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December 15, 2021

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 2022 PACE Capitation Rate Report

Dear Elizabeth:

Thank you for the opportunity to assist the Wisconsin Department of Health Services (DHS) with this important project. Our report summarizes the development of the CY 2022 amount that would otherwise have been paid (AWOP) for the Program of All Inclusive Care for the Elderly (PACE) and the CY 2022 capitation rate for the PACE program.



Elizabeth, please let us know if you would like to discuss further or have any other questions.

Sincerely,

Michael C. Cook, FSA, MAAA
Principal and Consulting Actuary

James Johnson, FSA, MAAA
Consulting Actuary

MCC/JJ/tlg

Attachment

cc: Grant Cummings, DHS
Evan Gallagher, DHS
Zach Bauer, DHS

Briana Botros, Milliman
Ryan LeRoy, Milliman
Ryan Marinelli, DHS

MILLIMAN REPORT

State of Wisconsin

Department of Health Services Calendar Year 2022 Capitation Rate Development PACE Program

December 15, 2021

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

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

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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 2022 to December 2022 (CY 2022) amount that would otherwise have been paid (AWOP) and CY 2022 capitation rates for the PACE program. We developed these amounts using the methodology described in this report.

Our role is to develop the CY 2022 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 2022 PACE RATE

The CY 2022 capitation rate for the PACE program is \$4,428.48 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 2021 to CY 2022.

Table 1 Wisconsin Department of Health Services Comparison of CY 2021 and CY 2022 Capitation Rates	
CY 2021 Rates	\$3,760.81
CY 2022 Rates	\$4,428.48
% Change	17.75%

The main drivers of this rate change are similar to those explained in Appendix B for the Family Care Partnership program. Differences between the rate change for Family Care Partnership and PACE include:

- The increase in PACE acuity exceeded the increase in Family Care Partnership acuity, resulting in a 5.0% increase to PACE capitation rates.
- The differences in projected CY 2021 and CY 2022 PACE enrollment by Medicare status and target group resulted in a decrease of 1.0% to PACE capitation rates.
- The updated geographic factor used for the PACE service area resulted in an increase of 0.9% to PACE capitation rates.
- CY 2022 PACE and FCP capitation rates both include the Home and Community-Based Services State Directed Provider Increases effective June 1, 2021. This increase was included in CY 2021 FCP capitation rates, but not in 2021 PACE capitation rates. Thus, for PACE only, CY 2022 capitation rates include a 1.7% increase relative to CY 2021 capitation rates.

DATA RELIANCE AND IMPORTANT CAVEATS

Milliman prepared this report for the specific purpose of developing CY 2022 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 2022 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, CY 2020, and June 2021, 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 2022 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. These rates may not be appropriate for all MCOs. 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.

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) if PACE were not in existence. 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 population's functional status
- Projected target group distribution
- Projected Medicare eligibility distribution
- Projected age group distribution
- 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 2022 Family Care Partnership Rate report, which is included as Appendix B to this report, for full details of the initial AWOP rate development methodology. This report then applies additional adjustments to develop the final AWOP rates and capitation rates.

Please note, that 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 2022 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 through A3 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.

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 adjustments to project CY 2022 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 2022 service costs into a PACE-specific projected cost based on the projected demographic distribution of CY 2022 PACE enrollees.

Exhibit C of this report shows the projected CY 2022 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. Capitation rates will be paid separately for Dual Eligible and Medicaid Only members, so total population rates in Exhibit D3 are for illustrative purposes only.

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 2022 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 4 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 cost 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 Family Care Partnership experience adjustment.**
2. Apply adjustments to account for the member acuity level of the PACE population using June 2021 PACE screens and the functional status acuity model developed from Family Care and Family Care Partnership experience. Note, 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 2021 PACE enrolled population with each variable for the three functional status models used in calculating the PACE specific risk score.

3. Apply adjustments to the risk adjusted costs to project CY 2022 services costs for each target group. Exhibit G of this report shows adjusted and trended values for each target group and in total. The geographic adjustment for PACE was set as the weighted average of Super Regions 3 and 4 in order to account for the unique service area covered by the PACE program. Each Super Region was weighted based on the distribution of projected PACE enrollment by county.
4. Blend the projected CY 2022 service costs by target group into a PACE-specific projected cost. The blended costs are shown in the bottom section of Exhibit G and are for illustrative purposes only.

Please see Section IV steps 1 through 4 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 initial CY 2022 PACE AWOP development. 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. The Combined and Total Population rates in Exhibits H and I are for illustrative purposes only, since the program information technology started paying separate capitation rates for each target group in 2021.

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 2022 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.**

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 adjustments made to the initial AWOP rates to address benefit coverage differences between the Family Care Partnership program and the PACE program. The exhibits in this report reflect the development of an initial AWOP prior to the following two additional adjustments:

- Costs for most pharmacy services were carved out of Family Care Partnership starting in 2020. The acute and primary costs in Exhibit H of this report are calculated after removing all carved-out 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 \$42.04. We developed this increase using Family Care Partnership pharmacy costs net of rebate amounts typically collected for Medicaid-only members for CY 2019 and trended to CY 2022 using a 0.00% annual trend from 2019 to 2020 and a 6.00% annual trend from 2020 to 2022, equivalent to the annual trend assumed for all acute and primary services underlying the AWOP development 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 2022 Projected Member Months – PACE	CY 2022 Projected Pharmacy PMPM	Rebate Percentage	CY 2022 Pharmacy Net of Rebates	Trend Adjustment	CY 2022 Pharmacy Projection PMPM
Dual Eligible	5,800	\$18.57	0%	\$18.57	1.1236	\$20.87
Medicaid Only	317	\$849.26	55%	\$382.16	1.1236	\$429.40
Blended CY 2019 Experience	6,117	\$61.63	39%	\$37.42	1.1236	\$42.04

- 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 1.0027 for the Dual Eligible population and 1.0245 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 2022 blended AWOP for the PACE program is \$4,428.49.

Table 3
Wisconsin Department of Health Services
AWOP Calculation

Dual Eligible				
AWOP Component	PMPM			Exhibit Reference
	DD	PD	FE	
(Acute Care Costs – Starting	\$134.36	\$134.36	\$134.36	Exhibit H1, Column (B)
+ Pharmacy Adjustment)	\$20.87	\$20.87	\$20.87	
× Vent Adjustment	1.0027	1.0027	1.0027	
Acute Care Costs – Final	\$155.65	\$155.65	\$155.65	Exhibit H1, Column (A)
Long Term Care Costs	\$5,300.38	\$4,101.72	\$3,663.23	
Administrative Allowance	\$210.97	\$210.97	\$210.97	
Target Margin	\$115.65	\$91.19	\$82.24	2% of Final AWOP
Final AWOP	\$5,782.65	\$4,559.53	\$4,112.09	
Medicaid Only				
AWOP Component	PMPM			Exhibit Reference
	DD	PD	FE	
(Acute Care Costs – Starting	\$1,806.08	\$1,806.08	\$1,806.08	Exhibit H2, Column (B)
+ Pharmacy Adjustment)	\$429.40	\$429.40	\$429.40	
× Vent Adjustment	1.0245	1.0245	1.0245	
Acute Care Costs – Final	\$2,290.33	\$2,290.33	\$2,290.33	Exhibit H2, Column (A)
Long Term Care Costs	\$5,300.38	\$4,101.72	\$3,663.23	
Administrative Allowance	\$210.97	\$210.97	\$210.97	
Target Margin	\$159.22	\$134.76	\$125.81	2% of Final AWOP
Final AWOP	\$7,960.90	\$6,737.78	\$6,290.34	

CAPITATION RATE DEVELOPMENT

The CY 2022 illustrative blended capitation rate for the PACE program is \$4,428.48 per member per month (PMPM). Table 4 below shows the CY 2022 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 each 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
PACE Capitation Rates

	DD	PD	FE
Dual Eligible	\$5,782.64	\$4,559.52	\$4,112.08
Medicaid Only	\$7,960.89	\$6,737.77	\$6,290.33

EXHIBITS

Exhibit C
Wisconsin Department of Health Services
CY 2022 PACE Initial AWOP / Capitation Rate Development
Summary of 2022 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	83	55	45	3	131	169	86	111	0	0	0	0
	65-74	198	161	0	0	0	0	0	0	536	846	28	36
	75-84	31	14	0	0	0	0	0	0	245	910	0	8
	85+	0	21	0	0	0	0	0	0	198	2,201	0	0

Exhibit D1
Wisconsin Department of Health Services
CY 2022 PACE Initial AWOP / Capitation Rate Development
Acute and Primary Services Rate Development
Dual Eligible Population

CCHP - PACE	
Inpatient Hospital	\$35.28
Outpatient Hospital	15.13
Pharmacy	15.56
Dental	22.23
Other Acute & Primary	46.16
Total Acute & Primary Services	\$134.36
CY 2022 Member Months	5,800

Exhibit D2
Wisconsin Department of Health Services
CY 2022 PACE Initial AWOP / Capitation Rate Development
Acute and Primary Services Rate Development
Medicaid Only Population

CCHP - PACE	
Inpatient Hospital	\$1,023.66
Outpatient Hospital	340.66
Pharmacy	43.28
Dental	42.48
Other Acute & Primary	355.99
Total Acute & Primary Services	\$1,806.08
CY 2022 Member Months	317

Exhibit D3
Wisconsin Department of Health Services
CY 2022 PACE Initial AWOP / Capitation Rate Development
Acute and Primary Services Rate Development
Total Population

CCHP - PACE	
Inpatient Hospital	\$86.50
Outpatient Hospital	32.00
Pharmacy	17.00
Dental	23.28
Other Acute & Primary	62.22
Total Acute & Primary Services	\$221.00
CY 2022 Member Months	6,117

Exhibit F1
Wisconsin Department of Health Services
CY 2022 PACE Initial AWOP / Capitation Rate Development
MCO/GSR Functional Screen Attribute Distribution for Family Care Partnership/PACE - June 2021 Enrollment
Developmentally Disabled

Variable	Statewide Estimate	CCHP - PACE
Intercept (Grid Component)	0.00	1.0000
DD/NH Level of Care (Grid Component)		
Vent Dependent	7,125.03	0.0000
SNF	483.87	0.3137
Number of IADLs (Grid Component)		
IADL_1	0.00	0.0000
IADL_2	193.26	0.0392
IADL_3	468.80	0.0784
IADL_4	1,183.41	0.4902
IADL_5	1,411.51	0.3922
Specific ADLs / Equipment Used (Add-On)		
Eating_2	213.99	0.1961
Bathing_1	227.47	0.4510
Bathing_2	338.25	0.4706
Transfer_2	629.40	0.3137
Interaction Terms (Add-On)		
Brain_Other Mental Illness Diagnosis	388.15	0.0000
Other Developmental Disability_Bipolar	780.95	0.0000
Behaviors_Autism	1,287.11	0.0196
Injury_Age Under 30	1,837.61	0.0000
Injury_Mental Illness	1,489.19	0.0392
Intellectually Disabled_Bipolar	492.14	0.0784
Intellectually Disabled_Other Mental Illness Diagnoses	509.45	0.0784
Seizure Pre-22_Depression	200.69	0.0588
Trauma BI Post-22_Other Mental Illness Diagnoses	393.81	0.1176
Transfer_Equip_Mobility	659.49	0.0196
Behavioral Variables (Add-On)		
Cognition_2	184.82	0.4118
Cognition_3	940.36	0.4706
Injury_1-2	220.00	0.0392
Offensive_1-3	944.61	0.1961
Wander_2	2,029.62	0.0980
Mental Health_2	220.44	0.6863
Resistive_1	618.21	0.0588
Health Related Services (Add-On)		
Exercise	371.08	0.1765
Tube Feedings	309.01	0.0000
Respirate	264.19	0.0392
Ostomy	657.07	0.0196
Medication Administration	482.57	0.9412
Tracheostomy	3,162.97	0.0000
Reposition	601.11	0.0784
Diagnoses (Add-On)		
Intellectually Disabled	257.08	0.4706
New Variables		
Bath_Position	461.11	0.8039
Incidents		
Incidents_0	0.00	1.0000
Incidents_1	1,039.70	0.0000
Incidents_2	1,968.87	0.0000
Incidents_3+	3,778.12	0.0000
MCO/GSR Developmentally Disabled Composite		4,245.06
GSR Developmentally Disabled Composite		4,245.06
MCO/GSR Experience Credibility Weight		0.71
Final Blended Developmentally Disabled Composite		4,245.06
Preliminary Blended Developmentally Disabled Risk Score		1.0703
Family Care Partnership Acuity Adjustment¹		1.0041
Final Blended Developmentally Disabled Risk Score		1.0747

¹ This factor represents the relativity between the Family Care risk weights applied to 2019 Family Care Partnership enrollment (totaling \$3,855.20 PMPA)

Exhibit F2
Wisconsin Department of Health Services
CY 2022 PACE Initial AWOP / Capitation Rate Development
MCO/GSR Functional Screen Attribute Distribution for Family Care Partnership/PACE - June 2021 Enrollment
Physically Disabled

Variable	Statewide Estimate	CCHP - PACE
Intercept (Grid Component)	715.09	1.0000
DD/NH Level of Care (Grid Component)		
Vent Dependent	9,934.75	0.0000
SNF	682.96	0.3964
Number of IADLs (Grid Component)		
IADL_1	0.00	0.0495
IADL_2	231.65	0.2725
IADL_3	553.01	0.1486
IADL_4	914.15	0.3807
IADL_5	1,154.99	0.1486
Specific ADLs / Equipment Used (Add-On)		
Eating_2	221.19	0.0991
Bathing_2	292.17	0.3964
Toileting_1-2	294.82	0.6936
Transfer_2	849.77	0.4211
Interaction Terms (Add-On)		
Injury_Mental Illness	695.44	0.0248
Muscular_Other Mental Illness Diagnosis_Age 60 and Under	107.07	0.0834
Seizure Pre-22_Schizophrenia	747.94	0.0000
Spinal Injury_Substance Use Issue	401.44	0.0495
Vent Dependent_Tracheostomy	1,802.46	0.0000
Transfer_Equip_Mobility	549.68	0.1486
Behavioral Variables (Add-On)		
Cognition_2-3	324.94	0.4055
Offensive_1-3	932.83	0.1577
Wander_2	430.17	0.0991
Mental Health_2	78.68	0.7027
Substance Use Issue	66.86	0.2816
Health Related Services (Add-On)		
Exercise	298.87	0.1734
Ulcer Stage 2	816.30	0.0248
Ulcer Stage 3-4	830.64	0.0248
Respirate	217.51	0.0991
Urinary	606.83	0.0248
Wound	224.16	0.0743
Tracheostomy	2,139.93	0.0000
Reposition	928.25	0.1486
Diagnoses (Add-On)		
Alzheimers	244.11	0.2477
New Variables		
Bath_Position	234.13	0.7432
Incidents		
Incidents_0	0.00	0.9505
Incidents_1	650.65	0.0495
Incidents_2+	1,626.65	0.0000
MCO/GSR Physically Disabled Composite		3,424.8063
GSR Physically Disabled Composite		3,424.8063
MCO/GSR Experience Credibility Weight		0.6353
Final Blended Physically Disabled Composite		3,424.8063
Preliminary Blended Physically Disabled Risk Score		129.8%
Family Care Partnership Acuity Adjustment¹		0.95
Final Blended Physically Disabled Risk Score		1.24

¹ This factor represents the relativity between the Family Care risk weights applied to 2019 Family Care Partnership enrollment (totaling \$2,453.20 PM

Exhibit F3
Wisconsin Department of Health Services
CY 2022 PACE Initial AWOP / Capitation Rate Development
MCO/GSR Functional Screen Attribute Distribution for Family Care Partnership/PACE - June 2021 Enrollment
Frail Elderly

Variable	Statewide Estimate	CCHP - PACE
Intercept (Grid Component)	717.43	1.0000
DD/NH Level of Care (Grid Component)		
Vent Dependent	8,427.28	0.0000
SNF	446.53	0.2685
Number of IADLs (Grid Component)		
IADL_1	0.00	0.0331
IADL_2	306.02	0.1051
IADL_3	597.94	0.1375
IADL_4-5	970.74	0.7243
Specific ADLs / Equipment Used (Add-On)		
Bathing_1	177.49	0.3901
Bathing_2	385.55	0.5567
Toileting_1-2	288.22	0.6517
Transfer_2	674.92	0.3618
Interaction Terms (Add-On)		
Seizure Post-22_Substance Use Issue	379.03	0.0071
Seizure Post-22_Bipolar	573.54	0.0000
Trauma BI Post-22_Anxiety	354.72	0.0000
Transfer_Equip_Mobility	786.27	0.1154
Behavioral Variables (Add-On)		
Cognition_2	180.74	0.2316
Cognition_3	213.94	0.3935
Offensive_1-3	215.21	0.1080
Wander_2	126.54	0.0390
Mental Health_2	135.48	0.5030
Substance Use Issue	146.27	0.0614
Health Related Services (Add-On)		
Dialysis	269.89	0.0260
Exercise	256.41	0.1086
Ulcer Stage 2	431.37	0.0118
Ulcer Stage 3-4	790.04	0.0047
Tracheostomy	4,193.33	0.0000
Reposition	538.02	0.1586
Diagnoses (Add-On)		
Alzheimers	145.45	0.5650
Mental Illness	164.96	0.1803
Incidents		
Incidents_0	0.00	0.9835
Incidents_1+	544.32	0.0165
MCO/GSR Frail Elderly Composite		2,945.4858
GSR Frail Elderly Composite		2,945.4858
MCO/GSR Experience Credibility Weight		1.0000
Final Blended Frail Elderly Composite		2,945.4858
Preliminary Blended Frail Elderly Risk Score		1.1183
Family Care Partnership Acuity Adjustment¹		0.9473
Final Blended Frail Elderly Risk Score		1.0594

¹ This factor represents the relativity between the Family Care risk weights applied to 2019 Family Care Partnership enrollment (totaling \$2,539.86 PMPI)

Exhibit G Wisconsin Department of Health Services CY 2022 PACE Initial ANWP / Capitation Rate Development Development of Service Portion of LTC Rate																			
(A)		(B)		(C)		(D) = (A) x (B) x (C)		(E1)	(E2)	(E3)	(E4)	(E5)	(E6)	(E7)	(E8)	(E9)	(E10)	(E11)	(F) = (D) x (E)
DD Development	MCO/GSR Specific Base Rate Development							Projection to CY 2022											Projected Per Capita Monthly Costs
	2022 FC Regression Results							2022 DD Adjustment Factors											
	2022 Exposure Months	FC Statewide DD Base Costs	FCP Experience Adjustment Factor	PACE Risk Score - June 2021 Enrollment	MCO/GSR Specific Risk Adjusted Rate														
CCHP - PACE	612	3,639.47	1.0955	1.0747	4,520.26													5,300.38	
PD Development	MCO/GSR Specific Base Rate Development							Projection to CY 2022											Projected Per Capita Monthly Costs
	2022 FC Regression Results							2022 PD Adjustment Factors											
	2022 Exposure Months	FC Statewide PD Base Costs	FCP Experience Adjustment Factor	PACE Risk Score - June 2021 Enrollment	MCO/GSR Specific Risk Adjusted Rate														
CCHP - PACE	497	2,570.80	1.0955	1.2390	3,489.41													4,101.72	
FE Development	MCO/GSR Specific Base Rate Development							Projection to CY 2022											Projected Per Capita Monthly Costs
	2022 FC Regression Results							2022 FE Adjustment Factors											
	2022 Exposure Months	FC Statewide FE Base Costs	FCP Experience Adjustment Factor	PACE Risk Score - June 2021 Enrollment	MCO/GSR Specific Risk Adjusted Rate														
CCHP - PACE	5,008	2,681.05	1.0955	1.0594	3,111.48													3,663.23	
Composite Development	MCO/GSR Specific Base Rate Development							Projection to CY 2022											Projected Per Capita Monthly Costs
	2022 FC Regression Results							2022 Composite Adjustment Factors											
	2022 Exposure Months	FC Statewide Composite Base Costs	FCP Experience Adjustment Factor	PACE Risk Score - June 2021 Enrollment	MCO/GSR Specific Risk Adjusted Rate	Three Year Utilization Trend	Three Year Unit Cost Trend	Three Year Acuity Trend	Geographic Adjustment Factor	Three Year Nursing Home Rate Increase	Personal Care Rate Increase	Provider Reimbursement Increase	DME Adjustment	2021 HCBS Increase	2022 ARPA Increase	2022 Budget Increase			
CCHP - PACE	6,117	2,788.00	1.0955	1.0750	3,283.14	1.0184	1.0174	1.0176	1.0107	1.0384	1.0004	1.0135	0.9998	1.0172	1.0304	1.0007	3,862.06		

Exhibit H1
Wisconsin Department of Health Services
CY 2022 PACE Initial AWOP / Capitation Rate Development
Development of Non-Service Portion of Rates, MCE, and Final AWOP Rates
Dual Eligible Population

		(A)	(B)	(C) = (A) + (B)	(D)	(E) = (D) / (H)	(F) = (G) / (I)	(G)	(H) = (C) + (D)	(I) = (C) + (D) + (G)
DD Development	2022 Exposure Months	LTC MCE Service Costs	2022 A&P Service Costs	MCE Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2022 AWOP
CCHP - PACE	564	5,300.38	134.36	5,434.74	210.97	3.7%	2.0%	115.22	5,645.71	5,760.93
PD Development	2022 Exposure Months	LTC MCE Service Costs	2022 A&P Service Costs	MCE Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2022 AWOP
CCHP - PACE	300	4,101.72	134.36	4,236.08	210.97	4.7%	2.0%	90.76	4,447.05	4,537.81
FE Development	2022 Exposure Months	LTC MCE Service Costs	2022 A&P Service Costs	MCE Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2022 AWOP
CCHP - PACE	4,936	3,663.23	134.36	3,797.59	210.97	5.3%	2.0%	81.81	4,008.56	4,090.37
Composite Development	2022 Exposure Months	LTC MCE Service Costs	2022 A&P Service Costs	MCE Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2022 AWOP
CCHP - PACE	5,800	3,845.11	134.36	3,979.47	210.97	5.0%	2.0%	85.52	4,190.44	4,275.96

Exhibit H2
Wisconsin Department of Health Services
CY 2022 PACE Initial AWOP / Capitation Rate Development
Development of Non-Service Portion of Rates, MCE, and Final AWOP Rates
Medicaid Only Population

		(A)	(B)	(C) = (A) + (B)	(D)	(E) = (D) / (H)	(F) = (G) / (I)	(G)	(H) = (C) + (D)	(I) = (C) + (D) + (G)
DD Development	2022 Exposure Months	LTC MCE Service Costs	2022 A&P Service Costs	MCE Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2022 AWOP
CCHP - PACE	48	5,300.38	1,806.08	7,106.46	210.97	2.9%	2.0%	149.33	7,317.43	7,466.76
PD Development	2022 Exposure Months	LTC MCE Service Costs	2022 A&P Service Costs	MCE Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2022 AWOP
CCHP - PACE	197	4,101.72	1,806.08	5,907.80	210.97	3.4%	2.0%	124.87	6,118.77	6,243.64
FE Development	2022 Exposure Months	LTC MCE Service Costs	2022 A&P Service Costs	MCE Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2022 AWOP
CCHP - PACE	72	3,663.23	1,806.08	5,469.31	210.97	3.7%	2.0%	115.92	5,680.28	5,796.20
Composite Development	2022 Exposure Months	LTC MCE Service Costs	2022 A&P Service Costs	MCE Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2022 AWOP
CCHP - PACE	317	4,183.62	1,806.08	5,989.70	210.97	3.4%	2.0%	126.54	6,200.67	6,327.21

Exhibit H3
Wisconsin Department of Health Services
CY 2022 PACE Initial AWOP / Capitation Rate Development
Development of Non-Service Portion of Rates, MCE, and Final AWOP Rates
Total Population

	(A)	(B)	(C) = (A) + (B)	(D)	(E) = (D) / (H)	(F) = (G) / (I)	(G)	(H) = (C) + (D)	(I) = (C) + (D) + (G)	
DD Development	2022 Exposure Months	LTC MCE Service Costs	2022 A&P Service Costs	MCE Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2022 AWOP
CCHP - PACE	612	5,300.38	265.48	5,565.86	210.97	3.7%	2.0%	117.89	5,776.83	5,894.72
PD Development	2022 Exposure Months	LTC MCE Service Costs	2022 A&P Service Costs	MCE Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2022 AWOP
CCHP - PACE	497	4,101.72	797.06	4,898.78	210.97	4.1%	2.0%	104.28	5,109.75	5,214.03
FE Development	2022 Exposure Months	LTC MCE Service Costs	2022 A&P Service Costs	MCE Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2022 AWOP
CCHP - PACE	5,008	3,663.23	158.39	3,821.62	210.97	5.2%	2.0%	82.30	4,032.59	4,114.89
Composite Development	2022 Exposure Months	LTC MCE Service Costs	2022 A&P Service Costs	MCE Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2022 AWOP
CCHP - PACE	6,117	3,862.66	221.00	4,083.66	210.97	4.9%	2.0%	87.65	4,294.63	4,382.28

Exhibit 11
Wisconsin Department of Health Services
CY 2022 PACE Initial AWOP / Capitation Rate Development
Monthly Rates Paid to MCOs
Dual Eligible Population

MCO / GSR	2022 Exposure Months				(A)	(B)	(C)	(D)	(E) = (A) + (B) + (C) + (D)	(A)	(B)	(C)	(D)	(E) = (A) + (B) + (C) + (D)
	DD	PD	FE	Total	2022 LTC Service Costs	2022 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2022 AWOP Rate	2022 LTC Service Costs	2022 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2022 AWOP Rate
CCHP - PACE	564	300	4,936	5,800	5,300.38	134.36	210.97	115.22	5,760.93	4,101.72	134.36	210.97	90.76	4,537.81

MCO / GSR	2022 Exposure Months				(A)	(B)	(C)	(D)	(E) = (A) + (B) + (C) + (D)	(A)	(B)	(C)	(D)	(E) = (A) + (B) + (C) + (D)
	DD	PD	FE	Total	2022 LTC Service Costs	2022 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2022 AWOP Rate	2022 LTC Service Costs	2022 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2022 AWOP Rate
CCHP - PACE	564	300	4,936	5,800	3,663.23	134.36	210.97	81.81	4,090.37	3,845.11	134.36	210.97	85.52	4,275.96

Exhibit I2
Wisconsin Department of Health Services
CY 2022 PACE Initial AWOP / Capitation Rate Development
Monthly Rates Paid to MCOs
Medicaid Only Population

MCO / GSR	2022 Exposure Months				(A)	(B)	(C)	(D)	(E) = (A) + (B) + (C) + (D)	(A)	(B)	(C)	(D)	(E) = (A) + (B) + (C) + (D)
	DD	PD	FE	Total	2022 LTC Service Costs	2022 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2022 AWOP Rate	2022 LTC Service Costs	2022 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2022 AWOP Rate
CCHP - PACE	48	197	72	317	5,300.38	1,806.08	210.97	149.33	7,466.76	4,101.72	1,806.08	210.97	124.87	6,243.64

MCO / GSR	2022 Exposure Months				(A)	(B)	(C)	(D)	(E) = (A) + (B) + (C) + (D)	(A)	(B)	(C)	(D)	(E) = (A) + (B) + (C) + (D)
	DD	PD	FE	Total	2022 LTC Service Costs	2022 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2022 AWOP Rate	2022 LTC Service Costs	2022 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2022 AWOP Rate
CCHP - PACE	48	197	72	317	3,663.23	1,806.08	210.97	115.92	5,796.20	4,183.62	1,806.08	210.97	126.54	6,327.21

Exhibit I3
Wisconsin Department of Health Services
CY 2022 PACE Initial AWOP / Capitation Rate Development
Monthly Rates Paid to MCOs
Total Population

2022 Exposure Months					(A)	(B)	(C)	(D)	(E) = (A) + (B) + (C) + (D)	(A)	(B)	(C)	(D)	(E) = (A) + (B) + (C) + (D)
MCO / GSR	DD	PD	FE	Total	2022 LTC Service Costs	2022 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2022 AWOP Rate	2022 LTC Service Costs	2022 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2022 AWOP Rate
CCHP - PACE	612	497	5,008	6,117	5,300.38	265.48	210.97	117.89	5,894.72	4,101.72	797.06	210.97	104.28	5,214.03

2022 Exposure Months					(A)	(B)	(C)	(D)	(E) = (A) + (B) + (C) + (D)	(A)	(B)	(C)	(D)	(E) = (A) + (B) + (C) + (D)
MCO / GSR	DD	PD	FE	Total	2022 LTC Service Costs	2022 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2022 AWOP Rate	2022 LTC Service Costs	2022 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2022 AWOP Rate
CCHP - PACE	612	497	5,008	6,117	3,663.23	158.39	210.97	82.30	4,114.89	3,862.66	221.00	210.97	87.65	4,382.28

APPENDIX A

Responses to December 2015 PACE Medicaid Capitation Rate Setting Guide

State of Wisconsin Department of Health Services
CY 2022 Capitation Rate Development for PACE Program

December 15, 2021

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 2022 capitation rates for the PACE program. It may not be appropriate for other purposes. Milliman does not intend to benefit, and assumes no duty or liability to, other parties who receive this work. This material should only be reviewed in its entirety.

APPENDIX 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).
- 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, 2022 and ending December 31, 2022.
- 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.

APPENDIX B

2022 Family Care Partnership Report

State of Wisconsin Department of Health Services
CY 2022 Capitation Rate Development for PACE Program

December 15, 2021

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 2022 capitation rates for the PACE program. It may not be appropriate for other purposes. Milliman does not intend to benefit, and assumes no duty or liability to, other parties who receive this work. This material should only be reviewed in its entirety.



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December 15, 2021

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 2022 Family Care Partnership Capitation Rate Report

Dear Elizabeth:

Thank you for the opportunity to assist the Wisconsin Department of Health Services (DHS) with this important project. Our report summarizes the development of CY 2022 capitation rates for Wisconsin's Family Care Partnership program.



Elizabeth, please let us know if you would like to discuss further or have any other questions.

Sincerely,

Michael C. Cook, FSA, MAAA
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MILLIMAN REPORT

State of Wisconsin

Department of Health Services Calendar Year 2022 Capitation Rate Development for Family Care Partnership Program

December 15, 2021

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I. EXECUTIVE SUMMARY

This report documents the development of the January 2022 to December 2022 (CY 2022) 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 2022 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 2022 CAPITATION RATES

The statewide average gross capitation rate for CY 2022 is \$4,529.12 for the Family Care Partnership population. Table 1 shows the statewide gross capitation rate change from June 2021 through December 2021 rate certification provided on June 2, 2021 to CY 2022.

Table 1 Wisconsin Department of Health Services Comparison of June 2021 through December 2021 and CY 2022 Capitation Rates	
CY 2021 Rates	\$4,013.93
CY 2022 Rates	\$4,529.12
% Change	12.8%

The 12.8% increase in gross capitation rates from June 2021 through December 2021 rate certification provided on June 2, 2021 to CY 2022 can be broken down as follows:

- 0.2% increase due to the restatement of CY 2019 base period costs. This change is both due to the difference between estimated runout on CY 2019 claims used in CY 2021 rate setting and the actual runout observed in CY 2019, as well as the inclusion of new MCOs into the base data cohort for CY 2022 rate setting.
- 1.0% increase due to the difference in projected enrollment by target group from CY 2021 to CY 2022. Specifically, projected DD enrollment increased by almost 13% while projected FE enrollment decreased by almost 6%.
- 0.9% increase due to increased Family Care Partnership acuity relative to the Family Care program as of June 2021.
- 1.9% increase due to the increase 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.

- 1.8% increase due to differences in the CY 2019 to CY 2021 LTC trends estimated in CY 2021 rate setting compared to those used in CY 2022 rate setting. Most notably, CY 2021 rate setting assumed a 0% service cost trend from CY 2019 through CY 2021 due to the COVID-19 pandemic, while CY 2022 rate setting includes a 0% service cost trend from CY 2019 to CY 2020, but a positive overall trend from CY 2020 to CY 2021.
- 1.1% increase due to application of service trend to project CY 2021 costs to CY 2022.
- 1.1% increase due to application of acuity trend to project CY 2021 acuity to CY 2022.
- 0.7% decrease due to the update of geographic factors from CY 2021 to CY 2022. This is primarily driven by a decrease in the geographic factor for GSR 12.
- 0.5% increase due to the restatement of legislated changes in CY 2020 and CY 2021 nursing home reimbursement, personal care, durable medical equipment rates, the 2021 HCBS provider rate increase, and additional reimbursement increases for waiver service providers.
- 2.9% increase due to the incorporation of CY 2022 ARPA reimbursement for certain HCBS services
- 0.9% increase due to the incorporation of legislated changes in CY 2022 nursing home reimbursement.
- 0.2% increase due to the funding increases for home health, outpatient mental health, physical therapy, and speech therapy services mandated by the 2021 to 2023 state fiscal budget.
- 0.6% decrease due to the restatement of CY 2019 acute and primary service costs primarily driven by updates to the financial to encounter missing data adjustment, realized runout on CY 2019 claims compared to IBNR estimates, and changes in projected service cost trends.
- 1.1% increase due to the increase in projected acute and primary service costs driven by the difference in projected Medicare status distribution from CY 2021 to CY 2022. Specifically, the percentage of projected Medicaid-only members increased from 23.4% in CY 2021 rates to 26.4% in CY 2022 rates.
- 0.2% increase due to the funding increases for dental services mandated by the 2021 to 2023 state fiscal budget.
- 0.5% decrease due to the differences in the administrative loads as a percent of the capitation rates from CY 2021 to CY 2022.

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 +8.7%, +11.0%, and +13.9%, respectively. The rate change by target group differs from the composite change due to differing base period data changes and target group-specific service cost and acuity trend values, and the varying impact of provider rate increases.

Projected CY 2022 expenditures split between federal and state liability are included as Appendix B.

COVID-19 CONSIDERATIONS IN CY 2022 RATE DEVELOPMENT

The COVID-19 pandemic and determination of a public health emergency (PHE) have impacted health care costs significantly since March 2020. The impact of the COVID-19 pandemic and PHE on CY 2022 capitation rates is difficult to predict due to the evolving nature of the pandemic. To develop our best estimates of future costs, we considered a wide array of potential impacts based on information from publicly available sources, internal Milliman research, and MCO feedback. The program continues to include a risk corridor around target medical loss ratios to provide financial protection to the state and MCOs.

The most significant assumption used in rate development which includes explicit consideration for the COVID-19 pandemic relates to the utilization trend assumption used. Utilization trend assumptions from CY 2019 to CY 2020 are set to 0% for all services. In general, utilization for these services decreased immediately following the start of the PHE and subsequently rebounded near historical levels, but not historical levels plus utilization trend which would be

anticipated in the absence of the PHE. As a result, we make an assumption that the disruption caused by the COVID-19 pandemic prevented normal utilization trend from occurring during CY 2020.

The CY 2022 capitation rates do not include any explicit adjustments for the following:

- **COVID-19 Testing and Treatment Cost:** The prevalence of COVID-19 infection rates in CY 2022 is dependent on many variables that are difficult to predict; however, we do not expect there to be material testing and treatment costs continuing into CY 2022. Further, we expect that any additional testing and treatment costs would be less than the impact of related deferred or foregone services. Therefore, we have not included an estimate for the cost of COVID-19 testing and treating individuals with COVID-19.

To our knowledge, there is not a publicly available model that includes COVID-19 infection rate or hospital admissions through December 2022. In addition, the publicly available models have materially changed short-term and long-term projections of COVID-19 prevalence in reaction to emerging data. Given the unpredictable patterns of COVID-19 prevalence to date in Wisconsin and the changing national models, there is a range of potential impacts upon the CY 2022 rates.

- **Deferred and Foregone Services:** The most significant fiscal impact of COVID-19 to date has been the deferral of non-essential services, either through government-enacted policies, the impact of social distancing on the administration of services, or personal choice to defer services. We reviewed emerging data on claims incurred throughout CY 2020 by population type (to remove the impact of membership mix changes). As of December 2020, there was still measurable reductions in claim costs compared to the PMPMs for the given population in CY 2019, prior to the pandemic. However, it is difficult to use this historical data to project the impact of deferred services for CY 2022 for many reasons.
 - We observed in the CY 2020 data that the change in service utilization has varied as the level of COVID-19 diagnoses and hospital admissions has changed in Wisconsin over the course of the pandemic to date. Therefore, a key variable in predicting future service utilization changes relative to pre-pandemic levels is the future prevalence of COVID-19, which as noted above, is unknown.
 - Limited data is available to date to understand how beneficiary behavior will change during and after the roll-out of the COVID-19 vaccination. As such, there could still be a wide range of answers as to when service utilization may return to pre-pandemic levels.
 - In the financial data we reviewed it is difficult to isolate the impact of deferred services from changes in utilization due to other drivers, such as member acuity changes or change in service mix.

It is reasonable to expect that utilization rates in CY 2022 will return to patterns exhibited prior to the pandemic, therefore, we have not adjusted projected service costs for deferred or foregone services.

- **Service Mix Changes:** In response to the pandemic, the mix of services used to treat patients has changed, such as the use of telehealth services. It is unknown if these provider and patient changes will persist after the end of the pandemic.
- The capitation rates do not currently include provisions for vaccination administration fees related to COVID-19 in CY 2022, including potential boosters. Should such fees prove to be material and in excess of any continuing utilization decreases in CY 2022, we will consider revising capitation rates.

METHODOLOGY CHANGES FROM CY 2021 RATES

Base Data

We relied on CY 2019 base data (paid through March 2021) to develop CY 2022 rates. This timeframe excludes impacts due to the COVID-19 pandemic, which had a material downward impact on CY 2020 costs. DHS and Milliman performed a substantial review of the CY 2020 experience and noted service cost reductions across the majority of service categories from CY 2019 to CY 2020. The use of this data is described in greater detail in Sections III and IV of this report.

Geographic Adjustments

GSR 12 capitation rates will use a geographic adjustment factor consistent with geographic adjustment methodology used in other GSRs, based on an analysis of CY 2018 and 2019 Family Care Partnership plan performance relative to the costs projected using the regression model and rate setting assumptions.

Removal of the High Cost Risk Pool

In CY 2021 and earlier rate setting exercises, Family Care Partnership included a high cost risk pool (HCRP) mechanism. This was funded by a pooling charge subtracted from projected service costs for each of the target group populations. It was budget neutral to the program in total in that all pool funds, and no more, were returned to the MCOs after the end of the contract period. Family Care Partnership will no longer include this HCRP mechanism, beginning in CY 2022 due to administrative burdens, modest net revenue shifting and increased uncertainty in MCO financial projections.

Target Group Assignment

For members in the PD or FE target groups as defined by the target group automation in effect beginning in June 2019, we calculated the age for each member as of the first day of each enrollment month; ages were previously calculated as of the functional screen date rather than as of each specific enrollment month.

DATA RELIANCE AND IMPORTANT CAVEATS

Milliman prepared this report for the specific purpose of developing CY 2022 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 2022 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, CY 2020, and June 2021, 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 2022 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. These rates may not be appropriate for all MCOs. 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 2022 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 assumptions and other adjustments to project CY 2022 services costs.
4. Blend the projected CY 2022 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.

This timeframe excludes impacts due to the COVID-19 pandemic, which has a material impact on CY 2020 costs. CY 2020 costs showed a material decrease relative to CY 2019 base data experience. DHS and Milliman performed a substantial review of the CY 2020 experience and noted service cost reductions across the majority of service categories from CY 2019 to CY 2020.

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. Exhibit A3 shows repriced CY 2019 MCO encounter base experience data in composite.

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 2020 with dates of payment through March 2021. 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.

Costs for most pharmacy services will be carved out of the Family Care Partnership program for CY 2022. 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 in CY 2022.

The base data used in capitation rate setting is net of historical recoveries of provider overpayments.

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 2022 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.

For members in the PD or FE target groups as defined by the target group automation in effect beginning in June 2019, we calculated the age for each member as of the first day of each enrollment month; ages were previously calculated as of the functional screen date rather than as of each specific enrollment month. Based on this new age calculation, we transitioned a small number of members from FE members to the PD target group (if their calculated age was 64 or below) or from the PD target group to the FE target group (if their calculated age was 65 or above).

The base data shown in Exhibit A1 through A3 reflect both of these changes in 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 ASSUMPTIONS AND OTHER ADJUSTMENTS TO PROJECT CY 2022 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 2022 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

We received CY 2019 encounters with runout through March 2021. CY 2019 encounters include approximately 15 months of runout and we assume they are now fully complete. Therefore, we did not make an IBNR adjustment to CY 2019 claims for use in CY 2022 rate setting.

Service Cost, Utilization, and Acuity Trend from CY 2019 to CY 2022

Trend rates were used to project the CY 2019 baseline cost data beyond the base cost period to the CY 2022 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 6.0% applied to all services, consistent with historical experience for the Family Care Partnership programs.

We limited this study to only include 2017 through 2019 because this timeframe excludes impacts due to the COVID-19 pandemic, which has a material impact on CY 2020 costs. CY 2020 costs showed a material decrease relative to CY 2019 base data experience. DHS and Milliman performed a substantial review of the CY 2020 experience and noted service cost reductions across the majority of service categories from CY 2019 to CY 2020. We do not expect that these service cost changes are reflective of service cost trends after the pandemic and they are not considered in the development of projecting CY 2019 experience to CY 2022.

We apply an annual trend of 0% from CY 2019 to CY 2020 because in general, utilization of services decreased immediately following the start of the PHE and while utilization subsequently rebounded back toward historical levels, it did not match historical levels plus “normal” annual trend. As a result, we make an assumption that the disruption caused by the COVID-19 pandemic prevented normal trend from occurring during CY 2020.

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 unit cost adjustment factor of 0.66 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 FFS rate. DHS determined that the reduced DME rates will result in CY 2022 acute and primary service costs decreasing by approximately \$200,300 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.

State Budget Provider Rate Increases SFY 2021-2023

Per the 2021 to 2023 state fiscal budget, DHS elected to increase funding for Dental services. Effective January 1, 2022, DHS is implementing a FFS rate increase to reimbursement rates for dental providers that meet quality of care standards, as established by the Department, and that meet one of the following qualifications:

- For a non-profit or public provider, fifty percent or more of the individuals served by the provider lack dental insurance or are enrolled in Medical Assistance
- For a for-profit provider, five percent or more of the individuals served by the provider are enrolled in Medical Assistance

Overall, dental service costs for the Family Care Partnership population are expected to increase by approximately \$482,000 relative to CY 2019 service costs. This results in an increase of 44.9% for dental 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. 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.

We apply the full value of the missing data impact through an adjustment factor of 1.0295 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 2022 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 2022 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.

IV. LONG-TERM CARE SERVICE COST METHODOLOGY OVERVIEW

This section of the report describes the CY 2022 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 2021 screens and the functional status acuity model.
3. Apply adjustments to the risk adjusted costs to project CY 2022 services costs for each MCO / GSR combination and target group.
4. Blend the projected CY 2022 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 (which are accounted for elsewhere in rate development).

Base Data

The Family Care and Family Care Partnership 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 base data used in capitation rate setting is net of historical recoveries of provider overpayments. The data has been restated to reflect the target group assignment changes discussed in Section III of this report.

This timeframe excludes impacts due to the COVID-19 pandemic, which has a material impact on CY 2020 costs. CY 2020 costs showed a material decrease relative to CY 2019 base data experience. DHS and Milliman performed a substantial review of the CY 2020 experience and noted service cost reductions across the majority of service categories from CY 2019 to CY 2020, with the most significant reductions observed for Adult Day Activities, Habilitation / Health, Transportation, and Vocational services.

Table 2 below shows the CY 2019 Family Care NH LOC experience data PMPM by target group.

Table 2 Wisconsin Department of Health Services Family Care Base Experience Costs PMPM	
Target Group	Cost PMPM
Developmentally Disabled	\$3,839.47
Physically Disabled	\$2,570.80
Frail Elderly	\$2,681.05

Family Care Partnership Adjustment

We then 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 (discussed in Step 2 below) to develop the projected cost Regression Results in Table 3 below. Based on the adjusted service costs and the Regression Results, we applied an adjustment factor of 1.0955 to the Family Care base experience as shown below:

Table 3 Wisconsin Department of Health Services Family Care Partnership Experience Adjustment		
(A)	Family Care Service Costs ¹	\$2,959.98
(B)	Family Care Regression Result	\$2,970.24
(C)	Family Care Partnership Service Costs	\$3,081.78
(D)	Family Care Partnership Regression Result	\$2,822.91
[(C) / (D)] / [(A) / (B)] FCP Experience Adjustment		1.0955
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. In addition, this adjustment accounts for issues for differences in issues, such as member selection, provider contracting, and care management not already accounted for by the acuity adjustment.

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

Milliman 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 2022 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. As noted in that report, we did not redevelop weights for CY 2022 rate setting due to impact of COVID-19 on CY 2020 data. Instead, we used the cost weights developed for CY 2021 rate setting and scaled these to restated CY 2019 Family Care base data.

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 \$3,839.47 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, since the individual risk factors used in the regression model are often specific to a very small subset of individuals. 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 \$3,839.47, which is equal to the DD completed base data cost on Exhibit G column (A).

We used information contained in the LTCFS for the Family Care Partnership population enrolled in June 2021 to develop MCO / GSR specific modeled LTC service costs and risk scores. Exhibits F1, F2, and F3 show the proportion of the June 2021 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 2021 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:

$$\text{Adjusted Regression Result} = \text{Credibility\%} \times \text{MCO/GSR/TG Risk Score} + (1 - \text{Credibility\%}) \times \text{GSR/TG Risk Score}$$

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

MCOs with 100 members or more enrolled in a particular GSR and target group in June 2021 are considered fully credible.

The preliminary risk score is calculated as the ratio of the June 2021 risk score for a given MCO / GSR combination and the June 2021 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 G 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 2021 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 2022 SERVICES COSTS

In this step, we apply adjustment factors to reflect differences between the base period encounter data and the projected CY 2022 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 2022

Service cost trend rates were used to project the CY 2019 baseline cost data to the CY 2022 contract period, to reflect changes in provider payment levels and changes in average service utilization and mix. This requires application of 36 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. We limited this study to only include 2017 through 2019 because this timeframe excludes impacts due to the COVID-19 pandemic, which has a material impact on CY 2020 costs. CY 2020 costs showed a material decrease relative to CY 2019 base data experience. DHS and Milliman performed a substantial review of the CY 2020 experience and noted service cost reductions across the majority of service categories from CY 2019 to CY 2020. We do not expect that these service cost changes are reflective of service cost trends after the pandemic and they are not considered in the development of projecting CY 2019 experience to CY 2022.

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.

We apply an annual trend of 0% from CY 2019 to CY 2020 because in general, utilization of services decreased immediately following the start of the PHE and while utilization subsequently rebounded back toward historical levels, it did not match historical levels plus “normal” annual trend. As a result, we make an assumption that the disruption

caused by the COVID-19 pandemic prevented normal trend from occurring during CY 2020. We include explicit service cost increases for provider rate increases directed by the Wisconsin biennial budgets later in this report.

As a result of our trend study, we selected annual PMPM service cost trends of 0.0%, 1.8%, and 2.1% for the DD, PD, and FE target groups, respectively from CY 2020 to CY 2022. Appendix D summarizes our analysis.

The trend development methodology currently includes historical nursing home and PCA increases realized between CY 2017 and CY 2019. We reduced the nursing home and PCA rate setting adjustments to exclude the underlying historical reimbursement trend. The nursing home and PCA reimbursement increases shown later in the report reflect rate increases above and beyond the implicit historical trends, allowing the full difference in projected service cost trends between CY 2019 and CY 2022 to be included in the trend development. Since we did not apply any trend from CY 2019 to CY 2020, the CY 2019 to CY 2020 nursing home and PCA reimbursement increases shown reflect the full amount of these rate increases rather than increases above the implicit historical trend.

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.

Table 4 illustrates the service cost trend values implemented for the CY 2022 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 4 Wisconsin Department of Health Services Annual Trend Rates by Target Group						
Target Group	Utilization Trend		Unit Cost Trend		PMPM Trend	
	CY 2019 to CY 2020	CY 2020 to CY 2022	CY 2019 to CY 2020	CY 2020 to CY 2022	CY 2019 to CY 2020	CY 2020 to CY 2022
Developmentally Disabled	0.00%	0.11%	0.00%	-0.11%	0.00%	0.00%
Physically Disabled	0.00%	1.50%	0.00%	0.29%	0.00%	1.80%
Frail Elderly	0.00%	0.99%	0.00%	1.10%	0.00%	2.10%

Acuity Trend from CY 2019 to CY 2022

In order to develop rates based on expected CY 2022 member acuity levels, we apply three 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, which was materially more credible and stable. 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 5 below. Those same acuity results were used to develop the risk-adjusted service costs underlying the service cost trend development.

Table 5 Wisconsin Department of Health Services Annual Acuity Trend Rates by Target Group	
Target Group	Annual Acuity Trend
Developmentally Disabled	2.40%
Physically Disabled	1.20%
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, with the notable exception of GSR 12, described later in this section.

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 supplemental net 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.
 - No adjustment has been made for IBNR claims. CY2019 claims encounters include approximately 15 months of runout and we assume are now fully complete.
 - Both the actual and projected amounts are net of pooled claims associated with the HCRP risk mitigation mechanism, which was in effect prior to CY 2022.
2. We aligned the regression models used for each year of the actual to expected analysis such that we did not require any trend assumptions for our calculations. For example, the CY 2017 analysis used the regression model developed for CY 2019 rates and calibrated to CY 2017 costs. We make no adjustment to the projected costs for geographical wage differences by GSR.
3. Geographic exhibits no longer differentiate between expansion and non-expansion counties for each GSR; these have been combined into a single GSR as needed. Similarly, GSR 5/6 experience is combined with GSR 6.
4. 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. The preliminary geographic adjustment factor is calculated as the average of three years of the ratios of actual and projected costs weighted 1/6, 2/6, and 3/6 from the oldest to the newest year (or 1/3 and 2/3 for GSR 12, which only has two years of data). 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 6 below shows the normalization factor applied to the preliminary geographic adjustment factors by target group.

Table 6 Wisconsin Department of Health Services Geographic Factor Normalization by Target Group	
Target Group	Normalization Factor
Developmentally Disabled	1.0041
Physically Disabled	1.0042
Frail Elderly	1.0023

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.

A separate methodology was used for GSR 12 for two reasons: First, the Family Care GSR 12 experience is significantly less mature and reflects a materially different mix of enrollees relative Family Care Partnership. Second, the Family Care Partnership program has enough exposure in GSR 12 that we feel comfortable using Family Care Partnership data to directly calculate a geographic adjustment. This geographic adjustment was calculated using the same methodology as described in the section above; however, we only consider CY 2018 and CY 2019 due to the significant enrollment changes occurring as February 2018. We also explicitly excluded the impact of the FCP experience adjustment. This calculation is also shown in Appendix E.

Nursing Home Rate Adjustment

The Wisconsin biennial budgets direct DHS to provide a 5.3% rate increase for SFY 2020, a 1.0% rate increase for SFY 2021, and a 14.1% rate increase for SFY 2022. Based on guidance from DHS, we assume a continued 14.1% increase for SFY 2023. The trend development methodology currently includes historical nursing home increases realized between CY 2017 and CY 2019. These rate increases result in a combined increase of 26.6% between CY 2019 and CY 2022. On average, nursing home reimbursement has increased approximately 3.0% per annum during this time frame. We adjusted the nursing home rate adjustment to exclude the underlying historical nursing home reimbursement trend, thus, the NH reimbursement increases shown reflect rate increases above and beyond the 3.0% implicit historical trend. Note, since we did not apply any trend from CY 2019 to CY 2020, the CY 2019 to CY 2020 NH reimbursement increases shown reflect actual rate increases rather than increases above the implicit historical trend. We applied an adjustment specific to each target group and GSR based on the proportion of service costs for nursing home services in CY 2019. Table 7 shows the calculation of this adjustment, which is included in Exhibit G.

Table 7 Wisconsin Department of Health Services Nursing Home Rate Adjustment						
GSR	Percentage of Nursing Home Cost in CY 2019			Adjustment Factor		
	DD	PD	FE	DD	PD	FE
GSR 3	5.20%	10.51%	34.47%	1.0010	1.0202	1.0663
GSR 5	2.91%	10.18%	14.06%	1.0056	1.0196	1.0271
GSR 6	2.86%	14.84%	22.73%	1.0055	1.0286	1.0437
GSR 8	6.81%	12.82%	26.05%	1.0131	1.0247	1.0501
GSR 10	2.68%	16.74%	13.58%	1.0052	1.0322	1.0261
GSR 11	3.29%	14.85%	16.65%	1.0063	1.0286	1.0320
GSR 12	0.81%	9.45%	9.36%	1.0016	1.0182	1.0180

Personal Care Rate Adjustment

DHS is increasing fee-for-service personal care rates by 14.60% effective July 2019 and 8.56% effective January 2022 pursuant to direction in the Wisconsin state budgets. Accompanying this rate increases was the expectation that Family Care Partnership MCOs would also implement this rate increases effective January 2020 and January 2022, respectively. The trend development methodology currently includes historical personal care rates increases realized between CY 2017 and CY 2019. On average, personal care rates have increased approximately 1.67% per annum during this time frame. We adjusted the personal care rate adjustment to exclude the underlying historical personal care rates trend, thus, the personal care rates increases shown reflect rate increases above and beyond the 1.67% implicit historical trend. Note, since we applied a 0.0% utilization trend from CY 2019 to CY 2020, the CY 2019 to CY 2020 personal care rate increases shown reflect actual rate increases rather than increases above the implicit historical trend. Personal care costs represented between 0.16% and 0.61% of base period costs across the three target groups. Applying these rate increases to these portions of the cost results in adjustments of 0.04%, 0.12%, and 0.03% for the DD, PD, and FE target groups, respectively. This adjustment is made in Exhibit G.

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 have implemented 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 1.8%, 1.4%, and 1.3% from 2019 to 2022.

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 0.01%, 0.04%, and 0.02% for the DD, PD, and FE target groups, respectively.

Home and Community-Based Services State Directed Provider Increase - June 2021 Reimbursement Increase

Effective June 1, 2021, DHS is requiring MCOs participating in Family Care to increase provider reimbursement rates by 4.24% for certain home and community-based services.

Providers of the following services are eligible for these payments, excluding self-directed services and services for providers with no current provider contract:

- Providers of adult day care services
- Daily living skills training
- Habilitation services
- Residential care, including:
 - Adult family homes of 1 to 2 beds
 - Adult family homes of 3 to 4 beds
 - Community-based residential facilities
 - Residential care apartment complexes
- Individual and group supported employment
- Prevocational employment
- Vocational futures planning
- Respite care provided outside of a nursing home
- Supportive home care

The adjustment, shown in Column E9 of Exhibit G, applies this rate increase to only the applicable portion of base data experience. This calculation was done specific to each combination of target group and GSR.

CY 2022 ARPA Reimbursement Increase

Effective January 1, 2022, DHS is requiring MCOs participating in Family Care to increase provider reimbursement rates by 5% for certain home and community-based services. This is in addition to the provider rate increase described previously. This provider rate increase is intended to be funded using the enhanced FMAP the State received through the American Rescue Plan Act.

A comprehensive list of benefit categories to which this rate increase applies can be found in the attached Appendix F.

The adjustment, shown in Column E10 of Exhibit G, applies this rate increase to only the applicable portion of base data experience. This calculation was done specific to each combination of target group and GSR.

State Budget Provider Rate Increases SFY 2021-2023

Per the 2021 to 2023 state fiscal budget, DHS elected to increase funding for certain services, including Home Health, Physical Therapy, Speech Therapy, and Outpatient Mental Health. Effective January 1, 2022, DHS is requiring the following:

- An increase to Medical Assistance rates paid for nursing care in home health agencies that are licensed under WI Statute 50.49 to support licensed practical nurses, registered nurses, and nurse practitioners in those agencies
- An increase in the reimbursement rates for physical therapy

- An increase reimbursement rates paid for speech and language pathology services at 75% of the amount paid by Medicare
- An increase to reimbursement rates paid for outpatient services for mental health and substance abuse

Overall, service costs for the Family Care Partnership population are expected to increase by approximately \$346,000 relative to CY 2019 service costs. The increased rates will result in a increase to the Family Care Partnership projected service costs of 0.18%, 0.38%, and 0.21% for the DD, PD, and FE target groups, respectively. This adjustment is shown in Column E11 of Exhibit G applies this rate increase to only the applicable portion of base data experience. This calculation was done specific to each combination of target group and GSR.

STEP 4: BLEND PROJECTED SERVICE COSTS BY TARGET GROUP

In this step we blend the projected CY 2022 MCO / GSR service costs for each target group based on the composite projected CY 2022 target group membership. The blended costs are reflected in the bottom section of Exhibit G. However, these blended service costs are for illustrative purposes only, since the program information technology started paying separate capitation rates for each target group in 2021.

V. NON-SERVICE COST ALLOWANCE

This section of the report describes the development of the non-service cost allowance for the CY 2022 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 withhold. However, the blended rates in Exhibits H and I are for illustrative purposes only, since the program information technology started paying separate capitation rates for each target group in 2021.

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 2022 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 2022 levels using an annual trend rate of 1.87%, with recent changes in the consumer price index and average wage trends for applicable industries reported by the Bureau of Labor Statistics.

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. Milliman reviewed the development of the model and the process and assumptions by which DHS and MCOs allocated fixed and variable costs. Additionally, Milliman reviewed the appropriateness of the results of the administrative cost model by reviewing historical administrative costs reported as part of MCO financial reporting. 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 \$44.43 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 2022 using the same 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 8 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 8 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 9 shows the fixed cost assumptions used to develop projected administrative expenses.

Table 9 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
Total Expense Assumptions: Fixed Cost Component								
Small	\$1,379,376	\$112,251	\$546,236	\$112,640	\$1,217,931	\$808,864	\$1,524,528	\$319,583
Medium	1,724,221	224,503	764,731	112,640	1,405,305	1,132,410	1,778,617	399,479
Large	2,069,065	224,503	983,226	112,640	1,592,679	1,617,729	2,032,705	479,375
XL	2,758,753	336,754	1,201,720	112,640	1,780,053	2,103,047	2,286,793	559,271
XXL	3,448,441	336,754	1,420,215	112,640	1,967,427	2,588,366	2,540,881	639,167

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 10 shows the variable cost assumptions used to develop the CY 2022 capitation rates.

Table 10 Wisconsin Department of Health Services Variable Cost Components of Non-Benefit Allowance	
Cost Component	PMPM Cost
Claims Management	\$ 19.95
Fiscal Management	4.09
Information Management	3.28
Quality Management	12.76

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. Approximately 75% 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 2022 Family Care Partnership will continue to have a risk corridor mechanism to mitigate the significant uncertainty outside of MCO control related to the ongoing COVID-19 pandemic, as well as the unique operational circumstances that MCOs in this program face. 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 82.5%, excluding care management, based on the following components:

- Average administrative allowance of 4.7%
- Average care management load of 10.8%, including the portion of the FCP experience adjustment attributed to additional care management costs covered under the Family Care Partnership program:
 - DD target group – 7.8%
 - PD target group – 12.5%
 - FE target group – 12.6%
- 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.

Table 11 Wisconsin Department of Health Services Risk Corridor Program – Family Care Partnership			
Variance from Target	Average Loss Ratio Claims Corridor	MCO Share of Gain / Loss in Corridor	DHS Share of Gain / Loss in Corridor
< -6.0%	< 76.5%	0%	100%
-6.0% to -2.0%	76.5% to 80.5%	50%	50%
-2.0% to +2.0%	80.5% to 84.5%	100%	0%
+2.0% to +6.0%	84.5% to 88.5%	50%	50%
> +6.0%	> 88.5%	0%	100%

The risk corridor settlement will occur after the CY 2022 rate year has ended and enough time has passed to collect and validate CY 2022 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, assuming 100% return of withhold, will be included in the denominator of the loss ratio calculation, other than any incentive payments earned.

Consistent with contract expectations, DHS expects reimbursement made for medical benefit services should be at market-based levels and should incentivize 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 2022, 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 0.38% of the 0.5% withhold (approximately 75% 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 0.38% 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.

ALTERNATIVE PAYMENT ARRANGEMENTS

The following describes alternative payment arrangements in the Family Care Partnership program. Additional documentation of these arrangements is provided in our response to the CMS Medicaid Managed Care Rate Development Guide in Exhibit L.

We certify that the Family Care capitation rates, including these alternative payment arrangements, are actuarially sound.

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. We expect no material change to the total value of exceptions made over the maximum fee schedule, which historically has been under \$70,000 annually. 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.

Direct Care Workforce

Wisconsin Statute §49.45(47m) directs DHS to make payments for CY 2022 services to Family Care MCOs to distribute to direct care workforce (DCW) providers. DHS will estimate the value of these payments for CY 2022 for the final certification. The 2021-2023 Wisconsin biennial budget includes additional funding for these providers and the estimated total for CY 2022 is \$119.6 million of which \$7.7 million is estimated to be allocated to Family Care Partnership. These payments will be made retrospectively after the conclusion of the rate year and are intended to be consistent with an §438.6(c) payment arrangement, which has not been submitted. Providers of the following services are eligible for these payments:

- Providers of adult day care services
- Daily living skills training
- Habilitation services
- Residential care
- Respite care provided outside of a nursing home
- Supported employment
- Prevocational employment
- Vocational futures planning
- Supportive home care

Appendix G includes a preliminary estimate of the allocation of total DCW funding for each MCO / GSR combination. We will allocate the total funding between Family Care NH LOC, Family Care Non-NH LOC and the FCP program and between MCO / GSR combinations within each program using actual CY 2019 MCO expenditures and developed PMPM values using projected CY 2022 MCO / GSR enrollment.

HCBS Provider Rate Increase – Effective June 2021

Effective June 1, 2021, DHS is requiring MCOs participating in Family Care Partnership to increase provider reimbursement rates for certain home and community-based services. This increase is 4.24% for eligible providers. An explicit adjustment was made as part of this certification to projected service costs, as outlined in Sections III (Step 4) and IV (Step 5). We certify that these capitation rates are actuarially sound and is intended to be consistent with a forthcoming §438.6(c) payment arrangement. This increase is in addition to the funding provided to providers through the DCW arrangement described previously.

ARPA Provider Rate Increase – Effective January 2022

Effective January 1, 2022, DHS is requiring MCOs participating in Family Care to increase provider reimbursement rates by 5% for certain home and community-based services. An explicit adjustment was made as part of this certification to projected service costs, as outlined in Sections III (Step 4) and IV (Step 5). We certify that these capitation rates are actuarially sound and is intended to be consistent with a forthcoming §438.6(c) payment arrangement. This increase is in addition to the funding provided to providers through the DCW arrangement described previously.

EXHIBITS A through D

Capitation Rate Development – Acute and Primary Services

State of Wisconsin Department of Health Services
CY 2022 Capitation Rate Development for Family Care Partnership Program

December 15, 2021

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 2022 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 A1
Wisconsin Department of Health Services
CY 2022 Partnership / PACE 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	105	393	562	449	1,043	41	20	122	2,347	4,009	10,217
Acute & Primary Services												
Inpatient Hospital	\$17.26	\$12.98	\$27.55	\$36.09	\$40.20	\$24.69	\$33.27	\$136.74	\$24.61	\$41.47	\$39.34	\$34.09
Outpatient Hospital	68.55	257.43	33.83	7.58	12.17	7.05	3.58	12.31	0.24	7.73	26.21	11.74
Pharmacy	12.12	15.09	29.24	28.56	20.59	14.27	8.93	1.99	15.31	18.80	26.07	21.11
Dental	36.58	67.23	8.29	12.95	30.22	10.26	0.00	0.00	0.00	14.47	17.97	15.15
Other Acute & Primary	42.65	29.51	46.36	32.97	76.92	37.86	25.82	43.56	46.99	39.74	66.09	42.72
Grand Total	\$177.16	\$382.25	\$145.27	\$118.15	\$180.10	\$94.12	\$71.60	\$194.60	\$87.15	\$122.21	\$175.68	\$124.80
Composite PMPM	\$190.91			\$119.48			\$95.42			\$136.74		

	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	1,733	3,076	93	113	190	294	644	977	277	277	835
Acute & Primary Services												
Inpatient Hospital	\$14.14	\$31.29	\$33.73	\$0.00	\$22.44	\$5.79	\$27.39	\$61.43	\$29.48	\$11.68	\$6.25	\$15.01
Outpatient Hospital	5.58	71.19	16.58	2.68	1.82	2.65	3.29	8.97	12.56	7.67	33.58	19.19
Pharmacy	0.00	0.41	2.45	0.00	0.00	0.00	0.02	0.19	1.33	0.33	0.61	0.73
Dental	12.23	6.26	5.72	31.37	0.92	6.05	3.34	2.61	3.10	41.74	57.65	40.87
Other Acute & Primary	28.33	54.03	41.06	25.40	37.52	34.80	36.69	50.12	41.46	131.31	93.42	70.80
Grand Total	\$60.28	\$163.18	\$99.54	\$59.45	\$62.71	\$49.29	\$70.72	\$123.33	\$87.93	\$192.73	\$191.52	\$146.60
Composite PMPM	\$109.09			\$55.51			\$97.19			\$164.75		

	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	511	461	268	246	562	593	318	631	6,758	8,425	18,507
Acute & Primary Services												
Inpatient Hospital	\$13.89	\$32.48	\$45.66	\$2.17	\$0.00	\$11.16	\$24.35	\$27.42	\$24.10	\$26.32	\$35.99	\$31.15
Outpatient Hospital	15.28	105.37	49.33	24.00	73.90	26.53	13.54	49.31	10.07	10.48	43.23	14.29
Pharmacy	0.52	0.32	0.39	0.51	0.37	0.84	0.11	1.04	0.23	9.35	13.89	13.74
Dental	64.29	54.45	48.80	3.95	13.09	5.08	22.93	49.88	16.74	21.47	19.96	14.08
Other Acute & Primary	60.99	92.07	55.43	31.85	38.42	45.77	38.37	64.56	46.13	42.46	63.68	43.92
Grand Total	\$154.97	\$284.69	\$199.62	\$62.48	\$125.77	\$89.37	\$99.31	\$192.22	\$97.27	\$110.08	\$176.75	\$117.18
Composite PMPM	\$203.86			\$91.00			\$117.63			\$130.65		

Exhibit A2
Wisconsin Department of Health Services
CY 2022 Partnership / PACE 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	2,114	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	\$1,169.51	\$550.42
Outpatient Hospital	14.30	749.62	577.09	24.54	123.71	0.00	5.05	12.79	0.00	87.16	369.52	440.56
Pharmacy	20.24	2.97	37.06	15.37	30.92	24.17	0.00	6.09	0.00	14.53	26.12	27.02
Dental	3.84	10.26	0.00	15.63	10.04	0.00	0.00	10.71	0.00	13.62	29.66	26.93
Other Acute & Primary	53.66	140.28	446.41	78.12	263.69	59.31	19.25	122.49	0.00	184.03	371.87	132.19
Grand Total	\$92.05	\$2,371.76	\$4,046.97	\$162.28	\$857.70	\$83.48	\$24.30	\$152.07	\$0.00	\$608.30	\$1,966.68	\$1,177.11
Composite PMPM	\$1,316.42			\$458.62			\$98.82			\$1,569.62		

	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	1,208	2,269	26	90	69	0	110	618	28	100	107	0
Acute & Primary Services												
Inpatient Hospital	\$671.69	\$1,067.66	\$0.00	\$604.98	\$1,385.87	\$0.00	\$450.67	\$783.48	\$0.00	\$256.98	\$296.72	\$0.00
Outpatient Hospital	134.00	228.28	3.93	599.95	258.25	0.00	91.32	315.98	65.36	25.02	76.29	0.00
Pharmacy	21.77	56.83	0.00	19.33	25.41	0.00	14.04	15.02	86.80	6.99	7.35	0.00
Dental	15.15	10.98	0.00	2.07	0.92	0.00	0.75	3.63	0.00	38.79	33.18	0.00
Other Acute & Primary	240.26	384.72	28.36	179.18	333.74	0.00	200.33	215.27	70.50	180.07	337.27	0.00
Grand Total	\$1,082.87	\$1,748.48	\$32.29	\$1,405.51	\$2,004.19	\$0.00	\$757.12	\$1,333.38	\$222.66	\$507.86	\$750.82	\$0.00
Composite PMPM	\$1,506.18			\$1,665.97			\$1,208.17			\$633.69		

	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	642	2	79	77	6	184	145	0	3,367	6,214	290
Acute & Primary Services												
Inpatient Hospital	\$335.24	\$1,189.91	\$0.00	\$75.42	\$401.72	\$0.00	\$410.43	\$1,259.55	\$0.00	\$435.83	\$1,059.89	\$511.64
Outpatient Hospital	101.53	538.91	0.00	355.77	71.04	35.50	133.60	647.85	0.00	122.89	322.83	341.81
Pharmacy	11.60	50.17	0.00	0.99	250.42	12.37	12.44	53.31	0.00	16.17	41.73	30.22
Dental	49.02	78.51	0.00	1.38	1.71	4.38	47.02	10.64	0.00	21.78	23.70	19.07
Other Acute & Primary	290.72	698.84	187.27	104.24	305.91	306.74	241.13	525.93	0.00	216.80	392.55	130.81
Grand Total	\$788.10	\$2,556.33	\$187.27	\$537.81	\$1,030.81	\$358.99	\$844.63	\$2,497.29	\$0.00	\$813.47	\$1,840.69	\$1,033.55
Composite PMPM	\$1,710.79			\$766.22			\$1,572.75			\$1,466.62		

Exhibit A3
Wisconsin Department of Health Services
CY 2022 Partnership / PACE Capitation Rate Development
Summary of 2019 Acute and Primary Services Experience by MCO/GSR
Dual Eligible & Medicaid Only Populations

	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	213	138	405	719	576	1,055	50	33	122	3,137	6,123	10,421
Acute & Primary Services												
Inpatient Hospital	\$12.80	\$358.98	\$115.26	\$34.46	\$126.36	\$24.40	\$27.12	\$82.87	\$24.61	\$108.81	\$429.49	\$44.20
Outpatient Hospital	54.54	374.42	49.93	11.28	36.87	6.97	3.85	12.50	0.24	27.73	144.73	20.14
Pharmacy	14.22	12.21	29.48	25.69	22.88	14.38	7.28	3.60	15.31	17.72	26.09	21.23
Dental	28.13	53.69	8.05	13.53	25.75	10.14	0.00	4.22	0.00	14.26	22.01	15.38
Other Acute & Primary	45.49	55.84	58.22	42.81	118.28	38.10	24.61	74.65	46.99	76.07	171.65	44.47
Grand Total	\$155.19	\$855.15	\$260.93	\$127.77	\$330.14	\$94.00	\$62.86	\$177.85	\$87.15	\$244.59	\$793.96	\$145.42
Composite PMPM	\$339.49			\$162.25			\$95.79			\$363.00		

	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	2,528	4,002	3,102	182	182	190	404	1,262	1,005	377	384	835
Acute & Primary Services												
Inpatient Hospital	\$328.41	\$618.82	\$33.44	\$297.49	\$538.97	\$5.79	\$142.97	\$415.16	\$28.65	\$76.58	\$87.42	\$15.01
Outpatient Hospital	66.96	160.25	16.48	296.38	98.97	2.65	27.33	159.38	14.03	12.26	45.52	19.19
Pharmacy	10.40	32.40	2.43	9.50	9.63	0.00	3.85	7.46	3.71	2.09	2.49	0.73
Dental	13.63	8.93	5.68	16.96	0.92	6.05	2.63	3.11	3.02	40.96	50.81	40.87
Other Acute & Primary	129.62	241.50	40.96	101.02	149.74	34.80	81.37	131.03	42.27	144.21	161.56	70.80
Grand Total	\$549.01	\$1,061.90	\$98.98	\$721.36	\$798.22	\$49.29	\$258.15	\$716.14	\$91.69	\$276.11	\$347.81	\$146.60
Composite PMPM	\$617.18			\$516.33			\$411.89			\$225.57		

	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	1,391	1,153	463	346	323	568	777	463	631	10,125	14,639	18,796
Acute & Primary Services												
Inpatient Hospital	\$149.20	\$676.83	\$45.51	\$18.77	\$95.74	\$11.04	\$115.81	\$413.38	\$24.10	\$162.50	\$470.64	\$38.56
Outpatient Hospital	51.60	346.72	49.17	99.20	73.22	26.62	41.98	236.80	10.07	47.86	161.92	19.34
Pharmacy	5.18	28.07	0.39	0.62	59.96	0.96	3.03	17.41	0.23	11.62	25.71	13.99
Dental	57.86	67.85	48.64	3.36	10.37	5.07	28.64	37.59	16.74	21.57	21.55	14.16
Other Acute & Primary	157.73	429.86	55.86	48.26	102.17	48.52	86.41	209.08	46.13	100.44	203.29	45.26
Grand Total	\$421.58	\$1,549.33	\$199.58	\$170.22	\$341.47	\$92.22	\$275.87	\$914.27	\$97.27	\$343.99	\$883.10	\$131.30
Composite PMPM	\$819.87			\$179.15			\$373.57			\$433.39		

Exhibit B1
Wisconsin Department of Health Services
CY 2022 Partnership /PACE Capitation Rate Development
Summary of 2019 Acute & Primary Services Costs by Rate Cell
Dual Eligible and Medicaid Only Populations

Developmentally Disabled														Physically Disabled														Frail Elderly														Projection to CY 2022 - Adjustment Factors													
Service Category	Age Group	Dual		Medicaid Only		Dual		Medicaid Only		Dual		Medicaid Only		Dual		Medicaid Only		2019-2020 A&P Trend		2020-2021 A&P Trend		2021-2022 A&P Trend		Three Year A&P Trend		IMD Adjustment		DME Adjustment		Behavioral Health Rate Increase		2022 Budget Increase		Missing Data Adjustment																					
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	IBNR	2019-2020 A&P Trend	2020-2021 A&P Trend	2021-2022 A&P Trend	2021-2022 A&P Trend	2021-2022 A&P Trend	2021-2022 A&P Trend	2021-2022 A&P Trend	2021-2022 A&P Trend	2021-2022 A&P Trend	2021-2022 A&P Trend	2021-2022 A&P Trend	2021-2022 A&P Trend	2021-2022 A&P Trend	2021-2022 A&P Trend	2021-2022 A&P Trend	2021-2022 A&P Trend																					
Inpatient Hospital	0-44	\$11.59	\$5.66	\$312.78	\$327.17	\$38.07	\$58.05	\$1,292.17	\$1,437.19	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.0000	1.0000	1.0600	1.0600	1.0600	1.0600	1.1236	0.9968	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0295																					
	45-54	45.18	740.48	309.83	39.04	53.24	1,505.15	615.86	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.0000	1.0000	1.0600	1.0600	1.0600	1.0600	1.1236	0.9968	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0295																					
	55-64	11.93	13.12	742.90	637.54	33.91	26.26	1,282.42	891.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.0000	1.0000	1.0600	1.0600	1.0600	1.0600	1.1236	0.9968	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0295																					
	65-74	17.12	31.02	0.00	0.00	0.00	0.00	0.00	0.00	45.43	30.13	511.64	511.64	1.0000	1.0000	1.0600	1.0600	1.0600	1.0600	1.0600	1.0600	1.1236	0.9968	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0295																						
	75-84	16.74	20.64	0.00	0.00	0.00	0.00	0.00	0.00	26.15	26.00	511.64	511.64	1.0000	1.0000	1.0600	1.0600	1.0600	1.0600	1.0600	1.0600	1.1236	0.9968	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0295																						
	85+	0.00	153.01	0.00	0.00	0.00	0.00	0.00	0.00	33.05	30.63	511.64	511.64	1.0000	1.0000	1.0600	1.0600	1.0600	1.0600	1.0600	1.0600	1.1236	0.9968	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0295																					
Outpatient Hospital	0-44	\$8.21	\$5.80	\$75.52	\$131.25	\$428.11	\$30.55	\$490.94	\$529.59	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.0000	1.0000	1.0600	1.0600	1.0600	1.0600	1.1236	1.0000	1.0000	1.0000	1.0000	1.0011	1.0000	1.0000	1.0000	1.0000	1.0295																					
	45-54	12.85	6.04	359.06	172.57	52.21	33.74	337.26	227.83	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.0000	1.0000	1.0600	1.0600	1.0600	1.0600	1.1236	1.0000	1.0000	1.0000	1.0000	1.0011	1.0000	1.0000	1.0000	1.0000	1.0295																					
	55-64	11.41	14.98	112.18	102.60	29.83	17.20	453.03	218.67	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.0000	1.0000	1.0600	1.0600	1.0600	1.0600	1.1236	1.0000	1.0000	1.0000	1.0000	1.0011	1.0000	1.0000	1.0000	1.0000	1.0295																					
	65-74	17.95	11.44	0.00	55.77	0.00	0.00	0.00	0.00	21.49	20.34	341.81	341.81	1.0000	1.0000	1.0600	1.0600	1.0600	1.0600	1.0600	1.0600	1.1236	1.0000	1.0000	1.0000	1.0000	1.0011	1.0000	1.0000	1.0000	1.0000	1.0000	1.0295																						
	75-84	1.34	1.59	0.00	0.00	0.00	0.00	0.00	0.00	12.44	9.21	341.81	341.81	1.0000	1.0000	1.0600	1.0600	1.0600	1.0600	1.0600	1.0600	1.1236	1.0000	1.0000	1.0000	1.0000	1.0011	1.0000	1.0000	1.0000	1.0000	1.0000	1.0295																						
	85+	0.00	10.45	0.00	0.00	0.00	0.00	0.00	0.00	9.77	8.83	341.81	341.81	1.0000	1.0000	1.0600	1.0600	1.0600	1.0600	1.0600	1.0600	1.1236	1.0000	1.0000	1.0000	1.0000	1.0011	1.0000	1.0000	1.0000	1.0000	1.0000	1.0295																						
Pharmacy	0-44	\$3.48	\$6.16	\$8.80	\$12.17	\$15.88	\$19.18	\$14.35	\$23.99	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.0000	1.0000	1.0600	1.0600	1.0600	1.0600	1.1236	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000																					
	45-54	5.35	10.41	11.74	38.66	8.91	14.95	47.24	39.43	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.0000	1.0000	1.0600	1.0600	1.0600	1.0600	1.1236	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000																					
	55-64	6.26	12.41	19.89	29.08	11.11	15.19	38.09	52.03	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.0000	1.0000	1.0600	1.0600	1.0600	1.0600	1.1236	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000																					
	65-74	16.52	12.67	0.00	223.22	0.00	0.00	0.00	0.00	9.10	12.07	30.22	30.22	1.0000	1.0000	1.0600	1.0600	1.0600	1.0600	1.0600	1.0600	1.1236	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000																					
	75-84	19.64	13.28	0.00	0.00	0.00	0.00	0.00	0.00	18.51	14.99	30.22	30.22	1.0000	1.0000	1.0600	1.0600	1.0600	1.0600	1.0600	1.0600	1.1236	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000																					
	85+	2.77	9.20	0.00	0.00	0.00	0.00	0.00	0.00	20.00	14.34	30.22	30.22	1.0000	1.0000	1.0600	1.0600	1.0600	1.0600	1.0600	1.0600	1.1236	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000																				
Dental	0-44	\$28.21	\$14.88	\$15.33	\$30.93	\$10.57	\$25.82	\$10.58	\$35.05	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.0000	1.0000	1.0600	1.0600	1.0600	1.0600	1.1236	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000																					
	45-54	28.26	35.05	6.99	9.54	22.29	20.70	42.63	20.63	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.0000	1.0000	1.0600	1.0600	1.0600	1.0600	1.1236	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000																					
	55-64	25.09	24.00	50.38	8.70	22.00	18.10	30.88	15.56	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.0000	1.0000	1.0600	1.0600	1.0600	1.0600	1.1236	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000																					
	65-74	10.20	14.56	0.00	0.00	0.00	0.00	0.00	0.00	18.92	14.16	19.07	19.07	1.0000	1.0000	1.0600	1.0600	1.0600	1.0600	1.0600	1.0600	1.1236	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000																						
	75-84	12.54	15.25	0.00	0.00	0.00	0.00	0.00	0.00	21.63	13.41	19.07	19.07	1.0000	1.0000	1.0600	1.0600	1.0600	1.0600	1.0600	1.0600	1.1236	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000																						
	85+	0.00	0.21	0.00	0.00	0.00	0.00	0.00	0.00	7.16	9.78	19.07	19.07	1.0000	1.0000	1.0600	1.0600	1.0600	1.0600	1.0600	1.0600	1.1236	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000																					
Other Acute & Primary	0-44	\$42.36	\$31.53	\$112.40	\$209.33	\$56.99	\$105.56	\$711.41	\$379.62	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.0000	1.0000	1.0600	1.0600	1.0600	1.0600	1.1236	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000																					
	45-54	36.09	47.83	413.97	293.90	65.24	78.38	410.12	287.48	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.0000	1.0000	1.0600	1.0600	1.0600	1.0600	1.1236	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000																					
	55-64	38.44	47.67	282.92	330.95	50.16	59.94	446.27	354.24	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.0000	1.0000	1.0600	1.0600	1.0600	1.0600	1.1236	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000																					
	65-74	42.58	55.57	0.00	298.28	0.00	0.00	0.00	0.00	60.13	47.88	130.81	130.81	1.0000	1.0000	1.0600	1.0600	1.0600	1.0600	1.0600	1.0600	1.1236	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000																					
	75-84	47.70	40.87	0.00	0.00	0.00	0.00	0.00	0.00	48.41	41.97	130.81	130.81	1.0000	1.0000	1.0600	1.0600	1.0600	1.0600	1.0600	1.0600	1.1236	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000																					
	85+	5.48	24.95	0.00	0.00	0.00	0.00	0.00	0.00	33.11	30.66	130.81	130.81	1.0000	1.0000	1.0600	1.0600	1.0600	1.0600	1.0600	1.0600	1.1236	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000																					
Total	0-44	\$93.85	\$64.02	\$524.83	\$710.85	\$549.62	\$239.16	\$2,519.45	\$2,405.45	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.0000	1.0000	1.0600	1.0600	1.0600	1.0600	1.1236	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0295																					
	45-54	158.81	144.51	1,532.24	824.51	187.69	201.02	2,342.40	1,191.22	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.0000	1.0000	1.0600	1.0600	1.0600	1.0600	1.1236	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0295																					
	55-64	93.13	112.18	1,208.26	1,108.86	147.01	136.69	2,250.69	1,531.49	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.0000	1.0000	1.0600	1.0600	1.0600	1.0600	1.1236	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0295																					
	65-74	104.48	125.26	0.00	\$77.27	0.00	0.00	0.00	0.00	155																																													

Exhibit B2 Wisconsin Department of Health Services CY 2022 Partnership / PAACE Capitation Rate Development Summary of Trended and Completed 2022 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	\$13.41	\$6.55	\$360.66	\$377.25	\$44.03	\$67.14	\$1,489.98	\$1,667.20	N/A	N/A	N/A	N/A
	45-54	88.20	52.26	853.84	357.26	45.16	61.59	1,735.56	710.12	N/A	N/A	N/A	N/A
	55-64	13.80	15.17	856.62	735.14	39.22	30.38	1,478.74	1,027.39	N/A	N/A	N/A	N/A
	65-74	19.81	35.88	0.00	0.00	0.00	0.00	0.00	0.00	52.55	34.86	589.96	589.96
	75-84	19.37	23.89	0.00	0.00	0.00	0.00	0.00	0.00	30.25	30.08	589.96	589.96
	85+	0.00	177.00	0.00	0.00	0.00	0.00	0.00	0.00	38.23	35.43	589.96	589.96
Outpatient Hospital	0-44	\$9.51	\$6.72	\$87.46	\$151.99	\$495.77	\$35.38	\$568.53	\$613.30	N/A	N/A	N/A	N/A
	45-54	14.88	7.00	415.81	199.85	60.47	39.07	390.57	263.84	N/A	N/A	N/A	N/A
	55-64	13.21	17.35	129.91	118.81	34.55	19.92	524.63	253.23	N/A	N/A	N/A	N/A
	65-74	20.78	13.25	0.00	64.58	0.00	0.00	0.00	0.00	24.89	23.55	395.83	395.83
	75-84	1.55	1.95	0.00	0.00	0.00	0.00	0.00	0.00	14.41	10.66	395.83	395.83
	85+	0.00	12.10	0.00	0.00	0.00	0.00	0.00	0.00	11.31	10.22	395.83	395.83
Pharmacy	0-44	\$3.91	\$6.92	\$9.88	\$13.67	\$17.85	\$21.56	\$16.12	\$26.96	N/A	N/A	N/A	N/A
	45-54	6.02	11.70	13.19	43.44	10.01	16.80	53.08	44.30	N/A	N/A	N/A	N/A
	55-64	7.03	13.94	22.34	32.67	12.49	17.06	42.79	58.46	N/A	N/A	N/A	N/A
	65-74	18.57	14.24	0.00	250.80	0.00	0.00	0.00	0.00	10.22	13.56	33.96	33.96
	75-84	22.07	14.92	0.00	0.00	0.00	0.00	0.00	0.00	20.80	16.84	33.96	33.96
	85+	3.11	10.34	0.00	0.00	0.00	0.00	0.00	0.00	22.47	16.11	33.96	33.96
Dental	0-44	\$47.29	\$24.95	\$25.71	\$51.85	\$17.73	\$43.29	\$17.74	\$58.77	N/A	N/A	N/A	N/A
	45-54	47.39	58.76	11.73	16.00	37.37	34.71	71.48	34.60	N/A	N/A	N/A	N/A
	55-64	42.06	40.24	84.47	14.58	36.88	30.35	51.78	26.08	N/A	N/A	N/A	N/A
	65-74	17.11	24.42	0.00	0.00	0.00	0.00	0.00	0.00	31.73	23.75	31.97	31.97
	75-84	21.02	25.57	0.00	0.00	0.00	0.00	0.00	0.00	36.26	22.48	31.97	31.97
	85+	0.00	0.35	0.00	0.00	0.00	0.00	0.00	0.00	12.01	16.40	31.97	31.97
Other Acute & Primary	0-44	\$47.38	\$35.27	\$125.73	\$234.14	\$63.75	\$118.08	\$795.75	\$424.63	N/A	N/A	N/A	N/A
	45-54	40.37	53.50	463.04	328.74	72.97	87.68	458.74	321.56	N/A	N/A	N/A	N/A
	55-64	43.00	53.32	316.46	370.16	56.11	67.04	498.17	396.23	N/A	N/A	N/A	N/A
	65-74	47.75	62.16	0.00	333.64	0.00	0.00	0.00	0.00	67.25	53.56	146.32	146.32
	75-84	53.35	45.72	0.00	0.00	0.00	0.00	0.00	0.00	54.15	46.94	146.32	146.32
	85+	6.13	27.90	0.00	0.00	0.00	0.00	0.00	0.00	37.04	34.30	146.32	146.32
Total	0-44	\$121.50	\$80.39	\$609.44	\$828.92	\$639.13	\$285.45	\$2,888.13	\$2,780.85	N/A	N/A	N/A	N/A
	45-54	196.85	183.22	1,757.61	945.29	225.98	239.84	2,709.42	1,374.42	N/A	N/A	N/A	N/A
	55-64	119.11	140.03	1,409.80	1,271.38	179.25	164.76	2,597.12	1,761.40	N/A	N/A	N/A	N/A
	65-74	124.01	149.93	0.00	649.03	0.00	0.00	0.00	0.00	186.65	149.27	1,198.05	1,198.05
	75-84	117.36	112.04	0.00	0.00	0.00	0.00	0.00	0.00	155.87	127.00	1,198.05	1,198.05
	85+	9.24	227.70	0.00	0.00	0.00	0.00	0.00	0.00	121.05	112.46	1,198.05	1,198.05
Grand Total		\$136.58		\$942.04		\$211.99		\$2,121.70		\$140.75		\$1,198.05	

Exhibit C
Wisconsin Department of Health Services
CY 2022 Partnership Capitation Rate Development
Summary of 2022 Projected Member Months by MCO/GSR and Age Group
Dual Eligible and Medicaid Only Populations

MCO	Age Group	Developmentally Disabled				Physically Disabled				Frail Elderly			
		Dual		Medicaid Only		Dual		Medicaid Only		Dual		Medicaid Only	
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Care WI (GSR 3)	0-44	12	40	25	29	13	3	21	0	0	0	0	0
	45-54	24	22	0	0	16	27	0	6	0	0	0	0
	55-64	19	24	0	12	45	13	0	12	0	0	0	0
	65-74	5	12	0	0	0	0	0	0	43	46	0	0
	75-84	0	0	0	0	0	0	0	0	13	110	0	12
	85+	0	0	0	0	0	0	0	0	20	93	0	0
Care WI (GSR 5)	0-44	99	12	83	70	41	23	23	0	0	0	0	0
	45-54	35	77	0	0	21	67	0	38	0	0	0	0
	55-64	71	37	17	31	125	162	51	51	0	0	0	0
	65-74	79	95	0	0	0	0	0	0	116	128	0	0
	75-84	11	62	0	0	0	0	0	0	118	219	0	11
	85+	0	0	0	0	0	0	0	0	51	208	0	0
Care WI (GSR 6)	0-44	0	13	32	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	0	0	0	0	0	0	0	0	0	0	0	0
	65-74	13	19	0	0	0	0	0	0	21	37	0	0
	75-84	0	0	0	0	0	0	0	0	28	57	0	0
	85+	0	0	0	0	0	0	0	0	24	27	0	0
Care WI (GSR 12)	0-44	187	240	367	223	123	228	116	190	0	0	0	0
	45-54	205	232	23	105	309	605	163	280	0	0	0	0
	55-64	391	444	116	121	660	1,433	325	584	0	0	0	0
	65-74	261	364	0	11	0	0	0	0	1,010	2,146	43	28
	75-84	73	118	0	0	0	0	0	0	945	2,197	52	63
	85+	25	72	0	0	0	0	0	0	332	2,326	0	31
iCare (GSR 3)	0-44	2	6	0	0	6	1	0	0	0	0	0	0
	45-54	4	3	0	0	7	12	0	0	0	0	0	0
	55-64	3	4	0	0	19	6	0	0	0	0	0	0
	65-74	1	2	0	0	0	0	0	0	4	4	0	0
	75-84	0	0	0	0	0	0	0	0	1	10	0	0
	85+	0	0	0	0	0	0	0	0	2	9	0	0
iCare (GSR 8)	0-44	299	317	633	362	63	77	123	172	0	0	0	0
	45-54	275	114	164	123	109	324	295	585	0	0	0	0
	55-64	262	251	165	237	483	859	571	1,472	0	0	0	0
	65-74	97	265	0	0	0	0	0	0	642	1,525	45	7
	75-84	50	37	0	0	0	0	0	0	160	590	0	45
	85+	0	33	0	0	0	0	0	0	80	226	0	0
iCare (GSR 11)	0-44	33	61	68	11	12	1	0	20	0	0	0	0
	45-54	61	17	81	34	13	23	10	53	0	0	0	0
	55-64	13	15	59	0	43	23	20	11	0	0	0	0
	65-74	0	36	0	0	0	0	0	0	8	79	0	0
	75-84	0	0	0	0	0	0	0	0	14	34	0	0
	85+	0	0	0	0	0	0	0	0	0	54	0	0
iCare (GSR 12)	0-44	86	62	42	108	13	35	67	73	0	0	0	0
	45-54	53	17	27	0	63	153	94	149	0	0	0	0
	55-64	94	118	4	65	203	324	99	194	0	0	0	0
	65-74	60	104	0	0	0	0	0	0	356	464	0	0
	75-84	7	24	0	0	0	0	0	0	95	321	32	47
	85+	0	28	0	0	0	0	0	0	49	531	0	3
CCHP (GSR 6)	0-44	58	21	32	28	0	13	13	2	0	0	0	0
	45-54	41	72	0	13	76	27	42	0	0	0	0	0
	55-64	35	14	37	1	87	106	46	94	0	0	0	0
	65-74	46	25	0	0	0	0	0	0	119	229	0	0
	75-84	14	6	0	0	0	0	0	0	69	206	0	0
	85+	0	0	0	0	0	0	0	0	30	116	0	0
CCHP (GSR 8)	0-44	279	122	289	262	49	61	120	89	0	0	0	0
	45-54	97	53	53	6	91	140	159	132	0	0	0	0
	55-64	91	114	110	50	175	240	217	236	0	0	0	0
	65-74	39	15	0	0	0	0	0	0	76	166	0	8
	75-84	7	25	0	0	0	0	0	0	30	115	0	4
	85+	0	1	0	0	0	0	0	0	71	74	0	0
CCHP (GSR 10)	0-44	25	30	27	27	29	0	0	6	0	0	0	0
	45-54	48	13	0	0	22	14	53	23	0	0	0	0
	55-64	61	51	0	0	98	131	0	64	0	0	0	0
	65-74	29	11	0	0	0	0	0	0	80	243	0	0
	75-84	13	0	0	0	0	0	0	0	39	101	0	0
	85+	0	4	0	0	0	0	0	0	65	108	0	0
CCHP (GSR 11)	0-44	52	34	105	34	0	11	0	34	0	0	0	0
	45-54	15	48	19	22	35	26	60	6	0	0	0	0
	55-64	105	55	75	59	76	139	74	104	0	0	0	0
	65-74	117	98	0	0	0	0	0	0	132	199	0	0
	75-84	19	31	0	0	0	0	0	0	61	185	0	0
	85+	0	23	0	0	0	0	0	0	46	124	0	0
Total	0-44	1,131	959	1,703	1,154	348	454	482	586	0	0	0	0
	45-54	859	668	367	306	762	1,418	875	1,273	0	0	0	0
	55-64	1,145	1,129	583	575	2,015	3,437	1,404	2,824	0	0	0	0
	65-74	747	1,045	0	11	0	0	0	0	2,607	5,268	87	43
	75-84	195	304	0	0	0	0	0	0	1,572	4,145	84	163
	85+	25	162	0	0	0	0	0	0	770	3,896	0	33

Exhibit D1
Wisconsin Department of Health Services
CY 2022 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	\$36.32	\$35.01	\$32.77	\$36.22	\$39.28	\$36.61	\$37.59	\$37.38	\$36.57	\$34.61	\$35.55	\$34.74
Outpatient Hospital	28.51	27.85	14.90	22.45	50.21	24.44	28.78	21.49	19.94	31.26	30.53	17.94
Pharmacy	13.80	14.56	16.03	14.98	13.70	13.34	12.04	14.17	13.96	12.65	14.12	14.16
Dental	28.78	29.85	23.34	27.58	31.46	30.40	31.65	27.96	30.28	33.68	28.47	28.60
Other Acute & Primary	50.85	53.71	48.75	53.44	57.40	55.99	50.80	54.09	54.07	56.28	52.22	52.87
Total Acute & Primary Services	\$158.26	\$160.99	\$135.80	\$154.68	\$192.05	\$160.79	\$160.86	\$155.09	\$154.81	\$168.48	\$160.90	\$148.30
CY 2022 Member Months	603	1,858	238	14,926	106	7,140	540	3,257	1,412	2,132	1,215	1,633

Exhibit D2
Wisconsin Department of Health Services
CY 2022 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	\$716.39	\$771.54	\$360.66	\$928.99	\$716.39	\$934.82	\$788.84	\$1,009.58	\$1,035.61	\$949.00	\$1,019.58	\$951.84
Outpatient Hospital	251.73	242.73	87.46	299.46	251.73	281.70	270.01	330.67	283.65	291.93	265.07	261.11
Pharmacy	23.59	28.72	9.88	36.74	23.59	38.43	26.21	37.29	39.25	30.92	41.92	33.65
Dental	30.70	36.56	25.71	38.04	30.70	36.21	37.77	38.30	44.74	41.93	43.44	42.67
Other Acute & Primary	337.46	323.69	125.73	349.15	337.46	359.55	334.98	380.33	381.43	362.86	346.69	346.14
Total Acute & Primary Services	\$1,359.87	\$1,403.24	\$609.44	\$1,652.38	\$1,359.87	\$1,650.70	\$1,457.80	\$1,796.17	\$1,784.68	\$1,676.64	\$1,716.71	\$1,635.43
CY 2022 Member Months	118	374	32	2,842	-	4,999	367	1,005	308	1,737	200	593

*DHS projects no Medicaid Only enrollment in iCare GSR 3. Values are set equal to MCWHP GSR 3.

Exhibit D3
Wisconsin Department of Health Services
CY 2022 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	\$147.42	\$158.29	\$71.42	\$179.02	\$39.28	\$406.48	\$341.78	\$266.65	\$215.62	\$445.08	\$174.37	\$279.09
Outpatient Hospital	64.97	63.82	23.45	66.76	50.21	130.38	126.45	94.40	67.20	148.27	63.62	82.73
Pharmacy	15.40	16.93	15.31	18.46	13.70	23.67	17.78	19.63	18.49	20.85	18.05	19.35
Dental	29.09	30.97	23.62	29.25	31.46	32.79	34.12	30.40	32.87	37.38	30.58	32.35
Other Acute & Primary	97.67	98.90	57.82	100.74	57.40	180.99	165.87	131.03	112.74	193.91	93.76	131.01
Total Acute & Primary Services	\$354.56	\$368.92	\$191.63	\$394.23	\$192.05	\$774.31	\$686.00	\$542.10	\$446.92	\$845.50	\$380.37	\$544.53
CY 2022 Member Months	720	2,232	270	17,768	106	12,139	907	4,262	1,720	3,870	1,415	2,227

EXHIBITS E through G

Capitation Rate Development – Long Term Care Services

State of Wisconsin Department of Health Services
CY 2022 Capitation Rate Development for Family Care Partnership Program

December 15, 2021

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 2022 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 2022 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
DD/NH Level of Care (Grid Component)					
Vent Dependent	7,125.03	0.00	0.24%	0.1%	6.47
SNF	483.87	0.00	0.21%	35.2%	170.21
Number of IADLs (Grid Component)					
IADL_1	0.00	0.00	0.00%	1.6%	0.00
IADL_2	193.26	0.00	0.00%	9.8%	18.89
IADL_3	468.80	0.00	0.05%	18.6%	87.00
IADL_4	1,183.41	0.00	0.52%	33.0%	390.58
IADL_5	1,411.51	0.00	0.08%	37.0%	522.61
Specific ADLs / Equipment Used (Add-On)					
Eating_2	213.99	0.00	0.05%	19.9%	42.60
Bathing_1	227.47	0.00	0.12%	44.0%	100.02
Bathing_2	338.25	0.00	0.17%	38.8%	131.36
Transfer_2	629.40	0.00	0.43%	15.8%	99.26
Interaction Terms (Add-On)					
Brain_Other Mental Illness Diagnosis	388.15	0.00	0.02%	2.6%	10.26
Other Developmental Disability_Bipolar	780.95	0.00	0.02%	0.4%	2.81
Behaviors_Autism	1,287.11	0.00	0.62%	5.6%	72.17
Injury_Age Under 30	1,837.61	0.00	0.56%	1.8%	33.53
Injury_Mental Illness	1,499.19	0.00	1.40%	4.2%	62.14
Intellectually Disabled_Bipolar	492.14	0.00	0.12%	6.0%	29.44
Intellectually Disabled_Other Mental Illness Diagnoses	509.45	0.00	0.31%	16.7%	84.83
Seizure Pre-22_Depression	200.69	0.00	0.02%	5.8%	11.55
Trauma BI Post-22_Other Mental Illness Diagnoses	393.81	0.00	0.01%	2.8%	11.14
Transfer_Equip_Mobility	659.49	0.00	0.15%	5.3%	35.16
Behavioral Variables (Add-On)					
Cognition_2	184.82	0.00	0.33%	49.6%	91.63
Cognition_3	940.36	0.00	2.78%	26.1%	245.08
Injury_1-2	220.00	0.00	0.07%	9.9%	21.87
Offensive_1-3	944.61	0.00	4.50%	30.6%	288.84
Wander_2	2,029.62	0.00	4.00%	4.3%	87.29
Mental Health_2	220.44	0.00	0.53%	65.0%	143.25
Resistive_1	618.21	0.00	6.26%	8.3%	51.28
Health Related Services (Add-On)					
Exercise	371.08	0.00	0.32%	9.6%	35.59
Tube Feedings	309.01	0.00	0.29%	2.4%	7.31
Respirate	264.19	0.00	0.07%	5.9%	15.58
Ostomy	657.07	0.00	0.05%	0.6%	4.11
Medication Administration	482.57	0.00	8.32%	77.2%	372.69
Tracheostomy	3,162.97	0.00	0.80%	0.3%	9.95
Reposition	601.11	0.00	4.25%	6.9%	41.46
Diagnoses (Add-On)					
Intellectually Disabled	257.08	0.00	1.47%	62.4%	160.35
New Variables					
Bath_Position	461.11	0.00	3.74%	52.1%	240.44
Incidents					
Incidents_0	0.00	0.00	0.00%	94.3%	0.00
Incidents_1	1,039.70	0.00	0.86%	3.5%	36.65
Incidents_2	1,968.87	0.00	0.90%	1.1%	20.92
Incidents_3+	3,778.12	0.00	2.40%	1.1%	43.18

Exhibit E2
Wisconsin Department of Health Services
CY 2022 Partnership Capitation Rate Development
Functional Screen Regression Model of 2018-2019 for Family Care Nursing Home Population
Physically Disabled

Variable	Statewide Estimate	p-Value	Incremental Partial R2	R-Squared	
				Proportion with Variable	Incremental Increase
Intercept (Grid Component)	715.09			100.0%	715.09
DD/NH Level of Care (Grid Component)					
Vent Dependent	9,934.75	0.0000	2.45%	0.5%	53.69
SNF	682.96	0.0000	0.74%	24.0%	163.93
Number of IADLs (Grid Component)					
IADL_1	0.00	0.0000	0.00%	17.6%	0.00
IADL_2	231.65	0.0000	0.11%	27.5%	63.68
IADL_3	553.01	0.0000	0.52%	20.3%	112.30
IADL_4	914.15	0.0000	1.07%	25.6%	233.71
IADL_5	1,154.99	0.0000	0.18%	9.0%	104.22
Specific ADLs / Equipment Used (Add-On)					
Eating_2	221.19	0.0000	0.15%	6.8%	15.03
Bathing_2	292.17	0.0000	0.45%	30.0%	87.74
Toileting_1-2	294.82	0.0000	0.75%	55.8%	164.39
Transfer_2	849.77	0.0000	3.33%	20.1%	170.76
Interaction Terms (Add-On)					
Injury_Mental Illness	695.44	0.0000	0.07%	0.5%	3.19
Muscular_Other Mental Illness Diagnosis_Age 60 and Under	107.07	0.0000	0.02%	10.3%	11.04
Seizure Pre-22_Schizophrenia	747.94	0.0000	0.02%	0.2%	1.17
Spinal Injury_Substance Use Issue	401.44	0.0000	0.03%	0.7%	2.84
Vent Dependent_Tracheostomy	1,802.46	0.0000	1.08%	0.2%	3.62
Transfer_Equip_Mobility	549.68	0.0000	0.92%	5.8%	31.97
Behavioral Variables (Add-On)					
Cognition_2-3	324.94	0.0000	1.77%	20.9%	68.02
Offensive_1-3	932.83	0.0000	2.44%	5.7%	53.34
Wander_2	430.17	0.0000	0.57%	1.1%	4.70
Mental Health_2	78.68	0.0000	0.11%	76.8%	60.40
Substance Use Issue	66.86	0.0000	0.00%	21.5%	14.36
Health Related Services (Add-On)					
Exercise	298.87	0.0000	0.70%	10.1%	30.08
Ulcer Stage 2	816.30	0.0000	0.21%	1.2%	9.91
Ulcer Stage 3-4	830.64	0.0000	0.42%	1.7%	13.97
Respirate	217.51	0.0000	0.90%	6.1%	13.31
Urinary	606.83	0.0000	1.00%	3.0%	18.19
Wound	224.16	0.0000	0.80%	4.6%	10.23
Tracheostomy	2,139.93	0.0000	5.01%	0.7%	14.77
Reposition	928.25	0.0000	17.43%	7.9%	73.63
Diagnoses (Add-On)					
Alzheimers	244.11	0.0000	2.34%	10.3%	25.14
New Variables					
Bath_Position	234.13	0.0000	0.03%	80.3%	188.03
Incidents					
Incidents_0	0.00	0.0000	0.00%	96.2%	0.00
Incidents_1	650.65	0.0000	0.27%	2.8%	18.29
Incidents_2+	1,626.65	0.0000	0.64%	1.0%	16.06

Exhibit E3
Wisconsin Department of Health Services
CY 2022 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)	717.43			100.0%	717.43
DD/NH Level of Care (Grid Component)					
Vent Dependent	8,427.28	0.0000	0.48%	0.1%	5.79
SNF	446.53	0.0000	0.74%	24.4%	109.01
Number of IADLs (Grid Component)					
IADL_1	0.00	0.0000	0.00%	7.1%	0.00
IADL_2	306.02	0.0000	0.14%	14.7%	44.83
IADL_3	597.94	0.0000	0.43%	12.3%	73.38
IADL_4-5	970.74	0.0000	1.63%	66.0%	640.71
Specific ADLs / Equipment Used (Add-On)					
Bathing_1	177.49	0.0000	0.09%	43.6%	77.43
Bathing_2	385.55	0.0000	0.55%	49.8%	192.15
Toileting_1-2	288.22	0.0000	1.41%	64.3%	185.39
Transfer_2	674.92	0.0000	4.62%	26.5%	178.57
Interaction Terms (Add-On)					
Seizure Post-22_Substance Use Issue	379.03	0.0000	0.04%	0.7%	2.47
Seizure Post-22_Bipolar	573.54	0.0000	0.05%	0.4%	2.46
Trauma BI Post-22_Anxiety	354.72	0.0000	0.03%	0.7%	2.34
Transfer_Equip_Mobility	786.27	0.0000	2.61%	7.8%	61.51
Behavioral Variables (Add-On)					
Cognition_2	180.74	0.0000	1.83%	31.0%	55.99
Cognition_3	213.94	0.0000	0.58%	13.5%	28.85
Offensive_1-3	215.21	0.0000	0.86%	7.7%	16.58
Wander_2	126.54	0.0000	0.34%	3.3%	4.13
Mental Health_2	135.48	0.0000	0.17%	62.6%	84.80
Substance Use Issue	146.27	0.0000	0.00%	7.2%	10.54
Health Related Services (Add-On)					
Dialysis	269.89	0.0000	0.23%	2.0%	5.51
Exercise	256.41	0.0000	0.86%	6.7%	17.15
Ulcer Stage 2	431.37	0.0000	0.16%	1.0%	4.33
Ulcer Stage 3-4	790.04	0.0000	0.35%	0.6%	5.00
Tracheostomy	4,193.33	0.0000	0.98%	0.1%	5.98
Reposition	538.02	0.0000	8.58%	7.5%	40.51
Diagnoses (Add-On)					
Alzheimers	145.45	0.0000	6.93%	40.8%	59.38
Mental Illness	164.96	0.0000	0.54%	24.2%	39.87
Incidents					
Incidents_0	0.00	0.0000	0.00%	98.4%	0.00
Incidents_1+	544.32	0.0000	0.28%	1.6%	8.95

Exhibit F1
Wisconsin Department of Health Services
CY 2022 Partnership Capitation Rate Development
MCO/GSR Functional Screen Attribute Distribution for Family Care Partnership/PACE - June 2021 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 (GSR 6)	CCHP (GSR 8)	CCHP (GSR 10)	CCHP (GSR 11)
Intercept (Grid Component)	0.00	1.0000	1.0000	1.0000	1.0000	0.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
DD/NH Level of Care (Grid Component)													
Vent Dependent	7,125.03	0.0000	0.0000	0.0000	0.0000	0.0000	0.0182	0.0000	0.0185	0.0000	0.0074	0.0000	0.0000
SNF	483.87	0.2941	0.3077	0.0000	0.2330	0.0000	0.4172	0.3492	0.3519	0.5000	0.6074	0.5161	0.3333
Number of IADLs (Grid Component)													
IADL_1	0.00	0.0588	0.0154	0.0000	0.0358	0.0000	0.0036	0.0310	0.0000	0.0278	0.0000	0.0000	0.0417
IADL_2	193.26	0.0000	0.1385	0.0000	0.1398	0.0000	0.0400	0.1240	0.0556	0.0556	0.0667	0.0323	0.0694
IADL_3	468.80	0.1765	0.1231	0.4000	0.1715	0.0000	0.1782	0.1550	0.2593	0.2500	0.1333	0.2258	0.2778
IADL_4	1,183.41	0.4706	0.2462	0.4000	0.3797	0.0000	0.5028	0.4339	0.5926	0.3611	0.3926	0.2903	0.2778
IADL_5	1,411.51	0.2941	0.4769	0.2000	0.2732	0.0000	0.2754	0.2562	0.0926	0.3056	0.4074	0.4516	0.3333
Specific ADLs / Equipment Used (Add-On)													
Eating_2	213.99	0.1176	0.2923	0.0000	0.1613	0.0000	0.3081	0.1632	0.0741	0.2222	0.2963	0.3226	0.1111
Bathing_1	227.47	0.4706	0.3846	0.4000	0.4116	0.0000	0.4872	0.5888	0.7778	0.4444	0.4593	0.5161	0.5694
Bathing_2	338.25	0.2941	0.4923	0.4000	0.4772	0.0000	0.4910	0.3802	0.1667	0.4722	0.5111	0.4516	0.2917
Transfer_2	629.40	0.1765	0.3231	0.0000	0.2973	0.0000	0.3299	0.1942	0.2037	0.2500	0.2963	0.2581	0.1389
Interaction Terms (Add-On)													
Brain_Other Mental Illness Diagnosis	388.15	0.0588	0.0308	0.0000	0.0323	0.0000	0.0318	0.0310	0.0185	0.0000	0.0222	0.0645	0.0000
Other Developmental Disability_Bipolar	780.95	0.0000	0.0000	0.0000	0.0108	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Behaviors_Autism	1,287.11	0.0588	0.0615	0.0000	0.0036	0.0000	0.0618	0.0620	0.0000	0.0556	0.1556	0.1935	0.0278
Injury_Age Under 30	1,837.61	0.0000	0.0154	0.0000	0.0036	0.0000	0.0218	0.0310	0.0000	0.0556	0.0519	0.0323	0.0000
Injury_Mental Illness	1,489.19	0.0000	0.0000	0.0000	0.0036	0.0000	0.0427	0.0310	0.0000	0.0278	0.0889	0.0645	0.0139
Intellectually Disabled_Bipolar	492.14	0.0588	0.0154	0.0000	0.0251	0.0000	0.0727	0.1860	0.0370	0.0278	0.1037	0.0323	0.0556
Intellectually Disabled_Other Mental Illness Diagnoses	509.45	0.1176	0.1077	0.2000	0.0811	0.0000	0.1663	0.2169	0.1296	0.0278	0.1259	0.0968	0.1528
Seizure Pre-22_Depression	200.69	0.0588	0.1231	0.0000	0.0753	0.0000	0.0764	0.0930	0.0185	0.1389	0.0296	0.0645	0.0417
Trauma BI Post-22_Other Mental Illness Diagnoses	393.81	0.0588	0.0923	0.0000	0.0943	0.0000	0.1283	0.1240	0.2407	0.0278	0.0889	0.0645	0.0278
Transfer_Equip_Mobility	659.49	0.0588	0.1846	0.0000	0.0919	0.0000	0.0754	0.0702	0.0556	0.0833	0.1185	0.0968	0.0278
Behavioral Variables (Add-On)													
Cognition_2	184.82	0.7059	0.3692	0.4000	0.4365	0.0000	0.4810	0.5351	0.5185	0.4167	0.2667	0.3871	0.3472
Cognition_3	940.36	0.1765	0.3077	0.0000	0.1040	0.0000	0.3372	0.2169	0.0370	0.3333	0.6519	0.3871	0.4028
Injury_1-2	220.00	0.0588	0.0615	0.0000	0.0466	0.0000	0.0400	0.0000	0.0370	0.1389	0.1111	0.0968	0.0000
Offensive_1-3	944.61	0.2941	0.1692	0.0000	0.1255	0.0000	0.2608	0.1860	0.1296	0.3056	0.4741	0.2581	0.2361
Wander_2	2,029.62	0.0000	0.0000	0.0000	0.0143	0.0000	0.0545	0.0620	0.0000	0.0000	0.1556	0.0000	0.0278
Mental Health_2	220.44	0.5882	0.7846	0.6000	0.7855	0.0000	0.6946	0.8140	0.8148	0.8333	0.6963	0.8710	0.8333
Resistive_1	618.21	0.0000	0.0462	0.0000	0.0502	0.0000	0.0681	0.0930	0.0370	0.0556	0.0963	0.0323	0.0139
Health Related Services (Add-On)													
Exercise	371.08	0.1176	0.2308	0.0000	0.1111	0.0000	0.1637	0.2479	0.1296	0.0833	0.1333	0.0645	0.0278
Tube Feedings	309.01	0.0588	0.0769	0.0000	0.0179	0.0000	0.0473	0.0083	0.0370	0.0556	0.0889	0.0323	0.0139
Respirate	264.19	0.0588	0.0615	0.0000	0.0574	0.0000	0.1283	0.0310	0.2222	0.0278	0.0444	0.0645	0.0417
Ostomy	657.07	0.0000	0.0000	0.0000	0.0108	0.0000	0.0109	0.0000	0.0185	0.0278	0.0074	0.0000	0.0139
Medication Administration	482.57	0.8235	0.7538	0.8000	0.7568	0.0000	0.8618	0.8140	0.8333	0.8056	0.8667	0.9677	0.8056
Tracheostomy	3,162.97	0.0000	0.0000	0.0000	0.0000	0.0000	0.0145	0.0000	0.0185	0.0000	0.0222	0.0000	0.0000
Reposition	601.11	0.0588	0.2000	0.0000	0.0968	0.0000	0.0972	0.0393	0.0741	0.0833	0.1630	0.1290	0.0556
Diagnoses (Add-On)													
Intellectually Disabled	257.08	0.3529	0.4615	0.6000	0.2711	0.0000	0.3772	0.4649	0.2407	0.4167	0.5333	0.3548	0.5278
New Variables													
Bath_Position	461.11	0.4706	0.7077	0.6000	0.7576	0.0000	0.5382	0.5269	0.5741	0.6944	0.4667	0.5806	0.5694
Incidents													
Incidents_0	0.00	1.0000	0.9692	1.0000	0.9785	0.0000	0.9564	0.9070	0.9630	0.9722	0.9407	0.9677	1.0000
Incidents_1	1,039.70	0.0000	0.0154	0.0000	0.0143	0.0000	0.0255	0.0620	0.0370	0.0278	0.0444	0.0323	0.0000
Incidents_2	1,968.87	0.0000	0.0000	0.0000	0.0072	0.0000	0.0145	0.0310	0.0000	0.0000	0.0148	0.0000	0.0000
Incidents_3+	3,778.12	0.0000	0.0154	0.0000	0.0000	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
MCO/GSR Developmentally Disabled Composite		3,335.78	3,943.62	2,294.53	3,216.67	0.00	4,409.07	3,919.48	3,334.97	3,927.21	5,430.74	4,341.92	3,412.52
GSR Developmentally Disabled Composite		3,335.78	3,943.62	3,728.10	3,235.86	3,335.78	4,745.45	3,569.41	3,235.86	3,728.10	4,745.45	4,341.92	3,569.41
MCO/GSR Experience Credibility Weight		0.41	0.81	0.22	1.00	0.00	1.00	0.57	0.73	0.60	1.00	0.56	0.85
Final Blended Developmentally Disabled Composite	\$3,966.20	3,335.78	3,943.62	3,407.55	3,216.67	3,335.78	4,409.07	3,768.26	3,308.69	3,847.57	5,430.74	4,341.92	3,436.29
Preliminary Blended Developmentally Disabled Risk Score		0.8411	0.9943	0.8591	0.8110	0.8411	1.1117	0.9501	0.8342	0.9701	1.3693	1.0947	0.8664
Family Care Partnership Acuity Adjustment¹		1.0041	1.0041	1.0041	1.0041	1.0041	1.0041	1.0041	1.0041	1.0041	1.0041	1.0041	1.0041
Final Blended Developmentally Disabled Risk Score		0.8445	0.9984	0.8627	0.8143	0.8445	1.1162	0.9540	0.8376	0.9741	1.3749	1.0992	0.8699

¹ This factor represents the relativity between the Family Care risk weights applied to 2019 Family Care Partnership enrollment (totaling \$3,855.20 PMPM) compared to these weights applied to 2019 Family Care enrollment (totaling \$3,839.47 PMPM as shown in the 2022 Family Care report, Exhibit D1A.)

Exhibit F2
 Wisconsin Department of Health Services
 CY 2022 Partnership Capitation Rate Development
 MCO/GSR Functional Screen Attribute Distribution for Family Care Partnership/PACE - June 2021 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 (GSR 6)	CCHP (GSR 8)	CCHP (GSR 10)	CCHP (GSR 11)
Intercept (Grid Component)	715.09	1.0000	1.0000	0.0000	1.0000	0.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
DD/NH Level of Care (Grid Component)													
Vent Dependent	9,934.75	0.0000	0.0000	0.0000	0.0072	0.0000	0.0025	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
SNF	682.96	0.3333	0.2532	0.0000	0.1684	0.0000	0.2112	0.0782	0.2016	0.3243	0.3543	0.2500	0.2740
Number of IADLs (Grid Component)													
IADL_1	0.00	0.1667	0.0584	0.0000	0.1290	0.0000	0.0935	0.1676	0.0313	0.1892	0.0692	0.0357	0.1826
IADL_2	231.65	0.1667	0.3701	0.0000	0.3357	0.0000	0.2586	0.3911	0.4294	0.2162	0.2164	0.2857	0.2283
IADL_3	553.01	0.1667	0.2013	0.0000	0.2580	0.0000	0.2559	0.2737	0.2629	0.2162	0.2067	0.2857	0.2466
IADL_4	914.15	0.3333	0.2727	0.0000	0.1901	0.0000	0.3235	0.1117	0.2103	0.2973	0.3562	0.3571	0.2511
IADL_5	1,154.99	0.1667	0.0974	0.0000	0.0872	0.0000	0.0685	0.0559	0.0660	0.0811	0.1515	0.0357	0.0913
Specific ADLs / Equipment Used (Add-On)													
Eating_2	221.19	0.0000	0.1169	0.0000	0.0693	0.0000	0.0526	0.0559	0.0222	0.0811	0.1109	0.0000	0.0457
Bathing_2	292.17	0.5000	0.3312	0.0000	0.4278	0.0000	0.2544	0.2235	0.1887	0.1892	0.4547	0.1786	0.2922
Toileting_1-2	294.82	0.5833	0.5455	0.0000	0.6381	0.0000	0.7434	0.5810	0.6757	0.6216	0.7736	0.6786	0.5662
Transfer_2	849.77	0.0833	0.2338	0.0000	0.2317	0.0000	0.2114	0.1341	0.1186	0.1081	0.4490	0.1786	0.2922
Interaction Terms (Add-On)													
Injury_Mental Illness	695.44	0.0000	0.0195	0.0000	0.0048	0.0000	0.0098	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Muscular_Other Mental Illness Diagnosis_Age 60 and U	107.07	0.1667	0.1364	0.0000	0.1195	0.0000	0.1378	0.1117	0.2153	0.1081	0.1136	0.2143	0.1142
Seizure Pre-22_Schizophrenia	747.94	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Spinal Injury_Substance Use Issue	401.44	0.0000	0.0000	0.0000	0.0143	0.0000	0.0098	0.0000	0.0175	0.0000	0.0243	0.0000	0.0228
Vent Dependent_Tracheostomy	1,802.46	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Transfer_Equip_Mobility	549.68	0.0833	0.0974	0.0000	0.0621	0.0000	0.0206	0.0559	0.0613	0.0270	0.1271	0.0000	0.1324
Behavioral Variables (Add-On)													
Cognition_2-3	324.94	0.4167	0.2338	0.0000	0.1339	0.0000	0.2936	0.2235	0.1227	0.4324	0.3462	0.2143	0.3425
Offensive_1-3	932.83	0.1667	0.0584	0.0000	0.0287	0.0000	0.0492	0.0223	0.0351	0.1351	0.0568	0.0357	0.0685
Wander_2	430.17	0.0833	0.0000	0.0000	0.0072	0.0000	0.0098	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Mental Health_2	78.68	1.0000	0.9026	0.0000	0.8471	0.0000	0.7431	0.7765	0.7937	0.9459	0.7576	0.7857	0.8447
Substance Use Issue	66.86	0.3333	0.3961	0.0000	0.3502	0.0000	0.2849	0.1620	0.3506	0.3243	0.2110	0.2857	0.2968
Health Related Services (Add-On)													
Exercise	298.87	0.2500	0.1753	0.0000	0.1672	0.0000	0.1313	0.0559	0.2279	0.1622	0.1839	0.0357	0.0228
Ulcer Stage 2	816.30	0.0000	0.0195	0.0000	0.0072	0.0000	0.0123	0.0559	0.0047	0.0811	0.0243	0.0000	0.0685
Ulcer Stage 3-4	830.64	0.0000	0.0195	0.0000	0.0191	0.0000	0.0148	0.0000	0.0088	0.0811	0.0243	0.0357	0.0457
Respirate	217.51	0.1667	0.0974	0.0000	0.0382	0.0000	0.1154	0.0782	0.0660	0.0000	0.0162	0.0000	0.1142
Urinary	606.83	0.0000	0.0000	0.0000	0.0287	0.0000	0.0098	0.0000	0.0088	0.0270	0.0893	0.0714	0.0228
Wound	224.16	0.0833	0.0195	0.0000	0.0263	0.0000	0.0295	0.0000	0.0438	0.0270	0.0893	0.0000	0.0457
Tracheostomy	2,139.93	0.0000	0.0000	0.0000	0.0096	0.0000	0.0049	0.0000	0.0047	0.0000	0.0162	0.0000	0.0000
Reposition	928.25	0.1667	0.1169	0.0000	0.0860	0.0000	0.0526	0.0559	0.0573	0.0541	0.2002	0.0357	0.0913
Diagnoses (Add-On)													
Alzheimers	244.11	0.3333	0.0779	0.0000	0.0921	0.0000	0.0479	0.0000	0.0613	0.1351	0.1217	0.1429	0.1370
New Variables													
Bath_Position	234.13	0.8333	0.7403	0.0000	0.8578	0.0000	0.6881	0.7486	0.7975	0.7568	0.6097	0.9643	0.7489
Incidents													
Incidents_0	0.00	0.9167	0.9610	0.0000	0.9881	0.0000	0.9779	0.9218	0.9912	1.0000	0.9675	0.9643	1.0000
Incidents_1	650.65	0.0833	0.0390	0.0000	0.0072	0.0000	0.0197	0.0223	0.0088	0.0000	0.0325	0.0357	0.0000
Incidents_2+	1,626.65	0.0000	0.0000	0.0000	0.0048	0.0000	0.0025	0.0559	0.0000	0.0000	0.0000	0.0000	0.0000
MCO/GSR Physically Disabled Composite		3,066.00	2,674.88	0.00	2,580.42	0.00	2,552.96	2,159.93	2,327.78	2,673.93	3,307.02	2,489.25	2,736.04
GSR Physically Disabled Composite		3,066.00	2,674.88	2,673.93	2,526.31	3,066.00	2,728.42	2,568.90	2,526.31	2,673.93	2,728.42	2,489.25	2,568.90
MCO/GSR Experience Credibility Weight		0.35	0.72	0.00	1.00	0.00	1.00	0.42	1.00	0.61	1.00	0.53	0.66
Final Blended Physically Disabled Composite	\$2,637.69	3,066.00	2,674.88	2,673.93	2,580.42	3,066.00	2,552.96	2,395.87	2,327.78	2,673.93	3,307.02	2,489.25	2,679.52
Preliminary Blended Physically Disabled Risk Score		1.1624	1.0141	1.0137	0.9783	1.1624	0.9679	0.9083	0.8825	1.0137	1.2538	0.9437	1.0159
Family Care Partnership Acuity Adjustment¹		0.9543	0.9543	0.9543	0.9543	0.9543	0.9543	0.9543	0.9543	0.9543	0.9543	0.9543	0.9543
Final Blended Physically Disabled Risk Score		1.1092	0.9677	0.9674	0.9335	1.1092	0.9236	0.8668	0.8421	0.9674	1.1964	0.9006	0.9694

¹ This factor represents the relativity between the Family Care risk weights applied to 2019 Family Care Partnership enrollment (totaling \$2,453.20 PMPM) compared to these weights applied to 2019 Family Care enrollment (totaling \$2,570.80 PMPM as shown in the 2022 Family Care report, Exhibit D2A.)

Exhibit F3
Wisconsin Department of Health Services
CY 2022 Partnership Capitation Rate Development
MCO/GSR Functional Screen Attribute Distribution for Family Care Partnership/PACE - June 2021 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 (GSR 6)	CCHP (GSR 8)	CCHP (GSR 10)	CCHP (GSR 11)
Intercept (Grid Component)	717.43	1.0000	1.0000	1.0000	1.0000	0.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
DD/NH Level of Care (Grid Component)													
Vent Dependent	8,427.28	0.0000	0.0000	0.0000	0.0013	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
SNF	446.53	0.1294	0.1350	0.1892	0.1757	0.0000	0.2421	0.3750	0.2457	0.2513	0.3285	0.2885	0.2877
Number of IADLs (Grid Component)													
IADL_1	0.00	0.0726	0.0792	0.0000	0.0492	0.0000	0.1056	0.0000	0.0446	0.0322	0.0240	0.0385	0.0347
IADL_2	306.02	0.0726	0.1451	0.0901	0.1824	0.0000	0.2376	0.0625	0.2945	0.1860	0.2326	0.0962	0.0867
IADL_3	597.94	0.2019	0.1394	0.1802	0.1636	0.0000	0.1931	0.0625	0.1565	0.1929	0.0719	0.1923	0.0867
IADL_4-5	970.74	0.6530	0.6363	0.7297	0.6047	0.0000	0.4637	0.8750	0.5045	0.5890	0.6715	0.6731	0.7920
Specific ADLs / Equipment Used (Add-On)													
Bathing_1	177.49	0.4716	0.4591	0.4505	0.3996	0.0000	0.6893	0.3750	0.6767	0.5113	0.4317	0.4231	0.5043
Bathing_2	385.55	0.4921	0.5145	0.4595	0.5409	0.0000	0.2670	0.6250	0.2430	0.4084	0.5683	0.5192	0.4263
Toileting_1-2	288.22	0.6735	0.6834	0.7297	0.7218	0.0000	0.6212	0.6250	0.6026	0.5820	0.6643	0.7885	0.6187
Transfer_2	674.92	0.3470	0.2977	0.3604	0.2849	0.0000	0.2051	0.2500	0.1868	0.2637	0.4484	0.4231	0.2184
Interaction Terms (Add-On)													
Seizure Post-22_Substance Use Issue	379.03	0.0000	0.0000	0.0000	0.0132	0.0000	0.0255	0.0000	0.0089	0.0000	0.0240	0.0000	0.0173
Seizure Post-22_Bipolar	573.54	0.0000	0.0000	0.0000	0.0026	0.0000	0.0109	0.0000	0.0089	0.0161	0.0000	0.0000	0.0000
Trauma BI Post-22_Anxiety	354.72	0.0000	0.0264	0.0000	0.0080	0.0000	0.0073	0.0625	0.0619	0.0000	0.0000	0.0192	0.0347
Transfer_Equip_Mobility	786.27	0.1657	0.1187	0.0901	0.0764	0.0000	0.0465	0.0625	0.0982	0.0547	0.0647	0.0769	0.1317
Behavioral Variables (Add-On)													
Cognition_2	180.74	0.3628	0.3857	0.3604	0.3078	0.0000	0.2906	0.4375	0.3061	0.3119	0.2158	0.2308	0.4159
Cognition_3	213.94	0.0363	0.0923	0.1411	0.0817	0.0000	0.0748	0.4375	0.0440	0.1768	0.3837	0.0769	0.2201
Offensive_1-3	215.21	0.0363	0.0528	0.0000	0.0430	0.0000	0.0729	0.2500	0.0735	0.0643	0.1679	0.0769	0.0347
Wander_2	126.54	0.0000	0.0132	0.0511	0.0328	0.0000	0.0255	0.0625	0.0089	0.0161	0.0959	0.0000	0.0173
Mental Health_2	135.48	0.5079	0.6759	0.8589	0.7068	0.0000	0.6186	0.6875	0.6939	0.7337	0.6475	0.7692	0.7227
Substance Use Issue	146.27	0.0931	0.1847	0.0480	0.1695	0.0000	0.1894	0.0625	0.1874	0.0482	0.1439	0.0962	0.1040
Health Related Services (Add-On)													
Dialysis	269.89	0.0000	0.0000	0.0000	0.0093	0.0000	0.0317	0.0000	0.0178	0.0161	0.0240	0.0000	0.0347
Exercise	256.41	0.2177	0.1715	0.0000	0.1008	0.0000	0.1191	0.1875	0.1475	0.1768	0.0719	0.0385	0.0520
Ulcer Stage 2	431.37	0.0363	0.0132	0.0000	0.0026	0.0000	0.0109	0.0000	0.0000	0.0000	0.0000	0.0192	0.0000
Ulcer Stage 3-4	790.04	0.0000	0.0000	0.0000	0.0054	0.0000	0.0073	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Tracheostomy	4,193.33	0.0000	0.0000	0.0000	0.0013	0.0000	0.0000	0.0000	0.0089	0.0000	0.0000	0.0000	0.0000
Reposition	538.02	0.2177	0.1055	0.0000	0.0603	0.0000	0.0611	0.0625	0.0625	0.1190	0.0959	0.0385	0.1144
Diagnoses (Add-On)													
Alzheimers	145.45	0.3990	0.3826	0.5916	0.3832	0.0000	0.2169	0.6875	0.2965	0.3730	0.4077	0.4231	0.5477
Mental Illness	164.96	0.1088	0.1451	0.2703	0.1465	0.0000	0.2368	0.1250	0.1921	0.3215	0.3357	0.1923	0.4697
Incidents													
Incidents_0	0.00	1.0000	1.0000	1.0000	0.9909	0.0000	0.9745	1.0000	0.9658	1.0000	0.9760	1.0000	1.0000
Incidents_1+	544.32	0.0000	0.0000	0.0000	0.0091	0.0000	0.0255	0.0000	0.0342	0.0000	0.0240	0.0000	0.0000
MCO/GSR Frail Elderly Composite		2,812.16	2,710.76	2,782.87	2,660.63	0.00	2,427.46	3,057.47	2,531.90	2,657.26	2,962.40	2,824.52	2,881.51
GSR Frail Elderly Composite		2,812.16	2,710.76	2,676.28	2,643.99	2,812.16	2,498.00	2,919.71	2,643.99	2,676.28	2,498.00	2,824.52	2,919.71
MCO/GSR Experience Credibility Weight		0.53	0.87	0.33	1.00	0.00	1.00	0.40	1.00	0.79	0.65	0.72	0.76
Final Blended Frail Elderly Composite	\$2,633.94	2,812.16	2,710.76	2,711.79	2,660.63	2,812.16	2,427.46	2,974.82	2,531.90	2,661.28	2,797.89	2,824.52	2,890.70
Preliminary Blended Frail Elderly Risk Score		1.0677	1.0292	1.0296	1.0101	1.0677	0.9216	1.1294	0.9613	1.0104	1.0622	1.0724	1.0975
Family Care Partnership Acuity Adjustment¹		0.9473	0.9473	0.9473	0.9473	0.9473	0.9473	0.9473	0.9473	0.9473	0.9473	0.9473	0.9473
Final Blended Frail Elderly Risk Score		1.0114	0.9750	0.9753	0.9569	1.0114	0.8731	1.0699	0.9106	0.9572	1.0063	1.0159	1.0397

¹ This factor represents the relativity between the Family Care risk weights applied to 2019 Family Care Partnership enrollment (totaling \$2,539.86 PMPM) compared to these weights applied to 2019 Family Care enrollment (totaling \$2,681.05 PMPM as shown in the 2022 Family Care report, Exhibit D3A.)

Exhibit G
 Wisconsin Department of Health Services
 CY 2022 Partnership Capitation Rate Development
 Development of Service Portion of LTC Rate

		(A)	(B)	(C)	(D) = (A) x (B) x (C)	(E1)	(E2)	(E3)	(E4)	(E5)	(E6)	(E7)	(E8)	(E9)	(E10)	(E11)	(F) = (D) x (E)
DD Development	MCO/GSR Specific Base Rate Development					Projection to CY 2022											
	2022 FC Regression Results					2022 PD Adjustment Factors											
	2022 Exposure Months	FC Statewide DD Base Costs	FCP Experience Adjustment Factor	FCP Risk Score - June 2021 Enrollment	MCO/GSR Specific Risk Adjusted Rate	Three Year Utilization Trend	Three Year Unit Cost Trend	Three Year Acuity Trend	Geographic Adjustment Factor	Three Year Nursing Home Rate Increase	Personal Care Rate Increase	Provider Reimbursement Increase	DME Adjustment	2021 HCBS Increase	2022 ARPA Increase	2022 Budget Increase	Projected Per Capita Monthly Costs
MCWHP (GSR 3)	225	\$3,839.47	1.0955	0.8445	\$3,552.04	1.0023	0.9977	1.0737	0.9636	1.0095	1.0004	1.0175	0.9999	1.0294	1.0383	1.0047	\$4,055.15
MCWHP (GSR 5)	778	3,839.47	1.0955	0.9884	4,198.28	1.0023	0.9977	1.0737	0.9636	1.0053	1.0004	1.0175	0.9999	1.0421	1.0415	1.0008	4,828.79
MCWHP (GSR 6)	77	3,839.47	1.0955	0.8627	3,628.45	1.0023	0.9977	1.0737	1.0310	1.0052	1.0004	1.0175	0.9999	1.0189	1.0308	1.0018	4,324.14
MCWHP (GSR 12)	3,581	3,839.47	1.0955	0.8143	3,425.20	1.0023	0.9977	1.0737	1.0145	1.0015	1.0004	1.0087	0.9999	1.0246	1.0359	1.0014	4,007.08
Care (GSR 3)	24	3,839.47	1.0955	0.8445	3,552.04	1.0023	0.9977	1.0737	0.9636	1.0095	1.0004	1.0175	0.9999	1.0294	1.0383	1.0047	4,055.15
Care (GSR 5)	3,685	3,839.47	1.0955	1.1162	4,694.91	1.0023	0.9977	1.0737	0.9991	1.0125	1.0004	1.0175	0.9999	1.0171	1.0404	1.0022	5,504.44
Care (GSR 11)	488	3,839.47	1.0955	0.9540	4,012.55	1.0023	0.9977	1.0737	1.0310	1.0060	1.0004	1.0175	0.9999	1.0213	1.0402	1.0015	4,638.70
Care (GSR 12)	898	3,839.47	1.0955	0.8376	3,523.19	1.0023	0.9977	1.0737	1.0145	1.0015	1.0004	1.0087	0.9999	1.0246	1.0359	1.0014	4,121.72
CCHP (GSR 6)	446	3,839.47	1.0955	0.9741	4,097.00	1.0023	0.9977	1.0737	1.0310	1.0052	1.0004	1.0175	0.9999	1.0189	1.0308	1.0018	4,882.52
CCHP (GSR 8)	1,616	3,839.47	1.0955	1.3749	5,782.81	1.0023	0.9977	1.0737	0.9991	1.0125	1.0004	1.0175	0.9999	1.0171	1.0404	1.0022	6,779.93
CCHP (GSR 10)	338	3,839.47	1.0955	1.0952	4,623.40	1.0023	0.9977	1.0737	0.9772	1.0049	1.0004	1.0175	0.9999	1.0237	1.0386	1.0007	5,278.32
CCHP (GSR 11)	913	3,839.47	1.0955	0.8699	3,659.06	1.0023	0.9977	1.0737	1.0310	1.0060	1.0004	1.0175	0.9999	1.0213	1.0402	1.0015	4,412.42
Total DD Cohort	13,069	\$3,839.47	1.0955	1.0041	\$4,223.32	1.0023	0.9977	1.0737	1.0044	1.0078	1.0004	1.0151	0.9999	1.0215	1.0387	1.0018	\$4,953.81

		(A)	(B)	(C)	(D) = (A) x (B) x (C)	(E1)	(E2)	(E3)	(E4)	(E5)	(E6)	(E7)	(E8)	(E9)	(E10)	(E11)	(F) = (D) x (E)
PD Development	MCO/GSR Specific Base Rate Development					Projection to CY 2022											
	2022 FC Regression Results					2022 PD Adjustment Factors											
	2022 Exposure Months	FC Statewide PD Base Costs	FCP Experience Adjustment Factor	FCP Risk Score - June 2021 Enrollment	MCO/GSR Specific Risk Adjusted Rate	Three Year Utilization Trend	Three Year Unit Cost Trend	Three Year Acuity Trend	Geographic Adjustment Factor	Three Year Nursing Home Rate Increase	Personal Care Rate Increase	Provider Reimbursement Increase	DME Adjustment	2021 HCBS Increase	2022 ARPA Increase	2022 Budget Increase	Projected Per Capita Monthly Costs
MCWHP (GSR 3)	158	\$2,570.80	1.0955	1.1092	\$3,123.83	1.0303	1.0058	1.0364	0.9635	1.0193	1.0012	1.0140	0.9996	1.0148	1.0363	1.0030	\$3,527.64
MCWHP (GSR 5)	602	2,570.80	1.0955	0.9677	2,725.33	1.0303	1.0058	1.0364	0.9635	1.0187	1.0012	1.0140	0.9996	1.0257	1.0258	1.0007	3,070.36
MCWHP (GSR 6)	-	2,570.80	1.0955	0.9674	2,724.37	1.0303	1.0058	1.0364	1.0309	1.0274	1.0012	1.0140	0.9996	1.0194	1.0250	1.0015	3,290.95
MCWHP (GSR 12)	5,016	2,570.80	1.0955	0.9335	2,628.10	1.0303	1.0058	1.0364	1.0144	1.0174	1.0012	1.0070	0.9996	1.0251	1.0337	1.0030	3,121.30
Care (GSR 3)	51	2,570.80	1.0955	1.1092	3,123.83	1.0303	1.0058	1.0364	0.9635	1.0193	1.0012	1.0140	0.9996	1.0148	1.0363	1.0030	3,527.64
Care (GSR 5)	5,133	2,570.80	1.0955	0.9236	2,601.11	1.0303	1.0058	1.0364	0.9990	1.0236	1.0012	1.0140	0.9996	1.0132	1.0304	1.0050	3,042.09
Care (GSR 11)	230	2,570.80	1.0955	0.8668	2,441.07	1.0303	1.0058	1.0364	1.0309	1.0274	1.0012	1.0140	0.9996	1.0232	1.0284	1.0039	2,976.76
Care (GSR 12)	1,467	2,570.80	1.0955	0.8421	2,371.69	1.0303	1.0058	1.0364	1.0144	1.0174	1.0012	1.0070	0.9996	1.0251	1.0337	1.0030	2,815.71
CCHP (GSR 6)	506	2,570.80	1.0955	0.9674	2,724.37	1.0303	1.0058	1.0364	1.0309	1.0274	1.0012	1.0140	0.9996	1.0251	1.0337	1.0030	3,290.95
CCHP (GSR 8)	1,709	2,570.80	1.0955	1.1964	3,369.40	1.0303	1.0058	1.0364	0.9990	1.0236	1.0012	1.0140	0.9996	1.0132	1.0304	1.0050	3,940.62
CCHP (GSR 10)	441	2,570.80	1.0955	0.9006	2,536.21	1.0303	1.0058	1.0364	0.9771	1.0309	1.0012	1.0140	0.9996	1.0170	1.0233	1.0014	2,902.23
CCHP (GSR 11)	566	2,570.80	1.0955	0.9694	2,730.06	1.0303	1.0058	1.0364	1.0309	1.0274	1.0012	1.0140	0.9996	1.0232	1.0284	1.0039	3,329.17
Total PD Cohort	15,878	\$2,570.80	1.0955	0.9543	\$2,687.45	1.0303	1.0058	1.0364	1.0052	1.0214	1.0012	1.0113	0.9996	1.0191	1.0311	1.0038	\$3,163.72

		(A)	(B)	(C)	(D) = (A) x (B) x (C)	(E1)	(E2)	(E3)	(E4)	(E5)	(E6)	(E7)	(E8)	(E9)	(E10)	(E11)	(F) = (D) x (E)
FE Development	MCO/GSR Specific Base Rate Development					Projection to CY 2022											
	2022 FC Regression Results					2022 FE Adjustment Factors											
	2022 Exposure Months	FC Statewide FE Base Costs	FCP Experience Adjustment Factor	FCP Risk Score - June 2021 Enrollment	MCO/GSR Specific Risk Adjusted Rate	Three Year Utilization Trend	Three Year Unit Cost Trend	Three Year Acuity Trend	Geographic Adjustment Factor	Three Year Nursing Home Rate Increase	Personal Care Rate Increase	Provider Reimbursement Increase	DME Adjustment	2021 HCBS Increase	2022 ARPA Increase	2022 Budget Increase	Projected Per Capita Monthly Costs
MCWHP (GSR 3)	338	\$2,681.05	1.0955	1.0114	\$2,970.64	1.0199	1.0221	1.0060	0.9654	1.0641	1.0003	1.0128	0.9998	1.0181	1.0200	1.0004	\$3,367.53
MCWHP (GSR 5)	852	2,681.05	1.0955	0.9750	2,863.53	1.0199	1.0221	1.0060	0.9654	1.0259	1.0003	1.0128	0.9998	1.0213	1.0270	1.0013	3,163.56
MCWHP (GSR 6)	193	2,681.05	1.0955	0.9753	2,864.62	1.0199	1.0221	1.0060	1.0328	1.0420	1.0003	1.0128	0.9998	1.0183	1.0201	1.0008	3,404.69
MCWHP (GSR 12)	9,171	2,681.05	1.0955	0.9569	2,810.58	1.0199	1.0221	1.0060	1.0163	1.0172	1.0003	1.0064	0.9998	1.0232	1.0303	1.0017	3,238.84
Care (GSR 3)	31	2,681.05	1.0955	1.0114	2,970.64	1.0199	1.0221	1.0060	0.9654	1.0641	1.0003	1.0128	0.9998	1.0181	1.0200	1.0004	3,367.53
Care (GSR 5)	3,320	2,681.05	1.0955	0.8731	2,584.27	1.0199	1.0221	1.0060	1.0009	1.0483	1.0003	1.0128	0.9998	1.0161	1.0304	1.0046	3,006.17
Care (GSR 11)	190	2,681.05	1.0955	1.0699	3,142.47	1.0199	1.0221	1.0060	1.0328	1.0307	1.0003	1.0128	0.9998	1.0220	1.0306	1.0009	3,746.13
Care (GSR 12)	1,897	2,681.05	1.0955	0.9106	2,674.59	1.0199	1.0221	1.0060	1.0163	1.0172	1.0003	1.0064	0.9998	1.0232	1.0303	1.0017	3,082.13
CCHP (GSR 6)	769	2,681.05	1.0955	0.9572	2,811.25	1.0199	1.0221	1.0060	1.0328	1.0420	1.0003	1.0128	0.9998	1.0183	1.0201	1.0008	3,341.27
CCHP (GSR 8)	545	2,681.05	1.0955	1.0063	2,955.56	1.0199	1.0221	1.0060	1.0009	1.0483	1.0003	1.0128	0.9998	1.0161	1.0304	1.0046	3,464.91
CCHP (GSR 10)	636	2,681.05	1.0955	1.0159	2,983.70	1.0199	1.0221	1.0060	1.0390	1.0250	1.0003	1.0128	0.9998	1.0226	1.0315	1.0016	3,327.71
CCHP (GSR 11)	748	2,681.05	1.0955	1.0397	3,053.61	1.0199	1.0221	1.0060	1.0328	1.0307	1.0003	1.0128	0.9998	1.0220	1.0306	1.0009	3,640.20
Total FE Cohort	18,689	\$2,681.05	1.0955	0.9473	\$2,782.38	1.0199	1.0221	1.0060	1.0103	1.0269	1.0003	1.0090	0.9998	1.0213	1.0291	1.0021	\$3,217.45

		(A)	(B)	(C)	(D) = (A) x (B) x (C)	(E1)	(E2)	(E3)	(E4)	(E5)	(E6)	(E7)	(E8)	(E9)	(E10)	(E11)	(F) = (D) x (E)
Composite Development	MCO/GSR Specific Base Rate Development					Projection to CY 2022											
	2022 FC Regression Results					2022 Composite Adjustment Factors											
	2022 Exposure Months	FC Statewide Composite Base Costs	FCP Experience Adjustment Factor	FCP Risk Score - June 2021 Enrollment	MCO/GSR Specific Risk Adjusted Rate	Three Year Utilization Trend	Three Year Unit Cost Trend	Three Year Acuity Trend	Geographic Adjustment Factor	Three Year Nursing Home Rate Increase	Personal Care Rate Increase	Provider Reimbursement Increase	DME Adjustment	2021 HCBS Increase	2022 ARPA Increase	2022 Budget Increase	Projected Per Capita Monthly Costs
MCWHP (GSR 3)	720	\$3,019.32	1.0955	0.9632	\$3,186.00	1.0160	1.0102	1.0356	0.9643	1.0352	1.0005	1.0147	0.9998	1.0213	1.0226	1.0025	\$3,617.64
MCWHP (GSR 5)	2,232	3,055.33	1.0955	0.9836	3,292.12	1.0144	1.0077	1.0424	0.9642	1.0151	1.0005	1.0152	0.9998	1.0315	1.0333	1.0009	3,719.18
MCWHP (GSR 6)	270	3,011.75	1.0955	0.9343	3,082.67	1.0140	1.0140	1.0281	1.0322	1.0295	1.0003	1.0144	0.9998	1.0185	1.0237	1.0011	3,667.17
MCWHP (GSR 12)	17,768	2,883.37	1.0955	0.9128	2,883.21	1.0184	1.0121	1.0296	1.0154	1.0134	1.0006	1.0071	0.9998	1.0241	1.0325	1.0020	3,360.48
Care (GSR 3)	106	2,890.45	1.0955	1.0031	3,176.14	1.0204	1.0083	1.0372	0.9640	1.0289	1.0006	1.0146	0.9997	1.0194	1.0323	1.0027	3,600.43
Care (GSR 5)	12,139	2,986.13	1.0955	0.9864	3,226.71	1.0157	1.0059	1.0458	0.9995	1.0239	1.0007	1.0153	0.9997	1.0155	1.0348	1.0037	3,779.83
Care (GSR 11)	907	3,276.04	1.0955	0.9565	3,432.86	1.0107	1.0039	1.0536	1.0313	1.0145	1.0005	1.0160	0.9998	1.0218	1.0362	1.0018	4,138.95

EXHIBITS H through I

Capitation Rate Development – Capitation Rates

State of Wisconsin Department of Health Services
CY 2022 Capitation Rate Development for Family Care Partnership Program

December 15, 2021

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 2022 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 2022 Partnership Capitation Rate Development
Development of Non-Service Portion of Rates, MCE, and Final Capitation Rates
Dual Eligible Population

(A)			(B)	(C) = (A) + (B)		(D)		(E) = (D) / (H)		(F) = (G) / (I)		(G)		(H) = (C) + (D)		(I) = (C) + (D) + (G)		(J) = (I) x 0.005		(K) = (I) - (J)	
DD Development	2022 Exposure Months	LTC MCE Service Costs	2022 A&P Service Costs	MCE Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2022 Capitation Rate	P4P Withhold	2022 Capitation Rate Less P4P Withhold									
MCWHP (GSR 3)	160	\$4,055.15	\$158.26	\$4,213.41	\$210.97	4.8%	2.0%	\$90.29	\$4,424.38	\$4,514.67	\$22.57	\$4,492.10									
MCWHP (GSR 5)	578	4,828.79	160.99	4,989.78	210.97	4.1%	2.0%	106.14	5,200.75	5,306.89	26.53	5,280.36									
MCWHP (GSR 6)	45	4,324.14	135.80	4,459.94	210.97	4.5%	2.0%	95.32	4,670.91	4,766.23	23.83	4,742.40									
MCWHP (GSR 12)	2,613	4,007.08	154.68	4,161.76	210.97	4.8%	2.0%	89.24	4,372.73	4,461.97	22.31	4,439.66									
iCare (GSR 3)	24	4,055.15	192.05	4,247.20	210.97	4.7%	2.0%	90.98	4,458.17	4,549.15	22.75	4,526.40									
iCare (GSR 8)	2,001	5,504.44	160.79	5,665.23	210.97	3.6%	2.0%	119.92	5,876.20	5,996.12	29.98	5,966.14									
iCare (GSR 11)	235	4,838.70	160.86	4,999.56	210.97	4.0%	2.0%	106.34	5,210.53	5,316.87	26.58	5,290.29									
iCare (GSR 12)	652	4,121.72	155.09	4,276.81	210.97	4.7%	2.0%	91.59	4,487.78	4,579.37	22.90	4,556.47									
CCHP (GSR 6)	334	4,882.52	154.81	5,037.33	210.97	4.0%	2.0%	107.11	5,248.30	5,355.41	26.78	5,328.63									
CCHP (GSR 8)	844	6,779.93	168.48	6,948.41	210.97	2.9%	2.0%	146.11	7,159.38	7,305.49	36.53	7,268.96									
CCHP (GSR 10)	284	5,278.32	160.90	5,439.22	210.97	3.7%	2.0%	115.31	5,650.19	5,765.50	28.83	5,736.67									
CCHP (GSR 11)	598	4,412.42	148.30	4,560.72	210.97	4.4%	2.0%	97.38	4,771.69	4,869.07	24.35	4,844.72									
Total DD Cohort	8,369	\$4,843.70	\$158.01	\$5,001.71	\$210.97	4.0%	2.0%	\$106.38	\$5,212.68	\$5,319.06	\$26.60	\$5,292.46									

PD Development	2022 Exposure Months	LTC MCE Service Costs	2022 A&P Service Costs	MCE Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2022 Capitation Rate	P4P Withhold	2022 Capitation Rate Less P4P Withhold
MCWHP (GSR 3)	118	\$3,527.64	\$158.26	\$3,685.90	\$210.97	5.4%	2.0%	\$79.53	\$3,896.87	\$3,976.40	\$19.88	\$3,956.52
MCWHP (GSR 5)	439	3,070.36	160.99	3,231.35	210.97	6.1%	2.0%	70.25	3,442.32	3,512.57	17.56	3,495.01
MCWHP (GSR 6)	-	3,290.95	135.80	3,426.75	210.97	5.8%	2.0%	74.24	3,637.72	3,711.96	18.56	3,693.40
MCWHP (GSR 12)	3,358	3,121.30	154.68	3,275.98	210.97	6.1%	2.0%	71.16	3,486.95	3,558.11	17.79	3,540.32
iCare (GSR 3)	51	3,527.64	192.05	3,719.69	210.97	5.4%	2.0%	80.22	3,930.66	4,010.88	20.05	3,990.83
iCare (GSR 8)	1,915	3,042.09	160.79	3,202.88	210.97	6.2%	2.0%	69.67	3,413.85	3,483.52	17.42	3,466.10
iCare (GSR 11)	115	2,976.76	160.86	3,137.62	210.97	6.3%	2.0%	68.34	3,348.59	3,416.93	17.08	3,399.85
iCare (GSR 12)	790	2,815.71	155.09	2,970.80	210.97	6.6%	2.0%	64.93	3,181.77	3,246.70	16.23	3,230.47
CCHP (GSR 6)	309	3,290.95	154.81	3,445.76	210.97	5.8%	2.0%	74.63	3,656.73	3,731.36	18.66	3,712.70
CCHP (GSR 8)	756	3,940.62	168.48	4,109.10	210.97	4.9%	2.0%	88.16	4,320.07	4,408.23	22.04	4,386.19
CCHP (GSR 10)	295	2,902.23	160.90	3,063.13	210.97	6.4%	2.0%	66.82	3,274.10	3,340.92	16.70	3,324.22
CCHP (GSR 11)	287	3,329.17	148.30	3,477.47	210.97	5.7%	2.0%	75.27	3,688.44	3,763.71	18.82	3,744.89
Total PD Cohort	8,434	\$3,157.29	\$158.04	\$3,315.33	\$210.97	6.0%	2.0%	\$71.96	\$3,526.30	\$3,598.26	\$17.99	\$3,580.27

FE Development	2022 Exposure Months	LTC MCE Service Costs	2022 A&P Service Costs	MCE Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2022 Capitation Rate	P4P Withhold	2022 Capitation Rate Less P4P Withhold
MCWHP (GSR 3)	325	\$3,367.53	\$158.26	\$3,525.79	\$210.97	5.6%	2.0%	\$76.26	\$3,736.76	\$3,813.02	\$19.07	\$3,793.95
MCWHP (GSR 5)	841	3,163.56	160.99	3,324.55	210.97	6.0%	2.0%	72.15	3,535.52	3,607.67	18.04	3,589.63
MCWHP (GSR 6)	193	3,404.69	135.80	3,540.49	210.97	5.6%	2.0%	76.56	3,751.46	3,828.02	19.14	3,808.88
MCWHP (GSR 12)	8,955	3,238.84	154.68	3,393.52	210.97	5.9%	2.0%	73.56	3,604.49	3,678.05	18.39	3,659.66
iCare (GSR 3)	31	3,367.53	192.05	3,559.58	210.97	5.6%	2.0%	76.95	3,770.55	3,847.50	19.24	3,828.26
iCare (GSR 8)	3,223	3,006.17	160.79	3,166.96	210.97	6.2%	2.0%	68.94	3,377.93	3,446.87	17.23	3,429.64
iCare (GSR 11)	190	3,746.13	160.86	3,906.99	210.97	5.1%	2.0%	84.04	4,117.96	4,202.00	21.01	4,180.99
iCare (GSR 12)	1,815	3,082.13	155.09	3,237.22	210.97	6.1%	2.0%	70.37	3,448.19	3,518.56	17.59	3,500.97
CCHP (GSR 6)	769	3,341.27	154.81	3,496.08	210.97	5.7%	2.0%	75.65	3,707.05	3,782.70	18.91	3,763.79
CCHP (GSR 8)	532	3,464.91	168.48	3,633.39	210.97	5.5%	2.0%	78.46	3,844.36	3,922.82	19.61	3,903.21
CCHP (GSR 10)	636	3,327.71	160.90	3,488.61	210.97	5.7%	2.0%	75.50	3,699.58	3,775.08	18.88	3,756.20
CCHP (GSR 11)	748	3,640.20	148.30	3,788.50	210.97	5.3%	2.0%	81.62	3,999.47	4,081.09	20.41	4,060.68
Total FE Cohort	18,258	\$3,218.69	\$156.45	\$3,375.14	\$210.97	5.9%	2.0%	\$73.19	\$3,586.11	\$3,659.30	\$18.30	\$3,641.00

Composite Development	2022 Exposure Months	LTC MCE Service Costs	2022 A&P Service Costs	MCE Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2022 Capitation Rate	P4P Withhold	2022 Capitation Rate Less P4P Withhold
MCWHP (GSR 3)	603	\$3,580.92	\$158.26	\$3,739.18	\$210.97	5.3%	2.0%	\$80.61	\$3,950.15	\$4,030.76	\$20.15	\$4,010.61
MCWHP (GSR 5)	1,858	3,659.73	160.99	3,820.72	210.97	5.2%	2.0%	82.28	4,031.69	4,113.97	20.57	4,093.40
MCWHP (GSR 6)	238	3,579.38	135.80	3,715.18	210.97	5.4%	2.0%	80.13	3,926.15	4,006.28	20.03	3,986.25
MCWHP (GSR 12)	14,926	3,346.89	154.68	3,501.57	210.97	5.7%	2.0%	75.77	3,712.54	3,788.31	18.94	3,769.37
iCare (GSR 3)	106	3,600.43	192.05	3,792.48	210.97	5.3%	2.0%	81.70	4,003.45	4,085.15	20.43	4,064.72
iCare (GSR 8)	7,140	3,716.03	160.79	3,876.82	210.97	5.2%	2.0%	83.42	4,087.79	4,171.21	20.86	4,150.35
iCare (GSR 11)	540	4,057.84	160.86	4,218.70	210.97	4.8%	2.0%	90.40	4,429.67	4,520.07	22.60	4,497.47
iCare (GSR 12)	3,257	3,225.61	155.09	3,380.70	210.97	5.9%	2.0%	73.30	3,591.67	3,664.97	18.32	3,646.65
CCHP (GSR 6)	1,412	3,694.81	154.81	3,849.62	210.97	5.2%	2.0%	82.87	4,060.59	4,143.46	20.72	4,122.74
CCHP (GSR 8)	2,132	4,945.58	168.48	5,114.06	210.97	4.0%	2.0%	108.67	5,325.03	5,433.70	27.17	5,406.53
CCHP (GSR 10)	1,215	3,680.92	160.90	3,841.82	210.97	5.2%	2.0%	82.71	4,052.79	4,135.50	20.68	4,114.82
CCHP (GSR 11)	1,633	3,868.37	148.30	4,016.67	210.97	5.0%	2.0%	86.28	4,227.64	4,313.92	21.57	4,292.35
Grand Total	35,061	\$3,591.81	\$157.20	\$3,749.01	\$210.97	5.3%	2.0%	\$80.82	\$3,959.98	\$4,040.80	\$20.20	\$4,020.60

Exhibit H2
Wisconsin Department of Health Services
CY 2022 Partnership Capitation Rate Development
Development of Non-Service Portion of Rates, MCE, and Final Capitation Rates
Medicaid Only Population

(A)			(B)		(C) = (A) + (B)		(D)		(E) = (D) / (H)		(F) = (G) / (I)		(G)		(H) = (C) + (D)		(I) = (C) + (D) + (G)		(J) = (I) x 0.005		(K) = (I) - (J)	
DD Development	2022 Exposure Months	LTC MCE Service Costs	2022 A&P Service Costs	MCE Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2022 Capitation Rate	P4P Withhold	2022 Capitation Rate Less P4P Withhold										
MCWHP (GSR 3)	66	\$4,055.15	\$1,359.87	\$5,415.02	\$210.97	3.7%	2.0%	\$114.82	\$5,625.99	\$5,740.81	\$28.70	\$5,712.11										
MCWHP (GSR 5)	200	4,828.79	1,403.24	6,232.03	210.97	3.3%	2.0%	131.49	6,443.00	6,574.49	32.87	6,541.62										
MCWHP (GSR 6)	32	4,324.14	609.44	4,933.58	210.97	4.1%	2.0%	104.99	5,144.55	5,249.54	26.25	5,223.29										
MCWHP (GSR 12)	968	4,007.08	1,652.38	5,659.46	210.97	3.6%	2.0%	119.80	5,870.43	5,990.23	29.95	5,960.28										
iCare (GSR 3)	-	4,055.15	1,359.87	5,415.02	210.97	3.7%	2.0%	114.82	5,625.99	5,740.81	28.70	5,712.11										
iCare (GSR 8)	1,684	5,504.44	1,650.70	7,155.14	210.97	2.9%	2.0%	150.33	7,366.11	7,516.44	37.58	7,478.86										
iCare (GSR 11)	253	4,838.70	1,457.80	6,296.50	210.97	3.2%	2.0%	132.81	6,507.47	6,640.28	33.20	6,607.08										
iCare (GSR 12)	246	4,121.72	1,796.17	5,917.89	210.97	3.4%	2.0%	125.08	6,128.86	6,253.94	31.27	6,222.67										
CCHP (GSR 6)	111	4,882.52	1,784.68	6,667.20	210.97	3.1%	2.0%	140.37	6,878.17	7,018.54	35.09	6,983.45										
CCHP (GSR 8)	772	6,779.93	1,676.64	8,456.57	210.97	2.4%	2.0%	176.89	8,667.54	8,844.43	44.22	8,800.21										
CCHP (GSR 10)	54	5,278.32	1,716.71	6,995.03	210.97	2.9%	2.0%	147.06	7,206.00	7,353.06	36.77	7,316.29										
CCHP (GSR 11)	314	4,412.42	1,635.43	6,047.85	210.97	3.4%	2.0%	127.73	6,258.82	6,386.55	31.93	6,354.62										
Total DD Cohort	4,700	\$5,149.87	\$1,633.81	\$6,783.68	\$210.97	3.0%	2.0%	\$142.75	\$6,994.65	\$7,137.40	\$35.69	\$7,101.71										

PD Development	2022 Exposure Months	LTC MCE Service Costs	2022 A&P Service Costs	MCE Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2022 Capitation Rate	P4P Withhold	2022 Capitation Rate Less P4P Withhold
MCWHP (GSR 3)	39	\$3,527.64	\$1,359.87	\$4,887.51	\$210.97	4.1%	2.0%	\$104.05	\$5,098.48	\$5,202.53	\$26.01	\$5,176.52
MCWHP (GSR 5)	162	3,070.36	1,403.24	4,473.60	210.97	4.5%	2.0%	95.60	4,684.57	4,780.17	23.90	4,756.27
MCWHP (GSR 6)	-	3,290.95	609.44	3,900.39	210.97	5.1%	2.0%	83.90	4,111.36	4,195.26	20.98	4,174.28
MCWHP (GSR 12)	1,658	3,121.30	1,652.38	4,773.68	210.97	4.2%	2.0%	101.73	4,984.65	5,086.38	25.43	5,060.95
iCare (GSR 3)	-	3,527.64	1,359.87	4,887.51	210.97	4.1%	2.0%	104.05	5,098.48	5,202.53	26.01	5,176.52
iCare (GSR 8)	3,218	3,042.09	1,650.70	4,692.79	210.97	4.3%	2.0%	100.08	4,903.76	5,003.84	25.02	4,978.82
iCare (GSR 11)	115	2,976.76	1,457.80	4,434.56	210.97	4.5%	2.0%	94.81	4,645.53	4,740.34	23.70	4,716.64
iCare (GSR 12)	676	2,815.71	1,796.17	4,611.88	210.97	4.4%	2.0%	98.43	4,822.85	4,921.28	24.61	4,896.67
CCHP (GSR 6)	197	3,290.95	1,784.68	5,075.63	210.97	4.0%	2.0%	107.89	5,286.60	5,394.49	26.97	5,367.52
CCHP (GSR 8)	953	3,940.62	1,676.64	5,617.26	210.97	3.6%	2.0%	118.94	5,828.23	5,947.17	29.74	5,917.43
CCHP (GSR 10)	146	2,902.23	1,716.71	4,618.94	210.97	4.4%	2.0%	98.57	4,829.91	4,928.48	24.64	4,903.84
CCHP (GSR 11)	279	3,329.17	1,635.43	4,964.60	210.97	4.1%	2.0%	105.62	5,175.57	5,281.19	26.41	5,254.78
Total PD Cohort	7,443	\$3,171.00	\$1,661.97	\$4,832.97	\$210.97	4.2%	2.0%	\$102.94	\$5,043.94	\$5,146.88	\$25.74	\$5,121.14

FE Development	2022 Exposure Months	LTC MCE Service Costs	2022 A&P Service Costs	MCE Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2022 Capitation Rate	P4P Withhold	2022 Capitation Rate Less P4P Withhold
MCWHP (GSR 3)	12	\$3,367.53	\$1,359.87	\$4,727.40	\$210.97	4.3%	2.0%	\$100.78	\$4,938.37	\$5,039.15	\$25.20	\$5,013.95
MCWHP (GSR 5)	11	3,163.56	1,403.24	4,566.80	210.97	4.4%	2.0%	97.51	4,777.77	4,875.28	24.38	4,850.90
MCWHP (GSR 6)	-	3,404.69	609.44	4,014.13	210.97	5.0%	2.0%	86.23	4,225.10	4,311.33	21.56	4,289.77
MCWHP (GSR 12)	216	3,238.84	1,652.38	4,891.22	210.97	4.1%	2.0%	104.13	5,102.19	5,206.32	26.03	5,180.29
iCare (GSR 3)	-	3,367.53	1,359.87	4,727.40	210.97	4.3%	2.0%	100.78	4,938.37	5,039.15	25.20	5,013.95
iCare (GSR 8)	97	3,006.17	1,650.70	4,656.87	210.97	4.3%	2.0%	99.34	4,867.84	4,967.18	24.84	4,942.34
iCare (GSR 11)	-	3,746.13	1,457.80	5,203.93	210.97	3.9%	2.0%	110.51	5,414.90	5,525.41	27.63	5,497.78
iCare (GSR 12)	83	3,082.13	1,796.17	4,878.30	210.97	4.1%	2.0%	103.86	5,089.27	5,193.13	25.97	5,167.16
CCHP (GSR 6)	-	3,341.27	1,784.68	5,125.95	210.97	4.0%	2.0%	108.92	5,336.92	5,445.84	27.23	5,418.61
CCHP (GSR 8)	12	3,464.91	1,676.64	5,141.55	210.97	3.9%	2.0%	109.23	5,352.52	5,461.75	27.31	5,434.44
CCHP (GSR 10)	-	3,327.71	1,716.71	5,044.42	210.97	4.0%	2.0%	107.25	5,255.39	5,362.64	26.81	5,335.83
CCHP (GSR 11)	-	3,640.20	1,635.43	5,275.63	210.97	3.8%	2.0%	111.97	5,486.60	5,598.57	27.99	5,570.58
Total FE Cohort	431	\$3,164.79	\$1,665.40	\$4,830.19	\$210.97	4.2%	2.0%	\$102.88	\$5,041.16	\$5,144.04	\$25.72	\$5,118.32

Composite Development	2022 Exposure Months	LTC MCE Service Costs	2022 A&P Service Costs	MCE Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2022 Capitation Rate	P4P Withhold	2022 Capitation Rate Less P4P Withhold
MCWHP (GSR 3)	118	\$3,805.66	\$1,359.87	\$5,165.53	\$210.97	3.9%	2.0%	\$109.72	\$5,376.50	\$5,486.22	\$27.43	\$5,458.79
MCWHP (GSR 5)	374	4,014.93	1,403.24	5,418.17	210.97	3.7%	2.0%	114.88	5,629.14	5,744.02	28.72	5,715.30
MCWHP (GSR 6)	32	4,324.14	609.44	4,933.58	210.97	4.1%	2.0%	104.99	5,144.55	5,249.54	26.25	5,223.29
MCWHP (GSR 12)	2,842	3,431.82	1,652.38	5,084.20	210.97	4.0%	2.0%	108.06	5,295.17	5,403.23	27.02	5,376.21
iCare (GSR 3)	0	0.00	0.00	0.00	210.97	100.0%	2.0%	4.31	210.97	215.28	1.08	214.20
iCare (GSR 8)	4,999	3,870.97	1,650.70	5,521.67	210.97	3.7%	2.0%	116.99	5,732.64	5,849.63	29.25	5,820.38
iCare (GSR 11)	367	4,258.16	1,457.80	5,715.96	210.97	3.6%	2.0%	120.96	5,926.93	6,047.89	30.24	6,017.65
iCare (GSR 12)	1,005	3,157.55	1,796.17	4,953.72	210.97	4.1%	2.0%	105.40	5,164.69	5,270.09	26.35	5,243.74
CCHP (GSR 6)	308	3,866.36	1,784.68	5,651.04	210.97	3.6%	2.0%	119.63	5,862.01	5,981.64	29.91	5,951.73
CCHP (GSR 8)	1,737	5,198.55	1,676.64	6,875.19	210.97	3.0%	2.0%	144.62	7,086.16	7,230.78	36.15	7,194.63
CCHP (GSR 10)	200	3,543.30	1,716.71	5,260.01	210.97	3.9%	2.0%	111.65	5,470.98	5,582.63	27.91	5,554.72
CCHP (GSR 11)	593	3,903.23	1,635.43	5,538.66	210.97	3.7%	2.0%	117.34	5,749.63	5,866.97	29.33	5,837.64
Grand Total	12,574	\$3,910.41	\$1,651.57	\$5,561.98	\$210.97	3.7%	2.0%	\$117.81	\$5,772.95	\$5,890.76	\$29.45	\$5,861.31

Exhibit H3
Wisconsin Department of Health Services
CY 2022 Partnership Capitation Rate Development
Development of Non-Service Portion of Rates, MCE, and Final Capitation Rates
Total Population

(A)			(B)	(C) = (A) + (B)	(D)	(E) = (D) / (H)	(F) = (G) / (I)	(G)	(H) = (C) + (D)	(I) = (C) + (D) + (G)	(J) = (I) x 0.005	(K) = (I) - (J)
DD Development	2022 Exposure Months	LTC MCE Service Costs	2022 A&P Service Costs	MCE Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2022 Capitation Rate	P4P Withhold	2022 Capitation Rate Less P4P Withhold
MCWHP (GSR 3)	225	\$4,055.15	\$509.20	\$4,564.35	\$210.97	4.4%	2.0%	\$97.46	\$4,775.32	\$4,872.78	\$24.36	\$4,848.42
MCWHP (GSR 5)	778	4,828.79	480.32	5,309.11	210.97	3.8%	2.0%	112.65	5,520.08	5,632.73	28.16	5,604.57
MCWHP (GSR 6)	77	4,324.14	331.37	4,655.51	210.97	4.3%	2.0%	99.32	4,866.48	4,965.80	24.83	4,940.97
MCWHP (GSR 12)	3,581	4,007.08	559.42	4,566.50	210.97	4.4%	2.0%	97.50	4,777.47	4,874.97	24.37	4,850.60
iCare (GSR 3)	24	4,055.15	192.05	4,247.20	210.97	4.7%	2.0%	90.98	4,458.17	4,549.15	22.75	4,526.40
iCare (GSR 8)	3,685	5,504.44	841.62	6,346.06	210.97	3.2%	2.0%	133.82	6,557.03	6,690.85	33.45	6,657.40
iCare (GSR 11)	488	4,838.70	832.99	5,671.69	210.97	3.6%	2.0%	120.05	5,882.66	6,002.71	30.01	5,972.70
iCare (GSR 12)	898	4,121.72	604.94	4,726.66	210.97	4.3%	2.0%	100.77	4,937.63	5,038.40	25.19	5,013.21
CCHP (GSR 6)	446	4,882.52	562.66	5,445.18	210.97	3.7%	2.0%	115.43	5,656.15	5,771.58	28.86	5,742.72
CCHP (GSR 8)	1,616	6,779.93	888.80	7,668.73	210.97	2.7%	2.0%	160.81	7,879.70	8,040.51	40.20	8,000.31
CCHP (GSR 10)	338	5,278.32	408.63	5,686.95	210.97	3.6%	2.0%	120.37	5,897.92	6,018.29	30.09	5,988.20
CCHP (GSR 11)	913	4,412.42	660.55	5,072.97	210.97	4.0%	2.0%	107.84	5,283.94	5,391.78	26.96	5,364.82
Total DD Cohort	13,069	\$4,953.81	\$688.73	\$5,642.54	\$210.97	3.6%	2.0%	\$119.46	\$5,853.51	\$5,972.97	\$29.86	\$5,943.11

PD Development	2022 Exposure Months	LTC MCE Service Costs	2022 A&P Service Costs	MCE Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2022 Capitation Rate	P4P Withhold	2022 Capitation Rate Less P4P Withhold
MCWHP (GSR 3)	158	\$3,527.64	\$458.66	\$3,986.30	\$210.97	5.0%	2.0%	\$85.66	\$4,197.27	\$4,282.93	\$21.41	\$4,261.52
MCWHP (GSR 5)	602	3,070.36	496.44	3,566.80	210.97	5.6%	2.0%	77.10	3,777.77	3,854.87	19.27	3,835.60
MCWHP (GSR 6)	-	3,290.95	0.00	3,290.95	210.97	6.0%	2.0%	71.47	3,501.92	3,573.39	17.87	3,555.52
MCWHP (GSR 12)	5,016	3,121.30	649.83	3,771.13	210.97	5.3%	2.0%	81.27	3,982.10	4,063.37	20.32	4,043.05
iCare (GSR 3)	51	3,527.64	192.05	3,719.69	210.97	5.4%	2.0%	80.22	3,930.66	4,010.88	20.05	3,990.83
iCare (GSR 8)	5,133	3,042.09	1,094.73	4,136.82	210.97	4.9%	2.0%	88.73	4,347.79	4,436.52	22.18	4,414.34
iCare (GSR 11)	230	2,976.76	808.02	3,784.78	210.97	5.3%	2.0%	81.55	3,995.75	4,077.30	20.39	4,056.91
iCare (GSR 12)	1,467	2,815.71	911.83	3,727.54	210.97	5.4%	2.0%	80.38	3,938.51	4,018.89	20.09	3,998.80
CCHP (GSR 6)	506	3,290.95	788.60	4,079.55	210.97	4.9%	2.0%	87.56	4,290.52	4,378.08	21.89	4,356.19
CCHP (GSR 8)	1,709	3,940.62	1,009.49	4,950.11	210.97	4.1%	2.0%	105.33	5,161.08	5,266.41	26.33	5,240.08
CCHP (GSR 10)	441	2,902.23	675.70	3,577.93	210.97	5.6%	2.0%	77.32	3,788.90	3,866.22	19.33	3,846.89
CCHP (GSR 11)	566	3,329.17	880.76	4,209.93	210.97	4.8%	2.0%	90.22	4,420.90	4,511.12	22.56	4,488.56
Total PD Cohort	15,878	\$3,163.72	\$863.06	\$4,026.78	\$210.97	5.0%	2.0%	\$86.48	\$4,237.75	\$4,324.23	\$21.62	\$4,302.61

FE Development	2022 Exposure Months	LTC MCE Service Costs	2022 A&P Service Costs	MCE Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2022 Capitation Rate	P4P Withhold	2022 Capitation Rate Less P4P Withhold
MCWHP (GSR 3)	338	\$3,367.53	\$202.73	\$3,570.26	\$210.97	5.6%	2.0%	\$77.17	\$3,781.23	\$3,858.40	\$19.29	\$3,839.11
MCWHP (GSR 5)	852	3,163.56	177.02	3,340.58	210.97	5.9%	2.0%	72.48	3,551.55	3,624.03	18.12	3,605.91
MCWHP (GSR 6)	193	3,404.69	135.80	3,540.49	210.97	5.6%	2.0%	76.56	3,751.46	3,828.02	19.14	3,808.88
MCWHP (GSR 12)	9,171	3,238.84	189.95	3,428.79	210.97	5.8%	2.0%	74.28	3,639.76	3,714.04	18.57	3,695.47
iCare (GSR 3)	31	3,367.53	192.05	3,559.58	210.97	5.6%	2.0%	76.95	3,770.55	3,847.50	19.24	3,828.26
iCare (GSR 8)	3,320	3,006.17	204.30	3,210.47	210.97	6.2%	2.0%	69.82	3,421.44	3,491.26	17.46	3,473.80
iCare (GSR 11)	190	3,746.13	160.86	3,906.99	210.97	5.1%	2.0%	84.04	4,117.96	4,202.00	21.01	4,180.99
iCare (GSR 12)	1,897	3,082.13	226.50	3,308.63	210.97	6.0%	2.0%	71.83	3,519.60	3,591.43	17.96	3,573.47
CCHP (GSR 6)	769	3,341.27	154.81	3,496.08	210.97	5.7%	2.0%	75.65	3,707.05	3,782.70	18.91	3,763.79
CCHP (GSR 8)	545	3,464.91	202.53	3,667.44	210.97	5.4%	2.0%	79.15	3,878.41	3,957.56	19.79	3,937.77
CCHP (GSR 10)	636	3,327.71	160.90	3,488.61	210.97	5.7%	2.0%	75.50	3,699.58	3,775.08	18.88	3,756.20
CCHP (GSR 11)	748	3,640.20	148.30	3,788.50	210.97	5.3%	2.0%	81.62	3,999.47	4,081.09	20.41	4,060.68
Total FE Cohort	18,689	\$3,217.45	\$191.27	\$3,408.72	\$210.97	5.8%	2.0%	\$73.87	\$3,619.69	\$3,693.56	\$18.47	\$3,675.09

Composite Development	2022 Exposure Months	LTC MCE Service Costs	2022 A&P Service Costs	MCE Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2022 Capitation Rate	P4P Withhold	2022 Capitation Rate Less P4P Withhold
MCWHP (GSR 3)	720	\$3,617.64	\$354.56	\$3,972.20	\$210.97	5.0%	2.0%	\$85.37	\$4,183.17	\$4,268.54	\$21.34	\$4,247.20
MCWHP (GSR 5)	2,232	3,719.18	368.92	4,088.10	210.97	4.9%	2.0%	87.74	4,299.07	4,386.81	21.93	4,364.88
MCWHP (GSR 6)	270	3,667.17	191.63	3,858.80	210.97	5.2%	2.0%	83.06	4,069.77	4,152.83	20.76	4,132.07
MCWHP (GSR 12)	17,768	3,360.48	394.23	3,754.71	210.97	5.3%	2.0%	80.93	3,965.68	4,046.61	20.23	4,026.38
iCare (GSR 3)	106	3,600.43	192.05	3,792.48	210.97	5.3%	2.0%	81.70	4,003.45	4,085.15	20.43	4,064.72
iCare (GSR 8)	12,139	3,779.83	774.31	4,554.14	210.97	4.4%	2.0%	97.25	4,765.11	4,862.36	24.31	4,838.05
iCare (GSR 11)	907	4,138.95	686.00	4,824.95	210.97	4.2%	2.0%	102.77	5,035.92	5,138.69	25.69	5,113.00
iCare (GSR 12)	4,262	3,209.56	542.10	3,751.66	210.97	5.3%	2.0%	80.87	3,962.63	4,043.50	20.22	4,023.28
CCHP (GSR 6)	1,720	3,725.55	446.92	4,172.47	210.97	4.8%	2.0%	89.46	4,383.44	4,472.90	22.36	4,450.54
CCHP (GSR 8)	3,870	5,059.14	845.50	5,904.64	210.97	3.4%	2.0%	124.81	6,115.61	6,240.42	31.20	6,209.22
CCHP (GSR 10)	1,415	3,661.51	380.37	4,041.88	210.97	5.0%	2.0%	86.79	4,252.85	4,339.64	21.70	4,317.94
CCHP (GSR 11)	2,227	3,877.66	544.53	4,422.19	210.97	4.6%	2.0%	94.55	4,633.16	4,727.71	23.64	4,704.07
Grand Total	47,636	\$3,675.91	\$551.66	\$4,227.57	\$210.97	4.8%	2.0%	\$90.58	\$4,438.54	\$4,529.12	\$22.64	\$4,506.48

Exhibit H
Wisconsin Department of Health Services
CY 2022 Partnership Capitation Rate Development
Monthly Rates Paid to MCOs
Dual Eligible Population

	2022 Exposure Months				(A)	(B)	(C)	(D)	(E) = (A) + (B) + (C) + (D)			(F)	(G) = (E) - (F)					
	MCO / GSR	DD	PD	FE	Total	Developmentally Disabled							Physically Disabled					
						2022 LTC Service Costs	2022 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2022 Capitation Rate	P4P Withhold	2022 Capitation Rate Less P4P Withhold	2022 LTC Service Costs	2022 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2022 Capitation Rate	P4P Withhold
MCWHP (GSR 3)	160	118	325	603	\$4,055.15	\$158.26	\$210.97	\$90.29	\$4,514.67	\$22.57	\$4,492.10	\$3,527.64	\$158.26	\$210.97	\$79.53	\$3,976.40	\$19.88	\$3,956.52
MCWHP (GSR 5)	578	439	841	1,858	4,828.79	160.99	210.97	106.14	5,306.89	26.53	5,280.36	3,070.36	160.99	210.97	70.25	3,512.57	17.56	3,495.01
MCWHP (GSR 6)	45	-	193	238	4,324.14	135.80	210.97	95.32	4,766.23	23.83	4,742.40	3,290.95	135.80	210.97	74.24	3,711.96	18.56	3,693.40
MCWHP (GSR 12)	2,613	3,358	8,955	14,926	4,007.08	154.68	210.97	89.24	4,461.97	22.31	4,439.66	3,121.30	154.68	210.97	71.16	3,558.11	17.79	3,540.32
iCare (GSR 3)	24	51	31	106	4,055.15	192.05	210.97	90.98	4,549.15	22.75	4,526.40	3,527.64	192.05	210.97	80.22	4,010.88	20.05	3,990.83
iCare (GSR 8)	2,001	1,915	3,223	7,140	5,504.44	160.79	210.97	119.92	5,996.12	29.98	5,966.14	3,042.09	160.79	210.97	69.67	3,483.52	17.42	3,466.10
iCare (GSR 11)	235	115	190	540	4,838.70	160.86	210.97	106.36	5,316.87	26.58	5,290.29	2,976.76	160.86	210.97	68.34	3,416.93	17.08	3,399.85
iCare (GSR 12)	652	790	1,815	3,257	4,121.72	155.09	210.97	91.59	4,579.37	22.90	4,556.47	2,815.71	155.09	210.97	64.93	3,246.70	16.23	3,230.47
CCHP (GSR 6)	334	309	769	1,412	4,882.52	154.81	210.97	107.11	5,355.41	26.78	5,328.63	3,290.95	154.81	210.97	74.63	3,731.36	18.66	3,712.70
CCHP (GSR 8)	844	756	532	2,132	6,779.93	168.48	210.97	146.11	7,305.49	36.53	7,268.96	3,940.62	168.48	210.97	88.16	4,408.23	22.04	4,386.19
CCHP (GSR 10)	284	295	636	1,215	5,278.32	160.90	210.97	115.31	5,765.50	28.83	5,736.67	2,902.23	160.90	210.97	66.82	3,340.92	16.70	3,324.22
CCHP (GSR 11)	598	287	748	1,633	4,412.42	148.30	210.97	97.38	4,869.07	24.35	4,844.72	3,329.17	148.30	210.97	75.27	3,763.71	18.82	3,744.89
Grand Total	8,369	8,434	18,258	35,061	\$4,843.71	\$158.01	\$210.97	\$106.38	\$5,319.06	\$26.60	\$5,292.47	\$3,157.29	\$158.04	\$210.97	\$71.96	\$3,598.26	\$17.99	\$3,580.27

	2022 Exposure Months				(A)	(B)	(C)	(D)	(E) = (A) + (B) + (C) + (D)		(F)	(G) = (E) - (F)						
	MCO / GSR	DD	PD	FE	Total	Frail Elderly							Composite Population					
						2022 LTC Service Costs	2022 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2022 Capitation Rate	P4P Withhold	2022 Capitation Rate Less P4P Withhold	2022 LTC Service Costs	2022 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2022 Capitation Rate	P4P Withhold
MCWHP (GSR 3)	160	118	325	603	\$3,367.53	\$158.26	\$210.97	\$76.26	\$3,813.02	\$19.07	\$3,793.95	\$3,580.92	\$158.26	\$210.97	\$80.61	\$4,030.76	\$20.15	\$4,010.61
MCWHP (GSR 5)	578	439	841	1,858	3,163.56	160.99	210.97	72.15	3,607.67	18.04	3,589.63	3,659.73	160.99	210.97	82.28	4,113.97	20.57	4,093.40
MCWHP (GSR 6)	45	-	193	238	3,404.69	135.80	210.97	76.56	3,828.02	19.14	3,808.88	3,579.38	135.80	210.97	80.13	4,006.28	20.03	3,986.25
MCWHP (GSR 12)	2,613	3,358	8,955	14,926	3,238.84	154.68	210.97	73.56	3,678.05	18.39	3,659.66	3,346.89	154.68	210.97	75.77	3,788.31	18.94	3,769.37
iCare (GSR 3)	24	51	31	106	3,367.53	192.05	210.97	76.95	3,847.50	19.24	3,828.26	3,600.43	192.05	210.97	81.70	4,085.15	20.43	4,064.72
iCare (GSR 8)	2,001	1,915	3,223	7,140	3,006.17	160.79	210.97	68.94	3,446.87	17.23	3,429.64	3,716.03	160.79	210.97	83.42	4,171.21	20.86	4,150.35
iCare (GSR 11)	235	115	190	540	3,746.13	160.86	210.97	84.04	4,202.00	21.01	4,180.99	4,057.84	160.86	210.97	90.40	4,520.07	22.60	4,497.47
iCare (GSR 12)	652	790	1,815	3,257	3,082.13	155.09	210.97	70.37	3,518.56	17.59	3,500.97	3,225.61	155.09	210.97	73.30	3,664.97	18.32	3,646.65
CCHP (GSR 6)	334	309	769	1,412	3,341.27	154.81	210.97	75.65	3,782.70	18.91	3,763.79	3,694.81	154.81	210.97	82.87	4,143.46	20.72	4,122.74
CCHP (GSR 8)	844	756	532	2,132	3,464.91	168.48	210.97	78.46	3,922.82	19.61	3,903.21	4,945.58	168.48	210.97	108.67	5,433.70	27.17	5,406.53
CCHP (GSR 10)	284	295	636	1,215	3,327.71	160.90	210.97	75.50	3,775.08	18.88	3,756.20	3,680.92	160.90	210.97	82.71	4,135.50	20.68	4,114.82
CCHP (GSR 11)	598	287	748	1,633	3,640.20	148.30	210.97	81.62	4,081.09	20.41	4,060.68	3,868.37	148.30	210.97	86.28	4,313.92	21.57	4,292.35
Grand Total	8,369	8,434	18,258	35,061	\$3,218.69	\$156.45	\$210.97	\$73.19	\$3,659.29	\$18.30	\$3,641.00	\$3,591.81	\$157.20	\$210.97	\$80.82	\$4,040.80	\$20.20	\$4,020.59

Exhibit I2
Wisconsin Department of Health Services
CY 2022 Partnership Capitation Rate Development
Monthly Rates Paid to MCOs
Medicaid Only Population

2022 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						
					2022 LTC Service Costs	2022 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2022 Capitation Rate	P4P Withhold	2022 Capitation Rate Less P4P Withhold	2022 LTC Service Costs	2022 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2022 Capitation Rate	P4P Withhold	2022 Capitation Rate Less P4P Withhold
MCWHP (GSR 3)	66	39	12	118	\$4,055.15	\$1,359.87	\$210.97	\$114.82	\$5,740.81	\$28.70	\$5,712.11	\$3,527.64	\$1,359.87	\$210.97	\$104.05	\$5,202.53	\$26.01	\$5,176.52
MCWHP (GSR 5)	200	162	11	374	4,828.79	1,403.24	210.97	131.49	6,574.49	32.87	6,541.62	3,070.36	1,403.24	210.97	95.60	4,780.17	23.90	4,756.27
MCWHP (GSR 6)	32	-	-	32	4,324.14	609.44	210.97	104.99	5,249.54	26.25	5,223.29	3,290.95	609.44	210.97	83.90	4,195.26	20.98	4,174.28
MCWHP (GSR 12)	968	1,658	216	2,842	4,007.08	1,652.38	210.97	119.80	5,990.23	29.95	5,960.28	3,121.30	1,652.38	210.97	101.73	5,086.38	25.43	5,060.95
iCare (GSR 3)	0	0	0	0	4,055.15	1,359.87	210.97	114.82	5,740.81	28.70	5,712.11	3,527.64	1,359.87	210.97	104.05	5,202.53	26.01	5,176.52
iCare (GSR 8)	1,684	3,218	97	4,999	5,504.44	1,650.70	210.97	150.33	7,516.44	37.58	7,478.86	3,042.09	1,650.70	210.97	100.08	5,003.84	25.02	4,978.82
iCare (GSR 11)	253	115	-	367	4,838.70	1,457.80	210.97	132.81	6,640.28	33.20	6,607.08	2,976.76	1,457.80	210.97	94.81	4,740.34	23.70	4,716.64
iCare (GSR 12)	246	676	83	1,005	4,121.72	1,796.17	210.97	125.08	6,253.94	31.27	6,222.67	2,815.71	1,796.17	210.97	98.43	4,921.28	24.61	4,896.67
CCHP (GSR 6)	111	197	-	308	4,882.52	1,784.68	210.97	140.37	7,018.54	35.09	6,983.45	3,290.95	1,784.68	210.97	107.89	5,394.49	26.97	5,367.52
CCHP (GSR 8)	772	953	12	1,737	6,779.93	1,676.64	210.97	176.89	8,844.43	44.22	8,800.21	3,940.62	1,676.64	210.97	118.94	5,947.17	29.74	5,917.43
CCHP (GSR 10)	54	146	-	200	5,278.32	1,716.71	210.97	147.06	7,353.06	36.77	7,316.29	2,902.23	1,716.71	210.97	98.57	4,928.48	24.64	4,903.84
CCHP (GSR 11)	314	279	-	593	4,412.42	1,635.43	210.97	127.73	6,386.55	31.93	6,354.62	3,329.17	1,635.43	210.97	105.62	5,281.19	26.41	5,254.78
Grand Total	4,700	7,443	431	12,574	\$5,149.87	\$1,633.81	\$210.97	\$142.75	\$7,137.40	\$35.69	\$7,101.72	\$3,171.00	\$1,661.97	\$210.97	\$102.94	\$5,146.88	\$25.74	\$5,121.15

2022 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	Frail Elderly							Composite Population						
					2022 LTC Service Costs	2022 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2022 Capitation Rate	P4P Withhold	2022 Capitation Rate Less P4P Withhold	2022 LTC Service Costs	2022 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2022 Capitation Rate	P4P Withhold	2022 Capitation Rate Less P4P Withhold
MCWHP (GSR 3)	66	39	12	118	\$3,367.53	\$1,359.87	\$210.97	\$100.78	\$5,039.15	\$25.20	\$5,013.95	\$3,805.66	\$1,359.87	\$210.97	\$109.72	\$5,486.22	\$27.43	\$5,458.79
MCWHP (GSR 5)	200	162	11	374	3,163.56	1,403.24	210.97	97.51	4,875.28	24.38	4,850.90	4,014.93	1,403.24	210.97	114.88	5,744.02	28.72	5,715.30
MCWHP (GSR 6)	32	-	-	32	3,404.69	609.44	210.97	86.23	4,311.33	21.56	4,289.77	4,324.14	609.44	210.97	104.99	5,249.54	26.25	5,223.29
MCWHP (GSR 12)	968	1,658	216	2,842	3,238.84	1,652.38	210.97	104.13	5,206.32	26.03	5,180.29	3,431.82	1,652.38	210.97	108.06	5,403.23	27.02	5,376.21
iCare (GSR 3)	0	0	0	0	3,367.53	1,359.87	210.97	100.78	5,039.15	25.20	5,013.95	0.00	-	210.97	4.31	215.28	1.08	214.20
iCare (GSR 8)	1,684	3,218	97	4,999	3,006.17	1,650.70	210.97	99.34	4,967.18	24.84	4,942.34	3,870.97	1,650.70	210.97	116.99	5,849.63	29.25	5,820.38
iCare (GSR 11)	253	115	-	367	3,746.13	1,457.80	210.97	110.51	5,525.41	27.63	5,497.78	4,258.16	1,457.80	210.97	120.96	6,047.89	30.24	6,017.65
iCare (GSR 12)	246	676	83	1,005	3,082.13	1,796.17	210.97	103.86	5,193.13	25.97	5,167.16	3,157.55	1,796.17	210.97	105.40	5,270.09	26.35	5,243.74
CCHP (GSR 6)	111	197	-	308	3,341.27	1,784.68	210.97	108.92	5,445.84	27.23	5,418.61	3,866.36	1,784.68	210.97	119.63	5,981.64	29.91	5,951.73
CCHP (GSR 8)	772	953	12	1,737	3,464.91	1,676.64	210.97	109.23	5,461.75	27.31	5,434.44	5,198.55	1,676.64	210.97	144.62	7,230.78	36.15	7,194.63
CCHP (GSR 10)	54	146	-	200	3,327.71	1,716.71	210.97	107.25	5,362.64	26.81	5,335.83	3,643.30	1,716.71	210.97	111.65	5,582.63	27.91	5,554.72
CCHP (GSR 11)	314	279	-	593	3,640.20	1,635.43	210.97	111.97	5,598.57	27.99	5,570.58	3,903.23	1,635.43	210.97	117.34	5,866.97	29.33	5,837.64
Grand Total	4,700	7,443	431	12,574	\$3,164.79	\$1,665.40	\$210.97	\$102.88	\$5,144.04	\$25.72	\$5,118.32	\$3,910.41	\$1,651.57	\$210.97	\$117.81	\$5,890.76	\$29.45	\$5,861.30

Exhibit B3
Wisconsin Department of Health Services
CY 2022 Partnership Capitation Rate Development
Monthly Rates Paid to MCOs
Total Population

MCO / GSR	2022 Exposure Months				(A)	(B)	(C)	(D)	(E) = (A) + (B) + (C) + (D)		(F)	(G) = (E) - (F)						
	DD	PD	FE	Total	Developmentally Disabled							Physically Disabled						
					2022 LTC Service Costs	2022 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2022 Capitation Rate	P4P Withhold	2022 Capitation Rate Less P4P Withhold	2022 LTC Service Costs	2022 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2022 Capitation Rate	P4P Withhold	2022 Capitation Rate Less P4P Withhold
MCWHP (GSR 3)	225	158	338	720	\$4,055.15	\$509.20	\$210.97	\$97.46	\$4,872.78	\$24.36	\$4,848.42	\$3,527.64	\$458.66	\$210.97	\$85.66	\$4,282.93	\$21.41	\$4,261.52
MCWHP (GSR 5)	778	602	852	2,232	4,828.79	480.32	210.97	112.65	5,632.73	28.16	5,604.57	3,070.36	496.44	210.97	77.10	3,854.87	19.27	3,835.60
MCWHP (GSR 6)	77	-	193	270	4,324.14	331.37	210.97	99.32	4,965.80	24.83	4,940.97	3,290.95	-	210.97	71.47	3,573.39	17.87	3,555.52
MCWHP (GSR 12)	3,581	5,016	9,171	17,768	4,007.08	559.42	210.97	97.50	4,874.97	24.37	4,850.60	3,121.30	649.83	210.97	81.27	4,063.37	20.32	4,043.05
iCare (GSR 3)	24	51	31	106	4,055.15	192.05	210.97	90.98	4,549.15	22.75	4,526.40	3,527.64	192.05	210.97	80.22	4,010.88	20.05	3,990.83
iCare (GSR 8)	3,685	5,133	3,320	12,139	5,504.44	841.62	210.97	133.82	6,690.85	33.45	6,657.40	3,042.09	1,094.73	210.97	88.73	4,436.52	22.18	4,414.34
iCare (GSR 11)	488	230	190	907	4,838.70	832.99	210.97	102.71	6,002.71	30.01	5,972.70	2,976.76	808.02	210.97	81.55	4,077.30	20.39	4,056.91
iCare (GSR 12)	898	1,467	1,897	4,262	4,121.72	604.94	210.97	100.77	5,038.40	25.19	5,013.21	2,815.71	911.83	210.97	80.38	4,018.89	20.09	3,998.80
CCHP (GSR 6)	446	506	769	1,720	4,882.52	562.66	210.97	115.43	5,742.72	28.86	5,713.86	3,290.95	788.60	210.97	87.56	4,378.08	21.89	4,356.19
CCHP (GSR 8)	1,616	1,709	545	3,870	6,779.93	888.80	210.97	160.81	8,040.51	40.20	8,000.31	3,940.62	1,009.49	210.97	105.33	5,266.41	26.33	5,240.08
CCHP (GSR 10)	338	441	636	1,415	5,278.32	408.63	210.97	120.37	6,018.29	30.09	5,988.20	2,902.23	675.70	210.97	77.32	3,866.22	19.33	3,846.89
CCHP (GSR 11)	913	566	748	2,227	4,412.42	660.55	210.97	107.84	5,391.78	26.96	5,364.82	3,329.17	880.76	210.97	90.22	4,511.12	22.56	4,488.56
Grand Total	13,069	15,878	18,689	47,636	\$4,953.81	\$688.73	\$210.97	\$119.46	\$5,972.97	\$29.86	\$5,943.11	\$3,163.72	\$863.06	\$210.97	\$86.48	\$4,324.24	\$21.62	\$4,302.62

MCO / GSR	2022 Exposure Months				(A)	(B)	(C)	(D)	(E) = (A) + (B) + (C) + (D)		(F)	(G) = (E) - (F)						
	DD	PD	FE	Total	Frail Elderly							Composite Population						
					2022 LTC Service Costs	2022 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2022 Capitation Rate	P4P Withhold	2022 Capitation Rate Less P4P Withhold	2022 LTC Service Costs	2022 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2022 Capitation Rate	P4P Withhold	2022 Capitation Rate Less P4P Withhold
MCWHP (GSR 3)	225	158	338	720	\$3,367.53	\$202.73	\$210.97	\$77.17	\$3,858.40	\$19.29	\$3,839.11	\$3,617.64	\$354.56	\$210.97	\$85.37	\$4,268.54	\$21.34	\$4,247.20
MCWHP (GSR 5)	778	602	852	2,232	3,163.56	177.02	210.97	72.48	3,624.03	18.12	3,605.91	3,719.18	368.92	210.97	87.74	4,386.81	21.93	4,364.88
MCWHP (GSR 6)	77	-	193	270	3,404.69	135.80	210.97	76.56	3,828.02	19.14	3,808.88	3,667.17	191.63	210.97	83.06	4,152.83	20.76	4,132.07
MCWHP (GSR 12)	3,581	5,016	9,171	17,768	3,238.84	189.95	210.97	74.28	3,714.04	18.57	3,695.47	3,360.48	394.23	210.97	80.93	4,046.61	20.23	4,026.38
iCare (GSR 3)	24	51	31	106	3,367.53	192.05	210.97	76.95	3,847.50	19.24	3,828.26	3,600.43	192.05	210.97	81.70	4,085.15	20.43	4,064.72
iCare (GSR 8)	3,685	5,133	3,320	12,139	3,006.17	204.30	210.97	69.82	3,491.26	17.46	3,473.80	3,779.83	774.31	210.97	97.25	4,862.36	24.31	4,838.05
iCare (GSR 11)	488	230	190	907	3,746.13	160.86	210.97	84.04	4,202.00	21.01	4,180.99	4,138.95	686.00	210.97	102.77	5,138.69	25.69	5,113.00
iCare (GSR 12)	898	1,467	1,897	4,262	3,082.13	226.50	210.97	71.83	3,591.43	17.96	3,573.47	3,209.56	542.10	210.97	80.87	4,043.50	20.22	4,023.28
CCHP (GSR 6)	446	506	769	1,720	3,341.27	154.81	210.97	75.65	3,782.70	18.91	3,763.79	3,725.55	446.92	210.97	89.46	4,472.90	22.36	4,450.54
CCHP (GSR 8)	1,616	1,709	545	3,870	3,464.91	202.53	210.97	79.15	3,957.56	19.79	3,937.77	5,059.14	845.50	210.97	124.81	6,240.42	31.20	6,209.22
CCHP (GSR 10)	338	441	636	1,415	3,327.71	160.90	210.97	75.50	3,775.08	18.88	3,756.20	3,861.51	380.37	210.97	86.79	4,339.64	21.70	4,317.94
CCHP (GSR 11)	913	566	748	2,227	3,640.20	148.30	210.97	81.62	4,081.09	20.41	4,060.68	3,877.66	544.53	210.97	94.55	4,727.71	23.64	4,704.07
Grand Total	13,069	15,878	18,689	47,636	\$3,217.45	\$191.27	\$210.97	\$73.87	\$3,693.56	\$18.47	\$3,675.09	\$3,675.91	\$551.66	\$210.97	\$90.58	\$4,529.12	\$22.64	\$4,506.48

EXHIBIT J

Actuarial Certification

State of Wisconsin Department of Health Services
CY 2022 Capitation Rate Development for Family Care Partnership Program

December 15, 2021

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 2022 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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James Johnson, FSA, MAAA
Consulting Actuary

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December 15, 2021

**Wisconsin Department of Health Services
Capitated Contracts Ratesetting
Actuarial Certification
CY 2022 Family Care Partnership Program Capitation Rates**

I, James Johnson, 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) 2022 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"
- 2021 to 2022 Medicaid Managed Care Rate Development Guide
- Actuarial Standard of Practice 49

The payment rates, methodology, data, and assumptions used to calculate the January 1, 2022 through December 31, 2022 rates are documented in this 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, appearing to read "J. Johnson", is positioned above a horizontal line.

James Johnson
Member, American Academy of Actuaries

December 15, 2021



RELIANCE LETTER

Tony Evers
Governor



DIVISION OF MEDICAID SERVICES

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PO BOX 309
MADISON WI 53701-0309

Karen E. Timberlake
Secretary

State of Wisconsin
Department of Health Services

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November 24, 2021

James Johnson, FSA, MAAA
Consulting Actuary
Milliman, Inc.
15800 W. Bluemound Road, Suite 100
Brookfield, WI 53005

RE: Data Reliance for Actuarial Certification of CY 2022 Family Care, Family Care Partnership, and PACE Capitation Rates

Dear James:

I, Grant Cummings, Director of the Bureau of Rate Setting in Wisconsin's Division of Medicaid Services, hereby affirm that the listings and summaries prepared and submitted to Milliman, Inc. for the development of the CY 2022 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 2020 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 2020 for the Family Care program.
3. Long Term Care Functional Screen (LTCFS) data extracts through June 2021 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 other distinguishing characteristics) for CY 2017 through 2020, and January 2021 through June 2021 for the Family Care, Family Care Partnership, and PACE programs.
5. Data file containing IMD claims for Family Care Partnership members.
6. Data file containing a list of screens impacted by changes to the target group automation algorithm.
7. Data files containing claims and enrollment information for the acute and primary portion of the Family Care Partnership and PACE programs.
8. Data files containing estimated monthly enrollment projections for CY 2022 in total and by health plan, geographic indicator, Medicare status, and target group for the Family Care, Family Care Partnership, and PACE programs.
9. 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.

10. CY 2017 through 2020 and January 2021 through June 2021 financials for health plans participating in the Family Care, Family Care Partnership, and PACE programs.
11. An administrative cost model for CY 2022 non-service costs to be applied to the Family Care, Family Care Partnership, and PACE programs as well as an estimate for expenses related to the Office of the Commissioner of Insurance's (OCI's) financial oversight function.
12. A data file containing lists of allowed and dis-allowed services under managed care, including pharmacy NDCs and estimates of pharmacy rebates for the Family Care, Family Care Partnership, and PACE programs.
13. Information and analysis regarding unit cost trends.
14. Information and direction regarding the MCO business plans for the Family Care, Family Care Partnership, and PACE programs.
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. Estimated impacts of legislated increases in FFS reimbursement rates for certain services as part of the 2021-2023 biannual state budget.
19. Information and direction regarding Directed Payments for the Family Care and Family Care Partnership programs, including Maximum Provider Fee Schedule, Direct Care Workforce, HCBS Provider Rate Increase, and American Plan Rescue Act (ARPA) Provider Rate Increase.
20. Any other items provided to Milliman to support the 2022 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 24, 2021

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) 2022 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 2022 capitation rates is included as Exhibit J of this report. The CY 2022 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 2022 MCO enrollment and CY 2022 capitation rates. We used a 66.08% 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 2022 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 2022 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 2022 rates documented in this report are the initial capitation rates for the CY 2022 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 2022 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 2022 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 2022 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 2022 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.

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.

EXHIBIT K

Rate Setting Checklist

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 2022 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 2022, 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 2022 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 do not include an adjustment to reflect IBNR claims. We include approximately 15 months of runout in our base data and assume it is fully complete. The capitation rates do include a missing data adjustment to acute and primary claims. Please refer to Section III and IV of this report for more information on the IBNR assumptions and the missing data adjustment factor.

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.

EXHIBIT K

Rate Setting Checklist

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

We did not perform any data smoothing.

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 2022 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.

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

Not applicable.

AA.6.1 – Commercial Reinsurance

DHS does not require entities to purchase commercial reinsurance.

EXHIBIT K

Rate Setting Checklist

AA.6.2 – Stop-Loss Program

The CY 2022 capitation rates do not feature a stop-loss program.

AA.6.3 – Risk Corridor Program

The CY 2022 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 2021 to 2022 Managed Care Rate Development Guide

I. MEDICAID MANAGED CARE RATES

1. General Information

A. Rate Development Standards

- i. A single capitation rate, rather than a range of rates, is developed for each rate cell.
- ii. The rate certification included herein is for the calendar year (CY) 2022 contract period. The previous certification was for the CY 2021 contract period.
- iii. This rate certification includes all of the items required in the rate development guide.
 - a. The rate certification is included in Exhibit J.
 - b. The final and certified capitation rates for all rate cells and regions can be found in Exhibit I.
 - c. The descriptions of the Family Care Partnership program can be found in Sections I and II of this report.

The following directed payment arrangements apply to CY 2022. Additional documentation of these arrangements is included below in Section I.4.D of this rate setting guide.

- Maximum Provider Fee Schedule
 - Direct Care Workforce
 - Home and Community Based Services Provider Rate Increase (effective June 2021)
 - American Rescue Plan Act Provider Rate Increase (effective January 2022)
- iv. Differences in capitation rates for the covered population are based on valid rate development standards and are not based on the rate of Federal financial participation associated with the covered population. This was evaluated for the entire managed care program and includes all managed care contracts for all covered populations.
 - v. Each rate cell is developed independently to be actuarially sound and does not cross-subsidize payments for another rate cell.
 - vi. The effective dates of changes to the Medicaid program are consistent with the assumptions used to develop the capitation rates.
 - vii. The target rate development MLR for the CY 2021 rates is 93.3%. As such, the capitation rates are developed such that MCOs can reasonably achieve a federal MLR of greater than 85%.
 - viii. A single capitation rate, rather than a range of rates, is developed for each rate cell.
 - ix. A single capitation rate, rather than a range of rates, is developed for each rate cell.
 - x. The rate certification submission does demonstrate that the capitation rates were developed using generally accepted actuarial practices and principles and are consistent with the regulatory requirements.
 - a. All adjustments 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.
 - xi. 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.

EXHIBIT L

Response to 2021 to 2022 Managed Care Rate Development Guide

- xii. The capitation rates were developed to account for the direct and indirect impacts of the COVID-19 public health emergency. Section I of this report contains detailed information about the COVID-19 considerations for the CY 2022 rate development.
- xiii. This rate certification conforms to the procedure for rate certifications and for rate and contract amendments. The CY 2022 rates documented in this report are the initial capitation rates for the CY 2022 Wisconsin Medicaid LTC managed care contracts.

B. Appropriate Documentation

- i. The actuary is certifying CY 2022 capitation rates.
- ii. We believe that the attached report properly documents all the elements included in the rate certification and provides CMS enough detail to determine that regulatory standards are met.

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
- iii. 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.
- iv. A single capitation rate, rather than a range of rates, is developed for each rate cell.
- v. We detail within our responses in this guide the section of our report where each item described in the 2021 to 2022 Medicaid Managed Care Rate Development Guide can be found.
- vi. All differences in the assumptions, methodologies, and factors used to develop capitation rates for covered populations comply with 42 C.F.R. § 438.4(b)(1), are based on valid rate development standards that represent actual cost differences in providing covered services to the covered populations, and do not vary with the rate of FFP associated with the covered populations.
- vii. All services and populations included in this rate certification are subject to the regular state FMAP.
- viii. 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.
 - c. The capitation rates in the previous rating period were not adjusted by a *de minimis* amount.
- ix. Section V of the report documents the only known future amendments to these rates for final direct care workforce payments.
- x. Section 1 includes documentation of the COVID-19 considerations in the CY 2022 rate development.

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

EXHIBIT L

Response to 2021 to 2022 Managed Care Rate Development Guide

detailed financial reporting data for CY 2019 and CY 2020 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 include documentation of the CY 2019 base data period used to develop the CY 2022 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 2022 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 2020 and encounter data for CY 2017 through CY 2020 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 include comments on the availability and quality of the data used for rate development.
 - a. The CY 2022 capitation rates for the Family Care Partnership program are developed using CY 2019 encounter data, financial data, and other information.
 - b. DHS and Milliman went through an extensive data validation process to review all capitated plan data included in the CY 2022 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 2022 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. 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.
- iii. Please refer to Sections III and IV of this report for the details related to the treatment of in-lieu of services.
- iv. See Step 3 of Section III of this report for details related to the treatment of IMD costs.

EXHIBIT L

Response to 2021 to 2022 Managed Care Rate Development Guide

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 2022. 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.
- viii. Sections III and IV of the rate certification includes an estimated impact of the change on the amount of The pay for performance withhold is described in Section VI of the report. The rate certification includes a description of the withhold arrangement. See Section VI of the report.

A. Risk Sharing Mechanism

The functional screen risk adjustment has been developed in accordance with generally accepted actuarial principles and practices and is cost neutral to the state in total.

The CY 2022 capitation rates will feature a risk corridor as described in Section IV of this report.

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

B. Delivery System and Provider Payment Initiatives

Information for each of the state directed payments is outlined in the tables below. Please see Section VI of the rate report for additional documentation of these arrangements.

EXHIBIT L

Response to 2021 to 2022 Managed Care Rate Development Guide

Control name of the state directed payment	Type of payment (see (i)(A) below)	Brief description (see (i)(B) below)	Is the payment included as a rate adjustment or separate payment term? (see (ii) and (iii) below)
Maximum Fee Schedule	Maximum fee schedule	State Plan services provided under the Family Care Partnership benefit package are subject to a maximum fee schedule established by the state.	Rate adjustment (base data reflects the long-standing maximum fee schedule arrangement)
Direct Care Workforce	Uniform increase for network providers that provide particular services under the contract	DHS will distribute an amount to the MCOs proportional to the total encounter-reported expenditures for eligible providers. This payment will then be passed through to eligible providers.	Separate payment term; Interim estimate included in this certification
HCBS Provider Rate Increase (Effective June 2021)	Uniform increase for network providers that provide particular services under the contract	Effective June 1, 2021, DHS is requiring MCOs participating in Family Care Partnership to increase provider reimbursement rates for certain home and community-based services. This increase is 4.24% for eligible providers.	Rate adjustment
American Rescue Plan Act Provider Rate Increase (Effective January 2022)	Uniform increase for network providers that provide particular services under the contract	Effective January 1, 2022, DHS is requiring MCOs participating in Family Care Partnership to increase provider reimbursement rates for certain home and community-based services. This increase is 5.0% for eligible providers.	Rate adjustment

Additional information for state directed payments included as rate adjustments is outlined in the table below

EXHIBIT L

Response to 2021 to 2022 Managed Care Rate Development Guide

Control name of the state directed payment	Rate cells affected (see (A) below)	Impact (see (B) below)	Description of the adjustment (see (C) below)	Confirmation the rates are consistent with the preprint (see (D) below)	For maximum fee schedules, provide the information requested in (E) below
Maximum Fee Schedule	All rate cells	Exhibit A	The maximum fee schedule is a long-standing arrangement which was in effect during the base data period. Please refer to Section VI of the rate certification for additional information.	The fee schedule is consistent with the preprint	MCOs have the ability to exceed the limit when necessary for executing a reimbursement contract. We expect no material change to the value of exceptions made over the maximum fee schedule relative to the base data, so no adjustments were made.
HCBS Provider Rate Increase (Effective June 2021)	All rate cells	Exhibit G	Implemented as a base data adjustment, specific to each combination of target group and GSR. Please refer to Section VI of the rate certification for additional information.	This rate increase is consistent with the preprint.	Not Applicable
American Rescue Plan Act Provider Rate Increase (Effective January 2022)	All rate cells	Exhibit G	Implemented as a base data adjustment, specific to each combination of target group and GSR. Please refer to Section VI of the rate certification for additional information.	This rate increase is consistent with the preprint.	Not Applicable

The table below documents additional information for the state directed payments incorporated into the initial rate certification as a separate payment term.

EXHIBIT L

Response to 2021 to 2022 Managed Care Rate Development Guide

Control name of the state directed payment 26	Aggregate amount included in the certification (see (A) below)	Statement that the actuary is certifying the separate payment term (see (B) below)	The magnitude on a PMPM basis (see (C) below)	Confirmation the rate development is consistent with the preprint (see (D) below)	Confirmation that the state and actuary will submit required documentation at the end of the rating period (as applicable; see (E) below)
Direct Care Workforce	The aggregate amount of the payment applicable to the rate certification is \$119.6 million of which \$7.7 million is estimated to be allocated to Family Care Partnership	Confirmed.	Implemented as a PMPM Add-On. The values specific to each rate cell are an estimate at this time. Capitation rates will be updated to reflect realized payments. Please refer to Section VI of the rate certification for additional information.	This rate development is consistent with the preprint.	After the rating period is complete, the state will submit documentation to CMS that incorporates the total amount of the state directed payment specific to each rate cell into the rate certification's rate cell-specific capitation rate consistent with the distribution methodology.

C. Pass-Through Payments

The CY 2022 capitation rate methodology does not include any pass-through payments.

4. Projected Non-Benefit Costs

A. Rate Development Standards

- i. The development of the non-benefit component of the CY 2022 rates is compliant with 42 CFR §438.5(e) and includes 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 2022 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.

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.

EXHIBIT L

Response to 2021 to 2022 Managed Care Rate Development Guide

- 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 2021 and CY 2022 Administrative PMPMs			
HMO	CY22 Medicaid Admin PMPM	Year Ending December 31, 2020 Financials PMPM	Difference
iCare	\$210.97	\$201.95	\$9.02
MCWHP	\$210.97	\$174.83	\$36.14
CCHP- FCP	\$210.97	\$235.10	\$(24.13)

5. 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 have 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.

EXHIBIT L

Response to 2021 to 2022 Managed Care Rate Development Guide

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.
- 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

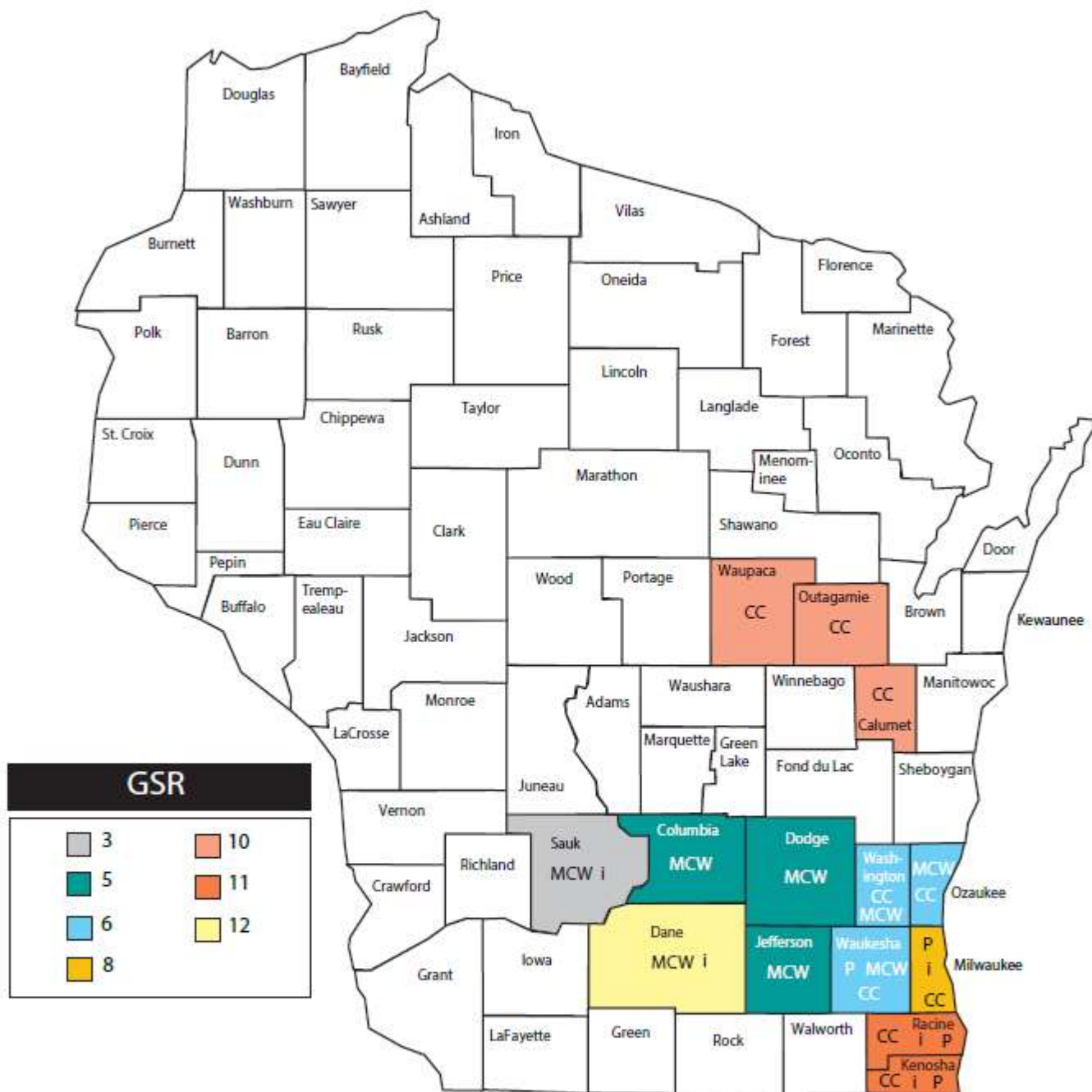
This certification does not include rates for the new adult group under 1902(a)(10)(A)(i)(VIII) of the Social Security Act.

APPENDIX A

State of Wisconsin Department of Health Services
CY 2022 Capitation Rate Development for Family Care Partnership Program

December 15, 2021

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 2022 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

State of Wisconsin Department of Health Services
CY 2022 Capitation Rate Development for Family Care Partnership Program

December 15, 2021

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Appendix B
Wisconsin Department of Health Services
CY 2022 Partnership Capitation Rate Development
Projected 2022 Family Care Partnership Expenditures

Enrollment Matrix by Base Rate Cell		Fiscal Results Matrix by Base Rate Cell				
MCO / GSR	2022 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)	720	\$4,268.54	\$2,820.65	\$2,031,800	\$1,447.89	\$1,042,958
MCWHP (GSR 5)	2,232	4,386.81	2,898.80	6,468,832	1,488.01	3,320,563
MCWHP (GSR 6)	270	4,152.83	2,744.19	740,273	1,408.64	379,995
MCWHP (GSR 12)	17,768	4,046.61	2,674.00	47,512,003	1,372.61	24,388,728
iCare (GSR 3)	106	4,085.15	2,699.47	285,926	1,385.68	146,771
iCare (GSR 8)	12,139	4,862.36	3,213.05	39,001,944	1,649.31	20,020,368
iCare (GSR 11)	907	5,138.69	3,395.65	3,080,129	1,743.04	1,581,083
iCare (GSR 12)	4,262	4,043.50	2,671.94	11,389,126	1,371.56	5,846,234
CCHP (GSR 6)	1,720	4,472.90	2,955.69	5,085,186	1,517.21	2,610,313
CCHP (GSR 8)	3,870	6,240.42	4,123.67	15,956,607	2,116.75	8,190,801
CCHP (GSR 10)	1,415	4,339.64	2,867.63	4,057,979	1,472.01	2,083,031
CCHP (GSR 11)	2,227	4,727.71	3,124.07	6,956,320	1,603.64	3,570,799
Grand Total	47,636	\$4,529.12	\$2,992.85	\$142,566,124	\$1,536.28	\$73,181,642

* Assuming FFY 2022 Federal Medical Assistance Percentage of 66.08%, which includes the higher federal matching funding made available through the Families First Coronavirus Response Act.

APPENDIX C

State of Wisconsin Department of Health Services
CY 2022 Capitation Rate Development for Family Care Partnership Program

December 15, 2021

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Appendix C
Wisconsin Department of Health Services
FCP / PACE Trend 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	22.18	-33.7%	20.4%	
Other Acute & Primary	113.93	111.76	114.33	-1.9%	2.3%	
Total	\$376.74	\$395.47	\$425.97	5.0%	7.7%	6.00%

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

APPENDIX D

State of Wisconsin Department of Health Services
CY 2022 Capitation Rate Development for Family Care Partnership Program

December 15, 2021

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Appendix D
Wisconsin Department of Health Services
CY 2022 Family Care 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	3,627.30	3,689.60	3,772.18	1.98%	2.40%
Physically Disabled	2,244.05	2,291.69	2,387.57	3.15%	3.02%
Frail Elderly	2,512.29	2,545.35	2,632.04	2.36%	2.30%
	Acuity/Risk Scores				
	CY 2017	CY 2018	CY 2019		
Developmentally Disabled	0.9746	1.0012	1.0225	2.42%	2.40%
Physically Disabled	0.9891	0.9960	1.0142	1.26%	1.20%
Frail Elderly	1.0000	0.9966	1.0033	0.17%	0.20%
	Risk Adjusted PMPM Costs				
	CY 2017	CY 2018	CY 2019		
Developmentally Disabled	3,721.76	3,685.27	3,689.33	-0.44%	0.00%
Physically Disabled	2,268.81	2,300.92	2,354.15	1.86%	1.80%
Frail Elderly	2,512.31	2,554.03	2,623.30	2.19%	2.10%

¹ Base experience data excludes all MCOs in GSR 12.

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.
This final selected service cost trends are applied to trend CY 2020 to CY 2021 and CY 2021 to CY 2022.

APPENDIX E

State of Wisconsin Department of Health Services
CY 2022 Capitation Rate Development for Family Care Partnership Program

December 15, 2021

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Appendix E1
Wisconsin Department of Health Services
CY 2022 Family Care Capitation Rate Development
Geographic Factor Analysis

Super Region	Actual Costs				Projected				Annual Weighting Ratios			FCP Experience Adjustment Factor ¹	Preliminary Adjustment Factor ²
	2017	2018	2019	Average	2017	2018	2019	Average	2017	2018	2019		
Super Region 1: GSR 1, 4, 7, 9, 10	\$3,049.15	\$3,036.96	\$3,124.32	\$3,070.15	\$3,026.97	\$3,132.80	\$3,186.66	\$3,115.48	16.7%	33.3%	50.0%	N/A	0.9812
Super Region 2: GSR 2, 3, 5	\$2,907.24	\$2,942.36	\$3,024.29	\$2,957.96	\$2,982.78	\$3,105.33	\$3,090.54	\$3,059.55	16.7%	33.3%	50.0%	N/A	0.9676
Super Region 3: GSR 6, 11	\$3,203.28	\$3,317.14	\$3,376.16	\$3,298.86	\$3,140.81	\$3,178.68	\$3,262.75	\$3,194.08	16.7%	33.3%	50.0%	N/A	1.0352
Super Region 4: GSR 8	\$2,817.92	\$2,886.64	\$2,943.73	\$2,882.77	\$2,741.76	\$2,866.09	\$2,966.26	\$2,858.04	16.7%	33.3%	50.0%	N/A	1.0032
Super Region 5: GSR 12	N/A	\$2,875.10	\$2,827.18	\$2,851.14	N/A	\$2,563.40	\$2,539.93	\$2,551.67	0.0%	33.3%	66.7%	1.0955	1.0187
Super Region 6: GSR 13	\$3,328.91	\$3,362.15	\$3,374.87	\$3,355.31	\$3,027.00	\$3,150.06	\$3,206.47	\$3,127.84	16.7%	33.3%	50.0%	N/A	1.0653
Super Region 7: GSR 14	\$3,896.57	\$3,525.15	\$3,551.09	\$3,657.60	\$3,176.79	\$3,373.57	\$3,308.64	\$3,286.33	16.7%	33.3%	50.0%	N/A	1.0894

¹ We explicitly excluded the impact of the FCP experience adjustment in the calculation of GSR 12.

² The preliminary adjustment factor is further normalized, such that the aggregate geographic factor for the Family Care base data cohort is equal to 1.0 for each target group.

APPENDIX F

State of Wisconsin Department of Health Services
CY 2022 Capitation Rate Development for Family Care Partnership Program

December 15, 2021

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Appendix F
Wisconsin Department of Health Services
CY 2022 Family Care Partnership Capitation Rate Development
CY 2022 ARPA Increase - Benefit Categories

Benefit Categories

Adult Day Care Services AODA Day Treatment AODA Treatment Assistive Technology / communication aids Consultative clinical and therapeutic services for caregivers Consumer Education and training service Counseling and therapeutic services Financial Management Habilitation Services Home Delivered Meals Home Health Housing Counseling Mental Health Mental Health Day Treatment Nursing Services Nursing Services - Respiratory Care Occupational Therapy Personal Care Physical Therapy Prevocational Services Residential Care Respite Care Self-Directed Personal Care Services Skilled Nursing Services RN/LPN Speech / Language Pathology Support Broker Supported Employment Supportive Home Care Training Services for Unpaid Caregivers Transportation - Community Transportation Transportation - Non-ambulance Transportation - other transportation - Self- Directed Vocational futures planning and support
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APPENDIX G

State of Wisconsin Department of Health Services
CY 2022 Capitation Rate Development for Family Care Partnership Program

December 15, 2021

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Appendix G
Wisconsin Department of Health Services
CY 2022 Family Care Partnership Capitation Rate Development
FCP DCW Adjustment

MCO / GSR	Projected 2022 Exposure Months	DCW Adjustment
MCWHP (GSR 3)	720	\$181.55
MCWHP (GSR 5)	2,232	\$236.26
MCWHP (GSR 6)	270	\$94.89
MCWHP (GSR 12)	17,768	\$173.84
iCare (GSR 3)	106	\$0.00
iCare (GSR 8)	12,139	\$120.12
iCare (GSR 11)	907	\$47.74
iCare (GSR 12)	4,262	\$139.46
CCHP (GSR 6)	1,720	\$143.41
CCHP (GSR 8)	3,870	\$244.63
CCHP (GSR 10)	1,415	\$158.55
CCHP (GSR 11)	2,227	\$184.46

MCO / GSR combinations with no enrollment in CY 2019 show an estimate of \$0.00.

These estimates will be updated to reflect realized CY 2022 experience.

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