

**OREGON HEALTH PLAN
MEDICAID DEMONSTRATION**

Capitation Rate Development

January 2011 – December 2011

Prepared by:

Actuarial Service Unit
Budget Planning and Analysis
Department of Human Services
State of Oregon

October 15, 2010

DATE: October 15, 2010

TO: Kevin Hamler-Dupras
Administrator
Actuarial Services Unit
Oregon Department of Human Services
500 Summer Street N.E.
Salem, Oregon 97301

FROM: X. Dennis Tang, ASA, MAAA
Lead Actuary
Actuarial Services Unit
Oregon Department of Human Services
827 Oregon Street N.E., Suite 220
Portland, Oregon 97232

**RE: Capitation Rates for the Oregon Health Plan Medicaid Demonstration
Effective January 1, 2011 through December 31, 2011**

Dear Kevin,

The Portland office of the DHS Actuarial Services Unit has calculated the capitation rates to be paid to the contracting physical health, physician care, mental health, and dental plans under the Oregon Health Plan Medicaid Demonstration for January 1, 2011 through December 31, 2011.

The attached capitation rates are based on the revised 2010 – 2011 Biennium Per Capita Cost rates. The 2010 – 2011 Biennium Per Capita Cost rates were published in the report entitled “Analysis of Calendar Years 2010 – 2011 Average Costs, Report Addendum,” dated December 12, 2008. This Per Capita Cost report was prepared by Price-Waterhouse-Coopers under contract with Oregon Department of Human Services at the time. The Per Capita Cost rates contained in the above report are displayed in the Exhibit 10A; they are shown again in Exhibit 8 in this report. The revisions to the above Per Capita Cost report occurred in August, 2009 and are described in detail in the report “Capitation Rate Development January 1, 2010 to December 31, 2010,” dated October 15, 2009. The revised 2010-2011 Biennium Per Capita Cost rates are shown as Exhibit 9.

This report describes methods used for calculating the capitation payments. It is being released subsequent to the effective date of the capitation rates developed herein following final approval of the rates by the Centers for Medicare and Medicaid Services (CMS).

* * *

Please contact me by phone at 503-731-3217 or via email at dennis.tang@state.or.us if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "X. Dennis Tang", is positioned above a horizontal line.

X. Dennis Tang, ASA, MAAA
Lead Actuary

Cc: David Rohrer
Project Manager, Actuarial Service Unit

**Actuarial Certification of
Proposed Oregon Health Plan Capitation Rates
January 1, 2011 through December 31, 2011**

I, X. Dennis Tang, am the Lead Actuary in Actuarial Service Unit, Oregon Department of Human Services. I am an Associate of the Society of Actuaries and a Member of the American Academy of Actuaries and meet its qualification standards to certify as to the actuarial soundness of proposed capitation rates for the period January 1, 2011 through December 31, 2011 developed for contracting managed care plans under the Oregon Medicaid program.

It is my opinion that all requirements of 42 CFR 438.6(c), with respect to the development of Medicaid managed care capitation rates, were satisfied in the development of the proposed capitation rates for contracting Medicaid managed care plans in Oregon. I believe that the capitation rates are appropriate for the populations to be covered and the services to be furnished under the contract. Detailed descriptions of the methodology and assumptions used in the development of the capitation rates are contained in the report to which this certification is attached and in the December 2008 report titled "Analysis of Calendar Years 2010 – 2011 Average Costs" prepared by PriceWaterhouseCoopers under contract with Oregon Department of Human Services at the time.

In development of the proposed capitation rates, I relied on enrollment, encounter, and other data provided by the data management staff located in the Salem office of Actuarial Service Unit in the Oregon Department of Human Services. I reviewed the data for reasonableness, however, I did not perform independent verification and take no responsibility as to the accuracy of these data.

The actuarially sound rates shown in the accompanying report are a projection of future events. It may be expected that actual experience will vary from the values shown here. Actuarial methods, considerations, and analyses used in developing the proposed capitation rates conform to the appropriate Standards of Practice promulgated from time to time by the Actuarial Standards Board.

The capitation rates may not be appropriate for any specific managed care plan. Any managed care plan will need to review the rates in relation to the benefits provided. The managed care plan should compare the rates with their own experience, expenses, capital and surplus, and profit requirements prior to agreeing to contract with the State. The managed care plan may require rates above, equal to, or below the actuarially sound capitation rates to which this certification is attached.



X. Dennis Tang, ASA, MAAA
Member, American Academy of Actuaries

Oregon Health Plan
Summary Calculation of Capitation Rates for
January 2011 – December 2011

October 2010

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Oregon Health Plan
Summary Calculation of Capitation Rates for
January 2011 – December 2011
October 2010

This report presents the methods used to develop the capitation rates to be paid to Fully Capitated Health Plans, Physician Care Organizations, Mental Health Organizations, and Dental Care Organizations participating in the Oregon Health Plan Medicaid Demonstration for the contract period beginning January 1, 2011.

These methods are designed to comply with:

1. The requirements of regulations issued by the Centers for Medicare and Medicaid Services (CMS) governing the development of capitation payments for Medicaid managed care programs, and
2. Relevant Oregon statutory requirements.

The capitation rates shown in this report also include children covered under Title XXI. This report provides a description of the methods used to develop plan-specific capitation rates from the statewide per capita costs and is a follow-up to the report on 2010-2011 biennial per capita costs for the program dated December 12, 2008 which underwent revisions in August 2009. These revisions were described in Section III of the report “Capitation Rate Development, January 1, 2010 to December 31, 2010” dated October 15, 2009.

I. Governing Regulations

The Portland office of the Department of Human Services of Oregon (DHS) Actuarial Services Unit calculated capitation rates for the Oregon Health Plan (OHP) for the period January 1, 2011 through December 31, 2011. The rates are structured to comply with CMS regulations governing the development of capitation payments for Medicaid managed care programs that apply to rates paid to managed care plans after August 2003. These regulations require that rates be “actuarially sound.” While there are no definitive criteria for determining actuarial soundness for Medicaid managed care programs, CMS has issued a checklist that provides guidance.

The final rates will be established through signed contracts with the participating managed care plans, which will ensure that each plan concurs that the rates paid will allow for contracting with sufficient numbers of providers to ensure appropriate access to care, and that they expect to remain financially sound throughout the contract period.

The general guidelines for developing actuarially sound payment rates encompass the following concepts:

- Data appropriate for the population to be covered by the managed care program should be used for the analysis;
- Payment rates should be sufficiently differentiated to reflect known variation in per capita costs related to age, gender, Medicaid eligibility category, and health status;
- Where rate cells have relatively small numbers of individuals, cost neutral data smoothing techniques should be used;
- Medicaid fee-for-service (FFS) payment rates per unit of service are an appropriate benchmark for developing capitation rates;
- When FFS data are used for the calculations, differences in expected utilization rates between fee-for-service and managed care programs should be accounted for;
- Appropriate levels of managed care plan administrative costs should be included in the rates;
- Programmatic changes in the Medicaid program between the data and contract period should be reflected in the rates; and
- A range of appropriate rates could emerge from the rate-setting process, and an upper and lower bound may be developed.

These rates are developed to be consistent with the concepts described above. The development of the rates is described in this report, and the supporting calculations are shown in the attached exhibits.

In addition to CMS guidelines, Oregon law is considered in developing the payment rates. When the base per capita costs were finalized we were instructed to calculate the rates based on the underlying construct of Senate Bill 27, that “rates cover the cost of providing services.” A thorough description of the methods employed is provided in the September 2008 report “Analysis of Calendar Years 2010 – 2011 Average Costs” which precedes the December 2008 report “Analysis of Calendar Years 2010 – 2011 Average Costs, Report Addendum,” both of which were prepared by PriceWaterhouseCoopers under contract with DHS at the time.

II. Contracting Arrangements

The Oregon Health Plan classifies the enrolled population in two groups with different benefit plans. The OHP Plus population is covered for the full range of health care services, while a limited benefit package is offered to the OHP Standard population, comprised of the OHP Families and OHP Adults & Couples eligibility categories. These eligibility categories are shown in the tables below. The Oregon Health Plan contracts with a number of different types of managed care organizations (MCOs) for portions of the health care service package. Fully Capitated Health Plans, or FCHPs, contract for nearly the full range of covered physical health care services, including inpatient, outpatient, physician, prescription drug, and miscellaneous medical services. Physician Care Organization (PCO) plans contract for all services covered by FCHPs with the exception of inpatient services. FCHPs and PCOs may also contract for maternity case management (MCM), an optional service. Mental Health Organizations, or MHOs, contract to provide inpatient and outpatient therapy services on a capitated basis and Dental Care Organizations (DCOs) contract to provide dental services. Within each general category of service (e.g., mental health) an organization is contracted for the full range of capitated services. The capitation rates shown in this report represent the amounts to be paid to contracting plans. For FCHPs, PCOs, and MHOs, separate capitation rates have been calculated for each plan, region, and eligibility category; only one MCO contracts with the Division of Medical Assistance Programs (DMAP) under a PCO arrangement. At the time of writing this report, negotiations are being finalized to terminate the contract with Chemical Dependency Organization (CDO). Therefore, starting in 2011, all CD services will be covered by FCHPs; and rates won't be prepared for CDO. In addition, effective January 1, 2011, Central Oregon Individual Health Solutions (COIHS) is also becoming a MHO. It will assume the Accountable Behavioral Health Alliance (ABHA) rates in the coverage region.

The twelve eligibility categories and five geographic regions for which capitation rates are calculated are as follows:

OHP Eligibility Categories – OHP Plus	
Temporary Assistance to Needy Families (TANF)	AB/AD with Medicare
PLM Adults	AB/AD without Medicare
PLM, TANF, and CHIP Children Aged 0 < 1	OAA with Medicare
PLM, TANF, and CHIP Children Aged 1 – 5	OAA without Medicare
PLM, TANF, and CHIP Children Aged 6-18	CAF Children

OHP Eligibility Categories – OHP Standard	
OHP Family	OHP Adults and Couples

Geographic Regions
Jackson, Josephine, and Douglas Counties (JJD)
Lane County
Linn, Benton, Marion, Polk and Yamhill Counties (LBMPY)
Clackamas, Multnomah and Washington Counties (Tri-County)
All Other Counties

Effective February 1, 2003, the General Assistance (GA) eligibility category was temporarily suspended. Effective October 1, 2005, the GA program was eliminated and those individuals found eligible for another coverage category are appropriately designated. Exhibits 1-A and 1-B of this report shows the categories of service that are covered under the FCHP, PCO, DCO and MHO capitation contracts, respectively.

III. Statewide Average Capitation Rates

Capitation rates for each plan are based on statewide average rates with plan-specific adjustments reflecting geographic variations in input costs and population risk mix, where appropriate. The statewide capitation rates were developed from the revised 2010-2011 biennial per capita costs, with adjustments for trends and programmatic changes that occurred between the development of the per capita costs and the capitation rates included in this report.

The 2010-2011 per capita costs for managed care enrollees were developed based on encounter data provided by the managed care plans, as well as additional sources as

appropriate. The methods employed in the development of the biennial per capita costs are in compliance with the CMS requirements under 42 CFR 438.6(c).

Revisions to the 2010-2011 Biennial Per Capita Costs

The revision of 2010-2011 biennial per capita costs happened in August, 2009 and it reflects updated assumptions of cost and utilization trends from July 1, 2009 to July 1, 2011, dental benefit reductions, and vision benefit reductions. The dental benefit reductions apply to non-pregnant adult members and eliminate crowns and reduce dentures services. The vision benefits changes apply to non-pregnant adult members and no longer cover examinations and material and fittings for glasses and contact lenses.

Exhibit 7 of this report shows the revised trend assumptions. The December 2008 report, "Analysis of Calendar Years 2010 – 2011 Average Costs, Report Addendum" follows the September 2008 report which describes the methodology used to develop the biennial per capita costs in detail. The Exhibit 10-A of the December 2008 report shows the biennial per capita costs for managed care enrollees and is shown as Exhibit 8 in this report. The revised per member per month (PMPM) biennial per capita costs are shown in Exhibit 9 in this report. The following sections describe the adjustments made to develop the January 2011 statewide capitation rates from the revised 2010-2011 biennial per capita costs.

Hospital Reimbursement Adjustment

Effective October 1, 2009, a hospital reimbursement adjustment (HRA) has been added to the capitation rates for FCHPs, PCOs and MHOs to bring DRG hospital reimbursement from 80% of cost to 100% of cost. This adjustment is being funded through a hospital provider tax, and will be treated as a pass-through, going from the plans to the hospitals as directed by DHS.

Graduate Medical Education

Effective January 1, 2010, the capitation rates include reimbursement to teaching hospitals for graduate medical education (GME) as a separately identified component. Previously, GME was embedded in the capitation rates and paid to hospitals at the plans' discretion, but now plans will be directed by DHS as to how much each plan is to pay each hospital, based on the amount of GME built into the plan's capitation rate.

GME dollars for each teaching hospital were calculated by taking managed care inpatient discharges and applying the methodology used by DMAP for calculating fee-for-service GME. These dollars were reconciled with estimated GME costs in the hospital settlement reports and then allocated to plans based on the amount of business each plan has done with each hospital in the past, as specified by the Annual HRA Surveys completed by the hospitals.

Copayment Adjustments

For 2011 capitation rate development, DMAP has directed us to implement adjustments for copayments according to OHP rules. Specific copayment rules apply that address which services are exempt and which members are exempted from copayments, i.e., pregnant women and children under the age of 19. We have calculated the copayment adjustments shown in exhibit 2E and these are subtracted from statewide capitation rates for 2011.

Following are eligibility categories, certain groups of members, and certain services that are exempt from copayments. They have been incorporated into the calculations for the copayment adjustments.

- Eligibility categories in the Standard program, OHP Family, and OHP Adults and Couples
- Eligible members who are American Indians and Native Alaskans
- Pregnant women
- Children under the age of 19
- Members under home and community waiver
- Members under development disability waiver
- Inpatient services
- Emergency room services
- Emergency ambulance services
- Surgery
- Diagnostic tests
- Case management services
- Chemical dependency services other than outpatient services
- Dental diagnostic services
- DME and supplies
- Brand prescription drugs on PDL
- Generic prescription drugs either on the PDL or are less than \$10.

Trend Adjustments

The per capita costs developed in the December 2008 report were calculated to cover the two year time period of January 2010 through December 2011. The updated trend rates in Exhibit 7 have been used to develop statewide capitation rates for the Calendar Year 2011 contract period.

Trend adjustments for all managed care plan types are calculated using the trending methodology that has been used in the development of prior capitation rates. Specifically, the trend rates that were applied in the revised 2010-2011 per capita cost development are used to move the projected costs from the midpoint of the two year period (January 1, 2011) to the midpoint of the contract period (July 1, 2011). The trend adjustments can be found in Exhibit 2-A.

Chemical Dependency (CD) utilization trend assumes percent increases in the 2009-2011 Per Capita Cost projection will continue in 2011, as driven by DMAP policy directives in areas of CD services and access to CD services. This is also noted in Exhibit 2-A.

Rate Smoothing Adjustment within the Biennial State Budget Cycle

From time to time, statewide capitation rates decrease in the first year and then increase in the second year for a particular type of plans or vice versa. In these instances, ASU has been directed by DMAP to apply rate smoothing adjustment factors within the biennial state budget cycle to spread out the decreases or increases evenly between the two years while maintaining budget neutrality. For 2011 statewide capitation rates, FCHPs and DCOs are experiencing such phenomenon. Per DMAP, rate smoothing adjustments are applied for these two types of plans. The adjustment factors are shown in Exhibit 2H.

Changes in Covered Services

Bariatric Surgery

Effective January 1, 2008, bariatric surgery was added as a covered benefit under the Oregon Health Plan. Under managed care, pre-surgery evaluations, tests, and transportation are added to FCHP and PCO responsibility. The cost of the surgery itself, post-surgery follow-up, revisions, and complications will be covered via a case rate payment.

The array and frequency of services comprising a bariatric surgery episode were estimated by DMAP staff in collaboration with the Oregon Centers of Excellence at which the surgeries will be performed. The cost of these services was developed to be consistent with the assumptions used to value the managed care services in the development of the 2010-2011 per capita costs. Estimates of the number of people expected to receive pre-surgical evaluation and related services were developed using estimates from Washington State's Medicaid program, which appears to apply similar prior authorization criteria as Oregon.

The bariatric surgery capitation adjustments and case rates are shown in Exhibit 2-F. These case rates are not geographically or risk adjusted.

Children's Mental Health Services

Effective October 1, 2005, MHOs assumed financial responsibility for Intensive Service Array (ISA) services for children, which were previously paid on a FFS basis or via enhanced capitation rates for MHOs participating in pilot programs. However, the transition into MHOs did not fully complete until March 2007. Since then, we have observed high volatility in the utilization of the ISA services. As a result, we have relied on recent data from March 2009 to June 2009 to determine the ISA risk adjustments and MHO plan specific 2011 capitation rates.

In tandem with the inclusion of ISA under their capitated responsibility, MHOs are required to perform Certificate of Need (CONS) assessments for members who are expected to be eligible for Psychiatric Residential Treatment Services (PRTS). The cost of assessments for children who are placed in a PRTS setting is included in the ISA experience data. However, the cost of assessments for children who are considered for residential placement but not accepted is not included. Addictions and Mental Health Division (AMH) staff prepared an estimate of the cost of these assessments, which we converted to a per member per month (PMPM) basis and allocated to the relevant categories of aid based on the relative prevalence of ISA users. These PMPM adjustments are shown in Exhibit 2-C.

Mental Health Exceptional Needs Care Coordination

Effective September 1, 2010, MHOs have entered into contract with DHS to provide Mental Health Exceptional Needs Care Coordination (MHENCC) for disabled MHO enrollees. The MHENCC rates are estimated at \$4.57 PMPM without administrative allowance or \$5.01 PMPM with administrative allowance. They apply to ABAD and ABAD-MED eligibility categories.

Children's Wrap-around Services

Effective July 1st, 2010, three MHOs have entered into contract with DHS to provide wrap-around services for children. They are:

- Jefferson Behavioral Health
- Mid-Valley Behavioral Care Network
- Washington County by and through its Department of Health and Human Services

Estimated number of children served in a given month range from 60 to 180 for these three plans according to AMH calculations. For each calendar year, we calculate PMPM rates for each of the participating MHOs based on estimated costs of providing these services and projected utilization rates. These are incorporated in exhibit 4F and are shown in contract rate sheets submitted to CMS.

Prescription Drug Adjustments

Since the implementation of drug rebate provisions in the 2010 Patient Protection and Affordable Care Act with regards to Medicaid managed care enrollees, DMAP has directed us to adjust prescription drug rates in the 2009-2011 Per Capita Cost. The adjustments reflect the redirection of drug rebates from managed care organizations (MCOs) to State of Oregon by Pharmacy Benefit Management (PBM) companies. The adjustments also incorporate latest PBM administrative costs that MCOs reports on their quarterly filings to DHS. We have included this adjustment, calculated at 3.33% of prescription drug rates, in the development of the rate exhibits.

Dental

Effective January 1, 2009, the Oregon Health Services Commission (HSC) recommended increasing the prophylactic dental benefit for children under age 19 from one visit per year to two visits per year. This benefit increase has been built into the Per Capita Cost report and is therefore included in the 2011 capitation rates.

Effective January 1, 2010, dental benefits are reduced for non pregnant adult members of Plus programs. For these groups of members, coverage for crowns is eliminated and coverage for dentures is reduced.

Vision

The vision reduction limits coverage for OHP plus non-pregnant adults 21 years and older. Eye examinations and fitting fees for glasses or contact lenses are not covered.

Exceptions to these vision restrictions include DMAP payments for non-pregnant adults 21 years and older if the client has one of the following medical diagnoses: pseudoaphakia, aphakia, congenital aphakia or keratoconus. There will still be coverage for glasses and contact lenses for clients who lack the natural lenses of the eye due to surgical removal or congenital absence, such as cataracts.

There will still be vision services for children (ages 0 through 20) and pregnant women.

Prioritized List of Covered Services

The 2010-2011 per capita costs were developed based on coverage through Line 502 of the Prioritized List as configured for the 2010-2011 biennium. Based on discussions with the Oregon Health Service Commission, it is our understanding that no material changes have been made to the List that will be in effect during calendar year 2011. Therefore, no adjustments were made related to Prioritized List coverage changes in the development of the capitation rates from the revised 2010-2011 per capita costs.

Pricing the Benefits Under the PCO Contracting Arrangement

The PCO contract is an at-risk arrangement in which the covered services are more limited than under the FCHP contract. More specifically, health plans contracted under the PCO model will not be at risk for inpatient hospital services and will assume risk for outpatient hospital and emergency room services at their option. Dental services and mental health services, except for somatic mental health services, are not included under the PCO contract. All OHP covered medical services not included under the PCO contract will be covered on a fee-for-service basis. Exhibits 1-A and 1-B show the covered, optional, and non-covered services under the PCO arrangement.

To develop the PCO rates we began with the same experience data underlying the FCHP capitation rates. Adjustments were made to reflect the services covered under the PCO

contract and expected differences in utilization resulting from the elimination of health plan risk for certain services.

While there has been some improvement in PCO encounter data, it is still insufficient and inadequate for developing capitation rates for the PCO directly. Therefore we used the January 2011 – December 2011 statewide FCHP utilization and unit cost assumptions as the starting point for pricing the PCO rates. A significant risk in a partial capitation model, such as the PCO model, is that an incentive is created for the health plan to shift the delivery of services from a setting in which the services would be covered under the capitation to a setting in which the services would be covered on a fee-for-service basis. In particular, under the PCO arrangement, there is incentive to shift the provision of services to an inpatient hospital setting if outpatient hospital services are included as a capitated responsibility, or to any hospital setting if they are not. Kaiser Permanente Oregon Plus, LLC (Kaiser) is the only health plan participating in the PCO at this time, and they have elected to cover outpatient hospital and emergency room services. With the assumption that delivery of certain services is likely to shift from an outpatient to inpatient hospital setting, we reduced the outpatient hospital per capita costs by 5% for each rate group.

Based on the experience of the PCO program in the late 1980s and early 1990's in Oregon, as well as the experience of implementing modified payment arrangements in numerous settings, we believe there may be a 5% to 15% shift in costs from outpatient to inpatient hospital. The 5% adjustment provides the lowest potential shift, in part due to the closed structure of the Kaiser's delivery system. Delivery systems that rely on a more open network would be expected to show a greater shift in site of service.

Exhibit 2-I summarizes the development of the statewide PCO capitation rates.

Maternity Case Rate

Maternity services are paid on a case rate basis rather than via capitation. The case rate covers prenatal care, professional services related to pregnancy and delivery, and hospital services arising from the delivery. Payment is made to the plan upon completion of the pregnancy. The per capita value of these maternity services has been removed from the statewide capitation rates.

The maternity case rate was developed in the following manner:

1. DHS staff determined the criteria used for identifying completed pregnancies for which a case payment is made;
2. PwC identified all deliveries in the encounter data underlying the capitation rates that matched the DHS criteria;
3. The delivery counts were converted into a delivery frequency rate based on the population underlying the capitation rates;

4. The per capita value of maternity services was divided by the delivery frequency to derive the maternity case rate;
5. The maternity portion of the capitation rate was accordingly reduced for the amount of the per capita cost redirected to the maternity case rate.

The maternity case rate is uniform for all eligibility categories and varies by FCHP only for differences in geographic input costs. The development of the FCHP maternity case rates is shown in Exhibit 2-D(i).

The PCO maternity case rate was based on the maternity case rate for FCHPs, but excludes the inpatient hospital component. Consistent with the PCO capitation rate development, we applied the 5% reduction to the outpatient hospital component to recognize the expected shift in services toward a non-capitated setting and also applied trend adjustments to project the rates to the effective period. We provide the outpatient hospital and professional components of the maternity case rate separately. If the PCO contractor chooses not to be at risk for outpatient hospital services, only the professional component of the maternity case rate would be paid. Exhibit 2-D(ii) shows the development of the statewide PCO maternity case rate.

Third Party Liability

OHP MCOs are required by contract to "take all reasonable actions to pursue recovery of Third Party Resources for Capitated Services." Based on analysis conducted in September 2009 using October 2006 through September 2007 data, a TPL adjustment factor for FCHPs was estimated at 0.37% and applied to non-Dual eligibility categories. The adjustment factor has been updated with 2009 financial and capitation payment data, and is now estimated at 0.54%. No TPL adjustment is applied to the MHO or DCO service costs.

Administration Cost Allowance

In response to recent 2009 legislation, the administrative allowance includes reimbursement for the 1% MCO provider tax that became effective October 1, 2009, except for dental plans (DCOs), which are not part of the new provider tax base. Prior to October 1, 2009, the administrative allowance included reimbursement for a 5.5% MCO provider tax, which also applied to the DCOs.

Per DHS policy, the total administrative allowances for the January 2011 capitation rates are set as follows:

	Physical Health Plans	Physician Care Plan	Mental Health Plans	Dental Plans
Administrative Allowance	8.41%	8.65%	8.80%	8.00%

Statewide Average Capitation Rates

Exhibit 2-H shows the application of the adjustments to the 2010-2011 per capita costs to develop the statewide average OHP Plus capitation rates for FCHPs, MHOs, and DCOs. These rates form the basis of the plan-specific rates. Appendix A-3i provides a description and source references for each of the steps used to convert the per capita costs into statewide capitation rates. Similarly, Exhibit 2-I shows the development of statewide PCO base rates, and Appendix A-3ii provides descriptions and source references.

The adjustments applied in the development of the plan-specific rates are described in the following sections. Exhibit 2-J shows the types of adjustment factors by eligibility group that are applied to the statewide capitation rates for each service category to produce the plan-specific capitation rates.

IV. Plan-Specific FCHP Capitation Rates

Capitation rates for FCHPs are based on the statewide average capitation rates for each eligibility category, modified for certain plan-specific features, including geographic coverage area and Chronic Illness and Disability Payment System (CDPS) score. The statewide capitation rate for each service is multiplied by the plan-specific geographic factor and then multiplied by the applicable risk adjustment factor to arrive at the capitation rate to be paid to that plan for the given service. The resulting costs are summed across all services included in the contract and then increased for administrative cost to arrive at the final capitation rate.

In the development of each of the adjustment factors described in this report, the most recent plan configurations and service areas are used. In situations where members of a managed care plan were or will be assumed by a new plan, these calculations have transferred data for all affected members to the new plan. In situations where a plan has exited all or part of a service area and members are in fee-for-service, those members have been included in these calculations, but not allocated to a plan.

The methodology described here generates capitation rates for each combination of FCHP, region, and eligibility category; due to this large volume of rates, this report includes statewide average capitation rates as well as the plan-specific factors that are used to develop the rates for each plan. The detailed calculation of final rates for each plan will be distributed to each FCHP individually; a summary of these rates and a comparison to the capitation rates currently in effect are shown in Exhibits 3-G through 3-H. Similar information for the PCO is shown in Exhibits 3-I through 3-J.

Geographic Adjustments

The starting average capitation rate is based on projected costs for the entire state. Geographic adjustment factors are used to reflect known differences in input costs for different geographic locations. Additionally, the geographic factors recognize differences

in case mix for inpatient hospital services for individuals who are treated outside of their local service area. Geographic factors for hospital inpatient and outpatient services are calculated on a plan-specific basis. Oregon law requires Type A and B hospitals be paid at their individual facility cost unless otherwise negotiated between the plan and hospital, and this methodology is designed to allow compliance with that requirement. It is DMAP policy to ensure that capitation rates are adequate to allow this payment level.

Since maternity services are paid on a case rate basis, separate geographic factors were developed for maternity and non-maternity services. The non-maternity geographic factors are applied to the non-maternity hospital services to develop the plan-specific capitation rates. The maternity geographic factors are used in the development of the plan-specific maternity case rates.

To develop geographic factors for inpatient hospital services, the following calculations were performed:

1. An analysis of hospital claims data showed that out-of-area hospital admissions often exhibit higher case mix and related higher cost per day than in-area admissions. Consequently, an algorithm was applied to segregate these admissions in instances where cost differences would be expected. Out-of-Area admissions were defined as any admission to a hospital located more than 75 miles from the patient's residence, with the following exceptions:
 - For Tri-County residents, all admissions are designated as In-Area,
 - For all A and B hospitals, all admissions are considered In-Area,
 - Out of state hospitals have been considered in the calculations,
 - For Coos and Douglas counties, the Out-of-Area threshold is 50 miles from the patient's residence;
2. The distance between a patient's residence and the hospital to which they were admitted was calculated using "geo mapping" software. Specific home addresses were unavailable so the centroid of the residence zip code was used;
3. Admissions with reported room and board unit totals that differed substantially from the length of stay calculated using admission and discharge dates were excluded;
4. Each admission was determined to be In-Area or Out-of-Area based on the criteria described above;
5. The average cost per day at each hospital was calculated based on the Medicaid hospital cost reports used to develop the 2010-2011 per capita costs. Each hospital was identified as being a Type A, a Type B, a Type C, or a DRG hospital. Type C hospitals are not Type A or Type B hospitals, are located in remote areas greater than 60 miles from the nearest acute care hospital, receive graduate medical education

payments for their Medicaid fee-for service admissions directly from DMAP, and are generally treated as DRG hospitals. For development of the geographic factors, the only hospital identified as Type C was Merle West Medical Center.

6. Each hospital was assigned a cost per day value. For Type A and Type B hospitals the detailed information from the most recently audited cost reports was used to determine the value. For DRG hospitals the value was determined based on the statewide average cost per day for all DRG hospitals multiplied by a geographic factor calculated using CMS acute inpatient hospital prospective payment system geographic adjustments. The CMS geographic adjustments have been updated using Oregon specific factors effective September 1, 2010, including hospital area reclassifications and special wage indices.
7. For each hospital, we calculated In-Area, Out-of-Area, and average billed charges per day using the billed charges, day counts, and the area designation for each admission. We also calculated the distribution of days between In-Area and Out-of-Area;
8. For each hospital, we calculated In-Area and Out-of-Area costs per day using the hospital's cost per day from step 6 and the ratio of the In-Area and Out-of-Area billed charges per day to the Average billed charges per day [for example, the hospital-specific In-Area cost per day = hospital-specific cost per day x hospital specific In-Area billed charge per day / hospital-specific Average billed charge per day];
9. For each county of residence, we calculated the average cost per day using the In-Area/Out-of-Area distribution of patient days to each hospital by residents of the county and the calculated In-Area or Out-of-Area costs per day for each hospital;
10. For each FCHP, we determined the distribution of members by county and by eligibility category, and the expected utilization by eligibility category;
11. For each FCHP and region, we calculated the average cost per day using the distribution of members by county as of July through August 2010 and the county average cost per day; and
12. For each FCHP and region, we calculated the relative cost per day by dividing the results from step 11 by the statewide average cost per day.

The process of calculating geographic factors for outpatient hospital services follows the same general procedure as described above for inpatient services, with two important differences. First, while inpatient services use the average cost per day from the Medicaid hospital cost reports, a corresponding meaningful measure is not available from this source for outpatient services. Consequently, alternate sources are required to calculate these values; health plan encounter data are instead used to calculate the average outpatient charges per claim for each hospital. These charges are then applied against the cost-to-charge ratio developed in the Medicaid cost reports to arrive at the average cost per claim for each hospital, analogous to the cost per day described in step 5 above.

Second, no distinction is made between in- and out-of-area visits for the outpatient hospital factor calculation. Visits solely to receive laboratory and/or radiology services in an outpatient hospital setting are excluded from the calculations.

For Type A and B hospitals, the calculation of the outpatient cost per visit includes a corridor of $\pm 25\%$ around the statewide average cost per visit for DRG hospitals. If the cost for a given hospital is outside that allowable corridor, the cost per visit for that hospital is reset to the $\pm 25\%$ limit. This adjustment is included to reduce volatility in the outpatient geographic factors and to mitigate the difference in the types of outpatient services delivered at hospitals in various areas of the state.

The inpatient and outpatient geographic factors resulting from the above process are shown for each plan and region in Exhibit 3-A. Separate geographic factors are developed and applied for maternity services to recognize the particular mix of hospitals used for these services. Geographic factors for maternity services are shown in Exhibits 3-E and 3-F, which summarize the calculation of the plan-specific maternity case rates.

CDPS Risk Adjustment

The CDPS risk adjustment methodology is used to calculate risk adjustment scores for the TANF, OHP Adults & Couples, OHP Families, Children 1-5, Children 6-18, AB/AD with Medicare, and AB/AD without Medicare groups.

For OAA with Medicare and OAA without Medicare eligibility group, no risk adjustment was applied since the small size of the population results in non-credible CDPS scores. For the Children 0-1 category, an adjustment (described below under “Newborn Adjustment”) considering the relative propensity of plans to enroll infants at birth, and thus be responsible for initial, often expensive, service costs was applied in lieu of CDPS adjustment. For the rates effective January 1, 2011, we applied CDPS version 4.5.

Oregon specific disease group weights were calibrated on enrollment and encounter data from July 1, 2006 to June 30, 2007. More recent diagnostic and relevant demographic data from March 2009 to December 2009 were used to derive plan specific risk adjustment scores. Due to data validation issues, we were not able to use data from January 2010 to February 2010. However, we were able to use a credibility weighting approach and apply 75% weight to current data, and 25% weight to previous CDPS risk adjustment data. There were two exceptions. Kaiser and ODS obtained 100% weight for the current data since previous risk adjustment data were not credible.

Previously, members were assigned to the last plan they were with, if they had switched from one plan to another. For 2011 capitation rate development, we used August 2010 enrollment information to assign members if they had switched plans, or if they had been transferred, as in the case of members being transferred from Care Oregon to Family Care effective July 1st, 2010.

The development of the CDPS risk scores considered the following:

- Elimination of lab and radiology claims from the CDPS risk profile. This helps avoid the generation of CDPS indicators by “rule-out” diagnoses commonly coded on lab and radiology claims;
- Imposition of a 3-month minimum length of OHP eligibility in order for an individual to be included in the calculation; and
- No weight assigned to the pregnancy-delivered indicator to accommodate the removal of the maternity portion of the capitation rates.

The FFS and encounter data are combined and classified into the disease categories specified in the CDPS, using primary and secondary ICD9 codes recorded on each claim. Information is then summarized by person to establish a “risk profile” for each member. This risk profile shows the complete health information for each person, and includes both managed care and fee-for-service experience.

Data used to determine CDPS “scores” for each plan include encounter data and FFS data provided by DMAP covering March 2009 through December 2009 dates of service.

Through our analysis, it was determined that some of the variations of CDPS risk scores between plans may not be due solely to health status of enrolled members, but may also be attributable to data issues, such as under-reporting of encounters from capitated providers. For this reason, DMAP has implemented a floor of 0.85 on OHP Plus risk adjustment scores and a floor of 0.85 with a ceiling of 1.20 on OHP Standard risk adjustment scores. To implement the floor or ceiling, the scores of those plans that are above or below the threshold are moved to the threshold and the other plans’ scores are adjusted by a factor such that the weighted average of all plans’ scores equals 1.0. Exhibit 3-B shows the final OHP Plus CDPS scores after application of the floor and ceiling, as appropriate.

Newborn Adjustment

The Newborn Adjustment is applied to the statewide average capitation rates for Children 0-1 to adjust for the relative propensity of plans to enroll infants at birth. Since the first days of an infant’s life tend to be relatively expensive and since infants not born into a plan cannot be enrolled until after they are discharged from the hospital, the enrollment differences can have a significant effect on the expected cost to each plan.

We identified newborns born into plans by determining whether their date of birth coincided with their date of enrollment in the plan. We then segregated the costs and member months for infants born into plans versus those not born into plans and calculated the relative per capita costs. Based upon the data underlying these capitation rates, we determined that infants born into plans were approximately 2.8 times as expensive on a per capita basis as those who were not. Using December 2006 to November 2008 distribution of member months by plan between infants born into and

not born into plans, and the aforementioned cost relationship, we calculated adjustment factors for each plan. These factors are shown in Exhibit 3-C, and are applied in lieu of CDPS risk adjustments for the Children 0-1 eligibility category.

Optional Services

Maternity case management (MCM) is an optional responsibility for FCHPs; while all health plans cover maternity services, those choosing to provide additional case management services related maternity care receive a supplementary capitation amount that varies by eligibility category. MCM is described in OAR 410-130-0595. Individuals in plans that do not contract for this service receive it on a FFS basis. The additional PMPM amounts for plans choosing to cover MCM are shown in Exhibit 3-D. At the time of this report, Cascade Comprehensive Care, Doctors of the Oregon Coast South, DCIPA, Mid-Rouge IPA, and OHMS are the plans that elected to provide the optional MCM service for the rates effective January 1, 2011.

Plan-Specific FCHP Capitation Rates

The plan-specific FCHP capitation rates calculated using the statewide average capitation rates from Exhibit 2-H, and the adjustments described above are shown in Exhibit 3-G and 3-H. These exhibits also show comparisons to the capitation rates currently in effect.

V. Plan-Specific PCO Capitation Rates

At this time, Kaiser is the only contracted PCO. Kaiser's PCO service area consists of Clackamas, Multnomah, Marion, and Polk counties. Capitation rates were developed using the standard rate regions applied by DMAP for its FCHP capitation rates; therefore, separate Kaiser capitation rates were developed for the Tri-county (which includes Clackamas and Multnomah counties) and LBMPY (Linn, Benton, Marion, Polk, and Yamhill counties) regions.

Geographic Adjustments

To develop the plan-specific PCO capitation rates, the statewide capitation rates are adjusted for differences in geographic input costs for Kaiser's service areas relative to the statewide average; under the PCO, only outpatient hospital services receive the geographic cost adjustment. To calculate the geographic adjustments, we used the outpatient costs per claim for each county developed for the FCHP geographic adjustment. The weight applied to each county's outpatient hospital cost per claim is based on Kaiser's July 2010 through August 2010 enrollment distribution by county and mix of members in each eligibility group. The weighted average outpatient cost per claim for each rate region was divided by the statewide outpatient cost per claim to derive the relative cost factors. The PCO geographic factors are shown in Exhibit 3-A.

CDPS Risk Adjustment

CDPS relative cost weights for the PCO were developed by the researchers at the University of California San Diego based upon Oregon-specific experience data and the services covered under the PCO contract. Once the PCO became operational and began enrolling members, risk profiles of the enrolled PCO population were developed based upon the diagnoses recorded during their tenure as FCHP-enrollees and/or coverage under FFS. For PCO capitation rates effective January 1, 2011, we calculated a risk adjustment for the PCO by determining the risk of the population enrolled in the PCO relative to the risk scores of the FCHPs (based upon the PCO relative cost weights), whose experience underlies the statewide PCO capitation rates as described previously in this report. Consistent with the application of CDPS for the FCHPs, a floor risk adjustment of 0.85 was applied for the PCO.

Kaiser has improved encounter data submission to DHS. However, some deficiencies still exist and as a result, for some eligibility categories, CDPS risk scores still cannot be directly calculated for its enrolled population. For these eligibility categories, we maintained the risk assessment scores that have been in place since the inception of Kaiser's participation in the PCO.

The applied CDPS risk adjustment factors for the PCO are shown in Exhibit 3-B.

Newborn Adjustment

The Newborn Adjustment is intended to adjust for the relative propensity of plans to enroll infants at birth and the higher costs associated with these infants. Since inpatient hospital services, which are not covered under the PCO, represent a significant portion of these higher costs no Newborn cost adjustment has been applied to the PCO rates.

Optional Services

Kaiser has elected to exclude coverage of maternity case management from its PCO contract. Further, the Kaiser PCO contract covers only those individuals enrolled in OHP Plus.

Plan-Specific PCO Capitation Rates

The plan-specific PCO capitation rates calculated using the statewide average capitation rates from Exhibit 2-I, and the adjustments described above are shown in Exhibits 3-I and 3-J.

VI. Plan-Specific MHO Capitation Rates

Similar to the process described above for other contract types, MHO capitation rates are based on statewide average rates, adjusted for geographic and population risk differences. Additionally, Intensive Service Array (ISA) adjustments are made in several eligibility categories and Behavioral Rehabilitation Service (BRS) adjustments are made in CAF Child eligibility category. ISA adjustments are made to reflect high volatilities in the number of ISA children receiving such services and BRS adjustments are made to reflect

disproportionate enrollment among plans. Both ISA and BRS children incur significantly higher than average costs.

Geographic Adjustments

Geographic adjustments for mental health services are only applied to the Acute Inpatient category; all other services are paid based on the statewide average cost of services. The adjustment factors for MHO inpatient services are calculated in a similar method to that described in Section IV for FCHP inpatient services. MHO encounter data are used for this analysis.

MHO enrollment as of July to August 2010 is examined in place of FCHP enrollment to determine enrollment by plan and county. MHO members' counties of residence are matched to the encounter data to calculate the average cost per day for members enrolled in each MHO. Relative cost factors, shown in Exhibit 4-A, are then calculated by comparing each plan's cost per day to the average cost per day for all MHOs.

Mental Health and Substance Abuse Payment System

Working with Dr. Richard Kronick and Dr. Todd Gilmer of the University of California San Diego, we developed a first generation risk assessment and risk adjustment tool for the services covered by the MHO contracts. The tool is based on the principles of the CDPS risk adjustment that is used to adjust payments to Fully Capitated Health Plans. This system provides a model whereby the relative expected resource use of different individuals is estimated based on their particular demographic and health status characteristics. The model considers the broad range of diagnostic conditions each individual has, based on encounter record information, and assigns a relative cost weight to each condition. The Mental Health and Substance Abuse Payment System (MHSAPS) provides a means of measuring expected differences in Mental Health services among health plans.

The relative cost weights associated with each condition are developed from a broad database that does not directly consider the treatment costs for any one health plan. A regression model was developed that separately considers relative resource use among broad eligibility categories (Aid to Blind and Disabled and related categories and Temporary Assistance to Needy Families and related categories), age group and diagnostic condition. The model is hierarchical. In other words, particular types of conditions within a broad diagnostic category are ranked by expected cost, and an individual is categorized based on the most severe condition within the grouping (e.g., Psych Very High, High, Medium, Low, Very Low). A separate parameter value was calculated to identify the comorbidity of a Substance Abuse condition. The average expected resource use of each plan's population relative to the overall population is used as a measure of health risk and serves as the basis for adjusting capitation payments made to each plan.

Since the relative risk of each plan's population is measured during a time period prior to the capitation period, the MHSAPS model presumes that the average health status of a

plan's population remains consistent between the measurement period and the contract period. No risk adjustment was applied for Children Aged 0 - 1 due to the very low utilization of these services by recipients in this eligibility category. Risk adjustment was also not applied for OAA due to the lack of a credible number of recipients or for OAA with Medicare since Medicare covers a significant portion of these services. Mental health risk adjustment factors are not applied to Children's Intensive Mental Health Services or CONS Assessments.

The following steps summarize the calculation of the mental health risk adjustment factors applied in the development of the plan-specific capitation rates:

- Encounter and FFS claims data for the period from March 2009 to December 2009 were analyzed. Data issues prevented us from using a whole 12-month period. As such, we applied credibility weighting of 75% and 25% to current and previous scores to come up with weighted averages.
- A risk assessment score was calculated for each health plan by eligibility category. To develop a score for each plan, a risk assessment score is first calculated for each MHO's enrollees. These values are summed by eligibility category, and an average value is calculated. This value is then divided by the average score for all MHO enrollees to determine an average relative score for each plan that varies around a 1.0 average MHO value.
- A floor risk adjustment of 0.90 and a ceiling of 1.20 were applied to all eligibility categories to recognize that the risk adjustment model was originally developed using data that did not include certain high cost treatments that are now included as MHO responsibility.
- The resulting scores are normalized to 1.0 to ensure budget neutrality at the start of the contract year.

The mental health risk adjustment factors resulting from the above process are shown for each plan in Exhibit 4-B.

Behavioral Rehabilitation Services

A separate calculation is made to recognize the distribution of children requiring Behavioral Rehabilitation Services. This calculation recognizes the high costs of serving this population and differences in the prevalence of these children among the plans. The calculated adjustment factor uses the relative distribution of children in the OYA (Oregon Youth Authority) and CAF (Children, Adults and Families) BRS programs. The average costs and distribution of children differ significantly between these programs, and these differences are recognized in the risk adjustment methodology.

Effective January 1, 2008, an AMH policy change was implemented that keeps children enrolled in the MHO in their county of jurisdiction rather than enrolling them in the MHO closest to the facility at which they are being treated. AMH staff provided the re-

mapped plan for each CAF participant, and the BRS risk adjustment reflects these changes in the distribution of children.

Diagnostic risk adjustment is also applied in the development of the CAF Children capitation rates. To avoid double counting the relative risk of children in BRS programs, we developed MHSAPS risk adjustment factors only for children who were not in BRS programs. Risk adjustment factors were separately developed for children in BRS programs that reflect the relative cost and expected distribution of these children among the MHOs.

Blended risk adjustment factors were then calculated for the CAF Child eligibility category. The development of these factors is shown in Exhibit 4-C.

Children's Intensive Service Array Services

The Children's ISA program has undergone significant change in the past two years. It was expected that beginning January 1, 2006, all children enrolled in MHOs who required ISA services would receive those services through their plan. Operational challenges delayed the full implementation of the program change, but we understand that effective April 1, 2006, children with ISA needs were enrolled in MHOs as intended.

A data file was provided to identify children eligible for ISA services. The file contained information including the MHO in which the child was enrolled, the date of ISA eligibility determination, the recommended level of care, and the end date of ISA eligibility if applicable.

From this data, we identified children who qualified for and received ISA services during the analysis period. Services fell into three categories:

- Psychiatric Residential Treatment;
- Psychiatric Day Treatment; and
- Community Based Services.

Each child was identified as using one or more of these services for each month of their ISA eligibility. Once the eligible children were identified, we identified the costs associated with treating the children, and calculated average monthly costs per user. We then calculated the relative prevalence of ISA-eligible children and their respective treatment types among each of the MHOs, and calculated ISA cost factors relative to the statewide average.

The ISA adjustment factor was then normalized using the prospective enrollment distribution to yield the utilization factors shown in Exhibit 4-D(i-iv). These relative utilization factors reflect the historical experience with adjustments for changes in AMH policy.

Separate ISA adjustment factors are calculated for each of the four relevant eligibility categories:

- PLM, TANF, and CHIP Children Aged 1 – 5;
- PLM, TANF, and CHIP Children Aged 6 – 18;
- ABAD without Medicare; and
- CAF Children.

The relative risk factors are shown in Exhibits 4-D(i) through 4-D(iv). These factors are multiplied by the Total Intensive MH Services PMPM shown in Exhibit 2-B to derive the plan-specific ISA adjustments.

Plan-Specific MHO Capitation Rates

The plan-specific MHO capitation rates calculated using the statewide average capitation rates from Exhibits 2-H and the adjustments described above, are shown in Exhibit 4-F. This exhibit also shows comparisons to the capitation rates effective October 1, 2009.

VII. DCO Capitation Rates

Geographic Adjustments

DCO capitation rates vary by geographic region of the state, but do not vary by plan. The geographic factors are updated for each biennium and are constant for the biennium. The geographic factor calculation is based upon the Medicare Resource-Based Relative Value System (RBRVS) geographic adjustment factors for Oregon that take into account the component costs of professional services. The adjustment uses the 2008 Oregon RBRVS factors weighted by the population distribution. We believe these factors are appropriate for 2011 capitation rate calculations. The resulting DCO geographic adjustment factors are as follows:

Region	Geographic Area Adjustment
Jackson, Josephine and Douglas Counties	0.970
Lane County	0.970
Linn, Benton, Marion, Polk and Yamhill Counties	0.970
Other 0.970	
Tri-County (Clackamas, Multnomah and Washington Counties)	1.052

Region-Specific DCO Capitation Rates

The region-specific DCO capitation rates, calculated using the statewide average capitation rates from Exhibits 2-H and the adjustments described above, are shown in Exhibit 5-B.

EXHIBITS

Oregon Health Plan Medicaid Demonstration
Capitation Rate Development for January 2011 through December 2011
Covered Services by Contract Type - OHP PLUS

EXHIBIT 1-A

Detail Service Category	Rate Sheet Category	CONTRACT TYPE			
		FCHP	PCO	DCO	MHO
PHYSICAL HEALTH					
ANESTHESIA	Physician - Basic	Mandatory	Mandatory		
EXCEPT NEEDS CARE COORDINATION	Exceptional Needs Care Coordination	Mandatory	Mandatory		
FP - IP HOSP	Inpatient - Family Planning	Mandatory			
FP - OP HOSP	Outpatient - Family Planning	Mandatory	Mandatory		
FP - PHYS	Physician - Family Planning	Mandatory	Mandatory		
HYSTERECTOMY - ANESTHESIA	Physician - Hysterectomy	Mandatory	Mandatory		
HYSTERECTOMY - IP HOSP	Inpatient - Hysterectomy	Mandatory			
HYSTERECTOMY - OP HOSP	Outpatient - Hysterectomy	Mandatory	Mandatory		
HYSTERECTOMY - PHYS	Physician - Hysterectomy	Mandatory	Mandatory		
IP HOSP - ACUTE DETOX	Inpatient - Basic	Mandatory			
IP HOSP - MATERNITY	Inpatient - Maternity	Mandatory			
IP HOSP - MATERNITY / STERILIZATION	Inpatient - Sterilization	Mandatory			
IP HOSP - MEDICAL/SURGICAL	Inpatient - Basic	Mandatory			
IP HOSP - NEWBORN	Inpatient - Newborn	Mandatory			
IP HOSP - POST HOSP EXTENDED CARE	Inpatient - Basic	Mandatory			
LAB & RAD - DIAGNOSTIC X-RAY	Physician - Basic	Mandatory	Mandatory		
LAB & RAD - LAB	Physician - Basic	Mandatory	Mandatory		
LAB & RAD - THERAPEUTIC X-RAY	Physician - Basic	Mandatory	Mandatory		
OP ER - SOMATIC MH	Outpatient - Emergency Room	Mandatory	Mandatory		
OP HOSP - BASIC	Outpatient - Basic	Mandatory	Mandatory		
OP HOSP - EMERGENCY ROOM	Outpatient - Emergency Room	Mandatory	Mandatory		
OP HOSP - LAB & RAD	Outpatient - Basic	Mandatory	Mandatory		
OP HOSP - MATERNITY	Outpatient - Maternity	Mandatory	Mandatory		
OP HOSP - POST HOSP EXTENDED CARE	Outpatient - Basic	Mandatory	Mandatory		
OP HOSP - PRES DRUGS BASIC	Outpatient - Basic	Mandatory	Mandatory		
OP HOSP - PRES DRUGS MH/CD	Outpatient - Basic	Mandatory	Mandatory		
OP HOSP - SOMATIC MH	Outpatient - Basic	Mandatory	Mandatory		
OTH MED - DME	DME/Supplies	Mandatory	Mandatory		
OTH MED - HHC/PDN	Home Health/PDN/Hospice	Mandatory	Mandatory		
OTH MED - HOSPICE	Home Health/PDN/Hospice	Mandatory	Mandatory		
OTH MED - MATERNITY MGT	Maternity Management	Optional	Optional		
OTH MED - SUPPLIES	DME/Supplies	Mandatory	Mandatory		
PHYS CONSULTATION, IP & ER VISITS	Physician - Basic	Mandatory	Mandatory		
PHYS HOME OR LONG-TERM CARE VISITS	Physician - Basic	Mandatory	Mandatory		

Oregon Health Plan Medicaid Demonstration
Capitation Rate Development for January 2011 through December 2011
Covered Services by Contract Type - OHP PLUS

EXHIBIT 1-A

Detail Service Category	Rate Sheet Category	CONTRACT TYPE			
		FCHP	PCO	DCO	MHO
PHYSICAL HEALTH					
PHYS MATERNITY	Physician - Maternity	Mandatory	Mandatory		
PHYS NEWBORN	Physician - Newborn	Mandatory	Mandatory		
PHYS OFFICE VISITS	Physician - Basic	Mandatory	Mandatory		
PHYS OTHER	Physician - Basic	Mandatory	Mandatory		
PHYS SOMATIC MH	Physician - Basic	Mandatory	Mandatory		
PRES DRUGS - BASIC	Prescription Drugs - Basic	Mandatory	Mandatory		
PRES DRUGS - FP	Prescription Drugs - Family Planning	Mandatory	Mandatory		
STERILIZATION - ANESTHESIA FEMALE	Physician - Sterilization	Mandatory	Mandatory		
STERILIZATION - ANESTHESIA MALE	Physician - Sterilization	Mandatory	Mandatory		
STERILIZATION - IP HOSP FEMALE	Inpatient - Sterilization	Mandatory			
STERILIZATION - IP HOSP MALE	Inpatient - Sterilization	Mandatory			
STERILIZATION - OP HOSP FEMALE	Outpatient - Sterilization	Mandatory	Mandatory		
STERILIZATION - OP HOSP MALE	Outpatient - Sterilization	Mandatory	Mandatory		
STERILIZATION - PHY FEMALE	Physician - Sterilization	Mandatory	Mandatory		
STERILIZATION - PHY MALE	Physician - Sterilization	Mandatory	Mandatory		
SURGERY	Physician - Basic	Mandatory	Mandatory		
TRANSPORTATION - AMBULANCE	Transportation - Ambulance	Mandatory	Mandatory		
VISION CARE - EXAMS & THERAPY	Vision	Mandatory	Mandatory		
VISION CARE - MATERIALS & FITTING	Vision	Mandatory	Mandatory		
DENTAL					
DENTAL - ADJUNCTIVE GENERAL	Dental			Mandatory	
DENTAL - ANESTHESIA SURGICAL	Dental			Mandatory	
DENTAL - DIAGNOSTIC	Dental			Mandatory	
DENTAL - ENDODONTICS	Dental			Mandatory	
DENTAL - I/P FIXED	Dental			Mandatory	
DENTAL - MAXILLOFACIAL PROS	Dental			Mandatory	
DENTAL - ORAL SURGERY	Dental			Mandatory	
DENTAL - ORTHODONTICS	Dental			Mandatory	
DENTAL - PERIODONTICS	Dental			Mandatory	
DENTAL - PREVENTIVE	Dental			Mandatory	
DENTAL - PROS REMOVABLE	Dental			Mandatory	
DENTAL - RESTORATIVE	Dental			Mandatory	

Oregon Health Plan Medicaid Demonstration
Capitation Rate Development for January 2011 through December 2011
Covered Services by Contract Type - OHP PLUS

EXHIBIT 1-A

Detail Service Category	Rate Sheet Category	CONTRACT TYPE			
		FCHP	PCO	DCO	MHO
CHEMICAL DEPENDENCY					
CD SERVICES - ALTERNATIVE TO DETOX	Chemical Dependency	Mandatory	Mandatory		
CD SERVICES - METHADONE	Chemical Dependency	Mandatory	Mandatory		
CD SERVICES - OP	Chemical Dependency	Mandatory	Mandatory		
MENTAL HEALTH					
MH SERVICES ACUTE INPATIENT	Mental Health - Acute Inpatient				Mandatory
MH SERVICES ALTERNATIVE TO IP	Mental Health - Alternative to IP				Mandatory
MH SERVICES ANCILLARY SERVICES	Mental Health - Ancillary Services				Mandatory
MH SERVICES ASSESS & EVAL	Mental Health - Assess & Eval				Mandatory
MH SERVICES CASE MANAGEMENT	Mental Health - Case Management				Mandatory
MH SERVICES CONS ASSESS	Mental Health - CONS Assessments				Mandatory
MH SERVICES CONSULTATION	Mental Health - Consultation				Mandatory
MH SERVICES FAMILY SUPPORT	Mental Health - Family Support				Mandatory
MH SERVICES INTENSIVE TREATMENT SVCS	Mental Health - Intensive Treatment Services				Mandatory
MH SERVICES MED MANAGEMENT	Mental Health - Med Management				Mandatory
MH SERVICES OP TREATMENT	Mental Health - OP Therapy				Mandatory
MH SERVICES OTHER OP	Mental Health - Other OP				Mandatory
MH SERVICES PEO	Mental Health - PEO				Mandatory
MH SERVICES PHYS IP	Mental Health - Phys IP				Mandatory
MH SERVICES PHYS OP	Mental Health - Phys OP				Mandatory
MH SERVICES SUPPORT DAY PROGRAM	Mental Health - Support Day Program				Mandatory

Oregon Health Plan Medicaid Demonstration
Capitation Rate Development for January 2011 through December 2011
Covered Services by Contract Type - OHP STANDARD

EXHIBIT 1-B

Detail Service Category	Rate Sheet Category	CONTRACT TYPE			
		FCHP	PCO	DCO	MHO
PHYSICAL HEALTH					
ANESTHESIA	Physician - Basic	Covered	Covered		
EXCEPT NEEDS CARE COORDINATION	Exceptional Needs Care Coordination	Covered	Covered		
FP - IP HOSP	Inpatient - Family Planning	Limited	Limited		
FP - OP HOSP	Outpatient - Family Planning	Limited	Limited		
FP - PHYS	Physician - Family Planning	Covered	Covered		
HYSTERECTOMY - ANESTHESIA	Physician - Hysterectomy	Covered	Covered		
HYSTERECTOMY - IP HOSP	Inpatient - Hysterectomy	Limited	Limited		
HYSTERECTOMY - OP HOSP	Outpatient - Hysterectomy	Limited	Limited		
HYSTERECTOMY - PHYS	Physician - Hysterectomy	Covered	Covered		
IP HOSP - ACUTE DETOX	Inpatient - Basic	Limited	Limited		
IP HOSP - MATERNITY	Inpatient - Maternity	Covered	Covered		
IP HOSP - MATERNITY / STERILIZATION	Inpatient - Sterilization	Covered	Covered		
IP HOSP - MEDICAL/SURGICAL	Inpatient - Basic	Limited	Limited		
IP HOSP - NEWBORN	Inpatient - Newborn	Limited	Limited		
IP HOSP - POST HOSP EXTENDED CARE	Inpatient - Basic	Limited	Limited		
LAB & RAD - DIAGNOSTIC X-RAY	Physician - Basic	Covered	Covered		
LAB & RAD - LAB	Physician - Basic	Covered	Covered		
LAB & RAD - THERAPEUTIC X-RAY	Physician - Basic	Covered	Covered		
OP ER - SOMATIC MH	Outpatient - Emergency Room	Limited	Limited		
OP HOSP - BASIC	Outpatient - Basic	Limited	Limited		
OP HOSP - EMERGENCY ROOM	Outpatient - Emergency Room	Limited	Limited		
OP HOSP - LAB & RAD	Outpatient - Basic	Limited	Limited		
OP HOSP - MATERNITY	Outpatient - Maternity	Covered	Covered		
OP HOSP - POST HOSP EXTENDED CARE	Outpatient - Basic	Limited	Limited		
OP HOSP - PRES DRUGS BASIC	Outpatient - Basic	Limited	Limited		
OP HOSP - PRES DRUGS MH/CD	Outpatient - Basic	Limited	Limited		
OP HOSP - SOMATIC MH	Outpatient - Basic	Limited	Limited		
OTH MED - DME	DME/Supplies	Limited	Limited		
OTH MED - HHC/PDN	Home Health/PDN/Hospice	Limited	Limited		
OTH MED - HOSPICE	Home Health/PDN/Hospice	Limited	Limited		
OTH MED - MATERNITY MGT	Maternity Management	Optional	Optional		
OTH MED - SUPPLIES	DME/Supplies	Limited	Limited		
PHYS CONSULTATION, IP & ER VISITS	Physician - Basic	Covered	Covered		
PHYS HOME OR LONG-TERM CARE VISITS	Physician - Basic	Covered	Covered		

Oregon Health Plan Medicaid Demonstration
Capitation Rate Development for January 2011 through December 2011
Covered Services by Contract Type - OHP STANDARD

EXHIBIT 1-B

Detail Service Category	Rate Sheet Category	CONTRACT TYPE			
		FCHP	PCO	DCO	MHO
PHYSICAL HEALTH					
PHYS MATERNITY	Physician - Maternity	Covered	Covered		
PHYS NEWBORN	Physician - Newborn	Covered	Covered		
PHYS OFFICE VISITS	Physician - Basic	Covered	Covered		
PHYS OTHER	Physician - Basic	Covered	Covered		
PHYS SOMATIC MH	Physician - Basic	Covered	Covered		
PRES DRUGS - BASIC	Prescription Drugs - Basic	Covered	Covered		
PRES DRUGS - FP	Prescription Drugs - Family Planning	Covered	Covered		
STERILIZATION - ANESTHESIA FEMALE	Physician - Sterilization	Covered	Covered		
STERILIZATION - ANESTHESIA MALE	Physician - Sterilization	Covered	Covered		
STERILIZATION - IP HOSP FEMALE	Inpatient - Sterilization	Limited	Limited		
STERILIZATION - IP HOSP MALE	Inpatient - Sterilization	Limited	Limited		
STERILIZATION - OP HOSP FEMALE	Outpatient - Sterilization	Limited	Limited		
STERILIZATION - OP HOSP MALE	Outpatient - Sterilization	Limited	Limited		
STERILIZATION - PHY FEMALE	Physician - Sterilization	Covered	Covered		
STERILIZATION - PHY MALE	Physician - Sterilization	Covered	Covered		
SURGERY	Physician - Basic	Covered	Covered		
TRANSPORTATION - AMBULANCE	Transportation - Ambulance	Limited	Limited		
VISION CARE - EXAMS & THERAPY	Vision	Limited	Limited		
VISION CARE - MATERIALS & FITTING	Vision	Limited	Limited		
DENTAL					
DENTAL - ADJUNCTIVE GENERAL	Dental			Limited	
DENTAL - ANESTHESIA SURGICAL	Dental			Limited	
DENTAL - DIAGNOSTIC	Dental			Limited	
DENTAL - ENDODONTICS	Dental			Limited	
DENTAL - I/P FIXED	Dental			Limited	
DENTAL - MAXILLOFACIAL PROS	Dental			Limited	
DENTAL - ORAL SURGERY	Dental			Limited	
DENTAL - ORTHODONTICS	Dental			Limited	
DENTAL - PERIODONTICS	Dental			Limited	
DENTAL - PREVENTIVE	Dental			Limited	
DENTAL - PROS REMOVABLE	Dental			Limited	
DENTAL - RESTORATIVE	Dental			Limited	

Oregon Health Plan Medicaid Demonstration
Capitation Rate Development for January 2011 through December 2011
Covered Services by Contract Type - OHP STANDARD

EXHIBIT 1-B

Detail Service Category	Rate Sheet Category	CONTRACT TYPE			
		FCHP	PCO	DCO	MHO
CHEMICAL DEPENDENCY					
CD SERVICES - ALTERNATIVE TO DETOX	Chemical Dependency	Covered	Covered		
CD SERVICES - METHADONE	Chemical Dependency	Covered	Covered		
CD SERVICES - OP	Chemical Dependency	Covered	Covered		
MENTAL HEALTH					
MH SERVICES ACUTE INPATIENT	Mental Health - Acute Inpatient				Limited
MH SERVICES ALTERNATIVE TO IP	Mental Health - Alternative to IP				Covered
MH SERVICES ANCILLARY SERVICES	Mental Health - Ancillary Services				Covered
MH SERVICES ASSESS & EVAL	Mental Health - Assess & Eval				Covered
MH SERVICES CASE MANAGEMENT	Mental Health - Case Management				Covered
MH SERVICES CONS ASSESS	Mental Health - CONS Assessments				N/A
MH SERVICES CONSULTATION	Mental Health - Consultation				Covered
MH SERVICES FAMILY SUPPORT	Mental Health - Family Support				Covered
MH SERVICES INTENSIVE TREATMENT SVCS	Mental Health - Intensive Treatment Services				N/A
MH SERVICES MED MANAGEMENT	Mental Health - Med Management				Covered
MH SERVICES OP TREATMENT	Mental Health - OP Therapy				Covered
MH SERVICES OTHER OP	Mental Health - Other OP				Covered
MH SERVICES PEO	Mental Health - PEO				Covered
MH SERVICES PHYS IP	Mental Health - Phys IP				Covered
MH SERVICES PHYS OP	Mental Health - Phys OP				Covered
MH SERVICES SUPPORT DAY PROGRAM	Mental Health - Support Day Program				Covered

**Oregon Health Plan Medicaid Demonstration
 Capitation Rate Development for January 2011 through December 2011
 Trend Adjustments**

EXHIBIT 2-A

TANF RELATED ADULTS ¹

	Annualized Trend Rates ²	Trend Adjustment ³
Inpatient Hospital	3.9%	1.019
Outpatient Hospital	6.5%	1.032
Physician & Other	3.8%	1.019
Prescription Drug	4.2%	1.021
Dental	3.2%	1.016
Mental Health	2.5%	1.012
Chemical Dependency	10.4%	1.051

CHILDREN

	Annualized Trend Rates ²	Trend Adjustment ³
Inpatient Hospital	3.1%	1.015
Outpatient Hospital	4.9%	1.024
Physician & Other	2.6%	1.013
Prescription Drug	2.2%	1.011
Dental	2.2%	1.011
Mental Health	2.2%	1.011
Chemical Dependency	7.4%	1.036

DISABLED-RELATED ¹

	Annualized Trend Rates ²	Trend Adjustment ³
Inpatient Hospital	4.6%	1.023
Outpatient Hospital	6.5%	1.032
Physician & Other	3.8%	1.019
Prescription Drug	3.2%	1.016
Dental	2.7%	1.013
Mental Health	2.5%	1.012
Chemical Dependency	3.8%	1.019

¹ TANF-Related Adult factors apply to the TANF, and PLMA eligibility categories.
 Disabled-Related factors apply to the AB/AD without Medicare, OAA without Medicare, and OHPAC eligibility categories.
 Dual-Medicaid/Medicare factors apply to the AB/AD with Medicare and OAA with Medicare eligibility categories.
 Standard factors apply to OHPFAM and OHPAC eligibility categories.

² Annualized cost and utilization combined trend rate.

³ Trend factors used to adjust capitation rates from midpoint of biennium (1/1/2011) to midpoint of contract period (7/1/2011).

**Oregon Health Plan Medicaid Demonstration
 Capitation Rate Development for January 2011 through December 2011
 Trend Adjustments**

EXHIBIT 2-A

DUAL MEDICAID/MEDICARE ELIGIBILITY CATEGORIES¹

	Annualized Trend Rates ²	Trend Adjustment ³
Inpatient Hospital	0.0%	1.000
Outpatient Hospital	7.2%	1.036
Physician & Other	4.8%	1.024
Prescription Drug	1.2%	1.006
Dental	2.7%	1.013
Mental Health	0.7%	1.003
Chemical Dependency	7.3%	1.036

STANDARD ELIGIBILITY CATEGORIES¹

	Annualized Trend Rates ²	Trend Adjustment ³
Inpatient Hospital	3.1%	1.015
Outpatient Hospital	6.5%	1.032
Physician & Other	3.8%	1.019
Prescription Drug	0.7%	1.003
Dental	2.7%	1.013
Mental Health	2.5%	1.012
Chemical Dependency	3.8%	1.019

¹ TANF-Related Adult factors apply to the TANF, and PLMA eligibility categories.
 Disabled-Related factors apply to the AB/AD without Medicare, OAA without Medicare, and OHPAC eligibility categories.
 Dual-Medicaid/Medicare factors apply to the AB/AD with Medicare and OAA with Medicare eligibility categories.
 Standard factors apply to OHPFAM and OHPAC eligibility categories.

² Annualized trend rates.

³ Trend factors used to adjust capitation rates from midpoint of biennium (1/1/2011) to midpoint of contract period (7/1/2011).

*: Chemical dependency trends assume percent increases in 2009-2011 PCC projection will continue as driven by continued improvements in access to services.

**Oregon Health Plan Medicaid Demonstration
 Capitation Rate Development for January 2011 through December 2011
 Children's Intensive Services Array Costs Per Member Per Month**

EXHIBIT 2-B

Eligibility Category	Psychiatric Day Treatment Services PMPM	Psychiatric Residential Treatment Services PMPM	Community Treatment Services PMPM	Total Intensive Services Array PMPM
Temporary Assistance to Needy Families (Adults Only)	\$0.00	\$0.00	\$0.00	\$0.00
Poverty Level Medical Adults	\$0.00	\$0.00	\$0.00	\$0.00
PLM, TANF, and CHIP Children < 1	\$0.00	\$0.00	\$0.00	\$0.00
PLM, TANF, and CHIP Children 1 - 5	\$0.37	\$0.00	\$0.23	\$0.60
PLM, TANF, and CHIP Children 6 - 18	\$2.71	\$0.87	\$3.50	\$7.07
Aid to the Blind/Aid to the Disabled with Medicare	\$0.00	\$0.00	\$0.00	\$0.00
Aid to the Blind/Aid to the Disabled without Medicare	\$4.73	\$4.22	\$7.51	\$16.46
Old Age Assistance with Medicare	\$0.00	\$0.00	\$0.00	\$0.00
Old Age Assistance without Medicare	\$0.00	\$0.00	\$0.00	\$0.00
CAF Children	\$24.19	\$55.41	\$40.42	\$120.03
OHP Families	\$0.00	\$0.00	\$0.00	\$0.00
OHP Adults & Couples	\$0.00	\$0.00	\$0.00	\$0.00

Oregon Health Plan Medicaid Demonstration
Capitation Rate Development for January 2011 through December 2011
Certificate of Need Assessment Costs Per Member Per Month

EXHIBIT 2-C

Eligibility Category	PMPM
Temporary Assistance to Needy Families (Adults Only)	\$0.00
Poverty Level Medical Adults	\$0.00
PLM, TANF, and CHIP Children < 1	\$0.00
PLM, TANF, and CHIP Children 1 - 5	\$0.00
PLM, TANF, and CHIP Children 6 - 18	\$0.03
Aid to the Blind/Aid to the Disabled with Medicare	\$0.00
Aid to the Blind/Aid to the Disabled without Medicare	\$0.06
Old Age Assistance with Medicare	\$0.00
Old Age Assistance without Medicare	\$0.00
CAF Children	\$0.26
OHP Families	\$0.00
OHP Adults & Couples	\$0.00

Oregon Health Plan Medicaid Demonstration
Capitation Rate Development for January 2011 through December 2011
Maternity Case Rate Development for FCHPs
Does not include adjustment for Administrative Allowance

EXHIBIT 2-D (i)

	A	B	C	D	E	F	G	H	I	J	K	L	M
										= (B*F+C*G)/A *12000	= (D*H)/A *12000	= (E*I)/A *12000	= J + K + L
	Utilization	January 2011 Statewide PMPM				Percentage of PMPM Related to Maternity Services				Case Cost			
Eligibility Category	Deliveries per 1000	IP HOSP - MATERNITY	IP HOSP - MATERNITY / STERILIZATION	OP HOSP - MATERNITY	PHYS MATERNITY	IP HOSP - MATERNITY	IP HOSP - MATERNITY / STERILIZATION	OP HOSP - MATERNITY	PHYS MATERNITY	IP HOSP MATERNITY	OP HOSP MATERNITY	PHYS MATERNITY	TOTAL
TANF	99.1	\$56.42	\$3.91	\$11.44	\$30.37	100%	60%	100%	100%	\$7,115.83	\$1,385.71	\$3,677.47	\$12,179.02
PLMA	1,210.4	\$508.54	\$20.57	\$102.10	\$362.26	100%	60%	100%	100%	\$5,164.12	\$1,012.19	\$3,591.36	\$9,767.67
CHILD 06-18	4.7	\$2.47	\$0.01	\$0.59	\$1.33	100%	60%	100%	100%	\$6,349.11	\$1,503.78	\$3,417.37	\$11,270.26
ABAD	7.1	\$4.43	\$0.17	\$1.30	\$2.21	100%	60%	100%	100%	\$7,646.45	\$2,197.78	\$3,721.51	\$13,565.74
CAF	2.1	\$1.18	\$0.00	\$0.39	\$0.59	100%	60%	100%	100%	\$6,817.14	\$2,268.99	\$3,393.22	\$12,479.35
Total	77.4	\$36.07	\$1.74	\$7.39	\$23.28								
									January 2011	\$5,755.53	\$1,146.24	\$3,610.21	\$10,511.99
									January 2010	\$5,307.73	\$994.12	\$3,349.53	\$9,651.38
									%Change	8.4%	15.3%	7.8%	8.9%

Oregon Health Plan Medicaid Demonstration
Capitation Rate Development for January 2011 through December 2011
Maternity Case Rate Development for PCOs
 Does not include adjustment for Administrative Allowance

EXHIBIT 2-D (ii)

	A	B	C	D	E	F	G	H	I
							= (B*D*(1-F)) /A*12000	= (C*E) /A*12000	= G + H
	Utilization	January 2011 Statewide PMPM		Percentage of PMPM Related to Maternity Services		Expected Decrease in OP Hospital Costs	Case Cost		
Eligibility Category	Deliveries per 1000	OP HOSP - MATERNITY	PHYS MATERNITY	OP HOSP - MATERNITY	PHYS MATERNITY		OP HOSP - MATERNITY	PHYS MATERNITY	TOTAL
TANF	99.1	\$11.44	\$30.37	100%	100%	5%	\$ 1,316.42	\$ 3,677.47	\$ 4,993.90
PLMA	1,210.4	\$102.10	\$362.26	100%	100%		\$961.58	\$3,591.36	\$4,552.94
CHILD 06-18	4.7	\$0.59	\$1.33	100%	100%		\$1,428.59	\$3,417.37	\$4,845.96
ABAD	7.1	\$1.30	\$2.21	100%	100%		\$2,087.89	\$3,721.51	\$5,809.40
CAF	2.1	\$0.39	\$0.59	100%	100%		\$2,155.54	\$3,393.22	\$5,548.76
Total	77.4	\$7.39	\$23.28			January 2011	\$ 1,088.93	\$ 3,610.21	\$4,699.14
						January 2010	\$ 944.41	\$ 3,349.53	\$4,293.94
						%Change	15.3%	7.8%	9.4%

**Oregon Health Plan Medicaid Demonstration
 Capitation Rate Development for January 2011 through December 2011
 Copayment Adjustments**

EXHIBIT 2-E

Eligibility Category	Copayment Adjustments (PMPM)		
	FCHP	DCO	MHO
TANF	\$3.15	\$0.11	\$0.08
ABAD-MED	\$2.49	\$0.05	\$0.14
ABAD	\$3.63	\$0.05	\$0.16
OAA-MED	\$1.93	\$0.02	\$0.01
OAA	\$3.17	\$0.04	\$0.03
CAF Children	\$0.00	\$0.00	\$0.00

Oregon Health Plan Medicaid Demonstration
Capitation Rate Development for January 2011 through December 2011
Bariatric Surgery Capitation Adjustment and Bariatric Surgery Case Rate

EXHIBIT 2-F

Eligibility Category	Bariatric Surgery Capitation Adjustment ^{1, 2}
Temporary Assistance to Needy Families (Adults Only)	\$0.01
Poverty Level Medical Adults	\$0.00
PLM, TANF, and CHIP Children < 1	\$0.00
PLM, TANF, and CHIP Children 1 - 5	\$0.00
PLM, TANF, and CHIP Children 6 - 18	\$0.00
Aid to the Blind/Aid to the Disabled with Medicare	\$0.01
Aid to the Blind/Aid to the Disabled without Medicare	\$0.05
Old Age Assistance with Medicare	\$0.00
Old Age Assistance without Medicare	\$0.02
CAF Children	\$0.00
OHP Families	\$0.02
OHP Adults & Couples	\$0.03

¹ Covers pre-surgical evaluations, testing, and transportation costs.

² Bariatric Surgery Capitation Adjustment is applied to PHYS - OTHER.

Eligibility Category	Bariatric Surgery Case Rate by Contract Type, with Adjustment for Administrative Allowance	
	FCHP	PCO
Medicaid Only	\$17,429.26	\$3,076.40
Dual Eligibles	\$1,793.23	\$558.53

Oregon Health Plan Medicaid Demonstration
Capitation Rate Development for January 2011 through December 2011
Administrative Allowance by Eligibility Category and Contract Type

EXHIBIT 2-G

Eligibility Category	FCHP	PCO	DCO	MHO
Temporary Assistance to Needy Families (Adults Only)	8.41%	8.65%	8.00%	8.80%
Poverty Level Medical Adults	8.41%	8.65%	8.00%	8.80%
PLM, TANF, and CHIP Children < 1	8.41%	8.65%	8.00%	8.80%
PLM, TANF, and CHIP Children 1 - 5	8.41%	8.65%	8.00%	8.80%
PLM, TANF, and CHIP Children 6 - 18	8.41%	8.65%	8.00%	8.80%
Aid to the Blind/Aid to the Disabled with Medicare	8.41%	8.65%	8.00%	8.80%
Aid to the Blind/Aid to the Disabled without Medicare	8.41%	8.65%	8.00%	8.80%
Old Age Assistance with Medicare	8.41%	8.65%	8.00%	8.80%
Old Age Assistance without Medicare	8.41%	8.65%	8.00%	8.80%
CAF Children	8.41%	8.65%	8.00%	8.80%
OHP Families	8.41%	8.65%	8.00%	8.80%
OHP Adults & Couples	8.41%	8.65%	8.00%	8.80%

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-H

Development of January 2011 Statewide FCHP, MHO, and DCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

Eligibility Category	Service Category	A	B	C	D	E	F	G	H
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve- Out ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM
		= A * B * C * D * E					= F + G		
Temporary Assistance to Needy Families (Adults Only)									
PHYSICAL HEALTH									
	ADMINISTRATIVE EXAMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	ANESTHESIA	\$5.45	1.019	1.032	0.995	1.000	\$5.71		\$5.71
	EXCEPT NEEDS CARE COORDINATION	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	FP - IP HOSP	\$0.00	1.019	1.000	0.995	0.974	\$0.00		\$0.00
	FP - OP HOSP	\$0.08	1.032	1.059	0.995	1.000	\$0.09		\$0.09
	FP - PHYS	\$1.23	1.019	1.032	0.995	1.000	\$1.29		\$1.29
	HYSTERECTOMY - ANESTHESIA	\$0.11	1.019	1.032	0.995	1.000	\$0.11		\$0.11
	HYSTERECTOMY - IP HOSP	\$5.00	1.019	1.107	0.995	0.974	\$5.46		\$5.46
	HYSTERECTOMY - OP HOSP	\$0.05	1.032	1.059	0.995	1.000	\$0.05		\$0.05
	HYSTERECTOMY - PHYS	\$0.63	1.019	1.032	0.995	1.000	\$0.66		\$0.66
	IP HOSP - ACUTE DETOX	\$0.65	1.019	1.107	0.995	0.974	\$0.71		\$0.71
	IP HOSP - MATERNITY	\$51.61	1.019	1.107	0.995	0.974	\$56.42	-\$56.42	\$0.00
	IP HOSP - MATERNITY / STERILIZATION	\$3.57	1.019	1.107	0.995	0.974	\$3.91	-\$2.35	\$1.56
	IP HOSP - MEDICAL/SURGICAL	\$70.84	1.019	1.107	0.995	0.974	\$77.43		\$77.43
	IP HOSP - NEWBORN	\$0.00	1.019	1.107	0.995	0.974	\$0.00		\$0.00
	IP HOSP - POST HOSP EXTENDED CARE	\$0.00	1.019	1.107	0.995	0.974	\$0.00		\$0.00
	LAB & RAD - DIAGNOSTIC X-RAY	\$11.34	1.019	1.032	0.995	1.000	\$11.86		\$11.86
	LAB & RAD - LAB	\$8.81	1.019	1.032	0.995	1.000	\$9.21		\$9.21
	LAB & RAD - THERAPEUTIC X-RAY	\$0.50	1.019	1.032	0.995	1.000	\$0.52		\$0.52
	OP ER - SOMATIC MH	\$0.58	1.032	1.059	0.995	1.000	\$0.63		\$0.63
	OP HOSP - BASIC	\$36.60	1.032	1.059	0.995	1.000	\$39.77		\$39.77
	OP HOSP - EMERGENCY ROOM	\$20.94	1.032	1.059	0.995	1.000	\$22.75		\$22.75
	OP HOSP - LAB & RAD	\$30.49	1.032	1.059	0.995	1.000	\$33.12		\$33.12
	OP HOSP - MATERNITY	\$10.53	1.032	1.059	0.995	1.000	\$11.44	-\$11.44	\$0.00
	OP HOSP - POST HOSP EXTENDED CARE	\$0.02	1.032	1.059	0.995	1.000	\$0.02		\$0.02
	OP HOSP - PRES DRUGS BASIC	\$4.38	1.032	1.059	0.995	1.000	\$4.76		\$4.76
	OP HOSP - PRES DRUGS MH/CD	\$0.03	1.032	1.059	0.995	1.000	\$0.04		\$0.04
	OP HOSP - SOMATIC MH	\$0.65	1.032	1.059	0.995	1.000	\$0.71		\$0.71
	OTH MED - DME	\$1.78	1.019	1.000	0.995	1.000	\$1.81		\$1.81
	OTH MED - HHC/PDN	\$0.52	1.019	1.000	0.995	1.000	\$0.52		\$0.52
	OTH MED - HOSPICE	\$0.08	1.019	1.000	0.995	1.000	\$0.09		\$0.09
	OTH MED - MATERNITY MGT	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00
	OTH MED - SUPPLIES	\$1.41	1.019	1.000	0.995	1.000	\$1.43		\$1.43
	PHYS CONSULTATION, IP & ER VISITS	\$13.56	1.019	1.032	0.995	1.000	\$14.18		\$14.18
	PHYS HOME OR LONG-TERM CARE VISITS	\$0.01	1.019	1.032	0.995	1.000	\$0.02		\$0.02
	PHYS MATERNITY	\$29.04	1.019	1.032	0.995	1.000	\$30.37	-\$30.37	\$0.00
	PHYS NEWBORN	\$0.04	1.019	1.032	0.995	1.000	\$0.04		\$0.04
	PHYS OFFICE VISITS	\$32.12	1.019	1.032	0.995	1.000	\$33.60		\$33.60
	PHYS OTHER	\$4.83	1.019	1.032	0.995	1.000	\$5.05	\$0.01	\$5.06

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-H

**Development of January 2011 Statewide FCHP, MHO, and DCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List**

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve- Out ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	
							= A * B * C * D * E			= F + G
Temporary Assistance to Needy Families (Adults Only)										
	PHYS SOMATIC MH	\$3.28	1.019	1.032	0.995	1.000	\$3.43		\$3.43	
	PRES DRUGS - BASIC	\$42.59	1.021	0.985	0.995	1.000	\$42.60		\$42.60	
	PRES DRUGS - FP	\$1.66	1.021	0.985	0.995	1.000	\$1.66		\$1.66	
	PRES DRUGS - MH/CD	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	SCHOOL-BASED HEALTH SERVICES	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	STERILIZATION - ANESTHESIA FEMALE	\$0.35	1.019	1.032	0.995	1.000	\$0.37		\$0.37	
	STERILIZATION - ANESTHESIA MALE	\$0.00	1.019	1.032	0.995	1.000	\$0.00		\$0.00	
	STERILIZATION - IP HOSP FEMALE	\$3.19	1.019	1.107	0.995	0.974	\$3.49		\$3.49	
	STERILIZATION - IP HOSP MALE	\$0.00	1.019	1.000	0.995	0.974	\$0.00		\$0.00	
	STERILIZATION - OP HOSP FEMALE	\$0.67	1.032	1.059	0.995	1.000	\$0.73		\$0.73	
	STERILIZATION - OP HOSP MALE	\$0.00	1.032	1.059	0.995	1.000	\$0.00		\$0.00	
	STERILIZATION - PHY FEMALE	\$0.57	1.019	1.032	0.995	1.000	\$0.60		\$0.60	
	STERILIZATION - PHY MALE	\$0.07	1.019	1.032	0.995	1.000	\$0.08		\$0.08	
	SURGERY	\$13.51	1.019	1.032	0.995	1.000	\$14.14		\$14.14	
	TARGETED CASE MAN - BABIES FIRST	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	TARGETED CASE MAN - HIV	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	TARGETED CASE MAN - SUBS ABUSE MOMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	THERAPEUTIC ABORTION - IP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	THERAPEUTIC ABORTION - OP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	THERAPEUTIC ABORTION - PHYS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	TRANSPORTATION - AMBULANCE	\$4.25	1.019	1.000	0.995	1.000	\$4.31		\$4.31	
	TRANSPORTATION - OTHER	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	VISION CARE - EXAMS & THERAPY	\$0.14	1.019	1.000	0.995	1.000	\$0.15		\$0.15	
	VISION CARE - MATERIALS & FITTING	\$0.13	1.019	1.000	0.995	1.000	\$0.13		\$0.13	
	PART A DEDUCTIBLE									
	PART B DEDUCTIBLE									
	OHP COPAY/PART B COINSURANCE ADJUSTMENT							-\$3.15	-\$3.15	
	Subtotal Physical Health	\$417.93				0.991	\$445.45	-\$103.73	\$341.72	
	Subtotal Physical Health with Admin Allowance								\$373.10	
CHEMICAL DEPENDENCY										
	CD SERVICES - ALTERNATIVE TO DETOX	\$0.37	1.104	1.096	1.000	1.000	\$0.45		\$0.45	
	CD SERVICES - METHADONE	\$1.74	1.104	1.096	1.000	1.000	\$2.10		\$2.10	
	OHP COPAY/CD SERVICES - OP	\$13.03	1.104	1.096	1.000	1.000	\$15.77		\$15.77	
	Subtotal Chemical Dependency	\$15.14					\$18.31		\$18.31	
	Subtotal Chemical Dependency with Admin Allowance								\$19.91	

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-H

Development of January 2011 Statewide FCHP, MHO, and DCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve- Out ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	
							= A * B * C * D * E			= F + G
Temporary Assistance to Needy Families (Adults Only)										
DENTAL										
	DENTAL - ADJUNCTIVE GENERAL	\$2.15	1.016	0.960	1.000	1.000	\$2.09		\$2.09	
	DENTAL - ANESTHESIA SURGICAL	\$0.35	1.016	0.960	1.000	1.000	\$0.35		\$0.35	
	DENTAL - DIAGNOSTIC	\$6.62	1.016	0.960	1.000	1.000	\$6.46		\$6.46	
	DENTAL - ENDODONTICS	\$1.66	1.016	0.960	1.000	1.000	\$1.62		\$1.62	
	DENTAL - I/P FIXED	\$0.01	1.016	0.960	1.000	1.000	\$0.01		\$0.01	
	DENTAL - ORAL SURGERY	\$4.30	1.016	0.960	1.000	1.000	\$4.19		\$4.19	
	DENTAL - ORTHODONTICS	\$0.00	1.016	0.960	1.000	1.000	\$0.00		\$0.00	
	DENTAL - PERIODONTICS	\$2.13	1.016	0.960	1.000	1.000	\$2.08		\$2.08	
	DENTAL - PREVENTIVE	\$2.04	1.016	0.960	1.000	1.000	\$1.99		\$1.99	
	DENTAL - PROS REMOVABLE	\$2.35	1.016	0.960	1.000	1.000	\$2.29		\$2.29	
	OHP COPAY/DENTAL - RESTORATIVE	\$7.41	1.016	0.960	1.000	1.000	\$7.22	-\$0.11	\$7.11	
	Subtotal Dental	\$29.02					\$28.31		\$28.19	
	Subtotal Dental with Admin Allowance								\$30.64	
MENTAL HEALTH										
	MH SERVICES ACUTE INPATIENT	\$4.63	1.012	1.000	1.000	0.974	\$4.56		\$4.56	
	MH SERVICES ALTERNATIVE TO IP	\$0.13	1.012	1.000	1.000	1.000	\$0.13		\$0.13	
	MH SERVICES ANCILLARY SERVICES	\$0.07	1.012	1.000	1.000	1.000	\$0.07		\$0.07	
	MH SERVICES ASSESS & EVAL	\$1.61	1.012	1.000	1.000	1.000	\$1.63		\$1.63	
	MH SERVICES CASE MANAGEMENT	\$1.91	1.012	1.000	1.000	1.000	\$1.93		\$1.93	
	MH SERVICES CONSULTATION	\$0.00	1.012	1.000	1.000	1.000	\$0.00		\$0.00	
	MH SERVICES FAMILY SUPPORT	\$0.01	1.012	1.000	1.000	1.000	\$0.02		\$0.02	
	MH SERVICES MED MANAGEMENT	\$0.21	1.012	1.000	1.000	1.000	\$0.22		\$0.22	
	MH SERVICES OP THERAPY	\$4.76	1.012	1.000	1.000	1.000	\$4.81		\$4.81	
	MH SERVICES OTHER OP	\$0.11	1.012	1.000	1.000	1.000	\$0.11		\$0.11	
	MH SERVICES PEO	\$0.29	1.000	1.000	1.000	1.000	\$0.29		\$0.29	
	MH SERVICES PHYS IP	\$2.23	1.012	1.000	1.000	1.000	\$2.25		\$2.25	
	MH SERVICES PHYS OP	\$11.30	1.012	1.000	1.000	1.000	\$11.44		\$11.44	
	MH SERVICES SUPPORT DAY PROGRAM	\$0.33	1.012	1.000	1.000	1.000	\$0.33		\$0.33	
	MH SERVICES INTENSIVE TREATMENT SVCS	\$0.00	1.012	1.000	1.000	1.000	\$0.00		\$0.00	
	OHP COPAY/MH SERVICES CONS ASSESS					1.000			-\$0.08	
	Subtotal Mental Health	\$27.57				0.996	\$27.78		\$27.71	
	Subtotal Mental Health with Admin Allowance								\$30.38	
	Total Services	\$489.66					\$519.85	-\$103.73	\$415.93	
	Total Services with Admin Allowance								\$454.03	

¹ Rate Smoothing Adjustment Factors apply to Physical Health, Chemical Dependency, and Dental for purpose of smoothing 2010 and 2011 rates from 2009 rate:

² Reflects adjustment due to removal of Third Party Liability recoveries

³ Reflects carving GME out of statewide rates, for purpose of setting plan specific GME and only applies to physical health service categories

⁴ Reflects Maternity Case Rate Carve-Out, Children's Mental Health Services Adjustment, Bariatric Surgery Adjustment, Dental Prophylactic benefit increase for children under age 1 and adjustment for copayment per OHP rules.

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-H

**Development of January 2011 Statewide FCHP, MHO, and DCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List**

Eligibility Category	Service Category	A	B	C	D	E	F	G	H
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve- Out ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM
		= A * B * C * D * E					= F + G		
Poverty Level Medical Adults									
PHYSICAL HEALTH									
	ADMINISTRATIVE EXAMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	ANESTHESIA	\$33.70	1.019	1.017	0.995	1.000	\$34.72		\$34.72
	EXCEPT NEEDS CARE COORDINATION	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	FP - IP HOSP	\$0.00	1.019	1.000	0.995	0.974	\$0.00		\$0.00
	FP - OP HOSP	\$0.23	1.032	1.043	0.995	1.000	\$0.25		\$0.25
	FP - PHYS	\$5.06	1.019	1.017	0.995	1.000	\$5.21		\$5.21
	HYSTERECTOMY - ANESTHESIA	\$0.02	1.019	1.017	0.995	1.000	\$0.02		\$0.02
	HYSTERECTOMY - IP HOSP	\$1.10	1.019	0.984	0.995	0.974	\$1.06		\$1.06
	HYSTERECTOMY - OP HOSP	\$0.00	1.032	1.000	0.995	1.000	\$0.00		\$0.00
	HYSTERECTOMY - PHYS	\$0.07	1.019	1.017	0.995	1.000	\$0.07		\$0.07
	IP HOSP - ACUTE DETOX	\$0.08	1.019	0.984	0.995	0.974	\$0.08		\$0.08
	IP HOSP - MATERNITY	\$523.40	1.019	0.984	0.995	0.974	\$508.54	-\$508.54	\$0.00
	IP HOSP - MATERNITY / STERILIZATION	\$21.17	1.019	0.984	0.995	0.974	\$20.57	-\$12.37	\$8.20
	IP HOSP - MEDICAL/SURGICAL	\$16.31	1.019	0.984	0.995	0.974	\$15.85		\$15.85
	IP HOSP - NEWBORN	\$0.01	1.019	0.984	0.995	0.974	\$0.01		\$0.01
	IP HOSP - POST HOSP EXTENDED CARE	\$0.00	1.019	1.000	0.995	0.974	\$0.00		\$0.00
	LAB & RAD - DIAGNOSTIC X-RAY	\$32.63	1.019	1.017	0.995	1.000	\$33.61		\$33.61
	LAB & RAD - LAB	\$26.11	1.019	1.017	0.995	1.000	\$26.90		\$26.90
	LAB & RAD - THERAPEUTIC X-RAY	\$0.02	1.019	1.017	0.995	1.000	\$0.02		\$0.02
	OP ER - SOMATIC MH	\$0.19	1.032	1.043	0.995	1.000	\$0.20		\$0.20
	OP HOSP - BASIC	\$22.19	1.032	1.043	0.995	1.000	\$23.76		\$23.76
	OP HOSP - EMERGENCY ROOM	\$8.23	1.032	1.043	0.995	1.000	\$8.81		\$8.81
	OP HOSP - LAB & RAD	\$19.10	1.032	1.043	0.995	1.000	\$20.45		\$20.45
	OP HOSP - MATERNITY	\$95.37	1.032	1.043	0.995	1.000	\$102.10	-\$102.10	\$0.00
	OP HOSP - POST HOSP EXTENDED CARE	\$0.03	1.032	1.043	0.995	1.000	\$0.03		\$0.03
	OP HOSP - PRES DRUGS BASIC	\$5.21	1.032	1.043	0.995	1.000	\$5.57		\$5.57
	OP HOSP - PRES DRUGS MH/CD	\$0.01	1.032	1.043	0.995	1.000	\$0.01		\$0.01
	OP HOSP - SOMATIC MH	\$0.20	1.032	1.043	0.995	1.000	\$0.21		\$0.21
	OTH MED - DME	\$0.60	1.019	1.000	0.995	1.000	\$0.61		\$0.61
	OTH MED - HHC/PDN	\$0.33	1.019	1.000	0.995	1.000	\$0.34		\$0.34
	OTH MED - HOSPICE	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00
	OTH MED - MATERNITY MGT	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00
	OTH MED - SUPPLIES	\$1.34	1.019	1.000	0.995	1.000	\$1.36		\$1.36
	PHYS CONSULTATION, IP & ER VISITS	\$7.25	1.019	1.017	0.995	1.000	\$7.46		\$7.46
	PHYS HOME OR LONG-TERM CARE VISITS	\$0.00	1.019	1.017	0.995	1.000	\$0.00		\$0.00
	PHYS MATERNITY	\$351.62	1.019	1.017	0.995	1.000	\$362.26	-\$362.26	\$0.00
	PHYS NEWBORN	\$0.17	1.019	1.017	0.995	1.000	\$0.18		\$0.18
	PHYS OFFICE VISITS	\$16.58	1.019	1.017	0.995	1.000	\$17.08		\$17.08
	PHYS OTHER	\$2.78	1.019	1.017	0.995	1.000	\$2.86		\$2.86

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-H

**Development of January 2011 Statewide FCHP, MHO, and DCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
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Eligibility Category	Service Category	A	B	C	D	E	F	G	H
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve- Out ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM
		= A * B * C * D * E					= F + G		
Poverty Level Medical Adults									
	PHYS SOMATIC MH	\$1.03	1.019	1.017	0.995	1.000	\$1.06		\$1.06
	PRES DRUGS - BASIC	\$26.01	1.021	0.961	0.995	1.000	\$25.39		\$25.39
	PRES DRUGS - FP	\$1.85	1.021	0.961	0.995	1.000	\$1.80		\$1.80
	PRES DRUGS - MH/CD	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	SCHOOL-BASED HEALTH SERVICES	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - ANESTHESIA FEMALE	\$1.77	1.019	1.017	0.995	1.000	\$1.82		\$1.82
	STERILIZATION - ANESTHESIA MALE	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - IP HOSP FEMALE	\$23.62	1.019	0.984	0.995	0.974	\$22.95		\$22.95
	STERILIZATION - IP HOSP MALE	\$0.00	1.019	1.000	0.995	0.974	\$0.00		\$0.00
	STERILIZATION - OP HOSP FEMALE	\$1.65	1.032	1.043	0.995	1.000	\$1.77		\$1.77
	STERILIZATION - OP HOSP MALE	\$0.00	1.032	1.000	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - PHY FEMALE	\$2.98	1.019	1.017	0.995	1.000	\$3.07		\$3.07
	STERILIZATION - PHY MALE	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00
	SURGERY	\$7.26	1.019	1.017	0.995	1.000	\$7.48		\$7.48
	TARGETED CASE MAN - BABIES FIRST	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	TARGETED CASE MAN - HIV	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	TARGETED CASE MAN - SUBS ABUSE MOMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	THERAPEUTIC ABORTION - IP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	THERAPEUTIC ABORTION - OP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	THERAPEUTIC ABORTION - PHYS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	TRANSPORTATION - AMBULANCE	\$6.78	1.019	1.000	0.995	1.000	\$6.87		\$6.87
	TRANSPORTATION - OTHER	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	VISION CARE - EXAMS & THERAPY	\$2.34	1.019	1.000	0.995	1.000	\$2.37		\$2.37
	VISION CARE - MATERIALS & FITTING	\$1.95	1.019	1.000	0.995	1.000	\$1.98		\$1.98
	PART A DEDUCTIBLE								
	PART B DEDUCTIBLE								
	OHP COPAY/PART B COINSURANCE ADJUSTMENT								
	Subtotal Physical Health	\$1,268.34				0.988	\$1,276.78	-\$985.27	\$291.51
	Subtotal Physical Health with Admin Allowance								\$318.28
	CHEMICAL DEPENDENCY								
	CD SERVICES - ALTERNATIVE TO DETOX	\$0.06	1.104	1.104	1.000	1.000	\$0.07		\$0.07
	CD SERVICES - METHADONE	\$0.57	1.104	1.104	1.000	1.000	\$0.70		\$0.70
	OHP COPAY/CD SERVICES - OP	\$7.62	1.104	1.104	1.000	1.000	\$9.29		\$9.29
	Subtotal Chemical Dependency	\$8.25					\$10.05		\$10.05
	Subtotal Chemical Dependency with Admin Allowance								\$10.93

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-H

**Development of January 2011 Statewide FCHP, MHO, and DCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
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		= A * B * C * D * E					= F + G		
Poverty Level Medical Adults									
DENTAL									
	DENTAL - ADJUNCTIVE GENERAL	\$1.41	1.016	0.997	1.000	1.000	\$1.43		\$1.43
	DENTAL - ANESTHESIA SURGICAL	\$0.15	1.016	0.997	1.000	1.000	\$0.15		\$0.15
	DENTAL - DIAGNOSTIC	\$6.94	1.016	0.997	1.000	1.000	\$7.03		\$7.03
	DENTAL - ENDODONTICS	\$1.72	1.016	0.997	1.000	1.000	\$1.74		\$1.74
	DENTAL - I/P FIXED	\$0.01	1.016	0.997	1.000	1.000	\$0.01		\$0.01
	DENTAL - ORAL SURGERY	\$2.38	1.016	0.997	1.000	1.000	\$2.41		\$2.41
	DENTAL - ORTHODONTICS	\$0.00	1.016	0.997	1.000	1.000	\$0.00		\$0.00
	DENTAL - PERIODONTICS	\$1.78	1.016	0.997	1.000	1.000	\$1.80		\$1.80
	DENTAL - PREVENTIVE	\$3.00	1.016	0.997	1.000	1.000	\$3.04		\$3.04
	DENTAL - PROS REMOVABLE	\$0.37	1.016	0.997	1.000	1.000	\$0.37		\$0.37
	OHP COPAY/DENTAL - RESTORATIVE	\$7.51	1.016	0.997	1.000	1.000	\$7.61		\$7.61
	Subtotal Dental	\$25.26					\$25.59		\$25.59
	Subtotal Dental with Admin Allowance								\$27.82
MENTAL HEALTH									
	MH SERVICES ACUTE INPATIENT	\$1.30	1.012	1.000	1.000	0.974	\$1.29		\$1.29
	MH SERVICES ALTERNATIVE TO IP	\$0.05	1.012	1.000	1.000	1.000	\$0.05		\$0.05
	MH SERVICES ANCILLARY SERVICES	\$0.00	1.012	1.000	1.000	1.000	\$0.00		\$0.00
	MH SERVICES ASSESS & EVAL	\$0.81	1.012	1.000	1.000	1.000	\$0.82		\$0.82
	MH SERVICES CASE MANAGEMENT	\$0.61	1.012	1.000	1.000	1.000	\$0.62		\$0.62
	MH SERVICES CONSULTATION	\$0.00	1.012	1.000	1.000	1.000	\$0.00		\$0.00
	MH SERVICES FAMILY SUPPORT	\$0.00	1.012	1.000	1.000	1.000	\$0.00		\$0.00
	MH SERVICES MED MANAGEMENT	\$0.03	1.012	1.000	1.000	1.000	\$0.03		\$0.03
	MH SERVICES OP THERAPY	\$1.49	1.012	1.000	1.000	1.000	\$1.50		\$1.50
	MH SERVICES OTHER OP	\$0.05	1.012	1.000	1.000	1.000	\$0.05		\$0.05
	MH SERVICES PEO	\$0.30	1.000	1.000	1.000	1.000	\$0.30		\$0.30
	MH SERVICES PHYS IP	\$0.52	1.012	1.000	1.000	1.000	\$0.53		\$0.53
	MH SERVICES PHYS OP	\$4.31	1.012	1.000	1.000	1.000	\$4.36		\$4.36
	MH SERVICES SUPPORT DAY PROGRAM	\$0.15	1.012	1.000	1.000	1.000	\$0.15		\$0.15
	MH SERVICES INTENSIVE TREATMENT SVCS	\$0.00	1.012	1.000	1.000	1.000	\$0.00		\$0.00
	OHP COPAY/MH SERVICES CONS ASSESS								\$0.00
	MH SERVICES CARE COORD	\$0.00							\$0.00
	Subtotal Mental Health	\$9.62				0.997	\$9.70		\$9.70
	Subtotal Mental Health with Admin Allowance								\$10.63
	Total Services	\$1,311.47					\$1,322.12	-\$985.27	\$336.85
	Total Services with Admin Allowance								\$367.65

¹ Rate Smoothing Adjustment Factors apply to Physical Health, Chemical Dependency, and Dental for purpose of smoothing 2010 and 2011 rates from 2009 rate:

² Reflects adjustment due to removal of Third Party Liability recoveries

³ Reflects carving GME out of statewide rates, for purpose of setting plan specific GME and only applies to physical health service categories:

⁴ Reflects Maternity Case Rate Carve-Out, Children's Mental Health Services Adjustment, Bariatric Surgery Adjustment, Dental Prophylactic benefit increase for children under age 1 and adjustment for copayment per OHP rules.

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-H

**Development of January 2011 Statewide FCHP, MHO, and DCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List**

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve- Out ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	
		= A * B * C * D * E					= F + G			
PLM, TANF, and CHIP Children < 1										
PHYSICAL HEALTH										
	ADMINISTRATIVE EXAMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	ANESTHESIA	\$2.11	1.013	1.001	0.995	1.000	\$2.13		\$2.13	
	EXCEPT NEEDS CARE COORDINATION	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	FP - IP HOSP	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	
	FP - OP HOSP	\$0.00	1.024	0.892	0.995	1.000	\$0.00		\$0.00	
	FP - PHYS	\$0.00	1.013	1.001	0.995	1.000	\$0.00		\$0.00	
	HYSTERECTOMY - ANESTHESIA	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00	
	HYSTERECTOMY - IP HOSP	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	
	HYSTERECTOMY - OP HOSP	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00	
	HYSTERECTOMY - PHYS	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00	
	IP HOSP - ACUTE DETOX	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	
	IP HOSP - MATERNITY	\$0.13	1.015	1.016	0.995	0.974	\$0.13		\$0.13	
	IP HOSP - MATERNITY / STERILIZATION	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	
	IP HOSP - MEDICAL/SURGICAL	\$79.22	1.015	1.016	0.995	0.974	\$79.15		\$79.15	
	IP HOSP - NEWBORN	\$219.14	1.015	1.016	0.995	0.974	\$218.93		\$218.93	
	IP HOSP - POST HOSP EXTENDED CARE	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	
	LAB & RAD - DIAGNOSTIC X-RAY	\$3.00	1.013	1.001	0.995	1.000	\$3.03		\$3.03	
	LAB & RAD - LAB	\$1.21	1.013	1.001	0.995	1.000	\$1.22		\$1.22	
	LAB & RAD - THERAPEUTIC X-RAY	\$0.01	1.013	1.001	0.995	1.000	\$0.01		\$0.01	
	OP ER - SOMATIC MH	\$0.00	1.024	0.892	0.995	1.000	\$0.00		\$0.00	
	OP HOSP - BASIC	\$13.67	1.024	0.892	0.995	1.000	\$12.43		\$12.43	
	OP HOSP - EMERGENCY ROOM	\$11.29	1.024	0.892	0.995	1.000	\$10.26		\$10.26	
	OP HOSP - LAB & RAD	\$7.71	1.024	0.892	0.995	1.000	\$7.01		\$7.01	
	OP HOSP - MATERNITY	\$0.02	1.024	0.892	0.995	1.000	\$0.02		\$0.02	
	OP HOSP - POST HOSP EXTENDED CARE	\$0.03	1.024	0.892	0.995	1.000	\$0.02		\$0.02	
	OP HOSP - PRES DRUGS BASIC	\$0.82	1.024	0.892	0.995	1.000	\$0.75		\$0.75	
	OP HOSP - PRES DRUGS MH/CD	\$0.00	1.024	0.892	0.995	1.000	\$0.00		\$0.00	
	OP HOSP - SOMATIC MH	\$0.04	1.024	0.892	0.995	1.000	\$0.03		\$0.03	
	OTH MED - DME	\$1.42	1.013	1.000	0.995	1.000	\$1.43		\$1.43	
	OTH MED - HHC/PDN	\$0.48	1.013	1.000	0.995	1.000	\$0.48		\$0.48	
	OTH MED - HOSPICE	\$0.22	1.013	1.000	0.995	1.000	\$0.22		\$0.22	
	OTH MED - MATERNITY MGT	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00	
	OTH MED - SUPPLIES	\$0.79	1.013	1.000	0.995	1.000	\$0.79		\$0.79	
	PHYS CONSULTATION, IP & ER VISITS	\$33.46	1.013	1.001	0.995	1.000	\$33.75		\$33.75	
	PHYS HOME OR LONG-TERM CARE VISITS	\$0.06	1.013	1.001	0.995	1.000	\$0.06		\$0.06	
	PHYS MATERNITY	\$0.16	1.013	1.001	0.995	1.000	\$0.16		\$0.16	
	PHYS NEWBORN	\$6.03	1.013	1.001	0.995	1.000	\$6.08		\$6.08	
	PHYS OFFICE VISITS	\$69.99	1.013	1.001	0.995	1.000	\$70.58		\$70.58	
	PHYS OTHER	\$8.63	1.013	1.001	0.995	1.000	\$8.70		\$8.70	

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-H

**Development of January 2011 Statewide FCHP, MHO, and DCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List**

Eligibility Category	Service Category	A	B	C	D	E	F	G	H
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve- Out ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM
		= A * B * C * D * E							= F + G
PLM, TANF, and CHIP Children < 1									
	PHYS SOMATIC MH	\$0.12	1.013	1.001	0.995	1.000	\$0.12		\$0.12
	PRES DRUGS - BASIC	\$9.96	1.011	0.902	0.995	1.000	\$9.04		\$9.04
	PRES DRUGS - FP	\$0.00	1.011	0.902	0.995	1.000	\$0.00		\$0.00
	PRES DRUGS - MH/CD	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	SCHOOL-BASED HEALTH SERVICES	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - ANESTHESIA FEMALE	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - ANESTHESIA MALE	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - IP HOSP FEMALE	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00
	STERILIZATION - IP HOSP MALE	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00
	STERILIZATION - OP HOSP FEMALE	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - OP HOSP MALE	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - PHY FEMALE	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - PHY MALE	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00
	SURGERY	\$6.25	1.013	1.001	0.995	1.000	\$6.31		\$6.31
	TARGETED CASE MAN - BABIES FIRST	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	TARGETED CASE MAN - HIV	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	TARGETED CASE MAN - SUBS ABUSE MOMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	THERAPEUTIC ABORTION - IP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	THERAPEUTIC ABORTION - OP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	THERAPEUTIC ABORTION - PHYS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	TRANSPORTATION - AMBULANCE	\$5.79	1.013	1.000	0.995	1.000	\$5.83		\$5.83
	TRANSPORTATION - OTHER	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	VISION CARE - EXAMS & THERAPY	\$0.50	1.013	1.000	0.995	1.000	\$0.50		\$0.50
	VISION CARE - MATERIALS & FITTING	\$0.04	1.013	1.000	0.995	1.000	\$0.04		\$0.04
	PART A DEDUCTIBLE								
	PART B DEDUCTIBLE								
	OHP COPAY/PART B COINSURANCE ADJUSTMENT								
	Subtotal Physical Health	\$482.30				0.984	\$479.20		\$479.20
	Subtotal Physical Health with Admin Allowance								\$523.20
	CHEMICAL DEPENDENCY								
	CD SERVICES - ALTERNATIVE TO DETOX	\$0.00	1.074	0.314	1.000	1.000	\$0.00		\$0.00
	CD SERVICES - METHADONE	\$0.00	1.074	0.314	1.000	1.000	\$0.00		\$0.00
	OHP COPAY/CD SERVICES - OP	\$0.00	1.074	0.314	1.000	1.000	\$0.00		\$0.00
	Subtotal Chemical Dependency	\$0.00					\$0.00		\$0.00
	Subtotal Chemical Dependency with Admin Allowance								\$0.00

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-H

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Eligibility Category	Service Category	A	B	C	D	E	F	G	H
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve- Out ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM
		= A * B * C * D * E							= F + G
PLM, TANF, and CHIP Children < 1									
DENTAL									
	DENTAL - ADJUNCTIVE GENERAL	\$0.01	1.011	1.132	1.000	1.000	\$0.01		\$0.01
	DENTAL - ANESTHESIA SURGICAL	\$0.00	1.011	1.132	1.000	1.000	\$0.00		\$0.00
	DENTAL - DIAGNOSTIC	\$0.13	1.011	1.132	1.000	1.000	\$0.14		\$0.14
	DENTAL - ENDODONTICS	\$0.00	1.011	1.132	1.000	1.000	\$0.00		\$0.00
	DENTAL - I/P FIXED	\$0.00	1.011	1.132	1.000	1.000	\$0.00		\$0.00
	DENTAL - ORAL SURGERY	\$0.01	1.011	1.132	1.000	1.000	\$0.01		\$0.01
	DENTAL - ORTHODONTICS	\$0.00	1.011	1.132	1.000	1.000	\$0.00		\$0.00
	DENTAL - PERIODONTICS	\$0.00	1.011	1.132	1.000	1.000	\$0.00		\$0.00
	DENTAL - PREVENTIVE	\$0.07	1.011	1.132	1.000	1.000	\$0.08		\$0.08
	DENTAL - PROS REMOVABLE	\$0.00	1.011	1.132	1.000	1.000	\$0.00		\$0.00
	OHP COPAY/DENTAL - RESTORATIVE	\$0.02	1.011	1.132	1.000	1.000	\$0.03		\$0.03
	Subtotal Dental	\$0.25					\$0.28		\$0.28
	Subtotal Dental with Admin Allowance								\$0.31
MENTAL HEALTH									
	MH SERVICES ACUTE INPATIENT	\$0.02	1.011	1.000	1.000	0.974	\$0.02		\$0.02
	MH SERVICES ALTERNATIVE TO IP	\$0.04	1.011	1.000	1.000	1.000	\$0.04		\$0.04
	MH SERVICES ANCILLARY SERVICES	\$0.00	1.011	1.000	1.000	1.000	\$0.00		\$0.00
	MH SERVICES ASSESS & EVAL	\$0.01	1.011	1.000	1.000	1.000	\$0.01		\$0.01
	MH SERVICES CASE MANAGEMENT	\$0.06	1.011	1.000	1.000	1.000	\$0.06		\$0.06
	MH SERVICES CONSULTATION	\$0.00	1.011	1.000	1.000	1.000	\$0.00		\$0.00
	MH SERVICES FAMILY SUPPORT	\$0.00	1.011	1.000	1.000	1.000	\$0.00		\$0.00
	MH SERVICES MED MANAGEMENT	\$0.00	1.011	1.000	1.000	1.000	\$0.00		\$0.00
	MH SERVICES OP THERAPY	\$0.01	1.011	1.000	1.000	1.000	\$0.01		\$0.01
	MH SERVICES OTHER OP	\$0.00	1.011	1.000	1.000	1.000	\$0.00		\$0.00
	MH SERVICES PEO	\$0.29	1.000	1.000	1.000	1.000	\$0.29		\$0.29
	MH SERVICES PHYS IP	\$0.01	1.011	1.000	1.000	1.000	\$0.01		\$0.01
	MH SERVICES PHYS OP	\$0.19	1.011	1.000	1.000	1.000	\$0.19		\$0.19
	MH SERVICES SUPPORT DAY PROGRAM	\$0.00	1.011	1.000	1.000	1.000	\$0.00		\$0.00
	MH SERVICES INTENSIVE TREATMENT SVCS	\$0.01	1.011	1.000	1.000	1.000	\$0.01	-\$0.01	\$0.00
	OHP COPAY/MH SERVICES CONS ASSESS								\$0.00
	Subtotal Mental Health	\$0.63				0.999	\$0.64	-\$0.01	\$0.62
	Subtotal Mental Health with Admin Allowance								\$0.68
	Total Services	\$483.18					\$480.12	-\$0.01	\$480.11
	Total Services with Admin Allowance								\$524.19

¹ Rate Smoothing Adjustment Factors apply to Physical Health, Chemical Dependency, and Dental for purpose of smoothing 2010 and 2011 rates from 2009 rate:

² Reflects adjustment due to removal of Third Party Liability recoveries

³ Reflects carving GME out of statewide rates, for purpose of setting plan specific GME and only applies to physical health service categories

⁴ Reflects Maternity Case Rate Carve-Out, Children's Mental Health Services Adjustment, Bariatric Surgery Adjustment, Dental Prophylactic benefit increase for children under age 1 and adjustment for copayment per OHP rules.

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		= A * B * C * D * E					= F + G			
PLM, TANF, and CHIP Children 1 - 5										
PHYSICAL HEALTH										
	ADMINISTRATIVE EXAMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	ANESTHESIA	\$1.97	1.013	0.999	0.995	1.000	\$1.98		\$1.98	
	EXCEPT NEEDS CARE COORDINATION	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	FP - IP HOSP	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	
	FP - OP HOSP	\$0.00	1.024	0.908	0.995	1.000	\$0.00		\$0.00	
	FP - PHYS	\$0.00	1.013	0.999	0.995	1.000	\$0.00		\$0.00	
	HYSTERECTOMY - ANESTHESIA	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00	
	HYSTERECTOMY - IP HOSP	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	
	HYSTERECTOMY - OP HOSP	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00	
	HYSTERECTOMY - PHYS	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00	
	IP HOSP - ACUTE DETOX	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	
	IP HOSP - MATERNITY	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	
	IP HOSP - MATERNITY / STERILIZATION	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	
	IP HOSP - MEDICAL/SURGICAL	\$13.31	1.015	0.985	0.995	0.974	\$12.89		\$12.89	
	IP HOSP - NEWBORN	\$0.00	1.015	0.985	0.995	0.974	\$0.00		\$0.00	
	IP HOSP - POST HOSP EXTENDED CARE	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	
	LAB & RAD - DIAGNOSTIC X-RAY	\$1.03	1.013	0.999	0.995	1.000	\$1.04		\$1.04	
	LAB & RAD - LAB	\$0.91	1.013	0.999	0.995	1.000	\$0.91		\$0.91	
	LAB & RAD - THERAPEUTIC X-RAY	\$0.03	1.013	0.999	0.995	1.000	\$0.03		\$0.03	
	OP ER - SOMATIC MH	\$0.01	1.024	0.908	0.995	1.000	\$0.01		\$0.01	
	OP HOSP - BASIC	\$12.96	1.024	0.908	0.995	1.000	\$11.99		\$11.99	
	OP HOSP - EMERGENCY ROOM	\$7.30	1.024	0.908	0.995	1.000	\$6.76		\$6.76	
	OP HOSP - LAB & RAD	\$4.06	1.024	0.908	0.995	1.000	\$3.75		\$3.75	
	OP HOSP - MATERNITY	\$0.00	1.024	0.908	0.995	1.000	\$0.00		\$0.00	
	OP HOSP - POST HOSP EXTENDED CARE	\$0.00	1.024	0.908	0.995	1.000	\$0.00		\$0.00	
	OP HOSP - PRES DRUGS BASIC	\$0.85	1.024	0.908	0.995	1.000	\$0.79		\$0.79	
	OP HOSP - PRES DRUGS MH/CD	\$0.00	1.024	0.908	0.995	1.000	\$0.00		\$0.00	
	OP HOSP - SOMATIC MH	\$0.19	1.024	0.908	0.995	1.000	\$0.18		\$0.18	
	OTH MED - DME	\$0.35	1.013	1.000	0.995	1.000	\$0.36		\$0.36	
	OTH MED - HHC/PDN	\$0.17	1.013	1.000	0.995	1.000	\$0.17		\$0.17	
	OTH MED - HOSPICE	\$0.02	1.013	1.000	0.995	1.000	\$0.02		\$0.02	
	OTH MED - MATERNITY MGT	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00	
	OTH MED - SUPPLIES	\$0.25	1.013	1.000	0.995	1.000	\$0.26		\$0.26	
	PHYS CONSULTATION, IP & ER VISITS	\$4.98	1.013	0.999	0.995	1.000	\$5.01		\$5.01	
	PHYS HOME OR LONG-TERM CARE VISITS	\$0.00	1.013	0.999	0.995	1.000	\$0.00		\$0.00	
	PHYS MATERNITY	\$0.01	1.013	0.999	0.995	1.000	\$0.01		\$0.01	
	PHYS NEWBORN	\$0.04	1.013	0.999	0.995	1.000	\$0.04		\$0.04	
	PHYS OFFICE VISITS	\$22.76	1.013	0.999	0.995	1.000	\$22.89		\$22.89	
	PHYS OTHER	\$1.99	1.013	0.999	0.995	1.000	\$2.00		\$2.00	

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-H

**Development of January 2011 Statewide FCHP, MHO, and DCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List**

Eligibility Category	Service Category	A	B	C	D	E	F	G	H
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve- Out ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM
		= A * B * C * D * E							= F + G
PLM, TANF, and CHIP Children 1 - 5									
	PHYS SOMATIC MH	\$0.68	1.013	0.999	0.995	1.000	\$0.68		\$0.68
	PRES DRUGS - BASIC	\$6.74	1.011	0.922	0.995	1.000	\$6.24		\$6.24
	PRES DRUGS - FP	\$0.00	1.011	0.922	0.995	1.000	\$0.00		\$0.00
	PRES DRUGS - MH/CD	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	SCHOOL-BASED HEALTH SERVICES	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - ANESTHESIA FEMALE	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - ANESTHESIA MALE	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - IP HOSP FEMALE	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00
	STERILIZATION - IP HOSP MALE	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00
	STERILIZATION - OP HOSP FEMALE	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - OP HOSP MALE	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - PHY FEMALE	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - PHY MALE	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00
	SURGERY	\$3.41	1.013	0.999	0.995	1.000	\$3.43		\$3.43
	TARGETED CASE MAN - BABIES FIRST	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	TARGETED CASE MAN - HIV	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	TARGETED CASE MAN - SUBS ABUSE MOMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	THERAPEUTIC ABORTION - IP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	THERAPEUTIC ABORTION - OP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	THERAPEUTIC ABORTION - PHYS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	TRANSPORTATION - AMBULANCE	\$1.15	1.013	1.000	0.995	1.000	\$1.16		\$1.16
	TRANSPORTATION - OTHER	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	VISION CARE - EXAMS & THERAPY	\$0.74	1.013	1.000	0.995	1.000	\$0.75		\$0.75
	VISION CARE - MATERIALS & FITTING	\$0.28	1.013	1.000	0.995	1.000	\$0.28		\$0.28
	PART A DEDUCTIBLE								
	PART B DEDUCTIBLE								
	OHP COPAY/PART B COINSURANCE ADJUSTMENT								
	Subtotal Physical Health	\$86.18				0.996	\$83.62		\$83.62
	Subtotal Physical Health with Admin Allowance								\$91.30
	CHEMICAL DEPENDENCY								
	CD SERVICES - ALTERNATIVE TO DETOX	\$0.00	1.074	1.177	1.000	1.000	\$0.00		\$0.00
	CD SERVICES - METHADONE	\$0.00	1.074	1.177	1.000	1.000	\$0.00		\$0.00
	OHP COPAY/CD SERVICES - OP	\$0.00	1.074	1.177	1.000	1.000	\$0.00		\$0.00
	Subtotal Chemical Dependency	\$0.00					\$0.00		\$0.00
	Subtotal Chemical Dependency with Admin Allowance								\$0.00

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-H

**Development of January 2011 Statewide FCHP, MHO, and DCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List**

Eligibility Category	Service Category	A	B	C	D	E	F	G	H
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve- Out ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM
		= A * B * C * D * E							= F + G
PLM, TANF, and CHIP Children 1 - 5									
DENTAL									
	DENTAL - ADJUNCTIVE GENERAL	\$0.69	1.011	1.003	1.000	1.000	\$0.70		\$0.70
	DENTAL - ANESTHESIA SURGICAL	\$0.79	1.011	1.003	1.000	1.000	\$0.80		\$0.80
	DENTAL - DIAGNOSTIC	\$3.58	1.011	1.003	1.000	1.000	\$3.63		\$3.63
	DENTAL - ENDODONTICS	\$1.15	1.011	1.003	1.000	1.000	\$1.17		\$1.17
	DENTAL - I/P FIXED	\$0.00	1.011	1.003	1.000	1.000	\$0.00		\$0.00
	DENTAL - ORAL SURGERY	\$0.77	1.011	1.003	1.000	1.000	\$0.78		\$0.78
	DENTAL - ORTHODONTICS	\$0.00	1.011	1.003	1.000	1.000	\$0.00		\$0.00
	DENTAL - PERIODONTICS	\$0.00	1.011	1.003	1.000	1.000	\$0.00		\$0.00
	DENTAL - PREVENTIVE	\$2.93	1.011	1.003	1.000	1.000	\$2.97		\$2.97
	DENTAL - PROS REMOVABLE	\$0.00	1.011	1.003	1.000	1.000	\$0.00		\$0.00
	OHP COPAY/DENTAL - RESTORATIVE	\$7.98	1.011	1.003	1.000	1.000	\$8.09		\$8.09
	Subtotal Dental	\$17.89					\$18.15		\$18.15
	Subtotal Dental with Admin Allowance								\$19.73
MENTAL HEALTH									
	MH SERVICES ACUTE INPATIENT	\$0.10	1.011	1.000	1.000	0.974	\$0.09		\$0.09
	MH SERVICES ALTERNATIVE TO IP	\$0.00	1.011	1.000	1.000	1.000	\$0.00		\$0.00
	MH SERVICES ANCILLARY SERVICES	\$0.00	1.011	1.000	1.000	1.000	\$0.00		\$0.00
	MH SERVICES ASSESS & EVAL	\$0.32	1.011	1.000	1.000	1.000	\$0.33		\$0.33
	MH SERVICES CASE MANAGEMENT	\$0.23	1.011	1.000	1.000	1.000	\$0.23		\$0.23
	MH SERVICES CONSULTATION	\$0.00	1.011	1.000	1.000	1.000	\$0.00		\$0.00
	MH SERVICES FAMILY SUPPORT	\$0.01	1.011	1.000	1.000	1.000	\$0.01		\$0.01
	MH SERVICES MED MANAGEMENT	\$0.00	1.011	1.000	1.000	1.000	\$0.00		\$0.00
	MH SERVICES OP THERAPY	\$0.45	1.011	1.000	1.000	1.000	\$0.45		\$0.45
	MH SERVICES OTHER OP	\$0.01	1.011	1.000	1.000	1.000	\$0.01		\$0.01
	MH SERVICES PEO	\$0.29	1.000	1.000	1.000	1.000	\$0.29		\$0.29
	MH SERVICES PHYS IP	\$0.17	1.011	1.000	1.000	1.000	\$0.17		\$0.17
	MH SERVICES PHYS OP	\$2.21	1.011	1.000	1.000	1.000	\$2.23		\$2.23
	MH SERVICES SUPPORT DAY PROGRAM	\$0.19	1.011	1.000	1.000	1.000	\$0.20		\$0.20
	MH SERVICES INTENSIVE TREATMENT SVCS	\$0.93	1.011	1.000	1.000	1.000	\$0.94	-\$0.34	\$0.60
	OHP COPAY/MH SERVICES CONS ASSESS								\$0.00
	Subtotal Mental Health	\$4.91				0.999	\$4.96	\$0.92	\$4.62
	Subtotal Mental Health with Admin Allowance								\$5.06
	Total Services	\$108.98					\$106.73	\$0.92	\$106.39
	Total Services with Admin Allowance								\$116.09

¹ Rate Smoothing Adjustment Factors apply to Physical Health, Chemical Dependency, and Dental for purpose of smoothing 2010 and 2011 rates from 2009 rate:

² Reflects adjustment due to removal of Third Party Liability recoveries

³ Reflects carving GME out of statewide rates, for purpose of setting plan specific GME and only applies to physical health service categories:

⁴ Reflects Maternity Case Rate Carve-Out, Children's Mental Health Services Adjustment, Bariatric Surgery Adjustment, Dental Prophylactic benefit increase for children under age 1 and adjustment for copayment per OHP rules.

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-H

Development of January 2011 Statewide FCHP, MHO, and DCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

Eligibility Category	Service Category	A	B	C	D	E	F	G	H
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve- Out ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM
		= A * B * C * D * E					= F + G		
PLM, TANF, and CHIP Children 6 - 18									
PHYSICAL HEALTH									
	ADMINISTRATIVE EXAMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	ANESTHESIA	\$1.06	1.013	0.991	0.995	1.000	\$1.06		\$1.06
	EXCEPT NEEDS CARE COORDINATION	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	FP - IP HOSP	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00
	FP - OP HOSP	\$0.01	1.024	0.922	0.995	1.000	\$0.01		\$0.01
	FP - PHYS	\$0.08	1.013	0.991	0.995	1.000	\$0.08		\$0.08
	HYSTERECTOMY - ANESTHESIA	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00
	HYSTERECTOMY - IP HOSP	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00
	HYSTERECTOMY - OP HOSP	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00
	HYSTERECTOMY - PHYS	\$0.00	1.013	0.991	0.995	1.000	\$0.00		\$0.00
	IP HOSP - ACUTE DETOX	\$0.07	1.015	1.027	0.995	0.974	\$0.07		\$0.07
	IP HOSP - MATERNITY	\$2.44	1.015	1.027	0.995	0.974	\$2.47	-\$2.47	\$0.00
	IP HOSP - MATERNITY / STERILIZATION	\$0.01	1.015	1.027	0.995	0.974	\$0.01	-\$0.01	\$0.00
	IP HOSP - MEDICAL/SURGICAL	\$14.15	1.015	1.027	0.995	0.974	\$14.29		\$14.29
	IP HOSP - NEWBORN	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00
	IP HOSP - POST HOSP EXTENDED CARE	\$0.00	1.015	1.027	0.995	0.974	\$0.00		\$0.00
	LAB & RAD - DIAGNOSTIC X-RAY	\$1.78	1.013	0.991	0.995	1.000	\$1.78		\$1.78
	LAB & RAD - LAB	\$1.47	1.013	0.991	0.995	1.000	\$1.47		\$1.47
	LAB & RAD - THERAPEUTIC X-RAY	\$0.02	1.013	0.991	0.995	1.000	\$0.02		\$0.02
	OP ER - SOMATIC MH	\$0.16	1.024	0.922	0.995	1.000	\$0.15		\$0.15
	OP HOSP - BASIC	\$8.14	1.024	0.922	0.995	1.000	\$7.65		\$7.65
	OP HOSP - EMERGENCY ROOM	\$5.25	1.024	0.922	0.995	1.000	\$4.93		\$4.93
	OP HOSP - LAB & RAD	\$5.70	1.024	0.922	0.995	1.000	\$5.35		\$5.35
	OP HOSP - MATERNITY	\$0.62	1.024	0.922	0.995	1.000	\$0.59	-\$0.59	\$0.00
	OP HOSP - POST HOSP EXTENDED CARE	\$0.00	1.024	0.922	0.995	1.000	\$0.00		\$0.00
	OP HOSP - PRES DRUGS BASIC	\$0.75	1.024	0.922	0.995	1.000	\$0.71		\$0.71
	OP HOSP - PRES DRUGS MH/CD	\$0.00	1.024	0.922	0.995	1.000	\$0.00		\$0.00
	OP HOSP - SOMATIC MH	\$0.18	1.024	0.922	0.995	1.000	\$0.17		\$0.17
	OTH MED - DME	\$0.30	1.013	1.000	0.995	1.000	\$0.30		\$0.30
	OTH MED - HHC/PDN	\$0.07	1.013	1.000	0.995	1.000	\$0.07		\$0.07
	OTH MED - HOSPICE	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00
	OTH MED - MATERNITY MGT	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00
	OTH MED - SUPPLIES	\$0.34	1.013	1.000	0.995	1.000	\$0.34		\$0.34
	PHYS CONSULTATION, IP & ER VISITS	\$3.48	1.013	0.991	0.995	1.000	\$3.47		\$3.47
	PHYS HOME OR LONG-TERM CARE VISITS	\$0.00	1.013	0.991	0.995	1.000	\$0.00		\$0.00
	PHYS MATERNITY	\$1.33	1.013	0.991	0.995	1.000	\$1.33	-\$1.33	\$0.00
	PHYS NEWBORN	\$0.05	1.013	0.991	0.995	1.000	\$0.05		\$0.05
	PHYS OFFICE VISITS	\$12.77	1.013	0.991	0.995	1.000	\$12.76		\$12.76
	PHYS OTHER	\$1.15	1.013	0.991	0.995	1.000	\$1.15		\$1.15

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-H

Development of January 2011 Statewide FCHP, MHO, and DCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
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Eligibility Category	Service Category	A	B	C	D	E	F	G	H
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve- Out ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM
		= A * B * C * D * E							= F + G
PLM, TANF, and CHIP Children 6 - 18									
	PHYS SOMATIC MH	\$1.35	1.013	0.991	0.995	1.000	\$1.35		\$1.35
	PRES DRUGS - BASIC	\$9.83	1.011	0.917	0.995	1.000	\$9.07		\$9.07
	PRES DRUGS - FP	\$0.35	1.011	0.917	0.995	1.000	\$0.33		\$0.33
	PRES DRUGS - MH/CD	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	SCHOOL-BASED HEALTH SERVICES	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - ANESTHESIA FEMALE	\$0.00	1.013	0.991	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - ANESTHESIA MALE	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - IP HOSP FEMALE	\$0.00	1.015	1.027	0.995	0.974	\$0.00		\$0.00
	STERILIZATION - IP HOSP MALE	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00
	STERILIZATION - OP HOSP FEMALE	\$0.00	1.024	0.922	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - OP HOSP MALE	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - PHY FEMALE	\$0.00	1.013	0.991	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - PHY MALE	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00
	SURGERY	\$3.30	1.013	0.991	0.995	1.000	\$3.29		\$3.29
	TARGETED CASE MAN - BABIES FIRST	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	TARGETED CASE MAN - HIV	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	TARGETED CASE MAN - SUBS ABUSE MOMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	THERAPEUTIC ABORTION - IP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	THERAPEUTIC ABORTION - OP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	THERAPEUTIC ABORTION - PHYS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	TRANSPORTATION - AMBULANCE	\$1.04	1.013	1.000	0.995	1.000	\$1.05		\$1.05
	TRANSPORTATION - OTHER	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	VISION CARE - EXAMS & THERAPY	\$2.13	1.013	1.000	0.995	1.000	\$2.14		\$2.14
	VISION CARE - MATERIALS & FITTING	\$1.65	1.013	1.000	0.995	1.000	\$1.66		\$1.66
	PART A DEDUCTIBLE								
	PART B DEDUCTIBLE								
	OHP COPAY/PART B COINSURANCE ADJUSTMENT								
	Subtotal Physical Health	\$81.03				0.994	\$79.15	-\$4.39	\$74.76
	Subtotal Physical Health with Admin Allowance								\$81.63
	CHEMICAL DEPENDENCY								
	CD SERVICES - ALTERNATIVE TO DETOX	\$0.00	1.074	1.072	1.000	1.000	\$0.01		\$0.01
	CD SERVICES - METHADONE	\$0.00	1.074	1.072	1.000	1.000	\$0.00		\$0.00
	OHP COPAY/CD SERVICES - OP	\$1.40	1.074	1.072	1.000	1.000	\$1.61		\$1.61
	Subtotal Chemical Dependency	\$1.41					\$1.62		\$1.62
	Subtotal Chemical Dependency with Admin Allowance								\$1.76

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-H

Development of January 2011 Statewide FCHP, MHO, and DCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
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		$= A * B * C * D * E$					$= F + G$			

PLM, TANF, and CHIP Children 6 - 18

DENTAL

DENTAL - ADJUNCTIVE GENERAL	\$0.35	1.011	1.002	1.000	1.000	\$0.36		\$0.36
DENTAL - ANESTHESIA SURGICAL	\$0.43	1.011	1.002	1.000	1.000	\$0.43		\$0.43
DENTAL - DIAGNOSTIC	\$5.60	1.011	1.002	1.000	1.000	\$5.67		\$5.67
DENTAL - ENDODONTICS	\$1.36	1.011	1.002	1.000	1.000	\$1.38		\$1.38
DENTAL - I/P FIXED	\$0.00	1.011	1.002	1.000	1.000	\$0.00		\$0.00
DENTAL - ORAL SURGERY	\$1.60	1.011	1.002	1.000	1.000	\$1.62		\$1.62
DENTAL - ORTHODONTICS	\$0.02	1.011	1.002	1.000	1.000	\$0.02		\$0.02
DENTAL - PERIODONTICS	\$0.13	1.011	1.002	1.000	1.000	\$0.13		\$0.13
DENTAL - PREVENTIVE	\$5.51	1.011	1.002	1.000	1.000	\$5.58		\$5.58
DENTAL - PROS REMOVABLE	\$0.03	1.011	1.002	1.000	1.000	\$0.04		\$0.04
OHP COPAY/DENTAL - RESTORATIVE	\$8.17	1.011	1.002	1.000	1.000	\$8.27		\$8.27
Subtotal Dental	\$23.19					\$23.49		\$23.49
Subtotal Dental with Admin Allowance								\$25.53

MENTAL HEALTH

MH SERVICES ACUTE INPATIENT	\$1.96	1.011	1.000	1.000	0.974	\$1.93		\$1.93
MH SERVICES ALTERNATIVE TO IP	\$0.22	1.011	1.000	1.000	1.000	\$0.22		\$0.22
MH SERVICES ANCILLARY SERVICES	\$0.01	1.011	1.000	1.000	1.000	\$0.01		\$0.01
MH SERVICES ASSESS & EVAL	\$1.22	1.011	1.000	1.000	1.000	\$1.23		\$1.23
MH SERVICES CASE MANAGEMENT	\$1.36	1.011	1.000	1.000	1.000	\$1.38		\$1.38
MH SERVICES CONSULTATION	\$0.00	1.011	1.000	1.000	1.000	\$0.00		\$0.00
MH SERVICES FAMILY SUPPORT	\$0.01	1.011	1.000	1.000	1.000	\$0.01		\$0.01
MH SERVICES MED MANAGEMENT	\$0.04	1.011	1.000	1.000	1.000	\$0.04		\$0.04
MH SERVICES OP THERAPY	\$2.48	1.011	1.000	1.000	1.000	\$2.50		\$2.50
MH SERVICES OTHER OP	\$0.13	1.011	1.000	1.000	1.000	\$0.13		\$0.13
MH SERVICES PEO	\$0.29	1.000	1.000	1.000	1.000	\$0.29		\$0.29
MH SERVICES PHYS IP	\$1.39	1.011	1.000	1.000	1.000	\$1.40		\$1.40
MH SERVICES PHYS OP	\$8.66	1.011	1.000	1.000	1.000	\$8.75		\$8.75
MH SERVICES SUPPORT DAY PROGRAM	\$0.61	1.011	1.000	1.000	1.000	\$0.62		\$0.62
MH SERVICES INTENSIVE TREATMENT SVCS	\$8.94	1.011	1.000	1.000	1.000	\$9.04	-\$1.96	\$7.07
OHP COPAY/MH SERVICES CONS ASSESS							\$0.03	\$0.03
Subtotal Mental Health	\$27.31				0.997	\$27.56	-\$1.93	\$25.63
Subtotal Mental Health with Admin Allowance								\$28.10

Total Services	\$132.94					\$131.82	-\$6.32	\$125.49
Total Services with Admin Allowance								\$137.01

¹ Rate Smoothing Adjustment Factors apply to Physical Health, Chemical Dependency, and Dental for purpose of smoothing 2010 and 2011 rates from 2009 rate:

² Reflects adjustment due to removal of Third Party Liability recoveries

³ Reflects carving GME out of statewide rates, for purpose of setting plan specific GME and only applies to physical health service categories:

⁴ Reflects Maternity Case Rate Carve-Out, Children's Mental Health Services Adjustment, Bariatric Surgery Adjustment, Dental Prophylactic benefit increase for children under age 1 and adjustment for copayment per OHP rules.

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-H

Development of January 2011 Statewide FCHP, MHO, and DCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

Eligibility Category	Service Category	A	B	C	D	E	F	G	H
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve- Out ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM
		= A * B * C * D * E					= F + G		
Aid to the Blind/Aid to the Disabled with Medicare									
PHYSICAL HEALTH									
	ADMINISTRATIVE EXAMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	ANESTHESIA	\$1.07	1.024	1.050	0.995	1.000	\$1.15		\$1.15
	EXCEPT NEEDS CARE COORDINATION	\$5.98	1.000	1.000	0.995	1.000	\$5.95		\$5.95
	FP - IP HOSP	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00
	FP - OP HOSP	\$0.00	1.036	1.006	0.995	1.000	\$0.00		\$0.00
	FP - PHYS	\$0.02	1.024	1.050	0.995	1.000	\$0.02		\$0.02
	HYSTERECTOMY - ANESTHESIA	\$0.01	1.024	1.050	0.995	1.000	\$0.01		\$0.01
	HYSTERECTOMY - IP HOSP	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00
	HYSTERECTOMY - OP HOSP	\$0.00	1.036	1.000	0.995	1.000	\$0.00		\$0.00
	HYSTERECTOMY - PHYS	\$0.03	1.024	1.050	0.995	1.000	\$0.04		\$0.04
	IP HOSP - ACUTE DETOX	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00
	IP HOSP - MATERNITY	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00
	IP HOSP - MATERNITY / STERILIZATION	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00
	IP HOSP - MEDICAL/SURGICAL	\$0.05	1.000	1.010	0.995	0.974	\$0.05		\$0.05
	IP HOSP - NEWBORN	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00
	IP HOSP - POST HOSP EXTENDED CARE	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00
	LAB & RAD - DIAGNOSTIC X-RAY	\$2.79	1.024	1.050	0.995	1.000	\$2.98		\$2.98
	LAB & RAD - LAB	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00
	LAB & RAD - THERAPEUTIC X-RAY	\$0.26	1.024	1.050	0.995	1.000	\$0.28		\$0.28
	OP ER - SOMATIC MH	\$0.40	1.036	1.006	0.995	1.000	\$0.42		\$0.42
	OP HOSP - BASIC	\$26.86	1.036	1.006	0.995	1.000	\$27.84		\$27.84
	OP HOSP - EMERGENCY ROOM	\$4.30	1.036	1.006	0.995	1.000	\$4.46		\$4.46
	OP HOSP - LAB & RAD	\$9.14	1.036	1.006	0.995	1.000	\$9.48		\$9.48
	OP HOSP - MATERNITY	\$0.10	1.036	1.006	0.995	1.000	\$0.11		\$0.11
	OP HOSP - POST HOSP EXTENDED CARE	\$0.05	1.036	1.006	0.995	1.000	\$0.06		\$0.06
	OP HOSP - PRES DRUGS BASIC	\$5.28	1.036	1.006	0.995	1.000	\$5.47		\$5.47
	OP HOSP - PRES DRUGS MH/CD	\$0.15	1.036	1.006	0.995	1.000	\$0.15		\$0.15
	OP HOSP - SOMATIC MH	\$0.46	1.036	1.006	0.995	1.000	\$0.48		\$0.48
	OTH MED - DME	\$6.29	1.024	1.000	0.995	1.000	\$6.40		\$6.40
	OTH MED - HHC/PDN	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00
	OTH MED - HOSPICE	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00
	OTH MED - MATERNITY MGT	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00
	OTH MED - SUPPLIES	\$17.88	1.024	1.000	0.995	1.000	\$18.21		\$18.21
	PHYS CONSULTATION, IP & ER VISITS	\$4.83	1.024	1.050	0.995	1.000	\$5.17		\$5.17
	PHYS HOME OR LONG-TERM CARE VISITS	\$0.20	1.024	1.050	0.995	1.000	\$0.21		\$0.21
	PHYS MATERNITY	\$0.16	1.024	1.050	0.995	1.000	\$0.18		\$0.18
	PHYS NEWBORN	\$0.02	1.024	1.050	0.995	1.000	\$0.02		\$0.02
	PHYS OFFICE VISITS	\$9.26	1.024	1.050	0.995	1.000	\$9.90		\$9.90
	PHYS OTHER	\$4.86	1.024	1.050	0.995	1.000	\$5.19	\$0.01	\$5.20

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-H

**Development of January 2011 Statewide FCHP, MHO, and DCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List**

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve- Out ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	
							= A * B * C * D * E			= F + G
Aid to the Blind/Aid to the Disabled with Medicare										
	PHYS SOMATIC MH	\$1.60	1.024	1.050	0.995	1.000	\$1.71		\$1.71	
	PRES DRUGS - BASIC	\$6.08	1.006	0.794	0.995	1.000	\$4.83		\$4.83	
	PRES DRUGS - FP	\$0.00	1.006	0.794	0.995	1.000	\$0.00		\$0.00	
	PRES DRUGS - MH/CD	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	SCHOOL-BASED HEALTH SERVICES	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	STERILIZATION - ANESTHESIA FEMALE	\$0.00	1.024	1.050	0.995	1.000	\$0.00		\$0.00	
	STERILIZATION - ANESTHESIA MALE	\$0.00	1.024	1.050	0.995	1.000	\$0.00		\$0.00	
	STERILIZATION - IP HOSP FEMALE	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00	
	STERILIZATION - IP HOSP MALE	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00	
	STERILIZATION - OP HOSP FEMALE	\$0.00	1.036	1.006	0.995	1.000	\$0.00		\$0.00	
	STERILIZATION - OP HOSP MALE	\$0.00	1.036	1.006	0.995	1.000	\$0.00		\$0.00	
	STERILIZATION - PHY FEMALE	\$0.00	1.024	1.050	0.995	1.000	\$0.00		\$0.00	
	STERILIZATION - PHY MALE	\$0.00	1.024	1.050	0.995	1.000	\$0.00		\$0.00	
	SURGERY	\$4.69	1.024	1.050	0.995	1.000	\$5.01		\$5.01	
	TARGETED CASE MAN - BABIES FIRST	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	TARGETED CASE MAN - HIV	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	TARGETED CASE MAN - SUBS ABUSE MOMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	THERAPEUTIC ABORTION - IP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	THERAPEUTIC ABORTION - OP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	THERAPEUTIC ABORTION - PHYS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	TRANSPORTATION - AMBULANCE	\$2.98	1.024	1.000	0.995	1.000	\$3.03		\$3.03	
	TRANSPORTATION - OTHER	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	VISION CARE - EXAMS & THERAPY	\$0.02	1.024	1.000	0.995	1.000	\$0.02		\$0.02	
	VISION CARE - MATERIALS & FITTING	\$0.01	1.024	1.000	0.995	1.000	\$0.01		\$0.01	
	PART A DEDUCTIBLE				1.000	1.000	\$14.71		\$14.71	
	PART B DEDUCTIBLE				1.000	1.000	\$11.55		\$11.55	
	OHP COPAY/PART B COINSURANCE ADJUSTMENT				1.000	1.000	-\$4.39	-\$2.49	-\$6.88	
	Subtotal Physical Health	\$115.88				1.000	\$140.72	-\$2.48	\$138.24	
	Subtotal Physical Health with Admin Allowance								\$150.93	
	CHEMICAL DEPENDENCY									
	CD SERVICES - ALTERNATIVE TO DETOX	\$0.32	1.073	1.022	1.000	1.000	\$0.35		\$0.35	
	CD SERVICES - METHADONE	\$1.97	1.073	1.022	1.000	1.000	\$2.16		\$2.16	
	OHP COPAY/CD SERVICES - OP	\$2.96	1.073	1.022	1.000	1.000	\$3.24		\$3.24	
	Subtotal Chemical Dependency	\$5.24					\$5.74		\$5.74	
	Subtotal Chemical Dependency with Admin Allowance								\$6.24	

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-H

**Development of January 2011 Statewide FCHP, MHO, and DCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
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Eligibility Category	Service Category	A	B	C	D	E	F	G	H	
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve- Out ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	
							= A * B * C * D * E			= F + G
Aid to the Blind/Aid to the Disabled with Medicare										
DENTAL										
	DENTAL - ADJUNCTIVE GENERAL	\$1.85	1.013	0.905	1.000	1.000	\$1.70		\$1.70	
	DENTAL - ANESTHESIA SURGICAL	\$0.37	1.013	0.905	1.000	1.000	\$0.34		\$0.34	
	DENTAL - DIAGNOSTIC	\$4.69	1.013	0.905	1.000	1.000	\$4.30		\$4.30	
	DENTAL - ENDODONTICS	\$0.90	1.013	0.905	1.000	1.000	\$0.82		\$0.82	
	DENTAL - I/P FIXED	\$0.03	1.013	0.905	1.000	1.000	\$0.03		\$0.03	
	DENTAL - ORAL SURGERY	\$3.03	1.013	0.905	1.000	1.000	\$2.78		\$2.78	
	DENTAL - ORTHODONTICS	\$0.00	1.013	0.905	1.000	1.000	\$0.00		\$0.00	
	DENTAL - PERIODONTICS	\$2.22	1.013	0.905	1.000	1.000	\$2.04		\$2.04	
	DENTAL - PREVENTIVE	\$2.33	1.013	0.905	1.000	1.000	\$2.14		\$2.14	
	DENTAL - PROS REMOVABLE	\$3.93	1.013	0.905	1.000	1.000	\$3.61		\$3.61	
	OHP COPAY/DENTAL - RESTORATIVE	\$5.64	1.013	0.905	1.000	1.000	\$5.17	-\$0.05	\$5.12	
	Subtotal Dental	\$24.99					\$22.92		\$22.87	
	Subtotal Dental with Admin Allowance								\$24.86	
MENTAL HEALTH										
	MH SERVICES ACUTE INPATIENT	\$2.63	1.003	1.000	1.000	0.974	\$2.82		\$2.82	
	MH SERVICES ALTERNATIVE TO IP	\$2.63	1.003	1.000	1.000	1.000	\$2.64		\$2.64	
	MH SERVICES ANCILLARY SERVICES	\$0.05	1.003	1.000	1.000	1.000	\$0.05		\$0.05	
	MH SERVICES ASSESS & EVAL	\$1.15	1.003	1.000	1.000	1.000	\$1.15		\$1.15	
	MH SERVICES CASE MANAGEMENT	\$19.94	1.003	1.000	1.000	1.000	\$20.01		\$20.01	
	MH SERVICES CONSULTATION	\$0.00	1.003	1.000	1.000	1.000	\$0.00		\$0.00	
	MH SERVICES FAMILY SUPPORT	\$0.77	1.003	1.000	1.000	1.000	\$0.77		\$0.77	
	MH SERVICES MED MANAGEMENT	\$3.15	1.003	1.000	1.000	1.000	\$3.17		\$3.17	
	MH SERVICES OP THERAPY	\$6.61	1.003	1.000	1.000	1.000	\$6.63		\$6.63	
	MH SERVICES OTHER OP	\$0.05	1.003	1.000	1.000	1.000	\$0.05		\$0.05	
	MH SERVICES PEO	\$0.29	1.000	1.000	1.000	1.000	\$0.29		\$0.29	
	MH SERVICES PHYS IP	\$7.00	1.003	1.000	1.000	1.000	\$7.03		\$7.03	
	MH SERVICES PHYS OP	\$11.93	1.003	1.000	1.000	1.000	\$11.97		\$11.97	
	MH SERVICES SUPPORT DAY PROGRAM	\$17.55	1.003	1.000	1.000	1.000	\$17.61		\$17.61	
	MH SERVICES INTENSIVE TREATMENT SVCS	\$0.00	1.003	1.000	1.000	1.000	\$0.00		\$0.00	
	OHP COPAY/MH SERVICES CONS ASSESS					1.000			-\$0.14	
	MH SERVICES ENCC	\$4.57				1.000	\$4.57		\$4.57	
	Subtotal Mental Health	\$73.74				0.999	\$74.18		\$78.62	
	Subtotal Mental Health with Admin Allowance								\$86.20	
	Total Services	\$219.85					\$243.57	-\$2.48	\$245.47	
	Total Services with Admin Allowance								\$268.24	

¹ Rate Smoothing Adjustment Factors apply to Physical Health, Chemical Dependency, and Dental for purpose of smoothing 2010 and 2011 rates from 2009 rate:

² Reflects adjustment due to removal of Third Party Liability recoveries

³ Reflects carving GME out of statewide rates, for purpose of setting plan specific GME and only applies to physical health service categories

⁴ Reflects Maternity Case Rate Carve-Out, Children's Mental Health Services Adjustment, Bariatric Surgery Adjustment, Dental Prophylactic benefit increase for children under age 1 and adjustment for copayment per OHP rules.

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-H

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Eligibility Category	Service Category	A	B	C	D	E	F	G	H	
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve- Out ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	
		= A * B * C * D * E					= F + G			
Aid to the Blind/Aid to the Disabled without Medicare										
PHYSICAL HEALTH										
	ADMINISTRATIVE EXAMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	ANESTHESIA	\$5.78	1.019	0.984	0.995	1.000	\$5.76		\$5.76	
	EXCEPT NEEDS CARE COORDINATION	\$5.89	1.000	1.000	0.995	1.000	\$5.86		\$5.86	
	FP - IP HOSP	\$0.00	1.023	1.000	0.995	0.974	\$0.00		\$0.00	
	FP - OP HOSP	\$0.02	1.032	0.970	0.995	1.000	\$0.02		\$0.02	
	FP - PHYS	\$0.14	1.019	0.984	0.995	1.000	\$0.14		\$0.14	
	HYSTERECTOMY - ANESTHESIA	\$0.03	1.019	0.984	0.995	1.000	\$0.03		\$0.03	
	HYSTERECTOMY - IP HOSP	\$1.82	1.023	0.950	0.995	0.974	\$1.71		\$1.71	
	HYSTERECTOMY - OP HOSP	\$0.02	1.032	0.970	0.995	1.000	\$0.02		\$0.02	
	HYSTERECTOMY - PHYS	\$0.21	1.019	0.984	0.995	1.000	\$0.21		\$0.21	
	IP HOSP - ACUTE DETOX	\$1.82	1.023	0.950	0.995	0.974	\$1.71		\$1.71	
	IP HOSP - MATERNITY	\$4.71	1.023	0.950	0.995	0.974	\$4.43	-\$4.43	\$0.00	
	IP HOSP - MATERNITY / STERILIZATION	\$0.18	1.023	0.950	0.995	0.974	\$0.17	-\$0.10	\$0.07	
	IP HOSP - MEDICAL/SURGICAL	\$282.88	1.023	0.950	0.995	0.974	\$266.24		\$266.24	
	IP HOSP - NEWBORN	\$0.00	1.023	0.950	0.995	0.974	\$0.00		\$0.00	
	IP HOSP - POST HOSP EXTENDED CARE	\$0.00	1.023	1.000	0.995	0.974	\$0.00		\$0.00	
	LAB & RAD - DIAGNOSTIC X-RAY	\$13.70	1.019	0.984	0.995	1.000	\$13.65		\$13.65	
	LAB & RAD - LAB	\$8.96	1.019	0.984	0.995	1.000	\$8.94		\$8.94	
	LAB & RAD - THERAPEUTIC X-RAY	\$1.90	1.019	0.984	0.995	1.000	\$1.89		\$1.89	
	OP ER - SOMATIC MH	\$1.78	1.032	0.970	0.995	1.000	\$1.77		\$1.77	
	OP HOSP - BASIC	\$74.34	1.032	0.970	0.995	1.000	\$74.00		\$74.00	
	OP HOSP - EMERGENCY ROOM	\$21.72	1.032	0.970	0.995	1.000	\$21.62		\$21.62	
	OP HOSP - LAB & RAD	\$46.44	1.032	0.970	0.995	1.000	\$46.23		\$46.23	
	OP HOSP - MATERNITY	\$1.31	1.032	0.970	0.995	1.000	\$1.30	-\$1.30	\$0.00	
	OP HOSP - POST HOSP EXTENDED CARE	\$0.44	1.032	0.970	0.995	1.000	\$0.44		\$0.44	
	OP HOSP - PRES DRUGS BASIC	\$6.82	1.032	0.970	0.995	1.000	\$6.79		\$6.79	
	OP HOSP - PRES DRUGS MH/CD	\$0.13	1.032	0.970	0.995	1.000	\$0.13		\$0.13	
	OP HOSP - SOMATIC MH	\$2.21	1.032	0.970	0.995	1.000	\$2.20		\$2.20	
	OTH MED - DME	\$21.58	1.019	1.000	0.995	1.000	\$21.87		\$21.87	
	OTH MED - HHC/PDN	\$5.40	1.019	1.000	0.995	1.000	\$5.47		\$5.47	
	OTH MED - HOSPICE	\$2.43	1.019	1.000	0.995	1.000	\$2.46		\$2.46	
	OTH MED - MATERNITY MGT	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00	
	OTH MED - SUPPLIES	\$13.50	1.019	1.000	0.995	1.000	\$13.68		\$13.68	
	PHYS CONSULTATION, IP & ER VISITS	\$24.51	1.019	0.984	0.995	1.000	\$24.43		\$24.43	
	PHYS HOME OR LONG-TERM CARE VISITS	\$0.63	1.019	0.984	0.995	1.000	\$0.62		\$0.62	
	PHYS MATERNITY	\$2.21	1.019	0.984	0.995	1.000	\$2.21	-\$2.21	\$0.00	
	PHYS NEWBORN	\$0.12	1.019	0.984	0.995	1.000	\$0.12		\$0.12	
	PHYS OFFICE VISITS	\$42.57	1.019	0.984	0.995	1.000	\$42.44		\$42.44	
	PHYS OTHER	\$23.96	1.019	0.984	0.995	1.000	\$23.89	\$0.05	\$23.94	

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-H

**Development of January 2011 Statewide FCHP, MHO, and DCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
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Eligibility Category	Service Category	A	B	C	D	E	F	G	H	
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve- Out ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	
		= A * B * C * D * E					= F + G			
Aid to the Blind/Aid to the Disabled without Medicare	PHYS SOMATIC MH	\$6.00	1.019	0.984	0.995	1.000	\$5.98		\$5.98	
	PRES DRUGS - BASIC	\$155.15	1.016	0.917	0.995	1.000	\$143.78		\$143.78	
	PRES DRUGS - FP	\$0.54	1.016	0.917	0.995	1.000	\$0.50		\$0.50	
	PRES DRUGS - MH/CD	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	SCHOOL-BASED HEALTH SERVICES	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	STERILIZATION - ANESTHESIA FEMALE	\$0.04	1.019	0.984	0.995	1.000	\$0.03		\$0.03	
	STERILIZATION - ANESTHESIA MALE	\$0.00	1.019	0.984	0.995	1.000	\$0.00		\$0.00	
	STERILIZATION - IP HOSP FEMALE	\$0.27	1.023	0.950	0.995	0.974	\$0.26		\$0.26	
	STERILIZATION - IP HOSP MALE	\$0.00	1.023	1.000	0.995	0.974	\$0.00		\$0.00	
	STERILIZATION - OP HOSP FEMALE	\$0.06	1.032	0.970	0.995	1.000	\$0.06		\$0.06	
	STERILIZATION - OP HOSP MALE	\$0.00	1.032	0.970	0.995	1.000	\$0.00		\$0.00	
	STERILIZATION - PHY FEMALE	\$0.05	1.019	0.984	0.995	1.000	\$0.05		\$0.05	
	STERILIZATION - PHY MALE	\$0.01	1.019	0.984	0.995	1.000	\$0.01		\$0.01	
	SURGERY	\$23.07	1.019	0.984	0.995	1.000	\$22.99		\$22.99	
	TARGETED CASE MAN - BABIES FIRST	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	TARGETED CASE MAN - HIV	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	TARGETED CASE MAN - SUBS ABUSE MOMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	THERAPEUTIC ABORTION - IP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	THERAPEUTIC ABORTION - OP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	THERAPEUTIC ABORTION - PHYS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	TRANSPORTATION - AMBULANCE	\$13.70	1.019	1.000	0.995	1.000	\$13.89		\$13.89	
	TRANSPORTATION - OTHER	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	VISION CARE - EXAMS & THERAPY	\$0.69	1.019	1.000	0.995	1.000	\$0.69		\$0.69	
	VISION CARE - MATERIALS & FITTING	\$0.49	1.019	1.000	0.995	1.000	\$0.50		\$0.50	
	PART A DEDUCTIBLE				1.000	1.000	\$0.00		\$0.00	
	PART B DEDUCTIBLE				1.000	1.000	\$0.00		\$0.00	
	OHP COPAY/PART B COINSURANCE ADJUSTMENT				1.000	1.000	\$0.00	-\$3.63	-\$3.63	
	Subtotal Physical Health	\$820.24				0.991	\$791.24	-\$11.62	\$779.62	
	Subtotal Physical Health with Admin Allowance								\$851.21	
	CHEMICAL DEPENDENCY									
	CD SERVICES - ALTERNATIVE TO DETOX	\$0.51	1.038	1.093	1.000	1.000	\$0.58		\$0.58	
	CD SERVICES - METHADONE	\$2.55	1.038	1.093	1.000	1.000	\$2.89		\$2.89	
	OHP COPAY/CD SERVICES - OP	\$8.07	1.038	1.093	1.000	1.000	\$9.15		\$9.15	
	Subtotal Chemical Dependency	\$11.12					\$12.62		\$12.62	
	Subtotal Chemical Dependency with Admin Allowance								\$13.72	

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-H

**Development of January 2011 Statewide FCHP, MHO, and DCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
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Eligibility Category	Service Category	A	B	C	D	E	F	G	H
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve- Out ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM
		= A * B * C * D * E							= F + G
Aid to the Blind/Aid to the Disabled without Medicare									
DENTAL									
	DENTAL - ADJUNCTIVE GENERAL	\$1.48	1.013	0.863	1.000	1.000	\$1.30		\$1.30
	DENTAL - ANESTHESIA SURGICAL	\$0.33	1.013	0.863	1.000	1.000	\$0.29		\$0.29
	DENTAL - DIAGNOSTIC	\$4.32	1.013	0.863	1.000	1.000	\$3.78		\$3.78
	DENTAL - ENDODONTICS	\$0.88	1.013	0.863	1.000	1.000	\$0.77		\$0.77
	DENTAL - I/P FIXED	\$0.01	1.013	0.863	1.000	1.000	\$0.01		\$0.01
	DENTAL - ORAL SURGERY	\$2.96	1.013	0.863	1.000	1.000	\$2.59		\$2.59
	DENTAL - ORTHODONTICS	\$0.04	1.013	0.863	1.000	1.000	\$0.03		\$0.03
	DENTAL - PERIODONTICS	\$1.56	1.013	0.863	1.000	1.000	\$1.37		\$1.37
	DENTAL - PREVENTIVE	\$2.06	1.013	0.863	1.000	1.000	\$1.80		\$1.80
	DENTAL - PROS REMOVABLE	\$3.48	1.013	0.863	1.000	1.000	\$3.04		\$3.04
	OHP COPAY/DENTAL - RESTORATIVE	\$5.15	1.013	0.863	1.000	1.000	\$4.50	-\$0.05	\$4.45
	Subtotal Dental	\$22.27					\$19.48		\$19.43
	Subtotal Dental with Admin Allowance								\$21.12
MENTAL HEALTH									
	MH SERVICES ACUTE INPATIENT	\$30.16	1.012	1.000	1.000	0.974	\$29.73		\$29.73
	MH SERVICES ALTERNATIVE TO IP	\$2.89	1.012	1.000	1.000	1.000	\$2.92		\$2.92
	MH SERVICES ANCILLARY SERVICES	\$0.21	1.012	1.000	1.000	1.000	\$0.21		\$0.21
	MH SERVICES ASSESS & EVAL	\$2.26	1.012	1.000	1.000	1.000	\$2.29		\$2.29
	MH SERVICES CASE MANAGEMENT	\$17.01	1.012	1.000	1.000	1.000	\$17.21		\$17.21
	MH SERVICES CONSULTATION	\$0.00	1.012	1.000	1.000	1.000	\$0.00		\$0.00
	MH SERVICES FAMILY SUPPORT	\$0.62	1.012	1.000	1.000	1.000	\$0.63		\$0.63
	MH SERVICES MED MANAGEMENT	\$2.89	1.012	1.000	1.000	1.000	\$2.93		\$2.93
	MH SERVICES OP THERAPY	\$8.63	1.012	1.000	1.000	1.000	\$8.74		\$8.74
	MH SERVICES OTHER OP	\$0.27	1.012	1.000	1.000	1.000	\$0.27		\$0.27
	MH SERVICES PEO	\$0.29	1.000	1.000	1.000	1.000	\$0.29		\$0.29
	MH SERVICES PHYS IP	\$11.16	1.012	1.000	1.000	1.000	\$11.29		\$11.29
	MH SERVICES PHYS OP	\$21.32	1.012	1.000	1.000	1.000	\$21.58		\$21.58
	MH SERVICES SUPPORT DAY PROGRAM	\$14.25	1.012	1.000	1.000	1.000	\$14.43		\$14.43
	MH SERVICES INTENSIVE TREATMENT SVCS	\$18.40	1.012	1.000	1.000	1.000	\$18.62	-\$2.16	\$16.46
	OHP COPAY/MH SERVICES CONS ASSESS					1.000			-\$0.10
	MH SERVICES ENCC	\$4.57				1.000	\$4.57		\$4.57
	Subtotal Mental Health	\$130.36				0.994	\$131.15		\$133.46
	Subtotal Mental Health with Admin Allowance								\$146.33
Total Services		\$984.00					\$954.49	-\$11.62	\$945.13
Total Services with Admin Allowance									\$1,032.38

¹ Rate Smoothing Adjustment Factors apply to Physical Health, Chemical Dependency, and Dental for purpose of smoothing 2010 and 2011 rates from 2009 rate:

² Reflects adjustment due to removal of Third Party Liability recoveries

³ Reflects carving GME out of statewide rates, for purpose of setting plan specific GME and only applies to physical health service categories

⁴ Reflects Maternity Case Rate Carve-Out, Children's Mental Health Services Adjustment, Bariatric Surgery Adjustment, Dental Prophylactic benefit increase for children under age 1 and adjustment for copayment per OHP rules.

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-H

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Eligibility Category	Service Category	A	B	C	D	E	F	G	H	
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve- Out ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	
		= A * B * C * D * E					= F + G			
Old Age Assistance with Medicare										
PHYSICAL HEALTH										
	ADMINISTRATIVE EXAMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	ANESTHESIA	\$1.09	1.024	1.031	0.995	1.000	\$1.14		\$1.14	
	EXCEPT NEEDS CARE COORDINATION	\$4.67	1.000	1.000	0.995	1.000	\$4.64		\$4.64	
	FP - IP HOSP	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00	
	FP - OP HOSP	\$0.00	1.036	1.000	0.995	1.000	\$0.00		\$0.00	
	FP - PHYS	\$0.00	1.024	1.031	0.995	1.000	\$0.00		\$0.00	
	HYSTERECTOMY - ANESTHESIA	\$0.00	1.024	1.031	0.995	1.000	\$0.00		\$0.00	
	HYSTERECTOMY - IP HOSP	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00	
	HYSTERECTOMY - OP HOSP	\$0.00	1.036	1.000	0.995	1.000	\$0.00		\$0.00	
	HYSTERECTOMY - PHYS	\$0.02	1.024	1.031	0.995	1.000	\$0.02		\$0.02	
	IP HOSP - ACUTE DETOX	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00	
	IP HOSP - MATERNITY	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00	
	IP HOSP - MATERNITY / STERILIZATION	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00	
	IP HOSP - MEDICAL/SURGICAL	\$0.02	1.000	1.009	0.995	0.974	\$0.02		\$0.02	
	IP HOSP - NEWBORN	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00	
	IP HOSP - POST HOSP EXTENDED CARE	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00	
	LAB & RAD - DIAGNOSTIC X-RAY	\$3.03	1.024	1.031	0.995	1.000	\$3.18		\$3.18	
	LAB & RAD - LAB	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00	
	LAB & RAD - THERAPEUTIC X-RAY	\$0.45	1.024	1.031	0.995	1.000	\$0.47		\$0.47	
	OP ER - SOMATIC MH	\$0.07	1.036	1.009	0.995	1.000	\$0.08		\$0.08	
	OP HOSP - BASIC	\$23.09	1.036	1.009	0.995	1.000	\$24.00		\$24.00	
	OP HOSP - EMERGENCY ROOM	\$3.09	1.036	1.009	0.995	1.000	\$3.21		\$3.21	
	OP HOSP - LAB & RAD	\$9.70	1.036	1.009	0.995	1.000	\$10.08		\$10.08	
	OP HOSP - MATERNITY	\$0.00	1.036	1.009	0.995	1.000	\$0.00		\$0.00	
	OP HOSP - POST HOSP EXTENDED CARE	\$0.10	1.036	1.009	0.995	1.000	\$0.11		\$0.11	
	OP HOSP - PRES DRUGS BASIC	\$4.70	1.036	1.009	0.995	1.000	\$4.88		\$4.88	
	OP HOSP - PRES DRUGS MH/CD	\$0.02	1.036	1.009	0.995	1.000	\$0.02		\$0.02	
	OP HOSP - SOMATIC MH	\$0.19	1.036	1.009	0.995	1.000	\$0.20		\$0.20	
	OTH MED - DME	\$6.52	1.024	1.000	0.995	1.000	\$6.64		\$6.64	
	OTH MED - HHC/PDN	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00	
	OTH MED - HOSPICE	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00	
	OTH MED - MATERNITY MGT	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00	
	OTH MED - SUPPLIES	\$20.12	1.024	1.000	0.995	1.000	\$20.49		\$20.49	
	PHYS CONSULTATION, IP & ER VISITS	\$5.53	1.024	1.031	0.995	1.000	\$5.80		\$5.80	
	PHYS HOME OR LONG-TERM CARE VISITS	\$0.69	1.024	1.031	0.995	1.000	\$0.72		\$0.72	
	PHYS MATERNITY	\$0.00	1.024	1.031	0.995	1.000	\$0.00		\$0.00	
	PHYS NEWBORN	\$0.02	1.024	1.031	0.995	1.000	\$0.02		\$0.02	
	PHYS OFFICE VISITS	\$8.14	1.024	1.031	0.995	1.000	\$8.55		\$8.55	
	PHYS OTHER	\$5.63	1.024	1.031	0.995	1.000	\$5.92		\$5.92	

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-H

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Eligibility Category	Service Category	A	B	C	D	E	F	G	H
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		= A * B * C * D * E					= F + G		
Old Age Assistance with Medicare									
	PHYS SOMATIC MH	\$0.77	1.024	1.031	0.995	1.000	\$0.80		\$0.80
	PRES DRUGS - BASIC	\$4.35	1.006	0.685	0.995	1.000	\$2.98		\$2.98
	PRES DRUGS - FP	\$0.00	1.006	1.000	0.995	1.000	\$0.00		\$0.00
	PRES DRUGS - MH/CD	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	SCHOOL-BASED HEALTH SERVICES	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - ANESTHESIA FEMALE	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - ANESTHESIA MALE	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - IP HOSP FEMALE	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00
	STERILIZATION - IP HOSP MALE	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00
	STERILIZATION - OP HOSP FEMALE	\$0.00	1.036	1.000	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - OP HOSP MALE	\$0.00	1.036	1.000	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - PHY FEMALE	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - PHY MALE	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00
	SURGERY	\$5.52	1.024	1.031	0.995	1.000	\$5.80		\$5.80
	TARGETED CASE MAN - BABIES FIRST	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	TARGETED CASE MAN - HIV	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	TARGETED CASE MAN - SUBS ABUSE MOMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	THERAPEUTIC ABORTION - IP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	THERAPEUTIC ABORTION - OP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	THERAPEUTIC ABORTION - PHYS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	TRANSPORTATION - AMBULANCE	\$4.02	1.024	1.000	0.995	1.000	\$4.10		\$4.10
	TRANSPORTATION - OTHER	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	VISION CARE - EXAMS & THERAPY	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00
	VISION CARE - MATERIALS & FITTING	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00
	PART A DEDUCTIBLE				1.000	1.000	\$26.74		\$26.74
	PART B DEDUCTIBLE				1.000	1.000	\$11.55		\$11.55
	OHP COPAY/PART B COINSURANCE ADJUSTMENT				1.000	1.000	-\$2.56	-\$1.93	-\$4.49
	Subtotal Physical Health	\$111.57				1.000	\$149.63	-\$1.93	\$147.70
	Subtotal Physical Health with Admin Allowance								\$161.26
CHEMICAL DEPENDENCY									
	CD SERVICES - ALTERNATIVE TO DETOX	\$0.02	1.073	1.020	1.000	1.000	\$0.02		\$0.02
	CD SERVICES - METHADONE	\$0.23	1.073	1.020	1.000	1.000	\$0.25		\$0.25
	OHP COPAY/CD SERVICES - OP	\$0.19	1.073	1.020	1.000	1.000	\$0.21		\$0.21
	Subtotal Chemical Dependency	\$0.43					\$0.47		\$0.47
	Subtotal Chemical Dependency with Admin Allowance								\$0.52

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-H

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		= A * B * C * D * E							= F + G
Old Age Assistance with Medicare									
DENTAL									
	DENTAL - ADJUNCTIVE GENERAL	\$0.84	1.013	0.987	1.000	1.000	\$0.84		\$0.84
	DENTAL - ANESTHESIA SURGICAL	\$0.05	1.013	0.987	1.000	1.000	\$0.05		\$0.05
	DENTAL - DIAGNOSTIC	\$2.49	1.013	0.987	1.000	1.000	\$2.49		\$2.49
	DENTAL - ENDODONTICS	\$0.34	1.013	0.987	1.000	1.000	\$0.34		\$0.34
	DENTAL - I/P FIXED	\$0.02	1.013	0.987	1.000	1.000	\$0.02		\$0.02
	DENTAL - ORAL SURGERY	\$1.67	1.013	0.987	1.000	1.000	\$1.67		\$1.67
	DENTAL - ORTHODONTICS	\$0.00	1.013	0.987	1.000	1.000	\$0.00		\$0.00
	DENTAL - PERIODONTICS	\$0.76	1.013	0.987	1.000	1.000	\$0.76		\$0.76
	DENTAL - PREVENTIVE	\$1.10	1.013	0.987	1.000	1.000	\$1.10		\$1.10
	DENTAL - PROS REMOVABLE	\$4.78	1.013	0.987	1.000	1.000	\$4.78		\$4.78
	OHP COPAY/DENTAL - RESTORATIVE	\$2.45	1.013	0.987	1.000	1.000	\$2.45	-\$0.02	\$2.43
	Subtotal Dental	\$14.51					\$14.50		\$14.48
	Subtotal Dental with Admin Allowance								\$15.74
MENTAL HEALTH									
	MH SERVICES ACUTE INPATIENT	\$0.36	1.003	1.000	1.000	0.974	\$0.35		\$0.35
	MH SERVICES ALTERNATIVE TO IP	\$0.12	1.003	1.000	1.000	1.000	\$0.12		\$0.12
	MH SERVICES ANCILLARY SERVICES	\$0.06	1.003	1.000	1.000	1.000	\$0.06		\$0.06
	MH SERVICES ASSESS & EVAL	\$0.31	1.003	1.000	1.000	1.000	\$0.31		\$0.31
	MH SERVICES CASE MANAGEMENT	\$1.73	1.003	1.000	1.000	1.000	\$1.73		\$1.73
	MH SERVICES CONSULTATION	\$0.00	1.003	1.000	1.000	1.000	\$0.00		\$0.00
	MH SERVICES FAMILY SUPPORT	\$0.04	1.003	1.000	1.000	1.000	\$0.04		\$0.04
	MH SERVICES MED MANAGEMENT	\$0.21	1.003	1.000	1.000	1.000	\$0.21		\$0.21
	MH SERVICES OP THERAPY	\$0.73	1.003	1.000	1.000	1.000	\$0.74		\$0.74
	MH SERVICES OTHER OP	\$0.03	1.003	1.000	1.000	1.000	\$0.03		\$0.03
	MH SERVICES PEO	\$0.29	1.000	1.000	1.000	1.000	\$0.29		\$0.29
	MH SERVICES PHYS IP	\$0.92	1.003	1.000	1.000	1.000	\$0.92		\$0.92
	MH SERVICES PHYS OP	\$1.67	1.003	1.000	1.000	1.000	\$1.68		\$1.68
	MH SERVICES SUPPORT DAY PROGRAM	\$2.23	1.003	1.000	1.000	1.000	\$2.24		\$2.24
	MH SERVICES INTENSIVE TREATMENT SVCS	\$0.00	1.003	1.000	1.000	1.000	\$0.00		\$0.00
	OHP COPAY/MH SERVICES CONS ASSESS					1.000			-\$0.01
	Subtotal Mental Health	\$8.70				0.999	\$8.72		\$8.70
	Subtotal Mental Health with Admin Allowance								\$9.54
	Total Services	\$135.21					\$173.32	-\$1.93	\$171.36
	Total Services with Admin Allowance								\$187.06

¹ Rate Smoothing Adjustment Factors apply to Physical Health, Chemical Dependency, and Dental for purpose of smoothing 2010 and 2011 rates from 2009 rate:

² Reflects adjustment due to removal of Third Party Liability recoveries

³ Reflects carving GME out of statewide rates, for purpose of setting plan specific GME and only applies to physical health service categories

⁴ Reflects Maternity Case Rate Carve-Out, Children's Mental Health Services Adjustment, Bariatric Surgery Adjustment, Dental Prophylactic benefit increase for children under age 1 and adjustment for copayment per OHP rules.

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-H

**Development of January 2011 Statewide FCHP, MHO, and DCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List**

Eligibility Category	Service Category	A	B	C	D	E	F	G	H
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve- Out ³	$= A * B * C * D * E$ Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	$= F + G$ 2011 Statewide Capitation Rate PMPM
Old Age Assistance without Medicare									
PHYSICAL HEALTH									
	ADMINISTRATIVE EXAMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	ANESTHESIA	\$5.33	1.019	0.930	0.995	1.000	\$5.03		\$5.03
	EXCEPT NEEDS CARE COORDINATION	\$4.60	1.000	1.000	0.995	1.000	\$4.58		\$4.58
	FP - IP HOSP	\$0.00	1.023	1.000	0.995	0.974	\$0.00		\$0.00
	FP - OP HOSP	\$0.00	1.032	1.000	0.995	1.000	\$0.00		\$0.00
	FP - PHYS	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00
	HYSTERECTOMY - ANESTHESIA	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00
	HYSTERECTOMY - IP HOSP	\$0.00	1.023	1.000	0.995	0.974	\$0.00		\$0.00
	HYSTERECTOMY - OP HOSP	\$0.00	1.032	1.000	0.995	1.000	\$0.00		\$0.00
	HYSTERECTOMY - PHYS	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00
	IP HOSP - ACUTE DETOX	\$0.98	1.023	0.991	0.995	0.974	\$0.96		\$0.96
	IP HOSP - MATERNITY	\$0.00	1.023	1.000	0.995	0.974	\$0.00		\$0.00
	IP HOSP - MATERNITY / STERILIZATION	\$0.00	1.023	1.000	0.995	0.974	\$0.00		\$0.00
	IP HOSP - MEDICAL/SURGICAL	\$302.27	1.023	0.991	0.995	0.974	\$296.68		\$296.68
	IP HOSP - NEWBORN	\$0.00	1.023	1.000	0.995	0.974	\$0.00		\$0.00
	IP HOSP - POST HOSP EXTENDED CARE	\$0.00	1.023	1.000	0.995	0.974	\$0.00		\$0.00
	LAB & RAD - DIAGNOSTIC X-RAY	\$13.80	1.019	0.930	0.995	1.000	\$13.00		\$13.00
	LAB & RAD - LAB	\$8.77	1.019	0.930	0.995	1.000	\$8.27		\$8.27
	LAB & RAD - THERAPEUTIC X-RAY	\$1.50	1.019	0.930	0.995	1.000	\$1.41		\$1.41
	OP ER - SOMATIC MH	\$0.24	1.032	0.920	0.995	1.000	\$0.23		\$0.23
	OP HOSP - BASIC	\$70.55	1.032	0.920	0.995	1.000	\$66.64		\$66.64
	OP HOSP - EMERGENCY ROOM	\$9.99	1.032	0.920	0.995	1.000	\$9.43		\$9.43
	OP HOSP - LAB & RAD	\$39.20	1.032	0.920	0.995	1.000	\$37.03		\$37.03
	OP HOSP - MATERNITY	\$0.00	1.032	1.000	0.995	1.000	\$0.00		\$0.00
	OP HOSP - POST HOSP EXTENDED CARE	\$0.64	1.032	0.920	0.995	1.000	\$0.60		\$0.60
	OP HOSP - PRES DRUGS BASIC	\$3.57	1.032	0.920	0.995	1.000	\$3.37		\$3.37
	OP HOSP - PRES DRUGS MH/CD	\$0.02	1.032	0.920	0.995	1.000	\$0.02		\$0.02
	OP HOSP - SOMATIC MH	\$0.37	1.032	0.920	0.995	1.000	\$0.35		\$0.35
	OTH MED - DME	\$11.53	1.019	1.000	0.995	1.000	\$11.69		\$11.69
	OTH MED - HHC/PDN	\$4.80	1.019	1.000	0.995	1.000	\$4.86		\$4.86
	OTH MED - HOSPICE	\$6.67	1.019	1.000	0.995	1.000	\$6.76		\$6.76
	OTH MED - MATERNITY MGT	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00
	OTH MED - SUPPLIES	\$8.38	1.019	1.000	0.995	1.000	\$8.50		\$8.50
	PHYS CONSULTATION, IP & ER VISITS	\$18.58	1.019	0.930	0.995	1.000	\$17.51		\$17.51
	PHYS HOME OR LONG-TERM CARE VISITS	\$1.14	1.019	0.930	0.995	1.000	\$1.07		\$1.07
	PHYS MATERNITY	\$0.00	1.019	0.930	0.995	1.000	\$0.00		\$0.00
	PHYS NEWBORN	\$0.16	1.019	0.930	0.995	1.000	\$0.15		\$0.15
	PHYS OFFICE VISITS	\$39.48	1.019	0.930	0.995	1.000	\$37.20		\$37.20
	PHYS OTHER	\$22.26	1.019	0.930	0.995	1.000	\$20.98	\$0.02	\$21.00

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-H

**Development of January 2011 Statewide FCHP, MHO, and DCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List**

Eligibility Category	Service Category	A	B	C	D	E	F	G	H
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve- Out ³	$= A * B * C * D * E$ Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	$= F + G$ 2011 Statewide Capitation Rate PMPM
Old Age Assistance without Medicare									
	PHYS SOMATIC MH	\$1.65	1.019	0.930	0.995	1.000	\$1.56		\$1.56
	PRES DRUGS - BASIC	\$101.24	1.016	0.986	0.995	1.000	\$100.88		\$100.88
	PRES DRUGS - FP	\$0.01	1.016	0.986	0.995	1.000	\$0.01		\$0.01
	PRES DRUGS - MH/CD	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	SCHOOL-BASED HEALTH SERVICES	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - ANESTHESIA FEMALE	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - ANESTHESIA MALE	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - IP HOSP FEMALE	\$0.00	1.023	1.000	0.995	0.974	\$0.00		\$0.00
	STERILIZATION - IP HOSP MALE	\$0.00	1.023	1.000	0.995	0.974	\$0.00		\$0.00
	STERILIZATION - OP HOSP FEMALE	\$0.00	1.032	1.000	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - OP HOSP MALE	\$0.00	1.032	1.000	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - PHY FEMALE	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - PHY MALE	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00
	SURGERY	\$22.31	1.019	0.930	0.995	1.000	\$21.02		\$21.02
	TARGETED CASE MAN - BABIES FIRST	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	TARGETED CASE MAN - HIV	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	TARGETED CASE MAN - SUBS ABUSE MOMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	THERAPEUTIC ABORTION - IP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	THERAPEUTIC ABORTION - OP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	THERAPEUTIC ABORTION - PHYS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	TRANSPORTATION - AMBULANCE	\$8.21	1.019	1.000	0.995	1.000	\$8.32		\$8.32
	TRANSPORTATION - OTHER	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	VISION CARE - EXAMS & THERAPY	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00
	VISION CARE - MATERIALS & FITTING	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00
	PART A DEDUCTIBLE				1.000	1.000	\$0.00		\$0.00
	PART B DEDUCTIBLE				1.000	1.000	\$0.00		\$0.00
	OHP COPAY/PART B COINSURANCE ADJUSTMENT				1.000	1.000	\$0.00	-\$3.17	-\$3.17
	Subtotal Physical Health	\$708.27				0.989	\$688.12	-\$3.15	\$684.97
	Subtotal Physical Health with Admin Allowance								\$747.86
	CHEMICAL DEPENDENCY								
	CD SERVICES - ALTERNATIVE TO DETOX	\$0.00	1.038	1.596	1.000	1.000	\$0.00		\$0.00
	CD SERVICES - METHADONE	\$0.17	1.038	1.596	1.000	1.000	\$0.28		\$0.28
	OHP COPAY/CD SERVICES - OP	\$0.25	1.038	1.596	1.000	1.000	\$0.41		\$0.41
	Subtotal Chemical Dependency	\$0.42					\$0.69		\$0.69
	Subtotal Chemical Dependency with Admin Allowance								\$0.75

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-H

**Development of January 2011 Statewide FCHP, MHO, and DCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List**

Eligibility Category	Service Category	A	B	C	D	E	F	G	H
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve- Out ³	$= A * B * C * D * E$ Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	$= F + G$ 2011 Statewide Capitation Rate PMPM
Old Age Assistance without Medicare									
DENTAL									
	DENTAL - ADJUNCTIVE GENERAL	\$0.84	1.013	1.068	1.000	1.000	\$0.91		\$0.91
	DENTAL - ANESTHESIA SURGICAL	\$0.03	1.013	1.068	1.000	1.000	\$0.03		\$0.03
	DENTAL - DIAGNOSTIC	\$3.80	1.013	1.068	1.000	1.000	\$4.12		\$4.12
	DENTAL - ENDODONTICS	\$0.76	1.013	1.068	1.000	1.000	\$0.82		\$0.82
	DENTAL - I/P FIXED	\$0.02	1.013	1.068	1.000	1.000	\$0.02		\$0.02
	DENTAL - ORAL SURGERY	\$2.89	1.013	1.068	1.000	1.000	\$3.12		\$3.12
	DENTAL - ORTHODONTICS	\$0.00	1.013	1.068	1.000	1.000	\$0.00		\$0.00
	DENTAL - PERIODONTICS	\$1.77	1.013	1.068	1.000	1.000	\$1.92		\$1.92
	DENTAL - PREVENTIVE	\$0.87	1.013	1.068	1.000	1.000	\$0.94		\$0.94
	DENTAL - PROS REMOVABLE	\$7.53	1.013	1.068	1.000	1.000	\$8.15		\$8.15
	OHP COPAY/DENTAL - RESTORATIVE	\$2.88	1.013	1.068	1.000	1.000	\$3.12	-\$0.04	\$3.08
	Subtotal Dental	\$21.39					\$23.15		\$23.11
	Subtotal Dental with Admin Allowance								\$25.11
MENTAL HEALTH									
	MH SERVICES ACUTE INPATIENT	\$8.78	1.012	1.000	1.000	0.974	\$8.66		\$8.66
	MH SERVICES ALTERNATIVE TO IP	\$0.00	1.012	1.000	1.000	1.000	\$0.00		\$0.00
	MH SERVICES ANCILLARY SERVICES	\$0.77	1.012	1.000	1.000	1.000	\$0.78		\$0.78
	MH SERVICES ASSESS & EVAL	\$0.84	1.012	1.000	1.000	1.000	\$0.85		\$0.85
	MH SERVICES CASE MANAGEMENT	\$3.52	1.012	1.000	1.000	1.000	\$3.57		\$3.57
	MH SERVICES CONSULTATION	\$0.00	1.012	1.000	1.000	1.000	\$0.00		\$0.00
	MH SERVICES FAMILY SUPPORT	\$0.00	1.012	1.000	1.000	1.000	\$0.00		\$0.00
	MH SERVICES MED MANAGEMENT	\$0.38	1.012	1.000	1.000	1.000	\$0.38		\$0.38
	MH SERVICES OP THERAPY	\$0.50	1.012	1.000	1.000	1.000	\$0.51		\$0.51
	MH SERVICES OTHER OP	\$0.00	1.012	1.000	1.000	1.000	\$0.00		\$0.00
	MH SERVICES PEO	\$0.29	1.000	1.000	1.000	1.000	\$0.29		\$0.29
	MH SERVICES PHYS IP	\$1.64	1.012	1.000	1.000	1.000	\$1.66		\$1.66
	MH SERVICES PHYS OP	\$8.91	1.012	1.000	1.000	1.000	\$9.02		\$9.02
	MH SERVICES SUPPORT DAY PROGRAM	\$2.48	1.012	1.000	1.000	1.000	\$2.51		\$2.51
	MH SERVICES INTENSIVE TREATMENT SVCS	\$0.00	1.012	1.000	1.000	1.000	\$0.00		\$0.00
	OHP COPAY/MH SERVICES CONS ASSESS					1.000			-\$0.03
	Subtotal Mental Health	\$28.13				0.992	\$28.23		\$28.20
	Subtotal Mental Health with Admin Allowance								\$30.92
	Total Services	\$758.20					\$740.20	-\$3.15	\$736.97
	Total Services with Admin Allowance								\$804.66

¹ Rate Smoothing Adjustment Factors apply to Physical Health, Chemical Dependency, and Dental for purpose of smoothing 2010 and 2011 rates from 2009 rate:

² Reflects adjustment due to removal of Third Party Liability recoveries

³ Reflects carving GME out of statewide rates, for purpose of setting plan specific GME and only applies to physical health service categories:

⁴ Reflects Maternity Case Rate Carve-Out, Children's Mental Health Services Adjustment, Bariatric Surgery Adjustment, Dental Prophylactic benefit increase for children under age 1 and adjustment for copayment per OHP rules.

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-H

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Eligibility Category	Service Category	A	B	C	D	E	F	G	H
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve- Out ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM
		= A * B * C * D * E					= F + G		
CAF Children									
	PHYSICAL HEALTH								
	ADMINISTRATIVE EXAMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	ANESTHESIA	\$1.83	1.013	0.980	0.995	1.000	\$1.81		\$1.81
	EXCEPT NEEDS CARE COORDINATION	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	FP - IP HOSP	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00
	FP - OP HOSP	\$0.02	1.024	0.928	0.995	1.000	\$0.02		\$0.02
	FP - PHYS	\$0.08	1.013	0.980	0.995	1.000	\$0.08		\$0.08
	HYSTERECTOMY - ANESTHESIA	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00
	HYSTERECTOMY - IP HOSP	\$0.03	1.015	0.997	0.995	0.974	\$0.03		\$0.03
	HYSTERECTOMY - OP HOSP	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00
	HYSTERECTOMY - PHYS	\$0.01	1.013	0.980	0.995	1.000	\$0.01		\$0.01
	IP HOSP - ACUTE DETOX	\$0.08	1.015	0.997	0.995	0.974	\$0.08		\$0.08
	IP HOSP - MATERNITY	\$1.21	1.015	0.997	0.995	0.974	\$1.18	-\$1.18	\$0.00
	IP HOSP - MATERNITY / STERILIZATION	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00
	IP HOSP - MEDICAL/SURGICAL	\$15.34	1.015	0.997	0.995	0.974	\$15.04		\$15.04
	IP HOSP - NEWBORN	\$0.82	1.015	0.997	0.995	0.974	\$0.80		\$0.80
	IP HOSP - POST HOSP EXTENDED CARE	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00
	LAB & RAD - DIAGNOSTIC X-RAY	\$1.93	1.013	0.980	0.995	1.000	\$1.91		\$1.91
	LAB & RAD - LAB	\$2.01	1.013	0.980	0.995	1.000	\$1.99		\$1.99
	LAB & RAD - THERAPEUTIC X-RAY	\$0.02	1.013	0.980	0.995	1.000	\$0.02		\$0.02
	OP ER - SOMATIC MH	\$0.39	1.024	0.928	0.995	1.000	\$0.37		\$0.37
	OP HOSP - BASIC	\$12.86	1.024	0.928	0.995	1.000	\$12.17		\$12.17
	OP HOSP - EMERGENCY ROOM	\$4.58	1.024	0.928	0.995	1.000	\$4.33		\$4.33
	OP HOSP - LAB & RAD	\$6.98	1.024	0.928	0.995	1.000	\$6.61		\$6.61
	OP HOSP - MATERNITY	\$0.42	1.024	0.928	0.995	1.000	\$0.39	-\$0.39	\$0.00
	OP HOSP - POST HOSP EXTENDED CARE	\$0.00	1.024	0.928	0.995	1.000	\$0.00		\$0.00
	OP HOSP - PRES DRUGS BASIC	\$0.63	1.024	0.928	0.995	1.000	\$0.60		\$0.60
	OP HOSP - PRES DRUGS MH/CD	\$0.01	1.024	0.928	0.995	1.000	\$0.01		\$0.01
	OP HOSP - SOMATIC MH	\$0.85	1.024	0.928	0.995	1.000	\$0.80		\$0.80
	OTH MED - DME	\$1.26	1.013	1.000	0.995	1.000	\$1.27		\$1.27
	OTH MED - HHC/PDN	\$0.59	1.013	1.000	0.995	1.000	\$0.60		\$0.60
	OTH MED - HOSPICE	\$0.05	1.013	1.000	0.995	1.000	\$0.05		\$0.05
	OTH MED - MATERNITY MGT	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00
	OTH MED - SUPPLIES	\$1.48	1.013	1.000	0.995	1.000	\$1.49		\$1.49
	PHYS CONSULTATION, IP & ER VISITS	\$4.49	1.013	0.980	0.995	1.000	\$4.43		\$4.43
	PHYS HOME OR LONG-TERM CARE VISITS	\$0.05	1.013	0.980	0.995	1.000	\$0.05		\$0.05
	PHYS MATERNITY	\$0.60	1.013	0.980	0.995	1.000	\$0.59	-\$0.59	\$0.00
	PHYS NEWBORN	\$0.15	1.013	0.980	0.995	1.000	\$0.15		\$0.15
	PHYS OFFICE VISITS	\$21.01	1.013	0.980	0.995	1.000	\$20.74		\$20.74
	PHYS OTHER	\$5.93	1.013	0.980	0.995	1.000	\$5.85		\$5.85

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-H

**Development of January 2011 Statewide FCHP, MHO, and DCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List**

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve- Out ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	
		= A * B * C * D * E					= F + G			
CAF Children	PHYS SOMATIC MH	\$4.49	1.013	0.980	0.995	1.000	\$4.43		\$4.43	
	PRES DRUGS - BASIC	\$23.95	1.011	0.851	0.995	1.000	\$20.50		\$20.50	
	PRES DRUGS - FP	\$0.46	1.011	0.851	0.995	1.000	\$0.39		\$0.39	
	PRES DRUGS - MH/CD	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	SCHOOL-BASED HEALTH SERVICES	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	STERILIZATION - ANESTHESIA FEMALE	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00	
	STERILIZATION - ANESTHESIA MALE	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00	
	STERILIZATION - IP HOSP FEMALE	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	
	STERILIZATION - IP HOSP MALE	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	
	STERILIZATION - OP HOSP FEMALE	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00	
	STERILIZATION - OP HOSP MALE	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00	
	STERILIZATION - PHY FEMALE	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00	
	STERILIZATION - PHY MALE	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00	
	SURGERY	\$4.46	1.013	0.980	0.995	1.000	\$4.40		\$4.40	
	TARGETED CASE MAN - BABIES FIRST	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	TARGETED CASE MAN - HIV	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	TARGETED CASE MAN - SUBS ABUSE MOMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	THERAPEUTIC ABORTION - IP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	THERAPEUTIC ABORTION - OP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	THERAPEUTIC ABORTION - PHYS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	TRANSPORTATION - AMBULANCE	\$1.46	1.013	1.000	0.995	1.000	\$1.47		\$1.47	
	TRANSPORTATION - OTHER	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	VISION CARE - EXAMS & THERAPY	\$2.56	1.013	1.000	0.995	1.000	\$2.58		\$2.58	
	VISION CARE - MATERIALS & FITTING	\$1.82	1.013	1.000	0.995	1.000	\$1.83		\$1.83	
	PART A DEDUCTIBLE									
	PART B DEDUCTIBLE									
	OHP COPAY/PART B COINSURANCE ADJUSTMENT									
	Subtotal Physical Health	\$124.92				0.996	\$119.05	-\$2.16	\$116.89	
	Subtotal Physical Health with Admin Allowance								\$127.62	
	CHEMICAL DEPENDENCY									
	CD SERVICES - ALTERNATIVE TO DETOX	\$0.00	1.074	1.023	1.000	1.000	\$0.00		\$0.00	
	CD SERVICES - METHADONE	\$0.01	1.074	1.023	1.000	1.000	\$0.01		\$0.01	
	OHP COPAY/CD SERVICES - OP	\$6.38	1.074	1.023	1.000	1.000	\$7.01		\$7.01	
	Subtotal Chemical Dependency	\$6.39					\$7.01		\$7.01	
	Subtotal Chemical Dependency with Admin Allowance								\$7.62	

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-H

**Development of January 2011 Statewide FCHP, MHO, and DCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
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Eligibility Category	Service Category	A	B	C	D	E	F	G	H
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve- Out ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM
		= A * B * C * D * E							= F + G
CAF Children									
DENTAL									
	DENTAL - ADJUNCTIVE GENERAL	\$0.39	1.011	1.020	1.000	1.000	\$0.40		\$0.40
	DENTAL - ANESTHESIA SURGICAL	\$0.54	1.011	1.020	1.000	1.000	\$0.56		\$0.56
	DENTAL - DIAGNOSTIC	\$5.21	1.011	1.020	1.000	1.000	\$5.37		\$5.37
	DENTAL - ENDODONTICS	\$1.10	1.011	1.020	1.000	1.000	\$1.14		\$1.14
	DENTAL - I/P FIXED	\$0.00	1.011	1.020	1.000	1.000	\$0.00		\$0.00
	DENTAL - ORAL SURGERY	\$1.30	1.011	1.020	1.000	1.000	\$1.34		\$1.34
	DENTAL - ORTHODONTICS	\$0.07	1.011	1.020	1.000	1.000	\$0.07		\$0.07
	DENTAL - PERIODONTICS	\$0.12	1.011	1.020	1.000	1.000	\$0.12		\$0.12
	DENTAL - PREVENTIVE	\$5.12	1.011	1.020	1.000	1.000	\$5.28		\$5.28
	DENTAL - PROS REMOVABLE	\$0.02	1.011	1.020	1.000	1.000	\$0.02		\$0.02
	OHP COPAY/DENTAL - RESTORATIVE	\$8.04	1.011	1.020	1.000	1.000	\$8.29		\$8.29
	Subtotal Dental	\$21.90					\$22.59		\$22.59
	Subtotal Dental with Admin Allowance								\$24.55
MENTAL HEALTH									
	MH SERVICES ACUTE INPATIENT	\$6.80	1.011	1.000	1.000	0.974	\$6.70		\$6.70
	MH SERVICES ALTERNATIVE TO IP	\$2.81	1.011	1.000	1.000	1.000	\$2.84		\$2.84
	MH SERVICES ANCILLARY SERVICES	\$0.02	1.011	1.000	1.000	1.000	\$0.02		\$0.02
	MH SERVICES ASSESS & EVAL	\$4.37	1.011	1.000	1.000	1.000	\$4.42		\$4.42
	MH SERVICES CASE MANAGEMENT	\$10.19	1.011	1.000	1.000	1.000	\$10.30		\$10.30
	MH SERVICES CONSULTATION	\$0.00	1.011	1.000	1.000	1.000	\$0.00		\$0.00
	MH SERVICES FAMILY SUPPORT	\$0.11	1.011	1.000	1.000	1.000	\$0.11		\$0.11
	MH SERVICES MED MANAGEMENT	\$0.14	1.011	1.000	1.000	1.000	\$0.14		\$0.14
	MH SERVICES OP THERAPY	\$13.47	1.011	1.000	1.000	1.000	\$13.62		\$13.62
	MH SERVICES OTHER OP	\$0.31	1.011	1.000	1.000	1.000	\$0.31		\$0.31
	MH SERVICES PEO	\$0.29	1.000	1.000	1.000	1.000	\$0.29		\$0.29
	MH SERVICES PHYS IP	\$8.42	1.011	1.000	1.000	1.000	\$8.51		\$8.51
	MH SERVICES PHYS OP	\$45.17	1.011	1.000	1.000	1.000	\$45.66		\$45.66
	MH SERVICES SUPPORT DAY PROGRAM	\$4.44	1.011	1.000	1.000	1.000	\$4.49		\$4.49
	MH SERVICES INTENSIVE TREATMENT SVCS	\$96.80	1.011	1.000	1.000	1.000	\$97.86	\$22.16	\$120.03
	OHP COPAY/MH SERVICES CONS ASSESS					1.000			\$0.26
	Subtotal Mental Health	\$193.32				0.999	\$195.27	\$22.16	\$217.69
	Subtotal Mental Health with Admin Allowance								\$238.70
	Total Services	\$346.54					\$343.92	\$20.00	\$364.18
	Total Services with Admin Allowance								\$398.49

¹ Rate Smoothing Adjustment Factors apply to Physical Health, Chemical Dependency, and Dental for purpose of smoothing 2010 and 2011 rates from 2009 rate:

² Reflects adjustment due to removal of Third Party Liability recoveries

³ Reflects carving GME out of statewide rates, for purpose of setting plan specific GME and only applies to physical health service categories:

⁴ Reflects Maternity Case Rate Carve-Out, Children's Mental Health Services Adjustment, Bariatric Surgery Adjustment, Dental Prophylactic benefit increase for children under age 1 and adjustment for copayment per OHP rules.

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-H

**Development of January 2011 Statewide FCHP, MHO, and DCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
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Eligibility Category	Service Category	A	B	C	D	E	F	G	H
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve- Out ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM
		= A * B * C * D * E					= F + G		
OHP Families									
	PHYSICAL HEALTH								
	ADMINISTRATIVE EXAMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	ANESTHESIA	\$2.11	1.019	0.984	0.995	1.000	\$2.11		\$2.11
	EXCEPT NEEDS CARE COORDINATION	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	FP - IP HOSP	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00
	FP - OP HOSP	\$0.09	1.032	1.025	0.995	1.000	\$0.09		\$0.09
	FP - PHYS	\$0.77	1.019	0.984	0.995	1.000	\$0.77		\$0.77
	HYSTERECTOMY - ANESTHESIA	\$0.10	1.019	0.984	0.995	1.000	\$0.10		\$0.10
	HYSTERECTOMY - IP HOSP	\$1.43	1.015	1.027	0.995	0.974	\$1.44		\$1.44
	HYSTERECTOMY - OP HOSP	\$0.00	1.032	1.000	0.995	1.000	\$0.00		\$0.00
	HYSTERECTOMY - PHYS	\$0.49	1.019	0.984	0.995	1.000	\$0.48		\$0.48
	IP HOSP - ACUTE DETOX	\$0.34	1.015	1.027	0.995	0.974	\$0.34		\$0.34
	IP HOSP - MATERNITY	\$0.99	1.015	1.027	0.995	0.974	\$1.00	-\$1.00	\$0.00
	IP HOSP - MATERNITY / STERILIZATION	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00
	IP HOSP - MEDICAL/SURGICAL	\$36.25	1.015	1.027	0.995	0.974	\$36.63		\$36.63
	IP HOSP - NEWBORN	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00
	IP HOSP - POST HOSP EXTENDED CARE	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00
	LAB & RAD - DIAGNOSTIC X-RAY	\$8.15	1.019	0.984	0.995	1.000	\$8.13		\$8.13
	LAB & RAD - LAB	\$7.04	1.019	0.984	0.995	1.000	\$7.02		\$7.02
	LAB & RAD - THERAPEUTIC X-RAY	\$0.38	1.019	0.984	0.995	1.000	\$0.38		\$0.38
	OP ER - SOMATIC MH	\$0.37	1.032	1.025	0.995	1.000	\$0.39		\$0.39
	OP HOSP - BASIC	\$27.03	1.032	1.025	0.995	1.000	\$28.42		\$28.42
	OP HOSP - EMERGENCY ROOM	\$11.57	1.032	1.025	0.995	1.000	\$12.17		\$12.17
	OP HOSP - LAB & RAD	\$23.18	1.032	1.025	0.995	1.000	\$24.37		\$24.37
	OP HOSP - MATERNITY	\$2.04	1.032	1.025	0.995	1.000	\$2.14	-\$2.14	\$0.00
	OP HOSP - POST HOSP EXTENDED CARE	\$0.00	1.032	1.000	0.995	1.000	\$0.00		\$0.00
	OP HOSP - PRES DRUGS BASIC	\$2.52	1.032	1.025	0.995	1.000	\$2.65		\$2.65
	OP HOSP - PRES DRUGS MH/CD	\$0.02	1.032	1.025	0.995	1.000	\$0.03		\$0.03
	OP HOSP - SOMATIC MH	\$0.42	1.032	1.025	0.995	1.000	\$0.45		\$0.45
	OTH MED - DME	\$1.36	1.019	1.000	0.995	1.000	\$1.38		\$1.38
	OTH MED - HHC/PDN	\$0.11	1.019	1.000	0.995	1.000	\$0.12		\$0.12
	OTH MED - HOSPICE	\$0.03	1.019	1.000	0.995	1.000	\$0.03		\$0.03
	OTH MED - MATERNITY MGT	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00
	OTH MED - SUPPLIES	\$1.29	1.019	1.000	0.995	1.000	\$1.31		\$1.31
	PHYS CONSULTATION, IP & ER VISITS	\$8.82	1.019	0.984	0.995	1.000	\$8.79		\$8.79
	PHYS HOME OR LONG-TERM CARE VISITS	\$0.00	1.019	0.984	0.995	1.000	\$0.00		\$0.00
	PHYS MATERNITY	\$1.27	1.019	0.984	0.995	1.000	\$1.26	-\$1.26	\$0.00
	PHYS NEWBORN	\$0.04	1.019	0.984	0.995	1.000	\$0.04		\$0.04
	PHYS OFFICE VISITS	\$29.11	1.019	0.984	0.995	1.000	\$29.02		\$29.02
	PHYS OTHER	\$4.64	1.019	0.984	0.995	1.000	\$4.63	\$0.02	\$4.65

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-H

**Development of January 2011 Statewide FCHP, MHO, and DCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List**

Eligibility Category	Service Category	A	B	C	D	E	F	G	H
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve- Out ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM
		= A * B * C * D * E							= F + G
OHP Families	PHYS SOMATIC MH	\$2.21	1.019	0.984	0.995	1.000	\$2.21		\$2.21
	PRES DRUGS - BASIC	\$48.27	1.003	0.998	0.995	1.000	\$48.07		\$48.07
	PRES DRUGS - FP	\$1.73	1.003	0.998	0.995	1.000	\$1.73		\$1.73
	PRES DRUGS - MH/CD	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	SCHOOL-BASED HEALTH SERVICES	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - ANESTHESIA FEMALE	\$0.10	1.019	0.984	0.995	1.000	\$0.10		\$0.10
	STERILIZATION - ANESTHESIA MALE	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - IP HOSP FEMALE	\$0.11	1.015	1.027	0.995	0.974	\$0.11		\$0.11
	STERILIZATION - IP HOSP MALE	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00
	STERILIZATION - OP HOSP FEMALE	\$0.28	1.032	1.025	0.995	1.000	\$0.29		\$0.29
	STERILIZATION - OP HOSP MALE	\$0.00	1.032	1.025	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - PHY FEMALE	\$0.13	1.019	0.984	0.995	1.000	\$0.13		\$0.13
	STERILIZATION - PHY MALE	\$0.07	1.019	0.984	0.995	1.000	\$0.07		\$0.07
	SURGERY	\$9.73	1.019	0.984	0.995	1.000	\$9.70		\$9.70
	TARGETED CASE MAN - BABIES FIRST	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	TARGETED CASE MAN - HIV	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	TARGETED CASE MAN - SUBS ABUSE MOMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	THERAPEUTIC ABORTION - IP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	THERAPEUTIC ABORTION - OP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	THERAPEUTIC ABORTION - PHYS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	TRANSPORTATION - AMBULANCE	\$2.25	1.019	1.000	0.995	1.000	\$2.28		\$2.28
	TRANSPORTATION - OTHER	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	VISION CARE - EXAMS & THERAPY	\$0.14	1.019	1.000	0.995	1.000	\$0.15		\$0.15
	VISION CARE - MATERIALS & FITTING	\$0.04	1.019	1.000	0.995	1.000	\$0.04		\$0.04
	PART A DEDUCTIBLE								
	PART B DEDUCTIBLE								
	OHP COPAY/PART B COINSURANCE ADJUSTMENT								
	Subtotal Physical Health	\$237.01				0.996	\$240.54	-\$4.38	\$236.15
	Subtotal Physical Health with Admin Allowance								\$257.84
	CHEMICAL DEPENDENCY								
	CD SERVICES - ALTERNATIVE TO DETOX	\$0.15	1.038	1.093	1.000	1.000	\$0.17		\$0.17
	CD SERVICES - METHADONE	\$0.85	1.038	1.093	1.000	1.000	\$0.97		\$0.97
	OHP COPAY/CD SERVICES - OP	\$3.81	1.038	1.093	1.000	1.000	\$4.32		\$4.32
	Subtotal Chemical Dependency	\$4.81					\$5.46		\$5.46
	Subtotal Chemical Dependency with Admin Allowance								\$5.93

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-H

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		= A * B * C * D * E							= F + G
OHP Families									
DENTAL									
	DENTAL - ADJUNCTIVE GENERAL	\$0.82	1.013	0.913	1.000	1.000	\$0.76		\$0.76
	DENTAL - ANESTHESIA SURGICAL	\$0.07	1.013	0.913	1.000	1.000	\$0.06		\$0.06
	DENTAL - DIAGNOSTIC	\$1.99	1.013	0.913	1.000	1.000	\$1.84		\$1.84
	DENTAL - ENDODONTICS	\$0.24	1.013	0.913	1.000	1.000	\$0.22		\$0.22
	DENTAL - I/P FIXED	\$0.00	1.013	0.913	1.000	1.000	\$0.00		\$0.00
	DENTAL - ORAL SURGERY	\$1.46	1.013	0.913	1.000	1.000	\$1.35		\$1.35
	DENTAL - ORTHODONTICS	\$0.00	1.013	0.913	1.000	1.000	\$0.00		\$0.00
	DENTAL - PERIODONTICS	\$0.08	1.013	0.913	1.000	1.000	\$0.08		\$0.08
	DENTAL - PREVENTIVE	\$0.14	1.013	0.913	1.000	1.000	\$0.13		\$0.13
	DENTAL - PROS REMOVABLE	\$0.16	1.013	0.913	1.000	1.000	\$0.15		\$0.15
	OHP COPAY/DENTAL - RESTORATIVE	\$0.90	1.013	0.913	1.000	1.000	\$0.83		\$0.83
	Subtotal Dental	\$5.85					\$5.42		\$5.42
	Subtotal Dental with Admin Allowance								\$5.89
MENTAL HEALTH									
	MH SERVICES ACUTE INPATIENT	\$2.42	1.012	1.000	1.000	0.974	\$2.39		\$2.39
	MH SERVICES ALTERNATIVE TO IP	\$0.01	1.012	1.000	1.000	1.000	\$0.01		\$0.01
	MH SERVICES ANCILLARY SERVICES	\$0.05	1.012	1.000	1.000	1.000	\$0.05		\$0.05
	MH SERVICES ASSESS & EVAL	\$0.58	1.012	1.000	1.000	1.000	\$0.58		\$0.58
	MH SERVICES CASE MANAGEMENT	\$0.70	1.012	1.000	1.000	1.000	\$0.71		\$0.71
	MH SERVICES CONSULTATION	\$0.00	1.012	1.000	1.000	1.000	\$0.00		\$0.00
	MH SERVICES FAMILY SUPPORT	\$0.00	1.012	1.000	1.000	1.000	\$0.00		\$0.00
	MH SERVICES MED MANAGEMENT	\$0.13	1.012	1.000	1.000	1.000	\$0.14		\$0.14
	MH SERVICES OP THERAPY	\$2.57	1.012	1.000	1.000	1.000	\$2.60		\$2.60
	MH SERVICES OTHER OP	\$0.04	1.012	1.000	1.000	1.000	\$0.04		\$0.04
	MH SERVICES PEO	\$0.29	1.000	1.000	1.000	1.000	\$0.29		\$0.29
	MH SERVICES PHYS IP	\$1.26	1.012	1.000	1.000	1.000	\$1.27		\$1.27
	MH SERVICES PHYS OP	\$6.62	1.012	1.000	1.000	1.000	\$6.71		\$6.71
	MH SERVICES SUPPORT DAY PROGRAM	\$0.12	1.012	1.000	1.000	1.000	\$0.12		\$0.12
	MH SERVICES INTENSIVE TREATMENT SVCS	\$0.00	1.012	1.000	1.000	1.000	\$0.00		\$0.00
	OHP COPAY/MH SERVICES CONS ASSESS								\$0.00
	Subtotal Mental Health	\$14.81				0.996	\$14.92		\$14.92
	Subtotal Mental Health with Admin Allowance								\$16.36
	Total Services	\$262.48					\$266.34	-\$4.38	\$261.96
	Total Services with Admin Allowance								\$286.03

¹ Rate Smoothing Adjustment Factors apply to Physical Health, Chemical Dependency, and Dental for purpose of smoothing 2010 and 2011 rates from 2009 rate:

² Reflects adjustment due to removal of Third Party Liability recoveries

³ Reflects carving GME out of statewide rates, for purpose of setting plan specific GME and only applies to physical health service categories:

⁴ Reflects Maternity Case Rate Carve-Out, Children's Mental Health Services Adjustment, Bariatric Surgery Adjustment, Dental Prophylactic benefit increase for children under age 1 and adjustment for copayment per OHP rules.

Oregon Health Plan Medicaid Demonstration

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		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve- Out ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	
		= A * B * C * D * E							= F + G	
OHP Adults & Couples										
PHYSICAL HEALTH										
	ADMINISTRATIVE EXAMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	ANESTHESIA	\$3.42	1.019	0.964	0.995	1.000	\$3.34		\$3.34	
	EXCEPT NEEDS CARE COORDINATION	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	
	FP - IP HOSP	\$0.00	1.023	1.000	0.995	0.974	\$0.00		\$0.00	
	FP - OP HOSP	\$0.02	1.032	0.951	0.995	1.000	\$0.01		\$0.01	
	FP - PHYS	\$0.12	1.019	0.964	0.995	1.000	\$0.11		\$0.11	
	HYSTERECTOMY - ANESTHESIA	\$0.03	1.019	0.964	0.995	1.000	\$0.03		\$0.03	
	HYSTERECTOMY - IP HOSP	\$1.30	1.023	0.898	0.995	0.974	\$1.15		\$1.15	
	HYSTERECTOMY - OP HOSP	\$0.00	1.032	1.000	0.995	1.000	\$0.00		\$0.00	
	HYSTERECTOMY - PHYS	\$0.29	1.019	0.964	0.995	1.000	\$0.29		\$0.29	
	IP HOSP - ACUTE DETOX	\$2.34	1.023	0.898	0.995	0.974	\$2.08		\$2.08	
	IP HOSP - MATERNITY	\$0.30	1.023	0.898	0.995	0.974	\$0.27	-\$0.27	\$0.00	
	IP HOSP - MATERNITY / STERILIZATION	\$0.04	1.023	0.898	0.995	0.974	\$0.04	-\$0.02	\$0.02	
	IP HOSP - MEDICAL/SURGICAL	\$105.39	1.023	0.898	0.995	0.974	\$93.79		\$93.79	
	IP HOSP - NEWBORN	\$0.00	1.023	1.000	0.995	0.974	\$0.00		\$0.00	
	IP HOSP - POST HOSP EXTENDED CARE	\$0.00	1.023	1.000	0.995	0.974	\$0.00		\$0.00	
	LAB & RAD - DIAGNOSTIC X-RAY	\$12.75	1.019	0.964	0.995	1.000	\$12.46		\$12.46	
	LAB & RAD - LAB	\$9.21	1.019	0.964	0.995	1.000	\$9.00		\$9.00	
	LAB & RAD - THERAPEUTIC X-RAY	\$1.31	1.019	0.964	0.995	1.000	\$1.28		\$1.28	
	OP ER - SOMATIC MH	\$1.07	1.032	0.951	0.995	1.000	\$1.04		\$1.04	
	OP HOSP - BASIC	\$42.64	1.032	0.951	0.995	1.000	\$41.63		\$41.63	
	OP HOSP - EMERGENCY ROOM	\$17.34	1.032	0.951	0.995	1.000	\$16.93		\$16.93	
	OP HOSP - LAB & RAD	\$38.35	1.032	0.951	0.995	1.000	\$37.44		\$37.44	
	OP HOSP - MATERNITY	\$0.71	1.032	0.951	0.995	1.000	\$0.69	-\$0.69	\$0.00	
	OP HOSP - POST HOSP EXTENDED CARE	\$0.01	1.032	0.951	0.995	1.000	\$0.01		\$0.01	
	OP HOSP - PRES DRUGS BASIC	\$3.91	1.032	0.951	0.995	1.000	\$3.82		\$3.82	
	OP HOSP - PRES DRUGS MH/CD	\$0.07	1.032	0.951	0.995	1.000	\$0.07		\$0.07	
	OP HOSP - SOMATIC MH	\$1.15	1.032	0.951	0.995	1.000	\$1.12		\$1.12	
	OTH MED - DME	\$3.40	1.019	1.000	0.995	1.000	\$3.45		\$3.45	
	OTH MED - HHC/PDN	\$0.27	1.019	1.000	0.995	1.000	\$0.27		\$0.27	
	OTH MED - HOSPICE	\$0.36	1.019	1.000	0.995	1.000	\$0.37		\$0.37	
	OTH MED - MATERNITY MGT	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00	
	OTH MED - SUPPLIES	\$2.96	1.019	1.000	0.995	1.000	\$3.00		\$3.00	
	PHYS CONSULTATION, IP & ER VISITS	\$16.69	1.019	0.964	0.995	1.000	\$16.30		\$16.30	
	PHYS HOME OR LONG-TERM CARE VISITS	\$0.02	1.019	0.964	0.995	1.000	\$0.02		\$0.02	
	PHYS MATERNITY	\$0.33	1.019	0.964	0.995	1.000	\$0.32	-\$0.32	\$0.00	
	PHYS NEWBORN	\$0.05	1.019	0.964	0.995	1.000	\$0.05		\$0.05	
	PHYS OFFICE VISITS	\$40.76	1.019	0.964	0.995	1.000	\$39.82		\$39.82	
	PHYS OTHER	\$12.41	1.019	0.964	0.995	1.000	\$12.12	\$0.03	\$12.15	

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-H

**Development of January 2011 Statewide FCHP, MHO, and DCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List**

Eligibility Category	Service Category	A	B	C	D	E	F	G	H
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve- Out ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM
		= A * B * C * D * E						= F + G	
OHP Adults & Couples									
	PHYS SOMATIC MH	\$4.17	1.019	0.964	0.995	1.000	\$4.08		\$4.08
	PRES DRUGS - BASIC	\$109.30	1.016	0.985	0.995	1.000	\$108.77		\$108.77
	PRES DRUGS - FP	\$0.71	1.016	0.985	0.995	1.000	\$0.71		\$0.71
	PRES DRUGS - MH/CD	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	SCHOOL-BASED HEALTH SERVICES	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - ANESTHESIA FEMALE	\$0.02	1.019	0.964	0.995	1.000	\$0.02		\$0.02
	STERILIZATION - ANESTHESIA MALE	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - IP HOSP FEMALE	\$0.00	1.023	1.000	0.995	0.974	\$0.00		\$0.00
	STERILIZATION - IP HOSP MALE	\$0.00	1.023	1.000	0.995	0.974	\$0.00		\$0.00
	STERILIZATION - OP HOSP FEMALE	\$0.03	1.032	0.951	0.995	1.000	\$0.03		\$0.03
	STERILIZATION - OP HOSP MALE	\$0.00	1.032	1.000	0.995	1.000	\$0.00		\$0.00
	STERILIZATION - PHY FEMALE	\$0.02	1.019	0.964	0.995	1.000	\$0.02		\$0.02
	STERILIZATION - PHY MALE	\$0.00	1.019	0.964	0.995	1.000	\$0.00		\$0.00
	SURGERY	\$17.89	1.019	0.964	0.995	1.000	\$17.48		\$17.48
	TARGETED CASE MAN - BABIES FIRST	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	TARGETED CASE MAN - HIV	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	TARGETED CASE MAN - SUBS ABUSE MOMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	THERAPEUTIC ABORTION - IP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	THERAPEUTIC ABORTION - OP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	THERAPEUTIC ABORTION - PHYS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	TRANSPORTATION - AMBULANCE	\$6.45	1.019	1.000	0.995	1.000	\$6.53		\$6.53
	TRANSPORTATION - OTHER	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00
	VISION CARE - EXAMS & THERAPY	\$0.14	1.019	1.000	0.995	1.000	\$0.15		\$0.15
	VISION CARE - MATERIALS & FITTING	\$0.04	1.019	1.000	0.995	1.000	\$0.04		\$0.04
	PART A DEDUCTIBLE								
	PART B DEDUCTIBLE								
	OHP COPAY/PART B COINSURANCE ADJUSTMENT								
	Subtotal Physical Health	\$457.79				0.994	\$440.15	-\$1.28	\$438.87
	Subtotal Physical Health with Admin Allowance								\$479.17
	CHEMICAL DEPENDENCY								
	CD SERVICES - ALTERNATIVE TO DETOX	\$1.12	1.038	1.150	1.000	1.000	\$1.34		\$1.34
	CD SERVICES - METHADONE	\$7.93	1.038	1.150	1.000	1.000	\$9.47		\$9.47
	OHP COPAY/CD SERVICES - OP	\$21.93	1.038	1.150	1.000	1.000	\$26.18		\$26.18
	Subtotal Chemical Dependency	\$30.98					\$36.99		\$36.99
	Subtotal Chemical Dependency with Admin Allowance								\$40.21

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-H

Development of January 2011 Statewide FCHP, MHO, and DCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

Eligibility Category	Service Category	A	B	C	D	E	F	G	H
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve- Out ³	= A * B * C * D * E	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴
OHP Adults & Couples									
DENTAL									
	DENTAL - ADJUNCTIVE GENERAL	\$0.97	1.013	0.921	1.000	1.000	\$0.90		\$0.90
	DENTAL - ANESTHESIA SURGICAL	\$0.06	1.013	0.921	1.000	1.000	\$0.05		\$0.05
	DENTAL - DIAGNOSTIC	\$1.96	1.013	0.921	1.000	1.000	\$1.83		\$1.83
	DENTAL - ENDODONTICS	\$0.16	1.013	0.921	1.000	1.000	\$0.15		\$0.15
	DENTAL - I/P FIXED	\$0.00	1.013	0.921	1.000	1.000	\$0.00		\$0.00
	DENTAL - ORAL SURGERY	\$1.83	1.013	0.921	1.000	1.000	\$1.71		\$1.71
	DENTAL - ORTHODONTICS	\$0.00	1.013	0.921	1.000	1.000	\$0.00		\$0.00
	DENTAL - PERIODONTICS	\$0.04	1.013	0.921	1.000	1.000	\$0.03		\$0.03
	DENTAL - PREVENTIVE	\$0.06	1.013	0.921	1.000	1.000	\$0.06		\$0.06
	DENTAL - PROS REMOVABLE	\$0.08	1.013	0.921	1.000	1.000	\$0.07		\$0.07
	OHP COPAY/DENTAL - RESTORATIVE	\$0.56	1.013	0.921	1.000	1.000	\$0.52		\$0.52
	Subtotal Dental	\$5.72					\$5.34		\$5.34
	Subtotal Dental with Admin Allowance								\$5.80
MENTAL HEALTH									
	MH SERVICES ACUTE INPATIENT	\$9.33	1.012	1.000	1.000	0.974	\$9.20		\$9.20
	MH SERVICES ALTERNATIVE TO IP	\$0.63	1.012	1.000	1.000	1.000	\$0.63		\$0.63
	MH SERVICES ANCILLARY SERVICES	\$0.04	1.012	1.000	1.000	1.000	\$0.05		\$0.05
	MH SERVICES ASSESS & EVAL	\$1.26	1.012	1.000	1.000	1.000	\$1.27		\$1.27
	MH SERVICES CASE MANAGEMENT	\$4.14	1.012	1.000	1.000	1.000	\$4.19		\$4.19
	MH SERVICES CONSULTATION	\$0.00	1.012	1.000	1.000	1.000	\$0.00		\$0.00
	MH SERVICES FAMILY SUPPORT	\$0.12	1.012	1.000	1.000	1.000	\$0.13		\$0.13
	MH SERVICES MED MANAGEMENT	\$0.42	1.012	1.000	1.000	1.000	\$0.43		\$0.43
	MH SERVICES OP THERAPY	\$5.05	1.012	1.000	1.000	1.000	\$5.11		\$5.11
	MH SERVICES OTHER OP	\$0.09	1.012	1.000	1.000	1.000	\$0.09		\$0.09
	MH SERVICES PEO	\$0.29	1.000	1.000	1.000	1.000	\$0.29		\$0.29
	MH SERVICES PHYS IP	\$3.90	1.012	1.000	1.000	1.000	\$3.95		\$3.95
	MH SERVICES PHYS OP	\$13.25	1.012	1.000	1.000	1.000	\$13.41		\$13.41
	MH SERVICES SUPPORT DAY PROGRAM	\$2.43	1.012	1.000	1.000	1.000	\$2.46		\$2.46
	MH SERVICES INTENSIVE TREATMENT SVCS	\$0.00	1.012	1.000	1.000	1.000	\$0.00		\$0.00
	OHP COPAY/MH SERVICES CONS ASSESS								\$0.00
	Subtotal Mental Health	\$40.96				0.994	\$41.21		\$41.21
	Subtotal Mental Health with Admin Allowance								\$45.18
	Total Services	\$535.45					\$523.69	-\$1.28	\$522.41
	Total Services with Admin Allowance								\$570.37

¹ Rate Smoothing Adjustment Factors apply to Physical Health, Chemical Dependency, and Dental for purpose of smoothing 2010 and 2011 rates from 2009 rate;

² Reflects adjustment due to removal of Third Party Liability recoveries

³ Reflects carving GME out of statewide rates, for purpose of setting plan specific GME and only applies to physical health service categories;

⁴ Reflects Maternity Case Rate Carve-Out, Children's Mental Health Services Adjustment, Bariatric Surgery Adjustment, Dental Prophylactic benefit increase for children under age 1 and adjustment for copayment per OHP rules.

Oregon Health Plan Medicaid Demonstration
Development of January 2011 Statewide PCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
 With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

EXHIBIT 2-1

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	I	J	K	L
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve-out Adjustments ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	Covered Benefit Adjustment (1=Covered, 0=Not Covered)	Projected Statewide Cost PMPM for PCO Benefits	OP Cost Shift Adjustment	2011 Statewide PCO Capitation Rate PMPM
Temporary Assistance to Needy Families (Adults Only)													
PHYSICAL HEALTH													
	ADMINISTRATIVE EXAMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	ANESTHESIA	\$5.45	1.019	1.032	0.995	1.000	\$5.71		\$5.71	1	\$5.71	1.00	\$5.71
	EXCEPT NEEDS CARE COORDINATION	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	FP - IP HOSP	\$0.00	1.019	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	FP - OP HOSP	\$0.08	1.032	1.059	0.995	1.000	\$0.09		\$0.09	1	\$0.09	0.95	\$0.09
	FP - PHYS	\$1.23	1.019	1.032	0.995	1.000	\$1.29		\$1.29	1	\$1.29	1.00	\$1.29
	HYSTERECTOMY - ANESTHESIA	\$0.11	1.019	1.032	0.995	1.000	\$0.11		\$0.11	1	\$0.11	1.00	\$0.11
	HYSTERECTOMY - IP HOSP	\$5.00	1.019	1.107	0.995	0.974	\$5.46		\$5.46	0	\$0.00	1.00	\$0.00
	HYSTERECTOMY - OP HOSP	\$0.05	1.032	1.059	0.995	1.000	\$0.05		\$0.05	1	\$0.05	0.95	\$0.05
	HYSTERECTOMY - PHYS	\$0.63	1.019	1.032	0.995	1.000	\$0.66		\$0.66	1	\$0.66	1.00	\$0.66
	IP HOSP - ACUTE DETOX	\$0.65	1.019	1.107	0.995	0.974	\$0.71		\$0.71	0	\$0.00	1.00	\$0.00
	IP HOSP - MATERNITY	\$51.61	1.019	1.107	0.995	0.974	\$56.42	-\$56.42	\$0.00	0	\$0.00	1.00	\$0.00
	IP HOSP - MATERNITY / STERILIZATION	\$3.57	1.019	1.107	0.995	0.974	\$3.91	-\$2.35	\$1.56	0	\$0.00	1.00	\$0.00
	IP HOSP - MEDICAL/SURGICAL	\$70.84	1.019	1.107	0.995	0.974	\$77.43		\$77.43	0	\$0.00	1.00	\$0.00
	IP HOSP - NEWBORN	\$0.00	1.019	1.107	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	IP HOSP - POST HOSP EXTENDED CARE	\$0.00	1.019	1.107	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	LAB & RAD - DIAGNOSTIC X-RAY	\$11.34	1.019	1.032	0.995	1.000	\$11.86		\$11.86	1	\$11.86	1.00	\$11.86
	LAB & RAD - LAB	\$8.81	1.019	1.032	0.995	1.000	\$9.21		\$9.21	1	\$9.21	1.00	\$9.21
	LAB & RAD - THERAPEUTIC X-RAY	\$0.50	1.019	1.032	0.995	1.000	\$0.52		\$0.52	1	\$0.52	1.00	\$0.52
	OP ER - SOMATIC MH	\$0.58	1.032	1.059	0.995	1.000	\$0.63		\$0.63	1	\$0.63	0.95	\$0.60
	OP HOSP - BASIC	\$36.60	1.032	1.059	0.995	1.000	\$39.77		\$39.77	1	\$39.77	0.95	\$37.78
	OP HOSP - EMERGENCY ROOM	\$20.94	1.032	1.059	0.995	1.000	\$22.75		\$22.75	1	\$22.75	0.95	\$21.61
	OP HOSP - LAB & RAD	\$30.49	1.032	1.059	0.995	1.000	\$33.12		\$33.12	1	\$33.12	0.95	\$31.46
	OP HOSP - MATERNITY	\$10.53	1.032	1.059	0.995	1.000	\$11.44	-\$11.44	\$0.00	1	\$0.00	0.95	\$0.00
	OP HOSP - POST HOSP EXTENDED CARE	\$0.02	1.032	1.059	0.995	1.000	\$0.02		\$0.02	1	\$0.02	0.95	\$0.02
	OP HOSP - PRES DRUGS BASIC	\$4.38	1.032	1.059	0.995	1.000	\$4.76		\$4.76	1	\$4.76	0.95	\$4.52
	OP HOSP - PRES DRUGS MH/CD	\$0.03	1.032	1.059	0.995	1.000	\$0.04		\$0.04	1	\$0.04	0.95	\$0.03
	OP HOSP - SOMATIC MH	\$0.65	1.032	1.059	0.995	1.000	\$0.71		\$0.71	1	\$0.71	0.95	\$0.67
	OTH MED - DME	\$1.78	1.019	1.000	0.995	1.000	\$1.81		\$1.81	1	\$1.81	1.00	\$1.81
	OTH MED - HHC/PDN	\$0.52	1.019	1.000	0.995	1.000	\$0.52		\$0.52	1	\$0.52	1.00	\$0.52
	OTH MED - HOSPICE	\$0.08	1.019	1.000	0.995	1.000	\$0.09		\$0.09	1	\$0.09	1.00	\$0.09
	OTH MED - MATERNITY MGT	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	OTH MED - SUPPLIES	\$1.41	1.019	1.000	0.995	1.000	\$1.43		\$1.43	1	\$1.43	1.00	\$1.43
	PHYS CONSULTATION, IP & ER VISITS	\$13.56	1.019	1.032	0.995	1.000	\$14.18		\$14.18	1	\$14.18	1.00	\$14.18
	PHYS HOME OR LONG-TERM CARE VISITS	\$0.01	1.019	1.032	0.995	1.000	\$0.02		\$0.02	1	\$0.02	1.00	\$0.02
	PHYS MATERNITY	\$29.04	1.019	1.032	0.995	1.000	\$30.37	-\$30.37	\$0.00	1	\$0.00	1.00	\$0.00
	PHYS NEWBORN	\$0.04	1.019	1.032	0.995	1.000	\$0.04		\$0.04	1	\$0.04	1.00	\$0.04
	PHYS OFFICE VISITS	\$32.12	1.019	1.032	0.995	1.000	\$33.60		\$33.60	1	\$33.60	1.00	\$33.60
	PHYS OTHER	\$4.83	1.019	1.032	0.995	1.000	\$5.05	\$0.01	\$5.06	1	\$5.06	1.00	\$5.06

Oregon Health Plan Medicaid Demonstration

Development of January 2011 Statewide PCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
 With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

EXHIBIT 2-1

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	I	J	K	L	
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve-out Adjustments ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	Covered Benefit Adjustment (1=Covered, 0=Not Covered)	Projected Statewide Cost PMPM for PCO Benefits	OP Cost Shift Adjustment	2011 Statewide PCO Capitation Rate PMPM	
		= A * B * C * D * E					= F + G		= H * I		= J * K			
Temporary Assistance to Needy Families (Adults Only)														
	PHYS SOMATIC MH	\$3.28	1.019	1.032	0.995	1.000	\$3.43		\$3.43	1	\$3.43	1.00	\$3.43	
	PRES DRUGS - BASIC	\$42.59	1.021	0.985	0.995	1.000	\$42.60		\$42.60	1	\$42.60	1.00	\$42.60	
	PRES DRUGS - FP	\$1.66	1.021	0.985	0.995	1.000	\$1.66		\$1.66	1	\$1.66	1.00	\$1.66	
	PRES DRUGS - MH/CD	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	SCHOOL-BASED HEALTH SERVICES	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	STERILIZATION - ANESTHESIA FEMALE	\$0.35	1.019	1.032	0.995	1.000	\$0.37		\$0.37	1	\$0.37	1.00	\$0.37	
	STERILIZATION - ANESTHESIA MALE	\$0.00	1.019	1.032	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00	
	STERILIZATION - IP HOSP FEMALE	\$3.19	1.019	1.107	0.995	0.974	\$3.49		\$3.49	0	\$0.00	1.00	\$0.00	
	STERILIZATION - IP HOSP MALE	\$0.00	1.019	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	STERILIZATION - OP HOSP FEMALE	\$0.67	1.032	1.059	0.995	1.000	\$0.73		\$0.73	1	\$0.73	0.95	\$0.69	
	STERILIZATION - OP HOSP MALE	\$0.00	1.032	1.059	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00	
	STERILIZATION - PHY FEMALE	\$0.57	1.019	1.032	0.995	1.000	\$0.60		\$0.60	1	\$0.60	1.00	\$0.60	
	STERILIZATION - PHY MALE	\$0.07	1.019	1.032	0.995	1.000	\$0.08		\$0.08	1	\$0.08	1.00	\$0.08	
	SURGERY	\$13.51	1.019	1.032	0.995	1.000	\$14.14		\$14.14	1	\$14.14	1.00	\$14.14	
	TARGETED CASE MAN - BABIES FIRST	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	TARGETED CASE MAN - HIV	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	TARGETED CASE MAN - SUBS ABUSE MOMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	THERAPEUTIC ABORTION - IP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	THERAPEUTIC ABORTION - OP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	0.95	\$0.00	
	THERAPEUTIC ABORTION - PHYS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	TRANSPORTATION - AMBULANCE	\$4.25	1.019	1.000	0.995	1.000	\$4.31		\$4.31	1	\$4.31	1.00	\$4.31	
	TRANSPORTATION - OTHER	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	VISION CARE - EXAMS & THERAPY	\$0.14	1.019	1.000	0.995	1.000	\$0.15		\$0.15	1	\$0.15	1.00	\$0.15	
	VISION CARE - MATERIALS & FITTING	\$0.13	1.019	1.000	0.995	1.000	\$0.13		\$0.13	1	\$0.13	1.00	\$0.13	
	PART A DEDUCTIBLE													
	PART B DEDUCTIBLE													
	OHP COPAY/PART B COINSURANCE ADJUSTMENT								-\$2.99	-\$2.99			-\$2.99	
	Subtotal Physical Health	\$417.93			0.995		\$445.45	-\$103.57	\$341.88		\$253.23		\$248.09	
	Subtotal Physical Health with Admin Allowance												\$271.58	
	CHEMICAL DEPENDENCY													
	CD SERVICES - ALTERNATIVE TO DETOX	\$0.37	1.104	1.096	1.000	1.000	\$0.45		\$0.45	0	\$0.00	1.00	\$0.00	
	CD SERVICES - METHADONE	\$1.74	1.104	1.096	1.000	1.000	\$2.10		\$2.10	1	\$2.10	1.00	\$2.10	
	OHP COPAY/CD SERVICES - OP	\$13.03	1.104	1.096	1.000	1.000	\$15.77		\$15.77	1	\$15.77	1.00	\$15.77	
	Subtotal Chemical Dependency	\$15.14					\$18.31		\$18.31		\$17.87		\$17.87	
	Subtotal Chemical Dependency with Admin Allowance												\$19.56	

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-1

Development of January 2011 Statewide PCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	I	J	K	L	
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve-out Adjustments ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	Covered Benefit Adjustment (1=Covered, 0=Not Covered)	Projected Statewide Cost PMPM for PCO Benefits	OP Cost Shift Adjustment	2011 Statewide PCO Capitation Rate PMPM	
							= A * B * C * D * E			= F + G			= H * I	= J * K
Temporary Assistance to Needy Families (Adults Only)														
DENTAL														
	DENTAL - ADJUNCTIVE GENERAL	\$2.15	1.016	0.960	1.000	1.000	\$2.09		\$2.09	0	\$0.00	1.00	\$0.00	
	DENTAL - ANESTHESIA SURGICAL	\$0.35	1.016	0.960	1.000	1.000	\$0.35		\$0.35	0	\$0.00	1.00	\$0.00	
	DENTAL - DIAGNOSTIC	\$6.62	1.016	0.960	1.000	1.000	\$6.46		\$6.46	0	\$0.00	1.00	\$0.00	
	DENTAL - ENDODONTICS	\$1.66	1.016	0.960	1.000	1.000	\$1.62		\$1.62	0	\$0.00	1.00	\$0.00	
	DENTAL - I/P FIXED	\$0.01	1.016	0.960	1.000	1.000	\$0.01		\$0.01	0	\$0.00	1.00	\$0.00	
	DENTAL - ORAL SURGERY	\$4.30	1.016	0.960	1.000	1.000	\$4.19		\$4.19	0	\$0.00	1.00	\$0.00	
	DENTAL - ORTHODONTICS	\$0.00	1.016	0.960	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	DENTAL - PERIODONTICS	\$2.13	1.016	0.960	1.000	1.000	\$2.08		\$2.08	0	\$0.00	1.00	\$0.00	
	DENTAL - PREVENTIVE	\$2.04	1.016	0.960	1.000	1.000	\$1.99		\$1.99	0	\$0.00	1.00	\$0.00	
	DENTAL - PROS REMOVABLE	\$2.35	1.016	0.960	1.000	1.000	\$2.29		\$2.29	0	\$0.00	1.00	\$0.00	
	OHP COPAY/DENTAL - RESTORATIVE	\$7.41	1.016	0.960	1.000	1.000	\$7.22		\$7.22	0	\$0.00	1.00	\$0.00	
	Subtotal Dental	\$29.02					\$28.31		\$28.31	0	\$0.00	1.00	\$0.00	
	Subtotal Dental with Admin Allowance												\$0.00	
MENTAL HEALTH														
	MH SERVICES ACUTE INPATIENT	\$4.63	1.012	1.000	1.000	1.000	\$4.68		\$4.68	0	\$0.00	1.00	\$0.00	
	MH SERVICES ALTERNATIVE TO IP	\$0.13	1.012	1.000	1.000	1.000	\$0.13		\$0.13	0	\$0.00	1.00	\$0.00	
	MH SERVICES ANCILLARY SERVICES	\$0.07	1.012	1.000	1.000	1.000	\$0.07		\$0.07	0	\$0.00	1.00	\$0.00	
	MH SERVICES ASSESS & EVAL	\$1.61	1.012	1.000	1.000	1.000	\$1.63		\$1.63	0	\$0.00	1.00	\$0.00	
	MH SERVICES CASE MANAGEMENT	\$1.91	1.012	1.000	1.000	1.000	\$1.93		\$1.93	0	\$0.00	1.00	\$0.00	
	MH SERVICES CONSULTATION	\$0.00	1.012	1.000	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	MH SERVICES FAMILY SUPPORT	\$0.01	1.012	1.000	1.000	1.000	\$0.02		\$0.02	0	\$0.00	1.00	\$0.00	
	MH SERVICES MED MANAGEMENT	\$0.21	1.012	1.000	1.000	1.000	\$0.22		\$0.22	0	\$0.00	1.00	\$0.00	
	MH SERVICES OP THERAPY	\$4.76	1.012	1.000	1.000	1.000	\$4.81		\$4.81	0	\$0.00	1.00	\$0.00	
	MH SERVICES OTHER OP	\$0.11	1.012	1.000	1.000	1.000	\$0.11		\$0.11	0	\$0.00	1.00	\$0.00	
	MH SERVICES PEO	\$0.29	1.000	1.000	1.000	1.000	\$0.29		\$0.29	0	\$0.00	1.00	\$0.00	
	MH SERVICES PHYS IP	\$2.23	1.012	1.000	1.000	1.000	\$2.25		\$2.25	0	\$0.00	1.00	\$0.00	
	MH SERVICES PHYS OP	\$11.30	1.012	1.000	1.000	1.000	\$11.44		\$11.44	0	\$0.00	1.00	\$0.00	
	MH SERVICES SUPPORT DAY PROGRAM	\$0.33	1.012	1.000	1.000	1.000	\$0.33		\$0.33	0	\$0.00	1.00	\$0.00	
	MH SERVICES INTENSIVE TREATMENT SVCS	\$0.00	1.012	1.000	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	OHP COPAY/MH SERVICES CONS ASSESS								\$0.00	0	\$0.00	1.00	\$0.00	
	Subtotal Mental Health	\$27.57					\$27.90		\$27.90	0	\$0.00	1.00	\$0.00	
	Subtotal Mental Health with Admin Allowance												\$0.00	
	Total Services	\$489.66					\$519.97	-\$103.57	\$416.40		\$271.09		\$265.96	
	Total Services with Admin Allowance												\$291.14	

¹ Rate Smoothing Adjustment Factors apply to Physical Health, Chemical Dependency, and Dental for purpose of smoothing 2010 and 2011 rates from 2009 rates.

² Reflects adjustment due to removal of Third Party Liability recoveries.

³ Reflects carving GME out of statewide rates, for purpose of setting plan specific GME and only applies to physical health service categories.

⁴ Reflects Maternity Case Rate Carve-Out, Children's Mental Health Services Adjustment, Bariatric Surgery Adjustment, Dental Prophylactic benefit increase for children under age 19, and adjustment for copayment per OHP rules.

Oregon Health Plan Medicaid Demonstration

Development of January 2011 Statewide PCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

EXHIBIT 2-1

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	I	J	K	L	
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve-out Adjustments ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	Covered Benefit Adjustment (1=Covered, 0=Not Covered)	Projected Statewide Cost PMPM for PCO Benefits	OP Cost Shift Adjustment	2011 Statewide PCO Capitation Rate PMPM	
		= A * B * C * D * E					= F + G		= H + I		= J * K			
Poverty Level Medical Adults														
PHYSICAL HEALTH														
	ADMINISTRATIVE EXAMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	ANESTHESIA	\$33.70	1.019	1.017	0.995	1.000	\$34.72		\$34.72	1	\$34.72	1.00	\$34.72	
	EXCEPT NEEDS CARE COORDINATION	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00	
	FP - IP HOSP	\$0.00	1.019	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	FP - OP HOSP	\$0.23	1.032	1.043	0.995	1.000	\$0.25		\$0.25	1	\$0.25	0.95	\$0.23	
	FP - PHYS	\$5.06	1.019	1.017	0.995	1.000	\$5.21		\$5.21	1	\$5.21	1.00	\$5.21	
	HYSTERECTOMY - ANESTHESIA	\$0.02	1.019	1.017	0.995	1.000	\$0.02		\$0.02	1	\$0.02	1.00	\$0.02	
	HYSTERECTOMY - IP HOSP	\$1.10	1.019	0.984	0.995	0.974	\$1.06		\$1.06	0	\$0.00	1.00	\$0.00	
	HYSTERECTOMY - OP HOSP	\$0.00	1.032	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00	
	HYSTERECTOMY - PHYS	\$0.07	1.019	1.017	0.995	1.000	\$0.07		\$0.07	1	\$0.07	1.00	\$0.07	
	IP HOSP - ACUTE DETOX	\$0.08	1.019	0.984	0.995	0.974	\$0.08		\$0.08	0	\$0.00	1.00	\$0.00	
	IP HOSP - MATERNITY	\$523.40	1.019	0.984	0.995	0.974	\$508.54	-\$508.54	\$0.00	0	\$0.00	1.00	\$0.00	
	IP HOSP - MATERNITY / STERILIZATION	\$21.17	1.019	0.984	0.995	0.974	\$20.57	-\$12.37	\$8.20	0	\$0.00	1.00	\$0.00	
	IP HOSP - MEDICAL/SURGICAL	\$16.31	1.019	0.984	0.995	0.974	\$15.85		\$15.85	0	\$0.00	1.00	\$0.00	
	IP HOSP - NEWBORN	\$0.01	1.019	0.984	0.995	0.974	\$0.01		\$0.01	0	\$0.00	1.00	\$0.00	
	IP HOSP - POST HOSP EXTENDED CARE	\$0.00	1.019	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	LAB & RAD - DIAGNOSTIC X-RAY	\$32.63	1.019	1.017	0.995	1.000	\$33.61		\$33.61	1	\$33.61	1.00	\$33.61	
	LAB & RAD - LAB	\$26.11	1.019	1.017	0.995	1.000	\$26.90		\$26.90	1	\$26.90	1.00	\$26.90	
	LAB & RAD - THERAPEUTIC X-RAY	\$0.02	1.019	1.017	0.995	1.000	\$0.02		\$0.02	1	\$0.02	1.00	\$0.02	
	OP ER - SOMATIC MH	\$0.19	1.032	1.043	0.995	1.000	\$0.20		\$0.20	1	\$0.20	0.95	\$0.19	
	OP HOSP - BASIC	\$22.19	1.032	1.043	0.995	1.000	\$23.76		\$23.76	1	\$23.76	0.95	\$22.57	
	OP HOSP - EMERGENCY ROOM	\$8.23	1.032	1.043	0.995	1.000	\$8.81		\$8.81	1	\$8.81	0.95	\$8.37	
	OP HOSP - LAB & RAD	\$19.10	1.032	1.043	0.995	1.000	\$20.45		\$20.45	1	\$20.45	0.95	\$19.43	
	OP HOSP - MATERNITY	\$95.37	1.032	1.043	0.995	1.000	\$102.10	-\$102.10	\$0.00	1	\$0.00	0.95	\$0.00	
	OP HOSP - POST HOSP EXTENDED CARE	\$0.03	1.032	1.043	0.995	1.000	\$0.03		\$0.03	1	\$0.03	0.95	\$0.03	
	OP HOSP - PRES DRUGS BASIC	\$5.21	1.032	1.043	0.995	1.000	\$5.57		\$5.57	1	\$5.57	0.95	\$5.30	
	OP HOSP - PRES DRUGS MH/CD	\$0.01	1.032	1.043	0.995	1.000	\$0.01		\$0.01	1	\$0.01	0.95	\$0.01	
	OP HOSP - SOMATIC MH	\$0.20	1.032	1.043	0.995	1.000	\$0.21		\$0.21	1	\$0.21	0.95	\$0.20	
	OTH MED - DME	\$0.60	1.019	1.000	0.995	1.000	\$0.61		\$0.61	1	\$0.61	1.00	\$0.61	
	OTH MED - HHC/PDN	\$0.33	1.019	1.000	0.995	1.000	\$0.34		\$0.34	1	\$0.34	1.00	\$0.34	
	OTH MED - HOSPICE	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00	
	OTH MED - MATERNITY MGT	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00	
	OTH MED - SUPPLIES	\$1.34	1.019	1.000	0.995	1.000	\$1.36		\$1.36	1	\$1.36	1.00	\$1.36	
	PHYS CONSULTATION, IP & ER VISITS	\$7.25	1.019	1.017	0.995	1.000	\$7.46		\$7.46	1	\$7.46	1.00	\$7.46	
	PHYS HOME OR LONG-TERM CARE VISITS	\$0.00	1.019	1.017	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00	
	PHYS MATERNITY	\$351.62	1.019	1.017	0.995	1.000	\$362.26	-\$362.26	\$0.00	1	\$0.00	1.00	\$0.00	
	PHYS NEWBORN	\$0.17	1.019	1.017	0.995	1.000	\$0.18		\$0.18	1	\$0.18	1.00	\$0.18	
	PHYS OFFICE VISITS	\$16.58	1.019	1.017	0.995	1.000	\$17.08		\$17.08	1	\$17.08	1.00	\$17.08	
	PHYS OTHER	\$2.78	1.019	1.017	0.995	1.000	\$2.86		\$2.86	1	\$2.86	1.00	\$2.86	

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-1

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With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

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		= A * B * C * D * E							= F + G		= H * I		= J * K	
Poverty Level Medical Adults														
	PHYS SOMATIC MH	\$1.03	1.019	1.017	0.995	1.000	\$1.06		\$1.06	1	\$1.06	1.00	\$1.06	
	PRES DRUGS - BASIC	\$26.01	1.021	0.961	0.995	1.000	\$25.39		\$25.39	1	\$25.39	1.00	\$25.39	
	PRES DRUGS - FP	\$1.85	1.021	0.961	0.995	1.000	\$1.80		\$1.80	1	\$1.80	1.00	\$1.80	
	PRES DRUGS - MH/CD	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	SCHOOL-BASED HEALTH SERVICES	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	STERILIZATION - ANESTHESIA FEMALE	\$1.77	1.019	1.017	0.995	1.000	\$1.82		\$1.82	1	\$1.82	1.00	\$1.82	
	STERILIZATION - ANESTHESIA MALE	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00	
	STERILIZATION - IP HOSP FEMALE	\$23.62	1.019	0.984	0.995	0.974	\$22.95		\$22.95	0	\$0.00	1.00	\$0.00	
	STERILIZATION - IP HOSP MALE	\$0.00	1.019	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	STERILIZATION - OP HOSP FEMALE	\$1.65	1.032	1.043	0.995	1.000	\$1.77		\$1.77	1	\$1.77	0.95	\$1.68	
	STERILIZATION - OP HOSP MALE	\$0.00	1.032	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00	
	STERILIZATION - PHY FEMALE	\$2.98	1.019	1.017	0.995	1.000	\$3.07		\$3.07	1	\$3.07	1.00	\$3.07	
	STERILIZATION - PHY MALE	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00	
	SURGERY	\$7.26	1.019	1.017	0.995	1.000	\$7.48		\$7.48	1	\$7.48	1.00	\$7.48	
	TARGETED CASE MAN - BABIES FIRST	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	TARGETED CASE MAN - HIV	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	TARGETED CASE MAN - SUBS ABUSE MOMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	THERAPEUTIC ABORTION - IP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	THERAPEUTIC ABORTION - OP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	0.95	\$0.00	
	THERAPEUTIC ABORTION - PHYS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	TRANSPORTATION - AMBULANCE	\$6.78	1.019	1.000	0.995	1.000	\$6.87		\$6.87	1	\$6.87	1.00	\$6.87	
	TRANSPORTATION - OTHER	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	VISION CARE - EXAMS & THERAPY	\$2.34	1.019	1.000	0.995	1.000	\$2.37		\$2.37	1	\$2.37	1.00	\$2.37	
	VISION CARE - MATERIALS & FITTING	\$1.95	1.019	1.000	0.995	1.000	\$1.98		\$1.98	1	\$1.98	1.00	\$1.98	
	PART A DEDUCTIBLE													
	PART B DEDUCTIBLE													
	OHP COPAY/PART B COINSURANCE ADJUSTMENT													
	Subtotal Physical Health	\$1,268.34			0.995		\$1,276.78	-\$985.27	\$291.51		\$243.36		\$240.31	
	Subtotal Physical Health with Admin Allowance												\$263.06	
CHEMICAL DEPENDENCY														
	CD SERVICES - ALTERNATIVE TO DETOX	\$0.06	1.104	1.104	1.000	1.000	\$0.07		\$0.07	0	\$0.00	1.00	\$0.00	
	CD SERVICES - METHADONE	\$0.57	1.104	1.104	1.000	1.000	\$0.70		\$0.70	1	\$0.70	1.00	\$0.70	
	OHP COPAY/CD SERVICES - OP	\$7.62	1.104	1.104	1.000	1.000	\$9.29		\$9.29	1	\$9.29	1.00	\$9.29	
	Subtotal Chemical Dependency	\$8.25					\$10.05		\$10.05		\$9.98		\$9.98	
	Subtotal Chemical Dependency with Admin Allowance												\$10.93	

Oregon Health Plan Medicaid Demonstration
Development of January 2011 Statewide PCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

EXHIBIT 2-1

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	I	J	K	L	
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve-out Adjustments ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	Covered Benefit Adjustment (1=Covered, 0=Not Covered)	Projected Statewide Cost PMPM for PCO Benefits	OP Cost Shift Adjustment	2011 Statewide PCO Capitation Rate PMPM	
							= A * B * C * D * E			= F + G			= H * I	= J * K
Poverty Level Medical Adults														
DENTAL														
	DENTAL - ADJUNCTIVE GENERAL	\$1.41	1.016	0.997	1.000	1.000	\$1.43		\$1.43	0	\$0.00	1.00	\$0.00	
	DENTAL - ANESTHESIA SURGICAL	\$0.15	1.016	0.997	1.000	1.000	\$0.15		\$0.15	0	\$0.00	1.00	\$0.00	
	DENTAL - DIAGNOSTIC	\$6.94	1.016	0.997	1.000	1.000	\$7.03		\$7.03	0	\$0.00	1.00	\$0.00	
	DENTAL - ENDODONTICS	\$1.72	1.016	0.997	1.000	1.000	\$1.74		\$1.74	0	\$0.00	1.00	\$0.00	
	DENTAL - I/P FIXED	\$0.01	1.016	0.997	1.000	1.000	\$0.01		\$0.01	0	\$0.00	1.00	\$0.00	
	DENTAL - ORAL SURGERY	\$2.38	1.016	0.997	1.000	1.000	\$2.41		\$2.41	0	\$0.00	1.00	\$0.00	
	DENTAL - ORTHODONTICS	\$0.00	1.016	0.997	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	DENTAL - PERIODONTICS	\$1.78	1.016	0.997	1.000	1.000	\$1.80		\$1.80	0	\$0.00	1.00	\$0.00	
	DENTAL - PREVENTIVE	\$3.00	1.016	0.997	1.000	1.000	\$3.04		\$3.04	0	\$0.00	1.00	\$0.00	
	DENTAL - PROS REMOVABLE	\$0.37	1.016	0.997	1.000	1.000	\$0.37		\$0.37	0	\$0.00	1.00	\$0.00	
	OHP COPAY/DENTAL - RESTORATIVE	\$7.51	1.016	0.997	1.000	1.000	\$7.61		\$7.61	0	\$0.00	1.00	\$0.00	
	Subtotal Dental	\$25.26					\$25.59		\$25.59	0	\$0.00	1.00	\$0.00	
	Subtotal Dental with Admin Allowance												\$0.00	
MENTAL HEALTH														
	MH SERVICES ACUTE INPATIENT	\$1.30	1.012	1.000	1.000	1.000	\$1.32		\$1.32	0	\$0.00	1.00	\$0.00	
	MH SERVICES ALTERNATIVE TO IP	\$0.05	1.012	1.000	1.000	1.000	\$0.05		\$0.05	0	\$0.00	1.00	\$0.00	
	MH SERVICES ANCILLARY SERVICES	\$0.00	1.012	1.000	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	MH SERVICES ASSESS & EVAL	\$0.81	1.012	1.000	1.000	1.000	\$0.82		\$0.82	0	\$0.00	1.00	\$0.00	
	MH SERVICES CASE MANAGEMENT	\$0.61	1.012	1.000	1.000	1.000	\$0.62		\$0.62	0	\$0.00	1.00	\$0.00	
	MH SERVICES CONSULTATION	\$0.00	1.012	1.000	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	MH SERVICES FAMILY SUPPORT	\$0.00	1.012	1.000	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	MH SERVICES MED MANAGEMENT	\$0.03	1.012	1.000	1.000	1.000	\$0.03		\$0.03	0	\$0.00	1.00	\$0.00	
	MH SERVICES OP THERAPY	\$1.49	1.012	1.000	1.000	1.000	\$1.50		\$1.50	0	\$0.00	1.00	\$0.00	
	MH SERVICES OTHER OP	\$0.05	1.012	1.000	1.000	1.000	\$0.05		\$0.05	0	\$0.00	1.00	\$0.00	
	MH SERVICES PEO	\$0.30	1.000	1.000	1.000	1.000	\$0.30		\$0.30	0	\$0.00	1.00	\$0.00	
	MH SERVICES PHYS IP	\$0.52	1.012	1.000	1.000	1.000	\$0.53		\$0.53	0	\$0.00	1.00	\$0.00	
	MH SERVICES PHYS OP	\$4.31	1.012	1.000	1.000	1.000	\$4.36		\$4.36	0	\$0.00	1.00	\$0.00	
	MH SERVICES SUPPORT DAY PROGRAM	\$0.15	1.012	1.000	1.000	1.000	\$0.15		\$0.15	0	\$0.00	1.00	\$0.00	
	MH SERVICES INTENSIVE TREATMENT SVCS	\$0.00	1.012	1.000	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	OHP COPAY/MH SERVICES CONS ASSESS								\$0.00	0	\$0.00	1.00	\$0.00	
	Subtotal Mental Health	\$9.62					\$9.73		\$9.73	0	\$0.00	1.00	\$0.00	
	Subtotal Mental Health with Admin Allowance												\$0.00	
	Total Services	\$1,311.47					\$1,322.16	-\$985.27	\$336.89		\$253.35		\$250.29	
	Total Services with Admin Allowance												\$273.99	

¹ Rate Smoothing Adjustment Factors apply to Physical Health, Chemical Dependency, and Dental for purpose of smoothing 2010 and 2011 rates from 2009 rates.

² Reflects adjustment due to removal of Third Party Liability recoveries.

³ Reflects carving GME out of statewide rates, for purpose of setting plan specific GME and only applies to physical health service categories.

⁴ Reflects Maternity Case Rate Carve-Out, Children's Mental Health Services Adjustment, Bariatric Surgery Adjustment, Dental Prophylactic benefit increase for children under age 19, and adjustment for copayment per OHP rules.

Oregon Health Plan Medicaid Demonstration
Development of January 2011 Statewide PCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
 With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

EXHIBIT 2-1

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	I	J	K	L	
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve-out Adjustments ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	Covered Benefit Adjustment (1=Covered, 0=Not Covered)	Projected Statewide Cost PMPM for PCO Benefits	OP Cost Shift Adjustment	2011 Statewide PCO Capitation Rate PMPM	
		= A * B * C * D * E					= F + G		= H * I		= J * K			
PLM, TANF, and CHIP Children < 1														
PHYSICAL HEALTH														
	ADMINISTRATIVE EXAMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	ANESTHESIA	\$2.11	1.013	1.001	0.995	1.000	\$2.13		\$2.13	1	\$2.13	1.00	\$2.13	
	EXCEPT NEEDS CARE COORDINATION	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00	
	FP - IP HOSP	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	FP - OP HOSP	\$0.00	1.024	0.892	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00	
	FP - PHYS	\$0.00	1.013	1.001	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00	
	HYSTERECTOMY - ANESTHESIA	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00	
	HYSTERECTOMY - IP HOSP	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	HYSTERECTOMY - OP HOSP	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00	
	HYSTERECTOMY - PHYS	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00	
	IP HOSP - ACUTE DETOX	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	IP HOSP - MATERNITY	\$0.13	1.015	1.016	0.995	0.974	\$0.13		\$0.13	0	\$0.00	1.00	\$0.00	
	IP HOSP - MATERNITY / STERILIZATION	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	IP HOSP - MEDICAL/SURGICAL	\$79.22	1.015	1.016	0.995	0.974	\$79.15		\$79.15	0	\$0.00	1.00	\$0.00	
	IP HOSP - NEWBORN	\$219.14	1.015	1.016	0.995	0.974	\$218.93		\$218.93	0	\$0.00	1.00	\$0.00	
	IP HOSP - POST HOSP EXTENDED CARE	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	LAB & RAD - DIAGNOSTIC X-RAY	\$3.00	1.013	1.001	0.995	1.000	\$3.03		\$3.03	1	\$3.03	1.00	\$3.03	
	LAB & RAD - LAB	\$1.21	1.013	1.001	0.995	1.000	\$1.22		\$1.22	1	\$1.22	1.00	\$1.22	
	LAB & RAD - THERAPEUTIC X-RAY	\$0.01	1.013	1.001	0.995	1.000	\$0.01		\$0.01	1	\$0.01	1.00	\$0.01	
	OP ER - SOMATIC MH	\$0.00	1.024	0.892	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00	
	OP HOSP - BASIC	\$13.67	1.024	0.892	0.995	1.000	\$12.43		\$12.43	1	\$12.43	0.95	\$11.80	
	OP HOSP - EMERGENCY ROOM	\$11.29	1.024	0.892	0.995	1.000	\$10.26		\$10.26	1	\$10.26	0.95	\$9.75	
	OP HOSP - LAB & RAD	\$7.71	1.024	0.892	0.995	1.000	\$7.01		\$7.01	1	\$7.01	0.95	\$6.66	
	OP HOSP - MATERNITY	\$0.02	1.024	0.892	0.995	1.000	\$0.02		\$0.02	1	\$0.02	0.95	\$0.02	
	OP HOSP - POST HOSP EXTENDED CARE	\$0.03	1.024	0.892	0.995	1.000	\$0.02		\$0.02	1	\$0.02	0.95	\$0.02	
	OP HOSP - PRES DRUGS BASIC	\$0.82	1.024	0.892	0.995	1.000	\$0.75		\$0.75	1	\$0.75	0.95	\$0.71	
	OP HOSP - PRES DRUGS MH/CD	\$0.00	1.024	0.892	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00	
	OP HOSP - SOMATIC MH	\$0.04	1.024	0.892	0.995	1.000	\$0.03		\$0.03	1	\$0.03	0.95	\$0.03	
	OTH MED - DME	\$1.42	1.013	1.000	0.995	1.000	\$1.43		\$1.43	1	\$1.43	1.00	\$1.43	
	OTH MED - HHC/PDN	\$0.48	1.013	1.000	0.995	1.000	\$0.48		\$0.48	1	\$0.48	1.00	\$0.48	
	OTH MED - HOSPICE	\$0.22	1.013	1.000	0.995	1.000	\$0.22		\$0.22	1	\$0.22	1.00	\$0.22	
	OTH MED - MATERNITY MGT	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00	
	OTH MED - SUPPLIES	\$0.79	1.013	1.000	0.995	1.000	\$0.79		\$0.79	1	\$0.79	1.00	\$0.79	
	PHYS CONSULTATION, IP & ER VISITS	\$33.46	1.013	1.001	0.995	1.000	\$33.75		\$33.75	1	\$33.75	1.00	\$33.75	
	PHYS HOME OR LONG-TERM CARE VISITS	\$0.06	1.013	1.001	0.995	1.000	\$0.06		\$0.06	1	\$0.06	1.00	\$0.06	
	PHYS MATERNITY	\$0.16	1.013	1.001	0.995	1.000	\$0.16		\$0.16	1	\$0.16	1.00	\$0.16	
	PHYS NEWBORN	\$6.03	1.013	1.001	0.995	1.000	\$6.08		\$6.08	1	\$6.08	1.00	\$6.08	
	PHYS OFFICE VISITS	\$69.99	1.013	1.001	0.995	1.000	\$70.58		\$70.58	1	\$70.58	1.00	\$70.58	
	PHYS OTHER	\$8.63	1.013	1.001	0.995	1.000	\$8.70		\$8.70	1	\$8.70	1.00	\$8.70	

Oregon Health Plan Medicaid Demonstration
Development of January 2011 Statewide PCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
 With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

EXHIBIT 2-1

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	I	J	K	L
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve-out Adjustments ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	Covered Benefit Adjustment (1=Covered, 0=Not Covered)	Projected Statewide Cost PMPM for PCO Benefits	OP Cost Shift Adjustment	2011 Statewide PCO Capitation Rate PMPM
PLM, TANF, and CHIP Children < 1													
	PHYS SOMATIC MH	\$0.12	1.013	1.001	0.995	1.000	\$0.12		\$0.12	1	\$0.12	1.00	\$0.12
	PRES DRUGS - BASIC	\$9.96	1.011	0.902	0.995	1.000	\$9.04		\$9.04	1	\$9.04	1.00	\$9.04
	PRES DRUGS - FP	\$0.00	1.011	0.902	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	PRES DRUGS - MH/CD	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	SCHOOL-BASED HEALTH SERVICES	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	STERILIZATION - ANESTHESIA FEMALE	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	STERILIZATION - ANESTHESIA MALE	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	STERILIZATION - IP HOSP FEMALE	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	STERILIZATION - IP HOSP MALE	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	STERILIZATION - OP HOSP FEMALE	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00
	STERILIZATION - OP HOSP MALE	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00
	STERILIZATION - PHY FEMALE	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	STERILIZATION - PHY MALE	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	SURGERY	\$6.25	1.013	1.001	0.995	1.000	\$6.31		\$6.31	1	\$6.31	1.00	\$6.31
	TARGETED CASE MAN - BABIES FIRST	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	TARGETED CASE MAN - HIV	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	TARGETED CASE MAN - SUBS ABUSE MOMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	THERAPEUTIC ABORTION - IP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	THERAPEUTIC ABORTION - OP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	0.95	\$0.00
	THERAPEUTIC ABORTION - PHYS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	TRANSPORTATION - AMBULANCE	\$5.79	1.013	1.000	0.995	1.000	\$5.83		\$5.83	1	\$5.83	1.00	\$5.83
	TRANSPORTATION - OTHER	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	VISION CARE - EXAMS & THERAPY	\$0.50	1.013	1.000	0.995	1.000	\$0.50		\$0.50	1	\$0.50	1.00	\$0.50
	VISION CARE - MATERIALS & FITTING	\$0.04	1.013	1.000	0.995	1.000	\$0.04		\$0.04	1	\$0.04	1.00	\$0.04
	PART A DEDUCTIBLE												
	PART B DEDUCTIBLE												
	OHP COPAY/PART B COINSURANCE ADJUSTMENT												
	Subtotal Physical Health	\$482.30			0.995		\$479.20	\$0.00	\$479.20		\$181.00		\$179.47
	Subtotal Physical Health with Admin Allowance												\$196.47
	CHEMICAL DEPENDENCY												
	CD SERVICES - ALTERNATIVE TO DETOX	\$0.00	1.074	0.314	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	CD SERVICES - METHADONE	\$0.00	1.074	0.314	1.000	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	OHP COPAY/CD SERVICES - OP	\$0.00	1.074	0.314	1.000	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	Subtotal Chemical Dependency	\$0.00					\$0.00		\$0.00		\$0.00		\$0.00
	Subtotal Chemical Dependency with Admin Allowance												\$0.00

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-1

Development of January 2011 Statewide PCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	I	J	K	L	
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve-out Adjustments ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	Covered Benefit Adjustment (1=Covered, 0=Not Covered)	Projected Statewide Cost PMPM for PCO Benefits	OP Cost Shift Adjustment	2011 Statewide PCO Capitation Rate PMPM	
							= A * B * C * D * E			= F + G			= H * I	= J * K
PLM, TANF, and CHIP Children < 1														
DENTAL														
	DENTAL - ADJUNCTIVE GENERAL	\$0.01	1.011	1.132	1.000	1.000	\$0.01		\$0.01	0	\$0.00	1.00	\$0.00	
	DENTAL - ANESTHESIA SURGICAL	\$0.00	1.011	1.132	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	DENTAL - DIAGNOSTIC	\$0.13	1.011	1.132	1.000	1.000	\$0.14		\$0.14	0	\$0.00	1.00	\$0.00	
	DENTAL - ENDODONTICS	\$0.00	1.011	1.132	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	DENTAL - I/P FIXED	\$0.00	1.011	1.132	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	DENTAL - ORAL SURGERY	\$0.01	1.011	1.132	1.000	1.000	\$0.01		\$0.01	0	\$0.00	1.00	\$0.00	
	DENTAL - ORTHODONTICS	\$0.00	1.011	1.132	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	DENTAL - PERIODONTICS	\$0.00	1.011	1.132	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	DENTAL - PREVENTIVE	\$0.07	1.011	1.132	1.000	1.000	\$0.08		\$0.08	0	\$0.00	1.00	\$0.00	
	DENTAL - PROS REMOVABLE	\$0.00	1.011	1.132	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	OHP COPAY/DENTAL - RESTORATIVE	\$0.02	1.011	1.132	1.000	1.000	\$0.03		\$0.03	0	\$0.00	1.00	\$0.00	
	Subtotal Dental	\$0.25					\$0.28		\$0.28		\$0.00		\$0.00	
	Subtotal Dental with Admin Allowance												\$0.00	
MENTAL HEALTH														
	MH SERVICES ACUTE INPATIENT	\$0.02	1.011	1.000	1.000	1.000	\$0.02		\$0.02	0	\$0.00	1.00	\$0.00	
	MH SERVICES ALTERNATIVE TO IP	\$0.04	1.011	1.000	1.000	1.000	\$0.04		\$0.04	0	\$0.00	1.00	\$0.00	
	MH SERVICES ANCILLARY SERVICES	\$0.00	1.011	1.000	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	MH SERVICES ASSESS & EVAL	\$0.01	1.011	1.000	1.000	1.000	\$0.01		\$0.01	0	\$0.00	1.00	\$0.00	
	MH SERVICES CASE MANAGEMENT	\$0.06	1.011	1.000	1.000	1.000	\$0.06		\$0.06	0	\$0.00	1.00	\$0.00	
	MH SERVICES CONSULTATION	\$0.00	1.011	1.000	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	MH SERVICES FAMILY SUPPORT	\$0.00	1.011	1.000	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	MH SERVICES MED MANAGEMENT	\$0.00	1.011	1.000	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	MH SERVICES OP THERAPY	\$0.01	1.011	1.000	1.000	1.000	\$0.01		\$0.01	0	\$0.00	1.00	\$0.00	
	MH SERVICES OTHER OP	\$0.00	1.011	1.000	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	MH SERVICES PEO	\$0.29	1.000	1.000	1.000	1.000	\$0.29		\$0.29	0	\$0.00	1.00	\$0.00	
	MH SERVICES PHYS IP	\$0.01	1.011	1.000	1.000	1.000	\$0.01		\$0.01	0	\$0.00	1.00	\$0.00	
	MH SERVICES PHYS OP	\$0.19	1.011	1.000	1.000	1.000	\$0.19		\$0.19	0	\$0.00	1.00	\$0.00	
	MH SERVICES SUPPORT DAY PROGRAM	\$0.00	1.011	1.000	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	MH SERVICES INTENSIVE TREATMENT SVCS	\$0.01	1.011	1.000	1.000	1.000	\$0.01	-\$0.01	\$0.00	0	\$0.00	1.00	\$0.00	
	OHP COPAY/MH SERVICES CONS ASSESS								\$0.00	0	\$0.00	1.00	\$0.00	
	Subtotal Mental Health	\$0.63					\$0.64	-\$0.01	\$0.62		\$0.00		\$0.00	
	Subtotal Mental Health with Admin Allowance												\$0.00	
Total Services		\$483.18					\$480.12	-\$0.01	\$480.11		\$181.00		\$179.47	
Total Services with Admin Allowance													\$196.47	

¹ Rate Smoothing Adjustment Factors apply to Physical Health, Chemical Dependency, and Dental for purpose of smoothing 2010 and 2011 rates from 2009 rates.

² Reflects adjustment due to removal of Third Party Liability recoveries.

³ Reflects carving GME out of statewide rates, for purpose of setting plan specific GME and only applies to physical health service categories.

⁴ Reflects Maternity Case Rate Carve-Out, Children's Mental Health Services Adjustment, Bariatric Surgery Adjustment, Dental Prophylactic benefit increase for children under age 19, and adjustment for copayment per OHP rules.

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-1

Development of January 2011 Statewide PCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	I	J	K	L
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve-out Adjustments ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	Covered Benefit Adjustment (1=Covered, 0=Not Covered)	Projected Statewide Cost PMPM for PCO Benefits	OP Cost Shift Adjustment	2011 Statewide PCO Capitation Rate PMPM
PLM, TANF, and CHIP Children 1 - 5													
PHYSICAL HEALTH													
	ADMINISTRATIVE EXAMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	ANESTHESIA	\$1.97	1.013	0.999	0.995	1.000	\$1.98		\$1.98	1	\$1.98	1.00	\$1.98
	EXCEPT NEEDS CARE COORDINATION	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	FP - IP HOSP	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	FP - OP HOSP	\$0.00	1.024	0.908	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00
	FP - PHYS	\$0.00	1.013	0.999	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	HYSTERECTOMY - ANESTHESIA	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	HYSTERECTOMY - IP HOSP	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	HYSTERECTOMY - OP HOSP	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00
	HYSTERECTOMY - PHYS	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	IP HOSP - ACUTE DETOX	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	IP HOSP - MATERNITY	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	IP HOSP - MATERNITY / STERILIZATION	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	IP HOSP - MEDICAL/SURGICAL	\$13.31	1.015	0.985	0.995	0.974	\$12.89		\$12.89	0	\$0.00	1.00	\$0.00
	IP HOSP - NEWBORN	\$0.00	1.015	0.985	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	IP HOSP - POST HOSP EXTENDED CARE	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	LAB & RAD - DIAGNOSTIC X-RAY	\$1.03	1.013	0.999	0.995	1.000	\$1.04		\$1.04	1	\$1.04	1.00	\$1.04
	LAB & RAD - LAB	\$0.91	1.013	0.999	0.995	1.000	\$0.91		\$0.91	1	\$0.91	1.00	\$0.91
	LAB & RAD - THERAPEUTIC X-RAY	\$0.03	1.013	0.999	0.995	1.000	\$0.03		\$0.03	1	\$0.03	1.00	\$0.03
	OP ER - SOMATIC MH	\$0.01	1.024	0.908	0.995	1.000	\$0.01		\$0.01	1	\$0.01	0.95	\$0.01
	OP HOSP - BASIC	\$12.96	1.024	0.908	0.995	1.000	\$11.99		\$11.99	1	\$11.99	0.95	\$11.39
	OP HOSP - EMERGENCY ROOM	\$7.30	1.024	0.908	0.995	1.000	\$6.76		\$6.76	1	\$6.76	0.95	\$6.42
	OP HOSP - LAB & RAD	\$4.06	1.024	0.908	0.995	1.000	\$3.75		\$3.75	1	\$3.75	0.95	\$3.57
	OP HOSP - MATERNITY	\$0.00	1.024	0.908	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00
	OP HOSP - POST HOSP EXTENDED CARE	\$0.00	1.024	0.908	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00
	OP HOSP - PRES DRUGS BASIC	\$0.85	1.024	0.908	0.995	1.000	\$0.79		\$0.79	1	\$0.79	0.95	\$0.75
	OP HOSP - PRES DRUGS MH/CD	\$0.00	1.024	0.908	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00
	OP HOSP - SOMATIC MH	\$0.19	1.024	0.908	0.995	1.000	\$0.18		\$0.18	1	\$0.18	0.95	\$0.17
	OTH MED - DME	\$0.35	1.013	1.000	0.995	1.000	\$0.36		\$0.36	1	\$0.36	1.00	\$0.36
	OTH MED - HHC/PDN	\$0.17	1.013	1.000	0.995	1.000	\$0.17		\$0.17	1	\$0.17	1.00	\$0.17
	OTH MED - HOSPICE	\$0.02	1.013	1.000	0.995	1.000	\$0.02		\$0.02	1	\$0.02	1.00	\$0.02
	OTH MED - MATERNITY MGT	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	OTH MED - SUPPLIES	\$0.25	1.013	1.000	0.995	1.000	\$0.26		\$0.26	1	\$0.26	1.00	\$0.26
	PHYS CONSULTATION, IP & ER VISITS	\$4.98	1.013	0.999	0.995	1.000	\$5.01		\$5.01	1	\$5.01	1.00	\$5.01
	PHYS HOME OR LONG-TERM CARE VISITS	\$0.00	1.013	0.999	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	PHYS MATERNITY	\$0.01	1.013	0.999	0.995	1.000	\$0.01		\$0.01	1	\$0.01	1.00	\$0.01
	PHYS NEWBORN	\$0.04	1.013	0.999	0.995	1.000	\$0.04		\$0.04	1	\$0.04	1.00	\$0.04
	PHYS OFFICE VISITS	\$22.76	1.013	0.999	0.995	1.000	\$22.89		\$22.89	1	\$22.89	1.00	\$22.89
	PHYS OTHER	\$1.99	1.013	0.999	0.995	1.000	\$2.00		\$2.00	1	\$2.00	1.00	\$2.00

Oregon Health Plan Medicaid Demonstration
Development of January 2011 Statewide PCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
 With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

EXHIBIT 2-1

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	I	J	K	L	
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve-out Adjustments ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	Covered Benefit Adjustment (1=Covered, 0=Not Covered)	Projected Statewide Cost PMPM for PCO Benefits	OP Cost Shift Adjustment	2011 Statewide PCO Capitation Rate PMPM	
		= A * B * C * D * E							= F + G		= H * I		= J * K	
PLM, TANF, and CHIP Children 1 - 5														
	PHYS SOMATIC MH	\$0.68	1.013	0.999	0.995	1.000	\$0.68		\$0.68	1	\$0.68	1.00	\$0.68	
	PRES DRUGS - BASIC	\$6.74	1.011	0.922	0.995	1.000	\$6.24		\$6.24	1	\$6.24	1.00	\$6.24	
	PRES DRUGS - FP	\$0.00	1.011	0.922	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00	
	PRES DRUGS - MH/CD	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	SCHOOL-BASED HEALTH SERVICES	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	STERILIZATION - ANESTHESIA FEMALE	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00	
	STERILIZATION - ANESTHESIA MALE	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00	
	STERILIZATION - IP HOSP FEMALE	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	STERILIZATION - IP HOSP MALE	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	STERILIZATION - OP HOSP FEMALE	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00	
	STERILIZATION - OP HOSP MALE	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00	
	STERILIZATION - PHY FEMALE	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00	
	STERILIZATION - PHY MALE	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00	
	SURGERY	\$3.41	1.013	0.999	0.995	1.000	\$3.43		\$3.43	1	\$3.43	1.00	\$3.43	
	TARGETED CASE MAN - BABIES FIRST	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	TARGETED CASE MAN - HIV	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	TARGETED CASE MAN - SUBS ABUSE MOMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	THERAPEUTIC ABORTION - IP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	THERAPEUTIC ABORTION - OP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	0.95	\$0.00	
	THERAPEUTIC ABORTION - PHYS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	TRANSPORTATION - AMBULANCE	\$1.15	1.013	1.000	0.995	1.000	\$1.16		\$1.16	1	\$1.16	1.00	\$1.16	
	TRANSPORTATION - OTHER	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	VISION CARE - EXAMS & THERAPY	\$0.74	1.013	1.000	0.995	1.000	\$0.75		\$0.75	1	\$0.75	1.00	\$0.75	
	VISION CARE - MATERIALS & FITTING	\$0.28	1.013	1.000	0.995	1.000	\$0.28		\$0.28	1	\$0.28	1.00	\$0.28	
	PART A DEDUCTIBLE													
	PART B DEDUCTIBLE													
	OHP COPAY/PART B COINSURANCE ADJUSTMENT													
	Subtotal Physical Health	\$86.18			0.995		\$83.62	\$0.00	\$83.62		\$70.74		\$69.56	
	Subtotal Physical Health with Admin Allowance												\$76.15	
CHEMICAL DEPENDENCY														
	CD SERVICES - ALTERNATIVE TO DETOX	\$0.00	1.074	1.177	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	CD SERVICES - METHADONE	\$0.00	1.074	1.177	1.000	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00	
	OHP COPAY/CD SERVICES - OP	\$0.00	1.074	1.177	1.000	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00	
	Subtotal Chemical Dependency	\$0.00					\$0.00	\$0.00	\$0.00		\$0.00		\$0.00	
	Subtotal Chemical Dependency with Admin Allowance												\$0.00	

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-1

Development of January 2011 Statewide PCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	I	J	K	L	
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve-out Adjustments ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	Covered Benefit Adjustment (1=Covered, 0=Not Covered)	Projected Statewide Cost PMPM for PCO Benefits	OP Cost Shift Adjustment	2011 Statewide PCO Capitation Rate PMPM	
							= A * B * C * D * E			= F + G			= H * I	= J * K
PLM, TANF, and CHIP Children 1 - 5														
DENTAL														
	DENTAL - ADJUNCTIVE GENERAL	\$0.69	1.011	1.003	1.000	1.000	\$0.70		\$0.70	0	\$0.00	1.00	\$0.00	
	DENTAL - ANESTHESIA SURGICAL	\$0.79	1.011	1.003	1.000	1.000	\$0.80		\$0.80	0	\$0.00	1.00	\$0.00	
	DENTAL - DIAGNOSTIC	\$3.58	1.011	1.003	1.000	1.000	\$3.63		\$3.63	0	\$0.00	1.00	\$0.00	
	DENTAL - ENDODONTICS	\$1.15	1.011	1.003	1.000	1.000	\$1.17		\$1.17	0	\$0.00	1.00	\$0.00	
	DENTAL - I/P FIXED	\$0.00	1.011	1.003	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	DENTAL - ORAL SURGERY	\$0.77	1.011	1.003	1.000	1.000	\$0.78		\$0.78	0	\$0.00	1.00	\$0.00	
	DENTAL - ORTHODONTICS	\$0.00	1.011	1.003	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	DENTAL - PERIODONTICS	\$0.00	1.011	1.003	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	DENTAL - PREVENTIVE	\$2.93	1.011	1.003	1.000	1.000	\$2.97		\$2.97	0	\$0.00	1.00	\$0.00	
	DENTAL - PROS REMOVABLE	\$0.00	1.011	1.003	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	OHP COPAY/DENTAL - RESTORATIVE	\$7.98	1.011	1.003	1.000	1.000	\$8.09		\$8.09	0	\$0.00	1.00	\$0.00	
	Subtotal Dental	\$17.89					\$18.15		\$18.15	0	\$0.00	1.00	\$0.00	
	Subtotal Dental with Admin Allowance												\$0.00	
MENTAL HEALTH														
	MH SERVICES ACUTE INPATIENT	\$0.10	1.011	1.000	1.000	1.000	\$0.10		\$0.10	0	\$0.00	1.00	\$0.00	
	MH SERVICES ALTERNATIVE TO IP	\$0.00	1.011	1.000	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	MH SERVICES ANCILLARY SERVICES	\$0.00	1.011	1.000	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	MH SERVICES ASSESS & EVAL	\$0.32	1.011	1.000	1.000	1.000	\$0.33		\$0.33	0	\$0.00	1.00	\$0.00	
	MH SERVICES CASE MANAGEMENT	\$0.23	1.011	1.000	1.000	1.000	\$0.23		\$0.23	0	\$0.00	1.00	\$0.00	
	MH SERVICES CONSULTATION	\$0.00	1.011	1.000	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	MH SERVICES FAMILY SUPPORT	\$0.01	1.011	1.000	1.000	1.000	\$0.01		\$0.01	0	\$0.00	1.00	\$0.00	
	MH SERVICES MED MANAGEMENT	\$0.00	1.011	1.000	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	MH SERVICES OP THERAPY	\$0.45	1.011	1.000	1.000	1.000	\$0.45		\$0.45	0	\$0.00	1.00	\$0.00	
	MH SERVICES OTHER OP	\$0.01	1.011	1.000	1.000	1.000	\$0.01		\$0.01	0	\$0.00	1.00	\$0.00	
	MH SERVICES PEO	\$0.29	1.000	1.000	1.000	1.000	\$0.29		\$0.29	0	\$0.00	1.00	\$0.00	
	MH SERVICES PHYS IP	\$0.17	1.011	1.000	1.000	1.000	\$0.17		\$0.17	0	\$0.00	1.00	\$0.00	
	MH SERVICES PHYS OP	\$2.21	1.011	1.000	1.000	1.000	\$2.23		\$2.23	0	\$0.00	1.00	\$0.00	
	MH SERVICES SUPPORT DAY PROGRAM	\$0.19	1.011	1.000	1.000	1.000	\$0.20		\$0.20	0	\$0.00	1.00	\$0.00	
	MH SERVICES INTENSIVE TREATMENT SVCS	\$0.93	1.011	1.000	1.000	1.000	\$0.94	\$0.50	\$1.44	0	\$0.00	1.00	\$0.00	
	OHP COPAY/MH SERVICES CONS ASSESS								\$0.00	0	\$0.00	1.00	\$0.00	
	Subtotal Mental Health	\$4.91					\$4.96		\$5.46	0	\$0.00	1.00	\$0.00	
	Subtotal Mental Health with Admin Allowance												\$0.00	
	Total Services	\$108.98					\$106.74	\$1.46	\$107.24		\$70.74		\$69.57	
	Total Services with Admin Allowance												\$76.15	

¹ Rate Smoothing Adjustment Factors apply to Physical Health, Chemical Dependency, and Dental for purpose of smoothing 2010 and 2011 rates from 2009 rates.

² Reflects adjustment due to removal of Third Party Liability recoveries.

³ Reflects carving GME out of statewide rates, for purpose of setting plan specific GME and only applies to physical health service categories.

⁴ Reflects Maternity Case Rate Carve-Out, Children's Mental Health Services Adjustment, Bariatric Surgery Adjustment, Dental Prophylactic benefit increase for children under age 19, and adjustment for copayment per OHP rules.

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-1

Development of January 2011 Statewide PCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	I	J	K	L	
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve-out Adjustments ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	Covered Benefit Adjustment (1=Covered, 0=Not Covered)	Projected Statewide Cost PMPM for PCO Benefits	OP Cost Shift Adjustment	2011 Statewide PCO Capitation Rate PMPM	
		= A * B * C * D * E							= F + G		= H * I		= J * K	
PLM, TANF, and CHIP Children 6 - 18														
PHYSICAL HEALTH														
	ADMINISTRATIVE EXAMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	ANESTHESIA	\$1.06	1.013	0.991	0.995	1.000	\$1.06		\$1.06	1	\$1.06	1.00	\$1.06	
	EXCEPT NEEDS CARE COORDINATION	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00	
	FP - IP HOSP	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	FP - OP HOSP	\$0.01	1.024	0.922	0.995	1.000	\$0.01		\$0.01	1	\$0.01	0.95	\$0.01	
	FP - PHYS	\$0.08	1.013	0.991	0.995	1.000	\$0.08		\$0.08	1	\$0.08	1.00	\$0.08	
	HYSTERECTOMY - ANESTHESIA	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00	
	HYSTERECTOMY - IP HOSP	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	HYSTERECTOMY - OP HOSP	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00	
	HYSTERECTOMY - PHYS	\$0.00	1.013	0.991	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00	
	IP HOSP - ACUTE DETOX	\$0.07	1.015	1.027	0.995	0.974	\$0.07		\$0.07	0	\$0.00	1.00	\$0.00	
	IP HOSP - MATERNITY	\$2.44	1.015	1.027	0.995	0.974	\$2.47	-\$2.47	\$0.00	0	\$0.00	1.00	\$0.00	
	IP HOSP - MATERNITY / STERILIZATION	\$0.01	1.015	1.027	0.995	0.974	\$0.01	-\$0.01	\$0.00	0	\$0.00	1.00	\$0.00	
	IP HOSP - MEDICAL/SURGICAL	\$14.15	1.015	1.027	0.995	0.974	\$14.29		\$14.29	0	\$0.00	1.00	\$0.00	
	IP HOSP - NEWBORN	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	IP HOSP - POST HOSP EXTENDED CARE	\$0.00	1.015	1.027	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	LAB & RAD - DIAGNOSTIC X-RAY	\$1.78	1.013	0.991	0.995	1.000	\$1.78		\$1.78	1	\$1.78	1.00	\$1.78	
	LAB & RAD - LAB	\$1.47	1.013	0.991	0.995	1.000	\$1.47		\$1.47	1	\$1.47	1.00	\$1.47	
	LAB & RAD - THERAPEUTIC X-RAY	\$0.02	1.013	0.991	0.995	1.000	\$0.02		\$0.02	1	\$0.02	1.00	\$0.02	
	OP ER - SOMATIC MH	\$0.16	1.024	0.922	0.995	1.000	\$0.15		\$0.15	1	\$0.15	0.95	\$0.14	
	OP HOSP - BASIC	\$8.14	1.024	0.922	0.995	1.000	\$7.65		\$7.65	1	\$7.65	0.95	\$7.27	
	OP HOSP - EMERGENCY ROOM	\$5.25	1.024	0.922	0.995	1.000	\$4.93		\$4.93	1	\$4.93	0.95	\$4.68	
	OP HOSP - LAB & RAD	\$5.70	1.024	0.922	0.995	1.000	\$5.35		\$5.35	1	\$5.35	0.95	\$5.08	
	OP HOSP - MATERNITY	\$0.62	1.024	0.922	0.995	1.000	\$0.59	-\$0.59	\$0.00	1	\$0.00	0.95	\$0.00	
	OP HOSP - POST HOSP EXTENDED CARE	\$0.00	1.024	0.922	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00	
	OP HOSP - PRES DRUGS BASIC	\$0.75	1.024	0.922	0.995	1.000	\$0.71		\$0.71	1	\$0.71	0.95	\$0.67	
	OP HOSP - PRES DRUGS MH/CD	\$0.00	1.024	0.922	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00	
	OP HOSP - SOMATIC MH	\$0.18	1.024	0.922	0.995	1.000	\$0.17		\$0.17	1	\$0.17	0.95	\$0.16	
	OTH MED - DME	\$0.30	1.013	1.000	0.995	1.000	\$0.30		\$0.30	1	\$0.30	1.00	\$0.30	
	OTH MED - HHC/PDN	\$0.07	1.013	1.000	0.995	1.000	\$0.07		\$0.07	1	\$0.07	1.00	\$0.07	
	OTH MED - HOSPICE	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00	
	OTH MED - MATERNITY MGT	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00	
	OTH MED - SUPPLIES	\$0.34	1.013	1.000	0.995	1.000	\$0.34		\$0.34	1	\$0.34	1.00	\$0.34	
	PHYS CONSULTATION, IP & ER VISITS	\$3.48	1.013	0.991	0.995	1.000	\$3.47		\$3.47	1	\$3.47	1.00	\$3.47	
	PHYS HOME OR LONG-TERM CARE VISITS	\$0.00	1.013	0.991	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00	
	PHYS MATERNITY	\$1.33	1.013	0.991	0.995	1.000	\$1.33	-\$1.33	\$0.00	1	\$0.00	1.00	\$0.00	
	PHYS NEWBORN	\$0.05	1.013	0.991	0.995	1.000	\$0.05		\$0.05	1	\$0.05	1.00	\$0.05	
	PHYS OFFICE VISITS	\$12.77	1.013	0.991	0.995	1.000	\$12.76		\$12.76	1	\$12.76	1.00	\$12.76	
	PHYS OTHER	\$1.15	1.013	0.991	0.995	1.000	\$1.15		\$1.15	1	\$1.15	1.00	\$1.15	

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-1

Development of January 2011 Statewide PCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	I	J	K	L
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve-out Adjustments ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	Covered Benefit Adjustment (1=Covered, 0=Not Covered)	Projected Statewide Cost PMPM for PCO Benefits	OP Cost Shift Adjustment	2011 Statewide PCO Capitation Rate PMPM
PLM, TANF, and CHIP Children 6 - 18													
	PHYS SOMATIC MH	\$1.35	1.013	0.991	0.995	1.000	\$1.35		\$1.35	1	\$1.35	1.00	\$1.35
	PRES DRUGS - BASIC	\$9.83	1.011	0.917	0.995	1.000	\$9.07		\$9.07	1	\$9.07	1.00	\$9.07
	PRES DRUGS - FP	\$0.35	1.011	0.917	0.995	1.000	\$0.33		\$0.33	1	\$0.33	1.00	\$0.33
	PRES DRUGS - MH/CD	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	SCHOOL-BASED HEALTH SERVICES	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	STERILIZATION - ANESTHESIA FEMALE	\$0.00	1.013	0.991	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	STERILIZATION - ANESTHESIA MALE	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	STERILIZATION - IP HOSP FEMALE	\$0.00	1.015	1.027	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	STERILIZATION - IP HOSP MALE	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	STERILIZATION - OP HOSP FEMALE	\$0.00	1.024	0.922	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00
	STERILIZATION - OP HOSP MALE	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00
	STERILIZATION - PHY FEMALE	\$0.00	1.013	0.991	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	STERILIZATION - PHY MALE	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	SURGERY	\$3.30	1.013	0.991	0.995	1.000	\$3.29		\$3.29	1	\$3.29	1.00	\$3.29
	TARGETED CASE MAN - BABIES FIRST	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	TARGETED CASE MAN - HIV	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	TARGETED CASE MAN - SUBS ABUSE MOMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	THERAPEUTIC ABORTION - IP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	THERAPEUTIC ABORTION - OP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	0.95	\$0.00
	THERAPEUTIC ABORTION - PHYS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	TRANSPORTATION - AMBULANCE	\$1.04	1.013	1.000	0.995	1.000	\$1.05		\$1.05	1	\$1.05	1.00	\$1.05
	TRANSPORTATION - OTHER	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	VISION CARE - EXAMS & THERAPY	\$2.13	1.013	1.000	0.995	1.000	\$2.14		\$2.14	1	\$2.14	1.00	\$2.14
	VISION CARE - MATERIALS & FITTING	\$1.65	1.013	1.000	0.995	1.000	\$1.66		\$1.66	1	\$1.66	1.00	\$1.66
	PART A DEDUCTIBLE												
	PART B DEDUCTIBLE												
	OHP COPAY/PART B COINSURANCE ADJUSTMENT												
	Subtotal Physical Health	\$81.03			0.995		\$79.15	-\$4.39	\$74.76		\$60.40		\$59.45
	Subtotal Physical Health with Admin Allowance												\$65.08
CHEMICAL DEPENDENCY													
	CD SERVICES - ALTERNATIVE TO DETOX	\$0.00	1.074	1.072	1.000	1.000	\$0.01		\$0.01	0	\$0.00	1.00	\$0.00
	CD SERVICES - METHADONE	\$0.00	1.074	1.072	1.000	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	OHP COPAY/CD SERVICES - OP	\$1.40	1.074	1.072	1.000	1.000	\$1.61		\$1.61	1	\$1.61	1.00	\$1.61
	Subtotal Chemical Dependency	\$1.41					\$1.62		\$1.62		\$1.61		\$1.61
	Subtotal Chemical Dependency with Admin Allowance												\$1.77

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-1

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							= A * B * C * D * E			= F + G			= H * I	= J * K
PLM, TANF, and CHIP Children 6 - 18														
DENTAL														
	DENTAL - ADJUNCTIVE GENERAL	\$0.35	1.011	1.002	1.000	1.000	\$0.36		\$0.36	0	\$0.00	1.00	\$0.00	
	DENTAL - ANESTHESIA SURGICAL	\$0.43	1.011	1.002	1.000	1.000	\$0.43		\$0.43	0	\$0.00	1.00	\$0.00	
	DENTAL - DIAGNOSTIC	\$5.60	1.011	1.002	1.000	1.000	\$5.67		\$5.67	0	\$0.00	1.00	\$0.00	
	DENTAL - ENDODONTICS	\$1.36	1.011	1.002	1.000	1.000	\$1.38		\$1.38	0	\$0.00	1.00	\$0.00	
	DENTAL - I/P FIXED	\$0.00	1.011	1.002	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	DENTAL - ORAL SURGERY	\$1.60	1.011	1.002	1.000	1.000	\$1.62		\$1.62	0	\$0.00	1.00	\$0.00	
	DENTAL - ORTHODONTICS	\$0.02	1.011	1.002	1.000	1.000	\$0.02		\$0.02	0	\$0.00	1.00	\$0.00	
	DENTAL - PERIODONTICS	\$0.13	1.011	1.002	1.000	1.000	\$0.13		\$0.13	0	\$0.00	1.00	\$0.00	
	DENTAL - PREVENTIVE	\$5.51	1.011	1.002	1.000	1.000	\$5.58		\$5.58	0	\$0.00	1.00	\$0.00	
	DENTAL - PROS REMOVABLE	\$0.03	1.011	1.002	1.000	1.000	\$0.04		\$0.04	0	\$0.00	1.00	\$0.00	
	OHP COPAY/DENTAL - RESTORATIVE	\$8.17	1.011	1.002	1.000	1.000	\$8.27		\$8.27	0	\$0.00	1.00	\$0.00	
	Subtotal Dental	\$23.19					\$23.49		\$23.49	0	\$0.00	1.00	\$0.00	
	Subtotal Dental with Admin Allowance												\$0.00	
MENTAL HEALTH														
	MH SERVICES ACUTE INPATIENT	\$1.96	1.011	1.000	1.000	1.000	\$1.98		\$1.98	0	\$0.00	1.00	\$0.00	
	MH SERVICES ALTERNATIVE TO IP	\$0.22	1.011	1.000	1.000	1.000	\$0.22		\$0.22	0	\$0.00	1.00	\$0.00	
	MH SERVICES ANCILLARY SERVICES	\$0.01	1.011	1.000	1.000	1.000	\$0.01		\$0.01	0	\$0.00	1.00	\$0.00	
	MH SERVICES ASSESS & EVAL	\$1.22	1.011	1.000	1.000	1.000	\$1.23		\$1.23	0	\$0.00	1.00	\$0.00	
	MH SERVICES CASE MANAGEMENT	\$1.36	1.011	1.000	1.000	1.000	\$1.38		\$1.38	0	\$0.00	1.00	\$0.00	
	MH SERVICES CONSULTATION	\$0.00	1.011	1.000	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	MH SERVICES FAMILY SUPPORT	\$0.01	1.011	1.000	1.000	1.000	\$0.01		\$0.01	0	\$0.00	1.00	\$0.00	
	MH SERVICES MED MANAGEMENT	\$0.04	1.011	1.000	1.000	1.000	\$0.04		\$0.04	0	\$0.00	1.00	\$0.00	
	MH SERVICES OP THERAPY	\$2.48	1.011	1.000	1.000	1.000	\$2.50		\$2.50	0	\$0.00	1.00	\$0.00	
	MH SERVICES OTHER OP	\$0.13	1.011	1.000	1.000	1.000	\$0.13		\$0.13	0	\$0.00	1.00	\$0.00	
	MH SERVICES PEO	\$0.29	1.000	1.000	1.000	1.000	\$0.29		\$0.29	0	\$0.00	1.00	\$0.00	
	MH SERVICES PHYS IP	\$1.39	1.011	1.000	1.000	1.000	\$1.40		\$1.40	0	\$0.00	1.00	\$0.00	
	MH SERVICES PHYS OP	\$8.66	1.011	1.000	1.000	1.000	\$8.75		\$8.75	0	\$0.00	1.00	\$0.00	
	MH SERVICES SUPPORT DAY PROGRAM	\$0.61	1.011	1.000	1.000	1.000	\$0.62		\$0.62	0	\$0.00	1.00	\$0.00	
	MH SERVICES INTENSIVE TREATMENT SVCS	\$8.94	1.011	1.000	1.000	1.000	\$9.04		\$9.04	0	\$0.00	1.00	\$0.00	
	OHP COPAY/MH SERVICES CONS ASSESS								\$0.03	0	\$0.00	1.00	\$0.00	
	Subtotal Mental Health	\$27.31					\$27.61		\$27.61	0	\$0.00	1.00	\$0.00	
	Subtotal Mental Health with Admin Allowance												\$0.00	
	Total Services	\$132.94					\$131.87	-\$4.39	\$127.48		\$62.01		\$61.06	
	Total Services with Admin Allowance												\$66.85	

¹ Rate Smoothing Adjustment Factors apply to Physical Health, Chemical Dependency, and Dental for purpose of smoothing 2010 and 2011 rates from 2009 rates.

² Reflects adjustment due to removal of Third Party Liability recoveries.

³ Reflects carving GME out of statewide rates, for purpose of setting plan specific GME and only applies to physical health service categories.

⁴ Reflects Maternity Case Rate Carve-Out, Children's Mental Health Services Adjustment, Bariatric Surgery Adjustment, Dental Prophylactic benefit increase for children under age 19, and adjustment for copayment per OHP rules.

Oregon Health Plan Medicaid Demonstration

Development of January 2011 Statewide PCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

EXHIBIT 2-1

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	I	J	K	L
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve-out Adjustments ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	Covered Benefit Adjustment (1=Covered, 0=Not Covered)	Projected Statewide Cost PMPM for PCO Benefits	OP Cost Shift Adjustment	2011 Statewide PCO Capitation Rate PMPM
		= A * B * C * D * E					= F + G		= H * I		= J * K		
Aid to the Blind/Aid to the Disabled with Medicare													
PHYSICAL HEALTH													
	ADMINISTRATIVE EXAMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	ANESTHESIA	\$1.07	1.024	1.050	0.995	1.000	\$1.15		\$1.15	1	\$1.15	1.00	\$1.15
	EXCEPT NEEDS CARE COORDINATION	\$5.98	1.000	1.000	0.995	1.000	\$5.95		\$5.95	1	\$5.95	1.00	\$5.95
	FP - IP HOSP	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	FP - OP HOSP	\$0.00	1.036	1.006	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00
	FP - PHYS	\$0.02	1.024	1.050	0.995	1.000	\$0.02		\$0.02	1	\$0.02	1.00	\$0.02
	HYSTERECTOMY - ANESTHESIA	\$0.01	1.024	1.050	0.995	1.000	\$0.01		\$0.01	1	\$0.01	1.00	\$0.01
	HYSTERECTOMY - IP HOSP	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	HYSTERECTOMY - OP HOSP	\$0.00	1.036	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00
	HYSTERECTOMY - PHYS	\$0.03	1.024	1.050	0.995	1.000	\$0.04		\$0.04	1	\$0.04	1.00	\$0.04
	IP HOSP - ACUTE DETOX	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	IP HOSP - MATERNITY	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	IP HOSP - MATERNITY / STERILIZATION	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	IP HOSP - MEDICAL/SURGICAL	\$0.05	1.000	1.010	0.995	0.974	\$0.05		\$0.05	0	\$0.00	1.00	\$0.00
	IP HOSP - NEWBORN	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	IP HOSP - POST HOSP EXTENDED CARE	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	LAB & RAD - DIAGNOSTIC X-RAY	\$2.79	1.024	1.050	0.995	1.000	\$2.98		\$2.98	1	\$2.98	1.00	\$2.98
	LAB & RAD - LAB	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	LAB & RAD - THERAPEUTIC X-RAY	\$0.26	1.024	1.050	0.995	1.000	\$0.28		\$0.28	1	\$0.28	1.00	\$0.28
	OP ER - SOMATIC MH	\$0.40	1.036	1.006	0.995	1.000	\$0.42		\$0.42	1	\$0.42	0.95	\$0.39
	OP HOSP - BASIC	\$26.86	1.036	1.006	0.995	1.000	\$27.84		\$27.84	1	\$27.84	0.95	\$26.45
	OP HOSP - EMERGENCY ROOM	\$4.30	1.036	1.006	0.995	1.000	\$4.46		\$4.46	1	\$4.46	0.95	\$4.24
	OP HOSP - LAB & RAD	\$9.14	1.036	1.006	0.995	1.000	\$9.48		\$9.48	1	\$9.48	0.95	\$9.00
	OP HOSP - MATERNITY	\$0.10	1.036	1.006	0.995	1.000	\$0.11		\$0.11	1	\$0.11	0.95	\$0.10
	OP HOSP - POST HOSP EXTENDED CARE	\$0.05	1.036	1.006	0.995	1.000	\$0.06		\$0.06	1	\$0.06	0.95	\$0.05
	OP HOSP - PRES DRUGS BASIC	\$5.28	1.036	1.006	0.995	1.000	\$5.47		\$5.47	1	\$5.47	0.95	\$5.20
	OP HOSP - PRES DRUGS MH/CD	\$0.15	1.036	1.006	0.995	1.000	\$0.15		\$0.15	1	\$0.15	0.95	\$0.14
	OP HOSP - SOMATIC MH	\$0.46	1.036	1.006	0.995	1.000	\$0.48		\$0.48	1	\$0.48	0.95	\$0.46
	OTH MED - DME	\$6.29	1.024	1.000	0.995	1.000	\$6.40		\$6.40	1	\$6.40	1.00	\$6.40
	OTH MED - HHC/PDN	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	OTH MED - HOSPICE	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	OTH MED - MATERNITY MGT	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	OTH MED - SUPPLIES	\$17.88	1.024	1.000	0.995	1.000	\$18.21		\$18.21	1	\$18.21	1.00	\$18.21
	PHYS CONSULTATION, IP & ER VISITS	\$4.83	1.024	1.050	0.995	1.000	\$5.17		\$5.17	1	\$5.17	1.00	\$5.17
	PHYS HOME OR LONG-TERM CARE VISITS	\$0.20	1.024	1.050	0.995	1.000	\$0.21		\$0.21	1	\$0.21	1.00	\$0.21
	PHYS MATERNITY	\$0.16	1.024	1.050	0.995	1.000	\$0.18		\$0.18	1	\$0.18	1.00	\$0.18
	PHYS NEWBORN	\$0.02	1.024	1.050	0.995	1.000	\$0.02		\$0.02	1	\$0.02	1.00	\$0.02
	PHYS OFFICE VISITS	\$9.26	1.024	1.050	0.995	1.000	\$9.90		\$9.90	1	\$9.90	1.00	\$9.90
	PHYS OTHER	\$4.86	1.024	1.050	0.995	1.000	\$5.19	\$0.01	\$5.20	1	\$5.20	1.00	\$5.20

Oregon Health Plan Medicaid Demonstration
Development of January 2011 Statewide PCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
 With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

EXHIBIT 2-1

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	I	J	K	L	
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve-out Adjustments ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	Covered Benefit Adjustment (1=Covered, 0=Not Covered)	Projected Statewide Cost PMPM for PCO Benefits	OP Cost Shift Adjustment	2011 Statewide PCO Capitation Rate PMPM	
		= A * B * C * D * E							= F + G		= H * I		= J * K	
Aid to the Blind/Aid to the Disabled with Medicare														
	PHYS SOMATIC MH	\$1.60	1.024	1.050	0.995	1.000	\$1.71		\$1.71	1	\$1.71	1.00	\$1.71	
	PRES DRUGS - BASIC	\$6.08	1.006	0.794	0.995	1.000	\$4.83		\$4.83	1	\$4.83	1.00	\$4.83	
	PRES DRUGS - FP	\$0.00	1.006	0.794	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00	
	PRES DRUGS - MH/CD	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	SCHOOL-BASED HEALTH SERVICES	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	STERILIZATION - ANESTHESIA FEMALE	\$0.00	1.024	1.050	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00	
	STERILIZATION - ANESTHESIA MALE	\$0.00	1.024	1.050	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00	
	STERILIZATION - IP HOSP FEMALE	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	STERILIZATION - IP HOSP MALE	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	STERILIZATION - OP HOSP FEMALE	\$0.00	1.036	1.006	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00	
	STERILIZATION - OP HOSP MALE	\$0.00	1.036	1.006	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00	
	STERILIZATION - PHY FEMALE	\$0.00	1.024	1.050	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00	
	STERILIZATION - PHY MALE	\$0.00	1.024	1.050	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00	
	SURGERY	\$4.69	1.024	1.050	0.995	1.000	\$5.01		\$5.01	1	\$5.01	1.00	\$5.01	
	TARGETED CASE MAN - BABIES FIRST	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	TARGETED CASE MAN - HIV	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	TARGETED CASE MAN - SUBS ABUSE MOMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	THERAPEUTIC ABORTION - IP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	THERAPEUTIC ABORTION - OP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	0.95	\$0.00	
	THERAPEUTIC ABORTION - PHYS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	TRANSPORTATION - AMBULANCE	\$2.98	1.024	1.000	0.995	1.000	\$3.03		\$3.03	1	\$3.03	1.00	\$3.03	
	TRANSPORTATION - OTHER	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	VISION CARE - EXAMS & THERAPY	\$0.02	1.024	1.000	0.995	1.000	\$0.02		\$0.02	1	\$0.02	1.00	\$0.02	
	VISION CARE - MATERIALS & FITTING	\$0.01	1.024	1.000	0.995	1.000	\$0.01		\$0.01	1	\$0.01	1.00	\$0.01	
	PART A DEDUCTIBLE				1.000		\$14.71		\$14.71	0	\$0.00	1.00	\$0.00	
	PART B DEDUCTIBLE				1.000		\$11.55		\$11.55	1	\$11.55	1.00	\$11.55	
	OHP COPAY/PART B COINSURANCE ADJUSTMENT				1.000		-\$4.39	-\$2.37	-\$6.76	1	-\$6.76	1.00	-\$6.76	
	Subtotal Physical Health	\$115.88			0.995		\$140.72	-\$2.36	\$138.36		\$123.61		\$121.18	
	Subtotal Physical Health with Admin Allowance												\$132.66	
CHEMICAL DEPENDENCY														
	CD SERVICES - ALTERNATIVE TO DETOX	\$0.32	1.073	1.022	1.000	1.000	\$0.35		\$0.35	0	\$0.00	1.00	\$0.00	
	CD SERVICES - METHADONE	\$1.97	1.073	1.022	1.000	1.000	\$2.16		\$2.16	1	\$2.16	1.00	\$2.16	
	OHP COPAY/CD SERVICES - OP	\$2.96	1.073	1.022	1.000	1.000	\$3.24		\$3.24	1	\$3.24	1.00	\$3.24	
	Subtotal Chemical Dependency	\$5.24					\$5.74	\$0.00	\$5.74		\$5.39		\$5.39	
	Subtotal Chemical Dependency with Admin Allowance												\$5.91	

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-1

Development of January 2011 Statewide PCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	I	J	K	L	
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve-out Adjustments ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	Covered Benefit Adjustment (1=Covered, 0=Not Covered)	Projected Statewide Cost PMPM for PCO Benefits	OP Cost Shift Adjustment	2011 Statewide PCO Capitation Rate PMPM	
							= A * B * C * D * E			= F + G			= H * I	= J * K
Aid to the Blind/Aid to the Disabled with Medicare														
DENTAL														
	DENTAL - ADJUNCTIVE GENERAL	\$1.85	1.013	0.905	1.000	1.000	\$1.70		\$1.70	0	\$0.00	1.00	\$0.00	
	DENTAL - ANESTHESIA SURGICAL	\$0.37	1.013	0.905	1.000	1.000	\$0.34		\$0.34	0	\$0.00	1.00	\$0.00	
	DENTAL - DIAGNOSTIC	\$4.69	1.013	0.905	1.000	1.000	\$4.30		\$4.30	0	\$0.00	1.00	\$0.00	
	DENTAL - ENDODONTICS	\$0.90	1.013	0.905	1.000	1.000	\$0.82		\$0.82	0	\$0.00	1.00	\$0.00	
	DENTAL - I/P FIXED	\$0.03	1.013	0.905	1.000	1.000	\$0.03		\$0.03	0	\$0.00	1.00	\$0.00	
	DENTAL - ORAL SURGERY	\$3.03	1.013	0.905	1.000	1.000	\$2.78		\$2.78	0	\$0.00	1.00	\$0.00	
	DENTAL - ORTHODONTICS	\$0.00	1.013	0.905	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	DENTAL - PERIODONTICS	\$2.22	1.013	0.905	1.000	1.000	\$2.04		\$2.04	0	\$0.00	1.00	\$0.00	
	DENTAL - PREVENTIVE	\$2.33	1.013	0.905	1.000	1.000	\$2.14		\$2.14	0	\$0.00	1.00	\$0.00	
	DENTAL - PROS REMOVABLE	\$3.93	1.013	0.905	1.000	1.000	\$3.61		\$3.61	0	\$0.00	1.00	\$0.00	
	OHP COPAY/DENTAL - RESTORATIVE	\$5.64	1.013	0.905	1.000	1.000	\$5.17		\$5.17	0	\$0.00	1.00	\$0.00	
	Subtotal Dental	\$24.99					\$22.92	\$0.00	\$22.92	\$0.00	\$0.00	\$0.00	\$0.00	
	Subtotal Dental with Admin Allowance												\$0.00	
MENTAL HEALTH														
	MH SERVICES ACUTE INPATIENT	\$2.63	1.003	1.000	1.000	1.000	\$2.82		\$2.82	0	\$0.00	1.00	\$0.00	
	MH SERVICES ALTERNATIVE TO IP	\$2.63	1.003	1.000	1.000	1.000	\$2.64		\$2.64	0	\$0.00	1.00	\$0.00	
	MH SERVICES ANCILLARY SERVICES	\$0.05	1.003	1.000	1.000	1.000	\$0.05		\$0.05	0	\$0.00	1.00	\$0.00	
	MH SERVICES ASSESS & EVAL	\$1.15	1.003	1.000	1.000	1.000	\$1.15		\$1.15	0	\$0.00	1.00	\$0.00	
	MH SERVICES CASE MANAGEMENT	\$19.94	1.003	1.000	1.000	1.000	\$20.01		\$20.01	0	\$0.00	1.00	\$0.00	
	MH SERVICES CONSULTATION	\$0.00	1.003	1.000	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	MH SERVICES FAMILY SUPPORT	\$0.77	1.003	1.000	1.000	1.000	\$0.77		\$0.77	0	\$0.00	1.00	\$0.00	
	MH SERVICES MED MANAGEMENT	\$3.15	1.003	1.000	1.000	1.000	\$3.17		\$3.17	0	\$0.00	1.00	\$0.00	
	MH SERVICES OP THERAPY	\$6.61	1.003	1.000	1.000	1.000	\$6.63		\$6.63	0	\$0.00	1.00	\$0.00	
	MH SERVICES OTHER OP	\$0.05	1.003	1.000	1.000	1.000	\$0.05		\$0.05	0	\$0.00	1.00	\$0.00	
	MH SERVICES PEO	\$0.29	1.000	1.000	1.000	1.000	\$0.29		\$0.29	0	\$0.00	1.00	\$0.00	
	MH SERVICES PHYS IP	\$7.00	1.003	1.000	1.000	1.000	\$7.03		\$7.03	0	\$0.00	1.00	\$0.00	
	MH SERVICES PHYS OP	\$11.93	1.003	1.000	1.000	1.000	\$11.97		\$11.97	0	\$0.00	1.00	\$0.00	
	MH SERVICES SUPPORT DAY PROGRAM	\$17.55	1.003	1.000	1.000	1.000	\$17.61		\$17.61	0	\$0.00	1.00	\$0.00	
	MH SERVICES INTENSIVE TREATMENT SVCS	\$0.00	1.003	1.000	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	OHP COPAY/MH SERVICES CONS ASSESS								\$0.00	0	\$0.00	1.00	\$0.00	
	Subtotal Mental Health	\$73.74					\$74.18	\$0.00	\$74.18	\$0.00	\$0.00	\$0.00	\$0.00	
	Subtotal Mental Health with Admin Allowance												\$0.00	
	Total Services	\$219.85					\$243.57	-\$2.36	\$241.22		\$129.00		\$126.58	
	Total Services with Admin Allowance												\$138.56	

¹ Rate Smoothing Adjustment Factors apply to Physical Health, Chemical Dependency, and Dental for purpose of smoothing 2010 and 2011 rates from 2009 rates.

² Reflects adjustment due to removal of Third Party Liability recoveries.

³ Reflects carving GME out of statewide rates, for purpose of setting plan specific GME and only applies to physical health service categories.

⁴ Reflects Maternity Case Rate Carve-Out, Children's Mental Health Services Adjustment, Bariatric Surgery Adjustment, Dental Prophylactic benefit increase for children under age 19, and adjustment for copayment per OHP rules.

Oregon Health Plan Medicaid Demonstration

Development of January 2011 Statewide PCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

EXHIBIT 2-1

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	I	J	K	L
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve-out Adjustments ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	Covered Benefit Adjustment (1=Covered, 0=Not Covered)	Projected Statewide Cost PMPM for PCO Benefits	OP Cost Shift Adjustment	2011 Statewide PCO Capitation Rate PMPM
Aid to the Blind/Aid to the Disabled without Medicare													
PHYSICAL HEALTH													
	ADMINISTRATIVE EXAMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	ANESTHESIA	\$5.78	1.019	0.984	0.995	1.000	\$5.76		\$5.76	1	\$5.76	1.00	\$5.76
	EXCEPT NEEDS CARE COORDINATION	\$5.89	1.000	1.000	0.995	1.000	\$5.86		\$5.86	1	\$5.86	1.00	\$5.86
	FP - IP HOSP	\$0.00	1.023	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	FP - OP HOSP	\$0.02	1.032	0.970	0.995	1.000	\$0.02		\$0.02	1	\$0.02	0.95	\$0.02
	FP - PHYS	\$0.14	1.019	0.984	0.995	1.000	\$0.14		\$0.14	1	\$0.14	1.00	\$0.14
	HYSTERECTOMY - ANESTHESIA	\$0.03	1.019	0.984	0.995	1.000	\$0.03		\$0.03	1	\$0.03	1.00	\$0.03
	HYSTERECTOMY - IP HOSP	\$1.82	1.023	0.950	0.995	0.974	\$1.71		\$1.71	0	\$0.00	1.00	\$0.00
	HYSTERECTOMY - OP HOSP	\$0.02	1.032	0.970	0.995	1.000	\$0.02		\$0.02	1	\$0.02	0.95	\$0.02
	HYSTERECTOMY - PHYS	\$0.21	1.019	0.984	0.995	1.000	\$0.21		\$0.21	1	\$0.21	1.00	\$0.21
	IP HOSP - ACUTE DETOX	\$1.82	1.023	0.950	0.995	0.974	\$1.71		\$1.71	0	\$0.00	1.00	\$0.00
	IP HOSP - MATERNITY	\$4.71	1.023	0.950	0.995	0.974	\$4.43	-\$4.43	\$0.00	0	\$0.00	1.00	\$0.00
	IP HOSP - MATERNITY / STERILIZATION	\$0.18	1.023	0.950	0.995	0.974	\$0.17	-\$0.10	\$0.07	0	\$0.00	1.00	\$0.00
	IP HOSP - MEDICAL/SURGICAL	\$282.88	1.023	0.950	0.995	0.974	\$266.24		\$266.24	0	\$0.00	1.00	\$0.00
	IP HOSP - NEWBORN	\$0.00	1.023	0.950	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	IP HOSP - POST HOSP EXTENDED CARE	\$0.00	1.023	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	LAB & RAD - DIAGNOSTIC X-RAY	\$13.70	1.019	0.984	0.995	1.000	\$13.65		\$13.65	1	\$13.65	1.00	\$13.65
	LAB & RAD - LAB	\$8.96	1.019	0.984	0.995	1.000	\$8.94		\$8.94	1	\$8.94	1.00	\$8.94
	LAB & RAD - THERAPEUTIC X-RAY	\$1.90	1.019	0.984	0.995	1.000	\$1.89		\$1.89	1	\$1.89	1.00	\$1.89
	OP ER - SOMATIC MH	\$1.78	1.032	0.970	0.995	1.000	\$1.77		\$1.77	1	\$1.77	0.95	\$1.68
	OP HOSP - BASIC	\$74.34	1.032	0.970	0.995	1.000	\$74.00		\$74.00	1	\$74.00	0.95	\$70.30
	OP HOSP - EMERGENCY ROOM	\$21.72	1.032	0.970	0.995	1.000	\$21.62		\$21.62	1	\$21.62	0.95	\$20.54
	OP HOSP - LAB & RAD	\$46.44	1.032	0.970	0.995	1.000	\$46.23		\$46.23	1	\$46.23	0.95	\$43.92
	OP HOSP - MATERNITY	\$1.31	1.032	0.970	0.995	1.000	\$1.30	-\$1.30	\$0.00	1	\$0.00	0.95	\$0.00
	OP HOSP - POST HOSP EXTENDED CARE	\$0.44	1.032	0.970	0.995	1.000	\$0.44		\$0.44	1	\$0.44	0.95	\$0.42
	OP HOSP - PRES DRUGS BASIC	\$6.82	1.032	0.970	0.995	1.000	\$6.79		\$6.79	1	\$6.79	0.95	\$6.45
	OP HOSP - PRES DRUGS MH/CD	\$0.13	1.032	0.970	0.995	1.000	\$0.13		\$0.13	1	\$0.13	0.95	\$0.13
	OP HOSP - SOMATIC MH	\$2.21	1.032	0.970	0.995	1.000	\$2.20		\$2.20	1	\$2.20	0.95	\$2.09
	OTH MED - DME	\$21.58	1.019	1.000	0.995	1.000	\$21.87		\$21.87	1	\$21.87	1.00	\$21.87
	OTH MED - HHC/PDN	\$5.40	1.019	1.000	0.995	1.000	\$5.47		\$5.47	1	\$5.47	1.00	\$5.47
	OTH MED - HOSPICE	\$2.43	1.019	1.000	0.995	1.000	\$2.46		\$2.46	1	\$2.46	1.00	\$2.46
	OTH MED - MATERNITY MGT	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	OTH MED - SUPPLIES	\$13.50	1.019	1.000	0.995	1.000	\$13.68		\$13.68	1	\$13.68	1.00	\$13.68
	PHYS CONSULTATION, IP & ER VISITS	\$24.51	1.019	0.984	0.995	1.000	\$24.43		\$24.43	1	\$24.43	1.00	\$24.43
	PHYS HOME OR LONG-TERM CARE VISITS	\$0.63	1.019	0.984	0.995	1.000	\$0.62		\$0.62	1	\$0.62	1.00	\$0.62
	PHYS MATERNITY	\$2.21	1.019	0.984	0.995	1.000	\$2.21	-\$2.21	\$0.00	1	\$0.00	1.00	\$0.00
	PHYS NEWBORN	\$0.12	1.019	0.984	0.995	1.000	\$0.12		\$0.12	1	\$0.12	1.00	\$0.12
	PHYS OFFICE VISITS	\$42.57	1.019	0.984	0.995	1.000	\$42.44		\$42.44	1	\$42.44	1.00	\$42.44
	PHYS OTHER	\$23.96	1.019	0.984	0.995	1.000	\$23.89	\$0.05	\$23.94	1	\$23.94	1.00	\$23.94

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-1

Development of January 2011 Statewide PCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	I	J	K	L
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve-out Adjustments ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	Covered Benefit Adjustment (1=Covered, 0=Not Covered)	Projected Statewide Cost PMPM for PCO Benefits	OP Cost Shift Adjustment	2011 Statewide PCO Capitation Rate PMPM
		= A * B * C * D * E					= F + G		= H + I		= J * K		
Aid to the Blind/Aid to the Disabled without Medicare													
	PHYS SOMATIC MH	\$6.00	1.019	0.984	0.995	1.000	\$5.98		\$5.98	1	\$5.98	1.00	\$5.98
	PRES DRUGS - BASIC	\$155.15	1.016	0.917	0.995	1.000	\$143.78		\$143.78	1	\$143.78	1.00	\$143.78
	PRES DRUGS - FP	\$0.54	1.016	0.917	0.995	1.000	\$0.50		\$0.50	1	\$0.50	1.00	\$0.50
	PRES DRUGS - MH/CD	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	SCHOOL-BASED HEALTH SERVICES	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	STERILIZATION - ANESTHESIA FEMALE	\$0.04	1.019	0.984	0.995	1.000	\$0.03		\$0.03	1	\$0.03	1.00	\$0.03
	STERILIZATION - ANESTHESIA MALE	\$0.00	1.019	0.984	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	STERILIZATION - IP HOSP FEMALE	\$0.27	1.023	0.950	0.995	0.974	\$0.26		\$0.26	0	\$0.00	1.00	\$0.00
	STERILIZATION - IP HOSP MALE	\$0.00	1.023	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	STERILIZATION - OP HOSP FEMALE	\$0.06	1.032	0.970	0.995	1.000	\$0.06		\$0.06	1	\$0.06	0.95	\$0.06
	STERILIZATION - OP HOSP MALE	\$0.00	1.032	0.970	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00
	STERILIZATION - PHY FEMALE	\$0.05	1.019	0.984	0.995	1.000	\$0.05		\$0.05	1	\$0.05	1.00	\$0.05
	STERILIZATION - PHY MALE	\$0.01	1.019	0.984	0.995	1.000	\$0.01		\$0.01	1	\$0.01	1.00	\$0.01
	SURGERY	\$23.07	1.019	0.984	0.995	1.000	\$22.99		\$22.99	1	\$22.99	1.00	\$22.99
	TARGETED CASE MAN - BABIES FIRST	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	TARGETED CASE MAN - HIV	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	TARGETED CASE MAN - SUBS ABUSE MOMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	THERAPEUTIC ABORTION - IP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	THERAPEUTIC ABORTION - OP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	0.95	\$0.00
	THERAPEUTIC ABORTION - PHYS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	TRANSPORTATION - AMBULANCE	\$13.70	1.019	1.000	0.995	1.000	\$13.89		\$13.89	1	\$13.89	1.00	\$13.89
	TRANSPORTATION - OTHER	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	VISION CARE - EXAMS & THERAPY	\$0.69	1.019	1.000	0.995	1.000	\$0.69		\$0.69	1	\$0.69	1.00	\$0.69
	VISION CARE - MATERIALS & FITTING	\$0.49	1.019	1.000	0.995	1.000	\$0.50		\$0.50	1	\$0.50	1.00	\$0.50
	PART A DEDUCTIBLE				1.000		\$0.00			0	\$0.00	1.00	\$0.00
	PART B DEDUCTIBLE				1.000		\$0.00			1	\$0.00	1.00	\$0.00
	OHP COPAY/PART B COINSURANCE ADJUSTMENT				1.000		\$0.00	-\$3.45	-\$3.45	1	-\$3.45	1.00	-\$3.45
	Subtotal Physical Health	\$820.24			0.995		\$791.24	-\$11.44	\$779.80		\$509.81		\$502.14
	Subtotal Physical Health with Admin Allowance												\$549.69
CHEMICAL DEPENDENCY													
	CD SERVICES - ALTERNATIVE TO DETOX	\$0.51	1.038	1.093	1.000	1.000	\$0.58		\$0.58	0	\$0.00	1.00	\$0.00
	CD SERVICES - METHADONE	\$2.55	1.038	1.093	1.000	1.000	\$2.89		\$2.89	1	\$2.89	1.00	\$2.89
	OHP COPAY/CD SERVICES - OP	\$8.07	1.038	1.093	1.000	1.000	\$9.15		\$9.15	1	\$9.15	1.00	\$9.15
	Subtotal Chemical Dependency	\$11.12					\$12.62		\$12.62		\$12.04		\$12.04
	Subtotal Chemical Dependency with Admin Allowance												\$13.18

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-1

Development of January 2011 Statewide PCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	I	J	K	L	
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve-out Adjustments ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	Covered Benefit Adjustment (1=Covered, 0=Not Covered)	Projected Statewide Cost PMPM for PCO Benefits	OP Cost Shift Adjustment	2011 Statewide PCO Capitation Rate PMPM	
							= A * B * C * D * E			= F + G			= H * I	= J * K
Aid to the Blind/Aid to the Disabled without Medicare														
DENTAL														
	DENTAL - ADJUNCTIVE GENERAL	\$1.48	1.013	0.863	1.000	1.000	\$1.30		\$1.30	0	\$0.00	1.00	\$0.00	
	DENTAL - ANESTHESIA SURGICAL	\$0.33	1.013	0.863	1.000	1.000	\$0.29		\$0.29	0	\$0.00	1.00	\$0.00	
	DENTAL - DIAGNOSTIC	\$4.32	1.013	0.863	1.000	1.000	\$3.78		\$3.78	0	\$0.00	1.00	\$0.00	
	DENTAL - ENDODONTICS	\$0.88	1.013	0.863	1.000	1.000	\$0.77		\$0.77	0	\$0.00	1.00	\$0.00	
	DENTAL - I/P FIXED	\$0.01	1.013	0.863	1.000	1.000	\$0.01		\$0.01	0	\$0.00	1.00	\$0.00	
	DENTAL - ORAL SURGERY	\$2.96	1.013	0.863	1.000	1.000	\$2.59		\$2.59	0	\$0.00	1.00	\$0.00	
	DENTAL - ORTHODONTICS	\$0.04	1.013	0.863	1.000	1.000	\$0.03		\$0.03	0	\$0.00	1.00	\$0.00	
	DENTAL - PERIODONTICS	\$1.56	1.013	0.863	1.000	1.000	\$1.37		\$1.37	0	\$0.00	1.00	\$0.00	
	DENTAL - PREVENTIVE	\$2.06	1.013	0.863	1.000	1.000	\$1.80		\$1.80	0	\$0.00	1.00	\$0.00	
	DENTAL - PROS REMOVABLE	\$3.48	1.013	0.863	1.000	1.000	\$3.04		\$3.04	0	\$0.00	1.00	\$0.00	
	OHP COPAY/DENTAL - RESTORATIVE	\$5.15	1.013	0.863	1.000	1.000	\$4.50		\$4.50	0	\$0.00	1.00	\$0.00	
	Subtotal Dental	\$22.27					\$19.48		\$19.48	0	\$0.00	1.00	\$0.00	
	Subtotal Dental with Admin Allowance												\$0.00	
MENTAL HEALTH														
	MH SERVICES ACUTE INPATIENT	\$30.16	1.012	1.000	1.000	1.000	\$30.53		\$30.53	0	\$0.00	1.00	\$0.00	
	MH SERVICES ALTERNATIVE TO IP	\$2.89	1.012	1.000	1.000	1.000	\$2.92		\$2.92	0	\$0.00	1.00	\$0.00	
	MH SERVICES ANCILLARY SERVICES	\$0.21	1.012	1.000	1.000	1.000	\$0.21		\$0.21	0	\$0.00	1.00	\$0.00	
	MH SERVICES ASSESS & EVAL	\$2.26	1.012	1.000	1.000	1.000	\$2.29		\$2.29	0	\$0.00	1.00	\$0.00	
	MH SERVICES CASE MANAGEMENT	\$17.01	1.012	1.000	1.000	1.000	\$17.21		\$17.21	0	\$0.00	1.00	\$0.00	
	MH SERVICES CONSULTATION	\$0.00	1.012	1.000	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	MH SERVICES FAMILY SUPPORT	\$0.62	1.012	1.000	1.000	1.000	\$0.63		\$0.63	0	\$0.00	1.00	\$0.00	
	MH SERVICES MED MANAGEMENT	\$2.89	1.012	1.000	1.000	1.000	\$2.93		\$2.93	0	\$0.00	1.00	\$0.00	
	MH SERVICES OP THERAPY	\$8.63	1.012	1.000	1.000	1.000	\$8.74		\$8.74	0	\$0.00	1.00	\$0.00	
	MH SERVICES OTHER OP	\$0.27	1.012	1.000	1.000	1.000	\$0.27		\$0.27	0	\$0.00	1.00	\$0.00	
	MH SERVICES PEO	\$0.29	1.000	1.000	1.000	1.000	\$0.29		\$0.29	0	\$0.00	1.00	\$0.00	
	MH SERVICES PHYS IP	\$11.16	1.012	1.000	1.000	1.000	\$11.29		\$11.29	0	\$0.00	1.00	\$0.00	
	MH SERVICES PHYS OP	\$21.32	1.012	1.000	1.000	1.000	\$21.58		\$21.58	0	\$0.00	1.00	\$0.00	
	MH SERVICES SUPPORT DAY PROGRAM	\$14.25	1.012	1.000	1.000	1.000	\$14.43		\$14.43	0	\$0.00	1.00	\$0.00	
	MH SERVICES INTENSIVE TREATMENT SVCS	\$18.40	1.012	1.000	1.000	1.000	\$18.62		\$18.62	0	\$0.00	1.00	\$0.00	
	OHP COPAY/MH SERVICES CONS ASSESS								\$0.06	0	\$0.00	1.00	\$0.00	
	Subtotal Mental Health	\$130.36					\$131.95		\$131.95	0	\$0.00	1.00	\$0.00	
	Subtotal Mental Health with Admin Allowance												\$0.00	
	Total Services	\$984.00					\$955.30	-\$11.44	\$943.86		\$521.85		\$514.18	
	Total Services with Admin Allowance												\$562.87	

¹ Rate Smoothing Adjustment Factors apply to Physical Health, Chemical Dependency, and Dental for purpose of smoothing 2010 and 2011 rates from 2009 rates.

² Reflects adjustment due to removal of Third Party Liability recoveries.

³ Reflects carving GME out of statewide rates, for purpose of setting plan specific GME and only applies to physical health service categories.

⁴ Reflects Maternity Case Rate Carve-Out, Children's Mental Health Services Adjustment, Bariatric Surgery Adjustment, Dental Prophylactic benefit increase for children under age 19, and adjustment for copayment per OHP rules.

Oregon Health Plan Medicaid Demonstration
Development of January 2011 Statewide PCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
 With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

EXHIBIT 2-1

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	I	J	K	L
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve-out Adjustments ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	Covered Benefit Adjustment (1=Covered, 0=Not Covered)	Projected Statewide Cost PMPM for PCO Benefits	OP Cost Shift Adjustment	2011 Statewide PCO Capitation Rate PMPM
Old Age Assistance with Medicare													
PHYSICAL HEALTH													
	ADMINISTRATIVE EXAMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	ANESTHESIA	\$1.09	1.024	1.031	0.995	1.000	\$1.14		\$1.14	1	\$1.14	1.00	\$1.14
	EXCEPT NEEDS CARE COORDINATION	\$4.67	1.000	1.000	0.995	1.000	\$4.64		\$4.64	1	\$4.64	1.00	\$4.64
	FP - IP HOSP	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	FP - OP HOSP	\$0.00	1.036	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00
	FP - PHYS	\$0.00	1.024	1.031	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	HYSTERECTOMY - ANESTHESIA	\$0.00	1.024	1.031	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	HYSTERECTOMY - IP HOSP	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	HYSTERECTOMY - OP HOSP	\$0.00	1.036	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00
	HYSTERECTOMY - PHYS	\$0.02	1.024	1.031	0.995	1.000	\$0.02		\$0.02	1	\$0.02	1.00	\$0.02
	IP HOSP - ACUTE DETOX	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	IP HOSP - MATERNITY	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	IP HOSP - MATERNITY / STERILIZATION	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	IP HOSP - MEDICAL/SURGICAL	\$0.02	1.000	1.009	0.995	0.974	\$0.02		\$0.02	0	\$0.00	1.00	\$0.00
	IP HOSP - NEWBORN	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	IP HOSP - POST HOSP EXTENDED CARE	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	LAB & RAD - DIAGNOSTIC X-RAY	\$3.03	1.024	1.031	0.995	1.000	\$3.18		\$3.18	1	\$3.18	1.00	\$3.18
	LAB & RAD - LAB	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	LAB & RAD - THERAPEUTIC X-RAY	\$0.45	1.024	1.031	0.995	1.000	\$0.47		\$0.47	1	\$0.47	1.00	\$0.47
	OP ER - SOMATIC MH	\$0.07	1.036	1.009	0.995	1.000	\$0.08		\$0.08	1	\$0.08	0.95	\$0.07
	OP HOSP - BASIC	\$23.09	1.036	1.009	0.995	1.000	\$24.00		\$24.00	1	\$24.00	0.95	\$22.80
	OP HOSP - EMERGENCY ROOM	\$3.09	1.036	1.009	0.995	1.000	\$3.21		\$3.21	1	\$3.21	0.95	\$3.05
	OP HOSP - LAB & RAD	\$9.70	1.036	1.009	0.995	1.000	\$10.08		\$10.08	1	\$10.08	0.95	\$9.58
	OP HOSP - MATERNITY	\$0.00	1.036	1.009	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00
	OP HOSP - POST HOSP EXTENDED CARE	\$0.10	1.036	1.009	0.995	1.000	\$0.11		\$0.11	1	\$0.11	0.95	\$0.10
	OP HOSP - PRES DRUGS BASIC	\$4.70	1.036	1.009	0.995	1.000	\$4.88		\$4.88	1	\$4.88	0.95	\$4.64
	OP HOSP - PRES DRUGS MH/CD	\$0.02	1.036	1.009	0.995	1.000	\$0.02		\$0.02	1	\$0.02	0.95	\$0.02
	OP HOSP - SOMATIC MH	\$0.19	1.036	1.009	0.995	1.000	\$0.20		\$0.20	1	\$0.20	0.95	\$0.19
	OTH MED - DME	\$6.52	1.024	1.000	0.995	1.000	\$6.64		\$6.64	1	\$6.64	1.00	\$6.64
	OTH MED - HHC/PDN	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	OTH MED - HOSPICE	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	OTH MED - MATERNITY MGT	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	OTH MED - SUPPLIES	\$20.12	1.024	1.000	0.995	1.000	\$20.49		\$20.49	1	\$20.49	1.00	\$20.49
	PHYS CONSULTATION, IP & ER VISITS	\$5.53	1.024	1.031	0.995	1.000	\$5.80		\$5.80	1	\$5.80	1.00	\$5.80
	PHYS HOME OR LONG-TERM CARE VISITS	\$0.69	1.024	1.031	0.995	1.000	\$0.72		\$0.72	1	\$0.72	1.00	\$0.72
	PHYS MATERNITY	\$0.00	1.024	1.031	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	PHYS NEWBORN	\$0.02	1.024	1.031	0.995	1.000	\$0.02		\$0.02	1	\$0.02	1.00	\$0.02
	PHYS OFFICE VISITS	\$8.14	1.024	1.031	0.995	1.000	\$8.55		\$8.55	1	\$8.55	1.00	\$8.55
	PHYS OTHER	\$5.63	1.024	1.031	0.995	1.000	\$5.92		\$5.92	1	\$5.92	1.00	\$5.92

Oregon Health Plan Medicaid Demonstration

Development of January 2011 Statewide PCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

EXHIBIT 2-1

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	I	J	K	L
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve-out Adjustments ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	Covered Benefit Adjustment (1=Covered, 0=Not Covered)	Projected Statewide Cost PMPM for PCO Benefits	OP Cost Shift Adjustment	2011 Statewide PCO Capitation Rate PMPM
		= A * B * C * D * E					= F + G		= H + I		= J * K		
Old Age Assistance with Medicare													
	PHYS SOMATIC MH	\$0.77	1.024	1.031	0.995	1.000	\$0.80		\$0.80	1	\$0.80	1.00	\$0.80
	PRES DRUGS - BASIC	\$4.35	1.006	0.685	0.995	1.000	\$2.98		\$2.98	1	\$2.98	1.00	\$2.98
	PRES DRUGS - FP	\$0.00	1.006	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	PRES DRUGS - MH/CD	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	SCHOOL-BASED HEALTH SERVICES	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	STERILIZATION - ANESTHESIA FEMALE	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	STERILIZATION - ANESTHESIA MALE	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	STERILIZATION - IP HOSP FEMALE	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	STERILIZATION - IP HOSP MALE	\$0.00	1.000	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	STERILIZATION - OP HOSP FEMALE	\$0.00	1.036	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00
	STERILIZATION - OP HOSP MALE	\$0.00	1.036	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00
	STERILIZATION - PHY FEMALE	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	STERILIZATION - PHY MALE	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	SURGERY	\$5.52	1.024	1.031	0.995	1.000	\$5.80		\$5.80	1	\$5.80	1.00	\$5.80
	TARGETED CASE MAN - BABIES FIRST	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	TARGETED CASE MAN - HIV	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	TARGETED CASE MAN - SUBS ABUSE MOMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	THERAPEUTIC ABORTION - IP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	THERAPEUTIC ABORTION - OP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	0.95	\$0.00
	THERAPEUTIC ABORTION - PHYS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	TRANSPORTATION - AMBULANCE	\$4.02	1.024	1.000	0.995	1.000	\$4.10		\$4.10	1	\$4.10	1.00	\$4.10
	TRANSPORTATION - OTHER	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	VISION CARE - EXAMS & THERAPY	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	VISION CARE - MATERIALS & FITTING	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	PART A DEDUCTIBLE				1.000		\$26.74		\$26.74	0	\$0.00	1.00	\$0.00
	PART B DEDUCTIBLE				1.000		\$11.55		\$11.55	1	\$11.55	1.00	\$11.55
	OHP COPAY/PART B COINSURANCE ADJUSTMENT				1.000		-\$2.56	-\$1.83	-\$4.39	1	-\$4.39	1.00	-\$4.39
	Subtotal Physical Health	\$111.57			0.995		\$149.63	-\$1.83	\$147.79		\$121.04		\$118.91
	Subtotal Physical Health with Admin Allowance												\$130.17
CHEMICAL DEPENDENCY													
	CD SERVICES - ALTERNATIVE TO DETOX	\$0.02	1.073	1.020	1.000	1.000	\$0.02		\$0.02	0	\$0.00	1.00	\$0.00
	CD SERVICES - METHADONE	\$0.23	1.073	1.020	1.000	1.000	\$0.25		\$0.25	1	\$0.25	1.00	\$0.25
	OHP COPAY/CD SERVICES - OP	\$0.19	1.073	1.020	1.000	1.000	\$0.21		\$0.21	1	\$0.21	1.00	\$0.21
	Subtotal Chemical Dependency	\$0.43					\$0.47	\$0.00	\$0.47		\$0.45		\$0.45
	Subtotal Chemical Dependency with Admin Allowance												\$0.50

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-1

Development of January 2011 Statewide PCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	I	J	K	L
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve-out Adjustments ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	Covered Benefit Adjustment (1=Covered, 0=Not Covered)	Projected Statewide Cost PMPM for PCO Benefits	OP Cost Shift Adjustment	2011 Statewide PCO Capitation Rate PMPM
		= A * B * C * D * E					= F + G		= H + I		= J * K		
Old Age Assistance with Medicare													
DENTAL													
	DENTAL - ADJUNCTIVE GENERAL	\$0.84	1.013	0.987	1.000	1.000	\$0.84		\$0.84	0	\$0.00	1.00	\$0.00
	DENTAL - ANESTHESIA SURGICAL	\$0.05	1.013	0.987	1.000	1.000	\$0.05		\$0.05	0	\$0.00	1.00	\$0.00
	DENTAL - DIAGNOSTIC	\$2.49	1.013	0.987	1.000	1.000	\$2.49		\$2.49	0	\$0.00	1.00	\$0.00
	DENTAL - ENDODONTICS	\$0.34	1.013	0.987	1.000	1.000	\$0.34		\$0.34	0	\$0.00	1.00	\$0.00
	DENTAL - I/P FIXED	\$0.02	1.013	0.987	1.000	1.000	\$0.02		\$0.02	0	\$0.00	1.00	\$0.00
	DENTAL - ORAL SURGERY	\$1.67	1.013	0.987	1.000	1.000	\$1.67		\$1.67	0	\$0.00	1.00	\$0.00
	DENTAL - ORTHODONTICS	\$0.00	1.013	0.987	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	DENTAL - PERIODONTICS	\$0.76	1.013	0.987	1.000	1.000	\$0.76		\$0.76	0	\$0.00	1.00	\$0.00
	DENTAL - PREVENTIVE	\$1.10	1.013	0.987	1.000	1.000	\$1.10		\$1.10	0	\$0.00	1.00	\$0.00
	DENTAL - PROS REMOVABLE	\$4.78	1.013	0.987	1.000	1.000	\$4.78		\$4.78	0	\$0.00	1.00	\$0.00
	OHP COPAY/DENTAL - RESTORATIVE	\$2.45	1.013	0.987	1.000	1.000	\$2.45		\$2.45	0	\$0.00	1.00	\$0.00
	Subtotal Dental	\$14.51					\$14.50	\$0.00	\$14.50	\$0.00	\$0.00		\$0.00
	Subtotal Dental with Admin Allowance												\$0.00
MENTAL HEALTH													
	MH SERVICES ACUTE INPATIENT	\$0.36	1.003	1.000	1.000	1.000	\$0.35		\$0.35	0	\$0.00	1.00	\$0.00
	MH SERVICES ALTERNATIVE TO IP	\$0.12	1.003	1.000	1.000	1.000	\$0.12		\$0.12	0	\$0.00	1.00	\$0.00
	MH SERVICES ANCILLARY SERVICES	\$0.06	1.003	1.000	1.000	1.000	\$0.06		\$0.06	0	\$0.00	1.00	\$0.00
	MH SERVICES ASSESS & EVAL	\$0.31	1.003	1.000	1.000	1.000	\$0.31		\$0.31	0	\$0.00	1.00	\$0.00
	MH SERVICES CASE MANAGEMENT	\$1.73	1.003	1.000	1.000	1.000	\$1.73		\$1.73	0	\$0.00	1.00	\$0.00
	MH SERVICES CONSULTATION	\$0.00	1.003	1.000	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	MH SERVICES FAMILY SUPPORT	\$0.04	1.003	1.000	1.000	1.000	\$0.04		\$0.04	0	\$0.00	1.00	\$0.00
	MH SERVICES MED MANAGEMENT	\$0.21	1.003	1.000	1.000	1.000	\$0.21		\$0.21	0	\$0.00	1.00	\$0.00
	MH SERVICES OP THERAPY	\$0.73	1.003	1.000	1.000	1.000	\$0.74		\$0.74	0	\$0.00	1.00	\$0.00
	MH SERVICES OTHER OP	\$0.03	1.003	1.000	1.000	1.000	\$0.03		\$0.03	0	\$0.00	1.00	\$0.00
	MH SERVICES PEO	\$0.29	1.000	1.000	1.000	1.000	\$0.29		\$0.29	0	\$0.00	1.00	\$0.00
	MH SERVICES PHYS IP	\$0.92	1.003	1.000	1.000	1.000	\$0.92		\$0.92	0	\$0.00	1.00	\$0.00
	MH SERVICES PHYS OP	\$1.67	1.003	1.000	1.000	1.000	\$1.68		\$1.68	0	\$0.00	1.00	\$0.00
	MH SERVICES SUPPORT DAY PROGRAM	\$2.23	1.003	1.000	1.000	1.000	\$2.24		\$2.24	0	\$0.00	1.00	\$0.00
	MH SERVICES INTENSIVE TREATMENT SVCS	\$0.00	1.003	1.000	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	OHP COPAY/MH SERVICES CONS ASSESS								\$0.00	0	\$0.00	1.00	\$0.00
	Subtotal Mental Health	\$8.70					\$8.72	\$0.00	\$8.72	\$0.00	\$0.00		\$0.00
	Subtotal Mental Health with Admin Allowance												\$0.00
	Total Services	\$135.21					\$173.32	-\$1.83	\$171.49		\$121.49		\$119.36
	Total Services with Admin Allowance												\$130.66

¹ Rate Smoothing Adjustment Factors apply to Physical Health, Chemical Dependency, and Dental for purpose of smoothing 2010 and 2011 rates from 2009 rates.

² Reflects adjustment due to removal of Third Party Liability recoveries.

³ Reflects carving GME out of statewide rates, for purpose of setting plan specific GME and only applies to physical health service categories.

⁴ Reflects Maternity Case Rate Carve-Out, Children's Mental Health Services Adjustment, Bariatric Surgery Adjustment, Dental Prophylactic benefit increase for children under age 19, and adjustment for copayment per OHP rules.

Oregon Health Plan Medicaid Demonstration
Development of January 2011 Statewide PCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
 With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

EXHIBIT 2-1

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	I	J	K	L
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve-out Adjustments ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	Covered Benefit Adjustment (1=Covered, 0=Not Covered)	Projected Statewide Cost PMPM for PCO Benefits	OP Cost Shift Adjustment	2011 Statewide PCO Capitation Rate PMPM
Old Age Assistance without Medicare													
PHYSICAL HEALTH													
	ADMINISTRATIVE EXAMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	ANESTHESIA	\$5.33	1.019	0.930	0.995	1.000	\$5.03		\$5.03	1	\$5.03	1.00	\$5.03
	EXCEPT NEEDS CARE COORDINATION	\$4.60	1.000	1.000	0.995	1.000	\$4.58		\$4.58	1	\$4.58	1.00	\$4.58
	FP - IP HOSP	\$0.00	1.023	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	FP - OP HOSP	\$0.00	1.032	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00
	FP - PHYS	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	HYSTERECTOMY - ANESTHESIA	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	HYSTERECTOMY - IP HOSP	\$0.00	1.023	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	HYSTERECTOMY - OP HOSP	\$0.00	1.032	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00
	HYSTERECTOMY - PHYS	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	IP HOSP - ACUTE DETOX	\$0.98	1.023	0.991	0.995	0.974	\$0.96		\$0.96	0	\$0.00	1.00	\$0.00
	IP HOSP - MATERNITY	\$0.00	1.023	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	IP HOSP - MATERNITY / STERILIZATION	\$0.00	1.023	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	IP HOSP - MEDICAL/SURGICAL	\$302.27	1.023	0.991	0.995	0.974	\$296.68		\$296.68	0	\$0.00	1.00	\$0.00
	IP HOSP - NEWBORN	\$0.00	1.023	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	IP HOSP - POST HOSP EXTENDED CARE	\$0.00	1.023	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	LAB & RAD - DIAGNOSTIC X-RAY	\$13.80	1.019	0.930	0.995	1.000	\$13.00		\$13.00	1	\$13.00	1.00	\$13.00
	LAB & RAD - LAB	\$8.77	1.019	0.930	0.995	1.000	\$8.27		\$8.27	1	\$8.27	1.00	\$8.27
	LAB & RAD - THERAPEUTIC X-RAY	\$1.50	1.019	0.930	0.995	1.000	\$1.41		\$1.41	1	\$1.41	1.00	\$1.41
	OP ER - SOMATIC MH	\$0.24	1.032	0.920	0.995	1.000	\$0.23		\$0.23	1	\$0.23	0.95	\$0.21
	OP HOSP - BASIC	\$70.55	1.032	0.920	0.995	1.000	\$66.64		\$66.64	1	\$66.64	0.95	\$63.31
	OP HOSP - EMERGENCY ROOM	\$9.99	1.032	0.920	0.995	1.000	\$9.43		\$9.43	1	\$9.43	0.95	\$8.96
	OP HOSP - LAB & RAD	\$39.20	1.032	0.920	0.995	1.000	\$37.03		\$37.03	1	\$37.03	0.95	\$35.18
	OP HOSP - MATERNITY	\$0.00	1.032	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00
	OP HOSP - POST HOSP EXTENDED CARE	\$0.64	1.032	0.920	0.995	1.000	\$0.60		\$0.60	1	\$0.60	0.95	\$0.57
	OP HOSP - PRES DRUGS BASIC	\$3.57	1.032	0.920	0.995	1.000	\$3.37		\$3.37	1	\$3.37	0.95	\$3.21
	OP HOSP - PRES DRUGS MH/CD	\$0.02	1.032	0.920	0.995	1.000	\$0.02		\$0.02	1	\$0.02	0.95	\$0.02
	OP HOSP - SOMATIC MH	\$0.37	1.032	0.920	0.995	1.000	\$0.35		\$0.35	1	\$0.35	0.95	\$0.33
	OTH MED - DME	\$11.53	1.019	1.000	0.995	1.000	\$11.69		\$11.69	1	\$11.69	1.00	\$11.69
	OTH MED - HHC/PDN	\$4.80	1.019	1.000	0.995	1.000	\$4.86		\$4.86	1	\$4.86	1.00	\$4.86
	OTH MED - HOSPICE	\$6.67	1.019	1.000	0.995	1.000	\$6.76		\$6.76	1	\$6.76	1.00	\$6.76
	OTH MED - MATERNITY MGT	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	OTH MED - SUPPLIES	\$8.38	1.019	1.000	0.995	1.000	\$8.50		\$8.50	1	\$8.50	1.00	\$8.50
	PHYS CONSULTATION, IP & ER VISITS	\$18.58	1.019	0.930	0.995	1.000	\$17.51		\$17.51	1	\$17.51	1.00	\$17.51
	PHYS HOME OR LONG-TERM CARE VISITS	\$1.14	1.019	0.930	0.995	1.000	\$1.07		\$1.07	1	\$1.07	1.00	\$1.07
	PHYS MATERNITY	\$0.00	1.019	0.930	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	PHYS NEWBORN	\$0.16	1.019	0.930	0.995	1.000	\$0.15		\$0.15	1	\$0.15	1.00	\$0.15
	PHYS OFFICE VISITS	\$39.48	1.019	0.930	0.995	1.000	\$37.20		\$37.20	1	\$37.20	1.00	\$37.20
	PHYS OTHER	\$22.26	1.019	0.930	0.995	1.000	\$20.98	\$0.02	\$21.00	1	\$21.00	1.00	\$21.00

Oregon Health Plan Medicaid Demonstration

Development of January 2011 Statewide PCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
 With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

EXHIBIT 2-1

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	I	J	K	L
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve-out Adjustments ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	Covered Benefit Adjustment (1=Covered, 0=Not Covered)	Projected Statewide Cost PMPM for PCO Benefits	OP Cost Shift Adjustment	2011 Statewide PCO Capitation Rate PMPM
		= A * B * C * D * E					= F + G		= H + I		= J * K		
Old Age Assistance without Medicare													
	PHYS SOMATIC MH	\$1.65	1.019	0.930	0.995	1.000	\$1.56		\$1.56	1	\$1.56	1.00	\$1.56
	PRES DRUGS - BASIC	\$101.24	1.016	0.986	0.995	1.000	\$100.88		\$100.88	1	\$100.88	1.00	\$100.88
	PRES DRUGS - FP	\$0.01	1.016	0.986	0.995	1.000	\$0.01		\$0.01	1	\$0.01	1.00	\$0.01
	PRES DRUGS - MH/CD	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	SCHOOL-BASED HEALTH SERVICES	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	STERILIZATION - ANESTHESIA FEMALE	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	STERILIZATION - ANESTHESIA MALE	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	STERILIZATION - IP HOSP FEMALE	\$0.00	1.023	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	STERILIZATION - IP HOSP MALE	\$0.00	1.023	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	STERILIZATION - OP HOSP FEMALE	\$0.00	1.032	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00
	STERILIZATION - OP HOSP MALE	\$0.00	1.032	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00
	STERILIZATION - PHY FEMALE	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	STERILIZATION - PHY MALE	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	SURGERY	\$22.31	1.019	0.930	0.995	1.000	\$21.02		\$21.02	1	\$21.02	1.00	\$21.02
	TARGETED CASE MAN - BABIES FIRST	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	TARGETED CASE MAN - HIV	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	TARGETED CASE MAN - SUBS ABUSE MOMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	THERAPEUTIC ABORTION - IP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	THERAPEUTIC ABORTION - OP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	0.95	\$0.00
	THERAPEUTIC ABORTION - PHYS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	TRANSPORTATION - AMBULANCE	\$8.21	1.019	1.000	0.995	1.000	\$8.32		\$8.32	1	\$8.32	1.00	\$8.32
	TRANSPORTATION - OTHER	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	VISION CARE - EXAMS & THERAPY	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	VISION CARE - MATERIALS & FITTING	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	PART A DEDUCTIBLE				1.000		\$0.00						\$0.00
	PART B DEDUCTIBLE				1.000		\$0.00						\$0.00
	OHP COPAY/PART B COINSURANCE ADJUSTMENT				1.000		\$0.00	-\$3.01	-\$3.01	1	-\$3.01	1.00	-\$3.01
	Subtotal Physical Health	\$708.27			0.995		\$688.12	-\$2.99	\$685.13		\$387.49		\$381.60
	Subtotal Physical Health with Admin Allowance												\$417.74
CHEMICAL DEPENDENCY													
	CD SERVICES - ALTERNATIVE TO DETOX	\$0.00	1.038	1.596	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	CD SERVICES - METHADONE	\$0.17	1.038	1.596	1.000	1.000	\$0.28		\$0.28	1	\$0.28	1.00	\$0.28
	OHP COPAY/CD SERVICES - OP	\$0.25	1.038	1.596	1.000	1.000	\$0.41		\$0.41	1	\$0.41	1.00	\$0.41
	Subtotal Chemical Dependency	\$0.42					\$0.69	\$0.00	\$0.69		\$0.69		\$0.69
	Subtotal Chemical Dependency with Admin Allowance												\$0.76

Oregon Health Plan Medicaid Demonstration
Development of January 2011 Statewide PCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
 With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

EXHIBIT 2-1

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	I	J	K	L
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve-out Adjustments ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	Covered Benefit Adjustment (1=Covered, 0=Not Covered)	Projected Statewide Cost PMPM for PCO Benefits	OP Cost Shift Adjustment	2011 Statewide PCO Capitation Rate PMPM
						= A * B * C * D * E		= F + G		= H * I		= J * K	
Old Age Assistance without Medicare													
DENTAL													
	DENTAL - ADJUNCTIVE GENERAL	\$0.84	1.013	1.068	1.000	1.000	\$0.91		\$0.91	0	\$0.00	1.00	\$0.00
	DENTAL - ANESTHESIA SURGICAL	\$0.03	1.013	1.068	1.000	1.000	\$0.03		\$0.03	0	\$0.00	1.00	\$0.00
	DENTAL - DIAGNOSTIC	\$3.80	1.013	1.068	1.000	1.000	\$4.12		\$4.12	0	\$0.00	1.00	\$0.00
	DENTAL - ENDODONTICS	\$0.76	1.013	1.068	1.000	1.000	\$0.82		\$0.82	0	\$0.00	1.00	\$0.00
	DENTAL - I/P FIXED	\$0.02	1.013	1.068	1.000	1.000	\$0.02		\$0.02	0	\$0.00	1.00	\$0.00
	DENTAL - ORAL SURGERY	\$2.89	1.013	1.068	1.000	1.000	\$3.12		\$3.12	0	\$0.00	1.00	\$0.00
	DENTAL - ORTHODONTICS	\$0.00	1.013	1.068	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	DENTAL - PERIODONTICS	\$1.77	1.013	1.068	1.000	1.000	\$1.92		\$1.92	0	\$0.00	1.00	\$0.00
	DENTAL - PREVENTIVE	\$0.87	1.013	1.068	1.000	1.000	\$0.94		\$0.94	0	\$0.00	1.00	\$0.00
	DENTAL - PROS REMOVABLE	\$7.53	1.013	1.068	1.000	1.000	\$8.15		\$8.15	0	\$0.00	1.00	\$0.00
	OHP COPAY/DENTAL - RESTORATIVE	\$2.88	1.013	1.068	1.000	1.000	\$3.12		\$3.12	0	\$0.00	1.00	\$0.00
	Subtotal Dental	\$21.39					\$23.15	\$0.00	\$23.15	\$0.00	\$0.00	1.00	\$0.00
	Subtotal Dental with Admin Allowance												\$0.00
MENTAL HEALTH													
	MH SERVICES ACUTE INPATIENT	\$8.78	1.012	1.000	1.000	1.000	\$8.89		\$8.89	0	\$0.00	1.00	\$0.00
	MH SERVICES ALTERNATIVE TO IP	\$0.00	1.012	1.000	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	MH SERVICES ANCILLARY SERVICES	\$0.77	1.012	1.000	1.000	1.000	\$0.78		\$0.78	0	\$0.00	1.00	\$0.00
	MH SERVICES ASSESS & EVAL	\$0.84	1.012	1.000	1.000	1.000	\$0.85		\$0.85	0	\$0.00	1.00	\$0.00
	MH SERVICES CASE MANAGEMENT	\$3.52	1.012	1.000	1.000	1.000	\$3.57		\$3.57	0	\$0.00	1.00	\$0.00
	MH SERVICES CONSULTATION	\$0.00	1.012	1.000	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	MH SERVICES FAMILY SUPPORT	\$0.00	1.012	1.000	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	MH SERVICES MED MANAGEMENT	\$0.38	1.012	1.000	1.000	1.000	\$0.38		\$0.38	0	\$0.00	1.00	\$0.00
	MH SERVICES OP THERAPY	\$0.50	1.012	1.000	1.000	1.000	\$0.51		\$0.51	0	\$0.00	1.00	\$0.00
	MH SERVICES OTHER OP	\$0.00	1.012	1.000	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	MH SERVICES PEO	\$0.29	1.000	1.000	1.000	1.000	\$0.29		\$0.29	0	\$0.00	1.00	\$0.00
	MH SERVICES PHYS IP	\$1.64	1.012	1.000	1.000	1.000	\$1.66		\$1.66	0	\$0.00	1.00	\$0.00
	MH SERVICES PHYS OP	\$8.91	1.012	1.000	1.000	1.000	\$9.02		\$9.02	0	\$0.00	1.00	\$0.00
	MH SERVICES SUPPORT DAY PROGRAM	\$2.48	1.012	1.000	1.000	1.000	\$2.51		\$2.51	0	\$0.00	1.00	\$0.00
	MH SERVICES INTENSIVE TREATMENT SVCS	\$0.00	1.012	1.000	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	OHP COPAY/MH SERVICES CONS ASSESS								\$0.00	0	\$0.00	1.00	\$0.00
	Subtotal Mental Health	\$28.13					\$28.47	\$0.00	\$28.47	\$0.00	\$0.00	1.00	\$0.00
	Subtotal Mental Health with Admin Allowance												\$0.00
	Total Services	\$758.20					\$740.43	-\$2.99	\$737.44		\$388.18		\$382.30
	Total Services with Admin Allowance												\$418.50

¹ Rate Smoothing Adjustment Factors apply to Physical Health, Chemical Dependency, and Dental for purpose of smoothing 2010 and 2011 rates from 2009 rates.

² Reflects adjustment due to removal of Third Party Liability recoveries.

³ Reflects carving GME out of statewide rates, for purpose of setting plan specific GME and only applies to physical health service categories.

⁴ Reflects Maternity Case Rate Carve-Out, Children's Mental Health Services Adjustment, Bariatric Surgery Adjustment, Dental Prophylactic benefit increase for children under age 19, and adjustment for copayment per OHP rules.

Oregon Health Plan Medicaid Demonstration
Development of January 2011 Statewide PCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
 With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

EXHIBIT 2-1

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	I	J	K	L
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve-out Adjustments ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	Covered Benefit Adjustment (1=Covered, 0=Not Covered)	Projected Statewide Cost PMPM for PCO Benefits	OP Cost Shift Adjustment	2011 Statewide PCO Capitation Rate PMPM
CAF Children													
PHYSICAL HEALTH													
	ADMINISTRATIVE EXAMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	ANESTHESIA	\$1.83	1.013	0.980	0.995	1.000	\$1.81		\$1.81	1	\$1.81	1.00	\$1.81
	EXCEPT NEEDS CARE COORDINATION	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	FP - IP HOSP	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	FP - OP HOSP	\$0.02	1.024	0.928	0.995	1.000	\$0.02		\$0.02	1	\$0.02	0.95	\$0.02
	FP - PHYS	\$0.08	1.013	0.980	0.995	1.000	\$0.08		\$0.08	1	\$0.08	1.00	\$0.08
	HYSTERECTOMY - ANESTHESIA	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	HYSTERECTOMY - IP HOSP	\$0.03	1.015	0.997	0.995	0.974	\$0.03		\$0.03	0	\$0.00	1.00	\$0.00
	HYSTERECTOMY - OP HOSP	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00
	HYSTERECTOMY - PHYS	\$0.01	1.013	0.980	0.995	1.000	\$0.01		\$0.01	1	\$0.01	1.00	\$0.01
	IP HOSP - ACUTE DETOX	\$0.08	1.015	0.997	0.995	0.974	\$0.08		\$0.08	0	\$0.00	1.00	\$0.00
	IP HOSP - MATERNITY	\$1.21	1.015	0.997	0.995	0.974	\$1.18	-\$1.18	\$0.00	0	\$0.00	1.00	\$0.00
	IP HOSP - MATERNITY / STERILIZATION	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	IP HOSP - MEDICAL/SURGICAL	\$15.34	1.015	0.997	0.995	0.974	\$15.04		\$15.04	0	\$0.00	1.00	\$0.00
	IP HOSP - NEWBORN	\$0.82	1.015	0.997	0.995	0.974	\$0.80		\$0.80	0	\$0.00	1.00	\$0.00
	IP HOSP - POST HOSP EXTENDED CARE	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	LAB & RAD - DIAGNOSTIC X-RAY	\$1.93	1.013	0.980	0.995	1.000	\$1.91		\$1.91	1	\$1.91	1.00	\$1.91
	LAB & RAD - LAB	\$2.01	1.013	0.980	0.995	1.000	\$1.99		\$1.99	1	\$1.99	1.00	\$1.99
	LAB & RAD - THERAPEUTIC X-RAY	\$0.02	1.013	0.980	0.995	1.000	\$0.02		\$0.02	1	\$0.02	1.00	\$0.02
	OP ER - SOMATIC MH	\$0.39	1.024	0.928	0.995	1.000	\$0.37		\$0.37	1	\$0.37	0.95	\$0.35
	OP HOSP - BASIC	\$12.86	1.024	0.928	0.995	1.000	\$12.17		\$12.17	1	\$12.17	0.95	\$11.56
	OP HOSP - EMERGENCY ROOM	\$4.58	1.024	0.928	0.995	1.000	\$4.33		\$4.33	1	\$4.33	0.95	\$4.11
	OP HOSP - LAB & RAD	\$6.98	1.024	0.928	0.995	1.000	\$6.61		\$6.61	1	\$6.61	0.95	\$6.28
	OP HOSP - MATERNITY	\$0.42	1.024	0.928	0.995	1.000	\$0.39	-\$0.39	\$0.00	1	\$0.00	0.95	\$0.00
	OP HOSP - POST HOSP EXTENDED CARE	\$0.00	1.024	0.928	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00
	OP HOSP - PRES DRUGS BASIC	\$0.63	1.024	0.928	0.995	1.000	\$0.60		\$0.60	1	\$0.60	0.95	\$0.57
	OP HOSP - PRES DRUGS MH/CD	\$0.01	1.024	0.928	0.995	1.000	\$0.01		\$0.01	1	\$0.01	0.95	\$0.01
	OP HOSP - SOMATIC MH	\$0.85	1.024	0.928	0.995	1.000	\$0.80		\$0.80	1	\$0.80	0.95	\$0.76
	OTH MED - DME	\$1.26	1.013	1.000	0.995	1.000	\$1.27		\$1.27	1	\$1.27	1.00	\$1.27
	OTH MED - HHC/PDN	\$0.59	1.013	1.000	0.995	1.000	\$0.60		\$0.60	1	\$0.60	1.00	\$0.60
	OTH MED - HOSPICE	\$0.05	1.013	1.000	0.995	1.000	\$0.05		\$0.05	1	\$0.05	1.00	\$0.05
	OTH MED - MATERNITY MGT	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	OTH MED - SUPPLIES	\$1.48	1.013	1.000	0.995	1.000	\$1.49		\$1.49	1	\$1.49	1.00	\$1.49
	PHYS CONSULTATION, IP & ER VISITS	\$4.49	1.013	0.980	0.995	1.000	\$4.43		\$4.43	1	\$4.43	1.00	\$4.43
	PHYS HOME OR LONG-TERM CARE VISITS	\$0.05	1.013	0.980	0.995	1.000	\$0.05		\$0.05	1	\$0.05	1.00	\$0.05
	PHYS MATERNITY	\$0.60	1.013	0.980	0.995	1.000	\$0.59	-\$0.59	\$0.00	1	\$0.00	1.00	\$0.00
	PHYS NEWBORN	\$0.15	1.013	0.980	0.995	1.000	\$0.15		\$0.15	1	\$0.15	1.00	\$0.15
	PHYS OFFICE VISITS	\$21.01	1.013	0.980	0.995	1.000	\$20.74		\$20.74	1	\$20.74	1.00	\$20.74
	PHYS OTHER	\$5.93	1.013	0.980	0.995	1.000	\$5.85		\$5.85	1	\$5.85	1.00	\$5.85

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		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve-out Adjustments ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	Covered Benefit Adjustment (1=Covered, 0=Not Covered)	Projected Statewide Cost PMPM for PCO Benefits	OP Cost Shift Adjustment	2011 Statewide PCO Capitation Rate PMPM
		= A * B * C * D * E					= F + G		= H * I		= J * K		
CAF Children	PHYS SOMATIC MH	\$4.49	1.013	0.980	0.995	1.000	\$4.43		\$4.43	1	\$4.43	1.00	\$4.43
	PRES DRUGS - BASIC	\$23.95	1.011	0.851	0.995	1.000	\$20.50		\$20.50	1	\$20.50	1.00	\$20.50
	PRES DRUGS - FP	\$0.46	1.011	0.851	0.995	1.000	\$0.39		\$0.39	1	\$0.39	1.00	\$0.39
	PRES DRUGS - MH/CD	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	SCHOOL-BASED HEALTH SERVICES	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	STERILIZATION - ANESTHESIA FEMALE	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	STERILIZATION - ANESTHESIA MALE	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	STERILIZATION - IP HOSP FEMALE	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	STERILIZATION - IP HOSP MALE	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	STERILIZATION - OP HOSP FEMALE	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00
	STERILIZATION - OP HOSP MALE	\$0.00	1.024	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00
	STERILIZATION - PHY FEMALE	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	STERILIZATION - PHY MALE	\$0.00	1.013	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	SURGERY	\$4.46	1.013	0.980	0.995	1.000	\$4.40		\$4.40	1	\$4.40	1.00	\$4.40
	TARGETED CASE MAN - BABIES FIRST	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	TARGETED CASE MAN - HIV	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	TARGETED CASE MAN - SUBS ABUSE MOMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	THERAPEUTIC ABORTION - IP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	THERAPEUTIC ABORTION - OP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	0.95	\$0.00
	THERAPEUTIC ABORTION - PHYS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	TRANSPORTATION - AMBULANCE	\$1.46	1.013	1.000	0.995	1.000	\$1.47		\$1.47	1	\$1.47	1.00	\$1.47
	TRANSPORTATION - OTHER	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	VISION CARE - EXAMS & THERAPY	\$2.56	1.013	1.000	0.995	1.000	\$2.58		\$2.58	1	\$2.58	1.00	\$2.58
	VISION CARE - MATERIALS & FITTING	\$1.82	1.013	1.000	0.995	1.000	\$1.83		\$1.83	1	\$1.83	1.00	\$1.83
	PART A DEDUCTIBLE												
	PART B DEDUCTIBLE												
	OHP COPAY/PART B COINSURANCE ADJUSTMENT							\$0.00	\$0.00		\$0.00		\$0.00
	Subtotal Physical Health	\$124.92			0.995		\$119.05	-\$2.16	\$116.89		\$100.94		\$99.69
	Subtotal Physical Health with Admin Allowance												\$109.13
	CHEMICAL DEPENDENCY												
	CD SERVICES - ALTERNATIVE TO DETOX	\$0.00	1.074	1.023	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	CD SERVICES - METHADONE	\$0.01	1.074	1.023	1.000	1.000	\$0.01		\$0.01	1	\$0.01	1.00	\$0.01
	OHP COPAY/CD SERVICES - OP	\$6.38	1.074	1.023	1.000	1.000	\$7.01		\$7.01	1	\$7.01	1.00	\$7.01
	Subtotal Chemical Dependency	\$6.39					\$7.01		\$7.01		\$7.01		\$7.01
	Subtotal Chemical Dependency with Admin Allowance												\$7.68

Oregon Health Plan Medicaid Demonstration
Development of January 2011 Statewide PCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
 With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

EXHIBIT 2-1

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	I	J	K	L	
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve-out Adjustments ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	Covered Benefit Adjustment (1=Covered, 0=Not Covered)	Projected Statewide Cost PMPM for PCO Benefits	OP Cost Shift Adjustment	2011 Statewide PCO Capitation Rate PMPM	
							= A * B * C * D * E			= F + G			= H * I	= J * K
CAF Children														
DENTAL														
	DENTAL - ADJUNCTIVE GENERAL	\$0.39	1.011	1.020	1.000	1.000	\$0.40		\$0.40	0	\$0.00	1.00	\$0.00	
	DENTAL - ANESTHESIA SURGICAL	\$0.54	1.011	1.020	1.000	1.000	\$0.56		\$0.56	0	\$0.00	1.00	\$0.00	
	DENTAL - DIAGNOSTIC	\$5.21	1.011	1.020	1.000	1.000	\$5.37		\$5.37	0	\$0.00	1.00	\$0.00	
	DENTAL - ENDODONTICS	\$1.10	1.011	1.020	1.000	1.000	\$1.14		\$1.14	0	\$0.00	1.00	\$0.00	
	DENTAL - I/P FIXED	\$0.00	1.011	1.020	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	DENTAL - ORAL SURGERY	\$1.30	1.011	1.020	1.000	1.000	\$1.34		\$1.34	0	\$0.00	1.00	\$0.00	
	DENTAL - ORTHODONTICS	\$0.07	1.011	1.020	1.000	1.000	\$0.07		\$0.07	0	\$0.00	1.00	\$0.00	
	DENTAL - PERIODONTICS	\$0.12	1.011	1.020	1.000	1.000	\$0.12		\$0.12	0	\$0.00	1.00	\$0.00	
	DENTAL - PREVENTIVE	\$5.12	1.011	1.020	1.000	1.000	\$5.28		\$5.28	0	\$0.00	1.00	\$0.00	
	DENTAL - PROS REMOVABLE	\$0.02	1.011	1.020	1.000	1.000	\$0.02		\$0.02	0	\$0.00	1.00	\$0.00	
	OHP COPAY/DENTAL - RESTORATIVE	\$8.04	1.011	1.020	1.000	1.000	\$8.29		\$8.29	0	\$0.00	1.00	\$0.00	
	Subtotal Dental	\$21.90					\$22.59		\$22.59	0	\$0.00	1.00	\$0.00	
	Subtotal Dental with Admin Allowance												\$0.00	
MENTAL HEALTH														
	MH SERVICES ACUTE INPATIENT	\$6.80	1.011	1.000	1.000	1.000	\$6.88		\$6.88	0	\$0.00	1.00	\$0.00	
	MH SERVICES ALTERNATIVE TO IP	\$2.81	1.011	1.000	1.000	1.000	\$2.84		\$2.84	0	\$0.00	1.00	\$0.00	
	MH SERVICES ANCILLARY SERVICES	\$0.02	1.011	1.000	1.000	1.000	\$0.02		\$0.02	0	\$0.00	1.00	\$0.00	
	MH SERVICES ASSESS & EVAL	\$4.37	1.011	1.000	1.000	1.000	\$4.42		\$4.42	0	\$0.00	1.00	\$0.00	
	MH SERVICES CASE MANAGEMENT	\$10.19	1.011	1.000	1.000	1.000	\$10.30		\$10.30	0	\$0.00	1.00	\$0.00	
	MH SERVICES CONSULTATION	\$0.00	1.011	1.000	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	MH SERVICES FAMILY SUPPORT	\$0.11	1.011	1.000	1.000	1.000	\$0.11		\$0.11	0	\$0.00	1.00	\$0.00	
	MH SERVICES MED MANAGEMENT	\$0.14	1.011	1.000	1.000	1.000	\$0.14		\$0.14	0	\$0.00	1.00	\$0.00	
	MH SERVICES OP THERAPY	\$13.47	1.011	1.000	1.000	1.000	\$13.62		\$13.62	0	\$0.00	1.00	\$0.00	
	MH SERVICES OTHER OP	\$0.31	1.011	1.000	1.000	1.000	\$0.31		\$0.31	0	\$0.00	1.00	\$0.00	
	MH SERVICES PEO	\$0.29	1.000	1.000	1.000	1.000	\$0.29		\$0.29	0	\$0.00	1.00	\$0.00	
	MH SERVICES PHYS IP	\$8.42	1.011	1.000	1.000	1.000	\$8.51		\$8.51	0	\$0.00	1.00	\$0.00	
	MH SERVICES PHYS OP	\$45.17	1.011	1.000	1.000	1.000	\$45.66		\$45.66	0	\$0.00	1.00	\$0.00	
	MH SERVICES SUPPORT DAY PROGRAM	\$4.44	1.011	1.000	1.000	1.000	\$4.49		\$4.49	0	\$0.00	1.00	\$0.00	
	MH SERVICES INTENSIVE TREATMENT SVCS	\$96.80	1.011	1.000	1.000	1.000	\$97.86		\$97.86	0	\$0.00	1.00	\$0.00	
	OHP COPAY/MH SERVICES CONS ASSESS								\$0.26	0	\$0.00	1.00	\$0.00	
	Subtotal Mental Health	\$193.32					\$195.45		\$195.45	0	\$0.00	1.00	\$0.00	
	Subtotal Mental Health with Admin Allowance												\$0.00	
	Total Services	\$346.54					\$344.10	-\$2.16	\$341.94		\$107.95		\$106.71	
	Total Services with Admin Allowance												\$116.81	

¹ Rate Smoothing Adjustment Factors apply to Physical Health, Chemical Dependency, and Dental for purpose of smoothing 2010 and 2011 rates from 2009 rates.

² Reflects adjustment due to removal of Third Party Liability recoveries.

³ Reflects carving GME out of statewide rates, for purpose of setting plan specific GME and only applies to physical health service categories.

⁴ Reflects Maternity Case Rate Carve-Out, Children's Mental Health Services Adjustment, Bariatric Surgery Adjustment, Dental Prophylactic benefit increase for children under age 19, and adjustment for copayment per OHP rules.

Oregon Health Plan Medicaid Demonstration
Development of January 2011 Statewide PCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
 With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

EXHIBIT 2-1

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	I	J	K	L
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve-out Adjustments ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	Covered Benefit Adjustment (1=Covered, 0=Not Covered)	Projected Statewide Cost PMPM for PCO Benefits	OP Cost Shift Adjustment	2011 Statewide PCO Capitation Rate PMPM
		= A * B * C * D * E					= F + G		= H * I		= J * K		
OHP Families													
PHYSICAL HEALTH													
	ADMINISTRATIVE EXAMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	ANESTHESIA	\$2.11	1.019	0.984	0.995	1.000	\$2.11		\$2.11	1	\$2.11	1.00	\$2.11
	EXCEPT NEEDS CARE COORDINATION	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	FP - IP HOSP	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	FP - OP HOSP	\$0.09	1.032	1.025	0.995	1.000	\$0.09		\$0.09	1	\$0.09	0.95	\$0.09
	FP - PHYS	\$0.77	1.019	0.984	0.995	1.000	\$0.77		\$0.77	1	\$0.77	1.00	\$0.77
	HYSTERECTOMY - ANESTHESIA	\$0.10	1.019	0.984	0.995	1.000	\$0.10		\$0.10	1	\$0.10	1.00	\$0.10
	HYSTERECTOMY - IP HOSP	\$1.43	1.015	1.027	0.995	0.974	\$1.44		\$1.44	0	\$0.00	1.00	\$0.00
	HYSTERECTOMY - OP HOSP	\$0.00	1.032	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00
	HYSTERECTOMY - PHYS	\$0.49	1.019	0.984	0.995	1.000	\$0.48		\$0.48	1	\$0.48	1.00	\$0.48
	IP HOSP - ACUTE DETOX	\$0.34	1.015	1.027	0.995	0.974	\$0.34		\$0.34	0	\$0.00	1.00	\$0.00
	IP HOSP - MATERNITY	\$0.99	1.015	1.027	0.995	0.974	\$1.00	-\$1.00	\$0.00	0	\$0.00	1.00	\$0.00
	IP HOSP - MATERNITY / STERILIZATION	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	IP HOSP - MEDICAL/SURGICAL	\$36.25	1.015	1.027	0.995	0.974	\$36.63		\$36.63	0	\$0.00	1.00	\$0.00
	IP HOSP - NEWBORN	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	IP HOSP - POST HOSP EXTENDED CARE	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	LAB & RAD - DIAGNOSTIC X-RAY	\$8.15	1.019	0.984	0.995	1.000	\$8.13		\$8.13	1	\$8.13	1.00	\$8.13
	LAB & RAD - LAB	\$7.04	1.019	0.984	0.995	1.000	\$7.02		\$7.02	1	\$7.02	1.00	\$7.02
	LAB & RAD - THERAPEUTIC X-RAY	\$0.38	1.019	0.984	0.995	1.000	\$0.38		\$0.38	1	\$0.38	1.00	\$0.38
	OP ER - SOMATIC MH	\$0.37	1.032	1.025	0.995	1.000	\$0.39		\$0.39	1	\$0.39	0.95	\$0.37
	OP HOSP - BASIC	\$27.03	1.032	1.025	0.995	1.000	\$28.42		\$28.42	1	\$28.42	0.95	\$27.00
	OP HOSP - EMERGENCY ROOM	\$11.57	1.032	1.025	0.995	1.000	\$12.17		\$12.17	1	\$12.17	0.95	\$11.56
	OP HOSP - LAB & RAD	\$23.18	1.032	1.025	0.995	1.000	\$24.37		\$24.37	1	\$24.37	0.95	\$23.15
	OP HOSP - MATERNITY	\$2.04	1.032	1.025	0.995	1.000	\$2.14	-\$2.14	\$0.00	1	\$0.00	0.95	\$0.00
	OP HOSP - POST HOSP EXTENDED CARE	\$0.00	1.032	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00
	OP HOSP - PRES DRUGS BASIC	\$2.52	1.032	1.025	0.995	1.000	\$2.65		\$2.65	1	\$2.65	0.95	\$2.52
	OP HOSP - PRES DRUGS MH/CD	\$0.02	1.032	1.025	0.995	1.000	\$0.03		\$0.03	1	\$0.03	0.95	\$0.02
	OP HOSP - SOMATIC MH	\$0.42	1.032	1.025	0.995	1.000	\$0.45		\$0.45	1	\$0.45	0.95	\$0.42
	OTH MED - DME	\$1.36	1.019	1.000	0.995	1.000	\$1.38		\$1.38	1	\$1.38	1.00	\$1.38
	OTH MED - HHC/PDN	\$0.11	1.019	1.000	0.995	1.000	\$0.12		\$0.12	1	\$0.12	1.00	\$0.12
	OTH MED - HOSPICE	\$0.03	1.019	1.000	0.995	1.000	\$0.03		\$0.03	1	\$0.03	1.00	\$0.03
	OTH MED - MATERNITY MGT	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	OTH MED - SUPPLIES	\$1.29	1.019	1.000	0.995	1.000	\$1.31		\$1.31	1	\$1.31	1.00	\$1.31
	PHYS CONSULTATION, IP & ER VISITS	\$8.82	1.019	0.984	0.995	1.000	\$8.79		\$8.79	1	\$8.79	1.00	\$8.79
	PHYS HOME OR LONG-TERM CARE VISITS	\$0.00	1.019	0.984	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	PHYS MATERNITY	\$1.27	1.019	0.984	0.995	1.000	\$1.26	-\$1.26	\$0.00	1	\$0.00	1.00	\$0.00
	PHYS NEWBORN	\$0.04	1.019	0.984	0.995	1.000	\$0.04		\$0.04	1	\$0.04	1.00	\$0.04
	PHYS OFFICE VISITS	\$29.11	1.019	0.984	0.995	1.000	\$29.02		\$29.02	1	\$29.02	1.00	\$29.02
	PHYS OTHER	\$4.64	1.019	0.984	0.995	1.000	\$4.63	\$0.02	\$4.65	1	\$4.65	1.00	\$4.65

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-1

Development of January 2011 Statewide PCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	I	J	K	L	
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve-out Adjustments ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	Covered Benefit Adjustment (1=Covered, 0=Not Covered)	Projected Statewide Cost PMPM for PCO Benefits	OP Cost Shift Adjustment	2011 Statewide PCO Capitation Rate PMPM	
		= A * B * C * D * E							= F + G		= H * I		= J * K	
OHP Families														
	PHYS SOMATIC MH	\$2.21	1.019	0.984	0.995	1.000	\$2.21		\$2.21	1	\$2.21	1.00	\$2.21	
	PRES DRUGS - BASIC	\$48.27	1.003	0.998	0.995	1.000	\$48.07		\$48.07	1	\$48.07	1.00	\$48.07	
	PRES DRUGS - FP	\$1.73	1.003	0.998	0.995	1.000	\$1.73		\$1.73	1	\$1.73	1.00	\$1.73	
	PRES DRUGS - MH/CD	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	SCHOOL-BASED HEALTH SERVICES	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	STERILIZATION - ANESTHESIA FEMALE	\$0.10	1.019	0.984	0.995	1.000	\$0.10		\$0.10	1	\$0.10	1.00	\$0.10	
	STERILIZATION - ANESTHESIA MALE	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00	
	STERILIZATION - IP HOSP FEMALE	\$0.11	1.015	1.027	0.995	0.974	\$0.11		\$0.11	0	\$0.00	1.00	\$0.00	
	STERILIZATION - IP HOSP MALE	\$0.00	1.015	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	STERILIZATION - OP HOSP FEMALE	\$0.28	1.032	1.025	0.995	1.000	\$0.29		\$0.29	1	\$0.29	0.95	\$0.28	
	STERILIZATION - OP HOSP MALE	\$0.00	1.032	1.025	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00	
	STERILIZATION - PHY FEMALE	\$0.13	1.019	0.984	0.995	1.000	\$0.13		\$0.13	1	\$0.13	1.00	\$0.13	
	STERILIZATION - PHY MALE	\$0.07	1.019	0.984	0.995	1.000	\$0.07		\$0.07	1	\$0.07	1.00	\$0.07	
	SURGERY	\$9.73	1.019	0.984	0.995	1.000	\$9.70		\$9.70	1	\$9.70	1.00	\$9.70	
	TARGETED CASE MAN - BABIES FIRST	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	TARGETED CASE MAN - HIV	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	TARGETED CASE MAN - SUBS ABUSE MOMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	THERAPEUTIC ABORTION - IP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	THERAPEUTIC ABORTION - OP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	0.95	\$0.00	
	THERAPEUTIC ABORTION - PHYS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	TRANSPORTATION - AMBULANCE	\$2.25	1.019	1.000	0.995	1.000	\$2.28		\$2.28	1	\$2.28	1.00	\$2.28	
	TRANSPORTATION - OTHER	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	VISION CARE - EXAMS & THERAPY	\$0.14	1.019	1.000	0.995	1.000	\$0.15		\$0.15	1	\$0.15	1.00	\$0.15	
	VISION CARE - MATERIALS & FITTING	\$0.04	1.019	1.000	0.995	1.000	\$0.04		\$0.04	1	\$0.04	1.00	\$0.04	
	PART A DEDUCTIBLE													
	PART B DEDUCTIBLE													
	OHP COPAY/PART B COINSURANCE ADJUSTMENT													
	Subtotal Physical Health	\$237.01			0.995		\$240.54	-\$4.38	\$236.15		\$197.63		\$194.19	
	Subtotal Physical Health with Admin Allowance												\$212.58	
CHEMICAL DEPENDENCY														
	CD SERVICES - ALTERNATIVE TO DETOX	\$0.15	1.038	1.093	1.000	1.000	\$0.17		\$0.17	0	\$0.00	1.00	\$0.00	
	CD SERVICES - METHADONE	\$0.85	1.038	1.093	1.000	1.000	\$0.97		\$0.97	1	\$0.97	1.00	\$0.97	
	OHP COPAY/CD SERVICES - OP	\$3.81	1.038	1.093	1.000	1.000	\$4.32		\$4.32	1	\$4.32	1.00	\$4.32	
	Subtotal Chemical Dependency	\$4.81					\$5.46		\$5.46		\$5.29		\$5.29	
	Subtotal Chemical Dependency with Admin Allowance												\$5.79	

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-1

Development of January 2011 Statewide PCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	I	J	K	L
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve-out Adjustments ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	Covered Benefit Adjustment (1=Covered, 0=Not Covered)	Projected Statewide Cost PMPM for PCO Benefits	OP Cost Shift Adjustment	2011 Statewide PCO Capitation Rate PMPM
		= A * B * C * D * E					= F + G		= H + G		= H * I		= J * K
OHP Families													
DENTAL													
	DENTAL - ADJUNCTIVE GENERAL	\$0.82	1.013	0.913	1.000	1.000	\$0.76		\$0.76	0	\$0.00	1.00	\$0.00
	DENTAL - ANESTHESIA SURGICAL	\$0.07	1.013	0.913	1.000	1.000	\$0.06		\$0.06	0	\$0.00	1.00	\$0.00
	DENTAL - DIAGNOSTIC	\$1.99	1.013	0.913	1.000	1.000	\$1.84		\$1.84	0	\$0.00	1.00	\$0.00
	DENTAL - ENDODONTICS	\$0.24	1.013	0.913	1.000	1.000	\$0.22		\$0.22	0	\$0.00	1.00	\$0.00
	DENTAL - I/P FIXED	\$0.00	1.013	0.913	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	DENTAL - ORAL SURGERY	\$1.46	1.013	0.913	1.000	1.000	\$1.35		\$1.35	0	\$0.00	1.00	\$0.00
	DENTAL - ORTHODONTICS	\$0.00	1.013	0.913	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	DENTAL - PERIODONTICS	\$0.08	1.013	0.913	1.000	1.000	\$0.08		\$0.08	0	\$0.00	1.00	\$0.00
	DENTAL - PREVENTIVE	\$0.14	1.013	0.913	1.000	1.000	\$0.13		\$0.13	0	\$0.00	1.00	\$0.00
	DENTAL - PROS REMOVABLE	\$0.16	1.013	0.913	1.000	1.000	\$0.15		\$0.15	0	\$0.00	1.00	\$0.00
	OHP COPAY/DENTAL - RESTORATIVE	\$0.90	1.013	0.913	1.000	1.000	\$0.83		\$0.83	0	\$0.00	1.00	\$0.00
	Subtotal Dental	\$5.85					\$5.42		\$5.42	0	\$0.00	1.00	\$0.00
	Subtotal Dental with Admin Allowance												\$0.00
MENTAL HEALTH													
	MH SERVICES ACUTE INPATIENT	\$2.42	1.012	1.000	1.000	1.000	\$2.45		\$2.45	0	\$0.00	1.00	\$0.00
	MH SERVICES ALTERNATIVE TO IP	\$0.01	1.012	1.000	1.000	1.000	\$0.01		\$0.01	0	\$0.00	1.00	\$0.00
	MH SERVICES ANCILLARY SERVICES	\$0.05	1.012	1.000	1.000	1.000	\$0.05		\$0.05	0	\$0.00	1.00	\$0.00
	MH SERVICES ASSESS & EVAL	\$0.58	1.012	1.000	1.000	1.000	\$0.58		\$0.58	0	\$0.00	1.00	\$0.00
	MH SERVICES CASE MANAGEMENT	\$0.70	1.012	1.000	1.000	1.000	\$0.71		\$0.71	0	\$0.00	1.00	\$0.00
	MH SERVICES CONSULTATION	\$0.00	1.012	1.000	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	MH SERVICES FAMILY SUPPORT	\$0.00	1.012	1.000	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	MH SERVICES MED MANAGEMENT	\$0.13	1.012	1.000	1.000	1.000	\$0.14		\$0.14	0	\$0.00	1.00	\$0.00
	MH SERVICES OP THERAPY	\$2.57	1.012	1.000	1.000	1.000	\$2.60		\$2.60	0	\$0.00	1.00	\$0.00
	MH SERVICES OTHER OP	\$0.04	1.012	1.000	1.000	1.000	\$0.04		\$0.04	0	\$0.00	1.00	\$0.00
	MH SERVICES PEO	\$0.29	1.000	1.000	1.000	1.000	\$0.29		\$0.29	0	\$0.00	1.00	\$0.00
	MH SERVICES PHYS IP	\$1.26	1.012	1.000	1.000	1.000	\$1.27		\$1.27	0	\$0.00	1.00	\$0.00
	MH SERVICES PHYS OP	\$6.62	1.012	1.000	1.000	1.000	\$6.71		\$6.71	0	\$0.00	1.00	\$0.00
	MH SERVICES SUPPORT DAY PROGRAM	\$0.12	1.012	1.000	1.000	1.000	\$0.12		\$0.12	0	\$0.00	1.00	\$0.00
	MH SERVICES INTENSIVE TREATMENT SVCS	\$0.00	1.012	1.000	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	OHP COPAY/MH SERVICES CONS ASSESS								\$0.00	0	\$0.00	1.00	\$0.00
	Subtotal Mental Health	\$14.81					\$14.99		\$14.99	0	\$0.00	1.00	\$0.00
	Subtotal Mental Health with Admin Allowance												\$0.00
	Total Services	\$262.48					\$266.40	-\$4.38	\$262.02		\$202.93		\$199.48
	Total Services with Admin Allowance												\$218.37

¹ Rate Smoothing Adjustment Factors apply to Physical Health, Chemical Dependency, and Dental for purpose of smoothing 2010 and 2011 rates from 2009 rates.

² Reflects adjustment due to removal of Third Party Liability recoveries.

³ Reflects carving GME out of statewide rates, for purpose of setting plan specific GME and only applies to physical health service categories.

⁴ Reflects Maternity Case Rate Carve-Out, Children's Mental Health Services Adjustment, Bariatric Surgery Adjustment, Dental Prophylactic benefit increase for children under age 19, and adjustment for copayment per OHP rules.

Oregon Health Plan Medicaid Demonstration
Development of January 2011 Statewide PCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
 With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

EXHIBIT 2-1

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	I	J	K	L
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve-out Adjustments ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	Covered Benefit Adjustment (1=Covered, 0=Not Covered)	Projected Statewide Cost PMPM for PCO Benefits	OP Cost Shift Adjustment	2011 Statewide PCO Capitation Rate PMPM
OHP Adults & Couples													
PHYSICAL HEALTH													
	ADMINISTRATIVE EXAMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	ANESTHESIA	\$3.42	1.019	0.964	0.995	1.000	\$3.34		\$3.34	1	\$3.34	1.00	\$3.34
	EXCEPT NEEDS CARE COORDINATION	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	FP - IP HOSP	\$0.00	1.023	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	FP - OP HOSP	\$0.02	1.032	0.951	0.995	1.000	\$0.01		\$0.01	1	\$0.01	0.95	\$0.01
	FP - PHYS	\$0.12	1.019	0.964	0.995	1.000	\$0.11		\$0.11	1	\$0.11	1.00	\$0.11
	HYSTERECTOMY - ANESTHESIA	\$0.03	1.019	0.964	0.995	1.000	\$0.03		\$0.03	1	\$0.03	1.00	\$0.03
	HYSTERECTOMY - IP HOSP	\$1.30	1.023	0.898	0.995	0.974	\$1.15		\$1.15	0	\$0.00	1.00	\$0.00
	HYSTERECTOMY - OP HOSP	\$0.00	1.032	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00
	HYSTERECTOMY - PHYS	\$0.29	1.019	0.964	0.995	1.000	\$0.29		\$0.29	1	\$0.29	1.00	\$0.29
	IP HOSP - ACUTE DETOX	\$2.34	1.023	0.898	0.995	0.974	\$2.08		\$2.08	0	\$0.00	1.00	\$0.00
	IP HOSP - MATERNITY	\$0.30	1.023	0.898	0.995	0.974	\$0.27	-\$0.27	\$0.00	0	\$0.00	1.00	\$0.00
	IP HOSP - MATERNITY / STERILIZATION	\$0.04	1.023	0.898	0.995	0.974	\$0.04	-\$0.02	\$0.02	0	\$0.00	1.00	\$0.00
	IP HOSP - MEDICAL/SURGICAL	\$105.39	1.023	0.898	0.995	0.974	\$93.79		\$93.79	0	\$0.00	1.00	\$0.00
	IP HOSP - NEWBORN	\$0.00	1.023	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	IP HOSP - POST HOSP EXTENDED CARE	\$0.00	1.023	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	LAB & RAD - DIAGNOSTIC X-RAY	\$12.75	1.019	0.964	0.995	1.000	\$12.46		\$12.46	1	\$12.46	1.00	\$12.46
	LAB & RAD - LAB	\$9.21	1.019	0.964	0.995	1.000	\$9.00		\$9.00	1	\$9.00	1.00	\$9.00
	LAB & RAD - THERAPEUTIC X-RAY	\$1.31	1.019	0.964	0.995	1.000	\$1.28		\$1.28	1	\$1.28	1.00	\$1.28
	OP ER - SOMATIC MH	\$1.07	1.032	0.951	0.995	1.000	\$1.04		\$1.04	1	\$1.04	0.95	\$0.99
	OP HOSP - BASIC	\$42.64	1.032	0.951	0.995	1.000	\$41.63		\$41.63	1	\$41.63	0.95	\$39.55
	OP HOSP - EMERGENCY ROOM	\$17.34	1.032	0.951	0.995	1.000	\$16.93		\$16.93	1	\$16.93	0.95	\$16.09
	OP HOSP - LAB & RAD	\$38.35	1.032	0.951	0.995	1.000	\$37.44		\$37.44	1	\$37.44	0.95	\$35.57
	OP HOSP - MATERNITY	\$0.71	1.032	0.951	0.995	1.000	\$0.69	-\$0.69	\$0.00	1	\$0.00	0.95	\$0.00
	OP HOSP - POST HOSP EXTENDED CARE	\$0.01	1.032	0.951	0.995	1.000	\$0.01		\$0.01	1	\$0.01	0.95	\$0.01
	OP HOSP - PRES DRUGS BASIC	\$3.91	1.032	0.951	0.995	1.000	\$3.82		\$3.82	1	\$3.82	0.95	\$3.63
	OP HOSP - PRES DRUGS MH/CD	\$0.07	1.032	0.951	0.995	1.000	\$0.07		\$0.07	1	\$0.07	0.95	\$0.07
	OP HOSP - SOMATIC MH	\$1.15	1.032	0.951	0.995	1.000	\$1.12		\$1.12	1	\$1.12	0.95	\$1.07
	OTH MED - DME	\$3.40	1.019	1.000	0.995	1.000	\$3.45		\$3.45	1	\$3.45	1.00	\$3.45
	OTH MED - HHC/PDN	\$0.27	1.019	1.000	0.995	1.000	\$0.27		\$0.27	1	\$0.27	1.00	\$0.27
	OTH MED - HOSPICE	\$0.36	1.019	1.000	0.995	1.000	\$0.37		\$0.37	1	\$0.37	1.00	\$0.37
	OTH MED - MATERNITY MGT	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	OTH MED - SUPPLIES	\$2.96	1.019	1.000	0.995	1.000	\$3.00		\$3.00	1	\$3.00	1.00	\$3.00
	PHYS CONSULTATION, IP & ER VISITS	\$16.69	1.019	0.964	0.995	1.000	\$16.30		\$16.30	1	\$16.30	1.00	\$16.30
	PHYS HOME OR LONG-TERM CARE VISITS	\$0.02	1.019	0.964	0.995	1.000	\$0.02		\$0.02	1	\$0.02	1.00	\$0.02
	PHYS MATERNITY	\$0.33	1.019	0.964	0.995	1.000	\$0.32	-\$0.32	\$0.00	1	\$0.00	1.00	\$0.00
	PHYS NEWBORN	\$0.05	1.019	0.964	0.995	1.000	\$0.05		\$0.05	1	\$0.05	1.00	\$0.05
	PHYS OFFICE VISITS	\$40.76	1.019	0.964	0.995	1.000	\$39.82		\$39.82	1	\$39.82	1.00	\$39.82
	PHYS OTHER	\$12.41	1.019	0.964	0.995	1.000	\$12.12	\$0.03	\$12.15	1	\$12.15	1.00	\$12.15

Oregon Health Plan Medicaid Demonstration
Development of January 2011 Statewide PCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
 With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

EXHIBIT 2-1

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	I	J	K	L
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve-out Adjustments ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	Covered Benefit Adjustment (1=Covered, 0=Not Covered)	Projected Statewide Cost PMPM for PCO Benefits	OP Cost Shift Adjustment	2011 Statewide PCO Capitation Rate PMPM
		$= A * B * C * D * E$					$= F + G$		$= H + I$		$= J * K$		
OHP Adults & Couples													
	PHYS SOMATIC MH	\$4.17	1.019	0.964	0.995	1.000	\$4.08		\$4.08	1	\$4.08	1.00	\$4.08
	PRES DRUGS - BASIC	\$109.30	1.016	0.985	0.995	1.000	\$108.77		\$108.77	1	\$108.77	1.00	\$108.77
	PRES DRUGS - FP	\$0.71	1.016	0.985	0.995	1.000	\$0.71		\$0.71	1	\$0.71	1.00	\$0.71
	PRES DRUGS - MH/CD	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	SCHOOL-BASED HEALTH SERVICES	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	STERILIZATION - ANESTHESIA FEMALE	\$0.02	1.019	0.964	0.995	1.000	\$0.02		\$0.02	1	\$0.02	1.00	\$0.02
	STERILIZATION - ANESTHESIA MALE	\$0.00	1.019	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	STERILIZATION - IP HOSP FEMALE	\$0.00	1.023	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	STERILIZATION - IP HOSP MALE	\$0.00	1.023	1.000	0.995	0.974	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	STERILIZATION - OP HOSP FEMALE	\$0.03	1.032	0.951	0.995	1.000	\$0.03		\$0.03	1	\$0.03	0.95	\$0.03
	STERILIZATION - OP HOSP MALE	\$0.00	1.032	1.000	0.995	1.000	\$0.00		\$0.00	1	\$0.00	0.95	\$0.00
	STERILIZATION - PHY FEMALE	\$0.02	1.019	0.964	0.995	1.000	\$0.02		\$0.02	1	\$0.02	1.00	\$0.02
	STERILIZATION - PHY MALE	\$0.00	1.019	0.964	0.995	1.000	\$0.00		\$0.00	1	\$0.00	1.00	\$0.00
	SURGERY	\$17.89	1.019	0.964	0.995	1.000	\$17.48		\$17.48	1	\$17.48	1.00	\$17.48
	TARGETED CASE MAN - BABIES FIRST	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	TARGETED CASE MAN - HIV	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	TARGETED CASE MAN - SUBS ABUSE MOMS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	THERAPEUTIC ABORTION - IP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	THERAPEUTIC ABORTION - OP HOSP	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	0.95	\$0.00
	THERAPEUTIC ABORTION - PHYS	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	TRANSPORTATION - AMBULANCE	\$6.45	1.019	1.000	0.995	1.000	\$6.53		\$6.53	1	\$6.53	1.00	\$6.53
	TRANSPORTATION - OTHER	\$0.00	1.000	1.000	0.995	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00
	VISION CARE - EXAMS & THERAPY	\$0.14	1.019	1.000	0.995	1.000	\$0.15		\$0.15	1	\$0.15	1.00	\$0.15
	VISION CARE - MATERIALS & FITTING	\$0.04	1.019	1.000	0.995	1.000	\$0.04		\$0.04	1	\$0.04	1.00	\$0.04
	PART A DEDUCTIBLE												
	PART B DEDUCTIBLE												
	OHP COPAY/PART B COINSURANCE ADJUSTMENT												
	Subtotal Physical Health	\$457.79			0.995		\$440.15	-\$1.28	\$438.87		\$341.83		\$336.72
	Subtotal Physical Health with Admin Allowance												\$368.61
CHEMICAL DEPENDENCY													
	CD SERVICES - ALTERNATIVE TO DETOX	\$1.12	1.038	1.150	1.000	1.000	\$1.34		\$1.34	0	\$0.00	1.00	\$0.00
	CD SERVICES - METHADONE	\$7.93	1.038	1.150	1.000	1.000	\$9.47		\$9.47	1	\$9.47	1.00	\$9.47
	OHP COPAY/CD SERVICES - OP	\$21.93	1.038	1.150	1.000	1.000	\$26.18		\$26.18	1	\$26.18	1.00	\$26.18
	Subtotal Chemical Dependency	\$30.98					\$36.99		\$36.99		\$35.66		\$35.66
	Subtotal Chemical Dependency with Admin Allowance												\$39.03

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-1

Development of January 2011 Statewide PCO Capitation Rates from the Revised 2010-2011 Per Capita Costs
With Adjustments for Funding Through Line 502 of the 2010-2011 Prioritized List

Eligibility Category	Service Category	A	B	C	D	E	F	G	H	I	J	K	L	
		Revised 10-11 PCC With Coverage Through Line 502	Trend Adjustment to Contract Period	Rate Smoothing Adjustment Factor ¹	Adjustment for Third Party Liability ²	GME Carve-out Adjustments ³	Projected 2011 Statewide Cost PMPM	Maternity Carve-Out / Program Change Adjustment ⁴	2011 Statewide Capitation Rate PMPM	Covered Benefit Adjustment (1=Covered, 0=Not Covered)	Projected Statewide Cost PMPM for PCO Benefits	OP Cost Shift Adjustment	2011 Statewide PCO Capitation Rate PMPM	
							= A * B * C * D * E			= F + G			= H * I	= J * K
OHP Adults & Couples														
DENTAL														
	DENTAL - ADJUNCTIVE GENERAL	\$0.97	1.013	0.921	1.000	1.000	\$0.90		\$0.90	0	\$0.00	1.00	\$0.00	
	DENTAL - ANESTHESIA SURGICAL	\$0.06	1.013	0.921	1.000	1.000	\$0.05		\$0.05	0	\$0.00	1.00	\$0.00	
	DENTAL - DIAGNOSTIC	\$1.96	1.013	0.921	1.000	1.000	\$1.83		\$1.83	0	\$0.00	1.00	\$0.00	
	DENTAL - ENDODONTICS	\$0.16	1.013	0.921	1.000	1.000	\$0.15		\$0.15	0	\$0.00	1.00	\$0.00	
	DENTAL - I/P FIXED	\$0.00	1.013	0.921	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	DENTAL - ORAL SURGERY	\$1.83	1.013	0.921	1.000	1.000	\$1.71		\$1.71	0	\$0.00	1.00	\$0.00	
	DENTAL - ORTHODONTICS	\$0.00	1.013	0.921	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	DENTAL - PERIODONTICS	\$0.04	1.013	0.921	1.000	1.000	\$0.03		\$0.03	0	\$0.00	1.00	\$0.00	
	DENTAL - PREVENTIVE	\$0.06	1.013	0.921	1.000	1.000	\$0.06		\$0.06	0	\$0.00	1.00	\$0.00	
	DENTAL - PROS REMOVABLE	\$0.08	1.013	0.921	1.000	1.000	\$0.07		\$0.07	0	\$0.00	1.00	\$0.00	
	OHP COPAY/DENTAL - RESTORATIVE	\$0.56	1.013	0.921	1.000	1.000	\$0.52		\$0.52	0	\$0.00	1.00	\$0.00	
	Subtotal Dental	\$5.72					\$5.34		\$5.34	0	\$0.00	1.00	\$0.00	
	Subtotal Dental with Admin Allowance												\$0.00	
MENTAL HEALTH														
	MH SERVICES ACUTE INPATIENT	\$9.33	1.012	1.000	1.000	1.000	\$9.45		\$9.45	0	\$0.00	1.00	\$0.00	
	MH SERVICES ALTERNATIVE TO IP	\$0.63	1.012	1.000	1.000	1.000	\$0.63		\$0.63	0	\$0.00	1.00	\$0.00	
	MH SERVICES ANCILLARY SERVICES	\$0.04	1.012	1.000	1.000	1.000	\$0.05		\$0.05	0	\$0.00	1.00	\$0.00	
	MH SERVICES ASSESS & EVAL	\$1.26	1.012	1.000	1.000	1.000	\$1.27		\$1.27	0	\$0.00	1.00	\$0.00	
	MH SERVICES CASE MANAGEMENT	\$4.14	1.012	1.000	1.000	1.000	\$4.19		\$4.19	0	\$0.00	1.00	\$0.00	
	MH SERVICES CONSULTATION	\$0.00	1.012	1.000	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	MH SERVICES FAMILY SUPPORT	\$0.12	1.012	1.000	1.000	1.000	\$0.13		\$0.13	0	\$0.00	1.00	\$0.00	
	MH SERVICES MED MANAGEMENT	\$0.42	1.012	1.000	1.000	1.000	\$0.43		\$0.43	0	\$0.00	1.00	\$0.00	
	MH SERVICES OP THERAPY	\$5.05	1.012	1.000	1.000	1.000	\$5.11		\$5.11	0	\$0.00	1.00	\$0.00	
	MH SERVICES OTHER OP	\$0.09	1.012	1.000	1.000	1.000	\$0.09		\$0.09	0	\$0.00	1.00	\$0.00	
	MH SERVICES PEO	\$0.29	1.000	1.000	1.000	1.000	\$0.29		\$0.29	0	\$0.00	1.00	\$0.00	
	MH SERVICES PHYS IP	\$3.90	1.012	1.000	1.000	1.000	\$3.95		\$3.95	0	\$0.00	1.00	\$0.00	
	MH SERVICES PHYS OP	\$13.25	1.012	1.000	1.000	1.000	\$13.41		\$13.41	0	\$0.00	1.00	\$0.00	
	MH SERVICES SUPPORT DAY PROGRAM	\$2.43	1.012	1.000	1.000	1.000	\$2.46		\$2.46	0	\$0.00	1.00	\$0.00	
	MH SERVICES INTENSIVE TREATMENT SVCS	\$0.00	1.012	1.000	1.000	1.000	\$0.00		\$0.00	0	\$0.00	1.00	\$0.00	
	OHP COPAY/MH SERVICES CONS ASSESS								\$0.00	0	\$0.00	1.00	\$0.00	
	Subtotal Mental Health	\$40.96					\$41.45		\$41.45	0	\$0.00	1.00	\$0.00	
	Subtotal Mental Health with Admin Allowance												\$0.00	
	Total Services	\$535.45					\$523.94	-\$1.28	\$522.66		\$377.48		\$372.38	
	Total Services with Admin Allowance												\$407.64	

¹ Rate Smoothing Adjustment Factors apply to Physical Health, Chemical Dependency, and Dental for purpose of smoothing 2010 and 2011 rates from 2009 rates.

² Reflects adjustment due to removal of Third Party Liability recoveries.

³ Reflects carving GME out of statewide rates, for purpose of setting plan specific GME and only applies to physical health service categories.

⁴ Reflects Maternity Case Rate Carve-Out, Children's Mental Health Services Adjustment, Bariatric Surgery Adjustment, Dental Prophylactic benefit increase for children under age 19, and adjustment for copayment per OHP rules.

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-J

Capitation Rate Development for January 2011 through December 2011

Adjustments Applied to Develop Plan-specific Capitation Rates from Statewide Capitation Rates

Category of Service	TANF	PLMA	CHILD 00-01	CHILD 01-05	CHILD 06-18	ABAD
Physician						
Basic	CDPS	none	Newborn	CDPS	CDPS	CDPS
Family Planning	CDPS	none	Newborn	CDPS	CDPS	CDPS
Hysterectomy	CDPS	none	Newborn	CDPS	CDPS	CDPS
Maternity	CDPS	none	Newborn	CDPS	CDPS	CDPS
Newborn	CDPS	none	Newborn	CDPS	CDPS	CDPS
Sterilization	CDPS	none	Newborn	CDPS	CDPS	CDPS
Outpatient						
Basic	CDPS, OP Geo	OP Geo	Newborn, OP Geo	CDPS, OP Geo	CDPS, OP Geo	CDPS, OP Geo
Emergency Room	CDPS, OP Geo	OP Geo	Newborn, OP Geo	CDPS, OP Geo	CDPS, OP Geo	CDPS, OP Geo
Family Planning	CDPS, OP Geo	OP Geo	Newborn, OP Geo	CDPS, OP Geo	CDPS, OP Geo	CDPS, OP Geo
Hysterectomy	CDPS, OP Geo	OP Geo	Newborn, OP Geo	CDPS, OP Geo	CDPS, OP Geo	CDPS, OP Geo
Maternity	CDPS, OP Geo	OP Geo	Newborn, OP Geo	CDPS, OP Geo	CDPS, OP Geo	CDPS, OP Geo
Sterilization	CDPS, OP Geo	OP Geo	Newborn, OP Geo	CDPS, OP Geo	CDPS, OP Geo	CDPS, OP Geo
Prescription Drugs						
Basic	CDPS	none	Newborn	CDPS	CDPS	CDPS
Family Planning	CDPS	none	Newborn	CDPS	CDPS	CDPS
Inpatient						
Basic	CDPS, IP Geo	IP Geo	Newborn, IP Geo	CDPS, IP Geo	CDPS, IP Geo	CDPS, IP Geo
Family Planning	CDPS, IP Geo	IP Geo	Newborn, IP Geo	CDPS, IP Geo	CDPS, IP Geo	CDPS, IP Geo
Hysterectomy	CDPS, IP Geo	IP Geo	Newborn, IP Geo	CDPS, IP Geo	CDPS, IP Geo	CDPS, IP Geo
Maternity	CDPS, IP Geo	IP Geo	Newborn, IP Geo	CDPS, IP Geo	CDPS, IP Geo	CDPS, IP Geo
Newborn	CDPS, IP Geo	IP Geo	Newborn, IP Geo	CDPS, IP Geo	CDPS, IP Geo	CDPS, IP Geo
Sterilization	CDPS, IP Geo	IP Geo	Newborn, IP Geo	CDPS, IP Geo	CDPS, IP Geo	CDPS, IP Geo
Miscellaneous						
Chemical Dependency	CDPS	none	Newborn	CDPS	CDPS	CDPS
DME/Supplies	CDPS	none	Newborn	CDPS	CDPS	CDPS
Exceptional Needs Care Coordination	CDPS	none	Newborn	CDPS	CDPS	CDPS
Home Health/PDN/Hospice	CDPS	none	Newborn	CDPS	CDPS	CDPS
Transportation - Ambulance	CDPS	none	Newborn	CDPS	CDPS	CDPS
Vision	CDPS	none	Newborn	CDPS	CDPS	CDPS
Optional Services						
Maternity Management	CDPS	none	none	CDPS	CDPS	CDPS
Mental Health						
Acute Inpatient	MH Risk, MH Geo	MH Risk, MH Geo	MH Geo	MH Risk, MH Geo	MH Risk, MH Geo	MH Risk, MH Geo
Alternative to IP	MH Risk	MH Risk	none	MH Risk	MH Risk	MH Risk
Ancillary Services	MH Risk	MH Risk	none	MH Risk	MH Risk	MH Risk
Assess & Eval	MH Risk	MH Risk	none	MH Risk	MH Risk	MH Risk
Case Management	MH Risk	MH Risk	none	MH Risk	MH Risk	MH Risk
Consultation	MH Risk	MH Risk	none	MH Risk	MH Risk	MH Risk
Family Support	MH Risk	MH Risk	none	MH Risk	MH Risk	MH Risk
Med Management	MH Risk	MH Risk	none	MH Risk	MH Risk	MH Risk
OP Therapy	MH Risk	MH Risk	none	MH Risk	MH Risk	MH Risk
Other OP	MH Risk	MH Risk	none	MH Risk	MH Risk	MH Risk
PEO	none	none	none	none	none	none
Phys IP	MH Risk	MH Risk	none	MH Risk	MH Risk	MH Risk
Phys OP	MH Risk	MH Risk	none	MH Risk	MH Risk	MH Risk
Support Day Program	MH Risk	MH Risk	none	MH Risk	MH Risk	MH Risk
Intensive Treatment Services	none	none	none	MH ITS	MH ITS	MH ITS
Dental	Dental Geo					

¹ No Newborn adjustment applied to PCO rates for PLM, CHIP, and TANF Children ages 0 - 1.

Oregon Health Plan Medicaid Demonstration

EXHIBIT 2-J

Capitation Rate Development for January 2011 through December 2011

Adjustments Applied to Develop Plan-specific Capitation Rates from Statewide Capitation Rates

Category of Service	ABAD-MED	OAA	OAA-MED	CAF	OHPFAM	OHPAC
Physician						
Basic	CDPS	none	none	none	CDPS	CDPS
Family Planning	CDPS	none	none	none	CDPS	CDPS
Hysterectomy	CDPS	none	none	none	CDPS	CDPS
Maternity	CDPS	none	none	none	CDPS	CDPS
Newborn	CDPS	none	none	none	CDPS	CDPS
Sterilization	CDPS	none	none	none	CDPS	CDPS
Outpatient						
Basic	CDPS, OP Geo	OP Geo	OP Geo	OP Geo	CDPS, OP Geo	CDPS, OP Geo
Emergency Room	CDPS, OP Geo	OP Geo	OP Geo	OP Geo	CDPS, OP Geo	CDPS, OP Geo
Family Planning	CDPS, OP Geo	OP Geo	OP Geo	OP Geo	CDPS, OP Geo	CDPS, OP Geo
Hysterectomy	CDPS, OP Geo	OP Geo	OP Geo	OP Geo	CDPS, OP Geo	CDPS, OP Geo
Maternity	CDPS, OP Geo	OP Geo	OP Geo	OP Geo	CDPS, OP Geo	CDPS, OP Geo
Sterilization	CDPS, OP Geo	OP Geo	OP Geo	OP Geo	CDPS, OP Geo	CDPS, OP Geo
Prescription Drugs						
Basic	CDPS	none	none	none	CDPS	CDPS
Family Planning	CDPS	none	none	none	CDPS	CDPS
Inpatient						
Basic	CDPS, IP Geo	IP Geo	IP Geo	IP Geo	CDPS, IP Geo	CDPS, IP Geo
Family Planning	CDPS, IP Geo	IP Geo	IP Geo	IP Geo	CDPS, IP Geo	CDPS, IP Geo
Hysterectomy	CDPS, IP Geo	IP Geo	IP Geo	IP Geo	CDPS, IP Geo	CDPS, IP Geo
Maternity	CDPS, IP Geo	IP Geo	IP Geo	IP Geo	CDPS, IP Geo	CDPS, IP Geo
Newborn	CDPS, IP Geo	IP Geo	IP Geo	IP Geo	CDPS, IP Geo	CDPS, IP Geo
Sterilization	CDPS, IP Geo	IP Geo	IP Geo	IP Geo	CDPS, IP Geo	CDPS, IP Geo
Miscellaneous						
Chemical Dependency	CDPS	none	none	none	CDPS	CDPS
DME/Supplies	CDPS	none	none	none	CDPS	CDPS
Exceptional Needs Care Coordination	CDPS	none	none	none	CDPS	CDPS
Home Health/PDN/Hospice	CDPS	none	none	none	CDPS	CDPS
Transportation - Ambulance	CDPS	none	none	none	CDPS	CDPS
Vision	CDPS	none	none	none	CDPS	CDPS
Optional Services						
Maternity Management	CDPS	none	none	none	CDPS	CDPS
Mental Health						
Acute Inpatient	MH Risk, MH Geo	MH Geo	MH Geo	BRS, MH Risk, MH Geo	MH Risk, MH Geo	MH Risk, MH Geo
Alternative to IP	MH Risk	none	none	BRS, MH Risk	MH Risk	MH Risk
Ancillary Services	MH Risk	none	none	BRS, MH Risk	MH Risk	MH Risk
Assess & Eval	MH Risk	none	none	BRS, MH Risk	MH Risk	MH Risk
Case Management	MH Risk	none	none	BRS, MH Risk	MH Risk	MH Risk
Consultation	MH Risk	none	none	BRS, MH Risk	MH Risk	MH Risk
Family Support	MH Risk	none	none	BRS, MH Risk	MH Risk	MH Risk
Med Management	MH Risk	none	none	BRS, MH Risk	MH Risk	MH Risk
OP Therapy	MH Risk	none	none	BRS, MH Risk	MH Risk	MH Risk
Other OP	MH Risk	none	none	BRS, MH Risk	MH Risk	MH Risk
PEO	none	none	none	none	none	none
Phys IP	MH Risk	none	none	BRS, MH Risk	MH Risk	MH Risk
Phys OP	MH Risk	none	none	BRS, MH Risk	MH Risk	MH Risk
Support Day Program	MH Risk	none	none	BRS, MH Risk	MH Risk	MH Risk
Intensive Treatment Services	none	none	none	MH ITS	none	none
Dental	Dental Geo	Dental Geo	Dental Geo	Dental Geo	Dental Geo	Dental Geo

Oregon Health Plan Medicaid Demonstration
Capitation Rate Development for January 2011 through December 2011
FCHP and PCO Geographic Factors

EXHIBIT 3-A

Contract Type	Plan Name	Region	Inpatient	Outpatient
FCHP	CareOregon, Inc.	Jackson/Josephine/Douglas	0.961	0.962
	CareOregon, Inc.	Linn/Benton/Marion/Polk/Yamhill	0.994	1.024
	CareOregon, Inc.	Other	1.077	0.962
	CareOregon, Inc.	Tri-County (Clackamas, Multnomah, Washington)	0.973	1.003
	Cascade Comprehensive Care, Inc.	Other	0.946	0.949
	Central Oregon Individual Health Sol	Other	1.109	1.068
	Central Oregon Individual Health Sol	Deschutes	1.109	1.068
	DCIPA, LLC	Jackson/Josephine/Douglas	0.992	0.987
	Southwest Oregon Individual Practice Association, Inc., abn Doctors of the Oregon Coast South	Other	1.072	1.082
	FamilyCare, Inc.	Jackson/Josephine/Douglas	0.940	0.952
	FamilyCare, Inc.	Linn/Benton/Marion/Polk/Yamhill	1.070	1.095
	FamilyCare, Inc.	Other	1.096	1.050
	FamilyCare, Inc.	Tri-County (Clackamas, Multnomah, Washington)	0.973	1.003
	InterCommunity Health Plans, Inc. abn InterCommunity Health Network	Linn/Benton/Marion/Polk/Yamhill	1.015	0.956
	InterCommunity Health Plans, Inc. abn InterCommunity Health Network	Other	1.241	1.000
	Lane Individual Practice Association, Inc.	Lane	0.966	0.987
	Marion/Polk Community Health Plan, LLC	Linn/Benton/Marion/Polk/Yamhill	0.980	0.992
	Mid Rogue Independent Physician Association, Inc.	Jackson/Josephine/Douglas	0.949	0.956
	Mid Rogue Independent Physician Association, Inc.	Other	1.054	1.019
	ODS Community Health, Inc.	Jackson/Josephine/Douglas	0.960	0.961
	ODS Community Health, Inc.	Linn/Benton/Marion/Polk/Yamhill	1.125	1.225
	ODS Community Health, Inc.	Other	1.239	1.002
	Grants Pass Management Services, Inc., abn Oregon Health Management Services	Jackson/Josephine/Douglas	0.936	0.950
	Providence Health Assurance	Linn/Benton/Marion/Polk/Yamhill	1.125	1.225
Providence Health Assurance	Tri-County (Clackamas, Multnomah, Washington)	0.974	1.004	
Tuality Health Alliance	Tri-County (Clackamas, Multnomah, Washington)	0.979	1.010	
PCO	Kaiser Permanente Oregon Plus, LLC	Linn/Benton/Marion/Polk/Yamhill	N/A	0.979
	Kaiser Permanente Oregon Plus, LLC	Tri-County (Clackamas, Multnomah, Washington)	N/A	1.001

Oregon Health Plan Medicaid Demonstration
Capitation Rate Development for January 2011 through December 2011
FCHP and PCO CDPS Risk Adjustment Factors

EXHIBIT 3-B

Contract Type	Plan Name	TANF	CHILD 01-05	CHILD 06-18	ABAD-MED	ABAD	OHPFAM	OHPAC
FCHP	CareOregon, Inc.	1.038	1.015	0.953	1.136	1.095	0.994	1.051
	Cascade Comprehensive Care, Inc.	0.988	0.941	1.147	1.011	0.988	1.166	0.968
	Central Oregon Individual Health Sol	1.053	0.986	1.029	0.891	0.941	1.152	1.090
	DCIPA, LLC	1.130	1.044	1.073	1.198	1.185	1.077	1.200
	Southwest Oregon Individual Practice Association, Inc., abn Doctors of the Oregon Coast South	0.955	1.072	1.148	0.911	0.850	1.012	0.960
	FamilyCare, Inc.	0.913	0.928	0.954	0.853	0.850	0.868	0.862
	InterCommunity Health Plans, Inc. abn InterCommunity Health Network	1.062	0.941	1.130	1.028	0.980	1.049	1.123
	Lane Individual Practice Association, Inc.	0.957	0.925	1.056	0.858	0.960	1.049	0.897
	Marion/Polk Community Health Plan, LLC	0.959	1.070	1.015	0.985	0.937	0.940	0.939
	Mid Rogue Independent Physician Association, Inc.	1.061	1.144	1.045	0.947	1.067	1.081	0.991
	ODS Community Health, Inc.	0.933	1.008	0.948	1.039	0.851	0.920	0.961
	Grants Pass Management Services, Inc., abn Oregon Health Management Services	1.002	0.982	1.047	1.027	1.013	1.025	0.956
	Providence Health Assurance	0.909	0.973	0.929	0.850	0.899	0.850	0.867
Tuality Health Alliance	1.020	0.957	0.958	0.850	0.911	1.060	0.967	
PCO	Kaiser Permanente Oregon Plus, LLC	0.869	0.954	0.934	0.850	0.953	1.000	1.000

**Oregon Health Plan Medicaid Demonstration
 Capitation Rate Development for January 2011 through December 2011
 Newborn Adjustment Scores**

EXHIBIT 3-C

Plan Name	Adjustment
CareOregon, Inc.	0.914
Cascade Comprehensive Care, Inc.	1.131
Central Oregon Individual Health Sol	1.030
DCIPA, LLC	1.172
Southwest Oregon Individual Practice Association, Inc., abn Doctors of the Oregon Coast South	1.172
FamilyCare, Inc.	0.972
InterCommunity Health Plans, Inc. abn InterCommunity Health Network	1.044
Lane Individual Practice Association, Inc.	1.071
Marion/Polk Community Health Plan, LLC	0.957
Mid Rogue Independent Physician Association, Inc.	1.214
ODS Community Health, Inc.	0.953
Grants Pass Management Services, Inc., abn Oregon Health Management Services	1.133
Providence Health Assurance	1.061
Tuality Health Alliance	0.965

**Oregon Health Plan Medicaid Demonstration
 Capitation Rate Development for January 2011 through December 2011
 Maternity Management - Optional Covered Service for FCHPs and PCOs**

EXHIBIT 3-D

Eligibility Category	Maternity Management PMPM
Temporary Assistance to Needy Families (Adults Only)	\$2.10
Poverty Level Medical Adults	\$14.04
PLM, TANF, and CHIP Children < 1	\$0.01
PLM, TANF, and CHIP Children 1 - 5	\$0.02
PLM, TANF, and CHIP Children 6 - 18	\$0.28
Aid to the Blind/Aid to the Disabled with Medicare	\$0.08
Aid to the Blind/Aid to the Disabled without Medicare	\$1.07
Old Age Assistance with Medicare	\$0.00
Old Age Assistance without Medicare	\$0.00
CAF Children	\$0.36
OHP Families	\$0.15
OHP Adults & Couples	\$0.03

Oregon Health Plan Medicaid Demonstration
Capitation Rate Development for January 2011 through December 2011
Maternity Case Rate for FCHPs

EXHIBIT 3-E (i)

Base Case Rate				
IP Maternity	OP Maternity	Phys Maternity	Total Maternity	Admin Allowance
\$ 5,755.53	\$ 1,146.24	\$ 3,610.21	\$10,511.99	8.41%

Plan	Region	January 2011 Maternity Geographic Adjustment Factors		Adjusted Case Rate				Total w/ Admin Allowance
		IP Geo	OP Geo	IP Maternity	OP Maternity	Phys Maternity	Total Maternity	
CareOregon	JJD	0.958	0.960	\$5,514.17	\$1,100.77	\$3,610.21	\$10,225.15	\$11,164.05
CareOregon	LBMPY	1.030	1.023	\$5,928.90	\$1,172.08	\$3,610.21	\$10,711.19	\$11,694.71
CareOregon	OTHER	1.104	0.961	\$6,354.19	\$1,101.57	\$3,610.21	\$11,065.97	\$12,082.07
CareOregon	Tri-County	0.969	1.002	\$5,576.12	\$1,147.97	\$3,610.21	\$10,334.29	\$11,283.21
Cascade	OTHER	0.912	0.948	\$5,247.76	\$1,086.47	\$3,610.21	\$9,944.43	\$10,857.55
Clear Choice	OTHER	1.164	1.066	\$6,698.81	\$1,222.15	\$3,610.21	\$11,531.17	\$12,589.99
Clear Choice	DESCHUTES	1.164	1.066	\$6,698.81	\$1,222.15	\$3,610.21	\$11,531.17	\$12,589.99
DCIPA	JJD	0.954	0.986	\$5,490.94	\$1,129.87	\$3,610.21	\$10,231.01	\$11,170.45
DOCS	OTHER	1.030	1.081	\$5,926.93	\$1,238.88	\$3,610.21	\$10,776.01	\$11,765.49
FamilyCare	JJD	0.917	0.950	\$5,275.98	\$1,089.50	\$3,610.21	\$9,975.69	\$10,891.68
FamilyCare	LBMPY	1.171	1.092	\$6,741.70	\$1,251.93	\$3,610.21	\$11,603.84	\$12,669.33
FamilyCare	OTHER	1.121	1.048	\$6,449.94	\$1,201.25	\$3,610.21	\$11,261.40	\$12,295.44
FamilyCare	Tri-County	0.968	1.002	\$5,573.57	\$1,148.27	\$3,610.21	\$10,332.05	\$11,280.76
Intercommunity	LBMPY	1.012	0.955	\$5,824.50	\$1,094.33	\$3,610.21	\$10,529.04	\$11,495.84
Intercommunity	OTHER	1.284	0.998	\$7,389.81	\$1,144.41	\$3,610.21	\$12,144.43	\$13,259.56
LIPA	LANE	0.951	0.986	\$5,470.92	\$1,129.90	\$3,610.21	\$10,211.03	\$11,148.63
MPCHP	LBMPY	0.982	0.991	\$5,650.66	\$1,135.95	\$3,610.21	\$10,396.83	\$11,351.49
MRIPA	JJD	0.930	0.955	\$5,351.06	\$1,094.18	\$3,610.21	\$10,055.45	\$10,978.77
MRIPA	OTHER	1.003	0.956	\$5,774.82	\$1,096.11	\$3,610.21	\$10,481.15	\$11,443.55
ODS Community Health	JJD	0.958	0.959	\$5,515.68	\$1,099.68	\$3,610.21	\$10,225.58	\$11,164.51
ODS Community Health	LBMPY	1.293	1.224	\$7,442.73	\$1,402.63	\$3,610.21	\$12,455.57	\$13,599.27
ODS Community Health	OTHER	1.148	1.000	\$6,606.77	\$1,146.59	\$3,610.21	\$11,363.57	\$12,407.00
OHMS	JJD	0.908	0.949	\$5,226.42	\$1,087.87	\$3,610.21	\$9,924.49	\$10,835.78
Providence	LBMPY	1.293	1.224	\$7,442.73	\$1,402.63	\$3,610.21	\$12,455.57	\$13,599.27
Providence	Tri-County	0.971	1.003	\$5,587.31	\$1,149.29	\$3,610.21	\$10,346.80	\$11,296.87
Tuality	Tri-County	0.980	1.008	\$5,639.99	\$1,155.53	\$3,610.21	\$10,405.73	\$11,361.21

January 2011 Adjusted Case Rate - Weighted Average :	\$5,821.41	\$1,144.95	\$3,610.21	\$10,576.57	\$11,547.73
January 2010 Adjusted Case Rate - Weighted Average :	\$5,294.30	\$993.83	\$3,349.53	\$9,637.66	\$10,522.61
%Change:	10.0%	15.2%	7.8%	9.7%	9.7%

EXHIBIT 3-E (ii)

Capitation Rate Development for January 2011 through December 2011
 Maternity Case Rate for PCO

Base Case Rate			
OP Maternity	Phys Maternity	Total Maternity	Admin Allowance
\$ 1,088.93	\$ 3,610.21	\$ 4,699.14	8.65%

Plan	Region	January 2011 Maternity Geographic Adjustment Factors	Adjusted Case Rate			
		OP Geo	OP Maternity	Phys Maternity	Total Maternity	Total w/ Admin Allowance
Kaiser Permanente	LBMPY	0.977	\$1,064.10	\$3,610.21	\$4,674.31	\$5,116.92
Kaiser Permanente	Tri-County	0.999	\$1,088.20	\$3,610.21	\$4,698.41	\$5,143.31

January 2011 Adjusted Case Rate - Weighted Average : \$ 1,076.15 \$ 3,610.21 \$4,686.36 \$5,130.12
 January 2010 Adjusted Case Rate - Weighted Average : \$ 933.07 \$ 3,349.53 \$4,282.60 \$4,688.12
 %Change: 15.3% 7.8% 9.4% 9.4%

Oregon Health Plan Medicaid Demonstration
Capitation Rate Development for January 2011 through December 2011
GME Rates by Plan
Including Maternity

EXHIBIT 3-F

Base GME Rate												
	TANF	PLMA	CHILD 00-01	CHILD 01-05	CHILD 06-18	ABAD-MED	ABAD	OAA-MED	OAA	CAF	OHPFAM	OHPAC
Total	\$ 3.87	\$ 14.95	\$ 7.84	\$ 0.34	\$ 0.44	\$ -	\$ 7.21	\$ 0.00	\$ 7.82	\$ 0.45	\$ 1.04	\$ 2.56

Adjusted GME Rate													
Plan	January 2011 GME Pass- Through Adjustments	TANF	PLMA	CHILD 00-01	CHILD 01-05	CHILD 06-18	ABAD-MED	ABAD	OAA-MED	OAA	CAF	OHPFAM	OHPAC
CareOregon	1.804	\$6.99	\$26.97	\$14.13	\$0.61	\$0.80	\$0.00	\$13.01	\$0.00	\$14.11	\$0.81	\$1.87	\$4.61
Cascade	0.993	\$3.85	\$14.85	\$7.78	\$0.34	\$0.44	\$0.00	\$7.16	\$0.00	\$7.77	\$0.45	\$1.03	\$2.54
Clear Choice	0.622	\$2.41	\$9.31	\$4.88	\$0.21	\$0.28	\$0.00	\$4.49	\$0.00	\$4.87	\$0.28	\$0.65	\$1.59
Clear Choice	0.622	\$2.41	\$9.31	\$4.88	\$0.21	\$0.28	\$0.00	\$4.49	\$0.00	\$4.87	\$0.28	\$0.65	\$1.59
DCIPA	0.641	\$2.49	\$9.59	\$5.03	\$0.22	\$0.28	\$0.00	\$4.63	\$0.00	\$5.02	\$0.29	\$0.67	\$1.64
DOCS	0.447	\$1.73	\$6.69	\$3.50	\$0.15	\$0.20	\$0.00	\$3.23	\$0.00	\$3.50	\$0.20	\$0.46	\$1.14
FamilyCare	0.387	\$1.50	\$5.78	\$3.03	\$0.13	\$0.17	\$0.00	\$2.79	\$0.00	\$3.02	\$0.17	\$0.40	\$0.99
Intercommunity	0.570	\$2.21	\$8.52	\$4.47	\$0.19	\$0.25	\$0.00	\$4.11	\$0.00	\$4.46	\$0.26	\$0.59	\$1.46
LIPA	0.440	\$1.70	\$6.58	\$3.45	\$0.15	\$0.19	\$0.00	\$3.17	\$0.00	\$3.44	\$0.20	\$0.46	\$1.13
MPCHP	0.745	\$2.88	\$11.14	\$5.84	\$0.25	\$0.33	\$0.00	\$5.37	\$0.00	\$5.82	\$0.34	\$0.77	\$1.90
MRIPA	0.320	\$1.24	\$4.79	\$2.51	\$0.11	\$0.14	\$0.00	\$2.31	\$0.00	\$2.51	\$0.14	\$0.33	\$0.82
ODS Community Health	0.597	\$2.31	\$8.92	\$4.67	\$0.20	\$0.26	\$0.00	\$4.30	\$0.00	\$4.67	\$0.27	\$0.62	\$1.53
OHMS	0.247	\$0.96	\$3.69	\$1.93	\$0.08	\$0.11	\$0.00	\$1.78	\$0.00	\$1.93	\$0.11	\$0.26	\$0.63
Providence	0.828	\$3.21	\$12.38	\$6.49	\$0.28	\$0.37	\$0.00	\$5.97	\$0.00	\$6.48	\$0.37	\$0.86	\$2.12
Tuality	1.311	\$5.08	\$19.60	\$10.27	\$0.44	\$0.58	\$0.00	\$9.46	\$0.00	\$10.25	\$0.59	\$1.36	\$3.35

Oregon Health Plan Medicaid Demonstration
Comparison of January 2011 and January 2010 FCHP Capitation Rates
Without Adjustment for Administrative Allowance
Excluding Maternity

EXHIBIT 3-G (i)

Statewide FCHP Rates			
Eligibility Category	January 2011 (Without Admin Allowance)	January 2010 (Without Admin Allowance)	% Change
Temporary Assistance to Needy Families (Adults Only)	\$363.91	\$312.44	16.5%
Poverty Level Medical Adults	\$316.52	\$295.18	7.2%
PLM, TANF, and CHIP Children < 1	\$487.04	\$472.51	3.1%
PLM, TANF, and CHIP Children 1 - 5	\$83.96	\$87.39	-3.9%
PLM, TANF, and CHIP Children 6 - 18	\$76.82	\$78.42	-2.0%
Aid to the Blind/Aid to the Disabled with Medicare	\$143.98	\$139.12	3.5%
Aid to the Blind/Aid to the Disabled without Medicare	\$799.46	\$830.99	-3.8%
Old Age Assistance with Medicare	\$148.17	\$144.48	2.6%
Old Age Assistance without Medicare	\$693.49	\$711.05	-2.5%
CAF Children	\$124.36	\$132.33	-6.0%
OHP Families	\$242.65	\$229.00	6.0%
OHP Adults & Couples	\$478.42	\$489.79	-2.3%
Weighted Average ¹	\$242.07	\$239.84	0.9%

¹ Weighted average capitation rates are based on June through November 2008 enrollment distributions.

Oregon Health Plan Medicaid Demonstration
Comparison of January 2011 and January 2010 FCHP Capitation Rates
Includes Adjustment for Administrative Allowance
Excluding Maternity

EXHIBIT 3-G (ii)

Statewide FCHP Rates			
Eligibility Category	January 2011 (Including Admin Allowance)	January 2010 (Including Admin Allowance)	% Change
Temporary Assistance to Needy Families (Adults Only)	\$397.32	\$341.13	16.5%
Poverty Level Medical Adults	\$345.58	\$322.28	7.2%
PLM, TANF, and CHIP Children < 1	\$531.76	\$515.90	3.1%
PLM, TANF, and CHIP Children 1 - 5	\$91.67	\$95.42	-3.9%
PLM, TANF, and CHIP Children 6 - 18	\$83.88	\$85.62	-2.0%
Aid to the Blind/Aid to the Disabled with Medicare	\$157.21	\$151.89	3.5%
Aid to the Blind/Aid to the Disabled without Medicare	\$872.87	\$907.29	-3.8%
Old Age Assistance with Medicare	\$161.78	\$157.75	2.6%
Old Age Assistance without Medicare	\$757.16	\$776.34	-2.5%
CAF Children	\$135.77	\$144.48	-6.0%
OHP Families	\$264.93	\$250.02	6.0%
OHP Adults & Couples	\$522.35	\$534.76	-2.3%
Weighted Average ¹	\$264.30	\$261.86	0.9%

¹ Weighted average capitation rates are based on June through November 2008 enrollment distributions.

Oregon Health Plan Medicaid Demonstration
Comparison of January 2011 and January 2010 FCHP Capitation Rates
Without Adjustment for Administrative Allowance
Including Maternity

EXHIBIT 3-G (iii)

Statewide FCHP Rates			
Eligibility Category	January 2011 (Without Admin Allowance)	January 2010 (Without Admin Allowance)	% Change
Temporary Assistance to Needy Families (Adults Only)	\$464.49	\$394.88	17.6%
Poverty Level Medical Adults	\$1,301.79	\$1,239.56	5.0%
PLM, TANF, and CHIP Children < 1	\$487.04	\$472.51	3.1%
PLM, TANF, and CHIP Children 1 - 5	\$83.96	\$87.39	-3.9%
PLM, TANF, and CHIP Children 6 - 18	\$81.21	\$82.68	-1.8%
Aid to the Blind/Aid to the Disabled with Medicare	\$143.98	\$139.12	3.5%
Aid to the Blind/Aid to the Disabled without Medicare	\$807.50	\$839.30	-3.8%
Old Age Assistance with Medicare	\$148.17	\$144.48	2.6%
Old Age Assistance without Medicare	\$693.49	\$711.05	-2.5%
CAF Children	\$126.52	\$134.52	-5.9%
OHP Families	\$247.06	\$233.09	6.0%
OHP Adults & Couples	\$479.73	\$491.19	-2.3%
Weighted Average ¹	\$280.21	\$275.14	1.8%

¹ Weighted average capitation rates are based on June through November 2008 enrollment distributions.

Oregon Health Plan Medicaid Demonstration
Comparison of January 2011 and January 2010 FCHP Capitation Rates
Including Adjustment for Administrative Allowance
Including Maternity

EXHIBIT 3-G (iv)

Statewide FCHP Rates			
Eligibility Category	January 2011 (Including Admin Allowance)	January 2010 (Including Admin Allowance)	% Change
Temporary Assistance to Needy Families (Adults Only)	\$507.14	\$431.14	17.6%
Poverty Level Medical Adults	\$1,421.32	\$1,353.38	5.0%
PLM, TANF, and CHIP Children < 1	\$531.76	\$515.90	3.1%
PLM, TANF, and CHIP Children 1 - 5	\$91.67	\$95.42	-3.9%
PLM, TANF, and CHIP Children 6 - 18	\$88.67	\$90.27	-1.8%
Aid to the Blind/Aid to the Disabled with Medicare	\$157.21	\$151.89	3.5%
Aid to the Blind/Aid to the Disabled without Medicare	\$881.65	\$916.36	-3.8%
Old Age Assistance with Medicare	\$161.78	\$157.75	2.6%
Old Age Assistance without Medicare	\$757.16	\$776.34	-2.5%
CAF Children	\$138.14	\$146.87	-5.9%
OHP Families	\$269.74	\$254.49	6.0%
OHP Adults & Couples	\$523.78	\$536.29	-2.3%
Weighted Average ¹	\$305.94	\$300.40	1.8%

¹ Weighted average capitation rates are based on June through November 2008 enrollment distributions.

Oregon Health Plan Medicaid Demonstration
Comparison of January 2011 and January 2010 FCHP Capitation Rates
Includes Adjustment for Administrative Allowance

EXHIBIT 3-H

CareOregon, Inc.															
Eligibility Category	JJD			Lane			LBMPY			Other			Tri-County		
	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change
Temporary Assistance to Needy Families (Adults Only)	\$407.27	\$344.10	18.4%				\$417.80	\$348.99	19.7%	\$419.01	\$349.99	19.7%	\$413.26	\$341.75	20.9%
Poverty Level Medical Adults	\$354.12	\$333.74	6.1%				\$359.99	\$336.79	6.9%	\$360.27	\$337.58	6.7%	\$357.49	\$332.12	7.6%
PLM, TANF, and CHIP Children < 1	\$480.85	\$475.65	1.1%				\$492.48	\$480.21	2.6%	\$515.40	\$487.26	5.8%	\$485.64	\$467.43	3.9%
PLM, TANF, and CHIP Children 1 - 5	\$91.79	\$93.15	-1.5%				\$93.88	\$94.55	-0.7%	\$93.47	\$94.61	-1.2%	\$93.03	\$92.70	0.4%
PLM, TANF, and CHIP Children 6 - 18	\$79.05	\$81.60	-3.1%				\$80.77	\$82.71	-2.3%	\$80.80	\$82.84	-2.5%	\$80.05	\$81.16	-1.4%
Aid to the Blind/Aid to the Disabled with Medicare	\$173.47	\$167.43	3.6%				\$177.22	\$169.81	4.4%	\$173.52	\$169.23	2.5%	\$175.95	\$167.33	5.1%
Aid to the Blind/Aid to the Disabled without Medicare	\$942.41	\$949.48	-0.7%				\$964.39	\$960.57	0.4%	\$980.01	\$967.39	1.3%	\$953.81	\$939.66	1.5%
Old Age Assistance with Medicare	\$160.00	\$157.24	1.8%				\$162.89	\$159.09	2.4%	\$160.03	\$158.64	0.9%	\$161.91	\$157.17	3.0%
Old Age Assistance without Medicare	\$746.56	\$779.57	-4.2%				\$765.19	\$789.15	-3.0%	\$784.37	\$796.07	-1.5%	\$755.72	\$770.07	-1.9%
CAF Children	\$134.45	\$144.42	-6.9%				\$136.72	\$145.91	-6.3%	\$136.49	\$146.04	-6.5%	\$135.78	\$143.87	-5.6%
OHP Families	\$259.90	\$245.60	5.8%				\$265.93	\$248.87	6.9%	\$264.81	\$249.18	6.3%	\$263.48	\$244.38	7.8%
OHP Adults & Couples	\$542.19	\$567.30	-4.4%				\$553.13	\$574.06	-3.6%	\$555.19	\$576.27	-3.7%	\$548.34	\$563.24	-2.6%
Weighted Average ¹	\$254.26	\$249.84	1.8%				\$238.12	\$232.47	2.4%	\$273.77	\$266.69	2.7%	\$269.64	\$260.07	3.7%

¹ Weighted average capitation rates are based on June through November 2008 enrollment distributions.

Oregon Health Plan Medicaid Demonstration
Comparison of January 2011 and January 2010 FCHP Capitation Rates
Includes Adjustment for Administrative Allowance

EXHIBIT 3-H

Cascade Comprehensive Care, Inc.															
Eligibility Category	JJD			Lane			LBMPY			Other			Tri-County		
	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change
Temporary Assistance to Needy Families (Adults Only)										\$383.94	\$319.86	20.0%			
Poverty Level Medical Adults										\$354.55	\$337.00	5.2%			
PLM, TANF, and CHIP Children < 1										\$578.36	\$592.86	-2.4%			
PLM, TANF, and CHIP Children 1 - 5										\$84.40	\$88.93	-5.1%			
PLM, TANF, and CHIP Children 6 - 18										\$94.30	\$89.03	5.9%			
Aid to the Blind/Aid to the Disabled with Medicare										\$156.04	\$150.71	3.5%			
Aid to the Blind/Aid to the Disabled without Medicare										\$839.42	\$889.99	-5.7%			
Old Age Assistance with Medicare										\$159.42	\$156.41	1.9%			
Old Age Assistance without Medicare										\$732.89	\$776.37	-5.6%			
CAF Children										\$133.84	\$143.82	-6.9%			
OHP Families										\$301.75	\$238.12	26.7%			
OHP Adults & Couples										\$494.80	\$540.04	-8.4%			
Weighted Average ¹										\$281.10	\$280.59	0.2%			

¹ Weighted average capitation rates are based on June through November 2008 enrollment distributions.

Note: Includes Maternity Management and excludes per capita value of maternity services.

Oregon Health Plan Medicaid Demonstration
Comparison of January 2011 and January 2010 FCHP Capitation Rates
Includes Adjustment for Administrative Allowance

EXHIBIT 3-H

Central Oregon Individual Health Sol																		
Eligibility Category	JJD			Lane			LBMPY			Other			Tri-County			Deschutes		
	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change
Temporary Assistance to Needy Families (Adults Only)										\$435.75	\$365.03	19.4%				\$435.75	\$349.89	24.5%
Poverty Level Medical Adults										\$349.69	\$328.44	6.5%				\$349.69	\$320.46	9.1%
PLM, TANF, and CHIP Children < 1										\$583.01	\$566.40	2.9%				\$583.01	\$566.40	2.9%
PLM, TANF, and CHIP Children 1 - 5										\$93.53	\$100.24	-6.7%				\$93.53	\$100.23	-6.7%
PLM, TANF, and CHIP Children 6 - 18										\$89.32	\$92.55	-3.5%				\$89.32	\$91.08	-1.9%
Aid to the Blind/Aid to the Disabled with Medicare										\$145.60	\$157.19	-7.4%				\$145.60	\$151.56	-3.9%
Aid to the Blind/Aid to the Disabled without Medicare										\$859.92	\$890.55	-3.4%				\$859.92	\$880.41	-2.3%
Old Age Assistance with Medicare										\$164.93	\$161.57	2.1%				\$164.93	\$161.11	2.4%
Old Age Assistance without Medicare										\$798.19	\$824.66	-3.2%				\$798.19	\$824.48	-3.2%
CAF Children										\$139.34	\$149.08	-6.5%				\$139.34	\$142.31	-2.1%
OHP Families										\$315.84	\$277.78	13.7%				\$315.84	\$272.71	15.8%
OHP Adults & Couples										\$589.04	\$588.60	0.1%				\$589.04	\$558.60	5.4%
Weighted Average ¹										\$260.35	\$257.27	1.2%				\$260.35	\$252.74	3.0%

¹Weighted average capitation rates are based on June through November 2008 enrollment distributions.

Oregon Health Plan Medicaid Demonstration
Comparison of January 2011 and January 2010 FCHP Capitation Rates
Includes Adjustment for Administrative Allowance

EXHIBIT 3-H

DCIPA, LLC															
Eligibility Category	JJD			Lane			LBMPY			Other			Tri-County		
	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change
Temporary Assistance to Needy Families (Adults Only)	\$447.40	\$416.33	7.5%												
Poverty Level Medical Adults	\$353.79	\$315.65	12.1%												
PLM, TANF, and CHIP Children < 1	\$615.14	\$605.70	1.6%												
PLM, TANF, and CHIP Children 1 - 5	\$95.09	\$106.59	-10.8%												
PLM, TANF, and CHIP Children 6 - 18	\$89.67	\$98.38	-8.9%												
Aid to the Blind/Aid to the Disabled with Medicare	\$183.45	\$169.06	8.5%												
Aid to the Blind/Aid to the Disabled without Medicare	\$1,027.16	\$1,115.96	-8.0%												
Old Age Assistance with Medicare	\$161.18	\$157.37	2.4%												
Old Age Assistance without Medicare	\$749.91	\$773.97	-3.1%												
CAF Children	\$135.51	\$144.15	-6.0%												
OHP Families	\$283.74	\$284.47	-0.3%												
OHP Adults & Couples	\$622.76	\$602.47	3.4%												
Weighted Average ¹	\$318.37	\$324.81	-2.0%												

¹ Weighted average capitation rates are based on June through November 2008 enrollment distributions.
 Note: Includes Maternity Management and excludes per capita value of maternity services.

Oregon Health Plan Medicaid Demonstration
Comparison of January 2011 and January 2010 FCHP Capitation Rates
Includes Adjustment for Administrative Allowance

EXHIBIT 3-H

Southwest Oregon Individual Practice Association, Inc., abn Doctors of the Oregon Coast South															
Eligibility Category	JJD			Lane			LBMPY			Other			Tri-County		
	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change
Temporary Assistance to Needy Families (Adults Only)										\$394.98	\$330.07	19.7%			
Poverty Level Medical Adults										\$361.17	\$323.54	11.6%			
PLM, TANF, and CHIP Children < 1										\$647.49	\$642.33	0.8%			
PLM, TANF, and CHIP Children 1 - 5										\$101.40	\$103.80	-2.3%			
PLM, TANF, and CHIP Children 6 - 18										\$99.56	\$99.34	0.2%			
Aid to the Blind/Aid to the Disabled with Medicare										\$149.16	\$161.40	-7.6%			
Aid to the Blind/Aid to the Disabled without Medicare										\$768.95	\$821.98	-6.5%			
Old Age Assistance with Medicare										\$165.61	\$161.19	2.7%			
Old Age Assistance without Medicare										\$786.45	\$817.88	-3.8%			
CAF Children										\$139.39	\$148.51	-6.1%			
OHP Families										\$277.05	\$278.63	-0.6%			
OHP Adults & Couples										\$516.33	\$517.07	-0.1%			
Weighted Average ¹										\$301.43	\$303.03	-0.5%			

¹ Weighted average capitation rates are based on June through November 2008 enrollment distributions.

Note: Includes Maternity Management and excludes per capita value of maternity services.

Oregon Health Plan Medicaid Demonstration
Comparison of January 2011 and January 2010 FCHP Capitation Rates
Includes Adjustment for Administrative Allowance

EXHIBIT 3-H

FamilyCare, Inc.															
Eligibility Category	JJD			Lane			LBMPY			Other			Tri-County		
	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change
Temporary Assistance to Needy Families (Adults Only)	\$350.11	\$301.11	16.3%				\$376.22	\$333.64	12.8%	\$373.93	\$326.06	14.7%	\$358.34	\$301.35	18.9%
Poverty Level Medical Adults	\$329.18	\$313.30	5.1%				\$345.54	\$336.79	2.6%	\$343.91	\$331.35	3.8%	\$334.37	\$313.38	6.7%
PLM, TANF, and CHIP Children < 1	\$491.30	\$490.24	0.2%				\$537.12	\$555.53	-3.3%	\$543.97	\$541.79	0.4%	\$503.61	\$486.69	3.5%
PLM, TANF, and CHIP Children 1 - 5	\$82.96	\$92.01	-9.8%				\$88.05	\$101.45	-13.2%	\$87.33	\$99.20	-12.0%	\$84.62	\$92.22	-8.2%
PLM, TANF, and CHIP Children 6 - 18	\$77.88	\$77.58	0.4%				\$82.64	\$85.13	-2.9%	\$82.14	\$83.35	-1.4%	\$79.39	\$77.70	2.2%
Aid to the Blind/Aid to the Disabled with Medicare	\$135.02	\$131.53	2.7%				\$141.47	\$141.37	0.1%	\$139.43	\$138.90	0.4%	\$137.34	\$132.11	4.0%
Aid to the Blind/Aid to the Disabled without Medicare	\$715.72	\$788.85	-9.3%				\$768.62	\$876.07	-12.3%	\$768.79	\$856.63	-10.3%	\$731.44	\$787.11	-7.1%
Old Age Assistance with Medicare	\$159.54	\$156.56	1.9%				\$166.18	\$166.66	-0.3%	\$164.08	\$164.12	0.0%	\$161.93	\$157.15	3.0%
Old Age Assistance without Medicare	\$726.11	\$762.49	-4.8%				\$786.73	\$856.19	-8.1%	\$789.47	\$835.48	-5.5%	\$743.63	\$760.11	-2.2%
CAF Children	\$133.11	\$143.10	-7.0%				\$139.25	\$153.45	-9.2%	\$138.49	\$151.00	-8.3%	\$135.09	\$143.28	-5.7%
OHP Families	\$224.00	\$226.84	-1.3%				\$238.06	\$248.18	-4.1%	\$236.08	\$243.13	-2.9%	\$228.58	\$227.21	0.6%
OHP Adults & Couples	\$438.91	\$480.47	-8.6%				\$464.51	\$526.94	-11.8%	\$462.58	\$516.28	-10.4%	\$446.92	\$480.37	-7.0%
Weighted Average ¹	\$216.03	\$217.92	-0.9%				\$279.75	\$297.47	-6.0%	\$235.24	\$242.57	-3.0%	\$254.83	\$254.03	0.3%

¹ Weighted average capitation rates are based on June through November 2008 enrollment distributions.

² Plan expanded into LBMPY region in September 2008

Oregon Health Plan Medicaid Demonstration
Comparison of January 2011 and January 2010 FCHP Capitation Rates
Includes Adjustment for Administrative Allowance

EXHIBIT 3-H

InterCommunity Health Plans, Inc. abn InterCommunity Health Network															
Eligibility Category	JJD			Lane			LBMPY			Other			Tri-County		
	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change
Temporary Assistance to Needy Families (Adults Only)							\$416.46	\$351.32	18.5%	\$444.89					
Poverty Level Medical Adults							\$336.42	\$314.89	6.8%	\$351.22					
PLM, TANF, and CHIP Children < 1							\$554.83	\$539.82	2.8%	\$633.16					
PLM, TANF, and CHIP Children 1 - 5							\$85.29	\$90.47	-5.7%	\$89.33					
PLM, TANF, and CHIP Children 6 - 18							\$93.74	\$101.33	-7.5%	\$98.76					
Aid to the Blind/Aid to the Disabled with Medicare							\$158.64	\$131.21	20.9%	\$161.03					
Aid to the Blind/Aid to the Disabled without Medicare							\$849.05	\$883.51	-3.9%	\$921.47					
Old Age Assistance with Medicare							\$159.74	\$155.94	2.4%	\$161.78					
Old Age Assistance without Medicare							\$752.76	\$771.47	-2.4%	\$831.79					
CAF Children							\$134.64	\$143.26	-6.0%	\$139.76					
OHP Families							\$274.67	\$249.91	9.9%	\$288.09					
OHP Adults & Couples							\$581.55	\$588.82	-1.2%	\$613.92					
Weighted Average ¹							\$286.94	\$283.58	1.2%	\$308.06					

¹ Weighted average capitation rates are based on June through November 2008 enrollment distributions.

Oregon Health Plan Medicaid Demonstration
Comparison of January 2011 and January 2010 FCHP Capitation Rates
Includes Adjustment for Administrative Allowance

EXHIBIT 3-H

Lane Individual Practice Association, Inc.															
Eligibility Category	JJD			Lane			LBMPY			Other			Tri-County		
	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change
Temporary Assistance to Needy Families (Adults Only)				\$373.37	\$335.42	11.3%									
Poverty Level Medical Adults				\$333.80	\$310.98	7.3%									
PLM, TANF, and CHIP Children < 1				\$551.72	\$541.69	1.9%									
PLM, TANF, and CHIP Children 1 - 5				\$83.92	\$90.52	-7.3%									
PLM, TANF, and CHIP Children 6 - 18				\$87.46	\$87.80	-0.4%									
Aid to the Blind/Aid to the Disabled with Medicare				\$137.30	\$131.95	4.1%									
Aid to the Blind/Aid to the Disabled without Medicare				\$822.04	\$890.83	-7.7%									
Old Age Assistance with Medicare				\$161.18	\$156.98	2.7%									
Old Age Assistance without Medicare				\$739.73	\$762.36	-3.0%									
CAF Children				\$134.56	\$143.31	-6.1%									
OHP Families				\$274.64	\$252.96	8.6%									
OHP Adults & Couples				\$462.76	\$490.12	-5.6%									
Weighted Average ¹				\$279.34	\$285.03	-2.0%									

¹ Weighted average capitation rates are based on June through November 2008 enrollment distributions.

Oregon Health Plan Medicaid Demonstration
Comparison of January 2011 and January 2010 FCHP Capitation Rates
Includes Adjustment for Administrative Allowance

EXHIBIT 3-H

Marion/Polk Community Health Plan, LLC															
Eligibility Category	JJD			Lane			LBMPY			Other			Tri-County		
	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change
Temporary Assistance to Needy Families (Adults Only)							\$377.26	\$335.92	12.3%						
Poverty Level Medical Adults							\$339.89	\$316.88	7.3%						
PLM, TANF, and CHIP Children < 1							\$500.76	\$482.25	3.8%						
PLM, TANF, and CHIP Children 1 - 5							\$97.50	\$97.91	-0.4%						
PLM, TANF, and CHIP Children 6 - 18							\$84.54	\$84.06	0.6%						
Aid to the Blind/Aid to the Disabled with Medicare							\$154.77	\$148.58	4.2%						
Aid to the Blind/Aid to the Disabled without Medicare							\$809.48	\$861.26	-6.0%						
Old Age Assistance with Medicare							\$161.43	\$157.50	2.5%						
Old Age Assistance without Medicare							\$747.65	\$764.13	-2.2%						
CAF Children							\$135.11	\$143.69	-6.0%						
OHP Families							\$247.42	\$254.41	-2.7%						
OHP Adults & Couples							\$487.19	\$534.44	-8.8%						
Weighted Average ¹							\$233.94	\$234.08	-0.1%						

¹ Weighted average capitation rates are based on June through November 2008 enrollment distributions.

Oregon Health Plan Medicaid Demonstration
Comparison of January 2011 and January 2010 FCHP Capitation Rates
Includes Adjustment for Administrative Allowance

EXHIBIT 3-H

Mid Rogue Independent Physician Association, Inc.															
Eligibility Category	JJD			Lane			LBMPY			Other			Tri-County		
	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change
Temporary Assistance to Needy Families (Adults Only)	\$410.43	\$330.12	24.3%							\$428.67					
Poverty Level Medical Adults	\$344.21	\$310.02	11.0%							\$353.92					
PLM, TANF, and CHIP Children < 1	\$616.01	\$613.95	0.3%							\$659.90					
PLM, TANF, and CHIP Children 1 - 5	\$102.52	\$113.43	-9.6%							\$106.05					
PLM, TANF, and CHIP Children 6 - 18	\$85.82	\$88.87	-3.4%							\$88.90					
Aid to the Blind/Aid to the Disabled with Medicare	\$147.93	\$157.20	-5.9%							\$151.10					
Aid to the Blind/Aid to the Disabled without Medicare	\$902.80	\$960.43	-6.0%							\$946.95					
Old Age Assistance with Medicare	\$159.73	\$156.84	1.8%							\$162.67					
Old Age Assistance without Medicare	\$729.24	\$763.33	-4.5%							\$771.33					
CAF Children	\$133.75	\$143.28	-6.7%							\$137.29					
OHP Families	\$279.80	\$255.60	9.5%							\$289.68					
OHP Adults & Couples	\$505.49	\$449.29	12.5%							\$523.44					
Weighted Average ¹	\$283.60	\$277.83	2.1%							\$296.33					

¹ Weighted average capitation rates are based on June through November 2008 enrollment distributions.

Note: Includes Maternity Management and excludes per capita value of maternity services.

Oregon Health Plan Medicaid Demonstration
Comparison of January 2011 and January 2010 FCHP Capitation Rates
Includes Adjustment for Administrative Allowance

EXHIBIT 3-H

ODS Community Health, Inc.															
Eligibility Category	JJD			Lane			LBMPY			Other			Tri-County		
	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change
Temporary Assistance to Needy Families (Adults Only)	\$361.54	\$338.24	6.9%				\$404.12	\$371.86	8.7%	\$391.00	\$355.00	10.1%			
Poverty Level Medical Adults	\$334.29	\$314.38	6.3%				\$360.60	\$336.12	7.3%	\$351.67	\$326.20	7.8%			
PLM, TANF, and CHIP Children < 1	\$490.31	\$510.45	-3.9%				\$549.87	\$572.23	-3.9%	\$578.09	\$583.55	-0.9%			
PLM, TANF, and CHIP Children 1 - 5	\$90.66	\$94.84	-4.4%				\$99.83	\$103.81	-3.8%	\$95.66	\$97.84	-2.2%			
PLM, TANF, and CHIP Children 6 - 18	\$77.99	\$85.08	-8.3%				\$85.64	\$92.70	-7.6%	\$82.94	\$88.23	-6.0%			
Aid to the Blind/Aid to the Disabled with Medicare	\$160.34	\$151.31	6.0%				\$174.90	\$162.10	7.9%	\$162.60	\$150.67	7.9%			
Aid to the Blind/Aid to the Disabled without Medicare	\$724.69	\$900.15	-19.5%				\$803.73	\$991.28	-18.9%	\$800.42	\$973.06	-17.7%			
Old Age Assistance with Medicare	\$159.95	\$157.24	1.7%				\$172.26	\$166.66	3.4%	\$161.86	\$156.67	3.3%			
Old Age Assistance without Medicare	\$735.77	\$769.48	-4.4%				\$823.33	\$855.85	-3.8%	\$831.57	\$843.81	-1.4%			
CAF Children	\$133.82	\$143.83	-7.0%				\$143.89	\$153.42	-6.2%	\$139.79	\$147.52	-5.2%			
OHP Families	\$239.23	\$248.58	-3.8%				\$263.92	\$270.13	-2.3%	\$252.85	\$256.98	-1.6%			
OHP Adults & Couples	\$492.95	\$531.35	-7.2%				\$538.11	\$578.57	-7.0%	\$525.72	\$559.79	-6.1%			
Weighted Average ¹	\$211.17	\$223.38	-5.5%				\$336.81	\$371.50	-9.3%	\$224.68	\$232.67	-3.4%			

¹ Weighted average capitation rates are based on June through November 2008 enrollment distributions.

² Plan expanded into LBMPY region in September 2008

Oregon Health Plan Medicaid Demonstration
Comparison of January 2011 and January 2010 FCHP Capitation Rates
Includes Adjustment for Administrative Allowance

EXHIBIT 3-H

Grants Pass Management Services, Inc., abn Oregon Health Management Services															
Eligibility Category	JJD			Lane			LBMPY			Other			Tri-County		
	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change
Temporary Assistance to Needy Families (Adults Only)	\$385.60	\$334.64	15.2%												
Poverty Level Medical Adults	\$341.96	\$306.59	11.5%												
PLM, TANF, and CHIP Children < 1	\$569.39	\$567.04	0.4%												
PLM, TANF, and CHIP Children 1 - 5	\$87.62	\$99.04	-11.5%												
PLM, TANF, and CHIP Children 6 - 18	\$85.66	\$97.02	-11.7%												
Aid to the Blind/Aid to the Disabled with Medicare	\$158.26	\$141.11	12.2%												
Aid to the Blind/Aid to the Disabled without Medicare	\$852.10	\$852.05	0.0%												
Old Age Assistance with Medicare	\$159.47	\$156.50	1.9%												
Old Age Assistance without Medicare	\$723.68	\$758.54	-4.6%												
CAF Children	\$133.34	\$142.84	-6.7%												
OHP Families	\$264.36	\$251.29	5.2%												
OHP Adults & Couples	\$485.90	\$491.23	-1.1%												
Weighted Average ¹	\$286.39	\$283.82	0.9%												

¹ Weighted average capitation rates are based on June through November 2008 enrollment distributions.

Note: Includes Maternity Management and excludes per capita value of maternity services.

Oregon Health Plan Medicaid Demonstration
Comparison of January 2011 and January 2010 FCHP Capitation Rates
Includes Adjustment for Administrative Allowance

EXHIBIT 3-H

Providence Health Assurance															
Eligibility Category	JJD			Lane			LBMPY			Other			Tri-County		
	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change
Temporary Assistance to Needy Families (Adults Only)							\$394.34	\$321.25	22.8%				\$358.53	\$290.50	23.4%
Poverty Level Medical Adults							\$364.38	\$342.89	6.3%				\$341.69	\$319.65	6.9%
PLM, TANF, and CHIP Children < 1							\$613.16	\$615.31	-0.3%				\$553.26	\$540.14	2.4%
PLM, TANF, and CHIP Children 1 - 5							\$96.47	\$103.78	-7.0%				\$88.88	\$94.40	-5.8%
PLM, TANF, and CHIP Children 6 - 18							\$84.07	\$84.49	-0.5%				\$77.61	\$77.18	0.6%
Aid to the Blind/Aid to the Disabled with Medicare							\$146.95	\$141.37	3.9%				\$136.98	\$132.15	3.7%
Aid to the Blind/Aid to the Disabled without Medicare							\$850.71	\$904.14	-5.9%				\$777.44	\$813.40	-4.4%
Old Age Assistance with Medicare							\$172.26	\$166.66	3.4%				\$161.97	\$157.19	3.0%
Old Age Assistance without Medicare							\$825.31	\$859.31	-4.0%				\$747.86	\$764.06	-2.1%
CAF Children							\$144.00	\$153.63	-6.3%				\$135.35	\$143.54	-5.7%
OHP Families							\$244.05	\$230.14	6.0%				\$224.51	\$210.85	6.5%
OHP Adults & Couples							\$485.98	\$499.86	-2.8%				\$450.74	\$456.12	-1.2%
Weighted Average ¹							\$249.25	\$246.14	1.3%				\$255.24	\$250.80	1.8%

¹ Weighted average capitation rates are based on June through November 2008 enrollment distributions.

Oregon Health Plan Medicaid Demonstration
Comparison of January 2011 and January 2010 FCHP Capitation Rates
Includes Adjustment for Administrative Allowance

EXHIBIT 3-H

Tuality Health Alliance															
Eligibility Category	JJD			Lane			LBMPY			Other			Tri-County		
	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change
Temporary Assistance to Needy Families (Adults Only)													\$405.57	\$403.18	0.6%
Poverty Level Medical Adults													\$350.17	\$327.73	6.8%
PLM, TANF, and CHIP Children < 1													\$509.93	\$501.02	1.8%
PLM, TANF, and CHIP Children 1 - 5													\$87.84	\$90.79	-3.2%
PLM, TANF, and CHIP Children 6 - 18													\$80.36	\$82.01	-2.0%
Aid to the Blind/Aid to the Disabled with Medicare													\$137.23	\$132.34	3.7%
Aid to the Blind/Aid to the Disabled without Medicare													\$793.57	\$893.56	-11.2%
Old Age Assistance with Medicare													\$162.22	\$157.39	3.1%
Old Age Assistance without Medicare													\$754.09	\$770.95	-2.2%
CAF Children													\$135.81	\$144.02	-5.7%
OHP Families													\$281.04	\$260.62	7.8%
OHP Adults & Couples													\$504.72	\$588.18	-14.2%
Weighted Average ¹													\$223.73	\$232.47	-3.8%

¹ Weighted average capitation rates are based on June through November 2008 enrollment distributions.

Oregon Health Plan Medicaid Demonstration
Capitation Rate Development for January 2011 through December 2011
Mental Health Acute Inpatient Geographic Factors

EXHIBIT 4-A

Plan Name	Region	MH Inpatient
Accountable Behavioral Health Alliance	Linn/Benton/Marion/Polk/Yamhill	0.985
Accountable Behavioral Health Alliance	Other	1.002
Clackamas County	Other	0.975
Clackamas County	Tri-County (Clackamas, Multnomah, Washington)	1.006
FamilyCare, Inc.	Tri-County (Clackamas, Multnomah, Washington)	1.006
Greater Oregon Behavioral Health, Inc.	Jackson/Josephine/Douglas	1.020
Greater Oregon Behavioral Health, Inc.	Other	1.022
Jefferson Behavioral Health	Jackson/Josephine/Douglas	0.959
Jefferson Behavioral Health	Other	1.008
Lane County acting by and through its Department of County Human Services	Lane	0.992
Mid-Valley Behavioral Care Network	Linn/Benton/Marion/Polk/Yamhill	1.000
Mid-Valley Behavioral Care Network	Other	0.991
Multnomah County by and through its Department of County Human Services	Tri-County (Clackamas, Multnomah, Washington)	1.006
Washington County by and through its Department of Health and Human Services	Tri-County (Clackamas, Multnomah, Washington)	1.006

Oregon Health Plan Medicaid Demonstration
Capitation Rate Development for January 2011 through December 2011
Mental Health Diagnostic Risk Adjustment Factors

EXHIBIT 4-B

Plan Name	TANF	PLMA	CHILD 01-05	CHILD 06-18	ABAD-MED	ABAD	CAF	OHPFAM	OHPAC
Accountable Behavioral Health Alliance	1.043	1.112	0.900	1.099	0.903	0.904	1.063	1.047	0.931
Clackamas County	1.028	0.906	0.998	0.900	0.981	0.981	0.900	0.956	1.034
FamilyCare, Inc.	0.900	0.900	0.993	0.900	0.992	0.993	1.075	0.900	0.989
Greater Oregon Behavioral Health, Inc.	1.074	0.966	0.900	0.966	0.900	0.900	0.900	1.029	0.967
Jefferson Behavioral Health	0.973	0.965	1.145	1.083	0.922	0.923	0.928	0.976	0.900
Lane County acting by and through its Department of County Human Services	1.134	1.078	1.179	1.200	1.082	1.083	1.185	1.173	0.974
Mid-Valley Behavioral Care Network	1.029	1.063	1.052	1.027	0.986	0.987	0.954	1.024	1.055
Multnomah County by and through its Department of County Human Services	0.905	0.993	0.908	0.900	1.106	1.107	1.063	0.900	1.100
Washington County by and through its Department of Health and Human Services	0.955	0.938	0.900	0.900	1.040	1.041	0.972	0.969	0.985

Oregon Health Plan Medicaid Demonstration
Capitation Rate Development for January 2011 through December 2011
Mental Health Diagnostic and BRS Risk Adjustment Factors - CAF Children

EXHIBIT 4-C

Relative Cost Factors				
Non-BRS	BRS			Total
	CAF	OYA	Total BRS	
A	B	C	D = [(BxS)+(CxT)] / U	E = [(AxR)+(DxU)] / V
0.925	3.668	2.100	2.696	0.998

Plan Name	Region	Average Monthly Members: March 2009 through June 2009					Relative Risk Factors				Composite MH/BRS Risk Adjustment	July & August 2010 Avg Enrollees	Normalized Risk Adjustment Factors
		Non-BRS	BRS			Total	Non-BRS	BRS					
			CAF	OYA	Total BRS			CAF	OYA	Total BRS			
		F	G	H	I = G + H	J = F + I	K	L = B / D	M = C / D	N = [(GxL)+(HxM)] / I	O = [(FxK)+(IxN)*(D/A)] / J	P	Q = O / W
ABHA	LBMPY	133	1	-	1	134	1.063	1.360	0.779	1.360	1.088	156	1.012
ABHA	OTHER	748	13	22	35	783	1.063	1.360	0.779	0.988	1.144	853	1.063
Clackamas	OTHER	184	8	14	23	207	0.900	1.360	0.779	0.992	1.118	231	1.040
Clackamas	Tri-County	1,060	8	25	33	1,093	0.900	1.360	0.779	0.911	0.953	1,020	0.886
FamilyCare BH	Tri-County	214	4	0	5	219	1.075	1.360	0.779	1.317	1.133	844	1.053
GOBH	JJD	516	2	1	3	520	0.900	1.360	0.779	1.202	0.917	597	0.852
GOBH	OTHER	1,174	15	26	41	1,215	0.900	1.360	0.779	0.987	0.967	1,348	0.898
JBH	JJD	1,199	23	28	51	1,250	0.928	1.360	0.779	1.044	1.014	1,348	0.942
JBH	OTHER	826	8	33	41	867	0.928	1.360	0.779	0.896	1.007	945	0.936
LaneCare	LANE	1,827	5	47	51	1,878	1.185	1.360	0.779	0.831	1.219	2,156	1.133
MVBCN	LBMPY	2,658	57	47	104	2,762	0.954	1.360	0.779	1.097	1.038	3,066	0.965
MVBCN	OTHER	76	-	-	-	76	0.954	1.360	0.779	1.000	0.954	115	0.887
Verity	Tri-County	2,229	60	96	156	2,385	1.063	1.360	0.779	1.002	1.184	2,247	1.101
Washington County DHHS	Tri-County	1,128	22	27	49	1,177	0.972	1.360	0.779	1.036	1.058	1,255	0.983
Plan Average		13,973	225	367	593	14,566	0.997	1.360	0.779	1.000	1.075	16,180	1.000
		R	S	T	U	V					W		

- Notes:
- 1) Non-BRS risk factors based on diagnostic risk model.
 - 2) The Composite MH/BRS Risk Adjustment factors are calculated as follows:

$$\frac{[(\text{Non-BRS Relative Cost Factor} \times \text{Non-BRS Relative Risk Factor} \times \text{Non-BRS Ave Monthly Members}) + (\text{Total BRS Relative Cost Factor} \times \text{Total BRS Relative Risk Factor} \times \text{Total BRS Ave Monthly Members})]}{\text{Total BRS Relative Cost Factor} \times \text{Total BRS Relative Risk Factor} \times \text{Total BRS Ave Monthly Members}}$$
 - 3) The BRS Relative Risk Factor for each program represents the cost of each BRS program relative to Total BRS costs. For example, the Relative Risk Factor for CAF = 3.668 / 2.100. The Total BRS Relative Risk Factor for each plan/region represents the relative risk based on their risk based on their distribution of BRS users among CAF and OYA.

Oregon Health Plan Medicaid Demonstration
 Capitation Rate Development for January 2011 through December 2011
 Intensive Services Array Risk Adjustment Factors
 PLM, CHIP, or TANF Children Aged 1-5

EXHIBIT 4-D (i)

	Psychiatric Day Treatment Services (PDTs)	Psychiatric Residential Treatment Services (PRTS)	Community Health Treatment Services (CHTS)	Composite ISA
	A	B	C	D = [(AxW)+ (BxW)+ (CxX)] / Y
ITS Cost Per User Per Month	\$3,828	\$11,026	\$1,315	\$2,193
Relative Cost Factor	1.746	5.027	0.600	1.000
	E	F	G	H = [(ExW)+ (FxW)+ (GxX)] / Y

Plan Name	Region	July & August 2010 Avg Enrollees I	TOTAL MHO MEMBER MONTHS J	March 2009 - June 2009 ITS Member Months				Prevalence Factor (per 1,000 Members)						Composite ISA Adjustment (w Glide Path Adjust) T = [(ExP)+ (FxS) (GxS)] / Z	Normalized Risk Adjustment Factors (w Glide Path Adjust) U = T / AH
				PDTs K	PRTS L	CHTS M	Total ISA N = K + L + M	PDTs		PRTS		CHTS S	Total ISA S = P + R + S		
								Unadjusted O	w/ Glide Path Adjust P	Unadjusted Q	w/ Glide Path Adjust R				
ABHA	LBMPY	1,040	3,447	10	-	1	11	36.4	32.9	0.0	0.0	3.5	36.3	18.101	18.964
ABHA	OTHER	5,860	18,567	-	-	3	3	0.0	0.1	0.0	0.0	1.9	2.1	0.415	0.435
Clackamas	OTHER	1,404	4,836	-	-	1	1	0.0	0.1	0.0	0.0	2.5	2.6	0.514	0.539
Clackamas	Tri-County	3,616	14,235	-	-	1	1	0.0	0.1	0.0	0.0	0.8	1.0	0.215	0.225
FamilyCare BH	Tri-County	7,094	8,706	-	-	-	-	0.0	0.1	0.0	0.0	0.0	0.1	0.061	0.064
GOBH	JJD	2,534	8,400	-	-	3	3	0.0	0.1	0.0	0.0	4.3	4.4	0.844	0.884
GOBH	OTHER	7,425	23,884	3	-	-	3	1.5	1.5	0.0	0.0	0.0	1.5	0.782	0.819
JBH	JJD	7,558	23,278	3	-	4	7	1.5	1.5	0.0	0.0	2.1	3.6	1.177	1.233
JBH	OTHER	3,636	11,875	-	-	8	8	0.0	0.1	0.0	0.0	8.1	8.2	1.537	1.611
LaneCare	LANE	7,211	23,464	3	-	9	12	1.4	1.4	0.0	0.0	4.6	6.0	1.595	1.671
MVBCN	LBMPY	19,153	61,976	-	-	8	8	0.0	0.1	0.0	0.0	1.5	1.7	0.344	0.360
MVBCN	OTHER	565	1,789	-	-	-	-	0.0	0.1	0.0	0.0	0.0	0.1	0.061	0.064
Verity	Tri-County	14,027	50,294	7	-	9	16	1.7	1.6	0.0	0.0	2.1	3.8	1.252	1.312
Washington County DHHS	Tri-County	8,963	30,646	1	-	4	5	0.4	0.5	0.0	0.0	1.5	2.0	0.522	0.547
Grand Total		90,086	285,397	27	-	51	78	1.1	1.1	0.0	0.0	2.1	3.3	0.955	1.000
				V	W	X	Y					Z		AH	

- Notes:
- The Composite ITS Adjustment factors are calculated as follows:
 [(PDTs Relative Cost Factor x PDTs Ave Monthly Members) +
 (PRTS Relative Cost Factor x PRTS Ave Monthly Members)
 (CHTS Relative Cost Factor x CHTS Ave Monthly Members)] / Statewide average prevalence * cost
 - PRTS with Glide Path Adjustment is 100% statewide prevalence
 PDTs with Glide Path Adjustment is a 90% - 10% blend of statewide and plan-specific prevalence
 CHTS with Glide Path Adjustment is 100% plan-specific prevalence.

Oregon Health Plan Medicaid Demonstration
 Capitation Rate Development for January 2011 through December 2011
 Intensive Services Array Risk Adjustment Factors
 PLM, CHIP, or TANF Children Aged 6-18

EXHIBIT 4-D (ii)

	Psychiatric Day Treatment Services (PDTs)	Psychiatric Residential Treatment Services (PRTS)	Community Health Treatment Services (CHTS)	Composite ISA
	A	B	C	$D = \frac{[(AxW) + (BxW) + (CxX)]}{Y}$
ITS Cost Per User Per Month	\$3,828	\$11,026	\$1,315	\$2,052
Relative Cost Factor	1.866	5.374	0.641	1.000
	E	F	G	$H = \frac{[(ExW) + (FxW) + (GxX)]}{Y}$

Plan Name	Region	July & August 2010 Avg Enrollees	TOTAL MHO MEMBER MONTHS	March 2009 - June 2009 ITS Member Months				Prevalence Factor (per 1,000 Members)						Composite ISA Adjustment Factors (w/ Glide Path Adjust)	Normalized Risk Adjustment Factors (w/ Glide Path Adjust)
				PDTs	PRTS	CHTS	Total ISA	PDTs		PRTS		CHTS	Total ISA		
								Unadjusted	w/ Glide Path Adjust	Unadjusted	w/ Glide Path Adjust				
I	J	K	L	M	N = K + L + M	O	P	Q	R	S	S = P + R + S	T = $\frac{[(ExP) + (FxR) + (GxS)]}{Z}$	U = T / AH		
ABHA	LBMPY	1,709	5,220	6	-	36	42	13.8	13.3	0.0	0.9	82.8	97.0	2.003	2.022
ABHA	OTHER	10,676	30,651	48	4	67	119	18.7	17.7	1.6	0.9	26.2	44.9	1.326	1.339
Clackamas	OTHER	2,435	7,950	17	-	44	61	26.2	24.4	0.0	0.9	65.9	91.2	2.245	2.267
Clackamas	Tri-County	7,160	25,073	4	-	78	82	1.9	2.6	0.0	0.9	37.1	40.6	0.814	0.821
FamilyCare BH	Tri-County	9,677	13,234	1	-	26	27	0.9	1.7	0.0	0.9	23.8	26.4	0.566	0.571
GOBH	JJD	4,640	14,939	-	-	62	62	0.0	0.8	0.0	0.9	49.6	51.4	0.930	0.939
GOBH	OTHER	12,256	38,252	21	2	111	134	6.6	6.8	0.6	0.9	35.0	42.7	0.969	0.979
JBH	JJD	13,444	40,762	72	-	104	176	21.2	20.0	0.0	0.9	30.6	51.5	1.496	1.511
JBH	OTHER	6,669	21,603	33	2	72	108	18.5	17.5	1.1	0.9	40.3	58.7	1.536	1.551
LaneCare	LANE	12,974	40,027	66	4	162	232	19.7	18.5	1.2	0.9	48.7	68.2	1.713	1.729
MVBCN	LBMPY	30,820	94,443	14	3	217	234	1.8	2.4	0.4	0.9	27.5	30.9	0.660	0.666
MVBCN	OTHER	935	3,022	-	-	25	25	0.0	0.8	0.0	0.9	99.3	101.1	1.699	1.715
Verity	Tri-County	23,948	79,961	12	12	140	164	1.8	2.5	1.8	0.9	21.1	24.5	0.560	0.566
Washington County DHHS	Tri-County	14,351	42,575	29	9	74	113	8.3	8.3	2.5	0.9	21.0	30.2	0.821	0.829
Grand Total		151,694	457,710	323	36	1,219	1,578	8.5	8.5	0.9	0.9	32.0	41.4	0.990	1.000
				V	W	X	Y					Z		AH	

Notes:
 1 The Composite ITS Adjustment factors are calculated as follows:
 $[(PDTs \text{ Relative Cost Factor} \times PDTs \text{ Ave Monthly Members}) + (PRTS \text{ Relative Cost Factor} \times PRTS \text{ Ave Monthly Members}) + (CHTS \text{ Relative Cost Factor} \times CHTS \text{ Ave Monthly Members})] / \text{Statewide average prevalence} \times \text{cost}$

2 PRTS with Glide Path Adjustment is 100% statewide prevalence
 PDTs with Glide Path Adjustment is a 90% - 10% blend of statewide and plan-specific prevalence
 CHTS with Glide Path Adjustment is 100% plan-specific prevalence.

Oregon Health Plan Medicaid Demonstration
 Capitation Rate Development for January 2011 through December 2011
 Intensive Services Array Risk Adjustment Factors
 AB/AD without Medicare

EXHIBIT 4-D (iii)

	Psychiatric Day Treatment Services (PDTS)	Psychiatric Residential Treatment Services (PRTS)	Community Health Treatment Services (CHTS)	Composite ISA
	A	B	C	$D = \frac{[(A \times V) + (B \times W) + (C \times X)]}{Y}$
ITS Cost Per User Per Month	\$3,828	\$11,026	\$1,315	\$2,246
Relative Cost Factor	1.704	4.909	0.586	1.000
	E	F	G	$H = \frac{[(E \times V) + (F \times W) + (G \times X)]}{Y}$

Plan Name	Region	July & August 2010 Avg Enrollees	TOTAL MHO MEMBER MONTHS	March 2009 - June 2009 ITS Member Months				Prevalence Factor (per 1,000 Members)						Composite ISA Adjustment (w/ Glide Path Adjust)	Normalized Risk Adjustment Factors (w/ Glide Path Adjust)
				PDTS	PRTS	CHTS	Total ISA	PDTS		PRTS		CHTS	Total ISA		
								Unadjusted	w/ Glide Path Adjust	Unadjusted	w/ Glide Path Adjust				
		I	J	K	L	M	N = K + L + M	O	P	Q	R	S	S = P + R + S	T = $\frac{[(Exp) + (F \times R) + (G \times S)]}{Z}$	U = T / AH
ABHA	LBMPY	582	2,066	3	3	4	10	17.4	17.2	17.4	4.6	23.2	45.0	0.743	0.747
ABHA	OTHER	2,571	9,157	22	6	45	73	28.8	27.4	7.9	4.6	59.4	91.4	1.183	1.188
Clackamas	OTHER	515	1,870	7	-	14	21	44.9	41.9	0.0	4.6	89.8	136.3	1.666	1.674
Clackamas	Tri-County	2,163	7,786	14	1	49	64	21.6	20.9	1.5	4.6	75.5	101.0	1.164	1.169
FamilyCare BH	Tri-County	1,611	3,952	-	-	11	11	0.0	1.5	0.0	4.6	33.3	39.4	0.507	0.509
GOBH	JJD	1,733	6,068	-	4	49	53	0.0	1.5	7.9	4.6	96.9	103.0	0.930	0.934
GOBH	OTHER	3,484	12,680	5	5	87	97	4.7	5.7	4.7	4.6	82.5	92.8	0.916	0.920
JBH	JJD	4,047	14,409	23	1	90	114	18.8	18.4	0.8	4.6	75.3	98.2	1.113	1.118
JBH	OTHER	2,856	10,786	23	2	26	51	25.6	24.5	2.5	4.6	28.8	57.9	0.923	0.927
LaneCare	LANE	5,064	18,269	26	11	143	180	17.1	16.9	7.2	4.6	93.9	115.3	1.208	1.213
MVBCN	LBMPY	7,289	25,891	16	9	146	171	7.4	8.2	4.0	4.6	67.8	80.5	0.866	0.869
MVBCN	OTHER	272	1,006	-	-	1	1	0.0	1.5	0.0	4.6	11.9	18.0	0.364	0.366
Verity	Tri-County	9,162	32,891	26	13	164	203	9.5	10.0	4.7	4.6	60.0	74.6	0.850	0.853
Washington County DHHS	Tri-County	2,867	9,836	29	5	64	99	35.7	33.6	6.1	4.6	78.7	116.9	1.431	1.437
Grand Total		44,217	156,668	194	60	895	1,148	14.8	14.8	4.6	4.6	68.5	88.0	0.996	1.000
				V	W	X	Y					Z		AH	

- Notes:
- The Composite ITS Adjustment factors are calculated as follows:

$$\frac{[(PDTS \text{ Relative Cost Factor} \times PDTS \text{ Ave Monthly Members}) + (PRTS \text{ Relative Cost Factor} \times PRTS \text{ Ave Monthly Members}) + (CHTS \text{ Relative Cost Factor} \times CHTS \text{ Ave Monthly Members})]}{\text{Statewide average prevalence} \times \text{cost}}$$
 - PRTS with Glide Path Adjustment is 100% statewide prevalence
 PDTS with Glide Path Adjustment is a 90% - 10% blend of statewide and plan-specific prevalence
 CHTS with Glide Path Adjustment is 100% plan-specific prevalence.

Oregon Health Plan Medicaid Demonstration
 Capitation Rate Development for January 2011 through December 2011
 Intensive Services Array Risk Adjustment Factors
 CAF Children

EXHIBIT 4-D (iv)

	Psychiatric Day Treatment Services (PDTS)	Psychiatric Residential Treatment Services (PRTS)	Community Health Treatment Services (CHTS)	Composite ISA
	A	B	C	D = [(AxV)+ (BxW)+ (CxX)] / Y
ITS Cost Per User Per Month	\$3,828	\$11,026	\$1,315	\$2,853
Relative Cost Factor	1.342	3.865	0.461	1.000
	E	F	G	H = [(ExV)+ (FxW)+ (GxX)] / Y

Plan Name	Region	July & August 2010 Avg Enrollees I	TOTAL MHO MEMBER MONTHS J	March 2009 - June 2009 ITS Member Months				Prevalence Factor (per 1,000 Members)						Composite ISA Adjustment (w/ Glide Path Adjust) T = [(ExP)+ (FxR) (GxS)] / Z	Normalized Risk Adjustment Factors (w/ Glide Path Adjust) U = T / AH
				PDTS K	PRTS L	CHTS M	Total ISA N = K + L + M	PDTS		PRTS		CHTS S	Total ISA S = P + R + S		
								Unadjusted O	w/ Glide Path Adjust P	Unadjusted Q	w/ Glide Path Adjust R				
ABHA	LBMYP	156	524	4	-	18	22	93.2	91.5	0.0	60.3	412.6	564.4	1.082	1.093
ABHA	OTHER	853	3,234	36	24	105	166	135.4	129.4	90.2	60.3	389.5	579.3	1.161	1.173
Clackamas	OTHER	231	799	8	1	36	44	119.7	115.3	9.5	60.3	534.1	709.8	1.256	1.269
Clackamas	Tri-County	1,020	4,473	37	8	125	170	99.2	96.8	21.3	60.3	334.3	491.5	1.024	1.035
FamilyCare BH	Tri-County	844	849	-	3	12	15	0.0	7.6	42.4	60.3	175.3	243.2	0.642	0.648
GOBH	JJD	597	2,066	5	13	91	109	29.0	33.7	75.5	60.3	528.2	622.2	1.034	1.044
GOBH	OTHER	1,348	4,780	16	27	195	238	40.2	43.7	66.7	60.3	490.3	594.4	1.026	1.036
JBH	JJD	1,348	5,104	43	13	100	157	101.1	98.6	31.4	60.3	236.1	395.0	0.939	0.949
JBH	OTHER	945	3,460	26	23	75	123	88.8	87.5	79.7	60.3	258.8	406.6	0.931	0.940
LaneCare	LANE	2,156	7,496	75	52	366	492	119.6	115.3	82.6	60.3	585.4	760.9	1.303	1.316
MVBCN	LBMYP	3,066	11,057	35	42	293	370	38.1	41.9	45.8	60.3	317.6	419.8	0.863	0.872
MVBCN	OTHER	115	295	-	-	-	-	0.0	7.6	0.0	60.3	0.0	67.9	0.482	0.487
Verity	Tri-County	2,247	9,612	35	63	235	333	44.2	47.4	78.2	60.3	293.2	400.9	0.855	0.864
Washington County DHHS	Tri-County	1,255	4,727	49	26	147	222	124.7	119.8	65.2	60.3	373.0	553.1	1.121	1.132
Grand Total		16,180	58,475	369	294	1,797	2,460	75.8	75.8	60.3	60.3	368.8	504.9	0.990	1.000
				V	W	X	Y					Z		AH	

- Notes:
- The Composite ITS Adjustment factors are calculated as follows:
 [(PDTS Relative Cost Factor x PDTS Ave Monthly Members) +
 (PRTS Relative Cost Factor x PRTS Ave Monthly Members)
 (CHTS Relative Cost Factor x CHTS Ave Monthly Members)] / Statewide Average Prevalence *Cost
 - PRTS with Glide Path Adjustment is 100% statewide prevalence
 PDTS with Glide Path Adjustment is a 90% - 10% blend of statewide and plan-specific prevalence
 CHTS with Glide Path Adjustment is 100% plan-specific prevalence.

Oregon Health Plan Medicaid Demonstration
Comparison of January 2011 and January 2010 MHO Capitation Rates
Without Adjustment for Administrative Allowance

EXHIBIT 4-E (i)

Statewide MHO Rates			
Eligibility Category	January 2011 (Without Admin Allowance)	January 2010 (Without Admin Allowance)	% Change
Temporary Assistance to Needy Families (Adults Only)	\$27.71	\$27.12	2.2%
Poverty Level Medical Adults	\$9.70	\$9.47	2.4%
PLM, TANF, and CHIP Children < 1	\$0.62	\$0.60	3.1%
PLM, TANF, and CHIP Children 1 - 5	\$4.62	\$4.89	-5.6%
PLM, TANF, and CHIP Children 6 - 18	\$25.63	\$27.68	-7.4%
Aid to the Blind/Aid to the Disabled with Medicare	\$78.62	\$73.69	6.7%
Aid to the Blind/Aid to the Disabled without Medicare	\$133.46	\$128.60	3.8%
Old Age Assistance with Medicare	\$8.70	\$8.66	0.5%
Old Age Assistance without Medicare	\$28.20	\$27.56	2.3%
CAF Children	\$217.69	\$201.95	7.8%
OHP Families	\$14.92	\$14.57	2.4%
OHP Adults & Couples	\$41.21	\$40.22	2.4%
Weighted Average ¹	\$42.70	\$41.67	2.5%

¹ Weighted average capitation rates are based on June through November 2008 enrollment distributions.

*: ABAD, ABAD-MED rates include MH ENCC.

Oregon Health Plan Medicaid Demonstration
Comparison of January 2011 and January 2010 MHO Capitation Rates
Includes Adjustment for Administrative Allowance

EXHIBIT 4-E (ii)

Statewide MHO Rates			
Eligibility Category	January 2011 (Including Admin Allowance)	January 2010 (Including Admin Allowance)	% Change
Temporary Assistance to Needy Families (Adults Only)	\$30.38	\$29.74	2.2%
Poverty Level Medical Adults	\$10.63	\$10.38	2.4%
PLM, TANF, and CHIP Children < 1	\$0.68	\$0.66	3.1%
PLM, TANF, and CHIP Children 1 - 5	\$5.06	\$5.36	-5.6%
PLM, TANF, and CHIP Children 6 - 18	\$28.10	\$30.35	-7.4%
Aid to the Blind/Aid to the Disabled with Medicare	\$86.20	\$80.80	6.7%
Aid to the Blind/Aid to the Disabled without Medicare	\$146.33	\$141.01	3.8%
Old Age Assistance with Medicare	\$9.54	\$9.50	0.5%
Old Age Assistance without Medicare	\$30.92	\$30.22	2.3%
CAF Children	\$238.70	\$221.43	7.8%
OHP Families	\$16.36	\$15.98	2.4%
OHP Adults & Couples	\$45.18	\$44.10	2.4%

Weighted Average ¹	\$46.82	\$45.69	2.5%
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¹ Weighted average capitation rates are based on June through November 2008 enrollment distributions.

*: ABAD, ABAD-MED rates include MH ENCC.

Oregon Health Plan Medicaid Demonstration
Comparison of January 2011 and January 2010 MHO Capitation Rates
Includes Adjustment for Administrative Allowance Including MCO Tax

EXHIBIT 4-F

Accountable Behavioral Health Alliance															
Eligibility Category	JJD			Lane			LBMPY			Other			Tri-County		
	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change
Temporary Assistance to Needy Families (Adults Only)							\$31.60	\$31.38	0.7%	\$31.69	\$31.36	1.0%			
Poverty Level Medical Adults							\$11.76	\$10.39	13.2%	\$11.79	\$10.38	13.5%			
PLM, TANF, and CHIP Children < 1							\$0.68	\$0.66	3.1%	\$0.68	\$0.66	3.2%			
PLM, TANF, and CHIP Children 1 - 5							\$16.48	\$13.24	24.4%	\$4.28	\$4.36	-1.9%			
PLM, TANF, and CHIP Children 6 - 18							\$37.98	\$35.54	6.9%	\$32.72	\$36.03	-9.2%			
Aid to the Blind/Aid to the Disabled with Medicare							\$77.83	\$72.73	7.0%	\$77.88	\$72.72	7.1%			
Aid to the Blind/Aid to the Disabled without Medicare							\$129.01	\$125.39	2.9%	\$137.49	\$128.66	6.9%			
Old Age Assistance with Medicare							\$9.53	\$9.49	0.4%	\$9.54	\$9.49	0.5%			
Old Age Assistance without Medicare							\$30.78	\$30.13	2.1%	\$30.95	\$30.10	2.8%			
CAF Children							\$252.00	\$237.21	6.2%	\$268.23	\$232.35	15.4%			
OHP Families							\$17.08	\$15.56	9.8%	\$17.13	\$15.55	10.1%			
OHP Adults & Couples							\$41.94	\$39.64	5.8%	\$42.11	\$39.61	6.3%			
Weighted Average ¹							\$51.70	\$48.78	6.0%	\$45.66	\$43.82	4.2%			

¹ Weighted average capitation rates are based on June through November 2008 enrollment distributions.

Oregon Health Plan Medicaid Demonstration
Comparison of January 2011 and January 2010 MHO Capitation Rates
Includes Adjustment for Administrative Allowance Including MCO Tax

EXHIBIT 4-F

Accountable Behavioral Health Alliance				Central Oregon Individual Health Sol											
Eligibility Category	JJD			Lane			LBMPY			Other			Tri-County		
	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change
Temporary Assistance to Needy Families (Adults Only)										\$31.69	N/A	N/A			
Poverty Level Medical Adults										\$11.79	N/A	N/A			
PLM, TANF, and CHIP Children < 1										\$0.68	N/A	N/A			
PLM, TANF, and CHIP Children 1 - 5										\$4.28	N/A	N/A			
PLM, TANF, and CHIP Children 6 - 18										\$32.72	N/A	N/A			
Aid to the Blind/Aid to the Disabled with Medicare										\$77.88	N/A	N/A			
Aid to the Blind/Aid to the Disabled without Medicare										\$137.49	N/A	N/A			
Old Age Assistance with Medicare										\$9.54	N/A	N/A			
Old Age Assistance without Medicare										\$30.95	N/A	N/A			
CAF Children										\$268.23	N/A	N/A			
OHP Families										\$17.13	N/A	N/A			
OHP Adults & Couples										\$42.11	N/A	N/A			
Weighted Average ¹										\$45.66	N/A	N/A			

¹ Weighted average capitation rates are based on June through November 2008 enrollment distributions.

Oregon Health Plan Medicaid Demonstration
Comparison of January 2011 and January 2010 MHO Capitation Rates
Includes Adjustment for Administrative Allowance Including MCO Tax

EXHIBIT 4-F

Clackamas County															
Eligibility Category	JJD			Lane			LBMPY			Other			Tri-County		
	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change
Temporary Assistance to Needy Families (Adults Only)										\$31.10	\$29.00	7.2%	\$31.26	\$29.03	7.7%
Poverty Level Medical Adults										\$9.63	\$9.37	2.7%	\$9.67	\$9.38	3.1%
PLM, TANF, and CHIP Children < 1										\$0.68	\$0.66	3.1%	\$0.68	\$0.66	3.2%
PLM, TANF, and CHIP Children 1 - 5										\$4.75	\$7.86	-39.6%	\$4.54	\$4.47	1.5%
PLM, TANF, and CHIP Children 6 - 18										\$35.88	\$38.99	-8.0%	\$24.73	\$27.03	-8.5%
Aid to the Blind/Aid to the Disabled with Medicare										\$84.46	\$77.95	8.3%	\$84.55	\$77.97	8.4%
Aid to the Blind/Aid to the Disabled without Medicare										\$155.30	\$166.50	-6.7%	\$147.20	\$142.56	3.3%
Old Age Assistance with Medicare										\$9.53	\$9.49	0.4%	\$9.54	\$9.50	0.5%
Old Age Assistance without Medicare										\$30.68	\$30.17	1.7%	\$30.98	\$30.23	2.5%
CAF Children										\$278.07	\$240.15	15.8%	\$231.14	\$202.41	14.2%
OHP Families										\$15.59	\$14.94	4.4%	\$15.67	\$14.96	4.8%
OHP Adults & Couples										\$46.43	\$45.98	1.0%	\$46.76	\$46.04	1.6%
Weighted Average ¹										\$46.18	\$46.75	-1.2%	\$49.69	\$47.20	5.3%

¹ Weighted average capitation rates are based on June through November 2008 enrollment distributions.

Oregon Health Plan Medicaid Demonstration
Comparison of January 2011 and January 2010 MHO Capitation Rates
Includes Adjustment for Administrative Allowance Including MCO Tax

EXHIBIT 4-F

FamilyCare, Inc.															
Eligibility Category	JJD			Lane			LBMPY			Other			Tri-County		
	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change
Temporary Assistance to Needy Families (Adults Only)													\$27.39	\$27.84	-1.6%
Poverty Level Medical Adults													\$9.61	\$10.17	-5.5%
PLM, TANF, and CHIP Children < 1													\$0.68	\$0.66	3.2%
PLM, TANF, and CHIP Children 1 - 5													\$4.42	\$5.21	-15.2%
PLM, TANF, and CHIP Children 6 - 18													\$22.79	\$24.16	-5.7%
Aid to the Blind/Aid to the Disabled with Medicare													\$85.56	\$79.48	7.6%
Aid to the Blind/Aid to the Disabled without Medicare													\$136.77	\$131.50	4.0%
Old Age Assistance with Medicare													\$9.54	\$9.50	0.5%
Old Age Assistance without Medicare													\$30.98	\$30.23	2.5%
CAF Children													\$198.10	\$218.27	-9.2%
OHP Families													\$14.77	\$15.88	-7.0%
OHP Adults & Couples													\$44.73	\$44.79	-0.1%
Weighted Average ¹													\$33.32	\$33.71	-1.2%

¹ Weighted average capitation rates are based on June through November 2008 enrollment distributions.

Oregon Health Plan Medicaid Demonstration
Comparison of January 2011 and January 2010 MHO Capitation Rates
Includes Adjustment for Administrative Allowance Including MCO Tax

EXHIBIT 4-F

Greater Oregon Behavioral Health, Inc.															
Eligibility Category	JJD			Lane			LBMPY			Other			Tri-County		
	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change
Temporary Assistance to Needy Families (Adults Only)	\$32.71	\$28.76	13.7%							\$32.72	\$28.74	13.8%			
Poverty Level Medical Adults	\$10.31	\$9.38	9.9%							\$10.31	\$9.37	10.0%			
PLM, TANF, and CHIP Children < 1	\$0.68	\$0.66	3.2%							\$0.68	\$0.66	3.2%			
PLM, TANF, and CHIP Children 1 - 5	\$4.58	\$4.42	3.6%							\$4.54	\$6.16	-26.4%			
PLM, TANF, and CHIP Children 6 - 18	\$26.98	\$36.34	-25.8%							\$27.29	\$33.22	-17.8%			
Aid to the Blind/Aid to the Disabled with Medicare	\$77.65	\$72.75	6.7%							\$77.66	\$72.74	6.8%			
Aid to the Blind/Aid to the Disabled without Medicare	\$132.92	\$131.92	0.8%							\$132.73	\$128.08	3.6%			
Old Age Assistance with Medicare	\$9.55	\$9.50	0.6%							\$9.55	\$9.49	0.6%			
Old Age Assistance without Medicare	\$31.11	\$30.22	3.0%							\$31.13	\$30.19	3.1%			
CAF Children	\$228.88	\$211.14	8.4%							\$232.76	\$214.46	8.5%			
OHP Families	\$16.88	\$14.41	17.1%							\$16.88	\$14.40	17.2%			
OHP Adults & Couples	\$43.88	\$39.72	10.5%							\$43.90	\$39.69	10.6%			
Weighted Average ¹	\$46.38	\$46.88	-1.1%							\$44.17	\$44.01	0.4%			

¹ Weighted average capitation rates are based on June through November 2008 enrollment distributions.

Oregon Health Plan Medicaid Demonstration
Comparison of January 2011 and January 2010 MHO Capitation Rates
Includes Adjustment for Administrative Allowance Including MCO Tax

EXHIBIT 4-F

Jefferson Behavioral Health															
Eligibility Category	JJD			Lane			LBMPY			Other			Tri-County		
	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change
Temporary Assistance to Needy Families (Adults Only)	\$29.37	\$29.60	-0.8%							\$29.61	\$29.86	-0.8%			
Poverty Level Medical Adults	\$10.21	\$10.17	0.4%							\$10.28	\$10.24	0.4%			
PLM, TANF, and CHIP Children < 1	\$0.68	\$0.66	3.1%							\$0.68	\$0.66	3.1%			
PLM, TANF, and CHIP Children 1 - 5	\$5.80	\$6.04	-3.9%							\$6.06	\$4.73	27.9%			
PLM, TANF, and CHIP Children 6 - 18	\$33.62	\$35.71	-5.9%							\$34.05	\$39.60	-14.0%			
Aid to the Blind/Aid to the Disabled with Medicare	\$79.36	\$72.71	9.1%							\$79.50	\$72.85	9.1%			
Aid to the Blind/Aid to the Disabled without Medicare	\$137.31	\$128.00	7.3%							\$135.34	\$129.26	4.7%			
Old Age Assistance with Medicare	\$9.52	\$9.49	0.4%							\$9.54	\$9.51	0.4%			
Old Age Assistance without Medicare	\$30.53	\$30.07	1.6%							\$31.00	\$30.55	1.5%			
CAF Children	\$246.54	\$207.47	18.8%							\$245.08	\$205.51	19.3%			
OHP Families	\$15.87	\$16.34	-2.9%							\$15.99	\$16.48	-3.0%			
OHP Adults & Couples	\$40.32	\$39.58	1.9%							\$40.77	\$40.04	1.8%			
Weighted Average ¹	\$47.58	\$45.07	5.6%							\$53.71	\$51.56	4.2%			

¹ Weighted average capitation rates are based on June through November 2008 enrollment distributions.

** CAF Children rate includes children's wrap-around service.

Oregon Health Plan Medicaid Demonstration
Comparison of January 2011 and January 2010 MHO Capitation Rates
Includes Adjustment for Administrative Allowance Including MCO Tax

EXHIBIT 4-F

Lane County acting by and through its Department of County Human Services															
Eligibility Category	JJD			Lane			LBMPY			Other			Tri-County		
	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change
Temporary Assistance to Needy Families (Adults Only)				\$34.37	\$35.32	-2.7%									
Poverty Level Medical Adults				\$11.43	\$12.42	-8.0%									
PLM, TANF, and CHIP Children < 1				\$0.68	\$0.66	3.1%									
PLM, TANF, and CHIP Children 1 - 5				\$6.23	\$5.45	14.4%									
PLM, TANF, and CHIP Children 6 - 18				\$37.74	\$35.02	7.8%									
Aid to the Blind/Aid to the Disabled with Medicare				\$93.25	\$90.77	2.7%									
Aid to the Blind/Aid to the Disabled without Medicare				\$160.55	\$157.07	2.2%									
Old Age Assistance with Medicare				\$9.54	\$9.50	0.4%									
Old Age Assistance without Medicare				\$30.85	\$30.34	1.7%									
CAF Children				\$294.30	\$244.31	20.5%									
OHP Families				\$19.12	\$19.15	-0.2%									
OHP Adults & Couples				\$43.96	\$45.76	-3.9%									
Weighted Average ¹				\$63.14	\$58.95	7.1%									

¹ Weighted average capitation rates are based on June through November 2008 enrollment distributions.

Oregon Health Plan Medicaid Demonstration
Comparison of January 2011 and January 2010 MHO Capitation Rates
Includes Adjustment for Administrative Allowance Including MCO Tax

EXHIBIT 4-F

Mid-Valley Behavioral Care Network															
Eligibility Category	JJD			Lane			LBMPY			Other			Tri-County		
	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change
Temporary Assistance to Needy Families (Adults Only)							\$31.26	\$30.40	2.8%	\$31.22	\$30.39	2.7%			
Poverty Level Medical Adults							\$11.28	\$11.11	1.5%	\$11.27	\$11.11	1.5%			
PLM, TANF, and CHIP Children < 1							\$0.68	\$0.66	3.2%	\$0.68	\$0.66	3.1%			
PLM, TANF, and CHIP Children 1 - 5							\$4.85	\$4.82	0.8%	\$4.66	\$4.80	-3.0%			
PLM, TANF, and CHIP Children 6 - 18							\$26.04	\$25.90	0.5%	\$34.16	\$28.52	19.8%			
Aid to the Blind/Aid to the Disabled with Medicare							\$85.03	\$80.39	5.8%	\$85.01	\$80.39	5.8%			
Aid to the Blind/Aid to the Disabled without Medicare							\$142.33	\$134.84	5.6%	\$132.98	\$130.48	1.9%			
Old Age Assistance with Medicare							\$9.54	\$9.49	0.5%	\$9.54	\$9.49	0.5%			
Old Age Assistance without Medicare							\$30.92	\$30.20	2.4%	\$30.84	\$30.18	2.2%			
CAF Children							\$245.36	\$198.16	23.8%	\$186.31	\$174.20	6.9%			
OHP Families							\$16.74	\$17.00	-1.5%	\$16.72	\$17.00	-1.6%			
OHP Adults & Couples							\$47.66	\$46.74	2.0%	\$47.57	\$46.72	1.8%			
Weighted Average ¹							\$43.40	\$40.13	8.1%	\$42.81	\$40.10	6.7%			

¹ Weighted average capitation rates are based on June through November 2008 enrollment distributions.

** CAF Children rate includes children's wrap-around service.

Oregon Health Plan Medicaid Demonstration
Comparison of January 2011 and January 2010 MHO Capitation Rates
Includes Adjustment for Administrative Allowance Including MCO Tax

EXHIBIT 4-F

Multnomah County by and through its Department of County Human Services															
Eligibility Category	JJD			Lane			LBMPY			Other			Tri-County		
	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change
Temporary Assistance to Needy Families (Adults Only)													\$27.55	\$26.80	2.8%
Poverty Level Medical Adults													\$10.57	\$9.52	11.1%
PLM, TANF, and CHIP Children < 1													\$0.68	\$0.66	3.2%
PLM, TANF, and CHIP Children 1 - 5													\$4.89	\$5.94	-17.7%
PLM, TANF, and CHIP Children 6 - 18													\$22.74	\$27.77	-18.1%
Aid to the Blind/Aid to the Disabled with Medicare													\$95.34	\$87.68	8.7%
Aid to the Blind/Aid to the Disabled without Medicare													\$157.58	\$154.94	1.7%
Old Age Assistance with Medicare													\$9.54	\$9.50	0.5%
Old Age Assistance without Medicare													\$30.98	\$30.22	2.5%
CAF Children													\$231.58	\$250.14	-7.4%
OHP Families													\$14.77	\$14.41	2.5%
OHP Adults & Couples													\$49.72	\$48.51	2.5%
Weighted Average ¹													\$47.92	\$49.22	-2.6%

¹ Weighted average capitation rates are based on June through November 2008 enrollment distributions.

Oregon Health Plan Medicaid Demonstration
Comparison of January 2011 and January 2010 MHO Capitation Rates
Includes Adjustment for Administrative Allowance Including MCO Tax

EXHIBIT 4-F

Washington County by and through its Department of Health and Human Services															
Eligibility Category	JJD			Lane			LBMPY			Other			Tri-County		
	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change
Temporary Assistance to Needy Families (Adults Only)													\$29.07	\$30.63	-5.1%
Poverty Level Medical Adults													\$10.01	\$10.31	-3.0%
PLM, TANF, and CHIP Children < 1													\$0.68	\$0.66	3.2%
PLM, TANF, and CHIP Children 1 - 5													\$4.36	\$4.51	-3.4%
PLM, TANF, and CHIP Children 6 - 18													\$24.78	\$23.92	3.6%
Aid to the Blind/Aid to the Disabled with Medicare													\$89.65	\$85.72	4.6%
Aid to the Blind/Aid to the Disabled without Medicare													\$159.64	\$146.75	8.8%
Old Age Assistance with Medicare													\$9.54	\$9.49	0.5%
Old Age Assistance without Medicare													\$30.98	\$30.21	2.6%
CAF Children													\$277.36	\$229.31	21.0%
OHP Families													\$15.87	\$16.18	-1.9%
OHP Adults & Couples													\$44.58	\$42.75	4.3%
Weighted Average ¹													\$41.87	\$38.45	8.9%

¹ Weighted average capitation rates are based on June through November 2008 enrollment distributions.

** CAF Children rate includes children's wrap-around service.

Oregon Health Plan Medicaid Demonstration
Comparison of January 2011 and January 2010 DCO Capitation Rates
Without Adjustment for Administrative Allowance

EXHIBIT 5-A (i)

Statewide DCO Rates			
Eligibility Category	January 2011 (Without Admin Allowance)	January 2010 (Without Admin Allowance)	% Change
Temporary Assistance to Needy Families (Adults Only)	\$28.19	\$29.73	-5.2%
Poverty Level Medical Adults	\$25.59	\$24.94	2.6%
PLM, TANF, and CHIP Children < 1	\$0.28	\$0.21	33.7%
PLM, TANF, and CHIP Children 1 - 5	\$18.15	\$17.64	2.9%
PLM, TANF, and CHIP Children 6 - 18	\$23.49	\$22.89	2.6%
Aid to the Blind/Aid to the Disabled with Medicare	\$22.87	\$27.05	-15.5%
Aid to the Blind/Aid to the Disabled without Medicare	\$19.43	\$25.07	-22.5%
Old Age Assistance with Medicare	\$14.48	\$14.51	-0.2%
Old Age Assistance without Medicare	\$23.11	\$19.63	17.7%
CAF Children	\$22.59	\$21.22	6.4%
OHP Families	\$5.42	\$6.29	-13.9%
OHP Adults & Couples	\$5.34	\$6.10	-12.5%
Weighted Average ¹	\$19.16	\$19.83	-3.4%

¹ Weighted average capitation rates are based on June through November 2008 enrollment distributions.

Oregon Health Plan Medicaid Demonstration
Comparison of January 2011 and January 2010 DCO Capitation Rates
Includes Adjustment for Administrative Allowance

EXHIBIT 5-A (ii)

Statewide DCO Rates			
Eligibility Category	January 2011 (Including Admin Allowance)	January 2010 (Including Admin Allowance)	% Change
Temporary Assistance to Needy Families (Adults Only)	\$30.64	\$32.32	-5.2%
Poverty Level Medical Adults	\$27.82	\$27.11	2.6%
PLM, TANF, and CHIP Children < 1	\$0.31	\$0.23	33.7%
PLM, TANF, and CHIP Children 1 - 5	\$19.73	\$19.17	2.9%
PLM, TANF, and CHIP Children 6 - 18	\$25.53	\$24.88	2.6%
Aid to the Blind/Aid to the Disabled with Medicare	\$24.86	\$29.41	-15.5%
Aid to the Blind/Aid to the Disabled without Medicare	\$21.12	\$27.25	-22.5%
Old Age Assistance with Medicare	\$15.74	\$15.77	-0.2%
Old Age Assistance without Medicare	\$25.11	\$21.34	17.7%
CAF Children	\$24.55	\$23.07	6.4%
OHP Families	\$5.89	\$6.84	-13.9%
OHP Adults & Couples	\$5.80	\$6.63	-12.5%
Weighted Average ¹	\$20.82	\$21.55	-3.4%

¹ Weighted average capitation rates are based on June through November 2008 enrollment distributions.

**Oregon Health Plan Medicaid Demonstration
Capitation Rate Development for January 2011 through December 2011
Dental Geographic Adjustment**

EXHIBIT 5-B

Region	Factor
Deschutes County	0.970
Jackson/Josephine/Douglas	0.970
Lane	0.970
Linn/Benton/Marion/Polk/Yamhill	0.970
Tri-County (Clackamas, Multnomah, Washington)	1.052
Other	0.970

Oregon Health Plan Medicaid Demonstration
Comparison of January 2011 and January 2010 DCO Capitation Rates
Includes Adjustment for Administrative Allowance

EXHIBIT 5-C

Dental															
Eligibility Category	JJD			Lane			LBMPY			Other			Tri-County		
	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change	Jan 2011	Jan 2010	% Change
Temporary Assistance to Needy Families (Adults Only)	\$29.72	\$31.35	-5.2%	\$29.72	\$31.35	-5.2%	\$29.72	\$31.35	-5.2%	\$29.72	\$31.35	-5.2%	\$32.24	\$34.01	-5.2%
Poverty Level Medical Adults	\$26.98	\$26.30	2.6%	\$26.98	\$26.30	2.6%	\$26.98	\$26.30	2.6%	\$26.98	\$26.30	2.6%	\$29.27	\$28.53	2.6%
PLM, TANF, and CHIP Children < 1	\$0.30	\$0.22	33.7%	\$0.30	\$0.22	33.7%	\$0.30	\$0.22	33.7%	\$0.30	\$0.22	33.7%	\$0.32	\$0.24	33.7%
PLM, TANF, and CHIP Children 1 - 5	\$19.14	\$18.60	2.9%	\$19.14	\$18.60	2.9%	\$19.14	\$18.60	2.9%	\$19.14	\$18.60	2.9%	\$20.76	\$20.17	2.9%
PLM, TANF, and CHIP Children 6 - 18	\$24.76	\$24.14	2.6%	\$24.76	\$24.14	2.6%	\$24.76	\$24.14	2.6%	\$24.76	\$24.14	2.6%	\$26.86	\$26.18	2.6%
Aid to the Blind/Aid to the Disabled with Medicare	\$24.11	\$28.52	-15.5%	\$24.11	\$28.52	-15.5%	\$24.11	\$28.52	-15.5%	\$24.11	\$28.52	-15.5%	\$26.16	\$30.94	-15.5%
Aid to the Blind/Aid to the Disabled without Medicare	\$20.49	\$26.43	-22.5%	\$20.49	\$26.43	-22.5%	\$20.49	\$26.43	-22.5%	\$20.49	\$26.43	-22.5%	\$22.22	\$28.67	-22.5%
Old Age Assistance with Medicare	\$15.27	\$15.30	-0.2%	\$15.27	\$15.30	-0.2%	\$15.27	\$15.30	-0.2%	\$15.27	\$15.30	-0.2%	\$16.57	\$16.59	-0.2%
Old Age Assistance without Medicare	\$24.36	\$20.70	17.7%	\$24.36	\$20.70	17.7%	\$24.36	\$20.70	17.7%	\$24.36	\$20.70	17.7%	\$26.43	\$22.46	17.7%
CAF Children	\$23.81	\$22.38	6.4%	\$23.81	\$22.38	6.4%	\$23.81	\$22.38	6.4%	\$23.81	\$22.38	6.4%	\$25.83	\$24.28	6.4%
OHP Families	\$5.71	\$6.63	-13.9%	\$5.71	\$6.63	-13.9%	\$5.71	\$6.63	-13.9%	\$5.71	\$6.63	-13.9%	\$6.20	\$7.20	-13.9%
OHP Adults & Couples	\$5.63	\$6.43	-12.5%	\$5.63	\$6.43	-12.5%	\$5.63	\$6.43	-12.5%	\$5.63	\$6.43	-12.5%	\$6.11	\$6.98	-12.5%
Weighted Average ¹	\$20.26	\$21.03	-3.6%	\$20.19	\$21.14	-4.5%	\$20.36	\$20.93	-2.7%	\$20.20	\$20.90	-3.4%	\$21.79	\$22.54	-3.3%

¹ Weighted average capitation rates are based on June through November 2008 enrollment distributions.

Oregon Health Plan Medicaid Demonstration
Comparison of January 2011 and January 2010 Chemical Dependency Services
Does Not Include Adjustment for Administrative Allowance

EXHIBIT 6

Chemical Dependency Services			
Eligibility Category	January 2011	January 2010	% Change
Temporary Assistance to Needy Families (Adults Only)	\$19.28	\$13.87	39.0%
Poverty Level Medical Adults	\$10.05	\$7.31	37.5%
PLM, TANF, and CHIP Children < 1	\$0.00	\$0.00	N/A
PLM, TANF, and CHIP Children 1 - 5	\$0.00	\$0.00	N/A
PLM, TANF, and CHIP Children 6 - 18	\$1.66	\$1.34	24.0%
Aid to the Blind/Aid to the Disabled with Medicare	\$5.12	\$5.16	-0.7%
Aid to the Blind/Aid to the Disabled without Medicare	\$11.88	\$9.28	28.0%
Old Age Assistance with Medicare	\$0.47	\$0.42	11.8%
Old Age Assistance without Medicare	\$0.69	\$0.16	325.7%
CAF Children	\$7.01	\$6.20	13.1%
OHP Families	\$6.29	\$4.64	35.5%
OHP Adults & Couples	\$40.33	\$27.47	46.8%
Weighted Average ¹	\$5.68	\$4.19	35.4%

¹ Weighted average capitation rates are based on June through November 2008 enrollment distributions.

Oregon Health Plan Medicaid Demonstration

EXHIBIT 7

Annual Trend Factors Used to Update Managed Care Data to Calendar Years 2010-2011

As of August 2009 (Not Including Revised CD Trends Effective January 1, 2011)

TANF RELATED ADULTS¹

Data Period Trend: From Midpoint of Data Period (7/1/2006) to End of Data Period (6/30/2007)

CATEGORY OF SERVICE	Utilization	Cost	Total
Inpatient Hospital	14.9%	3.8%	19.3%
Outpatient Hospital	7.2%	3.8%	11.3%
Physician & Other	9.5%	0.0%	9.5%
Prescription Drug	10.1%	0.0%	10.1%
Chemical Dependency	9.5%	1.9%	11.6%
Dental	8.8%	1.9%	10.9%
Mental Health	18.5%	1.9%	20.8%

Projection Period Trend: From End of Data Period (6/30/2007) to Mid of 2009

CATEGORY OF SERVICE	Utilization	Cost	Total
Inpatient Hospital	3.0%	3.1%	6.2%
Outpatient Hospital	4.0%	3.1%	7.2%
Physician & Other	4.0%	1.2%	5.2%
Prescription Drug	3.0%	2.6%	5.7%
Chemical Dependency	3.0%	1.7%	4.7%
Dental	2.0%	1.7%	3.7%
Mental Health	3.0%	1.7%	4.7%

Projection Period Trend: From Mid of 2009 to Mid of 2011

CATEGORY OF SERVICE	Utilization	Cost	Total
Inpatient Hospital	0.8%	3.1%	3.9%
Outpatient Hospital	3.3%	3.1%	6.5%
Physician & Other	3.0%	0.8%	3.8%
Prescription Drug	3.0%	1.2%	4.2%
Chemical Dependency	0.5%	0.8%	1.3%
Dental	2.0%	1.2%	3.2%
Mental Health	1.3%	1.2%	2.5%

¹ These factors apply to the TANF and PLM Adults eligibility categories

² For PLM Adults, a data period utilization trend of 0.0% was applied to IP-Maternity and IP-Maternity/Sterilization.

Oregon Health Plan Medicaid Demonstration

EXHIBIT 7

Annual Trend Factors Used to Update Managed Care Data to Calendar Years 2010-2011

As of August 2009 (Not Including Revised CD Trends Effective January 1, 2011)

CHILDREN³

Data Period Trend: From Midpoint of Data Period (7/1/2006) to End of Data Period (6/30/2007)

CATEGORY OF SERVICE	Utilization	Cost	Total
Inpatient Hospital	2.3%	3.8%	6.2%
Outpatient Hospital	-3.1%	3.8%	0.6%
Physician & Other	6.5%	0.0%	6.5%
Prescription Drug	2.4%	0.0%	2.4%
Chemical Dependency	6.5%	1.9%	8.5%
Dental	15.1%	1.9%	17.3%
Mental Health	19.7%	1.9%	22.0%

Projection Period Trend: From End of Data Period (6/30/2007) to Mid of 2009

CATEGORY OF SERVICE	Utilization	Cost	Total
Inpatient Hospital	2.0%	3.1%	5.2%
Outpatient Hospital	4.0%	3.1%	7.2%
Physician & Other	4.0%	1.2%	5.2%
Prescription Drug	3.0%	2.6%	5.7%
Chemical Dependency	4.0%	1.7%	5.8%
Dental	3.0%	1.7%	4.7%
Mental Health	3.0%	1.7%	4.7%

Projection Period Trend: From Mid of 2009 to Mid of 2011

CATEGORY OF SERVICE	Utilization	Cost	Total
Inpatient Hospital	0.0%	3.1%	3.1%
Outpatient Hospital	1.8%	3.1%	4.9%
Physician & Other	1.8%	0.8%	2.6%
Prescription Drug	1.0%	1.2%	2.2%
Chemical Dependency	0.5%	0.8%	1.3%
Dental	1.0%	1.2%	2.2%
Mental Health	1.0%	1.2%	2.2%

³ These factors apply to the TANF, PLM, CHIP CHILDREN and SCF eligibility categories.

Oregon Health Plan Medicaid Demonstration

EXHIBIT 7

Annual Trend Factors Used to Update Managed Care Data to Calendar Years 2010-2011

As of August 2009 (Not Including Revised CD Trends Effective January 1, 2011)

DISABLED RELATED⁴

Data Period Trend: From Midpoint of Data Period (7/1/2006) to End of Data Period (6/30/2007)

CATEGORY OF SERVICE	Utilization	Cost	Total
Inpatient Hospital	1.5%	3.8%	5.4%
Outpatient Hospital	3.8%	3.8%	7.7%
Physician & Other	0.9%	0.0%	0.9%
Prescription Drug	2.3%	0.0%	2.3%
Chemical Dependency	0.9%	1.9%	2.8%
Dental	3.3%	1.9%	5.3%
Mental Health	12.2%	1.9%	14.3%

Projection Period Trend: From End of Data Period (6/30/2007) to Mid of 2009

CATEGORY OF SERVICE	Utilization	Cost	Total
Inpatient Hospital	2.0%	3.1%	5.2%
Outpatient Hospital	4.0%	3.1%	7.2%
Physician & Other	4.0%	1.2%	5.2%
Prescription Drug	3.0%	2.6%	5.7%
Chemical Dependency	3.0%	1.7%	4.7%
Dental	2.0%	1.7%	3.7%
Mental Health	3.0%	1.7%	4.7%

⁴ These factors apply to the AB/AD without Medicare and OAA without Medicare eligibility categories

Projection Period Trend: From Mid of 2009 to Mid of 2011

CATEGORY OF SERVICE	Utilization	Cost	Total
Inpatient Hospital	1.5%	3.1%	4.6%
Outpatient Hospital	3.3%	3.1%	6.5%
Physician & Other	3.0%	0.8%	3.8%
Prescription Drug	2.0%	1.2%	3.2%
Chemical Dependency	1.0%	0.8%	1.8%
Dental	1.5%	1.2%	2.7%
Mental Health	1.3%	1.2%	2.5%

Oregon Health Plan Medicaid Demonstration

EXHIBIT 7

Annual Trend Factors Used to Update Managed Care Data to Calendar Years 2010-2011

As of August 2009 (Not Including Revised CD Trends Effective January 1, 2011)

DISABLED RELATED - DUAL MEDICAID/MEDICARE⁵

Data Period Trend: From Midpoint of Data Period (7/1/2006) to End of Data Period (6/30/2007)

CATEGORY OF SERVICE	Utilization	Cost	Total
Inpatient Hospital	0.0%	0.0%	0.0%
Outpatient Hospital	4.1%	3.8%	8.1%
Physician & Other	6.4%	0.0%	6.4%
Prescription Drug	55.6%	0.0%	55.6%
Chemical Dependency	6.4%	1.9%	8.4%
Dental	3.5%	1.9%	5.5%
Mental Health	3.4%	1.9%	5.4%

Projection Period Trend: From End of Data Period (6/30/2007) to Mid of 2009

CATEGORY OF SERVICE	Utilization	Cost	Total
Inpatient Hospital	0.0%	0.0%	0.0%
Outpatient Hospital	4.0%	3.1%	7.2%
Physician & Other	4.0%	1.2%	5.2%
Prescription Drug	0.0%	2.6%	2.6%
Chemical Dependency	3.0%	1.7%	4.7%
Dental	2.0%	1.7%	3.7%
Mental Health	2.0%	1.7%	3.7%

Projection Period Trend: From Mid of 2009 to Mid of 2011

CATEGORY OF SERVICE	Utilization	Cost	Total
Inpatient Hospital	0.0%	0.0%	0.0%
Outpatient Hospital	4.0%	3.1%	7.2%
Physician & Other	4.0%	0.8%	4.8%
Prescription Drug	0.0%	1.2%	1.2%
Chemical Dependency	-0.5%	0.8%	0.3%
Dental	1.5%	1.2%	2.7%
Mental Health	-0.5%	1.2%	0.7%

⁵ These factors apply to the AB/AD with Medicare and OAA with Medicare eligibility categories.

⁶ The data period for Dual Eligible prescription drugs is 7/1/2006 to 6/30/2007. Therefore, the data period trend is applied from 1/1/2007 to 6/30/2007.

Oregon Health Plan Medicaid Demonstration

EXHIBIT 7

Annual Trend Factors Used to Update Managed Care Data to Calendar Years 2010-2011

As of August 2009 (Not Including Revised CD Trends Effective January 1, 2011)

OHP STANDARD⁷

Data Period Trend: From Midpoint of Data Period (7/1/2006) to End of Data Period (6/30/2007)

CATEGORY OF SERVICE	Utilization	Cost	Total
Inpatient Hospital	-8.0%	3.8%	-4.5%
Outpatient Hospital	2.4%	3.8%	6.3%
Physician & Other	1.0%	0.0%	1.0%
Prescription Drug	2.1%	0.0%	2.1%
Chemical Dependency	1.0%	1.9%	2.9%
Dental	8.1%	1.9%	10.2%
Mental Health	3.7%	1.9%	5.7%

Projection Period Trend: From End of Data Period (6/30/2007) to Mid of 2009

CATEGORY OF SERVICE	Utilization	Cost	Total
Inpatient Hospital	0.0%	3.1%	3.1%
Outpatient Hospital	4.0%	3.1%	7.2%
Physician & Other	4.0%	1.2%	5.2%
Prescription Drug	3.0%	2.6%	5.7%
Chemical Dependency	3.0%	1.7%	4.7%
Dental	2.0%	1.7%	3.7%
Mental Health	3.0%	1.7%	4.7%

Projection Period Trend: From Mid of 2009 to Mid of 2011

CATEGORY OF SERVICE	Utilization	Cost	Total
Inpatient Hospital	0.0%	3.1%	3.1%
Outpatient Hospital	3.3%	3.1%	6.5%
Physician & Other	3.0%	0.8%	3.8%
Prescription Drug	-0.5%	1.2%	0.7%
Chemical Dependency	-0.5%	0.8%	0.3%
Dental	1.5%	1.2%	2.7%
Mental Health	1.3%	1.2%	2.5%

⁷ These factors apply to the OHP Families and OHP Adults and Couples eligibility categories.

Oregon Health Plan Medicaid Demonstration
2010 - 2011 Per Capita Cost Rates as Reported in Exhibit 10A in the December 2008 Report
Assumes Hospital Reimbursement Rates at 100% DRG

EXHIBIT 8

CATEGORY OF SERVICE	TANF	PLMA	CHILD 00-01	CHILD 01-05	CHILD 06-18	ABAD-MED	ABAD	OAA-MED	OAA	CAF	OHPFAM	OHPAC
PHYSICAL HEALTH												
ADMINISTRATIVE EXAMS												
ANESTHESIA	\$5.57	\$33.88	\$2.19	\$2.04	\$1.10	\$1.08	\$5.90	\$1.11	\$5.44	\$1.91	\$2.16	\$3.49
EXCEPT NEEDS CARE COORDINATION						\$8.01	\$8.01	\$6.26	\$6.26			
FP - IP HOSP												
FP - OP HOSP	\$0.08	\$0.23	\$0.00	\$0.00	\$0.01	\$0.00	\$0.02			\$0.02	\$0.09	\$0.02
FP - PHYS	\$1.26	\$5.08	\$0.00	\$0.00	\$0.09	\$0.02	\$0.15	\$0.00		\$0.08	\$0.79	\$0.12
HYSTERECTOMY - ANESTHESIA	\$0.11	\$0.02				\$0.01	\$0.03	\$0.00			\$0.10	\$0.04
HYSTERECTOMY - IP HOSP	\$5.16	\$1.10					\$1.83			\$0.03	\$1.43	\$1.30
HYSTERECTOMY - OP HOSP	\$0.05						\$0.02					
HYSTERECTOMY - PHYS	\$0.64	\$0.07			\$0.00	\$0.03	\$0.22	\$0.02		\$0.01	\$0.50	\$0.30
IP HOSP - ACUTE DETOX	\$0.67	\$0.08			\$0.07		\$1.83		\$0.98	\$0.08	\$0.34	\$2.34
IP HOSP - MATERNITY	\$53.35	\$523.40	\$0.13		\$2.52		\$4.74			\$1.24	\$0.99	\$0.30
IP HOSP - MATERNITY / STERILIZATION	\$3.69	\$21.17			\$0.01		\$0.18					\$0.04
IP HOSP - MEDICAL/SURGICAL	\$73.23	\$16.31	\$81.61	\$13.71	\$14.57	\$0.05	\$284.98	\$0.02	\$304.52	\$15.81	\$36.25	\$105.39
IP HOSP - NEWBORN	\$0.00	\$0.01	\$225.75	\$0.00			\$0.00			\$0.84		
IP HOSP - POST HOSP EXTENDED CARE	\$0.00				\$0.00							
LAB & RAD - DIAGNOSTIC X-RAY	\$11.57	\$32.81	\$3.12	\$1.07	\$1.85	\$2.80	\$13.97	\$3.09	\$14.08	\$2.01	\$8.32	\$13.01
LAB & RAD - LAB	\$8.99	\$26.25	\$1.26	\$0.94	\$1.53		\$9.15		\$8.95	\$2.09	\$7.18	\$9.40
LAB & RAD - THERAPEUTIC X-RAY	\$0.51	\$0.02	\$0.01	\$0.03	\$0.02	\$0.27	\$1.94	\$0.46	\$1.53	\$0.02	\$0.38	\$1.34
OP ER - SOMATIC MH	\$0.59	\$0.19	\$0.00	\$0.01	\$0.17	\$0.40	\$1.80	\$0.07	\$0.24	\$0.41	\$0.37	\$1.08
OP HOSP - BASIC	\$37.01	\$22.19	\$14.13	\$13.39	\$8.41	\$26.86	\$75.16	\$23.34	\$71.33	\$13.29	\$27.32	\$43.11
OP HOSP - EMERGENCY ROOM	\$21.17	\$8.23	\$11.67	\$7.54	\$5.42	\$4.30	\$21.96	\$3.12	\$10.10	\$4.73	\$11.70	\$17.54
OP HOSP - LAB & RAD	\$30.82	\$19.10	\$7.97	\$4.19	\$5.89	\$9.14	\$46.95	\$9.81	\$39.64	\$7.22	\$23.43	\$38.77
OP HOSP - MATERNITY	\$10.65	\$95.37	\$0.02	\$0.00	\$0.64	\$0.10	\$1.32	\$0.00		\$0.43	\$2.06	\$0.72
OP HOSP - POST HOSP EXTENDED CARE	\$0.02	\$0.03	\$0.03	\$0.00	\$0.00	\$0.05	\$0.45	\$0.11	\$0.64	\$0.00		\$0.01
OP HOSP - PRES DRUGS BASIC	\$4.43	\$5.21	\$0.85	\$0.88	\$0.78	\$5.28	\$6.90	\$4.75	\$3.61	\$0.66	\$2.55	\$3.95
OP HOSP - PRES DRUGS MH/CD	\$0.03	\$0.01	\$0.00	\$0.00	\$0.00	\$0.15	\$0.13	\$0.02	\$0.02	\$0.01	\$0.02	\$0.07
OP HOSP - SOMATIC MH	\$0.66	\$0.20	\$0.04	\$0.20	\$0.19	\$0.46	\$2.24	\$0.19	\$0.37	\$0.87	\$0.43	\$1.16
OTH MED - DME	\$1.82	\$0.60	\$1.47	\$0.37	\$0.31	\$6.32	\$22.02	\$6.56	\$11.77	\$1.31	\$1.39	\$3.47
OTH MED - HHC/PDN	\$0.53	\$0.34	\$0.50	\$0.18	\$0.07		\$5.50		\$4.90	\$0.62	\$0.12	\$0.27
OTH MED - HOSPICE	\$0.09	\$0.00	\$0.23	\$0.02	\$0.00		\$2.48		\$6.80	\$0.05	\$0.03	\$0.37
OTH MED - MATERNITY MGT												
OTH MED - SUPPLIES	\$1.44	\$1.34	\$0.82	\$0.26	\$0.35	\$17.98	\$13.78	\$20.23	\$8.55	\$1.54	\$1.32	\$3.02
PHYS CONSULTATION, IP & ER VISITS	\$13.84	\$7.29	\$34.77	\$5.17	\$3.61	\$4.86	\$25.01	\$5.64	\$18.96	\$4.67	\$9.00	\$17.03
PHYS HOME OR LONG-TERM CARE VISITS	\$0.02	\$0.00	\$0.06	\$0.00	\$0.00	\$0.20	\$0.64	\$0.70	\$1.16	\$0.05	\$0.00	\$0.02
PHYS MATERNITY	\$29.63	\$353.55	\$0.16	\$0.01	\$1.39	\$0.17	\$2.26	\$0.00	\$0.00	\$0.62	\$1.29	\$0.34
PHYS NEWBORN	\$0.04	\$0.17	\$6.26	\$0.04	\$0.05	\$0.02	\$0.12	\$0.02	\$0.16	\$0.16	\$0.04	\$0.05
PHYS OFFICE VISITS	\$32.77	\$16.67	\$72.73	\$23.65	\$13.27	\$9.31	\$43.44	\$8.30	\$40.28	\$21.84	\$29.70	\$41.59

Oregon Health Plan Medicaid Demonstration
2010 - 2011 Per Capita Cost Rates as Reported in Exhibit 10A in the December 2008 Report
Assumes Hospital Reimbursement Rates at 100% DRG

EXHIBIT 8

CATEGORY OF SERVICE	TANF	PLMA	CHILD 00-01	CHILD 01-05	CHILD 06-18	ABAD-MED	ABAD	OAA-MED	OAA	CAF	OHPFAM	OHPAC
PHYS OTHER	\$4.93	\$2.79	\$8.96	\$2.07	\$1.19	\$4.88	\$24.45	\$5.75	\$22.72	\$6.17	\$4.73	\$12.66
PHYS SOMATIC MH	\$3.35	\$1.03	\$0.12	\$0.71	\$1.40	\$1.61	\$6.12	\$0.78	\$1.69	\$4.66	\$2.26	\$4.26
PRES DRUGS - BASIC	\$42.08	\$25.70	\$10.14	\$6.85	\$10.00	\$6.01	\$155.55	\$4.30	\$101.50	\$24.37	\$50.23	\$113.74
PRES DRUGS - FP	\$1.64	\$1.83	\$0.00	\$0.00	\$0.36	\$0.00	\$0.54		\$0.01	\$0.46	\$1.80	\$0.74
PRES DRUGS - MH/CD												
SCHOOL-BASED HEALTH SERVICES												
STERILIZATION - ANESTHESIA FEMALE	\$0.36	\$1.78			\$0.00	\$0.00	\$0.04				\$0.10	\$0.02
STERILIZATION - ANESTHESIA MALE	\$0.00					\$0.00	\$0.00					
STERILIZATION - IP HOSP FEMALE	\$3.30	\$23.62			\$0.00		\$0.28				\$0.11	
STERILIZATION - IP HOSP MALE												
STERILIZATION - OP HOSP FEMALE	\$0.68	\$1.65			\$0.00	\$0.00	\$0.06				\$0.28	\$0.03
STERILIZATION - OP HOSP MALE	\$0.00					\$0.00	\$0.00				\$0.00	
STERILIZATION - PHY FEMALE	\$0.58	\$3.00			\$0.00	\$0.00	\$0.05				\$0.13	\$0.02
STERILIZATION - PHY MALE	\$0.07					\$0.00	\$0.01				\$0.07	\$0.00
SURGERY	\$13.79	\$7.30	\$6.50	\$3.54	\$3.43	\$4.72	\$23.53	\$5.63	\$22.76	\$4.63	\$9.93	\$18.25
TARGETED CASE MAN - BABIES FIRST												
TARGETED CASE MAN - HIV												
TARGETED CASE MAN - SUBS ABUSE MOMS												
THERAPEUTIC ABORTION - IP HOSP												
THERAPEUTIC ABORTION - OP HOSP												
THERAPEUTIC ABORTION - PHYS												
TRANSPORTATION - AMBULANCE	\$4.34	\$6.82	\$6.02	\$1.20	\$1.08	\$3.00	\$13.98	\$4.04	\$8.37	\$1.52	\$2.29	\$6.58
TRANSPORTATION - OTHER												
VISION CARE - EXAMS & THERAPY	\$2.53	\$2.35	\$0.52	\$0.77	\$2.21	\$4.09	\$3.66	\$5.90	\$5.46	\$2.66	\$0.65	\$1.48
VISION CARE - MATERIALS & FITTING	\$1.95	\$1.96	\$0.04	\$0.29	\$1.71	\$2.32	\$2.24	\$2.10	\$2.64	\$1.89	\$0.04	\$0.04
PART A DEDUCTIBLE						\$22.33		\$37.22				
PART B DEDUCTIBLE						\$11.38		\$11.38				
PART B COINSURANCE ADJUSTMENT						(\$5.71)		(\$3.12)				
Total	\$430.01	\$1,270.76	\$498.10	\$89.14	\$83.71	\$152.52	\$835.63	\$167.83	\$725.44	\$128.97	\$241.90	\$467.44
CHEMICAL DEPENDENCY												
CD SERVICES - ALTERNATIVE TO DETOX	\$0.39	\$0.06			\$0.00	\$0.34	\$0.54	\$0.02			\$0.16	\$1.19
CD SERVICES - METHADONE	\$1.83	\$0.58	\$0.00	\$0.00	\$0.00	\$2.10	\$2.66	\$0.24	\$0.18	\$0.01	\$0.91	\$8.47
CD SERVICES - OP	\$13.70	\$7.72	\$0.00	\$0.00	\$1.49	\$3.15	\$8.42	\$0.20	\$0.26	\$6.81	\$4.06	\$23.40
Total	\$15.92	\$8.36	\$0.00	\$0.00	\$1.50	\$5.60	\$11.61	\$0.46	\$0.44	\$6.81	\$5.13	\$33.07

Oregon Health Plan Medicaid Demonstration
2010 - 2011 Per Capita Cost Rates as Reported in Exhibit 10A in the December 2008 Report
Assumes Hospital Reimbursement Rates at 100% DRG

EXHIBIT 8

CATEGORY OF SERVICE	TANF	PLMA	CHILD 00-01	CHILD 01-05	CHILD 06-18	ABAD-MED	ABAD	OAA-MED	OAA	CAF	OHPFAM	OHPAC
DENTAL												
DENTAL - ADJUNCTIVE GENERAL	\$2.17	\$1.43	\$0.01	\$0.71	\$0.37	\$1.90	\$1.52	\$0.87	\$0.86	\$0.40	\$0.83	\$0.98
DENTAL - ANESTHESIA SURGICAL	\$0.36	\$0.15	\$0.00	\$0.82	\$0.44	\$0.38	\$0.33	\$0.05	\$0.03	\$0.56	\$0.07	\$0.06
DENTAL - DIAGNOSTIC	\$6.67	\$6.99	\$0.13	\$3.71	\$5.80	\$4.76	\$4.39	\$2.53	\$3.86	\$5.40	\$2.02	\$1.99
DENTAL - ENDODONTICS	\$2.76	\$2.61	\$0.00	\$1.19	\$1.41	\$1.43	\$1.28	\$0.47	\$1.00	\$1.15	\$0.27	\$0.18
DENTAL - I/P FIXED	\$0.01	\$0.01			\$0.00	\$0.03	\$0.01	\$0.02	\$0.02	\$0.00	\$0.00	\$0.00
DENTAL - ORAL SURGERY	\$4.37	\$2.40	\$0.01	\$0.80	\$1.65	\$3.13	\$3.05	\$1.72	\$3.00	\$1.35	\$1.48	\$1.87
DENTAL - ORTHODONTICS	\$0.00	\$0.00			\$0.02	\$0.00	\$0.04			\$0.07		
DENTAL - PERIODONTICS	\$2.15	\$1.79	\$0.00	\$0.01	\$0.13	\$2.26	\$1.61	\$0.78	\$1.80	\$0.12	\$0.08	\$0.04
DENTAL - PREVENTIVE	\$2.05	\$3.02	\$0.07	\$3.04	\$5.71	\$2.37	\$2.09	\$1.12	\$0.88	\$5.31	\$0.15	\$0.06
DENTAL - PROS REMOVABLE	\$3.71	\$0.60	\$0.00	\$0.00	\$0.04	\$6.03	\$5.30	\$7.18	\$11.13	\$0.02	\$0.24	\$0.15
DENTAL - RESTORATIVE	\$8.03	\$7.84	\$0.02	\$8.28	\$8.48	\$6.55	\$5.77	\$2.78	\$3.38	\$8.35	\$0.99	\$0.60
Total	\$32.29	\$26.84	\$0.26	\$18.56	\$24.07	\$28.83	\$25.38	\$17.51	\$25.95	\$22.73	\$6.13	\$5.91
MENTAL HEALTH												
MH SERVICES ACUTE INPATIENT	\$4.78	\$1.31	\$0.02	\$0.10	\$2.03	\$2.20	\$31.17	\$0.30	\$9.08	\$7.06	\$2.50	\$9.64
MH SERVICES ALTERNATIVE TO IP	\$0.13	\$0.05	\$0.04	\$0.00	\$0.23	\$2.75	\$2.98	\$0.12		\$2.91	\$0.02	\$0.65
MH SERVICES ANCILLARY SERVICES	\$0.07	\$0.00		\$0.00	\$0.01	\$0.05	\$0.22	\$0.07	\$0.80	\$0.02	\$0.06	\$0.05
MH SERVICES ASSESS & EVAL	\$1.66	\$0.82	\$0.01	\$0.34	\$1.26	\$1.20	\$2.33	\$0.32	\$0.87	\$4.54	\$0.60	\$1.30
MH SERVICES CASE MANAGEMENT	\$1.97	\$0.61	\$0.06	\$0.24	\$1.42	\$20.85	\$17.58	\$1.81	\$3.64	\$10.57	\$0.72	\$4.28
MH SERVICES CONS ASSESS					\$0.03		\$0.06			\$0.27		
MH SERVICES CONSULTATION												
MH SERVICES EVIDENCE BASED PRACTICE												
MH SERVICES FAMILY SUPPORT	\$0.02	\$0.00		\$0.01	\$0.01	\$0.80	\$0.64	\$0.04		\$0.11	\$0.00	\$0.13
MH SERVICES INTENSIVE TREATMENT SVCS			\$0.01	\$0.97	\$9.27	\$0.00	\$19.01			\$100.41		
MH SERVICES MED MANAGEMENT	\$0.22	\$0.03		\$0.00	\$0.04	\$3.30	\$2.99	\$0.22	\$0.39	\$0.14	\$0.14	\$0.44
MH SERVICES OP THERAPY	\$4.92	\$1.50	\$0.01	\$0.46	\$2.57	\$6.91	\$8.92	\$0.77	\$0.52	\$13.97	\$2.66	\$5.21
MH SERVICES OTHER OP	\$0.11	\$0.05		\$0.01	\$0.13	\$0.05	\$0.28	\$0.03		\$0.32	\$0.05	\$0.10
MH SERVICES PEO	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30
MH SERVICES PHYS IP	\$2.30	\$0.53	\$0.01	\$0.18	\$1.44	\$7.32	\$11.53	\$0.96	\$1.69	\$8.73	\$1.30	\$4.03
MH SERVICES PHYS OP	\$11.68	\$4.34	\$0.20	\$2.29	\$8.98	\$12.47	\$22.03	\$1.75	\$9.21	\$46.85	\$6.85	\$13.69
MH SERVICES SUPPORT DAY PROGRAM	\$0.34	\$0.15	\$0.00	\$0.20	\$0.64	\$18.35	\$14.73	\$2.33	\$2.56	\$4.61	\$0.12	\$2.51
Total	\$28.49	\$9.69	\$0.66	\$5.09	\$28.36	\$76.54	\$134.78	\$9.02	\$29.07	\$200.81	\$15.31	\$42.33
Total All	\$506.71	\$1,315.65	\$499.01	\$112.80	\$137.64	\$263.49	\$1,007.40	\$194.82	\$780.90	\$359.33	\$268.48	\$548.75

Oregon Health Plan Medicaid Demonstration
Revised Per Capita Cost for January 2010 through December 2011

EXHIBIT 9

As of August 2009 (Not Including Revised CD Rates Effective January 1, 2011)

Assumes Hospital Reimbursement Rates at 100% DRG

CATEGORY OF SERVICE	TANF	PLMA	CHILD 00-01	CHILD 01-05	CHILD 06-18	ABAD-MED	ABAD	OAA-MED	OAA	CAF	OHPFAM	OHPAC
PHYSICAL HEALTH												
ADMINISTRATIVE EXAMS												
ANESTHESIA	\$5.45	\$33.70	\$2.11	\$1.97	\$1.06	\$1.07	\$5.78	\$1.09	\$5.33	\$1.83	\$2.11	\$3.42
EXCEPT NEEDS CARE COORDINATION						\$5.98	\$5.89	\$4.67	\$4.60			
FP - IP HOSP												
FP - OP HOSP	\$0.08	\$0.23	\$0.00	\$0.00	\$0.01	\$0.00	\$0.02			\$0.02	\$0.09	\$0.02
FP - PHYS	\$1.23	\$5.06	\$0.00	\$0.00	\$0.08	\$0.02	\$0.14	\$0.00		\$0.08	\$0.77	\$0.12
HYSTERECTOMY - ANESTHESIA	\$0.11	\$0.02				\$0.01	\$0.03	\$0.00			\$0.10	\$0.03
HYSTERECTOMY - IP HOSP	\$5.00	\$1.10					\$1.82			\$0.03	\$1.43	\$1.30
HYSTERECTOMY - OP HOSP	\$0.05						\$0.02					
HYSTERECTOMY - PHYS	\$0.63	\$0.07			\$0.00	\$0.03	\$0.21	\$0.02		\$0.01	\$0.49	\$0.29
IP HOSP - ACUTE DETOX	\$0.65	\$0.08			\$0.07		\$1.82		\$0.98	\$0.08	\$0.34	\$2.34
IP HOSP - MATERNITY	\$51.61	\$523.40	\$0.13		\$2.44		\$4.71			\$1.21	\$0.99	\$0.30
IP HOSP - MATERNITY / STERILIZATION	\$3.57	\$21.17			\$0.01		\$0.18					\$0.04
IP HOSP - MEDICAL/SURGICAL	\$70.84	\$16.31	\$79.22	\$13.31	\$14.15	\$0.05	\$282.88	\$0.02	\$302.27	\$15.34	\$36.25	\$105.39
IP HOSP - NEWBORN	\$0.00	\$0.01	\$219.14	\$0.00			\$0.00			\$0.82		
IP HOSP - POST HOSP EXTENDED CARE	\$0.00				\$0.00							
LAB & RAD - DIAGNOSTIC X-RAY	\$11.34	\$32.63	\$3.00	\$1.03	\$1.78	\$2.79	\$13.70	\$3.03	\$13.80	\$1.93	\$8.15	\$12.75
LAB & RAD - LAB	\$8.81	\$26.11	\$1.21	\$0.91	\$1.47		\$8.96		\$8.77	\$2.01	\$7.04	\$9.21
LAB & RAD - THERAPEUTIC X-RAY	\$0.50	\$0.02	\$0.01	\$0.03	\$0.02	\$0.26	\$1.90	\$0.45	\$1.50	\$0.02	\$0.38	\$1.31
OP ER - SOMATIC MH	\$0.58	\$0.19	\$0.00	\$0.01	\$0.16	\$0.40	\$1.78	\$0.07	\$0.24	\$0.39	\$0.37	\$1.07
OP HOSP - BASIC	\$36.60	\$22.19	\$13.67	\$12.96	\$8.14	\$26.86	\$74.34	\$23.09	\$70.55	\$12.86	\$27.03	\$42.64
OP HOSP - EMERGENCY ROOM	\$20.94	\$8.23	\$11.29	\$7.30	\$5.25	\$4.30	\$21.72	\$3.09	\$9.99	\$4.58	\$11.57	\$17.34
OP HOSP - LAB & RAD	\$30.49	\$19.10	\$7.71	\$4.06	\$5.70	\$9.14	\$46.44	\$9.70	\$39.20	\$6.98	\$23.18	\$38.35
OP HOSP - MATERNITY	\$10.53	\$95.37	\$0.02	\$0.00	\$0.62	\$0.10	\$1.31	\$0.00		\$0.42	\$2.04	\$0.71
OP HOSP - POST HOSP EXTENDED CARE	\$0.02	\$0.03	\$0.03	\$0.00	\$0.00	\$0.05	\$0.44	\$0.10	\$0.64	\$0.00		\$0.01
OP HOSP - PRES DRUGS BASIC	\$4.38	\$5.21	\$0.82	\$0.85	\$0.75	\$5.28	\$6.82	\$4.70	\$3.57	\$0.63	\$2.52	\$3.91
OP HOSP - PRES DRUGS MH/CD	\$0.03	\$0.01	\$0.00	\$0.00	\$0.00	\$0.15	\$0.13	\$0.02	\$0.02	\$0.01	\$0.02	\$0.07
OP HOSP - SOMATIC MH	\$0.65	\$0.20	\$0.04	\$0.19	\$0.18	\$0.46	\$2.21	\$0.19	\$0.37	\$0.85	\$0.42	\$1.15
OTH MED - DME	\$1.78	\$0.60	\$1.42	\$0.35	\$0.30	\$6.29	\$21.58	\$6.52	\$11.53	\$1.26	\$1.36	\$3.40
OTH MED - HHC/PDN	\$0.52	\$0.33	\$0.48	\$0.17	\$0.07		\$5.40		\$4.80	\$0.59	\$0.11	\$0.27
OTH MED - HOSPICE	\$0.08	\$0.00	\$0.22	\$0.02	\$0.00		\$2.43		\$6.67	\$0.05	\$0.03	\$0.36
OTH MED - MATERNITY MGT												
OTH MED - SUPPLIES	\$1.41	\$1.34	\$0.79	\$0.25	\$0.34	\$17.88	\$13.50	\$20.12	\$8.38	\$1.48	\$1.29	\$2.96
PHYS CONSULTATION, IP & ER VISITS	\$13.56	\$7.25	\$33.46	\$4.98	\$3.48	\$4.83	\$24.51	\$5.53	\$18.58	\$4.49	\$8.82	\$16.69
PHYS HOME OR LONG-TERM CARE VISITS	\$0.01	\$0.00	\$0.06	\$0.00	\$0.00	\$0.20	\$0.63	\$0.69	\$1.14	\$0.05	\$0.00	\$0.02
PHYS MATERNITY	\$29.04	\$351.62	\$0.16	\$0.01	\$1.33	\$0.16	\$2.21	\$0.00	\$0.00	\$0.60	\$1.27	\$0.33
PHYS NEWBORN	\$0.04	\$0.17	\$6.03	\$0.04	\$0.05	\$0.02	\$0.12	\$0.02	\$0.16	\$0.15	\$0.04	\$0.05

Oregon Health Plan Medicaid Demonstration
Revised Per Capita Cost for January 2010 through December 2011

EXHIBIT 9

As of August 2009 (Not Including Revised CD Rates Effective January 1, 2011)

Assumes Hospital Reimbursement Rates at 100% DRG

CATEGORY OF SERVICE	TANF	PLMA	CHILD 00-01	CHILD 01-05	CHILD 06-18	ABAD-MED	ABAD	OAA-MED	OAA	CAF	OHPFAM	OHPAC
PHYS OFFICE VISITS	\$32.12	\$16.58	\$69.99	\$22.76	\$12.77	\$9.26	\$42.57	\$8.14	\$39.48	\$21.01	\$29.11	\$40.76
PHYS OTHER	\$4.83	\$2.78	\$8.63	\$1.99	\$1.15	\$4.86	\$23.96	\$5.63	\$22.26	\$5.93	\$4.64	\$12.41
PHYS SOMATIC MH	\$3.28	\$1.03	\$0.12	\$0.68	\$1.35	\$1.60	\$6.00	\$0.77	\$1.65	\$4.49	\$2.21	\$4.17
PRES DRUGS - BASIC	\$41.22	\$25.18	\$9.64	\$6.52	\$9.51	\$5.89	\$150.15	\$4.21	\$97.98	\$23.18	\$46.71	\$105.78
PRES DRUGS - FP	\$1.61	\$1.79	\$0.00	\$0.00	\$0.34	\$0.00	\$0.52		\$0.01	\$0.44	\$1.68	\$0.69
PRES DRUGS - MH/CD												
SCHOOL-BASED HEALTH SERVICES												
STERILIZATION - ANESTHESIA FEMALE	\$0.35	\$1.77			\$0.00	\$0.00	\$0.04				\$0.10	\$0.02
STERILIZATION - ANESTHESIA MALE	\$0.00					\$0.00	\$0.00					
STERILIZATION - IP HOSP FEMALE	\$3.19	\$23.62			\$0.00		\$0.27				\$0.11	
STERILIZATION - IP HOSP MALE												
STERILIZATION - OP HOSP FEMALE	\$0.67	\$1.65			\$0.00	\$0.00	\$0.06				\$0.28	\$0.03
STERILIZATION - OP HOSP MALE	\$0.00					\$0.00	\$0.00				\$0.00	
STERILIZATION - PHY FEMALE	\$0.57	\$2.98			\$0.00	\$0.00	\$0.05				\$0.13	\$0.02
STERILIZATION - PHY MALE	\$0.07					\$0.00	\$0.01				\$0.07	\$0.00
SURGERY	\$13.51	\$7.26	\$6.25	\$3.41	\$3.30	\$4.69	\$23.07	\$5.52	\$22.31	\$4.46	\$9.73	\$17.89
TARGETED CASE MAN - BABIES FIRST												
TARGETED CASE MAN - HIV												
TARGETED CASE MAN - SUBS ABUSE MOMS												
THERAPEUTIC ABORTION - IP HOSP												
THERAPEUTIC ABORTION - OP HOSP												
THERAPEUTIC ABORTION - PHYS												
TRANSPORTATION - AMBULANCE	\$4.25	\$6.78	\$5.79	\$1.15	\$1.04	\$2.98	\$13.70	\$4.02	\$8.21	\$1.46	\$2.25	\$6.45
TRANSPORTATION - OTHER												
VISION CARE - EXAMS & THERAPY	\$0.14	\$2.34	\$0.50	\$0.74	\$2.13	\$0.02	\$0.69			\$2.56	\$0.14	\$0.14
VISION CARE - MATERIALS & FITTING	\$0.13	\$1.95	\$0.04	\$0.28	\$1.65	\$0.01	\$0.49			\$1.82	\$0.04	\$0.04
PART A DEDUCTIBLE						\$22.33		\$37.22				
PART B DEDUCTIBLE						\$11.38		\$11.38				
PART B COINSURANCE ADJUSTMENT						(\$5.71)		(\$3.12)				
Total	\$416.50	\$1,267.44	\$481.98	\$85.96	\$80.70	\$143.68	\$815.23	\$156.90	\$705.01	\$124.13	\$235.39	\$454.24
CHEMICAL DEPENDENCY												
CD SERVICES - ALTERNATIVE TO DETOX	\$0.37	\$0.06			\$0.00	\$0.32	\$0.51	\$0.02			\$0.15	\$1.12
CD SERVICES - METHADONE	\$1.74	\$0.57	\$0.00	\$0.00	\$0.00	\$1.97	\$2.55	\$0.23	\$0.17	\$0.01	\$0.85	\$7.93
CD SERVICES - OP	\$13.03	\$7.62	\$0.00	\$0.00	\$1.40	\$2.96	\$8.07	\$0.19	\$0.25	\$6.38	\$3.81	\$21.93
Total	\$15.14	\$8.25	\$0.00	\$0.00	\$1.41	\$5.24	\$11.12	\$0.43	\$0.42	\$6.39	\$4.81	\$30.98

Oregon Health Plan Medicaid Demonstration
Revised Per Capita Cost for January 2010 through December 2011

EXHIBIT 9

As of August 2009 (Not Including Revised CD Rates Effective January 1, 2011)

Assumes Hospital Reimbursement Rates at 100% DRG

CATEGORY OF SERVICE	TANF	PLMA	CHILD 00-01	CHILD 01-05	CHILD 06-18	ABAD-MED	ABAD	OAA-MED	OAA	CAF	OHPFAM	OHPAC
DENTAL												
DENTAL - ADJUNCTIVE GENERAL	\$2.15	\$1.41	\$0.01	\$0.69	\$0.35	\$1.85	\$1.48	\$0.84	\$0.84	\$0.39	\$0.82	\$0.97
DENTAL - ANESTHESIA SURGICAL	\$0.35	\$0.15	\$0.00	\$0.79	\$0.43	\$0.37	\$0.33	\$0.05	\$0.03	\$0.54	\$0.07	\$0.06
DENTAL - DIAGNOSTIC	\$6.62	\$6.94	\$0.13	\$3.58	\$5.60	\$4.69	\$4.32	\$2.49	\$3.80	\$5.21	\$1.99	\$1.96
DENTAL - ENDODONTICS	\$1.66	\$1.72	\$0.00	\$1.15	\$1.36	\$0.90	\$0.88	\$0.34	\$0.76	\$1.10	\$0.24	\$0.16
DENTAL - I/P FIXED	\$0.01	\$0.01			\$0.00	\$0.03	\$0.01	\$0.02	\$0.02	\$0.00	\$0.00	\$0.00
DENTAL - ORAL SURGERY	\$4.30	\$2.38	\$0.01	\$0.77	\$1.60	\$3.03	\$2.96	\$1.67	\$2.89	\$1.30	\$1.46	\$1.83
DENTAL - ORTHODONTICS	\$0.00	\$0.00			\$0.02	\$0.00	\$0.04			\$0.07		
DENTAL - PERIODONTICS	\$2.13	\$1.78	\$0.00	\$0.00	\$0.13	\$2.22	\$1.56	\$0.76	\$1.77	\$0.12	\$0.08	\$0.04
DENTAL - PREVENTIVE	\$2.04	\$3.00	\$0.07	\$2.93	\$5.51	\$2.33	\$2.06	\$1.10	\$0.87	\$5.12	\$0.14	\$0.06
DENTAL - PROS REMOVABLE	\$2.35	\$0.37	\$0.00	\$0.00	\$0.03	\$3.93	\$3.48	\$4.78	\$7.53	\$0.02	\$0.16	\$0.08
DENTAL - RESTORATIVE	\$7.41	\$7.51	\$0.02	\$7.98	\$8.17	\$5.64	\$5.15	\$2.45	\$2.88	\$8.04	\$0.90	\$0.56
Total	\$29.02	\$25.26	\$0.25	\$17.89	\$23.19	\$24.99	\$22.27	\$14.51	\$21.39	\$21.90	\$5.85	\$5.72
MENTAL HEALTH												
MH SERVICES ACUTE INPATIENT	\$4.63	\$1.30	\$0.02	\$0.10	\$1.96	\$2.63	\$30.16	\$0.36	\$8.78	\$6.80	\$2.42	\$9.33
MH SERVICES ALTERNATIVE TO IP	\$0.13	\$0.05	\$0.04	\$0.00	\$0.22	\$2.63	\$2.89	\$0.12		\$2.81	\$0.01	\$0.63
MH SERVICES ANCILLARY SERVICES	\$0.07	\$0.00		\$0.00	\$0.01	\$0.05	\$0.21	\$0.06	\$0.77	\$0.02	\$0.05	\$0.04
MH SERVICES ASSESS & EVAL	\$1.61	\$0.81	\$0.01	\$0.32	\$1.22	\$1.15	\$2.26	\$0.31	\$0.84	\$4.37	\$0.58	\$1.26
MH SERVICES CASE MANAGEMENT	\$1.91	\$0.61	\$0.06	\$0.23	\$1.36	\$19.94	\$17.01	\$1.73	\$3.52	\$10.19	\$0.70	\$4.14
MH SERVICES CONS ASSESS					\$0.03		\$0.06			\$0.26		
MH SERVICES CONSULTATION												
MH SERVICES EVIDENCE BASED PRACTICE												
MH SERVICES FAMILY SUPPORT	\$0.01	\$0.00		\$0.01	\$0.01	\$0.77	\$0.62	\$0.04		\$0.11	\$0.00	\$0.12
MH SERVICES INTENSIVE SERVICE ARRAY			\$0.01	\$0.93	\$8.94	\$0.00	\$18.40			\$96.80		
MH SERVICES MED MANAGEMENT	\$0.21	\$0.03		\$0.00	\$0.04	\$3.15	\$2.89	\$0.21	\$0.38	\$0.14	\$0.13	\$0.42
MH SERVICES OP THERAPY	\$4.76	\$1.49	\$0.01	\$0.45	\$2.48	\$6.61	\$8.63	\$0.73	\$0.50	\$13.47	\$2.57	\$5.05
MH SERVICES OTHER OP	\$0.11	\$0.05		\$0.01	\$0.13	\$0.05	\$0.27	\$0.03		\$0.31	\$0.04	\$0.09
MH SERVICES PEO	\$0.29	\$0.30	\$0.29	\$0.29	\$0.29	\$0.29	\$0.29	\$0.29	\$0.29	\$0.29	\$0.29	\$0.29
MH SERVICES PHYS IP	\$2.23	\$0.52	\$0.01	\$0.17	\$1.39	\$7.00	\$11.16	\$0.92	\$1.64	\$8.42	\$1.26	\$3.90
MH SERVICES PHYS OP	\$11.30	\$4.31	\$0.19	\$2.21	\$8.66	\$11.93	\$21.32	\$1.67	\$8.91	\$45.17	\$6.62	\$13.25
MH SERVICES SUPPORT DAY PROGRAM	\$0.33	\$0.15	\$0.00	\$0.19	\$0.61	\$17.55	\$14.25	\$2.23	\$2.48	\$4.44	\$0.12	\$2.43
Total	\$27.57	\$9.62	\$0.63	\$4.91	\$27.34	\$73.74	\$130.41	\$8.70	\$28.13	\$193.58	\$14.81	\$40.96
Total All	\$488.23	\$1,310.57	\$482.86	\$108.77	\$132.64	\$247.65	\$979.04	\$180.54	\$754.94	\$346.01	\$260.87	\$531.90

APPENDIX

**Oregon Health Plan Medicaid Demonstration
January 2011 Capitation Rate Development
CMS Medicaid Managed Care Rate Setting Requirements Not
Addressed Elsewhere**

- **AA.1.2 – Projection of Expenditures** – Per capita expenditures are calculated and compared in Exhibits 3-G, 3-I, 4-E, 5-A, 5-C, 5-D, and 6 of the capitation rate report. The weighted average rate of change calculation uses recent population distribution information available at the time the calculation was made.

- **AA.1.8 – Limit on payment to other providers** – Payments to providers for services related to managed care contracted services are limited to the amounts paid by managed care plans, with one exception: cost settlements to Federally Qualified Health Centers and Rural Health Centers are made by DMAP. Managed care plan capitation rates are developed to allow for average payments to these providers consistent with the community average payment rate for similar services provided by a comparable provider. For these services, managed care plans are provided sufficient capitation revenue to cover the interim payments that are required by law or regulation, and DMAP takes all responsibility for the final cost settlement.

Other direct payments to providers are made only for the portion of the population that is covered on a Fee-for-Service basis. Graduate Medical Education was removed from the per capita costs, but it has been reinstated in capitation rates since July 1, 2008. Disproportionate Share Hospital (DSH) payments are based on the provision of services to individuals who are uninsured. Health plan utilization of hospitals does not affect the calculation of DSH payment amounts.

- **AA.2.0 – Methods used to exclude invalid data** – Managed care plan encounter data are submitted at regular intervals to DMAP. Prior to the data reaching the Portland office of the Actuarial Service Unit, DMAP staff screen the data to ensure OHP enrollment on the date of the claim. In addition, DMAP staff screen the data for missing data elements and for duplicate claims. Duplicate claims and claims for

services provided on the dates when OHP coverage is not in effect are removed prior to the calculations of per capita cost. Reports are generated that allow for comparison of utilization rates and costs per person per month for each combination of data and are provided to managed care plans for comparison and validation. Managed care plans are specifically asked to confirm that the total billed charges are consistent with their internal reports. Data from plans that are unable to confirm the validity of the information would be excluded from the per capita cost calculation.

- **AA.2.3 – Spenddown** – Since OHP beneficiaries do not gain Medicaid eligibility after spend-down, there are no costs associated with spend-down amounts that need to be excluded from the capitation rate development.
- **AA.2.5 – Services Covered Out of Capitated Savings** – Plans document that their encounter data includes only services provided for under the State Plan. No additional services covered from contact savings are anticipated.
- **AA.3.8 – Graduate Medical Education** – GME payments are made in two forms. For services covered on a fee-for-services basis, additional payments are made per discharge to teaching hospitals to cover medical education costs. For services covered through managed care plans, the health plans are paid a capitation rate that is calculated to cover average hospital costs, including education expense. Managed care plans then pay teach teaching hospitals for education expenses based on a set of percentages calculated by the state.
- **AA.3.10 – Cost trending/inflation** – Trend rates were derived from a combination of information on expected changes in health care costs developed by the Centers for Medicare and Medicaid Services Office of the Actuary, combined with experiences from Medicaid managed plans. The trend rates were selected to recognize expected changes in the costs per unit for services based on health policy research, changes in costs in commercial health plans, and typical changes in payment rates. Among the considerations in assessing the cost component of trend were changes under consideration for Fee-for-Service unit costs.

Unit cost trend was derived largely from various CMS cost indices, a well respected indicator of underlying cost trend. Prescription drug cost trend was derived from recent industry reports that describe in detail the factors affecting changes in costs and utilization of those services.

In August, 2009, trend rates were revised in consideration of recent economic events, recent encounter data and their impact on the health care utilization and cost trends. This resulted in the revised biennium 2010-2011 Per Capita Cost. In addition, for FCHP and DCO, 2010 and 2011 Statewide capitation rates were adjusted for rate smoothing and rate stability purposes in a cost-neutral fashion. These adjustments resulted in adjusting upwards 2010 Statewide rates and adjusting downwards 2011 Statewide rates.

- **AA.3.14 – Financial Experience Adjustment** – No adjustment is made for the financial experience of managed care plans. However, average managed care plan loss ratios are considered in determining appropriate trend rates. DMAP collects financial experience data from managed care plans on a quarterly basis. This information is used to assess whether managed care plan expenditures are within expected ranges and to determine whether trend rates chosen in prior years were reasonable. To the extent managed care plan expenditures vary significantly from prior projections, trend rates may be reconsidered in the per capita cost development process.

- **AA.5.0 – AA.5.2- Data Smoothing** – Data smoothing issues are largely addressed by ensuring the rate cells used to develop the per capita costs have sufficient population size. No data smoothing was required for this per capita cost calculation.

Various risk adjustment factors are applied to the statewide per capita costs to derive capitation rates. These adjustments are described in the capitation report. For these calculations, the adjustment factors are explicitly calculated to be budget neutral on the date of the calculation. Note that when adjustment factors are used to determine payment rates, final budget neutrality cannot be ensured because enrollment patterns throughout the year are unknown. Inevitably, there is some shift in enrollment mix between the time the rates are developed and the end of the contract period.

- **AA.6.0 – AA.6.3 – Stop Loss, Reinsurance, or risk-sharing Arrangements** – OHP does not incorporate stop loss, reinsurance or risk sharing arrangements into its contracts with the managed care plans.

**Oregon Health Plan Medicaid Demonstration
 Capitation Rate Development for January 2011 through December 2011
 CMS Medicaid Managed Care Rate Setting Checklist**

Item #	Legal Cite	Subject	Comments
AA.1.0	42 CFR 438. 6(c)(2)(i) and (ii) 42 CFR 438.806 SMM 208 9.2, SMM 20 92.8 SMM 2089.1	<p>Overview of ratesetting methodology - The Contract must specify the payment rates and any risk-sharing mechanisms and the actuarial basis for computation of those rates and mechanisms: Specifically, the contract includes:</p> <ul style="list-style-type: none"> ___ The rates and the time period for the rates ___ The risk-sharing mechanisms, ___ The actuarial basis for the computation of those rates and risk-sharing mechanisms (<i>a lay person's description of the general steps the State followed to set rates is sufficient</i>). <p><i>Rate Development or Update</i></p> <ul style="list-style-type: none"> ___ <i>The State is developing a new rate (RO completes steps AA. 1 - AA. 7).</i> ___ <i>The State is adjusting rates approved under 42 CFR 438. 6(c)-(RO completes all of step AA. 1)</i> 	<p>Statewide per capita costs were developed for the biennial period January 1, 2010 through December 31, 2011. The steps used to develop these costs are described in the report titled "Analysis of Calendar Years 2010-2010 Average Costs"</p> <p>The final per capita cost rates was published in the "Report Addendum" on December 12, 2008. Hereafter, this report is referred to as the "2010-2011 Per Capita Cost report."</p> <p>In general, plan-specific capitation rates are developed for each calendar year of the biennium. The steps used to develop the CY 2011 (effective January 1, 2011) capitation rates are described in the report titled "Capitation Rate Development Calendar Year 2011." Hereafter, this report is referred to as the "CY 2011 Capitation Rate report."</p>

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Item #	Legal Cite	Subject	Comments
AA.1.1	42 CFR 438.6(c)(1)(i)(A) and (C) 42 CFR 438.6(2)(i) and (ii) 42 CFR 438.6(c)(3) 42 CFR 438.6(c)(4)(i) SMM 2089.2	<p><u>Actuarial certification</u> -The State must provide the actuarial certification of the capitation rates and payments under the contract. All payments under risk contracts and all risk-sharing mechanisms in contracts must be actuarially sound. Actuarially sound capitation rates means capitation rates that have been developed in accordance with generally accepted actuarial principles and practices, are appropriate for the populations to be covered, and the services to be furnished under the contract; and the Actuary must submit a certification, as meeting the requirements of the regulation, by an actuary who meets the qualification standards established by the American Academy of Actuaries and follows the practice standards established by the Actuarial Standards Board. <i>Note: An Actuary who is a member of the American Academy of Actuaries will sign his name followed by the designation M.A.A.A., meaning a Member of the American Academy of Actuaries. For further information see www.actuary.org/faqs.htm</i></p> <p><i>Note: Actuaries can create either rates or rate ranges so long as the methodology (including all assumptions) to get to the actual rates in the contract are specified and meet CMS requirements. If there are instances where actuaries believe that information their State is required to submit would represent trade secrets or proprietary information, as described in the Freedom of Information Act (FOIA) (5 U.S. C. 552(a)), the information should be identified as such and may be withheld from public disclosure under the provisions of the FOIA.</i></p>	<p>An actuarial certification accompanies the CY 2011 Capitation Rate report.</p>
AA. 1.2	42 CFR 438.6(c)(4)(iii)	<p><u>Projection of expenditures</u> -The State must provide a projection of expenditures under its previous year's contract (or under its FFS program if it did not have a contract in the previous year) compared to those projected under the proposed contract.</p>	<p>A comparison of current and proposed capitation rates is shown in Exhibits 3-G - 3-J, 4-E - 4-F, 5-A, 5-C, and 6 of the CY 2011 Capitation Rate report.</p>
AA. 1.3	45 CFR 74.43 and Appendix A 42 CFR 438.6(a) 42 CFR 438.806(a) and (b)	<p><u>Procurement, Prior Approval and Ratesetting</u> - All contracts must meet the procurement requirements in 45 CFR Part 74. Regardless of the procurement method, the final rates must be in the contract and include documentation and a description of how the resulting contract rates are determined in sufficient detail to address this set of regulatory criteria for each contract. In general, there are two options:</p> <p>___ Option 1: State set rates -- The rates are developed using a set of assumptions meeting federal regulations that results in a set of rates. Open cooperative contracting occurs when the State signs a contract with any entity meeting the technical programmatic requirements of the State and willing to be reimbursed the actuarially-sound, State-determined rate. Sole source contracting occurs where the state contracts with a single entity to provide a set of services must be documented as meeting the requirements of 42 CFR 438.6(c) under this option.</p> <p>___ Option 2: Competitive Procurement -- The rates are developed using a set of assumptions meeting federal regulations that results in a range of acceptable bids to determine a bid range for rates. Competitive procurement occurs when entities submit bids and the State negotiates rates within the range of acceptable bids. <i>A State could also disclose a maximum or minimum acceptable payment and encourage bids below or above that amount.</i></p>	<p>Oregon uses Option 1. Contracting arrangements are described on Pages 7-8 of 2010-2011 Per Capita Cost report and Pages 3-4 of CY 2011 Capitation Rate report</p>
AA. 1.5	42 CFR 447.15 42 CFR 438.2 42 CFR 438.8 12(a)	<p><u>Risk contracts</u> – The entity assumes risk for the cost of services covered under the contract and incurs loss if the cost of furnishing the services exceed the payments under the contract. The entity must accept as payment in full, the amount paid by the State plus any cost sharing from the members. Payments for</p>	<p>All contracts with managed care plans are on a fully at-risk basis.</p>

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Item #	Legal Cite	Subject	Comments
AA.1.6	42 CFR 438.60	<p>carrying out contract provisions including incentive payments are medical assistance costs.</p> <p><u>Limit on payment to other providers - The State agency must ensure that no payment is made to a provider other than the entity for services available under the contract between the State and the entity, except when these payments are provided for in title XIX of the Act, in 42 CFR, or when the State agency has adjusted the capitation rates paid under the contract to make payments for graduate medical education. <i>Note: see Step AA .3.8 for GME adjustments.</i></u></p>	Addressed in the CY 2011 Capitation Rate report, Exhibit A- 1. This is the "Rate Setting Requirements not addressed elsewhere" text section.
AA. 1.7	<p>42 CFR 438.6(c)(4)(i) and (ii)</p> <p>42 CFR 438.6(c)(2)(i) and (ii)</p> <p>42 CFR 438.6(c)(1)(i)(A) and (C)</p> <p>42 CFR 438.6(c)(3)</p> <p>42 CFR 438.6(c)(4)(ii)(A)</p> <p>42 CFR 438.6(c)(1)(B)</p> <p>42 CFR 438.6(c)(3)(ii) and (iv)</p> <p>SMM 2089.5</p>	<p><u>Rate Modifications - This section is for use if the State updates or amends rates set under the new regulation at 42 CFR 438.6(c).</u> The State has made program and rate changes that have affected the cost and utilization under the contract. The value and effect of these programmatic service changes on the rates should be documented. Adjustments for changes in the program structure or to reflect Medical trend inflation are made. Documentation meeting the requirements in step AA.3.0 – AA.3.24 is submitted to the RO for new adjustments. The adjustments include but are not limited to:</p> <ul style="list-style-type: none"> • Medical cost and utilization trend inflation factors are based on historical medical State-specific costs or a national/regional medical market basket applicable to the state and population. Justification for the predictability of the inflation rates is given regardless of the source. Differentiation of trend rates is documented (i.e., differences in the trend by service categories, eligibility category, etc). All trend factors and assumptions are explained and documented. See Step AA.3.9. • Programmatic changes include additions and deletions to the contractor's benefit package, changes in the eligible population, or other programmatic changes in the managed care program (or FFS program that affected the managed care program) made after the last set of rates were set and outlined in the regulation. The State may adjust for those changes if the adjustment is made only once (e.g., if the State projected the effect of a change in the last rate setting, then they must back out that projection before applying an adjustment for the actual policy effect) <p>CMS allows rate changes (regardless of whether they are reductions or augmentations) and provides FFP in such changes as long as the changes are implemented through either a formal contract amendment or a multi-period contract and continue to meet all applicable statute provisions and regulations. If rate changes are implemented through a contract amendment, the amendment must receive approval by the RO before FFP in any higher payment amounts may be awarded. If the rate change is an anticipated development in a multi-year process, it must also be reviewed by the RO, consistent with guidelines for multi-year contracts. <i>If the amended rates use new actuarial techniques or different utilization data bases than was used and approved previously, the regional office should complete the entire checklist. Rates</i></p>	See comments for steps AA.3.0-AA.3.24
AA.2.0	<p>42 CFR 438.6(c)(3)(i) and (iv)</p> <p>42 CFR 438.6(c)(1)(i)(B)</p>	<p><u>Base Year Utilization and Cost Data - The State must provide documentation and an assurance that all payment rates are:</u></p> <ul style="list-style-type: none"> • based only upon services covered under the State Plan (or costs directly related to providing these services, for example, MCO, PIHP, or PAHP administration) • Provided under the contract to Medicaid -eligible individuals. 	Data used in capitation rate development are from managed care plan Medicaid encounter data (described starting on

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		<p>*In setting actuarially sound capitation rates, the State must apply the following element or explain why it is not applicable: Base utilization and cost data that are derived from the Medicaid population or if not, are adjusted to make them comparable to the Medicaid population. The base data used were recent and are free from material omission.</p> <p><i>Base data for both utilization and cost are defined and relevant to the Medicaid population (i.e., the database is appropriate for setting rates for the given Medicaid population). States without recent FFS history and no validated encounter data will need to develop other data sources for this purpose. States and their actuaries will have to decide which source of data to use for this purpose, based on which source is determined to have the highest degree of reliability, subject to RO approval.</i></p> <p><i>Examples of acceptable databases on which to base utilization assumptions are: Medicaid FFS databases, Medicaid managed care encounter data, State employees health insurance databases, and low-income health insurance program databases. Note: Some states have implemented financial reporting requirements of the health plans which can be used as a data source in conjunction with encounter data and would improve on some of the shortcomings of these other specific databases used for utilization purposes. For example, some states now require the submission of financial reports to supplement encounter data by providing cost data. It would also be permissible for the State to supplement the encounter data by using FFS cost data. The State could use the cost and utilization data from a Medicaid FFS database and would not need to supplement the data with plan financial information.</i></p> <p><i>Note: The CMS RO may approve other sources not listed here based upon the reasonableness of the given data source. The overall intent of these reporting requirements is to collect the same information that is available in the encounter data, but in a more complete and accurate reflection of the true cost of services. Utilization data is appropriate to the Medicaid population and the base data was reviewed by the State for similarity with the covered Medicaid population. That is, if the utilization assumptions are not derived from recent Medicaid experience, the State should explain and document the source of assumptions and why the assumptions are appropriate to the Medicaid population covered by these proposed rates.</i></p> <p><i>Service cost assumptions are appropriate for a Medicaid program and the base data was reviewed by the State for similarity with the Medicaid program’s current costs. Note: except in the case of payments to FQHCs that subcontract with entities, which are governed by section 1903 (m) (2) (A) (ix), CMS does not regulate the payment rates between entities and subcontracting providers. Payment rates are adequate to the extent that the capitated entity has documented the adequacy of its network.</i></p> <p><i>The term “appropriate” means specific to the population for which the payment rate is intended. This requirement applies to individuals who have health care costs that are much higher than the average. Appropriate for the populations covered means that the rates are based upon specific populations, by eligibility category, age, gender, locality, and other distinctions decided by the State. Appropriate to the services to be covered means that the rates must be based upon the State plan services to be provided under the contract. There is no stated or implied requirement that entities be reimbursed the full cost of care at billed charges.</i></p>	<p>Page 9 of 2010-2011 Per Capita Cost report). It is validated by the plans on a quarterly basis. Base data is shown in Exhibits 3-A and 4-A, and 5-A of 2010-2011 Per Capita Cost report.</p>
AA.2. 1	42 CFR 438.6(c)(1)(i)(B)	<p>Medicaid Eligibles under the Contract – All payments under risk contracts and all risk-sharing in contracts must be actuarially sound. Actuarially sound capitation rates means capitation rates are appropriate for the populations to be covered and provided under the contract to Medicaid -eligible</p>	<p>Capitation rates are based on encounter data,</p>

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	42 CFR 438.6(c)(4)(ii)(B)	<p>individuals. <i>The State may either include only data for eligible individuals and exclude data for individuals in the base period who would not be eligible for managed care contract services or apply an appropriate adjustment factor to the data to remove ineligible if sufficient documentation exists. The explanation and documentation should list the eligibility categories specifically included and excluded from</i></p> <p><i>Note: for example, if mentally retarded individuals are not in the managed care program, utilization, eligibility and cost data for mentally retarded eligibles should all be excluded from the rates.</i></p> <p><i>Note: all references in this checklist to Medicaid eligibles include 1115 expansion populations approved under 1115 demonstration projects.</i></p>	and thus reflect only those eligibles enrolled in plans.
AA.2.2	1905(p) (1-3) SMM 3490 (ff) SMD letter 9/30/00	<p><u>Dual Eligibles (DE)</u>—Some States include capitation payments for DE. Because the statute and CMS policy specifies that the State may only pay for Medicaid-eligible individuals, those Medicaid payment limits must be observed if the program includes DE. See the Attachment to Appendix A for additional information on Dual Eligibles.</p> <p>Only the following groups of DE are entitled to Medicaid Services. If they are included in a capitated managed care contract, they should have a Medicaid rate calculated separately from other DE:</p> <ul style="list-style-type: none"> • QMB Plus • Medicaid (Non QMB and Non SLMB) • SLMB Plus <p>Eligibles and services for beneficiaries in the four non-Medicaid DE categories</p> <ul style="list-style-type: none"> • QMB-only • QDWI • SLMB-only • QI-1 <p>should be specifically excluded from the capitated rates calculated for the 3 DE categories above (QMB Plus, Medicaid (Non QMB and Non-SLMB), and SLMB Plus). If DE beneficiaries in the non-Medicaid four categories are allowed to choose to enroll in capitated managed care, the Medicaid State Agency would continue to be liable for the same Medicare payments (e.g., Medicare fee-for-service premiums) as under FFS. The beneficiary would be liable for any Medicaid services payment because they are not eligible for Medicaid services:</p> <p>For QMB-only and QMB-Plus, the State may also need to calculate a separate payment to the capitated organization for Medicare cost-sharing or premium amounts. If the M+C organization charges monthly premiums, Medicaid is liable for payment of monthly M+C premium amounts for QMB categories (QMB-only and QMB Plus) for the basic packages of Medicare covered benefits only, if so elected in the State plan (State Plan preprint page 29, 3.2(a)(1)(i)). Medicaid is also liable for Medicare cost-sharing expenses (deductibles, coinsurance and copayments) for Medicare covered services to the payment amount specified in the Medicaid State plan (Supplement 1 to Attachment 4.19-B). When an M+C organization imposes cost-sharing charges in addition to premiums for Medicare-covered services on their enrollees, Medicaid agency must pay those costs for QMBs regardless of whether the State elected to include premiums in cost-sharing. No Medicaid services or payments would be included in the payment calculated</p>	<p>Capitation rates are based on encounter data, and thus reflect only those eligibility groups enrolled in plans. Eligibility groups are described on Pages 3-6 of the 2010-2011 Per Capita Cost report.</p> <p>Oregon allows Dual Eligibles to enroll in managed care plans. The State pays the Medicare premiums directly for Dual Eligibles.</p>

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AA.2.3	42 CFR 435.1002(b) 1903(f)(2)(A) SMM 3645	<p>for the entity.</p> <p>Spenddown – FFP is not available for expenses that are the recipient’s liability for recipients who establish eligibility for Medicaid by deducting incurred medical expenses from income.</p> <p>Spenddown is the amount of money that an individual with income over Medicaid eligibility limits must spend on medical expenses prior to gaining Medicaid eligibility. The spenddown amount is equal to the dollar amount the individual’s income is over the Medicaid income limit. 42 CFR 435 Subpart D.</p> <p>States have two methods for calculating spenddown. Regardless of the option selected by the State, the State should not request federal Medicaid match for expenses that are the recipient’s liability. Typically this means that capitated rates must be calculated without including expenses that are the recipient’s liability.</p> <ol style="list-style-type: none"> 1. Regular method – The individual client collects documentation verifying that a medical expense has occurred and submits to the State. States must ensure that capitation rates for individuals with spenddown (both medically needy beneficiaries and beneficiaries in 209(b) States with spenddown amounts) are calculated without including expenses that are the recipient’s liability. 2. Pay-in method – The individual client pays a monthly installment payment or lump sum payment to the State equal to the spenddown amount rather than collecting documentation on medical expenses and submitting that documentation to the case worker. The same income and resource standards apply as in the regular method. The State then tracks the client’s medical costs to ensure that the costs exceed the spenddown amount. Here the State sets capitation rates to include expenses that are of the recipient’s liability and must ensure that the federal government receives its share of the monthly or lump sum payment from the client. 	Not applicable
AA.2.4	42 CFR 438.6(c)(1)(i)(B) 42 CFR 438.6(c)(4)(ii)(A)	<p>State Plan Services only - The State must document that the actuarially sound capitation rates are appropriate for the services to be furnished under the contract and based only upon services covered under the State Plan (or costs directly related to providing these services, for example, MCO, PIHP, or PAHP administration). <i>The explanation and documentation should list the services specifically included and excluded from the analysis.</i> Services provided by the managed care plan that exceed the services covered in the Medicaid State Plan may not be used to set capitated Medicaid managed care rates (e.g., 1915(b)(3) waiver services or services outlined in 42 CFR 438.6(e) as referenced in AA 2.5.</p> <ul style="list-style-type: none"> • States using entity encounter data may base utilization and service costs on non-FFS data adjusting the data to reflect State plan services only. • Services not part of the State plan that are unilaterally contractually required or “suggested” (typically authorized as “1915(b)(3) services”) may not be used to calculate actuarially sound rates and must be paid out of separate payment rates approved prospectively under the 1915(b) waiver process. • EPSDT extended/supplemental services for children are State Plan Approved services and may be built into the capitated rates • 1115(a) (2) services are considered State Plan services for 1115 populations for the duration of the demonstration and may be built into capitated payments approved through the 1115 demonstration budget neutrality agreement for approved populations only. • HCBS waiver services may only be included for capitated contracts under 1915(b)/(c) concurrent waiver or in CMS RO approved 1915(a) (1) (A)/(c) capitated contracts for approved 1915(c) waiver participants. Note: for the purposes of pre-PACE under 1915(a) (1) (A) HCBS services should be included. If the population is a nursing home-certifiable population and eligible for HCBS, the State 	Encounter data serves as the basis of the capitation rates. Adjustments are made to exclude services not covered under the Prioritized List (process described on Pages 39-45 of the 2010-2011 Per Capita Cost report).

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		<p><i>may consider HCBS as an acceptable service for long-term care managed care.</i></p> <ul style="list-style-type: none"> • 1915(a) (1) (A) capitated rates must be based on State Plan Approved services only and 1915(c) approved services for 1915(c) participants. <p><i>Note: The inclusion of any additional Medicaid services during the term of a contract could either be handled through a contract amendment or a contract term that provides for the contingency, subject to CMS approval. Amendments must be prior approved by the CMS RO.</i></p>	
AA.2.5	438.6(e)	<p>Services that may be covered by a capitated entity out of contract savings - An entity may provide services to enrollees that are in addition to those covered under the State plan, although the cost of these services cannot be included when determining the payment rates. <i>Note: this is different than 1915(b) (3) waiver services which are contractually required by the State. When a State agency decides to contract with an entity, it is arranging to have some or all of its State plan services provided to its Medicaid population through that entity. The State has not modified the services that are covered under its State plan, nor is it continuing to pay, on a FFS basis, for each and every service to be provided by the entity. Further, entities have the ability to provide services that are in the place of, or in addition to, the services covered under the State plan, in the most efficient manner that meets the needs of the individual enrollee. These additional or alternative services do not affect the capitation rate paid to the entity by the State. The capitation rates should not be developed on the basis of these services. The State determines the scope of State plan benefits to be covered under the managed care contract, and sets payment rates based on those services. This does not affect the entities right, however, to use these payments to provide alternative services to enrollees that would not be available under the State plan to beneficiaries not enrolled in the entity. Section 1915(b) (3) waiver authority that allows a State to share savings resulting from the use of more cost-effective medical care with beneficiaries by providing them with additional services.</i></p>	Not applicable.
AA.3.0	42 CFR 438.6(c)(3)(ii) and (iv)	<p>Adjustments to the Base Year Data - The State made adjustments to the base period to construct rates to reflect populations and services covered during the contract period. These adjustments ensure that the rates are predictable for the covered Medicaid population.</p> <p>All regulatorily referenced adjustments are listed in 3.1 through 3.14.</p> <p>Adjustments must be mutually exclusive and may not be taken twice. States must document the policy assumptions, size, and effect of these adjustments and demonstrate that they are not double counting the effects of each adjustment. The RO should check to ensure that the State has contract clauses (or State Plan Amendments), where appropriate, for each adjustment.</p> <p>Sample Adjustments to the Base Year that may increase the Base Year:</p> <ul style="list-style-type: none"> • Administration (Step AA.3.2) • Benefit, Programmatic and Policy change in FFS made after the claims data tape was cut (Step AA.3. 1) • Claims completion factors (Step AA.3.2) • Medical service cost trend inflation (Step AA.3.3) • Utilization due to changes in FFS utilization between the Base Year and the contract period. <p>Changes in utilization of medical procedures over time is taken into account (Step AA.3. 11)</p> <ul style="list-style-type: none"> • Certified Match provided by public providers in FFS 	<p>Adjustments to the base data to derive the 2010-2011 per capita costs are described on pages 13-35 of the 2010-2011 Per Capita Cost report.</p> <p>The CY 2011 capitation rates are based on the 2010- 2011 per capita costs. Adjustments for trend and programmatic changes that occurred subsequent to the development of the per capita costs are applied. Pages 5-7 of the CY</p>

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		<ul style="list-style-type: none"> • FFS benefit additions occurring after the extraction of the data from the MMIS are taken into account • One-time only adjustment for historically low utilization in FFS program of a State Plan • Patient liability for institutional care will be charged under this program • Payments not processed through the MMIS • Price increase in FFS made after the claims data tape was cut <p>Sample Adjustments to the Base Year that may adjust the Base Year downward:</p> <ul style="list-style-type: none"> • Benefit deletions in the FFS Program occurring after the extraction of the data from the MMIS are taken into account (Step AA.3. 1) • Cost-sharing in managed care in excess of FFS cost-sharing • Disproportionate Share Hospital Payments (Step AA.3.5) • Financial Experience Adjustment • FQHC/RHC payments • Graduate Medical Education (Step AA.3.8) • Income Investment Factor • Indirect Medical Education Payments (Step AA.3.8) • Managed Care Adjustment • PCCM Case Management Fee • Pharmacy Rebates • Post-pay recoveries (TPL) if the State will not collect and allow the MCE to keep TPL payments AA.3.6) • Recoupments not processed through the MMIS • Retrospective Eligibility costs (Step AA.3.4) <p>Cost-neutral Adjustments:</p> <ul style="list-style-type: none"> • Data smoothing for data distortions and individuals with chronic illness, disability, ongoing health care needs, or catastrophic claims including risk-sharing and reinsurance (Step AA.5.0) <p><i>Note: The CMS RO must review all changes for appropriateness to the data selected by the State (e.g., if the State is using encounter data, then adjustments for FFS changes may not be appropriate). Some adjustments are mandatory. They are noted as such.</i></p> <p>All adjustments must be documented. Adjustments must be mutually exclusive and may not be taken twice. States must document the policy assumptions, size, and effect of these adjustments and demonstrate that they are not double counting the effects of each adjustment. The RU should check to ensure that the State has contract clauses (or State Plan Amendments), where appropriate, for each adjustment.</p>	<p>2011 Capitation Rate report describe the adjustments.</p>
AA.3.1	42 CFR 438.6(c)(1)(B) 42 CFR 438.6(c)(4)(ii)(A)	<p>Benefit Differences - Actuarially sound capitation rates are appropriate for the services to be furnished under the contract. The State must document that actuarially sound capitation rates payments are based only upon services covered under the State Plan. <i>Differences in the service package for the Base Period data and the Medicaid managed care covered service package are adjusted in the rates. Documentation assumptions and estimates is required for this adjustment.</i></p>	<p>The benefit differences between the base period and the contract period are described on pages</p>

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			29-32 of the 2010-2011 per capita cost report and pages 7-9 of the CY 2011 Capitation Rate report.
AA.3.2	<p>42 CFR 438.6(c)(4)(ii) (A)</p> <p>42 CFR 438.6(c)(3)(ii)</p> <p>42 CFR 438.812</p> <p>Family Planning FMAP 1903(a)(5) and 42 CFR 433.10(c)(1)</p> <p>Title XIX Financial Management Review Guide #20 Family Planning Services (See page 1 of this guide for a complete list of statutory and regulatory references) 7/3/01 SMD Letter</p> <p>Indian Health Service facility FMAP 1905(b) and 42 CFR 433.10(c)(2)</p>	<p>Administrative cost allowance calculations - The State must document that an adjustment was made to the rate to account for MCO, PIHP or PAHP administration. Only administrative costs directly related to the provision of Medicaid State Plan approved services to Medicaid-eligible members are built into the rates. Documentation of assumptions and estimates is required.</p> <p>In order to receive Federal reimbursement, administrative costs at the entity level are subject to all applicable Medicaid administrative claiming regulations and policies. Medicaid pays for the administration of Medicaid services to Medicaid beneficiaries covered under the contract. The following examples are not all inclusive.</p> <ul style="list-style-type: none"> • Public entities cannot build in administrative costs to pay for non-Medicaid administration or services such as education, prisons, or roads, bridges and stadiums using the administrative cost in capitated rates. • Administrative costs for State Plan approved services can only be claimed for services to be delivered to Medicaid beneficiaries under the contract (not for 1915(b)(3) services. Administration costs in contracts must be allocated to the appropriate programs (e.g. public health must pay for the administration of public health services to non-Medicaid eligibles). CMS provides FFP only for the administration of Medicaid services to Medicaid beneficiaries covered under the contract. • Regular Medicaid matching rules apply. See 42 CFR 438.812 which states that all payments under a risk contract are medical assistance costs (FMAP rate) and which requires an allocation for non-risk contracts between service costs and administrative costs. Separate administrative costs under the State Plan should not be placed under a capitated contract in order for the State to draw down the FMAP (50-80%) rate rather than the administrative rate (50%). Examples of this include: survey and certification costs or other administrative costs not associated with the plan's provision of contractually-required covered State Plan services to Medicaid enrollees. Separate administrative contracts including this administration can be written for capitated entities that will be matched at 50% by the federal government. <i>Note: Family planning and Indian health services enhanced matching FMAP rates and rules do apply to family planning and Indian Health services in capitated contracts. For family planning, the State must document the portion of its rates that are family planning consistent with the CMS Title XIX Financial Management Review Guide #20 Family Planning Services, especially Exhibit A. Please refer to the 7/3/01 SMD letter regarding the need for timely filing of claims.</i> • Paperwork costs, such as time spent writing up case notes, associated with face-to-face contact with an eligible member is already included in the direct service cost and should not be built into the capitated rates again. Medicaid State agencies should also not pay separately for this administration. This occurs when an entity contracts with a public entity to provide services. The public entity provides the direct services and then bills the State Medicaid agency or the entity for administration associated with the direct services. Schools are providing the primary examples of this practice. This could also occur if an entity builds in additional administrative costs associated with direct services that have already 	Amount of administrative cost allowance described on page 11 of the CY 2011 Capitation Rate report.

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		<p>been built into the direct service rates to providers.</p> <p><i>Note: CMS does not have established standards for risk and profit levels but does allow reasonable amounts for risk and profit to be included in capitated rates.</i></p>	
AA.3.3	42 CFR 438.6(c)(3)(ii)	<p><u>Special populations’ adjustments - Specific health needs adjustments are made to make the populations more comparable.</u> The State may make this adjustment only if the population has changed since the utilization data tape was produced (e.g., the FFS population has significantly more high-cost refugees) or the base population is different than the current Medicaid population (e.g., the State is using the State employees health insurance data). The State should use adjustments such as these to develop rates for new populations (e.g., SCHIP eligibles or 1115 expansion eligibles). The State should document why they believe the rates are adequate for these particular new populations.</p>	Not applicable.
AA.3.4	42 CFR 438.6(c)(3)(ii) and (iv)	<p><u>Eligibility Adjustments - The actuary analyzed the covered months in the base period to ensure that member months are parallel to the covered months for which the entities are taking risk.</u> Adjustments are often needed to remove from the base period covered months -- and their associated claims – that are not representative of months that would be covered by an entity. For example, many newborns are retrospectively covered by FFS Medicaid at birth, and will not enroll in an entity (even in mandatory enrollment programs) until a few months after birth. Because the costs in the first months of life are very high, if retrospective eligibility periods are not removed from the base period the state could be substantially over-estimating entities' average PMPM costs in the under-1 age cohort. Similar issues exist with the mother's costs when the delivery is retrospectively covered by FFS Medicaid, and with retrospective eligibility periods in general.</p>	Not applicable since managed care encounter and enrollment data form the basis of the capitation rates.
AA.3.5	1923(i) BBA 4721(d)	<p><u>DSH Payments [contracts signed after 7/1/97] – DSH payments may not be included in capitation rates.</u> The State must pay DSH directly to the DSH facility.</p>	Not applicable since DSH payments are not included in hospital cost reports used to determine funding for hospital services.
AA.3.6	42 CFR 433 Sub D 42 CFR 447.20 SMM 2089.7	<p><u>Third Party Liability (TPL) – The contract must specify any activities the entity must perform related to third party liability.</u> The Documentation must address third party liability payments and whether the State or the entity will retain TPL collections. Rates must reflect the appropriate adjustment (i.e., if the entity retains TPL collections the rates should be adjusted downward or if the State collects and retains the TPL the rates should include TPL).</p>	Addressed on page 11 of the CY 2011 Capitation Rate report.
AA.3.7	42 CFR 447.58 SMM 2089.8	<p><u>Copayments, Coinsurance and Deductibles in capitated rates –If the State uses FFS as the base data to set rates and the State Medicaid agency chooses not to impose the FFS cost-sharing in its pre-paid capitation contracts with entities, the State must calculate the capitated payments to the organization as if those cost sharing charges were collected.</u> For example, if the State has a \$2 copayment on FFS beneficiaries for each pharmacy prescription, but does not impose this copayment on any managed care member, the State must add back an amount to the capitated rates that would account for the lack of copayment. <i>Note: this would result in an addition to the capitated rates.</i></p> <p>For 1115 expansion beneficiaries only, if the state uses FFS as the base data to set rates and imposes more deductibles, coinsurance, co-payments or similar charges on capitated members than the State imposes</p>	Not applicable since encounter data is used as the basis of the capitation rates.

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		its fee-for-service beneficiaries, the State must calculate the rates by reducing the capitation payments by the amount of the additional charges. <i>Note: this would result in a reduction to the capitated rates.</i>	
AA.3.8	42 CFR 438.60 42 CFR 438.6(c)(5)(v)	<p><u>Graduate Medical Education (GME)</u> - If a State makes GME payments directly to providers, the capitation payments should be adjusted to account for the aggregate amount of GME payments to be made on behalf of enrollees under the contract (i.e., the State should not pay the entity for any GME payments made directly to providers). States must first establish actuarially sound capitation rates prior to making adjustments for GME.</p> <p>CMS permits such payments only to the extent the capitation rate has been adjusted to reflect the amount of the GME payment made directly to the hospital. States making payments to providers for GME costs under an approved State plan must adjust the actuarially sound capitation rates to account for the aggregate amount of GME payments to be made directly to hospitals on behalf of enrollees covered under the contract. These amounts cannot exceed the aggregate amount that would have been paid under the approved State plan for FFS. This prevents harm to teaching hospitals and ensures the fiscal accountability of these payments.</p>	Addressed on page 5 of the CY 2011 Ca pitation Rate report.
AA.3.9	1903(m)(2)(A)(ix) 1902(bb)	<p><u>FOHC and RHC reimbursement</u> – The State may build in only the FFS rate schedule or an actuarially equivalent rate for services rendered by FQHCs and RHCs. The State may NOT include the FQHC/RHC encounter rate, cost-settlement, or prospective payment amounts. The entity must pay FQHCs and RHCs no less than it pays non-FQHC and RHCs for similar services. In the absence of a specific 1115 waiver, the entity cannot pay the annual cost-settlement or prospective payment.</p>	Addressed in the CY 2011 Ca pitation Rat e report, Exhibit A-1.
AA.3.10	42 CFR 438.6(c)(3)(ii)	<p><u>Medical Cost/Trend Inflation</u> – Medical cost and utilization trend inflation factors are based on historical medical State-specific costs or a national/regional medical market basket applicable to the state and population. All trend factors and assumptions are explained and documented.</p> <p><i>Note: This also includes price increases not accounted for in inflation (i.e., price increases in the fee-for-service or managed care programs made after the claims data tape was cut). This adjustment is made if price increases are legislated by the Legislature. The RO must ensure that the State “inflates” the rate only once and does not double count inflation and legislative price increases. The State must document that program price increases since the rates were originally set are appropriately made.</i></p>	Trend adjustments described on Pages 32-34 of 2010-2011 Per Capita Cost report and pages 6-7 of the CY 2011 Capitation Rate report.
AA.3.1 1	42 CFR 438.6(c)(3)(ii) and (iv)	<p><u>Utilization Adjustments</u> - Generally, there are two types of Utilization adjustments are possible: utilization differences between base data and the Medicaid managed care population and changes in Medical utilization over time.</p> <ul style="list-style-type: none"> Base period differences between the underlying utilization of Medicaid FFS data and Medicaid managed care data assumptions are determined. These adjustments increase or decrease utilization to levels that have not been achieved in the base data, but are realistically attainable CMS program goals. States may pay for the amount, duration and scope of State plan services that States expect to be delivered under a managed care contract. Thus, States may adjust the capitation rate to cover services such as EPSDT or prenatal care at the rate the State wants the service to be delivered to the enrolled population. The RO should check to ensure that the State has a contract clause for using mechanisms such as financial penalties if service delivery targets are not met or incentives for when targets are met. <p><i>Note: an example of this adjustment is an adjustment to Medicaid FFS data for EPSDT where FFS beneficiaries have historically low EPSDT utilization rates and the managed care contract requires the entity to have a higher utilization rate. The State should have a mechanism to measure that the higher</i></p>	<p>The first adjustment is not applicable since encounter data is the basis of the capitation rates.</p> <p>The second adjustment is included in the utilization trend, which is described on Pages 32-34 of the 2010- 2011 Per Capita Cost Report and page 6-7</p>

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		<p>A change in utilization of medical procedures over time is taken into account. Documentation is required if this adjustment is made. The State should document 1) The assumptions made for the change in utilization. 2) How it came to the precise adjustment size. 3) That the adjustment is a unique change that could not be reflected in the utilization database because it occurred after the base year utilization data tape was cut. Examples may include: major technological advances (e.g., new high cost services) that cannot be predicted in base year data (protease inhibitors would be acceptable, a new type of aspirin would not be acceptable).</p> <p><i>Note: These adjustments can be distinguished from each other. The first is utilization change stemming from historic under- or over-utilization that is being corrected solely by the implementation of this program. Historic access problems in FFS Medicaid programs may be addressed through this adjustment. The second is a one time only non-recurring adjustment because of a unique utilization change projected to occur (or which did occur) after the base year data tape was produced.</i></p>	<p>of the CY 2011 Capitation Rate report.</p>
AA.3.12	<p>42 CFR 438.6(c)(4)(ii)</p> <p>42 CFR 438.6(c)(3)(iv)</p> <p>42 CFR 438.6(c)(1)(i)(B)</p>	<p><u>Utilization and Cost Assumptions</u> – The State must document that the utilization and cost data assumptions for a voluntary program were analyzed and adjusted to ensure that they are appropriate for the populations to be covered if a healthier or sicker population voluntarily chooses to enroll (compared to the population data on which the rates are set). The State must document that utilization and cost assumptions that are appropriate for individuals with chronic illness, disability, ongoing health care needs, or catastrophic claims, using risk adjustment, risk-sharing or other appropriate cost-neutral methods</p> <p><i>Note: this analysis is needed whenever the population enrolled in the managed care program is different than the data for which the rates were set (e.g., beneficiaries have a choice between a fee-for-service program (PCCM) and a capitated program (MCO) and the rates are set using FFS data) .</i></p>	<p>Not applicable since enrollment is mandatory in areas with managed care plans.</p>
AA.3.13	<p>42 CFR 435.725 (Categorically Needy)</p> <p>42 CFR 435.832 (Medically Needy)</p>	<p><u>Post-Eligibility Treatment of Income (PETI)</u> (<i>This applies for NF, HCBS, ICF-MR, and PACE beneficiaries in capitated programs where PETI applies only.</i>) If the State Plan or waiver requires that the State consider post-eligibility treatment of income for institutionalized beneficiaries, the actual rate paid to the capitated entity would be the rate for the member minus any patient liability for that specific enrolled member. The State should calculate the client participation amount specifically for each member using the FFS methodology.</p> <p><i>Patient liability is a post-eligibility determination of the amount an institutionalized Medicaid beneficiary is liable for the cost of their care. It is also called client participation, cost of care, PE, and post-eligibility treatment of income. 42 CFR 435 Subpart H. Client participation should not be used to reduce total costs for all participants. Client participation should be assessed individually, reducing the individual rate paid to the capitated entity, not computed in aggregate and reducing all capitation payments. If the MMIS data tape is cut to reflect only the amount the Medicaid agency paid providers, then patient liability for cost of care must be added back to the rate to determine the total cost of care for an individual. The actual rate paid to the capitated entity would be the rate for the member minus any patient liability for that specific enrolled member. The capitated entity would then need to collect the patient liability from the enrolled member.</i></p> <p>An Option under 42 CFR 435.725(f) - The State can use a projection of expenses for a prospective period not to exceed 6 months to calculate client participation. This option requires the State to reconcile estimates with incurred expenses. Even with this option, the State must reduce the capitation rate to</p>	<p>Not applicable.</p>

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		exclude expenses that are of the recipient’s liability. This procedure ensures that the federal government does not pay more than its share of costs.	
AA.3.14	42 CFR 438.6(c)(3)(ii)	Incomplete Data Adjustment – The State must adjust base period data to account for incomplete data. When fee-for-service data is summarized by date of service (DOS), data for a particular period of time is usually incomplete until a year or more after the end of the period. In order to use recent DOS data, the Actuary must calculate an estimate of the services ultimate value after all claims have been reported . Such incomplete data adjustments are referred to in different ways, including “lag factors,” “incurred but not reported (IBNR) factors,” or incurring factors. If date of payment (DOP) data is used, completion factors are not needed, but projections are complicated by the fact that payments are related to services performed in various former periods. <i>Documentation of assumptions and estimates is required for this</i>	Described on page 24 of the 2010-2011 Per Capita Cost report.
AA.4.0	42 CFR 438.6(c)(3)(iii) FR 6/14/02 p41 001	Establish Rate Category Groupings (All portions of subsection AA.4 are mandatory) -- The State has created rate cells specific to the enrolled population. <i>The rate category groupings were made to construct rates more predictable for future Medicaid populations’ rate setting. The number of categories should relate to the contracting method. Rate cells need to be grouped together based upon predictability so entities do not have incentives to market and to enroll one group over another. Multiple rate cells should be used whenever the average costs of a group of beneficiaries greatly differ from another group and that group can be easily identified. Note: The State must document that similar cost categories are grouped together to improve predictability. For example, rate cells may be combined if there is an insufficient number of enrollees in any one category to have statistical validity.</i>	A combination of eligibility category and age groupings are used to determine rate categories as described on pages 3-6 of the 2010-2011 Per Capita Cost report and page 4 of the CY 2011 Capitation Rate report.
AA.4.1	42 CFR 438.6(c)(3)(iii)(B)	Age - Age Categories are defined. If not, justification for the predictability of the methodology used is given.	Age categories are defined and used for the Children rate categories. For certain other rate categories, distinctions between recipients with and without Medicare coverage was used a determinant of cost predictability. CDPS risk adjustment contains an age-based component, which adjusts for differences in risk among different age cohorts.
AA.4.2	42 CFR 438.6(c)(3)(iii)(C)	Gender -Gender Categories are defined. If not, justification for the predictability of the methodology used is given	Gender was not used as a rate category. With the implementation of a maternity case rate and

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			the related carve-out of maternity services from the capitation rates, a significant source of cost variation between genders has been eliminated.
AA.4.3	42 CFR 438.6(c)(3)(iii)(D)	<u>Locality/Region</u> - Locality/region Categories are defined. If not, justification for the predictability of the methodology used is given	Regions are described on Page 4 of the CY 2011 Capitation Rate report. The regions are defined based on the general service delivery areas of the plans.
AA.4.4	42 CFR 438.6(c)(3)(iii)(E)	<u>Eligibility Categories</u> - Eligibility Categories are defined. If not, justification for the predictability of the methodology used is given.	Eligibility categories defined on Pages 3-6 of the 2010-2011 Per Capita Cost report and page 4 of the CY 2011 Capitation Rate report.
AA.5.0	42 CFR 438.6(c)(3)(ii), (iii) and (iv) 42 CFR 438.6(c)(1)(ii)	<u>Data Smoothing (All portions of subsection AA.5 are mandatory)</u> - The State has examined the data for any distortions and adjusted in a cost-neutral manner for distortions and special populations. Distortions are primarily the result of small populations, special needs individuals, access problems in certain areas of the State, or extremely high-cost catastrophic claims. Costs in rate cells are adjusted through a cost-neutral process to reduce distortions across cells to compensate for distortions in costs, utilization, or the number of eligibles. This process adjusts rates toward the statewide average rate. The State must supply an explanation of the smoothing adjustment, an understanding of what was being accomplished by the adjustment, and demonstrate that, in total, the aggregate dollars accounted for among all the geographic areas after smoothing is basically the same as before the smoothing. The State has taken into account in individuals with special health care needs and catastrophic claims. These populations should only be included if they are an eligible, covered population under the contract. Claim costs and utilization for high cost individuals (e. g., special needs children) in the managed care program are included in the rates.	Addressed in the CY 2011 Capitation Rate report, Exhibit A-1.
AA.5.1	42 CFR 438.6(c)(3)(iv)	<u>Special Populations and Assessment of the Data for Distortions</u> – Because the rates are based on actual utilization in a population, the State must assess the degree to which a small number of catastrophic claims might be distorting the per capita costs. Other payment mechanisms and utilization and cost assumptions that are appropriate for individuals with chronic illness, disability, ongoing health care needs, or catastrophic claims, using risk adjustment, risk-sharing, or other appropriate cost-neutral methods may be necessary.	Addressed in the CY 2011 Capitation Rate report, Exhibit A-1.

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		<p>If no distortions or outliers are detected by the actuary, a rate setting method that uses utilization and cost data for populations that include individuals with chronic illness, disability, ongoing health care needs, or catastrophic claims will meet requirements for special populations without additional adjustments, since the higher costs would be reflected in the enrollees' utilization. States must document their examination of the data for outliers and smooth appropriately.</p> <p>The fact that the costs of these individuals are included in the aggregate data used for setting rates will not account for the costs to be incurred by a contractor that, due to adverse selection or other reasons, enrolls a disproportionately high number of these persons. CMS requires some mechanism to address this issue. Most entity contracts currently use either stop-loss, risk corridors, reinsurance, health status-based risk adjusters, or some combination of these cost-neutral approaches.</p> <p><i>Note: The RO should verify that this assessment occurred and that distortions found were addressed in 5.2.</i></p>	
AA.5.2	<p>42 CFR 438.6(c)(1)(iii)</p> <p>42 CFR 438.6(c)(3)(ii) and (iv)</p> <p>SMM 2089.6</p>	<p><u>Cost-neutral data smoothing adjustment</u> -- If the State determines that a small number of catastrophic claims are distorting the per capita costs then at least one of the following cost-neutral data smoothing techniques must be made.</p> <p>Cost neutral means that the mechanism used to smooth data, share risk, or adjust for risk will recognize both higher and lower expected costs and is not intended to create a net aggregate gain or loss across all payments.</p> <p>Actuarially sound risk sharing methodologies will be cost neutral in that they will not merely add additional payments to the contractors' rates, but will have a negative impact on other rates, through offsets or reductions in capitation rates, so that there is no net aggregate assumed impact across all payments. A risk corridor model where the State and contractor share equal percentages of profits and losses beyond a threshold amount would be cost neutral.</p> <p>The mechanism should be cost neutral in the aggregate. How that is determined, however, will differ based on the type of mechanism that is used. A stop-loss mechanism will require an offset to capitation rates under the contract, based on the amount and type of the stop-loss. Health status-based risk adjustment may require an adjustment to the capitation rate for all individuals categorized through the risk adjustment system, but the aggregate program impact will still be neutral. CMS will recognize that any of these mechanisms may result in actual payments that are not cost neutral, in that there could be changes in the case mix or relative health status of the enrolled population. As long as the risk sharing or risk adjustment system is designed to be cost neutral, it would meet this requirement regardless of unforeseen outcomes such as these resulting in higher actual payments.</p> <p>Data Smoothing Techniques:</p> <p>___ Provision of stop loss, reinsurance, or risk-sharing (See 6.0)</p> <p>___ Catastrophic Claims Adjustment – The State must identify that there are outlier cases and explain how the costs associated with those outlier cases were separated from the rate cells and then redistributed across capitation payment cells in a cost-neutral, yet predictive manner.</p> <p>___ Small population or small rate cell adjustment – The State has used one of three methods: 1) The</p>	<p>Addressed in the CY 2011 Capitation Rate report, Exhibit A-1.</p>

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		<p>actuary has collapsed rate cells together because they are so small, 2) the actuary has calculated a statewide per member per month for each individual cell and multiplied regional cost factors to that statewide PMPM in a cost-neutral manner, or 3) the actuary bases rates on multiple years data for the affected population weighted so that the total costs do not exceed 100% of costs (e.g., 3 years data with most recent year’s data weighted at 50%, 2nd most recent year’s data weighted at 30% and least recent year weighted at 20%).</p> <p>— Mathematical smoothing – The actuary develops a mathematical formula looking at claims over a historical period (e.g., 3 to 5 years) that identifies outlier cost averages and corrects for skewed distributions in claims history. The smoothing should account for cost averages that are higher and lower than normal in order to maintain cost-neutrality.</p> <p>— Maternity Kick-Payment (Per delivery rate) – Non-delivery related claims were separated from delivery related claims. The non-delivery related claims were sorted into categories of service and used to base the managed care capitation payments. Delivery-related costs were removed from the total final paid claims calculations. The State developed a tabulation of per-delivery costs only. The State reviewed the data for accuracy and variance. The State develops a single, average, per-delivery maternity rate across all cohorts and across all regions unless variance warrants region-specific per-delivery maternity rates. Some states also have birth kick payments to cover costs for a newborn’s birth (Per newborn rate).</p> <p>— Applying other cost-neutral actuarial techniques to reduce variability of rates and improve average predictability. If the State chooses to use a method other than the catastrophic claims adjustment or a small population or small rate cell adjustment, the State explains the methodology. The actuary assisted with the development of the methodology, the approach is reasonable, the methodology was discussed with the State, and an explanation and documentation is provided to CMS.</p>	
AA.5.3	<p>42 CFR 438.6(c)(1)(iii)</p> <p>42 CFR 438.6(c)(3)(iii) and (iv)</p>	<p>Risk-Adjustment – The State may employ a risk adjustment methodology based upon enrollees’ health status or diagnosis to set its capitated rates. If the State uses a statistical methodology to calculate diagnosis-based risk adjusters they should use generally accepted diagnosis groupers. The RO should verify that:</p> <ul style="list-style-type: none"> • The State explains the risk assessment methodology chosen • Documents how payments will be adjusted to reflect the expected costs of the disabled population • Demonstrates how the particular methodology used is cost-neutral • Outlines periodic monitoring and/or rebasing to ensure that the overall payment rates do not artificially increase, due to providers finding more creative ways to classify individuals with more severe diagnoses (also called upcoding or diagnosis creep). <p>Risk-adjustment must be cost-neutral. <i>Note: for example, risk-adjustment cannot add costs to the managed care program. Risk adjustment can only distribute costs differently amongst contracting</i></p>	<p>The risk adjustment procedure for FCHPs is described on page 15 of the CY 2011 Capitation Rate report; for PCOs on page 17-18. and for MHOs on pages 19-20.</p>
AA.6.0	<p>42 CFR 438.6(c)(4)(iv)</p> <p>42 CFR 438.6(c)(5)(i)</p>	<p>Stop Loss, Reinsurance, or Risk-sharing arrangements (8.0 is mandatory if the State chooses to offer one of these options) (<i>State Optional Policy</i>) – The State must submit an explanation of state’s reinsurance, stop loss, or other risk-sharing methodologies. These methodologies must be computed on an actuarially sound basis. <i>Note: If the State utilizes any of the three risk-sharing arrangements, please mark the applicable method in 8.1, 8.2, or 8.3. For most contracts, the three options are mutually exclusive and a State will use only one technique per contract. If a State or contract uses a combination of methodologies in a single</i></p>	<p>Not applicable</p>

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	42 CFR 438.6(c)(2)(ii)	<p><i>contract, the State must document that the stop loss and risk-sharing do not cover the same services simultaneously. Plans are welcome to purchase reinsurance in addition to State-provided stop loss or risk-sharing, but CMS will not reimburse for any duplicative cost from such additional coverage.</i></p> <p>The contract must specify any risk-sharing mechanisms, and the actuarial basis for computation of those mechanisms. <i>Note: In order for the mechanism to be approved in the contract, the State or its actuary will need to provide enough information for the reviewer to understand both the operation and the financing of the risk sharing mechanism.</i></p> <p>Capitation rates are based upon the probability of a population costing a certain rate. Even if the entity’s premium rates are sufficient to cover the probable average costs for the population to be served, the entity is always at risk for the improbable – two neonatal intensive care patients and one trauma victim in its first 100 members, or an extraordinarily high rate of deliveries. A new entity, with a small enrollment to spread the risk across, could be destroyed by one or two adverse occurrences if it were obliged to accept the full liability.</p> <p>FFP is not available to fund stop loss and risk-sharing arrangements on the provision of non-State Plan</p>	
AA.6.1	42 CFR 438.6(c)(4)(iv) 42 CFR 438.6(c)(5)(i)	<p>Commercial Reinsurance – The State requires entities to purchase commercial reinsurance. The State should demonstrate that the contractor has ensured that the coverage is adequate for the size and age of the entity.</p>	<p>See Contract, Section U and Exhibit A, for financial solvency requirements.</p>
AA.6.2	42 CFR 438.6(c)(4)(iv) 42 CFR 438.6(c)(5)(i) SMM 2089.6	<p>Simple stop loss program -- The State will provide stop-loss protection by writing into the contract limits on the entity’s liability for costs incurred by an individual enrollee over the course of a year (either total costs or for a specific service such as inpatient care). Costs beyond the limits are either entirely or partially assumed by the State. The entity’s capitation rates are reduced to reflect the fact that the State is assuming a portion of the risk for enrollees.</p> <ul style="list-style-type: none"> • The State has included in its documentation to CMS the expected cost to the State of assuming the risk for the high cost individuals at the chosen stop-loss limit (also called stop-loss attachment point). • An explanation of the State’s stop loss program includes the amount/percent of risk for which the State versus entity will be liable. • The State has explained liability for payment. In some contracts, the entity is liable up to a specified limit and partially liable for costs between that limit and some higher number. The State is wholly liable for charges above the higher limit. If there is shared risk rather than either the State or the entity entirely assuming the risk at a certain point, the entity and State determine whether the services will be reimbursed at Medicaid rates, at the entities’ rates, or on some other basis. The State must specify which provider rates will be used to establish the total costs incurred so that the entity clearly knows whether the reinsurance will pay (i.e., the attachment point is reached). • The State has deducted a withhold equal to the actuarially expected cost to the State of assuming the risk for high cost individuals. The State pays out money based on actual claims that exceed the stop loss limit (i.e., above the attachment point). 	<p>Not applicable</p>

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AA.6.3	42 CFR 438.6(c)(4)(iv) 42 CFR 438.6(c)(5)(i) and (ii) 42 CFR 438.6(c)(1)(v)	<p>basis.</p> <p>Risk corridor program – Risk corridor means a risk sharing mechanism in which States and entities share in both profits and losses under the contract, outside of a predetermined threshold amount, so that after an initial corridor in which the entity is responsible for all losses or retains all profits, the State contributes a portion toward any additional losses, and receives a portion of any additional profits.</p> <p>If risk corridor arrangements result in payments that exceed the approved capitation rates, these excess payments will not be considered actuarially sound to the extent that they result in total payments that exceed the amount Medicaid would have paid, on a fee-for-service basis, for the State plan services actually furnished to enrolled individuals, plus an amount for entity administrative costs directly related to the provision of these services.</p> <p>The State agrees to share in both the aggregate profits and losses of an entity and protect the entity from aggregate medical costs in excess of some predetermined amount. To the extent that FFP is involved, CMS will also share in the profits and losses of the entity.</p> <p>In this instance, the State and CMS must first agree upon the benchmark point up to which federal match will be provided. Federal matching is available up to the cost of providing the same services under a non-risk contract (i.e., the services reimbursed on a Medicaid fee-for-service basis plus an amount for entity administrative costs related to the provision of those services). See 447.362. States typically require entities to adopt the Medicare cost-based entity principles for the purposes of calculating administrative costs under this model.</p> <p><i>Note: For this example, let’s say the payment is \$100 and there are 10 members expected to enroll. The total capitated payment CMS will match is \$1,000.</i></p> <ul style="list-style-type: none"> - <i>The State and the entity must then agree on the amount of risk to be shared between them (e.g., 5% or the risk corridor is between \$950 and \$1,050).</i> - <i>The entity must calculate its overall costs at the end of the year and submit them to the State.</i> - <i>Scenario 1, the entity costs are \$950: In this example, the entity’s profits are within the risk corridor of \$950 to \$1,050, so the entity keeps the entire amount of capitated payments and no adjustment is made.</i> - <i>Scenario 2, the entity costs are \$1,050: In this example, the entity’s loss is within the risk corridor, so the entity keeps the entire amount of the capitated payment and no adjustment is made.</i> - <i>Scenario 3, the entity costs are \$850: In this example, the entity profit is outside of the risk corridor, so the entity must pay the State the amount of the excess profit or \$100.</i> - <i>Scenario 4, the entity costs are \$1,150: In this example, the entity loss is outside of the risk corridor, so the State must pay the entity the amount of the excess loss or \$100.</i> <p><i>Please note: FFP is not available for amounts in this contract over the fee-for-service cost of providing these services. In order to compute the fee-for-service cost of providing services, the State must “price” the capitated entity’s encounter data through the State’s fee-for-service MMIS system. Amounts exceeding the cost of providing these services through a non-risk contract are not considered actuarially sound. The State must “price” the encounter data for entities with open ended risk-corridors (meaning there is no limit to</i></p>	<p>Not applicable</p>

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		<p><i>the State’s liability) when the entity exceeds the aggregate of actuarially sound rates x member months by more than 25%. In practice the RO may require the “pricing” of encounter data whenever evidence suggests that the non-risk threshold has been exceeded. Similarly, the State can require documentation if evidence suggests that the entity should be profit sharing below the threshold. In this example, if the fee-for-service and entity administrative cost of providing these services were \$1,100, then FFP would only be available up to \$1,100. See 42 CFR 447.3 62 or Step AA.1.8 of this checklist.</i></p>	
AA.7.0	<p>42 CFR 438.6(c)(4)(iv)</p> <p>42 CFR 438.6(c)(5)(iii) and (iv)</p> <p>SMM 2089.3</p> <p>42 CFR 438.6(c)(2)(i)</p> <p>42 CFR 438.6(c)(1)(iv)</p> <p>42 CFR 438.6(c)(4)(ii)</p>	<p><u>Incentive Arrangements (9.0 is mandatory if the State chooses to implement an incentive) (State Optional Policy)</u> – Incentive arrangement means any payment mechanism under which an entity may receive additional funds over and above the capitation rates it was paid for meeting targets specified in the contract. The State must include an explanation of the State’s incentive program. Payments in contracts with incentives may not exceed 105% of the approved capitation payments attributable to the enrollees or services covered by the incentive arrangement, since such payments will not be considered actuarially sound.</p> <p>The State must document that any payments under the contract are actuarially sound, are appropriate for the populations covered and services to be furnished under the contract, and based only upon services covered under the State Plan to Medicaid-eligible individuals (or costs directly related to providing these services, for example, MCO, PIHP, or PAHP administration).</p> <ul style="list-style-type: none"> • All incentives must utilize an actuarially sound methodology and based upon the provision of approved services to Medicaid eligible beneficiaries. • Incentives cannot be renewed automatically and must be for a fixed time period. • The incentive cannot be conditioned upon intergovernmental transfer agreements. • Incentives must be available to both public and private contractors. <p><i>Note: Reinsurance collections from reinsurance purchased from a private vendor (See 8.1) and State provided stoploss (8.2) are actuarially calculated to be cost-neutral and should not considered to be “incentives” or included in these payments.</i></p>	<p>Not applicable. No incentive programs are in place for CY 2011.</p>

**Oregon Health Plan
Statewide FCHP Capitation Rates**

**Explanation of Exhibits Showing the Development of Statewide Capitation Rates
from Revised 2010-2011 Per Capita Costs**

Exhibit 2-H

Column	Description	Source	
		Report	Exhibit or Page Number
A	2010-2011 per capita costs for managed care plans. Coverage for up to line 502 of the prioritized list. Revised in August, 2009.	2010-2011 Per Capita Cost Report; January 2011 Capitation Rate Development report	Exhibit 10A Page 5 Exhibit 9
B	Trend adjustment from the midpoint of the 2010-2011 biennium (1/1/11) to the midpoint of the January – December 2011 contract period (7/1/11)	January 2011 Capitation Rate Development report	Exhibit 2-A
C	Rate smoothing adjustment factor within the biennial state budget cycle	January 2011 Capitation Rate Development report	Page 7
D	Adjustment for Third Party Liability	January 2011 Capitation Rate Development report	Page 11
E	GME Carve-out. Statewide GME are carved out and later allocated to plan level based on teaching hospital utilization and discharge data	January 2011 Capitation Rate Development report	Page 5
F	Product of columns A, B, C, D, and E		
G	Adjustment for maternity case rate carve-out and program changes	January 2011 Capitation Rate Development report	Maternity case rate: Page 10 Bariatric Surgery Add-on Page 7

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Column	Description	Source	
		Report	Exhibit or Page Number
			Dental Prophylaxis Page 9 Children's Mental Health Services: Pages 7-8
H	Sum of columns F and G		

**Oregon Health Plan
Statewide PCO Capitation Rates**

**Explanation of Exhibits Showing the Development of Statewide Capitation Rates
from Revised 2010-2011 Per Capita Costs**

Exhibit 2-I

Column	Description	Source	
		Report	Exhibit or Page No.
A	2010-2011 per capita costs for managed care plans. Coverage for up to line 502 of the prioritized list. Revised in August 2009.	2010-2011 Per Capita Cost report; January 2011 Capitation Rate Development report	Exhibit 10A Page 5 Exhibit 9
B	Trend adjustment from the midpoint of the 2010-2011 biennium (1/1/11) to the midpoint of the January – December 2010 contract period (7/1/10)	January 2011 Capitation Rate Development report	Exhibit 2-A
C	Rate smoothing adjustment factor within the biennial state budget cycle	January 2011 Capitation Rate Development report	Page 7
D	Adjustment for Third Party Liability	January 2011 Capitation Rate Development report	Page 11
E	GME Carve-out. Statewide GME are carved out and later allocated to plan level based on teaching hospital utilization and discharge data	January 2011 Capitation Rate Development report	Page 5
F	Product of columns A, B, C, D, and E		
G	Adjustment for maternity case rate carve-out and program changes	January 2011 Capitation Rate Development report	Maternity case rate: Page 10 Bariatric Surgery Add-on: Page 7 Dental Prophylaxis: Page 9

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Column	Description	Source	
		Report	Exhibit or Page No.
			Children's Mental Health Services: Pages 7-8
H	Sum of columns F and G		
I	Adjustment to reflect services covered under the PCO contract. This adjustment is applied as a multiplier. Covered services receive a factor of 1; non-covered services receive a factor of 0	January 2011 Capitation Rate Development report	Pages 9-10