

ORIGINAL 2

**AMENDMENT TO  
AGREEMENT BETWEEN STATE OF LOUISIANA  
DEPARTMENT OF HEALTH AND HOSPITALS**

Amendment #: 4CFMS #: 707861DOA #: 305-200568DHH #: 057718(Regional/ Program/  
Facility)Medical Vendor AdministrationBureau of Health Services Financing**AND**Community Health Solutions (CHS) of America, Inc. dba CHS of Louisiana

Contractor Name

Original Contract Amt \$68,031,170.00Original Contract Begin Date 02-01-2012Original Contract End Date 01-31-2015**AMENDMENT PROVISIONS**

Change Contract From:

Maximum Amount: \$69,076,862.00

See Attachment A-4.

Change To:

Maximum Amount: 107,010,710

See Attachment A-4.

Justification:

The changes contained in Attachment A-4 are necessary for the continued operation of the Medicaid managed care program. The additional funding is needed due to increased enrollment and anticipated member months in the Shared plans.

This Amendment Becomes Effective: 07-01-2014

This amendment contains or has attached hereto all revised terms and conditions agreed upon by contracting parties.

IN WITNESS THEREOF, this amendment is signed and entered into on the date indicated below.

**CONTRACTOR**

Community Health Solutions (CHS) of America, Inc. dba CHS

CONTRACTOR SIGNATURE

DATE

PRINT  
NAME

Dr. Stewart Gordon

CONTRACTOR  
TITLE

Interim Executive Director

**STATE OF LOUISIANA  
DEPARTMENT OF HEALTH AND HOSPITALS**

Secretary, Department of Health and Hospital or Designee

SIGNATURE

DATE

NAME

W. Jeff Reynolds

TITLE

Undersecretary, DHH

OFFICE

Office of Management and Finance

**APPROVED**  
Office of the Governor  
Office of Contractual Review

OCT 30 2014

*Patricia Bartley Rice*  
DIRECTOR

PROGRAM SIGNATURE

DATE

NAME

# Bayou Health – Shared Savings Contract Amendment Attachment A-4

Exhibit/ Attachment	Document	Change From:	Change To:	Justification
Exhibit E	RFP 305 PUR- DHHRFP- CCN-S- MVA	4.7.14. DHH will make payment to the CCN for savings achieved when either: the CCN provides to the CCN Program Director written concurrence with the determination; or, when relative to a written request for reconsideration of a savings determination, a decision has been made by the Medicaid Director as specified in §19.30. Written communication regarding concurrence or request for reconsideration must be provided to DHH within sixty (60) days of issuance of the determination to the CCN. Determinations that are neither agreed to nor disputed by the CCN within sixty (60) days shall be deemed final.	4.7.14. DHH will make payment to the CCN for savings achieved when either: the CCN provides to the CCN Program Director written concurrence with the determination; or, when relative to a written request for reconsideration of a savings determination, including claims level detail, a decision has been made by the Medicaid Director as specified in §19.30. Written communication regarding concurrence or request for reconsideration must be provided to DHH within sixty (60) days of issuance of the determination, including claims level detail, to the CCN. Determinations that are neither agreed to nor disputed by the CCN within sixty (60) days shall be deemed final.	Clarification
Exhibit E	RFP 305 PUR- DHHRFP- CCN-S- MVA	Add bullet point	<p>6.6.2.</p> <ul style="list-style-type: none"> <li>The PCPs office is answered by a "monitored" voice mail, instructing the caller to leave a name and contact number and a message that there call will be returned by a clinician within 30 minutes or less. In order to meet acceptable coverage these messages must be monitored and returned within the 30 minute timeframe;</li> </ul>	To allow clinicians to receive compliance credit for returning the call within 30 minutes
Exhibit E	RFP 305 PUR- DHHRFP- CCN-P- MVA	<p>6.6.3. Examples of Unacceptable PCP After Hours Coverage (change bullet point)</p> <ul style="list-style-type: none"> <li>The office telephone is answered after-hours by a recording that tells patients to leave a message;</li> </ul>	<p>6.6.3 Examples of Unacceptable PCP After Hours Coverage</p> <ul style="list-style-type: none"> <li>The PCP's office telephone is answered after-hours by a recording that tells patients to leave a message (unless it meets the criteria of a monitored voice mail system described in section 6.6.2.)</li> </ul>	To clarify circumstance where monitored voice mail system is acceptable

Bayou Health – Shared Savings Contract Amendment Attachment A-4

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Exhibit E	RFP 305 PUR- DHHRFP- CCN-P- MVA	<b>19.4 Amendments Second Sentence</b> ... The Contract may be amended at any time as provided in this paragraph. The Contract may be amended whenever appropriate to comply with state and federal requirements or state budget reductions provided however that shared savings benchmarks are calculated in a manner that is in accordance with generally accepted actuarial practices and principles.	<b>19.4 Amendments Second Sentence</b> ... The Contract may be amended at any time as provided in this paragraph. The Contract may be amended whenever appropriate to comply with state and federal requirements or state budget reductions provided however that rates must be certified as actuarially sound.	Clarification																																																												
Exhibit E, Appendix H	RFP 305 PUR- DHHRFP- CCN-S- MVA	<b>Appendix H Shared-Savings Administrative Measures</b>	Replace with new version of <b>Appendix H Shared-Savings Administrative Measures.</b> (See attached.)	To match requirements in chart with reporting requirements.																																																												
Exhibit E, Appendix F		<table><tr><th>Contract Year</th><th>Anticipated Member Months</th><th>Average PMPM</th><th>Maximum Contract Amount</th></tr><tr><td>1 Jan-Jun</td><td>535,533</td><td>\$12.94</td><td>\$6,929,797</td></tr><tr><td>1 Jul</td><td>188,142</td><td>\$12.19</td><td>\$2,293,451</td></tr><tr><td>1 Aug-Dec</td><td>940,710</td><td>\$10.97</td><td>\$10,319,589</td></tr><tr><td>2</td><td>2,257,704</td><td>\$10.97</td><td>\$24,767,013</td></tr><tr><td>3</td><td>2,257,704</td><td>\$10.97</td><td>\$24,767,013</td></tr><tr><td colspan="2">Total</td><td></td><td>\$69,076,862</td></tr></table>	Contract Year	Anticipated Member Months	Average PMPM	Maximum Contract Amount	1 Jan-Jun	535,533	\$12.94	\$6,929,797	1 Jul	188,142	\$12.19	\$2,293,451	1 Aug-Dec	940,710	\$10.97	\$10,319,589	2	2,257,704	\$10.97	\$24,767,013	3	2,257,704	\$10.97	\$24,767,013	Total			\$69,076,862	<table><tr><th>Contract Year</th><th>Anticipated Member Months</th><th>Average PMPM</th><th>Maximum Contract Amount</th></tr><tr><td>1 Feb-Jun</td><td>582,032</td><td>\$12.94</td><td>\$7,531,496</td></tr><tr><td>1-Jul</td><td>187,078</td><td>\$12.19</td><td>\$2,280,480</td></tr><tr><td>1 Aug-Jan</td><td>1,150,290</td><td>\$10.97</td><td>\$12,618,684</td></tr><tr><td colspan="4">1-Shared Payout \$6,025,602</td></tr><tr><td>2</td><td>2,390,970</td><td>\$10.97</td><td>\$26,228,945</td></tr><tr><td colspan="4">2-Shared Payout \$12,051,204</td></tr><tr><td>3</td><td>2,572,752</td><td>\$10.97</td><td>\$28,223,095</td></tr></table>	Contract Year	Anticipated Member Months	Average PMPM	Maximum Contract Amount	1 Feb-Jun	582,032	\$12.94	\$7,531,496	1-Jul	187,078	\$12.19	\$2,280,480	1 Aug-Jan	1,150,290	\$10.97	\$12,618,684	1-Shared Payout \$6,025,602				2	2,390,970	\$10.97	\$26,228,945	2-Shared Payout \$12,051,204				3	2,572,752	\$10.97	\$28,223,095	
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# Bayou Health – Shared Savings Contract Amendment Attachment A-4

Exhibit/ Attachment	Document	Change From:	Change To:	Justification				
			<table><tr><td>3 Shared Payout</td><td>\$12,051,204</td></tr><tr><td>Total</td><td>\$107,010,710</td></tr></table>	3 Shared Payout	\$12,051,204	Total	\$107,010,710	
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Exhibit E, Appendix F	RFP 305 PUR- DHHRFP- CCN-S- MVA	Mercer Letter dated "June 20, 2013" and entitled "BAYOU HEALTH – Shared Savings Model Benchmark Development for Contract Period February 1 through June 30, 2013."	Revise Appendix F to add the following:  Mercer Letter dated "February 28, 2014" and entitled "BAYOU HEALTH – Shared Savings Model Benchmark Development for Contract Period February 1 through June 30, 2013." (See attached.)	To update benchmarks.				
Exhibit E, Appendix F	RFP 305 PUR- DHHRFP- CCN-S- MVA	Mercer Letter dated "June 20, 2013" and entitled "BAYOU HEALTH – Shared Savings Model Benchmark Development for Contract Period February 1 through June 30, 2013."	Revise Appendix F to add the following:  Mercer Letter dated "February 28, 2014" and entitled "BAYOU HEALTH – Shared Savings Model Benchmark Development for Contract Period July 1 through December 31, 2013." (See attached.)	To update benchmarks.				
Exhibit E, Appendix F	RFP 305 PUR- DHHRFP- CCN-S- MVA	Mercer Letter dated "June 20, 2013" and entitled "BAYOU HEALTH – Shared Savings Model Benchmark Development for Contract Period February 1 through June 30, 2013."	Revise Appendix F to add the following:  Mercer Letter dated "April 25, 2014" and entitled "BAYOU HEALTH – Shared Savings Model Benchmark Development for Contract Period January 1, 2014 through June 30, 2014." (See attached.)	To update benchmarks.				

Ms. Mary Johnson  
Bayou Health Program Director  
Louisiana Department of Health and Hospitals  
628 North 4th Street  
Baton Rouge, LA 70821

February 28, 2014

**Subject:** Bayou Health – Shared Savings Model Benchmark Development for Contract Period  
February 1, 2013 through June 30, 2013

Dear Ms. Johnson:

The Louisiana Department of Health and Hospitals (DHH) contracted with Mercer Government Human Services Consulting (Mercer) to develop benchmark costs for the purpose of measuring savings achieved by the Shared Savings program under the Bayou Health Program. These benchmarks are to cover the period from February 1, 2013 through June 30, 2013. This benchmark letter reflects the inclusion of a new rate category for the LaCHIP Affordable Plan (LAP) population.

Section 1902(a)(13)(C) of the Social Security Act as amended by the Affordable Care Act (ACA) of 2010, requires that state Medicaid programs increase payments to primary care providers in 2013 and 2014. Please note the unit cost differential due to the ACA Section 1202 Primary Care Service increase is not included in the benchmarks. This cost differential will be paid to the providers in accordance with the approved State Plan Amendment for the primary care physician (PCP) increase and will be paid retroactively after the fee schedule is modified (July 2013) to reflect the appropriate costs.

This letter presents an overview of the methodology used in Mercer's benchmark development process. Although there are no specific requirements of the Centers for Medicare & Medicaid Services (CMS) concerning benchmark development, nor any requirement that the benchmarks be actuarially certified, Mercer has participated in a series of discussions between the State and CMS and we know that CMS has a significant interest in understanding how the benchmarks were developed. This benchmark development process was based on Medicaid Fee-for-Service (FFS) medical claims and resulted in development of a single set of proposed benchmarks for each region and rate cell combination, which are attached to this letter.

## **Rate Methodology**

### **Overview**

Benchmark costs for the Shared Savings model were developed in an actuarially sound manner. Actuarially sound is defined in this letter as developed in accordance with generally accepted actuarial principles and practices. Where possible, Mercer used methods consistent with the rate setting guidelines established by CMS. The benchmark rates are appropriate for the populations to be covered and the services to be furnished under this program. One of the key considerations was the base data. Mercer worked with DHH to obtain Medicaid FFS data from State Fiscal Year (SFY) 2010 and SFY 2011. Louisiana's SFY runs from July 1 through June 30 of the following year. Restrictions were applied to the enrollment and FFS claims data so that it matched the populations and benefit package defined in the Contract.

To develop benchmarks, adjustments were applied to the base data. These adjustments were all consistent with those provided for in capitated rate development under the CMS Capitated Rate-Setting Checklist:

- Removal of enrollment and claims during periods of retroactive eligibility
- Completion factors to account for unpaid claims at the time of the data submission
- Adjustment to reflect amounts paid outside of the Louisiana Medicaid Management Information System (MMIS), including, but not limited to inpatient outlier stays, inpatient and outpatient cost reconciliations, and fraud and abuse recoupments
- Trend factors to forecast the expenditures and utilization to the appropriate contract period
- Prospective and historic program changes not reflected in the base data
- Prescription drug rebates
- Data smoothing

The Graduate Medical Education (GME) component of teaching hospital per diems were not removed from the cost basis so as to develop benchmarks appropriate for reconciling against Shared Savings program costs that will include the GME element of the per diems. Since the costs coordinated by the Shared Savings program will be paid using FFS Medicaid rates, the per diems paid will include exactly the same GME amounts as in the Louisiana Medicaid State Plan.

Using prescription drug costs net of rebates in both benchmark and actual costs guards against sharing too large of a savings, but does suggest that benchmarks be updated in the event of any material changes in the State's rebate structure or results.

Since DHH will not include costs over \$100,000 per year for any recipient in the reconciliation, an appropriate adjustment was made to the benchmark costs.

The resulting benchmarks were expressed as per member per month (PMPM) amounts by rate cell. Risk adjustment will be applied to the resulting targets in a manner comparable to that to be

used for the Prepaid program rates to account for health risk differences between the various Shared Savings plans and between the Shared Savings program as a whole and the Prepaid program. This will allow for any selection for or against each of the programs.

### **Base Data Development**

Mercer was provided with Medicaid FFS enrollment and claims data from SFY 2010 and SFY 2011 with runout through February 2013. Mercer was also provided with supplemental data files containing information on outlier claims paid outside of the MMIS system, fraud and abuse recoupments, prescription drug rebates, and inpatient and outpatient hospital cost settlements. These payments/recoupments outside of the MMIS system have been added to or subtracted from the base claims data as appropriate so that the relevant cost for the population eligible for enrollment in the Shared Savings program is replicated.

Mercer reviewed the data for consistency and reasonableness and determined that the data appears appropriate for the purpose of setting benchmarks for the Shared Savings program.

As discussed with DHH, Mercer relied on the experience of the children's portion of the Family and Children category to generate the LAP benchmark as their benefit package and morbidity is expected to be similar across both categories.

### **Enrollment Data**

The enrollment file supplied by DHH's fiscal agent provided all enrollment records for each member for each month. Therefore, if a member's eligibility status was retroactively changed, both the old and the new records were present. Most often, this occurred because a recipient was retroactively categorized as Supplemental Security Income (SSI) from Family and Children. In this case, the enrollment file would have included both the SSI enrollment record and the Family and Children record for the same month. Mercer worked with DHH to develop a hierarchy to determine the appropriate unique enrollment record to use – typically the SSI record.

### **Claims Data**

Mercer used SFY 2010 and SFY 2011 FFS data as the data source for the development of benchmark costs. The FFS data reflects the actual medical expenses to DHH of providing health care coverage for the Shared Savings program eligible population. The expenses are net of third party liability and subrogation. Mercer reviewed the FFS data to ensure it appeared reasonable and appropriate, but did not audit the data. Specifically, Mercer reviewed the following issues:

- Completeness and consistency of incurred claims over time
- Consistency between FFS claims data and DHH published reports
- All payments outside of the MMIS claims system appeared to be properly accounted for
- The data appeared to have been properly restricted to those services and populations to be covered under the Shared Savings program

Adjustments were made to the FFS data to reflect the complete actuarially equivalent cost of the population for the Shared Savings program contract. The most significant adjustments are discussed below. In each case, the adjustments were calculated and applied at the rate cell level. The discussion below summarizes the overall impact of each adjustment expressed as a percentage of the total program cost.

**Outlier Claims for Children Under Six Years** – DHH makes payments for outlier claims incurred during an inpatient admission for children under six years old outside of the MMIS. Adding outlier claims with a cap of \$10 million per year to the base data resulted in an increase to cost of 0.43% in SFY 2010 and 0.45% in SFY 2011.

**Incurred-but-not-Reported (IBNR) Claims Adjustments** – Mercer estimated and adjusted for the remaining liability associated with IBNR claims for SFY 2010 and SFY 2011. The overall adjustments for SFY 2010 and SFY 2011 using paid claims data through August 2011 were -0.10% and 2.47%, respectively.

**Fraud-and-Abuse Recoupments** – Adjustments were made for recoupments due to fraud-and-abuse recoveries. Those adjustments were -0.09% in SFY 2010 and -0.20% in SFY 2011.

**GME** – Hospital per diem rates used to make payments for care coordinated by the Shared Savings program include the same GME elements as under the State Plan. No adjustment was therefore needed.

**Pharmacy Rebates** – Adjustments were made to reflect pharmacy rebates. The overall adjustments were equivalent to -9.92% of the total pharmacy and non-pharmacy claims cost in SFY 2010 and -12.23% in SFY 2011.

**Inpatient, Outpatient Hospital Cost Settlements, and Supplemental Payments to High Medicaid Community Hospitals** – Louisiana State University (LSU) state hospitals and outpatient hospitals receive settlements based on cost reports. Certain "High Medicaid Community Hospitals" also receive supplemental payments that are provided for in the State Plan. Mercer applied adjustments of 0.88% in SFY 2010 and 0.17% in SFY 2011 to capture the impact of cost settlements made outside of the MMIS.

**Retroactive eligibility** – Individuals will not enroll with a Shared Savings program until they are Medicaid eligible. Even after receiving Medicaid eligibility, it may take 30 days to enroll in Bayou Health. Therefore, enrollment and claims incurred during the retroactive period and those during the first month of Medicaid eligibility have been removed from our calculations. Infants are an exception because they will be covered under the mother's plan from the date of birth.

**Non-covered Populations** – In general, the Shared Savings program includes individuals classified as SSI, Family and Children, Foster Children, Breast and Cervical Cancer, and LAP. The following individuals are excluded from participation in the Shared Savings program:

- Medicare dually eligible individuals
- Home- and Community-based services (HCBS) waiver recipients
- Chisholm class members
- Individuals receiving Medicaid hospice services
- Individuals residing in long-term care facilities (nursing home, intermediate care facilities for the developmentally disabled {ICF/DD})
- Individuals receiving services for three months or less (medically needy spend-down)
- Undocumented immigrants eligible for emergency services only
- Enrollees receiving single service (family planning only)

**Non-covered Services** – The Shared Savings program benchmarks are based on services covered under the provider agreement. The following services have been excluded in the determination of the benchmarks:

- Services provided through DHH's Early-steps Program
- Dental services
- ICF/DD services
- Hospice
- Personal care services early periodic screening diagnostic treatment (EPSDT and long-term personal care services)
- Nursing facility services
- School-based individualized education plan services provided by a school district and billed through the intermediate school district, or school-based services funded with certified public expenditures including school nurses
- HCBS waiver services
- Federally qualified health center (FQHC) services with specified primary behavioral health diagnosis codes
- Hospital inpatient and outpatient, including emergency room, services with specified primary behavioral health diagnosis codes
- Hospital inpatient acute detoxification services
- Targeted case management services
- Durable medical equipment (DME)
- Orthotics and prosthetics
- Non-emergency transportation, including post-stabilization hospital-to-hospital transportation
- Specialized behavioral health drugs

**Client Participation Amounts** – Costs associated with “spend-down” and post-eligibility treatment of income are not included in the base data.

**Third-Party Liability** – Recoveries associated with third party liability and subrogation have been removed from claims.

**Disproportionate Share Hospital (DSH) Payments** – DSH payments are made outside of the MMIS system. These payments are not included in the benchmarks and therefore no adjustment is required.

**Co-payments** – Co-payments are only applicable to prescription drugs. Since co-payments will remain in place unchanged, no adjustment is necessary.

### **PMPM Category Groupings**

Benchmarks are developed using PMPM amounts that vary by the major categories of eligibility. Furthermore, where appropriate, the PMPMs within a particular category of eligibility are subdivided into different age and gender bands to reflect differences in risk due to age and gender and during child bearing ages. In addition, due to the high cost associated with pregnancies, DHH will include a maternity cost allowance in the benchmark for each delivery that takes place (kick allowance). The following is a list of the different PMPM cells for each eligibility category including the maternity kick allowance.

<b>SSI</b>	
0 - 2 Months, Male and Female	14 - 18 Years, Male and Female
3 - 11 Months, Male and Female	19 - 44 Years, Male and Female
1 - 5 Years, Male and Female	45+ Years, Male and Female
6 - 13 Years, Male and Female	
<b>Family and Children</b>	
0 - 2 Months, Male and Female	14 - 18 Years, Male
3 - 11 Months, Male and Female	19 - 44 Years, Female
1 - 5 Years, Male and Female	19 - 44 Years, Male
6 - 13 Years, Male and Female	45+ Years, Female
14 - 18 Years, Female	45+ Years, Male
<b>Foster Care Children, All Ages</b>	<b>Breast and Cervical Cancer, All Ages</b>
<b>LaCHIP Affordable Plan, All Ages</b>	<b>Maternity Kickpayment</b>

### Trend Development

Trend is an estimate of the change in the overall cost of providing health care benefits over a period of time. A trend factor is necessary to estimate the expenses of providing health care services in a future period. Mercer reviewed a variety of sources to develop the trend assumptions. These sources included, but were not limited to:

- Health care economic indices such as Consumer Price Index for the South-Atlantic region
- Mercer's regression analysis applied to trends exhibited in the FFS claims data
- Trends in other state Medicaid programs for similar populations
- Judgment regarding economic outlook balancing a variety of sources

Mercer developed individual trends for each category of eligibility and service category. Mercer's target trend can be found in the following table.

#### Target FFS Trend

Category of Aid (COA) Description	Category of Service (COS) Description	Utilization	Unit Cost	PMPM Trend
SSI	Inpatient Hospital	1.28%	0.00%	1.28%
SSI	Outpatient Hospital	4.70%	3.72%	8.60%
SSI	Primary Care Physician	3.56%	0.00%	3.56%
SSI	Specialty Care Physician	3.56%	0.00%	3.56%
SSI	FQHC/Rural Health Clinic (RHC)	3.56%	2.00%	5.63%
SSI	EPSDT	3.56%	0.00%	3.56%
SSI	Certified Nurse Practitioners/Clinical Nurse	3.56%	0.00%	3.56%
SSI	Lab/Radiology	2.70%	0.00%	2.70%
SSI	Home Health	2.70%	0.00%	2.70%
SSI	Emergency Transportation	2.56%	0.00%	2.56%
SSI	Rehabilitation Services (Occupational Therapy (OT), Physical Therapy (PT), Speech Therapy (ST))	2.70%	0.00%	2.70%
SSI	Clinic	3.56%	0.00%	3.56%
SSI	Family Planning	3.56%	0.00%	3.56%
SSI	Other	2.71%	0.00%	2.71%
SSI	Prescribed Drugs	1.35%	5.44%	6.86%
SSI	Emergency Room	4.70%	3.72%	8.60%
SSI	Basic Behavioral Health	3.56%	0.00%	3.56%

Category of Aid (COA) Description	Category of Service (COS) Description	Utilization	Unit Cost	PMPM Trend
Family and Children	Inpatient Hospital	0.85%	0.00%	0.85%
Family and Children	Outpatient Hospital	2.70%	3.72%	6.53%
Family and Children	Primary Care Physician	2.70%	0.00%	2.70%
Family and Children	Specialty Care Physician	2.70%	0.00%	2.70%
Family and Children	FQHC/RHC	2.70%	2.00%	4.76%
Family and Children	EPSDT	2.70%	0.00%	2.70%
Family and Children	Certified Nurse Practitioners/Clinical Nurse	2.70%	0.00%	2.70%
Family and Children	Lab/Radiology	2.70%	0.00%	2.70%
Family and Children	Home Health	2.71%	0.00%	2.71%
Family and Children	Emergency Transportation	1.70%	0.00%	1.70%
Family and Children	Rehabilitation Services (OT, PT, ST)	2.70%	0.00%	2.70%
Family and Children	Clinic	2.70%	0.00%	2.71%
Family and Children	Family Planning	2.70%	0.00%	2.71%
Family and Children	Other	2.71%	0.00%	2.71%
Family and Children	Prescribed Drugs	1.35%	5.44%	6.86%
Family and Children	Emergency Room	2.70%	3.72%	6.53%
Family and Children	Basic Behavioral Health	2.70%	0.00%	2.70%
Foster Care Children	Inpatient Hospital	1.28%	0.00%	1.28%
Foster Care Children	Outpatient Hospital	4.70%	3.72%	8.60%
Foster Care Children	Primary Care Physician	3.56%	0.00%	3.56%
Foster Care Children	Specialty Care Physician	3.56%	0.00%	3.56%
Foster Care Children	FQHC/RHC	3.56%	2.00%	5.63%
Foster Care Children	EPSDT	3.56%	0.00%	3.56%
Foster Care Children	Certified Nurse Practitioners/Clinical Nurse	3.56%	0.00%	3.56%
Foster Care Children	Lab/Radiology	2.70%	0.00%	2.70%
Foster Care Children	Home Health	2.70%	0.00%	2.70%
Foster Care Children	Emergency Transportation	2.56%	0.00%	2.56%
Foster Care Children	Rehabilitation Services (OT, PT, ST)	2.70%	0.00%	2.70%
Foster Care Children	Clinic	3.56%	0.00%	3.56%
Foster Care Children	Family Planning	3.56%	0.00%	3.56%

Category of Aid (COA) Description	Category of Service (COS) Description	Utilization	Unit Cost	PMPM Trend
Foster Care Children	Other	2.70%	0.00%	2.70%
Foster Care Children	Prescribed Drugs	1.35%	5.44%	6.86%
Foster Care Children	Emergency Room	4.70%	3.72%	8.60%
Foster Care Children	Basic Behavioral Health	3.56%	0.00%	3.56%
Breast and Cervical Cancer	Inpatient Hospital	1.28%	0.00%	1.28%
Breast and Cervical Cancer	Outpatient Hospital	4.70%	3.72%	8.60%
Breast and Cervical Cancer	Primary Care Physician	3.56%	0.00%	3.56%
Breast and Cervical Cancer	Specialty Care Physician	3.56%	0.00%	3.56%
Breast and Cervical Cancer	FQHC/RHC	3.56%	2.00%	5.63%
Breast and Cervical Cancer	EPSDT	3.57%	0.00%	3.57%
Breast and Cervical Cancer	Certified Nurse Practitioners/Clinical Nurse	3.56%	0.00%	3.56%
Breast and Cervical Cancer	Lab/Radiology	2.70%	0.00%	2.70%
Breast and Cervical Cancer	Home Health	2.70%	0.00%	2.70%
Breast and Cervical Cancer	Emergency Transportation	2.56%	0.00%	2.56%
Breast and Cervical Cancer	Rehabilitation Services (OT, PT, ST)	2.70%	0.00%	2.70%
Breast and Cervical Cancer	Clinic	3.56%	0.00%	3.56%
Breast and Cervical Cancer	Family Planning	3.56%	0.00%	3.56%
Breast and Cervical Cancer	Other	2.71%	0.00%	2.71%
Breast and Cervical Cancer	Prescribed Drugs	1.35%	5.44%	6.86%
Breast and Cervical Cancer	Emergency Room	4.70%	3.72%	8.60%
Breast and Cervical Cancer	Basic Behavioral Health	3.56%	0.00%	3.56%
Maternity Kickpayment	Maternity Kickpayment	0.00%	0.00%	0.00%

The overall annualized PMPM trend assumption for the Shared Savings program is 3.61%.

#### Programmatic Changes/Rate Issues

Programmatic change adjustments recognize the impact of benefit or eligibility changes that took place during or after the base year. Mercer applied programmatic change adjustments to incorporate factors not fully reflected in the base data. These adjustments were mutually exclusive and made only once in the benchmark setting process.

**Changes to Inpatient Hospital Reimbursement** – Various changes have been made to hospital per diem rates. Effective for dates of service on or after February 1, 2013, the inpatient per diem

rates as of August 1, 2012 are reduced by 1.0% for children's and private hospitals. Rural and state hospitals are excluded from the rate reductions effective February 1, 2013.

**Changes to the Laboratory/Radiology Fee Schedule** – There have been various changes to fee schedules. Most recently, effective for dates of service on or after July 1, 2012, the reimbursement rates for laboratory services were reduced by 3.7% of the fee amounts on file as of January 1, 2011.

### **Outpatient Hospital Fee Schedule Changes**

**Children's Specialty Hospitals** – Effective for dates of service on or after February 1, 2013, the reimbursement paid to children's specialty hospitals for clinical diagnostic laboratory, rehabilitation services, and outpatient hospital facility fees for office/outpatient visits is reduced by 1.0% of the fee schedule on file as of August 1, 2012.

Through August 3, 2009, children's specialty hospitals were cost settled at 83.18% of allowable cost for other outpatient hospital services. From August 4, 2009 through August 31, 2009, these hospitals were cost settled at 78.48% of allowable cost. From September 1, 2009 through February 2, 2010, these hospitals were cost settled at 97.00% of allowable cost. From February 3, 2010 through July 31, 2010, these hospitals were cost settled at 92.15% of allowable cost. From August 1, 2010 through December 31, 2010, these hospitals were cost settled at 87.91% of allowable cost. From January 1, 2011 through July 31, 2012, these hospitals were cost settled at 86.15% of allowable cost. From August 1, 2012 forward, these hospitals' cost settlements are to be reduced by 3.7% of allowable cost as calculated through the cost report settlement process, making final reimbursement 82.96% of allowable cost.

**Non-state and Non-rural Hospitals** – Most recently, effective for dates of service on or after February 1, 2013, the reimbursement paid to non-rural, non-state hospitals for outpatient clinical diagnostic laboratory services, surgeries, rehabilitation services, and hospital facility fees for office/outpatient visits is reduced by 1.0% of the fee schedule on file as of August 1, 2012.

Through August 3, 2009, non-state and non-rural outpatient hospitals were cost settled at 83.18% of cost. From August 4, 2009 through February 2, 2010, these hospitals were cost settled at 78.48% of cost. From February 3, 2010 through July 31, 2010, these hospitals were cost settled at 74.56% of cost. From August 1, 2010 through December 31, 2010, these hospitals were cost settled at 71.13% of cost. From January 1, 2011 through July 31, 2012, these hospitals were cost settled at 69.71% of allowable cost. From August 1, 2012 forward, these hospitals' cost settlements are to be reduced by 3.7% of allowable cost as calculated through the cost report settlement process, making final reimbursement 67.13% of allowable cost.

**State Hospitals** – Effective for dates of service on or after August 1, 2012, the reimbursement paid to state hospitals for outpatient clinical diagnostic laboratory services, surgeries, rehabilitation

services, and hospital facility fees for office/outpatient visits is reduced by 10.0% of the fee schedule on file as of July 31, 2012. State hospitals are excluded from the rate reductions effective February 1, 2013.

Through July 31, 2012, state hospitals were cost settled at 100.0% of allowable cost for other outpatient services. From August 1, 2012 forward, these hospitals' cost settlements are to be reduced by 10.0% of allowable cost as calculated through the cost report settlement process, making final reimbursement 90.0% of allowable cost.

#### **Physician Fee Schedule Changes**

Effective February 1, 2013, the reimbursement for physician services was reduced by 1.0% of the rates in effect on August 1, 2012 for most services. Exceptions to this cut were made for those services affected by ACA Section 1202. Note that these benchmarks do not reflect the higher fee schedule associated with ACA section 1202, and the determination for this contract period will not reflect the higher fee schedule. In addition, cesarean deliveries and consult codes are reimbursed at the vaginal delivery rate or evaluation and management rate, respectively.

#### **Clinical Services-End Stage Renal Disease (ESRD) Facilities Non-Medicare Claims**

**Reimbursement Rate Reduction** – Various changes, most recently, effective for dates of service on or after July 1, 2012, the reimbursement to ESRD facilities was reduced by 3.7% of the rates in effect on January 1, 2011.

**Emergency Medical Transportation** – Most recently, effective on or after August 1, 2012, the reimbursement rates for emergency ambulance transportation services is reduced by 5.0% of the rate on file as of July 1, 2012. Emergency ambulance transportation services are excluded from the rate reductions effective February 1, 2013.

#### **Pharmacy Fee Schedule Changes**

Effective September 5, 2012, Louisiana Medicaid discontinued the previous ingredient cost reimbursement model based on Average Wholesale Price (AWP) and moved to reimbursement based on lower of Average Acquisition Cost (AAC) or the usual and customary charge for all drugs. If there was not an assigned AAC, the lower of Wholesale Acquisition Cost (WAC) or the usual and customary charge for all drugs were used. As part of this change, the dispensing fee was increased from \$5.77 to \$10.13. Beginning November 1, 2012, Louisiana Medicaid implemented pharmacy reimbursement methodology changes as outlined below.

**Single-source Reimbursement** – If there is an assigned AAC, single-source drugs will reimburse at the lower of AAC plus 1.0%, plus a dispensing fee of \$10.51 or the usual and customary charge. If there is not an assigned AAC, single-source drugs will reimburse at the lower of the WAC plus a dispensing fee of \$10.51 or the usual and customary charge.

**Multi-source Reimbursement** – If there is an assigned AAC, multi-source drugs will reimburse at the lower of the AAC plus 10.0%, plus a dispensing fee of \$10.51, or the Federal Upper Limit (FUL) plus a dispensing fee of \$10.51, or the usual and customary charge. If there is not an assigned AAC, multi-source drugs will reimburse at the lower of WAC plus a dispensing fee of \$10.51, or the FUL plus a dispensing fee of \$10.51, or the usual and customary charge.

**Specialty Drug Reimbursement** – The defined specialty drug classes will reimburse at the lower of WAC plus 5.0%, plus a dispensing fee of \$10.51, or the usual and customary charge.

The compounded effect of all of the fee schedule changes by COA and COS can be found in the table below. Overall, the fee schedule changes since the base data period reduced cost by approximately 10.18% for SFY 2010 and 5.35% for SFY 2011.

#### Fee Schedule Changes

Mercer COA Description	Final Mercer COS Description	Adjustment for Fee Schedule Changes (SFY 2010)	Adjustment for Fee Schedule Changes (SFY 2011)
SSI	Inpatient Hospital	-11.91%	-5.95%
SSI	Outpatient Hospital	-10.57%	-7.23%
SSI	Primary Care Physician	-3.43%	-0.17%
SSI	Specialty Care Physician	-6.39%	-1.17%
SSI	FQHC/RHC	-0.96%	-0.95%
SSI	EPSDT	-2.81%	-1.57%
SSI	Certified Nurse Practitioners/Clinical Nurse	-3.75%	-3.69%
SSI	Lab/Radiology	-11.62%	-4.61%
SSI	Home Health	-5.63%	-4.66%
SSI	Emergency Transportation	-14.27%	-10.89%
SSI	Rehabilitation Services (OT, PT, ST)	-3.70%	-3.70%
SSI	Clinic	-11.64%	-4.71%
SSI	Family Planning	-9.07%	-2.32%
SSI	Other	-20.28%	-4.70%
SSI	Prescribed Drugs	-15.70%	-11.60%
SSI	Emergency Room	-8.67%	-3.88%
SSI	Basic Behavioral Health	-2.72%	-1.42%
Family and Children	Inpatient Hospital	-7.56%	-2.89%

Mercer COA Description	Final Mercer COS Description	Adjustment for Fee Schedule Changes (SFY 2010)	Adjustment for Fee Schedule Changes (SFY 2011)
Family and Children	Outpatient Hospital	-10.84%	-5.89%
Family and Children	Primary Care Physician	-3.60%	-0.39%
Family and Children	Specialty Care Physician	-9.25%	-3.98%
Family and Children	FQHC/RHC	-0.88%	-0.87%
Family and Children	EPSDT	-3.99%	-2.49%
Family and Children	Certified Nurse Practitioners/Clinical Nurse	-3.70%	-3.70%
Family and Children	Lab/Radiology	-10.32%	-3.74%
Family and Children	Home Health	-5.63%	-4.66%
Family and Children	Emergency Transportation	-14.27%	-10.89%
Family and Children	Rehabilitation Services (OT, PT, ST)	-3.70%	-3.70%
Family and Children	Clinic	-5.49%	-4.93%
Family and Children	Family Planning	-11.14%	-2.91%
Family and Children	Other	-12.87%	-4.57%
Family and Children	Prescribed Drugs	-15.70%	-11.60%
Family and Children	Emergency Room	-9.05%	-3.59%
Family and Children	Basic Behavioral Health	-1.30%	-1.91%
Foster Care Children	Inpatient Hospital	-14.02%	-11.94%
Foster Care Children	Outpatient Hospital	-11.38%	-6.62%
Foster Care Children	Primary Care Physician	-4.92%	-0.54%
Foster Care Children	Specialty Care Physician	-10.44%	-4.73%
Foster Care Children	FQHC/RHC	-0.91%	-0.90%
Foster Care Children	EPSDT	-4.27%	-2.41%
Foster Care Children	Certified Nurse Practitioners/Clinical Nurse	-3.70%	-3.70%
Foster Care Children	Lab/Radiology	-10.63%	-3.93%
Foster Care Children	Home Health	-5.63%	-4.66%
Foster Care Children	Emergency Transportation	-14.27%	-10.89%
Foster Care Children	Rehabilitation Services (OT, PT, ST)	-3.70%	-3.70%
Foster Care Children	Clinic	-5.78%	-5.91%
Foster Care Children	Family Planning	-6.58%	-2.78%

Mercer COA Description	Final Mercer COS Description	Adjustment for Fee Schedule Changes (SFY 2010)	Adjustment for Fee Schedule Changes (SFY 2011)
Foster Care Children	Other	-7.02%	-4.66%
Foster Care Children	Prescribed Drugs	-15.70%	-11.60%
Foster Care Children	Emergency Room	-8.67%	-3.43%
Foster Care Children	Basic Behavioral Health	-3.89%	-2.11%
Breast and Cervical Cancer	Inpatient Hospital	-20.61%	-9.93%
Breast and Cervical Cancer	Outpatient Hospital	-10.66%	-8.94%
Breast and Cervical Cancer	Primary Care Physician	-2.21%	1.20%
Breast and Cervical Cancer	Specialty Care Physician	-7.17%	-1.58%
Breast and Cervical Cancer	FOHC/RHC	-0.98%	-0.98%
Breast and Cervical Cancer	EPSDT	-2.00%	0.00%
Breast and Cervical Cancer	Certified Nurse Practitioners/Clinical Nurse	-3.71%	-3.70%
Breast and Cervical Cancer	Lab/Radiology	-12.60%	-2.88%
Breast and Cervical Cancer	Home Health	-5.63%	-4.66%
Breast and Cervical Cancer	Emergency Transportation	-14.27%	-10.89%
Breast and Cervical Cancer	Rehabilitation Services (OT, PT, ST)	-3.70%	-3.70%
Breast and Cervical Cancer	Clinic	-5.94%	4.90%
Breast and Cervical Cancer	Family Planning	-6.11%	-4.10%
Breast and Cervical Cancer	Other	-11.38%	-4.66%
Breast and Cervical Cancer	Prescribed Drugs	-15.70%	-11.60%
Breast and Cervical Cancer	Emergency Room	-8.91%	-5.04%
Breast and Cervical Cancer	Basic Behavioral Health	-4.01%	-2.33%
Maternity Kickpayment	Maternity Kickpayment	-12.43%	-5.15%

### Data Smoothing

As part of the benchmark development process, Mercer blended data from SFY 2010 and SFY 2011 to arrive at the overall data source. The goal of the blending process is to obtain a set of base data that has sufficient credibility and reasonableness to develop appropriate benchmarks. Mercer applied weights of 40.0% and 60.0% to the SFY 2010 and SFY 2011 data, respectively.

Beyond blending data from multiple years, Mercer also used statewide figures where particular PMPM cells within a region had small enrollment. The cost PMPM for a small cell is subject to

large fluctuations from one year to the next, thus rendering it less effective at predicting future cost. Using statewide figures results in greater data credibility and reduces the impact of random fluctuations exhibited by the data.

Some categories of eligibility such as the Foster Children, Breast and Cervical Cancer, and LAP populations are too small to have separate rate cells due to data credibility concerns. Therefore, statewide figures are used for these populations and the data has been combined across all age and sex cells in determining the benchmark cost.

### **Risk of Large Claims**

To provide protection against the risk of catastrophic claims, the cost for any recipient that is over \$100,000 in any year will not be considered in reconciling cost savings for Shared Savings plans. The benchmarks have been reduced accordingly.

### **Risk Adjustment**

Risk adjustment will be applied to the cost benchmarks in Attachment A to reflect differences in health status of the members served in each plan using the Adjusted Clinical Groups (ACG) model. The risk adjustment process does not increase or decrease the overall benchmark cost of the program, but can change the benchmark for the various health plans according to the relative risk of their enrolled members, and where the Shared Savings program as a whole enroll a more or less costly population than the parallel Prepaid program. Actuarially sound risk adjustment protocols have been developed for this purpose.

### **Benchmark Development Overview**

To provide additional detail on the benchmark development, Mercer has also provided an overview of the adjustments applied to each rate cell in Attachment B. This exhibit presents the breakdown of the assumptions used to calculate the benchmark PMPMs.

In preparing the benchmark PMPMs shown in Attachment A, Mercer has used and relied upon enrollment, FFS claims, reimbursement level, benefit design, and other information supplied by DHH and its fiscal agent. DHH and its fiscal agent are responsible for the validity and completeness of the supplied data and information. We have reviewed the data and information for internal consistency and reasonableness, but we did not audit it. In our opinion, it is appropriate for the intended purposes. If the data and information are incomplete or inaccurate, the values shown in this report may need to be revised accordingly.

The benchmark PMPMs in Attachment A were developed in accordance with generally accepted actuarial practices and principles and are appropriate for the Medicaid covered populations and services under the Shared Savings program contract.

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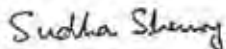
The benchmarks are actuarial projections of future contingent events. Actual Bayou Health costs will differ from these projections. Mercer has developed these benchmarks on behalf of DHH to form a basis for calculating sharable savings under the Shared Savings program. Use of these benchmarks for any purpose beyond that stated may not be appropriate. Furthermore, adjustment should be considered in the event that FFS costs are observed to trend differently than expected during the period leading up to Shared Savings program implementation such that the benchmarks may become, in retrospect, either excessive or overly difficult to achieve.

Bayou Health plans are advised that the use of these benchmarks may not be appropriate for their particular circumstance and Mercer disclaims any responsibility for the use of them by Bayou Health plans for any purpose. Mercer recommends that any Bayou Health plans considering contracting with DHH should carefully analyze its own projected medical expense before deciding whether to contract with DHH.

This letter assumes the reader is familiar with the Bayou Health program, Medicaid eligibility rules, and actuarial techniques. It is intended for DHH, and should not be relied upon by third parties. Other readers should seek the advice of actuaries or other qualified professionals competent in the area of actuarial projections to understand the technical nature of these results.

If you have any questions on any of the information provided, please feel free to call Sudha Shenoy at +1 404 442 3249, Jared Simons at +1 404 442 3358, or Brandon Odell at +1 404 442 3294.

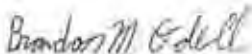
Sincerely,



Sudha Shenoy, FSA, MAAA, CERA  
Principal



Jared Simons, ASA, MAAA  
Senior Associate



Brandon Odell, FSA, MAAA  
Associate Actuary



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Attachment A  
Shared Savings Benchmark PMPM Summary

2/1/2013-6/30/2013				Shared Savings Benchmark, PMPM	
FY11 Member Months or Deliveries				PMPM or Cost/Delivery	
DHH Administrative Region	Region Description	COA Description	RC Description		
01	New Orleans	SSI	0-2 Months, Male and Female	294	\$ 16,133.51
01	New Orleans	SSI	3-11 Months, Male and Female	1,232	\$ 3,374.96
01	New Orleans	SSI	1-5 Years, Male and Female	15,362	\$ 526.53
01	New Orleans	SSI	6-13 Years, Male and Female	42,308	\$ 188.96
01	New Orleans	SSI	14-18 Years, Male and Female	27,513	\$ 194.89
01	New Orleans	SSI	19-44 Years, Male and Female	82,727	\$ 436.34
01	New Orleans	SSI	45+ Years, Male and Female	114,401	\$ 696.55
01	New Orleans	Family and Children	0-2 Months, Male and Female	32,804	\$ 1,144.00
01	New Orleans	Family and Children	3-11 Months, Male and Female	75,824	\$ 183.79
01	New Orleans	Family and Children	1-5 Years, Male and Female	476,472	\$ 85.55
01	New Orleans	Family and Children	6-13 Years, Male and Female	555,798	\$ 55.00
01	New Orleans	Family and Children	14-18 Years, Female	159,990	\$ 81.94
01	New Orleans	Family and Children	14-18 Years, Male	145,692	\$ 64.07
01	New Orleans	Family and Children	19-44 Years, Female	242,741	\$ 170.79
01	New Orleans	Family and Children	19-44 Years, Male	10,938	\$ 191.71
01	New Orleans	Family and Children	45+ Years, Female	12,952	\$ 323.89
01	New Orleans	Family and Children	45+ Years, Male	3,291	\$ 330.80
01	New Orleans	Foster Care Children	Foster Care, All Ages Male & Female	12,874	\$ 123.77
01	New Orleans	Breast and Cervical Cancer	BCC, All Ages Female	2,509	\$ 1,535.98
01	New Orleans	LACHIP Affordable Plan	LAP, All Ages Male & Female	5,524	\$ 107.63
01	New Orleans	Maternity Kickpayment	Maternity Kickpayment, All Ages	7,521	\$ 6,000.11
09	North Shore	SSI	0-2 Months, Male and Female	173	\$ 16,133.51
09	North Shore	SSI	3-11 Months, Male and Female	596	\$ 3,374.96
09	North Shore	SSI	1-5 Years, Male and Female	6,518	\$ 526.53
09	North Shore	SSI	6-13 Years, Male and Female	16,916	\$ 188.96
09	North Shore	SSI	14-18 Years, Male and Female	10,695	\$ 194.89
09	North Shore	SSI	19-44 Years, Male and Female	38,299	\$ 435.36
09	North Shore	SSI	45+ Years, Male and Female	58,835	\$ 721.39
09	North Shore	Family and Children	0-2 Months, Male and Female	18,001	\$ 1,007.91
09	North Shore	Family and Children	3-11 Months, Male and Female	41,145	\$ 203.66
09	North Shore	Family and Children	1-5 Years, Male and Female	266,364	\$ 105.85
09	North Shore	Family and Children	6-13 Years, Male and Female	365,302	\$ 71.88
09	North Shore	Family and Children	14-18 Years, Female	97,331	\$ 102.99
09	North Shore	Family and Children	14-18 Years, Male	94,301	\$ 76.21
09	North Shore	Family and Children	19-44 Years, Female	111,129	\$ 204.06
09	North Shore	Family and Children	19-44 Years, Male	8,316	\$ 191.71
09	North Shore	Family and Children	45+ Years, Female	5,016	\$ 323.89
09	North Shore	Family and Children	45+ Years, Male	2,000	\$ 330.80
09	North Shore	Foster Care Children	Foster Care, All Ages Male & Female	19,842	\$ 123.77
09	North Shore	Breast and Cervical Cancer	BCC, All Ages Female	1,993	\$ 1,535.98
09	North Shore	LACHIP Affordable Plan	LAP, All Ages Male & Female	5,939	\$ 107.63
09	North Shore	Maternity Kickpayment	Maternity Kickpayment, All Ages	4,165	\$ 4,463.67



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Attachment A  
Shared Savings Benchmark PMPM Summary

2/1/2013-6/30/2013				Shared Savings Benchmark PMPM	
FY11 Member Months or Deliveries				PMPM or Cost/Delivery	
DHH Administrative Region	Region Description	COA Description	RC Description		
02	Baton Rouge	SSI	0-2 Months, Male and Female	219	\$ 16,133.51
02	Baton Rouge	SSI	3-11 Months, Male and Female	1,074	\$ 3,374.96
02	Baton Rouge	SSI	1-5 Years, Male and Female	13,466	\$ 526.53
02	Baton Rouge	SSI	6-13 Years, Male and Female	29,350	\$ 168.96
02	Baton Rouge	SSI	14-18 Years, Male and Female	17,644	\$ 194.89
02	Baton Rouge	SSI	19-44 Years, Male and Female	48,997	\$ 471.41
02	Baton Rouge	SSI	45+ Years, Male and Female	68,000	\$ 681.40
02	Baton Rouge	Family and Children	0-2 Months, Male and Female	23,748	\$ 1,137.37
02	Baton Rouge	Family and Children	3-11 Months, Male and Female	55,139	\$ 205.32
02	Baton Rouge	Family and Children	1-5 Years, Male and Female	346,294	\$ 84.48
02	Baton Rouge	Family and Children	6-13 Years, Male and Female	442,619	\$ 63.90
02	Baton Rouge	Family and Children	14-18 Years, Female	122,643	\$ 78.71
02	Baton Rouge	Family and Children	14-18 Years, Male	115,101	\$ 57.70
02	Baton Rouge	Family and Children	19-44 Years, Female	145,570	\$ 168.75
02	Baton Rouge	Family and Children	19-44 Years, Male	5,940	\$ 191.71
02	Baton Rouge	Family and Children	45+ Years, Female	7,700	\$ 323.89
02	Baton Rouge	Family and Children	45+ Years, Male	1,418	\$ 330.80
02	Baton Rouge	Foster Care Children	Foster Care, All Ages Male & Female	10,239	\$ 123.77
02	Baton Rouge	Breast and Cervical Cancer	BCG, All Ages Female	1,712	\$ 1,535.98
02	Baton Rouge	LaCHIP Affordable Plan	LAP, All Ages Male & Female	4,139	\$ 107.63
02	Baton Rouge	Maternity Kickpayment	Maternity Kickpayment, All Ages	5,364	\$ 4,835.49
03	Thibodaux	SSI	0-2 Months, Male and Female	193	\$ 16,133.51
03	Thibodaux	SSI	3-11 Months, Male and Female	722	\$ 3,374.96
03	Thibodaux	SSI	1-5 Years, Male and Female	8,422	\$ 526.53
03	Thibodaux	SSI	6-13 Years, Male and Female	21,828	\$ 188.96
03	Thibodaux	SSI	14-18 Years, Male and Female	12,746	\$ 194.89
03	Thibodaux	SSI	19-44 Years, Male and Female	37,137	\$ 370.16
03	Thibodaux	SSI	45+ Years, Male and Female	48,395	\$ 670.86
03	Thibodaux	Family and Children	0-2 Months, Male and Female	15,071	\$ 921.37
03	Thibodaux	Family and Children	3-11 Months, Male and Female	35,335	\$ 206.70
03	Thibodaux	Family and Children	1-5 Years, Male and Female	221,101	\$ 100.92
03	Thibodaux	Family and Children	6-13 Years, Male and Female	279,343	\$ 66.73
03	Thibodaux	Family and Children	14-18 Years, Female	82,364	\$ 108.19
03	Thibodaux	Family and Children	14-18 Years, Male	76,550	\$ 77.68
03	Thibodaux	Family and Children	19-44 Years, Female	102,127	\$ 206.78
03	Thibodaux	Family and Children	19-44 Years, Male	6,290	\$ 191.71
03	Thibodaux	Family and Children	45+ Years, Female	4,273	\$ 323.89
03	Thibodaux	Family and Children	45+ Years, Male	1,283	\$ 330.80
03	Thibodaux	Foster Care Children	Foster Care, All Ages Male & Female	7,365	\$ 123.77
03	Thibodaux	Breast and Cervical Cancer	BCC, All Ages Female	1,111	\$ 1,535.98
03	Thibodaux	LaCHIP Affordable Plan	LAP, All Ages Male & Female	4,387	\$ 107.63
03	Thibodaux	Maternity Kickpayment	Maternity Kickpayment, All Ages	3,355	\$ 4,762.21



Attachment A  
Shared Savings Benchmark PMPM Summary

2/1/2013-6/30/2013					Shared Savings Benchmark PMPM	
					FY11 Member Months or Deliveries	PMPM or Cosu/Delivery
DHH Administrative Region	Region Description	COA Description	RC Description			
04	LaFayette	SSI	0-2 Months, Male and Female		204	\$ 16,133.51
04	LaFayette	SSI	3-11 Months, Male and Female		1,001	\$ 3,374.96
04	LaFayette	SSI	1-5 Years, Male and Female		10,698	\$ 526.53
04	LaFayette	SSI	6-13 Years, Male and Female		22,343	\$ 188.96
04	LaFayette	SSI	14-18 Years, Male and Female		13,496	\$ 194.89
04	LaFayette	SSI	19-44 Years, Male and Female		50,952	\$ 393.66
04	LaFayette	SSI	45+ Years, Male and Female		77,776	\$ 634.65
04	LaFayette	Family and Children	0-2 Months, Male and Female		23,690	\$ 1,081.20
04	LaFayette	Family and Children	3-11 Months, Male and Female		55,876	\$ 210.03
04	LaFayette	Family and Children	1-5 Years, Male and Female		340,123	\$ 93.93
04	LaFayette	Family and Children	6-13 Years, Male and Female		442,460	\$ 62.58
04	LaFayette	Family and Children	14-18 Years, Female		122,849	\$ 92.80
04	LaFayette	Family and Children	14-18 Years, Male		116,245	\$ 64.82
04	LaFayette	Family and Children	19-44 Years, Female		140,357	\$ 176.91
04	LaFayette	Family and Children	19-44 Years, Male		8,731	\$ 191.71
04	LaFayette	Family and Children	45+ Years, Female		6,135	\$ 323.89
04	LaFayette	Family and Children	45+ Years, Male		1,726	\$ 330.80
04	LaFayette	Foster Care Children	Foster Care, All Ages Male & Female		17,319	\$ 123.77
04	LaFayette	Breast and Cervical Cancer	BCO, All Ages Female		1,412	\$ 1,535.98
04	LaFayette	LaCHIP Affordable Plan	LaP, All Ages Male & Female		6,173	\$ 107.63
04	LaFayette	Maternity Kickpayment	Maternity Kickpayment, All Ages		5,376	\$ 4,227.46



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Attachment A  
Shared Savings Benchmark PMPM Summary

2/1/2013-6/30/2013				Shared Savings Benchmark PMPM
FY11 Member Months or Deliveries				PMPM or CosvDelivery
DHH Administrative Region	Region Description	COA Description	RC Description	
05	Lake Charles	SSI	0-2 Months, Male and Female	73 \$ 16,133.51
05	Lake Charles	SSI	3-11 Months, Male and Female	376 \$ 3,374.96
05	Lake Charles	SSI	1-5 Years, Male and Female	4,436 \$ 526.53
05	Lake Charles	SSI	6-13 Years, Male and Female	10,384 \$ 188.96
05	Lake Charles	SSI	14-18 Years, Male and Female	5,981 \$ 194.89
05	Lake Charles	SSI	19-44 Years, Male and Female	20,788 \$ 354.98
05	Lake Charles	SSI	45+ Years, Male and Female	29,943 \$ 634.42
05	Lake Charles	Family and Children	0-2 Months, Male and Female	11,103 \$ 897.08
05	Lake Charles	Family and Children	3-11 Months, Male and Female	25,854 \$ 224.15
05	Lake Charles	Family and Children	1-5 Years, Male and Female	161,883 \$ 103.11
05	Lake Charles	Family and Children	6-13 Years, Male and Female	209,804 \$ 67.31
05	Lake Charles	Family and Children	14-18 Years, Female	57,089 \$ 106.59
05	Lake Charles	Family and Children	14-18 Years, Male	55,183 \$ 71.18
05	Lake Charles	Family and Children	19-44 Years, Female	53,935 \$ 214.26
05	Lake Charles	Family and Children	19-44 Years, Male	3,044 \$ 191.71
05	Lake Charles	Family and Children	45+ Years, Female	1,990 \$ 323.89
05	Lake Charles	Foster Care Children	45+ Years, Male	538 \$ 330.80
05	Lake Charles	Breast and Cervical Cancer	Foster Care, All Ages Male & Female	10,239 \$ 123.77
05	Lake Charles	Breast and Cervical Cancer	BCC, All Ages Female	754 \$ 1,535.98
05	Lake Charles	LACHP Affordable Plan	LAP, All Ages Male & Female	3,825 \$ 107.63
05	Lake Charles	Maternity Kickpayment	Maternity Kickpayment, All Ages	2,533 \$ 4,317.97
06	Alexandria	SSI	0-2 Months, Male and Female	105 \$ 16,133.51
06	Alexandria	SSI	3-11 Months, Male and Female	549 \$ 3,374.96
06	Alexandria	SSI	1-5 Years, Male and Female	6,142 \$ 526.53
06	Alexandria	SSI	6-13 Years, Male and Female	16,547 \$ 188.96
06	Alexandria	SSI	14-18 Years, Male and Female	9,660 \$ 194.89
06	Alexandria	SSI	19-44 Years, Male and Female	34,347 \$ 353.51
06	Alexandria	SSI	45+ Years, Male and Female	43,361 \$ 654.69
06	Alexandria	Family and Children	0-2 Months, Male and Female	11,723 \$ 1,430.21
06	Alexandria	Family and Children	3-11 Months, Male and Female	26,763 \$ 231.52
06	Alexandria	Family and Children	1-5 Years, Male and Female	172,642 \$ 116.38
06	Alexandria	Family and Children	6-13 Years, Male and Female	234,659 \$ 73.49
06	Alexandria	Family and Children	14-18 Years, Female	65,936 \$ 108.42
06	Alexandria	Family and Children	14-18 Years, Male	62,236 \$ 75.96
06	Alexandria	Family and Children	19-44 Years, Female	63,956 \$ 198.01
06	Alexandria	Family and Children	19-44 Years, Male	4,161 \$ 191.71
06	Alexandria	Family and Children	45+ Years, Female	2,466 \$ 323.89
06	Alexandria	Foster Care Children	Foster Care, All Ages Male & Female	698 \$ 330.80
06	Alexandria	Breast and Cervical Cancer	BCC, All Ages Female	11,146 \$ 123.77
06	Alexandria	LACHP Affordable Plan	LAP, All Ages Male & Female	732 \$ 1,535.98
06	Alexandria	Maternity Kickpayment	Maternity Kickpayment, All Ages	3,310 \$ 107.63
06	Alexandria	Maternity Kickpayment	Maternity Kickpayment, All Ages	2,643 \$ 4,504.21



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Attachment A  
Shared Savings Benchmark PMPM Summary

2/1/2013-6/30/2013					Shared Savings Benchmark PMPM	
FY11 Member Months or Deliveries				PMPM or Cost/Delivery		
DHH Administrative Region	Region Description	COA Description	RC Description	FY11 Member Months or Deliveries	PMPM or Cost/Delivery	
07	Shreveport	SSI	0-2 Months, Male and Female	302	\$ 16,133.51	
07	Shreveport	SSI	3-11 Months, Male and Female	1,206	\$ 3,374.96	
07	Shreveport	SSI	1-5 Years, Male and Female	13,502	\$ 526.53	
07	Shreveport	SSI	6-13 Years, Male and Female	32,276	\$ 188.96	
07	Shreveport	SSI	14-18 Years, Male and Female	20,402	\$ 194.89	
07	Shreveport	SSI	19-44 Years, Male and Female	57,262	\$ 387.81	
07	Shreveport	SSI	45+ Years, Male and Female	68,689	\$ 582.02	
07	Shreveport	Family and Children	0-2 Months, Male and Female	21,897	\$ 1,178.57	
07	Shreveport	Family and Children	3-11 Months, Male and Female	48,945	\$ 201.33	
07	Shreveport	Family and Children	1-5 Years, Male and Female	299,375	\$ 91.24	
07	Shreveport	Family and Children	6-13 Years, Male and Female	388,940	\$ 55.68	
07	Shreveport	Family and Children	14-18 Years, Female	107,694	\$ 95.58	
07	Shreveport	Family and Children	14-18 Years, Male	88,222	\$ 57.76	
07	Shreveport	Family and Children	19-44 Years, Female	118,258	\$ 189.08	
07	Shreveport	Family and Children	19-44 Years, Male	3,975	\$ 191.71	
07	Shreveport	Family and Children	45+ Years, Female	4,513	\$ 323.89	
07	Shreveport	Foster Care Children	45+ Years, Male	861	\$ 330.80	
07	Shreveport	Breast and Cervical Cancer	Foster Care, All Ages Male & Female	11,832	\$ 123.77	
07	Shreveport	LaCHIP Affordable Plan	BCC, All Ages Female	1,383	\$ 1,535.98	
07	Shreveport	Maternity Kickpayment	LAP, All Ages Male & Female	3,879	\$ 107.63	
08	Monroe	SSI	0-2 Months, Male and Female	4,961	\$ 4,851.18	
08	Monroe	SSI	3-11 Months, Male and Female	121	\$ 16,133.51	
08	Monroe	SSI	1-5 Years, Male and Female	583	\$ 3,374.96	
08	Monroe	SSI	6-13 Years, Male and Female	7,354	\$ 526.53	
08	Monroe	SSI	14-18 Years, Male and Female	19,143	\$ 188.96	
08	Monroe	SSI	19-44 Years, Male and Female	12,255	\$ 194.89	
08	Monroe	SSI	45+ Years, Male and Female	37,539	\$ 407.72	
08	Monroe	SSI	45+ Years, Male and Female	46,667	\$ 642.58	
08	Monroe	Family and Children	0-2 Months, Male and Female	15,642	\$ 1,344.44	
08	Monroe	Family and Children	3-11 Months, Male and Female	35,441	\$ 264.75	
08	Monroe	Family and Children	1-5 Years, Male and Female	223,806	\$ 120.85	
08	Monroe	Family and Children	6-13 Years, Male and Female	299,386	\$ 67.92	
08	Monroe	Family and Children	14-18 Years, Female	82,837	\$ 101.96	
08	Monroe	Family and Children	14-18 Years, Male	79,756	\$ 68.10	
08	Monroe	Family and Children	19-44 Years, Female	102,127	\$ 182.43	
08	Monroe	Family and Children	19-44 Years, Male	4,958	\$ 191.71	
08	Monroe	Family and Children	45+ Years, Female	3,826	\$ 323.89	
08	Monroe	Family and Children	45+ Years, Male	772	\$ 330.80	
08	Monroe	Foster Care Children	Foster Care, All Ages Male & Female	9,178	\$ 123.77	
08	Monroe	Breast and Cervical Cancer	BCC, All Ages Female	1,231	\$ 1,535.98	
08	Monroe	LaCHIP Affordable Plan	LAP, All Ages Male & Female	3,184	\$ 107.63	
08	Monroe	Maternity Kickpayment	Maternity Kickpayment, All Ages	3,657	\$ 4,902.43	



**Attachment B**  
**Shared Savings Benchmark PMPM Development**

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Attachment B

Shared Savings Benchmark PMPM Development

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2/1/2013-6/30/2013									
				Weighted FY10 and FY11 PMPM at FY11	Projected FFS PMPM	PMPM Post Smoothing w/Statewide	Catastrophic Limit Adjustment	Shared Savings Benchmark PMPM	
DHH Administrative Region	Region Description	COA Description	RC Description	PMPM or Cost/Delivery	Trend	PMPM or Cost/Delivery	PMPM or Cost/Delivery		PMPM or Cost/Delivery
01	New Orleans	SSI	0-2 Months, Male and Female	\$ 16,629.71	1.88%	\$ 19,354.84	\$ 17,529.53	0.9204	\$ 16,133.51
01	New Orleans	SSI	3-11 Months, Male and Female	\$ 4,447.71	2.21%	\$ 4,676.65	\$ 3,687.03	0.9204	\$ 3,374.96
01	New Orleans	SSI	1-5 Years, Male and Female	\$ 619.84	3.34%	\$ 668.25	\$ 572.10	0.9203	\$ 528.53
01	New Orleans	SSI	6-13 Years, Male and Female	\$ 181.48	4.42%	\$ 200.38	\$ 205.32	0.9203	\$ 188.99
01	New Orleans	SSI	14-18 Years, Male and Female	\$ 185.11	4.30%	\$ 203.88	\$ 211.75	0.9203	\$ 194.89
01	New Orleans	SSI	19-44 Years, Male and Female	\$ 433.90	3.94%	\$ 474.11	\$ 474.11	0.9203	\$ 436.34
01	New Orleans	SSI	45+ Years, Male and Female	\$ 692.60	4.09%	\$ 759.01	\$ 759.01	0.9203	\$ 698.55
01	New Orleans	Family and Children	0-2 Months, Male and Female	\$ 1,130.67	1.47%	\$ 1,169.30	\$ 1,169.30	0.9784	\$ 1,144.00
01	New Orleans	Family and Children	3-11 Months, Male and Female	\$ 174.31	3.32%	\$ 187.85	\$ 187.85	0.9784	\$ 183.79
01	New Orleans	Family and Children	1-5 Years, Male and Female	\$ 79.91	4.01%	\$ 87.44	\$ 87.44	0.9784	\$ 85.55
01	New Orleans	Family and Children	6-13 Years, Male and Female	\$ 51.13	4.23%	\$ 56.22	\$ 56.22	0.9784	\$ 55.00
01	New Orleans	Family and Children	14-18 Years, Female	\$ 76.30	4.15%	\$ 83.76	\$ 83.76	0.9784	\$ 81.94
01	New Orleans	Family and Children	19-44 Years, Male	\$ 60.32	3.65%	\$ 65.46	\$ 65.49	0.9784	\$ 64.07
01	New Orleans	Family and Children	19-44 Years, Female	\$ 159.69	3.96%	\$ 174.56	\$ 174.56	0.9784	\$ 170.79
01	New Orleans	Family and Children	45+ Years, Male	\$ 150.97	3.85%	\$ 164.61	\$ 165.95	0.9784	\$ 191.71
01	New Orleans	Family and Children	45+ Years, Female	\$ 248.19	4.01%	\$ 271.59	\$ 331.05	0.9784	\$ 323.89
01	New Orleans	Family and Children	45+ Years, Male	\$ 276.88	4.21%	\$ 304.34	\$ 338.11	0.9784	\$ 330.80
01	New Orleans	Foster Care Children	Foster Care, All Ages Male & Female	\$ 119.55	4.24%	\$ 131.49	\$ 126.57	0.9779	\$ 123.77
01	New Orleans	Breast and Cervical Cancer	BCC, All Ages Female	\$ 1,278.47	6.53%	\$ 1,481.08	\$ 1,623.23	0.9462	\$ 1,535.98
01	New Orleans	LACHIP Affordable Plan	LAP, All Ages Male & Female	\$ 85.33	3.30%	\$ 102.70	\$ 110.01	0.9784	\$ 107.63
01	New Orleans	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 6,000.11	0.00%	\$ 6,000.11	\$ 6,000.11	1.0000	\$ 6,000.11
08	North Shore	SSI	0-2 Months, Male and Female	\$ 13,201.06	1.73%	\$ 13,729.53	\$ 17,529.53	0.9204	\$ 16,133.51
08	North Shore	SSI	3-11 Months, Male and Female	\$ 3,583.95	2.59%	\$ 3,800.52	\$ 3,687.03	0.9204	\$ 3,374.96
08	North Shore	SSI	1-5 Years, Male and Female	\$ 560.58	4.06%	\$ 614.07	\$ 572.10	0.9203	\$ 528.53
08	North Shore	SSI	6-13 Years, Male and Female	\$ 207.47	4.97%	\$ 231.85	\$ 205.32	0.9203	\$ 188.99
08	North Shore	SSI	14-18 Years, Male and Female	\$ 181.21	4.96%	\$ 202.49	\$ 211.75	0.9203	\$ 194.89
08	North Shore	SSI	19-44 Years, Male and Female	\$ 425.19	4.76%	\$ 473.05	\$ 473.05	0.9203	\$ 435.36
08	North Shore	SSI	45+ Years, Male and Female	\$ 707.17	4.59%	\$ 783.83	\$ 783.83	0.9203	\$ 721.30
08	North Shore	Family and Children	0-2 Months, Male and Female	\$ 992.60	1.64%	\$ 1,030.20	\$ 1,030.20	0.9784	\$ 1,007.91
08	North Shore	Family and Children	3-11 Months, Male and Female	\$ 191.48	3.72%	\$ 208.18	\$ 208.18	0.9784	\$ 203.68
08	North Shore	Family and Children	1-5 Years, Male and Female	\$ 98.50	4.18%	\$ 108.19	\$ 108.19	0.9784	\$ 105.85
08	North Shore	Family and Children	6-13 Years, Male and Female	\$ 66.60	4.37%	\$ 73.47	\$ 73.47	0.9784	\$ 71.88
08	North Shore	Family and Children	14-18 Years, Female	\$ 95.16	4.51%	\$ 105.27	\$ 105.27	0.9784	\$ 102.99
08	North Shore	Family and Children	14-18 Years, Male	\$ 70.37	4.53%	\$ 77.89	\$ 77.89	0.9784	\$ 76.21
08	North Shore	Family and Children	19-44 Years, Female	\$ 188.62	4.48%	\$ 208.57	\$ 208.57	0.9784	\$ 204.06
08	North Shore	Family and Children	19-44 Years, Male	\$ 219.27	4.12%	\$ 240.53	\$ 195.05	0.9784	\$ 191.71
08	North Shore	Family and Children	45+ Years, Female	\$ 389.87	4.03%	\$ 426.79	\$ 331.05	0.9784	\$ 323.89
08	North Shore	Family and Children	45+ Years, Male	\$ 347.37	4.67%	\$ 385.69	\$ 338.11	0.9784	\$ 330.80
08	North Shore	Foster Care Children	Foster Care, All Ages Male & Female	\$ 114.58	4.89%	\$ 127.82	\$ 128.57	0.9779	\$ 123.77
08	North Shore	Breast and Cervical Cancer	BCC, All Ages Female	\$ 1,007.32	6.03%	\$ 1,151.89	\$ 1,623.23	0.9462	\$ 1,535.98
08	North Shore	LACHIP Affordable Plan	LAP, All Ages Male & Female	\$ 104.93	3.76%	\$ 114.19	\$ 110.01	0.9784	\$ 107.63
08	North Shore	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 4,463.67	0.00%	\$ 4,463.67	\$ 4,463.67	1.0000	\$ 4,463.67





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Attachment B

Shared Savings Benchmark PMPM Development

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2/1/2013-6/30/2013									
DHH Administrative Region	Region Description	COA Description	RC Description	Weighted FY10 and FY11 PMPM at FY11	Projected FFS PMPM	PMPM Post Smoothing w/Statewide	Catastrophic Limit Adjustment	Shared Savings Benchmark PMPM	
				PMPM or Cost/Delivery	Trend	PMPM or Cost/Delivery	PMPM or Cost/Delivery	PMPM or Cost/Delivery	
02	Baton Rouge	SSI	0-2 Months, Male and Female	\$ 18,295.10	1.07%	\$ 19,001.38	\$ 17,529.53	0.9204	
02	Baton Rouge	SSI	3-11 Months, Male and Female	\$ 3,156.10	2.53%	\$ 3,242.07	\$ 3,667.03	0.9204	
02	Baton Rouge	SSI	1-5 Years, Male and Female	\$ 496.10	3.90%	\$ 541.57	\$ 572.10	0.9203	
02	Baton Rouge	SSI	6-13 Years, Male and Female	\$ 181.14	4.37%	\$ 199.79	\$ 205.32	0.9203	
02	Baton Rouge	SSI	14-18 Years, Male and Female	\$ 177.81	4.43%	\$ 196.37	\$ 211.75	0.9203	
02	Baton Rouge	SSI	19-44 Years, Male and Female	\$ 465.14	4.30%	\$ 512.21	\$ 512.21	0.9203	
02	Baton Rouge	SSI	45+ Years, Male and Female	\$ 667.04	4.66%	\$ 740.38	\$ 740.38	0.9203	
02	Baton Rouge	Family and Children	0-2 Months, Male and Female	\$ 1,125.25	1.43%	\$ 1,162.53	\$ 1,162.53	0.9784	
02	Baton Rouge	Family and Children	3-11 Months, Male and Female	\$ 195.65	3.11%	\$ 209.87	\$ 209.87	0.9784	
02	Baton Rouge	Family and Children	1-5 Years, Male and Female	\$ 78.91	4.01%	\$ 86.35	\$ 86.35	0.9784	
02	Baton Rouge	Family and Children	6-13 Years, Male and Female	\$ 50.03	4.30%	\$ 55.09	\$ 55.09	0.9784	
02	Baton Rouge	Family and Children	14-18 Years, Female	\$ 72.89	4.40%	\$ 80.45	\$ 80.45	0.9784	
02	Baton Rouge	Family and Children	14-18 Years, Male	\$ 53.66	4.21%	\$ 58.98	\$ 58.98	0.9784	
02	Baton Rouge	Family and Children	19-44 Years, Female	\$ 155.63	4.59%	\$ 172.48	\$ 172.48	0.9784	
02	Baton Rouge	Family and Children	19-44 Years, Male	\$ 179.45	4.17%	\$ 197.05	\$ 195.95	0.9784	
02	Baton Rouge	Family and Children	45+ Years, Female	\$ 294.82	4.37%	\$ 325.22	\$ 331.05	0.9784	
02	Baton Rouge	Family and Children	45+ Years, Male	\$ 248.54	4.14%	\$ 272.77	\$ 338.11	0.9784	
02	Baton Rouge	Foster Care Children	Foster Care, All Ages Male & Female	\$ 98.72	4.51%	\$ 109.22	\$ 126.57	0.9779	
02	Baton Rouge	Breast and Cervical Cancer	BCC, All Ages Female	\$ 1,385.18	6.54%	\$ 1,578.33	\$ 1,623.23	0.9462	
02	Baton Rouge	LACHIP Affordable Plan	LAP, All Ages Male & Female	\$ 92.35	3.36%	\$ 99.61	\$ 110.01	0.9784	
02	Baton Rouge	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 4,835.49	0.00%	\$ 4,835.49	\$ 4,835.49	1.0000	
03	Thibodaux	SSI	0-2 Months, Male and Female	\$ 20,697.64	1.58%	\$ 21,457.00	\$ 17,529.53	0.9204	
03	Thibodaux	SSI	3-11 Months, Male and Female	\$ 3,670.42	2.44%	\$ 3,878.01	\$ 3,667.03	0.9204	
03	Thibodaux	SSI	1-5 Years, Male and Female	\$ 478.76	4.19%	\$ 526.02	\$ 572.10	0.9203	
03	Thibodaux	SSI	6-13 Years, Male and Female	\$ 146.55	4.95%	\$ 163.71	\$ 205.32	0.9203	
03	Thibodaux	SSI	14-18 Years, Male and Female	\$ 161.36	5.24%	\$ 181.38	\$ 211.75	0.9203	
03	Thibodaux	SSI	19-44 Years, Male and Female	\$ 359.84	4.88%	\$ 402.20	\$ 402.20	0.9203	
03	Thibodaux	SSI	45+ Years, Male and Female	\$ 652.63	4.94%	\$ 728.93	\$ 728.93	0.9203	
03	Thibodaux	Family and Children	0-2 Months, Male and Female	\$ 905.35	1.73%	\$ 941.74	\$ 941.74	0.9784	
03	Thibodaux	Family and Children	3-11 Months, Male and Female	\$ 194.04	3.78%	\$ 211.27	\$ 211.27	0.9784	
03	Thibodaux	Family and Children	1-5 Years, Male and Female	\$ 93.58	4.34%	\$ 103.15	\$ 103.15	0.9784	
03	Thibodaux	Family and Children	6-13 Years, Male and Female	\$ 61.63	4.53%	\$ 68.20	\$ 68.20	0.9784	
03	Thibodaux	Family and Children	14-18 Years, Female	\$ 99.86	4.55%	\$ 110.59	\$ 110.59	0.9784	
03	Thibodaux	Family and Children	14-18 Years, Male	\$ 71.85	4.45%	\$ 79.40	\$ 79.40	0.9784	
03	Thibodaux	Family and Children	19-44 Years, Female	\$ 191.44	4.41%	\$ 211.35	\$ 211.35	0.9784	
03	Thibodaux	Family and Children	19-44 Years, Male	\$ 181.57	4.36%	\$ 200.24	\$ 195.95	0.9784	
03	Thibodaux	Family and Children	45+ Years, Female	\$ 339.09	4.32%	\$ 373.59	\$ 331.05	0.9784	
03	Thibodaux	Family and Children	45+ Years, Male	\$ 306.52	4.26%	\$ 340.54	\$ 338.11	0.9784	
03	Thibodaux	Foster Care Children	Foster Care, All Ages Male & Female	\$ 105.17	5.27%	\$ 118.31	\$ 126.57	0.9779	
03	Thibodaux	Breast and Cervical Cancer	BCC, All Ages Female	\$ 1,852.19	6.74%	\$ 2,150.64	\$ 1,623.23	0.9462	
03	Thibodaux	LACHIP Affordable Plan	LAP, All Ages Male & Female	\$ 101.63	3.88%	\$ 110.89	\$ 110.01	0.9784	
03	Thibodaux	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 4,762.21	0.00%	\$ 4,762.21	\$ 4,762.21	1.0000	





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Attachment B  
Shared Savings Benchmark PMPM Development

				2/1/2013-6/30/2013					
DHH Administrative Region	Region Description	COA Description	RC Description	Weighted FY10 and FY11 PMPM at FY11		Projected FFS PMPM	PMPM Post Smoothing w/Statewide		Shared Savings Benchmark PMPM
				PMPM or Cost/Delivery	Trend	PMPM or Cost/Delivery	PMPM or Cost/Delivery	Catastrophic Limit Adjustment	PMPM or Cost/Delivery
04	LaFayette	SSI	0-2 Months, Male and Female	\$ 16,943.40	1.69%	\$ 17,607.53	\$ 17,529.53	0.9204	\$ 16,133.51
04	LaFayette	SSI	3-11 Months, Male and Female	\$ 3,477.99	2.46%	\$ 3,677.05	\$ 3,667.03	0.9204	\$ 3,374.56
04	LaFayette	SSI	1-5 Years, Male and Female	\$ 582.99	3.41%	\$ 629.57	\$ 572.10	0.9203	\$ 626.53
04	LaFayette	SSI	6-13 Years, Male and Female	\$ 232.66	5.03%	\$ 260.37	\$ 205.32	0.9203	\$ 188.56
04	LaFayette	SSI	14-18 Years, Male and Female	\$ 218.37	4.42%	\$ 241.14	\$ 211.75	0.9203	\$ 194.89
04	LaFayette	SSI	19-44 Years, Male and Female	\$ 383.97	4.83%	\$ 427.73	\$ 427.73	0.9203	\$ 393.66
04	LaFayette	SSI	45+ Years, Male and Female	\$ 620.13	4.74%	\$ 689.59	\$ 689.59	0.9203	\$ 634.85
04	LaFayette	Family and Children	0-2 Months, Male and Female	\$ 1,065.21	1.62%	\$ 1,105.11	\$ 1,105.11	0.9784	\$ 1,091.20
04	LaFayette	Family and Children	3-11 Months, Male and Female	\$ 197.46	3.71%	\$ 214.88	\$ 214.68	0.9784	\$ 210.03
04	LaFayette	Family and Children	1-5 Years, Male and Female	\$ 87.53	4.12%	\$ 96.01	\$ 96.01	0.9784	\$ 93.93
04	LaFayette	Family and Children	6-13 Years, Male and Female	\$ 58.04	4.33%	\$ 63.96	\$ 63.96	0.9784	\$ 62.58
04	LaFayette	Family and Children	14-18 Years, Female	\$ 85.85	4.45%	\$ 94.85	\$ 94.85	0.9784	\$ 92.80
04	LaFayette	Family and Children	19-44 Years, Male	\$ 60.22	4.25%	\$ 66.25	\$ 66.25	0.9784	\$ 64.82
04	LaFayette	Family and Children	45+ Years, Male	\$ 163.87	4.44%	\$ 180.82	\$ 180.82	0.9784	\$ 176.91
04	LaFayette	Family and Children	45+ Years, Female	\$ 171.46	4.20%	\$ 188.42	\$ 195.95	0.9784	\$ 191.71
04	LaFayette	Family and Children	45+ Years, Male	\$ 275.87	4.72%	\$ 308.03	\$ 331.05	0.9784	\$ 323.89
04	LaFayette	Foster Care Children	45+ Years, Male	\$ 110.35	4.38%	\$ 122.81	\$ 128.57	0.9784	\$ 130.80
04	LaFayette	Breast and Cervical Cancer	BCC, All Ages Female	\$ 1,874.06	8.15%	\$ 2,148.68	\$ 1,823.23	0.9462	\$ 1,535.98
04	LaFayette	LACHIP Affordable Plan	LAP, All Ages Male & Female	\$ 99.22	3.60%	\$ 107.59	\$ 110.01	0.9784	\$ 107.83
04	LaFayette	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 4,227.46	0.00%	\$ 4,227.46	\$ 4,227.46	1.0000	\$ 4,227.46



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**Attachment B**  
**Shared Savings Benchmark PMPM Development**

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Attachment B

Shared Savings Benchmark PMPM Development

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				2/1/2013-6/30/2013				Shared Savings Benchmark PMPM
				Weighted FY10 and FY11 PMPM at FY11	Projected FPS PMPM	PMPM Post Smoothing w/Statewide	Catastrophic Limit Adjustment	
DHH Administrative Region	Region Description	COA Description	RC Description	PMPM or Cost/Delivery	Trend	PMPM or Cost/Delivery	PMPM or Cost/Delivery	PMPM or Cost/Delivery
05	Lake Charles	SSI	0-2 Months, Male and Female	\$ 20,784.96	1.76%	\$ 21,632.62	\$ 17,529.53	\$ 0.9204
05	Lake Charles	SSI	3-11 Months, Male and Female	\$ 2,476.74	3.33%	\$ 2,669.68	\$ 3,667.03	\$ 0.9204
05	Lake Charles	SSI	1-5 Years, Male and Female	\$ 794.46	3.94%	\$ 868.07	\$ 572.10	\$ 0.9203
05	Lake Charles	SSI	6-13 Years, Male and Female	\$ 210.16	4.41%	\$ 232.01	\$ 205.32	\$ 0.9203
05	Lake Charles	SSI	14-18 Years, Male and Female	\$ 231.96	4.03%	\$ 253.92	\$ 211.75	\$ 0.9203
05	Lake Charles	SSI	19-44 Years, Male and Female	\$ 346.55	4.78%	\$ 385.71	\$ 385.71	\$ 0.9203
05	Lake Charles	SSI	45+ Years, Male and Female	\$ 620.49	4.70%	\$ 689.34	\$ 689.34	\$ 0.9203
05	Lake Charles	Family and Children	0-2 Months, Male and Female	\$ 879.88	1.82%	\$ 916.92	\$ 916.92	\$ 0.9784
05	Lake Charles	Family and Children	3-11 Months, Male and Female	\$ 210.53	3.76%	\$ 229.10	\$ 229.10	\$ 0.9784
05	Lake Charles	Family and Children	1-5 Years, Male and Female	\$ 95.85	4.32%	\$ 105.38	\$ 105.39	\$ 0.9784
05	Lake Charles	Family and Children	6-13 Years, Male and Female	\$ 62.42	4.34%	\$ 68.80	\$ 68.80	\$ 0.9784
05	Lake Charles	Family and Children	14-18 Years, Female	\$ 98.44	4.52%	\$ 108.94	\$ 108.94	\$ 0.9784
05	Lake Charles	Family and Children	19-44 Years, Male	\$ 65.91	4.40%	\$ 72.75	\$ 72.75	\$ 0.9784
05	Lake Charles	Family and Children	45+ Years, Male	\$ 188.47	4.39%	\$ 219.00	\$ 219.00	\$ 0.9784
05	Lake Charles	Family and Children	45+ Years, Female	\$ 174.18	4.01%	\$ 190.81	\$ 195.95	\$ 0.9784
05	Lake Charles	Family and Children	45+ Years, Male	\$ 473.83	4.00%	\$ 518.35	\$ 338.11	\$ 0.9784
05	Lake Charles	Family and Children	Foster Care, All Ages Male & Female	\$ 146.94	5.05%	\$ 164.51	\$ 126.57	\$ 0.9778
05	Lake Charles	Breast and Cervical Cancer	BCC, All Ages Female	\$ 1,613.78	8.99%	\$ 1,884.08	\$ 1,623.23	\$ 0.9462
05	Lake Charles	LACHIP Affordable Plan	LAP, All Ages Male & Female	\$ 101.84	3.84%	\$ 111.92	\$ 110.01	\$ 0.9784
05	Lake Charles	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 4,317.97	0.00%	\$ 4,317.97	\$ 4,317.97	\$ 1.0000
06	Alexandria	SSI	0-2 Months, Male and Female	\$ 13,542.23	1.86%	\$ 14,126.39	\$ 17,529.53	\$ 0.9204
06	Alexandria	SSI	3-11 Months, Male and Female	\$ 4,039.77	2.30%	\$ 4,256.22	\$ 3,667.03	\$ 0.9204
06	Alexandria	SSI	1-5 Years, Male and Female	\$ 384.05	4.25%	\$ 422.52	\$ 572.10	\$ 0.9203
06	Alexandria	SSI	6-13 Years, Male and Female	\$ 204.55	4.66%	\$ 227.05	\$ 205.32	\$ 0.9203
06	Alexandria	SSI	14-18 Years, Male and Female	\$ 178.25	5.22%	\$ 200.29	\$ 211.75	\$ 0.9203
06	Alexandria	SSI	19-44 Years, Male and Female	\$ 343.71	4.97%	\$ 384.11	\$ 384.11	\$ 0.9203
06	Alexandria	SSI	45+ Years, Male and Female	\$ 641.48	4.82%	\$ 711.38	\$ 711.36	\$ 0.9203
06	Alexandria	Family and Children	0-2 Months, Male and Female	\$ 1,413.18	1.49%	\$ 1,461.84	\$ 1,461.84	\$ 0.9784
06	Alexandria	Family and Children	3-11 Months, Male and Female	\$ 217.65	3.72%	\$ 236.64	\$ 236.64	\$ 0.9784
06	Alexandria	Family and Children	1-5 Years, Male and Female	\$ 107.90	4.35%	\$ 118.96	\$ 118.96	\$ 0.9784
06	Alexandria	Family and Children	6-13 Years, Male and Female	\$ 67.84	4.55%	\$ 75.12	\$ 75.12	\$ 0.9784
06	Alexandria	Family and Children	14-18 Years, Female	\$ 99.97	4.60%	\$ 110.82	\$ 110.82	\$ 0.9784
06	Alexandria	Family and Children	14-18 Years, Male	\$ 70.30	4.43%	\$ 77.64	\$ 77.64	\$ 0.9784
06	Alexandria	Family and Children	19-44 Years, Female	\$ 182.62	4.59%	\$ 202.35	\$ 202.39	\$ 0.9784
06	Alexandria	Family and Children	19-44 Years, Male	\$ 195.82	4.90%	\$ 218.51	\$ 195.95	\$ 0.9784
06	Alexandria	Family and Children	45+ Years, Female	\$ 345.78	4.47%	\$ 382.19	\$ 331.05	\$ 0.9784
06	Alexandria	Family and Children	45+ Years, Male	\$ 354.16	4.16%	\$ 388.88	\$ 338.11	\$ 0.9784
06	Alexandria	Foster Care Children	Foster Care, All Ages Male & Female	\$ 102.43	5.03%	\$ 114.63	\$ 126.57	\$ 0.9779
06	Alexandria	Breast and Cervical Cancer	BCC, All Ages Female	\$ 1,400.63	6.26%	\$ 1,609.96	\$ 1,623.23	\$ 0.9462
06	Alexandria	LACHIP Affordable Plan	LAP, All Ages Male & Female	\$ 118.31	3.68%	\$ 128.53	\$ 110.01	\$ 0.9784
06	Alexandria	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 4,504.21	0.00%	\$ 4,504.21	\$ 4,504.21	\$ 1.0000



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Ms. Mary Johnson  
Bayou Health Program Director  
Louisiana Department of Health and Hospitals  
Bureau of Health Services Financing  
628 North 4th Street  
Baton Rouge, LA 70821

April 25, 2014

**Subject:** Bayou Health – Shared Savings Model Benchmark Development for Contract Period  
January 1, 2014 through June 30, 2014

Dear Ms. Johnson:

The Louisiana Department of Health and Hospitals (DHH) contracted with Mercer Government Human Services Consulting (Mercer) to develop benchmark costs for the purpose of measuring savings achieved by the Shared Savings plans under the Bayou Health Program. These benchmarks are to cover the period from January 1, 2014 through June 30, 2014.

Section 1902(a)(13)(C) of the Social Security Act as amended by the Affordable Care Act (ACA) of 2010, requires that state Medicaid programs increase payments to primary care providers in 2013 and 2014. Please note the unit cost differential due to the ACA Section 1202 Primary Care Service increase is not included in the benchmarks. This cost differential will be paid to the providers in accordance with the approved State Plan Amendment for the primary care physician (PCP) increase.

This letter presents an overview of the methodology used in Mercer's benchmark development process as approved by the Centers for Medicare & Medicaid Services (CMS) on October 17, 2012. This benchmark development process was based on Medicaid fee-for-service (FFS) medical claims and resulted in development of a single set of proposed benchmarks for each region and rate cell combination, which are attached to this letter.

## Rate Methodology

### Overview

Benchmark costs for the Shared Savings model were developed in an actuarially sound manner. Actuarially sound is defined in this letter as developed in accordance with generally accepted actuarial principles and practices. The benchmark rates are appropriate for the populations to be covered and the services to be furnished under this program.

One of the key considerations in the benchmark development was the base data. Mercer worked with DHH to obtain Medicaid FFS data from State Fiscal Year (SFY) 2011 and seven months of SFY 2012 (July 2011 – January 2012). Louisiana's SFY runs from July 1 through June 30 of the following year. Restrictions were applied to the enrollment and FFS claims data so that it matched the populations and benefit package defined in the Contract.

To develop benchmarks, adjustments were applied to the base data:

- Removal of enrollment and claims during periods of retroactive eligibility
- Completion factors to account for unpaid claims at the time of data submission
- Adjustment to reflect amounts paid outside of the Louisiana Medicaid Management Information System (MMIS), including but not limited to inpatient outlier claims, inpatient and outpatient cost reconciliations, and fraud and abuse recoupments
- Trend factors to forecast the expenditures and utilization to the appropriate contract period
- Prospective and historic program changes not reflected in the base data
- Prescription drug rebates
- Data smoothing

The Graduate Medical Education (GME) component of teaching hospital per diems was not removed from the cost basis so as to develop benchmarks appropriate for reconciling against Shared Savings program costs. Those costs will include the GME element of the per diems. Since the costs coordinated by the Shared Savings program will be paid using Medicaid FFS rates, the per diems paid will include exactly the same GME amounts as in the Louisiana Medicaid State Plan.

Using prescription drug costs net of rebates in both benchmark and actual costs guards against sharing too large of a savings, but does suggest that benchmarks be reviewed in the event of any material changes in the State's rebate structure or results.

Since DHH will not include costs over \$100,000 per year for any recipient in the reconciliation, an appropriate adjustment was made to the benchmark costs.

The resulting benchmarks were expressed as per member per month (PMPM) amounts by rate cell. Risk adjustment will be applied to the resulting targets in a manner comparable to that used for the Prepaid program rates, which considers the total covered population (Shared Savings, Prepaid, and FFS enrollees, where applicable). This accounts for health risk differences between the various Shared Savings plans and between the Shared Savings program as a whole and the Prepaid and FFS programs (where applicable). This will allow for any selection for or against each of the programs.

### **Base Data Development**

Mercer was provided with Medicaid FFS enrollment and claims data from SFY 2011 and the first seven months of SFY 2012, with runout through February 2013. Mercer was also provided with supplemental data files containing information on outlier claims paid outside of the MMIS system, fraud and abuse recoupments, prescription drug rebates, and inpatient and outpatient hospital cost settlements. These payments/recoupments outside of the MMIS system (in some instances based on estimates) have been applied to the MMIS FFS claims data, as appropriate, so that the relevant cost for the population eligible for enrollment in the Shared Savings program is replicated.

Mercer reviewed the data for consistency and reasonableness and determined that the data appears appropriate for the purpose of setting benchmarks for the Shared Savings program.

As discussed with DHH, Mercer relied on the experience of the children's portion of the Family and Children category to generate the LaCHIP Affordable Plan (LAP) benchmark as their benefit package and morbidity is expected to be similar.

### **Enrollment Data**

The enrollment file supplied by DHH's fiscal agent provided all enrollment records for each member for each month. Therefore, if a member's eligibility status was retroactively changed, both the old and the new records were present. Most often, this occurred because a recipient was retroactively categorized as Supplemental Security Income (SSI) from Family and Children. In this case, the enrollment file would have included both the SSI enrollment record and the Family and Children record for the same month. Mercer worked with DHH to develop a hierarchy to determine the appropriate enrollment record to use – typically the SSI record.

### **Claims Data**

Mercer used SFY 2011 and seven months of SFY 2012 FFS data as the data source for the development of benchmark costs. The FFS data reflect the actual medical expenses to DHH of providing health care coverage for the Shared Savings program eligible population. The expenses are net of third-party liability and subrogation. Mercer reviewed the FFS data to ensure they appeared reasonable and appropriate, but did not audit the data. Specifically, Mercer reviewed the following:

- Completeness and consistency of incurred claims over time
- Consistency between FFS claims data and DHH published reports
- Consistency between payments outside of the MMIS claims and DHH published reports
- Data properly restricted to those services and populations to be covered under the Shared Savings program

Adjustments were made to the FFS data to reflect the complete cost of an actuarially equivalent population for the Shared Savings program contract. The most significant adjustments are listed below. In each case, the adjustment was applied at the rate cell level.

**Outlier Claims for Children under Six Years** – DHH makes payments, to a maximum of \$10 million annually, for outlier claims. Outlier claims are those inpatient admissions where the cost of the claim exceeds \$150,000 and the patient is under six years of age. Adding outlier claims with a cap of \$10 million per year to the base data resulted in an increase to cost of 0.4% in SFY 2011 and 0.4% in SFY 2012.

**Incurred-but-not-Reported (IBNR) Claims Adjustments** – Mercer estimated and adjusted for the remaining liability associated with IBNR claims for SFY 2011 and SFY 2012. The overall adjustments for SFY 2011 and SFY 2012, using paid claims data through February 2013, were 0.0% and 0.0%, respectively.

**Fraud and Abuse Recoupments** – Adjustments were made for recoupments due to fraud and abuse recoveries. These adjustments were -0.2% in SFY 2011 and 0.0% in SFY 2012.

**GME** – Hospital per diem rates used to make payments for care coordinated by the Shared Savings program include the same GME elements as under the State Plan. Therefore, no adjustment was needed.

**Pharmacy Rebates** – Adjustments were made to reflect pharmacy rebates. Based on historical experience, Mercer assumed that 44.8% of drug costs would be returned to the program in the form of rebates. This is equivalent to 12.3% of the total pharmacy and non-pharmacy claims cost in SFY 2011 and 12.7% in SFY 2012.

**Inpatient, Outpatient Hospital Cost Settlements, and Supplemental Payments to High Medicaid Community Hospitals** – Louisiana State University (LSU) State hospitals and other hospitals receive settlements based on cost reports. Certain "High Medicaid Community Hospitals" also receive supplemental payments that are provided for in the State Plan. Mercer applied adjustments of -0.3% in SFY 2011 and -0.2% in SFY 2012, to capture the impact of cost settlements and supplemental payments made outside of the MMIS.

**Retroactive Eligibility** – Individuals will not enroll with a Shared Savings program until they are Medicaid eligible. Even after receiving Medicaid eligibility, it may take 30 days to enroll in Bayou Health. Therefore, enrollment and claims incurred during the retroactive period and those during the first month of Medicaid eligibility have been removed from our calculations. Infants are an exception because they will be covered under the mother's plan from the date of birth.

**Non-covered Populations** – In general, the Shared Savings program includes individuals classified as SSI, Family and Children, Foster Children, Breast and Cervical Cancer, and LAP. The following individuals are excluded from participation in the Shared Savings program:

- Medicare dually eligible individuals
- Home- and community-based services (HCBS) waiver recipients
- Chisholm class members
- Individuals receiving Medicaid hospice services
- Individuals residing in long-term care facilities (nursing home, intermediate care facility/developmentally disabled (ICF/DD))
- Individuals receiving services for three months or less (medically needy spend-down)
- Undocumented immigrants eligible for emergency services only
- Enrollees receiving single service (family planning only)

**Non-covered Services** – The Shared Savings program benchmarks are based on services covered under the provider agreement. The following services have been excluded in the determination of the benchmarks:

- Services provided through DHH's Early-steps Program
- Dental services
- ICF/DD services
- Hospice
- Personal care services (early periodic screening diagnostic treatment (EPSDT) and long-term personal care services)
- Nursing facility services
- School-based individualized education plan services provided by a school district and billed through the intermediate school district, or school-based services funded with certified public expenditures including school nurses
- HCBS waiver services
- Federally qualified health center (FQHC) services with specified primary behavioral health diagnosis codes
- Hospital inpatient and outpatient, including emergency room, services with specified primary behavioral health diagnosis codes
- Hospital inpatient acute detoxification services
- Targeted case management services
- Durable medical equipment (DME)
- Orthotics and prosthetics
- Non-emergency transportation, including post-stabilization hospital-to-hospital transportation
- Specialized behavioral health drugs

**Client Participation Amounts** – Costs associated with “spend-down” and post-eligibility treatment of income are not included in the base data.

**Third-party Liability** – Recoveries associated with third-party liability and subrogation have been removed from claims.

**Disproportionate Share Hospital (DSH) Payments** – DSH payments are made outside of the MMIS system. These payments are not included in the benchmarks and therefore no adjustment is required.

**Co-payments** – Co-payments are only applicable to prescription drugs. Since co-payments will remain in place unchanged, no adjustment is necessary.

### **PMPM Category Groupings**

Benchmarks are developed using PMPM amounts that vary by the major categories of eligibility. Furthermore, where appropriate, the PMPMs within a particular category of eligibility are subdivided into different age and gender bands to reflect differences in risk due to age and gender. In addition, due to the high cost associated with pregnancies, DHH will include a maternity cost allowance in the benchmark for each delivery that takes place (kick allowance). The following is a list of the different PMPM cells for each eligibility category including the maternity kick allowance.

<b>SSI</b>	
0 – 2 Months, Male and Female	14 – 18 Years, Male and Female
3 – 11 Months, Male and Female	19 – 44 Years, Male and Female
1 – 5 Years, Male and Female	45+ Years, Male and Female
6 – 13 Years, Male and Female	
<b>Family and Children</b>	
0 – 2 Months, Male and Female	14 – 18 Years, Female
3 – 11 Months, Male and Female	19 – 44 Years, Male
1 – 5 Years, Male and Female	19 – 44 Years, Female
6 – 13 Years, Male and Female	45+ Years, Male
14 – 18 Years, Male	45+ Years, Female
<b>Foster Care Children, All Ages</b>	<b>Breast and Cervical Cancer, All Ages</b>
<b>LAP, All Ages</b>	<b>Maternity Kickpayment</b>

### **Trend Development**

Trend is an estimate of the change in the overall cost of providing health care benefits over a period of time. A trend factor is necessary to estimate the expenses of providing health care

services in a future period. Mercer reviewed a variety of sources to develop the trend assumptions. These sources included, but were not limited to:

- Health care economic indices such as Consumer Price Index for the South-Atlantic region
- Mercer's regression analysis applied to trends exhibited in the FFS claims data
- Trends in other state Medicaid programs for similar populations
- Judgment regarding economic outlook balancing a variety of sources

Mercer developed individual trends for each category of eligibility and service category. Mercer's target trend can be found in the following table.

#### Target FFS Trend

Category of Aid (COA) Description	Category of Service (COS) Description	Utilization	Unit Cost	PMPM Trend
SSI	Inpatient Hospital	1.0%	0.6%	1.6%
SSI	Outpatient Hospital	4.9%	3.3%	8.3%
SSI	PCP	4.2%	0.6%	4.8%
SSI	Specialty Care Physician	4.2%	0.6%	4.8%
SSI	FQHC/Rural Health Clinic (RHC)	4.2%	2.0%	6.2%
SSI	EPSDT	4.2%	0.6%	4.8%
SSI	Certified Nurse Practitioners/Clinical Nurse	4.2%	0.6%	4.8%
SSI	Lab/Radiology	2.3%	0.6%	2.9%
SSI	Home Health	2.3%	0.6%	2.9%
SSI	Emergency Transportation	1.9%	0.6%	2.5%
SSI	Non-emergency Transportation	1.9%	0.6%	2.5%
SSI	Rehabilitation Services (Occupational Therapy (OT), Physical Therapy (PT), Speech Therapy (ST))	2.3%	0.6%	2.9%
SSI	DME	2.3%	0.6%	2.9%
SSI	Clinic	4.2%	0.6%	4.8%
SSI	Family Planning	4.2%	0.6%	4.8%
SSI	Other	2.3%	0.6%	2.9%
SSI	Prescribed Drugs	1.1%	4.0%	5.2%
SSI	Emergency Room	4.9%	3.3%	8.3%
SSI	Basic Behavioral Health	4.2%	0.6%	4.8%

Category of Aid (COA) Description	Category of Service (COS) Description	Utilization	Unit Cost	PMPM Trend
Family and Children	Inpatient Hospital	0.6%	0.6%	1.3%
Family and Children	Outpatient Hospital	2.3%	3.3%	5.6%
Family and Children	PCP	3.5%	0.6%	4.2%
Family and Children	Specialty Care Physician	3.5%	0.6%	4.2%
Family and Children	FQHC/RHC	3.5%	2.0%	5.6%
Family and Children	EPSDT	3.5%	0.6%	4.2%
Family and Children	Certified Nurse Practitioners/Clinical Nurse	3.5%	0.6%	4.2%
Family and Children	Lab/Radiology	2.3%	0.6%	2.9%
Family and Children	Home Health	2.3%	0.6%	2.9%
Family and Children	Emergency Transportation	1.3%	0.6%	1.9%
Family and Children	Non-emergency Transportation	1.3%	0.6%	1.9%
Family and Children	Rehabilitation Services (OT, PT, ST)	2.3%	0.6%	2.9%
Family and Children	DME	2.3%	0.6%	2.9%
Family and Children	Clinic	3.5%	0.6%	4.2%
Family and Children	Family Planning	3.5%	0.6%	4.2%
Family and Children	Other	2.3%	0.6%	2.9%
Family and Children	Prescribed Drugs	2.1%	4.0%	6.2%
Family and Children	Emergency Room	2.3%	3.3%	5.6%
Family and Children	Basic Behavioral Health	3.5%	0.6%	4.2%
Foster Care Children	Inpatient Hospital	1.0%	0.6%	1.6%
Foster Care Children	Outpatient Hospital	4.9%	3.3%	8.3%
Foster Care Children	PCP	4.2%	0.6%	4.8%
Foster Care Children	Specialty Care Physician	4.2%	0.6%	4.8%
Foster Care Children	FQHC/RHC	4.2%	2.0%	6.2%
Foster Care Children	EPSDT	4.2%	0.6%	4.8%
Foster Care Children	Certified Nurse Practitioners/Clinical Nurse	4.2%	0.6%	4.8%
Foster Care Children	Lab/Radiology	2.3%	0.6%	2.9%
Foster Care Children	Home Health	2.3%	0.6%	2.9%
Foster Care Children	Emergency Transportation	1.9%	0.6%	2.5%

Category of Aid (COA) Description	Category of Service (COS) Description	Utilization	Unit Cost	PMPM Trend
Foster Care Children	Non-emergency Transportation	1.9%	0.6%	2.5%
Foster Care Children	Rehabilitation Services (OT, PT, ST)	2.3%	0.6%	2.9%
Foster Care Children	DME	2.3%	0.6%	2.9%
Foster Care Children	Clinic	4.2%	0.6%	4.8%
Foster Care Children	Family Planning	4.2%	0.6%	4.8%
Foster Care Children	Other	2.3%	0.6%	2.9%
Foster Care Children	Prescribed Drugs	1.1%	4.0%	5.2%
Foster Care Children	Emergency Room	4.9%	3.3%	8.3%
Foster Care Children	Basic Behavioral Health	4.2%	0.6%	4.8%
Breast and Cervical Cancer	Inpatient Hospital	1.0%	0.6%	1.6%
Breast and Cervical Cancer	Outpatient Hospital	4.9%	3.3%	8.3%
Breast and Cervical Cancer	PCP	4.2%	0.6%	4.8%
Breast and Cervical Cancer	Specialty Care Physician	4.2%	0.6%	4.8%
Breast and Cervical Cancer	FQHC/RHC	4.2%	2.0%	6.2%
Breast and Cervical Cancer	EPSDT	4.2%	0.6%	4.8%
Breast and Cervical Cancer	Certified Nurse Practitioners/Clinical Nurse	4.2%	0.6%	4.8%
Breast and Cervical Cancer	Lab/Radiology	2.3%	0.6%	2.9%
Breast and Cervical Cancer	Home Health	2.3%	0.6%	2.9%
Breast and Cervical Cancer	Emergency Transportation	1.9%	0.6%	2.5%
Breast and Cervical Cancer	Non-emergency Transportation	1.9%	0.6%	2.5%
Breast and Cervical Cancer	Rehabilitation Services (OT, PT, ST)	2.3%	0.6%	2.9%
Breast and Cervical Cancer	DME	2.3%	0.6%	2.9%

Category of Aid (COA) Description	Category of Service (COS) Description	Utilization	Unit Cost	PMPM Trend
Breast and Cervical Cancer	Clinic	4.2%	0.6%	4.8%
Breast and Cervical Cancer	Family Planning	4.2%	0.6%	4.8%
Breast and Cervical Cancer	Other	2.3%	0.6%	2.9%
Breast and Cervical Cancer	Prescribed Drugs	1.1%	4.0%	5.2%
Breast and Cervical Cancer	Emergency Room	4.9%	3.3%	8.3%
Breast and Cervical Cancer	Basic Behavioral Health	4.2%	0.6%	4.8%
Maternity Kickpayment	Maternity Kickpayment	0.0%	0.0%	0.0%

The overall annualized PMPM trend assumption for the Shared Savings program is 3.7%.

#### **Programmatic Changes/Rate Issues**

Programmatic change adjustments recognize the impact of benefit or eligibility changes that took place during or after the base year. Mercer applied programmatic change adjustments to incorporate factors not fully reflected in the base data. These adjustments were mutually exclusive and made only once in the benchmark setting process.

**Changes to Inpatient Hospital Reimbursement** – Several changes have been made to hospital per diem rates. Effective for dates of service on or after February 1, 2013, the inpatient per diem rates as of August 1, 2012, are reduced by 1.0% for children's and private hospitals. Rural and state hospitals are excluded from the rate reductions effective February 1, 2013. In addition, certain LSU hospitals have adjusted inpatient per diems during 2013 due to privatization, which are reflected in the revised rates. Privatized LSU hospitals will no longer receive cost settlements for inpatient services.

**Changes to the Laboratory/Radiology Fee Schedule** – Effective for dates of service on or after July 1, 2012, the reimbursement rate for laboratory services were reduced by 3.7% of the fee amounts on file as of January 1, 2012.

#### **Outpatient Hospital Fee Schedule Changes**

**Children's Specialty Hospitals** – Effective for dates of service on or after February 1, 2013, the reimbursement paid to children's specialty hospitals for clinical diagnostic laboratory, rehabilitation

services, and outpatient hospital facility fees for office/outpatient visits is reduced by 1.0% of the fee schedule on file as of August 1, 2012.

From February 3, 2010 through July 31, 2010, these hospitals were cost settled at 92.15% of allowable cost. From August 1, 2010 through December 31, 2010, these hospitals were cost settled at 87.91% of allowable cost. From January 1, 2011 through July 31, 2012, these hospitals were cost settled at 86.15% of allowable cost. From August 1, 2012 through January 31, 2013, these hospitals' cost settlements were to be reduced by 3.7% of allowable cost as calculated through the cost report settlement process, resulting in reimbursement of 82.96% of allowable cost.

**Non-state and Non-rural Hospitals** – Most recently, effective for dates of service on or after February 1, 2013, the reimbursement paid to non-rural, non-state hospitals for outpatient clinical diagnostic laboratory services, surgeries, rehabilitation services, and hospital facility fees for office/outpatient visits is reduced by 1.0% of the fee schedule on file as of August 1, 2012. Final reimbursement going forward is 66.46% of allowable cost.

From February 3, 2010 through July 31, 2010, these hospitals were cost settled at 74.56% of allowable cost. From August 1, 2010 through December 31, 2010, these hospitals were cost settled at 71.13% of allowable cost. From January 1, 2011 through July 31, 2012, these hospitals were cost settled at 69.71% of allowable cost. From August 1, 2012 through January 31, 2013, these hospitals' cost settlements were reduced by 3.7% of allowable cost as calculated through the cost report process, making reimbursement 67.13% of allowable cost.

**State Hospitals** – Effective for dates of service on or after August 1, 2012, the reimbursement paid to state hospitals for outpatient clinical diagnostic laboratory services, surgeries, rehabilitation services, and hospital facility fees for office/outpatient visits is reduced by 10.0% of the fee schedule on file as of July 31, 2012. State hospitals are excluded from the rate reductions effective February 1, 2013.

Through July 31, 2012, state hospitals were cost settled at 100.0% of allowable cost for other outpatient services. From August 1, 2012 forward, these hospitals' cost settlements were to be reduced by 10.0% of allowable cost as calculated through the cost report settlement process, making final reimbursement 90.0% of allowable cost. During 2013, several of the LSU hospitals privatized. As a result, they will no longer cost settle at 90.0% of allowable costs, as state hospitals do, but rather at 66.46% consistent with other non-state, non-rural hospitals.

**Physician Fee Schedule Changes** – Effective February 1, 2013, the reimbursement for physician services was reduced by 1.0% of the rates in effect on August 1, 2012 for most services. Exceptions to this cut were made for those services affected by ACA Section 1202. Note that

these benchmarks do not reflect the higher fee schedule associated with ACA Section 1202, and the determination for this contract period will not reflect the higher fee schedule.

In addition, cesarean deliveries and consult codes are reimbursed at the vaginal delivery rate or evaluation and management rate, respectively.

**Clinical Services/End Stage Renal Disease (ESRD) Facilities Non-Medicare Claims Reimbursement Rate Reduction** – Effective for dates of service on or after July 1, 2012, the reimbursement to ESRD facilities was reduced by 3.7% of the rates on file as of January 1, 2011.

**Emergency Medical Transportation** – Effective on or after August 1, 2012, the reimbursement rates for emergency ambulance transportation services is reduced by 5.0% of the rate on file as of July 1, 2012. Emergency ambulance transportation services are excluded from the rate reductions effective February 1, 2013.

**Pharmacy Fee Schedule Changes** – Effective September 5, 2012, Louisiana Medicaid discontinued the previous ingredient cost reimbursement model based on Average Wholesale Price and moved to reimbursement based on lower of Average Acquisition Cost (AAC) or the usual and customary charge for all drugs. If there was not an assigned AAC, the lower of Wholesale Acquisition Cost (WAC) or the usual and customary charge for all drugs were used. As part of this change, the dispensing fee was increased from \$5.77 to \$10.13. Beginning November 1, 2012, Louisiana Medicaid implemented pharmacy reimbursement methodology changes as outlined below.

**Single-source Reimbursement** – If there is an assigned AAC, single-source drugs will reimburse at the lower of AAC plus 1.0%, plus a dispensing fee of \$10.51 or the usual and customary charge. If there is not an assigned AAC, single-source drugs will reimburse at the lower of the WAC plus a dispensing fee of \$10.51 or the usual and customary charge.

**Multi-source Reimbursement** – If there is an assigned AAC, multi-source drugs will reimburse at the lower of the AAC plus 10.0%, plus a dispensing fee of \$10.51, or the Federal Upper Limit (FUL) plus a dispensing fee of \$10.51, or the usual and customary charge. If there is not an assigned AAC, multi-source drugs will reimburse at the lower of WAC plus a dispensing fee of \$10.51, or the FUL plus a dispensing fee of \$10.51, or the usual and customary charge.

**Specialty Drug Reimbursement** – The defined specialty drug classes will reimburse at the lower of WAC plus 5.0%, plus a dispensing fee of \$10.51, or the usual and customary charge.

The compounded effect of all fee schedule changes by COA and COS can be found in the table below. Overall, the fee schedule changes since the base data period reduced cost by approximately 5.2% for SFY 2011 and 6.2% for SFY 2012.

**Fee Schedule Changes**

Mercer COA Description	Final Mercer COS Description	Adjustment for Fee Schedule Changes (SFY 2011)	Adjustment for Fee Schedule Changes (SFY 2012)
SSI	Inpatient Hospital	-4.2%	-3.6%
SSI	Outpatient Hospital	-16.1%	-14.3%
SSI	PCP	-0.8%	-0.8%
SSI	Specialty Care Physician	-5.0%	-5.0%
SSI	FQHC/RHC	-4.4%	-4.4%
SSI	EPSDT	-1.4%	-1.4%
SSI	Certified Nurse Practitioners/Clinical Nurse	-4.5%	-4.4%
SSI	Lab/Radiology	-4.4%	-3.1%
SSI	Home Health	-4.7%	-4.7%
SSI	Emergency Transportation	-10.9%	-10.9%
SSI	Non-emergency Transportation	0.0%	0.0%
SSI	Rehabilitation Services (OT, PT, ST)	-3.7%	-3.7%
SSI	DME	0.0%	0.0%
SSI	Clinic	-5.2%	-5.2%
SSI	Family Planning	-3.2%	-3.6%
SSI	Other	-4.2%	-5.0%
SSI	Prescribed Drugs	-12.7%	-14.7%
SSI	Emergency Room	-4.6%	-4.0%
SSI	Basic Behavioral Health	-2.0%	-1.8%
Family and Children	Inpatient Hospital	2.0%	-4.3%
Family and Children	Outpatient Hospital	-8.3%	-7.0%
Family and Children	PCP	-0.5%	-0.5%
Family and Children	Specialty Care Physician	-4.8%	-4.8%
Family and Children	FQHC/RHC	-4.0%	-4.0%
Family and Children	EPSDT	-1.8%	-1.8%
Family and Children	Certified Nurse Practitioners/Clinical Nurse	-3.8%	-3.8%
Family and Children	Lab/Radiology	-3.1%	-2.2%

Mercer COA Description	Final Mercer COS Description	Adjustment for Fee Schedule Changes (SFY 2011)	Adjustment for Fee Schedule Changes (SFY 2012)
Family and Children	Home Health	-4.7%	-4.7%
Family and Children	Emergency Transportation	-10.9%	-10.9%
Family and Children	Non-emergency Transportation	0.0%	0.0%
Family and Children	Rehabilitation Services (OT, PT, ST)	-3.7%	-3.7%
Family and Children	DME	0.0%	0.0%
Family and Children	Clinic	-4.5%	-4.5%
Family and Children	Family Planning	-4.1%	-3.8%
Family and Children	Other	-5.1%	-6.9%
Family and Children	Prescribed Drugs	-12.7%	-14.7%
Family and Children	Emergency Room	-4.0%	-3.4%
Family and Children	Basic Behavioral Health	-2.5%	-2.4%
Foster Care Children	Inpatient Hospital	-7.9%	-1.4%
Foster Care Children	Outpatient Hospital	-6.5%	-5.0%
Foster Care Children	PCP	-0.3%	-0.3%
Foster Care Children	Specialty Care Physician	-4.8%	-4.7%
Foster Care Children	FQHC/RHC	-4.1%	-4.1%
Foster Care Children	EPSDT	-1.9%	-2.0%
Foster Care Children	Certified Nurse Practitioners/Clinical Nurse	-3.7%	-3.7%
Foster Care Children	Lab/Radiology	-3.3%	-2.2%
Foster Care Children	Home Health	-4.7%	-4.7%
Foster Care Children	Emergency Transportation	-10.9%	-10.9%
Foster Care Children	Non-emergency Transportation	0.0%	0.0%
Foster Care Children	Rehabilitation Services (OT, PT, ST)	-3.7%	-3.7%
Foster Care Children	DME	0.0%	0.0%
Foster Care Children	Clinic	-4.4%	-4.4%
Foster Care Children	Family Planning	-3.4%	-3.3%
Foster Care Children	Other	-5.6%	-7.6%
Foster Care Children	Prescribed Drugs	-12.7%	-14.7%
Foster Care Children	Emergency Room	-3.5%	-3.1%

Mercer COA Description	Final Mercer COS Description	Adjustment for Fee Schedule Changes (SFY 2011)	Adjustment for Fee Schedule Changes (SFY 2012)
Foster Care Children	Basic Behavioral Health	-2.8%	-2.5%
Breast and Cervical Cancer	Inpatient Hospital	-10.0%	-3.6%
Breast and Cervical Cancer	Outpatient Hospital	-25.8%	-25.0%
Breast and Cervical Cancer	PCP	-1.8%	-1.9%
Breast and Cervical Cancer	Specialty Care Physician	-6.2%	-6.2%
Breast and Cervical Cancer	FQHC/RHC	-4.7%	-4.6%
Breast and Cervical Cancer	EPSDT	0.0%	-5.3%
Breast and Cervical Cancer	Certified Nurse Practitioners/Clinical Nurse	-6.4%	-6.8%
Breast and Cervical Cancer	Lab/Radiology	-2.5%	-3.6%
Breast and Cervical Cancer	Home Health	-4.7%	-4.7%
Breast and Cervical Cancer	Emergency Transportation	-10.9%	-10.9%
Breast and Cervical Cancer	Non-emergency Transportation	0.0%	0.0%
Breast and Cervical Cancer	Rehabilitation Services (OT, PT, ST)	-3.7%	-3.7%
Breast and Cervical Cancer	DME	0.0%	0.0%
Breast and Cervical Cancer	Clinic	-4.4%	-4.6%
Breast and Cervical Cancer	Family Planning	-4.7%	-4.9%
Breast and Cervical Cancer	Other	-3.5%	0.0%
Breast and Cervical Cancer	Prescribed Drugs	-12.7%	-14.7%
Breast and Cervical Cancer	Emergency Room	-6.3%	-5.4%
Breast and Cervical Cancer	Basic Behavioral Health	-5.8%	-4.6%
Maternity Kickpayment	Maternity Kickpayment	-2.4%	-3.6%

## Data Smoothing

As part of the benchmark development process, Mercer blended data from SFY 2011 and SFY 2012 to arrive at the overall claim cost. The goal of the blending process is to obtain a set of base data that has sufficient credibility and reasonableness to develop appropriate benchmarks. Mercer applied weights of 60.0% and 40.0% to the SFY 2011 and SFY 2012 data, respectively.

In addition to blending data from multiple years, Mercer also used statewide figures where particular PMPM cells within a region had small enrollment. The cost PMPM for a small cell is subject to large fluctuations from one year to the next, thus rendering it less effective at predicting

future cost. Using statewide figures results in greater data credibility and reduces the impact of random fluctuations exhibited by the data.

Some categories of eligibility such as the Foster Children, Breast and Cervical Cancer, and LAP populations are too small to have separate rate cells due to data credibility concerns. Therefore, statewide figures are used for these populations and the data has been combined across all age and sex cells in determining the benchmark cost.

### **Risk of Large Claims**

To provide protection against the risk of catastrophic claims, the cost for any recipient that is over \$100,000 in any year will not be considered in reconciling cost savings for Shared Savings plans. The benchmarks have been reduced accordingly.

### **Risk Adjustment**

Risk adjustment will be applied to the cost benchmarks in Attachment A to reflect differences in health status of the members served in each plan using the Adjusted Clinical Groups (ACG) model. The risk adjustment process does not increase or decrease the overall benchmark cost of the program, but can change the benchmark for the various health plans according to the relative risk of their enrolled members, and where the Shared Savings program as a whole enroll a more or less costly population than the parallel Prepaid program. Actuarially sound risk adjustment protocols have been developed for this purpose.

### **Benchmark Development Overview**

To provide additional detail on the benchmark development, Mercer has also provided an overview of the adjustments applied to each rate cell in Attachment B. This exhibit presents the breakdown of the assumptions used to calculate the benchmark PMPMs.

In preparing the benchmark PMPMs shown in Attachment A, Mercer has used and relied upon enrollment, FFS claims, reimbursement level, benefit design, and other information supplied by DHH and its fiscal agent. DHH and its fiscal agent are responsible for the validity and completeness of the supplied data and information. We have reviewed the data and information for internal consistency and reasonableness, but we did not audit them. In our opinion, it is appropriate for the intended purposes. If the data and information are incomplete or inaccurate, the values shown in this report may need to be revised accordingly.

The benchmarks are actuarial projections of future contingent events. Actual Bayou Health costs will differ from these projections. Mercer has developed these benchmarks on behalf of DHH to form a basis for calculating sharable savings under the Shared Savings program. Use of these benchmarks for any purpose beyond that stated may not be appropriate. Furthermore, adjustment should be considered in the event that FFS costs are observed to trend differently than expected.

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during the period leading up to Shared Savings program implementation such that the benchmarks may become, in retrospect, either excessive or overly difficult to achieve.

Bayou Health plans are advised that the use of these benchmarks may not be appropriate for their particular circumstance and Mercer disclaims any responsibility for the use of them by Bayou Health plans for any purpose. Mercer recommends that any Bayou Health plans considering contracting with DHH should carefully analyze its own projected medical expense before deciding whether to contract with DHH.

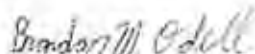
This letter assumes the reader is familiar with the Bayou Health program, Medicaid eligibility rules, and actuarial techniques. It is intended for DHH, and should not be relied upon by third parties. Other readers should seek the advice of actuaries or other qualified professionals competent in the area of actuarial projections to understand the technical nature of these results.

If you have any questions on any of the information provided, please feel free to call Jared Simons at +1 404 442 3358 or Brandon Odell at +1 404 442 3294.

Sincerely,



Jaredd Simons, ASA, MAAA  
Senior Associate



Brandon Odell, FSA, MAAA  
Associate Actuary



Attachment A  
Shared Savings Benchmark PMPM Summary

1/1/2014-06/30/2014				Shared Savings Benchmark PMPM	
DHH Administrative Region	Region Description	COA Description	RG Description	Annualized FY12 Member Months of Deliveries	PMPM or Cost/Delivery
01	New Orleans	SSI	0-2 Months, Male and Female	408	\$ 16,923.12
01	New Orleans	SSI	3-11 Months, Male and Female	1,335	\$ 3,484.14
01	New Orleans	SSI	1-5 Years, Male and Female	16,183	\$ 494.81
01	New Orleans	SSI	6-13 Years, Male and Female	44,117	\$ 184.81
01	New Orleans	SSI	14-18 Years, Male and Female	28,469	\$ 189.32
01	New Orleans	SSI	19-44 Years, Male and Female	84,605	\$ 395.93
01	New Orleans	SSI	45+ Years, Male and Female	121,089	\$ 636.86
01	New Orleans	Family and Children	0-2 Months, Male and Female	33,509	\$ 1,164.55
01	New Orleans	Family and Children	3-11 Months, Male and Female	74,487	\$ 192.36
01	New Orleans	Family and Children	1-5 Years, Male and Female	483,857	\$ 84.37
01	New Orleans	Family and Children	6-13 Years, Male and Female	570,158	\$ 55.73
01	New Orleans	Family and Children	14-18 Years, Female	160,106	\$ 83.30
01	New Orleans	Family and Children	14-18 Years, Male	144,862	\$ 63.53
01	New Orleans	Family and Children	19-44 Years, Female	244,147	\$ 167.49
01	New Orleans	Family and Children	19-44 Years, Male	11,414	\$ 169.32
01	New Orleans	Family and Children	45+ Years, Female	13,521	\$ 311.30
01	New Orleans	Family and Children	45+ Years, Male	3,538	\$ 316.75
01	New Orleans	Foster Care Children	Foster Care, All Ages Male & Female	12,914	\$ 118.57
01	New Orleans	Breast and Cervical Cancer	BCC, All Ages Female	2,839	\$ 1,299.20
01	New Orleans	LACHP Affordable Plan	LAP, All Ages Male & Female	1,466,979	\$ 108.01
01	New Orleans	Maternity Kickpayment	Maternity Kickpayment, All Ages	7,449	\$ 5,859.76
09	North Shore	SSI	0-2 Months, Male and Female	190	\$ 16,923.12
09	North Shore	SSI	3-11 Months, Male and Female	665	\$ 3,484.14
09	North Shore	SSI	1-5 Years, Male and Female	6,634	\$ 494.81
09	North Shore	SSI	6-13 Years, Male and Female	17,247	\$ 184.81
09	North Shore	SSI	14-18 Years, Male and Female	11,001	\$ 189.32
09	North Shore	SSI	19-44 Years, Male and Female	38,799	\$ 409.79
09	North Shore	SSI	45+ Years, Male and Female	59,655	\$ 670.89
09	North Shore	Family and Children	0-2 Months, Male and Female	18,519	\$ 1,032.22
09	North Shore	Family and Children	3-11 Months, Male and Female	40,947	\$ 201.05
09	North Shore	Family and Children	1-5 Years, Male and Female	264,694	\$ 102.13
09	North Shore	Family and Children	6-13 Years, Male and Female	358,805	\$ 72.37
09	North Shore	Family and Children	14-18 Years, Female	97,733	\$ 104.04
09	North Shore	Family and Children	14-18 Years, Male	95,095	\$ 79.58
09	North Shore	Family and Children	19-44 Years, Female	110,758	\$ 194.97
09	North Shore	Family and Children	19-44 Years, Male	9,132	\$ 169.32
09	North Shore	Family and Children	45+ Years, Female	5,119	\$ 311.30
09	North Shore	Family and Children	45+ Years, Male	2,160	\$ 316.75
09	North Shore	Foster Care Children	Foster Care, All Ages Male & Female	20,702	\$ 118.57
09	North Shore	Breast and Cervical Cancer	BCC, All Ages Female	2,141	\$ 1,299.20
09	North Shore	LACHP Affordable Plan	LAP, All Ages Male & Female	875,594	\$ 108.01
09	North Shore	Maternity Kickpayment	Maternity Kickpayment, All Ages	4,076	\$ 4,542.25



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Attachment A  
Shared Savings Benchmark PMPM Summary

1/1/2014-06/30/2014				Shared Savings Benchmark PMPM
			Annualized FY12 Member Months or Deliveries	PMPM or Cost/Delivery
DHH Administrative Region	Region Description	COA Description	RC Description	
02	Baton Rouge	SSI	0-2 Months, Male and Female	324 \$ 16,923.12
02	Baton Rouge	SSI	3-11 Months, Male and Female	1,102 \$ 3,484.14
02	Baton Rouge	SSI	1-5 Years, Male and Female	13,824 \$ 494.81
02	Baton Rouge	SSI	6-13 Years, Male and Female	30,470 \$ 184.81
02	Baton Rouge	SSI	14-18 Years, Male and Female	17,810 \$ 189.32
02	Baton Rouge	SSI	19-44 Years, Male and Female	50,832 \$ 460.63
02	Baton Rouge	SSI	45+ Years, Male and Female	70,445 \$ 685.30
02	Baton Rouge	Family and Children	0-2 Months, Male and Female	24,437 \$ 1,281.10
02	Baton Rouge	Family and Children	3-11 Months, Male and Female	53,292 \$ 223.16
02	Baton Rouge	Family and Children	1-5 Years, Male and Female	344,249 \$ 84.48
02	Baton Rouge	Family and Children	6-13 Years, Male and Female	441,588 \$ 56.53
02	Baton Rouge	Family and Children	14-18 Years, Female	121,563 \$ 80.21
02	Baton Rouge	Family and Children	14-18 Years, Male	113,498 \$ 57.81
02	Baton Rouge	Family and Children	19-44 Years, Female	139,359 \$ 172.77
02	Baton Rouge	Family and Children	19-44 Years, Male	5,943 \$ 169.32
02	Baton Rouge	Family and Children	45+ Years, Female	7,118 \$ 311.30
02	Baton Rouge	Family and Children	45+ Years, Male	1,517 \$ 316.75
02	Baton Rouge	Foster Care Children	Foster Care, All Ages Male & Female	10,810 \$ 118.57
02	Baton Rouge	Breast and Cervical Cancer	BCC, All Ages Female	2,103 \$ 1,289.20
02	Baton Rouge	LaCHIP Affordable Plan	LAP, All Ages Male & Female	1,098,627 \$ 108.01
02	Baton Rouge	Maternity Kickpayment	Maternity Kickpayment, All Ages	5,468 \$ 5,387.12
03	Thibodaux	SSI	0-2 Months, Male and Female	153 \$ 16,923.12
03	Thibodaux	SSI	3-11 Months, Male and Female	634 \$ 3,484.14
03	Thibodaux	SSI	1-5 Years, Male and Female	9,087 \$ 494.81
03	Thibodaux	SSI	6-13 Years, Male and Female	22,749 \$ 184.81
03	Thibodaux	SSI	14-18 Years, Male and Female	12,725 \$ 189.32
03	Thibodaux	SSI	19-44 Years, Male and Female	36,999 \$ 352.43
03	Thibodaux	SSI	45+ Years, Male and Female	48,867 \$ 627.83
03	Thibodaux	Family and Children	0-2 Months, Male and Female	16,020 \$ 895.90
03	Thibodaux	Family and Children	3-11 Months, Male and Female	33,543 \$ 211.06
03	Thibodaux	Family and Children	1-5 Years, Male and Female	218,035 \$ 98.11
03	Thibodaux	Family and Children	6-13 Years, Male and Female	277,985 \$ 66.62
03	Thibodaux	Family and Children	14-18 Years, Female	80,782 \$ 107.34
03	Thibodaux	Family and Children	14-18 Years, Male	74,731 \$ 77.17
03	Thibodaux	Family and Children	19-44 Years, Female	100,210 \$ 203.25
03	Thibodaux	Family and Children	19-44 Years, Male	6,600 \$ 169.32
03	Thibodaux	Family and Children	45+ Years, Female	4,445 \$ 311.30
03	Thibodaux	Family and Children	45+ Years, Male	1,348 \$ 316.75
03	Thibodaux	Foster Care Children	Foster Care, All Ages Male & Female	8,208 \$ 118.57
03	Thibodaux	Breast and Cervical Cancer	BCC, All Ages Female	961 \$ 1,299.20
03	Thibodaux	LaCHIP Affordable Plan	LAP, All Ages Male & Female	701,097 \$ 108.01
03	Thibodaux	Maternity Kickpayment	Maternity Kickpayment, All Ages	3,619 \$ 4,754.86



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## Attachment A Shared Savings Benchmark PMPM Summary

1/1/2014-06/30/2014				
			Shared Savings Benchmark PMPM	
			Annualized FY12 Member Months or Deliveries	PMPM or Cost/Delivery
DHH Administrative Region	Region Description	COA Description	RC Description	
	LaFayette	SSI	0-2 Months, Male and Female	230 \$ 16,923.12
	LaFayette	SSI	3-11 Months, Male and Female	922 \$ 3,484.14
	LaFayette	SSI	1-5 Years, Male and Female	10,689 \$ 494.81
	LaFayette	SSI	6-13 Years, Male and Female	23,606 \$ 184.81
	LaFayette	SSI	14-18 Years, Male and Female	13,839 \$ 189.32
	LaFayette	SSI	19-44 Years, Male and Female	50,446 \$ 369.57
	LaFayette	SSI	45+ Years, Male and Female	78,021 \$ 602.42
	LaFayette	Family and Children	0-2 Months, Male and Female	23,998 \$ 1,091.60
	LaFayette	Family and Children	3-11 Months, Male and Female	51,830 \$ 196.00
	LaFayette	Family and Children	1-5 Years, Male and Female	338,287 \$ 92.95
	LaFayette	Family and Children	6-13 Years, Male and Female	443,206 \$ 61.77
	LaFayette	Family and Children	14-18 Years, Female	123,394 \$ 92.19
	LaFayette	Family and Children	14-18 Years, Male	114,962 \$ 69.98
	LaFayette	Family and Children	19-44 Years, Female	141,077 \$ 175.13
	LaFayette	Family and Children	19-44 Years, Male	8,453 \$ 169.32
	LaFayette	Family and Children	45+ Years, Female	6,302 \$ 311.30
	LaFayette	Family and Children	45+ Years, Male	1,629 \$ 316.75
	LaFayette	Foster Care Children	Foster Care, All Ages Male & Female	17,366 \$ 118.57
	LaFayette	Breast and Cervical Cancer	BCC, All Ages Female	1,449 \$ 1,299.20
	LaFayette	LACHIP Affordable Plan	LAP, All Ages Male & Female	1,095,677 \$ 108.01
04	LaFayette	Maternity Kickpayment	Maternity Kickpayment, All Ages	5,522 \$ 4,422.11



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Attachment A  
Shared Savings Benchmark PMPM Summary

1/1/2014-06/30/2014					Shared Savings Benchmark PMPM
Annualized FY12 Member Months or Deliveries				PMPM or Cost/Delivery	
DHH Administrative Region	Region Description	COA Description	RC Description		
05	Lake Charles	SSI	0-2 Months, Male and Female	105 \$ 16,923.12	
05	Lake Charles	SSI	3-11 Months, Male and Female	389 \$ 3,484.14	
05	Lake Charles	SSI	1-5 Years, Male and Female	4,617 \$ 494.81	
05	Lake Charles	SSI	6-13 Years, Male and Female	10,893 \$ 184.81	
05	Lake Charles	SSI	14-18 Years, Male and Female	5,343 \$ 189.32	
05	Lake Charles	SSI	19-44 Years, Male and Female	21,269 \$ 328.57	
05	Lake Charles	SSI	45+ Years, Male and Female	30,790 \$ 580.33	
05	Lake Charles	Family and Children	0-2 Months, Male and Female	11,817 \$ 995.66	
05	Lake Charles	Family and Children	3-11 Months, Male and Female	24,823 \$ 219.54	
05	Lake Charles	Family and Children	1-5 Years, Male and Female	160,334 \$ 95.39	
05	Lake Charles	Family and Children	6-13 Years, Male and Female	209,127 \$ 65.67	
05	Lake Charles	Family and Children	14-18 Years, Female	56,619 \$ 105.71	
05	Lake Charles	Family and Children	14-18 Years, Male	54,351 \$ 68.74	
05	Lake Charles	Family and Children	19-44 Years, Female	54,420 \$ 210.15	
05	Lake Charles	Family and Children	19-44 Years, Male	3,077 \$ 169.32	
05	Lake Charles	Family and Children	45+ Years, Female	2,103 \$ 311.30	
05	Lake Charles	Family and Children	45+ Years, Male	501 \$ 316.75	
05	Lake Charles	Foster Care Children	Foster Care, All Ages Male & Female	11,086 \$ 118.57	
05	Lake Charles	Breast and Cervical Cancer	BCC, All Ages Female	722 \$ 1,299.20	
05	Lake Charles	LACHIP Affordable Plan	LAP, All Ages Male & Female	517,071 \$ 108.01	
06	Alexandria	Maternity Kickpayment	Maternity Kickpayment, All Ages	2,665 \$ 4,633.37	
06	Alexandria	SSI	0-2 Months, Male and Female	129 \$ 16,923.12	
06	Alexandria	SSI	3-11 Months, Male and Female	458 \$ 3,484.14	
06	Alexandria	SSI	1-5 Years, Male and Female	6,214 \$ 494.81	
06	Alexandria	SSI	6-13 Years, Male and Female	16,893 \$ 184.81	
06	Alexandria	SSI	14-18 Years, Male and Female	9,939 \$ 189.32	
06	Alexandria	SSI	19-44 Years, Male and Female	34,522 \$ 358.42	
06	Alexandria	SSI	45+ Years, Male and Female	44,146 \$ 612.61	
06	Alexandria	Family and Children	0-2 Months, Male and Female	12,327 \$ 1,471.55	
06	Alexandria	Family and Children	3-11 Months, Male and Female	26,649 \$ 253.47	
06	Alexandria	Family and Children	1-5 Years, Male and Female	189,709 \$ 117.44	
06	Alexandria	Family and Children	6-13 Years, Male and Female	233,902 \$ 74.91	
06	Alexandria	Family and Children	14-18 Years, Female	65,472 \$ 111.03	
06	Alexandria	Family and Children	14-18 Years, Male	61,666 \$ 78.15	
06	Alexandria	Family and Children	19-44 Years, Female	4,065 \$ 196.27	
06	Alexandria	Family and Children	19-44 Years, Male	4,245 \$ 169.32	
06	Alexandria	Family and Children	45+ Years, Female	2,601 \$ 311.30	
06	Alexandria	Family and Children	45+ Years, Male	675 \$ 316.75	
06	Alexandria	Foster Care Children	Foster Care, All Ages Male & Female	11,688 \$ 118.57	
06	Alexandria	Breast and Cervical Cancer	BCC, All Ages Female	727 \$ 1,299.20	
06	Alexandria	LACHIP Affordable Plan	LAP, All Ages Male & Female	589,726 \$ 108.01	
06	Alexandria	Maternity Kickpayment	Maternity Kickpayment, All Ages	2,772 \$ 4,758.51	



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# Attachment A Shared Savings Benchmark PMPM Summary

1/1/2014-06/30/2014					Shared Savings Benchmark PMPM
DHH Administrative Region	Region Description	COA Description	RC Description	Annualized FY12 Member Months or Deliveries	PMPM or Cost/Delivery
07	Shreveport	SSI	0-2 Months, Male and Female	357	\$ 16,923.12
07	Shreveport	SSI	3-11 Months, Male and Female	1,279	\$ 3,484.14
07	Shreveport	SSI	1-5 Years, Male and Female	13,517	\$ 494.81
07	Shreveport	SSI	6-13 Years, Male and Female	33,495	\$ 184.81
07	Shreveport	SSI	14-18 Years, Male and Female	20,954	\$ 189.32
07	Shreveport	SSI	19-44 Years, Male and Female	58,512	\$ 343.98
07	Shreveport	SSI	45+ Years, Male and Female	71,175	\$ 505.87
07	Shreveport	Family and Children	0-2 Months, Male and Female	21,696	\$ 1,171.40
07	Shreveport	Family and Children	3-11 Months, Male and Female	48,217	\$ 190.28
07	Shreveport	Family and Children	1-5 Years, Male and Female	297,989	\$ 84.62
07	Shreveport	Family and Children	6-13 Years, Male and Female	388,822	\$ 52.32
07	Shreveport	Family and Children	14-18 Years, Male and Female	105,139	\$ 87.02
07	Shreveport	Family and Children	19-44 Years, Male and Female	97,270	\$ 54.86
07	Shreveport	Family and Children	45+ Years, Male and Female	116,342	\$ 171.32
07	Shreveport	Family and Children	19-44 Years, Male and Female	4,329	\$ 169.32
07	Shreveport	Family and Children	45+ Years, Female	4,286	\$ 311.30
07	Shreveport	Family and Children	45+ Years, Male	828	\$ 316.75
07	Shreveport	Foster Care Children	Foster Care, All Ages Male & Female	11,767	\$ 118.57
07	Shreveport	Breast and Cervical Cancer	BCC, All Ages Female	1,462	\$ 1,299.20
07	Shreveport	LACHP Affordable Plan	LAP, All Ages Male & Female	960,134	\$ 108.01
07	Shreveport	Maternity Kickpayment	Maternity Kickpayment, All Ages	4,970	\$ 5,137.53
08	Monroe	SSI	0-2 Months, Male and Female	130	\$ 16,923.12
08	Monroe	SSI	3-11 Months, Male and Female	655	\$ 3,484.14
08	Monroe	SSI	1-5 Years, Male and Female	7,197	\$ 494.81
08	Monroe	SSI	6-13 Years, Male and Female	19,565	\$ 184.81
08	Monroe	SSI	14-18 Years, Male and Female	12,502	\$ 189.32
08	Monroe	SSI	19-44 Years, Male and Female	38,578	\$ 411.06
08	Monroe	SSI	45+ Years, Male and Female	47,309	\$ 623.82
08	Monroe	Family and Children	0-2 Months, Male and Female	16,011	\$ 1,346.46
08	Monroe	Family and Children	3-11 Months, Male and Female	35,297	\$ 262.70
08	Monroe	Family and Children	1-5 Years, Male and Female	221,810	\$ 117.06
08	Monroe	Family and Children	6-13 Years, Male and Female	299,391	\$ 68.02
08	Monroe	Family and Children	14-18 Years, Female	80,901	\$ 101.63
08	Monroe	Family and Children	14-18 Years, Male	77,551	\$ 65.54
08	Monroe	Family and Children	19-44 Years, Female	100,642	\$ 161.90
08	Monroe	Family and Children	19-44 Years, Male	5,049	\$ 169.32
08	Monroe	Family and Children	45+ Years, Female	3,855	\$ 311.30
08	Monroe	Family and Children	45+ Years, Male	850	\$ 316.75
08	Monroe	Foster Care Children	Foster Care, All Ages Male & Female	9,706	\$ 118.57
08	Monroe	Breast and Cervical Cancer	BCC, All Ages Female	1,311	\$ 1,299.20
08	Monroe	LACHP Affordable Plan	LAP, All Ages Male & Female	730,961	\$ 108.01
08	Monroe	Maternity Kickpayment	Maternity Kickpayment, All Ages	3,632	\$ 4,833.79



**Attachment B**  
**Shared Savings Benchmark PMPM Development**

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Attachment B  
Shared Savings Benchmark PMPM Development

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				11/2014-06/30/2014				
DHH Administrative Region	Region Description	COA Description	RC Description	Weighted FY11 and FY12 PMPM at FY12	Trend	Projected FFS PMPM	PMPM Post Smoothing w/Statewide	Shared Savings Benchmark PMPM
01	New Orleans	SSI	0-2 Months, Male and Female	\$ 18,582.86	2.14%	\$ 19,574.83	\$ 18,404.40	\$ 16,923.12
	New Orleans	SSI	3-11 Months, Male and Female	\$ 4,675.93	2.48%	\$ 4,966.10	\$ 3,789.08	\$ 3,484.14
	New Orleans	SSI	1-5 Years, Male and Female	\$ 574.31	3.70%	\$ 628.04	\$ 538.13	\$ 484.81
	New Orleans	SSI	6-13 Years, Male and Female	\$ 197.32	4.42%	\$ 219.48	\$ 200.99	\$ 184.81
	New Orleans	SSI	14-18 Years, Male and Female	\$ 172.97	4.54%	\$ 192.93	\$ 205.90	\$ 189.32
	New Orleans	SSI	19-44 Years, Male and Female	\$ 389.76	4.14%	\$ 430.59	\$ 430.59	\$ 395.93
	New Orleans	SSI	45+ Years, Male and Female	\$ 625.55	4.23%	\$ 692.61	\$ 692.61	\$ 636.86
	New Orleans	Family and Children	0-2 Months, Male and Female	\$ 1,133.83	2.07%	\$ 1,192.31	\$ 1,192.31	\$ 1,164.55
	New Orleans	Family and Children	3-11 Months, Male and Female	\$ 180.12	3.70%	\$ 196.95	\$ 196.95	\$ 192.36
	New Orleans	Family and Children	1-5 Years, Male and Female	\$ 77.74	4.38%	\$ 88.39	\$ 88.39	\$ 84.37
	New Orleans	Family and Children	6-13 Years, Male and Female	\$ 51.12	4.57%	\$ 57.06	\$ 57.06	\$ 55.73
	New Orleans	Family and Children	14-18 Years, Male and Female	\$ 76.72	4.40%	\$ 85.28	\$ 85.28	\$ 83.30
	New Orleans	Family and Children	19-44 Years, Male and Female	\$ 58.81	4.19%	\$ 65.05	\$ 65.05	\$ 63.53
	New Orleans	Family and Children	45+ Years, Male and Female	\$ 155.13	4.16%	\$ 171.48	\$ 171.48	\$ 167.49
	New Orleans	Family and Children	19-44 Years, Male and Female	\$ 139.61	4.17%	\$ 154.28	\$ 173.35	\$ 169.32
	New Orleans	Family and Children	45+ Years, Male and Female	\$ 232.05	4.28%	\$ 257.25	\$ 318.73	\$ 311.30
	New Orleans	Family and Children	45+ Years, Male and Female	\$ 266.40	4.07%	\$ 293.68	\$ 324.31	\$ 316.75
	New Orleans	Foster Care Children	Foster Care, All Ages Male & Female	\$ 128.32	4.39%	\$ 142.60	\$ 132.15	\$ 118.57
	New Orleans	Breast and Cervical Cancer	BCC, All Ages Male & Female	\$ 1,140.13	6.41%	\$ 1,326.40	\$ 1,333.17	\$ 1,299.20
	New Orleans	LACHIP Affordable Plan	LAP, All Ages Male & Female	\$ 94.96	3.62%	\$ 103.64	\$ 110.58	\$ 108.01
	New Orleans	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 5,859.76	0.00%	\$ 5,859.76	\$ 5,859.76	\$ 5,859.76
	New Orleans	SSI	0-2 Months, Male and Female	\$ 12,788.20	2.16%	\$ 13,477.18	\$ 18,404.40	\$ 16,923.12
	New Orleans	SSI	3-11 Months, Male and Female	\$ 2,359.31	3.16%	\$ 2,547.11	\$ 3,789.08	\$ 3,484.14
	New Orleans	SSI	1-5 Years, Male and Female	\$ 514.39	4.37%	\$ 571.39	\$ 538.13	\$ 484.81
	New Orleans	SSI	6-13 Years, Male and Female	\$ 206.76	5.12%	\$ 233.78	\$ 200.99	\$ 184.81
	New Orleans	SSI	14-18 Years, Male and Female	\$ 192.17	4.88%	\$ 216.05	\$ 205.90	\$ 189.32
	New Orleans	SSI	19-44 Years, Male and Female	\$ 397.78	4.73%	\$ 445.68	\$ 445.68	\$ 409.79
	New Orleans	SSI	45+ Years, Male and Female	\$ 653.42	4.59%	\$ 729.62	\$ 729.62	\$ 670.89
	New Orleans	Family and Children	0-2 Months, Male and Female	\$ 1,000.88	2.24%	\$ 1,050.83	\$ 1,050.83	\$ 1,032.22
	New Orleans	Family and Children	3-11 Months, Male and Female	\$ 166.25	4.15%	\$ 205.85	\$ 205.85	\$ 201.05
	New Orleans	Family and Children	1-5 Years, Male and Female	\$ 93.71	4.56%	\$ 104.56	\$ 104.56	\$ 102.13
	New Orleans	Family and Children	6-13 Years, Male and Female	\$ 66.16	4.71%	\$ 74.10	\$ 74.10	\$ 72.37
	New Orleans	Family and Children	14-18 Years, Male and Female	\$ 72.93	4.61%	\$ 81.48	\$ 81.48	\$ 79.58
	New Orleans	Family and Children	19-44 Years, Male and Female	\$ 179.05	4.52%	\$ 199.62	\$ 199.62	\$ 194.97
	New Orleans	Family and Children	45+ Years, Male and Female	\$ 367.73	4.26%	\$ 407.44	\$ 318.73	\$ 311.30
	New Orleans	Family and Children	45+ Years, Male and Female	\$ 343.68	4.71%	\$ 384.79	\$ 324.31	\$ 316.75
	New Orleans	Foster Care Children	Foster Care, All Ages Male & Female	\$ 119.39	4.98%	\$ 134.57	\$ 132.15	\$ 118.57
	New Orleans	Breast and Cervical Cancer	BCC, All Ages Female	\$ 95.41	6.01%	\$ 1,101.70	\$ 1,333.17	\$ 1,289.20
	New Orleans	LACHIP Affordable Plan	LAP, All Ages Male & Female	\$ 103.72	4.17%	\$ 114.68	\$ 110.58	\$ 108.01
	New Orleans	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 4,542.25	0.00%	\$ 4,542.25	\$ 4,542.25	\$ 4,542.25





Attachment B  
Shared Savings Benchmark PMPM Development

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				1/1/2014-06/30/2014					
				Weighted FY11 and FY12 PMPM at FY12	Projected FFS PMPM	PMPM Post Smoothing w/Statewide	Catastrophic Limit Adjustment	Shared Savings Benchmark PMPM	
DHH Administrative Region	Region Description	COA Description	RC Description	PMPM or Cost/Delivery	Trend	PMPM or Cost/Delivery	PMPM or Cost/Delivery	Catastrophic Limit Adjustment	PMPM or Cost/Delivery
02	Baton Rouge	SSI	0-2 Months, Male and Female	\$ 21,361.21	2.06%	\$ 22,460.54	\$ 18,404.40	0.9195	\$ 18,923.12
02	Baton Rouge	SSI	3-11 Months, Male and Female	\$ 4,271.91	2.41%	\$ 4,529.25	\$ 3,789.08	0.9195	\$ 3,484.14
02	Baton Rouge	SSI	1-5 Years, Male and Female	\$ 476.61	3.98%	\$ 524.60	\$ 336.13	0.9195	\$ 494.01
02	Baton Rouge	SSI	6-13 Years, Male and Female	\$ 168.42	4.60%	\$ 186.09	\$ 200.99	0.9195	\$ 184.61
02	Baton Rouge	SSI	14-18 Years, Male and Female	\$ 175.38	4.55%	\$ 195.63	\$ 205.90	0.9195	\$ 189.32
02	Baton Rouge	SSI	19-44 Years, Male and Female	\$ 452.90	4.19%	\$ 500.95	\$ 500.95	0.9195	\$ 460.63
02	Baton Rouge	SSI	45+ Years, Male and Female	\$ 680.20	4.48%	\$ 745.29	\$ 745.29	0.9195	\$ 685.30
02	Baton Rouge	Family and Children	0-2 Months, Male and Female	\$ 1,250.63	1.96%	\$ 1,311.65	\$ 1,311.65	0.9767	\$ 1,281.10
02	Baton Rouge	Family and Children	3-11 Months, Male and Female	\$ 210.59	3.37%	\$ 228.48	\$ 228.48	0.9767	\$ 223.16
02	Baton Rouge	Family and Children	1-5 Years, Male and Female	\$ 77.94	4.33%	\$ 86.49	\$ 86.49	0.9767	\$ 84.48
02	Baton Rouge	Family and Children	6-13 Years, Male and Female	\$ 51.77	4.64%	\$ 57.87	\$ 57.87	0.9767	\$ 56.53
02	Baton Rouge	Family and Children	14-18 Years, Female	\$ 73.50	4.62%	\$ 82.13	\$ 82.13	0.9767	\$ 80.21
02	Baton Rouge	Family and Children	19-44 Years, Male	\$ 53.11	4.50%	\$ 59.19	\$ 59.19	0.9767	\$ 57.81
02	Baton Rouge	Family and Children	19-44 Years, Female	\$ 158.74	4.50%	\$ 176.89	\$ 176.89	0.9767	\$ 172.77
02	Baton Rouge	Family and Children	19-44 Years, Male	\$ 164.54	4.29%	\$ 182.45	\$ 173.35	0.9767	\$ 169.32
02	Baton Rouge	Family and Children	45+ Years, Male	\$ 291.74	4.34%	\$ 323.69	\$ 318.73	0.9767	\$ 311.30
02	Baton Rouge	Family and Children	45+ Years, Female	\$ 260.35	4.12%	\$ 287.49	\$ 324.31	0.9767	\$ 316.75
02	Baton Rouge	Foster Care Children	45+ Years, Male	\$ 100.22	4.75%	\$ 112.34	\$ 132.15	0.8972	\$ 118.57
02	Baton Rouge	Breast and Cervical Cancer	Foster Care, All Ages Male & Female	\$ 1,296.53	6.44%	\$ 1,511.44	\$ 1,333.17	0.9745	\$ 1,299.20
02	Baton Rouge	LACHP Affordable Plan	LAP, All Ages Male & Female	\$ 96.57	3.79%	\$ 105.82	\$ 110.58	0.9767	\$ 108.01
02	Baton Rouge	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 5,387.12	0.00%	\$ 5,387.12	\$ 5,387.12	1.0000	\$ 5,387.12
03	Thibodaux	SSI	0-2 Months, Male and Female	\$ 18,249.82	2.14%	\$ 19,223.04	\$ 16,404.40	0.9195	\$ 16,923.12
03	Thibodaux	SSI	3-11 Months, Male and Female	\$ 3,900.20	2.64%	\$ 4,158.03	\$ 3,789.08	0.9195	\$ 3,484.14
03	Thibodaux	SSI	1-5 Years, Male and Female	\$ 496.13	4.19%	\$ 548.80	\$ 536.13	0.9195	\$ 494.81
03	Thibodaux	SSI	6-13 Years, Male and Female	\$ 140.15	5.05%	\$ 158.20	\$ 200.89	0.9195	\$ 184.81
03	Thibodaux	SSI	14-18 Years, Male and Female	\$ 174.37	5.02%	\$ 196.67	\$ 205.90	0.9195	\$ 189.32
03	Thibodaux	SSI	19-44 Years, Male and Female	\$ 341.27	4.84%	\$ 383.28	\$ 383.28	0.9195	\$ 352.43
03	Thibodaux	SSI	45+ Years, Male and Female	\$ 608.81	4.78%	\$ 682.80	\$ 682.80	0.9195	\$ 627.83
03	Thibodaux	Family and Children	0-2 Months, Male and Female	\$ 864.74	2.43%	\$ 917.26	\$ 917.26	0.9767	\$ 895.90
03	Thibodaux	Family and Children	3-11 Months, Male and Female	\$ 195.55	4.15%	\$ 216.10	\$ 216.10	0.9767	\$ 211.06
03	Thibodaux	Family and Children	1-5 Years, Male and Female	\$ 89.64	4.74%	\$ 100.45	\$ 100.45	0.9767	\$ 96.11
03	Thibodaux	Family and Children	6-13 Years, Male and Female	\$ 80.63	4.90%	\$ 88.21	\$ 88.21	0.9767	\$ 86.62
03	Thibodaux	Family and Children	14-18 Years, Male and Female	\$ 97.86	4.83%	\$ 109.90	\$ 109.90	0.9767	\$ 107.34
03	Thibodaux	Family and Children	19-44 Years, Male	\$ 70.54	4.72%	\$ 79.01	\$ 79.01	0.9767	\$ 77.17
03	Thibodaux	Family and Children	19-44 Years, Female	\$ 186.06	4.52%	\$ 208.10	\$ 208.10	0.9767	\$ 203.25
03	Thibodaux	Family and Children	45+ Years, Male	\$ 141.76	4.76%	\$ 158.91	\$ 173.35	0.9767	\$ 169.32
03	Thibodaux	Family and Children	45+ Years, Female	\$ 305.43	4.54%	\$ 340.68	\$ 318.73	0.9767	\$ 316.75
03	Thibodaux	Family and Children	45+ Years, Male	\$ 388.83	3.83%	\$ 426.47	\$ 324.31	0.9767	\$ 317.30
03	Thibodaux	Foster Care Children	Foster Care, All Ages Male & Female	\$ 130.97	4.73%	\$ 148.71	\$ 132.15	0.8972	\$ 118.57
03	Thibodaux	Breast and Cervical Cancer	BCC, All Ages Male & Female	\$ 1,324.46	6.00%	\$ 1,528.55	\$ 1,333.17	0.9745	\$ 1,269.20
03	Thibodaux	LACHP Affordable Plan	LAP, All Ages Male & Female	\$ 99.32	4.50%	\$ 110.67	\$ 110.58	0.9767	\$ 108.01
03	Thibodaux	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 4,754.88	0.00%	\$ 4,754.88	\$ 4,754.88	1.0000	\$ 4,754.88



Attachment B  
Shared Savings Benchmark PMPM Development

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2010-2014-2015-2016										2010-2014-2015-2016									
Data Fiscal Year 2011 Data Development										Data Fiscal Year 2012 Data Development									
CMI	Admission by Discharge Region	COA Description	ICD Description	PMPM Cost/Charge	Complex Factor	Programing Factor (Fract & Adult)	By Risk Cost/Charge	P and OP Hospital Cost/Charge	F4 Standard Charge	PMPM Cost/Charge	Avg. Total to PMPM	PMPM Cost/Charge	PMPM Cost/Charge	PMPM Cost/Charge	Complex Factor	Programing Factor (Fract & Adult)	By Risk Cost/Charge	P and OP Hospital Cost/Charge	F4 Standard Charge
04	04-01	04-01-01	04-01-01-01	17,052.80	1.0001	0.0001	0.0001	1.0001	0.0001	17,052.80	2.16	17,052.80	17,052.80	17,052.80	1.0001	0.0001	0.0001	1.0001	0.0001
04	04-01	04-01-02	04-01-02-01	1,124.30	0.0001	0.0001	0.0001	1.0001	0.0001	1,124.30	2.16	1,124.30	1,124.30	1,124.30	1.0001	0.0001	0.0001	1.0001	0.0001
04	04-01	04-01-03	04-01-03-01	378.35	0.0001	0.0001	0.0001	1.0001	0.0001	378.35	2.16	378.35	378.35	378.35	1.0001	0.0001	0.0001	1.0001	0.0001
04	04-01	04-01-04	04-01-04-01	222.03	0.0001	0.0001	0.0001	1.0001	0.0001	222.03	2.16	222.03	222.03	222.03	1.0001	0.0001	0.0001	1.0001	0.0001
04	04-01	04-01-05	04-01-05-01	564.59	0.0001	0.0001	0.0001	1.0001	0.0001	564.59	2.16	564.59	564.59	564.59	1.0001	0.0001	0.0001	1.0001	0.0001
04	04-01	04-01-06	04-01-06-01	461.12	0.0001	0.0001	0.0001	1.0001	0.0001	461.12	2.16	461.12	461.12	461.12	1.0001	0.0001	0.0001	1.0001	0.0001
04	04-01	04-01-07	04-01-07-01	781.89	0.0001	0.0001	0.0001	1.0001	0.0001	781.89	2.16	781.89	781.89	781.89	1.0001	0.0001	0.0001	1.0001	0.0001
04	04-01	04-01-08	04-01-08-01	1,077.27	0.0001	0.0001	0.0001	1.0001	0.0001	1,077.27	2.16	1,077.27	1,077.27	1,077.27	1.0001	0.0001	0.0001	1.0001	0.0001
04	04-01	04-01-09	04-01-09-01	227.49	0.0001	0.0001	0.0001	1.0001	0.0001	227.49	2.16	227.49	227.49	227.49	1.0001	0.0001	0.0001	1.0001	0.0001
04	04-01	04-01-10	04-01-10-01	103.81	0.0001	0.0001	0.0001	1.0001	0.0001	103.81	2.16	103.81	103.81	103.81	1.0001	0.0001	0.0001	1.0001	0.0001
04	04-01	04-01-11	04-01-11-01	27.22	0.0001	0.0001	0.0001	1.0001	0.0001	27.22	2.16	27.22	27.22	27.22	1.0001	0.0001	0.0001	1.0001	0.0001
04	04-01	04-01-12	04-01-12-01	102.46	0.0001	0.0001	0.0001	1.0001	0.0001	102.46	2.16	102.46	102.46	102.46	1.0001	0.0001	0.0001	1.0001	0.0001
04	04-01	04-01-13	04-01-13-01	112.25	0.0001	0.0001	0.0001	1.0001	0.0001	112.25	2.16	112.25	112.25	112.25	1.0001	0.0001	0.0001	1.0001	0.0001
04	04-01	04-01-14	04-01-14-01	182.52	0.0001	0.0001	0.0001	1.0001	0.0001	182.52	2.16	182.52	182.52	182.52	1.0001	0.0001	0.0001	1.0001	0.0001
04	04-01	04-01-15	04-01-15-01	182.52	0.0001	0.0001	0.0001	1.0001	0.0001	182.52	2.16	182.52	182.52	182.52	1.0001	0.0001	0.0001	1.0001	0.0001
04	04-01	04-01-16	04-01-16-01	315.15	0.0001	0.0001	0.0001	1.0001	0.0001	315.15	2.16	315.15	315.15	315.15	1.0001	0.0001	0.0001	1.0001	0.0001
04	04-01	04-01-17	04-01-17-01	141.53	0.0001	0.0001	0.0001	1.0001	0.0001	141.53	2.16	141.53	141.53	141.53	1.0001	0.0001	0.0001	1.0001	0.0001
04	04-01	04-01-18	04-01-18-01	2,045.34	0.0001	0.0001	0.0001	1.0001	0.0001	2,045.34	2.16	2,045.34	2,045.34	2,045.34	1.0001	0.0001	0.0001	1.0001	0.0001
04	04-01	04-01-19	04-01-19-01	113.87	0.0001	0.0001	0.0001	1.0001	0.0001	113.87	2.16	113.87	113.87	113.87	1.0001	0.0001	0.0001	1.0001	0.0001
04	04-01	04-01-20	04-01-20-01	4,516.34	1.0001	1.0001	1.0001	1.0001	1.0001	4,516.34	2.16	4,516.34	4,516.34	4,516.34	1.0001	1.0001	1.0001	1.0001	1.0001



Attachment B  
Shared Savings Benchmark PMPM Development

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				11/2014-06/30/2014						
DHH Administrative Region	Region Description	COA Description	RC Description	Weighted FY11 and FY12 PMPM at FY12	PMPM or Cost/Delivery	Trend	Projected FFS PMPM	PMPM Post Smoothing w/Statewide	Catastrophic Limit Adjustment	Shared Savings Benchmark PMPM
04	LaFayette	SSI	0-2 Months, Male and Female	\$	19,273.90	2.11%	\$	20,289.53	\$	16,923.12
04	LaFayette	SSI	3-11 Months, Male and Female	\$	3,104.31	2.90%	\$	3,330.39	\$	3,484.14
04	LaFayette	SSI	1-5 Years, Male and Female	\$	497.10	3.95%	\$	546.82	\$	494.81
04	LaFayette	SSI	6-13 Years, Male and Female	\$	225.90	4.71%	\$	252.95	\$	184.81
04	LaFayette	SSI	14-18 Years, Male and Female	\$	189.89	4.72%	\$	212.69	\$	189.32
04	LaFayette	SSI	19-44 Years, Male and Female	\$	359.76	4.73%	\$	401.92	\$	369.57
04	LaFayette	SSI	45+ Years, Male and Female	\$	586.62	4.60%	\$	655.15	\$	602.42
04	LaFayette	Family and Children	0-2 Months, Male and Female	\$	1,058.21	2.25%	\$	1,117.62	\$	1,091.60
04	LaFayette	Family and Children	3-11 Months, Male and Female	\$	180.99	4.29%	\$	200.68	\$	186.00
04	LaFayette	Family and Children	1-5 Years, Male and Female	\$	85.44	4.48%	\$	95.17	\$	92.95
04	LaFayette	Family and Children	6-13 Years, Male and Female	\$	56.42	4.75%	\$	63.24	\$	61.77
04	LaFayette	Family and Children	14-18 Years, Female	\$	84.32	4.69%	\$	94.38	\$	92.18
04	LaFayette	Family and Children	19-44 Years, Male	\$	160.90	4.51%	\$	179.31	\$	175.13
04	LaFayette	Family and Children	19-44 Years, Female	\$	153.61	4.34%	\$	170.54	\$	173.35
04	LaFayette	Family and Children	45+ Years, Female	\$	264.39	4.70%	\$	295.99	\$	318.73
04	LaFayette	Foster Care Children	45+ Years, Male	\$	251.54	4.48%	\$	280.10	\$	324.31
04	LaFayette	Breast and Cervical Cancer	Foster Care, All Ages Male & Female	\$	1,546.69	5.62%	\$	1,769.28	\$	1,333.17
04	LaFayette	LaCHIP Affordable Plan	LAP, All Ages Male & Female	\$	97.34	3.96%	\$	107.08	\$	110.58
04	LaFayette	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$	4,422.11	0.00%	\$	4,422.11	\$	4,422.11



**Attachment B**  
**Shared Savings Benchmark PMPM Development**

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1/1/2014-06/30/2014									
DHH Administrative Region	Region Description	COA Description	RC Description	Weighted FY11 and FY12 PMPM at FY12	Projected FFS PMPM	PMPM Post Smoothing w/Statewide	Catastrophic Limit Adjustment	Shared Savings Benchmark PMPM	
05	Lake Charles	SSI	0-2 Months, Male and Female	\$ 19,417.10	2.29%	\$ 20,529.16	\$ 18,404.40	0.9195 \$ 16,923.12	
05	Lake Charles	SSI	3-11 Months, Male and Female	\$ 3,854.86	2.95%	\$ 4,140.10	\$ 3,789.08	0.9195 \$ 3,484.14	
05	Lake Charles	SSI	1-5 Years, Male and Female	\$ 696.79	3.99%	\$ 767.11	\$ 538.13	0.9195 \$ 494.81	
05	Lake Charles	SSI	6-13 Years, Male and Female	\$ 166.50	4.88%	\$ 187.18	\$ 200.59	0.9195 \$ 184.81	
05	Lake Charles	SSI	14-18 Years, Male and Female	\$ 254.63	3.83%	\$ 279.30	\$ 205.80	0.9195 \$ 189.32	
05	Lake Charles	SSI	19-44 Years, Male and Female	\$ 318.86	4.74%	\$ 357.34	\$ 357.34	0.9195 \$ 328.57	
05	Lake Charles	SSI	45+ Years, Male and Female	\$ 565.55	4.56%	\$ 631.13	\$ 631.13	0.9195 \$ 580.33	
05	Lake Charles	Family and Children	0-2 Months, Male and Female	\$ 962.55	2.36%	\$ 1,019.41	\$ 1,019.41	0.9767 \$ 995.66	
05	Lake Charles	Family and Children	3-11 Months, Male and Female	\$ 203.40	4.17%	\$ 224.88	\$ 224.88	0.9767 \$ 219.64	
05	Lake Charles	Family and Children	1-5 Years, Male and Female	\$ 87.40	4.62%	\$ 97.66	\$ 97.66	0.9767 \$ 95.39	
05	Lake Charles	Family and Children	6-13 Years, Male and Female	\$ 60.02	4.73%	\$ 67.24	\$ 67.24	0.9767 \$ 65.67	
05	Lake Charles	Family and Children	14-18 Years, Male and Female	\$ 96.74	4.67%	\$ 108.23	\$ 108.23	0.9767 \$ 105.71	
05	Lake Charles	Family and Children	19-44 Years, Male	\$ 63.00	4.61%	\$ 70.38	\$ 70.38	0.9767 \$ 68.74	
05	Lake Charles	Family and Children	19-44 Years, Female	\$ 193.69	4.37%	\$ 215.17	\$ 215.17	0.9767 \$ 210.15	
05	Lake Charles	Family and Children	45+ Years, Male	\$ 157.81	4.04%	\$ 184.97	\$ 173.35	0.9767 \$ 169.32	
05	Lake Charles	Family and Children	45+ Years, Female	\$ 326.79	4.38%	\$ 363.15	\$ 318.73	0.9767 \$ 311.30	
05	Lake Charles	Family and Children	45+ Years, Male	\$ 422.28	3.84%	\$ 463.24	\$ 324.31	0.9767 \$ 316.75	
05	Lake Charles	Foster Care Children	Foster Care, All Ages Male & Female	\$ 154.24	4.94%	\$ 173.64	\$ 132.15	0.8972 \$ 118.57	
05	Lake Charles	Breast and Cervical Cancer	BCC, All Ages Female	\$ 1,243.20	6.03%	\$ 1,435.74	\$ 1,333.17	0.9745 \$ 1,299.20	
05	Lake Charles	LACHP Affordable Plan	LAP, All Ages Male & Female	\$ 99.81	4.35%	\$ 110.82	\$ 110.58	0.9767 \$ 108.01	
05	Lake Charles	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 4,635.37	0.00%	\$ 4,635.37	\$ 4,635.37	1.0000 \$ 4,635.37	
06	Alexandria	SSI	0-2 Months, Male and Female	\$ 14,341.16	2.26%	\$ 15,150.97	\$ 18,404.40	0.9195 \$ 16,923.12	
06	Alexandria	SSI	3-11 Months, Male and Female	\$ 4,943.08	2.42%	\$ 5,242.33	\$ 3,789.08	0.9195 \$ 3,484.14	
06	Alexandria	SSI	1-5 Years, Male and Female	\$ 380.38	4.27%	\$ 421.55	\$ 538.13	0.9195 \$ 494.81	
06	Alexandria	SSI	6-13 Years, Male and Female	\$ 203.01	4.68%	\$ 227.15	\$ 200.59	0.9195 \$ 184.81	
06	Alexandria	SSI	14-18 Years, Male and Female	\$ 204.16	4.57%	\$ 227.89	\$ 205.80	0.9195 \$ 189.32	
06	Alexandria	SSI	19-44 Years, Male and Female	\$ 347.27	4.81%	\$ 389.80	\$ 389.80	0.9195 \$ 358.42	
06	Alexandria	SSI	45+ Years, Male and Female	\$ 598.13	4.48%	\$ 666.24	\$ 666.24	0.9195 \$ 612.61	
06	Alexandria	Family and Children	0-2 Months, Male and Female	\$ 1,431.87	2.09%	\$ 1,508.64	\$ 1,508.64	0.9767 \$ 1,471.55	
06	Alexandria	Family and Children	3-11 Months, Male and Female	\$ 236.16	3.91%	\$ 259.51	\$ 259.51	0.9767 \$ 253.47	
06	Alexandria	Family and Children	1-5 Years, Male and Female	\$ 107.80	4.62%	\$ 120.25	\$ 120.25	0.9767 \$ 117.44	
06	Alexandria	Family and Children	6-13 Years, Male and Female	\$ 68.34	4.81%	\$ 76.70	\$ 76.70	0.9767 \$ 74.91	
06	Alexandria	Family and Children	14-18 Years, Male	\$ 101.46	4.74%	\$ 113.68	\$ 113.68	0.9767 \$ 111.03	
06	Alexandria	Family and Children	14-18 Years, Female	\$ 71.65	4.60%	\$ 80.02	\$ 80.02	0.9767 \$ 78.15	
06	Alexandria	Family and Children	19-44 Years, Female	\$ 180.16	4.54%	\$ 200.95	\$ 200.95	0.9767 \$ 196.27	
06	Alexandria	Family and Children	45+ Years, Male	\$ 179.31	4.90%	\$ 201.68	\$ 173.35	0.9767 \$ 169.32	
06	Alexandria	Family and Children	45+ Years, Female	\$ 357.13	4.22%	\$ 395.28	\$ 318.73	0.9767 \$ 311.30	
06	Alexandria	Family and Children	45+ Years, Male	\$ 272.26	4.82%	\$ 305.66	\$ 324.31	0.9767 \$ 316.75	
06	Alexandria	Foster Care Children	Foster Care, All Ages Male & Female	\$ 114.66	4.82%	\$ 128.74	\$ 132.15	0.8972 \$ 118.57	
06	Alexandria	Breast and Cervical Cancer	BCC, All Ages Female	\$ 1,084.77	6.19%	\$ 1,257.29	\$ 1,333.17	0.9745 \$ 1,299.20	
06	Alexandria	LACHP Affordable Plan	LAP, All Ages Male & Female	\$ 130.75	4.25%	\$ 133.77	\$ 133.17	0.9767 \$ 128.01	
06	Alexandria	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 4,758.51	0.00%	\$ 4,758.51	\$ 4,758.51	1.0000 \$ 4,758.51	



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Shared Savings Benchmark PMPM Development

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10/2014-10/2014										10/2014-10/2014									
State Fiscal Year 2011 PBM Development										State Fiscal Year 2012 PBM Development									
CIN	Agency	COA Narrative	RC Description	FY11 Shared Base PBM	Adjustment				FY11 Shared PBM	FY11 Shared Base PBM	Adjustment								
					Program Integrity (FY11 & Actual)	Program Integrity (FY11 & Actual)	Program Integrity (FY11 & Actual)	Program Integrity (FY11 & Actual)			Program Integrity (FY11 & Actual)	Program Integrity (FY11 & Actual)	Program Integrity (FY11 & Actual)	Program Integrity (FY11 & Actual)					
Agency	Region	COA Narrative	RC Description	FY11 Shared Base PBM	Program Integrity (FY11 & Actual)	Program Integrity (FY11 & Actual)	Program Integrity (FY11 & Actual)	Program Integrity (FY11 & Actual)	FY11 Shared PBM	FY11 Shared Base PBM	Program Integrity (FY11 & Actual)	Program Integrity (FY11 & Actual)	Program Integrity (FY11 & Actual)	Program Integrity (FY11 & Actual)					
01	Strategic	SSI	SSI	1,399.00	1,000	0.699	0.699	0.699	1,399.00	1,399.00	0.699	0.699	0.699	0.699					
02	Strategic	SSI	SSI	2,196.94	1,000	0.699	0.699	0.699	2,196.94	2,196.94	0.699	0.699	0.699	0.699					
03	Strategic	SSI	SSI	303.74	0.699	0.699	0.699	0.699	303.74	303.74	0.699	0.699	0.699	0.699					
04	Strategic	SSI	SSI	207.25	0.699	0.699	0.699	0.699	207.25	207.25	0.699	0.699	0.699	0.699					
05	Strategic	SSI	SSI	217.90	0.699	0.699	0.699	0.699	217.90	217.90	0.699	0.699	0.699	0.699					
06	Strategic	SSI	SSI	426.70	0.699	0.699	0.699	0.699	426.70	426.70	0.699	0.699	0.699	0.699					
07	Strategic	SSI	SSI	467.30	0.699	0.699	0.699	0.699	467.30	467.30	0.699	0.699	0.699	0.699					
08	Strategic	SSI	SSI	1,564.04	1,000	0.699	0.699	0.699	1,564.04	1,564.04	0.699	0.699	0.699	0.699					
09	Strategic	SSI	SSI	207.25	0.699	0.699	0.699	0.699	207.25	207.25	0.699	0.699	0.699	0.699					
10	Strategic	SSI	SSI	217.90	0.699	0.699	0.699	0.699	217.90	217.90	0.699	0.699	0.699	0.699					
11	Strategic	SSI	SSI	426.70	0.699	0.699	0.699	0.699	426.70	426.70	0.699	0.699	0.699	0.699					
12	Strategic	SSI	SSI	467.30	0.699	0.699	0.699	0.699	467.30	467.30	0.699	0.699	0.699	0.699					
13	Strategic	SSI	SSI	1,564.04	1,000	0.699	0.699	0.699	1,564.04	1,564.04	0.699	0.699	0.699	0.699					
14	Strategic	SSI	SSI	207.25	0.699	0.699	0.699	0.699	207.25	207.25	0.699	0.699	0.699	0.699					
15	Strategic	SSI	SSI	217.90	0.699	0.699	0.699	0.699	217.90	217.90	0.699	0.699	0.699	0.699					
16	Strategic	SSI	SSI	426.70	0.699	0.699	0.699	0.699	426.70	426.70	0.699	0.699	0.699	0.699					
17	Strategic	SSI	SSI	467.30	0.699	0.699	0.699	0.699	467.30	467.30	0.699	0.699	0.699	0.699					
18	Strategic	SSI	SSI	1,564.04	1,000	0.699	0.699	0.699	1,564.04	1,564.04	0.699	0.699	0.699	0.699					
19	Strategic	SSI	SSI	207.25	0.699	0.699	0.699	0.699	207.25	207.25	0.699	0.699	0.699	0.699					
20	Strategic	SSI	SSI	217.90	0.699	0.699	0.699	0.699	217.90	217.90	0.699	0.699	0.699	0.699					
21	Strategic	SSI	SSI	426.70	0.699	0.699	0.699	0.699	426.70	426.70	0.699	0.699	0.699	0.699					
22	Strategic	SSI	SSI	467.30	0.699	0.699	0.699	0.699	467.30	467.30	0.699	0.699	0.699	0.699					
23	Strategic	SSI	SSI	1,564.04	1,000	0.699	0.699	0.699	1,564.04	1,564.04	0.699	0.699	0.699	0.699					
24	Strategic	SSI	SSI	207.25	0.699	0.699	0.699	0.699	207.25	207.25	0.699	0.699	0.699	0.699					
25	Strategic	SSI	SSI	217.90	0.699	0.699	0.699	0.699	217.90	217.90	0.699	0.699	0.699	0.699					
26	Strategic	SSI	SSI	426.70	0.699	0.699	0.699	0.699	426.70	426.70	0.699	0.699	0.699	0.699					
27	Strategic	SSI	SSI	467.30	0.699	0.699	0.699	0.699	467.30	467.30	0.699	0.699	0.699	0.699					
28	Strategic	SSI	SSI	1,564.04	1,000	0.699	0.699	0.699	1,564.04	1,564.04	0.699	0.699	0.699	0.699					
29	Strategic	SSI	SSI	207.25	0.699	0.699	0.699	0.699	207.25	207.25	0.699	0.699	0.699	0.699					
30	Strategic	SSI	SSI	217.90	0.699	0.699	0.699	0.699	217.90	217.90	0.699	0.699	0.699	0.699					
31	Strategic	SSI	SSI	426.70	0.699	0.699	0.699	0.699	426.70	426.70	0.699	0.699	0.699	0.699					
32	Strategic	SSI	SSI	467.30	0.699	0.699	0.699	0.699	467.30	467.30	0.699	0.699	0.699	0.699					
33	Strategic	SSI	SSI	1,564.04	1,000	0.699	0.699	0.699	1,564.04	1,564.04	0.699	0.699	0.699	0.699					
34	Strategic	SSI	SSI	207.25	0.699	0.699	0.699	0.699	207.25	207.25	0.699	0.699	0.699	0.699					
35	Strategic	SSI	SSI	217.90	0.699	0.699	0.699	0.699	217.90	217.90	0.699	0.699	0.699	0.699					
36	Strategic	SSI	SSI	426.70	0.699	0.699	0.699	0.699	426.70	426.70	0.699	0.699	0.699	0.699					
37	Strategic	SSI	SSI	467.30	0.699	0.699	0.699	0.699	467.30	467.30	0.699	0.699	0.699	0.699					
38	Strategic	SSI	SSI	1,564.04	1,000	0.699	0.699	0.699	1,564.04	1,564.04	0.699	0.699	0.699	0.699					
39	Strategic	SSI	SSI	207.25	0.699	0.699	0.699	0.699	207.25	207.25	0.699	0.699	0.699	0.699					
40	Strategic	SSI	SSI	217.90	0.699	0.699	0.699	0.699	217.90	217.90	0.699	0.699	0.699	0.699					
41	Strategic	SSI	SSI	426.70	0.699	0.699	0.699	0.699	426.70	426.70	0.699	0.699	0.699	0.699					
42	Strategic	SSI	SSI	467.30	0.699	0.699	0.699	0.699	467.30	467.30	0.699	0.699	0.699	0.699					
43	Strategic	SSI	SSI	1,564.04	1,000	0.699	0.699	0.699	1,564.04	1,564.04	0.699	0.699	0.699	0.699					
44	Strategic	SSI	SSI	207.25	0.699	0.699	0.699	0.699	207.25	207.25	0.699	0.699	0.699	0.699					
45	Strategic	SSI	SSI	217.90	0.699	0.699	0.699	0.699	217.90	217.90	0.699	0.699	0.699	0.699					
46	Strategic	SSI	SSI	426.70	0.699	0.699	0.699	0.699	426.70	426.70	0.699	0.699	0.699	0.699					
47	Strategic	SSI	SSI	467.30	0.699	0.699	0.699	0.699	467.30	467.30	0.699	0.699	0.699	0.699					
48	Strategic	SSI	SSI	1,564.04	1,000	0.699	0.699	0.699	1,564.04	1,564.04	0.699	0.699	0.699	0.699					
49	Strategic	SSI	SSI	207.25	0.699	0.699	0.699	0.699	207.25	207.25	0.699	0.699	0.699	0.699					
50	Strategic	SSI	SSI	217.90	0.699	0.699	0.699	0.699	217.90	217.90	0.699	0.699	0.699	0.699					
51	Strategic	SSI	SSI	426.70	0.699	0.699	0.699	0.699	426.70	426.70	0.699	0.699	0.699	0.699					
52	Strategic	SSI	SSI	467.30	0.699	0.699	0.699	0.699	467.30	467.30	0.699	0.699	0.699	0.699					
53	Strategic	SSI	SSI	1,564.04	1,000	0.699	0.699	0.699	1,564.04	1,564.04	0.699	0.699	0.699	0.699					
54	Strategic	SSI	SSI	207.25	0.699	0.699	0.699	0.699	207.25	207.25	0.699	0.699	0.699	0.699					
55	Strategic	SSI	SSI	217.90	0.699	0.699	0.699	0.699	217.90	217.90	0.699	0.699	0.699	0.699					
56	Strategic	SSI	SSI	426.70	0.699	0.699	0.699	0.699	426.70	426.70	0.699	0.699	0.699	0.699					
57	Strategic	SSI	SSI	467.30	0.699	0.699	0.699	0.699	467.30	467.30	0.699	0.699	0.699	0.699					
58	Strategic	SSI	SSI	1,564.04	1,000	0.699	0.699	0.699	1,564.04	1,564.04	0.699	0.699	0.699	0.699					
59	Strategic	SSI	SSI	207.25	0.699	0.699	0.699	0.699	207.25	207.25	0.699	0.699	0.699	0.699					
60	Strategic	SSI	SSI	217.90	0.699	0.699	0.699	0.699	217.90	217.90	0.699	0.699	0.699	0.699					
61	Strategic	SSI	SSI	426.70	0.699	0.699	0.699	0.699	426.70	426.70	0.699	0.699	0.699	0.699					
62	Strategic	SSI	SSI	467.30	0.699	0.699	0.699	0.699	467.30	467.30	0.699	0.699	0.699	0.699					
63	Strategic	SSI	SSI	1,564.04	1,000	0.699	0.699	0.699	1,564.04	1,564.04	0.699	0.699	0.699	0.699					
64	Strategic	SSI	SSI	207.25	0.699	0.699	0.699	0.699	207.25	207.25	0.699	0.699	0.699	0.699					
65	Strategic	SSI	SSI	217.90	0.699	0.699	0.699	0.699	217.90	217.90	0.699	0.699	0.699	0.699					
66	Strategic	SSI	SSI	426.70	0.699	0.699	0.699	0.699	426.70	426.70	0.699	0.699	0.699	0.699					
67	Strategic	SSI	SSI	467.30	0.699	0.699	0.699	0.699	467.30	467.30	0.699	0.699	0.699	0.699					
68	Strategic	SSI	SSI	1,564.04	1,000	0.699	0.699	0.699	1,564.04	1,564.04	0.699	0.699	0.699	0.699					
69	Strategic	SSI	SSI	207.25	0.699	0.699	0.699	0.699	207.25	207.25	0.699	0.699	0.699	0.699					
70	Strategic	SSI	SSI	217.90	0.699	0.699	0.699	0.699	217.90	217.90	0.699	0.699	0.699	0.699					
71	Strategic	SSI	SSI	426.70	0.699	0.699	0.699	0.699	426.70	426.70	0.699	0.699	0.699	0.699					
72	Strategic	SSI	SSI	467.30	0.699	0.699	0.699	0.699	467.30	467.30	0.699	0.699	0.699	0.699					
73	Strategic	SSI	SSI	1,564.04	1,000	0.699	0.699	0.699	1,564.04	1,564.04	0.699	0.699	0.699	0.699					
74	Strategic	SSI	SSI	207.25	0.699	0.699	0.699	0.699	207.25	207.25	0.699	0.699	0.699	0.699					
75	Strategic	SSI	SSI	217.90	0.699	0.699	0.699	0.699	217.90	217.90	0.699	0.699	0.699	0.699					
76	Strategic	SSI	SSI	426.70	0.699	0.699	0.699	0.699	426.70	426.70	0.699	0.699	0.699	0.699					
77	Strategic	SSI	SSI	467.30	0.699	0.699	0.699	0.699	467.30	467.30	0.699	0.699	0.699	0.699					
78	Strategic	SSI	SSI	1,564.04	1,000	0.699	0.699	0.699	1,564.04	1,564.04	0.699	0.699	0.699	0.699					
79	Strategic	SSI	SSI	207.25	0.699	0.699	0.699	0.699	207.25	207.25	0.699	0.699	0.699	0.699					
80	Strategic	SSI	SSI	217.90	0.699	0.699	0.699	0.699	217.90	217.90	0.699	0.699	0.699	0.699					
81	Strategic	SSI	SSI	426.70	0.699	0.699	0.699	0.699	426.70	426.70	0.699	0.699	0.699	0.699					
82	Strategic	SSI	SSI	467.30	0.699	0.699	0.699	0.699	467.30	467.30	0.699	0.699	0.699	0.699					
83	Strategic	SSI	SSI	1,564.04															



Attachment B  
Shared Savings Benchmark PMPM Development

Page 32  
April 25, 2014  
Ms. Mary Johnson  
Louisiana Department of Health and Hospitals

				1/1/2014-06/30/2014				
DHH Administrative Region	Region Description	COA Description	RC Description	Weighted FY11 and FY12 PMPM at FY12	Projected FFS PMPM	PMPM Post Smoothing w/Statewide	Catastrophic Limit Adjustment	Shared Savings Benchmark PMPM
07	Shreveport	SSI	0-2 Months, Male and Female	\$ 14,417.80	2.33%	\$ 15,258.72	\$ 18,404.40	\$ 0.9195 \$ 16,923.12
07	Shreveport	SSI	3-11 Months, Male and Female	\$ 1,785.66	3.04%	\$ 1,922.22	\$ 3,789.08	\$ 0.9195 \$ 3,484.14
07	Shreveport	SSI	1-5 Years, Male and Female	\$ 326.18	4.01%	\$ 370.28	\$ 538.13	\$ 0.9195 \$ 494.81
07	Shreveport	SSI	6-13 Years, Male and Female	\$ 150.87	4.64%	\$ 168.08	\$ 200.99	\$ 0.9195 \$ 184.81
07	Shreveport	SSI	14-18 Years, Male and Female	\$ 182.43	4.69%	\$ 204.20	\$ 205.90	\$ 0.9195 \$ 189.32
07	Shreveport	SSI	19-44 Years, Male and Female	\$ 338.72	4.38%	\$ 374.09	\$ 374.09	\$ 0.9195 \$ 343.98
07	Shreveport	SSI	45+ Years, Male and Female	\$ 495.28	4.37%	\$ 550.16	\$ 550.16	\$ 0.9195 \$ 505.87
07	Shreveport	Family and Children	0-2 Months, Male and Female	\$ 1,137.85	2.16%	\$ 1,199.33	\$ 1,199.33	\$ 0.9767 \$ 1,171.40
07	Shreveport	Family and Children	3-11 Months, Male and Female	\$ 176.47	4.11%	\$ 194.82	\$ 194.82	\$ 0.9767 \$ 190.28
07	Shreveport	Family and Children	1-5 Years, Male and Female	\$ 77.72	4.52%	\$ 86.63	\$ 86.63	\$ 0.9767 \$ 84.62
07	Shreveport	Family and Children	6-13 Years, Male and Female	\$ 47.80	4.74%	\$ 53.56	\$ 53.56	\$ 0.9767 \$ 52.32
07	Shreveport	Family and Children	14-18 Years, Female	\$ 79.54	4.73%	\$ 89.10	\$ 89.10	\$ 0.9767 \$ 87.02
07	Shreveport	Family and Children	19-44 Years, Male	\$ 50.23	4.65%	\$ 56.16	\$ 56.16	\$ 0.9767 \$ 54.86
07	Shreveport	Family and Children	19-44 Years, Female	\$ 157.99	4.35%	\$ 175.41	\$ 175.41	\$ 0.9767 \$ 171.32
07	Shreveport	Family and Children	45+ Years, Male	\$ 156.52	4.36%	\$ 173.84	\$ 173.35	\$ 0.9767 \$ 169.32
07	Shreveport	Family and Children	45+ Years, Female	\$ 277.09	3.69%	\$ 304.37	\$ 318.73	\$ 0.9767 \$ 311.30
07	Shreveport	Foster Care Children	45+ Years, Male	\$ 261.14	4.42%	\$ 290.46	\$ 324.31	\$ 0.9767 \$ 316.75
07	Shreveport	Breast and Cervical Cancer	BCC, All Ages Male & Female	\$ 101.89	4.93%	\$ 114.89	\$ 132.15	\$ 0.8972 \$ 118.57
07	Shreveport	LACHIP Affordable Plan	LAP, All Ages Male & Female	\$ 92.24	3.81%	\$ 101.11	\$ 110.58	\$ 0.9767 \$ 109.01
07	Shreveport	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 5,137.53	0.00%	\$ 5,137.53	\$ 5,137.53	\$ 1.0000 \$ 5,137.53
08	Monroe	SSI	0-2 Months, Male and Female	\$ 18,643.41	2.30%	\$ 19,713.60	\$ 18,404.40	\$ 0.9195 \$ 16,923.12
08	Monroe	SSI	3-11 Months, Male and Female	\$ 3,689.09	2.72%	\$ 3,940.45	\$ 3,789.08	\$ 0.9195 \$ 3,484.14
08	Monroe	SSI	1-5 Years, Male and Female	\$ 528.29	4.01%	\$ 581.94	\$ 538.13	\$ 0.9195 \$ 494.81
08	Monroe	SSI	6-13 Years, Male and Female	\$ 158.45	4.81%	\$ 177.86	\$ 200.99	\$ 0.9195 \$ 184.81
08	Monroe	SSI	14-18 Years, Male and Female	\$ 171.71	4.73%	\$ 192.28	\$ 205.90	\$ 0.9195 \$ 189.32
08	Monroe	SSI	19-44 Years, Male and Female	\$ 402.89	4.32%	\$ 447.04	\$ 447.04	\$ 0.9195 \$ 411.06
08	Monroe	Family and Children	45+ Years, Male and Female	\$ 811.16	4.34%	\$ 878.43	\$ 878.43	\$ 0.9195 \$ 823.82
08	Monroe	Family and Children	0-2 Months, Male and Female	\$ 1,305.32	2.25%	\$ 1,378.57	\$ 1,378.57	\$ 0.9767 \$ 1,346.46
08	Monroe	Family and Children	3-11 Months, Male and Female	\$ 243.07	4.20%	\$ 268.96	\$ 268.96	\$ 0.9767 \$ 262.70
08	Monroe	Family and Children	1-5 Years, Male and Female	\$ 106.98	4.73%	\$ 119.85	\$ 119.85	\$ 0.9767 \$ 117.06
08	Monroe	Family and Children	6-13 Years, Male and Female	\$ 60.02	4.93%	\$ 67.59	\$ 67.59	\$ 0.9767 \$ 66.02
08	Monroe	Family and Children	14-18 Years, Female	\$ 92.77	4.78%	\$ 104.06	\$ 104.06	\$ 0.9767 \$ 101.63
08	Monroe	Family and Children	19-44 Years, Male	\$ 69.90	4.73%	\$ 77.10	\$ 77.10	\$ 0.9767 \$ 75.94
08	Monroe	Family and Children	19-44 Years, Female	\$ 167.58	4.39%	\$ 186.24	\$ 186.24	\$ 0.9767 \$ 181.90
08	Monroe	Family and Children	45+ Years, Male	\$ 128.92	4.52%	\$ 143.72	\$ 173.35	\$ 0.9767 \$ 169.32
08	Monroe	Family and Children	45+ Years, Female	\$ 323.53	4.30%	\$ 358.78	\$ 318.73	\$ 0.9767 \$ 311.30
08	Monroe	Foster Care Children	45+ Years, Male	\$ 217.87	4.63%	\$ 243.53	\$ 324.31	\$ 0.9767 \$ 316.75
08	Monroe	Breast and Cervical Cancer	BCC, All Ages Male & Female	\$ 115.15	5.26%	\$ 130.63	\$ 132.15	\$ 0.8972 \$ 118.57
08	Monroe	LACHIP Affordable Plan	LAP, All Ages Male & Female	\$ 824.24	5.38%	\$ 937.45	\$ 1,333.17	\$ 0.9745 \$ 1,299.20
08	Monroe	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 113.61	4.26%	\$ 125.67	\$ 110.58	\$ 0.9767 \$ 108.01
08	Monroe	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 4,833.79	0.00%	\$ 4,833.79	\$ 4,833.79	\$ 1.0000 \$ 4,833.79



**State of Louisiana**  
Department of Health and Hospitals  
Bureau of Health Services Financing  
**BAYOU HEALTH**

November 5, 2013

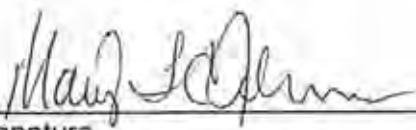
Ms. Sudha Shenoy  
Principal  
Mercer Government Human Services Consulting  
3560 Lenox Road, Suite 2400  
Atlanta, GA 30326

RE: Actuarial Certification of January 1, 2014 – December 31, 2014 Shared Benchmarks

Dear Sudha:

I, Mary Johnson, Bayou Health Project Director, for the Louisiana Department of Health and Hospitals (DHH), hereby affirm that the data prepared and submitted to Mercer Government Human Services Consulting (Mercer) for the purpose of certifying the January 1, 2014 – December 31, 2014 Shared benchmarks were prepared under my direction, and to the best of my knowledge and belief are accurate, complete, and consistent with the data used to develop the capitation rates. This data includes Fee For Service (FFS) data files and supplemental information on payments made outside of Louisiana's Medicaid Management Information System (MMIS).

Mercer relied on DHH for the collection and processing of the FFS data. Mercer did not audit the FFS data, but did assess the data for reasonableness as documented in the shared benchmark report.

  
Signature

11/6/13  
Date

Ms. Mary Johnson  
Bayou Health Program Director  
Louisiana Department of Health and Hospitals  
Bureau of Health Services Financing  
628 North 4th Street  
Baton Rouge, LA 70821

February 28, 2014

**Subject:** Bayou Health – Shared Savings Model Benchmark Development for Contract Period  
July 1, 2013 through December 31, 2013

Dear Ms. Johnson:

The Louisiana Department of Health and Hospitals (DHH) contracted with Mercer Government Human Services Consulting (Mercer) to develop benchmark costs for the purpose of measuring savings achieved by the Shared Savings program under the Bayou Health Program. These benchmarks are to cover the period from July 1, 2013 through December 31, 2013.

Section 1902(a)(13)(C) of the Social Security Act as amended by the Affordable Care Act (ACA) of 2010, requires that state Medicaid programs increase payments to primary care providers in 2013 and 2014. Please note the unit cost differential due to the ACA Section 1202 Primary Care Service increase is not included in the benchmarks. This cost differential will be paid to the providers in accordance with the approved State Plan Amendment for the primary care physician (PCP) increase and will be paid retroactively to reflect the appropriate costs.

This letter presents an overview of the methodology used in Mercer's benchmark development process. Although there are no specific requirements of the Centers for Medicare & Medicaid Services (CMS) concerning benchmark development, nor any requirement that the benchmarks be actuarially certified, Mercer has participated in a series of discussions between the State and CMS and we know that CMS has a significant interest in understanding how the benchmarks were developed. This benchmark development process was based on Medicaid Fee-for-Service (FFS) medical claims and resulted in development of a single set of proposed benchmarks for each region and rate cell combination, which are attached to this letter.

## **Rate Methodology**

### **Overview**

Benchmark costs for the Shared Savings model were developed in an actuarially sound manner. Actuarially sound is defined in this letter as developed in accordance with generally accepted

actuarial principles and practices. The benchmark rates are appropriate for the populations to be covered and the services to be furnished under this program. Where possible, Mercer used methods consistent with the rate-setting guidelines established by CMS. One of the key considerations in the benchmark development was the base data. Mercer worked with DHH to obtain Medicaid FFS data from State Fiscal Year (SFY) 2011 and seven months of SFY 2012 (July 2011 – January 2012). Louisiana's SFY runs from July 1 through June 30 of the following year. Restrictions were applied to the enrollment and FFS claims data so that it matched the populations and benefit package defined in the Contract.

To develop benchmarks, adjustments were applied to the base data. These adjustments were all consistent with the CMS Capitated Rate-Setting checklist:

- Removal of enrollment and claims during periods of retroactive eligibility
- Completion factors to account for unpaid claims at the time of the data submission
- Adjustment to reflect amounts paid outside of the Louisiana Medicaid Management Information System (MMIS), including but not limited to inpatient outlier stays, inpatient and outpatient cost reconciliations, and fraud and abuse recoupments
- Trend factors to forecast the expenditures and utilization to the appropriate contract period
- Prospective and historic program changes not reflected in the base data
- Prescription drug rebates
- Data smoothing

The Graduate Medical Education (GME) component of teaching hospital per diems was not removed from the cost basis so as to develop benchmarks appropriate for reconciling against Shared Savings program costs. Those costs will include the GME element of the per diems. Since the costs coordinated by the Shared Savings program will be paid using FFS Medicaid rates, the per diems paid will include exactly the same GME amounts as in the Louisiana Medicaid State Plan.

Using prescription drug costs net of rebates in both benchmark and actual costs guards against sharing too large of a savings, but does suggest that benchmarks be reviewed in the event of any material changes in the State's rebate structure or results.

Since DHH will not include costs over \$100,000 per year for any recipient in the reconciliation, an appropriate adjustment was made to the benchmark costs.

The resulting benchmarks were expressed as per member per month (PMPM) amounts by rate cell. Risk adjustment will be applied to the resulting targets in a manner comparable to that used for the Prepaid program rates. This accounts for health risk differences between the various Shared Savings plans and between the Shared Savings program as a whole and the Prepaid program. This will allow for any selection for or against each of the programs.

### **Base Data Development**

Mercer was provided with Medicaid FFS enrollment and claims data from SFY 2011 and the first seven months of SFY 2012 (July 2011 – January 2012), with runout through February 2013. Mercer was also provided with supplemental data files containing information on outlier claims paid outside of the MMIS system, fraud and abuse recoupments, prescription drug rebates, and inpatient and outpatient hospital cost settlements. These payments/recoupments outside of the MMIS system (in some instances based on estimates) have been applied to the MMIS FFS claims data, as appropriate, so that the relevant cost for the population eligible for enrollment in the Shared Savings program is replicated.

Mercer reviewed the data for consistency and reasonableness and determined that the data appears appropriate for the purpose of setting benchmarks for the Shared Savings program.

As discussed with DHH, Mercer relied on the experience of the children's portion of the Family and Children category to generate the LaCHIP Affordable Plan (LAP) benchmark as their benefit package and morbidity is expected to be similar across both categories.

### **Enrollment Data**

The enrollment file supplied by DHH's fiscal agent provided all enrollment records for each member for each month. Therefore, if a member's eligibility status was retroactively changed, both the old and the new records were present. Most often, this occurred because a recipient was retroactively categorized as Supplemental Security Income (SSI) from Family and Children. In this case, the enrollment file would have included both the SSI enrollment record and the Family and Children record for the same month. Mercer worked with DHH to develop a hierarchy to determine the appropriate unique enrollment record to use – typically the SSI record.

### **Claims Data**

Mercer used SFY 2011 and seven months of SFY 2012 FFS data as the data source for the development of benchmark costs. The FFS data reflect the actual medical expenses to DHH of providing health care coverage for the Shared Savings program eligible population. The expenses are net of third-party liability and subrogation. Mercer reviewed the FFS data to ensure they appeared reasonable and appropriate, but did not audit the data. Specifically, Mercer reviewed the following:

- Completeness and consistency of incurred claims over time
- Consistency between FFS claims data and DHH published reports
- Consistency between payments outside of the MMIS claims and DHH published reports
- The data appeared to have been properly restricted to those services and populations to be covered under the Shared Savings program

Adjustments were made to the FFS data to reflect the complete cost of an actuarially equivalent population for the Shared Savings program contract. The most significant adjustments are listed below. In each case, the adjustment was applied at the rate cell level.

**Outlier Claims for Children under Six Years** – DHH makes payments, to a maximum of \$10 million annually, for outlier claims. Outlier claims are those inpatient admissions where the cost of the claim exceeds \$150,000 and the patient is under six years of age. Adding outlier claims with a cap of \$10 million per year to the base data resulted in an increase to cost of 0.45% in SFY 2011 and 0.44% in SFY 2012 (July 2011 – January 2012).

**Incurred-but-not-Reported (IBNR) Claims Adjustments** – Mercer estimated and adjusted for the remaining liability associated with IBNR claims for SFY 2011 and SFY 2012 (July 2011 – January 2012). The overall adjustments for SFY 2011 and SFY 2012 (July 2011 – January 2012), using paid claims data through February 2013, were -0.03% and -0.01%, respectively.

**Fraud and Abuse Recoupments** – Adjustments were made for recoupments due to fraud and abuse recoveries. These adjustments were -0.19% in SFY 2011 and -0.05% in SFY 2012 (July 2011 – January 2012).

**GME** – Hospital per diem rates used to make payments for care coordinated by the Shared Savings program include the same GME elements as under the State Plan. No adjustment was therefore needed.

**Pharmacy Rebates** – Adjustments were made to reflect pharmacy rebates. Based on historical experience, Mercer assumed that 44.8% of drug costs would be returned to the program in the form of rebates. This is equivalent to 12.26% of the total pharmacy and non-pharmacy claims cost in SFY 2011 and 12.65% in SFY 2012 (July 2011 – January 2012).

**Inpatient, Outpatient Hospital Cost Settlements, and Supplemental Payments to High Medicaid Community Hospitals** – Louisiana State University (LSU) State hospitals and other hospitals receive settlements based on cost reports. Certain "High Medicaid Community Hospitals" also receive supplemental payments that are provided for in the State Plan. Mercer applied adjustments of 0.01% in SFY 2011 and 0.43% in SFY 2012 (July 2011 – January 2012), to capture the impact of cost settlements made outside of the MMIS.

**Retroactive Eligibility** – Individuals will not enroll with a Shared Savings program until they are Medicaid eligible. Even after receiving Medicaid eligibility, it may take 30 days to enroll in Bayou Health. Therefore, enrollment and claims incurred during the retroactive period and those during the first month of Medicaid eligibility have been removed from our calculations. Infants are an exception because they will be covered under the mother's plan from the date of birth.

**Non-Covered Populations** – In general, the Shared Savings program includes individuals classified as SSI, Family and Children, Foster Children, Breast and Cervical Cancer, and LAP. The following individuals are excluded from participation in the Shared Savings program:

- Medicare dually eligible individuals
- HCBS waiver recipients
- Chisholm class members
- Individuals receiving Medicaid hospice services
- Individuals residing in long-term care facilities (nursing home, intermediate care facility/developmentally disabled (ICF/DD))
- Individuals receiving services for three months or less (medically needy spend-down)
- Undocumented immigrants eligible for emergency services only
- Enrollees receiving single service (family planning only)

**Non-Covered Services** – The Shared Savings program benchmarks are based on services covered under the provider agreement. The following services have been excluded in the determination of the benchmarks:

- Services provided through DHH's Early-steps Program
- Dental services
- ICF/DD services
- Hospice
- Personal care services (early periodic screening diagnostic treatment (EPSDT) and long-term personal care services)
- Nursing facility services
- School-based individualized education plan services provided by a school district and billed through the intermediate school district, or school-based services funded with certified public expenditures including school nurses
- HCBS waiver services
- Federally qualified health center (FQHC) services with specified primary behavioral health diagnosis codes
- Hospital inpatient and outpatient, including emergency room, services with specified primary behavioral health diagnosis codes
- Hospital inpatient acute detoxification services
- Targeted case management services
- Durable medical equipment (DME)
- Orthotics and prosthetics
- Non-emergency transportation, including post-stabilization hospital-to-hospital transportation
- Specialized behavioral health drugs

**Client Participation Amounts** – Costs associated with "spend-down" and post-eligibility treatment of income are not included in the base data.

**Third-Party Liability** – Recoveries associated with third-party liability and subrogation have been removed from claims.

**Disproportionate Share Hospital (DSH) Payments** – DSH payments are made outside of the MMIS system. These payments are not included in the benchmarks and therefore no adjustment is required.

**Co-Payments** – Co-payments are only applicable to prescription drugs. Since co-payments will remain in place unchanged, no adjustment is necessary.

### **PMPM Category Groupings**

Benchmarks are developed using PMPM amounts that vary by the major categories of eligibility. Furthermore, where appropriate, the PMPMs within a particular category of eligibility are subdivided into different age and gender bands to reflect differences in risk due to age and gender and during child bearing ages. In addition, due to the high cost associated with pregnancies, DHH will include a maternity cost allowance in the benchmark for each delivery that takes place (kick allowance). The following is a list of the different PMPM cells for each eligibility category including the maternity kick allowance.

<b>SSI</b>	
0 – 2 Months, Male and Female	14 – 18 Years, Male and Female
3 – 11 Months, Male and Female	19 – 44 Years, Male and Female
1 – 5 Years, Male and Female	45+ Years, Male and Female
6 – 13 Years, Male and Female	
<b>Family and Children</b>	
0 – 2 Months, Male and Female	14 – 18 Years, Male
3 – 11 Months, Male and Female	19 – 44 Years, Female
1 – 5 Years, Male and Female	19 – 44 Years, Male
6 – 13 Years, Male and Female	45+ Years, Female
14 – 18 Years, Female	45+ Years, Male
<b>Foster Care Children, All Ages</b>	<b>Breast and Cervical Cancer, All Ages</b>
<b>LaCHIP Affordable Plan, All Ages</b>	<b>Maternity Kickpayment</b>

### Trend Development

Trend is an estimate of the change in the overall cost of providing health care benefits over a period of time. A trend factor is necessary to estimate the expenses of providing health care services in a future period. Mercer reviewed a variety of sources to develop the trend assumptions. These sources included, but were not limited to:

- Health care economic indices such as Consumer Price Index for the South-Atlantic region
- Mercer's regression analysis applied to trends exhibited in the FFS claims data
- Trends in other state Medicaid programs for similar populations
- Judgment regarding economic outlook balancing a variety of sources

Mercer developed individual trends for each category of eligibility and service category. Mercer's target trend can be found in the following table.

### Target FFS Trend

Category of Aid (COA) Description	Category of Service (COS) Description	Utilization	Unit Cost	PMPM Trend
SSI	Inpatient Hospital	1.06%	0.00%	1.06%
SSI	Outpatient Hospital	5.14%	3.42%	8.73%
SSI	Primary Care Physician	4.54%	0.00%	4.54%
SSI	Specialty Care Physician	4.54%	0.00%	4.54%
SSI	FQHC/Rural Health Clinic (RHC)	4.54%	2.00%	6.63%
SSI	EPSDT	4.54%	0.00%	4.54%
SSI	Certified Nurse Practitioners/Clinical Nurse	4.54%	0.00%	4.54%
SSI	Lab/Radiology	2.42%	0.00%	2.42%
SSI	Home Health	2.42%	0.00%	2.42%
SSI	Emergency Transportation	2.12%	0.00%	2.12%
SSI	Non-Emergency Transportation	2.12%	0.00%	2.12%
SSI	Rehabilitation Services (Occupational Therapy (OT), Physical Therapy (PT), Speech Therapy (ST))	2.42%	0.00%	2.42%
SSI	DME	2.42%	0.00%	2.42%
SSI	Clinic	4.54%	0.00%	4.54%
SSI	Family Planning	4.54%	0.00%	4.54%
SSI	Other	2.42%	0.00%	2.42%

Category of Aid (COA) Description	Category of Service (COS) Description	Utilization	Unit Cost	PMPM Trend
SSI	Prescribed Drugs	1.21%	4.00%	5.26%
SSI	Emergency Room	5.14%	3.42%	8.73%
SSI	Basic Behavioral Health	4.54%	0.00%	4.54%
Family and Children	Inpatient Hospital	0.71%	0.00%	0.71%
Family and Children	Outpatient Hospital	2.42%	3.42%	5.92%
Family and Children	Primary Care Physician	3.83%	0.00%	3.83%
Family and Children	Specialty Care Physician	3.83%	0.00%	3.83%
Family and Children	FQHC/RHC	3.83%	2.00%	5.91%
Family and Children	EPSDT	3.83%	0.00%	3.83%
Family and Children	Certified Nurse Practitioners/Clinical Nurse	3.83%	0.00%	3.83%
Family and Children	Lab/Radiology	2.42%	0.00%	2.42%
Family and Children	Home Health	2.42%	0.00%	2.42%
Family and Children	Emergency Transportation	1.42%	0.00%	1.42%
Family and Children	Non-Emergency Transportation	1.42%	0.00%	1.42%
Family and Children	Rehabilitation Services (OT, PT, ST)	2.42%	0.00%	2.42%
Family and Children	DME	2.42%	0.00%	2.42%
Family and Children	Clinic	3.83%	0.00%	3.83%
Family and Children	Family Planning	3.83%	0.00%	3.83%
Family and Children	Other	2.42%	0.00%	2.42%
Family and Children	Prescribed Drugs	1.21%	4.00%	5.26%
Family and Children	Emergency Room	2.42%	3.42%	5.92%
Family and Children	Basic Behavioral Health	3.83%	0.00%	3.83%
Foster Care Children	Inpatient Hospital	1.06%	0.00%	1.06%
Foster Care Children	Outpatient Hospital	5.14%	3.42%	8.73%
Foster Care Children	Primary Care Physician	4.54%	0.00%	4.54%
Foster Care Children	Specialty Care Physician	4.54%	0.00%	4.54%
Foster Care Children	FQHC/RHC	4.54%	2.00%	6.63%
Foster Care Children	EPSDT	4.54%	0.00%	4.54%
Foster Care Children	Certified Nurse Practitioners/Clinical Nurse	4.54%	0.00%	4.54%

Category of Aid (COA) Description	Category of Service (COS) Description	Utilization	Unit Cost	PMPM Trend
Foster Care Children	Lab/Radiology	2.42%	0.00%	2.42%
Foster Care Children	Home Health	2.42%	0.00%	2.42%
Foster Care Children	Emergency Transportation	2.12%	0.00%	2.12%
Foster Care Children	Non-Emergency Transportation	2.12%	0.00%	2.12%
Foster Care Children	Rehabilitation Services (OT, PT, ST)	2.42%	0.00%	2.42%
Foster Care Children	DME	2.42%	0.00%	2.42%
Foster Care Children	Clinic	4.54%	0.00%	4.54%
Foster Care Children	Family Planning	4.54%	0.00%	4.54%
Foster Care Children	Other	2.42%	0.00%	2.42%
Foster Care Children	Prescribed Drugs	1.21%	4.00%	5.26%
Foster Care Children	Emergency Room	5.14%	3.42%	8.73%
Foster Care Children	Basic Behavioral Health	4.54%	0.00%	4.54%
Breast and Cervical Cancer	Inpatient Hospital	1.06%	0.00%	1.06%
Breast and Cervical Cancer	Outpatient Hospital	5.14%	3.42%	8.73%
Breast and Cervical Cancer	Primary Care Physician	4.54%	0.00%	4.54%
Breast and Cervical Cancer	Specialty Care Physician	4.54%	0.00%	4.54%
Breast and Cervical Cancer	FQHC/RHC	4.54%	2.00%	6.63%
Breast and Cervical Cancer	EPSDT	4.54%	0.00%	4.54%
Breast and Cervical Cancer	Certified Nurse Practitioners/Clinical Nurse	4.54%	0.00%	4.54%
Breast and Cervical Cancer	Lab/Radiology	2.42%	0.00%	2.42%
Breast and Cervical Cancer	Home Health	2.42%	0.00%	2.42%
Breast and Cervical Cancer	Emergency Transportation	2.12%	0.00%	2.12%
Breast and Cervical Cancer	Non-Emergency Transportation	2.12%	0.00%	2.12%

Category of Aid (COA) Description	Category of Service (COS) Description	Utilization	Unit Cost	PMPM Trend
Breast and Cervical Cancer	Rehabilitation Services (OT, PT, ST)	2.42%	0.00%	2.42%
Breast and Cervical Cancer	DME	2.42%	0.00%	2.42%
Breast and Cervical Cancer	Clinic	4.54%	0.00%	4.54%
Breast and Cervical Cancer	Family Planning	4.54%	0.00%	4.54%
Breast and Cervical Cancer	Other	2.42%	0.00%	2.42%
Breast and Cervical Cancer	Prescribed Drugs	1.21%	4.00%	5.26%
Breast and Cervical Cancer	Emergency Room	5.14%	3.42%	8.73%
Breast and Cervical Cancer	Basic Behavioral Health	4.54%	0.00%	4.54%
Maternity Kickpayment	Maternity Kickpayment	0.00%	0.00%	0.00%

The overall annualized PMPM trend assumption for the Shared Savings program is 3.57%.

#### **Programmatic Changes/Rate Issues**

Programmatic change adjustments recognize the impact of benefit or eligibility changes that took place during or after the base year. Mercer applied programmatic change adjustments to incorporate factors not fully reflected in the base data. These adjustments were mutually exclusive and made only once in the benchmark setting process.

**Changes to Inpatient Hospital Reimbursement** – Several changes have been made to hospital per diem rates. Effective for dates of service on or after February 1, 2013, the inpatient per diem rates as of August 1, 2012, are reduced by 1.0% for children's and private hospitals. Rural and state hospitals are excluded from the rate reductions effective February 1, 2013. In addition, certain LSU hospitals have adjusted inpatient per diems effective July 1, 2013 due to privatization, which are reflected in the revised rates. Additionally, those LSU hospitals, which are privatizing, will no longer receive cost settlements for inpatient services.

**Changes to the Laboratory/Radiology Fee Schedule** – Effective for dates on or after July 1, 2012, the reimbursement rate for laboratory services were reduced by 3.7% of the fee amounts on file as of January 1, 2012.

## **Outpatient Hospital Fee Schedule Changes**

**Children's Specialty Hospitals** – Effective for dates of service on or after February 1, 2013, the reimbursement paid to children's specialty hospitals for clinical diagnostic laboratory, rehabilitation services, and outpatient hospital facility fees for office/outpatient visits is reduced by 1.0% of the fee schedule on file as of August 1, 2012.

From February 3, 2010 through July 31, 2010, these hospitals were cost settled at 92.15% of allowable cost. From August 1, 2010 through December 31, 2010, these hospitals were cost settled at 87.91% of allowable cost. From January 1, 2011 through July 31, 2012, these hospitals were cost settled at 86.15% of allowable cost. From August 1, 2012 forward, these hospitals' cost settlements were to be reduced by 3.7% of allowable cost as calculated through the cost report settlement process, making final reimbursement 82.96% of allowable cost.

**Non-State and Non-Rural Hospitals** – Most recently, effective for dates of service on or after February 1, 2013, the reimbursement paid to non-rural, non-state hospitals for outpatient clinical diagnostic laboratory services, surgeries, rehabilitation services, and hospital facility fees for office/outpatient visits is reduced by 1.0% of the fee schedule on file as of August 1, 2012. Final reimbursement going forward is at 66.46% of allowable cost.

From February 3, 2010 through July 31, 2010, these hospitals were cost settled at 74.56% of cost. From August 1, 2010 through December 31, 2010, these hospitals were cost settled at 71.13% of cost. From January 1, 2011 through July 31, 2012, these hospitals were cost settled at 69.71% of allowable cost. From August 1, 2012 forward, these hospitals' cost settlements were to be reduced by 3.7% of allowable cost as calculated through the cost report settlement process, making reimbursement 67.13% of allowable cost.

**State Hospitals** – Effective for dates of service on or after August 1, 2012, the reimbursement paid to state hospitals for outpatient clinical diagnostic laboratory services, surgeries, rehabilitation services, and hospital facility fees for office/outpatient visits is reduced by 10.0% of the fee schedule on file as of July 31, 2012. State hospitals are excluded from the rate reductions effective February 1, 2013.

Through July 31, 2012, state hospitals were cost settled at 100.0% of allowable cost for other outpatient services. From August 1, 2012 forward, these hospitals' cost settlements were to be reduced by 10.0% of allowable cost as calculated through the cost report settlement process, making final reimbursement 90.0% of allowable cost. Effective June 2013, several of the LSU hospitals have privatized. As a result, they will no longer cost settle at 90.0% of allowable costs, as state hospitals do, but rather at 66.46% consistent with other non-state, non-rural hospitals.

**Physician Fee Schedule Changes** – Effective February 1, 2013, the reimbursement for physician services was reduced by 1.0% of the rates in effect on August 1, 2012 for most services.

Exceptions to this cut were made for those services affected by ACA Section 1202. Note that these benchmarks do not reflect the higher fee schedule associated with ACA Section 1202, and the determination for this contract period will not reflect the higher fee schedule. In addition, cesarean deliveries and consult codes are reimbursed at the vaginal delivery rate or evaluation and management rate, respectively.

**Clinical Services-End Stage Renal Disease (ESRD) Facilities Non-Medicare Claims Reimbursement Rate Reduction** – Effective for dates of service on or after July 1, 2012, the reimbursement to ESRD facilities was reduced by 3.7% of the rates on file as of January 1, 2011.

**Emergency Medical Transportation** – Effective on or after August 1, 2012, the reimbursement rates for emergency ambulance transportation services is reduced by 5.0% of the rate on file as of July 1, 2012. Emergency ambulance transportation services are excluded from the rate reductions effective February 1, 2013.

**Pharmacy Fee Schedule Changes** – Effective September 5, 2012, Louisiana Medicaid discontinued the previous ingredient cost reimbursement model based on Average Wholesale Price and moved to reimbursement based on lower of Average Acquisition Cost (AAC) or the usual and customary charge for all drugs. If there was not an assigned AAC, the lower of Wholesale Acquisition Cost (WAC) or the usual and customary charge for all drugs were used. As part of this change, the dispensing fee was increased from \$5.77 to \$10.13. Beginning November 1, 2012, Louisiana Medicaid implemented pharmacy reimbursement methodology changes as outlined below.

**Single-source Reimbursement** – If there is an assigned AAC, single-source drugs will reimburse at the lower of AAC plus 1.0%, plus a dispensing fee of \$10.51 or the usual and customary charge. If there is not an assigned AAC, single-source drugs will reimburse at the lower of the WAC plus a dispensing fee of \$10.51 or the usual and customary charge.

**Multi-source Reimbursement** – If there is an assigned AAC, multi-source drugs will reimburse at the lower of the AAC plus 10.0%, plus a dispensing fee of \$10.51, or the Federal Upper Limit (FUL) plus a dispensing fee of \$10.51, or the usual and customary charge. If there is not an assigned AAC, multi-source drugs will reimburse at the lower of WAC plus a dispensing fee of \$10.51, or the FUL plus a dispensing fee of \$10.51, or the usual and customary charge.

**Specialty Drug Reimbursement** – The defined specialty drug classes will reimburse at the lower of WAC plus 5.0%, plus a dispensing fee of \$10.51, or the usual and customary charge.

The compounded effect of all fee schedule changes by COA and COS can be found in the table below. Overall, the fee schedule changes since the base data period reduced cost by approximately 4.83% for SFY 2011 and 5.48% for SFY 2012.

### Fee Schedule Changes

Mercer COA Description	Final Mercer COS Description	Adjustment for Fee Schedule Changes (SFY 2011)	Adjustment for Fee Schedule Changes (SFY 2012)
SSI	Inpatient Hospital	-4.46%	-3.76%
SSI	Outpatient Hospital	-11.94%	-10.26%
SSI	Primary Care Physician	-0.76%	-0.71%
SSI	Specialty Care Physician	-5.01%	-4.96%
SSI	FQHC/RHC	-4.39%	-4.37%
SSI	EPSDT	-1.42%	-1.43%
SSI	Certified Nurse Practitioners/Clinical Nurse	-4.48%	-4.40%
SSI	Lab/Radiology	-4.37%	-3.13%
SSI	Home Health	-4.66%	-4.66%
SSI	Emergency Transportation	-10.89%	-10.89%
SSI	Non-Emergency Transportation	0.00%	0.00%
SSI	Rehabilitation Services (OT, PT, ST)	-3.70%	-3.70%
SSI	DME	0.00%	0.00%
SSI	Clinic	-5.24%	-5.20%
SSI	Family Planning	-3.24%	-3.60%
SSI	Other	-4.16%	-4.96%
SSI	Prescribed Drugs	-11.60%	-11.60%
SSI	Emergency Room	-4.64%	-3.97%
SSI	Basic Behavioral Health	-2.01%	-1.81%
Family and Children	Inpatient Hospital	1.69%	-4.59%
Family and Children	Outpatient Hospital	-6.20%	-4.93%
Family and Children	Primary Care Physician	-0.50%	-0.45%
Family and Children	Specialty Care Physician	-4.82%	-4.82%
Family and Children	FQHC/RHC	-3.96%	-3.93%
Family and Children	EPSDT	-1.77%	-1.77%
Family and Children	Certified Nurse Practitioners/Clinical Nurse	-3.77%	-3.80%
Family and Children	Lab/Radiology	-3.06%	-2.20%

Mercer COA Description	Final Mercer COS Description	Adjustment for Fee Schedule Changes (SFY 2011)	Adjustment for Fee Schedule Changes (SFY 2012)
Family and Children	Home Health	-4.66%	-4.66%
Family and Children	Emergency Transportation	-10.89%	-10.89%
Family and Children	Non-Emergency Transportation	0.00%	0.00%
Family and Children	Rehabilitation Services (OT, PT, ST)	-3.70%	-3.70%
Family and Children	DME	0.00%	0.00%
Family and Children	Clinic	-4.50%	-4.49%
Family and Children	Family Planning	-4.07%	-3.80%
Family and Children	Other	-5.10%	-6.86%
Family and Children	Prescribed Drugs	-11.60%	-11.60%
Family and Children	Emergency Room	-4.01%	-3.42%
Family and Children	Basic Behavioral Health	-2.55%	-2.37%
Foster Care Children	Inpatient Hospital	-8.01%	-2.18%
Foster Care Children	Outpatient Hospital	-5.39%	-3.53%
Foster Care Children	Primary Care Physician	-0.25%	-0.27%
Foster Care Children	Specialty Care Physician	-4.80%	-4.74%
Foster Care Children	FQHC/RHC	-4.05%	-4.06%
Foster Care Children	EPSDT	-1.89%	-1.96%
Foster Care Children	Certified Nurse Practitioners/Clinical Nurse	-3.69%	-3.69%
Foster Care Children	Lab/Radiology	-3.27%	-2.15%
Foster Care Children	Home Health	-4.66%	-4.66%
Foster Care Children	Emergency Transportation	-10.89%	-10.89%
Foster Care Children	Non-Emergency Transportation	0.00%	0.00%
Foster Care Children	Rehabilitation Services (OT, PT, ST)	-3.70%	-3.70%
Foster Care Children	DME	0.00%	0.00%
Foster Care Children	Clinic	-4.38%	-4.37%
Foster Care Children	Family Planning	-3.41%	-3.33%
Foster Care Children	Other	-5.61%	-7.63%
Foster Care Children	Prescribed Drugs	-11.60%	-11.60%
Foster Care Children	Emergency Room	-3.55%	-3.11%

Mercer COA Description	Final Mercer GOS Description	Adjustment for Fee Schedule Changes (SFY 2011)	Adjustment for Fee Schedule Changes (SFY 2012)
Foster Care Children	Basic Behavioral Health	-2.81%	-2.50%
Breast and Cervical Cancer	Inpatient Hospital	-9.55%	-4.48%
Breast and Cervical Cancer	Outpatient Hospital	-18.52%	-18.41%
Breast and Cervical Cancer	Primary Care Physician	-1.79%	-1.86%
Breast and Cervical Cancer	Specialty Care Physician	-6.22%	-6.18%
Breast and Cervical Cancer	FQHC/RHC	-4.72%	-4.56%
Breast and Cervical Cancer	EPSDT	0.00%	-5.32%
Breast and Cervical Cancer	Certified Nurse Practitioners/Clinical Nurse	-6.42%	-6.79%
Breast and Cervical Cancer	Lab/Radiology	-2.51%	-3.60%
Breast and Cervical Cancer	Home Health	-4.66%	-4.66%
Breast and Cervical Cancer	Emergency Transportation	-10.89%	-10.89%
Breast and Cervical Cancer	Non-Emergency Transportation	0.00%	0.00%
Breast and Cervical Cancer	Rehabilitation Services (OT, PT, ST)	-3.70%	-3.70%
Breast and Cervical Cancer	DME	0.00%	0.00%
Breast and Cervical Cancer	Clinic	-4.37%	-4.61%
Breast and Cervical Cancer	Family Planning	-4.67%	-4.86%
Breast and Cervical Cancer	Other	-3.47%	0.00%
Breast and Cervical Cancer	Prescribed Drugs	-11.60%	-11.60%
Breast and Cervical Cancer	Emergency Room	-6.27%	-5.35%
Breast and Cervical Cancer	Basic Behavioral Health	-5.76%	-4.59%
Maternity Kickpayment	Maternity Kickpayment	-2.67%	-3.79%

### Data Smoothing

As part of the benchmark development process, Mercer blended data from SFY 2011 and SFY 2012 (July 2011 – January 2012) to arrive at the overall claim cost. The goal of the blending process is to obtain a set of base data that has sufficient credibility and reasonableness to develop appropriate benchmarks. Mercer applied weights of 60.0% and 40.0% to the SFY 2011 and SFY 2012 (July 2011 – January 2012) data, respectively.

In addition to blending data from multiple years, Mercer also used statewide figures where particular PMPM cells within a region had small enrollment. The cost PMPM for a small cell is

subject to large fluctuations from one year to the next, thus rendering it less effective at predicting future cost. Using statewide figures results in greater data credibility and reduces the impact of random fluctuations exhibited by the data.

Some categories of eligibility such as the Foster Children, Breast and Cervical Cancer, and LAP populations are too small to have separate rate cells due to data credibility concerns. Therefore, statewide figures are used for these populations and the data has been combined across all age and sex cells in determining the benchmark cost.

### **Risk of Large Claims**

To provide protection against the risk of catastrophic claims, the cost for any recipient that is over \$100,000 in any year will not be considered in reconciling cost savings for Shared Savings plans. The benchmarks have been reduced accordingly.

### **Risk Adjustment**

Risk adjustment will be applied to the cost benchmarks in Attachment A to reflect differences in health status of the members served in each plan using the Adjusted Clinical Groups (ACG) model. The risk adjustment process does not increase or decrease the overall benchmark cost of the program, but can change the benchmark for the various health plans according to the relative risk of their enrolled members, and where the Shared Savings program as a whole enroll a more or less costly population than the parallel Prepaid program. Actuarially sound risk adjustment protocols have been developed for this purpose.

### **Benchmark Development Overview**

To provide additional detail on the benchmark development, Mercer has also provided an overview of the adjustments applied to each rate cell in Attachment B. This exhibit presents the breakdown of the assumptions used to calculate the benchmark PMPMs.

In preparing the benchmark PMPMs shown in Attachment A, Mercer has used and relied upon enrollment, FFS claims, reimbursement level, benefit design, and other information supplied by DHH and its fiscal agent. DHH and its fiscal agent are responsible for the validity and completeness of the supplied data and information. We have reviewed the data and information for internal consistency and reasonableness, but we did not audit them. In our opinion it is appropriate for the intended purposes. If the data and information are incomplete or inaccurate, the values shown in this report may need to be revised accordingly.

The benchmark PMPMs in Attachment A were developed in accordance with generally accepted actuarial practices and principles and are appropriate for the Medicaid covered populations and services under the Shared Savings program contract.

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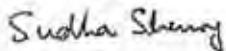
The benchmarks are actuarial projections of future contingent events. Actual Bayou Health costs will differ from these projections. Mercer has developed these benchmarks on behalf of DHH to form a basis for calculating sharable savings under the Shared Savings program. Use of these benchmarks for any purpose beyond that stated may not be appropriate. Furthermore, adjustment should be considered in the event that FFS costs are observed to trend differently than expected during the period leading up to Shared Savings program implementation such that the benchmarks may become, in retrospect, either excessive or overly difficult to achieve.

Bayou Health plans are advised that the use of these benchmarks may not be appropriate for their particular circumstance and Mercer disclaims any responsibility for the use of them by Bayou Health plans for any purpose. Mercer recommends that any Bayou Health plans considering contracting with DHH should carefully analyze its own projected medical expense before deciding whether to contract with DHH.

This letter assumes the reader is familiar with the Bayou Health program, Medicaid eligibility rules, and actuarial techniques. It is intended for DHH, and should not be relied upon by third parties. Other readers should seek the advice of actuaries or other qualified professionals competent in the area of actuarial projections to understand the technical nature of these results.

If you have any questions on any of the information provided, please feel free to call Sudha Shenoy at +1 404 442 3249, Jared Simons at +1 404 442 3358, or Brandon Odell at +1 404 442 3294.

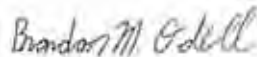
Sincerely,



Sudha Shenoy, FSA, MAAA, CERA  
Principal



Jared Simons, ASA, MAAA  
Senior Associate



Brandon Odell, FSA, MAAA  
Associate Actuary



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Attachment A  
Shared Savings Benchmark PMPM Summary

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7/1/2013-12/31/2013				Shared Savings Benchmark PMPM
			Annualized FY12 Member Months or Deliveries	PMPM or Cost/Delivery
DHH Administrative Region	Region Description	COA Description	RC Description	
01	New Orleans	SSI	0-2 Months, Male and Female	408 \$ 16,759.21
01	New Orleans	SSI	3-11 Months, Male and Female	1,335 \$ 3,444.06
01	New Orleans	SSI	1-5 Years, Male and Female	16,183 \$ 488.53
01	New Orleans	SSI	6-13 Years, Male and Female	44,117 \$ 182.72
01	New Orleans	SSI	14-18 Years, Male and Female	28,469 \$ 187.44
01	New Orleans	SSI	19-44 Years, Male and Female	84,605 \$ 388.69
01	New Orleans	SSI	45+ Years, Male and Female	121,089 \$ 625.86
01	New Orleans	Family and Children	0-2 Months, Male and Female	33,509 \$ 1,139.49
01	New Orleans	Family and Children	3-11 Months, Male and Female	74,487 \$ 187.66
01	New Orleans	Family and Children	1-5 Years, Male and Female	483,857 \$ 82.24
01	New Orleans	Family and Children	6-13 Years, Male and Female	570,158 \$ 54.30
01	New Orleans	Family and Children	14-18 Years, Female	160,106 \$ 81.24
01	New Orleans	Family and Children	14-18 Years, Male	144,862 \$ 62.00
01	New Orleans	Family and Children	19-44 Years, Female	244,147 \$ 163.50
01	New Orleans	Family and Children	19-44 Years, Male	11,414 \$ 166.12
01	New Orleans	Family and Children	45+ Years, Female	13,521 \$ 305.48
01	New Orleans	Family and Children	45+ Years, Male	3,538 \$ 310.08
01	New Orleans	Foster Care Children	Foster Care, All Ages Male & Female	12,914 \$ 116.28
01	New Orleans	Breast and Cervical Cancer	BCC, All Ages Female	2,839 \$ 1,329.27
01	New Orleans	LACHP Affordable Plan	LAP, All Ages Male & Female	1,468,979 \$ 105.92
01	New Orleans	Maternity Kickpayment	Maternity Kickpayment, All Ages	7,449 \$ 5,847.13
09	North Shore	SSI	0-2 Months, Male and Female	190 \$ 16,759.21
08	North Shore	SSI	3-11 Months, Male and Female	665 \$ 3,444.06
09	North Shore	SSI	1-5 Years, Male and Female	6,634 \$ 488.53
09	North Shore	SSI	6-13 Years, Male and Female	17,247 \$ 182.72
09	North Shore	SSI	14-18 Years, Male and Female	11,001 \$ 187.44
09	North Shore	SSI	19-44 Years, Male and Female	38,799 \$ 405.48
09	North Shore	SSI	45+ Years, Male and Female	59,655 \$ 684.34
09	North Shore	Family and Children	0-2 Months, Male and Female	18,519 \$ 1,014.60
09	North Shore	Family and Children	3-11 Months, Male and Female	40,947 \$ 198.30
09	North Shore	Family and Children	1-5 Years, Male and Female	264,894 \$ 99.66
09	North Shore	Family and Children	6-13 Years, Male and Female	358,605 \$ 70.60
09	North Shore	Family and Children	14-18 Years, Female	97,733 \$ 101.61
09	North Shore	Family and Children	14-18 Years, Male	95,095 \$ 77.78
09	North Shore	Family and Children	19-44 Years, Female	110,758 \$ 190.73
09	North Shore	Family and Children	19-44 Years, Male	9,132 \$ 166.12
09	North Shore	Family and Children	45+ Years, Female	5,119 \$ 305.48
09	North Shore	Family and Children	45+ Years, Male	2,160 \$ 310.08
09	North Shore	Foster Care Children	Foster Care, All Ages Male & Female	20,702 \$ 116.28
09	North Shore	Breast and Cervical Cancer	BCC, All Ages Female	2,141 \$ 1,329.27
09	North Shore	LACHP Affordable Plan	LAP, All Ages Male & Female	875,594 \$ 105.92
09	North Shore	Maternity Kickpayment	Maternity Kickpayment, All Ages	4,076 \$ 4,556.65



**Attachment A**  
**Shared Savings Benchmark PMPM Summary**

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				7/1/2013-12/31/2013	
				Shared Savings Benchmark PMPM	
DHH Administrative Region	Region Description	COA Description	RC Description	Annualized FY12 Member Months or Deliveries	PMPM or Cost/Delivery
02	Baton Rouge	SSI	0-2 Months, Male and Female	324	\$ 16,759.21
02	Baton Rouge	SSI	3-11 Months, Male and Female	1,102	\$ 3,444.06
02	Baton Rouge	SSI	1-5 Years, Male and Female	13,824	\$ 488.53
02	Baton Rouge	SSI	6-13 Years, Male and Female	30,470	\$ 182.72
02	Baton Rouge	SSI	14-18 Years, Male and Female	17,810	\$ 187.44
02	Baton Rouge	SSI	19-44 Years, Male and Female	50,832	\$ 452.29
02	Baton Rouge	SSI	45+ Years, Male and Female	70,445	\$ 672.62
02	Baton Rouge	Family and Children	0-2 Months, Male and Female	24,437	\$ 1,254.00
02	Baton Rouge	Family and Children	3-11 Months, Male and Female	53,292	\$ 217.86
02	Baton Rouge	Family and Children	1-5 Years, Male and Female	344,249	\$ 82.33
02	Baton Rouge	Family and Children	6-13 Years, Male and Female	441,588	\$ 55.08
02	Baton Rouge	Family and Children	14-18 Years, Female	121,563	\$ 78.25
02	Baton Rouge	Family and Children	14-18 Years, Male	113,498	\$ 56.38
02	Baton Rouge	Family and Children	19-44 Years, Female	139,359	\$ 168.73
02	Baton Rouge	Family and Children	19-44 Years, Male	5,943	\$ 166.12
02	Baton Rouge	Family and Children	45+ Years, Female	7,118	\$ 305.48
02	Baton Rouge	Family and Children	45+ Years, Male	1,517	\$ 310.08
02	Baton Rouge	Foster Care Children	Foster Care, All Ages Male & Female	10,810	\$ 116.28
02	Baton Rouge	Breast and Cervical Cancer	BCC, All Ages Female	2,103	\$ 1,329.27
02	Baton Rouge	LAP Affordable Plan	LAP, All Ages Male & Female	1,098,627	\$ 105.92
02	Baton Rouge	Maternity Kickpayment	Maternity Kickpayment, All Ages	5,468	\$ 5,372.56
03	Baton Rouge	SSI	0-2 Months, Male and Female	153	\$ 16,759.21
03	Baton Rouge	SSI	3-11 Months, Male and Female	634	\$ 3,444.06
03	Baton Rouge	SSI	1-5 Years, Male and Female	9,087	\$ 488.53
03	Baton Rouge	SSI	6-13 Years, Male and Female	22,749	\$ 182.72
03	Baton Rouge	SSI	14-18 Years, Male and Female	12,725	\$ 187.44
03	Baton Rouge	SSI	19-44 Years, Male and Female	36,989	\$ 346.03
03	Baton Rouge	SSI	45+ Years, Male and Female	48,867	\$ 617.13
03	Baton Rouge	Family and Children	0-2 Months, Male and Female	16,020	\$ 875.86
03	Baton Rouge	Family and Children	3-11 Months, Male and Female	33,543	\$ 205.80
03	Baton Rouge	Family and Children	1-5 Years, Male and Female	218,035	\$ 95.62
03	Baton Rouge	Family and Children	6-13 Years, Male and Female	277,985	\$ 64.92
03	Baton Rouge	Family and Children	14-18 Years, Female	80,782	\$ 104.72
03	Baton Rouge	Family and Children	14-18 Years, Male	74,731	\$ 75.30
03	Baton Rouge	Family and Children	19-44 Years, Female	100,210	\$ 198.50
03	Baton Rouge	Family and Children	19-44 Years, Male	6,600	\$ 168.12
03	Baton Rouge	Family and Children	45+ Years, Female	4,445	\$ 305.48
03	Baton Rouge	Family and Children	45+ Years, Male	1,346	\$ 310.08
03	Baton Rouge	Foster Care Children	Foster Care, All Ages Male & Female	8,208	\$ 116.28
03	Baton Rouge	Breast and Cervical Cancer	BCC, All Ages Female	981	\$ 1,329.27
03	Baton Rouge	LAP Affordable Plan	LAP, All Ages Male & Female	701,087	\$ 105.92
03	Baton Rouge	Maternity Kickpayment	Maternity Kickpayment, All Ages	3,619	\$ 4,748.59



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Attachment A  
Shared Savings Benchmark PMPM Summary

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7/1/2013-12/31/2013					Shared Savings Benchmark, PMPM	
					Annualized FY12 Member Months of Deliveries	PMPM or Cost/Delivery
DHH Administrative Region	Region Description	COA Description	RC Description			
	LaFayette	SSI	0-2 Months, Male and Female		230	\$ 16,759.21
	LaFayette	SSI	3-11 Months, Male and Female		922	\$ 3,444.06
	LaFayette	SSI	1-5 Years, Male and Female		10,689	\$ 488.53
	LaFayette	SSI	6-13 Years, Male and Female		23,606	\$ 182.72
	LaFayette	SSI	14-18 Years, Male and Female		13,839	\$ 187.44
	LaFayette	SSI	19-44 Years, Male and Female		50,446	\$ 363.33
	LaFayette	SSI	45+ Years, Male and Female		78,021	\$ 592.86
	LaFayette	Family and Children	0-2 Months, Male and Female		23,998	\$ 1,067.17
	LaFayette	Family and Children	3-11 Months, Male and Female		51,830	\$ 190.93
	LaFayette	Family and Children	1-5 Years, Male and Female		338,287	\$ 90.57
	LaFayette	Family and Children	6-13 Years, Male and Female		443,206	\$ 60.14
	LaFayette	Family and Children	14-18 Years, Female		123,394	\$ 89.90
	LaFayette	Family and Children	14-18 Years, Male		114,962	\$ 68.27
	LaFayette	Family and Children	19-44 Years, Female		141,077	\$ 170.99
	LaFayette	Family and Children	19-44 Years, Male		8,453	\$ 166.12
04	LaFayette	Family and Children	45+ Years, Female		6,302	\$ 305.48
	LaFayette	Family and Children	45+ Years, Male		1,629	\$ 310.08
	LaFayette	Foster Care Children	Foster Care, All Ages Male & Female		17,366	\$ 116.28
	LaFayette	Breast and Cervical Cancer	BCC, All Ages Female		1,449	\$ 1,329.27
	LaFayette	LaCHIP Affordable Plan	LAP, All Ages Male & Female		1,095,677	\$ 105.92
04	LaFayette	Maternity Kickpayment	Maternity Kickpayment, All Ages		5,522	\$ 4,415.15



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Attachment A  
Shared Savings Benchmark PMPM Summary

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7/1/2013-12/31/2013					Shared Savings Benchmark PMPM
DHH Administrative Region	Region Description	COA Description	RC Description	Annualized FY12 Member Months or Deliveries	PMPM or Cost/Delivery
05	Lake Charles	SSI	0-2 Months, Male and Female	105	\$ 16,759.21
05	Lake Charles	SSI	3-11 Months, Male and Female	389	\$ 3,444.06
05	Lake Charles	SSI	1-5 Years, Male and Female	4,617	\$ 488.53
05	Lake Charles	SSI	6-13 Years, Male and Female	10,893	\$ 182.72
05	Lake Charles	SSI	14-18 Years, Male and Female	6,343	\$ 187.44
05	Lake Charles	SSI	19-44 Years, Male and Female	21,269	\$ 324.10
05	Lake Charles	SSI	45+ Years, Male and Female	30,790	\$ 573.60
05	Lake Charles	Family and Children	0-2 Months, Male and Female	11,817	\$ 973.49
05	Lake Charles	Family and Children	3-11 Months, Male and Female	24,823	\$ 214.06
05	Lake Charles	Family and Children	1-5 Years, Male and Female	160,334	\$ 92.93
05	Lake Charles	Family and Children	6-13 Years, Male and Female	209,127	\$ 63.99
05	Lake Charles	Family and Children	14-18 Years, Female	56,619	\$ 103.16
05	Lake Charles	Family and Children	14-18 Years, Male	54,351	\$ 67.05
05	Lake Charles	Family and Children	19-44 Years, Female	54,420	\$ 205.41
05	Lake Charles	Family and Children	19-44 Years, Male	3,077	\$ 166.12
05	Lake Charles	Family and Children	45+ Years, Female	2,103	\$ 305.48
05	Lake Charles	Family and Children	45+ Years, Male	501	\$ 310.08
05	Lake Charles	Foster Care Children	Foster Care, All Ages Male & Female	11,088	\$ 116.28
05	Lake Charles	Breast and Cervical Cancer	BCC, All Ages Female	722	\$ 1,329.27
05	Lake Charles	LACHP Affordable Plan	LAP, All Ages Male & Female	517,071	\$ 105.92
05	Lake Charles	Maternity Kickpayment	Maternity Kickpayment, All Ages	2,655	\$ 4,623.31
06	Alexandria	SSI	0-2 Months, Male and Female	129	\$ 16,759.21
06	Alexandria	SSI	3-11 Months, Male and Female	458	\$ 3,444.06
06	Alexandria	SSI	1-5 Years, Male and Female	6,214	\$ 488.53
06	Alexandria	SSI	6-13 Years, Male and Female	16,893	\$ 182.72
06	Alexandria	SSI	14-18 Years, Male and Female	9,939	\$ 187.44
06	Alexandria	SSI	19-44 Years, Male and Female	34,522	\$ 356.71
06	Alexandria	SSI	45+ Years, Male and Female	44,146	\$ 611.63
06	Alexandria	Family and Children	0-2 Months, Male and Female	12,327	\$ 1,458.78
06	Alexandria	Family and Children	3-11 Months, Male and Female	26,649	\$ 248.88
06	Alexandria	Family and Children	1-5 Years, Male and Female	169,709	\$ 115.03
06	Alexandria	Family and Children	6-13 Years, Male and Female	233,902	\$ 73.26
06	Alexandria	Family and Children	14-18 Years, Female	65,472	\$ 108.76
06	Alexandria	Family and Children	14-18 Years, Male	61,666	\$ 76.61
06	Alexandria	Family and Children	19-44 Years, Female	64,065	\$ 192.78
06	Alexandria	Family and Children	19-44 Years, Male	4,245	\$ 166.12
06	Alexandria	Family and Children	45+ Years, Female	2,801	\$ 305.48
06	Alexandria	Family and Children	45+ Years, Male	675	\$ 310.08
06	Alexandria	Foster Care Children	Foster Care, All Ages Male & Female	11,888	\$ 116.28
06	Alexandria	Breast and Cervical Cancer	BCC, All Ages Female	727	\$ 1,329.27
06	Alexandria	LACHP Affordable Plan	LAP, All Ages Male & Female	569,726	\$ 105.92
06	Alexandria	Maternity Kickpayment	Maternity Kickpayment, All Ages	2,772	\$ 4,761.68



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Attachment A  
Shared Savings Benchmark PMPM Summary

7/1/2013-12/31/2013					
				Shared Savings Benchmark PMPM	
DHH Administrative Region	Region Description	COA Description	RC Description	Annualized FY12 Member Months or Deliveries	PMPM or Cost/Delivery
07	Shreveport	SSI	0-2 Months, Male and Female	357	\$ 16,759.21
07	Shreveport	SSI	3-11 Months, Male and Female	1,279	\$ 3,444.06
07	Shreveport	SSI	1-5 Years, Male and Female	13,517	\$ 488.53
07	Shreveport	SSI	6-13 Years, Male and Female	33,495	\$ 182.72
07	Shreveport	SSI	14-18 Years, Male and Female	20,954	\$ 187.44
07	Shreveport	SSI	19-44 Years, Male and Female	58,512	\$ 349.93
07	Shreveport	SSI	45+ Years, Male and Female	71,175	\$ 515.47
07	Shreveport	Family and Children	0-2 Months, Male and Female	21,696	\$ 1,183.96
07	Shreveport	Family and Children	3-11 Months, Male and Female	49,217	\$ 188.84
07	Shreveport	Family and Children	1-5 Years, Male and Female	297,989	\$ 83.81
07	Shreveport	Family and Children	6-13 Years, Male and Female	388,822	\$ 51.07
07	Shreveport	Family and Children	14-18 Years, Female	105,139	\$ 86.56
07	Shreveport	Family and Children	14-18 Years, Male	97,270	\$ 54.52
07	Shreveport	Family and Children	19-44 Years, Female	116,342	\$ 171.75
07	Shreveport	Family and Children	19-44 Years, Male	4,329	\$ 166.12
07	Shreveport	Family and Children	45+ Years, Female	4,286	\$ 305.48
07	Shreveport	Family and Children	45+ Years, Male	828	\$ 310.08
07	Shreveport	Foster Care Children	Foster Care, All Ages Male & Female	11,767	\$ 116.28
07	Shreveport	Breast and Cervical Cancer	BCC, All Ages Female	1,462	\$ 1,329.27
07	Shreveport	LaCHIP Affordable Plan	LAP, All Ages Male & Female	960,134	\$ 105.92
07	Shreveport	Maternity Kickpayment	Maternity Kickpayment, All Ages	4,970	\$ 5,020.28
08	Morroe	SSI	0-2 Months, Male and Female	130	\$ 16,759.21
08	Morroe	SSI	3-11 Months, Male and Female	655	\$ 3,444.06
08	Morroe	SSI	1-5 Years, Male and Female	7,197	\$ 488.53
08	Morroe	SSI	6-13 Years, Male and Female	19,565	\$ 182.72
08	Morroe	SSI	14-18 Years, Male and Female	12,502	\$ 187.44
08	Morroe	SSI	19-44 Years, Male and Female	38,578	\$ 418.19
08	Morroe	SSI	45+ Years, Male and Female	47,309	\$ 636.23
08	Morroe	Family and Children	0-2 Months, Male and Female	16,011	\$ 1,382.16
08	Morroe	Family and Children	3-11 Months, Male and Female	35,297	\$ 261.04
08	Morroe	Family and Children	1-5 Years, Male and Female	221,810	\$ 115.45
08	Morroe	Family and Children	6-13 Years, Male and Female	299,391	\$ 64.80
08	Morroe	Family and Children	14-18 Years, Female	80,901	\$ 100.01
08	Morroe	Family and Children	14-18 Years, Male	77,551	\$ 64.59
08	Morroe	Family and Children	19-44 Years, Female	100,642	\$ 180.49
08	Morroe	Family and Children	19-44 Years, Male	5,049	\$ 166.12
08	Morroe	Family and Children	45+ Years, Female	3,855	\$ 305.48
08	Morroe	Family and Children	45+ Years, Male	850	\$ 310.08
08	Morroe	Foster Care Children	Foster Care, All Ages Male & Female	9,706	\$ 116.28
08	Morroe	Breast and Cervical Cancer	BCC, All Ages Female	1,311	\$ 1,329.27
08	Morroe	LaCHIP Affordable Plan	LAP, All Ages Male & Female	730,961	\$ 105.92
08	Morroe	Maternity Kickpayment	Maternity Kickpayment, All Ages	3,632	\$ 4,916.88



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Attachment B  
Shared Savings Benchmark PMPM Development

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				7/1/2013-12/31/2013				
DHH Administrative Region	Region Description	COA Description	RC Description	Weighted FY11 and FY12 PMPM at FY12	Trend	Projected FFS PMPM	PMPM Post Smoothing w/Statewide	Shared Savings Benchmark PMPM
				PMPM or Cost/Delivery		PMPM or Cost/Delivery	PMPM or Cost/Delivery	PMPM or Cost/Delivery
01	New Orleans	SSI	0-2 Months, Male and Female	\$ 18,544.89	1.63%	\$ 19,141.92	\$ 18,192.71	\$ 16,759.21
01	New Orleans	SSI	3-11 Months, Male and Female	\$ 4,673.98	2.03%	\$ 4,661.85	\$ 3,738.65	\$ 3,444.08
01	New Orleans	SSI	1-5 Years, Male and Female	\$ 575.48	3.40%	\$ 614.38	\$ 530.33	\$ 488.53
01	New Orleans	SSI	6-13 Years, Male and Female	\$ 198.27	4.23%	\$ 215.04	\$ 198.35	\$ 182.72
01	New Orleans	SSI	14-18 Years, Male and Female	\$ 173.90	4.38%	\$ 189.18	\$ 203.48	\$ 187.44
01	New Orleans	SSI	19-44 Years, Male and Female	\$ 391.35	3.92%	\$ 421.94	\$ 421.94	\$ 388.69
01	New Orleans	SSI	45+ Years, Male and Female	\$ 628.82	4.03%	\$ 679.42	\$ 679.42	\$ 625.88
01	New Orleans	Family and Children	0-2 Months, Male and Female	\$ 1,131.54	1.55%	\$ 1,160.12	\$ 1,160.12	\$ 1,187.69
01	New Orleans	Family and Children	3-11 Months, Male and Female	\$ 77.94	3.29%	\$ 192.05	\$ 192.05	\$ 187.69
01	New Orleans	Family and Children	1-5 Years, Male and Female	\$ 51.28	4.18%	\$ 55.57	\$ 55.57	\$ 54.30
01	New Orleans	Family and Children	6-13 Years, Male and Female	\$ 78.90	4.06%	\$ 83.14	\$ 83.14	\$ 81.24
01	New Orleans	Family and Children	14-18 Years, Male and Female	\$ 56.93	3.85%	\$ 63.45	\$ 63.45	\$ 62.00
01	New Orleans	Family and Children	19-44 Years, Male and Female	\$ 155.45	3.83%	\$ 167.32	\$ 167.32	\$ 163.50
01	New Orleans	Family and Children	45+ Years, Male and Female	\$ 140.01	3.81%	\$ 150.64	\$ 170.01	\$ 156.12
01	New Orleans	Family and Children	45+ Years, Female	\$ 232.80	3.91%	\$ 250.97	\$ 312.62	\$ 305.48
01	New Orleans	Family and Children	45+ Years, Male	\$ 267.60	3.56%	\$ 286.59	\$ 317.32	\$ 310.08
01	New Orleans	Foster Care Children	45+ Years, Male	\$ 128.65	4.15%	\$ 139.32	\$ 129.45	\$ 116.28
01	New Orleans	Breast and Cervical Cancer	BCC, All Ages Male & Female	\$ 95.07	3.18%	\$ 101.09	\$ 108.40	\$ 105.92
01	New Orleans	LATCHIP Affordable Plan	LAP, All Ages Male & Female	\$ 5,847.13	0.00%	\$ 5,847.13	\$ 5,847.13	\$ 5,847.13
01	New Orleans	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 12,942.50	1.65%	\$ 13,363.03	\$ 18,192.71	\$ 16,759.21
06	North Shore	SSI	0-2 Months, Male and Female	\$ 2,388.42	2.79%	\$ 2,520.90	\$ 3,738.65	\$ 3,444.08
09	North Shore	SSI	1-5 Years, Male and Female	\$ 519.96	4.14%	\$ 562.97	\$ 530.33	\$ 488.53
09	North Shore	SSI	6-13 Years, Male and Female	\$ 205.06	5.01%	\$ 230.08	\$ 198.35	\$ 182.72
09	North Shore	SSI	14-18 Years, Male and Female	\$ 194.27	4.74%	\$ 212.69	\$ 203.48	\$ 197.44
09	North Shore	SSI	19-44 Years, Male and Female	\$ 403.07	4.60%	\$ 440.17	\$ 440.17	\$ 405.48
09	North Shore	SSI	45+ Years, Male and Female	\$ 682.42	4.44%	\$ 721.18	\$ 721.18	\$ 664.34
09	North Shore	Family and Children	0-2 Months, Male and Female	\$ 1,004.21	1.72%	\$ 1,038.31	\$ 1,038.31	\$ 1,014.60
09	North Shore	Family and Children	3-11 Months, Male and Female	\$ 186.59	3.73%	\$ 200.89	\$ 200.89	\$ 196.30
09	North Shore	Family and Children	1-5 Years, Male and Female	\$ 94.15	4.17%	\$ 101.99	\$ 97.72	\$ 99.66
09	North Shore	Family and Children	6-13 Years, Male and Female	\$ 66.48	4.34%	\$ 72.25	\$ 72.25	\$ 70.60
09	North Shore	Family and Children	14-18 Years, Male and Female	\$ 95.63	4.37%	\$ 103.99	\$ 103.99	\$ 101.61
09	North Shore	Family and Children	19-44 Years, Male and Female	\$ 179.97	4.23%	\$ 195.18	\$ 195.18	\$ 190.73
09	North Shore	Family and Children	45+ Years, Male and Female	\$ 370.39	3.82%	\$ 398.63	\$ 312.62	\$ 305.48
09	North Shore	Family and Children	45+ Years, Female	\$ 346.64	4.33%	\$ 376.52	\$ 317.32	\$ 310.08
09	North Shore	Foster Care Children	45+ Years, Male	\$ 120.14	4.04%	\$ 131.79	\$ 129.45	\$ 116.28
09	North Shore	Breast and Cervical Cancer	BCC, All Ages Male & Female	\$ 963.35	6.03%	\$ 1,080.40	\$ 1,363.37	\$ 1,320.27
08	North Shore	LATCHIP Affordable Plan	LAP, All Ages Male & Female	\$ 104.17	3.78%	\$ 112.03	\$ 108.40	\$ 105.92
09	North Shore	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 4,556.65	0.00%	\$ 4,556.65	\$ 4,556.65	\$ 4,556.65

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Attachment B

Shared Savings Benchmark PMPM Development

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7/1/2013-12/31/2013								
DHH Administrative Region	Region Description	COA Description	RC Description	Weighted FY11 and FY12 PMPM at FY12	Projected FFS PMPM	PMPM Post Smoothing w/Statewide	Catastrophic Limit Adjustment	Shared Savings Benchmark PMPM
				PMPM or Cost/Delivery	Trend	PMPM or Cost/Delivery	PMPM or Cost/Delivery	PMPM or Cost/Delivery
02	Baton Rouge	SSI	0-2 Months, Male and Female	\$ 21,318.77	1.55%	\$ 21,970.42	\$ 18,192.71	\$ 16,759.21
02	Baton Rouge	SSI	3-11 Months, Male and Female	\$ 4,267.90	1.95%	\$ 4,432.34	\$ 3,738.65	\$ 3,444.06
02	Baton Rouge	SSI	1-5 Years, Male and Female	\$ 478.14	3.71%	\$ 513.50	\$ 530.33	\$ 488.53
02	Baton Rouge	SSI	6-13 Years, Male and Female	\$ 169.39	4.43%	\$ 184.38	\$ 198.35	\$ 192.72
02	Baton Rouge	SSI	14-18 Years, Male and Female	\$ 176.18	4.38%	\$ 191.00	\$ 203.48	\$ 187.44
02	Baton Rouge	SSI	19-44 Years, Male and Female	\$ 454.76	3.99%	\$ 490.90	\$ 490.98	\$ 452.29
02	Baton Rouge	SSI	45+ Years, Male and Female	\$ 672.22	4.31%	\$ 730.16	\$ 730.16	\$ 672.62
02	Baton Rouge	Family and Children	0-2 Months, Male and Female	\$ 1,248.15	1.43%	\$ 1,283.31	\$ 1,283.31	\$ 1,254.00
02	Baton Rouge	Family and Children	3-11 Months, Male and Female	\$ 210.74	2.92%	\$ 222.97	\$ 222.97	\$ 217.88
02	Baton Rouge	Family and Children	1-5 Years, Male and Female	\$ 78.14	3.92%	\$ 84.25	\$ 84.25	\$ 82.33
02	Baton Rouge	Family and Children	6-13 Years, Male and Female	\$ 51.95	4.25%	\$ 56.36	\$ 56.36	\$ 55.08
02	Baton Rouge	Family and Children	14-18 Years, Female	\$ 73.72	4.32%	\$ 80.08	\$ 80.08	\$ 78.25
02	Baton Rouge	Family and Children	14-18 Years, Male	\$ 53.24	4.19%	\$ 57.70	\$ 57.70	\$ 56.38
02	Baton Rouge	Family and Children	19-44 Years, Female	\$ 159.26	4.21%	\$ 172.68	\$ 172.68	\$ 168.73
02	Baton Rouge	Family and Children	19-44 Years, Male	\$ 165.27	3.90%	\$ 178.12	\$ 170.01	\$ 166.12
02	Baton Rouge	Family and Children	45+ Years, Female	\$ 293.07	3.92%	\$ 316.01	\$ 312.62	\$ 305.48
02	Baton Rouge	Family and Children	45+ Years, Male	\$ 281.40	3.68%	\$ 280.59	\$ 317.32	\$ 310.08
02	Baton Rouge	Foster Care Children	Foster Care, All Ages Male & Female	\$ 100.56	4.57%	\$ 109.75	\$ 129.45	\$ 116.28
02	Baton Rouge	Breast and Cervical Cancer	BCC, All Ages Female	\$ 1,302.53	6.51%	\$ 1,473.82	\$ 1,363.37	\$ 1,329.27
02	Baton Rouge	LACHIP Affordable Plan	LAP, All Ages Male & Female	\$ 96.69	3.40%	\$ 103.24	\$ 108.40	\$ 105.92
02	Baton Rouge	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 5,372.56	0.00%	\$ 5,372.56	\$ 5,372.56	\$ 5,372.56
03	Thibodaux	SSI	0-2 Months, Male and Female	\$ 18,212.29	1.63%	\$ 18,798.44	\$ 16,192.71	\$ 16,759.21
03	Thibodaux	SSI	3-11 Months, Male and Female	\$ 3,899.66	2.22%	\$ 4,070.62	\$ 3,738.65	\$ 3,444.06
03	Thibodaux	SSI	1-5 Years, Male and Female	\$ 498.67	3.97%	\$ 538.16	\$ 530.33	\$ 488.53
03	Thibodaux	SSI	6-13 Years, Male and Female	\$ 140.88	4.93%	\$ 154.81	\$ 198.35	\$ 182.72
03	Thibodaux	SSI	14-18 Years, Male and Female	\$ 175.58	4.92%	\$ 192.89	\$ 203.48	\$ 187.44
03	Thibodaux	SSI	19-44 Years, Male and Female	\$ 343.15	4.73%	\$ 375.64	\$ 375.64	\$ 346.03
03	Thibodaux	SSI	45+ Years, Male and Female	\$ 812.77	4.66%	\$ 869.92	\$ 669.92	\$ 617.13
03	Thibodaux	Family and Children	0-2 Months, Male and Female	\$ 863.30	1.94%	\$ 899.34	\$ 899.34	\$ 875.86
03	Thibodaux	Family and Children	3-11 Months, Male and Female	\$ 185.84	3.76%	\$ 210.62	\$ 210.62	\$ 205.80
03	Thibodaux	Family and Children	1-5 Years, Male and Female	\$ 89.84	4.40%	\$ 97.86	\$ 97.86	\$ 95.62
03	Thibodaux	Family and Children	6-13 Years, Male and Female	\$ 60.86	4.58%	\$ 66.44	\$ 66.44	\$ 64.92
03	Thibodaux	Family and Children	14-18 Years, Female	\$ 98.13	4.60%	\$ 107.16	\$ 107.16	\$ 104.72
03	Thibodaux	Family and Children	14-18 Years, Male	\$ 77.72	4.48%	\$ 77.06	\$ 77.06	\$ 75.30
03	Thibodaux	Family and Children	19-44 Years, Female	\$ 187.09	4.29%	\$ 203.14	\$ 203.14	\$ 198.50
03	Thibodaux	Family and Children	19-44 Years, Male	\$ 142.13	4.59%	\$ 155.18	\$ 170.01	\$ 166.12
03	Thibodaux	Family and Children	45+ Years, Female	\$ 306.55	4.22%	\$ 332.40	\$ 312.62	\$ 305.48
03	Thibodaux	Family and Children	45+ Years, Male	\$ 390.28	3.44%	\$ 416.99	\$ 317.32	\$ 310.08
03	Thibodaux	Foster Care Children	Foster Care, All Ages Male & Female	\$ 131.30	4.55%	\$ 143.26	\$ 129.45	\$ 116.28
03	Thibodaux	Breast and Cervical Cancer	BCC, All Ages Female	\$ 1,373.50	6.11%	\$ 1,542.55	\$ 1,363.37	\$ 1,329.27
03	Thibodaux	LACHIP Affordable Plan	LAP, All Ages Male & Female	\$ 99.54	4.20%	\$ 107.90	\$ 108.40	\$ 105.92
03	Thibodaux	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 4,748.59	0.00%	\$ 4,748.59	\$ 4,748.59	\$ 4,748.59



Attachment B  
Shared Savings Benchmark PMPM Development

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7/1/2011-12/31/2011										7/1/2011-12/31/2011											
State Fiscal Year 2011 Rate Development										State Fiscal Year 2012 Rate Development											
DMA Region	Region Description	COA Description	MO Description	PMPM or Capitation	Adjustments					PMPM or Capitation	Ass. Trend to FY12	Projected FY12 Shared PMPM	PMPM or Capitation	Adjustments							
					Program Integrity Factor	Program Integrity Recoupment Factor	Rx Reason Cost Shiftment	P and CP Hospital Schedule Changes	Fee Schedule Changes					Program Integrity Factor	Program Integrity Recoupment Factor	Rx Reason Cost Shiftment	P and CP Hospital Schedule Changes	Fee Schedule Changes			
04	04-01	SS	0-2 Months, Male and Female	1	17,952.89	1.0001	0.9993	0.9991	1.0126	0.9429	17,953.47	1.5%	17,217.43	1	22,510.14	1.0017	0.9991	0.9993	1.0222	0.9440	22,510.88
04	04-02	SS	3-11 Months, Male and Female	1	2,178.30	0.9999	0.9970	0.9843	1.0064	0.9145	2,183.34	2.5%	2,171.30	1	4,218.97	1.0009	0.9995	0.9995	1.0122	0.9511	3,691.55
04	04-03	SS	1-5 Years, Male and Female	1	573.55	0.9999	0.9992	0.9948	0.9999	0.9394	483.36	3.5%	496.62	1	944.21	1.0001	0.9998	0.9998	0.9934	0.9338	502.00
04	04-04	SS	6-13 Years, Male and Female	1	327.80	0.9999	0.9990	0.7144	0.9951	0.9169	271.81	4.6%	272.55	1	332.41	0.9997	0.9997	0.9997	0.9931	0.9278	228.46
04	04-05	SS	14-18 Years, Male and Female	1	264.59	0.9999	0.9995	0.8953	0.9955	0.9221	185.26	4.6%	202.33	1	222.98	1.0001	0.9999	0.9999	0.9936	0.9311	172.89
04	04-06	SS	19-44 Years, Male and Female	1	483.12	0.9999	0.9992	0.8231	0.9926	0.9141	380.06	4.6%	372.11	1	453.90	0.9999	0.9999	0.9999	0.9988	0.9277	342.10
04	04-07	SS	45+ Years, Male and Female	1	781.89	0.9999	0.9990	0.8125	0.9912	0.9111	572.52	4.4%	592.54	1	811.80	1.0010	0.9999	0.9999	0.9942	0.9175	588.31
04	04-08	SS	0-2 Months, Male and Female	1	1,077.27	0.9999	0.9995	0.9907	0.9946	1.0005	1,074.77	1.7%	1,088.38	1	1,082.74	1.0012	0.9991	0.9992	1.0167	0.9289	1,000.74
04	04-09	SS	3-11 Months, Male and Female	1	227.49	0.9994	0.9995	0.9907	0.9961	0.9979	183.32	3.8%	192.84	1	207.41	0.9990	0.9990	0.9990	0.9953	0.9425	167.15
04	04-10	SS	1-5 Years, Male and Female	1	105.81	0.9994	0.9995	0.9907	0.9979	0.9916	84.55	4.0%	87.24	1	106.57	0.9995	0.9995	0.9995	0.9941	0.9403	54.66
04	04-11	SS	6-13 Years, Male and Female	1	72.52	0.9993	0.9995	0.9907	0.9965	0.9916	55.53	4.3%	57.82	1	72.19	0.9996	0.9996	0.9996	0.9941	0.9403	65.18
04	04-12	SS	14-18 Years, Male and Female	1	102.08	0.9993	0.9995	0.8530	0.9908	0.9464	81.41	4.4%	84.29	1	101.76	0.9996	0.9996	0.9996	0.9914	0.9400	101.76
04	04-13	SS	19-44 Years, Male and Female	1	73.25	0.9994	0.9995	0.8905	0.9945	0.9536	59.65	4.0%	61.55	1	86.89	0.9991	0.9994	0.9994	0.9947	0.9357	99.56
04	04-14	SS	45+ Years, Male and Female	1	192.52	0.9993	0.9995	0.8709	0.9980	0.9407	156.70	4.2%	161.90	1	201.15	0.9997	0.9995	0.9995	0.9938	0.9355	199.51
04	04-15	SS	Family and Children	1	151.65	0.9994	0.9995	0.8709	0.9982	0.9525	159.48	3.9%	164.35	1	175.33	0.9997	0.9996	0.9996	0.9966	0.9234	138.51
04	04-16	SS	Family and Children	1	328.15	0.9993	0.9994	0.8193	0.9977	0.9395	244.71	4.2%	252.90	1	358.17	0.9996	0.9996	0.9996	0.9971	0.9224	258.20
04	04-17	SS	Family and Children	1	211.11	0.9993	0.9995	0.7779	0.9981	0.9316	221.35	4.3%	228.90	1	338.23	0.9992	0.9993	0.9993	0.9960	0.9229	289.42
04	04-18	SS	Family and Children	1	141.53	0.9993	0.9997	0.8309	0.9949	0.9719	107.76	4.8%	111.80	1	124.23	0.9998	0.9998	0.9998	0.9960	0.9308	91.71
04	04-19	SS	Shared and Covered Cancer	1	2,015.58	0.9999	0.9972	0.8846	0.9953	0.9962	1,408.51	5.6%	1,492.88	1	2,800.95	0.9999	0.9999	0.9999	0.9922	0.9396	1,827.77
04	04-20	SS	Shared and Covered Cancer	1	118.82	0.9995	0.9991	0.8965	0.9984	0.9647	96.65	3.5%	99.30	1	119.78	0.9993	0.9993	0.9993	0.9983	0.9374	94.70
04	04-21	SS	Monthly Maintenance Plan	1	4,515.34	1.0003	1.0003	1.0003	1.0003	0.9915	4,432.98	0.0%	4,432.98	1	4,431.13	1.0003	1.0003	1.0003	0.9983	0.9904	4,308.51



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				Weighted FY11 and FY12 PMPM at FY12		Projected FFS PMPM	PMPM Post Smoothing w/Statewide		Shared Savings Benchmark PMPM
DHH Administrative Region	Region Description	COA Description	RC Description	PMPM or Cost/Delivery	Trend	PMPM or Cost/Delivery	PMPM or Cost/Delivery	Catastrophic Limit Adjustment	PMPM or Cost/Delivery
04	LaFayette	SSI	0-2 Months, Male and Female	\$ 19,216.62	1.60%	\$ 19,624.89	\$ 18,192.71	0.9212	\$ 16,759.21
04	LaFayette	SSI	3-11 Months, Male and Female	\$ 3,106.99	2.51%	\$ 3,261.30	\$ 3,738.65	0.9212	\$ 3,444.06
04	LaFayette	SSI	1-5 Years, Male and Female	\$ 496.79	3.66%	\$ 535.21	\$ 530.33	0.9212	\$ 488.53
04	LaFayette	SSI	6-13 Years, Male and Female	\$ 227.92	4.57%	\$ 248.77	\$ 198.35	0.9212	\$ 182.72
04	LaFayette	SSI	14-18 Years, Male and Female	\$ 190.92	4.57%	\$ 208.39	\$ 203.48	0.9212	\$ 187.44
04	LaFayette	SSI	19-44 Years, Male and Female	\$ 361.11	4.61%	\$ 394.42	\$ 394.42	0.9212	\$ 363.33
04	LaFayette	SSI	45+ Years, Male and Female	\$ 590.87	4.46%	\$ 643.56	\$ 643.58	0.9212	\$ 592.86
04	LaFayette	Family and Children	0-2 Months, Male and Female	\$ 1,055.93	1.74%	\$ 1,092.11	\$ 1,092.11	0.9772	\$ 1,067.17
04	LaFayette	Family and Children	3-11 Months, Male and Female	\$ 181.37	3.88%	\$ 195.39	\$ 195.39	0.9772	\$ 190.93
04	LaFayette	Family and Children	1-5 Years, Male and Female	\$ 85.70	4.08%	\$ 92.69	\$ 92.69	0.9772	\$ 90.57
04	LaFayette	Family and Children	6-13 Years, Male and Female	\$ 56.64	4.33%	\$ 61.54	\$ 61.54	0.9772	\$ 60.14
04	LaFayette	Family and Children	14-18 Years, Female	\$ 84.60	4.37%	\$ 92.00	\$ 92.00	0.9772	\$ 89.90
04	LaFayette	Family and Children	14-18 Years, Male	\$ 84.77	3.95%	\$ 69.87	\$ 69.87	0.9772	\$ 68.27
04	LaFayette	Family and Children	19-44 Years, Female	\$ 161.37	4.22%	\$ 174.99	\$ 174.59	0.9772	\$ 170.99
04	LaFayette	Family and Children	19-44 Years, Male	\$ 154.02	4.06%	\$ 166.49	\$ 170.01	0.9772	\$ 166.12
04	LaFayette	Family and Children	45+ Years, Female	\$ 265.85	4.33%	\$ 288.85	\$ 312.62	0.9772	\$ 305.48
04	LaFayette	Family and Children	45+ Years, Male	\$ 252.71	4.05%	\$ 273.12	\$ 317.32	0.9772	\$ 310.08
04	LaFayette	Foster Care Children	Foster Care, All Ages Male & Female	\$ 103.78	4.95%	\$ 114.06	\$ 129.45	0.8983	\$ 116.28
04	LaFayette	Breast and Cervical Cancer	BCC, All Ages Female	\$ 1,606.81	5.69%	\$ 1,790.83	\$ 1,363.37	0.9750	\$ 1,329.27
04	LaFayette	LACHIP Affordable Plan	LAP, All Ages Male & Female	\$ 97.53	3.52%	\$ 104.37	\$ 108.40	0.9772	\$ 105.92
04	LaFayette	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 4,415.15	0.00%	\$ 4,415.15	\$ 4,415.15	1.0000	\$ 4,415.15



**Attachment B**  
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				7/1/2013-12/31/2013					
DHH Administrative Region	Region Description	COA Description	RC Description	Weighted FY11 and FY12 PMPM at FY12	Trend	Projected FFS PMPM	PMPM Post Smoothing w/Statewide	Catastrophic Limit Adjustment	Shared Savings Benchmark PMPM
05	Lake Charles	SSI	0-2 Months, Male and Female	\$ 19,438.76	1.79%	\$ 20,125.27	\$ 18,192.71	0.9212	\$ 16,759.21
05	Lake Charles	SSI	3-11 Months, Male and Female	\$ 3,678.61	2.55%	\$ 4,074.57	\$ 3,738.65	0.9212	\$ 3,444.08
05	Lake Charles	SSI	1-5 Years, Male and Female	\$ 701.93	3.74%	\$ 754.22	\$ 530.33	0.9212	\$ 498.53
05	Lake Charles	SSI	6-13 Years, Male and Female	\$ 167.97	4.74%	\$ 183.90	\$ 198.35	0.9212	\$ 182.72
05	Lake Charles	SSI	14-18 Years, Male and Female	\$ 266.17	3.56%	\$ 274.35	\$ 203.48	0.9212	\$ 197.44
05	Lake Charles	SSI	19-44 Years, Male and Female	\$ 322.04	4.62%	\$ 351.83	\$ 351.63	0.9212	\$ 324.10
05	Lake Charles	SSI	45+ Years, Male and Female	\$ 572.00	4.43%	\$ 622.67	\$ 622.67	0.9212	\$ 573.60
05	Lake Charles	Family and Children	0-2 Months, Male and Female	\$ 961.04	1.85%	\$ 998.24	\$ 998.24	0.9772	\$ 973.49
05	Lake Charles	Family and Children	3-11 Months, Male and Female	\$ 203.99	3.71%	\$ 219.07	\$ 219.07	0.9772	\$ 214.06
05	Lake Charles	Family and Children	1-5 Years, Male and Female	\$ 87.69	4.23%	\$ 95.11	\$ 95.11	0.9772	\$ 92.93
05	Lake Charles	Family and Children	6-13 Years, Male and Female	\$ 60.24	4.35%	\$ 65.48	\$ 65.48	0.9772	\$ 63.99
05	Lake Charles	Family and Children	14-18 Years, Female	\$ 97.07	4.38%	\$ 105.67	\$ 105.57	0.9772	\$ 103.16
05	Lake Charles	Family and Children	19-44 Years, Male	\$ 63.16	4.32%	\$ 68.61	\$ 68.61	0.9772	\$ 67.05
05	Lake Charles	Family and Children	19-44 Years, Female	\$ 194.29	4.10%	\$ 210.22	\$ 210.22	0.9772	\$ 205.41
05	Lake Charles	Family and Children	45+ Years, Male	\$ 166.18	3.74%	\$ 180.74	\$ 170.01	0.9772	\$ 166.12
05	Lake Charles	Family and Children	45+ Years, Female	\$ 328.14	4.06%	\$ 354.71	\$ 312.62	0.9772	\$ 305.48
05	Lake Charles	Family and Children	45+ Years, Male	\$ 420.31	3.53%	\$ 453.04	\$ 317.32	0.9772	\$ 310.08
05	Lake Charles	Foster Care Children	Foster Care, All Ages Male & Female	\$ 154.76	4.79%	\$ 169.62	\$ 120.45	0.8963	\$ 116.28
05	Lake Charles	Breast and Cervical Cancer	BCC, All Ages Female	\$ 1,267.56	6.11%	\$ 1,423.64	\$ 1,363.37	0.8760	\$ 1,329.27
05	Lake Charles	LATCHIP Affordable Plan	LAP, All Ages Male & Female	\$ 100.03	4.01%	\$ 108.03	\$ 108.40	0.9772	\$ 105.82
05	Lake Charles	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 4,623.31	0.00%	\$ 4,623.31	\$ 4,623.31	1.0000	\$ 4,623.31
06	Alexandria	SSI	0-2 Months, Male and Female	\$ 14,569.90	1.75%	\$ 15,072.71	\$ 18,192.71	0.9212	\$ 16,759.21
06	Alexandria	SSI	3-11 Months, Male and Female	\$ 5,030.92	1.96%	\$ 5,226.12	\$ 3,738.65	0.9212	\$ 3,444.08
06	Alexandria	SSI	1-5 Years, Male and Female	\$ 388.35	4.05%	\$ 417.67	\$ 530.33	0.9212	\$ 498.53
06	Alexandria	SSI	6-13 Years, Male and Female	\$ 205.63	4.54%	\$ 225.49	\$ 198.35	0.9212	\$ 182.72
06	Alexandria	SSI	14-18 Years, Male and Female	\$ 297.75	4.42%	\$ 226.12	\$ 203.48	0.9212	\$ 197.44
06	Alexandria	SSI	19-44 Years, Male and Female	\$ 353.89	4.70%	\$ 387.23	\$ 387.23	0.9212	\$ 356.71
06	Alexandria	SSI	45+ Years, Male and Female	\$ 610.89	4.35%	\$ 663.66	\$ 683.96	0.9212	\$ 611.63
06	Alexandria	Family and Children	0-2 Months, Male and Female	\$ 1,448.09	1.57%	\$ 1,492.87	\$ 1,492.87	0.9772	\$ 1,458.78
06	Alexandria	Family and Children	3-11 Months, Male and Female	\$ 238.09	3.51%	\$ 254.70	\$ 254.70	0.9772	\$ 248.88
06	Alexandria	Family and Children	1-5 Years, Male and Female	\$ 108.39	4.30%	\$ 117.72	\$ 117.72	0.9772	\$ 115.03
06	Alexandria	Family and Children	6-13 Years, Male and Female	\$ 68.79	4.49%	\$ 74.97	\$ 74.97	0.9772	\$ 73.26
06	Alexandria	Family and Children	14-18 Years, Female	\$ 102.12	4.50%	\$ 111.31	\$ 111.31	0.9772	\$ 108.76
06	Alexandria	Family and Children	19-44 Years, Male	\$ 72.11	4.36%	\$ 78.40	\$ 78.40	0.9772	\$ 76.61
06	Alexandria	Family and Children	19-44 Years, Female	\$ 181.59	4.32%	\$ 197.28	\$ 197.28	0.9772	\$ 192.72
06	Alexandria	Family and Children	45+ Years, Male	\$ 181.00	4.71%	\$ 198.08	\$ 170.01	0.9772	\$ 166.12
06	Alexandria	Family and Children	45+ Years, Female	\$ 360.80	3.83%	\$ 388.38	\$ 312.62	0.9772	\$ 305.48
06	Alexandria	Foster Care Children	Foster Care, All Ages Male & Female	\$ 274.77	4.60%	\$ 300.05	\$ 317.32	0.9772	\$ 310.08
06	Alexandria	Breast and Cervical Cancer	BCC, All Ages Female	\$ 115.18	4.68%	\$ 125.87	\$ 129.45	0.8963	\$ 116.28
06	Alexandria	LATCHIP Affordable Plan	LAP, All Ages Male & Female	\$ 1,285.27	6.66%	\$ 1,455.58	\$ 1,363.37	0.8760	\$ 1,329.27
06	Alexandria	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 121.72	3.90%	\$ 131.34	\$ 108.40	0.9772	\$ 105.82
06	Alexandria	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 4,761.68	0.00%	\$ 4,761.68	\$ 4,761.68	1.0000	\$ 4,761.68



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Attachment B  
Shared Savings Benchmark PMPM Development

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DHH Administrative Region	Region Description	COA Description	RC Description	7/1/2013-12/31/2013					Shared Savings Benchmark PMPM
				Weighted FY11 and FY12 PMPM at FY12	Projected FFS PMPM	PMPM Post Smoothing w/Statewide	Catastrophic Limit Adjustment	PMPM or Cost/Delivery	
07	Strevport	SSI	0-2 Months, Male and Female	\$ 14,854.66	1.82%	\$ 15,388.23	\$ 18,192.71	\$ 0.9212	\$ 16,759.21
07	Strevport	SSI	3-11 Months, Male and Female	\$ 1,920.54	2.67%	\$ 1,926.56	\$ 3,738.65	\$ 0.9212	\$ 3,444.06
07	Strevport	SSI	1-5 Years, Male and Female	\$ 346.61	3.77%	\$ 372.69	\$ 530.33	\$ 0.9212	\$ 488.53
07	Strevport	SSI	6-13 Years, Male and Female	\$ 155.57	4.52%	\$ 169.65	\$ 198.35	\$ 0.9212	\$ 182.72
07	Strevport	SSI	14-18 Years, Male and Female	\$ 188.43	4.60%	\$ 205.78	\$ 203.48	\$ 0.9212	\$ 187.44
07	Strevport	SSI	19-44 Years, Male and Female	\$ 350.14	4.25%	\$ 379.87	\$ 379.87	\$ 0.9212	\$ 349.93
07	Strevport	SSI	45+ Years, Male and Female	\$ 515.72	4.28%	\$ 559.57	\$ 559.57	\$ 0.9212	\$ 515.47
07	Strevport	Family and Children	0-2 Months, Male and Female	\$ 1,173.94	1.63%	\$ 1,211.63	\$ 1,211.63	\$ 0.9772	\$ 1,183.96
07	Strevport	Family and Children	3-11 Months, Male and Female	\$ 179.92	3.72%	\$ 193.20	\$ 193.20	\$ 0.9772	\$ 188.84
07	Strevport	Family and Children	1-5 Years, Male and Female	\$ 79.12	4.20%	\$ 85.77	\$ 85.77	\$ 0.9772	\$ 83.81
07	Strevport	Family and Children	6-13 Years, Male and Female	\$ 48.58	4.42%	\$ 52.88	\$ 52.88	\$ 0.9772	\$ 51.67
07	Strevport	Family and Children	14-18 Years, Male and Female	\$ 81.26	4.50%	\$ 88.58	\$ 88.58	\$ 0.9772	\$ 85.56
07	Strevport	Family and Children	19-44 Years, Male and Female	\$ 51.26	4.42%	\$ 55.80	\$ 55.80	\$ 0.9772	\$ 54.52
07	Strevport	Family and Children	45+ Years, Male and Female	\$ 162.45	4.10%	\$ 175.76	\$ 175.76	\$ 0.9772	\$ 171.73
07	Strevport	Family and Children	19-44 Years, Male	\$ 162.00	4.13%	\$ 175.37	\$ 170.01	\$ 0.9772	\$ 166.17
07	Strevport	Family and Children	45+ Years, Male	\$ 267.06	4.02%	\$ 288.40	\$ 317.32	\$ 0.9772	\$ 310.06
07	Strevport	Foster Care Children	45+ Years, Male	\$ 103.97	4.78%	\$ 113.93	\$ 129.45	\$ 0.8983	\$ 116.26
07	Strevport	Breast and Cervical Cancer	BCC, All Ages Male & Female	\$ 1,217.06	6.47%	\$ 1,376.07	\$ 1,393.37	\$ 0.9750	\$ 1,328.27
07	Strevport	LATCHP Affordable Plan	LAP, All Ages Male & Female	\$ 94.28	3.41%	\$ 100.67	\$ 108.40	\$ 0.9772	\$ 105.92
07	Strevport	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 5,020.28	0.00%	\$ 5,020.28	\$ 5,020.28	\$ 1.0000	\$ 5,020.28
08	Monroe	SSI	0-2 Months, Male and Female	\$ 19,711.31	1.76%	\$ 20,397.05	\$ 18,192.71	\$ 0.9212	\$ 16,759.21
08	Monroe	SSI	3-11 Months, Male and Female	\$ 543.09	3.74%	\$ 583.53	\$ 530.33	\$ 0.9212	\$ 488.53
08	Monroe	SSI	1-5 Years, Male and Female	\$ 162.75	4.60%	\$ 178.02	\$ 198.35	\$ 0.9212	\$ 182.72
08	Monroe	SSI	6-13 Years, Male and Female	\$ 177.34	4.60%	\$ 193.65	\$ 203.48	\$ 0.9212	\$ 187.44
08	Monroe	SSI	14-18 Years, Male and Female	\$ 419.45	4.12%	\$ 453.96	\$ 453.96	\$ 0.9212	\$ 418.19
08	Monroe	SSI	19-44 Years, Male and Female	\$ 637.85	4.16%	\$ 690.66	\$ 690.66	\$ 0.9212	\$ 636.23
08	Monroe	SSI	45+ Years, Male and Female	\$ 1,368.71	1.69%	\$ 1,414.49	\$ 1,414.49	\$ 0.9772	\$ 1,382.18
08	Monroe	Family and Children	0-2 Months, Male and Female	\$ 108.71	4.34%	\$ 118.15	\$ 118.15	\$ 0.9772	\$ 115.45
08	Monroe	Family and Children	3-11 Months, Male and Female	\$ 248.60	3.74%	\$ 267.14	\$ 267.14	\$ 0.9772	\$ 261.04
08	Monroe	Family and Children	6-13 Years, Male and Female	\$ 93.69	4.63%	\$ 66.31	\$ 66.31	\$ 0.9772	\$ 64.80
08	Monroe	Family and Children	14-18 Years, Male	\$ 60.64	4.52%	\$ 102.35	\$ 102.35	\$ 0.9772	\$ 100.01
08	Monroe	Family and Children	19-44 Years, Male	\$ 170.78	4.08%	\$ 184.71	\$ 184.71	\$ 0.9772	\$ 180.49
08	Monroe	Family and Children	45+ Years, Male	\$ 331.76	3.85%	\$ 357.25	\$ 317.32	\$ 0.9772	\$ 305.48
08	Monroe	Foster Care Children	45+ Years, Male	\$ 222.08	4.24%	\$ 240.90	\$ 317.32	\$ 0.9772	\$ 310.08
08	Monroe	Breast and Cervical Cancer	BCC, All Ages Male & Female	\$ 116.33	5.18%	\$ 128.42	\$ 128.42	\$ 0.8983	\$ 116.28
08	Monroe	LATCHP Affordable Plan	LAP, All Ages Male & Female	\$ 956.72	5.68%	\$ 1,066.10	\$ 1,066.10	\$ 0.9750	\$ 1,329.27
08	Monroe	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 4,916.88	0.00%	\$ 4,916.88	\$ 4,916.88	\$ 1.0000	\$ 4,916.88

**Shared Savings Appendix H – Performance Measures**

**Louisiana Administrative Performance Measurement Set**

<b>Measure</b>	<b>Minimum Performance Standard</b>
Percent of PCP Practices that provide verified 24/7 phone access with ability to speak with a PCP Practice clinician (MD, DO, NP, PA, RN, LPN) within 30 minutes of member contact.	≥95%
Percent of Expedited Service Authorization requests processed within 72 hours.	100%
Percent of Standard Service Authorization requests processed within business two days.	80%
Percent of calls to Health Plan's Member Services answered by a live person or directed to an automated call pickup system with IVR options within 30 seconds.	≥90%
Average hold time for calls to Members Services.	≤3.0 minutes
Percent of calls to Member Services that are abandoned.	≤5%
Percent of calls to Health Plan's Provider Services answered by a live person or directed to an automated call pickup system with IVR options within 30 seconds.	≥90%
Average hold time for calls to Provider Services	≤3.0 minutes
Percent of calls to Provider Services that are abandoned	≤5%
Percent of grievances received by the Health Plan (including grievances received via telephone) that are resolved within the timeframe of the contract	≥95%
Percent of Member Requests for State Fair Hearings received during the previous 12 months that are reversed.	≤10%
Percent of all Clean Claims that are pre-processed and submitted to the Fiscal Intermediary (FI) within no more than four (4) business days.	≥99%
Denied claims returned to provider with reason code within 15 days of receipt of claims submission	≥99%

Louisiana Performance Measurement Set for Adult/Pediatric Networks

Incentive Based Measures

ACCESS AND AVAILABILITY OF CARE	EFFECTIVENESS OF CARE		USE OF SERVICES
SS Adults' Access to Preventive/ Ambulatory Health Services  ** HEDIS	SS Comprehensive Diabetes Care HgbA1C  **HEDIS	SS Chlamydia Screening in Women  **HEDIS/CHIPRA	SS Well-Child Visits in the Third, Fourth, Fifth and Sixth of Life  **HEDIS/CHIPRA
			SS Adolescent Well-Care Visits  **HEDIS/CHIPRA

# Louisiana Performance Measurement Set for Adult/Pediatric Networks

(Continued)

## Level I Measures

ACCESS AND AVAILABILITY OF CARE	EFFECTIVENESS OF CARE		PREVENTION QUALITY INDICATORS	USE OF SERVICES
Children and Adolescents Access to PCP <b>** HEDIS/CHIPRA</b>	Childhood Immunization Status <b>**HEDIS/CHIPRA</b>	Weight Assessment and Counseling for Nutrition and Physical Activity in Children/Adolescents <b>**HEDIS/CHIPRA</b>	Adult Asthma Admission Rate <b>**AHRQ</b>	Well-Child Visits in the First 15 Months of Life <b>**HEDIS/CHIPRA</b>
Prenatal and Postpartum Care (Timeliness of Prenatal Care and Postpartum Care) <b>**HEDIS/CHIPRA</b>	Immunizations for Adolescents <b>**HEDIS/CHIPRA</b>	Use of Medication for people with Asthma <b>**HEDIS/CHIPRA</b>	CHF Admission Rate <b>**AHRQ</b>	Ambulatory Care (ER Utilization) <b>**HEDIS</b>
	Cholesterol Management for Patients with cardiovascular conditions <b>**HEDIS</b>	Comprehensive Diabetes Care <b>**HEDIS</b>	Uncontrolled Diabetes Admission Rate <b>**AHRQ</b>	
	Cervical CA Screening <b>**HEDIS</b>	Breast CA Screening <b>**HEDIS/CHIPRA</b>	Plan All-Cause Readmissions <b>** HEDIS-Adapted for Medicaid</b>	
	EPSDT Screening Rate <b>**CMS 416</b>			

# Louisiana Performance Measurement Set for Adult/Pediatric Networks

(Continued)

## Level II Measures

Effectiveness of Care		Use of Services	Satisfaction and Outcomes
Follow-Up Care for Children Prescribed ADHD Medication  **HEDIS/CHIPRA	Cesarean Rate for Low-Risk First Birth Women  **CHIPRA	Emergency Utilization-Avg # of ED visits per member per reporting period **CHIPRA	CAHPS Health Plan Survey 4.0, Adult Version  **HEDIS
Otitis Media Effusion  **CHIPRA	Appropriate Testing for Children With Pharyngitis  **HEDIS/CHIPRA	Annual # of asthma patients (1yr old) with 1 asthma related ER visit  **CHIPRA	CAHPS Health Plan Survey 4.0, Child Version including Children With Chronic Conditions  **HEDIS/CHIPRA
Controlling High Blood Pressure  **HEDIS	% of Pregnant Women who are screened for tobacco usage and secondhand smoke exposure and are offered an appropriate and individualized intervention  ** State	Frequency of Ongoing Prenatal care  **HEDIS/CHIPRA	Provider Satisfaction  **State
Pediatric Central-Line Associated Bloodstream Infections  **CHIPRA	Total number of eligible women who receive 17-OH progesterone during pregnancy, and % of preterm births at fewer than 37 weeks and fewer than 32 weeks in those recipients  ** State		
Percent of live births weighing less than 2,500 grams  **CHIPRA			

**RECORD OF ACTION IN LIEU OF MEETING OF  
THE BOARD OF DIRECTORS OF  
LOUISIANA HEALTHCARE CONNECTIONS, INC.**

The undersigned, being all the Board of Directors of Louisiana Healthcare Connections, Inc. (the Company), a Louisiana Corporation, do hereby consent to the adoption of the following resolution by unanimous written consent, all in accordance with Section 819(C)(9) of the Louisiana Business Corporation Law:

**Authorizing Signature Authority of Dr. Stewart Gordon, Executive Director,  
Community Health Solutions of America, Inc.**

**WHEREAS**, Centene Corporation completed a transaction on June 30, 2014, whereby, Community Health Solutions of America, Inc. assigned its contract with the Louisiana Department of Health and Hospitals under the Bayou Health Shared Savings Program to the Company, a wholly owned subsidiary of Centene Corporation; and

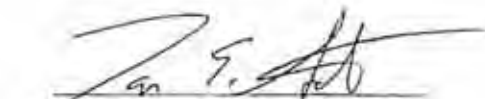
**WHEREAS**, Dr. Stewart Gordon will serve as Executive Director of Community Health Solutions of America, Inc., and while serving in that role, will oversee the daily operations of the Bayou Health Shared Savings contract; and

**WHEREAS**, Dr. Stewart Gordon will need signature authority to fully execute his responsibilities as Executive Director;

**THEREFORE BE IT RESOLVED** that the Board of Directors of the above named Company do hereby authorize Dr. Stewart Gordon, Executive Director of Community Health Solutions of America, Inc. to negotiate contracts, contract amendments and other documents on behalf of Community Health Solutions of America, Inc. under the Bayou Health Shared Savings Program contract that he may deem advisable with the Louisiana Department of Health and Hospitals and other entities, and to execute said documents on behalf of the Company, and further we do hereby give him the power and authority to do all things necessary to implement, maintain, amend or renew said documents to fulfill the requirements of the Bayou Health Shared Savings Program contract.

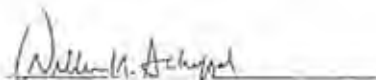
IN WITNESS WHEREOF, this Consent has been executed and filed with the records of the Company, and shall be treated for all purposes as a resolution adopted at a duly called meeting at which a quorum was present and acting throughout.

Dated July 11, 2014

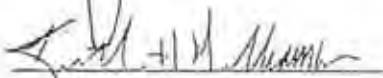
  
Jamie Schlottman

  
Christopher Bowers

  
Brent D. Layton

  
William N. Scheffel

  
Jesse N. Hunter

  
Keith H. Williamson