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November 25, 2020

Elizabeth Doyle, Section Manager
Long Term Care Rate Setting Section
Bureau of Rate Setting
Division Medicaid Services
1 West Wilson Street
Madison, WI 53701-0309

[Sent via email: elizabeth.doyle@dhs.wisconsin.gov]

Re: CY 2021 PACE Capitation Rate Development

Dear Elizabeth:

The Wisconsin Department of Health Services (DHS) retained Milliman, Inc. (Milliman) to develop and document its calendar year (CY) 2021 capitation rates for Wisconsin's Family Care, Family Care Partnership, and PACE Long Term Care (LTC) programs. This report summarizes the development of the CY 2021 amount that would otherwise have been paid (AWOP) for the Program of All-Inclusive Care for the Elderly (PACE) and the CY 2021 capitation rate for the PACE program.

We understand that this report and summary exhibit may be shared with the participating managed care organizations (MCOs).



Sincerely,

Michael Cook, FSA, MAAA
Principal and Consulting Actuary

James Johnson, FSA, MAAA
Consulting Actuary

MC/JJ/tlg

Attachment

cc: Benjamin Nerad, DHS
Grant Cummings, DHS
Constanza Liborio, DHS
Evan Gallagher, DHS
Zach Bauer, DHS
Ryan Marinelli, DHS
Briana Botros, Milliman
Ryan LeRoy, Milliman
Theresa Fryjoff, Milliman

MILLIMAN REPORT

State of Wisconsin

Department of Health Services Calendar Year 2021 Capitation Rate Development PACE Program

November 25, 2020

[Michael Cook](#), FSA, MAAA
Principal and Consulting Actuary

[James Johnson](#), FSA, MAAA
Consulting Actuary

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Table of Contents

I. EXECUTIVE SUMMARY	1
CY 2021 PACE RATE	1
METHODOLOGY CHANGES	1
DATA RELIANCE AND IMPORTANT CAVEATS	2
II. BACKGROUND	3
III. ACUTE AND PRIMARY SERVICE COST METHODOLOGY OVERVIEW	4
IV. LONG-TERM CARE SERVICE COST METHODOLOGY OVERVIEW	5
V. NON-SERVICE COST ALLOWANCE	6
ADMINISTRATIVE COST ALLOWANCE	6
VI. PACE-SPECIFIC AWOP ADJUSTMENTS	7
CAPITATION RATE DEVELOPMENT	8

EXHIBITS

Capitation Rate Development – Acute and Primary Services:

- C: Projected CY 2021 Enrollment by Age / Gender Category
- D1: CY 2021 Acute and Primary Services Cost – Dual Eligibles
- D2: CY 2021 Acute and Primary Services Cost – Medicaid Only
- D3: CY 2021 Acute and Primary Services Cost – Total

Capitation Rate Development – Long-Term Care Services:

- F1: June 2020 Population MCO / GSR Functional Screen Attribute Distribution – Developmentally Disabled
- F2: June 2020 Population MCO / GSR Functional Screen Attribute Distribution – Physically Disabled
- F3: June 2020 Population MCO / GSR Functional Screen Attribute Distribution – Frail Elderly
- G: Projections of LTC Service Costs to CY 2021 Rate Period

Capitation Rate Development – Capitation Rates:

- H1: Administrative Expense Allowance and Initial AWOP Rates – Dual Eligibles
- H2: Administrative Expense Allowance and Initial AWOP Rates – Medicaid Only
- H3: Administrative Expense Allowance and Initial AWOP Rates – Total
- I1: Initial AWOP Rates – Dual Eligibles
- I2: Initial AWOP Rates – Medicaid Only
- I3: Initial AWOP Rates – Total
- J: Data Reliance Letter

APPENDICES

- A: December 2015 PACE Medicaid Rate Setting Guide
- B: CY 2021 Family Care Partnership Rate report

I. EXECUTIVE SUMMARY

The Wisconsin Department of Health Services (DHS) retained Milliman to calculate and document its capitation rate development for the Program of All-Inclusive Care for the Elderly (PACE) program. This report documents the development of the January 2021 to December 2021 (CY 2021) amount that would otherwise have been paid (AWOP) and CY 2021 capitation rates for the PACE program. We developed these amounts using the methodology described in this report.

Our role is to develop the CY 2021 PACE capitation rates and demonstrate that they are below the AWOP. While these rates are not required to be certified as actuarially sound, Milliman still closely followed the at-risk rate development actuarial opinion guidance outlined by CMS and the Academy of Actuaries to ensure compliance with generally accepted actuarial practices and regulatory requirements. Specific Actuarial Standards of Practice (ASOPs) we considered include:

- ASOP No. 1 – Introductory Actuarial Standard of Practice
- ASOP No. 5 – Incurred Health and Disability Claims
- ASOP No. 12 – Risk Classification
- ASOP No. 23 – Data Quality
- ASOP No. 25 – Credibility Procedures
- ASOP No. 41 – Actuarial Communications
- ASOP No. 42 – Health and Disability Actuarial Assets and Liabilities Other Than Liabilities for Incurred Claims
- ASOP No. 45 – The Use of Health Status Based Risk Adjustment Methodologies
- ASOP No. 49 – Medicaid Managed Care Capitation Rate Development and Certification
- ASOP No. 56 – Modeling
- Other applicable standards of practice

CY 2021 PACE RATE

The CY 2021 capitation rate for the PACE program is \$3,760.81 per member per month (PMPM). This value is \$0.01 less than the “amount that would otherwise have been paid” (AWOP) for the individuals in the PACE program to be in compliance with the rate requirements of 42 CFR 460.182. Table 1 shows the capitation rate change from CY 2020 to CY 2021.

CY 2020 Rates	\$4,010.40
CY 2021 Rates	\$3,760.81
% Change	-6.2%

The 6.2% decrease in gross capitation rates from CY 2020 to CY 2021 is primarily driven by:

- A reduction in the average PACE acuity level between CY 2018 and CY 2019
- A reduction in the AWOP Family Care Partnership experience adjustment applied to recognize cost differences in FCP relative to Family Care costs used as the base data for the LTC component of the capitation rate
- A decrease in the application of service cost trends to project CY 2020 costs to CY 2021

METHODOLOGY CHANGES

Beginning January 2021, DHS anticipates paying capitation rates specific to each target group for the Dual Eligible and Medicaid only populations rather than the composite rate.

DATA RELIANCE AND IMPORTANT CAVEATS

Milliman prepared this report for the specific purpose of developing CY 2021 PACE AWOP and 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.

Milliman has developed certain models to estimate the values included in this report. The intent of the models was to estimate CY 2021 PACE AWOP development and PACE capitation rate. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice (ASOP).

The models rely on data and information as input to the models. We used MCO financial reporting, as well as encounter, eligibility, diagnostic, and functional screen data for CY 2018, CY 2019, and June 2020, and other information provided by DHS to develop the PACE capitation rate shown in this report. We have relied upon this data and information provided by DHS for this purpose and accepted it without audit. To the extent that the data and information provided is not accurate, or is not complete, the values provided in this report may likewise be inaccurate or incomplete. The models, including all input, calculations, and output may not be appropriate for any other purpose. Please see Exhibit J for a full list of the data relied upon to develop the CY 2021 PACE AWOP development and PACE capitation.

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 PACE should consider their unique circumstances before deciding to contract under these rates.

The authors of this report are 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, 2020 apply to this report and its use.

November 25, 2020

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 2021 capitation rates for the Family Care Partnership 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.

II. BACKGROUND

PACE is full-risk, fully-integrated Medicaid-Medicare managed care delivery systems for the full range of LTC and acute and primary care services, which strives to foster people's independence and quality of life. PACE is a national model of care delivery for beneficiaries aged 55 and older. 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.

Eligibility for 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. All members in this program meet the Nursing Home Level of Care criteria. Enrollment in PACE is voluntary. The risk adjustment model mechanism helps to adjust rates for any differences in average member acuity over time.

PACE operates in Milwaukee County, Waukesha County, Racine County, and Kenosha County. MCOs contract with service providers to deliver all State Plan and waiver LTC services, as well as all acute care and primary care services. The AWOP rate for the PACE program reflects costs that would have been incurred by PACE enrollees under the Family Care Partnership program (after adjustment for benefit differences). The covered population and benefit set are very similar between the Family Care Partnership program and the PACE program. Therefore, in this report we adjust the Family Care Partnership costs to reflect the specific characteristics of the PACE program and enrolled population. We give consideration to the unique attributes of the PACE program and covered population for the following rate setting assumptions:

- Projected enrollment
- Population acuity, as measured by the PACE populations functional status
- Projected target group distribution
- Projected Medicare eligibility distribution
- Projected age group distribution for Medicare eligibles
- LTC risk score for all eligibles and associated risk score
- Service area
- Administrative allowance
- Coverage of pharmacy claims, which are not covered under the Family Care Partnership program
- Coverage of acute and primary services for ventilator dependent members, which are carved out of the Family Care Partnership program

This report provides a high level overview of this AWOP methodology. Please see the CY 2021 Family Care Partnership Rate report dated November 20, 2020, which is included as Appendix B to this report, for full details of this methodology. Specific references to the Family Care Partnership report are made in this report. For clarity, exhibits in this report match the naming convention of exhibits in the Family Care Partnership report. This results in some exhibits appearing to be excluded from this report.

III. ACUTE AND PRIMARY SERVICE COST METHODOLOGY OVERVIEW

This section of the report describes the acute and primary service cost portion of the initial CY 2021 PACE AWOP development.

The methodology used to project the Family Care Partnership MCO encounter data used in the calculation of the capitation rates can be outlined in the following steps. Steps 1 to 3 develop the underlying cost projections for various cohorts of the Partnership population and are unchanged from the Partnership rate development included as Appendix B to this report. Step 4 blends these cohort projections to match the PACE-specific population demographics.

1. Extract and summarize CY 2019 MCO encounter base experience data for the Dual Eligible and Medicaid Only populations by target group for the Family Care Partnership program only. **PACE experience is not included in the base experience data.**

Exhibits A1 and A2 in Appendix B show the summarized repriced CY 2019 Family Care Partnership MCO encounter base experience data by target group for the Dual Eligible and Medicaid only populations, respectively. Please see Appendix A in Appendix B for a map showing the counties included in each GSR.

2. Further summarize CY 2019 Family Care Partnership MCO encounter base experience data by age and gender groupings.

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

3. Apply IBNR and other adjustments to project CY 2021 services costs.

Exhibit B1 in Appendix B shows each adjustment factor by category of service; Exhibit B2 in Appendix B shows the adjusted and trended values for each target group and age / gender breakout and for each target group and Medicare eligibility status.

4. Blend the projected CY 2021 service costs into a PACE-specific projected cost based on the projected demographic distribution of CY 2021 PACE enrollees.

Exhibit C of this report shows the projected CY 2021 enrollment distribution while Exhibits D1 to D3 of this report show the blended PACE acute and primary service cost for the Dual Eligible, Medicaid Only, and total populations, respectively.

Please see Section III steps 1 through 4 in Appendix B to this report for details for each of these steps.

IV. LONG-TERM CARE SERVICE COST METHODOLOGY OVERVIEW

This section of the report describes the LTC service cost portion of the initial CY 2021 PACE AWOP development.

The methodology used to calculate the LTC portion of the capitation rates can be outlined in the following steps. Step 1 develops the underlying base period costs and acuity for various cohorts of the Partnership population and are unchanged from the Partnership rate development included as Appendix B to this report. Steps 2 through 5 blend these cohort costs to match the PACE-specific population demographics and acuity and project the resulting costs to the contract period:

1. The LTC base data used for the AWOP development is comprised of LTC data for the Family Care program, including an adjustment to reflect recent experience in the Family Care Partnership program relative to the Family Care program, after accounting for population differences. **PACE experience is not included in the base experience data and is not included in the data used to develop this experience adjustment.**
2. Apply adjustments to account for the member acuity level of the PACE population using June 2020 screens and the functional status acuity model developed from Family Care and Family Care Partnership experience. Please note that this acuity adjustment includes consideration for a wide variety of member needs that could drive utilization of nursing facilities and other services and is much more precise than simply adjusting for differences in nursing facility utilization between Partnership and PACE.

The functional status models are shown in Exhibits E1 to E3 of Appendix B for the Developmentally Disabled, Physically Disabled, and Frail Elderly population, respectively. **PACE experience is not included in the development of these models.**

Exhibits F1, F2, and F3 of this report show the proportion of the June 2020 PACE enrolled population with each variable for the three functional status models used in calculating the PACE MCO / GSR specific risk score.

3. Apply adjustments to the risk adjusted costs to project CY 2021 services costs for each target group. Exhibit G of this report shows adjusted and trended values for each target group and in total.
4. PACE does not participate in the high cost risk pool (HCRP) and therefore no HCRP pooling charge is added.
5. Blend the projected CY 2021 service costs by target group into a PACE-specific projected cost. The blended costs are shown in the bottom section of Exhibit G.

Please see Section IV steps 1 through 5 in Appendix B to this report for details for each of these steps.

V. NON-SERVICE COST ALLOWANCE

This section of the report describes the development of the non-service cost allowance for the CY 2021 PACE AWOP development.

ADMINISTRATIVE COST ALLOWANCE

DHS worked in collaboration with the Family Care and Family Care Partnership MCOs to develop a sustainable approach to determine the administrative funding levels. 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. DHS and the MCOs formed "small work groups" (SWG) to help assess the type and range of administrative costs. For the CY 2021 rate development MCOs provided updated CY 2018 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. **PACE experience was not included in the development of the administrative cost model.**

We include an additional \$225,000 for each MCO, allocated between the MCO's Family Care, Family Care Partnership, and PACE 2021 membership to account for increased MCO expenditures required to adhere to newly adopted interoperability requirements. This amount was derived based on estimated amounts provided by DHS and participating MCOs.

Non-service expense loads and resulting capitation rates are shown in Exhibits H1 through H3 of this report. Exhibits I1 through I3 of this report restate the components of the capitation rates.

Please see Section V in Appendix B to this report for details regarding the administrative cost model.

Targeted Risk Margin / Contribution to Reserves

We include an explicit 2.0% targeted margin to account for risk margin and cost of capital. We believe that this margin is appropriate given the predictability of expenses under the program and margins included for similar programs nationally.

VI. PACE-SPECIFIC AWOP ADJUSTMENTS

This section of the report describes AWOP adjustments made to address programmatic differences between the Family Care Partnership program and the PACE program. The AWOP develop includes two additional adjustments:

- Costs for most pharmacy services were carved out of Family Care Partnership starting 2020. The acute and primary costs in Exhibit H of this report are calculated after removing all pharmacy costs. Pharmacy services will remain the liability of the PACE plan. Therefore, we increased the acute and primary costs in Exhibit H on average by \$77.39. We developed this increase using Family Care Partnership pharmacy costs for CY 2019 and trended to CY 2021 using a 5.75% annual trend, equivalent to the annual trend assumed for all acute and primary services and comparable to pharmacy trends realized in other Medicaid managed care programs in recent years. Table 2 below shows the details of this calculation.

	CY 2021 Projected Member Months	CY 2019 Pharmacy Experience PMPM	Trend Adjustment	CY 2021 Pharmacy Projection PMPM
Dual Eligible	6,272	\$18.28	1.1183	\$20.44
Medicaid Only	410	\$848.26	1.1183	\$948.61
Blended CY 2019 Experience	6,682	\$69.20	1.1183	\$77.39

- The PACE program retains financial liability for acute and primary costs for individuals with ventilator dependency, while the Family Care Partnership program does not. The acute and primary costs in Exhibit H of this report are calculated after removing members associated with ventilator dependency. Therefore, we increased the acute and primary service cost component of the acute and primary costs in Exhibit H, including the pharmacy adjustment above, by a factor of 1.0011 for the Dual Eligible population and 1.0111 for the Medicaid Only population to reflect the increased PACE liability. We developed this percentage as the ratio of the ventilator dependent acute and primary service costs underlying the Family Care Partnership base period data to the base period acute and primary costs shown in Exhibit A of Appendix B.

Table 3 below shows the final PACE AWOP calculation for each target group and Medicare eligibility status. The CY 2021 blended AWOP for the PACE program is \$3,760.82.

Table 3				
Wisconsin Department of Health Services				
Final AWOP Calculation				
Dual Eligible				
AWOP Component	PMPM			AWOP Report Reference
	DD	PD	FE	
(Acute Care Costs – Starting	\$131.60	\$131.60	\$131.60	Exhibit H1, Column (E)
+ Pharmacy Adjustment)	\$20.44	\$20.44	\$20.44	
× AIDS / Vent Adjustment	1.0011	1.0011	1.0011	
Acute Care Costs – Final	\$152.20	\$152.20	\$152.20	
Long Term Care Costs	\$4,684.58	\$2,953.58	\$2,927.11	Exhibit H1, Column (D)
Administrative Allowance	\$203.10	\$203.10	\$203.10	Exhibit H1, Column (I)
Target Margin	\$102.85	\$67.53	\$66.99	2% of Final AWOP
Final AWOP	\$5,142.73	\$3,376.41	\$3,349.40	
Medicaid Only				
AWOP Component	PMPM			AWOP Report Reference
	DD	PD	FE	
(Acute Care Costs – Starting	\$2,470.07	\$2,470.07	\$2,470.07	Exhibit H2, Column (E)
+ Pharmacy Adjustment)	\$948.61	\$948.61	\$948.61	
× AIDS / Vent Adjustment	1.0111	1.0111	1.0111	
Acute Care Costs – Final	\$3,456.78	\$3,456.78	\$3,456.78	
Long Term Care Costs	\$4,684.58	\$2,953.58	\$2,927.11	Exhibit H2, Column (D)
Administrative Allowance	\$203.10	\$203.10	\$203.10	Exhibit H2, Column (I)
Target Margin	\$170.30	\$134.97	\$134.43	2% of Final AWOP
Final AWOP	\$8,514.76	\$6,748.43	\$6,721.42	

CAPITATION RATE DEVELOPMENT

The CY 2021 capitation rate for the PACE program is \$3,760.81 per member per month (PMPM) in aggregate. Table 4 below shows the CY 2021 capitation rate for each combination of target group and Medicare eligibility status. These values are \$0.01 less than the AWOP amounts shown in Table 3 above to be in compliance with the rate requirements of 42 CFR 460.182. Additional rate reduction from the AWOP is not necessary, since it already reflects experience from a mature managed care program. Documentation of compliance with the December 2015 PACE Medicaid Rate Setting Guide is included as Appendix A. The PACE rates are prospective in nature and do not include any retrospective adjustments or incentives.

Table 4			
Wisconsin Department of Health Services			
Final PACE Capitation Rates			
	DD	PD	FE
Dual Eligible	\$5,142.72	\$3,376.40	\$3,349.39
Medicaid Only	\$8,514.75	\$6,748.42	\$6,721.41

EXHIBITS

State of Wisconsin Department of Health Services
CY 2021 Capitation Rate Development for PACE Program

November 25, 2020

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Exhibit C
Wisconsin Department of Health Services
CY 2021 PACE Initial AWOP / Capitation Rate Development
Summary of 2021 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	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	101	59	50	0	121	174	90	146	0	0	0	0
	65-74	240	205	5	4	37	28	37	11	553	831	24	35
	75-84	41	18	0	0	0	0	0	0	223	924	0	8
	85+	1	26	0	0	0	0	0	0	256	2,434	0	0

Exhibit D1
Wisconsin Department of Health Services
CY 2021 PACE Initial AWOP / Capitation Rate Development
Acute and Primary Services Rate Development
Dual Eligible Population

CCHP - PACE

Inpatient Hospital	\$34.66
Outpatient Hospital	15.87
Pharmacy	15.41
Dental	18.16
Other Acute & Primary	47.49
Total Acute & Primary Services	\$131.60
CY 2021 Member Months	6,272

Exhibit D2
Wisconsin Department of Health Services
CY 2021 PACE Initial AWOP / Capitation Rate Development
Acute and Primary Services Rate Development
Medicaid Only Population

CCHP - PACE

Inpatient Hospital	\$1,257.87
Outpatient Hospital	759.24
Pharmacy	40.98
Dental	36.27
Other Acute & Primary	375.71
Total Acute & Primary Services	\$2,470.07
CY 2021 Member Months	410

Exhibit D3
Wisconsin Department of Health Services
CY 2021 PACE Initial AWOP / Capitation Rate Development
Acute and Primary Services Rate Development
Total Population

CCHP - PACE

Inpatient Hospital	\$109.72
Outpatient Hospital	61.48
Pharmacy	16.98
Dental	19.27
Other Acute & Primary	67.63
Total Acute & Primary Services	\$275.08
<hr/>	
CY 2021 Member Months	6,682

Exhibit F1
Wisconsin Department of Health Services
CY 2021 PACE Initial AWOP / Capitation Rate Development
MCO/GSR Functional Screen Attribute Distribution for PACE - June 2020 Enrollment
Developmentally Disabled

Variable	CCHP - PACE
Intercept (Grid Component)	100.0%
Intercept (Grid Component)	
Vent Dependent	0.0%
SNF	43.3%
Intercept (Grid Component)	
IADL_1	0.0%
IADL_2	1.7%
IADL_3	8.3%
IADL_4	56.7%
IADL_5	33.3%
Intercept (Grid Component)	
Eating_2	23.3%
Bathing_1	55.0%
Bathing_2	41.7%
Transfer_2	28.3%
Intercept (Grid Component)	
Brain_Other	0.0%
Other Federal DD_Bipolar	0.0%
Behaviors_Autism	1.7%
Injury_Age Under 30	0.0%
Injury_Mental Illness	1.7%
Intellectually Disabled_Bipolar	6.7%
Intellectually Disabled_Other Mental Illness	8.3%
Seizure Pre-22_Depression	8.3%
Trauma BI Post-22_Other Mental Illness	13.3%
Transfer_Equip_Mobility	3.3%
Intercept (Grid Component)	
Cognition_2	46.7%
Cognition_3	41.7%
Injury_1-2	5.0%
Offensive_1-3	20.0%
Wander_2	11.7%
Mental Health_2	66.7%
Resistive_1	3.3%
Intercept (Grid Component)	
Exercise	6.7%
Tube Feedings	0.0%
Respirate	3.3%
Ostomy	0.0%
Medication Administration	98.3%
Tracheostomy	0.0%
Reposition	5.0%
Intercept (Grid Component)	
Intellectually Disabled	45.0%
Intercept (Grid Component)	
Bath_Position	83.3%
Intercept (Grid Component)	
Incidents_0	95.0%
Incidents_1	3.3%
Incidents_2	1.7%
Incidents_3+	0.0%
MCO/GSR Developmentally Disabled Composite	\$4,190.17
GSR Developmentally Disabled Composite	\$4,190.17
MCO/GSR Experience Credibility Weight	77.5%
Final Blended Developmentally Disabled Composite	\$4,190.17
Preliminary Blended Developmentally Disabled Risk Score	1.0655
Family Care Partnership Acuity Adjustment	1.0053
Final Blended Developmentally Disabled Risk Score	1.0711

Exhibit F2
Wisconsin Department of Health Services
CY 2021 PACE Initial AWOP / Capitation Rate Development
MCO/GSR Functional Screen Attribute Distribution for PACE - June 2020 Enrollment
Physically Disabled

Variable	CCHP - PACE
Intercept (Grid Component)	100.0%
DD/NH Level of Care (Grid Component)	
Vent Dependent	0.0%
SNF	30.9%
Number of IADLs (Grid Component)	
IADL_1	6.4%
IADL_2	28.8%
IADL_3	21.2%
IADL_4	33.0%
IADL_5	10.6%
Specific ADLs / Equipment Used (Add-On)	
Eating_2	9.6%
Bathing_2	25.6%
Toileting_1-2	63.9%
Transfer_2	26.6%
Interaction Terms (Add-On)	
Injury_Mental Illness	2.1%
Muscular_Mental Illness_Age 60 and Under	4.2%
Seizure Pre-22_Schizophrenia	0.0%
Spinal Injury_Alcohol/Drug Abuse	4.2%
Vent Dependent_Tracheostomy	0.0%
Transfer_Equip_Mobility	8.5%
Behavioral Variables (Add-On)	
Cognition_2-3	36.1%
Offensive_1-3	4.2%
Wander_2	4.2%
Mental Health_2	72.2%
Alcohol Drug Abuse	29.7%
Health Related Services (Add-On)	
Exercise	12.7%
Ulcer Stage 2	0.0%
Ulcer Stage 3-4	2.1%
Respirate	8.5%
Urinary	4.2%
Wound	8.5%
Tracheostomy	0.0%
Reposition	10.6%
Diagnoses (Add-On)	
Alzheimers	21.2%
New Variables	
Bath_Position	80.9%
Incidents	
Incidents_0	95.8%
Incidents_1	2.1%
Incidents_2+	2.1%
MCO/GSR Physically Disabled Composite	\$2,854.59
GSR Physically Disabled Composite	\$2,854.59
MCO/GSR Experience Credibility Weight	68.6%
Final Blended Physically Disabled Composite	\$2,854.59
Preliminary Blended Physically Disabled Risk Score	1.0890
Family Care Partnership Acuity Adjustment	0.9533
Final Blended Physically Disabled Risk Score	1.0382

Exhibit F3
Wisconsin Department of Health Services
CY 2021 PACE Initial AWOP / Capitation Rate Development
MCO/GSR Functional Screen Attribute Distribution for PACE - June 2020 Enrollment
Frail Elderly

Variable	CCHP - PACE
Intercept (Grid Component)	100.0%
DD/NH Level of Care (Grid Component)	
Vent Dependent	0.3%
SNF	22.9%
Number of IADLs (Grid Component)	
IADL_1	2.5%
IADL_2	8.3%
IADL_3	14.2%
IADL_4-5	75.0%
Specific ADLs / Equipment Used (Add-On)	
Bathing_1	44.3%
Bathing_2	50.8%
Toileting_1-2	62.4%
Transfer_2	30.9%
Interaction Terms (Add-On)	
Seizure Post-22_Alcohol/Drug Abuse	0.7%
Seizure Post-22_Bipolar	0.2%
Trauma BI Post-22_Anxiety	0.0%
Transfer_Equip_Mobility	9.1%
Behavioral Variables (Add-On)	
Cognition_2	31.0%
Cognition_3	30.0%
Offensive_1-3	9.1%
Wander_2	2.7%
Mental Health_2	50.0%
Alcohol Drug Abuse	7.9%
Health Related Services (Add-On)	
Dialysis	2.5%
Exercise	9.8%
Ulcer Stage 2	0.5%
Ulcer Stage 3-4	0.9%
Tracheostomy	0.5%
Reposition	11.6%
Diagnoses (Add-On)	
Alzheimers	57.6%
Mental Illness	16.3%
Incidents	
Incidents_0	98.2%
Incidents_1+	1.8%
MCO/GSR Frail Elderly Composite	\$2,878.10
GSR Frail Elderly Composite	\$2,878.10
MCO/GSR Experience Credibility Weight	100.0%
Final Blended Frail Elderly Composite	\$2,878.10
Preliminary Blended Frail Elderly Risk Score	1.0609
Family Care Partnership Acuity Adjustment	0.9483
Final Blended Frail Elderly Risk Score	1.0061

Exhibit G1
 Wisconsin Department of Health Services
 CY 2021 PACE Initial AWOP / Capitation Rate Development
 Development of Service Portion of LTC Rate

Development Category	2021 Exposure Months	MCO/GSR Specific Base Rate Development			MCO/GSR Specific Risk Adjusted Rate	Projection to CY 2021								Projected Per Capita Monthly Costs
		FC Statewide DD Base Costs	2021 FC Regression Results FCP Experience Adjustment Factor	PACE Risk Score - June 2020 Enrollment		Two-Year Utilization Trend	Two-Year Unit Cost Trend	Two-Year Acuity Trend	2021 DD Adjustment Factors Geographic Adjustment Factor	Nursing Home Rate Increase	Personal Care Rate Increase	Provider Reimbursement Increase	DME Adjustment	
DD Development	752	3,747.84	1.0716	1.0711	4,301.75	0.9718	0.9956	1.0486	0.9995	1.0027	1.0002	1.0175	0.9995	4,448.81
PD Development	643	2,540.65	1.0716	1.0382	2,826.37	0.9891	0.9978	1.0282	0.9998	1.0052	1.0006	1.0140	0.9984	2,919.85
FE Development	5,286	2,674.40	1.0716	1.0061	2,883.23	0.9774	1.0084	1.0040	1.0011	1.0106	1.0002	1.0127	0.9992	2,921.72
Composite Development	6,682	2,782.38	1.0716	1.0188	3,037.47	0.9776	1.0054	1.0132	1.0008	1.0088	1.0002	1.0136	0.9992	3,093.48

Exhibit G2 Wisconsin Department of Health Services CY 2021 PACE Initial AWOP / Capitation Rate Development Development of Service Portion of LTC Rate			
	(A)	(B)	(C) = (A) + (B)
DD Development	Application of HCRP		
	Projected Per Capita Monthly Costs	HCRP Pooled Claims	Projected Per Capita Monthly LTC Costs w/ HCRP
CCHP - PACE	4,448.81	235.77	4,684.58
PD Development	Application of HCRP		
	Projected Per Capita Monthly Costs	HCRP Pooled Claims	Projected Per Capita Monthly LTC Costs w/ HCRP
CCHP - PACE	2,919.85	33.73	2,953.58
FE Development	Application of HCRP		
	Projected Per Capita Monthly Costs	HCRP Pooled Claims	Projected Per Capita Monthly LTC Costs w/ HCRP
CCHP - PACE	2,921.72	5.39	2,927.11
Composite Development	Application of HCRP		
	Projected Per Capita Monthly Costs	HCRP Pooled Claims	Projected Per Capita Monthly LTC Costs w/ HCRP
CCHP - PACE	3,093.48	34.06	3,127.54

Exhibit H1
 Wisconsin Department of Health Services
 CY 2021 PACE Initial AWOP / Capitation Rate Development
 Development of Non-Service Portion of Rates, MCE, and Final Capitation Rates
 Dual Eligible Population

	(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)	
DD Development	2021 Exposure Months	LTC MCE Service Costs	2021 Gross LTC Service Costs	2021 HCRP Pooled Claims	2021 Net LTC Service Costs	2021 A&P Service Costs	MCE Service Costs	2021 Gross Service Costs	2021 Net Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2021 Initial AWOP Rate	2021 Initial AWOP Rate Less HCRP
CCHP - PACE	693	4,684.58	4,684.58	0.00	4,684.58	131.60	4,816.18	4,816.18	4,816.18	203.10	4.0%	2.0%	102.43	5,019.28	5,121.71	5,121.71
PD Development	2021 Exposure Months	LTC MCE Service Costs	2021 Gross LTC Service Costs	2021 HCRP Pooled Claims	2021 Net LTC Service Costs	2021 A&P Service Costs	MCE Service Costs	2021 Gross Service Costs	2021 Net Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2021 Initial AWOP Rate	2021 Initial AWOP Rate Less HCRP
CCHP - PACE	360	2,953.58	2,953.58	0.00	2,953.58	131.60	3,085.18	3,085.18	3,085.18	203.10	6.2%	2.0%	67.11	3,288.28	3,355.39	3,355.39
FE Development	2021 Exposure Months	LTC MCE Service Costs	2021 Gross LTC Service Costs	2021 HCRP Pooled Claims	2021 Net LTC Service Costs	2021 A&P Service Costs	MCE Service Costs	2021 Gross Service Costs	2021 Net Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2021 Initial AWOP Rate	2021 Initial AWOP Rate Less HCRP
CCHP - PACE	5,220	2,927.11	2,927.11	0.00	2,927.11	131.60	3,058.71	3,058.71	3,058.71	203.10	6.2%	2.0%	66.57	3,261.81	3,328.38	3,328.38
Composite Development	2021 Exposure Months	LTC MCE Service Costs	2021 Gross LTC Service Costs	2021 HCRP Pooled Claims	2021 Net LTC Service Costs	2021 A&P Service Costs	MCE Service Costs	2021 Gross Service Costs	2021 Net Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2021 Initial AWOP Rate	2021 Initial AWOP Rate Less HCRP
CCHP - PACE	6,272	3,122.73	3,122.73	0.00	3,122.73	131.60	3,254.33	3,254.33	3,254.33	203.10	5.9%	2.0%	70.56	3,457.43	3,527.99	3,527.99

Exhibit H2
Wisconsin Department of Health Services
CY 2021 PACE Initial AWOP / Capitation Rate Development
Development of Non-Service Portion of Rates, MCE, and Final Capitation Rates
Medicaid Only Population

	(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)	
DD Development	2021 Exposure Months	LTC MCE Service Costs	2021 Gross LTC Service Costs	2021 HCRP Pooled Claims	2021 Net LTC Service Costs	2021 A&P Service Costs	MCE Service Costs	2021 Gross Service Costs	2021 Net Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2021 Initial AWOP Rate	2021 Initial AWOP Rate Less HCRP
CCHP - PACE	60	4,684.58	4,684.58	0.00	4,684.58	2,470.07	7,154.65	7,154.65	7,154.65	203.10	2.8%	2.0%	150.16	7,357.75	7,507.91	7,507.91
PD Development	284	2,953.58	2,953.58	0.00	2,953.58	2,470.07	5,423.65	5,423.65	5,423.65	203.10	3.6%	2.0%	114.83	5,626.75	5,741.58	5,741.58
FE Development	67	2,927.11	2,927.11	0.00	2,927.11	2,470.07	5,397.18	5,397.18	5,397.18	203.10	3.6%	2.0%	114.29	5,600.28	5,714.57	5,714.57
Composite Development	410	3,201.03	3,201.03	0.00	3,201.03	2,470.07	5,671.10	5,671.10	5,671.10	203.10	3.5%	2.0%	119.88	5,874.20	5,994.08	5,994.08

Exhibit H3
 Wisconsin Department of Health Services
 CY 2021 PACE Initial AWOP / Capitation Rate Development
 Development of Non-Service Portion of Rates, MCE, and Final Capitation Rates
 Total Population

	(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)	
DD Development	2021 Exposure Months	LTC MCE Service Costs	2021 Gross LTC Service Costs	2021 HCRP Pooled Claims	2021 Net LTC Service Costs	2021 A&P Service Costs	MCE Service Costs	2021 Gross Service Costs	2021 Net Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2021 Initial AWOP Rate	2021 Initial AWOP Rate Less HCRP
CCHP - PACE	752	4,684.58	4,684.58	0.00	4,684.58	316.95	5,001.53	5,001.53	5,001.53	203.10	3.9%	2.0%	106.22	5,204.63	5,310.85	5,310.85
PD Development	2021 Exposure Months	LTC MCE Service Costs	2021 Gross LTC Service Costs	2021 HCRP Pooled Claims	2021 Net LTC Service Costs	2021 A&P Service Costs	MCE Service Costs	2021 Gross Service Costs	2021 Net Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2021 Initial AWOP Rate	2021 Initial AWOP Rate Less HCRP
CCHP - PACE	643	2,953.58	2,953.58	0.00	2,953.58	1,162.93	4,116.51	4,116.51	4,116.51	203.10	4.7%	2.0%	88.16	4,319.61	4,407.77	4,407.77
FE Development	2021 Exposure Months	LTC MCE Service Costs	2021 Gross LTC Service Costs	2021 HCRP Pooled Claims	2021 Net LTC Service Costs	2021 A&P Service Costs	MCE Service Costs	2021 Gross Service Costs	2021 Net Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2021 Initial AWOP Rate	2021 Initial AWOP Rate Less HCRP
CCHP - PACE	5,286	2,927.11	2,927.11	0.00	2,927.11	161.11	3,088.22	3,088.22	3,088.22	203.10	6.2%	2.0%	67.17	3,291.32	3,358.49	3,358.49
Composite Development	2021 Exposure Months	LTC MCE Service Costs	2021 Gross LTC Service Costs	2021 HCRP Pooled Claims	2021 Net LTC Service Costs	2021 A&P Service Costs	MCE Service Costs	2021 Gross Service Costs	2021 Net Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2021 Initial AWOP Rate	2021 Initial AWOP Rate Less HCRP
CCHP - PACE	6,682	3,127.54	3,127.54	0.00	3,127.54	275.08	3,402.62	3,402.62	3,402.62	203.10	5.6%	2.0%	73.59	3,605.72	3,679.31	3,679.31

Exhibit M
 Wisconsin Department of Health Services
 CY 2021 PACE Initial AWOP / Capitation Rate Development
 Dual Eligible Population

MCO / GSR	2021 Exposure Months				(A)	(B)	(C)	(D)	(E) = (A) + (B) + (C) + (D)	(A)	(B)	(C)	(D)	(E) = (A) + (B) + (C) + (D)
	DD	PD	FE	Total	Developmentally Disabled					Physically Disabled				
					2021 LTC Service Costs	2021 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2021 Initial AWOP Rate	2021 LTC Service Costs	2021 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2021 Initial AWOP Rate
CCHP - PACE	693	360	5,220	6,272	4,684.58	131.60	203.10	102.43	5,121.71	2,953.58	131.60	203.10	67.11	3,355.39
MCO / GSR	2021 Exposure Months				(A)	(B)	(C)	(D)	(E) = (A) + (B) + (C) + (D)	(A)	(B)	(C)	(D)	(E) = (A) + (B) + (C) + (D)
	DD	PD	FE	Total	Frail Elderly					Composite Population				
					2021 LTC Service Costs	2021 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2021 Initial AWOP Rate	2021 LTC Service Costs	2021 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2021 Initial AWOP Rate
CCHP - PACE	693	360	5,220	6,272	2,927.11	131.60	203.10	66.57	3,328.38	3,122.73	131.60	203.10	70.56	3,527.99

Exhibit I2
 Wisconsin Department of Health Services
 CY 2021 PACE Initial AWOP / Capitation Rate Development
 Medicaid Only Population

MCO / GSR	2021 Exposure Months				(A)	(B)	(C)	(D)	(E) = (A) + (B) + (C) + (D)	(A)	(B)	(C)	(D)	(E) = (A) + (B) + (C) + (D)
	DD	PD	FE	Total	Developmentally Disabled					Physically Disabled				
					2021 LTC Service Costs	2021 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2021 Initial AWOP Rate	2021 LTC Service Costs	2021 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2021 Initial AWOP Rate
CCHP - PACE	60	284	67	410	4,684.58	2,470.07	203.10	150.16	7,507.91	2,953.58	2,470.07	203.10	114.83	5,741.58
	2021 Exposure Months				(A)	(B)	(C)	(D)	(E) = (A) + (B) + (C) + (D)	(A)	(B)	(C)	(D)	(E) = (A) + (B) + (C) + (D)
	DD	PD	FE	Total	Frail Elderly					Composite Population				
					2021 LTC Service Costs	2021 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2021 Initial AWOP Rate	2021 LTC Service Costs	2021 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2021 Initial AWOP Rate
CCHP - PACE	60	284	67	410	2,927.11	2,470.07	203.10	114.29	5,714.57	3,201.03	2,470.07	203.10	119.88	5,994.08

Exhibit I3
 Wisconsin Department of Health Services
 CY 2021 PACE Initial AWOP / Capitation Rate Development
 Total Population

MCO / GSR	2021 Exposure Months				(A)	(B)	(C)	(D)	(E) = (A) + (B) + (C) + (D)	(A)	(B)	(C)	(D)	(E) = (A) + (B) + (C) + (D)
	DD	PD	FE	Total	Developmentally Disabled					Physically Disabled				
					2021 LTC Service Costs	2021 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2021 Initial AWOP Rate	2021 LTC Service Costs	2021 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2021 Initial AWOP Rate
CCHP - PACE	752	643	5,286	6,682	4,684.58	316.95	203.10	106.22	5,310.85	2,953.58	1,162.93	203.10	88.16	4,407.77

MCO / GSR	2021 Exposure Months				(A)	(B)	(C)	(D)	(E) = (A) + (B) + (C) + (D)	(A)	(B)	(C)	(D)	(E) = (A) + (B) + (C) + (D)
	DD	PD	FE	Total	Frail Elderly					Composite Population				
					2021 LTC Service Costs	2021 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2021 Initial AWOP Rate	2021 LTC Service Costs	2021 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2021 Initial AWOP Rate
CCHP - PACE	752	643	5,286	6,682	2,927.11	161.11	203.10	67.17	3,358.49	3,127.54	275.08	203.10	73.59	3,679.31

Tony Evers
Governor



DIVISION OF MEDICAID SERVICES

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November 20, 2020

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

RE: Data Reliance for Actuarial Certification of CY 2021 Family Care, Family Care Partnership, and PACE Capitation Rates

Dear Michael:

I, Benjamin M. Nerad, Director, Bureau of Rate Setting, hereby affirm that the listings and summaries prepared and submitted to Milliman, Inc. for the development of the CY 2021 Family Care, and Family Care Partnership, and PACE 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) 2017 through 2019 for the Family Care, Family Care Partnership, and 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 2017 through 2019 for the Family Care program.
3. Long Term Care Functional Screen (LTCFS) data extracts through June 2020 for the Family Care, Family Care Partnership, and PACE programs, and data files containing a list of non-victim incidents by member.
4. Data files containing enrollment information on capitated plan assignment, program and target group, geographic indicators, and demographic indicators (including ventilator-dependent members, tribal members, and AIDs members) for CY 2017 through 2019, and January 2020 through June 2020 for the Family Care, Family Care Partnership, and PACE programs.
5. Data file containing a list of screens impacted by changes to the target group automation algorithm.
6. Data files containing claims and enrollment information for the acute and primary portion of the Family Care Partnership and PACE programs.
7. Data files containing estimated monthly enrollment for CY 2021 in total and by health plan, geographic indicator, and target group for the Family Care, Family Care Partnership, and PACE programs.

8. Data dictionary files for the encounter, enrollment, and LTCFS files for the Family Care, Family Care Partnership, and PACE programs, including definitions of low and high activities of daily living, and instrumental activities of daily living, definitions of base and expansion cohorts, data files containing a mapping of functional screen fields to cost weight variables, and data files containing a mapping of services to broad categories of service.
9. CY 2017 through 2019 and January 2020 through June 2020 financials for health plans participating in the Family Care, Family Care Partnership, and PACE programs.
10. An administrative cost model for CY 2021 non-service costs to be applied to the Family Care, Family Care Partnership, and PACE programs.
11. A data file containing lists of allowed and dis-allowed services under managed care, including pharmacy NDCs for the Family Care, Family Care Partnership, and PACE programs.
12. Information and direction regarding the implementation of the High Cost Risk Pool for the Family Care, Family Care Partnership, and PACE programs.
13. Information and direction regarding the MCO business plans for the Family Care, Family Care Partnership, and PACE programs.
14. Estimates of additional MCO liability required to adhere to newly adopted interoperability requirements.
15. Information and direction regarding the goals of the PACE rate development.
16. Information and direction regarding the Pay for Performance and incentive payment mechanisms for the Family Care and Family Care Partnership programs, including expectations around withhold return.
17. Results of analyses performed by DHS regarding the fiscal impact of legislative and policy changes for the Family Care, Family Care Partnership, and PACE programs.
18. Any other items provided to Milliman to support the 2021 rate development not mentioned above for the Family Care, Family Care Partnership, and 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.



Name

November 20, 2020

Date

APPENDIX A

Responses to December 2015 PACE Medicaid Capitation Rate Setting Guide

APPENDIX A

Responses to December 2015 PACE Medicaid Capitation Rate Setting Guide

1. AWOP Development

- a. The acute and primary portion of the AWOP is developed separately for Medicare and Medicaid-only eligibles. The long term care portion of the AWOP is developed separately by target group (physically disabled, developmentally disabled, and frail elderly). These rate categories are then blended together based on projected membership to develop a single value for each of the acute and primary and long term care service components of the AWOP.
- b. The AWOP is developed prospectively for the calendar year and does not include any retrospective adjustments or incentives.
- c. The AWOP is developed from recent managed care data and is adjusted in many ways to reflect the population enrolled in PACE.

2. Rate Development

- a. The rate development is consistent with the process outlined in the State Plan and is nominally lower than the rate that would have been paid had PACE individuals been enrolled in Family Care Partnership.
- b. Capitation rates will be paid prospectively on a PMPM basis and reflect the same level of rate category grouping as the AWOP.
- c. Capitation rates will be paid prospectively for the twelve month contract period beginning January 1, 2021 and ending December 31, 2021.
- d. Capitation rates are \$0.01 lower than the AWOP. The PACE program has no incentive arrangements. Information on projected enrollment is included in this report.

November 25, 2020

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 2021 capitation rates for the Family Care Partnership 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

2021 Family Care Partnership Report

State of Wisconsin Department of Health Services
CY 2021 Capitation Rate Development for PACE Program

November 25, 2020

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 2021 capitation rates for the Family Care Partnership 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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November 25, 2020

Elizabeth Doyle, Section Manager
Long Term Care Rate Setting Section
Bureau of Rate Setting
Division Medicaid Services
1 West Wilson Street
Madison, WI 53701-0309

[Sent via email: elizabeth.doyle@dhs.wisconsin.gov]

Re: CY 2021 Family Care Partnership Capitation Rate Report

Dear Elizabeth:

The Wisconsin Department of Health Services (DHS) retained Milliman, Inc. (Milliman) to develop and document its calendar year (CY) 2021 capitation rates for Wisconsin's Family Care, Family Care Partnership, and PACE Long Term Care (LTC) programs. This report summarizes the development of CY 2021 capitation rates for Wisconsin's Family Care Partnership program.

We understand that this report and summary exhibit may be shared with the participating managed care organizations (MCOs).



Sincerely,

Michael Cook, FSA, MAAA
Principal and Consulting Actuary

James Johnson, FSA, MAAA
Consulting Actuary

MCC/JJ/tlg

Attachment

cc: Benjamin Nerad, DHS
Grant Cummings, DHS
Constanza Liborio, DHS
Evan Gallagher, DHS
Zach Bauer, DHS
Ryan Marinelli, DHS
Briana Botros, Milliman
Ryan LeRoy, Milliman
Theresa Fryjoff, Milliman

MILLIMAN REPORT

State of Wisconsin

Department of Health Services Calendar Year 2021 Capitation Rate Development Family Care Partnership Program

November 25, 2020

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Table of Contents

I. EXECUTIVE SUMMARY	1
CY 2021 CAPITATION RATES	1
METHODOLOGY CHANGES FROM CY 2020 RATES	2
DATA RELIANCE AND IMPORTANT CAVEATS	2
II. BACKGROUND	4
III. ACUTE AND PRIMARY SERVICE COST METHODOLOGY OVERVIEW	5
STEP 1: EXTRACT AND SUMMARIZE REPRICED ENCOUNTER BASE EXPERIENCE DATA	5
STEP 2: SUMMARIZE CY 2019 MCO ENCOUNTER DATA BY AGE AND GENDER GROUPINGS	6
STEP 3: APPLY IBNR AND OTHER ADJUSTMENTS TO PROJECT CY 2021 SERVICE COSTS	6
STEP 4: BLEND PROJECTED SERVICE COSTS BY TARGET GROUP	7
IV. LONG-TERM CARE SERVICE COST METHODOLOGY OVERVIEW	9
STEP 1: APPLY FAMILY CARE PARTNERSHIP EXPERIENCE ADJUSTMENT	9
STEP 2: APPLY RISK ADJUSTMENT RELATIVITIES FOR EACH MCO / GSR AND TARGET GROUP	10
STEP 3: APPLY ADJUSTMENTS TO RISK ADJUSTED COST TO PROJECT CY 2021 SERVICES COSTS	11
STEP 4: ADD HCRP POOLING CHARGE	16
STEP 5: BLEND PROJECTED SERVICE COSTS BY TARGET GROUP	16
V. NON-SERVICE COST ALLOWANCE	17
ADMINISTRATIVE COST ALLOWANCE	17
VI. OTHER RATE CONSIDERATIONS	20
RISK CORRIDOR	20
WITHHOLDS AND INCENTIVES	20
RETROSPECTIVE ADJUSTMENTS	21
ALTERNATIVE PAYMENT ARRANGEMENTS	23

EXHIBITS

Capitation Rate Development – Acute and Primary Services:

A1:	CY 2019 MCO Encounter Data – Dual Eligibles
A2:	CY 2019 MCO Encounter Data – Medicaid Only
B1:	CY 2019 MCO Encounter Data with Age / Gender Groupings
B2:	CY 2019 MCO Encounter Data with Age / Gender Groupings – Trended and Completed
C:	Projected CY 2021 Enrollment by MCO / GSR and Age / Gender Category
D1:	CY 2021 Acute and Primary Services Cost – Dual Eligibles
D2:	CY 2021 Acute and Primary Services Cost – Medicaid Only
D3:	CY 2021 Acute and Primary Services Cost – Total

State of Wisconsin Department of Health Services

CY 2021 Capitation Rate Development for Family Care Partnership Program

November 25, 2020

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 2021 capitation rates for the Family Care Partnership 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.

Table of Contents *(continued)*

Capitation Rate Development – Long-Term Care Services:

- E1: CY 2021 Functional Screen Regression Model – Developmentally Disabled
- E2: CY 2021 Functional Screen Regression Model – Physically Disabled
- E3: CY 2021 Functional Screen Regression Model – Frail Elderly

- F1: June 2020 Population MCO / GSR Functional Screen Attribute Distribution – Developmentally Disabled
- F2: June 2020 Population MCO / GSR Functional Screen Attribute Distribution – Physically Disabled
- F3: June 2020 Population MCO / GSR Functional Screen Attribute Distribution – Frail Elderly

- G: Projections of LTC Service Costs to CY 2021 Rate Period

Capitation Rate Development – Capitation Rates:

- H1: Administrative Expense Allowance and Final Capitation Rates – Dual Eligibles
- H2: Administrative Expense Allowance and Final Capitation Rates – Medicaid Only
- H3: Administrative Expense Allowance and Final Capitation Rates – Total

- I1: Monthly Rates Paid to MCOs – Dual Eligibles
- I2: Monthly Rates Paid to MCOs – Medicaid Only
- I3: Monthly Rates Paid to MCOs – Total

Actuarial Certification:

- J: Actuarial Certification of CY 2021 Wisconsin Family Care Partnership Capitation Rates

CMS Documentation:

- K: CMS Rate Setting Checklist Issues
- L: 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
- E: Family Care Geographic Factor Analysis

I. EXECUTIVE SUMMARY

This report documents the development of the January 2021 to December 2021 (CY 2021) capitation rates for Wisconsin's Family Care Partnership program. The Wisconsin Department of Health Services (DHS) retained Milliman to calculate, document, and certify its capitation rate development. The capitation rates developed in this report reflect only the Medicaid liability, and exclude Medicare liability for Dual Eligible members. We developed the capitation rates using the methodology described in this report.

Our role is to certify that the CY 2021 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), CMS, and federal regulations to ensure compliance with generally accepted actuarial practices and regulatory requirements. Specific Actuarial Standards of Practice (ASOPs) we considered include:

- ASOP No. 1 – Introductory Actuarial Standard of Practice
- ASOP No. 5 – Incurred Health and Disability Claims
- ASOP No. 12 – Risk Classification
- ASOP No. 23 – Data Quality
- ASOP No. 25 – Credibility Procedures
- ASOP No. 41 – Actuarial Communications
- ASOP No. 42 – Health and Disability Actuarial Assets and Liabilities Other Than Liabilities for Incurred Claims
- ASOP No. 45 – The Use of Health Status Based Risk Adjustment Methodologies
- ASOP No. 49 – Medicaid Managed Care Capitation Rate Development and Certification
- ASOP No. 56 – Modeling
- Other applicable standards of practice

CY 2021 CAPITATION RATES

The statewide average gross capitation rate for CY 2021 is \$3,952.09 for the Family Care Partnership population. Table 1 shows the statewide gross capitation rate change from CY 2020 to CY 2021.

CY 2020 Rates	\$3,893.11
CY 2021 Rates	\$3,952.09
% Change	1.5%

The 1.5% increase in gross capitation rates from CY 2020 to CY 2021 can be broken down as follows:

- 2.5% increase due to the difference between actual CY 2019 LTC costs and the CY 2019 LTC costs predicted as part of CY 2020 rate development, adjusted to match the Family Care Partnership average acuity level. This includes the difference in the underlying target group distribution between CY 2018 and CY 2019.
- 4.5% decrease due to the reduction in the Family Care Partnership experience adjustment applied to recognize cost differences in FCP relative to the Family Care costs used as the base data for the LTC component of the capitation rate.
- 0.5% decrease due to differences in one-year cost and acuity trend values applied to move CY 2019 costs to CY 2020 costs in the CY 2021 rate development versus the CY 2020 rate development. Part of this change reflects removing the historical impact of nursing home rate changes from trend, which is more than offset by the explicit nursing facility rate adjustment addressed later in this list.
- 0.4% decrease due to the application of service cost trend to project CY 2020 costs to CY 2021.
- 1.1% increase due to the application of acuity trend to project CY 2020 acuity to CY 2021.

- 0.2% decrease due to differences in the relative impact of legislated increases in nursing home reimbursement, personal care, and durable medical equipment rates.
- 1.0% increase due to the removal of MVA.
- 0.7% increase due to the incorporation of additional reimbursement increases for waiver service providers.
- 1.8% increase due to the projection of CY 2019 acute and primary service costs, primarily driven by an increase in the base period experience and service cost trend.
- No material change due to difference in the administrative load as a percent of the capitation rate.

Please note, the sum of the rate change drivers may not equal the total rate change, because the change drivers are calculated as multiplicative factors. The product of “one plus” each change driver equals “one plus” the total rate change.

The change in gross capitation rates for the DD, PD, and FE target groups is +3.9%, + 8.9%, and -8.6%, respectively. The rate change by target group differs from the composite change due primarily to the fact that the acute and primary component of CY 2020 capitation rates did not differ by target group. Additional differences include differing base period data changes and target group-specific service cost and acuity trend values.

Projected CY 2021 expenditures split between federal and state liability are included as Appendix B.

METHODOLOGY CHANGES FROM CY 2020 RATES

Risk Corridor Program

For CY 2021 Family Care Partnership will have a risk corridor program to control the risk associated with the significant uncertainty related to the ongoing COVID-19 pandemic. This program, which is described in Section VI of this report, allows DHS and each MCO to share in the financial risk of the program. The extent to which each party shares in the risk is determined by each MCO's realized loss ratio after the conclusion of the rate year.

Removal of the Market Variability Adjustment

In CY 2020 and earlier rate setting exercises, we included an adjustment specific to each MCO to account for differences in MCO experience and effectiveness in implementing case management cost savings and the impact that provider negotiation leverage has on MCO service costs. In CY 2020 rate setting we began developing geographic adjustment factors which reflected realized MCO experience in each region, which significantly reduced the impact that the market variability adjustment has on the final capitation rate for each MCO. With the further inclusion of a risk corridor program we determined this adjustment is no longer impactful.

Service Area Changes

Beginning January 2021, DHS anticipates paying capitation rates specific to each target group rather than the composite rate. We are certifying both sets of rates as actuarially sound.

DATA RELIANCE AND IMPORTANT CAVEATS

Milliman prepared this report for the specific purpose of developing CY 2021 Family Care Partnership 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.

Milliman has developed certain models to estimate the values included in this report. The intent of the models was to estimate CY 2021 capitation rates for Family Care Partnership. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice (ASOP).

The models rely on data and information as input to the models. We used MCO financial reporting, as well as encounter, eligibility, diagnostic, and functional screen data for CY 2018, CY 2019, and June 2020, and other information provided by DHS to develop the Family Care Partnership capitation rates shown in this report. We have relied upon this data and information provided by DHS for this purpose and accepted it without audit. To the extent that the data and information provided is not accurate, or is not complete, the values provided in this report may likewise be inaccurate or incomplete. The models, including all input, calculations, and output may not be appropriate for any other purpose. Please see Exhibit J for a full list of the data relied upon to develop the CY 2021 Family Care Partnership capitation rates.

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 should consider their unique circumstances before deciding to contract under these rates.

The authors of this report are 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, 2020 apply to this report and its use.

II. BACKGROUND

Family Care Partnership is a full-risk, fully-integrated Medicaid-Medicare managed care delivery system for the full range of LTC and acute and primary care services, which strives 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
- Increasing the ability of people to live in the community and participate in decisions regarding their own health care

Eligibility for Family Care Partnership 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. All members in this program meet the Nursing Home Level of Care criteria. Enrollment in Family Care Partnership 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 14 Wisconsin counties, which are grouped into seven distinct Geographic Service Regions (GSRs), consistent with the Family Care program definitions, for rate setting and other purposes.

III. ACUTE AND PRIMARY SERVICE COST METHODOLOGY OVERVIEW

This section of the report describes the acute and primary service cost portion of the CY 2021 Family Care Partnership capitation rate 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 2019 MCO encounter base experience data for the Dual Eligible and Medicaid Only populations by target group.
2. Further summarize CY 2019 MCO encounter base experience data by age and gender groupings.
3. Apply IBNR and other adjustments to project CY 2021 services costs.
4. Blend the projected CY 2021 service costs into a MCO / GSR specific projected cost.

Each of the above steps is described in detail below.

STEP 1: EXTRACT AND SUMMARIZE REPRICED ENCOUNTER BASE EXPERIENCE DATA

In this step the MCO encounter experience for CY 2019 is summarized by MCO / GSR and service category for the populations enrolled in the Family Care Partnership program.

Exhibits A1 and A2 show the summarized repriced CY 2019 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 2019 and December 2019 with dates of payment through February 2020. This encounter data includes both services for which Medicaid is the primary payer, as well as costs associated with Medicare cost sharing.

We reviewed and summarized the data and compared to plan financial reporting and previous rate reports for accuracy and completeness. We ultimately included a missing data adjustment as a result of this review as outlined later in this section.

Under the contract between DHS and the MCOs, the MCOs are not ultimately liable for acute and primary service costs, reimbursed up to the FFS fee schedule, for members meeting certain criteria associated with ventilator dependency. Therefore, we excluded all base period acute and primary costs for members identified using the same criteria. No costs for these services were reported in excess of the FFS fee schedule.

Costs for most pharmacy services will be carved out of the Family Care Partnership program for CY 2021. The base data used to develop the acute and primary portion of the capitation rate was adjusted to exclude most pharmacy costs, including physician administered drugs, which will be reimbursed on a FFS basis beginning in CY 2021.

It is our understanding that the base experience data complies with requirements of 438.602(i) in that no claims paid by an MCO to a provider outside of the United States are included in the base period data.

The CY 2021 rate methodology relies on CY 2019 MCO encounter data for all MCO / GSR combinations.

Target Group Assignment

The capitation rates rely on a member's classification into one of three target groups: Developmentally Disabled, Physically Disabled, and Frail Elderly. Each Family Care Partnership enrollee is assigned a target group based on information collected using LTCFS, administered to program participants at least annually. The assigned target group is only valid for the period covered by the screen. Therefore, individuals could potentially change target groups at each screening.

Beginning in June 2019, certain updates were made to the target group automation algorithm, which resulted in changes to members' target groups. Members previously assigned to the Developmentally Disabled target group were reclassified as either Physically Disabled, or Frail Elderly. To account for this change, members' target groups assigned on screens collected prior to this change were reevaluated based on the updated criteria. The target groups for DD members whose screens would result in a PD or FE target group assignment based on the updated logic were reassigned. The base data shown in Exhibit A1 and Exhibit A2 reflect this target group assignment.

STEP 2: SUMMARIZE CY 2019 MCO ENCOUNTER DATA BY AGE AND GENDER GROUPINGS

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

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 2021 SERVICE 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 2021 Family Care Partnership program service costs. Each adjustment factor is explained in detail below.

Exhibit B1 shows each adjustment factor by category of service; 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

Due to the small enrollment base and amount of claim runout available to us, we developed a single completion factor of 1.0191.

We used Milliman's *Claim Reserve Estimation Workbook (CREW)* to calculate the completion factor used for the CY 2019 data. *CREW* calculates incurred but not reported (IBNR) reserve estimates using the lag completion 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.

Service Cost, Utilization, and Acuity Trend from CY 2019 to CY 2021

Trend rates were used to project the CY 2019 baseline cost data beyond the base cost period to the CY 2021 contract period, to reflect changes in provider payment levels, average service utilization and mix, and changes in member acuity. Separate trends were not developed for utilization, unit cost, and 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
- Industry experience for other comparable Medicaid programs

We reviewed experience trends for the Family Care Partnership program in recent years as the primary support for trend development. Given the large variances in experience trends for each program, we did not feel comfortable using those trends at the category of service level. Instead, we used an overall trend rate of 5.75% applied to all services, consistent with historical experience for the Family Care Partnership programs. Please see Appendix C for a summary of historical trends from CY 2017 through CY 2019.

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. We identified one IMD stay of over 15 days during CY 2019 for individuals in this age range. All experience for this member during this month was excluded from the base data as part of Step 1.

Ten IMD stays of 15 days and under were observed for Medicaid Only individuals in this age range during 2019, totaling approximately \$78,000. CMS requires IMD utilization for these stays to be based on the unit costs for State plan services. To be consistent with this requirement, we applied a 0.77 unit cost adjustment to encounter base period IMD claims based on a comparison of the historical average cost per day for inpatient psychiatric stays and IMD stays for the comparable Medicaid Only population served under the SSI Medicaid managed care program.

DME Rate Adjustment

The 21st Century Cares Act requires that the Medicaid fee-for-service rate for DME services be no higher than the Medicare rate. The reduction in the Medicaid fee schedule is phased in over several years, with the first change effective January 1, 2019. It is expected that MCO reimbursement for DME services is consistent with the Medicaid fee-for-service rate. DHS determined that the reduced DME rates will result in CY 2021 acute and primary service costs decreasing by approximately \$200,000 relative to CY 2019, or 1.1% of acute and primary costs. An additional adjustment is made to account for DME services allocated to LTC in Section IV of this report.

Behavioral Health Rate Increase

Effective January 1, 2020 the Medicaid fee schedule for behavioral health services provided by physicians with a specialty of psychiatry increased by 33%, while the Medicaid fee schedule for behavioral health services provided by other providers increased by 6%. This results in an increase of 0.1% for outpatient hospital services and 1.0% for other acute and primary services.

Missing Data Adjustment

We developed a missing data adjustment in aggregate across all MCOs for CY 2019 based on a comparison of the total paid amounts in the encounter data and the total MCO liability in the financial data, after applying the IBNR adjustment. This missing data adjustment was based on only experience for acute and primary claims. We combined FFS and sub-capitated claim payments together to develop the missing data adjustments, since the encounter data does not consistently and completely identify FFS versus sub-capitated claims separately. Therefore, the missing data adjustment reflects the impact of missing encounters (including sub-capitated claims), as well as encounters that were submitted, but not accepted by the DHS system edits. The only sub-capitated arrangement is for dental services for one MCO, so the value of subcapitated claims is very small as a percentage of total costs. DHS has carefully reviewed the discrepancies between encounter and financial data, and believes the costs missing from the encounter data represent valid costs for rate development. We have no concerns with the results of the DHS review. An adjustment factor of 1.0536 was applied to non-pharmacy service categories in Exhibit B1.

STEP 4: BLEND PROJECTED SERVICE COSTS BY TARGET GROUP

In this step we blend the projected CY 2021 service costs for each target group, Medicare eligibility status, and age / gender grouping based on the projected CY 2021 target group membership. Exhibit C shows the projected CY 2021 enrollment distribution while Exhibits D1 to 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 both the Dual Eligible and Medicaid Only population, since the costs can materially differ among these demographic groups.

iCare had no enrollment during CY 2019 in GSR 3. The projected acute and primary cost for iCare in GSR 3 is developed using enrollment distribution by age / gender that reflects all Family Care Partnership enrollees in that GSR.

IV. LONG-TERM CARE SERVICE COST METHODOLOGY OVERVIEW

This section of the report describes the CY 2021 Family Care Partnership capitation rate methodology for the Long-Term Care portion of the rate.

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

1. Apply an adjustment to the Family Care base costs to account for recent experience in the Family Care Partnership program relative to the Family Care program, after accounting for population differences.
2. Apply adjustments to account for the member acuity level of each MCO / GSR combination and target group using June 2020 screens and the functional status acuity model.
3. Apply adjustments to the risk adjusted costs to project CY 2021 services costs for each MCO / GSR combination and target group.
4. Add HCRP Pooling Charge.
5. Blend the projected CY 2021 service costs by target group into a MCO specific projected cost.

Each of the above steps is described in detail below.

STEP 1: APPLY FAMILY CARE PARTNERSHIP EXPERIENCE ADJUSTMENT

In this step, we start with the CY 2019 Family Care Nursing Home Level of Care (NH LOC) experience data PMPM and apply an adjustment to reflect differences in program experience after accounting for differences in demographic mix, geography, and member acuity. 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 (also known as Post Eligibility Treatment of Income). No member supplemental room and board expenses are included in the base data. The data has been restated to reflect the target group assignment changes discussed in Section III of this report.

Table 2 below shows the CY 2019 Family Care NH LOC experience data PMPM net of the High Cost Risk Pool by target group.

Target Group	Cost PMPM
Developmentally Disabled	\$3,747.84
Physically Disabled	\$2,540.65
Frail Elderly	\$2,674.40

We performed a comparison of CY 2019 Family Care Partnership experience to CY 2019 Family Care experience. We reweighted CY 2019 Family Care experience by target group and GSR to match the CY 2019 Family Care Partnership distribution. Family Care began operations in GSR 12 in February 2018 and costs for that region do not yet reflect a mature managed care program. As such, Family Care Experience for GSR 12 was excluded from this analysis.

We applied an acuity adjustment to the experience for each program to account for the acuity of the population served by each program based on the functional status model discussed in Step 2 below. Based on the results of this analysis, we applied an adjustment factor of 1.0716 to the Family Care base experience. Table 3 below shows the details of this calculation:

Table 3
Wisconsin Department of Health Services
Family Care Partnership Experience Adjustment

(A)	Family Care Service Costs ¹	\$2,959.17
(B)	Family Care Regression Result	\$2,928.45
(C)	Family Care Partnership Service Costs	\$3,021.03
(D)	Family Care Partnership Regression Result	\$2,790.03
[(C) / (D)] / [(A) / (B)] FCP Experience Adjustment		1.0716

¹ Experience reweighted to match the target group and geographic distribution underlying FCP, excluding GSR 12.

Implicitly included in this adjustment are additional benefits offered under the Family Care Partnership program, which is mainly comprised of nurse practitioner services. These additional benefits represented approximately 2.7% of service costs.

STEP 2: APPLY RISK ADJUSTMENT RELATIVITIES FOR EACH MCO / GSR AND TARGET GROUP

We developed functional status models for each target group of NH LOC individuals enrolled in Family Care and Family Care Partnership. These functional status models are used to model the CY 2019 LTC service cost for a population based on their LTCFS. The development of these models is described in the final CY 2021 Family Care rate report. These functional status models are shown in Exhibits E1 to E3 for the Developmentally Disabled, Physically Disabled, and Frail Elderly population, respectively.

The functional status regression models are calibrated to the CY 2019 Family Care experience for each target group for the base cohort population. For example, the CY 2019 Family Care experience for the developmentally disabled population adjusted for pooled claims and IBNR liability of \$3,747.84 found in 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.

We do not believe the Family Care Partnership program to be of sufficient size to support its own acuity model. Given the significant similarity of covered populations, benefits, provider reimbursement, and geography between the Family Care and Family Care Partnership populations, we believe an acuity model based on the combined Family Care and Family Care Partnership population is the most appropriate to use for the Family Care Partnership population.

The "Proportion with Variable" statistics shown in Exhibit E represent the proportion of the base cohort target group population identified with each variable used in the regression model. This is identified directly from a review of an individual's functional screen. It is calculated as "number of individuals with condition" divided by "number of individuals in the target group base cohort."

The "Statewide Estimate" in Exhibit E represents the estimated incremental dollar cost associated with each variable for the entire target group base data cohort. The values are the result of the multivariable linear regression exercise.

The product of the statewide estimate and the proportion with variable equals the "incremental increase" value. The sum of the incremental increase values equals the total PMPM target group base data cohort cost. For example, the sum of the incremental increase values on Exhibit E1 is \$3,747.84, which is equal to the DD completed base data cost on Exhibit G1 column (A).

We used information contained in the LTCFS for the Family Care Partnership population enrolled in June 2020 to develop MCO / GSR specific modeled LTC service costs and risk scores. Exhibits F1, F2, and F3 show the proportion of the June 2020 Family Care enrolled population with each variable for the three functional status models used in calculating the MCO / GSR specific risk score. For credibility purposes, each MCO / GSR / target group combination with fewer than 100 members enrolled in June 2020 will use a blend of the MCO-specific regression results and the regression results for the entire GSR / target group combination. We calculate the credibility-adjusted regression result using the following formulas:

Adjusted Regression Result = Credibility% × MCO/GSR/TG Risk Score + (1-Credibility%) × GSR/TG Risk Score

$$\text{Credibility\%} = \text{MIN} \left[\sqrt{\frac{\text{June Enrollment}}{100}}, 100\% \right]$$

MCOs with 100 members or more enrolled in a particular GSR and target group in June 2020 are considered fully credible.

The preliminary risk score is calculated as the ratio of the June 2020 risk score for a given MCO / GSR combination and the June 2020 risk score statewide, separately by target group. In order to account for differences in the average acuity level between Family Care and Family Care Partnership, we apply a Family Care Partnership acuity adjustment in Exhibits F1 through F3, calculated as the ratio of the CY 2019 regression result for Family Care Partnership and the CY 2019 regression result for Family Care.

The column labeled “MCO / GSR Specific Risk Adjusted Rate” in Exhibit G1 illustrates the acuity-adjusted service cost for each MCO / GSR combination using the base period regression model (reflecting the CY 2019 utilization and unit cost structure for Family Care and applying the Family Care Partnership experience and acuity adjustments) and the June 2020 Family Care Partnership population functional screens.

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

STEP 3: APPLY ADJUSTMENTS TO RISK ADJUSTED COST TO PROJECT CY 2021 SERVICES COSTS

In this step, we apply adjustment factors to reflect differences between the base period encounter data and the projected CY 2021 Family Care Partnership 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.

Service Cost Trend from CY 2019 to CY 2021

Service cost trend rates were used to project the CY 2019 baseline cost data to the CY 2021 contract period, to reflect changes in provider payment levels and changes in average service utilization and mix. This requires application of 24 months of trend from the midpoint of the baseline cost period to the contract period. To assist in developing these trend rate projections, we analyzed monthly Family Care MCO encounter data from CY 2017 through CY 2019 in a number of different ways using data consistent with the Family Care MCO / GSR combinations included in base data development. The trend analysis excludes Family Care Partnership encounter data because of the small size and incompleteness of the encounter data. Given the significant similarity of covered populations, benefits, provider reimbursement, and geography between the Family Care and Family Care Partnership populations, we believe the Family Care trend rates are the most appropriate to use for the Family Care Partnership population.

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. Appendix D summarizes our analysis, which illustrates flat to modest trend rates

We adjusted the historical trends based on a review of MCO financial statements through June 2020. Experience for this time frame showed a material decrease relative to CY 2019 base data experience. DHS and Milliman performed a substantial review of the experience, including regular discussions with MCOs to determine the drivers of this experience and expectations for future costs. Following are several conclusions of this review.

- This emerging data incorporates cost savings initiatives begun by MCOs during CY 2019 and early CY 2020 which were not fully reflected in the CY 2019 base data.

- While we do expect that the ongoing COVID-19 pandemic impacts MCO financial results, a review of financial data at a category of service level suggests that COVID-19 has had a limited impact on MCO liability for LTC services, with the impact limited to a small number of service categories. A comparison of the year-to-date June 30, 2020 service costs against calendar year 2019 for the program demonstrated a 1% reduction in overall service costs. Service cost reductions observed in the four service cost categories impacted by COVID were generally offset by increases in other services to reflect additional supports and staffing to providers for members unable to participate in daily work and day activities outside of their residence. Note, these trends are applied to LTC costs only and that the percentage of base period LTC costs that are associated with nursing home services is small. Therefore, it is reasonable to expect that the pandemic impact on Family Care Partnership LTC costs is much smaller than many other programs.
- We anticipate that utilization changes associated with the COVID-19 pandemic will continue into at least part of CY 2021.
- Changes in service delivery driven by COVID-19 (e.g., telehealth) have improved efficiency for some services. We expect these efficiencies to continue beyond the pandemic.

As a result of this review, we selected service cost trends of 0.0% for all target groups, which are about 0% to 2% lower than historical experience.

The Wisconsin biennial budgets direct DHS to provide a 5.3% rate increase for SFY 2020 and a 1.0% rate increase for SFY 2021 for nursing home per diems. We assume a continued 1.0% increase for SFY 2022. We will update the SFY 2022 estimate when Wisconsin biennial budget information becomes available if it would have a material impact on capitation rates. These rate increases are included as an explicit adjustment later in this report. The trend development methodology currently includes historical nursing home increases realized between CY 2017 and CY 2019. On average, nursing home reimbursement has increased approximately 3.0% per annum during this time frame. We adjusted the annual PMPM service cost trends to exclude the underlying historical nursing home reimbursement trend, allowing the full difference in projected nursing home reimbursement changes between CY 2019 and CY 2021 to be included as a separate adjustment. Table 4 below shows the resulting trend adjustment by target group based on the distribution of nursing home claims in the base data.

Target Group	Starting Annual Service Cost Trend	Nursing Home Trend Adjustment		Adjusted Annual Service Cost Trend
		% of NH Cost	Trend Adjustment	
Developmentally Disabled	0.00%	3.62%	-0.11%	-0.11%
Physically Disabled	0.00%	13.16%	-0.40%	-0.40%
Frail Elderly	0.00%	22.41%	-0.68%	-0.68%

Table 5 illustrates the combined pooled and non-pooled service cost trend values implemented for the CY 2021 rate development split between utilization and unit cost trends for each target group. DHS performed an analysis of residential and institutional reimbursement rates over time to develop the unit cost projections. Other services did not realize unit cost changes that materially impact total costs.

Table 5
Wisconsin Department of Health Services
Annual Trend Rates by Target Group

Target Group	Annual Utilization Trend	Annual Unit Cost Trend	Annual Service Cost Trend
Developmentally Disabled	0.11%	-0.22%	-0.11%
Physically Disabled	-0.29%	-0.11%	-0.40%
Frail Elderly	-1.09%	0.42%	-0.68%

The combined pooled and non-pooled service cost trends shown above are further segmented into trend rates for claims above and below the HCRP threshold for the Family Care population. We performed a multiyear analysis of historical levels of claims exceeding the HCRP threshold, which indicate the cost trend for these services is higher than the trend for all costs for two of the three target groups. This is usually the case for any pooled claims mechanisms, such as the HCRP, because of claim leveraging effects. We developed separate trends for costs under and over the HCRP threshold, which together aggregate to the selected trends for all costs.

Table 6 below shows our average annual trends for the amounts exceeding the HCRP threshold and resulting trend rates for the amounts below the HCRP.

Table 6
Wisconsin Department of Health Services
Average Annual Trend Rates by Target Group

Target Group	HCRP Amount Trend	Net Service Cost Trend	Total Service Cost Trend
Developmentally Disabled	50.00%	-1.64%	-0.11%
Physically Disabled	30.00%	-0.65%	-0.40%
Frail Elderly	30.00%	-0.72%	-0.68%

Acuity Adjustment from CY 2019 to CY 2021

In order to develop rates based on expected CY 2021 member acuity levels, we apply two years of projected acuity trend to the CY 2019 adjusted base period experience. As part of the historical trend study, we developed CY 2017 to CY 2019 changes in average acuity for each target population enrolled in the Family Care program. The acuity trend study was performed in conjunction with the service cost trend study, and all data and the methodology utilized were the same. The results of the acuity trend study are included in Appendix D and Table 7 below. Those same acuity results were used to develop the risk-adjusted service costs underlying the service cost trend development.

Table 7
Wisconsin Department of Health Services
Annual Acuity Trend Rates by Target Group

Target Group	Annual Acuity Trend
Developmentally Disabled	2.40%
Physically Disabled	1.40%
Frail Elderly	0.20%

Geographic Adjustment

The functional status acuity model does not include a consideration for the difference in service costs associated with providing care in different regions of the state. Therefore, we developed geographic factors based on an analysis of CY 2017, 2018, and 2019 Family Care plan performance relative to the costs projected using the regression model and rate setting assumptions. The results of this analysis are shown in Appendix E. We used the Family Care geographic adjustments for Family Care Partnership because of the small size and variability in recent claim experience for Family Care Partnership.

The methodology to calculate the geographic factors is as follows:

1. We summarize actual experience by MCO / GSR combination using MCO encounter data for each of CY 2017, 2018, and 2019. The following adjustments are made to MCO encounter data, consistent with the treatment in rate development:
 - Services covered outside of the capitation rate are excluded, such as member room and board expenses
 - Case management expenses, which are historically underreported in the MCO encounter data, are adjusted to match the values reported in the MCO's financial data
 - An adjustment is made to the reported amounts to reflect our estimate of IBNR claims.
2. We calculate projected costs for CY 2017 using the regression model developed for use in that particular rate year (i.e., we use the CY 2017 regression model, built using CY 2014 through 2015 data, to project CY 2017 service costs). For CY 2018 and CY 2019 we used the CY 2020 regression model, built using CY 2017 through 2018 data, which excludes certain variables that have demonstrated inconsistent coding practices over time. Projected costs are trended to match the rate year using the utilization and unit cost trend assumed in rate development. We do not include the acuity trend assumed in rate development because any acuity changes should be reflected in the functional screen data. We make no adjustment to the projected costs for geographical wage differences by GSR.
3. We review the actual and projected costs for each MCO / GSR combination across all three years to identify any anomalous results that may have a material impact on the final geographic adjustment factors. For this analysis, we excluded all data for GSR 12 and expansion counties in GSRs 1, 4, and 5.
4. The preliminary geographic adjustment factor is calculated as the average of three years of the ratios of actual and projected costs weighted 3/6, 2/6 and 1/6 as the data ages. In this way, the projected costs serve as a form of "risk adjustment" to account for differences in target group, member acuity and other issues between GSRs that are already accounted for in MCO payment and should not be part of the geographic factor calculations. Appendix E shows this calculation for each GSR.
5. As part of capitation rate development, we scale the preliminary geographic factors to maintain budget neutrality relative to the Family Care MCO / GSR combinations used in base data development. This budget neutrality adjustment will be performed separately for each target group. Table 8 below shows the normalization factor applied to the preliminary geographic adjustment factors by target group.

Target Group	Normalization Factor
Developmentally Disabled	1.0063
Physically Disabled	1.0060
Frail Elderly	1.0046

Note, while the geographic adjustments are designed to be budget-neutral for the base data cohort within the Family Care program, they are expected to vary from 1.0 for Family Care Partnership. This is appropriate because the geographic mix in Family Care Partnership differs from that in Family Care.

In order to increase the credibility of this calculation and to limit the maximal market share achieved by a single MCO, the geographic factors for certain GSRs are calculated as the combination of results across several GSRs. These combinations are referred to as "Super Regions" in Appendix E. Expansion counties in GSRs 1 and 4 will receive the same geographic adjustment as Super Region 1, and expansion counties in GSR 5 will receive the same geographic adjustment as Super Region 2.

For GSR 12, we will apply a geographic adjustment factor consistent with the wage index applied in CY 2020 rate development, or 1.032.

Nursing Home Rate Adjustment

The Wisconsin biennial budgets direct DHS to provide a 5.3% rate increase for SFY 2020 and a 1.0% rate increase for SFY 2021 for nursing home per diems. We assume a continued 1.0% increase for SFY 2022. These rate increases result in a combined increase of 4.1% between CY 2019 and CY 2021. We applied an adjustment specific to each target group and GSR based on the proportion of service costs for nursing home services in the Family Care base data in CY 2019. Table 9 shows the calculation of this adjustment, which is included in Exhibit G1.

GSR	Percentage of Nursing Home Cost in CY 2019			Adjustment Factor		
	DD	PD	FE	DD	PD	FE
GSR 3	5.07%	10.08%	34.06%	1.0021	1.0042	1.0141
GSR 5	2.85%	9.78%	13.52%	1.0012	1.0040	1.0056
GSR 6	2.81%	14.92%	22.40%	1.0012	1.0062	1.0093
GSR 8	6.66%	12.58%	25.68%	1.0027	1.0052	1.0106
GSR 10	2.55%	16.66%	13.43%	1.0011	1.0069	1.0055
GSR 11	3.17%	14.67%	16.23%	1.0013	1.0061	1.0067
GSR 12	0.80%	9.94%	8.56%	1.0003	1.0041	1.0035

Personal Care Rate Adjustment

DHS is increasing fee-for-service personal care rates by 14.60% effective January 2020 pursuant to direction in the 2019-21 Wisconsin state budget. Accompanying this rate increases was the expectation that Family Care MCOs would also implement this rate increases effective January 2020. Our review of historical increases to personal care rates from CY 2017 to CY 2019 shows an average increase of 1.67% per annum. This historical increase is implicitly included as part of the service cost trend applied earlier. Therefore, we applied an aggregate adjustment of 10.87% to PCA services, offset by two years of 1.67% trend already included in our trend assumption. Personal care costs represented between 0.16% and 0.57% of base period costs across the three target groups. Applying these rate increases to these portions of the cost results in adjustments of 0.02%, 0.06%, and 0.02% for the DD, PD, and FE target groups, respectively. This adjustment is made in Exhibit G1.

Provider Reimbursement Increase

For both the CY 2020 and CY 2021 capitation rates, DHS included a rate adjustment to increase average provider reimbursement rates by 1% each year for waiver services provided above the unit cost trend included in rate development. With this rate adjustment is the expectation that certain Family Care Partnership MCOs will implement corresponding provider rate increases effective CY 2020 and CY 2021. It is expected that MCOs operating in GSR 12 may choose to implement only the 1% provider reimbursement increase for CY 2021, so this adjustment is only applied for one year for GSR 12.

Waiver services amount to approximately 87%, 70%, and 64% of total NH LOC service costs for the DD, PD, and FE, resulting in increases of 1.7%, 1.4%, and 1.3% from 2019 to 2021.

DME Rate Adjustment

The 21st Century Cares Act requires that the Medicaid fee-for-service rate for DME services be no higher than the Medicare rate. The reduction in the Medicaid fee schedule is phased in over several years, with the first change effective January 1, 2019. It is expected that MCO reimbursement for DME services is consistent with the Medicaid fee-for-service rate. DHS determined that the reduced DME rates will result in a decrease to the projected LTC service costs of 0.05%, 0.16%, and 0.08% for the DD, PD, and FE target groups, respectively.

Individual MCO Experience Review

We reviewed the MLR and other financial experience of each MCO during the base period. We did not identify any variations in experience that would require adjustments to base data or rate development methodology beyond those mentioned previously in this report.

STEP 4: ADD HCRP POOLING CHARGE

The Family Care Partnership program includes an HCRP for each of the target group populations. The HCRP is targeted to cover 80% of provider service costs above \$225,000 for each individual and excludes case management expenses due to increased administrative burden to include them in this process. The final payout will be calculated separately for the Developmentally Disabled population and for the combined Physically Disabled / Frail Elderly populations.

The HCRP is budget neutral to the program in total in that all pool funds, and no more, will be returned to the MCOs after the end of the contract period. If the target group high cost pools are insufficient to reimburse 80% of provider services costs in excess of \$225,000 for each individual, each MCO will receive reimbursement proportional to their percentage of qualifying costs until the pool is exhausted. If the target group high cost pools are more than sufficient to reimburse qualifying high costs, the remaining pooled funds will be returned to each MCO proportional to their contract period enrollment.

The CY 2021 Family Care functional status risk model was calibrated to CY 2019 costs net of the HCRP costs removed from the CY 2019 base period data. To project CY 2021 costs gross of the HCRP withhold, Developmentally Disabled, Physically Disabled, and Frail Elderly costs are increased by the amounts shown in Table 10 below. These are based on the same withhold base period values and projection factors utilized in the CY 2021 Family Care acuity model and rate development with the following exceptions:

- The composite geographic adjustment reflects the Family Care Partnership service area
- The phase-in adjustment for expansion GSRs and counties is excluded, since it is not applicable to 2021 Family Care Partnership rate development
- The target group acuity for Family Care Partnership replaces the Family Care acuity projections

Table 10 Wisconsin Department of Health Services CY 2021 HCRP Pooled Claims		
Target Group	Percentage of Service Costs	PMPM
Developmentally Disabled	4.46%	\$235.77
Physically Disabled	0.89%	\$33.73
Frail Elderly	0.17%	\$5.39

We do not believe the Family Care Partnership program to be of sufficient size to support its own acuity model. In addition, since the Family Care Partnership rate development utilizes a risk model that is net of the HCRP, it is appropriate to use the same HCRP projection data and methodology. For those same reasons, we do not feel comfortable using the Family Care Partnership data to develop the HCRP percentages. Given the significant similarity of covered populations, benefits, provider reimbursement, and geography between the Family Care and Family Care Partnership populations, we believe the Family Care HCRP percentages are the most appropriate to use for the Family Care Partnership population.

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

STEP 5: BLEND PROJECTED SERVICE COSTS BY TARGET GROUP

In this step we blend the projected CY 2021 MCO / GSR service costs for each target group based on the composite projected CY 2021 target group membership. The blended costs are reflected in the bottom section of Exhibit G2.

V. NON-SERVICE COST ALLOWANCE

This section of the report describes the development of the non-service cost allowance for the CY 2021 Family Care Partnership capitation rate. Non-service expense loads and resulting capitation rates are shown in Exhibits H1 through H3. Exhibits I1 through I3 restate the components of the MCO / GSR capitation rates net of HCRP and withhold.

ADMINISTRATIVE COST ALLOWANCE

DHS worked in collaboration with the MCOs to develop a sustainable approach to determine the administrative funding levels for the population enrolled in the Family Care Partnership 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. DHS and the MCOs formed "small work groups" (SWG) to help assess the type and range of administrative costs. For the CY 2021 rate development MCOs provided updated CY 2018 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 2021 levels using an annual trend rate of 0.98%, consistent with recent CPI trends from BLS.

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

- Administrative and Executive
- Compliance
- Human Resources
- Marketing
- Provider Management
- Claims Management
- Fiscal Management
- Information Management
- 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-benefit expenses.

For the Family Care Partnership program, an average non-service cost allowance is calculated for the Family Care program, to which a \$42.53 PMPM amount is added to reflect administrative expenses related to the acute and primary portion of the capitation rates. The acute and primary administrative load was developed from historical Family Care Partnership MCO administrative cost reporting for Medical Management and HMO Licensure Management. These functions are required to serve the acute care needs of members, but are not necessary for delivering only Family Care covered services. 63% of these historical costs were allocated to the Medicaid portion of Family Care Partnership, consistent with the historical cost relationship between Medicaid and Medicare. These historical costs were then projected to CY 2021 using the same CPI trends used in the Family Care administrative cost model.

It is worth noting, that the administrative cost model varies the load by the size of the MCO. The enrollment for each of the Family Care Partnership MCOs is less than 55,000 member months, which is classified as a Small tier MCO. Therefore, the administrative load for all of the MCOs is the same.

Exhibits H1 through H3 show 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 enrollment. Table 11 below shows the projected member month ranges 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 11	
Wisconsin Department of Health Services	
Member Month Range by Administrative Tier	
Tier	Projected Member Months
Small	0 to 54,999
Medium	55,000 to 89,999
Large	90,000 to 129,999
XL	130,000 to 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 12 shows the fixed cost assumptions used to develop projected administrative expenses.

Table 12								
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.	IM/IT	Fiscal	Claims Mgmt.
Small	8	1	5	1	13	5	12	4
Medium	10	2	7	1	15	7	14	5
Large	12	2	9	1	17	10	16	6
XL	16	3	11	1	19	13	18	7
XXL	20	3	13	1	21	16	20	8
Small	\$1,319,160	\$107,351	\$522,391	\$107,723	\$1,164,763	\$773,554	\$1,457,976	\$305,632
Medium	1,648,951	214,702	731,347	107,723	1,343,957	1,082,975	1,700,972	382,040
Large	1,978,741	214,702	940,303	107,723	1,523,151	1,547,108	1,943,968	458,448
XL	2,638,321	322,054	1,149,260	107,723	1,702,346	2,011,240	2,186,964	534,856
XXL	3,297,901	322,054	1,358,216	107,723	1,881,540	2,475,372	2,429,960	611,264

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 13 shows the variable cost assumptions used to develop the CY 2021 capitation rates.

Table 13	
Wisconsin Department of Health Services	
Variable Cost Components of Non-Benefit Allowance	
Cost Component	PMPM Cost
Claims Management	\$ 19.08
Fiscal Management	3.91
Information Management	3.14
Quality Management	12.20

Interoperability Adjustment

We include an additional \$225,000 for each MCO, allocated between the MCO's Family Care, Family Care Partnership, and PACE 2021 membership to account for increased MCO expenditures required to adhere to newly adopted interoperability requirements. This amount was derived based on estimated amounts provided by DHS and participating MCOs. The PMPM increase to the administrative load differs by MCO as a result of the varying size of the MCOs' projected enrollment among Family Care, Family Care Partnership, and PACE and reflects cost allocation to non-Medicaid lines of business.

This amount is included in the administrative allowance columns in Exhibits H and I.

Targeted Risk Margin / Contribution to Reserves

We include an explicit 2.0% targeted margin to account for risk margin and cost of capital. We believe that this margin is appropriate given the predictability of expenses under the program and margins included for similar programs nationally. In 2021, 66% of the 0.5% P4P withhold is expected to be returned to MCOs as described in Section V of this report.

VI. OTHER RATE CONSIDERATIONS

All calculations and actual and potential adjustments outlined in this section have been developed in accordance with generally accepted actuarial principles and practices.

RISK CORRIDOR

For CY 2021 Family Care Partnership will have a risk corridor mechanism to mitigate the significant uncertainty outside of MCO control related to the ongoing COVID-19 pandemic. The risk corridor will address variances in costs for all services other than care management. The pricing assumptions in this report create an average target risk corridor loss ratio of 80.2%, excluding care management, based on the following components:

- Average administrative allowance of 5.2%
- Average care management load of 12.6%, including the portion of the FCP experience adjustment attributed to additional care management costs covered under the Family Care Partnership program:
 - DD target group – 9.3%
 - PD target group – 14.1%
 - FE target group – 14.1%
- Margin of 2.0%

MCO / GSR-specific administrative allowance and care management loads will be developed to match actual target group mix, LOC mix and pricing assumptions made in rate development. Note, the actual rate development MLR including covered care management services is well above the 85% minimum required under federal regulation.

DHS and each MCO will share the marginal financial risk of actual results above or below the target risk corridor loss ratio as shown in the table below.

Variance from Target	Average Loss Ratio Claims Corridor	MCO Share of Gain / Loss in Corridor	DHS Share of Gain / Loss in Corridor
< -6.0%	< 74.2%	0%	100%
-6.0% to -2.0%	74.2% to 78.2%	50%	50%
-2.0% to +2.0%	78.2% to 82.2%	100%	0%
+2.0% to +6.0%	82.2% to 86.2%	50%	50%
> +6.0%	> 86.2%	0%	100%

The risk corridor settlement will occur after the CY 2021 rate year has ended and enough time has passed to collect and validate CY 2021 encounter data and financial data. We anticipate performing an initial settlement no earlier than four months after the rate year has ended and a final settlement no earlier than nine months after the rate year has ended.

Only medical benefit services costs, as defined in the contract and this report, other than care coordination, will be included in the numerator of the loss ratio calculation for the risk corridor program. Care coordination, quality improvement, and other non-medical benefit service costs will not be included in the numerator of the loss ratio calculation, consistent with the development of the target risk corridor target loss ratio. All capitation revenue will be included in the denominator of the loss ratio calculation.

Consistent with contract expectations, DHS expects reimbursement made for medical benefit services should be at market-based levels and should incent efficient and high quality care. As such, DHS reserves the right to review encounters and other information associated with such payments and adjust the risk corridor calculation as necessary to reflect those expectations

WITHHOLDS AND INCENTIVES

The total value of incentives outlined in this section will not exceed 5% of total capitation received by any Family Care Partnership MCO.

Pay for Performance Withhold and Incentive

Beginning in CY 2018, DHS implemented pay for performance (P4P) in the Family Care Partnership program. For CY 2021, DHS intends to withhold 0.5% of each MCO's gross capitation rate. MCOs will be allowed to earn back the withhold based on their performance on the following metrics:

1. Meeting minimum performance standards on four-member satisfaction survey questions will determine the amount of withhold returned for 0.25% of capitation. The member satisfaction survey will be administered during the rate year. MCOs will be able to earn back a quarter of the withheld amount for each question, for which they meet the minimum performance standard. If the MCO meets the minimum performance standards for all four questions on the member satisfaction survey, they are then eligible to earn up to an additional 0.20% of their capitation rate in incentive payments. MCOs can earn an incentive payment equal to 0.05% of their capitation rate by meeting or exceeding the targeted performance benchmark for each question.
2. MCOs that maintain between 80% and 89% of their current competitive integrated employment rate will earn back 0.125% withheld from the capitation. MCOs that maintain between 90% and 100% of their current competitive integrated employment rate will earn back 0.25% withheld from the capitation. MCOs will earn an incentive of 0.05% of the capitation if they increase the number of members in competitive integrated employment by between 2.0% and 3.9% and an incentive of 0.1% if they increase the number of members by at least 4.0%.

Based on past performance, DHS and Milliman estimate that that 0.33% of the 0.5% withhold (66% of the total P4P withhold) of the total withhold will be returned to MCOs under the pay for performance terms, assuming no material changes to the program are made. These capitation rates are certified as being actuarially sound assuming that 0.33% of the 0.5% withhold is returned.

Assisted Living Quality Incentive Payment

MCOs may receive incentive payments of no more than 0.1% of the total capitation received by the MCO for each member residing in assisted living facilities that meet one of two performance benchmarks. The amount of the incentive payment depends on which of the two performance benchmarks the facility meets:

1. Licensed for three years with no enforcement actions or substantiated complaints for three years.
2. Licensed for three years with no enforcement actions or substantiated complaints for three years, has a rate of less than three falls with injury per 1,000 occupied bed days, and is a member of the Wisconsin Coalition for Collaborative Excellence in Assisted Living.

Relocation Incentive Payment

DHS may provide a one-time incentive payment to the Family Care Partnership MCO for each MCO member who is relocated from an institution into a community setting consistent with federal Money Follows the Person (MFP) guidelines, contingent on the availability of federal MFP funding.

RETROSPECTIVE ADJUSTMENTS

Several retrospective adjustments not reflected in this report will be made for certain issues outside MCO control. These adjustments are not designed to be budget neutral. These adjustments, if necessary, will be completed by December 31, 2022, include the processes outlined in this section.

Target Group Adjustment

If necessary, DHS will reconcile the LTC service components of capitation payments to the actual target group mix experienced during the contract period. This adjustment is calculated for each MCO / GSR combination and estimates

the impact on aggregate capitation rates for the differences in the distribution of members by target group between projected and actual contract period enrollment. The process used to calculate the retroactive target group adjustment is as follows:

1. Projected and actual contract period enrollment is summarized by MCO and GSR combination for each target group.
2. Long term care capitation rates net of the HCRP and withhold are deconstructed into target group-specific long term care capitation rates.
3. The aggregate long term care capitation rate is calculated by weighting the target group-specific long term care capitation rates separately for projected enrollment and actual enrollment.
4. The PMPM payment or recoupment amount is calculated as the difference between the capitation rates calculated with projected and actual enrollment. This difference is multiplied by actual contract period member months to determine the total payment or recoupment.

We do not anticipate this adjustment to be necessary for CY 2021 since we expect capitation rates to be paid to MCOs at the target group and dual eligibility status level.

Dual Eligibility Status Adjustment

If necessary, DHS will reconcile the acute and primary services component of capitation payments to the mix between Medicare and non-Medicare eligibles experienced during the contract period. The process used to calculate the retroactive dual eligibility status adjustment is as follows:

1. Projected and actual contract period dual eligibility status distribution is summarized by MCO and GSR combination.
2. The acute and primary portion of rates is deconstructed into Medicaid Only and Dual Eligible rates.
3. The aggregate acute and primary rate is calculated by weighting the Medicaid Only and Dual Eligible rates separately for projected enrollment and actual enrollment.
4. The PMPM payment or recoupment amount is calculated as the difference between the rates calculated with projected and actual enrollment. This difference is multiplied by actual contract period member months to determine the total payment or recoupment.

We do not anticipate this adjustment to be necessary for CY 2021 since we expect capitation rates to be paid to MCOs at the target group and dual eligibility status level.

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 the contract period and who meet both of the following conditions:

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

If this adjustment is necessary, capitation rates will be recertified to incorporate the adjustment.

MCO encounter based payments paid on a FFS basis outside of capitation rates

Encounter-based payments paid on a FFS basis outside of the capitation rates on a non-risk basis are reimbursed to Family Care Partnership MCOs at the Medicaid fee schedule in compliance with the upper payment regulations outlined at 42 CFR §447.362. Any services incurred under the waiver approved for substance abuse not normally covered under the HMO capitation, will be reimbursed to HMOs outside of the capitation.

Ventilator Dependent Acute and Primary Service Reconciliation

Under the contract between DHS and the MCOs, the MCOs are not ultimately liable for acute and primary service costs, reimbursed up to the FFS fee schedule, associated with members meeting certain criteria associated with 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.

ALTERNATIVE PAYMENT ARRANGEMENTS

The following describes alternative payment arrangements in the Family Care Partnership program.

Maximum Provider Fee Schedule

Per the contract between DHS and the participating MCOs, State Plan services provided under the Family Care Partnership benefit package are subject to a maximum fee schedule established by the state. The use of this maximum fee schedule promotes efficient and cost-effective care by controlling the growth in Medicaid expenditures. Most providers of State Plan services are subject to the maximum fee schedule, though MCOs have the ability to exceed the limit when necessary for executing a reimbursement contract. This arrangement does not include a separately distributed directed payment. DHS will submit a §438.6(c) pre-print proposal for an alternative payment arrangement to implement the maximum fee schedule for CMS approval.

The maximum fee schedule was built into rates in a manner consistent with the §438.6(c) payment arrangement. The base data developed in Sections III and IV of this report was developed based on historical Family Care experience, which reflects the long-standing maximum fee schedule arrangement and approved exceptions. This base data was used to develop rates for all regions, including expansion regions in which Family Care was not yet operational. No further adjustment to provider reimbursement levels are made as part of rate development.

We certify that the Family Care Partnership capitation rates, including the maximum fee schedule, are actuarially sound.

Direct Care Workforce

Additionally, the 2019-21 Wisconsin biennial budget provides \$60.3 million in SFY 2019-20 and \$68.0 million in SFY 2020-21 to be distributed to Direct Care Workforce providers. DHS will submit a §438.6(c) pre-print proposal for an alternative payment arrangement to implement the funding distribution for CMS approval. Once the preprint is approved, we will recertify CY 2021 capitation rates to include this funding consistent with the approved methodology.

EXHIBITS A through D

Capitation Rate Development – Acute and Primary Services

Exhibit A1
 Wisconsin Department of Health Services
 CY 2021 Partnership Capitation Rate Development
 Summary of 2019 Acute and Primary Services Experience by MCO/GSR
 Dual Eligible Population

	Care WI (GSR 3)			Care WI (GSR 5)			Care WI (GSR 6)			Care WI (GSR 12)		
	DD	PD	FE	DD	PD	FE	DD	PD	FE	DD	PD	FE
Exposure Months	158	106	391	562	462	1,030	41	20	122	2,344	4,051	10,151
Acute & Primary Services												
Inpatient Hospital	\$17.26	\$12.86	\$27.54	\$34.50	\$41.99	\$23.67	\$33.27	\$136.74	\$24.61	\$34.66	\$38.93	\$34.16
Outpatient Hospital	68.55	5.75	31.18	7.28	11.55	5.79	0.39	12.31	0.24	6.33	25.06	11.69
Pharmacy	12.10	15.19	29.33	28.56	20.41	14.27	8.93	1.99	15.31	18.78	25.61	21.15
Dental	36.58	66.59	8.33	12.95	28.92	9.44	0.00	0.00	0.00	14.31	16.95	14.45
Other Acute & Primary	42.60	29.24	46.52	32.61	75.72	37.84	23.69	43.56	46.42	38.88	66.56	41.82
Grand Total	\$177.08	\$129.63	\$142.90	\$115.91	\$178.59	\$91.02	\$66.28	\$194.60	\$86.59	\$112.95	\$173.11	\$123.27
Composite PMPM	\$149.00			\$117.53			\$93.85			\$134.01		

	iCare (GSR 8)			iCare (GSR 11)			iCare (GSR 12)			CCHP (GSR 6)		
	DD	PD	FE	DD	PD	FE	DD	PD	FE	DD	PD	FE
Exposure Months	1,320	1,834	2,973	93	120	183	294	668	953	277	285	827
Acute & Primary Services												
Inpatient Hospital	\$16.04	\$28.84	\$29.72	\$0.00	\$21.14	\$6.02	\$27.39	\$52.56	\$29.62	\$11.68	\$6.07	\$15.16
Outpatient Hospital	6.01	70.96	20.65	2.68	2.28	2.38	10.77	9.14	13.25	5.67	31.60	20.31
Pharmacy	0.00	1.74	1.70	0.00	0.00	0.00	0.02	0.19	1.36	0.33	0.38	0.73
Dental	24.01	16.07	13.72	87.50	4.66	31.30	25.03	19.40	17.75	41.74	71.13	35.41
Other Acute & Primary	28.56	54.67	41.57	27.11	36.63	34.99	36.46	54.36	38.61	128.01	89.61	69.22
Grand Total	\$74.62	\$172.29	\$107.36	\$117.29	\$64.70	\$74.69	\$99.67	\$135.64	\$100.59	\$187.43	\$198.79	\$140.83
Composite PMPM	\$119.74			\$81.63			\$112.67			\$162.02		

	CCHP (GSR 8)			CCHP (GSR 10)			CCHP (GSR 11)			Grand Total - Base Data		
	DD	PD	FE	DD	PD	FE	DD	PD	FE	DD	PD	FE
Exposure Months	805	512	449	268	246	562	593	325	623	6,755	8,628	18,263
Acute & Primary Services												
Inpatient Hospital	\$13.08	\$41.31	\$28.15	\$2.17	\$0.00	\$8.85	\$19.24	\$26.83	\$16.77	\$23.64	\$35.15	\$29.74
Outpatient Hospital	15.32	110.62	39.84	22.64	73.66	26.41	13.38	57.50	4.46	10.22	40.17	14.43
Pharmacy	0.52	0.26	0.38	0.51	0.37	0.81	0.11	1.03	0.22	9.34	13.77	13.72
Dental	62.97	54.76	48.76	2.51	8.19	3.93	22.93	48.81	16.95	25.21	22.97	15.72
Other Acute & Primary	60.76	91.80	53.60	31.43	37.17	44.33	37.80	62.31	44.44	41.95	63.91	43.14
Grand Total	\$152.65	\$298.75	\$170.74	\$59.27	\$119.39	\$84.33	\$93.47	\$196.48	\$82.85	\$110.36	\$175.98	\$116.75
Composite PMPM	\$199.59			\$86.11			\$110.89			\$130.66		

Exhibit A2
 Wisconsin Department of Health Services
 CY 2021 Partnership Capitation Rate Development
 Summary of 2019 Acute and Primary Services Experience by MCO/GSR
 Medicaid Only Population

	Care WI (GSR 3)			Care WI (GSR 5)			Care WI (GSR 6)			Care WI (GSR 12)		
	DD	PD	FE	DD	PD	FE	DD	PD	FE	DD	PD	FE
Exposure Months	55	33	12	157	128	12	9	13	0	790	2,131	204
Acute & Primary Services												
Inpatient Hospital	\$0.00	\$1,468.63	\$2,986.42	\$28.61	\$429.34	\$0.00	\$0.00	\$0.00	\$0.00	\$308.96	\$1,114.36	\$550.42
Outpatient Hospital	14.30	749.47	554.33	23.79	117.53	0.00	5.05	12.79	0.00	82.89	339.52	440.56
Pharmacy	20.24	2.97	37.06	15.37	30.92	24.17	0.00	6.09	0.00	14.53	26.07	27.02
Dental	3.84	10.26	0.00	15.63	9.70	0.00	0.00	10.71	0.00	13.62	29.23	26.93
Other Acute & Primary	53.18	140.28	446.41	77.75	263.12	59.31	19.25	122.49	0.00	185.50	370.71	130.99
Grand Total	\$91.57	\$2,371.61	\$4,024.21	\$161.16	\$850.60	\$83.48	\$24.30	\$152.07	\$0.00	\$605.49	\$1,879.90	\$1,175.91
Composite PMPM	\$1,313.36			\$454.97			\$98.82			\$1,511.85		

	iCare (GSR 8)			iCare (GSR 11)			iCare (GSR 12)			CCHP (GSR 6)		
	DD	PD	FE	DD	PD	FE	DD	PD	FE	DD	PD	FE
Exposure Months	1,207	2,272	25	90	69	0	110	618	28	100	108	0
Acute & Primary Services												
Inpatient Hospital	\$613.88	\$1,158.05	\$0.00	\$604.98	\$1,385.87	\$0.00	\$388.37	\$744.10	\$0.00	\$256.98	\$293.98	\$0.00
Outpatient Hospital	133.02	214.65	4.09	599.95	258.25	0.00	86.99	298.78	65.36	23.74	87.64	0.00
Pharmacy	21.79	56.76	0.00	19.33	25.41	0.00	12.81	15.02	86.80	6.99	7.28	0.00
Dental	24.66	22.44	0.00	4.52	5.51	0.00	5.29	13.53	0.00	38.79	32.87	0.00
Other Acute & Primary	234.03	381.16	25.80	191.33	329.01	0.00	188.77	211.67	70.50	174.79	317.40	0.00
Grand Total	\$1,027.39	\$1,833.06	\$29.89	\$1,420.10	\$2,004.05	\$0.00	\$682.22	\$1,283.09	\$222.66	\$501.30	\$739.17	\$0.00
Composite PMPM	\$1,542.64			\$1,674.16			\$1,156.15			\$625.05		

	CCHP (GSR 8)			CCHP (GSR 10)			CCHP (GSR 11)			Grand Total - Base Data		
	DD	PD	FE	DD	PD	FE	DD	PD	FE	DD	PD	FE
Exposure Months	586	641	2	79	77	6	184	145	0	3,366	6,235	289
Acute & Primary Services												
Inpatient Hospital	\$335.24	\$1,173.96	\$0.00	\$75.42	\$401.72	\$0.00	\$410.43	\$1,415.62	\$0.00	\$412.98	\$1,072.17	\$513.41
Outpatient Hospital	99.03	563.32	0.00	355.77	71.04	35.50	132.21	645.76	0.00	120.80	308.44	342.05
Pharmacy	11.60	49.19	0.00	0.99	250.46	12.37	12.44	53.31	0.00	16.13	41.54	30.33
Dental	48.95	76.92	0.00	1.38	1.71	4.38	42.47	10.64	0.00	25.15	28.59	19.13
Other Acute & Primary	289.36	681.45	187.27	101.56	297.17	274.50	219.47	472.94	0.00	213.19	386.84	129.42
Grand Total	\$784.18	\$2,544.84	\$187.27	\$535.12	\$1,022.11	\$326.75	\$817.02	\$2,598.27	\$0.00	\$788.25	\$1,837.59	\$1,034.35
Composite PMPM	\$1,702.23			\$759.57			\$1,601.79			\$1,456.99		

Exhibit B1
 Wisconsin Department of Health Services
 CY 2021 Partnership Capitation Rate Development
 Summary of 2019 Acute & Primary Services Costs by Rate Cell
 Dual Eligible and Medicaid Only Populations

Service Category	Age Group	Developmentally Disabled				Physically Disabled				Frail Elderly				Projection to CY 2021 - Adjustment Factors					
		Dual		Medicaid Only		Dual		Medicaid Only		Dual		Medicaid Only		IBNR	Two-Year Trend	IMD Adjustment	DME Adjustment	Behavioral Health Rate Increase	Missing Data Adjustment
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female						
Inpatient Hospital	0-44	\$12.68	\$9.92	\$294.50	\$272.30	\$35.27	\$50.75	\$1,255.39	\$1,366.85	N/A	N/A	N/A	N/A	1.0191	1.1183	0.9979	1.0000	1.0000	1.0536
	45-54	76.30	43.89	597.24	337.96	43.75	55.94	1,617.36	694.18	N/A	N/A	N/A	N/A	1.0191	1.1183	0.9979	1.0000	1.0000	1.0536
	55-64	11.71	9.69	745.63	687.94	29.74	27.39	1,326.65	878.76	N/A	N/A	N/A	N/A	1.0191	1.1183	0.9979	1.0000	1.0000	1.0536
	65-74	16.99	20.75	0.00	0.00	63.08	5.97	3,004.24	102.26	38.53	29.21	513.41	513.41	1.0191	1.1183	0.9979	1.0000	1.0000	1.0536
	75-84	20.08	43.04	0.00	0.00	0.00	0.00	0.00	0.00	24.74	26.32	513.41	513.41	1.0191	1.1183	0.9979	1.0000	1.0000	1.0536
	85+	0.00	24.54	0.00	0.00	0.00	0.00	0.00	0.00	32.36	30.48	513.41	513.41	1.0191	1.1183	0.9979	1.0000	1.0000	1.0536
Outpatient Hospital	0-44	\$7.22	\$6.09	\$75.96	\$127.24	\$361.96	\$32.92	\$287.38	\$465.95	N/A	N/A	N/A	N/A	1.0191	1.1183	1.0000	1.0000	1.0011	1.0536
	45-54	12.85	4.77	120.15	170.90	55.65	34.84	423.63	220.64	N/A	N/A	N/A	N/A	1.0191	1.1183	1.0000	1.0000	1.0011	1.0536
	55-64	13.50	14.87	227.11	101.91	26.30	15.23	398.21	207.44	N/A	N/A	N/A	N/A	1.0191	1.1183	1.0000	1.0000	1.0011	1.0536
	65-74	19.04	7.42	271.61	43.14	40.94	54.07	4,232.61	203.19	22.91	21.34	342.05	342.05	1.0191	1.1183	1.0000	1.0000	1.0011	1.0536
	75-84	1.27	4.85	0.00	0.00	0.00	0.00	0.00	0.00	11.42	10.00	342.05	342.05	1.0191	1.1183	1.0000	1.0000	1.0011	1.0536
	85+	0.00	10.57	0.00	0.00	0.00	0.00	0.00	0.00	9.87	8.42	342.05	342.05	1.0191	1.1183	1.0000	1.0000	1.0011	1.0536
Pharmacy	0-44	\$3.37	\$6.30	\$8.88	\$12.28	\$12.74	\$19.51	\$15.22	\$24.88	N/A	N/A	N/A	N/A	1.0000	1.1183	1.0000	1.0000	1.0000	1.0000
	45-54	5.54	10.38	7.37	39.07	11.15	15.21	46.65	39.25	N/A	N/A	N/A	N/A	1.0000	1.1183	1.0000	1.0000	1.0000	1.0000
	55-64	6.18	12.22	20.63	28.95	10.57	15.40	37.74	51.42	N/A	N/A	N/A	N/A	1.0000	1.1183	1.0000	1.0000	1.0000	1.0000
	65-74	16.31	12.84	0.00	85.95	13.78	8.92	6.03	42.83	8.81	12.19	30.33	30.33	1.0000	1.1183	1.0000	1.0000	1.0000	1.0000
	75-84	16.61	12.38	0.00	0.00	0.00	0.00	0.00	0.00	18.00	14.54	30.33	30.33	1.0000	1.1183	1.0000	1.0000	1.0000	1.0000
	85+	2.77	8.86	0.00	0.00	0.00	0.00	0.00	0.00	19.21	14.52	30.33	30.33	1.0000	1.1183	1.0000	1.0000	1.0000	1.0000
Dental	0-44	\$34.29	\$19.46	\$18.26	\$32.93	\$11.88	\$32.64	\$10.97	\$39.12	N/A	N/A	N/A	N/A	1.0191	1.1183	1.0000	1.0000	1.0000	1.0536
	45-54	43.24	36.71	16.97	10.81	17.34	24.01	38.84	27.33	N/A	N/A	N/A	N/A	1.0191	1.1183	1.0000	1.0000	1.0000	1.0536
	55-64	28.80	18.61	50.02	14.04	20.11	22.29	39.80	21.97	N/A	N/A	N/A	N/A	1.0191	1.1183	1.0000	1.0000	1.0000	1.0536
	65-74	10.71	23.76	115.00	5.03	48.22	30.05	30.73	4.19	23.51	18.37	19.13	19.13	1.0191	1.1183	1.0000	1.0000	1.0000	1.0536
	75-84	11.12	14.60	0.00	0.00	0.00	0.00	0.00	0.00	21.30	12.74	19.13	19.13	1.0191	1.1183	1.0000	1.0000	1.0000	1.0536
	85+	0.00	4.88	0.00	0.00	0.00	0.00	0.00	0.00	4.68	11.37	19.13	19.13	1.0191	1.1183	1.0000	1.0000	1.0000	1.0536
Other Acute & Primary	0-44	\$43.12	\$29.96	\$111.70	\$201.08	\$53.40	\$106.83	\$351.03	\$372.62	N/A	N/A	N/A	N/A	1.0191	1.1183	1.0000	0.9576	1.0098	1.0536
	45-54	33.71	46.81	342.48	304.15	67.06	77.31	608.22	294.40	N/A	N/A	N/A	N/A	1.0191	1.1183	1.0000	0.9576	1.0098	1.0536
	55-64	39.35	47.04	298.53	340.25	48.83	57.64	448.39	348.23	N/A	N/A	N/A	N/A	1.0191	1.1183	1.0000	0.9576	1.0098	1.0536
	65-74	38.17	53.08	337.13	180.15	65.78	99.80	350.86	221.75	61.07	48.59	129.42	129.42	1.0191	1.1183	1.0000	0.9576	1.0098	1.0536
	75-84	55.30	44.95	0.00	0.00	0.00	0.00	0.00	0.00	40.01	41.90	129.42	129.42	1.0191	1.1183	1.0000	0.9576	1.0098	1.0536
	85+	5.48	26.46	0.00	0.00	0.00	0.00	0.00	0.00	40.72	29.83	129.42	129.42	1.0191	1.1183	1.0000	0.9576	1.0098	1.0536
Total	0-44	\$100.68	\$71.73	\$509.30	\$645.83	\$475.24	\$242.65	\$1,919.98	\$2,269.42	N/A	N/A	N/A	N/A						
	45-54	171.63	142.96	1,084.21	862.89	194.95	207.31	2,734.71	1,275.79	N/A	N/A	N/A	N/A						
	55-64	99.54	102.43	1,341.92	1,173.09	135.55	137.95	2,250.79	1,507.82	N/A	N/A	N/A	N/A						
	65-74	101.23	117.85	723.74	314.27	231.81	198.80	7,624.47	574.22	154.83	129.69	1,034.35	1,034.35						
	75-84	104.38	119.61	0.00	0.00	0.00	0.00	0.00	0.00	115.47	105.51	1,034.35	1,034.35						
	85+	8.24	75.31	0.00	0.00	0.00	0.00	0.00	0.00	106.85	94.62	1,034.35	1,034.35						
Grand Total		\$110.36		\$788.25		\$175.98		\$1,837.59		\$116.75		\$1,034.35							

Exhibit B2
Wisconsin Department of Health Services
CY 2021 Partnership Capitation Rate Development
Summary of Trended and Completed 2021 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	\$15.23	\$11.91	\$352.86	\$326.26	\$42.35	\$60.94	\$1,504.17	\$1,637.72	N/A	N/A	N/A	N/A
	45-54	91.61	52.70	715.59	404.94	52.54	67.17	1,937.88	831.75	N/A	N/A	N/A	N/A
	55-64	14.06	11.63	893.40	824.27	75.71	32.89	1,589.55	1,052.90	N/A	N/A	N/A	N/A
	65-74	20.40	24.92	0.00	0.00	75.74	7.16	3,599.59	122.52	46.27	35.08	615.16	615.16
	75-84	24.11	51.67	0.00	0.00	0.00	0.00	0.00	0.00	29.71	31.61	615.16	615.16
85+	0.00	29.47	0.00	0.00	0.00	0.00	0.00	0.00	38.86	36.60	615.16	615.16	
Outpatient Hospital	0-44	\$8.68	\$7.33	\$91.32	\$152.95	\$435.10	\$39.58	\$345.45	\$560.11	N/A	N/A	N/A	N/A
	45-54	15.44	5.73	144.44	205.43	66.90	41.88	509.24	265.23	N/A	N/A	N/A	N/A
	55-64	16.23	17.88	273.00	122.51	31.61	18.31	478.68	249.36	N/A	N/A	N/A	N/A
	65-74	22.89	8.92	326.50	51.86	49.22	64.99	5,067.96	244.25	27.53	25.65	411.17	411.17
	75-84	1.53	5.59	0.00	0.00	0.00	0.00	0.00	0.00	13.72	12.03	411.17	411.17
85+	0.00	12.71	0.00	0.00	0.00	0.00	0.00	0.00	11.87	10.12	411.17	411.17	
Pharmacy	0-44	\$3.77	\$7.05	\$9.93	\$13.74	\$14.25	\$21.82	\$17.02	\$27.83	N/A	N/A	N/A	N/A
	45-54	6.19	11.60	8.24	43.69	12.47	17.01	52.17	43.89	N/A	N/A	N/A	N/A
	55-64	6.91	13.66	23.07	32.37	11.82	17.22	42.20	57.50	N/A	N/A	N/A	N/A
	65-74	18.24	14.36	0.00	96.12	15.41	9.97	6.75	47.90	9.85	13.63	33.92	33.92
	75-84	18.58	13.85	0.00	0.00	0.00	0.00	0.00	0.00	20.13	16.26	33.92	33.92
85+	3.10	9.90	0.00	0.00	0.00	0.00	0.00	0.00	21.48	16.23	33.92	33.92	
Dental	0-44	\$41.18	\$23.36	\$21.92	\$39.54	\$14.26	\$39.19	\$13.17	\$46.97	N/A	N/A	N/A	N/A
	45-54	51.92	44.08	20.38	12.98	20.82	28.83	46.64	32.81	N/A	N/A	N/A	N/A
	55-64	34.58	22.35	60.06	16.86	24.14	26.76	47.79	26.38	N/A	N/A	N/A	N/A
	65-74	12.86	29.53	138.08	8.04	57.90	36.08	36.90	5.03	28.22	22.05	22.98	22.98
	75-84	13.35	17.53	0.00	0.00	0.00	0.00	0.00	0.00	25.58	15.29	22.98	22.98
85+	0.00	5.86	0.00	0.00	0.00	0.00	0.00	0.00	5.61	13.65	22.98	22.98	
Other Acute & Prima	0-44	\$50.06	\$34.78	\$129.69	\$233.47	\$62.00	\$124.04	\$407.57	\$432.64	N/A	N/A	N/A	N/A
	45-54	39.14	54.35	397.65	353.14	77.86	89.76	706.20	341.83	N/A	N/A	N/A	N/A
	55-64	45.69	54.61	346.62	395.05	56.70	66.92	520.62	404.32	N/A	N/A	N/A	N/A
	65-74	44.32	61.63	391.44	209.17	76.38	115.88	407.38	257.47	70.91	56.41	150.27	150.27
	75-84	64.21	52.19	0.00	0.00	0.00	0.00	0.00	0.00	46.46	48.65	150.27	150.27
85+	6.36	30.72	0.00	0.00	0.00	0.00	0.00	0.00	47.28	34.64	150.27	150.27	
Total	0-44	\$118.92	\$84.43	\$605.72	\$765.96	\$567.96	\$285.57	\$2,287.38	\$2,705.27	N/A	N/A	N/A	N/A
	45-54	204.31	168.47	1,286.29	1,020.19	230.58	244.65	3,252.13	1,515.50	N/A	N/A	N/A	N/A
	55-64	117.47	120.14	1,596.15	1,391.06	159.39	162.10	2,678.86	1,790.47	N/A	N/A	N/A	N/A
	65-74	118.71	138.35	856.02	363.19	274.66	234.09	9,138.58	677.16	182.79	152.82	1,233.49	1,233.49
	75-84	121.78	140.83	0.00	0.00	0.00	0.00	0.00	0.00	135.60	123.84	1,233.49	1,233.49
85+	9.45	88.66	0.00	0.00	0.00	0.00	0.00	0.00	125.11	111.25	1,233.49	1,233.49	
Grand Total		\$130.09		\$935.81		\$207.69		\$2,185.37		\$137.37		\$1,233.49	

Exhibit C
Wisconsin Department of Health Services
CY 2021 Partnership Capitation Rate Development
Summary of 2021 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
MCWHP (GSR 3)	0-44	12	32	21	24	12	3	17	0	0	0	0	0
	45-54	24	32	0	0	14	23	0	0	0	0	0	0
	55-64	12	24	0	10	36	12	0	15	0	0	0	0
	65-74	12	12	0	0	6	0	0	0	31	30	0	0
	75-84	0	0	0	0	0	0	0	0	21	121	0	10
	85+	0	0	0	0	0	0	0	0	19	90	0	0
MCWHP (GSR 5)	0-44	83	13	71	61	38	22	16	0	0	0	0	0
	45-54	54	82	0	0	11	62	0	19	0	0	0	0
	55-64	70	40	14	26	117	152	37	45	0	0	0	0
	65-74	76	101	0	0	20	0	0	0	115	147	0	0
	75-84	33	66	0	0	0	0	0	0	149	253	0	12
	85+	0	0	0	0	0	0	0	0	63	262	0	0
MCWHP (GSR 6)	0-44	0	21	16	0	0	18	0	14	0	0	0	0
	45-54	0	0	0	0	0	0	0	0	0	0	0	0
	55-64	0	0	0	0	12	0	6	0	0	0	0	0
	65-74	21	29	0	0	0	0	0	0	24	44	0	0
	75-84	0	0	0	0	0	0	0	0	33	68	0	0
	85+	0	0	0	0	0	0	0	0	28	32	0	0
MCWHP (GSR 12)	0-44	164	213	314	191	128	251	137	203	0	0	0	0
	45-54	184	231	20	90	320	603	182	352	0	0	0	0
	55-64	371	385	99	87	676	1,561	382	687	0	0	0	0
	65-74	261	359	0	26	119	108	14	23	1,105	2,399	29	27
	75-84	69	119	0	0	0	0	0	0	1,122	2,626	63	63
	85+	23	73	0	0	0	0	0	0	457	2,875	1	30
iCare (GSR 3)	0-44	1	4	2	3	1	0	2	0	0	0	0	0
	45-54	3	4	0	0	1	2	0	0	0	0	0	0
	55-64	1	3	0	1	3	1	0	1	0	0	0	0
	65-74	1	1	0	0	1	0	0	0	1	1	0	0
	75-84	0	0	0	0	0	0	0	0	1	5	0	0
	85+	0	0	0	0	0	0	0	0	1	3	0	0
iCare (GSR 8)	0-44	241	245	533	316	63	80	94	135	0	0	0	0
	45-54	202	96	172	94	105	309	222	439	0	0	0	0
	55-64	229	210	155	198	478	843	481	1,156	0	0	0	0
	65-74	64	215	0	10	65	156	0	72	573	1,332	12	1
	75-84	58	30	0	0	0	0	0	0	157	602	0	12
	85+	0	27	0	0	0	0	0	0	88	236	0	0
iCare (GSR 11)	0-44	24	44	44	7	16	0	0	16	0	0	0	0
	45-54	44	1	25	22	17	22	7	40	0	0	0	0
	55-64	9	22	65	0	58	41	18	14	0	0	0	0
	65-74	0	25	0	0	0	10	0	0	12	104	0	0
	75-84	0	0	0	0	0	0	0	0	20	47	0	0
	85+	0	0	0	0	0	0	0	0	0	80	0	0

Exhibit C
Wisconsin Department of Health Services
CY 2021 Partnership Capitation Rate Development
Summary of 2021 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
iCare (GSR 12)	0-44	61	44	30	76	11	27	75	70	0	0	0	0
	45-54	38	12	19	0	51	137	105	172	0	0	0	0
	55-64	66	84	3	46	196	323	105	225	0	0	0	0
	65-74	43	74	0	0	36	37	6	0	227	290	0	0
	75-84	5	17	0	0	0	0	0	0	67	208	14	21
	85+	0	20	0	0	0	0	0	0	35	401	0	1
CCHP (GSR 6)	0-44	52	16	32	27	0	16	9	1	0	0	0	0
	45-54	26	69	0	13	63	31	16	0	0	0	0	0
	55-64	43	13	36	1	127	109	47	68	0	0	0	0
	65-74	38	23	0	0	6	19	0	0	138	252	0	0
	75-84	17	5	0	0	0	0	0	0	90	278	0	0
	85+	0	0	0	0	0	0	0	0	37	150	0	0
CCHP (GSR 8)	0-44	274	116	231	205	43	55	77	79	0	0	0	0
	45-54	98	50	35	14	71	115	159	116	0	0	0	0
	55-64	104	127	97	41	160	194	202	209	0	0	0	0
	65-74	41	17	4	0	9	24	0	0	74	158	0	1
	75-84	7	26	0	0	0	0	0	0	31	117	0	1
	85+	0	1	0	0	0	0	0	0	73	76	0	0
CCHP (GSR 10)	0-44	27	31	44	43	28	0	0	3	0	0	0	0
	45-54	50	13	0	0	22	14	32	14	0	0	0	0
	55-64	54	53	0	0	81	104	0	39	0	0	0	0
	65-74	40	11	0	0	12	23	0	0	87	255	0	0
	75-84	13	0	0	0	0	0	0	0	42	96	0	7
	85+	0	4	0	0	0	0	0	0	70	130	0	0
CCHP (GSR 11)	0-44	55	37	66	22	0	14	0	22	0	0	0	0
	45-54	13	52	1	14	43	22	37	4	0	0	0	0
	55-64	114	42	58	37	105	174	47	65	0	0	0	0
	65-74	122	110	0	0	0	33	0	0	122	181	0	0
	75-84	25	45	0	0	0	0	0	0	70	193	0	0
	85+	0	25	0	0	0	0	0	0	52	140	0	0
Total	0-44	995	814	1,404	975	340	487	428	543	0	0	0	0
	45-54	737	639	272	247	719	1,340	760	1,155	0	0	0	0
	55-64	1,073	1,002	528	448	2,049	3,515	1,325	2,524	0	0	0	0
	65-74	718	979	4	36	273	409	20	95	2,509	5,193	42	29
	75-84	227	309	0	0	0	0	0	0	1,803	4,613	77	125
	85+	23	151	0	0	0	0	0	0	923	4,474	1	31

Exhibit D1
 Wisconsin Department of Health Services
 CY 2021 Partnership Capitation Rate Development
 Acute and Primary Services Rate Development
 Dual Eligible Population

	MCWHP (GSR 3)	MCWHP (GSR 5)	MCWHP (GSR 6)	MCWHP (GSR 12)	iCare (GSR 3)	iCare (GSR 8)	iCare (GSR 11)	iCare (GSR 12)	CCHP (GSR 6)	CCHP (GSR 8)	CCHP (GSR 10)	CCHP (GSR 11)
Inpatient Hospital	\$37.22	\$36.36	\$33.29	\$36.06	\$37.72	\$35.79	\$36.48	\$36.52	\$36.13	\$34.78	\$35.17	\$32.34
Outpatient Hospital	26.41	24.94	17.32	22.60	29.77	26.28	31.97	23.47	20.95	29.59	29.87	19.32
Pharmacy	13.99	14.52	15.78	15.00	12.82	13.41	12.97	14.18	14.11	12.35	13.87	14.00
Dental	23.18	23.91	20.37	21.98	26.71	25.74	24.93	23.80	23.64	27.60	23.31	23.37
Other Acute & Primary	51.67	53.87	54.12	54.60	52.94	59.49	53.43	57.35	55.96	57.69	54.51	55.40
Total Acute & Primary Services	\$152.46	\$153.59	\$140.89	\$150.24	\$159.96	\$160.70	\$159.77	\$155.31	\$150.79	\$162.01	\$156.72	\$144.43
CY 2021 Member Months	578	2,029	330	16,803	39	6,703	596	2,508	1,617	2,064	1,260	1,788

Exhibit D2
 Wisconsin Department of Health Services
 CY 2021 Partnership Capitation Rate Development
 Acute and Primary Services Rate Development
 Medicaid Only Population

	MCWHP (GSR 3)	MCWHP (GSR 5)	MCWHP (GSR 6)	MCWHP (GSR 12)	iCare (GSR 3)	iCare (GSR 8)	iCare (GSR 11)	iCare (GSR 12)	CCHP (GSR 6)	CCHP (GSR 8)	CCHP (GSR 10)	CCHP (GSR 11)
Inpatient Hospital	\$732.89	\$772.59	\$1,053.10	\$1,021.39	\$695.63	\$955.17	\$849.75	\$1,147.31	\$1,003.84	\$1,013.89	\$847.30	\$1,001.16
Outpatient Hospital	210.66	223.00	335.97	326.40	188.27	266.30	257.11	350.30	283.97	289.18	248.23	277.64
Pharmacy	24.10	27.76	22.24	37.88	22.41	37.39	28.35	39.18	36.13	32.00	32.34	33.68
Dental	25.03	30.93	35.87	32.08	25.65	31.30	37.17	32.88	36.25	35.57	32.74	36.08
Other Acute & Primary	276.66	302.10	311.65	368.27	275.51	371.15	341.56	408.64	381.16	377.63	337.37	379.63
Total Acute & Primary Services	\$1,269.35	\$1,356.38	\$1,758.83	\$1,786.02	\$1,207.47	\$1,661.31	\$1,513.94	\$1,978.30	\$1,741.35	\$1,748.28	\$1,497.97	\$1,728.19
CY 2021 Member Months	98	300	36	3,020	9	4,105	257	967	250	1,471	183	373

Exhibit D3
 Wisconsin Department of Health Services
 CY 2021 Partnership Capitation Rate Development
 Acute and Primary Services Rate Development
 Total Population

	MCWHP (GSR 3)	MCWHP (GSR 5)	MCWHP (GSR 6)	MCWHP (GSR 12)	iCare (GSR 3)	iCare (GSR 8)	iCare (GSR 11)	iCare (GSR 12)	CCHP (GSR 6)	CCHP (GSR 8)	CCHP (GSR 10)	CCHP (GSR 11)
Inpatient Hospital	\$138.19	\$131.31	\$133.23	\$186.19	\$166.35	\$384.96	\$281.52	\$345.59	\$165.58	\$442.16	\$138.05	\$199.59
Outpatient Hospital	53.15	50.49	48.55	68.89	60.76	117.44	99.80	114.41	56.14	137.60	57.53	63.92
Pharmacy	15.46	16.23	16.41	18.49	14.69	22.51	17.60	21.13	17.06	20.53	16.21	17.40
Dental	23.44	24.81	21.89	23.52	26.51	27.85	28.62	26.32	25.33	30.92	24.50	25.56
Other Acute & Primary	84.33	85.88	79.36	102.39	96.45	177.85	140.24	155.09	99.46	190.81	90.34	111.37
Total Acute & Primary Services	\$314.57	\$308.71	\$299.45	\$399.48	\$364.76	\$730.61	\$567.79	\$662.55	\$363.56	\$822.01	\$326.64	\$417.84
CY 2021 Member Months	676	2,330	366	19,824	48	10,808	853	3,475	1,867	3,535	1,442	2,161

EXHIBITS E through G

Capitation Rate Development – Long Term Care Services

State of Wisconsin Department of Health Services
CY 2021 Capitation Rate Development for Family Care Partnership Program

November 25, 2020

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 2021 capitation rates for the Family Care Partnership 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 2021 Partnership Capitation Rate Development
Functional Screen Regression Model of 2018-2019 for Family Care Nursing Home Population
Developmentally Disabled

R-Squared 47.0%

Variable	Statewide Estimate	p-Value	Incremental Partial R2	Proportion with Variable	Incremental Increase
Intercept (Grid Component)	0.00			1.00	0.00
Intercept (Grid Component)					
Vent Dependent	6,962.46	0.00	0.24%	0.1%	6.10
SNF	472.83	0.00	0.21%	35.2%	166.28
Intercept (Grid Component)					
IADL_1	0.00	0.00	0.00%	1.7%	0.00
IADL_2	188.85	0.00	0.00%	9.8%	18.49
IADL_3	458.11	0.00	0.05%	18.7%	85.44
IADL_4	1,156.41	0.00	0.52%	33.0%	382.04
IADL_5	1,379.30	0.00	0.08%	36.9%	508.41
Intercept (Grid Component)					
Eating_2	209.11	0.00	0.05%	19.8%	41.38
Bathing_1	222.28	0.00	0.12%	44.0%	97.78
Bathing_2	330.54	0.00	0.17%	38.7%	127.99
Transfer_2	615.04	0.00	0.43%	15.7%	96.58
Intercept (Grid Component)					
Brain_Other	379.30	0.00	0.02%	2.6%	9.96
Other Federal DD_Bipolar	763.13	0.00	0.02%	0.4%	2.77
Behaviors_Autism	1,257.74	0.00	0.62%	5.6%	70.62
Injury_Age Under 30	1,795.68	0.00	0.56%	1.8%	32.99
Injury_Mental Illness	1,455.22	0.00	1.40%	4.2%	60.89
Intellectually Disabled_Bipolar	480.91	0.00	0.12%	6.0%	28.92
Intellectually Disabled_Other Mental Illness	497.82	0.00	0.31%	16.7%	83.02
Seizure Pre-22_Depression	196.11	0.00	0.02%	5.8%	11.32
Trauma BI Post-22_Other Mental Illness	384.82	0.00	0.01%	2.8%	10.85
Transfer_Equip_Mobility	644.44	0.00	0.15%	5.3%	33.96
Intercept (Grid Component)					
Cognition_2	180.61	0.00	0.33%	49.5%	89.45
Cognition_3	918.90	0.00	2.78%	26.0%	239.13
Injury_1-2	214.98	0.00	0.07%	9.8%	21.15
Offensive_1-3	923.06	0.00	4.50%	30.6%	282.06
Wander_2	1,983.31	0.00	4.00%	4.3%	85.25
Mental Health_2	215.41	0.00	0.53%	65.0%	140.11
Resistive_1	604.10	0.00	6.26%	8.2%	49.82
Intercept (Grid Component)					
Exercise	362.61	0.00	0.32%	9.5%	34.56
Tube Feedings	301.96	0.00	0.29%	2.3%	7.02
Respirate	258.16	0.00	0.07%	5.9%	15.13
Ostomy	642.08	0.00	0.05%	0.6%	4.01
Medication Administration	471.56	0.00	8.32%	77.3%	364.42
Tracheostomy	3,090.80	0.00	0.80%	0.3%	9.54
Reposition	587.39	0.00	4.25%	6.8%	40.23
Intercept (Grid Component)					
Intellectually Disabled	251.21	0.00	1.47%	62.4%	156.67
Intercept (Grid Component)					
Bath_Position	450.58	0.00	3.74%	52.1%	234.77
Intercept (Grid Component)					
Incidents_0	0.00	0.00	0.00%	94.3%	0.00
Incidents_1	1,015.98	0.00	0.86%	3.5%	35.85
Incidents_2	1,923.95	0.00	0.90%	1.1%	20.73
Incidents_3+	3,691.92	0.00	2.40%	1.1%	42.16

Exhibit E2
Wisconsin Department of Health Services
CY 2021 Partnership Capitation Rate Development
Functional Screen Regression Model of 2018-2019 for Family Care Nursing Home Population
Physically Disabled

R-Squared 46.5%

Variable	Statewide Estimate	p-Value	Incremental Partial R2	Proportion with Variable	Incremental Increase
Intercept (Grid Component)	706.89			100.0%	706.89
DD/NH Level of Care (Grid Component)					
Vent Dependent	9,820.84	0.0000	2.45%	0.5%	52.63
SNF	675.13	0.0000	0.74%	23.9%	161.55
Number of IADLs (Grid Component)					
IADL_1	0.00	0.0000	0.00%	17.6%	0.00
IADL_2	229.00	0.0000	0.11%	27.5%	63.04
IADL_3	546.67	0.0000	0.52%	20.2%	110.16
IADL_4	903.67	0.0000	1.07%	25.6%	231.37
IADL_5	1,141.74	0.0000	0.18%	9.2%	104.64
Specific ADLs / Equipment Used (Add-On)					
Eating_2	218.66	0.0000	0.15%	6.8%	14.91
Bathing_2	288.82	0.0000	0.45%	30.0%	86.60
Toileting_1-2	291.44	0.0000	0.75%	55.6%	162.04
Transfer_2	840.02	0.0000	3.33%	20.1%	168.64
Interaction Terms (Add-On)					
Injury_Mental Illness	687.46	0.0000	0.07%	0.5%	3.11
Muscular_Mental Illness_Age 60 and Under	105.84	0.0000	0.02%	10.2%	10.74
Seizure Pre-22_Schizophrenia	739.37	0.0000	0.02%	0.2%	1.16
Spinal Injury_Alcohol/Drug Abuse	396.84	0.0000	0.03%	0.7%	2.78
Vent Dependent_Tracheostomy	1,781.80	0.0000	1.08%	0.2%	3.57
Transfer_Equip_Mobility	543.38	0.0000	0.92%	5.8%	31.42
Behavioral Variables (Add-On)					
Cognition_2-3	321.21	0.0000	1.77%	21.1%	67.65
Offensive_1-3	922.13	0.0000	2.44%	5.8%	53.41
Wander_2	425.24	0.0000	0.57%	1.1%	4.78
Mental Health_2	77.78	0.0000	0.11%	76.7%	59.65
Alcohol Drug Abuse	66.09	0.0000	0.00%	21.6%	14.28
Health Related Services (Add-On)					
Exercise	295.45	0.0000	0.70%	10.0%	29.68
Ulcer Stage 2	806.95	0.0000	0.21%	1.2%	9.77
Ulcer Stage 3-4	821.11	0.0000	0.42%	1.7%	13.69
Respirate	215.01	0.0000	0.90%	6.1%	13.18
Urinary	599.88	0.0000	1.00%	2.9%	17.44
Wound	221.59	0.0000	0.80%	4.5%	9.94
Tracheostomy	2,115.39	0.0000	5.01%	0.7%	14.36
Reposition	917.61	0.0000	17.43%	7.9%	72.70
Diagnoses (Add-On)					
Alzheimers	241.31	0.0000	2.34%	10.5%	25.31
New Variables					
Bath_Position	231.44	0.0000	0.03%	80.5%	186.27
Incidents					
Incidents_0	0.00	0.0000	0.00%	96.2%	0.00
Incidents_1	643.19	0.0000	0.27%	2.8%	18.28
Incidents_2+	1,608.00	0.0000	0.64%	0.9%	15.00

Exhibit E3
Wisconsin Department of Health Services
CY 2021 Partnership Capitation Rate Development
Functional Screen Regression Model of 2018-2019 for Family Care Nursing Home Population
Frail Elderly

R-Squared 35.5%

Variable	Statewide Estimate	p-Value	Incremental Partial R2	Proportion with Variable	Incremental Increase
Intercept (Grid Component)	714.83			100.0%	714.83
DD/NH Level of Care (Grid Component)					
Vent Dependent	8,396.78	0.0000	0.48%	0.1%	5.93
SNF	444.91	0.0000	0.74%	24.4%	108.41
Number of IADLs (Grid Component)					
IADL_1	0.00	0.0000	0.00%	7.1%	0.00
IADL_2	304.91	0.0000	0.14%	14.5%	44.28
IADL_3	595.77	0.0000	0.43%	12.1%	72.35
IADL_4-5	967.23	0.0000	1.63%	66.2%	640.76
Specific ADLs / Equipment Used (Add-On)					
Bathing_1	176.85	0.0000	0.09%	43.6%	77.12
Bathing_2	384.15	0.0000	0.55%	49.9%	191.62
Toileting_1-2	287.18	0.0000	1.41%	64.3%	184.64
Transfer_2	672.48	0.0000	4.62%	26.6%	179.07
Interaction Terms (Add-On)					
Seizure Post-22_Alcohol/Drug Abuse	377.66	0.0000	0.04%	0.6%	2.39
Seizure Post-22_Bipolar	571.47	0.0000	0.05%	0.4%	2.40
Trauma BI Post-22_Anxiety	353.44	0.0000	0.03%	0.7%	2.36
Transfer_Equip_Mobility	783.42	0.0000	2.61%	7.9%	61.75
Behavioral Variables (Add-On)					
Cognition_2	180.08	0.0000	1.83%	30.9%	55.73
Cognition_3	213.17	0.0000	0.58%	13.6%	29.00
Offensive_1-3	214.43	0.0000	0.86%	7.7%	16.48
Wander_2	126.09	0.0000	0.34%	3.3%	4.14
Mental Health_2	134.99	0.0000	0.17%	62.6%	84.50
Alcohol Drug Abuse	145.74	0.0000	0.00%	7.0%	10.26
Health Related Services (Add-On)					
Dialysis	268.91	0.0000	0.23%	2.0%	5.50
Exercise	255.48	0.0000	0.86%	6.6%	16.96
Ulcer Stage 2	429.81	0.0000	0.16%	1.0%	4.28
Ulcer Stage 3-4	787.18	0.0000	0.35%	0.6%	5.00
Tracheostomy	4,178.15	0.0000	0.98%	0.1%	6.13
Reposition	536.07	0.0000	8.58%	7.6%	40.56
Diagnoses (Add-On)					
Alzheimers	144.93	0.0000	6.93%	41.1%	59.50
Mental Illness	164.36	0.0000	0.54%	24.1%	39.57
Incidents					
Incidents_0	0.00	0.0000	0.00%	98.4%	0.00
Incidents_1+	542.34	0.0000	0.28%	1.6%	8.87

Exhibit F1
Wisconsin Department of Health Services
CY 2021 Partnership Capitation Rate Development
MCO/GSR Functional Screen Attribute Distribution for Family Care Partnership/PACE - June 2020 Enrollment
Developmentally Disabled

Variable	Statewide Estimate	MCWHP (GSR 3)	MCWHP (GSR 5)	MCWHP (GSR 6)	MCWHP (GSR 12)	iCare (GSR 3)	iCare (GSR 8)	iCare (GSR 11)	iCare (GSR 12)	CCHP - PACE	CCHP (GSR 6)	CCHP (GSR 8)	CCHP (GSR 10)	CCHP (GSR 11)
Intercept (Grid Component)	0.00	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Intercept (Grid Component)														
Vent Dependent	6,962.46	0.0%	0.0%	0.0%	0.4%	0.0%	1.3%	0.0%	2.3%	0.0%	0.0%	2.0%	0.0%	0.0%
SNF	472.83	31.3%	30.2%	0.0%	24.4%	31.3%	40.5%	41.7%	26.3%	43.3%	35.5%	63.4%	47.3%	27.4%
Intercept (Grid Component)														
IDL_1	0.00	0.0%	3.0%	0.0%	5.3%	0.0%	0.0%	0.0%	0.0%	0.0%	6.5%	0.0%	3.4%	1.5%
IDL_2	188.85	11.5%	10.6%	0.0%	13.4%	11.5%	4.3%	4.2%	17.6%	1.7%	12.9%	6.8%	6.8%	13.9%
IDL_3	458.11	19.8%	13.7%	0.0%	16.0%	19.8%	16.8%	20.8%	23.4%	8.3%	22.6%	9.3%	18.9%	12.4%
IDL_4	1,156.41	40.1%	24.2%	60.0%	37.0%	40.1%	50.0%	50.0%	40.3%	56.7%	32.3%	41.4%	16.9%	32.0%
IDL_5	1,379.30	28.6%	48.5%	40.0%	28.2%	28.6%	28.8%	25.0%	18.7%	33.3%	25.8%	42.6%	54.1%	40.2%
Intercept (Grid Component)														
Eating_2	209.11	5.7%	31.9%	0.0%	18.2%	5.7%	34.5%	25.0%	9.4%	23.3%	12.9%	28.2%	33.8%	17.0%
Bathing_1	222.28	54.2%	37.8%	20.0%	44.9%	54.2%	48.7%	50.0%	63.7%	55.0%	51.6%	43.9%	42.6%	55.2%
Bathing_2	330.54	28.6%	51.6%	80.0%	45.7%	28.6%	48.2%	41.7%	21.0%	41.7%	35.5%	52.7%	50.7%	32.4%
Transfer_2	615.04	11.5%	30.3%	0.0%	29.6%	11.5%	32.8%	33.3%	21.6%	28.3%	16.1%	29.0%	23.6%	18.5%
Intercept (Grid Component)														
Brain_Other	379.30	5.7%	2.9%	0.0%	2.1%	5.7%	3.9%	4.2%	2.3%	0.0%	0.0%	2.5%	3.4%	0.0%
Other Federal DD_Bipolar	763.13	0.0%	1.5%	0.0%	1.1%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Behaviors_Autism	1,257.74	5.7%	6.1%	0.0%	0.7%	5.7%	5.2%	4.2%	0.0%	1.7%	9.7%	18.6%	23.6%	1.5%
Injury_Age Under 30	1,795.68	0.0%	3.0%	0.0%	0.7%	0.0%	1.3%	4.2%	0.0%	0.0%	3.2%	6.8%	3.4%	0.0%
Injury_Mental Illness	1,455.22	0.0%	1.5%	0.0%	0.7%	0.0%	2.6%	4.2%	0.0%	1.7%	0.0%	11.0%	3.4%	1.5%
Intellectually Disabled_Bipolar	480.91	5.7%	3.0%	0.0%	2.5%	5.7%	6.9%	12.5%	2.3%	6.7%	3.2%	6.8%	6.8%	6.2%
Intellectually Disabled_Other Mental Illness	497.82	11.5%	12.0%	20.0%	7.1%	11.5%	16.0%	20.8%	16.4%	8.3%	6.5%	12.7%	10.1%	13.9%
Seizure Pre-22_Depression	196.11	5.7%	10.6%	0.0%	7.8%	5.7%	6.9%	8.3%	2.3%	8.3%	16.1%	1.7%	6.8%	4.6%
Trauma BI Post-22_Other Mental Illness	384.82	5.7%	6.0%	0.0%	7.6%	5.7%	9.0%	4.2%	25.7%	13.3%	0.0%	8.4%	6.8%	9.3%
Transfer_Equip_Mobility	644.44	0.0%	13.7%	0.0%	8.9%	0.0%	8.2%	4.2%	11.7%	3.3%	3.2%	8.8%	16.9%	6.2%
Intercept (Grid Component)														
Cognition_2	180.61	65.6%	37.9%	80.0%	41.7%	65.6%	46.6%	62.5%	45.0%	46.7%	51.6%	31.3%	37.2%	54.1%
Cognition_3	918.90	17.2%	30.2%	0.0%	11.0%	17.2%	32.7%	25.0%	9.4%	41.7%	22.6%	62.0%	47.3%	18.1%
Injury_1-2	214.98	8.4%	7.5%	0.0%	4.8%	8.4%	7.3%	0.0%	7.0%	5.0%	9.7%	10.1%	15.5%	3.1%
Offensive_1-3	923.06	31.3%	16.6%	0.0%	12.6%	31.3%	27.1%	37.5%	18.7%	20.0%	16.1%	49.8%	33.8%	19.7%
Wander_2	1,983.31	0.0%	4.4%	0.0%	1.4%	0.0%	4.7%	8.3%	2.3%	11.7%	0.0%	15.2%	0.0%	1.1%
Mental Health_2	215.41	63.0%	75.7%	80.0%	75.8%	63.0%	71.5%	75.0%	80.7%	66.7%	87.1%	67.6%	83.1%	84.6%
Resistive_1	604.10	0.0%	4.6%	0.0%	4.6%	0.0%	6.8%	8.3%	4.7%	3.3%	3.2%	12.7%	3.4%	4.6%
Intercept (Grid Component)														
Exercise	362.61	17.2%	19.7%	0.0%	14.3%	17.2%	16.0%	20.8%	23.4%	6.7%	0.0%	11.3%	13.5%	3.1%
Tube Feedings	301.96	0.0%	7.6%	0.0%	2.7%	0.0%	4.3%	4.2%	4.7%	0.0%	0.0%	7.1%	6.8%	1.5%
Respirate	258.16	0.0%	4.6%	0.0%	6.6%	0.0%	12.1%	8.3%	16.4%	3.3%	0.0%	4.5%	10.1%	7.3%
Ostomy	642.08	0.0%	0.0%	0.0%	1.1%	0.0%	1.3%	0.0%	2.3%	0.0%	3.2%	0.8%	0.0%	1.5%
Medication Administration	471.56	82.8%	77.2%	80.0%	73.0%	82.8%	88.4%	95.8%	73.0%	98.3%	74.2%	88.2%	93.2%	86.1%
Tracheostomy	3,090.80	0.0%	1.5%	0.0%	0.4%	0.0%	1.3%	0.0%	2.3%	0.0%	0.0%	3.7%	3.4%	0.0%
Reposition	587.39	0.0%	18.2%	0.0%	10.3%	0.0%	9.9%	8.3%	11.7%	5.0%	6.5%	12.1%	13.5%	4.6%
Intercept (Grid Component)														
Intellectually Disabled	251.21	37.0%	48.4%	60.0%	27.8%	37.0%	41.8%	45.8%	30.4%	45.0%	41.9%	56.6%	47.3%	53.7%
Intercept (Grid Component)														
Bath_Position	450.58	51.5%	65.2%	80.0%	74.5%	51.5%	53.5%	37.5%	62.6%	83.3%	61.3%	49.0%	66.2%	66.0%
Intercept (Grid Component)														
Incidents_0	0.00	100.0%	94.0%	100.0%	98.2%	100.0%	93.6%	91.7%	93.0%	95.0%	100.0%	94.9%	93.2%	98.5%
Incidents_1	1,015.98	0.0%	4.4%	0.0%	1.8%	0.0%	4.7%	8.3%	4.7%	3.3%	0.0%	4.2%	6.8%	1.5%
Incidents_2	1,923.95	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.0%	0.0%	1.7%	0.0%	0.0%	0.0%	0.0%
Incidents_3+	3,691.92	0.0%	1.5%	0.0%	0.0%	0.0%	1.2%	0.0%	2.3%	0.0%	0.0%	0.8%	0.0%	0.0%
MCO/GSR Developmentally Disabled Composite		\$3,124.85	\$3,999.09	\$2,859.27	\$3,170.59	\$3,124.85	\$4,255.22	\$4,201.42	\$3,532.55	\$4,190.17	\$3,129.95	\$5,530.79	\$4,644.64	\$3,352.51
GSR Developmentally Disabled Composite		\$3,124.85	\$3,999.09	\$3,092.35	\$3,218.41	\$3,124.85	\$4,686.36	\$3,582.12	\$3,218.41	\$4,190.17	\$3,092.35	\$4,686.36	\$4,644.64	\$3,582.12
MCO/GSR Experience Credibility Weight		41.8%	81.2%	22.4%	100.0%	0.0%	100.0%	49.0%	65.4%	77.5%	55.7%	100.0%	54.4%	80.5%
Final Blended Developmentally Disabled Composite	3,932.72	\$3,124.85	\$3,999.09	\$3,040.24	\$3,170.59	\$3,124.85	\$4,255.22	\$3,885.52	\$3,423.85	\$4,190.17	\$3,113.29	\$5,530.79	\$4,644.64	\$3,397.38
Preliminary Blended Developmentally Disabled Risk Score		0.7946	1.0169	0.7731	0.8062	0.7946	1.0820	0.9880	0.8706	1.0655	0.7916	1.4064	1.1810	0.8639
Family Care Partnership Acuity Adjustment		1.0053	1.0053	1.0053	1.0053	1.0053	1.0053	1.0053	1.0053	1.0053	1.0053	1.0053	1.0053	1.0053
Final Blended Developmentally Disabled Risk Score		0.7988	1.0223	0.7772	0.8105	0.7988	1.0878	0.9933	0.8753	1.0711	0.7959	1.4139	1.1873	0.8685

Exhibit F2
Wisconsin Department of Health Services
CY 2021 Partnership Capitation Rate Development
MCO/GSR Functional Screen Attribute Distribution for Family Care Partnership/PACE - June 2020 Enrollment
Physically Disabled

Variable	Statewide Estimate	MCWHP (GSR 3)	MCWHP (GSR 5)	MCWHP (GSR 6)	MCWHP (GSR 12)	iCare (GSR 3)	iCare (GSR 8)	iCare (GSR 11)	iCare (GSR 12)	CCHP - PACE	CCHP (GSR 6)	CCHP (GSR 8)	CCHP (GSR 10)	CCHP (GSR 11)
Intercept (Grid Component)	706.89	100.0%	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	9,820.84	0.0%	0.0%	0.0%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
SNF	675.13	24.4%	25.0%	50.0%	17.2%	24.4%	22.7%	17.6%	20.5%	30.9%	23.0%	40.9%	26.7%	35.2%
Number of IADLs (Grid Component)														
IADL_1	0.00	16.8%	11.6%	0.0%	15.6%	16.8%	6.7%	1.1%	5.8%	6.4%	15.3%	4.4%	13.3%	16.4%
IADL_2	229.00	16.8%	32.0%	50.0%	31.3%	16.8%	24.2%	49.5%	43.8%	28.8%	20.5%	25.5%	13.3%	25.8%
IADL_3	546.67	16.8%	21.5%	0.0%	25.2%	16.8%	25.0%	16.5%	29.8%	21.2%	23.0%	15.8%	33.3%	21.1%
IADL_4	903.67	25.2%	25.6%	50.0%	18.0%	25.2%	34.8%	27.5%	14.9%	33.0%	28.4%	40.0%	36.7%	25.8%
IADL_5	1,141.74	24.4%	9.3%	0.0%	10.0%	24.4%	9.3%	5.5%	5.6%	10.6%	12.8%	14.2%	3.3%	10.8%
Specific ADLs / Equipment Used (Add-On)														
Eating_2	218.66	16.8%	11.6%	0.0%	9.6%	16.8%	6.3%	0.0%	2.8%	9.6%	10.2%	11.6%	0.0%	0.0%
Bathing_2	288.82	66.4%	46.5%	50.0%	39.8%	66.4%	25.6%	16.5%	19.6%	25.6%	15.3%	38.9%	23.3%	18.8%
Toileting_1-2	291.44	66.4%	60.5%	50.0%	61.9%	66.4%	75.2%	60.4%	58.7%	63.9%	56.5%	73.6%	53.3%	49.3%
Transfer_2	840.02	16.8%	27.9%	50.0%	21.7%	16.8%	24.3%	11.0%	13.1%	26.6%	7.7%	51.6%	10.0%	18.8%
Interaction Terms (Add-On)														
Injury_Mental Illness	687.46	0.0%	0.0%	0.0%	0.2%	0.0%	1.1%	0.0%	0.0%	2.1%	0.0%	0.0%	0.0%	0.0%
Muscular_Mental Illness_Age 60 and Under	105.84	0.0%	9.3%	0.0%	11.7%	0.0%	12.0%	11.0%	16.8%	4.2%	15.3%	9.8%	16.7%	14.1%
Seizure Pre-22_Schizophrenia	739.37	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Spinal Injury_Alcohol/Drug Abuse	396.84	0.0%	2.3%	0.0%	1.1%	0.0%	1.4%	0.0%	0.9%	4.2%	0.0%	1.8%	0.0%	0.0%
Vent Dependent_Tracheostomy	1,781.80	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Transfer_Equip_Mobility	543.38	16.8%	4.1%	0.0%	5.5%	16.8%	2.2%	5.5%	4.7%	8.5%	2.6%	20.4%	0.0%	2.3%
Behavioral Variables (Add-On)														
Cognition_2-3	321.21	41.2%	18.6%	50.0%	14.7%	41.2%	33.0%	22.0%	12.1%	36.1%	40.9%	41.8%	20.0%	17.8%
Offensive_1-3	922.13	7.6%	4.7%	0.0%	3.3%	7.6%	4.2%	0.0%	3.7%	4.2%	17.9%	7.1%	3.3%	0.0%
Wander_2	425.24	8.4%	0.0%	0.0%	0.4%	8.4%	0.7%	0.0%	0.9%	4.2%	0.0%	0.9%	0.0%	0.0%
Mental Health_2	77.78	83.2%	88.4%	100.0%	84.9%	83.2%	76.5%	76.9%	83.2%	72.2%	87.2%	76.2%	83.3%	81.2%
Alcohol Drug Abuse	66.09	16.0%	37.1%	0.0%	34.8%	16.0%	25.0%	16.5%	33.6%	29.7%	20.5%	23.1%	33.3%	22.5%
Health Related Services (Add-On)														
Exercise	295.45	33.6%	25.6%	0.0%	19.2%	33.6%	13.1%	11.0%	23.3%	12.7%	10.2%	13.3%	3.3%	0.0%
Ulcer Stage 2	806.95	0.0%	4.7%	0.0%	1.5%	0.0%	0.6%	0.0%	0.0%	0.0%	5.1%	4.4%	3.3%	2.3%
Ulcer Stage 3-4	821.11	8.4%	1.8%	50.0%	1.3%	8.4%	1.9%	1.1%	0.9%	2.1%	2.6%	3.6%	3.3%	2.3%
Respirate	215.01	16.8%	11.1%	0.0%	4.5%	16.8%	9.2%	16.5%	6.5%	8.5%	7.7%	6.2%	0.0%	10.8%
Urinary	599.88	8.4%	2.3%	0.0%	2.8%	8.4%	1.1%	0.0%	1.9%	4.2%	0.0%	8.0%	6.7%	0.0%
Wound	221.59	8.4%	0.0%	0.0%	3.4%	8.4%	3.1%	5.5%	7.5%	8.5%	0.0%	7.1%	6.7%	7.0%
Tracheostomy	2,115.39	0.0%	0.0%	0.0%	0.9%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.9%	0.0%	0.0%
Reposition	917.61	16.8%	11.1%	50.0%	8.3%	16.8%	6.4%	11.0%	7.5%	10.6%	2.6%	24.9%	0.0%	4.7%
Diagnoses (Add-On)														
Alzheimers	241.31	32.8%	4.7%	0.0%	10.0%	32.8%	7.5%	0.0%	3.7%	21.2%	15.6%	11.6%	10.0%	13.1%
New Variables														
Bath_Position	231.44	83.2%	76.7%	50.0%	84.8%	83.2%	70.4%	76.9%	84.1%	80.9%	79.5%	58.7%	100.0%	78.9%
Incidents														
Incidents_0	0.00	100.0%	95.3%	100.0%	98.9%	100.0%	96.9%	94.5%	95.3%	95.8%	100.0%	97.3%	93.3%	100.0%
Incidents_1	643.19	0.0%	4.7%	0.0%	0.6%	0.0%	3.1%	5.5%	4.7%	2.1%	0.0%	1.8%	3.3%	0.0%
Incidents_2+	1,608.00	0.0%	0.0%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	2.1%	0.0%	0.9%	3.3%	0.0%
MCO/GSR Physically Disabled Composite		\$3,174.64	\$2,697.06	\$3,544.40	\$2,524.85	\$3,174.64	\$2,605.19	\$2,242.13	\$2,282.18	\$2,854.59	\$2,495.62	\$3,461.49	\$2,424.88	\$2,328.95
GSR Physically Disabled Composite		\$3,174.64	\$2,697.06	\$2,546.66	\$2,479.69	\$3,174.64	\$2,809.20	\$2,302.96	\$2,479.69	\$2,854.59	\$2,546.66	\$2,809.20	\$2,424.88	\$2,302.96
MCO/GSR Experience Credibility Weight		34.5%	65.6%	14.1%	100.0%	0.0%	100.0%	42.7%	100.0%	68.6%	62.5%	100.0%	54.8%	65.3%
Final Blended Physically Disabled Composite	\$2,621.18	\$3,174.64	\$2,697.06	\$2,687.76	\$2,524.85	\$3,174.64	\$2,605.19	\$2,277.01	\$2,282.18	\$2,854.59	\$2,514.74	\$3,461.49	\$2,424.88	\$2,319.92
Preliminary Blended Physically Disabled Risk Score		1.2111	1.0289	1.0254	0.9632	1.2111	0.9939	0.8687	0.8707	1.0890	0.9594	1.3206	0.9251	0.8851
Family Care Partnership Acuity Adjustment		0.9533	0.9533	0.9533	0.9533	0.9533	0.9533	0.9533	0.9533	0.9533	0.9533	0.9533	0.9533	0.9533
Final Blended Physically Disabled Risk Score		1.1546	0.9809	0.9775	0.9183	1.1546	0.9475	0.8281	0.8300	1.0382	0.9146	1.2589	0.8819	0.8437

Exhibit F3
 Wisconsin Department of Health Services
 CY 2021 Partnership Capitation Rate Development
 MCO/GSR Functional Screen Attribute Distribution for Family Care Partnership/PACE - June 2020 Enrollment
 Frail Elderly

Variable	Statewide Estimate	MCWHP (GSR 3)	MCWHP (GSR 5)	MCWHP (GSR 6)	MCWHP (GSR 12)	iCare (GSR 3)	iCare (GSR 8)	iCare (GSR 11)	iCare (GSR 12)	CCHP - PACE	CCHP (GSR 6)	CCHP (GSR 8)	CCHP (GSR 10)	CCHP (GSR 11)
Intercept (Grid Component)	714.83	100.0%	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	8,396.78	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.3%	0.0%	2.3%	0.0%	0.0%
SNF	444.91	23.1%	17.1%	25.0%	18.8%	23.1%	25.7%	46.2%	25.9%	22.9%	25.6%	43.4%	27.2%	29.1%
Number of IADLs (Grid Component)														
IADL_1	0.00	0.0%	7.9%	0.0%	6.7%	0.0%	11.3%	0.0%	9.7%	2.5%	1.4%	9.2%	0.0%	10.0%
IADL_2	304.91	11.5%	13.4%	16.7%	15.5%	11.5%	20.9%	7.7%	24.0%	8.3%	15.4%	6.9%	12.2%	12.3%
IADL_3	595.77	11.5%	13.6%	16.7%	15.7%	11.5%	20.4%	23.1%	16.2%	14.2%	19.7%	4.6%	10.7%	7.2%
IADL_4-5	967.23	76.9%	65.0%	66.7%	62.1%	76.9%	47.4%	69.2%	50.1%	75.0%	63.5%	79.3%	77.1%	70.5%
Specific ADLs / Equipment Used (Add-On)														
Bathing_1	176.85	42.3%	38.5%	41.7%	40.7%	42.3%	66.3%	53.8%	70.2%	44.3%	55.1%	41.4%	47.4%	49.9%
Bathing_2	384.15	53.8%	56.6%	50.0%	52.9%	53.8%	29.3%	46.2%	24.4%	50.8%	35.1%	58.6%	46.5%	42.8%
Toileting_1-2	287.18	84.6%	71.3%	66.7%	68.0%	84.6%	66.2%	61.5%	62.0%	62.4%	64.9%	74.7%	65.4%	53.7%
Transfer_2	672.48	38.5%	32.0%	25.0%	28.1%	38.5%	24.3%	23.1%	16.2%	30.9%	29.8%	41.1%	30.7%	19.9%
Interaction Terms (Add-On)														
Seizure Post-22_Alcohol/Drug Abuse	377.66	0.0%	2.4%	0.0%	1.0%	0.0%	2.8%	0.0%	0.0%	0.7%	0.0%	2.3%	0.0%	0.0%
Seizure Post-22_Bipolar	571.47	0.0%	0.0%	0.0%	0.3%	0.0%	0.8%	0.0%	0.0%	0.2%	1.4%	0.0%	0.0%	0.0%
Trauma BI Post-22_Anxiety	353.44	0.0%	1.2%	0.0%	0.9%	0.0%	1.6%	0.0%	3.2%	0.0%	0.0%	0.0%	0.0%	1.8%
Transfer_Equip_Mobility	783.42	23.1%	11.0%	8.3%	7.9%	23.1%	4.6%	7.7%	8.6%	9.1%	8.4%	9.2%	5.8%	12.7%
Behavioral Variables (Add-On)														
Cognition_2	180.08	38.5%	31.8%	41.7%	35.2%	38.5%	28.6%	38.5%	35.0%	31.0%	38.2%	17.4%	36.5%	48.8%
Cognition_3	213.17	3.8%	11.4%	0.0%	7.4%	3.8%	7.4%	23.1%	7.6%	30.0%	12.6%	46.0%	8.0%	7.2%
Offensive_1-3	214.43	7.7%	3.7%	0.0%	5.2%	7.7%	6.0%	30.8%	4.4%	9.1%	7.0%	20.7%	8.2%	5.4%
Wander_2	126.09	0.0%	1.2%	0.0%	2.8%	0.0%	1.2%	23.1%	2.1%	2.7%	2.8%	13.8%	4.1%	3.6%
Mental Health_2	134.99	57.7%	66.4%	75.0%	69.6%	57.7%	59.8%	84.6%	67.6%	50.0%	74.7%	57.3%	87.8%	70.5%
Alcohol Drug Abuse	145.74	11.5%	18.3%	0.0%	14.9%	11.5%	16.7%	0.0%	10.8%	7.9%	4.2%	16.1%	6.1%	12.7%
Health Related Services (Add-On)														
Dialysis	268.91	3.8%	0.0%	0.0%	0.7%	3.8%	4.0%	0.0%	1.1%	2.5%	2.8%	4.6%	4.1%	2.0%
Exercise	255.48	26.9%	23.5%	8.3%	12.5%	26.9%	11.9%	7.7%	18.8%	9.8%	8.4%	9.2%	8.2%	0.0%
Ulcer Stage 2	429.81	0.0%	1.8%	0.0%	0.7%	0.0%	1.0%	0.0%	0.0%	0.5%	1.4%	2.3%	0.0%	0.0%
Ulcer Stage 3-4	787.18	3.8%	0.0%	0.0%	0.7%	3.8%	1.5%	0.0%	0.0%	0.9%	4.5%	0.0%	4.1%	3.6%
Tracheostomy	4,178.15	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	1.1%	0.5%	0.0%	0.0%	0.0%	1.8%
Reposition	536.07	30.8%	10.2%	0.0%	7.2%	30.8%	5.6%	15.4%	5.4%	11.6%	16.9%	15.8%	2.3%	7.2%
Diagnoses (Add-On)														
Alzheimers	144.93	46.2%	41.5%	58.3%	40.9%	46.2%	22.7%	46.2%	30.6%	57.6%	39.3%	56.6%	59.2%	59.6%
Mental Illness	164.36	15.4%	11.4%	25.0%	15.3%	15.4%	22.7%	38.5%	14.3%	16.3%	38.2%	18.4%	20.4%	43.4%
Incidents														
Incidents_0	0.00	100.0%	98.8%	100.0%	98.6%	100.0%	98.0%	100.0%	100.0%	98.2%	100.0%	100.0%	100.0%	100.0%
Incidents_1+	542.34	0.0%	1.2%	0.0%	1.4%	0.0%	2.0%	0.0%	0.0%	1.8%	0.0%	0.0%	0.0%	0.0%
MCO/GSR Frail Elderly Composite		\$3,184.73	\$2,762.09	\$2,634.81	\$2,667.56	\$3,184.73	\$2,468.97	\$2,975.42	\$2,459.10	\$2,878.10	\$2,801.69	\$3,321.84	\$2,812.98	\$2,791.55
GSR Frail Elderly Composite		\$3,184.73	\$2,762.09	\$2,777.62	\$2,647.38	\$3,184.73	\$2,595.88	\$2,826.53	\$2,647.38	\$2,878.10	\$2,777.62	\$2,595.88	\$2,812.98	\$2,826.53
MCO/GSR Experience Credibility Weight		51.0%	90.5%	34.6%	100.0%	0.0%	100.0%	36.1%	96.2%	100.0%	84.4%	65.9%	70.0%	74.4%
Final Blended Frail Elderly Composite	\$2,712.85	\$3,184.73	\$2,762.09	\$2,728.15	\$2,667.56	\$3,184.73	\$2,468.97	\$2,880.21	\$2,466.20	\$2,878.10	\$2,797.93	\$3,074.32	\$2,812.98	\$2,800.51
Preliminary Blended Frail Elderly Risk Score		1.1739	1.0182	1.0056	0.9833	1.1739	0.9101	1.0617	0.9091	1.0609	1.0314	1.1332	1.0369	1.0323
Family Care Partnership Acuity Adjustment		0.9483	0.9483	0.9483	0.9483	0.9483	0.9483	0.9483	0.9483	0.9483	0.9483	0.9483	0.9483	0.9483
Final Blended Frail Elderly Risk Score		1.1133	0.9655	0.9537	0.9325	1.1133	0.8631	1.0068	0.8621	1.0061	0.9781	1.0747	0.9833	0.9790

Exhibit G1
Wisconsin Department of Health Services
CY 2021 Partnership Capitation Rate Development
Development of Service Portion of LTC Rate

DD Development	(A) MCO/GSR Specific Base Rate Development				(E) Projection to CY 2021								(F) = (D) x (E)	
	2021 Exposure Months	2021 FC Regression Results			2021 DD Adjustment Factors									
		FC Statewide DD Base Costs	FCP Experience Adjustment Factor	FCP Risk Score - June 2020 Enrollment	MCO/GSR Specific Risk Adjusted Rate	Two-Year Utilization Trend	Two-Year Unit Cost Trend	Two-Year Acuity Trend	Geographic Adjustment Factor	Nursing Home Rate Increase	Personal Care Rate Increase	Provider Reimbursement Increase		DME Adjustment
MCWHP (GSR 3)	217	\$3,747.84	1.0716	0.7988	\$3,208.06	0.9718	0.9956	1.0486	0.9626	1.0021	1.0002	1.0175	0.9995	\$3,193.04
MCWHP (GSR 5)	791	3,747.84	1.0716	1.0223	4,105.58	0.9718	0.9956	1.0486	0.9626	1.0012	1.0002	1.0175	0.9995	4,082.64
MCWHP (GSR 6)	87	3,747.84	1.0716	0.7772	3,121.19	0.9718	0.9956	1.0486	1.0321	1.0012	1.0002	1.0175	0.9995	3,327.88
MCWHP (GSR 12)	3,279	3,747.84	1.0716	0.8105	3,255.02	0.9718	0.9956	1.0486	1.0320	1.0003	1.0002	1.0087	0.9995	3,437.51
Care (GSR 3)	24	3,747.84	1.0716	0.7988	3,208.06	0.9718	0.9956	1.0486	0.9626	1.0021	1.0002	1.0175	0.9995	3,193.04
Care (GSR 5)	3,096	3,747.84	1.0716	1.0878	4,388.54	0.9718	0.9956	1.0486	0.9956	1.0027	1.0002	1.0175	0.9995	4,517.88
Care (GSR 11)	331	3,747.84	1.0716	0.9833	3,988.98	0.9718	0.9956	1.0486	1.0321	1.0013	1.0002	1.0175	0.9995	4,253.76
Care (GSR 12)	638	3,747.84	1.0716	0.8753	3,515.02	0.9718	0.9956	1.0486	1.0320	1.0003	1.0002	1.0087	0.9995	3,712.09
CCHP (GSR 6)	411	3,747.84	1.0716	0.7959	3,196.19	0.9718	0.9956	1.0486	1.0321	1.0012	1.0002	1.0175	0.9995	3,407.85
CCHP (GSR 8)	1,499	3,747.84	1.0716	1.4139	5,678.07	0.9718	0.9956	1.0486	0.9956	1.0027	1.0002	1.0175	0.9995	5,872.18
CCHP (GSR 10)	383	3,747.84	1.0716	1.1873	4,768.32	0.9718	0.9956	1.0486	0.9775	1.0011	1.0002	1.0175	0.9995	4,814.26
CCHP (GSR 11)	837	3,747.84	1.0716	0.8685	3,487.85	0.9718	0.9956	1.0486	1.0321	1.0013	1.0002	1.0175	0.9995	3,719.37
Total DD Cohort	11,882	\$3,747.84	1.0716	1.0011	\$4,020.28	0.9718	0.9956	1.0486	1.0086	1.0017	1.0002	1.0150	0.9995	\$4,180.65

PD Development	(A) MCO/GSR Specific Base Rate Development				(E) Projection to CY 2021								(F) = (D) x (E)	
	2021 Exposure Months	2021 FC Regression Results			2021 PD Adjustment Factors									
		FC Statewide PD Base Costs	FCP Experience Adjustment Factor	FCP Risk Score - June 2020 Enrollment	MCO/GSR Specific Risk Adjusted Rate	Two-Year Utilization Trend	Two-Year Unit Cost Trend	Two-Year Acuity Trend	Geographic Adjustment Factor	Nursing Home Rate Increase	Personal Care Rate Increase	Provider Reimbursement Increase		DME Adjustment
MCWHP (GSR 3)	138	\$2,540.65	1.0716	1.1546	\$3,143.26	0.9891	0.9978	1.0282	0.9629	1.0042	1.0006	1.0140	0.9984	\$3,124.02
MCWHP (GSR 5)	538	2,540.65	1.0716	0.9809	2,670.40	0.9891	0.9978	1.0282	0.9629	1.0040	1.0006	1.0140	0.9984	2,653.74
MCWHP (GSR 6)	50	2,540.65	1.0716	0.9775	2,661.19	0.9891	0.9978	1.0282	1.0324	1.0052	1.0006	1.0140	0.9984	2,841.80
MCWHP (GSR 12)	5,748	2,540.65	1.0716	0.9183	2,499.89	0.9891	0.9978	1.0282	1.0320	1.0041	1.0006	1.0070	0.9984	2,644.43
Care (GSR 3)	12	2,540.65	1.0716	1.1546	3,143.26	0.9891	0.9978	1.0282	0.9629	1.0042	1.0006	1.0140	0.9984	3,124.02
Care (GSR 5)	4,700	2,540.65	1.0716	0.9475	2,579.44	0.9891	0.9978	1.0282	0.9998	1.0052	1.0006	1.0140	0.9984	2,684.76
Care (GSR 11)	259	2,540.65	1.0716	0.8255	2,254.50	0.9891	0.9978	1.0282	1.0324	1.0051	1.0006	1.0140	0.9984	2,497.99
Care (GSR 12)	1,574	2,540.65	1.0716	0.8300	2,259.62	0.9891	0.9978	1.0282	1.0320	1.0041	1.0006	1.0070	0.9984	2,390.27
CCHP (GSR 6)	512	2,540.65	1.0716	0.9146	2,489.89	0.9891	0.9978	1.0282	1.0324	1.0062	1.0006	1.0140	0.9984	2,658.68
CCHP (GSR 8)	1,514	2,540.65	1.0716	1.2589	3,427.27	0.9891	0.9978	1.0282	0.9998	1.0052	1.0006	1.0140	0.9984	3,540.63
CCHP (GSR 10)	372	2,540.65	1.0716	0.8519	2,400.91	0.9891	0.9978	1.0282	0.9777	1.0069	1.0006	1.0140	0.9984	2,429.62
CCHP (GSR 11)	667	2,540.65	1.0716	0.8437	2,296.99	0.9891	0.9978	1.0282	1.0324	1.0061	1.0006	1.0140	0.9984	2,462.46
Total PD Cohort	15,984	\$2,540.65	1.0716	0.9499	\$2,585.97	0.9891	0.9978	1.0282	1.0142	1.0048	1.0006	1.0109	0.9984	\$2,700.52

FE Development	(A) MCO/GSR Specific Base Rate Development				(E) Projection to CY 2021								(F) = (D) x (E)	
	2021 Exposure Months	2021 FC Regression Results			2021 FE Adjustment Factors									
		FC Statewide FE Base Costs	FCP Experience Adjustment Factor	FCP Risk Score - June 2020 Enrollment	MCO/GSR Specific Risk Adjusted Rate	Two-Year Utilization Trend	Two-Year Unit Cost Trend	Two-Year Acuity Trend	Geographic Adjustment Factor	Nursing Home Rate Increase	Personal Care Rate Increase	Provider Reimbursement Increase		DME Adjustment
MCWHP (GSR 3)	321	\$2,674.40	1.0716	1.1133	\$3,190.41	0.9774	1.0084	1.0040	0.9641	1.0141	1.0002	1.0127	0.9992	\$3,124.20
MCWHP (GSR 5)	1,001	2,674.40	1.0716	0.9655	2,767.02	0.9774	1.0084	1.0040	0.9641	1.0056	1.0002	1.0127	0.9992	2,686.93
MCWHP (GSR 6)	229	2,674.40	1.0716	0.9537	2,733.02	0.9774	1.0084	1.0040	1.0338	1.0093	1.0002	1.0127	0.9992	2,855.99
MCWHP (GSR 12)	10,796	2,674.40	1.0716	0.9325	2,672.31	0.9774	1.0084	1.0040	1.0320	1.0035	1.0002	1.0064	0.9992	2,754.53
Care (GSR 3)	12	2,674.40	1.0716	1.1133	3,190.41	0.9774	1.0084	1.0040	0.9641	1.0141	1.0002	1.0127	0.9992	3,124.20
Care (GSR 5)	3,013	2,674.40	1.0716	0.8631	2,473.38	0.9774	1.0084	1.0040	1.0040	1.0106	1.0002	1.0127	0.9992	2,506.40
Care (GSR 11)	263	2,674.40	1.0716	1.0068	2,885.35	0.9774	1.0084	1.0040	1.0338	1.0067	1.0002	1.0127	0.9992	3,007.56
Care (GSR 12)	1,263	2,674.40	1.0716	0.8521	2,470.60	0.9774	1.0084	1.0040	1.0320	1.0035	1.0002	1.0064	0.9992	2,546.81
CCHP (GSR 6)	944	2,674.40	1.0716	0.9781	2,892.92	0.9774	1.0084	1.0040	1.0338	1.0093	1.0002	1.0127	0.9992	2,929.04
CCHP (GSR 8)	532	2,674.40	1.0716	1.0747	3,079.80	0.9774	1.0084	1.0040	1.0011	1.0106	1.0002	1.0127	0.9992	3,120.92
CCHP (GSR 10)	687	2,674.40	1.0716	0.9833	2,818.00	0.9774	1.0084	1.0040	0.9790	1.0055	1.0002	1.0127	0.9992	2,778.57
CCHP (GSR 11)	758	2,674.40	1.0716	0.9790	2,805.51	0.9774	1.0084	1.0040	1.0338	1.0067	1.0002	1.0127	0.9992	2,924.33
Total FE Cohort	19,819	\$2,674.40	1.0716	0.9329	\$2,673.54	0.9774	1.0084	1.0040	1.0201	1.0056	1.0002	1.0088	0.9992	\$2,736.36

Composite Development	(A) MCO/GSR Specific Base Rate Development				(E) Projection to CY 2021								(F) = (D) x (E)	
	2021 Exposure Months	2021 FC Regression Results			2021 Composite Adjustment Factors									
		FC Statewide Composite Base Costs	FCP Experience Adjustment Factor	FCP Risk Score - June 2020 Enrollment	MCO/GSR Specific Risk Adjusted Rate	Two-Year Utilization Trend	Two-Year Unit Cost Trend	Two-Year Acuity Trend	Geographic Adjustment Factor	Nursing Home Rate Increase	Personal Care Rate Increase	Provider Reimbursement Increase		DME Adjustment
MCWHP (GSR 3)	676	\$2,391.52	1.0716	0.9940	\$3,186.45	0.9779	1.0021	1.0231	0.9534	1.0081	1.0003	1.0145	0.9991	\$3,146.25
MCWHP (GSR 5)	2,330	3,007.90	1.0716	0.9925	3,199.10	0.9772	1.0068	1.0279	0.9532	1.0033	1.0003	1.0150	0.9992	3,153.06
MCWHP (GSR 6)	366	2,911.54	1.0716	0.9025	2,815.55	0.9774	1.0037	1.0188	1.0332	1.0067	1.0002	1.0141	0.9992	2,966.33
MCWHP (GSR 12)	19,824	2,813.19	1.0716	0.9019	2,718.72	0.9794	1.0030	1.0192	1.0320	1.0030	1.0003	1.0070	0.9990	2,835.59
Care (GSR 3)	48	3,177.68	1.0716	0.9361	3,187.45	0.9774	0.9993	1.0322	0.9630	1.0055	1.0003	1.0154	0.9992	3,158.56
Care (GSR 5)	10,808	2,923.71	1.0716	0.9775	3,092.32	0.9784	0.9993	1.0309	1.0000	1.0054	1.0003	1.0151	0.9990	3,151.40
Care (GSR 11)	853	3,050.03	1.0716	0.9552	3,121.93	0.9772	0.9997	1.0312	1.0327	1.0039	1.0003	1.0154	0.9992	3,308.63
Care (GSR 12)	3,475	2,810.77	1.0716	0.8522	2,566.66	0.9806	1.0010	1.0247	1.0320	1.0030	1.0004	1.0072	0.9989	2,689.63
CCHP (GSR 6)	1,867	2,873.91	1.0716	0.9104	2,803.56	0.9788	1.0029	1.0210	1.0330	1.0064	1.0003	1.0142	0.9991	2,960.21
CCHP (GSR 8)	3,535	3,069.27	1.0716	1.3145	4,323.12	0.9782	0.9977	1.0368	0.9998	1.0044	1.0003	1.0158	0.9991	4,459.63
CCHP (GSR 10)	1,442	2,924.79	1.0716	1.0300	3,228.01	0.9772	1.0013	1.0260	0.9782	1.0040	1.0003	1.0148	0.9992	3,228.82
CCHP (GSR 11)	2,161	3,055.01	1.0716	0.8970	2,936.42	0.9772	1.0003	1.0293	1.0327	1.0041	1.0003	1.0152	0.9992	3,108.49
Grand Total	47,385	\$2,891.65	1.0716	0.9585	\$2,973.47	0.9790	1.0011	1.0287	1.0145	1.0041	1.0003	1.0115	0.9991	\$3,077.28

Exhibit G2
Wisconsin Department of Health Services
CY 2021 Partnership Capitation Rate Development
Development of Service Portion of LTC Rates

DD Development	(A)	(B)	(C) = (A) + (B)
	Projected Per Capita Monthly Costs	Application of HCRP HCRP Pooled Claims	Projected Per Capita Monthly LTC Costs w/ HCRP
MCWHP (GSR 3)	\$3,193.04	\$235.77	\$3,428.81
MCWHP (GSR 5)	4,092.64	235.77	4,318.41
MCWHP (GSR 6)	3,327.88	235.77	3,563.65
MCWHP (GSR 12)	3,437.51	235.77	3,673.28
iCare (GSR 3)	3,193.04	235.77	3,428.81
iCare (GSR 8)	4,517.88	235.77	4,753.65
iCare (GSR 11)	4,253.76	235.77	4,489.53
iCare (GSR 12)	3,712.09	235.77	3,947.86
CCHP (GSR 6)	3,407.85	235.77	3,643.62
CCHP (GSR 8)	5,872.18	235.77	6,107.95
CCHP (GSR 10)	4,814.26	235.77	5,050.03
CCHP (GSR 11)	3,719.37	235.77	3,955.14
Total DD Cohort	\$4,180.65	\$235.77	\$4,416.42

PD Development	(A)	(B)	(C) = (A) + (B)
	Projected Per Capita Monthly Costs	Application of HCRP HCRP Pooled Claims	Projected Per Capita Monthly LTC Costs w/ HCRP
MCWHP (GSR 3)	\$3,124.02	\$33.73	\$3,157.75
MCWHP (GSR 5)	2,653.74	33.73	2,687.47
MCWHP (GSR 6)	2,841.60	33.73	2,875.33
MCWHP (GSR 12)	2,644.43	33.73	2,678.16
iCare (GSR 3)	3,124.02	33.73	3,157.75
iCare (GSR 8)	2,684.76	33.73	2,698.49
iCare (GSR 11)	2,407.69	33.73	2,441.42
iCare (GSR 12)	2,390.27	33.73	2,424.00
CCHP (GSR 6)	2,658.68	33.73	2,692.41
CCHP (GSR 8)	3,540.63	33.73	3,574.36
CCHP (GSR 10)	2,429.62	33.73	2,463.35
CCHP (GSR 11)	2,452.46	33.73	2,486.19
Total PD Cohort	\$2,700.52	\$33.73	\$2,734.25

FE Development	(A)	(B)	(C) = (A) + (B)
	Projected Per Capita Monthly Costs	Application of HCRP HCRP Pooled Claims	Projected Per Capita Monthly LTC Costs w/ HCRP
MCWHP (GSR 3)	\$3,124.20	\$5.39	\$3,129.59
MCWHP (GSR 5)	2,686.93	5.39	2,692.32
MCWHP (GSR 6)	2,855.99	5.39	2,861.38
MCWHP (GSR 12)	2,754.53	5.39	2,759.92
iCare (GSR 3)	3,124.20	5.39	3,129.59
iCare (GSR 8)	2,506.40	5.39	2,511.79
iCare (GSR 11)	3,007.56	5.39	3,012.95
iCare (GSR 12)	2,546.81	5.39	2,552.20
CCHP (GSR 6)	2,929.04	5.39	2,934.43
CCHP (GSR 8)	3,120.92	5.39	3,126.31
CCHP (GSR 10)	2,778.57	5.39	2,783.96
CCHP (GSR 11)	2,924.33	5.39	2,929.72
Total FE Cohort	\$2,736.36	\$5.39	\$2,741.75

Composite Development	(A)	(B)	(C) = (A) + (B)
	Projected Per Capita Monthly Costs	Application of HCRP HCRP Pooled Claims	Projected Per Capita Monthly LTC Costs w/ HCRP
MCWHP (GSR 3)	\$3,146.25	\$65.09	\$3,211.34
MCWHP (GSR 5)	3,153.08	90.14	3,243.22
MCWHP (GSR 6)	2,966.33	64.11	3,030.44
MCWHP (GSR 12)	2,835.59	51.72	2,887.31
iCare (GSR 3)	3,158.36	127.57	3,285.93
iCare (GSR 8)	3,151.40	83.70	3,235.10
iCare (GSR 11)	3,308.63	103.31	3,411.94
iCare (GSR 12)	2,689.63	60.50	2,750.13
CCHP (GSR 6)	2,990.21	63.86	3,054.07
CCHP (GSR 8)	4,459.63	114.57	4,574.20
CCHP (GSR 10)	3,228.82	73.84	3,302.66
CCHP (GSR 11)	3,108.49	102.03	3,210.52
Grand Total Excluding PA	\$3,077.28	\$71.26	\$3,148.54

EXHIBITS H through I

Capitation Rate Development – Capitation Rates

State of Wisconsin Department of Health Services
CY 2021 Capitation Rate Development for Family Care Partnership Program

November 25, 2020

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 2021 capitation rates for the Family Care Partnership 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 H1
 Wisconsin Department of Health Services
 CY 2021 Partnership Capitation Rate Development
 Development of Non-Service Portion of Rates, MCE, and Final Capitation Rates

DD Development	2021 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)		(P) = (N) x 0.005		(Q) = (O) - (P)	
		LTC MCE Service Costs	2021 Gross LTC Service Costs	2021 HCRP Pooled Claims	2021 Net LTC Service Costs	2021 A&P Service Costs	MCE Service Costs	2021 Gross Service Costs	2021 Net Service Costs		Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2021 Capitation Rate	2021 Capitation Rate Less HCRP	P4P Withhold	2021 Capitation Rate Less HCRP and P4P Withhold															
MCWHP (GSR 3)	161	\$3,426.81	\$3,426.81	\$255.77	\$3,171.04	\$152.46	\$3,323.50	\$3,323.50	\$202.80	6.0%	2.0%	\$77.23	\$3,784.07	\$3,861.30	\$3,625.53	\$19.31	\$3,606.22	\$3,606.22	2.0%	2.0%	2.0%	2.0%	\$3,784.07	\$3,861.30	\$3,625.53	\$19.31	\$3,606.22	\$3,606.22	2.0%	2.0%	\$3,606.22	\$3,606.22		
MCWHP (GSR 5)	618	4,316.41	4,316.41	235.77	4,080.64	153.59	4,262.05	4,262.05	202.80	4.3%	2.0%	95.40	4,874.80	4,770.29	4,534.43	23.85	4,510.58	4,510.58	2.0%	2.0%	2.0%	2.0%	4,874.80	4,770.29	4,534.43	23.85	4,510.58	4,510.58	2.0%	2.0%	4,510.58	4,510.58		
MCWHP (GSR 8)	71	3,563.65	3,563.65	235.77	3,327.88	140.89	3,704.54	3,704.54	202.80	5.2%	2.0%	79.74	3,907.34	3,807.34	3,571.31	19.94	3,551.37	3,551.37	2.0%	2.0%	2.0%	2.0%	3,907.34	3,807.34	3,571.31	19.94	3,551.37	3,551.37	2.0%	2.0%	3,551.37	3,551.37		
MCWHP (GSR 12)	2,453	3,673.28	3,673.28	235.77	3,437.51	150.24	3,823.52	3,823.52	202.80	5.0%	2.0%	82.17	4,026.32	4,108.49	3,872.72	20.54	3,852.18	3,852.18	2.0%	2.0%	2.0%	2.0%	4,026.32	4,108.49	3,872.72	20.54	3,852.18	3,852.18	2.0%	2.0%	3,852.18	3,852.18		
ICare (GSR 3)	18	3,426.81	3,426.81	235.77	3,191.04	159.96	3,586.77	3,586.77	209.30	5.5%	2.0%	77.51	3,793.07	3,875.58	3,639.81	19.38	3,620.43	3,620.43	2.0%	2.0%	2.0%	2.0%	3,793.07	3,875.58	3,639.81	19.38	3,620.43	3,620.43	2.0%	2.0%	3,620.43	3,620.43		
ICare (GSR 8)	1,617	4,753.65	4,753.65	235.77	4,517.88	160.70	4,914.35	4,914.35	209.30	4.1%	2.0%	104.56	5,123.65	5,228.21	4,992.44	28.14	4,964.30	4,964.30	2.0%	2.0%	2.0%	2.0%	5,123.65	5,228.21	4,992.44	28.14	4,964.30	4,964.30	2.0%	2.0%	4,964.30	4,964.30		
ICare (GSR 11)	168	4,489.53	4,489.53	235.77	4,253.76	159.77	4,649.30	4,649.30	209.30	4.3%	2.0%	99.16	4,858.60	4,857.76	4,721.99	24.79	4,673.20	4,673.20	2.0%	2.0%	2.0%	2.0%	4,858.60	4,857.76	4,721.99	24.79	4,673.20	4,673.20	2.0%	2.0%	4,673.20	4,673.20		
ICare (GSR 12)	464	3,947.66	3,947.66	235.77	3,711.89	155.31	4,103.17	4,103.17	209.30	4.9%	2.0%	88.01	4,317.47	4,400.46	4,164.71	22.00	4,142.71	4,142.71	2.0%	2.0%	2.0%	2.0%	4,317.47	4,400.46	4,164.71	22.00	4,142.71	4,142.71	2.0%	2.0%	4,142.71	4,142.71		
CCHP (GSR 8)	302	3,843.62	3,843.62	235.77	3,607.85	150.79	3,794.41	3,794.41	203.10	5.1%	2.0%	81.58	3,997.51	4,079.09	3,843.32	20.40	3,828.92	3,828.92	2.0%	2.0%	2.0%	2.0%	3,997.51	4,079.09	3,843.32	20.40	3,828.92	3,828.92	2.0%	2.0%	3,828.92	3,828.92		
CCHP (GSR 8)	862	6,107.85	6,107.85	235.77	5,872.08	162.01	6,269.96	6,269.96	203.10	3.1%	2.0%	132.10	6,473.06	6,635.16	6,389.39	33.03	6,356.36	6,356.36	2.0%	2.0%	2.0%	2.0%	6,473.06	6,635.16	6,389.39	33.03	6,356.36	6,356.36	2.0%	2.0%	6,356.36	6,356.36		
CCHP (GSR 10)	296	3,050.03	3,050.03	235.77	2,814.26	156.72	3,206.75	3,206.75	203.10	3.8%	2.0%	110.41	3,409.65	3,520.26	3,284.49	27.60	3,256.89	3,256.89	2.0%	2.0%	2.0%	2.0%	3,409.65	3,520.26	3,284.49	27.60	3,256.89	3,256.89	2.0%	2.0%	3,256.89	3,256.89		
CCHP (GSR 11)	639	3,955.14	3,955.14	235.77	3,719.37	144.63	4,099.57	4,099.57	203.10	4.7%	2.0%	87.81	4,302.67	4,390.45	4,154.71	21.95	4,132.76	4,132.76	2.0%	2.0%	2.0%	2.0%	4,302.67	4,390.45	4,154.71	21.95	4,132.76	4,132.76	2.0%	2.0%	4,132.76	4,132.76		
Total DD Cohort	7,469	\$4,329.97	\$4,329.97	\$235.77	\$4,094.20	\$154.32	\$4,484.29	\$4,484.29	\$204.80	4.4%	2.0%	\$95.70	\$4,689.99	\$4,768.79	\$4,549.92	\$23.92	\$4,525.10	\$4,525.10	2.0%	2.0%	2.0%	2.0%	\$4,689.99	\$4,768.79	\$4,549.92	\$23.92	\$4,525.10	\$4,525.10	2.0%	2.0%	\$4,525.10	\$4,525.10		

11/25/2020 Milliman Page 18 of 27

Exhibit H2

Wisconsin Department of Health Services

2021 Partnership Capitation Rate Development

Development of Non-Service Portion of Rates, MCE, and Final Capitation Rates

Medicaid Only Population

	(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)	(P) = (N) x 0.005	(Q) = (O) - (P)	
DD Development	2021 Exposure Months	LTC MCE Service Costs	2021 Gross LTC Service Costs	2021 HCRP Pooled Claims	2021 Net LTC Service Costs	2021 A&P Service Costs	MCE Service Costs	2021 Gross Service Costs	2021 Net Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2021 Capitation Rate	2021 Capitation Rate Less HCRP	P4P Withhold	2021 Capitation Rate Less HCRP and P4P Withhold
MCWHP (GSR 3)	56	\$3,428.81	\$3,428.81	\$235.77	\$3,193.04	\$1,269.35	\$4,698.16	\$4,698.16	\$4,462.39	\$202.80	4.1%	2.0%	\$100.02	\$4,900.96	\$5,000.98	\$4,765.21	\$25.00	\$4,740.21
MCWHP (GSR 5)	172	4,318.41	4,318.41	235.77	4,082.64	1,356.38	5,674.79	5,674.79	5,439.02	202.80	3.5%	2.0%	119.95	5,877.59	5,997.54	5,761.77	\$29.99	5,731.78
MCWHP (GSR 6)	16	3,563.65	3,563.65	235.77	3,327.88	1,758.83	5,322.48	5,322.48	5,086.71	202.80	3.7%	2.0%	112.76	5,525.26	5,635.04	5,402.27	\$28.19	5,374.08
MCWHP (GSR 12)	826	3,673.28	3,673.28	235.77	3,437.51	1,786.02	5,459.30	5,459.30	5,223.53	202.80	3.6%	2.0%	115.55	5,662.10	5,771.65	5,548.80	\$28.89	5,519.91
iCare (GSR 3)	6	3,428.81	3,428.81	235.77	3,193.04	1,207.47	4,636.28	4,636.28	4,400.51	209.30	4.3%	2.0%	98.89	4,845.58	4,944.47	4,708.70	\$24.72	4,683.98
iCare (GSR 8)	1,479	4,753.65	4,753.65	235.77	4,517.88	1,661.31	6,114.96	6,114.96	5,178.19	209.30	3.2%	2.0%	135.19	6,324.26	6,759.45	6,523.68	\$33.80	6,489.88
iCare (GSR 11)	163	4,489.53	4,489.53	235.77	4,253.76	1,513.94	6,003.47	6,003.47	5,767.70	209.30	3.4%	2.0%	126.79	6,212.77	6,339.56	6,103.79	\$31.70	6,072.09
iCare (GSR 12)	174	3,947.86	3,947.86	235.77	3,712.09	1,978.30	5,926.16	5,926.16	5,690.39	209.30	3.4%	2.0%	125.21	6,135.46	6,262.67	6,024.90	\$31.30	5,993.60
COHP (GSR 6)	109	3,943.62	3,943.62	235.77	3,707.85	1,741.35	5,384.97	5,384.97	5,149.20	203.10	3.8%	2.0%	114.04	5,588.07	5,702.11	5,468.34	\$28.51	5,439.83
COHP (GSR 8)	627	6,107.95	6,107.95	235.77	5,872.18	2,758.23	8,630.41	8,630.41	8,223.18	203.10	2.5%	2.0%	164.48	8,959.33	9,223.81	8,823.81	\$41.12	7,982.62
COHP (GSR 10)	87	5,050.03	5,050.03	235.77	4,814.26	1,497.97	6,548.00	6,548.00	6,312.23	203.10	3.0%	2.0%	137.78	6,751.10	6,888.88	6,653.11	\$34.44	6,618.67
COHP (GSR 11)	199	2,955.14	2,955.14	235.77	2,719.37	1,728.19	5,893.33	5,893.33	5,447.56	203.10	3.5%	2.0%	120.13	5,899.43	6,000.56	5,770.39	\$30.03	5,740.36
Total DD Cohort	3,913	\$4,585.83	\$4,585.83	\$235.77	\$4,350.06	\$1,692.18	\$6,278.01	\$6,278.01	\$6,042.24	\$295.90	3.2%	2.0%	\$132.33	\$6,483.91	\$6,614.24	\$6,380.47	\$33.08	\$6,347.39
PD Development	2021 Exposure Months	LTC MCE Service Costs	2021 Gross LTC Service Costs	2021 HCRP Pooled Claims	2021 Net LTC Service Costs	2021 A&P Service Costs	MCE Service Costs	2021 Gross Service Costs	2021 Net Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2021 Capitation Rate	2021 Capitation Rate Less HCRP	P4P Withhold	2021 Capitation Rate Less HCRP and P4P Withhold
MCWHP (GSR 3)	33	\$3,157.75	\$3,157.75	\$33.73	\$3,124.02	\$1,269.35	\$4,427.10	\$4,427.10	\$4,393.37	\$202.80	4.4%	2.0%	\$94.49	\$4,629.90	\$4,724.39	\$4,690.66	\$23.62	\$4,667.04
MCWHP (GSR 5)	116	2,687.47	2,687.47	33.73	2,653.74	1,356.38	4,043.85	4,043.85	4,010.12	202.80	4.8%	2.0%	86.67	4,246.65	4,332.32	4,299.59	\$21.67	4,277.92
MCWHP (GSR 6)	20	2,875.33	2,875.33	33.73	2,841.60	1,758.83	4,634.16	4,634.16	4,600.43	202.80	4.2%	2.0%	98.71	4,838.96	4,933.67	4,901.94	\$24.88	4,877.06
MCWHP (GSR 12)	1,981	2,678.16	2,678.16	33.73	2,644.43	1,786.02	4,464.18	4,464.18	4,430.45	202.80	4.3%	2.0%	95.24	4,666.98	4,762.22	4,728.49	\$23.81	4,704.68
iCare (GSR 3)	3	3,157.75	3,157.75	33.73	3,124.02	1,207.47	4,365.22	4,365.22	4,331.49	209.30	4.6%	2.0%	93.36	4,574.52	4,667.88	4,634.15	\$23.34	4,610.81
iCare (GSR 8)	2,601	2,698.49	2,698.49	33.73	2,664.76	1,661.31	4,359.80	4,359.80	4,326.07	209.30	4.6%	2.0%	93.25	4,569.10	4,662.35	4,628.62	\$23.31	4,605.31
iCare (GSR 11)	94	2,440.82	2,440.82	33.73	2,407.09	1,513.94	3,954.76	3,954.76	3,921.03	209.30	5.0%	2.0%	84.08	4,164.06	4,249.04	4,215.31	\$21.25	4,194.06
iCare (GSR 12)	757	2,424.00	2,424.00	33.73	2,390.27	1,978.30	4,402.30	4,402.30	4,368.57	209.30	4.7%	2.0%	94.11	4,611.60	4,705.71	4,671.98	\$23.53	4,648.45
COHP (GSR 6)	141	2,692.41	2,692.41	33.73	2,658.68	1,741.35	4,433.76	4,433.76	4,400.03	203.10	4.4%	2.0%	94.63	4,636.96	4,731.49	4,697.76	\$23.86	4,674.10
COHP (GSR 8)	842	3,574.36	3,574.36	33.73	3,540.63	1,748.26	5,322.64	5,322.64	5,288.91	203.10	3.7%	2.0%	112.77	5,525.74	5,635.81	5,602.78	\$28.19	5,574.59
COHP (GSR 10)	89	2,463.35	2,463.35	33.73	2,429.62	1,497.97	3,961.32	3,961.32	3,927.59	203.10	4.9%	2.0%	84.99	4,164.42	4,249.41	4,215.68	\$21.25	4,194.43
COHP (GSR 11)	175	2,486.19	2,486.19	33.73	2,452.46	1,728.19	4,214.38	4,214.38	4,180.65	203.10	4.6%	2.0%	90.15	4,417.48	4,502.63	4,473.39	\$22.54	4,450.85
Total PD Cohort	6,851	\$2,727.05	\$2,727.05	\$33.73	\$2,693.32	\$1,758.23	\$4,495.81	\$4,495.81	\$4,462.08	\$206.12	4.4%	2.0%	\$95.96	\$4,701.94	\$4,797.96	\$4,764.17	\$23.99	\$4,740.18
FE Development	2021 Exposure Months	LTC MCE Service Costs	2021 Gross LTC Service Costs	2021 HCRP Pooled Claims	2021 Net LTC Service Costs	2021 A&P Service Costs	MCE Service Costs	2021 Gross Service Costs	2021 Net Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2021 Capitation Rate	2021 Capitation Rate Less HCRP	P4P Withhold	2021 Capitation Rate Less HCRP and P4P Withhold
MCWHP (GSR 3)	10	\$3,129.59	\$3,129.59	\$5.39	\$3,124.20	\$1,269.35	\$4,398.94	\$4,398.94	\$4,365.21	\$202.80	4.4%	2.0%	\$93.91	\$4,601.74	\$4,695.65	\$4,695.65	\$23.40	\$4,672.25
MCWHP (GSR 5)	12	2,692.32	2,692.32	5.39	2,686.93	1,356.38	4,048.70	4,048.70	4,015.02	202.80	4.8%	2.0%	86.77	4,251.50	4,337.27	4,322.88	\$21.69	4,315.58
MCWHP (GSR 6)	-	2,861.38	2,861.38	5.39	2,855.99	1,758.83	4,620.21	4,620.21	4,614.82	202.80	4.2%	2.0%	98.43	4,823.01	4,921.44	4,916.05	\$24.61	4,891.44
MCWHP (GSR 12)	213	2,759.92	2,759.92	5.39	2,754.53	1,786.02	4,545.94	4,545.94	4,540.55	202.80	4.3%	2.0%	96.91	4,748.74	4,845.65	4,840.26	\$24.23	4,816.03
iCare (GSR 3)	0	3,129.59	3,129.59	5.39	3,124.20	1,207.47	4,337.06	4,337.06	4,331.67	209.30	4.6%	2.0%	92.78	4,546.36	4,633.75	4,633.75	\$23.20	4,610.55
iCare (GSR 8)	25	2,511.79	2,511.79	5.39	2,506.40	1,661.31	4,173.10	4,173.10	4,167.71	209.30	4.8%	2.0%	89.44	4,382.40	4,471.84	4,466.45	\$22.36	4,444.09
iCare (GSR 11)	-	3,012.95	3,012.95	5.39	3,007.56	1,513.94	4,520.89	4,520.89	4,521.50	209.30	4.4%	2.0%	96.66	4,736.19	4,832.85	4,827.46	\$24.18	4,803.30
iCare (GSR 12)	36	2,552.00	2,552.00	5.39	2,546.61	1,978.30	4,530.30	4,530.30	4,524.91	209.30	4.4%	2.0%	96.73	4,739.60	4,836.33	4,836.33	\$24.18	4,806.76
COHP (GSR 6)	-	2,834.43	2,834.43	5.39	2,829.04	1,741.35	4,675.78	4,675.78	4,670.39	203.10	4.2%	2.0%	99.57	4,878.88	4,978.45	4,973.06	\$24.89	4,948.17
COHP (GSR 8)	2	3,126.31	3,126.31	5.39	3,120.92	1,748.26	4,874.59	4,874.59	4,869.20	203.10	4.0%	2.0%	103.63	5,077.69	5,181.32	5,175.93	\$25.91	5,149.02
COHP (GSR 10)	7	2,783.96	2,783.96	5.39	2,778.57	1,497.97	4,281.93	4,281.93	4,276.54	203.10	4.5%	2.0%	91.53	4,485.03	4,576.56	4,571.17	\$22.88	4,548.29
COHP (GSR 11)	-	2,929.72	2,929.72	5.39	2,924.33	1,728.19	4,657.91	4,657.91	4,652.52	203.10	4.2%	2.0%	99.20	4,861.01	4,960.21	4,954.82	\$24.80	4,929.02
Total FE Cohort	385	\$2,727.05	\$2,727.05	\$5.39	\$2,721.66	\$1,758.23	\$4,495.28	\$4,495.28	\$4,478.89	\$204.12	4.4%	2.0%	\$95.70	\$4,699.40	\$4,785.10	\$4,778.71	\$23.93	\$4,754.78
Composite Development	2021 Exposure Months	LTC MCE Service Costs	2021 Gross LTC Service Costs	2021 HCRP Pooled Claims	2021 Net LTC Service Costs	2021 A&P Service Costs	MCE Service Costs	2021 Gross Service Costs	2021 Net Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2021 Capitation Rate	2021 Capitation Rate Less HCRP	P4P Withhold	2021 Capitation Rate Less HCRP and P4P Withhold
MCWHP (GSR 3)	98	\$3,309.69	\$3,309.69	\$146.20	\$3,163.43	\$1,269.35	\$4,379.04	\$4,379.04	\$4,345.28	\$202.80	4.2%	2.0%	\$97.59	\$4,581.84	\$4,679.43	\$4,713.17	\$24.40	\$4,708.77
MCWHP (GSR 5)	300	3,623.72	3,623.72	148.60	3,475.12	1,356.38	4,980.10	4,980.10	4,831.50	202.80	3.9%	2.0%	105.77	5,182.90	5,288.67	5,140.07	\$26.44	5,113.63
MCWHP (GSR 6)	36	3,184.15	3,184.15	124.38	3,059.77	1,758.83	4,942.98	4,942.98	4,818.60	202.80	3.9%	2.0%	105.02	5,145.78	5,250.80	5,126.42	\$26.25	5,100.17
MCWHP (GSR 12)	3,020	2,956.15	2,956.15	87.00	2,869.15	1,786.02	4,742.17	4,742.17	4,655.17	202.80	4.1%	2.0%	100.82	4,944.97	5,045.89	4,989.89	\$25.23	4,964.66
iCare (GSR 3)	9	3,335.62	3,335.62	166.03	3,169.59	1,207.47												

Exhibit H3
 Wisconsin Department of Health Services
 CY 2021 Partnership Capitation Rate Development
 Development of Non-Service Portion of Rates, MCE, and Final Capitation Rates

DD Development	2021 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)		(P) = (N) x 0.005		(Q) = (O) - (P)	
		LTC MCE Service Costs	2021 Gross LTC Service Costs	2021 HCRP Pooled Claims	2021 Net LTC Service Costs	2021 A&P Service Costs	MCE Service Costs	2021 Gross Service Costs	2021 Net Service Costs		Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2021 Capitation Rate	2021 Capitation Rate Less HCRP	P4P Withhold	2021 Capitation Rate Less HCRP and P4P Withhold															
MCWHP (GSR 3)	217	\$3,428.81	\$3,428.81	\$25.77	\$3,153.04	\$40.77	\$3,869.58	\$3,633.81	\$202.80	5.0%	2.0%	85.11	\$4,072.38	\$4,155.49	\$3,919.72	\$20.78	\$3,898.94																	
MCWHP (GSR 5)	791	4,316.41	4,316.41	235.77	4,080.64	415.85	4,734.26	4,598.49	202.80	4.1%	2.0%	100.76	4,937.06	5,020.82	4,802.65	21.19	4,779.66																	
MCWHP (GSR 8)	87	3,563.65	3,563.65	235.77	3,327.88	439.78	4,003.43	3,767.66	202.80	4.8%	2.0%	85.84	4,206.23	4,292.07	4,058.30	21.46	4,034.84																	
MCWHP (GSR 12)	3,279	3,073.28	3,073.28	235.77	2,837.51	562.41	4,235.69	3,999.92	202.80	4.6%	2.0%	90.58	4,438.49	4,529.07	4,293.30	22.65	4,270.65																	
iCare (GSR 3)	24	3,428.81	3,428.81	235.77	3,193.04	430.36	3,859.17	3,623.40	209.30	5.1%	2.0%	83.03	4,065.47	4,151.50	3,915.73	20.76	3,894.97																	
iCare (GSR 8)	3,096	4,753.65	4,753.65	235.77	4,517.88	877.58	5,631.23	5,395.46	209.30	3.6%	2.0%	119.19	5,840.53	5,929.72	5,723.95	29.80	5,694.15																	
iCare (GSR 11)	331	4,489.53	4,489.53	235.77	4,253.76	825.67	5,315.20	5,079.43	209.30	3.8%	2.0%	112.74	5,524.50	5,613.24	5,401.47	28.19	5,373.28																	
iCare (GSR 12)	638	3,947.86	3,947.86	235.77	3,712.09	653.10	4,600.96	4,365.19	209.30	4.4%	2.0%	96.17	4,810.26	4,901.93	4,672.66	24.54	4,648.12																	
CCHP (GSR 6)	411	3,843.62	3,843.62	235.77	3,607.85	571.61	4,215.23	3,979.46	203.10	4.6%	2.0%	90.17	4,418.33	4,508.50	4,272.73	22.54	4,250.19																	
CCHP (GSR 8)	1,489	6,107.95	6,107.95	235.77	5,872.18	828.97	6,837.92	6,602.15	203.10	2.8%	2.0%	145.74	7,141.02	7,236.76	7,000.99	36.43	7,014.56																	
CCHP (GSR 10)	383	3,050.03	3,050.03	235.77	2,814.26	460.75	3,512.78	3,277.01	203.10	3.6%	2.0%	116.61	3,713.88	3,804.49	3,568.72	29.15	3,539.57																	
CCHP (GSR 11)	837	3,955.14	3,955.14	235.77	3,719.37	519.61	4,474.75	4,238.98	203.10	4.3%	2.0%	95.47	4,677.85	4,773.32	4,537.55	23.87	4,513.68																	
Total DD cohort	11,582	\$4,416.42	\$4,416.42	\$235.77	\$4,180.65	\$673.84	\$5,090.36	\$4,854.89	\$266.18	3.9%	2.0%	\$108.07	\$5,295.54	\$5,403.61	\$5,167.84	\$27.02	\$5,140.82																	

PD Development	2021 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)		(P) = (N) x 0.005		(Q) = (O) - (P)	
		LTC MCE Service Costs	2021 Gross LTC Service Costs	2021 HCRP Pooled Claims	2021 Net LTC Service Costs	2021 A&P Service Costs	MCE Service Costs	2021 Gross Service Costs	2021 Net Service Costs		Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2021 Capitation Rate	2021 Capitation Rate Less HCRP	P4P Withhold	2021 Capitation Rate Less HCRP and P4P Withhold															
MCWHP (GSR 3)	138	\$3,157.75	\$3,157.75	\$33.73	\$3,124.02	\$419.03	\$3,573.78	\$3,340.05	\$202.80	6.4%	2.0%	87.07	\$3,771.58	\$3,855.65	\$3,619.92	\$19.27	\$3,596.65																	
MCWHP (GSR 5)	538	2,887.47	2,887.47	33.73	2,853.74	413.90	3,101.37	3,067.64	202.80	6.1%	2.0%	67.43	3,304.17	3,371.60	3,211.60	16.86	3,224.74																	
MCWHP (GSR 8)	50	2,875.33	2,875.33	33.73	2,841.60	778.26	3,653.59	3,619.86	202.80	5.3%	2.0%	78.03	3,856.39	3,935.09	3,901.36	19.68	3,881.68																	
MCWHP (GSR 12)	5,748	2,878.16	2,878.16	33.73	2,844.43	714.12	3,392.28	3,358.55	202.80	6.0%	2.0%	73.37	3,596.08	3,686.45	3,634.72	18.34	3,616.38																	
iCare (GSR 3)	12	3,157.75	3,157.75	33.73	3,124.02	407.15	3,564.90	3,531.17	209.30	5.5%	2.0%	77.02	3,774.20	3,851.22	3,817.49	19.26	3,798.23																	
iCare (GSR 8)	4,700	2,898.49	2,898.49	33.73	2,864.76	991.14	3,899.63	3,865.90	209.30	5.4%	2.0%	79.57	3,896.93	3,978.50	3,944.77	19.89	3,924.88																	
iCare (GSR 11)	259	2,440.82	2,440.82	33.73	2,407.09	653.60	3,064.62	3,030.89	209.30	6.3%	2.0%	67.43	3,263.92	3,347.15	3,313.42	16.86	3,296.56																	
iCare (GSR 12)	1,574	2,424.00	2,424.00	33.73	2,390.27	1,031.73	3,455.73	3,422.00	209.30	5.7%	2.0%	74.80	3,665.03	3,749.83	3,708.10	18.70	3,689.40																	
CCHP (GSR 6)	512	2,892.41	2,892.41	33.73	2,858.68	588.71	3,281.12	3,247.39	203.10	5.8%	2.0%	71.11	3,484.22	3,565.33	3,521.60	17.78	3,503.82																	
CCHP (GSR 8)	1,514	3,574.36	3,574.36	33.73	3,540.63	1,044.03	4,618.39	4,584.66	203.10	4.2%	2.0%	98.40	4,821.49	4,910.89	4,886.16	24.60	4,861.56																	
CCHP (GSR 10)	372	2,463.35	2,463.35	33.73	2,429.62	476.38	2,939.73	2,906.00	203.10	6.5%	2.0%	64.14	3,142.83	3,226.97	3,193.24	18.03	3,175.21																	
CCHP (GSR 11)	607	2,498.19	2,498.19	33.73	2,464.46	653.14	3,119.33	3,085.60	203.10	6.1%	2.0%	67.80	3,322.43	3,407.23	3,372.50	16.95	3,355.55																	
Total PD cohort	15,984	\$2,734.25	\$2,734.25	\$33.73	\$2,700.52	\$831.59	\$3,566.24	\$3,532.51	\$205.52	5.4%	2.0%	\$76.97	\$3,771.76	\$3,848.73	\$3,815.00	\$19.24	\$3,795.76																	

FE Development	2021 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)		(P) = (N) x 0.005		(Q) = (O) - (P)	
		LTC MCE Service Costs	2021 Gross LTC Service Costs	2021 HCRP Pooled Claims	2021 Net LTC Service Costs	2021 A&P Service Costs	MCE Service Costs	2021 Gross Service Costs	2021 Net Service Costs		Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2021 Capitation Rate	2021 Capitation Rate Less HCRP	P4P Withhold	2021 Capitation Rate Less HCRP and P4P Withhold															
MCWHP (GSR 3)	321	\$3,129.59	\$3,129.59	\$5.39	\$3,124.20	\$185.73	\$3,315.32	\$3,309.93	\$202.80	5.8%	2.0%	87.80	\$3,518.12	\$3,599.92	\$3,364.53	\$17.95	\$3,381.58																	
MCWHP (GSR 5)	1,001	2,892.32	2,892.32	5.39	2,886.93	167.44	2,899.76	2,894.37	202.80	6.6%	2.0%	62.50	3,092.56	3,179.06	3,146.97	16.63	3,129.34																	
MCWHP (GSR 8)	229	2,861.38	2,861.38	5.39	2,855.99	140.89	3,002.27	2,996.88	202.80	6.3%	2.0%	65.41	3,205.07	3,292.48	3,259.69	16.35	3,243.34																	
MCWHP (GSR 12)	10,796	2,759.92	2,759.92	5.39	2,754.53	182.49	2,942.41	2,937.02	202.80	6.4%	2.0%	64.19	3,145.21	3,232.62	3,200.23	16.05	3,184.18																	
iCare (GSR 3)	12	3,129.59	3,129.59	5.39	3,124.20	191.17	3,320.76	3,315.37	209.30	5.9%	2.0%	72.04	3,530.06	3,617.47	3,584.77	18.01	3,566.76																	
iCare (GSR 8)	3,013	2,511.79	2,511.79	5.39	2,506.40	173.21	2,685.00	2,679.61	209.30	7.2%	2.0%	59.07	2,894.37	2,981.78	2,948.05	14.77	2,933.28																	
iCare (GSR 11)	263	3,012.95	3,012.95	5.39	3,007.56	159.77	3,172.72	3,167.33	209.30	6.2%	2.0%	69.02	3,382.02	3,469.43	3,435.70	17.26	3,418.44																	
iCare (GSR 12)	1,263	2,552.00	2,552.00	5.39	2,546.61	207.35	2,759.35	2,753.96	209.30	7.1%	2.0%	60.58	2,966.65	3,054.06	3,020.33	15.15	3,005.18																	
CCHP (GSR 6)	944	2,934.43	2,934.43	5.39	2,929.04	150.79	3,085.22	3,079.83	203.10	6.2%	2.0%	67.11	3,288.32	3,375.73	3,342.00	16.78	3,325.22																	
CCHP (GSR 8)	532	3,126.31	3,126.31	5.39	3,120.92	167.35	3,293.66	3,288.27	203.10	5.8%	2.0%	71.36	3,490.76	3,578.17	3,544.44	17.84	3,526.60																	
CCHP (GSR 10)	687	2,783.96	2,783.96	5.39	2,778.57	170.90	2,954.86	2,949.47	203.10	6.4%	2.0%	64.45	3,157.96	3,245.37	3,211.64	16.11	3,200.53																	
CCHP (GSR 11)	758	2,929.72	2,929.72	5.39	2,924.33	144.43	3,074.15	3,068.76	203.10	6.2%	2.0%	66.88	3,277.25	3,364.66	3,330.93	16.72	3,314.21																	
Total FE cohort	19,819	\$2,741.75	\$2,741.75	\$5.39	\$2,736.36	\$177.41	\$2,919.16	\$2,913.77	\$204.34	6.5%	2.0%	\$63.74	\$3,123.50	\$3,187.24	\$3,153.85	\$16.94	\$3,136.91																	

Composite Development	2021 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)		(P) = (N) x 0.005		(Q) = (O) - (P)	
		LTC MCE Service Costs	2021 Gross LTC Service Costs	2021 HCRP Pooled Claims	2021 Net LTC Service Costs	2021 A&P Service Costs	MCE Service Costs	2021 Gross Service Costs	2021 Net Service Costs		Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2021 Capitation Rate	2021 Capitation Rate Less HCRP	P4P Withhold	2021 Capitation Rate Less HCRP and P4P Withhold															
MCWHP (GSR 3)	676	\$3,231.34	\$3,231.34	\$85.09	\$3,146.25	\$314.07	\$3,545.91	\$3,460.82	\$202.80	5.4%	2.0%	87.50	\$3,748.71	\$3,825.21	\$3,740.12	\$10.13	\$3,730.00																	
MCWHP (GSR 5)	2,330	3,243.20	3,243.20	90.14	3,153.06	308.71	3,551.91	3,461.77	202.80	6.4%	2.0%	76.63	3,754.71	3,831.54	3,741.20	19.16	3,722.04																	
MCWHP (GSR 8)	366	3,030.44	3,030.44	64.11	2,966.33	299.45	3,269.89	3,265.78	202.80	5.7%	2.0%	72.10	3,532.69	3,604.79	3,540.68	18.02	3,522.66																	
MCWHP (GSR 12)	19,824	2,887.31	2,887.31																															

Exhibit H
Wisconsin Department of Health Services
CY 2021 Partnership Capitation Rate Development
Monthly Rates Net of HRRP Paid to MCOs
Dual Eligible Population

2021 Exposure Months					(A)	(B)	(C)	(D)	E = (A) + (B) + (C) + (D)			(F)	(G) = (E) - (F)	(A)	(B)	(C)	(D)	E = (A) + (B) + (C) + (D)			(F)	(G) = (E) - (F)			
MCO / GSR	DD	PD	FE	Total	Developmentally Disabled								Physically Disabled												
					2021 Net LTC Service Costs	2021 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2021 Net Capitation Rate	P4P Withhold	2021 Net Capitation Rate Less P4P Withhold							2021 Net LTC Service Costs	2021 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2021 Net Capitation Rate	P4P Withhold	2021 Net Capitation Rate Less P4P Withhold	
MCWHP (GSR 3)	161	105	312	578	\$3,193.04	\$152.46	\$202.80	\$77.23	\$3,625.53	\$19.31	\$3,606.22	\$3,124.02	\$152.46	\$202.80	\$71.69	\$3,550.97	\$17.92	\$3,533.05							
MCWHP (GSR 5)	618	422	989	2,029	4,082.64	153.59	202.80	95.40	4,534.43	23.85	4,510.58	2,653.74	153.59	202.80	62.12	3,072.25	15.53	3,056.72							
MCWHP (GSR 6)	71	30	229	330	3,327.88	140.89	202.80	79.74	3,751.31	19.94	3,731.37	2,841.60	140.89	202.80	65.69	3,250.98	16.42	3,234.56							
MCWHP (GSR 12)	2,453	3,766	10,584	16,803	3,437.51	150.24	202.80	82.17	3,872.72	20.54	3,852.18	2,644.43	150.24	202.80	61.86	3,059.33	15.47	3,043.86							
iCare (GSR 3)	18	9	12	39	3,193.04	159.96	209.30	77.51	3,639.81	19.38	3,620.43	3,124.02	159.96	209.30	71.98	3,565.26	17.99	3,547.27							
iCare (GSR 8)	1,617	2,099	2,988	6,703	4,517.88	160.70	209.30	104.56	4,992.44	26.14	4,966.30	2,664.76	160.70	209.30	62.62	3,097.38	15.66	3,081.72							
iCare (GSR 11)	168	154	253	596	4,253.76	159.77	209.30	99.16	4,721.99	24.79	4,697.20	2,407.09	159.77	209.30	57.34	2,833.50	14.34	2,819.16							
iCare (GSR 12)	464	817	1,227	2,508	3,712.09	155.31	209.30	88.01	4,164.71	22.00	4,142.71	2,390.27	155.31	209.30	56.91	2,811.79	14.23	2,797.56							
CCHP (GSR 6)	302	371	944	1,617	3,407.85	150.79	203.10	81.58	3,843.32	20.40	3,822.92	2,658.68	150.79	203.10	62.17	3,074.74	15.54	3,059.20							
CCHP (GSR 8)	862	672	530	2,064	5,872.18	162.01	203.10	132.10	6,369.39	33.03	6,336.36	3,540.63	162.01	203.10	80.40	3,986.14	20.10	3,966.04							
CCHP (GSR 10)	296	283	680	1,260	4,814.26	156.72	203.10	110.41	5,284.49	27.60	5,256.89	2,429.62	156.72	203.10	57.62	2,847.06	14.40	2,832.66							
CCHP (GSR 11)	639	392	758	1,788	3,719.37	144.43	203.10	87.81	4,154.71	21.95	4,132.76	2,452.46	144.43	203.10	57.83	2,857.82	14.46	2,843.36							
Grand Total	7,669	9,132	19,515	36,316	4,094.20	154.32	204.80	95.70	4,549.02	23.92	4,525.10	2,680.84	154.27	205.06	62.73	3,102.90	15.69	3,087.21							

2021 Exposure Months					(A)	(B)	(C)	(D)	E = (A) + (B) + (C) + (D)			(F)	(G) = (E) - (F)	(A)	(B)	(C)	(D)	E = (A) + (B) + (C) + (D)			(F)	(G) = (E) - (F)			
MCO / GSR	DD	PD	FE	Total	Fragile Elderly								Composite Population												
					2021 Net LTC Service Costs	2021 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2021 Net Capitation Rate	P4P Withhold	2021 Net Capitation Rate Less P4P Withhold							2021 Net LTC Service Costs	2021 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2021 Net Capitation Rate	P4P Withhold	2021 Net Capitation Rate Less P4P Withhold	
MCWHP (GSR 3)	161	105	312	578	\$3,124.20	\$152.46	\$202.80	\$71.12	\$3,550.58	\$17.78	\$3,532.80	\$3,143.33	\$152.46	\$202.80	\$72.92	\$3,571.51	\$18.23	\$3,553.28							
MCWHP (GSR 5)	618	422	989	2,029	2,886.93	153.59	202.80	62.22	3,105.54	15.55	3,089.99	3,105.38	153.59	202.80	72.31	3,534.08	18.08	3,516.00							
MCWHP (GSR 6)	71	30	229	330	2,855.99	140.89	202.80	65.41	3,265.09	16.35	3,248.74	2,956.18	140.89	202.80	68.52	3,368.39	17.13	3,351.26							
MCWHP (GSR 12)	2,453	3,766	10,584	16,803	2,754.53	150.24	202.80	63.53	3,171.10	15.88	3,155.22	2,829.56	150.24	202.80	65.88	3,248.48	16.47	3,232.01							
iCare (GSR 3)	18	9	12	39	3,124.20	159.96	209.30	71.41	3,564.87	17.85	3,547.02	3,155.90	159.96	209.30	74.36	3,599.52	18.59	3,580.93							
iCare (GSR 8)	1,617	2,099	2,988	6,703	2,506.40	160.70	209.30	58.81	2,935.21	14.70	2,920.51	3,041.15	160.70	209.30	71.04	3,482.19	17.76	3,464.43							
iCare (GSR 11)	168	154	253	596	3,007.56	159.77	209.30	69.02	3,445.65	17.26	3,428.39	3,193.49	159.77	209.30	74.30	3,636.86	18.58	3,618.28							
iCare (GSR 12)	464	817	1,227	2,508	2,546.61	155.31	209.30	59.52	2,970.74	14.88	2,955.86	2,711.04	155.31	209.30	63.94	3,139.59	15.98	3,123.61							
CCHP (GSR 6)	302	371	944	1,617	2,929.04	150.79	203.10	67.11	3,350.04	16.78	3,333.26	2,956.42	150.79	203.10	68.68	3,378.99	17.17	3,361.82							
CCHP (GSR 8)	862	672	530	2,064	3,120.92	162.01	203.10	71.25	3,557.28	17.81	3,539.47	4,406.58	162.01	203.10	99.64	4,871.33	24.91	4,846.42							
CCHP (GSR 10)	296	283	680	1,260	2,778.57	156.72	203.10	64.16	3,202.55	16.04	3,186.51	3,178.47	156.72	203.10	73.56	3,611.85	18.39	3,593.46							
CCHP (GSR 11)	639	392	758	1,788	2,924.33	144.43	203.10	66.88	3,338.74	16.72	3,322.02	3,104.91	144.43	203.10	72.37	3,524.81	18.09	3,506.72							
Grand Total	7,669	9,132	19,515	36,316	2,736.59	152.74	204.34	63.25	3,156.91	15.81	3,141.10	3,009.25	153.46	204.62	69.97	3,437.29	17.49	3,419.80							

Exhibit B2
 Wisconsin Department of Health Services
 CY 2021 Partnership Capitation Rate Development
 Monthly Rates Net of HOPR Paid to MCOs
 Medicaid Only Population

2021 Exposure Months					(A)	(B)	(C)	(D)	E = (A) + (B) + (C) + (D)		(F)	(G) = (E) - (F)	(A)	(B)	(C)	(D)	E = (A) + (B) + (C) + (D)		(F)	(G) = (E) - (F)					
MCO / GSR	DD	PD	FE	Total	Developmentally Disabled				Physically Disabled				Frail Elderly				Composite Population								
					2021 Net LTC Service Costs	2021 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2021 Net Capitation Rate	P4P Withhold	2021 Net Capitation Rate Less P4P Withhold	2021 Net LTC Service Costs	2021 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2021 Net Capitation Rate	P4P Withhold	2021 Net Capitation Rate Less P4P Withhold	2021 Net LTC Service Costs	2021 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2021 Net Capitation Rate	P4P Withhold	2021 Net Capitation Rate Less P4P Withhold
MCWHP (GSR 3)	56	33	10	98	\$3,193.04	\$1,269.35	\$202.80	\$100.02	\$4,765.21	\$25.00	\$4,740.21	\$3,124.02	\$1,269.35	\$202.80	\$94.49	\$4,690.66	\$23.62	\$4,667.04	\$3,124.20	\$1,269.35	\$202.80	\$93.91	\$4,690.26	\$24.40	\$4,708.77
MCWHP (GSR 5)	172	116	12	300	4,082.64	1,356.38	202.80	119.95	5,761.77	29.99	5,731.78	2,866.93	1,356.38	202.80	86.67	4,299.59	21.67	4,277.92	2,866.93	1,356.38	202.80	86.77	4,332.88	21.69	4,311.19
MCWHP (GSR 6)	16	20	-	36	3,327.88	1,788.83	202.80	112.76	5,402.27	28.19	5,374.08	2,855.99	1,788.83	202.80	98.43	4,916.05	24.61	4,891.44	2,855.99	1,788.83	202.80	105.02	5,126.42	26.25	5,100.17
MCWHP (GSR 12)	826	1,981	213	3,020	3,437.51	1,786.02	202.80	115.55	5,541.88	28.89	5,512.99	2,754.52	1,786.02	202.80	96.91	4,840.26	24.23	4,816.03	2,754.52	1,786.02	202.80	100.92	4,968.89	25.23	4,936.66
iCare (GSR 3)	6	3	0	9	3,193.04	1,207.47	209.30	98.89	4,708.70	24.72	4,683.98	3,124.20	1,207.47	209.30	93.36	4,634.15	23.34	4,610.81	3,124.20	1,207.47	209.30	96.99	4,683.35	24.25	4,659.10
iCare (GSR 8)	1,479	2,601	25	4,105	4,517.98	1,661.31	209.30	135.19	6,523.68	33.80	6,489.88	2,506.40	1,661.31	209.30	108.33	5,310.39	27.08	5,283.31	2,506.40	1,661.31	209.30	108.33	5,310.39	27.08	5,283.31
iCare (GSR 11)	163	94	-	257	4,253.76	1,513.94	209.30	128.79	6,103.79	31.70	6,072.09	3,007.56	1,513.94	209.30	111.44	5,410.30	27.86	5,382.44	3,007.56	1,513.94	209.30	111.44	5,410.30	27.86	5,382.44
iCare (GSR 12)	174	757	36	967	3,712.09	1,978.30	209.30	125.21	6,024.90	31.30	5,993.60	2,546.61	1,978.30	209.30	99.81	4,921.52	24.95	4,896.57	2,546.61	1,978.30	209.30	99.81	4,921.52	24.95	4,896.57
CCHP (GSR 6)	109	141	-	250	3,407.85	1,741.35	203.10	114.04	5,466.34	28.51	5,437.83	2,929.04	1,741.35	203.10	103.08	5,032.26	25.77	5,006.49	2,929.04	1,741.35	203.10	103.08	5,032.26	25.77	5,006.49
CCHP (GSR 8)	627	842	2	1,471	5,872.18	1,748.28	203.10	164.48	7,988.04	41.12	7,946.92	3,120.92	1,748.28	203.10	134.80	6,620.27	33.70	6,586.57	3,120.92	1,748.28	203.10	134.80	6,620.27	33.70	6,586.57
CCHP (GSR 10)	87	89	7	183	4,814.26	1,497.97	203.10	137.78	6,653.11	34.44	6,618.67	2,778.57	1,497.97	203.10	110.32	5,387.33	27.58	5,359.75	2,778.57	1,497.97	203.10	110.32	5,387.33	27.58	5,359.75
CCHP (GSR 11)	198	175	-	373	3,719.37	1,728.19	203.10	120.13	5,770.79	30.03	5,740.76	2,924.33	1,728.19	203.10	106.08	5,163.05	26.52	5,136.53	2,924.33	1,728.19	203.10	106.08	5,163.05	26.52	5,136.53
Grand Total	3,913	6,851	305	11,069	4,350.06	1,692.18	205.90	132.33	6,380.47	33.08	6,347.39	3,300.51	1,720.71	206.00	108.80	5,336.02	27.20	5,308.81	3,300.51	1,720.71	206.00	108.80	5,336.02	27.20	5,308.81

EXHIBIT J

Actuarial Certification

State of Wisconsin Department of Health Services
CY 2021 Capitation Rate Development for Family Care Partnership Program

November 25, 2020

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 2021 capitation rates for the Family Care Partnership 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
Principal and Consulting Actuary

michael.cook@milliman.com

November 25, 2020

**Wisconsin Department of Health Services
Capitated Contracts Ratesetting
Actuarial Certification
CY 2021 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 calendar year (CY) 2020 for filing with the Centers for Medicare and Medicaid Services (CMS).

I reviewed the calculated capitation rates and am familiar with the following regulation and guidance:

- The requirements of 42 CFR §438.3(c), 438.3(e), 438.4, 438.5, 438.6, and 438.7
- CMS "Appendix A, PAHP, PIHP, and MCO Contracts Financial Review Documentation for At-risk Capitated Contracts Ratesetting dated November 10, 2014"
- 2020 to 2021 Medicaid Managed Care Rate Development Guide
- Actuarial Standard of Practice 49

The payment rates, methodology, data, and assumptions used to calculate the January 1, 2021 through December 31, 2021 rates are documented in our November 20, 2020 report to DHS, of which this certification is a part.

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.

In my opinion, the payment rates identified above are actuarially sound, as defined in 42 CFR §438.4, including that they:

1. Have been developed in accordance with generally accepted actuarial principles and practices and Actuarial Standards of Practice.
2. Are appropriate for the populations to be covered and the services furnished.
3. Meet the relevant actuarial requirements of 42 CFR §438.4(b).

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. These capitation rates may not be appropriate for all health plans. Any health plan considering participating in the Family Care Partnership program should consider their unique circumstances before deciding to contract under these rates.



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 and is positioned above a horizontal line.

Michael C. Cook
Member, American Academy of Actuaries

November 25, 2020



RELIANCE LETTER

Tony Evers
Governor



DIVISION OF MEDICAID SERVICES

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PO BOX 309
MADISON WI 53701-0309

Andrea Palm
Secretary

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November 20, 2020

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

RE: Data Reliance for Actuarial Certification of CY 2021 Family Care, Family Care Partnership, and PACE Capitation Rates

Dear Michael:

I, Benjamin M. Nerad, Director, Bureau of Rate Setting, hereby affirm that the listings and summaries prepared and submitted to Milliman, Inc. for the development of the CY 2021 Family Care, and Family Care Partnership, and PACE 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) 2017 through 2019 for the Family Care, Family Care Partnership, and 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 2017 through 2019 for the Family Care program.
3. Long Term Care Functional Screen (LTCFS) data extracts through June 2020 for the Family Care, Family Care Partnership, and PACE programs, and data files containing a list of non-victim incidents by member.
4. Data files containing enrollment information on capitated plan assignment, program and target group, geographic indicators, and demographic indicators (including ventilator-dependent members, tribal members, and AIDs members) for CY 2017 through 2019, and January 2020 through June 2020 for the Family Care, Family Care Partnership, and PACE programs.
5. Data file containing a list of screens impacted by changes to the target group automation algorithm.
6. Data files containing claims and enrollment information for the acute and primary portion of the Family Care Partnership and PACE programs.
7. Data files containing estimated monthly enrollment for CY 2021 in total and by health plan, geographic indicator, and target group for the Family Care, Family Care Partnership, and PACE programs.

8. Data dictionary files for the encounter, enrollment, and LTCFS files for the Family Care, Family Care Partnership, and PACE programs, including definitions of low and high activities of daily living, and instrumental activities of daily living, definitions of base and expansion cohorts, data files containing a mapping of functional screen fields to cost weight variables, and data files containing a mapping of services to broad categories of service.
9. CY 2017 through 2019 and January 2020 through June 2020 financials for health plans participating in the Family Care, Family Care Partnership, and PACE programs.
10. An administrative cost model for CY 2021 non-service costs to be applied to the Family Care, Family Care Partnership, and PACE programs.
11. A data file containing lists of allowed and dis-allowed services under managed care, including pharmacy NDCs for the Family Care, Family Care Partnership, and PACE programs.
12. Information and direction regarding the implementation of the High Cost Risk Pool for the Family Care, Family Care Partnership, and PACE programs.
13. Information and direction regarding the MCO business plans for the Family Care, Family Care Partnership, and PACE programs.
14. Estimates of additional MCO liability required to adhere to newly adopted interoperability requirements.
15. Information and direction regarding the goals of the PACE rate development.
16. Information and direction regarding the Pay for Performance and incentive payment mechanisms for the Family Care and Family Care Partnership programs, including expectations around withhold return.
17. Results of analyses performed by DHS regarding the fiscal impact of legislative and policy changes for the Family Care, Family Care Partnership, and PACE programs.
18. Any other items provided to Milliman to support the 2021 rate development not mentioned above for the Family Care, Family Care Partnership, and 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.



Name

November 20, 2020

Date

EXHIBITS K through L
CMS Rate Setting Checklist Issues
CMA Medicaid Managed Care Rate Development Guide

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.

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

The calendar year (CY) 2021 managed care organization (MCO) capitation rates are developed using 2018 and 2019 Wisconsin Medicaid long term care (LTC) MCO encounter data for the MCO eligible population, along with other information. DHS sets rates by MCO and Geographical Service Area (GSR).

Please refer to Sections II to V 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 2021 capitation rates is included as Exhibit J of this report. The CY 2021 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

Appendix B includes a projection of total expenditures and Federal-only expenditures based on Projected CY 2021 MCO enrollment and CY 2021 capitation rates. We used a 59.37% FMAP rate to calculate the Federal expenditures.

AA.1.3 – Risk Contracts

The Wisconsin Family Care Partnership program meet the criteria of a risk contract.

AA.1.4 – Modifications

The rates documented in this report are the initial capitation rates for the CY 2021 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 2021 Family Care Partnership capitation rates include a targeted margin of 2.0% for risk, profit, and contribution to reserves. We believe that this margin is appropriate given low service cost trends and the predictability of expenses under the program.

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 program does not cover the newly eligible Medicaid population. Therefore, none of the recipients are eligible for the enhanced Federal match under Section 1905(y).

Exhibit K

Rate Setting Checklist

AA.1.11 – Retroactive Adjustments

The CY 2021 rates documented in this report are the initial capitation rates for the CY 2021 Wisconsin Medicaid LTC managed care contracts and do not contain any retroactive adjustments.

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

The CY 2021 rate methodology relies on CY 2018 and CY 2019 MCO encounter data for the Family Care and Family Care Partnership programs as the primary data sources. Only State Plan and waiver services that are covered under the Wisconsin Family Care Partnership contract have been included in the rate development.

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

The CY 2021 capitation rate development methodology relies on data that includes only those eligible and currently enrolled in the Wisconsin Family Care and Family Care Partnership program and does not include experience for individuals not eligible to enroll in these programs.

AA.2.2 – Data Sources

The CY 2021 capitation rates are developed using Wisconsin Medicaid MCO encounter, eligibility, and functional screen data for CY 2018 and CY 2019 for the MCO eligible population as the primary data source.

Please refer to Section III to 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 Section III to 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.

AA.3.2 – Administrative Cost Allowance Calculations

The MCO capitation rates include explicit administrative allowances by MCO. Please see Section V of the report for more details regarding the administrative cost calculation.

AA.3.3 – Special Populations' Adjustments

The CY 2021 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 program population.

AA.3.4 – Eligibility Adjustments

The base MCO encounter data reflects experience for time periods where members were enrolled in a Family Care or Family Care Partnership MCO. Please see section IV of the report for more detail regarding eligibility adjustments.

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.

Exhibit K

Rate Setting Checklist

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 program does 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 2019 to CY 2021 were developed by rate category and type of service for Family Care Partnership eligible services and individuals using historical MCO encounter data from January 2017 to December 2019 and actuarial judgment.

The trend rates and inflation factors represent the expected change in per capita cost between CY 2019 and CY 2021, net of acuity changes.

Please see Section III-IV and Appendices C and D 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 2021 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 gross of patient liability, and DHS adjusts capitation paid for each member to reflect that individual's specific patient liability. Encounter payment amounts are gross of patient liability, so no adjustment to the data is necessary for this issue.

AA.3.15 – Incomplete Data Adjustment

The capitation rates include an adjustment to reflect IBNR claims and a missing data adjustment to acute and primary claims. Please refer to Section III and IV of this report for more information on the development of these adjustment factors.

Exhibit K

Rate Setting Checklist

AA.3.16 – Primary Care Rate Enhancement

Acute and primary care base data is comprised of claims paid after January 1, 2017 and would not reflect the impact of the primary care rate enhancement.

AA.3.17 – Health Homes

Not Applicable.

AA.4.0 – Establish Rate Category Groupings

Please refer to Sections III to 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.

AA.4.4 – Locality / Region

Geographic regions are defined in Appendix A.

AA.4.5 – Risk Adjustments

Acuity adjustment models are described in Step 1 of Section IV.

AA.5.0 – Data Smoothing

While we did not perform any explicit data smoothing, the High Cost Risk Pool (HCRP) was implemented in 2016 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 LTC component of the CY 2021 capitation rates uses an actuarially sound risk adjustment model based on a functional screen to adjust the rates for each participating MCO. Please see Section IV of this report. The risk adjustment mechanism has been developed in accordance with generally accepted actuarial principles and practices.

Exhibit K

Rate Setting Checklist

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

Effective January 1, 2016, DHS implemented a High Cost Risk Pool (HCRP) for the Developmentally Disabled, Physically Disabled, and, beginning January 1, 2017, the Frail Elderly 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 increased administrative burden to include them in this process.

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 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 2021 costs greater than \$225,000 reimbursed depending on whether actual CY 2021 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. If actual CY 2021 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.

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

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

The CY 2021 capitation rates will feature a risk corridor as described in Section VI of this report.

AA.7.0 – Incentive Arrangements

Please see Section VI of the rate report.

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

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

Exhibit L

Response to 2020 to 2021 Managed Care Rate Development Guide

I. MEDICAID MANAGED CARE RATES

1. General Information

A. Rate Development Standards

- i. The rate certification included herein is for the calendar year (CY) 2021 contract period. The previous certification was for the CY 2020 contract period.
- ii. This rate certification includes all of the items required in the rate development guide.
 - a. 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, 438.5, 438.6, and 438.7. The certification can be found in Exhibit J.
 - b. The final and certified capitation rates for all rate cells and regions can be found in Exhibit I. Please note, DHS anticipates paying MCOs separate by target group and dual eligibility status rather than the composite rate in 2021. Both sets of rates are certified as actuarially sound and are included in Exhibit I.
 - c. The items requested can be found in Sections I and II of this report.
- iii. Differences in capitation rates for covered the population are based on valid rate development standards and are not based on the rate of Federal financial participation associated with the covered population.
- iv. Each rate cell is developed independently to be actuarially sound and does not cross-subsidize payments for another rate cell.
- v. The effective dates of changes to the Medicaid program are consistent with the assumptions used to develop the capitation rates.
- vi. The target rate development MLR for the CY 2021 rates is 92.8%. As such, the capitation rates are developed such that MCOs can reasonably achieve a federal MLR of greater than 85%.
- vii. The rate certification submission does demonstrate that the capitation rates were developed using generally accepted actuarial practices and principles.
 - a. All adjustment to the capitation rates reflect reasonable, appropriate, and attainable costs.
 - b. No adjustments to the rates are performed outside of the initial rate setting process beyond those outlined in Sections III and VI of the report.
 - c. The final contracted rates in each cell match the capitation rates in the certification.
- viii. The capitation rates included in this submission are certified for all time periods in which they are effective. No rates for a previous time period are used for a future time period.
- ix. This rate certification conforms to the procedure for rate certifications and for rate and contract amendments. The CY 2021 rates documented in this report are the initial capitation rates for the CY 2021 Wisconsin Medicaid LTC managed care contracts.

B. Appropriate Documentation

- i. 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 standards are met.

Exhibit L

Response to 2020 to 2021 Managed Care Rate Development Guide

Please see Sections I, III, IV, and V 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
 - Methods for analyzing data and developing assumptions and adjustments
- ii. Service cost projection assumptions used in rate development do not differ by managed care organization. Capitation rates differ by MCO based on the MCO admin load, LTC risk score, and demographic mix.
 - iii. We detail within our responses in this guide the section of our report where each item described in the 2020 to 2021 Medicaid Managed Care Rate Development Guide can be found.
 - iv. All services and populations included in this rate certification are subject to the regular state FMAP.
 - v. Relative to the previous rating period, please see Section I of this report for the following details:
 - a. A comparison of the final certified rates in the prior certification.
 - b. A description of material changes to the capitation rate development process.
 - vi. These rates will be amended to incorporate additional funding distributed to Direct Care Workforce providers during the rate year. See section VI of this report for more information.

2. Data

A. Rate Development Standards

- i. The rate development process follows CMS rate development standards related to base data.
 - a. DHS provided Milliman with validated encounter data and financial reports for at least the three most recent and complete years prior to the rating period. Managed care plans and DHS have provided detailed financial reporting data for CY 2018 and CY 2019 to the state's actuaries for this and prior year rate development.
 - b. The rate development methodology uses current MCO encounter data. Sections III and IV includes documentation of the CY 2019 base data period used to develop the CY 2021 Family Care capitation rates.
 - c. The base data used is derived from the Medicaid population served under the Family Care and Family Care Partnership programs.
 - d. The CY 2021 rate calculation uses CY 2019 base data, which is within the CMS three-year requirement.

B. Appropriate Documentation

- i. Milliman did request and receive a full claims and enrollment database from DHS. Acute and primary care data is summarized in Exhibit A. DHS provided detailed financial reporting data for CY 2019 and encounter data for CY 2017 through CY 2019 to the state's actuaries for this year's rate development.
- ii. A detailed description of the data used in the rate development methodology can be found in Sections III to IV of this report. Sections III to IV also includes comments on the availability and quality of the data used for rate development.
 - a. The CY 2021 capitation rates for the Family Care Partnership program is developed using CY 2019 encounter data, financial data, and other information.

Exhibit L

Response to 2020 to 2021 Managed Care Rate Development Guide

- b. DHS and Milliman went through an extensive data validation process to review all capitated plan data included in the CY 2021 rate setting methodology. DHS internally reviews encounter data submissions and notifies plans of corrections necessary to allow for records to be accepted. Milliman reviewed the encounter and financial data.

The capitated plan financial data, encounter and FFS data, are all of very high quality and appropriate for use in rate development.
 - c. All base data is specific to the populations that will be covered under the CY 2021 Family Care Partnership capitation rates.
 - d. The rate documentation methodology does not use a data book separate from what is shown in the report.
- iii. The rate certification and attached report thoroughly describe any material 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.

3. Projected Benefit Costs

A. Rate Development Standards

- i. The final capitation rates shown in Exhibit I are based only upon services described in 42 CFR 438.3(c)(1)(ii) and 438.3(e).
- ii. Variations in assumptions used to develop the projected benefit costs for the covered population are not based on the rate of Federal financial participation associated with the covered population.
- iii. Each projected benefit cost trend assumption is reasonable and developed in accordance with generally accepted actuarial principles and practices using actual experience of the Medicaid population. Please refer to Sections III and IV of this report for the details.
- iv. Please refer to Sections III and IV of this report for the details related to the treatment of in-lieu of services.
- v. See Step 3 of Section III of this report for details related to the treatment of IMD costs.

B. Appropriate Documentation

- 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.
- ii. Please refer to Sections III to IV of this report for the methodology and assumptions used to project contract period benefit costs from the base period to CY 2021. Section I of the report highlights key methodological changes since the previous rate development.
- iii. The rate certification includes a section on projected benefit cost trends in compliance with 42 CFR §438.7(b)(2). See Step 3 of Section III and Step 3 of Section IV for details related to the development of projected benefit cost trends.
- iv. This certification does not include additional services deemed by the state to be necessary to comply with the parity standards of the Mental Health Parity and Addiction Equity Act
- v. There are no services provided in lieu of State Plan covered services.
- vi. Since the rate development base data reflects actual program experience, no adjustment for retrospective eligibility periods is necessary.
- vii. Section I documents the impact on projected costs for all material changes to covered benefits or services since the last rate certification. Impacts for all such changes are included in Sections III and IV.

Exhibit L

Response to 2020 to 2021 Managed Care Rate Development Guide

- viii. Sections III and IV of the rate certification includes an estimated impact of the change on the amount of projected benefit costs and a description of the data, assumptions, and methodologies used to develop the adjustment for each change related to covered benefits or services for CY 2021.

4. Special Contract Provisions Related to Payment

A. Incentive Arrangements

- i. Rate Development Standards

The pay for performance, the member relocation incentive payment, and the assisted living quality incentive payment are described in Section VI 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.

- ii. Appropriate Documentation

The rate certification includes a description of the incentive arrangement. See Section VI of the report.

B. Withhold Arrangements

- i. Rate Development Standards

The pay for performance withhold is described in Section VI of the report.

- ii. Appropriate Documentation

The rate certification includes a description of the withhold arrangement. See Section VI of the report.

C. Risk Sharing Mechanism

- i. Rate Development Standards

The functional screen risk adjustment and High Cost Risk Pool mechanisms have been developed in accordance with generally accepted actuarial principles and practices and cost neutral to the state in total.

The CY 2021 capitation rates will feature a risk corridor as described in Section IV of this report.

- ii. Appropriate Documentation

The rate certification includes a description of the risk sharing mechanisms. See Section IV of the report for the functional screen risk adjustment and High Cost Risk Pool mechanism and Section VI for the risk corridor mechanism.

D. Delivery System and Provider Payment Initiatives

- i. Rate Development Standards

The CY 2021 capitation rate methodology includes a maximum fee schedule established by the state.

When implemented and approved by CMS, rates will be revised and recertified for increased reimbursement for the Direct Care Workforce under and Alternate Payment Arrangement.

- ii. Appropriate Documentation

Please see Section VI of the rate report for additional documentation of this arrangement.

E. Pass-Through Payments

- i. Rate Development Standards

Exhibit L

Response to 2020 to 2021 Managed Care Rate Development Guide

The CY 2021 capitation rate methodology does not include any pass-through payments.

ii. Appropriate Documentation

The CY 2021 capitation rate methodology does not include any pass-through payments.

5. Projected Non-Benefit Costs

A. Rate Development Standards

- i. The development of the non-benefit component of the CY 2021 rates is compliant with 42 CFR §438.5(e) and include reasonable, appropriate, and attainable expenses related to MCO administration, taxes, licensing and regulatory fees, contribution to reserves, risk margin, and cost of capital.
- ii. The non-benefit costs included in the CY 2021 capitation rates are developed as a per member per month for common categories of administrative expenses. Please see Section V for additional detail on how the administrative component is calculated.
- iii. 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.
- iv. The Health Insurance Provider Fee is not in effect for CY 2021.

B. Appropriate Documentation

- i. Please refer to Section V of this report for a detailed description of the data and methodology used to develop of the projected non-benefit costs included in the capitation rates. The report includes a description of changes made since the last rate development.
- ii. The projected non-benefit costs include appropriate consideration for administrative costs, taxes, licensing and regulatory fees, other assessments and fees, contribution to reserves, risk margin, and cost of capital.
- iii. Projected administrative costs are developed based on the administrative cost model described in Sections III and IV of the report. This model develops cost projections based on the size of an MCO, but the assumptions are not specific to any particular MCO. Certified rates are not MCO-specific rates beyond reflecting differences in acuity and demographics.

Historical administrative costs are not used as part of the projection and are only used to review the appropriateness of the projected administrative load. The table below summarizes current and historical administrative costs by MCO. FCP MCOs receive capitation funding from Medicare that includes funds for administrative expenses. We assume that 37% of reported FCP administrative expenses are attributable to Medicare based on the relativity of Medicare and Medicaid service costs for the FCP program.

Wisconsin Department of Health Services Comparison of CY 2020 and CY 2021 Administrative PMPMs				
HMO	CY21 Medicaid Admin PMPM	Year Ending 12/31/19	Financials PMPM	Difference
iCare	\$201.80		\$172.24	\$29.57
CWHP - Trilogy	\$201.80		\$185.50	\$16.30
CCHP- FCP	\$201.80		\$197.91	\$3.90

- iv. The Health Insurance Provider Fee is not in effect for CY 2021.

Exhibit L

Response to 2020 to 2021 Managed Care Rate Development Guide

6. Risk Adjustment and Acuity Adjustment

A. Rate Development Standards

- i. The functional screen and risk adjustment detailed in Sections III and IV of the report are used for explaining costs of services covered under the contract for defined populations across MCOs.
- ii. The risk adjustment models has been developed in accordance with generally accepted actuarial principles and practices and cost neutral to the state in total.
- iii. Section IV of this report documents the use of acuity trends separate from benefit utilization and unit cost trends to consider the change in acuity for the Family Care Partnership population.

B. Appropriate Documentation

- i. The functional screen and risk adjustment processes are detailed in Sections III and IV of the report.
- ii. Section VI of the report documents the various retrospective risk adjustment mechanisms.
- iii. The rate certification and supporting documentation do specifically include a description of any changes that are made to risk adjustment models since the last rating period and documentation that the risk adjustment model is budget neutral in accordance with 42 CFR §438.5(g).
- iv. The rate certification includes a description of the acuity trend adjustment. This adjustment is developed according with generally accepted actuarial principles and practices.

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

1. Managed Long-Term Services and Supports

- A. The information included in Section I is applicable to both the acute and primary care and long-term care component of the capitation rates.
- B. Rate Development Standards
 - i. The Wisconsin Family Care Partnership program's capitation rates blend costs for individuals in all settings of care.
- C. Appropriate Documentation
 - i. Sections I to IV of this report address the following items:
 - a. The structure of the capitation rates and rate cells or rating categories.
 - b. The structure of the rates and the rate cells, and the data, assumptions, and methodology used to develop the rates in light of the overall rate setting approach.
 - c. Any other payment structures, incentives, or disincentives used to pay the MCOs.
 - d. The expected effect that managing LTSS has on the utilization and unit costs of services.
 - e. Any effect that the management of this care is expected to have within each care setting and any effect in managing the level of care that the beneficiary receives.
 - ii. Please refer to Section V of this report for a detailed description of the data and methodology used to develop the projected non-benefit costs included in the capitation rates. The report includes a description of changes made since the last rate development.

Exhibit L

Response to 2020 to 2021 Managed Care Rate Development Guide

- iii. The Wisconsin Family Care Partnership capitation rates presented in this report are based entirely on historical MCO encounter data and financial experience.
- iv. Please refer to Sections III and IV for a description of the data sources used to develop the assumptions used for rate setting.

III. NEW ADULT GROUP CAPITATION RATES

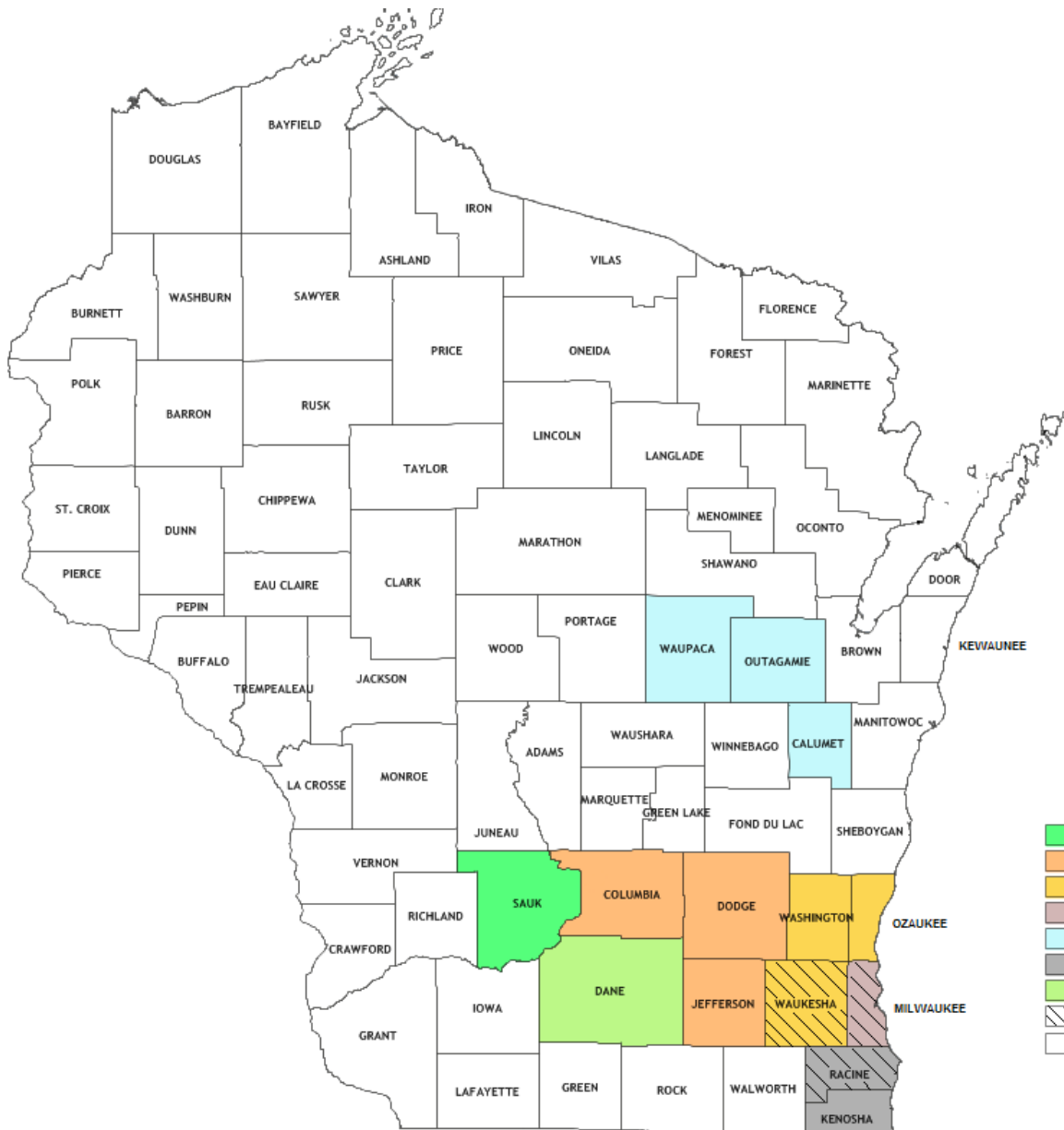
This certification does not include rates for the new adult group under 1902(a)(10)(A)(i)(VIII) of the Social Security Act.

APPENDIX A

State of Wisconsin Department of Health Services
CY 2021 Capitation Rate Development for Family Care Partnership Program

November 25, 2020

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 2021 capitation rates for the Family Care Partnership 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
- PACE Service Area
- No Current Program Operations

APPENDIX B

State of Wisconsin Department of Health Services
CY 2021 Capitation Rate Development for Family Care Partnership Program

November 25, 2020

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Appendix B
 Wisconsin Department of Health Services
 CY 2021 Partnership Capitation Rate Development
 Projected 2021 Family Care Partnership Expenditures

Enrollment Matrix by Base Rate Cell		Fiscal Results Matrix by Base Rate Cell				
MCO / GSR	2021 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
MCWHP (GSR 3)	676	\$3,825.21	\$2,271.03	\$1,536,026	\$1,554.18	\$1,051,183
MCWHP (GSR 5)	2,330	3,831.34	2,274.67	5,299,587	1,556.67	3,626,785
MCWHP (GSR 6)	366	3,604.79	2,140.16	783,785	1,464.63	536,385
MCWHP (GSR 12)	19,824	3,560.81	2,114.05	41,907,936	1,446.76	28,679,795
iCare (GSR 3)	48	3,939.09	2,338.64	112,781	1,600.45	77,182
iCare (GSR 8)	10,808	4,260.21	2,529.29	27,336,788	1,730.92	18,707,996
iCare (GSR 11)	853	4,274.52	2,537.78	2,163,540	1,736.74	1,480,624
iCare (GSR 12)	3,475	3,695.90	2,194.26	7,625,825	1,501.64	5,218,751
CCHP (GSR 6)	1,867	3,664.01	2,175.32	4,060,526	1,488.69	2,778,830
CCHP (GSR 8)	3,535	5,713.58	3,392.15	11,990,266	2,321.43	8,205,567
CCHP (GSR 10)	1,442	3,910.61	2,321.73	3,348,977	1,588.88	2,291,880
CCHP (GSR 11)	2,161	3,909.65	2,321.16	5,016,586	1,588.49	3,433,112
Grand Total	47,385	\$3,952.10	\$2,346.36	\$111,182,623	\$1,605.74	\$76,088,091

* Assuming FFY 2021 Federal Medical Assistance Percentage of 59.37%.

APPENDIX C

State of Wisconsin Department of Health Services
CY 2021 Capitation Rate Development for Family Care Partnership Program

November 25, 2020

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 2021 capitation rates for the Family Care Partnership 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
CY 2021 Partnership Capitation Rate Development
Acute and Primary Service Costs¹

Service Category	PMPM Costs, FCP Experience			Annual Trend		Selected Trend
	CY 2017	CY 2018	CY 2019	2017-2018	2018-2019	
Inpatient Hospital	\$172.90	\$208.08	\$215.34	20.3%	3.5%	
Outpatient Hospital	62.13	57.20	74.13	-7.9%	29.6%	
Dental	27.78	18.42	18.15	-33.7%	-1.5%	
Other Acute & Primary	120.35	118.06	120.56	-1.9%	2.1%	
Total	\$383.16	\$401.76	\$428.18	4.9%	6.6%	5.75%

¹AIDS / Vent Members are excluded for all years in trend development.

APPENDIX D

State of Wisconsin Department of Health Services
CY 2021 Capitation Rate Development for Family Care Partnership Program

November 25, 2020

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 2021 capitation rates for the Family Care Partnership 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
CY 2021 Partnership Capitation Rate Development
Family Care Trend Development¹

Target Group²	PMPM Costs, Family Care Experience			2017 to 2019 Annual Trend	Selected Trend³
	CY 2017	CY 2018	CY 2019		
Developmentally Disabled	3,569.54	3,637.73	3,737.73	2.33%	2.40%
Physically Disabled	2,191.82	2,239.50	2,328.41	3.07%	2.92%
Frail Elderly	2,502.76	2,542.14	2,628.71	2.49%	2.50%
	Acuity/Risk Scores				
	CY 2017	CY 2018	CY 2019		
Developmentally Disabled	0.9752	1.0007	1.0228	2.41%	2.40%
Physically Disabled	0.9881	0.9953	1.0161	1.41%	1.40%
Frail Elderly	1.0005	0.9970	1.0025	0.10%	0.20%
	Risk Adjusted PMPM Costs				
	CY 2017	CY 2018	CY 2019		
Developmentally Disabled	3,660.34	3,635.05	3,654.50	-0.08%	0.00%
Physically Disabled	2,218.30	2,249.99	2,291.47	1.64%	1.50%
Frail Elderly	2,501.58	2,549.78	2,622.20	2.38%	2.30%

¹ Base experience data excludes all MCOs in GSRs 12, 13, and 14, as well as expansion counties in GSRs 1, 4 and 5.

² Experience has been adjusted to account for updates made to the target group automation algorithm.

³ The final selected trends are based on the results of a regression analysis using monthly PMPM service costs from 2017 to 2019.

APPENDIX E

State of Wisconsin Department of Health Services
CY 2021 Capitation Rate Development for Family Care Partnership Program

November 25, 2020

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 2021 capitation rates for the Family Care Partnership 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 E
Wisconsin Department of Health Services
CY 2021 Partnership Capitation Rate Development
Family Care Geographic Factor Analysis

	Actual Costs			Projected Costs			Annual Weighting Ratios			Preliminary Adjustment Factor
	2016	2017	2018	2016	2017	2018	2016	2017	2018	
GSR										
GSR 1 (Non-Expansion)	\$3,082.12	\$3,225.90	\$3,213.93	\$3,043.10	\$3,224.25	\$3,431.93	16.7%	33.3%	50.0%	0.9705
GSR 1 (Expansion)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
GSR 4 (Non-Expansion)	2,910.93	2,970.53	2,887.53	2,935.54	3,025.09	3,057.47	16.7%	33.3%	50.0%	0.9648
GSR 4 (Expansion)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
GSR 7	2,898.82	2,981.50	2,917.10	3,005.91	3,079.77	3,116.78	16.7%	33.3%	50.0%	0.9514
GSR 9	2,921.18	3,005.40	3,087.60	2,945.58	2,953.06	2,991.20	16.7%	33.3%	50.0%	1.0206
GSR 10	2,953.23	3,096.95	3,139.20	3,064.42	3,111.95	3,087.49	16.7%	33.3%	50.0%	1.0007
Super Region 1	\$2,951.91	\$3,049.15	\$3,036.96	\$2,989.44	\$3,071.67	\$3,132.80	16.7%	33.3%	50.0%	0.9802
GSR 2	\$2,640.01	\$2,736.32	\$2,775.77	\$2,922.12	\$2,958.09	\$3,064.81	16.7%	33.3%	50.0%	0.9118
GSR 3	2,814.78	2,905.38	2,833.47	2,798.26	2,895.74	3,011.77	16.7%	33.3%	50.0%	0.9725
GSR 5 (Non-Expansion)	3,252.70	3,197.37	3,317.23	3,353.02	3,265.56	3,258.90	16.7%	33.3%	50.0%	0.9970
GSR 5 (Expansion)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Super Region 2	\$2,854.42	\$2,907.24	\$2,942.36	\$3,011.01	\$3,027.66	\$3,105.33	16.7%	33.3%	50.0%	0.9518
GSR 6	\$3,099.15	\$3,185.98	\$3,302.85	\$3,136.67	\$3,191.62	\$3,115.19	16.7%	33.3%	50.0%	1.0275
GSR 5-6	3,281.00	3,300.91	3,416.52	3,317.79	3,286.57	3,315.56	16.7%	33.3%	50.0%	1.0148
GSR 11	3,111.54	3,105.84	3,218.69	3,096.51	3,058.45	3,078.84	16.7%	33.3%	50.0%	1.0287
Super Region 3	\$3,173.16	\$3,203.28	\$3,317.14	\$3,192.99	\$3,183.48	\$3,178.68	16.7%	33.3%	50.0%	1.0228
Super Region 4: GSR 8	\$2,821.10	\$2,817.92	\$2,886.64	\$2,778.84	\$2,805.54	\$2,866.09	16.7%	33.3%	50.0%	1.0076
Super Region 5: GSR 12	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Super Region 6: GSR 13	\$3,375.68	\$3,328.91	\$3,362.15	\$3,039.30	\$3,072.66	\$3,150.06	16.7%	33.3%	50.0%	1.0799
Super Region 7: GSR 14	\$4,315.40	\$3,896.57	\$3,525.15	\$2,939.80	\$3,213.40	\$3,373.57	16.7%	33.3%	50.0%	1.1713

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