

Exhibit HH - Forecast Model Comparisons - Final Forecasts

Adjustment Factors for Forecasted Rates

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 ⁽¹⁾	Eligible Children (AFDC-C/BC)	Foster Care
FY 2010-11 Estimated Q1/Q2 Rate					
Weighted Capitation Rate (Known)	\$13.43	\$136.29	\$20.00	\$14.89	\$203.95
FY 2009-10 ES-2: Medicaid Program Reductions ⁽²⁾	-2.50%	-2.50%	-2.50%	-2.50%	-2.50%
Retroactivity Adjustment Multiplier (Exhibit FF)	0.79%	7.43%	12.19%	7.32%	2.92%
Partial Month Adjustment Multiplier (Exhibit FF)	-0.59%	-0.37%	-0.20%	-0.54%	-0.85%
Final Adjustment Factor ⁽³⁾	-2.31%	4.36%	9.17%	4.07%	-0.51%
FY 2010-11 Final Estimated Q1/Q2 Rate	\$13.12	\$142.23	\$21.83	\$15.50	\$202.91
FY 2010-11 Estimated Q3/Q4 Rate					
Weighted Capitation Point Estimate	\$13.66	\$149.52	\$21.02	\$15.58	\$195.73
FY 2009-10 ES-2: Medicaid Program Reductions ⁽²⁾	-2.50%	-2.50%	-2.50%	-2.50%	-2.50%
FY 2010-11 BRI-6: Medicaid Program Reductions ⁽⁴⁾	-2.00%	-2.00%	-2.00%	-2.00%	-2.00%
Retroactivity Adjustment Multiplier (Exhibit FF)	0.79%	7.43%	12.19%	7.32%	2.92%
Partial Month Adjustment Multiplier (Exhibit FF)	-0.59%	-0.37%	-0.20%	-0.54%	-0.85%
Final Adjustment Factor ⁽³⁾	-4.26%	2.27%	6.98%	1.99%	-2.50%
FY 2010-11 Final Estimated Q3/Q4 Rate	\$13.08	\$152.91	\$22.49	\$15.89	\$190.84
FY 2011-12 Estimated Q1/Q2 Rate					
Weighted Capitation Point Estimate ⁽⁵⁾	\$13.66	\$149.52	\$21.02	\$15.58	\$195.73
FY 2009-10 ES-2: Medicaid Program Reductions ⁽²⁾	-2.50%	-2.50%	-2.50%	-2.50%	-2.50%
Retroactivity Adjustment Multiplier (Exhibit FF)	0.79%	7.43%	12.19%	7.32%	2.92%
Partial Month Adjustment Multiplier (Exhibit FF)	-0.59%	-0.37%	-0.20%	-0.54%	-0.85%
Final Adjustment Factor ⁽³⁾	-2.31%	4.36%	9.17%	4.07%	-0.51%
FY 2011-12 Final Estimated Q1/Q2 Rate	\$13.34	\$156.04	\$22.95	\$16.21	\$194.73
FY 2011-12 Estimated Q3/Q4 Rate					
Weighted Capitation Point Estimate ⁽⁶⁾	\$13.89	\$164.03	\$22.09	\$16.30	\$187.84
FY 2009-10 ES-2: Medicaid Program Reductions ⁽²⁾	-2.50%	-2.50%	-2.50%	-2.50%	-2.50%
Retroactivity Adjustment Multiplier (Exhibit FF)	0.79%	7.43%	12.19%	7.32%	2.92%
Partial Month Adjustment Multiplier (Exhibit FF)	-0.59%	-0.37%	-0.20%	-0.54%	-0.85%
Final Adjustment Factor ⁽³⁾	-2.31%	4.36%	9.17%	4.07%	-0.51%
FY 2011-12 Final Estimated Q3/Q4 Rate	\$13.57	\$171.18	\$24.12	\$16.96	\$186.88

* Weighted Capitation Rates are shown in Exhibit GG.

¹ 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.

² The Department, as submitted in FY 2009-10 ES-2, is paying rates at -2.50% of the actuarial midpoint rate effective September 1, 2009.

³ The final adjustment factor is derived by adding 1 to each individual adjustment, multiplying the result, and subtracting 1 from the product.

⁴ The Department, as submitted in FY 2010-11 BRI-6, will pay rates at an additional -2.00% of the actuarial midpoint rate effective January 1, 2011 through June 30, 2011.

⁵ 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.

⁶ The same trend factors selected for the estimated rates for Q3 and Q4 of FY 2010-11 are carried forward to estimate the rates from the next rate setting cycle.

Exhibit HH - Forecast Model Comparisons - Capitation Trend Models

Capitation Rate Forecast Model for FY 2010-11 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 ⁽¹⁾	Eligible Children (AFDC-C/BC)	Foster Care
FY 2008-09 Actual Rate	\$13.37	\$121.30	\$18.18	\$14.34	\$251.87
FY 2009-10 Q1 and Q2 Midpoint Rate	\$13.37	\$126.65	\$18.57	\$14.50	\$237.59
FY 2009-10 Q3 and Q4 Midpoint Rate	\$13.43	\$136.30	\$20.00	\$14.89	\$204.04
FY 2009-10 Average Midpoint Rate	\$13.40	\$131.53	\$19.33	\$14.70	\$220.67
FY 2010-11 Q1 and Q2 Known Weighted Average Rate	\$13.43	\$136.29	\$20.00	\$14.89	\$203.95
Selected Growth Rates					
% Growth from FY 2009-10 to FY 2010-11 Q1 and Q2 Rate	0.22%	3.62%	3.46%	1.29%	-7.58%
% Growth from FY 2009-10 to FY 2010-11 Q3 and Q4 Rate	1.94%	13.68%	8.74%	5.98%	-11.30%
% Growth from FY 2010-11 Q1 and Q2 Rate to FY 2010-11 Q3 and Q4 Rate	1.70%	9.71%	5.08%	4.62%	-4.03%
Selected Trend Models					
Average Growth Model ⁽²⁾	\$14.37	\$157.80	\$22.28	\$15.81	\$224.93
% Difference from FY 2010-11 Q1 and Q2 Rate	7.00%	15.78%	11.40%	6.18%	10.29%
% Difference from FY 2009-10 Rate	7.45%	30.09%	22.56%	10.25%	-10.70%
Two Period Moving Average Model ⁽³⁾	\$13.34	\$116.70	\$17.60	\$14.16	\$268.25
% Difference from FY 2010-11 Q1 and Q2 Rate	-0.67%	-14.37%	-12.00%	-4.90%	31.53%
% Difference from FY 2009-10 Rate	-0.25%	-3.79%	-3.18%	-1.26%	6.50%
Exponential Growth Model ⁽⁴⁾	\$16.29	\$172.08	\$25.03	\$16.85	\$278.30
% Difference from FY 2010-11 Q1 and Q2 Rate	21.30%	26.26%	25.15%	13.16%	36.46%
% Difference from FY 2009-10 Rate	21.81%	41.86%	37.69%	17.50%	10.49%
Linear Growth Model ⁽⁵⁾	\$15.78	\$149.52	\$22.12	\$16.25	\$280.64
% Difference from FY 2010-11 Q1 and Q2 Rate	17.50%	9.71%	10.60%	9.13%	37.60%
% Difference from FY 2009-10 Rate	18.00%	23.26%	21.68%	13.31%	11.42%
Forecast Minimum	\$13.34	\$116.70	\$17.60	\$14.16	\$195.73
Forecast Maximum	\$16.29	\$172.08	\$25.03	\$16.85	\$280.64
% change from FY 2010-11 Q1 and Q2 Rate to Selected Q3 and Q4 Capitation Rate	1.70%	9.71%	5.08%	4.62%	-4.03%
FY 2010-11 Q3 and Q4 Forecast Point Estimate ⁽⁶⁾	\$13.66	\$149.52	\$21.02	\$15.58	\$195.73
% change from FY 2011-12 Q1 and Q2 Rate to Selected Q3 and Q4 Capitation Rate	1.70%	9.71%	5.08%	4.62%	-4.03%
FY 2011-12 Q3 and Q4 Forecast Point Estimate	\$13.89	\$164.03	\$22.09	\$16.30	\$187.84

¹ 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.

² 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.

³ 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.

⁴ 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).

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

⁶ The FY 2010-11 selected models are in bold, above; for Adults 65 and Older and Foster Care category eligibles, the change in rate from FY 2007-08 to FY 2008-09 was applied to the rate change from FY 2009-10 Q1 and Q2 to the Q3 and Q4 rate; for Disabled eligibles, a linear trend was selected as that trend mirrors the rate of change seen for this eligibility category but for the Goebel settlement year; for Adult eligibles the change in rate from FY 2007-08 to FY 2009-10 was applied to the rate change from FY 2009-10 Q1 and Q2 to the Q3 and Q4 rate; for Children eligibles, the rate of change from FY 2006-07 to FY 2009-10 was applied to the rate of change from FY 2009-10 Q1 and Q2 to the Q3 and Q4 rate.