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# HEALTHY LOUISIANA RATE CERTIFICATION

EFFECTIVE JANUARY 1, 2020 –  
DECEMBER 31, 2020

DECEMBER 23, 2019

Louisiana Department of Health

Ms. Pam Diez  
Deputy Medicaid Director/Chief Financial Officer  
Louisiana Department of Health  
Bureau of Health Services Financing  
628 North 4th Street  
Baton Rouge, LA 70821

**Subject:** Healthy Louisiana Program – Full Risk Bearing Managed Care Organization (MCO) Rate Development and Preliminary Actuarial Certification for the Period January 1, 2020 through December 31, 2020

December 23, 2019

Dear Ms. Diez:

The Louisiana Department of Health (LDH) has contracted with Mercer Government Human Services Consulting (Mercer) to develop actuarially sound<sup>1</sup> capitation rates for the State of Louisiana's (State) Healthy Louisiana program for the period of January 1, 2020 through December 31, 2020, or Rate Year (RY) 2020. This certification addresses the development of the physical health (PH) and specialized behavioral health (SBH) Only capitation rates, as well as maternity kick payments.

This letter presents an overview of the methodology used in Mercer's managed care rate development for the purpose of satisfying the requirements of the Centers for Medicare & Medicaid Services (CMS). This rate development process primarily relied upon Healthy Louisiana Prepaid encounter data provided by LDH and submitted by the contracted MCOs. It resulted in the development of a range of actuarially sound rates for each rate cell. The final capitation rates are summarized in Appendix A and represent payment in full for the covered services.

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<sup>1</sup> Actuarially Sound/Actuarial Soundness — Medicaid capitation rates are "actuarially sound" if, for business for which the certification is being prepared and for the period covered by the certification, projected capitation rates and other revenue sources provide for all reasonable, appropriate, and attainable costs. For purposes of this definition, other revenue sources include, but are not limited to, expected reinsurance and governmental stop-loss cash flows, governmental risk adjustment cash flows, and investment income. For purposes of this definition, costs include, but are not limited to, expected health benefits, health benefit settlement expenses, administrative expenses, the cost of capital, and government-mandated assessments, fees, and taxes.

Reference: [http://www.actuarialstandardsboard.org/wp-content/uploads/2015/03/asop049\\_179.pdf](http://www.actuarialstandardsboard.org/wp-content/uploads/2015/03/asop049_179.pdf).

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# 1

## GENERAL INFORMATION

### OVERVIEW

Capitation rates for the Healthy Louisiana program were developed in accordance with rate-setting guidelines established by CMS. For rate development for the Healthy Louisiana program, Mercer used data from federal fiscal year (FFY) 2017 which spans the period of October 1, 2016 through September 30, 2017 and FFY 2018, which spans the period of October 1, 2017 through September 30, 2018. For the Healthy Louisiana Expansion rate cells, Mercer used data from FFY 2018 only in order to reflect the most recent experience for that population. All data was reported on an incurred basis and included payment dates through March 2019. Restrictions were applied to the enrollment and claims data to align appropriately with the populations and benefit package defined in the Healthy Louisiana MCO contract.

Mercer reviewed the encounter data provided by LDH and the Healthy Louisiana MCOs for consistency and reasonableness and determined the data was appropriate for the purpose of setting actuarially sound Medicaid managed care capitation rates.

Adjustments were made to the selected base data to align with the covered populations and Healthy Louisiana benefit packages for RY 2020. Additional adjustments were then applied to the base data to incorporate:

- Provision for incurred but not reported (IBNR) claims.
- Adjustments to encounter data for under-reporting.
- Prospective and retrospective program changes not fully reflected in the base data.
- Trend factors to forecast the expenditures and utilization to the contract period.
- Changes in benefits covered by managed care.
- Addition of new populations to the Healthy Louisiana program.
- Opportunities for managed care efficiencies.
- Administration and underwriting profit/risk/contingency loading.

### HEALTHY LOUISIANA POPULATIONS

Effective February 1, 2016, the Healthy Louisiana program had two major programs:

1. Individuals who meet the eligibility criteria for the Healthy Louisiana PH program; their PH, SBH and non-emergency medical transportation (NEMT) services are the responsibility of the MCO. This population includes those eligible starting July 1, 2016 through Louisiana's Medicaid Expansion.
2. Individuals who do not meet the eligibility criteria for the Healthy Louisiana PH program, yet remain eligible to receive SBH services through the Medicaid program. For this program, only their SBH and NEMT services are the responsibility of the MCO. This rating group is referred to as the Healthy Louisiana SBH program.

### **PH Program**

In general, the Healthy Louisiana PH program includes individuals classified as Supplemental Security Income (SSI), Family & Children (F&C), Foster Care Children (FCC), Breast and Cervical Cancer (BCC), Louisiana Children's Health Insurance Program (LaCHIP), Affordable Plan (LAP) and Medicaid Expansion as mandatory populations. Voluntary opt-in populations include Home- and Community-Based Services (HCBS) waiver participants and Chisholm Class Members (CCM).

### **Mandatory Populations**

Please see Appendix B for detail on which aid category and type case combinations are considered mandatory populations for the PH program.

### **Voluntary Opt-In Populations**

Individuals in a voluntary opt-in population group are not automatically enrolled into the Healthy Louisiana PH program, but they may choose to enroll at any time. They may also choose to disenroll at any time, effective the earliest possible month the action can be administratively handled. Moreover, a voluntary opt-in individual may re-enroll during the annual, open enrollment period. Such members include the following:

- Individuals receiving services through any 1915(c) HCBS waiver:
  - Adult Day Health Care
  - New Opportunities waiver
  - Children's Choice
  - Residential Options waiver
  - Supports waiver
  - Community Choices waiver
  - Other HCBS waivers as may be approved by CMS
- Individuals under the age of 21 otherwise eligible for Medicaid who are listed on the Office for Citizens with Developmental Disabilities' Request for Services Registry who are CCM.

## Excluded Populations

Please see Appendix B for detail on which aid category and type case combinations are considered excluded populations for the PH program.

## SBH Program

The Healthy Louisiana SBH program includes individuals classified as SBH Dual and SBH Other as mandatory populations. The voluntary opt-in populations who did not opt into Healthy Louisiana for PH services are automatically included in the SBH program. These populations are denoted as SBH HCBS waiver participants and SBH CCM.

Effective April 1, 2017, the Louisiana Health Insurance Premium Payment (LaHIPP) program was reinstated. Members that are enrolled in the LaHIPP program will receive SBH and NEMT services only through Healthy Louisiana. A separate adjustment was applied to the base data to incorporate the coverage of the LaHIPP population into the SBH program (to be discussed in Base Program Change Adjustment section of this letter).

## Mandatory and Excluded Populations

Please see Appendix B for detail on which aid category and type case combinations are considered mandatory and which are considered excluded populations for the SBH program.

## RATE CELL STRUCTURE

### PH Program

Mercer summarized the PH, SBH and NEMT services data for the Healthy Louisiana PH program by rate cell. Historical claim costs vary by age and eligibility category, and separate rate cells were developed accordingly to reflect differences in risk. Sixteen distinct rate cells were established based on Mercer's review of historical cost and utilization patterns in the available experience. In addition, a maternity kick payment will be paid to the MCOs for each qualifying delivery event that takes place.

**TABLE 1A**

PH RATE CELL GROUPINGS	
<b>SSI</b>	
Newborn, 0-2 Months, Male & Female	Child, 1-20 Years, Male & Female
Newborn, 3-11 Months, Male & Female	Adult, 21+ Years, Male & Female
<b>F&amp;C (Temporary Assistance to Needy Families [TANF])</b>	
Newborn, 0-2 Months, Male & Female	Child, 1-20 Years, Male & Female
Newborn, 3-11 Months, Male & Female	Adult, 21+ Years, Male & Female
<b>HCBS Waiver</b>	
20 and Under, Male & Female	21+ Years, Male & Female
<b>FCC: All Ages, Male &amp; Female</b>	

PH RATE CELL GROUPINGS	
<b>BCC:</b> All Ages, Female	
<b>CCM:</b> All Ages, Male & Female	
<b>LAP:</b> All Ages, Male & Female	
<b>Medicaid Expansion:</b> Ages 19-64, Male & Female	
<b>Medicaid Expansion – High Needs:</b> Ages 19-64, Male & Female	
<b>Maternity Kick Payment</b>	
Maternity Kick Payment	Early Elective Delivery (EED) – Kick Payment

**SBH Program**

Mercer summarized the SBH and NEMT only service data for the Healthy Louisiana SBH program by rate cell. Historical SBH costs vary by age and eligibility category; separate rate cells were developed accordingly to reflect differences in risk. While there are eight distinct rates cells, only five distinct capitation rates are developed for the SBH program based on Mercer’s review of historical cost and utilization patterns in the available experience. For the populations where a Non-Expansion and Expansion rate cell exist, a single rate is developed for both rate cells.

SBH program eligible individuals may qualify under more than one rate cell definition; therefore, the classification of logic is applied in a hierarchical manner in the order presented in Table 1B.

**TABLE 1B**

SBH RATE CELL GROUPINGS	
<b>SBH – Dual Eligibles and LaHIPP</b>	
Non-Expansion, All Ages, Male & Female	Expansion Adults, Male & Female
<b>SBH – HCBS Waiver</b>	
20 and Under, Male & Female	21+ Years, Male & Female
<b>SBH – CCM</b>	
Non-Expansion, All Ages, Male & Female	Expansion Adults, Male & Female
<b>SBH – Other</b>	
Non-Expansion, All Ages, Male & Female	Expansion Adults, Male & Female

**HEALTHY LOUISIANA BENEFIT PACKAGE**

**Covered Services**

Appendix C lists the services the Healthy Louisiana MCOs must provide to the members in the Healthy Louisiana PH and SBH programs, respectively. The MCOs also have the ability to develop creative and innovative solutions to care for their members (i.e., provide other cost-effective alternative services), as long as the contractually-required Medicaid services are covered. Costs of

alternative services are expected to be funded through savings on the contractually-required services for which these services are a cost-effective substitute.

### **New Services**

- Effective January 20, 2020, LDH will begin covering medication-assisted treatment (MAT) services for those over the age of 18 that have been addicted to opioids for at least 12 months.
- Effective February 20, 2020, LDH will begin covering counseling services and pharmacotherapy for cessation of tobacco use by pregnant women.
- Effective November 1, 2019, LDH will begin providing Severe Combined Immunodeficiency (SCID) screenings for newborns.

Mercer applied a separate adjustment to the rates to incorporate the coverage of the new services. These adjustments will be discussed in the Prospective Rating Adjustment section.

### **Medicare Crossover Claims**

For dually eligible individuals, Medicare “Crossover” claims (claims that include primary payment from Medicare) for inpatient, outpatient, emergency department (ED) and professional services are excluded from the base data, as these services will be paid directly by the State after coordinating with Medicare.

In order to exclude Crossover claims from the Prepaid encounters, Mercer identified records in which the Medicare paid field (CLQ\_Medicare\_Amt) indicated an amount greater than zero dollars. Mercer removed all records fitting these criteria from our base data.

### **Excluded Services**

Healthy Louisiana MCOs are not responsible for providing PH services and other Medicaid services not identified in Appendix C, including the following services:

- Dental services, with the exception of Early and Periodic Screening & Diagnosis Treatment varnishes provided in a Primary Care setting.
- Intermediate care facilities for the developmentally disabled services.
- Personal care services 21 and older.
- Institutional long-term care (LTC) facility/nursing home services.
- School-based individualized services.
- 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.

- Targeted case management services.
- Services provided through LDH’s Early-Steps program.
- Coordinated System of Care (CSoC) services previously covered under 1915(c) or 1915(b)(3) waiver authority.
- Medicare crossover services.
- Services covered under a non-CSoC 1915(c) waiver.

For more specific information on covered services, please refer to the Healthy Louisiana Behavioral Health Integration Amendment issued by LDH.

**HEALTHY LOUISIANA SERVICES ELIGIBLE FOR DIFFERENT FEDERAL MEDICAL ASSISTANCE PERCENTAGE (FMAP)**

There are two groups of services for which LDH receives a different FMAP than the regular state FMAP:

- Family planning services.
- A list of specified preventive services and adult vaccines established under the Affordable Care Act (ACA) Section 4106.

Mercer analyzed the component of the rates associated with each group of services so that LDH may claim the enhanced FMAP on these services. Specific details on codes used to identify the family planning and preventive services can be found in Appendices O and P, respectively, which contain the percentages of the per member per month (PMPM) eligible for the enhanced match rate.

**REGION GROUPINGS**

For rating purposes, Louisiana has been split into four different regions. Table 2 lists the associated parishes for each of the four regions. The region groupings are the same in both the PH and SBH programs.

**TABLE 2: REGION GROUPINGS**

REGION DESCRIPTION	ASSOCIATED PARISHES (COUNTIES)
Gulf	Assumption, Jefferson (East Bank), Jefferson (West Bank), Lafourche, New Orleans (Algiers), New Orleans (Downtown), New Orleans (Gentilly), New Orleans (Uptown), Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John, St. Mary and Terrebonne
Capital	Ascension, East Baton Rouge, East Feliciana, Iberville, Livingston, Pointe Coupee, St. Helena, St. Tammany, Tangipahoa, Washington, West Baton Rouge and West Feliciana

REGION DESCRIPTION	ASSOCIATED PARISHES (COUNTIES)
South Central	Acadia, Alexandria, Allen, Avoyelles, Beauregard, Calcasieu, Cameron, Catahoula, Concordia, Evangeline, Grant, Iberia, Jefferson Davis, Lafayette, Lasalle, Rapides, St. Landry, St. Martin, Vermilion, Vernon and Winn
North	Bienville, Bossier, Caddo, Caldwell, Claiborne, DeSoto, East Carroll, Franklin, Jackson, Lincoln, Madison, Monroe, Morehouse, Natchitoches, Ouachita, Red River, Richland, Sabine, Shreveport, Tensas, Union, Webster and West Carroll

# 2

## BASE DATA DEVELOPMENT

### OVERVIEW

For rate development for the Healthy Louisiana program, Mercer used FFY 2017 and FFY 2018 data from the following sources:

- Louisiana Medicaid eligibility and enrollment data.
- Encounter data reported from the State's Healthy Louisiana Prepaid program.

All data was reported on an incurred basis and included payment dates through March 31, 2019. Restrictions were applied to the enrollment and claims data so that it was appropriate for the populations and benefit package defined in the contract. As noted earlier, only FFY 2018 data was relied upon for development of the Expansion rate cells in order to reflect the most recent experience.

Effective February 1, 2015, members were granted retroactive eligibility, based on their eligibility for Healthy Louisiana, for up to 12 months prior to enrollment in an MCO. The MCO selected by these members will then receive one capitation payment per month of retroactive enrollment, and will be liable for all claims incurred during this retroactive eligibility period. Retroactive eligibility and claims are excluded from the base data and handled as a separate adjustment. This adjustment will be discussed in the Projected Benefit Cost section of this letter.

### IBNR

Capitation rate ranges were developed using claims data for services incurred in FFY 2017 and FFY 2018 and reflects payments processed through March 2019. Mercer deemed claims incurred in FFY 2017 as complete as they have at least 18 months of runout. Mercer developed IBNR factors for FFY 2018 encounter data in order to reflect considerations for any unpaid claims liability. This adjustment resulted in an overall aggregate increase of 1.84%.

### UNDER-REPORTING ADJUSTMENTS

Under-reporting adjustments were developed by comparing encounter data from the Medicaid Management Information System (MMIS) to financial information provided by the MCOs. This adjustment was computed and applied on an MCO-specific basis. Table 3 summarizes the overall aggregate increases applied to FFY 2017 and FFY 2018 expenses. Note that a factor less than 1.0 indicates the encounter experience was higher than comparable financial information.

TABLE 3

UNDER REPORTING ADJUSTMENT	FFY 2017			FFY 2018		
	Non-Expansion PH Program	Non-Expansion SBH Program	Expansion	Non-Expansion PH Program	Non-Expansion SBH Program	Expansion
Category of Service (COS)						
Prescribed Drugs	1.0266			1.0267		1.0307
Transportation and SBH	1.0170	0.9783		1.0091	1.0078	1.0700
All other	1.0256			1.0418		1.0728

### THIRD-PARTY LIABILITIES

All claims are reported net of third-party liability, therefore no adjustment is required.

### FRAUD AND ABUSE RECOVERIES

Healthy Louisiana MCOs included fraud and abuse recoveries in their financial reports. These recoveries were included in the development of the under-reporting adjustment. Therefore, no further adjustment was needed for FFY 2017 or FFY 2018.

### CO-PAYMENTS

Co-payments are only applicable to prescription drugs. Pharmacy claims are reported net of any co-payments so no additional adjustment is necessary.

### DISPROPORTIONATE SHARE HOSPITAL (DSH) PAYMENTS

DSH payments are made outside of the MMIS system and have not been included in the capitation rates.

### GRADUATE MEDICAL EDUCATION (GME) PAYMENTS

Capitation payments are developed net of GME payments and are therefore not included in the base data.

### DATA SMOOTHING

In forming the base data, Mercer combined the FFY 2017 and FFY 2018 base data by region and rate cell in order to ensure sufficient credibility to develop actuarially sound capitation rates.

In some instances, Mercer determined certain rate cells were not sufficiently credible at the regional level. For rate cells, which are identified below, Mercer calculated a single statewide capitation rate.

- SSI newborns 0-1 years of age
- BCC, All Ages
- LAP, All Ages

- HCBS, All Ages
- CCM, All Ages
- SBH – CCM, All Ages
- SBH – HCBS, All Ages
- SBH – Other, All Ages

# 3

## PROJECTED BENEFIT COSTS AND TRENDS

Program change adjustments recognize the impact of benefit or eligibility changes occurring during and after the base data period. CMS requires the rate-setting methodology used to determine actuarially sound rates incorporate the results of any program changes that have taken place, or are anticipated to take place, between the start of the base data period and the conclusion of the contract period.

### BASE RATING ADJUSTMENTS

Program changes that occurred during the base data period are referred to as Base Rating Adjustments.

#### Contralateral Breast Reduction (CBR) Services

Effective February 1, 2017, the Healthy Louisiana program began covering breast reconstruction post-mastectomy of the contralateral unaffected breast to achieve symmetry for patients diagnosed with breast cancer. The added CBR services results in a 0.64% increase to the BCC rate cell, as shown in Appendix D.

#### Reinstatement of LaHIPP Program

Effective April 1, 2017, the LaHIPP program was reinstated. Members enrolled in the LaHIPP program will receive PH services through fee-for-service (FFS) and will receive SBH and NEMT services through Healthy Louisiana. The LaHIPP members will be included in the SBH Dual and LaHIPP rate cell (f/k/a SBH Dual Eligible). As shown in Appendix E, the addition of the LaHIPP members results in a decrease of 0.53% to the SBH Dual Eligible and LaHIPP rate cells.

#### Positron Emission Tomography (PET) Scans

Effective February 1, 2018, Healthy Louisiana began covering PET scans for cancer-related purposes. Similar to prior rates, Mercer adjusted the base data to fully reflect this program change, which also included an adjustment for February 2018 to account for ramp-up of PET scans. The table below reflects the impact to specific base data time period.

**TABLE 4**

TIME PERIOD	HISTORICAL PET SCAN EXPENSES	ADJUSTMENT DOLLAR IMPACT	IMPACT AS % OF HISTORICAL PET EXPENSES
October 2016 – January 2018	\$208,307	\$234,625	112.63%
February 2018	\$33,826	\$12,990	38.40%
March 2018 – September 2018	\$288,149	\$0	0.00%
<b>Total</b>	<b>\$530,282</b>	<b>\$247,615</b>	<b>46.69%</b>

## Urine Drug Testing

Effective July 1, 2019, LDH adopted the following changes to the coverage of Urine Drug Testing:

- Presumptive drug testing is limited to 24 total tests per member per calendar year.
- Definitive drug testing is limited to 18 total tests per member per calendar year. CPT Codes 80320-80377 for individual substance(s) or metabolites will no longer be covered. Providers are required to use HCPCS codes G0480, G0481, or their successors. Testing more than 14 definitive drug classes per day is not reimbursable.
- No more than one presumptive and one definitive test will be reimbursed per day per recipient, from the same or different provider.

Additional details can be found in [HPA 19-10<sup>2</sup>](#) published on LDH's website. Table 5 summarizes the impact of the changes to the coverage of Urine Drug Testing on projected costs on each category of aid (COA).

**TABLE 5**

COA	HISTORICAL URINE TESTING DOLLARS	ADJUSTMENT DOLLARS	URINE TESTING % IMPACT OF BASE EXPENSES
SSI	\$6,023,010	\$(914,490)	-0.04%
F&C	\$8,238,521	\$(2,740,888)	-0.09%
FCC	\$503,913	\$(200,396)	-0.20%
BCC	\$10,015	\$(3,706)	-0.02%
LAP	\$9,208	\$(2,084)	-0.02%
HCBS	\$54,082	\$(3,181)	-0.01%
CCM	\$38,680	\$(228)	0.00%
SBH – CCM	\$-	\$-	0.00%
SBH – Duals	\$1,725	\$218	0.00%
SBH – HCBS	\$-	\$-	0.00%
SBH – Other	\$-	\$-	0.00%
Maternity Kick Payment	\$1,428,763	\$(552,733)	-0.15%
Medicaid Expansion	\$14,214,144	\$(5,818,415)	-0.32%

<sup>2</sup> [http://www.ldh.la.gov/assets/docs/BayouHealth/HealthPlanAdvisories/2019/HPA19-10/HPA19-10\\_revised\\_7.19.19.pdf](http://www.ldh.la.gov/assets/docs/BayouHealth/HealthPlanAdvisories/2019/HPA19-10/HPA19-10_revised_7.19.19.pdf)

**Managed Care Linkage for LTC Users**

Effective August 1, 2018, the State implemented changes that impacted the managed care enrollment date for Healthy Louisiana enrollees who become eligible for LTC services. Specifically, the effective date of B-linkage (i.e., Behavioral Health Only coverage) enrollment status when a member enrolled in managed care with a P-linkage (i.e., Acute and Behavioral Health coverage) is certified as eligible for LTC services, will be the first day of the month following the member’s LTC certification. Prior to August 1, 2018, the member was enrolled with a B-linkage effective the first day of the month that member was admitted to LTC. Disenrollment from the P-linkage will continue to happen on the last day of the month the member is admitted to LTC.

During the transitional month where a member is enrolled with a P-linkage and certified for LTC, the MCO will have additional responsibility for services covered under the managed care contract that are not the responsibility of the nursing facility.

Mercer identified individuals within the base data whose eligibility would be impacted by this change, as well as the cost of the additional services that will become the responsibility of the MCO. This data was utilized to develop adjustments for each region and rate cell. The overall impact of this program change is a \$0.34 PMPM increase to the Non-Expansion aggregate base data and \$0.35 PMPM increase to the Expansion base data. Appendix F shows the impact on the claims PMPM by rate cell.

**Maternity Adjustments**

**Expansion Maternity Adjustment**

Similar to prior rates, Mercer has set the maternity kick payment exclusively based on Non-Expansion experience and adjusted it based on available Expansion maternity data so that the resulting maternity kick payment is applicable to both Non-Expansion and Expansion birth events. The impact of this adjustment on the maternity kick payment, by region, is summarized in Table 6.

**TABLE 6**

<b>EXPANSION MATERNITY ADJUSTMENT</b>	
<b>Region</b>	<b>% Impact</b>
Gulf	-1.27%
Capital	3.51%
South Central	5.84%
North	0.18%
<b>Statewide</b>	<b>1.86%</b>

**EED**

Beginning February 2015, facility and delivering physician costs for EEDs will not be covered under the Healthy Louisiana program. MCOs receive an EED kick payment for deliveries that occur prior

to 39 weeks for reasons that are not medically indicated in the Louisiana Electronic Event Registration System (LEERS) maintained by the Office of Public Health/Vital Records. Deliveries that occur prior to 39 weeks for reasons that are medically indicated in LEERS will receive the maternity kick payment. Mercer identified the average facility and delivering physician costs embedded in the maternity kick payment by region and excluded those costs to arrive at the EED kick payment. The EED kick payment is calculated by applying the EED adjustment, a reduction of percentage of 17.30%, to the regular maternity kick payment.

### Pharmacy Co-Payment Limit Adjustment

Per 42 CFR 447.56(f), LDH must have in place measures to limit the amount of cost-sharing that members of a Medicaid household may incur each month to 5.00% of the family income. Per the State Plan, LDH only charges cost sharing on prescription drugs. Therefore, only pharmacy service costs need to be adjusted in order to comply with this requirement.

Effective January 1, 2020, LDH implemented a policy to comply with the cost-sharing limitation. In order to estimate the impact of this program change, Mercer utilized information provided by LDH summarizing the total amount of co-payments they expected to shift from the Medicaid recipient's responsibility to the MCO's responsibility. The underlying analysis was performed on encounters with DOS between July 1, 2017 and June 30, 2018 at the family (i.e., household) level. Mercer used the relevant household IDs provided by LDH and the co-payments associated with them in our data for the corresponding time period to estimate the impact of this policy change. Table 7 summarizes the impact of the Pharmacy Co-Payment Limit Adjustment on the base encounters.

**TABLE 7**

COA	RX COPAY % OF HISTORICAL ENCOUNTERS
SSI	0.19%
F&C	0.03%
FCC	0.00%
BCC	0.10%
LAP	0.00%
HCBS	0.06%
CCM	0.00%
Medicaid Expansion	0.10%
Medicaid Expansion – High Needs	0.56%

### Efficiency Adjustments

Mercer distinguishes efficiency adjustments (which are applied to managed care-enrolled populations) from managed care savings adjustments (which are applied to previously unmanaged

populations). Efficiency adjustments are intended to reflect improved efficiency in the hospital inpatient, ED and pharmacy settings, and are consistent with LDH's goal that the Healthy Louisiana program be operated in an efficient, high-quality manner.

### **Clinical Efficiency Adjustments – Inpatient Hospital Efficiency Adjustment**

Illness prevention is an important medical care element for all health care providers. LDH expects the MCOs to help their members stay healthy by preventing diseases or preventing complications of existing diseases. Since hospital expense represents a significant portion of all medical expenditures, Mercer performed a retrospective data analysis of the MCOs' most recent encounter data using indicators developed by the Agency for Healthcare Research and Quality (AHRQ). These conditions are collectively referred to as Prevention Quality Indicators (PQI) and Pediatric Quality Indicators (PDI). Mercer utilized 13 adults and five pediatric PQIs as part of the analysis. Evidence suggests that hospital admissions for these conditions could have been avoided through high-quality outpatient care and/or the conditions could have been less severe if treated early and appropriately. AHRQ's technical specifications provide specific criteria that define each PQI and PDI that Mercer utilized in the analysis of the MCOs' inpatient hospital encounter data. Although AHRQ acknowledges there are factors outside the direct control of the health care system that can result in a hospitalization (e.g., environmental, patient compliance), it does recognize these analyses can be utilized to benchmark health care system efficiency between facilities and across geographies.

While the AHRQ technical specifications include exclusionary criteria specific to each PQI and PDI, Mercer also considered clinically-based global exclusion criteria that removed a member's inpatient admissions from all inpatient efficiency analyses. The global exclusion criteria were utilized to identify certain conditions and situations (e.g., indications of trauma, burns, HIV/AIDS) that may require more complex treatment for members. Based on a review of inpatient encounter data, any member identified as having indications of any of the qualifying criteria resulted in all of that member's admissions being removed from the analyses. Once all clinical global exclusions data was removed from the analyses, the embedded AHRQ exclusions, by PQI/PDI were then applied.

Additionally, even though the AHRQ technical specifications do not explicitly mention enrollment duration, Mercer considered enrollment duration as one of the contributing factors to review that would be associated with the applicability of a PQI/PDI-based adjustment. Enrollment duration was used as a proxy for issues such as patient compliance, health plan outreach and education, time to intervene and other related concepts. A variable-month enrollment duration ranging from two to twelve months, depending on PQI or PDI condition, was applied to the RY 2020 rates. This assumption meant an individual had to be enrolled with the same plan for a minimum number of consecutive months prior to that individual's PQI or PDI hospital admission to be considered subject to the adjustment. Only the dollars associated with the PQI and PDI hospital admissions that met these enrollment duration criteria were included in the base data adjustment. Recipient eligibility data supplied by the State provided the information to make this duration test assessment.

**Clinical Efficiency Adjustments – ED Efficiency Adjustment**

Mercer performed a retrospective analysis of the MCOs' FFY 2017 and FFY 2018 ED encounter data to identify ED visits that were considered preventable/pre-emptible. For the RY 2020 rate development, Mercer analyzed preventable/pre-emptible low acuity non-emergent (LANE) visits. This analysis was not intended to imply members should be denied access to EDs or that the MCOs should deny payment for the ED visits. Instead, the analysis was designed to reflect the State's objective that more effective, efficient and innovative managed care could have prevented or pre-empted the need for some members to initially seek care in the ED setting.

The criteria used to define LANE ED visits was based on publicly available studies, input from Mercer's clinical staff, as well as review by practicing ED and primary care physicians (PCPs). ICD-9 primary diagnosis code information was the basis for identifying an ED visit. A limited set of diagnosis codes was agreed upon by all physicians involved in developing the methodology for the analysis. Preventable percentages ranging from 5.00% to 90.00% were assigned to each diagnosis code to account for external factors that can influence and impact variation in ED use. Using procedure code information, the ED visits were evaluated from low complexity clinical decision making to high complexity clinical decision making. In addition, LANE ED visits that resulted in an inpatient admission or observation stay (observation revenue code 0762) were excluded. No adjustment was made for any possible up-coding by providers.

For RY 2020, Mercer excluded low unit cost visits from the LANE analysis to account for improvements in the MCOs' use of triage fees and/or more appropriate health services management. A hierarchical process was used for the remaining LANE visits to identify those that could have been prevented or pre-empted. Beginning with the lowest acuity visits, data was accumulated until the percentage of preventable/pre-emptible visits was achieved for each respective diagnosis code. Regardless of the targeted percentage, no LANE ED visits/dollars associated with the most complex clinical decision making procedure codes (99284-99285) were included in the final adjustment. In addition, a replacement cost amount (average cost physician visit) was made for the majority of LANE visits that were deemed preventable/pre-emptible. To reflect its desire for value-focused purchasing, the final LANE efficiency adjustment reflects a 50.00% targeted efficiency level applied to the final adjustment identified.

**Pharmacy Efficiency Adjustments – Appropriate Diagnosis for Selected Drug Classes (DxRx)**

The DxRx efficiency adjustment is used to ensure appropriate utilization of selected drug classes in historical claims data, based on supporting diagnosis information in the recipient's medical history. The selected drug classes were identified based on high cost, safety concerns, and/or high potential for abuse or misuse. Diagnosis information from 30 months (24 months prior to date of service (DOS), six months after DOS) of medical, professional, pharmacy and inpatient data is reviewed for each recipient. Appropriate drug/diagnosis pairs are reviewed annually by Mercer's team of clinicians and include consideration for:

- Food and Drug Administration Approved indications (both drug specific, and by drug class).

- Clinically-accepted, off-label utilization as identified by published literature and clinical/professional expertise.
- Industry standard practices.

In consideration of provider enrollment issues that may impact the ability of the DxRx algorithm to identify opiate dependence diagnoses, the Opiate Dependence category was not used in developing the DxRx efficiency adjustment.

### Pharmacy Efficiency Adjustments – Retrospective Pharmacy Claims Analysis

The clinical edits efficiency adjustment used a retrospective pharmacy claims analysis to identify inappropriate prescribing and/or dispensing patterns using a customized series of pharmacy utilization management edits that are clinically based on rules. Edits were developed by Mercer's managed pharmacy practice based on:

- Published literature.
- Industry standard practices.
- Clinical appropriateness review.
- Professional expertise.
- Information gathered during the review of several Medicaid FFS and managed care pharmacy programs across the country.

**TABLE 8**

COA	EFFICIENCIES PERCENT IMPACTS
SSI	-2.11%
F&C	-0.98%
FCC	-0.36%
BCC	-0.36%
LAP	-0.73%
HCBS	-2.25%
CCM	-1.03%
SBH – CCM	0.00%
SBH – Duals	0.00%
SBH – LaHIPP	0.00%
SBH – HCBS	0.00%
SBH – Other	0.00%
Maternity Kick Payment	-0.01%

COA	EFFICIENCIES PERCENT IMPACTS
Medicaid Expansion	-1.64%

## PROSPECTIVE RATING ADJUSTMENTS

Program change adjustments that occurred after the base data period, but before the conclusion of the rating period are referred to as Prospective Rating Adjustments.

### Fee Schedule Changes

The capitation rates reflect changes in covered services' fee schedules and unit costs, between the base period and the contract period.

Beginning in April 2014, LDH implemented a series of program changes to ensure consistent pricing in the Medicaid program for hospital services, including inpatient hospital, outpatient hospital, hospital-based physician and ambulance services. This change required the use of Full Medicaid Pricing (FMP) in the calculation of PMPM payments to MCOs. LDH expects this rate increase will lead to increased payments to those providers contracting with the MCOs to maintain and increase access to inpatient hospital, outpatient hospital, hospital-based physician and ambulance services to the enrolled Medicaid populations. Mercer and LDH reviewed the aggregate funding levels for these services between the base period and the contract period and determined that an addition to the historical data was necessary in order to ensure the capitation rate ranges reflect adequate statewide pricing levels. Separate adjustments were made to each of the four services to capture the full impact of statewide funding. FMP adjustments were implemented for inpatient and outpatient services effective April 2014. Physician and ambulance FMP adjustments were implemented effective July 2015.

For the non-FMP fee schedule changes discussed in this section, the fee schedule changes are expected to impact MCO costs as MCOs usually contract with providers at rates that are proportional to the Medicaid fee schedule for these services.

### Inpatient Services

Inpatient claims were adjusted to reflect changes in the fee schedule between the base period and the contract period, using the fee schedule effective January 1, 2020. The non-GME portion of the per diems were used in this fee adjustment process to be consistent with LDH's intention to continue paying GME amounts directly to the teaching hospitals.

Mercer relied upon an analysis of Medicare cost-based equivalent pricing of Medicaid services provided by LDH for the FMP adjustment. FFY 2017 and FFY 2018 encounter data and hospital-specific cost-to-charge ratios (CCRs) using the most recent cost reports from Medicare's Healthcare Cost Report Information System database were used to calculate the Medicare-equivalent payments. The Medicare payments were then adjusted to the rating period. The Medicaid payments were also adjusted to reflect applicable fee changes and payments made outside of the claims system (outlier payments). Ultimately, the adjusted Medicaid and estimated

Medicare payments were compared for each hospital. Mercer applied the ratio between the two payments to the base data at the hospital specific level.

The UPL is calculated by multiplying Medicaid charges and hospital-specific CCRs to estimate cost.

The total impact of the inpatient fee changes is summarized in Table 9A.

**TABLE 9A**

INPATIENT FEE CHANGE IMPACT					FMP IMPACT AS % OF
Time Period	Historical Cost	Fee Change Impact	Adjusted Cost	FMP Impact	Adjusted Cost
FFY 2017	\$610,583,531	\$79,445,493	\$690,029,023	\$157,041,354	22.76%
FFY 2018	\$944,606,107	\$65,754,805	\$1,010,360,912	\$337,566,004	33.41%
<b>Total</b>	<b>\$1,555,189,638</b>	<b>\$145,200,297</b>	<b>\$1,700,389,935</b>	<b>\$494,607,358</b>	<b>29.09%</b>

### Outpatient Services

Outpatient claims as of this certification date reflect the most recent CCRs available. The CCRs were reported on hospital fiscal year bases, which varied by hospital from June 30, 2015 to December 31, 2017. The adjustment also included estimation of cost settlements and reflected the most up-to-date cost settlement percentages for each facility.

Effective January 1, 2020 House Concurrent Resolution 5 adjusted reimbursement rates for outpatient services for all hospitals except rural hospitals and Our Lady of the Lake. The rates for the affected facilities increased by 3.20%. Additionally, cost settlement percentages for most non-rural, non-state facilities were increased to 85.84% effective January 1, 2020. Rural facilities are cost settled at 110.00%.

The outpatient FMP was developed according to the State Plan using the CCRs and the billed charges from the base data. The calculation was completed at a hospital level.

The total impact of the outpatient fee changes is summarized in Table 9B.

TABLE 9B

OUTPATIENT FEE CHANGE IMPACT					FMP IMPACT AS % OF
Time Period	Historical Cost	Fee Change Impact	Adjusted Cost	FMP Impact	Adjusted Cost
FFY 2017	\$451,641,488	\$51,081,438	\$ 502,722,926	\$87,564,662	17.42%
FFY 2018	\$879,963,561	\$115,384,146	\$ 995,347,707	\$187,565,910	18.84%
<b>Total</b>	<b>\$1,331,605,049</b>	<b>\$166,465,584</b>	<b>\$ 1,498,070,633</b>	<b>\$275,130,572</b>	<b>18.37%</b>

### SBH Fee Schedule Change

Effective August 1, 2018, LDH issued new Therapeutic Group Home (TGH) and Psychiatric Residential Treatment Facility (PRTF) per diems. The new fee schedule can be found on LDH's fee schedules website<sup>3</sup>. Mercer identified the affected services and estimated the impact of the fee schedule changes to develop adjustments to the capitation rates. The total impact of the TGH/PRTF fee changes is summarized in Table 9C.

TABLE 9C

TGH/PRTF FEE CHANGE IMPACT			IMPACT AS % OF	
Time Period	Historical Cost	Fee Change Impact	Historical Cost	All Services Cost
FFY 2017	\$5,228,986	\$824,097	15.76%	0.03%
FFY 2018	\$6,273,781	\$871,530	13.89%	0.02%
<b>Total</b>	<b>\$11,502,767</b>	<b>\$1,695,628</b>	<b>14.74%</b>	<b>0.02%</b>

### Physician-Administered Drugs (PAD) Fee Schedule Change

Effective January 1, 2019, LDH made changes to the PAD reimbursement rates. The new rates will be posted on LDH's fee schedule website<sup>4</sup>. Mercer identified the affected services and estimated the impact of the fee schedule changes to develop adjustments to the capitation rates. The total impact of the PAD fee changes is summarized in Table 9D.

<sup>3</sup> [https://www.cgsmedicare.com/partb/mr/pdf/observation\\_serv\\_factsheet.pdf](https://www.cgsmedicare.com/partb/mr/pdf/observation_serv_factsheet.pdf)

<sup>4</sup> [https://www.lamedicaid.com/provweb1/fee\\_schedules/feeschedulesindex.htm](https://www.lamedicaid.com/provweb1/fee_schedules/feeschedulesindex.htm)

TABLE 9D

PAD FEE CHANGE IMPACT			IMPACT AS % OF	
Time Period	Historical Cost	Fee Change Impact	Historical Cost	All Services Cost
FFY 2017	\$2,709,093	\$323,155	11.93%	0.01%
FFY 2018	\$5,451,930	\$397,013	7.28%	0.01%
<b>Total</b>	<b>\$8,161,023</b>	<b>\$720,168</b>	<b>8.82%</b>	<b>0.01%</b>

### HCBS Fee Schedule Changes

Effective July 1, 2019, LDH released an updated HCBS fee schedule which can be located on LDH's website<sup>5</sup>. The total impact of the fee schedule changes is summarized in Table 9E.

TABLE 9E

HCBS FEE CHANGE IMPACT			IMPACT AS % OF	
Time Period	Historical Cost	Fee Change Impact	Historical Cost	All Services Cost
FFY 2017	\$2,940,117	\$1,127,238	38.34%	0.04%
FFY 2018	\$4,032,240	\$1,545,958	38.34%	0.03%
<b>Total</b>	<b>\$6,972,357</b>	<b>\$2,673,196</b>	<b>38.34%</b>	<b>0.03%</b>

### Federally Qualified Health Center (FQHC) and Rural Health Center (RHC) Fee Schedule Changes

FQHC and RHC claims were adjusted to reflect changes in the fee schedule between the base period and the contract period, using the fee schedule effective July 1, 2019, which can be located on LDH's website<sup>6</sup>. The total impact of the fee schedule changes is summarized in Table 9F.

TABLE 9F

FQHC AND RHC FEE CHANGE IMPACT			IMPACT AS % OF	
Time Period	Historical Cost	Fee Change Impact	Historical Cost	All Services Cost
FFY 2017	\$110,507,044	\$6,299,222	5.70%	0.21%
FFY 2018	\$188,977,368	\$6,688,067	3.54%	0.14%
<b>Total</b>	<b>\$299,484,411</b>	<b>\$12,987,289</b>	<b>4.34%</b>	<b>0.17%</b>

<sup>5</sup> [https://www.lamedicaid.com/provweb1/fee\\_schedules/feeschedulesindex.htm](https://www.lamedicaid.com/provweb1/fee_schedules/feeschedulesindex.htm)

<sup>6</sup> [https://www.lamedicaid.com/provweb1/fee\\_schedules/feeschedulesindex.htm](https://www.lamedicaid.com/provweb1/fee_schedules/feeschedulesindex.htm)

### Hospice Fee Schedule

Effective October 1, 2019, LDH released a new fee schedule for the Hospice Program, which can be located on LDH's website<sup>7</sup>. The total impact of the fee schedule changes is summarized in Table 9G.

**TABLE 9G**

HOSPICE FEE CHANGE			IMPACT AS % OF	
Time Period	Historical Cost	Fee Change Impact	Historical Cost	All Services Cost
FFY 2017	\$4,814,162	\$222,399	4.62%	0.01%
FFY 2018	\$7,785,285	\$249,164	3.20%	0.01%
<b>Total</b>	<b>\$12,599,447</b>	<b>\$471,563</b>	<b>3.74%</b>	<b>0.01%</b>

### LSU Physician Fee Schedule

Effective January 1, 2020 LDH released a new fee schedule for the Hospice Program, which can be located on LDH's website<sup>8</sup>. The total impact of the fee schedule changes is summarized in Table 9H.

**TABLE 9H**

LSU PHYSICIAN FEE CHANGE			IMPACT AS % OF	
Time Period	Historical Cost	Fee Change Impact	Historical Cost	All Services Cost
FFY 2017	\$38,503,578	\$17,087,141	44.38%	0.57%
FFY 2018	\$65,332,877	\$31,617,204	48.39%	0.66%
<b>Total</b>	<b>\$103,836,455</b>	<b>\$48,704,345</b>	<b>46.90%</b>	<b>0.63%</b>

### Hospital-Based Physician Services

Mercer calculated the FMP payments for hospital-based physician services provided at participating facilities by participating physicians according to the State Plan methodology. This methodology is designed to bring the payments for the physician services up to the community rate level. The community rate is defined as the rate paid by commercial payers for the same service. For state-owned or operated entities, Mercer calculated the FMP payments according to the State Plan using the billed charges from the base data and the commercial charges-to-paid conversion factors provided by LDH. For non-state owned or operated entities, Mercer calculated the FMP payments according to the State Plan using the units of service from the base data, the most currently

<sup>7</sup> [https://www.lamedicaid.com/provweb1/fee\\_schedules/feeschedulesindex.htm](https://www.lamedicaid.com/provweb1/fee_schedules/feeschedulesindex.htm)

<sup>8</sup> [https://www.lamedicaid.com/provweb1/fee\\_schedules/feeschedulesindex.htm](https://www.lamedicaid.com/provweb1/fee_schedules/feeschedulesindex.htm)

available Medicare fees and the Medicare-to-commercial conversion factors provided by LDH. The conversion factors are maintained by LDH and updated annually for state-owned or operated entities and triennially for non-state owned or operated entities.

**TABLE 9I**

HOSPITAL-BASED PHYSICIAN FMP IMPACT				IMPACT AS % OF
Time Period	Historical Cost	Adjusted Cost	FMP Impact	Adjusted Cost
FFY 2017	\$120,861,379	\$120,861,379	\$197,628,426	163.52%
FFY 2018	\$193,020,370	\$193,020,370	\$339,735,639	176.01%
<b>Total</b>	<b>\$313,881,749</b>	<b>\$313,881,749</b>	<b>\$537,364,064</b>	<b>171.20%</b>

**Ambulance Services**

Mercer calculated the ambulance FMP payments according to the State Plan using Medicare fee schedules and average commercial rates as a percentage of Medicare. Ambulance providers were classified as either Large Urban Governmental (LUG) or non-LUGs. LUGs have historically received 100.00% of the gap between average commercial rate and the Medicaid fee schedule while non-LUGs have historically received 17.35% of the gap. Mercer developed increases using these assumed funding levels. Average commercial rates as a percentage of Medicare were provided by LDH for RY 2020. According to the State Plan, average commercial rates are updated every three years. Table 9J shows the impact of FMP on the adjusted base cost of ambulance services meeting the State Plan’s criteria for FMP.

**TABLE 9J**

AMBULANCE FMP IMPACT			IMPACT AS % OF	
Time Period	Historical Cost	Adjusted Cost	FMP Impact	Adjusted Cost
FFY 2017	\$35,663,701	\$35,663,701	\$22,689,315	63.62%
FFY 2018	\$56,162,258	\$56,162,258	\$38,093,102	67.83%
<b>Total</b>	<b>\$91,825,959</b>	<b>\$91,825,959</b>	<b>\$60,782,417</b>	<b>66.19%</b>

**Rx HCPCS Benchmark Adjustment**

The HCPCS benchmark fee adjustment is a reimbursement for physician-administered drugs (billed via HCPCS) to determine if the plans’ per unit reimbursement is efficient compared to the national rate established by Medicare. The MCOs paid above the Medicare benchmark in FFY 2017 but below the benchmark in FFY 2018, resulting in a net positive impact. The overall impact of this adjustment is shown in Table 9K.

TABLE 9K

RX HCPCS BENCHMARK ADJUSTMENT IMPACT			IMPACT AS % OF	
Time Period	Historical Cost	Fee Change Impact	Historical Cost	All Services Cost
FFY 2017	\$48,470,727	\$(361,000)	-0.74%	-0.01%
FFY 2018	\$106,528,605	\$1,583,073	1.49%	0.03%
<b>Total</b>	<b>\$154,999,332</b>	<b>\$1,222,073</b>	<b>0.79%</b>	<b>0.02%</b>

### Aggregate Fee Schedule Adjustments

Overall, as shown in Table 9L, the combined effect of all the prospective fee adjustments was a 4.89% increase in the base data.

TABLE 9L

AGGREGATE FEE SCHEDULE CHANGES IMPACT			IMPACT AS % OF
Time Period	All Services Cost	Fee Change Impact	All Services Cost
FFY 2017	\$2,991,723,713	\$156,049,185	5.22%
FFY 2018	\$4,776,605,337	\$224,090,959	4.69%
<b>Total</b>	<b>\$7,768,329,050</b>	<b>\$380,140,144</b>	<b>4.89%</b>

### Pharmacy Rebates

Effective May 1, 2019, LDH implemented a Single Preferred Drug List (PDL) for selected therapeutic classes. As such, the MCOs are prohibited from entering into rebate agreements with manufacturers of drugs. Any existing drug rebate agreements were discontinued by May 1, 2019. The MCOs are still allowed to collect rebates on non-drug items such as diabetic testing supplies once the Single PDL is implemented.

In order to determine an appropriate pharmacy rebate adjustment, Mercer analyzed historical utilization patterns, as reported in the encounter data, by rate cell and therapeutic class. The historical experience was projected to the rating period and rebate adjustments were developed by rate cell. The resulting pharmacy rebate adjustments are shown in Table 10.

TABLE 10

PHARMACY REBATES				
COA	Base Expenses	Rx Adjustment Dollars	Adjusted Expenses	Adjustment %
SSI	\$690,308,382	\$(2,761,234)	\$687,547,148	-0.40%
F&C	\$600,276,124	\$(2,401,104)	\$597,875,019	-0.40%

PHARMACY REBATES				
COA	Base Expenses	Rx Adjustment Dollars	Adjusted Expenses	Adjustment %
FCC	\$18,756,702	\$(37,513)	\$18,719,188	-0.20%
BCC	\$5,659,893	\$(16,980)	\$5,642,914	-0.30%
LAP	\$2,830,314	\$(11,321)	\$2,818,993	-0.40%
HCBS	\$15,011,031	\$(60,044)	\$14,950,987	-0.40%
CCM	\$8,845,788	\$(8,846)	\$8,836,942	-0.10%
Medicaid Expansion	\$512,201,418	\$(2,048,806)	\$510,152,612	-0.40%
Medicaid Expansion – High Needs	\$580,314	\$(2,321)	\$577,993	-0.40%

### Outliers

As part of the State Plan, inpatient hospitals receive an additional payment for high-cost stays for children under six, called outliers. These payments are for inpatient stays with a total cost to the hospital in excess of \$150,000, where the cost is determined based on the hospital's Neonatal Intensive Care Unit or Pediatric Intensive Care Unit-specific CCR. LDH makes payments up to a maximum of \$20,492,179 annually. As payment of outlier liability is the responsibility of Healthy Louisiana MCOs, these additional funds were built into the rates based on the distribution by rate cell observed in FFY 2018 payments. For the PH Non-Expansion rate cells, outliers added an average cost of \$1.89 PMPM to the base data used in rate setting. Table 11 details the impact of outliers on the rates by rate cell.

**TABLE 11**

OUTLIERS ADJUSTMENT				
COA	Rate Cell	Projected MMs	Outlier PMPM	Outliers Total Adjustment
SSI	Newborn, 0-2 Months	361	\$10,879.65	\$3,928,212
SSI	Newborn, 3-11 Months	5,661	\$415.99	\$2,354,862
SSI	Child, 1-20 Years	450,771	\$-	\$-
F&C	Newborn, 0-2 Months	116,002	\$115.32	\$13,377,915
F&C	Newborn, 3-11 Months	389,257	\$2.14	\$831,189
F&C	Child, 1-20 Years	7,481,666	\$-	\$-
<b>Total</b>		8,443,719	\$2.43	\$20,492,179
<b>Total PH COAs*</b>		<b>10,824,719</b>	<b>\$1.89</b>	<b>\$20,492,179</b>

\*Outlier distribution is based on FFY 2018 experience.

**Applied Behavioral Analysis (ABA)**

Effective February 1, 2018, Healthy Louisiana began to cover ABA services for all populations under the age of 21 for both the PH and SBH programs. Mercer used FFS experience for months of service before the effective date and Encounter experience after the effective date.

ABA FFS and Encounter experience for populations who are eligible to receive services through the Healthy Louisiana program was used to develop the ABA adjustment. Mercer also worked closely with LDH to understand how factors affecting rates could reasonably be expected to change between the base years and RY 2020. The ABA adjustment added \$2.80 to the Non-Expansion PMPM. Please see Appendix G for more details.

**Non-Invasive Prenatal Testing (NIPT) Adjustment**

Effective February 1, 2019, NIPT became a covered service in the Healthy Louisiana program. NIPT is a genetic test, which uses maternal blood that contains cell-free fetal deoxyribonucleic acid (DNA) from the placenta. NIPT is considered a medical necessity once per pregnancy to pregnant women over the age of 35, and for women under age 35 who meet one or more of certain high-risk criteria.

Although NIPT was not a contractually-required covered service historically, some Healthy Louisiana MCOs have paid for NIPT screenings in certain cases. Mercer relied on the available experience to estimate the NIPT program change adjustment. The impact of the NIPT adjustment on the maternity kick payment is summarized in Table 12.

**TABLE 12**

NIPT ADJUSTMENT			
COA	Historical Cost	Dollar Impact	Impact %
Maternity Kick Payment	359,576,174	832,445	0.23%
<b>Total Program</b>	<b>7,854,699,707</b>	<b>832,445</b>	<b>0.01%</b>

**SCID Screening**

Effective November 1, 2019 SCID screening became an added benefit to newborns in the Healthy Louisiana Program. This is a blood test that can identify SCID as well as other serious immune deficiencies in newborns early enough to allow for cheaper and more effective treatment. The impact of the SCID adjustment on the maternity kick payment is summarized in Table 13.

**TABLE 13**

REGION	RATING ADJUSTMENT
Gulf	0.14%
Capital	0.18%

REGION	RATING ADJUSTMENT
South Central	0.18%
North	0.16%
<b>Statewide</b>	<b>0.16%</b>

### **Tobacco Cessation for Pregnant Women**

Beginning February 20, 2020 LDH will begin covering tobacco cessation counseling and pharmacotherapy for pregnant women.

Pregnant women may receive four counseling sessions, face-to-face with the appropriate health care professional, per quit attempt and up to two quit attempts per calendar year. The period of coverage for these services shall include the prenatal period through 60 days postpartum.

The impact on the overall maternity kick payment for this adjustment is 0.08%.

### **Continuous Glucose Monitoring (CGM) Adjustment**

Effective January 1, 2019, Healthy Louisiana MCOs became responsible for the coverage of continuous glucose monitors for all eligible recipients that meet the following criteria:

- Diagnosis of type 1 diabetes with recurrent, unexplained, severe hypoglycemia (glucose levels <50 mg/dl).
- Impaired hypoglycemia awareness that puts the recipient at risk or pregnant recipient with poorly controlled type 1 diabetes evident by recurrent, unexplained hypoglycemic episodes, hypoglycemic unawareness or postprandial hyperglycemia, or recurrent diabetic ketoacidosis.

Mercer developed an estimation of the Healthy Louisiana CGM costs using fee schedule information provided by LDH and an estimate of expected CGM utilization based on clinical expertise. As CGMs are a new State Plan service, the number of potential users were counted based on the FFY 2018 enrollees indicated to satisfy the criteria above. The overall impact on the rates due to the addition of the CGM benefit was an increase of \$0.10 PMPM and \$0.23 PMPM for the Non-Expansion and Expansion populations, respectively. Please see Appendix H for more details.

### **FQHC/RHC**

#### **Long-Acting Reversible Contraceptive (LARC)**

Effective January 1, 2019, Healthy Louisiana MCOs became responsible for LARC devices. The Actual Acquisition Cost (AAC) to the FQHC will determine the reimbursement for LARC devices.

#### **Same-Day Billing**

Effective April 1, 2019, the Medicaid program shall establish an alternative payment methodology for behavioral health services provided in RHCs by one of the following practitioners:

- Physicians with a psychiatric specialty.
- Nurse practitioners or clinical nurse specialist with a psychiatric specialty.
- Licensed clinical social workers.
- Clinical psychologist.

The reimbursement for behavioral health services will equal the all-inclusive encounter PPS rate on file for FFS on the date of service. This reimbursement will be in addition to any all-inclusive PPS rate on the same date for a medical visit.

Mercer developed the projection of these two changes by using updated fee schedules and supplemental information provided by LDH in conjunction with historical Healthy Louisiana data. Table 14 summarizes the projected impact to the rates related to these FQHC/RHC reimbursement methodology changes.

**TABLE 14**

FQHC/RHC ADJUSTMENT					
COA	Rate Cell	RY 2020 Projected MMs	LARC PMPM	Same Day Billing PMPM	Total Adjustment PMPM
SSI	Newborn, 0-2 Months	361	\$-	\$-	\$-
SSI	Newborn, 3-11 Months	5,661	\$-	\$0.00	\$0.00
SSI	Child, 1-20 Years	450,771	\$(0.00)	\$0.36	\$0.36
SSI	Adult 21+ Years	936,952	\$(0.00)	\$0.37	\$0.37
F&C	Newborn, 0-2 Months	116,002	\$-	\$0.00	\$0.00
F&C	Newborn, 3-11 Months	389,257	\$-	\$0.00	\$0.00
F&C	Child, 1-20 Years	7,481,666	\$(0.00)	\$0.17	\$0.16
F&C	Adult 21+ Years	1,175,647	\$(0.01)	\$0.24	\$0.23
FCC	FCC, All Ages, Male & Female	159,240	\$-	\$0.38	\$0.38
BCC	BCC, All Ages, Male & Female	4,476	\$-	\$0.76	\$0.76
LAP	LAP, All Ages, Male & Female	38,432	\$-	\$0.12	\$0.12

FQHC/RHC ADJUSTMENT					
COA	Rate Cell	RY 2020 Projected MMs	LARC PMPM	Same Day Billing PMPM	Total Adjustment PMPM
HCBS	Male & Female, Age 20 & Under	8,214	\$-	\$0.15	\$0.15
HCBS	Male & Female 21+	21,078	\$(0.00)	\$0.44	\$0.44
CCM	CCM, All Ages, Male & Female	36,960	\$-	\$0.39	\$0.39
SBH – CCM	SBH – CCM, All Ages	34,609	\$-	\$0.44	\$0.44
SBH – Duals	SBH – Dual Eligible, All Ages	1,503,558	\$-	\$0.01	\$0.01
SBH – HCBS	Child 1-20 Years	22,845	\$-	\$0.20	\$0.20
SBH – HCBS	Adult 21+ Years	37,976	\$-	\$0.40	\$0.40
SBH – Other	SBH – All Ages	37,942	\$-	\$0.04	\$0.04
Medicaid Expansion	Ages 19-64	5,772,606	\$(0.00)	\$0.28	\$0.28
Medicaid Expansion	High Needs	2,053	\$-	\$0.41	\$0.41

### Breast Pump Adjustment

Effective January 1, 2019, the Healthy Louisiana program will cover personal use, double electric breast pumps for nursing mothers, without prior authorization. Hospital grade, manual or single breast pumps will not be covered, and are not part of Mercer's estimation. Nursing mothers will be eligible for one breast pump per delivery.

Although LDH is adding this service to the State Plan, some Healthy Louisiana MCOs have historically paid for personal use, double electric breast pumps. Mercer used this historical experience to estimate the cost of program-wide coverage of these breast pumps. The adjustment impacts the maternity kick payment rate cell by an increase of 0.34%.

### Local Pharmacy Adjustment

Effective May 1, 2019, LDH changed its reimbursement for pharmacies for FFS prescriptions. The ingredient cost portion of the reimbursement shifts from local Average Acquisition Cost (AAC) to

National Average Drug Acquisition Cost (NADAC). The dispensing fee portion of the reimbursement also increases; from \$10.41 per prescription to \$10.99 per prescription.

These changes in FFS pharmacy reimbursement affect the Healthy Louisiana program because the MCOs are required to reimburse local pharmacies, at minimum, at the FFS level. Per §460.36 of Louisiana's register, local pharmacies are defined as satisfying the two following conditions:

1. Contracts with the MCO or the MCO's contractor in its own name or through a pharmacy services administration organization and not under the authority of a group purchasing organization.
2. Has fewer than 10 retail outlets under its corporate umbrella.

Mercer reviewed an analysis by Myers and Stauffer in which they estimated the difference between local AAC and NADAC ingredient costs. Myers and Stauffer performed the pricing analysis on local pharmacy encounter experience incurred on days of service May 11, 2017 through May 10, 2018. The results of this analysis, in conjunction with the historical utilization of local pharmacies in the Healthy Louisiana program, were used to estimate the impact of the local pharmacy pricing changes on projected pharmacy costs. Table 15 summarizes the updated impact of local pharmacy pricing changes on projected pharmacy costs on each rate cell.

**TABLE 15**

COA	LOCAL PHARMACY ADJUSTMENT
SSI	0.48%
F&C	0.48%
FCC	0.69%
BCC	0.15%
LAP	0.39%
HCBS	0.54%
CCM	0.42%
Medicaid Expansion	0.37%
Medicaid Expansion - High Needs	0.29%

### Wage Verification Disenrollment Adjustment

Effective April 1, 2019, LDH implemented a new process whereby Medicaid enrollees' income data is reviewed periodically and the Medicaid eligibility of certain individuals is re-evaluated. Once each quarter, LDH will cross reference income data collected by other State agencies with Medicaid eligibility guidelines to identify individuals who may no longer be eligible for Medicaid. Individuals

who are identified through this process are sent verification-of-wage requests. Any individuals who are unable to demonstrate their household income level is within Medicaid eligibility limits or who do not respond are disenrolled from the program at the end of the quarter. Individuals who do not respond to the wage verification request can reapply for Medicaid at any point after they are deemed ineligible. Their application will be handled according to LDH’s standard process.

In order to estimate the impact of this policy change on the overall acuity of the Expansion Age 19-64 rate cell, LDH provided Mercer with a list of individuals who were identified as ineligible in the 2019 Q1, Q2 and Q3 wage verification run and were subsequently disenrolled. Mercer estimated the relative cost of the disenrolled individuals versus the residual Expansion Age 19-64 population based on historical Healthy Louisiana encounter data. These cost relativities, in conjunction with RY 2020 projected Medicaid Expansion Age 19-64 enrollment data, were used to develop a baseline acuity adjustment.

Additionally, LDH has observed a material number of individuals who were initially disenrolled due to the 2019 Q1 wage verification review re-enrolling through August 2019. LDH provided Mercer with six weeks of re-enrollment data which was used to adjust the enrollment projections used in this analysis. Based on this information, Mercer and LDH assumed that approximately 2.80% of the individuals who were disenrolled due to the 2019 Q1 wage verification reviews would be re-enrolled in Medicaid. Table 16 summarizes the estimated net impact of the 2019 Q1, Q2 and Q3 wage verification disenrollments on the overall acuity of the Expansion Age 19-64 rate cell by region.

**TABLE 16**

REGION	RATING ADJUSTMENT
Gulf	3.11%
Capital	2.74%
South Central	2.84%
North	2.97%
<b>Statewide</b>	<b>2.91%</b>

Finally, since LDH will be performing these wage verification reviews quarterly, Mercer and LDH will continue to monitor the impact of future wage verification review cycles on the overall acuity of the Medicaid Expansion rate cell to determine if further modification of this rating adjustment is necessary.

**Single PDL**

Effective May 1, 2019, LDH implemented a Single PDL for selected therapeutic classes. LDH selected the therapeutic classes and drugs included, and LDH and the MCO pharmacy directors established the prior authorization criteria applicable to the drugs included in the Single PDL. MCOs are required to follow the Single PDL and only list as preferred those products preferred by LDH.

For branded products listed as preferred over available generics, the MCOs are to consider the generic form non-preferred and not require the prescriber to indicate in writing the branded product is medically necessary.

To estimate the impact of the Single PDL on pharmacy costs, Mercer's actuaries and pharmacists reviewed the historical utilization of drugs in the affected classes and developed assumptions regarding the expected changes in utilization from non-preferred to preferred agents, which were reviewed by LDH pharmacists. The estimated impact of the Single PDL program change on projected pharmacy costs on each rate cell are summarized in Table 17.

**TABLE 17**

COA	UNIT COST ADJUSTMENT
SSI	0.40%
F&C	0.50%
FCC	1.20%
BCC	0.60%
LAP	0.90%
HCBS	0.20%
CCM	0.40%
Medicaid Expansion	1.00%
Medicaid Expansion - High Needs	1.00%

### Streamlined Hepatitis C Screening and Treatment Algorithm

Effective July 15, 2019, LDH implemented its Hepatitis C "Subscription Model" agreement with Asegua Therapeutics LLC. As a part of this agreement, LDH also adopted a streamlined protocol for Hepatitis C screening and monitoring. As compared to the protocols in place prior to the implementation of this agreement, the streamlined protocol will eliminate or reduce the utilization of the many services for individuals associated with the testing and subsequent treatment of Hepatitis C; examples include:

- Genotype testing
- Fibrosure testing
- RNA testing

In order to evaluate the impact of these changes, Mercer estimated the impact of eliminating or reducing the services that are no longer expected to be a part of the new treatment protocol on a per individual basis. LDH's FFS fee schedule was used to price the services in question. The FFS prices were also benchmarked against MCO-reported unit costs. The overall change in screen and

treatment costs were also adjusted to account for the increase in the number of Medicaid enrollees expected to be treated for Hepatitis C between January 1, 2020 and December 31, 2020. A summary of the estimated impact of these changes by rate cell are summarized in Table 18. Please refer to Appendix I for additional detail regarding this adjustment.

**TABLE 18**

COA	RATE CELL	% IMPACT
SSI	0-2 Months	0.00%
SSI	3-11 Months	0.00%
SSI	Child 1-20 Years	0.00%
SSI	Adult 21+ Years	0.05%
F&C	0-2 Months	0.00%
F&C	3-11 Months	0.00%
F&C	Child 1-20 Years	0.00%
F&C	Adult 21+ Years	0.01%
FCC	All Ages Male & Female	0.00%
BCC	BCC, All Ages	0.03%
LAP	LAP, All Ages	0.00%
HCBS	Child 1-20 Years	0.00%
HCBS	Adult 21+ Years	0.01%
CCM	CCM, All Ages	0.00%
SBH – CCM	SBH – CCM, All Ages	0.00%
SBH – Duals & LaHIPP	SBH – Dual Eligible & LaHIPP, All Ages	0.00%
SBH – HCBS	Child 1-20 Years	0.00%
SBH – HCBS	Adult 21+ Years	0.00%
SBH – Other	SBH – All Ages	0.00%
Maternity Kick Payment	Maternity Kick Payment	0.00%
Medicaid Expansion	Age 19-64	0.05%
Medicaid Expansion	High Needs	0.00%

**MAT**

Effective January 20, 2020, Healthy Louisiana will cover MAT provided by credentialed Opioid Treatment Program (OTP) providers. The benefit will include both MAT and NEMT transportation for

Medicaid beneficiaries. OTP provider reimbursement will be based on a daily/weekly all-inclusive rate which includes drug dispensing and ingredient costs, counseling, evaluation and management visits, urine drug screening, and any other services required or provided.

As MAT is a newly covered service, Mercer relied upon projected costs and utilization provided by the State for the Non-Expansion and Expansion programs separately. Mercer identified individuals within the base data with Opioid Abuse diagnosis to determine impacted populations and to determine relative proportions within each program for the purposes of allocating projected costs. The impact of the MAT adjustment is summarized by rate cell in Table 19. Please see Appendix J for more detail.

**TABLE 19**

COA	RATE CELL	MAT PMPM ADD-ON
SSI	Child 1-20 Years	\$0.09
SSI	Adult 21+ Years	\$2.20
F&C	Child 1-20 Years	\$0.03
F&C	Adult 21+ Years	\$2.01
FCC	All Ages Male & Female	\$0.28
SBH – Duals	SBH – Dual Eligible, All Ages	\$0.02
Medicaid Expansion	Age 19-64	\$2.02
Medicaid Expansion	High Needs	\$10.13

## TRENDS

### Medical Trend

Trend is an estimate of the change in the overall cost of providing health care benefits over a finite period of time. A trend factor is necessary to estimate the cost of providing health care services in a future period. Mercer studied historical cost and utilization data for the two data sources incorporated in the capitation rates: Healthy Louisiana encounters and Healthy Louisiana MCO financial reports. Trends were selected based on Louisiana experience, as well as national trend information.

Prospective trends were applied to the blended base data. The trend factors by population are shown in Appendix K.

### Pharmacy Trend

Effective July 1, 2019, LDH replaced Mavyret™, Epclusa® and Vosevi® with the authorized generic of Epclusa as the preferred Direct Acting Antiviral (DAA) for Hepatitis C on the PDL. Concurrently, LDH also removed all prior authorization restrictions on its criteria for the use of the preferred Hepatitis C DAA.

To estimate the impact of these changes on the pharmacy utilization and cost, Mercer's actuaries and pharmacists reviewed the historical utilization of Hepatitis C DAAs, publically available research on the interaction between prior authorization criteria and Hepatitis C DAA utilization, known and estimated prevalence of Hepatitis C in the Louisiana Medicaid population, and the State's projections of Hepatitis C DAA use between January 1, 2020 and December 31, 2020. This result was accounted for in Pharmacy trend development.

Additionally, a separate add-on for the drug Zolgensma<sup>®</sup> was developed to account for expected drug costs in RY 2020. This impact was applied to child rate cells in SSI and F&C. A summary of annual pharmacy trend factors by rate cell are summarized in Table 20.

**TABLE 20**

COA	RATE CELL	PHARMACY TREND
SSI	0-2 Months	1.86%
SSI	3-11 Months	4.40%
SSI	Child 1-20 Years	9.96%
SSI	Adult 21+ Years	10.19%
F&C	0-2 Months	3.93%
F&C	3-11 Months	5.45%
F&C	Child 1-20 Years	6.24%
F&C	Adult 21+ Years	8.68%
FCC	All Ages Male & Female	6.32%
BCC	BCC, All Ages	15.76%
LAP	LAP, All Ages	6.81%
HCBS	Child 1-20 Years	7.06%
HCBS	Adult 21+ Years	7.06%
CCM	CCM, All Ages	4.47%
EXP	Age 19-64	11.74%
EXP	High Needs	11.74%

Note: Pharmacy is not a covered benefit in the SBH and Maternity rate cells.

# 4

## SPECIAL CONTRACT PROVISIONS RELATED TO PAYMENT

Mercer followed rate development standards related to base data and described in Part B of this letter to develop an adjusted base data. To obtain the final projected benefit costs, the base data was further adjusted to account for trends and other contract provisions.

### IN-LIEU-OF SERVICES

The costs in the base data reflect costs for State Plan services delivered in a managed care environment. In some cases, for the adult population, the MCOs provided an approved service in lieu of a State Plan service. The utilization and unit costs of the in-lieu-of services were taken into account in developing the projected benefit costs of the covered services (as opposed to utilization and unit costs of the State Plan services or settings) with the exception of the Inpatient Psychiatric Institutions for Mental Diseases (IMD) stays for which utilization was repriced at the cost of the same services through providers included under the State Plan. Additional detail regarding the repricing of the Inpatient Psychiatric IMD stays is described in more detail in the section below. Please see Appendix N for a summary of these costs and the percentage of cost the in-lieu-of services represent in each COS.

### IMDs

On May 6, 2016, CMS published the Medicaid and CHIP Programs Final Rule. Provision §438.6(e) states the following, "...the State may make a monthly capitation payment to an MCO or PIHP for adults receiving inpatient treatment in an IMD, so long as the facility is a hospital providing psychiatric or substance use disorder inpatient care or a sub-acute facility providing psychiatric or substance use disorder (SUD) crisis residential services, and length of stay in the IMD is for a short-term stay of no more than 15 days during the period of the monthly capitation payment." This requirement was effective as of July 6, 2016.

No adjustments were made in rate development to IMD SUD services as they were approved as covered services via Louisiana's 1115 waiver effective February 1, 2018.

For Inpatient Psychiatric IMD stays, Mercer received a list of IMD facilities from LDH that existed during the base data period (FFY 2017 and FFY 2018). Using this list of IMD facilities, Mercer identified all individuals within the base data who had an overnight stay in an IMD and sorted them into short stays (15 cumulative days or less in a given month) versus long stays (16 or more cumulative days in a given month). Table 21 shows user-month counts and costs within the base associated with IMD users by FFY.

Please note that to the extent there were IMDs in the base period that were not included on the IMD facilities list utilized by Mercer for this analysis and/or there were overnight IMD stays paid for an entity other than Medicaid, the methodology described in this section would not have been able to identify them. If new or better data becomes available, it may be necessary to refine the IMD adjustments described below accordingly.

For Inpatient Psychiatric IMD long stays, adjustment factors were developed by region, rate cell and year to remove all costs and user months incurred during the IMD long-stay. This includes the member months and costs for the IMD itself as well as non-IMD services incurred during the days in which the individual was in the IMD during the month of the IMD long stay. The adjustment percentages result in a reduction of 0.09% to the aggregate non-Expansion base data and a reduction of 0.13% to the Expansion base data.

Another component of §438.6(e) requires that States "...must price utilization at the cost of the same services through providers included under the State Plan." Mercer evaluated the average cost per diem of IMD stays and compared this to the average cost per diem of Inpatient Psychiatric stays in non-IMD hospitals. Repricing the short stay Inpatient Psychiatric IMD utilization at the non-IMD per diem resulted in an increase to SBH Inpatient services of 2.8% in FFY 2017 (non-Expansion only) and 4.3% in FFY 2018.

**TABLE 21**

IMD INPATIENT PSYCHIATRIC SHORT STAYS							
Time Period	User Months	IP Psych Overnight Stay Service		Non-IP Psych Service		All Services	
		Cost	Cost Per User Month	Cost	Cost Per User Month	Cost	Cost Per User Month
FFY 2017	8,110	\$19,915,755	\$2,455.70	\$4,278,327	\$527.54	\$24,194,082	\$2,983.24
FFY 2018	19,567	\$63,877,339	\$3,264.54	\$12,672,408	\$647.64	\$76,549,747	\$3,912.19

**TABLE 22**

IMD INPATIENT PSYCHIATRIC LONG STAYS							
Time Period	User Months	IP Psych Overnight Stay Service		Non-IP Psych Service		All Services	
		Cost	Cost Per User Month	Cost	Cost Per User Month	Cost	Cost Per User Month
FFY 2017	400	\$1,856,676	\$4,641.69	\$289,272	\$723.18	\$2,145,948	\$5,364.87
FFY 2018	639	\$4,826,605	\$7,553.37	\$780,883	\$1,222.04	\$5,607,487	\$8,775.41

**Retroactive Eligibility Adjustment**

MCOs are liable for all claims incurred during a retroactive eligibility period. Eligible members are granted retroactive eligibility, based on their eligibility for Healthy Louisiana, for up to 12 months prior to enrollment in an MCO. The MCO selected by these members receive one capitation payment per month of retroactive enrollment.

Mercer reviewed the retroactive eligibility and claims experience data and developed adjustment factors that were applied to the projected benefit costs. Table 23 shows the impact to the affected rate cells. Additional detail related to this adjustment is presented in Appendix L.

**TABLE 23**

COA	RATE CELL	RETRO % CHANGE
BCC	BCC, All Ages, Female	0.77%
CCM	Chisholm, All Ages, Male & Female	0.12%
SBH - HCBS	SBH - Male & Female, Age 21+	0.17%
Medicaid Expansion	Age 19-64	1.67%

**Withhold Arrangement**

Effective February 1, 2018, a withhold of the monthly capitated payment shall be applied to incentivize quality, health outcomes and value-based payments. The withhold amount will be equal to 2.00% of the monthly capitated payment for PH and basic BH for all MCO members, exclusive of maternity kick payments and the FMP component of the monthly capitated payment. Quality and health outcomes, along with value-based payments will each account for 1.00% (half of the withhold) and are intended to incentivize the MCOs to meet all requirements.

Based on recent Healthy Louisiana MCO performance, Mercer determined that one of the 16 quality or health outcome measures were deemed not reasonably attainable. Due to that one quality and health outcome being deemed not reasonably attainable, there will be an adjustment to the actuarially sound lower bound. For those rate cells impacted by the withhold, a factor of 1.000625 (1.00% \* 1/16 = 0.0625%) will be applied to all impacted rate cells prior to the application of the FMP adjustment in order to comply with the relevant actuarial standards of practice.

**INCENTIVE ARRANGEMENT**

The CMS RDG defines incentive arrangements as “any payment mechanism under which a health plan may receive additional funds over and above the capitation rate it was paid for meeting targets specified in the contract.”

Effective February 1, 2018, MCOs may earn incentive payments up to 5.00%, in total, above the approved capitation payment attributable to the enrollees or services covered by the incentive arrangements implemented by LDH. These incentive payments will support the activities, targets, performance measures or quality-based outcomes specified in LDH’s quality strategy. Mercer will

work with LDH to ensure the incentive arrangement is consistently administered such that it complies with the regulations at 42 CFR 438.6(b)(2).

### RISK CORRIDOR

Due to the increased uncertainty around Hepatitis C-related costs, LDH will implement a risk corridor for Hepatitis C-related pharmacy, physician, and laboratory costs. LDH is working with the MCOs to finalize the details of the risk corridor, but the parameters are anticipated to follow the below:

GAIN OR LOSS	SHARE OF CONTRACTOR LOSS/GAIN	
	CONTRACTOR	LDH
Less than or equal to 1.0% of the aggregate Hepatitis C-related medical component of the risk adjusted capitation payment	100.00%	0.00%
Greater than 1.0% of the aggregate Hepatitis C-related medical component of the risk adjusted capitation payment	1.00%	99.00%

### RISK POOL

Due to the inherent volatility related to the high cost, low frequency drug, Zolgensma®, LDH will implement a risk pool to mitigate the risk that any MCO incurs a disproportionate share of Zolgensma® during the RY 2020 contract period. The risk pool will be budget neutral in aggregate and payments from the risk pool will be based on actual Zolgensma® claims incurred during RY 2020. Additional details regarding the structure of the risk pool for RY 2020 are still being finalized, but it is not anticipated that any adjustments will need to be made to rates due to the risk pool.

### MINIMUM MEDICAL LOSS RATIO (MLR)

In accordance with the MCO Financial Reporting Guide published by LDH, each MCO shall provide an annual MLR report following the end of the MLR reporting year, which shall be a calendar year. An MLR shall be reported in the aggregate, including all medical services covered under the contract. If the aggregate MLR (cost for health care benefits and services and specified quality expenditures) is less than 85.00%, the MCO shall refund LDH the difference.

# 5

## PROJECTED NON-BENEFIT COSTS

### ADMINISTRATIVE EXPENSE LOAD

The actuarially sound capitation rates developed include a provision for MCO administration and other non-medical expenses. Mercer reviewed line item detail of each MCO's administrative expenses, which tied back to the MCO financial reports as well as relied on its professional experience in working with numerous State Medicaid programs to develop the administrative load. This process included consideration for increases in expenses including items such as additional case management due to claims volume, increases in staff compensation over time, and consideration for enrollment growth.

Administrative Expense Load assumptions are summarized by program in Table 24.

**TABLE 24**

ADMINISTRATIVE PMPM BY PROGRAM	
Non-Expansion PH	\$31.08
Non-Expansion SBH	\$5.81
Maternity Kick Payment	\$348.13
Expansion	\$39.04

Due to the expected increase in the number of Medicaid enrollees projected to be treated for Hepatitis C between January 1, 2020 and December 31, 2020, Mercer determined it was necessary to increase the administrative expense load to account for additional Hepatitis C-related case management costs.

Mercer estimated historical Hepatitis C-related case management costs based on the MCO financial reports and developed an add-on commensurate with the expected increase in the number of Medicaid enrollees who will be treated for Hepatitis C between January 1, 2020 and December 31, 2020. A summary of the estimated impact of these changes by rate cell and region are summarized in Table 25.

**TABLE 25**

COA	RATE CELL	FIXED ADMIN PMPM ADD-ON			
		GULF	CAPITAL	SOUTH CENTRAL	NORTH
SSI	Adult 21+ Years	\$1.12	\$0.87	\$0.46	\$0.49
F&C	Child 1-20 Years	\$-	\$-	\$-	\$0.00
F&C	Adult 21+ Years	\$0.08	\$0.06	\$0.04	\$0.03
BCC	BCC, All Ages	\$1.06	\$1.39	\$-	\$-
HCBS	Adult 21+ Years	\$0.20	\$0.45	\$-	\$0.21
Medicaid Expansion	Age 19-64	\$0.37	\$0.26	\$0.17	\$0.13

The load for each rate cell was determined using a fixed and variable cost model. Under this model, a fixed administrative expense is attributed to each rate cell, which reflects program requirements, such as State-mandated staffing, and other indirect operational expenses. Added to this is a variable administrative amount, based on claims volume. This methodology results in administrative expense loads that vary as a percentage by rate cell. The resulting variance in administrative expense determined using this methodology results in a higher allocation of administrative expenses on the rate cells with higher utilization, which is more accurate in reflecting the drivers of plan administration requirements.

#### UNDERWRITING GAIN LOAD

A provision was made in the final rates for underwriting gain. The lower bound reflects an assumption of 1.50% and the upper bound reflects an assumption of 2.50%; the underwriting gain load is calculated prior to the application of FMP adjustments.

#### PREMIUM-BASED TAXES

Final rates also include a provision for Louisiana's 5.50% premium tax.

#### FEDERAL HEALTH INSURANCE PROVIDER FEE (HIPF)

Section 9010 of the ACA established a HIPF, which applies to certain for-profit/tax-paying health insurers. For-profit Medicaid health plans are not exempt from the HIPF, which will become a cost of doing business that is appropriate to recognize in actuarially sound capitation rates.

At the time of this certification, many aspects of the calculation and application of this fee remain uncertain. The HIPF fees associated with calendar year 2020 experience will be calculated and become payable sometime during the third quarter of 2021. As these fees are not yet defined by insurer and by marketplace, no adjustment has been made in the rate range development for the Healthy Louisiana program. An adjustment and revised certification will be considered when the fee amount and impacted entities applicable to this rate period are announced.

# 6

## RISK ADJUSTMENT AND ACUITY ADJUSTMENTS

### RISK ADJUSTMENT

Risk adjustment will be applied to the rates in Appendix A to reflect differences in health status of the members served in each MCO using the Adjusted Clinical Groups (ACG) model. The ACG model uses diagnostic information along with member demographics (age and sex categories) to classify members into mutually exclusive ACG categories, which are indicative of health care resource usage in terms of cost consumption. The State typically updates risk scores semi-annually, but the update timing and frequency may change to account for key program changes and data availability.

The application of the ACG model was tailored to the Healthy Louisiana program by using Louisiana cost experience to determine the relative costs associated with each ACG category. This step produces Louisiana-specific cost weights, which assign a risk score to each member with sufficient experience (six or more months of enrollment with an MCO). An age/gender risk assumption is made for members without an ACG assignment. These member-level risk scores will be aggregated by MCO, producing MCO risk scores, which are adjusted for budget neutrality. The risk adjustment process does not increase nor decrease the overall cost of the program, but can change the distribution across the various Healthy Louisiana MCOs according to the relative risk of their enrolled members. This is consistent with the budget neutrality requirements outlined in 42 CFR 438.5(g). The FMP component of the rates will not be risk adjusted. The FMP component is added to the risk adjusted rate to produce the final rate. Table 26 shows the rate cells that will be risk adjusted.

**TABLE 26**

RISK-ADJUSTED RATE CELLS	
<b>SSI</b>	
Child, 1-20 Years, Male & Female	Adult, 21+ Years, Male & Female
<b>Family and Children (TANF)</b>	
Child, 1-20 Years, Male & Female	Adult, 21+ Years, Male & Female
<b>FCC: All Ages, Male &amp; Female</b>	
<b>LAP; All Ages, Male &amp; Female</b>	
<b>Medicaid Expansion: Ages 19-64</b>	

Separate sets of risk scores are developed for each rate cells and region, except for FCC and LAP where the risk scores are developed on a statewide basis.

For more detail regarding the risk adjustment process, please reference the separate risk-adjustment methodology letter that corresponds with each risk adjustment update.

# 7

## CERTIFICATION OF FINAL RATES

This certification assumes items in the Medicaid State Plan or waiver, as well as the Healthy Louisiana MCO contract, have been approved by CMS.

In preparing the rates shown in Appendix A, Mercer has used and relied upon enrollment, FFS claims, encounter data, reimbursement level, benefit design, and other information supplied by LDH and its fiscal agent. LDH, its fiscal agent, and the Healthy Louisiana MCOs are responsible for the validity and completeness of the data supplied. We have reviewed the data and information for internal consistency and reasonableness, but we did not audit them. In our opinion they are appropriate for the intended purposes. The data reliance attestation shown in Appendix Q has been provided by LDH, and its purpose is to certify the accuracy, completeness, and consistency of the base data. However, if the data and information are incomplete/inaccurate, the values shown in this report may differ significantly from values that would be obtained with accurate and complete information; this may require a later revision to this report.

Because modeling all aspects of a situation or scenario is not possible or practical, Mercer may use summary information, estimates, or simplifications of calculations to facilitate the modeling of future events in an efficient and cost-effective manner. Mercer may also exclude factors or data that are immaterial in our judgment. Use of such simplifying techniques does not, in our judgment, affect the reasonableness, appropriateness, or attainability of the results for the Medicaid program. Actuarial assumptions may also be changed from one certification period to the next because of changes in mandated requirements, program experience, changes in expectations about the future, and other factors. A change in assumptions is not an indication that prior assumptions were unreasonable, inappropriate, or unattainable when they were made.

Mercer certifies the rates in Appendix A, including any risk-sharing mechanisms, were developed in accordance with generally accepted actuarial practices and principles and are appropriate for the Medicaid covered populations and services under the Healthy Louisiana MCO contract. The undersigned actuaries are members of the American Academy of Actuaries and meet its qualification standards to certify to the actuarial soundness of Medicaid managed care capitation rates.

Rates and ranges developed by Mercer are actuarial projections of future contingent events. All estimates are based upon the information and data available at a point in time, and are subject to unforeseen and random events. Therefore, any projection must be interpreted as having a likely, and potentially wide, range of variability from the estimate. Any estimate or projection may not be used or relied upon by any other party or for any other purpose than for which it was issued by Mercer. Mercer is not responsible for the consequences of any unauthorized use. Actual Healthy

Louisiana MCO costs will differ from these projections. Mercer has developed these rates on behalf of LDH to demonstrate compliance with the CMS requirements under 42 CFR 438.4 and accordance with applicable law and regulations. Use of these rate ranges for any purpose beyond that stated may not be appropriate.

Healthy Louisiana MCOs are advised that the use of these rates may not be appropriate for their particular circumstance and Mercer disclaims any responsibility for the use of these rates by Healthy Louisiana MCOs for any purpose. Mercer recommends that any MCO considering contracting with LDH should analyze its own projected medical expense, administrative expense, and any other premium needs for comparison to these rate ranges before deciding whether to contract with LDH.

LDH understands that Mercer is not engaged in the practice of law, or in providing advice on taxation matters. This report, which may include commenting on legal or taxation issues or regulations, does not constitute and is not a substitute for legal or taxation advice. Accordingly, Mercer recommends that LDH secure the advice of competent legal and taxation counsel with respect to any legal or taxation matters related to this report or otherwise.

This certification letter assumes the reader is familiar with the Healthy Louisiana Program, Medicaid eligibility rules, and actuarial rate-setting techniques. It has been prepared exclusively for LDH and CMS, 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 rate projections to understand the technical nature of these results. Mercer is not responsible for, and expressly disclaims liability for, any reliance on this report by third parties.

LDH agrees to notify Mercer within 30 days of receipt of this report if it disagrees with anything contained in this report or is aware of any information or data that would affect the results of this report that has not been communicated or provided to Mercer or incorporated herein. The report will be deemed final and acceptable to LDH if nothing is received by Mercer within such 30-day period.

If you have any questions on any of the above, please feel free to contact Adam Sery at +1 612 642 8606 or Erik Axelsen at +1 404 442 3517 at your convenience.

Sincerely,



Adam Sery FSA, MAAA  
Principal



Erik Axelsen, ASA, MAAA  
Senior Associate

Copy: Daniel Cocran, Chief Financial Officer – LDH  
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Marisa Naquin, Managed Care Finance – LDH  
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F. Ronald Ogborne III, FSA, CERA, MAAA, Partner – Mercer

Region Description	Category of Aid Description	Rate Cell Description	Projected Member Months/Deliveries	Lower Bound PMPM or Cost per Delivery	Final PMPM or Cost per Delivery <sup>1</sup>	Upper Bound PMPM or Cost per Delivery
Gulf	SSI	Newborn, 0-2 Months	129	\$ 44,140.78	\$ 44,163.45	\$ 46,553.39
Gulf	SSI	Newborn, 3-11 Months	1,367	\$ 6,424.79	\$ 6,428.01	\$ 6,846.96
Gulf	SSI	Child, 1-20 Years	127,377	\$ 798.76	\$ 799.21	\$ 854.12
Gulf	SSI	Adult, 21+ Years	276,624	\$ 1,710.18	\$ 1,711.07	\$ 1,825.58
Gulf	Family and Children	Newborn, 0-2 Months	32,751	\$ 2,893.58	\$ 2,894.94	\$ 3,097.26
Gulf	Family and Children	Newborn, 3-11 Months	108,196	\$ 333.70	\$ 333.87	\$ 354.12
Gulf	Family and Children	Child, 1-20 Years	2,086,551	\$ 179.24	\$ 179.34	\$ 191.01
Gulf	Family and Children	Adult, 21+ Years	343,099	\$ 431.50	\$ 431.73	\$ 460.83
Gulf	Foster Care Children	Foster Care, All Ages Male & Female	28,114	\$ 475.52	\$ 475.80	\$ 514.50
Gulf	Breast and Cervical Cancer	BCC, All Ages Female	987	\$ 2,571.21	\$ 2,572.61	\$ 2,834.90
Gulf	LaCHIP Affordable Plan	All Ages	7,182	\$ 228.22	\$ 228.35	\$ 244.35
Gulf	HCBS Waiver	20 & Under, Male and Female	2,091	\$ 2,138.20	\$ 2,139.41	\$ 2,287.59
Gulf	HCBS Waiver	21+ Years, Male and Female	5,256	\$ 1,534.27	\$ 1,535.14	\$ 1,691.41
Gulf	Chisholm Class Members	Chisholm, All Ages Male & Female	11,148	\$ 1,429.88	\$ 1,430.71	\$ 1,517.25
Gulf	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	8,667	\$ 232.51	\$ 232.51	\$ 240.87
Gulf	SBH - Duals & LaHIPP (Duals)	SBH - Dual Eligible & LaHIPP, All Ages (Duals)	423,546	\$ 34.10	\$ 34.10	\$ 36.34
Gulf	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	6,068	\$ 138.47	\$ 138.47	\$ 141.93
Gulf	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	10,053	\$ 66.22	\$ 66.22	\$ 69.80
Gulf	SBH - Other	SBH - Other, All Ages	7,519	\$ 181.78	\$ 181.78	\$ 189.52
Gulf	Maternity Kick Payment	Maternity Kick Payment	6,537	\$ 13,934.18	\$ 13,934.18	\$ 14,590.37
Gulf	Maternity Kick Payment - EED Kick Payment	EED Kick Payment	1	\$ 5,633.51	\$ 5,633.51	\$ 5,747.00
Gulf	Medicaid Expansion	Age 19 - 64	1,783,899	\$ 622.85	\$ 623.16	\$ 663.96
Gulf	Medicaid Expansion	SBH - Dual Eligible & LaHIPP, All Ages (Duals)	6,701	\$ 34.10	\$ 34.10	\$ 36.34
Gulf	Medicaid Expansion	SBH - Other	245	\$ 181.78	\$ 181.78	\$ 189.52
Gulf	Medicaid Expansion	SBH - CCM, All Ages	186	\$ 232.51	\$ 232.51	\$ 240.87
Gulf	Medicaid Expansion	High Needs	597	\$ 1,741.92	\$ 1,741.92	\$ 1,863.57
Gulf	Medicaid Expansion - Maternity Kick Payment	Maternity Kick Payment	3,285	\$ 13,934.18	\$ 13,934.18	\$ 14,590.37
Gulf	Medicaid Expansion - EED Kick Payment	EED Kick Payment	1	\$ 5,633.51	\$ 5,633.51	\$ 5,747.00
Capital	SSI	Newborn, 0-2 Months	116	\$ 44,626.98	\$ 44,649.95	\$ 47,044.87
Capital	SSI	Newborn, 3-11 Months	1,547	\$ 6,415.83	\$ 6,419.05	\$ 6,837.90
Capital	SSI	Child, 1-20 Years	96,661	\$ 846.03	\$ 846.52	\$ 907.36
Capital	SSI	Adult, 21+ Years	190,550	\$ 1,674.24	\$ 1,675.18	\$ 1,796.78
Capital	Family and Children	Newborn, 0-2 Months	28,051	\$ 2,966.23	\$ 2,967.69	\$ 3,186.91
Capital	Family and Children	Newborn, 3-11 Months	98,576	\$ 297.15	\$ 297.31	\$ 316.68
Capital	Family and Children	Child, 1-20 Years	1,849,511	\$ 191.42	\$ 191.53	\$ 204.60
Capital	Family and Children	Adult, 21+ Years	286,778	\$ 463.30	\$ 463.55	\$ 495.42
Capital	Foster Care Children	Foster Care, All Ages Male & Female	45,152	\$ 478.11	\$ 478.39	\$ 517.12
Capital	Breast and Cervical Cancer	BCC, All Ages Female	1,503	\$ 2,542.80	\$ 2,544.18	\$ 2,806.18
Capital	LaCHIP Affordable Plan	All Ages	12,010	\$ 218.04	\$ 218.16	\$ 234.06
Capital	HCBS Waiver	20 & Under, Male and Female	2,215	\$ 2,162.42	\$ 2,163.65	\$ 2,312.08
Capital	HCBS Waiver	21+ Years, Male and Female	4,664	\$ 1,540.60	\$ 1,541.48	\$ 1,697.81
Capital	Chisholm Class Members	Chisholm, All Ages Male & Female	7,981	\$ 1,422.05	\$ 1,422.88	\$ 1,509.33
Capital	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	9,510	\$ 219.20	\$ 219.20	\$ 227.41
Capital	SBH - Duals & LaHIPP (Duals)	SBH - Dual Eligible & LaHIPP, All Ages (Duals)	331,681	\$ 26.52	\$ 26.52	\$ 28.19
Capital	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	6,698	\$ 114.79	\$ 114.79	\$ 117.99
Capital	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	9,436	\$ 67.71	\$ 67.71	\$ 71.31
Capital	SBH - Other	SBH - Other, All Ages	10,313	\$ 171.67	\$ 171.67	\$ 179.29
Capital	Maternity Kick Payment	Maternity Kick Payment	5,897	\$ 11,049.35	\$ 11,049.35	\$ 11,597.61
Capital	Maternity Kick Payment - EED Kick Payment	EED Kick Payment	1	\$ 4,113.99	\$ 4,113.99	\$ 4,208.81
Capital	Medicaid Expansion	Age 19 - 64	1,333,310	\$ 676.84	\$ 677.20	\$ 724.31
Capital	Medicaid Expansion	SBH - Dual Eligible & LaHIPP, All Ages (Duals)	4,281	\$ 26.52	\$ 26.52	\$ 28.19
Capital	Medicaid Expansion	SBH - Other	528	\$ 171.67	\$ 171.67	\$ 179.29
Capital	Medicaid Expansion	SBH - CCM, All Ages	180	\$ 219.20	\$ 219.20	\$ 227.41
Capital	Medicaid Expansion	High Needs	759	\$ 1,871.99	\$ 1,871.99	\$ 2,003.84
Capital	Medicaid Expansion - Maternity Kick Payment	Maternity Kick Payment	2,596	\$ 11,049.35	\$ 11,049.35	\$ 11,597.61
Capital	Medicaid Expansion - EED Kick Payment	EED Kick Payment	1	\$ 4,113.99	\$ 4,113.99	\$ 4,208.81

Region Description	Category of Aid Description	Rate Cell Description	Projected Member Months/Deliveries	Lower Bound PMPM or Cost per Delivery	Final PMPM or Cost per Delivery <sup>1</sup>	Upper Bound PMPM or Cost per Delivery
South Central	SSI	Newborn, 0-2 Months	103	\$ 44,274.15	\$ 44,296.90	\$ 46,688.20
South Central	SSI	Newborn, 3-11 Months	1,496	\$ 6,570.57	\$ 6,573.88	\$ 6,994.33
South Central	SSI	Child, 1-20 Years	106,874	\$ 754.67	\$ 755.11	\$ 808.79
South Central	SSI	Adult, 21+ Years	243,819	\$ 1,435.78	\$ 1,436.59	\$ 1,540.83
South Central	Family and Children	Newborn, 0-2 Months	32,093	\$ 2,923.78	\$ 2,925.37	\$ 3,164.65
South Central	Family and Children	Newborn, 3-11 Months	107,942	\$ 303.44	\$ 303.61	\$ 324.72
South Central	Family and Children	Child, 1-20 Years	2,022,019	\$ 184.40	\$ 184.51	\$ 197.59
South Central	Family and Children	Adult, 21+ Years	316,953	\$ 413.05	\$ 413.28	\$ 442.53
South Central	Foster Care Children	Foster Care, All Ages Male & Female	52,134	\$ 474.77	\$ 475.05	\$ 513.74
South Central	Breast and Cervical Cancer	BCC, All Ages Female	889	\$ 2,534.08	\$ 2,535.45	\$ 2,797.36
South Central	LaCHIP Affordable Plan	All Ages	10,405	\$ 213.42	\$ 213.54	\$ 229.39
South Central	HCBS Waiver	20 & Under, Male and Female	2,339	\$ 2,073.11	\$ 2,074.28	\$ 2,221.80
South Central	HCBS Waiver	21+ Years, Male and Female	6,191	\$ 1,540.20	\$ 1,541.08	\$ 1,697.41
South Central	Chisholm Class Members	Chisholm, All Ages Male & Female	10,150	\$ 1,286.69	\$ 1,287.43	\$ 1,372.50
South Central	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	8,913	\$ 200.89	\$ 200.89	\$ 208.91
South Central	SBH - Duals & LaHIPP (Duals)	SBH - Dual Eligible & LaHIPP, All Ages (Duals)	412,860	\$ 26.42	\$ 26.42	\$ 28.08
South Central	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	6,286	\$ 67.08	\$ 67.08	\$ 69.76
South Central	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	10,889	\$ 66.98	\$ 66.98	\$ 70.58
South Central	SBH - Other	SBH - Other, All Ages	10,633	\$ 186.95	\$ 186.95	\$ 194.74
South Central	Maternity Kick Payment	Maternity Kick Payment	6,304	\$ 9,153.57	\$ 9,153.57	\$ 9,689.29
South Central	Maternity Kick Payment - EED Kick Payment	EED Kick Payment	1	\$ 2,371.84	\$ 2,371.84	\$ 2,464.49
South Central	Medicaid Expansion	Age 19 - 64	1,473,191	\$ 590.93	\$ 591.25	\$ 632.84
South Central	Medicaid Expansion	SBH - Dual Eligible & LaHIPP, All Ages (Duals)	5,687	\$ 26.42	\$ 26.42	\$ 28.08
South Central	Medicaid Expansion	SBH - Other	321	\$ 186.95	\$ 186.95	\$ 194.74
South Central	Medicaid Expansion	SBH - CCM, All Ages	143	\$ 200.89	\$ 200.89	\$ 208.91
South Central	Medicaid Expansion	High Needs	333	\$ 2,372.79	\$ 2,372.79	\$ 2,570.12
South Central	Medicaid Expansion - Maternity Kick Payment	Maternity Kick Payment	3,236	\$ 9,153.57	\$ 9,153.57	\$ 9,689.29
South Central	Medicaid Expansion - EED Kick Payment	EED Kick Payment	1	\$ 2,371.84	\$ 2,371.84	\$ 2,464.49
North	SSI	Newborn, 0-2 Months	13	\$ 43,161.63	\$ 43,183.68	\$ 45,563.60
North	SSI	Newborn, 3-11 Months	1,251	\$ 6,335.62	\$ 6,338.79	\$ 6,756.82
North	SSI	Child, 1-20 Years	119,859	\$ 765.14	\$ 765.58	\$ 815.27
North	SSI	Adult, 21+ Years	225,959	\$ 1,365.34	\$ 1,366.11	\$ 1,464.12
North	Family and Children	Newborn, 0-2 Months	23,108	\$ 2,508.16	\$ 2,509.43	\$ 2,697.81
North	Family and Children	Newborn, 3-11 Months	74,544	\$ 311.47	\$ 311.64	\$ 332.28
North	Family and Children	Child, 1-20 Years	1,523,585	\$ 201.06	\$ 201.17	\$ 215.59
North	Family and Children	Adult, 21+ Years	228,817	\$ 409.46	\$ 409.69	\$ 440.10
North	Foster Care Children	Foster Care, All Ages Male & Female	33,839	\$ 502.16	\$ 502.45	\$ 541.43
North	Breast and Cervical Cancer	BCC, All Ages Female	1,097	\$ 2,500.25	\$ 2,501.60	\$ 2,763.17
North	LaCHIP Affordable Plan	All Ages	8,836	\$ 214.97	\$ 215.09	\$ 230.96
North	HCBS Waiver	20 & Under, Male and Female	1,568	\$ 2,060.59	\$ 2,061.75	\$ 2,209.14
North	HCBS Waiver	21+ Years, Male and Female	4,967	\$ 1,544.11	\$ 1,544.99	\$ 1,701.36
North	Chisholm Class Members	Chisholm, All Ages Male & Female	7,681	\$ 1,352.68	\$ 1,353.47	\$ 1,439.21
North	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	7,519	\$ 196.56	\$ 196.56	\$ 204.52
North	SBH - Duals & LaHIPP (Duals)	SBH - Dual Eligible & LaHIPP, All Ages (Duals)	335,470	\$ 32.76	\$ 32.76	\$ 34.90
North	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	3,792	\$ 86.94	\$ 86.94	\$ 89.83
North	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	7,598	\$ 70.04	\$ 70.04	\$ 73.67
North	SBH - Other	SBH - Other, All Ages	9,476	\$ 174.25	\$ 174.25	\$ 181.90
North	Maternity Kick Payment	Maternity Kick Payment	4,560	\$ 11,091.18	\$ 11,091.18	\$ 11,679.49
North	Maternity Kick Payment - EED Kick Payment	EED Kick Payment	1	\$ 3,636.87	\$ 3,636.87	\$ 3,738.62
North	Medicaid Expansion	Age 19 - 64	1,182,206	\$ 553.56	\$ 553.86	\$ 592.93
North	Medicaid Expansion	SBH - Dual Eligible & LaHIPP, All Ages (Duals)	3,047	\$ 32.76	\$ 32.76	\$ 34.90
North	Medicaid Expansion	SBH - Other	220	\$ 174.25	\$ 174.25	\$ 181.90
North	Medicaid Expansion	SBH - CCM, All Ages	126	\$ 196.56	\$ 196.56	\$ 204.52
North	Medicaid Expansion	High Needs	362	\$ 1,305.98	\$ 1,305.98	\$ 1,403.10
North	Medicaid Expansion - Maternity Kick Payment	Maternity Kick Payment	2,586	\$ 11,091.18	\$ 11,091.18	\$ 11,679.49
North	Medicaid Expansion - EED Kick Payment	EED Kick Payment	1	\$ 3,636.87	\$ 3,636.87	\$ 3,738.62

**Note:**  
1. Where applicable, final rates have been adjusted to account for the portion of contractual withholds that Mercer has determined to be reasonably attainable.

Covered Populations					
Aid Category Description	Type Case Description	Adult/Child/All Ages	Mandatory	Voluntary Opt-In	SBH & NEMT
<b>CCM*</b>					
<b>Dual Eligibles**</b>					
<b>ABD (Aged, Blind, and Disabled)</b>					
Acute Care Hospitals (LOS > 30 days)		All Ages	•		
ADHC (Adult Day Health Services Waiver)		All Ages		•	
BPL (Walker vs. Bayer)		All Ages	•		
Children's Waiver - Louisiana Children's Choice		All Ages		•	
Community Choice Waiver		All Ages		•	
Disability Medicaid		All Ages	•		
Disabled Adult Child		All Ages	•		
Disabled Widow/Widower (DW/W)		All Ages	•		
Early Widow/Widowers		All Ages	•		
Excess Home Equity Over SIL & NF Fee (Aged)		Adult			•
Excess Home Equity Over SIL & NF Fee (Blind and Disabled)		All Ages			•
Excess Home Equity SSI Under SIL (Aged)		Adult			•
Excess Home Equity SSI Under SIL (Blind and Disabled)		All Ages			•
Excess Home Equity SSI Under SIL-Reg LTC (Aged)		Adult			•
Excess Home Equity SSI Under SIL-Reg LTC (Blind and Disabled)		All Ages			•
Family Opportunity Program		All Ages	•		
Forced Benefits (Aged)		Adult			•
Forced Benefits (Blind)		All Ages			•
Former SSI		All Ages	•		
LaCHIP Phase IV: Non-Citizen Pregnant Women Expansion		All Ages	•		
LTC (Long Term Care) (Aged)		Adult			•
LTC (Long Term Care) (Blind and Disabled)		All Ages			•
LTC MNP/Transfer of Resources (Aged)		Adult			•
LTC MNP/Transfer of Resources (Blind and Disabled)		All Ages			•
LTC Payment Denial/Late Admission Packet (Aged)		Adult			•
LTC Payment Denial/Late Admission Packet (Blind and Disabled)		All Ages			•
LTC Spenddown MNP (Aged)		Adult			•
LTC Spenddown MNP (Blind and Disabled)		All Ages			•
Medicaid Buy-In Working Disabled (Medicaid Purchase Plan)		All Ages	•		
New Opportunities Waiver - SSI		All Ages		•	
New Opportunities Waiver Fund		All Ages		•	
New Opportunities Waiver, non-SSI		All Ages		•	
PICKLE		All Ages	•		
Provisional Medicaid		All Ages	•		
Residential Options Waiver - NON-SSI		All Ages		•	
Residential Options Waiver - SSI		All Ages		•	
Section 4913 Children		All Ages	•		
SGA Disabled W/W/DS		All Ages	•		
SSI (Supplemental Security Income)		All Ages	•		
SSI Children's Waiver - Louisiana Children's Choice		All Ages		•	
SSI Community Choice Waiver		All Ages		•	
SSI Conversion		All Ages	•		
SSI Conversion / Refugee Cash Assistance (RCA) / LIFC Basic		All Ages	•		
SSI New Opportunities Waiver Fund		All Ages		•	
SSI Payment Denial/Late Admission (Aged)		Adult			•
SSI Payment Denial/Late Admission (Blind and Disabled)		All Ages			•
SSI Private ICF/DD Transfer of Resources (Blind and Disabled)		Child			•
SSI Public ICF/DD Transfer of Resources (Blind and Disabled)		Child			•
SSI Transfer of Resource(s)/LTC (Aged)		Adult			•
SSI Transfer of Resource(s)/LTC (Blind and Disabled)		All Ages			•
SSI/ADHC		All Ages		•	
SSI/LTC (Aged)		Adult			•
SSI/LTC (Blind and Disabled)		All Ages			•
SSI/Private ICF/DD (Blind)		Child			•
SSI/Public ICF/DD (Blind)		Child			•
Supports Waiver		All Ages		•	
Supports Waiver SSI		All Ages		•	
Transfer of Resource(s)/LTC (Aged)		Adult			•
Transfer of Resource(s)/LTC (Blind and Disabled)		All Ages			•

Covered Populations					
Aid Category Description	Type Case Description	Adult/Child/All Ages	Mandatory	Voluntary Opt-In	SBH & NEMT
<b>Families and Children</b>					
	Breast and/or Cervical Cancer	All Ages	●		
	CHAMP Child	All Ages	●		
	CHAMP Pregnant Woman (to 133% of FPIG)	All Ages	●		
	CHAMP Pregnant Woman Expansion (to 185% FPIG)	All Ages	●		
	Deemed Eligible	All Ages	●		
	ELE - Food Stamps (Express Lane Eligibility-Food Stamps)	All Ages	●		
	Forced Benefits	All Ages			●
	Former Foster Care children	All Ages	●		
	LaCHIP Affordable Plan	All Ages	●		
	LACHIP Phase 1	All Ages	●		
	LACHIP Phase 2	All Ages	●		
	LACHIP Phase 3	All Ages	●		
	LaCHIP Phase IV: Non-Citizen Pregnant Women Expansion	All Ages	●		
	LIFC Basic	All Ages	●		
	LTC (Long Term Care)	All Ages			●
	LTC Spenddown MNP	All Ages			●
	PAP - Prohibited AFDC Provisions	All Ages	●		
	Pregnant women with income greater than 118% of FPL and less than or equal to 133% of FPL	All Ages	●		
	Public ICF/DD	Child			●
	Regular MNP (Medically Needy Program)	All Ages	●		
	Transitional Medicaid	All Ages	●		
	Youth Aging Out of Foster Care (Chaffee Option)	All Ages	●		
<b>LIFC</b>					
	Grant Review/Child Support Continuance	All Ages	●		
	LIFC - Unemployed Parent / CHAMP	All Ages	●		
	LIFC Basic	All Ages	●		
	Transitional Medicaid	All Ages	●		
<b>Medicaid Expansion</b>					
	Adult Group	All Ages	●		
	Adult Group - High Need	All Ages	●		
<b>Non Traditional</b>					
	CSOC	All Ages	●		
<b>OCS/OYD</b>					
	CHAMP Child	All Ages	●		
	CHAMP Pregnant Woman (to 133% of FPIG)	All Ages	●		
	CHAMP Pregnant Woman Expansion (to 185% FPIG)	All Ages	●		
	Children's Waiver - Louisiana Children's Choice	All Ages		●	
	Forced Benefits	Child			●
	Former SSI	All Ages	●		
	Foster Care IV-E - Suspended SSI	All Ages	●		
	IV-E Foster Care	All Ages	●		
	LACHIP Phase 1	All Ages	●		
	LTC (Long Term Care)	All Ages			●
	LTC (Long Term Care)	Child			●
	New Opportunities Waiver - SSI	All Ages		●	
	New Opportunities Waiver Fund	All Ages		●	
	New Opportunities Waiver, non-SSI	All Ages		●	
	OYD - V Category Child	All Ages	●		
	Private ICF/DD	Child			●
	Public ICF/DD	Child			●
	Regular Foster Care Child	All Ages	●		
	Regular Foster Care Child - MNP	All Ages	●		
	Residential Options Waiver - NON-SSI	All Ages		●	
	Residential Options Waiver - SSI	All Ages		●	
	SSI (Supplemental Security Income)	All Ages	●		
	SSI Children's Waiver - Louisiana Children's Choice	All Ages		●	
	SSI New Opportunities Waiver Fund	All Ages		●	
	SSI/LTC	All Ages			●
	SSI/LTC	Child			●
	SSI/Private ICF/DD	Child			●
	SSI/Public ICF/DD	Child			●
	YAP (Young Adult Program) (OCS/OYD (XIX))	All Ages	●		
	YAP/OYD	All Ages	●		
<b>Presumptive Eligible</b>					
	Adult Group	All Ages	●		
	HPE B/CC	All Ages	●		
	HPE CHAMP	All Ages	●		
	HPE Children under age 19	All Ages	●		
	HPE Former Foster Care	All Ages	●		
	HPE LaCHIP	All Ages	●		
	HPE LaCHIP Unborn	All Ages	●		
	HPE Parent/Caretaker Relative	All Ages	●		
	HPE Pregnant Woman	All Ages	●		
<b>TB</b>					
	Tuberculosis (TB)	All Ages	●		

\* Individuals under the age of 21 otherwise eligible for Medicaid who are listed on the OCDD's Request for Services Registry who are CCM.

\*\* Dual eligibles included in Healthy Louisiana for SBH and NEMT services must be in a mandatory, voluntary opt-in or SBH and NEMT population listed above in Attachment C. They must also be eligible for Medicare, which is identified based on the Medicare Duals Eligibility table supplied by the State's fiscal agent. Dually eligible individuals are represented by Dual Status code 02, 04, and 08.

Excluded Populations		
Aid Category Description	Type Case Description	Adult/Child/All Ages
<b>ABD (Aged, Blind, and Disabled)</b>		
	DD Waiver	All Ages
	Denied SSI Prior Period	All Ages
	Disabled Adults authorized for special hurricane Katrina assistance	All Ages
	EDA Waiver	All Ages
	Excess Home Equity Over SIL & NF Fee (Aged)	Child
	Excess Home Equity SSI Under SIL (Aged)	Child
	Excess Home Equity SSI Under SIL-Reg LTC (Aged)	Child
	Forced Benefits (Aged)	Child
	Forced Benefits (Disabled)	All Ages
	Illegal/Ineligible Aliens Emergency Services	All Ages
	LBHP - Adult 1915(i)	All Ages
	LTC (Long Term Care) (Aged)	Child
	LTC Co-Insurance	All Ages
	LTC MNP/Transfer of Resources (Aged)	Child
	LTC Payment Denial/Late Admission Packet (Aged)	Child
	LTC Spenddown MNP (Aged)	Child
	LTC Spenddown MNP (Income > Facility Fee)	All Ages
	PACE SSI	All Ages
	PACE SSI-related	All Ages
	PCA Waiver	All Ages
	Private ICF/DD (Aged and Disabled)	All Ages
	Private ICF/DD (Blind)	Adult
	Private ICF/DD MNP Transfer of Resources (Blind and Disabled)	Adult
	Private ICF/DD Spenddown Medically Needy Program (Aged and Disabled)	All Ages
	Private ICF/DD Spenddown Medically Needy Program (Blind)	Adult
	Private ICF/DD Spenddown MNP/Income Over Facility Fee	All Ages
	Private ICF/DD Transfer of Resources (Blind and Disabled)	Adult
	Public ICF/DD (Aged and Disabled)	All Ages
	Public ICF/DD (Blind)	Adult
	Public ICF/DD MNP Transfer of Resources (Blind and Disabled)	Adult
	Public ICF/DD Spenddown MNP	All Ages
	Public ICF/DD Spenddown Medically Needy Program (Blind and Disabled)	Adult
	Public ICF/DD Spenddown MNP/Income Over Facility Fee	All Ages
	Public ICF/DD Transfer of Resources (Blind and Disabled)	Adult
	QI-1 (Qualified Individual - 1)	All Ages
	QI-2 (Qualified Individual - 2) (Program terminated 12/31/2002)	All Ages
	SLMB (Specified Low-Income Medicare Beneficiary)	All Ages
	Spenddown MNP	All Ages
	Spenddown Denial of Payment/Late Packet (Aged and Disabled)	All Ages
	Spenddown Denial of Payment/Late Packet (Blind)	Adult
	SSI DD Waiver	All Ages
	SSI Payment Denial/Late Admission (Aged)	Child
	SSI PCA Waiver	All Ages
	SSI Private ICF/DD Transfer of Resources (Blind and Disabled)	Adult
	SSI Public ICF/DD Transfer of Resources (Blind and Disabled)	Adult
	SSI Transfer of Resource(s)/LTC (Aged)	Child
	SSI/EDA Waiver	All Ages
	SSI/LTC (Aged)	Child
	SSI/Private ICF/DD (Aged and Disabled)	All Ages
	SSI/Private ICF/DD (Blind)	Adult
	SSI/Public ICF/DD (Aged and Disabled)	All Ages
	SSI/Public ICF/DD (Blind)	Adult
	Terminated SSI Prior Period	All Ages
	Transfer of Resource(s)/LTC (Aged)	Child

Excluded Populations		
Aid Category Description	Type Case Description	Adult/Child/All Ages
<b>Families and Children</b>		
	DD Waiver	All Ages
	Grant Review	All Ages
	Illegal/Ineligible Aliens Emergency Services	All Ages
	LBHP - Adult 1915(i)	All Ages
	Public ICF/DD	Adult
	Spenddown MNP	All Ages
<b>Family Planning</b>		
	Take Charge Plus	All Ages
<b>GNOCHC</b>		
Hurricane Evacuees		
All Ages		
<b>Med Asst/Appeal</b>		
	Community Choice Waiver	All Ages
	LTC (Long Term Care)	All Ages
	PCA Waiver	All Ages
	Regular MNP (Medically Needy Program)	All Ages
	State Retirees	All Ages
<b>Non Traditional</b>		
	Family Planning, New eligibility / Non LaMOMS	All Ages
	Family Planning, Previous LaMOMS eligibility	All Ages
<b>OCS/OYD</b>		
	DD Waiver	All Ages
	Forced Benefits	Adult
	LTC (Long Term Care)	Adult
	OCS Child Under Age 18 (State Funded)	All Ages
	OYD (Office of Youth Development)	All Ages
	Private ICF/DD	Adult
	Public ICF/DD	Adult
	SSI DD Waiver	All Ages
	SSI/LTC	Adult
	SSI/Private ICF/DD	Adult
	SSI/Public ICF/DD	Adult
	YAP (Young Adult Program) (OCS/OYD Child)	All Ages
<b>Presumptive Eligible</b>		
	HPE Family Planning	All Ages
	HPE Take Charge Plus	All Ages
<b>QMB</b>		
<b>Refugee Asst</b>		
	Forced Benefits	All Ages
	Regular MNP (Medically Needy Program)	All Ages
	SSI Conversion / Refugee Cash Assistance (RCA) / LIFC Basic	All Ages

**Table 1: PH and Expansion Programs**

Medicaid Category of Service	Units of Measurement	IBNR Category Mapping
Inpatient Hospital	Days	Inpatient
Outpatient Hospital	Claims	Outpatient
Primary Care Physician	Visits	Physician and Other
Specialty Care Physician	Visits	Physician and Other
Federally Qualified Health Center/Rural Health Clinic	Visits	Physician and Other
EPSDT	Visits	Physician and Other
Certified Nurse Practitioners/Clinical Nurse	Claims	Physician and Other
Lab/Radiology	Units	Physician and Other
Home Health	Visits	Physician and Other
Emergency Transportation	Units	Transportation and SBH
NEMT	Units	Transportation and SBH
Rehabilitation Services (Occupational Therapy, Physical Therapy, Speech Therapy)	Visits	Physician and Other
DME	Units	Physician and Other
Clinic	Claims	Physician and Other
Family Planning	Visits	Physician and Other
Other	Units	Physician and Other
Prescribed Drugs	Scripts	Prescribed Drugs
Emergency Room	Visits	Outpatient
Basic Behavioral Health	Claims	Physician and Other
Hospice*	Admits	Inpatient
Personal Care Services (Age 0–20)	Units	Physician and Other
Inpatient Services — Mental Health	Days	Transportation and SBH
Emergency Room — Mental Health	Visits	Transportation and SBH
Professional/Other — Mental Health	Units	Transportation and SBH

**Table 2: SBH Program**

Medicaid Category of Service	Units of Measurement	IBNR Category Mapping
Inpatient Services — Mental Health	Days	Transportation and SBH
Emergency Room — Mental Health	Visits	Transportation and SBH
Professional/Other — Mental Health	Units	Transportation and SBH
NEMT	Units	Transportation and SBH

Estimates for Contralateral Breast Reduction	
<b>CBR Services</b>	
Projected BCC Member Months	4,476
Projected Recipients Receiving CBR Services	80
<b>PMPM</b>	
1. Tattooing	\$ 0.39
2. New Contralateral Services	\$ 6.25
3. Additional Surgical Costs	\$ 2.89
<b>CBR Adjustment</b>	<b>\$ 9.53</b>
<b>Rating Adjustment</b>	
Statewide BCC Rate	\$ 1,483.19
CBR Adjustment	\$ 9.53
BCC Rate after CBR Adjustment	\$ 1,492.72
<b>Rating Adjustment</b>	<b>0.64%</b>

Estimates for Contralateral Breast Reduction				Adjustment Impact	
Time Period	MMs	PMPM Before Adj	PMPM After Adj	%	PMPM
FFY17 + FFY18	25,265,376	\$ 236.53	\$ 236.53	0.002%	\$ 0.01

1.1.20 LaHIPP Reinstatement Impact				Impact as % of	
Time Period <sup>1</sup>	Historical HLA Encounters	Historical SBH-Dual Expenses	Adjustment Dollar Impact	Historical HLA Encounters	Historical Dual Expenses
FFY17	\$2,991,723,713	\$30,333,723	\$ (159,691)	-0.01%	-0.53%
FFY18	\$4,861,916,325	\$31,689,187	\$ (166,827)	0.00%	-0.53%
<b>Total</b>	<b>\$7,853,640,038</b>	<b>\$62,022,910</b>	<b>\$ (326,517)</b>	<b>0.00%</b>	<b>-0.53%</b>

**Note:**

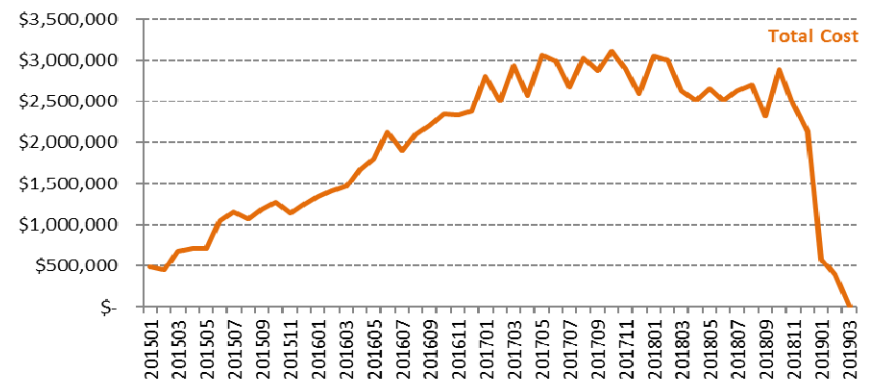
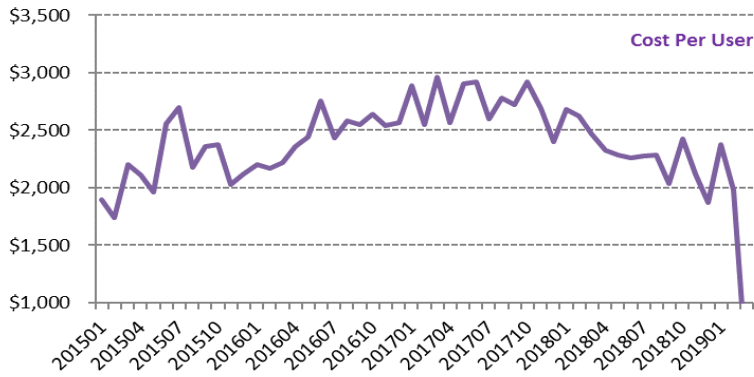
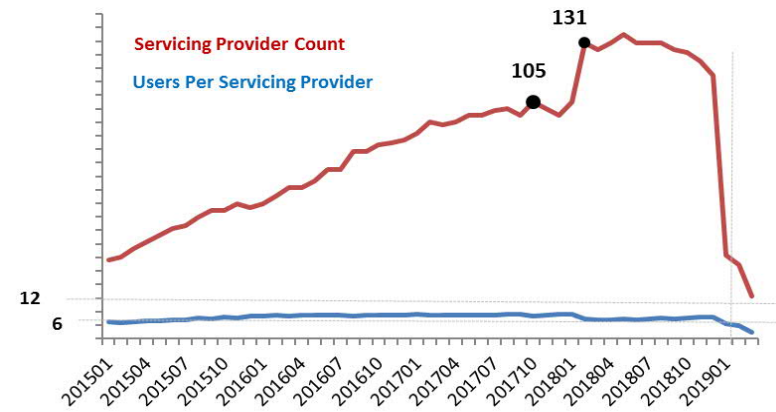
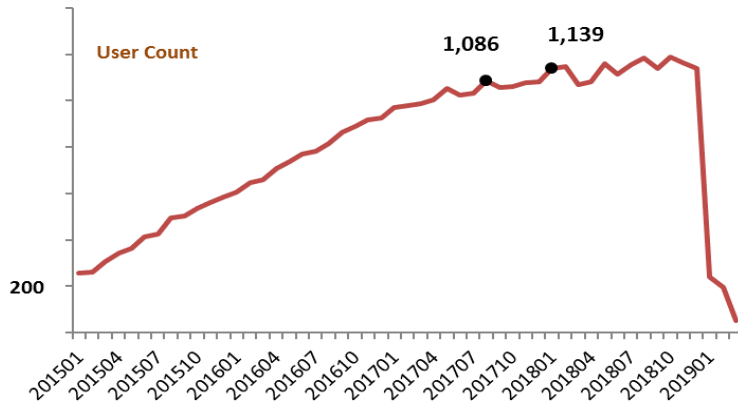
1. FFY17 only reflects Non-Expansion experience while FFY18 reflects both Non-Expansion and Expansion experience.

1.1.20 P-Linkage Change Impact					Impact as % of
Time Period	Historical HLA MMs	Historical HLA Encounters	Adjusted MMs	Adjustment Dollar Impact	Historical HLA Encounters
FFY17	12,840,828	\$ 2,991,723,713	5	\$ 4,327,966	0.14%
FFY18	5,470,290	\$ 1,792,427,980	300	\$ 2,034,935	0.11%
<b>FFY17 + FFY18</b>	<b>18,311,118</b>	<b>\$ 4,784,151,693</b>	<b>305</b>	<b>\$ 6,362,901</b>	<b>0.13%</b>

**Note:**

1. FFY17 only reflects Non-Expansion experience while FFY18 only reflects Expansion experience.

Statewide View



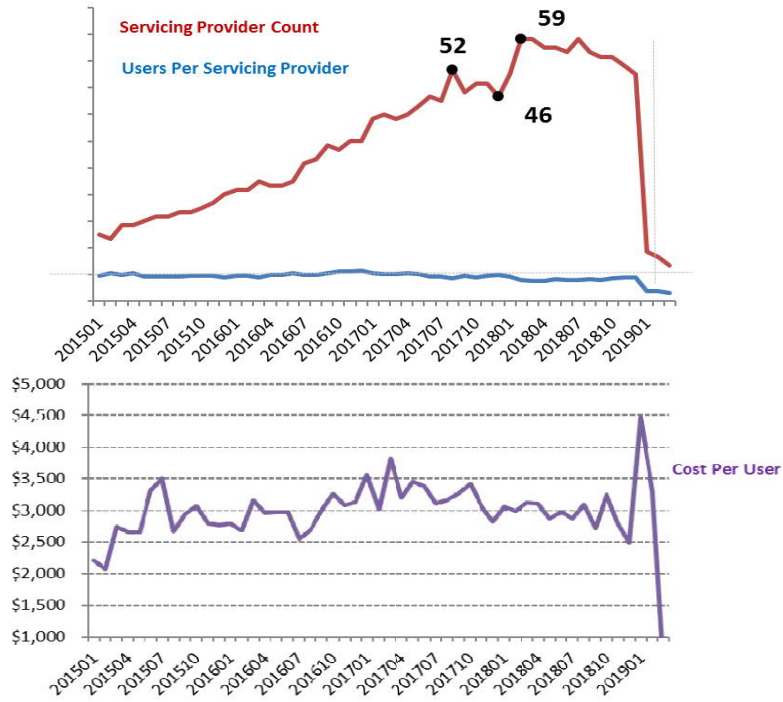
Fee-for-service Experience January 2017 - December 2017			
Provider Count Per Month (Observed Maximum):	[A]		105
Average User Count Per Provider Per Month:	[B]		10
Average Cost Per User Per Month:	[C]	\$	2,741
Average Cost Per Month:	[D]	\$	2,836,835
<b>Total Cost:</b>	<b>[E]</b>	<b>\$</b>	<b>34,042,015</b>

Encounter Experience January 2018 - December 2018			
Provider Count Per Month (Observed Maximum):	[A]		135
Average User Count Per Provider Per Month:	[B]		9
Average Cost Per User Per Month:	[C]	\$	2,305
Average Cost Per Month:	[D]	\$	2,628,509
<b>Total Cost:</b>	<b>[E]</b>	<b>\$</b>	<b>31,542,107</b>

Note:

1. Effective February 1, 2018, Applied Behavioral Analysis is covered under Healthy Louisiana as a Physical Health service.

**Gulf**



**Fee-for-service Experience January 2017 - December 2017**

		Gulf
Provider Count Per Month (Observed Maximum):	[A]	52
Average User Count Per Provider Per Month:	[B]	6
Average Cost Per User Per Month:	[C]	\$ 3,269.45

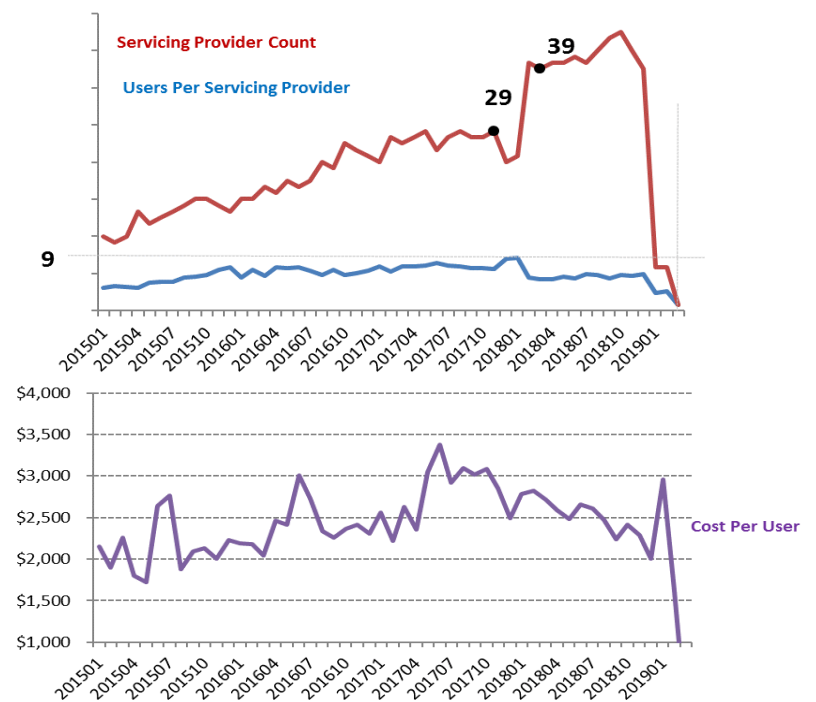
**Encounter Experience January 2018 - December 2018**

		Gulf
Provider Count Per Month (Observed Maximum):	[D]	59
Average User Count Per Provider Per Month:	[E]	5
Average Cost Per User Per Month:	[F]	\$ 2,946.50

**January 2020 - December 2020 Projection**

		Gulf
Provider Count Per Month (Assumed Average):	[G]	59
Assumed Average User Count Per Provider Per Month:	[H]	5
Assumed Average Cost Per User	[I]	\$ 2,946.50
Total Projected Cost Per Month:	[J] = [G]*[H]*[I]	\$ 869,217
<b>Total Projected Cost for All Users</b>		<b>\$ 10,430,599</b>

**Capital**



**Fee-for-service Experience January 2017 - December 2017**

		Capital
Provider Count Per Month (Observed Maximum):	[A]	29
Average User Count Per Provider Per Month:	[B]	7
Average Cost Per User Per Month:	[C]	\$ 2,813.70

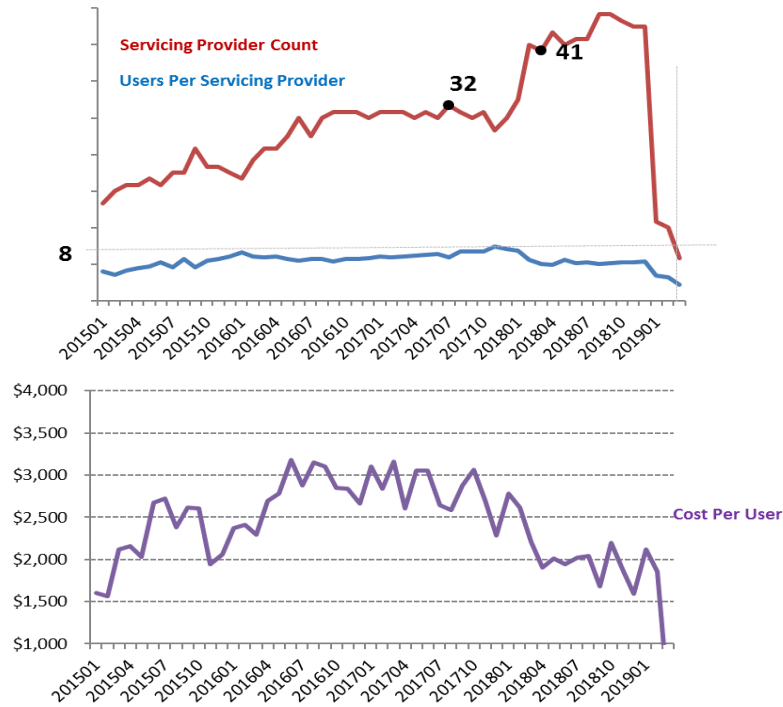
**Encounter Experience January 2018 - December 2018**

		Capital
Provider Count Per Month (Observed Maximum):	[D]	45
Average User Count Per Provider Per Month:	[E]	6
Average Cost Per User Per Month:	[F]	\$ 2,497.93

**January 2020 - December 2020 Projection**

		Capital
Provider Count Per Month (Assumed Average):	[G]	45
Assumed Average User Count Per Provider Per Month:	[H]	6
Assumed Average Cost Per User	[I]	\$ 2,497.93
Total Projected Cost Per Month:	[J] = [G]*[H]*[I]	\$ 674,441
<b>Total Projected Cost for All Users</b>		<b>\$ 8,093,292</b>

South Central



Fee-for-service Experience January 2017 - December 2017 South Central

Provider Count Per Month (Observed Maximum):	[A]	32
Average User Count Per Provider Per Month:	[B]	8
Average Cost Per User Per Month:	[C]	\$ 2,826.60

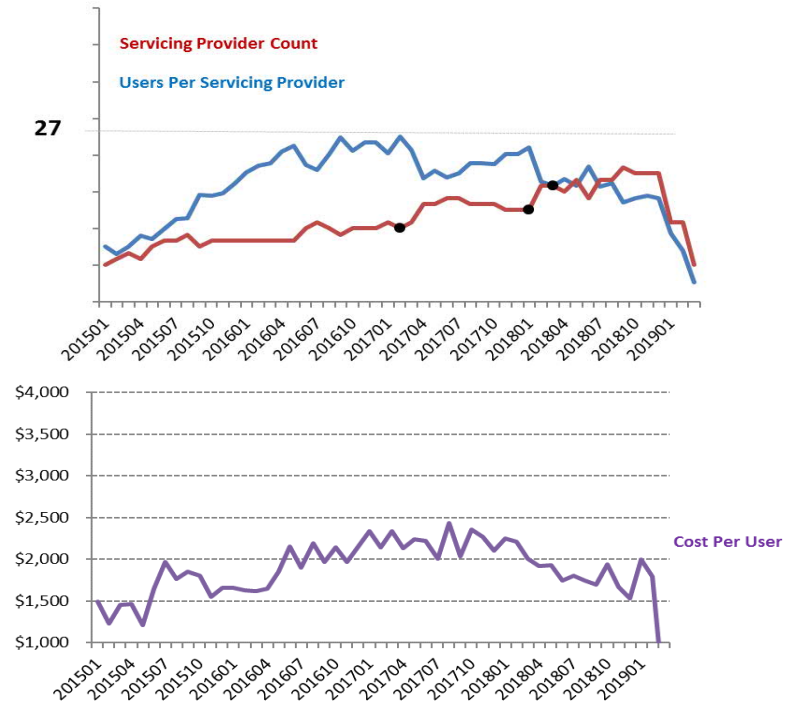
Encounter Experience January 2018 - December 2018 South Central

Provider Count Per Month (Observed Maximum):	[D]	47
Average User Count Per Provider Per Month:	[E]	6
Average Cost Per User Per Month:	[F]	\$ 2,070.73

January 2020 - December 2020 Projection South Central

Provider Count Per Month (Assumed Average):	[G]	47
Assumed Average User Count Per Provider Per Month:	[H]	6
Assumed Average Cost Per User	[I]	\$ 2,070.73
Total Projected Cost Per Month:	[J] = [G]*[H]*[I]	\$ 583,947
<b>Total Projected Cost for All Users</b>		<b>\$ 7,007,359</b>

North



Fee-for-service Experience January 2017 - December 2017 North

Provider Count Per Month (Observed Maximum):	[A]	17
Average User Count Per Provider Per Month:	[B]	23
Average Cost Per User Per Month:	[C]	\$ 2,217.36

Encounter Experience January 2018 - December 2018 North

Provider Count Per Month (Observed Maximum):	[D]	22
Average User Count Per Provider Per Month:	[E]	19
Average Cost Per User Per Month:	[F]	\$ 1,871.15

January 2020 - December 2020 Projection North

Provider Count Per Month (Assumed Average):	[G]	22
Assumed Average User Count Per Provider Per Month:	[H]	19
Assumed Average Cost Per User	[I]	\$ 1,871.15
Total Projected Cost Per Month:	[J] = [G]*[H]*[I]	\$ 782,141
<b>Total Projected Cost for All Users</b>		<b>\$ 9,385,687</b>

		[A]	[B]	[C]	[D]
<b>January 2018 - December 2018 Total Historical Paid Amount</b>		<b>Gulf</b>	<b>Capital</b>	<b>South Central</b>	<b>North</b>
<b>Eligibles to be covered in Healthy Louisiana</b>	<b>[1] = [2] + ... + [10]</b>	<b>\$ 9,575,063</b>	<b>\$ 6,716,539</b>	<b>\$ 6,833,696</b>	<b>\$ 8,284,603</b>
SSI_Child 1 - 20 Years	[2]	\$ 2,332,529	\$ 1,588,770	\$ 2,113,001	\$ 2,978,943
Family & Children_Child 1 - 20 Years	[3]	\$ 2,865,048	\$ 2,187,720	\$ 2,428,346	\$ 2,931,868
Foster Care Children	[4]	\$ 2,550	\$ 111,204	\$ 184,811	\$ 533,745
LaCHIP Affordable Plan, Child	[5]	\$ 80,464	\$ 56,313	\$ 8,143	\$ 16,194
HCBS_Child 1 - 20 Years	[6]	\$ 192,306	\$ 165,423	\$ 31,642	\$ 67,159
CCM_Chisholm, Male & Female, All Ages	[7]	\$ 2,699,604	\$ 1,477,803	\$ 1,156,614	\$ 1,118,087
SBH - CCM_Chisholm, Male & Female, All Ages	[8]	\$ 890,150	\$ 785,983	\$ 694,786	\$ 500,490
SBH - HCBS_Male & Female, Age 20 & Under	[9]	\$ 479,693	\$ 342,122	\$ 104,249	\$ 116,438
SBH - Other_Male & Female, All Ages	[10]	\$ 32,719	\$ 1,201	\$ 112,104	\$ 21,679
<b>All Eligibles to be covered in HLA</b>	<b>[11] = [1]</b>	<b>\$ 9,575,063</b>	<b>\$ 6,716,539</b>	<b>\$ 6,833,696</b>	<b>\$ 8,284,603</b>
<b>January 2020 - December 2020 Projection</b>		<b>Gulf</b>	<b>Capital</b>	<b>South Central</b>	<b>North</b>
<b>All Eligibles to be covered in HLA</b>					
Provider Count Per Month (Assumed Average):	[12]	59	45	47	22
Assumed Average User Count Per Provider Per Month:	[13]	5	6	6	19
Assumed Average Cost Per User	[14]	\$ 2,946.50	\$ 2,497.93	\$ 2,070.73	\$ 1,871.15
Total Projected Cost Per Month:	[15] = [12]*[13]*[14]	\$ 869,217	\$ 674,441	\$ 583,947	\$ 782,141
<b>Total Projected Cost for All Users</b>	<b>[16] = 12*[15]</b>	<b>\$ 10,430,599</b>	<b>\$ 8,093,292</b>	<b>\$ 7,007,359</b>	<b>\$ 9,385,687</b>
<b>Total Projected Cost for All Users -- Statewide</b>	<b>[17]</b>	<b>\$ 34,916,937</b>			
<b>Eligibles to be covered in Healthy Louisiana</b>		<b>\$ 10,430,599</b>	<b>\$ 8,093,292</b>	<b>\$ 7,007,359</b>	<b>\$ 9,385,687</b>
SSI_Child 1 - 20 Years	[18]	\$ 2,540,941	\$ 1,914,435	\$ 2,166,698	\$ 3,374,866
Family & Children_Child 1 - 20 Years	[19]	\$ 3,121,041	\$ 2,636,158	\$ 2,490,057	\$ 3,321,535
Foster Care Children	[20]	\$ 2,778	\$ 133,999	\$ 189,508	\$ 604,684
LaCHIP Affordable Plan, Child	[21]	\$ 87,653	\$ 67,856	\$ 8,350	\$ 18,346
HCBS_Child 1 - 20 Years	[22]	\$ 209,489	\$ 199,331	\$ 32,446	\$ 76,085
CCM_Chisholm, Male & Female, All Ages	[23]	\$ 2,940,815	\$ 1,780,723	\$ 1,186,007	\$ 1,266,689
SBH - CCM_Chisholm, Male & Female, All Ages	[24]	\$ 969,685	\$ 947,093	\$ 712,442	\$ 567,009
SBH - HCBS_Male & Female, Age 20 & Under	[25]	\$ 522,554	\$ 412,250	\$ 106,898	\$ 131,913
SBH - Other_Male & Female, All Ages	[26]	\$ 35,642	\$ 1,447	\$ 114,953	\$ 24,560
<b>January 2020 - December 2020 Projected Claim Expense PMPM</b>		<b>\$ 4.57</b>	<b>\$ 3.97</b>	<b>\$ 3.14</b>	<b>\$ 5.47</b>
SSI_Child 1 - 20 Years	[27]	\$ 19.95	\$ 19.81	\$ 20.27	\$ 28.16
Family & Children_Child 1 - 20 Years	[28]	\$ 1.50	\$ 1.43	\$ 1.23	\$ 2.18
Foster Care Children	[29]	\$ 0.10	\$ 2.97	\$ 3.63	\$ 17.87
LaCHIP Affordable Plan, Child	[30]	\$ 12.21	\$ 5.65	\$ 0.80	\$ 2.08
HCBS_Child 1 - 20 Years	[31]	\$ 100.17	\$ 89.99	\$ 13.87	\$ 48.51
CCM_Chisholm, Male & Female, All Ages	[32]	\$ 263.80	\$ 223.13	\$ 116.84	\$ 164.91
SBH - CCM_Chisholm, Male & Female, All Ages	[33]	\$ 111.88	\$ 99.59	\$ 79.93	\$ 75.41
SBH - HCBS_Male & Female, Age 20 & Under	[34]	\$ 86.12	\$ 61.55	\$ 17.00	\$ 34.78
SBH - Other_Male & Female, All Ages	[35]	\$ 4.74	\$ 0.14	\$ 10.81	\$ 2.59

Table 1: Continuous Glucose Monitors Fees			
CPT Code	Description	Fee	Annualized Cost
A9276	Sensor; invasive (e.g. subcutaneous), disposable, for use with interstitial continuous glucose monitoring system, one unit = 1 day supply. The above description is abbreviated. (Sensor 4pkg with 7 day life)	\$ 300.00	\$ 3,600.00
A9277	Transmitter; external, for use with interstitial continuous glucose monitoring system	\$ 518.66	\$ 518.66
A9278	Receiver (monitor); external, for use with interstitial continuous glucose monitoring system	\$ 488.00	\$ 488.00
<b>Annual Cost Projection</b>			<b>\$ 4,606.66</b>

Table 2: Continuous Glucose Monitors Adjustment				
Population	Potential Users <sup>1</sup>	Penetration Rate	Annualized Fee	Total Annualized Projected Cost
Non-Expansion	342	60%	\$ 4,606.66	\$ 946,068
Expansion	346	60%	\$ 4,606.66	\$ 955,561

**Note:**

1. Potential users were identified using FFY18 data and restricted to recipients according to LDH's eligibility criteria outlined in Health Plan Advisory 18-15.

Service Type	FFS Unit Cost	Hep C Treatment Protocol Change	
		Current Practice	Streamlined Practice
Antibody	\$ 15.62	1	1
RNAs	\$ 46.85	6	2
Genotype	\$ 281.55	1	0
CMP	\$ 9.25	2	1
CBC	\$ 7.73	1	1
INR	\$ 3.92	1	1
Liver tests	\$ 8.93	2	1
Fibrosure	\$ 51.14	1	0
HbsAg	\$ 11.29	1	1
anti-HBs	\$ 11.75	1	1
anti-HBc	\$ 13.18	1	1
Office visit (level 3)	\$ 41.53	7	5
<b>Total</b>		<b>25</b>	<b>15</b>

Impact Calculation	
Current Practice Cost Per User	\$ 1,004.35
Streamlined Practice Cost Per User	\$ 383.02
Discount	-61.9%
Hep C Recipients 2019 Q1 & Q2 (Annualized)	994
Hep C Recipients 2020 (Estimate)	4,719
Adherence to Streamlined Practice Rate	78%
	<u>FFS Pricing</u>
2019 Q1 & Q2 - Annualized Est. Cost Under Current Practice	\$ 998,324
2020 Estimated Cost Under Streamlined Practice	\$ 2,452,524
Change in Cost for 2020	\$ 1,454,200
Percentage Change in Cost	146%

\*The \$1,454,200 impact includes both the Expansion and Non-Expansion populations.

SFY	Non-Expansion Program				Expansion Program			
	Methadone Bundle	Buprenorphine bundle	Tranportation	Total	Methadone Bundle	Buprenorphine bundle	Tranportation	Total
SFY20 <sup>1</sup>	\$1,807,444	\$112,857	\$334,909	\$2,255,210	\$4,394,069	\$274,367	\$814,196	\$5,482,632
SFY21	\$4,072,774	\$254,305	\$757,186	\$5,084,265	\$9,901,302	\$618,240	\$1,840,791	\$12,360,333
Estimated MAT for 1/1/20 - 12/31/20 <sup>2</sup>				\$4,797,343				\$11,662,798

**Notes:**

1. Estimated Cost for 1/20/20 - 6/30/20
2. Estimated cost for MAT for 1/1/20 - 12/31/20 = SFY20 totals + 1/2 x SFY21 totals

Medication Assisted Treatment Adjustment						
Category of Aid	Rate Cell	RY20 Projected MMs	Opioid Abuse Member ID Count <sup>1</sup>	Opioid Abuse Distribution	Distributed MAT Expenditures <sup>2</sup>	MAT PMPM
SSI	0 - 2 Months	361	-	0.0%	\$ -	\$ -
SSI	3 - 11 Months	5,661	-	0.0%	\$ -	\$ -
SSI	Child 1 - 20 Years	450,771	14	0.8%	\$ 38,555	\$ 0.09
SSI	Adult 21+ Years	936,952	749	43.0%	\$ 2,062,692	\$ 2.20
Family & Children	0 - 2 Months	116,002	-	0.0%	\$ -	\$ -
Family & Children	3 - 11 Months	389,257	-	0.0%	\$ -	\$ -
Family & Children	Child 1 - 20 Years	7,481,666	90	5.2%	\$ 247,854	\$ 0.03
Family & Children	Adult 21+ Years	1,175,647	860	49.4%	\$ 2,368,378	\$ 2.01
Foster Care Children	All Ages Male & Female	159,240	16	0.9%	\$ 44,063	\$ 0.28
BCC	BCC, All Ages	4,476	-	0.0%	\$ -	\$ -
LAP	LAP, All Ages	38,432	-	0.0%	\$ -	\$ -
HCBS	Child 1 - 20 Years	8,214	-	0.0%	\$ -	\$ -
HCBS	Adult 21+ Years	21,078	-	0.0%	\$ -	\$ -
CCM	CCM, All Ages	36,960	-	0.0%	\$ -	\$ -
SBH - CCM	SBH - CCM, All Ages	34,609	-	0.0%	\$ -	\$ -
SBH - Duals	SBH - Dual Eligible, All Ages	1,503,558	13	0.7%	\$ 35,801	\$ 0.02
SBH - HCBS	Child 1 - 20 Years	22,845	-	0.0%	\$ -	\$ -
SBH - HCBS	Adult 21+ Years	37,976	-	0.0%	\$ -	\$ -
SBH - Other	SBH - All Ages	37,942	-	0.0%	\$ -	\$ -
Maternity Kick Payment	Maternity Kick Payment	23,298	-	0.0%	\$ -	\$ -
EED Kick Payment	EED Kick Payment	4	-	0.0%	\$ -	\$ -
Medicaid Expansion	Age 19 - 64	5,772,606	3,919	99.8%	\$ 11,642,004	\$ 2.02
Medicaid Expansion	High Needs	2,053	7	0.2%	\$ 20,795	\$ 10.13

**Notes:**

1. Member ID Count corresponds to FFY18 members with Opioid Abuse Diagnosis
2. Distributed expenditures reflect the estimated totals for Non-Expansion and Expansion programs for the CY2020 period.

Annualized RY20 Trends by Major COS								
Rate Cell	PH		Rx		SBH		All Services	
	Low	High	Low	High	Low	High	Low	High
<b>Families &amp; Children</b>								
0-2 Months	1.8%	5.1%	2.4%	5.5%	-4.8%	-1.3%	1.7%	5.1%
3-11 Months	3.1%	5.8%	3.9%	7.0%	-8.4%	-5.4%	3.1%	5.9%
Child	3.4%	5.9%	4.7%	7.8%	-6.9%	-3.7%	1.2%	4.0%
Adult	3.4%	5.8%	7.1%	10.3%	7.4%	11.8%	5.0%	7.9%
<b>Families &amp; Children Total</b>	<b>3.0%</b>	<b>5.7%</b>	<b>5.3%</b>	<b>8.5%</b>	<b>-4.5%</b>	<b>-1.1%</b>	<b>2.2%</b>	<b>5.1%</b>
<b>SSI</b>								
0-2 Months	2.8%	5.9%	0.7%	3.0%	-7.7%	-6.3%	2.8%	5.9%
3-11 Months	2.9%	5.8%	2.8%	6.0%	-7.7%	-6.3%	2.8%	5.8%
Child	3.1%	5.9%	8.3%	11.6%	-6.6%	-5.1%	2.2%	4.9%
Adult	6.0%	8.6%	8.6%	11.8%	4.3%	6.9%	6.7%	9.5%
<b>SSI Total</b>	<b>5.4%</b>	<b>8.0%</b>	<b>8.5%</b>	<b>11.7%</b>	<b>0.3%</b>	<b>2.5%</b>	<b>5.7%</b>	<b>8.5%</b>
<b>HCBS</b>								
Child	2.6%	5.2%	5.5%	8.7%	-5.3%	-3.2%	2.8%	5.5%
Adult	5.0%	9.6%	5.5%	8.7%	3.1%	5.9%	5.0%	8.9%
<b>HCBS Total</b>	<b>3.9%</b>	<b>7.7%</b>	<b>5.5%</b>	<b>8.7%</b>	<b>1.2%</b>	<b>3.9%</b>	<b>4.3%</b>	<b>7.8%</b>
<b>Other Populations</b>								
Foster Care Children	3.0%	6.1%	4.7%	7.9%	-5.7%	-3.0%	-0.6%	2.3%
BCC	5.2%	9.9%	14.1%	17.4%	4.4%	7.1%	7.7%	12.0%
LAP	3.3%	6.4%	5.2%	8.4%	-6.1%	-3.5%	2.8%	5.9%
CCM	2.7%	5.4%	2.9%	6.1%	-6.4%	-4.3%	1.5%	4.2%
<b>SBH Only HCBS</b>								
Child	0.5%	1.5%	0.0%	0.0%	-5.2%	-3.4%	-4.4%	-2.7%
Adult	0.5%	1.5%	0.0%	0.0%	2.7%	4.7%	2.3%	4.2%
<b>SBH Only HCBS Total</b>	<b>0.5%</b>	<b>1.5%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.1%</b>	<b>2.0%</b>	<b>0.1%</b>	<b>2.0%</b>
<b>SBH Only All Other</b>								
SBH - CCM	0.5%	1.5%	0.0%	0.0%	-6.6%	-4.6%	-6.3%	-4.3%
SBH - Duals	0.8%	3.2%	0.0%	0.0%	-7.9%	-5.7%	-4.5%	-2.3%
SBH - Other	0.5%	1.5%	0.0%	0.0%	-3.1%	-1.6%	-2.3%	-0.9%
<b>Maternity Kick Payment</b>								
Maternity Kick Payment	0.0%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%

Annualized RY20 Expansion Trends by Major COS								
Rate Cell	PH		Rx		SBH		All Services	
	Low	High	Low	High	Low	High	Low	High
<b>Medicaid Expansion</b>								
Male & Female Age 19 - 64	3.8%	7.4%	10.1%	13.4%	7.3%	11.2%	6.0%	9.5%
High Needs	3.7%	7.2%	10.1%	13.4%	6.9%	10.9%	6.4%	10.0%

Table 1: Retroactive Eligibility Adjustment Factors Development										
Category of Aid	Rate Cell	Unadjusted Base Data		Retroactive Experience		Adjustment Factors Development				
		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	
		MMs	PMPM	MMs	PMPM	MMs	PMPMs	Observed Retro Adj. Factor	Final Retro Adj. Factor	
SSI	Newborn, 0-2 Months	1,707	\$ 16,583.51	-	\$ -	1,707	\$ 16,583.51	1.000	1.000	
SSI	Newborn, 3-11 Months	13,511	\$ 3,527.41	-	\$ -	13,511	\$ 3,527.41	1.000	1.000	
SSI	Child, 1 - 20 Years	866,647	\$ 533.10	3,096	\$ 95.74	869,743	\$ 531.54	0.997	1.000	
SSI	Adult, 21+ Years	1,787,106	\$ 930.66	10,687	\$ 732.50	1,797,793	\$ 929.49	0.999	1.000	
Family & Children	Newborn, 0-2 Months	241,268	\$ 1,659.88	-	\$ -	241,268	\$ 1,659.88	1.000	1.000	
Family & Children	Newborn, 3-11 Months	842,944	\$ 183.95	-	\$ -	842,944	\$ 183.95	1.000	1.000	
Family & Children	Child, 1 - 20 Years	15,774,652	\$ 120.39	118,874	\$ 66.20	15,893,526	\$ 119.98	0.997	1.000	
Family & Children	Adult, 21+ Years	2,534,572	\$ 255.59	58,599	\$ 197.29	2,593,171	\$ 254.27	0.995	1.000	
Foster Care Children	Foster Care, All Ages, Male & Female	293,069	\$ 350.22	922	\$ 167.93	293,991	\$ 349.65	0.998	1.000	
<b>BCC</b>	<b>BCC, All Ages, Female</b>	<b>13,795</b>	<b>\$ 1,483.19</b>	<b>216</b>	<b>\$ 2,225.89</b>	<b>14,011</b>	<b>\$ 1,494.64</b>	<b>1.008</b>	<b>1.008</b>	
LAP	LAP, Child, Male & Female	75,396	\$ 133.86	55	\$ 53.76	75,451	\$ 133.80	1.000	1.000	
HCBS	Male & Female, Age 20 & Under	9,931	\$ 1,329.38	1	\$ -	9,932	\$ 1,329.25	1.000	1.000	
HCBS	Male & Female, Age 21+	29,687	\$ 1,018.59	-	\$ -	29,687	\$ 1,018.59	1.000	1.000	
<b>CCM</b>	<b>Chisholm, All Ages, Male &amp; Female</b>	<b>61,881</b>	<b>\$ 800.77</b>	<b>423</b>	<b>\$ 939.68</b>	<b>62,304</b>	<b>\$ 801.71</b>	<b>1.001</b>	<b>1.001</b>	
SBH - CCM	SBH - CCM, All Ages	91,823	\$ 102.46	303	\$ 34.49	92,126	\$ 102.23	0.998	1.000	
SBH - Duals	SBH - Dual Eligible, All Ages	2,430,339	\$ 25.52	20,525	\$ 6.30	2,450,864	\$ 25.36	0.994	1.000	
SBH - HCBS	SBH - Male & Female, Age 20 & Under	41,142	\$ 37.85	143	\$ -	41,285	\$ 37.72	0.997	1.000	
<b>SBH - HCBS</b>	<b>SBH - Male &amp; Female, Age 21+</b>	<b>83,305</b>	<b>\$ 46.48</b>	<b>27</b>	<b>\$ 291.03</b>	<b>83,332</b>	<b>\$ 46.56</b>	<b>1.002</b>	<b>1.002</b>	
SBH - Other	SBH - All Ages	72,601	\$ 134.03	716	\$ 51.74	73,317	\$ 133.23	0.994	1.000	
<b>Medicaid Expansion</b>	<b>Age 19 - 64</b>	<b>5,468,579</b>	<b>\$ 327.44</b>	<b>105,280</b>	<b>\$ 617.61</b>	<b>5,573,859</b>	<b>\$ 332.92</b>	<b>1.017</b>	<b>1.017</b>	
Medicaid Expansion	High Needs	1,711	\$ 1,045.84	7	\$ 98.87	1,718	\$ 1,041.98	0.996	1.000	

**Notes:**

1. The retroactive eligibility adjustment does not apply to the newborn rate cells as retroactive experience is included in the base data for these rate cells.

$$E = A + C$$

$$F = ((A * B) + (C * D)) / E$$

$$G = F / B$$

$$H = \text{MAX}(G, 1)$$

2. Non-Expansion base data consists of the time period 10/1/2016 - 9/30/2018.

3. Expansion base data consists of the time period 10/1/2017 - 9/30/2018.

Appendix M: Rate Comparison			7/1/19 Rates				1/1/20 Rates			
Region Description	Category of Aid Description	Rate Cell Description	Projected Member Months/Deliveries	Lower Bound PMPM or Cost per Delivery	Final PMPM or Cost per Delivery <sup>1</sup>	Upper Bound PMPM or Cost per Delivery	Projected Member Months/Deliveries	Lower Bound PMPM or Cost per Delivery	Final PMPM or Cost per Delivery <sup>1</sup>	Upper Bound PMPM or Cost per Delivery
Gulf	SSI	Newborn, 0-2 Months	238	\$ 29,394.76	\$ 29,421.76	\$ 31,210.57	129	\$ 44,140.78	\$ 44,163.45	\$ 46,553.39
Gulf	SSI	Newborn, 3-11 Months	1,677	\$ 5,734.05	\$ 5,739.54	\$ 6,099.13	1,367	\$ 6,424.79	\$ 6,428.01	\$ 6,846.96
Gulf	SSI	Child, 1-20 Years	121,230	\$ 796.81	\$ 797.69	\$ 850.92	127,377	\$ 798.76	\$ 799.21	\$ 854.12
Gulf	SSI	Adult, 21+ Years	259,217	\$ 1,566.69	\$ 1,568.26	\$ 1,667.77	276,624	\$ 1,710.18	\$ 1,711.07	\$ 1,825.58
Gulf	Family and Children	Newborn, 0-2 Months	34,542	\$ 3,240.62	\$ 3,243.19	\$ 3,419.41	32,751	\$ 2,893.58	\$ 2,894.94	\$ 3,097.26
Gulf	Family and Children	Newborn, 3-11 Months	117,040	\$ 313.75	\$ 314.06	\$ 332.33	108,196	\$ 333.70	\$ 333.87	\$ 354.12
Gulf	Family and Children	Child, 1-20 Years	2,187,767	\$ 189.00	\$ 189.21	\$ 202.05	2,086,551	\$ 179.24	\$ 179.34	\$ 191.01
Gulf	Family and Children	Adult, 21+ Years	375,685	\$ 404.23	\$ 404.65	\$ 431.13	343,099	\$ 431.50	\$ 431.73	\$ 460.83
Gulf	Foster Care Children	Foster Care, All Ages Male & Female	28,131	\$ 537.84	\$ 538.47	\$ 579.59	28,114	\$ 475.52	\$ 475.80	\$ 514.50
Gulf	Breast and Cervical Cancer	BCC, All Ages Female	1,418	\$ 2,315.58	\$ 2,318.01	\$ 2,457.32	987	\$ 2,571.21	\$ 2,572.61	\$ 2,834.90
Gulf	LaCHIP Affordable Plan	All Ages	8,259	\$ 226.94	\$ 227.19	\$ 241.95	7,182	\$ 228.22	\$ 228.35	\$ 244.35
Gulf	HCBS Waiver	20 & Under, Male and Female	1,474	\$ 1,876.97	\$ 1,879.01	\$ 2,002.44	2,091	\$ 2,138.20	\$ 2,139.41	\$ 2,287.59
Gulf	HCBS Waiver	21+ Years, Male and Female	4,795	\$ 1,518.99	\$ 1,520.65	\$ 1,627.10	5,256	\$ 1,534.27	\$ 1,535.14	\$ 1,691.41
Gulf	Chisholm Class Members	Chisholm, All Ages Male & Female	9,622	\$ 1,523.80	\$ 1,525.55	\$ 1,606.87	11,148	\$ 1,429.88	\$ 1,430.71	\$ 1,517.25
Gulf	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	10,629	\$ 340.80	\$ 340.80	\$ 356.56	8,667	\$ 232.51	\$ 232.51	\$ 240.87
Gulf	SBH - Duals & LaHIPP (Duals)	SBH - Dual Eligible & LaHIPP, All Ages (Duals)	336,218	\$ 40.22	\$ 40.22	\$ 43.86	423,546	\$ 34.10	\$ 34.10	\$ 36.34
Gulf	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	5,277	\$ 223.58	\$ 223.58	\$ 229.56	6,068	\$ 138.47	\$ 138.47	\$ 141.93
Gulf	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	10,675	\$ 68.76	\$ 68.76	\$ 74.47	10,053	\$ 66.22	\$ 66.22	\$ 69.80
Gulf	SBH - Other	SBH - Other, All Ages	7,377	\$ 177.47	\$ 177.47	\$ 189.37	7,519	\$ 181.78	\$ 181.78	\$ 189.52
Gulf	Maternity Kick Payment	Maternity Kick Payment	7,205	\$ 15,127.22	\$ 15,127.22	\$ 15,770.15	6,537	\$ 13,934.18	\$ 13,934.18	\$ 14,590.37
Gulf	Maternity Kick Payment - EED Kick Payment	EED Kick Payment	1	\$ 7,622.91	\$ 7,622.91	\$ 7,749.46	1	\$ 5,633.51	\$ 5,633.51	\$ 5,747.00
Gulf	Medicaid Expansion	Age 19 - 64	2,118,672	\$ 565.01	\$ 565.58	\$ 602.24	1,783,899	\$ 622.85	\$ 623.16	\$ 663.96
Gulf	Medicaid Expansion	SBH - Dual Eligible & LaHIPP, All Ages (Duals)	5,580	\$ 40.22	\$ 40.22	\$ 43.86	6,701	\$ 34.10	\$ 34.10	\$ 36.34
Gulf	Medicaid Expansion	SBH - Other	122	\$ 177.47	\$ 177.47	\$ 189.37	245	\$ 181.78	\$ 181.78	\$ 189.52
Gulf	Medicaid Expansion	SBH - CCM, All Ages	136	\$ 340.80	\$ 340.80	\$ 356.56	186	\$ 232.51	\$ 232.51	\$ 240.87
Gulf	Medicaid Expansion	High Needs	300	\$ 1,109.52	\$ 1,109.52	\$ 1,188.43	597	\$ 1,741.92	\$ 1,741.92	\$ 1,863.57
Gulf	Medicaid Expansion - Maternity Kick Payment	Maternity Kick Payment	3,532	\$ 15,127.22	\$ 15,127.22	\$ 15,770.15	3,285	\$ 13,934.18	\$ 13,934.18	\$ 14,590.37
Gulf	Medicaid Expansion - EED Kick Payment	EED Kick Payment	1	\$ 7,622.91	\$ 7,622.91	\$ 7,749.46	1	\$ 5,633.51	\$ 5,633.51	\$ 5,747.00
Capital	SSI	Newborn, 0-2 Months	178	\$ 29,844.11	\$ 29,871.67	\$ 31,702.66	116	\$ 44,826.98	\$ 44,849.95	\$ 47,044.87
Capital	SSI	Newborn, 3-11 Months	1,225	\$ 5,709.47	\$ 5,714.92	\$ 6,072.22	1,547	\$ 6,415.83	\$ 6,419.05	\$ 6,837.90
Capital	SSI	Child, 1-20 Years	90,215	\$ 841.01	\$ 841.98	\$ 900.38	96,661	\$ 846.03	\$ 846.52	\$ 907.36
Capital	SSI	Adult, 21+ Years	183,760	\$ 1,524.22	\$ 1,525.85	\$ 1,629.19	190,550	\$ 1,674.24	\$ 1,675.18	\$ 1,796.78
Capital	Family and Children	Newborn, 0-2 Months	31,212	\$ 2,866.33	\$ 2,869.04	\$ 3,057.35	28,051	\$ 2,966.23	\$ 2,967.69	\$ 3,186.91
Capital	Family and Children	Newborn, 3-11 Months	105,087	\$ 288.55	\$ 288.85	\$ 306.85	98,576	\$ 297.15	\$ 297.31	\$ 316.68
Capital	Family and Children	Child, 1-20 Years	1,933,362	\$ 192.32	\$ 192.53	\$ 205.96	1,849,511	\$ 191.42	\$ 191.53	\$ 204.60
Capital	Family and Children	Adult, 21+ Years	307,571	\$ 433.24	\$ 433.70	\$ 462.72	286,778	\$ 463.30	\$ 463.55	\$ 495.42
Capital	Foster Care Children	Foster Care, All Ages Male & Female	42,450	\$ 540.71	\$ 541.34	\$ 582.77	45,152	\$ 478.11	\$ 478.39	\$ 517.12
Capital	Breast and Cervical Cancer	BCC, All Ages Female	1,783	\$ 2,316.47	\$ 2,318.90	\$ 2,458.07	1,503	\$ 2,542.80	\$ 2,544.18	\$ 2,806.18
Capital	LaCHIP Affordable Plan	All Ages	12,199	\$ 221.54	\$ 221.78	\$ 236.48	12,010	\$ 218.04	\$ 218.16	\$ 234.06
Capital	HCBS Waiver	20 & Under, Male and Female	1,341	\$ 1,981.22	\$ 1,983.39	\$ 2,111.53	2,215	\$ 2,162.42	\$ 2,163.65	\$ 2,312.08
Capital	HCBS Waiver	21+ Years, Male and Female	3,746	\$ 1,525.12	\$ 1,526.78	\$ 1,633.82	4,664	\$ 1,540.60	\$ 1,541.48	\$ 1,697.81
Capital	Chisholm Class Members	Chisholm, All Ages Male & Female	7,752	\$ 1,410.33	\$ 1,411.94	\$ 1,493.33	7,981	\$ 1,422.05	\$ 1,422.88	\$ 1,509.33
Capital	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	11,032	\$ 266.52	\$ 266.52	\$ 281.37	9,510	\$ 219.20	\$ 219.20	\$ 227.41
Capital	SBH - Duals & LaHIPP (Duals)	SBH - Dual Eligible & LaHIPP, All Ages (Duals)	267,983	\$ 26.92	\$ 26.92	\$ 29.27	331,681	\$ 26.52	\$ 26.52	\$ 28.19
Capital	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	5,736	\$ 163.39	\$ 163.39	\$ 168.69	6,698	\$ 114.79	\$ 114.79	\$ 117.99
Capital	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	10,602	\$ 68.58	\$ 68.58	\$ 74.31	9,436	\$ 67.71	\$ 67.71	\$ 71.31
Capital	SBH - Other	SBH - Other, All Ages	10,092	\$ 175.32	\$ 175.32	\$ 187.04	10,313	\$ 171.67	\$ 171.67	\$ 179.29
Capital	Maternity Kick Payment	Maternity Kick Payment	6,319	\$ 11,223.90	\$ 11,223.90	\$ 11,783.14	5,897	\$ 11,049.35	\$ 11,049.35	\$ 11,597.61
Capital	Maternity Kick Payment - EED Kick Payment	EED Kick Payment	1	\$ 4,696.28	\$ 4,696.28	\$ 4,806.36	1	\$ 4,113.99	\$ 4,113.99	\$ 4,208.81
Capital	Medicaid Expansion	Age 19 - 64	1,519,852	\$ 644.11	\$ 644.78	\$ 687.68	1,333,310	\$ 676.84	\$ 677.20	\$ 724.31
Capital	Medicaid Expansion	SBH - Dual Eligible & LaHIPP, All Ages (Duals)	3,378	\$ 26.92	\$ 26.92	\$ 29.27	4,281	\$ 26.52	\$ 26.52	\$ 28.19
Capital	Medicaid Expansion	SBH - Other	224	\$ 175.32	\$ 175.32	\$ 187.04	528	\$ 171.67	\$ 171.67	\$ 179.29
Capital	Medicaid Expansion	SBH - CCM, All Ages	147	\$ 266.52	\$ 266.52	\$ 281.37	180	\$ 219.20	\$ 219.20	\$ 227.41
Capital	Medicaid Expansion	High Needs	493	\$ 1,548.84	\$ 1,548.84	\$ 1,652.64	759	\$ 1,871.99	\$ 1,871.99	\$ 2,003.84
Capital	Medicaid Expansion - Maternity Kick Payment	Maternity Kick Payment	2,732	\$ 11,223.90	\$ 11,223.90	\$ 11,783.14	2,596	\$ 11,049.35	\$ 11,049.35	\$ 11,597.61
Capital	Medicaid Expansion - EED Kick Payment	EED Kick Payment	1	\$ 4,696.28	\$ 4,696.28	\$ 4,806.36	1	\$ 4,113.99	\$ 4,113.99	\$ 4,208.81

Appendix M: Rate Comparison			7/1/19 Rates				1/1/20 Rates			
Region Description	Category of Aid Description	Rate Cell Description	Projected Member Months/Deliveries	Lower Bound PMPM or Cost per Delivery	Final PMPM or Cost per Delivery <sup>1</sup>	Upper Bound PMPM or Cost per Delivery	Projected Member Months/Deliveries	Lower Bound PMPM or Cost per Delivery	Final PMPM or Cost per Delivery <sup>1</sup>	Upper Bound PMPM or Cost per Delivery
South Central	SSI	Newborn, 0-2 Months	131	\$ 29,367.78	\$ 29,394.75	\$ 31,180.99	103	\$ 44,274.15	\$ 44,296.90	\$ 46,688.20
South Central	SSI	Newborn, 3-11 Months	1,475	\$ 5,721.48	\$ 5,726.95	\$ 6,085.36	1,496	\$ 6,570.57	\$ 6,573.88	\$ 6,994.33
South Central	SSI	Child, 1-20 Years	100,145	\$ 750.54	\$ 751.40	\$ 802.31	106,874	\$ 755.11	\$ 755.11	\$ 808.79
South Central	SSI	Adult, 21+ Years	227,976	\$ 1,369.15	\$ 1,370.60	\$ 1,462.19	243,819	\$ 1,435.78	\$ 1,436.59	\$ 1,540.83
South Central	Family and Children	Newborn, 0-2 Months	34,171	\$ 3,094.85	\$ 3,097.76	\$ 3,299.69	32,093	\$ 2,923.78	\$ 2,925.37	\$ 3,164.65
South Central	Family and Children	Newborn, 3-11 Months	112,644	\$ 296.64	\$ 296.95	\$ 315.97	107,942	\$ 303.44	\$ 303.61	\$ 324.72
South Central	Family and Children	Child, 1-20 Years	2,139,679	\$ 187.24	\$ 187.45	\$ 200.72	2,022,019	\$ 184.40	\$ 184.51	\$ 197.59
South Central	Family and Children	Adult, 21+ Years	337,789	\$ 395.15	\$ 395.57	\$ 422.03	316,953	\$ 413.05	\$ 413.28	\$ 442.53
South Central	Foster Care Children	Foster Care, All Ages Male & Female	51,106	\$ 539.50	\$ 540.13	\$ 581.08	52,134	\$ 474.77	\$ 475.05	\$ 513.74
South Central	Breast and Cervical Cancer	BCC, All Ages Female	1,139	\$ 2,309.19	\$ 2,311.61	\$ 2,450.38	889	\$ 2,534.08	\$ 2,535.45	\$ 2,797.36
South Central	LaCHIP Affordable Plan	All Ages	11,719	\$ 231.32	\$ 231.57	\$ 246.25	10,405	\$ 213.42	\$ 213.54	\$ 229.39
South Central	HCBS Waiver	20 & Under, Male and Female	1,514	\$ 1,880.22	\$ 1,882.26	\$ 2,005.06	2,339	\$ 2,073.11	\$ 2,074.28	\$ 2,221.80
South Central	HCBS Waiver	21+ Years, Male and Female	4,914	\$ 1,513.34	\$ 1,514.99	\$ 1,620.68	6,191	\$ 1,540.20	\$ 1,541.08	\$ 1,697.41
South Central	Chisholm Class Members	Chisholm, All Ages Male & Female	9,671	\$ 1,370.91	\$ 1,372.47	\$ 1,453.47	10,150	\$ 1,286.69	\$ 1,287.43	\$ 1,372.50
South Central	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	11,112	\$ 280.65	\$ 280.65	\$ 295.98	8,913	\$ 200.89	\$ 200.89	\$ 208.91
South Central	SBH - Duals & LaHIPP (Duals)	SBH - Dual Eligible & LaHIPP, All Ages (Duals)	348,821	\$ 26.53	\$ 26.53	\$ 28.86	412,860	\$ 26.42	\$ 26.42	\$ 28.08
South Central	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	5,313	\$ 66.96	\$ 66.96	\$ 71.36	6,286	\$ 67.08	\$ 67.08	\$ 69.76
South Central	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	11,363	\$ 68.58	\$ 68.58	\$ 74.30	10,889	\$ 66.98	\$ 66.98	\$ 70.58
South Central	SBH - Other	SBH - Other, All Ages	11,397	\$ 177.15	\$ 177.15	\$ 189.02	10,633	\$ 186.95	\$ 186.95	\$ 194.74
South Central	Maternity Kick Payment	Maternity Kick Payment	6,823	\$ 10,318.01	\$ 10,318.01	\$ 10,863.37	6,304	\$ 9,153.57	\$ 9,153.57	\$ 9,689.29
South Central	Maternity Kick Payment - EED Kick Payment	EED Kick Payment	1	\$ 3,952.00	\$ 3,952.00	\$ 4,059.34	1	\$ 2,371.84	\$ 2,371.84	\$ 2,464.49
South Central	Medicaid Expansion	Age 19 - 64	1,683,575	\$ 570.44	\$ 571.02	\$ 608.61	1,473,191	\$ 590.93	\$ 591.25	\$ 632.84
South Central	Medicaid Expansion	SBH - Dual Eligible & LaHIPP, All Ages (Duals)	4,092	\$ 26.53	\$ 26.53	\$ 28.86	5,687	\$ 26.42	\$ 26.42	\$ 28.08
South Central	Medicaid Expansion	SBH - Other	171	\$ 177.15	\$ 177.15	\$ 189.02	321	\$ 186.95	\$ 186.95	\$ 194.74
South Central	Medicaid Expansion	SBH - CCM, All Ages	98	\$ 280.65	\$ 280.65	\$ 295.98	143	\$ 200.89	\$ 200.89	\$ 208.91
South Central	Medicaid Expansion	High Needs	231	\$ 2,679.91	\$ 2,679.91	\$ 2,864.72	333	\$ 2,372.79	\$ 2,372.79	\$ 2,570.12
South Central	Medicaid Expansion - Maternity Kick Payment	Maternity Kick Payment	3,410	\$ 10,318.01	\$ 10,318.01	\$ 10,863.37	3,236	\$ 9,153.57	\$ 9,153.57	\$ 9,689.29
South Central	Medicaid Expansion - EED Kick Payment	EED Kick Payment	1	\$ 3,952.00	\$ 3,952.00	\$ 4,059.34	1	\$ 2,371.84	\$ 2,371.84	\$ 2,464.49
North	SSI	Newborn, 0-2 Months	131	\$ 29,188.75	\$ 29,215.49	\$ 30,984.97	13	\$ 43,161.63	\$ 43,183.68	\$ 45,563.60
North	SSI	Newborn, 3-11 Months	1,724	\$ 5,640.74	\$ 5,646.11	\$ 5,996.94	1,251	\$ 6,335.62	\$ 6,338.79	\$ 6,756.82
North	SSI	Child, 1-20 Years	112,513	\$ 808.23	\$ 809.16	\$ 863.74	119,859	\$ 765.14	\$ 765.58	\$ 815.27
North	SSI	Adult, 21+ Years	211,648	\$ 1,261.26	\$ 1,262.61	\$ 1,348.26	225,959	\$ 1,365.34	\$ 1,366.11	\$ 1,464.12
North	Family and Children	Newborn, 0-2 Months	23,762	\$ 2,746.73	\$ 2,749.21	\$ 2,919.11	23,108	\$ 2,508.16	\$ 2,509.43	\$ 2,697.81
North	Family and Children	Newborn, 3-11 Months	81,600	\$ 280.87	\$ 281.16	\$ 298.49	74,544	\$ 311.47	\$ 311.64	\$ 332.28
North	Family and Children	Child, 1-20 Years	1,621,048	\$ 207.21	\$ 207.45	\$ 222.61	1,523,585	\$ 201.06	\$ 201.17	\$ 215.59
North	Family and Children	Adult, 21+ Years	244,224	\$ 375.70	\$ 376.11	\$ 402.25	228,817	\$ 409.46	\$ 409.69	\$ 440.10
North	Foster Care Children	Foster Care, All Ages Male & Female	33,806	\$ 566.69	\$ 567.35	\$ 609.65	33,839	\$ 502.16	\$ 502.45	\$ 541.43
North	Breast and Cervical Cancer	BCC, All Ages Female	1,396	\$ 2,303.22	\$ 2,305.63	\$ 2,443.83	1,097	\$ 2,500.25	\$ 2,501.60	\$ 2,763.17
North	LaCHIP Affordable Plan	All Ages	8,208	\$ 219.23	\$ 219.47	\$ 234.09	8,836	\$ 214.97	\$ 215.09	\$ 230.96
North	HCBS Waiver	20 & Under, Male and Female	1,288	\$ 1,926.32	\$ 1,928.42	\$ 2,051.39	1,568	\$ 2,060.59	\$ 2,061.75	\$ 2,209.14
North	HCBS Waiver	21+ Years, Male and Female	3,958	\$ 1,529.18	\$ 1,530.85	\$ 1,638.24	4,967	\$ 1,544.11	\$ 1,544.99	\$ 1,701.36
North	Chisholm Class Members	Chisholm, All Ages Male & Female	7,182	\$ 1,397.71	\$ 1,399.31	\$ 1,481.17	7,681	\$ 1,352.68	\$ 1,353.47	\$ 1,439.21
North	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	9,155	\$ 281.51	\$ 281.51	\$ 297.30	7,519	\$ 196.56	\$ 196.56	\$ 204.52
North	SBH - Duals & LaHIPP (Duals)	SBH - Dual Eligible & LaHIPP, All Ages (Duals)	283,730	\$ 33.54	\$ 33.54	\$ 36.52	335,470	\$ 32.76	\$ 32.76	\$ 34.90
North	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	3,333	\$ 123.79	\$ 123.79	\$ 128.88	3,792	\$ 86.94	\$ 86.94	\$ 89.83
North	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	8,646	\$ 69.79	\$ 69.79	\$ 75.62	7,598	\$ 70.04	\$ 70.04	\$ 73.67
North	SBH - Other	SBH - Other, All Ages	9,472	\$ 176.35	\$ 176.35	\$ 187.94	9,476	\$ 174.25	\$ 174.25	\$ 181.90
North	Maternity Kick Payment	Maternity Kick Payment	5,077	\$ 11,566.24	\$ 11,566.24	\$ 12,118.98	4,560	\$ 11,091.18	\$ 11,091.18	\$ 11,679.49
North	Maternity Kick Payment - EED Kick Payment	EED Kick Payment	1	\$ 5,115.99	\$ 5,115.99	\$ 5,224.79	1	\$ 3,636.87	\$ 3,636.87	\$ 3,738.62
North	Medicaid Expansion	Age 19 - 64	1,365,283	\$ 515.48	\$ 516.02	\$ 551.00	1,182,206	\$ 553.56	\$ 553.86	\$ 592.93
North	Medicaid Expansion	SBH - Dual Eligible & LaHIPP, All Ages (Duals)	2,384	\$ 33.54	\$ 33.54	\$ 36.52	3,047	\$ 32.76	\$ 32.76	\$ 34.90
North	Medicaid Expansion	SBH - Other	128	\$ 176.35	\$ 176.35	\$ 187.94	220	\$ 174.25	\$ 174.25	\$ 181.90
North	Medicaid Expansion	SBH - CCM, All Ages	93	\$ 281.51	\$ 281.51	\$ 297.30	126	\$ 196.56	\$ 196.56	\$ 204.52
North	Medicaid Expansion	High Needs	194	\$ 1,416.81	\$ 1,416.81	\$ 1,518.94	362	\$ 1,305.98	\$ 1,305.98	\$ 1,403.10
North	Medicaid Expansion - Maternity Kick Payment	Maternity Kick Payment	2,831	\$ 11,566.24	\$ 11,566.24	\$ 12,118.98	2,586	\$ 11,091.18	\$ 11,091.18	\$ 11,679.49
North	Medicaid Expansion - EED Kick Payment	EED Kick Payment	1	\$ 5,115.99	\$ 5,115.99	\$ 5,224.79	1	\$ 3,636.87	\$ 3,636.87	\$ 3,738.62

Note:

1. Where applicable, final rates have been adjusted to account for the portion of contractual withholds that Mercer has determined to be reasonably attainable.

**Table 1a: FFY 2017 Base Expense**

		Categories of Covered Services that Contain In-Lieu-of Services/Settings					
		Inpatient	Outpatient	Physician	Maternity Kick Payment	Other (PH Services)	Specialized Behavioral Health
In-lieu-of Services/Settings	Covered Services Provided in Skilled Nursing Facilities	\$ 2,045,699	\$ 4,398	\$ 1,209	\$ -	\$ 206	\$ 1,227,793
	Crisis Stabilization Units for All Medicaid Eligible Adults						\$ 73,414
	Inpatient Treatment Provided to Adults age 21 to 64 in an IMD for a short term stay of no more than 15 days						\$ 19,915,755
	Psychiatric Intensive Outpatient Program		\$ -				
<b>In-lieu-of Services/Settings Subtotal</b>		<b>\$ 2,045,699</b>	<b>\$ 4,398</b>	<b>\$ 1,209</b>	<b>\$ -</b>	<b>\$ 206</b>	<b>\$ 21,216,962</b>
<b>State Plan Services/Settings</b>		<b>\$ 435,068,367</b>	<b>\$ 476,266,765</b>	<b>\$ 512,935,535</b>	<b>\$ 186,075,042</b>	<b>\$ 118,374,005</b>	<b>\$ 496,651,509</b>
<b>All Services/Settings</b>		<b>\$ 437,114,066</b>	<b>\$ 476,271,164</b>	<b>\$ 512,936,744</b>	<b>\$ 186,075,042</b>	<b>\$ 118,374,211</b>	<b>\$ 517,868,471</b>

**Table 1b: Percentage of Cost that In-lieu-of Services Represent in each Category of Service (FFY 2017 Base Cost)**

Category of Service	[A]	[B]	[C] = [B]/[A]
	COS Total	In-lieu-of Services Total	In-lieu-of Services Percentage
Inpatient	\$ 437,114,066	\$ 2,045,699	0.5%
Outpatient	\$ 476,271,164	\$ 4,398	0.0%
Physician	\$ 512,936,744	\$ 1,209	0.0%
Transportation	\$ 71,438,292	\$ -	0.0%
Prescribed Drugs	\$ 671,645,723	\$ -	0.0%
Maternity Kick Payment	\$ 186,075,042	\$ -	0.0%
Other (PH Services)	\$ 118,374,211	\$ 206	0.0%
Specialized Behavioral Health	\$ 517,868,471	\$ 21,216,962	4.1%

**Table 2a: FFY 2018 Base Expense**

		Categories of Covered Services that Contain In-Lieu-of Services/Settings					
		Inpatient	Outpatient	Physician	Maternity Kick Payment	Other (PH Services)	Specialized Behavioral Health
In-lieu-of Services/Settings	Physical Health Services Provided in Skilled Nursing Facilities	\$ 6,186,683	\$ 11,257	\$ 1,094	\$ -	\$ 1,676	\$ 1,389,109
	Crisis Stabilization Units for All Medicaid Eligible Adults						\$ -
	Inpatient Treatment Provided to Adults age 21 to 64 in an IMD for a short term stay of no more than 15 days						\$ 63,877,339
	Psychiatric Intensive Outpatient Program		\$ 38,455.27				
<b>In-lieu-of Services/Settings Subtotal</b>		<b>\$ 6,186,683</b>	<b>\$ 49,712</b>	<b>\$ 1,094</b>	<b>\$ -</b>	<b>\$ 1,676</b>	<b>\$ 65,266,448</b>
<b>State Plan Services/Settings</b>		<b>\$ 675,540,109</b>	<b>\$ 946,238,078</b>	<b>\$ 772,601,546</b>	<b>\$ 258,812,121</b>	<b>\$ 228,685,058</b>	<b>\$ 619,976,249</b>
<b>All Services</b>		<b>\$ 681,726,792</b>	<b>\$ 946,287,790</b>	<b>\$ 772,602,640</b>	<b>\$ 258,812,121</b>	<b>\$ 228,686,734</b>	<b>\$ 685,242,697</b>

**Table 2b: Percentage of Cost that In-lieu-of Services Represent in each Category of Service (FFY 2018 Base Cost)**

Category of Service	[A]	[B]	[C] = [B]/[A]
	COS Total	In-lieu-of Services Total	In-lieu-of Services Percentage
Inpatient	\$ 681,726,792	\$ 6,186,683	0.9%
Outpatient	\$ 946,287,790	\$ 49,712	0.0%
Physician	\$ 772,602,640	\$ 1,094	0.0%
Transportation	\$ 106,792,978	\$ -	0.0%
Prescribed Drugs	\$ 1,182,824,242	\$ -	0.0%
Maternity Kick Payment	\$ 258,812,121	\$ -	0.0%
Other (PH Services)	\$ 228,686,734	\$ 1,676	0.0%
Specialized Behavioral Health	\$ 685,242,697	\$ 65,266,448	9.5%

## APPENDIX O: FAMILY PLANNING ADDENDUM

The Louisiana Department of Health (LDH) has contracted with Mercer Government Human Services Consulting (Mercer) to develop actuarially sound capitation rate ranges for the State of Louisiana’s Healthy Louisiana program for the period of January 1, 2020 through December 31, 2020. As part of this work, Mercer was asked to develop the family planning component of the capitation rates using the same data that was used to develop the capitation rate ranges. Appendix O presents an overview of the analyses and methodology used in Mercer’s family planning rate development for the purpose of satisfying the requirements of the Centers for Medicare & Medicaid Services (CMS), in order for LDH to receive the 90.0% federal match for eligible family planning services. This addendum should be read in conjunction with the rate certification letter.

### BASE DATA

The capitation rates were developed using the medical expenses incurred from October 1, 2016 through September 30, 2018 with runout through March 31, 2019, as reported through the Medicaid Management Information Systems (MMIS). All family planning services were assigned to the appropriate rate cells (RCs). Please see the rate certification letter for more details.

### METHODOLOGY FOR IDENTIFYING FAMILY PLANNING SERVICES

Using data from the State’s MMIS, a multi-step process was followed to measure the amount of family planning for the federal fiscal year, region, and rate tier. Each of these steps is described below.

#### 1. Family Planning Service Identification

Family planning can be identified through procedure codes that are specifically indicative of a family planning service. Tables 1 and 2 contain the lists of procedure codes that were used to identify family planning services, solely on a procedure code match basis. Table 1 contains sterilization services and Table 2 contains contraception services.

**TABLE 1: STERILIZATION SERVICES ALWAYS REIMBURSABLE AT THE 90.0% FEDERAL MATCH RATE**

WOMEN	MEN
00851	55250
00921	55450
58565	
58600	
58605	

WOMEN	MEN
58611	
58615	
58670	
58671	

**TABLE 2: CONTRACEPTION SERVICES ALWAYS REIMBURSABLE AT THE 90.0% FEDERAL MATCH RATE**

WOMEN	MEN
11975	A4267 (condoms)
11976	
11977	
57170	
58300	
58301	
A4261	
A4266	
A4268	
A4269	
H1010	
J7304	
J1055	
J1056	
J7300	
J7302	
J7303	
J7306	
J7307	

WOMEN	MEN
S4989	
S4993	

Family planning can also be identified with other procedure codes if the family planning service can be confirmed through the use of contraceptive management diagnosis codes in the V25 series and Z30 series for ICD-9 and ICD-10, respectively. Table 3 contains the list of procedure codes that require a V25 series and Z30 series diagnosis code to be present in order to classify a service as family planning.

**TABLE 3: PROCEDURE CODES THAT REQUIRE A V25 SERIES (ICD-9) OR Z30 SERIES (ICD-10) DIAGNOSES CODE**

CPT/HCPCS CODES THAT MAY OR MAY NOT REPRESENT CONTRACEPTION/STERILIZATION FAMILY PLANNING SERVICES						
00952	76880	99058	99238	99360	A9900	T1023
11981	76977	99070	99239	99371	E1399	
11982	77078	99071	99241	99372	J1885	
11983	77079	99080	99242	99373	G0101	
36415	77080	99144	99243	99383	G0123	
36416	77081	99145	99244	99384	G0141	
57800	77082	99201	99245	99385	H0034	
58100	77083	99202	99251	99386	J3490**	
58340	*	99203	99252	99393	P3000	
58345	88300	99204	99253	99394	P3001	
62311	88302	99205	99254	99395	Q0091	
62319	89310	99211	99255	99396	Q0111	
64435	89321	99212	99261	99401	Q0112	
72190	96372	99213	99262	99402	Q3014	
74000	99000	99214	99263	99403	S0610	
74010	99001	99215	99271	99404	S0612	

**CPT/HCPCS CODES THAT MAY OR MAY NOT REPRESENT CONTRACEPTION/STERILIZATION FAMILY PLANNING SERVICES**

74740	99002	99221	99272	99411	S9445	
74742	99024	99222	99273	99412	S9446	
76830	99050	99223	99274	99420	T1001	
76831	99052	99231	99275	99429	T1002	
76856	99054	99232	99281	A4550	T1013	
76857	99056	99233	99282	A4931	T1015	

\* Also included: 80047–88189 (except 82143)

\*\* Used to indicate SubQ Depro Provera

Professional service claims were classified as family planning if the service contained a procedure code from Table 1 or Table 2, or a procedure code from Table 3 accompanied by a V25 (ICD-9) or Z30 (ICD-10) diagnosis code in either the primary or the secondary position.

**2. Identification of Family Planning Prescription Drug Claims**

In identifying eligible family planning claims from prescription drug data, Mercer identified all drug claims containing one of the HIC3 codes listed in Table 4. These codes have been determined by Mercer’s Pharmacy team to represent those drugs eligible for the enhanced federal match rate.

**TABLE 4: DRUGS ELIGIBLE FOR THE ENHANCED FEDERAL MATCH RATE**

HIC3	HIC3 DESCRIPTION
G8A	Contraceptives, oral
G8B	Contraceptives, implantable
G8C	Contraceptives, injectable
G8D	Abortifacient-progesterone receptor antagonists
G8F	Contraceptives, transdermal
G9A	Contraceptives, intravaginal
G9B	Contraceptives, intravaginal, systemic
X1A	Condoms
X1B	Diaphragms/cervical cap
X1C	Intra-uterine devices (IUD)

## PROCESS OF DEVELOPING FAMILY PLANNING PORTION OF RATE

The methodology used to develop the percentage of the capitation rates attributable to family planning consisted of the following steps:

- Pull encounter data for the family planning services by region, category of aid (COA), RC, and category of service (COS) based on the logic detailed in the above section.
- Summarize the per member per month (PMPM) values for all family planning services at the region, COA, RC, and COS level.
- Develop projected rate year (RY) 2020 family planning service PMPMs by applying appropriate program change adjustments and trend factors to the family planning service base data PMPMs.
- Develop projected RY 2020 family planning service Full Medicaid Pricing (FMP) PMPM add-on by calculating a base FMP PMPM add-on and applying appropriate program change adjustments and trend factors.
- Summarize total projected RY 2020 family planning PMPMs by adding together the claims cost and FMP add-on PMPMs at the region, COA, and RC level.
- Calculate the percentage of the capitation rates attributable to family planning services by dividing the family planning service projected PMPM by the capitation rate PMPM at the region, COA, and RC level.

### Base Data

As stated earlier, Mercer used medical expense data incurred from October 1, 2016 through September 30, 2018 processed through March 31, 2019. The data selected for the family planning PMPM calculations follows the criteria outlined in the above section.

Consistent with RY 2020 Healthy Louisiana rate development, the following adjustments are reflected in the family planning base data:

- Provision for incurred but not reported (IBNR) claims
- Financial adjustments to encounter data for under-reporting

### Program Changes

Program change adjustments recognize the impact of benefit or eligibility changes occurring during or after the base data period. CMS requires the rate-setting methodology used to determine actuarially sound rates incorporate the results of any programmatic changes that have taken place, or are anticipated to take place, between the start of the base period and the conclusion of the contract period. Mercer reviewed the program change adjustments applied in RY 2020 Healthy Louisiana rate setting and determined the following applied to family planning base data:

- Inpatient Hospital fee schedule changes
- Outpatient Hospital fee schedule changes
- Physician-Administered Drugs fee schedule changes
- Federal Qualified Health Center and Rural Health Center fee schedule changes
- LSU Physician fee schedule change
- Long-Acting Reversible Contraception Program
- Local Pharmacy Adjustment
- Wage Verification Disenrollment Adjustment

### **Trend**

Trend is an estimate of the change in the overall cost of providing health care benefits over a finite period of time. A trend factor is necessary to estimate the expenses of providing services in a future period. Using historical plan experience, industry trends, and consideration for commercial health care trends, Mercer developed trend ranges to project the base data to the RY 2020 contract period. The trends applied in the development of family planning PMPMs are consistent with those applied to the populations in RY 2020 Healthy Louisiana rate development.

The annual PMPM trend for all family planning services was 5.1%.

Mercer reviewed the population and benefit packages and determined that no adjustments outside of those mentioned above were required for family planning services.

### **FMP**

Mercer calculated the FMP add-on for eligible Inpatient Hospital, Outpatient Hospital, Ambulance, and Physician services that satisfy the family planning service logic. We then applied provisions for IBNR claims and financial adjustments to encounter data for under-reporting. We trended these dollars to the RY 2020 contract period using the trends applied in the RY 2020 Healthy Louisiana rate development. For full detail on the FMP calculation, please refer to the RY 2020 Healthy Louisiana rate certification letter dated December 23<sup>rd</sup>, 2019.

### **Development of the Percentage of the Capitation Rates Attributable to Family Planning**

The projected family planning claims cost and FMP add-on PMPMs were added together to produce the total family planning PMPM LDH could claim at the enhanced rate. This total projected family planning PMPM was divided by the RY 2020 capitation rate to determine the percent of the capitation rate attributable to family planning. The calculation was performed at the region, COA, and RC level.

Attachment A within this addendum displays the percent of the capitation rates that are attributable to family planning services. These percentages should be applied directly to capitation rates to determine the family planning amount. The resulting family planning amount does not include load for premium tax, administration, or underwriting gain.

The family planning component of the Healthy Louisiana Expansion rates was not calculated due to the fact that Expansion population is already at a Federal medical assistance percentage rate greater than 90.0%.

#### **LIMITATIONS AND CONSIDERATIONS**

In preparing these calculations, Mercer has used and relied upon enrollment, fee-for-service claims, encounter data, and other information supplied by LDH and its fiscal intermediary. LDH and its fiscal intermediary are responsible for the validity and completeness of the data supplied. We have reviewed that 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 attachment A within this addendum may need to be revised accordingly. Use of this information for any purposes beyond that stated may not be appropriate.

Attachment A: Family Planning Rate Summary

Region Description	Category of Aid Description	Rate Cell Description	Family Planning %
Gulf	SSI	0 - 2 Months	0.00%
Gulf	SSI	3 - 11 Months	0.00%
Gulf	SSI	Child 1 - 20 Years	0.22%
Gulf	SSI	Adult 21+ Years	0.09%
Gulf	Family & Children	0 - 2 Months	0.00%
Gulf	Family & Children	3 - 11 Months	0.00%
Gulf	Family & Children	Child 1 - 20 Years	0.71%
Gulf	Family & Children	Adult 21+ Years	2.77%
Gulf	Foster Care Children	All Ages Male & Female	0.42%
Gulf	BCC	BCC, All Ages	0.04%
Gulf	LAP	LAP, All Ages	0.48%
Gulf	HCBS	Child 1 - 20 Years	0.16%
Gulf	HCBS	Adult 21+ Years	0.22%
Gulf	CCM	CCM, All Ages	0.07%
Gulf	SBH - CCM	SBH - CCM, All Ages	0.00%
Gulf	SBH - Duals	SBH - Dual Eligible, All Ages	0.00%
Gulf	SBH - LaHIPP	SBH - LaHIPP, All Ages	0.00%
Gulf	SBH - HCBS	Child 1 - 20 Years	0.00%
Gulf	SBH - HCBS	Adult 21+ Years	0.00%
Gulf	SBH - Other	SBH - All Ages	0.00%
Gulf	Maternity Kick Payment	Maternity Kick Payment	0.30%
Gulf	EED Kick Payment	EED Kick Payment	0.75%
Capital	SSI	0 - 2 Months	0.00%
Capital	SSI	3 - 11 Months	0.00%
Capital	SSI	Child 1 - 20 Years	0.17%
Capital	SSI	Adult 21+ Years	0.09%
Capital	Family & Children	0 - 2 Months	0.00%
Capital	Family & Children	3 - 11 Months	0.00%
Capital	Family & Children	Child 1 - 20 Years	0.67%
Capital	Family & Children	Adult 21+ Years	2.57%
Capital	Foster Care Children	All Ages Male & Female	0.42%
Capital	BCC	BCC, All Ages	0.04%
Capital	LAP	LAP, All Ages	0.50%
Capital	HCBS	Child 1 - 20 Years	0.16%
Capital	HCBS	Adult 21+ Years	0.22%
Capital	CCM	CCM, All Ages	0.07%
Capital	SBH - CCM	SBH - CCM, All Ages	0.00%
Capital	SBH - Duals	SBH - Dual Eligible, All Ages	0.00%
Capital	SBH - LaHIPP	SBH - LaHIPP, All Ages	0.00%
Capital	SBH - HCBS	Child 1 - 20 Years	0.00%
Capital	SBH - HCBS	Adult 21+ Years	0.00%
Capital	SBH - Other	SBH - All Ages	0.00%
Capital	Maternity Kick Payment	Maternity Kick Payment	0.24%
Capital	EED Kick Payment	EED Kick Payment	0.63%

Attachment A: Family Planning Rate Summary

Region Description	Category of Aid Description	Rate Cell Description	Family Planning %
South Central	SSI	0 - 2 Months	0.00%
South Central	SSI	3 - 11 Months	0.00%
South Central	SSI	Child 1 - 20 Years	0.22%
South Central	SSI	Adult 21+ Years	0.10%
South Central	Family & Children	0 - 2 Months	0.00%
South Central	Family & Children	3 - 11 Months	0.00%
South Central	Family & Children	Child 1 - 20 Years	0.78%
South Central	Family & Children	Adult 21+ Years	2.38%
South Central	Foster Care Children	All Ages Male & Female	0.42%
South Central	BCC	BCC, All Ages	0.04%
South Central	LAP	LAP, All Ages	0.52%
South Central	HCBS	Child 1 - 20 Years	0.17%
South Central	HCBS	Adult 21+ Years	0.22%
South Central	CCM	CCM, All Ages	0.08%
South Central	SBH - CCM	SBH - CCM, All Ages	0.00%
South Central	SBH - Duals	SBH - Dual Eligible, All Ages	0.00%
South Central	SBH - LaHIPP	SBH - LaHIPP, All Ages	0.00%
South Central	SBH - HCBS	Child 1 - 20 Years	0.00%
South Central	SBH - HCBS	Adult 21+ Years	0.00%
South Central	SBH - Other	SBH - All Ages	0.00%
South Central	Maternity Kick Payment	Maternity Kick Payment	0.15%
South Central	EED Kick Payment	EED Kick Payment	0.58%
North	SSI	0 - 2 Months	0.00%
North	SSI	3 - 11 Months	0.00%
North	SSI	Child 1 - 20 Years	0.26%
North	SSI	Adult 21+ Years	0.13%
North	Family & Children	0 - 2 Months	0.00%
North	Family & Children	3 - 11 Months	0.00%
North	Family & Children	Child 1 - 20 Years	0.79%
North	Family & Children	Adult 21+ Years	2.68%
North	Foster Care Children	All Ages Male & Female	0.40%
North	BCC	BCC, All Ages	0.04%
North	LAP	LAP, All Ages	0.51%
North	HCBS	Child 1 - 20 Years	0.17%
North	HCBS	Adult 21+ Years	0.22%
North	CCM	CCM, All Ages	0.08%
North	SBH - CCM	SBH - CCM, All Ages	0.00%
North	SBH - Duals	SBH - Dual Eligible, All Ages	0.00%
North	SBH - LaHIPP	SBH - LaHIPP, All Ages	0.00%
North	SBH - HCBS	Child 1 - 20 Years	0.00%
North	SBH - HCBS	Adult 21+ Years	0.00%
North	SBH - Other	SBH - All Ages	0.00%
North	Maternity Kick Payment	Maternity Kick Payment	0.41%
North	EED Kick Payment	EED Kick Payment	1.26%

## APPENDIX P: PREVENTIVE SERVICES ADDENDUM

The Louisiana Department of Health (LDH) has contracted with Mercer Government Human Services Consulting (Mercer) to develop actuarially sound capitation rate ranges for the State of Louisiana's Healthy Louisiana program for the period of January 1, 2020 through December 31, 2020. As part of this work, Mercer was asked to develop the preventive services component of the capitation rates using the same data that was used to develop the capitation rate ranges. Authorized by Section 4106 of the Patient Protection and Affordable Care Act of 2010 (Pub. L. 111-152), clinical preventive services recommended with a grade of A or B by the United States Preventive Services Task Force (USPSTF) and adult immunizations recommended by the Advisory Committee on Immunization Practices will receive a one percentage point increase in their Federal Medical Assistance Percentage (FMAP) for those services. This Appendix presents an overview of the analyses and methodology used in Mercer's preventive services rate development for the purpose of satisfying the requirements of the Centers for Medicare & Medicaid Services (CMS), in order for LDH to receive the +1.0% Federal match for eligible preventive services. This addendum should be read in conjunction with the rate certification letter.

### BASE DATA

Capitation rates for the Healthy Louisiana program were developed using data from Federal fiscal year (FFY) 2017 and FFY 2018. For the Healthy Louisiana Expansion rate cells, Mercer used data from FFY 2018. All data was reported on an incurred basis and included payment dates through March 31, 2019. All preventive services were assigned to the appropriate rate cells. Please see the rate certification letter for more details.

### METHODOLOGY FOR IDENTIFYING PREVENTIVE SERVICES

Using data from the State's Medicaid Management Information Systems (MMIS), a multi-step process was followed to measure the amount of preventive services for the calendar year, region, and rate tier. Each of these steps is described below.

#### 1. Grades A and B Preventive Services Identification

Preventive services can be identified through the list of recommended services by the USPSTF. Mercer and LDH cooperated in identifying corresponding criteria for each service listed by the USPSTF. Attachment A within this addendum contains the list of these services and agreed upon criteria that were used to identify preventive services based on a procedure code, diagnosis code, age, and gender criteria match basis.

**2. Adult Immunization Preventive Services Identification**

According to the USPSTF, immunizations for adults (aged 19 and above) and the administration of those immunizations are eligible for the additional 1.0% Federal match. In identifying eligible preventive services claims from the data, Mercer identified procedure codes related to immunizations listed by the USPSTF. Table 1 shows the procedure codes determined by Mercer’s Clinical team to identify those immunizations eligible for the enhanced Federal match rate.

The administration costs of the immunizations are not directly linked to the procedure codes in Table 1. Therefore, the administration costs were estimated using the units administered, Louisiana’s Medicaid Fee schedule, and the weighted average of the administration procedure codes utilized for people aged 19 and above. Administration procedure codes used include the following: 90471, 90472, 90473, and 90474.

**TABLE 1: PROCEDURE CODES IDENTIFYING ELIGIBLE IMMUNIZATIONS**

CPT/HCPCS CODES FOR ELIGIBLE IMMUNIZATIONS				
90645	90748	90661	90688	90718
90646	90649	90662	90707	90716
90647	90650	90663	90620	90736
90648	90651	90664	90621	
90632	90630	90666	90733	
90739	90653	90667	90734	
90740	90654	90668	90670	
90746	90656	90672	90732	
90747	90658	90673	90714	
90636	90660	90686	90715	

**Process of Developing Preventive Services Portion of Rate**

At a high level, the methodology used to develop the percentage of the capitation rates attributable to preventive services consisted of the following steps:

- Pull encounter data for each preventive service separately by region, category of aid (COA), rate cell (RC), and category of service (COS) based on logic detailed in the above section.

- Using these dollars, summarize the per member per month (PMPM) values for all preventive services in aggregate at the region, COA, RC, and COS level.
- Develop projected rate year (RY) 2020 preventive services PMPMs by applying appropriate program change adjustments and trend factors to the preventive services base data PMPMs.
- Develop projected RY 2020 preventive services Full Medicaid Pricing (FMP) PMPM add-on by calculating a base FMP PMPM add-on and applying appropriate program change adjustments and trend factors.
- Summarize total projected RY 2020 preventive services PMPMs by adding together the claims cost and FMP add-on PMPMs at the region, COA, and RC level.
- Calculate the percentage of the capitation rates attributable to preventive services by dividing the preventive services projected PMPM by the capitation rate PMPMs at the region, COA, and RC level.

### **Base Data**

Mercer used encounter data incurred from October 1, 2016 through September 30, 2018 processed through March 31, 2019. The data selected for the preventive service PMPM calculations satisfied the criteria detailed in the above section.

Since the additional 1.0% FMAP does not apply to Title XXI enrollees, Mercer removed preventive services expenses associated with these members from our preventive services base data.

Consistent with RY 2020 Healthy Louisiana rate development, the following adjustments are reflected in the base data:

- Provision for incurred but not reported (IBNR) claims
- Financial adjustments to encounter data for under-reporting

### **Program Changes**

Program change adjustments recognize the impact of benefit or eligibility changes occurring during and after the base data period. CMS requires the rate-setting methodology used to determine actuarially sound rates incorporate the results of any programmatic changes that have taken place, or are anticipated to take place, between the start of the base period and the conclusion of the contract period. Mercer reviewed the program change adjustments applied in RY 2020 Healthy Louisiana rate setting and determined the following applied to the preventive services base:

- Inpatient Hospital Fee Schedule Changes
- Outpatient Hospital Fee Schedule Changes
- LSU Physician Fee Schedule Changes

- Tobacco Cessation Adjustment
- Expansion Maternity Adjustment

These adjustments were applied to be consistent with the adjustments applied in RY 2020 Healthy Louisiana rate setting. For a complete description of these program change adjustments, please refer to the Healthy Louisiana RY 2020 rate certification letter dated December 23, 2019.

### **Trend**

Trend is an estimate of the change in the overall cost of providing health care benefits over a finite period of time. A trend factor is necessary to estimate the expenses of providing services in a future period. Using historical plan experience, industry trends, and consideration for commercial health care trends, Mercer developed trend ranges to project the base data to the RY 2020 period. The trends applied in the development of preventive services PMPMs are consistent with those that were applied to the populations in RY 2020 Healthy Louisiana rate development.

The annual PMPM trend for all services for the preventive services was 5.0%.

Mercer reviewed the population and benefit packages and determined that no adjustments outside of those mentioned above were required for preventive services.

### **FMP**

Mercer calculated FMP add-on for eligible Inpatient Hospital, Outpatient Hospital, Ambulance, and Physician services that satisfy the preventive service logic. We then applied provisions for IBNR claims and financial adjustments to encounter data for under-reporting. We trended these dollars to the RY 2020 period using the trends applied in the RY 2020 Healthy Louisiana rate development. For full detail on the FMP calculation, please refer to the RY 2020 Healthy Louisiana rate certification letter dated December 23, 2019.

### **Development of the Percentage of the Capitation Rates Attributable to Preventive Services**

The projected preventives services claims cost and FMP add-on PMPMs were added together to generate the total preventive services PMPM LDH could claim at the enhanced rate. This total projected preventive services PMPM was divided by the RY 2020 capitation rate to determine the percent of the capitation rate attributable to preventive services. The calculation was performed at the region, COA, and RC level.

Attachment B within this addendum displays the percent of the capitation rates that are attributable to preventive services. These percentages should be applied directly to capitation rates to determine the preventive services amount. The resulting preventive services amount does not include load for premium tax, administration, or underwriting gain.

### **LIMITATIONS AND CONSIDERATIONS**

In preparing these calculations, Mercer has used and relied upon enrollment, fee-for-service claims, encounter data, and other information supplied by LDH and its fiscal intermediary. LDH and its fiscal

intermediary are responsible for the validity and completeness of the data supplied. 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 attachment B may need to be revised accordingly. Use of this information for any purposes beyond that stated may not be appropriate.

Attachment A: Preventive Services Logic

Topic	Description	Grade	Age Criteria	Gender Criteria	Procedure Code	ICD-10 Diagnosis Codes	ICD-9 Diagnosis Codes	Include/Exclude Diagnosis Code in Criteria
Abdominal aortic aneurysm screening: men	The USPSTF recommends one-time screening for abdominal aortic aneurysm by ultrasonography in men ages 65 to 75 years who have ever smoked.	B	65 to 75 years	Male	76700 76705 76770 76775 G0389	Z87.891 F17.200 F17.201 F17.210 F17.211 F17.220 F17.221 F17.290 F17.291	V15.82 305.1	Include
Alcohol Misuse Screening and Behavioral Counseling Interventions in Primary Care	The USPSTF recommends that clinicians screen adults age 18 years or older for alcohol misuse and provide persons engaged in risky or hazardous drinking with brief behavioral counseling interventions to reduce alcohol misuse.	B	18 years or older	Male or Female	99401 - 99404 99411 - 99412 99408 99409 G0442 G0443 G0396 G0397	Z71.41 Z71.42 Z71.51 Z71.52 Z71.6	V65.42	Include for procedure codes 99401-99404 and 99411-99412; Exclude for procedure codes 99408 - 99409 and G-codes
Anemia Screening: Pregnant Women	The USPSTF recommends routine screening for iron deficiency anemia in asymptomatic pregnant women.	B	No restrictions	Female	85004 85007 85008 85009 85013 85014 85018 85025 85027 85032 85041 82728 G0306 G0307	Z34.00 - Z34.93 O09.**** O10.011 - O16.9 O20.0 - O29.93	V22.x - V23.9	Include
Bacteriuria screening: pregnant women	The USPSTF recommends screening for asymptomatic bacteriuria with urine culture in pregnant women at 12 to 16 weeks' gestation or at the first prenatal visit, if later.	A	No restrictions	Female	81007 87077 87086 87181 87088	Z34.00 - Z34.93 O09.**** O10.011 - O16.9 O20.0 - O29.93	V22.x - V23.9	Include
High Blood Pressure Screening in Adults	The USPSTF recommends screening for high blood pressure in adults age 18 years and older. The USPSTF recommends obtaining measurements outside of the clinical setting for diagnostic confirmation before starting treatment	A	18 years or older	Male or Female	99201 - 99205 99211 - 99215	Z13.6	V81.1 V81.2	Include
BRCA risk assessment and genetic counseling/testing	The USPSTF recommends that primary care providers screen women who have family members with breast, ovarian, tubal, or peritoneal cancer with one of several screening tools designed to identify a family history that may be associated with an increased risk for potentially harmful mutations in breast cancer susceptibility genes ( <i>BRCA1</i> or <i>BRCA2</i> ). Women with positive screening results should receive genetic counseling and, if indicated after counseling, BRCA testing.	B	No restrictions	Female	81211 81212 81213 81214 81215 81216 81217 81162  96040 G0452 S0265	Z80.3 Z80.41 Z15.01 Z15.02	V16.3 V16.41 V84.01 V84.02	Include

Attachment A: Preventive Services Logic

Topic	Description	Grade	Age Criteria	Gender Criteria	Procedure Code	ICD-10 Diagnosis Codes	ICD-9 Diagnosis Codes	Include/Exclude Diagnosis Code in Criteria
Breast cancer screening	The USPSTF recommends biennial screening mammography for women aged 50 to 74 years.	B	50 to 74 years	Female	77052 77055 77056 77057 77063 77065 77066 77067 G0202			Exclude
Breastfeeding: Primary Care Intervention	The USPSTF recommends interventions during pregnancy and after birth to promote and support breastfeeding.	B	No restrictions	Female	99201 - 99215 S9443	Z39.1 O92.3 O91.011 - O91.23 O92.011 - O92.79 Q83.0 - Q83.9	V24.1 676.4 675.xx 676.xx 684 757.6 779.31 783.3	Include for procedure codes 99201-99215; Exclude for procedure code S9443
Cervical Cancer screening	The USPSTF recommends screening for cervical cancer in women ages 21 to 65 years with cytology (Pap smear) every 3 years or, for women ages 30 to 65 years who want to lengthen the screening interval, screening with a combination of cytology and human papillomavirus (HPV) testing every 5 years	A	21 to 65 years	Female	G0101 G0123 G0124 G0141 G0143 G0144 G0145 G0147 G0148 P3000 P3001 Q0091 87623 87624 87625 88141 88142 88143 88147 88148 88150 88152 88153 88154 88155 88164 88165 88166 88167 88174 88175			Exclude

Attachment A: Preventive Services Logic

Topic	Description	Grade	Age Criteria	Gender Criteria	Procedure Code	ICD-10 Diagnosis Codes	ICD-9 Diagnosis Codes	Include/Exclude Diagnosis Code in Criteria
Chlamydia screening: women	The USPSTF recommends screening for chlamydia in sexually active women age 24 years or younger and in older women who are at increased risk for infection.	B	No restrictions	Female	86631 86632 87081 87110 87205 87270 87320 87490 87491 87492 87810			Exclude
Cholesterol abnormalities screening: men 35 and older	The USPSTF strongly recommends screening men age 35 years and older for lipid disorders	A	35 years or older	Male	80061 82465 83718 83719 83721 84478			Exclude
Cholesterol abnormalities screening: men younger than 35	The USPSTF recommends screening men ages 20 to 34 years for lipid disorders if they are at increased risk for coronary heart disease.	B	20 to 34 years	Male	80061 82465 83718 83719 83721 84478	Z13.6	V81.0 V81.1 V81.2	Include
Cholesterol abnormalities screening: women 45 and older	The USPSTF strongly recommends screening women age 45 years and older for lipid disorders if they are at increased risk for coronary heart disease	A	45 years or older	Female	80061 82465 83718 83719 83721 84478	Z13.6	V81.0 V81.1 V81.2	Include
Cholesterol abnormalities screening: women younger than 45	The USPSTF recommends screening women ages 20 to 44 years for lipid disorders if they are at increased risk for coronary heart disease.	B	20 to 44 years	Female	80061 82465 83718 83719 83721 84478	Z13.6	V81.0 V81.1 V81.2	Include

Attachment A: Preventive Services Logic

Topic	Description	Grade	Age Criteria	Gender Criteria	Procedure Code	ICD-10 Diagnosis Codes	ICD-9 Diagnosis Codes	Include/Exclude Diagnosis Code in Criteria
Colorectal cancer screening	The USPSTF recommends screening for colorectal cancer beginning at age 50 years and continuing until age 75 years. The risks and benefits of these screening methods vary.	A	50 to 75 years	Male or Female	G0104 G0105 G0106 G0120 G0121 G0122 G0328 44389 44390 44391 44392 44393 44394 44397 44401 44402 45330 45331 45332 45333 45334 45338 45339 45346 45378 45379 45380 45381 45382 45383 45384 45385 45386 45387 45388 45389 45391 45392 74263 82270 82274 99152 99153	Z12.12 Z12.11	V76.41 V76.51	Include for Barium Enema G-codes (G0106, G0120, G0122); Exclude for all other procedure codes

Attachment A: Preventive Services Logic

Topic	Description	Grade	Age Criteria	Gender Criteria	Procedure Code	ICD-10 Diagnosis Codes	ICD-9 Diagnosis Codes	Include/Exclude Diagnosis Code in Criteria
Dental Caries in Children from Birth Through Age 5 Years: Screening	<p>The USPSTF recommends that primary care clinicians prescribe oral fluoride supplementation starting at age 6 months for children whose water supply is deficient in fluoride.</p> <p>The USPSTF recommends that primary care clinicians apply fluoride varnish to the primary teeth of all infants and children starting at the age of primary tooth eruption.</p>	B	6 months to 5 years	Male or Female	D1206 99188			Exclude
Depression Screening: Adult	The USPSTF recommends screening for depression in the general adult population, including pregnant and postpartum women. Screening should be implemented with adequate systems in place to ensure accurate diagnosis, effective treatment, and appropriate follow-up.	B	18 years or older	Male or Female	G0444 99201 - 99215 99420 96160 96161	Z13.89	V79.0	Include
Depression Screening: Adolescents	The USPSTF recommends screening for major depressive disorder (MDD) in adolescents aged 12 to 17 years. Screening should be implemented with adequate systems in place to ensure accurate diagnosis, effective treatment, and appropriate follow-up.	B	12 to 17 years	Male or Female	99201 - 99215 99420 96160 96161	Z23.89	V79.0	Include
Diabetes screening	The USPSTF recommends screening for abnormal blood glucose as part of cardiovascular risk assessment in adults aged 40 to 70 years who are overweight or obese. Clinicians should offer or refer patients with abnormal blood glucose to intensive behavioral counseling interventions to promote a healthful diet and physical activity.	B	40 to 70 years	Male or Female	82947 82948 82950 82951 82952 83036	E66.01 - E66.9 Z68.25 - Z68.29 Z68.30 - Z68.39 Z68.41 - Z68.45 R73.01 - R73.9	278.00 - 278.03 V85.2x V85.3x V85.4x 790.21 - 790.29	Include
Falls Prevention in Older Adults: Counseling and Preventive Medication	The USPSTF recommends exercise or physical therapy and vitamin D supplementation to prevent falls in community-dwelling adults aged 65 years or older who are at increased risk for falls.	B	65 years or older	Male or Female	97001 97002 97110 97112 97113 97116 97161 - 97164 97750 97530 97799 G0159 G8990 G9131	Z91.81	V15.88	Include
Gestational diabetes mellitus screening	The USPSTF recommends screening for gestational diabetes mellitus in asymptomatic pregnant women after 24 weeks of gestation.	B	No restrictions	Female	82950 82951 82952	Z34.00 - Z34.93 O09.**** O10.011 - O16.9  O20.0 - O29.93	V22.x - V23.9	Include
Gonorrhea screening: women	The USPSTF recommends screening for gonorrhea in sexually active women age 24 years or younger and in older women who are at increased risk for infection.	B	No restriction	Female	87590 87591 87592 87801 87850			Exclude

Attachment A: Preventive Services Logic

Topic	Description	Grade	Age Criteria	Gender Criteria	Procedure Code	ICD-10 Diagnosis Codes	ICD-9 Diagnosis Codes	Include/Exclude Diagnosis Code in Criteria
Healthful Diet and Physical Activity for Cardiovascular Disease Prevention in Adults With Cardiovascular Risk Factors: Behavioral Counseling	The USPSTF recommends offering or referring adults who are overweight or obese and have additional cardiovascular disease (CVD) risk factors to intensive behavioral counseling interventions to promote a healthful diet and physical activity for CVD prevention.	B	18 years or older	Male or Female	97802 97803 97804 99401 - 99404 99411 99412 G0270 G0271 S9470 G0446 G0447 G0473	E10.10 E10.11 E10.21 E10.311 E10.319 E10.36 E10.39 E10.40 E10.51 E10.65 E10.69 E10.8 E11.00 E11.01 E11.21 E11.311 E11.319 E11.36 E11.39 E11.40 E11.51 E11.65 E11.69 E11.8 E13.10 E66.09 E66.1 E66.8 E66.9 E66.01 E78.4 E78.5 F17.200 F17.201 F17.210 F17.211 F17.220 F17.221 F17.290 F17.291 F43.0 F78.2 I10 I21.9 I21.A I21.A9 I27.2 I27.20 I27.21 I27.22 I27.23 I27.24 I27.29 Z13.6 Z71.3 Z71.82 Z82.49 Z82.41	250.xx (5th digit is 2&3) 272.2 272.4 278.00 278.01 305.1 308.0 - 308.3 401.0 V17.3 V17.41 V17.49 V65.3 V81.2	Include

Attachment A: Preventive Services Logic

Topic	Description	Grade	Age Criteria	Gender Criteria	Procedure Code	ICD-10 Diagnosis Codes	ICD-9 Diagnosis Codes	Include/Exclude Diagnosis Code in Criteria
Hearing Loss Screening: Newborns	The USPSTF recommends screening for hearing loss in all newborn infants.	B	(Newborn) 0 to 59 days	Male or Female	92551 92552 92558 92567 92586 V5008			Exclude
Hepatitis B screening: non-pregnant adolescents and adults	The USPSTF recommends screening for hepatitis B virus infection in persons at high risk for infection.	B	No restrictions	Male or Female	86704 86705 86706 87340 87341 87350 87515 87516 87517 G0499	F11.10 - F11.99 F13.10 - F13.99 F14.10 - F14.99 F15.10 - F15.99 R74.0 Z20.2 Z20.5 Z20.6 Z21 Z22.4 Z22.50 - Z22.59 Z51.11 Z72.51 - Z72.53 Z94.0 - Z94.9 Z99.2	292.0 - 292.2 292.81 292.84 292.85 292.89 292.9 304.00 - 304.03 304.10 - 304.13 304.20 - 304.23 304.40 - 304.43 305.40 - 305.43 305.50 - 305.53 305.60 - 305.63 307.70 - 305.73 790.4 V01.6 V01.79 V02.7 V02.8 V02.60 - V02.9 V06 V42.0 - V42.9 V45.11 V58.11 V69.2	Include
Hepatitis B screening: pregnant women	The USPSTF strongly recommends screening for hepatitis B virus infection in pregnant women at their first prenatal visit.	A	No restrictions	Female	86704 86705 86706 87340 87341 87350 87380	Z34.00 - Z34.93 O09.**** O10.011 - O16.9 O20.0 - O29.93	V22.x - V23.9	Include
Hepatitis C virus infection screening: adults	The USPSTF recommends screening for hepatitis C virus (HCV) infection in persons at high risk for infection. The USPSTF also recommends offering one-time screening for HCV infection to adults born between 1945 and 1965.	B	No restrictions	Male or Female	86803 86804 87520 87521 87522 G0472	B20 B97.35 D65 - D69.9 F11.10 - F11.99 F13.10 - F13.99 F14.10 - F14.99 F15.10 - F15.99 T80.61X* Z20.5 Z22.50 - Z22.59 Z94.0 - Z94.9 Z99.2	042 079.53 286.0 - 287.9 289.81 - 289.82 292.0 - 292.9 304.00 - 304.03 304.10 - 304.13 304.20 - 304.23 305.40 - 305.43 305.50 - 305.53 305.60 - 305.63 305.70 - 305.73 999.51 V01.79 V42.0 - V42.7 V45.11	Include

Attachment A: Preventive Services Logic

Topic	Description	Grade	Age Criteria	Gender Criteria	Procedure Code	ICD-10 Diagnosis Codes	ICD-9 Diagnosis Codes	Include/Exclude Diagnosis Code in Criteria
HIV screening: adolescents and adults	The USPSTF recommends that clinicians screen for HIV infection in adolescents and adults ages 15 to 65 years. Younger adolescents and older adults who are at increased risk should also be screened.	A	15 to 65 years	Male or Female	86689 86701 86702 86703 87389 87390 87391 87534 87535 87536 87537 87538 87539 87806 G0432 G0433 G0435 G0475 S3645			Exclude
Hypothyroidism Screening: Newborns	Note: USPSTF defers to the HRSA Advisory Committee on Heritable Disorders in Newborns and Children, which recommends the uniform screening panel for core conditions.	A	(Newborn) 0 to 59 days	Male or Female	84436 84437 84439 84443			Exclude
Intimate Partner Violence Screening: Women of Childbearing Age	The USPSTF recommends that clinicians screen women of childbearing age for intimate partner violence, such as domestic violence, and provide or refer women who screen positive to intervention services. This recommendation applies to women who do not have signs for symptoms of abuse.	B	Childbearing Age: 12 to 55 years	Female	99201 - 99205 99211 - 99215	T74.91XA T76.91XA T74.11XA T76.11XA T74.31XA T76.31XA T74.21XA T76.21XA T74.01XA T76.01XA T74.91XA T76.91XA	995.80 995.81 995.82 995.83 995.84 995.85	Include
Latent Tuberculosis Infection: Screening	The USPSTF recommends screening for latent tuberculosis infection in populations at increased risk.	B	No restrictions	Male or Female	86480 86481 86580 87116 87555 87556	Z59.0 Z59.3 Z11.1 Z20.1	V60.0 V60.6 V74.1 V01.1	Include
Lung cancer screening	The USPSTF recommends annual screening for lung cancer with low-dose computed tomography in adults ages 55 to 80 years who have a 30 pack-year smoking history and currently smoke or have quit within the past 15 years. Screening should be discontinued once a person has not smoked for 15 years or develops a health problem that substantially limits life expectancy or the ability or willingness to have curative lung surgery.	B	55 to 80 years	Male or Female	S8032 G0296 G0297 71250 71260 71270 71275	F17.200 F17.201 F17.210 F17.211 F17.220 F17.221 F17.290 F17.291 Z87.891 Z12.2	305.1 V15.82 V76.0	Include

Attachment A: Preventive Services Logic

Topic	Description	Grade	Age Criteria	Gender Criteria	Procedure Code	ICD-10 Diagnosis Codes	ICD-9 Diagnosis Codes	Include/Exclude Diagnosis Code in Criteria
Obesity in Adults: Screening and Management	The USPSTF recommends screening all adults for obesity. Clinicians should offer or refer patients with a body mass index of 30 kg/m <sup>2</sup> or higher to intensive, multicomponent, behavioral interventions.	B	18 years or older	Male or Female	G0446 G0447 96150 96151 96152 96153 96154 96155 97802 97803 97804 99401 - 99404	Z13.89 E66.01 - E66.9 Z68.30 - Z68.39 Z68.41 - Z68.45	V77.8 278.00 - 278.03 V85.3x V85.4x	Include for all other procedure codes; Exclude for G-codes
Obesity Screening and Counseling: Children	The USPSTF recommends that clinicians screen children ages 6 years and older for obesity and offer them or refer them to comprehensive, intensive behavioral interventions to promote improvement in weight status.	B	6 to 17 years	Male or Female	99401 - 99404 96150 96151 96152 96153 96154 96155 97802 97803 97804	Z13.89 E66.01 - E66.9 Z68.54	V77.8 278.00 - 278.03 V85.54	Include
Osteoporosis screening: women	The USPSTF recommends screening for osteoporosis in women age 65 years and older and in younger women whose fracture risk is equal to or greater than that of a 65-year-old white woman who has no additional risk factors.	B	No restrictions	Female	76977 77078 77080 77081 77082 77085 77086 78350 78351 G0130			Exclude
Phenylketonuria Screening: Newborns	The USPSTF recommends screening for phenylketonuria in newborns.	B	(Newborn) 0 to 59 days	Male or Female	84030			Exclude
Rh(D) incompatibility screening: first pregnancy visit	The USPSTF strongly recommends Rh (D) blood typing and antibody testing for all pregnant women during their first visit for	A	No restrictions	Female	86900 86901	Z34.00 - Z34.93 O09.**** O10.011 - O16.9 O20.0 - O29.93	V22.x - V23.9	Include
Rh(D) incompatibility screening: 24–28 weeks' gestation	The USPSTF recommends repeated Rh (D) antibody testing for all unsensitized Rh (D)-negative women at 24 to 28 weeks' gestation, unless the biological father is known to be Rh (D)-negative.	B			Captured in above criteria	Captured in above criteria	Captured in above criteria	Captured in above criteria
Sexually Transmitted Infections Counseling	The USPSTF recommends high-intensity behavioral counseling to prevent sexually transmitted infections (STIs) in all sexually active adolescents and for adults at increased risk for STIs.	B	No restrictions	Male or Female	99401 - 99404 99411 - 99412	Z72.89 Z11.3	V65.45 V69.8 V74.5	Include
Sickle Cell Disease (Hemoglobinopathies) in Newborns: Screening	Note: USPSTF defers to the HRSA Advisory Committee on Heritable Disorders in Newborns and Children, which recommends the uniform screening panel for core conditions.	A	(Newborn) 0 to 59 days	Male or Female	83020 83021 83030 83033 83051			Exclude

Attachment A: Preventive Services Logic

Topic	Description	Grade	Age Criteria	Gender Criteria	Procedure Code	ICD-10 Diagnosis Codes	ICD-9 Diagnosis Codes	Include/Exclude Diagnosis Code in Criteria
Syphilis screening: non-pregnant adults and adolescents	The USPSTF strongly recommends that clinicians screen persons at increased risk for syphilis infection.	A	No restrictions	Male or Female	86592 86593 87164 87166 87285			Exclude
Tobacco Smoking Cessation in Adults, Including Pregnant Women: Behavioral and Pharmacotherapy Interventions	The USPSTF recommends that clinicians ask all adults about tobacco use, advise them to stop using tobacco, and provide behavioral interventions and U.S. Food and Drug Administration (FDA)-approved pharmacotherapy for cessation to adults who use tobacco.  The USPSTF recommends that clinicians ask all pregnant women about tobacco use, advise them to stop using tobacco, and provide behavioral interventions for cessation to pregnant women who use tobacco.	A	No restrictions	Male or Female	99078 99401 - 99404 99411 - 99412 99406 99407 96150 - 96155 G0436 G0437 S9453	Z87.891 F17.200 F17.201 F17.210 F17.211 F17.220 F17.221 F17.290 F17.291	V15.82 305.1	Include for procedure codes 99401-99404, 99411 - 99412, 96150-96155 and 99078; Exclude for procedure codes 99406, 99407, S9453, G0436, and G0437
Tobacco Use Interventions: children and adolescents	The USPSTF recommends that primary care clinicians provide interventions, including education or brief counseling, to prevent initiation of tobacco use in school-aged children and adolescents.	B	5 to 17 years	Male or Female	Captured in above criteria	Captured in above criteria	Captured in above criteria	Captured in above criteria
Visual acuity screening in children	The USPSTF recommends vision screening for all children at least once between the ages of 3 and 5 years, to detect the presence of amblyopia or its risk factors.	B	3 to 5 years	Male or Female	99172 99173 99174			Exclude

## Attachment B: Preventive Services Rate Summary

Region Description	Category of Aid Description	Rate Cell Description	Preventive Services %
Gulf	SSI	0 - 2 Months	0.02%
Gulf	SSI	3 - 11 Months	0.00%
Gulf	SSI	Child 1 - 20 Years	0.09%
Gulf	SSI	Adult 21+ Years	0.56%
Gulf	Family & Children	0 - 2 Months	0.59%
Gulf	Family & Children	3 - 11 Months	0.07%
Gulf	Family & Children	Child 1 - 20 Years	0.21%
Gulf	Family & Children	Adult 21+ Years	1.24%
Gulf	Foster Care Children	All Ages Male & Female	0.18%
Gulf	BCC	BCC, All Ages	0.81%
Gulf	LAP	LAP, All Ages	0.00%
Gulf	HCBS	Child 1 - 20 Years	0.02%
Gulf	HCBS	Adult 21+ Years	0.32%
Gulf	CCM	CCM, All Ages	0.02%
Gulf	SBH - CCM	SBH - CCM, All Ages	0.00%
Gulf	SBH - Duals	SBH - Dual Eligible, All Ages	0.00%
Gulf	SBH - LaHIPP	SBH - LaHIPP, All Ages	0.00%
Gulf	SBH - HCBS	Child 1 - 20 Years	0.00%
Gulf	SBH - HCBS	Adult 21+ Years	0.00%
Gulf	SBH - Other	SBH - All Ages	0.00%
Gulf	Maternity Kick Payment	Maternity Kick Payment	0.92%
Gulf	EED Kick Payment	EED Kick Payment	2.29%
Gulf	Medicaid Expansion	Age 19 - 64	1.14%
Gulf	Medicaid Expansion	SBH - Dual Eligible, All Ages	0.00%
Gulf	Medicaid Expansion	SBH - LaHIPP, All Ages	0.00%
Gulf	Medicaid Expansion	SBH - Other	0.00%
Gulf	Medicaid Expansion	SBH - CCM, All Ages	0.00%
Gulf	Medicaid Expansion	High Needs	0.69%
Gulf	Medicaid Expansion - Maternity Kick Payment	Maternity Kick Payment	0.92%
Gulf	Medicaid Expansion - EED Kick Payment	EED Kick Payment	2.29%

Attachment B: Preventive Services Rate Summary

Region Description	Category of Aid Description	Rate Cell Description	Preventive Services %
Capital	SSI	0 - 2 Months	0.02%
Capital	SSI	3 - 11 Months	0.00%
Capital	SSI	Child 1 - 20 Years	0.07%
Capital	SSI	Adult 21+ Years	0.56%
Capital	Family & Children	0 - 2 Months	0.30%
Capital	Family & Children	3 - 11 Months	0.09%
Capital	Family & Children	Child 1 - 20 Years	0.18%
Capital	Family & Children	Adult 21+ Years	1.02%
Capital	Foster Care Children	All Ages Male & Female	0.18%
Capital	BCC	BCC, All Ages	0.82%
Capital	LAP	LAP, All Ages	0.00%
Capital	HCBS	Child 1 - 20 Years	0.02%
Capital	HCBS	Adult 21+ Years	0.32%
Capital	CCM	CCM, All Ages	0.02%
Capital	SBH - CCM	SBH - CCM, All Ages	0.00%
Capital	SBH - Duals	SBH - Dual Eligible, All Ages	0.00%
Capital	SBH - LaHIPP	SBH - LaHIPP, All Ages	0.00%
Capital	SBH - HCBS	Child 1 - 20 Years	0.00%
Capital	SBH - HCBS	Adult 21+ Years	0.00%
Capital	SBH - Other	SBH - All Ages	0.00%
Capital	Maternity Kick Payment	Maternity Kick Payment	1.12%
Capital	EED Kick Payment	EED Kick Payment	3.00%
Capital	Medicaid Expansion	Age 19 - 64	1.05%
Capital	Medicaid Expansion	SBH - Dual Eligible, All Ages	0.00%
Capital	Medicaid Expansion	SBH - LaHIPP, All Ages	0.00%
Capital	Medicaid Expansion	SBH - Other	0.00%
Capital	Medicaid Expansion	SBH - CCM, All Ages	0.00%
Capital	Medicaid Expansion	High Needs	0.75%
Capital	Medicaid Expansion - Maternity Kick Payment	Maternity Kick Payment	1.12%
Capital	Medicaid Expansion - EED Kick Payment	EED Kick Payment	3.00%

## Attachment B: Preventive Services Rate Summary

Region Description	Category of Aid Description	Rate Cell Description	Preventive Services %
South Central	SSI	0 - 2 Months	0.02%
South Central	SSI	3 - 11 Months	0.00%
South Central	SSI	Child 1 - 20 Years	0.06%
South Central	SSI	Adult 21+ Years	0.54%
South Central	Family & Children	0 - 2 Months	0.63%
South Central	Family & Children	3 - 11 Months	0.08%
South Central	Family & Children	Child 1 - 20 Years	0.17%
South Central	Family & Children	Adult 21+ Years	0.91%
South Central	Foster Care Children	All Ages Male & Female	0.18%
South Central	BCC	BCC, All Ages	0.82%
South Central	LAP	LAP, All Ages	0.00%
South Central	HCBS	Child 1 - 20 Years	0.02%
South Central	HCBS	Adult 21+ Years	0.32%
South Central	CCM	CCM, All Ages	0.02%
South Central	SBH - CCM	SBH - CCM, All Ages	0.00%
South Central	SBH - Duals	SBH - Dual Eligible, All Ages	0.00%
South Central	SBH - LaHIPP	SBH - LaHIPP, All Ages	0.00%
South Central	SBH - HCBS	Child 1 - 20 Years	0.00%
South Central	SBH - HCBS	Adult 21+ Years	0.00%
South Central	SBH - Other	SBH - All Ages	0.00%
South Central	Maternity Kick Payment	Maternity Kick Payment	1.40%
South Central	EED Kick Payment	EED Kick Payment	5.39%
South Central	Medicaid Expansion	Age 19 - 64	0.96%
South Central	Medicaid Expansion	SBH - Dual Eligible, All Ages	0.00%
South Central	Medicaid Expansion	SBH - LaHIPP, All Ages	0.00%
South Central	Medicaid Expansion	SBH - Other	0.00%
South Central	Medicaid Expansion	SBH - CCM, All Ages	0.00%
South Central	Medicaid Expansion	High Needs	0.30%
South Central	Medicaid Expansion - Maternity Kick Payment	Maternity Kick Payment	1.40%
South Central	Medicaid Expansion - EED Kick Payment	EED Kick Payment	5.39%

## Attachment B: Preventive Services Rate Summary

Region Description	Category of Aid Description	Rate Cell Description	Preventive Services %
North	SSI	0 - 2 Months	0.02%
North	SSI	3 - 11 Months	0.00%
North	SSI	Child 1 - 20 Years	0.10%
North	SSI	Adult 21+ Years	0.57%
North	Family & Children	0 - 2 Months	0.42%
North	Family & Children	3 - 11 Months	0.08%
North	Family & Children	Child 1 - 20 Years	0.20%
North	Family & Children	Adult 21+ Years	1.07%
North	Foster Care Children	All Ages Male & Female	0.17%
North	BCC	BCC, All Ages	0.83%
North	LAP	LAP, All Ages	0.00%
North	HCBS	Child 1 - 20 Years	0.02%
North	HCBS	Adult 21+ Years	0.32%
North	CCM	CCM, All Ages	0.02%
North	SBH - CCM	SBH - CCM, All Ages	0.00%
North	SBH - Duals	SBH - Dual Eligible, All Ages	0.00%
North	SBH - LaHIPP	SBH - LaHIPP, All Ages	0.00%
North	SBH - HCBS	Child 1 - 20 Years	0.00%
North	SBH - HCBS	Adult 21+ Years	0.00%
North	SBH - Other	SBH - All Ages	0.00%
North	Maternity Kick Payment	Maternity Kick Payment	1.45%
North	EED Kick Payment	EED Kick Payment	4.42%
North	Medicaid Expansion	Age 19 - 64	1.12%
North	Medicaid Expansion	SBH - Dual Eligible, All Ages	0.00%
North	Medicaid Expansion	SBH - LaHIPP, All Ages	0.00%
North	Medicaid Expansion	SBH - Other	0.00%
North	Medicaid Expansion	SBH - CCM, All Ages	0.00%
North	Medicaid Expansion	High Needs	0.45%
North	Medicaid Expansion - Maternity Kick Payment	Maternity Kick Payment	1.45%
North	Medicaid Expansion - EED Kick Payment	EED Kick Payment	4.42%

**John Bel Edwards**  
GOVERNOR



**Rebekah E. Gee MD, MPH**  
SECRETARY

**State of Louisiana**  
Louisiana Department of Health  
Bureau of Health Services Financing

Mr. Adam Sery, FSA, MAAA  
Principal  
Mercer Government Human Services  
333 S 7th Street, Suite 1400  
Minneapolis MN 55402

October 3, 2019

Subject: Capitation Rate Certification for the Healthy Louisiana Program – Implementation Year (January 1, 2020 through December 31, 2020)

Dear Adam:

I, Daniel Cocran, Medicaid Deputy Director, for the Louisiana Department of Health (LDH), hereby affirm that the data prepared and submitted to Mercer Government Human Services Consulting (Mercer) for the purpose of certifying the January 1, 2020 through December 31, 2020 Healthy Louisiana Rates 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 managed care organization submitted encounter data and supplemental information on payments made outside of Louisiana’s Medicaid Management Information Systems for the period of October 1, 2016 through September 30, 2018.

Mercer relied on LDH and its fiscal agent for the collection and processing of the encounter data, and other information used in setting these capitation rates. Mercer did not audit the data, but did assess the data for reasonableness as documented in the rate certification letter.

\_\_\_\_\_  
Signature

10. 30.19  
\_\_\_\_\_  
Date

Copy:  
Erik Axelsen, ASA, MAAA, Senior Associate  
Ron Ogborne, FSA, CERA, MAAA, Partner

**MERCER GOVERNMENT**

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