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Mr. Grant Cummings
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Wisconsin Department of Health Services
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Madison, WI 53701-0309

[Sent via email: GrantR.Cummings@dhs.wisconsin.gov]

Re: CY 2017 Family Care Partnership / PACE Capitation Rate Report

Dear Grant:

Thank you for the opportunity to assist the Wisconsin Department of Health Services (DHS) with this important project. Our report summarizes the development of the CY 2017 capitation rates for Wisconsin's Family Care Partnership / Program of All-Inclusive Care of the Elderly (PACE) program.



We look forward to discussing those results with you.

Sincerely,

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**State of Wisconsin
Department of Health Services
CY 2017 Capitation Rate Development for
Family Care Partnership / PACE Program**

Prepared for:
**The State of Wisconsin
Department of Health Services**

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TABLE OF CONTENTS

I. EXECUTIVE SUMMARY.....	1
CY 2017 Capitation Rates	1
Methodology Changes from CY 2016 Rates.....	2
Data Reliance and Important Caveats.....	3
II. BACKGROUND	4
III. ACUTE AND PRIMARY SERVICE COST METHODOLOGY OVERVIEW.....	5
IV. LONG-TERM CARE SERVICE COST METHODOLOGY OVERVIEW	10
Base Experience Data Projection Methodology.....	10
V. NON-SERVICE COST ALLOWANCE	16
VI. OTHER RATE CONSIDERATIONS	19

EXHIBITS

Capitation Rate Development – Acute and Primary Services:

- A1: CY 2014 MCO Encounter Data – Dual Eligibles
- A2: CY 2014 MCO Encounter Data – Medicaid Only

- B1: CY 2014 MCO Encounter Data with Age / Gender Groupings
- B2: CY 2014 MCO Encounter Data with Age / Gender Groupings – Trended and Completed

- C: Projected CY 2017 Enrollment by MCO / GSR and Age / Gender Category

- D1: CY 2017 Acute and Primary Services Cost – Dual Eligibles
- D2: CY 2017 Acute and Primary Services Cost – Medicaid Only
- D3: CY 2017 Acute and Primary Services Cost – Total

Capitation Rate Development – Long-Term Care Services:

- E1: CY 2017 Functional Status Regression Model – Developmentally Disabled
- E2: CY 2017 Functional Status Regression Model – Physically Disabled
- E3: CY 2017 Functional Status Regression Model – Frail Elderly

- F1: June 2016 Base Population MCO / GSR Functional Screen Attribute Distribution – Developmentally Disabled
- F2: June 2016 Base Population MCO / GSR Functional Screen Attribute Distribution – Physically Disabled
- F3: June 2016 Base Population MCO / GSR Functional Screen Attribute Distribution – Frail Elderly

- G: Projections of LTC Service Costs to CY 2017 Rate Period

TABLE OF CONTENTS *(continued)*

Capitation Rate Development – Capitation Rates:

- H: Administrative Expense Allowance and Policy Adjustments
- I: Monthly Rates Paid to MCOs

Actuarial Certification:

- J: Actuarial Certification of CY 2017 Wisconsin Family Care Partnership Capitation Rates

CMS Documentation:

- K: CMS Rate Setting Checklist Issues
- L: 2017 CMS Medicaid Managed Care Rate Development Guide

APPENDICES

- A: Geographical Service Region Map
- B: Projection of Total Expenditures
- C: Annual Trend Assumption Development – Acute and Primary
- D: Annual Trend Assumption Development - LTC

I. EXECUTIVE SUMMARY

This report documents the development of the January 2017 - December 2017 (CY 2017) capitation rates for Wisconsin's Family Care Partnership / PACE program. The Wisconsin Department of Health Services (DHS) retained Milliman to calculate, document, and certify its capitation rate development. We developed the capitation rates using the methodology described in this report.

Our role is to certify that the CY 2017 Family Care Partnership capitation rates produced by the rating methodology are actuarially sound to comply with Centers for Medicare and Medicaid Services (CMS) regulations. We developed actuarially sound capitation rates using published guidance from the American Academy of Actuaries (AAA), the Actuarial Standards Board (ASB), CMS, and federal regulations to ensure compliance with generally accepted actuarial practices and regulatory requirements.

CY 2017 CAPITATION RATES

This report includes the development of the long-term care services (LTC) Managed Care Equivalent (MCE) rates and any additional policy adjustments made to the MCE that are known and quantifiable at this time. We use the term "Managed Care Equivalent" to mean the projected CY 2017 LTC service and administrative costs prior to removing the HCRP withhold and prior to adding targeted margin loads or program changes implemented since the base period.

The statewide average capitation rate for CY 2017 is \$3,625.38 for the Family Care Partnership / PACE population before removing the pooled claims amount. The statewide average CY 2017 MCE rate is \$3,601.72. The capitation rates add targeted margin and the market variability adjustment to the MCE rates for the NH eligible population. Table 1 shows the statewide rate change from the CY 2016 MCE to the CY 2017 MCE.

CY 2016 Rates	\$3,545.53
CY 2017 Rates	\$3,601.72
% Change	1.6%

The 1.6% increase in MCE rates from CY 2016 to CY 2017 can be broken down as follows:

- 0.1% increase due to differences in projected CY 2016 LTC MCE service costs. This increase encompasses differences in actual and projected CY 2015 experience and updates to service cost and acuity trends,
- 0.9% decrease due to projected relative acuity differences between the FCP / PACE populations and the Family Care population used as the basis for LTC MCE service costs,
- 0.0% decrease due to the special treatment of costs associated with stays in an Institution for Mental Diseases (IMD) for individuals between ages 21 and 64, including the removal of costs for stays of more than 15 days in a calendar month,
- 1.7% increase due to service cost and acuity trends applied to LTC MCE service costs,
- 0.1% increase due to the inclusion of the FLSA allowance,

- 0.7% increase due to service cost trends applied to acute and primary MCE service costs, and
- 0.1% decrease due to a reduced MCE administrative allowance.

METHODOLOGY CHANGES FROM CY 2016 RATES

The CY 2017 capitation rate methodology reflects several changes to the CY 2016 rate methodology. The most significant changes are listed and described below.

Revised Target Group Assignment

Beginning in CY 2017, all individuals not assigned to the Developmentally Disabled target group who are over age 65 will be assigned to the Frail Elderly target group. This policy change will impact approximately 34% of individuals previously assigned to the Physically Disabled target group. The base data used in developing CY 2017 NH LOC capitation rates reflects the new target group definition.

High Cost Risk Pool

Effective January 1, 2016, DHS implemented a High Cost Risk Pool (HCRP) for the Developmentally Disabled and Physically Disabled populations. The HCRP is targeted to cover 80% of provider service costs above \$225,000 for each individual and excludes Care Management expenses due to the increased administrative burden to include them in this process. Effective January 1, 2017, this policy will be expanded to incorporate the Frail Elderly population.

A pooling charge specific to each target group will be assessed from each MCO and placed into a pool. At year end, a settlement will be performed to determine payout to MCOs. This payout will be calculated separately for the Developmentally Disabled population and for the combined Physically Disabled / Frail Elderly population. Each MCO will receive the portion of each target group's pool equivalent to their percentage of total pooled costs statewide. MCOs may effectively have less than 80% of an individual's CY 2017 costs greater than \$225,000 reimbursed depending on whether actual CY 2017 pooled costs are greater than the target group pools. If actual CY 2017 pooled costs are less than the target group pools, any remaining funding in the target group pools will be distributed as a flat PMPM amount to all MCOs.

Removal of Room and Board

Beginning in CY 2017, net non-covered residential care services are no longer included as part of the capitation experience base when provided in lieu of covered nursing home stays for nursing home eligible enrollees. Room and board costs for non-covered residential care services, net of collections, have been excluded from the Family Care base data used in projecting CY 2017 FCP / PACE long term care service costs.

FLSA Adjustment

For the CY 2017 capitation rates, DHS is including an allowance to meet the requirements of the Fair Labor Standards Act (FLSA). This adjustment is discussed in more details in this report.

DATA RELIANCE AND IMPORTANT CAVEATS

We used MCO financial reporting, as well as encounter, eligibility, diagnostic, and functional screen data for CY 2014, CY 2015 and June 2016, and other information provided by DHS to develop the Family Care Partnership / PACE capitation rates shown in this report. This data was provided by DHS. We have not audited this data and other information. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete. We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

In order to provide the information requested by DHS we constructed several projection models. Differences between the capitation rates and actual MCO experience will depend on the extent to which future experience conforms to the assumptions made in the capitation rate development calculations. It is certain that actual experience will not conform exactly to the assumptions used. Actual amounts will differ from projected amounts to the extent that actual experience is higher or lower than expected. Any MCO considering participating in Family Care Partnership / PACE should consider their unique circumstances before deciding to contract under these rates.

Milliman prepared this report for the specific purpose of developing CY 2017 Family Care Partnership / PACE capitation rates. This report should not be used for any other purpose. This report has been prepared solely for the internal business use of and is only to be relied upon by the management of DHS. We understand this report may be shared with participating MCOs, CMS, and other interested parties. Milliman does not intend to benefit, or create a legal duty to, any third party recipient of its work. This report should only be reviewed in its entirety.

The results of this report are technical in nature and are dependent upon specific assumptions and methods. No party should rely on these results without a thorough understanding of those assumptions and methods. Such an understanding may require consultation with qualified professionals.

The authors of this report are consulting actuaries for Milliman, members of the American Academy of Actuaries, and meet the Qualification Standards of the Academy to render the actuarial opinion contained herein. To the best of their knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices.

The terms of Milliman's contract with the Wisconsin Department of Health Services effective on January 1, 2015 apply to this report and its use.

II. BACKGROUND

Family Care Partnership and PACE are full-risk, fully-integrated Medicaid-Medicare managed care delivery systems for the full range of LTC and acute and primary care services, which strive to foster people's independence and quality of life. Participating MCOs have contracts with both the State of Wisconsin and with CMS and receive monthly capitation payments from each entity for dually eligible beneficiaries.

Since 1999, Family Care Partnership has served people ages 18 and older with physical disabilities, people with intellectual / developmental disabilities, and frail elders, with the specific goals of:

- Improving quality of health care and service delivery while containing costs,
- Reducing fragmentation and inefficiency in the existing health care delivery system, and
- Increasing the ability of people to live in the community and participate in decisions regarding their own health care.

PACE is a national model of care delivery for beneficiaries aged 55 and older. While the covered benefit set is identical to Family Care Partnership, the care delivery model is different with a focus on service delivery in day health centers.

Eligibility for Family Care Partnership and PACE is determined through the Wisconsin Long Term Care Functional Screen and detailed decision trees involving individual information about type of disability, activities of daily living, instrumental activities of daily living, and certain other medical diagnoses and health related services. Enrollment in Family Care Partnership and PACE is voluntary. The risk adjustment model mechanism helps to adjust rates for any differences in average member acuity over time.

Family Care Partnership operates in 15 Wisconsin counties, which are grouped into 7 distinct Geographic Service Regions (GSRs), consistent with the Family Care program definitions, for rate setting and other purposes. PACE operates in Milwaukee County (GSR 8). MCOs contract with service providers to deliver all State Plan and waiver LTC services, as well as all acute care and primary care services.

III. ACUTE AND PRIMARY SERVICE COST METHODOLOGY OVERVIEW

This section of the report describes the acute and primary service cost portion of the CY 2017 Family Care Partnership / PACE capitation rate methodology.

BASE EXPERIENCE DATA PROJECTION METHODOLOGY

The methodology used to project the MCO encounter data used in the calculation of the capitation rates can be outlined in the following steps:

1. Extract and summarize CY 2014 MCO encounter base experience data for the Dual Eligible and Medicaid Only populations by target group.
2. Further summarize CY 2014 MCO encounter base experience data by age and gender groupings.
3. Apply IBNR and other adjustments to project CY 2017 services costs.
4. Blend the projected CY 2017 service costs into a MCO / GSR specific projected cost.

Each of the above steps is described in detail below.

Step 1: Extract and Summarize Encounter Base Experience Data

In this step the MCO encounter experience for CY 2014 is summarized by MCO / GSR and service category for the populations enrolled in the Family Care Partnership / PACE program.

Exhibits A1 and A2 show the summarized CY 2014 MCO encounter base experience data by target group for the Dual Eligible and Medicaid only populations, respectively.

Please see Appendix A for a map showing the counties included in each GSR.

Base Data:

We received detailed MCO encounter claims data from DHS for claims with dates of service between January 2014 and December 2014 with dates of payment through April 2015. The value for the CY 2014 Medicare Part B deductible shown is the actual \$147 deductible amount in effect during CY 2014 and is not based on actual encounter data as substantially all individuals have sufficient Medicare-covered claim costs to fulfill the Medicare deductible. The encounter data was repriced by DHS to properly reflect coordination of benefits between Medicare and Medicaid. We reviewed and summarized the data and compared to previous rate reports for accuracy and completeness of the data provided. We re-used the CY 2014 encounter data from the 2017 rate development since DHS was unable to finalize the repricing of the CY 2015 encounter data.

Under the contract between DHS and the MCOs, the MCOs are not ultimately liable for service costs associated with members meeting certain criteria associated with AIDS or ventilator dependency. Therefore, we excluded base period costs identified using the same criteria. It is our understanding that the base experience data complies with requirements of 428.602(i).

The CY 2017 rate methodology relies on CY 2014 MCO encounter data for all MCO / GSR combinations.

Target Group Assignment:

The capitation rates rely on each member's classification in one of three target groups: Developmentally Disabled, Physically Disabled, and Frail Elderly. Each Family Care Partnership / PACE enrollee is assigned a target group based on information collected by the Long-Term Care Functional Screen (LTCFS) system. The assigned target group is only valid for the period covered by the screen. Therefore, individuals could potentially change target group at each screening.

Beginning in CY 2017, all individuals not assigned to the Developmentally Disabled target group who are over age 65 will be assigned to the Frail Elderly target group. Individuals underlying the CY 2014 data have been manually reassigned to match the target group assignment effective with the CY 2017 target group definition.

Step 2: Summarize CY 2014 MCO Encounter Data by Age and Gender Groupings

In this step we further summarize the base experience period data for the Dual Eligible population by age and gender category. The age / gender classification is used as a form of risk adjustment for the Dual Eligible population as described in Step 4 below. Because of the small number of Medicaid Only beneficiaries, we do not project their service costs separately by age and gender; rather, we do risk-adjust those costs in Step 4.

Exhibit B1 shows the detailed summary of the base experience period data by age and gender groupings for each target group and Medicare eligibility status.

Step 3: Apply IBNR and Other Adjustments to Project CY 2017 Services Costs

In this step we apply an adjustment to the base period costs to account for outstanding service cost liability and to reflect differences between the base period encounter data and the projected CY 2017 Family Care Partnership / PACE program service costs. Each adjustment factor is explained in detail below.

Exhibit B2 shows the adjusted and trended values for each target group and age / gender breakout for each target group and Medicare eligibility status.

IBNR Adjustment:

Because of the small enrollment base and amount of claim runout available to us, we developed a single completion factor (CF) of 1.009 for non-pharmacy claims. All pharmacy claims are assumed to be complete due to the amount of claim runout considered and the quick completion pattern of pharmacy claims.

We used Milliman's *Claim Reserve Estimation Workbook (CREW)* to calculate the completion factor used for the CY 2014 data. *CREW* calculates incurred but not reported (IBNR) reserve estimates by blending two different estimation methods: The lag completion method and the projection method.

The lag method reflects the historical average lag between the time a claim is incurred and the time it is paid. In order to measure this average lag, claims are separated by month of incurral and month of payment. Using this data, historical lag relationships are used to estimate ultimate incurred claims (i.e., total claims for a given incurral month after all claims are paid) for a specific incurral month based on cumulative paid claims for each month.

The projection method develops estimates for incurred claims in recent incurral months by trending an average base period incurred cost per unit to the midpoint of the incurred month at an assumed annual trend rate, and applying an additional factor to account for the seasonality of claim costs and the differing number of working days between months. The base period is chosen by selecting a group (usually 12) of recent consecutive months for which the lag completion method provides reasonable results.

The lag completion and projection methods are combined to produce the final incurred claim estimate. Final incurred claim estimates are calculated as a weighted average of these two methods.

Service Cost, Utilization, and Acuity Trend from CY 2014 to CY 2017:

Trend rates were used to project the CY 2014 baseline cost data beyond the base cost period to the CY 2017 contract period, to reflect changes in provider payment levels, average service utilization and mix and changes in member acuity. Milliman and DHS reviewed the following information to determine the annual trend rates:

- Historical encounter data experience
- Budgeted provider rate increases
- Known policy changes that may impact utilization patterns; and
- Industry experience for other comparable Medicaid long-term care programs

We reviewed FFS experience trends for acute and primary services for the Family Care population and determined that the annual PMPM trend rates used herein are consistent, in aggregate, with those for similar services provided to similar populations. We did not use service category specific trend from that analysis due to large variations in service specific trends.

Table 2 below shows the annual trend rates used for the acute and primary services.

Table 2 Wisconsin Department of Health Services Annual Trend Rates by Service Category		
Service Category	Medicaid Only	Dual Eligibles
Inpatient Hospital	1.0%	1.0%
Outpatient Hospital	4.0%	4.0%
Pharmacy	10.0%	5.0%
Dental	4.0%	4.0%
Other Acute & Primary	2.0%	2.0%
Composite Trend	5.8%	3.2%

Please see Appendix C for a summary of the results of our trend analysis for acute and primary services.

The projected Medicare Part B deductible monthly program costs are equal to one-twelfth of the 2017 Medicare Part B deductible. The CY 2017 Medicare Part B annual deductible is \$183.

Treatment of IMD costs:

Effective July 5, 2016, federal regulation requires rate development to include special treatment for costs associated with stays in an Institution for Mental Diseases (IMD) for individuals between ages 21 and 64. The following steps were taken to comply with the regulation, resulting in a total reduction to inpatient costs for Medicaid-only eligibles between ages 21 and 64 of \$29,361.

- There was one stay in an IMD of more than 15 days during a calendar month during 2014. Costs of \$30,000 for this stay were removed from the base period.
- There were several other short stays in an IMD during 2014 for Medicaid-only eligibles with an average cost of \$1,046 per day. For rate development, we repriced these costs at the average cost per day of an equivalent inpatient hospital psychiatric stay of \$1,070 per day. This increased base period costs by \$639.
- We made no adjustment to IMD short stay costs for Medicare eligibles, because the Medicaid payments were equal to the Medicare deductible. This cost would not have changed if the care would have been provided in an inpatient hospital.

Step 4: Blend Projected Service Costs by Target Group

In this step we blend the projected CY 2017 service costs for each target group, Medicare eligibility status, and age gender grouping based on the projected CY 2017 target group membership. Exhibit C shows the projected CY 2017 enrollment distribution while Exhibits D1 - D3 show the blended acute and primary service cost by MCO / GSR for the Dual Eligible, Medicaid Only, and total populations, respectively.

The age / gender and target group breakout is used as a form of risk adjustment for the Dual Eligible population since the costs can materially differ among these rate cells.

For an MCO with limited or no enrollment in a particular region, the projected acute and primary cost is developed using enrollment distribution by age / gender that reflects all Family Care Partnership / PACE enrollees in that GSR. This includes Care WI (GSR 6) and iCare (GSR 12).

Risk Adjustment of Medicaid Only Service Cost

Since Medicaid Only enrollees in the Family Care Partnership / PACE program incur acute care costs that are fully the liability of the participating MCOs, we developed an aggregate cost by target group and used a diagnostic based risk adjustment to determine costs by MCO. We used the Medicare Hierarchical Condition Category (HCC) model developed by DxCG, Inc. to determine relative payment rates for Medicaid Only enrollees. Due to the very small number of Medicaid Only enrollees, there is significant variation in MCO / GSR level risk scores which we do not expect to persist over time. Therefore, we limited the MCO / GSR level risk scores to a range of 0.90 to 1.10. Since the baseline costs are developed using all counties' experience, the acuity adjustment is budget neutral across the program as a whole. We renormalize risk scores after applying the limits to the risk score variation to maintain budget neutrality.

We used diagnostic data as provided by the MCOs with the V2216.79.L1 version of the HCC model published by CMS.

Table 3 below shows the calculated risk score for each MCO / GSR.

Table 3 Wisconsin Department of Health Services Risk Adjustment Factors for Medicaid Only Population	
MCO / GSR	Risk Adjustment Factor
Care Wisconsin (GSR 3)	0.9000
Care Wisconsin (GSR 5)	0.9452
Care Wisconsin (GSR 6)	1.0388
Care Wisconsin (GSR 12)	1.0576
iCare (GSR 8)	0.9805
iCare (GSR 11)	1.1000
iCare (GSR 12)	1.0576
CCHP - PACE	1.1000
CCHP (GSR 6)	1.0388
CCHP (GSR 8)	0.9000
CCHP (GSR 10)	0.9000
CCHP (GSR 11)	0.9388

MCO / GSR acute and primary service costs are illustrated in Exhibit D after blending across projected 2017 membership and applying budget neutral risk adjustment for Medicaid-only eligibles.

The acute and primary care risk adjustment mechanism has been developed in accordance with generally accepted actuarial principles and practices.

IV. LONG-TERM CARE SERVICE COST METHODOLOGY OVERVIEW

This section of the report describes the CY 2017 Family Care Partnership / PACE capitation rate methodology for the Long-Term Care portion of the rate.

BASE EXPERIENCE DATA PROJECTION METHODOLOGY

The methodology used to calculate the LTC portion of the capitation rates can be outlined in the following steps:

1. Apply adjustments to the Family Care base cost for the member acuity level of each MCO / GSR combination and target group.
2. Apply adjustments to the risk adjusted cost to project CY 2017 services costs for each MCO / GSR combination and target group.
3. Apply adjustment for FLSA Add-On.
4. Blend the projected CY 2017 service costs by target group into a MCO specific projected cost.

Each of the above steps is described in detail below.

Step 1: Apply Risk Adjustments for Each MCO / GSR and Target Group

In this step, we start with the CY 2015 Family Care NH LOC experience data PMPM (excluding net room and board costs) and apply a risk adjustment factor to reflect the acuity of the June 2016 Family Care Partnership / PACE enrollees to develop MCO / GSR specific rates. This data reflects payments net of any third party liability. These costs are also gross of member cost share / patient liability, as DHS adjusts capitation payments to MCOs for each member to reflect that particular member's cost share.

Table 4 below shows the CY 2015 Family Care NH LOC experience data PMPM net of the High Cost Risk Pool by target group.

Table 4 Wisconsin Department of Health Services Family Care Base Experience Costs PMPM	
Target Group	Cost PMPM
Developmentally Disabled	\$3,505.22
Physically Disabled	\$2,388.69
Frail Elderly	\$2,504.49

Functional Status Acuity Model Cost Restatement

We developed functional status models for each target group of Nursing Home Level of Care individuals enrolled in Family Care. These functional status models are used to model the CY 2015 LTC service cost for a population based on their Long-Term Care Functional Screens (LTCFS). The development of these models is described in the CY 2017 Family Care rate report dated November 22, 2016. These functional status models are shown in Exhibits E1 - E3 for the Developmentally Disabled, Physically Disabled, and Frail Elderly population, respectively.

We used information contained in the LTCFS for the Family Care Partnership / PACE population enrolled in June 2016 to develop MCO / GSR specific modeled LTC service costs and risk scores.

The functional status regression models are calibrated to the CY 2015 Family Care experience for each target group for the base cohort population. For example, the CY 2015 Family Care experience for the developmentally disabled population adjusted for pooled claims and IBNR liability of \$3,505.22 found on Exhibit B of the Family Care capitation rate report can be matched to the sum of the “Incremental Increase” column in Exhibit C1 of the same report. A similar comparison can be made for each target group.

It is important to note that the functional status regression models are not used to restate the aggregate base period costs. Those models are used to develop MCO / GSR specific risk scores to reflect enrollee specific acuity by target group. Those risk scores are shown in Exhibit E1 of the Family Care capitation rate report.

The functional status regression model is developed using Family Care data that includes care management costs. A good method for separating care management for Medicare and Medicaid acute and primary services from LTSS services has not been developed for the Partnership program.

Exhibits F1, F2, and F3 show the proportion of the June 2016 enrolled population with each variable for the three functional status models used in calculating the MCO / GSR specific risk score.

For an MCO with limited or no enrollment in a particular region, the projected risk score is developed using variable distributions for each functional status model from enrollment data that reflects all Family Care Partnership / PACE enrollees in that region.

The column labeled “MCO / GSR Specific Risk Adjusted Rate” in Exhibit G illustrates the acuity-adjusted service cost for each MCO / GSR combination using the base period regression model (reflecting the CY 2015 utilization and unit cost structure for Family Care) and the June 2016 Family Care Partnership / PACE population functional screens.

For informational purposes, Table 5 below illustrates an increase in average modeled acuity between CY 2015 and the June 2016 snapshot for the Family Care Partnership / PACE population each year. This information is not directly utilized in rate development, as rates are built up from the 2015 Family Care acuity model and June 2016 Family Care Partnership / PACE functional screens.

Table 5 Wisconsin Department of Health Services Acuity Change Between CY 2015 and June 2016	
Target Group	Acuity Change
Developmentally Disabled	0.9%
Physically Disabled	0.2%
Frail Elderly	-0.4%

The functional screen risk adjustment mechanism has been developed in accordance with generally accepted actuarial principles and practices.

Step 2: Apply Adjustments to Risk Adjusted Cost to Project CY 2017 Services Costs

In this step we apply adjustment factors to reflect differences between the base period encounter data and the projected CY 2017 Family Care Partnership / PACE program service costs. Each adjustment factor is explained in detail below.

Exhibit G shows adjusted and trended values for each target group and in total.

Partnership Add-On Amount:

We add a PMPM adjustment of \$90.33 for the additional benefits offered under the Family Care Partnership / PACE program, which is mainly comprised of nurse practitioner services. The PMPM amount is calculated as described below:

1. Calculate the 2015 FCP / PACE Care Management expenses of \$484.70 PMPM using the Care Management costs from the audited financial statements and base period member months.
2. Calculate Care Management expense amount in excess of those provided under the Family Care program by subtracting the 2015 Care Management PMPM for the Family Care program from the 2015 FCP / PACE Care Management PMPM. The FCP / PACE Care Management expenses are \$146.01 greater than the \$338.69 experienced under Family Care.
3. Calculate the percentage of total revenue attributable to Medicaid (61.87%) using information from the audited financial statements.
4. Estimate the portion of excess Care Management expenses attributable to Medicaid by multiplying the amount developed in Step 2 by the percentage of Medicaid revenue developed in Step 3. $61.87\% * \$146.01 = \90.33 PMPM.

Service Cost Trend from CY 2015 to CY 2017:

Trend rates were used to project the CY 2015 baseline PMPM cost data beyond the base cost period to the CY 2017 contract period, to reflect changes in provider payment levels and changes in average service utilization and mix. To assist in developing these trend rate projections, we analyzed monthly Family Care MCO encounter data from CY 2013 through CY 2015 in a number of different ways. The trend analysis excludes Family Care Partnership / PACE LTC encounter data because of the small size and incompleteness of the historical data. We excluded November 2015 and December 2015 from our analysis because those months are not complete in our data set. In addition, after discussions with DHS, we excluded certain MCO / GSR combinations from our analysis because of extraordinary events occurring during the time period examined, including:

- Changes in the MCOs administering the program,
- Implementation of one-time cost control strategies, and
- Significant initial economies of scale realized as a new MCO's regional enrollment grows.

Finally, DHS made recommendations on MCO / GSR combinations to exclude from the analysis for MCOs that performed substantially different than the functional acuity model predicted from year to year. See Appendix D for the results of our trend analysis.

The trend analysis was completed for monthly PMPM costs on a raw basis and on an acuity-adjusted basis. Since this rate development process applies acuity adjustments separately from service cost trend, we considered the acuity-adjusted trends in rate development. There were no material program changes in the base data time period for which to adjust the data in the trend analysis.

The PMPM trends in the trend analysis include the impact of service utilization / mix and unit cost changes.

Table 6 illustrates the trend values implemented for the CY 2017 rate development for each target group. The values are consistent with the historical trend analysis described above. The utilization trends are comparable to trends realized in other Medicaid managed long term care programs.

Table 6 Wisconsin Department of Health Services Annual Trend Rates by Target Group			
Target Group	Annual Utilization Trend	Annual Unit Cost Trend	Annual PMPM Trend
Developmentally Disabled	-0.10%	0.10%	0.00%
Physically Disabled	-0.27%	0.70%	0.43%
Frail Elderly	-0.69%	1.15%	0.45%

Acuity Adjustment from CY 2016 to CY 2017:

In order to develop rates based on expected CY 2017 member acuity levels, we apply one year of projected acuity trend to the June 2016 acuity-adjusted costs. Because the risk adjustment factors applied in Step 1 above are derived from the June 2016 enrollment mix, one more year of acuity needs to be applied to the projected PMPM costs.

As part of the historical trend study, we developed CY 2013 - CY 2015 changes in average acuity for each target population. We believe these changes in average acuity, as outlined in Table 7 below, are appropriate to assume continuing for CY 2016 - CY 2017.

Table 7 Wisconsin Department of Health Services Annual Trend Rates by Target Group	
Target Group	Annual Acuity Trend
Developmentally Disabled	2.00%
Physically Disabled	0.20%
Frail Elderly	1.80%

Geographic Wage Adjustment:

The functional status acuity model does not include any consideration for the difference in service costs associated with providing care in different regions of the Family Care Partnership / PACE service area. Therefore, we analyzed the differences in typical service provider wages, as surveyed by the U.S. Bureau of Labor Statistics (BLS), for each GSR relative to the total Family Care Partnership / PACE service area to develop factors that adjust projected service costs up or down for each GSR.

We first developed base cohort county factors based on the wage levels paid in the base cohort counties relative to the entire Family Care Partnership / PACE service area for five broad categories of service. DHS previously developed an anticipated distribution of provider occupations for each category of service. As such, we used wage data reported by the BLS as of May 2015 (downloaded on July 11, 2016) for the following occupations: registered nurses, licensed practical nurses, medical and public health social workers, social and human services assistants, home health aides, and personal care / home care aides. The relative wage factors for each category of service were aggregated to one factor for each county using the relative Family Care costs for these services for all MCOs combined in the base cohort. Family Care Partnership / PACE costs by category of service were not credible enough to be used for this analysis.

Wage factors were first calculated for each county individually. Then these county factors were weighted based on projected CY 2017 enrollment for Family Care Partnership / PACE in order to develop aggregate factors for each GSR as detailed in Table 8 below.

Table 8 Wisconsin Department of Health Services CY 2017 Geographic Wage Adjustment Factors Family Care Program		
GSR	Calculated Factor	Dampened Factor
GSR 3	0.984	0.989
GSR 5	1.008	1.006
GSR 6	1.007	1.005
GSR 8	1.007	1.005
GSR 10	0.984	0.989
GSR 11	1.023	1.016
GSR 12	1.066	1.047

Based on previous analyses performed by DHS, in collaboration with the MCOs, it was determined that, on average, 70% of an MCO's service cost would be impacted by wage differentials. Therefore, the dampened factors in the last column of the above table were utilized in CY 2017 rate development. This adjustment is reflected in Exhibit G.

[Add Consideration for HCRP](#)

The CY 2017 Family Care functional status risk model was calibrated to CY 2015 costs net of the HCRP cost removed from the CY 2015 base period data. To project CY 2017 costs gross of the HCRP withhold, Developmentally Disabled, Physically Disabled, and Frail Elderly costs are increased by \$33.92 PMPM, \$5.44 PMPM and \$1.28 PMPM, respectively. These are based on the same withhold percentages, 0.87%, 0.21%, and 0.05% respectively, utilized in the CY 2017 Family Care acuity model and rate development. This adjustment is reflected in Exhibit G.

The High Cost Risk Pool mechanism has been developed in accordance with generally accepted actuarial principles and practices and cost neutral to the state in total.

[Market Variability Adjustment](#)

The level of care management cost savings actually realized for each MCO / GSR combination will vary based on a number of factors including availability of a comprehensive community-based service array, MCO experience and effectiveness, provider negotiating leverage and advocate community impacts. In order to incorporate this variability into rate development, we developed a range of reasonable and appropriate market variability adjustments.

The range of potential market variability factors for CY 2017 is 0.95 to 1.05. We developed these factors based on a review of actual CY 2013, CY 2014, and CY 2015 MCO / GSR service costs relative to costs predicted by the functional acuity model and corresponding member functional screens for those rating years for the Family Care program population. We excluded MCO / GSRs from the analysis that were not included in the base period cohort (CY 2013, CY 2014, or CY 2015) for rating years CY 2015, CY 2016, and CY 2017, respectively. The total range of results varied from 0.86 to 1.17. We narrowed this range to 0.95 and 1.05 to remove extreme values and account for natural variation that is expected in any at-risk managed care program. Sixty-seven percent of the results fell within this range.

We have reviewed the development of the adjustments applied in this rate report. DHS and Milliman reviewed MCO business plans including the rates in this report in order to determine an appropriate market variability adjustment for each MCO within the range. We are comfortable with the methodology used by DHS to develop the market variability adjustments and the magnitude of the resulting adjustments.

Step 3: Apply Adjustment for FLSA Add-On

Changes to the Fair Labor Standards Act's salary threshold for exemptions for overtime pay will become effective December 1, 2016. DHS anticipates that this change will increase the costs for care management, given the relatively lower salaries for workers in this area. The service cost portion of the capitation rates was inflated by 0.18% to reflect the anticipated impact. DHS used information provided in annual business plan submissions by the MCOs to estimate the expected additional costs and to calculate the adjustment factor.

Step 4: Blend Projected Service Costs by Target Group

In this step we blend the projected CY 2017 MCO / GSR service costs for each target group based on the composite projected CY 2017 target group membership. The blended costs are reflected in the bottom section of Exhibit G.

V. NON-SERVICE COST ALLOWANCE

This section of the report describes the development of the non-service cost allowance for the CY 2017 Family Care Partnership / PACE capitation rate. Non-service expense loads and resulting MCE and capitation rates are shown in Exhibit H. Exhibit I restates the components of the MCO / GSR capitation rates net of HCRP.

ADMINISTRATIVE COST ALLOWANCE

DHS worked in collaboration with the MCOs to develop a sustainable approach to determine the administrative funding levels for the Family Care Partnership / PACE program. DHS developed the administrative funding methodology to address new and expanding MCOs, the size of an MCO's enrolled population, and the determination of program operational costs. As a result, DHS and the MCOs formed "small work groups" (SWGs) in 2009 to help assess the type and range of administrative costs. For the CY 2016 rate development MCOs provided updated financial and employee data in the same structure developed by the SWGs, which DHS reviewed and analyzed in order to update the administrative cost model assumptions. As part of the cost model development, financial and employee expense data were trended to 2017 levels using a two-year CPI trend of 2.0%.

Findings from the SWGs showed that there are eleven primary administrative components that are typically incurred by an MCO that participates in the Family Care Partnership / PACE program as follows:

- Administrative and Executive,
- Compliance,
- Human Resources,
- Marketing,
- Provider Management,
- Claims Management,
- Fiscal Management,
- Information Management,
- Medical Management,
- HMO Licensure Management, and
- Quality Management.

Within each of these administrative components, the MCOs provided the number of full-time equivalent employees (FTEs), the corresponding expense per FTE, and the administrative expenditures.

MCOs and DHS classified each administrative expenditure category as fixed or variable costs. The sections below provide details on the handling of each type of expenditure in the determination of an allowance for non-service expenses.

For the Family Care Partnership / PACE program an average non-service cost allowance is calculated for the Family Care program to which a \$37.30 PMPM amount is added to reflect administrative expenses related to the acute and primary portion of the capitation rates. DHS examined additional detailed MCO financial and employee data in order to estimate the acute care medical management, HMO licensure and variable claims management expenses added to the administrative allowance.

Exhibit H shows the application of the administrative cost allowance.

Fixed Cost

The fixed cost portion of the administrative allowance decreases on a PMPM basis as MCOs increase the number of enrolled members. For example, as MCOs continue to expand there is no need to hire an additional CEO, although the demands on the CEO will increase, perhaps leading to the need for higher compensation. Therefore, executive costs as a percentage of capitation revenue will decrease as MCOs become larger; a similar argument can be applied to the other five fixed cost components, which may increase somewhat with growth in the size of the enrolled population, but not in a direct way. As a result, DHS has structured its approach to assess a reasonable number of personnel to have on staff for each component based on MCO size.

To accommodate the personnel needs of different sized MCOs for their fixed administrative costs, DHS has developed five tiers within each component to account for different staffing expectations. MCOs are assigned a tier based on their projected CY 2017 enrollment. Table 9 below shows the projected member month range for each tier. The resulting fixed PMPM costs are calculated for each MCO as the projected number of FTEs, and their corresponding expense, divided by the projected number of member months.

Table 9 Wisconsin Department of Health Services Member Month Range by Administrative Tier	
Tier	Projected Member Months
Small	0 – 54,999
Medium	55,000 – 89,999
Large	90,000 – 129,999
XL	130,000 – 169,999
XXL	170,000 +

DHS used the enrolled members, number of full-time equivalents (FTEs), and expense per FTE as reported by each MCO to assess and determine appropriate assumptions.

Table 10 shows the fixed cost assumptions used to develop the CY 2017 MCE rates.

Table 10 Wisconsin Department of Health Services Detailed Assumptions for Fixed Cost Component of Non-Benefit Allowance							
FTE Assumptions: Fixed Cost Component							
Tier	Admin / Executive	Compliance	HR	Marketing	Provider Mgmt.	Fiscal	Claims Mgmt.
Small	6	1	3	1	9	10	2
Medium	8	2	3	1	11	13	3
Large	12	3	4	1	13	16	3
XL	16	4	5	1	15	19	4
XXL	20	5	6	1	17	22	5
Total Expense Assumptions: Fixed Cost Component							
Small	\$1,043,956	\$93,758	\$327,795	\$101,817	\$848,411	\$1,089,590	\$149,972
Medium	1,391,941	187,516	327,795	101,817	1,036,947	1,416,467	224,957
Large	2,087,911	281,273	437,060	101,817	1,225,483	1,743,344	224,957
XL	2,783,882	375,031	546,325	101,817	1,414,018	2,070,221	299,943
XXL	3,479,852	468,789	655,590	101,817	1,602,554	2,397,098	374,929

DHS applied 60% of the fixed administrative costs to represent the portion of fixed costs to be funded by Medicaid.

Variable Costs

The variable portion of administrative costs increases proportionately with the number of members enrolled by an MCO. Therefore, DHS determined a single PMPM cost assumption for each of the variable components. DHS used the PMPM cost projections as reported in the SWG documents as the basis to derive a point estimate for each component.

Table 11 shows the variable cost assumptions used to develop the CY 2016 capitation rates.

Table 11 Wisconsin Department of Health Services Variable Cost Components of Non-Benefit Allowance	
Cost Component	PMPM Cost
Claims Management	\$17.67
Fiscal Management	5.13
Information Management	27.03
Quality Management	12.08

The funding model that calculates the administrative component of the capitation rate uses the DHS-negotiated rate for third party claims management as the assumed cost for claims management in the Family Care, Partnership, and PACE programs. This negotiated claims management rate has not increased since the Family Care program began. Based on initial discussions with the third party claims management provider, DHS anticipated that this rate will increase during the 2017 contract year. The assumption in the administrative funding model has been updated based on the anticipated rate increase. The resulting impact is an additional \$0.77 in the capitation rate.

Targeted Risk Margin / Contribution to Reserves

We include an explicit 1.5% targeted margin to account for cost of capital and contribution to MCO reserves as underlying service costs increase over time. We believe that this margin is appropriate given the predictability of expenses under the program.

VI. OTHER RATE CONSIDERATIONS

FEE-FOR-SERVICE EQUIVALENT COSTS (PACE ONLY)

This section of the report describes how the PACE rates developed in this rate report are compliant with the rules related to Fee-For-Service Equivalent (FFSE) costs. The estimated costs of providing services to PACE enrollees in the absence of the PACE program is referred to as the FFSE cost or the Upper Payment Limit (UPL). Rate setting regulations for risk-based managed care programs *other* than PACE generally require that rates be 'actuarially sound', while the PACE rate setting approach requires that rates not exceed the FFSE cost of providing services to a comparable population. We developed and certified to PACE rates that are compliant with the FFSE requirements.

PACE FFSE costs were developed from calendar year 2007 Legacy Waiver FFS costs for Milwaukee and Waukesha counties, where PACE is in operation. This data was summarized into rate cells by age, gender, and Medicare status and then re-weighted using the PACE enrollment data as of July 2009. Beginning in calendar year 2011, managed LTC enrollment in Milwaukee and Waukesha counties had reduced the PACE-eligible FFS population to a level that was no longer credible to use to calculate FFSE costs. Therefore, FFSE costs for calendar year 2011 and beyond have been estimated by trending forward the calendar year 2010 FFSE costs and adjusting, where applicable, for changes in covered benefits or populations.

To develop the 2017 FFSE, we applied population acuity and medical trends to the 2015 FFSE. There are no new benefits or populations covered in 2017. Actual 2015 and 2016 acuity of PACE enrollees is incorporated into the 2017 FFSE development. Projected acuity trend from this rate development is applied to project 2017 acuity. Projected medical trends for 2016 and 2017 rate development are also applied to the 2015 FFSE.

Table 12 below outlines the development of the \$3,911.10 FFSE. The rate for PACE of \$3,509.70 is about 10.3% less than the FFSE, and is, therefore, compliant with UPL requirements.

Table 12 Wisconsin Department of Health Services Fee-For-Service Equivalent Compliance Results				
FFSE Rate from 2015 Rate Report	2015 to 2017 Trend	FFSE Rate Trended to 2017	2017 PACE Capitation Rate	Estimated Savings
\$3,618.39	8.09%	\$3,911.10	3,509.70	10.3%

POTENTIAL RETROSPECTIVE ADJUSTMENTS

Several retrospective adjustments not reflected in this report may be made if experience for certain issues outside the MCOs' control do not substantially conform to assumptions in this rate development. Capitation rates will be recertified following the completion of these retrospective adjustments. These adjustments, which are expected to be completed by December 31, 2018, include:

Target Group Adjustment

DHS may reconcile the acute and primary and LTC service components of capitation payments to the actual target group mix experienced during 2017.

Dual Eligibility Status Adjustment

DHS may reconcile the acute and primary services component of capitation payments to the mix between Medicare and non-Medicare eligibles experienced during 2017. The determination of whether this reconciliation is made depends on the materiality of the difference of the actual 2017 mix and the mix assumed in this rate development.

Program Implementation in New Regions

In geographic regions that are new to Family Care Partnership / PACE, the LTC services component of the capitation rate may be reconciled to the actual 2017 acuity of an MCO's membership, as measured by the LTC functional screen. The determination of whether this reconciliation is made depends on the materiality of the difference of the actual 2017 acuity and the acuity assumed in this rate development.

Nursing Home Closure Adjustment

In the event of the closure of an institutional facility, DHS may consider an adjustment in the capitation rate if the MCO quantifies a material cost increase due to an increase in the number of members who enrolled with the MCO in 2017 and who meet both of the following conditions:

1. Has a nursing home stay greater than 100 consecutive days during 2017 after enrollment; and
2. Enrolled within 32 calendar days of their nursing home discharge date, or enrolled while residing in a nursing home.

OTHER NON-CAPITATED PAYMENT

AIDS / Ventilator Dependent Reconciliation

Under the contract between DHS and the MCOs, the MCOs are not ultimately liable for service costs associated with members meeting certain criteria associated with AIDS or ventilator dependency. Therefore, DHS will reimburse the MCOs for the encounter data costs for Medicaid-covered services for these enrollees. The base period costs identified using the same criteria were removed in this rate development.

Relocation Incentive Payment

DHS will provide a one-time incentive payment to the MCO for each MCO member who is relocated from an institution into a community setting consistent with federal Money Follows the Person (MFP) guidelines.

Exhibits A - D

Capitation Rate Development – Acute and Primary Services

State of Wisconsin Department of Health Services
CY 2017 Capitation Rate Development for Family Care Partnership / PACE Program

December 6, 2016

This report assumes that the reader is familiar with the State of Wisconsin's Medicaid program, its benefits, and rate setting principles. The report was prepared solely to provide assistance to DHS to set CY 2017 capitation rates for the Family Care Partnership / PACE program. It may not be appropriate for other purposes. Milliman does not intend to benefit, and assumes no duty or liability to, other parties who receive this work. This material should only be reviewed in its entirety.

Exhibit A1
Wisconsin Department of Health Services
CY 2017 Family Care Partnership/PACE Capitation Rate Development
Summary of 2014 Acute and Primary Services Experience by MCO / GSR
Dual Eligible Population

	Care WI (GSR 3)			Care WI (GSR 5)			Care WI (GSR 12)			iCare (GSR 8)		
	DD	PD	FE	DD	PD	FE	DD	PD	FE	DD	PD	FE
Exposure Months	160	111	459	602	405	1,247	815	3,897	7,089	821	2,556	1,870
Acute & Primary Services												
Inpatient Hospital	\$15.18	\$94.71	\$17.10	\$10.91	\$24.08	\$13.27	\$6.08	\$22.55	\$10.66	\$8.43	\$55.12	\$12.65
Outpatient Hospital	44.38	91.42	29.00	36.80	107.00	38.15	60.11	81.03	49.29	17.58	35.21	42.42
Pharmacy	8.08	11.02	7.55	7.77	10.28	7.64	11.47	19.99	14.51	0.00	0.00	0.08
Dental	9.22	43.73	20.53	21.22	66.30	20.49	12.30	23.22	12.24	27.79	25.49	21.08
Other Acute & Primary	17.00	69.27	37.45	27.51	53.02	30.51	34.20	53.45	43.43	43.87	114.74	88.64
Primary & Acute Subtotal	\$93.86	\$310.14	\$111.63	\$104.22	\$260.68	\$110.07	\$124.15	\$200.24	\$130.12	\$97.68	\$230.56	\$164.87
Deductible / Coinsurance												
Part B Deductible	\$12.25	\$12.25	\$12.25	\$12.25	\$12.25	\$12.25	\$12.25	\$12.25	\$12.25	\$12.25	\$12.25	\$12.25
Grand Total	\$106.11	\$322.39	\$123.88	\$116.47	\$272.93	\$122.32	\$136.40	\$212.49	\$142.37	\$109.93	\$242.81	\$177.12
Composite PMPM		\$150.19			\$147.81			\$165.12			\$198.61	

Exhibit A1
Wisconsin Department of Health Services
CY 2017 Family Care Partnership/PACE Capitation Rate Development
Summary of 2014 Acute and Primary Services Experience by MCO / GSR
Dual Eligible Population

	iCare (GSR 11)			CCHP - PACE (GSR 8+)			CCHP (GSR 6)			CCHP (GSR 8)		
	DD	PD	FE	DD	PD	FE	DD	PD	FE	DD	PD	FE
Exposure Months	31	112	167	346	984	6,409	321	260	730	503	542	902
Acute & Primary Services												
Inpatient Hospital	\$0.00	\$10.82	\$14.59	\$3.52	\$2.14	\$2.03	\$0.00	\$6.99	\$2.64	\$4.07	\$0.00	\$3.56
Outpatient Hospital	7.58	8.15	3.32	32.73	121.07	52.84	43.30	183.37	60.48	19.69	180.67	35.80
Pharmacy	0.00	0.00	0.05	0.10	0.05	0.17	0.00	0.15	0.10	0.03	0.05	0.13
Dental	0.00	23.67	17.55	51.17	70.51	55.63	42.08	48.76	21.43	64.64	120.46	39.13
Other Acute & Primary	71.23	85.77	85.48	23.98	61.00	48.45	21.60	82.10	39.05	24.56	50.14	38.41
Primary & Acute Subtotal	\$78.81	\$128.41	\$120.99	\$111.50	\$254.77	\$159.12	\$106.98	\$321.37	\$123.71	\$112.99	\$351.32	\$117.04
Deductible / Coinsurance												
Part B Deductible	\$12.25	\$12.25	\$12.25	\$12.25	\$12.25	\$12.25	\$12.25	\$12.25	\$12.25	\$12.25	\$12.25	\$12.25
Grand Total	\$91.06	\$140.66	\$133.24	\$123.75	\$267.02	\$171.37	\$119.23	\$333.62	\$135.96	\$125.24	\$363.57	\$129.29
Composite PMPM		\$131.66			\$181.40			\$171.08			\$193.51	

Exhibit A1
Wisconsin Department of Health Services
CY 2017 Family Care Partnership/PACE Capitation Rate Development
Summary of 2014 Acute and Primary Services Experience by MCO / GSR
Dual Eligible Population

	CCHP (GSR 10)			CCHP (GSR 11)			Grand Total - Base Data		
	DD	PD	FE	DD	PD	FE	DD	PD	FE
Exposure Months	285	273	881	441	331	1,215	4,325	9,472	20,968
Acute & Primary Services									
Inpatient Hospital	\$0.00	\$0.60	\$8.12	\$0.27	\$0.00	\$2.86	\$5.61	\$26.85	\$7.38
Outpatient Hospital	23.32	169.90	43.51	37.11	222.03	101.38	34.93	89.19	50.87
Pharmacy	0.02	1.36	0.04	0.01	0.02	0.08	3.55	8.85	5.60
Dental	5.06	27.58	10.70	9.50	11.32	12.79	26.92	36.81	28.45
Other Acute & Primary	33.14	50.96	31.31	27.79	48.40	42.25	31.14	71.67	47.49
Primary & Acute Subtotal	\$61.54	\$250.40	\$93.67	\$74.68	\$281.76	\$159.36	\$102.15	\$233.38	\$139.79
Deductible / Coinsurance									
Part B Deductible	\$12.25	\$12.25	\$12.25	\$12.25	\$12.25	\$12.25	\$12.25	\$12.25	\$12.25
Grand Total	\$73.79	\$262.65	\$105.92	\$86.93	\$294.01	\$171.61	\$114.40	\$245.63	\$152.04
Composite PMPM		\$129.36			\$173.17			\$172.86	

Exhibit A2
Wisconsin Department of Health Services
CY 2017 Family Care Partnership/PACE Capitation Rate Development
Summary of 2014 Acute and Primary Services Experience by MCO / GSR
Medicaid Only Population

	Care WI (GSR 3)			Care WI (GSR 5)			Care WI (GSR 12)			iCare (GSR 8)		
	DD	PD	FE	DD	PD	FE	DD	PD	FE	DD	PD	FE
Exposure Months	38	12	15	169	132	4	315	1,755	132	814	2,806	29
Acute & Primary Services												
Inpatient Hospital	\$0.00	\$0.00	\$731.82	\$229.91	\$153.84	\$0.00	\$222.21	\$747.22	\$679.92	\$156.20	\$410.54	\$0.00
Outpatient Hospital	47.74	9.26	72.57	216.42	516.01	0.00	162.98	244.22	277.09	108.44	146.86	39.62
Pharmacy	227.14	164.03	31.74	896.47	640.48	0.00	708.43	953.12	441.71	385.94	1,063.44	199.95
Dental	87.73	3.59	10.16	9.51	29.99	0.00	31.34	14.80	10.49	11.27	32.57	10.14
Other Acute & Primary	25.03	315.50	490.83	142.67	264.17	12.58	198.02	311.94	222.15	123.31	324.40	177.40
Primary & Acute Subtotal	\$387.63	\$492.38	\$1,337.12	\$1,494.98	\$1,604.48	\$12.58	\$1,322.99	\$2,271.31	\$1,631.35	\$785.15	\$1,977.82	\$427.11
Deductible / Coinsurance												
Part B Deductible	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Grand Total	\$387.63	\$492.38	\$1,337.12	\$1,494.98	\$1,604.48	\$12.58	\$1,322.99	\$2,271.31	\$1,631.35	\$785.15	\$1,977.82	\$427.11
Composite PMPM		\$623.39		\$1,523.98			\$2,097.37			\$1,699.52		

Exhibit A2
Wisconsin Department of Health Services
CY 2017 Family Care Partnership/PACE Capitation Rate Development
Summary of 2014 Acute and Primary Services Experience by MCO / GSR
Medicaid Only Population

	iCare (GSR 11)			CCHP - PACE (GSR 8+)			CCHP (GSR 6)			CCHP (GSR 8)		
	DD	PD	FE	DD	PD	FE	DD	PD	FE	DD	PD	FE
Exposure Months	43	47	0	108	524	0	53	181	0	377	467	0
Acute & Primary Services												
Inpatient Hospital	\$65.97	\$294.78	\$0.00	\$228.23	\$270.58	\$0.00	\$0.00	\$185.43	\$0.00	\$45.60	\$468.54	\$0.00
Outpatient Hospital	110.36	77.13	0.00	64.47	304.79	0.00	239.66	529.52	0.00	48.13	442.16	0.00
Pharmacy	187.95	654.25	0.00	392.90	444.88	0.00	183.46	819.03	0.00	458.25	544.58	0.00
Dental	0.00	3.30	0.00	25.77	60.98	0.00	12.11	94.71	0.00	72.33	84.30	0.00
Other Acute & Primary	32.14	171.90	0.00	172.22	271.44	0.00	233.21	371.32	0.00	104.23	272.77	0.00
Primary & Acute Subtotal	\$396.41	\$1,201.35	\$0.00	\$883.59	\$1,352.67	\$0.00	\$668.45	\$2,000.02	\$0.00	\$728.53	\$1,812.35	\$0.00
Deductible / Coinsurance												
Part B Deductible	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Grand Total	\$396.41	\$1,201.35	\$0.00	\$883.59	\$1,352.67	\$0.00	\$668.45	\$2,000.02	\$0.00	\$728.53	\$1,812.35	\$0.00
Composite PMPM		\$813.69			\$1,272.42			\$1,698.44			\$1,328.33	

Exhibit A2
Wisconsin Department of Health Services
CY 2017 Family Care Partnership/PACE Capitation Rate Development
Summary of 2014 Acute and Primary Services Experience by MCO / GSR
Medicaid Only Population

	CCHP (GSR 10)			CCHP (GSR 11)			Grand Total - Base Data		
	DD	PD	FE	DD	PD	FE	DD	PD	FE
Exposure Months	110	145	3	84	151	0	2,110	6,220	183
Acute & Primary Services									
Inpatient Hospital	\$81.26	\$158.83	\$678.61	\$328.48	\$583.61	\$0.00	\$150.25	\$482.71	\$561.17
Outpatient Hospital	39.62	118.02	10.20	230.57	447.90	0.00	115.71	234.59	212.38
Pharmacy	222.78	685.84	1,557.17	188.65	907.15	0.00	459.87	907.74	378.74
Dental	2.17	21.52	0.00	35.62	2.40	0.00	27.42	34.32	10.00
Other Acute & Primary	148.43	182.63	277.40	195.33	356.65	0.00	138.40	308.94	232.96
Primary & Acute Subtotal	\$494.25	\$1,166.84	\$2,523.38	\$978.65	\$2,297.71	\$0.00	\$891.64	\$1,968.30	\$1,395.25
Deductible / Coinsurance									
Part B Deductible	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Grand Total	\$494.25	\$1,166.84	\$2,523.38	\$978.65	\$2,297.71	\$0.00	\$891.64	\$1,968.30	\$1,395.25
Composite PMPM		\$896.63			\$1,827.01			\$1,689.16	

Exhibit B1
Wisconsin Department of Health Services
CY 2017 Family Care Partnership/PACE Capitation Rate Development
Summary of 2014 Acute & Primary Services Costs by Rate Cell
Dual Eligible and Medicaid Only Populations

Service Category	Age Group	Developmentally Disabled				Physically Disabled				Frail Elderly			
		Dual		Medicaid Only		Dual		Medicaid Only		Dual		Medicaid Only	
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Inpatient Hospital	0-44	\$0.00	\$3.50	\$402.01	\$402.01	\$27.82	\$7.83	\$402.01	\$402.01	N/A	N/A	N/A	N/A
	45-54	6.01	3.28	402.01	402.01	31.15	28.06	402.01	402.01	N/A	N/A	N/A	N/A
	55-64	16.61	0.00	402.01	402.01	27.35	30.51	402.01	402.01	N/A	N/A	N/A	N/A
	65-74	6.97	7.44	402.01	402.01	0.00	0.00	402.01	402.01	8.39	7.91	402.01	402.01
	75-84	19.24	0.00	402.01	402.01	0.00	0.00	402.01	402.01	10.76	7.78	402.01	402.01
	85+	0.00	15.47	402.01	402.01	0.00	0.00	402.01	402.01	4.19	5.84	402.01	402.01
Outpatient Hospital	0-44	\$47.38	\$26.56	\$204.65	\$204.65	\$125.75	\$65.91	\$204.65	\$204.65	N/A	N/A	N/A	N/A
	45-54	29.58	15.63	204.65	204.65	148.74	64.52	204.65	204.65	N/A	N/A	N/A	N/A
	55-64	40.47	27.60	204.65	204.65	69.93	87.57	204.65	204.65	N/A	N/A	N/A	N/A
	65-74	58.06	34.94	204.65	204.65	465.19	36.28	204.65	204.65	115.87	71.23	204.65	204.65
	75-84	57.71	16.44	204.65	204.65	0.00	0.00	204.65	204.65	60.06	40.67	204.65	204.65
	85+	24.03	8.36	204.65	204.65	0.00	0.00	204.65	204.65	26.17	22.29	204.65	204.65
Pharmacy	0-44	\$0.50	\$2.60	\$785.38	\$785.38	\$39.30	\$12.81	\$785.38	\$785.38	N/A	N/A	N/A	N/A
	45-54	2.00	3.67	785.38	785.38	10.32	6.88	785.38	785.38	N/A	N/A	N/A	N/A
	55-64	1.02	5.95	785.38	785.38	6.91	6.07	785.38	785.38	N/A	N/A	N/A	N/A
	65-74	3.76	7.76	785.38	785.38	0.23	6.90	785.38	785.38	5.89	7.62	785.38	785.38
	75-84	1.19	10.19	785.38	785.38	0.00	0.00	785.38	785.38	4.15	6.18	785.38	785.38
	85+	11.87	7.84	785.38	785.38	0.00	0.00	785.38	785.38	3.87	4.21	785.38	785.38
Dental	0-44	\$32.16	\$30.47	\$32.09	\$32.09	\$30.31	\$39.60	\$32.09	\$32.09	N/A	N/A	N/A	N/A
	45-54	20.18	53.56	32.09	32.09	51.69	25.79	32.09	32.09	N/A	N/A	N/A	N/A
	55-64	26.56	24.10	32.09	32.09	35.15	38.08	32.09	32.09	N/A	N/A	N/A	N/A
	65-74	20.37	24.24	32.09	32.09	32.61	48.02	32.09	32.09	34.83	30.58	32.09	32.09
	75-84	0.00	9.08	32.09	32.09	0.00	0.00	32.09	32.09	22.57	26.29	32.09	32.09
	85+	2.23	0.17	32.09	32.09	0.00	0.00	32.09	32.09	18.91	29.51	32.09	32.09
Other	0-44	\$26.79	\$45.06	\$265.04	\$265.04	\$48.79	\$125.98	\$265.04	\$265.04	N/A	N/A	N/A	N/A
	45-54	21.71	31.40	265.04	265.04	83.70	82.37	265.04	265.04	N/A	N/A	N/A	N/A
	55-64	32.69	29.96	265.04	265.04	58.60	66.30	265.04	265.04	N/A	N/A	N/A	N/A
	65-74	31.52	30.57	265.04	265.04	51.92	60.97	265.04	265.04	72.64	53.38	265.04	265.04
	75-84	17.28	29.19	265.04	265.04	0.00	0.00	265.04	265.04	52.42	44.78	265.04	265.04
	85+	9.25	24.91	265.04	265.04	0.00	0.00	265.04	265.04	36.75	36.80	265.04	265.04
Medicare Part B Deductible	0-44	\$12.25	\$12.25	\$0.00	\$0.00	\$12.25	\$12.25	\$0.00	\$0.00	N/A	N/A	N/A	N/A
	45-54	12.25	12.25	0.00	0.00	12.25	12.25	0.00	0.00	N/A	N/A	N/A	N/A
	55-64	12.25	12.25	0.00	0.00	12.25	12.25	0.00	0.00	N/A	N/A	N/A	N/A
	65-74	12.25	12.25	0.00	0.00	12.25	12.25	0.00	0.00	12.25	12.25	0.00	0.00
	75-84	12.25	12.25	0.00	0.00	12.25	12.25	0.00	0.00	12.25	12.25	0.00	0.00
	85+	12.25	12.25	0.00	0.00	12.25	12.25	0.00	0.00	12.25	12.25	0.00	0.00
Total	0-44	\$119.07	\$120.43	\$1,689.16	\$1,689.16	\$284.22	\$264.38	\$1,689.16	\$1,689.16	N/A	N/A	N/A	N/A
	45-54	91.73	119.79	1,689.16	1,689.16	337.85	219.87	1,689.16	1,689.16	N/A	N/A	N/A	N/A
	55-64	129.59	99.86	1,689.16	1,689.16	210.19	240.77	1,689.16	1,689.16	N/A	N/A	N/A	N/A
	65-74	132.93	117.21	1,689.16	1,689.16	562.20	164.41	1,689.16	1,689.16	249.87	182.98	1,689.16	1,689.16
	75-84	107.67	77.15	1,689.16	1,689.16	12.25	12.25	1,689.16	1,689.16	162.21	137.96	1,689.16	1,689.16
	85+	59.62	69.00	1,689.16	1,689.16	12.25	12.25	1,689.16	1,689.16	102.14	110.91	1,689.16	1,689.16
Grand Total		\$114.40		\$1,689.16		\$245.63		\$1,689.16		\$152.04		\$1,689.16	

Exhibit B2
Wisconsin Department of Health Services
CY 2017 Family Care Partnership/PACE Capitation Rate Development
Summary of Trended and Completed 2017 Acute & Primary Services Costs by Rate Cell
Dual Eligible and Medicaid Only Populations

Service Category	Age Group	Developmentally Disabled				Physically Disabled				Frail Elderly			
		Dual		Medicaid Only		Dual		Medicaid Only		Dual		Medicaid Only	
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Hospital Inpatient	0-44	\$0.00	\$3.64	\$414.39	\$414.39	\$28.93	\$8.15	\$414.39	\$414.39	N/A	N/A	N/A	N/A
	45-54	6.25	3.41	414.39	414.39	32.40	29.19	414.39	414.39	N/A	N/A	N/A	N/A
	55-64	17.27	0.00	414.39	414.39	28.45	31.73	414.39	414.39	N/A	N/A	N/A	N/A
	65-74	7.25	7.74	418.12	418.12	0.00	0.00	418.12	418.12	8.73	8.23	418.12	418.12
	75-84	20.01	0.00	418.12	418.12	0.00	0.00	418.12	418.12	11.19	8.09	418.12	418.12
	85+	0.00	16.09	418.12	418.12	0.00	0.00	418.12	418.12	4.36	6.07	418.12	418.12
Hospital Outpatient	0-44	\$53.80	\$30.16	\$232.39	\$232.39	\$142.80	\$74.84	\$232.39	\$232.39	N/A	N/A	N/A	N/A
	45-54	33.59	17.75	232.39	232.39	168.90	73.26	232.39	232.39	N/A	N/A	N/A	N/A
	55-64	45.95	31.34	232.39	232.39	79.41	99.44	232.39	232.39	N/A	N/A	N/A	N/A
	65-74	65.93	39.68	232.39	232.39	528.25	41.19	232.39	232.39	131.57	80.89	232.39	232.39
	75-84	65.53	18.67	232.39	232.39	0.00	0.00	232.39	232.39	68.20	46.18	232.39	232.39
	85+	27.29	9.49	232.39	232.39	0.00	0.00	232.39	232.39	29.71	25.31	232.39	232.39
Pharmacy	0-44	\$0.57	\$3.01	\$1,045.34	\$1,045.34	\$45.50	\$14.83	\$1,045.34	\$1,045.34	N/A	N/A	N/A	N/A
	45-54	2.32	4.25	1,045.34	1,045.34	11.95	7.96	1,045.34	1,045.34	N/A	N/A	N/A	N/A
	55-64	1.18	6.88	1,045.34	1,045.34	8.00	7.03	1,045.34	1,045.34	N/A	N/A	N/A	N/A
	65-74	4.35	8.98	1,045.34	1,045.34	0.26	7.98	1,045.34	1,045.34	6.82	8.82	1,045.34	1,045.34
	75-84	1.38	11.79	1,045.34	1,045.34	0.00	0.00	1,045.34	1,045.34	4.81	7.16	1,045.34	1,045.34
	85+	13.74	9.07	1,045.34	1,045.34	0.00	0.00	1,045.34	1,045.34	4.48	4.88	1,045.34	1,045.34
Dental	0-44	\$36.51	\$34.60	\$36.44	\$36.44	\$34.42	\$44.97	\$36.44	\$36.44	N/A	N/A	N/A	N/A
	45-54	22.92	60.82	36.44	36.44	58.69	29.29	36.44	36.44	N/A	N/A	N/A	N/A
	55-64	30.15	27.37	36.44	36.44	39.92	43.24	36.44	36.44	N/A	N/A	N/A	N/A
	65-74	23.13	27.53	36.44	36.44	37.03	54.52	36.44	36.44	39.55	34.73	36.44	36.44
	75-84	0.00	10.31	36.44	36.44	0.00	0.00	36.44	36.44	25.63	29.86	36.44	36.44
	85+	2.53	0.19	36.44	36.44	0.00	0.00	36.44	36.44	21.48	33.51	36.44	36.44
Other	0-44	\$28.70	\$48.27	\$283.93	\$283.93	\$52.27	\$134.96	\$283.93	\$283.93	N/A	N/A	N/A	N/A
	45-54	23.26	33.64	283.93	283.93	89.67	88.25	283.93	283.93	N/A	N/A	N/A	N/A
	55-64	35.02	32.10	283.93	283.93	62.78	71.03	283.93	283.93	N/A	N/A	N/A	N/A
	65-74	33.77	32.75	283.93	283.93	55.62	65.32	283.93	283.93	77.82	57.19	283.93	283.93
	75-84	18.51	31.27	283.93	283.93	0.00	0.00	283.93	283.93	56.16	47.98	283.93	283.93
	85+	9.90	26.69	283.93	283.93	0.00	0.00	283.93	283.93	39.37	39.43	283.93	283.93
Medicare Part B Deductible	0-44	\$15.25	\$15.25	\$0.00	\$0.00	\$15.25	\$15.25	\$0.00	\$0.00	N/A	N/A	N/A	N/A
	45-54	15.25	15.25	0.00	0.00	15.25	15.25	0.00	0.00	N/A	N/A	N/A	N/A
	55-64	15.25	15.25	0.00	0.00	15.25	15.25	0.00	0.00	N/A	N/A	N/A	N/A
	65-74	15.25	15.25	0.00	0.00	15.25	15.25	0.00	0.00	15.25	15.25	0.00	0.00
	75-84	15.25	15.25	0.00	0.00	15.25	15.25	0.00	0.00	15.25	15.25	0.00	0.00
	85+	15.25	15.25	0.00	0.00	15.25	15.25	0.00	0.00	15.25	15.25	0.00	0.00
Total	0-44	\$134.84	\$134.93	\$2,012.49	\$2,012.49	\$319.17	\$293.00	\$2,012.49	\$2,012.49	N/A	N/A	N/A	N/A
	45-54	103.58	135.12	2,012.49	2,012.49	376.86	243.20	2,012.49	2,012.49	N/A	N/A	N/A	N/A
	55-64	144.83	112.94	2,012.49	2,012.49	233.80	267.71	2,012.49	2,012.49	N/A	N/A	N/A	N/A
	65-74	149.68	131.93	2,016.22	2,016.22	636.41	184.27	2,016.22	2,016.22	279.74	205.10	2,016.22	2,016.22
	75-84	120.69	87.30	2,016.22	2,016.22	15.25	15.25	2,016.22	2,016.22	181.24	154.51	2,016.22	2,016.22
	85+	68.71	76.79	2,016.22	2,016.22	15.25	15.25	2,016.22	2,016.22	114.64	124.45	2,016.22	2,016.22
Grand Total		\$128.79		\$2,012.54		\$273.29		\$2,012.56		\$170.36		\$2,016.22	

Exhibit C
Wisconsin Department of Health Services
CY 2017 Family Care Partnership/PACE Capitation Rate Development
Summary of 2017 Projected Member Months by MCO/GSR and Age Group
Dual Eligible and Medicaid Only Populations

MCO	Age Group	Developmentally Disabled				Physically Disabled				Frail Elderly			
		Dual		Medicaid Only		Dual		Medicaid Only		Dual		Medicaid Only	
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Care WI (GSR 3)	0-44	49	63	33	19	34	9	0	0	0	0	0	0
	45-54	33	16	0	0	0	3	9	0	0	0	0	0
	55-64	37	3	0	0	29	9	0	0	0	0	0	0
	65-74	0	0	0	0	0	0	0	0	11	69	1	0
	75-84	16	1	0	0	0	0	0	0	25	116	0	13
	85+	0	0	0	0	0	0	0	0	52	215	0	2
Care WI (GSR 5)	0-44	31	50	46	59	24	60	5	4	0	0	0	0
	45-54	65	71	3	12	50	73	2	32	0	0	0	0
	55-64	72	36	0	35	79	97	26	47	0	0	0	0
	65-74	59	124	0	12	0	16	7	6	122	215	0	0
	75-84	12	19	0	0	0	0	0	0	157	286	0	1
	85+	24	30	0	0	0	0	0	0	85	439	1	2
Care WI (GSR 6) ¹	0-44	0	1	0	0	1	0	0	1	0	0	0	0
	45-54	0	0	0	0	1	1	0	0	0	0	0	0
	55-64	0	0	0	0	3	4	1	5	0	0	0	0
	65-74	0	0	0	0	0	0	0	0	3	7	0	0
	75-84	0	0	0	0	0	0	0	0	3	8	0	0
	85+	0	0	0	0	0	0	0	0	2	7	0	0
Care WI (GSR 12)	0-44	50	63	54	81	151	380	157	223	0	0	0	0
	45-54	101	70	38	63	471	700	186	321	0	0	0	0
	55-64	35	168	20	60	759	1,275	274	528	0	0	0	0
	65-74	146	129	0	13	24	71	11	25	667	1,753	16	62
	75-84	0	38	0	0	0	0	0	0	660	1,850	15	10
	85+	13	40	0	0	0	0	0	0	378	2,088	3	31
iCare (GSR 8)	0-44	177	215	397	223	129	98	101	172	0	0	0	0
	45-54	96	92	41	42	269	412	331	602	0	0	0	0
	55-64	99	86	12	74	548	890	366	1,020	0	0	0	0
	65-74	23	4	0	0	7	30	11	11	352	976	2	17
	75-84	0	4	0	0	0	0	0	0	120	482	0	13
	85+	0	0	0	0	0	0	0	0	21	146	0	0
iCare (GSR 11)	0-44	0	18	12	0	20	15	0	31	0	0	0	0
	45-54	0	11	18	34	0	46	1	0	0	0	0	0
	55-64	0	18	0	0	27	36	13	15	0	0	0	0
	65-74	0	0	0	0	0	0	0	0	37	69	0	0
	75-84	0	0	0	0	0	0	0	0	0	59	0	0
	85+	0	0	0	0	0	0	0	0	0	91	0	0
iCare (GSR 12) ²	0-44	3	3	3	4	17	44	18	26	0	0	0	0
	45-54	5	4	2	3	54	81	21	37	0	0	0	0
	55-64	2	9	1	3	87	147	31	61	0	0	0	0
	65-74	8	7	0	1	3	8	1	3	38	101	1	4
	75-84	0	2	0	0	0	0	0	0	38	106	1	1
	85+	1	2	0	0	0	0	0	0	22	120	0	2

Exhibit C
Wisconsin Department of Health Services
CY 2017 Family Care Partnership/PACE Capitation Rate Development
Summary of 2017 Projected Member Months by MCO/GSR and Age Group
Dual Eligible and Medicaid Only Populations

MCO	Age Group	Developmentally Disabled				Physically Disabled				Frail Elderly			
		Dual		Medicaid Only		Dual		Medicaid Only		Dual		Medicaid Only	
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
CCHP - PACE (GSR 8+)	0-44	0	0	0	0	0	0	0	0	0	0	0	0
	45-54	0	0	0	0	0	0	0	0	0	0	0	0
	55-64	95	64	69	72	324	324	160	223	0	0	0	0
	65-74	167	110	0	0	43	40	0	6	553	1,039	0	0
	75-84	16	0	0	0	0	0	0	0	419	1,127	0	0
	85+	0	0	0	0	0	0	0	0	209	2,454	0	0
CCHP (GSR 6)	0-44	36	78	24	12	34	2	10	19	0	0	0	0
	45-54	26	61	0	11	30	26	7	14	0	0	0	0
	55-64	7	33	0	0	98	113	22	132	0	0	0	0
	65-74	32	11	0	0	0	3	9	0	100	214	0	0
	75-84	0	0	0	0	0	0	0	0	86	231	0	0
	85+	0	0	0	0	0	0	0	0	46	201	0	0
CCHP (GSR 8)	0-44	194	107	224	170	20	35	34	22	0	0	0	0
	45-54	54	0	46	15	52	58	29	45	0	0	0	0
	55-64	126	84	1	24	97	164	125	102	0	0	0	0
	65-74	15	46	0	0	0	2	0	11	55	197	0	0
	75-84	0	15	0	0	0	0	0	0	99	142	0	0
	85+	0	0	0	0	0	0	0	0	36	111	0	0
CCHP (GSR 10)	0-44	50	6	55	36	23	20	43	0	0	0	0	0
	45-54	47	21	6	0	18	5	11	57	0	0	0	0
	55-64	21	42	0	0	106	105	10	15	0	0	0	0
	65-74	42	0	0	0	0	4	2	11	90	201	0	3
	75-84	12	0	0	0	0	0	0	0	79	264	0	0
	85+	0	9	0	0	0	0	0	0	64	231	0	0
CCHP (GSR 11)	0-44	39	60	13	13	0	11	10	0	0	0	0	0
	45-54	13	26	0	0	53	50	24	62	0	0	0	0
	55-64	115	98	44	13	59	149	24	26	0	0	0	0
	65-74	26	77	0	8	3	3	0	4	144	240	0	0
	75-84	21	0	0	0	0	0	0	0	227	183	0	0
	85+	0	0	0	0	0	0	0	0	92	291	0	0
Total	0-44	629	664	861	618	453	674	379	497	0	0	0	0
	45-54	440	373	154	180	999	1,455	622	1,172	0	0	0	0
	55-64	609	640	147	282	2,216	3,312	1,052	2,174	0	0	0	0
	65-74	519	508	0	33	80	176	42	78	2,172	5,079	21	86
	75-84	77	79	0	0	0	0	0	0	1,912	4,856	16	38
	85+	37	81	0	0	0	0	0	0	1,006	6,395	4	38

¹ Distribution of membership for Care WI (GSR 6) is based off CCHP (GSR 6) as that is the only other FCP/PACE MCO in that geographic area.

² Distribution of membership for iCare (GSR 12) is based off CareWI (GSR 12) as that is the only other FCP/PACE MCO in that geographic area.

Exhibit D1
Wisconsin Department of Health Services
CY 2017 Family Care Partnership/PACE Capitation Rate Development
Acute and Primary Services Rate Development
Dual Eligible Population

	Care WI (GSR 3)	Care WI (GSR 5)	Care WI (GSR 6)	Care WI (GSR 12)	iCare (GSR 8)	iCare (GSR 11)	iCare (GSR 12)	CCHP - PACE (GSR 8+)	CCHP (GSR 6)	CCHP (GSR 8)	CCHP (GSR 10)	CCHP (GSR 11)
Hospital Inpatient	\$9.01	\$10.63	\$13.09	\$13.79	\$17.07	\$13.34	\$17.13	\$9.52	\$11.65	\$12.14	\$11.29	\$11.45
Hospital Outpatient	49.08	57.16	69.88	69.55	81.12	66.68	77.07	58.83	64.57	64.31	62.61	63.77
Pharmacy	6.81	6.88	7.89	7.64	8.11	8.75	8.28	6.22	7.24	6.26	6.94	6.09
Dental	32.11	32.70	34.71	34.91	37.40	35.34	36.64	33.12	35.06	34.08	33.28	33.04
Other	44.90	50.93	55.75	58.77	62.19	59.19	64.06	49.87	52.68	51.91	51.36	52.02
Medicare Part B Deductible	15.25	15.25	15.25	15.25	15.25	15.25	15.25	15.25	15.25	15.25	15.25	15.25
Total Acute & Primary Services	\$157.16	\$173.55	\$196.56	\$199.91	\$221.14	\$198.55	\$218.44	\$172.82	\$186.45	\$183.95	\$180.73	\$181.62
Projected CY 2017 Member Months	791	2,296	43	12,081	5,273	445	911	6,984	1,469	1,709	1,463	1,977

Exhibit D2
Wisconsin Department of Health Services
CY 2017 Family Care Partnership/PACE Capitation Rate Development
Acute and Primary Services Rate Development
Medicaid Only Population

	Care WI (GSR 3)	Care WI (GSR 5)	Care WI (GSR 6)	Care WI (GSR 12)	iCare (GSR 8)	iCare (GSR 11)	iCare (GSR 12)	CCHP - PACE (GSR 8+)	CCHP (GSR 6)	CCHP (GSR 8)	CCHP (GSR 10)	CCHP (GSR 11)
HCC Adjustment Factor	0.9000	0.9452	1.0388	1.0576	0.9805	1.1000	1.0576	1.1000	1.0388	0.9000	0.9000	0.9388
Hospital Inpatient	\$373.63	\$392.01	\$430.64	\$438.59	\$406.38	\$455.84	\$438.48	\$455.87	\$430.62	\$372.99	\$373.17	\$389.18
Hospital Outpatient	209.15	219.65	241.42	245.77	227.87	255.63	245.77	255.63	241.42	209.15	209.15	218.16
Pharmacy	940.80	988.04	1,085.93	1,105.54	1,024.98	1,149.87	1,105.54	1,149.87	1,085.93	940.80	940.80	981.32
Dental	32.79	34.44	37.85	38.54	35.73	40.08	38.54	40.08	37.85	32.79	32.79	34.21
Other	255.54	268.37	294.96	300.29	278.40	312.33	300.29	312.33	294.96	255.54	255.54	266.54
Medicare Part B Deductible	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Acute & Primary Services	\$1,811.92	\$1,902.52	\$2,090.80	\$2,128.72	\$1,973.36	\$2,213.75	\$2,128.61	\$2,213.78	\$2,090.78	\$1,811.28	\$1,811.46	\$1,889.41
Projected CY 2017 Member Months	77	301	8	2,193	3,435	124	224	531	261	848	250	239

Exhibit D3
Wisconsin Department of Health Services
CY 2017 Family Care Partnership/PACE Capitation Rate Development
Acute and Primary Services Rate Development
Total Population

	Care WI (GSR 3)	Care WI (GSR 5)	Care WI (GSR 6)	Care WI (GSR 12)	iCare (GSR 8)	iCare (GSR 11)	iCare (GSR 12)	CCHP - PACE (GSR 8+)	CCHP (GSR 6)	CCHP (GSR 8)	CCHP (GSR 10)	CCHP (GSR 11)
Hospital Inpatient	\$41.32	\$54.79	\$76.70	\$79.04	\$170.65	\$109.68	\$100.20	\$41.05	\$74.80	\$131.81	\$64.05	\$52.21
Hospital Outpatient	63.27	75.98	96.01	96.62	139.01	107.81	110.34	72.74	91.22	112.35	83.98	80.43
Pharmacy	89.56	120.48	172.13	176.29	409.26	257.18	224.62	87.00	169.83	316.19	143.10	111.32
Dental	32.17	32.90	35.19	35.47	36.74	36.37	37.01	33.61	35.48	33.66	33.21	33.17
Other	63.56	76.10	92.20	95.87	147.49	114.30	110.64	68.41	89.20	119.44	81.13	75.17
Medicare Part B Deductible	13.90	13.48	12.93	12.91	9.23	11.93	12.24	14.17	12.95	10.19	13.03	13.60
Total Acute & Primary Services	\$303.78	\$373.74	\$485.15	\$496.19	\$912.37	\$637.27	\$595.05	\$316.99	\$473.48	\$723.65	\$418.50	\$365.90
Projected CY 2017 Member Months	868	2,597	50	14,274	8,709	569	1,135	7,515	1,729	2,557	1,712	2,216

Exhibits E - G

Capitation Rate Development – Long Term Care Services

State of Wisconsin Department of Health Services
CY 2017 Capitation Rate Development for Family Care Partnership / PACE Program

December 6, 2016

This report assumes that the reader is familiar with the State of Wisconsin's Medicaid program, its benefits, and rate setting principles. The report was prepared solely to provide assistance to DHS to set CY 2017 capitation rates for the Family Care Partnership / PACE program. It may not be appropriate for other purposes. Milliman does not intend to benefit, and assumes no duty or liability to, other parties who receive this work. This material should only be reviewed in its entirety.

Exhibit E1
Wisconsin Department of Health Services
CY 2017 Family Care Partnership/PACE Capitation Rate Development
Functional Screen Regression Model of 2014-2015 PMPM for Family Care Nursing Home Population
Developmentally Disabled

R-Squared 54.9%

Variable	Family Care Statewide Estimate	p-Value	Incremental Partial R ²	Proportion with Variable	Incremental Increase
Intercept (Grid Component)	137.77	0.0000	0.0000	100.0%	137.77
DD/NH Level of Care (Grid Component)					
Vent Dependent	7,177.78	0.0000	0.0023	0.0%	3.57
Dual Enrollee	243.65	0.0000	0.0013	73.0%	177.84
DD1A	358.89	0.0000	0.0004	2.9%	10.24
High Cost (3 Parameters)	2,057.81	0.0000	0.0014	0.5%	11.26
Number of IADLs (Grid Component)					
IADL_1-2	0.00	0.0000	0.0011	7.3%	0.00
IADL_3	220.61	0.0000	0.0000	12.4%	27.33
IADL_4	541.31	0.0000	0.0008	17.1%	92.41
IADL_5	898.91	0.0000	0.0024	29.1%	261.52
IADL_6	1,120.05	0.0000	0.0013	34.1%	382.28
Specific ADLs / Equipment Used (Add-On)					
Eating_2	307.11	0.0000	0.0017	21.7%	66.75
Toileting_2	408.84	0.0000	0.0024	21.5%	87.83
Transfer_1-2	263.99	0.0000	0.0021	20.0%	52.93
Interaction Terms (Add-On)					
Other Federal DD_Anxiety	231.31	0.0000	0.0001	4.5%	10.33
Injury_Mental Illness	561.18	0.0000	0.0009	2.0%	11.38
Injury_Overnight	1,068.56	0.0000	0.0078	3.8%	40.25
Mental Retardation_Bipolar	341.22	0.0000	0.0005	5.5%	18.79
Mental Retardation_Other Mental Illness	364.30	0.0000	0.0014	16.2%	58.92
Overnight_Age Under 30	453.15	0.0000	0.0010	5.1%	22.91
Overnight_Mental Illness	580.47	0.0000	0.0039	8.0%	46.44
Overnight_Mental Illness_Age Under 30	2,129.36	0.0000	0.0189	1.7%	35.37
Seizure Pre-22_Depression	179.84	0.0000	0.0001	5.7%	10.25
Trauma BI Post-22_Alcohol/Drug Abuse	456.84	0.0000	0.0001	1.0%	4.68
Trauma BI Post-22_Depression	398.06	0.0000	0.0002	2.2%	8.70
Dress_Bath_Equip	530.37	0.0000	0.0120	39.0%	206.86
Transfer_Equip_Mobility	711.34	0.0000	0.0030	5.1%	36.33
Behavioral Variables (Add-On)					
Cognition_3	330.21	0.0000	0.0140	26.5%	87.44
Injury_1	365.28	0.0000	0.0008	5.8%	21.30
Injury_2	489.37	0.0000	0.0014	5.5%	26.89
Offensive_1	401.03	0.0000	0.0028	10.1%	40.32
Offensive_2	963.41	0.0000	0.0114	10.5%	101.31
Offensive_3	2,166.05	0.0000	0.0456	9.5%	206.14
Wander_2	1,181.32	0.0000	0.0270	3.7%	44.22
Mental Health_2	260.51	0.0000	0.0145	53.4%	139.13
Resistive_1	300.33	0.0000	0.0528	8.7%	26.26
Medication Use (Add-On)					
Meds_2B	543.36	0.0000	0.0728	67.5%	366.86
Health Related Services (Add-On)					
Exercise	280.91	0.0000	0.0094	12.4%	34.83
Ostomy	683.50	0.0000	0.0012	0.6%	3.84
Overnight	459.44	0.0000	0.1417	74.2%	340.93
Urinary	640.27	0.0000	0.0013	0.9%	5.63
Tracheostomy	2,432.87	0.0000	0.0034	0.2%	5.26
Reposition	474.58	0.0000	0.0670	6.7%	31.93
Diagnoses (Add-On)					
Brain Injury Pre-22	123.62	0.0000	0.0024	6.2%	7.71
Mental Retardation	261.81	0.0000	0.0122	73.4%	192.27

Exhibit E2
Wisconsin Department of Health Services
CY 2017 Family Care Partnership/PACE Capitation Rate Development
Functional Screen Regression Model of 2014-2015 PMPM for Family Care Nursing Home Population
Physically Disabled

R-Squared 50.4%

Variable	Family Care Statewide Estimate	p-Value	Incremental Partial R ²	Proportion with Variable	Incremental Increase
Intercept (Grid Component)	673.43	0.0000	0.0000	100.0%	673.43
DD/NH Level of Care (Grid Component)					
Vent Dependent	8,262.80	0.0000	0.0260	0.5%	42.71
SNF	409.99	0.0000	0.0026	25.0%	102.34
Number of IADLs (Grid Component)					
IADL_1	0.00	0.0000	0.0000	15.4%	0.00
IADL_2	197.49	0.0000	0.0007	18.8%	37.06
IADL_3	376.54	0.0000	0.0017	18.7%	70.56
IADL_4	557.49	0.0000	0.0028	17.6%	98.23
IADL_5-6	912.08	0.0000	0.0060	29.5%	268.69
Specific ADLs / Equipment Used (Add-On)					
Toileting_1	97.29	0.0000	0.0003	27.0%	26.23
Transfer_2	926.02	0.0000	0.0168	20.6%	190.36
Interaction Terms (Add-On)					
Injury_Overnight	2,421.46	0.0000	0.0022	0.3%	6.17
Mental Illness_3 or More Mental Disorders	65.58	0.0000	0.0000	15.3%	10.04
Overnight_Age Under 30	93.45	0.0349	0.0003	1.0%	0.92
Overnight_Mental Illness	592.69	0.0000	0.0058	6.2%	36.71
Spinal Injury_Alcohol/Drug Abuse	607.95	0.0000	0.0006	0.6%	3.90
Trauma BI Post-22_Alcohol/Drug Abuse	107.23	0.0047	0.0000	1.4%	1.49
Trauma BI Post-22_Exercise	2,007.18	0.0000	0.0012	0.1%	1.85
Trauma BI Post-22_Other Mental Illness	387.21	0.0000	0.0006	1.0%	4.00
Dress_Bath_Equip	213.31	0.0000	0.0051	61.4%	130.95
Transfer_Equip_Mobility	558.22	0.0000	0.0056	5.7%	31.83
Behavioral Variables (Add-On)					
Congition_2-3	202.90	0.0000	0.0031	18.9%	38.27
Injury_1-2	282.23	0.0000	0.0005	1.8%	5.16
Offensive_1	665.85	0.0000	0.0039	3.0%	20.15
Offensive_2	1,003.70	0.0000	0.0084	2.2%	22.34
Offensive_3	1,680.50	0.0000	0.0116	1.4%	23.84
Wander_2	477.50	0.0000	0.0053	1.3%	6.27
Mental Health_2	67.89	0.0000	0.0010	70.2%	47.68
Alcohol Drug Abuse	170.65	0.0000	0.0015	16.8%	28.71
Medication Use (Add-On)					
Meds_2B	195.12	0.0000	0.0213	38.4%	74.86
Health Related Services (Add-On)					
Exercise	345.59	0.0000	0.0069	12.2%	42.21
Ulcer Stage 2	721.60	0.0000	0.0028	1.6%	11.83
Ulcer Stage 3-4	802.90	0.0000	0.0030	1.7%	13.27
Respirate	189.62	0.0000	0.0039	7.3%	13.75
Overnight	306.80	0.0000	0.0751	51.1%	156.90
Urinary	334.06	0.0000	0.0058	2.9%	9.56
Wound	256.77	0.0000	0.0049	4.6%	11.92
Tracheostomy	4,389.81	0.0000	0.0807	0.8%	36.20
Reposition	714.67	0.0000	0.1566	8.7%	61.87
Diagnoses (Add-On)					
Alzheimers	233.71	0.0000	0.0291	11.3%	26.44

Exhibit E3
Wisconsin Department of Health Services
CY 2017 Family Care Partnership/PACE Capitation Rate Development
Functional Screen Regression Model of 2014-2015 PMPM for Family Care Nursing Home Population
Frail Elderly

R-Squared 39.9%

Variable	Family Care Statewide Estimate	p-Value	Incremental Partial R ²	Proportion with Variable	Incremental Increase
Intercept (Grid Component)	722.23	0.0000	0.0000	100.0%	722.23
DD/NH Level of Care (Grid Component)					
Vent Dependent	2,219.63	0.0000	0.0006	0.1%	1.68
SNF	378.37	0.0000	0.0059	24.2%	91.43
Number of IADLs (Grid Component)					
IADL_1	0.00	0.0000	0.0000	6.6%	0.00
IADL_2	259.16	0.0000	0.0010	12.1%	31.37
IADL_3	435.07	0.0000	0.0019	13.8%	60.10
IADL_4-5-6	664.99	0.0000	0.0034	67.4%	448.52
Specific ADLs / Equipment Used (Add-On)					
Transfer_2	607.56	0.0000	0.0154	27.7%	168.08
Interaction Terms (Add-On)					
Dress_Toilet	384.47	0.0000	0.0238	54.1%	208.16
Injury_Overnight	934.92	0.0000	0.0005	0.2%	1.52
Overnight_Mental Illness	315.38	0.0000	0.0029	5.0%	15.71
Trauma BI Post-22_Other Mental Illness	758.94	0.0000	0.0004	0.2%	1.83
Transfer_Equip_Mobility	607.39	0.0000	0.0154	7.3%	44.29
Behavioral Variables (Add-On)					
Congition_2-3	92.08	0.0000	0.0030	39.5%	36.36
Offensive_1-2	273.50	0.0000	0.0041	5.4%	14.86
Offensive_3	428.25	0.0000	0.0028	1.3%	5.62
Wander_2	107.70	0.0000	0.0016	2.9%	3.17
Mental Health_2	143.29	0.0000	0.0019	56.4%	80.83
Alcohol Drug Abuse	215.53	0.0000	0.0004	4.9%	10.47
Medication Use (Add-On)					
Meds_2B	224.65	0.0000	0.0145	64.2%	144.27
Health Related Services (Add-On)					
Dialysis	175.51	0.0000	0.0015	1.8%	3.12
Exercise	87.45	0.0000	0.0039	10.3%	8.98
Ulcer Stage 2	255.63	0.0000	0.0010	1.4%	3.69
Ulcer Stage 3-4	461.85	0.0000	0.0018	0.7%	3.27
Respirate	156.03	0.0000	0.0037	8.1%	12.71
Overnight	342.68	0.0000	0.0822	70.1%	240.39
Med Management	102.13	0.0000	0.0261	27.0%	27.57
Tracheostomy	2,149.02	0.0000	0.0029	0.1%	2.63
Reposition	406.01	0.0000	0.0814	8.1%	33.05
Diagnoses (Add-On)					
Alzheimers	137.80	0.0000	0.0882	40.4%	55.66
Mental Illness	159.75	0.0000	0.0067	14.4%	22.95

Exhibit F1
Wisconsin Department of Health Services
CY 2017 Family Care Partnership/PACE Capitation Rate Development
MCO/GSR Functional Screen Attribute Distribution for Family Care Partnership/PACE - June 2016 Enrollment
Developmentally Disabled

Variable	Statewide Estimate	Care WI (GSR 3)	Care WI (GSR 5)	Care WI (GSR 6)	Care WI (GSR 12)	iCare (GSR 8)	iCare (GSR 11)	iCare (GSR 12)	CCHP - PACE (GSR 8+)	CCHP (GSR 6)	CCHP (GSR 8)	CCHP (GSR 10)	CCHP (GSR 11)
Intercept (Grid Component)	137.77	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
DD/NH Level of Care (Grid Component)													
Vent Dependent	7,177.78	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dual Enrollee	243.65	77.2%	72.3%	77.8%	71.6%	55.9%	50.0%	71.6%	92.2%	77.8%	49.5%	68.8%	77.8%
DD1A	358.89	18.2%	13.0%	3.7%	3.0%	1.6%	0.0%	3.0%	2.0%	3.7%	1.1%	3.6%	0.0%
High Cost (3 Parameters)	2,057.81	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.1%	0.0%	0.0%
Number of IADLs (Grid Component)													
IADL_1-2	0.00	0.0%	8.1%	7.4%	10.1%	9.4%	0.0%	10.1%	3.9%	7.4%	0.0%	0.0%	8.9%
IADL_3	220.61	18.3%	1.6%	22.2%	6.0%	18.1%	0.0%	6.0%	17.6%	22.2%	8.8%	20.4%	6.7%
IADL_4	541.31	13.6%	13.0%	18.5%	37.2%	17.3%	12.5%	37.2%	23.5%	18.5%	9.9%	21.7%	17.8%
IADL_5	898.91	36.3%	22.2%	29.6%	38.5%	27.6%	37.5%	38.5%	33.3%	29.6%	31.9%	25.3%	28.9%
IADL_6	1,120.05	31.8%	55.0%	22.2%	8.3%	27.6%	50.0%	8.3%	21.6%	22.2%	49.5%	32.6%	37.8%
Specific ADLs / Equipment Used (Add-On)													
Eating_2	307.11	22.7%	55.0%	25.9%	14.1%	12.6%	0.0%	14.1%	15.7%	25.9%	18.7%	14.5%	15.6%
Toileting_2	408.84	31.8%	50.5%	18.5%	20.3%	16.5%	0.0%	20.3%	21.6%	18.5%	24.2%	10.9%	31.1%
Transfer 1-2	263.99	31.8%	57.7%	18.5%	47.5%	15.7%	12.5%	47.5%	29.4%	18.5%	22.0%	14.5%	33.3%
Interaction Terms (Add-On)													
Other Federal DD Anxiety	231.31	13.8%	10.8%	14.8%	21.1%	7.9%	12.5%	21.1%	0.0%	14.8%	3.3%	21.6%	0.0%
Injury_Mental Illness	561.18	0.0%	1.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.6%	0.0%	2.2%
Injury_Overtime	1,068.56	0.0%	1.6%	7.4%	0.0%	0.8%	0.0%	0.0%	0.0%	7.4%	8.8%	3.6%	0.0%
Mental Retardation Bipolar	341.22	9.1%	8.1%	3.7%	1.0%	5.5%	0.0%	1.0%	9.8%	3.7%	13.2%	7.2%	22.2%
Mental Retardation_Other Mental Illness	364.30	9.1%	24.1%	11.1%	4.0%	18.9%	37.5%	4.0%	7.8%	11.1%	22.0%	7.2%	35.6%
Overnight_Age Under 30	453.15	4.5%	6.5%	11.1%	4.3%	7.1%	0.0%	4.3%	0.0%	11.1%	13.2%	10.9%	0.0%
Overnight_Mental Illness	580.47	9.1%	21.9%	11.1%	7.0%	6.3%	12.5%	7.0%	29.4%	11.1%	28.6%	0.0%	20.0%
Overnight_Mental Illness_Age Under 30	2,129.36	4.5%	1.6%	0.0%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	6.6%	0.0%	0.0%
Seizure Pre-22_Depression	179.84	4.5%	8.1%	11.1%	12.1%	5.5%	12.5%	12.1%	9.8%	11.1%	4.4%	3.6%	4.4%
Trauma BI Post-22 Alcohol/Drug Abuse	456.84	4.5%	6.5%	0.0%	4.0%	0.0%	0.0%	4.0%	5.9%	0.0%	4.4%	2.4%	4.4%
Trauma BI Post-22_Depression	398.06	4.5%	3.3%	3.7%	13.1%	2.4%	0.0%	13.1%	3.7%	3.7%	6.0%	13.3%	
Dress_Bath_Equip	530.37	63.5%	68.0%	44.4%	71.9%	29.1%	62.5%	71.9%	66.7%	44.4%	45.1%	43.4%	55.6%
Transfer Equip Mobility	711.34	9.1%	24.4%	7.4%	8.3%	1.6%	0.0%	8.3%	7.8%	7.4%	3.3%	10.9%	4.4%
Behavioral Variables (Add-On)													
Cognition 3	330.21	27.2%	53.4%	18.5%	5.3%	29.1%	12.5%	5.3%	15.7%	18.5%	48.4%	29.0%	17.8%
Injury_1	365.28	4.5%	4.9%	7.4%	3.0%	3.9%	0.0%	3.0%	2.0%	7.4%	4.4%	0.0%	0.0%
Injury_2	489.37	0.0%	4.9%	3.7%	3.0%	3.9%	0.0%	3.0%	2.0%	3.7%	9.9%	7.2%	0.0%
Offensive_1	401.03	13.6%	3.3%	7.4%	3.0%	10.2%	0.0%	3.0%	3.9%	7.4%	6.6%	0.0%	4.4%
Offensive_2	963.41	18.2%	19.5%	14.8%	4.0%	2.4%	12.5%	4.0%	11.8%	14.8%	14.3%	3.6%	2.2%
Offensive_3	2,166.05	4.5%	11.1%	3.7%	2.0%	1.6%	0.0%	2.0%	2.0%	3.7%	26.4%	10.9%	8.9%
Wander 2	1,181.32	4.5%	6.2%	0.0%	4.0%	2.4%	0.0%	4.0%	3.9%	0.0%	7.7%	0.0%	0.0%
Mental Health_2	260.51	63.7%	60.9%	74.1%	75.6%	58.3%	75.0%	75.6%	64.7%	74.1%	64.8%	63.8%	84.4%
Resistive_1	300.33	9.1%	11.1%	7.4%	3.0%	3.1%	0.0%	3.0%	2.0%	7.4%	7.7%	0.0%	2.2%
Medication Use (Add-On)													
Meds_2B	543.36	77.2%	83.7%	63.0%	59.5%	59.8%	87.5%	59.5%	86.3%	63.0%	89.0%	79.6%	82.2%
Health Related Services (Add-On)													
Exercise	280.91	54.5%	38.7%	3.7%	23.4%	3.1%	12.5%	23.4%	2.0%	3.7%	6.6%	7.2%	4.4%
Ostomy	683.50	0.0%	0.0%	0.0%	1.0%	0.0%	0.0%	1.0%	0.0%	0.0%	1.1%	3.6%	2.2%
Overnight	459.44	72.8%	82.1%	55.6%	69.6%	59.8%	75.0%	69.6%	88.2%	55.6%	87.9%	86.7%	82.2%
Urinary	640.27	9.1%	0.0%	3.7%	1.0%	0.0%	0.0%	1.0%	3.9%	3.7%	1.1%	0.0%	0.0%
Tracheostomy	2,432.87	0.0%	0.0%	0.0%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	2.2%	0.0%	0.0%
Reposition	474.58	13.6%	32.6%	7.4%	9.0%	3.9%	0.0%	9.0%	3.9%	7.4%	8.8%	14.5%	6.7%
Diagnoses (Add-On)													
Brain Injury Pre-22	123.62	9.2%	8.1%	7.4%	14.1%	7.9%	0.0%	14.1%	7.8%	7.4%	6.6%	14.4%	6.7%
Mental Retardation	261.81	45.5%	79.4%	51.9%	25.1%	63.0%	62.5%	25.1%	58.8%	51.9%	68.1%	50.5%	73.3%
Developmentally Disabled Base Composite	\$3,656.17	\$4,026.03	\$4,977.75	\$3,199.58	\$3,126.23	\$2,740.77	\$3,225.28	\$3,126.23	\$3,580.11	\$3,199.58	\$4,790.14	\$3,400.49	\$3,726.77

Exhibit F2
Wisconsin Department of Health Services
CY 2017 Family Care Partnership/PACE Capitation Rate Development
MCO/GSR Functional Screen Attribute Distribution for Family Care Partnership/PACE - June 2016 Enrollment
Physically Disabled

Variable	Statewide Estimate	Care WI (GSR 3)	Care WI (GSR 5)	Care WI (GSR 6)	Care WI (GSR 12)	iCare (GSR 8)	iCare (GSR 11)	iCare (GSR 12)	CCHP - PACE (GSR 8+)	CCHP (GSR 6)	CCHP (GSR 8)	CCHP (GSR 10)	CCHP (GSR 11)
Intercept (Grid Component)	673.43	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
DD/NH Level of Care (Grid Component)													
Vent Dependent	8,262.80	9.4%	0.0%	0.0%	0.2%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	2.8%	0.0%
SNF	409.99	9.4%	31.6%	57.5%	21.2%	12.6%	26.7%	21.2%	28.8%	57.5%	41.1%	25.0%	17.9%
Number of IADLs (Grid Component)													
IADL_1	0.00	18.9%	10.5%	2.5%	8.9%	17.3%	18.3%	8.9%	8.8%	2.5%	3.0%	11.1%	17.9%
IADL_2	197.49	18.9%	15.8%	17.5%	17.1%	20.1%	30.5%	17.1%	6.3%	17.5%	14.4%	16.7%	12.8%
IADL_3	376.54	9.4%	13.2%	25.0%	25.1%	22.2%	18.3%	25.1%	13.8%	25.0%	14.3%	8.3%	26.8%
IADL_4	557.49	5.7%	18.4%	22.5%	20.6%	15.8%	18.3%	20.8%	22.5%	22.5%	13.4%	25.0%	17.9%
IADL_5-6	912.08	47.2%	42.1%	32.5%	26.8%	23.4%	8.4%	26.8%	47.5%	32.5%	55.0%	38.9%	22.0%
Specific ADLs / Equipment Used (Add-On)													
Toileting_1	97.29	66.0%	18.4%	37.5%	40.4%	23.2%	42.8%	40.4%	33.8%	37.5%	34.2%	25.0%	47.3%
Transfer_2	926.02	9.4%	31.6%	22.5%	23.9%	14.8%	12.2%	23.9%	15.0%	22.5%	32.7%	30.6%	24.6%
Interaction Terms (Add-On)													
Injury Overnight	2,421.46	0.0%	2.6%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	2.8%	0.0%
Mental Illness_3 or More Mental Disorders	65.58	18.9%	18.4%	25.0%	17.7%	13.3%	18.3%	17.7%	15.0%	25.0%	8.4%	11.1%	23.0%
Overnight_Age Under 30	93.45	0.0%	0.0%	0.0%	0.9%	0.5%	0.0%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%
Overnight_Mental Illness	592.69	9.4%	10.5%	10.0%	6.6%	3.7%	6.1%	6.6%	13.8%	10.0%	23.8%	0.0%	12.8%
Spinal Injury_Alcohol/Drug Abuse	607.95	0.0%	0.0%	0.0%	1.3%	0.2%	0.0%	1.3%	0.0%	0.0%	1.5%	0.0%	0.0%
Trauma BI Post-22_Alcohol/Drug Abuse	107.23	0.0%	2.6%	0.0%	1.3%	1.0%	0.0%	1.3%	2.5%	0.0%	0.0%	0.0%	0.0%
Trauma BI Post-22_Exercise	2,007.18	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Trauma BI Post-22_Other Mental Illness	387.21	0.0%	2.6%	0.0%	0.4%	1.2%	0.0%	0.4%	3.8%	0.0%	4.5%	0.0%	0.0%
Dress_Bath_Equip	213.31	62.3%	68.4%	65.0%	74.0%	66.9%	73.3%	74.0%	76.3%	65.0%	66.3%	50.0%	66.7%
Transfer Equip_Mobility	558.22	9.4%	5.3%	10.0%	8.1%	4.2%	12.2%	8.1%	3.8%	10.0%	11.9%	8.3%	7.7%
Behavioral Variables (Add-On)													
Cognition_2-3	202.90	18.9%	34.2%	20.0%	15.6%	12.6%	8.4%	15.6%	35.0%	20.0%	36.6%	25.0%	15.4%
Injury_1-2	282.23	0.0%	0.0%	0.0%	1.7%	0.2%	0.0%	1.7%	3.8%	0.0%	3.0%	2.8%	2.6%
Offensive_1	665.85	0.0%	5.3%	2.5%	1.5%	0.5%	0.0%	1.5%	5.0%	2.5%	1.5%	2.8%	0.0%
Offensive_2	1,003.70	0.0%	2.6%	0.0%	0.9%	0.5%	0.0%	0.9%	6.3%	0.0%	3.0%	5.6%	0.0%
Offensive_3	1,680.50	0.0%	2.6%	2.5%	0.4%	0.0%	0.0%	0.4%	1.3%	2.5%	4.5%	0.0%	0.0%
Wander_2	477.50	9.4%	0.0%	5.0%	0.4%	1.0%	2.2%	0.4%	2.5%	5.0%	3.0%	0.0%	0.0%
Mental Health_2	67.89	66.0%	81.6%	92.5%	78.6%	67.2%	73.3%	78.6%	77.5%	92.5%	67.8%	77.8%	87.2%
Alcohol Drug Abuse	170.65	56.6%	55.3%	20.0%	25.1%	18.6%	8.4%	25.1%	28.8%	20.0%	16.3%	13.9%	20.5%
Medication Use (Add-On)													
Meds_2B	195.12	43.4%	42.1%	57.5%	27.5%	27.5%	0.0%	27.5%	72.5%	57.5%	67.3%	47.2%	50.2%
Health Related Services (Add-On)													
Exercise	345.59	37.7%	34.2%	10.0%	29.2%	3.9%	14.5%	29.2%	8.8%	10.0%	8.9%	11.1%	5.1%
Ulcer Stage 2	721.60	0.0%	2.6%	0.0%	2.6%	1.0%	6.1%	2.6%	2.5%	0.0%	0.0%	0.0%	2.6%
Ulcer Stage 3-4	802.90	0.0%	0.0%	5.0%	2.8%	1.5%	6.1%	2.8%	2.5%	5.0%	5.9%	0.0%	2.6%
Respirate	189.62	15.1%	7.9%	2.5%	8.2%	2.7%	0.0%	8.2%	6.3%	2.5%	10.4%	11.1%	6.7%
Overnight	306.80	43.4%	63.2%	55.0%	60.0%	29.9%	24.4%	60.0%	72.5%	55.0%	85.1%	52.8%	71.8%
Urinary	334.06	0.0%	0.0%	7.5%	3.2%	0.7%	0.0%	3.2%	1.3%	7.5%	1.5%	2.8%	0.0%
Wound	256.77	0.0%	10.5%	17.5%	5.3%	1.5%	18.3%	5.3%	0.0%	17.5%	3.0%	11.1%	5.1%
Tracheostomy	4,389.81	9.4%	0.0%	0.0%	1.3%	0.0%	0.0%	1.3%	0.0%	0.0%	1.5%	2.8%	0.0%
Reposition	714.67	9.4%	15.8%	12.5%	11.1%	5.9%	6.1%	11.1%	10.0%	12.5%	22.3%	11.1%	5.1%
Diagnoses (Add-On)													
Alzheimers	233.71	18.9%	7.9%	17.5%	5.5%	5.7%	0.0%	5.5%	23.8%	17.5%	14.9%	16.7%	17.9%
Physically Disabled Base Composite	\$2,389.48	\$3,558.82	\$2,918.46	\$2,755.35	\$2,519.66	\$1,881.66	\$1,918.64	\$2,519.66	\$2,765.44	\$2,755.35	\$3,264.75	\$2,899.78	\$2,335.21

Exhibit F3
 Wisconsin Department of Health Services
 CY 2017 Family Care Partnership/PACE Capitation Rate Development
 MCO/GSR Functional Screen Attribute Distribution for Family Care Partnership/PACE - June 2016 Enrollment
 Frail Elderly

Variable	Statewide Estimate	Care WI (GSR 3)	Care WI (GSR 5)	Care WI (GSR 6)	Care WI (GSR 12)	iCare (GSR 8)	iCare (GSR 11)	iCare (GSR 12)	CCHP - PACE (GSR 8+)	CCHP (GSR 6)	CCHP (GSR 8)	CCHP (GSR 10)	CCHP (GSR 11)
Intercept (Grid Component)	722.23	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
DD/NH Level of Care (Grid Component)													
Vent Dependent	2,219.63	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
SNF	378.37	33.3%	34.6%	21.7%	21.4%	14.4%	20.9%	21.4%	21.5%	21.7%	32.7%	23.6%	36.5%
Number of IADLs (Grid Component)													
IADL_1	0.00	12.8%	3.8%	1.4%	7.9%	20.8%	0.0%	7.9%	4.2%	1.4%	0.0%	12.5%	5.5%
IADL_2	259.16	12.8%	9.6%	10.1%	12.8%	18.4%	27.8%	12.8%	7.7%	10.1%	6.8%	9.7%	7.7%
IADL_3	435.07	5.1%	8.7%	26.1%	14.9%	29.9%	13.9%	14.9%	13.1%	26.1%	14.9%	13.9%	16.6%
IADL_4-5-6	664.99	69.2%	77.9%	62.3%	64.2%	29.3%	58.2%	64.2%	75.0%	62.3%	76.0%	62.5%	70.1%
Specific ADLs / Equipment Used (Add-On)													
Transfer_2	607.56	28.2%	31.7%	23.2%	29.6%	9.3%	37.4%	29.6%	29.3%	23.2%	32.7%	16.7%	37.0%
Interaction Terms (Add-On)													
Dress_Toilet	384.47	82.1%	76.0%	49.3%	64.3%	26.4%	51.3%	64.3%	56.5%	49.3%	68.1%	40.3%	58.0%
Injury_Overnight	934.92	0.0%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%
Overnight_Mental Illness	315.38	2.6%	6.7%	2.9%	6.8%	2.1%	0.0%	6.8%	12.3%	2.9%	6.8%	1.4%	3.3%
Trauma BI Post-22_Other Mental Illness	758.94	0.0%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.4%	2.2%
Transfer_Equip_Mobility	607.39	10.3%	12.5%	4.3%	8.2%	2.1%	30.4%	8.2%	9.2%	4.3%	9.1%	2.8%	7.7%
Behavioral Variables (Add-On)													
Conqition_2-3	92.08	46.2%	60.6%	33.3%	37.5%	14.9%	37.4%	37.5%	45.9%	33.3%	47.8%	38.9%	40.3%
Offensive_1-2	273.50	20.5%	12.5%	4.3%	6.0%	1.6%	7.0%	6.0%	1.9%	4.3%	4.6%	5.6%	3.3%
Offensive_3	428.25	0.0%	5.8%	1.4%	0.3%	0.0%	0.0%	0.3%	1.5%	1.4%	0.0%	2.8%	2.2%
Wander_2	107.70	5.1%	2.9%	0.0%	3.3%	1.6%	0.0%	3.3%	1.9%	0.0%	4.6%	2.8%	2.2%
Mental Health 2	143.29	51.3%	62.5%	72.5%	64.6%	49.1%	51.3%	64.6%	54.9%	72.5%	52.2%	61.1%	56.9%
Alcohol Drug Abuse	215.53	7.7%	18.3%	1.4%	11.4%	8.0%	0.0%	11.4%	6.2%	1.4%	9.1%	1.4%	6.6%
Medication Use (Add-On)													
Meds_2B	224.65	74.4%	77.9%	75.4%	56.6%	30.4%	72.2%	56.6%	76.9%	75.4%	66.9%	65.3%	82.3%
Health Related Services (Add-On)													
Dialysis	175.51	0.0%	0.0%	0.0%	1.0%	4.3%	0.0%	1.0%	2.1%	0.0%	2.3%	2.8%	2.2%
Exercise	87.45	66.7%	41.3%	2.9%	27.6%	2.1%	13.9%	27.6%	5.9%	2.9%	6.8%	1.4%	2.7%
Ulcer Stage 2	255.63	2.6%	3.8%	0.0%	1.8%	0.5%	0.0%	1.8%	1.5%	0.0%	2.3%	0.0%	1.1%
Ulcer Stage 3-4	461.85	2.6%	0.0%	1.4%	1.2%	1.1%	0.0%	1.2%	0.4%	1.4%	2.3%	2.8%	0.0%
Respirate	156.03	7.7%	10.6%	7.2%	8.7%	4.3%	13.9%	8.7%	9.1%	7.2%	6.8%	9.7%	12.2%
Overnight	342.68	84.6%	84.6%	63.8%	72.7%	29.0%	51.3%	72.7%	86.5%	63.8%	84.1%	68.1%	79.0%
Med Management	102.13	23.1%	29.8%	26.1%	27.7%	21.9%	55.7%	27.7%	32.0%	26.1%	38.7%	26.4%	35.4%
Tracheostomy	2,149.02	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Reposition	406.01	10.3%	13.5%	10.1%	9.3%	3.7%	23.4%	9.3%	12.0%	10.1%	15.9%	8.3%	8.2%
Diagnoses (Add-On)													
Alzheimers	137.80	41.0%	58.7%	44.9%	33.1%	20.3%	58.2%	33.1%	52.2%	44.9%	45.6%	47.2%	50.2%
Mental Illness	159.75	5.1%	15.4%	17.4%	18.6%	15.5%	0.0%	18.6%	24.6%	17.4%	20.5%	6.9%	13.3%
Frail Elderly Base Composite	\$2,546.44	\$2,791.30	\$2,996.59	\$2,446.19	\$2,570.07	\$1,714.81	\$2,660.82	\$2,570.07	\$2,710.98	\$2,446.19	\$2,802.44	\$2,308.06	\$2,738.15

Exhibit G1
Wisconsin Department of Health Services
CY 2017 Family Care Partnership/PACE Capitation Rate Development
Development of Service Portion of LTC Rate

DD Development	2017 Projected Exposure Months	MCO/GSR Specific Base Rate Development				Partnership Add-On Amount	Total MCO/GSR Specific Risk Adjusted Rate	Projection to CY 2017				Projected Per Capita Monthly Costs
		2015 FC Regression Results		MCO/GSR Specific Risk Adjusted Rate	2017 DD Adjustment Factors							
		FC Statewide DD Base Costs	FCP Risk Score - June 2016 Enrollment		Two-Year Utilization Trend			Two-Year Unit Cost Trend	One-Year Acuity Trend	Wage Index		
Care WI (GSR 3)	272	\$3,505.22	1.1486	\$4,026.03	\$90.33	\$4,116.36	0.9980	1.0020	1.0200	0.9891	\$4,153.10	
Care WI (GSR 5)	760	3,505.22	1.4201	4,977.75	90.33	5,068.09	0.9980	1.0020	1.0200	1.0059	5,200.14	
Care WI (GSR 6)	2	3,505.22	0.9128	3,199.58	90.33	3,289.91	0.9980	1.0020	1.0200	1.0052	3,373.01	
Care WI (GSR 12)	1,183	3,505.22	0.8919	3,126.23	90.33	3,216.56	0.9980	1.0020	1.0200	1.0465	3,433.54	
iCare (GSR 8)	1,584	3,505.22	0.7819	2,740.77	90.33	2,831.10	0.9980	1.0020	1.0200	1.0052	2,902.61	
iCare (GSR 11)	110	3,505.22	0.9201	3,225.26	90.33	3,315.61	0.9980	1.0020	1.0200	1.0159	3,435.70	
iCare (GSR 12)	63	3,505.22	0.8919	3,126.23	90.33	3,216.56	0.9980	1.0020	1.0200	1.0465	3,433.54	
CCHP - PACE (GSR 8+)	593	3,505.22	1.0214	3,580.11	90.33	3,670.44	0.9980	1.0020	1.0200	1.0052	3,763.16	
CCHP (GSR 6)	330	3,505.22	0.9128	3,199.58	90.33	3,289.91	0.9980	1.0020	1.0200	1.0052	3,373.01	
CCHP (GSR 8)	1,122	3,505.22	1.3666	4,790.14	90.33	4,880.48	0.9980	1.0020	1.0200	1.0052	5,003.75	
CCHP (GSR 10)	349	3,505.22	0.9701	3,400.49	90.33	3,490.82	0.9980	1.0020	1.0200	0.9888	3,520.86	
CCHP (GSR 11)	563	3,505.22	1.0632	3,726.77	90.33	3,817.10	0.9980	1.0020	1.0200	1.0159	3,955.35	
Total DD Cohort	6,930	\$3,505.22	1.0420	\$3,652.53	\$90.33	\$3,742.86	0.9980	1.0020	1.0200	1.0112	\$3,860.65	

PD Development	2017 Projected Exposure Months	MCO/GSR Specific Base Rate Development				Partnership Add-On Amount	Total MCO/GSR Specific Risk Adjusted Rate	Projection to CY 2017				Projected Per Capita Monthly Costs
		2015 FC Regression Results		MCO/GSR Specific Risk Adjusted Rate	2017 PD Adjustment Factors							
		FC Statewide PD Base Costs	FCP Risk Score - June 2016 Enrollment		Two-Year Utilization Trend			Two-Year Unit Cost Trend	One-Year Acuity Trend	Wage Index		
Care WI (GSR 3)	94	\$2,388.69	1.4899	\$3,558.82	\$90.33	\$3,649.15	0.9946	1.0140	1.0020	0.9891	\$3,647.68	
Care WI (GSR 5)	529	2,388.69	1.2218	2,918.46	90.33	3,008.79	0.9946	1.0140	1.0020	1.0059	3,058.65	
Care WI (GSR 6)	18	2,388.69	1.1535	2,755.35	90.33	2,845.69	0.9946	1.0140	1.0020	1.0052	2,890.59	
Care WI (GSR 12)	5,557	2,388.69	1.0548	2,519.66	90.33	2,609.99	0.9946	1.0140	1.0020	1.0465	2,760.30	
iCare (GSR 8)	4,996	2,388.69	0.7877	1,881.66	90.33	1,971.99	0.9946	1.0140	1.0020	1.0052	2,003.11	
iCare (GSR 11)	203	2,388.69	0.8032	1,918.64	90.33	2,008.97	0.9946	1.0140	1.0020	1.0159	2,062.49	
iCare (GSR 12)	639	2,388.69	1.0548	2,519.66	90.33	2,609.99	0.9946	1.0140	1.0020	1.0465	2,760.30	
CCHP - PACE (GSR 8+)	1,121	2,388.69	1.1577	2,765.44	90.33	2,855.77	0.9946	1.0140	1.0020	1.0052	2,900.84	
CCHP (GSR 6)	521	2,388.69	1.1535	2,755.35	90.33	2,845.69	0.9946	1.0140	1.0020	1.0052	2,890.59	
CCHP (GSR 8)	794	2,388.69	1.3668	3,264.75	90.33	3,355.08	0.9946	1.0140	1.0020	1.0052	3,408.03	
CCHP (GSR 10)	430	2,388.69	1.2140	2,899.78	90.33	2,990.11	0.9946	1.0140	1.0020	0.9888	2,987.96	
CCHP (GSR 11)	477	2,388.69	0.9776	2,335.21	90.33	2,425.55	0.9946	1.0140	1.0020	1.0159	2,490.16	
Total PD Cohort	15,379	\$2,388.69	1.0023	\$2,394.07	\$90.33	\$2,484.41	0.9946	1.0140	1.0020	1.0224	\$2,567.02	

FE Development	2017 Projected Exposure Months	MCO/GSR Specific Base Rate Development				Partnership Add-On Amount	Total MCO/GSR Specific Risk Adjusted Rate	Projection to CY 2017				Projected Per Capita Monthly Costs
		2015 FC Regression Results		MCO/GSR Specific Risk Adjusted Rate	2017 FE Adjustment Factors							
		FC Statewide FE Base Costs	FCP Risk Score - June 2016 Enrollment		Two-Year Utilization Trend			Two-Year Unit Cost Trend	One-Year Acuity Trend	Wage Index		
Care WI (GSR 3)	503	\$2,504.49	1.1145	\$2,791.30	\$90.33	\$2,881.63	0.9862	1.0231	1.0180	0.9891	\$2,927.87	
Care WI (GSR 5)	1,308	2,504.49	1.1965	2,996.59	90.33	3,086.93	0.9862	1.0231	1.0180	1.0059	3,189.71	
Care WI (GSR 6)	30	2,504.49	0.9767	2,446.19	90.33	2,536.53	0.9862	1.0231	1.0180	1.0052	2,618.95	
Care WI (GSR 12)	7,534	2,504.49	1.0262	2,570.07	90.33	2,660.40	0.9862	1.0231	1.0180	1.0465	2,859.91	
iCare (GSR 8)	2,129	2,504.49	0.6847	1,714.81	90.33	1,805.14	0.9862	1.0231	1.0180	1.0052	1,863.80	
iCare (GSR 11)	256	2,504.49	1.0624	2,660.82	90.33	2,751.15	0.9862	1.0231	1.0180	1.0159	2,870.91	
iCare (GSR 12)	433	2,504.49	1.0262	2,570.07	90.33	2,660.40	0.9862	1.0231	1.0180	1.0465	2,859.91	
CCHP - PACE (GSR 8+)	5,801	2,504.49	1.0824	2,710.98	90.33	2,801.31	0.9862	1.0231	1.0180	1.0052	2,892.34	
CCHP (GSR 6)	879	2,504.49	0.9767	2,446.19	90.33	2,536.53	0.9862	1.0231	1.0180	1.0052	2,618.95	
CCHP (GSR 8)	640	2,504.49	1.1190	2,802.44	90.33	2,892.77	0.9862	1.0231	1.0180	1.0052	2,986.77	
CCHP (GSR 10)	933	2,504.49	0.9216	2,308.06	90.33	2,398.40	0.9862	1.0231	1.0180	0.9888	2,436.11	
CCHP (GSR 11)	1,176	2,504.49	1.0933	2,738.15	90.33	2,828.48	0.9862	1.0231	1.0180	1.0159	2,951.61	
Total FE Cohort	21,622	\$2,504.49	1.0202	\$2,555.20	\$90.33	\$2,645.53	0.9862	1.0231	1.0180	1.0203	\$2,772.52	

Composite Development	2017 Projected Exposure Months	MCO/GSR Specific Base Rate Development				Partnership Add-On Amount	Total MCO/GSR Specific Risk Adjusted Rate	Projection to CY 2017				Projected Per Capita Monthly Costs
		2015 FC Regression Results		MCO/GSR Specific Risk Adjusted Rate	2017 Composite Adjustment Factors							
		FC Statewide Composite Base Costs	FCP Risk Score - June 2016 Enrollment		Two-Year Utilization Trend			Two-Year Unit Cost Trend	One-Year Acuity Trend	Wage Index		
Care WI (GSR 3)	868	\$2,804.88	1.1623	\$3,260.17	\$90.33	\$3,350.51	0.9917	1.0139	1.0169	0.9891	\$3,388.63	
Care WI (GSR 5)	2,597	2,773.95	1.2837	3,560.80	90.33	3,651.14	0.9924	1.0130	1.0161	1.0059	3,751.72	
Care WI (GSR 6)	50	2,507.24	1.0327	2,589.33	90.33	2,679.66	0.9900	1.0185	1.0121	1.0052	2,748.76	
Care WI (GSR 12)	14,274	2,542.31	1.0213	2,596.52	90.33	2,686.85	0.9906	1.0176	1.0121	1.0465	2,868.65	
iCare (GSR 8)	8,709	2,620.02	0.7622	1,997.09	90.33	2,087.42	0.9937	1.0130	1.0098	1.0052	2,132.62	
iCare (GSR 11)	569	2,656.46	0.9431	2,505.25	90.33	2,595.58	0.9914	1.0154	1.0141	1.0159	2,691.79	
iCare (GSR 12)	1,135	2,494.65	1.0312	2,572.45	90.33	2,662.79	0.9916	1.0167	1.0093	1.0465	2,835.56	
CCHP - PACE (GSR 8+)	7,515	2,566.22	1.0863	2,787.71	90.33	2,878.04	0.9886	1.0196	1.0158	1.0052	2,962.35	
CCHP (GSR 6)	1,729	2,660.44	1.0085	2,683.00	90.33	2,773.34	0.9915	1.0155	1.0135	1.0052	2,844.59	
CCHP (GSR 8)	2,557	2,907.72	1.3132	3,818.46	90.33	3,908.79	0.9949	1.0091	1.0148	1.0052	4,002.89	
CCHP (GSR 10)	1,712	2,679.36	1.0000	2,679.36	90.33	2,769.69	0.9915	1.0152	1.0142	0.9888	2,795.83	
CCHP (GSR 11)	2,216	2,733.71	1.0617	2,902.49	90.33	2,992.82	0.9915	1.0147	1.0158	1.0159	3,107.19	
Grand Total	43,931	\$2,621.81	1.0191	\$2,671.89	\$90.33	\$2,762.22	0.9914	1.0157	1.0134	1.0190	\$2,872.23	

Exhibit G2
Wisconsin Department of Health Services
CY 2017 Family Care Partnership/PACE Capitation Rate Development
Development of Service Portion of LTC Rate

(A) DD Development	(B) Application of HCRP			(C) = (A) + (B)	(D) Policy Adjustment FLSA Adjustment	(E) = (C) + (D)	(F) Market Variability Adjustment	(G) = (E) x (F) CY 2017 LTC Projected Service Costs
	Projected Per Capita Monthly Costs	HCRP Charge From Family Care Base Period	Projected Per Capita Monthly LTC Costs w/ HCRP			Policy Adjusted Projected Per Capita Costs w/ HCRP		
Care WI (GSR 3)	\$4,153.10	\$33.92	\$4,187.02	\$7.54	\$4,194.56	0.9750	\$4,089.69	
Care WI (GSR 5)	5,200.14	33.92	5,234.06	9.42	5,243.48	0.9750	5,112.39	
Care WI (GSR 6)	3,373.01	33.92	3,406.93	6.13	3,413.06	0.9750	3,327.74	
Care WI (GSR 12)	3,433.54	33.92	3,467.46	6.24	3,473.70	0.9750	3,386.86	
iCare (GSR 8)	2,902.61	33.92	2,936.53	5.29	2,941.82	1.0000	2,941.82	
iCare (GSR 11)	3,435.70	33.92	3,469.62	6.25	3,475.87	1.0000	3,475.87	
iCare (GSR 12)	3,433.54	33.92	3,467.46	6.24	3,473.70	1.0000	3,473.70	
CCHP - PACE (GSR 8+)	3,763.16	33.92	3,797.08	6.83	3,803.91	1.0000	3,803.91	
CCHP (GSR 6)	3,373.01	33.92	3,406.93	6.13	3,413.06	1.0000	3,413.06	
CCHP (GSR 8)	5,003.75	33.92	5,037.67	9.07	5,046.74	1.0000	5,046.74	
CCHP (GSR 10)	3,520.86	33.92	3,554.78	6.40	3,561.18	1.0000	3,561.18	
CCHP (GSR 11)	3,955.35	33.92	3,989.27	7.18	3,996.45	1.0000	3,996.45	
Total DD Cohort	\$3,860.65	\$33.92	\$3,894.57	\$7.01	\$3,901.58	0.9915	\$3,868.24	

(A) PD Development	(B) Application of HCRP			(C) = (A) + (B)	(D) Policy Adjustment FLSA Adjustment	(E) = (C) + (D)	(F) Market Variability Adjustment'	(G) = (E) x (F) CY 2017 LTC Projected Service Costs
	Projected Per Capita Monthly Costs	HCRP Charge From Family Care Base Period	Projected Per Capita Monthly LTC Costs w/ HCRP			Policy Adjusted Projected Per Capita Costs w/ HCRP		
Care WI (GSR 3)	\$3,647.68	\$5.44	\$3,653.12	\$6.58	\$3,659.70	0.9750	\$3,568.20	
Care WI (GSR 5)	3,058.65	5.44	3,064.09	5.52	3,069.61	0.9750	2,992.87	
Care WI (GSR 6)	2,890.59	5.44	2,896.03	5.21	2,901.24	0.9750	2,828.71	
Care WI (GSR 12)	2,760.30	5.44	2,765.74	4.98	2,770.72	0.9750	2,701.45	
iCare (GSR 8)	2,003.11	5.44	2,008.55	3.62	2,012.17	1.0000	2,012.17	
iCare (GSR 11)	2,062.49	5.44	2,067.93	3.72	2,071.65	1.0000	2,071.65	
iCare (GSR 12)	2,760.30	5.44	2,765.74	4.98	2,770.72	1.0000	2,770.72	
CCHP - PACE (GSR 8+)	2,900.84	5.44	2,906.28	5.23	2,911.51	1.0000	2,911.51	
CCHP (GSR 6)	2,890.59	5.44	2,896.03	5.21	2,901.24	1.0000	2,901.24	
CCHP (GSR 8)	3,408.03	5.44	3,413.47	6.14	3,419.61	1.0000	3,419.61	
CCHP (GSR 10)	2,987.96	5.44	2,993.40	5.39	2,998.79	1.0000	2,998.79	
CCHP (GSR 11)	2,490.16	5.44	2,495.60	4.49	2,500.09	1.0000	2,500.09	
Total PD Cohort	\$2,967.02	\$5.44	\$2,972.46	\$4.63	\$2,977.10	0.9890	\$2,948.78	

(A) FE Development	(B) Application of HCRP			(C) = (A) + (B)	(D) Policy Adjustment FLSA Adjustment	(E) = (C) + (D)	(F) Market Variability Adjustment'	(G) = (E) x (F) CY 2017 LTC Projected Service Costs
	Projected Per Capita Monthly Costs	HCRP Charge From Family Care Base Period	Projected Per Capita Monthly LTC Costs w/ HCRP			Policy Adjusted Projected Per Capita Costs w/ HCRP		
Care WI (GSR 3)	\$2,927.87	\$1.28	\$2,929.15	\$5.27	\$2,934.42	0.9750	\$2,861.06	
Care WI (GSR 5)	3,189.71	1.28	3,191.00	5.74	3,196.73	0.9750	3,116.82	
Care WI (GSR 6)	2,618.95	1.28	2,620.23	4.72	2,624.95	0.9750	2,559.32	
Care WI (GSR 12)	2,859.91	1.28	2,861.19	5.15	2,866.34	0.9750	2,794.68	
iCare (GSR 8)	1,863.80	1.28	1,865.08	3.36	1,868.44	1.0000	1,868.44	
iCare (GSR 11)	2,870.91	1.28	2,872.19	5.17	2,877.36	1.0000	2,877.36	
iCare (GSR 12)	2,859.91	1.28	2,861.19	5.15	2,866.34	1.0000	2,866.34	
CCHP - PACE (GSR 8+)	2,892.34	1.28	2,893.62	5.21	2,898.83	1.0000	2,898.83	
CCHP (GSR 6)	2,618.95	1.28	2,620.23	4.72	2,624.95	1.0000	2,624.95	
CCHP (GSR 8)	2,986.77	1.28	2,988.05	5.38	2,993.43	1.0000	2,993.43	
CCHP (GSR 10)	2,436.11	1.28	2,437.39	4.39	2,441.78	1.0000	2,441.78	
CCHP (GSR 11)	2,951.61	1.28	2,952.89	5.32	2,958.21	1.0000	2,958.21	
Total FE Cohort	\$2,772.52	\$1.28	\$2,773.80	\$4.99	\$2,778.79	0.9886	\$2,747.20	

(A) Composite Development	(B) Application of HCRP			(C) = (A) + (B)	(D) Policy Adjustment FLSA Adjustment	(E) = (C) + (D)	(F) Market Variability Adjustment'	(G) = (E) x (F) CY 2017 LTC Projected Service Costs
	Projected Per Capita Monthly Costs	HCRP Charge From Family Care Base Period	Projected Per Capita Monthly LTC Costs w/ HCRP			Policy Adjusted Projected Per Capita Costs w/ HCRP		
Care WI (GSR 3)	\$3,388.63	\$11.93	\$3,400.56	\$6.12	\$3,406.68	0.9750	\$3,321.52	
Care WI (GSR 5)	3,751.72	11.68	3,763.40	6.77	3,770.18	0.9750	3,675.92	
Care WI (GSR 6)	2,748.76	4.19	2,752.95	4.96	2,757.91	0.9750	2,688.96	
Care WI (GSR 12)	2,868.65	5.60	2,874.25	5.17	2,879.43	0.9750	2,807.44	
iCare (GSR 8)	2,132.62	9.60	2,142.22	3.86	2,146.07	1.0000	2,146.07	
iCare (GSR 11)	2,691.79	9.07	2,700.86	4.86	2,705.72	1.0000	2,705.72	
iCare (GSR 12)	2,835.56	5.43	2,840.99	5.11	2,846.11	1.0000	2,846.11	
CCHP - PACE (GSR 8+)	2,962.35	4.48	2,966.83	5.34	2,972.17	1.0000	2,972.17	
CCHP (GSR 6)	2,844.59	8.76	2,853.34	5.14	2,858.48	1.0000	2,858.48	
CCHP (GSR 8)	4,002.89	16.90	4,019.78	7.24	4,027.02	1.0000	4,027.02	
CCHP (GSR 10)	2,795.83	8.98	2,804.81	5.05	2,809.86	1.0000	2,809.86	
CCHP (GSR 11)	3,107.19	10.46	3,117.66	5.61	3,123.27	1.0000	3,123.27	
Grand Total	\$2,872.23	\$7.89	\$2,880.12	\$5.18	\$2,885.30	0.9894	\$2,854.58	

Exhibits H - I

Capitation Rate Development – Capitation Rates

State of Wisconsin Department of Health Services
CY 2017 Capitation Rate Development for Family Care Partnership / PACE Program

December 6, 2016

This report assumes that the reader is familiar with the State of Wisconsin's Medicaid program, its benefits, and rate setting principles. The report was prepared solely to provide assistance to DHS to set CY 2017 capitation rates for the Family Care Partnership / PACE program. It may not be appropriate for other purposes. Milliman does not intend to benefit, and assumes no duty or liability to, other parties who receive this work. This material should only be reviewed in its entirety.

Exhibit H
Wisconsin Department of Health Services
CY 2017 Family Care Partnership /PACE Capitation Rate Development
Development of Non-Service Portion of Rates, MCE, and Final Capitation Rates

Base Cohort DD Development	2017 Projected Exposure Months	(A)	(B)	(C)	(D) = (B) - (C)	(E)	(F) = (A) + (E)	(G) = (B) + (E)	(H) = (D) + (E)	(I)	(J) = (I) / (M)	(K) = (L) / (N)	(L)	(M) = (F) + (I)	(N) = (G) + (I) + (L)	(O) = (H) + (I) + (L)
		Projected LTC MCE Service Costs	CY 2017 Gross LTC Service Costs	CY 2017 HCRP Pooled Claims	CY 2017 Net LTC Service Costs	CY 2017 A&P Service Costs	Projected MCE Service Costs	CY 2017 Gross Service Costs	CY 2017 Net Service Costs	MCE Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	CY 2017 Capitation Rate	CY 2017 Capitation Rate Less HCRP
Care WI (GSR 3)	272	\$4,194.56	\$4,089.69	\$33.92	\$4,055.77	\$303.78	\$4,498.34	\$4,393.47	\$4,359.55	\$172.31	3.7%	1.5%	\$69.53	\$4,670.65	\$4,635.31	\$4,601.39
Care WI (GSR 5)	760	5,243.48	5,112.39	33.92	5,078.47	373.74	5,617.22	5,486.13	5,452.21	172.31	3.0%	1.5%	86.17	5,789.53	5,744.61	5,710.69
Care WI (GSR 6)	2	3,413.06	3,327.74	33.92	3,293.82	485.15	3,898.21	3,812.89	3,779.97	172.31	4.2%	1.5%	60.69	4,070.52	4,045.89	4,011.97
Care WI (GSR 12)	1,163	3,473.70	3,386.86	33.92	3,352.94	496.19	3,969.89	3,883.05	3,849.13	172.31	4.2%	1.5%	61.76	4,142.20	4,117.12	4,083.20
iCare (GSR 8)	1,584	2,941.82	2,941.82	33.92	2,907.90	912.37	3,854.19	3,854.19	3,820.27	172.31	4.3%	1.5%	61.32	4,026.50	4,007.82	4,053.90
iCare (GSR 11)	110	3,475.87	3,475.87	33.92	3,441.95	637.27	4,113.14	4,113.14	4,079.22	172.31	4.2%	1.5%	65.26	4,285.45	4,350.71	4,316.79
iCare (GSR 12)	63	3,473.70	3,473.70	33.92	3,439.78	595.05	4,068.75	4,068.75	4,034.83	172.31	4.1%	1.5%	64.58	4,241.06	4,305.64	4,271.72
CHCP - PACE (GSR 8+)	593	3,803.91	3,803.91	33.92	3,769.99	316.99	4,120.90	4,120.90	4,086.98	172.31	4.0%	1.5%	65.38	4,293.21	4,358.69	4,324.67
CHCP (GSR 6)	330	3,413.06	3,413.06	33.92	3,379.14	473.48	3,895.54	3,895.54	3,852.62	172.31	4.2%	1.5%	61.81	4,058.85	4,120.66	4,086.74
CHCP (GSR 8)	1,122	5,046.74	5,046.74	33.92	5,012.82	723.65	5,770.39	5,770.39	5,736.47	172.31	2.9%	1.5%	90.50	5,942.70	6,033.20	5,999.28
CHCP (GSR 10)	349	3,561.18	3,561.18	33.92	3,527.26	418.50	3,979.68	3,979.68	3,945.76	172.31	4.2%	1.5%	63.23	4,151.99	4,215.22	4,181.30
CHCP (GSR 11)	563	3,996.45	3,996.45	33.92	3,962.53	365.90	4,362.35	4,362.35	4,328.43	172.31	3.8%	1.5%	69.06	4,534.66	4,603.72	4,569.80
Total DD Cohort	6,930	\$3,901.58	\$3,868.24	\$33.92	\$3,834.32	\$579.37	\$4,480.95	\$4,447.61	\$4,413.69	\$172.31	3.7%	1.5%	\$70.35	\$4,653.26	\$4,690.27	\$4,656.35

Base Cohort PD Development	2017 Projected Exposure Months	(A)	(B)	(C)	(D) = (B) - (C)	(E)	(F) = (A) + (E)	(G) = (B) + (E)	(H) = (D) + (E)	(I)	(J) = (I) / (M)	(K) = (L) / (N)	(L)	(M) = (F) + (I)	(N) = (G) + (I) + (L)	(O) = (H) + (I) + (L)
		Projected LTC MCE Service Costs	CY 2017 Gross LTC Service Costs	CY 2017 HCRP Pooled Claims	CY 2017 Net LTC Service Costs	CY 2017 A&P Service Costs	Projected MCE Service Costs	CY 2017 Gross Service Costs	CY 2017 Net Service Costs	MCE Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	CY 2017 Capitation Rate	CY 2017 Capitation Rate Less HCRP
Care WI (GSR 3)	94	\$3,659.70	\$3,568.20	\$5.44	\$3,562.76	\$303.78	\$3,963.48	\$3,871.98	\$3,866.54	\$172.31	4.2%	1.5%	\$61.59	\$4,135.79	\$4,105.88	\$4,100.44
Care WI (GSR 5)	529	3,069.61	2,992.87	5.44	2,987.43	373.74	3,443.35	3,366.61	3,361.17	172.31	4.8%	1.5%	53.89	3,615.66	3,592.81	3,587.37
Care WI (GSR 6)	5	2,901.24	2,828.71	5.44	2,823.27	485.15	3,386.39	3,313.86	3,308.42	172.31	4.8%	1.5%	53.09	3,558.70	3,539.26	3,533.82
Care WI (GSR 12)	18	2,770.72	2,701.45	5.44	2,696.01	496.19	3,266.91	3,197.64	3,192.10	172.31	5.0%	1.5%	51.32	3,439.22	3,421.27	3,415.83
iCare (GSR 8)	4,996	2,012.17	2,012.17	5.44	2,006.73	912.37	2,924.54	2,924.54	2,919.10	172.31	5.0%	1.5%	47.16	3,096.85	3,144.01	3,138.57
iCare (GSR 11)	203	2,071.65	2,071.65	5.44	2,066.21	637.27	2,708.92	2,708.92	2,703.48	172.31	6.0%	1.5%	43.88	2,881.23	2,925.11	2,919.67
iCare (GSR 12)	638	2,770.72	2,770.72	5.44	2,765.28	595.05	3,365.77	3,365.77	3,360.33	172.31	4.9%	1.5%	53.88	3,538.08	3,586.52	3,586.52
CHCP - PACE (GSR 8+)	1,121	2,911.51	2,911.51	5.44	2,906.07	316.99	3,228.50	3,228.50	3,223.06	172.31	5.1%	1.5%	51.79	3,400.81	3,452.60	3,447.16
CHCP (GSR 6)	521	2,901.24	2,901.24	5.44	2,895.80	473.48	3,374.72	3,374.72	3,369.28	172.31	4.9%	1.5%	54.02	3,547.03	3,601.05	3,595.61
CHCP (GSR 8)	794	3,419.61	3,419.61	5.44	3,414.17	723.65	4,143.26	4,143.26	4,137.82	172.31	4.0%	1.5%	65.72	4,315.57	4,381.29	4,375.85
CHCP (GSR 10)	430	2,998.79	2,998.79	5.44	2,993.35	418.50	3,417.29	3,417.29	3,411.85	172.31	4.8%	1.5%	54.66	3,589.60	3,644.26	3,638.82
CHCP (GSR 11)	477	2,500.09	2,500.09	5.44	2,494.65	365.90	2,860.59	2,860.59	2,855.15	172.31	5.7%	1.5%	45.27	3,038.30	3,094.57	3,079.13
Total PD Cohort	15,379	\$2,577.10	\$2,548.78	\$5.44	\$2,543.34	\$623.67	\$3,200.77	\$3,172.45	\$3,167.01	\$172.31	5.1%	1.5%	\$50.94	\$3,373.08	\$3,395.70	\$3,390.26

Base Cohort FE Development	2017 Projected Exposure Months	(A)	(B)	(C)	(D) = (B) - (C)	(E)	(F) = (A) + (E)	(G) = (B) + (E)	(H) = (D) + (E)	(I)	(J) = (I) / (M)	(K) = (L) / (N)	(L)	(M) = (F) + (I)	(N) = (G) + (I) + (L)	(O) = (H) + (I) + (L)
		Projected LTC MCE Service Costs	CY 2017 Gross LTC Service Costs	CY 2017 HCRP Pooled Claims	CY 2017 Net LTC Service Costs	CY 2017 A&P Service Costs	Projected MCE Service Costs	CY 2017 Gross Service Costs	CY 2017 Net Service Costs	MCE Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	CY 2017 Capitation Rate	CY 2017 Capitation Rate Less HCRP
Care WI (GSR 3)	503	\$2,034.42	\$2,061.06	\$1.28	\$2,059.78	\$303.78	\$2,338.20	\$3,164.84	\$3,163.56	\$172.31	5.1%	1.5%	\$50.82	\$3,410.51	\$3,387.97	\$3,386.69
Care WI (GSR 5)	1,308	3,196.73	3,116.82	1.28	3,115.54	373.74	3,570.47	3,490.56	3,489.28	172.31	4.6%	1.5%	55.78	3,742.41	3,718.65	3,717.37
Care WI (GSR 6)	30	2,624.95	2,559.32	1.28	2,558.04	485.15	3,110.10	3,044.47	3,043.19	172.31	5.2%	1.5%	48.99	3,262.41	3,264.49	3,264.49
Care WI (GSR 12)	7,534	2,866.24	2,794.68	1.28	2,793.40	496.19	3,362.53	3,290.87	3,289.59	172.31	4.9%	1.5%	52.74	3,534.84	3,515.92	3,514.64
iCare (GSR 8)	2,129	1,868.44	1,868.44	1.28	1,867.16	912.37	2,780.81	2,779.81	2,775.53	172.31	5.8%	1.5%	44.97	2,953.12	2,998.09	2,998.09
iCare (GSR 11)	256	2,877.36	2,877.36	1.28	2,876.08	637.27	3,514.63	3,514.63	3,513.35	172.31	4.7%	1.5%	56.15	3,686.94	3,743.09	3,741.81
iCare (GSR 12)	433	2,866.34	2,866.34	1.28	2,865.06	595.05	3,461.39	3,461.39	3,460.11	172.31	4.7%	1.5%	55.34	3,633.70	3,689.04	3,687.76
CHCP - PACE (GSR 8+)	5,801	2,898.83	2,898.83	1.28	2,897.55	316.99	3,215.82	3,215.82	3,214.54	172.31	5.1%	1.5%	51.60	3,388.13	3,439.73	3,438.45
CHCP (GSR 6)	879	2,624.95	2,624.95	1.28	2,623.67	473.48	3,098.43	3,098.43	3,097.15	172.31	5.3%	1.5%	49.81	3,270.74	3,320.55	3,319.27
CHCP (GSR 8)	640	2,993.43	2,993.43	1.28	2,992.15	723.65	3,717.08	3,717.08	3,715.80	172.31	4.4%	1.5%	59.23	3,883.39	3,948.62	3,947.34
CHCP (GSR 10)	933	2,441.78	2,441.78	1.28	2,440.50	418.50	2,860.28	2,860.28	2,859.00	172.31	5.7%	1.5%	46.18	3,032.59	3,078.77	3,077.49
CHCP (GSR 11)	1,176	2,958.21	2,958.21	1.28	2,956.93	365.90	3,324.11	3,324.11	3,322.83	172.31	4.9%	1.5%	53.24	3,496.42	3,549.66	3,548.38
Total FE Cohort	21,622	\$2,778.79	\$2,747.20	\$1.28	\$2,745.92	\$476.22	\$3,255.01	\$3,223.42	\$3,222.14	\$172.31	5.0%	1.5%	\$51.71	\$3,427.32	\$3,447.44	\$3,446.16

Base Cohort Composite Development	2017 Projected Exposure Months	(A)	(B)	(C)	(D) = (B) - (C)	(E)	(F) = (A) + (E)	(G) = (B) + (E)	(H) = (D) + (E)	(I)	(J) = (I) / (M)	(K) = (L) / (N)	(L)	(M) = (F) + (I)	(N) = (G) + (I) + (L)	(O) = (H) + (I) + (L)
		Projected LTC MCE Service Costs	CY 2017 Gross LTC Service Costs	CY 2017 HCRP Pooled Claims	CY 2017 Net LTC Service Costs	CY 2017 A&P Service Costs	Projected MCE Service Costs	CY 2017 Gross Service Costs	CY 2017 Net Service Costs	MCE Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	CY 2017 Capitation Rate	CY 2017 Capitation Rate Less HCRP
Care WI (GSR 3)	868	\$3,406.68	\$3,321.52	\$11.93	\$3,309.59	\$303.78	\$3,710.46	\$3,625.30	\$3,613.37	\$172.31	4.4%	1.5%	\$57.83	\$3,882.77	\$3,855.44	\$3,843.51
Care WI (GSR 5)	2,597	3,770.18	3,675.92	11.68	3,664.24	373.74	4,143.92	4,049.66	4,037.98	172.31	4.0%	1.5%	64.29	4,316.23	4,286.26	4,274.58
Care WI (GSR 6)	50	2,757.91	2,688.96	4.19	2,684.77	485.15	3,243.06	3,174.11	3,169.92	172.31	5.0%	1.5%	50.96	3,415.37	3,397.38	3,393.19
Care WI (GSR 12)	14,274	2,879.43	2,801.44	6.60	2,801.84	496.19	3,375.62	3,303.63	3,299.03	172.31	4.9%	1.5%	52.93	3,547.93	3,529.87	3,529.87
iCare (GSR 8)	8,709	2,146.07	2,146.07	9.60	2,136.47	912.37	3,058.44	3,058.44	3,048.84	172.31	5.3%	1.5%	49.20	3,230.75	3,279.95	3,270.35
iCare (GSR 11)	569	2,705.72	2,705.72	9.07	2,696.65	637.27	3,342.99	3,342.99	3,333.92	172.31	4.9%	1.5%	53.53	3,515.30	3,568.83	3,559.76

Exhibit I
Wisconsin Department of Health Services
CY 2017 Family Care Partnership/PACE Capitation Rate Development
Monthly Rates Net of HCRP Paid to MCOs

MCO / GSR	2017 Projected Exposure Months				Developmentally Disabled					Physically Disabled				
	DD	PD	FE	Total	(A)	(B)	(C)	(D)	(A) + (B) + (C) + (D)	(A)	(B)	(C)	(D)	(A) + (B) + (C) + (D)
					CY 2017 Net LTC Service Costs	CY 2017 Acute and Primary Service Costs	MCE Administrative Allowance	Targeted Margin PMPM	CY 2017 Net Capitation Rate	CY 2017 Net LTC Service Costs	CY 2017 Acute and Primary Service Costs	MCE Administrative Allowance	Targeted Margin PMPM	CY 2017 Net Capitation Rate
Care WI (GSR 3)	272	94	503	868	\$4,055.77	\$303.78	\$172.31	\$69.53	\$4,601.39	\$3,562.76	\$303.78	\$172.31	\$61.59	\$4,100.44
Care WI (GSR 5)	760	529	1,308	2,597	\$5,078.47	\$373.74	\$172.31	\$86.17	\$5,710.69	\$2,987.43	\$373.74	\$172.31	\$53.89	\$3,587.37
Care WI (GSR 6)	2	18	30	50	\$3,293.82	\$485.15	\$172.31	\$60.69	\$4,011.97	\$2,823.27	\$485.15	\$172.31	\$53.09	\$3,533.82
Care WI (GSR 12)	1,183	5,557	7,534	14,274	\$3,352.94	\$496.19	\$172.31	\$61.76	\$4,083.20	\$2,696.01	\$496.19	\$172.31	\$51.32	\$3,415.83
iCare (GSR 8)	1,584	4,996	2,129	8,709	\$2,907.90	\$912.37	\$172.31	\$61.32	\$4,053.90	\$2,006.73	\$912.37	\$172.31	\$47.16	\$3,138.57
iCare (GSR 11)	110	203	256	569	\$3,441.95	\$637.27	\$172.31	\$65.26	\$4,316.79	\$2,066.21	\$637.27	\$172.31	\$43.88	\$2,919.67
iCare (GSR 12)	63	639	433	1,135	\$3,439.78	\$595.05	\$172.31	\$64.58	\$4,271.72	\$2,765.28	\$595.05	\$172.31	\$53.88	\$3,586.52
CCHP - PACE (GSR 8+)	593	1,121	5,801	7,515	\$3,769.99	\$316.99	\$172.31	\$65.38	\$4,324.67	\$2,906.07	\$316.99	\$172.31	\$51.79	\$3,447.16
CCHP (GSR 6)	330	521	879	1,729	\$3,379.14	\$473.48	\$172.31	\$61.81	\$4,086.74	\$2,895.80	\$473.48	\$172.31	\$54.02	\$3,595.61
CCHP (GSR 8)	1,122	794	640	2,557	\$5,012.82	\$723.65	\$172.31	\$90.50	\$5,999.28	\$3,414.17	\$723.65	\$172.31	\$65.72	\$4,375.85
CCHP (GSR 10)	349	430	933	1,712	\$3,527.26	\$418.50	\$172.31	\$63.23	\$4,181.30	\$2,993.35	\$418.50	\$172.31	\$54.66	\$3,638.82
CCHP (GSR 11)	563	477	1,176	2,216	\$3,962.53	\$365.90	\$172.31	\$69.06	\$4,569.80	\$2,494.65	\$365.90	\$172.31	\$46.27	\$3,079.13

Exhibit I
Wisconsin Department of Health Services
CY 2017 Family Care Partnership/PACE Capitation Rate Development
Monthly Rates Net of HCRP Paid to MCOs

MCO / GSR	2017 Projected Exposure Months				Frail Elderly					Composite Population				
	DD	PD	FE	Total	(A)	(B)	(C)	(D)	(A) + (B) + (C) + (D)	(A)	(B)	(C)	(D)	(A) + (B) + (C) + (D)
					CY 2017 Net LTC Service Costs	CY 2017 Acute and Primary Service Costs	MCE Administrative Allowance	Targeted Margin PMPM	CY 2017 Net Capitation Rate	CY 2017 Net LTC Service Costs	CY 2017 Acute and Primary Service Costs	MCE Administrative Allowance	Targeted Margin PMPM	CY 2017 Net Capitation Rate
Care WI (GSR 3)	272	94	503	868	\$2,859.78	\$303.78	\$172.31	\$50.82	\$3,386.69	\$3,309.59	\$303.78	\$172.31	\$57.83	\$3,843.51
Care WI (GSR 5)	760	529	1,308	2,597	\$3,115.54	\$373.74	\$172.31	\$55.78	\$3,717.37	\$3,664.24	\$373.74	\$172.31	\$64.29	\$4,274.58
Care WI (GSR 6)	2	18	30	50	\$2,558.04	\$485.15	\$172.31	\$48.99	\$3,264.49	\$2,684.77	\$485.15	\$172.31	\$50.96	\$3,393.19
Care WI (GSR 12)	1,183	5,557	7,534	14,274	\$2,793.40	\$496.19	\$172.31	\$52.74	\$3,514.64	\$2,801.84	\$496.19	\$172.31	\$52.93	\$3,523.27
iCare (GSR 8)	1,584	4,996	2,129	8,709	\$1,867.16	\$912.37	\$172.31	\$44.97	\$2,996.81	\$2,136.47	\$912.37	\$172.31	\$49.20	\$3,270.35
iCare (GSR 11)	110	203	256	569	\$2,876.08	\$637.27	\$172.31	\$56.15	\$3,741.81	\$2,696.65	\$637.27	\$172.31	\$53.53	\$3,559.76
iCare (GSR 12)	63	639	433	1,135	\$2,865.06	\$595.05	\$172.31	\$55.34	\$3,687.76	\$2,840.68	\$595.05	\$172.31	\$55.03	\$3,663.07
CCHP - PACE (GSR 8+)	593	1,121	5,801	7,515	\$2,897.55	\$316.99	\$172.31	\$51.60	\$3,438.45	\$2,967.69	\$316.99	\$172.31	\$52.71	\$3,509.70
CCHP (GSR 6)	330	521	879	1,729	\$2,623.67	\$473.48	\$172.31	\$49.81	\$3,319.27	\$2,849.72	\$473.48	\$172.31	\$53.36	\$3,548.87
CCHP (GSR 8)	1,122	794	640	2,557	\$2,992.15	\$723.65	\$172.31	\$59.23	\$3,947.34	\$4,010.12	\$723.65	\$172.31	\$74.97	\$4,981.05
CCHP (GSR 10)	349	430	933	1,712	\$2,440.50	\$418.50	\$172.31	\$46.18	\$3,077.49	\$2,800.88	\$418.50	\$172.31	\$51.79	\$3,443.48
CCHP (GSR 11)	563	477	1,176	2,216	\$2,956.93	\$365.90	\$172.31	\$53.24	\$3,548.38	\$3,112.81	\$365.90	\$172.31	\$55.76	\$3,706.78

Exhibit J

Actuarial Certification

State of Wisconsin Department of Health Services
CY 2017 Capitation Rate Development for Family Care Partnership / PACE Program

December 6, 2016

This report assumes that the reader is familiar with the State of Wisconsin's Medicaid program, its benefits, and rate setting principles. The report was prepared solely to provide assistance to DHS to set CY 2017 capitation rates for the Family Care Partnership / PACE program. It may not be appropriate for other purposes. Milliman does not intend to benefit, and assumes no duty or liability to, other parties who receive this work. This material should only be reviewed in its entirety.



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Michael C. Cook, FSA, MAAA
Consulting Actuary

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December 6, 2016

**Wisconsin Department of Health Services
Capitated Contracts Ratesetting
Actuarial Certification
January 2017 – December 2017 Family Care Partnership Program Capitation Rates**

I, Michael C. Cook, am associated with the firm of Milliman, Inc., am a member of the American Academy of Actuaries, and meet its Qualification Standards for Statements of Actuarial Opinion. I was retained by the Wisconsin Department of Health Services (DHS) to perform an actuarial certification of the Family Care Partnership program capitation rates for January 2017 – December 2017 for filing with the Centers for Medicare and Medicaid Services (CMS). I reviewed the attached capitation rate development and am familiar with the applicable sections of 42 CFR 438.4(b) and the CMS “Appendix A, PAHP, PIHP, and MCO Contracts Financial Review Documentation for At-risk Capitated Contracts Ratesetting.”

I examined the actuarial assumptions and actuarial methods used in setting the capitation rates for January 2017 – December 2017. To the best of my information, knowledge and belief, for the period from January 2017 – December 2017, the capitation rates offered by DHS are in compliance with 42 CFR 438.3(c), 438.3(e), 438.4(a), 438.4(b)(1), 438.4(b)(2), 438.4(b)(5), 438.4(b)(6), 438.5(a), 438.5(g), 438.6(a), 438.6(b)(1), 438.6(b)(2), and 438.6(e). The attached actuarial report describes the capitation rate setting methodology.

In my opinion, the capitation rates are actuarially sound, as defined in ASOP 49, were developed in accordance with generally accepted actuarial principles and practices, and are appropriate for the populations to be covered and the services to be furnished under the contract.

In making my opinion, I relied upon the accuracy of the underlying claims and eligibility data records and other information. A copy of the reliance letter received from DHS is attached and constitutes part of this opinion. I did not audit the data and calculations, but did review them for reasonableness and consistency and did not find material defects. In other respects, my examination included such review of the underlying assumptions and methods used and such tests of the calculations as I considered necessary.

Actuarial methods, considerations, and analyses used in forming my opinion conform to the appropriate Standards of Practice as promulgated from time-to-time by the Actuarial Standards Board, whose standards form the basis of this Statement of Opinion.

It should be emphasized that capitation rates are a projection of future costs based on a set of assumptions. Actual costs will be dependent on each contracted managed care organization’s situation and experience.



This Opinion assumes the reader is familiar with the Wisconsin Medicaid program, Family Care Partnership programs, and actuarial rating techniques. The Opinion is intended for the State of Wisconsin and the Centers for Medicare and Medicaid Services and should not be relied on by other parties. The reader should be advised by actuaries or other professionals competent in the area of actuarial rate projections of the type in this Opinion, so as to properly interpret the projection results.

A handwritten signature in black ink that reads "Michael Cook". The signature is written in a cursive style with a horizontal line underneath it.

Michael C. Cook
Member, American Academy of Actuaries

December 6, 2016

Scott Walker
Governor



DIVISION OF LONG TERM CARE

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Linda Seemeyer
Secretary

State of Wisconsin
Department of Health Services

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November 21, 2016

Mr. Michael Cook, FSA, MAAA
Principal and Consulting Actuary
Milliman, Inc.
15800 Bluemound Road, Suite 100
Brookfield, WI 53005

RE: Data Reliance for Actuarial Certification of CY 2017 Family Care and Family Care
PACE / Partnership Capitation Rates

Dear Michael:

I, Dave Varana, Director of the Bureau of Long Term Care Financing, hereby affirm that the listings and summaries prepared and submitted to Milliman, Inc. for the development of the CY 2017 Family Care and Family Care PACE / Partnership capitation rates were prepared under my direction, and to the best of my knowledge and belief are accurate and complete. These listings and summaries include:

1. Health Plan encounter data files containing claims information on capitated plan assignment, detailed service category, target group, geographic indicators, and demographic indicators for calendar years (CYs) 2014 and 2015 for the Family Care and Family Care Partnership / PACE programs.
2. Fee-for-service, Waitlist, and Waiver data files containing claims information on detailed service category, geographic indicators, and demographic indicators for CYs 2014 and 2015 for the Family Care program.
3. Long Term Care Functional Screen (LTCFS) data extracts through June 2016 for the Family Care and Family Care Partnership / PACE programs.
4. Data files containing enrollment information on capitated plan assignment, program and target group, geographic indicators, and demographic indicators for CYs 2014, 2015, and YTD 2016 for the Family Care and Family Care Partnership / PACE programs.
5. Data files containing claims and enrollment information for the acute and primary portion of the Family Care Partnership / PACE program.
6. Data files containing estimated monthly enrollment for CY 2017 in total and by health plan, geographic indicator, and target group for the Family Care and Family Care Partnership / PACE programs.
7. Data dictionary files for the encounter, enrollment, and LTCFS files for the Family Care and Family Care Partnership / PACE programs.
8. CY 2015 financials for health plans participating in the Family Care and Family Care Partnership / PACE programs.

9. An administrative cost model for CY 2017 non-service costs to be applied to the Family Care and Family Care Partnership / PACE programs.
10. A data file containing lists of allowed and dis-allowed services under managed care for the Family Care and Family Care Partnership / PACE programs.
11. Information and direction regarding the implementation of the High Cost Risk pool for the Family Care and Family Care Partnership / PACE programs.
12. Information and direction regarding the market variability adjustment for the Family Care and Family Care Partnership / PACE programs.
13. Information and direction regarding the Fair Labor Standards Act (FLSA) adjustment for the Family Care and Family Care Partnership / PACE programs.
14. Information and direction regarding the solvency fund adjustment for the Family Care program.
15. Information and direction regarding the goals of the PACE rate development for the Family Care Partnership / PACE program.
16. Results of analyses performed by DHS regarding the fiscal impact of legislative and policy changes for the Family Care and Family Care Partnership / PACE programs.
17. Any other items provided to Milliman to support the 2016 rate development not mentioned above for the Family Care and Family Care Partnership / PACE programs.

I affirm that the above information and any other related data submitted to Milliman, Inc. are, to the best of my knowledge and belief, accurately stated.

Sincerely,



Dave Varana
Bureau Director

cc: Grant Cummings, Section Chief
Michael Pancook, Analyst
Mathieu Doucet, Consulting Actuary
James Johnson, Associate Actuary

Exhibit K - L

CMS Documentation

CMS Rate Setting Checklist Issues

State of Wisconsin Department of Health Services
CY 2017 Capitation Rate Development for Family Care Partnership / PACE Program

December 6, 2016

This report assumes that the reader is familiar with the State of Wisconsin's Medicaid program, its benefits, and rate setting principles. The report was prepared solely to provide assistance to DHS to set CY 2017 capitation rates for the Family Care Partnership / PACE program. It may not be appropriate for other purposes. Milliman does not intend to benefit, and assumes no duty or liability to, other parties who receive this work. This material should only be reviewed in its entirety.

EXHIBIT K

RATE SETTING CHECKLIST

This section of the report lists each item in the November 10, 2014 CMS checklist and discusses how DHS addresses each issue and / or directs the reader to other parts of this report. CMS uses the rate setting checklist to review and approve a state's Medicaid capitation rates. In addition, we believe the information in this document also adequately addresses the April 8, 2002 PACE rate checklist. We address the PACE UPL checklist at the end of this document.

AA.1.0 – Overview of Rates Being Paid Under the Contract

The CY 2017 managed care organization (MCO) capitation rates are developed using 2015 Wisconsin Medicaid long term care (LTC) MCO encounter data for the Family Care eligible population, 2014 acute care services encounter data for the Family Care Partnership / PACE eligible population, along with other information. DHS sets rates by MCO and Geographical Service Area (GSR).

Please refer to Sections II - IV of this report for background on the program and more details around the rate development.

AA.1.1 – Actuarial Certification

The Actuarial Certification of the CY 2017 capitation rates is included as Appendix J of this report. The CY 2017 Wisconsin LTC Medicaid care management capitation rates have been developed in accordance with generally accepted actuarial principles and practices and are appropriate for the populations to be covered and the services to be furnished under the contract.

AA.1.2 – Projection of Expenditures

Exhibit B includes a projection of total expenditures and Federal-only expenditures based on actual Projected CY 2017 MCO enrollment and CY 2017 capitation rates. We used a 58.27% FMAP rate to calculate the Federal expenditures.

AA.1.3 – Risk Contracts

The Wisconsin Family Care Partnership / PACE programs meet the criteria of a risk contract.

AA.1.4 – Modifications

The CY 2017 rates documented in this report are the initial capitation rates for the CY 2017 Wisconsin Medicaid LTC managed care contracts.

Note: There is No AA.1.5 on the Rate Setting Checklist

AA.1.6 – Limit on Payment to Other Providers

It is our understanding no payment is made to a provider other than the participating MCOs for services available under the contract.

AA.1.7 – Risk and Profit

The CY 2017 Family Care capitation rates include a targeted margin of 1.5% for risk, profit, and contribution to reserves. We believe that this margin is appropriate given the low service trend rates and predictability of expenses under the program.

EXHIBIT K

RATE SETTING CHECKLIST

AA.1.8 – Family Planning Enhanced Match

DHS does not claim enhanced match for family planning services for the population covered under this program.

AA.1.9 – Indian Health Service (IHS) Facility Enhanced Match

DHS does not claim enhanced match for Indian Health Services for the population covered under this program.

AA.1.10 – Newly Eligible Enhanced Match

The Wisconsin Family Care Partnership / PACE programs do not cover the newly eligible Medicaid population. Therefore, none of the recipients are eligible for the enhanced Federal match under Section 1905(y).

AA.1.11 – Retroactive Adjustments

The CY 2017 rates documented in this report are the initial capitation rates for the CY 2017 Wisconsin Medicaid LTC managed care contracts and does not contain any retroactive adjustments.

AA.2.0 – Based Only Upon Services Covered Under the State Plan

The CY 2017 rate methodology relies on CY 2015 MCO encounter data as the primary data source. Only State Plan and waiver services that are covered under the Wisconsin Family Care Partnership / PACE contracts or are shown to be cost-effective “in-lieu-of services” have been included in the rate development.

Please refer to the Non-Covered Services portion of Sections III and IV of this report for more details.

AA.2.1 – Provided Under the Contract to Medicaid-Eligible Individuals

The CY 2017 capitation rate development methodology relies on base data that includes only those eligible and currently enrolled in the Wisconsin Family Care Partnership / PACE programs and do not include experience for individuals not enrolled in managed care.

AA.2.2 – Data Sources

The CY 2017 capitation rates are developed using Wisconsin Medicaid long term care (LTC) MCO encounter, eligibility, and functional screen data for CY 2015 for the MCO eligible population as the primary data source.

Please refer to Sections III-IV of this report for more details.

AA.3.0 – Adjustments to Base Year Data

All adjustments to the base year data are discussed in Sections III - IV of this report. In addition, each item in the checklist is addressed in items AA.3.1 – AA.3.17 below.

AA.3.1 – Benefit Differences

The base data used to calculate the capitation rates has been adjusted to only include services covered under the Medicaid care management program contract. Step 5 in Section III outlines a benefit change implemented between the base period year and the contract period.

EXHIBIT K

RATE SETTING CHECKLIST

AA.3.2 – Administrative Cost Allowance Calculations

The MCO capitation rates include explicit administrative allowances by rate cell. Please see Step 6 in Sections III and IV of the report for more details regarding the administrative cost calculation.

AA.3.3 – Special Populations' Adjustments

The 2017 capitation rates methodology does not include an adjustment for special populations as the base MCO encounter data used to calculate the capitation rates is consistent with the Wisconsin Family Care Partnership / PACE program populations.

AA.3.4 – Eligibility Adjustments

The base MCO encounter data only reflects experience for time periods where members were enrolled in a Family Care Partnership MCO.

AA.3.5 – Third Party Liability (TPL)

The managed care organizations are responsible for the collection of any TPL recoveries. The MCO encounter data is reported net of TPL recoveries, therefore, no adjustment was necessary.

AA.3.6 – Indian Health Care Provider Payments

The MCOs are responsible for the entirety of the IHC payments, which are fully reflected in encounters.

AA.3.7 – DSH Payments

DSH payments are not included in the capitation rates.

AA.3.8 – FQHC and RHC Reimbursement

The MCOs are responsible for the entirety of the FQHC and RHC payments, which are fully reflected in encounters.

AA.3.9 – Graduate Medical Education (GME)

GME payments are included as part of the hospital reimbursement formula. Therefore, the base data used in the capitation rate calculation includes GME payments. Separate FFS payments are not made to hospitals for members covered under managed care.

AA.3.10 – Copayments, Coinsurance, and Deductibles in Capitated Rates

The Wisconsin Family Care Partnership / PACE programs do not include member cost sharing, so no adjustment to base period experience for this issue is required.

AA.3.11 – Medical Cost / Trend Inflation

Trend rates from CY 2015 to CY 2017 were developed by rate category and type of service for Family Care Partnership / PACE eligible services and individuals using historical MCO encounter data from January 2011 to December 2015 and actuarial judgment.

The trend rates and inflation factors represent the expected change in per capita cost between CY 2015 and CY 2017, net of acuity changes.

EXHIBIT K

RATE SETTING CHECKLIST

Please see Sections III and IV and Exhibit R for more details on the trend development.

AA.3.12 – Utilization Adjustments

Utilization trend is included in AA.3.11.

AA.3.13 – Utilization and Cost Assumptions

The CY 2017 capitation rates use an actuarially sound risk adjustment model to adjust the rates for each participating MCO in a particular GSR in order to reflect the acuity of enrolled members. Acuity adjustments were applied independently from the unit cost and utilization trend adjustments.

AA.3.14 – Post-Eligibility Treatment of Income (PETI)

Capitation rates are developed net of patient liability. Encounter payment amounts are net of patient liability, so no adjustment to the data is necessary for this adjustment.

AA.3.15 – Incomplete Data Adjustment

The capitation rates include an adjustment to reflect IBNR claims. Please refer to Sections III and IV of this report for more information on the development of these adjustment factors.

We also apply an adjustment to true up care management expenditures to financial statements due to the difficulty in properly and completely collecting this information in the encounter data reporting format. Please refer to Sections III and IV of this report for more information on the development of these adjustment factors.

AA.3.16 – Primary Care Rate Enhancement

The CY 2017 capitation rates only include Long-Term Care services.

AA.3.17 – Health Homes

Not Applicable.

AA.4.0 – Establish Rate Category Groupings

Please refer to Sections III and IV of this report.

AA.4.1 – Eligibility Categories

Target populations for individuals meeting the nursing home level of care requirement are defined in Step 1 of Section III.

AA.4.2 – Age

Age is not used for rate category groupings outside of the Target Population assignment.

AA.4.3 – Gender

Gender is not used for rate category groupings.

EXHIBIT K

RATE SETTING CHECKLIST

AA.4.4 – Locality / Region

Geographic regions are defined in Step 1 of Section III and Appendix A.

AA.4.5 – Risk Adjustments

Acuity adjustment models are described in Step 2 of Section III (NH eligible) and Step 3 of Section IV (Non NH eligible).

AA.5.0 – Data Smoothing

While we did not perform any explicit data smoothing, the High Cost Risk Pool (HCRP) is being implemented in 2017 to help spread risk associated with very high cost members across MCOs. The HCRP is described in AA.6.0.

AA.5.1 – Cost-Neutral Data Smoothing Adjustment

We did not perform any data smoothing.

AA.5.2 – Data Distortion Assessment

Our review of the base MCO encounter data did not detect any material distortions or outliers.

AA.5.3 – Data Smoothing Techniques

We determined that a data smoothing mechanism resulting from data distortions was not required.

AA.5.4 – Risk Adjustments

The CY 2017 capitation rates use an actuarially sound risk adjustment model based on a functional screen (NH level of care) or ADL / IADL (Non NH level of care) to adjust the rates for each participating MCO. Please see Sections III and IV of this report. The functional screen risk adjustment mechanism has been developed in accordance with generally accepted actuarial principles and practices.

AA.6.0 – Stop Loss, Reinsurance, or Risk Sharing Arrangements

Effective January 1, 2017, DHS is implementing a High Cost Risk Pool (HCRP) for the Developmentally Disabled and Physically Disabled and Frail Elderly populations. The HCRP will not be implemented for the Frail Elderly population due to the low probability of reaching the cost threshold. The HCRP is targeted to cover 80% of provider service costs above \$225,000 for each individual and excludes Care Management expenses due to increased administrative burden to include them in this process.

A pooling charge specific to each population will be assessed from each MCO and placed into a pool. At year end, a settlement will be performed to determine payout to MCOs for each target group separately. Each MCO will receive the portion of each target group's pool equivalent to their percentage of total pooled costs statewide. MCOs may effectively have more or less than 80% of an individual's CY 2017 costs greater than \$225,000 reimbursed depending on whether actual CY 2017 pooled costs are greater than or less than the target group pools. Individuals will be evaluated over their enrollment period, and \$225,000 threshold will not be pro-rated for partial year enrollment.

The High Cost Risk Pool mechanism has been developed in accordance with generally accepted actuarial principles and practices.

EXHIBIT K

RATE SETTING CHECKLIST

AA.6.1 – Commercial Reinsurance

DHS does not require entities to purchase commercial reinsurance.

AA.6.2 – Stop-Loss Program

Please see AA.6.0.

AA.6.3 – Risk Corridor Program

Not applicable.

AA.7.0 – Incentive Arrangements

DHS will provide a one-time incentive payment to the MCO for each MCO member who is relocated from an institution into a community setting consistent with federal Money Follows the Person (MFP) guidelines.

AA.7.1 – Electronic Health Records (EHR) Incentive Payments

DHS has not implemented incentive payments related to EHRs for the CY 2017 contract period.

EXHIBIT K

RATE SETTING CHECKLIST

PACE UPL CHECKLIST

1.0 – Development of the UPL

For the CY 2017 PACE capitation rates, DHS is inflating an already approved UPL. Please see Section VI of this report for more details.

1.1 – Dual Eligibles

Concerning individuals dually eligible for Medicare and Medicaid, only those eligible for full Medicaid benefits are included in the UPL calculation.

1.2 – PACE Premiums

There are not premiums for members covered under PACE in this report.

2.0 – Data Sources

Not applicable since DHS is inflating an already approved UPL.

2.1 – Eligibility Categories

Not applicable since DHS is inflating an already approved UPL.

2.2 – Eligibility Determination

Not applicable since DHS is inflating an already approved UPL.

2.3 – Service Category Definitions

Not applicable since DHS is inflating an already approved UPL.

2.4 – Based Only Upon Services Covered Under the State Plan

Not applicable since DHS is inflating an already approved UPL.

2.5 – Populations Included in UPL Calculation

Not applicable since DHS is inflating an already approved UPL.

2.6 – Documentation of Residency / Site of Service

Not applicable since DHS is inflating an already approved UPL.

2.7 – Establish Rate Category Groupings

Not applicable since DHS is inflating an already approved UPL.

2.8 – Review of Base Data Source

Not applicable since DHS is inflating an already approved UPL.

EXHIBIT K

RATE SETTING CHECKLIST

3.0 – Claims Completion Factor Derivation

Not applicable since DHS is inflating an already approved UPL.

4.0 – Adjusted Base Period Data

Not applicable since DHS is inflating an already approved UPL.

5.0 – Cost Trending

Not applicable since DHS is inflating an already approved UPL.

6.0 – Smoothing the Data for Predictability

Not applicable since DHS is inflating an already approved UPL.

7.0 – UPL Updates

To the best of our knowledge, the original UPL was set in a manner that was approvable. All known program changes and price increases in the fee-for-service program have been appropriately accounted for in this updated UPL.

There have been no known structural changes in the program between 2016 and 2017 that required an adjustment in the UPL calculation.

EXHIBIT L

RESPONSE TO 2017 MANAGED CARE RATE DEVELOPMENT GUIDE (NOVEMBER 2016)

I. MEDICAID MANAGED CARE RATES

1. General Information

- A. The rate certification included herein is for the January 2017 – December 2017 contract period. The previous certification was for January 2016 – December 2016 contract period.
- B. We believe that the attached report properly documents all the elements included in the rate certification and provides CMS enough detail to determine that regulation standard are met.

Please see Sections I, III, and IV of this report for the following details:

- Data used, including citations to studies, research papers, other states' analyses, or similar secondary data sources,
 - Assumptions made, including any basis or justification for the assumption; and
 - Methods for analyzing data and developing assumptions and adjustments.
- C. We detail within our responses in this guide the section of our report where each item described in the 2016 Medicaid Managed Care Rate Development Guide can be found.
 - D. The rate certification and attached report include the following items required by CMS:
 - i. Our actuarial certification letter signed by Michael Cook, FSA, MAAA certifies that the final capitation rates meet the standards in 42 CFR §438.3(c), 438.3(e), 438.4(a), 438.4(b)(1), 438.4(b)(2), 438.4(b)(5), 438.4(b)(6), 438.5(a), 438.5(g), 438.6(a), 438.6(b)(1), 438.6(b)(2), and 438.6(e); The certification can be found in Exhibit J.
 - ii. The final and certified capitation rates for all rate cells and regions can be find in Exhibit I.
 - iii. Rate ranges are not certified. Therefore, this requirement does not apply.
 - iv. The items requested can be found in Sections I and II of this report.

2. Data

- A. Our report does include a thorough description of the data used.
 - i. A detailed description of the data can be found in Sections III and IV of this report.
 - ii. Sections III and IV of this report include comments on the availability and quality of the data used for rate development.
 - iii. The rate development methodology uses current MCO encounter data.
 - iv. The rate development methodology uses current MCO encounter data.
 - v. The rate development methodology does not use a data book.
- B. The rate certification and attached report thoroughly describe any significant adjustments, and the basis for the adjustments, that are made to the data. Please see Section III and IV of this report for more details.

EXHIBIT L

RESPONSE TO 2017 MANAGED CARE RATE DEVELOPMENT GUIDE (NOVEMBER 2016)

3. Projected benefit costs

- A. The final capitation rates shown in Exhibit G comply with 42 CFR 438.4(b)(6) and are based only upon services described in 42 CFR 438.3(c)(1)(ii) and 438.3(e).
- B. Variations in assumptions used to develop the projected benefit costs for covered the population are not based on the rate of Federal financial participation associated with the covered population.
- C. Please refer to Sections III-IV of this report for the methodology and assumptions used to project contract period benefit costs.
- D. Sections III and IV of this report include a discussion on the methodology used to develop benefit cost trends.
- E. No adjustment for MHPAEA were made as part of rate development.
- F. Please refer to Sections III - IV of this report for the details related to the treatment of in-lieu of services.
- G. The CY 2017 capitation rate methodology includes adjustments for expenses related to Institution for Mental Diseases (IMD).
- H. Sections III and IV of this report includes information regarding the accounting for the retrospective eligibility periods.
- I. The various Exhibits included in this report document the final projected benefit costs by relevant level of detail and is consistent with how the State makes payments to the plans.
- J. Please refer to Sections III-IV of this report for the methodology and assumptions used to project contract period benefit costs. We are not aware of any benefit cost changes since the last certification.
- K. Please refer to Sections III-IV of this report for the methodology and assumptions used to project contract period benefit costs. We are not aware of any benefit cost changes since the last certification.

4. Pass-Through Payments

- A. The CY 2017 capitation rate methodology does not include any pass-through payments.
- B. The CY 2017 capitation rate methodology does not include any pass-through payments.
- C. The CY 2017 capitation rate methodology does not include supplemental payments.

5. Projected non-benefit costs

- A. Variations in assumptions used to develop the projected benefit costs for covered the population are not based on the rate of Federal financial participation associated with the covered population.
- B. Please refer to Sections III-IV of this report for a description of the development of the projected non-benefit costs included in the capitation rates.
- C. Please refer to Sections III-IV of this report for a description of the development of the projected non-benefit costs included in the capitation rates.
- D. The non-benefit costs included in the CY 2017 capitation rates are developed as a per member per month for common categories of administrative expenses.

EXHIBIT L

RESPONSE TO 2017 MANAGED CARE RATE DEVELOPMENT GUIDE (NOVEMBER 2016)

- E. The Wisconsin Family Care Partnership program does cover services subject to the Health Insurer Fee. As such, a small portion the revenue received by participating providers does accrue a Health Insurance Providers Fee (HIPF) liability. The HIPF is paid through a rate adjustment once all necessary documentation is available.
- F. The CY 2017 capitation rate methodology does not include any amounts for the HIPF liability.

6. Rate range development

- A. There is only one rate cell for each rate cell. We developed a best estimate rate and did not develop a rate range.
- B. There is only one rate cell for each rate cell. We developed a best estimate rate and did not develop a rate range.

7. Risk mitigation, incentives and related contractual provisions

- A. The functional screen and risk adjustment and High Cost Risk Pool mechanisms detailed in Sections III and IV of the report. Other payment mechanisms not reflected in the reported monthly capitation rates are outlined in Section V.
- B. The functional screen risk adjustment and High Cost Risk Pool mechanisms has been developed in accordance with generally accepted actuarial principles and practices and cost neutral to the state in total.
- C. All risk mitigation mechanisms are cost neutral to the state. The functional screen risk adjuster is also utilized to develop projected acuity trends separate from benefit utilization and unit cost trends.
- D. The High Cost Risk Pool is described in Sections I, III, and IV of this report.
- E. The contract does not have a medical loss ratio requirement.
- F. The contract does not contain any reinsurance requirements.
- G. A member relocation incentive is described in Section V of the report. These incentives will not exceed 5% of the certified rates, and we made no adjustment for the incentive payments in rate development.
- H. There are no withholds other than those associated with the High Cost Risk Pool.

8. Other rate development considerations

- A. All services and populations covered under the Family Care program are subject to the same Federal Medical Assistance Percentage (FMAP).
- B. Variations in proposed capitation rates are not based on the rate of Federal financial participation associated with the covered population.
- C. The effective dates of changes to the Family Care program are consistent with the assumptions used to develop the CY 2017 capitation rates.
- D. We believe that the rate certification submission provided in Exhibit J and supporting documentation adequately demonstrate that the rates were developed using generally accepted actuarial practices and principles.

EXHIBIT L

RESPONSE TO 2017 MANAGED CARE RATE DEVELOPMENT GUIDE (NOVEMBER 2016)

9. Procedures for Rate Certifications for Rate and Contract Amendments

The CY 2017 rates documented in this report are the initial capitation rates for the CY 2017 Wisconsin Medicaid LTC managed care contracts.

II. MEDICAID MANAGED CARE RATES WITH LONG-TERM SERVICES AND SUPPORTS

1. Managed Long-Term Services and Supports

- A. The Wisconsin Family Care Partnership / PACE programs cover both Long-Term Care and acute care services. Therefore, the information included in this rate certification and report addresses both types of services.
- B. The Wisconsin Family Care Partnership / PACE program capitation rates are a blend of the various target groups eligible for the program which aligns with the 2013 guidance around MLTSS programs. Details behind the target group assignment is included in Sections III and IV of this report.

This rate cell structure aligns with the 2013 guidance around MLTSS programs.

- C. We did not project additional changes in settings of care, beyond those that were reflected in the recent experience utilized to develop benefit cost and acuity trends. We expect that care management activities will continue to provide care to patients in the most cost effective setting and prevent nursing home admissions.
- D. The Wisconsin Family Care Partnership / PACE programs cover both Long-Term Care and acute care services. Therefore, the projected non-benefit costs in this rate certification and report represent both types of services.
- E. The Wisconsin Family Care Partnership / PACE capitation rates presented in this report are based entirely on historical MCO encounter data.

III. NEW ADULT GROUP CAPITATION RATES

This certification does not rates for the new adult group under 1902(a)(10)(A)(i)(VIII) of the Social Security Act.

Our report develops one PACE rate for one MCO, CCHP. The majority of the documentation of the final rate can be found in the VI. Other Rate Considerations – Fee-for-Service Equivalent Costs (PACE) section

1. Development of the amount that would have otherwise been paid and the required documentation.

- a. Our report includes an identification of the amount that would have otherwise been paid in section VI.
 - i. A detailed description of the supporting PMPM costs can be found in Section VI of this report.
 - ii. Demonstration of the basis for rate categories applied:
 - 1. A single PMPM rate category was used to project amounts that would have otherwise been paid.
 - 2. Rate category variation descriptions can be found in Section VI of this report.
 - 3. Rate cells do not cross-subsidize payments in other rate cells.

EXHIBIT L

RESPONSE TO 2017 MANAGED CARE RATE DEVELOPMENT GUIDE (NOVEMBER 2016)

- b. Our report identifies the future effective date for the projected amounts that would have otherwise been paid in Section VI.
 - i. The amount that would have otherwise been paid was established prospectively and is described in Section VI of our report.
 - ii. The future effective date would be January 2017 to December 2017 – a 12 month period.
- c. Our report describes how the state determined the amount that would have otherwise been paid under the state plan in Section VI of our report.
 - i. The base period data used is described in Section VI of our report.
 - 1. The cost and utilization data used is reflective of the population consistent with the frailty and age of PACE participants as described in Section VI of our report.
 - 2. Legacy Wavier FFS experience was used as the base period data, detailed in Section VI of our report.
 - 3. The state does not have access to more recent, comparable data to utilize for the rate otherwise paid under the state plan. The most recent data available is for CY 2010. The data limitations with more recent data can be found in Section VI of our report.
 - 4. As described in c.i.3. above and in Section IV of our report, we were not able to rebase the amount otherwise paid.
 - ii. Description of the data, assumptions, and methodologies used to develop adjustments to the amount that would have otherwise been paid is described in Section VI of our report.
 - 1. Completion factors – not necessary given time period of base data.
 - 2. Adjustments applied – none applied, not necessary.
 - 3. Smoothing with aggregate target – none applied, not necessary.
 - 4. Trend factors – trend applied is described in Section IV of our report.
 - 5. Non-benefit costs included – no additional costs applied, base FFSE rate is inclusive of applicable non-benefit costs.

2. Development of the PACE rates and required documentation.

- a. Demonstration of the PACE rate methodology is consistent with the rate description in the state plan, and is covered throughout the entirety of the Family Care Partnership / PACE CY 2017 report, but particularly in Sections III through VI of our report.
- b. Identification of the proposed PACE rate by category is detailed in Section VI of our report.
 - i. The amount of the PACE capitated rate is a prospective PMPM payment as found in Section VI of our report.
 - ii. The rate category is the same as those used for amounts that would have otherwise been paid as described in section 1.a.ii. above.
- c. Our report identifies the future effective date for the PACE rate in Section VI.

EXHIBIT L

RESPONSE TO 2017 MANAGED CARE RATE DEVELOPMENT GUIDE (NOVEMBER 2016)

- i. The amount of the PACE rate was established prospectively and is described in Section VI of our report.
 - ii. The future effective date is January 2017 to December 2017 – a 12 month period.
- d. Additional documentation can be found in Section VI of our report.
- i. A comparison of the PACE rate to the amount that would have otherwise been paid can be found in Table 12 of Section VI of our report.
 - ii. Documentation of a one-time relocation incentive payment is described in Section VI of our report.
 - iii. Projected member months for the rate cell can be found in Exhibit G of our report.

3. Actuarial Certification.

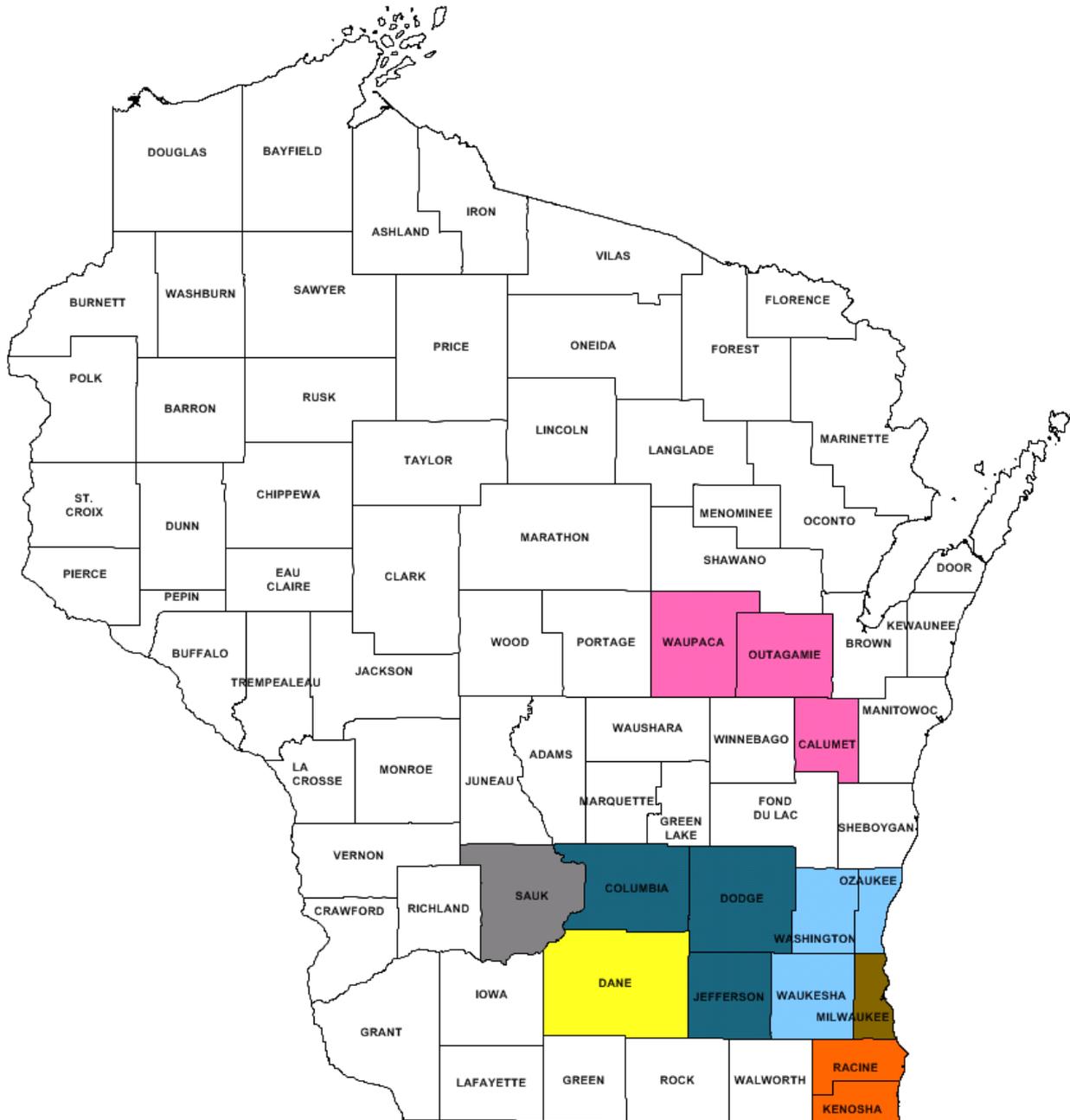
Actuarial certification for the Family Care PACE rate is not provided as part of this rate package.

Appendix A

State of Wisconsin Department of Health Services
CY 2017 Capitation Rate Development for Family Care Partnership / PACE Program

December 6, 2016

This report assumes that the reader is familiar with the State of Wisconsin's Medicaid program, its benefits, and rate setting principles. The report was prepared solely to provide assistance to DHS to set CY 2017 capitation rates for the Family Care Partnership / PACE program. It may not be appropriate for other purposes. Milliman does not intend to benefit, and assumes no duty or liability to, other parties who receive this work. This material should only be reviewed in its entirety.



- GSR 3
- GSR 5
- GSR 6
- GSR 8
- GSR 10
- GSR 11
- GSR 12
- No Current Program Operations
- Pilot Counties

Appendix B

State of Wisconsin Department of Health Services
CY 2017 Capitation Rate Development for Family Care Partnership / PACE Program

December 6, 2016

This report assumes that the reader is familiar with the State of Wisconsin's Medicaid program, its benefits, and rate setting principles. The report was prepared solely to provide assistance to DHS to set CY 2017 capitation rates for the Family Care Partnership / PACE program. It may not be appropriate for other purposes. Milliman does not intend to benefit, and assumes no duty or liability to, other parties who receive this work. This material should only be reviewed in its entirety.

Appendix B
Wisconsin Department of Health Services
CY 2017 Family Care Partnership/PACE Capitation Rate Development
Projected 2017 Family Care Partnership / PACE Expenditures

Enrollment Matrix by Base Rate Cell			Fiscal Results Matrix by Base Rate Cell			
MCO / GSR	2017 Projected Exposure Months	Average Total Capitation Rate	Federal Capitation Rate Liability	Federal Capitation Total Cost Liability	State Capitation Rate Liability	State Capitation Total Cost Liability
Care WI (GSR 3)	868	\$3,855.45	\$2,255.82	\$1,958,866	\$1,599.63	\$1,389,051
Care WI (GSR 5)	2,597	4,286.27	2,507.90	6,512,107	1,778.37	4,617,797
Care WI (GSR 6)	50	3,397.39	1,987.81	99,952	1,409.58	70,877
Care WI (GSR 12)	14,274	3,528.88	2,064.75	29,471,441	1,464.13	20,898,480
iCare (GSR 8)	8,709	3,279.95	1,919.10	16,712,668	1,360.85	11,851,113
iCare (GSR 11)	569	3,568.84	2,088.13	1,188,440	1,480.71	842,734
iCare (GSR 12)	1,135	3,668.50	2,146.44	2,435,434	1,522.06	1,726,989
CCHP - PACE (GSR 8+)	7,515	3,514.19	2,056.15	15,451,507	1,458.04	10,956,811
CCHP (GSR 6)	1,729	3,557.64	2,081.58	3,599,690	1,476.07	2,552,574
CCHP (GSR 8)	2,557	4,997.95	2,924.30	7,477,394	2,073.65	5,302,292
CCHP (GSR 10)	1,712	3,452.46	2,020.04	3,458,825	1,432.43	2,452,686
CCHP (GSR 11)	2,216	3,717.24	2,174.96	4,820,496	1,542.28	3,418,260
Grand Total	43,931	\$3,625.38	\$2,121.21	\$93,186,820	\$1,504.17	\$66,079,664

* Assuming FFY 2017 Federal Medical Assistance Percentage of 58.51%

Appendix C

State of Wisconsin Department of Health Services
CY 2017 Capitation Rate Development for Family Care Partnership / PACE Program

December 6, 2016

This report assumes that the reader is familiar with the State of Wisconsin's Medicaid program, its benefits, and rate setting principles. The report was prepared solely to provide assistance to DHS to set CY 2017 capitation rates for the Family Care Partnership / PACE program. It may not be appropriate for other purposes. Milliman does not intend to benefit, and assumes no duty or liability to, other parties who receive this work. This material should only be reviewed in its entirety.

Appendix C
Wisconsin Department of Health Services
FCP / PACE Trend Development
Acute and Primary Service Costs

Service Category	PMPM Costs, Family Care Experience			2012-2013	2013-2014	Selected Trend ¹
	CY 2012	CY 2013	CY 2014	Annual Trend	Annual Trend	
Inpatient	65.70	74.65	75.26	13.6%	0.8%	1.0%
Nursing Home	16.99	18.82	12.83	10.8%	-31.8%	2.0%
Dental	7.20	7.52	7.72	4.4%	2.6%	4.0%
Drug	68.16	72.68	85.77	6.6%	18.0%	9.8% ²
Outpatient	37.72	42.98	35.48	13.9%	-17.5%	4.0%
Home Care	-	-	0.60	0.0%	0.0%	2.0%
Other	49.76	70.52	83.00	41.7%	17.7%	2.0%
Total	245.55	287.17	300.65	17.0%	4.7%	4.3%

¹ Selected trends consistent with those used in 2017 SSI capitation rate development.

² Composite of 10% trend selected for Medicaid Only members and 5% selected for Dual Eligible members.

Appendix D

State of Wisconsin Department of Health Services
CY 2017 Capitation Rate Development for Family Care Partnership / PACE Program

December 6, 2016

This report assumes that the reader is familiar with the State of Wisconsin's Medicaid program, its benefits, and rate setting principles. The report was prepared solely to provide assistance to DHS to set CY 2017 capitation rates for the Family Care Partnership / PACE program. It may not be appropriate for other purposes. Milliman does not intend to benefit, and assumes no duty or liability to, other parties who receive this work. This material should only be reviewed in its entirety.

Appendix D
Wisconsin Department of Health Services
FCP / PACE Trend Development
LTC Service Costs

MPPM Costs, Family Care Experience					
	CY 2013	CY 2014	CY 2015	2013-2015 Annual Trend	Selected Trend ¹
Developmentally Disabled	3,443.17	3,476.89	3,527.25	1.21%	2.00%
Physically Disabled	2,269.06	2,256.56	2,287.90	0.41%	0.63%
Frail Elderly	2,390.55	2,425.32	2,489.47	2.05%	2.26%
Acuity/Risk Scores, Family Care Experience					
	CY 2013	CY 2014	CY 2015		
Developmentally Disabled	0.9847	1.0033	1.0245	2.00%	2.00%
Physically Disabled	0.9957	0.9943	0.9995	0.19%	0.20%
Frail Elderly	0.9839	0.9991	1.0199	1.81%	1.80%
Risk Adjusted MPPM Costs, Family Care Experience					
	CY 2013	CY 2014	CY 2015		
Developmentally Disabled	3,496.51	3,465.36	3,442.90	-0.77%	0.00%
Physically Disabled	2,278.95	2,269.42	2,289.15	0.22%	0.43%
Frail Elderly	2,429.69	2,427.40	2,440.97	0.23%	0.45%

¹ The final selected trends are based on the results of a regression analysis using monthly MPPM service costs from 2013 - 2015.