



Chase Center/Circle  
111 Monument Circle  
Suite 601  
Indianapolis, IN 46204-5128  
USA

Tel +1 317 639 1000  
Fax +1 317 639 1001

milliman.com

November 23, 2010

Mr. Joe Holler  
Manager, Hospital and Managed Care Reimbursement  
Illinois Department of Healthcare and Family Services  
Prescott Bloom Building  
201 S. Grand Avenue East, 2<sup>nd</sup> Floor  
Springfield, IL 62763-0001

**RE: DATA BOOK SUMMARY - UPDATED**

Dear Joe:

Milliman, Inc. (Milliman) has been retained by the State of Illinois, Department of Healthcare and Family Services (HFS) to provide actuarial and consulting services related to the development of capitation rates associated with the managed care expansion for the Aged, Blind and Disabled non-Dual population. This letter presents the Data Book in its entirety and discusses the development of the capitation rates. Please note that the updated version of the data book has been modified to include Pharmacy Services as well as other less significant modifications. This letter replaces our April 12, 2010 data book summary.

**LIMITATIONS**

The information contained in this letter, including the Data Book, has been prepared for the State of Illinois, Department of Healthcare and Family Services and their consultants and advisors. It is our understanding that the information contained in this letter may be utilized in a public document. To the extent that the information contained in this letter is provided to third parties, the letter should be distributed in its entirety including all supporting documentation. A complete copy of the Data Book, including all its attachments and documentation is provided with this letter. Any user of the data must possess a certain level of expertise in actuarial science and healthcare modeling so as not to misinterpret the data presented.

Milliman makes no representations or warranties regarding the contents of this letter to third parties. Likewise, third parties are instructed that they are to place no reliance upon this letter prepared for HFS by Milliman that would result in the creation of any duty or liability under any theory of law by Milliman or its employees to third parties. Other parties receiving this letter must rely upon their own experts in drawing conclusions about the HFS's capitation rates, assumptions, and trends.

T:\2010\ILM\ILM33 (3.32)\Databook Cover 112310.doc

Milliman makes no representations or warranties regarding the contents of this letter to third parties. Likewise, third parties are instructed that they are to place no reliance upon this letter prepared for HFS by Milliman that would result in the creation of any duty or liability under any theory of law by Milliman or its employees to third parties. Other parties receiving this letter must rely upon their own experts in drawing conclusions about the HFS's capitation rates, assumptions, and trends.



The information contained in this letter was prepared as documentation of the capitation rates for the Aged, Blind and Disabled (ABD) non-Dual expansion population for Medicaid managed care organization health plans in the State of Illinois and to summarize the information contained in the Data Book. The information may not be appropriate for any other purpose.

### **DEVELOPMENT OF ACTUARIAL MODELS**

The Data Book documentation provides the detail and assumptions underlying the proposed capitation rates. The attached Data Book has been revised from the April 12, 2010 version as highlighted:

- Service Package I Nursing Facility definition modified
- Effective date of the capitation rates has been modified to April 1, 2011 through March 30, 2012

### **DATA RELIANCE**

In developing the values contained in this letter and the Enclosure, we have relied upon certain data and information from HFS and their consultants. While limited review was performed for reasonableness, the data and information was accepted without audit. To the extent that the data and information was not accurate or complete, the values shown in this letter will need to be revised.



Guidelines issued by the American Academy of Actuaries require actuaries to include their professional qualifications in all actuarial communications. I am a member of the American Academy of Actuaries, and I meet the qualification standards for performing the analyses in this report.

If you have any questions regarding the enclosed information, please do not hesitate to contact me at (317) 524-3512.

Sincerely,

Robert M. Damler, FSA, MAAA  
Principal and Consulting Actuary

RMD/lrb  
Enclosure



## **ENCLOSURE 1**

T:\2010\ILM\ILM33 (3.32)\Databook Cover 112310.doc

Milliman makes no representations or warranties regarding the contents of this letter to third parties. Likewise, third parties are instructed that they are to place no reliance upon this letter prepared for HFS by Milliman that would result in the creation of any duty or liability under any theory of law by Milliman or its employees to third parties. Other parties receiving this letter must rely upon their own experts in drawing conclusions about the HFS's capitation rates, assumptions, and trends.



**STATE OF ILLINOIS  
DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES  
DATA BOOK**

**RISK BASED MANAGED CARE FOR  
AGED, BLIND AND DISABLED NON-DUAL  
SIX SELECTED COUNTIES**

*November 23, 2010*

*Prepared by:*

*Milliman, Inc*

*Robert M. Damler, FSA, MAAA  
Teresa K. Wilder, FSA, MAAA*



**TABLE OF CONTENTS**

I. Introduction.....1

II. Limitations .....2

III. Actuarial Models / Capitation Rates .....3

IV. Covered Population.....5

V. Base Year Data Stratification.....7

VI. Adjustments to Experience Data in Rate Development Process.....10

Attachment 1: ICF/MR State Operated Facilities

Attachment 2: Other ICF/MR

Attachment 3: Nursing Facility

Attachment 4: Developmentally Disabled Waiver

Attachment 5: Other Waiver

Attachment 6: Community Residents



## **DATA BOOK**

### **RISK BASED MANAGED CARE FOR AGED, BLIND AND DISABLED NON-DUAL POPULATION - SIX SELECTED COUNTIES**

#### **I. INTRODUCTION**

The State of Illinois, Department of Healthcare and Family Services (HFS) will be implementing a managed care program for the Aged, Blind and Disabled (ABD) non-dual eligible population in six selected counties. The Data Book has been prepared by Milliman, Inc. (Milliman) under the direction of HFS to provide historical data and information to the health plans for contract rates for the ABD non-dual population. The prospective contractor will be offered the enclosed capitation rates for Service Package I services to be effective for the twelve month period beginning April 1, 2011.

The Data Book consists of a set of actuarial models which develop the contract capitation rates. The actuarial models illustrate the expenditures on a detail basis for Service Package I services. Service Package I services now include all non-long term care services and mental health and alcohol and substance abuse services including pharmaceutical services. Service Package II and Service Package III expenditures, which include long-term care services, are shown in aggregate on a per member per month basis only. Service Package II and Service Package III services are not included within the capitation rate during the first twelve months of the contract.

The actuarial models begin with fee-for-service experience by category of service for state fiscal years 2008 and 2009 and conclude with final capitation rates for the twelve month effective period. An actuarial model has been developed for each of six distinct populations: ICF/MR State Operated Facilities, Other ICF/MR, Nursing Facility, Developmentally Disabled Waiver, Other Waiver and Community Residents.

The information contained in this Data Book was prepared to provide historical data and information to the health plans for contract rates for the ABD non-dual population. This information may not be appropriate for any other purpose. The Data Book has been developed from data and information provided to Milliman by HFS. Although the data was reviewed for reasonableness, we have accepted the data without audit. To the extent the data provided to Milliman was not complete or accurate, the capitation rates presented in this letter will need to be modified. It should be emphasized that capitation rates are a projection of future costs based on a set of assumptions. Results will differ if actual experience is different from the assumptions contained in this document.

## **II. LIMITATIONS**

The information contained in the Data Book, has been prepared for the State of Illinois, Department of Healthcare and Family Services and their consultants and advisors. It is our understanding that the information contained in Data Book may be utilized in a public document. To the extent that the information contained in this document is provided to third parties, the document should be distributed in its entirety. Any user of the data must possess a certain level of expertise in actuarial science and healthcare modeling so as not to misinterpret the data presented.

Milliman makes no representations or warranties regarding the contents of this document to third parties. Likewise, third parties are instructed that they are to place no reliance upon this document prepared for HFS by Milliman that would result in the creation of any duty or liability under any theory of law by Milliman or its employees to third parties. Other parties receiving this document must rely upon their own experts in drawing conclusions about the HFS's capitation rates, assumptions, and trends.

The information contained in the Data Book was prepared as documentation of the capitation rates for the Aged, Blind and Disabled (ABD) non-Dual expansion population for Medicaid managed care organization health plans in the State of Illinois. The information may not be appropriate for any other purpose.

### III. ACTUARIAL MODELS / CAPITATION RATES

The Data Book is composed of an actuarial model for each of six populations:

- Attachment 1: ICF/MR State Operated Facilities,
- Attachment 2: Other ICF/MR,
- Attachment 3: Nursing Facility,
- Attachment 4: Developmentally Disabled Waiver,
- Attachment 5: Other Waiver, and,
- Attachment 6: Community Residents.

The capitation rates resulting from the enclosed actuarial models (including Pharmacy services) are summarized in Table 1 below.

**Table 1**

**ILLINOIS DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES  
PMPM Capitation Rates effective April 1, 2011 through March 30, 2012**

<b>Rate Cell</b>	<b>Capitation Rate</b>
ICF/MR SOF	\$ 269.13
ICF/MR Other	\$ 875.54
Nursing Facility	\$ 2,126.65
DD Waiver	\$ 741.85
Other Waiver	\$ 1,704.16
Community Residents	\$ 971.35

Each actuarial model in Attachments 1 through 6 contains three sections: (1) Base SFY 2008 Experience, (2) Base SFY 2009 Experience, and (3) Capitation Rate Summary. The following paragraphs provide a description of each section of the actuarial models.

Sections 1 and 2 of each actuarial model provide in detail the base fee-for-service experience for State fiscal years 2008 and 2009, respectively. For each experience period, utilization, average cost per service, and PMPM values are shown. The utilization for each experience period has been adjusted for claims completion by category of service. Hospital Inpatient expenditures have been adjusted by the inpatient outlier adjustment.

In Section 3, the adjusted experience from the two base experience periods was blended assuming equal weight (i.e. 50% SFY 2008 and 50% SFY 2009). The blended utilization and cost per service rates are adjusted for managed care improvements, contracting adjustments and certain benefit timing adjustments.

The adjusted PMPM was trended forward to the midpoint of the April 1, 2011 through March 30, 2012 contract period. The resulting PMPM, after trend and managed care adjustments, establishes the adjusted claim cost by population rate cell for the contract period. The adjusted claim cost was modified to include the impact of the administrative allowance, a \$4 PMPM PCP fee and Third Party Liability (TPL) collections.

#### IV. COVERED POPULATION

The population has been limited to all or portions of six selected Illinois counties:

- DuPage.
- Kane.
- Kankakee.
- Lake.
- Will.
- Cook, excluding zip codes that begin with “606.”

The population has been stratified into six distinct populations which correspond directly to the capitation rate cells. The individual members were assigned a specific population category at the beginning of each fiscal year or at the initial month of eligibility during the fiscal year. The category assigned at the beginning of the fiscal year was assigned for each month during the fiscal year. The population has been limited to non-dual eligible ABD populations only. The population has been limited by age to include all individuals 19 years of age and over.

Member months have been shown for each population and State fiscal year. An individual member month was assigned for each month a member was eligible.

The following describes each of the six distinct populations which correspond one to one with the capitation rate cells. To the extent that an individual meets multiple population definitions during the assignment month, the hierarchy below applies.

- **ICF/MR State Operated Facility Population** – This population includes individuals residing in a State Operated ICF/MR facility. Milliman identified the population by reviewing the claim expenditures and identifying State Operated ICF/MR Facility expenditures. All claims with provider type of ‘034’ – State-operated Facility (SOPF, SODC) and category of service of ‘073’ – LTC – ICF/MR were considered to be State Operated ICF/MR Facility expenditures. A member was assigned the rating category without regard to the number of days residing in the facility during the assignment month.
- **Other ICF/MR Population** – This population includes individuals residing in an intermediate care facility for the mentally retarded (ICF/MR); known in Illinois as an intermediate care facility for the developmentally disabled. Milliman identified the population by identifying other ICF/MR claim expenditures. A member was assigned the rating category without regard to the number of days residing in the facility during the assignment month.

- **Nursing Facility Population** – This population includes individuals residing in a nursing facility. Milliman identified the population by identifying nursing facility expenditures in the first eligible month of the fiscal year. A member was assigned the rating category without regard to the number of days residing in the facility during the assignment month.
- **Developmentally Disabled Waiver Population** – This population includes individuals participating in one of the home- and community-based services (1915(c)) waiver programs for persons with a developmentally disability. The member was assigned using the Special Eligibility Codes maintained by HFS within the Medicaid Management Information System (MMIS) eligibility file. The following waiver programs were included in this population category:

<i>Federal waiver designation</i>	<i>Description</i>
0350.R02.01	Adults with developmental disabilities.
0464.R00.01	Children and young adults with developmental disabilities (Support).
0473.R00.01	Children and young adults with developmental disabilities (Residential).

- **Other Waiver Population** – This population includes individuals participating in one of the other 1915(c) waiver programs operating in Illinois. The following waiver programs were included in this population category:

<i>Federal waiver designation</i>	<i>Description</i>
0143.R05.00	Persons who are elderly.
0329.R03.00	Persons with a brain injury.
0202.R03.00	Persons with HIV or AIDS.
0326.R02.00	Supportive living program.
0278.R03.00	Children that are medically fragile, technology dependent
0142.R05.00	Persons with disabilities.

- **Community Residents Population** – This population includes all other ABD non-dual individuals not previously categorized. This population is comprised of individuals who are neither institutionalized nor participating in a 1915(c) waiver program.

## V. BASE YEAR DATA STRATIFICATION

The base fee-for-service experience for State fiscal years 2008 and 2009 included in each actuarial model reflects claims paid through November 30, 2009.

### *Service Package I Expenditures*

The historical expenditures were stratified using date of service, provider type, Diagnostic Related Groups (DRGs), revenue codes, CPT-4 codes, and HCPCS codes. The following provides additional details regarding the expenditures.

- **Date of Service** – The data have been stratified into State fiscal years. The state fiscal year begins on July 1<sup>st</sup> and ends on June 30<sup>th</sup>. The date of service was assigned to the fiscal year based on the first date of service. In the base data, if a hospital inpatient admission extended beyond the end of the fiscal year, all days of the admission were assigned to the fiscal year associated with the date of admission. Since the contract will require that the health plan cover hospital expenditures based upon discharge date, Milliman has developed and applied a Inpatient Hospital timing adjustment. The Inpatient Hospital timing adjustment was developed separately by population and varies for medical/surgical versus inpatient psych and substance abuse services. Day counts were ultimately developed as Date of Release minus Date of Admission plus one day to replicate unit counts on the claims provided by HFS.
- **Provider Type** – The expenditures were also stratified by provider type. The provider type includes hospital, physician, and ancillary services. The following provides additional information regarding the provider type.
  - Hospital services were stratified between inpatient and outpatient services. Inpatient services include all services performed and billed on the hospital facility claim, including any outpatient services that may have occurred in conjunction with that inpatient admission. This would include emergency room services that may have been incurred if the individual was admitted to the hospital.
    - Hospital Inpatient services were allocated to individual categories of service based on the DRG on the claim. Utilization rates have been shown for the number of admissions, length of stay, and days.
    - Hospital Outpatient services were allocated to individual categories of service based on the revenue codes on the claim. All line items on an individual claim were allocated to a single category of service. This is a result of the reimbursement method used by HFS. Utilization represents the number of hospital outpatient cases.

- Service Package I Nursing Facility services reflect Nursing Facility expenditures for the first 90 days (through the end of a month) unless the member was assigned to the Nursing Facility population for the fiscal period under consideration. The requirement that the Nursing Facility admission had to follow a hospitalization has been removed. All Nursing Facility expenditures for individuals assigned to the Nursing Facility population were categorized as Service Package II expenditures. Nursing Facility expenditures in the months following the 90 day limit were categorized as Service Package II expenditures. Due to the methodology of assigning population category at the beginning of the fiscal year based upon July status, Service Package I Nursing Facility expenditures are understated by approximately one month. Milliman has developed a Service Package I Nursing Facility adjustment of 1.10 for the Other Waiver population and 1.11 for the Community Resident Population to recognize the timing issue.
- Physician services were stratified by CPT-4 code and HFS category of service. Milliman relied on the HFS category of service for several categories. Milliman performed additional stratifications for physician services by CPT-4 code to provide additional details regarding the services provided. Utilization represents the number of units on each individual claim. Claims expenditures associated with PCP fees were removed from the base data and included as a fixed \$4.00 PMPM fee in the final rate development.
- Ancillary services were stratified by HCPCS code and HFS category of service. Pharmacy services have been included in the current version of the capitation rates. Utilization for pharmacy services represents the number of individual prescriptions. Utilization for other ancillary services represents the number of units on each individual claim.

### ***Service Package II and Service Package III Services***

Service Package II and Service Package III services will not be included within the capitation rate during the first twelve months of the contract. Service Package II and Service Package III services were identified in the historical expenditures by HFS. The following identifies the primary services included within each Service Package. Additional services were incurred; however, the services are not identified below.

- Service Package II Services
  - Long term care services—Nursing facility services
    - All Nursing Facility services for those in the Nursing Facility population
    - Nursing Facility services (excluding the first 90 days to end of month) for all other populations

- Long term care services—1915(c) waiver services; including, but not limited to personal attendant, nursing, and homemaker services.
- Service Package III Services
  - Long term care services—ICF/MR services.
  - Long term care services—1915(c) waiver services; including, but not limited to supported employment and developmental training.

### ***Actuarial Modeling***

Sections 1 and 2 of each actuarial model illustrate annual utilization rates per 1,000, net allowed charges per service, and per member per month claims cost for the fee-for-service data for services incurred during fiscal year 2008 and fiscal year 2009 (paid through November 30, 2009). The following provides a brief description of each of the data fields.

- **Annual Utilization Per 1,000** – This value represents the annual utilization rates per 1,000 by type of service. The value was calculated by dividing the total units for each service category by the member months in the corresponding period and multiplying by 12 times 1,000. Please note that day counts for inpatient services were ultimately developed as Date of Release minus Date of Admission plus one day to replicate unit counts on the claims provided by HFS.
- **Average Cost Per Service** – This value represents the net allowed amount per unit of service. The value does not reflect an adjustment for third party liability (TPL) recoveries after claim payment. The adjustment for TPL is discussed in a later section. Claims from certain public providers (e.g., University of Illinois Medical Center, Cook County Health and Hospitals System) were repriced to account for HFS' special financing arrangements with those government entities. Fee schedule changes corresponding to the experience period were reviewed and were determined to have little or no effect on average cost per services for Service Package I services for the target population. No adjustments were made for fee schedule changes.
- **Member Months** – This value represents the number of enrollee months in each rate cell during each experience period. Each enrollee was assumed to be eligible for the entire month.
- **PMPM** – The per member per month (PMPM) value represents the net claim cost for each type of service. The value was calculated by multiplying the annual utilization per 1,000 times the average cost per service and dividing by the product of 12 times 1,000.

## **VI. ADJUSTMENTS TO EXPERIENCE DATA IN RATE DEVELOPMENT PROCESS**

As discussed in Section II of this document, several adjustments were made to the base experience data to determine the April 1, 2011 through March 30, 2012 capitation rates. The following outlines each of the adjustments applied to the base data.

### **a. Completion Factors**

Milliman used fee-for-service data for services incurred from July 1, 2007 through June 30, 2009, submitted through November 30, 2009. Milliman applied separate claim completion factors to the services incurred during fiscal year 2008 and fiscal year 2009. The claim completion factors were developed by service category and population based on claims experience within the fee-for-service population incurred and paid through November 2009. Completion factors have been applied to the base utilization amounts.

### **b. Inpatient Outlier Adjustment**

Milliman included an adjustment to the non-behavioral health inpatient hospital service categories to reflect the anticipated increase in claims cost as a result of recent legislation. Historically, HFS had used a methodology to reduce the impact of provider billed charge increases which directly impact the amount of outlier payments observed. This process will not be used for 2009 forward due to legislation action to prevent this adjustment. As such the base trend assumptions may not completely capture the increase in outlier expenditures that had previously been partially mitigated.

Milliman included an increase to inpatient hospital of 2.1% to reflect this change.

### **c. Managed Care Adjustments**

Milliman calculated percentage adjustments to the fee-for-service base experience data to reflect the utilization differential between the base experience and the levels targeted for the managed care environment. Milliman developed the targeted managed care utilization adjustments through review and analysis of the *Milliman Medicaid Cost Guidelines (Guidelines)*, and other Milliman proprietary data. In addition to adjusting utilization rates to reflect healthcare management targets, Milliman correspondingly adjusted the average reimbursement rates to reflect changes in the mix / intensity of services due to the management of health care. The reimbursement rate changes were developed from data and information contained in the *Guidelines*.

*Inpatient Hospital Services* – In addition to review of the data and information contained in the Guidelines, Milliman reviewed HEDIS Inpatient Admission Statistics in the determination of managed care adjustments for Inpatient Hospital utilization. The actuarial models were adjusted to reflect that reductions in Hospital Inpatient Services would be partially offset by increases in Service Package I Nursing Home services and Outpatient Surgery services.

*Emergency Room Services* - For the outpatient hospital emergency room service category and the corresponding physician emergency room visits category, Milliman additionally reviewed the resulting classification of claims using the NYU Center for Health and Public Service Research (CHPSR) Emergency Department Algorithm. Both the Guidelines and the CHPSR Algorithm suggested similar levels of potential for reduced utilization in outpatient hospital emergency room services.

The NYU CHPSR tool classifies emergency room utilization into four (4) primary categories as well as categories that are excluded from the grouping. The four categories include: Non-emergent, Emergent/Primary Care Treatable, Emergent-Preventable/Avoidable, and Emergent-Not Preventable/Avoidable. Subsequent to the review of the experience into these defined categories, Milliman developed specific adjustments for the first three categories to reflect the target utilization levels for the managed care plans. The following illustrates the adjustments by emergency room classification:

- Non-emergent – 50% Reduction
- Emergent/Primary Care Treatable – 33% Reduction
- Emergent – Preventable/Avoidable – 10% Reduction

In coordination with determination of the managed care adjustments for hospital outpatient emergency room services, Milliman assumed that 75% of the emergency room visits reduced would be replaced with an office visit.

*Outpatient Behavioral Health* – As a component of the utilization differential between the base experience and the levels targeted for the managed care environment, Milliman reflect the impact of limiting outpatient behavioral health group therapy sessions to two per week. This benefit change has a significant impact on both Outpatient Behavioral Health and Transportation utilization for the Nursing Facility population.

*Pharmacy* – In addition to minor utilization savings, the assumed cost per script by population was adjusted to reflect a target of 68% generic utilization for the ICF/MR and Developmentally Disabled Waiver populations and 72% for all other populations.

**d. Contractual Adjustments**

Table 2 illustrates the non-Pharmacy contractual adjustment factors which are intended to reflect the anticipated average contracted rates between the health plans and the providers as compared to the existing contracted rates between HFS and the providers. In addition to the contractual adjustments provided in Table 2, the actuarial models include \$4.00 PMPM for PCP fees.

**Table 2**

**ILLINOIS DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES  
Contractual Adjustments**

Category of Service	Adjustment
Hospital Inpatient	1.01
Hospital Outpatient	1.02
Ancillary Services	1.00
Physician Services	1.02

Table 3 compares the contractual assumptions under fee-for-service versus managed care for Pharmacy services. These assumptions were used to develop contractual cost per script adjustments by population.

**Table 3**

**ILLINOIS DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES  
Contractual Assumptions - Pharmacy**

	Fee-for-Service	Managed Care
Ingredient Cost		
Brand	\$3.40	\$2.25
Generic	\$4.60	\$2.25
Dispensing Fee		
Brand	AWP – 12%	AWP – 16%
Generic	AWP – 25%	AWP – 25%

**e. Trend Rates**

The trend rates used to move the base experience forward to the projected period midpoint were developed from the historical fee-for-service data for service incurred July 2006 through June 2009. Table 4 illustrates the projected annual trend rates by rate cell and category of service. The annual trend rates shown in Table 4 were applied to the blended SFY 2008 / SFY 2009 claims experience. Milliman applied 39 months of trend to each service category to project the experience from the base experience midpoint (July 1, 2008) to the midpoint of the contract period (October 1, 2011).

**Table 4**

**ILLINOIS DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES  
Annual PMPM Trend Rates**

Population	Category of Service				
	Inpatient Hospital	Outpatient Hospital	Professional Services	Pharmacy Services	Ancillary Services
ICF/MR SOF	2.0%	2.0%	2.0%	4.5%	6.0%
ICF/MR Other	2.0%	2.0%	2.0%	4.5%	6.0%
Nursing Facility	1.0%	10.0%	2.0%	5.0%	2.0%
DD Waiver	2.0%	10.0%	4.0%	4.5%	6.0%
Other Waiver	1.0%	2.0%	4.0%	4.5%	2.0%
Community Residents	1.0%	10.0%	2.0%	6.0%	2.0%

**f. Administrative Allowance**

In the development of the actuarially sound capitation rates, Milliman has included an administrative cost allowance of 6.0% plus a fixed fee. The fixed fee has been established at \$40 PMPM for Nursing Home and Other Waiver populations and \$25 PMPM for all other populations. The administrative cost allowance includes administration, profit/contingency and surplus contribution. The 6.0% component of the administrative cost allowance was calculated as a percentage of the medical claim cost including pharmacy. On a composite basis, the administrative cost allowance is approximately 8.1%. The composite would vary for each health plan based on the distribution of members between rate cells.

**g. Third-Party Liability**

Milliman reduced the fee-for-service experience by 1.0% for Service Package I services to reflect third party liability recoveries. The 1.0% reduction represents the estimated third party liability recovery rate to be experienced by the health plans excluding claim avoidance.

**h. Primary Care Provider (PCP) Management Fee**

A \$4 PMPM has been added to each rate cell to reflect fees that may be paid to primary care physicians for their participation in risk-based managed care.

**i. Capitation Rate**

The capitation rate was calculated using the following formula.

Service Package I Health Plan Claims Cost  
*plus* 6% Administrative Load  
*plus* Fixed Administration Fee  
*less* Third Party Liability Recoveries  
*plus* PCP Fee  
*equals* Total Capitation Rate (effective April 1, 2011)



## **ATTACHMENT 1**

T:\2010\ILM\ILM33 (3.32)\Databook Cover 112310.doc

Milliman makes no representations or warranties regarding the contents of this letter to third parties. Likewise, third parties are instructed that they are to place no reliance upon this letter prepared for HFS by Milliman that would result in the creation of any duty or liability under any theory of law by Milliman or its employees to third parties. Other parties receiving this letter must rely upon their own experts in drawing conclusions about the HFS's capitation rates, assumptions, and trends.

State of Illinois  
Department of Healthcare and Family Services  
Capitation Rate Model - Base FY08 to Adjusted FY08

Blend Weight: 50.00%

		FY 2008						
<b>Region:</b> Selected Counties		<b>Member Months:</b> 4,150						
<b>Population:</b> ICF/MR State Operated Facility								
<b>Age/Gender:</b> Composite								
Type of Service	Utilization Per 1,000	Cost per Service	PMPM	Completion Factor	Other CPS Adjustments	Adjusted Utilization Per 1,000	Adjusted Cost per Service	Adjusted PMPM
<b>Inpatient Hospital</b>								
Medical	1,732.0	1,147.90	165.68	1.0000	1.0210	1,732.0	1,172.00	169.16
Surgical	312.3	1,460.52	38.01	1.0000	1.0210	312.3	1,491.19	38.81
General	-	-	-	1.0000	1.0210	-	-	-
Maternity Delivery	-	-	-	1.0000	1.0210	-	-	-
Maternity Non-Delivery	-	-	-	1.0000	1.0210	-	-	-
Psychiatric	185.1	649.59	10.02	1.0000	1.0000	185.1	649.59	10.02
Substance Abuse	11.6	413.79	0.40	1.0000	1.0000	11.6	413.79	0.40
Other	-	-	-	1.0000	1.0000	-	-	-
Service Package I Nursing Facility	329.6	106.31	2.92	1.0000	1.0000	329.6	106.31	2.92
Subtotal	2,570.6	\$ 1,013.13	\$ 217.03			2,570.6	\$ 1,033.10	\$ 221.31
<b>Outpatient Hospital</b>								
Surgery	-	-	-	1.0000	1.0000	-	-	-
General	23.1	259.74	0.50	1.0000	1.0000	23.1	259.74	0.50
Emergency Room	176.4	177.55	2.61	1.0000	1.0000	176.4	177.55	2.61
End-Stage Renal Disease	-	-	-	1.0000	1.0000	-	-	-
Subtotal			\$ 3.11					\$ 3.11
<b>Ancillaries</b>								
Pharmacy	2,602.4	66.91	14.51	1.0000	1.0000	2,602.4	66.91	14.51
Transportation	587.0	66.44	3.25	1.0000	1.0000	587.0	66.44	3.25
DME/Prosthetics/Orthotics	370.1	122.89	3.79	1.0000	1.0000	370.1	122.89	3.79
Home Health/Hospice	2.9	41.38	0.01	1.0000	1.0000	2.9	41.38	0.01
Subtotal	3,562.4	\$ 72.63	\$ 21.56					\$ 21.56
<b>Physician</b>								
Inpatient Surgery	208.2	255.33	4.43	1.0000	1.0000	208.2	255.33	4.43
Outpatient Surgery	112.8	302.13	2.84	1.0000	1.0000	112.8	302.13	2.84
Other Surgery	63.6	22.64	0.12	1.0000	1.0000	63.6	22.64	0.12
Anesthesia	109.9	227.12	2.08	1.0000	1.0000	109.9	227.12	2.08
Hospital Inpatient Visits	2,807.7	33.55	7.85	1.0000	1.0000	2,807.7	33.55	7.85
Office Visits/Consults	1,043.9	45.52	3.96	1.0000	1.0000	1,043.9	45.52	3.96
Office Administered Drugs	-	-	-	1.0000	1.0000	-	-	-
Well Baby Exams/Physical Exam	5.8	41.38	0.02	1.0000	1.0000	5.8	41.38	0.02
Emergency Room Visits	138.8	51.87	0.60	1.0000	1.0000	138.8	51.87	0.60
Clinic Visit/Service	11.6	82.76	0.08	1.0000	1.0000	11.6	82.76	0.08
Radiology	1,174.0	28.01	2.74	1.0000	1.0000	1,174.0	28.01	2.74
Pathology	10,843.4	5.43	4.91	1.0000	1.0000	10,843.4	5.43	4.91
Outpatient Behavioral Health	159.0	46.04	0.61	1.0000	1.0000	159.0	46.04	0.61
Maternity - Normal Deliveries	-	-	-	1.0000	1.0000	-	-	-
Maternity - Cesarean Deliveries	-	-	-	1.0000	1.0000	-	-	-
DMHDD Rehabilitation Option Services	2.9	331.03	0.08	1.0000	1.0000	2.9	331.03	0.08
Dental	66.5	18.05	0.10	1.0000	1.0000	66.5	18.05	0.10
Other Professional	922.4	23.42	1.80	1.0000	1.0000	922.4	23.42	1.80
Subtotal	17,670.5	\$ 21.88	\$ 32.22					\$ 32.22
<b>Total Service Package I Claims/Benefit Cost</b>	24,003.0	\$ 136.94	\$ 273.92			24,003.0	\$ 139.08	\$ 278.20
<b>Total Service Package II Claims/Benefit Cost</b>			-	1.0000	1.0000			-
<b>Total Service Package III Claims/Benefit Cost</b>			\$ 11,403.55	1.0000	1.0000			\$ 11,403.55

State of Illinois  
Department of Healthcare and Family Services  
Capitation Rate Model - Base FY09 to Adjusted FY09

Blend Weight: 50.00%

		FY 2009						
<b>Region:</b> Selected Counties		<b>Member Months:</b>		3,970				
<b>Population:</b> ICF/MR State Operated Facility								
<b>Age/Gender:</b> Composite								
Type of Service	Utilization Per 1,000	Cost per Service	PMPM	Completion Factor	Other CPS Adjustments	Adjusted Utilization Per 1,000	Adjusted Cost per Service	Adjusted PMPM
<b>Inpatient Hospital</b>								
Medical	1,408.6	908.56	106.65	0.9930	1.0210	1,418.6	927.64	109.66
Surgical	214.6	2,965.33	53.03	0.9930	1.0210	216.1	3,027.60	54.53
General	-	-	-	0.9930	1.0210	-	-	-
Maternity Delivery	-	-	-	0.9930	1.0210	-	-	-
Maternity Non-Delivery	-	-	-	0.9930	1.0210	-	-	-
Psychiatric	36.3	538.84	1.63	0.9930	1.0000	36.6	538.84	1.64
Substance Abuse	-	-	-	0.9930	1.0000	-	-	-
Other	-	-	-	0.9930	1.0000	-	-	-
Service Package I Nursing Facility	547.1	128.09	5.84	0.9930	1.0000	551.0	128.09	5.88
Subtotal	2,206.6	\$ 909.00	\$ 167.15			2,222.2	\$ 927.24	\$ 171.71
<b>Outpatient Hospital</b>								
Surgery	6.0	680.00	0.34	0.9998	1.0000	6.0	680.00	0.34
General	39.3	128.24	0.42	0.9998	1.0000	39.3	128.24	0.42
Emergency Room	78.6	193.89	1.27	0.9998	1.0000	78.6	193.89	1.27
End-Stage Renal Disease	-	-	-	0.9998	1.0000	-	-	-
Subtotal			\$ 2.03					\$ 2.03
<b>Ancillaries</b>								
Pharmacy	2,040.3	47.93	8.15	0.9978	1.0000	2,044.8	47.93	8.17
Transportation	362.7	70.47	2.13	0.9652	1.0000	375.8	70.47	2.21
DME/Prosthetics/Orthotics	63.5	393.07	2.08	0.9652	1.0000	65.8	393.07	2.16
Home Health/Hospice	163.2	510.29	6.94	0.9652	1.0000	169.1	510.29	7.19
Subtotal	2,629.7	\$ 88.07	\$ 19.30					\$ 19.72
<b>Physician</b>								
Inpatient Surgery	111.8	233.99	2.18	0.9811	1.0000	114.0	233.99	2.22
Outpatient Surgery	51.4	261.48	1.12	0.9811	1.0000	52.4	261.48	1.14
Other Surgery	33.2	39.76	0.11	0.9811	1.0000	33.8	39.76	0.11
Anesthesia	99.7	186.56	1.55	0.9811	1.0000	101.6	186.56	1.58
Hospital Inpatient Visits	1,874.1	34.51	5.39	0.9811	1.0000	1,910.2	34.51	5.49
Office Visits/Consults	764.7	49.74	3.17	0.9811	1.0000	779.4	49.74	3.23
Office Administered Drugs	6.0	60.00	0.03	0.9811	1.0000	6.1	60.00	0.03
Well Baby Exams/Physical Exam	3.0	40.00	0.01	0.9811	1.0000	3.1	40.00	0.01
Emergency Room Visits	96.7	62.05	0.50	0.9811	1.0000	98.6	62.05	0.51
Clinic Visit/Service	6.0	100.00	0.05	0.9811	1.0000	6.1	100.00	0.05
Radiology	1,203.0	26.13	2.62	0.9811	1.0000	1,226.2	26.13	2.67
Pathology	7,475.1	4.48	2.79	0.9811	1.0000	7,619.1	4.48	2.84
Outpatient Behavioral Health	39.3	73.28	0.24	0.9811	1.0000	40.1	73.28	0.24
Maternity - Normal Deliveries	-	-	-	0.9811	1.0000	-	-	-
Maternity - Cesarean Deliveries	-	-	-	0.9811	1.0000	-	-	-
DMHDD Rehabilitation Option Services	-	-	-	0.9811	1.0000	-	-	-
Dental	36.3	16.53	0.05	0.9811	1.0000	37.0	16.53	0.05
Other Professional	1,048.9	28.60	2.50	0.9811	1.0000	1,069.1	28.60	2.55
Subtotal	12,849.2	\$ 20.84	\$ 22.31					\$ 22.74
<b>Total Service Package I Claims/Benefit Cost</b>	17,809.4	\$ 142.03	\$ 210.79			18,098.3	\$ 143.35	\$ 216.20
<b>Total Service Package II Claims/Benefit Cost</b>			2.99	1.0000	1.0000			2.99
<b>Total Service Package III Claims/Benefit Cost</b>			\$ 12,649.05	1.0000	1.0000			\$ 12,649.05

State of Illinois  
Department of Healthcare and Family Services  
Capitation Rate Model - Blended FY 2008 / FY 2009 to Projected Oct. 2010 - Sept. 2011

Trend Months: 39

		Projected October 2010 - September 2011 Capitation Rates						Projected Oct. 2010 - Sept. 2011					
Region: Selected Counties		Blended Member Months: 4,060						Member Months: 3,972					
Population: ICF/MR State Operated Facility													
Age/Gender: Composite													
Type of Service		Blended FY 2008 / FY 2009			Utilization	Other	CPS	Contracting	Adjusted	Adjusted	Adjusted	Annual	Projected
		Utilization	Cost per	PMPM	MC	Utilization	MC	CPS	Utilization	Cost per	PMPM	Trend	PMPM
		Per 1,000	Service		Adjustment	Adjustments	Adjustment	Adjustments	Per 1,000	Service			
<b>Inpatient Hospital</b>													
Medical		1,575.3	1,061.98	139.41	0.7900	1.0150	1.0100	1.0100	1,263.1	1,083.32	114.03	2.00%	121.61
Surgical		264.2	2,119.57	46.67	0.7700	1.0150	1.0600	1.0100	206.5	2,269.21	39.05	2.00%	41.64
General		-	-	-	0.7900	1.0150	1.0100	1.0100	-	-	-	2.00%	-
Maternity Delivery		-	-	-	1.0000	1.0000	1.0000	1.0100	-	-	-	2.00%	-
Maternity Non-Delivery		-	-	-	1.0000	1.0150	1.0000	1.0100	-	-	-	2.00%	-
Psychiatric		110.8	631.33	5.83	0.7600	1.0150	1.0100	1.0100	85.5	644.02	4.59	2.00%	4.89
Substance Abuse		5.8	413.79	0.20	0.7000	1.0150	1.0000	1.0100	4.1	417.93	0.14	2.00%	0.15
Other		-	-	-	1.0000	1.0150	1.0000	1.0100	-	-	-	2.00%	-
Service Package I Nursing Facility		440.3	119.94	4.40	1.1878	1.0000	1.0000	1.0000	523.0	119.94	5.23	2.00%	5.57
Subtotal		2,396.4	\$ 984.02	\$ 196.51					2,082.2	\$ 939.60	\$ 163.04		\$ 173.88
<b>Outpatient Hospital</b>													
Surgery		3.0	680.00	0.17	8.1605	1.0000	1.2600	1.0200	24.5	873.94	1.78	2.00%	1.90
General		31.2	176.92	0.46	1.0000	1.0000	1.0000	1.0200	31.2	180.46	0.47	2.00%	0.50
Emergency Room		127.5	182.59	1.94	0.9000	1.0000	1.0300	1.0200	114.8	191.83	1.83	2.00%	1.96
End-Stage Renal Disease		-	-	-	1.0000	1.0000	1.0000	1.0200	-	-	-	2.00%	-
Subtotal				\$ 2.57							\$ 4.09		\$ 4.36
<b>Ancillaries</b>													
Pharmacy		2,323.6	58.56	11.34	0.9700	1.0000	1.0000	0.9430	2,253.9	55.22	10.37	4.50%	11.97
Transportation		481.4	68.01	2.73	0.9128	1.0000	1.0000	1.0000	439.4	68.01	2.49	6.00%	3.01
DME/Prosthetics/Orthotics		217.9	163.67	2.97	1.0000	1.0000	1.0000	1.0000	217.9	163.67	2.97	6.00%	3.59
Home Health/Hospice		86.0	502.39	3.60	1.0000	1.0000	1.0000	1.0000	86.0	502.39	3.60	6.00%	4.35
Subtotal				\$ 20.64							\$ 19.44		\$ 22.92
<b>Physician</b>													
Inpatient Surgery		161.1	247.78	3.33	0.7700	1.0000	1.0600	1.0200	124.0	267.90	2.77	2.00%	2.95
Outpatient Surgery		82.6	289.24	1.99	1.1700	1.0000	1.0100	1.0200	96.6	297.97	2.40	2.00%	2.56
Other Surgery		48.7	28.59	0.12	1.1560	1.0000	1.0000	1.0200	56.3	29.16	0.14	2.00%	0.15
Anesthesia		105.8	207.63	1.83	1.0000	1.0000	1.0000	1.0200	105.8	211.78	1.87	2.00%	1.99
Hospital Inpatient Visits		2,359.0	33.94	6.67	0.7900	1.0000	1.0100	1.0200	1,863.6	34.97	5.43	2.00%	5.79
Office Visits/Consults		911.7	47.33	3.60	1.0100	1.0000	1.0000	1.0200	920.8	48.27	3.70	2.00%	3.95
Office Administered Drug:		3.1	60.00	0.02	1.0000	1.0000	1.0000	1.0200	3.1	61.20	0.02	2.00%	0.02
Well Baby Exams/Physical Exam		4.4	40.90	0.02	1.0000	1.0000	1.0000	1.0200	4.4	41.72	0.02	2.00%	0.02
Emergency Room Visits		118.7	56.10	0.55	0.9000	1.0000	1.0100	1.0200	106.8	57.79	0.51	2.00%	0.55
Clinic Visit/Service:		8.9	88.71	0.07	1.0000	1.0000	1.0000	1.0200	8.9	90.48	0.07	2.00%	0.07
Radiology		1,200.1	27.05	2.71	0.9500	1.0000	1.0000	1.0200	1,140.1	27.59	2.62	2.00%	2.80
Pathology		9,231.2	5.04	3.88	0.9000	1.0000	1.0000	1.0200	8,308.1	5.14	3.56	2.00%	3.80
Outpatient Behavioral Health		99.5	51.52	0.43	0.9000	1.0000	1.0000	1.0200	89.6	52.55	0.39	2.00%	0.42
Maternity - Normal Deliveries:		-	-	-	1.0000	1.0000	1.0000	1.0200	-	-	-	2.00%	-
Maternity - Cesarean Deliveries:		-	-	-	1.0000	1.0000	1.0000	1.0200	-	-	-	2.00%	-
DMHDD Rehabilitation Option Services:		1.5	331.03	0.04	1.0000	1.0000	1.0000	1.0200	1.5	337.66	0.04	2.00%	0.04
Dental		51.7	17.50	0.08	1.0000	1.0000	1.0000	1.0200	51.7	17.85	0.08	2.00%	0.08
Other Professional		995.8	26.20	2.17	1.0000	1.0000	1.0000	1.0200	995.8	26.72	2.22	2.00%	2.36
Subtotal				\$ 27.48							\$ 25.83		\$ 27.54
<b>Total Service Package I Claims/Benefit Cost</b>		21,050.6	\$ 140.92	\$ 247.20					19,126.9	\$ 133.25	\$ 212.39		\$ 228.70
<b>Total Service Package II Claims/Benefit Cost</b>				1.50	1.0000	1.0000	1.0000	1.0000			1.50	0.00%	1.50
<b>Total Service Package III Claims/Benefit Cost</b>				\$ 12,026.30	1.0000	1.0000	1.0000	1.0000			\$ 12,026.30	0.00%	\$ 12,026.30
<b>Total Service Package I Claims/Benefit Cost (excl. Supp Pmts)</b>													\$ 228.70
Administration - %												6.0%	13.72
Administration - Fixed													25.00
Third Party Liability												1.0%	(2.29)
PCP Fee													4.00
<b>Total Capitation Rate PMPM</b>													\$ 269.13



## **ATTACHMENT 2**

T:\2010\ILM\ILM33 (3.32)\Databook Cover 112310.doc

Milliman makes no representations or warranties regarding the contents of this letter to third parties. Likewise, third parties are instructed that they are to place no reliance upon this letter prepared for HFS by Milliman that would result in the creation of any duty or liability under any theory of law by Milliman or its employees to third parties. Other parties receiving this letter must rely upon their own experts in drawing conclusions about the HFS's capitation rates, assumptions, and trends.

State of Illinois  
Department of Healthcare and Family Services  
Capitation Rate Model - Base FY08 to Adjusted FY08

Blend Weight: 50.00%

		FY 2008						
<b>Region:</b> Selected Counties		<b>Member Months:</b>		5,241				
<b>Population:</b> Other ICF/MR								
<b>Age/Gender:</b> Composite								
<u>Type of Service</u>	<u>Utilization Per 1,000</u>	<u>Cost per Service</u>	<u>PMPM</u>	<u>Completion Factor</u>	<u>Other CPS Adjustments</u>	<u>Adjusted Utilization Per 1,000</u>	<u>Adjusted Cost per Service</u>	<u>Adjusted PMPM</u>
<b>Inpatient Hospital</b>								
Medical	1,607.3	1,413.60	189.34	1.0000	1.0210	1,607.3	1,443.29	193.32
Surgical	171.7	1,589.98	22.75	1.0000	1.0210	171.7	1,623.37	23.23
General	-	-	-	1.0000	1.0210	-	-	-
Maternity Delivery	-	-	-	1.0000	1.0210	-	-	-
Maternity Non-Delivery	-	-	-	1.0000	1.0210	-	-	-
Psychiatric	698.3	562.80	32.75	1.0000	1.0000	698.3	562.80	32.75
Substance Abuse	-	-	-	1.0000	1.0000	-	-	-
Other	-	-	-	1.0000	1.0000	-	-	-
Service Package I Nursing Facility	966.2	130.04	10.47	1.0000	1.0000	966.2	130.04	10.47
Subtotal	3,443.5	\$ 889.71	\$ 255.31			3,443.5	\$ 905.23	\$ 259.76
<b>Outpatient Hospital</b>								
Surgery	77.8	501.29	3.25	1.0000	1.0000	77.8	501.29	3.25
General	432.7	240.72	8.68	1.0000	1.0000	432.7	240.72	8.68
Emergency Room	595.3	163.08	8.09	1.0000	1.0000	595.3	163.08	8.09
End-Stage Renal Disease	32.1	4,642.99	12.42	1.0000	1.0000	32.1	4,642.99	12.42
Subtotal			\$ 32.44					\$ 32.44
<b>Ancillaries</b>								
Pharmacy	61,442.5	78.33	401.08	1.0000	1.0000	61,442.5	78.33	401.08
Transportation	4,048.1	31.72	10.70	1.0000	1.0000	4,048.1	31.72	10.70
DME/Prosthetics/Orthotics	1,879.8	312.80	49.00	1.0000	1.0000	1,879.8	312.80	49.00
Home Health/Hospice	27.5	61.09	0.14	1.0000	1.0000	27.5	61.09	0.14
Subtotal	67,397.9	\$ 82.07	\$ 460.92					\$ 460.92
<b>Physician</b>								
Inpatient Surgery	153.4	215.91	2.76	1.0000	1.0000	153.4	215.91	2.76
Outpatient Surgery	199.2	144.58	2.40	1.0000	1.0000	199.2	144.58	2.40
Other Surgery	1,950.8	20.67	3.36	1.0000	1.0000	1,950.8	20.67	3.36
Anesthesia	98.5	255.84	2.10	1.0000	1.0000	98.5	255.84	2.10
Hospital Inpatient Visits	7,977.1	26.96	17.92	1.0000	1.0000	7,977.1	26.96	17.92
Office Visits/Consults	2,683.5	40.51	9.06	1.0000	1.0000	2,683.5	40.51	9.06
Office Administered Drugs	13.7	1,121.17	1.28	1.0000	1.0000	13.7	1,121.17	1.28
Well Baby Exams/Physical Exam	43.5	35.86	0.13	1.0000	1.0000	43.5	35.86	0.13
Emergency Room Visits	572.4	50.73	2.42	1.0000	1.0000	572.4	50.73	2.42
Clinic Visit/Service	144.2	139.81	1.68	1.0000	1.0000	144.2	139.81	1.68
Radiology	2,754.4	24.27	5.57	1.0000	1.0000	2,754.4	24.27	5.57
Pathology	24,183.2	7.94	16.00	1.0000	1.0000	24,183.2	7.94	16.00
Outpatient Behavioral Health	1,726.4	31.35	4.51	1.0000	1.0000	1,726.4	31.35	4.51
Maternity - Normal Deliveries	-	-	-	1.0000	1.0000	-	-	-
Maternity - Cesarean Deliveries	-	-	-	1.0000	1.0000	-	-	-
DMHDD Rehabilitation Option Services	2.3	313.04	0.06	1.0000	1.0000	2.3	313.04	0.06
Dental	570.1	33.05	1.57	1.0000	1.0000	570.1	33.05	1.57
Other Professional	5,943.9	14.98	7.42	1.0000	1.0000	5,943.9	14.98	7.42
Subtotal	49,016.6	\$ 19.15	\$ 78.24					\$ 78.24
<b>Total Service Package I Claims/Benefit Cost</b>	120,995.9	\$ 82.01	\$ 826.91			120,995.9	\$ 82.45	\$ 831.36
<b>Total Service Package II Claims/Benefit Cost</b>			3.85	1.0000	1.0000			3.85
<b>Total Service Package III Claims/Benefit Cost</b>			\$ 6,269.88	1.0000	1.0000			\$ 6,269.88

State of Illinois  
Department of Healthcare and Family Services  
Capitation Rate Model - Base FY09 to Adjusted FY09

Blend Weight: 50.00%

		FY 2009						
<b>Region:</b> Selected Counties		<b>Member Months:</b>		5,331				
<b>Population:</b> Other ICF/MR								
<b>Age/Gender:</b> Composite								
<u>Type of Service</u>	<u>Utilization Per 1,000</u>	<u>Cost per Service</u>	<u>PMPM</u>	<u>Completion Factor</u>	<u>Other CPS Adjustments</u>	<u>Adjusted Utilization Per 1,000</u>	<u>Adjusted Cost per Service</u>	<u>Adjusted PMPM</u>
<b>Inpatient Hospital</b>								
Medical	1,623.0	1,417.15	191.67	0.9930	1.0210	1,634.5	1,446.91	197.08
Surgical	258.9	3,226.42	69.61	0.9930	1.0210	260.7	3,294.17	71.57
General	-	-	-	0.9930	1.0210	-	-	-
Maternity Delivery	-	-	-	0.9930	1.0210	-	-	-
Maternity Non-Delivery	-	-	-	0.9930	1.0210	-	-	-
Psychiatric	312.9	579.48	15.11	0.9930	1.0000	315.1	579.48	15.22
Substance Abuse	-	-	-	0.9930	1.0000	-	-	-
Other	-	-	-	0.9930	1.0000	-	-	-
Service Package I Nursing Facility	632.5	136.03	7.17	0.9930	1.0000	637.0	136.03	7.22
Subtotal	2,827.3	\$ 1,203.52	\$ 283.56			2,847.3	\$ 1,226.81	\$ 291.09
<b>Outpatient Hospital</b>								
Surgery	110.3	510.24	4.69	0.9998	1.0000	110.3	510.24	4.69
General	285.9	229.59	5.47	0.9998	1.0000	285.9	229.59	5.47
Emergency Room	691.1	173.12	9.97	0.9998	1.0000	691.2	173.12	9.97
End-Stage Renal Disease	-	-	-	0.9998	1.0000	-	-	-
Subtotal			\$ 20.13					\$ 20.13
<b>Ancillaries</b>								
Pharmacy	63,711.9	75.43	400.46	0.9978	1.0000	63,851.5	75.43	401.34
Transportation	3,477.8	37.71	10.93	0.9652	1.0000	3,603.2	37.71	11.32
DME/Prosthetics/Orthotics	1,724.3	301.69	43.35	0.9652	1.0000	1,786.5	301.69	44.91
Home Health/Hospice	24.8	62.90	0.13	0.9652	1.0000	25.7	62.90	0.13
Subtotal	68,938.8	\$ 79.18	\$ 454.87					\$ 457.71
<b>Physician</b>								
Inpatient Surgery	153.1	215.55	2.75	0.9811	1.0000	156.0	215.55	2.80
Outpatient Surgery	128.3	200.16	2.14	0.9811	1.0000	130.8	200.16	2.18
Other Surgery	1,722.0	23.83	3.42	0.9811	1.0000	1,755.2	23.83	3.49
Anesthesia	128.3	245.05	2.62	0.9811	1.0000	130.8	245.05	2.67
Hospital Inpatient Visits	7,313.4	29.31	17.86	0.9811	1.0000	7,454.3	29.31	18.20
Office Visits/Consults	2,978.1	40.86	10.14	0.9811	1.0000	3,035.5	40.86	10.34
Office Administered Drugs	24.8	977.42	2.02	0.9811	1.0000	25.3	977.42	2.06
Well Baby Exams/Physical Exam	38.3	62.66	0.20	0.9811	1.0000	39.0	62.66	0.20
Emergency Room Visits	646.0	51.08	2.75	0.9811	1.0000	658.4	51.08	2.80
Clinic Visit/Service	299.4	128.26	3.20	0.9811	1.0000	305.2	128.26	3.26
Radiology	2,845.2	23.32	5.53	0.9811	1.0000	2,900.0	23.32	5.64
Pathology	25,224.5	6.82	14.34	0.9811	1.0000	25,710.4	6.82	14.62
Outpatient Behavioral Health	1,172.8	30.08	2.94	0.9811	1.0000	1,195.4	30.08	3.00
Maternity - Normal Deliveries	-	-	-	0.9811	1.0000	-	-	-
Maternity - Cesarean Deliveries	-	-	-	0.9811	1.0000	-	-	-
DMHDD Rehabilitation Option Services	-	-	-	0.9811	1.0000	-	-	-
Dental	900.4	36.12	2.71	0.9811	1.0000	917.7	36.12	2.76
Other Professional	5,803.0	14.54	7.03	0.9811	1.0000	5,914.8	14.54	7.17
Subtotal	49,377.6	\$ 19.36	\$ 79.65					\$ 81.18
<b>Total Service Package I Claims/Benefit Cost</b>	122,231.0	\$ 82.29	\$ 838.21			123,530.4	\$ 82.58	\$ 850.12
<b>Total Service Package II Claims/Benefit Cost</b>			6.55	1.0000	1.0000			6.55
<b>Total Service Package III Claims/Benefit Cost</b>			\$ 6,371.88	1.0000	1.0000			\$ 6,371.88

State of Illinois  
Department of Healthcare and Family Services  
Capitation Rate Model - Blended FY 2008 / FY 2009 to Projected Oct. 2010 - Sept. 2011

Trend Months: 39

		Projected October 2010 - September 2011 Capitation Rates							Projected Oct. 2010 - Sept. 2011			
Region: Selected Counties		Blended Member Months: 5,286									Member Months: 5,328	
Population: Other ICF/MR												
Age/Gender: Composite												
Type of Service	Utilization Per 1,000	Cost per Service	PMPM	Utilization MC Adjustment	Other Utilization Adjustments	CPS MC Adjustment	Contracting CPS Adjustments	Adjusted Utilization Per 1,000	Adjusted Cost per Service	Adjusted PMPM	Annual Trend	Projected PMPM
<b>Inpatient Hospital</b>												
Medical	1,620.9	1,445.12	195.20	0.7900	1.0150	1.0100	1.0100	1,299.7	1,474.16	159.66	2.00%	170.28
Surgical	216.2	2,630.77	47.40	0.7700	1.0150	1.0600	1.0100	169.0	2,816.50	39.66	2.00%	42.30
General	-	-	-	0.7900	1.0150	1.0100	1.0100	-	-	-	2.00%	-
Maternity Delivery	-	-	-	1.0000	1.0000	1.0000	1.0100	-	-	-	2.00%	-
Maternity Non-Delivery	-	-	-	1.0000	1.0150	1.0000	1.0100	-	-	-	2.00%	-
Psychiatric	506.7	567.98	23.98	0.7600	1.0150	1.0100	1.0100	390.9	579.40	18.87	2.00%	20.13
Substance Abuse	-	-	-	0.7000	1.0150	1.0000	1.0100	-	-	-	2.00%	-
Other	-	-	-	1.0000	1.0150	1.0000	1.0100	-	-	-	2.00%	-
Service Package I Nursing Facility	801.6	132.42	8.85	1.1062	1.0000	1.0000	1.0000	886.7	132.42	9.78	2.00%	10.43
Subtotal	3,145.4	\$ 1,050.78	\$ 275.43					2,746.2	\$ 996.20	\$ 227.98		\$ 243.14
<b>Outpatient Hospital</b>												
Surgery	94.1	506.54	3.97	1.1400	1.0000	1.0400	1.0200	107.2	537.34	4.80	2.00%	5.12
General	359.3	236.29	7.08	1.0000	1.0000	1.0000	1.0200	359.3	241.02	7.22	2.00%	7.70
Emergency Room	643.3	168.47	9.03	0.9000	1.0000	1.0300	1.0200	578.9	177.00	8.54	2.00%	9.11
End-Stage Renal Disease	16.1	4,642.99	6.21	1.0000	1.0000	1.0000	1.0200	16.1	4,735.85	6.33	2.00%	6.76
Subtotal			\$ 26.29							\$ 26.89		\$ 28.68
<b>Ancillaries</b>												
Pharmacy	62,647.0	76.85	401.21	0.9700	1.0000	0.9087	0.9428	60,767.6	65.84	333.42	4.50%	384.70
Transportation	3,825.7	34.54	11.01	0.9372	1.0000	1.0000	1.0000	3,585.3	34.54	10.32	6.00%	12.47
DME/Prosthetics/Orthotics	1,833.1	307.38	46.96	1.0000	1.0000	1.0000	1.0000	1,833.1	307.38	46.96	6.00%	56.75
Home Health/Hospice	26.6	61.97	0.14	1.0000	1.0000	1.0000	1.0000	26.6	61.97	0.14	6.00%	0.17
Subtotal			\$ 459.31							\$ 390.84		\$ 454.09
<b>Physician</b>												
Inpatient Surgery	154.7	215.72	2.78	0.7700	1.0000	1.0600	1.0200	119.1	233.24	2.32	2.00%	2.47
Outpatient Surgery	165.0	166.60	2.29	1.0800	1.0000	1.0100	1.0200	178.2	171.64	2.55	2.00%	2.72
Other Surgery	1,853.0	22.17	3.42	1.0030	1.0000	1.0000	1.0200	1,858.5	22.61	3.50	2.00%	3.73
Anesthesia	114.6	249.68	2.39	1.0000	1.0000	1.0000	1.0200	114.6	254.68	2.43	2.00%	2.59
Hospital Inpatient Visits	7,715.7	28.09	18.06	0.7900	1.0000	1.0100	1.0200	6,095.4	28.94	14.70	2.00%	15.68
Office Visits/Consults	2,859.5	40.70	9.70	1.0170	1.0000	1.0000	1.0200	2,908.1	41.51	10.06	2.00%	10.73
Office Administered Drug:	19.5	1,027.94	1.67	1.0000	1.0000	1.0000	1.0200	19.5	1,048.50	1.70	2.00%	1.82
Well Baby Exams/Physical Exam	41.3	48.54	0.17	3.0000	1.0000	1.0000	1.0200	123.8	49.51	0.51	2.00%	0.54
Emergency Room Visits	615.4	50.92	2.61	0.9000	1.0000	1.0100	1.0200	553.9	52.46	2.42	2.00%	2.58
Clinic Visit/Service:	224.7	131.96	2.47	1.0000	1.0000	1.0000	1.0200	224.7	134.60	2.52	2.00%	2.69
Radiology	2,827.2	23.78	5.60	0.9500	1.0000	1.0000	1.0200	2,685.8	24.26	5.43	2.00%	5.79
Pathology	24,946.8	7.36	15.31	0.9000	1.0000	1.0000	1.0200	22,452.1	7.51	14.05	2.00%	14.99
Outpatient Behavioral Health	1,460.9	30.83	3.75	0.9000	1.0000	1.0000	1.0200	1,314.8	31.45	3.45	2.00%	3.67
Maternity - Normal Deliveries:	-	-	-	1.0000	1.0000	1.0000	1.0200	-	-	-	2.00%	-
Maternity - Cesarean Deliveries:	-	-	-	1.0000	1.0000	1.0000	1.0200	-	-	-	2.00%	-
DMHDD Rehabilitation Option Services:	1.2	313.04	0.03	1.0000	1.0000	1.0000	1.0200	1.2	319.30	0.03	2.00%	0.03
Dental	743.9	34.94	2.17	1.0000	1.0000	1.0000	1.0200	743.9	35.64	2.21	2.00%	2.36
Other Professional	5,929.3	14.76	7.29	1.0000	1.0000	1.0000	1.0200	5,929.3	15.05	7.44	2.00%	7.93
Subtotal			\$ 79.71							\$ 75.32		\$ 80.33
<b>Total Service Package I Claims/Benefit Cost</b>	122,263.1	\$ 82.52	\$ 840.74					115,343.5	\$ 75.01	\$ 721.03		\$ 806.23
<b>Total Service Package II Claims/Benefit Cost</b>			5.20	1.0000	1.0000	1.0000	1.0000			5.20	0.00%	5.20
<b>Total Service Package III Claims/Benefit Cost</b>			\$ 6,320.88	1.0000	1.0000	1.0000	1.0000			\$ 6,320.88	0.00%	\$ 6,320.88
<b>Total Service Package I Claims/Benefit Cost (excl. Supp Pmts)</b>												\$ 806.23
Administration - %											6.0%	48.37
Administration - Fixed												25.00
Third Party Liability											1.0%	(8.06)
PCP Fee												4.00
<b>Total Capitation Rate PMPM</b>												\$ 875.54



## **ATTACHMENT 3**

T:\2010\ILM\ILM33 (3.32)\Databook Cover 112310.doc

Milliman makes no representations or warranties regarding the contents of this letter to third parties. Likewise, third parties are instructed that they are to place no reliance upon this letter prepared for HFS by Milliman that would result in the creation of any duty or liability under any theory of law by Milliman or its employees to third parties. Other parties receiving this letter must rely upon their own experts in drawing conclusions about the HFS's capitation rates, assumptions, and trends.

State of Illinois  
Department of Healthcare and Family Services  
Capitation Rate Model - Base FY08 to Adjusted FY08

Blend Weight: 50.00%

		FY 2008						
<b>Region:</b> Selected Counties		<b>Member Months:</b>		34,469				
<b>Population:</b> Nursing Facility								
<b>Age/Gender:</b> Composite								
<u>Type of Service</u>	<u>Utilization Per 1,000</u>	<u>Cost per Service</u>	<u>PMPM</u>	<u>Completion Factor</u>	<u>Other CPS Adjustments</u>	<u>Adjusted Utilization Per 1,000</u>	<u>Adjusted Cost per Service</u>	<u>Adjusted PMPM</u>
<b>Inpatient Hospital</b>								
Medical	4,953.7	1,089.85	449.90	0.9998	1.0210	4,954.5	1,112.74	459.42
Surgical	1,117.2	2,238.35	208.39	0.9998	1.0210	1,117.4	2,285.35	212.80
General	-	-	-	0.9998	1.0210	-	-	-
Maternity Delivery	2.4	1,050.00	0.21	0.9998	1.0210	2.4	1,072.05	0.21
Maternity Non-Delivery	5.2	1,038.46	0.45	0.9998	1.0210	5.2	1,060.27	0.46
Psychiatric	3,461.2	577.98	166.71	0.9998	1.0000	3,461.7	577.98	166.74
Substance Abuse	18.5	642.16	0.99	0.9998	1.0000	18.5	642.16	0.99
Other	-	-	-	0.9998	1.0000	-	-	-
Service Package I Nursing Facility	-	-	-	0.9998	1.0000	-	-	-
Subtotal	9,558.2	\$ 1,037.83	\$ 826.65			9,559.7	\$ 1,055.20	\$ 840.62
<b>Outpatient Hospital</b>								
Surgery	160.1	547.91	7.31	1.0000	1.0000	160.1	547.91	7.31
General	496.8	306.52	12.69	1.0000	1.0000	496.8	306.52	12.69
Emergency Room	1,632.4	187.97	25.57	1.0000	1.0000	1,632.4	187.97	25.57
End-Stage Renal Disease	242.7	1,868.97	37.80	1.0000	1.0000	242.7	1,868.97	37.80
Subtotal			\$ 83.37					\$ 83.37
<b>Ancillaries</b>								
Pharmacy	104,882.8	70.94	620.05	1.0000	1.0000	104,883.9	70.94	620.06
Transportation	180,365.5	10.19	153.11	1.0000	1.0000	180,365.7	10.19	153.11
DME/Prosthetics/Orthotics	2,786.5	131.26	30.48	1.0000	1.0000	2,786.5	131.26	30.48
Home Health/Hospice	1,739.7	228.80	33.17	1.0000	1.0000	1,739.7	228.80	33.17
Subtotal	289,774.5	\$ 34.65	\$ 836.81					\$ 836.82
<b>Physician</b>								
Inpatient Surgery	548.0	241.31	11.02	1.0000	1.0000	548.0	241.31	11.02
Outpatient Surgery	299.4	177.15	4.42	1.0000	1.0000	299.4	177.15	4.42
Other Surgery	2,159.2	41.63	7.49	1.0000	1.0000	2,159.3	41.63	7.49
Anesthesia	168.5	212.23	2.98	1.0000	1.0000	168.5	212.23	2.98
Hospital Inpatient Visits	24,059.2	27.57	55.28	1.0000	1.0000	24,059.9	27.57	55.28
Office Visits/Consults	3,846.2	49.05	15.72	1.0000	1.0000	3,846.3	49.05	15.72
Office Administered Drugs	142.4	690.17	8.19	1.0000	1.0000	142.4	690.17	8.19
Well Baby Exams/Physical Exam	13.2	54.55	0.06	1.0000	1.0000	13.2	54.55	0.06
Emergency Room Visits	1,494.9	54.51	6.79	1.0000	1.0000	1,494.9	54.51	6.79
Clinic Visit/Service:	386.1	257.34	8.28	1.0000	1.0000	386.1	257.34	8.28
Radiology	6,447.9	26.69	14.34	1.0000	1.0000	6,448.1	26.69	14.34
Pathology	53,903.4	7.22	32.43	1.0000	1.0000	53,905.0	7.22	32.43
Outpatient Behavioral Health	73,021.4	34.39	209.27	1.0000	1.0000	73,023.6	34.39	209.28
Maternity - Normal Deliveries:	1.0	960.00	0.08	1.0000	1.0000	1.0	960.00	0.08
Maternity - Cesarean Deliveries:	-	-	-	1.0000	1.0000	-	-	-
DMHDD Rehabilitation Option Services:	56.7	50.79	0.24	1.0000	1.0000	56.7	50.79	0.24
Dental	1,020.4	44.57	3.79	1.0000	1.0000	1,020.4	44.57	3.79
Other Professional	29,576.1	9.28	22.86	1.0000	1.0000	29,577.0	9.28	22.86
Subtotal	197,144.0	\$ 24.54	\$ 403.24					\$ 403.25
<b>Total Service Package I Claims/Benefit Cost</b>	499,008.7	\$ 51.70	\$ 2,150.07			499,017.4	\$ 52.04	\$ 2,164.06
<b>Total Service Package II Claims/Benefit Cost</b>			2,928.67	1.0000	1.0000			2,928.67
<b>Total Service Package III Claims/Benefit Cost</b>			\$ 4.29	1.0000	1.0000			\$ 4.29

State of Illinois  
Department of Healthcare and Family Services  
Capitation Rate Model - Base FY09 to Adjusted FY09

Blend Weight: 50.00%

		FY 2009						
<b>Region:</b> Selected Counties		<b>Member Months:</b>		37,080				
<b>Population:</b> Nursing Facility								
<b>Age/Gender:</b> Composite								
<u>Type of Service</u>	<u>Utilization Per 1,000</u>	<u>Cost per Service</u>	<u>PMPM</u>	<u>Completion Factor</u>	<u>Other CPS Adjustments</u>	<u>Adjusted Utilization Per 1,000</u>	<u>Adjusted Cost per Service</u>	<u>Adjusted PMPM</u>
<b>Inpatient Hospital</b>								
Medical	4,484.8	1,086.76	406.16	0.9650	1.0210	4,647.4	1,109.59	429.72
Surgical	1,188.7	2,165.59	214.52	0.9650	1.0210	1,231.8	2,211.07	226.96
General	5.8	6,124.14	2.96	0.9650	1.0210	6.0	6,252.74	3.13
Maternity Delivery	1.0	1,440.00	0.12	0.9650	1.0210	1.0	1,470.24	0.13
Maternity Non-Delivery	4.9	587.76	0.24	0.9650	1.0210	5.1	600.10	0.25
Psychiatric	3,746.6	589.46	184.04	0.9650	1.0000	3,882.4	589.46	190.71
Substance Abuse	46.3	787.90	3.04	0.9650	1.0000	48.0	787.90	3.15
Other	-	-	-	0.9650	1.0000	-	-	-
Service Package I Nursing Facility	-	-	-	0.9650	1.0000	-	-	-
Subtotal	9,478.1	\$ 1,026.89	\$ 811.08			9,821.6	\$ 1,043.48	\$ 854.06
<b>Outpatient Hospital</b>								
Surgery	181.6	634.36	9.60	0.9574	1.0000	189.7	634.36	10.03
General	512.6	312.99	13.37	0.9574	1.0000	535.4	312.99	13.96
Emergency Room	1,674.4	196.58	27.43	0.9574	1.0000	1,748.9	196.58	28.65
End-Stage Renal Disease	257.6	2,397.20	51.46	0.9574	1.0000	269.1	2,397.20	53.75
Subtotal			\$ 101.86					\$ 106.39
<b>Ancillaries</b>								
Pharmacy	109,130.7	68.25	620.72	0.9911	1.0000	110,114.8	68.25	626.32
Transportation	164,021.0	9.34	127.64	0.9553	1.0000	171,696.5	9.34	133.61
DME/Prosthetics/Orthotics	2,625.6	135.42	29.63	0.9553	1.0000	2,748.5	135.42	31.02
Home Health/Hospice	2,082.5	220.98	38.35	0.9553	1.0000	2,180.0	220.98	40.14
Subtotal	277,859.8	\$ 35.26	\$ 816.34					\$ 831.09
<b>Physician</b>								
Inpatient Surgery	528.2	243.54	10.72	0.9699	1.0000	544.6	243.54	11.05
Outpatient Surgery	324.6	189.65	5.13	0.9699	1.0000	334.7	189.65	5.29
Other Surgery	2,303.9	42.55	8.17	0.9699	1.0000	2,375.3	42.55	8.42
Anesthesia	213.3	203.66	3.62	0.9699	1.0000	219.9	203.66	3.73
Hospital Inpatient Visits	24,320.7	27.53	55.79	0.9699	1.0000	25,074.7	27.53	57.52
Office Visits/Consults	4,062.5	50.07	16.95	0.9699	1.0000	4,188.4	50.07	17.48
Office Administered Drugs	110.4	798.91	7.35	0.9699	1.0000	113.8	798.91	7.58
Well Baby Exams/Physical Exam	16.8	71.43	0.10	0.9699	1.0000	17.3	71.43	0.10
Emergency Room Visits	1,510.4	54.74	6.89	0.9699	1.0000	1,557.2	54.74	7.10
Clinic Visit/Service:	389.0	221.49	7.18	0.9699	1.0000	401.1	221.49	7.40
Radiology	6,701.0	26.20	14.63	0.9699	1.0000	6,908.7	26.20	15.08
Pathology	56,377.3	6.26	29.40	0.9699	1.0000	58,125.1	6.26	30.31
Outpatient Behavioral Health	72,435.0	34.17	206.26	0.9699	1.0000	74,680.6	34.17	212.65
Maternity - Normal Deliveries:	-	-	-	0.9699	1.0000	-	-	-
Maternity - Cesarean Deliveries:	0.6	600.00	0.03	0.9699	1.0000	0.6	600.00	0.03
DMHDD Rehabilitation Option Services:	10.4	265.38	0.23	0.9699	1.0000	10.7	265.38	0.24
Dental	937.2	46.61	3.64	0.9699	1.0000	966.3	46.61	3.75
Other Professional	24,748.2	10.77	22.22	0.9699	1.0000	25,515.4	10.77	22.91
Subtotal	194,989.5	\$ 24.51	\$ 398.31					\$ 410.66
<b>Total Service Package I Claims/Benefit Cost</b>	484,953.6	\$ 52.65	\$ 2,127.59			500,338.9	\$ 52.82	\$ 2,202.20
<b>Total Service Package II Claims/Benefit Cost</b>			3,025.15	1.0000	1.0000			3,025.15
<b>Total Service Package III Claims/Benefit Cost</b>			0.88	1.0000	1.0000			0.88

State of Illinois  
Department of Healthcare and Family Services  
Capitation Rate Model - Blended FY 2008 / FY 2009 to Projected Oct. 2010 - Sept. 2011

Trend Months: 39

		Projected October 2010 - September 2011 Capitation Rates								Projected Oct. 2010 - Sept. 2011		
Region: Selected Counties		Blended Member Months: 35,775								Member Months: 38,796		
Population: Nursing Facility												
Age/Gender: Composite												
Type of Service	Utilization Per 1,000	Cost per Service	PMPM	Utilization MC Adjustment	Other Utilization Adjustments	CPS MC Adjustment	Contracting CPS Adjustments	Adjusted Utilization Per 1,000	Adjusted Cost per Service	Adjusted PMPM	Annual Trend	Projected PMPM
<b>Inpatient Hospital</b>												
Medical	4,800.9	1,111.21	444.57	0.7900	1.0240	1.0300	1.0100	3,883.7	1,155.99	374.13	1.00%	386.43
Surgical	1,174.6	2,246.40	219.88	0.7700	1.0240	1.0700	1.0100	926.1	2,427.69	187.36	1.00%	193.52
General	3.0	6,252.74	1.57	0.7900	1.0240	1.0300	1.0100	2.4	6,504.73	1.32	1.00%	1.36
Maternity Delivery	1.7	1,192.12	0.17	1.0000	1.0240	1.0000	1.0100	1.8	1,204.04	0.18	1.00%	0.18
Maternity Non-Delivery	5.1	832.94	0.36	1.0000	1.0240	1.0000	1.0100	5.3	841.27	0.37	1.00%	0.38
Psychiatric	3,672.1	584.05	178.72	0.7800	1.0220	1.0100	1.0100	2,927.2	595.79	145.33	1.00%	150.11
Substance Abuse	33.2	747.34	2.07	0.7000	1.0220	1.0000	1.0100	23.8	754.82	1.50	1.00%	1.54
Other	-	-	-	1.0000	1.0240	1.0000	1.0100	-	-	-	1.00%	-
Service Package I Nursing Facility	-	-	-	1.0000	1.0000	1.0000	1.0000	-	-	-	1.00%	-
Subtotal	9,690.7	\$ 1,049.26	\$ 847.34					7,770.3	\$ 1,096.77	\$ 710.19		\$ 733.53
<b>Outpatient Hospital</b>												
Surgery	174.9	594.79	8.67	1.5010	1.0000	1.1000	1.0200	262.5	667.35	14.60	10.00%	19.90
General	516.1	309.88	13.33	1.0000	1.0000	1.0000	1.0200	516.1	316.08	13.59	10.00%	18.53
Emergency Room	1,690.6	192.42	27.11	0.9000	1.0000	1.0300	1.0200	1,521.6	202.16	25.63	10.00%	34.94
End-Stage Renal Disease	255.9	2,146.69	45.77	1.0000	1.0000	1.0000	1.0200	255.9	2,189.63	46.69	10.00%	63.64
Subtotal			\$ 94.88							\$ 100.52		\$ 137.01
<b>Ancillaries</b>												
Pharmacy	107,499.4	69.57	623.19	0.9700	1.0000	0.9361	0.9391	104,274.4	61.15	531.40	5.00%	622.71
Transportation	176,031.1	9.77	143.36	0.6010	1.0000	1.0000	1.0000	105,803.4	9.77	86.17	2.00%	91.90
DME/Prosthetics/Orthotics	2,767.5	133.33	30.75	1.0000	1.0000	1.0000	1.0000	2,767.5	133.33	30.75	2.00%	32.79
Home Health/Hospice	1,959.8	224.45	36.66	1.0000	1.0000	1.0000	1.0000	1,959.8	224.45	36.66	2.00%	39.09
Subtotal			\$ 833.95							\$ 684.97		\$ 786.49
<b>Physician</b>												
Inpatient Surgery	546.3	242.43	11.04	0.7700	1.0000	1.0700	1.0200	420.6	264.58	9.27	2.00%	9.89
Outpatient Surgery	317.0	183.75	4.85	1.1500	1.0000	1.0100	1.0200	364.6	189.30	5.75	2.00%	6.13
Other Surgery	2,267.3	42.11	7.96	1.0100	1.0000	1.0000	1.0200	2,290.0	42.95	8.20	2.00%	8.74
Anesthesia	194.2	207.37	3.36	1.0000	1.0000	1.0000	1.0200	194.2	211.52	3.42	2.00%	3.65
Hospital Inpatient Visits	24,567.3	27.55	56.40	0.7900	1.0000	1.0300	1.0200	19,408.2	28.94	46.81	2.00%	49.92
Office Visits/Consults	4,017.4	49.58	16.60	1.0320	1.0000	1.0000	1.0200	4,145.9	50.57	17.47	2.00%	18.63
Office Administered Drug:	128.1	738.48	7.88	1.0000	1.0000	1.0000	1.0200	128.1	753.25	8.04	2.00%	8.58
Well Baby Exams/Physical Exam	15.3	64.13	0.08	3.0000	1.0000	1.0000	1.0200	45.8	65.41	0.25	2.00%	0.27
Emergency Room Visits	1,526.1	54.63	6.95	0.9000	1.0000	1.0100	1.0200	1,373.5	56.27	6.44	2.00%	6.87
Clinic Visit/Service:	393.6	239.08	7.84	1.0000	1.0000	1.0000	1.0200	393.6	243.86	8.00	2.00%	8.53
Radiology	6,678.4	26.43	14.71	0.9500	1.0000	1.0000	1.0200	6,344.5	26.96	14.26	2.00%	15.20
Pathology	56,015.0	6.72	31.37	0.9000	1.0000	1.0000	1.0200	50,413.5	6.86	28.80	2.00%	30.71
Outpatient Behavioral Health	73,852.1	34.28	210.97	0.5665	1.0000	1.0000	1.0200	41,834.3	34.96	121.89	2.00%	130.00
Maternity - Normal Deliveries:	0.5	960.00	0.04	1.0000	1.0000	1.0000	1.0200	0.5	979.20	0.04	2.00%	0.04
Maternity - Cesarean Deliveries:	0.3	600.00	0.02	1.0000	1.0000	1.0000	1.0200	0.3	612.00	0.02	2.00%	0.02
DMHDD Rehabilitation Option Services:	33.7	84.92	0.24	1.0000	1.0000	1.0000	1.0200	33.7	86.62	0.24	2.00%	0.26
Dental	993.3	45.56	3.77	1.0000	1.0000	1.0000	1.0200	993.3	46.47	3.85	2.00%	4.10
Other Professional	27,546.2	9.97	22.88	1.0000	1.0000	1.0000	1.0200	27,546.2	10.17	23.34	2.00%	24.89
Subtotal			\$ 406.96							\$ 306.10		\$ 326.44
<b>Total Service Package I Claims/Benefit Cost</b>	499,678.1	\$ 52.43	\$ 2,183.13					381,062.3	\$ 56.74	\$ 1,801.77		\$ 1,983.48
<b>Total Service Package II Claims/Benefit Cost</b>			2,976.91	1.0000	1.0000	1.0000	1.0000			2,976.91	0.00%	2,976.91
<b>Total Service Package III Claims/Benefit Cost</b>			\$ 2.59	1.0000	1.0000	1.0000	1.0000			\$ 2.59	0.00%	\$ 2.59
<b>Total Service Package I Claims/Benefit Cost (excl. Supp Pmts)</b>											\$ 1,983.48	
Administration - %											6.0%	119.01
Administration - Fixed												40.00
Third Party Liability											1.0%	(19.83)
PCP Fee												4.00
<b>Total Capitation Rate PMPM</b>												\$ 2,126.65



## **ATTACHMENT 4**

T:\2010\ILM\ILM33 (3.32)\Databook Cover 112310.doc

Milliman makes no representations or warranties regarding the contents of this letter to third parties. Likewise, third parties are instructed that they are to place no reliance upon this letter prepared for HFS by Milliman that would result in the creation of any duty or liability under any theory of law by Milliman or its employees to third parties. Other parties receiving this letter must rely upon their own experts in drawing conclusions about the HFS's capitation rates, assumptions, and trends.

State of Illinois  
Department of Healthcare and Family Services  
Capitation Rate Model - Base FY08 to Adjusted FY08

Blend Weight: 50.00%

		FY 2008						
<b>Region:</b> Selected Counties		<b>Member Months:</b>		17,743				
<b>Population:</b> Developmentally Disabled Waive								
<b>Age/Gender:</b> Composite								
Type of Service	Utilization Per 1,000	Cost per Service	PMPM	Completion Factor	Other CPS Adjustments	Adjusted Utilization Per 1,000	Adjusted Cost per Service	Adjusted PMPM
<b>Inpatient Hospital</b>								
Medical	731.8	976.50	59.55	1.0000	1.0210	731.8	997.00	60.80
Surgical	273.2	2,477.31	56.40	1.0000	1.0210	273.2	2,529.33	57.58
General	-	-	-	1.0000	1.0210	-	-	-
Maternity Delivery	2.7	1,288.89	0.29	1.0000	1.0210	2.7	1,315.96	0.30
Maternity Non-Delivery	2.7	1,022.22	0.23	1.0000	1.0210	2.7	1,043.69	0.23
Psychiatric	1,065.9	596.68	53.00	1.0000	1.0000	1,065.9	596.68	53.00
Substance Abuse	3.4	600.00	0.17	1.0000	1.0000	3.4	600.00	0.17
Other	-	-	-	1.0000	1.0000	-	-	-
Service Package I Nursing Facility	726.4	127.37	7.71	1.0000	1.0000	726.4	127.37	7.71
Subtotal	2,806.1	\$ 758.42	\$ 177.35			2,806.1	\$ 768.88	\$ 179.80
<b>Outpatient Hospital</b>								
Surgery	93.3	439.87	3.42	1.0000	1.0000	93.3	439.87	3.42
General	234.7	245.93	4.81	1.0000	1.0000	234.7	245.93	4.81
Emergency Room	719.6	161.92	9.71	1.0000	1.0000	719.6	161.92	9.71
End-Stage Renal Disease	33.8	3,397.63	9.57	1.0000	1.0000	33.8	3,397.63	9.57
Subtotal			\$ 27.51					\$ 27.51
<b>Ancillaries</b>								
Pharmacy	47,483.3	89.32	353.44	1.0000	1.0000	47,483.3	89.32	353.44
Transportation	5,789.3	16.42	7.92	1.0000	1.0000	5,789.3	16.42	7.92
DME/Prosthetics/Orthotics	4,991.3	118.45	49.27	1.0000	1.0000	4,991.3	118.45	49.27
Home Health/Hospice	138.0	176.52	2.03	1.0000	1.0000	138.0	176.52	2.03
Subtotal	58,401.9	\$ 84.79	\$ 412.66					\$ 412.66
<b>Physician</b>								
Inpatient Surgery	99.4	272.84	2.26	1.0000	1.0000	99.4	272.84	2.26
Outpatient Surgery	112.3	206.23	1.93	1.0000	1.0000	112.3	206.23	1.93
Other Surgery	581.0	29.74	1.44	1.0000	1.0000	581.0	29.74	1.44
Anesthesia	92.0	276.52	2.12	1.0000	1.0000	92.0	276.52	2.12
Hospital Inpatient Visits	2,599.8	32.17	6.97	1.0000	1.0000	2,599.8	32.17	6.97
Office Visits/Consults	3,673.8	35.67	10.92	1.0000	1.0000	3,673.8	35.67	10.92
Office Administered Drugs	50.0	333.60	1.39	1.0000	1.0000	50.0	333.60	1.39
Well Baby Exams/Physical Exam	119.0	38.32	0.38	1.0000	1.0000	119.0	38.32	0.38
Emergency Room Visits	689.2	46.84	2.69	1.0000	1.0000	689.2	46.84	2.69
Clinic Visit/Service	540.4	123.46	5.56	1.0000	1.0000	540.4	123.46	5.56
Radiology	1,876.8	30.56	4.78	1.0000	1.0000	1,876.8	30.56	4.78
Pathology	16,686.9	7.27	10.11	1.0000	1.0000	16,686.9	7.27	10.11
Outpatient Behavioral Health	6,260.0	34.96	18.24	1.0000	1.0000	6,260.0	34.96	18.24
Maternity - Normal Deliveries	-	-	-	1.0000	1.0000	-	-	-
Maternity - Cesarean Deliveries	1.4	600.00	0.07	1.0000	1.0000	1.4	600.00	0.07
DMHDD Rehabilitation Option Services	22.3	86.10	0.16	1.0000	1.0000	22.3	86.10	0.16
Dental	1,322.2	32.76	3.61	1.0000	1.0000	1,322.2	32.76	3.61
Other Professional	2,938.6	23.56	5.77	1.0000	1.0000	2,938.6	23.56	5.77
Subtotal	37,665.1	\$ 24.98	\$ 78.40					\$ 78.40
<b>Total Service Package I Claims/Benefit Cost</b>	99,954.5	\$ 83.55	\$ 695.92			99,954.5	\$ 83.84	\$ 698.37
<b>Total Service Package II Claims/Benefit Cost</b>			6.66	1.0000	1.0000			6.66
<b>Total Service Package III Claims/Benefit Cost</b>			\$ 2,839.53	1.0000	1.0000			\$ 2,839.53

State of Illinois  
Department of Healthcare and Family Services  
Capitation Rate Model - Base FY09 to Adjusted FY09

Blend Weight: 50.00%

		FY 2009						
<b>Region:</b> Selected Counties		<b>Member Months:</b>		19,387				
<b>Population:</b> Developmentally Disabled Waive								
<b>Age/Gender:</b> Composite								
Type of Service	Utilization Per 1,000	Cost per Service	PMPM	Completion Factor	Other CPS Adjustments	Adjusted Utilization Per 1,000	Adjusted Cost per Service	Adjusted PMPM
<b>Inpatient Hospital</b>								
Medical	752.1	1,004.55	62.96	0.9179	1.0210	819.3	1,025.64	70.03
Surgical	145.5	2,213.61	26.84	0.9179	1.0210	158.5	2,260.09	29.85
General	-	-	-	0.9179	1.0210	-	-	-
Maternity Delivery	2.5	1,008.00	0.21	0.9179	1.0210	2.7	1,029.17	0.23
Maternity Non-Delivery	1.2	700.00	0.07	0.9179	1.0210	1.3	714.70	0.08
Psychiatric	978.0	657.18	53.56	0.9179	1.0000	1,065.4	657.18	58.35
Substance Abuse	-	-	-	0.9179	1.0000	-	-	-
Other	-	-	-	0.9179	1.0000	-	-	-
Service Package I Nursing Facility	658.0	120.00	6.58	0.9179	1.0000	716.8	120.00	7.17
Subtotal	2,537.3	\$ 710.46	\$ 150.22			2,764.1	\$ 719.40	\$ 165.71
<b>Outpatient Hospital</b>								
Surgery	73.0	772.60	4.70	0.9936	1.0000	73.5	772.60	4.73
General	307.0	259.15	6.63	0.9936	1.0000	309.0	259.15	6.67
Emergency Room	779.3	162.15	10.53	0.9936	1.0000	784.3	162.15	10.60
End-Stage Renal Disease	35.9	2,640.67	7.90	0.9936	1.0000	36.1	2,640.67	7.95
Subtotal			\$ 29.76					\$ 29.95
<b>Ancillaries</b>								
Pharmacy	48,484.0	82.80	334.53	0.9967	1.0000	48,643.6	82.80	335.63
Transportation	6,733.8	15.58	8.74	0.9868	1.0000	6,824.2	15.58	8.86
DME/Prosthetics/Orthotics	5,367.7	119.18	53.31	0.9868	1.0000	5,439.7	119.18	54.03
Home Health/Hospice	347.2	191.82	5.55	0.9868	1.0000	351.9	191.82	5.62
Subtotal	60,932.7	\$ 79.19	\$ 402.13					\$ 404.14
<b>Physician</b>								
Inpatient Surgery	94.7	307.92	2.43	0.9645	1.0000	98.2	307.92	2.52
Outpatient Surgery	106.5	197.18	1.75	0.9645	1.0000	110.4	197.18	1.81
Other Surgery	571.9	30.01	1.43	0.9645	1.0000	593.0	30.01	1.48
Anesthesia	91.6	258.08	1.97	0.9645	1.0000	95.0	258.08	2.04
Hospital Inpatient Visits	2,565.0	30.60	6.54	0.9645	1.0000	2,659.4	30.60	6.78
Office Visits/Consults	3,837.0	39.47	12.62	0.9645	1.0000	3,978.3	39.47	13.08
Office Administered Drugs	73.7	569.88	3.50	0.9645	1.0000	76.4	569.88	3.63
Well Baby Exams/Physical Exam	159.7	64.62	0.86	0.9645	1.0000	165.6	64.62	0.89
Emergency Room Visits	753.3	48.90	3.07	0.9645	1.0000	781.0	48.90	3.18
Clinic Visit/Service	547.2	125.00	5.70	0.9645	1.0000	567.3	125.00	5.91
Radiology	1,723.8	32.30	4.64	0.9645	1.0000	1,787.3	32.30	4.81
Pathology	17,325.6	6.18	8.92	0.9645	1.0000	17,963.5	6.18	9.25
Outpatient Behavioral Health	5,149.2	37.78	16.21	0.9645	1.0000	5,338.8	37.78	16.81
Maternity - Normal Deliveries	1.9	631.58	0.10	0.9645	1.0000	2.0	631.58	0.10
Maternity - Cesarean Deliveries	-	-	-	0.9645	1.0000	-	-	-
DMHDD Rehabilitation Option Services	8.0	330.00	0.22	0.9645	1.0000	8.3	330.00	0.23
Dental	1,178.5	32.07	3.15	0.9645	1.0000	1,221.9	32.07	3.27
Other Professional	3,366.6	23.70	6.65	0.9645	1.0000	3,490.5	23.70	6.89
Subtotal	37,554.2	\$ 25.49	\$ 79.76					\$ 82.70
<b>Total Service Package I Claims/Benefit Cost</b>	102,219.4	\$ 77.70	\$ 661.87			104,163.2	\$ 78.63	\$ 682.50
<b>Total Service Package II Claims/Benefit Cost</b>			11.74	1.0000	1.0000			11.74
<b>Total Service Package III Claims/Benefit Cost</b>			\$ 2,942.10	1.0000	1.0000			\$ 2,942.10

State of Illinois  
Department of Healthcare and Family Services  
Capitation Rate Model - Blended FY 2008 / FY 2009 to Projected Oct. 2010 - Sept. 2011

Trend Months: 39

		Projected October 2010 - September 2011 Capitation Rates							Projected Oct. 2010 - Sept. 2011				
Region: Selected Counties		Blended Member Months: 18,565							Member Months: 20,292				
Population: Developmentally Disabled Waive													
Age/Gender: Composite		Blended FY 2008 / FY 2009			Utilization	Other	CPS	Contracting	Adjusted	Adjusted	Adjusted	Annual	Projected
Type of Service		Utilization	Cost per	PMPM	MC	Utilization	MC	CPS	Utilization	Cost per	PMPM	Trend	PMPM
		Per 1,000	Service		Adjustment	Adjustments	Adjustment	Adjustments	Per 1,000	Service			
<b>Inpatient Hospital</b>													
Medical		775.6	1,012.13	65.41	0.8200	1.0550	1.0200	1.0100	670.9	1,042.70	58.30	2.00%	62.17
Surgical		215.9	2,430.48	43.72	0.7600	1.0550	1.0700	1.0100	173.1	2,626.62	37.88	2.00%	40.40
General		-	-	-	0.8200	1.0550	1.0200	1.0100	-	-	-	2.00%	-
Maternity Delivery		2.7	1,171.94	0.26	1.0000	1.0550	1.0000	1.0100	2.9	1,183.66	0.28	2.00%	0.30
Maternity Non-Delivery		2.0	936.36	0.16	1.0000	1.0550	1.0000	1.0100	2.1	945.73	0.17	2.00%	0.18
Psychiatric		1,065.7	626.92	55.67	0.7600	1.0280	1.0100	1.0100	832.6	639.52	44.37	2.00%	47.32
Substance Abuse		1.7	600.00	0.09	0.7000	1.0280	1.0000	1.0100	1.2	606.00	0.06	2.00%	0.07
Other		-	-	-	1.0000	1.0550	1.0000	1.0100	-	-	-	2.00%	-
Service Package I Nursing Facility		721.6	123.71	7.44	1.0484	1.0000	1.0000	1.0000	756.5	123.71	7.80	2.00%	8.32
Subtotal		2,785.1	\$ 744.33	\$ 172.75					2,439.3	\$ 732.32	\$ 148.86		\$ 158.76
<b>Outpatient Hospital</b>													
Surgery		83.4	586.46	4.08	1.1685	1.0000	1.0400	1.0200	97.4	622.11	5.05	10.00%	6.89
General		271.8	253.45	5.74	1.0000	1.0000	1.0000	1.0200	271.8	258.51	5.86	10.00%	7.98
Emergency Room		752.0	162.04	10.15	0.9000	1.0000	1.0300	1.0200	676.8	170.24	9.60	10.00%	13.09
End-Stage Renal Disease		35.0	3,006.53	8.76	1.0000	1.0000	1.0000	1.0200	35.0	3,066.66	8.94	10.00%	12.18
Subtotal				\$ 28.73							\$ 29.44		\$ 40.14
<b>Ancillaries</b>													
Pharmacy		48,063.4	86.02	344.54	0.9700	1.0000	0.8634	0.9461	46,621.5	70.27	272.99	4.50%	314.97
Transportation		6,306.7	15.96	8.39	0.9307	1.0000	1.0000	1.0000	5,869.8	15.96	7.81	6.00%	9.44
DME/Prosthetics/Orthotics		5,215.5	118.83	51.65	1.0000	1.0000	1.0000	1.0000	5,215.5	118.83	51.65	6.00%	62.42
Home Health/Hospice		244.9	187.51	3.83	1.0000	1.0000	1.0000	1.0000	244.9	187.51	3.83	6.00%	4.63
Subtotal				\$ 408.40							\$ 336.27		\$ 391.45
<b>Physician</b>													
Inpatient Surgery		98.8	290.27	2.39	0.7600	1.0000	1.0700	1.0200	75.1	316.80	1.98	4.00%	2.25
Outpatient Surgery		111.4	201.75	1.87	1.0800	1.0000	1.0100	1.0200	120.3	207.84	2.08	4.00%	2.37
Other Surgery		587.0	29.87	1.46	1.0100	1.0000	1.0000	1.0200	592.8	30.47	1.51	4.00%	1.71
Anesthesia		93.5	267.15	2.08	1.0000	1.0000	1.0000	1.0200	93.5	272.50	2.12	4.00%	2.41
Hospital Inpatient Visits		2,629.6	31.38	6.88	0.8200	1.0000	1.0200	1.0200	2,156.3	32.64	5.87	4.00%	6.66
Office Visits/Consults		3,826.0	37.64	12.00	1.0150	1.0000	1.0000	1.0200	3,883.4	38.40	12.43	4.00%	14.12
Office Administered Drug:		63.2	476.42	2.51	1.0000	1.0000	1.0000	1.0200	63.2	485.95	2.56	4.00%	2.91
Well Baby Exams/Physical Exam		142.3	53.62	0.64	1.5000	1.0000	1.0000	1.0200	213.4	54.70	0.97	4.00%	1.11
Emergency Room Visits		735.1	47.94	2.94	0.9000	1.0000	1.0100	1.0200	661.6	49.38	2.72	4.00%	3.09
Clinic Visit/Services:		553.9	124.25	5.73	1.0000	1.0000	1.0000	1.0200	553.9	126.74	5.85	4.00%	6.64
Radiology		1,832.0	31.41	4.80	0.9500	1.0000	1.0000	1.0200	1,740.4	32.04	4.65	4.00%	5.28
Pathology		17,325.2	6.70	9.68	0.9000	1.0000	1.0000	1.0200	15,592.7	6.84	8.89	4.00%	10.09
Outpatient Behavioral Health		5,799.4	36.26	17.52	0.9000	1.0000	1.0000	1.0200	5,219.4	36.98	16.09	4.00%	18.27
Maternity - Normal Deliveries:		1.0	631.58	0.05	1.0000	1.0000	1.0000	1.0200	1.0	644.21	0.05	4.00%	0.06
Maternity - Cesarean Deliveries:		0.7	600.00	0.04	1.0000	1.0000	1.0000	1.0200	0.7	612.00	0.04	4.00%	0.04
DMHDD Rehabilitation Option Services:		15.3	152.22	0.19	1.0000	1.0000	1.0000	1.0200	15.3	155.27	0.20	4.00%	0.22
Dental		1,272.0	32.43	3.44	1.0000	1.0000	1.0000	1.0200	1,272.0	33.08	3.51	4.00%	3.98
Other Professional		3,214.6	23.64	6.33	1.0000	1.0000	1.0000	1.0200	3,214.6	24.11	6.46	4.00%	7.34
Subtotal				\$ 80.55							\$ 77.96		\$ 88.56
<b>Total Service Package I Claims/Benefit Cost</b>		102,058.8	\$ 81.18	\$ 690.43					96,941.7	\$ 73.35	\$ 592.54		\$ 678.90
<b>Total Service Package II Claims/Benefit Cost</b>				9.20	1.0000	1.0000	1.0000	1.0000			9.20	0.00%	9.20
<b>Total Service Package III Claims/Benefit Cost</b>				\$ 2,890.82	1.0000	1.0000	1.0000	1.0000			\$ 2,890.82	0.00%	\$ 2,890.82
<b>Total Service Package I Claims/Benefit Cost (excl. Supp Pmts)</b>													\$ 678.90
Administration - %												6.0%	40.73
Administration - Fixed													25.00
Third Party Liability												1.0%	(6.79)
PCP Fee													4.00
<b>Total Capitation Rate PMPM</b>													\$ 741.85



## **ATTACHMENT 5**

T:\2010\ILM\ILM33 (3.32)\Databook Cover 112310.doc

Milliman makes no representations or warranties regarding the contents of this letter to third parties. Likewise, third parties are instructed that they are to place no reliance upon this letter prepared for HFS by Milliman that would result in the creation of any duty or liability under any theory of law by Milliman or its employees to third parties. Other parties receiving this letter must rely upon their own experts in drawing conclusions about the HFS's capitation rates, assumptions, and trends.

State of Illinois  
Department of Healthcare and Family Services  
Capitation Rate Model - Base FY08 to Adjusted FY08

Blend Weight: 50.00%

		FY 2008						
<b>Region:</b> Selected Counties		<b>Member Months:</b>		27,163				
<b>Population:</b> Other Waiver								
<b>Age/Gender:</b> Composite								
<u>Type of Service</u>	<u>Utilization Per 1,000</u>	<u>Cost per Service</u>	<u>PMPM</u>	<u>Completion Factor</u>	<u>Other CPS Adjustments</u>	<u>Adjusted Utilization Per 1,000</u>	<u>Adjusted Cost per Service</u>	<u>Adjusted PMPM</u>
<b>Inpatient Hospital</b>								
Medical	4,298.1	1,084.61	388.48	1.0000	1.0210	4,298.1	1,107.39	396.64
Surgical	1,160.5	2,498.75	241.65	1.0000	1.0210	1,160.5	2,551.22	246.72
General	8.0	6,000.00	4.00	1.0000	1.0210	8.0	6,126.00	4.08
Maternity Delivery	13.7	534.31	0.61	1.0000	1.0210	13.7	545.53	0.62
Maternity Non-Delivery	4.4	600.00	0.22	1.0000	1.0210	4.4	612.60	0.22
Psychiatric	322.1	657.93	17.66	1.0000	1.0000	322.1	657.93	17.66
Substance Abuse	36.7	817.44	2.50	1.0000	1.0000	36.7	817.44	2.50
Other	-	-	-	1.0000	1.0000	-	-	-
Service Package I Nursing Facility	2,209.3	116.78	21.50	1.0000	1.0000	2,209.3	116.78	21.50
Subtotal	8,052.8	\$ 1,008.28	\$ 676.62			8,052.8	\$ 1,028.15	\$ 689.95
<b>Outpatient Hospital</b>								
Surgery	265.5	777.85	17.21	1.0000	1.0000	265.5	777.85	17.21
General	1,087.2	362.03	32.80	1.0000	1.0000	1,087.2	362.03	32.80
Emergency Room	1,668.6	178.07	24.76	1.0000	1.0000	1,668.6	178.07	24.76
End-Stage Renal Disease	385.2	1,600.93	51.39	1.0000	1.0000	385.2	1,600.93	51.39
Subtotal			\$ 126.16					\$ 126.16
<b>Ancillaries</b>								
Pharmacy	64,346.2	79.68	427.28	1.0000	1.0000	64,346.2	79.68	427.28
Transportation	17,031.8	17.25	24.49	1.0000	1.0000	17,031.9	17.25	24.49
DME/Prosthetics/Orthotics	12,484.2	116.06	120.74	1.0000	1.0000	12,484.3	116.06	120.74
Home Health/Hospice	4,465.0	141.96	52.82	1.0000	1.0000	4,465.0	141.96	52.82
Subtotal	98,327.2	\$ 76.32	\$ 625.33					\$ 625.33
<b>Physician</b>								
Inpatient Surgery	504.1	322.32	13.54	1.0000	1.0000	504.1	322.32	13.54
Outpatient Surgery	383.9	241.00	7.71	1.0000	1.0000	383.9	241.00	7.71
Other Surgery	580.9	94.61	4.58	1.0000	1.0000	580.9	94.61	4.58
Anesthesia	191.3	241.51	3.85	1.0000	1.0000	191.3	241.51	3.85
Hospital Inpatient Visits	9,185.4	32.52	24.89	1.0000	1.0000	9,185.4	32.52	24.89
Office Visits/Consults	7,610.9	42.22	26.78	1.0000	1.0000	7,610.9	42.22	26.78
Office Administered Drugs	391.4	413.59	13.49	1.0000	1.0000	391.4	413.59	13.49
Well Baby Exams/Physical Exam	29.2	49.32	0.12	1.0000	1.0000	29.2	49.32	0.12
Emergency Room Visits	1,624.4	52.67	7.13	1.0000	1.0000	1,624.4	52.67	7.13
Clinic Visit/Service:	964.0	158.71	12.75	1.0000	1.0000	964.0	158.71	12.75
Radiology	5,996.7	33.46	16.72	1.0000	1.0000	5,996.7	33.46	16.72
Pathology	34,604.0	6.65	19.17	1.0000	1.0000	34,604.1	6.65	19.17
Outpatient Behavioral Health	2,960.4	48.16	11.88	1.0000	1.0000	2,960.4	48.16	11.88
Maternity - Normal Deliveries	-	-	-	1.0000	1.0000	-	-	-
Maternity - Cesarean Deliveries	3.5	754.29	0.22	1.0000	1.0000	3.5	754.29	0.22
DMHDD Rehabilitation Option Services	49.9	16.83	0.07	1.0000	1.0000	49.9	16.83	0.07
Dental	1,078.4	47.29	4.25	1.0000	1.0000	1,078.4	47.29	4.25
Other Professional	7,646.7	25.28	16.11	1.0000	1.0000	7,646.7	25.28	16.11
Subtotal	73,805.1	\$ 29.80	\$ 183.26					\$ 183.26
<b>Total Service Package I Claims/Benefit Cost</b>	183,591.6	\$ 105.32	\$ 1,611.37			183,592.1	\$ 106.19	\$ 1,624.71
<b>Total Service Package II Claims/Benefit Cost</b>			917.88	1.0000	1.0000			917.88
<b>Total Service Package III Claims/Benefit Cost</b>			\$ 10.84	1.0000	1.0000			\$ 10.84

State of Illinois  
Department of Healthcare and Family Services  
Capitation Rate Model - Base FY09 to Adjusted FY09

Blend Weight: 50.00%

		FY 2009						
<b>Region:</b> Selected Counties		<b>Member Months:</b>		29,703				
<b>Population:</b> Other Waiver								
<b>Age/Gender:</b> Composite								
<u>Type of Service</u>	<u>Utilization Per 1,000</u>	<u>Cost per Service</u>	<u>PMPM</u>	<u>Completion Factor</u>	<u>Other CPS Adjustments</u>	<u>Adjusted Utilization Per 1,000</u>	<u>Adjusted Cost per Service</u>	<u>Adjusted PMPM</u>
<b>Inpatient Hospital</b>								
Medical	3,688.9	1,061.55	326.33	0.9388	1.0210	3,929.5	1,083.84	354.91
Surgical	1,130.0	2,321.95	218.65	0.9388	1.0210	1,203.7	2,370.71	237.80
General	-	-	-	0.9388	1.0210	-	-	-
Maternity Delivery	4.8	1,400.00	0.56	0.9388	1.0210	5.1	1,429.40	0.61
Maternity Non-Delivery	1.6	675.00	0.09	0.9388	1.0210	1.7	689.18	0.10
Psychiatric	239.6	555.43	11.09	0.9388	1.0000	255.2	555.43	11.81
Substance Abuse	17.0	677.65	0.96	0.9388	1.0000	18.1	677.65	1.02
Other	-	-	-	0.9388	1.0000	-	-	-
Service Package I Nursing Facility	1,875.0	123.26	19.26	0.9388	1.0000	1,997.3	123.26	20.52
Subtotal	6,956.9	\$ 995.17	\$ 576.94			7,410.6	\$ 1,014.93	\$ 626.77
<b>Outpatient Hospital</b>								
Surgery	266.2	962.89	21.36	0.9720	1.0000	273.9	962.89	21.97
General	1,243.1	367.21	38.04	0.9720	1.0000	1,278.9	367.21	39.13
Emergency Room	1,549.3	191.16	24.68	0.9720	1.0000	1,593.9	191.16	25.39
End-Stage Renal Disease	410.1	1,184.78	40.49	0.9720	1.0000	421.9	1,184.78	41.65
Subtotal			\$ 124.57					\$ 128.15
<b>Ancillaries</b>								
Pharmacy	67,985.9	75.59	428.27	0.9989	1.0000	68,059.7	75.59	428.73
Transportation	18,340.4	15.63	23.89	0.9676	1.0000	18,955.2	15.63	24.69
DME/Prosthetics/Orthotics	12,731.2	114.76	121.75	0.9676	1.0000	13,158.0	114.76	125.83
Home Health/Hospice	3,705.1	108.37	33.46	0.9676	1.0000	3,829.3	108.37	34.58
Subtotal	102,762.6	\$ 70.93	\$ 607.37					\$ 613.84
<b>Physician</b>								
Inpatient Surgery	494.5	307.95	12.69	0.9668	1.0000	511.5	307.95	13.13
Outpatient Surgery	408.0	232.06	7.89	0.9668	1.0000	422.0	232.06	8.16
Other Surgery	604.0	92.19	4.64	0.9668	1.0000	624.7	92.19	4.80
Anesthesia	195.5	233.86	3.81	0.9668	1.0000	202.2	233.86	3.94
Hospital Inpatient Visits	8,032.3	33.26	22.26	0.9668	1.0000	8,307.7	33.26	23.02
Office Visits/Consults	7,659.8	45.02	28.74	0.9668	1.0000	7,922.5	45.02	29.73
Office Administered Drugs	568.4	538.78	25.52	0.9668	1.0000	587.9	538.78	26.40
Well Baby Exams/Physical Exam	40.8	67.65	0.23	0.9668	1.0000	42.2	67.65	0.24
Emergency Room Visits	1,460.9	53.88	6.56	0.9668	1.0000	1,511.0	53.88	6.78
Clinic Visit/Service:	1,011.2	175.51	14.79	0.9668	1.0000	1,045.9	175.51	15.30
Radiology	5,655.2	35.12	16.55	0.9668	1.0000	5,849.1	35.12	17.12
Pathology	34,525.8	5.78	16.63	0.9668	1.0000	35,709.7	5.78	17.20
Outpatient Behavioral Health	2,174.7	45.08	8.17	0.9668	1.0000	2,249.3	45.08	8.45
Maternity - Normal Deliveries	0.8	600.00	0.04	0.9668	1.0000	0.8	600.00	0.04
Maternity - Cesarean Deliveries	2.0	540.00	0.09	0.9668	1.0000	2.1	540.00	0.09
DMHDD Rehabilitation Option Services	41.6	14.42	0.05	0.9668	1.0000	43.0	14.42	0.05
Dental	1,344.5	48.29	5.41	0.9668	1.0000	1,390.6	48.29	5.60
Other Professional	6,812.6	27.13	15.40	0.9668	1.0000	7,046.2	27.13	15.93
Subtotal	71,032.6	\$ 32.01	\$ 189.47					\$ 195.97
<b>Total Service Package I Claims/Benefit Cost</b>	184,220.8	\$ 97.60	\$ 1,498.35			188,449.6	\$ 99.64	\$ 1,564.73
<b>Total Service Package II Claims/Benefit Cost</b>			1,012.81	1.0000	1.0000			1,012.81
<b>Total Service Package III Claims/Benefit Cost</b>			\$ 6.28	1.0000	1.0000			\$ 6.28

State of Illinois  
Department of Healthcare and Family Services  
Capitation Rate Model - Blended FY 2008 / FY 2009 to Projected Oct. 2010 - Sept. 2011

Trend Months: 39

Region: Selected Counties Population: Other Waiver Age/Gender: Composite Type of Service	Projected October 2010 - September 2011 Capitation Rates								Projected Oct. 2010 - Sept. 2011			
	Blended Member Months: 28,433			Member Months: 31,080								
	Utilization Per 1,000	Cost per Service	PMPM	Utilization MC Adjustment	Other Utilization Adjustments	CPS MC Adjustment	Contracting CPS Adjustments	Adjusted Utilization Per 1,000	Adjusted Cost per Service	Adjusted PMPM	Annual Trend	Projected PMPM
<b>Inpatient Hospital</b>												
Medical	4,113.8	1,096.14	375.78	0.8100	1.0240	1.0300	1.0100	3,412.1	1,140.32	324.24	1.00%	334.90
Surgical	1,182.1	2,459.32	242.26	0.7800	1.0240	1.0700	1.0100	944.2	2,657.78	209.12	1.00%	215.99
General	4.0	6,126.00	2.04	0.8100	1.0240	1.0300	1.0100	3.3	6,372.88	1.76	1.00%	1.82
Maternity Delivery	9.4	785.75	0.62	1.0000	1.0240	1.0000	1.0100	9.6	793.61	0.64	1.00%	0.66
Maternity Non-Delivery	3.1	633.98	0.16	1.0000	1.0240	1.0000	1.0100	3.1	640.32	0.17	1.00%	0.17
Psychiatric	288.7	612.62	14.74	0.7800	1.0150	1.0100	1.0100	228.5	624.93	11.90	1.00%	12.29
Substance Abuse	27.4	771.25	1.76	0.7000	1.0150	1.0000	1.0100	19.5	778.96	1.26	1.00%	1.31
Other	-	-	-	1.0000	1.0240	1.0000	1.0100	-	-	-	1.00%	-
Service Package I Nursing Facility	2,103.3	119.86	21.01	1.0929	1.0900	1.0000	1.0000	2,505.6	119.86	25.03	1.00%	25.85
Subtotal	7,731.7	\$ 1,021.81	\$ 658.36					7,126.0	\$ 966.80	\$ 574.12		\$ 592.99
<b>Outpatient Hospital</b>												
Surgery	269.7	871.80	19.59	1.2920	1.0000	1.0700	1.0200	348.4	951.49	27.63	2.00%	29.46
General	1,183.0	364.83	35.97	1.0000	1.0000	1.0000	1.0200	1,183.0	372.13	36.69	2.00%	39.13
Emergency Room	1,631.2	184.46	25.08	0.8500	1.0000	1.0400	1.0200	1,386.6	195.68	22.61	2.00%	24.11
End-Stage Renal Disease	403.5	1,383.40	46.52	1.0000	1.0000	1.0000	1.0200	403.5	1,411.07	47.45	2.00%	50.61
Subtotal			\$ 127.16							\$ 134.38		\$ 143.31
<b>Ancillaries</b>												
Pharmacy	66,203.0	77.58	428.01	0.9700	1.0000	0.9576	0.9428	64,216.9	70.04	374.82	4.50%	432.47
Transportation	17,993.6	16.40	24.59	0.9387	1.0000	1.0000	1.0000	16,890.2	16.40	23.08	2.00%	24.62
DME/Prosthetics/Orthotics	12,821.1	115.39	123.29	1.0000	1.0000	1.0000	1.0000	12,821.1	115.39	123.29	2.00%	131.48
Home Health/Hospice	4,147.2	126.45	43.70	1.0000	1.0000	1.0000	1.0000	4,147.2	126.45	43.70	2.00%	46.61
Subtotal			\$ 619.59							\$ 564.89		\$ 635.17
<b>Physician</b>												
Inpatient Surgery	507.8	315.08	13.33	0.7800	1.0000	1.0700	1.0200	396.1	343.88	11.35	4.00%	12.89
Outpatient Surgery	402.9	236.32	7.94	1.1000	1.0000	1.0100	1.0200	443.2	243.46	8.99	4.00%	10.21
Other Surgery	602.8	93.35	4.69	1.0500	1.0000	1.0000	1.0200	632.9	95.22	5.02	4.00%	5.71
Anesthesia	196.8	237.58	3.90	1.0000	1.0000	1.0000	1.0200	196.8	242.33	3.97	4.00%	4.51
Hospital Inpatient Visits	8,746.6	32.87	23.96	0.8100	1.0000	1.0300	1.0200	7,084.7	34.53	20.39	4.00%	23.16
Office Visits/Consults	7,766.7	43.65	28.25	1.0240	1.0000	1.0000	1.0200	7,953.1	44.53	29.51	4.00%	33.52
Office Administered Drug	489.6	488.74	19.94	1.0000	1.0000	1.0000	1.0200	489.6	498.52	20.34	4.00%	23.11
Well Baby Exams/Physical Exam	35.7	60.15	0.18	3.0000	1.0000	1.0000	1.0200	107.1	61.35	0.55	4.00%	0.62
Emergency Room Visits	1,567.7	53.26	6.96	0.8500	1.0000	1.0100	1.0200	1,332.5	54.86	6.09	4.00%	6.92
Clinic Visit/Service	1,004.9	167.46	14.02	1.0000	1.0000	1.0000	1.0200	1,004.9	170.81	14.30	4.00%	16.25
Radiology	5,922.9	34.28	16.92	0.9500	1.0000	1.0000	1.0200	5,626.8	34.96	16.39	4.00%	18.62
Pathology	35,156.9	6.21	18.19	0.9000	1.0000	1.0000	1.0200	31,641.2	6.33	16.69	4.00%	18.96
Outpatient Behavioral Health	2,604.8	46.83	10.17	0.9000	1.0000	1.0000	1.0200	2,344.4	47.77	9.33	4.00%	10.60
Maternity - Normal Deliveries	0.4	600.00	0.02	1.0000	1.0000	1.0000	1.0200	0.4	612.00	0.02	4.00%	0.02
Maternity - Cesarean Deliveries	2.8	674.68	0.16	1.0000	1.0000	1.0000	1.0200	2.8	688.18	0.16	4.00%	0.18
DMHDD Rehabilitation Option Services	46.5	15.72	0.06	1.0000	1.0000	1.0000	1.0200	46.5	16.03	0.06	4.00%	0.07
Dental	1,234.5	47.85	4.92	1.0000	1.0000	1.0000	1.0200	1,234.5	48.81	5.02	4.00%	5.70
Other Professional	7,346.5	26.17	16.02	1.0000	1.0000	1.0000	1.0200	7,346.5	26.69	16.34	4.00%	18.56
Subtotal			\$ 189.61							\$ 184.54		\$ 209.63
<b>Total Service Package I Claims/Benefit Cost</b>	186,020.9	\$ 102.87	\$ 1,594.72					176,407.0	\$ 99.18	\$ 1,457.93		\$ 1,581.10
<b>Total Service Package II Claims/Benefit Cost</b>			965.35	1.0000	1.0000	1.0000	1.0000			965.35	0.00%	965.35
<b>Total Service Package III Claims/Benefit Cost</b>			\$ 8.56	1.0000	1.0000	1.0000	1.0000			\$ 8.56	0.00%	\$ 8.56
<b>Total Service Package I Claims/Benefit Cost (excl. Supp Pmts)</b>												\$ 1,581.10
Administration - %											6.0%	94.87
Administration - Fixed												40.00
Third Party Liability											1.0%	(15.81)
PCP Fee												4.00
<b>Total Capitation Rate PMPM</b>												\$ 1,704.16



## **ATTACHMENT 6**

T:\2010\ILM\ILM33 (3.32)\Databook Cover 112310.doc

Milliman makes no representations or warranties regarding the contents of this letter to third parties. Likewise, third parties are instructed that they are to place no reliance upon this letter prepared for HFS by Milliman that would result in the creation of any duty or liability under any theory of law by Milliman or its employees to third parties. Other parties receiving this letter must rely upon their own experts in drawing conclusions about the HFS's capitation rates, assumptions, and trends.

State of Illinois  
Department of Healthcare and Family Services  
Capitation Rate Model - Base FY08 to Adjusted FY08

Blend Weight: 50.00%

		FY 2008						
<b>Region:</b> Selected Counties		<b>Member Months:</b> 268,103						
<b>Population:</b> Community Residents								
<b>Age/Gender:</b> Composite								
Type of Service	Utilization Per 1,000	Cost per Service	PMPM	Completion Factor	Other CPS Adjustments	Adjusted Utilization Per 1,000	Adjusted Cost per Service	Adjusted PMPM
<b>Inpatient Hospital</b>								
Medical	1,686.2	1,178.72	165.63	0.9982	1.0210	1,689.2	1,203.47	169.41
Surgical	580.3	2,836.33	137.16	0.9982	1.0210	581.3	2,895.89	140.29
General	11.1	5,145.95	4.76	0.9982	1.0210	11.1	5,254.01	4.87
Maternity Delivery	21.2	1,239.62	2.19	0.9982	1.0210	21.2	1,265.65	2.24
Maternity Non-Delivery	15.4	981.82	1.26	0.9982	1.0210	15.4	1,002.44	1.29
Psychiatric	809.6	572.43	38.62	0.9982	1.0000	811.0	572.43	38.69
Substance Abuse	142.9	721.34	8.59	0.9982	1.0000	143.2	721.34	8.61
Other	-	-	-	0.9982	1.0000	-	-	-
Service Package I Nursing Facility	2,217.5	110.12	20.35	0.9982	1.0000	2,221.4	110.12	20.39
Subtotal	5,484.2	\$ 828.33	\$ 378.56			5,493.9	\$ 842.62	\$ 385.77
<b>Outpatient Hospital</b>								
Surgery	181.6	705.73	10.68	0.9998	1.0000	181.6	705.73	10.68
General	710.8	376.98	22.33	0.9998	1.0000	711.0	376.98	22.34
Emergency Room	1,301.5	175.74	19.06	0.9998	1.0000	1,301.8	175.74	19.06
End-Stage Renal Disease	146.8	1,562.94	19.12	0.9998	1.0000	146.8	1,562.94	19.12
Subtotal			\$ 71.19					\$ 71.21
<b>Ancillaries</b>								
Pharmacy	38,507.4	69.62	223.41	1.0000	1.0000	38,507.4	69.62	223.41
Transportation	7,761.7	16.45	10.64	1.0000	1.0000	7,761.7	16.45	10.64
DME/Prosthetics/Orthotics	2,283.6	84.24	16.03	1.0000	1.0000	2,283.6	84.24	16.03
Home Health/Hospice	1,081.9	143.75	12.96	1.0000	1.0000	1,081.9	143.75	12.96
Subtotal	49,634.6	\$ 63.59	\$ 263.04					\$ 263.04
<b>Physician</b>								
Inpatient Surgery	257.1	365.46	7.83	0.9999	1.0000	257.1	365.46	7.83
Outpatient Surgery	270.3	243.73	5.49	0.9999	1.0000	270.3	243.73	5.49
Other Surgery	331.0	102.96	2.84	0.9999	1.0000	331.0	102.96	2.84
Anesthesia	118.7	231.51	2.29	0.9999	1.0000	118.7	231.51	2.29
Hospital Inpatient Visits	4,236.6	32.49	11.47	0.9999	1.0000	4,236.9	32.49	11.47
Office Visits/Consults	4,880.8	41.99	17.08	0.9999	1.0000	4,881.1	41.99	17.08
Office Administered Drugs	355.5	391.22	11.59	0.9999	1.0000	355.5	391.22	11.59
Well Baby Exams/Physical Exam	28.1	46.98	0.11	0.9999	1.0000	28.1	46.98	0.11
Emergency Room Visits	1,235.1	48.87	5.03	0.9999	1.0000	1,235.2	48.87	5.03
Clinic Visit/Service	1,058.9	129.30	11.41	0.9999	1.0000	1,059.0	129.30	11.41
Radiology	3,435.7	35.21	10.08	0.9999	1.0000	3,435.9	35.21	10.08
Pathology	20,409.3	7.18	12.21	0.9999	1.0000	20,410.7	7.18	12.21
Outpatient Behavioral Health	8,993.1	44.22	33.14	0.9999	1.0000	8,993.7	44.22	33.14
Maternity - Normal Deliveries	8.2	702.44	0.48	0.9999	1.0000	8.2	702.44	0.48
Maternity - Cesarean Deliveries	5.3	701.89	0.31	0.9999	1.0000	5.3	701.89	0.31
DMHDD Rehabilitation Option Services	127.1	33.04	0.35	0.9999	1.0000	127.1	33.04	0.35
Dental	1,124.7	44.17	4.14	0.9999	1.0000	1,124.8	44.17	4.14
Other Professional	5,806.3	24.61	11.91	0.9999	1.0000	5,806.7	24.61	11.91
Subtotal	52,681.8	\$ 33.66	\$ 147.76					\$ 147.77
<b>Total Service Package I Claims/Benefit Cost</b>	110,141.3	\$ 93.76	\$ 860.55			110,155.1	\$ 94.53	\$ 867.79
<b>Total Service Package II Claims/Benefit Cost</b>			19.05	1.0000	1.0000			19.05
<b>Total Service Package III Claims/Benefit Cost</b>			\$ 4.99	1.0000	1.0000			\$ 4.99

State of Illinois  
Department of Healthcare and Family Services  
Capitation Rate Model - Base FY09 to Adjusted FY09

Blend Weight: 50.00%

		FY 2009						
<b>Region:</b> Selected Counties		<b>Member Months:</b>		300,268				
<b>Population:</b> Community Residents								
<b>Age/Gender:</b> Composite								
Type of Service	Utilization Per 1,000	Cost per Service	PMPM	Completion Factor	Other CPS Adjustments	Adjusted Utilization Per 1,000	Adjusted Cost per Service	Adjusted PMPM
<b>Inpatient Hospital</b>								
Medical	1,651.5	1,211.41	166.72	0.9169	1.0210	1,801.3	1,236.85	185.66
Surgical	523.1	2,686.52	117.11	0.9169	1.0210	570.5	2,742.94	130.41
General	12.5	5,356.80	5.58	0.9169	1.0210	13.6	5,469.29	6.21
Maternity Delivery	18.3	1,232.79	1.88	0.9169	1.0210	20.0	1,258.68	2.09
Maternity Non-Delivery	9.5	1,174.74	0.93	0.9169	1.0210	10.4	1,199.41	1.04
Psychiatric	727.1	567.57	34.39	0.9169	1.0000	793.0	567.57	37.51
Substance Abuse	129.4	733.54	7.91	0.9169	1.0000	141.1	733.54	8.63
Other	-	-	-	0.9169	1.0000	-	-	-
Service Package I Nursing Facility	1,826.2	114.40	17.41	0.9169	1.0000	1,991.8	114.40	18.99
Subtotal	4,897.6	\$ 862.29	\$ 351.93			5,341.7	\$ 877.33	\$ 390.53
<b>Outpatient Hospital</b>								
Surgery	200.3	808.19	13.49	0.9532	1.0000	210.1	808.19	14.15
General	768.4	409.01	26.19	0.9532	1.0000	806.2	409.01	27.48
Emergency Room	1,304.6	188.75	20.52	0.9532	1.0000	1,368.7	188.75	21.53
End-Stage Renal Disease	138.9	1,687.26	19.53	0.9532	1.0000	145.7	1,687.26	20.49
Subtotal			\$ 79.73					\$ 83.65
<b>Ancillaries</b>								
Pharmacy	39,510.5	70.70	232.79	0.9978	1.0000	39,597.3	70.70	233.30
Transportation	8,776.8	15.00	10.97	0.9550	1.0000	9,190.0	15.00	11.49
DME/Prosthetics/Orthotics	2,330.6	86.04	16.71	0.9550	1.0000	2,440.3	86.04	17.50
Home Health/Hospice	890.4	128.03	9.50	0.9550	1.0000	932.3	128.03	9.95
Subtotal	51,508.3	\$ 62.90	\$ 269.97					\$ 272.23
<b>Physician</b>								
Inpatient Surgery	238.4	350.84	6.97	0.9646	1.0000	247.1	350.84	7.23
Outpatient Surgery	279.0	254.19	5.91	0.9646	1.0000	289.2	254.19	6.13
Other Surgery	342.8	110.97	3.17	0.9646	1.0000	355.4	110.97	3.29
Anesthesia	137.6	217.15	2.49	0.9646	1.0000	142.6	217.15	2.58
Hospital Inpatient Visits	4,129.2	32.84	11.30	0.9646	1.0000	4,280.7	32.84	11.71
Office Visits/Consults	4,939.4	46.11	18.98	0.9646	1.0000	5,120.6	46.11	19.68
Office Administered Drugs	387.3	400.62	12.93	0.9646	1.0000	401.5	400.62	13.40
Well Baby Exams/Physical Exam	42.3	68.09	0.24	0.9646	1.0000	43.9	68.09	0.25
Emergency Room Visits	1,236.2	50.38	5.19	0.9646	1.0000	1,281.5	50.38	5.38
Clinic Visit/Service	1,071.6	130.46	11.65	0.9646	1.0000	1,110.9	130.46	12.08
Radiology	3,467.8	35.71	10.32	0.9646	1.0000	3,595.0	35.71	10.70
Pathology	22,199.6	6.30	11.65	0.9646	1.0000	23,013.9	6.30	12.08
Outpatient Behavioral Health	7,478.1	42.91	26.74	0.9646	1.0000	7,752.4	42.91	27.72
Maternity - Normal Deliveries	6.8	688.24	0.39	0.9646	1.0000	7.0	688.24	0.40
Maternity - Cesarean Deliveries	5.2	646.15	0.28	0.9646	1.0000	5.4	646.15	0.29
DMHDD Rehabilitation Option Services	64.7	31.53	0.17	0.9646	1.0000	67.1	31.53	0.18
Dental	1,299.1	44.06	4.77	0.9646	1.0000	1,346.8	44.06	4.94
Other Professional	5,393.2	25.97	11.67	0.9646	1.0000	5,591.0	25.97	12.10
Subtotal	52,718.3	\$ 32.96	\$ 144.82					\$ 150.13
<b>Total Service Package I Claims/Benefit Cost</b>	111,536.4	\$ 91.07	\$ 846.45			114,684.4	\$ 93.81	\$ 896.55
<b>Total Service Package II Claims/Benefit Cost</b>			17.36	1.0000	1.0000			17.36
<b>Total Service Package III Claims/Benefit Cost</b>			\$ 5.57	1.0000	1.0000			\$ 5.57

State of Illinois  
Department of Healthcare and Family Services  
Capitation Rate Model - Blended FY 2008 / FY 2009 to Projected Oct. 2010 - Sept. 2011

Trend Months: 39

Age/Gender: Composite Type of Service	Projected October 2010 - September 2011 Capitation Rates								Projected Oct. 2010 - Sept. 2011					
	Blended FY 2008 / FY 2009			Utilization MC Adjustment	Other Utilization Adjustments	CPS MC Adjustment	Contracting CPS Adjustments	Adjusted Utilization Per 1,000	Adjusted Cost per Service	Adjusted PMPM	Annual Trend	Projected PMPM		
	Utilization Per 1,000	Cost per Service	PMPM											
<b>Region:</b> Selected Counties			<b>Blended Member Months:</b> 284,186								<b>Member Months:</b> 314,208			
<b>Population:</b> Community Residents														
<b>Inpatient Hospital</b>														
Medical	1,745.2	1,220.70	177.53	0.8200	1.0350	1.0300	1.0100	1,481.2	1,269.89	156.74	1.00%	161.89		
Surgical	575.9	2,820.13	135.35	0.7800	1.0350	1.0700	1.0100	464.9	3,047.72	118.09	1.00%	121.97		
General	12.4	5,372.58	5.54	0.8200	1.0350	1.0300	1.0100	10.5	5,589.10	4.89	1.00%	5.05		
Maternity Delivery	20.6	1,262.27	2.17	1.0000	1.0350	1.0000	1.0100	21.3	1,274.90	2.26	1.00%	2.34		
Maternity Non-Delivery	12.9	1,081.58	1.16	1.0000	1.0350	1.0000	1.0100	13.3	1,092.39	1.21	1.00%	1.25		
Psychiatric	802.0	570.03	38.10	0.7800	1.0220	1.0300	1.0100	639.3	593.00	31.59	1.00%	32.63		
Substance Abuse	142.1	727.40	8.62	0.7000	1.0220	1.0000	1.0100	101.7	734.67	6.23	1.00%	6.43		
Other	-	-	-	1.0000	1.0350	1.0000	1.0100	-	-	-	1.00%	-		
Service Package I Nursing Facility	2,106.6	112.15	19.69	1.0373	1.0800	1.0000	1.0000	2,359.9	112.15	22.05	1.00%	22.78		
Subtotal	5,417.8	\$ 859.73	\$ 388.15					5,092.2	\$ 808.46	\$ 343.07		\$ 354.35		
<b>Outpatient Hospital</b>														
Surgery	195.9	760.68	12.42	1.1780	1.0000	1.0500	1.0200	230.8	814.69	15.67	10.00%	21.36		
General	758.6	394.00	24.91	1.0000	1.0000	1.0000	1.0200	758.6	401.88	25.40	10.00%	34.63		
Emergency Room	1,335.3	182.40	20.30	0.8500	1.0000	1.0400	1.0200	1,135.0	193.49	18.30	10.00%	24.95		
End-Stage Renal Disease	146.3	1,624.86	19.81	1.0000	1.0000	1.0000	1.0200	146.3	1,657.36	20.20	10.00%	27.54		
Subtotal			\$ 77.43							\$ 79.57		\$ 108.47		
<b>Ancillaries</b>														
Pharmacy	39,052.3	70.17	228.36	0.9700	1.0000	0.9509	0.9401	37,880.8	62.73	198.01	6.00%	239.29		
Transportation	8,475.9	15.66	11.06	0.9226	1.0000	1.0000	1.0000	7,819.7	15.66	10.21	2.00%	10.89		
DME/Prosthetics/Orthotics	2,362.0	85.17	16.76	1.0000	1.0000	1.0000	1.0000	2,362.0	85.17	16.76	2.00%	17.88		
Home Health/Hospice	1,007.1	136.47	11.45	1.0000	1.0000	1.0000	1.0000	1,007.1	136.47	11.45	2.00%	12.22		
Subtotal			\$ 267.64							\$ 236.43		\$ 280.27		
<b>Physician</b>														
Inpatient Surgery	252.1	358.29	7.53	0.7800	1.0000	1.0700	1.0200	196.7	391.04	6.41	2.00%	6.83		
Outpatient Surgery	279.8	249.14	5.81	1.0700	1.0000	1.0100	1.0200	299.4	256.66	6.40	2.00%	6.83		
Other Surgery	343.2	107.11	3.06	1.0500	1.0000	1.0000	1.0200	360.4	109.25	3.28	2.00%	3.50		
Anesthesia	130.7	223.67	2.44	1.0000	1.0000	1.0000	1.0200	130.7	228.15	2.48	2.00%	2.65		
Hospital Inpatient Visits	4,258.8	32.66	11.59	0.8200	1.0000	1.0300	1.0200	3,492.2	34.32	9.99	2.00%	10.65		
Office Visits/Consults	5,000.9	44.10	18.38	1.0300	1.0000	1.0000	1.0200	5,150.9	44.98	19.31	2.00%	20.59		
Office Administered Drug:	378.5	396.21	12.50	1.0000	1.0000	1.0000	1.0200	378.5	404.13	12.75	2.00%	13.59		
Well Baby Exams/Physical Exam	36.0	59.84	0.18	3.0000	1.0000	1.0000	1.0200	107.9	61.04	0.55	2.00%	0.59		
Emergency Room Visits	1,258.4	49.64	5.21	0.8500	1.0000	1.0100	1.0200	1,069.6	51.14	4.56	2.00%	4.86		
Clinic Visit/Service:	1,084.9	129.90	11.74	1.0000	1.0000	1.0000	1.0200	1,084.9	132.49	11.98	2.00%	12.78		
Radiology	3,515.5	35.46	10.39	0.9500	1.0000	1.0000	1.0200	3,339.7	36.17	10.07	2.00%	10.74		
Pathology	21,712.3	6.71	12.14	0.9000	1.0000	1.0000	1.0200	19,541.1	6.85	11.15	2.00%	11.89		
Outpatient Behavioral Health	8,373.1	43.61	30.43	0.9000	1.0000	1.0000	1.0200	7,535.8	44.49	27.94	2.00%	29.79		
Maternity - Normal Deliveries:	7.6	695.87	0.44	1.0000	1.0000	1.0000	1.0200	7.6	709.79	0.45	2.00%	0.48		
Maternity - Cesarean Deliveries:	5.3	673.78	0.30	1.0000	1.0000	1.0000	1.0200	5.3	687.26	0.31	2.00%	0.33		
DMHDD Rehabilitation Option Services:	97.1	32.52	0.26	1.0000	1.0000	1.0000	1.0200	97.1	33.17	0.27	2.00%	0.29		
Dental	1,235.8	44.11	4.54	1.0000	1.0000	1.0000	1.0200	1,235.8	44.99	4.63	2.00%	4.94		
Other Professional	5,698.9	25.28	12.00	1.0000	1.0000	1.0000	1.0200	5,698.9	25.78	12.24	2.00%	13.06		
Subtotal			\$ 148.95							\$ 144.76		\$ 154.38		
<b>Total Service Package I Claims/Benefit Cost</b>	112,419.8	\$ 94.16	\$ 882.17					106,164.7	\$ 90.86	\$ 803.84		\$ 897.47		
<b>Total Service Package II Claims/Benefit Cost</b>			18.21	1.0000	1.0000	1.0000	1.0000			18.21	0.00%	18.21		
<b>Total Service Package III Claims/Benefit Cost</b>			\$ 5.28	1.0000	1.0000	1.0000	1.0000			\$ 5.28	0.00%	\$ 5.28		
<b>Total Service Package I Claims/Benefit Cost (excl. Supp Pmts)</b>												\$ 897.47		
Administration - %											6.0%	53.85		
Administration - Fixed												25.00		
Third Party Liability											1.0%	(8.97)		
PCP Fee												4.00		
<b>Total Capitation Rate PMPM</b>												\$ 971.35		