

*Developing Realistic Strategies and Viable Options to Provide  
Comprehensive and Affordable Health Insurance Coverage for All Michigan Citizens*

**MDWG Data Request Response  
100605-2**

**“Medicaid Actuarial Rate Development”**

*Need actuarial rate development for basic coverage paid at Medicaid rates for  
professional, inpatient DRG and hospital outpatient.*

**Rate information obtained from Richard Miles, Director of the Actuarial Division  
within Medicaid:**

See the attached Capitation Rate Development letter from Rob Damler of Milliman USA dated May 3, 2004. This letter describes the rate development process, including information by service category, that was used to develop the Medicaid health plan rates which, for most intents and purposes, are currently in effect. There have been some changes to the ABAD (disabled) rates. Note that the cost of the benefit package ties directly to services that are going to be covered.