



State Fiscal Year 2017 Medicaid Managed Care Capitation Rate Certification

July 1, 2016 through June 30, 2017

South Carolina Department of Health and Human Services

FINAL

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INTRODUCTION & EXECUTIVE SUMMARY

BACKGROUND

Milliman, Inc. (Milliman) has been retained by the State of South Carolina, Department of Health and Human Services (SCDHHS) to provide actuarial and consulting services related to the development of capitation rates for its Medicaid Managed Care Program effective July 1, 2016.

This letter provides documentation for the development of the actuarially sound capitation rates. It also includes the required actuarial certification in Appendix 1.

To facilitate review, this document has been organized in the same manner as the 2016 Managed Care Rate Setting Consultation Guide (2016 guide), released by CMS in September 2015. Sections 2 and 3 of the 2016 guide are not applicable to this certification, because the covered services do not include long term services and support (Section 2) and because the new adult group is not covered under this program (Section 3).

FISCAL IMPACT ESTIMATE

The certified capitation rates for the Medicaid managed care program are illustrated in Table 1. These rates are effective from July 1, 2016 through June 30, 2017. Table 1 provides a comparison of the state fiscal year (SFY) 2017 rates relative to the rates effective in SFY 2016. The composite rates illustrated for both SFY 2017 and SFY 2016 have been developed based on November 2015 enrollment by rate cell.

Table 1 South Carolina Department of Health and Human Services SFY 2017 Medicaid Managed Care Capitation Rate Development Rates Effective July 1, 2016 Comparison with SFY 2016 Rates (PMPM Rates)			
Composite	SFY 2016 PMPM	SFY 2017 PMPM	Increase/ (Decrease)
Including Supplemental Teaching Payments	\$ 299.52	\$ 318.59	6.4%
Excluding Supplemental Teaching Payments	\$ 283.96	\$ 304.75	7.3%

Notes:

1. SFY 2016 and SFY 2017 composite rates were developed based on November 2015 monthly enrollment and estimated monthly deliveries.
2. Values shown in Table 1 exclude amounts related to the Health Insurer Fee (HIF).

Table 2 presents the SFY 2017 capitation rates at the rate cell level for the rate period July 1, 2016 through June 30, 2017.

Table 2 South Carolina Department of Health and Human Services SFY 2017 Medicaid Managed Care Capitation Rate Development Rates Effective July 1, 2016 Comparison with SFY 2016 Rates by Rate Cell (PMPM Rates)							
Rate Cell	Nov 2015 Membership	Including Supplemental Teaching Payments			Excluding Supplemental Teaching Payments		
		SFY 2016 Rate	SFY 2017 Rate	Increase/ (Decrease)	SFY 2016 Rate	SFY 2017 Rate	Increase/ (Decrease)
TANF: 0-2 months old (AH3)	6,655	\$ 2,292.97	\$ 2,077.59	(9.4%)	\$ 1,998.13	\$ 1,907.32	(4.5%)
TANF: 3-12 months old (AI3)	28,998	274.92	265.07	(3.6%)	243.17	237.89	(2.2%)
TANF: Age 1-6 (AB3)	166,776	124.09	138.10	11.3%	117.61	131.82	12.1%
TANF: Age 7-13 (AC3)	187,516	116.16	145.21	25.0%	111.39	140.41	26.1%
TANF: Age 14-18, Male (AD1)	51,740	132.59	155.22	17.1%	126.94	149.96	18.1%
TANF: Age 14-18, Female (AD2)	53,550	156.65	179.62	14.7%	148.25	171.82	15.9%
TANF: Age 19-44, Male (AE1)	21,165	240.33	230.59	(4.1%)	232.21	222.53	(4.2%)
TANF: Age 19-44, Female (AE2)	91,840	381.25	366.93	(3.8%)	363.83	350.34	(3.7%)
TANF: Age 45+ (AF3)	13,630	\$ 620.02	\$ 599.05	(3.4%)	\$ 600.11	\$ 579.07	(3.5%)
SSI - Children (SO3)	13,716	\$ 532.04	\$ 628.30	18.1%	\$ 484.11	\$ 591.82	22.2%
SSI - Adults (SP3)	49,520	\$ 1,062.58	\$ 1,127.33	6.1%	\$ 1,027.80	\$ 1,090.18	6.1%
OCWI (WG2)	11,344	\$ 347.54	\$ 362.31	4.2%	\$ 281.17	\$ 304.68	8.4%
DUAL	-	\$ 130.99	\$ 157.94	20.6%	\$ 130.99	\$ 157.94	20.6%
Foster Care - Children (FG3)	3,957	\$ 389.16	\$ 880.80	126.3%	\$ 356.68	\$ 836.18	134.4%
KICK (MG2/NG2) ¹	2,085	\$ 7,137.22	\$ 7,164.09	0.4%	\$ 7,137.22	\$ 7,164.09	0.4%
Composite	700,407	\$ 299.52	\$ 318.59	6.4%	\$ 283.96	\$ 304.75	7.3%

Table 3 presents the estimated aggregate monthly expenditures under the managed care program, based on membership at November 2015.

Table 3 South Carolina Department of Health and Human Services SFY 2017 Medicaid Managed Care Capitation Rate Development Estimated Monthly Fiscal Impact (Millions)					
	Nov 2015 Membership	Monthly Projected Expenditures		Dollar Increase/ (Decrease)	Percentage Increase/ (Decrease)
		SFY 2016	SFY 2017		
Composite	700,407	\$ 209.8	\$ 223.1	\$ 13.4	6.4%
Total State and Federal		\$ 209.8	\$ 223.1	\$ 13.4	6.4%
Total Federal Only		\$ 149.6	\$ 159.1	\$ 9.5	6.4%
Total State		\$ 60.2	\$ 64.0	\$ 3.8	6.4%

Notes:

1. SFY 2016 and SFY 2017 aggregate monthly expenditures were developed based on November 2015 estimated enrollment and estimated monthly deliveries.
2. Values shown in Table 3 exclude health insurer fee (HIF)
3. State expenditures based on Federal Fiscal Year 2017 FMAP of 71.30%.

SECTION I. MEDICAID MANAGED CARE RATES

1. GENERAL INFORMATION

This section provides information listed under the General Information section of the 2016 Managed Care Rate Setting Consultation Guide (2016 guide), Section I.

The capitation rates provided with this certification are “actuarially sound” for purposes of 42 CFR 438.6(c) of 67 FR 41097-41098 published on June 14, 2002, according to the following criteria:

- The capitation rates have been developed in accordance with generally accepted actuarial principles and practices;
- The capitation rates are appropriate for the Medicaid populations to be covered, and Medicaid services to be furnished under the contract; and,
- The capitation rates meet the requirements of 42 CFR 438.6(c) of 67 FR 41097-41098.

To ensure compliance with generally accepted actuarial practices and regulatory requirements, we referred to published guidance from the American Academy of Actuaries (AAA), the Actuarial Standards Board, CMS, and federal regulations. Specifically, the following were referenced during the rate development:

- Actuarial standards of practice applicable to Medicaid managed care rate setting which have been enacted as of the capitation rate certification date, including: ASOP 1 (Introductory Actuarial Standard of Practice); ASOP 5 (Incurred Health and Disability Claims); ASOP 23 (Data Quality); ASOP 25 (Credibility Procedures); ASOP 41 (Actuarial Communications); ASOP 45 (The Use of Health Status Based Risk Adjustment Methodologies); and ASOP 49 (Medicaid Managed Care Capitation Rate Development and Certification).
- Federal regulation 42 CFR §438.6(c) of 67 FR 41097-41098.
- *2016 Medicaid Managed Care Rate Development Guide* published by CMS on September 23, 2015.
- Throughout this document, the term “actuarially sound” is defined as in ASOP 49:

“Medicaid capitation rates are “actuarially sound” if, for business for which the certification is being prepared and for the period covered by the certification, projected capitation rates and other revenue sources provide for all reasonable, appropriate, and attainable costs. For purposes of this definition, other revenue sources include, but are not limited to, expected reinsurance and governmental stop-loss cash flows, governmental risk-adjustment cash flows, and investment income. For purposes of this definition, costs include, but are not limited to, expected health benefits; health benefit settlement expenses; administrative expenses; the cost of capital, and government-mandated assessments, fees, and taxes.”

A. ANNUAL BASIS

The actuarial certification contained in this report is effective for the capitation rates for the one year rate period from July 1, 2016 through June 30, 2017.

B. DOCUMENTATION

This report contains appropriate documentation of all elements described in the rate certification, including data used, assumptions made, and methods for analyzing data and developing assumptions and adjustments.

C. INDEX

The index to this rate certification is the table of contents, found immediately after the title page. The index includes section numbers and related page numbers. Sections not relevant to this certification continue to be provided, with an explanation of why they are not applicable.

D. REQUIRED ELEMENTS

i. Actuarial certification

The actuarial certification, signed by Jeremy D. Palmer, FSA, is in Appendix 1. Mr. Palmer meets the qualification standards established by the American Academy of Actuaries and follows the practice standards established by the Actuarial Standards Board, and certifies that the final rates meet the standards in 42 CFR §438.6(c) of 67 FR 41097-41098.

ii. Certified Capitation rates for each rate cell

The certified capitation rates by rate cell are illustrated in Table 2. Projected membership illustrated in Table 2 represents November 2015 enrollment. The estimated deliveries reflect an average of calendar year 2015 delivery counts. These rates represent the contracted capitation rates prior to risk adjustment.

iii. Certified rates ranges

We did not develop a rate range.

iv. Program information

(a) Managed care program

This certification was developed for the State of South Carolina Medicaid managed care program.

Medicaid health plans have been operating in South Carolina since 1996. In August 2007, SCDHHS implemented the South Carolina Healthy Connections Choices program to more effectively enroll members in health plans. Effective July 1, 2016 this program provides comprehensive services through five managed care organizations (MCO) on a statewide basis¹.

Benefits covered under the Medicaid managed care program are comprehensive in nature. Certain services such as waiver services, non-emergency transportation, dental, and long-term nursing home stays are covered on a fee-for-service basis. Further detail on covered services can be found in Table 7 of this report.

(b) Rating period

This actuarial certification is effective for the one year rating period July 1, 2016 through June 30, 2017.

(c) Covered populations

Specific eligibility for the managed care program is defined by the individual's Medicaid eligibility category as assigned by SCDHHS.

The following table outlines these specific SCDHHS Medicaid eligibility categories (also referenced as "payment categories" or "PCATs") that are eligible for inclusion in the risk-based managed care program.

¹ Six MCOs were operational in the SC Medicaid program during state fiscal year 2016.

Table 4 South Carolina Department of Health and Human Services SFY 2017 Medicaid Managed Care Capitation Rate Development Managed Care Eligibility Payment Categories			
PCAT Code	Payment Category	PCAT Code	Payment Category
11	MAO (Extended/Transitional)	57	Katie Beckett/TEFRA
12	OCWI (Infants)	59	Low Income Families
13	MAO (Foster care/Adoption)	60	Regular Foster Care
16	Pass Along Eligibles	61	Foster Care Adults
17	Early Widows/Widowers	71	Breast and Cervical Cancer
18	Disabled Widows/Widowers	80	SSI
19	Disabled Adult Children	81	SSI With Essential Spouse
20	Pass Along Children	85	Optional Supplement
31	Title IV-E Foster Care	86	Optional Supplement & SSI
32	Aged, Blind, Disabled (ABD)	87	OCWI Pregnant Women /Infants
40	Working Disabled	88	OCWI Partners For Healthy Children
51	Title IV-E Adoption Assistance	91	Ribicoff Children

Dual eligible individuals (eligible for coverage by both Medicaid and Medicare) and individuals aged 65 or over are not eligible for enrollment into the managed care program. Any individual identified as dual eligible while enrolled in an MCO is retroactively adjusted to the dual capitation rate cell (discussed further below Table 6) for any such MCO-enrolled month, and are prospectively disenrolled from the managed care program.

Additionally, individuals denoted by any of the following recipient of a special program (RSP) indicators in Table 5 are not eligible for enrollment into the managed care program.

Table 5 South Carolina Department of Health and Human Services SFY 2017 Medicaid Managed Care Capitation Rate Development RSP Indicators Not Eligible for Managed Care Enrollment			
RSP Code	Payment Category	RSP Code	Payment Category
AUTW	Autism Waiver	HSCE	Head & Spinal Cord Waiver - Established
CLTC	Elderly Disabled Waiver	HSCN	Head & Spinal Cord Waiver - New
CSWE	Community Supports Waiver – Established	MCHS	Hospice
CSWN	Community Supports Waiver - New	MCSC	PACE
DMRE	DMR Waiver - Established	NHTR	Nursing Home Transition
DMRN	DMR Waiver – New	PRTF	Psychiatric Residential Treatment Facility
HIVA	HIV/AIDS Waiver	VENT	Ventilator Dependent Waiver

The SFY 2017 capitation rate development covers the following capitation rate cells:

Table 6 South Carolina Department of Health and Human Services SFY 2017 Medicaid Managed Care Capitation Rate Development Managed Care Capitation Rate Cells	
Rate Cell	Rate Cell Indicator
TANF: 0 – 2 months old	AH3
TANF: 3 – 12 months old	AI3
TANF: Age 1 – 6	AB3
TANF: Age 7 – 13	AC3
TANF: Age 14 – 18 Male	AD1
TANF: Age 14 – 18 Female	AD2
TANF: Age 19 – 44 Male	AE1
TANF: Age 19 – 44 Female	AE2
TANF: Age 45+	AF3
SSI – Children	SO3
SSI – Adult	SP3
OCWI	WG2
DUAL	
Foster Care Children	FG3
KICK	MG2/NG2

Note that the Duals rate cell does not have a corresponding rate cell description, because individuals identified in this category are not considered eligible for managed care enrollment. This rate cell only applies to individuals who receive retroactive Medicare eligibility while enrolled in an MCO. The Dual rate cell represents the fee-for-service (FFS) equivalent value estimated for this population, which is then adjusted to reflect the managed care program. The capitation rate includes all Medicare crossover claims payments and expenditures related to services covered by Medicaid and not Medicare that are the responsibility of the MCOs for a dually eligible individual.

(d) Eligibility criteria

Most Medicaid beneficiaries are required to enroll in managed care on a mandatory basis. Medicaid beneficiaries who are on waivers, institutionalized, or dual-eligible are served on a fee-for-service basis or in the Prime program. Beneficiaries that may enroll in Medicaid managed care on a voluntary basis include SSI children, foster care children and children receiving adoption assistance. Further detail and clarification on managed care eligibility criteria can be found at the following link:

https://msp.scdhhs.gov/managedcare/sites/default/files/Pay%20cats%20and%20Managed%20Care%20Participation%20Requirements%208-10-15_0.pdf

(e) Covered services

The following table outlines the core benefits covered under the managed care capitation rate:

Table 7 South Carolina Department of Health and Human Services SFY 2017 Medicaid Managed Care Capitation Rate Development List of Core Benefits		
Ambulance Transportation	Hearing Aids and Hearing Aid Accessories	Outpatient Services
Ancillary Medical Services	Home Health Services	Physician Services
Audiological Services	Hysterectomies, Sterilizations and Abortions (as covered in policy guidelines)	Prescription Drugs
Chiropractic Services	Independent Laboratory and X-Ray Services	Preventive and Rehabilitative Services for Primary Care Enhancement
Communicable Disease Services	Inpatient Hospital Services	Psychiatric, Rehabilitative Behavioral Health, and associated outpatient mental health services
Disease Management	Institutional Long-Term Care Facilities/Nursing Homes for short-term stays	Rehabilitative Therapies for Children - Non-Hospital Based
Durable Medical Equipment	Maternity Services	Substance Abuse
Early & Periodic Screening, Diagnosis and Treatment (EPSDT) / Well Child	Newborn Hearing Screenings	Transplant and Transplant-Related Services
Family Planning Services	Outpatient Pediatric AIDS Clinic Services (OPAC)	Vision Care Services

Notes:

1. The managed care policies & procedures (P&P) manual indicates that MCOs are responsible for covering corneal transplants. With respect to other types of transplants as outlined in the P&P manual, MCOs are responsible for pre- and post-transplant services as documented in the manual.
2. The Hepatitis C class of prescriptions drugs is carved out of the managed care capitation rate
3. <https://msp.scdhhs.gov/managedcare/sites/default/files/2014MCOContractAmendment1.pdf>. Detailed benefit coverage information for all Core Benefits in this table can be found within the Managed Care Policy and Procedure Manual.

2. DATA

This section provides information on the data used to develop the capitation rates. The base SFY 2015 experience data described in this section is illustrated in Appendix 5.

A. DESCRIPTION OF THE DATA

i. Description of the data

(a) Types of data

The primary data sources used or referenced in the development of the capitation rates are the following:

- Historical enrollment and eligibility files;
- Encounter data submitted by the MCOs;
- FFS claims for dual eligible individuals and rehabilitative behavioral health and associated outpatient mental health services (RBHS) carve-in analysis;
- SFY 2017 MCO Rate-Setting Survey completed by each MCO;
- Statutory financial statement data; and,
- CRCS reports

(b) Age of the data

The data serving as the base experience in the capitation rate development process was incurred during SFY 2015. The encounter data for the SFY 2015 base period reflected encounters adjudicated and submitted through the monthly encounter data warehousing process through January 2016. The FFS data used in the analysis and development of the RBHS carve-in was incurred in July 2013 through November 2015, with paid run-out through January 2016.

The encounter data provided by SCDHHS was also used in the capitation rate development for the following purposes:

- For the purposes of trend development, we reviewed encounter experience from SFY 2013 and SFY 2014.
- We observed encounter data incurred from October through December 2015 and paid and submitted through the data warehousing process through January 2016 to estimate the adjustment that allocates specific services to the KICK payment from other rate cells, resulting from the conversion to ICD-10 diagnosis codes effective October 1, 2015.
- The encounter data used in the development of the supplemental teaching physician (STP) payment reflected encounters incurred from October 2013 through September 2014, with paid run-out through January 2016.

We also summarized statutory financial statement data from calendar years 2014 and 2015. Financial statement data was collected using SNL Financial.

(c) Data sources

The historical claims and enrollment experience for the encounter data obtained through the encounter data warehousing process was provided to Milliman by Clemson, the data administrator for SCDHHS. Medicaid enrollment processed by MEDS and Curam were provided to us by SCDHHS for the purposes of validating the eligibility assignment in developing the SFY 2017 capitation rates. The sources of other data are noted in sections (a) and (b).

(d) Sub-capitation

The encounter data summaries have been adjusted to include estimated expenditures for sub-capitated claims, based on sub-capitated units reported by the MCOs in the encounter data. The additional expenditures were developed assuming that the average cost per unit for sub-capitated claims would be equal to the average cost per unit for other encounter claims in the specified service category.

ii. Availability and quality of the data

(a) Steps taken to validate the data

The base experience used in the capitation rates primarily relies on encounter data submitted to SCDHHS by participating MCOs. The actuary, the MCOs, and SCDHHS all play a role in validating the quality of encounter data used in the development of the capitation rates.

The fee-for-service data is provided by SCDHHS. Milliman has many years of experience working with SCDHHS's FFS data. Milliman performs routine reconciliation of SCDHHS's financial data as part of the monthly data validation process and provides budgeting and forecasting assistance to the State, which involves aggregate claim reconciliation to SCDHHS's financial statements.

The remainder of the validation section relates to encounter data used in the rate development.

Completeness

Encounter Data

Encounter data is summarized quarterly through the capitation rate calculation sheet (CRCS) process. Separate sets of summaries, by rate group, are prepared for each health plan. Each summary illustrates utilization, cost per service, and per member per month cost for the population, stratified by category of service. The format of each quarterly exhibit is similar to the base data exhibits that are provided as part of this certification (Appendix 5), allowing most data issues to be discovered before the annual capitation rate development process.

The quarterly CRCS reconciliation process allows for three months of run-out from the end of the reported calendar quarter. For example, the first report of the calendar year would include the following claims:

- Services incurred January 1 through March 31
- Paid on or before June 30

The actuary compares the CRCS summaries to summary totals submitted by the health plans. Where the difference between the plan's encounter data and financial data is more than 3%, the plan is subject to a financial penalty per their contract with the state. Plans are rarely penalized, and the discrepancy is more commonly under 1%. The actuary also provides all the individual encounter claims back to the health plans for analysis. This allows the health plans to identify any claims that need to be resubmitted or research any discrepancies that may exist in the final summary.

Finally, we submitted encounter data validation letters to each of the MCOs to confirm that their summarized SFY 2015 data is appropriate for use in the development of the capitation rate.

The annual rate setting process for SFY 2017 uses one year of experience data, with seven months of run-out.

The SFY 2015 encounter data used in the development of the rates was adjudicated through January 31, 2016. The seven months of claims run-out after the end of the fiscal year results in incurred but not paid (IBNP) claim liability estimates having a limited effect on the estimated incurred expenditures for SFY 2015. However, as noted in this report, claims completion is applied to the encounter data for estimated SFY 2015 claims adjudicated after January 31, 2016.

Accuracy

Encounter Data

Checks for accuracy of the data begin with the health plans' internal auditing and review processes.

When the data is submitted to SCDHHS, it is subjected to most of the validation checks SCDHHS applies to fee-for-service claims. For example, the data must contain a valid Medicaid recipient ID for an individual who was enrolled at the time the service was provided, and assigned to the health plan.

The state actuary also reviews the encounter data to ensure each claim is related to a covered individual and a covered service. The actuary also reviews the CRCS quarterly summaries to ensure that the data for each service is consistent across the health plans and when compared to prior historical period as applicable. Stratification by rate group facilitates this review, as it mitigates the impact of changes in population mix.

The actuary also compares the encounter data with financial information submitted by each plan. To provide greater transparency to the MCOs in the data validation process for the SFY 2017 capitation rates, a summary was provided to each health plan that starts with total submitted encounter claims and identifies claims that have been removed from the base data summaries, such as Hepatitis C claims, voided claims, expenditures for non-state plan services, and claims that have been removed because of unmatched eligibility records.

(b) Actuary's assessment

As required by Actuarial Standard of Practice (ASOP) No. 23, Data Quality, we disclose that Milliman has relied upon certain data and information provided by South Carolina Department of Health and Human Services and their vendors, primarily the health plans. The values presented in this letter are dependent upon this reliance.

We found the encounter and FFS data to be of appropriate quality for purposes of developing actuarially sound capitation rates. However, due to the potential under-reporting of encounter data expenditures as reported in the MCOs response to the SFY 2017 MCO Rate-Setting Survey, an adjustment has been made to increase the base data to a level consistent with historical reported comparisons documented in the CRCS process defined above.

Encounter data validation letters were submitted to each of the MCOs to confirm that their summarized SFY 2015 data is appropriate for use in the development of the capitation rates. For plans that reported a material variance in their response to the SFY 2017 MCO Rate-Setting Survey, an adjustment has been made to increase the base data to a level consistent with historical reported comparisons documented in the CRCS process. This impacted two plans, resulting in a 0.6% increase to the aggregate SFY 2015 base data.

Additionally, two months of data beyond the run-out period (January 2016) were reviewed to capture any data that was submitted after the base data reports were finalized related to the SFY 2015 experience period. This review identified a significant amount of negative claim activity impacting the SFY 2015 base period data that would not be projected with the calculated completion factors. As such, this significant void activity was netted against the under-reported data identified in the MCO Surveys, resulting in a net increase of 0.4% to the SFY 2015 base data.

(c) Data concerns

We have not identified any material concerns with the quality or availability of the data, other than the under-reporting of encounter data as discussed in the previous section and adjusted for in the development of the actuarially sound capitation rates.

iii. Use of encounter and fee-for-service data

As all the populations that will be enrolled in managed care during the rate period were included in the risk-based managed care delivery system in the SFY 2015 base experience period, fee-for-service (FFS) data was not included in the base experience used to develop the capitation rates, with the exception of the dual rate cell. FFS experience was also used to estimate the impact of including SCDHHS's policy decision to move all rehabilitative behavioral health services (RBHS) into the managed care delivery system.

iv. Use of managed care encounter data

Managed care encounter data was the primary data source used in the development of the capitation rates.

v. Reliance on a data book

Development of the capitation rates did not rely on a data book or other summarized data source. We were provided with detailed claims data for all covered services and populations. We created data books summarizing SFY 2015 encounter data, which were shared with SCDHHS and participating MCOs.

B. DATA ADJUSTMENTS

Capitation rates were developed primarily from SFY 2015 encounter data. Adjustments were made to the base experience for completion, reimbursement changes, and other program adjustments.

i. Credibility adjustment

The South Carolina Medicaid managed care program populations, as represented in the base experience, were fully credible. No adjustments were made for credibility.

ii. Completion adjustment

The MCO data submitted by the health plans and the FFS data used in developing the capitation rates was analyzed separately to estimate claim completion factors. The base period encounter and FFS data reflects claims incurred during SFY 2015 (July 1, 2014 through June 30, 2015) and paid through January 2016. Separate sets of completion factors for the two data sources were developed by summarizing the claims data and applying traditional actuarial techniques to develop estimates of incurred but not paid (IBNP) liability.

First, we stratified the data by category of service, in the population groupings illustrated in Table 8. Claims for each of these population-service category stratifications were analyzed and formed into lag triangles by paid and incurred month. Claim completion factors were developed for each month of the base experience period, based on historical completion patterns. The monthly completion factors were applied to SFY 2015 experience to estimate the remaining claims liability for the fiscal year. Results were aggregated into annual completion factors for the fiscal year.

The claim completion factors applied to SFY 2015 data are illustrated by population and major service category in Table 8.

Table 8 South Carolina Department of Health and Human Services SFY 2017 Medicaid Managed Care Capitation Rate Development Completion Factors Applied to SFY 2015 Experience Data					
Category of Service	TANF/Foster	SSI	OCWI	Dual	Kick
Hospital					
Inpatient	1.026	1.011	1.006	1.026	1.003
Outpatient	1.005	1.009	1.004	1.022	1.005
Pharmacy	1.000	1.000	1.000	1.005	N/A
Ancillaries	1.006	1.007	1.010	1.035	N/A
Physician	1.005	1.007	1.006	1.016	1.008

Notes:

1. Completion factors for the Dual population were developed from FFS source data. All other populations were developed from encounter data.

iii. Errors found in the data

Encounter data validation letters were submitted to each of the MCOs to confirm that their summarized SFY 2015 data is appropriate for use in the development of the capitation rates. For plans that reported a material variance in their response to the SFY 2017 MCO Rate-Setting Survey, an adjustment has been made to increase the base data to a level consistent with historical reported comparisons documented in the Capitation Rate Calculation Sheet (CRCS) process. This impacted two plans, resulting in a 0.6% increase to the SFY 2015 base data, primarily impacting hospital inpatient and outpatient services.

Additionally, two months of data beyond the run-out period (January 2016) were reviewed to capture any encounter data that was submitted after the base data reports were finalized. This review identified a significant amount of negative claim activity impacting the SFY 2015 base period data that would not be projected with the calculated completion factors. As such, this significant void activity was netted against the underreported data identified in the MCO Surveys, resulting in a net impact of 0.4% to the SFY 2015 base data.

iv. Program change adjustments

All program and reimbursement changes that have occurred in the Medicaid managed care program since July 1, 2014, the beginning of the base experience period used in the capitation rates, are described below.

A. Changes in Provider Reimbursement

Changes in provider reimbursement were evaluated by performing repricing analyses on the individual encounter data for inpatient hospital, outpatient hospital, and physician services. For each category of service, we reviewed the distribution of the MCO paid amount relative to the repriced value using Medicaid fee-for-service reimbursement. We established an upper and lower bound from this distribution to ensure we captured a representative sample of claims that encompassed the multimodal distribution of the repriced values relative to the MCO paid amounts. Additionally, we reviewed the upper and lower bounds to ensure we captured a representative volume of the encounter claims reflected in the SFY 2015 base data for the repricing and reimbursement adjustment analyses.

A.1. Inpatient Hospital Facility Reimbursement Changes

Effective October 1, 2014, inpatient hospital DRG base rates were increased by 2.5%. The rate increase did not apply to any medical education components of the hospital-specific per discharge rates.

Effective October 1, 2015, a revised inpatient hospital DRG base rate schedule was implemented and the pricing calculator was updated to coincide with the transition from APR DRG, version 28 to APR DRG, version 32.

To estimate the impact of this inpatient hospital reimbursement change, we performed a repricing analysis to evaluate individual encounter data claims using Medicaid fee-for-service reimbursement methodology. We began with all inpatient hospital claims, and excluded any claims where the MCO paid amount was either below 75% of the repriced value or above 125% of the repriced value to focus the analysis within a reasonable repricing bound. In addition, we excluded claims that did not find a match between the service provider ID and the listing of hospital-specific per discharge DRG rates provided by SCDHHS, and we also excluded nursing facility claims. The application of exclusion criteria resulted in the repricing of approximately 82% of total inpatient dollars.

Evaluation of the 82% sample of inpatient claims that were repriced indicated that MCO reimbursement is approximately 104.0% of the Medicaid fee schedule, on average.

This analysis, in conjunction with plan-reported information in the MCO surveys, and discussion with SCDHHS indicates that 1% efficiency can be achieved for inpatient hospital services. Consequently, we adjusted the MCO encounter data by a factor of 0.99.

Table 9 presents the composite inpatient hospital adjustment by rate cell resulting from the application of the current Medicaid fee schedule to base period repriced encounter data and adjusted FFS data for the Dual rate cell.

Table 9 South Carolina Department of Health and Human Services SFY 2017 Medicaid Managed Care Capitation Rate Development Composite Inpatient Hospital Adjustment Factors by Rate Cell				
Rate Cell	Base Data Adjustment	October 2014 Reimbursement	October 2015 Reimbursement	Inpatient Hospital Adjustment
TANF: 0-2 months old (AH3)	0.9900	1.0064	0.9573	0.9539
TANF: 3-12 months old (AI3)	0.9900	1.0045	1.0121	1.0065
TANF: Age 1-6 (AB3)	0.9900	1.0058	1.0237	1.0194
TANF: Age 7-13 (AC3)	0.9900	1.0055	1.0155	1.0109
TANF: Age 14-18, Male (AD1)	0.9900	1.0062	1.0224	1.0184
TANF: Age 14-18, Female (AD2)	0.9900	1.0052	1.0214	1.0165
TANF: Age 19-44, Male (AE1)	0.9900	1.0065	1.0147	1.0111
TANF: Age 19-44, Female (AE2)	0.9900	1.0060	1.0221	1.0179
TANF: Age 45+ (AF3)	0.9900	1.0054	1.0174	1.0128
SSI - Children (SO3)	0.9900	1.0061	1.0169	1.0128
SSI - Adults (SP3)	0.9900	1.0062	0.9865	0.9827
OCWI (WG2)	0.9900	1.0081	0.9822	0.9803
DUAL	1.0000	1.0062	0.9848	0.9909
Foster Care - Children (FG3)	0.9900	1.0038	0.9728	0.9667
KICK (MG2/NG2)	0.9900	1.0067	1.1060	1.1023

Notes:

1. Slight variation between the product of individual component factors and the final adjustment may exist due to truncation of the individual adjustment factors.

For each rate cell, more detailed adjustment factors are applied at the category of service level and can be found in the "reimbursement adjustment" column of Appendix 7.

A.2. Outpatient Hospital Facility Reimbursement Changes

Effective October 1, 2014, outpatient hospital multipliers were increased by 2.5%. The rate increase did not apply to any medical education components of the outpatient multipliers.

Effective October 1, 2015, hospital-specific outpatient multipliers were re-configured to establish a floor at the 15th percentile and a cap at the 65th percentile, based on hospital ranking of outpatient multipliers at October 1, 2013. The floor was set at the October 2014 outpatient multiplier for the hospital at the 15th percentile and the cap was set at the October 2014 outpatient multiplier for the hospital at the 65th percentile.

For hospitals that are not impacted by the October 1, 2015 normalization, the October 2014 hospital-specific multiplier values will apply. We have utilized October 1, 2015 hospital-specific outpatient multiplier information supplied by SCDHHS to estimate the prospective adjustment factor for this reimbursement change.

Similar to the method used to develop the adjustment factor for inpatient hospital reimbursement, we performed a repricing analysis on the outpatient hospital data to evaluate individual claims using Medicaid fee-for-service reimbursement methodology and excluded any claims where the MCO paid amount was either below 75% of the repriced value or above 125% of the repriced value.

In addition, we excluded claims that did not find a match between the service provider ID and the listing of hospital-specific outpatient multipliers provided by SCDHHS. The application of exclusion criteria resulted in the repricing of approximately 65% of total outpatient dollars.

Table 10 presents the composite outpatient hospital adjustment by rate cell resulting from the application of the current Medicaid fee schedule to base period data included in the repricing analysis.

Table 10 South Carolina Department of Health and Human Services SFY 2017 Medicaid Managed Care Capitation Rate Development Composite Outpatient Hospital Adjustment Factors by Rate Cell			
Rate Cell	October 2014 Reimbursement	October 2015 Reimbursement	Outpatient Hospital Adjustment
TANF: 0-2 months old (AH3)	1.0064	0.9895	0.9958
TANF: 3-12 months old (AI3)	1.0055	0.9878	0.9932
TANF: Age 1-6 (AB3)	1.0054	0.9890	0.9943
TANF: Age 7-13 (AC3)	1.0056	0.9885	0.9940
TANF: Age 14-18, Male (AD1)	1.0058	0.9883	0.9940
TANF: Age 14-18, Female (AD2)	1.0053	0.9901	0.9954
TANF: Age 19-44, Male (AE1)	1.0059	0.9903	0.9961
TANF: Age 19-44, Female (AE2)	1.0055	0.9897	0.9952
TANF: Age 45+ (AF3)	1.0056	0.9883	0.9939
SSI - Children (SO3)	1.0056	0.9827	0.9882
SSI - Adults (SP3)	1.0062	0.9878	0.9939
OCWI (WG2)	1.0076	0.9889	0.9963
DUAL	1.0061	0.9874	0.9934
Foster Care - Children (FG3)	1.0056	0.9882	0.9937
KICK (MG2/NG2)	1.0000	1.0000	1.0000

For each rate cell, more detailed adjustment factors are applied at the category of service level and can be found in the “reimbursement adjustment” column of Appendix 7.

A.3. Physician Reimbursement Changes

Effective January 1, 2015, SCDHHS implemented an enhanced fee schedule for qualifying physicians providing evaluation & management services. Teaching physicians who qualify for the supplemental teaching payment are not eligible for the enhanced fee. Effective July 1, 2015, the enhanced fee schedule was revised to reflect the different FFS reimbursement that applies for services performed in a facility versus those performed in a non-facility setting for the qualifying providers and services described above.

To develop the adjustment factor for physician reimbursement, we performed a repricing analysis to evaluate individual encounter data claims using Medicaid fee-for-service reimbursement methodology at the current Medicaid fee schedule.

The review of the distribution of MCO paid amounts relative to the repriced values using Medicaid fee-for-service reimbursement methodology for physician and ancillary services indicated a more consistent reimbursement methodology between the MCOs and Medicaid fee-for-service for physician services than in the facility setting. A more prominent mode existed in the distribution with very little unusual activity in the tails of the distribution. As such, we increased the upper and lower bounds to capture more of the physician claims in the repricing analysis.

We began with all non-FQHC physician claims, and excluded any claims where the MCO paid amount was either below 50% of the repriced value or above 150% of the repriced value, to focus the analysis within a reasonable repricing bound. The application of exclusion criteria resulted in the repricing of approximately 89% of total non-FQHC physician dollars.

Table 11 presents the results of the physician repricing analysis:

Table 11 South Carolina Department of Health and Human Services SFY 2017 Medicaid Managed Care Capitation Rate Development Physician Adjustment Factors by Rate Cell	
Rate Cell	Repricing Adjustment
TANF: 0-2 months old (AH3)	1.1028
TANF: 3-12 months old (AI3)	1.1521
TANF: Age 1-6 (AB3)	1.1442
TANF: Age 7-13 (AC3)	1.1308
TANF: Age 14-18, Male (AD1)	1.1087
TANF: Age 14-18, Female (AD2)	1.1136
TANF: Age 19-44, Male (AE1)	1.0743
TANF: Age 19-44, Female (AE2)	1.0772
TANF: Age 45+ (AF3)	1.0743
SSI - Children (SO3)	1.1038
SSI - Adults (SP3)	1.0561
OCWI (WG2)	1.0576
DUAL	1.1128
Foster Care - Children (FG3)	1.1156
KICK (MG2/NG2)	1.0576

For each rate cell, more detailed adjustment factors are applied at the category of service level and can be found in the “reimbursement adjustment” column of Appendix 7.

B. Prospective Program Changes

B.1. Federally Qualified Health Centers (FQHC) Wrap-Around Payment

Effective July 1, 2016, FQHCs will be reimbursed according to the Prospective Payment System (PPS) rates established by SCDHHS. The PPS rate reflects the full payment to the FQHC, including the wrap-around payment. The impact of the PPS rates by FQHC was quantified by summarizing SFY 2015 FQHC services eligible for wrap-around methodology and comparing the reimbursed amount to the PPS rate. The encounters were summarized by FQHC, with each FQHC encounter repriced to the appropriate FQHC PPS rate. Based on discussions with SCDHHS, we identified FQHC encounter claims eligible for the PPS rate, but with zero-paid amounts, and developed an additional adjustment factor to reflect the expectation that the MCOs will pay all FQHC claims eligible for the PPS rate at the FQHC-specific encounter rate in SFY 2017. To maintain consistency with this expectation, we also identified FQHCs that did not receive any payments from one or more of the MCOs in the encounter data, and applied an adjustment factor to gross up the expenditures for these providers. The combined impact of these adjustments was less than \$1 million.

The utilization impact resulting from the change to reimburse FQHCs by encounter rather than service line, results in a composite adjustment to utilization per 1000 of 0.5934 for all FQHC services. Repricing each FQHC encounter at the respective FQHC PPS rate results in a composite cost per unit increase of 3.7572. For each rate cell, more detailed adjustments factors are applied at the category of service level and can be found in the “Program Adj Util” and “Program Adj Cost” columns of Appendix 7.

The total value of the wrap-around payment included in the SFY 2017 projected claims costs is approximately \$25.7 million.

B.2. Rehabilitative Behavioral Health Services

Prior to July 1, 2016, all rehabilitative behavioral health and associated outpatient mental health services, excluding DAODAS and LIPS providers, were paid on a fee-for-service basis. Beginning on July 1, 2016, all RBHS services provided to managed care enrollees by the following agencies and providers will be newly included in the managed care capitation rate:

Department of Mental Health (DMH) Providers

- Department of Mental Health (DMH)

Department of Health and Human Services (DHHS) Providers

- Private RBHS providers
- Clubhouse providers
- Therapeutic daycares

Other State Agencies

- Medical University of South Carolina (MUSC)
- Department of Juvenile Justice (DJJ)
- Department of Education (DOE) school districts approved by SCDHHS

We estimated the impact of including RBHS services in the managed care program effective July 1, 2016 by summarizing and analyzing all RBHS fee-for-service expenditures related to MCO enrolled members for the period July 2013 through November 2015. Expenditures for SFY 2014 and SFY 2015 were summarized and stratified by agency and provider. Table 12 provides a high-level summary of the aggregate RBHS PMPM by state fiscal year and agency.

Table 12 South Carolina Department of Health and Human Services SFY 2017 Medicaid Managed Care Capitation Rate Development RBHS Analysis SFY 2014 & SFY 2015 Base Experience Data (PMPMs)						
Agency/Provider	SFY 2014			SFY 2015		
	MCO Member Months	Expenditures (\$ millions)	PMPM	MCO Member Months	Expenditures (\$ millions)	PMPM
DMH Providers	7,022,996	\$ 51.3	\$ 7.30	9,011,330	\$ 62.9	\$ 6.98
DHHS Providers	7,022,996	18.8	2.68	9,011,330	80.9	8.98
Other State Agencies	7,022,996	14.4	2.06	9,011,330	14.6	1.62
Total	7,022,996	\$ 84.5	\$ 12.04	9,011,330	\$ 158.5	\$ 17.59

The following adjustments were made to the SFY 2015 RBHS base experience data.

Completion Adjustment

Completion factors were applied by individual rate cell consistent with the factors illustrated in Table 8.

Utilization Trend

Annual utilization trend of 2% was applied to all SFY 2015 utilization, consistent with the physician and ancillary trends illustrated in Table 16.

Reimbursement Changes

A repricing analysis was performed to evaluate the individual fee-for-service claims at the July 1, 2016 fee schedule.

- Effective March 1, 2015, SCDHHS implemented a change for the following DHHS providers: clubhouse, therapeutic daycares, and private providers. The estimated impact of this change is a decrease of 4.1%.
- Effective July 1, 2016, SCDHHS will implement a change to the Medicaid fee schedule for all DMH providers. The estimated impact of this change is an increase of 12.6%.

- No fee schedule change is expected for all other state agencies.

Managed Care Efficiency

We applied percentage adjustments to the SFY 2015 experience data for DHHS private providers to reflect the utilization differential between the SFY 2015 base experience period and the levels targeted for the projection period managed care environment. The managed care adjustments were applied to the DHHS private providers only, and more specifically to certain categories defined for this rate-setting exercise.

A significant portion of the projected utilization improvement for the SFY 2017 contract period has already been realized based on targeted efforts by SCDHHS beginning in February 2015 to identify nine providers with unusual practice patterns and remove them from the approved provider list. Within nine months, only 15% of the individuals receiving services from the first four targeted providers continued to get services as of November 2015. We expect similar results for the remaining five providers targeted by SCDHHS. These providers are identified as “SCDHHS Targeted Providers” in Table 13 below.

Based on discussions with SCDHHS, we identified 9 providers who primarily serve the Therapeutic Foster Care (TFC) sub-population through community supports services. The TFC sub-population is a specialized group of individuals who are primarily in the Foster Care population (but can be identified in other rate cells) who are able to access community supports services that are not subject to the level of prior authorization required for other RBHS providers and services. Because of this SCDHHS policy, we did not apply a managed care efficiency adjustment to the providers identified by SCDHHS as “TFC providers”. In order to identify all SFY 2015 base experience data associated with the TFC providers, SCDHHS has provided us with the list of TFC providers included in the base data.

For the remaining DHHS private providers, the SFY 2014 and SFY 2015 utilization by provider was analyzed to determine practice pattern changes that occurred on or after July 1, 2014 when SCDHHS instituted policy changes that removed the state agency-initiated 254 prior authorization requirement for private providers. The capacity of the private providers increased significantly in SFY 2015, as the number of providers, excluding SCDHHS targeted providers and the TFC providers, grew from 39 in SFY 2014 to 68 in SFY 2015.

The managed care efficiency factor takes into account this growth in the number of providers and reflects a more consistent case load by provider and service intensity mix as observed among the private providers in SFY 2014. The resulting managed care factor for “all other private providers” is 0.70, to reflect an expected utilization savings of 30%.

No managed care adjustments have been applied for any providers classified as DMH, MUSC, DJJ, DOE, clubhouse providers, therapeutic daycares, or TFC providers.

Table 13 provides a summary of the development of the composite RBHS benefit cost PMPM carve-in.

Table 13
South Carolina Department of Health and Human Services
SFY 2017 Medicaid Managed Care Capitation Rate Development
RBHS Analysis
SFY 2017 Projected PMPM

Agency/Provider	SFY 2015 PMPM	Adjustments				SFY 2017 PMPM
		Completion Factor	Trend	Reimbursement Change	Managed Care	
<i>DHHS Providers</i>						
SCDHHS Targeted Private Providers	\$ 2.32	1.0167	1.0404	0.9594	0.1500	\$ 0.35
Therapeutic Foster Care Providers	1.46	1.0167	1.0404	0.9594	1.0000	1.48
All Other Private Providers	4.51	1.0167	1.0404	0.9594	0.7000	3.20
Clubhouse Providers	0.25	1.0167	1.0404	0.9594	1.0000	0.25
Therapeutic Daycares	0.29	1.0167	1.0404	0.9594	1.0000	0.30
Alcohol & Drug Abuse	0.16	1.0167	1.0404	1.0000	1.0000	0.17
<i>DMH Providers</i>						
DMH	\$ 6.98	1.0167	1.0404	1.1255	1.0000	\$ 8.31
<i>Other State Agencies</i>						
MUSC	\$ 0.99	1.0167	1.0404	1.0000	1.0000	\$ 1.05
DJJ	0.00	1.0167	1.0404	1.0000	1.0000	0.00
DOE School Districts	0.63	1.0167	1.0404	1.0000	1.0000	0.67
Total	\$ 17.59					\$ 15.78

Notes:

1. Estimated PMPMs exclude Duals
2. Average composite completion factors have been illustrated in Table 13. Actual completion factors applied by category of service.

Additional detail by rate cell is included in Appendix 7.

C. Changes in Covered Population

C.1. Redetermination

Review of emerging enrollment beyond the end of SFY 2015 indicates significant shifts in enrollment beginning in September 2015, as a result of eligibility redetermination activity performed by SCDHHS. Observation of emerging enrollment indicates changes to the underlying morbidity of the TANF Child (older than age 1) and TANF Adult populations compared to the SFY 2015 base period. We have utilized a Medicaid Rx risk scoring analysis to estimate an adjustment factor at the major population level for TANF Child (older than age 1) and TANF Adult populations. Our analysis consisted of calculating risk score relativities for each month beginning September 2015 and ending December 2015, compared to the risk scores calculated for the SFY 2015 base period, and taking the average of these relativities to arrive at the adjustment factor to recognize the impact of redetermination on the appropriate rate cells.

Table 14 provides a summary of the redetermination analysis.

Table 14 South Carolina Department of Health and Human Services SFY 2017 Medicaid Managed Care Capitation Rate Development Redetermination Adjustment Factors by Population										
Population	Medicaid Rx v5.4 Risk Score-Concurrent					Relative Morbidity to SFY 2015				Selection Adjustment Factor
	SFY 2015	Sept 2015	Oct 2015	Nov 2015	Dec 2015	Sept 2015	Oct 2015	Nov 2015	Dec 2015	
TANF: Child	0.7176	0.7367	0.7353	0.7387	0.7370	102.7%	102.5%	102.9%	102.7%	1.0269
TANF: Adult	0.5725	0.6153	0.6096	0.6115	0.6121	107.5%	106.5%	106.8%	106.9%	1.0692

C.2. OCWI Eligibility

OCWI eligibility decreased significantly in January 2015 as a result of SCDHHS efforts to evaluate OCWI eligibility status for all currently-enrolled OCWI individuals. Approximately 8,700 members were dis-enrolled as a result of this process. A list of all dis-enrolled OCWI individuals was provided by SCDHHS to evaluate the impact of these individuals with limited claims activity on the OCWI base period data. An adjustment was made by calculating the impact of removing the dis-enrolled members claims and eligibility data from the entire SFY 2015 base period. The resulting impact was an 8.2% increase to the OCWI rate cell.

C.3. Newborn Enrollment

Disruptions in processing eligibility for newborns caused a delay in newborn enrollment into the managed care program. We reviewed FFS data for all MCO-enrolled newborns to quantify the impact of the delayed enrollment into the managed care program. We identified approximately \$8.6 million in FFS expenditures for MCO-enrolled individuals in the 0-2 month capitation rate cell. An adjustment was made to increase the encounter base data by \$8.6 million, an increase of 5.9% to the 0-2 month rate cell, to reflect this enrollment issue.

C.4. Incarcerated Individuals

Incarcerated individuals are not eligible for the managed care program. We reviewed eligibility information provided by SCDHHS and observed approximately 2,000 member months for incarcerated individuals with limited benefits in the SFY 2015 base experience period. While the impact of adjusting the base period to reflect the removal of incarcerated individuals and claims was less than 0.02% in composite, the adjustment to the TANF 19-44 Male rate cell was approximately a 0.3% increase.

D. ICD-10 Conversion – Rate Cell Allocation Impacts

Effective October 1, 2015, diagnosis code reporting was converted from ICD-9 to ICD-10 diagnosis codes. For the capitation rate development, diagnosis codes are used to allocate maternity-related physician services and outpatient delivery services to the KICK rate cell. In consultation with SCDHHS, the KICK criteria was updated to reflect the ICD-10 conversion.

To estimate the impact of this change on the SFY 2017 contract period, we observed encounter data incurred from October through December 2015 and paid and submitted through the data warehousing process through January 2016 to identify movement of specific services to the KICK payment from other rate cells. An adjustment was made by estimating the “new” services that would be allocated to the KICK rate cell, with an equal off-setting adjustment from the corresponding female rate cells. This adjustment is included in the “Other Base Adj Util” column of Appendix 6.

E. Program changes deemed immaterial to benefit expenses in the rate period

Adjustment factors were developed for policy and program changes estimated to **materially** affect the managed care program during SFY 2017 that are not fully reflected in the SFY 2015 base experience. Program adjustments were made in the rate development process to the extent a policy or reimbursement change is deemed to have a material cost impact to the MCOs. We defined a program adjustment to be ‘material’ if the total benefit expense for any individual rate cell is impacted by more than 0.1%. The following is a list of program adjustments deemed immaterial based on our review of the experience data and policy change.

- **MCO Coverage of Incontinence Supplies.** Effective July 1, 2014, coverage of incontinence supplies was added to the managed care benefits. Because the incontinence supplies benefit was implemented on July 1, 2014, we examined emerging utilization and cost of the benefit to determine if usage of the benefit had not yet met long-term levels in SFY 2015. We did not observe any material change in utilization during the course of the 12 month period.
- **Nutritional Counseling.** Effective August 1, 2015, coverage of obesity management services for adult beneficiaries with a Body mass Index (BMI) of 30 and greater who are currently not seeking gastric bypass surgery was added to the managed care capitation rate. We observed emerging experience through December 2015 and identified less than \$5,000 of expenditures related to nutritional counseling services. Therefore, we did not find justification to reflect a program adjustment.
- **Emergency Transportation.** HCPCS codes A0426 and A0428 were not included in the SCDHHS fee schedule prior to January 2016 and have not been covered consistently by the MCOs. Clarification has been provided to all MCOs regarding their contractual requirement to cover these services. Based on analysis by SCDHHS and a review of fee-for-service claims during the base period for A0426 and A0428 for MCO-enrolled members, the impact was deemed immaterial.

v. Exclusion of payments or services from the data

The following adjustments were made to the base experience data to reflect non-state plan services, pharmacy rebates, third party liability recoveries, non-encounter claims payments, and state plan services not covered by the capitation rate.

A. Services excluded from initial base data summaries

A.1. Hepatitis C Pharmacy Expenditures

Hepatitis C drugs were carved out of the managed care pharmacy benefit effective July 1, 2015. Therefore, we excluded all Hepatitis C expenditures from the SFY 2015 base data to more appropriately reflect the current managed care covered services. Appendix 4 provides a list of the NDC codes used to identify Hepatitis C expenditures. Approximately \$9.3 million was excluded from the initial base data summaries included in Appendix 5. Each of the MCOs received a report documenting their plan-specific Hepatitis C expenditures removed from the base data in the capitation rate development.

A.2. Other Non-State Plan Services

We excluded all services included in the encounter data that do not reflect approved state plan services (nor are an approved in-lieu of service), such as circumcision. All claims for circumcision services, totaling approximately \$0.2 million, were excluded from the initial base data summaries included in Appendix 5.

B. Adjustments made to base data

B.1. State Plan Services Not Covered by the Capitation Rate

We adjusted the base experience data for services included in the encounter data that do not reflect covered benefits in the managed care program. These adjustments were developed based on our review of the SFY 2015 encounter data and application of the in-rate criteria provided by SCDHHS and included in Appendix 4. Approximately \$1.1 million was removed from the base experience data related to inpatient transplant claims.

B.2. Pharmacy Rebates

Pharmacy expenditures were reduced by the composite supplemental rebate percentage during the SFY 2015 historical experience period reported by the MCOs in the SFY 2017 MCO Survey. The estimated adjustment factor of 0.9733 was uniformly applied to the pharmacy service category of each rate cell in Appendix 6.

B.3. Third Party Liability/Fraud and Abuse

In addition to actual cost avoidance reflected in the encounter data, we estimated additional third party liability (TPL) and fraud recoveries based on an analysis of the base period data and information submitted by the MCOs.

These data sources indicated that approximately 0.13% of total claims were recovered and not reflected in the baseline experience data. The estimated adjustment factor of 0.9987 was uniformly applied to each service category and rate cell in Appendix 6.

B.4. Non-encounter Claims Payment

We made an adjustment to the encounter data base experience period to reflect non-claim payments made to providers for items such as shared savings payments, quality incentives, and other similar provider incentive payments that are not reflected in the base data or in other components of the capitation rate. In total, the MCOs have reported approximately \$8.4 million in payments that are included in the benefit cost component of the capitation rate development and have been reflected in an adjustment factor of 1.0041, uniformly applied to each service category and rate cell in Appendix 6.

3. PROJECTED BENEFIT COST AND TRENDS

This section provides information on the development of projected benefit costs in the capitation rates.

A. DEVELOPMENT OF PROJECTED BENEFIT COSTS

i. Description of the data, assumptions, and methodologies

This section of the report outlines the data, assumptions, and methodology used to project the benefit costs to the rating period. The baseline benefit costs were developed using the following steps:

Step 1: Create unadjusted cost model summaries for the managed care population

The capitation rates were primarily developed from historical claims and enrollment data from the managed care enrolled populations. The data utilized to prepare the base period cost models consisted of SFY 2015 incurred encounter data that has been submitted by the MCOs. The information is summarized in Appendix 5 and is stratified by capitation rate cell and by major category of service. The exhibits in Appendix 5 reflect ***unadjusted*** summaries of the SFY 2015 base period data and are the combination of the MCO-specific encounter data summaries that were validated by each MCO.

Step 2: Apply historical and other adjustments to cost model summaries

As documented in the previous section, utilization and cost per service rates from the base experience period were adjusted for a number of items, including but not limited to: incomplete data adjustments, covered population changes, pharmacy rebates, TPL, and policy and program changes that occurred during SFY 2015.

Step 3: Adjust for prospective program and policy changes and trend to SFY 2017

We adjusted the SFY 2015 base experience for known policy and program changes that have occurred or are expected to be implemented between the base period and the end of the SFY 2017 rate period. In the previous section, we documented these items and the adjustment factors for each covered population. Assumed trend factors were applied for 24 months to the adjusted utilization and unit cost values, or per member per month (PMPM) values, as appropriate, from the midpoint of the base experience period (January 1, 2015) to the midpoint of the rate period (January 1, 2017).

Adjustments were applied to the adjusted benefit cost values to reflect changes in benefits between the base period and effective rate period. Additionally, we targeted improvements in managed care efficiency for specific rate cells and service categories that are estimated to impact projected 2016 benefit expense. The resulting PMPMs established the adjusted benefit expense by population rate cell for the rating period.

Material adjustments that were previously noted

The following material adjustments were applied to recognize changes to provider reimbursement, prospective program adjustments, changes to covered populations, and the reallocation of certain services to the KICK payment from other rate cells, and were documented in the prior section (2.B. Data Adjustments):

- Inpatient hospital reimbursement
- Outpatient hospital reimbursement
- Physician reimbursement
- Addition of FQHC wrap-around payments
- Addition of RBHS
- Population adjustments for redetermination, OCWI rate cell, delay in newborn enrollment, and incarcerated individuals
- Rate cell reallocations resulting from ICD-9 to ICD-10 diagnosis code conversion

Additionally, the following adjustments were applied to either reduce or increase the base data benefit cost for certain service and payment exclusions:

- Non-state plan services
- Pharmacy rebates
- Hepatitis C drug treatments

- Transplant services outside the scope of the managed care capitation rate
- TPL/Fraud and Abuse
- Non-encounter claim payments

Other material adjustments - managed care efficiency

We calculated percentage adjustments to the experience data to reflect the utilization and cost per unit differential between the base experience and the levels targeted for the projection period managed care environment. We developed the targeted managed care efficiency adjustments through a review and analysis of SFY 2015 base period utilization levels achieved by each MCO, the NYU Center for Health and Public Service Research (CHPSR) Emergency Department Algorithm, and the AHRQ prevention quality indicators (PQI).

Emergency Room Services - For the outpatient hospital emergency room service category and the corresponding physician emergency room visits category, we reviewed the classification of claims using the NYU CHPSR Emergency Department Algorithm.

The NYU CHPSR tool classifies emergency room utilization into four (4) primary categories as well as categories that are excluded from the grouping. The four categories include: Non-emergency, Emergency/Primary Care Treatable, Emergency–Preventable/Avoidable, and Emergency–Not Preventable/Avoidable. Subsequent to the review of the experience into these defined categories, we developed specific adjustments for the first three categories to reflect the target utilization levels for the managed care plans. The following illustrates the adjustments by emergency room classification:

- Non-emergency – 10% Reduction
- Emergency/Primary Care Treatable – 5% Reduction
- Emergency – Preventable/Avoidable – 2% Reduction

When applying the adjustments listed above, reductions were taken from level 1 emergency room claims first, followed by level 2 and level 3 claims if applicable. No adjustments were made to level 4 or level 5 emergency room claims. In coordination with determination of the managed care adjustments for hospital outpatient emergency room services, we assumed that most emergency room visits reduced would be replaced with an office visit. The utilization of professional office visits was increased proportionately.

Inpatient Hospital Services – We applied managed care adjustments to reflect higher levels of care management relative to the SFY 2015 base experience period. We identified potentially avoidable admissions using the AHRQ PQIs. Inpatient hospital managed care adjustments were developed by applying a 20% reduction to readmissions for the same DRG within 30 days, and a 10% reduction to potentially avoidable inpatient admissions for select PQIs. No adjustments were made to corresponding inpatient physician charges to account for the potential shift of these services to an ambulatory setting. Additionally, nursing facility claims were excluded from this analysis. The table below outlines the PQIs included in our analysis.

Table 15 South Carolina Department of Health and Human Services SFY 2017 Medicaid Managed Care Capitation Rate Development AHRQ Prevention Quality Indicators	
PQI Number	Description
PQI #01	Diabetes Short-term Complications Admission Rate
PQI #02	Perforated Appendix Admission Rate
PQI #03	Diabetes Long-term Complications Admission Rate
PQI #05	Chronic Obstructive Pulmonary Disease (COPD) Admission Rate
PQI #07	Hypertension Admission Rate
PQI #08	Congestive Heart Failure (CHF) Admission Rate
PQI #10	Dehydration Admission Rate
PQI #11	Bacterial Pneumonia Admission Rate
PQI #12	Urinary Tract Infection Admission Rate
PQI #13	Angina without Procedure Admission Rate
PQI #14	Uncontrolled Diabetes Admission Rate
PQI #15	Adult Asthma Admission Rate
PQI #16	Rate of Lower-extremity Amputation among Patients with Diabetes

Pharmacy Services – Our review of historical pharmacy experience for managed care efficiencies included an evaluation by capitation rate cell and therapeutic class for each MCO to estimate achievable generic drug dispensing rates (GDR), as well as a review of MCO contracting of discounts for brand drugs. For each therapeutic class, we estimated the impact of improvements in GDR amounts by shifting drug utilization in the MCO historical experience to levels achieved by other MCOs during the same time period. Per guidance from SCDHHS, antiretroviral drugs were excluded from the analysis of GDRs. We evaluated brand drug discounts by MCO at an aggregate level, and applied brand drug discounts achieved by the second highest-performing MCO to the brand drug expenditures for the MCO program. We developed pharmacy managed care efficiency adjustments by rate cell to reflect mix differences by therapeutic class due to the age, gender, and morbidity of the applicable rate cell.

Delivery Services – Delivery managed care efficiency adjustments were developed by analyzing the percent of cesarean and vaginal deliveries by hospital. Vaginal delivery percentages were adjusted to target 69% of all deliveries in the managed care program. This assumption was based on review and consideration of the following:

- Increases in vaginal deliveries in the managed care program over the past 2 years;
- SFY 2015 vaginal/cesarean section delivery mix for the top performing hospitals that collectively perform at least 40% of deliveries in the encounter data;
- The birth outcomes initiative implemented by SCDHHS to reduce elective induction and cesarean section deliveries prior to 39 weeks gestation.

Managed care savings were estimated by evaluating the cost per delivery difference between cesarean and vaginal deliveries for facility and physician services. No adjustments were made to the total number of deliveries. The overall impact to the KICK rate cell is a decrease of approximately 1%.

The composite impact of the managed care efficiency adjustments to inpatient, outpatient and pharmacy utilization and unit cost are listed in Appendix 8 by capitation rate cell and category of service.

ii. Material changes to the data, assumptions, and methodologies

The primary change from the prior year rate-setting is that the SFY 2017 capitation rate-setting analysis no longer relies on either the FFS data for the MHN program or a special data request directly from the MCOs as a data source for the capitation rate development. We relied solely on the encounter data to develop the unadjusted base period cost models. Another material change is the addition of RBHS services previously covered by Medicaid FFS.

We have utilized FFS data for the managed care-enrolled population to estimate the added cost to the managed care program related to this benefit carve-in.

All material assumptions are documented in this rate certification document and the overall methodology utilized to develop the capitation rates is consistent with the prior rate-setting analysis.

B. PROJECTED BENEFIT COST TRENDS

i. Description of the data, assumptions, and methodologies

This section discusses the data, assumptions, and methodologies used to develop the benefit cost trends, i.e., the annualized projected change in benefit costs from the historical base period (SFY 2015) to the SFY 2017 rating period of this certification. We evaluated prospective trend rates using historical experience for the South Carolina Medicaid managed care program, as well as external data sources.

(a) Data

The primary data used to develop benefit cost trends is historical claims and encounter from the covered populations. Data used for trend development included three years of cost and utilization experience, from SFY 2013 through the base experience data period (SFY 2015).

External data sources that were referenced include:

- *National Health Expenditure (NHE) projections* developed by the CMS office of the actuary, specifically those related to Medicaid. Please note that as these are expenditure projections, projected growth reflects not only unit cost and utilization, but also aggregate enrollment growth and enrollment mix changes such as aging. For trends used in this certification, we are interested only in unit cost and utilization trends, so in general, our combinations of unit cost and utilization trends should be lower than NHE trends. NHE tables and documentation may be found in the location listed below:
<https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/nationalhealthaccountsprojected.html>
- *Express Scripts 2015 Drug Trend Report – Medicaid (March 2016)* found in the location listed below:
<https://lab.express-scripts.com/lab/~media/e2c9d19240e94fcf893b706e13068750.ashx>
- *Other sources:* We also reviewed internal sources that are not publicly available, such as historical experience from other programs and trends used by other Milliman actuaries.

(b) Methodology

For internal SCDHHS data, historical utilization and per member per month cost data was stratified by month, rate cell, and category of service. The data was adjusted for completion and normalized for historical program and reimbursement changes. Additionally, we applied risk scores to normalize the experience data for the impact of any morbidity differences in the covered population. We developed trend rates to adjust the base experience data (midpoint of January 1, 2015) forward 24 months to the midpoint of the contract period, January 1, 2017.

For most service categories, the trend rates were applied to utilization only, while reimbursement was explicitly addressed in section 2B of this certification report. An exception to this method applies to pharmacy services, where trend rates have been estimated for both utilization and unit cost.

Trend rates were developed by population (TANF Adult, TANF Child, SSI Adult, SSI Child, OCWI, Dual and Kick) and by service category. For the foster care children population, we have used the same pharmacy trend rates as for the TANF child population.

Trend development was supported by historical claims and encounter experience from the covered populations. As part of the analysis, historical data was normalized for reimbursement and population mix changes, and stratified by population and major service category. Exponential and linear regression methods were utilized to project experience during the contract period, and rolling 12-month and 6-month trends were calculated to identify changes in the underlying patterns over time.

However, historical trends should not be used in a simple formulaic manner to determine future trends; actuarial judgment is also required. We also referred to alternative sources, both publicly available and internal Milliman information. We also considered changing practice patterns, shifting population mix, and the impact of reimbursement changes on utilization in this specific population.

(c) Comparisons

As noted above, we did not explicitly rely on the historical MCO encounter data trend projections due to anomalies observed in the historical trend data. In addition to referencing external data sources and emerging experience in the encounter data, we also reviewed the utilization trends assumed in the SFY 2016 capitation rate development to determine if any adjustment to the trend assumption was appropriate for the SFY 2017 rating period. The trend rates assumed for inpatient, outpatient and ancillary services are consistent with the SFY 2016 capitation rate development. Review of emerging experience indicated a modification to the trend was applicable for the physician and pharmacy service categories.

Explicit adjustments were made outside of trend to reflect all recent or planned changes in reimbursement from the base period to the rating period.

ii. Benefit cost trend components

Table 16 illustrates the utilization component of the trend by rate cell and category of service. The utilization component includes both the trend in number of units as well as the mix or intensity of services provided.

Table 16 South Carolina Department of Health and Human Services SFY 2017 Medicaid Managed Care Capitation Rate Development Annual Utilization Trend Rates							
Category of Service	TANF Child ²	TANF Adult	SSI Child	SSI Adult	OCWI	Dual	Kick
Hospital							
Inpatient	0.0%	0.0%	0.0%	0.0%	0.0%	4.0%	0.0%
Outpatient	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	1.0%
Pharmacy ¹	5.7%	6.4%	13.8%	11.1%	6.4%	2.0%	N/A
Ancillaries	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	N/A
Physician	2.0%	2.0%	2.0%	2.0%	2.0%	3.0%	1.0%

¹ Pharmacy represents both utilization and cost

² TANF-Child pharmacy trend is a composite factor; actual trends vary by rate cell due to rate-cell specific cystic fibrosis impact

iii. Variation

To limit the variation in benefit cost that is present across the Medicaid population as a whole, we developed trends by population category and major category of service. For the pharmacy trend assumption development, we further reviewed experience for specialty, brand and generic drugs, and combined this review with consideration of brand name drugs that have had or are anticipated to have generic launches during the time period encompassing the SFY 2015 base period through SFY 2017. The variation that occurs between these high-level prescription drug stratifications and further within each major population category contributes to the variation in the pharmacy trend assumptions applied across the managed care program in the SFY 2017 capitation rate development.

iv. Material adjustments

We made explicit adjustments to the historical data analyzed for trends in an effort to normalize the data for historical reimbursement adjustments and changing populations, and extract underlying trend information; however, as noted above, there were still anomalies that were present in the data and contributed to unreasonable trend patterns.

As a result, we used actuarial judgment to adjust the trends derived from historical experience in cases where the resulting trends did not appear reasonably sustainable, or were not within consensus parameters derived from other sources.

For many rate cells and categories of services, raw model output was outside of a range of reasonable results. In these situations, we relied on the sources identified to develop prospective trend.

The baseline pharmacy trend was adjusted to reflect the impact of cystic fibrosis drugs that were not reflected in our experience period. We analyzed the prevalence of cystic fibrosis by rate cell to develop an estimated annualized impact of the introduction of new cystic fibrosis treatments. Assumptions related to the cost of cystic fibrosis medications, the population eligible to receive treatment, and the take-up rate of new treatments were utilized to develop the impact of cystic fibrosis medications on pharmacy expenditures. Table 17 illustrates the impact of this adjustment on Rx cost trend.

Table 17 South Carolina Department of Health and Human Services SFY 2017 Medicaid Managed Care Capitation Rate Development Annualized Cystic Fibrosis Pharmacy Trend Adjustment			
Category of Service	Base Rx Cost Trend	Cystic Fibrosis Rx Impact	Total Rx Cost Trend
TANF: Rate Cells Below Age 7	5.0%	0.0%	5.0%
TANF: Age 7-13	5.0%	0.5%	5.6%
TANF: Age 14-18 and Foster Care	5.0%	1.5%	6.6%
TANF: Adult and OCWI	5.0%	1.4%	6.4%
SSI - Children	12.0%	1.6%	13.8%
SSI - Adults	10.0%	1.0%	11.1%

v. Any other adjustments

(a) Impact of managed care

We did not adjust the trend rates to reflect a managed care impact on utilization or unit cost. The capitation rates have an explicit adjustment for the managed care adjustments.

(b) Trend changes other than utilization and unit cost

We did not adjust the benefit cost trend for changes other than utilization or unit cost.

C. IN LIEU OF SERVICES

The projected benefit costs do not include costs for in lieu of services.

D. RETROSPECTIVE ELIGIBILITY PERIODS

i. Health plan responsibility

MCOs are not responsible for paying claims incurred during the retroactive eligibility period.

ii. Claims information in base data

There are no claims for retroactive eligibility periods in the base period encounter data.

iii. Enrollment treatment

Enrollment is treated consistently with claims. We have not included retrospective eligibility in the base experience period.

iv. Adjustments

No adjustments are necessary.

E. FINAL PROJECTED BENEFIT COSTS

Final projected benefit costs are documented by program and rate cell in Appendix 7.

F. IMPACT OF MATERIAL CHANGES

This section relates to material changes to covered benefits or services since the last rate certification. The last rate certification was for the SFY 2016 rating period.

i. Change to covered benefits

Material changes to covered benefits have been described in program adjustments described in Section 2.B.iv. Program Change Adjustments. We have made adjustments for the following changes in covered benefits:

- Addition of RBHS and associated outpatient mental health services effective July 1, 2016

ii. Change to payment requirements

Material changes to required provider payments have been described in program adjustments described in Section 2.B.iv. Program Change Adjustments. We have made adjustments for the following changes in payment requirements since the SFY 2016 rate certification:

- Addition of FQHC wrap payment to reflect total FQHC reimbursement at the PPS rate for qualifying services in the capitation rate, effective July 1, 2016.
- RBHS services fee schedule for DMH providers

iii. Change to waiver requirements

There were no material changes related to waiver requirements or conditions.

iv. Change due to litigation

There were no material changes due to litigation.

G. DOCUMENTATION OF MATERIAL CHANGES

Material changes to covered benefits and provider payments have been described in program adjustments described in Section 2.B.iv. Program Change Adjustments. This information includes the data, assumptions, and methodology used in developing the adjustment, estimated impact by population, and aggregate impact on the managed care program's benefit expense. Non-material changes to covered benefits or provider payments have also been described in this section of the report.

4. PASS-THROUGH PAYMENTS

This section provides information on the pass-through payments reflected in the SFY 2017 capitation rates.

A. DEFINITION OF PASS-THROUGH PAYMENTS

Supplemental Teaching Physician (STP) Payments: The STP payment program was developed to provide supplemental teaching payments to providers (i.e. Medical Universities or hospitals) of teaching physicians who are employed by or under contract with South Carolina Medical Universities and/or their component units. The STP payment that is made to qualifying providers accounts for the productivity loss and resulting revenue loss incurred by the teaching physicians from either direct supervision of or involvement with residents and/or medical students who are providing patient care. These amounts are paid to the providers of teaching physicians by the health plans, but are not included in the contracted rates between the MCOs and the teaching physicians.

B. DESCRIPTION OF PASS-THROUGH PAYMENTS

i. Description

SCDHHS implemented the original STP payment methodology effective October 1, 2001. The original payment methodology allowed for additional reimbursement at 35% of each teaching physician's billed charges to providers qualifying for STP payments.. This payment was made in addition to the regular Medicaid FFS or MCO claims payment amount.

Effective April 1, 2016, SCDHHS has revised the STP payment methodology to come into compliance with the CMS approved Physician UPL Guidance document. SCDHHS has chosen to use the Average Commercial Rate (ACR) Model as described in the CMS document. Under the plan amendment submitted to CMS, the STP payment is determined based upon the aggregate difference between the average commercial rate of each STP provider's top 5 commercial carriers (excluding those not subject to market forces) and the Medicaid payment (including TPL and co-pays) for each billable procedure code based upon a base year claims period and commercial rate period trended forward to the SFY 2017 payment period.

The STP amounts for the SFY 2017 capitation rates are calculated under the ACR method. The following methodology was utilized to develop the STP PMPM:

1. Summarize the FFY 2014 encounter expenditures eligible for supplemental teaching payments using the FFY 2014 teaching physician list provided by SCDHHS for the SFY 2017 capitation rate-setting process. Add estimated patient copay and third-party liability amounts to FFY 2014 expenditures to develop total payment received by the physician.
2. Reprice each of the FFY 2014 encounter physician claims by multiplying the number of incurred units for each procedure code by the individual STP provider's FFY 2014 ACR for that procedure code.
3. Trend the FFY 2014 ACR amounts obtained in Step 2 by an annual trend rate established by SCDHHS of 2.16% for 33 months to estimate the SFY 2017 ACR payments for the services incurred by the eligible teaching physicians.
4. Deduct total physician payment (developed in Step 1) from ACR (developed in Step 3) for each physician claim to calculate the STP amount.
5. Adjust the STP payment amounts obtained in Step 4 using utilization trend and other adjustment factors specific to the physician and ancillary service categories to estimate projected SFY 2017 STP PMPMs.

Note that STP expenditures for services covered by the KICK payment are allocated across the applicable female capitation rate cells, in proportion to the KICK payments made for individuals in the representative rate cells. Consistent with SCDHHS's payment methodology, supplemental teaching payments are not calculated for the DUAL rate cell.

The change in the methodology used to calculate the STP amounts results in a decrease of approximately 16% when compared to the original methodology. This change is consistent with the reduction observed in the FFS analysis performed by SCDHHS.

Appendices 9 and 10 document the development of the STP PMPMs that are added to the SFY 2017 capitation rates

ii. Providers receiving the payment

The payments are received by providers with teaching physicians who are employed by or under contract with South Carolina Medical Universities and/or their component units. A list of teaching physicians during FFY 2014 was provided by SCDHHS for the SFY 2017 capitation rate-setting process.

iii. Financing mechanism

The STP payment program is funded via intergovernmental transfers from non-state owned governmental hospitals, the MUSC School of Medicine, the University of South Carolina, and the SC Area Health Education Consortium (which receives annual state appropriations from the SC General Assembly).

iv. Historical payment amounts

Historical pass-through payments for the Supplemental Teaching Physicians program were approximately \$111.7 million in SFY 2015 and are estimated at \$133.5 million in SFY 2016.

C. SUPPLEMENTAL PAYMENTS

There are no supplemental payments incorporated in the SFY 2017 managed care capitation rates.

5. PROJECTED NON-BENEFIT COSTS

This section provides information on the development of projected non-benefit costs.

A. DATA, ASSUMPTIONS AND METHODOLOGIES

i. Description of the data, assumptions, and methodologies

(a) Data

The primary data sources used in the development of the state fiscal year 2017 non-benefit costs are listed below:

- Calendar Year 2015 administrative costs as reported in the Managed Care Survey completed by each MCO
- Statutory financial statement data for each of the MCOs.
- Average non-benefit costs from the financial statements of Medicaid health plans nationally, as summarized by Palmer, Pettit, and McCulla. A link to the 2014 report (published in June 2015) is here: <http://us.milliman.com/uploadedFiles/insight/2015/medicaid-admin-cost-analysis-2014.pdf>

(b) Assumptions and methodology

In developing non-benefit costs, we reviewed historical administrative expenses for the managed care program along with national Medicaid health plan administrative expenses. We considered the size of participating health plans and the resulting economies of scale that could be achieved, along with the benefits covered and the demographics of the population.

Historical reported administrative expenses by MCO were compared to statutory financial statements for consistency. Calendar year 2015 administrative expenses were adjusted for the assumed economies of scale that could be achieved due to continued maturity of the managed care program, as well as increased revenue for enhanced FQHC reimbursement and carve-in of RBHS expenditures, which may not require a proportional increase in administrative expenditures.

ii. Material changes

There are no material changes to the data, assumptions, or methodology used to develop the projected non-benefit cost.

B. NON-BENEFIT COSTS, BY COST CATEGORY

Administrative expenses have not been developed from the ground up (based on individual components). However, individual components were reviewed within MCO-reported survey information and financial statement data. We did rely on MCO-reported information to allocate the administrative expense percentage between general administrative costs and care management expenses.

The SFY 2017 non-benefit cost allowance is applied as a percentage of the capitation rates excluding supplemental teaching payments, as illustrated in Table 18 below.

Table 18 South Carolina Department of Health and Human Services SFY 2017 Medicaid Managed Care Capitation Rate Development Non-Benefit Cost Allowance by Rate Cell				
Eligibility Category	Administrative Expenses	Care Coordination & Care Management	Risk Margin	Total
TANF: 0-2 months old (AH3)	5.6%	1.4%	1.0%	8.0%
TANF: 3-12 months old (AI3)	8.8%	2.2%	1.0%	12.0%
TANF: Age 1-6 (AB3)	8.8%	2.2%	1.0%	12.0%
TANF: Age 7-13 (AC3)	8.8%	2.2%	1.0%	12.0%
TANF: Age 14-18, Male (AD1)	8.8%	2.2%	1.0%	12.0%
TANF: Age 14-18, Female (AD2)	8.8%	2.2%	1.0%	12.0%
TANF: Age 19-44, Male (AE1)	7.2%	1.8%	1.0%	10.0%
TANF: Age 19-44, Female (AE2)	7.2%	1.8%	1.0%	10.0%
TANF: Age 45+ (AF3)	7.2%	1.8%	1.0%	10.0%
SSI - Children (SO3)	6.4%	1.6%	1.0%	9.0%
SSI - Adults (SP3)	5.6%	1.4%	1.0%	8.0%
OCWI (WG2)	7.2%	1.8%	1.0%	10.0%
DUAL ¹	N/A	N/A	N/A	N/A
Foster Care - Children (FG3)	6.4%	1.6%	1.0%	9.0%
KICK (MG2/NG2)	1.6%	0.4%	1.0%	3.0%

Notes:

1. The non-benefit cost allowance for the DUAL rate cell was estimated as a weighted average of the non-benefit cost allowance PMPM for the SSI-Children and SSI-Adult rate cells. This results in a non-benefit cost allowance percentage of 51% of the capitation rate excluding supplemental teaching payments.

C. PMPM VERSUS PERCENTAGE

The non-benefit cost was developed as a percentage of the capitation rate.

D. HEALTH INSURER FEE

i. Whether the fee is incorporated in the rates

An estimate for the health insurer fee (HIF) is not included in the SFY 2017 capitation rates. Health insurance issuers are not expected to pay the HIF in calendar year 2017 based on 2016 revenue. A "Frequently Asked Questions" document published by CMS on February 29, 2016 provided clarification on the 2017 moratorium on the HIF. According to this document, "the Consolidated Appropriations Act of 2016, Division Q. Title II. §201, suspends collection of the Health Insurance Provider Fee for the 2016 calendar year." As a result, we do not expect capitation rates to be adjusted in SFY 2017 to reflect the HIF.

ii. Fee year or data year

As result of the 2017 moratorium on the HIF, health insurers are not expected to pay the 2017 HIF attributable to the 2016 data year.

iii. Determination of fee impact to rates

Not applicable. The HIF is not expected to impact the SFY 2017 capitation rates as a result of the 2017 HIF moratorium.

iv. Identification of long-term care benefits

Not applicable. The HIF is not expected to impact the SFY 2017 capitation rates as a result of the 2017 HIF moratorium.

6. RATE RANGE DEVELOPMENT

A. ASSUMPTIONS AND METHODOLOGY

Not applicable, a rate range has not been developed.

B. DOCUMENTATION

Not applicable, a rate range has not been developed.

7. RISK MITIGATION AND RELATED CONTRACTUAL PROVISIONS

This section provides information on the risk mitigation included in the contract.

A. DESCRIPTION OF RISK MITIGATION

The SFY 2017 managed care capitation rates have been developed as full risk rates. The MCO entity assumes risk for the cost of services covered under the contract and incurs loss if the cost of furnishing the services exceeds the payments under the contract.

Risk Adjustment

The composite rates for TANF Children, TANF Adult, SSI Children, and SSI Adult populations will be prospectively risk adjusted by health plan to reflect estimated prospective morbidity differences in the underlying population enrolling with each health plan.

Risk Pool for FQHC Reimbursement

Effective for SFY 2017, SCDHHS will maintain a cost-neutral risk pool for FQHC utilization and expenditures. To the extent a MCO receives a higher proportion of FQHC expenditures in relation to other MCOs, the MCO will receive additional reimbursement. Conversely a MCO receiving a lower portion of FQHC expenditures will be required to pay into the risk pool.

Withholds and Incentives

For SFY 2017, the MCO will be eligible for return of withhold payments up to 1.5% of capitation revenue, based on the MCO's performance of certain quality measures specified by the managed care contract. Any amount that is not earned back through achievement of the withhold measures will fund a bonus pool that is distributed to the high-performing MCOs in the program.

Incentive payments for "Patient-Centered Medical Homes (PCMH)" are not included within the certified capitation rate. As such, these incentives are paid by SCDHHS to the MCOs through gross level adjustments (GLAs). Additional details about the PCMH incentive payment program can be found within the "MCO Policy and Procedure Guide" under the "Provider Quality Incentive Programs" section. Approximate historical and anticipated incentive payments for the PCMH program are as follows:

- SFY 2015: \$5.0 million – approximately 0.2% increase over estimated capitation premium
- SFY 2016: \$6.9 million – approximately 0.3% increase over estimated capitation premium
- SFY 2017 (anticipated): \$8 million – approximately 0.3% over estimated capitation premium

B. RISK ADJUSTMENT MODEL AND METHODOLOGY

i. Risk adjustment model

The TANF Adult, TANF Children, SSI Adult, and SSI Children populations will be risk-adjusted using Medicaid Rx or CDPS+Rx risk scoring models. Review of data quality at the time of risk adjustment will determine the methodology used. Risk adjustment is performed on a budget neutral basis for each of the four defined populations.

ii. Data and adjustments

Data quality will be re-evaluated at a later date to determine the most appropriate risk adjustment model to utilize, depending on the quality of the encounter data. The time period of the data utilized will be determined based on selection of the most appropriate risk adjustment model for the July 1, 2016 through December 31, 2016 period and the January 1, 2017 through June 30, 2017 time period.

iii. Changes from the prior year

There are no material changes from the methodology utilized in the prior year.

iv. Frequency

Risk score updates are anticipated to be performed on a semi-annual basis.

v. How the risk scores will be used to adjust the capitation rates

Risk scores developed by MCO will be used to adjust MCO capitation payments.

vi. An attestation that the risk adjustment is cost neutral

The SCDHHS risk adjustment is designed to be cost neutral. Relative risk scores will be normalized to result in a composite risk score of 1.000 for each population group, across all plans.

C. ADDRESS COST NEUTRALITY

i. Reason for uncertainty

The risk sharing-models used in the development of the SFY 2017 rates are cost neutral.

ii. Risk adjustment model

Not applicable.

iii. Data

Not applicable.

iv. Relationship and interaction with risk adjustment

Not applicable.

v. Frequency

Not applicable.

vii. How the risk scores will be used to adjust the capitation rates

Not applicable.

D. OTHER RISK SHARING ARRANGEMENTS

i. Introduction

SCDHHS will implement a cost-neutral risk pool for SFY 2017 for all FQHC services subject to the FQHC wrap-around payment. The risk pool is being implemented to address the higher costs associated with FQHC encounters and the potential for the prevalence of FQHC beneficiaries to vary between MCOs. To the extent a MCO receives a higher proportion of FQHC expenditures in relation to other MCOs, the MCO will receive additional reimbursement. Conversely, a MCO receiving a lower proportion of FQHC expenditures will be required to pay into the risk pool. The development of the risk pool does not impact the capitation rate development process.

ii. Methodology

The SFY 2017 FQHC risk pool aggregate amounts will be developed using the estimated SFY 2017 FQHC benefit expense PMPM (including the FQHC wrap payment) included in the SFY 2017 capitation rates, multiplied by the actual SFY 2017 membership by rate cell.

The estimated SFY 2017 FQHC PMPM is developed on a prospective basis and is based on a review of historical FQHC expenditures through June 2015 and supplemental information provided by SCDHHS related to actual FQHC wrap payments made for SFY 2015. Program and policy changes developed for the SFY 2017 managed care capitation rates impacting FQHC expenditures were applied to the base experience. The estimated SFY 2017 FQHC wrap-around payment impact by rate cell is included in the "Program Adj Util" and "Program Adj Cost" columns of Appendix 7.

Please note that the estimated SFY 2017 FQHC PMPM is based on the historical FQHC expenditures, with no smoothing adjustment across rate cell. Therefore, certain rate cells may have estimated SFY 2017 FQHC expenditures while other rate cells may not have any or significantly lower estimated SFY 2017 FQHC expenditures.

Tables 19 and 20 illustrate a sample calculation of MCO payment/receipt of FQHC risk pool funds under two scenarios. The first scenario illustrates the payment/receipt of funds in the event total FQHC expenditures are greater than the risk pool funds, while the second scenario illustrates payment/receipt of funds in the event total FQHC expenditures are less than the risk pool funds.

Table 19 South Carolina Department of Health and Human Services SFY 2017 Medicaid Managed Care Capitation Rate Development Rates Effective July 1, 2016 Total FQHC Experience Greater Than Pool Funds							
MCO	Actual SFY 2017 Member Months	Estimated SFY 2017 FQHC PMPM	Estimated SFY 2017 FQHC Expenditures	Actual SFY 2017 FQHC Expenditures	Distribution of Actual FQHC Costs	Distribution Applied to Estimated Costs	Additional Payment/Recoupment
Plan A	10,000	\$ 5.00	\$ 50,000	\$ 80,000	14.55%	\$72,727	\$ 22,727
Plan B	30,000	\$ 5.00	\$ 150,000	\$ 180,000	32.73%	\$163,636	\$ 13,636
Plan C	20,000	\$ 5.00	\$ 100,000	\$ 80,000	14.55%	\$72,727	\$ (27,273)
Plan D	15,000	\$ 5.00	\$ 75,000	\$ 90,000	16.36%	\$81,818	\$ 6,818
Plan E	25,000	\$ 5.00	\$ 125,000	\$ 120,000	21.82%	\$109,091	\$ (15,909)
All Plans	100,000	\$ 5.00	\$ 500,000	\$ 550,000	100.00%	\$500,000	\$ 0

Table 20 South Carolina Department of Health and Human Services SFY 2017 Medicaid Managed Care Capitation Rate Development Rates Effective July 1, 2016 Total FQHC Experience Less Than Pool Funds							
MCO	Actual SFY 2017 Member Months	Estimated SFY 2017 FQHC PMPM	Estimated SFY 2017 FQHC Expenditures	Actual SFY 2017 FQHC Expenditures	Distribution of Actual FQHC Costs	Distribution Applied to Estimated Costs	Additional Payment/Recoupment
Plan A	10,000	\$ 5.00	\$ 50,000	\$ 60,000	12.50%	\$62,500	\$ 12,500
Plan B	30,000	\$ 5.00	\$ 150,000	\$ 145,000	30.21%	\$151,042	\$ 1,042
Plan C	20,000	\$ 5.00	\$ 100,000	\$ 90,000	18.75%	\$93,750	\$ (6,250)
Plan D	15,000	\$ 5.00	\$ 75,000	\$ 80,000	16.67%	\$83,333	\$ 8,333
Plan E	25,000	\$ 5.00	\$ 125,000	\$ 105,000	21.88%	\$109,375	\$ (15,625)
All Plans	100,000	\$ 5.00	\$ 500,000	\$ 480,000	100.00%	\$500,000	\$ 0

iii. Summary of Results

Table 21 illustrates the estimated SFY 2017 member months, FQHC PMPM, and risk pool expenditures by rate cell.

Table 21 South Carolina Department of Health and Human Services SFY 2017 Medicaid Managed Care Capitation Rate Development Rates Effective July 1, 2016 FQHC Risk Pool by Rate Cell			
Rate Cell	Estimated SFY 2017 Member Months	Estimated SFY 2017 FQHC PMPM	Estimated Expenditures
TANF: 0-2 months old (AH3)	79,860	\$ 17.56	\$ 1,402,342
TANF: 3-12 months old (AI3)	347,976	10.01	3,483,240
TANF: Age 1-6 (AB3)	2,001,312	4.67	9,346,127
TANF: Age 7-13 (AC3)	2,250,192	3.72	8,370,714
TANF: Age 14-18, Male (AD1)	620,880	2.57	1,595,662
TANF: Age 14-18, Female (AD2)	642,600	4.12	2,647,512
TANF: Age 19-44, Male (AE1)	253,980	2.11	535,898
TANF: Age 19-44, Female (AE2)	1,102,080	5.45	6,006,336
TANF: Age 45+ (AF3)	163,560	8.14	1,331,378
SSI - Children (SO3)	164,592	\$ 5.86	964,509
SSI - Adults (SP3)	594,240	9.22	5,478,893
OCWI (WG2)	136,128	\$ 3.12	424,719
DUAL	-	\$ 0.00	-
Foster Care - Children (FG3)	47,484	\$ 8.88	421,658
KICK (MG2/NG2)	25,020	\$ 80.34	2,010,107
Composite	8,404,884	\$ 5.24	\$ 44,019,094

Please note that the estimated SFY 2017 FQHC PMPM will not be updated with actual SFY 2017 FQHC experience, but the actual SFY 2017 membership will be used to develop the aggregate expenditures in the FQHC risk pool development.

E. MEDICAL LOSS RATIO

i. Description

SCDHHS's provider agreement establishes a minimum medical loss ratio (MLR) of 86% for the Medicaid managed care population. The specific language from the provider agreement effective July 1, 2016 should be referenced for final contract specifications and definitions.

ii. Financial consequences

Financial consequences of the minimum MLR requirements are specified in the provider agreement. However, in general, the MCO will be required to repay any amounts below the 86.0% minimum MLR.

F. REINSURANCE REQUIREMENTS AND EFFECT ON CAPITATION RATES

There are no reinsurance requirements for MCOs contracted with SCDHHS for the Medicaid managed care program.

G. INCENTIVES AND WITHHOLDS

i. Incentives

Incentive payments under this plan are below 105% of the certified rates paid under the contract. Please see section iii for additional discussion on incentive payments.

ii. Withholds

SCDHHS has established a quality withhold of 1.5% of the capitation rate net of supplemental teaching payments, and will determine the return of the withhold based on review of each MCO's HEDIS data and the MCO's compliance with the quality measures established in each MCO's contract with SCDHHS.

The capitation rates shown in this letter are illustrated before offset for the withhold amount; however, the SFY 2017 capitation rates documented in this report are actuarially sound after adjustment for the amount of the withhold not expected to be earned.

iii. Estimate of percent to be returned.

In SFY 2014 and SFY 2015, the MCOs in aggregate received 89% and 96%, respectively, of available withhold funds from SCDHHS through first pass and bonus pool distributions. Withholds and incentives are treated separately for federal regulations; therefore, we reviewed the first pass and bonus pool distribution as separate components. Based on the design of the withhold program, SCDHHS expects that 70%-75% of the withhold is earned back through the first pass. Based on this information, we believe that a reasonable assumption of return of withhold to the managed care program through first pass is 70% to 75% of the 1.5% withhold amount. By design, the incentive amount represented by the bonus pool is significantly less than 5% of the certified rates. Therefore, the total amount of incentive payments in the managed care program is below 105% of the certified rates paid under the contract.

iv. Effect on the capitation rates

The rate is certified as actuarially sound after adjustment for the amount of the withhold not expected to be earned.

8. OTHER RATE DEVELOPMENT CONSIDERATIONS

A. DIFFERENT FMAP

All populations receive the regular state FMAP of 71.30% for FFY 2017. The enhanced FMAP percentage for CHIP and family planning expenditures in South Carolina is 100% and 90%, respectively. These enhanced amounts are not reflected in the values provided in Appendix 3.

B. ACTUARIALLY ACCEPTED PRACTICES AND PRINCIPLES

i. Reasonable, appropriate, and attainable

In our judgment, all adjustments to the capitation rates, or to any portion of the capitation rates, reflect reasonable, appropriate, and attainable costs. To our knowledge, there are no reasonable, appropriate, and attainable costs that have not been included in the certification.

ii. Outside the rate setting process

There are no adjustments to the rates performed outside the rate setting process.

iii. Rates within ranges

Not applicable, as this certification is not providing a rate range. The final contracted rates should match the rates certified in this report.

9. PROCEDURES FOR RATE CERTIFICATION AND CONTRACT AMENDMENTS

In general, a new rate certification will be submitted when the rates change. The following exceptions are allowed:

1. A contract amendment that does not affect the rates.
2. Risk adjustment, under a methodology described in the initial certification, changes the rates paid to the plans.

In case 1 listed above, a contract amendment must still be submitted to CMS.

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

Section II of the 2016 guidance is not applicable to the SCDHHS Medicaid managed care program. Managed long-term services and supports (MLTSS) are not covered benefits. Enrollees who have been approved for long term institutional care, waiver services, or institutional hospice care will be dis-enrolled from the managed care program and served under the FFS delivery system. Skilled nursing facility services are covered under this program only for stays generally less than 60 days. ICF/ID, PRTF, and home and community based (HCBS) waiver services are not covered.

SECTION III. NEW ADULT GROUP CAPITATION RATES

Section III of the 2016 guidance is not applicable to the SCDHHS Medicaid managed care program.

LIMITATIONS

The information contained in this letter was prepared as documentation of the actuarially sound capitation rates for the Medicaid managed care program in the State of South Carolina. The information may not be appropriate for any other purpose.

The information contained in this letter, including the enclosures, has been prepared for SCDHHS and their consultants and advisors. It is our understanding that the information contained in this letter will be shared with CMS and may be utilized in a public document. To the extent that the information contained in this letter is provided to third parties, the letter should be distributed in its entirety. Any user of the data must possess a certain level of expertise in actuarial science and healthcare modeling so as not to misinterpret the data presented.

Milliman makes no representations or warranties regarding the contents of this letter to third parties. Likewise, third parties are instructed that they are to place no reliance upon this letter prepared for SCDHHS by Milliman that would result in the creation of any duty or liability under any theory of law by Milliman or its employees to third parties. Other parties receiving this letter must rely upon their own experts in drawing conclusions about the capitation rates, assumptions, and trends.

Although the capitation rates have been certified as actuarially sound, the capitation rates may not be appropriate for any individual MCO. Results will differ if actual experience is different from the assumptions contained in the capitation rate setting documentation. SCDHHS and Milliman provide no guarantee, either written or implied, that the data and information is 100% accurate or error free.

Milliman has relied on information provided by SCDHHS and the participating Medicaid MCOs in the development of the SFY 2017 capitation rates. We have relied upon SCDHHS and the MCOs for the accuracy of the data and accept it without audit. To the extent that the data provided are not accurate, the capitation rate development would need to be modified to reflect revised information.

The services provided by Milliman to SCDHHS were performed under the signed consulting agreement between Milliman and SCDHHS dated July 1, 2015.

Guidelines issued by the American Academy of Actuaries require actuaries to include their professional qualifications in all actuarial communications. The authors of this report are members of the American Academy of Actuaries and meet the qualification standards for performing the analyses contained herein.

APPENDIX 1: ACTUARIAL CERTIFICATION

**State of South Carolina
Department of Health and Human Services
Risk Based Managed Care Program
Capitation Rates Effective July 1, 2016 through June 30, 2017**

Actuarial Certification

I, Jeremy D. Palmer, am a Principal and Consulting Actuary with the firm of Milliman, Inc. I am a Member of the American Academy of Actuaries and a Fellow of the Society of Actuaries. I meet the qualification standards established by the American Academy of Actuaries and have followed the standards of practice established by the Actuarial Standards Board. I have been employed by the State of South Carolina and am generally familiar with the state-specific Medicaid program, eligibility rules, and benefit provisions.

The capitation rates provided with this certification are considered "actuarially sound" for purposes of 42 CFR 438.6(c), according to the following criteria:

- the capitation rates have been developed in accordance with generally accepted actuarial principles and practices;
- the capitation rates are appropriate for the Medicaid populations to be covered, and Medicaid services to be furnished under the contract; and,
- the capitation rates meet the requirements of 42 CFR 438.6(c) of 67 FR 41097-41098 published on June 14, 2002.

For the purposes of this certification "actuarial soundness" is defined as in ASOP 49:

"Medicaid capitation rates are "actuarially sound" if, for business for which the certification is being prepared and for the period covered by the certification, projected capitation rates and other revenue sources provide for all reasonable, appropriate, and attainable costs. For purposes of this definition, other revenue sources include, but are not limited to, expected reinsurance and governmental stop-loss cash flows, governmental risk-adjustment cash flows, and investment income. For purposes of this definition, costs include, but are not limited to, expected health benefits; health benefit settlement expenses; administrative expenses; the cost of capital, and government-mandated assessments, fees, and taxes."

The assumptions used in the development of the "actuarially sound" capitation rates have been documented in my correspondence with the State of South Carolina. The "actuarially sound" capitation rates that are associated with this certification are effective for the rate period July 1, 2016 through June 30, 2017

The capitation rates are considered actuarially after adjustment for the amount of the withhold not expected to be earned.

The "actuarially sound" capitation rates are based on a projection of future events. Actual experience may be expected to vary from the experience assumed in the rates.

In developing the "actuarially sound" capitation rates, I have relied upon data and information provided by the State. I have relied upon the State for audit of the data. However, I did review the data for reasonableness and consistency.

The capitation rates developed may not be appropriate for any specific health plan. An individual health plan will need to review the rates in relation to the benefits that it will be obligated to provide. The health plan should evaluate the rates in the context of its own experience, expenses, capital and surplus, and profit requirements prior to agreeing to contract with the State. The health plan may require rates above, equal to, or below the "actuarially sound" capitation rates that are associated with this certification.

Electronic
Signature
Jeremy D. Palmer

Jeremy D. Palmer, FSA
Member, American Academy of Actuaries

June 22, 2016

Date

APPENDIX 2: CERTIFIED CAPITATION RATES

Appendix 2

South Carolina Department of Health and Human Services
SFY 2017 Medicaid Managed Care Capitation Rate Development
Rate Change Summary: SFY 2017 over SFY 2016 Rates

Rate Cell	Gender	Rate Cell Description	Nov-15 Enrollment	With STP			Without STP		
				SFY 2016	Total Rate		SFY 2016	Total Rate	
				Rates	SFY 2017 Rates	Change	Rates	SFY 2017 Rates	Change
TANF: 0-2 months old	Unisex	AH3	6,655	\$ 2,292.97	\$ 2,077.59	(9.4%)	\$ 1,998.13	\$ 1,907.32	(4.5%)
TANF: 3-12 months old	Unisex	AI3	28,998	274.92	265.07	(3.6%)	243.17	237.89	(2.2%)
TANF: Age 1-6	Unisex	AB3	166,776	124.09	138.10	11.3%	117.61	131.82	12.1%
TANF: Age 7-13	Unisex	AC3	187,516	116.16	145.21	25.0%	111.39	140.41	26.1%
TANF: Age 14-18	Male	AD1	51,740	132.59	155.22	17.1%	126.94	149.96	18.1%
TANF: Age 14-18	Female	AD2	53,550	156.65	179.62	14.7%	148.25	171.82	15.9%
TANF: Age 19-44	Male	AE1	21,165	240.33	230.59	(4.1%)	232.21	222.53	(4.2%)
TANF: Age 19-44	Female	AE2	91,840	381.25	366.93	(3.8%)	363.83	350.34	(3.7%)
TANF: Age 45+	Unisex	AF3	13,630	\$ 620.02	\$ 599.05	(3.4%)	\$ 600.11	\$ 579.07	(3.5%)
SSI - Children	Unisex	SO3	13,716	\$ 532.04	\$ 628.30	18.1%	\$ 484.11	\$ 591.82	22.2%
SSI - Adults	Unisex	SP3	49,520	\$ 1,062.58	\$ 1,127.33	6.1%	\$ 1,027.80	\$ 1,090.18	6.1%
OCWI	Unisex	WG2	11,344	\$ 347.54	\$ 362.31	4.2%	\$ 281.17	\$ 304.68	8.4%
DUAL	Unisex		-	\$ 130.99	\$ 157.94	20.6%	\$ 130.99	\$ 157.94	20.6%
Foster Care - Children	Unisex	FG3	3,957	\$ 389.16	\$ 880.80	126.3%	\$ 356.68	\$ 836.18	134.4%
KICK	Female	MG2/NG2	2,085	\$ 7,137.22	\$ 7,164.09	0.4%	\$ 7,137.22	\$ 7,164.09	0.4%
Total			700,407	\$ 299.52	\$ 318.59	6.4%	\$ 283.96	\$ 304.75	7.3%

APPENDIX 3: FISCAL IMPACT SUMMARY

Appendix 3

South Carolina Department of Health and Human Services
SFY 2017 Medicaid Managed Care Capitation Rate Development
Estimated Monthly Fiscal Impact - Including Supplemental Teaching Payments

Rate Cell	November 2015 Membership	SFY 2016			SFY 2017			Increase/(Decrease)	
		Capitation Rate	Projected Monthly Expenditures	Federal Monthly Expenditures (at 71.3%)	Capitation Rate	Projected Monthly Expenditures	Federal Monthly Expenditures (at 71.3%)	Total Monthly Expenditures	Federal Monthly Expenditures (at 71.3%)
TANF - 0 - 2 Months, Male & Female (AH3)	6,655	\$ 2,292.97	\$ 15,259,715	\$ 10,880,177	\$ 2,077.59	\$ 13,826,361	\$ 9,858,196	\$ (1,433,354)	\$ (1,021,981)
TANF - 3 - 12 Months, Male & Female (AI3)	28,998	274.92	7,972,130	5,684,129	265.07	7,686,500	5,480,474	(285,630)	(203,654)
TANF - Age 1 - 6, Male & Female (AB3)	166,776	124.09	20,695,234	14,755,702	138.10	23,031,766	16,421,649	2,336,532	1,665,947
TANF - Age 7 - 13, Male & Female (AC3)	187,516	116.16	21,781,859	15,530,465	145.21	27,229,198	19,414,418	5,447,340	3,883,953
TANF - Age 14 - 18, Male (AD1)	51,740	132.59	6,860,207	4,891,327	155.22	8,031,083	5,726,162	1,170,876	834,835
TANF - Age 14 - 18, Female (AD2)	53,550	156.65	8,388,608	5,981,077	179.62	9,618,651	6,858,098	1,230,044	877,021
TANF - Age 19 - 44, Male (AE1)	21,165	240.33	5,086,584	3,626,735	230.59	4,880,437	3,479,752	(206,147)	(146,983)
TANF - Age 19 - 44, Female (AE2)	91,840	381.25	35,014,000	24,964,982	366.93	33,698,851	24,027,281	(1,315,149)	(937,701)
TANF - Age 45+, Male & Female (AF3)	13,630	\$ 620.02	8,450,873	6,025,472	\$ 599.05	8,165,052	5,821,682	(285,821)	(203,790)
SSI - Children (SO3)	13,716	\$ 532.04	\$ 7,297,461	\$ 5,203,089	\$ 628.30	\$ 8,617,763	\$ 6,144,465	\$ 1,320,302	\$ 941,375
SSI - Adults (SP3)	49,520	\$ 1,062.58	\$ 52,618,962	\$ 37,517,320	\$ 1,127.33	\$ 55,825,382	\$ 39,803,497	\$ 3,206,420	\$ 2,286,177
OCWI (WG2)	11,344	\$ 347.54	\$ 3,942,494	\$ 2,810,998	\$ 362.31	\$ 4,110,045	\$ 2,930,462	\$ 167,551	\$ 119,464
DUAL	-	\$ 130.99	\$ 0	\$ 0	\$ 157.94	\$ 0	\$ 0	\$ 0	\$ 0
Foster Care Children (FG3)	3,957	\$ 389.16	\$ 1,539,906	\$ 1,097,953	\$ 880.80	\$ 3,485,326	\$ 2,485,037	\$ 1,945,419	\$ 1,387,084
KICK (MG2/NG2)	2,085	\$ 7,137.22	\$ 14,881,104	\$ 10,610,227	\$ 7,164.09	\$ 14,937,128	\$ 10,650,172	\$ 56,024	\$ 39,945
TOTAL	700,407	\$ 299.52	\$ 209,789,135	\$ 149,579,653	\$ 318.59	\$ 223,143,541	\$ 159,101,345	\$ 13,354,407	\$ 9,521,692

APPENDIX 4: IN-RATE CRITERIA

Appendix 4

**South Carolina Department of Health and Human Services
SFY 2017 Medicaid Managed Care Capitation Rate Development
In-Rate Criteria for Services Covered Under Managed Care Capitation Rate**

Eligibility Criteria

Eligibility File Type	Criteria	Notes
Recipient	Exclude Recipient Payment Categories:10,14,15,33,48,50,52,54,55,70,90	
Recipient	Exclude Recipient Limited Benefit Indicators: E, I, C	
Recipient	Exclude if age >= 65 on date of service	
Recipient	Exclude Dual eligible members	
Recipient	Retroactive Eligibility	See Methodology and Results - General
Recipient	Long Term Care Exclusion	See Methodology and Results - Medical Benefits
RSP	Exclude where RSP Program Indicator is: 2,3,4,5,6,7,8,9,A,C,D,F,J,K,L,M,P,Q,R,S,T,V	

Note: The in-rate criteria only includes claims with a valid member record at the time services were rendered.

Claim Criteria

Nursing Home Claims

Claim Type	Provider Type	Provider Specialty	Criteria
G	00	Any	Include claims where the last 2 bytes of Billing Provider Number = SB or first byte of Billing Provider Number = V or Service Category = 11

Note only provider type 00 are included in rate setting for D claim types

UB-04 Claims

Claim Type	Provider Type	Provider Specialty	Criteria
Z	01	Any	Exclude if Provider Control Facility in (010, 011)
Z	01	Any	Exclude if ICD-9 diagnosis code 33.50, 33.51, 33.52, 33.6, 37.51, 46.97, 50.51, 50.59,52.80,52.82, 52.83, V42.0-42.4, and V42.6 -V42.9
Z	All	Any	Exclude if APR-DRG = 001-1, 001-2, 001-3, 001-4, 002-1, 002-2, 002-3, 002-4, 003-1, 003-2, 003-3, 003-4, 006-1, 006-2, 006-3, 006-4, 440-1, 440-2, 440-3, 440-4
Z	01	Any	Exclude if Provider Category of Service = 04 AND DRG =998
Z	02	Any	Exclude if Provider Control Facility in (010, 011)
Z	02	Any	Exclude if Principle Surgical Procedures in (96.54, 23.01-24.99)

Note only provider type (01, 02) are included in rate setting for Z claim types

HIC Claims

Claim Type	Provider Type	Provider Specialty	Criteria
A	All	Any	Exclude if Provider Type is not (10, 19, 20, 21, 22, 32, 33, 34, 35, 36, 37, 38, 41, 60, 76, 80, 81, 82, 84)
A or B	10, 19, 20, 21, 32, 33, 35, 37, 60, 70, 76, 80, 81, 82, 84	Any	Exclude all Procedure Codes that begin with "D"
A	All	Any	Exclude if diagnosis code 33.50, 33.51, 33.52, 33.6, 37.51, 46.97, 50.51, 50.59,52.80,52.82, 52.83, V42.0-42.4, and V42.6 -V42.9
A	All	Any	Exclude hearing aid and hearing aid accessories for any one over the age of 21
A	10	20	Exclude Procedure Codes (96103, 96120, 96127, 96154, G9004 THROUGH G9011, H0046, H2018, H2019, H2020, H2029, S5105, S5145, S9485, T1007, T1015, T1016, T1017, T1023, T0124)
A	10	28	Exclude Procedure Codes (96127, 96154, 99402, H0025, H0040, H0046, H2012, H2015, H2018, H2020, H2021, H2022, H2029, S5145, S9484, S9537, T1007, T1015, T2023, W0021, X2300, X9529, X9542, X9750, X9756, X9757, X9758, X9759, X9760, T1016, T1017)
A	10	90	Exclude Procedure Codes (T1016, T1017)
A	10	91	Exclude Procedure Codes (H0045, H0046, H1010, H2020, H2021, H2022, S0265, S0315, S0316, S0317, S3870, S5102, S5165, S9446, S9470, S9482, T1000, T1002, T1007, T1015, T1016, T1017, T1025, T1026, T1027, T2023, X9322)
A	10	92	Exclude Procedure Code (H2021, H2022, S9482, T1007, T1015, T1016, T1017, T2023 X2300)
A	21	78	Exclude if Provider Number = TR0003/NPI 1669523528
A	22	51	Exclude if Procedure Code in (T1016, T1017, T1027, T1002) AND Provider Number in (DHEC01-DHEC46, DHEC59)
A	22	51	Exclude if Primary Diagnosis in COMDHEC table AND Provider Number in (DHEC01-DHEC46, DHEC59)
A	22	95	Exclude if legacy provider ID begins with SD AND procedure code is (92500 THROUGH 92599, 97000 THROUGH 97999, L3808, S9152, C1000, T1002, T1003, T2003, T1015, T1024, V5011, V5090, V5275)
A	22	95	Exclude if legacy provider ID MC0022 AND procedure code is (T1016, T1017)

A	22	96	Exclude if Provider Number = MC0015 AND Procedure Code in (S0700 THROUGH S0703)
A	22	96	Exclude if Provider Number = MC0015 AND Procedure Code in (99241 THROUGH 99245) AND Modifier TF
A	22	96	Exclude if Provider Number in (MC0008, MC0009, MC0010, MC0011, MC0021, MC0040) AND Procedure Code in (T1016, T1017, S0315, S0316, S9445, S9446, 96153, 99204, 99213, 99214, 99215)
A	32, 33, 34, 41	Any	Exclude routine vision care and Procedure code V2020 through V2799 for any one over the age of 21
A	35	47	Exclude for beneficiaries over the age of 21
A	80	Any	Exclude if Provider Control Facility = 017 AND Primary Diagnosis in COMDHEC table

Pharmacy Claims

Claim Type	Provider Type	Provider Specialty	Criteria
D	70	Any	Exclude all Hepatitis C drugs in the National Drug Code list

Note only provider type 70 is included in rate setting for D claim types

South Carolina Department of Health and Human Services

National Drug Code List – Hepatitis C Drugs

NDC	BRAND NAME	GENERIC NAME
61958180101	HARVONI	LEDIPASVIR/SOFOSBUVIR
00074309328	VIEKIRA PAK	OMBITA/PARITAP/RITON/DASABUVIR
00004008694	COPEGUS	RIBAVIRIN
00004035009	PEGASYS	PEGINTERFERON ALFA-2A
00004035039	PEGASYS	PEGINTERFERON ALFA-2A
00004035239	PEGASYS	PEGINTERFERON ALFA-2A
00004035730	PEGASYS	PEGINTERFERON ALFA-2A
00004036030	PEGASYS PROCLICK	PEGINTERFERON ALFA-2A
00004036530	PEGASYS PROCLICK	PEGINTERFERON ALFA-2A
00074319716	MODERIBA	RIBAVIRIN
00074322456	MODERIBA	RIBAVIRIN
00074323956	MODERIBA	RIBAVIRIN
00074327156	MODERIBA	RIBAVIRIN
00074328256	MODERIBA	RIBAVIRIN
00085119403	REBETOL	RIBAVIRIN
00085123601	REBETRON 1200	RIBAVIRIN/INTERFERON ALFA-2B,R
00085123602	REBETRON 1000	RIBAVIRIN/INTERFERON ALFA-2B,R
00085123603	REBETRON 600	RIBAVIRIN/INTERFERON ALFA-2B,R
00085124101	REBETRON 1200	RIBAVIRIN/INTERFERON ALFA-2B,R
00085124102	REBETRON 1000	RIBAVIRIN/INTERFERON ALFA-2B,R
00085124103	REBETRON 600	RIBAVIRIN/INTERFERON ALFA-2B,R
00085125801	REBETRON 1200	RIBAVIRIN/INTERFERON ALFA-2B,R
00085125802	REBETRON 1000	RIBAVIRIN/INTERFERON ALFA-2B,R
00085125803	REBETRON 600	RIBAVIRIN/INTERFERON ALFA-2B,R
00085127901	PEGINTRON	PEGINTERFERON ALFA-2B
00085129101	PEGINTRON	PEGINTERFERON ALFA-2B
00085129701	PEGINTRON REDIPEN	PEGINTERFERON ALFA-2B
00085129702	PEGINTRON REDIPEN	PEGINTERFERON ALFA-2B
00085130401	PEGINTRON	PEGINTERFERON ALFA-2B
00085131601	PEGINTRON REDIPEN	PEGINTERFERON ALFA-2B
00085131602	PEGINTRON REDIPEN	PEGINTERFERON ALFA-2B
00085131801	REBETOL	RIBAVIRIN
00085132301	PEGINTRON REDIPEN	PEGINTERFERON ALFA-2B
00085132302	PEGINTRON REDIPEN	PEGINTERFERON ALFA-2B
00085132704	REBETOL	RIBAVIRIN
00085135105	REBETOL	RIBAVIRIN
00085136801	PEGINTRON	PEGINTERFERON ALFA-2B
00085137001	PEGINTRON REDIPEN	PEGINTERFERON ALFA-2B
00085137002	PEGINTRON REDIPEN	PEGINTERFERON ALFA-2B
00085138507	REBETOL	RIBAVIRIN
00085435301	PEGINTRON	PEGINTERFERON ALFA-2B
00085435401	PEGINTRON	PEGINTERFERON ALFA-2B
00085435501	PEGINTRON	PEGINTERFERON ALFA-2B
00085435601	PEGINTRON	PEGINTERFERON ALFA-2B
00093722758	RIBAVIRIN	RIBAVIRIN

NDC	BRAND NAME	GENERIC NAME
00093722763	RIBAVIRIN	RIBAVIRIN
00093722772	RIBAVIRIN	RIBAVIRIN
00093722777	RIBAVIRIN	RIBAVIRIN
00093723281	RIBAVIRIN	RIBAVIRIN
00187200601	INFERGEN	INTERFERON ALFACON-1
00187200605	INFERGEN	INTERFERON ALFACON-1
00187200702	INFERGEN	INTERFERON ALFACON-1
00187200706	INFERGEN	INTERFERON ALFACON-1
00406204616	RIBAVIRIN	RIBAVIRIN
00406226042	RIBAVIRIN	RIBAVIRIN
00406226056	RIBAVIRIN	RIBAVIRIN
00406226070	RIBAVIRIN	RIBAVIRIN
00406226084	RIBAVIRIN	RIBAVIRIN
00781204304	RIBAVIRIN	RIBAVIRIN
00781204316	RIBAVIRIN	RIBAVIRIN
00781204342	RIBAVIRIN	RIBAVIRIN
00781204367	RIBAVIRIN	RIBAVIRIN
00781517728	RIBAVIRIN	RIBAVIRIN
16241006956	RIBATAB	RIBAVIRIN
16241006976	RIBATAB	RIBAVIRIN
16241007056	RIBATAB	RIBAVIRIN
16241007076	RIBATAB	RIBAVIRIN
16241033776	RIBATAB	RIBAVIRIN
49884004532	RIBAVIRIN	RIBAVIRIN
49884007176	RIBAPAK	RIBAVIRIN
49884033876	RIBAPAK	RIBAVIRIN
49884034076	RIBAPAK	RIBAVIRIN
49884085656	RIBASPHERE	RIBAVIRIN
49884085692	RIBASPHERE	RIBAVIRIN
49884085693	RIBASPHERE	RIBAVIRIN
49884085694	RIBASPHERE	RIBAVIRIN
54569542700	REBETRON 1200	RIBAVIRIN/INTERFERON ALFA-2B,R
54738095016	RIBAVIRIN	RIBAVIRIN
54738095156	RIBAVIRIN	RIBAVIRIN
54738095256	RIBAVIRIN	RIBAVIRIN
54738095318	RIBAVIRIN	RIBAVIRIN
54738095342	RIBAVIRIN	RIBAVIRIN
54738095356	RIBAVIRIN	RIBAVIRIN
54738095370	RIBAVIRIN	RIBAVIRIN
54738095384	RIBAVIRIN	RIBAVIRIN
54868452100	RIBASPHERE	RIBAVIRIN
54868452101	RIBAVIRIN	RIBAVIRIN
54868452102	RIBAVIRIN	RIBAVIRIN
54868452103	RIBAVIRIN	RIBAVIRIN
54868488700	PEGASYS	PEGINTERFERON ALFA-2A
54868488701	PEGASYS	PEGINTERFERON ALFA-2A
54868488800	COPEGUS	RIBAVIRIN

NDC	BRAND NAME	GENERIC NAME
54868503500	REBETOL	RIBAVIRIN
54868503600	PEGINTRON REDIPEN	PEGINTERFERON ALFA-2B
54868503601	PEGINTRON REDIPEN	PEGINTERFERON ALFA-2B
55513055401	INFERGEN	INTERFERON ALFACON-1
55513055406	INFERGEN	INTERFERON ALFACON-1
55513056201	INFERGEN	INTERFERON ALFACON-1
55513056206	INFERGEN	INTERFERON ALFACON-1
55513092601	INFERGEN	INTERFERON ALFACON-1
55513092606	INFERGEN	INTERFERON ALFACON-1
55513092701	INFERGEN	INTERFERON ALFACON-1
55513092706	INFERGEN	INTERFERON ALFACON-1
59930152301	RIBAVIRIN	RIBAVIRIN
59930152302	RIBAVIRIN	RIBAVIRIN
59930152303	RIBAVIRIN	RIBAVIRIN
59930152304	RIBAVIRIN	RIBAVIRIN
64116003101	INFERGEN	INTERFERON ALFACON-1
64116003106	INFERGEN	INTERFERON ALFACON-1
64116003124	INFERGEN	INTERFERON ALFACON-1
64116003901	INFERGEN	INTERFERON ALFACON-1
64116003906	INFERGEN	INTERFERON ALFACON-1
64116003924	INFERGEN	INTERFERON ALFACON-1
65862020768	RIBAVIRIN	RIBAVIRIN
65862029018	RIBAVIRIN	RIBAVIRIN
65862029042	RIBAVIRIN	RIBAVIRIN
65862029056	RIBAVIRIN	RIBAVIRIN
65862029070	RIBAVIRIN	RIBAVIRIN
65862029084	RIBAVIRIN	RIBAVIRIN
66435010118	RIBASPHERE	RIBAVIRIN
66435010142	RIBASPHERE	RIBAVIRIN
66435010156	RIBASPHERE	RIBAVIRIN
66435010170	RIBASPHERE	RIBAVIRIN
66435010184	RIBASPHERE	RIBAVIRIN
66435010216	RIBASPHERE	RIBAVIRIN
66435010356	RIBASPHERE	RIBAVIRIN
66435010456	RIBASPHERE	RIBAVIRIN
66435010556	RIBAPAK	RIBAVIRIN
66435010599	RIBAPAK	RIBAVIRIN
66435010656	RIBAPAK	RIBAVIRIN
66435010699	RIBAPAK	RIBAVIRIN
66435010756	RIBAPAK	RIBAVIRIN
66435010799	RIBAPAK	RIBAVIRIN
66435010856	RIBAPAK	RIBAVIRIN
66435010899	RIBAPAK	RIBAVIRIN
66435020115	INFERGEN	INTERFERON ALFACON-1
66435020195	INFERGEN	INTERFERON ALFACON-1
66435020196	INFERGEN	INTERFERON ALFACON-1
66435020199	INFERGEN	INTERFERON ALFACON-1

NDC	BRAND NAME	GENERIC NAME
66435020209	INFERGEN	INTERFERON ALFACON-1
66435020295	INFERGEN	INTERFERON ALFACON-1
68084015011	RIBAVIRIN	RIBAVIRIN
68084015065	RIBAVIRIN	RIBAVIRIN
68084017911	RIBAVIRIN	RIBAVIRIN
68084017965	RIBAVIRIN	RIBAVIRIN
68382004603	RIBAVIRIN	RIBAVIRIN
68382004610	RIBAVIRIN	RIBAVIRIN
68382004628	RIBAVIRIN	RIBAVIRIN
68382012707	RIBAVIRIN	RIBAVIRIN
68382012807	RIBAVIRIN	RIBAVIRIN
68382012907	RIBAVIRIN	RIBAVIRIN
68382026004	RIBAVIRIN	RIBAVIRIN
68382026007	RIBAVIRIN	RIBAVIRIN
68382026009	RIBAVIRIN	RIBAVIRIN
68382026010	RIBAVIRIN	RIBAVIRIN
68382026012	RIBAVIRIN	RIBAVIRIN
68382026028	RIBAVIRIN	RIBAVIRIN
00085031402	VICTRELIS	BOCEPREVIR
00085031403	VICTRELIS	BOCEPREVIR
51167010001	INCIVEK	TELAPREVIR
51167010003	INCIVEK	TELAPREVIR
59676022528	OLYSIO	SIMEPREVIR SODIUM
61958150101	SOVALDI	SOFOSBUVIR

APPENDIX 5: UNADJUSTED SFY 2015 BASE DATA

Appendix 5

**South Carolina Department of Health and Human Services
SFY 2017 Medicaid Managed Care Capitation Rate Development
MCO Base Experience Data - Unadjusted SFY 2015**

Rate Cell: TANF - 0 - 2 Months, Male & Female (AH3)

Member Months: 90,616

Fiscal Year 2015						
Category of Service	Number of Units	Amount Paid	Sub Capitation	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital						
I/P Medical/Surgical/Non-Delivery Maternity	55,498	\$ 83,878,823	\$ 0	7,349.4	\$ 1,511.38	\$ 925.65
I/P Well Newborn	50,600	28,029,870	-	6,700.8	553.95	309.33
Mental Health/Substance Abuse	78	34,797	-	10.3	446.12	0.38
Other Inpatient	1,588	1,879,244	-	210.3	1,183.40	20.74
Subtotal	107,764	\$ 113,822,735	\$ 0	14,270.9	\$ 1,056.22	\$ 1,256.10
Outpatient Hospital						
Surgery	409	\$ 416,349	\$ 0	54.2	\$ 1,017.97	\$ 4.59
Non-Surg - Emergency Room	5,785	1,588,045	-	766.1	274.51	17.52
Non-Surg - Other	10,667	1,123,376	-	1,412.6	105.31	12.40
Observation Room	328	186,607	-	43.4	568.93	2.06
Treatment/Therapy/Testing	6,439	421,591	-	852.7	65.47	4.65
Other Outpatient	30	2,517	-	4.0	83.89	0.03
Subtotal	23,658	\$ 3,738,484	\$ 0	3,133.0	\$ 158.00	\$ 41.25
Pharmacy						
Prescription Drugs	22,342	531,235	-	2,958.7	23.78	5.86
Subtotal	22,342	\$ 531,235	\$ 0	2,958.7	\$ 23.78	\$ 5.86
Ancillaries						
Ambulance	1,390	\$ 327,313	\$ 0	184.1	\$ 235.48	\$ 3.61
Prosthetic/DME	11,041	278,455	-	1,462.1	25.22	3.07
Other Ancillaries	5,223	432,323	-	691.7	82.77	4.77
Subtotal	17,654	\$ 1,038,091	\$ 0	2,337.9	\$ 58.77	\$ 11.45
Physician						
Surgery - I/P and O/P	4,500	\$ 761,742	\$ 169	595.9	\$ 169.31	\$ 8.41
Surgery - I/P and O/P - Anesthesia	871	136,933	-	115.3	157.21	1.51
Maternity - Non-Delivery	-	-	-	-	-	-
Hospital Visits	89,785	15,371,865	6,166	11,890.0	171.28	169.71
Office Visits	50,593	3,107,368	8,005	6,699.9	61.58	34.38
ER Visits	7,153	488,198	205	947.2	68.28	5.39
Immunizations	54,124	647,558	9,296	7,167.5	12.14	7.25
Radiology	16,264	212,620	-	2,153.8	13.07	2.35
Pathology	11,771	111,827	48	1,558.8	9.50	1.23
Mental Health/Substance Abuse	-	-	-	-	-	-
Other Professional	116,400	5,972,579	821	15,414.5	51.32	65.92
Subtotal	351,461	\$ 26,810,690	\$ 24,710	46,542.9	\$ 76.36	\$ 296.15
Total Claims/Benefit Cost	522,879	\$ 145,941,236	\$ 24,710	69,243.4	\$ 279.16	\$ 1,610.81

Appendix 5

**South Carolina Department of Health and Human Services
SFY 2017 Medicaid Managed Care Capitation Rate Development
MCO Base Experience Data - Unadjusted SFY 2015**

Rate Cell: TANF - 3 - 12 Months, Male & Female (AI3)

Member Months: 331,284

Fiscal Year 2015						
Category of Service	Number of Units	Amount Paid	Sub Capitation	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital						
I/P Medical/Surgical/Non-Delivery Maternity	4,954	\$ 9,147,179	\$ 0	179.4	\$ 1,846.42	\$ 27.61
I/P Well Newborn	22	7,430	-	0.8	337.71	0.02
Mental Health/Substance Abuse	-	-	-	-	-	-
Other Inpatient	171	344,971	-	6.2	2,017.38	1.04
Subtotal	5,147	\$ 9,499,580	\$ 0	186.4	\$ 1,845.71	\$ 28.67
Outpatient Hospital						
Surgery	2,261	\$ 3,600,985	\$ 0	81.9	\$ 1,592.65	\$ 10.87
Non-Surg - Emergency Room	29,368	8,597,570	-	1,063.8	292.75	25.95
Non-Surg - Other	21,308	2,555,099	-	771.8	119.91	7.71
Observation Room	642	389,435	-	23.3	606.60	1.18
Treatment/Therapy/Testing	8,852	1,123,404	-	320.6	126.91	3.39
Other Outpatient	88	14,554	-	3.2	165.39	0.04
Subtotal	62,519	\$ 16,281,048	\$ 0	2,264.6	\$ 260.39	\$ 49.14
Pharmacy						
Prescription Drugs	162,454	5,758,436	-	5,884.5	35.45	17.38
Subtotal	162,454	\$ 5,758,436	\$ 0	5,884.5	\$ 35.45	\$ 17.38
Ancillaries						
Ambulance	2,510	\$ 294,785	\$ 0	90.9	\$ 117.44	\$ 0.89
Prosthetic/DME	51,506	963,714	-	1,865.7	18.71	2.91
Other Ancillaries	10,807	627,656	1,455	391.5	58.21	1.90
Subtotal	64,823	\$ 1,886,155	\$ 1,455	2,348.1	\$ 29.13	\$ 5.70
Physician						
Surgery - I/P and O/P	8,134	\$ 1,385,593	\$ 852	294.6	\$ 170.45	\$ 4.19
Surgery - I/P and O/P - Anesthesia	4,015	403,154	-	145.4	100.41	1.22
Maternity - Non-Delivery	-	-	-	-	-	-
Hospital Visits	14,359	2,703,003	-	520.1	188.24	8.16
Office Visits	128,219	7,891,375	26,306	4,644.4	61.75	23.90
ER Visits	31,593	2,000,787	63	1,144.4	63.33	6.04
Immunizations	210,345	2,579,586	44,397	7,619.3	12.47	7.92
Radiology	17,517	264,070	15	634.5	15.08	0.80
Pathology	56,960	696,708	330	2,063.2	12.24	2.10
Mental Health/Substance Abuse	17	1,726	-	0.6	101.52	0.01
Other Professional	170,635	8,275,125	14,234	6,180.9	48.58	25.02
Subtotal	641,794	\$ 26,201,127	\$ 86,198	23,247.5	\$ 40.96	\$ 79.36
Total Claims/Benefit Cost	936,737	\$ 59,626,346	\$ 87,654	33,931.1	\$ 63.75	\$ 180.25

Appendix 5

**South Carolina Department of Health and Human Services
SFY 2017 Medicaid Managed Care Capitation Rate Development
MCO Base Experience Data - Unadjusted SFY 2015**

Rate Cell: TANF - Age 1 - 6, Male & Female (AB3)

Member Months: 2,335,515

Fiscal Year 2015						
Category of Service	Number of Units	Amount Paid	Sub Capitation	Utilization Per 1,000	Cost per Service	PMPM
<i>Inpatient Hospital</i>						
I/P Medical/Surgical/Non-Delivery Maternity	8,891	\$ 16,171,157	\$ 0	45.7	\$ 1,818.82	\$ 6.92
I/P Well Newborn	-	-	-	-	-	-
Mental Health/Substance Abuse	83	91,557	-	0.4	1,103.09	0.04
Other Inpatient	270	529,439	-	1.4	1,960.89	0.23
<i>Subtotal</i>	9,244	\$ 16,792,152	\$ 0	47.5	\$ 1,816.42	\$ 7.19
<i>Outpatient Hospital</i>						
Surgery	12,909	\$ 17,188,482	\$ 0	66.3	\$ 1,331.51	\$ 7.36
Non-Surg - Emergency Room	114,634	34,537,200	-	589.0	301.28	14.79
Non-Surg - Other	54,849	6,208,470	-	281.8	113.19	2.66
Observation Room	1,414	1,022,023	-	7.3	722.79	0.44
Treatment/Therapy/Testing	39,271	6,042,979	-	201.8	153.88	2.59
Other Outpatient	951	254,059	-	4.9	267.15	0.11
<i>Subtotal</i>	224,028	\$ 65,253,213	\$ 0	1,151.1	\$ 291.37	\$ 27.95
<i>Pharmacy</i>						
Prescription Drugs	972,521	40,391,417	-	4,996.9	41.53	17.29
<i>Subtotal</i>	972,521	\$ 40,391,417	\$ 0	4,996.9	\$ 41.53	\$ 17.29
<i>Ancillaries</i>						
Ambulance	9,312	\$ 968,323	\$ 0	47.8	\$ 103.99	\$ 0.41
Prosthetic/DME	149,597	1,995,671	-	768.6	13.34	0.85
Other Ancillaries	62,220	2,618,824	353,237	319.7	47.77	1.27
<i>Subtotal</i>	221,129	\$ 5,582,818	\$ 353,237	1,136.2	\$ 26.72	\$ 2.53
<i>Physician</i>						
Surgery - I/P and O/P	41,222	\$ 5,663,364	\$ 2,474	211.8	\$ 137.45	\$ 2.43
Surgery - I/P and O/P - Anesthesia	23,165	2,123,362	-	119.0	91.66	0.91
Maternity - Non-Delivery	1	32	-	0.0	31.57	-
Hospital Visits	12,763	1,420,892	1,114	65.6	111.42	0.61
Office Visits	553,668	33,702,898	137,275	2,844.8	61.12	14.49
ER Visits	122,877	7,559,141	615	631.3	61.52	3.24
Immunizations	243,877	3,019,592	44,808	1,253.1	12.57	1.31
Radiology	65,702	1,068,269	33	337.6	16.26	0.46
Pathology	338,716	3,861,558	3,286	1,740.3	11.41	1.65
Mental Health/Substance Abuse	19,208	1,967,045	-	98.7	102.41	0.84
Other Professional	1,097,782	30,059,800	59,647	5,640.5	27.44	12.90
<i>Subtotal</i>	2,518,981	\$ 90,445,953	\$ 249,253	12,942.7	\$ 36.01	\$ 38.84
<i>Total Claims/Benefit Cost</i>	3,945,903	\$ 218,465,553	\$ 602,490	20,274.4	\$ 55.52	\$ 93.80

Appendix 5

**South Carolina Department of Health and Human Services
SFY 2017 Medicaid Managed Care Capitation Rate Development
MCO Base Experience Data - Unadjusted SFY 2015**

Rate Cell: TANF - Age 7 - 13, Male & Female (AC3)

Member Months: 2,421,425

Fiscal Year 2015						
Category of Service	Number of Units	Amount Paid	Sub Capitation	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital						
I/P Medical/Surgical/Non-Delivery Maternity	6,167	\$ 13,806,939	\$ 0	30.6	\$ 2,238.84	\$ 5.70
I/P Well Newborn	-	-	-	-	-	-
Mental Health/Substance Abuse	2,665	2,052,649	-	13.2	770.22	0.85
Other Inpatient	176	292,924	-	0.9	1,664.34	0.12
Subtotal	9,008	\$ 16,152,511	\$ 0	44.6	\$ 1,794.62	\$ 6.67
Outpatient Hospital						
Surgery	7,898	\$ 10,524,295	\$ 0	39.1	\$ 1,332.53	\$ 4.35
Non-Surg - Emergency Room	70,360	21,579,642	-	348.7	306.70	8.91
Non-Surg - Other	36,927	4,200,850	-	183.0	113.76	1.73
Observation Room	992	586,832	-	4.9	591.56	0.24
Treatment/Therapy/Testing	33,952	6,080,005	-	168.3	179.08	2.51
Other Outpatient	401	127,421	-	2.0	317.76	0.05
Subtotal	150,530	\$ 43,099,044	\$ 0	746.0	\$ 286.17	\$ 17.79
Pharmacy						
Prescription Drugs	1,174,789	84,827,810	-	5,822.0	72.21	35.03
Subtotal	1,174,789	\$ 84,827,810	\$ 0	5,822.0	\$ 72.21	\$ 35.03
Ancillaries						
Ambulance	6,759	\$ 691,547	\$ 0	33.5	\$ 102.31	\$ 0.29
Prosthetic/DME	242,224	2,058,087	-	1,200.4	8.50	0.85
Other Ancillaries	145,477	3,496,152	1,056,184	720.9	31.29	1.88
Subtotal	394,460	\$ 6,245,786	\$ 1,056,184	1,954.8	\$ 18.54	\$ 3.02
Physician						
Surgery - I/P and O/P	32,709	\$ 4,348,259	\$ 1,330	162.1	\$ 132.98	\$ 1.80
Surgery - I/P and O/P - Anesthesia	10,299	1,016,240	-	51.0	98.67	0.42
Maternity - Non-Delivery	-	-	-	-	-	-
Hospital Visits	11,620	1,011,417	261	57.6	87.06	0.42
Office Visits	455,734	27,265,470	122,175	2,258.5	60.10	11.31
ER Visits	75,427	4,759,276	-	373.8	63.10	1.97
Immunizations	110,403	1,375,915	28,845	547.1	12.72	0.58
Radiology	79,696	1,604,934	302	395.0	20.14	0.66
Pathology	301,706	3,119,864	2,256	1,495.2	10.35	1.29
Mental Health/Substance Abuse	56,988	5,590,906	-	282.4	98.11	2.31
Other Professional	826,819	16,973,144	83,901	4,097.5	20.63	7.04
Subtotal	1,961,401	\$ 67,065,426	\$ 239,070	9,720.2	\$ 34.32	\$ 27.80
Total Claims/Benefit Cost	3,690,188	\$ 217,390,579	\$ 1,295,254	18,287.6	\$ 59.26	\$ 90.31

Appendix 5

**South Carolina Department of Health and Human Services
SFY 2017 Medicaid Managed Care Capitation Rate Development
MCO Base Experience Data - Unadjusted SFY 2015**

Rate Cell: TANF - Age 14 - 18, Male (AD1)

Member Months: 672,349

Fiscal Year 2015						
Category of Service	Number of Units	Amount Paid	Sub Capitation	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital						
I/P Medical/Surgical/Non-Delivery Maternity	3,047	\$ 7,764,614	\$ 0	54.4	\$ 2,548.28	\$ 11.55
I/P Well Newborn	-	-	-	-	-	-
Mental Health/Substance Abuse	1,600	1,019,807	-	28.6	637.38	1.52
Other Inpatient	110	336,962	-	2.0	3,063.29	0.50
Subtotal	4,757	\$ 9,121,383	\$ 0	84.9	\$ 1,918.02	\$ 13.57
Outpatient Hospital						
Surgery	3,336	\$ 4,566,656	\$ 0	59.5	\$ 1,368.90	\$ 6.79
Non-Surg - Emergency Room	22,040	7,112,897	-	393.4	322.73	10.58
Non-Surg - Other	7,091	841,618	-	126.6	118.69	1.25
Observation Room	146	102,706	-	2.6	703.47	0.15
Treatment/Therapy/Testing	11,151	2,686,459	-	199.0	240.92	4.00
Other Outpatient	271	65,733	-	4.8	242.56	0.10
Subtotal	44,035	\$ 15,376,068	\$ 0	785.9	\$ 349.20	\$ 22.87
Pharmacy						
Prescription Drugs	294,092	22,222,264	-	5,248.9	75.56	33.05
Subtotal	294,092	\$ 22,222,264	\$ 0	5,248.9	\$ 75.56	\$ 33.05
Ancillaries						
Ambulance	4,255	\$ 437,912	\$ 0	75.9	\$ 102.92	\$ 0.65
Prosthetic/DME	73,543	772,803	-	1,312.6	10.51	1.15
Other Ancillaries	35,113	835,748	272,763	626.7	31.57	1.65
Subtotal	112,911	\$ 2,046,462	\$ 272,763	2,015.2	\$ 20.54	\$ 3.45
Physician						
Surgery - I/P and O/P	12,915	\$ 1,896,831	\$ 147	230.5	\$ 146.88	\$ 2.82
Surgery - I/P and O/P - Anesthesia	3,579	408,565	-	63.9	114.16	0.61
Maternity - Non-Delivery	-	-	-	-	-	-
Hospital Visits	5,757	492,466	-	102.8	85.54	0.73
Office Visits	102,312	6,151,015	18,029	1,826.1	60.30	9.18
ER Visits	24,181	1,671,548	138	431.6	69.13	2.49
Immunizations	18,087	228,782	4,976	322.8	12.92	0.35
Radiology	35,476	875,083	99	633.2	24.67	1.30
Pathology	80,671	963,820	753	1,439.8	11.96	1.43
Mental Health/Substance Abuse	38,085	2,474,711	-	679.7	64.98	3.68
Other Professional	196,315	4,269,521	21,223	3,503.8	21.86	6.38
Subtotal	517,378	\$ 19,432,342	\$ 45,364	9,234.1	\$ 37.65	\$ 28.97
Total Claims/Benefit Cost	973,173	\$ 68,198,520	\$ 318,127	17,369.0	\$ 70.41	\$ 101.91

Appendix 5

**South Carolina Department of Health and Human Services
SFY 2017 Medicaid Managed Care Capitation Rate Development
MCO Base Experience Data - Unadjusted SFY 2015**

Rate Cell: TANF - Age 14 - 18, Female (AD2)

Member Months: 690,438

Fiscal Year 2015						
Category of Service	Number of Units	Amount Paid	Sub Capitation	Utilization Per 1,000	Cost per Service	PMPM
<i>Inpatient Hospital</i>						
I/P Medical/Surgical/Non-Delivery Maternity	3,006	\$ 6,390,819	\$ 0	52.2	\$ 2,126.02	\$ 9.26
I/P Well Newborn	-	-	-	-	-	-
Mental Health/Substance Abuse	2,411	1,674,465	-	41.9	694.51	2.43
Other Inpatient	226	288,779	-	3.9	1,277.78	0.42
<i>Subtotal</i>	5,643	\$ 8,354,063	\$ 0	98.1	\$ 1,481.35	\$ 12.11
<i>Outpatient Hospital</i>						
Surgery	4,265	\$ 4,962,687	\$ 0	74.1	\$ 1,163.58	\$ 7.19
Non-Surg - Emergency Room	37,300	11,915,156	-	648.3	319.44	17.26
Non-Surg - Other	12,469	1,638,574	-	216.7	131.41	2.37
Observation Room	899	329,482	-	15.6	366.50	0.48
Treatment/Therapy/Testing	21,289	3,909,652	-	370.0	183.65	5.66
Other Outpatient	427	136,226	-	7.4	319.03	0.20
<i>Subtotal</i>	76,649	\$ 22,891,777	\$ 0	1,332.2	\$ 298.69	\$ 33.16
<i>Pharmacy</i>						
Prescription Drugs	435,812	20,210,712	-	7,574.5	46.37	29.27
<i>Subtotal</i>	435,812	\$ 20,210,712	\$ 0	7,574.5	\$ 46.37	\$ 29.27
<i>Ancillaries</i>						
Ambulance	6,560	\$ 592,792	\$ 0	114.0	\$ 90.36	\$ 0.86
Prosthetic/DME	101,781	828,537	-	1,769.0	8.14	1.20
Other Ancillaries	60,824	1,997,505	615,992	1,057.1	42.97	3.79
<i>Subtotal</i>	169,165	\$ 3,418,834	\$ 615,992	2,940.1	\$ 23.88	\$ 5.85
<i>Physician</i>						
Surgery - I/P and O/P	12,692	\$ 1,766,997	\$ 696	220.6	\$ 139.28	\$ 2.56
Surgery - I/P and O/P - Anesthesia	3,897	413,418	-	67.7	106.09	0.60
Maternity - Non-Delivery	1,748	63,455	-	30.4	36.30	0.09
Hospital Visits	7,905	572,749	-	137.4	72.45	0.83
Office Visits	154,476	9,241,693	25,617	2,684.8	59.99	13.42
ER Visits	39,628	2,881,016	73	688.7	72.70	4.17
Immunizations	19,690	248,771	5,409	342.2	12.91	0.37
Radiology	38,916	1,182,027	91	676.4	30.38	1.71
Pathology	213,377	2,576,805	2,188	3,708.6	12.09	3.74
Mental Health/Substance Abuse	25,094	1,780,030	-	436.1	70.93	2.58
Other Professional	1,343,819	4,679,152	5,320	23,355.9	3.49	6.78
<i>Subtotal</i>	1,861,242	\$ 25,406,113	\$ 39,393	32,348.9	\$ 13.67	\$ 36.85
<i>Total Claims/Benefit Cost</i>	2,548,511	\$ 80,281,499	\$ 655,385	44,293.8	\$ 31.76	\$ 117.24

Appendix 5

**South Carolina Department of Health and Human Services
SFY 2017 Medicaid Managed Care Capitation Rate Development
MCO Base Experience Data - Unadjusted SFY 2015**

Rate Cell: TANF - Age 19 - 44, Male (AE1)

Member Months: 267,300

Fiscal Year 2015						
Category of Service	Number of Units	Amount Paid	Sub Capitation	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital						
I/P Medical/Surgical/Non-Delivery Maternity	3,824	\$ 10,363,988	\$ 0	171.7	\$ 2,710.25	\$ 38.77
I/P Well Newborn	-	-	-	-	-	-
Mental Health/Substance Abuse	1,295	886,836	-	58.1	684.82	3.32
Other Inpatient	106	110,384	-	4.8	1,041.36	0.41
Subtotal	5,225	\$ 11,361,208	\$ 0	234.6	\$ 2,173.91	\$ 42.50
Outpatient Hospital						
Surgery	2,460	\$ 3,679,198	\$ 0	110.4	\$ 1,495.61	\$ 13.76
Non-Surg - Emergency Room	18,678	6,135,778	-	838.5	328.50	22.95
Non-Surg - Other	2,121	263,214	-	95.2	124.10	0.98
Observation Room	98	101,500	-	4.4	1,035.71	0.38
Treatment/Therapy/Testing	6,749	2,492,729	-	303.0	369.35	9.33
Other Outpatient	213	74,910	-	9.6	351.69	0.28
Subtotal	30,319	\$ 12,747,328	\$ 0	1,361.1	\$ 420.37	\$ 47.68
Pharmacy						
Prescription Drugs	170,008	9,625,496	-	7,632.2	56.62	36.01
Subtotal	170,008	\$ 9,625,496	\$ 0	7,632.2	\$ 56.62	\$ 36.01
Ancillaries						
Ambulance	4,209	\$ 430,648	\$ 0	189.0	\$ 102.32	\$ 1.61
Prosthetic/DME	47,805	558,337	-	2,146.1	11.68	2.09
Other Ancillaries	5,578	264,843	31,030	250.4	53.04	1.11
Subtotal	57,592	\$ 1,253,828	\$ 31,030	2,585.5	\$ 22.32	\$ 4.81
Physician						
Surgery - I/P and O/P	9,013	\$ 1,510,012	\$ 168	404.6	\$ 167.56	\$ 5.65
Surgery - I/P and O/P - Anesthesia	3,162	341,987	-	142.0	108.16	1.28
Maternity - Non-Delivery	-	-	-	-	-	-
Hospital Visits	6,800	511,510	-	305.3	75.22	1.91
Office Visits	46,241	2,826,486	4,960	2,075.9	61.23	10.59
ER Visits	20,913	1,607,767	-	938.9	76.88	6.01
Immunizations	1,669	24,315	132	74.9	14.65	0.09
Radiology	26,032	804,910	62	1,168.7	30.92	3.01
Pathology	68,482	1,000,733	365	3,074.4	14.62	3.75
Mental Health/Substance Abuse	10,664	574,324	-	478.7	53.86	2.15
Other Professional	94,446	1,167,401	853	4,240.0	12.37	4.37
Subtotal	287,422	\$ 10,369,444	\$ 6,540	12,903.3	\$ 36.09	\$ 38.81
Total Claims/Benefit Cost	550,566	\$ 45,357,305	\$ 37,570	24,716.7	\$ 82.44	\$ 169.81

Appendix 5

**South Carolina Department of Health and Human Services
SFY 2017 Medicaid Managed Care Capitation Rate Development
MCO Base Experience Data - Unadjusted SFY 2015**

Rate Cell: TANF - Age 19 - 44, Female (AE2)

Member Months: 1,027,592

Fiscal Year 2015						
Category of Service	Number of Units	Amount Paid	Sub Capitation	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital						
I/P Medical/Surgical/Non-Delivery Maternity	20,088	\$ 41,903,111	\$ 0	234.6	\$ 2,085.98	\$ 40.78
I/P Well Newborn	2	3,192	-	0.0	1,595.82	-
Mental Health/Substance Abuse	4,228	3,198,436	-	49.4	756.49	3.11
Other Inpatient	864	1,710,860	-	10.1	1,980.16	1.66
Subtotal	25,182	\$ 46,815,599	\$ 0	294.1	\$ 1,858.55	\$ 45.55
Outpatient Hospital						
Surgery	19,770	\$ 24,977,591	\$ 0	230.9	\$ 1,263.41	\$ 24.31
Non-Surg - Emergency Room	122,964	40,740,653	-	1,435.9	331.32	39.65
Non-Surg - Other	28,543	3,863,403	135	333.3	135.35	3.76
Observation Room	3,623	1,163,645	-	42.3	321.18	1.13
Treatment/Therapy/Testing	69,298	16,259,045	-	809.2	234.63	15.82
Other Outpatient	1,871	620,119	-	21.8	331.44	0.60
Subtotal	246,069	\$ 87,624,455	\$ 135	2,873.5	\$ 356.10	\$ 85.27
Pharmacy						
Prescription Drugs	1,162,400	56,000,665	48	13,574.3	48.18	54.50
Subtotal	1,162,400	\$ 56,000,665	\$ 48	13,574.3	\$ 48.18	\$ 54.50
Ancillaries						
Ambulance	24,776	\$ 2,185,803	\$ 0	289.3	\$ 88.22	\$ 2.13
Prosthetic/DME	143,226	1,832,305	-	1,672.6	12.79	1.78
Other Ancillaries	37,700	4,058,784	158,628	440.3	111.87	4.10
Subtotal	205,702	\$ 8,076,892	\$ 158,628	2,402.1	\$ 40.01	\$ 8.01
Physician						
Surgery - I/P and O/P	53,117	\$ 8,805,106	\$ 166	620.3	\$ 165.77	\$ 8.57
Surgery - I/P and O/P - Anesthesia	20,993	2,244,881	-	245.2	106.93	2.18
Maternity - Non-Delivery	9,509	404,411	85	111.0	42.54	0.39
Hospital Visits	33,805	2,458,378	145	394.8	72.73	2.39
Office Visits	335,665	20,129,750	36,588	3,919.8	60.08	19.62
ER Visits	135,503	10,682,385	79	1,582.4	78.84	10.40
Immunizations	12,575	175,491	855	146.8	14.02	0.17
Radiology	150,964	5,505,168	219	1,762.9	36.47	5.36
Pathology	762,175	10,718,902	3,390	8,900.5	14.07	10.43
Mental Health/Substance Abuse	79,849	5,184,880	-	932.5	64.93	5.05
Other Professional	2,183,202	7,495,619	1,576	25,495.0	3.43	7.30
Subtotal	3,777,357	\$ 73,804,971	\$ 43,104	44,111.2	\$ 19.55	\$ 71.86
Total Claims/Benefit Cost	5,416,710	\$ 272,322,581	\$ 201,916	63,255.2	\$ 50.31	\$ 265.19

Appendix 5

**South Carolina Department of Health and Human Services
SFY 2017 Medicaid Managed Care Capitation Rate Development
MCO Base Experience Data - Unadjusted SFY 2015**

Rate Cell: TANF - Age 45+, Male & Female (AF3)

Member Months: 157,692

Fiscal Year 2015						
Category of Service	Number of Units	Amount Paid	Sub Capitation	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital						
I/P Medical/Surgical/Non-Delivery Maternity	7,001	\$ 16,412,421	\$ 0	532.8	\$ 2,344.30	\$ 104.08
I/P Well Newborn	-	-	-	-	-	-
Mental Health/Substance Abuse	647	432,869	-	49.2	669.04	2.75
Other Inpatient	330	574,289	-	25.1	1,740.27	3.64
Subtotal	7,978	\$ 17,419,579	\$ 0	607.1	\$ 2,183.56	\$ 110.47
Outpatient Hospital						
Surgery	3,280	\$ 5,535,626	\$ 0	249.6	\$ 1,687.69	\$ 35.10
Non-Surg - Emergency Room	11,401	4,400,503	-	867.6	385.98	27.91
Non-Surg - Other	4,431	604,406	-	337.2	136.40	3.83
Observation Room	334	201,598	-	25.4	603.59	1.28
Treatment/Therapy/Testing	16,607	5,722,197	-	1,263.8	344.57	36.29
Other Outpatient	364	163,936	-	27.7	450.37	1.04
Subtotal	36,417	\$ 16,628,265	\$ 0	2,771.3	\$ 456.61	\$ 105.45
Pharmacy						
Prescription Drugs	331,109	17,722,907	-	25,196.6	53.53	112.39
Subtotal	331,109	\$ 17,722,907	\$ 0	25,196.6	\$ 53.53	\$ 112.39
Ancillaries						
Ambulance	3,567	\$ 348,325	\$ 0	271.4	\$ 97.65	\$ 2.21
Prosthetic/DME	76,368	843,676	-	5,811.4	11.05	5.35
Other Ancillaries	6,019	513,270	85	458.0	85.29	3.26
Subtotal	85,954	\$ 1,705,271	\$ 85	6,540.9	\$ 19.85	\$ 10.82
Physician						
Surgery - I/P and O/P	16,091	\$ 2,788,016	\$ 693	1,224.5	\$ 173.31	\$ 17.68
Surgery - I/P and O/P - Anesthesia	5,524	605,879	-	420.4	109.68	3.84
Maternity - Non-Delivery	23	938	-	1.8	40.80	0.01
Hospital Visits	10,308	770,301	-	784.4	74.73	4.88
Office Visits	72,614	4,436,992	12,500	5,525.8	61.28	28.22
ER Visits	13,726	1,174,281	-	1,044.5	85.55	7.45
Immunizations	3,431	46,522	590	261.1	13.73	0.30
Radiology	37,969	1,447,371	38	2,889.4	38.12	9.18
Pathology	120,215	1,644,398	944	9,148.1	13.69	10.43
Mental Health/Substance Abuse	6,893	438,823	-	524.5	63.66	2.78
Other Professional	290,200	2,871,387	584	22,083.6	9.90	18.21
Subtotal	576,994	\$ 16,224,907	\$ 15,350	43,907.9	\$ 28.14	\$ 102.98
Total Claims/Benefit Cost	1,038,452	\$ 69,700,930	\$ 15,436	79,023.8	\$ 67.14	\$ 442.11

Appendix 5

**South Carolina Department of Health and Human Services
SFY 2017 Medicaid Managed Care Capitation Rate Development
MCO Base Experience Data - Unadjusted SFY 2015**

Rate Cell: SSI - Children (SO3)

Member Months: 182,483

Fiscal Year 2015						
Category of Service	Number of Units	Amount Paid	Sub Capitation	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital						
I/P Medical/Surgical/Non-Delivery Maternity	5,968	\$ 11,648,553	\$ 0	392.5	\$ 1,951.84	\$ 63.83
I/P Well Newborn	-	-	-	-	-	-
Mental Health/Substance Abuse	1,370	1,002,463	-	90.1	731.72	5.49
Other Inpatient	207	396,979	-	13.6	1,917.77	2.18
Subtotal	7,545	\$ 13,047,995	\$ 0	496.2	\$ 1,729.14	\$ 71.50
Outpatient Hospital						
Surgery	1,981	\$ 3,944,907	\$ 0	130.3	\$ 1,991.37	\$ 21.62
Non-Surg - Emergency Room	10,576	3,662,603	-	695.5	346.31	20.07
Non-Surg - Other	11,181	1,645,273	-	735.3	147.15	9.02
Observation Room	352	402,385	-	23.1	1,143.14	2.21
Treatment/Therapy/Testing	14,441	3,499,643	-	949.6	242.34	19.18
Other Outpatient	238	49,398	-	15.7	207.56	0.27
Subtotal	38,769	\$ 13,204,210	\$ 0	2,549.4	\$ 340.64	\$ 72.37
Pharmacy						
Prescription Drugs	232,300	28,925,235	-	15,275.9	124.52	158.51
Subtotal	232,300	\$ 28,925,235	\$ 0	15,275.9	\$ 124.52	\$ 158.51
Ancillaries						
Ambulance	3,003	\$ 312,968	\$ 0	197.5	\$ 104.22	\$ 1.72
Prosthetic/DME	540,343	2,620,467	-	35,532.7	4.85	14.36
Other Ancillaries	16,492	525,648	101,222	1,084.5	38.01	3.44
Subtotal	559,838	\$ 3,459,083	\$ 101,222	36,814.7	\$ 6.36	\$ 19.52
Physician						
Surgery - I/P and O/P	5,725	\$ 978,431	\$ 0	376.5	\$ 170.90	\$ 5.36
Surgery - I/P and O/P - Anesthesia	3,668	424,445	-	241.2	115.72	2.33
Maternity - Non-Delivery	36	1,207	-	2.4	33.52	0.01
Hospital Visits	11,059	1,399,082	127	727.2	126.52	7.67
Office Visits	62,003	3,970,055	16,137	4,077.3	64.29	21.84
ER Visits	12,412	910,697	-	816.2	73.37	4.99
Immunizations	9,969	123,839	3,068	655.6	12.73	0.70
Radiology	13,954	353,228	51	917.6	25.32	1.94
Pathology	33,468	604,503	416	2,200.8	18.07	3.31
Mental Health/Substance Abuse	9,488	794,115	-	623.9	83.70	4.35
Other Professional	328,571	7,748,884	8,783	21,606.7	23.61	42.51
Subtotal	490,353	\$ 17,308,485	\$ 28,581	32,245.4	\$ 35.36	\$ 95.01
Total Claims/Benefit Cost	1,328,805	\$ 75,945,008	\$ 129,803	87,381.6	\$ 57.25	\$ 416.91

Appendix 5

**South Carolina Department of Health and Human Services
SFY 2017 Medicaid Managed Care Capitation Rate Development
MCO Base Experience Data - Unadjusted SFY 2015**

Rate Cell: SSI - Adults (SP3)

Member Months: 595,525

Fiscal Year 2015						
Category of Service	Number of Units	Amount Paid	Sub Capitation	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital						
I/P Medical/Surgical/Non-Delivery Maternity	85,611	\$ 168,929,439	\$ 0	1,725.1	\$ 1,973.22	\$ 283.66
I/P Well Newborn	6	12,988	-	0.1	2,164.58	0.02
Mental Health/Substance Abuse	13,733	9,133,214	-	276.7	665.06	15.34
Other Inpatient	2,900	4,489,724	-	58.4	1,548.18	7.54
Subtotal	102,250	\$ 182,565,363	\$ 0	2,060.4	\$ 1,785.44	\$ 306.56
Outpatient Hospital						
Surgery	15,639	\$ 24,250,910	\$ 0	315.1	\$ 1,550.67	\$ 40.72
Non-Surg - Emergency Room	77,299	30,901,016	-	1,557.6	399.76	51.89
Non-Surg - Other	31,006	4,352,343	-	624.8	140.37	7.31
Observation Room	2,871	1,436,344	-	57.9	500.29	2.41
Treatment/Therapy/Testing	72,773	32,712,444	-	1,466.4	449.51	54.93
Other Outpatient	1,787	783,928	-	36.0	438.68	1.32
Subtotal	201,375	\$ 94,436,983	\$ 0	4,057.8	\$ 468.96	\$ 158.58
Pharmacy						
Prescription Drugs	1,671,785	147,135,210	88	33,686.9	88.01	247.07
Subtotal	1,671,785	\$ 147,135,210	\$ 88	33,686.9	\$ 88.01	\$ 247.07
Ancillaries						
Ambulance	56,421	\$ 4,968,411	\$ 0	1,136.9	\$ 88.06	\$ 8.34
Prosthetic/DME	1,103,512	9,163,057	-	22,236.1	8.30	15.39
Other Ancillaries	50,662	4,058,787	15,441	1,020.9	80.42	6.84
Subtotal	1,210,595	\$ 18,190,255	\$ 15,441	24,393.8	\$ 15.04	\$ 30.57
Physician						
Surgery - I/P and O/P	66,628	\$ 11,207,630	\$ 0	1,342.6	\$ 168.21	\$ 18.82
Surgery - I/P and O/P - Anesthesia	22,637	2,570,403	-	456.1	113.55	4.32
Maternity - Non-Delivery	671	26,120	-	13.5	38.93	0.04
Hospital Visits	143,146	10,279,598	287	2,884.4	71.81	17.26
Office Visits	292,715	17,428,532	48,661	5,898.3	59.71	29.35
ER Visits	98,052	8,647,200	353	1,975.8	88.19	14.52
Immunizations	15,512	227,798	1,211	312.6	14.76	0.38
Radiology	192,516	7,369,014	498	3,879.3	38.28	12.37
Pathology	538,262	7,255,306	3,007	10,846.1	13.48	12.19
Mental Health/Substance Abuse	31,656	1,916,773	-	637.9	60.55	3.22
Other Professional	2,430,765	24,813,214	2,297	48,980.6	10.21	41.67
Subtotal	3,832,560	\$ 91,741,588	\$ 56,314	77,227.2	\$ 23.95	\$ 154.14
Total Claims/Benefit Cost	7,018,565	\$ 534,069,401	\$ 71,842	141,426.1	\$ 76.10	\$ 896.92

Appendix 5

**South Carolina Department of Health and Human Services
SFY 2017 Medicaid Managed Care Capitation Rate Development
MCO Base Experience Data - Unadjusted SFY 2015**

Rate Cell: OCWI (WG2)

Member Months: 195,119

Fiscal Year 2015						
Category of Service	Number of Units	Amount Paid	Sub Capitation	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital						
I/P Medical/Surgical/Non-Delivery Maternity	4,130	\$ 6,198,183	\$ 0	254.0	\$ 1,500.77	\$ 31.77
I/P Well Newborn	16	12,124	-	1.0	757.76	0.06
Mental Health/Substance Abuse	299	258,058	-	18.4	863.07	1.32
Other Inpatient	526	1,276,798	-	32.3	2,427.37	6.54
Subtotal	4,971	\$ 7,745,163	\$ 0	305.7	\$ 1,558.00	\$ 39.69
Outpatient Hospital						
Surgery	12,236	\$ 5,841,166	\$ 0	752.5	\$ 477.38	\$ 29.94
Non-Surg - Emergency Room	17,058	5,700,375	-	1,049.1	334.18	29.21
Non-Surg - Other	15,110	2,067,002	-	929.3	136.80	10.59
Observation Room	5,092	1,218,289	-	313.2	239.26	6.24
Treatment/Therapy/Testing	25,513	2,801,303	-	1,569.1	109.80	14.36
Other Outpatient	388	60,949	-	23.9	157.08	0.31
Subtotal	75,397	\$ 17,689,084	\$ 0	4,637.0	\$ 234.59	\$ 90.65
Pharmacy						
Prescription Drugs	182,924	5,395,158	118	11,250.0	29.49	27.65
Subtotal	182,924	\$ 5,395,158	\$ 118	11,250.0	\$ 29.49	\$ 27.65
Ancillaries						
Ambulance	6,015	\$ 548,244	\$ 0	369.9	\$ 91.15	\$ 2.81
Prosthetic/DME	11,038	197,815	-	678.8	17.92	1.01
Other Ancillaries	15,552	2,599,833	32,669	956.5	169.27	13.49
Subtotal	32,605	\$ 3,345,893	\$ 32,669	2,005.2	\$ 103.59	\$ 17.31
Physician						
Surgery - I/P and O/P	8,370	\$ 1,086,366	\$ 0	514.8	\$ 129.79	\$ 5.57
Surgery - I/P and O/P - Anesthesia	3,311	323,598	-	203.6	97.73	1.66
Maternity - Non-Delivery	18,756	576,029	61	1,153.5	30.71	2.95
Hospital Visits	12,624	819,400	-	776.4	64.91	4.20
Office Visits	31,772	1,811,848	1,827	1,954.0	57.08	9.30
ER Visits	22,252	1,701,602	-	1,368.5	76.47	8.72
Immunizations	6,437	107,681	33	395.9	16.73	0.55
Radiology	18,534	896,550	-	1,139.9	48.37	4.59
Pathology	258,449	2,930,893	306	15,894.9	11.34	15.02
Mental Health/Substance Abuse	16,681	1,213,124	-	1,025.9	72.72	6.22
Other Professional	288,449	708,805	98	17,739.9	2.46	3.63
Subtotal	685,635	\$ 12,175,897	\$ 2,326	42,167.2	\$ 17.76	\$ 62.41
Total Claims/Benefit Cost	981,532	\$ 46,351,195	\$ 35,113	60,365.1	\$ 47.25	\$ 237.71

Appendix 5

**South Carolina Department of Health and Human Services
SFY 2017 Medicaid Managed Care Capitation Rate Development
MCO Base Experience Data - Unadjusted SFY 2015**

Rate Cell: DUAL

Member Months: 572,430

Fiscal Year 2015						
Category of Service	Number of Units	Amount Paid	Sub Capitation	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital						
I/P Medical/Surgical/Non-Delivery Maternity	36,527	\$ 9,247,819	\$ 0	765.7	\$ 253.18	\$ 16.16
I/P Well Newborn	-	-	-	-	-	-
Mental Health/Substance Abuse	2,538	480,208	-	53.2	189.21	0.84
Inpatient Maternity Delivery	253	80,634	-	5.3	318.71	0.14
Other Inpatient	8,115	647,277	-	170.1	79.76	1.13
Subtotal	47,433	\$ 10,455,937	\$ 0	994.4	\$ 220.47	\$ 18.27
Outpatient Hospital						
Surgery	6,920	\$ 1,065,599	\$ 0	145.1	\$ 153.99	\$ 1.86
Non-Surg - Emergency Room	45,384	2,670,235	-	951.4	58.84	4.66
Non-Surg - Other	20,346	554,829	-	426.5	27.27	0.97
Observation Room	1,418	69,909	-	29.7	49.30	0.12
Treatment/Therapy/Testing	22,686	1,608,955	-	475.6	70.92	2.81
Outpatient Maternity Delivery	3	74	-	0.1	24.58	-
Other Outpatient	588	126,059	-	12.3	214.39	0.22
Subtotal	97,345	\$ 6,095,659	\$ 0	2,040.7	\$ 62.57	\$ 10.64
Pharmacy						
Prescription Drugs	24,255	749,411	-	508.5	30.90	1.31
Subtotal	24,255	\$ 749,411	\$ 0	508.5	\$ 30.90	\$ 1.31
Ancillaries						
Ambulance	1,681	\$ 92,733	\$ 0	35.2	\$ 55.17	\$ 0.16
Prosthetic/DME	602,230	1,482,093	-	12,624.7	2.46	2.59
Other Ancillaries	51,503	1,276,750	-	1,079.7	24.79	2.23
Subtotal	655,414	\$ 2,851,576	\$ 0	13,739.6	\$ 4.35	\$ 4.98
Physician						
Surgery - I/P and O/P	22,607	\$ 573,831	\$ 0	473.9	\$ 25.38	\$ 1.00
Surgery - I/P and O/P - Anesthesia	7,986	129,564	-	167.4	16.22	0.23
Maternity - Non-Delivery	110	404	-	2.3	3.67	-
Hospital Visits	35,599	700,697	-	746.3	19.68	1.22
Office Visits	106,355	2,710,500	-	2,229.5	25.49	4.74
ER Visits	14,991	455,467	-	314.3	30.38	0.80
Immunizations	1,313	10,240	-	27.5	7.80	0.02
Radiology	38,802	742,422	-	813.4	19.13	1.30
Pathology	60,824	213,150	-	1,275.1	3.50	0.37
Mental Health/Substance Abuse	3,692	180,238	-	77.4	48.82	0.31
Maternity - Delivery	64	17,322	-	1.3	270.66	0.03
Maternity - Delivery - Anesthesia	76	3,350	-	1.6	44.08	0.01
Maternity - Delivery - Office Visits	490	9,258	-	10.3	18.89	0.02
Maternity - Delivery - Radiology	359	5,450	-	7.5	15.18	0.01
Other Professional	1,826,034	3,070,027	-	38,279.6	1.68	5.36
Subtotal	2,119,302	\$ 8,821,919	\$ 0	44,427.5	\$ 4.16	\$ 15.42
Total Claims/Benefit Cost	2,943,749	\$ 28,974,503	\$ 0	61,710.7	\$ 9.84	\$ 50.62

Appendix 5

**South Carolina Department of Health and Human Services
SFY 2017 Medicaid Managed Care Capitation Rate Development
MCO Base Experience Data - Unadjusted SFY 2015**

Rate Cell: Foster Care Children (FG3)

Member Months: 43,992

Fiscal Year 2015						
Category of Service	Number of Units	Amount Paid	Sub Capitation	Utilization Per 1,000	Cost per Service	PMPM
<i>Inpatient Hospital</i>						
I/P Medical/Surgical/Non-Delivery Maternity	1,085	\$ 1,632,025	\$ 0	296.0	\$ 1,504.17	\$ 37.10
I/P Well Newborn	176	77,289	-	48.0	439.14	1.76
Mental Health/Substance Abuse	1,141	678,506	-	311.2	594.66	15.42
Other Inpatient	69	140,298	-	18.8	2,033.30	3.19
<i>Subtotal</i>	2,471	\$ 2,528,118	\$ 0	674.0	\$ 1,023.20	\$ 57.47
<i>Outpatient Hospital</i>						
Surgery	332	\$ 434,939	\$ 0	90.6	\$ 1,310.06	\$ 9.89
Non-Surg - Emergency Room	1,976	616,033	-	539.0	311.76	14.00
Non-Surg - Other	2,312	261,754	-	630.7	113.22	5.95
Observation Room	49	27,438	-	13.4	559.97	0.62
Treatment/Therapy/Testing	1,950	277,683	-	531.9	142.40	6.31
Other Outpatient	49	8,479	-	13.4	173.04	0.19
<i>Subtotal</i>	6,668	\$ 1,626,326	\$ 0	1,818.9	\$ 243.84	\$ 36.96
<i>Pharmacy</i>						
Prescription Drugs	49,384	3,385,908	-	13,470.8	68.56	76.97
<i>Subtotal</i>	49,384	\$ 3,385,908	\$ 0	13,470.8	\$ 68.56	\$ 76.97
<i>Ancillaries</i>						
Ambulance	809	\$ 76,030	\$ 0	220.7	\$ 93.98	\$ 1.73
Prosthetic/DME	33,468	136,217	-	9,129.3	4.07	3.10
Other Ancillaries	2,326	89,484	3,436	634.5	39.95	2.11
<i>Subtotal</i>	36,603	\$ 301,731	\$ 3,436	9,984.5	\$ 8.34	\$ 6.94
<i>Physician</i>						
Surgery - I/P and O/P	1,224	\$ 184,419	\$ 151	333.9	\$ 150.79	\$ 4.20
Surgery - I/P and O/P - Anesthesia	573	59,858	-	156.3	104.46	1.36
Maternity - Non-Delivery	18	444	-	4.9	24.68	0.01
Hospital Visits	3,866	416,638	-	1,054.6	107.77	9.47
Office Visits	16,204	1,035,840	5,591	4,420.1	64.27	23.67
ER Visits	2,250	164,236	-	613.7	72.99	3.73
Immunizations	6,290	76,814	715	1,715.8	12.33	1.76
Radiology	2,567	57,584	-	700.2	22.43	1.31
Pathology	10,125	151,811	300	2,761.9	15.02	3.46
Mental Health/Substance Abuse	16,495	1,478,226	-	4,499.5	89.62	33.60
Other Professional	72,637	1,392,712	652	19,813.7	19.18	31.67
<i>Subtotal</i>	132,249	\$ 5,018,580	\$ 7,410	36,074.5	\$ 38.00	\$ 114.24
<i>Total Claims/Benefit Cost</i>	227,375	\$ 12,860,663	\$ 10,845	62,022.7	\$ 56.61	\$ 292.58

Appendix 5

South Carolina Department of Health and Human Services
SFY 2017 Medicaid Managed Care Capitation Rate Development
MCO Base Experience Data - Unadjusted SFY 2015

Rate Cell: KICK (MG2/NG2)

Deliveries: 27,037

Fiscal Year 2015						
Category of Service	Number of Units	Amount Paid	Sub Capitation	Utilization Per 1,000	Cost per Service	Cost per Delivery
<i>Inpatient Hospital</i>						
Inpatient Maternity Delivery	67,327	109,830,603	-	2,490.2	1,631.30	4,062.23
Subtotal	67,327	\$ 109,830,603	\$ 0	2,490.2	\$ 1,631.30	\$ 4,062.23
<i>Outpatient Hospital</i>						
Outpatient Hospital - Maternity	272	76,575	-	10.1	281.53	2.83
Subtotal	272	\$ 76,575	\$ 0	10.1	\$ 281.53	\$ 2.83
<i>Physician</i>						
Maternity - Delivery	26,109	\$ 27,277,096	\$ 0	965.7	\$ 1,044.74	\$ 1,008.88
Maternity - Delivery - Anesthesia	35,436	10,181,715	-	1,310.6	287.33	376.58
Maternity - Office Visits	254,257	13,446,763	3,439	9,404.0	52.90	497.47
Maternity - Radiology	100,626	7,549,408	75	3,721.8	75.03	279.23
Maternity - Non-Delivery	122	10,294	-	4.5	84.38	0.38
Subtotal	416,550	\$ 58,465,276	\$ 3,514	15,406.7	\$ 140.36	\$ 2,162.54
Total Claims/Benefit Cost	484,149	\$ 168,372,454	\$ 3,514	17,907.0	\$ 347.77	\$ 6,227.60

APPENDIX 6: ADJUSTED SFY 2015 BASE DATA

Appendix 6

South Carolina Department of Health and Human Services
 SFY 2017 Medicaid Managed Care Capitation Rate Development
 MCO Base Experience Data Adjustments - SFY 2015

Rate Cell: TANF - 0 - 2 Months, Male & Female (AH3)

SFY 2015 Member Months: 90,616

Category of Service	SFY 2015 Unadjusted Data			2015 Adjustments							SFY 2015 Adjusted Data		
	Utilization Per 1,000	Cost per Service	PMPM	Completion Adj Util	Program Adj Util	Program Adj Cost	Mgd Care Adj Util	Mgd Care Adj Cost	Other Base Adj Util	Other Base Adj Cost	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital													
I/P Medical/Surgical/Non-Delivery Maternity	7,349.4	\$ 1,511.38	\$ 925.65	1.0256	1.0000	1.0000	0.9990	1.0000	1.0688	1.0029	8,048.1	\$ 1,515.77	\$ 1,016.59
I/P Well Newborn	6,700.8	553.95	309.33	1.0256	1.0000	1.0000	0.9990	1.0000	1.0708	1.0029	7,351.5	555.56	340.35
Mental Health/Substance Abuse	10.3	446.12	0.38	1.0256	1.0000	1.0000	0.9990	1.0000	1.0072	1.0029	10.7	442.74	0.39
Other Inpatient	210.3	1,183.40	20.74	1.0256	1.0000	1.0000	0.9990	1.0000	1.0072	1.0029	217.0	1,186.92	21.46
Subtotal	14,270.9	\$ 1,056.22	\$ 1,256.10								15,627.3	\$ 1,058.76	\$ 1,378.80
Outpatient Hospital													
Surgery	54.2	\$ 1,017.97	\$ 4.59	1.0048	1.0000	1.0000	1.0000	1.0000	1.0224	1.0029	55.6	\$ 1,019.89	\$ 4.73
Non-Surg - Emergency Room	766.1	274.51	17.52	1.0048	1.0000	1.0000	0.9696	1.0115	1.0783	1.0029	804.8	278.39	18.67
Non-Surg - Other	1,412.6	105.31	12.40	1.0048	1.0000	1.0000	1.0000	1.0000	1.0679	1.0029	1,515.8	105.64	13.34
Observation Room	43.4	568.93	2.06	1.0048	1.0000	1.0000	1.0000	1.0000	1.0425	1.0029	45.5	570.76	2.16
Treatment/Therapy/Testing	852.7	65.47	4.65	1.0048	1.0000	1.0000	1.0000	1.0000	1.0459	1.0029	896.1	65.63	4.90
Other Outpatient	4.0	83.89	0.03	1.0048	1.0000	1.0000	1.0000	1.0000	14.7441	1.0029	58.9	90.88	0.45
Subtotal	3,133.0	\$ 158.00	\$ 41.25								3,376.7	\$ 157.27	\$ 44.26
Pharmacy													
Prescription Drugs	2,958.7	23.78	5.86	1.0001	1.0000	1.0000	1.0000	0.9974	1.0539	0.9761	3,118.5	23.14	6.01
Subtotal	2,958.7	\$ 23.78	\$ 5.86								3,118.5	\$ 23.14	\$ 6.01
Ancillaries													
Ambulance	184.1	\$ 235.48	\$ 3.61	1.0058	1.0000	1.0000	1.0000	1.0000	1.0577	1.0029	195.8	\$ 236.02	\$ 3.85
Prosthetic/DME	1,462.1	25.22	3.07	1.0058	1.0000	1.0000	1.0000	1.0000	1.0370	1.0029	1,525.0	25.27	3.21
Other Ancillaries	691.7	82.77	4.77	1.0058	1.0000	1.0000	1.0000	1.0000	1.2597	1.0029	876.3	83.00	6.06
Subtotal	2,337.9	\$ 58.77	\$ 11.45								2,597.2	\$ 60.64	\$ 13.12
Physician													
Surgery - I/P and O/P	595.9	\$ 169.31	\$ 8.41	1.0051	1.0000	1.0000	1.0000	1.0000	1.0737	1.0029	643.1	\$ 169.84	\$ 9.10
Surgery - I/P and O/P - Anesthesia	115.3	157.21	1.51	1.0051	1.0000	1.0000	1.0000	1.0000	1.0449	1.0029	121.1	157.55	1.59
Maternity - Non-Delivery	-	-	-	1.0051	1.0000	1.0000	1.0000	1.0000	1.0038	1.0029	-	-	-
Hospital Visits	11,890.0	171.28	169.71	1.0051	1.0000	1.0000	1.0000	1.0000	1.0403	1.0029	12,432.2	171.78	177.96
Office Visits	6,699.9	61.58	34.38	1.0051	1.0000	1.0000	1.0033	1.0000	1.0704	1.0029	7,231.9	61.76	37.22
ER Visits	947.2	68.28	5.39	1.0051	1.0000	1.0000	0.9696	1.0115	1.0618	1.0029	980.2	69.27	5.66
Immunizations	7,167.5	12.14	7.25	1.0051	1.0000	1.0000	1.0000	1.0000	1.0423	1.0029	7,508.8	12.17	7.62
Radiology	2,153.8	13.07	2.35	1.0051	1.0000	1.0000	1.0000	1.0000	1.0424	1.0029	2,256.6	13.13	2.47
Pathology	1,558.8	9.50	1.23	1.0051	1.0000	1.0000	1.0000	1.0000	1.0584	1.0029	1,658.2	9.50	1.31
Mental Health/Substance Abuse	-	-	-	1.0051	1.0000	1.0000	1.0000	1.0000	1.0038	1.0029	-	-	-
Other Professional	15,414.5	51.32	65.92	1.0051	1.0000	1.0000	1.0000	1.0000	1.0666	1.0029	16,525.0	51.47	70.87
Subtotal	46,542.9	\$ 76.36	\$ 296.15								49,357.1	\$ 76.29	\$ 313.81
Total Claims/Benefit Cost	69,243.4	\$ 279.16	\$ 1,610.81								74,076.7	\$ 284.46	\$ 1,756.00

Appendix 6

South Carolina Department of Health and Human Services
 SFY 2017 Medicaid Managed Care Capitation Rate Development
 MCO Base Experience Data Adjustments - SFY 2015

Rate Cell: TANF - 3 - 12 Months, Male & Female (A13)

SFY 2015 Member Months: 331,284

Category of Service	SFY 2015 Unadjusted Data			2015 Adjustments							SFY 2015 Adjusted Data		
	Utilization Per 1,000	Cost per Service	PMPM	Completion Adj Util	Program Adj Util	Program Adj Cost	Mgd Care Adj Util	Mgd Care Adj Cost	Other Base Adj Util	Other Base Adj Cost	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital													
I/P Medical/Surgical/Non-Delivery Maternity	179.4	\$ 1,846.42	\$ 27.61	1.0256	1.0000	1.0000	0.9840	1.0043	1.0072	1.0029	182.4	\$ 1,859.65	\$ 28.27
I/P Well Newborn	0.8	337.71	0.02	1.0256	1.0000	1.0000	0.9840	1.0043	1.0072	1.0029	0.8	303.34	0.02
Mental Health/Substance Abuse	-	-	-	1.0256	1.0000	1.0000	0.9840	1.0043	1.0072	1.0029	-	-	-
Other Inpatient	6.2	2,017.38	1.04	1.0256	1.0000	1.0000	0.9840	1.0043	1.0072	1.0029	6.3	2,029.36	1.06
Subtotal	186.4	\$ 1,845.71	\$ 28.67								189.5	\$ 1,858.64	\$ 29.35
Outpatient Hospital													
Surgery	81.9	\$ 1,592.65	\$ 10.87	1.0048	1.0000	1.0000	1.0000	1.0000	1.0020	1.0029	82.5	\$ 1,597.30	\$ 10.98
Non-Surg - Emergency Room	1,063.8	292.75	25.95	1.0048	1.0000	1.0000	0.9571	1.0160	1.0020	1.0029	1,025.1	298.27	25.48
Non-Surg - Other	771.8	119.91	7.71	1.0048	1.0000	1.0000	1.0000	1.0000	1.0020	1.0029	777.1	120.22	7.79
Observation Room	23.3	606.60	1.18	1.0048	1.0000	1.0000	1.0000	1.0000	1.0020	1.0029	23.4	610.67	1.19
Treatment/Therapy/Testing	320.6	126.91	3.39	1.0048	1.0000	1.0000	1.0000	1.0000	1.0020	1.0029	322.8	127.24	3.42
Other Outpatient	3.2	165.39	0.04	1.0048	1.0000	1.0000	1.0000	1.0000	1.0020	1.0029	3.2	151.02	0.04
Subtotal	2,264.6	\$ 260.39	\$ 49.14								2,234.1	\$ 262.63	\$ 48.90
Pharmacy													
Prescription Drugs	5,884.5	35.45	17.38	1.0001	1.0000	1.0000	1.0000	0.9960	1.0000	0.9761	5,885.1	34.46	16.90
Subtotal	5,884.5	\$ 35.45	\$ 17.38								5,885.1	\$ 34.46	\$ 16.90
Ancillaries													
Ambulance	90.9	\$ 117.44	\$ 0.89	1.0058	1.0000	1.0000	1.0000	1.0000	1.0038	1.0029	91.8	\$ 117.81	\$ 0.90
Prosthetic/DME	1,865.7	18.71	2.91	1.0058	1.0000	1.0000	1.0000	1.0000	1.0038	1.0029	1,883.6	18.77	2.95
Other Ancillaries	391.5	58.21	1.90	1.0058	1.0000	1.0000	1.0000	1.0000	1.0038	1.0029	395.2	58.41	1.92
Subtotal	2,348.1	\$ 29.13	\$ 5.70								2,370.7	\$ 29.21	\$ 5.77
Physician													
Surgery - I/P and O/P	294.6	\$ 170.45	\$ 4.19	1.0051	1.0000	1.0000	1.0000	1.0000	1.0038	1.0029	297.3	\$ 171.15	\$ 4.24
Surgery - I/P and O/P - Anesthesia	145.4	100.41	1.22	1.0051	1.0000	1.0000	1.0000	1.0000	1.0038	1.0029	146.7	100.96	1.23
Maternity - Non-Delivery	-	-	-	1.0051	1.0000	1.0000	1.0000	1.0000	1.0038	1.0029	-	-	-
Hospital Visits	520.1	188.24	8.16	1.0051	1.0000	1.0000	1.0000	1.0000	1.0038	1.0029	524.8	188.81	8.26
Office Visits	4,644.4	61.75	23.90	1.0051	1.0000	1.0000	1.0093	1.0000	1.0038	1.0029	4,729.4	61.93	24.41
ER Visits	1,144.4	63.33	6.04	1.0051	1.0000	1.0000	0.9571	1.0160	1.0038	1.0029	1,105.1	64.54	5.94
Immunizations	7,619.3	12.47	7.92	1.0051	1.0000	1.0000	1.0000	1.0000	1.0038	1.0029	7,687.2	12.51	8.01
Radiology	634.5	15.08	0.80	1.0051	1.0000	1.0000	1.0000	1.0000	1.0038	1.0029	640.2	15.17	0.81
Pathology	2,063.2	12.24	2.10	1.0051	1.0000	1.0000	1.0000	1.0000	1.0038	1.0029	2,081.6	12.25	2.12
Mental Health/Substance Abuse	0.6	101.52	0.01	1.0051	1.0000	1.0000	1.0000	1.0000	1.0038	1.0029	0.6	195.44	0.01
Other Professional	6,180.9	48.58	25.02	1.0051	1.0000	1.0000	1.0000	1.0000	1.0038	1.0029	6,236.0	48.72	25.32
Subtotal	23,247.5	\$ 40.96	\$ 79.36								23,448.9	\$ 41.12	\$ 80.36
Total Claims/Benefit Cost	33,931.1	\$ 63.75	\$ 180.25								34,128.3	\$ 63.74	\$ 181.27

Appendix 6

South Carolina Department of Health and Human Services
 SFY 2017 Medicaid Managed Care Capitation Rate Development
 MCO Base Experience Data Adjustments - SFY 2015

Rate Cell: TANF - Age 1 - 6, Male & Female (AB3)

SFY 2015 Member Months: 2,335,515

Category of Service	SFY 2015 Unadjusted Data			2015 Adjustments							SFY 2015 Adjusted Data		
	Utilization Per 1,000	Cost per Service	PMPM	Completion Adj Util	Program Adj Util	Program Adj Cost	Mgd Care Adj Util	Mgd Care Adj Cost	Other Base Adj Util	Other Base Adj Cost	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital													
I/P Medical/Surgical/Non-Delivery Maternity	45.7	\$ 1,818.82	\$ 6.92	1.0256	1.0000	1.0000	0.9669	1.0051	1.0242	1.0005	46.4	\$ 1,827.95	\$ 7.07
I/P Well Newborn	-	-	-	1.0256	1.0000	1.0000	0.9669	1.0051	1.0343	1.0029	-	-	-
Mental Health/Substance Abuse	0.4	1,103.09	0.04	1.0256	1.0000	1.0000	0.9669	1.0051	1.0343	1.0029	0.4	1,134.57	0.04
Other Inpatient	1.4	1,960.89	0.23	1.0256	1.0000	1.0000	0.9669	1.0051	1.0343	1.0029	1.4	2,005.46	0.24
Subtotal	47.5	\$ 1,816.42	\$ 7.19								48.3	\$ 1,826.90	\$ 7.35
Outpatient Hospital													
Surgery	66.3	\$ 1,331.51	\$ 7.36	1.0048	1.0000	1.0000	1.0000	1.0000	1.0290	1.0029	68.6	\$ 1,335.44	\$ 7.63
Non-Surg - Emergency Room	589.0	301.28	14.79	1.0048	1.0000	1.0000	0.9572	1.0149	1.0290	1.0029	582.9	306.70	14.90
Non-Surg - Other	281.8	113.19	2.66	1.0048	1.0000	1.0000	1.0000	1.0000	1.0290	1.0029	291.4	113.59	2.76
Observation Room	7.3	722.79	0.44	1.0048	1.0000	1.0000	1.0000	1.0000	1.0290	1.0029	7.5	728.86	0.46
Treatment/Therapy/Testing	201.8	153.88	2.59	1.0048	1.0000	1.0000	1.0000	1.0000	1.0290	1.0029	208.6	154.48	2.69
Other Outpatient	4.9	267.15	0.11	1.0048	1.0000	1.0000	1.0000	1.0000	1.0290	1.0029	5.1	270.93	0.11
Subtotal	1,151.1	\$ 291.37	\$ 27.95								1,164.1	\$ 294.26	\$ 28.54
Pharmacy													
Prescription Drugs	4,996.9	41.53	17.29	1.0001	1.0000	1.0000	1.0000	0.9940	1.0269	0.9761	5,131.8	40.29	17.23
Subtotal	4,996.9	\$ 41.53	\$ 17.29								5,131.8	\$ 40.29	\$ 17.23
Ancillaries													
Ambulance	47.8	\$ 103.99	\$ 0.41	1.0058	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	49.6	\$ 103.13	\$ 0.43
Prosthetic/DME	768.6	13.34	0.85	1.0058	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	796.9	13.31	0.88
Other Ancillaries	319.7	47.77	1.27	1.0058	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	331.4	47.81	1.32
Subtotal	1,136.2	\$ 26.72	\$ 2.53								1,178.0	\$ 26.80	\$ 2.63
Physician													
Surgery - I/P and O/P	211.8	\$ 137.45	\$ 2.43	1.0051	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	219.4	\$ 138.08	\$ 2.52
Surgery - I/P and O/P - Anesthesia	119.0	91.66	0.91	1.0051	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	123.3	92.01	0.95
Maternity - Non-Delivery	0.0	31.57	-	1.0051	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	0.0	-	-
Hospital Visits	65.6	111.42	0.61	1.0051	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	67.9	111.95	0.63
Office Visits	2,844.8	61.12	14.49	1.0051	1.0000	1.0000	1.0084	1.0000	1.0308	1.0029	2,972.1	61.30	15.18
ER Visits	631.3	61.52	3.24	1.0051	1.0000	1.0000	0.9572	1.0149	1.0308	1.0029	626.1	62.68	3.27
Immunizations	1,253.1	12.57	1.31	1.0051	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	1,298.2	12.58	1.36
Radiology	337.6	16.26	0.46	1.0051	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	349.8	16.40	0.48
Pathology	1,740.3	11.41	1.65	1.0051	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	1,803.1	11.41	1.71
Mental Health/Substance Abuse	98.7	102.41	0.84	1.0051	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	102.3	102.43	0.87
Other Professional	5,640.5	27.44	12.90	1.0051	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	5,843.8	27.52	13.40
Subtotal	12,942.7	\$ 36.01	\$ 38.84								13,406.1	\$ 36.15	\$ 40.39
Total Claims/Benefit Cost	20,274.4	\$ 55.52	\$ 93.80								20,928.2	\$ 55.12	\$ 96.14

Appendix 6

South Carolina Department of Health and Human Services
SFY 2017 Medicaid Managed Care Capitation Rate Development
MCO Base Experience Data Adjustments - SFY 2015

Rate Cell: TANF - Age 7 - 13, Male & Female (AC3)

SFY 2015 Member Months: 2,421,425

Category of Service	SFY 2015 Unadjusted Data			2015 Adjustments							SFY 2015 Adjusted Data		
	Utilization Per 1,000	Cost per Service	PMPM	Completion Adj Util	Program Adj Util	Program Adj Cost	Mgd Care Adj Util	Mgd Care Adj Cost	Other Base Adj Util	Other Base Adj Cost	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital													
I/P Medical/Surgical/Non-Delivery Maternity	30.6	\$ 2,238.84	\$ 5.70	1.0256	1.0000	1.0000	0.9721	1.0004	1.0218	0.9738	31.1	\$ 2,180.30	\$ 5.66
I/P Well Newborn	-	-	-	1.0256	1.0000	1.0000	0.9721	1.0004	1.0343	1.0029	-	-	-
Mental Health/Substance Abuse	13.2	770.22	0.85	1.0256	1.0000	1.0000	0.9721	1.0004	1.0343	1.0029	13.6	774.86	0.88
Other Inpatient	0.9	1,664.34	0.12	1.0256	1.0000	1.0000	0.9721	1.0004	1.0343	1.0029	0.9	1,656.42	0.12
Subtotal	44.6	\$ 1,794.62	\$ 6.67								45.7	\$ 1,750.71	\$ 6.66
Outpatient Hospital													
Surgery	39.1	\$ 1,332.53	\$ 4.35	1.0048	1.0000	1.0000	1.0000	1.0000	1.0290	1.0029	40.5	\$ 1,337.52	\$ 4.51
Non-Surg - Emergency Room	348.7	306.70	8.91	1.0048	1.0000	1.0000	0.9630	1.0129	1.0290	1.0029	347.2	311.49	9.01
Non-Surg - Other	183.0	113.76	1.73	1.0048	1.0000	1.0000	1.0000	1.0000	1.0290	1.0029	189.2	113.77	1.79
Observation Room	4.9	591.56	0.24	1.0048	1.0000	1.0000	1.0000	1.0000	1.0290	1.0029	5.1	587.53	0.25
Treatment/Therapy/Testing	168.3	179.08	2.51	1.0048	1.0000	1.0000	1.0000	1.0000	1.0290	1.0029	174.0	179.53	2.60
Other Outpatient	2.0	317.76	0.05	1.0048	1.0000	1.0000	1.0000	1.0000	1.0290	1.0029	2.1	302.80	0.05
Subtotal	746.0	\$ 286.17	\$ 17.79								758.0	\$ 288.46	\$ 18.22
Pharmacy													
Prescription Drugs	5,822.0	72.21	35.03	1.0001	1.0000	1.0000	1.0000	0.9872	1.0269	0.9761	5,979.2	69.57	34.67
Subtotal	5,822.0	\$ 72.21	\$ 35.03								5,979.2	\$ 69.57	\$ 34.67
Ancillaries													
Ambulance	33.5	\$ 102.31	\$ 0.29	1.0058	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	34.7	\$ 104.19	\$ 0.30
Prosthetic/DME	1,200.4	8.50	0.85	1.0058	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	1,244.6	8.52	0.88
Other Ancillaries	720.9	31.29	1.88	1.0058	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	747.5	31.38	1.95
Subtotal	1,954.8	\$ 18.54	\$ 3.02								2,026.7	\$ 18.59	\$ 3.14
Physician													
Surgery - I/P and O/P	162.1	\$ 132.98	\$ 1.80	1.0051	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	167.9	\$ 133.64	\$ 1.87
Surgery - I/P and O/P - Anesthesia	51.0	98.67	0.42	1.0051	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	52.9	99.03	0.44
Maternity - Non-Delivery	-	-	-	1.0051	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	-	-	-
Hospital Visits	57.6	87.06	0.42	1.0051	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	59.7	87.78	0.44
Office Visits	2,258.5	60.10	11.31	1.0051	1.0000	1.0000	1.0054	1.0000	1.0308	1.0029	2,352.6	60.27	11.82
ER Visits	373.8	63.10	1.97	1.0051	1.0000	1.0000	0.9630	1.0129	1.0308	1.0029	372.9	64.24	2.00
Immunizations	547.1	12.72	0.58	1.0051	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	566.9	12.76	0.60
Radiology	395.0	20.14	0.66	1.0051	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	409.2	20.11	0.69
Pathology	1,495.2	10.35	1.29	1.0051	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	1,549.1	10.38	1.34
Mental Health/Substance Abuse	282.4	98.11	2.31	1.0051	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	292.6	98.44	2.40
Other Professional	4,097.5	20.63	7.04	1.0051	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	4,245.3	20.68	7.31
Subtotal	9,720.2	\$ 34.32	\$ 27.80								10,069.0	\$ 34.44	\$ 28.90
Total Claims/Benefit Cost	18,287.6	\$ 59.26	\$ 90.31								18,878.6	\$ 58.22	\$ 91.59

Appendix 6

South Carolina Department of Health and Human Services
 SFY 2017 Medicaid Managed Care Capitation Rate Development
 MCO Base Experience Data Adjustments - SFY 2015

Rate Cell: TANF - Age 14 - 18, Male (AD1)

SFY 2015 Member Months: 672,349

Category of Service	SFY 2015 Unadjusted Data			2015 Adjustments							SFY 2015 Adjusted Data		
	Utilization Per 1,000	Cost per Service	PMPM	Completion Adj Util	Program Adj Util	Program Adj Cost	Mgd Care Adj Util	Mgd Care Adj Cost	Other Base Adj Util	Other Base Adj Cost	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital													
I/P Medical/Surgical/Non-Delivery Maternity	54.4	\$ 2,548.28	\$ 11.55	1.0256	1.0000	1.0000	0.9854	1.0054	1.0346	1.0029	56.9	\$ 2,569.81	\$ 12.18
I/P Well Newborn	-	-	-	1.0256	1.0000	1.0000	0.9854	1.0054	1.0343	1.0029	-	-	-
Mental Health/Substance Abuse	28.6	637.38	1.52	1.0256	1.0000	1.0000	0.9854	1.0054	1.0346	1.0029	29.9	644.04	1.60
Other Inpatient	2.0	3,063.29	0.50	1.0256	1.0000	1.0000	0.9854	1.0054	1.0346	1.0029	2.1	3,081.55	0.53
Subtotal	84.9	\$ 1,918.02	\$ 13.57								88.8	\$ 1,933.92	\$ 14.31
Outpatient Hospital													
Surgery	59.5	\$ 1,368.90	\$ 6.79	1.0048	1.0000	1.0000	1.0000	1.0000	1.0293	1.0029	61.6	\$ 1,372.45	\$ 7.04
Non-Surg - Emergency Room	393.4	322.73	10.58	1.0048	1.0000	1.0000	0.9698	1.0118	1.0293	1.0029	394.5	327.51	10.77
Non-Surg - Other	126.6	118.69	1.25	1.0048	1.0000	1.0000	1.0000	1.0000	1.0293	1.0029	130.9	118.87	1.30
Observation Room	2.6	703.47	0.15	1.0048	1.0000	1.0000	1.0000	1.0000	1.0293	1.0029	2.7	692.77	0.16
Treatment/Therapy/Testing	199.0	240.92	4.00	1.0048	1.0000	1.0000	1.0000	1.0000	1.0293	1.0029	205.8	241.88	4.15
Other Outpatient	4.8	242.56	0.10	1.0048	1.0000	1.0000	1.0000	1.0000	1.0293	1.0029	5.0	248.82	0.10
Subtotal	785.9	\$ 349.20	\$ 22.87								800.6	\$ 352.49	\$ 23.52
Pharmacy													
Prescription Drugs	5,248.9	75.56	33.05	1.0001	1.0000	1.0000	1.0000	0.9931	1.0272	0.9761	5,392.2	73.24	32.91
Subtotal	5,248.9	\$ 75.56	\$ 33.05								5,392.2	\$ 73.24	\$ 32.91
Ancillaries													
Ambulance	75.9	\$ 102.92	\$ 0.65	1.0058	1.0000	1.0000	1.0000	1.0000	1.0311	1.0029	78.8	\$ 103.01	\$ 0.68
Prosthetic/DME	1,312.6	10.51	1.15	1.0058	1.0000	1.0000	1.0000	1.0000	1.0311	1.0029	1,361.3	10.54	1.20
Other Ancillaries	626.7	31.57	1.65	1.0058	1.0000	1.0000	1.0000	1.0000	1.0311	1.0029	649.9	31.69	1.72
Subtotal	2,015.2	\$ 20.54	\$ 3.45								2,089.9	\$ 20.60	\$ 3.59
Physician													
Surgery - I/P and O/P	230.5	\$ 146.88	\$ 2.82	1.0051	1.0000	1.0000	1.0000	1.0000	1.0311	1.0029	238.9	\$ 147.23	\$ 2.93
Surgery - I/P and O/P - Anesthesia	63.9	114.16	0.61	1.0051	1.0000	1.0000	1.0000	1.0000	1.0311	1.0029	66.2	114.93	0.63
Maternity - Non-Delivery	-	-	-	1.0051	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	-	-	-
Hospital Visits	102.8	85.54	0.73	1.0051	1.0000	1.0000	1.0000	1.0000	1.0311	1.0029	106.5	85.50	0.76
Office Visits	1,826.1	60.30	9.18	1.0051	1.0000	1.0000	1.0062	1.0000	1.0311	1.0029	1,904.2	60.50	9.60
ER Visits	431.6	69.13	2.49	1.0051	1.0000	1.0000	0.9698	1.0118	1.0311	1.0029	433.8	70.25	2.54
Immunizations	322.8	12.92	0.35	1.0051	1.0000	1.0000	1.0000	1.0000	1.0311	1.0029	334.6	13.05	0.36
Radiology	633.2	24.67	1.30	1.0051	1.0000	1.0000	1.0000	1.0000	1.0311	1.0029	656.2	24.71	1.35
Pathology	1,439.8	11.96	1.43	1.0051	1.0000	1.0000	1.0000	1.0000	1.0311	1.0029	1,492.2	11.95	1.49
Mental Health/Substance Abuse	679.7	64.98	3.68	1.0051	1.0000	1.0000	1.0000	1.0000	1.0311	1.0029	704.5	65.15	3.82
Other Professional	3,503.8	21.86	6.38	1.0051	1.0000	1.0000	1.0000	1.0000	1.0311	1.0029	3,631.2	21.91	6.63
Subtotal	9,234.1	\$ 37.65	\$ 28.97								9,568.1	\$ 37.78	\$ 30.12
Total Claims/Benefit Cost	17,369.0	\$ 70.41	\$ 101.91								17,939.6	\$ 69.86	\$ 104.44

Appendix 6

South Carolina Department of Health and Human Services
 SFY 2017 Medicaid Managed Care Capitation Rate Development
 MCO Base Experience Data Adjustments - SFY 2015

Rate Cell: TANF - Age 14 - 18, Female (AD2)

SFY 2015 Member Months: 690,438

Category of Service	SFY 2015 Unadjusted Data			2015 Adjustments							SFY 2015 Adjusted Data		
	Utilization Per 1,000	Cost per Service	PMPM	Completion Adj Util	Program Adj Util	Program Adj Cost	Mgd Care Adj Util	Mgd Care Adj Cost	Other Base Adj Util	Other Base Adj Cost	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital													
I/P Medical/Surgical/Non-Delivery Maternity	52.2	\$ 2,126.02	\$ 9.26	1.0256	1.0000	1.0000	0.9865	1.0004	1.0344	1.0029	54.7	\$ 2,133.92	\$ 9.72
I/P Well Newborn	-	-	-	1.0256	1.0000	1.0000	0.9865	1.0004	1.0343	1.0029	-	-	-
Mental Health/Substance Abuse	41.9	694.51	2.43	1.0256	1.0000	1.0000	0.9865	1.0004	1.0344	1.0029	43.9	698.18	2.55
Other Inpatient	3.9	1,277.78	0.42	1.0256	1.0000	1.0000	0.9865	1.0004	1.0344	1.0029	4.1	1,287.35	0.44
Subtotal	98.1	\$ 1,481.35	\$ 12.11								102.6	\$ 1,486.59	\$ 12.72
Outpatient Hospital													
Surgery	74.1	\$ 1,163.58	\$ 7.19	1.0048	1.0000	1.0000	1.0000	1.0000	1.0218	1.0029	76.1	\$ 1,167.33	\$ 7.40
Non-Surg - Emergency Room	648.3	319.44	17.26	1.0048	1.0000	1.0000	0.9598	1.0154	1.0290	1.0029	643.3	325.35	17.44
Non-Surg - Other	216.7	131.41	2.37	1.0048	1.0000	1.0000	1.0000	1.0000	1.0290	1.0029	224.1	131.61	2.46
Observation Room	15.6	366.50	0.48	1.0048	1.0000	1.0000	1.0000	1.0000	1.0290	1.0029	16.2	369.71	0.50
Treatment/Therapy/Testing	370.0	183.65	5.66	1.0048	1.0000	1.0000	1.0000	1.0000	1.0290	1.0029	382.6	184.10	5.87
Other Outpatient	7.4	319.03	0.20	1.0048	1.0000	1.0000	1.0000	1.0000	1.0290	1.0029	7.7	324.33	0.21
Subtotal	1,332.2	\$ 298.69	\$ 33.16								1,349.9	\$ 301.16	\$ 33.88
Pharmacy													
Prescription Drugs	7,574.5	46.37	29.27	1.0001	1.0000	1.0000	1.0000	0.9933	1.0269	0.9761	7,779.1	44.96	29.15
Subtotal	7,574.5	\$ 46.37	\$ 29.27								7,779.1	\$ 44.96	\$ 29.15
Ancillaries													
Ambulance	114.0	\$ 90.36	\$ 0.86	1.0058	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	118.2	\$ 90.78	\$ 0.89
Prosthetic/DME	1,769.0	8.14	1.20	1.0058	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	1,834.0	8.16	1.25
Other Ancillaries	1,057.1	42.97	3.79	1.0058	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	1,096.0	43.15	3.94
Subtotal	2,940.1	\$ 23.88	\$ 5.85								3,048.3	\$ 23.95	\$ 6.08
Physician													
Surgery - I/P and O/P	220.6	\$ 139.28	\$ 2.56	1.0051	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	228.5	\$ 139.67	\$ 2.66
Surgery - I/P and O/P - Anesthesia	67.7	106.09	0.60	1.0051	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	70.2	106.61	0.62
Maternity - Non-Delivery	30.4	36.30	0.09	1.0051	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	31.5	35.65	0.09
Hospital Visits	137.4	72.45	0.83	1.0051	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	142.3	72.70	0.86
Office Visits	2,684.8	59.99	13.42	1.0051	1.0000	1.0000	1.0092	1.0000	1.0308	1.0029	2,807.2	60.16	14.07
ER Visits	688.7	72.70	4.17	1.0051	1.0000	1.0000	0.9598	1.0154	1.0308	1.0029	684.9	73.99	4.22
Immunizations	342.2	12.91	0.37	1.0051	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	354.6	13.01	0.38
Radiology	676.4	30.38	1.71	1.0051	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	700.8	30.43	1.78
Pathology	3,708.6	12.09	3.74	1.0051	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	3,842.3	12.14	3.89
Mental Health/Substance Abuse	436.1	70.93	2.58	1.0051	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	451.9	71.19	2.68
Other Professional	23,355.9	3.49	6.78	1.0051	1.0000	1.0000	1.0000	1.0000	1.0308	1.0029	24,198.1	3.49	7.04
Subtotal	32,348.9	\$ 13.67	\$ 36.85								33,512.2	\$ 13.72	\$ 38.31
Total Claims/Benefit Cost	44,293.8	\$ 31.76	\$ 117.24								45,792.1	\$ 31.48	\$ 120.13

Appendix 6

**South Carolina Department of Health and Human Services
SFY 2017 Medicaid Managed Care Capitation Rate Development
MCO Base Experience Data Adjustments - SFY 2015**

Rate Cell: TANF - Age 19 - 44, Male (AE1)

SFY 2015 Member Months: 267,300

Category of Service	SFY 2015 Unadjusted Data			2015 Adjustments							SFY 2015 Adjusted Data		
	Utilization Per 1,000	Cost per Service	PMPM	Completion Adj Util	Program Adj Util	Program Adj Cost	Mgd Care Adj Util	Mgd Care Adj Cost	Other Base Adj Util	Other Base Adj Cost	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital													
I/P Medical/Surgical/Non-Delivery Maternity	171.7	\$ 2,710.25	\$ 38.77	1.0256	1.0000	1.0000	0.9867	1.0024	1.0806	1.0029	187.7	\$ 2,724.43	\$ 42.62
I/P Well Newborn	-	-	-	1.0256	1.0000	1.0000	0.9867	1.0024	1.0769	1.0029	-	-	-
Mental Health/Substance Abuse	58.1	684.82	3.32	1.0256	1.0000	1.0000	0.9867	1.0024	1.0806	1.0029	63.6	688.92	3.65
Other Inpatient	4.8	1,041.36	0.41	1.0256	1.0000	1.0000	0.9867	1.0024	1.0806	1.0029	5.2	1,039.38	0.45
Subtotal	234.6	\$ 2,173.91	\$ 42.50								256.5	\$ 2,185.75	\$ 46.72
Outpatient Hospital													
Surgery	110.4	\$ 1,495.61	\$ 13.76	1.0048	1.0000	1.0000	1.0000	1.0000	1.0750	1.0029	119.3	\$ 1,499.48	\$ 14.91
Non-Surg - Emergency Room	838.5	328.50	22.95	1.0048	1.0000	1.0000	0.9671	1.0141	1.0750	1.0029	875.9	334.03	24.38
Non-Surg - Other	95.2	124.10	0.98	1.0048	1.0000	1.0000	1.0000	1.0000	1.0735	1.0031	102.7	123.89	1.06
Observation Room	4.4	1,035.71	0.38	1.0048	1.0000	1.0000	1.0000	1.0000	1.0750	1.0029	4.8	1,039.48	0.41
Treatment/Therapy/Testing	303.0	369.35	9.33	1.0048	1.0000	1.0000	1.0000	1.0000	1.0750	1.0029	327.3	370.59	10.11
Other Outpatient	9.6	351.69	0.28	1.0048	1.0000	1.0000	1.0000	1.0000	1.0750	1.0029	10.3	352.40	0.30
Subtotal	1,361.1	\$ 420.37	\$ 47.68								1,440.3	\$ 426.34	\$ 51.17
Pharmacy													
Prescription Drugs	7,632.2	56.62	36.01	1.0001	1.0000	1.0000	1.0000	0.9833	1.0727	0.9760	8,187.9	54.34	37.07
Subtotal	7,632.2	\$ 56.62	\$ 36.01								8,187.9	\$ 54.34	\$ 37.07
Ancillaries													
Ambulance	189.0	\$ 102.32	\$ 1.61	1.0058	1.0000	1.0000	1.0000	1.0000	1.0764	1.0030	204.6	\$ 102.55	\$ 1.75
Prosthetic/DME	2,146.1	11.68	2.09	1.0058	1.0000	1.0000	1.0000	1.0000	1.0769	1.0029	2,324.6	11.72	2.27
Other Ancillaries	250.4	53.04	1.11	1.0058	1.0000	1.0000	1.0000	1.0000	1.0769	1.0029	271.2	53.35	1.21
Subtotal	2,585.5	\$ 22.32	\$ 4.81								2,800.4	\$ 22.39	\$ 5.22
Physician													
Surgery - I/P and O/P	404.6	\$ 167.56	\$ 5.65	1.0051	1.0000	1.0000	1.0000	1.0000	1.0769	1.0029	438.0	\$ 168.05	\$ 6.13
Surgery - I/P and O/P - Anesthesia	142.0	108.16	1.28	1.0051	1.0000	1.0000	1.0000	1.0000	1.0769	1.0029	153.6	108.52	1.39
Maternity - Non-Delivery	-	-	-	1.0051	1.0000	1.0000	1.0000	1.0000	1.0732	1.0029	-	-	-
Hospital Visits	305.3	75.22	1.91	1.0051	1.0000	1.0000	1.0000	1.0000	1.0769	1.0029	330.4	75.30	2.07
Office Visits	2,075.9	61.23	10.59	1.0051	1.0000	1.0000	1.0126	1.0000	1.0767	1.0028	2,274.8	61.39	11.64
ER Visits	938.9	76.88	6.01	1.0051	1.0000	1.0000	0.9671	1.0141	1.0768	1.0028	982.7	78.12	6.40
Immunizations	74.9	14.65	0.09	1.0051	1.0000	1.0000	1.0000	1.0000	1.0769	1.0029	81.1	14.46	0.10
Radiology	1,168.7	30.92	3.01	1.0051	1.0000	1.0000	1.0000	1.0000	1.0769	1.0029	1,265.0	31.00	3.27
Pathology	3,074.4	14.62	3.75	1.0051	1.0000	1.0000	1.0000	1.0000	1.0767	1.0029	3,327.1	14.68	4.07
Mental Health/Substance Abuse	478.7	53.86	2.15	1.0051	1.0000	1.0000	1.0000	1.0000	1.0769	1.0029	518.2	54.05	2.33
Other Professional	4,240.0	12.37	4.37	1.0051	1.0000	1.0000	1.0000	1.0000	1.0769	1.0028	4,589.3	12.40	4.74
Subtotal	12,903.3	\$ 36.09	\$ 38.81								13,960.2	\$ 36.23	\$ 42.14
Total Claims/Benefit Cost	24,716.7	\$ 82.44	\$ 169.81								26,645.3	\$ 82.12	\$ 182.33

Appendix 6

South Carolina Department of Health and Human Services
 SFY 2017 Medicaid Managed Care Capitation Rate Development
 MCO Base Experience Data Adjustments - SFY 2015

Rate Cell: TANF - Age 19 - 44, Female (AE2)

SFY 2015 Member Months: 1,027,592

Category of Service	SFY 2015 Unadjusted Data			2015 Adjustments							SFY 2015 Adjusted Data		
	Utilization Per 1,000	Cost per Service	PMPM	Completion Adj Util	Program Adj Util	Program Adj Cost	Mgd Care Adj Util	Mgd Care Adj Cost	Other Base Adj Util	Other Base Adj Cost	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital													
I/P Medical/Surgical/Non-Delivery Maternity	234.6	\$ 2,085.98	\$ 40.78	1.0256	1.0000	1.0000	0.9823	1.0035	1.0774	1.0029	254.6	\$ 2,099.45	\$ 44.55
I/P Well Newborn	0.0	1,595.82	-	1.0256	1.0000	1.0000	0.9823	1.0035	1.0774	1.0029	0.0	-	-
Mental Health/Substance Abuse	49.4	756.49	3.11	1.0256	1.0000	1.0000	0.9823	1.0035	1.0774	1.0029	53.6	760.71	3.40
Other Inpatient	10.1	1,980.16	1.66	1.0256	1.0000	1.0000	0.9823	1.0035	1.0774	1.0029	11.0	1,986.96	1.81
Subtotal	294.1	\$ 1,858.55	\$ 45.55								319.2	\$ 1,870.66	\$ 49.76
Outpatient Hospital													
Surgery	230.9	\$ 1,263.41	\$ 24.31	1.0048	1.0000	1.0000	1.0000	1.0000	1.0645	1.0029	246.9	\$ 1,267.23	\$ 26.08
Non-Surg - Emergency Room	1,435.9	331.32	39.65	1.0048	1.0000	1.0000	0.9582	1.0167	1.0717	1.0029	1,481.7	337.86	41.72
Non-Surg - Other	333.3	135.35	3.76	1.0048	1.0000	1.0000	1.0000	1.0000	1.0715	1.0029	358.9	135.76	4.06
Observation Room	42.3	321.18	1.13	1.0048	1.0000	1.0000	1.0000	1.0000	1.0713	1.0028	45.5	321.40	1.22
Treatment/Therapy/Testing	809.2	234.63	15.82	1.0048	1.0000	1.0000	1.0000	1.0000	1.0718	1.0029	871.5	235.27	17.09
Other Outpatient	21.8	331.44	0.60	1.0048	1.0000	1.0000	1.0000	1.0000	1.0713	1.0033	23.5	330.62	0.65
Subtotal	2,873.5	\$ 356.10	\$ 85.27								3,028.0	\$ 359.87	\$ 90.81
Pharmacy													
Prescription Drugs	13,574.3	48.18	54.50	1.0001	1.0000	1.0000	1.0000	0.9778	1.0696	0.9761	14,520.5	45.98	55.64
Subtotal	13,574.3	\$ 48.18	\$ 54.50								14,520.5	\$ 45.98	\$ 55.64
Ancillaries													
Ambulance	289.3	\$ 88.22	\$ 2.13	1.0058	1.0000	1.0000	1.0000	1.0000	1.0735	1.0029	312.4	\$ 88.60	\$ 2.31
Prosthetic/DME	1,672.6	12.79	1.78	1.0058	1.0000	1.0000	1.0000	1.0000	1.0737	1.0029	1,806.2	12.81	1.93
Other Ancillaries	440.3	111.87	4.10	1.0058	1.0000	1.0000	1.0000	1.0000	1.0731	1.0034	475.2	112.13	4.44
Subtotal	2,402.1	\$ 40.01	\$ 8.01								2,593.8	\$ 40.13	\$ 8.67
Physician													
Surgery - I/P and O/P	620.3	\$ 165.77	\$ 8.57	1.0051	1.0000	1.0000	1.0000	1.0000	1.0736	1.0029	669.3	\$ 166.27	\$ 9.27
Surgery - I/P and O/P - Anesthesia	245.2	106.93	2.18	1.0051	1.0000	1.0000	1.0000	1.0000	1.0737	1.0029	264.6	107.02	2.36
Maternity - Non-Delivery	111.0	42.54	0.39	1.0051	1.0000	1.0000	1.0000	1.0000	1.0736	1.0029	119.8	42.27	0.42
Hospital Visits	394.8	72.73	2.39	1.0051	1.0000	1.0000	1.0000	1.0000	1.0737	1.0029	426.0	72.86	2.59
Office Visits	3,919.8	60.08	19.62	1.0051	1.0000	1.0000	1.0145	1.0000	1.0736	1.0029	4,291.1	60.24	21.54
ER Visits	1,582.4	78.84	10.40	1.0051	1.0000	1.0000	0.9582	1.0167	1.0736	1.0029	1,636.1	80.42	10.96
Immunizations	146.8	14.02	0.17	1.0051	1.0000	1.0000	1.0000	1.0000	1.0735	1.0028	158.4	13.93	0.18
Radiology	1,762.9	36.47	5.36	1.0051	1.0000	1.0000	1.0000	1.0000	1.0736	1.0029	1,902.3	36.59	5.80
Pathology	8,900.5	14.07	10.43	1.0051	1.0000	1.0000	1.0000	1.0000	1.0736	1.0028	9,604.3	14.10	11.29
Mental Health/Substance Abuse	932.5	64.93	5.05	1.0051	1.0000	1.0000	1.0000	1.0000	1.0737	1.0029	1,006.3	65.18	5.47
Other Professional	25,495.0	3.43	7.30	1.0051	1.0000	1.0000	1.0000	1.0000	1.0737	1.0029	27,513.6	3.45	7.90
Subtotal	44,111.2	\$ 19.55	\$ 71.86								47,591.9	\$ 19.61	\$ 77.79
Total Claims/Benefit Cost	63,255.2	\$ 50.31	\$ 265.19								68,053.5	\$ 49.84	\$ 282.67

Appendix 6

South Carolina Department of Health and Human Services
SFY 2017 Medicaid Managed Care Capitation Rate Development
MCO Base Experience Data Adjustments - SFY 2015

Rate Cell: TANF - Age 45+, Male & Female (AF3)

SFY 2015 Member Months: 157,692

Category of Service	SFY 2015 Unadjusted Data			2015 Adjustments							SFY 2015 Adjusted Data		
	Utilization Per 1,000	Cost per Service	PMPM	Completion Adj Util	Program Adj Util	Program Adj Cost	Mgd Care Adj Util	Mgd Care Adj Cost	Other Base Adj Util	Other Base Adj Cost	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital													
I/P Medical/Surgical/Non-Delivery Maternity	532.8	\$ 2,344.30	\$ 104.08	1.0256	1.0000	1.0000	0.9824	1.0055	1.0774	1.0029	578.3	\$ 2,364.05	\$ 113.93
I/P Well Newborn	-	-	-	1.0256	1.0000	1.0000	0.9824	1.0055	1.0769	1.0029	-	-	-
Mental Health/Substance Abuse	49.2	669.04	2.75	1.0256	1.0000	1.0000	0.9824	1.0055	1.0774	1.0029	53.4	675.89	3.01
Other Inpatient	25.1	1,740.27	3.64	1.0256	1.0000	1.0000	0.9824	1.0055	1.0774	1.0029	27.3	1,754.03	3.98
Subtotal	607.1	\$ 2,183.56	\$ 110.47								659.0	\$ 2,201.91	\$ 120.93
Outpatient Hospital													
Surgery	249.6	\$ 1,687.69	\$ 35.10	1.0048	1.0000	1.0000	1.0000	1.0000	1.0718	1.0029	268.8	\$ 1,692.39	\$ 37.91
Non-Surg - Emergency Room	867.6	385.98	27.91	1.0048	1.0000	1.0000	0.9639	1.0169	1.0717	1.0029	900.5	393.70	29.54
Non-Surg - Other	337.2	136.40	3.83	1.0048	1.0000	1.0000	1.0000	1.0000	1.0718	1.0029	363.1	136.70	4.14
Observation Room	25.4	603.59	1.28	1.0048	1.0000	1.0000	1.0000	1.0000	1.0718	1.0029	27.4	606.08	1.38
Treatment/Therapy/Testing	1,263.8	344.57	36.29	1.0048	1.0000	1.0000	1.0000	1.0000	1.0718	1.0029	1,361.0	345.59	39.20
Other Outpatient	27.7	450.37	1.04	1.0048	1.0000	1.0000	1.0000	1.0000	1.0718	1.0029	29.8	451.86	1.12
Subtotal	2,771.3	\$ 456.61	\$ 105.45								2,950.7	\$ 460.75	\$ 113.29
Pharmacy													
Prescription Drugs	25,196.6	53.53	112.39	1.0001	1.0000	1.0000	1.0000	0.9771	1.0696	0.9761	26,953.0	51.05	114.66
Subtotal	25,196.6	\$ 53.53	\$ 112.39								26,953.0	\$ 51.05	\$ 114.66
Ancillaries													
Ambulance	271.4	\$ 97.65	\$ 2.21	1.0058	1.0000	1.0000	1.0000	1.0000	1.0737	1.0029	293.1	\$ 97.98	\$ 2.39
Prosthetic/DME	5,811.4	11.05	5.35	1.0058	1.0000	1.0000	1.0000	1.0000	1.0737	1.0029	6,275.9	11.08	5.79
Other Ancillaries	458.0	85.29	3.26	1.0058	1.0000	1.0000	1.0000	1.0000	1.0737	1.0029	494.6	85.66	3.53
Subtotal	6,540.9	\$ 19.85	\$ 10.82								7,063.7	\$ 19.91	\$ 11.72
Physician													
Surgery - I/P and O/P	1,224.5	\$ 173.31	\$ 17.68	1.0051	1.0000	1.0000	1.0000	1.0000	1.0737	1.0029	1,321.4	\$ 173.77	\$ 19.14
Surgery - I/P and O/P - Anesthesia	420.4	109.68	3.84	1.0051	1.0000	1.0000	1.0000	1.0000	1.0737	1.0029	453.6	109.94	4.16
Maternity - Non-Delivery	1.8	40.80	0.01	1.0051	1.0000	1.0000	1.0000	1.0000	1.0737	1.0029	1.9	68.76	0.01
Hospital Visits	784.4	74.73	4.88	1.0051	1.0000	1.0000	1.0000	1.0000	1.0737	1.0029	846.5	74.87	5.28
Office Visits	5,525.8	61.28	28.22	1.0051	1.0000	1.0000	1.0054	1.0000	1.0737	1.0029	5,995.5	61.46	30.71
ER Visits	1,044.5	85.55	7.45	1.0051	1.0000	1.0000	0.9639	1.0169	1.0736	1.0029	1,086.4	87.29	7.90
Immunizations	261.1	13.73	0.30	1.0051	1.0000	1.0000	1.0000	1.0000	1.0737	1.0029	281.8	13.83	0.32
Radiology	2,889.4	38.12	9.18	1.0051	1.0000	1.0000	1.0000	1.0000	1.0737	1.0029	3,118.1	38.24	9.94
Pathology	9,148.1	13.69	10.43	1.0051	1.0000	1.0000	1.0000	1.0000	1.0737	1.0029	9,872.4	13.72	11.29
Mental Health/Substance Abuse	524.5	63.66	2.78	1.0051	1.0000	1.0000	1.0000	1.0000	1.0737	1.0029	566.1	63.78	3.01
Other Professional	22,083.6	9.90	18.21	1.0051	1.0000	1.0000	1.0000	1.0000	1.0737	1.0029	23,832.0	9.92	19.71
Subtotal	43,907.9	\$ 28.14	\$ 102.98								47,375.8	\$ 28.23	\$ 111.46
Total Claims/Benefit Cost	79,023.8	\$ 67.14	\$ 442.11								85,002.2	\$ 66.64	\$ 472.06

Appendix 6

South Carolina Department of Health and Human Services
 SFY 2017 Medicaid Managed Care Capitation Rate Development
 MCO Base Experience Data Adjustments - SFY 2015

Rate Cell: SSI - Children (SO3)

SFY 2015 Member Months: 182,483

Category of Service	SFY 2015 Unadjusted Data			2015 Adjustments							SFY 2015 Adjusted Data		
	Utilization Per 1,000	Cost per Service	PMPM	Completion Adj Util	Program Adj Util	Program Adj Cost	Mgd Care Adj Util	Mgd Care Adj Cost	Other Base Adj Util	Other Base Adj Cost	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital													
I/P Medical/Surgical/Non-Delivery Maternity	392.5	\$ 1,951.84	\$ 63.83	1.0110	1.0000	1.0000	0.9749	1.0035	1.0073	1.0029	389.6	\$ 1,964.24	\$ 63.78
I/P Well Newborn	-	-	-	1.0110	1.0000	1.0000	0.9749	1.0035	1.0072	1.0029	-	-	-
Mental Health/Substance Abuse	90.1	731.72	5.49	1.0110	1.0000	1.0000	0.9749	1.0035	1.0073	1.0029	89.4	735.95	5.49
Other Inpatient	13.6	1,917.77	2.18	1.0110	1.0000	1.0000	0.9749	1.0035	1.0073	1.0029	13.5	1,934.12	2.18
Subtotal	496.2	\$ 1,729.14	\$ 71.50								492.6	\$ 1,740.38	\$ 71.44
Outpatient Hospital													
Surgery	130.3	\$ 1,991.37	\$ 21.62	1.0089	1.0000	1.0000	1.0000	1.0000	1.0019	1.0029	131.7	\$ 1,997.34	\$ 21.92
Non-Surg - Emergency Room	695.5	346.31	20.07	1.0089	1.0000	1.0000	0.9658	1.0141	1.0021	1.0029	679.1	352.20	19.93
Non-Surg - Other	735.3	147.15	9.02	1.0089	1.0000	1.0000	1.0000	1.0000	1.0021	1.0029	743.4	147.64	9.15
Observation Room	23.1	1,143.14	2.21	1.0089	1.0000	1.0000	1.0000	1.0000	1.0021	1.0029	23.4	1,149.03	2.24
Treatment/Therapy/Testing	949.6	242.34	19.18	1.0089	1.0000	1.0000	1.0000	1.0000	1.0021	1.0029	960.1	243.07	19.45
Other Outpatient	15.7	207.56	0.27	1.0089	1.0000	1.0000	1.0000	1.0000	1.0021	1.0029	15.8	207.62	0.27
Subtotal	2,549.4	\$ 340.64	\$ 72.37								2,553.4	\$ 342.86	\$ 72.96
Pharmacy													
Prescription Drugs	15,275.9	124.52	158.51	1.0000	1.0000	1.0000	1.0000	0.9916	1.0000	0.9761	15,275.9	120.52	153.42
Subtotal	15,275.9	\$ 124.52	\$ 158.51								15,275.9	\$ 120.52	\$ 153.42
Ancillaries													
Ambulance	197.5	\$ 104.22	\$ 1.72	1.0072	1.0000	1.0000	1.0000	1.0000	1.0038	1.0029	199.7	\$ 104.82	\$ 1.74
Prosthetic/DME	35,532.7	4.85	14.36	1.0072	1.0000	1.0000	1.0000	1.0000	1.0038	1.0029	35,924.5	4.86	14.56
Other Ancillaries	1,084.5	38.01	3.44	1.0072	1.0000	1.0000	1.0000	1.0000	1.0038	1.0029	1,096.5	38.17	3.49
Subtotal	36,814.7	\$ 6.36	\$ 19.52								37,220.7	\$ 6.38	\$ 19.79
Physician													
Surgery - I/P and O/P	376.5	\$ 170.90	\$ 5.36	1.0071	1.0000	1.0000	1.0000	1.0000	1.0038	1.0029	380.6	\$ 171.34	\$ 5.43
Surgery - I/P and O/P - Anesthesia	241.2	115.72	2.33	1.0071	1.0000	1.0000	1.0000	1.0000	1.0038	1.0029	243.8	116.25	2.36
Maternity - Non-Delivery	2.4	33.52	0.01	1.0071	1.0000	1.0000	1.0000	1.0000	1.0038	1.0029	2.4	50.84	0.01
Hospital Visits	727.2	126.52	7.67	1.0071	1.0000	1.0000	1.0000	1.0000	1.0038	1.0029	735.2	126.93	7.78
Office Visits	4,077.3	64.29	21.84	1.0071	1.0000	1.0000	1.0055	1.0000	1.0038	1.0029	4,144.5	64.46	22.26
ER Visits	816.2	73.37	4.99	1.0071	1.0000	1.0000	0.9658	1.0141	1.0038	1.0029	796.9	74.61	4.96
Immunizations	655.6	12.73	0.70	1.0071	1.0000	1.0000	1.0000	1.0000	1.0038	1.0029	662.7	12.85	0.71
Radiology	917.6	25.32	1.94	1.0071	1.0000	1.0000	1.0000	1.0000	1.0038	1.0029	927.6	25.44	1.97
Pathology	2,200.8	18.07	3.31	1.0071	1.0000	1.0000	1.0000	1.0000	1.0038	1.0029	2,224.9	18.10	3.36
Mental Health/Substance Abuse	623.9	83.70	4.35	1.0071	1.0000	1.0000	1.0000	1.0000	1.0038	1.0029	630.7	83.91	4.41
Other Professional	21,606.7	23.61	42.51	1.0071	1.0000	1.0000	1.0000	1.0000	1.0038	1.0029	21,842.8	23.68	43.10
Subtotal	32,245.4	\$ 35.36	\$ 95.01								32,592.2	\$ 35.47	\$ 96.34
Total Claims/Benefit Cost	87,381.6	\$ 57.25	\$ 416.91								88,134.8	\$ 56.36	\$ 413.96

Appendix 6

South Carolina Department of Health and Human Services
 SFY 2017 Medicaid Managed Care Capitation Rate Development
 MCO Base Experience Data Adjustments - SFY 2015

Rate Cell: SSI - Adults (SP3)

SFY 2015 Member Months: 595,525

Category of Service	SFY 2015 Unadjusted Data			2015 Adjustments							SFY 2015 Adjusted Data		
	Utilization Per 1,000	Cost per Service	PMPM	Completion Adj Util	Program Adj Util	Program Adj Cost	Mgd Care Adj Util	Mgd Care Adj Cost	Other Base Adj Util	Other Base Adj Cost	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital													
I/P Medical/Surgical/Non-Delivery Maternity	1,725.1	\$ 1,973.22	\$ 283.66	1.0110	1.0000	1.0000	0.9739	1.0041	1.0065	1.0019	1,709.6	\$ 1,985.04	\$ 282.80
I/P Well Newborn	0.1	2,164.58	0.02	1.0110	1.0000	1.0000	0.9739	1.0041	1.0079	1.0029	0.1	1,999.00	0.02
Mental Health/Substance Abuse	276.7	665.06	15.34	1.0110	1.0000	1.0000	0.9739	1.0041	1.0079	1.0029	274.6	669.88	15.33
Other Inpatient	58.4	1,548.18	7.54	1.0110	1.0000	1.0000	0.9739	1.0041	1.0079	1.0029	58.0	1,559.22	7.54
Subtotal	2,060.4	\$ 1,785.44	\$ 306.56								2,042.3	\$ 1,796.11	\$ 305.68
Outpatient Hospital													
Surgery	315.1	\$ 1,550.67	\$ 40.72	1.0089	1.0000	1.0000	1.0000	1.0000	1.0023	1.0029	318.7	\$ 1,555.09	\$ 41.30
Non-Surg - Emergency Room	1,557.6	399.76	51.89	1.0089	1.0000	1.0000	0.9675	1.0151	1.0025	1.0029	1,524.2	406.98	51.69
Non-Surg - Other	624.8	140.37	7.31	1.0089	1.0000	1.0000	1.0000	1.0000	1.0027	1.0029	632.0	140.81	7.42
Observation Room	57.9	500.29	2.41	1.0089	1.0000	1.0000	1.0000	1.0000	1.0027	1.0029	58.5	501.35	2.45
Treatment/Therapy/Testing	1,466.4	449.51	54.93	1.0089	1.0000	1.0000	1.0000	1.0000	1.0026	1.0029	1,483.3	450.81	55.72
Other Outpatient	36.0	438.68	1.32	1.0089	1.0000	1.0000	1.0000	1.0000	1.0027	1.0029	36.4	441.17	1.34
Subtotal	4,057.8	\$ 468.96	\$ 158.58								4,053.1	\$ 473.45	\$ 159.91
Pharmacy													
Prescription Drugs	33,686.9	88.01	247.07	1.0000	1.0000	1.0000	1.0000	0.9838	1.0006	0.9761	33,707.2	84.52	237.40
Subtotal	33,686.9	\$ 88.01	\$ 247.07								33,707.2	\$ 84.52	\$ 237.40
Ancillaries													
Ambulance	1,136.9	\$ 88.06	\$ 8.34	1.0072	1.0000	1.0000	1.0000	1.0000	1.0043	1.0029	1,150.0	\$ 88.28	\$ 8.46
Prosthetic/DME	22,236.1	8.30	15.39	1.0072	1.0000	1.0000	1.0000	1.0000	1.0044	1.0029	22,494.7	8.33	15.61
Other Ancillaries	1,020.9	80.42	6.84	1.0072	1.0000	1.0000	1.0000	1.0000	1.0044	1.0029	1,032.7	80.64	6.94
Subtotal	24,393.8	\$ 15.04	\$ 30.57								24,677.5	\$ 15.08	\$ 31.01
Physician													
Surgery - I/P and O/P	1,342.6	\$ 168.21	\$ 18.82	1.0071	1.0000	1.0000	1.0000	1.0000	1.0044	1.0029	1,358.1	\$ 168.70	\$ 19.09
Surgery - I/P and O/P - Anesthesia	456.1	113.55	4.32	1.0071	1.0000	1.0000	1.0000	1.0000	1.0044	1.0029	461.4	113.98	4.38
Maternity - Non-Delivery	13.5	38.93	0.04	1.0071	1.0000	1.0000	1.0000	1.0000	1.0044	1.0029	13.7	35.60	0.04
Hospital Visits	2,884.4	71.81	17.26	1.0071	1.0000	1.0000	1.0000	1.0000	1.0044	1.0029	2,917.7	72.01	17.51
Office Visits	5,898.3	59.71	29.35	1.0071	1.0000	1.0000	1.0082	1.0000	1.0044	1.0029	6,015.2	59.89	30.02
ER Visits	1,975.8	88.19	14.52	1.0071	1.0000	1.0000	0.9675	1.0151	1.0043	1.0029	1,933.4	89.78	14.47
Immunizations	312.6	14.76	0.38	1.0071	1.0000	1.0000	1.0000	1.0000	1.0044	1.0029	316.2	14.63	0.39
Radiology	3,879.3	38.28	12.37	1.0071	1.0000	1.0000	1.0000	1.0000	1.0044	1.0029	3,924.0	38.38	12.55
Pathology	10,846.1	13.48	12.19	1.0071	1.0000	1.0000	1.0000	1.0000	1.0043	1.0028	10,970.1	13.52	12.36
Mental Health/Substance Abuse	637.9	60.55	3.22	1.0071	1.0000	1.0000	1.0000	1.0000	1.0040	1.0021	645.0	60.70	3.26
Other Professional	48,980.6	10.21	41.67	1.0071	1.0000	1.0000	1.0000	1.0000	1.0044	1.0029	49,545.4	10.24	42.27
Subtotal	77,227.2	\$ 23.95	\$ 154.14								78,100.1	\$ 24.02	\$ 156.34
Total Claims/Benefit Cost	141,426.1	\$ 76.10	\$ 896.92								142,580.2	\$ 74.94	\$ 890.36

Appendix 6

South Carolina Department of Health and Human Services
 SFY 2017 Medicaid Managed Care Capitation Rate Development
 MCO Base Experience Data Adjustments - SFY 2015

Rate Cell: OCWI (WG2)

SFY 2015 Member Months: 195,119

Category of Service	SFY 2015 Unadjusted Data			2015 Adjustments							SFY 2015 Adjusted Data		
	Utilization Per 1,000	Cost per Service	PMPM	Completion Adj Util	Program Adj Util	Program Adj Cost	Mgd Care Adj Util	Mgd Care Adj Cost	Other Base Adj Util	Other Base Adj Cost	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital													
I/P Medical/Surgical/Non-Delivery Maternity	254.0	\$ 1,500.77	\$ 31.77	1.0060	1.0000	1.0000	0.9879	1.0001	1.1160	0.9911	281.7	\$ 1,487.74	\$ 34.93
I/P Well Newborn	1.0	757.76	0.06	1.0060	1.0000	1.0000	0.9879	1.0001	1.1660	1.0029	1.1	733.89	0.07
Mental Health/Substance Abuse	18.4	863.07	1.32	1.0060	1.0000	1.0000	0.9879	1.0001	0.9398	1.0071	17.2	867.60	1.24
Other Inpatient	32.3	2,427.37	6.54	1.0060	1.0000	1.0000	0.9879	1.0001	1.0751	1.0694	34.6	2,594.63	7.47
Subtotal	305.7	\$ 1,558.00	\$ 39.69								334.6	\$ 1,567.68	\$ 43.71
Outpatient Hospital													
Surgery	752.5	\$ 477.38	\$ 29.94	1.0044	1.0000	1.0000	1.0000	1.0000	1.0547	0.9736	797.2	\$ 464.83	\$ 30.88
Non-Surg - Emergency Room	1,049.1	334.18	29.21	1.0044	1.0000	1.0000	0.9588	1.0160	1.0246	1.0122	1,035.1	343.61	29.64
Non-Surg - Other	929.3	136.80	10.59	1.0044	1.0000	1.0000	1.0000	1.0000	1.1304	1.0050	1,055.1	137.43	12.08
Observation Room	313.2	239.26	6.24	1.0044	1.0000	1.0000	1.0000	1.0000	1.1440	1.0004	359.8	239.20	7.17
Treatment/Therapy/Testing	1,569.1	109.80	14.36	1.0044	1.0000	1.0000	1.0000	1.0000	1.1217	0.9914	1,767.8	108.88	16.04
Other Outpatient	23.9	157.08	0.31	1.0044	1.0000	1.0000	1.0000	1.0000	1.1121	0.9048	26.7	141.05	0.31
Subtotal	4,637.0	\$ 234.59	\$ 90.65								5,041.7	\$ 228.80	\$ 96.13
Pharmacy													
Prescription Drugs	11,250.0	29.49	27.65	1.0000	1.0000	1.0000	1.0000	0.9503	1.0576	0.9735	11,898.0	27.28	27.05
Subtotal	11,250.0	\$ 29.49	\$ 27.65								11,898.0	\$ 27.28	\$ 27.05
Ancillaries													
Ambulance	369.9	\$ 91.15	\$ 2.81	1.0096	1.0000	1.0000	1.0000	1.0000	1.0949	1.0068	408.9	\$ 91.77	\$ 3.13
Prosthetic/DME	678.8	17.92	1.01	1.0096	1.0000	1.0000	1.0000	1.0000	1.1060	0.9867	758.0	17.62	1.11
Other Ancillaries	956.5	169.27	13.49	1.0096	1.0000	1.0000	1.0000	1.0000	1.1240	1.0080	1,085.4	170.60	15.43
Subtotal	2,005.2	\$ 103.59	\$ 17.31								2,252.3	\$ 104.80	\$ 19.67
Physician													
Surgery - I/P and O/P	514.8	\$ 129.79	\$ 5.57	1.0060	1.0000	1.0000	1.0000	1.0000	1.0829	0.9895	560.8	\$ 128.48	\$ 6.00
Surgery - I/P and O/P - Anesthesia	203.6	97.73	1.66	1.0060	1.0000	1.0000	1.0000	1.0000	1.0950	0.9940	224.3	97.24	1.82
Maternity - Non-Delivery	1,153.5	30.71	2.95	1.0060	1.0000	1.0000	1.0000	1.0000	1.1533	0.9942	1,338.3	30.51	3.40
Hospital Visits	776.4	64.91	4.20	1.0060	1.0000	1.0000	1.0000	1.0000	1.1292	1.0003	882.0	64.94	4.77
Office Visits	1,954.0	57.08	9.30	1.0060	1.0000	1.0000	1.0210	1.0000	1.0256	1.0041	2,058.4	57.35	9.84
ER Visits	1,368.5	76.47	8.72	1.0060	1.0000	1.0000	0.9588	1.0160	1.0516	1.0039	1,388.1	77.99	9.02
Immunizations	395.9	16.73	0.55	1.0060	1.0000	1.0000	1.0000	1.0000	1.1317	1.0116	450.7	16.87	0.63
Radiology	1,139.9	48.37	4.59	1.0060	1.0000	1.0000	1.0000	1.0000	1.0573	1.0293	1,212.4	49.74	5.03
Pathology	15,894.9	11.34	15.02	1.0060	1.0000	1.0000	1.0000	1.0000	1.1211	0.9948	17,926.6	11.28	16.85
Mental Health/Substance Abuse	1,025.9	72.72	6.22	1.0060	1.0000	1.0000	1.0000	1.0000	1.0593	1.0220	1,093.3	74.36	6.77
Other Professional	17,739.9	2.46	3.63	1.0060	1.0000	1.0000	1.0000	1.0000	0.9437	1.1237	16,841.6	2.76	3.87
Subtotal	42,167.2	\$ 17.76	\$ 62.41								43,976.5	\$ 18.56	\$ 68.01
Total Claims/Benefit Cost	60,365.1	\$ 47.25	\$ 237.71								63,503.0	\$ 48.11	\$ 254.58

Appendix 6

South Carolina Department of Health and Human Services
 SFY 2017 Medicaid Managed Care Capitation Rate Development
 MCO Base Experience Data Adjustments - SFY 2015

Rate Cell: DUAL

SFY 2015 Member Months: 572,430

Category of Service	SFY 2015 Unadjusted Data			2015 Adjustments							SFY 2015 Adjusted Data		
	Utilization Per 1,000	Cost per Service	PMPM	Completion Adj Util	Program Adj Util	Program Adj Cost	Mgd Care Adj Util	Mgd Care Adj Cost	Other Base Adj Util	Other Base Adj Cost	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital													
I/P Medical/Surgical/Non-Delivery Maternity	765.7	\$ 253.18	\$ 16.16	1.0262	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	785.8	\$ 253.25	\$ 16.58
I/P Well Newborn	-	-	-	1.0262	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	-	-	-
Mental Health/Substance Abuse	53.2	189.21	0.84	1.0262	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	54.6	189.46	0.86
Inpatient Maternity Delivery	5.3	318.71	0.14	1.0262	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	5.4	316.76	0.14
Other Inpatient	170.1	79.76	1.13	1.0262	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	174.6	79.71	1.16
Subtotal	994.4	\$ 220.47	\$ 18.27								1,020.4	\$ 220.49	\$ 18.75
Outpatient Hospital													
Surgery	145.1	\$ 153.99	\$ 1.86	1.0219	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	148.2	\$ 153.86	\$ 1.90
Non-Surg - Emergency Room	951.4	58.84	4.66	1.0219	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	972.2	58.78	4.76
Non-Surg - Other	426.5	27.27	0.97	1.0219	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	435.9	27.29	0.99
Observation Room	29.7	49.30	0.12	1.0219	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	30.4	48.44	0.12
Treatment/Therapy/Testing	475.6	70.92	2.81	1.0219	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	486.0	70.90	2.87
Outpatient Maternity Delivery	0.1	24.58	-	1.0219	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.1	-	-
Other Outpatient	12.3	214.39	0.22	1.0219	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	12.6	214.17	0.22
Subtotal	2,040.7	\$ 62.57	\$ 10.64								2,085.4	\$ 62.57	\$ 10.87
Pharmacy													
Prescription Drugs	508.5	30.90	1.31	1.0047	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	510.9	30.92	1.32
Subtotal	508.5	\$ 30.90	\$ 1.31								510.9	\$ 30.92	\$ 1.32
Ancillaries													
Ambulance	35.2	\$ 55.17	\$ 0.16	1.0347	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	36.5	\$ 54.48	\$ 0.17
Prosthetic/DME	12,624.7	2.46	2.59	1.0347	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	13,062.8	2.46	2.68
Other Ancillaries	1,079.7	24.79	2.23	1.0347	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1,117.1	24.79	2.31
Subtotal	13,739.6	\$ 4.35	\$ 4.98								14,216.4	\$ 4.35	\$ 5.15
Physician													
Surgery - I/P and O/P	473.9	\$ 25.38	\$ 1.00	1.0165	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	481.7	\$ 25.32	\$ 1.02
Surgery - I/P and O/P - Anesthesia	167.4	16.22	0.23	1.0165	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	170.2	16.49	0.23
Maternity - Non-Delivery	2.3	3.67	-	1.0165	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	2.3	-	-
Hospital Visits	746.3	19.68	1.22	1.0165	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	758.6	19.62	1.24
Office Visits	2,229.5	25.49	4.74	1.0165	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	2,266.3	25.51	4.82
ER Visits	314.3	30.38	0.80	1.0165	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	319.4	30.55	0.81
Immunizations	27.5	7.80	0.02	1.0165	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	28.0	8.72	0.02
Radiology	813.4	19.13	1.30	1.0165	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	826.8	19.18	1.32
Pathology	1,275.1	3.50	0.37	1.0165	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1,296.1	3.48	0.38
Mental Health/Substance Abuse	77.4	48.82	0.31	1.0165	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	78.7	48.06	0.32
Maternity - Delivery	1.3	270.66	0.03	1.0165	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.4	268.33	0.03
Maternity - Delivery - Anesthesia	1.6	44.08	0.01	1.0165	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.6	75.32	0.01
Maternity - Delivery - Office Visits	10.3	18.89	0.02	1.0165	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	10.4	23.36	0.02
Maternity - Delivery - Radiology	7.5	15.18	0.01	1.0165	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	7.6	15.95	0.01
Other Professional	38,279.6	1.68	5.36	1.0165	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	38,911.2	1.68	5.45
Subtotal	44,427.5	\$ 4.16	\$ 15.42								45,160.5	\$ 4.16	\$ 15.67
Total Claims/Benefit Cost	61,710.7	\$ 9.84	\$ 50.62								62,993.5	\$ 9.86	\$ 51.77

Appendix 6

South Carolina Department of Health and Human Services
 SFY 2017 Medicaid Managed Care Capitation Rate Development
 MCO Base Experience Data Adjustments - SFY 2015

Rate Cell: Foster Care Children (FG3)

SFY 2015 Member Months: 43,992

Category of Service	SFY 2015 Unadjusted Data			2015 Adjustments							SFY 2015 Adjusted Data		
	Utilization Per 1,000	Cost per Service	PMPM	Completion Adj Util	Program Adj Util	Program Adj Cost	Mgd Care Adj Util	Mgd Care Adj Cost	Other Base Adj Util	Other Base Adj Cost	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital													
I/P Medical/Surgical/Non-Delivery Maternity	296.0	\$ 1,504.17	\$ 37.10	1.0256	1.0000	1.0000	0.9851	1.0034	1.0075	1.0029	301.3	\$ 1,513.73	\$ 38.00
I/P Well Newborn	48.0	439.14	1.76	1.0256	1.0000	1.0000	0.9851	1.0034	1.0075	1.0029	48.9	442.70	1.80
Mental Health/Substance Abuse	311.2	594.66	15.42	1.0256	1.0000	1.0000	0.9851	1.0034	1.0075	1.0029	316.8	598.28	15.79
Other Inpatient	18.8	2,033.30	3.19	1.0256	1.0000	1.0000	0.9851	1.0034	1.0075	1.0029	19.2	2,046.67	3.27
Subtotal	674.0	\$ 1,023.20	\$ 57.47								686.1	\$ 1,029.61	\$ 58.87
Outpatient Hospital													
Surgery	90.6	\$ 1,310.06	\$ 9.89	1.0048	1.0000	1.0000	1.0000	1.0000	1.0013	1.0029	91.1	\$ 1,314.28	\$ 9.98
Non-Surg - Emergency Room	539.0	311.76	14.00	1.0048	1.0000	1.0000	0.9718	1.0096	1.0023	1.0029	527.5	315.59	13.87
Non-Surg - Other	630.7	113.22	5.95	1.0048	1.0000	1.0000	1.0000	1.0000	1.0023	1.0029	635.1	113.54	6.01
Observation Room	13.4	559.97	0.62	1.0048	1.0000	1.0000	1.0000	1.0000	1.0023	1.0029	13.5	558.25	0.63
Treatment/Therapy/Testing	531.9	142.40	6.31	1.0048	1.0000	1.0000	1.0000	1.0000	1.0023	1.0029	535.7	142.77	6.37
Other Outpatient	13.4	173.04	0.19	1.0048	1.0000	1.0000	1.0000	1.0000	1.0023	1.0029	13.5	171.08	0.19
Subtotal	1,818.9	\$ 243.84	\$ 36.96								1,816.4	\$ 244.79	\$ 37.05
Pharmacy													
Prescription Drugs	13,470.8	68.56	76.97	1.0001	1.0000	1.0000	1.0000	0.9994	1.0002	0.9761	13,474.9	66.89	75.11
Subtotal	13,470.8	\$ 68.56	\$ 76.97								13,474.9	\$ 66.89	\$ 75.11
Ancillaries													
Ambulance	220.7	\$ 93.98	\$ 1.73	1.0058	1.0000	1.0000	1.0000	1.0000	1.0040	1.0029	222.8	\$ 94.35	\$ 1.75
Prosthetic/DME	9,129.3	4.07	3.10	1.0058	1.0000	1.0000	1.0000	1.0000	1.0040	1.0029	9,219.0	4.09	3.14
Other Ancillaries	634.5	39.95	2.11	1.0058	1.0000	1.0000	1.0000	1.0000	1.0040	1.0029	640.7	40.02	2.14
Subtotal	9,984.5	\$ 8.34	\$ 6.94								10,082.5	\$ 8.37	\$ 7.03
Physician													
Surgery - I/P and O/P	333.9	\$ 150.79	\$ 4.20	1.0051	1.0000	1.0000	1.0000	1.0000	1.0040	1.0029	336.9	\$ 151.39	\$ 4.25
Surgery - I/P and O/P - Anesthesia	156.3	104.46	1.36	1.0051	1.0000	1.0000	1.0000	1.0000	1.0040	1.0029	157.7	104.72	1.38
Maternity - Non-Delivery	4.9	24.68	0.01	1.0051	1.0000	1.0000	1.0000	1.0000	1.0040	1.0029	5.0	24.51	0.01
Hospital Visits	1,054.6	107.77	9.47	1.0051	1.0000	1.0000	1.0000	1.0000	1.0040	1.0029	1,064.2	108.07	9.58
Office Visits	4,420.1	64.27	23.67	1.0051	1.0000	1.0000	1.0033	1.0000	1.0040	1.0029	4,475.1	64.45	24.03
ER Visits	613.7	72.99	3.73	1.0051	1.0000	1.0000	0.9718	1.0096	1.0040	1.0029	601.9	73.84	3.70
Immunizations	1,715.8	12.33	1.76	1.0051	1.0000	1.0000	1.0000	1.0000	1.0040	1.0029	1,731.4	12.35	1.78
Radiology	700.2	22.43	1.31	1.0051	1.0000	1.0000	1.0000	1.0000	1.0040	1.0029	706.6	22.52	1.33
Pathology	2,761.9	15.02	3.46	1.0051	1.0000	1.0000	1.0000	1.0000	1.0040	1.0029	2,787.1	15.08	3.50
Mental Health/Substance Abuse	4,499.5	89.62	33.60	1.0051	1.0000	1.0000	1.0000	1.0000	1.0040	1.0029	4,540.5	89.87	34.00
Other Professional	19,813.7	19.18	31.67	1.0051	1.0000	1.0000	1.0000	1.0000	1.0040	1.0029	19,994.4	19.24	32.05
Subtotal	36,074.5	\$ 38.00	\$ 114.24								36,400.7	\$ 38.12	\$ 115.62
Total Claims/Benefit Cost	62,022.7	\$ 56.61	\$ 292.58								62,460.6	\$ 56.42	\$ 293.68

Appendix 6

South Carolina Department of Health and Human Services
SFY 2017 Medicaid Managed Care Capitation Rate Development
MCO Base Experience Data Adjustments - SFY 2015

Rate Cell: KICK (MG2/NG2)

SFY 2015 Deliveries: 27,037

Category of Service	SFY 2015 Unadjusted Data			2015 Adjustments							SFY 2015 Adjusted Data		
	Utilization Per 1,000	Cost per Service	Cost per Delivery	Completion Adj Util	Program Adj Util	Program Adj Cost	Mgd Care Adj Util	Mgd Care Adj Cost	Other Base Adj Util	Other Base Adj Cost	Utilization Per 1,000	Cost per Service	Cost per Delivery
Inpatient Hospital													
Inpatient Maternity Delivery	2,490.2	1,631.30	4,062.23	1.0031	1.0000	1.0000	1.0000	0.9900	1.0071	1.0029	2,515.6	1,619.67	4,074.50
Subtotal	2,490.2	\$ 1,631.30	\$ 4,062.23								2,515.6	\$ 1,619.67	\$ 4,074.50
Outpatient Hospital													
Outpatient Hospital - Maternity	10.1	281.53	2.83	1.0050	1.0000	1.0000	1.0000	1.0000	8.8597	1.0029	89.6	282.12	25.27
Subtotal	10.1	\$ 281.53	\$ 2.83								89.6	\$ 282.12	\$ 25.27
Physician													
Maternity – Delivery	965.7	\$ 1,044.74	\$ 1,008.88	1.0081	1.0000	1.0000	1.0000	1.0009	1.0037	1.0029	977.1	\$ 1,048.71	\$ 1,024.70
Maternity – Delivery - Anesthesia	1,310.6	287.33	376.58	1.0081	1.0000	1.0000	1.0000	1.0000	1.0037	1.0029	1,326.2	288.16	382.14
Maternity - Office Visits	9,404.0	52.90	497.47	1.0081	1.0000	1.0000	1.0000	1.0000	1.0037	1.0029	9,515.3	53.05	504.81
Maternity - Radiology	3,721.8	75.03	279.23	1.0081	1.0000	1.0000	1.0000	1.0000	1.0037	1.0029	3,765.8	75.24	283.35
Maternity - Non-Delivery	4.5	84.38	0.38	1.0081	1.0000	1.0000	1.0000	1.0000	1.0038	1.0029	4.6	84.46	0.39
Subtotal	15,406.7	\$ 140.36	\$ 2,162.54								15,588.9	\$ 140.83	\$ 2,195.39
Total Claims/Benefit Cost	17,907.0	\$ 347.77	\$ 6,227.60								18,194.1	\$ 346.00	\$ 6,295.16

APPENDIX 7: SFY 2017 CAPITATION RATE DEVELOPMENT

Appendix 7

South Carolina Department of Health and Human Services
 SFY 2017 Medicaid Managed Care Capitation Rate Development
 July 2016 to June 2017 Capitation Rates

Rate Cell: TANF - 0 - 2 Months, Male & Female (AH3)

November 2015 Membership: 6,655

Category of Service	SFY 2015 Adjusted Data			Prospective Adjustments						SFY 2017		
	Utilization Per 1,000	Cost per Service	PMPM	Utilization Trend	Unit Cost Trend	Program Adj Util	Program Adj Cost	Reimbursement Adjustment	RBHS Add On	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital												
I/P Medical/Surgical/Non-Delivery	8,048.1	\$ 1,515.77	\$ 1,016.59	1.0000	1.0000	1.0000	1.0000	0.9354	\$ 0.00	8,048.1	\$ 1,417.85	\$ 950.92
I/P Well Newborn	7,351.5	555.56	340.35	1.0000	1.0000	1.0000	1.0000	1.0081	0.00	7,351.5	560.06	343.11
Mental Health/Substance Abuse	10.7	442.74	0.39	1.0000	1.0000	1.0000	1.0000	1.0038	0.00	10.7	444.43	0.39
Other Inpatient	217.0	1,186.92	21.46	1.0000	1.0000	1.0000	1.0000	0.9696	-	217.0	1,150.84	20.81
Subtotal	15,627.3	\$ 1,058.76	\$ 1,378.80						\$ 0.00	15,627.3	\$ 1,009.95	\$ 1,315.23
Outpatient Hospital												
Surgery	55.6	\$ 1,019.89	\$ 4.73	1.0404	1.0000	1.0000	1.0000	0.9872	\$ 0.00	57.9	\$ 1,006.83	\$ 4.86
Non-Surg - Emergency Room	804.8	278.39	18.67	1.0404	1.0000	1.0000	1.0000	0.9947	-	837.3	276.92	19.32
Non-Surg - Other	1,515.8	105.64	13.34	1.0404	1.0000	1.0000	1.0000	1.0015	-	1,577.0	105.80	13.90
Observation Room	45.5	570.76	2.16	1.0404	1.0000	1.0000	1.0000	0.9946	-	47.3	567.68	2.24
Treatment/Therapy/Testing	896.1	65.63	4.90	1.0404	1.0000	1.0000	1.0000	0.9927	0.00	932.3	65.15	5.06
Other Outpatient	58.9	90.88	0.45	1.0404	1.0000	1.0000	1.0000	1.0000	-	61.2	90.88	0.46
Subtotal	3,376.7	\$ 157.27	\$ 44.26						\$ 0.00	3,513.1	\$ 156.61	\$ 45.85
Pharmacy												
Prescription Drugs	3,118.5	23.14	6.01	1.0000	1.1025	1.0000	1.0000	1.0000	-	3,118.5	25.51	6.63
Subtotal	3,118.5	\$ 23.14	\$ 6.01						\$ 0.00	3,118.5	\$ 25.51	\$ 6.63
Ancillaries												
Ambulance	195.8	236.02	3.85	1.0404	1.0000	1.0000	1.0000	0.9998	0.00	203.7	235.98	4.01
Prosthetic/DME	1,525.0	25.27	3.21	1.0404	1.0000	0.9998	1.0001	1.1676	0.00	1,586.3	29.51	3.90
Other Ancillaries	876.3	83.00	6.06	1.0404	1.0000	0.9845	1.0548	0.9944	-	897.6	87.05	6.51
Subtotal	2,597.2	\$ 60.64	\$ 13.12						\$ 0.00	2,687.7	\$ 64.38	\$ 14.42
Physician												
Surgery - I/P and O/P	643.1	\$ 169.84	\$ 9.10	1.0404	1.0000	0.9785	1.0156	1.0438	\$ 0.00	654.7	\$ 180.05	\$ 9.82
Surgery - I/P and O/P - Anesthesia	121.1	157.55	1.59	1.0404	1.0000	1.0000	1.0000	1.1091	0.00	126.0	174.74	1.84
Maternity - Non-Delivery	0.0	0.00	-	1.0404	1.0000	1.0126	1.0000	0.9749	0.00	0.0	0.00	-
Hospital Visits	12,432.2	171.78	177.96	1.0404	1.0000	1.0000	1.0000	1.0530	0.00	12,934.5	180.88	194.97
Office Visits	7,231.9	61.76	37.22	1.0404	1.0000	1.0002	1.1110	1.2329	0.03	7,529.8	84.59	53.08
ER Visits	980.2	69.27	5.66	1.0404	1.0000	1.0000	1.0000	1.0410	0.00	1,019.8	72.11	6.13
Immunizations	7,508.8	12.17	7.62	1.0404	1.0000	0.8858	1.0564	1.1173	0.00	6,920.0	14.37	8.29
Radiology	2,256.6	13.13	2.47	1.0404	1.0000	1.0000	1.0000	0.9777	0.00	2,347.7	12.84	2.51
Pathology	1,658.2	9.50	1.31	1.0404	1.0000	0.9752	1.0005	1.0445	0.00	1,682.5	9.92	1.39
Mental Health/Substance Abuse	0.0	0.00	-	1.0404	1.0000	1.0126	1.0000	1.0100	0.57	0.0	0.00	0.57
Other Professional	16,525.0	51.47	70.87	1.0404	1.0000	0.9986	1.0750	1.1877	-	17,168.5	65.71	94.01
Subtotal	49,357.1	\$ 76.29	\$ 313.81						\$ 0.60	50,383.5	\$ 88.74	\$ 372.61
Total Claims/Benefit Cost	74,076.7	\$ 284.46	\$ 1,756.00						\$ 0.60	75,330.0	\$ 279.53	\$ 1,754.74
									Supplemental Teaching Paymen			170.27
									Administrative Cost Allowance			152.58
									Capitation Rate			\$ 2,077.59

Appendix 7

South Carolina Department of Health and Human Services
 SFY 2017 Medicaid Managed Care Capitation Rate Development
 July 2016 to June 2017 Capitation Rates

Rate Cell: TANF - 3 - 12 Months, Male & Female (A13)

November 2015 Membership: 28,998

Category of Service	SFY 2015 Adjusted Data			Prospective Adjustments						SFY 2017		
	Utilization Per 1,000	Cost per Service	PMPM	Utilization Trend	Unit Cost Trend	Program Adj Util	Program Adj Cost	Reimbursement Adjustment	RBHS Add On	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital												
I/P Medical/Surgical/Non-Delivery	182.4	\$ 1,859.65	\$ 28.27	1.0000	1.0000	1.0000	1.0000	1.0079	\$ 0.00	182.4	\$ 1,874.34	\$ 28.49
I/P Well Newborn	0.8	303.34	0.02	1.0000	1.0000	1.0000	1.0000	0.9889	0.00	0.8	299.97	0.02
Mental Health/Substance Abuse	0.0	0.00	-	1.0000	1.0000	1.0000	1.0000	1.0000	0.00	0.0	0.00	-
Other Inpatient	6.3	2,029.36	1.06	1.0000	1.0000	1.0000	1.0000	0.9699	-	6.3	1,968.27	1.03
Subtotal	189.5	\$ 1,858.64	\$ 29.35						\$ 0.00	189.5	\$ 1,870.74	\$ 29.54
Outpatient Hospital												
Surgery	82.5	\$ 1,597.30	\$ 10.98	1.0404	1.0000	1.0000	1.0000	0.9888	\$ 0.00	85.8	\$ 1,579.41	\$ 11.29
Non-Surg - Emergency Room	1,025.1	298.27	25.48	1.0404	1.0000	1.0000	1.0000	0.9953	-	1,066.5	296.87	26.38
Non-Surg - Other	777.1	120.22	7.79	1.0404	1.0000	1.0000	1.0000	0.9937	-	808.5	119.46	8.05
Observation Room	23.4	610.67	1.19	1.0404	1.0000	1.0000	1.0000	0.9939	-	24.4	606.94	1.23
Treatment/Therapy/Testing	322.8	127.24	3.42	1.0404	1.0000	1.0000	1.0000	0.9909	0.00	335.9	126.08	3.53
Other Outpatient	3.2	151.02	0.04	1.0404	1.0000	1.0000	1.0000	1.0000	-	3.3	151.02	0.04
Subtotal	2,234.1	\$ 262.63	\$ 48.90						\$ 0.00	2,324.3	\$ 260.86	\$ 50.53
Pharmacy												
Prescription Drugs	5,885.1	34.46	16.90	1.0000	1.1025	1.0000	1.0000	1.0000	-	5,885.1	37.99	18.63
Subtotal	5,885.1	\$ 34.46	\$ 16.90						\$ 0.00	5,885.1	\$ 37.99	\$ 18.63
Ancillaries												
Ambulance	91.8	117.81	0.90	1.0404	1.0000	1.0000	1.0000	1.0010	0.00	95.5	117.93	0.94
Prosthetic/DME	1,883.6	18.77	2.95	1.0404	1.0000	0.9997	1.0002	1.1524	0.00	1,959.1	21.64	3.53
Other Ancillaries	395.2	58.41	1.92	1.0404	1.0000	0.9720	1.0698	1.0134	-	399.7	63.33	2.11
Subtotal	2,370.7	\$ 29.21	\$ 5.77						\$ 0.00	2,454.3	\$ 32.17	\$ 6.58
Physician												
Surgery - I/P and O/P	297.3	\$ 171.15	\$ 4.24	1.0404	1.0000	0.9923	1.0061	1.0903	\$ 0.00	306.9	\$ 187.74	\$ 4.80
Surgery - I/P and O/P - Anesthesia	146.7	100.96	1.23	1.0404	1.0000	1.0000	1.0000	1.2822	0.00	152.7	129.45	1.65
Maternity - Non-Delivery	0.0	0.00	-	1.0404	1.0000	1.0126	1.0000	0.9749	0.00	0.0	0.00	-
Hospital Visits	524.8	188.81	8.26	1.0404	1.0000	1.0000	1.0000	1.0315	0.00	546.0	194.76	8.86
Office Visits	4,729.4	61.93	24.41	1.0404	1.0000	1.0008	1.1253	1.2033	0.19	4,951.6	83.86	34.60
ER Visits	1,105.1	64.54	5.94	1.0404	1.0000	1.0000	1.0000	1.0299	0.00	1,149.7	66.46	6.37
Immunizations	7,687.2	12.51	8.01	1.0404	1.0000	0.8921	1.0470	1.1074	0.00	7,134.8	14.50	8.62
Radiology	640.2	15.17	0.81	1.0404	1.0000	1.0000	1.0000	0.9857	0.00	666.0	14.96	0.83
Pathology	2,081.6	12.25	2.12	1.0404	1.0000	0.9487	1.0187	1.0686	0.00	2,054.6	13.33	2.28
Mental Health/Substance Abuse	0.6	195.44	0.01	1.0404	1.0000	1.0000	1.0000	0.9622	0.87	56.2	188.05	0.88
Other Professional	6,236.0	48.72	25.32	1.0404	1.0000	0.9915	1.1047	1.2171	0.05	6,441.9	65.50	35.16
Subtotal	23,448.9	\$ 41.12	\$ 80.36						\$ 1.11	23,460.5	\$ 53.23	\$ 104.06
Total Claims/Benefit Cost	34,128.3	\$ 63.74	\$ 181.27						\$ 1.11	34,313.7	\$ 73.21	\$ 209.34
									Supplemental Teaching Paymen			27.18
									Administrative Cost Allowance			28.55
									Capitation Rate			\$ 265.07

Appendix 7

South Carolina Department of Health and Human Services
 SFY 2017 Medicaid Managed Care Capitation Rate Development
 July 2016 to June 2017 Capitation Rates

Rate Cell: TANF - Age 1 - 6, Male & Female (AB3)

November 2015 Membership: 166,776

Category of Service	SFY 2015 Adjusted Data			Prospective Adjustments						SFY 2017		
	Utilization Per 1,000	Cost per Service	PMPM	Utilization Trend	Unit Cost Trend	Program Adj Util	Program Adj Cost	Reimbursement Adjustment	RBHS Add On	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital												
I/P Medical/Surgical/Non-Delivery	46.4	\$ 1,827.95	\$ 7.07	1.0000	1.0000	1.0000	1.0000	1.0221	\$ 0.00	46.4	\$ 1,868.35	\$ 7.22
I/P Well Newborn	0.0	0.00	-	1.0000	1.0000	1.0000	1.0000	1.0000	0.00	0.0	0.00	-
Mental Health/Substance Abuse	0.4	1,134.57	0.04	1.0000	1.0000	1.0000	1.0000	0.8249	0.00	0.4	935.91	0.03
Other Inpatient	1.4	2,005.46	0.24	1.0000	1.0000	1.0000	1.0000	0.9723	-	1.4	1,949.91	0.23
Subtotal	48.3	\$ 1,826.90	\$ 7.35						\$ 0.00	48.3	\$ 1,862.30	\$ 7.49
Outpatient Hospital												
Surgery	68.6	\$ 1,335.44	\$ 7.63	1.0404	1.0000	1.0000	1.0000	0.9949	\$ 0.00	71.3	\$ 1,328.63	\$ 7.90
Non-Surg - Emergency Room	582.9	306.70	14.90	1.0404	1.0000	1.0000	1.0000	0.9958	-	606.5	305.42	15.44
Non-Surg - Other	291.4	113.59	2.76	1.0404	1.0000	1.0000	1.0000	0.9897	-	303.2	112.42	2.84
Observation Room	7.5	728.86	0.46	1.0404	1.0000	1.0000	1.0000	0.9911	-	7.8	722.37	0.47
Treatment/Therapy/Testing	208.6	154.48	2.69	1.0404	1.0000	1.0000	1.0000	0.9897	0.00	217.1	152.89	2.77
Other Outpatient	5.1	270.93	0.11	1.0404	1.0000	1.0000	1.0000	1.0000	-	5.3	270.93	0.12
Subtotal	1,164.1	\$ 294.26	\$ 28.54						\$ 0.00	1,211.1	\$ 292.59	\$ 29.53
Pharmacy												
Prescription Drugs	5,131.8	40.29	17.23	1.0000	1.1025	1.0000	1.0000	1.0000	-	5,131.8	44.42	18.99
Subtotal	5,131.8	\$ 40.29	\$ 17.23						\$ 0.00	5,131.8	\$ 44.42	\$ 18.99
Ancillaries												
Ambulance	49.6	103.13	0.43	1.0404	1.0000	1.0000	1.0000	0.9994	0.00	51.6	103.07	0.44
Prosthetic/DME	796.9	13.31	0.88	1.0404	1.0000	0.9991	1.0004	1.1200	0.00	828.4	14.91	1.03
Other Ancillaries	331.4	47.81	1.32	1.0404	1.0000	0.9888	1.0552	1.1270	0.03	347.3	56.86	1.65
Subtotal	1,178.0	\$ 26.80	\$ 2.63						\$ 0.03	1,227.3	\$ 30.49	\$ 3.12
Physician												
Surgery - I/P and O/P	219.4	\$ 138.08	\$ 2.52	1.0404	1.0000	0.9920	1.0054	1.0575	\$ 0.00	226.5	\$ 146.80	\$ 2.77
Surgery - I/P and O/P - Anesthesia	123.3	92.01	0.95	1.0404	1.0000	1.0000	1.0000	1.1489	0.00	128.3	105.71	1.13
Maternity - Non-Delivery	0.0	0.00	-	1.0404	1.0000	1.0000	1.0000	0.9749	0.00	0.0	0.00	-
Hospital Visits	67.9	111.95	0.63	1.0404	1.0000	1.0000	1.0000	1.0547	0.00	70.7	118.07	0.70
Office Visits	2,972.1	61.30	15.18	1.0404	1.0000	1.0007	1.1293	1.2030	0.18	3,120.3	83.28	21.65
ER Visits	626.1	62.68	3.27	1.0404	1.0000	1.0000	1.0000	1.0295	0.00	651.4	64.53	3.50
Immunizations	1,298.2	12.58	1.36	1.0404	1.0000	0.8885	1.0428	1.1478	0.00	1,200.1	15.06	1.51
Radiology	349.8	16.40	0.48	1.0404	1.0000	1.0000	1.0000	0.9906	0.00	363.9	16.24	0.49
Pathology	1,803.1	11.41	1.71	1.0404	1.0000	0.9472	1.0174	1.0422	0.00	1,776.9	12.10	1.79
Mental Health/Substance Abuse	102.3	102.43	0.87	1.0404	1.0000	0.9994	1.0214	1.0318	5.42	708.8	107.95	6.38
Other Professional	5,843.8	27.52	13.40	1.0404	1.0000	0.9933	1.0486	1.1593	0.11	6,078.6	33.46	16.95
Subtotal	13,406.1	\$ 36.15	\$ 40.39						\$ 5.71	14,325.5	\$ 47.64	\$ 56.87
Total Claims/Benefit Cost	20,928.2	\$ 55.12	\$ 96.14						\$ 5.74	21,943.9	\$ 63.44	\$ 116.00
									Supplemental Teaching Paymen			6.28
									Administrative Cost Allowance			15.82
									Capitation Rate			\$ 138.10

Appendix 7

South Carolina Department of Health and Human Services
 SFY 2017 Medicaid Managed Care Capitation Rate Development
 July 2016 to June 2017 Capitation Rates

Rate Cell: TANF - Age 7 - 13, Male & Female (AC3)

November 2015 Membership: 187,516

Category of Service	SFY 2015 Adjusted Data			Prospective Adjustments						SFY 2017		
	Utilization Per 1,000	Cost per Service	PMPM	Utilization Trend	Unit Cost Trend	Program Adj Util	Program Adj Cost	Reimbursement Adjustment	RBHS Add On	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital												
I/P Medical/Surgical/Non-Delivery	31.1	\$ 2,180.30	\$ 5.66	1.0000	1.0000	1.0000	1.0000	1.0295	\$ 0.00	31.1	\$ 2,244.61	\$ 5.82
I/P Well Newborn	0.0	0.00	-	1.0000	1.0000	1.0000	1.0000	1.0000	0.00	0.0	0.00	-
Mental Health/Substance Abuse	13.6	774.86	0.88	1.0000	1.0000	1.0000	1.0000	0.9047	0.00	13.6	701.02	0.80
Other Inpatient	0.9	1,656.42	0.12	1.0000	1.0000	1.0000	1.0000	0.9148	-	0.9	1,515.29	0.11
Subtotal	45.7	\$ 1,750.71	\$ 6.66						\$ 0.00	45.7	\$ 1,769.77	\$ 6.73
Outpatient Hospital												
Surgery	40.5	\$ 1,337.52	\$ 4.51	1.0404	1.0000	1.0000	1.0000	0.9939	\$ 0.00	42.1	\$ 1,329.36	\$ 4.66
Non-Surg - Emergency Room	347.2	311.49	9.01	1.0404	1.0000	1.0000	1.0000	0.9965	-	361.2	310.40	9.34
Non-Surg - Other	189.2	113.77	1.79	1.0404	1.0000	1.0000	1.0000	0.9855	-	196.9	112.12	1.84
Observation Room	5.1	587.53	0.25	1.0404	1.0000	1.0000	1.0000	0.9937	-	5.3	583.83	0.26
Treatment/Therapy/Testing	174.0	179.53	2.60	1.0404	1.0000	1.0000	1.0000	0.9914	0.00	181.0	177.99	2.68
Other Outpatient	2.1	302.80	0.05	1.0404	1.0000	1.0000	1.0000	1.0000	-	2.1	302.80	0.05
Subtotal	758.0	\$ 288.46	\$ 18.22						\$ 0.00	788.6	\$ 286.73	\$ 18.84
Pharmacy												
Prescription Drugs	5,979.2	69.57	34.67	1.0000	1.1144	1.0000	1.0000	1.0000	-	5,979.2	77.53	38.63
Subtotal	5,979.2	\$ 69.57	\$ 34.67						\$ 0.00	5,979.2	\$ 77.53	\$ 38.63
Ancillaries												
Ambulance	34.7	104.19	0.30	1.0404	1.0000	1.0000	1.0000	0.9991	0.00	36.1	104.10	0.31
Prosthetic/DME	1,244.6	8.52	0.88	1.0404	1.0000	0.9997	0.9999	1.1210	0.00	1,294.4	9.55	1.03
Other Ancillaries	747.5	31.38	1.95	1.0404	1.0000	0.9984	1.0329	1.1858	0.23	848.2	38.44	2.72
Subtotal	2,026.7	\$ 18.59	\$ 3.14						\$ 0.23	2,178.8	\$ 22.37	\$ 4.06
Physician												
Surgery - I/P and O/P	167.9	\$ 133.64	\$ 1.87	1.0404	1.0000	0.9901	1.0062	1.0362	\$ 0.00	173.0	\$ 139.34	\$ 2.01
Surgery - I/P and O/P - Anesthesia	52.9	99.03	0.44	1.0404	1.0000	1.0000	1.0000	1.0980	0.00	55.0	108.74	0.50
Maternity - Non-Delivery	0.0	0.00	-	1.0404	1.0000	1.0126	1.0000	0.9749	0.00	0.0	0.00	-
Hospital Visits	59.7	87.78	0.44	1.0404	1.0000	1.0000	1.0000	1.0811	0.00	62.1	94.89	0.49
Office Visits	2,352.6	60.27	11.82	1.0404	1.0000	1.0005	1.1389	1.1941	0.68	2,548.4	81.96	17.41
ER Visits	372.9	64.24	2.00	1.0404	1.0000	1.0000	1.0000	1.0326	0.00	388.0	66.34	2.15
Immunizations	566.9	12.76	0.60	1.0404	1.0000	0.8882	1.0300	1.1933	0.00	523.8	15.68	0.68
Radiology	409.2	20.11	0.69	1.0404	1.0000	1.0000	1.0000	0.9929	0.00	425.7	19.97	0.71
Pathology	1,549.1	10.38	1.34	1.0404	1.0000	0.9497	1.0156	1.0488	0.00	1,530.6	11.06	1.41
Mental Health/Substance Abuse	292.6	98.44	2.40	1.0404	1.0000	0.9987	1.0306	1.0177	18.15	2,413.6	103.24	20.77
Other Professional	4,245.3	20.68	7.31	1.0404	1.0000	0.9940	1.0511	1.1365	0.14	4,458.3	24.70	9.18
Subtotal	10,069.0	\$ 34.44	\$ 28.90						\$ 18.97	12,578.5	\$ 52.75	\$ 55.30
Total Claims/Benefit Cost	18,878.6	\$ 58.22	\$ 91.59						\$ 19.20	21,570.8	\$ 68.74	\$ 123.56
									Supplemental Teaching Paymen			4.80
									Administrative Cost Allowance			16.85
									Capitation Rate			\$ 145.21

Appendix 7

South Carolina Department of Health and Human Services
 SFY 2017 Medicaid Managed Care Capitation Rate Development
 July 2016 to June 2017 Capitation Rates

Rate Cell: TANF - Age 14 - 18, Male (AD1)

November 2015 Membership: 51,740

Category of Service	SFY 2015 Adjusted Data			Prospective Adjustments						SFY 2017		
	Utilization Per 1,000	Cost per Service	PMPM	Utilization Trend	Unit Cost Trend	Program Adj Util	Program Adj Cost	Reimbursement Adjustment	RBHS Add On	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital												
I/P Medical/Surgical/Non-Delivery	56.9	\$ 2,569.81	\$ 12.18	1.0000	1.0000	1.0000	1.0000	1.0301	\$ 0.00	56.9	\$ 2,647.16	\$ 12.54
I/P Well Newborn	0.0	0.00	-	1.0000	1.0000	1.0000	1.0000	1.0000	0.00	0.0	0.00	-
Mental Health/Substance Abuse	29.9	644.04	1.60	1.0000	1.0000	1.0000	1.0000	0.9588	0.00	29.9	617.51	1.54
Other Inpatient	2.1	3,081.55	0.53	1.0000	1.0000	1.0000	1.0000	0.9289	-	2.1	2,862.45	0.49
Subtotal	88.8	\$ 1,933.92	\$ 14.31						\$ 0.00	88.8	\$ 1,969.47	\$ 14.57
Outpatient Hospital												
Surgery	61.6	\$ 1,372.45	\$ 7.04	1.0404	1.0000	1.0000	1.0000	0.9931	\$ 0.00	64.1	\$ 1,362.98	\$ 7.28
Non-Surg - Emergency Room	394.5	327.51	10.77	1.0404	1.0000	1.0000	1.0000	0.9969	-	410.5	326.49	11.17
Non-Surg - Other	130.9	118.87	1.30	1.0404	1.0000	1.0000	1.0000	0.9837	-	136.2	116.93	1.33
Observation Room	2.7	692.77	0.16	1.0404	1.0000	1.0000	1.0000	0.9926	-	2.8	687.65	0.16
Treatment/Therapy/Testing	205.8	241.88	4.15	1.0404	1.0000	1.0000	1.0000	0.9912	0.00	214.2	239.75	4.28
Other Outpatient	5.0	248.82	0.10	1.0404	1.0000	1.0000	1.0000	1.0000	-	5.2	248.82	0.11
Subtotal	800.6	\$ 352.49	\$ 23.52						\$ 0.00	832.9	\$ 350.38	\$ 24.32
Pharmacy												
Prescription Drugs	5,392.2	73.24	32.91	1.0000	1.1354	1.0000	1.0000	1.0000	-	5,392.2	83.16	37.37
Subtotal	5,392.2	\$ 73.24	\$ 32.91						\$ 0.00	5,392.2	\$ 83.16	\$ 37.37
Ancillaries												
Ambulance	78.8	103.01	0.68	1.0404	1.0000	1.0000	1.0000	0.9995	0.00	81.9	102.96	0.70
Prosthetic/DME	1,361.3	10.54	1.20	1.0404	1.0000	0.9997	0.9998	1.1028	0.00	1,415.8	11.63	1.37
Other Ancillaries	649.9	31.69	1.72	1.0404	1.0000	0.9978	1.0275	1.1845	0.26	755.6	38.56	2.43
Subtotal	2,089.9	\$ 20.60	\$ 3.59						\$ 0.26	2,253.4	\$ 23.98	\$ 4.50
Physician												
Surgery - I/P and O/P	238.9	\$ 147.23	\$ 2.93	1.0404	1.0000	0.9964	1.0021	1.0684	\$ 0.00	247.6	\$ 157.63	\$ 3.25
Surgery - I/P and O/P - Anesthesia	66.2	114.93	0.63	1.0404	1.0000	1.0000	1.0000	1.1654	0.00	68.9	133.94	0.77
Maternity - Non-Delivery	0.0	0.00	-	1.0404	1.0000	1.0126	1.0000	0.9749	0.00	0.0	0.00	-
Hospital Visits	106.5	85.50	0.76	1.0404	1.0000	1.0000	1.0003	1.0596	0.00	110.8	90.63	0.84
Office Visits	1,904.2	60.50	9.60	1.0404	1.0000	1.0003	1.1135	1.1697	0.73	2,092.9	78.80	13.74
ER Visits	433.8	70.25	2.54	1.0404	1.0000	1.0000	1.0000	1.0291	0.00	451.3	72.30	2.72
Immunizations	334.6	13.05	0.36	1.0404	1.0000	0.8757	1.0308	1.2152	0.00	304.8	16.34	0.42
Radiology	656.2	24.71	1.35	1.0404	1.0000	1.0000	1.0000	0.9941	0.00	682.7	24.56	1.40
Pathology	1,492.2	11.95	1.49	1.0404	1.0000	0.9608	1.0191	1.0709	0.00	1,491.6	13.04	1.62
Mental Health/Substance Abuse	704.5	65.15	3.82	1.0404	1.0000	0.9999	1.0128	0.9727	14.09	3,367.0	64.19	18.01
Other Professional	3,631.2	21.91	6.63	1.0404	1.0000	0.9951	1.0428	1.1657	0.09	3,799.9	26.64	8.44
Subtotal	9,568.1	\$ 37.78	\$ 30.12						\$ 14.91	12,617.5	\$ 48.69	\$ 51.20
Total Claims/Benefit Cost	17,939.6	\$ 69.86	\$ 104.44						\$ 15.17	21,184.8	\$ 74.75	\$ 131.96
									Supplemental Teaching Paymen			5.26
									Administrative Cost Allowance			18.00
									Capitation Rate			\$ 155.22

Appendix 7

South Carolina Department of Health and Human Services
SFY 2017 Medicaid Managed Care Capitation Rate Development
July 2016 to June 2017 Capitation Rates

Rate Cell: TANF - Age 14 - 18, Female (AD2)

November 2015 Membership: 53,550

Category of Service	SFY 2015 Adjusted Data			Prospective Adjustments						SFY 2017		
	Utilization Per 1,000	Cost per Service	PMPM	Utilization Trend	Unit Cost Trend	Program Adj Util	Program Adj Cost	Reimbursement Adjustment	RBHS Add On	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital												
I/P Medical/Surgical/Non-Delivery	54.7	\$ 2,133.92	\$ 9.72	1.0000	1.0000	1.0000	1.0000	1.0311	\$ 0.00	54.7	\$ 2,200.28	\$ 10.03
I/P Well Newborn	0.0	0.00	-	1.0000	1.0000	1.0000	1.0000	1.0000	0.00	0.0	0.00	-
Mental Health/Substance Abuse	43.9	698.18	2.55	1.0000	1.0000	1.0000	1.0000	0.9636	0.00	43.9	672.76	2.46
Other Inpatient	4.1	1,287.35	0.44	1.0000	1.0000	1.0000	1.0000	1.0020	-	4.1	1,289.93	0.44
Subtotal	102.6	\$ 1,486.59	\$ 12.72						\$ 0.00	102.6	\$ 1,511.18	\$ 12.93
Outpatient Hospital												
Surgery	76.1	\$ 1,167.33	\$ 7.40	1.0404	1.0000	1.0000	1.0000	0.9949	\$ 0.00	79.2	\$ 1,161.37	\$ 7.66
Non-Surg - Emergency Room	643.3	325.35	17.44	1.0404	1.0000	1.0000	1.0000	0.9972	-	669.3	324.44	18.10
Non-Surg - Other	224.1	131.61	2.46	1.0404	1.0000	1.0000	1.0000	0.9881	-	233.1	130.05	2.53
Observation Room	16.2	369.71	0.50	1.0404	1.0000	1.0000	1.0000	0.9934	-	16.8	367.27	0.51
Treatment/Therapy/Testing	382.6	184.10	5.87	1.0404	1.0000	1.0000	1.0000	0.9938	0.00	398.0	182.95	6.07
Other Outpatient	7.7	324.33	0.21	1.0404	1.0000	1.0000	1.0000	1.0000	-	8.0	324.33	0.22
Subtotal	1,349.9	\$ 301.16	\$ 33.88						\$ 0.00	1,404.4	\$ 299.77	\$ 35.08
Pharmacy												
Prescription Drugs	7,779.1	44.96	29.15	1.0000	1.1354	1.0000	1.0000	1.0000	-	7,779.1	51.05	33.09
Subtotal	7,779.1	\$ 44.96	\$ 29.15						\$ 0.00	7,779.1	\$ 51.05	\$ 33.09
Ancillaries												
Ambulance	118.2	90.78	0.89	1.0404	1.0000	1.0000	1.0000	0.9982	0.00	123.0	90.61	0.93
Prosthetic/DME	1,834.0	8.16	1.25	1.0404	1.0000	0.9998	0.9999	1.1188	0.00	1,907.8	9.13	1.45
Other Ancillaries	1,096.0	43.15	3.94	1.0404	1.0000	0.9978	1.0158	1.0880	0.25	1,200.7	47.69	4.77
Subtotal	3,048.3	\$ 23.95	\$ 6.08						\$ 0.25	3,231.4	\$ 26.56	\$ 7.15
Physician												
Surgery - I/P and O/P	228.5	\$ 139.67	\$ 2.66	1.0404	1.0000	0.9878	1.0057	1.0602	\$ 0.00	234.9	\$ 148.92	\$ 2.91
Surgery - I/P and O/P - Anesthesia	70.2	106.61	0.62	1.0404	1.0000	1.0000	1.0000	1.3730	0.00	73.0	146.38	0.89
Maternity - Non-Delivery	31.5	35.65	0.09	1.0404	1.0000	1.0000	1.0000	0.9730	0.00	32.7	34.69	0.09
Hospital Visits	142.3	72.70	0.86	1.0404	1.0000	1.0000	1.0000	1.1098	0.00	148.1	80.69	1.00
Office Visits	2,807.2	60.16	14.07	1.0404	1.0000	1.0005	1.1386	1.1679	0.78	3,039.1	79.99	20.26
ER Visits	684.9	73.99	4.22	1.0404	1.0000	1.0000	1.0000	1.0325	0.00	712.6	76.39	4.54
Immunizations	354.6	13.01	0.38	1.0404	1.0000	0.8721	1.0306	1.2066	0.00	321.7	16.18	0.43
Radiology	700.8	30.43	1.78	1.0404	1.0000	1.0000	1.0000	0.9905	0.00	729.1	30.14	1.83
Pathology	3,842.3	12.14	3.89	1.0404	1.0000	0.9511	1.0293	1.1366	0.00	3,802.0	14.20	4.50
Mental Health/Substance Abuse	451.9	71.19	2.68	1.0404	1.0000	0.9995	1.0295	1.0237	14.92	2,856.2	75.03	17.86
Other Professional	24,198.1	3.49	7.04	1.0404	1.0000	0.9986	1.0390	1.1290	0.05	25,286.9	4.10	8.64
Subtotal	33,512.2	\$ 13.72	\$ 38.31						\$ 15.75	37,236.2	\$ 20.29	\$ 62.95
Total Claims/Benefit Cost	45,792.1	\$ 31.48	\$ 120.13						\$ 16.00	49,753.8	\$ 36.47	\$ 151.20
									Supplemental Teaching Paymen			7.80
									Administrative Cost Allowance			20.62
									Capitation Rate			\$ 179.62

Appendix 7

South Carolina Department of Health and Human Services
 SFY 2017 Medicaid Managed Care Capitation Rate Development
 July 2016 to June 2017 Capitation Rates

Rate Cell: TANF - Age 19 - 44, Male (AE1)

November 2015 Membership: 21,165

Category of Service	SFY 2015 Adjusted Data			Prospective Adjustments						SFY 2017		
	Utilization Per 1,000	Cost per Service	PMPM	Utilization Trend	Unit Cost Trend	Program Adj Util	Program Adj Cost	Reimbursement Adjustment	RBHS Add On	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital												
I/P Medical/Surgical/Non-Delivery	187.7	\$ 2,724.43	\$ 42.62	1.0000	1.0000	1.0000	1.0000	1.0127	\$ 0.00	187.7	\$ 2,759.03	\$ 43.16
I/P Well Newborn	0.0	0.00	-	1.0000	1.0000	1.0000	1.0000	1.0000	0.00	0.0	0.00	-
Mental Health/Substance Abuse	63.6	688.92	3.65	1.0000	1.0000	1.0000	1.0000	1.0056	0.00	63.6	692.77	3.67
Other Inpatient	5.2	1,039.38	0.45	1.0000	1.0000	1.0000	1.0000	0.8980	-	5.2	933.37	0.40
Subtotal	256.5	\$ 2,185.75	\$ 46.72						\$ 0.00	256.5	\$ 2,209.88	\$ 47.24
Outpatient Hospital												
Surgery	119.3	\$ 1,499.48	\$ 14.91	1.0404	1.0000	1.0000	1.0000	0.9955	\$ 0.00	124.1	\$ 1,492.73	\$ 15.44
Non-Surg - Emergency Room	875.9	334.03	24.38	1.0404	1.0000	1.0000	1.0000	0.9986	-	911.3	333.57	25.33
Non-Surg - Other	102.7	123.89	1.06	1.0404	1.0000	1.0000	1.0000	0.9859	-	106.9	122.14	1.09
Observation Room	4.8	1,039.48	0.41	1.0404	1.0000	1.0000	1.0000	0.9856	-	4.9	1,024.51	0.42
Treatment/Therapy/Testing	327.3	370.59	10.11	1.0404	1.0000	1.0000	1.0000	0.9925	0.00	340.5	367.81	10.44
Other Outpatient	10.3	352.40	0.30	1.0404	1.0000	1.0000	1.0000	1.0000	-	10.7	352.40	0.32
Subtotal	1,440.3	\$ 426.34	\$ 51.17						\$ 0.00	1,498.5	\$ 424.69	\$ 53.03
Pharmacy												
Prescription Drugs	8,187.9	54.34	37.07	1.0000	1.1328	1.0000	1.0000	1.0000	-	8,187.9	61.55	42.00
Subtotal	8,187.9	\$ 54.34	\$ 37.07						\$ 0.00	8,187.9	\$ 61.55	\$ 42.00
Ancillaries												
Ambulance	204.6	102.55	1.75	1.0404	1.0000	0.9996	1.0004	0.9987	0.00	212.8	102.46	1.82
Prosthetic/DME	2,324.6	11.72	2.27	1.0404	1.0000	1.0000	1.0000	1.1075	0.00	2,418.5	12.98	2.62
Other Ancillaries	271.2	53.35	1.21	1.0404	1.0000	0.9998	1.0203	1.1666	0.19	318.0	63.50	1.68
Subtotal	2,800.4	\$ 22.39	\$ 5.22						\$ 0.19	2,949.3	\$ 24.88	\$ 6.12
Physician												
Surgery - I/P and O/P	438.0	\$ 168.05	\$ 6.13	1.0404	1.0000	0.9978	1.0016	1.0641	\$ 0.00	454.7	\$ 179.11	\$ 6.79
Surgery - I/P and O/P - Anesthesia	153.6	108.52	1.39	1.0404	1.0000	1.0000	1.0000	1.1864	0.00	159.9	128.75	1.72
Maternity - Non-Delivery	0.0	0.00	-	1.0404	1.0000	1.0126	1.0000	0.9749	0.00	0.0	0.00	-
Hospital Visits	330.4	75.30	2.07	1.0404	1.0000	1.0000	1.0000	1.1090	0.00	343.8	83.51	2.39
Office Visits	2,274.8	61.39	11.64	1.0404	1.0000	1.0005	1.0959	1.1422	0.47	2,441.3	76.84	15.63
ER Visits	982.7	78.12	6.40	1.0404	1.0000	1.0000	1.0000	1.0231	0.00	1,022.4	79.92	6.81
Immunizations	81.1	14.46	0.10	1.0404	1.0000	0.9481	1.0287	0.9891	0.00	80.0	14.71	0.10
Radiology	1,265.0	31.00	3.27	1.0404	1.0000	1.0000	1.0000	0.9939	0.00	1,316.1	30.81	3.38
Pathology	3,327.1	14.68	4.07	1.0404	1.0000	0.9816	1.0122	1.0702	0.00	3,397.8	15.90	4.50
Mental Health/Substance Abuse	518.2	54.05	2.33	1.0404	1.0000	0.9996	1.0217	1.0110	3.00	1,183.7	55.83	5.51
Other Professional	4,589.3	12.40	4.74	1.0404	1.0000	0.9967	1.0071	1.0223	0.01	4,768.4	12.77	5.07
Subtotal	13,960.2	\$ 36.23	\$ 42.14						\$ 3.48	15,168.0	\$ 41.06	\$ 51.90
Total Claims/Benefit Cost	26,645.3	\$ 82.12	\$ 182.33						\$ 3.67	28,060.2	\$ 85.65	\$ 200.28
									Supplemental Teaching Paymen			8.06
									Administrative Cost Allowance			22.25
									Capitation Rate			\$ 230.59

Appendix 7

South Carolina Department of Health and Human Services
 SFY 2017 Medicaid Managed Care Capitation Rate Development
 July 2016 to June 2017 Capitation Rates

Rate Cell: TANF - Age 19 - 44, Female (AE2)

November 2015 Membership: 91,840

Category of Service	SFY 2015 Adjusted Data			Prospective Adjustments						SFY 2017		
	Utilization Per 1,000	Cost per Service	PMPM	Utilization Trend	Unit Cost Trend	Program Adj Util	Program Adj Cost	Reimbursement Adjustment	RBHS Add On	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital												
I/P Medical/Surgical/Non-Delivery	254.6	\$ 2,099.45	\$ 44.55	1.0000	1.0000	1.0000	1.0000	1.0206	\$ 0.00	254.6	\$ 2,142.70	\$ 45.46
I/P Well Newborn	0.0	0.00	-	1.0000	1.0000	1.0000	1.0000	1.0000	0.00	0.0	0.00	-
Mental Health/Substance Abuse	53.6	760.71	3.40	1.0000	1.0000	1.0000	1.0000	0.9956	0.00	53.6	757.37	3.38
Other Inpatient	11.0	1,986.96	1.81	1.0000	1.0000	1.0000	1.0000	0.9943	-	11.0	1,975.64	1.80
Subtotal	319.2	\$ 1,870.66	\$ 49.76						\$ 0.00	319.2	\$ 1,904.36	\$ 50.65
Outpatient Hospital												
Surgery	246.9	\$ 1,267.23	\$ 26.08	1.0404	1.0000	1.0000	1.0000	0.9949	\$ 0.00	256.9	\$ 1,260.77	\$ 26.99
Non-Surg - Emergency Room	1,481.7	337.86	41.72	1.0404	1.0000	1.0000	1.0000	0.9975	-	1,541.5	337.02	43.29
Non-Surg - Other	358.9	135.76	4.06	1.0404	1.0000	1.0000	1.0000	0.9921	-	373.4	134.69	4.19
Observation Room	45.5	321.40	1.22	1.0404	1.0000	1.0000	1.0000	0.9923	-	47.4	318.92	1.26
Treatment/Therapy/Testing	871.5	235.27	17.09	1.0404	1.0000	1.0000	1.0000	0.9909	0.00	906.7	233.13	17.62
Other Outpatient	23.5	330.62	0.65	1.0404	1.0000	1.0000	1.0000	0.9962	-	24.5	329.36	0.67
Subtotal	3,028.0	\$ 359.87	\$ 90.81						\$ 0.00	3,150.4	\$ 358.14	\$ 94.02
Pharmacy												
Prescription Drugs	14,520.5	45.98	55.64	1.0000	1.1328	1.0000	1.0000	1.0000	-	14,520.5	52.09	63.03
Subtotal	14,520.5	\$ 45.98	\$ 55.64						\$ 0.00	14,520.5	\$ 52.09	\$ 63.03
Ancillaries												
Ambulance	312.4	88.60	2.31	1.0404	1.0000	1.0000	1.0000	0.9998	0.00	325.0	88.58	2.40
Prosthetic/DME	1,806.2	12.81	1.93	1.0404	1.0000	0.9997	1.0001	1.1079	0.00	1,878.7	14.19	2.22
Other Ancillaries	475.2	112.13	4.44	1.0404	1.0000	0.9936	1.0198	0.9988	0.24	516.4	114.22	4.92
Subtotal	2,593.8	\$ 40.13	\$ 8.67						\$ 0.24	2,720.1	\$ 42.07	\$ 9.54
Physician												
Surgery - I/P and O/P	669.3	\$ 166.27	\$ 9.27	1.0404	1.0000	0.9960	1.0022	1.0565	\$ 0.00	693.6	\$ 176.06	\$ 10.18
Surgery - I/P and O/P - Anesthesia	264.6	107.02	2.36	1.0404	1.0000	0.9999	1.0003	1.1974	0.00	275.2	128.18	2.94
Maternity - Non-Delivery	119.8	42.27	0.42	1.0404	1.0000	1.0000	1.0000	0.9755	0.00	124.7	41.23	0.43
Hospital Visits	426.0	72.86	2.59	1.0404	1.0000	1.0000	1.0001	1.1238	0.00	443.2	81.89	3.02
Office Visits	4,291.1	60.24	21.54	1.0404	1.0000	1.0003	1.1294	1.1489	0.74	4,579.4	78.16	29.83
ER Visits	1,636.1	80.42	10.96	1.0404	1.0000	1.0000	1.0000	1.0278	0.00	1,702.2	82.65	11.72
Immunizations	158.4	13.93	0.18	1.0404	1.0000	0.9447	1.0343	0.9843	0.00	155.7	14.18	0.18
Radiology	1,902.3	36.59	5.80	1.0404	1.0000	1.0000	1.0000	0.9879	0.00	1,979.2	36.15	5.96
Pathology	9,604.3	14.10	11.29	1.0404	1.0000	0.9740	1.0188	1.1264	0.00	9,732.5	16.18	13.12
Mental Health/Substance Abuse	1,006.3	65.18	5.47	1.0404	1.0000	0.9996	1.0206	1.0072	6.22	2,160.6	67.00	12.06
Other Professional	27,513.6	3.45	7.90	1.0404	1.0000	0.9985	1.0140	1.0341	-	28,582.2	3.61	8.61
Subtotal	47,591.9	\$ 19.61	\$ 77.79						\$ 6.96	50,428.6	\$ 23.33	\$ 98.06
Total Claims/Benefit Cost	68,053.5	\$ 49.84	\$ 282.67						\$ 7.20	71,138.7	\$ 53.19	\$ 315.30
									Supplemental Teaching Paymen			16.59
									Administrative Cost Allowance			35.04
									Capitation Rate			\$ 366.93

Appendix 7

South Carolina Department of Health and Human Services
 SFY 2017 Medicaid Managed Care Capitation Rate Development
 July 2016 to June 2017 Capitation Rates

Rate Cell: TANF - Age 45+, Male & Female (AF3)

November 2015 Membership: 13,630

Category of Service	SFY 2015 Adjusted Data			Prospective Adjustments						SFY 2017		
	Utilization Per 1,000	Cost per Service	PMPM	Utilization Trend	Unit Cost Trend	Program Adj Util	Program Adj Cost	Reimbursement Adjustment	RBHS Add On	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital												
I/P Medical/Surgical/Non-Delivery	578.3	\$ 2,364.05	\$ 113.93	1.0000	1.0000	1.0000	1.0000	1.0192	\$ 0.00	578.3	\$ 2,409.44	\$ 116.12
I/P Well Newborn	0.0	0.00	-	1.0000	1.0000	1.0000	1.0000	1.0000	0.00	0.0	0.00	-
Mental Health/Substance Abuse	53.4	675.89	3.01	1.0000	1.0000	1.0000	1.0000	1.0101	0.00	53.4	682.72	3.04
Other Inpatient	27.3	1,754.03	3.98	1.0000	1.0000	1.0000	1.0000	0.8295	-	27.3	1,454.97	3.31
Subtotal	659.0	\$ 2,201.91	\$ 120.93						\$ 0.00	659.0	\$ 2,229.93	\$ 122.47
Outpatient Hospital												
Surgery	268.8	\$ 1,692.39	\$ 37.91	1.0404	1.0000	1.0000	1.0000	0.9944	\$ 0.00	279.7	\$ 1,682.91	\$ 39.22
Non-Surg - Emergency Room	900.5	393.70	29.54	1.0404	1.0000	1.0000	1.0000	0.9977	-	936.9	392.79	30.67
Non-Surg - Other	363.1	136.70	4.14	1.0404	1.0000	1.0000	1.0000	0.9873	-	377.8	134.96	4.25
Observation Room	27.4	606.08	1.38	1.0404	1.0000	1.0000	1.0000	0.9963	-	28.5	603.84	1.43
Treatment/Therapy/Testing	1,361.0	345.59	39.20	1.0404	1.0000	1.0000	1.0000	0.9910	0.00	1,416.0	342.48	40.41
Other Outpatient	29.8	451.86	1.12	1.0404	1.0000	1.0000	1.0000	1.0000	-	31.0	451.86	1.17
Subtotal	2,950.7	\$ 460.75	\$ 113.29						\$ 0.00	3,069.9	\$ 457.94	\$ 117.15
Pharmacy												
Prescription Drugs	26,953.0	51.05	114.66	1.0000	1.1328	1.0000	1.0000	1.0000	-	26,953.0	57.83	129.89
Subtotal	26,953.0	\$ 51.05	\$ 114.66						\$ 0.00	26,953.0	\$ 57.83	\$ 129.89
Ancillaries												
Ambulance	293.1	97.98	2.39	1.0404	1.0000	1.0000	1.0000	0.9991	0.00	305.0	97.90	2.49
Prosthetic/DME	6,275.9	11.08	5.79	1.0404	1.0000	0.9999	1.0001	1.1220	0.00	6,528.8	12.43	6.76
Other Ancillaries	494.6	85.66	3.53	1.0404	1.0000	1.0012	1.0376	1.0265	0.37	563.9	91.23	4.29
Subtotal	7,063.7	\$ 19.91	\$ 11.72						\$ 0.37	7,397.7	\$ 21.96	\$ 13.54
Physician												
Surgery - I/P and O/P	1,321.4	\$ 173.77	\$ 19.14	1.0404	1.0000	0.9974	1.0021	1.0850	\$ 0.00	1,371.2	\$ 188.93	\$ 21.59
Surgery - I/P and O/P - Anesthesia	453.6	109.94	4.16	1.0404	1.0000	1.0000	1.0000	1.2445	0.00	472.0	136.82	5.38
Maternity - Non-Delivery	1.9	68.76	0.01	1.0404	1.0000	1.0000	1.0000	0.9118	0.00	2.0	62.70	0.01
Hospital Visits	846.5	74.87	5.28	1.0404	1.0000	1.0000	1.0002	1.1143	0.00	880.7	83.45	6.12
Office Visits	5,995.5	61.46	30.71	1.0404	1.0000	1.0005	1.1360	1.1306	1.18	6,420.2	78.94	42.23
ER Visits	1,086.4	87.29	7.90	1.0404	1.0000	1.0000	1.0000	1.0342	0.00	1,130.3	90.27	8.50
Immunizations	281.8	13.83	0.32	1.0404	1.0000	0.9257	1.0518	1.0105	0.00	271.4	14.70	0.33
Radiology	3,118.1	38.24	9.94	1.0404	1.0000	1.0000	1.0000	0.9960	0.00	3,244.1	38.08	10.30
Pathology	9,872.4	13.72	11.29	1.0404	1.0000	0.9671	1.0231	1.0863	0.00	9,933.3	15.25	12.62
Mental Health/Substance Abuse	566.1	63.78	3.01	1.0404	1.0000	0.9996	1.0497	1.0221	7.25	1,860.0	68.43	10.61
Other Professional	23,832.0	9.92	19.71	1.0404	1.0000	0.9955	1.0086	0.9912	0.01	24,695.4	9.92	20.42
Subtotal	47,375.8	\$ 28.23	\$ 111.46						\$ 8.44	50,280.6	\$ 32.96	\$ 138.12
Total Claims/Benefit Cost	85,002.2	\$ 66.64	\$ 472.06						\$ 8.81	88,360.2	\$ 70.78	\$ 521.17
									Supplemental Teaching Paymen			19.98
									Administrative Cost Allowance			57.90
									Capitation Rate			\$ 599.05

Appendix 7

South Carolina Department of Health and Human Services
 SFY 2017 Medicaid Managed Care Capitation Rate Development
 July 2016 to June 2017 Capitation Rates

Rate Cell: SSI - Children (SO3)

November 2015 Membership: 13,716

Category of Service	SFY 2015 Adjusted Data			Prospective Adjustments						SFY 2017		
	Utilization Per 1,000	Cost per Service	PMPM	Utilization Trend	Unit Cost Trend	Program Adj Util	Program Adj Cost	Reimbursement Adjustment	RBHS Add On	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital												
I/P Medical/Surgical/Non-Delivery	389.6	\$ 1,964.24	\$ 63.78	1.0000	1.0000	1.0000	1.0000	1.0242	\$ 0.00	389.6	\$ 2,011.77	\$ 65.32
I/P Well Newborn	0.0	0.00	-	1.0000	1.0000	1.0000	1.0000	1.0000	0.00	0.0	0.00	-
Mental Health/Substance Abuse	89.4	735.95	5.49	1.0000	1.0000	1.0000	1.0000	0.9050	0.00	89.4	666.04	4.96
Other Inpatient	13.5	1,934.12	2.18	1.0000	1.0000	1.0000	1.0000	0.9501	-	13.5	1,837.61	2.07
Subtotal	492.6	\$ 1,740.38	\$ 71.44						\$ 0.00	492.6	\$ 1,762.64	\$ 72.36
Outpatient Hospital												
Surgery	131.7	\$ 1,997.34	\$ 21.92	1.0404	1.0000	1.0000	1.0000	0.9845	\$ 0.00	137.0	\$ 1,966.38	\$ 22.45
Non-Surg - Emergency Room	679.1	352.20	19.93	1.0404	1.0000	1.0000	1.0000	0.9948	-	706.5	350.37	20.63
Non-Surg - Other	743.4	147.64	9.15	1.0404	1.0000	1.0000	1.0000	0.9834	-	773.4	145.19	9.36
Observation Room	23.4	1,149.03	2.24	1.0404	1.0000	1.0000	1.0000	0.9883	-	24.3	1,135.58	2.30
Treatment/Therapy/Testing	960.1	243.07	19.45	1.0404	1.0000	1.0000	1.0000	0.9876	0.00	998.9	240.06	19.98
Other Outpatient	15.8	207.62	0.27	1.0404	1.0000	1.0000	1.0000	1.0000	-	16.5	207.62	0.28
Subtotal	2,553.4	\$ 342.86	\$ 72.96						\$ 0.00	2,656.6	\$ 338.81	\$ 75.01
Pharmacy												
Prescription Drugs	15,275.9	120.52	153.42	1.0000	1.2954	1.0000	1.0000	1.0000	-	15,275.9	156.12	198.74
Subtotal	15,275.9	\$ 120.52	\$ 153.42						\$ 0.00	15,275.9	\$ 156.12	\$ 198.74
Ancillaries												
Ambulance	199.7	104.82	1.74	1.0404	1.0000	1.0000	1.0000	0.9985	0.00	207.7	104.66	1.81
Prosthetic/DME	35,924.5	4.86	14.56	1.0404	1.0000	1.0000	1.0000	1.1014	0.00	37,375.9	5.36	16.68
Other Ancillaries	1,096.5	38.17	3.49	1.0404	1.0000	0.9981	1.0260	1.1327	1.13	1,444.3	44.36	5.34
Subtotal	37,220.7	\$ 6.38	\$ 19.79						\$ 1.13	39,027.9	\$ 7.33	\$ 23.84
Physician												
Surgery - I/P and O/P	380.6	\$ 171.34	\$ 5.43	1.0404	1.0000	0.9945	1.0038	1.0844	\$ 0.00	393.8	\$ 186.51	\$ 6.12
Surgery - I/P and O/P - Anesthesia	243.8	116.25	2.36	1.0404	1.0000	1.0000	1.0000	1.0502	0.00	253.7	122.09	2.58
Maternity - Non-Delivery	2.4	50.84	0.01	1.0404	1.0000	1.0000	1.0000	0.9866	0.00	2.5	50.16	0.01
Hospital Visits	735.2	126.93	7.78	1.0404	1.0000	1.0000	1.0000	1.0586	0.00	764.9	134.37	8.56
Office Visits	4,144.5	64.46	22.26	1.0404	1.0000	1.0007	1.1212	1.1427	3.62	4,840.9	82.59	33.32
ER Visits	796.9	74.61	4.96	1.0404	1.0000	1.0000	1.0000	1.0331	0.00	829.1	77.08	5.33
Immunizations	662.7	12.85	0.71	1.0404	1.0000	0.8804	1.0334	1.1730	0.00	607.0	15.58	0.79
Radiology	927.6	25.44	1.97	1.0404	1.0000	1.0000	1.0000	0.9845	0.00	965.1	25.05	2.01
Pathology	2,224.9	18.10	3.36	1.0404	1.0000	0.9557	1.0300	1.0698	0.00	2,212.2	19.94	3.68
Mental Health/Substance Abuse	630.7	83.91	4.41	1.0404	1.0000	0.9991	1.0275	1.0140	49.86	7,499.8	87.42	54.64
Other Professional	21,842.8	23.68	43.10	1.0404	1.0000	0.9982	1.0102	1.1242	0.75	23,019.0	26.89	51.58
Subtotal	32,592.2	\$ 35.47	\$ 96.34						\$ 54.23	41,388.1	\$ 48.89	\$ 168.62
Total Claims/Benefit Cost	88,134.8	\$ 56.36	\$ 413.96						\$ 55.36	98,841.1	\$ 65.38	\$ 538.56
									Supplemental Teaching Paymen			36.48
									Administrative Cost Allowance			53.26
									Capitation Rate			\$ 628.30

Appendix 7

South Carolina Department of Health and Human Services
 SFY 2017 Medicaid Managed Care Capitation Rate Development
 July 2016 to June 2017 Capitation Rates

Rate Cell: SSI - Adults (SP3)

November 2015 Membership: 49,520

Category of Service	SFY 2015 Adjusted Data			Prospective Adjustments						SFY 2017		
	Utilization Per 1,000	Cost per Service	PMPM	Utilization Trend	Unit Cost Trend	Program Adj Util	Program Adj Cost	Reimbursement Adjustment	RBHS Add On	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital												
I/P Medical/Surgical/Non-Delivery	1,709.6	\$ 1,985.04	\$ 282.80	1.0000	1.0000	1.0000	1.0000	0.9833	\$ 0.00	1,709.6	\$ 1,951.89	\$ 278.08
I/P Well Newborn	0.1	1,999.00	0.02	1.0000	1.0000	1.0000	1.0000	0.9900	0.00	0.1	1,979.01	0.02
Mental Health/Substance Abuse	274.6	669.88	15.33	1.0000	1.0000	1.0000	1.0000	0.9837	0.00	274.6	658.96	15.08
Other Inpatient	58.0	1,559.22	7.54	1.0000	1.0000	1.0000	1.0000	0.9584	-	58.0	1,494.36	7.22
Subtotal	2,042.3	\$ 1,796.11	\$ 305.68						\$ 0.00	2,042.3	\$ 1,765.05	\$ 300.40
Outpatient Hospital												
Surgery	318.7	\$ 1,555.09	\$ 41.30	1.0404	1.0000	1.0000	1.0000	0.9941	\$ 0.00	331.5	\$ 1,545.92	\$ 42.71
Non-Surg - Emergency Room	1,524.2	406.98	51.69	1.0404	1.0000	1.0000	1.0000	0.9972	-	1,585.8	405.84	53.63
Non-Surg - Other	632.0	140.81	7.42	1.0404	1.0000	1.0000	1.0000	0.9874	-	657.6	139.03	7.62
Observation Room	58.5	501.35	2.45	1.0404	1.0000	1.0000	1.0000	0.9954	-	60.9	499.04	2.53
Treatment/Therapy/Testing	1,483.3	450.81	55.72	1.0404	1.0000	1.0000	1.0000	0.9915	0.00	1,543.2	446.98	57.48
Other Outpatient	36.4	441.17	1.34	1.0404	1.0000	1.0000	1.0000	0.9981	-	37.9	440.33	1.39
Subtotal	4,053.1	\$ 473.45	\$ 159.91						\$ 0.00	4,216.9	\$ 470.58	\$ 165.37
Pharmacy												
Prescription Drugs	33,707.2	84.52	237.40	1.0000	1.2351	1.0000	1.0000	1.0000	-	33,707.2	104.39	293.21
Subtotal	33,707.2	\$ 84.52	\$ 237.40						\$ 0.00	33,707.2	\$ 104.39	\$ 293.21
Ancillaries												
Ambulance	1,150.0	88.28	8.46	1.0404	1.0000	1.0000	1.0000	0.9990	0.00	1,196.5	88.20	8.79
Prosthetic/DME	22,494.7	8.33	15.61	1.0404	1.0000	1.0000	1.0000	1.0947	0.00	23,403.5	9.12	17.78
Other Ancillaries	1,032.7	80.64	6.94	1.0404	1.0000	1.0000	1.0184	1.0626	3.49	1,554.4	87.26	11.30
Subtotal	24,677.5	\$ 15.08	\$ 31.01						\$ 3.49	26,154.4	\$ 17.38	\$ 37.88
Physician												
Surgery - I/P and O/P	1,358.1	\$ 168.70	\$ 19.09	1.0404	1.0000	0.9965	1.0028	1.0635	\$ 0.00	1,408.0	\$ 179.92	\$ 21.11
Surgery - I/P and O/P - Anesthesia	461.4	113.98	4.38	1.0404	1.0000	1.0000	1.0000	1.2516	0.00	480.0	142.66	5.71
Maternity - Non-Delivery	13.7	35.60	0.04	1.0404	1.0000	1.0000	1.0000	0.9730	0.00	14.2	34.64	0.04
Hospital Visits	2,917.7	72.01	17.51	1.0404	1.0000	1.0000	1.0001	1.1082	0.00	3,035.6	79.81	20.19
Office Visits	6,015.2	59.89	30.02	1.0404	1.0000	1.0005	1.1625	1.1096	4.86	7,016.4	77.25	45.17
ER Visits	1,933.4	89.78	14.47	1.0404	1.0000	1.0000	1.0000	1.0306	0.00	2,011.5	92.53	15.51
Immunizations	316.2	14.63	0.39	1.0404	1.0000	0.9142	1.0615	1.0079	0.00	300.7	15.65	0.39
Radiology	3,924.0	38.38	12.55	1.0404	1.0000	1.0000	1.0000	0.9893	0.00	4,082.5	37.97	12.92
Pathology	10,970.1	13.52	12.36	1.0404	1.0000	0.9643	1.0252	1.0847	0.00	11,005.8	15.04	13.79
Mental Health/Substance Abuse	645.0	60.70	3.26	1.0404	1.0000	0.9997	1.0465	1.0055	23.34	5,055.6	63.88	26.91
Other Professional	49,545.4	10.24	42.27	1.0404	1.0000	0.9983	1.0030	0.9935	0.62	52,188.7	10.20	44.37
Subtotal	78,100.1	\$ 24.02	\$ 156.34						\$ 28.82	86,599.1	\$ 28.56	\$ 206.11
Total Claims/Benefit Cost	142,580.2	\$ 74.94	\$ 890.36						\$ 32.31	152,719.8	\$ 78.81	\$ 1,002.97
									Supplemental Teaching Paymen			37.15
									Administrative Cost Allowance			87.21
									Capitation Rate			\$ 1,127.33

Appendix 7

South Carolina Department of Health and Human Services
 SFY 2017 Medicaid Managed Care Capitation Rate Development
 July 2016 to June 2017 Capitation Rates

Rate Cell: OCWI (WG2)

November 2015 Membership: 11,344

Category of Service	SFY 2015 Adjusted Data			Prospective Adjustments						SFY 2017		
	Utilization Per 1,000	Cost per Service	PMPM	Utilization Trend	Unit Cost Trend	Program Adj Util	Program Adj Cost	Reimbursement Adjustment	RBHS Add On	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital												
I/P Medical/Surgical/Non-Delivery	281.7	\$ 1,487.74	\$ 34.93	1.0000	1.0000	1.0000	1.0000	0.9870	\$ 0.00	281.7	\$ 1,468.40	\$ 34.47
I/P Well Newborn	1.1	733.89	0.07	1.0000	1.0000	1.0000	1.0000	0.9941	0.00	1.1	729.56	0.07
Mental Health/Substance Abuse	17.2	867.60	1.24	1.0000	1.0000	1.0000	1.0000	0.9595	0.00	17.2	832.46	1.19
Other Inpatient	34.6	2,594.63	7.47	1.0000	1.0000	1.0000	1.0000	0.9523	-	34.6	2,470.86	7.12
Subtotal	334.6	\$ 1,567.68	\$ 43.71						\$ 0.00	334.6	\$ 1,536.80	\$ 42.85
Outpatient Hospital												
Surgery	797.2	\$ 464.83	\$ 30.88	1.0404	1.0000	1.0000	1.0000	0.9962	\$ 0.00	829.4	\$ 463.06	\$ 32.00
Non-Surg - Emergency Room	1,035.1	343.61	29.64	1.0404	1.0000	1.0000	1.0000	0.9998	-	1,077.0	343.54	30.83
Non-Surg - Other	1,055.1	137.43	12.08	1.0404	1.0000	1.0000	1.0000	1.0006	-	1,097.7	137.52	12.58
Observation Room	359.8	239.20	7.17	1.0404	1.0000	1.0000	1.0000	0.9946	-	374.4	237.91	7.42
Treatment/Therapy/Testing	1,767.8	108.88	16.04	1.0404	1.0000	1.0000	1.0000	0.9877	0.00	1,839.2	107.54	16.48
Other Outpatient	26.7	141.05	0.31	1.0404	1.0000	1.0000	1.0000	1.0000	-	27.7	141.05	0.33
Subtotal	5,041.7	\$ 228.80	\$ 96.13						\$ 0.00	5,245.3	\$ 227.96	\$ 99.65
Pharmacy												
Prescription Drugs	11,898.0	27.28	27.05	1.0000	1.1328	1.0000	1.0000	1.0000	-	11,898.0	30.91	30.65
Subtotal	11,898.0	\$ 27.28	\$ 27.05						\$ 0.00	11,898.0	\$ 30.91	\$ 30.65
Ancillaries												
Ambulance	408.9	91.77	3.13	1.0404	1.0000	1.0000	1.0000	0.9990	0.00	425.4	91.68	3.25
Prosthetic/DME	758.0	17.62	1.11	1.0404	1.0000	0.9988	1.0008	1.1035	0.00	787.7	19.46	1.28
Other Ancillaries	1,085.4	170.60	15.43	1.0404	1.0000	0.9777	1.0284	0.9877	0.07	1,108.9	173.29	16.01
Subtotal	2,252.3	\$ 104.80	\$ 19.67						\$ 0.07	2,322.0	\$ 106.15	\$ 20.54
Physician												
Surgery - I/P and O/P	560.8	\$ 128.48	\$ 6.00	1.0404	1.0000	0.9949	1.0018	1.0181	\$ 0.00	580.5	\$ 131.04	\$ 6.34
Surgery - I/P and O/P - Anesthesia	224.3	97.24	1.82	1.0404	1.0000	1.0000	1.0000	1.1023	0.00	233.4	107.19	2.08
Maternity - Non-Delivery	1,338.3	30.51	3.40	1.0404	1.0000	1.0000	1.0000	0.9747	0.00	1,392.4	29.74	3.45
Hospital Visits	882.0	64.94	4.77	1.0404	1.0000	1.0000	1.0000	1.1092	0.00	917.6	72.03	5.51
Office Visits	2,058.4	57.35	9.84	1.0404	1.0000	1.0001	1.1166	1.1845	0.21	2,175.0	75.85	13.75
ER Visits	1,388.1	77.99	9.02	1.0404	1.0000	1.0000	1.0000	1.0665	0.00	1,444.2	83.17	10.01
Immunizations	450.7	16.87	0.63	1.0404	1.0000	0.9666	1.0250	0.9606	0.00	453.3	16.61	0.63
Radiology	1,212.4	49.74	5.03	1.0404	1.0000	1.0001	1.0000	0.9745	0.00	1,261.5	48.47	5.10
Pathology	17,926.6	11.28	16.85	1.0404	1.0000	0.9746	1.0216	1.1168	0.00	18,177.1	12.87	19.50
Mental Health/Substance Abuse	1,093.3	74.36	6.77	1.0404	1.0000	0.9989	1.0041	1.0051	2.80	1,583.9	75.04	9.91
Other Professional	16,841.6	2.76	3.87	1.0404	1.0000	0.9992	1.0245	1.0340	-	17,508.0	2.92	4.26
Subtotal	43,976.5	\$ 18.56	\$ 68.01						\$ 3.01	45,726.8	\$ 21.13	\$ 80.53
Total Claims/Benefit Cost	63,503.0	\$ 48.11	\$ 254.58						\$ 3.08	65,526.8	\$ 50.22	\$ 274.21
									Supplemental Teaching Paymen			57.63
									Administrative Cost Allowance			30.47
									Capitation Rate			\$ 362.31

Appendix 7

South Carolina Department of Health and Human Services
 SFY 2017 Medicaid Managed Care Capitation Rate Development
 July 2016 to June 2017 Capitation Rates

Rate Cell: DUAL

November 2015 Membership: -

Category of Service	SFY 2015 Adjusted Data			Prospective Adjustments						SFY 2017		
	Utilization Per 1,000	Cost per Service	PMPM	Utilization Trend	Unit Cost Trend	Program Adj Util	Program Adj Cost	Reimbursement Adjustment	RBHS Add On	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital												
I/P Medical/Surgical/Non-Delivery	785.8	\$ 253.25	\$ 16.58	1.0816	1.0000	1.0000	1.0000	0.9909	\$ 0.00	849.9	\$ 250.95	\$ 17.77
I/P Well Newborn	0.0	0.00	-	1.0816	1.0000	1.0000	1.0000	1.0000	0.00	0.0	0.00	-
Mental Health/Substance Abuse	54.6	189.46	0.86	1.0816	1.0000	1.0000	1.0000	0.9909	0.00	59.1	187.73	0.92
Inpatient Maternity Delivery	5.4	316.76	0.14	1.0816	1.0000	1.0000	1.0000	0.9909	0.00	5.9	313.88	0.15
Other Inpatient	174.6	79.71	1.16	1.0816	1.0000	1.0000	1.0000	0.9909	-	188.8	78.98	1.24
Subtotal	1,020.4	\$ 220.49	\$ 18.75						\$ 0.00	1,103.7	\$ 218.48	\$ 20.09
Outpatient Hospital												
Surgery	148.2	\$ 153.86	\$ 1.90	1.0404	1.0000	1.0000	1.0000	0.9934	\$ 0.00	154.2	\$ 152.85	\$ 1.96
Non-Surg - Emergency Room	972.2	58.78	4.76	1.0404	1.0000	1.0000	1.0000	0.9934	-	1,011.5	58.39	4.92
Non-Surg - Other	435.9	27.29	0.99	1.0404	1.0000	1.0000	1.0000	0.9934	-	453.5	27.11	1.02
Observation Room	30.4	48.44	0.12	1.0404	1.0000	1.0000	1.0000	0.9934	-	31.6	48.12	0.13
Treatment/Therapy/Testing	486.0	70.90	2.87	1.0404	1.0000	1.0000	1.0000	0.9934	0.00	505.6	70.44	2.97
Outpatient Maternity Delivery	0.1	0.00	0.00	1.0404	1.0000	1.0000	1.0000	0.9934	0.00	0.0	0.00	0.00
Other Outpatient	12.6	214.17	0.22	1.0404	1.0000	1.0000	1.0000	0.9934	-	13.1	212.76	0.23
Subtotal	2,085.4	\$ 62.57	\$ 10.87						\$ 0.00	2,169.5	\$ 62.16	\$ 11.24
Pharmacy												
Prescription Drugs	510.9	30.92	1.32	1.0000	1.0404	1.0000	1.0000	1.0000	-	510.9	32.17	1.37
Subtotal	510.9	\$ 30.92	\$ 1.32						\$ 0.00	510.9	\$ 32.17	\$ 1.37
Ancillaries												
Ambulance	36.5	54.48	0.17	1.0404	1.0000	1.0000	1.0000	0.9992	0.00	37.9	54.44	0.17
Prosthetic/DME	13,062.8	2.46	2.68	1.0404	1.0000	1.0000	1.0000	1.1079	0.00	13,590.5	2.73	3.09
Other Ancillaries	1,117.1	24.79	2.31	1.0404	1.0000	1.0000	1.0000	1.1119	1.87	1,976.5	27.56	4.54
Subtotal	14,216.4	\$ 4.35	\$ 5.15						\$ 1.87	15,605.0	\$ 6.00	\$ 7.80
Physician												
Surgery - I/P and O/P	481.7	\$ 25.32	\$ 1.02	1.0609	1.0000	1.0000	1.0000	1.0602	\$ 0.00	511.1	\$ 26.85	\$ 1.14
Surgery - I/P and O/P - Anesthesia	170.2	16.49	0.23	1.0609	1.0000	1.0000	1.0000	1.1963	0.00	180.5	19.72	0.30
Maternity - Non-Delivery	2.3	0.00	-	1.0609	1.0000	1.0000	1.0000	0.9749	0.00	0.0	0.00	-
Hospital Visits	758.6	19.62	1.24	1.0609	1.0000	1.0000	1.0000	1.0762	0.00	804.8	21.11	1.42
Office Visits	2,266.3	25.51	4.82	1.0609	1.0000	1.0000	1.0000	1.1862	1.45	2,979.3	30.26	7.51
ER Visits	319.4	30.55	0.81	1.0609	1.0000	1.0000	1.0000	1.0314	0.00	338.9	31.51	0.89
Immunizations	28.0	8.72	0.02	1.0609	1.0000	1.0000	1.0000	1.1523	0.00	29.7	10.05	0.02
Radiology	826.8	19.18	1.32	1.0609	1.0000	1.0000	1.0000	0.9893	0.00	877.2	18.97	1.39
Pathology	1,296.1	3.48	0.38	1.0609	1.0000	1.0000	1.0000	1.0960	0.00	1,375.0	3.82	0.44
Mental Health/Substance Abuse	78.7	48.06	0.32	1.0609	1.0000	1.0000	1.0000	1.0100	17.24	4,345.1	48.54	17.58
Maternity - Delivery	1.4	268.33	0.03	1.0609	1.0000	1.0000	1.0000	0.9729	0.00	1.4	261.05	0.03
Maternity - Delivery - Anesthesia	1.6	75.32	0.01	1.0609	1.0000	1.0000	1.0000	1.1647	0.00	1.7	87.72	0.01
Maternity - Delivery - Office Visit	10.4	23.36	0.02	1.0609	1.0000	1.0000	1.0000	1.2085	0.00	11.1	28.24	0.03
Maternity - Delivery - Radiology	7.6	15.95	0.01	1.0609	1.0000	1.0000	1.0000	0.9707	0.00	8.1	15.48	0.01
Other Professional	38,911.2	1.68	5.45	1.0609	1.0000	1.0000	1.0000	1.1183	0.36	43,580.0	1.88	6.82
Subtotal	45,160.5	\$ 4.16	\$ 15.67						\$ 19.05	55,044.0	\$ 8.20	\$ 37.59
Total Claims/Benefit Cost	62,993.5	\$ 9.86	\$ 51.77						\$ 20.92	74,433.0	\$ 12.59	\$ 78.09
									Supplemental Teaching Payment			-
									Administrative Cost Allowance			79.85
									Capitation Rate			\$ 157.94

Appendix 7

South Carolina Department of Health and Human Services
 SFY 2017 Medicaid Managed Care Capitation Rate Development
 July 2016 to June 2017 Capitation Rates

Rate Cell: Foster Care Children (FG3)

November 2015 Membership: 3,957

Category of Service	SFY 2015 Adjusted Data			Prospective Adjustments						SFY 2017		
	Utilization Per 1,000	Cost per Service	PMPM	Utilization Trend	Unit Cost Trend	Program Adj Util	Program Adj Cost	Reimbursement Adjustment	RBHS Add On	Utilization Per 1,000	Cost per Service	PMPM
Inpatient Hospital												
I/P Medical/Surgical/Non-Delivery	301.3	\$ 1,513.73	\$ 38.00	1.0000	1.0000	1.0000	1.0000	1.0015	\$ 0.00	301.3	\$ 1,516.00	\$ 38.06
I/P Well Newborn	48.9	442.70	1.80	1.0000	1.0000	1.0000	1.0000	0.9506	0.00	48.9	420.83	1.71
Mental Health/Substance Abuse	316.8	598.28	15.79	1.0000	1.0000	1.0000	1.0000	0.8873	0.00	316.8	530.85	14.01
Other Inpatient	19.2	2,046.67	3.27	1.0000	1.0000	1.0000	1.0000	0.9537	-	19.2	1,951.91	3.12
Subtotal	686.1	\$ 1,029.61	\$ 58.87						\$ 0.00	686.1	\$ 995.27	\$ 56.90
Outpatient Hospital												
Surgery	91.1	\$ 1,314.28	\$ 9.98	1.0404	1.0000	1.0000	1.0000	0.9943	\$ 0.00	94.8	\$ 1,306.79	\$ 10.32
Non-Surg - Emergency Room	527.5	315.59	13.87	1.0404	1.0000	1.0000	1.0000	0.9955	-	548.8	314.17	14.37
Non-Surg - Other	635.1	113.54	6.01	1.0404	1.0000	1.0000	1.0000	0.9859	-	660.8	111.94	6.16
Observation Room	13.5	558.25	0.63	1.0404	1.0000	1.0000	1.0000	1.0011	-	14.0	558.86	0.65
Treatment/Therapy/Testing	535.7	142.77	6.37	1.0404	1.0000	1.0000	1.0000	0.9955	0.00	557.3	142.12	6.60
Other Outpatient	13.5	171.08	0.19	1.0404	1.0000	1.0000	1.0000	1.0000	-	14.0	171.08	0.20
Subtotal	1,816.4	\$ 244.79	\$ 37.05						\$ 0.00	1,889.8	\$ 243.26	\$ 38.31
Pharmacy												
Prescription Drugs	13,474.9	66.89	75.11	1.0000	1.1354	1.0000	1.0000	1.0000	-	13,474.9	75.94	85.28
Subtotal	13,474.9	\$ 66.89	\$ 75.11						\$ 0.00	13,474.9	\$ 75.94	\$ 85.28
Ancillaries												
Ambulance	222.8	94.35	1.75	1.0404	1.0000	1.0000	1.0000	1.0000	0.00	231.8	94.35	1.82
Prosthetic/DME	9,219.0	4.09	3.14	1.0404	1.0000	0.9999	0.9998	1.1440	0.00	9,590.5	4.67	3.74
Other Ancillaries	640.7	40.02	2.14	1.0404	1.0000	0.9983	0.9940	1.2388	1.71	1,081.8	49.28	4.44
Subtotal	10,082.5	\$ 8.37	\$ 7.03						\$ 1.71	10,904.1	\$ 11.01	\$ 10.00
Physician												
Surgery - I/P and O/P	336.9	\$ 151.39	\$ 4.25	1.0404	1.0000	0.9869	1.0088	1.0672	\$ 0.00	345.9	\$ 162.99	\$ 4.70
Surgery - I/P and O/P - Anesthesia	157.7	104.72	1.38	1.0404	1.0000	1.0000	1.0000	1.1140	0.00	164.1	116.65	1.60
Maternity - Non-Delivery	5.0	24.51	0.01	1.0404	1.0000	1.0000	1.0000	0.9692	0.00	5.2	23.76	0.01
Hospital Visits	1,064.2	108.07	9.58	1.0404	1.0000	1.0000	1.0000	1.0669	0.00	1,107.2	115.30	10.64
Office Visits	4,475.1	64.45	24.03	1.0404	1.0000	1.0003	1.1458	1.1899	5.45	5,401.6	87.87	39.55
ER Visits	601.9	73.84	3.70	1.0404	1.0000	1.0000	1.0000	1.0296	0.00	626.2	76.03	3.97
Immunizations	1,731.4	12.35	1.78	1.0404	1.0000	0.8790	1.0413	1.1507	0.00	1,583.4	14.79	1.95
Radiology	706.6	22.52	1.33	1.0404	1.0000	1.0000	1.0000	0.9821	0.00	735.2	22.11	1.35
Pathology	2,787.1	15.08	3.50	1.0404	1.0000	0.9234	1.0583	1.0678	0.00	2,677.5	17.04	3.80
Mental Health/Substance Abuse	4,540.5	89.87	34.00	1.0404	1.0000	0.9983	1.0241	1.0255	424.28	58,659.2	94.38	461.37
Other Professional	19,994.4	19.24	32.05	1.0404	1.0000	0.9973	1.0304	1.1907	0.69	21,096.8	23.60	41.49
Subtotal	36,400.7	\$ 38.12	\$ 115.62						\$ 430.42	92,402.3	\$ 74.08	\$ 570.43
Total Claims/Benefit Cost	62,460.6	\$ 56.42	\$ 293.68						\$ 432.13	119,357.2	\$ 76.50	\$ 760.93
									Supplemental Teaching Paymen			44.62
									Administrative Cost Allowance			75.25
									Capitation Rate			\$ 880.80

Appendix 7

South Carolina Department of Health and Human Services
 SFY 2017 Medicaid Managed Care Capitation Rate Development
 July 2016 to June 2017 Capitation Rates

Rate Cell: KICK (MG2/NG2)

Average CY 2015 Deliveries

2,085

Category of Service	SFY 2015 Adjusted Data			Prospective Adjustments						SFY 2017		
	Utilization Per 1,000	Cost per Service	PMPM	Utilization Trend	Unit Cost Trend	Program Adj Util	Program Adj Cost	Reimbursement Adjustment	RBHS Add On	Utilization Per 1,000	Cost per Service	PMPM
<i>Inpatient Hospital</i>												
Maternity Delivery	2,515.6	1,619.67	4,074.50	1.0000	1.0000	1.0000	1.0000	1.1023	-	2,515.6	1,785.36	4,491.32
Subtotal	2,515.6	\$ 1,619.67	\$ 4,074.50						\$ 0.00	2,515.6	\$ 1,785.36	\$ 4,491.32
<i>Outpatient Hospital</i>												
Outpatient Hospital - Maternity	89.6	282.12	25.27	1.0201	1.0000	1.0000	1.0000	1.0000	-	91.4	282.12	25.78
Subtotal	89.6	\$ 282.12	\$ 25.27						\$ 0.00	91.4	\$ 282.12	\$ 25.78
<i>Physician</i>												
Maternity – Delivery	977.1	1,048.71	\$ 1,024.70	1.0201	1.0000	1.0000	1.0000	0.9729	0.00	996.7	1,020.29	\$ 1,016.97
Maternity – Delivery - Anesthetic	1,326.2	288.16	382.14	1.0201	1.0000	1.0000	1.0000	1.1647	0.00	1,352.8	335.62	454.02
Maternity - Office Visits	9,515.3	53.05	504.81	1.0201	1.0000	1.0008	1.1021	1.1973	0.05	9,715.0	70.01	680.11
Maternity - Radiology	3,765.8	75.24	283.35	1.0201	1.0000	1.0000	1.0000	0.9707	0.00	3,841.5	73.04	280.58
Maternity - Non-Delivery	4.6	84.46	0.39	1.0201	1.0000	1.0000	1.0000	0.9835	-	4.7	83.06	0.39
Subtotal	15,588.9	\$ 140.83	\$ 2,195.39						\$ 0.05	15,910.7	\$ 152.86	\$ 2,432.06
Total Claims/Benefit Cost	18,194.1	\$ 346.00	\$ 6,295.16						\$ 0.05	18,517.8	\$ 375.27	\$ 6,949.16
									Supplemental Teaching Paymen			-
									Administrative Cost Allowance			214.93
									Capitation Rate			\$ 7,164.09

APPENDIX 8: MANAGED CARE EFFICIENCY ADJUSTMENTS

Appendix 8

**South Carolina Department of Health and Human Services
SFY 2017 Medicaid Managed Care Capitation Rate Development
Summary of Managed Care Efficiency Adjustments**

Eligibility Category	Service Category							
	Inpatient Hospital		Emergency Room (Outpatient Hospital and Physician)		Physician Office Visits		Pharmacy	
	Utilization	Cost/Unit	Utilization	Cost/Unit	Utilization	Cost/Unit	Utilization	Cost/Unit
TANF: 0-2 months old	0.9990	1.0000	0.9696	1.0115	1.0033	1.0000	1.000	0.9974
TANF: 3-12 months old	0.9840	1.0043	0.9571	1.0160	1.0093	1.0000	1.000	0.9960
TANF: Age 1-6	0.9669	1.0051	0.9572	1.0149	1.0084	1.0000	1.000	0.9940
TANF: Age 7-13	0.9721	1.0004	0.9630	1.0129	1.0054	1.0000	1.000	0.9872
TANF: Age 14-18	0.9854	1.0054	0.9698	1.0118	1.0062	1.0000	1.000	0.9931
TANF: Age 14-18	0.9865	1.0004	0.9598	1.0154	1.0092	1.0000	1.000	0.9933
TANF: Age 19-44	0.9867	1.0024	0.9671	1.0141	1.0126	1.0000	1.000	0.9833
TANF: Age 19-44	0.9823	1.0035	0.9582	1.0167	1.0145	1.0000	1.000	0.9778
TANF: Age 45+	0.9824	1.0055	0.9639	1.0169	1.0054	1.0000	1.000	0.9771
SSI - Children	0.9749	1.0035	0.9658	1.0141	1.0055	1.0000	1.000	0.9916
SSI - Adults	0.9739	1.0041	0.9675	1.0151	1.0082	1.0000	1.000	0.9838
OCWI	0.9879	1.0001	0.9588	1.0160	1.0210	1.0000	1.000	0.9503
Foster Care - Children	0.9851	1.0034	0.9718	1.0096	1.0033	1.0000	1.000	0.9994

Notes:

1. For inpatient hospital, and outpatient and physician emergency room services, increases in estimated cost per unit reflect a higher mix and intensity of services with the management and reduction of lower cost utilization.
2. Utilization increases for Office Visit reflects a shift in utilization to this service category from the outpatient emergency room category of service.
3. Cost per unit decreases for pharmacy reflects both cost per script and generic dispensing rate efficiencies.
4. Delivery cost decreases reflect an increase in the projected vaginal delivery rate and corresponding savings in the composite cost per delivery.

APPENDIX 9: SUPPLEMENTAL TEACHING PAYMENT DEVELOPMENT – UNADJUSTED STP

Appendix 9

**South Carolina Department of Health and Human Services
SFY 2017 Medicaid Managed Care Capitation Rate Development
Supplemental Teaching Payment Development - Unadjusted STP**

Rate Cell	FFY 2014 MCO Data					SFY 2017 Unadjusted STP			
	Member Months (A)	Teaching Physicians Claims Paid (B)	TPL Adjustment (C)	Estimated Copay (D)	Estimated Total Paid To Provider (B) * (C) + (D) (E)	FFY 2014 ACR (F)	ACR Trend Adj (to SFY 2017) (G)	Trended SFY 2017 ACR (F) * (G) (H)	Unadjusted Supplemental Teaching Payments (H) - (E) (I)
TANF - 0 - 2 Months, Male & Female (AH3)	86,433	\$ 11,264,848	1.0165	\$ 0	\$ 11,451,051	\$ 23,940,617	1.0604	\$ 25,387,648	\$ 13,936,597
TANF - 3 - 12 Months, Male & Female (AI3)	316,123	5,826,912	1.0165	0	5,923,229	13,250,223	1.0604	14,051,100	8,127,871
TANF - Age 1 - 6, Male & Female (AB3)	2,108,677	8,718,837	1.0165	0	8,862,955	20,032,822	1.0604	21,243,656	12,380,701
TANF - Age 7 - 13, Male & Female (AC3)	2,094,785	6,560,460	1.0165	0	6,668,902	15,164,437	1.0604	16,081,014	9,412,112
TANF - Age 14 - 18, Male (AD1)	569,291	1,888,592	1.0165	0	1,919,809	4,451,896	1.0604	4,720,979	2,801,170
TANF - Age 14 - 18, Female (AD2)	587,875	2,513,651	1.0165	0	2,555,201	5,775,936	1.0604	6,125,048	3,569,847
TANF - Age 19 - 44, Male (AE1)	187,268	710,384	1.0165	9,425	731,551	1,999,223	1.0604	2,120,061	1,388,510
TANF - Age 19 - 44, Female (AE2)	742,956	5,024,003	1.0165	72,679	5,179,727	13,710,923	1.0604	14,539,646	9,359,920
TANF - Age 45+, Male & Female (AF3)	115,580	\$ 1,025,890	1.0165	\$ 16,952	\$ 1,059,800	\$ 3,010,111	1.0604	\$ 3,192,050	\$ 2,132,250
SSI - Children (SO3)	188,337	\$ 4,267,470	1.0165	\$ 0	\$ 4,338,010	\$ 10,197,614	1.0604	\$ 10,813,984	\$ 6,475,974
SSI - Adults (SP3)	554,609	\$ 9,567,423	1.0165	\$ 110,042	\$ 9,835,610	\$ 27,436,285	1.0604	\$ 29,094,603	\$ 19,258,993
OCWI (WG2)	246,319	\$ 2,328,419	1.0165	\$ 0	\$ 2,366,907	\$ 5,553,717	1.0604	\$ 5,889,398	\$ 3,522,491
DUAL	N/A	\$ 0	1.0000	\$ 0	\$ 0	\$ 0	N/A	\$ 0	\$ 0
Foster Care Children (FG3)	38,104	\$ 672,366	1.0165	\$ 0	\$ 683,480	\$ 2,149,185	1.0604	\$ 2,279,087	\$ 1,595,607
KICK (NG2)	N/A	\$ 12,225,939	1.0165	\$ 0	\$ 12,428,029	\$ 23,722,073	1.0604	\$ 25,155,894	\$ 12,727,865
TOTAL	7,836,357	\$ 72,595,193			\$ 74,004,261	\$ 170,395,061		\$ 180,694,168	\$ 106,689,907

**APPENDIX 10 : SUPPLEMENTAL TEACHING PAYMENT DEVELOPMENT
– FINAL STP PMPM**

Appendix 10

**South Carolina Department of Health and Human Services
SFY 2017 Medicaid Managed Care Capitation Rate Development
Supplemental Teaching Payment Development - Final STP PMPM**

Rate Cell	FFY 2014 Member Months	Unadjusted Supplemental Teaching Payments	Adjustment Factors					SFY 2017 STP PMPM Development			
			OCWI Adjustment	Emergency Room Managed Care Adjustment	Redetermination Adjustment	Inmate Adjustment	Utilization Trend (to SFY 2017)	Supplemental Teaching Payments Pre-KICK Allocation	KICK Allocation	Supplemental Teaching Payments Total	Supplemental Teaching Payments PMPM
TANF - 0 - 2 Months, Male & Female (AH3)	86,433	\$ 13,936,597	1.0000	1.0000	1.0000	1.0000	1.0560	\$ 14,717,182	\$ 0	\$ 14,717,182	\$ 170.27
TANF - 3 - 12 Months, Male & Female (AI3)	316,123	8,127,871	1.0000	1.0011	1.0000	1.0000	1.0560	8,592,234	0	8,592,234	27.18
TANF - Age 1 - 6, Male & Female (AB3)	2,108,677	12,380,701	1.0000	1.0012	1.0118	1.0000	1.0560	13,244,133	0	13,244,133	6.28
TANF - Age 7 - 13, Male & Female (AC3)	2,094,785	9,412,112	1.0000	1.0007	1.0118	1.0000	1.0560	10,063,381	0	10,063,381	4.80
TANF - Age 14 - 18, Male (AD1)	569,291	2,801,170	1.0000	1.0005	1.0118	1.0003	1.0560	2,995,251	0	2,995,251	5.26
TANF - Age 14 - 18, Female (AD2)	587,875	3,569,847	1.0000	1.0006	1.0118	1.0000	1.0560	3,816,417	768,952	4,585,370	7.80
TANF - Age 19 - 44, Male (AE1)	187,268	1,388,510	1.0000	1.0006	1.0256	1.0033	1.0560	1,509,542	0	1,509,542	8.06
TANF - Age 19 - 44, Female (AE2)	742,956	9,359,920	1.0000	1.0001	1.0256	1.0003	1.0560	10,140,622	2,187,498	12,328,120	16.59
TANF - Age 45+, Male & Female (AF3)	115,580	\$ 2,132,250	1.0000	0.9999	1.0256	1.0004	1.0560	\$ 2,309,859	\$ 0	\$ 2,309,859	\$ 19.98
SSI - Children (SO3)	188,337	\$ 6,475,974	1.0000	1.0002	1.0000	1.0000	1.0560	\$ 6,839,894	\$ 30,058	\$ 6,869,952	\$ 36.48
SSI - Adults (SP3)	554,609	\$ 19,258,993	1.0000	0.9996	1.0000	1.0006	1.0560	\$ 20,339,908	\$ 261,335	\$ 20,601,242	\$ 37.15
OCWI (WG2)	246,319	\$ 3,522,491	1.1784	0.9988	1.0000	1.0001	1.0560	\$ 4,378,737	\$ 9,817,463	\$ 14,196,200	\$ 57.63
DUAL	N/A	\$ 0	1.0000	1.0000	1.0000	1.0000	1.0847	\$ 0	\$ 0	\$ 0	\$ 0.00
Foster Care Children (FG3)	38,104	\$ 1,595,607	1.0000	1.0001	1.0000	1.0002	1.0560	\$ 1,685,482	\$ 14,741	\$ 1,700,223	\$ 44.62
KICK (NG2)	N/A	\$ 12,727,865	1.0000	1.0000	1.0000	0.9999	1.0277	\$ 13,080,047	\$ 0	\$ 0	
TOTAL	7,836,357	\$ 106,689,907						\$ 113,712,689	\$ 13,080,047	\$ 113,712,689	\$ 14.51

Adjustments composited for all professional services by SFY 2015 base data