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August 17, 2007

Mr. Richard Miles
Director, Actuarial Division
State of Michigan, Medical Services Administration
Department of Community Health
400 S. Pine Street
P.O. Box 30479
Lansing, MI 48909-7979

RE: CAPITATION RATE DEVELOPMENT – FY 2008 - REVISED

Dear Dick:

Milliman, Inc. (Milliman) has been retained by the State of Michigan, Department of Community Health (MDCH) to develop capitation rates for the risk based managed care health plans for fiscal year 2008. This letter provides the documentation of the development of the actuarially sound capitation rates. The documentation has been developed to address the items outlined in the Centers for Medicare and Medicaid Services rate setting checklist for regional offices.

LIMITATIONS

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

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

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

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EXECUTIVE SUMMARY

Capitation rate ranges have been developed for state fiscal year 2008, beginning October 1, 2007 and ending September 30, 2008. The capitation rate ranges vary by geographic region, aid category, and age/gender. The Blind and Disabled rates will be adjusted by health plan using the CDPS diagnosis risk adjuster. Enclosure 1 illustrates the capitation rates and the adjustment factors.

In aggregate, the capitation rates result in a 10.4% to 14.4% increase in the capitation rate expenditures from state fiscal year 2007 to state fiscal year 2008. The rate increase range reflects the low and high estimates of the capitation rates. The composite rate increase reflects the health plan enrollment as of September 2006. Table 1 illustrates the fiscal impact by population for the low and high capitation rate range.

Table 1

**STATE OF MICHIGAN
 DEPARTMENT OF COMMUNITY HEALTH
 Annual Impact of Capitation Rate Increase
 (Dollars shown in Millions)**

High Degree of Health Care Management

Population	September 2006 Enrollment	SFY 2007 Rates	SFY 2008 Rates	% Increase
TANF / Program L	794,008	\$1,164.8	\$1,383.6	18.8%
Blind and Disabled	127,617	1,175.3	1,207.8	2.8%
Maternity	1,724	125.8	130.0	3.3%
Total	921,625	\$2,465.9	\$2,721.4	10.4%

Low Degree of Health Care Management

Population	September 2006 Enrollment	SFY 2007 Rates	SFY 2008 Rates	% Increase
TANF / Program L	794,008	\$1,164.8	\$1,447.0	24.2%
Blind and Disabled	127,617	1,175.3	1,243.9	5.8%
Maternity	1,724	125.8	130.0	3.3%
Total	921,625	\$2,465.9	\$2,820.9	14.4%

Enclosure 2 contains the actuarial certification attesting to the actuarial soundness of the capitation rates. The remainder of this letter provides the documentation of the development of the capitation rates. This letter should be provided in its entirety to CMS for its approval of the capitation rates.



CAPITATION RATE DEVELOPMENT

The capitation rates were developed based on fee-for-service (FFS) and health plan encounter claim experience from October 2004 through September 2006, the *Milliman Medicaid Cost Guidelines (Guidelines)*, and other Milliman proprietary data. The capitation rates were developed on an actuarially sound basis using health plan claim experience with adjustments for healthcare management, adolescent center add-on payments, mental health prescription drugs, non-emergency transportation, third party liability recoveries, regional area factors, hospital reimbursement adjustment, specialty physician network access fee, and graduate medical education payments. The actuarially sound capitation rates were developed following the requirements outlined in the checklist guidelines prepared by CMS. This section of the letter follows the checklist and provides the required documentation.

AA.1. – Overview of Rate Setting Methodology

AA.1.0. – Overview of Rate Setting Methodology

MDCH contracted with Milliman to determine actuarially sound capitation rates for the TANF/Program L /Caretaker Relative populations (TANF), Blind & Disabled Non-Dual (Disabled), and the Aged Non-Dual (Aged) populations. Rates were developed separately by region group for the Detroit metropolitan area (Regions 1, 9, and 10) and the Out-state area (Regions 2 through 8). The actuarially sound capitation rates were developed from historical FFS claims and reported encounter utilization. The historical FFS claim experience was used to price the encounter utilization claim experience. Adjustments were made to the cost per service for the HMO population for professional services based on a procedure code distribution analysis of the encounter and FFS experience. A similar process was performed using NDC codes to analyze the average cost per script between the FFS and hospital populations. In addition to the FFS cost per service information, Milliman utilized information obtained from the health plans through a fee schedule survey.

The historical experience was converted to a per member per month (PMPM) basis and stratified by region, age/gender rating cell, and category of service. The historical experience was trended forward based on projected trend rates to a center point of April 1, 2008 for the 2008 fiscal year contract period. The historical experience was adjusted to reflect adjustments to the utilization and average cost per service that would be expected in a managed care organization. The range of adjustments was based on information contained in the *Guidelines*, as well as experience from other health plans.

Capitation rates for the Aged population were based on Disabled rates due to the limited credibility of the historical data for the population. Adjustment factors were developed for the Aged population from historical cost relationships between the Aged and Disabled populations. The cost relationship factors will be applied to the Disabled rates to determine capitation rates for the Aged population. The Aged population rate will not be adjusted for each plan by the plan's Disabled CDPS risk score.



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We have prepared a range of rates assuming two levels of healthcare management. A low degree of healthcare management (DoHCM) establishes the upper end of the capitation rates. A high DoHCM establishes the low end of the capitation rates.

AA.1.1. – Actuarial Certification

An actuarial certification has been included in Enclosure 2 of this letter. The letter has been signed by Robert M. Damler, FSA, a Principal and Consulting Actuary in the Indianapolis office of Milliman, Inc. Mr. Damler is a Member of the American Academy of Actuaries and meets the qualification standards established by the American Academy of Actuaries. This letter should be used to supplement the Actuarial Certification by outlining a detailed description of the rate setting methodology and the applicable checklist. Enclosure 3 provides an illustration of the capitation rate calculation.

AA.1.2. – Projection of Expenditures

Table 1 provides the expected fiscal year impact of the new capitation rates. Fiscal impact summaries were developed for both the low DoHCM and high DoHCM assumptions for each fiscal year. Using the September 2006 enrollment, the summaries provide the difference in total capitation expenditures between the current rates and the actuarially sound rate ranges developed by Milliman. A positive dollar amount reflects an increase in payments from the current rates.

AA.1.3. – Procurement, Prior Approval and Rate Setting

MDCH will sign a contract with entities meeting the technical programmatic requirements of the state, and that will accept the actuarially-sound, state-determined rate.

AA.1.5. – Risk Contracts

This section is a contractual issue between MDCH and the health plans.

AA.1.6. – Limit on Payment to Other Providers

This section is a contractual issue between MDCH and the health plans.

AA.1.7. –Rate Modifications

This section is not applicable. The capitation rates have been updated to a new rate base.

AA.2. – Base Year Utilization and Cost Data

AA.2.0. – Base Year Utilization and Cost Data

The base year data was derived from a comparable Medicaid managed care population that currently is and will continue to be enrolled in the managed care organizations. Under the terms of our contract with MDCH, Milliman received monthly detailed claim and eligibility files from MDCH for both the FFS and HMO Medicaid populations.

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Base utilization rates were developed from health plan reported encounter data. FFS cost per service amounts were used to price the encounter utilization. Several adjustments were made to the FFS cost per service amounts to make them more comparable to a managed care population. In addition to the FFS cost per service amounts, Milliman utilized information submitted by the health plans through a fee schedule survey.

For professional services, Milliman utilized fee schedule information submitted by the health plans. Milliman requested fee schedule reimbursement information from the health plans from a listing of approximately 120 CPT-4 codes. The procedure codes chosen for the survey represented the top codes by utilization within broad categories of service. Milliman used the average reimbursement rates for physician services from the fee schedule survey adjusted for intensity of services within individual categories of service.

A cost per prescription adjustment was developed for the prescription drug category of service using the NDC-code information, along with a distribution of prescriptions for the FFS population and the HMO enrolled population. The prescription drug adjustment was calculated separately for the TANF and Disabled populations.

Hospital inpatient cost per unit of service amounts were developed by using the distribution of utilization by DRG code from the encounter data and the FFS cost information by DRG and hospital. Separate values were developed by rating cell category, including geographic region grouping.

Hospital outpatient cost per unit of service amounts were developed from the fee-for-service costs by category of service. With the conversion to an outpatient prospective payment system, Milliman also adjusted the historical FFS costs to reflect the financial impact of the new reimbursement method. Separate adjustment factors were developed by geographic region grouping.

Several other minor adjustments were made to the FFS cost per service items. Milliman adjusted the FFS inpatient cost per service base amounts by 7.5%. The 7.5% reflects an adjustment for hospital inpatient capital that is paid outside the FFS payment system. For pharmacy expenditures, Milliman reduced the base FFS cost per script by 2% for the expected rebates the health plans will receive through their contracts. Additionally, Milliman reduced the base FFS cost per script by \$0.50 to reflect the average differential between the dispensing fee paid by the state compared to the amount paid by the health plans.

Under the terms of the contract, the health plans will share 40% of the risk of certain mental health drugs. Additionally, certain HIV/AIDS drugs have been listed as a 100% carve-out from the contract. The prescription drugs have been adjusted to reflect the carve-outs.

In 2006, the State of Michigan increased hospital inpatient reimbursement for the FFS and managed care programs. The hospital inpatient reimbursement adjustment for the managed care program was included in the state fiscal year 2007 capitation rate. The hospital inpatient reimbursement adjustment was increased for state fiscal year 2008 and is reflected in the 2008 capitation rates.



For physician services, we have included a specialty physician network access fee. The network access fee was included to ensure access to specialty physicians for all managed care enrolled members. The network access fee was included on a per member per month basis. Table 2 illustrates the values that were included by population and health care management scenario.

Table 2

**STATE OF MICHIGAN
DEPARTMENT OF COMMUNITY HEALTH
Physician Access Fee**

Population	Per Member Per Month	
	High DoHCM	Low DoHCM
TANF / L	\$3.38	\$4.38
Aged, Blind, and Disabled	\$6.76	\$8.76

AA.2.1. – Medicaid Eligibles under the Contract

Milliman extracted the eligible population information from historical data. The eligible population for the TANF actuarially sound rates includes the TANF, Program L, and Caretaker Relatives populations. The Aged, Blind and Disabled population consists of only non-dual recipients within each of these eligibility categories.

AA.2.2. – Dual Eligibles

This adjustment is not applicable since dual eligible members are excluded from risk-based managed care.

AA.2.3. – Spenddown

This adjustment is not applicable since spend-down members are excluded from risk-based managed care.

AA.2.4. – State Plan Services Only

The capitation rates developed include only state plan approved services that the health plans are required to provide under the contract.

AA.2.5. – Capitated Entity Services

Milliman did not include any adjustments to the encounter data to reflect services that may be covered by the managed care organizations from the contract savings.

AA.3. – Adjustments to the Base Year Data



AA.3.1 – Benefit Differences

Milliman added adjustments to the base claim cost for each aid category for services covered in the Medicaid risk contract that were not included in the claim experience. The following claim cost adjustments were added by Milliman: adolescent centers, non-emergency transportation, mental health prescription drugs, and ambulance mileage increase.

Adolescent Centers is a benefit being provided under the Medicaid risk contract in the TANF population. The utilization experience is not included in the encounter data. The cost was estimated to be \$2.24 PMPM for 5 to 14 year olds and \$1.76 PMPM for 15 to 20 year olds. The cost estimate was developed by MDCH.

Non-emergency transportation had limited coding in the base encounter experience. Milliman excluded the non-emergency transportation experience from the health plan encounter data, except for the maternity related services. Based on information collected from the health plan fee schedule survey, Milliman estimated the cost to be \$1.29 PMPM for the TANF population and \$3.23 PMPM for the Disabled population.

Mental health prescription drug utilization was not contained in the encounter data. Mental health prescription drugs are a shared risk between the health plans (40% risk) and MDCH (60% risk). The risk sharing is limited to the non-psychotropic anti-psychotics. The psychotropic anti-psychotics are a carve-out of the capitation rate. Milliman utilized the data submitted by MDCH's pharmacy benefit manager to develop the actual experience for the shared risk mental health drugs. The historical data was trended forward to state fiscal year 2008. The capitation rates reflect 40% of the cost of the applicable mental health drugs.

Emergency transportation services received a cost per service fee increase. This increase was not applied to FFS experience reviewed by Milliman. Milliman applied a 14.9% increase to emergency transportation services to reflect the mileage rate adjustment.

AA.3.2. – Administrative Cost Allowance Calculations

In the development of the actuarially sound capitation rates, Milliman has included an administrative cost allowance of 11.5% for the non-maternity capitation rates and 3.0% for the delivery case rate. The administrative cost allowance was calculated as a percentage of the capitation rate. Therefore, the capitation rate was determined by dividing the projected managed care claim cost by one minus the administrative cost allowance (*e.g.*, 1 minus 11.5%). In the establishment of the administrative cost allowance, we have utilized a value that is representative of Medicaid managed care organizations. We have included the administrative cost allowances as outlined in Table 3.



Table 3

**STATE OF MICHIGAN
DEPARTMENT OF COMMUNITY HEALTH
Administrative Cost Allowance**

Percent of Capitation

Item	TANF	Disabled	Maternity Case Rate
Administration	9.000%	9.000%	1.500%
Profit/Contingency	1.000%	1.000%	1.000%
Surplus Contribution	1.500%	1.500%	0.500%
Total	11.500%	11.500%	3.000%

The administrative loads shown in Table 3 were applied to a claim cost net of QAAP, hospital reimbursement adjustment, physician specialty network fee, and GME.

In addition to the administrative allowance, the capitation rates reflect an adjustment of 5.625% to account for the QAAP assessment, which reflects a blend at 3 months of 6.0% and 9 months at 5.5%.

AA.3.3. – Special Populations’ Adjustments

This adjustment is not required due to the method of the data extraction and covered populations.

AA.3.4. – Eligibility Adjustments

The base data was adjusted to reflect the exclusion of member months that would not be covered during the managed care enrollment periods.

AA.3.5. – DSH Payments

DSH payments were not included in the development of the actuarially sound capitation rates. DSH payments are paid outside of the FFS payment system.

AA.3.6. – Third Party Liability

Milliman reduced the base claim costs using a third party liability recovery rate of 2.5%. The adjustment is a reduction to the base claim costs. The adjustment is consistent with the factor utilized in the prior rate setting process.

AA.3.7. – Copayments

The projected health plan experience was calculated net of member co-payments.



AA.3.8. – Graduate Medical Education

Graduate medical education (GME) payments were included as a separate add-on adjustment to the base capitation rates. The add-on adjustment reflected the aggregate GME expenditures for the risk-based managed care population. The add-on adjustment was distributed by rate cell based on the estimated hospital inpatient expenditures.

AA.3.9. – FQHC and RHC Reimbursement

Milliman did not adjust the FFS data in the development of the capitation rates.

AA.3.10. – Cost Trending/Inflation

In the development of the actuarially sound capitation rates, Milliman developed trend rates to project the base period experience forward to fiscal year 2008. The trend rates were developed from MDCH's incurred claim budget forecast for fiscal years 2004 through 2008. Milliman examined the PMPM growth in the FFS population between state fiscal year 2004 and 2006 by service category and population. The trend rates shown in Table 4 were applied to the PMPM cost.

Table 4

STATE OF MICHIGAN
DEPARTMENT OF COMMUNITY HEALTH
2005 and 2006 PMPM Annual Trend Rates

Category of Service	Category of Assistance	
	TANF / L	Disabled
Inpatient Hospital	1.0%	3.0%
Outpatient Hospital	2.7%	7.3%
Pharmacy	12.8%	10.5%
Physician	1.0%	5.5%
Other Ancillary	2.5%	3.2%

AA.3.11. – Utilization Adjustments

Milliman adjusted the average reimbursement rates to reflect changes in the mix/intensity of services due to the management of health care. The reimbursement rate changes were developed from data and information contained in the *Guidelines*.

Utilization and average reimbursement adjustments were developed for each age, gender, and aid category. The adjustments for both utilization and average reimbursement are shown in the projection worksheets for each aid category. Milliman did not assume any managed care savings for the maternity delivery case rate. The managed care utilization adjustments are shown in Enclosure 4. Enclosure 5 demonstrates the development of the maternity case rates by region.



AA.3.12. – Utilization and Cost Assumptions

Enrollment in the health plans is mandatory for the population covered under the program. The morbidity characteristics were developed from health plan experience and would continue to be appropriate for the populations to be covered.

AA.3.13. – Post-eligibility Treatment of Income

Milliman did not adjust the data to reflect the post-eligibility treatment of income.

AA.3.14. – Incomplete Data Adjustment

Milliman used 24 months of claims experience for the health plan population that was incurred through September 2006 and paid through February 2007 (five months of run-out). Milliman applied claim completion factors to the base experience period. The claim completion factors were developed by service category and population based on claims experience for the FFS population incurred from April 2004 through March 2006 and paid through August 2006. Separate sets of completion factors were developed for the TANF and Disabled populations. Table 5 illustrates the composite completion factors that were assumed.

Table 5

**STATE OF MICHIGAN
 DEPARTMENT OF COMMUNITY HEALTH
 Completion Factors**

	Hospital Inpatient	Hospital Outpatient	Physician	Prescription	Ancillary
TANF	1.009	1.009	1.009	1.009	1.009
Disabled	1.021	1.021	1.021	1.021	1.021

AA.4.1. and AA.4.2. – Age and Gender Rating Categories

Table 6 illustrates the age/gender rating categories used for the development of the capitation rates. The Disabled rates will be adjusted using the CDPS diagnosis risk adjustment.



Table 6

**STATE OF MICHIGAN
 DEPARTMENT OF COMMUNITY HEALTH
 Rating Categories**

Age Range	Gender
<1	Male/Female
1-4	Male/Female
5-14	Male/Female
15-20	Male/Female
21-25	Male/Female
26-44	Male/Female
45+	Male/Female
Blind and Disabled	All Ages
Aged	All Ages
Delivery Case Rate	All Ages

AA.4.3. and AA.4.4. – Locality/Region and Eligibility Categories

MDCH has separated the counties into 10 regions. The capitation rates were developed separately for Regions 1, 9, and 10, and Regions 2 through 8. The region-wide rates were adjusted by area factor relativities developed from the FFS and encounter experience. The region-wide area factors composite to 1.0 using the September 2006 enrollment. Enclosure 6 illustrates the development of the area factors. For the TANF/L population, Milliman utilized a blending of two different area factor calculations. First, Milliman developed morbidity adjustments by geographic region within a geographic region grouping. The morbidity adjustments were developed using the encounter claim experience diagnosis code information and the CDPS risk adjustment tool. Milliman used the standard CDPS relative weights for the TANF population split between adult and children. The relative risk score was calculated for each geographic region and normalized to a 1.0 value within the geographic region groupings. The CDPS relative weights were further modified by adjusting the relative weight for the average age / gender relative factor reflected by the age curve within the geographic region. The resulting age / gender normalized CDPS relative weight was then re-normalized to 1.0 within the geographic region groupings.

The second component reflected the average relative cost by geographic region. The average relative cost was developed by the following cost categories: Hospital Inpatient, Hospital Outpatient, Physician, Prescription Drugs, Other Ancillary, and Administration. The Hospital Inpatient relative costs were developed by weighting the hospital specific reimbursement rates by a historical distribution of HMO expenditures for hospital inpatient services. The hospitals were assigned to a specific geographic region. The hospitals within the geographic region were blended to develop a composite average cost for the geographic region. The region specific average costs were compared with the geographic region grouping and normalized to 1.0. For the

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hospital outpatient services, Milliman compared the average cost per unit by hospital developed from the hospital outpatient prospective payment system analysis. A composite average cost per unit was developed for each geographic region and geographic region grouping. The region specific cost per unit was compared with the geographic region grouping and normalized to 1.0. For Physician, Prescription Drug, and Administration expenditures, Milliman assumed that the average cost by geographic region within a geographic region grouping were equivalent. For Other Ancillary, Milliman assumed average costs similar to Outpatient services.

The average relative cost by geographic region was developed by weighting each of the individual cost components by the capitation rate relative weight. Table 7 illustrates the development of the average relative cost by geographic region. Separate calculations were performed for each geographic region grouping.

Table 7

**STATE OF MICHIGAN
 DEPARTMENT OF COMMUNITY HEALTH
 Average Relative Cost by Geographic Region
 Geographic Region Grouping: Regions 1, 9, and 10**

Region	Inpatient	Outpatient	Physician	Rx	Ancillary	Admin.	Total
1	1.033	1.013	1.000	1.000	1.013	1.000	1.009
9	0.904	0.838	1.000	1.000	0.838	1.000	0.948
10	0.935	1.122	1.000	1.000	1.122	1.000	1.011
Composite	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Geographic Region Grouping: Regions 2 through 8

Region	Inpatient	Outpatient	Physician	Rx	Ancillary	Admin.	Total
2	1.071	1.013	1.000	1.000	1.013	1.000	1.015
3	1.034	0.986	1.000	1.000	0.986	1.000	1.003
4	0.968	1.041	1.000	1.000	1.041	1.000	1.003
5	1.091	0.784	1.000	1.000	0.784	1.000	0.973
6	1.056	0.988	1.000	1.000	0.988	1.000	1.008
7	0.913	1.038	1.000	1.000	1.038	1.000	0.992
8	0.864	1.020	1.000	1.000	1.020	1.000	0.980
Composite	1.000	1.000	1.000	1.000	1.000	1.000	1.000

The CDPS relative risk scores by geographic region were blended with the average relative cost by geographic region using a two-thirds and one-third blend, respectively. Enclosure 6 illustrates the development of the area factors. The area factors were developed for the TANF / L populations only.



AA.5.0., AA.5.1., and AA.5.2. – Data Smoothing

Milliman received encounter utilization data for each of the health plans. Milliman reviewed the utilization data of each health plan for reasonableness and consistency during the base time period of October 2004 through September 2006. For each health plan, a decision was made to include or exclude the encounter data on a category of service basis. The following categories of service were used: Inpatient Hospital, Outpatient Hospital, Physician, Prescription Drugs, and Other Ancillary. If the health plan's data appeared unreasonable during the base period, Milliman excluded their experience from the encounter data. Additionally, the health plan's eligibility was removed from the eligibility base used to calculate utilization rates for the category of service.

AA.5.3. – Risk – Adjustment

The Chronic Illness and Disability Payment System (CDPS) will be used to adjust capitation rates for the Disabled population on a regional basis. The CDPS system will be used to calculate an average risk score for each health plan on a region-by-region basis. The health plan's risk scores will be normalized to 1.0 for Regions 1, 9, and 10 and Regions 2 through 8. After the individual regions are normalized, the risk adjustment factors will be adjusted to reflect credibility based on the number of lives in the region. Finally, the adjusted risk scores will be re-normalized to 1.0 based on geographic region groupings of Regions 1, 9, and 10 and Regions 2 through 8. The CDPS risk scores will be applied to the Disabled actuarially sound capitation rates shown in Enclosure 1. The CDPS risk scores will be developed using the July 2007 enrollment with diagnosis information for the period of March 1, 2006 through February 28, 2007. A risk score update will occur on April 1, 2008.

AA.6.0. – Stop Loss, Reinsurance, or Risk-sharing Arrangements

MDCH does not provide any reinsurance provision.

AA.6.1. – Commercial Reinsurance

MDCH does require the health plans to maintain a minimum specific stop-loss reinsurance policy based on contractual agreements.

AA.6.2. – Simple Stop Loss Program

MDCH does not provide for any of these provisions in the terms of their contract with the managed care organizations.

AA.6.3. – Risk Corridor Program

MDCH does not provide for any of these provisions in the terms of their contract with the managed care organizations.



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AA.7.0. – Incentive Arrangements

MDCH has established a withhold amount of 0.19%. The capitation rates shown in this letter do not reflect the withhold provision. Withhold payments will be available to both private and public contractors, and will not be conditioned upon intergovernmental transfer agreements. Withhold payments will be reviewed on an annual basis, and will not be renewed automatically.



If you have any questions regarding the enclosed information, please do not hesitate to contact me at (317) 524-3512.

Sincerely,

Robert M. Damler, FSA, MAAA
Principal and Consulting Actuary

RMD/mle
Enclosures



ENCLOSURE 1

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**STATE OF MICHIGAN
DEPARTMENT OF COMMUNITY HEALTH
Actuarially Sound Capitation Rate Ranges**

Region: 1, 9, and 10

Capitation Rate: TANF / Program L

Aid Category	FY 2008	
	High DoHCM	Low DoHCM
Males		
<1	\$512.21	\$538.02
1 – 4	106.30	110.29
5 – 14	65.97	68.31
15 – 20	71.73	74.61
21 – 25	122.60	128.92
26 – 44	273.05	286.86
45 +	514.94	543.03

Females	High DoHCM	Low DoHCM
< 1	\$465.98	\$472.76
1 – 4	85.37	88.25
5 – 14	57.17	59.47
15 – 20	102.16	107.87
21 – 25	190.02	201.48
26 – 44	277.20	292.84
45 +	530.20	562.19

Capitation Rate: Blind and Disabled – Non-Dual

FY 2008	
High DoHCM	Low DoHCM
\$829.91	\$849.52

Capitation Rate: Aged – Non-Dual

FY2008		
Adjustment Factor	High DoHCM	Low DoHCM
0.758	\$629.07	\$643.94

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Capitation Rate: Maternity Delivery Rate

FY 2008	
Region	Case Rate
1	\$6,680.17
9	6,527.61
10	6,663.50

Area Factor Relativities for the TANF / Program L Population

Region	Area Factor
1	0.996
9	0.998
10	1.022



**STATE OF MICHIGAN
DEPARTMENT OF COMMUNITY HEALTH
Actuarially Sound Capitation Rate Ranges**

Region: 2 through 8

Capitation Rate: TANF / Program L

Aid Category	FY 2008	
	High DoHCM	Low DoHCM
Males		
<1	\$480.69	\$491.36
1 – 4	101.13	105.40
5 – 14	76.70	79.70
15 – 20	85.57	90.49
21 – 25	128.49	135.51
26 – 44	298.10	321.62
45 +	536.06	558.80

Females	High DoHCM	Low DoHCM
< 1	\$433.55	\$441.64
1 – 4	85.61	88.60
5 – 14	65.58	68.40
15 – 20	134.71	144.41
21 – 25	229.59	247.46
26 – 44	324.42	339.43
45 +	570.56	601.16

Capitation Rate: Blind and Disabled – Non-Dual

FY 2008	
High DoHCM	Low DoHCM
\$749.44	\$776.80

Capitation Rate: Aged – Non-Dual

FY2008		
Adjustment Factor	High DoHCM	Low DoHCM
0.848	\$635.53	\$658.73

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



Capitation Rate: Maternity Delivery Rate

FY 2008	
Region	Case Rate
2	\$6,067.36
3	6,032.80
4	5,751.86
5	6,244.01
6	6,323.49
7	6,012.01
8	5,812.39

Area Factor Relativities for the TANF / Program L Populations

Region	Area Factor
2	1.029
3	0.998
4	0.986
5	0.967
6	0.998
7	1.009
8	1.045



ENCLOSURE 2

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**STATE OF MICHIGAN
DEPARTMENT OF COMMUNITY HEALTH
Capitation Rates Effective October 1, 2007 through September 30, 2008**

Actuarial Certification

I, Robert M. Damler, am a Principal and Consulting Actuary with the firm of Milliman, Inc. I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. I was retained by the State of Michigan, Department of Community Health to perform an actuarial review and certification regarding the development of the capitation rates to be effective for state fiscal year 2008. The capitation rates developed for state fiscal year 2008 were developed using a rate rebasing methodology using updated baseline data from state fiscal years 2005 and 2006. The rate rebasing methodology included adjustments for updated baseline experience, trend, and policy and program changes. I have experience in the examination of financial calculations for Medicaid programs and meet the qualification standards for rendering this opinion.

I reviewed the historical claims experience for reasonableness and consistency. I have developed certain actuarial assumptions and actuarial methodologies regarding the projection of healthcare expenditures into future periods. I have complied with the elements of the rate setting checklist CMS developed for its Regional Offices regarding 42 CFR 438.6(c) for risk-based Medicaid managed care plans.

The capitation rates provided with this certification are effective for the one-year rating period beginning October 1, 2007, through September 30, 2008.

The capitation rates provided with this certification are considered actuarially sound, under the following definition:

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

This Opinion is intended for the State of Michigan, Department of Community Health and should not be relied on by other parties. The reader should be advised by actuaries or other professionals competent in the area of actuarial projections of the type in this Opinion, so as to properly interpret the projection results. It should be emphasized that capitation rates are a projection of future costs based on a set of assumptions. This certification should not be considered a guarantee that the capitation rates will be sufficient for any specific health plan, since actual costs incurred by a health plan will be dependent on each contracted health plan's management, contracted rates, and experience.



This actuarial certification has been based on the actuarial methods, considerations, and analyses promulgated from time to time through the Actuarial Standards of Practice by the Actuarial Standards Board.


ELECTRONIC
SIGNATURE

Robert M. Damler, FSA
Member, American Academy of Actuaries

August 17, 2007

Date



ENCLOSURE 3

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**Michigan Department of Community Health
Health Plan Capitation Rate Development
Maternity for All Populations**

Fiscal Year: 2008

Low Managed Care

<u>Population</u>	<u>Current Rates</u>	<u>September 2006 Deliveries</u>	<u>FY2006 Adjusted Claim Cost</u>	<u>TPL Adjustment</u>	<u>Area Factor</u>	<u>Region Adjusted Claim Cost</u>	<u>Admin/ Profit/ Surplus</u>	<u>Pre-QAAP Capitation Rate</u>
Blended Rates								
Region 1	\$6,183.21	547	\$4,252.85	0.975	1.000	\$4,146.53	\$128.24	\$4,274.77
Region 2	5,752.32	116	3,986.92	0.975	1.000	3,887.25	120.22	4,007.47
Region 3	5,874.31	197	3,954.47	0.975	1.000	3,855.61	119.25	3,974.86
Region 4	6,248.33	300	3,690.70	0.975	1.000	3,598.43	111.29	3,709.72
Region 5	5,987.93	74	4,152.78	0.975	1.000	4,048.96	125.23	4,174.19
Region 6	6,115.77	167	4,227.40	0.975	1.000	4,121.72	127.48	4,249.20
Region 7	5,983.44	122	3,934.95	0.975	1.000	3,836.58	118.66	3,955.24
Region 8	5,816.39	19	3,747.53	0.975	1.000	3,653.84	113.01	3,766.85
Region 9	5,822.97	105	4,109.61	0.975	1.000	4,006.87	123.92	4,130.79
Region 10	6,317.62	77	4,237.20	0.975	1.000	4,131.27	127.77	4,259.04

**Michigan Department of Community Health
Health Plan Capitation Rate Development
Maternity for All Populations**

Fiscal Year: 2008

Low Managed Care

<u>Population</u>	<u>Pre-QAAP Capitation Rate</u>	<u>QAAP</u>	<u>Hospital Reimbursement Adjustment</u>	<u>GME</u>	<u>2008 Proposed Capitation Rate</u>
Blended Rates					
Region 1	\$4,274.77	\$254.79	\$1,545.03	\$605.58	\$6,680.17
Region 2	4,007.47	238.86	1,298.79	522.24	6,067.36
Region 3	3,974.86	236.91	1,298.79	522.24	6,032.80
Region 4	3,709.72	221.11	1,298.79	522.24	5,751.86
Region 5	4,174.19	248.79	1,298.79	522.24	6,244.01
Region 6	4,249.20	253.26	1,298.79	522.24	6,323.49
Region 7	3,955.24	235.74	1,298.79	522.24	6,012.01
Region 8	3,766.85	224.51	1,298.79	522.24	5,812.39
Region 9	4,130.79	246.21	1,545.03	605.58	6,527.61
Region 10	4,259.04	253.85	1,545.03	605.58	6,663.50

Michigan Department of Community Health
Health Plan Capitation Rate Development
Regions 1, 9, and 10

Fiscal Year: 2008

Low Managed Care

Population	Current Rates	September 2006 Enrollment	FY2006 Adjusted Claim Cost	Other MH RX Adj	Non-Emer Transport	Adolescent Center	Ambulance Mileage Increase	Total Claim Cost	TPL Adjustment	Completion Factor	Region Adjusted Claim Cost
TANF/L Male											
Less than 1	\$229.36	9,564	\$322.61	\$0.02	\$1.29	\$0.00	\$0.13	\$324.05	0.975	1.009	\$318.74
1 - 4 Years	94.63	34,839	73.29	0.19	1.29	0.00	0.07	74.84	0.975	1.009	73.61
5 - 14 Years	69.27	73,303	40.80	3.06	1.29	2.24	0.03	47.42	0.975	1.009	46.64
15 - 20 Years	85.59	26,284	44.41	2.03	1.29	1.76	0.07	49.56	0.975	1.009	48.75
21 - 25 Years	110.89	1,068	79.61	3.42	1.29	0.00	0.11	84.43	0.975	1.009	83.05
26 - 44 Years	247.75	6,290	181.92	8.76	1.29	0.00	0.15	192.12	0.975	1.009	188.97
45 + Years	650.47	2,405	355.91	11.64	1.29	0.00	0.25	369.09	0.975	1.009	363.04
TANF/L Female											
Less than 1	\$215.72	9,098	\$283.34	\$0.05	\$1.29	\$0.00	\$0.11	\$284.79	0.975	1.009	\$280.12
1 - 4 Years	78.11	33,202	59.32	0.09	1.29	0.00	0.05	60.75	0.975	1.009	59.75
5 - 14 Years	59.16	73,310	35.92	1.38	1.29	2.24	0.02	40.85	0.975	1.009	40.18
15 - 20 Years	119.08	31,905	70.59	1.61	1.29	1.76	0.12	75.37	0.975	1.009	74.14
21 - 25 Years	185.12	12,485	131.81	3.68	1.29	0.00	0.21	136.99	0.975	1.009	134.75
26 - 44 Years	235.98	39,785	188.04	10.36	1.29	0.00	0.19	199.88	0.975	1.009	196.61
45 + Years	447.75	6,488	362.87	15.11	1.29	0.00	0.30	379.57	0.975	1.009	373.35
Composite	\$120.42	360,026	\$91.09	\$3.01	\$1.29	\$1.20	\$0.08	\$96.67	0.975	1.009	\$95.09
Blind/Disabled	\$826.76	62,261	\$513.64	\$33.63	\$3.23	\$0.00	\$0.58	\$551.08	0.975	1.021	\$548.77

Michigan Department of Community Health
Health Plan Capitation Rate Development
Regions 1, 9, and 10

Fiscal Year: 2008

Low Managed Care

<u>Population</u>	<u>Region Adjusted Claim Cost</u>	<u>Admin/ Profit/ Surplus</u>	<u>Pre-QAAP Capitation Rate</u>	<u>QAAP</u>	<u>Hospital Reimbursement Adjustment</u>	<u>GME</u>	<u>Physician Access Fee</u>	<u>2008 Proposed Capitation Rate</u>
TANF/L Male								
Less than 1	\$318.74	\$41.42	\$360.16	\$21.47	\$112.83	\$39.18	\$4.38	\$538.02
1 - 4 Years	73.61	9.58	83.19	4.96	15.43	2.33	4.38	110.29
5 - 14 Years	46.64	6.07	52.71	3.14	7.12	0.96	4.38	68.31
15 - 20 Years	48.75	6.33	55.08	3.28	10.11	1.76	4.38	74.61
21 - 25 Years	83.05	10.78	93.83	5.59	21.43	3.69	4.38	128.92
26 - 44 Years	188.97	24.57	213.54	12.73	45.38	10.83	4.38	286.86
45 + Years	363.04	47.17	410.21	24.45	82.90	21.09	4.38	543.03
TANF/L Female								
Less than 1	\$280.12	\$36.40	\$316.52	\$18.87	\$98.22	\$34.77	\$4.38	\$472.76
1 - 4 Years	59.75	7.78	67.53	4.02	10.59	1.73	4.38	88.25
5 - 14 Years	40.18	5.23	45.41	2.71	6.12	0.85	4.38	59.47
15 - 20 Years	74.14	9.62	83.76	4.99	12.68	2.06	4.38	107.87
21 - 25 Years	134.75	17.50	152.25	9.07	30.15	5.63	4.38	201.48
26 - 44 Years	196.61	25.55	222.16	13.24	44.85	8.21	4.38	292.84
45 + Years	373.35	48.51	421.86	25.14	91.52	19.29	4.38	562.19
Composite	\$95.09	\$12.36	\$107.45	\$6.40	\$21.57	\$4.78	\$4.38	\$144.57
Blind/Disabled	\$548.77	\$71.30	\$620.07	\$36.96	\$146.88	\$36.85	\$8.76	\$849.52

Michigan Department of Community Health
Health Plan Capitation Rate Development
Regions 2-8

Fiscal Year: 2008

Low Managed Care

Population	Current Rates	September 2006 Enrollment	FY2006 Adjusted Claim Cost	Other MH RX Adj	Non-Emer Transport	Adolescent Center	Ambulance Mileage Increase	Total Claim Cost	TPL Adjustment	Completion Factor	Region Adjusted Claim Cost
TANF/L Male											
Less than 1	\$265.84	13,065	\$297.73	\$0.04	\$1.29	\$0.00	\$0.21	\$299.27	0.975	1.009	\$294.37
1 - 4 Years	87.71	45,710	70.04	0.19	1.29	0.00	0.08	71.60	0.975	1.009	70.43
5 - 14 Years	65.97	86,695	46.65	6.30	1.29	2.24	0.04	56.52	0.975	1.009	55.59
15 - 20 Years	81.66	29,363	54.02	4.63	1.29	1.76	0.11	61.81	0.975	1.009	60.80
21 - 25 Years	118.16	2,605	83.97	5.62	1.29	0.00	0.18	91.06	0.975	1.009	89.57
26 - 44 Years	256.40	11,414	200.70	12.43	1.29	0.00	0.25	214.67	0.975	1.009	211.15
45 + Years	565.85	2,528	363.34	17.90	1.29	0.00	0.47	383.00	0.975	1.009	376.73
TANF/L Female											
Less than 1	\$229.29	12,581	\$265.38	\$0.02	\$1.29	\$0.00	\$0.18	\$266.87	0.975	1.009	\$262.50
1 - 4 Years	73.44	44,093	59.11	0.12	1.29	0.00	0.06	60.58	0.975	1.009	59.59
5 - 14 Years	56.82	85,430	41.81	2.72	1.29	2.24	0.03	48.09	0.975	1.009	47.30
15 - 20 Years	121.52	35,100	94.99	3.85	1.29	1.76	0.17	102.06	0.975	1.009	100.39
21 - 25 Years	204.04	17,398	161.93	8.83	1.29	0.00	0.24	172.29	0.975	1.009	169.47
26 - 44 Years	273.32	42,979	214.28	20.59	1.29	0.00	0.24	236.40	0.975	1.009	232.53
45 + Years	579.59	5,021	388.22	30.14	1.29	0.00	0.34	419.99	0.975	1.009	413.11
Composite	\$123.77	433,982	\$99.03	\$5.66	\$1.29	\$1.15	\$0.11	\$107.24	0.975	1.009	\$105.48
Blind/Disabled	\$710.98	65,356	\$470.60	\$52.67	\$3.23	\$0.00	\$0.75	\$527.25	0.975	1.021	\$525.04

Michigan Department of Community Health
Health Plan Capitation Rate Development
Regions 2-8

Fiscal Year: 2008

Low Managed Care

<u>Population</u>	<u>Region Adjusted Claim Cost</u>	<u>Admin/ Profit/ Surplus</u>	<u>Pre-QAAP Capitation Rate</u>	<u>QAAP</u>	<u>Hospital Reimbursement Adjustment</u>	<u>GME</u>	<u>Physician Access Fee</u>	<u>2008 Proposed Capitation Rate</u>
TANF/L Male								
Less than 1	\$294.37	\$38.24	\$332.61	\$19.82	\$99.34	\$35.21	\$4.38	\$491.36
1 - 4 Years	70.43	9.15	79.58	4.74	14.58	2.12	4.38	105.40
5 - 14 Years	55.59	7.23	62.82	3.74	7.76	1.00	4.38	79.70
15 - 20 Years	60.80	7.89	68.69	4.09	11.50	1.83	4.38	90.49
21 - 25 Years	89.57	11.64	101.21	6.03	20.74	3.15	4.38	135.51
26 - 44 Years	211.15	27.44	238.59	14.22	56.57	7.86	4.38	321.62
45 + Years	376.73	48.95	425.68	25.37	83.78	19.59	4.38	558.80
TANF/L Female								
Less than 1	\$262.50	\$34.11	\$296.61	\$17.68	\$90.78	\$32.19	\$4.38	\$441.64
1 - 4 Years	59.59	7.75	67.34	4.01	11.19	1.68	4.38	88.60
5 - 14 Years	47.30	6.16	53.46	3.19	6.59	0.78	4.38	68.40
15 - 20 Years	100.39	13.05	113.44	6.76	17.54	2.29	4.38	144.41
21 - 25 Years	169.47	22.02	191.49	11.41	35.64	4.54	4.38	247.46
26 - 44 Years	232.53	30.20	262.73	15.66	48.52	8.14	4.38	339.43
45 + Years	413.11	53.67	466.78	27.82	83.28	18.90	4.38	601.16
Composite	\$105.48	\$13.71	\$119.19	\$7.10	\$22.64	\$4.60	\$4.38	\$157.91
Blind/Disabled	\$525.04	\$68.23	\$593.27	\$35.36	\$112.96	\$26.45	\$8.76	\$776.80

**Michigan Department of Community Health
Health Plan Capitation Rate Development
Maternity for All Populations**

Fiscal Year: 2008

High Managed Care

<u>Population</u>	<u>Current Rates</u>	<u>September 2006 Deliveries</u>	<u>FY2006 Adjusted Claim Cost</u>	<u>TPL Adjustment</u>	<u>Completion Factor</u>	<u>Region Adjusted Claim Cost</u>	<u>Admin/ Profit/ Surplus</u>	<u>Pre-QAAP Capitation Rate</u>
Blended Rates								
Region 1	\$6,183.21	547	\$4,252.85	0.975	1.000	\$4,146.53	\$128.24	\$4,274.77
Region 2	5,752.32	116	3,986.92	0.975	1.000	3,887.25	120.22	4,007.47
Region 3	5,874.31	197	3,954.47	0.975	1.000	3,855.61	119.25	3,974.86
Region 4	6,248.33	300	3,690.70	0.975	1.000	3,598.43	111.29	3,709.72
Region 5	5,987.93	74	4,152.78	0.975	1.000	4,048.96	125.23	4,174.19
Region 6	6,115.77	167	4,227.40	0.975	1.000	4,121.72	127.48	4,249.20
Region 7	5,983.44	122	3,934.95	0.975	1.000	3,836.58	118.66	3,955.24
Region 8	5,816.39	19	3,747.53	0.975	1.000	3,653.84	113.01	3,766.85
Region 9	5,822.97	105	4,109.61	0.975	1.000	4,006.87	123.92	4,130.79
Region 10	6,317.62	77	4,237.20	0.975	1.000	4,131.27	127.77	4,259.04

**Michigan Department of Community Health
Health Plan Capitation Rate Development
Maternity for All Populations**

Fiscal Year: 2008

High Managed Care

<u>Population</u>	<u>Pre-QAAP Capitation Rate</u>	<u>QAAP</u>	<u>Hospital Reimbursement Adjustment</u>	<u>GME</u>	<u>2008 Proposed Capitation Rate</u>
Blended Rates					
Region 1	\$4,274.77	\$254.79	\$1,545.03	\$605.58	\$6,680.17
Region 2	4,007.47	238.86	1,298.79	522.24	6,067.36
Region 3	3,974.86	236.91	1,298.79	522.24	6,032.80
Region 4	3,709.72	221.11	1,298.79	522.24	5,751.86
Region 5	4,174.19	248.79	1,298.79	522.24	6,244.01
Region 6	4,249.20	253.26	1,298.79	522.24	6,323.49
Region 7	3,955.24	235.74	1,298.79	522.24	6,012.01
Region 8	3,766.85	224.51	1,298.79	522.24	5,812.39
Region 9	4,130.79	246.21	1,545.03	605.58	6,527.61
Region 10	4,259.04	253.85	1,545.03	605.58	6,663.50

Michigan Department of Community Health
Health Plan Capitation Rate Development
Regions 1, 9, and 10

Fiscal Year: 2008

High Managed Care

<u>Population</u>	<u>Current Rates</u>	<u>September 2006 Enrollment</u>	<u>FY2006 Adjusted Claim Cost</u>	<u>Other MH RX Adj</u>	<u>Non-Emer Transport</u>	<u>Adolescent Center</u>	<u>Ambulance Mileage Increase</u>	<u>Total Claim Cost</u>	<u>TPL Adjustment</u>	<u>Completion Factor</u>	<u>Region Adjusted Claim Cost</u>
TANF/L Male											
Less than 1	\$229.36	9,564	\$301.57	\$0.02	\$1.29	\$0.00	\$0.11	\$302.99	0.975	1.009	\$298.03
1 - 4 Years	94.63	34,839	70.77	0.19	1.29	0.00	0.06	72.31	0.975	1.009	71.13
5 - 14 Years	69.27	73,303	39.66	3.06	1.29	2.24	0.03	46.28	0.975	1.009	45.52
15 - 20 Years	85.59	26,284	42.81	2.03	1.29	1.76	0.06	47.95	0.975	1.009	47.16
21 - 25 Years	110.89	1,068	75.11	3.42	1.29	0.00	0.09	79.91	0.975	1.009	78.60
26 - 44 Years	247.75	6,290	171.07	8.76	1.29	0.00	0.13	181.25	0.975	1.009	178.28
45 + Years	650.47	2,405	332.94	11.64	1.29	0.00	0.21	346.08	0.975	1.009	340.41
TANF/L Female											
Less than 1	\$215.72	9,098	\$278.46	\$0.05	\$1.29	\$0.00	\$0.09	\$279.89	0.975	1.009	\$275.30
1 - 4 Years	78.11	33,202	57.73	0.09	1.29	0.00	0.05	59.16	0.975	1.009	58.19
5 - 14 Years	59.16	73,310	34.82	1.38	1.29	2.24	0.02	39.75	0.975	1.009	39.10
15 - 20 Years	119.08	31,905	66.60	1.61	1.29	1.76	0.10	71.36	0.975	1.009	70.19
21 - 25 Years	185.12	12,485	122.95	3.68	1.29	0.00	0.18	128.10	0.975	1.009	126.00
26 - 44 Years	235.98	39,785	175.63	10.36	1.29	0.00	0.17	187.45	0.975	1.009	184.38
45 + Years	447.75	6,488	336.60	15.11	1.29	0.00	0.25	353.25	0.975	1.009	347.46
Composite	\$120.42	360,026	\$86.59	\$3.01	\$1.29	\$1.20	\$0.07	\$92.15	0.975	1.009	\$90.64
Blind/Disabled	\$826.76	62,261	\$498.89	\$33.63	\$3.23	\$0.00	\$0.55	\$536.30	0.975	1.021	\$534.06

**Michigan Department of Community Health
Health Plan Capitation Rate Development
Regions 1, 9, and 10**

Fiscal Year: 2008

High Managed Care

<u>Population</u>	<u>Region Adjusted Claim Cost</u>	<u>Admin/ Profit/ Surplus</u>	<u>Pre-QAAP Capitation Rate</u>	<u>QAAP</u>	<u>Hospital Reimbursement Adjustment</u>	<u>GME</u>	<u>Physician Access Fee</u>	<u>2008 Proposed Capitation Rate</u>
TANF/L Male								
Less than 1	\$298.03	\$38.72	\$336.75	\$20.07	\$112.83	\$39.18	\$3.38	\$512.21
1 - 4 Years	71.13	9.24	80.37	4.79	15.43	2.33	3.38	106.30
5 - 14 Years	45.52	5.92	51.44	3.07	7.12	0.96	3.38	65.97
15 - 20 Years	47.16	6.14	53.30	3.18	10.11	1.76	3.38	71.73
21 - 25 Years	78.60	10.21	88.81	5.29	21.43	3.69	3.38	122.60
26 - 44 Years	178.28	23.17	201.45	12.01	45.38	10.83	3.38	273.05
45 + Years	340.41	44.23	384.64	22.93	82.90	21.09	3.38	514.94
TANF/L Female								
Less than 1	\$275.30	\$35.77	\$311.07	\$18.54	\$98.22	\$34.77	\$3.38	\$465.98
1 - 4 Years	58.19	7.56	65.75	3.92	10.59	1.73	3.38	85.37
5 - 14 Years	39.10	5.09	44.19	2.63	6.12	0.85	3.38	57.17
15 - 20 Years	70.19	9.12	79.31	4.73	12.68	2.06	3.38	102.16
21 - 25 Years	126.00	16.37	142.37	8.49	30.15	5.63	3.38	190.02
26 - 44 Years	184.38	23.96	208.34	12.42	44.85	8.21	3.38	277.20
45 + Years	347.46	45.15	392.61	23.40	91.52	19.29	3.38	530.20
Composite	\$90.64	\$11.78	\$102.43	\$6.11	\$21.57	\$4.78	\$3.38	\$138.25
Blind/Disabled	\$534.06	\$69.39	\$603.45	\$35.97	\$146.88	\$36.85	\$6.76	\$829.91

Michigan Department of Community Health
Health Plan Capitation Rate Development
Regions 2-8

Fiscal Year: 2008

High Managed Care

<u>Population</u>	<u>Current Rates</u>	<u>September 2006 Enrollment</u>	<u>FY2006 Adjusted Claim Cost</u>	<u>Other MH RX Adj</u>	<u>Non-Emer Transport</u>	<u>Adolescent Center</u>	<u>Ambulance Mileage Increase</u>	<u>Total Claim Cost</u>	<u>TPL Adjustment</u>	<u>Completion Factor</u>	<u>Region Adjusted Claim Cost</u>
TANF/L Male											
Less than 1	\$265.84	13,065	\$289.54	\$0.04	\$1.29	\$0.00	\$0.21	\$291.08	0.975	1.009	\$286.31
1 - 4 Years	87.71	45,710	67.26	0.19	1.29	0.00	0.08	68.82	0.975	1.009	67.69
5 - 14 Years	65.97	86,695	44.95	6.30	1.29	2.24	0.04	54.82	0.975	1.009	53.92
15 - 20 Years	81.66	29,363	50.70	4.63	1.29	1.76	0.11	58.49	0.975	1.009	57.53
21 - 25 Years	118.16	2,605	78.87	5.62	1.29	0.00	0.18	85.96	0.975	1.009	84.55
26 - 44 Years	256.40	11,414	181.61	12.43	1.29	0.00	0.25	195.58	0.975	1.009	192.38
45 + Years	565.85	2,528	344.93	17.90	1.29	0.00	0.47	364.59	0.975	1.009	358.62
TANF/L Female											
Less than 1	\$229.29	12,581	\$259.39	\$0.02	\$1.29	\$0.00	\$0.18	\$260.88	0.975	1.009	\$256.61
1 - 4 Years	73.44	44,093	57.42	0.12	1.29	0.00	0.06	58.89	0.975	1.009	57.93
5 - 14 Years	56.82	85,430	40.29	2.72	1.29	2.24	0.03	46.57	0.975	1.009	45.81
15 - 20 Years	121.52	35,100	87.63	3.85	1.29	1.76	0.17	94.70	0.975	1.009	93.15
21 - 25 Years	204.04	17,398	147.65	8.83	1.29	0.00	0.24	158.01	0.975	1.009	155.42
26 - 44 Years	273.32	42,979	202.40	20.59	1.29	0.00	0.24	224.52	0.975	1.009	220.84
45 + Years	579.59	5,021	363.10	30.14	1.29	0.00	0.34	394.87	0.975	1.009	388.40
Composite	\$123.77	433,982	\$94.01	\$5.66	\$1.29	\$1.15	\$0.11	\$102.21	0.975	1.009	\$100.54
Blind/Disabled	\$710.98	65,356	\$449.46	\$52.67	\$3.23	\$0.00	\$0.63	\$505.99	0.975	1.021	\$503.87

Michigan Department of Community Health
Health Plan Capitation Rate Development
Regions 2-8

Fiscal Year: 2008

High Managed Care

<u>Population</u>	<u>Region Adjusted Claim Cost</u>	<u>Admin/ Profit/ Surplus</u>	<u>Pre-QAAP Capitation Rate</u>	<u>QAAP</u>	<u>Hospital Reimbursement Adjustment</u>	<u>GME</u>	<u>Physician Access Fee</u>	<u>2008 Proposed Capitation Rate</u>
TANF/L Male								
Less than 1	\$286.31	\$37.17	\$323.48	\$19.28	\$99.34	\$35.21	\$3.38	\$480.69
1 - 4 Years	67.69	8.80	76.49	4.56	14.58	2.12	3.38	101.13
5 - 14 Years	53.92	7.01	60.93	3.63	7.76	1.00	3.38	76.70
15 - 20 Years	57.53	7.46	64.99	3.87	11.50	1.83	3.38	85.57
21 - 25 Years	84.55	10.98	95.53	5.69	20.74	3.15	3.38	128.49
26 - 44 Years	192.38	24.96	217.34	12.95	56.57	7.86	3.38	298.10
45 + Years	358.62	46.54	405.16	24.15	83.78	19.59	3.38	536.06
TANF/L Female								
Less than 1	\$256.61	\$33.31	\$289.92	\$17.28	\$90.78	\$32.19	\$3.38	\$433.55
1 - 4 Years	57.93	7.53	65.46	3.90	11.19	1.68	3.38	85.61
5 - 14 Years	45.81	5.94	51.75	3.08	6.59	0.78	3.38	65.58
15 - 20 Years	93.15	12.08	105.23	6.27	17.54	2.29	3.38	134.71
21 - 25 Years	155.42	20.15	175.57	10.46	35.64	4.54	3.38	229.59
26 - 44 Years	220.84	28.67	249.51	14.87	48.52	8.14	3.38	324.42
45 + Years	388.40	50.44	438.84	26.16	83.28	18.90	3.38	570.56
Composite	\$100.54	\$13.05	\$113.59	\$6.77	\$22.64	\$4.60	\$3.38	\$150.97
Blind/Disabled	\$503.87	\$65.47	\$569.34	\$33.93	\$112.96	\$26.45	\$6.76	\$749.44



ENCLOSURE 4

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Michigan Department of Community Health
Cost Model Projections: 2008 Fiscal Year
Regions 1, 9, and 10

Population : Blind and Disabled Composite

Low Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	1,716.8	90%	1,545.1	\$841.49	\$108.35	3.0%	\$116.66
Surgical	274.2	90%	246.8	1,691.63	34.79	3.0%	37.46
Non-Delivery Maternity	6.7	100%	6.7	728.70	0.40	3.0%	0.44
Maternity Delivery	-	100%	-	0.00	0.00	3.0%	0.00
Well Newborn	0.1	100%	0.1	318.45	0.00	3.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	3.0%	0.00
Psychiatric/Substance Abuse	25.2	100%	25.2	1,282.90	2.69	3.0%	2.90
Ungroupable Inpatient	10.9	100%	10.9	1,431.23	1.30	3.0%	1.40
Subtotal	2,033.9		1,834.8		\$147.54		\$158.86
Outpatient Hospital							
Emergency Room	1,775.6	80%	1,420.5	\$90.32	\$10.69	7.3%	\$12.75
Surgery	330.3	100%	330.3	428.31	11.79	7.3%	14.06
Other Outpatient	11,698.5	90%	10,528.6	72.36	63.49	7.3%	75.70
Subtotal	13,804.4		12,279.4		\$85.97		\$102.51
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$443.27	\$0.00	10.5%	\$0.00
All Other Prescription Drugs	27,533.7	95%	26,157.0	34.70	75.64	10.5%	97.09
Transportation	2,316.2	100%	2,316.2	18.76	3.62	3.2%	3.92
DME/Prosthetics/Orthotics	1,148.6	100%	1,148.6	148.15	14.18	3.2%	15.34
School Based Services	-	100%	-	0.00	0.00	3.2%	0.00
Other Ancillary	2,250.3	100%	2,250.3	113.42	21.27	3.2%	23.01
Subtotal	33,248.7		31,872.1		\$114.72		\$139.36
Physician							
Inpatient and Outpatient Surgery	1,123.7	90%	1,011.3	\$184.93	\$15.59	5.5%	\$17.82
Anesthesia	351.6	100%	351.6	113.11	3.31	5.5%	3.79
Office/Consults	5,128.5	115%	5,897.8	44.17	21.71	5.5%	24.82
Well Baby Exams/Physical Exams	218.4	110%	240.3	49.11	0.98	5.5%	1.12
Hospital Inpatient Visits	3,002.3	90%	2,702.1	41.53	9.35	5.5%	10.69
Emergency Room Visits	1,330.1	85%	1,130.6	57.11	5.38	5.5%	6.15
Radiology	5,609.0	100%	5,609.0	40.91	19.12	5.5%	21.86
Pathology	16,667.0	100%	16,667.0	8.59	11.93	5.5%	13.64
Outpatient Psychiatric	459.9	100%	459.9	43.61	1.67	5.5%	1.91
Maternity	-	100%	-	385.22	0.00	5.5%	0.00
Other Professional	4,643.3	95%	4,411.1	26.43	9.72	5.5%	11.11
Subtotal	38,533.9		38,480.7		\$98.76		\$112.91
Total Claims/Benefit Cost					\$446.99		\$513.64
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$446.99		\$513.64

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Population : Blind and Disabled Composite

High Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	1,716.8	85%	1,459.3	\$845.66	\$102.84	3.0%	\$110.72
Surgical	274.2	85%	233.1	1,700.00	33.02	3.0%	35.56
Non-Delivery Maternity	6.7	100%	6.7	728.70	0.40	3.0%	0.44
Maternity Delivery	-	100%	-	0.00	0.00	3.0%	0.00
Well Newborn	0.1	100%	0.1	318.45	0.00	3.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	3.0%	0.00
Psychiatric/Substance Abuse	25.2	100%	25.2	1,282.90	2.69	3.0%	2.90
Ungroupable Inpatient	10.9	100%	10.9	<u>1,431.23</u>	<u>1.30</u>	3.0%	<u>1.40</u>
Subtotal	2,033.9		1,735.2		\$140.26		\$151.02
Outpatient Hospital							
Emergency Room	1,775.6	75%	1,331.7	\$91.39	\$10.14	7.3%	\$12.09
Surgery	330.3	85%	280.8	434.74	10.17	7.3%	12.13
Other Outpatient	11,698.5	85%	9,943.7	<u>72.72</u>	<u>60.26</u>	7.3%	<u>71.85</u>
Subtotal	13,804.4		11,556.2		\$80.57		\$96.07
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-		-	\$443.27	\$0.00	10.5%	\$0.00
All Other Prescription Drugs	27,533.7	95%	26,157.0	34.70	75.64	10.5%	97.09
Transportation	2,316.2	95%	2,200.4	18.76	3.44	3.2%	3.72
DME/Prosthetics/Orthotics	1,148.6	100%	1,148.6	148.15	14.18	3.2%	15.34
School Based Services	-	95%	-	0.00	0.00	3.2%	0.00
Other Ancillary	2,250.3	95%	2,137.8	<u>113.42</u>	<u>20.21</u>	3.2%	<u>21.86</u>
Subtotal	33,248.7		31,643.7		\$113.47		\$138.02
Physician							
Inpatient and Outpatient Surgery	1,123.7	85%	955.1	\$187.62	\$14.93	5.5%	\$17.07
Anesthesia	351.6	95%	334.0	113.68	3.16	5.5%	3.62
Office/Consults	5,128.5	125%	6,410.6	44.82	23.94	5.5%	27.37
Well Baby Exams/Physical Exams	218.4	125%	273.1	50.55	1.15	5.5%	1.32
Hospital Inpatient Visits	3,002.3	99%	2,972.3	40.79	10.10	5.5%	11.55
Emergency Room Visits	1,330.1	93%	1,230.4	56.69	5.81	5.5%	6.64
Radiology	5,609.0	95%	5,328.5	40.91	18.17	5.5%	20.77
Pathology	16,667.0	95%	15,833.7	8.59	11.33	5.5%	12.96
Outpatient Psychiatric	459.9	100%	459.9	43.61	1.67	5.5%	1.91
Maternity	-	100%	-	385.22	0.00	5.5%	0.00
Other Professional	4,643.3	90%	4,179.0	<u>26.56</u>	<u>9.25</u>	5.5%	<u>10.58</u>
Subtotal	38,533.9		37,976.6		\$99.53		\$113.78
Total Claims/Benefit Cost					\$433.83		\$498.89
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$433.83		\$498.89

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Michigan Department of Community Health
 Cost Model Projections: 2008 Fiscal Year
 Regions 2 - 8

8/17/2007
 2:04 PM

Population : Blind and Disabled Composite

Low Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	1,016.5	93%	940.3	\$887.13	\$69.51	3.0%	\$74.84
Surgical	261.8	93%	242.2	1,676.29	33.83	3.0%	36.43
Non-Delivery Maternity	6.4	100%	6.4	504.23	0.27	3.0%	0.29
Maternity Delivery	-	100%	-	0.00	0.00	3.0%	0.00
Well Newborn	3.0	100%	3.0	249.31	0.06	3.0%	0.07
Skilled Nursing Facility	-	100%	-	0.00	0.00	3.0%	0.00
Psychiatric/Substance Abuse	10.5	100%	10.5	1,439.24	1.26	3.0%	1.36
Ungroupable Inpatient	10.0	100%	10.0	1,146.05	0.96	3.0%	1.03
Subtotal	1,308.2		1,212.4		\$105.90		\$114.02
Outpatient Hospital							
Emergency Room	1,488.5	85%	1,265.2	\$73.42	\$7.74	7.3%	\$9.23
Surgery	299.7	100%	299.7	385.18	9.62	7.3%	11.47
Other Outpatient	12,300.1	100%	12,300.1	54.23	55.59	7.3%	66.28
Subtotal	14,088.4		13,865.1		\$72.95		\$86.98
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	0.1	100%	0.1	\$414.27	\$0.00	10.5%	\$0.00
All Other Prescription Drugs	28,359.0	95%	26,941.1	34.24	76.87	10.5%	98.66
Transportation	3,529.6	100%	3,529.6	15.77	4.64	3.2%	5.02
DME/Prosthetics/Orthotics	2,259.6	100%	2,259.6	102.08	19.22	3.2%	20.80
School Based Services	-	100%	-	0.00	0.00	3.2%	0.00
Other Ancillary	2,829.1	100%	2,829.1	122.97	28.99	3.2%	31.37
Subtotal	36,977.5		35,559.6		\$129.72		\$155.85
Physician							
Inpatient and Outpatient Surgery	1,141.6	90%	1,027.5	\$203.10	\$17.39	5.5%	\$19.88
Anesthesia	263.6	100%	263.6	124.22	2.73	5.5%	3.12
Office/Consults	5,801.8	110%	6,381.9	39.74	21.14	5.5%	24.16
Well Baby Exams/Physical Exams	303.5	108%	326.2	53.19	1.45	5.5%	1.65
Hospital Inpatient Visits	1,660.5	95%	1,577.4	42.70	5.61	5.5%	6.42
Emergency Room Visits	1,351.1	90%	1,216.0	50.74	5.14	5.5%	5.88
Radiology	5,208.1	100%	5,208.1	46.47	20.17	5.5%	23.06
Pathology	14,454.9	100%	14,454.9	9.63	11.59	5.5%	13.26
Outpatient Psychiatric	698.1	100%	698.1	43.56	2.53	5.5%	2.90
Maternity	-	100%	-	393.19	0.00	5.5%	0.00
Other Professional	5,159.0	100%	5,159.0	27.34	11.75	5.5%	13.44
Subtotal	36,042.0		36,312.6		\$99.51		\$113.76
Total Claims/Benefit Cost					\$408.07		\$470.60
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$408.07		\$470.60

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Population : Blind and Disabled Composite

High Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	1,016.5	88%	889.5	\$891.53	\$66.08	3.0%	\$71.15
Surgical	261.8	88%	229.1	1,684.61	32.16	3.0%	34.63
Non-Delivery Maternity	6.4	100%	6.4	504.23	0.27	3.0%	0.29
Maternity Delivery	-	100%	-	0.00	0.00	3.0%	0.00
Well Newborn	3.0	100%	3.0	249.31	0.06	3.0%	0.07
Skilled Nursing Facility	-	100%	-	0.00	0.00	3.0%	0.00
Psychiatric/Substance Abuse	10.5	100%	10.5	1,439.24	1.26	3.0%	1.36
Ungroupable Inpatient	10.0	100%	10.0	<u>1,146.05</u>	<u>0.96</u>	<u>3.0%</u>	<u>1.03</u>
Subtotal	1,308.2		1,148.4		\$100.79		\$108.52
Outpatient Hospital							
Emergency Room	1,488.5	70%	1,042.0	\$76.07	\$6.61	7.3%	\$7.88
Surgery	299.7	95%	284.7	387.11	9.19	7.3%	10.95
Other Outpatient	12,300.1	90%	11,070.1	<u>54.77</u>	<u>50.53</u>	<u>7.3%</u>	<u>60.25</u>
Subtotal	14,088.4		12,396.8		\$66.32		\$79.08
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	0.1	100%	0.1	\$414.27	\$0.00	10.5%	\$0.00
All Other Prescription Drugs	28,359.0	95%	26,941.1	34.24	76.87	10.5%	98.66
Transportation	3,529.6	85%	3,000.2	15.77	3.94	3.2%	4.26
DME/Prosthetics/Orthotics	2,259.6	100%	2,259.6	102.08	19.22	3.2%	20.80
School Based Services	-	85%	-	0.00	0.00	3.2%	0.00
Other Ancillary	2,829.1	85%	2,404.8	<u>122.97</u>	<u>24.64</u>	<u>3.2%</u>	<u>26.66</u>
Subtotal	36,977.5		34,605.8		\$124.68		\$150.39
Physician							
Inpatient and Outpatient Surgery	1,141.6	85%	970.4	\$206.05	\$16.66	5.5%	\$19.05
Anesthesia	263.6	95%	250.4	124.85	2.61	5.5%	2.98
Office/Consults	5,801.8	120%	6,962.1	40.33	23.40	5.5%	26.75
Well Baby Exams/Physical Exams	303.5	123%	371.7	54.76	1.70	5.5%	1.94
Hospital Inpatient Visits	1,660.5	99%	1,643.9	42.36	5.80	5.5%	6.63
Emergency Room Visits	1,351.1	92%	1,243.0	50.64	5.25	5.5%	6.00
Radiology	5,208.1	90%	4,687.3	46.94	18.33	5.5%	20.96
Pathology	14,454.9	90%	13,009.4	9.72	10.54	5.5%	12.05
Outpatient Psychiatric	698.1	100%	698.1	43.56	2.53	5.5%	2.90
Maternity	-	100%	-	393.19	0.00	5.5%	0.00
Other Professional	<u>5,159.0</u>	<u>90%</u>	<u>4,643.1</u>	<u>27.62</u>	<u>10.62</u>	<u>5.5%</u>	<u>12.22</u>
Subtotal	36,042.0		34,479.3		\$97.50		\$111.47
Total Claims/Benefit Cost					\$389.29		\$449.46
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$389.29		\$449.46

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Michigan Department of Community Health
 Cost Model Projections: 2008 Fiscal Year
 Regions 1, 9, and 10

8/17/2007
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Population : TANF/Program L Composite

Low Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	200.2	90%	181.1	\$998.40	\$15.07	1.0%	\$15.45
Surgical	20.5	94%	19.3	1,872.70	3.01	1.0%	3.09
Non-Delivery Maternity	9.5	95%	9.1	679.22	0.51	1.0%	0.53
Maternity Delivery	0.1	100%	0.1	0.00	0.00	0.0%	0.00
Well Newborn	37.9	105%	39.8	257.82	0.86	1.0%	0.88
Skilled Nursing Facility	-	100%	-	0.00	0.00	0.0%	0.00
Psychiatric/Substance Abuse	1.1	100%	1.1	1,546.89	0.14	1.0%	0.14
Ungroupable Inpatient	1.5	100%	1.5	2,563.72	0.33	1.0%	0.34
Subtotal	271.0		252.1		\$19.92		\$20.42
Outpatient Hospital							
Emergency Room	878.0	86%	756.4	\$88.42	\$5.57	2.7%	\$5.96
Surgery	110.7	100%	110.7	366.32	3.38	2.7%	3.62
Other Outpatient	2,585.4	98%	2,528.0	35.78	7.54	2.7%	8.06
Subtotal	3,574.1		3,395.1		\$16.49		\$17.64
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$0.00	\$0.00	0.0%	\$0.00
All Other Prescription Drugs	5,397.7	99%	5,353.1	21.07	9.40	12.8%	12.69
Transportation	310.0	100%	310.0	19.94	0.52	2.5%	0.55
DME/Prosthetics/Orthotics	82.8	100%	82.8	116.17	0.80	2.5%	0.85
School Based Services	-	100%	-	0.00	0.00	0.0%	0.00
Other Ancillary	322.4	100%	322.4	65.44	1.76	2.5%	1.87
Subtotal	6,112.9		6,068.4		\$12.47		\$15.96
Physician							
Inpatient and Outpatient Surgery	294.7	98%	290.1	\$119.59	\$2.89	1.0%	\$2.96
Anesthesia	114.7	100%	114.7	78.24	0.75	1.0%	0.77
Office/Consults	2,441.1	113%	2,757.3	36.62	8.41	1.0%	8.63
Well Baby Exams/Physical Exams	669.9	112%	751.7	77.46	4.85	1.0%	4.97
Hospital Inpatient Visits	300.8	99%	297.9	54.86	1.36	1.0%	1.40
Emergency Room Visits	695.2	87%	603.3	44.70	2.25	1.0%	2.30
Radiology	1,375.5	98%	1,341.7	37.16	4.15	1.0%	4.26
Pathology	5,017.1	97%	4,878.6	9.26	3.77	1.0%	3.86
Outpatient Psychiatric	237.5	100%	237.5	45.94	0.91	1.0%	0.93
Maternity	0.1	100%	0.1	22.23	0.00	1.0%	0.00
Other Professional	2,585.4	99%	2,556.5	31.92	6.82	1.0%	6.92
Subtotal	13,731.9		13,829.4		\$36.16		\$37.07
Total Claims/Benefit Cost					\$85.04		\$91.09
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$85.04		\$91.09

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Population : TANF/Program L Composite

High Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	200.2	83%	166.2	\$1,003.43	\$13.90	1.0%	\$14.25
Surgical	20.5	89%	18.3	1,882.01	2.86	1.0%	2.94
Non-Delivery Maternity	9.5	95%	9.1	679.22	0.51	1.0%	0.53
Maternity Delivery	0.1	100%	0.1	0.00	0.00	0.0%	0.00
Well Newborn	37.9	112%	42.7	259.88	0.92	1.0%	0.95
Skilled Nursing Facility	-	100%	-	0.00	0.00	0.0%	0.00
Psychiatric/Substance Abuse	1.1	100%	1.1	1,546.89	0.14	1.0%	0.14
Ungroupable Inpatient	1.5	100%	1.5	<u>2,563.72</u>	<u>0.33</u>	1.0%	<u>0.34</u>
Subtotal	271.0		239.0		\$18.67		\$19.14
Outpatient Hospital							
Emergency Room	878.0	74%	653.4	\$90.89	\$4.95	2.7%	\$5.30
Surgery	110.7	87%	95.9	372.27	2.98	2.7%	3.18
Other Outpatient	2,585.4	89%	2,296.4	<u>36.15</u>	<u>6.92</u>	2.7%	<u>7.40</u>
Subtotal	3,574.1		3,045.7		\$14.84		\$15.88
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$0.00	\$0.00	0.0%	\$0.00
All Other Prescription Drugs	5,397.7	90%	4,879.4	21.42	8.71	12.8%	11.76
Transportation	310.0	88%	272.0	19.92	0.45	2.5%	0.48
DME/Prosthetics/Orthotics	82.8	100%	82.8	116.17	0.80	2.5%	0.85
School Based Services	-	100%	-	0.00	0.00	0.0%	0.00
Other Ancillary	322.4	87%	279.5	<u>65.00</u>	<u>1.51</u>	2.5%	<u>1.61</u>
Subtotal	6,112.9		5,513.6		\$11.48		\$14.70
Physician							
Inpatient and Outpatient Surgery	294.7	93%	275.4	\$121.35	\$2.78	1.0%	\$2.85
Anesthesia	114.7	92%	106.0	78.74	0.70	1.0%	0.71
Office/Consults	2,441.1	122%	2,983.3	37.11	9.23	1.0%	9.46
Well Baby Exams/Physical Exams	669.9	127%	850.6	79.68	5.65	1.0%	5.79
Hospital Inpatient Visits	300.8	96%	288.4	55.29	1.33	1.0%	1.36
Emergency Room Visits	695.2	78%	539.3	45.06	2.02	1.0%	2.08
Radiology	1,375.5	89%	1,218.3	37.00	3.76	1.0%	3.85
Pathology	5,017.1	88%	4,408.9	9.25	3.40	1.0%	3.48
Outpatient Psychiatric	237.5	100%	237.5	45.94	0.91	1.0%	0.93
Maternity	0.1	100%	0.1	22.23	0.00	1.0%	0.00
Other Professional	2,585.4	89%	2,298.0	<u>32.30</u>	<u>6.19</u>	1.0%	<u>6.34</u>
Subtotal	13,731.9		13,205.7		\$35.96		\$36.86
Total Claims/Benefit Cost					\$80.95		\$86.59
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$80.95		\$86.59

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Michigan Department of Community Health
Cost Model Projections: 2008 Fiscal Year
Regions 1, 9, and 10

Population : TANF/Prog L < 1 Male

Low Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	1,844.0	85%	1,567.4	\$1,062.78	\$138.82	1.0%	\$142.31
Surgical	50.7	85%	43.1	1,919.34	6.89	1.0%	7.06
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	707.5	105%	742.9	262.94	16.28	1.0%	16.69
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	-	100%	-	0.00	0.00	1.0%	0.00
Ungroupable Inpatient	5.1	100%	5.1	3,297.72	1.39	1.0%	1.43
Subtotal	2,607.3		2,358.5		\$163.38		\$167.49
Outpatient Hospital							
Emergency Room	1,636.7	90%	1,473.0	\$87.08	\$10.69	2.7%	\$11.44
Surgery	104.6	100%	104.6	460.30	4.01	2.7%	4.29
Other Outpatient	3,014.6	100%	3,014.6	59.24	14.88	2.7%	15.92
Subtotal	4,755.9		4,592.2		\$29.58		\$31.65
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$443.80	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	5,841.3	100%	5,841.3	9.77	4.75	12.8%	6.42
Transportation	521.5	100%	521.5	18.48	0.80	2.5%	0.85
DME/Prosthetics/Orthotics	280.5	100%	280.5	129.10	3.02	2.5%	3.21
School Based Services	-	100%	-	0.00	0.00	2.5%	0.00
Other Ancillary	396.3	100%	396.3	34.83	1.15	2.5%	1.22
Subtotal	7,039.6		7,039.6		\$9.72		\$11.71
Physician							
Inpatient and Outpatient Surgery	470.3	100%	470.3	\$153.93	\$6.03	1.0%	\$6.19
Anesthesia	97.4	100%	97.4	96.98	0.79	1.0%	0.81
Office/Consults	6,255.9	110%	6,881.5	36.50	20.93	1.0%	21.46
Well Baby Exams/Physical Exams	3,850.6	110%	4,235.7	75.98	26.82	1.0%	27.49
Hospital Inpatient Visits	2,295.9	100%	2,295.9	54.42	10.41	1.0%	10.67
Emergency Room Visits	1,485.9	90%	1,337.3	40.93	4.56	1.0%	4.68
Radiology	1,732.4	100%	1,732.4	14.87	2.15	1.0%	2.20
Pathology	2,542.3	100%	2,542.3	7.60	1.61	1.0%	1.65
Outpatient Psychiatric	0.3	100%	0.3	70.29	0.00	1.0%	0.00
Maternity	0.1	100%	0.1	24.22	0.00	1.0%	0.00
Other Professional	11,359.6	95%	10,791.6	39.71	35.71	1.0%	36.61
Subtotal	30,090.7		30,384.8		\$109.01		\$111.76
Total Claims/Benefit Cost					\$311.70		\$322.61
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$311.70		\$322.61

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Population : TANF/Prog L < 1 Male

High Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	1,844.0	70%	1,290.8	\$1,078.49	\$116.01	1.0%	\$118.93
Surgical	50.7	80%	40.5	1,928.79	6.52	1.0%	6.68
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	707.5	115%	813.7	265.55	18.01	1.0%	18.46
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	-	100%	-	0.00	0.00	1.0%	0.00
Ungroupable Inpatient	5.1	100%	5.1	<u>3,297.72</u>	<u>1.32</u>	1.0%	<u>1.43</u>
Subtotal	2,607.3		2,150.1		\$141.92		\$145.50
Outpatient Hospital							
Emergency Room	1,636.7	83%	1,350.3	\$88.67	\$9.98	2.7%	\$10.68
Surgery	104.6	95%	99.4	462.60	3.83	2.7%	4.10
Other Outpatient	3,014.6	95%	2,863.9	<u>59.53</u>	<u>14.21</u>	2.7%	<u>15.20</u>
Subtotal	4,755.9		4,313.5		\$28.02		\$29.97
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$443.80	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	5,841.3	100%	5,841.3	9.77	4.75	12.8%	6.42
Transportation	521.5	85%	443.3	18.48	0.68	2.5%	0.73
DME/Prosthetics/Orthotics	280.5	100%	280.5	129.10	3.02	2.5%	3.21
School Based Services	-	85%	-	0.00	0.00	2.5%	0.00
Other Ancillary	396.3	90%	356.7	<u>34.83</u>	<u>1.04</u>	2.5%	<u>1.10</u>
Subtotal	7,039.6		6,921.7		\$9.49		\$11.46
Physician							
Inpatient and Outpatient Surgery	470.3	95%	446.8	\$156.24	\$5.82	1.0%	\$5.96
Anesthesia	97.4	95%	92.5	97.46	0.75	1.0%	0.77
Office/Consults	6,255.9	120%	7,507.0	37.04	23.17	1.0%	23.76
Well Baby Exams/Physical Exams	3,850.6	125%	4,813.3	78.21	31.37	1.0%	32.16
Hospital Inpatient Visits	2,295.9	101%	2,318.9	54.53	10.54	1.0%	10.80
Emergency Room Visits	1,485.9	85%	1,263.0	41.14	4.33	1.0%	4.44
Radiology	1,732.4	95%	1,645.8	14.87	2.04	1.0%	2.09
Pathology	2,542.3	95%	2,415.2	7.60	1.53	1.0%	1.57
Outpatient Psychiatric	0.3	100%	0.3	70.29	0.00	1.0%	0.00
Maternity	0.1	100%	0.1	24.22	0.00	1.0%	0.00
Other Professional	<u>11,359.6</u>	85%	<u>9,655.7</u>	<u>40.11</u>	<u>32.27</u>	1.0%	<u>33.08</u>
Subtotal	30,090.7		30,158.5		\$111.82		\$114.64
Total Claims/Benefit Cost					\$291.25		\$301.57
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$291.25		\$301.57

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Michigan Department of Community Health
 Cost Model Projections: 2008 Fiscal Year
 Regions 1, 9, and 10

8/17/2007
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Population : TANF/Prog L 1 - 4 Male

Low Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	93.1	95%	88.5	\$1,049.48	\$7.74	1.0%	\$7.93
Surgical	5.3	95%	5.0	2,660.71	1.11	1.0%	1.14
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	-	100%	-	0.00	0.00	1.0%	0.00
Ungroupable Inpatient	3.4	100%	3.4	3,088.77	0.87	1.0%	0.89
Subtotal	101.8		96.9		\$9.71		\$9.96
Outpatient Hospital							
Emergency Room	1,012.1	85%	860.2	\$90.47	\$6.49	2.7%	\$6.94
Surgery	120.9	100%	120.9	439.63	4.43	2.7%	4.74
Other Outpatient	2,449.4	90%	2,204.5	28.43	5.22	2.7%	5.59
Subtotal	3,582.4		3,185.6		\$16.14		\$17.27
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$443.80	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	4,248.7	100%	4,248.7	14.53	5.14	12.8%	6.95
Transportation	279.6	100%	279.6	18.70	0.44	2.5%	0.46
DME/Prosthetics/Orthotics	95.3	100%	95.3	146.25	1.16	2.5%	1.24
School Based Services	-	100%	-	0.00	0.00	2.5%	0.00
Other Ancillary	172.4	100%	172.4	43.04	0.62	2.5%	0.66
Subtotal	4,796.0		4,796.0		\$7.36		\$9.30
Physician							
Inpatient and Outpatient Surgery	207.4	100%	207.4	\$115.61	\$2.00	1.0%	\$2.05
Anesthesia	74.3	100%	74.3	72.83	0.45	1.0%	0.46
Office/Consults	2,908.6	113%	3,272.2	35.24	9.61	1.0%	9.85
Well Baby Exams/Physical Exams	1,013.2	110%	1,114.5	74.05	6.88	1.0%	7.05
Hospital Inpatient Visits	124.6	100%	124.6	51.73	0.54	1.0%	0.55
Emergency Room Visits	866.8	85%	736.8	39.88	2.45	1.0%	2.51
Radiology	717.5	95%	681.6	22.62	1.28	1.0%	1.32
Pathology	2,465.8	95%	2,342.5	7.78	1.52	1.0%	1.56
Outpatient Psychiatric	31.7	100%	31.7	49.61	0.13	1.0%	0.13
Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Other Professional	3,456.3	100%	3,456.3	38.20	11.00	1.0%	11.28
Subtotal	11,866.2		12,041.9		\$35.86		\$36.77
Total Claims/Benefit Cost					\$69.07		\$73.29
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$69.07		\$73.29

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Population : TANF/Prog L 1 - 4 Male

High Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	93.1	90%	83.8	\$1,054.70	\$7.37	1.0%	\$7.55
Surgical	5.3	90%	4.7	2,673.95	1.06	1.0%	1.08
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	-	100%	-	0.00	0.00	1.0%	0.00
Ungroupable Inpatient	3.4	100%	3.4	3,088.77	0.87	1.0%	0.82
Subtotal	101.8		91.9		\$9.29		\$9.52
Outpatient Hospital							
Emergency Room	1,012.1	70%	708.4	\$93.74	\$5.53	2.7%	\$5.92
Surgery	120.9	85%	102.8	446.23	3.82	2.7%	4.09
Other Outpatient	2,449.4	80%	1,959.6	28.71	4.69	2.7%	5.02
Subtotal	3,582.4		2,770.8		\$14.04		\$15.03
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$443.80	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	4,248.7	95%	4,036.2	14.71	4.95	12.8%	6.68
Transportation	279.6	90%	251.7	18.70	0.39	2.5%	0.42
DME/Prosthetics/Orthotics	95.3	100%	95.3	146.25	1.16	2.5%	1.24
School Based Services	-	85%	-	0.00	0.00	2.5%	0.00
Other Ancillary	172.4	90%	155.2	43.04	0.56	2.5%	0.59
Subtotal	4,796.0		4,538.4		\$7.06		\$8.93
Physician							
Inpatient and Outpatient Surgery	207.4	95%	197.0	\$117.34	\$1.93	1.0%	\$1.97
Anesthesia	74.3	95%	70.6	73.20	0.43	1.0%	0.44
Office/Consults	2,908.6	123%	3,563.1	35.76	10.62	1.0%	10.89
Well Baby Exams/Physical Exams	1,013.2	125%	1,266.5	76.23	8.05	1.0%	8.25
Hospital Inpatient Visits	124.6	92%	114.7	52.56	0.50	1.0%	0.51
Emergency Room Visits	866.8	76%	658.8	40.24	2.21	1.0%	2.26
Radiology	717.5	85%	609.8	22.62	1.15	1.0%	1.18
Pathology	2,465.8	85%	2,095.9	7.78	1.36	1.0%	1.39
Outpatient Psychiatric	31.7	100%	31.7	49.61	0.13	1.0%	0.13
Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Other Professional	3,456.3	90%	3,110.7	38.59	10.00	1.0%	10.25
Subtotal	11,866.2		11,718.7		\$36.37		\$37.29
Total Claims/Benefit Cost					\$66.77		\$70.77
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$66.77		\$70.77

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Michigan Department of Community Health
 Cost Model Projections: 2008 Fiscal Year
 Regions 1, 9, and 10

8/17/2007
 2:04 PM

Population : TANF/Prog L 5 - 14 Male

Low Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	35.7	95%	33.9	\$1,041.32	\$2.95	1.0%	\$3.02
Surgical	5.8	95%	5.5	2,149.06	0.98	1.0%	1.00
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	0.1	100%	0.1	1,075.96	0.01	1.0%	0.01
Ungroupable Inpatient	0.3	100%	0.3	3,330.09	0.08	1.0%	0.09
Subtotal	41.9		39.8		\$4.02		\$4.12
Outpatient Hospital							
Emergency Room	482.5	90%	434.3	\$89.13	\$3.23	2.7%	\$3.45
Surgery	64.5	100%	64.5	431.59	2.32	2.7%	2.48
Other Outpatient	996.6	100%	996.6	28.22	2.34	2.7%	2.51
Subtotal	1,543.6		1,495.3		\$7.89		\$8.44
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$430.65	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	2,639.0	100%	2,639.0	29.70	6.53	12.8%	8.82
Transportation	148.0	100%	148.0	15.38	0.19	2.5%	0.20
DME/Prosthetics/Orthotics	33.7	100%	33.7	187.34	0.53	2.5%	0.56
School Based Services	-	100%	-	0.00	0.00	2.5%	0.00
Other Ancillary	166.5	100%	166.5	41.81	0.58	2.5%	0.62
Subtotal	2,987.2		2,987.2		\$7.83		\$10.20
Physician							
Inpatient and Outpatient Surgery	197.2	100%	197.2	\$84.35	\$1.39	1.0%	\$1.42
Anesthesia	41.7	100%	41.7	53.14	0.18	1.0%	0.19
Office/Consults	1,456.2	115%	1,674.6	37.08	5.17	1.0%	5.30
Well Baby Exams/Physical Exams	398.3	120%	478.0	77.58	3.09	1.0%	3.17
Hospital Inpatient Visits	46.4	100%	46.4	52.02	0.20	1.0%	0.21
Emergency Room Visits	402.4	90%	362.1	40.26	1.21	1.0%	1.25
Radiology	630.8	95%	599.3	24.49	1.22	1.0%	1.25
Pathology	1,678.5	95%	1,594.6	6.73	0.89	1.0%	0.92
Outpatient Psychiatric	368.8	100%	368.8	45.01	1.38	1.0%	1.42
Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Other Professional	1,302.8	100%	1,302.8	26.28	2.85	1.0%	2.92
Subtotal	6,523.1		6,665.5		\$17.60		\$18.05
Total Claims/Benefit Cost					\$37.34		\$40.80
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$37.34		\$40.80

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Population : TANF/Prog L 5 - 14 Male

High Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	35.7	90%	32.2	\$1,046.50	\$2.80	1.0%	\$2.87
Surgical	5.8	90%	5.2	2,159.75	0.93	1.0%	0.96
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	0.1	100%	0.1	1,075.96	0.01	1.0%	0.01
Ungroupable Inpatient	0.3	100%	0.3	<u>3,330.09</u>	<u>0.08</u>	<u>1.0%</u>	<u>0.09</u>
Subtotal	41.9		37.7		\$3.83		\$3.93
Outpatient Hospital							
Emergency Room	482.5	80%	386.0	\$91.30	\$2.94	2.7%	\$3.14
Surgery	64.5	90%	58.0	435.91	2.11	2.7%	2.26
Other Outpatient	996.6	95%	946.8	<u>28.36</u>	<u>2.24</u>	<u>2.7%</u>	<u>2.39</u>
Subtotal	1,543.6		1,390.8		\$7.28		\$7.79
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$430.65	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	2,639.0	90%	2,375.1	30.44	6.03	12.8%	8.13
Transportation	148.0	90%	133.2	15.38	0.17	2.5%	0.18
DME/Prosthetics/Orthotics	33.7	100%	33.7	187.34	0.53	2.5%	0.56
School Based Services	-	85%	-	0.00	0.00	2.5%	0.00
Other Ancillary	166.5	90%	149.8	<u>41.81</u>	<u>0.52</u>	<u>2.5%</u>	<u>0.56</u>
Subtotal	2,987.2		2,691.9		\$7.24		\$9.43
Physician							
Inpatient and Outpatient Surgery	197.2	95%	187.3	\$85.61	\$1.34	1.0%	\$1.37
Anesthesia	41.7	90%	37.6	53.67	0.17	1.0%	0.17
Office/Consults	1,456.2	125%	1,820.2	37.62	5.71	1.0%	5.85
Well Baby Exams/Physical Exams	398.3	135%	537.7	79.81	3.58	1.0%	3.67
Hospital Inpatient Visits	46.4	96%	44.5	52.44	0.19	1.0%	0.20
Emergency Room Visits	402.4	80%	321.9	40.66	1.09	1.0%	1.12
Radiology	630.8	90%	567.7	24.49	1.16	1.0%	1.19
Pathology	1,678.5	90%	1,510.7	6.73	0.85	1.0%	0.87
Outpatient Psychiatric	368.8	100%	368.8	45.01	1.38	1.0%	1.42
Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Other Professional	1,302.8	90%	<u>1,172.5</u>	<u>26.54</u>	<u>2.52</u>	<u>1.0%</u>	<u>2.66</u>
Subtotal	6,523.1		6,569.0		\$18.06		\$18.51
Total Claims/Benefit Cost					\$36.41		\$39.66
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$36.41		\$39.66

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Michigan Department of Community Health
Cost Model Projections: 2008 Fiscal Year
Regions 1, 9, and 10

Population : TANF/Prog L 15 - 20 Male

Low Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	69.8	95%	66.3	\$854.11	\$4.72	1.0%	\$4.84
Surgical	19.3	95%	18.4	1,536.28	2.35	1.0%	2.41
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	1.4	100%	1.4	1,222.94	0.15	1.0%	0.15
Ungroupable Inpatient	0.6	100%	0.6	2,636.11	0.13	1.0%	0.13
Subtotal	91.1		86.7		\$7.35		\$7.53
Outpatient Hospital							
Emergency Room	571.9	85%	486.1	\$92.02	\$3.73	2.7%	\$3.99
Surgery	59.7	100%	59.7	446.83	2.22	2.7%	2.38
Other Outpatient	1,551.6	95%	1,474.0	30.07	3.69	2.7%	3.95
Subtotal	2,183.1		2,019.8		\$9.64		\$10.32
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$443.80	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	2,383.7	100%	2,383.7	30.34	6.03	12.8%	8.14
Transportation	272.7	100%	272.7	18.25	0.41	2.5%	0.44
DME/Prosthetics/Orthotics	34.2	100%	34.2	142.04	0.41	2.5%	0.43
School Based Services	-	100%	-	0.00	0.00	2.5%	0.00
Other Ancillary	154.7	100%	154.7	50.07	0.65	2.5%	0.69
Subtotal	2,845.3		2,845.3		\$7.49		\$9.70
Physician							
Inpatient and Outpatient Surgery	257.9	100%	257.9	\$82.02	\$1.76	1.0%	\$1.81
Anesthesia	51.5	100%	51.5	51.68	0.22	1.0%	0.23
Office/Consults	1,137.2	115%	1,307.7	39.69	4.32	1.0%	4.43
Well Baby Exams/Physical Exams	245.3	110%	269.9	81.45	1.83	1.0%	1.88
Hospital Inpatient Visits	115.0	100%	115.0	56.22	0.54	1.0%	0.55
Emergency Room Visits	432.2	85%	367.4	44.32	1.36	1.0%	1.39
Radiology	995.0	95%	945.2	26.32	2.07	1.0%	2.13
Pathology	2,391.8	95%	2,272.2	5.74	1.09	1.0%	1.12
Outpatient Psychiatric	190.3	100%	190.3	46.90	0.74	1.0%	0.76
Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Other Professional	1,173.3	100%	1,173.3	25.70	2.51	1.0%	2.58
Subtotal	6,989.4		6,950.3		\$16.45		\$16.87
Total Claims/Benefit Cost					\$40.94		\$44.41
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$40.94		\$44.41

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Population : TANF/Prog L 15 - 20 Male

High Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	69.8	90%	62.8	\$858.36	\$4.49	1.0%	\$4.60
Surgical	19.3	90%	17.4	1,543.92	2.24	1.0%	2.30
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	1.4	100%	1.4	1,222.94	0.15	1.0%	0.15
Ungroupable Inpatient	0.6	100%	0.6	<u>2,636.11</u>	0.13	1.0%	<u>0.13</u>
Subtotal	91.1		82.2		\$7.01		\$7.18
Outpatient Hospital							
Emergency Room	571.9	80%	457.5	\$93.13	\$3.55	2.7%	\$3.80
Surgery	59.7	90%	53.7	451.30	2.02	2.7%	2.16
Other Outpatient	1,551.6	90%	1,396.4	<u>30.22</u>	<u>3.52</u>	2.7%	<u>3.76</u>
Subtotal	2,183.1		1,907.6		\$9.09		\$9.72
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$443.80	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	2,383.7	90%	2,145.3	31.10	5.56	12.8%	7.51
Transportation	272.7	85%	231.8	18.25	0.35	2.5%	0.37
DME/Prosthetics/Orthotics	34.2	100%	34.2	142.04	0.41	2.5%	0.43
School Based Services	-	85%	-	0.00	0.00	2.5%	0.00
Other Ancillary	154.7	85%	131.5	<u>50.07</u>	<u>0.55</u>	2.5%	<u>0.58</u>
Subtotal	2,845.3		2,542.8		\$6.87		\$8.90
Physician							
Inpatient and Outpatient Surgery	257.9	95%	245.0	\$83.25	\$1.70	1.0%	\$1.74
Anesthesia	51.5	95%	48.9	51.93	0.21	1.0%	0.22
Office/Consults	1,137.2	125%	1,421.5	40.27	4.77	1.0%	4.89
Well Baby Exams/Physical Exams	245.3	125%	306.7	83.84	2.14	1.0%	2.20
Hospital Inpatient Visits	115.0	96%	110.4	56.67	0.52	1.0%	0.53
Emergency Room Visits	432.2	76%	328.5	44.71	1.22	1.0%	1.25
Radiology	995.0	90%	895.5	26.32	1.96	1.0%	2.01
Pathology	2,391.8	90%	2,152.6	5.74	1.03	1.0%	1.06
Outpatient Psychiatric	190.3	100%	190.3	46.90	0.74	1.0%	0.76
Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Other Professional	1,173.3	90%	1,056.0	<u>25.96</u>	<u>2.28</u>	1.0%	<u>2.34</u>
Subtotal	6,989.4		6,755.2		\$16.59		\$17.01
Total Claims/Benefit Cost					\$39.55		\$42.81
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$39.55		\$42.81

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Michigan Department of Community Health
Cost Model Projections: 2008 Fiscal Year
Regions 1, 9, and 10

Population : TANF/Prog L 21 - 25 Male

Low Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	160.6	95%	152.6	\$962.68	\$12.24	1.0%	\$12.55
Surgical	10.7	95%	10.2	3,706.82	3.14	1.0%	3.22
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	-	100%	-	0.00	0.00	1.0%	0.00
Ungroupable Inpatient	-	100%	-	0.00	0.00	1.0%	0.00
Subtotal	171.4		162.8		\$15.39		\$15.77
Outpatient Hospital							
Emergency Room	1,247.6	85%	1,060.4	\$90.88	\$8.03	2.7%	\$8.59
Surgery	112.1	100%	112.1	434.81	4.06	2.7%	4.35
Other Outpatient	3,274.7	100%	3,274.7	31.20	8.51	2.7%	9.11
Subtotal	4,634.4		4,447.3		\$20.61		\$22.05
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$443.80	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	4,594.6	100%	4,594.6	21.12	8.09	12.8%	10.92
Transportation	439.2	100%	439.2	18.56	0.68	2.5%	0.72
DME/Prosthetics/Orthotics	291.5	100%	291.5	68.66	1.67	2.5%	1.77
School Based Services	-	100%	-	0.00	0.00	2.5%	0.00
Other Ancillary	343.4	100%	343.4	26.20	0.75	2.5%	0.80
Subtotal	5,668.7		5,668.7		\$11.18		\$14.21
Physician							
Inpatient and Outpatient Surgery	286.8	100%	286.8	\$128.99	\$3.08	1.0%	\$3.16
Anesthesia	74.9	100%	74.9	81.27	0.51	1.0%	0.52
Office/Consults	1,625.1	115%	1,868.9	42.52	6.62	1.0%	6.79
Well Baby Exams/Physical Exams	80.3	110%	88.4	76.20	0.56	1.0%	0.58
Hospital Inpatient Visits	282.0	95%	267.9	57.25	1.28	1.0%	1.31
Emergency Room Visits	917.1	85%	779.6	45.86	2.98	1.0%	3.05
Radiology	1,591.7	100%	1,591.7	36.53	4.84	1.0%	4.97
Pathology	4,647.2	100%	4,647.2	6.84	2.65	1.0%	2.72
Outpatient Psychiatric	272.3	100%	272.3	45.41	1.03	1.0%	1.06
Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Other Professional	1,655.8	100%	1,655.8	24.22	3.34	1.0%	3.43
Subtotal	11,433.3		11,533.4		\$26.90		\$27.58
Total Claims/Benefit Cost					\$74.07		\$79.61
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$74.07		\$79.61

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Population : TANF/Prog L 21 - 25 Male

High Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	160.6	90%	144.6	\$967.47	\$11.66	1.0%	\$11.95
Surgical	10.7	90%	9.6	3,725.27	2.99	1.0%	3.07
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	-	100%	-	0.00	0.00	1.0%	0.00
Ungroupable Inpatient	-	100%	-	0.00	0.00	1.0%	0.00
Subtotal	171.4		154.2		\$14.65		\$15.02
Outpatient Hospital							
Emergency Room	1,247.6	80%	998.1	\$91.97	\$7.65	2.7%	\$8.18
Surgery	112.1	85%	95.3	441.33	3.50	2.7%	3.75
Other Outpatient	3,274.7	90%	2,947.3	31.51	7.74	2.7%	8.28
Subtotal	4,634.4		4,040.6		\$18.89		\$20.22
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$443.80	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	4,594.6	90%	4,135.1	21.64	7.46	12.8%	10.07
Transportation	439.2	85%	373.3	18.56	0.58	2.5%	0.61
DME/Prosthetics/Orthotics	291.5	100%	291.5	68.66	1.67	2.5%	1.77
School Based Services	-	85%	-	0.00	0.00	2.5%	0.00
Other Ancillary	343.4	85%	291.9	26.20	0.64	2.5%	0.68
Subtotal	5,668.7		5,091.9		\$10.34		\$13.14
Physician							
Inpatient and Outpatient Surgery	286.8	95%	272.5	\$130.93	\$2.97	1.0%	\$3.05
Anesthesia	74.9	95%	71.2	81.67	0.48	1.0%	0.50
Office/Consults	1,625.1	125%	2,031.4	43.15	7.30	1.0%	7.49
Well Baby Exams/Physical Exams	80.3	125%	100.4	78.45	0.66	1.0%	0.67
Hospital Inpatient Visits	282.0	85%	239.7	58.38	1.17	1.0%	1.20
Emergency Room Visits	917.1	76%	697.0	46.26	2.69	1.0%	2.75
Radiology	1,591.7	90%	1,432.5	36.53	4.36	1.0%	4.47
Pathology	4,647.2	90%	4,182.5	6.84	2.38	1.0%	2.44
Outpatient Psychiatric	272.3	100%	272.3	45.41	1.03	1.0%	1.06
Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Other Professional	1,655.8	90%	1,490.2	24.46	3.04	1.0%	3.11
Subtotal	11,433.3		10,789.7		\$26.08		\$26.74
Total Claims/Benefit Cost					\$69.97		\$75.11
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$69.97		\$75.11

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Michigan Department of Community Health
Cost Model Projections: 2008 Fiscal Year
Regions 1, 9, and 10

Population : TANF/Prog L 26 - 44 Male

Low Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	363.8	95%	345.6	\$1,051.89	\$30.30	1.0%	\$31.06
Surgical	61.3	95%	58.3	2,611.08	12.68	1.0%	13.00
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	10.5	100%	10.5	1,964.89	1.72	1.0%	1.77
Ungroupable Inpatient	3.5	100%	3.5	1,592.65	0.46	1.0%	0.47
Subtotal	439.1		417.9		\$45.16		\$46.30
Outpatient Hospital							
Emergency Room	990.7	85%	842.1	\$88.62	\$6.22	2.7%	\$6.65
Surgery	225.0	100%	225.0	419.79	7.87	2.7%	8.42
Other Outpatient	4,348.2	95%	4,130.8	50.84	17.50	2.7%	18.72
Subtotal	5,564.0		5,197.9		\$31.59		\$33.80
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$452.22	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	12,129.0	95%	11,522.6	29.29	28.12	12.8%	37.97
Transportation	542.0	100%	542.0	20.67	0.93	2.5%	0.99
DME/Prosthetics/Orthotics	232.8	100%	232.8	109.34	2.12	2.5%	2.26
School Based Services	-	100%	-	0.00	0.00	2.5%	0.00
Other Ancillary	688.8	100%	688.8	80.83	4.64	2.5%	4.94
Subtotal	13,592.7		12,986.2		\$35.82		\$46.16
Physician							
Inpatient and Outpatient Surgery	656.4	95%	623.6	\$178.54	\$9.28	1.0%	\$9.51
Anesthesia	192.0	100%	192.0	110.82	1.77	1.0%	1.82
Office/Consults	3,406.0	110%	3,746.6	40.74	12.72	1.0%	13.04
Well Baby Exams/Physical Exams	107.3	105%	112.7	75.69	0.71	1.0%	0.73
Hospital Inpatient Visits	616.1	95%	585.3	57.45	2.80	1.0%	2.87
Emergency Room Visits	843.7	85%	717.1	51.42	3.07	1.0%	3.15
Radiology	2,830.3	100%	2,830.3	46.72	11.02	1.0%	11.30
Pathology	8,362.7	100%	8,362.7	7.72	5.38	1.0%	5.52
Outpatient Psychiatric	322.1	100%	322.1	46.39	1.24	1.0%	1.28
Maternity	0.1	100%	0.1	1,262.61	0.01	1.0%	0.01
Other Professional	3,158.9	100%	3,158.9	23.89	6.29	1.0%	6.45
Subtotal	20,495.6		20,651.4		\$54.30		\$55.67
Total Claims/Benefit Cost					\$166.87		\$181.92
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$166.87		\$181.92

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Population : TANF/Prog L 26 - 44 Male

High Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	363.8	90%	327.4	\$1,057.12	\$28.84	1.0%	\$29.57
Surgical	61.3	90%	55.2	2,624.07	12.07	1.0%	12.37
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	10.5	100%	10.5	1,964.89	1.72	1.0%	1.77
Ungroupable Inpatient	3.5	100%	3.5	1,592.65	0.46	1.0%	0.47
Subtotal	439.1		396.6		\$43.10		\$44.19
Outpatient Hospital							
Emergency Room	990.7	70%	693.5	\$91.82	\$5.31	2.7%	\$5.68
Surgery	225.0	85%	191.3	426.08	6.79	2.7%	7.27
Other Outpatient	4,348.2	90%	3,913.4	51.09	16.66	2.7%	17.83
Subtotal	5,564.0		4,798.2		\$28.76		\$30.77
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$452.22	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	12,129.0	85%	10,309.7	30.01	25.78	12.8%	34.81
Transportation	542.0	85%	460.7	20.67	0.79	2.5%	0.84
DME/Prosthetics/Orthotics	232.8	100%	232.8	109.34	2.12	2.5%	2.26
School Based Services	-	85%	-	0.00	0.00	2.5%	0.00
Other Ancillary	688.8	85%	585.5	80.83	3.94	2.5%	4.19
Subtotal	13,592.7		11,588.7		\$32.64		\$42.11
Physician							
Inpatient and Outpatient Surgery	656.4	90%	590.8	\$181.18	\$8.92	1.0%	\$9.14
Anesthesia	192.0	90%	172.8	111.92	1.61	1.0%	1.65
Office/Consults	3,406.0	120%	4,087.1	41.34	14.08	1.0%	14.43
Well Baby Exams/Physical Exams	107.3	120%	128.8	77.93	0.84	1.0%	0.86
Hospital Inpatient Visits	616.1	92%	566.8	57.79	2.73	1.0%	2.80
Emergency Room Visits	843.7	76%	641.2	51.87	2.77	1.0%	2.84
Radiology	2,830.3	90%	2,547.3	46.72	9.92	1.0%	10.17
Pathology	8,362.7	90%	7,526.4	7.72	4.84	1.0%	4.97
Outpatient Psychiatric	322.1	100%	322.1	46.39	1.24	1.0%	1.28
Maternity	0.1	100%	0.1	1,262.61	0.01	1.0%	0.01
Other Professional	3,158.9	90%	2,843.0	24.13	5.72	1.0%	5.86
Subtotal	20,495.6		19,426.4		\$52.68		\$54.01
Total Claims/Benefit Cost					\$157.19		\$171.07
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$157.19		\$171.07

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Michigan Department of Community Health
Cost Model Projections: 2008 Fiscal Year
Regions 1, 9, and 10

Population : TANF/Prog L 45 + Male

Low Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	655.6	95%	622.9	\$1,085.85	\$56.36	1.0%	\$57.78
Surgical	195.2	95%	185.4	1,965.85	30.38	1.0%	31.14
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	16.0	100%	16.0	923.73	1.23	1.0%	1.26
Ungroupable Inpatient	-	100%	-	0.00	0.00	1.0%	0.00
Subtotal	866.8		824.3		\$87.97		\$90.19
Outpatient Hospital							
Emergency Room	869.7	85%	739.2	\$90.05	\$5.55	2.7%	\$5.94
Surgery	318.0	100%	318.0	384.29	10.18	2.7%	10.90
Other Outpatient	10,318.5	95%	9,802.6	44.95	36.72	2.7%	39.29
Subtotal	11,506.2		10,859.8		\$52.45		\$56.12
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$384.97	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	27,061.5	95%	25,708.4	28.21	60.45	12.8%	81.61
Transportation	758.9	100%	758.9	25.19	1.59	2.5%	1.69
DME/Prosthetics/Orthotics	398.5	100%	398.5	100.16	3.33	2.5%	3.54
School Based Services	-	100%	-	0.00	0.00	2.5%	0.00
Other Ancillary	1,808.7	100%	1,808.7	92.42	13.93	2.5%	14.82
Subtotal	30,027.7		28,674.6		\$79.29		\$101.66
Physician							
Inpatient and Outpatient Surgery	1,199.4	95%	1,139.4	\$246.79	\$23.43	1.0%	\$24.02
Anesthesia	378.6	100%	378.6	153.18	4.83	1.0%	4.95
Office/Consults	6,404.3	110%	7,044.7	40.00	23.48	1.0%	24.08
Well Baby Exams/Physical Exams	134.7	105%	141.5	71.80	0.85	1.0%	0.87
Hospital Inpatient Visits	1,344.8	95%	1,277.6	56.86	6.05	1.0%	6.21
Emergency Room Visits	663.3	85%	563.8	59.25	2.78	1.0%	2.85
Radiology	4,782.1	100%	4,782.1	49.08	19.56	1.0%	20.05
Pathology	14,462.1	100%	14,462.1	8.27	9.97	1.0%	10.22
Outpatient Psychiatric	457.3	100%	457.3	44.24	1.69	1.0%	1.73
Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Other Professional	6,441.1	100%	6,441.1	23.55	12.64	1.0%	12.96
Subtotal	36,267.8		36,688.2		\$105.29		\$107.94
Total Claims/Benefit Cost					\$325.01		\$355.91
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$325.01		\$355.91

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Population : TANF/Prog L 45 + Male

High Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	655.6	90%	590.1	\$1,091.25	\$53.66	1.0%	\$55.01
Surgical	195.2	90%	175.7	1,975.63	28.92	1.0%	29.65
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	16.0	100%	16.0	923.73	1.23	1.0%	1.26
Ungroupable Inpatient	-	100%	-	0.00	0.00	1.0%	0.00
Subtotal	866.8		781.8		\$83.81		\$85.93
Outpatient Hospital							
Emergency Room	869.7	70%	608.8	\$93.31	\$4.73	2.7%	\$5.06
Surgery	318.0	85%	270.3	390.06	8.79	2.7%	9.40
Other Outpatient	10,318.5	85%	8,770.8	45.40	33.18	2.7%	35.50
Subtotal	11,506.2		9,649.8		\$46.70		\$49.97
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$384.97	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	27,061.5	85%	23,002.3	28.91	55.42	12.8%	74.82
Transportation	758.9	85%	645.1	25.19	1.35	2.5%	1.44
DME/Prosthetics/Orthotics	398.5	100%	398.5	100.16	3.33	2.5%	3.54
School Based Services	-	85%	-	0.00	0.00	2.5%	0.00
Other Ancillary	1,808.7	85%	1,537.4	92.42	11.84	2.5%	12.59
Subtotal	30,027.7		25,583.3		\$71.94		\$92.39
Physician							
Inpatient and Outpatient Surgery	1,199.4	90%	1,079.4	\$250.43	\$22.53	1.0%	\$23.09
Anesthesia	378.6	90%	340.7	154.71	4.39	1.0%	4.50
Office/Consults	6,404.3	120%	7,685.1	40.59	26.00	1.0%	26.65
Well Baby Exams/Physical Exams	134.7	120%	161.7	73.93	1.00	1.0%	1.02
Hospital Inpatient Visits	1,344.8	92%	1,237.3	57.20	5.90	1.0%	6.05
Emergency Room Visits	663.3	76%	504.1	59.78	2.51	1.0%	2.57
Radiology	4,782.1	90%	4,303.9	49.08	17.60	1.0%	18.05
Pathology	14,462.1	90%	13,015.9	8.27	8.97	1.0%	9.20
Outpatient Psychiatric	457.3	100%	457.3	44.24	1.69	1.0%	1.73
Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Other Professional	6,441.1	90%	5,797.0	23.79	11.49	1.0%	11.78
Subtotal	36,267.8		34,582.5		\$102.08		\$104.65
Total Claims/Benefit Cost					\$304.53		\$332.94
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$304.53		\$332.94

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Michigan Department of Community Health
Cost Model Projections: 2008 Fiscal Year
Regions 1, 9, and 10

Population : TANF/Prog L < 1 Female

Low Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	1,668.2	85%	1,418.0	\$1,047.39	\$123.76	1.0%	\$126.88
Surgical	25.6	85%	21.7	1,752.59	3.17	1.0%	3.25
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	757.2	105%	795.1	252.79	16.75	1.0%	17.17
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	-	100%	-	0.00	0.00	1.0%	0.00
Ungroupable Inpatient	9.6	100%	9.6	1,634.56	1.30	1.0%	1.34
Subtotal	2,460.6		2,244.4		\$144.99		\$148.64
Outpatient Hospital							
Emergency Room	1,495.2	90%	1,345.6	\$86.50	\$9.70	2.7%	\$10.38
Surgery	58.4	100%	58.4	411.65	2.00	2.7%	2.14
Other Outpatient	2,657.9	100%	2,657.9	51.44	11.39	2.7%	12.19
Subtotal	4,211.5		4,062.0		\$23.10		\$24.71
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$443.80	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	5,000.3	100%	5,000.3	9.40	3.92	12.8%	5.29
Transportation	442.8	100%	442.8	18.41	0.68	2.5%	0.72
DME/Prosthetics/Orthotics	188.8	100%	188.8	129.38	2.04	2.5%	2.16
School Based Services	-	100%	-	0.00	0.00	2.5%	0.00
Other Ancillary	291.1	100%	291.1	37.43	0.91	2.5%	0.97
Subtotal	5,923.0		5,923.0		\$7.54		\$9.14
Physician							
Inpatient and Outpatient Surgery	161.4	100%	161.4	\$113.54	\$1.53	1.0%	\$1.57
Anesthesia	57.1	100%	57.1	71.53	0.34	1.0%	0.35
Office/Consults	5,773.3	110%	6,350.6	35.74	18.92	1.0%	19.39
Well Baby Exams/Physical Exams	3,693.8	110%	4,063.2	76.21	25.81	1.0%	26.46
Hospital Inpatient Visits	2,224.5	100%	2,224.5	55.35	10.26	1.0%	10.52
Emergency Room Visits	1,285.0	90%	1,156.5	40.11	3.87	1.0%	3.96
Radiology	1,425.7	100%	1,425.7	15.65	1.86	1.0%	1.91
Pathology	2,255.5	100%	2,255.5	7.46	1.40	1.0%	1.44
Outpatient Psychiatric	0.1	100%	0.1	71.15	0.00	1.0%	0.00
Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Other Professional	10,942.3	95%	10,395.2	39.70	34.39	1.0%	35.25
Subtotal	27,818.8		28,089.9		\$98.36		\$100.84
Total Claims/Benefit Cost					\$273.99		\$283.34
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$273.99		\$283.34

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Population : TANF/Prog L < 1 Female

High Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	1,668.2	80%	1,334.6	\$1,052.55	\$117.06	1.0%	\$120.01
Surgical	25.6	80%	20.4	1,761.22	3.00	1.0%	3.08
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	757.2	110%	833.0	254.05	17.63	1.0%	18.08
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	-	100%	-	0.00	0.00	1.0%	0.00
Ungroupable Inpatient	9.6	100%	9.6	<u>1,634.56</u>	<u>1.30</u>	1.0%	<u>1.34</u>
Subtotal	2,460.6		2,197.5		\$139.00		\$142.50
Outpatient Hospital							
Emergency Room	1,495.2	83%	1,233.5	\$88.08	\$9.05	2.7%	\$9.69
Surgery	58.4	95%	55.5	413.71	1.91	2.7%	2.05
Other Outpatient	2,657.9	95%	2,525.0	<u>51.70</u>	<u>10.88</u>	2.7%	<u>11.64</u>
Subtotal	4,211.5		3,814.1		\$21.85		\$23.37
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$443.80	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	5,000.3	100%	5,000.3	9.40	3.92	12.8%	5.29
Transportation	442.8	85%	376.4	18.41	0.58	2.5%	0.61
DME/Prosthetics/Orthotics	188.8	100%	188.8	129.38	2.04	2.5%	2.16
School Based Services	-	85%	-	0.00	0.00	2.5%	0.00
Other Ancillary	291.1	85%	247.4	<u>37.43</u>	<u>0.77</u>	2.5%	<u>0.82</u>
Subtotal	5,923.0		5,812.9		\$7.30		\$8.89
Physician							
Inpatient and Outpatient Surgery	161.4	95%	153.4	\$115.24	\$1.47	1.0%	\$1.51
Anesthesia	57.1	95%	54.2	71.89	0.32	1.0%	0.33
Office/Consults	5,773.3	120%	6,928.0	36.27	20.94	1.0%	21.47
Well Baby Exams/Physical Exams	3,693.8	125%	4,617.2	78.45	30.19	1.0%	30.95
Hospital Inpatient Visits	2,224.5	101%	2,246.8	55.46	10.38	1.0%	10.65
Emergency Room Visits	1,285.0	85%	1,092.3	40.31	3.67	1.0%	3.76
Radiology	1,425.7	95%	1,354.5	15.65	1.77	1.0%	1.81
Pathology	2,255.5	95%	2,142.7	7.46	1.33	1.0%	1.37
Outpatient Psychiatric	0.1	100%	0.1	71.15	0.00	1.0%	0.00
Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Other Professional	<u>10,942.3</u>	85%	<u>9,301.0</u>	<u>40.09</u>	<u>31.07</u>	1.0%	<u>31.86</u>
Subtotal	27,818.8		27,890.0		\$101.15		\$103.70
Total Claims/Benefit Cost					\$269.29		\$278.46
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$269.29		\$278.46

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Michigan Department of Community Health
Cost Model Projections: 2008 Fiscal Year
Regions 1, 9, and 10

Population : TANF/Prog L 1 - 4 Female

Low Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	67.7	95%	64.3	\$1,059.54	\$5.68	1.0%	\$5.82
Surgical	4.8	95%	4.6	2,101.57	0.80	1.0%	0.82
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	0.1	100%	0.1	1,015.39	0.01	1.0%	0.01
Ungroupable Inpatient	2.6	100%	2.6	3,295.14	0.73	1.0%	0.74
Subtotal	75.3		71.7		\$7.22		\$7.40
Outpatient Hospital							
Emergency Room	882.9	85%	750.4	\$89.56	\$5.60	2.7%	\$5.99
Surgery	71.4	100%	71.4	415.73	2.47	2.7%	2.65
Other Outpatient	1,269.5	90%	1,142.5	25.96	2.47	2.7%	2.64
Subtotal	2,223.8		1,964.4		\$10.55		\$11.28
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$443.80	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	3,753.2	100%	3,753.2	13.22	4.14	12.8%	5.58
Transportation	205.7	100%	205.7	20.09	0.34	2.5%	0.37
DME/Prosthetics/Orthotics	51.9	100%	51.9	136.41	0.59	2.5%	0.63
School Based Services	-	100%	-	0.00	0.00	2.5%	0.00
Other Ancillary	121.6	100%	121.6	50.33	0.51	2.5%	0.54
Subtotal	4,132.4		4,132.4		\$5.58		\$7.12
Physician							
Inpatient and Outpatient Surgery	146.4	100%	146.4	\$106.59	\$1.30	1.0%	\$1.33
Anesthesia	46.6	100%	46.6	67.15	0.26	1.0%	0.27
Office/Consults	2,668.1	113%	3,001.6	34.80	8.71	1.0%	8.92
Well Baby Exams/Physical Exams	985.6	110%	1,084.2	74.03	6.69	1.0%	6.86
Hospital Inpatient Visits	93.2	100%	93.2	49.89	0.39	1.0%	0.40
Emergency Room Visits	754.9	85%	641.7	39.34	2.10	1.0%	2.16
Radiology	598.3	95%	568.4	19.88	0.94	1.0%	0.97
Pathology	2,469.6	95%	2,346.1	7.06	1.38	1.0%	1.41
Outpatient Psychiatric	17.8	100%	17.8	51.41	0.08	1.0%	0.08
Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Other Professional	3,398.1	100%	3,398.1	38.30	10.85	1.0%	11.12
Subtotal	11,178.5		11,343.9		\$32.69		\$33.51
Total Claims/Benefit Cost					\$56.04		\$59.32
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$56.04		\$59.32

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Population : TANF/Prog L 1 - 4 Female

High Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	67.7	90%	61.0	\$1,064.81	\$5.41	1.0%	\$5.55
Surgical	4.8	90%	4.4	2,112.02	0.77	1.0%	0.78
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	0.1	100%	0.1	1,015.39	0.01	1.0%	0.01
Ungroupable Inpatient	2.6	100%	2.6	<u>3,295.14</u>	<u>0.73</u>	<u>1.0%</u>	<u>0.74</u>
Subtotal	75.3		68.1		\$6.91		\$7.09
Outpatient Hospital							
Emergency Room	882.9	70%	618.0	\$92.80	\$4.78	2.7%	\$5.11
Surgery	71.4	85%	60.7	421.96	2.14	2.7%	2.28
Other Outpatient	1,269.5	80%	1,015.6	<u>26.21</u>	<u>2.22</u>	<u>2.7%</u>	<u>2.37</u>
Subtotal	2,223.8		1,694.3		\$9.13		\$9.77
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$443.80	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	3,753.2	95%	3,565.5	13.39	3.98	12.8%	5.37
Transportation	205.7	90%	185.2	20.09	0.31	2.5%	0.33
DME/Prosthetics/Orthotics	51.9	100%	51.9	136.41	0.59	2.5%	0.63
School Based Services	-	85%	-	0.00	0.00	2.5%	0.00
Other Ancillary	121.6	90%	109.4	<u>50.33</u>	<u>0.46</u>	<u>2.5%</u>	<u>0.49</u>
Subtotal	4,132.4		3,912.0		\$5.34		\$6.82
Physician							
Inpatient and Outpatient Surgery	146.4	95%	139.1	\$108.19	\$1.25	1.0%	\$1.29
Anesthesia	46.6	95%	44.2	67.49	0.25	1.0%	0.26
Office/Consults	2,668.1	123%	3,268.4	35.32	9.62	1.0%	9.86
Well Baby Exams/Physical Exams	985.6	125%	1,232.0	76.21	7.82	1.0%	8.02
Hospital Inpatient Visits	93.2	92%	85.7	50.69	0.36	1.0%	0.37
Emergency Room Visits	754.9	76%	573.7	39.69	1.90	1.0%	1.95
Radiology	598.3	85%	508.5	19.88	0.84	1.0%	0.86
Pathology	2,469.6	85%	2,099.2	7.06	1.23	1.0%	1.27
Outpatient Psychiatric	17.8	100%	17.8	51.41	0.08	1.0%	0.08
Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Other Professional	3,398.1	90%	3,058.3	<u>38.68</u>	<u>2.86</u>	<u>1.0%</u>	<u>10.11</u>
Subtotal	11,178.5		11,026.9		\$33.22		\$34.05
Total Claims/Benefit Cost					\$54.60		\$57.73
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$54.60		\$57.73

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Michigan Department of Community Health
 Cost Model Projections: 2008 Fiscal Year
 Regions 1, 9, and 10

8/17/2007
 2:04 PM

Population : TANF/Prog L 5 - 14 Female

Low Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	34.8	95%	33.1	\$931.41	\$2.57	1.0%	\$2.63
Surgical	5.1	95%	4.8	2,167.08	0.87	1.0%	0.89
Non-Delivery Maternity	0.2	100%	0.2	897.22	0.02	1.0%	0.02
Maternity Delivery	0.0	100%	0.0	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	0.1	100%	0.1	1,712.02	0.01	1.0%	0.01
Ungroupable Inpatient	0.4	100%	0.4	3,245.40	0.10	1.0%	0.10
Subtotal	40.5		38.5		\$3.56		\$3.65
Outpatient Hospital							
Emergency Room	463.8	90%	417.5	\$88.09	\$3.06	2.7%	\$3.28
Surgery	48.5	100%	48.5	404.68	1.64	2.7%	1.75
Other Outpatient	851.8	100%	851.8	27.98	1.99	2.7%	2.12
Subtotal	1,364.2		1,317.8		\$6.69		\$7.15
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$449.16	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	2,620.1	100%	2,620.1	24.06	5.25	12.8%	7.09
Transportation	118.6	100%	118.6	14.15	0.14	2.5%	0.15
DME/Prosthetics/Orthotics	27.9	100%	27.9	138.04	0.32	2.5%	0.34
School Based Services	-	100%	-	0.00	0.00	2.5%	0.00
Other Ancillary	173.2	100%	173.2	42.49	0.61	2.5%	0.65
Subtotal	2,939.9		2,939.9		\$6.33		\$8.24
Physician							
Inpatient and Outpatient Surgery	161.0	100%	161.0	\$75.69	\$1.02	1.0%	\$1.04
Anesthesia	34.1	100%	34.1	47.69	0.14	1.0%	0.14
Office/Consults	1,434.9	115%	1,650.1	36.56	5.03	1.0%	5.15
Well Baby Exams/Physical Exams	393.0	120%	471.6	77.83	3.06	1.0%	3.14
Hospital Inpatient Visits	46.3	100%	46.3	52.71	0.20	1.0%	0.21
Emergency Room Visits	381.9	90%	343.7	40.22	1.15	1.0%	1.18
Radiology	532.8	95%	506.2	26.49	1.12	1.0%	1.15
Pathology	2,045.5	95%	1,943.2	6.95	1.13	1.0%	1.15
Outpatient Psychiatric	225.2	100%	225.2	46.59	0.87	1.0%	0.90
Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Other Professional	1,336.0	100%	1,336.0	24.76	2.76	1.0%	2.83
Subtotal	6,590.8		6,717.5		\$16.47		\$16.88
Total Claims/Benefit Cost					\$33.04		\$35.92
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$33.04		\$35.92

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Population : TANF/Prog L 5 - 14 Female

High Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	34.8	90%	31.3	\$936.04	\$2.44	1.0%	\$2.50
Surgical	5.1	90%	4.6	2,177.86	0.83	1.0%	0.85
Non-Delivery Maternity	0.2	100%	0.2	897.22	0.02	1.0%	0.02
Maternity Delivery	0.0	100%	0.0	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	0.1	100%	0.1	1,712.02	0.01	1.0%	0.01
Ungroupable Inpatient	0.4	100%	0.4	<u>3,245.40</u>	<u>0.10</u>	1.0%	<u>0.10</u>
Subtotal	40.5		36.5		\$3.39		\$3.48
Outpatient Hospital							
Emergency Room	463.8	80%	371.1	\$90.23	\$2.79	2.7%	\$2.99
Surgery	48.5	90%	43.7	408.73	1.49	2.7%	1.59
Other Outpatient	851.8	90%	766.7	<u>28.26</u>	<u>1.81</u>	2.7%	<u>1.93</u>
Subtotal	1,364.2		1,181.4		\$6.08		\$6.51
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$449.16	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	2,620.1	90%	2,358.1	24.67	4.85	12.8%	6.54
Transportation	118.6	90%	106.8	14.15	0.13	2.5%	0.13
DME/Prosthetics/Orthotics	27.9	100%	27.9	138.04	0.32	2.5%	0.34
School Based Services	-	85%	-	0.00	0.00	2.5%	0.00
Other Ancillary	173.2	90%	155.9	<u>42.49</u>	<u>0.55</u>	2.5%	<u>0.59</u>
Subtotal	2,939.9		2,648.7		\$5.85		\$7.61
Physician							
Inpatient and Outpatient Surgery	161.0	95%	153.0	\$76.83	\$0.98	1.0%	\$1.00
Anesthesia	34.1	90%	30.7	48.16	0.12	1.0%	0.13
Office/Consults	1,434.9	125%	1,793.6	37.09	5.54	1.0%	5.68
Well Baby Exams/Physical Exams	393.0	135%	530.5	80.08	3.54	1.0%	3.63
Hospital Inpatient Visits	46.3	96%	44.5	53.13	0.20	1.0%	0.20
Emergency Room Visits	381.9	80%	305.5	40.62	1.03	1.0%	1.06
Radiology	532.8	85%	452.9	26.49	1.00	1.0%	1.02
Pathology	2,045.5	85%	1,738.6	6.95	1.01	1.0%	1.03
Outpatient Psychiatric	225.2	100%	225.2	46.59	0.87	1.0%	0.90
Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Other Professional	1,336.0	90%	1,202.4	<u>25.00</u>	<u>2.51</u>	1.0%	<u>2.57</u>
Subtotal	6,590.8		6,477.0		\$16.80		\$17.23
Total Claims/Benefit Cost					\$32.13		\$34.82
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$32.13		\$34.82

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Michigan Department of Community Health
Cost Model Projections: 2008 Fiscal Year
Regions 1, 9, and 10

Population : TANF/Prog L 15 - 20 Female

Low Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	69.3	95%	65.8	\$969.10	\$5.31	1.0%	\$5.45
Surgical	14.8	95%	14.0	1,282.78	1.50	1.0%	1.54
Non-Delivery Maternity	29.7	95%	28.2	615.54	1.45	1.0%	1.49
Maternity Delivery	0.6	100%	0.6	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	0.8	100%	0.8	2,230.80	0.15	1.0%	0.16
Ungroupable Inpatient	0.9	100%	0.9	2,327.72	0.17	1.0%	0.17
Subtotal	116.1		110.4		\$8.59		\$8.80
Outpatient Hospital							
Emergency Room	1,054.4	85%	896.2	\$86.27	\$6.44	2.7%	\$6.89
Surgery	99.9	100%	99.9	228.51	1.90	2.7%	2.04
Other Outpatient	2,039.9	95%	1,937.9	26.91	4.34	2.7%	4.65
Subtotal	3,194.2		2,934.0		\$12.69		\$13.58
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$152.39	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	5,229.0	100%	5,229.0	18.43	8.03	12.8%	10.85
Transportation	449.9	100%	449.9	19.53	0.73	2.5%	0.78
DME/Prosthetics/Orthotics	25.6	100%	25.6	94.02	0.20	2.5%	0.21
School Based Services	-	100%	-	0.00	0.00	2.5%	0.00
Other Ancillary	388.5	100%	388.5	46.09	1.49	2.5%	1.59
Subtotal	6,093.1		6,093.1		\$10.46		\$13.43
Physician							
Inpatient and Outpatient Surgery	279.8	100%	279.8	\$87.72	\$2.05	1.0%	\$2.10
Anesthesia	169.0	100%	169.0	55.26	0.78	1.0%	0.80
Office/Consults	2,081.6	115%	2,393.8	35.31	7.04	1.0%	7.22
Well Baby Exams/Physical Exams	481.4	110%	529.5	84.31	3.72	1.0%	3.81
Hospital Inpatient Visits	155.9	100%	155.9	51.69	0.67	1.0%	0.69
Emergency Room Visits	784.5	85%	666.8	48.12	2.67	1.0%	2.74
Radiology	1,510.0	95%	1,434.5	41.67	4.98	1.0%	5.11
Pathology	9,185.1	95%	8,725.8	10.41	7.57	1.0%	7.76
Outpatient Psychiatric	238.2	100%	238.2	47.39	0.94	1.0%	0.96
Maternity	0.2	100%	0.2	0.00	0.00	1.0%	0.00
Other Professional	1,674.6	100%	1,674.6	25.10	3.50	1.0%	3.59
Subtotal	16,560.2		16,268.2		\$33.93		\$34.78
Total Claims/Benefit Cost					\$65.66		\$70.59
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$65.66		\$70.59

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Population : TANF/Prog L 15 - 20 Female

High Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	69.3	90%	62.3	\$973.92	\$5.06	1.0%	\$5.19
Surgical	14.8	90%	13.3	1,289.16	1.43	1.0%	1.47
Non-Delivery Maternity	29.7	95%	28.2	615.54	1.45	1.0%	1.49
Maternity Delivery	0.6	100%	0.6	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	0.8	100%	0.8	2,230.80	0.15	1.0%	0.16
Ungroupable Inpatient	0.9	100%	0.9	<u>2,327.72</u>	<u>0.17</u>	<u>1.0%</u>	<u>0.17</u>
Subtotal	116.1		106.2		\$8.26		\$8.47
Outpatient Hospital							
Emergency Room	1,054.4	70%	738.1	\$89.39	\$5.50	2.7%	\$5.88
Surgery	99.9	85%	85.0	231.94	1.64	2.7%	1.76
Other Outpatient	2,039.9	85%	1,733.9	<u>27.17</u>	<u>3.93</u>	<u>2.7%</u>	<u>4.20</u>
Subtotal	3,194.2		2,556.9		\$11.07		\$11.84
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$152.39	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	5,229.0	90%	4,706.1	18.90	7.41	12.8%	10.01
Transportation	449.9	85%	382.4	19.53	0.62	2.5%	0.66
DME/Prosthetics/Orthotics	25.6	100%	25.6	94.02	0.20	2.5%	0.21
School Based Services	-	85%	-	0.00	0.00	2.5%	0.00
Other Ancillary	388.5	85%	330.2	<u>46.09</u>	<u>1.27</u>	<u>2.5%</u>	<u>1.35</u>
Subtotal	6,093.1		5,444.4		\$9.50		\$12.23
Physician							
Inpatient and Outpatient Surgery	279.8	95%	265.8	\$89.04	\$1.97	1.0%	\$2.02
Anesthesia	169.0	95%	160.5	55.54	0.74	1.0%	0.76
Office/Consults	2,081.6	125%	2,601.9	35.83	7.77	1.0%	7.96
Well Baby Exams/Physical Exams	481.4	125%	601.7	86.78	4.35	1.0%	4.46
Hospital Inpatient Visits	155.9	92%	143.4	52.51	0.63	1.0%	0.64
Emergency Room Visits	784.5	76%	596.2	48.55	2.41	1.0%	2.47
Radiology	1,510.0	85%	1,283.5	41.67	4.46	1.0%	4.57
Pathology	9,185.1	85%	7,807.3	10.41	6.77	1.0%	6.94
Outpatient Psychiatric	238.2	100%	238.2	47.39	0.94	1.0%	0.96
Maternity	0.2	100%	0.2	0.00	0.00	1.0%	0.00
Other Professional	1,674.6	90%	1,507.1	<u>25.35</u>	<u>3.18</u>	<u>1.0%</u>	<u>3.26</u>
Subtotal	16,560.2		15,206.1		\$33.23		\$34.07
Total Claims/Benefit Cost					\$62.05		\$66.60
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$62.05		\$66.60

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Michigan Department of Community Health
Cost Model Projections: 2008 Fiscal Year
Regions 1, 9, and 10

Population : TANF/Prog L 21 - 25 Female

Low Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	165.6	95%	157.3	\$977.60	\$12.82	1.0%	\$13.14
Surgical	40.1	95%	38.1	1,749.28	5.55	1.0%	5.69
Non-Delivery Maternity	88.7	95%	84.3	667.65	4.69	1.0%	4.81
Maternity Delivery	1.2	100%	1.2	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	0.6	100%	0.6	2,233.30	0.11	1.0%	0.11
Ungroupable Inpatient	2.3	100%	2.3	1,592.65	0.31	1.0%	0.32
Subtotal	298.5		283.7		\$23.47		\$24.06
Outpatient Hospital							
Emergency Room	2,072.2	80%	1,657.7	\$86.50	\$11.95	2.7%	\$12.79
Surgery	242.7	100%	242.7	238.32	4.82	2.7%	5.16
Other Outpatient	4,018.8	100%	4,018.8	31.30	10.48	2.7%	11.22
Subtotal	6,333.7		5,919.2		\$27.25		\$29.16
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$436.63	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	8,589.7	100%	8,589.7	13.83	9.90	12.8%	13.37
Transportation	686.4	100%	686.4	23.08	1.32	2.5%	1.40
DME/Prosthetics/Orthotics	45.1	100%	45.1	63.28	0.24	2.5%	0.25
School Based Services	-	100%	-	0.00	0.00	2.5%	0.00
Other Ancillary	604.7	100%	604.7	60.94	3.07	2.5%	3.27
Subtotal	9,925.8		9,925.8		\$14.53		\$18.29
Physician							
Inpatient and Outpatient Surgery	444.4	100%	444.4	\$138.33	\$5.12	1.0%	\$5.25
Anesthesia	429.4	100%	429.4	87.15	3.12	1.0%	3.20
Office/Consults	3,031.8	115%	3,486.6	34.55	10.04	1.0%	10.29
Well Baby Exams/Physical Exams	472.5	110%	519.7	87.22	3.78	1.0%	3.87
Hospital Inpatient Visits	398.4	95%	378.5	53.37	1.68	1.0%	1.73
Emergency Room Visits	1,402.2	85%	1,191.8	50.25	4.99	1.0%	5.12
Radiology	3,113.7	95%	2,958.0	44.55	10.98	1.0%	11.26
Pathology	16,068.9	95%	15,265.5	10.89	13.85	1.0%	14.20
Outpatient Psychiatric	267.8	100%	267.8	47.92	1.07	1.0%	1.10
Maternity	0.5	100%	0.5	0.00	0.00	1.0%	0.00
Other Professional	1,955.5	100%	1,955.5	25.61	4.17	1.0%	4.28
Subtotal	27,585.1		26,897.8		\$58.81		\$60.29
Total Claims/Benefit Cost					\$124.07		\$131.81
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$124.07		\$131.81

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Population : TANF/Prog L 21 - 25 Female

High Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	165.6	90%	149.0	\$982.46	\$12.20	1.0%	\$12.51
Surgical	40.1	90%	36.1	1,757.98	5.29	1.0%	5.42
Non-Delivery Maternity	88.7	95%	84.3	667.65	4.69	1.0%	4.81
Maternity Delivery	1.2	100%	1.2	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	0.6	100%	0.6	2,233.30	0.11	1.0%	0.11
Ungroupable Inpatient	2.3	100%	2.3	<u>1,592.65</u>	<u>0.31</u>	1.0%	<u>0.32</u>
Subtotal	298.5		273.5		\$22.59		\$23.16
Outpatient Hospital							
Emergency Room	2,072.2	65%	1,346.9	\$89.59	\$10.06	2.7%	\$10.76
Surgery	242.7	85%	206.3	241.89	4.16	2.7%	4.45
Other Outpatient	4,018.8	90%	3,617.0	<u>31.61</u>	<u>9.53</u>	2.7%	<u>10.19</u>
Subtotal	6,333.7		5,170.1		\$23.74		\$25.40
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$436.63	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	8,589.7	90%	7,730.7	14.18	9.13	12.8%	12.33
Transportation	686.4	85%	583.4	23.08	1.12	2.5%	1.19
DME/Prosthetics/Orthotics	45.1	100%	45.1	63.28	0.24	2.5%	0.25
School Based Services	-	85%	-	0.00	0.00	2.5%	0.00
Other Ancillary	604.7	85%	514.0	<u>60.94</u>	<u>2.61</u>	2.5%	<u>2.78</u>
Subtotal	9,925.8		8,873.2		\$13.10		\$16.55
Physician							
Inpatient and Outpatient Surgery	444.4	95%	422.2	\$140.41	\$4.94	1.0%	\$5.06
Anesthesia	429.4	95%	407.9	87.58	2.98	1.0%	3.05
Office/Consults	3,031.8	125%	3,789.8	35.06	11.07	1.0%	11.35
Well Baby Exams/Physical Exams	472.5	125%	590.6	89.79	4.42	1.0%	4.53
Hospital Inpatient Visits	398.4	92%	366.5	53.69	1.64	1.0%	1.68
Emergency Room Visits	1,402.2	72%	1,009.6	50.90	4.28	1.0%	4.39
Radiology	3,113.7	85%	2,646.6	44.55	9.83	1.0%	10.07
Pathology	16,068.9	85%	13,658.6	10.89	12.40	1.0%	12.71
Outpatient Psychiatric	267.8	100%	267.8	47.92	1.07	1.0%	1.10
Maternity	0.5	100%	0.5	0.00	0.00	1.0%	0.00
Other Professional	1,955.5	90%	1,760.0	<u>25.87</u>	<u>3.79</u>	1.0%	<u>3.89</u>
Subtotal	27,585.1		24,920.1		\$56.42		\$57.84
Total Claims/Benefit Cost					\$115.85		\$122.95
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$115.85		\$122.95

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Michigan Department of Community Health
Cost Model Projections: 2008 Fiscal Year
Regions 1, 9, and 10

Population : TANF/Prog L 26 - 44 Female

Low Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	322.2	95%	306.1	\$917.46	\$23.40	1.0%	\$23.99
Surgical	57.4	95%	54.5	1,813.57	8.24	1.0%	8.44
Non-Delivery Maternity	34.1	95%	32.4	731.71	1.98	1.0%	2.03
Maternity Delivery	0.2	100%	0.2	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	3.7	100%	3.7	1,330.18	0.41	1.0%	0.42
Ungroupable Inpatient	1.4	100%	1.4	1,757.41	0.21	1.0%	0.22
Subtotal	419.0		398.3		\$34.23		\$35.09
Outpatient Hospital							
Emergency Room	1,524.8	85%	1,296.1	\$87.83	\$9.49	2.7%	\$10.15
Surgery	275.9	100%	275.9	325.30	7.48	2.7%	8.00
Other Outpatient	7,769.2	100%	7,769.2	37.42	24.22	2.7%	25.92
Subtotal	9,570.0		9,341.2		\$41.19		\$44.07
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$444.19	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	13,101.9	100%	13,101.9	21.17	23.12	12.8%	31.21
Transportation	627.1	100%	627.1	22.82	1.19	2.5%	1.27
DME/Prosthetics/Orthotics	178.7	100%	178.7	82.23	1.22	2.5%	1.30
School Based Services	-	100%	-	0.00	0.00	2.5%	0.00
Other Ancillary	768.1	100%	768.1	78.35	5.01	2.5%	5.33
Subtotal	14,675.8		14,675.8		\$30.55		\$39.12
Physician							
Inpatient and Outpatient Surgery	652.2	95%	619.5	\$140.03	\$7.23	1.0%	\$7.41
Anesthesia	341.3	100%	341.3	86.91	2.47	1.0%	2.53
Office/Consults	3,855.9	113%	4,337.9	37.42	13.53	1.0%	13.87
Well Baby Exams/Physical Exams	359.4	108%	386.3	86.75	2.79	1.0%	2.86
Hospital Inpatient Visits	567.1	100%	567.1	55.70	2.63	1.0%	2.70
Emergency Room Visits	1,106.4	85%	940.4	52.63	4.12	1.0%	4.23
Radiology	3,821.5	100%	3,821.5	45.45	14.47	1.0%	14.84
Pathology	14,263.9	100%	14,263.9	10.62	12.63	1.0%	12.95
Outpatient Psychiatric	443.9	100%	443.9	45.58	1.69	1.0%	1.73
Maternity	0.5	100%	0.5	0.00	0.00	1.0%	0.00
Other Professional	2,843.8	100%	2,843.8	27.37	6.49	1.0%	6.65
Subtotal	28,255.9		28,566.2		\$68.05		\$69.77
Total Claims/Benefit Cost					\$174.02		\$188.04
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$174.02		\$188.04

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Population : TANF/Prog L 26 - 44 Female

High Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	322.2	90%	289.9	\$922.02	\$22.28	1.0%	\$22.84
Surgical	57.4	90%	51.6	1,822.59	7.84	1.0%	8.04
Non-Delivery Maternity	34.1	95%	32.4	731.71	1.98	1.0%	2.03
Maternity Delivery	0.2	100%	0.2	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	3.7	100%	3.7	1,330.18	0.41	1.0%	0.42
Ungroupable Inpatient	1.4	100%	1.4	<u>1,757.41</u>	<u>0.21</u>	<u>1.0%</u>	<u>0.22</u>
Subtotal	419.0		379.3		\$32.71		\$33.54
Outpatient Hospital							
Emergency Room	1,524.8	75%	1,143.6	\$89.94	\$8.57	2.7%	\$9.17
Surgery	275.9	85%	234.6	330.18	6.45	2.7%	6.90
Other Outpatient	7,769.2	90%	6,992.3	<u>37.79</u>	<u>22.02</u>	<u>2.7%</u>	<u>23.56</u>
Subtotal	9,570.0		8,370.5		\$37.04		\$39.64
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$444.19	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	13,101.9	90%	11,791.7	21.70	21.33	12.8%	28.79
Transportation	627.1	90%	564.4	22.82	1.07	2.5%	1.14
DME/Prosthetics/Orthotics	178.7	100%	178.7	82.23	1.22	2.5%	1.30
School Based Services	-	85%	-	0.00	0.00	2.5%	0.00
Other Ancillary	768.1	85%	652.9	<u>78.35</u>	<u>4.26</u>	<u>2.5%</u>	<u>4.53</u>
Subtotal	14,675.8		13,187.7		\$27.89		\$35.77
Physician							
Inpatient and Outpatient Surgery	652.2	90%	586.9	\$142.10	\$6.95	1.0%	\$7.13
Anesthesia	341.3	90%	307.2	87.78	2.25	1.0%	2.30
Office/Consults	3,855.9	120%	4,607.8	37.80	14.52	1.0%	14.88
Well Baby Exams/Physical Exams	359.4	120%	429.4	88.80	3.18	1.0%	3.26
Hospital Inpatient Visits	567.1	92%	521.7	56.59	2.46	1.0%	2.52
Emergency Room Visits	1,106.4	76%	840.8	53.10	3.72	1.0%	3.81
Radiology	3,821.5	90%	3,439.4	45.45	13.03	1.0%	13.35
Pathology	14,263.9	90%	12,837.5	10.62	11.37	1.0%	11.65
Outpatient Psychiatric	443.9	100%	443.9	45.58	1.69	1.0%	1.73
Maternity	0.5	100%	0.5	0.00	0.00	1.0%	0.00
Other Professional	2,843.8	90%	2,559.5	<u>27.65</u>	<u>5.90</u>	<u>1.0%</u>	<u>6.05</u>
Subtotal	28,255.9		26,574.7		\$65.05		\$66.68
Total Claims/Benefit Cost					\$162.69		\$175.63
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$162.69		\$175.63

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Michigan Department of Community Health
Cost Model Projections: 2008 Fiscal Year
Regions 1, 9, and 10

Population : TANF/Prog L 45 + Female

Low Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	871.2	95%	827.6	\$862.07	\$59.46	1.0%	\$60.96
Surgical	138.9	95%	131.9	1,754.46	19.29	1.0%	19.77
Non-Delivery Maternity	0.9	100%	0.9	416.94	0.03	1.0%	0.03
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	7.9	100%	7.9	1,985.24	1.31	1.0%	1.34
Ungroupable Inpatient	2.6	100%	2.6	1,737.44	0.38	1.0%	0.39
Subtotal	1,021.5		971.0		\$80.46		\$82.49
Outpatient Hospital							
Emergency Room	1,240.0	85%	1,054.0	\$91.38	\$8.03	2.7%	\$8.59
Surgery	369.7	100%	369.7	393.25	12.12	2.7%	12.96
Other Outpatient	14,487.2	100%	14,487.2	44.50	53.73	2.7%	57.48
Subtotal	16,096.8		15,910.9		\$73.87		\$79.03
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$480.20	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	27,670.8	95%	26,287.3	23.41	51.29	12.8%	69.25
Transportation	882.8	100%	882.8	25.57	1.88	2.5%	2.00
DME/Prosthetics/Orthotics	573.4	100%	573.4	87.46	4.18	2.5%	4.44
School Based Services	-	100%	-	0.00	0.00	2.5%	0.00
Other Ancillary	1,707.9	100%	1,707.9	132.02	18.79	2.5%	19.99
Subtotal	30,835.0		29,451.4		\$76.14		\$95.68
Physician							
Inpatient and Outpatient Surgery	1,119.1	100%	1,119.1	\$164.10	\$15.30	1.0%	\$15.69
Anesthesia	348.1	100%	348.1	103.38	3.00	1.0%	3.07
Office/Consults	5,937.2	110%	6,530.9	39.62	21.56	1.0%	22.11
Well Baby Exams/Physical Exams	249.1	108%	267.8	75.70	1.69	1.0%	1.73
Hospital Inpatient Visits	1,377.9	95%	1,309.0	58.28	6.36	1.0%	6.52
Emergency Room Visits	899.4	90%	809.4	57.40	3.87	1.0%	3.97
Radiology	6,050.7	100%	6,050.7	49.76	25.09	1.0%	25.72
Pathology	16,057.1	100%	16,057.1	8.61	11.53	1.0%	11.82
Outpatient Psychiatric	500.3	100%	500.3	43.48	1.81	1.0%	1.86
Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Other Professional	5,702.0	100%	5,702.0	27.06	12.86	1.0%	13.18
Subtotal	38,241.0		38,694.6		\$103.07		\$105.66
Total Claims/Benefit Cost					\$333.54		\$362.87
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$333.54		\$362.87

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Population : TANF/Prog L 45 + Female

High Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	871.2	90%	784.1	\$866.36	\$56.61	1.0%	\$58.03
Surgical	138.9	90%	125.0	1,763.19	18.36	1.0%	18.82
Non-Delivery Maternity	0.9	100%	0.9	416.94	0.03	1.0%	0.03
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	7.9	100%	7.9	1,985.24	1.31	1.0%	1.34
Ungroupable Inpatient	2.6	100%	2.6	<u>1,737.44</u>	<u>0.38</u>	<u>1.0%</u>	<u>0.32</u>
Subtotal	1,021.5		920.5		\$76.69		\$78.62
Outpatient Hospital							
Emergency Room	1,240.0	70%	868.0	\$94.69	\$6.85	2.7%	\$7.33
Surgery	369.7	85%	314.2	399.15	10.45	2.7%	11.18
Other Outpatient	14,487.2	90%	13,038.5	<u>44.95</u>	<u>48.84</u>	<u>2.7%</u>	<u>52.25</u>
Subtotal	16,096.8		14,220.7		\$66.14		\$70.76
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$480.20	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	27,670.8	85%	23,520.2	23.99	47.02	12.8%	63.49
Transportation	882.8	85%	750.4	25.57	1.60	2.5%	1.70
DME/Prosthetics/Orthotics	573.4	100%	573.4	87.46	4.18	2.5%	4.44
School Based Services	-	85%	-	0.00	0.00	2.5%	0.00
Other Ancillary	1,707.9	85%	1,451.7	<u>132.02</u>	<u>15.97</u>	<u>2.5%</u>	<u>16.99</u>
Subtotal	30,835.0		26,295.7		\$68.77		\$86.62
Physician							
Inpatient and Outpatient Surgery	1,119.1	95%	1,063.1	\$166.56	\$14.76	1.0%	\$15.13
Anesthesia	348.1	95%	330.7	103.90	2.86	1.0%	2.94
Office/Consults	5,937.2	115%	6,827.8	39.91	22.71	1.0%	23.28
Well Baby Exams/Physical Exams	249.1	115%	285.2	76.74	1.82	1.0%	1.87
Hospital Inpatient Visits	1,377.9	92%	1,267.7	58.63	6.19	1.0%	6.35
Emergency Room Visits	899.4	76%	683.5	58.19	3.31	1.0%	3.40
Radiology	6,050.7	90%	5,445.7	49.76	22.58	1.0%	23.15
Pathology	16,057.1	90%	14,451.4	8.61	10.37	1.0%	10.64
Outpatient Psychiatric	500.3	100%	500.3	43.48	1.81	1.0%	1.86
Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Other Professional	<u>5,702.0</u>	<u>90%</u>	<u>5,131.8</u>	<u>27.33</u>	<u>11.62</u>	<u>1.0%</u>	<u>11.98</u>
Subtotal	38,241.0		35,987.3		\$98.11		\$100.59
Total Claims/Benefit Cost					\$309.72		\$336.60
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$309.72		\$336.60

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Michigan Department of Community Health
 Cost Model Projections: 2008 Fiscal Year
 Regions 2 - 8

8/17/2007
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Population : TANF/Program L Composite

Low Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	147.5	96%	141.7	\$1,100.25	\$12.99	1.0%	\$13.31
Surgical	26.3	96%	25.4	1,999.07	4.23	1.0%	4.33
Non-Delivery Maternity	7.4	98%	7.3	713.77	0.43	1.0%	0.44
Maternity Delivery	0.1	100%	0.1	0.00	0.00	0.0%	0.00
Well Newborn	40.7	110%	44.8	277.16	1.03	1.0%	1.06
Skilled Nursing Facility	-	100%	-	0.00	0.00	0.0%	0.00
Psychiatric/Substance Abuse	0.7	100%	0.7	1,662.14	0.10	1.0%	0.10
Ungroupable Inpatient	1.8	100%	1.8	<u>2,676.48</u>	<u>0.39</u>	1.0%	<u>0.40</u>
Subtotal	224.5		221.7		\$19.17		\$19.66
Outpatient Hospital							
Emergency Room	897.4	87%	776.9	\$71.16	\$4.61	2.7%	\$4.93
Surgery	133.7	100%	133.7	355.49	3.96	2.7%	4.24
Other Outpatient	3,393.0	94%	3,203.6	<u>38.96</u>	<u>10.40</u>	<u>2.7%</u>	<u>11.13</u>
Subtotal	4,424.1		4,114.2		\$18.97		\$20.30
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	0.0	100%	0.0	\$424.88	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	5,690.2	96%	5,466.7	24.28	11.06	12.8%	14.93
Transportation	561.6	100%	561.6	14.73	0.69	2.5%	0.73
DME/Prosthetics/Orthotics	158.7	100%	158.7	83.43	1.10	2.5%	1.17
School Based Services	-	100%	-	0.00	0.00	0.0%	0.00
Other Ancillary	462.2	100%	462.2	<u>59.33</u>	<u>2.29</u>	<u>2.5%</u>	<u>2.43</u>
Subtotal	6,872.8		6,649.3		\$15.14		\$19.27
Physician							
Inpatient and Outpatient Surgery	388.7	97%	378.2	\$129.54	\$4.08	1.0%	\$4.19
Anesthesia	127.4	100%	127.4	82.95	0.88	1.0%	0.90
Office/Consults	3,192.0	107%	3,429.6	34.54	9.87	1.0%	10.12
Well Baby Exams/Physical Exams	790.6	108%	853.0	75.38	5.36	1.0%	5.49
Hospital Inpatient Visits	265.6	100%	265.6	55.24	1.22	1.0%	1.25
Emergency Room Visits	755.9	87%	655.2	42.09	2.30	1.0%	2.36
Radiology	1,654.2	96%	1,589.3	35.00	4.64	1.0%	4.75
Pathology	4,670.8	95%	4,451.9	10.15	3.76	1.0%	3.86
Outpatient Psychiatric	405.5	100%	405.5	50.40	1.70	1.0%	1.75
Maternity	0.1	100%	0.1	69.89	0.00	1.0%	0.00
Other Professional	3,277.1	98%	3,198.2	<u>18.80</u>	<u>5.01</u>	<u>1.0%</u>	<u>5.14</u>
Subtotal	15,527.7		15,354.1		\$38.83		\$39.81
Total Claims/Benefit Cost					\$92.11		\$99.03
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$92.11		\$99.03

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Population : TANF/Program L Composite

High Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
<i>Inpatient Hospital</i>							
Medical	147.5	91%	134.3	\$1,105.70	\$12.37	1.0%	\$12.68
Surgical	26.3	91%	24.1	2,009.19	4.03	1.0%	4.13
Non-Delivery Maternity	7.4	100%	7.4	712.82	0.44	1.0%	0.45
Maternity Delivery	0.1	100%	0.1	0.00	0.00	0.0%	0.00
Well Newborn	40.7	110%	44.8	277.16	1.03	1.0%	1.06
Skilled Nursing Facility	-	100%	-	0.00	0.00	0.0%	0.00
Psychiatric/Substance Abuse	0.7	100%	0.7	1,662.14	0.10	1.0%	0.10
Ungroupable Inpatient	1.8	100%	1.8	<u>2,676.48</u>	<u>0.39</u>	<u>1.0%</u>	<u>0.40</u>
Subtotal	224.5		213.1		\$18.37		\$18.83
<i>Outpatient Hospital</i>							
Emergency Room	897.4	76%	685.6	\$72.90	\$4.17	2.7%	\$4.46
Surgery	133.7	88%	117.2	361.13	3.53	2.7%	3.78
Other Outpatient	3,393.0	82%	2,785.7	<u>39.44</u>	<u>2.16</u>	<u>2.7%</u>	<u>2.80</u>
Subtotal	4,424.1		3,588.6		\$16.85		\$18.03
<i>Other Ancillaries</i>							
Prescription Drugs							
HIV/AIDS Drugs	0.0	98%	0.0	\$427.54	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	5,690.2	90%	5,133.2	24.58	10.51	12.8%	14.20
Transportation	561.6	89%	499.7	14.73	0.61	2.5%	0.65
DME/Prosthetics/Orthotics	158.7	100%	158.7	83.43	1.10	2.5%	1.17
School Based Services	-	100%	-	0.00	0.00	0.0%	0.00
Other Ancillary	462.2	88%	405.1	<u>58.64</u>	<u>1.98</u>	<u>2.5%</u>	<u>2.11</u>
Subtotal	6,872.8		6,196.7		\$14.21		\$18.13
<i>Physician</i>							
Inpatient and Outpatient Surgery	388.7	92%	357.7	\$131.62	\$3.92	1.0%	\$4.02
Anesthesia	127.4	92%	117.4	83.15	0.81	1.0%	0.83
Office/Consults	3,192.0	111%	3,540.1	34.71	10.24	1.0%	10.50
Well Baby Exams/Physical Exams	790.6	112%	885.8	75.95	5.61	1.0%	5.75
Hospital Inpatient Visits	265.6	98%	259.5	55.76	1.21	1.0%	1.24
Emergency Room Visits	755.9	83%	630.3	42.24	2.22	1.0%	2.27
Radiology	1,654.2	88%	1,452.2	35.02	4.24	1.0%	4.34
Pathology	4,670.8	87%	4,049.2	10.13	3.42	1.0%	3.51
Outpatient Psychiatric	405.5	100%	405.5	50.40	1.70	1.0%	1.75
Maternity	0.1	100%	0.1	69.89	0.00	1.0%	0.00
Other Professional	3,277.1	91%	2,966.1	<u>18.99</u>	<u>4.69</u>	<u>1.0%</u>	<u>4.81</u>
Subtotal	15,527.7		14,663.6		\$38.06		\$39.02
<i>Total Claims/Benefit Cost</i>					\$87.49		\$94.01
<i>Value of Carve-Out Services</i>					\$0.00		\$0.00
<i>Net Claims/Benefit Cost</i>					\$87.49		\$94.01

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Michigan Department of Community Health
 Cost Model Projections: 2008 Fiscal Year
 Regions 2 - 8

8/17/2007
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Population : TANF/Prog L < 1 Male

Low Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	1,278.5	95%	1,214.6	\$1,195.17	\$120.97	1.0%	\$124.01
Surgical	40.6	95%	38.5	2,133.90	6.85	1.0%	7.02
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	669.1	110%	736.0	275.72	16.91	1.0%	17.34
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	-	100%	-	0.00	0.00	1.0%	0.00
Ungroupable Inpatient	8.3	100%	8.3	3,067.32	2.11	1.0%	2.16
Subtotal	1,996.4		1,997.4		\$146.84		\$150.54
Outpatient Hospital							
Emergency Room	1,619.4	90%	1,457.4	\$68.21	\$8.28	2.7%	\$8.86
Surgery	110.3	100%	110.3	368.93	3.39	2.7%	3.63
Other Outpatient	3,653.8	100%	3,653.8	37.75	11.50	2.7%	12.30
Subtotal	5,383.6		5,221.6		\$23.17		\$24.79
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$89.41	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	5,636.4	100%	5,636.4	15.72	7.38	12.8%	9.97
Transportation	1,234.4	100%	1,234.4	12.93	1.33	2.5%	1.42
DME/Prosthetics/Orthotics	615.4	100%	615.4	89.97	4.61	2.5%	4.91
School Based Services	-	100%	-	0.00	0.00	2.5%	0.00
Other Ancillary	413.4	100%	413.4	30.58	1.05	2.5%	1.12
Subtotal	7,899.6		7,899.6		\$14.38		\$17.41
Physician							
Inpatient and Outpatient Surgery	675.4	100%	675.4	\$163.36	\$9.19	1.0%	\$9.43
Anesthesia	121.7	100%	121.7	102.91	1.04	1.0%	1.07
Office/Consults	7,642.8	105%	8,025.0	33.29	22.26	1.0%	22.83
Well Baby Exams/Physical Exams	5,056.2	105%	5,309.0	72.81	32.21	1.0%	33.02
Hospital Inpatient Visits	2,257.3	100%	2,257.3	57.34	10.79	1.0%	11.06
Emergency Room Visits	1,456.4	90%	1,310.8	39.69	4.34	1.0%	4.44
Radiology	1,977.4	100%	1,977.4	15.21	2.51	1.0%	2.57
Pathology	2,945.4	100%	2,945.4	7.98	1.96	1.0%	2.01
Outpatient Psychiatric	0.3	100%	0.3	62.87	0.00	1.0%	0.00
Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Other Professional	14,374.9	95%	13,656.2	15.90	18.10	1.0%	18.56
Subtotal	36,508.0		36,278.6		\$102.40		\$104.98
Total Claims/Benefit Cost					\$286.80		\$297.73
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$286.80		\$297.73

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Population : TANF/Prog L < 1 Male

High Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	1,278.5	90%	1,150.6	\$1,201.12	\$115.17	1.0%	\$118.07
Surgical	40.6	90%	36.5	2,144.51	6.52	1.0%	6.69
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	669.1	110%	736.0	275.72	16.91	1.0%	17.34
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	-	100%	-	0.00	0.00	1.0%	0.00
Ungroupable Inpatient	8.3	100%	8.3	<u>3,067.32</u>	<u>2.11</u>	1.0%	<u>2.16</u>
Subtotal	1,996.4		1,931.4		\$140.71		\$144.26
Outpatient Hospital							
Emergency Room	1,619.4	83%	1,336.0	\$69.46	\$7.73	2.7%	\$8.27
Surgery	110.3	95%	104.8	370.77	3.24	2.7%	3.47
Other Outpatient	3,653.8	85%	3,105.8	<u>38.32</u>	<u>9.92</u>	2.7%	<u>10.61</u>
Subtotal	5,383.6		4,546.6		\$20.89		\$22.35
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	98%	-	\$89.97	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	5,636.4	100%	5,636.4	15.72	7.38	12.8%	9.97
Transportation	1,234.4	85%	1,049.3	12.93	1.13	2.5%	1.20
DME/Prosthetics/Orthotics	615.4	100%	615.4	89.97	4.61	2.5%	4.91
School Based Services	-	90%	-	0.00	0.00	2.5%	0.00
Other Ancillary	413.4	90%	372.1	<u>30.58</u>	<u>0.95</u>	2.5%	<u>1.01</u>
Subtotal	7,899.6		7,673.1		\$14.08		\$17.09
Physician							
Inpatient and Outpatient Surgery	675.4	95%	641.7	\$165.81	\$8.87	1.0%	\$9.09
Anesthesia	121.7	95%	115.7	103.43	1.00	1.0%	1.02
Office/Consults	7,642.8	110%	8,407.1	33.54	23.50	1.0%	24.09
Well Baby Exams/Physical Exams	5,056.2	110%	5,561.8	73.53	34.08	1.0%	34.94
Hospital Inpatient Visits	2,257.3	102%	2,302.5	57.57	11.05	1.0%	11.32
Emergency Room Visits	1,456.4	86%	1,252.5	39.84	4.16	1.0%	4.26
Radiology	1,977.4	95%	1,878.5	15.21	2.38	1.0%	2.44
Pathology	2,945.4	95%	2,798.2	7.98	1.86	1.0%	1.91
Outpatient Psychiatric	0.3	100%	0.3	62.87	0.00	1.0%	0.00
Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Other Professional	<u>14,374.9</u>	85%	<u>12,218.7</u>	<u>16.06</u>	<u>16.36</u>	1.0%	<u>16.77</u>
Subtotal	36,508.0		35,177.0		\$103.25		\$105.85
Total Claims/Benefit Cost					\$278.93		\$289.54
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$278.93		\$289.54

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Michigan Department of Community Health
Cost Model Projections: 2008 Fiscal Year
Regions 2 - 8

Population : TANF/Prog L 1 - 4 Male

Low Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	70.4	100%	70.4	\$1,049.79	\$6.16	1.0%	\$6.32
Surgical	9.0	100%	9.0	2,602.65	1.95	1.0%	2.00
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	0.1	100%	0.1	0.00	0.00	1.0%	0.00
Ungroupable Inpatient	2.4	100%	2.4	3,688.24	0.75	1.0%	0.76
Subtotal	82.0		82.0		\$8.86		\$9.08
Outpatient Hospital							
Emergency Room	1,030.5	85%	876.0	\$70.68	\$5.16	2.7%	\$5.52
Surgery	151.6	100%	151.6	389.48	4.92	2.7%	5.26
Other Outpatient	2,196.4	90%	1,976.8	33.31	5.49	2.7%	5.87
Subtotal	3,378.5		3,004.3		\$15.57		\$16.65
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$426.78	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	3,919.0	100%	3,919.0	19.34	6.32	12.8%	8.53
Transportation	423.8	100%	423.8	14.34	0.51	2.5%	0.54
DME/Prosthetics/Orthotics	178.6	100%	178.6	76.75	1.14	2.5%	1.22
School Based Services	-	100%	-	0.00	0.00	2.5%	0.00
Other Ancillary	190.3	100%	190.3	26.18	0.42	2.5%	0.44
Subtotal	4,711.7		4,711.7		\$8.38		\$10.72
Physician							
Inpatient and Outpatient Surgery	261.7	100%	261.7	\$120.76	\$2.63	1.0%	\$2.70
Anesthesia	122.5	100%	122.5	76.08	0.78	1.0%	0.80
Office/Consults	3,366.7	110%	3,703.3	33.54	10.35	1.0%	10.61
Well Baby Exams/Physical Exams	1,042.5	108%	1,120.7	73.07	6.82	1.0%	7.00
Hospital Inpatient Visits	120.1	100%	120.1	54.79	0.55	1.0%	0.56
Emergency Room Visits	871.9	85%	741.1	38.98	2.41	1.0%	2.47
Radiology	839.2	95%	797.2	20.88	1.39	1.0%	1.42
Pathology	2,473.2	95%	2,349.5	8.86	1.74	1.0%	1.78
Outpatient Psychiatric	64.4	100%	64.4	55.60	0.30	1.0%	0.31
Maternity	0.0	100%	0.0	259.54	0.00	1.0%	0.00
Other Professional	4,301.7	100%	4,301.7	16.16	5.72	1.0%	5.94
Subtotal	13,463.7		13,582.2		\$32.76		\$33.58
Total Claims/Benefit Cost					\$65.56		\$70.04
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$65.56		\$70.04

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Population : TANF/Prog L 1 - 4 Male

High Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	70.4	95%	66.9	\$1,055.03	\$5.88	1.0%	\$6.03
Surgical	9.0	95%	8.5	2,615.66	1.86	1.0%	1.91
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	0.1	100%	0.1	0.00	0.00	1.0%	0.00
Ungroupable Inpatient	2.4	100%	2.4	<u>3,688.24</u>	<u>0.75</u>	<u>1.0%</u>	<u>0.76</u>
Subtotal	82.0		78.0		\$8.49		\$8.70
Outpatient Hospital							
Emergency Room	1,030.5	70%	721.4	\$73.23	\$4.40	2.7%	\$4.71
Surgery	151.6	85%	128.8	395.32	4.24	2.7%	4.54
Other Outpatient	2,196.4	85%	1,866.9	<u>33.47</u>	<u>5.21</u>	<u>2.7%</u>	<u>5.57</u>
Subtotal	3,378.5		2,717.2		\$13.85		\$14.82
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	98%	-	\$429.45	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	3,919.0	95%	3,723.0	19.58	6.08	12.8%	8.20
Transportation	423.8	90%	381.4	14.34	0.46	2.5%	0.48
DME/Prosthetics/Orthotics	178.6	100%	178.6	76.75	1.14	2.5%	1.22
School Based Services	-	90%	-	0.00	0.00	2.5%	0.00
Other Ancillary	190.3	90%	171.3	<u>26.18</u>	<u>0.37</u>	<u>2.5%</u>	<u>0.40</u>
Subtotal	4,711.7		4,454.4		\$8.05		\$10.30
Physician							
Inpatient and Outpatient Surgery	261.7	95%	248.6	\$122.57	\$2.54	1.0%	\$2.60
Anesthesia	122.5	95%	116.4	76.46	0.74	1.0%	0.76
Office/Consults	3,366.7	115%	3,871.7	33.79	10.90	1.0%	11.18
Well Baby Exams/Physical Exams	1,042.5	113%	1,172.8	73.79	7.21	1.0%	7.39
Hospital Inpatient Visits	120.1	96%	115.3	55.23	0.53	1.0%	0.54
Emergency Room Visits	871.9	82%	714.9	39.10	2.33	1.0%	2.39
Radiology	839.2	85%	713.3	20.88	1.24	1.0%	1.27
Pathology	2,473.2	85%	2,102.2	8.86	1.55	1.0%	1.59
Outpatient Psychiatric	64.4	100%	64.4	55.60	0.30	1.0%	0.31
Maternity	0.0	100%	0.0	259.54	0.00	1.0%	0.00
Other Professional	4,301.7	90%	3,871.5	<u>16.32</u>	<u>5.27</u>	<u>1.0%</u>	<u>5.40</u>
Subtotal	13,463.7		12,991.1		\$32.61		\$33.43
Total Claims/Benefit Cost					\$63.01		\$67.26
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$63.01		\$67.26

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Michigan Department of Community Health
 Cost Model Projections: 2008 Fiscal Year
 Regions 2 - 8

8/17/2007
 2:04 PM

Population : TANF/Prog L 5 - 14 Male

Low Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	26.8	100%	26.8	\$1,026.07	\$2.29	1.0%	\$2.35
Surgical	11.2	100%	11.2	1,887.51	1.76	1.0%	1.80
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	0.3	100%	0.3	1,423.55	0.04	1.0%	0.04
Ungroupable Inpatient	0.6	100%	0.6	2,075.81	0.10	1.0%	0.10
Subtotal	38.8		38.8		\$4.18		\$4.29
Outpatient Hospital							
Emergency Room	490.8	90%	441.7	\$70.94	\$2.61	2.7%	\$2.79
Surgery	75.6	100%	75.6	396.23	2.50	2.7%	2.67
Other Outpatient	1,209.7	100%	1,209.7	36.55	3.68	2.7%	3.94
Subtotal	1,776.1		1,727.0		\$8.79		\$9.41
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$726.81	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	2,967.9	95%	2,819.5	32.89	7.73	12.8%	10.43
Transportation	239.3	100%	239.3	13.43	0.27	2.5%	0.28
DME/Prosthetics/Orthotics	63.1	100%	63.1	94.63	0.50	2.5%	0.53
School Based Services	-	100%	-	0.00	0.00	2.5%	0.00
Other Ancillary	211.6	100%	211.6	36.85	0.65	2.5%	0.69
Subtotal	3,481.8		3,333.5		\$9.14		\$11.94
Physician							
Inpatient and Outpatient Surgery	275.3	100%	275.3	\$81.44	\$1.87	1.0%	\$1.92
Anesthesia	61.7	100%	61.7	51.31	0.26	1.0%	0.27
Office/Consults	2,005.5	108%	2,155.9	34.41	6.18	1.0%	6.34
Well Baby Exams/Physical Exams	332.8	120%	399.3	76.43	2.54	1.0%	2.61
Hospital Inpatient Visits	47.0	100%	47.0	55.79	0.22	1.0%	0.22
Emergency Room Visits	414.7	90%	373.3	38.86	1.21	1.0%	1.24
Radiology	835.2	100%	835.2	24.92	1.73	1.0%	1.78
Pathology	1,497.4	100%	1,497.4	8.23	1.03	1.0%	1.05
Outpatient Psychiatric	629.3	100%	629.3	49.12	2.58	1.0%	2.64
Maternity	0.0	100%	0.0	590.44	0.00	1.0%	0.00
Other Professional	1,603.3	100%	1,603.3	21.50	2.87	1.0%	2.94
Subtotal	7,702.2		7,877.7		\$20.50		\$21.01
Total Claims/Benefit Cost					\$42.62		\$46.65
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$42.62		\$46.65

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Population : TANF/Prog L 5 - 14 Male

High Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	26.8	95%	25.4	\$1,031.20	\$2.19	1.0%	\$2.24
Surgical	11.2	95%	10.6	1,896.94	1.68	1.0%	1.72
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	0.3	100%	0.3	1,423.55	0.04	1.0%	0.04
Ungroupable Inpatient	0.6	100%	0.6	<u>2,075.81</u>	<u>0.10</u>	1.0%	<u>0.10</u>
Subtotal	38.8		36.9		\$4.00		\$4.10
Outpatient Hospital							
Emergency Room	490.8	80%	392.6	\$72.67	\$2.38	2.7%	\$2.54
Surgery	75.6	90%	68.1	400.19	2.27	2.7%	2.43
Other Outpatient	1,209.7	95%	1,149.2	<u>36.73</u>	<u>3.52</u>	2.7%	<u>3.76</u>
Subtotal	1,776.1		1,609.9		\$8.16		\$8.74
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	98%	-	\$731.35	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	2,967.9	90%	2,671.1	33.30	7.41	12.8%	10.01
Transportation	239.3	90%	215.3	13.43	0.24	2.5%	0.26
DME/Prosthetics/Orthotics	63.1	100%	63.1	94.63	0.50	2.5%	0.53
School Based Services	-	90%	-	0.00	0.00	2.5%	0.00
Other Ancillary	211.6	90%	190.4	<u>36.85</u>	<u>0.58</u>	2.5%	<u>0.62</u>
Subtotal	3,481.8		3,140.0		\$8.74		\$11.42
Physician							
Inpatient and Outpatient Surgery	275.3	95%	261.5	\$82.66	\$1.80	1.0%	\$1.85
Anesthesia	61.7	95%	58.6	51.56	0.25	1.0%	0.26
Office/Consults	2,005.5	110%	2,206.0	34.54	6.35	1.0%	6.51
Well Baby Exams/Physical Exams	332.8	123%	407.7	76.80	2.61	1.0%	2.67
Hospital Inpatient Visits	47.0	96%	45.1	56.24	0.21	1.0%	0.22
Emergency Room Visits	414.7	86%	356.7	39.02	1.16	1.0%	1.19
Radiology	835.2	90%	751.7	24.92	1.56	1.0%	1.60
Pathology	1,497.4	90%	1,347.7	8.23	0.92	1.0%	0.95
Outpatient Psychiatric	629.3	100%	629.3	49.12	2.58	1.0%	2.64
Maternity	0.0	100%	0.0	590.44	0.00	1.0%	0.00
Other Professional	<u>1,603.3</u>	95%	<u>1,523.1</u>	<u>21.60</u>	<u>2.74</u>	1.0%	<u>2.81</u>
Subtotal	7,702.2		7,587.4		\$20.19		\$20.70
Total Claims/Benefit Cost					\$41.09		\$44.95
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$41.09		\$44.95

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Michigan Department of Community Health
Cost Model Projections: 2008 Fiscal Year
Regions 2 - 8

Population : TANF/Prog L 15 - 20 Male

Low Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	41.1	100%	41.1	\$1,210.54	\$4.14	1.0%	\$4.25
Surgical	17.2	100%	17.2	2,347.32	3.36	1.0%	3.45
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	1.0	100%	1.0	1,292.38	0.10	1.0%	0.11
Ungroupable Inpatient	0.1	100%	0.1	3,185.30	0.02	1.0%	0.02
Subtotal	59.3		59.3		\$7.63		\$7.82
Outpatient Hospital							
Emergency Room	613.9	85%	521.8	\$73.62	\$3.20	2.7%	\$3.43
Surgery	70.4	100%	70.4	439.43	2.58	2.7%	2.76
Other Outpatient	1,933.1	90%	1,739.8	40.52	5.88	2.7%	6.29
Subtotal	2,617.4		2,332.0		\$11.65		\$12.47
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	0.0	100%	0.0	\$424.88	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	2,962.5	95%	2,814.3	35.36	8.29	12.8%	11.20
Transportation	521.7	100%	521.7	15.41	0.67	2.5%	0.71
DME/Prosthetics/Orthotics	80.4	100%	80.4	92.37	0.62	2.5%	0.66
School Based Services	-	100%	-	0.00	0.00	2.5%	0.00
Other Ancillary	226.1	100%	226.1	47.30	0.89	2.5%	0.95
Subtotal	3,790.7		3,642.6		\$10.47		\$13.52
Physician							
Inpatient and Outpatient Surgery	328.3	100%	328.3	\$82.70	\$2.26	1.0%	\$2.32
Anesthesia	59.2	100%	59.2	52.10	0.26	1.0%	0.26
Office/Consults	1,655.3	108%	1,779.4	34.86	5.17	1.0%	5.30
Well Baby Exams/Physical Exams	210.2	108%	226.0	79.84	1.50	1.0%	1.54
Hospital Inpatient Visits	76.0	100%	76.0	52.50	0.33	1.0%	0.34
Emergency Room Visits	517.3	85%	439.7	42.20	1.55	1.0%	1.59
Radiology	1,350.3	95%	1,282.8	30.16	3.22	1.0%	3.31
Pathology	2,091.7	95%	1,987.1	7.45	1.23	1.0%	1.26
Outpatient Psychiatric	377.5	100%	377.5	49.47	1.56	1.0%	1.60
Maternity	0.0	100%	0.0	24.02	0.00	1.0%	0.00
Other Professional	1,538.6	95%	1,461.7	21.62	2.63	1.0%	2.70
Subtotal	8,204.3		8,017.6		\$19.72		\$20.22
Total Claims/Benefit Cost					\$49.48		\$54.02
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$49.47		\$54.02

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Population : TANF/Prog L 15 - 20 Male

High Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	41.1	95%	39.0	\$1,216.60	\$3.96	1.0%	\$4.06
Surgical	17.2	95%	16.3	2,359.06	3.21	1.0%	3.29
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	1.0	100%	1.0	1,292.38	0.10	1.0%	0.11
Ungroupable Inpatient	0.1	100%	0.1	<u>3,185.30</u>	<u>0.02</u>	<u>1.0%</u>	<u>0.02</u>
Subtotal	59.3		56.4		\$7.29		\$7.47
Outpatient Hospital							
Emergency Room	613.9	78%	475.8	\$74.95	\$2.97	2.7%	\$3.18
Surgery	70.4	95%	66.8	441.63	2.46	2.7%	2.63
Other Outpatient	1,933.1	70%	1,353.2	<u>41.33</u>	<u>4.66</u>	<u>2.7%</u>	<u>4.99</u>
Subtotal	2,617.4		1,895.8		\$10.09		\$10.80
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	0.0	98%	0.0	\$427.54	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	2,962.5	90%	2,666.2	35.80	7.95	12.8%	10.74
Transportation	521.7	90%	469.6	15.41	0.60	2.5%	0.64
DME/Prosthetics/Orthotics	80.4	100%	80.4	92.37	0.62	2.5%	0.66
School Based Services	-	90%	-	0.00	0.00	2.5%	0.00
Other Ancillary	226.1	90%	203.5	<u>47.30</u>	<u>0.80</u>	<u>2.5%</u>	<u>0.85</u>
Subtotal	3,790.7		3,419.7		\$9.98		\$12.89
Physician							
Inpatient and Outpatient Surgery	328.3	90%	295.5	\$85.18	\$2.10	1.0%	\$2.15
Anesthesia	59.2	90%	53.3	52.62	0.23	1.0%	0.24
Office/Consults	1,655.3	110%	1,820.8	34.99	5.31	1.0%	5.44
Well Baby Exams/Physical Exams	210.2	110%	231.2	80.23	1.55	1.0%	1.58
Hospital Inpatient Visits	76.0	96%	72.9	52.92	0.32	1.0%	0.33
Emergency Room Visits	517.3	82%	424.1	42.33	1.50	1.0%	1.53
Radiology	1,350.3	85%	1,147.8	30.16	2.89	1.0%	2.96
Pathology	2,091.7	85%	1,777.9	7.45	1.10	1.0%	1.13
Outpatient Psychiatric	377.5	100%	377.5	49.47	1.56	1.0%	1.60
Maternity	0.0	100%	0.0	24.02	0.00	1.0%	0.00
Other Professional	1,538.6	90%	1,384.7	<u>21.73</u>	<u>2.51</u>	<u>1.0%</u>	<u>2.57</u>
Subtotal	8,204.3		7,585.8		\$19.06		\$19.54
Total Claims/Benefit Cost					\$46.42		\$50.70
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$46.42		\$50.70

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Michigan Department of Community Health
 Cost Model Projections: 2008 Fiscal Year
 Regions 2 - 8

8/17/2007
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Population : TANF/Prog L 21 - 25 Male

Low Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	81.5	95%	77.4	\$1,220.83	\$7.87	1.0%	\$8.07
Surgical	24.7	95%	23.5	2,300.75	4.50	1.0%	4.61
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	1.5	100%	1.5	2,552.01	0.31	1.0%	0.32
Ungroupable Inpatient	8.4	100%	8.4	637.06	0.44	1.0%	0.46
Subtotal	116.0		110.7		\$13.13		\$13.46
Outpatient Hospital							
Emergency Room	1,406.5	85%	1,195.5	\$69.04	\$6.88	2.7%	\$7.36
Surgery	111.6	100%	111.6	455.30	4.23	2.7%	4.53
Other Outpatient	3,812.4	100%	3,812.4	33.10	10.52	2.7%	11.25
Subtotal	5,330.4		5,119.4		\$21.63		\$23.14
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$426.78	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	4,971.7	95%	4,723.1	19.35	7.62	12.8%	10.29
Transportation	790.5	100%	790.5	17.04	1.12	2.5%	1.19
DME/Prosthetics/Orthotics	111.9	100%	111.9	118.76	1.11	2.5%	1.18
School Based Services	-	100%	-	0.00	0.00	2.5%	0.00
Other Ancillary	307.6	100%	307.6	92.20	2.36	2.5%	2.51
Subtotal	6,181.7		5,933.1		\$12.21		\$15.17
Physician							
Inpatient and Outpatient Surgery	408.7	95%	388.2	\$164.37	\$5.32	1.0%	\$5.45
Anesthesia	92.0	100%	92.0	102.02	0.78	1.0%	0.80
Office/Consults	2,212.2	108%	2,378.1	39.17	7.76	1.0%	7.96
Well Baby Exams/Physical Exams	64.9	105%	68.2	74.33	0.42	1.0%	0.43
Hospital Inpatient Visits	151.3	100%	151.3	52.43	0.66	1.0%	0.68
Emergency Room Visits	1,116.7	85%	949.2	43.51	3.44	1.0%	3.53
Radiology	2,287.5	100%	2,287.5	34.75	6.62	1.0%	6.79
Pathology	3,469.6	100%	3,469.6	7.63	2.21	1.0%	2.26
Outpatient Psychiatric	273.8	100%	273.8	49.51	1.13	1.0%	1.16
Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Other Professional	1,490.9	100%	1,490.9	24.66	3.06	1.0%	3.14
Subtotal	11,567.5		11,548.7		\$31.41		\$32.20
Total Claims/Benefit Cost					\$78.38		\$83.97
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$78.38		\$83.97

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Population : TANF/Prog L 21 - 25 Male

High Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	81.5	90%	73.3	\$1,226.91	\$7.50	1.0%	\$7.68
Surgical	24.7	90%	22.2	2,312.20	4.28	1.0%	4.39
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	1.5	100%	1.5	2,552.01	0.31	1.0%	0.32
Ungroupable Inpatient	8.4	100%	8.4	<u>637.06</u>	<u>0.44</u>	<u>1.0%</u>	<u>0.46</u>
Subtotal	116.0		105.4		\$12.54		\$12.85
Outpatient Hospital							
Emergency Room	1,406.5	75%	1,054.9	\$70.71	\$6.22	2.7%	\$6.65
Surgery	111.6	95%	106.0	457.58	4.04	2.7%	4.32
Other Outpatient	3,812.4	85%	3,240.5	<u>33.60</u>	<u>9.07</u>	<u>2.7%</u>	<u>9.71</u>
Subtotal	5,330.4		4,401.4		\$19.33		\$20.68
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	98%	-	\$429.45	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	4,971.7	90%	4,474.6	19.59	7.31	12.8%	9.86
Transportation	790.5	90%	711.4	17.04	1.01	2.5%	1.07
DME/Prosthetics/Orthotics	111.9	100%	111.9	118.76	1.11	2.5%	1.18
School Based Services	-	90%	-	0.00	0.00	2.5%	0.00
Other Ancillary	307.6	90%	276.9	<u>92.20</u>	<u>2.13</u>	<u>2.5%</u>	<u>2.26</u>
Subtotal	6,181.7		5,574.7		\$11.55		\$14.38
Physician							
Inpatient and Outpatient Surgery	408.7	90%	367.8	\$166.79	\$5.11	1.0%	\$5.24
Anesthesia	92.0	90%	82.8	103.04	0.71	1.0%	0.73
Office/Consults	2,212.2	110%	2,433.5	39.32	7.97	1.0%	8.17
Well Baby Exams/Physical Exams	64.9	108%	69.8	74.69	0.43	1.0%	0.45
Hospital Inpatient Visits	151.3	92%	139.2	53.27	0.62	1.0%	0.63
Emergency Room Visits	1,116.7	83%	921.2	43.61	3.35	1.0%	3.43
Radiology	2,287.5	90%	2,058.7	34.75	5.96	1.0%	6.11
Pathology	3,469.6	90%	3,122.7	7.63	1.99	1.0%	2.04
Outpatient Psychiatric	273.8	100%	273.8	49.51	1.13	1.0%	1.16
Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Other Professional	1,490.9	95%	1,416.3	<u>24.78</u>	<u>2.92</u>	<u>1.0%</u>	<u>3.00</u>
Subtotal	11,567.5		10,885.7		\$30.20		\$30.96
Total Claims/Benefit Cost					\$73.62		\$78.87
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$73.62		\$78.87

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Michigan Department of Community Health
Cost Model Projections: 2008 Fiscal Year
Regions 2 - 8

Population : TANF/Prog L 26 - 44 Male

Low Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	209.5	95%	199.0	\$1,114.86	\$18.49	1.0%	\$18.96
Surgical	81.7	95%	77.7	2,071.62	13.41	1.0%	13.74
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	2.8	100%	2.8	2,113.50	0.50	1.0%	0.51
Ungroupable Inpatient	3.3	100%	3.3	1,435.63	0.40	1.0%	0.41
Subtotal	297.4		282.9		\$32.80		\$33.62
Outpatient Hospital							
Emergency Room	1,175.4	85%	999.1	\$71.67	\$5.97	2.7%	\$6.38
Surgery	193.3	100%	193.3	448.75	7.23	2.7%	7.73
Other Outpatient	13,068.7	85%	11,108.4	52.60	48.69	2.7%	52.10
Subtotal	14,437.3		12,300.7		\$61.88		\$66.21
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$442.35	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	10,973.5	95%	10,424.8	28.97	25.16	12.8%	33.97
Transportation	1,279.0	100%	1,279.0	14.76	1.57	2.5%	1.67
DME/Prosthetics/Orthotics	402.7	100%	402.7	92.74	3.11	2.5%	3.31
School Based Services	-	100%	-	0.00	0.00	2.5%	0.00
Other Ancillary	795.1	100%	795.1	111.86	7.41	2.5%	7.88
Subtotal	13,450.2		12,901.5		\$37.26		\$46.84
Physician							
Inpatient and Outpatient Surgery	705.1	95%	669.8	\$207.01	\$11.56	1.0%	\$11.85
Anesthesia	158.1	100%	158.1	128.49	1.69	1.0%	1.74
Office/Consults	3,530.5	108%	3,795.3	37.78	11.95	1.0%	12.25
Well Baby Exams/Physical Exams	86.4	103%	88.5	73.47	0.54	1.0%	0.56
Hospital Inpatient Visits	342.9	100%	342.9	54.04	1.54	1.0%	1.58
Emergency Room Visits	965.4	85%	820.6	46.62	3.19	1.0%	3.27
Radiology	3,047.9	95%	2,895.5	45.30	10.93	1.0%	11.21
Pathology	5,987.7	95%	5,688.3	8.82	4.18	1.0%	4.29
Outpatient Psychiatric	413.4	100%	413.4	50.47	1.74	1.0%	1.78
Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Other Professional	2,786.4	100%	2,786.4	23.14	5.37	1.0%	5.51
Subtotal	18,023.8		17,658.9		\$52.69		\$54.02
Total Claims/Benefit Cost					\$184.64		\$200.70
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$184.64		\$200.70

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Population : TANF/Prog L 26 - 44 Male

High Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	209.5	90%	188.6	\$1,120.41	\$17.61	1.0%	\$18.05
Surgical	81.7	90%	73.6	2,081.92	12.76	1.0%	13.09
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	2.8	100%	2.8	2,113.50	0.50	1.0%	0.51
Ungroupable Inpatient	3.3	100%	3.3	1,435.63	0.40	1.0%	0.41
Subtotal	297.4		268.3		\$31.27		\$32.06
Outpatient Hospital							
Emergency Room	1,175.4	78%	910.9	\$72.97	\$5.54	2.7%	\$5.93
Surgery	193.3	95%	183.6	450.99	6.90	2.7%	7.38
Other Outpatient	13,068.7	65%	8,494.6	53.64	37.97	2.7%	40.62
Subtotal	14,437.3		9,589.1		\$50.41		\$53.93
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	98%	-	\$445.12	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	10,973.5	85%	9,327.4	29.68	23.07	12.8%	31.15
Transportation	1,279.0	90%	1,151.1	14.76	1.42	2.5%	1.51
DME/Prosthetics/Orthotics	402.7	100%	402.7	92.74	3.11	2.5%	3.31
School Based Services	-	90%	-	0.00	0.00	2.5%	0.00
Other Ancillary	795.1	90%	715.6	111.86	6.67	2.5%	7.10
Subtotal	13,450.2		11,596.8		\$34.27		\$43.06
Physician							
Inpatient and Outpatient Surgery	705.1	90%	634.6	\$210.07	\$11.11	1.0%	\$11.39
Anesthesia	158.1	95%	150.2	129.13	1.62	1.0%	1.66
Office/Consults	3,530.5	110%	3,883.6	37.92	12.27	1.0%	12.58
Well Baby Exams/Physical Exams	86.4	105%	90.7	73.83	0.56	1.0%	0.57
Hospital Inpatient Visits	342.9	92%	315.5	54.90	1.44	1.0%	1.48
Emergency Room Visits	965.4	82%	791.6	46.76	3.08	1.0%	3.16
Radiology	3,047.9	90%	2,743.1	45.30	10.36	1.0%	10.62
Pathology	5,987.7	90%	5,388.9	8.82	3.96	1.0%	4.06
Outpatient Psychiatric	413.4	100%	413.4	50.47	1.74	1.0%	1.78
Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Other Professional	2,786.4	95%	2,647.1	23.25	5.13	1.0%	5.26
Subtotal	18,023.8		17,058.6		\$51.27		\$52.56
Total Claims/Benefit Cost					\$167.21		\$181.61
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$167.21		\$181.61

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Michigan Department of Community Health
 Cost Model Projections: 2008 Fiscal Year
 Regions 2 - 8

8/17/2007
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Population : TANF/Prog L 45 + Male

Low Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	455.5	95%	432.8	\$1,194.37	\$43.07	1.0%	\$44.16
Surgical	201.9	95%	191.9	2,360.56	37.74	1.0%	38.69
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	4.8	100%	4.8	1,607.35	0.64	1.0%	0.66
Ungroupable Inpatient	1.5	100%	1.5	1,820.17	0.23	1.0%	0.24
Subtotal	663.8		630.9		\$81.69		\$83.74
Outpatient Hospital							
Emergency Room	888.6	85%	755.3	\$72.11	\$4.54	2.7%	\$4.86
Surgery	331.5	100%	331.5	415.27	11.47	2.7%	12.27
Other Outpatient	9,447.1	95%	8,974.8	58.72	43.92	2.7%	46.99
Subtotal	10,667.3		10,061.6		\$59.93		\$64.12
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$426.78	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	23,442.6	100%	23,442.6	32.38	63.26	12.8%	85.41
Transportation	2,190.6	100%	2,190.6	16.11	2.94	2.5%	3.13
DME/Prosthetics/Orthotics	827.2	100%	827.2	80.19	5.53	2.5%	5.88
School Based Services	-	100%	-	0.00	0.00	2.5%	0.00
Other Ancillary	1,819.9	100%	1,819.9	118.14	17.92	2.5%	19.06
Subtotal	28,280.3		28,280.3		\$89.65		\$113.48
Physician							
Inpatient and Outpatient Surgery	1,142.4	95%	1,085.3	\$286.62	\$25.92	1.0%	\$26.57
Anesthesia	263.6	100%	263.6	177.90	3.91	1.0%	4.01
Office/Consults	5,592.0	110%	6,151.2	38.43	19.70	1.0%	20.19
Well Baby Exams/Physical Exams	118.6	105%	124.6	75.24	0.78	1.0%	0.80
Hospital Inpatient Visits	806.0	100%	806.0	56.69	3.81	1.0%	3.90
Emergency Room Visits	754.8	85%	641.6	52.58	2.81	1.0%	2.88
Radiology	4,782.6	100%	4,782.6	49.65	19.79	1.0%	20.29
Pathology	11,082.1	100%	11,082.1	10.11	9.34	1.0%	9.58
Outpatient Psychiatric	498.6	100%	498.6	50.91	2.12	1.0%	2.17
Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Other Professional	5,551.8	100%	5,551.8	24.49	11.33	1.0%	11.61
Subtotal	30,592.7		30,987.5		\$99.50		\$102.01
Total Claims/Benefit Cost					\$330.76		\$363.34
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$330.76		\$363.34

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Population : TANF/Prog L 45 + Male

High Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	455.5	90%	410.0	\$1,200.31	\$41.01	1.0%	\$42.04
Surgical	201.9	90%	181.8	2,372.31	35.93	1.0%	36.84
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	4.8	100%	4.8	1,607.35	0.64	1.0%	0.66
Ungroupable Inpatient	1.5	100%	1.5	1,820.17	0.23	1.0%	0.24
Subtotal	663.8		598.1		\$77.81		\$79.77
Outpatient Hospital							
Emergency Room	888.6	78%	688.7	\$73.41	\$4.21	2.7%	\$4.51
Surgery	331.5	95%	314.9	417.34	10.95	2.7%	11.72
Other Outpatient	9,447.1	90%	8,502.4	59.01	41.81	2.7%	44.74
Subtotal	10,667.3		9,506.0		\$56.98		\$60.96
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	98%	-	\$429.45	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	23,442.6	90%	21,098.4	33.19	58.36	12.8%	78.79
Transportation	2,190.6	90%	1,971.6	16.11	2.65	2.5%	2.82
DME/Prosthetics/Orthotics	827.2	100%	827.2	80.19	5.53	2.5%	5.88
School Based Services	-	90%	-	0.00	0.00	2.5%	0.00
Other Ancillary	1,819.9	90%	1,637.9	118.14	16.13	2.5%	17.15
Subtotal	28,280.3		25,535.0		\$82.66		\$104.64
Physician							
Inpatient and Outpatient Surgery	1,142.4	90%	1,028.2	\$290.85	\$24.92	1.0%	\$25.55
Anesthesia	263.6	95%	250.4	178.79	3.73	1.0%	3.82
Office/Consults	5,592.0	115%	6,430.8	38.71	20.75	1.0%	21.27
Well Baby Exams/Physical Exams	118.6	110%	130.5	75.99	0.83	1.0%	0.85
Hospital Inpatient Visits	806.0	92%	741.5	57.60	3.56	1.0%	3.65
Emergency Room Visits	754.8	82%	619.0	52.74	2.72	1.0%	2.79
Radiology	4,782.6	95%	4,543.5	49.65	18.80	1.0%	19.27
Pathology	11,082.1	95%	10,528.0	10.11	8.87	1.0%	9.10
Outpatient Psychiatric	498.6	100%	498.6	50.91	2.12	1.0%	2.17
Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Other Professional	5,551.8	95%	5,274.2	24.61	10.82	1.0%	11.09
Subtotal	30,592.7		30,044.8		\$97.11		\$99.55
Total Claims/Benefit Cost					\$314.56		\$344.93
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$314.56		\$344.93

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Michigan Department of Community Health
 Cost Model Projections: 2008 Fiscal Year
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Population : TANF/Prog L < 1 Female

Low Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	1,291.3	95%	1,226.8	\$1,074.62	\$109.86	1.0%	\$112.63
Surgical	34.2	95%	32.5	1,774.89	4.80	1.0%	4.92
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	709.1	110%	780.0	278.56	18.11	1.0%	18.56
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	0.1	100%	0.1	2,720.77	0.02	1.0%	0.02
Ungroupable Inpatient	5.2	100%	5.2	3,315.31	1.45	1.0%	1.49
Subtotal	2,039.9		2,044.5		\$134.24		\$137.62
Outpatient Hospital							
Emergency Room	1,447.5	90%	1,302.7	\$68.03	\$7.39	2.7%	\$7.90
Surgery	60.8	100%	60.8	334.61	1.69	2.7%	1.81
Other Outpatient	2,909.9	100%	2,909.9	49.67	12.05	2.7%	12.89
Subtotal	4,418.2		4,273.5		\$21.13		\$22.60
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$426.78	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	4,782.9	100%	4,782.9	14.35	5.72	12.8%	7.72
Transportation	1,078.6	100%	1,078.6	12.92	1.16	2.5%	1.23
DME/Prosthetics/Orthotics	427.5	100%	427.5	94.52	3.37	2.5%	3.58
School Based Services	-	100%	-	0.00	0.00	2.5%	0.00
Other Ancillary	295.4	100%	295.4	27.90	0.69	2.5%	0.73
Subtotal	6,584.5		6,584.5		\$10.93		\$13.27
Physician							
Inpatient and Outpatient Surgery	169.9	100%	169.9	\$111.06	\$1.57	1.0%	\$1.61
Anesthesia	67.5	100%	67.5	69.97	0.39	1.0%	0.40
Office/Consults	7,057.5	105%	7,410.3	32.78	20.24	1.0%	20.75
Well Baby Exams/Physical Exams	5,002.4	105%	5,252.5	72.84	31.88	1.0%	32.69
Hospital Inpatient Visits	2,076.1	100%	2,076.1	56.51	9.78	1.0%	10.02
Emergency Room Visits	1,288.8	90%	1,159.9	39.16	3.78	1.0%	3.88
Radiology	1,626.0	100%	1,626.0	17.54	2.38	1.0%	2.44
Pathology	2,608.1	100%	2,608.1	9.06	1.97	1.0%	2.02
Outpatient Psychiatric	0.9	100%	0.9	75.40	0.01	1.0%	0.01
Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Other Professional	14,169.7	95%	13,461.2	15.71	17.62	1.0%	18.06
Subtotal	34,066.9		33,832.6		\$89.63		\$91.89
Total Claims/Benefit Cost					\$255.93		\$265.38
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$255.93		\$265.38

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Population : TANF/Prog L < 1 Female

High Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	1,291.3	90%	1,162.2	\$1,079.97	\$104.59	1.0%	\$107.23
Surgical	34.2	90%	30.8	1,783.72	4.57	1.0%	4.69
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	709.1	110%	780.0	278.56	18.11	1.0%	18.56
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	0.1	100%	0.1	2,720.77	0.02	1.0%	0.02
Ungroupable Inpatient	5.2	100%	5.2	<u>3,315.31</u>	1.45	1.0%	1.49
Subtotal	2,039.9		1,978.3		\$128.75		\$131.99
Outpatient Hospital							
Emergency Room	1,447.5	83%	1,194.2	\$69.28	\$6.89	2.7%	\$7.38
Surgery	60.8	95%	57.7	336.29	1.62	2.7%	1.73
Other Outpatient	2,909.9	95%	2,764.5	<u>49.92</u>	<u>11.50</u>	2.7%	<u>12.30</u>
Subtotal	4,418.2		4,016.4		\$20.01		\$21.41
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	98%	-	\$429.45	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	4,782.9	100%	4,782.9	14.35	5.72	12.8%	7.72
Transportation	1,078.6	85%	916.8	12.92	0.99	2.5%	1.05
DME/Prosthetics/Orthotics	427.5	100%	427.5	94.52	3.37	2.5%	3.58
School Based Services	-	90%	-	0.00	0.00	2.5%	0.00
Other Ancillary	295.4	90%	265.8	<u>27.90</u>	<u>0.62</u>	2.5%	<u>0.66</u>
Subtotal	6,584.5		6,393.1		\$10.69		\$13.01
Physician							
Inpatient and Outpatient Surgery	169.9	95%	161.4	\$112.72	\$1.52	1.0%	\$1.55
Anesthesia	67.5	95%	64.2	70.32	0.38	1.0%	0.39
Office/Consults	7,057.5	110%	7,763.2	33.03	21.37	1.0%	21.90
Well Baby Exams/Physical Exams	5,002.4	110%	5,502.6	73.56	33.73	1.0%	34.58
Hospital Inpatient Visits	2,076.1	102%	2,117.7	56.74	10.01	1.0%	10.27
Emergency Room Visits	1,288.8	86%	1,108.4	39.31	3.63	1.0%	3.72
Radiology	1,626.0	95%	1,544.7	17.54	2.26	1.0%	2.32
Pathology	2,608.1	95%	2,477.7	9.06	1.87	1.0%	1.92
Outpatient Psychiatric	0.9	100%	0.9	75.40	0.01	1.0%	0.01
Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Other Professional	<u>14,169.7</u>	85%	<u>12,044.3</u>	<u>15.86</u>	<u>15.92</u>	1.0%	<u>16.32</u>
Subtotal	34,066.9		32,785.0		\$90.69		\$92.98
Total Claims/Benefit Cost					\$250.14		\$259.39
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$250.14		\$259.39

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Michigan Department of Community Health
 Cost Model Projections: 2008 Fiscal Year
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Population : TANF/Prog L 1 - 4 Female

Low Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	56.4	100%	56.4	\$1,042.40	\$4.90	1.0%	\$5.02
Surgical	5.0	100%	5.0	2,730.35	1.14	1.0%	1.17
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	0.0	100%	0.0	0.00	0.00	1.0%	0.00
Ungroupable Inpatient	3.4	100%	3.4	3,436.11	0.96	1.0%	0.99
Subtotal	64.8		64.8		\$7.00		\$7.17
Outpatient Hospital							
Emergency Room	918.9	85%	781.0	\$69.55	\$4.53	2.7%	\$4.84
Surgery	106.5	100%	106.5	377.61	3.35	2.7%	3.59
Other Outpatient	1,641.1	90%	1,477.0	31.54	3.88	2.7%	4.15
Subtotal	2,666.4		2,364.5		\$11.76		\$12.58
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$276.98	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	3,570.2	100%	3,570.2	16.85	5.01	12.8%	6.77
Transportation	306.7	100%	306.7	15.35	0.39	2.5%	0.42
DME/Prosthetics/Orthotics	153.2	100%	153.2	64.75	0.83	2.5%	0.88
School Based Services	-	100%	-	0.00	0.00	2.5%	0.00
Other Ancillary	151.4	100%	151.4	26.47	0.33	2.5%	0.36
Subtotal	4,181.4		4,181.4		\$6.56		\$8.42
Physician							
Inpatient and Outpatient Surgery	199.3	100%	199.3	\$117.03	\$1.94	1.0%	\$1.99
Anesthesia	84.2	100%	84.2	73.73	0.52	1.0%	0.53
Office/Consults	3,189.5	110%	3,508.5	33.09	9.67	1.0%	9.92
Well Baby Exams/Physical Exams	1,050.7	108%	1,129.5	73.02	6.87	1.0%	7.05
Hospital Inpatient Visits	97.9	100%	97.9	54.81	0.45	1.0%	0.46
Emergency Room Visits	770.4	85%	654.8	38.13	2.08	1.0%	2.13
Radiology	716.8	95%	680.9	19.71	1.12	1.0%	1.15
Pathology	2,433.2	95%	2,311.5	8.16	1.57	1.0%	1.61
Outpatient Psychiatric	43.2	100%	43.2	56.47	0.20	1.0%	0.21
Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Other Professional	4,109.3	100%	4,109.3	16.79	5.75	1.0%	5.89
Subtotal	12,694.5		12,819.2		\$30.18		\$30.94
Total Claims/Benefit Cost					\$55.50		\$59.11
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$55.50		\$59.11

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Population : TANF/Prog L 1 - 4 Female

High Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	56.4	95%	53.6	\$1,047.62	\$4.68	1.0%	\$4.79
Surgical	5.0	95%	4.8	2,744.01	1.09	1.0%	1.12
Non-Delivery Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	0.0	100%	0.0	0.00	0.00	1.0%	0.00
Ungroupable Inpatient	3.4	100%	3.4	<u>3,436.11</u>	<u>0.96</u>	1.0%	<u>0.99</u>
Subtotal	64.8		61.7		\$6.72		\$6.89
Outpatient Hospital							
Emergency Room	918.9	70%	643.2	\$72.06	\$3.86	2.7%	\$4.13
Surgery	106.5	85%	90.5	383.28	2.89	2.7%	3.09
Other Outpatient	1,641.1	85%	1,394.9	<u>31.70</u>	<u>3.68</u>	2.7%	<u>3.94</u>
Subtotal	2,666.4		2,128.7		\$10.44		\$11.17
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	98%	-	\$278.71	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	3,570.2	95%	3,391.7	17.06	4.82	12.8%	6.51
Transportation	306.7	90%	276.0	15.35	0.35	2.5%	0.38
DME/Prosthetics/Orthotics	153.2	100%	153.2	64.75	0.83	2.5%	0.88
School Based Services	-	90%	-	0.00	0.00	2.5%	0.00
Other Ancillary	151.4	90%	136.2	<u>26.47</u>	<u>0.30</u>	2.5%	<u>0.32</u>
Subtotal	4,181.4		3,957.1		\$6.30		\$8.08
Physician							
Inpatient and Outpatient Surgery	199.3	95%	189.3	\$118.78	\$1.87	1.0%	\$1.92
Anesthesia	84.2	95%	80.0	74.10	0.49	1.0%	0.51
Office/Consults	3,189.5	115%	3,668.0	33.33	10.19	1.0%	10.45
Well Baby Exams/Physical Exams	1,050.7	113%	1,182.1	73.74	7.26	1.0%	7.45
Hospital Inpatient Visits	97.9	96%	93.9	55.25	0.43	1.0%	0.44
Emergency Room Visits	770.4	82%	631.7	38.24	2.01	1.0%	2.06
Radiology	716.8	90%	645.1	19.71	1.06	1.0%	1.09
Pathology	2,433.2	90%	2,189.8	8.16	1.49	1.0%	1.53
Outpatient Psychiatric	43.2	100%	43.2	56.47	0.20	1.0%	0.21
Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Other Professional	4,109.3	95%	3,903.9	<u>16.87</u>	<u>5.49</u>	1.0%	<u>5.63</u>
Subtotal	12,694.5		12,627.0		\$30.51		\$31.27
Total Claims/Benefit Cost					\$53.97		\$57.42
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$53.97		\$57.42

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Michigan Department of Community Health
 Cost Model Projections: 2008 Fiscal Year
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Population : TANF/Prog L 5 - 14 Female

Low Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	23.1	100%	23.1	\$988.17	\$1.91	1.0%	\$1.95
Surgical	6.4	100%	6.4	2,254.23	1.21	1.0%	1.24
Non-Delivery Maternity	0.2	100%	0.2	610.64	0.01	1.0%	0.01
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	0.1	100%	0.1	1,200.23	0.01	1.0%	0.01
Ungroupable Inpatient	0.4	100%	0.4	3,539.22	0.12	1.0%	0.13
Subtotal	30.4		30.4		\$3.26		\$3.35
Outpatient Hospital							
Emergency Room	476.7	90%	429.0	\$69.77	\$2.49	2.7%	\$2.67
Surgery	66.4	100%	66.4	375.45	2.08	2.7%	2.22
Other Outpatient	1,123.1	100%	1,123.1	33.88	3.17	2.7%	3.39
Subtotal	1,666.3		1,618.6		\$7.74		\$8.28
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$426.78	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	2,977.9	95%	2,829.0	27.21	6.41	12.8%	8.66
Transportation	177.4	100%	177.4	13.35	0.20	2.5%	0.21
DME/Prosthetics/Orthotics	53.2	100%	53.2	84.87	0.38	2.5%	0.40
School Based Services	-	100%	-	0.00	0.00	2.5%	0.00
Other Ancillary	242.7	100%	242.7	37.65	0.76	2.5%	0.81
Subtotal	3,451.2		3,302.3		\$7.75		\$10.08
Physician							
Inpatient and Outpatient Surgery	236.6	100%	236.6	\$75.91	\$1.50	1.0%	\$1.53
Anesthesia	53.6	100%	53.6	47.82	0.21	1.0%	0.22
Office/Consults	2,039.3	108%	2,192.3	34.14	6.24	1.0%	6.39
Well Baby Exams/Physical Exams	322.0	120%	386.4	76.75	2.47	1.0%	2.53
Hospital Inpatient Visits	38.8	100%	38.8	54.02	0.17	1.0%	0.18
Emergency Room Visits	406.1	90%	365.5	38.88	1.18	1.0%	1.21
Radiology	746.7	100%	746.7	26.27	1.63	1.0%	1.68
Pathology	1,978.9	100%	1,978.9	8.31	1.37	1.0%	1.40
Outpatient Psychiatric	432.8	100%	432.8	51.56	1.86	1.0%	1.91
Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Other Professional	1,647.0	100%	1,647.0	21.60	2.96	1.0%	3.04
Subtotal	7,901.9		8,078.7		\$19.61		\$20.10
Total Claims/Benefit Cost					\$38.36		\$41.81
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$38.36		\$41.81

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Population : TANF/Prog L 5 - 14 Female

High Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	23.1	95%	22.0	\$993.11	\$1.82	1.0%	\$1.87
Surgical	6.4	95%	6.1	2,265.50	1.16	1.0%	1.19
Non-Delivery Maternity	0.2	100%	0.2	610.64	0.01	1.0%	0.01
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	0.1	100%	0.1	1,200.23	0.01	1.0%	0.01
Ungroupable Inpatient	0.4	100%	0.4	<u>3,539.22</u>	<u>0.12</u>	<u>1.0%</u>	<u>0.13</u>
Subtotal	30.4		28.9		\$3.12		\$3.20
Outpatient Hospital							
Emergency Room	476.7	80%	381.4	\$71.47	\$2.27	2.7%	\$2.43
Surgery	66.4	90%	59.8	379.20	1.89	2.7%	2.02
Other Outpatient	1,123.1	95%	1,067.0	<u>34.05</u>	<u>3.03</u>	<u>2.7%</u>	<u>3.24</u>
Subtotal	1,666.3		1,508.1		\$7.19		\$7.69
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	98%	-	\$429.45	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	2,977.9	90%	2,680.1	27.54	6.15	12.8%	8.31
Transportation	177.4	90%	159.6	13.35	0.18	2.5%	0.19
DME/Prosthetics/Orthotics	53.2	100%	53.2	84.87	0.38	2.5%	0.40
School Based Services	-	90%	-	0.00	0.00	2.5%	0.00
Other Ancillary	242.7	90%	218.5	<u>37.65</u>	<u>0.69</u>	<u>2.5%</u>	<u>0.73</u>
Subtotal	3,451.2		3,111.4		\$7.39		\$9.62
Physician							
Inpatient and Outpatient Surgery	236.6	95%	224.8	\$77.04	\$1.44	1.0%	\$1.48
Anesthesia	53.6	95%	50.9	48.06	0.20	1.0%	0.21
Office/Consults	2,039.3	110%	2,243.3	34.26	6.41	1.0%	6.57
Well Baby Exams/Physical Exams	322.0	123%	394.5	77.12	2.54	1.0%	2.60
Hospital Inpatient Visits	38.8	96%	37.3	54.45	0.17	1.0%	0.17
Emergency Room Visits	406.1	86%	349.2	39.04	1.14	1.0%	1.16
Radiology	746.7	90%	672.1	26.27	1.47	1.0%	1.51
Pathology	1,978.9	90%	1,781.0	8.31	1.23	1.0%	1.26
Outpatient Psychiatric	432.8	100%	432.8	51.56	1.86	1.0%	1.91
Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Other Professional	1,647.0	95%	1,564.6	<u>21.71</u>	<u>2.83</u>	<u>1.0%</u>	<u>2.90</u>
Subtotal	7,901.9		7,750.5		\$19.29		\$19.77
Total Claims/Benefit Cost					\$36.99		\$40.29
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$36.99		\$40.29

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Michigan Department of Community Health
 Cost Model Projections: 2008 Fiscal Year
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Population : TANF/Prog L 15 - 20 Female

Low Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	57.5	100%	57.5	\$1,107.45	\$5.31	1.0%	\$5.44
Surgical	14.5	100%	14.5	1,982.00	2.40	1.0%	2.46
Non-Delivery Maternity	29.7	100%	29.7	658.17	1.63	1.0%	1.67
Maternity Delivery	0.5	100%	0.5	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	0.5	100%	0.5	2,330.92	0.09	1.0%	0.09
Ungroupable Inpatient	0.7	100%	0.7	1,864.57	0.11	1.0%	0.11
Subtotal	103.5		103.5		\$9.54		\$9.78
Outpatient Hospital							
Emergency Room	1,085.2	85%	922.5	\$73.01	\$5.61	2.7%	\$6.01
Surgery	148.4	100%	148.4	244.99	3.03	2.7%	3.24
Other Outpatient	5,164.5	85%	4,389.8	30.48	11.15	2.7%	11.93
Subtotal	6,398.2		5,460.7		\$19.79		\$21.18
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$350.09	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	6,559.9	95%	6,231.9	21.69	11.27	12.8%	15.21
Transportation	830.7	100%	830.7	15.35	1.06	2.5%	1.13
DME/Prosthetics/Orthotics	65.1	100%	65.1	69.79	0.38	2.5%	0.40
School Based Services	-	100%	-	0.00	0.00	2.5%	0.00
Other Ancillary	920.9	100%	920.9	40.56	3.11	2.5%	3.31
Subtotal	8,376.5		8,048.5		\$15.82		\$20.05
Physician							
Inpatient and Outpatient Surgery	374.6	100%	374.6	\$96.51	\$3.01	1.0%	\$3.09
Anesthesia	162.9	100%	162.9	60.80	0.83	1.0%	0.85
Office/Consults	3,194.4	108%	3,434.0	34.35	9.83	1.0%	10.08
Well Baby Exams/Physical Exams	632.4	105%	664.1	82.32	4.56	1.0%	4.67
Hospital Inpatient Visits	170.6	100%	170.6	50.83	0.72	1.0%	0.74
Emergency Room Visits	904.2	85%	768.6	44.82	2.87	1.0%	2.94
Radiology	2,282.3	90%	2,054.0	39.71	6.80	1.0%	6.97
Pathology	10,023.1	90%	9,020.8	11.30	8.50	1.0%	8.71
Outpatient Psychiatric	464.9	100%	464.9	51.12	1.98	1.0%	2.03
Maternity	0.3	100%	0.3	0.00	0.00	1.0%	0.00
Other Professional	2,331.4	95%	2,214.8	20.61	3.80	1.0%	3.90
Subtotal	20,541.1		19,329.6		\$42.90		\$43.98
Total Claims/Benefit Cost					\$88.05		\$94.99
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$88.05		\$94.99

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Population : TANF/Prog L 15 - 20 Female

High Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	57.5	95%	54.7	\$1,112.99	\$5.07	1.0%	\$5.20
Surgical	14.5	95%	13.8	1,991.91	2.29	1.0%	2.35
Non-Delivery Maternity	29.7	100%	29.7	658.17	1.63	1.0%	1.67
Maternity Delivery	0.5	100%	0.5	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	0.5	100%	0.5	2,330.92	0.09	1.0%	0.09
Ungroupable Inpatient	0.7	100%	0.7	1,864.57	0.11	1.0%	0.11
Subtotal	103.5		99.9		\$9.19		\$9.42
Outpatient Hospital							
Emergency Room	1,085.2	78%	841.1	\$74.33	\$5.21	2.7%	\$5.57
Surgery	148.4	85%	126.2	248.66	2.61	2.7%	2.80
Other Outpatient	5,164.5	65%	3,356.9	31.08	8.69	2.7%	9.30
Subtotal	6,398.2		4,324.1		\$16.52		\$17.67
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	98%	-	\$352.28	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	6,559.9	85%	5,575.9	22.23	10.33	12.8%	13.95
Transportation	830.7	90%	747.6	15.35	0.96	2.5%	1.02
DME/Prosthetics/Orthotics	65.1	100%	65.1	69.79	0.38	2.5%	0.40
School Based Services	-	90%	-	0.00	0.00	2.5%	0.00
Other Ancillary	920.9	90%	828.8	40.56	2.80	2.5%	2.98
Subtotal	8,376.5		7,217.4		\$14.47		\$18.35
Physician							
Inpatient and Outpatient Surgery	374.6	95%	355.9	\$97.95	\$2.91	1.0%	\$2.98
Anesthesia	162.9	95%	154.8	61.10	0.79	1.0%	0.81
Office/Consults	3,194.4	110%	3,513.8	34.48	10.10	1.0%	10.35
Well Baby Exams/Physical Exams	632.4	108%	679.9	82.72	4.69	1.0%	4.80
Hospital Inpatient Visits	170.6	96%	163.8	51.23	0.70	1.0%	0.72
Emergency Room Visits	904.2	82%	741.5	44.96	2.78	1.0%	2.85
Radiology	2,282.3	80%	1,825.8	39.71	6.04	1.0%	6.19
Pathology	10,023.1	80%	8,018.5	11.30	7.55	1.0%	7.74
Outpatient Psychiatric	464.9	100%	464.9	51.12	1.98	1.0%	2.03
Maternity	0.3	100%	0.3	0.00	0.00	1.0%	0.00
Other Professional	2,331.4	90%	2,098.3	20.71	3.62	1.0%	3.71
Subtotal	20,541.1		18,017.3		\$41.15		\$42.19
Total Claims/Benefit Cost					\$81.32		\$87.63
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$81.32		\$87.63

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Michigan Department of Community Health
 Cost Model Projections: 2008 Fiscal Year
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Population : TANF/Prog L 21 - 25 Female

Low Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	98.7	95%	93.8	\$1,241.37	\$9.70	1.0%	\$9.95
Surgical	33.0	95%	31.4	2,031.89	5.31	1.0%	5.45
Non-Delivery Maternity	59.1	100%	59.1	751.36	3.70	1.0%	3.79
Maternity Delivery	1.2	100%	1.2	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	0.9	100%	0.9	1,697.99	0.12	1.0%	0.13
Ungroupable Inpatient	0.5	100%	0.5	2,623.19	0.12	1.0%	0.12
Subtotal	193.4		186.8		\$18.95		\$19.43
Outpatient Hospital							
Emergency Room	1,790.2	85%	1,521.7	\$72.79	\$9.23	2.7%	\$9.88
Surgery	320.3	100%	320.3	252.55	6.74	2.7%	7.21
Other Outpatient	9,729.5	95%	9,243.0	32.01	24.65	2.7%	26.38
Subtotal	11,840.0		11,085.0		\$40.63		\$43.47
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$416.42	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	10,114.1	95%	9,608.4	17.67	14.15	12.8%	19.10
Transportation	1,153.2	100%	1,153.2	15.62	1.50	2.5%	1.60
DME/Prosthetics/Orthotics	104.5	100%	104.5	75.85	0.66	2.5%	0.70
School Based Services	-	100%	-	0.00	0.00	2.5%	0.00
Other Ancillary	1,097.0	100%	1,097.0	56.05	5.12	2.5%	5.45
Subtotal	12,468.9		11,963.2		\$21.43		\$26.85
Physician							
Inpatient and Outpatient Surgery	654.3	100%	654.3	\$148.54	\$8.10	1.0%	\$8.30
Anesthesia	411.0	100%	411.0	93.58	3.20	1.0%	3.29
Office/Consults	4,250.4	110%	4,675.4	35.21	13.72	1.0%	14.06
Well Baby Exams/Physical Exams	708.5	105%	743.9	84.90	5.26	1.0%	5.40
Hospital Inpatient Visits	311.7	100%	311.7	50.50	1.31	1.0%	1.34
Emergency Room Visits	1,507.3	85%	1,281.2	45.97	4.91	1.0%	5.03
Radiology	3,957.8	95%	3,759.9	41.48	13.00	1.0%	13.32
Pathology	16,174.3	95%	15,365.6	11.59	14.85	1.0%	15.22
Outpatient Psychiatric	463.7	100%	463.7	52.12	2.01	1.0%	2.06
Maternity	0.5	100%	0.5	0.00	0.00	1.0%	0.00
Other Professional	2,509.0	95%	2,383.5	20.42	4.06	1.0%	4.16
Subtotal	30,948.5		30,050.8		\$70.41		\$72.19
Total Claims/Benefit Cost					\$151.42		\$161.93
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$151.42		\$161.93

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Population : TANF/Prog L 21 - 25 Female

High Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	98.7	90%	88.9	\$1,247.55	\$9.24	1.0%	\$9.47
Surgical	33.0	90%	29.7	2,042.00	5.06	1.0%	5.19
Non-Delivery Maternity	59.1	100%	59.1	751.36	3.70	1.0%	3.79
Maternity Delivery	1.2	100%	1.2	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	0.9	100%	0.9	1,697.99	0.12	1.0%	0.13
Ungroupable Inpatient	0.5	100%	0.5	<u>2,623.19</u>	<u>0.12</u>	<u>1.0%</u>	<u>0.12</u>
Subtotal	193.4		180.2		\$18.23		\$18.69
Outpatient Hospital							
Emergency Room	1,790.2	78%	1,387.4	\$74.11	\$8.57	2.7%	\$9.17
Surgery	320.3	85%	272.3	256.34	5.82	2.7%	6.22
Other Outpatient	9,729.5	75%	7,297.1	<u>32.64</u>	<u>19.85</u>	<u>2.7%</u>	<u>21.24</u>
Subtotal	11,840.0		8,956.8		\$34.23		\$36.63
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	98%	-	\$419.02	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	10,114.1	90%	9,102.7	17.89	13.57	12.8%	18.32
Transportation	1,153.2	85%	980.2	15.62	1.28	2.5%	1.36
DME/Prosthetics/Orthotics	104.5	100%	104.5	75.85	0.66	2.5%	0.70
School Based Services	-	90%	-	0.00	0.00	2.5%	0.00
Other Ancillary	1,097.0	85%	932.5	<u>56.05</u>	<u>4.36</u>	<u>2.5%</u>	<u>4.63</u>
Subtotal	12,468.9		11,119.9		\$19.86		\$25.01
Physician							
Inpatient and Outpatient Surgery	654.3	95%	621.6	\$150.77	\$7.81	1.0%	\$8.01
Anesthesia	411.0	95%	390.4	94.05	3.06	1.0%	3.14
Office/Consults	4,250.4	113%	4,781.7	35.34	14.08	1.0%	14.43
Well Baby Exams/Physical Exams	708.5	108%	761.6	85.32	5.41	1.0%	5.55
Hospital Inpatient Visits	311.7	92%	286.8	51.31	1.23	1.0%	1.26
Emergency Room Visits	1,507.3	82%	1,236.0	46.11	4.75	1.0%	4.87
Radiology	3,957.8	80%	3,166.3	41.48	10.94	1.0%	11.22
Pathology	16,174.3	80%	12,939.4	11.59	12.50	1.0%	12.82
Outpatient Psychiatric	463.7	100%	463.7	52.12	2.01	1.0%	2.06
Maternity	0.5	100%	0.5	0.00	0.00	1.0%	0.00
Other Professional	2,509.0	90%	2,258.1	<u>20.53</u>	<u>3.86</u>	<u>1.0%</u>	<u>3.96</u>
Subtotal	30,948.5		26,906.1		\$65.66		\$67.31
Total Claims/Benefit Cost					\$137.99		\$147.65
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$137.99		\$147.65

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Michigan Department of Community Health
Cost Model Projections: 2008 Fiscal Year
Regions 2 - 8

Population : TANF/Prog L 26 - 44 Female

Low Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	226.0	95%	214.7	\$1,009.92	\$18.07	1.0%	\$18.52
Surgical	96.1	95%	91.3	1,794.10	13.65	1.0%	14.00
Non-Delivery Maternity	26.0	95%	24.7	732.12	1.51	1.0%	1.54
Maternity Delivery	0.5	100%	0.5	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	2.3	100%	2.3	2,010.16	0.38	1.0%	0.39
Ungroupable Inpatient	3.1	100%	3.1	1,320.73	0.34	1.0%	0.35
Subtotal	354.0		336.6		\$33.95		\$34.81
Outpatient Hospital							
Emergency Room	1,558.7	85%	1,324.9	\$72.59	\$8.01	2.7%	\$8.58
Surgery	321.1	100%	321.1	347.31	9.29	2.7%	9.94
Other Outpatient	8,609.4	100%	8,609.4	42.08	30.19	2.7%	32.30
Subtotal	10,489.3		10,255.5		\$47.50		\$50.82
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$410.05	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	15,178.8	95%	14,419.9	23.81	28.61	12.8%	38.62
Transportation	1,171.5	100%	1,171.5	15.35	1.50	2.5%	1.59
DME/Prosthetics/Orthotics	314.5	100%	314.5	79.87	2.09	2.5%	2.23
School Based Services	-	100%	-	0.00	0.00	2.5%	0.00
Other Ancillary	1,236.8	100%	1,236.8	73.48	7.57	2.5%	8.06
Subtotal	17,901.6		17,142.6		\$39.77		\$50.50
Physician							
Inpatient and Outpatient Surgery	914.0	90%	822.6	\$164.97	\$11.31	1.0%	\$11.59
Anesthesia	341.5	100%	341.5	100.91	2.87	1.0%	2.94
Office/Consults	5,220.0	105%	5,481.0	36.25	16.56	1.0%	16.97
Well Baby Exams/Physical Exams	460.6	100%	460.6	83.91	3.22	1.0%	3.30
Hospital Inpatient Visits	416.3	100%	416.3	53.65	1.86	1.0%	1.91
Emergency Room Visits	1,273.3	85%	1,082.3	47.34	4.27	1.0%	4.38
Radiology	4,408.4	95%	4,187.9	43.93	15.33	1.0%	15.72
Pathology	13,142.3	95%	12,485.2	11.12	11.57	1.0%	11.86
Outpatient Psychiatric	764.3	100%	764.3	50.14	3.19	1.0%	3.27
Maternity	0.1	100%	0.1	0.00	0.00	1.0%	0.00
Other Professional	3,446.8	95%	3,274.5	22.16	6.05	1.0%	6.20
Subtotal	30,387.5		29,316.2		\$76.23		\$78.15
Total Claims/Benefit Cost					\$197.45		\$214.28
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$197.45		\$214.28

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Population : TANF/Prog L 26 - 44 Female

High Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	226.0	90%	203.4	\$1,014.95	\$17.20	1.0%	\$17.63
Surgical	96.1	90%	86.5	1,803.03	13.00	1.0%	13.33
Non-Delivery Maternity	26.0	100%	26.0	728.48	1.58	1.0%	1.62
Maternity Delivery	0.5	100%	0.5	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	2.3	100%	2.3	2,010.16	0.38	1.0%	0.39
Ungroupable Inpatient	3.1	100%	3.1	<u>1,320.73</u>	<u>0.34</u>	<u>1.0%</u>	<u>0.35</u>
Subtotal	354.0		321.8		\$32.50		\$33.32
Outpatient Hospital							
Emergency Room	1,558.7	75%	1,169.1	\$74.34	\$7.24	2.7%	\$7.75
Surgery	321.1	85%	273.0	352.52	8.02	2.7%	8.58
Other Outpatient	8,609.4	90%	7,748.5	<u>42.50</u>	<u>27.44</u>	<u>2.7%</u>	<u>29.36</u>
Subtotal	10,489.3		9,190.5		\$42.70		\$45.69
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	98%	-	\$412.61	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	15,178.8	90%	13,660.9	24.10	27.44	12.8%	37.04
Transportation	1,171.5	90%	1,054.3	15.35	1.35	2.5%	1.43
DME/Prosthetics/Orthotics	314.5	100%	314.5	79.87	2.09	2.5%	2.23
School Based Services	-	90%	-	0.00	0.00	2.5%	0.00
Other Ancillary	1,236.8	85%	1,051.3	<u>73.48</u>	<u>6.44</u>	<u>2.5%</u>	<u>6.85</u>
Subtotal	17,901.6		16,081.0		\$37.31		\$47.55
Physician							
Inpatient and Outpatient Surgery	914.0	85%	776.9	\$167.37	\$10.84	1.0%	\$11.11
Anesthesia	341.5	85%	290.3	102.42	2.48	1.0%	2.54
Office/Consults	5,220.0	108%	5,611.5	36.38	17.01	1.0%	17.44
Well Baby Exams/Physical Exams	460.6	103%	472.1	84.33	3.32	1.0%	3.40
Hospital Inpatient Visits	416.3	92%	383.0	54.50	1.74	1.0%	1.78
Emergency Room Visits	1,273.3	83%	1,050.5	47.46	4.15	1.0%	4.26
Radiology	4,408.4	90%	3,967.5	43.93	14.52	1.0%	14.89
Pathology	13,142.3	90%	11,828.1	11.12	10.96	1.0%	11.24
Outpatient Psychiatric	764.3	100%	764.3	50.14	3.19	1.0%	3.27
Maternity	0.1	100%	0.1	0.00	0.00	1.0%	0.00
Other Professional	3,446.8	90%	3,102.1	<u>22.27</u>	<u>5.76</u>	<u>1.0%</u>	<u>5.90</u>
Subtotal	30,387.5		28,246.3		\$73.98		\$75.84
Total Claims/Benefit Cost					\$186.50		\$202.40
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$186.50		\$202.40

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Michigan Department of Community Health
 Cost Model Projections: 2008 Fiscal Year
 Regions 2 - 8

8/17/2007
 2:04 PM

Population : TANF/Prog L 45 + Female

Low Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	527.5	95%	501.1	\$1,054.25	\$44.03	1.0%	\$45.14
Surgical	216.2	95%	205.4	1,943.84	33.27	1.0%	34.11
Non-Delivery Maternity	0.6	100%	0.6	1,362.59	0.06	1.0%	0.06
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	11.4	100%	11.4	1,105.29	1.05	1.0%	1.07
Ungroupable Inpatient	2.9	100%	2.9	1,715.16	0.41	1.0%	0.42
Subtotal	758.5		721.3		\$78.82		\$80.80
Outpatient Hospital							
Emergency Room	1,118.8	85%	951.0	\$74.72	\$5.92	2.7%	\$6.34
Surgery	392.4	100%	392.4	396.75	12.97	2.7%	13.88
Other Outpatient	10,801.3	100%	10,801.3	47.73	42.97	2.7%	45.97
Subtotal	12,312.5		12,144.7		\$61.86		\$66.19
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$298.36	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	28,745.6	95%	27,308.3	28.19	64.14	12.8%	86.60
Transportation	1,623.4	100%	1,623.4	15.89	2.15	2.5%	2.29
DME/Prosthetics/Orthotics	711.7	100%	711.7	90.80	5.39	2.5%	5.73
School Based Services	-	100%	-	0.00	0.00	2.5%	0.00
Other Ancillary	2,261.4	100%	2,261.4	135.47	25.53	2.5%	27.15
Subtotal	33,342.0		31,904.7		\$97.21		\$121.77
Physician							
Inpatient and Outpatient Surgery	1,477.6	100%	1,477.6	\$203.29	\$25.03	1.0%	\$25.66
Anesthesia	320.4	100%	320.4	128.07	3.42	1.0%	3.51
Office/Consults	6,929.1	108%	7,448.7	37.50	23.28	1.0%	23.87
Well Baby Exams/Physical Exams	362.1	105%	380.2	84.63	2.68	1.0%	2.75
Hospital Inpatient Visits	908.1	100%	908.1	55.35	4.19	1.0%	4.29
Emergency Room Visits	921.5	90%	829.4	51.68	3.57	1.0%	3.66
Radiology	6,871.1	100%	6,871.1	47.37	27.12	1.0%	27.80
Pathology	14,276.8	100%	14,276.8	10.24	12.19	1.0%	12.49
Outpatient Psychiatric	907.4	100%	907.4	48.69	3.68	1.0%	3.77
Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Other Professional	5,994.2	100%	5,994.2	22.74	11.36	1.0%	11.65
Subtotal	38,968.2		39,413.8		\$116.52		\$119.46
Total Claims/Benefit Cost					\$354.41		\$388.22
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$354.41		\$388.22

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Population : TANF/Prog L 45 + Female

High Managed Care

30 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
Inpatient Hospital							
Medical	527.5	90%	474.8	\$1,059.49	\$41.92	1.0%	\$42.97
Surgical	216.2	90%	194.6	1,953.51	31.67	1.0%	32.47
Non-Delivery Maternity	0.6	100%	0.6	1,362.59	0.06	1.0%	0.06
Maternity Delivery	-	100%	-	0.00	0.00	1.0%	0.00
Well Newborn	-	100%	-	0.00	0.00	1.0%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.0%	0.00
Psychiatric/Substance Abuse	11.4	100%	11.4	1,105.29	1.05	1.0%	1.07
Ungroupable Inpatient	2.9	100%	2.9	1,715.16	0.41	1.0%	0.42
Subtotal	758.5		684.1		\$75.11		\$77.01
Outpatient Hospital							
Emergency Room	1,118.8	78%	867.1	\$76.07	\$5.50	2.7%	\$5.88
Surgery	392.4	95%	372.8	398.73	12.39	2.7%	13.25
Other Outpatient	10,801.3	95%	10,261.3	47.97	41.02	2.7%	43.89
Subtotal	12,312.5		11,501.1		\$58.90		\$63.02
Other Ancillaries							
Prescription Drugs							
HIV/AIDS Drugs	-	98%	-	\$300.22	\$0.00	12.8%	\$0.00
All Other Prescription Drugs	28,745.6	85%	24,433.7	28.88	58.81	12.8%	79.40
Transportation	1,623.4	90%	1,461.0	15.89	1.93	2.5%	2.06
DME/Prosthetics/Orthotics	711.7	100%	711.7	90.80	5.39	2.5%	5.73
School Based Services	-	90%	-	0.00	0.00	2.5%	0.00
Other Ancillary	2,261.4	80%	1,809.1	135.47	20.42	2.5%	21.72
Subtotal	33,342.0		28,415.5		\$86.55		\$108.91
Physician							
Inpatient and Outpatient Surgery	1,477.6	95%	1,403.7	\$206.34	\$24.14	1.0%	\$24.74
Anesthesia	320.4	95%	304.4	128.71	3.26	1.0%	3.35
Office/Consults	6,929.1	113%	7,795.2	37.78	24.54	1.0%	25.16
Well Baby Exams/Physical Exams	362.1	110%	398.3	85.47	2.84	1.0%	2.91
Hospital Inpatient Visits	908.1	92%	835.4	56.24	3.92	1.0%	4.01
Emergency Room Visits	921.5	82%	755.6	52.09	3.28	1.0%	3.36
Radiology	6,871.1	90%	6,184.0	47.37	24.41	1.0%	25.02
Pathology	14,276.8	90%	12,849.1	10.24	10.97	1.0%	11.24
Outpatient Psychiatric	907.4	100%	907.4	48.69	3.68	1.0%	3.77
Maternity	-	100%	-	0.00	0.00	1.0%	0.00
Other Professional	5,994.2	90%	5,394.8	22.97	10.33	1.0%	10.59
Subtotal	38,968.2		36,827.9		\$111.36		\$114.17
Total Claims/Benefit Cost					\$331.93		\$363.10
Value of Carve-Out Services					\$0.00		\$0.00
Net Claims/Benefit Cost					\$331.93		\$363.10

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ENCLOSURE 5

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**State of Michigan
Department of Community Health
Maternity Summary by Region**

5/2/2007
10:01 AM

Population: All Deliveries 2005-2006

Region	Fee for Service			Encounter Data		
	Utilization	Cost per Svc	PMPD	Utilization	Cost per Svc	PMPD
Region 1			Deliveries: 15,930			Deliveries: 12,731
Inpatient-Maternity Delivery	2.4	\$963.26	\$2,310.38	2.7	\$1,035.51	\$2,785.98
Outpatient-ER	0.0	51.39	0.08	0.0	51.39	1.49
Outpatient-Surgery	0.0	493.29	20.96	0.2	493.29	97.10
Outpatient-Other	0.2	9.79	1.65	0.1	9.79	0.63
Ancillary				2.4	72.14	174.39
Physician-Pathology	0.6	6.50	3.66	0.4	6.50	2.45
Physician-Maternity	2.7	361.02	980.42	1.0	1,190.82	1,190.82
Total	5.9		\$3,317.16	6.8		\$4,252.85
Region 2			Deliveries: 4,448			Deliveries: 2,729
Inpatient-Maternity Delivery	2.3	\$995.29	\$2,324.88	2.2	\$1,069.94	\$2,393.15
Outpatient-ER	0.0	0.00	0.00	0.0	0.00	0.00
Outpatient-Surgery	0.1	609.22	41.09	0.2	609.22	123.01
Outpatient-Other	0.0	9.75	0.21	0.0	9.75	0.41
Ancillary				3.3	83.27	275.35
Physician-Pathology	1.3	6.52	8.61	1.5	6.52	9.84
Physician-Maternity	3.3	338.87	1,133.18	1.0	1,185.16	1,185.16
Total	7.1		\$3,507.99	8.3		\$3,986.92
Region 3			Deliveries: 6,104			Deliveries: 4,124
Inpatient-Maternity Delivery	2.4	\$969.75	\$2,293.00	2.3	\$1,042.48	\$2,439.63
Outpatient-ER	0.0	0.00	0.00	0.0	0.00	0.00
Outpatient-Surgery	0.1	255.47	22.22	0.1	255.47	25.83
Outpatient-Other	0.0	17.07	0.13	0.1	17.07	2.02
Ancillary				3.3	83.27	275.35
Physician-Pathology	0.5	6.50	3.08	0.7	6.50	4.85
Physician-Maternity	2.7	429.17	1,147.44	1.0	1,206.79	1,206.79
Total	5.6		\$3,465.88	7.6		\$3,954.47
Region 4			Deliveries: 12,608			Deliveries: 6,861
Inpatient-Maternity Delivery	2.4	\$869.32	\$2,096.41	2.3	\$934.52	\$2,103.72
Outpatient-ER	0.0	89.14	0.01	0.0	89.14	0.08
Outpatient-Surgery	0.1	529.90	26.98	0.1	529.90	76.69
Outpatient-Other	0.1	11.54	1.47	0.1	11.54	1.06
Ancillary				3.3	83.27	275.35
Physician-Pathology	0.7	6.47	4.39	0.8	6.47	5.16
Physician-Maternity	2.9	383.35	1,126.59	1.0	1,228.64	1,228.64
Total	6.2		\$3,255.86	7.6		\$3,690.70
Region 5			Deliveries: 2,317			Deliveries: 1,816
Inpatient-Maternity Delivery	2.5	\$911.66	\$2,289.18	2.6	\$980.03	\$2,539.13
Outpatient-ER	0.0	89.14	0.04	0.0	89.14	0.05
Outpatient-Surgery	0.0	562.72	24.77	0.1	562.72	36.25
Outpatient-Other	0.0	12.31	0.15	0.0	12.31	0.07
Ancillary				3.3	83.27	275.35
Physician-Pathology	0.5	6.52	3.42	0.5	6.52	3.32
Physician-Maternity	3.1	359.67	1,109.11	1.0	1,298.60	1,298.60
Total	6.2		\$3,426.67	7.5		\$4,152.78

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**State of Michigan
Department of Community Health
Maternity Summary by Region**

5/2/2007
10:01 AM

Population: All Deliveries 2005-2006

	Fee for Service			Encounter Data		
	Utilization	Cost per Svc	PMPD	Utilization	Cost per Svc	PMPD
Region 6			Deliveries: 3,497			Deliveries: 4,014
Inpatient-Maternity Delivery	2.6	\$937.65	\$2,421.22	2.6	\$1,007.98	\$2,584.48
Outpatient-ER	0.0	0.00	0.00	0.0	0.00	0.00
Outpatient-Surgery	0.1	647.02	41.63	0.1	647.02	63.19
Outpatient-Other	0.2	12.40	2.83	0.2	12.40	2.37
Ancillary				3.3	83.27	275.35
Physician-Pathology	0.8	6.48	5.12	0.8	6.48	5.23
Physician-Maternity	3.0	339.97	1,030.98	1.0	1,296.79	1,296.79
Total	6.7		\$3,501.78	8.0		\$4,227.40
Region 7			Deliveries: 5,815			Deliveries: 3,336
Inpatient-Maternity Delivery	2.2	\$950.65	\$2,118.89	2.2	\$1,021.94	\$2,269.66
Outpatient-ER	0.0	89.14	0.02	0.0	89.14	0.11
Outpatient-Surgery	0.1	541.82	33.82	0.1	541.82	42.07
Outpatient-Other	0.3	7.72	2.54	0.1	7.72	0.64
Ancillary				3.3	83.27	275.35
Physician-Pathology	0.7	6.47	4.36	0.8	6.47	5.06
Physician-Maternity	3.3	346.20	1,130.75	1.0	1,342.07	1,342.07
Total	6.6		\$3,290.37	7.5		\$3,934.95
Region 8			Deliveries: 1,950			Deliveries: 390
Inpatient-Maternity Delivery	2.4	\$919.25	\$2,205.74	2.3	\$988.20	\$2,280.45
Outpatient-ER	0.0	0.00	0.00	0.0	0.00	0.00
Outpatient-Surgery	0.1	386.22	35.65	0.0	386.22	1.98
Outpatient-Other	0.1	16.21	1.65	0.0	16.21	0.00
Ancillary				3.3	83.27	275.35
Physician-Pathology	0.7	6.47	4.66	0.1	6.47	0.50
Physician-Maternity	2.9	413.15	1,194.52	1.0	1,189.24	1,189.24
Total	6.2		\$3,442.22	6.7		\$3,747.53
Region 9			Deliveries: 4,757			Deliveries: 2,405
Inpatient-Maternity Delivery	2.2	\$1,002.30	\$2,226.25	2.3	\$1,077.47	\$2,527.69
Outpatient-ER	0.0	91.00	0.04	0.0	91.00	0.53
Outpatient-Surgery	0.1	411.07	30.07	0.3	411.07	105.80
Outpatient-Other	0.5	7.00	3.67	0.4	7.00	2.58
Ancillary				2.4	72.14	174.39
Physician-Pathology	0.7	6.51	4.68	0.5	6.51	3.43
Physician-Maternity	3.1	372.59	1,162.33	1.0	1,295.19	1,295.19
Total	6.7		\$3,427.03	6.9		\$4,109.61
Region 10			Deliveries: 4,713			Deliveries: 1,963
Inpatient-Maternity Delivery	2.4	\$963.23	\$2,275.95	2.4	\$1,035.47	\$2,511.41
Outpatient-ER	0.0	86.77	0.13	0.0	86.77	0.84
Outpatient-Surgery	0.1	505.36	37.21	0.5	505.36	259.25
Outpatient-Other	0.2	9.93	2.18	0.2	9.93	2.08
Ancillary				2.4	72.14	174.39
Physician-Pathology	1.4	6.48	8.90	1.2	6.48	7.53
Physician-Maternity	2.3	473.24	1,068.47	1.0	1,281.70	1,281.70
Total	6.3		\$3,392.84	7.7		\$4,237.20

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ENCLOSURE 6

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**State of Michigan
Department of Community Health
FY 2008 Capitation Rates
TANF / Program L Area Factor Development**

<u>Region Group</u>	<u>Region</u>	<u>Enrollment</u>	<u>CDPS Risk Score</u>	<u>Cost Adjustment</u>	<u>FY 2008 Area Factors</u>
Regions 1, 9, 10					
	1	256,174	0.9899	1.0094	0.996
	9	56,378	1.0227	0.9478	0.998
	<u>10</u>	47,474	<u>1.0276</u>	<u>1.0114</u>	<u>1.022</u>
	Composite	360,026	1.0000	1.0000	1.000
Regions 2 - 8					
	2	52,581	1.0359	1.0153	1.029
	3	72,485	0.9947	1.0034	0.998
	4	122,022	0.9772	1.0026	0.986
	5	32,227	0.9646	0.9725	0.967
	6	64,112	0.9927	1.0077	0.998
	7	68,814	1.0174	0.9923	1.009
	<u>8</u>	21,741	<u>1.0775</u>	<u>0.9797</u>	<u>1.045</u>
	Composite	433,982	1.0000	1.0000	1.000

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