-0.16 %	-0.37 %	-0.41 %	-0.34 %	-0.04 %	-0.27 %
Travis	-0.37 %	-0.27 %	-0.29 %	-0.21 %	-0.14 %	-0.37 %	-0.37 %	-0.35 %	-0.03 %	-0.26 %
Total	-0.32 %	-0.23 %	-0.26 %	-0.26 %	-0.15 %	-0.37 %	-0.36 %	-0.35 %	-0.07 %	-0.27 %

Footnotes:

- (1) Equals the additional cost resulting from application of the two FY2011 1% Medicaid provider reimbursement reductions. The reimbursement reductions were implemented 9/1/2010 and 2/1/2011.
- (2) Equals FY2011 health plan fee-for-service claims for all services (ICHP provided encounter data).
- (3) Additional cost divided by FY2011 Total Incurred Claims.

FY2013 STAR Rating
 Facility Reimbursement Changes
 Limit Reimbursement to Related Parties

	TANF Children Age 1+	TANF Children <1	TANF Adult	Pregnant Women	Newborn	Expansion Children Age 1+	Expansion Children <1	Federal Mandate Children	Other	Total
Limit Reimbursement to Related Parties										
Bexar	-38,147	-1,635	-139,100	-226,486	-141,920	-109,406	-4,013	-234,174	-30,366	-925,247
Dallas	-52,692	-9,046	-251,718	-1,499,227	-664,855	-268,899	-31,408	-423,920	-4,682	-3,206,447
El Paso	0	0	0	0	0	0	0	0	0	0
Harris	-441,189	-97,143	-10,386	-71,649	-2,656,983	-3,569,052	-309,182	-3,876,014	-208,347	-11,239,945
Lubbock	0	0	0	0	0	0	0	0	0	0
Nueces	0	0	0	0	0	0	0	0	0	0
Tarrant	0	0	0	0	0	0	0	0	0	0
Travis	0	0	0	0	0	0	0	0	0	0
Total	-532,028	-107,824	-401,204	-1,797,362	-3,463,758	-3,947,356	-344,603	-4,534,108	-243,395	-15,371,638
FY2011 Total Incurred Claims (2)										
Bexar	18,552,478	3,725,768	21,708,620	81,208,835	103,093,625	74,824,154	2,294,211	69,306,200	2,541,024	377,254,914
Dallas	18,002,943	3,432,039	12,451,695	114,443,070	137,051,458	146,486,306	14,380,437	126,735,381	3,647,308	576,630,639
El Paso	12,108,236	2,244,500	10,631,071	32,360,445	39,827,276	29,108,694	2,206,612	32,766,283	649,258	161,902,375
Harris	25,928,615	5,786,117	26,765,955	189,445,098	263,223,401	192,129,794	15,049,559	189,684,221	8,672,707	916,685,466
Lubbock	5,035,172	1,504,574	5,678,274	14,236,951	19,472,917	10,405,050	724,751	10,472,514	566,970	68,097,173
Nueces	8,826,869	2,085,966	7,827,587	29,301,646	39,408,645	27,604,962	632,374	28,962,804	2,095,805	146,746,659
Tarrant	9,460,942	1,348,736	7,290,643	82,195,312	96,921,036	78,427,076	5,335,658	71,744,583	5,422,932	358,146,917
Travis	21,751,395	4,870,408	21,618,891	40,115,151	58,818,972	44,614,825	4,285,723	31,133,717	3,986,910	231,195,993
Total	119,666,650	24,998,108	113,972,737	583,306,509	757,817,329	603,600,861	44,909,325	560,805,702	27,582,915	2,836,660,136
Rate Adjustment (3)										
Bexar	-0.21 %	-0.04 %	-0.64 %	-0.28 %	-0.14 %	-0.15 %	-0.17 %	-0.34 %	-1.20 %	-0.25 %
Dallas	-0.29 %	-0.26 %	-2.02 %	-1.31 %	-0.49 %	-0.18 %	-0.22 %	-0.33 %	-0.13 %	-0.56 %
El Paso	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Harris	-1.70 %	-1.68 %	-0.04 %	-0.04 %	-1.01 %	-1.86 %	-2.05 %	-2.04 %	-2.40 %	-1.23 %
Lubbock	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Nueces	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Tarrant	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Travis	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Total	-0.44 %	-0.43 %	-0.35 %	-0.31 %	-0.46 %	-0.65 %	-0.77 %	-0.81 %	-0.88 %	-0.54 %

Footnotes:

- (1) Equals the FY2011 additional cost resulting from limiting reimbursement to a related party to 100% of Medicaid.
 (2) Equals FY2011 health plan fee-for-service claims for all services (ICHP provided encounter data).
 (3) Additional cost divided by FY2011 Total Incurred Claims.

FY2013 STAR Rating

Provider Reimbursement Adjustments

Legislative Mandated Provider Rates Reductions

	TANF Children Age 1+	TANF Children <1	TANF Adult	Pregnant Women	Newborn	Expansion Children Age 1+	Expansion Children <1	Federal Mandate Children	Other	Total
Impact of Legislative Mandated Provider Rates Reductions (1)										
Bexar	-668,704	-86,864	-754,077	-1,994,424	-1,803,375	-2,626,789	-72,378	-2,660,904	-25,776	-10,693,289
Dallas	-619,038	-81,953	-528,728	-3,208,590	-2,215,836	-4,713,563	-362,418	-4,362,126	-69,872	-16,162,126
El Paso	-280,307	-36,041	-262,743	-492,659	-328,170	-722,510	-34,027	-772,776	-10,803	-2,940,036
Harris	-820,152	-109,053	-899,993	-4,375,428	-2,402,186	-5,955,059	-310,651	-6,021,152	-52,493	-20,946,166
Lubbock	-130,744	-15,178	-135,767	-244,196	-193,019	-278,918	-7,635	-290,367	-805	-1,296,629
Nueces	-393,722	-54,713	-303,084	-886,714	-789,086	-1,374,320	-27,215	-1,328,147	-11,151	-5,168,151
Tarrant	-396,223	-53,592	-302,872	-2,387,220	-1,998,408	-3,230,263	-196,264	-3,086,514	-43,960	-11,695,315
Travis	-807,202	-112,352	-738,411	-753,780	-597,479	-1,560,742	-112,483	-1,080,456	-13,793	-5,776,697
Total	-4,116,092	-549,745	-3,925,675	-14,343,010	-10,327,559	-20,462,164	-1,123,070	-19,602,441	-228,654	-74,678,410
FY2011 Total Incurred Claims (2)										
Bexar	18,552,478	3,725,768	21,708,620	81,208,835	103,093,625	74,824,154	2,294,211	69,306,200	2,541,024	377,254,914
Dallas	18,002,943	3,432,039	12,451,695	114,443,070	137,051,458	146,486,306	14,380,437	126,735,381	3,647,308	576,630,639
El Paso	12,108,236	2,244,500	10,631,071	32,360,445	39,827,276	29,108,694	2,206,612	32,766,283	649,258	161,902,375
Harris	25,928,615	5,786,117	26,765,955	189,445,098	263,223,401	192,129,794	15,049,559	189,684,221	8,672,707	916,685,466
Lubbock	5,035,172	1,504,574	5,678,274	14,236,951	19,472,917	10,405,050	724,751	10,472,514	566,970	68,097,173
Nueces	8,826,869	2,085,966	7,827,587	29,301,646	39,408,645	27,604,962	632,374	28,962,804	2,095,805	146,746,659
Tarrant	9,460,942	1,348,736	7,290,643	82,195,312	96,921,036	78,427,076	5,335,658	71,744,583	5,422,932	358,146,917
Travis	21,751,395	4,870,408	21,618,891	40,115,151	58,818,972	44,614,825	4,285,723	31,133,717	3,986,910	231,195,993
Total	119,666,650	24,998,108	113,972,737	583,306,509	757,817,329	603,600,861	44,909,325	560,805,702	27,582,915	2,836,660,136
Rate Adjustment (3)										
Bexar	-3.60 %	-2.33 %	-3.47 %	-2.46 %	-1.75 %	-3.51 %	-3.15 %	-3.84 %	-1.01 %	-2.83 %
Dallas	-3.44 %	-2.39 %	-4.25 %	-2.80 %	-1.62 %	-3.22 %	-2.52 %	-3.44 %	-1.92 %	-2.80 %
El Paso	-2.32 %	-1.61 %	-2.47 %	-1.52 %	-0.82 %	-2.48 %	-1.54 %	-2.36 %	-1.66 %	-1.82 %
Harris	-3.16 %	-1.88 %	-3.36 %	-2.31 %	-0.91 %	-3.10 %	-2.06 %	-3.17 %	-0.61 %	-2.28 %
Lubbock	-2.60 %	-1.01 %	-2.39 %	-1.72 %	-0.99 %	-2.68 %	-1.05 %	-2.77 %	-0.14 %	-1.90 %
Nueces	-4.46 %	-2.62 %	-3.87 %	-3.03 %	-2.00 %	-4.98 %	-4.30 %	-4.59 %	-0.53 %	-3.52 %
Tarrant	-4.19 %	-3.97 %	-4.15 %	-2.90 %	-2.06 %	-4.12 %	-3.68 %	-4.30 %	-0.81 %	-3.27 %
Travis	-3.71 %	-2.31 %	-3.42 %	-1.88 %	-1.02 %	-3.50 %	-2.62 %	-3.47 %	-0.35 %	-2.50 %
Total	-3.44 %	-2.20 %	-3.44 %	-2.46 %	-1.36 %	-3.39 %	-2.50 %	-3.50 %	-0.83 %	-2.63 %

Footnotes:

(1) Equals the savings resulting from application of the legislative-mandated provider rates reductions to the FY2011 encounter data.

Note that this adjustment does not include the 8% inpatient facility reduction. That adjustment is included elsewhere along with the DRG rebasing adjustment.

(2) Equals FY2011 health plan fee-for-service claims for all services (ICHP provided encounter data).

(3) Additional cost divided by FY2011 Total Incurred Claims.

FY2013 STAR Rating

Provider Reimbursement Adjustments

Legislative Mandated Inpatient Facility Rate Reductions and DRG Rebasing (1)

	TANF Children Age 1+	TANF Children <1	TANF Adult	Pregnant Women	Newborn	Expansion Children Age 1+	Expansion Children <1	Federal Mandate Children	Other	Total
Impact of 8% Inpatient Facility Rate Reduction and DRG Rebasing (1)										
Bexar	-459,068	-367,000	-966,856	-5,104,435	-8,468,868	-1,445,113	-87,962	-1,477,794	-862	-18,377,959
Dallas	-40,945	-55,238	-4,984	-1,051,602	-3,760,408	-278,019	-105,499	-428,020	10,252	-5,714,465
El Paso	-393,957	-196,419	-502,710	-2,829,289	-3,943,163	-702,424	-143,848	-739,031	-806	-9,451,647
Harris	-185,408	-98,514	-264,724	-6,594,343	-16,329,653	-384,444	-148,694	-553,764	-743	-24,560,287
Lubbock	111,546	-31,055	415,972	1,816,094	1,018,762	140,687	31,029	104,047	0	3,607,082
Nueces	38,003	-3,912	115,857	68,876	-236,779	142,382	2,975	76,926	-16,740	187,587
Tarrant	8,606	987	7,522	-578,961	-1,992,620	-31,805	-42,469	-51,686	-726	-2,681,152
Travis	-51,009	-110,234	-99,251	-491,341	-2,370,554	2,162	-21,402	-41,885	-25	-3,183,539
Total	-972,232	-861,385	-1,299,176	-14,765,002	-36,083,284	-2,556,574	-515,870	-3,111,208	-9,650	-60,174,381
FY2011 Total Incurred Claims (2)										
Bexar	18,663,029	3,738,283	22,027,014	81,651,204	103,566,556	75,081,592	2,307,027	69,756,852	2,541,024	379,332,581
Dallas	18,002,943	3,432,039	12,451,695	114,443,070	137,051,458	146,486,306	14,380,437	126,735,381	3,647,308	576,630,639
El Paso	12,141,604	2,248,562	10,678,962	32,505,878	39,956,583	29,204,606	2,225,280	32,905,544	649,258	162,516,277
Harris	26,545,027	6,015,058	27,647,113	192,875,910	267,076,953	194,562,892	15,179,532	193,369,679	8,672,707	931,944,869
Lubbock	9,051,361	3,600,894	10,267,744	23,679,960	32,402,793	19,010,313	1,132,514	18,353,402	566,970	118,065,951
Nueces	9,252,080	2,167,498	8,252,247	30,674,314	40,762,856	28,893,352	667,633	30,330,437	2,095,805	153,096,221
Tarrant	9,460,942	1,348,736	7,290,643	82,195,312	96,921,036	78,427,076	5,335,658	71,744,583	5,422,932	358,146,917
Travis	21,959,251	4,919,461	21,814,231	40,633,918	59,166,004	45,132,291	4,310,999	31,632,313	3,986,910	233,555,378
Total	125,076,239	27,470,530	120,429,648	598,659,565	776,904,239	616,798,427	45,539,080	574,828,191	27,582,915	2,913,288,833
Rate Adjustment (3)										
Bexar	-2.46 %	-9.82 %	-4.39 %	-6.25 %	-8.18 %	-1.92 %	-3.81 %	-2.12 %	-0.03 %	-4.84 %
Dallas	-0.23 %	-1.61 %	-0.04 %	-0.92 %	-2.74 %	-0.19 %	-0.73 %	-0.34 %	0.28 %	-0.99 %
El Paso	-3.24 %	-8.74 %	-4.71 %	-8.70 %	-9.87 %	-2.41 %	-6.46 %	-2.25 %	-0.12 %	-5.82 %
Harris	-0.70 %	-1.64 %	-0.96 %	-3.42 %	-6.11 %	-0.20 %	-0.98 %	-0.29 %	-0.01 %	-2.64 %
Lubbock	1.23 %	-0.86 %	4.05 %	7.67 %	3.14 %	0.74 %	2.74 %	0.57 %	0.00 %	3.06 %
Nueces	0.41 %	-0.18 %	1.40 %	0.22 %	-0.58 %	0.49 %	0.45 %	0.25 %	-0.80 %	0.12 %
Tarrant	0.09 %	0.07 %	0.10 %	-0.70 %	-2.06 %	-0.04 %	-0.80 %	-0.07 %	-0.01 %	-0.75 %
Travis	-0.23 %	-2.24 %	-0.45 %	-1.21 %	-4.01 %	0.00 %	-0.50 %	-0.13 %	0.00 %	-1.36 %
Total	-0.78 %	-3.14 %	-1.08 %	-2.47 %	-4.64 %	-0.41 %	-1.13 %	-0.54 %	-0.03 %	-2.07 %

Footnotes:

(1) Equals the savings resulting from application of the legislative-mandated 8% inpatient facility reduction and DRG rebasing.

(2) Equals FY2011 health plan fee-for-service claims for all services (ICHP provided encounter data). Includes expansion counties.

(3) Additional cost divided by FY2011 Total Incurred Claims.

FY2013 STAR Rating
 Provider Reimbursement Adjustments
 Outpatient Imaging Services

	TANF Children Age 1+	TANF Children <1	TANF Adult	Pregnant Women	Newborn	Expansion Children Age 1+	Expansion Children <1	Federal Mandate Children	Other	Total
Impact of Moving Outpatient Imaging Services to Fee Schedule (1)										
Bexar	-243,731	-21,440	-283,797	-420,562	-364,419	-627,120	-22,234	-1,197,418	-5,905	-3,186,626
Dallas	-255,145	-25,450	-238,528	-472,697	-676,841	-1,600,518	-137,384	-2,477,231	-13,232	-5,897,026
El Paso	-24,046	-2,374	-30,431	-7,533	-27,653	-26,929	-2,066	-93,866	-1,008	-215,905
Harris	-345,542	-49,305	-485,972	-855,697	-969,639	-2,431,028	-186,313	-3,482,759	-14,015	-8,820,270
Lubbock	-2,171	-44	-1,455	-174	-905	-2,082	-134	-1,718	-5	-8,687
Nueces	-145,025	-16,502	-114,702	10,941	-220,814	-306,654	-9,308	-640,404	-3,842	-1,446,311
Tarrant	-39,609	-6,852	-54,468	-107,788	-190,595	-210,458	-17,604	-300,884	-4,769	-933,029
Travis	-75,679	-13,210	59,573	-48,701	-69,997	-94,591	-13,139	-171,089	-1,248	-428,080
Total	-1,130,948	-135,177	-1,149,779	-1,902,210	-2,520,863	-5,299,381	-388,182	-8,365,370	-44,024	-20,935,934
FY2011 Total Incurred Claims (2)										
Bexar	18,552,478	3,725,768	21,708,620	81,208,835	103,093,625	74,824,154	2,294,211	69,306,200	2,541,024	377,254,914
Dallas	18,002,943	3,432,039	12,451,695	114,443,070	137,051,458	146,486,306	14,380,437	126,735,381	3,647,308	576,630,639
El Paso	12,108,236	2,244,500	10,631,071	32,360,445	39,827,276	29,108,694	2,206,612	32,766,283	649,258	161,902,375
Harris	25,928,615	5,786,117	26,765,955	189,445,098	263,223,401	192,129,794	15,049,559	189,684,221	8,672,707	916,685,466
Lubbock	5,035,172	1,504,574	5,678,274	14,236,951	19,472,917	10,405,050	724,751	10,472,514	566,970	68,097,173
Nueces	8,826,869	2,085,966	7,827,587	29,301,646	39,408,645	27,604,962	632,374	28,962,804	2,095,805	146,746,659
Tarrant	9,460,942	1,348,736	7,290,643	82,195,312	96,921,036	78,427,076	5,335,658	71,744,583	5,422,932	358,146,917
Travis	21,751,395	4,870,408	21,618,891	40,115,151	58,818,972	44,614,825	4,285,723	31,133,717	3,986,910	231,195,993
Total	119,666,650	24,998,108	113,972,737	583,306,509	757,817,329	603,600,861	44,909,325	560,805,702	27,582,915	2,836,660,136
Rate Adjustment (3)										
Bexar	-1.31 %	-0.58 %	-1.31 %	-0.52 %	-0.35 %	-0.84 %	-0.97 %	-1.73 %	-0.23 %	-0.84 %
Dallas	-1.42 %	-0.74 %	-1.92 %	-0.41 %	-0.49 %	-1.09 %	-0.96 %	-1.95 %	-0.36 %	-1.02 %
El Paso	-0.20 %	-0.11 %	-0.29 %	-0.02 %	-0.07 %	-0.09 %	-0.09 %	-0.29 %	-0.16 %	-0.13 %
Harris	-1.33 %	-0.85 %	-1.82 %	-0.45 %	-0.37 %	-1.27 %	-1.24 %	-1.84 %	-0.16 %	-0.96 %
Lubbock	-0.04 %	0.00 %	-0.03 %	0.00 %	0.00 %	-0.02 %	-0.02 %	-0.02 %	0.00 %	-0.01 %
Nueces	-1.64 %	-0.79 %	-1.47 %	0.04 %	-0.56 %	-1.11 %	-1.47 %	-2.21 %	-0.18 %	-0.99 %
Tarrant	-0.42 %	-0.51 %	-0.75 %	-0.13 %	-0.20 %	-0.27 %	-0.33 %	-0.42 %	-0.09 %	-0.26 %
Travis	-0.35 %	-0.27 %	0.28 %	-0.12 %	-0.12 %	-0.21 %	-0.31 %	-0.55 %	-0.03 %	-0.19 %
Total	-0.95 %	-0.54 %	-1.01 %	-0.33 %	-0.33 %	-0.88 %	-0.86 %	-1.49 %	-0.16 %	-0.74 %

Footnotes:

(1) Equals the savings resulting from converting reimbursement for outpatient imaging services to a fee schedule.

(2) Equals FY2011 health plan fee-for-service claims for all services (ICHP provided encounter data).

(3) Additional cost divided by FY2011 Total Incurred Claims.

FY2013 STAR Rating

Provider Reimbursement Adjustments

Federally Qualified Health Centers Wrap Payment Adjustment (1)

	<u>Total Cost</u>	<u>HMO Payments</u>	<u>HHSC Wrap Payments</u>	<u>FY2011 STAR Total Inc Claims (2)</u>	<u>Wrap Amt / Inc Claims</u>
Bexar	8,144,340	3,309,749	4,834,591	377,254,914	1.28 %
Dallas	2,796,612	1,323,712	1,472,900	576,630,639	0.26 %
El Paso	2,629,587	864,448	1,765,139	161,902,375	1.09 %
Harris	13,036,968	4,287,720	8,749,247	916,685,466	0.95 %
Lubbock	2,085,375	738,488	1,346,888	68,097,173	1.98 %
Nueces	1,388,711	509,247	879,465	146,746,659	0.60 %
Tarrant	193,598	168,127	25,471	358,146,917	0.01 %
Travis	19,737,389	6,650,672	13,086,716	231,195,993	5.66 %
Total	50,012,579	17,852,163	32,160,417	2,836,660,136	1.13 %

Footnotes:

(1) Effective 9/1/2011 the STAR MCOs will be responsible for paying the full encounter rate to FQHCs.

Based on HMO-provided lag data incurred and paid through February 29, 2012.

(2) Includes expansion counties.

FY2013 STAR Rating
 Provider Reimbursement Adjustments
 Non Emergent Emergency Room Reductions

	TANF Children Age 1+	TANF Children <1	TANF Adult	Pregnant Women	Newborn	Expansion Children Age 1+	Expansion Children <1	Federal Mandate Children	Other	Total
Impact of Non Emergent Reductions (1)										
Bexar	-347,004	-51,594	-125,114	-177,971	-678,269	-1,612,347	-41,821	-1,130,451	-4,529	-4,169,099
Dallas	-77,243	-8,758	-56,015	-111,872	-156,624	-404,948	-21,936	-367,847	-3,100	-1,208,343
El Paso	-93,244	-15,945	-31,891	-28,583	-126,632	-246,363	-12,331	-188,882	-293	-744,166
Harris	-260,163	-43,158	-115,944	-317,208	-675,230	-1,745,088	-90,706	-1,282,842	-6,216	-4,536,555
Lubbock	-2,018	0	-4,202	-7,027	-927	-2,757	-72	-3,942	0	-20,945
Nueces	-22,153	-1,695	-22,852	-41,008	-27,705	-64,285	-1,228	-66,859	-82	-247,866
Tarrant	-31,316	-3,546	-26,731	-74,495	-87,242	-197,331	-9,018	-215,052	-1,304	-646,034
Travis	-229,873	-24,770	-200,476	-70,022	-94,940	-240,129	-13,124	-207,230	-1,421	-1,081,985
Total	-1,063,013	-149,466	-583,225	-828,187	-1,847,568	-4,513,248	-190,236	-3,463,106	-16,945	-12,654,993
FY2011 Total Incurred Claims (2)										
Bexar	18,552,478	3,725,768	21,708,620	81,208,835	103,093,625	74,824,154	2,294,211	69,306,200	2,541,024	377,254,914
Dallas	18,002,943	3,432,039	12,451,695	114,443,070	137,051,458	146,486,306	14,380,437	126,735,381	3,647,308	576,630,639
El Paso	12,108,236	2,244,500	10,631,071	32,360,445	39,827,276	29,108,694	2,206,612	32,766,283	649,258	161,902,375
Harris	25,928,615	5,786,117	26,765,955	189,445,098	263,223,401	192,129,794	15,049,559	189,684,221	8,672,707	916,685,466
Lubbock	5,035,172	1,504,574	5,678,274	14,236,951	19,472,917	10,405,050	724,751	10,472,514	566,970	68,097,173
Nueces	8,826,869	2,085,966	7,827,587	29,301,646	39,408,645	27,604,962	632,374	28,962,804	2,095,805	146,746,659
Tarrant	9,460,942	1,348,736	7,290,643	82,195,312	96,921,036	78,427,076	5,335,658	71,744,583	5,422,932	358,146,917
Travis	21,751,395	4,870,408	21,618,891	40,115,151	58,818,972	44,614,825	4,285,723	31,133,717	3,986,910	231,195,993
Total	119,666,650	24,998,108	113,972,737	583,306,509	757,817,329	603,600,861	44,909,325	560,805,702	27,582,915	2,836,660,136
Rate Adjustment (3)										
Bexar	-1.87 %	-1.38 %	-0.58 %	-0.22 %	-0.66 %	-2.15 %	-1.82 %	-1.63 %	-0.18 %	-1.11 %
Dallas	-0.43 %	-0.26 %	-0.45 %	-0.10 %	-0.11 %	-0.28 %	-0.15 %	-0.29 %	-0.08 %	-0.21 %
El Paso	-0.77 %	-0.71 %	-0.30 %	-0.09 %	-0.32 %	-0.85 %	-0.56 %	-0.58 %	-0.05 %	-0.46 %
Harris	-1.00 %	-0.75 %	-0.43 %	-0.17 %	-0.26 %	-0.91 %	-0.60 %	-0.68 %	-0.07 %	-0.49 %
Lubbock	-0.04 %	0.00 %	-0.07 %	-0.05 %	0.00 %	-0.03 %	-0.01 %	-0.04 %	0.00 %	-0.03 %
Nueces	-0.25 %	-0.08 %	-0.29 %	-0.14 %	-0.07 %	-0.23 %	-0.19 %	-0.23 %	0.00 %	-0.17 %
Tarrant	-0.33 %	-0.26 %	-0.37 %	-0.09 %	-0.09 %	-0.25 %	-0.17 %	-0.30 %	-0.02 %	-0.18 %
Travis	-1.06 %	-0.51 %	-0.93 %	-0.17 %	-0.16 %	-0.54 %	-0.31 %	-0.67 %	-0.04 %	-0.47 %
Total	-0.89 %	-0.60 %	-0.51 %	-0.14 %	-0.24 %	-0.75 %	-0.42 %	-0.62 %	-0.06 %	-0.45 %

Footnotes:

- (1) Equals the additional cost resulting from application of the revised emergency room reimbursement.
 (2) Equals FY2011 health plan fee-for-service claims for all services (ICHP provided encounter data).
 (3) Additional cost divided by FY2011 Total Incurred Claims.

FY2013 STAR Rating
 Provider Reimbursement Adjustments
 Therapy Rate Reductions

	TANF Children Age 1+	TANF Children <1	TANF Adult	Pregnant Women	Newborn	Expansion Children Age 1+	Expansion Children <1	Federal Mandate Children	Other	Total
Impact of Therapy Rate Reductions (1)										
Bexar	-10,409	-598	565	2	-5,583	-98,354	-448	-22,690	-345	-137,861
Dallas	-7,851	-235	-18	-6	-6,473	-118,865	-1,378	-30,930	-102	-165,857
El Paso	-22,875	-563	-187	-302	-5,448	-123,495	-889	-44,932	-72	-198,763
Harris	-18,457	-639	-62	-293	-11,944	-442,415	-2,725	-125,852	-267	-602,654
Lubbock	-1,727	-185	-51	0	-1,691	-11,944	-95	-2,429	0	-18,122
Nueces	-2,167	-53	1,898	659	-1,458	-24,818	-18	-5,504	-57	-31,519
Tarrant	-4,340	-56	411	-46	-4,481	-83,898	-606	-26,470	-167	-119,652
Travis	-13,399	-355	-779	-155	-2,471	-61,724	-450	-17,897	94	-97,136
Total	-81,225	-2,685	1,778	-141	-39,550	-965,513	-6,609	-276,703	-917	-1,371,565
FY2011 Total Incurred Claims (2)										
Bexar	18,552,478	3,725,768	21,708,620	81,208,835	103,093,625	74,824,154	2,294,211	69,306,200	2,541,024	377,254,914
Dallas	18,002,943	3,432,039	12,451,695	114,443,070	137,051,458	146,486,306	14,380,437	126,735,381	3,647,308	576,630,639
El Paso	12,108,236	2,244,500	10,631,071	32,360,445	39,827,276	29,108,694	2,206,612	32,766,283	649,258	161,902,375
Harris	25,928,615	5,786,117	26,765,955	189,445,098	263,223,401	192,129,794	15,049,559	189,684,221	8,672,707	916,685,466
Lubbock	5,035,172	1,504,574	5,678,274	14,236,951	19,472,917	10,405,050	724,751	10,472,514	566,970	68,097,173
Nueces	8,826,869	2,085,966	7,827,587	29,301,646	39,408,645	27,604,962	632,374	28,962,804	2,095,805	146,746,659
Tarrant	9,460,942	1,348,736	7,290,643	82,195,312	96,921,036	78,427,076	5,335,658	71,744,583	5,422,932	358,146,917
Travis	21,751,395	4,870,408	21,618,891	40,115,151	58,818,972	44,614,825	4,285,723	31,133,717	3,986,910	231,195,993
Total	119,666,650	24,998,108	113,972,737	583,306,509	757,817,329	603,600,861	44,909,325	560,805,702	27,582,915	2,836,660,136
Rate Adjustment Factor (3)										
Bexar	-0.06 %	-0.02 %	0.00 %	0.00 %	-0.01 %	-0.13 %	-0.02 %	-0.03 %	-0.01 %	-0.04 %
Dallas	-0.04 %	-0.01 %	0.00 %	0.00 %	0.00 %	-0.08 %	-0.01 %	-0.02 %	0.00 %	-0.03 %
El Paso	-0.19 %	-0.03 %	0.00 %	0.00 %	-0.01 %	-0.42 %	-0.04 %	-0.14 %	-0.01 %	-0.12 %
Harris	-0.07 %	-0.01 %	0.00 %	0.00 %	0.00 %	-0.23 %	-0.02 %	-0.07 %	0.00 %	-0.07 %
Lubbock	-0.03 %	-0.01 %	0.00 %	0.00 %	-0.01 %	-0.11 %	-0.01 %	-0.02 %	0.00 %	-0.03 %
Nueces	-0.02 %	0.00 %	0.02 %	0.00 %	0.00 %	-0.09 %	0.00 %	-0.02 %	0.00 %	-0.02 %
Tarrant	-0.05 %	0.00 %	0.01 %	0.00 %	0.00 %	-0.11 %	-0.01 %	-0.04 %	0.00 %	-0.03 %
Travis	-0.06 %	-0.01 %	0.00 %	0.00 %	0.00 %	-0.14 %	-0.01 %	-0.06 %	0.00 %	-0.04 %
Total	-0.07 %	-0.01 %	0.00 %	0.00 %	-0.01 %	-0.16 %	-0.01 %	-0.05 %	0.00 %	-0.05 %

Footnotes:

- (1) Equals the additional cost resulting from application of the reimbursement reduction to therapy services.
 (2) Equals FY2011 health plan fee-for-service claims for all services (ICHP provided encounter data).
 (3) Additional cost divided by FY2011 Total Incurred Claims.

FY2013 STAR Rating
 Provider Reimbursement Adjustments
 Durable Medical Equipment Reimbursement Changes

	TANF Children Age 1+	TANF Children <1	TANF Adult	Pregnant Women	Newborn	Expansion Children Age 1+	Expansion Children <1	Federal Mandate Children	Other	Total
Impact of DME Reimbursement Changes (1)										
Bexar	1,701	185	-447	138	4,295	16,955	456	15,332	24	38,640
Dallas	4,315	259	-133	253	5,706	17,603	1,643	41,900	145	71,690
El Paso	2,512	14	-678	140	211	10,028	2,447	1,760	-506	15,928
Harris	4,712	239	1,638	749	24,368	27,766	1,271	37,778	309	98,831
Lubbock	256	0	291	5	406	3,514	322	176	0	4,969
Nueces	222	0	464	1	795	1,491	649	9,591	130	13,343
Tarrant	1,517	3	-595	85	4,212	19,859	3,197	17,090	382	45,751
Travis	2,741	219	845	303	6,362	14,834	270	5,884	0	31,457
Total	17,977	919	1,385	1,673	46,355	112,050	10,255	129,511	485	320,609
FY2011 Total Incurred Claims (2)										
Bexar	18,552,478	3,725,768	21,708,620	81,208,835	103,093,625	74,824,154	2,294,211	69,306,200	2,541,024	377,254,914
Dallas	18,002,943	3,432,039	12,451,695	114,443,070	137,051,458	146,486,306	14,380,437	126,735,381	3,647,308	576,630,639
El Paso	12,108,236	2,244,500	10,631,071	32,360,445	39,827,276	29,108,694	2,206,612	32,766,283	649,258	161,902,375
Harris	25,928,615	5,786,117	26,765,955	189,445,098	263,223,401	192,129,794	15,049,559	189,684,221	8,672,707	916,685,466
Lubbock	5,035,172	1,504,574	5,678,274	14,236,951	19,472,917	10,405,050	724,751	10,472,514	566,970	68,097,173
Nueces	8,826,869	2,085,966	7,827,587	29,301,646	39,408,645	27,604,962	632,374	28,962,804	2,095,805	146,746,659
Tarrant	9,460,942	1,348,736	7,290,643	82,195,312	96,921,036	78,427,076	5,335,658	71,744,583	5,422,932	358,146,917
Travis	21,751,395	4,870,408	21,618,891	40,115,151	58,818,972	44,614,825	4,285,723	31,133,717	3,986,910	231,195,993
Total	119,666,650	24,998,108	113,972,737	583,306,509	757,817,329	603,600,861	44,909,325	560,805,702	27,582,915	2,836,660,136
Rate Adjustment Factor (3)										
Bexar	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.02 %	0.02 %	0.02 %	0.00 %	0.01 %
Dallas	0.02 %	0.01 %	0.00 %	0.00 %	0.00 %	0.01 %	0.01 %	0.03 %	0.00 %	0.01 %
El Paso	0.02 %	0.00 %	-0.01 %	0.00 %	0.00 %	0.03 %	0.11 %	0.01 %	-0.08 %	0.01 %
Harris	0.02 %	0.00 %	0.01 %	0.00 %	0.01 %	0.01 %	0.01 %	0.02 %	0.00 %	0.01 %
Lubbock	0.01 %	0.00 %	0.01 %	0.00 %	0.00 %	0.03 %	0.04 %	0.00 %	0.00 %	0.01 %
Nueces	0.00 %	0.00 %	0.01 %	0.00 %	0.00 %	0.01 %	0.10 %	0.03 %	0.01 %	0.01 %
Tarrant	0.02 %	0.00 %	-0.01 %	0.00 %	0.00 %	0.03 %	0.06 %	0.02 %	0.01 %	0.01 %
Travis	0.01 %	0.00 %	0.00 %	0.00 %	0.01 %	0.03 %	0.01 %	0.02 %	0.00 %	0.01 %
Total	0.02 %	0.00 %	0.00 %	0.00 %	0.01 %	0.02 %	0.02 %	0.02 %	0.00 %	0.01 %

Footnotes:
 (1) Equals the additional cost resulting from application of the reimbursement changes to DME.
 (2) Equals FY2011 health plan fee-for-service claims for all services (ICHP provided encounter data).
 (3) Additional cost divided by FY2011 Total Incurred Claims.

FY2013 STAR Rating

Provider Reimbursement Adjustments

Capitation of Early Childhood Intervention Services

	TANF Children Age 1+	TANF Children <1	TANF Adult	Pregnant Women	Newborn	Expansion Children Age 1+	Expansion Children <1	Federal Mandate Children	Other	Total
Impact of Capitating ECI (1)										
Bexar	111,343	19,108	0	0	175,095	950,299	17,233	179	0	1,273,256
Dallas	67,681	6,965	0	0	130,897	972,621	41,609	0	0	1,219,772
El Paso	112,950	22,679	0	0	121,254	561,715	31,072	0	0	849,671
Harris	101,789	13,750	0	0	248,312	1,708,985	79,735	446	0	2,153,017
Lubbock	60,359	17,768	0	0	79,199	240,901	7,679	0	0	405,906
Nueces	44,287	8,661	0	0	58,573	257,687	5,000	0	0	374,209
Tarrant	63,841	10,625	0	0	139,201	833,063	36,162	0	0	1,082,893
Travis	112,504	21,161	0	0	83,217	477,159	29,376	0	0	723,417
Total	674,754	120,718	0	0	1,035,748	6,002,430	247,865	625	0	8,082,141
FY2011 Total Incurred Claims (2)										
Bexar	18,552,478	3,725,768	21,708,620	81,208,835	103,093,625	74,824,154	2,294,211	69,306,200	2,541,024	377,254,914
Dallas	18,002,943	3,432,039	12,451,695	114,443,070	137,051,458	146,486,306	14,380,437	126,735,381	3,647,308	576,630,639
El Paso	12,108,236	2,244,500	10,631,071	32,360,445	39,827,276	29,108,694	2,206,612	32,766,283	649,258	161,902,375
Harris	25,928,615	5,786,117	26,765,955	189,445,098	263,223,401	192,129,794	15,049,559	189,684,221	8,672,707	916,685,466
Lubbock	5,035,172	1,504,574	5,678,274	14,236,951	19,472,917	10,405,050	724,751	10,472,514	566,970	68,097,173
Nueces	8,826,869	2,085,966	7,827,587	29,301,646	39,408,645	27,604,962	632,374	28,962,804	2,095,805	146,746,659
Tarrant	9,460,942	1,348,736	7,290,643	82,195,312	96,921,036	78,427,076	5,335,658	71,744,583	5,422,932	358,146,917
Travis	21,751,395	4,870,408	21,618,891	40,115,151	58,818,972	44,614,825	4,285,723	31,133,717	3,986,910	231,195,993
Total	119,666,650	24,998,108	113,972,737	583,306,509	757,817,329	603,600,861	44,909,325	560,805,702	27,582,915	2,836,660,136
Rate Adjustment Factor (3)										
Bexar	0.60 %	0.51 %	0.00 %	0.00 %	0.17 %	1.27 %	0.75 %	0.00 %	0.00 %	0.34 %
Dallas	0.38 %	0.20 %	0.00 %	0.00 %	0.10 %	0.66 %	0.29 %	0.00 %	0.00 %	0.21 %
El Paso	0.93 %	1.01 %	0.00 %	0.00 %	0.30 %	1.93 %	1.41 %	0.00 %	0.00 %	0.52 %
Harris	0.39 %	0.24 %	0.00 %	0.00 %	0.09 %	0.89 %	0.53 %	0.00 %	0.00 %	0.23 %
Lubbock	1.20 %	1.18 %	0.00 %	0.00 %	0.41 %	2.32 %	1.06 %	0.00 %	0.00 %	0.60 %
Nueces	0.50 %	0.42 %	0.00 %	0.00 %	0.15 %	0.93 %	0.79 %	0.00 %	0.00 %	0.26 %
Tarrant	0.67 %	0.79 %	0.00 %	0.00 %	0.14 %	1.06 %	0.68 %	0.00 %	0.00 %	0.30 %
Travis	0.52 %	0.43 %	0.00 %	0.00 %	0.14 %	1.07 %	0.69 %	0.00 %	0.00 %	0.31 %
Total	0.56 %	0.48 %	0.00 %	0.00 %	0.14 %	0.99 %	0.55 %	0.00 %	0.00 %	0.28 %

Footnotes:

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

(2) Equals FY2011 health plan fee-for-service claims for all services (ICHP provided encounter data).

(3) Additional cost divided by FY2011 Total Incurred Claims.

FY2013 STAR Rating
 Provider Reimbursement Adjustments
 Capitation of Hearing and Audiology Services

	TANF Children Age 1+	TANF Children <1	TANF Adult	Pregnant Women	Newborn	Expansion Children Age 1+	Expansion Children <1	Federal Mandate Children	Other	Total
Impact of Capitating Hearing and Audiology (1)										
Bexar	13,867	5,118	0	4,213	28,866	74,020	803	197,151	0	324,038
Dallas	12,597	488	0	8,582	51,654	88,948	10,230	265,023	0	437,521
El Paso	9,476	1,146	0	0	8,768	18,237	3,900	52,461	0	93,988
Harris	43,830	1,452	0	0	92,659	415,304	22,767	480,928	0	1,056,940
Lubbock	7,735	0	0	0	2,444	3,962	1,951	20,030	0	36,122
Nueces	1,846	0	0	0	114	8,791	0	75,240	0	85,991
Tarrant	12,124	0	0	1,220	21,427	63,206	17,040	132,809	0	247,826
Travis	38,365	0	0	0	7,478	55,658	113	98,858	0	200,471
Total	139,840	8,205	0	14,016	213,410	728,125	56,803	1,322,499	0	2,482,898
FY2011 Total Incurred Claims (2)										
Bexar	18,552,478	3,725,768	21,708,620	81,208,835	103,093,625	74,824,154	2,294,211	69,306,200	2,541,024	377,254,914
Dallas	18,002,943	3,432,039	12,451,695	114,443,070	137,051,458	146,486,306	14,380,437	126,735,381	3,647,308	576,630,639
El Paso	12,108,236	2,244,500	10,631,071	32,360,445	39,827,276	29,108,694	2,206,612	32,766,283	649,258	161,902,375
Harris	25,928,615	5,786,117	26,765,955	189,445,098	263,223,401	192,129,794	15,049,559	189,684,221	8,672,707	916,685,466
Lubbock	5,035,172	1,504,574	5,678,274	14,236,951	19,472,917	10,405,050	724,751	10,472,514	566,970	68,097,173
Nueces	8,826,869	2,085,966	7,827,587	29,301,646	39,408,645	27,604,962	632,374	28,962,804	2,095,805	146,746,659
Tarrant	9,460,942	1,348,736	7,290,643	82,195,312	96,921,036	78,427,076	5,335,658	71,744,583	5,422,932	358,146,917
Travis	21,751,395	4,870,408	21,618,891	40,115,151	58,818,972	44,614,825	4,285,723	31,133,717	3,986,910	231,195,993
Total	119,666,650	24,998,108	113,972,737	583,306,509	757,817,329	603,600,861	44,909,325	560,805,702	27,582,915	2,836,660,136
Rate Adjustment Factor (3)										
Bexar	0.07 %	0.14 %	0.00 %	0.01 %	0.03 %	0.10 %	0.03 %	0.28 %	0.00 %	0.09 %
Dallas	0.07 %	0.01 %	0.00 %	0.01 %	0.04 %	0.06 %	0.07 %	0.21 %	0.00 %	0.08 %
El Paso	0.08 %	0.05 %	0.00 %	0.00 %	0.02 %	0.06 %	0.18 %	0.16 %	0.00 %	0.06 %
Harris	0.17 %	0.03 %	0.00 %	0.00 %	0.04 %	0.22 %	0.15 %	0.25 %	0.00 %	0.12 %
Lubbock	0.15 %	0.00 %	0.00 %	0.00 %	0.01 %	0.04 %	0.27 %	0.19 %	0.00 %	0.05 %
Nueces	0.02 %	0.00 %	0.00 %	0.00 %	0.00 %	0.03 %	0.00 %	0.26 %	0.00 %	0.06 %
Tarrant	0.13 %	0.00 %	0.00 %	0.00 %	0.02 %	0.08 %	0.32 %	0.19 %	0.00 %	0.07 %
Travis	0.18 %	0.00 %	0.00 %	0.00 %	0.01 %	0.12 %	0.00 %	0.32 %	0.00 %	0.09 %
Total	0.12 %	0.03 %	0.00 %	0.00 %	0.03 %	0.12 %	0.13 %	0.24 %	0.00 %	0.09 %

Footnotes:

- (1) Equals the cost resulting from capitating these services into the STAR program.
 (2) Equals FY2011 health plan fee-for-service claims for all services (ICHP provided encounter data).
 (3) Additional cost divided by FY2011 Total Incurred Claims.

Attachment 6

Family Planning Adjustment

Some of the MCOs that participate in the STAR program are not able to provide family planning services. For these MCOs, family planning service will be provided through FFS. HHSC provided us with a listing of those services that will not be provided by these MCOs. Using base period claims experience, we determined the per member per month cost expected to be represented by these family planning services. The premium rates for those MCOs that do not provide family planning services have been reduced accordingly. The attached exhibit presents a summary of the family planning reduction factors associated with these MCOs

Health and Human Services Commission
FY2013 STAR Rating
Family Planning Exclusion

<u>Risk Group</u>	<u>Nueces</u>	<u>Travis</u>
TANF Child >1	\$ 0.42	\$ 0.37
TANF Child <1	0.00	0.00
TANF Adult	4.38	3.57
Pregnant Women	9.24	10.95
Newborn	0.00	0.00
Expansion Child >1	0.16	0.18
Expansion Child <1	0.00	0.00
Federal Mandate	0.25	0.18

Attachment 7

Third Party Recoveries

The rating methodology includes a factor to recognize those health plans that do not satisfy a minimum level of recoveries for coordination of benefits. Any plan that did not recover at least 2.0% of claims had its projected claims cost reduced by 2.0% less their actual percentage of recoveries. For example, if a specific health plan has third party recoveries (TPR) of 1.5% of claims, then their projected claims cost would be reduced by 0.5%. Any plan that exceeded the minimum TPR standard of 2.0% had no penalty applied.

The attached chart presents a summary of TPR experience for FY2011.

FY2013 STAR Rating
 Analysis of Third Party Recovery (TPR) Experience

Health Plan	<u>TPR (1)</u>	<u>Incurred Claims (2)</u>	<u>TPR/Claims</u>	<u>Adjustment Factor</u>
Aetna - Bexar	3,510,204	49,770,550	7.1 %	1.0000
CFHP - Bexar	7,367,694	170,087,612	4.3 %	1.0000
Superior - Bexar	8,393,036	168,030,916	5.0 %	1.0000
Amerigroup - Dallas	6,107,283	224,889,145	2.7 %	1.0000
Parkland - Dallas	20,371,525	325,237,588	6.3 %	1.0000
Unicare - Dallas	3,034,330	31,379,149	9.7 %	1.0000
El Paso First - El Paso	462,079	77,069,122	0.6 %	0.9860
Superior - El Paso	4,700,276	87,876,449	5.3 %	1.0000
Amerigroup - Harris	5,534,478	231,347,449	2.4 %	1.0000
CHC - Harris	48,501,869	308,135,700	15.7 %	1.0000
Molina - Harris	1,944,292	22,162,777	8.8 %	1.0000
TCHP - Harris	34,432,201	335,377,469	10.3 %	1.0000
United - Harris	2,352,190	34,645,698	6.8 %	1.0000
Firstcare - Lubbock	3,606,147	49,460,539	7.3 %	1.0000
Superior - Lubbock	886,813	19,193,261	4.6 %	1.0000
Amerigroup - Nueces	776,812	19,336,587	4.0 %	1.0000
Driscoll - Nueces	4,450,107	96,524,658	4.6 %	1.0000
Superior - Nueces	1,855,437	31,765,863	5.8 %	1.0000
Aetna - Tarrant	4,292,027	71,067,873	6.0 %	1.0000
Amerigroup - Tarrant	4,948,707	169,016,173	2.9 %	1.0000
Cook - Tarrant	2,280,665	125,456,988	1.8 %	0.9982
Amerigroup - Travis	3,189,200	65,329,740	4.9 %	1.0000
Superior - Travis	10,140,669	167,430,803	6.1 %	1.0000
Total	183,138,041	2,880,592,110	6.4 %	

Footnotes

(1) FY2011 Third Party Recoveries.

(2) FY2011 fee-for-services claims paid.

Attachment 8

Delivery Supplemental Payment

The rate setting methodology incorporates a risk adjustment technique that is designed to provide uniform treatment of the health plans for costs related to maternity delivery services. Maternity cases occur in several risk groups – Pregnant Women, TANF Adults, TANF Children and Federal Mandate Children. As a result, it is possible for one health plan to enroll a higher percentage of TANF Adults who are pregnant and therefore generally more expensive. In order to recognize the potential inequity that might arise between health plans, HHSC developed this risk adjustment methodology. The goal is to reimburse the plans uniformly for maternity expenses.

The State pays a delivery supplemental payment (DSP) for each delivery in a managed care plan. The amount of the payment is a function of the average delivery cost in the area. The attached exhibit presents the FY2013 DSP payment rates by area.

In order to achieve cost neutrality, the projected cost of maternity expenses is subtracted from the unadjusted premium rates. The resulting adjusted premium rates are the rates actually paid to the HMOs in addition to any DSP amounts.

Health and Human Services Commission
FY2013 STAR Rating
Delivery Supplemental Payment (DSP) Rates per Delivery

Service Delivery Area	DSP Amount	
	FY2012	FY2013
Bexar SDA	\$ 3,266.59	\$ 3,266.59
Dallas SDA	3,537.13	3,537.13
El Paso SDA	3,443.04	3,443.04
Harris SDA	3,519.20	3,519.20
Lubbock SDA	3,230.39	3,230.39
Nueces SDA	3,203.82	3,203.82
Tarrant SDA	3,635.64	3,635.64
Travis SDA	3,247.49	3,247.49

Attachment 9

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 memberships. 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 risk group.

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. The risk adjustment factor is applied to the community rate for each health plan and risk group. If necessary, an additional adjustment was made to the risk adjusted community rates to ensure that, in total, they produce the same premium as the community rates.

Representatives of HHSC and the MCOs formed a workgroup to study the acuity risk adjustment methodology and recommend potential revisions prior to the FY2012 rate setting process. Based on this analysis, the following changes were implemented for the FY2012 rate setting process and have been continued into the FY2013 rate development.

- The minimum enrollment period for newborns to be eligible for inclusion in the analysis was reduced from three months to one month
- Five new baby weights were added
- The weights for all risk groups are now determined on a concurrent basis. Previously, the weights for risk groups other than Pregnant Women and Newborns were developed on a prospective basis.

TEXAS STAR MCO CDPS SA/Health Plan Risk
Reporting Period: September 1, 2010 to August 31, 2011

STAR MCO						
SDA/Health Plan	Number of Enrollees	Percent Affected	PMPM Expenditures Based on Paid Amounts	Predicted PMPM Payment	Case Mix	Spend Ratio
CDPS						
TEXAS STAR MCO --TANF Children	101,773	100.00	89.68	89.68	1.00	1.00
BEXAR	14,522	100.00	100.03	92.74	1.00	1.08
Aetna	1,798	12.38	78.35	75.50	0.81	1.04
Community First	6,374	43.89	111.06	89.67	0.97	1.24
Superior	6,350	43.73	94.99	100.52	1.08	0.95
DALLAS	13,750	100.00	96.55	92.97	1.00	1.04
AMERIGROUP	6,209	45.16	83.05	88.11	0.95	0.94
Parkland	6,832	49.69	101.68	93.61	1.01	1.09
Unicare	709	5.16	163.08	128.46	1.38	1.27
EL PASO	13,450	100.00	73.34	107.81	1.00	0.68
El Paso First	6,019	44.75	73.85	98.48	0.91	0.75
Superior	7,431	55.25	72.93	115.24	1.07	0.63
HARRIS	22,306	100.00	84.51	74.22	1.00	1.14
AMERIGROUP	5,997	26.89	73.39	71.02	0.96	1.03
Community Health Choice	5,988	26.84	79.46	70.94	0.96	1.12
Molina	620	2.78	78.48	82.41	1.11	0.95
Texas Children's	8,974	40.23	96.64	78.34	1.06	1.23
UnitedHealthCare-Texas	727	3.26	74.90	70.40	0.95	1.06
LUBBOCK	4,796	100.00	84.12	102.18	1.00	0.82
FirstCare	3,661	76.33	82.90	92.70	0.91	0.89
Superior	1,135	23.67	88.10	133.19	1.30	0.66
NUECES	5,548	100.00	111.56	99.08	1.00	1.13
AMERIGROUP	774	13.95	110.16	111.65	1.13	0.99
Driscoll	3,452	62.22	106.56	95.10	0.96	1.12
Superior	1,322	23.83	125.53	102.16	1.03	1.23
TARRANT	7,215	100.00	97.93	88.89	1.00	1.10
AMERIGROUP	3,918	54.30	86.86	86.38	0.97	1.01
Aetna	898	12.45	99.42	84.86	0.95	1.17
Cook Children's	2,399	33.25	115.92	94.59	1.06	1.23
TRAVIS	20,186	100.00	86.88	84.53	1.00	1.03
AMERIGROUP	5,015	24.84	90.13	81.11	0.96	1.11
Superior	15,171	75.16	85.83	85.63	1.01	1.00

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 STAR MCO CDPS SA/Health Plan Risk
Reporting Period: September 1, 2010 to August 31, 2011

STAR MCO						
SDA/Health Plan	Number of Enrollees	Percent Affected	PMPM Expenditures Based on Paid Amounts	Predicted PMPM Payment	Case Mix	Spend Ratio
CDPS						
TEXAS STAR MCO --TANF Newborn	18,859	100.00	411.89	411.89	1.00	1.00
BEXAR	2,549	100.00	475.41	497.37	1.00	0.96
Aetna	366	14.36	537.93	598.85	1.20	0.90
Community First	911	35.74	400.65	427.11	0.86	0.94
Superior	1,272	49.90	510.02	517.71	1.04	0.99
DALLAS	2,908	100.00	408.72	385.09	1.00	1.06
AMERIGROUP	1,075	36.97	342.80	404.66	1.05	0.85
Parkland	1,684	57.91	443.69	381.16	0.99	1.16
Unicare	149	5.12	442.21	295.63	0.77	1.50
EL PASO	1,729	100.00	424.30	487.23	1.00	0.87
El Paso First	785	45.40	461.06	534.16	1.10	0.86
Superior	944	54.60	394.79	449.56	0.92	0.88
HARRIS	5,152	100.00	344.82	344.21	1.00	1.00
AMERIGROUP	1,447	28.09	332.05	377.46	1.10	0.88
Community Health Choice	1,609	31.23	407.82	357.73	1.04	1.14
Molina	153	2.97	371.82	517.39	1.50	0.72
Texas Children's	1,732	33.62	279.72	279.21	0.81	1.00
UnitedHealthCare-Texas	211	4.10	472.37	383.10	1.11	1.23
LUBBOCK	674	100.00	418.68	462.77	1.00	0.90
FirstCare	503	74.63	419.19	497.77	1.08	0.84
Superior	171	25.37	417.05	351.76	0.76	1.19
NUECES	1,062	100.00	547.04	439.82	1.00	1.24
AMERIGROUP	122	11.49	510.96	369.24	0.84	1.38
Driscoll	702	66.10	592.76	491.41	1.12	1.21
Superior	238	22.41	427.29	320.75	0.73	1.33
TARRANT	1,532	100.00	321.41	422.35	1.00	0.76
AMERIGROUP	709	46.28	326.70	426.54	1.01	0.77
Aetna	300	19.58	274.15	389.40	0.92	0.70
Cook Children's	523	34.14	343.25	436.89	1.03	0.79
TRAVIS	3,253	100.00	443.11	396.59	1.00	1.12
AMERIGROUP	918	28.22	607.45	371.82	0.94	1.63
Superior	2,335	71.78	378.94	406.26	1.02	0.93

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 STAR MCO CDPS SA/Health Plan Risk
Reporting Period: September 1, 2010 to August 31, 2011

STAR MCO						
SDA/Health Plan	Number of Enrollees	Percent Affected	PMPM Expenditures Based on Paid Amounts	Predicted PMPM Payment	Case Mix	Spend Ratio
CDPS						
TEXAS STAR MCO --TANF Adult	23,362	100.00	281.99	281.99	1.00	1.00
BEXAR	3,505	100.00	348.60	309.12	1.00	1.13
Aetna	639	18.23	302.39	293.51	0.95	1.03
Community First	1,403	40.03	361.99	284.57	0.92	1.27
Superior	1,463	41.74	356.06	339.73	1.10	1.05
DALLAS	2,786	100.00	251.73	263.53	1.00	0.96
AMERIGROUP	1,280	45.94	233.15	244.78	0.93	0.95
Parkland	1,379	49.50	263.03	271.43	1.03	0.97
Unicare	127	4.56	312.60	362.63	1.38	0.86
EL PASO	3,006	100.00	225.76	291.01	1.00	0.78
El Paso First	1,555	51.73	210.61	290.74	1.00	0.72
Superior	1,451	48.27	241.89	291.29	1.00	0.83
HARRIS	4,107	100.00	340.61	297.00	1.00	1.15
AMERIGROUP	1,291	31.43	336.93	323.94	1.09	1.04
Community Health Choice	1,500	36.52	372.30	301.68	1.02	1.23
Molina	214	5.21	342.34	238.64	0.80	1.43
Texas Children's	819	19.94	308.33	245.55	0.83	1.26
UnitedHealthCare-Texas	283	6.89	280.42	336.68	1.13	0.83
LUBBOCK	1,169	100.00	292.24	351.06	1.00	0.83
FirstCare	821	70.23	299.82	344.26	0.98	0.87
Superior	348	29.77	274.04	367.40	1.05	0.75
NUECES	1,518	100.00	272.54	285.28	1.00	0.96
AMERIGROUP	349	22.99	293.97	292.82	1.03	1.00
Driscoll	753	49.60	239.10	254.77	0.89	0.94
Superior	416	27.40	313.25	332.21	1.16	0.94
TARRANT	1,435	100.00	278.41	318.46	1.00	0.87
AMERIGROUP	757	52.75	274.50	322.57	1.01	0.85
Aetna	393	27.39	269.80	298.91	0.94	0.90
Cook Children's	285	19.86	301.30	335.05	1.05	0.90
TRAVIS	5,836	100.00	249.40	237.53	1.00	1.05
AMERIGROUP	1,944	33.31	246.57	209.22	0.88	1.18
Superior	3,892	66.69	250.82	251.63	1.06	1.00

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 STAR MCO CDPS SA/Health Plan Risk

Reporting Period: September 1, 2010 to August 31, 2011

STAR MCO						
SDA/Health Plan	Number of Enrollees	Percent Affected	PMPM Expenditures Based on Paid Amounts	Predicted PMPM Payment	Case Mix	Spend Ratio
CDPS						
TEXAS STAR MCO --Pregnant Women	72,080	100.00	691.27	691.27	1.00	1.00
BEXAR	10,342	100.00	672.66	693.12	1.00	0.97
Aetna	1,809	17.49	579.48	686.07	0.99	0.84
Community First	3,668	35.47	686.78	678.80	0.98	1.01
Superior	4,865	47.04	696.17	706.46	1.02	0.99
DALLAS	13,618	100.00	710.79	689.06	1.00	1.03
AMERIGROUP	4,843	35.56	697.26	689.97	1.00	1.01
Parkland	7,910	58.08	730.54	691.29	1.00	1.06
Unicare	865	6.35	606.46	663.84	0.96	0.91
EL PASO	4,809	100.00	608.44	683.29	1.00	0.89
El Paso First	2,350	48.87	582.94	674.01	0.99	0.86
Superior	2,459	51.13	632.69	692.12	1.01	0.91
HARRIS	21,658	100.00	741.28	691.97	1.00	1.07
AMERIGROUP	6,999	32.32	670.50	703.48	1.02	0.95
Community Health Choice	7,675	35.44	856.59	704.92	1.02	1.22
Molina	593	2.74	698.67	656.83	0.95	1.06
Texas Children's	5,050	23.32	689.25	666.42	0.96	1.03
UnitedHealthCare-Texas	1,341	6.19	666.92	669.81	0.97	1.00
LUBBOCK	2,158	100.00	599.97	708.19	1.00	0.85
FirstCare	1,472	68.21	579.09	707.36	1.00	0.82
Superior	686	31.79	645.91	710.04	1.00	0.91
NUECES	3,972	100.00	644.06	687.08	1.00	0.94
AMERIGROUP	413	10.40	691.63	711.50	1.04	0.97
Driscoll	2,718	68.43	608.44	679.56	0.99	0.90
Superior	841	21.17	737.01	699.47	1.02	1.05
TARRANT	10,272	100.00	663.58	703.73	1.00	0.94
AMERIGROUP	4,380	42.64	660.49	703.23	1.00	0.94
Aetna	2,854	27.78	655.74	700.39	1.00	0.94
Cook Children's	3,038	29.58	675.35	707.57	1.01	0.95
TRAVIS	5,251	100.00	679.51	670.29	1.00	1.01
AMERIGROUP	1,208	23.01	648.14	669.32	1.00	0.97
Superior	4,043	76.99	688.96	670.58	1.00	1.03

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 STAR MCO CDPS SA/Health Plan Risk
Reporting Period: September 1, 2010 to August 31, 2011

STAR MCO						
SDA/Health Plan	Number of Enrollees	Percent Affected	PMPM Expenditures Based on Paid Amounts	Predicted PMPM Payment	Case Mix	Spend Ratio
CDPS						
TEXAS STAR MCO--Regular Newborns	217,102	100.00	469.29	469.29	1.00	1.00
BEXAR	28,887	100.00	460.13	488.48	1.00	0.94
Aetna	4,883	16.90	420.29	439.42	0.90	0.96
Community First	11,321	39.19	409.55	443.91	0.91	0.92
Superior	12,683	43.91	523.62	550.05	1.13	0.95
DALLAS	42,203	100.00	440.04	470.51	1.00	0.94
AMERIGROUP	16,290	38.60	404.23	446.97	0.95	0.90
Parkland	23,440	55.54	473.05	489.21	1.04	0.97
Unicare	2,473	5.86	346.84	439.52	0.93	0.79
EL PASO	12,923	100.00	392.50	460.35	1.00	0.85
El Paso First	6,093	47.15	385.79	456.15	0.99	0.85
Superior	6,830	52.85	398.44	464.06	1.01	0.86
HARRIS	72,062	100.00	503.28	452.19	1.00	1.11
AMERIGROUP	18,951	26.30	514.97	497.56	1.10	1.03
Community Health Choice	24,594	34.13	562.41	440.16	0.97	1.28
Molina	1,602	2.22	472.72	526.31	1.16	0.90
Texas Children's	23,857	33.11	433.51	415.09	0.92	1.04
UnitedHealthCare-Texas	3,058	4.24	523.53	522.98	1.16	1.00
LUBBOCK	5,717	100.00	435.67	519.68	1.00	0.84
FirstCare	4,029	70.47	403.54	508.36	0.98	0.79
Superior	1,688	29.53	518.98	549.05	1.06	0.95
NUECES	10,025	100.00	496.10	523.03	1.00	0.95
AMERIGROUP	1,103	11.00	506.67	480.50	0.92	1.05
Driscoll	7,059	70.41	476.69	536.27	1.03	0.89
Superior	1,863	18.58	571.05	494.50	0.95	1.15
TARRANT	29,928	100.00	443.12	463.30	1.00	0.96
AMERIGROUP	13,609	45.47	396.75	438.80	0.95	0.90
Aetna	6,881	22.99	561.16	495.61	1.07	1.13
Cook Children's	9,438	31.54	425.85	475.58	1.03	0.90
TRAVIS	15,357	100.00	523.88	471.21	1.00	1.11
AMERIGROUP	3,892	25.34	513.05	446.79	0.95	1.15
Superior	11,465	74.66	527.59	479.59	1.02	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 STAR MCO CDPS SA/Health Plan Risk
Reporting Period: September 1, 2010 to August 31, 2011

STAR MCO						
SDA/Health Plan	Number of Enrollees	Percent Affected	PMPM Expenditures Based on Paid Amounts	Predicted PMPM Payment	Case Mix	Spend Ratio
CDPS						
TEXAS STAR MCO--Expansion Children	431,232	100.00	102.14	102.14	1.00	1.00
BEXAR	49,327	100.00	111.96	102.49	1.00	1.09
Aetna	5,680	11.51	89.97	93.65	0.91	0.96
Community First	22,811	46.24	116.35	104.33	1.02	1.12
Superior	20,836	42.24	113.07	102.85	1.00	1.10
DALLAS	94,802	100.00	111.61	115.54	1.00	0.97
AMERIGROUP	42,300	44.62	95.91	108.93	0.94	0.88
Parkland	47,850	50.47	124.38	121.32	1.05	1.03
Unicare	4,652	4.91	121.98	115.62	1.00	1.06
EL PASO	24,959	100.00	85.47	113.63	1.00	0.75
El Paso First	10,573	42.36	82.50	111.61	0.98	0.74
Superior	14,386	57.64	87.62	115.09	1.01	0.76
HARRIS	149,191	100.00	95.19	93.33	1.00	1.02
AMERIGROUP	33,639	22.55	72.35	89.62	0.96	0.81
Community Health Choice	41,498	27.82	86.90	86.92	0.93	1.00
Molina	2,705	1.81	96.69	99.30	1.06	0.97
Texas Children's	68,372	45.83	111.28	98.72	1.06	1.13
UnitedHealthCare-Texas	2,977	2.00	100.04	95.71	1.03	1.05
LUBBOCK	9,304	100.00	77.08	86.09	1.00	0.90
FirstCare	7,080	76.10	77.73	85.58	0.99	0.91
Superior	2,224	23.90	74.93	87.76	1.02	0.85
NUECES	16,739	100.00	118.15	114.17	1.00	1.03
AMERIGROUP	2,521	15.06	127.96	105.55	0.92	1.21
Driscoll	10,855	64.85	108.32	109.32	0.96	0.99
Superior	3,363	20.09	142.43	136.34	1.19	1.04
TARRANT	56,222	100.00	99.54	100.05	1.00	0.99
AMERIGROUP	30,104	53.54	84.24	94.67	0.95	0.89
Aetna	6,962	12.38	91.48	81.49	0.81	1.12
Cook Children's	19,156	34.07	126.82	115.24	1.15	1.10
TRAVIS	30,688	100.00	108.12	95.88	1.00	1.13
AMERIGROUP	8,319	27.11	107.50	94.68	0.99	1.14
Superior	22,369	72.89	108.35	96.32	1.00	1.12

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 STAR MCO CDPS SA/Health Plan Risk

Reporting Period: September 1, 2010 to August 31, 2011

STAR MCO						
SDA/Health Plan	Number of Enrollees	Percent Affected	PMPM Expenditures Based on Paid Amounts	Predicted PMPM Payment	Case Mix	Spend Ratio
CDPS						
TEXAS STAR MCO--Expansion Newborns	38,712	100.00	186.63	186.63	1.00	1.00
BEXAR	2,378	100.00	177.77	220.14	1.00	0.81
Aetna	366	15.39	148.57	241.34	1.10	0.62
Community First	1,162	48.86	184.75	217.39	0.99	0.85
Superior	850	35.74	180.28	215.19	0.98	0.84
DALLAS	10,299	100.00	195.29	205.57	1.00	0.95
AMERIGROUP	5,133	49.84	170.14	187.48	0.91	0.91
Parkland	4,894	47.52	215.59	221.99	1.08	0.97
Unicare	272	2.64	300.30	241.28	1.17	1.24
EL PASO	2,027	100.00	167.23	218.71	1.00	0.76
El Paso First	1,035	51.06	164.75	209.17	0.96	0.79
Superior	992	48.94	169.77	228.46	1.04	0.74
HARRIS	14,204	100.00	184.45	157.96	1.00	1.17
AMERIGROUP	2,267	15.96	232.79	189.17	1.20	1.23
Community Health Choice	4,111	28.94	164.08	140.78	0.89	1.17
Molina	288	2.03	216.48	129.72	0.82	1.67
Texas Children's	7,064	49.73	181.61	158.86	1.01	1.14
UnitedHealthCare-Texas	474	3.34	144.49	162.41	1.03	0.89
LUBBOCK	477	100.00	365.30	231.69	1.00	1.58
FirstCare	325	68.13	477.44	283.37	1.22	1.68
Superior	152	31.87	112.80	115.32	0.50	0.98
NUECES	643	100.00	217.79	195.17	1.00	1.12
AMERIGROUP	72	11.20	388.55	261.25	1.34	1.49
Driscoll	435	67.65	190.40	196.34	1.01	0.97
Superior	136	21.15	222.14	160.32	0.82	1.39
TARRANT	5,297	100.00	177.78	213.92	1.00	0.83
AMERIGROUP	2,553	48.20	145.34	177.41	0.83	0.82
Aetna	783	14.78	182.27	184.76	0.86	0.99
Cook Children's	1,961	37.02	220.96	274.95	1.29	0.80
TRAVIS	3,387	100.00	172.98	164.38	1.00	1.05
AMERIGROUP	1,049	30.97	219.05	164.36	1.00	1.33
Superior	2,338	69.03	152.01	164.38	1.00	0.92

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 STAR MCO CDPS SA/Health Plan Risk
Reporting Period: September 1, 2010 to August 31, 2011

STAR MCO						
SDA/Health Plan	Number of Enrollees	Percent Affected	PMPM Expenditures Based on Paid Amounts	Predicted PMPM Payment	Case Mix	Spend Ratio
CDPS						
TEXAS STAR MCO--Federal Mandate Ch	636,561	100.00	73.74	73.74	1.00	1.00
BEXAR	78,078	100.00	74.38	72.22	1.00	1.03
Aetna	8,437	10.81	56.87	58.99	0.82	0.96
Community First	38,535	49.35	83.05	71.96	1.00	1.15
Superior	31,106	39.84	68.30	76.00	1.05	0.90
DALLAS	136,657	100.00	78.20	76.47	1.00	1.02
AMERIGROUP	68,506	50.13	70.34	74.04	0.97	0.95
Parkland	62,373	45.64	86.72	80.28	1.05	1.08
Unicare	5,778	4.23	78.51	63.87	0.84	1.23
EL PASO	46,481	100.00	60.47	87.26	1.00	0.69
El Paso First	21,171	45.55	61.20	84.91	0.97	0.72
Superior	25,310	54.45	59.86	89.20	1.02	0.67
HARRIS	215,584	100.00	73.48	69.03	1.00	1.06
AMERIGROUP	52,965	24.57	57.34	67.29	0.97	0.85
Community Health Choice	53,855	24.98	67.01	60.38	0.87	1.11
Molina	4,648	2.16	70.03	71.86	1.04	0.97
Texas Children's	98,395	45.64	85.83	74.00	1.07	1.16
UnitedHealthCare-Texas	5,721	2.65	76.08	79.19	1.15	0.96
LUBBOCK	13,169	100.00	64.11	73.33	1.00	0.87
FirstCare	10,203	77.48	67.67	74.52	1.02	0.91
Superior	2,966	22.52	51.62	69.16	0.94	0.75
NUECES	27,143	100.00	88.83	90.38	1.00	0.98
AMERIGROUP	3,224	11.88	73.44	81.56	0.90	0.90
Driscoll	18,396	67.77	89.55	91.32	1.01	0.98
Superior	5,523	20.35	95.39	92.40	1.02	1.03
TARRANT	79,223	100.00	73.79	72.05	1.00	1.02
AMERIGROUP	45,586	57.54	70.90	70.95	0.98	1.00
Aetna	7,949	10.03	63.25	59.07	0.82	1.07
Cook Children's	25,688	32.42	82.22	77.93	1.08	1.05
TRAVIS	40,226	100.00	67.25	69.16	1.00	0.97
AMERIGROUP	9,823	24.42	76.20	67.86	0.98	1.12
Superior	30,403	75.58	64.41	69.57	1.01	0.93

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).

Attachment 10

Managed Care Discount Factor

Effective September 1, 2011, HHSC implemented service area expansions for several existing STAR service areas. This resulted in the elimination of PCCM in these counties and the movement of those clients to MCOs. We have considered this in our analysis by including the actual PCCM claims experience in our rating model. In each of the expansion counties we used FY2011 PCCM claims experience in deriving the FY2013 community rates.

The basic premise regarding the future cost of current PCCM clients is that their FY2013 gross cost under the MCO model (including administrative expenses and risk margin) will be the same as the projected FY2013 gross cost under the PCCM model. Since administrative expenses and risk margin are significantly higher under the HMO model, in order for the gross cost to be the same as the PCCM it is necessary for the medical claims cost to be lower than that under the PCCM. We prepared an analysis which considered all of the cost factors (including PCCM case management fees and TMHP costs) and concluded that the managed care efficiency under the HMO model would need to be 10.1%, relative to the PCCM, in order for the gross cost for the two models to be equal. Therefore, we have applied a 10.1% managed care efficiency (or claims adjustment factor) to the FY2011 PCCM claims experience.

A summary of our analysis is presented in the attached exhibits. Exhibit A presents the counties included in the expansion. Exhibit B documents the calculation of the managed care claims discount factor.

FY2013 STAR Rating
 Service Area Expansion
 Impacted Service Areas/Counties

Service Area	Expansion Counties
Bexar SDA	Bandera
Dallas SDA	(none)
El Paso SDA	Hudspeth
Harris SDA	Austin, Matagorda and Wharton
Lubbock SDA	Carson, Deaf Smith, Hutchinson, Potter, Randall and Swisher
Nueces SDA	Brooks, Goliad, Karnes, Kenedy and Live Oak
Tarrant SDA	(none)
Travis SDA	Fayette

FY2013 STAR Rating
 Service Area Expansion
 Managed Care Discount Factor

	<u>Member Months</u>	<u>Estimated Incurred Claims</u>	<u>Incurred Claims pmpm</u>
FY2010 197-County PCCM Service Area Experience			
TANF Children	929,973	147,599,709	158.71
TANF Adult	189,751	52,823,188	278.38
Pregnant Women	383,825	252,432,356	657.68
Newborn	694,195	355,102,618	511.53
Expansion Children	2,532,621	338,308,013	133.58
Federal Mandate	3,538,283	311,361,081	88.00
STAR Risk Groups	8,268,648	1,457,626,965	176.28
Case Management Fee			3.90
TMHP Administration			2.00
Total PCCM Cost			182.18
PCCM Discount Factor			10.1 %