

| <b>Exhibit HH - Forecast Model Comparisons - Final Forecasts</b> |                                    |   |   |                                      |                    |  |
|--|------------------------------------|---|---|--------------------------------------|--------------------|--|
| <b>Adjustment Factors for Forecasted Rates</b>                   |                                    |   |   |                                      |                    |  |
| <b>Model</b>   | <b>Adults 65 and Older (OAP-A)</b> | <b>Disabled Adults 60 to 64 (OAP-B) and Disabled Individuals to 59 (AND/AB)</b> | <b>Categorically Eligible Low Income Adults (AFDC-A), Expansion Adults, and Baby Care Program-Adults <sup>(1)</sup></b> | <b>Eligible Children (AFDC-C/BC)</b> | <b>Foster Care</b> |  |
| <b>FY 2010-11 Estimated Q1/Q2 Rate</b>                           |                                    |   |   |                                      |                    |  |
| <b>Weighted Capitation Rate (Known)</b>                          | <b>\$13.42</b>                     | <b>\$136.34</b>   | <b>\$20.05</b>  | <b>\$14.92</b>                       | <b>\$203.81</b>    |  |
| <b>FY 2010-11 Final Paid Q1/Q2 Rate <sup>(2)</sup></b>           | <b>\$13.15</b>                     | <b>\$145.38</b>   | <b>\$21.89</b>  | <b>\$15.54</b>                       | <b>\$204.98</b>    |  |
| <b>FY 2010-11 Estimated Q3/Q4 Rate</b>                           |                                    |   |   |                                      |                    |  |
| <b>Weighted Capitation Rate (Known)</b>                          | <b>\$14.18</b>                     | <b>\$141.39</b>   | <b>\$21.76</b>  | <b>\$15.87</b>                       | <b>\$186.95</b>    |  |
| FY 2010-11 BRI-6: Medicaid Program Reductions <sup>(3)</sup>     | -1.71%                             | -1.71%  | -1.71%  | -1.71%                               | -1.71%             |  |
| Retroactivity Adjustment Multiplier (Exhibit FF)                 | 0.13%                              | 7.94%   | 9.35%   | 5.31%                                | 2.38%              |  |
| Partial Month Adjustment Multiplier (Exhibit FF)                 | -0.60%                             | -0.38%  | -0.25%  | -0.54%                               | -0.83%             |  |
| <b>Final Adjustment Factor <sup>(4)</sup></b>                    | <b>-2.17%</b>                      | <b>5.69%</b>  | <b>7.21%</b>  | <b>2.95%</b>                         | <b>-0.21%</b>      |  |
| <b>FY 2010-11 Final Estimated Q3/Q4 Rate</b>                     | <b>\$13.87</b>                     | <b>\$149.44</b>   | <b>\$23.33</b>  | <b>\$16.34</b>                       | <b>\$186.56</b>    |  |
| <b>FY 2011-12 Estimated Q1/Q2 Rate</b>                           |                                    |   |   |                                      |                    |  |
| <b>Weighted Capitation Rate (Known) <sup>(5)</sup></b>           | <b>\$14.18</b>                     | <b>\$141.39</b>   | <b>\$21.76</b>  | <b>\$15.87</b>                       | <b>\$186.95</b>    |  |
| Retroactivity Adjustment Multiplier (Exhibit FF)                 | 0.13%                              | 7.94%   | 9.35%   | 5.31%                                | 2.38%              |  |
| Partial Month Adjustment Multiplier (Exhibit FF)                 | -0.60%                             | -0.38%  | -0.25%  | -0.54%                               | -0.83%             |  |
| <b>Final Adjustment Factor <sup>(4)</sup></b>                    | <b>-0.47%</b>                      | <b>7.53%</b>  | <b>9.08%</b>  | <b>4.74%</b>                         | <b>1.53%</b>       |  |
| <b>FY 2011-12 Final Estimated Q1/Q2 Rate</b>                     | <b>\$14.11</b>                     | <b>\$152.04</b>   | <b>\$23.74</b>  | <b>\$16.62</b>                       | <b>\$189.81</b>    |  |
| <b>FY 2011-12 Estimated Q3/Q4 Rate</b>                           |                                    |   |   |                                      |                    |  |
| <b>Weighted Capitation Point Estimate</b>                        | <b>\$14.60</b>                     | <b>\$153.22</b>   | <b>\$22.55</b>  | <b>\$16.61</b>                       | <b>\$177.86</b>    |  |
| Retroactivity Adjustment Multiplier (Exhibit FF)                 | 0.13%                              | 7.94%   | 9.35%   | 5.31%                                | 2.38%              |  |
| Partial Month Adjustment Multiplier (Exhibit FF)                 | -0.60%                             | -0.38%  | -0.25%  | -0.54%                               | -0.83%             |  |
| <b>Final Adjustment Factor <sup>(4)</sup></b>                    | <b>-0.47%</b>                      | <b>7.53%</b>  | <b>9.08%</b>  | <b>4.74%</b>                         | <b>1.53%</b>       |  |
| <b>FY 2011-12 Final Estimated Q3/Q4 Rate</b>                     | <b>\$14.53</b>                     | <b>\$164.76</b>   | <b>\$24.60</b>  | <b>\$17.40</b>                       | <b>\$180.58</b>    |  |

Weighted Capitation Rates are shown in Exhibit GG.

<sup>1</sup> Breast and Cervical Cancer Program participants share a capitation rate with the remainder of the Adult population, and comprise less than 1% of that total population. As such, a forecast for BCCP program eligibles was not performed.

<sup>2</sup> The Department, as submitted in FY 2009-10 ES-2, paid rates at -2.50% of the actuarial rate midpoint effective September 1, 2009. This rate reduction was in effect for 3 of the 5 BHOs in FY 2010-11 Q1 and Q2. The number presented, here, reflects the final outcome of: 1) that rate adjustment, 2) payment of partial capitations, and 3) the estimate of full IBNR based on that component of IBNR runout that has been completed. Because the IBNR component is estimated, this final figure is estimated and may change in future exhibits.

<sup>3</sup> The Department, as submitted in FY 2010-11 BRI-6, will pay rates at an additional -1.71% of the actuarial rate midpoint effective January 1, 2011 through June 30, 2011. This will achieve the appropriated savings of \$2,170,355.

<sup>4</sup> The final adjustment factor is derived by adding 1 to each individual adjustment, multiplying the result, and subtracting 1 from the product.

<sup>5</sup> The rate set for Q3 and Q4 of FY 2010-11 will be the same rate in effect for Q1 and Q2 of FY 2011-12.

**Exhibit HH - Forecast Model Comparisons - Capitation Trend Models**

**Capitation Rate Forecast Model for FY 2011-12 Q3 and Q4**

| Model  | Adults 65 and Older (OAP-A) | Disabled Adults 60 to 64 (OAP-B) and Disabled Individuals to 59 (AND/AB) | Categorically Eligible Low Income Adults (AFDC-A), Expansion Adults, and Baby Care Program-Adults <sup>(1)</sup> | Eligible Children (AFDC-C/BC) | Foster Care     |
|--|-----------------------------|--|--|-------------------------------|-----------------|
| FY 2009-10 Actual Rate   | \$13.40                     | \$131.58   | \$19.34  | \$14.71                       | \$220.69        |
| FY 2010-11 Q1 and Q2 Known Weighted Average Rate   | \$13.42                     | \$136.34   | \$20.05  | \$14.92                       | \$203.81        |
| FY 2010-11 Q3 and Q4 Known Weighted Average Rate   | \$14.18                     | \$141.39   | \$21.76  | \$15.87                       | \$186.95        |
| FY 2010-11 Full Year Average Rate  | \$13.80                     | \$138.90   | \$20.94  | \$15.40                       | \$195.36        |
| FY 2011-12 Q1 and Q2 Known Weighted Average Rate   | \$14.18                     | \$141.39   | \$21.76  | \$15.87                       | \$186.95        |
| <b>Selected Growth Rates</b>   |                             |  |  |                               |                 |
| % Growth from FY 2009-10 to FY 2010-11 Full Year Average Rate                                | <b>2.99%</b>                | 5.56%  | 8.27%  | <b>4.69%</b>                  | -11.48%         |
| % Growth from FY 2010-11 Q1 and Q2 Rate to FY 2010-11 Q3 and Q4 Rate                         | 5.66%                       | 3.70%  | 8.53%  | 6.37%                         | -8.27%          |
| <b>Selected Trend Models</b>   |                             |  |  |                               |                 |
| Average Growth Model <sup>(2)</sup>  | \$14.82                     | \$174.46   | \$23.90  | \$16.26                       | \$185.87        |
| % Difference from FY 2011-12 Q1 and Q2 Rate  | 4.51%                       | 23.39%   | 9.83%  | 2.46%                         | -0.58%          |
| % Difference from FY 2010-11 Full Year Average Rate  | 7.39%                       | 25.60%   | 14.14%   | 5.58%                         | <b>-4.86%</b>   |
| Two Period Moving Average Model <sup>(3)</sup>   | \$13.03                     | \$129.18   | \$18.59  | \$14.26                       | \$228.88        |
| % Difference from FY 2011-12 Q1 and Q2 Rate  | -8.11%                      | -8.64%   | -14.57%  | -10.14%                       | 22.43%          |
| % Difference from FY 2010-11 Full Year Average Rate  | -5.58%                      | -7.00%   | -11.22%  | -7.40%                        | 17.16%          |
| Exponential Growth Model <sup>(4)</sup>  | \$15.96                     | \$191.85   | \$26.94  | \$17.19                       | \$244.75        |
| % Difference from FY 2011-12 Q1 and Q2 Rate  | 12.55%                      | 35.69%   | 23.81%   | 8.32%                         | 30.92%          |
| % Difference from FY 2010-11 Full Year Average Rate  | 15.65%                      | 38.12%   | 28.65%   | 11.62%                        | 25.28%          |
| Linear Growth Model <sup>(5)</sup>   | \$15.42                     | \$153.23   | \$23.33  | \$16.46                       | \$247.59        |
| % Difference from FY 2011-12 Q1 and Q2 Rate  | 8.74%                       | <b>8.37%</b>   | <b>7.22%</b>   | 3.72%                         | 32.44%          |
| % Difference from FY 2010-11 Full Year Average Rate  | 11.74%                      | 10.32%   | 11.41%   | 6.88%                         | 26.74%          |
| Forecast Minimum   | \$13.03                     | \$129.18   | \$18.59  | \$14.26                       | \$177.86        |
| Forecast Maximum   | \$15.96                     | \$191.85   | \$26.94  | \$17.19                       | \$247.59        |
| % change from FY 2011-12 Q1 and Q2 Rate to Selected Q3 and Q4 Capitation Rate <sup>(6)</sup> | 2.99%                       | 8.37%  | 3.61%  | 4.69%                         | -4.86%          |
| <b>FY 2011-12 Q3 and Q4 Forecast Point Estimate</b>  | <b>\$14.60</b>              | <b>\$153.22</b>  | <b>\$22.55</b>   | <b>\$16.61</b>                | <b>\$177.86</b> |

<sup>1</sup> Breast and Cervical Cancer Program participants share a capitation rate with the remainder of the Adult population, and comprise less than 1% of that total population. As such, a forecast for BCCP program eligibles was not performed.

<sup>2</sup> The Average Growth Model averages the change in the weighted rate from fiscal year to fiscal year and assumes that average growth will apply in future periods.

<sup>3</sup> The Two Period Moving Average Model uses the average rate of the previous two fiscal years and assumes that to be the rate in the forecasted year.

<sup>4</sup> The Exponential Growth Model generates a predictive equation based on time period and assuming that the rate of growth is directly proportional to the value of the rate (e.g. as the rate increases the rate of growth also increases).

<sup>5</sup> The Linear Growth Model generates a predictive equation by regressing the rate on the time period.

<sup>6</sup> The FY 2011-12 selected models are in bold, above; for Adults 65 and Older and Children category eligibles, the change in rate from FY 2009-10 to FY 2010-11 was applied to the rate change from FY 2011-12 Q1 and Q2 to the Q3 and Q4 rate; for Disabled eligibles, a linear trend using the rates from FY 2006-07 to FY 2010-11, after the Goebel settlement, was selected to estimate the rate change from FY 2011-12 Q1 and Q2 to Q3 and Q4; for Adult eligibles, a linear trend was applied to the rate change from FY 2011-12 Q1 and Q2 to the Q3 and Q4 rate, which was then divided by two; for Foster Care eligibles, the rate of change from FY 2010-11 to FY 2011-12 as predicted by the average growth model was applied to the rate change from FY 2011-12 Q1 and Q2 to the Q3 and Q4 rate.