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# Nevada Medicaid Managed Care: Calendar Year 2019 Capitation Rate Development Redacted

State of Nevada, Division of Health Care Financing and Policy

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# M1. EXECUTIVE SUMMARY

## INTRODUCTION

Milliman, Inc. (Milliman) has been retained by the State of Nevada, Division of Health Care Financing and Policy (DHCFP) to provide actuarial and consulting services related to the development of actuarially sound medical capitation rates for the Nevada TANF, Check-up and Expansion populations. This report provides the supporting documentation for capitation rates which will be paid to managed care organizations (MCOs) during the calendar year (CY) 2019 contract period.

In developing the capitation rates and supporting documentation herein, we have applied the three principles of the regulation outlined by CMS in the 2018-2019 Medicaid Managed Care Rate Development Guide (CMS Guide), published May 2018:

- The capitation rates are reasonable and comply with all applicable laws (statutes and regulations) for Medicaid managed care.
- The rate development process complies with all applicable laws (statutes and regulations) for the Medicaid program, including but not limited to eligibility, benefits, financing, any applicable waiver or demonstration requirements, and program integrity.
- The documentation is sufficient to demonstrate that the rate development process meets requirements of 42 CFR §438 and generally accepted actuarial principles and practices.

**This report is intended to supersede our report entitled *Nevada Medicaid Managed Care: Calendar Year 2019 Capitation Rate Development*, the latest version of which was sent to DHCFP to forward to CMS on October 12, 2018.**

The only change to the rates relative to the prior version is an adjustment to our reinsurance methodology to account for members who switch rate cells. As a result of this change, we updated a number of tables and values in this certification. Additionally, we revised our description in Section I.5.B.iii, to address the Health Insurance Providers Fee payable in CY 2020 and based on the CY 2019 rates.

## CMS Guide Index [Section I.1.C]

Throughout this report, sub-headings (like the one above) are utilized to identify the page number for items described within the CMS Guide in order to index each section within the table of contents.

## CAPITATION RATES

Table 1 illustrates composite capitation rates effective January 1, 2019 through December 31, 2019 across all MCOs by population category. Composite values have been calculated utilizing our projected CY 2019 membership distribution. The values include estimated amounts for SOBRA and VLBW case rate payments converted to per member per month (PMPM) spending, where the same exposure counts and member months are used consistently in each of 2018 and 2019 rate composites. Per the IMD Exclusion, the values do not contain provision for any benefit cost incurred during a stay of greater than 15 days within a month at institutions for mental disease (IMDs). MCOs will be compensated for IMD Exclusion experience under a separate state-funded capitation rate.

Table 1 State of Nevada Division of Health Care Financing and Policy CY 2019 Capitation Rate Development Proposed Rates - Including Maternity			
Population	1/1/2018 Rate	1/1/2019 Rate	Rate Change
Expansion	\$ 483.38	\$ 493.50	2.1%
TANF Adults	429.02	439.08	2.3%
TANF Children	153.95	153.94	0.0%
Check-Up	113.29	118.48	4.6%
<b>Composite</b>	<b>\$ 306.55</b>	<b>\$ 311.73</b>	<b>1.7%</b>

## SUMMARY OF CHANGES

The rating methodology presented in this report for rate development effective during the CY 2019 contract period is largely consistent with the CY 2018 rate development. Key rate components include:

1. Revised calculation of partial month MCO enrollment for pro-rated capitation rates: as eligible members are now directly enrolled with MCOs upon becoming Medicaid eligible, DHCFP has implemented pro-rated payments to reflect partial month experience for the MCOs. The data fields used to calculate partial-month enrollment has been updated relative to the prior year.

2. Reduced credibility thresholds used to adjust partially credible rate cells from 80,000 member months to 50,000 member months, explained in section I.2.B.iii.(a).
3. Shifted application of credibility formula to base medical cost prior to application of admin and premium tax.
4. VLBW funding limit: we have increased the VLBW funding limit relative to CY 2018 rates from 0.85 to 0.95 VLBW births per 1,000 member months aged 0-1 based on VLBW experience during CY 2017.
5. Revised the list of facilities used in identifying IMD claims, leading to a reduction in the number of IMD stays exceeding 15 days for non-elderly adults.
6. Refined definitions for behavioral health service categories.

Several policy, program, or fee changes have been or will be implemented between the beginning of the base data period and the end of the rating period. We have reflected the following changes for the capitation rates presented herein:

1. Removal of dental services from base experience. Note that because this occurred July 1, 2017, this change was already reflected in the 2018 rates and is therefore not a component of the rate change.
2. Elimination of fee-for-service waiting period for new Medicaid enrollees, as they now enroll directly with MCOs (“direct enrollment”).
3. Fee schedule changes related to several CMS-approved State Plan Amendments.
4. Repricing of IMD inpatient and residential stays qualifying as in lieu of services per 42 CFR §438.6(e).
5. Hepatitis C pharmaceutical treatment experience changes. The Hepatitis C policy change occurred prior to the start of the base period, but we continue to adjust base period data for the disruption in the market. In Tables 2a and 2b, Hepatitis C costs are included in the “Base Data” row, and the “Hepatitis C Drugs” row shows the impact of our adjustment to the base data experience.

Tables 2a and 2b illustrate the stepwise rate build-up of the CY 2019 proposed capitation rates. Each row is the amount a key assumption contributes to the overall rate. Note that these tables do not contain provision for the cost of maternity or VLBW case rate payments, and it reflect a 3.5% premium tax and 10.5% administration and margin load for illustrative purposes. The percentages in Table 2b are calculated as the PMPM impact for each step relative to the final monthly capitation rate from Appendix C.

<b>Table 2a</b> <b>State of Nevada</b> <b>Division of Health Care Financing and Policy</b> <b>CY 2019 Medical Capitation Rate Development</b> <b>CY 2019 Rate Components PMPM Build-up</b>					
Rate Components	Expansion	TANF Adults	TANF Children	Check-up	Composite
Base Data	\$ 366.17	\$ 251.16	\$ 113.68	\$ 89.53	\$ 223.10
VLBW Experience	-	-	(4.48)	(0.46)	(2.10)
Direct Enrollment	1.11	0.86	2.06	0.10	1.48
Trend	45.78	28.03	11.54	9.00	26.18
Fee Schedule Adjustments	(2.76)	(2.07)	(0.51)	(0.18)	(1.52)
IMD Repricing	8.54	2.49	-	-	3.51
Hepatitis C Drugs	(2.87)	(0.91)	(0.01)	-	(1.19)
Credibility	-	0.17	(0.04)	(0.41)	(0.02)
Safety Net	10.90	13.62	5.95	4.75	8.60
Admin and Taxes	66.06	44.66	19.51	15.58	39.69
<b>Final Appendix C Rate</b>	<b>492.92</b>	<b>338.01</b>	<b>147.70</b>	<b>117.90</b>	<b>297.72</b>

**Table 2b**  
**State of Nevada**  
**Division of Health Care Financing and Policy**  
**CY 2019 Medical Capitation Rate Development**  
**CY 2019 Rate Components by Percentage Build-up**

Rate Components	Expansion	TANF Adults	TANF Children	Check-up	Composite
Base Data	\$ 366.17	\$ 251.16	\$ 113.68	\$ 89.53	\$ 223.10
VLBW Experience	0.0%	0.0%	-3.0%	-0.4%	-0.7%
Direct Enrollment	0.2%	0.3%	1.4%	0.1%	0.5%
Trend	9.3%	8.3%	7.8%	7.6%	8.8%
Fee Schedule Adjustments	-0.6%	-0.6%	-0.3%	-0.2%	-0.5%
IMD Repricing	1.7%	0.7%	0.0%	0.0%	1.2%
Hepatitis C Drugs	-0.6%	-0.3%	0.0%	0.0%	-0.4%
Credibility	0.0%	0.1%	0.0%	-0.3%	0.0%
Safety Net	2.2%	4.0%	4.0%	4.0%	2.9%
Admin and Taxes	13.4%	13.2%	13.2%	13.2%	13.3%
<b>Final Appendix C Rate</b>	<b>492.92</b>	<b>338.01</b>	<b>147.70</b>	<b>117.90</b>	<b>297.72</b>

## FISCAL IMPACT

Table 3 illustrates both the estimated State and Federal expenditures and the estimated State-only expenditures by population category for the twelve-month contract period from January to December 2019. The PMPM rates used to develop projected expenditures are illustrated in Table 1, including provision for delivery and VLBW case rate payments. We have projected 2019 expenditures using our CY 2019 enrollment projections. State expenditures were estimated using the following FMAP rates<sup>1</sup>:

- 93.00% Expansion,
- 98.41% Check-up,
- 64.87% TANF.

**Table 3**  
**State of Nevada**  
**Division of Health Care Financing and Policy**  
**CY 2019 Capitation Rate Development**  
**CY 2019 Fiscal Impact (\$ Millions)**

Budget Line	Expansion	TANF Adults	TANF Children	Check-up	Composite
<b>State and Federal Expenditures</b>					
CY 2018 Rates	\$ 1,112.0	\$ 279.7	\$ 432.4	\$ 34.0	\$ 1,858.1
CY 2019 Rates	\$ 1,135.3	\$ 286.3	\$ 432.4	\$ 35.6	\$ 1,889.5
Expenditure Change	2.1%	2.3%	0.0%	4.6%	1.7%
<b>State-only Expenditures (non-IMD)</b>					
CY 2018 Rates	\$ 77.8	\$ 98.3	\$ 151.9	\$ 0.5	\$ 328.5
CY 2019 Rates	\$ 79.5	\$ 100.6	\$ 151.9	\$ 0.6	\$ 332.5
Expenditure Change	2.1%	2.3%	0.0%	4.6%	1.2%
<b>State-funded IMD Member Exp.</b>					
CY 2018 Rates	\$ 6.4	\$ 0.6	\$ 0.0	\$ 0.0	\$ 7.0
CY 2019 Rates	\$ 4.6	\$ 0.0	\$ 0.0	\$ 0.0	\$ 4.6
Expenditure Change	(27.6%)	(94.8%)	0.0%	0.0%	(33.4%)
<b>Total State-only Expenditures</b>	<b>\$ 84.1</b>	<b>\$ 100.6</b>	<b>\$ 151.9</b>	<b>\$ 0.6</b>	<b>\$ 337.1</b>

<sup>1</sup> <https://www.federalregister.gov/documents/2017/11/21/2017-24953/federal-matching-shares-for-medicaid-the-childrens-health-insurance-program-and-aid-to-needy-aged>

<https://www.kff.org/medicaid/issue-brief/understanding-how-states-access-the-aca-enhanced-medicaid-match-rates/>

## APPENDICES

Appendix A includes exhibits that illustrate the final CY 2019 capitation rates.

- Appendix A-1 illustrates capitation rates eligible for federal financial participation (i.e., rates excluding costs incurred under the IMD Exclusion of the Social Security Act). This includes monthly capitated rates as well as case rate payments for the SOBRA delivery case rate and VLBW cases.
- Appendix A-2 illustrates the state-funded IMD “add-on” PMPM rates, which cover the cost of IMD services and any other medical services incurred during an IMD stay that exceeds 15 days within a month.
- Appendix A-3 illustrates plan-specific capitation rates for rates eligible for federal financial participation. The medical component of these rates is consistent with those presented in Appendix A-1, however premium tax and administrative load vary by MCO, as contracted. DHCFP currently contracts with three MCOs on a full-risk basis to provide covered Medicaid health care services: Anthem Blue Cross Blue Shield Healthcare Solutions (Anthem, formerly Amerigroup), Health Plan of Nevada (HPN), and SilverSummit Healthplan (SilverSummit).
- Appendix A-4 illustrates plan-specific capitation rates that are paid monthly to the MCOs. These rates are the sum of the rates displayed in Exhibits A-2 and A-3.

Appendix B includes actuarial models for base data, adjustment factors, and projected experience by region and rate cell.

- Appendix B-1 includes the base data cost models for CY 2017, as well as applicable adjustment factors and projected CY 2019 medical cost by region and rate cell for monthly capitation payments.
- Appendix B-2 includes the maternity delivery bundle cost models for CY 2017, as well as applicable adjustment factors and projected CY 2019 medical cost for the SOBRA delivery case rate payment.

Appendix C illustrates the steps applied to benefit cost projections subsequent to Appendix B to develop monthly capitation rates, including:

- Summarizing the projected PMPM benefit cost from Appendix B and adjusting to remove the cost of projected VLBW case rate payments. Note that these births are based on projected infant member months and represent an estimation of the funding limit if actual CY 2019 member months were to be identical to our CY 2019 projected member months. Because member month levels are a projection, the number of VLBW births illustrated do not represent the actual funding limit of deliveries for CY 2019, but rather our best estimate at the time of rate development.
- The partial credibility assessment, manual rates, and credibility-adjusted benefit cost projections.
- The application of 10.5% administration/margin load and a 3.5% premium tax for illustrative purposes, and the inclusion of safety net pass-through payment PMPMs. Note that the actual administrative load and tax assumptions vary by MCO, and that administrative load does not apply to the safety net pass-through payment. Safety net PMPMs are presented prior to application of premium tax.

Appendix D illustrates a comparison of the Safety Net Enhancement PMPMs included in the CY 2019 rates to the PMPM amounts included in prior capitation rates. Note that annual expenditures are illustrated for CY 2016-2017 rating periods are based on actual member months, and expenditures for the CY 2018 and CY 2019 rating periods are based on projected member months used in the rate development for each of those years.



## M2. TOPICS OUTSIDE CMS GUIDANCE

### MEMBERSHIP PROJECTIONS

We have developed estimates for membership by MCO, region, population category, and rate cell for the CY 2019 contract period. Note that because the rate development process separates cost by rate cell, membership projections have no impact on the PMPM rate development. Their use is in the calculation of illustrative composite rates and estimated expenditure projections. Because projected expenditures depend on our membership estimates, we have included this section to document the data, assumptions, and methodology utilized to develop membership projections.

#### Member Months

Member months for CY 2019 were projected with the following steps:

1. Historical monthly membership experience was summarized by MCO and population for the period January 2015 through March 2018.
2. Historical growth patterns and trends were calculated and reviewed.
3. Based on our review of historical growth and DHCFP expectations, we assumed monthly membership growth by MCO and by population category.
4. Table 4 shows the monthly membership growth assumption for each MCO.

<b>Table 4</b> <b>State of Nevada</b> <b>Division of Healthcare Financing and Policy</b> <b>CY 2019 Capitation Rate Development</b> <b>Monthly Membership Growth Assumption</b>				
<b>MCO</b>	<b>Expansion</b>	<b>TANF Adults</b>	<b>TANF Children</b>	<b>Check-Up</b>
Anthem	(1.0%)	(0.5%)	(0.4%)	(0.2%)
HPN	(0.5%)	(0.4%)	(0.3%)	(0.3%)
SilverSummit	4.5%	4.0%	4.0%	3.0%
All MCOs	3.2%	2.3%	1.1%	1.3%

The small negative growth for the legacy MCOs and the larger positive growth for SilverSummit reflects both the relative size of the organizations (i.e. the same number of member months will have a higher percentage impact on SilverSummit), and the preferential enrollment into SilverSummit for members who are auto-assigned to an MCO.

Capitation rates are projected on a PMPM basis at the individual rate cell level, but projected CY 2019 expenditures are calculated using our CY 2019 projected member months. Table 5 compares member month counts by population category for CY 2017, annualized March 2018 (March members \* 12), and the results of our CY 2019 projection.

<b>Table 5</b> <b>State of Nevada</b> <b>Division of Health Care Financing and Policy</b> <b>CY 2019 Capitation Rate Development</b> <b>Member Month Projections</b>			
<b>Population</b>	<b>CY 2017</b>	<b>Annualized March 2018</b>	<b>Projected 2019</b>
TANF Adults	621,209	636,394	651,949
TANF Children	2,743,066	2,778,717	2,808,794
Check Up	279,938	295,533	300,040
Expansion	2,180,761	2,225,556	2,300,519
<b>Composite</b>	<b>5,824,974</b>	<b>5,936,200</b>	<b>6,061,302</b>

#### Deliveries and Low Birth Weight Cases

In order to include provision for the cost of delivery case rate (DCR) and the low birth weight (VLBW) case rate payments in expenditure projections, we estimated the number of maternity events and low birth weight births qualifying for a payment in CY 2019. Tables 6a and 6b illustrate the lists of HCPCS and MS-DRG codes used for identifying delivery counts within our historical experience.

**Table 6a**  
**State of Nevada**  
**Division of Healthcare Financing and Policy**  
**CY 2019 Capitation Rate Development**  
**HCCPS Codes for Deliveries**

HCCPS Code	Code Description
59400	Obstetrical care
59409	Obstetrical care
59410	Obstetrical care
59610	Vbac delivery
59612	Vbac delivery only
59614	Vbac care after delivery
59812	Treatment of miscarriage
59820	Care of miscarriage
59821	Treatment of miscarriage
59510	Cesarean delivery
59514	Cesarean delivery only
59515	Cesarean delivery
59618	Attempted vbac delivery
59620	Attempted vbac delivery only
59622	Attempted vbac after care
59426	Antepartum care only
59425	Antepartum care only
99202*	Office/outpatient visit new
99203*	Office/outpatient visit new
99204*	Office/outpatient visit new
99205*	Office/outpatient visit new
99211*	Office/outpatient visit est
99213*	Office/outpatient visit est
99214*	Office/outpatient visit est
99215*	Office/outpatient visit est

\* Maternity diagnosis required for inclusion

**Table 6b**  
**State of Nevada**  
**Division of Healthcare Financing and Policy**  
**CY 2019 Capitation Rate Development**  
**MS-DRG Codes for Deliveries**

DRG Code	Code Description
767	Vaginal delivery w sterilization &/or D&C
768	Vaginal delivery w O.R. proc except steril &/or D&C
774	Vaginal delivery w complicating diagnoses
775	Vaginal delivery w/o complicating diagnoses
765	Cesarean section w CC/MCC
766	Cesarean section w/o CC/MCC

We reviewed maternity delivery events by rate cell during 2016 through 2017 relative to member months and selected birth rates based on the historical experience. Table 6c illustrates the assumed delivery count per member month by rate cell and population group.

**Table 6c**  
**State of Nevada**  
**Division of Health Care Financing and Policy**  
**CY 2019 Capitation Rate Development**  
**Assumed Birth Rates per Member Month**

Rate Cell	TANF	Check-Up	Expansion
Females; 15 - 18 yrs old	0.33%	0.04%	N/A
Females; 19 - 34 yrs old	3.20%	N/A	0.12%
Females; 35+ yrs old	0.77%	N/A	0.01%

In estimating the VLBW birth rate which is used to set the VLBW case rate payment funding level, we reviewed historical VLBW incidence rates per 1,000 member months for children under age 1 (i.e., "<1 year old" rate cell). The following list presents these results:

- 0.76 in CY 2015
- 0.77 in CY 2016
- 0.89 in CY 2017.

Because of the structure of the VLBW case rate payment funding mechanism, we believe it is most effective as a risk mitigation technique when it is initially funded assuming an incidence rate that is slightly higher than expected cases. As a result, we selected the funding level of 0.95 births per 1,000. To project VLBW cases in 2019, this funding level is multiplied by the projected infant member months.

## M3. MEDICAID MANAGED CARE RATES [SECTION I]

### GENERAL INFORMATION [SECTION I.1]

#### Rate Development Standards [Section I.1.A]

##### Rating Period [Section I.1.A.i]:

This rate certification is for a 12-month rating period effective during CY 2019.

##### Items included in an acceptable rate certification [Section I.1.A.ii]:

###### *a. A letter from the certifying actuary:*

Section M7 contains the signed rate certification.

###### *b. The final and certified capitation rates:*

Appendix A includes exhibits that illustrate the final CY 2019 capitation rates.

- Appendix A-1 illustrates capitation rates eligible for federal financial participation (i.e., rates excluding costs incurred under the IMD Exclusion of the Social Security Act). This includes monthly capitated rates as well as case rate payments for the SOBRA delivery case rate and VLBW cases.
- Appendix A-2 illustrates the state-funded IMD “add-on” PMPM rates, which cover the cost of IMD services and any other medical services incurred during an IMD stay that exceeds 15 days within a month.
- Appendix A-3 illustrates plan-specific capitation rates for rates eligible for federal financial participation. The medical component of these rates is consistent with those presented in Appendix A-1, however premium tax and administrative load vary by MCO, as contracted. DHCFP currently contracts with three MCOs on a full-risk basis to provide covered Medicaid health care services: Anthem Blue Cross Blue Shield Healthcare Solutions (Anthem, formerly Amerigroup), Health Plan of Nevada (HPN), and SilverSummit Healthplan (SilverSummit).
- Appendix A-4 illustrates plan-specific capitation rates that are paid monthly to the MCOs. These rates are the sum of the rates displayed in Exhibits A-2 and A-3.

###### *c. Descriptions of the program:*

###### *(i) A summary of the specific state Medicaid managed care programs covered by the rate certification, including, but not limited to:*

###### *(A) The types and numbers of managed care plans included in the rate development:*

DHCFP contracts with three national for-profit MCOs: Anthem, HPN (owned by UnitedHealth Group), and SilverSummit (owned by Centene Corporation). For a two-month period in 2017, Aetna was a contracted MCO as well, but they exited the market effective August 31, 2017.

Anthem and HPN have a long-standing relationship with DHCFP, having provided health care services for Nevada managed care enrollees for several years.

During 2016 and 2017, DHCFP went through a re-procurement process to select MCOs to participate in the program effective July 1, 2017. The two legacy plans were selected along with two new plans, however one MCO exited the market within two months of entering the contract.

###### *(B) A general description or list of the benefits that are required to be provided by the managed care plan or plans:*

The MCO contracts cover most medical and pharmacy services under the Nevada State Plan, including acute, primary, specialty, and behavioral health care services.

Prior to July 1, 2017, dental services were also covered under the managed care contracts. Effective July 1, 2017, dental benefits were moved to fee-for-service delivery for managed care enrollees, and effective January 1, 2018 managed care enrollees were covered under a separate dental benefits administrator.

###### *(C) The areas of the state covered by the managed care rates and approximate length of time the managed care program has been in operation.*

The managed care contracts cover Clark county (Southern region, includes Las Vegas) and Washoe county (Northern region, includes Reno).

Risk-based managed care has been mandatory in Nevada since 1998 for children (including CHIP) and low-income adults, and it was expanded to include the ACA Expansion adult population in 2014.

###### *(ii) Rating period:*

The rating period covered by this rate certification is CY 2019.

*(iii) Covered populations:*

The populations covered under the managed care program documented herein include:

- **TANF/CHAP:** includes Nevada’s legacy low-income children and caretaker adults who were eligible for Medicaid prior to the ACA expansion effective January 1, 2014. The Child Health Assurance Program (CHAP) covers children and pregnant women, while Temporary Assistance for Needy Families (TANF) covers caretaker adults at lower income levels. Household income qualifying levels, as a percentage of the federal poverty level (FPL) are:
  - Up to 165% FPL for children under age 6 and pregnant women.
  - Up to 138% FPL for children between ages 6 and 18.
  - Up to 84% FPL for adults.
- **Check-up:** includes children under Nevada’s CHIP expansion, covering children in households with income levels between the Medicaid qualifying threshold (138% or 165%, depending on age) and 205% FPL.
- **Expansion:** includes adults with household income up to 138% FPL, excluding those members who would have been eligible for Medicaid prior to January 1, 2014.

*(iv) Eligibility and enrollment criteria:*

Enrollment in managed care plans is mandatory for the majority of TANF, Check-up and Expansion beneficiaries in Washoe and Clark counties. There are groups for whom managed care is optional, such as American Indian/Alaskan Native beneficiaries. Eligibility criteria are not changing between the base and the rating period.

Children who have been determined as seriously emotionally disturbed (SED) or are severely mentally ill (SMI) are disenrolled from managed care upon determination by authorized entities.

*(v) Special contract provisions:*

For a discussion of pass-through payments, see section I.4.E. For a discussion of payments to MCOs for Institutions for Mental Disease (IMDs), see section I.3.

*(vi) Retroactive adjustments:*

Not applicable; no retroactive adjustments are planned at this time.

**Differences between covered populations [Section I.1.A.iii]:**

Any observed differences among covered populations are based on valid assumption differences driven primarily by historical experience data.

**Cross-subsidization [Section I.1.A.iv]:**

Capitation rates were developed such that payments from any rate cell do not cross-subsidize payments from any other rate cell.

**Consistency of effective dates [Section I.1.A.v]:**

The effective dates of changes to the Medicaid managed care program (including eligibility, benefits, payment rate requirements, incentive programs, and program initiatives) are consistent with the assumptions used to develop the capitation rates. These changes have been summarized in [Section M1. Executive Summary](#), with detail included within the assumption documentation sections.

**Considerations for CMS [Section I.1.A.vi]:** *As part of CMS’s determination of whether or not the rate certification submission and supporting documentation adequately demonstrate that the rates were developed using generally accepted actuarial practices and principles, CMS will consider whether the submission demonstrates the following:*

*a. all adjustments are reasonable, appropriate, and attainable in the actuary’s judgment.*

All adjustments applied during the capitation rate development have been documented herein and are certified as part of the overall rates as reasonable, appropriate, and attainable by the certifying actuary.

*b. adjustments to the rates that are performed outside of the rate setting process described in the rate certification are not considered actuarially sound under 42 CFR §438.4.*

We have not made additional adjustments outside the rate setting process documented herein.

*c. consistent with 42 CFR §438.7(c), the final contracted rates in each cell must either match the capitation rates in the rate certification. This is required in total and for each and every rate cell.*

It is our understanding that the final contracted rates paid to the MCOs for each rate cell will be consistent with the capitation rates included in Appendix A. However, we will conduct a risk adjustment calculation at a later date given the entrance of a new MCO to the managed care market. The risk adjustment is intended to be budget neutral to the state and CMS and by its nature must be settled after the completion of the contract period.

**Certification period [Section I.1.A.vii]:**

Rates are effective and certified for CY 2019.

**Procedures for rate certifications for rate and contract amendments [Section I.1.A.viii]:**

Not applicable.

**Appropriate Documentation [Section I.1.B]**

**Documentation detail required [Section I.1.B.i]:** States and their actuaries must document all the elements described within their rate certifications to provide adequate detail that CMS is able to determine whether or not the regulatory standards are met. In evaluating the rate certification, CMS will look to the reasonableness of the information contained in the rate certification for the purposes of rate development and may require additional information or documentation as necessary to review and approve the rates. States and their actuaries must ensure that the following elements are properly documented:

- a. Data used, including citations to studies, research papers, other states’ analyses, or similar secondary data sources.

**Base Experience Period Data**

Table 7 identifies the types and sources of data and information utilized in developing the CY 2019 capitation rates.

Table 7 State of Nevada Division of Health Care Financing and Policy CY 2019 Capitation Rate Development Base Data Sources			
Experience type	Data Source	Experience Dates	Date Received
Detailed monthly eligibility	DHCFP	CY 2017	6/6/2018
Fee-for-service claims	DHCFP	CY 2017, paid through 3/31/2018	7/16/2018
MCO-submitted encounters	Anthem	CY 2017, paid through 3/31/2018	6/13/2018
MCO-submitted encounters	HPN	CY 2017, paid through 3/31/2018	5/1/2018
MCO-submitted encounters	SilverSummit	Jul-Dec 2017, paid through 3/31/2018	5/2/2018
MCO-submitted encounters	Aetna	Jul-Aug 2017, paid through 11/30/2017	2/16/2018
Rate cell level sub-capitated payments	Anthem	CY 2017	5/2/2018
Member level sub-capitated payments	HPN	CY 2017	5/1/2018
Member level sub-capitated payments	SilverSummit	7/1/2017-12/31/2017	5/2/2018
MCO financial statements	Anthem	CY 2017	5/2/2018
MCO financial statements	HPN	CY 2017	5/1/2018
MCO financial statements	SilverSummit	7/1/2017-12/31/2017	5/5/2018
MCO financial statements	Aetna	7/1/2017-8/31/2017	2/8/2018
Provider incentive payments	Anthem	CY 2017	5/2/2018
Provider Incentive Payments	HPN	CY 2017	5/1/2018
Provider Incentive Payments	SilverSummit	7/1/2017-12/31/2017	5/5/2018
Historical SOBRA and LBW payments	DHCFP	CY 2017	6/18/2018

**MCO Experience**

CY 2017 data were used in rate development, with claims data paid through March 31, 2018. SilverSummit’s contract began July 1, 2017, so applicable data from this MCO was available beginning July 1, 2017. Aetna Better Health (Aetna)’s contract was effective July 1, 2017 and terminated August 31, 2017, so applicable data was only available from July 1, 2017 to August 31, 2017, and paid through November 30, 2017.

We worked to reconcile the claims loaded into our system to claim summaries reported in financial documents presented by the MCOs to DHCFP. In this process, we identified some inconsistencies with HPN’s data which were resolved through high level reconciliation adjustments. Following these minor adjustments (described in Section I.2.B.ii.b.i), we confirmed that all remaining differences between sources were small enough that it could be reasonably expected to be due to accounting differences, such as in incomplete data estimates.

The following services were identified within our claims data set and removed prior to populating base data in the cost models.

- Targeted case management
- Value-added benefits
- Adult daycare

Table 8 summarizes claim exclusions amount applied to CY 2017 claims experience.

**Table 8**  
**State of Nevada**  
**Division of Health Care Financing and Policy**  
**CY 2019 Capitation Rate Development**  
**Claim Exclusions Limited to CY2017 Claims**

Exclusion Reason	FFS Claims	MC Claims
<b>Starting claims</b>	<b>\$ 8,933,017</b>	<b>\$ 1,298,377,418</b>
Claims paid after 3/31/2018	-	12,319,769
Orphan claims (claims w/o a member record)	-	3,819,343
Ineligible Age/COA combination	-	139,001
Pharmacy data reconciliation adj	-	1,564,197
<b>Excluded Benefits</b>		
Dental claims excluded (includes adjustment to HPN oral surgery cap)	222,223	13,013,753
Targeted Case Management (HCPCS T1017)	89,677	10
School-based Services (Provider Type 060)	24,893	-
Residential Treatment Centers (Provider Type 063)	43,919	-
Value-Added Benefits (HCPCS T2022, G9001, 99444, T2033, T2001, A0120, A0130, T2005)	1	5,246,369
Adult Daycare (HCPCS S5100 and S5102)	2,942	595,250
<b>Claims used in rate development</b>	<b>\$ 8,549,362</b>	<b>\$ 1,261,679,725</b>

During CY 2017, Aetna, Anthem, HPN and SilverSummit all engaged in sub-capitated arrangements for various services and with provider groups. We evaluated encounters supporting sub-capitated arrangements for each MCO to determine whether they appeared to be reported sufficiently to project future medical cost.

- Anthem provided encounter data supporting their sub-capitated arrangements. Shadow encounter data was reported sufficiently for some sub-capitated arrangements, but not for all. As a result, we relied on their shadow encounters for some services, and sub-capitation payments for the rest.
- SilverSummit reported reasonable and complete encounters for their sub-capitated arrangements. Therefore, we relied primarily on these shadow encounters rather than sub-capitation payments.
- HPN provided encounter data supporting their sub-capitated arrangements. However, it was not reported sufficiently for use in rate development. As such, we have included sub-capitation payments made to providers with certain adjustments.
- Aetna reported \$2,500 of capitation for the two months of July and August 2017, but could provide no support or detail for this amount. It was determined immaterial and excluded from this capitation rate development.

Table 9 presents the CY 2017 aggregate sub-capitated payments, aggregate shadow encounter claims paid amount, and the PMPMs included in the rate development by service type.

**Table 9**  
**State of Nevada**  
**Division of Health Care Financing and Policy**  
**CY 2019 Capitation Rate Development**  
**2017 Sub capitated Payments and Shadow Encounter Claims (all MCOs)**

Service Type	Sub-Cap Payments			Shadow Encounters		Used in Rates	PMPM
	Received	Used <sup>(1)</sup>	Adjusted <sup>(2)</sup>	Received <sup>(3)</sup>	Used <sup>(4)</sup>		
Global	\$ 37,390,015	\$ 35,909,572	\$ 32,139,067	\$ 0	\$ 0	\$32,139,067	\$ 5.53
PCP	23,961,149	23,229,357	21,063,591	1,248,029	1,245,807	21,063,591	3.63
Specialty	4,623,351	4,427,995	4,421,998	3,661,982	3,656,920	4,421,998	0.76
Beh. Health	29,493,283	11,061,027	11,061,027	4,477,632	4,381,441	4,381,441	0.75
DME	12,216,450	11,629,328	10,408,248	10,096,103	9,941,624	10,408,248	1.79
Lab	13,589,226	12,844,025	12,844,025	19,683,652	19,640,328	12,844,025	2.21
Oral surgery	710,063	686,159	686,159	-	-	686,159	0.12
Vision	2,141,222	2,068,643	2,068,643	3,585,407	3,581,462	3,581,462	0.62
<b>Total</b>	<b>\$ 124,124,760</b>	<b>\$ 101,856,105</b>	<b>\$ 94,692,758</b>	<b>\$ 42,752,806</b>	<b>\$ 42,447,582</b>	<b>\$ 89,525,990</b>	<b>\$ 15.41</b>

(1) Exclude value-added benefits, and payments with incomplete member information, or ineligible age/aid type combination

(2) Administrative costs were deducted from capitation arrangements with related parties.

(3) Does not include completion

(4) Exclude claims with incomplete member information, ineligible age/aid type combination, or paid date after 3/31/2018

Anthem, HPN and SilverSummit all provided documentation supporting expenses related to their provider quality incentive program (PQIP). This program rewards providers for achieving cost savings and quality score improvements. Benchmarks for achievement are based on medical loss ratio and HEDIS-like quality measures. We received payments associated with PQIP by incurred month and population during CY 2017. Upon our review of the information and expenditure levels, and in conjunction with CMS's efforts to incorporate value-based payment initiatives in Medicaid, we included the cost as medical cost because these payments are associated with the provision of medical services.

Table 10 illustrates CY 2017 provider incentive PMPMs by MCO and by population. We included these payments in the rate development on a PMPM basis by rate cell and did not apply additional adjustments for trend, completion, etc.

<b>Table 10</b>					
<b>State of Nevada</b>					
<b>Division of Health Care Financing and Policy</b>					
<b>CY 2019 Capitation Rate Development</b>					
<b>2017 Provider Incentive PMPMs</b>					
Population	Aetna	Anthem	HPN	SilverSummit	Total
Expansion	\$ 0.00	\$ 0.00	\$ 0.01	\$ 0.01	\$ 0.02
TANF	-	1.20	0.01	0.00	1.21
Check-Up	-	-	-	0.00	0.00

**Fee-for-service Experience**

Beginning in October of 2016, DHCFP began enrolling a subset of eligible beneficiaries directly into managed care rather than enrolling them into fee-for-service during an initial choice period. This initiative was completed in May 2017 for all eligible beneficiaries. We utilized fee-for-service waiting period experience data during CY 2017 to estimate the experience of this expansion in managed care coverage.

DHCFP provided a list of services which are not covered under the managed care contracts. We excluded claims for these benefits from our base data as they will remain covered under fee-for-service. The following services were identified within our claims data set and removed prior to populating base data in the cost models.

- Targeted case management
- School-based services
- Residential treatment centers
- Hospice
- Services provided by HCBS waiver providers (adult daycare)

Table 8 above summarizes claim exclusions amount applied to CY 2017 FFS experience.

We used the FFS waiting period experience to develop PMPM medical cost by region and rate cell consistent with the MCO base data projections. We applied trends, fee schedule adjustments, and other experience adjustments consistent with those documented

We used the FFS waiting period experience to develop PMPM medical cost by region and rate cell consistent with the MCO base data projections. We applied trends, fee schedule adjustments, and other experience adjustments consistent with those documented as applying to managed care experience. Completion factors were developed separately for FFS claims. The CY 2019 projected medical cost included in the capitation rates is a blend of the managed care and fee-for-service PMPM projections, blended using member months from each cohort.

Table 11 illustrates projected CY 2019 medical cost for managed care experience separate from fee-for-service waiting period experience by population category. Note that the rate cells with the largest experience differentials are TANF/CHAP infants. The fee-for-service waiting period experience was used as a proxy for the impact of direct enrollment to future managed care experience.

<b>Table 11</b> <b>State of Nevada</b> <b>Division of Health Care Financing and Policy</b> <b>CY 2019 Capitation Rate Development</b> <b>CY 2019 Projected PMPM Medical Cost Comparison</b>		
<b>Population/Rate Cell</b>	<b>Managed Care</b>	<b>FFS Waiting Period</b>
Expansion 19-34 Females	\$ 234.07	\$ 242.68
Expansion 19-34 Males	273.22	299.96
Expansion 35-64 Females	530.90	490.23
Expansion 35-64 Males	575.12	581.56
TANF/CHAP Infants (<1)	574.20	2,601.41
TANF/CHAP Children (1-18)	88.51	133.85
TANF/CHAP Adults (19+)	279.90	309.59
Check-up Children (<19)	107.06	97.21

**Longer-Term Analysis Data**

We utilized additional historical experience from the managed care plans, submitted and verified during previous rate development processes, in order to develop historical trend and completion estimates for the base data used in CY 2019 rate development.

In addition to historical medical trend experience, we reviewed and considered National Health Expenditures<sup>2</sup> (NHE) data and CMS OACT projections<sup>3</sup> to help inform our trend rate selection.

In our selection of pharmacy trends and adjustments for brand drugs transitioning to generic, we utilized several sources in addition to historical experience:

- Internal Milliman research
- Publicly available industry reports <sup>4</sup>

*b. Assumptions made:*

Details supporting all assumptions are provided throughout this document. The following assumptions have been addressed during rate development:

- Medical and pharmacy trend
- Supplemental pharmacy rebates
- Pent-up demand and anti-selection for the Expansion population
- Adjustment for claims completion
- Adjustments for fee schedule and policy changes
- Credibility
- In lieu of services
- Non-covered benefits
- IMD exclusion requirements
- Safety net provider payments
- Non-benefit expenses

*c. Methods for analyzing data and developing assumptions and adjustments:*

Methodology applied in developing assumptions and adjustments are described throughout this document where assumptions are identified.

<sup>2</sup> <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsProjected.html>

<sup>3</sup> <https://www.cms.gov/Research-Statistics-Data-and-Systems/Research/ActuarialStudies/Downloads/MedicaidReport2016.pdf>

<sup>4</sup> <http://lab.express-scripts.com/lab/drug-trend-report>;

<https://www1.magellanrx.com/magellan-rx/publications/medicaid-trend-report.aspx>;

<https://www.primetherapeutics.com/content/dam/corporate/Documents/Newsroom/PrimeInsights/2017/document-medicoid-trend-report-040507.pdf>



**Rate certification index [Section I.1.B.ii]**

The table of contents of this document serves as the rate certification index.

**Differences in FMAP [Section I.1.B.iii]**

Costs for TANF/CHAP, Check-up, and Expansion populations are all subject to different federal medical assistance percentage (FMAP) rates. Capitation rates and assumptions are stratified throughout this document for reference. Table 12 summarizes expenditures by population as well as effective FMAP rates for FFY 2019.

<b>Table 12</b> <b>State of Nevada</b> <b>Division of Health Care Financing and Policy</b> <b>CY 2019 Capitation Rate Development</b> <b>CY 2019 Expenditures by Population (\$ Millions)</b>				
<b>Budget Line</b>	<b>Expansion</b>	<b>TANF Adults</b>	<b>TANF Children</b>	<b>Check-up</b>
<b>State and Federal Expenditures</b>				
Proposed CY 2019 PMPM Rates	\$ 493.50	\$ 439.08	\$ 153.94	\$ 118.48
Proposed CY 2019 Expenditures	\$ 1,135.3	\$ 286.3	\$ 432.4	\$ 35.6
<b>Federal-Only Expenditures</b>				
Proposed CY 2019 PMPM Rates	\$ 458.96	\$ 284.83	\$ 99.86	\$ 116.60
Proposed CY 2019 Expenditures	\$ 1,055.8	\$ 185.7	\$ 280.5	\$ 35.0
<b>FFY 2019 FMAP</b>	93.00%	64.87%	64.87%	98.41%

The only services covered under managed care which are eligible for enhanced federal funding are family planning services, which receive a 90% FMAP. We will prepare a separate report which identifies these services, but historically they have made up approximately 0.4% of the capitation rates for the TANF population.

**Managed care program additional documentation requests [Section I.1.B.iv]**

*a. Comparison to previous certified rates*

The rate change relative to CY 2018 rates can be seen in Appendices A-1, A-2, A-3, and A-4, as well as in Table 1.

*b. Description of any material changes to the rates or rate development process not addressed elsewhere*

All material changes to the rates or rate development process are discussed elsewhere in this report.

**DATA [SECTION I.2]**

**Rate Development Standards [Section I.2.A]**

**Base data standards [Section I.2.A.i]:**

*a. Validated data and audited financial reports*

The state and MCOs provided validated data for use in rate development. Section I.2.B discusses the provided data in detail.

*b. Appropriate base data period*

We reviewed historical data from January 2015 through December 2017 and selected a base period of CY 2017 for all populations. We believe selection of these time periods represents a credible base for projections, and it limits the development and application of adjustments that would be necessary if utilizing the entire three-year period.

*c. Appropriate base data population*

The base data was derived from the Medicaid population which will be enrolled in managed care during the contract period.

*d. Alternative data sources*

Not applicable.

## Appropriate Documentation [Section I.2.B]

**Description of data requested [Section I.2.B.i]:** *In accordance with 42 CFR §438.7(b)(1), the rate certification must include:*

*a. A description of base data requested by the actuary for the rate setting process, including:*

*(i) A summary of the base data that was requested by the actuary.*

Data requests were sent to DHCFP, Anthem, HPN, SilverSummit, and Aetna.

Specifically, we requested the following information from DHCFP:

- Historical case rate payment counts for SOBRA and VLBW case rates, incurred between January 2016 and the most recent available
- All approved program changes in force between January 2016 and December 2019, including:
  - Changes to safety net providers
  - Legislative changes approved during the June 2017 session
- A list of value-added benefits for provided by each MCO
- A list of known “in lieu of” services provided under managed care, including a list of providers identified as institutions for mental disease (IMDs)
- Administrative loads and premium tax assumptions for each MCO
- A copy of the state’s eligibility summary report
- Detailed monthly eligibility data
- Fee-for-service (FFS) claims incurred from January 1, 2016 through December 31, 2017, paid through at least March 31, 2018
- Details regarding the cost sharing and treatment limitations for all services
- Financial information received quarterly from MCOs

All of the above items were received from DHCFP.

We requested the following information from each of the MCOs, specific to the January 2016 through December 2017 timeframe, paid through at least March 2018, unless otherwise noted:

- A narrative supporting their data submission, including any issues the MCO would like us to consider in rate development
- Claims incurred from January 1, 2016 through December 31, 2017, paid through at least March 31, 2018
- Detailed sub-capitation payments
- Shadow encounters associated with sub-capitation payments
- Out-of-system payments
- Control totals for reconciliation:
  - Claim lag triangles
  - MCO-estimates for incurred but not reported claims
  - Sub-capitation payment control totals
  - Member month control totals
- A reconciliation of control totals to the company financial statements
- An attestation of accuracy by a company officer
- Plan-financials specific to Nevada Medicaid
- Pharmacy rebates by quarter, split by population if feasible
- Historical administrative costs, split by detailed category and population
- Estimate of medical management costs for members who generate a case payment
- Provider taxonomy codes, either by claim or provider ID for all providers active during the base period
- Approximate percentage of provider contracts directly or indirectly related to the Medicaid FFS fee schedule, and the percentage of FFS paid on average by major category of service
- A list of value-added services
- A detailed list at the member/month level for all eligible delivery case rate payments and the VLBW case rate payments
- Criteria used to identify events qualifying for a SOBRA or VLBW case rate payment
- The administrative cost built into all sub-capitation amounts

All of the above items were provided to the best of each plan’s ability. We requested the following information from the MCO’s subsequent to the initial data request:

- National drug codes (NDCs) for drugs administered in a professional setting. This was received from Anthem, HPN, and SilverSummit.
- Further clarification and support from Anthem and HPN regarding their provision of value-added benefits (VAB).

*(ii) A summary of the base data that was provided by the state.*

DHCFP has ongoing initiatives to improve its encounter data warehouse, however we were unable to receive encounter data directly from the state during rate development. The MCOs operated during the CY 2017 base data period provided detailed claims data. We reconciled the information provided with financial statements summaries from each MCO.

*(iii) An explanation of why any base data requested was not provided by the state.*

Although the state has begun to maintain encounter data from the MCOs, we were unable to assess that it was sufficiently accurate to be appropriate for rate development at this time. There is a significant volume of encounter data which the state's MMIS has rejected because of differences between FFS and encounter data submission requirements. Like many states, Nevada's MMIS was developed for processing FFS data, and they continue to work through known system issues in order to be comfortable with using state data in the future. We are working with the state to create a transition plan from using data directly submitted to us by the MCOs to using state-provided encounter data. Following the state's MMIS modernization effort in 2019, we expect to have a more detailed transition plan.

**Description of data used to develop rates [Section I.2.B.ii]:**

*The rate certification, as supported by the assurances from the state, must thoroughly describe the data used to develop the capitation rates, including:*

*a. Description of the data**(i) the types of data used, which may include, but is not limited to: fee-for-service claims data; managed care encounter data; health plan financial data; information from program integrity audits; or other Medicaid program data.*

We utilized FFS claims, managed care encounters, health plan financials, and state eligibility data in the development of capitation rates. Table 7 identifies additional details related to all data received.

*(ii) the age or time periods of all data used.*

CY 2017 eligibility and claims data served as the base data underlying the capitation rates presented herein. Additionally, we utilized claims incurred between July 2014 and March 2018 for development of trends. For completion factor assumptions we used claims incurred during CY 2016 and CY 2017, paid through March 31, 2018.

*(iii) the sources of all data used (e.g., State Medicaid Agency; other state agencies; health plans; or other third parties).*

Table 7 identifies the source of each individual data component utilized during rate development. All data was received from either DHCFP or the MCOs.

*(iv) if a significant portion of the benefits under the contract with the managed care entity are provided through arrangements with subcontractors that are also paid on a capitated basis (or subcapitated arrangements), a description of the data received from the subcapitated plans or providers; or, if data is not received from the subcapitated plans or providers, a description of how the historical costs related to subcapitated arrangements were developed or verified.*

All MCOs operating during the base period (CY 2017) engaged in sub-capitated arrangements for various services and provider groups. We evaluated encounters supporting sub-capitated arrangements for each MCO to determine whether they appeared to be reported sufficiently to project future medical cost.

- Anthem provided encounter data supporting their sub-capitated arrangements. Shadow encounter data was reported sufficiently for some sub-capitated arrangements, but not for all. As a result, we relied on their shadow encounters for some services, and sub-capitation payments for the rest.
- We could not verify the reasonability or completeness of HPN's reported encounters for their sub-capitated arrangements in CY 2017. As such, we have included sub-capitation payments made to providers, with adjustments.
- SilverSummit reported reasonable and complete encounters for their sub-capitated arrangement in CY 2017.
- Aetna reported \$2,500 of capitation for the two months of July and August 2017, but could provide no support or detail for this amount. It was determined immaterial and excluded from this capitation rate development.

Table 9 illustrates aggregate sub-capitation payment PMPMs included in the rate development by service type.

*b. Data availability and quality:**(i) the steps taken by the actuary or by others (e.g., State Medicaid Agency; health plans; external quality review organizations; financial auditors; etc.) to validate the data, including:*

- (A) completeness of the data.*
- (B) accuracy of the data.*
- (C) consistency of the data across data sources.*

DHCFP contracts, to the extent required by federal law, with an External Quality Review Organization (EQRO) to conduct independent, external reviews of the quality of services, outcomes, timeliness of, and access to the services provided by contracted vendors.

DHCFP validates fee-for-service claims on a regular basis as part of its processes for federal reporting and provider oversight. When receiving claims data from DHCFP, we receive control total reports to ensure the data remain complete and accurate when transferred.

Per the MCO contracts with DHCFP, each MCO is required to certify encounter data, payment data, and all other information submitted to the state. Data is required to comply with the applicable certification requirements for data and documents specified by DHCFP pursuant to 42 C.F.R. § 438.604, 438.606 and 457.950(a)(2). A certification, which attests, based on

best knowledge, information, and belief that the data are accurate, complete and truthful as required by the State for participation in the Medicaid program and constrained in contracts, proposals and related documents. Each MCO provided the following information which we used in validating the data sources:

- Control totals for reconciliation:
  - Claim lag triangles
  - MCO-estimates for incurred but not reported claims
  - Sub-capitation payment control totals
  - Shadow encounter control totals
  - Member month control totals
- A reconciliation of control totals to the company financial statements
- An attestation of accuracy by a company officer
- Plan-financials specific to Nevada Medicaid

We have a series of internal data validation processes which were conducted upon receipt of each set of data from DHCFP and the MCOs. We use a series of reconciliation workbooks to fully reconcile costs and member month counts with the control totals from separate reports. We also perform reasonableness checks throughout the rate development as we review data and information at various levels to develop assumptions such as trend and completion factors. We compare medical cost PMPMs and utilization rates over time, across MCOs, and against FFS data for the Nevada Medicaid program as well as other states' experience. We maintain a collaborative relationship with the state and its contractors, such that we are able to discuss data review questions and concerns throughout the rate development process.

During our review of the data, it was determined that HPN made several adjustments to their pharmacy claim control totals that were not reflected in the detailed claims experience. We adjusted the detailed pharmacy experience to reconcile to control totals for the incurred months impacted. This adjustment is reflected in Table 8 in the row "pharmacy data reconciliation adjustment" and is valued to be \$1.6M.

*(ii) a summary of the actuary's assessment of the data.*

As the certifying actuary, I have assessed the quality of available data to be sufficient for the purpose of developing projected medical cost for capitation rates effective during the CY 2019 contract period. All data were reviewed at several professional levels by consultants, actuaries, and data analysts who have significant experience with Medicaid data. We have performed a limited review of the data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent.

*(iii) any other concerns that the actuary has over the availability or quality of the data.*

We do not have concerns about the availability or quality of the data used for our analysis.

*c. Data appropriateness: a description of how the actuary determined what data was appropriate to use for the rating period, including:*

- (i) if fee-for-service claims or managed care encounter data are not used (or are not available), this description should include an explanation of why the data used in rate development is appropriate for setting capitation rates for the populations and services to be covered.*

We utilized both fee-for-service claims and managed care encounter data in the development of CY 2019 capitation rates.

- (ii) if managed care encounter data was not used in the rate development, this description should include an explanation of why encounter data was not used as well as any review of the encounter data and the concerns identified which led to not including the encounter data.*

Managed care encounter data was used in the development of CY 2019 capitation rates. The data used in our analysis is considered appropriate because it is historical experience data for the population and benefits covered under managed care in the contract period.

*d. Reliance on a data book:*

We developed a data book using detailed claims information from DHCFP and its vendors. We prepared actuarial models for each region and rate cell, which we relied upon in the development of medical cost projections. Our analysis included consideration for utilization and unit cost separately where appropriate.

**Description of data adjustments [Section I.2.B.iii]:**

*a. Credibility:*

We conducted a detailed review of the variance in historical medical cost by population to assess credibility for the CY 2018 rate setting. As a result of this analysis, we defined our full credibility threshold as 80,000 member months during for the CY 2018 rates. To minimize the impact of adjustments to the base data (specifically related to direct enrollment), we opted to rely solely on 2017 data for our base period for CY 2019 rates. In order to allow us to rely more fully on experience data, we revisited the credibility analysis conducted last year and determined that a full credibility threshold of 50,000 member months would also fall within a reasonable range of assumptions

We applied a classical credibility methodology at the age/gender cell level in order to reduce the potential for significant variations in the age/gender relativities from year to year. Partial credibility was assigned using the square root of (experience period member months / 50,000), with a maximum of 100%.

For cells with partial credibility, the projected medical cost PMPM was blended with other experience (the “manual rate”). We calculated manual rates separately by population to maintain comparability with each partially credible cell. A summary of the application of credibility follows:

- TANF and Expansion South region, and Expansion North region: All rate cells are fully credible, so no adjustments were made.
- TANF North region: Manual rates were based on Southern region data for the same population, age, and gender cells. A regional factor was applied based on the relativity of aggregate claims between north and south and stratified by adults versus children.
- Check-up all regions: The manual rate for Check-up has three components, which are blended together based on their member months:
  - TANF South data with an area factor applied based on the cost of TANF North children relative to the aggregate cost of TANF South children.
  - TANF North data with an area factor applied based on the cost of TANF North children relative to the aggregate cost of South children.
  - Check-up data from the other region (i.e., Check-up North’s manual rate contains Check-up South data with an area factor applied based on the cost of Check-up North relative to the aggregate cost of Check-up South).

For Check-up infants, the TANF infants experience was used as the manual rate. However, historical data suggests that TANF and Check-up newborn costs are materially different. The primary driver for this difference is the distribution of monthly age. (i.e., TANF infants have a higher prevalence of birth month than Check-up infants). We developed a factor to convert the TANF experience for infants to be consistent with the monthly age distribution of Check-up experience (shown in Table 13 as the “COA,” or category of aid, factor). The full development of the credibility-adjusted PMPM for Check-up North infants is shown in Table 13 below.

<b>Table 13</b> <b>State of Nevada</b> <b>Division of Health Care Financing and Policy</b> <b>CY 2019 Capitation Rate Development</b> <b>Check-up Credibility for Northern Males &amp; Females; &lt; 1yr old</b>					
	<b>Member Months</b>	<b>Benefit cost PMPM</b>	<b>Adj Factor (Region)</b>	<b>Adj Factor (COA)</b>	<b>Adjusted PMPM</b>
<b>Experience Data</b>	344	\$57.63			
<b>Manual Rate 1 (Check-up South)</b>	1,303	91.80	0.882	1.000	\$ 80.94
<b>Manual Rate 2 (TANF North)</b>	27,835	411.89	1.000	0.347	\$ 142.75
<b>Manual Rate 3 (TANF South)</b>	184,104	520.55	0.821	0.347	\$ 148.04
<b>Composite Manual Rate</b>					\$ 146.94
<b>Experience Credibility Factor</b>					8.3%
<b>Credibility-Adjusted PMPM</b>					\$ 139.53

Table 14 illustrates the partial credibility percentage for all rate cells that did not exceed the full credibility threshold of 50,000 member months in the experience period.

<b>Table 14</b> <b>State of Nevada</b> <b>Division of Health Care Financing and Policy</b> <b>CY 2019 Capitation Rate Development</b> <b>Partially Credible Rate Cells</b>				
Population	Region	Rate Cell	Experience MMs	Credibility Factor
TANF	North	Males & Females; < 1yr old	27,835	75%
TANF	North	Males & Females; 1 - 2 yrs old	46,986	97%
TANF	North	Females; 15 - 18 yrs old	24,015	69%
TANF	North	Males; 15 - 18 yrs old	23,802	69%
TANF	North	Females; 19 - 34 yrs old	41,751	91%
TANF	North	Males; 19 - 34 yrs old	7,299	38%
TANF	North	Females; 35+ yrs old	18,368	61%
TANF	North	Males; 35+ yrs old	7,332	38%
Check-Up	South	Males & Females; < 1yr old	1,303	16%
Check-Up	South	Males & Females; 1 - 2 yrs old	14,166	53%
Check-Up	South	Females; 15 - 18 yrs old	24,416	70%
Check-Up	South	Males; 15 - 18 yrs old	24,345	70%
Check-Up	North	Males & Females; < 1yr old	344	8%
Check-Up	North	Males & Females; 1 - 2 yrs old	3,458	26%
Check-Up	North	Males & Females; 3 - 14 yrs old	36,261	85%
Check-Up	North	Females; 15 - 18 yrs old	4,920	31%
Check-Up	North	Males; 15 - 18 yrs old	5,385	33%

Appendix C includes additional details supporting the credibility adjustment calculations.

**b. Completion factors:**

Claim lag triangles were evaluated separately by major service category, population, and MCO with completion factors applied to raw data by month. We did not apply completion factors to subcapitation payments paid by MCOs to medical providers. Completion factors were developed and applied to claims data using aggregated data for both the monthly capitation rates and delivery case rate claims. We developed and applied completion factors separately for fee-for-service claims, in a manner similar to the MCO analysis.

Table 15 illustrates the impact of completion to encounters and claims paid on a fee-for-service basis. Note that factors are calculated and applied separately by plan (or FFS), quarter, and category of service, though they are aggregated here for presentation purposes.

<b>Table 15</b> <b>State of Nevada</b> <b>Division of Health Care Financing and Policy</b> <b>CY 2019 Capitation Rate Development</b> <b>Completion Impact</b>				
Service Category	Expansion	TANF Adults	TANF Children	Check-Up
Inpatient	3.3%	5.0%	6.7%	3.7%
Outpatient	(0.1%)	(0.9%)	(0.4%)	(0.2%)
Physician	2.8%	0.6%	0.9%	1.0%
Pharmacy	(0.1%)	0.0%	0.0%	0.0%
<b>Composite</b>	1.8%	1.0%	2.4%	1.2%

**c. Data errors:**

We did not identify any errors in the data. We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

*d. Program changes:*

Several fee schedule and program changes have been implemented by DHCFP to take effect between the start of the experience period and the end of the rating period. These include the following:

- Effective Various Dates
  - Changes made to many CPT and HCPCS codes for certified physicians, nurse practitioners, and physicians assistants (Nevada provider types 20, 24, and 77 respectively)
- Effective January 1, 2016
  - Applied behavioral analysis (ABA) services covered under managed care
- Effective March 1, 2016
  - Removal of restrictions by fibrosis level for access to Hepatitis C drugs
- Effective January 1, 2017
  - Change to fee schedule for durable medical equipment (DME)
  - Converted reimbursement from ASCs to APCs
- Effective July 1, 2017
  - Reimbursement realignment for several provider types
  - Increase to skilled nursing facility reimbursement
  - Increase to surgical pediatric codes
  - Expansion of medication-assisted treatment (MAT) services
- Effective October 1, 2017
  - DME reimbursement update for claims with a \$0 rate
- Effective January 1, 2018
  - Added medical nutrition therapy (MNT) benefit
  - Remove age limits for podiatry
  - Added benefits for gender reassignment

Each of these changes is described below in more detail.

Effective Various Dates

DHCFP made changes to fee schedules for several provider types:

- Provider Type 20 - Physicians
- Provider Type 24 - Advanced practice registered nurses (APRN)
- Provider Type 77 - Physician assistants (PA).

The majority of changes to the physician, APRN, and PA fee schedules occurred in January 2017, and November 2017, though a smaller portion (<3%) occurred in July and August of 2016. Changes to the fee schedule varied by specific CPT/HCPCS procedure codes. Therefore, rate changes were applied as a percentage change to the paid amounts at the detailed claim-level, with distinct percentages calculated for each unique combination of HCPCS, modifier, provider type, and adult/child status. For claims missing specialty code, we attributed specialty code by assuming these claims would follow the same distribution by provider type as those claims with specialty code populated within the same category of service. This “percent of paid” approach was taken based on our understanding that most MCO provider contracts in the Nevada Medicaid market reimburse providers based on a percentage of the Medicaid fee-for-service fee schedule.

The fee schedule adjustments result in a total increase of 0.2% for Check-up and TANF children for provider type 20, and no change for provider types 24 and 77.

Effective January 1, 2016

Beginning January 1, 2016, applied behavioral analysis (ABA) services were added to MCO contracts as covered benefits under managed care. These services are available to individuals under age 21 based on medical necessity. To be considered for this program, a diagnosis of autism spectrum disorder (ASD) must be present.

Table 16 identifies the procedure codes associated with ABA services.

<b>Table 16</b> <b>State of Nevada</b> <b>Division of Healthcare Financing and Policy</b> <b>CY 2018 Capitation Rate Development</b> <b>ABA HCPCS Codes</b>	
<b>ABA HCPCS Code</b>	<b>Code Description</b>
S5110	Family homecare training, per 15 minutes
0359T	Behavior identification assessment
0360T	Observational behavioral assessment
0361T	Observational behavioral assessment, additional
0362T	Exposure behavioral assessment
0363T	Exposure behavioral assessment, additional
0364T	Adaptive behavior treatment
0365T	Adaptive behavior treatment, additional
0366T	Group behavior treatment
0367T	Group behavior treatment, additional
0368T	Behavior treatment modified
0369T	Behavior treatment modified, additional
0370T	Family behavior treatment guidance
0372T	Social skills training group
0373T	Exposure behavior treatment
0374T	Exposure behavior treatment, additional

For CY 2019 rate development, we reviewed historical ABA utilization and cost in CY 2016 and 2017. Over this time, experience has slowly increased with an apparent stabilization in the second half of 2017. We have applied factors to ABA unit cost and utilization per 1,000 metrics such that annual base period experience is adjusted to be consistent with the second half of 2017. These adjustments are shown below in Table 17. No other adjustments, including trend, were applied to ABA experience.

<b>Table 17</b> <b>State of Nevada</b> <b>Division of Healthcare Financing and Policy</b> <b>CY 2019 Capitation Rate Development</b> <b>ABA Adjustment Factors – Child Populations Only</b>					
<b>Period</b>	<b>Util/1000</b>		<b>Unit Cost</b>		<b>Note</b>
	<b>Check-Up</b>	<b>TANF</b>	<b>Check-Up</b>	<b>TANF</b>	
CY2017	188.6	46.2	\$ 29.99	\$ 31.97 (1)	
2017H2	265.7	69.2	30.37	34.85 (2)	
<b>Final Adj. Factor</b>	1.409	1.499	1.013	1.090 (3) = (2)/(1)	

Effective March 1, 2016

Effective March 1, 2016, Nevada Medicaid MCOs were no longer able to restrict access to Hepatitis C drugs based on fibrosis level. Prior to March 1, 2016, members with fibrosis levels 0, 1 and 2 were only prescribed a Hepatitis C drug if it was deemed medically necessary. Prescriptions are still based on medical necessity, but increased access and decreased restrictions have increased utilization of Hepatitis C drugs.

We analyzed scripts per 1,000 lives and unit cost since 2014. Our goal was to identify a level at which we could expect utilization to continue in the future. We compared CY 2015 and CY 2016 to CY 2017 as a whole, and each half of CY 2017 separately. Utilization appeared to be level during the base period. The same comparisons were done with unit cost data. Unit cost in the last half of CY 2017 appears lower than the year as a whole, so an adjustment was applied to make projections consistent with the unit cost levels of the last six months of 2017.



Table 18 illustrates the development of the adjustment factors applied to Hepatitis C experience. No other adjustments, including trend, were applied to Hepatitis C experience.

<b>Table 18</b> <b>State of Nevada</b> <b>Division of Health Care Financing and Policy</b> <b>CY 2019 Capitation Rate Development</b> <b>Hepatitis C Adjustment Factors</b>		
Period	Unit Cost	
	All Population	Note
CY2017	\$ 19,123.69	(1)
2017H2	17,955.16	(2)
<b>Final Adj. Factor</b>	0.939	(3) = (2)/(1)

Effective January 1, 2017

Effective January 1, 2017, DHCFP revised the reimbursement for surgical services provided in hospital-based and freestanding ambulatory surgical centers (ASC). The revised payment methodology uses ambulatory payment classification (APC) payment methodology for outpatient surgery and ambulatory surgical center provider types (Nevada provider types 10 and 46). We repriced applicable claims incurred between 2012 and 2017 to APCs using an internal Milliman tool that applies ASC and APC payment logic to detailed claim records. The repriced claims were 26% less than the original allowed amounts. This change was effective January 1, 2017, but was only approved in 2018, and was therefore not in the base period experience. The 26% reduction was applied to all ASC claims in the base experience, where the HCPCS for these claims was in the fee schedule provided by DHCFP.

Table 19 illustrates the impact of the outpatient surgical fee change by service category.

<b>Table 19</b> <b>State of Nevada</b> <b>Division of Health Care Financing and Policy</b> <b>CY 2019 Capitation Rate Development</b> <b>ASC to APC Fee Schedule Impacts</b>					
Service-Specific Impacts	Check-up	TANF Kids	TANF Adults	Expansion	Composite
Outpatient Surgery	(4.6%)	(5.0%)	(9.8%)	(11.4%)	(9.3%)
Outpatient Other	(0.1%)	(0.0%)	(0.8%)	(1.9%)	(1.5%)
All Outpatient	(1.0%)	(1.2%)	(1.5%)	(2.0%)	(1.7%)
<b>Overall Adjustment to Rates</b>	<b>(0.1%)</b>	<b>(0.1%)</b>	<b>(0.2%)</b>	<b>(0.3%)</b>	<b>(0.2%)</b>

Also on January 1, 2017, the DME fee schedule was updated to use the January 2017 Medicare fee schedule. Table 23 below, shows the impact of this fee schedule change along with the impact of DME reimbursement changes effective October 1, 2017.

Effective July 1, 2017

In June 2017 Nevada was awarded a grant to address the opioid crisis by increasing medication-assisted treatment (MAT) services<sup>5</sup>. The purpose of this grant is to increase access to treatment, reduce unmet need, and reduce opioid overdose-related deaths. We did not explicitly adjust for this expansion as we were unable to identify substantive utilization for these services in the 2017 data.

Also on July 1, 2017, DHCFP approved the following changes:

- 10% increase to skilled nursing facilities
- 15% increase to surgical codes (HCPCS 10000-58999, 60000-69999 and 93000 – 93350) for pediatric cases (ages 0 -20).

These changes were applied to the base data at the claim level.

Tables 20 and 21 illustrate the impacts of these changes to costs for each service category.

<b>Table 20</b> <b>State of Nevada</b> <b>Division of Health Care Financing and Policy</b> <b>CY 2019 Capitation Rate Development</b> <b>SNF Fee Schedule Impacts</b>					
Service Category	Check-up	TANF Kids	TANF Adults	Expansion	Composite
Skilled Nursing Facility	0.0%	5.7%	3.9%	4.9%	4.8%

<sup>5</sup> [http://dhcfnv.gov/uploadedFiles/dhcfpnhgov/content/Public/AdminSupport/MeetingArchive/MCAC/2017/MCAC\\_07\\_18\\_17\\_Opioid\\_STR.pdf](http://dhcfnv.gov/uploadedFiles/dhcfpnhgov/content/Public/AdminSupport/MeetingArchive/MCAC/2017/MCAC_07_18_17_Opioid_STR.pdf)

**Table 21**  
**State of Nevada**  
**Division of Health Care Financing and Policy**  
**CY 2019 Capitation Rate Development**  
**Pediatric Surgery Fee Schedule Change Impacts**

<b>Service-Specific Impacts</b>	<b>Check-up</b>	<b>TANF Kids</b>	<b>TANF Adults</b>	<b>Expansion</b>	<b>Composite</b>
Outpatient Surgery	5.7%	6.6%	0.1%	0.1%	2.0%
Surgery - Physician	3.3%	2.7%	0.0%	0.0%	0.6%
All Outpatient	1.4%	1.7%	0.0%	0.0%	0.4%
All Physician	0.2%	0.2%	0.0%	0.0%	0.1%
<b>Overall Adjustment to Rates</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.1%</b>

Additionally, there were fee schedule changes effective July 1, 2017 for several other provider types, including outpatient hospitals, optometrists, podiatrists, and therapists. The latter changes were referred to using the general term “rate realignment.” DHCFP supplied fee schedules before and after these changes, and the percentage change was applied at the HCPCS-level. Table 22 illustrates the net impact of this change by service category.

**Table 22**  
**State of Nevada**  
**Division of Health Care Financing and Policy**  
**CY 2019 Capitation Rate Development**  
**Adjustments Due to Rate Realignment**

<b>Service-Specific Impacts</b>	<b>Check-up</b>	<b>TANF Kids</b>	<b>TANF Adults</b>	<b>Expansion</b>	<b>Composite</b>
Outpatient Observation	1.3%	(0.2%)	(1.7%)	(1.5%)	(1.5%)
Outpatient Rad/Pathology/Lab	(17.5%)	(17.2%)	(5.9%)	(8.6%)	(9.8%)
Other Outpatient	0.2%	0.8%	(0.0%)	(0.5%)	(0.1%)
All Outpatient	(0.2%)	0.4%	(0.4%)	(0.9%)	(0.5%)
Physician Rad/Pathology/Lab	(1.2%)	(0.8%)	(0.6%)	(1.1%)	(1.0%)
Vision	5.2%	4.8%	5.1%	4.9%	4.9%
PT/ST/OT	0.2%	0.2%	0.8%	0.7%	0.5%
Chiropractic Services	14.1%	11.1%	4.3%	5.5%	7.4%
All Other Ancillary	0.0%	0.1%	0.0%	(0.0%)	0.0%
All Ancillary	1.5%	1.2%	0.9%	0.7%	0.9%
<b>Overall Adjustment to Rates</b>	<b>0.1%</b>	<b>0.1%</b>	<b>(0.0%)</b>	<b>(0.1%)</b>	<b>(0.1%)</b>

#### Effective October 1, 2017

Currently, Nevada Medicaid reimburses 62% of billed charges for DME items that have a \$0 rate assigned. Under a revised methodology, if no rate is assigned, reimbursement will be the lower of:

- MSRP less 25 percent
- If there is no MSRP, reimbursement will be acquisition cost plus 20 percent
- The actual charge submitted by the provider

We repriced claims with no assigned rate in the 2017 DME fee schedule and a \$0 paid amount in the data to be 75 percent of the billed amount.

Table 23 below shows the impact of this change and the fee schedule update effective January 1, 2017.

**Table 23**  
**State of Nevada**  
**Division of Health Care Financing and Policy**  
**CY 2018 Capitation Rate Development**  
**Adjustments to DME**

<b>Adjustment Type</b>	<b>Check-up</b>	<b>TANF Kids</b>	<b>TANF Adults</b>	<b>Expansion</b>	<b>Composite</b>
Jan 1, 2017 Fee Schedule Adjustment	0.0%	0.0%	0.0%	0.0%	0.0%
Oct 1, 2017 Reimbursement Adjustment	9.0%	1.2%	1.9%	2.9%	2.5%
<b>Overall Adjustment to Rates</b>	<b>9.0%</b>	<b>1.2%</b>	<b>1.9%</b>	<b>2.9%</b>	<b>2.5%</b>

Effective January 1, 2018

On January 1, 2018, DCHFP added benefits for medical nutrition therapy (MNT). DCHFP will allocate roughly \$3 million in CY2018 and CY2019 to provide MNT to Medicaid enrollees. Using the Chronic Illness and Disability Payment System (CDPS) categorizations for identifying chronic illnesses, we identified members with hypertension, diabetes, or heart disease in the FFS and MCO populations. The \$3 million allotment for MNT services was allocated between FFS and MCO members based on the proportion of member months identifies with these chronic conditions. Table 24 below shows the impact of this change relative to unadjusted base data.

<b>Table 24</b> <b>State of Nevada</b> <b>Division of Health Care Financing and Policy</b> <b>CY 2018 Capitation Rate Development</b> <b>Adjustments for Additional Medical Nutritional Therapy Services</b>					
<b>Service Category</b>	<b>Check-up</b>	<b>TANF Kids</b>	<b>TANF Adults</b>	<b>Expansion</b>	<b>Composite</b>
Additional MNT Services	0.1%	0.0%	0.1%	0.1%	0.1%

Also effective January 1, 2018, DCHFP removed age limits for podiatry services and added a new benefit for gender reassignment surgery. We reviewed the potential impacts of these policy changes and determined that they were negligible. As a result we have not explicitly modeled an impact for either of these potential changes, but rather assume our trend rate projections include provision for minor fluctuations such as these.

Other Potential Changes Considered

There are several changes proposed at various levels of approval and implementation that we considered for these rates. These include service limitations on the number of drug screenings on a monthly or weekly basis, limitations for biofeedback services, and limits on intensive outpatient psychiatric treatments. We reviewed the prevalence of these services for managed care enrollees in the base period data and determined that the impact of this change to capitation rates would be immaterial. Because of this, and the uncertainty regarding implementation, we have not explicitly modeled an impact for these changes.

*e. Exclusions:*

Only services that will be covered under the managed care contract were included in our analysis. More information can be seen in Table 8. The following is a list of excluded services:

- Dental claims, including dental procedure codes D1206 and D1208, which are sometimes covered under medical service contracts as preventive medical services
- All claims incurred by a member during a stay in an IMD of greater than 15 days within a month
- Targeted case management (procedure code T1017)
- School-based services (provider type 060)
- Residential treatment centers (provider type 063)
- Value-added benefits (HCPCS T2022, G9001, 99444, T2033, T2001, A0120, A0130, T2005)
- Adult Daycare (HCPCS S5100, S5102)
- All Other Waiver Services (Provider types 038, 048, 057, 058, 059)

We excluded some members based on demographic information:

- Expansion members who were not between the ages of 19 and 64
- Check-up members who were over age 19
- Members without known demographics, such as region, age, or gender.

## **FEE-FOR-SERVICE PROJECTED BENEFIT COSTS AND TRENDS [SECTION I.3]**

### **Rate Development Standards [Section I.3.A]**

**Services in final rates [Section I.3.A.i]:**

Final capitation rates are based only upon the services allowed in 42 CFR §438.3(c)(1)(ii) and 438.3(e).

**Variations in assumptions [Section I.3.A.ii]:**

Variations in the assumptions used to develop the projected benefit costs for covered populations are based on valid rate development standards and not based on the rate of federal financial participation associated with the covered populations.

**Development of benefit cost trends [Section I.3.A.iii]:**

See section I.3.B.iii

**In-lieu-of services [Section I.3.A.iv]:**

See section I.3.A.v

**Costs associated with IMDs [Section I.3.A.v]:**

We repriced IMD claims which meet the CMS requirements to qualify as in-lieu of services to the average state plan service rate for FFS inpatient psychiatric per diem rates per 42 CFR §438.6(e). This repricing is done at the claim-level, replacing the reported cost of each IMD claim equal to the covered days on the claim multiplied by the per diem FFS fee schedule rates for acute facility behavioral health claims. The impact is a 2.1% increase to total claims for Expansion and a 0.9% increase to claims for TANF adults. Note that this repricing has not been applied to the state-funded IMD add-on rates (described below) because these rates are not subject to federal financial participation.

Table 25 includes national provider identifiers (NPI) for facilities identified by DHCFP as IMDs. Note that this list has changed relative to CY 2018 rate development, updated per DHCFP guidance. The following facilities have been removed: Valley Hospital Medical Center, Southern Hills Medical Center, Desert Springs Hospital, and Sparks Family Hospital. The following facilities have been added to the list: Nevada Care Center, and Seven Hills Behavioral Health.

<b>Table 25</b> <b>State of Nevada</b> <b>Division of Health Care Financing and Policy</b> <b>CY 2019 Capitation Rate Development</b> <b>CY 2017 Provider IDs Identified as IMDs</b>	
<b>NPI</b>	<b>Provider Name</b>
1174890487	Montevista Hospital
1144498643	Seven Hills Hospital
1871934877	Desert Parkway Behavioral Healthcare Hospital
1730287319	West Hills Hospital
1952852097	Nevada Care Center
1790883205	Willow Springs Center
1700249224	Seven Hills Behavioral Institute
1275801532	Red Rock Behavioral Health Hospital
1255306270	Spring Mountain Treatment Center
1972501021	Northern Nevada Adult Mental Health Services
1891756920	Southern Nevada Adult Mental Health Services
1669408928	Spring Mountain Sahara

The percentage of each category of service, for stays less than 15 days, provided by IMDs as in-lieu of services is shown in Table 26.

<b>Table 26</b> <b>State of Nevada</b> <b>Division of Health Care Financing and Policy</b> <b>CY 2019 Capitation Rate Development</b> <b>CY 2017 In-Lieu of Services Summary by Category of Service</b>			
<b>Inpatient COS</b>	<b>TANF Adults</b>	<b>Expansion</b>	
Inpatient Medical	0.0%	0.0%	
MH Residential	97.3%	94.5%	
Other MH Inpatient	0.0%	5.6%	
SUD Residential	71.3%	60.0%	

According to federal regulations, services incurred during non-SUD-related IMD stays longer than 15 days within a month for patients age 21 to 64, and SUD-related IMD stays longer than 15 days within a month for patients under 65, are not eligible for federal funding. For the capitation rates that will be reported to CMS for federal match, we have excluded these long stays, the corresponding member months, and any other (non-IMD) services incurred during the IMD long stay. Claims and member months incurred during a month of an IMD long-stay are used to develop "IMD add-on" rates which cover the estimated cost of care for managed care-covered services for patients who reside within an IMD for more than 15 days in a single month.

- These add-on rates will be paid to the MCOs in order to assure continuity of care, but they will be entirely state funded.
- The add-on rates are determined by isolating claims paid during months with an IMD stay greater than 15 days.
- Any fee schedule changes applicable to these claims are added, as well as completion factors, consistent with sections I.2.B.(ii).(b).(i).(A) and I.2.B.(iii).(d) in this report. Administration and premium tax are loaded for each MCO consistent with section I.5 of this report.
- The IMD add-on rates are presented in Attachment A-2.

**Additional IMD information [Section I.3.A.vi]:**

- a. *The number of unique enrollees ages 21 to 64 who received treatment in an IMD through a managed care plan in the base data period;*
- b. *The minimum, maximum, mean, and median number of months and of length of stay during those months that enrollees received care in an IMD;*
- c. *The impact that providing treatment through IMDs has had on the capitation rates.*

Table 27 addresses the requested additional IMD information. This includes CY 2017 experience for members between the ages of 21 and 64 years old. Note that the “month” statistics represent the number of distinct calendar months in which the stay took place. The impact to the capitation rates is shown only for stays less than or equal to 15 days.

<b>Table 27 State of Nevada Division of Health Care Financing and Policy CY 2019 Capitation Rate Development CY 2017 Statistics for Institutions for Mental Disease, Members Aged 21-64</b>			
<b>IMD Statistics (All LOS)</b>	<b>TANF Adults</b>	<b>Expansion</b>	<b>Total</b>
Number of Distinct Users	491	3,792	4,283
Month Minimum	1	1	1
Month Maximum	2	5	5
Month Mean	1.16	1.17	1.17
Month Median	1	1	1
LOS Minimum (Days)	1	1	1
LOS Maximum (Days)	18	138	138
LOS Mean (Days)	5.56	6.45	6.38
LOS Median (Days)	5	6	6
<b>Statistics Excluding Stays &gt;15 Days</b>			
Days/1,000	57.5	210.3	176.4
PMPM (raw)	\$ 3.00	\$ 11.00	\$ 9.23
PMPM (repriced)	\$ 5.26	\$ 18.79	\$ 15.79

**Appropriate Documentation [Section I.3.B]**

**Projected benefit costs [Section I.3.B.i]:**

Detailed projection models are included in Appendix B for each rate cell and region for which a monthly capitation rate will be paid. Additionally, Appendix B includes a benefit projection model for the DCR payment.

**Development of projected benefit costs [Section I.3.B.ii]:**

Section I.1.B.i.(a) includes a description of data used. Assumptions and methodologies are identified below, and elsewhere in this report in the applicable section.

**Delivery Case Rate:**

The method used to project the cost of maternity services under the DCR remains consistent with CY 2018 rate development. Beginning in the 2018 rates, maternity claims were carved out of the MCO base data, and these claims are projected separately as the DCR amount using maternity delivery events as the exposure basis. Delivery exposure units are defined using an assigned DRG and HCPCS present in the MCO encounter data, shown in Tables 6a and 6b. Please see Appendix B-2 for more information.

**Very Low Birth Weight Kick Payment:**

Though it is similar to the DCR in that payments are made per case, the VLBW payment is intended to cover a portion of the cost of care associated with VLBW infants, whereas DCR payments are intended to cover average costs associated with the mother’s delivery. The number of VLBW payments to be made in 2019 will be limited by the following formula:

$$\text{Funded Births} = 0.95 \text{ births per } 1,000 \text{ member months in the “< 1 year old” rate cell}$$

The funding limit of 0.95 has been increased relative to the CY 2018 funding limit of 0.85. The funding limit was exceeded in CY 2017, with an actual ratio of VLBW births to 0-1 year old member months of 0.89. Since this risk mitigation strategy functions best when funded at or above the expected frequency of VLBW births, the rate was increased to reflect this experience.

Under the VLBW fund structure, the actual funded birth count will be updated periodically based on actual enrollment. Calculating the VLBW fund in this way is intended to protect plans from risk associated with growing or disproportionate membership. As with previous years, if the final number of VLBW births in CY 2019 is below the final number of funded births in CY 2019, the remaining dollars calculated in the “funded births” pool will be distributed to the health plans in direct proportion to the percent of “< 1 year old” members covered by each plan. VLBW births in excess of the final funded count will receive no additional payment. The structure of this fund is budget neutral to the state.

VLBW-related costs are removed from the monthly capitation rates for children under age 1. The amount of the VLBW case rate payment prior to application of premium tax and administration will remain consistent with the 2018 payment, which was \$60,000.

**Trends [Section I.3.B.iii]:**

a. *This section must include:*

(i) *Data and assumptions used to develop trends:*

(A) *Descriptions of data and assumptions.*

**Medical Trends**

The data used to develop medical trends included managed care claims incurred between July 2015 and March 2018, paid through at least the end of March 2018. The data were grouped according to major service category and population groupings (TANF and Check-up children, TANF adults, and Expansion). The data were adjusted for completion and fee schedule changes. Maternity and non-maternity claims were analyzed separately.

To develop utilization trends, we processed historical experience through Milliman’s *Global RVU* (GRVU) tool. This tool converts utilization for different services to a relative value unit (RVU) in order to be more directly comparable in terms of intensity and resources required. We summarized experience by utilization (RVUs), cost per RVU, and PMPM amounts.

Additionally, we considered National Health Expenditure (NHE) data and projections when selecting trend assumptions. Table 28 illustrates summarized NHE per capita trends by high level service category for comparison purposes.

Table 28 State of Nevada Division of Health Care Financing and Policy CY 2019 Capitation Rate Development National Health Care Expenditure Trends	
Service category	Per capita trend
Hospital	3.4%
Physician	5.4%
Home Health	5.0%
DME	6.6%
Other	4.3%

**Pharmacy Trends**

Note that the discussion of pharmacy trend in this section excludes Hepatitis C. Hepatitis C trends are covered in section I.2.B.(iii).(d).

The data used to develop pharmacy trends was managed care data from January 2016 through February 2018. The data were summarized by utilization, unit cost, and PMPM amounts.

We also considered the following additional information to assist with informing our trend rate selection.

- Internal Milliman research on brand to generic drug conversion
- Additionally, patent expiration information for drugs modeled as a brand converting to generic was corroborated with an online source.<sup>6</sup>

Lantus: <http://www.businessinsider.com/insulin-cheaper-generic-2016-12>  
 Epipen: <https://www.goodrx.com/blog/epipen-generic-is-finally-in-pharmacies/>  
 Norvir: <https://www.drugs.com/availability/generic-norvir.html>  
 Strattera: <https://www.fda.gov/NewsEvents/Newsroom/PressAnnouncements/ucm561096.htm>  
 Novolog: <https://www.drugs.com/availability/generic-novolog.html>  
 Advair Diskus: <https://www.drugs.com/availability/generic-advair-diskus.html>  
 Xolair: <http://qabionline.net/Biosimilars/General/Biosimilars-of-omalizumab>  
 Latuda: <https://www.drugs.com/availability/generic-latuda.html>  
 Lyrica: <https://www.drugs.com/availability/generic-lyrica.html>  
 Invega Sustenna: <https://www.drugs.com/availability/generic-invega-sustenna.html>  
 Qvar: <http://aedestra.com/blog/teva-pmdi-portfolio-rare-pmdi-generic-opportunity>  
 Sensipar: <https://www.raps.org/news-and-articles/news-articles/2018/3/fda-approves-first-generic-versions-of-amgen%E2%80%99s-sen>  
 Adcirca: <http://markets.businessinsider.com/news/stocks/some-branded-drugs-going-generic-in-2018-1013567302>

*(B) Reliance on experience*

Trend rates were selected primarily based on actual experience from the Medicaid population, with actuarial judgement.

*(ii) Methodologies used to develop trends:*

**Medical Trends**

The historical data described in section I.3.B.iii.(a).i) was reviewed, and trends were selected based on judgment and emerging utilization and claims patterns.

To investigate emerging and historical patterns in the data, we applied a regression model to PMPMs, costs per service, and annual utilization per 1,000 lives. The default regression period was January 2015 – June 2017 with the following exceptions:

- TANF adults:
  - Inpatient BH – started July 2015 (disruption due to IMDs)
- Children:
  - Inpatient hospital – exclude newborns due to fee schedule disruption

Where regression values appeared volatile or overly large, we tempered selected trends, assuming that outlier historical trends would regress to the mean over time. We also examined emerging experience in the last six months of 2017 when selecting trends.

Tables 29 and 30 show the regression results compared to our selected trends for 2018 rates and July 2017 rates.

**Table 29**  
**State of Nevada**  
**Division of Health Care Financing and Policy**  
**Managed Care CY 2019 Capitation Rates**  
**Util/1000 Trend**

Service Category	TANF/Check-up Children			TANF Adults			Expansion Adults		
	Prior	Regression	Selected	Prior	Regression	Selected	Prior	Regression	Selected
Inpatient - Other	4.0%	2.5%	0.5%	4.0%	5.7%	4.0%	4.0%	7.9%	4.0%
Inpatient – BH	5.0%	13.8%	5.0%	10.0%	12.8%	3.0%	10.0%	11.1%	3.0%
OP- Other	4.0%	(2.7%)	(1.0%)	6.0%	6.2%	(0.5%)	6.0%	7.2%	3.0%
OP – ER	2.0%	2.8%	2.0%	3.0%	6.3%	3.0%	3.0%	8.1%	3.0%
OP- BH	10.0%	17.3%	10.0%	12.5%	24.7%	6.0%	10.0%	21.1%	6.0%
Prof - Other	2.0%	1.7%	1.5%	4.0%	2.6%	2.5%	4.0%	3.8%	4.0%
Prof - BH	10.0%	36.3%	5.0%	12.5%	33.3%	4.0%	10.0%	25.5%	4.0%
Other	5.0%	8.4%	2.0%	4.0%	6.1%	6.0%	7.0%	10.2%	6.0%
<b>Total (net Mat)</b>	<b>3.6%</b>	<b>4.8%</b>	<b>2.2%</b>	<b>4.6%</b>	<b>5.6%</b>	<b>3.2%</b>	<b>5.1%</b>	<b>7.6%</b>	<b>4.1%</b>
<b>Maternity Total</b>	<b>0.7%</b>	<b>(8.8%)</b>	<b>0.0%</b>	<b>0.7%</b>	<b>(5.0%)</b>	<b>0.0%</b>	<b>0.7%</b>	<b>(5.4%)</b>	<b>0.0%</b>

Gilenya: <https://www.drugs.com/availability/generic-gilenya.html>  
 Restasis: <https://www.fiercepharma.com/pharma/don-t-expect-restasis-generics-till-at-least-next-quarter-allergan-ceo-says>  
 Ranexa: <https://www.drugs.com/availability/generic-ranexa.html>  
 Humalog: <https://www.nasdaq.com/article/sanofi-wins-fda-approval-for-biosimilar-of-lillys-humalog-cm890330>  
 Enbrel: <http://blog.arthritis.org/news/fda-approved-enbrel-biosimilar-arthritis>

**Table 30**  
**State of Nevada**  
**Division of Health Care Financing and Policy**  
**Managed Care CY 2019 Capitation Rates**  
**Unit Cost Trend**

Service Category	TANF/Check-Up Children			TANF Adults			Expansion Adults		
	Prior	Regression	Selected	Prior	Regression	Selected	Prior	Regression	Selected
Inpatient - Other	0.5%	3.7%	3.5%	(1.0%)	2.0%	2.0%	1.0%	3.3%	2.0%
Inpatient - Psych	(0.5%)	1.8%	2.0%	(1.0%)	(4.8%)	0.0%	(1.0%)	(5.4%)	0.0%
OP- Other	(2.0%)	(1.8%)	(2.0%)	2.5%	(4.3%)	(2.0%)	3.0%	(3.6%)	(2.0%)
OP- ER	(2.0%)	(0.2%)	0.0%	(1.5%)	0.3%	0.5%	(1.0%)	(1.0%)	(1.0%)
OP - Psych	(1.0%)	(0.5%)	(0.5%)	(0.5%)	(0.4%)	(0.5%)	(2.0%)	0.0%	0.0%
Prof – Other	1.5%	4.8%	5.0%	1.5%	4.4%	4.5%	0.5%	2.8%	3.0%
Prof- Psych	(0.5%)	4.4%	4.5%	(0.5%)	0.3%	0.5%	(2.0%)	(0.2%)	0.0%
Other	1.0%	(0.2%)	0.0%	1.0%	0.2%	0.0%	1.0%	(0.4%)	0.5%
<b>Total (net Mat)</b>	<b>0.6%</b>	<b>2.6%</b>	<b>2.7%</b>	<b>0.5%</b>	<b>2.2%</b>	<b>2.5%</b>	<b>0.4%</b>	<b>1.3%</b>	<b>1.5%</b>
<b>Maternity Total</b>	<b>0.8%</b>	<b>3.8%</b>	<b>0.6%</b>	<b>0.8%</b>	<b>1.9%</b>	<b>0.6%</b>	<b>0.8%</b>	<b>6.8%</b>	<b>0.5%</b>

**Pharmacy Trends**

Pharmacy trends were calculated in several components:

- Utilization per 1,000: Historical utilization trends were analyzed by population: TANF adults, children (TANF and Check-up), and Expansion, and drug class (generic, brand, and specialty). Trends were selected based on reviewing this historical experience.
- Unit cost: Unit cost in the base data is adjusted for several components of trend:
  - Base unit cost: Historical unit cost trends were analyzed by population: TANF adults, children (TANF and Check-up), and Expansion, and drug class (generic, brand, and specialty). Table 31 shows the top therapeutic classes of drug (by paid amount) within each drug type that were modeled separately. Trends were selected based on reviewing this historical experience. Class-specific trends for all other drugs are found in Tables 35-37 below.

**Table 31**  
**State of Nevada**  
**Division of Health Care Financing and Policy**  
**CY 2019 Capitation Rate Development**  
**Cost Trends for Specific Therapeutic Classes**

Therapeutic Class	Drug Type	% of Class	Trend
Immediate Release Opioid Agonists	Generic	9.0%	1.5%
Local Anesthetics - Topical	Generic	3.2%	(5.0%)
Dibenzapines / Quinolinone Derivatives / Benzisoxazoles	Generic	4.6%	(2.6%)
Insulin - Long Acting	Brand	11.8%	(1.7%)
Insulin - Short / Intermediate Acting	Brand	13.5%	5.2%
Short Acting Beta Agonists	Brand	6.4%	1.1%
Antiretrovirals	Specialty	31.2%	9.9%
Autoimmune Agents	Specialty	13.3%	8.1%

- Brand patent loss: We identified brand drugs in the base experience expected to lose patents before the end of CY 2019. We used internal Milliman research to project the utilization and cost shift for each drug, with the exception of Strattera. We used emerging experience to project the unit cost difference between Strattera and the generic Atomoxetine.



The adjustment was calculated by population: TANF adults, children (TANF and Check-up), and Expansion. Table 32 shows the adjustment for brand patent loss. Table 33 shows the contribution of each drug to the total brand-to-generic cost factor.

<b>Table 32</b> <b>State of Nevada</b> <b>Division of Health Care Financing and Policy</b> <b>CY 2019 Capitation Rate Development</b> <b>Impact of Brand-to-Generic Shift on Brand Drugs</b>			
Year	TANF Adults	Children	Expansion
2017	(2.6%)	(4.3%)	(3.1%)

<b>Table 33</b> <b>State of Nevada</b> <b>Division of Health Care Financing and Policy</b> <b>CY 2019 Capitation Rate Development</b> <b>% of Impact to Brand-to-Generic Factor</b>				
Brand Name	Launch Date	TANF Adults	Children	Expansion
LATUDA	7/2/2018	44.0%	2.4%	41.5%
EPIPEN 2-PAK	12/15/2016	9.4%	30.8%	5.0%
EPIPEN-JR 2-PAK	12/15/2016	0.4%	36.0%	0.0%
STRATTERA	5/30/2017	3.5%	14.7%	2.9%
INVEGA SUSTENNA	11/10/2018	9.4%	0.6%	22.2%
LYRICA	12/30/2018	16.2%	0.1%	10.0%
QVAR	1/1/2019	0.7%	8.5%	0.5%
SENSIPAR	4/1/2018	1.4%	0.1%	5.0%
HUMALOG KWIKPEN	2/1/2018	2.7%	1.8%	1.9%
NORVIR	4/1/2018	2.1%	0.0%	2.3%
ADCIRCA	5/21/2018	1.6%	0.8%	1.8%
LANTUS SOLOSTAR	12/15/2016	1.6%	0.7%	1.7%
GILENYA	2/18/2019	2.4%	0.0%	1.1%
HUMALOG	2/1/2018	1.1%	1.3%	0.6%
ADVAIR DISKUS	1/1/2019	1.1%	0.5%	0.7%
RESTASIS	10/1/2018	0.8%	0.0%	1.2%
XOLAIR	1/1/2019	0.5%	0.6%	0.5%
NOVOLOG	1/1/2019	0.5%	0.5%	0.4%
RANEXA	5/27/2019	0.3%	0.0%	0.6%
ENBREL	7/1/2018	0.2%	0.5%	0.2%

Table 34 illustrates the total impact of trend for medical and pharmacy (excluding maternity).

<b>Table 34</b> <b>State of Nevada</b> <b>Division of Health Care Financing and Policy</b> <b>CY 2019 Capitation Rate Development</b> <b>Aggregate Annual Trend Impact</b>			
Population	Util/1,000	Unit cost	PMPM
TANF/Check-Up Children	3.5%	2.4%	6.0%
TANF Adults	1.7%	3.2%	4.9%
Expansion	2.9%	2.4%	5.4%
<b>Composite</b>	<b>2.9%</b>	<b>2.6%</b>	<b>5.6%</b>

(iii) *Comparisons to historical trends:*

Tables 29 and 30 illustrate results of our regression analysis relative to our selected trends.

*b. Components of trend:*

Tables 35 and 36 illustrate selected pharmacy trends, and Tables 29 and 30 illustrate selected medical trends. Note that the pharmacy trends in Tables 35 and 36 do not include the adjustment for Hepatitis C. Table 37 displays total (PMPM) annual pharmacy trends compared to the trends used in the CY 2018 rates.

<b>Table 35</b> <b>State of Nevada</b> <b>Division of Health Care Financing and Policy</b> <b>Managed Care CY 2019 Capitation Rates</b> <b>Annual Pharmacy Utilization Trends</b>				
Service Line	Expansion	TANF Adults	TANF Children	Check-Up
Generic	0.7%	0.3%	0.8%	0.8%
Brand	2.5%	2.3%	2.4%	2.4%
Specialty	2.7%	5.1%	7.0%	7.0%
<b>Composite</b>	0.9%	0.4%	1.0%	1.1%

<b>Table 36</b> <b>State of Nevada</b> <b>Division of Health Care Financing and Policy</b> <b>Managed Care CY 2019 Capitation Rates</b> <b>Annual Pharmacy Unit Cost Trends*</b>				
Service Line	Expansion	TANF Adults	TANF Children	Check-Up
Generic	1.1%	0.9%	0.6%	0.6%
Brand	3.5%	0.9%	0.7%	0.7%
Specialty	9.0%	6.1%	6.1%	6.1%
<b>Composite</b>	6.3%	4.3%	3.4%	4.1%

*\*Not including adjustments for brand-to-generic shift*

<b>Table 37</b> <b>State of Nevada</b> <b>Division of Health Care Financing and Policy</b> <b>Managed Care CY 2019 Capitation Rates</b> <b>Annual Pharmacy PMPM Trends*</b>				
Service Line	Expansion	TANF Adults	TANF Children	Check-Up
Generic	1.9%	1.1%	1.5%	1.5%
Brand	6.1%	3.3%	3.0%	3.0%
Specialty	11.9%	11.6%	13.5%	13.5%
<b>Composite</b>	7.2%	4.8%	4.4%	5.2%
<b>Previous</b>	6.8%	6.5%	5.4%	5.7%

*\*Not including adjustments for brand-to-generic shift*

*c. Variations in trend:*

Selected trends vary by category of service and population, in the following way:

- Populations receiving different trend: TANF adults, children (TANF and Check-up), Expansion
- Categories of service receiving different trend: inpatient, inpatient maternity, inpatient behavioral health, outpatient, outpatient behavioral health, emergency room, physician, physician maternity, physician behavioral health, other, generic drugs, brand drugs, and specialty drugs.

These variations in trend were due to meaningful differences observed between populations in historical experience, and not because of differences in federal financial participation.

*d. Other material adjustments to trend:*

We did not make any other material adjustments to trend that have not been described in the section above.

*e. Other non-material adjustments to trend:*

There were no non-material adjustments made to trend.

**Adjustments due to MHPAEA [Section I.3.B.iv]:**

DHCFP has stated that there are no additional services required to comply with the standards of the Mental Health Parity and Addiction Equity Act.

**In-lieu-of services [Section I.3.B.v]:**

See section I.3.A.(v)-(vi) for a discussion around IMD data and assumptions. Behavioral health treatment in an IMD setting are the only in-lieu-of service currently covered under managed care contracts.

**Retrospective eligibility periods [Section I.3.B.vi]:**

DHCFP has implemented direct enrollment into managed care plans in phases:

- Phase 1 – effective October 17, 2016, members who regain eligibility after having lost eligibility for less than the current month are re-enrolled in their previous plan with no gap in enrollment. Members who regain eligibility after having lost eligibility for more than the current month are re-enrolled with their previous plan as of the effective the date MMIS receives the new eligibility record.
- Phase 2 – effective May 1, 2017, newly eligible members will be enrolled into managed care effective the date MMIS receives the eligibility record.
  - Newborns can be retroactively enrolled into managed care for up to three months if the mother is in managed care at the time of birth.

Prior to October 17, 2016, members were enrolled with fee-for-service (FFS) until the next administratively possible month (6-40 days). Following this waiting period in FFS they would enroll in a managed care organization (MCO).

To account for this change, we summarized claims and membership from FFS waiting periods from January 1, 2015 through December 31, 2016. We excluded claims for targeted case management, waiver services, school-based services, and residential treatment centers because these services will continue to be covered under fee-for-service arrangements. Other services that are carved out of managed care did not have a material impact.

We have appended these claims and member months to the base data used to project rates. After this initial adjustment, the FFS waiting period data is treated with the same adjustments as the managed care data. For example, the same trends that are applied to MCO data are applied to the FFS waiting period data. We have assumed that the MCOs will not be able to manage costs in the FFS waiting period to a lower level.

The data indicates that direct enrollment was fully implemented in May 2017. Therefore, the majority of the appended claims were incurred from January 2017 through April 2017. An insignificant amount of claims were added from May 2017 through December 2017 as a result of our identification criteria. The impact of this data is shown in the row labeled “Direct enrollment claims” in the Appendix B cost models. Because direct enrollment was implemented mid-way through the base period, the impact shown is not the full impact of direct enrollment. It only shows the impact of the claims appended to the base period.

All other aspects related to retrospective eligibility periods are consistent between the base period and the projection period, and we have therefore made no other adjustments related to retrospective eligibility.

**Changes to covered benefits or services [Section I.3.B.vii]:**

See section I.2.B.(iii).(d)

**Impact of changes to covered benefits or services [Section I.3.B.viii]:**

See section I.2.B.(iii).(d)

**SPECIAL CONTRACT PROVISIONS RELATED TO PAYMENT [SECTION I.4]****Incentive Arrangements [Section I.4.A]****Rate Development Standards [Section I.4.A.i]**

There are no incentive arrangements between the MCOs and DHCFP.

**Appropriate Documentation [Section I.4.A.ii]**

Not applicable.

**Withhold Arrangements [Section I.4.B]****Rate Development Standards [Section I.4.B.i]**

There are no withhold arrangements effective during CY 2018.

**Appropriate Documentation [Section I.4.B.ii]**

Not applicable.

**Risk-Sharing Mechanisms [Section I.4.C]****Rate Development Standards [Section I.4.C.i]**

See section I.4.C.ii.

**Appropriate Documentation [Section I.4.C.ii]**

- a. *Description of risk-sharing mechanisms: The rate certification and supporting documentation must include a description of any other risk-sharing arrangements, such as a risk corridor or a large claims pool. An adequate description of these includes at least the following:*

The delivery case rate and the VLBW case rate payment and funding pool are mechanisms intended to distribute risk for high-cost events among the MCOs based on incidence specific to each MCO. These mechanisms are discussed throughout this report as part of the rate setting process.

Additionally, DHCFP has implemented a risk corridor for specialty drugs to apply to the CY 2019 rating period in order to mitigate forecast error and financial risk to both DHCFP and the MCOs. While the corridor may impact MCO revenue related to specialty drug utilization, it does not have an impact on the capitation rates.

*(i) Rationale:*

The rationale for the case rate payments is to allocate risk of certain high cost events among the MCOs proportionate with risk, as these factors are not accounted for in risk adjustment.

The rationale for the specialty drug risk corridor is to mitigate the risk of any plan bearing a disproportionate cost burden for high-cost pharmacy costs. Recent years have shown steady and large increases in the prevalence of specialty drugs.

*(ii) Implementation:*

The parameters of the specialty pharmacy risk corridor are defined as follows:

- The corridor will be  $\pm 10\%$  of the target PMPM cost by rate cell for specialty drugs.
- The MCOs will retain 100% of the risk if actual experience is within 10% of the target PMPM.
- DHCFP and the MCOs will share 50% of the risk for the portion of actual experience that is above or below 10% of the target PMPM.
- The composite target PMPM will be calculated for each MCO based on each MCO's actual 2019 member month distribution, where target rates are set for each region, population, and rate cell.
- The target PMPM is defined as the total cost for specialty drugs included in the CY 2019 rate development. Office administered drugs defined as specialty are included in this target to the extent that professional claims data includes NDCs.

In order to calculate both the target PMPMs and the actual experience PMPMs for each MCO, we will rely on Milliman's proprietary research and categorical assignment of pharmacy claims to identify "specialty" products. The categorization criteria are not applied in a formulaic manner, but rather are points considered when classifying each drug on a case-by-case basis. For example, a drug could meet four of the criteria below and still be classified as "specialty," or it could meet two of the criteria and not be classified as "specialty." This determination is made by Milliman's pharmacy experts approximately every 4 months.

- Cost (Medicare definition – greater than \$670/30 day supply)
- Biologic - manufactured in a living system such as a microorganism, or plant or animal cells
- Route of administration – injection or physician administered
- Specific handling requirements – requires cold storage or special handling/shipping conditions
- Rare or orphan disease – treats an orphan or rare condition
- Requires special dosing or monitoring – frequent dosage adjustments or need to monitor laboratory levels
- REMS program – Risk Evaluation and Mitigation Strategies
- Limited Distribution Drugs – access to the drug is limited to specialty pharmacies
- Industry reports – if OptumRx, CVS/Caremark, ESI, Prime Therapeutics consider the product specialty

*(iii) Effect on rates:*

Neither the DCR nor VLBW case rate payments have an impact on monthly capitation rates. The DCR is created separately from the monthly capitation rates. The VLBW case rate payments are funded through a reduction to the monthly infant capitation rates, and all funds remaining in this carve-out at the end of the year are distributed to the MCOs.

The specialty drug risk corridor is not expected to have any impact on the rates certified herein.

*(iv) Documentation of compliance:*

All risk mitigation mechanisms have been developed in accordance with generally accepted actuarial principles and practices.

*b. MLR risk-sharing arrangement:*

MCOs are required to provide periodic reports of Medical Loss Ratio (MLR), in a time and manner established by the State, and in accordance with CMS' methodology [Id. § 438.8(e)]. Reports must be no later than within 12 months of the end of a year for which the MLR pertains. All third party vendors providing claims adjudication activities are required to provide all underlying data associated with MLR reporting to the vendor within 180 days of the end of the MLR reporting year, or within 30 days of a request by the vendor (whichever comes sooner) to calculate and validate the accuracy of MLR reporting. The state will collect a remittance for the applicable years in which the vendor's MLR falls below 85%.

*c. Reinsurance requirements:*

Under the current MCO contract, the state reimburses plans for 75% of inpatient hospital costs above \$100,000 for any individual member. The terms of this stop loss provision are not changing in the contract effective January 1, 2019.

Because the encounter information provided by the health plans is gross of reinsurance recoveries, the initial cost models are on a gross claims basis. Using the claims information provided, expected stop loss recoveries were calculated by individual, then summarized and removed as a bottom line adjustment to each cost model. This bottom line adjustment ensures that the calculated capitation rates do not include the expected cost of claims that are to be reimbursed by the state under the stop loss provision. As a result, the stop loss adjustment is revenue neutral to the state on an aggregate expected basis.

Reinsurance recoveries are projected using the hospital inpatient medical/surgical trend, with a leveraging factor of 1.50 applied to trend.

Table 38 shows the impact of reinsurance recoveries on the rates, including direct enrollment membership and claims:

<b>Table 38</b> <b>State of Nevada</b> <b>Division of Health Care Financing and Policy</b> <b>CY 2019 Capitation Rate Development</b> <b>CY 2017 Stop-Loss Impacts</b>			
<b>Population</b>	<b>Number of Stop-Loss Claims</b>	<b>Stop-Loss PMPM Removed</b>	<b>Percent of Total IP PMPM</b>
TANF Adults	162	\$ 2.43	7.0%
Check-Up	3	7.74	44.6%
Expansion	191	3.45	3.6%

The reinsurance mechanism has been developed in accordance with generally accepted actuarial principles and practices.

An adjustment is made to the projected medical cost which serves as the basis of capitation rates. The PMPM amount for each rate cell is illustrated in the development of projected medical cost in Appendix B.

**Delivery System and Provider Payment Initiatives [Section I.4.D]**

**Rate Development Standards [Section I.4.D.i]**

Not applicable

**Appropriate Documentation [Section I.4.D.ii]**

Not applicable.

**Pass-Through Payments [Section I.4.E]**

**Rate Development Standards [Section I.4.E.i]**

See section I.4.E.ii

**Appropriate Documentation [Section I.4.E.ii]**

*a. Description of pass-through payments:*

*(i) Description of the pass-through payment:*

Effective January 2014, capitation rates include an amount intended to ensure access to safety net providers. In CY 2019, the only provider receiving a safety net payment will be University Medical Center (UMC), a hospital in Clark County.

(ii) *Amount of pass-through payment:*

Safety net payments are shown in Appendices C and D. Note that the payments with a 3.50% premium tax apply to Anthem and SilverSummit, and the payments with a 3.33% premium tax apply to HPN.

(iii) *Providers receiving the pass-through payment:*

UMC is the only provider receiving a pass-through payment in CY 2019.

(iv) *Financing mechanism:*

The safety net is financed through intergovernmental transfers.

(v) *Pass-through payments in previous rating periods (v)-(vi):*

See Appendix D.

b. *Hospital pass-through payments: The certification must document the following information about the base amount for hospital pass-through payments:*

(i) *Calculation of the base amount:*

The base amount was determined by taking the difference between:

- The amount Medicare FFS would have paid for those inpatient and outpatient hospital services utilized by the eligible populations under the MCO contracts for the 12-month period immediately two years prior to the rating period (CY 2017) and
- The amount the MCOs paid (not including pass-through payments) for those inpatient and outpatient hospital services utilized by the eligible populations under MCO contracts for the 12-month period immediately 2 years prior to the rating period (CY 2017).

The base amount was not trended forward. This calculation is shown in Table 39.

**Table 39**  
**State of Nevada**  
**Division of Health Care Financing and Policy**  
**CY 2019 Capitation Rate Development**  
**Development of Pass-through Payment - UMC**

	TANF/Check-up	Expansion	Total	Note
<b>Experience Claims</b>				
CY2017 Member Months	3,672,224	2,208,965	5,881,189	(1)
CY2017 Paid Claims	\$ 20,662,916	\$ 23,322,536	\$ 43,985,452	(2)
CY2017 PMPM	\$ 5.63	\$ 10.56		(3)=(2)/(1)
<b>Medicare Repriced</b>				
CY2017 Repriced Paid Claims	\$ 64,937,670	\$ 63,747,821	\$ 128,685,490	(4)
CY2017 Repriced PMPM	\$ 17.68	\$ 28.86		(5)=(4)/(1)
<b>Initial Enhancement Payment</b>	<b>\$ 12.06</b>	<b>\$ 18.30</b>		<b>(6)=(5)-(3)</b>
<b>Base Amount Calculation</b>				
Percent of Base Amount Used	90%	90%		(7)
Base Amount in Dollars	\$ 39,847,278	\$ 36,382,756	\$ 76,230,034	(8)=((4)-(2))*(7)
Base Amount PMPM (Max Enhancement)	\$ 10.85	\$ 16.47		(9)=(8)/(1)
<b>Paragraph (d)(1)(i) Dollar Amount Calculation</b>				
CY2016 Pass-Through Payment Less Premium Tax			\$ 52,095,801	(10)
Projected 2019 Member Months	3,760,783	2,300,519	6,061,302	(11)
Convert Item (10) to PMPM	\$ 7.18	\$ 10.90		(12)
<b>Final Enhancement Payment PMPM</b>	<b>\$ 7.18</b>	<b>\$ 10.90</b>		<b>(13)=min[(12),(9)]</b>
<b>Final Enhancement Payment</b>	<b>\$ 27,013,554</b>	<b>\$ 25,082,247</b>	<b>\$ 52,095,801</b>	<b>(14) = (11) * (13)</b>

Note: (1) Utilization and cost trend applied to experience claims are from CY2019 capitation rate development.

(2) Utilization trend applied to Medicare repriced claims is from CY2019 capitation rate development, and cost trend is from 2019 Milliman Standard Part C Trend.

(ii) *Aggregate amounts:*

The aggregate amounts calculated for Section I, Item 4.E.i.c.i.A, and Section I, Item 4.E.i.c.i.B are shown in Table 39 above. Amounts described in Section I, Item 4.E.i.c.ii.A, and Section I, Item 4.E.i.c.ii.B do not apply.

In accordance with 42 CFR §438.6(d)(3), the aggregate pass-through payments to hospitals may not exceed the lesser of: (i) 90 percent of the base amount; or (ii) the total dollar amount of pass-through payments to hospitals identified in the managed care contract(s) and rate certification(s) used to meet the requirement of paragraph (d)(1)(i). The total dollar amount of pass-through to hospitals identified to meet the requirement of paragraph (d)(1)(i) is the amount of safety net enhancement paid in CY 2016. The safety net amount included in the 2016 capitation rates without premium taxes is \$52,095,801. Since the pass-through payment implied by 90 percent of the base amount is larger than \$52,095,801, the CY 2019 final pass-through amount, before taxes, was set to \$52,095,801.

## PROJECTED NON-BENEFIT COSTS [SECTION I.5]

### Rate Development Standards [Section I.5.A]

See Section I.5.B.

### Appropriate Documentation [Section I.5.B]

#### Description of non-benefit cost projection [Section I.5.B.i]:

Administration and risk margin loads are taken directly from the bids submitted as part of the bidding process to award contracts for Nevada’s MCOs. Anthem and HPN bid a load equal to 10.5% of premium, and SilverSummit bid 10.0% to cover administration and risk margin. Though it is not specified in the contract, nor does it impact rate development, we consider these loads as being comprised of 9.0% administrative cost, with the remainder representing risk margin. The administrative load is added as a percentage of premium.

This administrative and risk margin load is applicable to the total of DCR, VLBW, and medical costs (excluding the Safety Net enhancement), and is loaded equally on each component. The same load is applied to each population.

We have compared this load to actual administrative and risk margin costs as filed by participating MCOs as well as loads added to capitation rates in other state Medicaid programs. Both of these comparisons lead us to believe that the 10.5% and 10.0% loads are reasonable.

Anthem and SilverSummit rates include an additional 3.5% load for premium tax. HPN rates include a lower premium tax rate of 3.33%. This lower rate is based on HPN’s estimate of a tax credit they will receive as a Nevada-domiciled company. We have accepted HPN’s estimate for use in our rate development for CY 2019, with the understanding that any difference will be reconciled with the state.

#### Categories of non-benefit costs [Section I.5.B.ii]:

In Table 40, we have estimated the projected non-benefit costs by category of costs. Administration and risk margin varies by MCO according to their amount bid during re-procurement. Note that premium tax is applied on top of the administration and risk margin load.

Table 40 State of Nevada Division of Health Care Financing and Policy CY 2019 Capitation Rate Development Non-Benefit Costs as a % of Premium			
Component of Non-Benefit Cost	Anthem	HPN	SilverSummit
Administrative Costs	9.0%	9.0%	9.0%
Contribution to reserves/risk margin	1.5%	1.5%	1.0%
<b>Sum of components</b>	<b>10.5%</b>	<b>10.5%</b>	<b>10.0%</b>
Premium Tax	3.5%	3.33%	3.5%

#### Health Insurance Providers Fee [Section I.5.B.iii]:

The Health Insurance Providers Fee (HIPF) is not included in these rates. An updated certification for these rates in the fall of 2020 will include the HIPF. We will use the following method to develop and apply the HIPF adjustment:

- Each health plan will provide its final notice of the fee amount as reported by the United States Internal Revenue Service (IRS).
- We will review each health plan’s allocation of the final notice fee amount to the Nevada Medicaid programs.
- We will use health plan nationwide premiums and Nevada Medicaid premiums as well as the total HIPF reported by the IRS to estimate the impact of the HIPF on Nevada Medicaid CY 2019 capitation rates. We will then multiply this value by a factor of 1 / (1-35%) to account for the fee amount for federal income tax. A similar adjustment will be made to account for the appropriate state premium tax.

- A required rate increase will be calculated by comparing the resulting HIPF reimbursement to capitation paid in 2019. The calculated increase due to HIPF will be applied to the CY 2019 capitation rates.

Managed care plans in Nevada were required to pay the HIPF in 2014, 2015, and 2016. For these years, the HIPF was included in the capitation rates through amendments to the initially certified rates.

## RISK ADJUSTMENT AND ACUITY ADJUSTMENTS [SECTION I.6]

### Rate Development Standards [Section I.6.A]

See Section I.6.B.

### Appropriate Documentation [Section I.6.B]

Not applicable. These rates do not contain any risk adjustment or acuity adjustment factors. It is our intention to perform a retrospective risk adjustment calculation at the end of the rating period and we will issue an updated certification at that time.

## M4. MEDICAID MANAGED CARE RATES WITH LONG-TERM SERVICES AND SUPPORTS [SECTION II]

Not applicable, these services are not covered under the Nevada Managed Care contracts.

## M5. NEW ADULT GROUP CAPITATION RATES [SECTION III]

### DATA [SECTION III.1]

#### Description of data used [Section III.1.A]:

See sections I.1.B.i.(a) and I.2.B.iii.

#### Prior Expansion rates [Section III.1.B]:

##### New data [Section III.1.B.i]:

There is no new data available for this rate setting except for more months of available historical experience.

##### Cost monitoring [Section III.1.B.ii]:

We have rebased the rates using the most recent data available, and we have updated our duration and cohort analyses in order to monitor costs.

##### Retrospective analysis [Section III.1.B.iii]:

Table 41 illustrates age-gender adjusted PMPMs from the 2018 rate development compared to age-gender adjusted PMPMs from the CY 2019 rate development.

<b>Table 41</b> <b>State of Nevada</b> <b>Division of Health Care Financing and Policy</b> <b>CY 2019 Capitation Rate Development</b> <b>Comparison of Expansion Rate Components</b>			
<b>Service Category</b>	<b>2018 Rates</b>	<b>2019 Rates</b>	<b>% Difference</b>
Inpatient	\$ 103.83	\$ 106.49	2.6%
Outpatient	43.50	51.42	18.2%
Professional/Other	133.73	133.10	(0.5%)
Pharmacy	99.84	105.81	6.0%
Sub-capitation	29.78	24.13	(19.0%)
<b>Total</b>	<b>\$ 410.67</b>	<b>\$ 420.95</b>	<b>2.5%</b>



\* Rates include trend and fee schedule adjustments and exclude safety net.

Both 2018 and 2019 rates include Direct Enrollment.

### Adjustments due to retrospective analysis [Section III.1.B.iv]:

No actual-to-expected adjustment was made.

## PROJECTED BENEFIT COSTS [SECTION III.2]

### Summary of assumptions [Section III.2.A]:

#### [Section III.2.A.i]:

##### *a. Data used:*

See section I.1.B.i.(a).

##### *b. Changes in data sources:*

There are no changes in data sources that specifically apply to Expansion rates.

##### *c. Changes to assumptions:*

###### *(i) Acuity or health status adjustments*

There are no acuity or health status adjustments that apply specifically to the Expansion rates. This has not changed from the prior rate setting period.

###### *(ii) Pent-up demand:*

To evaluate the impact of duration, we refreshed the study conducted for the CY 2018 rates to review the cost during our experience period for Expansion membership, separated by months since enrollment. Due to credibility concerns, we averaged monthly cost factors into durational quarters. To estimate the impact of duration into our projection period, we did the following:

- Membership effective during what would previously have been a fee-for-service waiting period was excluded in order to eliminate the impact of direct enrollment on this study.
- Disenrollment rates were calculated based on historical data by duration, and were averaged together for every duration quarter.
- New membership each month was estimated in order to match our enrollment projections, and was held steady between April, 2018 and December, 2019.
- We adjusted the claims for age/gender mix, and monthly trend.

The combined estimated impact of duration and adverse selection (discussed below) for rates effective January 1, 2019 was calculated to be within an interval of potential estimation error. As such, we did not apply an explicit adjustment.

###### *(iii) Adverse selection:*

To evaluate the impact of adverse selection, we conducted a cohort study by grouping members into month of initial enrollment and calculating their average costs. Due to credibility concerns, we averaged monthly cost factors into six-month enrollment cohorts. To estimate the impact of the unwinding of anti-selection in our projection period, we made the same lapse and enrollment assumptions described earlier for the duration analysis. Additionally, we adjusted the claims for age/gender mix, and monthly trend.

The combined estimated impact of the duration and cohort analyses for rates effective January 1, 2019 was within an interval of potential estimation error. As such, we did not apply an explicit adjustment.

Since no adjustment was judged necessary for our CY 2018 rates, we assume that the durational and adverse selection present in the early years of the Expansion population has stabilized. Unless further information is presented next year to contradict this assumption, we do not anticipate revisiting these assumptions for the CY 2020 rate setting.

###### *(iv) Demographics:*

There are no demographic adjustments that apply specifically to the Expansion rates. This has not changed from the prior rate setting period.

###### *(v) Delivery system differences:*

There are no delivery system adjustments that apply specifically to the Expansion rates. This has not changed from the prior rate setting period.

*(vi) Other:*

There are no other adjustments that apply specifically to the Expansion rates. This has not changed from the prior rate setting period.

Key assumptions to include [Section III.2.B]: See section II.2.A

Benefit plan changes [Section III.2.C]:

There are no changes to the benefit plan that apply specifically to the Expansion rates.

Other material changes [Section III.2.D]:

There are no other material changes that apply specifically to the Expansion rates.

### **PROJECTED NON-BENEFIT COSTS [SECTION III.3]**

New adult non-benefit costs [Section III.3.A] See section I.5

Comparison to other populations [Section III.3.B]: See section I.5

### **FINAL CERTIFIED RATES OR RATE RANGES [SECTION III.4]**

[Section III.4.A]

**Comparison to prior rates [Section III.4.A.i]:**

See Appendix A.

**Description of other material changes [Section III.4.A.ii]:**

All material changes are described elsewhere in this report.

### **RISK MITIGATION STRATEGIES [SECTION III.5]**

Description of risk mitigation strategy [Section III.5.A]:

Not applicable

Additional risk mitigation information [Section III.5.B]:

There is no change to the risk mitigation strategy relative to the 2018 rates.

## M6. DATA RELIANCE AND CAVEATS

We have modeled total costs in a managed care environment based on prior managed care data. The managed care assumptions implicit in these rates may not be realized.

This analysis is intended for the use of the State of Nevada DHCFP in support of the Medicaid managed care programs. We understand that this information will be shared with other parties or utilized in a public document. To the extent that the information contained in this report is provided to third parties, the document should be distributed in its entirety. Any user of the data must possess a certain level of expertise in actuarial science and health care modeling so as not to misinterpret the data presented.

Milliman makes no representations or warranties regarding the contents of this report to third parties. Similarly, third parties are instructed that they are to place no reliance upon this report prepared for DHCFP by Milliman that would result in the creation of any duty or liability under any theory of law by Milliman or its employees to third parties. It is the responsibility of any MCO to make an independent determination as to the adequacy of the proposed capitation rates for their organization.

Actual costs for the program will vary from our projections for many reasons. Differences between the capitation rates and actual MCO experience will depend on the extent to which future experience conforms to the assumptions made in the capitation rate development calculations. It is certain that actual experience will not conform exactly to the assumptions used. Actual amounts will differ from projected amounts to the extent that actual experience is higher or lower than expected. Experience should continue to be monitored on a regular basis.

This analysis has relied extensively on data provided by DHCFP and its vendors. We have not audited or verified this data and other information. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete. We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

Guidelines issued by the American Academy of Actuaries require actuaries to include their professional qualifications in all actuarial communications. The authors of this report are members of the American Academy of Actuaries and meet the qualification standards for performing the analysis presented herein.

The terms of Milliman's contract with the Nevada Division of Health Care Financing and Policy, as amended April 10, 2018, apply to this report and its use.

## M7. ACTUARIAL CERTIFICATION

I, Jennifer L. Gerstorff, am a Principal and Consulting Actuary with the firm of Milliman, Inc. I am a Member of the American Academy of Actuaries and a Fellow of the Society of Actuaries. I meet the qualification standards established by the American Academy of Actuaries and have followed the standards of practice established by the Actuarial Standards Board. I have been retained by the State of Nevada Division of Health Care Financing and Policy (DHCFP) and am familiar with the state-specific Medicaid program, eligibility rules, and benefit provisions for the state's managed care program. I have experience in the examination of financial calculations for Medicaid programs and meet the qualification standards for rendering this opinion. This certification is intended to cover the capitation rates presented herein for the twelve-month period of calendar year (CY) 2019. At the end of this period, the capitation rates will be updated for calendar year 2020.

To the best of my information, knowledge and belief, for the CY 2019 period, the capitation rates offered by DHCFP are actuarially sound and comply with the requirements of 42 CFR §438.4 and Actuarial Standards of Practice (ASOP) No. 49. The capitation rates:

- have been developed in accordance with standards specified in § 438.5 and generally accepted actuarial principles and practices. Any proposed differences among capitation rates according to covered populations must be based on valid rate development standards and not based on the rate of Federal financial participation associated with the covered populations.
- are appropriate for the populations to be covered and the services to be furnished under the contract.
- are adequate to meet the requirements on MCOs, PIHPs, and PAHPs in § 438.206, 438.207, and 438.208.
- are specific to payments for each rate cell under the contract, and payments from any rate cell do not cross-subsidize or be cross-subsidized by payments for any other rate cell.
- were developed in such a way that the MCO, PIHP, or PAHP would reasonably achieve a medical loss ratio standard, as calculated under § 438.8, of at least 85 percent for the rate year.

I have developed certain actuarial assumptions and actuarial methodologies regarding the projection of healthcare expenditures into future periods.

This certification is intended for the State of Nevada and should not be relied on by other parties. The reader should be advised by actuaries or other professionals competent in the area of actuarial projections of the type in this certification, so as to properly interpret the projection results. It should be emphasized that capitation rates are a projection of future costs based on a set of assumptions. Actual costs will be dependent on each contracted health plan's situation and experience.

The capitation rates developed herein may not be appropriate for any specific health plan. An individual health plan will need to review the rates in relation to the benefits that it will be obligated to provide. The health plan should evaluate the rates in the context of its own experience, expenses, capital and surplus, and profit requirements prior to agreeing to contract with DHCFP. The health plan may require rates above, equal to, or below the actuarially sound capitation rates that are associated with this certification.

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



**March 7, 2019**

Jennifer L. Gerstorff, FSA, MAAA  
 Fellow, Society of Actuaries  
 Member, American Academy of Actuaries

Date

**APPENDIX A**

**Appendix A-1**  
**State of Nevada**  
**Division of Health Care Financing and Policy**  
**CY 2019 Capitation Rate Development**  
**Proposed State & Federal Rates - Excluding IMD long-stay, Composite**

TANF/CHAP	Proj. 2019 Mem. Months	Capitation Rates*		% Change	Cap. Rates Net Pass-through		% Rate Change
		CY 2019	CY 2018		CY 2019	CY 2018	
<b>Southern Region</b>							
Males & Females; < 1yr old	191,066	\$ 627.84	\$ 644.18	(2.5%)	\$ 601.60	\$ 616.07	(2.3%)
Males & Females; 1 - 2 yrs old	320,617	127.66	133.51	(4.4%)	122.33	127.71	(4.2%)
Males & Females; 3 - 14 yrs old	1,587,109	101.68	99.30	2.4%	97.43	95.00	2.6%
Females; 15 - 18 yrs old	188,738	143.78	138.33	3.9%	137.77	132.30	4.1%
Males; 15 - 18 yrs old	182,179	120.30	115.89	3.8%	115.27	110.85	4.0%
Females; 19 - 34 yrs old	311,256	277.61	269.94	2.8%	266.01	258.16	3.0%
Males; 19 - 34 yrs old	52,070	188.77	189.22	(0.2%)	180.88	180.96	(0.0%)
Females; 35+ yrs old	157,165	477.33	447.26	6.7%	457.38	427.74	6.9%
Males; 35+ yrs old	54,250	444.32	433.30	2.5%	425.75	414.39	2.7%
Composite Southern Region	3,044,451	\$ 186.13	\$ 183.41	1.5%	\$ 178.36	\$ 175.43	1.7%
<b>Northern Region</b>							
Males & Females; < 1yr old	29,677	\$ 500.48	\$ 531.88	(5.9%)	\$ 479.56	\$ 508.67	(5.7%)
Males & Females; 1 - 2 yrs old	44,816	118.46	114.11	3.8%	113.51	109.15	4.0%
Males & Females; 3 - 14 yrs old	216,414	78.93	78.75	0.2%	75.63	75.34	0.4%
Females; 15 - 18 yrs old	24,455	140.93	126.51	11.4%	135.04	121.00	11.6%
Males; 15 - 18 yrs old	23,723	91.82	98.01	(6.3%)	87.98	93.76	(6.2%)
Females; 19 - 34 yrs old	43,699	274.68	237.95	15.4%	263.20	227.57	15.7%
Males; 19 - 34 yrs old	7,292	182.55	179.25	1.8%	174.92	171.44	2.0%
Females; 35+ yrs old	19,308	431.33	447.82	(3.7%)	413.30	428.28	(3.5%)
Males; 35+ yrs old	6,909	425.47	384.74	10.6%	407.69	367.95	10.8%
Composite Northern Region	416,293	\$ 162.07	\$ 159.43	1.7%	\$ 155.30	\$ 152.49	1.8%
<b>SOBRA Case Rate</b>	13,430	\$ 5,208.58	\$ 5,422.53	(3.9%)	\$ 5,208.58	\$ 5,422.53	(3.9%)
<b>VLBW Case Rate</b>	210	\$ 69,340.48	\$ 69,340.48	0.0%	\$ 69,340.48	\$ 69,340.48	0.0%
<b>TANF/CHAP Composite PMPM</b>	3,460,743	\$ 207.65	\$ 205.77	0.9%	\$ 200.00	\$ 197.91	1.1%
<b>Check-up</b>							
<b>Southern Region</b>							
Males & Females; < 1yr old	2,004	\$ 199.06	\$ 234.97	(15.3%)	\$ 190.73	\$ 224.70	(15.1%)
Males & Females; 1 - 2 yrs old	15,481	120.91	129.47	(6.6%)	115.86	123.84	(6.4%)
Males & Females; 3 - 14 yrs old	177,795	112.93	110.41	2.3%	108.21	105.63	2.4%
Females; 15 - 18 yrs old	25,950	168.09	143.28	17.3%	161.07	137.03	17.5%
Males; 15 - 18 yrs old	25,714	123.07	120.18	2.4%	117.93	114.97	2.6%
Composite Southern Region	246,944	\$ 120.98	\$ 117.09	3.3%	\$ 115.93	\$ 112.01	3.5%
<b>Northern Region</b>							
Males & Females; < 1yr old	415	\$ 168.04	\$ 221.13	(24.0%)	\$ 161.01	\$ 211.46	(23.9%)
Males & Females; 1 - 2 yrs old	3,593	107.64	111.19	(3.2%)	103.15	106.38	(3.0%)
Males & Females; 3 - 14 yrs old	38,257	96.72	82.10	17.8%	92.68	78.55	18.0%
Females; 15 - 18 yrs old	5,411	131.65	121.74	8.1%	126.15	116.43	8.3%
Males; 15 - 18 yrs old	5,420	105.72	101.74	3.9%	101.30	97.31	4.1%
Composite Northern Region	53,096	\$ 102.49	\$ 91.20	12.4%	\$ 98.21	\$ 87.25	12.6%
<b>SOBRA Case Rate</b>	14	\$ 5,209.26	\$ 5,423.24	(3.9%)	\$ 5,209.26	\$ 5,423.24	(3.9%)
<b>VLBW Case Rate</b>	2	\$ 69,250.71	\$ 69,250.71	0.0%	\$ 69,250.71	\$ 69,250.71	0.0%
<b>Check-up Composite PMPM</b>	300,040	\$ 118.48	\$ 113.29	4.6%	\$ 113.57	\$ 108.41	4.8%
<b>Expansion</b>							
<b>Southern Region</b>							
Females; 19 - 34 yrs old	463,466	\$ 275.22	\$ 278.47	(1.2%)	\$ 268.91	\$ 272.50	(1.3%)
Males; 19 - 34 yrs old	429,059	322.76	325.20	(0.8%)	315.35	318.22	(0.9%)
Females; 35+ yrs old	569,684	621.04	597.46	3.9%	606.79	584.64	3.8%
Males; 35+ yrs old	544,367	676.76	666.43	1.6%	661.23	652.13	1.4%
Composite Southern Region	2,006,576	\$ 492.50	\$ 484.28	1.7%	\$ 481.20	\$ 473.89	1.5%
<b>Northern Region</b>							
Females; 19 - 34 yrs old	68,958	\$ 270.36	\$ 250.60	7.9%	\$ 264.15	\$ 245.22	7.7%
Males; 19 - 34 yrs old	55,371	290.86	264.10	10.1%	284.18	258.43	10.0%
Females; 35+ yrs old	84,106	628.89	593.49	6.0%	614.46	580.76	5.8%
Males; 35+ yrs old	85,508	651.06	637.81	2.1%	636.12	624.12	1.9%
Composite Northern Region	293,943	\$ 487.56	\$ 463.90	5.1%	\$ 476.36	\$ 453.94	4.9%
<b>SOBRA Case Rate</b>	723	\$ 5,207.20	\$ 5,421.08	(3.9%)	\$ 5,207.20	\$ 5,421.08	(3.9%)
<b>VLBW Case Rate</b>	-	\$ 0.00	\$ 0.00	0.0%	\$ 0.00	\$ 0.00	0.0%
<b>Expansion Composite PMPM</b>	2,300,519	\$ 493.50	\$ 483.38	2.1%	\$ 482.22	\$ 473.04	1.9%
<b>Overall Composite PMPM</b>	<b>6,061,302</b>	<b>\$ 311.73</b>	<b>\$ 306.55</b>	<b>1.7%</b>	<b>\$ 302.83</b>	<b>\$ 297.90</b>	<b>1.7%</b>

\*Note: Each MCO has unique payment rates because of varying contracted rates for administrative cost and premium tax. This exhibit illustrates the estimated composite rates across MCOs

**Appendix A-2**  
**State of Nevada**  
**Division of Health Care Financing and Policy**  
**CY 2019 Capitation Rate Development**  
**Proposed IMD Add-On Rates**

TANF/CHAP	Anthem 10.5% Admin, 3.50% Tax				Health Plan of Nevada 10.5% Admin, 3.33% Tax				SilverSummit 10.0% Admin, 3.50% Tax			
	Proj. 2019 Mem. Months	Capitation Rates		%	Proj. 2019 Mem. Months	Capitation Rates		%	Proj. 2019 Mem. Months	Capitation Rates		%
		CY 2019	CY 2018			CY 2019	CY 2018			CY 2019	CY 2018	
<b>Southern Region</b>												
Males & Females; < 1yr old	67,255	\$ 0.00	\$ 0.00	0.0%	88,147	\$ 0.00	\$ 0.00	0.0%	35,664	\$ 0.00	\$ 0.00	0.0%
Males & Females; 1 - 2 yrs old	124,316	-	-	0.0%	160,060	-	-	0.0%	36,241	-	-	0.0%
Males & Females; 3 - 14 yrs old	594,529	-	-	0.0%	804,957	-	-	0.0%	187,624	-	-	0.0%
Females; 15 - 18 yrs old	61,406	-	-	0.0%	102,770	-	-	0.0%	24,562	-	-	0.0%
Males; 15 - 18 yrs old	56,312	-	-	0.0%	101,609	-	-	0.0%	24,259	-	-	0.0%
Females; 19 - 34 yrs old	109,488	0.10	0.48	(79.0%)	147,160	0.10	0.48	(79.0%)	54,608	0.10	0.48	(79.0%)
Males; 19 - 34 yrs old	17,420	-	-	0.0%	25,571	-	-	0.0%	9,079	-	-	0.0%
Females; 35+ yrs old	48,303	-	2.18	(100.0%)	82,065	-	2.17	(100.0%)	26,797	-	2.17	(100.0%)
Males; 35+ yrs old	15,331	-	1.91	(100.0%)	28,632	-	1.90	(100.0%)	10,287	-	1.90	(100.0%)
Composite Southern Region	1,094,360	\$ 0.01	\$ 0.17	(94.1%)	1,540,970	\$ 0.01	\$ 0.20	(95.1%)	409,121	\$ 0.01	\$ 0.25	(94.7%)
<b>Northern Region</b>												
Males & Females; < 1yr old	8,921	\$ 0.00	\$ 0.00	0.0%	14,506	\$ 0.00	\$ 0.00	0.0%	6,250	\$ 0.00	\$ 0.00	0.0%
Males & Females; 1 - 2 yrs old	15,301	-	-	0.0%	23,193	-	-	0.0%	6,321	-	-	0.0%
Males & Females; 3 - 14 yrs old	69,076	-	-	0.0%	120,180	-	-	0.0%	27,158	-	-	0.0%
Females; 15 - 18 yrs old	7,476	-	-	0.0%	12,995	-	-	0.0%	3,985	-	-	0.0%
Males; 15 - 18 yrs old	7,316	-	-	0.0%	13,365	-	-	0.0%	3,043	-	-	0.0%
Females; 19 - 34 yrs old	13,635	-	0.04	(100.0%)	21,324	-	0.04	(100.0%)	8,740	-	0.04	(100.0%)
Males; 19 - 34 yrs old	2,331	-	-	0.0%	3,463	-	-	0.0%	1,498	-	-	0.0%
Females; 35+ yrs old	5,281	-	-	0.0%	10,467	-	-	0.0%	3,561	-	-	0.0%
Males; 35+ yrs old	2,308	-	-	0.0%	3,175	-	-	0.0%	1,426	-	-	0.0%
Composite Northern Region	131,645	\$ 0.00	\$ 0.00	(100.0%)	222,666	\$ 0.00	\$ 0.00	(100.0%)	61,982	\$ 0.00	\$ 0.01	(100.0%)
<b>TANF/CHAP Composite PMPM</b>	1,226,005	\$ 0.01	\$ 0.15	(94.1%)	1,763,635	\$ 0.01	\$ 0.17	(95.1%)	471,103	\$ 0.01	\$ 0.22	(94.8%)
<b>Check-up</b>												
<b>Southern Region</b>												
Males & Females; < 1yr old	350	\$ 0.00	\$ 0.00	0.0%	776	\$ 0.00	\$ 0.00	0.0%	878	\$ 0.00	\$ 0.00	0.0%
Males & Females; 1 - 2 yrs old	5,773	-	-	0.0%	7,889	-	-	0.0%	1,819	-	-	0.0%
Males & Females; 3 - 14 yrs old	61,939	-	-	0.0%	95,106	-	-	0.0%	20,750	-	-	0.0%
Females; 15 - 18 yrs old	7,727	-	-	0.0%	15,218	-	-	0.0%	3,006	-	-	0.0%
Males; 15 - 18 yrs old	7,458	-	-	0.0%	15,164	-	-	0.0%	3,091	-	-	0.0%
Composite Southern Region	83,246	\$ 0.00	\$ 0.00	0.0%	134,153	\$ 0.00	\$ 0.00	0.0%	29,545	\$ 0.00	\$ 0.00	0.0%
<b>Northern Region</b>												
Males & Females; < 1yr old	105	\$ 0.00	\$ 0.00	0.0%	81	\$ 0.00	\$ 0.00	0.0%	229	\$ 0.00	\$ 0.00	0.0%
Males & Females; 1 - 2 yrs old	1,297	-	-	0.0%	1,991	-	-	0.0%	305	-	-	0.0%
Males & Females; 3 - 14 yrs old	11,371	-	-	0.0%	22,613	-	-	0.0%	4,272	-	-	0.0%
Females; 15 - 18 yrs old	1,353	-	-	0.0%	3,391	-	-	0.0%	668	-	-	0.0%
Males; 15 - 18 yrs old	1,530	-	-	0.0%	3,184	-	-	0.0%	706	-	-	0.0%
Composite Northern Region	15,656	\$ 0.00	\$ 0.00	0.0%	31,260	\$ 0.00	\$ 0.00	0.0%	6,180	\$ 0.00	\$ 0.00	0.0%
<b>Check-up Composite PMPM</b>	98,903	\$ 0.00	\$ 0.00	0.0%	165,413	\$ 0.00	\$ 0.00	0.0%	35,724	\$ 0.00	\$ 0.00	0.0%
<b>Expansion</b>												
<b>Southern Region</b>												
Females; 19 - 34 yrs old	136,055	\$ 0.65	\$ 1.04	(37.5%)	226,009	\$ 0.65	\$ 1.04	(37.5%)	101,402	\$ 0.65	\$ 1.04	(37.5%)
Males; 19 - 34 yrs old	109,048	3.16	1.25	152.1%	197,787	3.15	1.25	152.1%	122,223	3.14	1.25	152.1%
Females; 35+ yrs old	151,267	1.11	3.47	(67.9%)	305,117	1.11	3.46	(67.9%)	113,299	1.11	3.45	(67.9%)
Males; 35+ yrs old	141,985	3.39	5.56	(39.0%)	273,064	3.39	5.55	(39.0%)	129,317	3.37	5.53	(39.0%)
Composite Southern Region	538,356	\$ 2.01	\$ 2.96	(32.0%)	1,001,977	\$ 2.03	\$ 3.05	(33.4%)	466,242	\$ 2.17	\$ 2.93	(25.8%)
<b>Northern Region</b>												
Females; 19 - 34 yrs old	19,492	\$ 0.67	\$ 1.52	(55.9%)	31,292	\$ 0.67	\$ 1.52	(55.9%)	18,174	\$ 0.67	\$ 1.51	(55.9%)
Males; 19 - 34 yrs old	16,492	1.93	0.80	142.5%	20,871	1.93	0.79	142.5%	18,008	1.92	0.79	142.5%
Females; 35+ yrs old	26,121	1.23	0.68	79.8%	40,520	1.22	0.68	79.8%	17,465	1.22	0.68	79.8%
Males; 35+ yrs old	27,238	2.71	1.88	44.3%	35,637	2.70	1.87	44.3%	22,633	2.69	1.87	44.3%
Composite Northern Region	89,343	\$ 1.69	\$ 1.25	34.9%	128,320	\$ 1.61	\$ 1.23	30.7%	76,280	\$ 1.69	\$ 1.26	34.6%
<b>Expansion Composite PMPM</b>	627,699	\$ 1.97	\$ 2.72	(27.6%)	1,130,298	\$ 1.98	\$ 2.84	(30.3%)	542,522	\$ 2.10	\$ 2.69	(21.9%)
<b>Overall Composite PMPM</b>	1,952,606	\$ 0.64	\$ 0.97	(34.2%)	3,059,346	\$ 0.74	\$ 1.15	(35.9%)	1,049,350	\$ 1.09	\$ 1.49	(26.7%)

**Appendix A-3**  
**State of Nevada**  
**Division of Health Care Financing and Policy**  
**CY 2019 Capitation Rate Development**  
**Proposed State & Federal Rates - Excluding IMD long-stay, by MCO**  
**Anthem, 10.5% Admin, 3.50% Tax**

TANF/CHAP	Proj. 2019 Mem. Months	Capitation Rates		%	Cap. Rates Net Pass-through		%
		CY 2019	CY 2018		CY 2019	CY 2018	
<b>Southern Region</b>							
Males & Females; < 1yr old	67,255	\$ 628.98	\$ 645.35	(2.5%)	\$ 602.72	\$ 617.22	(2.3%)
Males & Females; 1 - 2 yrs old	124,316	127.85	133.71	(4.4%)	122.51	127.90	(4.2%)
Males & Females; 3 - 14 yrs old	594,529	101.83	99.45	2.4%	97.58	95.15	2.6%
Females; 15 - 18 yrs old	61,406	144.02	138.56	3.9%	138.00	132.53	4.1%
Males; 15 - 18 yrs old	56,312	120.50	116.08	3.8%	115.47	111.04	4.0%
Females; 19 - 34 yrs old	109,488	278.10	270.42	2.8%	266.49	258.63	3.0%
Males; 19 - 34 yrs old	17,420	189.11	189.56	(0.2%)	181.21	181.30	(0.0%)
Females; 35+ yrs old	48,303	478.20	448.08	6.7%	458.24	428.55	6.9%
Males; 35+ yrs old	15,331	445.18	434.14	2.5%	426.60	415.21	2.7%
Composite Southern Region	1,094,360	\$ 180.96	\$ 178.56	1.3%	\$ 173.40	\$ 170.79	1.5%
<b>Northern Region</b>							
Males & Females; < 1yr old	8,921	\$ 501.47	\$ 532.94	(5.9%)	\$ 480.54	\$ 509.71	(5.7%)
Males & Females; 1 - 2 yrs old	15,301	118.66	114.30	3.8%	113.70	109.33	4.0%
Males & Females; 3 - 14 yrs old	69,076	79.06	78.88	0.2%	75.76	75.46	0.4%
Females; 15 - 18 yrs old	7,476	141.19	126.74	11.4%	135.29	121.22	11.6%
Males; 15 - 18 yrs old	7,316	91.97	98.17	(6.3%)	88.13	93.91	(6.2%)
Females; 19 - 34 yrs old	13,635	275.21	238.41	15.4%	263.72	228.02	15.7%
Males; 19 - 34 yrs old	2,331	182.91	179.60	1.8%	175.27	171.78	2.0%
Females; 35+ yrs old	5,281	432.16	448.69	(3.7%)	414.12	429.13	(3.5%)
Males; 35+ yrs old	2,308	426.28	385.48	10.6%	408.49	368.67	10.8%
Composite Northern Region	131,645	\$ 158.94	\$ 156.07	1.8%	\$ 152.30	\$ 149.29	2.0%
<b>SOBRA Case Rate</b>	4,583	\$ 5,218.11	\$ 5,432.44	(3.9%)	\$ 5,218.11	\$ 5,432.44	(3.9%)
<b>VLBW Case Rate</b>	72	\$ 69,470.58	\$ 69,470.58	0.0%	\$ 69,470.58	\$ 69,470.58	0.0%
<b>TANF/CHAP Composite PMPM</b>	1,226,005	\$ 202.20	\$ 200.55	0.8%	\$ 194.75	\$ 192.89	1.0%
<b>Check-up</b>							
<b>Southern Region</b>							
Males & Females; < 1yr old	350	\$ 199.66	\$ 235.68	(15.3%)	\$ 191.32	\$ 225.41	(15.1%)
Males & Females; 1 - 2 yrs old	5,773	121.09	129.67	(6.6%)	116.04	124.04	(6.4%)
Males & Females; 3 - 14 yrs old	61,939	113.11	110.58	2.3%	108.39	105.80	2.4%
Females; 15 - 18 yrs old	7,727	168.36	143.51	17.3%	161.34	137.26	17.5%
Males; 15 - 18 yrs old	7,458	123.28	120.38	2.4%	118.13	115.17	2.6%
Composite Southern Region	83,246	\$ 120.06	\$ 116.36	3.2%	\$ 115.05	\$ 111.32	3.3%
<b>Northern Region</b>							
Males & Females; < 1yr old	105	\$ 168.60	\$ 221.86	(24.0%)	\$ 161.56	\$ 212.19	(23.9%)
Males & Females; 1 - 2 yrs old	1,297	107.79	111.35	(3.2%)	103.29	106.53	(3.0%)
Males & Females; 3 - 14 yrs old	11,371	96.87	82.24	17.8%	92.83	78.69	18.0%
Females; 15 - 18 yrs old	1,353	131.88	121.95	8.1%	126.37	116.64	8.3%
Males; 15 - 18 yrs old	1,530	105.90	101.92	3.9%	101.48	97.48	4.1%
Composite Northern Region	15,656	\$ 102.17	\$ 90.94	12.3%	\$ 97.90	\$ 87.01	12.5%
<b>SOBRA Case Rate</b>	4	\$ 5,218.11	\$ 5,432.44	(3.9%)	\$ 5,218.11	\$ 5,432.44	(3.9%)
<b>VLBW Case Rate</b>	0	\$ 69,470.58	\$ 69,470.58	0.0%	\$ 69,470.58	\$ 69,470.58	0.0%
<b>Check-up Composite PMPM</b>	98,903	\$ 117.75	\$ 112.87	4.3%	\$ 112.86	\$ 108.00	4.5%
<b>Expansion</b>							
<b>Southern Region</b>							
Females; 19 - 34 yrs old	136,055	\$ 275.79	\$ 279.05	(1.2%)	\$ 269.46	\$ 273.07	(1.3%)
Males; 19 - 34 yrs old	109,048	323.52	325.97	(0.8%)	316.10	318.98	(0.9%)
Females; 35+ yrs old	151,267	622.29	598.68	3.9%	608.03	585.85	3.8%
Males; 35+ yrs old	141,985	678.24	667.88	1.6%	662.69	653.56	1.4%
Composite Southern Region	538,356	\$ 488.96	\$ 480.91	1.7%	\$ 477.75	\$ 470.61	1.5%
<b>Northern Region</b>							
Females; 19 - 34 yrs old	19,492	\$ 270.96	\$ 251.16	7.9%	\$ 264.75	\$ 245.78	7.7%
Males; 19 - 34 yrs old	16,492	291.57	264.75	10.1%	284.89	259.08	10.0%
Females; 35+ yrs old	26,121	630.14	594.67	6.0%	615.69	581.92	5.8%
Males; 35+ yrs old	27,238	652.48	639.20	2.1%	637.52	625.50	1.9%
Composite Northern Region	89,343	\$ 496.09	\$ 472.40	5.0%	\$ 484.72	\$ 462.28	4.9%
<b>SOBRA Case Rate</b>	209	\$ 5,218.11	\$ 5,432.44	(3.9%)	\$ 5,218.11	\$ 5,432.44	(3.9%)
<b>VLBW Case Rate</b>	-	\$ 69,470.58	\$ 69,470.58	0.0%	\$ 69,470.58	\$ 69,470.58	0.0%
<b>Expansion Composite PMPM</b>	627,699	\$ 491.71	\$ 481.51	2.1%	\$ 480.48	\$ 471.23	2.0%
<b>Overall Composite PMPM</b>	<b>1,952,606</b>	<b>\$ 290.99</b>	<b>\$ 286.43</b>	<b>1.6%</b>	<b>\$ 282.45</b>	<b>\$ 278.07</b>	<b>1.6%</b>



**Appendix A-3**  
**State of Nevada**  
**Division of Health Care Financing and Policy**  
**CY 2019 Capitation Rate Development**  
**Proposed State & Federal Rates - Excluding IMD long-stay, by MCO**  
**Health Plan of Nevada, 10.5% Admin, 3.33% Tax**

TANF/CHAP	Proj. 2019 Mem. Months	Capitation Rates		%	Cap. Rates Net Pass-through		%
		CY 2019	CY 2018		CY 2019	CY 2018	
<b>Southern Region</b>							
Males & Females; < 1yr old	88,147	\$ 627.87	\$ 644.21	(2.5%)	\$ 601.66	\$ 616.13	(2.3%)
Males & Females; 1 - 2 yrs old	160,060	127.62	133.47	(4.4%)	122.30	127.67	(4.2%)
Males & Females; 3 - 14 yrs old	804,957	101.65	99.27	2.4%	97.41	94.97	2.6%
Females; 15 - 18 yrs old	102,770	143.76	138.31	3.9%	137.76	132.29	4.1%
Males; 15 - 18 yrs old	101,609	120.29	115.88	3.8%	115.27	110.85	4.0%
Females; 19 - 34 yrs old	147,160	277.61	269.94	2.8%	266.02	258.17	3.0%
Males; 19 - 34 yrs old	25,571	188.78	189.22	(0.2%)	180.90	180.97	(0.0%)
Females; 35+ yrs old	82,065	477.36	447.29	6.7%	457.43	427.79	6.9%
Males; 35+ yrs old	28,632	444.40	433.38	2.5%	425.85	414.49	2.7%
Composite Southern Region	1,540,970	\$ 183.12	\$ 180.23	1.6%	\$ 175.47	\$ 172.39	1.8%
<b>Northern Region</b>							
Males & Females; < 1yr old	14,506	\$ 500.59	\$ 532.00	(5.9%)	\$ 479.69	\$ 508.81	(5.7%)
Males & Females; 1 - 2 yrs old	23,193	118.45	114.10	3.8%	113.50	109.14	4.0%
Males & Females; 3 - 14 yrs old	120,180	78.92	78.74	0.2%	75.62	75.33	0.4%
Females; 15 - 18 yrs old	12,995	140.94	126.52	11.4%	135.06	121.01	11.6%
Males; 15 - 18 yrs old	13,365	91.81	98.00	(6.3%)	87.98	93.75	(6.2%)
Females; 19 - 34 yrs old	21,324	274.73	237.99	15.4%	263.26	227.61	15.7%
Males; 19 - 34 yrs old	3,463	182.58	179.28	1.8%	174.96	171.47	2.0%
Females; 35+ yrs old	10,467	431.40	447.90	(3.7%)	413.39	428.37	(3.5%)
Males; 35+ yrs old	3,175	425.53	384.80	10.6%	407.77	368.02	10.8%
Composite Northern Region	222,666	\$ 156.77	\$ 154.43	1.5%	\$ 150.23	\$ 147.71	1.7%
<b>SOBRA Case Rate</b>	6,491	\$ 5,208.93	\$ 5,422.89	(3.9%)	\$ 5,208.93	\$ 5,422.89	(3.9%)
<b>VLBW Case Rate</b>	98	\$ 69,348.41	\$ 69,348.41	0.0%	\$ 69,348.41	\$ 69,348.41	0.0%
<b>TANF/CHAP Composite PMPM</b>	1,763,635	\$ 202.79	\$ 200.76	1.0%	\$ 195.29	\$ 193.07	1.2%
<b>Check-up</b>							
<b>Southern Region</b>							
Males & Females; < 1yr old	776	\$ 199.31	\$ 235.26	(15.3%)	\$ 190.99	\$ 225.00	(15.1%)
Males & Females; 1 - 2 yrs old	7,889	120.88	129.44	(6.6%)	115.84	123.82	(6.4%)
Males & Females; 3 - 14 yrs old	95,106	112.91	110.39	2.3%	108.20	105.62	2.4%
Females; 15 - 18 yrs old	15,218	168.07	143.26	17.3%	161.05	137.02	17.5%
Males; 15 - 18 yrs old	15,164	123.06	120.17	2.4%	117.92	114.96	2.6%
Composite Southern Region	134,153	\$ 121.28	\$ 117.07	3.6%	\$ 116.22	\$ 112.00	3.8%
<b>Northern Region</b>							
Males & Females; < 1yr old	81	\$ 168.30	\$ 221.47	(24.0%)	\$ 161.27	\$ 211.81	(23.9%)
Males & Females; 1 - 2 yrs old	1,991	107.60	111.16	(3.2%)	103.11	106.35	(3.0%)
Males & Females; 3 - 14 yrs old	22,613	96.70	82.09	17.8%	92.67	78.54	18.0%
Females; 15 - 18 yrs old	3,391	131.65	121.74	8.1%	126.15	116.44	8.3%
Males; 15 - 18 yrs old	3,184	105.71	101.74	3.9%	101.30	97.31	4.1%
Composite Northern Region	31,260	\$ 102.29	\$ 90.60	12.9%	\$ 98.02	\$ 86.68	13.1%
<b>SOBRA Case Rate</b>	8	\$ 5,208.93	\$ 5,422.89	(3.9%)	\$ 5,208.93	\$ 5,422.89	(3.9%)
<b>VLBW Case Rate</b>	1	\$ 69,348.41	\$ 69,348.41	0.0%	\$ 69,348.41	\$ 69,348.41	0.0%
<b>Check-up Composite PMPM</b>	165,413	\$ 118.30	\$ 112.68	5.0%	\$ 113.38	\$ 107.83	5.2%
<b>Expansion</b>							
<b>Southern Region</b>							
Females; 19 - 34 yrs old	226,009	\$ 275.30	\$ 278.55	(1.2%)	\$ 268.99	\$ 272.58	(1.3%)
Males; 19 - 34 yrs old	197,787	322.95	325.40	(0.8%)	315.55	318.43	(0.9%)
Females; 35+ yrs old	305,117	621.20	597.62	3.9%	606.96	584.81	3.8%
Males; 35+ yrs old	273,064	677.05	666.71	1.6%	661.53	652.42	1.4%
Composite Southern Region	1,001,977	\$ 499.52	\$ 490.74	1.8%	\$ 488.07	\$ 480.22	1.6%
<b>Northern Region</b>							
Females; 19 - 34 yrs old	31,292	\$ 270.49	\$ 250.72	7.9%	\$ 264.29	\$ 245.35	7.7%
Males; 19 - 34 yrs old	20,871	291.06	264.28	10.1%	284.39	258.62	10.0%
Females; 35+ yrs old	40,520	629.03	593.62	6.0%	614.61	580.90	5.8%
Males; 35+ yrs old	35,637	651.33	638.08	2.1%	636.40	624.40	1.9%
Composite Northern Region	128,320	\$ 492.82	\$ 468.78	5.1%	\$ 481.52	\$ 458.73	5.0%
<b>SOBRA Case Rate</b>	353	\$ 5,208.93	\$ 5,422.89	(3.9%)	\$ 5,208.93	\$ 5,422.89	(3.9%)
<b>VLBW Case Rate</b>	-	\$ 69,348.41	\$ 69,348.41	0.0%	\$ 69,348.41	\$ 69,348.41	0.0%
<b>Expansion Composite PMPM</b>	1,130,298	\$ 500.39	\$ 489.95	2.1%	\$ 488.96	\$ 479.48	2.0%
<b>Overall Composite PMPM</b>	<b>3,059,346</b>	<b>\$ 308.18</b>	<b>\$ 302.84</b>	<b>1.8%</b>	<b>\$ 299.36</b>	<b>\$ 294.28</b>	<b>1.7%</b>

**Appendix A-3**  
**State of Nevada**  
**Division of Health Care Financing and Policy**  
**CY 2019 Capitation Rate Development**  
**Proposed State & Federal Rates - Excluding IMD long-stay, by MCO**  
**SilverSummit, 10.0% Admin, 3.50% Tax**

TANF/CHAP	Proj. 2019 Mem. Months	Capitation Rates		%	Cap. Rates Net Pass-through		%
		CY 2019	CY 2018		CY 2019	CY 2018	
<b>Southern Region</b>							
Males & Females; < 1yr old	35,664	\$ 625.63	\$ 641.92	(2.5%)	\$ 599.37	\$ 613.79	(2.3%)
Males & Females; 1 - 2 yrs old	36,241	127.17	133.00	(4.4%)	121.83	127.19	(4.2%)
Males & Females; 3 - 14 yrs old	187,624	101.29	98.92	2.4%	97.04	94.62	2.6%
Females; 15 - 18 yrs old	24,562	143.25	137.82	3.9%	137.24	131.79	4.1%
Males; 15 - 18 yrs old	24,259	119.86	115.46	3.8%	114.83	110.42	4.0%
Females; 19 - 34 yrs old	54,608	276.62	268.98	2.8%	265.01	257.19	3.0%
Males; 19 - 34 yrs old	9,079	188.10	188.55	(0.2%)	180.21	180.29	(0.0%)
Females; 35+ yrs old	26,797	475.66	445.69	6.7%	455.69	426.16	6.9%
Males; 35+ yrs old	10,287	442.81	431.83	2.5%	424.23	412.90	2.7%
Composite Southern Region	409,121	\$ 211.35	\$ 208.36	1.4%	\$ 202.48	\$ 199.25	1.6%
<b>Northern Region</b>							
Males & Females; < 1yr old	6,250	\$ 498.80	\$ 530.10	(5.9%)	\$ 477.87	\$ 506.87	(5.7%)
Males & Females; 1 - 2 yrs old	6,321	118.02	113.70	3.8%	113.07	108.73	4.0%
Males & Females; 3 - 14 yrs old	27,158	78.64	78.46	0.2%	75.34	75.04	0.4%
Females; 15 - 18 yrs old	3,985	140.44	126.07	11.4%	134.54	120.55	11.6%
Males; 15 - 18 yrs old	3,043	91.48	97.65	(6.3%)	87.64	93.39	(6.2%)
Females; 19 - 34 yrs old	8,740	273.75	237.14	15.4%	262.26	226.75	15.7%
Males; 19 - 34 yrs old	1,498	181.93	178.65	1.8%	174.30	170.83	2.0%
Females; 35+ yrs old	3,561	429.86	446.30	(3.7%)	411.82	426.74	(3.5%)
Males; 35+ yrs old	1,426	424.01	383.43	10.6%	406.22	366.62	10.8%
Composite Northern Region	61,982	\$ 187.76	\$ 184.54	1.7%	\$ 179.88	\$ 176.47	1.9%
<b>SOBRA Case Rate</b>	2,357	\$ 5,189.12	\$ 5,402.26	(3.9%)	\$ 5,189.12	\$ 5,402.26	(3.9%)
<b>VLBW Case Rate</b>	40	\$ 69,084.63	\$ 69,084.63	0.0%	\$ 69,084.63	\$ 69,084.63	0.0%
<b>TANF/CHAP Composite PMPM</b>	471,103	\$ 240.04	\$ 238.09	0.8%	\$ 231.30	\$ 229.12	1.0%
<b>Check-up</b>							
<b>Southern Region</b>							
Males & Females; < 1yr old	878	\$ 198.60	\$ 234.43	(15.3%)	\$ 190.26	\$ 224.16	(15.1%)
Males & Females; 1 - 2 yrs old	1,819	120.45	128.98	(6.6%)	115.40	123.35	(6.4%)
Males & Females; 3 - 14 yrs old	20,750	112.51	109.99	2.3%	107.78	105.21	2.4%
Females; 15 - 18 yrs old	3,006	167.47	142.75	17.3%	160.44	136.50	17.5%
Males; 15 - 18 yrs old	3,091	122.62	119.74	2.4%	117.48	114.53	2.6%
Composite Southern Region	29,545	\$ 122.20	\$ 119.21	2.5%	\$ 117.07	\$ 114.02	2.7%
<b>Northern Region</b>							
Males & Females; < 1yr old	229	\$ 167.70	\$ 220.68	(24.0%)	\$ 160.66	\$ 211.01	(23.9%)
Males & Females; 1 - 2 yrs old	305	107.22	110.76	(3.2%)	102.72	105.94	(3.0%)
Males & Females; 3 - 14 yrs old	4,272	96.36	81.80	17.8%	92.31	78.25	18.0%
Females; 15 - 18 yrs old	668	131.18	121.30	8.1%	125.67	115.99	8.3%
Males; 15 - 18 yrs old	706	105.33	101.37	3.9%	100.91	96.93	4.1%
Composite Northern Region	6,180	\$ 104.32	\$ 94.88	10.0%	\$ 99.95	\$ 90.74	10.1%
<b>SOBRA Case Rate</b>	2	\$ 5,189.12	\$ 5,402.26	(3.9%)	\$ 5,189.12	\$ 5,402.26	(3.9%)
<b>VLBW Case Rate</b>	1	\$ 69,084.63	\$ 69,084.63	0.0%	\$ 69,084.63	\$ 69,084.63	0.0%
<b>Check-up Composite PMPM</b>	35,724	\$ 121.38	\$ 117.28	3.5%	\$ 116.38	\$ 112.27	3.7%
<b>Expansion</b>							
<b>Southern Region</b>							
Females; 19 - 34 yrs old	101,402	\$ 274.29	\$ 277.53	(1.2%)	\$ 267.97	\$ 271.55	(1.3%)
Males; 19 - 34 yrs old	122,223	321.76	324.20	(0.8%)	314.35	317.21	(0.9%)
Females; 35+ yrs old	113,299	618.92	595.42	3.9%	604.65	582.59	3.8%
Males; 35+ yrs old	129,317	674.56	664.25	1.6%	659.01	649.93	1.4%
Composite Southern Region	466,242	\$ 481.50	\$ 474.27	1.5%	\$ 470.40	\$ 464.05	1.4%
<b>Northern Region</b>							
Females; 19 - 34 yrs old	18,174	\$ 269.49	\$ 249.79	7.9%	\$ 263.28	\$ 244.41	7.7%
Males; 19 - 34 yrs old	18,008	289.99	263.31	10.1%	283.30	257.64	10.0%
Females; 35+ yrs old	17,465	626.72	591.43	6.0%	612.27	578.68	5.8%
Males; 35+ yrs old	22,633	648.93	635.73	2.1%	633.98	622.03	1.9%
Composite Northern Region	76,280	\$ 468.70	\$ 445.71	5.2%	\$ 457.90	\$ 436.11	5.0%
<b>SOBRA Case Rate</b>	160	\$ 5,189.12	\$ 5,402.26	(3.9%)	\$ 5,189.12	\$ 5,402.26	(3.9%)
<b>VLBW Case Rate</b>	-	\$ 69,084.63	\$ 69,084.63	0.0%	\$ 69,084.63	\$ 69,084.63	0.0%
<b>Expansion Composite PMPM</b>	542,522	\$ 481.23	\$ 471.85	2.0%	\$ 470.17	\$ 461.72	1.8%
<b>Overall Composite PMPM</b>	<b>1,049,350</b>	<b>\$ 360.70</b>	<b>\$ 354.84</b>	<b>1.7%</b>	<b>\$ 350.89</b>	<b>\$ 345.40</b>	<b>1.6%</b>

**Appendix A-4**  
**State of Nevada**  
**Division of Health Care Financing and Policy**  
**CY 2019 Capitation Rate Development**  
**Proposed Total MCO Rates, Including IMD Add-On Rates**  
**Anthem, 10.5% Admin, 3.50% Tax**

<b>TANF/CHAP</b>	<b>Proj. 2019 Mem. Months</b>	<b>Capitation Rates</b>		<b>% Change</b>
		<b>CY 2019</b>	<b>CY 2018</b>	
<b><u>Southern Region</u></b>				
Males & Females; < 1yr old	67,255	\$ 628.98	\$ 645.35	(2.5%)
Males & Females; 1 - 2 yrs old	124,316	127.85	133.71	(4.4%)
Males & Females; 3 - 14 yrs old	594,529	101.83	99.45	2.4%
Females; 15 - 18 yrs old	61,406	144.02	138.56	3.9%
Males; 15 - 18 yrs old	56,312	120.50	116.08	3.8%
Females; 19 - 34 yrs old	109,488	278.20	270.90	2.7%
Males; 19 - 34 yrs old	17,420	189.11	189.56	(0.2%)
Females; 35+ yrs old	48,303	478.20	450.26	6.2%
Males; 35+ yrs old	15,331	445.18	436.05	2.1%
Composite Southern Region	1,094,360	\$ 180.97	\$ 178.73	1.3%
<b><u>Northern Region</u></b>				
Males & Females; < 1yr old	8,921	\$ 501.47	\$ 532.94	(5.9%)
Males & Females; 1 - 2 yrs old	15,301	118.66	114.30	3.8%
Males & Females; 3 - 14 yrs old	69,076	79.06	78.88	0.2%
Females; 15 - 18 yrs old	7,476	141.19	126.74	11.4%
Males; 15 - 18 yrs old	7,316	91.97	98.17	(6.3%)
Females; 19 - 34 yrs old	13,635	275.21	238.45	15.4%
Males; 19 - 34 yrs old	2,331	182.91	179.60	1.8%
Females; 35+ yrs old	5,281	432.16	448.69	(3.7%)
Males; 35+ yrs old	2,308	426.28	385.48	10.6%
Composite Northern Region	131,645	\$ 158.94	\$ 156.08	1.8%
<b>SOBRA Case Rate</b>	4,583	\$ 5,218.11	\$ 5,432.44	(3.9%)
<b>VLBW Case Rate</b>	72	\$ 69,470.58	\$ 69,470.58	0.0%
<b>TANF/CHAP Composite PMPM</b>	1,226,005	\$ 202.21	\$ 200.70	0.8%
<b><u>Check-up</u></b>				
<b><u>Southern Region</u></b>				
Males & Females; < 1yr old	350	\$ 199.66	\$ 235.68	(15.3%)
Males & Females; 1 - 2 yrs old	5,773	121.09	129.67	(6.6%)
Males & Females; 3 - 14 yrs old	61,939	113.11	110.58	2.3%
Females; 15 - 18 yrs old	7,727	168.36	143.51	17.3%
Males; 15 - 18 yrs old	7,458	123.28	120.38	2.4%
Composite Southern Region	83,246	\$ 120.06	\$ 116.36	3.2%
<b><u>Northern Region</u></b>				
Males & Females; < 1yr old	105	\$ 168.60	\$ 221.86	(24.0%)
Males & Females; 1 - 2 yrs old	1,297	107.79	111.35	(3.2%)
Males & Females; 3 - 14 yrs old	11,371	96.87	82.24	17.8%
Females; 15 - 18 yrs old	1,353	131.88	121.95	8.1%
Males; 15 - 18 yrs old	1,530	105.90	101.92	3.9%
Composite Northern Region	15,656	\$ 102.17	\$ 90.94	12.3%
<b>SOBRA Case Rate</b>	4	\$ 5,218.11	\$ 5,432.44	(3.9%)
<b>VLBW Case Rate</b>	0	\$ 69,470.58	\$ 69,470.58	0.0%
<b>Check-up Composite PMPM</b>	98,903	\$ 117.75	\$ 112.87	4.3%
<b><u>Expansion</u></b>				
<b><u>Southern Region</u></b>				
Females; 19 - 34 yrs old	136,055	\$ 276.44	\$ 280.09	(1.3%)
Males; 19 - 34 yrs old	109,048	326.68	327.22	(0.2%)
Females; 35+ yrs old	151,267	623.41	602.15	3.5%
Males; 35+ yrs old	141,985	681.63	673.44	1.2%
Composite Southern Region	538,356	\$ 490.97	\$ 483.87	1.5%
<b><u>Northern Region</u></b>				
Females; 19 - 34 yrs old	19,492	\$ 271.63	\$ 252.68	7.5%
Males; 19 - 34 yrs old	16,492	293.50	265.55	10.5%
Females; 35+ yrs old	26,121	631.37	595.35	6.0%
Males; 35+ yrs old	27,238	655.18	641.08	2.2%
Composite Northern Region	89,343	\$ 497.78	\$ 473.65	5.1%
<b>SOBRA Case Rate</b>	209	\$ 5,218.11	\$ 5,432.44	(3.9%)
<b>VLBW Case Rate</b>	-	\$ 69,470.58	\$ 69,470.58	0.0%
<b>Expansion Composite PMPM</b>	627,699	\$ 493.68	\$ 484.23	2.0%
<b>Overall Composite PMPM</b>	<b>1,952,606</b>	<b>\$ 291.63</b>	<b>\$ 287.40</b>	<b>1.5%</b>

**Appendix A-4**  
**State of Nevada**  
**Division of Health Care Financing and Policy**  
**CY 2019 Capitation Rate Development**  
**Proposed Total MCO Rates, Including IMD Add-On Rates**  
**Health Plan of Nevada, 10.5% Admin, 3.33% Tax**

<b>TANF/CHAP</b>	<b>Proj. 2019 Mem. Months</b>	<b>Capitation Rates</b>		<b>% Change</b>
		<b>CY 2019</b>	<b>CY 2018</b>	
<b>Southern Region</b>				
Males & Females; < 1yr old	88,147	\$ 627.87	\$ 644.21	(2.5%)
Males & Females; 1 - 2 yrs old	160,060	127.62	133.47	(4.4%)
Males & Females; 3 - 14 yrs old	804,957	101.65	99.27	2.4%
Females; 15 - 18 yrs old	102,770	143.76	138.31	3.9%
Males; 15 - 18 yrs old	101,609	120.29	115.88	3.8%
Females; 19 - 34 yrs old	147,160	277.71	270.42	2.7%
Males; 19 - 34 yrs old	25,571	188.78	189.22	(0.2%)
Females; 35+ yrs old	82,065	477.36	449.46	6.2%
Males; 35+ yrs old	28,632	444.40	435.28	2.1%
Composite Southern Region	1,540,970	\$ 183.13	\$ 180.42	1.5%
<b>Northern Region</b>				
Males & Females; < 1yr old	14,506	\$ 500.59	\$ 532.00	(5.9%)
Males & Females; 1 - 2 yrs old	23,193	118.45	114.10	3.8%
Males & Females; 3 - 14 yrs old	120,180	78.92	78.74	0.2%
Females; 15 - 18 yrs old	12,995	140.94	126.52	11.4%
Males; 15 - 18 yrs old	13,365	91.81	98.00	(6.3%)
Females; 19 - 34 yrs old	21,324	274.73	238.03	15.4%
Males; 19 - 34 yrs old	3,463	182.58	179.28	1.8%
Females; 35+ yrs old	10,467	431.40	447.90	(3.7%)
Males; 35+ yrs old	3,175	425.53	384.80	10.6%
Composite Northern Region	222,666	\$ 156.77	\$ 154.43	1.5%
<b>SOBRA Case Rate</b>	6,491	\$ 5,208.93	\$ 5,422.89	(3.9%)
<b>VLBW Case Rate</b>	98	\$ 69,348.41	\$ 69,348.41	0.0%
<b>TANF/CHAP Composite PMPM</b>	1,763,635	\$ 202.80	\$ 200.93	0.9%
<b>Check-up</b>				
<b>Southern Region</b>				
Males & Females; < 1yr old	776	\$ 199.31	\$ 235.26	(15.3%)
Males & Females; 1 - 2 yrs old	7,889	120.88	129.44	(6.6%)
Males & Females; 3 - 14 yrs old	95,106	112.91	110.39	2.3%
Females; 15 - 18 yrs old	15,218	168.07	143.26	17.3%
Males; 15 - 18 yrs old	15,164	123.06	120.17	2.4%
Composite Southern Region	134,153	\$ 121.28	\$ 117.07	3.6%
<b>Northern Region</b>				
Males & Females; < 1yr old	81	\$ 168.30	\$ 221.47	(24.0%)
Males & Females; 1 - 2 yrs old	1,991	107.60	111.16	(3.2%)
Males & Females; 3 - 14 yrs old	22,613	96.70	82.09	17.8%
Females; 15 - 18 yrs old	3,391	131.65	121.74	8.1%
Males; 15 - 18 yrs old	3,184	105.71	101.74	3.9%
Composite Northern Region	31,260	\$ 102.29	\$ 90.60	12.9%
<b>SOBRA Case Rate</b>	8	\$ 5,208.93	\$ 5,422.89	(3.9%)
<b>VLBW Case Rate</b>	1	\$ 69,348.41	\$ 69,348.41	0.0%
<b>Check-up Composite PMPM</b>	165,413	\$ 118.30	\$ 112.68	5.0%
<b>Expansion</b>				
<b>Southern Region</b>				
Females; 19 - 34 yrs old	226,009	\$ 275.95	\$ 279.59	(1.3%)
Males; 19 - 34 yrs old	197,787	326.10	326.65	(0.2%)
Females; 35+ yrs old	305,117	622.31	601.08	3.5%
Males; 35+ yrs old	273,064	680.43	672.26	1.2%
Composite Southern Region	1,001,977	\$ 501.55	\$ 493.79	1.6%
<b>Northern Region</b>				
Females; 19 - 34 yrs old	31,292	\$ 271.16	\$ 252.24	7.5%
Males; 19 - 34 yrs old	20,871	292.98	265.07	10.5%
Females; 35+ yrs old	40,520	630.25	594.30	6.0%
Males; 35+ yrs old	35,637	654.03	639.95	2.2%
Composite Northern Region	128,320	\$ 494.43	\$ 470.02	5.2%
<b>SOBRA Case Rate</b>	353	\$ 5,208.93	\$ 5,422.89	(3.9%)
<b>VLBW Case Rate</b>	-	\$ 69,348.41	\$ 69,348.41	0.0%
<b>Expansion Composite PMPM</b>	1,130,298	\$ 502.37	\$ 492.79	1.9%
<b>Overall Composite PMPM</b>	<b>3,059,346</b>	<b>\$ 308.91</b>	<b>\$ 303.99</b>	<b>1.6%</b>

**Appendix A-4**  
**State of Nevada**  
**Division of Health Care Financing and Policy**  
**CY 2019 Capitation Rate Development**  
**Proposed Total MCO Rates, Including IMD Add-On Rates**  
**SilverSummit, 10.0% Admin, 3.50% Tax**

<b>TANF/CHAP</b>	<b>Proj. 2019 Mem. Months</b>	<b>Capitation Rates</b>		<b>% Change</b>
		<b>CY 2019</b>	<b>CY 2018</b>	
<b>Southern Region</b>				
Males & Females; < 1yr old	35,664	\$ 625.63	\$ 641.92	(2.5%)
Males & Females; 1 - 2 yrs old	36,241	127.17	133.00	(4.4%)
Males & Females; 3 - 14 yrs old	187,624	101.29	98.92	2.4%
Females; 15 - 18 yrs old	24,562	143.25	137.82	3.9%
Males; 15 - 18 yrs old	24,259	119.86	115.46	3.8%
Females; 19 - 34 yrs old	54,608	276.72	269.46	2.7%
Males; 19 - 34 yrs old	9,079	188.10	188.55	(0.2%)
Females; 35+ yrs old	26,797	475.66	447.86	6.2%
Males; 35+ yrs old	10,287	442.81	433.73	2.1%
Composite Southern Region	409,121	\$ 211.36	\$ 208.61	1.3%
<b>Northern Region</b>				
Males & Females; < 1yr old	6,250	\$ 498.80	\$ 530.10	(5.9%)
Males & Females; 1 - 2 yrs old	6,321	118.02	113.70	3.8%
Males & Females; 3 - 14 yrs old	27,158	78.64	78.46	0.2%
Females; 15 - 18 yrs old	3,985	140.44	126.07	11.4%
Males; 15 - 18 yrs old	3,043	91.48	97.65	(6.3%)
Females; 19 - 34 yrs old	8,740	273.75	237.18	15.4%
Males; 19 - 34 yrs old	1,498	181.93	178.65	1.8%
Females; 35+ yrs old	3,561	429.86	446.30	(3.7%)
Males; 35+ yrs old	1,426	424.01	383.43	10.6%
Composite Northern Region	61,982	\$ 187.76	\$ 184.55	1.7%
<b>SOBRA Case Rate</b>	2,357	\$ 5,189.12	\$ 5,402.26	(3.9%)
<b>VLBW Case Rate</b>	40	\$ 69,084.63	\$ 69,084.63	0.0%
<b>TANF/CHAP Composite PMPM</b>	471,103	\$ 240.05	\$ 238.31	0.7%
<b>Check-up</b>				
<b>Southern Region</b>				
Males & Females; < 1yr old	878	\$ 198.60	\$ 234.43	(15.3%)
Males & Females; 1 - 2 yrs old	1,819	120.45	128.98	(6.6%)
Males & Females; 3 - 14 yrs old	20,750	112.51	109.99	2.3%
Females; 15 - 18 yrs old	3,006	167.47	142.75	17.3%
Males; 15 - 18 yrs old	3,091	122.62	119.74	2.4%
Composite Southern Region	29,545	\$ 122.20	\$ 119.21	2.5%
<b>Northern Region</b>				
Males & Females; < 1yr old	229	\$ 167.70	\$ 220.68	(24.0%)
Males & Females; 1 - 2 yrs old	305	107.22	110.76	(3.2%)
Males & Females; 3 - 14 yrs old	4,272	96.36	81.80	17.8%
Females; 15 - 18 yrs old	668	131.18	121.30	8.1%
Males; 15 - 18 yrs old	706	105.33	101.37	3.9%
Composite Northern Region	6,180	\$ 104.32	\$ 94.88	10.0%
<b>SOBRA Case Rate</b>	2	\$ 5,189.12	\$ 5,402.26	(3.9%)
<b>VLBW Case Rate</b>	1	\$ 69,084.63	\$ 69,084.63	0.0%
<b>Check-up Composite PMPM</b>	35,724	\$ 121.38	\$ 117.28	3.5%
<b>Expansion</b>				
<b>Southern Region</b>				
Females; 19 - 34 yrs old	101,402	\$ 274.94	\$ 278.57	(1.3%)
Males; 19 - 34 yrs old	122,223	324.90	325.45	(0.2%)
Females; 35+ yrs old	113,299	620.02	598.87	3.5%
Males; 35+ yrs old	129,317	677.93	669.78	1.2%
Composite Southern Region	466,242	\$ 483.67	\$ 477.20	1.4%
<b>Northern Region</b>				
Females; 19 - 34 yrs old	18,174	\$ 270.16	\$ 251.30	7.5%
Males; 19 - 34 yrs old	18,008	291.91	264.10	10.5%
Females; 35+ yrs old	17,465	627.94	592.11	6.1%
Males; 35+ yrs old	22,633	651.63	637.60	2.2%
Composite Northern Region	76,280	\$ 470.39	\$ 446.97	5.2%
<b>SOBRA Case Rate</b>	160	\$ 5,189.12	\$ 5,402.26	(3.9%)
<b>VLBW Case Rate</b>	-	\$ 69,084.63	\$ 69,084.63	0.0%
<b>Expansion Composite PMPM</b>	542,522	\$ 483.33	\$ 474.54	1.9%
<b>Overall Composite PMPM</b>	<b>1,049,350</b>	<b>\$ 361.79</b>	<b>\$ 356.33</b>	<b>1.5%</b>

**APPENDIX B**

Appendix B-1-1  
State of Nevada  
Division of Health Care Financing and Policy  
CY 2019 Capitation Rate Development  
MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMs	182,312
Aid Category: TANF/CHAP	2017 Direct Enrollment MMs	1,793
Rate Cell: Baby < 1		
Region: South	CY 2019 Estimated Member Months	191,066

Benefit	CY 2017 Adjustment Factors						Post-Adj CY 2017 Paid PMPM (2)	CY 2019 Paid PMPM
	Pre-Adj CY 2017 Paid PMPM (2)	Unit Cost Adj. (1)	IMD Adj. Cost	Trend				
				Util.	Cost			
<b>Hospital Inpatient</b>								
Medical/Surgical	\$ 52.95	1.000	1.000	1.010	1.071	\$ 57.31	\$ 57.31	
Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-	
Well Newborn	20.58	1.000	1.000	1.010	1.071	22.27	22.27	
Other Newborn	246.60	1.000	1.000	1.010	1.071	266.89	266.89	
Nursing Facility - short term	-	1.000	1.000	1.000	1.000	-	-	
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-	
<b>Subtotal</b>	<b>\$ 320.13</b>					<b>\$ 346.47</b>	<b>\$ 346.47</b>	
<b>Hospital Outpatient</b>								
Emergency Department	\$ 6.19	1.049	1.000	1.040	1.000	\$ 6.75	\$ 6.75	
Outpatient Surgery	5.52	1.038	1.000	0.980	0.960	5.39	5.39	
Observation	0.61	0.998	1.000	1.040	1.000	0.63	0.63	
Radiology/Pathology/Lab	0.45	0.908	1.000	0.980	0.960	0.38	0.38	
Pharmacy and Blood	0.04	1.000	1.000	0.980	0.960	0.04	0.04	
<b>Other Outpatient</b>	<b>2.24</b>	<b>1.002</b>	<b>1.000</b>	<b>0.980</b>	<b>0.960</b>	<b>2.11</b>	<b>2.11</b>	
<b>Subtotal</b>	<b>\$ 15.05</b>					<b>\$ 15.31</b>	<b>\$ 15.31</b>	
<b>Prescription Drugs</b>								
Brand	\$ 0.85	0.948	1.000	1.048	0.969	\$ 0.82	\$ 0.82	
Generic	4.71	0.946	1.000	1.017	1.013	4.59	4.59	
Specialty	4.20	0.962	1.000	1.145	1.125	5.20	5.20	
Hepatitis C Drugs	-	1.000	1.000	1.000	0.939	-	-	
<b>Other Pharmacy</b>	<b>0.27</b>	<b>0.946</b>	<b>1.000</b>	<b>1.017</b>	<b>1.013</b>	<b>0.26</b>	<b>0.26</b>	
<b>Subtotal</b>	<b>\$ 10.03</b>					<b>\$ 10.87</b>	<b>\$ 10.87</b>	
<b>Physician</b>								
Surgery	\$ 10.08	1.065	1.000	1.030	1.103	\$ 12.19	\$ 12.19	
Anesthesia	2.13	1.000	1.000	1.030	1.103	2.42	2.42	
Hospital Inpatient Visits	61.90	1.000	1.000	1.030	1.103	70.33	70.33	
ED/Urgent Care Visits	8.34	1.000	1.000	1.030	1.103	9.48	9.48	
Office/Home Visits	20.94	1.000	1.000	1.030	1.103	23.79	23.79	
Well Baby/Physical Exams	35.66	1.000	1.000	1.030	1.103	40.52	40.52	
Allergy/Immunizations	14.49	1.000	1.000	1.030	1.103	16.46	16.46	
Office Administered Drugs	3.64	1.000	1.000	1.030	1.103	4.14	4.14	
Office Administered Drugs - Specialty	0.96	1.000	1.000	1.030	1.103	1.09	1.09	
Radiology/Pathology/Lab	3.99	1.005	1.000	1.030	1.103	4.55	4.55	
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-	
<b>Other Professional</b>	<b>7.28</b>	<b>1.066</b>	<b>1.000</b>	<b>1.030</b>	<b>1.103</b>	<b>8.81</b>	<b>8.81</b>	
<b>Subtotal</b>	<b>\$ 169.41</b>					<b>\$ 193.78</b>	<b>\$ 193.78</b>	
<b>Ancillary</b>								
Ambulance	\$ 1.57	1.000	1.000	1.040	1.000	\$ 1.63	\$ 1.63	
DME/Prosthetics/Orthotics	5.31	1.011	1.000	1.040	1.000	5.59	5.59	
PT/OT/ST	0.96	1.002	1.000	1.040	1.000	1.00	1.00	
Chiropractic Services	-	1.000	1.000	1.040	1.000	-	-	
PDN/Home Health/Hospice	1.08	1.000	1.000	1.040	1.000	1.12	1.12	
Vision	0.37	1.002	1.000	1.040	1.000	0.39	0.39	
Hearing and Speech Exams	0.24	1.005	1.000	1.040	1.000	0.25	0.25	
<b>Other Ancillary</b>	<b>0.06</b>	<b>1.000</b>	<b>1.000</b>	<b>1.040</b>	<b>1.000</b>	<b>0.06</b>	<b>0.06</b>	
<b>Subtotal</b>	<b>\$ 9.59</b>					<b>\$ 10.04</b>	<b>\$ 10.04</b>	
<b>Behavioral Health</b>								
MH Residential	\$ 0.00	1.000	1.000	1.000	1.000	\$ 0.00	\$ 0.00	
MH Office/Outpatient	0.02	1.000	1.000	1.210	0.990	0.02	0.02	
MH/SUD Community Services	-	1.000	1.000	1.000	1.000	-	-	
Medication Management/MAT	-	1.000	1.000	1.000	1.000	-	-	
Other MH Inpatient	-	1.000	1.000	1.000	1.000	-	-	
SUD Residential	-	1.000	1.000	1.000	1.000	-	-	
SUD Office/Outpatient	-	1.000	1.000	1.000	1.000	-	-	
Other SUD Inpatient	0.01	1.000	1.000	1.103	1.040	0.01	0.01	
<b>Applied Behavior Analysis</b>	<b>-</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>-</b>	<b>-</b>	
<b>Subtotal</b>	<b>\$ 0.03</b>					<b>\$ 0.04</b>	<b>\$ 0.04</b>	
<b>Sub-Capitation Payments</b>								
Outpatient Surgery	\$ 0.12	1.000	1.000	0.980	0.960	\$ 0.11	\$ 0.11	
Office/Home Visits	0.39	0.930	1.000	1.030	1.103	0.41	0.41	
Radiology/Pathology/Lab	0.99	1.000	1.000	1.030	1.103	1.12	1.12	
Physician Maternity Non-Delivery	0.58	1.000	1.000	1.000	1.000	0.58	0.58	
Capitation - Global	8.49	0.895	1.000	1.030	1.103	8.63	8.63	
<b>Capitation - Non Specific</b>	<b>0.02</b>	<b>1.000</b>	<b>1.000</b>	<b>1.030</b>	<b>1.103</b>	<b>0.02</b>	<b>0.02</b>	
<b>Subtotal</b>	<b>\$ 10.59</b>					<b>\$ 10.88</b>	<b>\$ 10.88</b>	
<b>Aggregate Medical Cost</b>								
Encounter subtotal	\$ 524.24					\$ 576.51	\$ 576.51	
Encounters & sub-capitation	\$ 534.83					\$ 587.39	\$ 587.39	
<b>Direct enrollment claims</b>	<b>\$ 2,458.47</b>	<b>1.002</b>	<b>1.000</b>	<b>1.014</b>	<b>1.078</b>	<b>\$ 2,692.41</b>	<b>\$ 2,692.41</b>	
<b>MCO &amp; FFS claims composite</b>	<b>\$ 543.07</b>					<b>\$ 597.11</b>	<b>\$ 597.11</b>	
<b>MCO &amp; FFS total composite</b>	<b>\$ 553.56</b>					<b>\$ 607.89</b>	<b>\$ 607.89</b>	
Provider Incentive Payments	\$ 1.29					\$ 1.29	\$ 1.29	
Reinsurance	(\$ 27.38)	1.000	1.000	1.015	1.107	(\$ 30.76)	(\$ 30.76)	
<b>Total Medical Cost</b>	<b>\$ 527.47</b>					<b>\$ 578.42</b>	<b>\$ 578.42</b>	

Notes:  
(1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
(2) Completed data includes adjustment for Incurred but not Paid (IBNP).

Appendix B-1-2  
State of Nevada  
Division of Health Care Financing and Policy  
CY 2019 Capitation Rate Development  
MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMs	316,188
Aid Category: TANF/CHAP	2017 Direct Enrollment MMs	681
Rate Cell: Child - 01 - 02		
Region: South	CY 2019 Estimated Member Months	320,617

Benefit	CY 2017 Adjustment Factors						CY 2019 Paid PMPM
	Pre-Adj CY 2017 Paid PMPM (2)	Unit Cost Adj. (1) Cost	IMD Adj. Cost	Trend Util.	Trend Cost	Post-Adj CY 2017 Paid PMPM (2)	
<b>Hospital Inpatient</b>							
Medical/Surgical	\$ 9.66	1.000	1.000	1.010	1.071	\$ 10.46	\$ 10.46
Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Well Newborn	-	1.000	1.000	1.000	1.000	-	-
Other Newborn	-	1.000	1.000	1.000	1.000	-	-
Nursing Facility - short term	0.13	1.000	1.000	1.010	1.071	0.14	0.14
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 9.79</b>					<b>\$ 10.60</b>	<b>\$ 10.60</b>
<b>Hospital Outpatient</b>							
Emergency Department	\$ 5.36	1.047	1.000	1.040	1.000	\$ 5.84	\$ 5.84
Outpatient Surgery	3.49	1.024	1.000	0.980	0.960	3.36	3.36
Observation	0.28	0.997	1.000	1.040	1.000	0.29	0.29
Radiology/Pathology/Lab	0.31	0.809	1.000	0.980	0.960	0.24	0.24
Pharmacy and Blood	0.02	1.008	1.000	0.980	0.960	0.02	0.02
Other Outpatient	0.56	1.013	1.000	0.980	0.960	0.53	0.53
<b>Subtotal</b>	<b>\$ 10.02</b>					<b>\$ 10.28</b>	<b>\$ 10.28</b>
<b>Prescription Drugs</b>							
Brand	\$ 1.17	0.946	1.000	1.048	0.969	\$ 1.12	\$ 1.12
Generic	5.79	0.946	1.000	1.017	1.013	5.64	5.64
Specialty	2.07	0.963	1.000	1.145	1.125	2.57	2.57
Hepatitis C Drugs	-	1.000	1.000	1.000	0.939	-	-
Other Pharmacy	0.32	0.947	1.000	1.017	1.013	0.31	0.31
<b>Subtotal</b>	<b>\$ 9.35</b>					<b>\$ 9.64</b>	<b>\$ 9.64</b>
<b>Physician</b>							
Surgery	\$ 2.32	1.070	1.000	1.030	1.103	\$ 2.82	\$ 2.82
Anesthesia	1.23	1.000	1.000	1.030	1.103	1.40	1.40
Hospital Inpatient Visits	1.85	1.000	1.000	1.030	1.103	2.10	2.10
ED/Urgent Care Visits	7.25	1.000	1.000	1.030	1.103	8.24	8.24
Office/Home Visits	13.36	1.001	1.000	1.030	1.103	15.19	15.19
Well Baby/Physical Exams	11.32	1.000	1.000	1.030	1.103	12.86	12.86
Allergy/Immunizations	4.94	1.000	1.000	1.030	1.103	5.61	5.61
Office Administered Drugs	1.16	1.000	1.000	1.030	1.103	1.32	1.32
Office Administered Drugs - Specialty	0.46	1.000	1.000	1.030	1.103	0.52	0.52
Radiology/Pathology/Lab	2.17	0.998	1.000	1.030	1.103	2.46	2.46
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Other Professional	1.96	1.033	1.000	1.030	1.103	2.30	2.30
<b>Subtotal</b>	<b>\$ 48.02</b>					<b>\$ 54.83</b>	<b>\$ 54.83</b>
<b>Ancillary</b>							
Ambulance	\$ 0.85	1.000	1.000	1.040	1.000	\$ 0.88	\$ 0.88
DME/Prosthetics/Orthotics	1.83	1.009	1.000	1.040	1.000	1.92	1.92
PT/OT/ST	3.29	1.001	1.000	1.040	1.000	3.43	3.43
Chiropractic Services	-	1.320	1.000	1.040	1.000	-	-
PDN/Home Health/Hospice	0.29	1.000	1.000	1.040	1.000	0.30	0.30
Vision	0.17	1.013	1.000	1.040	1.000	0.18	0.18
Hearing and Speech Exams	0.60	1.015	1.000	1.040	1.000	0.63	0.63
Other Ancillary	0.14	1.000	1.000	1.040	1.000	0.15	0.15
<b>Subtotal</b>	<b>\$ 7.17</b>					<b>\$ 7.49</b>	<b>\$ 7.49</b>
<b>Behavioral Health</b>							
MH Residential	\$ 0.00	1.000	1.000	1.000	1.000	\$ 0.00	\$ 0.00
MH Office/Outpatient	0.09	0.990	1.000	1.210	0.990	0.11	0.11
MH/SUD Community Services	-	1.000	1.000	1.103	1.092	-	-
Medication Management/MAT	-	1.000	1.000	1.000	1.000	-	-
Other MH Inpatient	-	1.000	1.000	1.000	1.000	-	-
SUD Residential	-	1.000	1.000	1.000	1.000	-	-
SUD Office/Outpatient	-	1.000	1.000	1.000	1.000	-	-
Other SUD Inpatient	-	1.000	1.000	1.103	1.040	-	-
Applied Behavior Analysis	0.16	1.000	1.000	1.500	1.090	0.26	0.26
<b>Subtotal</b>	<b>\$ 0.25</b>					<b>\$ 0.37</b>	<b>\$ 0.37</b>
<b>Sub-Capitation Payments</b>							
Outpatient Surgery	\$ 0.13	1.000	1.000	0.980	0.960	\$ 0.12	\$ 0.12
Office/Home Visits	0.37	0.929	1.000	1.030	1.103	0.39	0.39
Radiology/Pathology/Lab	1.05	1.000	1.000	1.030	1.103	1.19	1.19
Physician Maternity Non-Delivery	0.62	1.000	1.000	1.000	1.000	0.62	0.62
Capitation - Global	9.17	0.895	1.000	1.030	1.103	9.32	9.32
Capitation - Non Specific	0.03	1.000	1.000	1.030	1.103	0.03	0.03
<b>Subtotal</b>	<b>\$ 11.37</b>					<b>\$ 11.68</b>	<b>\$ 11.68</b>
<b>Aggregate Medical Cost</b>							
Encounter subtotal	\$ 84.60					\$ 93.21	\$ 93.21
Encounters & sub-capitation	\$ 95.97					\$ 104.89	\$ 104.89
<b>Direct enrollment claims</b>	<b>\$150.67</b>	<b>1.002</b>	<b>1.000</b>	<b>1.041</b>	<b>1.083</b>	<b>\$ 170.33</b>	<b>\$ 170.33</b>
<b>MCO &amp; FFS claims composite</b>	<b>\$84.74</b>					<b>\$ 93.38</b>	<b>\$ 93.38</b>
<b>MCO &amp; FFS total composite</b>	<b>\$96.09</b>					<b>\$ 105.03</b>	<b>\$ 105.03</b>
Provider Incentive Payments	\$ 1.30					\$ 1.30	\$ 1.30
Reinsurance	(\$0.46)	1.000	1.000	1.015	1.107	(\$ 0.51)	(\$ 0.51)
<b>Total Medical Cost</b>	<b>\$96.92</b>					<b>\$ 105.81</b>	<b>\$ 105.81</b>

Notes:  
(1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
(2) Completed data includes adjustment for Incurred but not Paid (IBNP).



Appendix B-1-3  
State of Nevada  
Division of Health Care Financing and Policy  
CY 2019 Capitation Rate Development  
MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMs	1,542,971
Aid Category: TANF/CHAP	2017 Direct Enrollment MMs	2,865
Rate Cell: Child - 03 - 14		
Region: South	CY 2019 Estimated Member Months	1,587,109

Benefit	CY 2017 Adjustment Factors						Post-Adj CY 2017 Paid PMPM (2)	CY 2019 Paid PMPM
	Pre-Adj CY 2017 Paid PMPM (2)	Unit Cost		Trend				
		Adj. (1)	IMD Adj. Cost	Util.	Cost			
<b>Hospital Inpatient</b>								
Medical/Surgical	\$ 4.38	1.001	1.000	1.010	1.071	\$ 4.74	\$ 4.74	
Maternity Non-Delivery	-	1.001	1.000	1.010	1.071	-	-	
Well Newborn	-	1.001	1.000	1.010	1.071	-	-	
Other Newborn	-	1.000	1.000	1.000	1.000	-	-	
Nursing Facility - short term	0.11	1.058	1.000	1.010	1.071	0.13	0.13	
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-	
<b>Subtotal</b>	<b>\$ 4.49</b>					<b>\$ 4.87</b>	<b>\$ 4.87</b>	
<b>Hospital Outpatient</b>								
Emergency Department	\$ 3.01	1.034	1.000	1.040	1.000	\$ 3.24	\$ 3.24	
Outpatient Surgery	2.68	1.016	1.000	0.980	0.960	2.56	2.56	
Observation	0.20	1.009	1.000	1.040	1.000	0.21	0.21	
Radiology/Pathology/Lab	0.16	0.816	1.000	0.980	0.960	0.12	0.12	
Pharmacy and Blood	0.02	1.000	1.000	0.980	0.960	0.02	0.02	
Other Outpatient	0.32	1.006	1.000	0.980	0.960	0.30	0.30	
<b>Subtotal</b>	<b>\$ 6.39</b>					<b>\$ 6.46</b>	<b>\$ 6.46</b>	
<b>Prescription Drugs</b>								
Brand	\$ 5.22	0.941	1.000	1.048	0.969	\$ 4.99	\$ 4.99	
Generic	4.75	0.944	1.000	1.017	1.013	4.62	4.62	
Specialty	1.76	0.941	1.000	1.145	1.125	2.13	2.13	
Hepatitis C Drugs	-	1.000	1.000	1.000	0.939	-	-	
Other Pharmacy	0.74	0.942	1.000	1.017	1.013	0.72	0.72	
<b>Subtotal</b>	<b>\$ 12.47</b>					<b>\$ 12.46</b>	<b>\$ 12.46</b>	
<b>Physician</b>								
Surgery	\$ 1.67	1.072	1.000	1.030	1.103	\$ 2.03	\$ 2.03	
Anesthesia	0.96	1.001	1.000	1.030	1.103	1.09	1.09	
Hospital Inpatient Visits	0.61	1.001	1.000	1.030	1.103	0.69	0.69	
ED/Urgent Care Visits	4.03	1.001	1.000	1.030	1.103	4.58	4.58	
Office/Home Visits	9.04	1.002	1.000	1.030	1.103	10.29	10.29	
Well Baby/Physical Exams	4.33	1.001	1.000	1.030	1.103	4.92	4.92	
Allergy/Immunizations	1.67	1.001	1.000	1.030	1.103	1.90	1.90	
Office Administered Drugs	0.44	1.001	1.000	1.030	1.103	0.50	0.50	
Office Administered Drugs - Specialty	2.46	1.001	1.000	1.030	1.103	2.80	2.80	
Radiology/Pathology/Lab	1.92	0.992	1.000	1.030	1.103	2.16	2.16	
Physician Maternity Non-Delivery	-	1.001	1.000	1.000	1.000	-	-	
Other Professional	1.59	1.025	1.000	1.030	1.103	1.85	1.85	
<b>Subtotal</b>	<b>\$ 28.72</b>					<b>\$ 32.82</b>	<b>\$ 32.82</b>	
<b>Ancillary</b>								
Ambulance	\$ 0.44	1.001	1.000	1.040	1.000	\$ 0.46	\$ 0.46	
DME/Prosthetics/Orthotics	1.06	1.010	1.000	1.040	1.000	1.11	1.11	
PT/OT/ST	2.32	1.002	1.000	1.040	1.000	2.42	2.42	
Chiropractic Services	-	1.078	1.000	1.040	1.000	-	-	
PDN/Home Health/Hospice	0.15	1.001	1.000	1.040	1.000	0.16	0.16	
Vision	1.64	1.047	1.000	1.040	1.000	1.79	1.79	
Hearing and Speech Exams	0.17	1.007	1.000	1.040	1.000	0.18	0.18	
Other Ancillary	0.49	1.001	1.000	1.040	1.000	0.51	0.51	
<b>Subtotal</b>	<b>\$ 6.27</b>					<b>\$ 6.62</b>	<b>\$ 6.62</b>	
<b>Behavioral Health</b>								
MH Residential	\$ 0.80	1.001	1.000	1.103	1.040	\$ 0.92	\$ 0.92	
MH Office/Outpatient	4.86	0.998	1.000	1.210	0.990	5.81	5.81	
MH/SUD Community Services	0.73	1.001	1.000	1.103	1.092	0.88	0.88	
Medication Management/MAT	0.07	1.001	1.000	1.103	1.092	0.08	0.08	
Other MH Inpatient	0.02	1.001	1.000	1.103	1.040	0.02	0.02	
SUD Residential	-	1.000	1.000	1.000	1.000	-	-	
SUD Office/Outpatient	-	1.001	1.000	1.210	0.990	-	-	
Other SUD Inpatient	-	1.001	1.000	1.103	1.040	-	-	
Applied Behavior Analysis	0.15	1.001	1.000	1.500	1.090	0.25	0.25	
<b>Subtotal</b>	<b>\$ 6.63</b>					<b>\$ 7.96</b>	<b>\$ 7.96</b>	
<b>Sub-Capitation Payments</b>								
Outpatient Surgery	\$ 0.13	1.000	1.000	0.980	0.960	\$ 0.12	\$ 0.12	
Office/Home Visits	0.47	0.950	1.000	1.030	1.103	0.51	0.51	
Radiology/Pathology/Lab	1.01	1.000	1.000	1.030	1.103	1.15	1.15	
Physician Maternity Non-Delivery	0.60	1.000	1.000	1.000	1.000	0.60	0.60	
Capitation - Global	9.25	0.895	1.000	1.030	1.103	9.40	9.40	
Capitation - Non Specific	0.03	1.000	1.000	1.030	1.103	0.03	0.03	
<b>Subtotal</b>	<b>\$ 11.49</b>					<b>\$ 11.81</b>	<b>\$ 11.81</b>	
<b>Aggregate Medical Cost</b>								
Encounter subtotal	\$ 64.97					\$ 71.18	\$ 71.18	
Encounters & sub-capitation	\$ 76.46					\$ 82.99	\$ 82.99	
<b>Direct enrollment claims</b>	\$102.40	1.022	1.000	1.068	1.044	\$ 116.61	\$ 116.61	
<b>MCO &amp; FFS claims composite</b>	\$65.04					\$ 71.26	\$ 71.26	
<b>MCO &amp; FFS total composite</b>	\$76.51					\$ 83.06	\$ 83.06	
Provider Incentive Payments	\$ 1.24					\$ 1.24	\$ 1.24	
Reinsurance	(\$0.02)	1.000	1.000	1.015	1.107	(\$ 0.02)	(\$ 0.02)	
<b>Total Medical Cost</b>	<b>\$77.73</b>					<b>\$ 84.28</b>	<b>\$ 84.28</b>	

Notes:  
(1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
(2) Completed data includes adjustment for Incurred but not Paid (IBNP).

Appendix B-1-4  
State of Nevada  
Division of Health Care Financing and Policy  
CY 2019 Capitation Rate Development  
MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMs	177,723
Aid Category: TANF/CHAP	2017 Direct Enrollment MMs	356
Rate Cell: Female - 15 - 18		
Region: South	CY 2019 Estimated Member Months	188,738

Benefit	Pre-Adj CY 2017 Paid PMPM (2)	CY 2017 Adjustment Factors				Post-Adj CY 2017 Paid PMPM (2)	CY 2019 Paid PMPM
		Unit Cost	IMD Adj. Cost	Trend Util.	Cost		
		Adj. (1) Cost					
<b>Hospital Inpatient</b>							
Medical/Surgical	\$ 7.04	1.001	1.000	1.010	1.071	\$ 7.62	\$ 7.62
Maternity Non-Delivery	0.62	1.001	1.000	1.010	1.071	0.67	0.67
Well Newborn	-	1.000	1.000	1.000	1.000	-	-
Other Newborn	-	1.000	1.000	1.000	1.000	-	-
Nursing Facility - short term	0.06	1.062	1.000	1.010	1.071	0.07	0.07
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 7.72</b>					<b>\$ 8.36</b>	<b>\$ 8.36</b>
<b>Hospital Outpatient</b>							
Emergency Department	\$ 7.16	1.020	1.000	1.040	1.000	\$ 7.60	\$ 7.60
Outpatient Surgery	1.56	1.011	1.000	0.980	0.960	1.48	1.48
Observation	0.71	1.011	1.000	1.040	1.000	0.75	0.75
Radiology/Pathology/Lab	0.18	1.016	1.000	0.980	0.960	0.17	0.17
Pharmacy and Blood	0.05	1.017	1.000	0.980	0.960	0.05	0.05
<b>Other Outpatient</b>	<b>0.57</b>	<b>1.014</b>	<b>1.000</b>	<b>0.980</b>	<b>0.960</b>	<b>0.54</b>	<b>0.54</b>
<b>Subtotal</b>	<b>\$ 10.23</b>					<b>\$ 10.59</b>	<b>\$ 10.59</b>
<b>Prescription Drugs</b>							
Brand	\$ 7.68	0.939	1.000	1.048	0.969	\$ 7.32	\$ 7.32
Generic	7.10	0.942	1.000	1.017	1.013	6.89	6.89
Specialty	4.02	0.937	1.000	1.145	1.125	4.85	4.85
Hepatitis C Drugs	0.59	0.925	1.000	1.000	0.939	0.51	0.51
Other Pharmacy	1.01	0.937	1.000	1.017	1.013	0.97	0.97
<b>Subtotal</b>	<b>\$ 20.40</b>					<b>\$ 20.55</b>	<b>\$ 20.55</b>
<b>Physician</b>							
Surgery	\$ 1.93	1.085	1.000	1.030	1.103	\$ 2.38	\$ 2.38
Anesthesia	0.51	1.001	1.000	1.030	1.103	0.58	0.58
Hospital Inpatient Visits	1.34	1.001	1.000	1.030	1.103	1.52	1.52
ED/Urgent Care Visits	6.06	1.001	1.000	1.030	1.103	6.89	6.89
Office/Home Visits	9.85	1.003	1.000	1.030	1.103	11.22	11.22
Well Baby/Physical Exams	3.15	1.001	1.000	1.030	1.103	3.58	3.58
Allergy/Immunizations	1.18	1.001	1.000	1.030	1.103	1.34	1.34
Office Administered Drugs	0.29	1.001	1.000	1.030	1.103	0.33	0.33
Office Administered Drugs - Specialty	2.60	1.001	1.000	1.030	1.103	2.96	2.96
Radiology/Pathology/Lab	5.70	0.989	1.000	1.030	1.103	6.40	6.40
Physician Maternity Non-Delivery	0.11	1.001	1.000	1.000	1.000	0.11	0.11
Other Professional	2.25	1.028	1.000	1.030	1.103	2.63	2.63
<b>Subtotal</b>	<b>\$ 34.97</b>					<b>\$ 39.93</b>	<b>\$ 39.93</b>
<b>Ancillary</b>							
Ambulance	\$ 1.62	1.001	1.000	1.040	1.000	\$ 1.69	\$ 1.69
DME/Prosthetics/Orthotics	0.91	1.002	1.000	1.040	1.000	0.95	0.95
PT/OT/ST	1.34	1.008	1.000	1.040	1.000	1.41	1.41
Chiropractic Services	0.02	1.054	1.000	1.040	1.000	0.02	0.02
PDN/Home Health/Hospice	0.18	1.001	1.000	1.040	1.000	0.19	0.19
Vision	2.78	1.053	1.000	1.040	1.000	3.05	3.05
Hearing and Speech Exams	0.04	1.001	1.000	1.040	1.000	0.04	0.04
<b>Other Ancillary</b>	<b>0.40</b>	<b>1.001</b>	<b>1.000</b>	<b>1.040</b>	<b>1.000</b>	<b>0.42</b>	<b>0.42</b>
<b>Subtotal</b>	<b>\$ 7.29</b>					<b>\$ 7.76</b>	<b>\$ 7.76</b>
<b>Behavioral Health</b>							
MH Residential	\$ 4.89	1.001	1.000	1.103	1.040	\$ 5.61	\$ 5.61
MH Office/Outpatient	8.70	1.000	1.000	1.210	0.990	10.42	10.42
MH/SUD Community Services	0.86	1.001	1.000	1.103	1.092	1.04	1.04
Medication Management/MAT	0.11	1.001	1.000	1.103	1.092	0.13	0.13
Other MH Inpatient	0.31	1.001	1.000	1.103	1.040	0.36	0.36
SUD Residential	-	1.000	1.000	1.000	1.000	-	-
SUD Office/Outpatient	0.04	1.001	1.000	1.210	0.990	0.05	0.05
Other SUD Inpatient	0.01	1.001	1.000	1.103	1.040	0.01	0.01
<b>Applied Behavior Analysis</b>	<b>-</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>-</b>	<b>-</b>
<b>Subtotal</b>	<b>\$ 14.92</b>					<b>\$ 17.62</b>	<b>\$ 17.62</b>
<b>Sub-Capitation Payments</b>							
Outpatient Surgery	\$ 0.13	1.000	1.000	0.980	0.960	\$ 0.12	\$ 0.12
Office/Home Visits	0.56	0.962	1.000	1.030	1.103	0.61	0.61
Radiology/Pathology/Lab	1.07	1.000	1.000	1.030	1.103	1.22	1.22
Physician Maternity Non-Delivery	0.63	1.000	1.000	1.000	1.000	0.63	0.63
Capitation - Global	10.45	0.895	1.000	1.030	1.103	10.62	10.62
<b>Capitation - Non Specific</b>	<b>0.03</b>	<b>1.000</b>	<b>1.000</b>	<b>1.030</b>	<b>1.103</b>	<b>0.03</b>	<b>0.03</b>
<b>Subtotal</b>	<b>\$ 12.87</b>					<b>\$ 13.24</b>	<b>\$ 13.24</b>
<b>Aggregate Medical Cost</b>							
Encounter subtotal	\$ 95.53					\$ 104.81	\$ 104.81
Encounters & sub-capitation	\$ 108.40					\$ 118.05	\$ 118.05
<b>Direct enrollment claims</b>	<b>\$135.90</b>	<b>1.019</b>	<b>1.000</b>	<b>1.081</b>	<b>1.037</b>	<b>\$ 155.12</b>	<b>\$ 155.12</b>
<b>MCO &amp; FFS claims composite</b>	<b>\$95.61</b>					<b>\$ 104.91</b>	<b>\$ 104.91</b>
<b>MCO &amp; FFS total composite</b>	<b>\$108.46</b>					<b>\$ 118.12</b>	<b>\$ 118.12</b>
Provider Incentive Payments	\$ 1.11					\$ 1.11	\$ 1.11
Reinsurance	(\$0.04)	1.000	1.000	1.015	1.107	(\$ 0.04)	(\$ 0.04)
<b>Total Medical Cost</b>	<b>\$109.53</b>					<b>\$ 119.19</b>	<b>\$ 119.19</b>

Notes:  
(1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
(2) Completed data includes adjustment for Incurred but not Paid (IBNP).

Appendix B-1-5  
State of Nevada  
Division of Health Care Financing and Policy  
CY 2019 Capitation Rate Development  
MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMs	175,052
Aid Category: TANF/CHAP	2017 Direct Enrollment MMs	330
Rate Cell: Male - 15 - 18		
Region: South	CY 2019 Estimated Member Months	182,179

Benefit	CY 2017 Adjustment Factors						CY 2019 Paid PMPM
	Pre-Adj CY 2017 Paid PMPM (2)	Unit Cost Adj. (1)	IMD Adj. Cost	Trend Util.	Post-Adj CY 2017 Paid PMPM (2)		
		Cost	Cost	Cost			
<b>Hospital Inpatient</b>							
Medical/Surgical	\$ 10.93	1.001	1.000	1.010	1.071	\$ 11.84	\$ 11.84
Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Well Newborn	-	1.000	1.000	1.000	1.000	-	-
Other Newborn	-	1.000	1.000	1.000	1.000	-	-
Nursing Facility - short term	1.11	1.073	1.000	1.010	1.071	1.29	1.29
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 12.04</b>					<b>\$ 13.12</b>	<b>\$ 13.12</b>
<b>Hospital Outpatient</b>							
Emergency Department	\$ 4.02	1.009	1.000	1.040	1.000	\$ 4.22	\$ 4.22
Outpatient Surgery	1.51	1.001	1.000	0.980	0.960	1.42	1.42
Observation	0.51	1.001	1.000	1.040	1.000	0.53	0.53
Radiology/Pathology/Lab	0.16	0.895	1.000	0.980	0.960	0.13	0.13
Pharmacy and Blood	0.01	1.002	1.000	0.980	0.960	0.01	0.01
Other Outpatient	0.29	1.004	1.000	0.980	0.960	0.27	0.27
<b>Subtotal</b>	<b>\$ 6.50</b>					<b>\$ 6.59</b>	<b>\$ 6.59</b>
<b>Prescription Drugs</b>							
Brand	\$ 6.53	0.939	1.000	1.048	0.969	\$ 6.23	\$ 6.23
Generic	4.82	0.942	1.000	1.017	1.013	4.67	4.67
Specialty	6.33	0.943	1.000	1.145	1.125	7.69	7.69
Hepatitis C Drugs	-	1.000	1.000	1.000	0.939	-	-
Other Pharmacy	0.87	0.939	1.000	1.017	1.013	0.84	0.84
<b>Subtotal</b>	<b>\$ 18.55</b>					<b>\$ 19.43</b>	<b>\$ 19.43</b>
<b>Physician</b>							
Surgery	\$ 2.67	1.081	1.000	1.030	1.103	\$ 3.28	\$ 3.28
Anesthesia	0.51	1.001	1.000	1.030	1.103	0.58	0.58
Hospital Inpatient Visits	1.87	1.001	1.000	1.030	1.103	2.13	2.13
ED/Urgent Care Visits	3.62	1.001	1.000	1.030	1.103	4.12	4.12
Office/Home Visits	6.60	1.003	1.000	1.030	1.103	7.52	7.52
Well Baby/Physical Exams	2.75	1.001	1.000	1.030	1.103	3.13	3.13
Allergy/Immunizations	1.21	1.001	1.000	1.030	1.103	1.38	1.38
Office Administered Drugs	0.23	1.114	1.000	1.030	1.103	0.29	0.29
Office Administered Drugs - Specialty	2.80	1.001	1.000	1.030	1.103	3.18	3.18
Radiology/Pathology/Lab	2.37	0.980	1.000	1.030	1.103	2.64	2.64
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Other Professional	1.50	1.038	1.000	1.030	1.103	1.77	1.77
<b>Subtotal</b>	<b>\$ 26.13</b>					<b>\$ 30.00</b>	<b>\$ 30.00</b>
<b>Ancillary</b>							
Ambulance	\$ 1.08	1.001	1.000	1.040	1.000	\$ 1.12	\$ 1.12
DME/Prosthetics/Orthotics	1.24	1.022	1.000	1.040	1.000	1.32	1.32
PT/OT/ST	1.20	1.007	1.000	1.040	1.000	1.26	1.26
Chiropractic Services	0.01	1.137	1.000	1.040	1.000	0.01	0.01
PDN/Home Health/Hospice	0.02	1.001	1.000	1.040	1.000	0.02	0.02
Vision	2.01	1.055	1.000	1.040	1.000	2.21	2.21
Hearing and Speech Exams	0.04	0.995	1.000	1.040	1.000	0.04	0.04
Other Ancillary	0.44	1.001	1.000	1.040	1.000	0.46	0.46
<b>Subtotal</b>	<b>\$ 6.04</b>					<b>\$ 6.44</b>	<b>\$ 6.44</b>
<b>Behavioral Health</b>							
MH Residential	\$ 3.15	1.001	1.000	1.103	1.040	\$ 3.62	\$ 3.62
MH Office/Outpatient	4.43	1.000	1.000	1.210	0.990	5.30	5.30
MH/SUD Community Services	0.40	1.001	1.000	1.103	1.092	0.48	0.48
Medication Management/MAT	0.20	1.001	1.000	1.103	1.092	0.24	0.24
Other MH Inpatient	0.01	1.001	1.000	1.103	1.040	0.01	0.01
SUD Residential	-	1.000	1.000	1.000	1.000	-	-
SUD Office/Outpatient	0.03	1.001	1.000	1.210	0.990	0.04	0.04
Other SUD Inpatient	0.01	1.001	1.000	1.103	1.040	0.01	0.01
Applied Behavior Analysis	-	1.001	1.000	1.500	1.090	-	-
<b>Subtotal</b>	<b>\$ 8.23</b>					<b>\$ 9.70</b>	<b>\$ 9.70</b>
<b>Sub-Capitation Payments</b>							
Outpatient Surgery	\$ 0.13	1.000	1.000	0.980	0.960	\$ 0.12	\$ 0.12
Office/Home Visits	0.55	0.962	1.000	1.030	1.103	0.60	0.60
Radiology/Pathology/Lab	1.08	1.000	1.000	1.030	1.103	1.23	1.23
Physician Maternity Non-Delivery	0.64	1.000	1.000	1.000	1.000	0.64	0.64
Capitation - Global	10.72	0.895	1.000	1.030	1.103	10.90	10.90
Capitation - Non Specific	0.03	1.000	1.000	1.030	1.103	0.03	0.03
<b>Subtotal</b>	<b>\$ 13.15</b>					<b>\$ 13.52</b>	<b>\$ 13.52</b>
<b>Aggregate Medical Cost</b>							
Encounter subtotal	\$ 77.49					\$ 85.29	\$ 85.29
Encounters & sub-capitation	\$ 90.64					\$ 98.81	\$ 98.81
<b>Direct enrollment claims</b>	<b>\$152.31</b>	<b>1.031</b>	<b>1.000</b>	<b>1.071</b>	<b>1.052</b>	<b>\$ 176.88</b>	<b>\$ 176.88</b>
<b>MCO &amp; FFS claims composite</b>	<b>\$77.63</b>					<b>\$ 85.46</b>	<b>\$ 85.46</b>
<b>MCO &amp; FFS total composite</b>	<b>\$90.76</b>					<b>\$ 98.95</b>	<b>\$ 98.95</b>
Provider Incentive Payments	\$ 1.08					\$ 1.08	\$ 1.08
Reinsurance	(\$0.27)	1.000	1.000	1.015	1.107	(\$ 0.30)	(\$ 0.30)
<b>Total Medical Cost</b>	<b>\$91.56</b>					<b>\$ 99.73</b>	<b>\$ 99.73</b>

Notes:  
(1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
(2) Completed data includes adjustment for Incurred but not Paid (IBNP).

Appendix B-1-6  
State of Nevada  
Division of Health Care Financing and Policy  
CY 2019 Capitation Rate Development  
MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMs	296,939
Aid Category: TANF/CHAP	2017 Direct Enrollment MMs	886
Rate Cell: Female - 19 - 34		
Region: South	CY 2019 Estimated Member Months	311,256

Benefit	CY 2017 Adjustment Factors						Post-Adj CY 2017 Paid PMPM (2)	CY 2019 Paid PMPM
	Pre-Adj CY 2017 Paid PMPM (2)	Unit Cost				Trend Cost		
		Adj. (1) Cost	IMD Adj. Cost	Util.				
<b>Hospital Inpatient</b>								
Medical/Surgical	\$ 17.05	1.001	1.000	1.082	1.040	\$ 19.20	\$ 19.20	
Maternity Non-Delivery	8.21	1.001	1.000	1.082	1.040	9.25	9.25	
Well Newborn	-	1.000	1.000	1.000	1.000	-	-	
Other Newborn	-	1.001	1.000	1.082	1.040	-	-	
Nursing Facility - short term	1.03	1.032	1.000	1.082	1.040	1.20	1.20	
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-	
<b>Subtotal</b>	<b>\$ 26.29</b>					<b>\$ 29.65</b>	<b>\$ 29.65</b>	
<b>Hospital Outpatient</b>								
Emergency Department	\$ 18.87	1.009	1.000	1.061	1.010	\$ 20.41	\$ 20.41	
Outpatient Surgery	4.08	0.929	1.000	0.990	0.960	3.60	3.60	
Observation	3.65	0.984	1.000	1.061	1.010	3.85	3.85	
Radiology/Pathology/Lab	0.84	1.001	1.000	0.990	0.960	0.80	0.80	
Pharmacy and Blood	0.27	1.025	1.000	0.990	0.960	0.26	0.26	
Other Outpatient	2.59	1.013	1.000	0.990	0.960	2.49	2.49	
<b>Subtotal</b>	<b>\$ 30.30</b>					<b>\$ 31.42</b>	<b>\$ 31.42</b>	
<b>Prescription Drugs</b>								
Brand	\$ 10.35	0.943	1.000	1.047	0.992	\$ 10.13	\$ 10.13	
Generic	14.36	0.945	1.000	1.005	1.018	13.88	13.88	
Specialty	8.97	0.944	1.000	1.105	1.127	10.54	10.54	
Hepatitis C Drugs	1.46	0.948	1.000	1.000	0.939	1.30	1.30	
Other Pharmacy	1.89	0.939	1.000	1.005	1.018	1.82	1.82	
<b>Subtotal</b>	<b>\$ 37.03</b>					<b>\$ 37.67</b>	<b>\$ 37.67</b>	
<b>Physician</b>								
Surgery	\$ 4.38	1.004	1.000	1.051	1.092	\$ 5.05	\$ 5.05	
Anesthesia	1.17	1.001	1.000	1.051	1.092	1.34	1.34	
Hospital Inpatient Visits	4.80	1.001	1.000	1.051	1.092	5.51	5.51	
ED/Urgent Care Visits	13.17	1.001	1.000	1.051	1.092	15.12	15.12	
Office/Home Visits	15.29	1.003	1.000	1.051	1.092	17.59	17.59	
Well Baby/Physical Exams	1.63	1.000	1.000	1.051	1.092	1.87	1.87	
Allergy/Immunizations	0.61	1.002	1.000	1.051	1.092	0.70	0.70	
Office Administered Drugs	0.56	1.001	1.000	1.051	1.092	0.64	0.64	
Office Administered Drugs - Specialty	3.15	1.001	1.000	1.051	1.092	3.62	3.62	
Radiology/Pathology/Lab	25.19	0.998	1.000	1.051	1.092	28.83	28.83	
Physician Maternity Non-Delivery	1.30	1.001	1.000	1.000	1.000	1.30	1.30	
Other Professional	6.04	0.998	1.000	1.051	1.092	6.92	6.92	
<b>Subtotal</b>	<b>\$ 77.29</b>					<b>\$ 88.50</b>	<b>\$ 88.50</b>	
<b>Ancillary</b>								
Ambulance	\$ 4.42	1.001	1.000	1.124	1.000	\$ 4.97	\$ 4.97	
DME/Prosthetics/Orthotics	0.88	1.022	1.000	1.124	1.000	1.01	1.01	
PT/OT/ST	0.83	1.005	1.000	1.124	1.000	0.94	0.94	
Chiropractic Services	0.01	1.052	1.000	1.124	1.000	0.01	0.01	
PDN/Home Health/Hospice	1.71	1.002	1.000	1.124	1.000	1.92	1.92	
Vision	1.72	1.051	1.000	1.124	1.000	2.03	2.03	
Hearing and Speech Exams	0.03	1.010	1.000	1.124	1.000	0.03	0.03	
Other Ancillary	0.76	1.001	1.000	1.124	1.000	0.85	0.85	
<b>Subtotal</b>	<b>\$ 10.36</b>					<b>\$ 11.78</b>	<b>\$ 11.78</b>	
<b>Behavioral Health</b>								
MH Residential	\$ 2.67	1.001	1.710	1.061	1.000	\$ 4.85	\$ 4.85	
MH Office/Outpatient	6.29	0.999	1.000	1.124	0.990	6.99	6.99	
MH/SUD Community Services	0.37	1.001	1.000	1.082	1.010	0.40	0.40	
Medication Management/MAT	1.27	1.001	1.000	1.082	1.010	1.39	1.39	
Other MH Inpatient	0.01	1.001	1.000	1.061	1.000	0.01	0.01	
SUD Residential	0.80	1.001	1.320	1.061	1.000	1.12	1.12	
SUD Office/Outpatient	0.45	1.001	1.000	1.124	0.990	0.50	0.50	
Other SUD Inpatient	0.11	1.001	0.928	1.061	1.000	0.11	0.11	
Applied Behavior Analysis	-	1.000	1.000	1.000	1.000	-	-	
<b>Subtotal</b>	<b>\$ 11.97</b>					<b>\$ 15.37</b>	<b>\$ 15.37</b>	
<b>Sub-Capitation Payments</b>								
Outpatient Surgery	\$ 0.13	1.000	1.000	0.990	0.960	\$ 0.12	\$ 0.12	
Office/Home Visits	0.97	0.950	1.000	1.051	1.092	1.06	1.06	
Radiology/Pathology/Lab	1.03	1.000	1.000	1.051	1.092	1.18	1.18	
Physician Maternity Non-Delivery	0.61	1.000	1.000	1.000	1.000	0.61	0.61	
Capitation - Global	12.13	0.895	1.000	1.051	1.092	12.46	12.46	
Capitation - Non Specific	0.03	1.000	1.000	1.051	1.092	0.03	0.03	
<b>Subtotal</b>	<b>\$ 14.90</b>					<b>\$ 15.46</b>	<b>\$ 15.46</b>	
<b>Aggregate Medical Cost</b>								
Encounter subtotal	\$ 193.24					\$ 214.38	\$ 214.38	
Encounters & sub-capitation	\$ 208.14					\$ 229.85	\$ 229.85	
<b>Direct enrollment claims</b>	<b>\$228.70</b>	<b>1.014</b>	<b>1.000</b>	<b>1.056</b>	<b>1.053</b>	<b>\$ 257.92</b>	<b>\$ 257.92</b>	
<b>MCO &amp; FFS claims composite</b>	<b>\$193.35</b>					<b>\$ 214.51</b>	<b>\$ 214.51</b>	
<b>MCO &amp; FFS total composite</b>	<b>\$208.20</b>					<b>\$ 229.93</b>	<b>\$ 229.93</b>	
Provider Incentive Payments	\$ 1.27					\$ 1.27	\$ 1.27	
Reinsurance	(\$0.88)	1.000	1.000	1.122	1.061	\$(1.04)	\$(1.04)	
<b>Total Medical Cost</b>	<b>\$208.59</b>					<b>\$ 230.16</b>	<b>\$ 230.16</b>	

Notes:  
(1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
(2) Completed data includes adjustment for Incurred but not Paid (IBNP).

Appendix B-1-7  
 State of Nevada  
 Division of Health Care Financing and Policy  
 CY 2019 Capitation Rate Development  
 MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMs	50,112
Aid Category: TANF/CHAP	2017 Direct Enrollment MMs	199
Rate Cell: Male - 19 - 34		
Region: South	CY 2019 Estimated Member Months	52,070

Benefit	CY 2017 Adjustment Factors						CY 2019 Paid PMPM
	Pre-Adj CY 2017 Paid PMPM (2)	Unit Cost Adj. (1)	IMD Adj. Cost	Trend Util.	Post-Adj CY 2017 Paid PMPM (2)		
		Cost	Cost	Cost			
<b>Hospital Inpatient</b>							
Medical/Surgical	\$ 22.80	1.001	1.000	1.082	1.040	\$ 25.68	\$ 25.68
Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Well Newborn	-	1.000	1.000	1.000	1.000	-	-
Other Newborn	-	1.000	1.000	1.000	1.000	-	-
Nursing Facility - short term	0.77	1.030	1.000	1.082	1.040	0.89	0.89
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 23.57</b>					<b>\$ 26.57</b>	<b>\$ 26.57</b>
<b>Hospital Outpatient</b>							
Emergency Department	\$ 10.58	0.988	1.000	1.061	1.010	\$ 11.20	\$ 11.20
Outpatient Surgery	3.08	0.924	1.000	0.990	0.960	2.70	2.70
Observation	2.49	0.987	1.000	1.061	1.010	2.63	2.63
Radiology/Pathology/Lab	0.07	0.990	1.000	0.990	0.960	0.07	0.07
Pharmacy and Blood	0.04	1.009	1.000	0.990	0.960	0.04	0.04
Other Outpatient	0.74	0.995	1.000	0.990	0.960	0.70	0.70
<b>Subtotal</b>	<b>\$ 17.00</b>					<b>\$ 17.34</b>	<b>\$ 17.34</b>
<b>Prescription Drugs</b>							
Brand	\$ 9.31	0.941	1.000	1.047	0.992	\$ 9.10	\$ 9.10
Generic	8.57	0.944	1.000	1.005	1.018	8.28	8.28
Specialty	8.23	0.948	1.000	1.105	1.127	9.71	9.71
Hepatitis C Drugs	2.55	0.921	1.000	1.000	0.939	2.20	2.20
Other Pharmacy	1.01	0.938	1.000	1.005	1.018	0.97	0.97
<b>Subtotal</b>	<b>\$ 29.67</b>					<b>\$ 30.26</b>	<b>\$ 30.26</b>
<b>Physician</b>							
Surgery	\$ 3.98	1.004	1.000	1.051	1.092	\$ 4.58	\$ 4.58
Anesthesia	0.75	1.001	1.000	1.051	1.092	0.86	0.86
Hospital Inpatient Visits	3.66	1.001	1.000	1.051	1.092	4.20	4.20
ED/Urgent Care Visits	7.59	1.001	1.000	1.051	1.092	8.72	8.72
Office/Home Visits	7.22	1.002	1.000	1.051	1.092	8.30	8.30
Well Baby/Physical Exams	0.42	1.001	1.000	1.051	1.092	0.48	0.48
Allergy/Immunizations	0.52	1.001	1.000	1.051	1.092	0.60	0.60
Office Administered Drugs	5.93	1.001	1.000	1.051	1.092	6.81	6.81
Office Administered Drugs - Specialty	2.68	1.001	1.000	1.051	1.092	3.08	3.08
Radiology/Pathology/Lab	5.07	0.986	1.000	1.051	1.092	5.74	5.74
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Other Professional	1.99	1.003	1.000	1.051	1.092	2.29	2.29
<b>Subtotal</b>	<b>\$ 39.81</b>					<b>\$ 45.66</b>	<b>\$ 45.66</b>
<b>Ancillary</b>							
Ambulance	\$ 2.43	1.001	1.000	1.124	1.000	\$ 2.73	\$ 2.73
DME/Prosthetics/Orthotics	2.04	1.009	1.000	1.124	1.000	2.31	2.31
PT/OT/ST	0.91	1.002	1.000	1.124	1.000	1.02	1.02
Chiropractic Services	0.01	1.038	1.000	1.124	1.000	0.01	0.01
PDN/Home Health/Hospice	0.19	1.001	1.000	1.124	1.000	0.21	0.21
Vision	1.10	1.057	1.000	1.124	1.000	1.31	1.31
Hearing and Speech Exams	0.03	0.994	1.000	1.124	1.000	0.03	0.03
Other Ancillary	0.13	1.001	1.000	1.124	1.000	0.15	0.15
<b>Subtotal</b>	<b>\$ 6.84</b>					<b>\$ 7.78</b>	<b>\$ 7.78</b>
<b>Behavioral Health</b>							
MH Residential	\$ 2.76	1.001	1.598	1.061	1.000	\$ 4.68	\$ 4.68
MH Office/Outpatient	3.83	1.000	1.000	1.124	0.990	4.26	4.26
MH/SUD Community Services	0.13	1.001	1.000	1.082	1.010	0.14	0.14
Medication Management/MAT	1.57	1.001	1.000	1.082	1.010	1.72	1.72
Other MH Inpatient	-	1.000	1.000	1.000	1.000	-	-
SUD Residential	1.12	1.001	1.612	1.061	1.000	1.92	1.92
SUD Office/Outpatient	0.52	1.001	1.000	1.124	0.990	0.58	0.58
Other SUD Inpatient	0.14	1.001	1.000	1.061	1.000	0.15	0.15
Applied Behavior Analysis	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 10.07</b>					<b>\$ 13.45</b>	<b>\$ 13.45</b>
<b>Sub-Capitation Payments</b>							
Outpatient Surgery	\$ 0.14	1.000	1.000	0.990	0.960	\$ 0.13	\$ 0.13
Office/Home Visits	1.14	0.958	1.000	1.051	1.092	1.25	1.25
Radiology/Pathology/Lab	1.08	1.000	1.000	1.051	1.092	1.24	1.24
Physician Maternity Non-Delivery	0.64	1.000	1.000	1.000	1.000	0.64	0.64
Capitation - Global	12.93	0.895	1.000	1.051	1.092	13.28	13.28
Capitation - Non Specific	0.03	1.000	1.000	1.051	1.092	0.03	0.03
<b>Subtotal</b>	<b>\$ 15.96</b>					<b>\$ 16.58</b>	<b>\$ 16.58</b>
<b>Aggregate Medical Cost</b>							
Encounter subtotal	\$ 126.96					\$ 141.06	\$ 141.06
Encounters & sub-capitation	\$ 142.92					\$ 157.63	\$ 157.63
<b>Direct enrollment claims</b>	\$ 106.50	1.013	1.000	1.071	1.031	\$ 119.21	\$ 119.21
<b>MCO &amp; FFS claims composite</b>	\$ 126.88					\$ 140.97	\$ 140.97
<b>MCO &amp; FFS total composite</b>	\$ 142.78					\$ 157.48	\$ 157.48
Provider Incentive Payments	\$ 1.17					\$ 1.17	\$ 1.17
Reinsurance	(\$ 1.80)	1.000	1.000	1.122	1.061	(\$ 2.14)	(\$ 2.14)
<b>Total Medical Cost</b>	<b>\$ 142.15</b>					<b>\$ 156.51</b>	<b>\$ 156.51</b>

Notes:  
 (1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
 (2) Completed data includes adjustment for Incurred but not Paid (IBNP).

Appendix B-1-8  
State of Nevada  
Division of Health Care Financing and Policy  
CY 2019 Capitation Rate Development  
MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMs	146,644
Aid Category: TANF/CHAP	2017 Direct Enrollment MMs	384
Rate Cell: Female - 35 - 64		
Region: South	CY 2019 Estimated Member Months	157,165

Benefit	Pre-Adj CY 2017 Paid PMPM (2)	CY 2017 Adjustment Factors				Post-Adj CY 2017 Paid PMPM (2)	CY 2019 Paid PMPM
		Unit Cost	IMD Adj. Cost	Trend Util.	Trend Cost		
		Adj. (1) Cost					
<b>Hospital Inpatient</b>							
Medical/Surgical	\$ 47.39	1.001	1.000	1.082	1.040	\$ 53.41	\$ 53.41
Maternity Non-Delivery	2.64	1.001	1.000	1.082	1.040	2.98	2.98
Well Newborn	-	1.000	1.000	1.000	1.000	-	-
Other Newborn	0.02	1.001	1.000	1.082	1.040	0.02	0.02
Nursing Facility - short term	5.99	1.042	1.000	1.082	1.040	7.03	7.03
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 56.04</b>					<b>\$ 63.43</b>	<b>\$ 63.43</b>
<b>Hospital Outpatient</b>							
Emergency Department	\$ 17.53	0.989	1.000	1.061	1.010	\$ 18.58	\$ 18.58
Outpatient Surgery	11.55	0.895	1.000	0.990	0.960	9.83	9.83
Observation	8.09	0.981	1.000	1.061	1.010	8.51	8.51
Radiology/Pathology/Lab	0.36	0.949	1.000	0.990	0.960	0.32	0.32
Pharmacy and Blood	0.09	1.019	1.000	0.990	0.960	0.09	0.09
<b>Other Outpatient</b>	<b>2.51</b>	<b>0.993</b>	<b>1.000</b>	<b>0.990</b>	<b>0.960</b>	<b>2.37</b>	<b>2.37</b>
<b>Subtotal</b>	<b>\$ 40.13</b>					<b>\$ 39.70</b>	<b>\$ 39.70</b>
<b>Prescription Drugs</b>							
Brand	\$ 33.53	0.943	1.000	1.047	0.992	\$ 32.82	\$ 32.82
Generic	34.01	0.945	1.000	1.005	1.018	32.87	32.87
Specialty	24.90	0.944	1.000	1.105	1.127	29.27	29.27
Hepatitis C Drugs	5.36	0.948	1.000	1.000	0.939	4.77	4.77
<b>Other Pharmacy</b>	<b>4.40</b>	<b>0.939</b>	<b>1.000</b>	<b>1.005</b>	<b>1.018</b>	<b>4.22</b>	<b>4.22</b>
<b>Subtotal</b>	<b>\$ 102.20</b>					<b>\$ 103.95</b>	<b>\$ 103.95</b>
<b>Physician</b>							
Surgery	\$ 14.03	1.002	1.000	1.051	1.092	\$ 16.12	\$ 16.12
Anesthesia	2.61	1.001	1.000	1.051	1.092	3.00	3.00
Hospital Inpatient Visits	9.73	1.002	1.000	1.051	1.092	11.18	11.18
ED/Urgent Care Visits	13.26	1.001	1.000	1.051	1.092	15.24	15.24
Office/Home Visits	26.20	1.003	1.000	1.051	1.092	30.15	30.15
Well Baby/Physical Exams	1.17	0.999	1.000	1.051	1.092	1.34	1.34
Allergy/Immunizations	0.96	1.001	1.000	1.051	1.092	1.10	1.10
Office Administered Drugs	2.48	1.001	1.000	1.051	1.092	2.85	2.85
Office Administered Drugs - Specialty	6.27	1.001	1.000	1.051	1.092	7.20	7.20
Radiology/Pathology/Lab	24.63	0.993	1.000	1.051	1.092	28.06	28.06
Physician Maternity Non-Delivery	0.47	1.001	1.000	1.000	1.000	0.47	0.47
<b>Other Professional</b>	<b>10.50</b>	<b>1.001</b>	<b>1.000</b>	<b>1.051</b>	<b>1.092</b>	<b>12.06</b>	<b>12.06</b>
<b>Subtotal</b>	<b>\$ 112.31</b>					<b>\$ 128.77</b>	<b>\$ 128.77</b>
<b>Ancillary</b>							
Ambulance	\$ 4.39	1.001	1.000	1.124	1.000	\$ 4.94	\$ 4.94
DME/Prosthetics/Orthotics	3.24	1.018	1.000	1.124	1.000	3.71	3.71
PT/OT/ST	3.83	1.006	1.000	1.124	1.000	4.33	4.33
Chiropractic Services	0.01	1.094	1.000	1.124	1.000	0.01	0.01
PDN/Home Health/Hospice	2.55	1.001	1.000	1.124	1.000	2.87	2.87
Vision	2.42	1.052	1.000	1.124	1.000	2.86	2.86
Hearing and Speech Exams	0.09	1.004	1.000	1.124	1.000	0.10	0.10
<b>Other Ancillary</b>	<b>2.69</b>	<b>1.002</b>	<b>1.000</b>	<b>1.124</b>	<b>1.000</b>	<b>3.03</b>	<b>3.03</b>
<b>Subtotal</b>	<b>\$ 19.22</b>					<b>\$ 21.85</b>	<b>\$ 21.85</b>
<b>Behavioral Health</b>							
MH Residential	\$ 3.53	1.001	1.708	1.061	1.000	\$ 6.40	\$ 6.40
MH Office/Outpatient	9.77	1.001	1.000	1.124	0.990	10.87	10.87
MH/SUD Community Services	0.86	1.001	1.000	1.082	1.010	0.94	0.94
Medication Management/MAT	1.83	1.001	1.000	1.082	1.010	2.00	2.00
Other MH Inpatient	0.10	1.001	1.000	1.061	1.000	0.11	0.11
SUD Residential	0.96	1.001	1.363	1.061	1.000	1.39	1.39
SUD Office/Outpatient	0.65	1.001	1.000	1.124	0.990	0.72	0.72
Other SUD Inpatient	0.11	1.001	1.000	1.061	1.000	0.12	0.12
<b>Applied Behavior Analysis</b>	<b>-</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>-</b>	<b>-</b>
<b>Subtotal</b>	<b>\$ 17.81</b>					<b>\$ 22.56</b>	<b>\$ 22.56</b>
<b>Sub-Capitation Payments</b>							
Outpatient Surgery	\$ 0.14	1.000	1.000	0.990	0.960	\$ 0.13	\$ 0.13
Office/Home Visits	0.97	0.950	1.000	1.051	1.092	1.06	1.06
Radiology/Pathology/Lab	1.16	1.000	1.000	1.051	1.092	1.33	1.33
Physician Maternity Non-Delivery	0.68	1.000	1.000	1.000	1.000	0.68	0.68
Capitation - Global	12.84	0.895	1.000	1.051	1.092	13.18	13.18
<b>Capitation - Non Specific</b>	<b>0.03</b>	<b>1.000</b>	<b>1.000</b>	<b>1.051</b>	<b>1.092</b>	<b>0.03</b>	<b>0.03</b>
<b>Subtotal</b>	<b>\$ 15.82</b>					<b>\$ 16.42</b>	<b>\$ 16.42</b>
<b>Aggregate Medical Cost</b>							
Encounter subtotal	\$ 347.71					\$ 380.26	\$ 380.26
Encounters & sub-capitation	\$ 363.53					\$ 396.68	\$ 396.68
<b>Direct enrollment claims</b>	<b>\$414.64</b>	<b>1.030</b>	<b>1.000</b>	<b>1.061</b>	<b>1.039</b>	<b>\$ 470.66</b>	<b>\$ 470.66</b>
<b>MCO &amp; FFS claims composite</b>	<b>\$347.88</b>					<b>\$ 380.50</b>	<b>\$ 380.50</b>
<b>MCO &amp; FFS total composite</b>	<b>\$363.66</b>					<b>\$ 396.88</b>	<b>\$ 396.88</b>
Provider Incentive Payments	\$ 1.10					\$ 1.10	\$ 1.10
Reinsurance	(\$1.86)	1.000	1.000	1.122	1.061	(\$ 2.21)	(\$ 2.21)
<b>Total Medical Cost</b>	<b>\$362.91</b>					<b>\$ 395.77</b>	<b>\$ 395.77</b>

Notes:  
(1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
(2) Completed data includes adjustment for Incurred but not Paid (IBNP).

Appendix B-1-9  
State of Nevada  
Division of Health Care Financing and Policy  
CY 2019 Capitation Rate Development  
MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMs	51,099
Aid Category: TANF/CHAP	2017 Direct Enrollment MMs	195
Rate Cell: Male - 35 - 64		
Region: South	CY 2019 Estimated Member Months	54,250

Benefit	Pre-Adj CY 2017 Paid PMPM (2)	CY 2017 Adjustment Factors				Post-Adj CY 2017 Paid PMPM (2)	CY 2019 Paid PMPM
		Unit Cost	IMD Adj. Cost	Trend Util.	Trend Cost		
		Adj. (1)					
<b>Hospital Inpatient</b>							
Medical/Surgical	\$ 68.53	1.001	1.000	1.082	1.040	\$ 77.23	\$ 77.23
Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Well Newborn	-	1.000	1.000	1.000	1.000	-	-
Other Newborn	-	1.000	1.000	1.000	1.000	-	-
Nursing Facility - short term	5.99	1.034	1.000	1.082	1.040	6.97	6.97
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 74.52</b>					<b>\$ 84.20</b>	<b>\$ 84.20</b>
<b>Hospital Outpatient</b>							
Emergency Department	\$ 10.58	0.982	1.000	1.061	1.010	\$ 11.14	\$ 11.14
Outpatient Surgery	7.98	0.863	1.000	0.990	0.960	6.55	6.55
Observation	6.53	0.989	1.000	1.061	1.010	6.92	6.92
Radiology/Pathology/Lab	0.17	0.941	1.000	0.990	0.960	0.15	0.15
Pharmacy and Blood	0.28	1.003	1.000	0.990	0.960	0.27	0.27
<b>Other Outpatient</b>	<b>5.83</b>	<b>0.988</b>	<b>1.000</b>	<b>0.990</b>	<b>0.960</b>	<b>5.48</b>	<b>5.48</b>
<b>Subtotal</b>	<b>\$ 31.37</b>					<b>\$ 30.50</b>	<b>\$ 30.50</b>
<b>Prescription Drugs</b>							
Brand	\$ 35.43	0.944	1.000	1.047	0.992	\$ 34.73	\$ 34.73
Generic	24.51	0.944	1.000	1.005	1.018	23.68	23.68
Specialty	26.38	0.946	1.000	1.105	1.127	31.06	31.06
Hepatitis C Drugs	8.30	0.943	1.000	1.000	0.939	7.35	7.35
<b>Other Pharmacy</b>	<b>4.10</b>	<b>0.939</b>	<b>1.000</b>	<b>1.005</b>	<b>1.018</b>	<b>3.94</b>	<b>3.94</b>
<b>Subtotal</b>	<b>\$ 98.72</b>					<b>\$ 100.75</b>	<b>\$ 100.75</b>
<b>Physician</b>							
Surgery	\$ 11.82	1.002	1.000	1.051	1.092	\$ 13.58	\$ 13.58
Anesthesia	2.05	1.001	1.000	1.051	1.092	2.36	2.36
Hospital Inpatient Visits	13.45	1.001	1.000	1.051	1.092	15.45	15.45
ED/Urgent Care Visits	9.02	1.001	1.000	1.051	1.092	10.36	10.36
Office/Home Visits	19.93	1.003	1.000	1.051	1.092	22.93	22.93
Well Baby/Physical Exams	0.51	1.001	1.000	1.051	1.092	0.59	0.59
Allergy/Immunizations	0.94	1.001	1.000	1.051	1.092	1.08	1.08
Office Administered Drugs	3.04	1.001	1.000	1.051	1.092	3.49	3.49
Office Administered Drugs - Specialty	11.42	1.001	1.000	1.051	1.092	13.12	13.12
Radiology/Pathology/Lab	14.16	0.982	1.000	1.051	1.092	15.96	15.96
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
<b>Other Professional</b>	<b>8.70</b>	<b>1.002</b>	<b>1.000</b>	<b>1.051</b>	<b>1.092</b>	<b>10.00</b>	<b>10.00</b>
<b>Subtotal</b>	<b>\$ 95.04</b>					<b>\$ 108.92</b>	<b>\$ 108.92</b>
<b>Ancillary</b>							
Ambulance	\$ 3.88	1.001	1.000	1.124	1.000	\$ 4.37	\$ 4.37
DME/Prosthetics/Orthotics	6.29	1.022	1.000	1.124	1.000	7.22	7.22
PT/OT/ST	3.49	1.005	1.000	1.124	1.000	3.94	3.94
Chiropractic Services	0.04	1.025	1.000	1.124	1.000	0.05	0.05
PDN/Home Health/Hospice	1.79	1.001	1.000	1.124	1.000	2.01	2.01
Vision	1.99	1.048	1.000	1.124	1.000	2.34	2.34
Hearing and Speech Exams	0.08	1.000	1.000	1.124	1.000	0.09	0.09
<b>Other Ancillary</b>	<b>1.33</b>	<b>1.001</b>	<b>1.000</b>	<b>1.124</b>	<b>1.000</b>	<b>1.50</b>	<b>1.50</b>
<b>Subtotal</b>	<b>\$ 18.89</b>					<b>\$ 21.52</b>	<b>\$ 21.52</b>
<b>Behavioral Health</b>							
MH Residential	\$ 2.32	1.001	1.621	1.061	1.000	\$ 4.00	\$ 4.00
MH Office/Outpatient	6.10	1.000	1.000	1.124	0.990	6.79	6.79
MH/SUD Community Services	0.46	1.001	1.000	1.082	1.010	0.50	0.50
Medication Management/MAT	1.42	1.001	1.000	1.082	1.010	1.55	1.55
Other MH Inpatient	-	1.000	1.000	1.000	1.000	-	-
SUD Residential	1.29	1.001	1.284	1.061	1.000	1.76	1.76
SUD Office/Outpatient	0.29	1.001	1.000	1.124	0.990	0.32	0.32
Other SUD Inpatient	0.63	1.001	1.000	1.061	1.000	0.67	0.67
<b>Applied Behavior Analysis</b>	<b>-</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>-</b>	<b>-</b>
<b>Subtotal</b>	<b>\$ 12.51</b>					<b>\$ 15.59</b>	<b>\$ 15.59</b>
<b>Sub-Capitation Payments</b>							
Outpatient Surgery	\$ 0.14	1.000	1.000	0.990	0.960	\$ 0.13	\$ 0.13
Office/Home Visits	1.15	0.957	1.000	1.051	1.092	1.26	1.26
Radiology/Pathology/Lab	1.16	1.000	1.000	1.051	1.092	1.33	1.33
Physician Maternity Non-Delivery	0.69	1.000	1.000	1.000	1.000	0.69	0.69
Capitation - Global	13.06	0.895	1.000	1.051	1.092	13.41	13.41
<b>Capitation - Non Specific</b>	<b>0.03</b>	<b>1.000</b>	<b>1.000</b>	<b>1.051</b>	<b>1.092</b>	<b>0.03</b>	<b>0.03</b>
<b>Subtotal</b>	<b>\$ 16.23</b>					<b>\$ 16.86</b>	<b>\$ 16.86</b>
<b>Aggregate Medical Cost</b>							
Encounter subtotal	\$ 331.05					\$ 361.48	\$ 361.48
Encounters & sub-capitation	\$ 347.28					\$ 378.34	\$ 378.34
<b>Direct enrollment claims</b>	<b>\$425.86</b>	<b>1.014</b>	<b>1.000</b>	<b>1.061</b>	<b>1.042</b>	<b>\$ 477.39</b>	<b>\$ 477.39</b>
<b>MCO &amp; FFS claims composite</b>	<b>\$331.41</b>					<b>\$ 361.92</b>	<b>\$ 361.92</b>
<b>MCO &amp; FFS total composite</b>	<b>\$347.58</b>					<b>\$ 378.72</b>	<b>\$ 378.72</b>
Provider Incentive Payments	\$ 1.08					\$ 1.08	\$ 1.08
Reinsurance	(\$9.55)	1.000	1.000	1.122	1.061	\$(11.37)	\$(11.37)
<b>Total Medical Cost</b>	<b>\$339.11</b>					<b>\$ 368.44</b>	<b>\$ 368.44</b>

Notes:  
(1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
(2) Completed data includes adjustment for Incurred but not Paid (IBNP).

Appendix B-1-10  
 State of Nevada  
 Division of Health Care Financing and Policy  
 CY 2019 Capitation Rate Development  
 MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMs	27,518
Aid Category: TANF/CHAP	2017 Direct Enrollment MMs	317
Rate Cell: Baby < 1		
Region: North	CY 2019 Estimated Member Months	29,677

Benefit	Pre-Adj CY 2017 Paid PMPM (2)	CY 2017 Adjustment Factors				Post-Adj CY 2017 Paid PMPM (2)	CY 2019 Paid PMPM
		Unit Cost	IMD Adj. Cost	Trend Util.	Trend Cost		
		Adj. (1) Cost					
<b>Hospital Inpatient</b>							
Medical/Surgical	\$ 94.80	1.000	1.000	1.010	1.071	\$ 102.61	\$ 102.61
Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Well Newborn	18.64	1.000	1.000	1.010	1.071	20.18	20.18
Other Newborn	157.48	1.000	1.000	1.010	1.071	170.45	170.45
Nursing Facility - short term	-	1.000	1.000	1.000	1.000	-	-
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 270.92</b>					<b>\$ 293.24</b>	<b>\$ 293.24</b>
<b>Hospital Outpatient</b>							
Emergency Department	\$ 7.92	1.003	1.000	1.040	1.000	\$ 8.27	\$ 8.27
Outpatient Surgery	1.37	1.046	1.000	0.980	0.960	1.35	1.35
Observation	1.21	0.996	1.000	1.040	1.000	1.25	1.25
Radiology/Pathology/Lab	2.08	0.922	1.000	0.980	0.960	1.80	1.80
Pharmacy and Blood	0.64	1.072	1.000	0.980	0.960	0.65	0.65
<b>Other Outpatient</b>	<b>3.78</b>	<b>0.988</b>	<b>1.000</b>	<b>0.980</b>	<b>0.960</b>	<b>3.51</b>	<b>3.51</b>
<b>Subtotal</b>	<b>\$ 17.00</b>					<b>\$ 16.84</b>	<b>\$ 16.84</b>
<b>Prescription Drugs</b>							
Brand	\$ 0.78	0.944	1.000	1.048	0.969	\$ 0.75	\$ 0.75
Generic	2.94	0.944	1.000	1.017	1.013	2.86	2.86
Specialty	3.10	0.952	1.000	1.145	1.125	3.80	3.80
Hepatitis C Drugs	-	1.000	1.000	1.000	0.939	-	-
Other Pharmacy	0.09	0.945	1.000	1.017	1.013	0.09	0.09
<b>Subtotal</b>	<b>\$ 6.91</b>					<b>\$ 7.49</b>	<b>\$ 7.49</b>
<b>Physician</b>							
Surgery	\$ 7.31	1.088	1.000	1.030	1.103	\$ 9.04	\$ 9.04
Anesthesia	1.39	1.000	1.000	1.030	1.103	1.58	1.58
Hospital Inpatient Visits	48.71	1.000	1.000	1.030	1.103	55.35	55.35
ED/Urgent Care Visits	9.97	1.000	1.000	1.030	1.103	11.33	11.33
Office/Home Visits	15.69	1.001	1.000	1.030	1.103	17.84	17.84
Well Baby/Physical Exams	37.51	1.000	1.000	1.030	1.103	42.62	42.62
Allergy/Immunizations	9.26	1.000	1.000	1.030	1.103	10.52	10.52
Office Administered Drugs	0.03	1.000	1.000	1.030	1.103	0.03	0.03
Office Administered Drugs - Specialty	1.11	1.000	1.000	1.030	1.103	1.26	1.26
Radiology/Pathology/Lab	2.34	0.999	1.000	1.030	1.103	2.66	2.66
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Other Professional	7.17	1.068	1.000	1.030	1.103	8.69	8.69
<b>Subtotal</b>	<b>\$ 140.49</b>					<b>\$ 160.91</b>	<b>\$ 160.91</b>
<b>Ancillary</b>							
Ambulance	\$ 2.30	1.000	1.000	1.040	1.000	\$ 2.39	\$ 2.39
DME/Prosthetics/Orthotics	2.49	1.014	1.000	1.040	1.000	2.63	2.63
PT/OT/ST	1.24	1.000	1.000	1.040	1.000	1.29	1.29
Chiropractic Services	0.03	1.266	1.000	1.040	1.000	0.04	0.04
PDN/Home Health/Hospice	0.01	1.000	1.000	1.040	1.000	0.01	0.01
Vision	0.08	1.018	1.000	1.040	1.000	0.08	0.08
Hearing and Speech Exams	0.18	0.992	1.000	1.040	1.000	0.19	0.19
<b>Other Ancillary</b>	<b>0.01</b>	<b>1.000</b>	<b>1.000</b>	<b>1.040</b>	<b>1.000</b>	<b>0.01</b>	<b>0.01</b>
<b>Subtotal</b>	<b>\$ 6.34</b>					<b>\$ 6.64</b>	<b>\$ 6.64</b>
<b>Behavioral Health</b>							
MH Residential	\$ 0.00	1.000	1.000	1.000	1.000	\$ 0.00	\$ 0.00
MH Office/Outpatient	0.03	1.000	1.000	1.210	0.990	0.04	0.04
MH/SUD Community Services	-	1.000	1.000	1.000	1.000	-	-
Medication Management/MAT	-	1.000	1.000	1.000	1.000	-	-
Other MH Inpatient	-	1.000	1.000	1.000	1.000	-	-
SUD Residential	-	1.000	1.000	1.000	1.000	-	-
SUD Office/Outpatient	-	1.000	1.000	1.000	1.000	-	-
Other SUD Inpatient	-	1.000	1.000	1.000	1.000	-	-
<b>Applied Behavior Analysis</b>	<b>-</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>-</b>	<b>-</b>
<b>Subtotal</b>	<b>\$ 0.03</b>					<b>\$ 0.04</b>	<b>\$ 0.04</b>
<b>Sub-Capitation Payments</b>							
Outpatient Surgery	\$ 0.00	1.000	1.000	0.980	0.960	\$ 0.00	\$ 0.00
Office/Home Visits	1.35	0.959	1.000	1.030	1.103	1.47	1.47
Radiology/Pathology/Lab	-	1.000	1.000	1.030	1.103	-	-
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Capitation - Global	0.04	0.895	1.000	1.030	1.103	0.04	0.04
Capitation - Non Specific	-	1.000	1.000	1.030	1.103	-	-
<b>Subtotal</b>	<b>\$ 1.39</b>					<b>\$ 1.51</b>	<b>\$ 1.51</b>
<b>Aggregate Medical Cost</b>							
Encounter subtotal	\$ 441.69					\$ 485.16	\$ 485.16
Encounters & sub-capitation	\$ 443.08					\$ 486.67	\$ 486.67
<b>Direct enrollment claims</b>	<b>\$1,904.87</b>	<b>1.002</b>	<b>1.000</b>	<b>1.015</b>	<b>1.077</b>	<b>\$ 2,086.56</b>	<b>\$ 2,086.56</b>
<b>MCO &amp; FFS claims composite</b>	<b>\$458.36</b>					<b>\$ 503.40</b>	<b>\$ 503.40</b>
<b>MCO &amp; FFS total composite</b>	<b>\$459.73</b>					<b>\$ 504.89</b>	<b>\$ 504.89</b>
Provider Incentive Payments	\$ 1.15					\$ 1.15	\$ 1.15
Reinsurance	(\$38.04)	1.000	1.000	1.015	1.107	\$(42.74)	\$(42.74)
<b>Total Medical Cost</b>	<b>\$422.84</b>					<b>\$ 463.31</b>	<b>\$ 463.31</b>

Notes:  
 (1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
 (2) Completed data includes adjustment for Incurred but not Paid (IBNP).



Appendix B-1-11  
 State of Nevada  
 Division of Health Care Financing and Policy  
 CY 2019 Capitation Rate Development  
 MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMs	46,858
Aid Category: TANF/CHAP	2017 Direct Enrollment MMs	128
Rate Cell: Child - 01 - 02		
Region: North	CY 2019 Estimated Member Months	44,816

Benefit	CY 2017 Adjustment Factors						CY 2019 Paid PMPM
	Pre-Adj CY 2017 Paid PMPM (2)	Unit Cost Adj. (1)	IMD Adj. Cost	Trend Util.	Trend Cost	Post-Adj CY 2017 Paid PMPM (2)	
		Cost	Cost		Cost		
<b>Hospital Inpatient</b>							
Medical/Surgical	\$ 31.56	1.001	1.000	1.010	1.071	\$ 34.17	\$ 34.17
Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Well Newborn	-	1.000	1.000	1.000	1.000	-	-
Other Newborn	-	1.000	1.000	1.000	1.000	-	-
Nursing Facility - short term	-	1.000	1.000	1.000	1.000	-	-
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 31.56</b>					<b>\$ 34.17</b>	<b>\$ 34.17</b>
<b>Hospital Outpatient</b>							
Emergency Department	\$ 6.95	1.012	1.000	1.040	1.000	\$ 7.32	\$ 7.32
Outpatient Surgery	3.27	0.967	1.000	0.980	0.960	2.98	2.98
Observation	0.47	0.990	1.000	1.040	1.000	0.48	0.48
Radiology/Pathology/Lab	0.56	0.854	1.000	0.980	0.960	0.45	0.45
Pharmacy and Blood	0.17	1.087	1.000	0.980	0.960	0.17	0.17
Other Outpatient	1.28	0.989	1.000	0.980	0.960	1.19	1.19
<b>Subtotal</b>	<b>\$ 12.70</b>					<b>\$ 12.59</b>	<b>\$ 12.59</b>
<b>Prescription Drugs</b>							
Brand	\$ 0.77	0.944	1.000	1.048	0.969	\$ 0.74	\$ 0.74
Generic	3.95	0.942	1.000	1.017	1.013	3.83	3.83
Specialty	0.93	0.957	1.000	1.145	1.125	1.15	1.15
Hepatitis C Drugs	-	1.000	1.000	1.000	0.939	-	-
Other Pharmacy	0.09	0.943	1.000	1.017	1.013	0.09	0.09
<b>Subtotal</b>	<b>\$ 5.74</b>					<b>\$ 5.80</b>	<b>\$ 5.80</b>
<b>Physician</b>							
Surgery	\$ 2.14	1.079	1.000	1.030	1.103	\$ 2.62	\$ 2.62
Anesthesia	1.07	1.001	1.000	1.030	1.103	1.22	1.22
Hospital Inpatient Visits	2.60	1.001	1.000	1.030	1.103	2.96	2.96
ED/Urgent Care Visits	7.81	1.001	1.000	1.030	1.103	8.88	8.88
Office/Home Visits	10.33	1.001	1.000	1.030	1.103	11.75	11.75
Well Baby/Physical Exams	11.24	1.001	1.000	1.030	1.103	12.78	12.78
Allergy/Immunizations	3.92	1.001	1.000	1.030	1.103	4.46	4.46
Office Administered Drugs	0.08	1.001	1.000	1.030	1.103	0.09	0.09
Office Administered Drugs - Specialty	0.59	1.001	1.000	1.030	1.103	0.67	0.67
Radiology/Pathology/Lab	0.99	1.004	1.000	1.030	1.103	1.13	1.13
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Other Professional	2.22	1.030	1.000	1.030	1.103	2.60	2.60
<b>Subtotal</b>	<b>\$ 42.99</b>					<b>\$ 49.14</b>	<b>\$ 49.14</b>
<b>Ancillary</b>							
Ambulance	\$ 0.78	1.001	1.000	1.040	1.000	\$ 0.81	\$ 0.81
DME/Prosthetics/Orthotics	1.23	1.027	1.000	1.040	1.000	1.31	1.31
PT/OT/ST	3.55	1.001	1.000	1.040	1.000	3.70	3.70
Chiropractic Services	-	1.161	1.000	1.040	1.000	-	-
PDN/Home Health/Hospice	0.60	1.001	1.000	1.040	1.000	0.62	0.62
Vision	0.23	1.033	1.000	1.040	1.000	0.25	0.25
Hearing and Speech Exams	0.93	1.011	1.000	1.040	1.000	0.98	0.98
Other Ancillary	0.01	1.001	1.000	1.040	1.000	0.01	0.01
<b>Subtotal</b>	<b>\$ 7.33</b>					<b>\$ 7.68</b>	<b>\$ 7.68</b>
<b>Behavioral Health</b>							
MH Residential	\$ 0.00	1.000	1.000	1.000	1.000	\$ 0.00	\$ 0.00
MH Office/Outpatient	0.07	1.001	1.000	1.210	0.990	0.08	0.08
MH/SUD Community Services	-	1.000	1.000	1.000	1.000	-	-
Medication Management/MAT	-	1.000	1.000	1.000	1.000	-	-
Other MH Inpatient	-	1.000	1.000	1.000	1.000	-	-
SUD Residential	-	1.000	1.000	1.000	1.000	-	-
SUD Office/Outpatient	-	1.000	1.000	1.000	1.000	-	-
Other SUD Inpatient	-	1.000	1.000	1.000	1.000	-	-
Applied Behavior Analysis	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 0.07</b>					<b>\$ 0.08</b>	<b>\$ 0.08</b>
<b>Sub-Capitation Payments</b>							
Outpatient Surgery	\$ 0.00	1.000	1.000	0.980	0.960	\$ 0.00	\$ 0.00
Office/Home Visits	1.37	0.961	1.000	1.030	1.103	1.50	1.50
Radiology/Pathology/Lab	-	1.000	1.000	1.000	1.000	-	-
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Capitation - Global	0.01	0.895	1.000	1.030	1.103	0.01	0.01
Capitation - Non Specific	-	1.000	1.000	1.030	1.103	-	-
<b>Subtotal</b>	<b>\$ 1.38</b>					<b>\$ 1.51</b>	<b>\$ 1.51</b>
<b>Aggregate Medical Cost</b>							
Encounter subtotal	\$ 100.39					\$ 109.48	\$ 109.48
Encounters & sub-capitation	\$ 101.77					\$ 110.99	\$ 110.99
<b>Direct enrollment claims</b>	<b>\$86.79</b>	<b>1.004</b>	<b>1.000</b>	<b>1.028</b>	<b>1.068</b>	<b>\$ 95.67</b>	<b>\$ 95.67</b>
<b>MCO &amp; FFS claims composite</b>	<b>\$100.35</b>					<b>\$ 109.44</b>	<b>\$ 109.44</b>
<b>MCO &amp; FFS total composite</b>	<b>\$101.73</b>					<b>\$ 110.94</b>	<b>\$ 110.94</b>
Provider Incentive Payments	\$ 1.18					\$ 1.18	\$ 1.18
Reinsurance	(\$12.05)	1.000	1.000	1.015	1.107	(\$13.54)	(\$13.54)
<b>Total Medical Cost</b>	<b>\$90.85</b>					<b>\$ 98.58</b>	<b>\$ 98.58</b>

Notes:  
 (1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
 (2) Completed data includes adjustment for Incurred but not Paid (IBNP).

Appendix B-1-12  
 State of Nevada  
 Division of Health Care Financing and Policy  
 CY 2019 Capitation Rate Development  
 MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMs	219,710
Aid Category: TANF/CHAP	2017 Direct Enrollment MMs	449
Rate Cell: Child - 03 - 14		
Region: North	CY 2019 Estimated Member Months	216,414

Benefit	CY 2017 Adjustment Factors						CY 2019 Paid PMPM
	Pre-Adj CY 2017 Paid PMPM (2)	Unit Cost		Trend		Post-Adj CY 2017 Paid PMPM (2)	
		Adj. (1)	IMD Adj. Cost	Util.	Cost		
<b>Hospital Inpatient</b>							
Medical/Surgical	\$ 5.37	1.001	1.000	1.010	1.071	\$ 5.81	\$ 5.81
Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Well Newborn	-	1.000	1.000	1.000	1.000	-	-
Other Newborn	-	1.000	1.000	1.000	1.000	-	-
Nursing Facility - short term	-	1.000	1.000	1.000	1.000	-	-
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 5.37</b>					<b>\$ 5.81</b>	<b>\$ 5.81</b>
<b>Hospital Outpatient</b>							
Emergency Department	\$ 3.88	1.012	1.000	1.040	1.000	\$ 4.09	\$ 4.09
Outpatient Surgery	2.49	0.969	1.000	0.980	0.960	2.27	2.27
Observation	0.24	1.006	1.000	1.040	1.000	0.25	0.25
Radiology/Pathology/Lab	0.45	0.853	1.000	0.980	0.960	0.36	0.36
Pharmacy and Blood	0.14	1.023	1.000	0.980	0.960	0.13	0.13
Other Outpatient	0.56	0.975	1.000	0.980	0.960	0.51	0.51
<b>Subtotal</b>	<b>\$ 7.76</b>					<b>\$ 7.62</b>	<b>\$ 7.62</b>
<b>Prescription Drugs</b>							
Brand	\$ 4.48	0.938	1.000	1.048	0.969	\$ 4.27	\$ 4.27
Generic	3.80	0.942	1.000	1.017	1.013	3.69	3.69
Specialty	0.34	0.954	1.000	1.145	1.125	0.42	0.42
Hepatitis C Drugs	-	1.000	1.000	1.000	0.939	-	-
Other Pharmacy	0.53	0.936	1.000	1.017	1.013	0.51	0.51
<b>Subtotal</b>	<b>\$ 9.15</b>					<b>\$ 8.88</b>	<b>\$ 8.88</b>
<b>Physician</b>							
Surgery	\$ 1.84	1.084	1.000	1.030	1.103	\$ 2.27	\$ 2.27
Anesthesia	0.79	1.001	1.000	1.030	1.103	0.90	0.90
Hospital Inpatient Visits	0.72	1.001	1.000	1.030	1.103	0.82	0.82
ED/Urgent Care Visits	3.87	1.001	1.000	1.030	1.103	4.40	4.40
Office/Home Visits	7.39	1.002	1.000	1.030	1.103	8.41	8.41
Well Baby/Physical Exams	3.90	1.001	1.000	1.030	1.103	4.43	4.43
Allergy/Immunizations	1.47	1.001	1.000	1.030	1.103	1.67	1.67
Office Administered Drugs	0.04	1.001	1.000	1.030	1.103	0.05	0.05
Office Administered Drugs - Specialty	0.40	1.001	1.000	1.030	1.103	0.45	0.45
Radiology/Pathology/Lab	1.21	0.992	1.000	1.030	1.103	1.36	1.36
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Other Professional	1.48	1.029	1.000	1.030	1.103	1.73	1.73
<b>Subtotal</b>	<b>\$ 23.11</b>					<b>\$ 26.49</b>	<b>\$ 26.49</b>
<b>Ancillary</b>							
Ambulance	\$ 0.51	1.001	1.000	1.040	1.000	\$ 0.53	\$ 0.53
DME/Prosthetics/Orthotics	0.76	1.021	1.000	1.040	1.000	0.81	0.81
PT/OT/ST	3.43	1.004	1.000	1.040	1.000	3.58	3.58
Chiropractic Services	0.02	1.222	1.000	1.040	1.000	0.03	0.03
PDN/Home Health/Hospice	0.07	1.037	1.000	1.040	1.000	0.08	0.08
Vision	1.62	1.066	1.000	1.040	1.000	1.80	1.80
Hearing and Speech Exams	0.17	0.990	1.000	1.040	1.000	0.18	0.18
Other Ancillary	0.06	1.001	1.000	1.040	1.000	0.06	0.06
<b>Subtotal</b>	<b>\$ 6.64</b>					<b>\$ 7.06</b>	<b>\$ 7.06</b>
<b>Behavioral Health</b>							
MH Residential	\$ 1.23	1.001	1.000	1.103	1.040	\$ 1.41	\$ 1.41
MH Office/Outpatient	3.65	0.999	1.000	1.210	0.990	4.37	4.37
MH/SUD Community Services	1.05	1.001	1.000	1.103	1.092	1.27	1.27
Medication Management/MAT	0.08	1.001	1.000	1.103	1.092	0.10	0.10
Other MH Inpatient	0.03	1.001	1.000	1.103	1.040	0.03	0.03
SUD Residential	-	1.000	1.000	1.000	1.000	-	-
SUD Office/Outpatient	0.01	1.001	1.000	1.210	0.990	0.01	0.01
Other SUD Inpatient	-	1.000	1.000	1.000	1.000	-	-
Applied Behavior Analysis	0.01	1.001	1.000	1.500	1.090	0.02	0.02
<b>Subtotal</b>	<b>\$ 6.06</b>					<b>\$ 7.21</b>	<b>\$ 7.21</b>
<b>Sub-Capitation Payments</b>							
Outpatient Surgery	\$ 0.00	1.000	1.000	0.980	0.960	\$ 0.00	\$ 0.00
Office/Home Visits	1.27	0.965	1.000	1.030	1.103	1.39	1.39
Radiology/Pathology/Lab	-	1.000	1.000	1.000	1.000	-	-
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Capitation - Global	-	0.895	1.000	1.030	1.103	-	-
Capitation - Non Specific	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 1.27</b>					<b>\$ 1.39</b>	<b>\$ 1.39</b>
<b>Aggregate Medical Cost</b>							
Encounter subtotal	\$ 58.09					\$ 63.07	\$ 63.07
Encounters & sub-capitation	\$ 59.36					\$ 64.46	\$ 64.46
<b>Direct enrollment claims</b>	\$ 75.65	1.021	1.000	1.049	1.038	\$ 84.13	\$ 84.13
<b>MCO &amp; FFS claims composite</b>	\$ 58.13					\$ 63.11	\$ 63.11
<b>MCO &amp; FFS total composite</b>	\$ 59.39					\$ 64.50	\$ 64.50
Provider Incentive Payments	\$ 1.07					\$ 1.07	\$ 1.07
Reinsurance	(\$ 0.13)	1.000	1.000	1.015	1.107	\$ (0.14)	\$ (0.14)
<b>Total Medical Cost</b>	<b>\$ 60.33</b>					<b>\$ 65.43</b>	<b>\$ 65.43</b>

Notes:  
 (1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
 (2) Completed data includes adjustment for Incurred but not Paid (IBNP).

Appendix B-1-13  
 State of Nevada  
 Division of Health Care Financing and Policy  
 CY 2019 Capitation Rate Development  
 MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMs	23,956
Aid Category: TANF/CHAP	2017 Direct Enrollment MMs	59
Rate Cell: Female - 15 - 18		
Region: North	CY 2019 Estimated Member Months	24,455

Benefit	CY 2017 Adjustment Factors						CY 2019 Paid PMPM
	Pre-Adj CY 2017 Paid PMPM (2)	Unit Cost				Post-Adj CY 2017 Paid PMPM (2)	
		Adj. (1)	IMD Adj. Cost	Trend Util.	Trend Cost		
<b>Hospital Inpatient</b>							
Medical/Surgical	\$ 7.41	1.001	1.000	1.010	1.071	\$ 8.02	\$ 8.02
Maternity Non-Delivery	1.93	1.001	1.000	1.010	1.071	2.09	2.09
Well Newborn	-	1.000	1.000	1.000	1.000	-	-
Other Newborn	-	1.000	1.000	1.000	1.000	-	-
Nursing Facility - short term	-	1.000	1.000	1.000	1.000	-	-
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 9.34</b>					<b>\$ 10.11</b>	<b>\$ 10.11</b>
<b>Hospital Outpatient</b>							
Emergency Department	\$ 8.43	1.004	1.000	1.040	1.000	\$ 8.80	\$ 8.80
Outpatient Surgery	3.27	1.012	1.000	0.980	0.960	3.12	3.12
Observation	0.80	0.999	1.000	1.040	1.000	0.83	0.83
Radiology/Pathology/Lab	1.23	0.883	1.000	0.980	0.960	1.02	1.02
Pharmacy and Blood	0.06	0.996	1.000	0.980	0.960	0.06	0.06
Other Outpatient	1.08	0.992	1.000	0.980	0.960	1.01	1.01
<b>Subtotal</b>	<b>\$ 14.87</b>					<b>\$ 14.84</b>	<b>\$ 14.84</b>
<b>Prescription Drugs</b>							
Brand	\$ 7.22	0.945	1.000	1.048	0.969	\$ 6.93	\$ 6.93
Generic	7.03	0.943	1.000	1.017	1.013	6.83	6.83
Specialty	2.55	0.962	1.000	1.145	1.125	3.16	3.16
Hepatitis C Drugs	-	1.000	1.000	1.000	0.939	-	-
Other Pharmacy	0.59	0.942	1.000	1.017	1.013	0.57	0.57
<b>Subtotal</b>	<b>\$ 17.39</b>					<b>\$ 17.49</b>	<b>\$ 17.49</b>
<b>Physician</b>							
Surgery	\$ 3.50	1.079	1.000	1.030	1.103	\$ 4.29	\$ 4.29
Anesthesia	0.82	1.001	1.000	1.030	1.103	0.93	0.93
Hospital Inpatient Visits	1.97	1.001	1.000	1.030	1.103	2.24	2.24
ED/Urgent Care Visits	6.46	1.001	1.000	1.030	1.103	7.34	7.34
Office/Home Visits	11.04	1.002	1.000	1.030	1.103	12.56	12.56
Well Baby/Physical Exams	2.32	1.001	1.000	1.030	1.103	2.64	2.64
Allergy/Immunizations	1.29	1.003	1.000	1.030	1.103	1.47	1.47
Office Administered Drugs	0.15	1.001	1.000	1.030	1.103	0.17	0.17
Office Administered Drugs - Specialty	2.60	1.001	1.000	1.030	1.103	2.95	2.95
Radiology/Pathology/Lab	4.84	0.988	1.000	1.030	1.103	5.43	5.43
Physician Maternity Non-Delivery	0.14	1.002	1.000	1.000	1.000	0.14	0.14
Other Professional	2.77	1.032	1.000	1.030	1.103	3.25	3.25
<b>Subtotal</b>	<b>\$ 37.90</b>					<b>\$ 43.41</b>	<b>\$ 43.41</b>
<b>Ancillary</b>							
Ambulance	\$ 1.49	1.001	1.000	1.040	1.000	\$ 1.55	\$ 1.55
DME/Prosthetics/Orthotics	1.19	1.001	1.000	1.040	1.000	1.24	1.24
PT/OT/ST	4.33	1.018	1.000	1.040	1.000	4.58	4.58
Chiropractic Services	0.08	1.064	1.000	1.040	1.000	0.09	0.09
PDN/Home Health/Hospice	-	1.000	1.000	1.000	1.000	-	-
Vision	2.74	1.069	1.000	1.040	1.000	3.05	3.05
Hearing and Speech Exams	0.03	0.974	1.000	1.040	1.000	0.03	0.03
Other Ancillary	0.04	1.001	1.000	1.040	1.000	0.04	0.04
<b>Subtotal</b>	<b>\$ 9.90</b>					<b>\$ 10.58</b>	<b>\$ 10.58</b>
<b>Behavioral Health</b>							
MH Residential	\$ 6.50	1.001	1.000	1.103	1.040	\$ 7.46	\$ 7.46
MH Office/Outpatient	9.59	0.999	1.000	1.210	0.990	11.48	11.48
MH/SUD Community Services	1.52	1.001	1.000	1.103	1.092	1.83	1.83
Medication Management/MAT	0.12	1.001	1.000	1.103	1.092	0.14	0.14
Other MH Inpatient	4.51	1.001	1.000	1.103	1.040	5.18	5.18
SUD Residential	-	1.000	1.000	1.000	1.000	-	-
SUD Office/Outpatient	0.13	1.001	1.000	1.210	0.990	0.16	0.16
Other SUD Inpatient	-	1.000	1.000	1.000	1.000	-	-
Applied Behavior Analysis	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 22.37</b>					<b>\$ 26.24</b>	<b>\$ 26.24</b>
<b>Sub-Capitation Payments</b>							
Outpatient Surgery	\$ 0.00	1.000	1.000	1.000	1.000	\$ 0.00	\$ 0.00
Office/Home Visits	1.23	0.965	1.000	1.030	1.103	1.35	1.35
Radiology/Pathology/Lab	-	1.000	1.000	1.000	1.000	-	-
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Capitation - Global	-	1.000	1.000	1.000	1.000	-	-
Capitation - Non Specific	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 1.23</b>					<b>\$ 1.35</b>	<b>\$ 1.35</b>
<b>Aggregate Medical Cost</b>							
Encounter subtotal	\$ 111.77					\$ 122.68	\$ 122.68
Encounters & sub-capitation	\$ 113.00					\$ 124.03	\$ 124.03
<b>Direct enrollment claims</b>	<b>\$388.06</b>	<b>0.998</b>	<b>1.000</b>	<b>1.103</b>	<b>1.079</b>	<b>\$ 460.94</b>	<b>\$ 460.94</b>
<b>MCO &amp; FFS claims composite</b>	<b>\$112.45</b>					<b>\$ 123.51</b>	<b>\$ 123.51</b>
<b>MCO &amp; FFS total composite</b>	<b>\$113.67</b>					<b>\$ 124.85</b>	<b>\$ 124.85</b>
Provider Incentive Payments	\$ 1.06					\$ 1.06	\$ 1.06
Reinsurance	(\$0.30)	1.000	1.000	1.015	1.107	(\$ 0.33)	(\$ 0.33)
<b>Total Medical Cost</b>	<b>\$114.44</b>					<b>\$ 125.58</b>	<b>\$ 125.58</b>

Notes:  
 (1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
 (2) Completed data includes adjustment for Incurred but not Paid (IBNP).

Appendix B-1-14  
 State of Nevada  
 Division of Health Care Financing and Policy  
 CY 2019 Capitation Rate Development  
 MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMs	23,748
Aid Category: TANF/CHAP	2017 Direct Enrollment MMs	54
Rate Cell: Male - 15 - 18		
Region: North	CY 2019 Estimated Member Months	23,723

Benefit	Pre-Adj CY 2017 Paid PMPM (2)	CY 2017 Adjustment Factors				Post-Adj CY 2017 Paid PMPM (2)	CY 2019 Paid PMPM
		Unit Cost	IMD Adj. Cost	Trend Util.	Trend Cost		
		Adj. (1) Cost					
<b>Hospital Inpatient</b>							
Medical/Surgical	\$ 4.48	1.001	1.000	1.010	1.071	\$ 4.85	\$ 4.85
Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Well Newborn	-	1.000	1.000	1.000	1.000	-	-
Other Newborn	-	1.000	1.000	1.000	1.000	-	-
Nursing Facility - short term	-	1.000	1.000	1.000	1.000	-	-
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 4.48</b>					<b>\$ 4.85</b>	<b>\$ 4.85</b>
<b>Hospital Outpatient</b>							
Emergency Department	\$ 5.13	1.003	1.000	1.040	1.000	\$ 5.35	\$ 5.35
Outpatient Surgery	1.89	0.997	1.000	0.980	0.960	1.77	1.77
Observation	0.32	0.995	1.000	1.040	1.000	0.33	0.33
Radiology/Pathology/Lab	0.89	0.802	1.000	0.980	0.960	0.67	0.67
Pharmacy and Blood	0.06	1.001	1.000	0.980	0.960	0.06	0.06
Other Outpatient	0.67	0.981	1.000	0.980	0.960	0.62	0.62
<b>Subtotal</b>	<b>\$ 8.96</b>					<b>\$ 8.80</b>	<b>\$ 8.80</b>
<b>Prescription Drugs</b>							
Brand	\$ 6.00	0.941	1.000	1.048	0.969	\$ 5.74	\$ 5.74
Generic	3.88	0.942	1.000	1.017	1.013	3.77	3.77
Specialty	0.20	0.964	1.000	1.145	1.125	0.25	0.25
Hepatitis C Drugs	-	1.000	1.000	1.000	0.939	-	-
Other Pharmacy	0.46	0.936	1.000	1.017	1.013	0.44	0.44
<b>Subtotal</b>	<b>\$ 10.54</b>					<b>\$ 10.19</b>	<b>\$ 10.19</b>
<b>Physician</b>							
Surgery	\$ 3.61	1.085	1.000	1.030	1.103	\$ 4.45	\$ 4.45
Anesthesia	0.58	1.001	1.000	1.030	1.103	0.66	0.66
Hospital Inpatient Visits	0.85	1.001	1.000	1.030	1.103	0.97	0.97
ED/Urgent Care Visits	3.65	1.001	1.000	1.030	1.103	4.15	4.15
Office/Home Visits	6.46	1.002	1.000	1.030	1.103	7.35	7.35
Well Baby/Physical Exams	2.01	1.001	1.000	1.030	1.103	2.28	2.28
Allergy/Immunizations	1.07	1.001	1.000	1.030	1.103	1.22	1.22
Office Administered Drugs	0.83	1.001	1.000	1.030	1.103	0.94	0.94
Office Administered Drugs - Specialty	0.66	1.001	1.000	1.030	1.103	0.75	0.75
Radiology/Pathology/Lab	2.08	1.003	1.000	1.030	1.103	2.37	2.37
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Other Professional	1.20	1.040	1.000	1.030	1.103	1.42	1.42
<b>Subtotal</b>	<b>\$ 23.00</b>					<b>\$ 26.56</b>	<b>\$ 26.56</b>
<b>Ancillary</b>							
Ambulance	\$ 0.87	1.001	1.000	1.040	1.000	\$ 0.91	\$ 0.91
DME/Prosthetics/Orthotics	1.38	1.018	1.000	1.040	1.000	1.46	1.46
PT/OT/ST	3.71	1.015	1.000	1.040	1.000	3.92	3.92
Chiropractic Services	0.03	1.084	1.000	1.040	1.000	0.03	0.03
PDN/Home Health/Hospice	-	1.000	1.000	1.000	1.000	-	-
Vision	2.00	1.076	1.000	1.040	1.000	2.24	2.24
Hearing and Speech Exams	0.02	0.989	1.000	1.040	1.000	0.02	0.02
Other Ancillary	0.08	1.001	1.000	1.040	1.000	0.08	0.08
<b>Subtotal</b>	<b>\$ 8.09</b>					<b>\$ 8.66</b>	<b>\$ 8.66</b>
<b>Behavioral Health</b>							
MH Residential	\$ 3.62	1.001	1.000	1.103	1.040	\$ 4.16	\$ 4.16
MH Office/Outpatient	5.48	0.997	1.000	1.210	0.990	6.54	6.54
MH/SUD Community Services	1.16	1.001	1.000	1.103	1.092	1.40	1.40
Medication Management/MAT	0.04	1.001	1.000	1.103	1.092	0.05	0.05
Other MH Inpatient	-	1.000	1.000	1.000	1.000	-	-
SUD Residential	-	1.000	1.000	1.000	1.000	-	-
SUD Office/Outpatient	0.11	1.001	1.000	1.210	0.990	0.13	0.13
Other SUD Inpatient	0.06	1.001	1.000	1.103	1.040	0.07	0.07
Applied Behavior Analysis	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 10.47</b>					<b>\$ 12.35</b>	<b>\$ 12.35</b>
<b>Sub-Capitation Payments</b>							
Outpatient Surgery	\$ 0.00	1.000	1.000	1.000	1.000	\$ 0.00	\$ 0.00
Office/Home Visits	1.23	0.967	1.000	1.030	1.103	1.35	1.35
Radiology/Pathology/Lab	-	1.000	1.000	1.000	1.000	-	-
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Capitation - Global	-	1.000	1.000	1.000	1.000	-	-
Capitation - Non Specific	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 1.23</b>					<b>\$ 1.35</b>	<b>\$ 1.35</b>
<b>Aggregate Medical Cost</b>							
Encounter subtotal	\$ 65.54					\$ 71.41	\$ 71.41
Encounters & sub-capitation	\$ 66.77					\$ 72.76	\$ 72.76
<b>Direct enrollment claims</b>	<b>\$ 66.76</b>	<b>1.028</b>	<b>1.000</b>	<b>1.078</b>	<b>1.023</b>	<b>\$ 75.69</b>	<b>\$ 75.69</b>
<b>MCO &amp; FFS claims composite</b>	<b>\$ 65.54</b>					<b>\$ 71.42</b>	<b>\$ 71.42</b>
<b>MCO &amp; FFS total composite</b>	<b>\$ 66.77</b>					<b>\$ 72.77</b>	<b>\$ 72.77</b>
Provider Incentive Payments	\$ 1.03					\$ 1.03	\$ 1.03
Reinsurance	\$ 0.00	1.000	1.000	1.015	1.107	\$ 0.00	\$ 0.00
<b>Total Medical Cost</b>	<b>\$ 67.80</b>					<b>\$ 73.80</b>	<b>\$ 73.80</b>

Notes:  
 (1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
 (2) Completed data includes adjustment for Incurred but not Paid (IBNP).

Appendix B-1-15  
 State of Nevada  
 Division of Health Care Financing and Policy  
 CY 2019 Capitation Rate Development  
 MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMs	41,618
Aid Category: TANF/CHAP	2017 Direct Enrollment MMs	133
Rate Cell: Female - 19 - 34		
Region: North	CY 2019 Estimated Member Months	43,699

Benefit	CY 2017 Adjustment Factors						CY 2019 Paid PMPM
	Pre-Adj CY 2017 Paid PMPM (2)	Unit Cost Adj. (1)	IMD Adj. Cost	Trend Util.	Trend Cost	Post-Adj CY 2017 Paid PMPM (2)	
		Cost	Cost		Cost		
<b>Hospital Inpatient</b>							
Medical/Surgical	\$ 22.18	1.001	1.000	1.082	1.040	\$ 24.98	\$ 24.98
Maternity Non-Delivery	6.59	1.001	1.000	1.082	1.040	7.42	7.42
Well Newborn	-	1.000	1.000	1.000	1.000	-	-
Other Newborn	-	1.000	1.000	1.000	1.000	-	-
Nursing Facility - short term	0.74	1.049	1.000	1.082	1.040	0.87	0.87
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 29.51</b>					<b>\$ 33.28</b>	<b>\$ 33.28</b>
<b>Hospital Outpatient</b>							
Emergency Department	\$ 18.69	1.001	1.000	1.061	1.010	\$ 20.05	\$ 20.05
Outpatient Surgery	4.84	0.962	1.000	0.990	0.960	4.43	4.43
Observation	1.89	0.990	1.000	1.061	1.010	2.00	2.00
Radiology/Pathology/Lab	3.92	0.947	1.000	0.990	0.960	3.53	3.53
Pharmacy and Blood	0.95	0.961	1.000	0.990	0.960	0.87	0.87
<b>Other Outpatient</b>	<b>4.72</b>	<b>0.995</b>	<b>1.000</b>	<b>0.990</b>	<b>0.960</b>	<b>4.47</b>	<b>4.47</b>
<b>Subtotal</b>	<b>\$ 35.01</b>					<b>\$ 35.35</b>	<b>\$ 35.35</b>
<b>Prescription Drugs</b>							
Brand	\$ 10.30	0.939	1.000	1.047	0.992	\$ 10.04	\$ 10.04
Generic	11.80	0.943	1.000	1.005	1.018	11.38	11.38
Specialty	10.32	0.943	1.000	1.105	1.127	12.12	12.12
Hepatitis C Drugs	1.79	0.964	1.000	1.000	0.939	1.62	1.62
<b>Other Pharmacy</b>	<b>1.26</b>	<b>0.939</b>	<b>1.000</b>	<b>1.005</b>	<b>1.018</b>	<b>1.21</b>	<b>1.21</b>
<b>Subtotal</b>	<b>\$ 35.47</b>					<b>\$ 36.37</b>	<b>\$ 36.37</b>
<b>Physician</b>							
Surgery	\$ 6.61	1.007	1.000	1.051	1.092	\$ 7.63	\$ 7.63
Anesthesia	1.57	1.001	1.000	1.051	1.092	1.80	1.80
Hospital Inpatient Visits	5.08	1.001	1.000	1.051	1.092	5.83	5.83
ED/Urgent Care Visits	13.05	1.001	1.000	1.051	1.092	14.99	14.99
Office/Home Visits	16.32	1.001	1.000	1.051	1.092	18.75	18.75
Well Baby/Physical Exams	0.50	1.001	1.000	1.051	1.092	0.57	0.57
Allergy/Immunizations	0.87	1.025	1.000	1.051	1.092	1.02	1.02
Office Administered Drugs	0.93	1.001	1.000	1.051	1.092	1.07	1.07
Office Administered Drugs - Specialty	6.73	1.001	1.000	1.051	1.092	7.73	7.73
Radiology/Pathology/Lab	20.22	0.996	1.000	1.051	1.092	23.11	23.11
Physician Maternity Non-Delivery	1.95	1.001	1.000	1.000	1.000	1.95	1.95
<b>Other Professional</b>	<b>6.06</b>	<b>0.999</b>	<b>1.000</b>	<b>1.051</b>	<b>1.092</b>	<b>6.95</b>	<b>6.95</b>
<b>Subtotal</b>	<b>\$ 79.89</b>					<b>\$ 91.41</b>	<b>\$ 91.41</b>
<b>Ancillary</b>							
Ambulance	\$ 3.81	1.001	1.000	1.124	1.000	\$ 4.28	\$ 4.28
DME/Prosthetics/Orthotics	1.08	1.007	1.000	1.124	1.000	1.22	1.22
PT/OT/ST	2.13	1.021	1.000	1.124	1.000	2.44	2.44
Chiropractic Services	0.02	1.046	1.000	1.124	1.000	0.02	0.02
PDN/Home Health/Hospice	0.05	1.001	1.000	1.124	1.000	0.06	0.06
Vision	1.82	1.072	1.000	1.124	1.000	2.19	2.19
Hearing and Speech Exams	0.03	0.991	1.000	1.124	1.000	0.03	0.03
<b>Other Ancillary</b>	<b>0.26</b>	<b>1.001</b>	<b>1.000</b>	<b>1.124</b>	<b>1.000</b>	<b>0.29</b>	<b>0.29</b>
<b>Subtotal</b>	<b>\$ 9.20</b>					<b>\$ 10.55</b>	<b>\$ 10.55</b>
<b>Behavioral Health</b>							
MH Residential	\$ 2.32	1.001	1.697	1.061	1.000	\$ 4.18	\$ 4.18
MH Office/Outpatient	6.70	1.001	1.000	1.124	0.990	7.46	7.46
MH/SUD Community Services	0.48	1.001	1.000	1.082	1.010	0.52	0.52
Medication Management/MAT	3.56	1.001	1.000	1.082	1.010	3.89	3.89
Other MH Inpatient	-	1.000	1.000	1.000	1.000	-	-
SUD Residential	1.75	1.001	1.607	1.061	1.000	2.99	2.99
SUD Office/Outpatient	2.03	1.001	1.000	1.124	0.990	2.26	2.26
Other SUD Inpatient	0.04	1.001	1.000	1.061	1.000	0.04	0.04
<b>Applied Behavior Analysis</b>	<b>-</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>-</b>	<b>-</b>
<b>Subtotal</b>	<b>\$ 16.88</b>					<b>\$ 21.34</b>	<b>\$ 21.34</b>
<b>Sub-Capitation Payments</b>							
Outpatient Surgery	\$ 0.00	1.000	1.000	1.000	1.000	\$ 0.00	\$ 0.00
Office/Home Visits	1.34	0.963	1.000	1.051	1.092	1.48	1.48
Radiology/Pathology/Lab	-	1.000	1.000	1.000	1.000	-	-
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Capitation - Global	-	1.000	1.000	1.000	1.000	-	-
Capitation - Non Specific	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 1.34</b>					<b>\$ 1.48</b>	<b>\$ 1.48</b>
<b>Aggregate Medical Cost</b>							
Encounter subtotal	\$ 205.96					\$ 228.30	\$ 228.30
Encounters & sub-capitation	\$ 207.30					\$ 229.78	\$ 229.78
<b>Direct enrollment claims</b>	<b>\$225.38</b>	<b>1.011</b>	<b>1.000</b>	<b>1.059</b>	<b>1.039</b>	<b>\$ 250.67</b>	<b>\$ 250.67</b>
<b>MCO &amp; FFS claims composite</b>	<b>\$206.02</b>					<b>\$ 228.37</b>	<b>\$ 228.37</b>
<b>MCO &amp; FFS total composite</b>	<b>\$207.36</b>					<b>\$ 229.84</b>	<b>\$ 229.84</b>
Provider Incentive Payments	\$ 1.15					\$ 1.15	\$ 1.15
Reinsurance	(\$1.96)	1.000	1.000	1.122	1.061	(\$ 2.34)	(\$ 2.34)
<b>Total Medical Cost</b>	<b>\$206.54</b>					<b>\$ 228.66</b>	<b>\$ 228.66</b>

Notes:  
 (1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
 (2) Completed data includes adjustment for Incurred but not Paid (IBNP).

Appendix B-1-16  
 State of Nevada  
 Division of Health Care Financing and Policy  
 CY 2019 Capitation Rate Development  
 MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMs	7,268
Aid Category: TANF/CHAP	2017 Direct Enrollment MMs	31
Rate Cell: Male - 19 - 34		
Region: North	CY 2019 Estimated Member Months	7,292

Benefit	CY 2017 Adjustment Factors						CY 2019 Paid PMPM
	Pre-Adj CY 2017 Paid PMPM (2)	Unit Cost				Post-Adj CY 2017 Paid PMPM (2)	
		Adj. (1)	IMD Adj. Cost	Trend Util.	Trend Cost		
<b>Hospital Inpatient</b>							
Medical/Surgical	\$ 24.76	1.001	1.000	1.082	1.040	\$ 27.89	\$ 27.89
Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Well Newborn	-	1.000	1.000	1.000	1.000	-	-
Other Newborn	-	1.000	1.000	1.000	1.000	-	-
Nursing Facility - short term	-	1.000	1.000	1.000	1.000	-	-
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 24.76</b>					<b>\$ 27.89</b>	<b>\$ 27.89</b>
<b>Hospital Outpatient</b>							
Emergency Department	\$ 12.89	0.995	1.000	1.061	1.010	\$ 13.74	\$ 13.74
Outpatient Surgery	2.05	0.939	1.000	0.990	0.960	1.83	1.83
Observation	0.66	0.999	1.000	1.061	1.010	0.71	0.71
Radiology/Pathology/Lab	1.53	0.905	1.000	0.990	0.960	1.32	1.32
Pharmacy and Blood	0.74	1.001	1.000	0.990	0.960	0.70	0.70
Other Outpatient	0.65	0.984	1.000	0.990	0.960	0.61	0.61
<b>Subtotal</b>	<b>\$ 18.52</b>					<b>\$ 18.90</b>	<b>\$ 18.90</b>
<b>Prescription Drugs</b>							
Brand	\$ 12.69	0.943	1.000	1.047	0.992	\$ 12.43	\$ 12.43
Generic	8.76	0.942	1.000	1.005	1.018	8.45	8.45
Specialty	12.73	0.928	1.000	1.105	1.127	14.70	14.70
Hepatitis C Drugs	-	1.000	1.000	1.000	0.939	-	-
Other Pharmacy	0.61	0.949	1.000	1.005	1.018	0.59	0.59
<b>Subtotal</b>	<b>\$ 34.79</b>					<b>\$ 36.17</b>	<b>\$ 36.17</b>
<b>Physician</b>							
Surgery	\$ 3.63	1.003	1.000	1.051	1.092	\$ 4.18	\$ 4.18
Anesthesia	0.76	1.001	1.000	1.051	1.092	0.87	0.87
Hospital Inpatient Visits	3.34	1.001	1.000	1.051	1.092	3.84	3.84
ED/Urgent Care Visits	8.42	1.001	1.000	1.051	1.092	9.67	9.67
Office/Home Visits	8.77	1.001	1.000	1.051	1.092	10.07	10.07
Well Baby/Physical Exams	0.24	1.001	1.000	1.051	1.092	0.28	0.28
Allergy/Immunizations	0.11	1.001	1.000	1.051	1.092	0.13	0.13
Office Administered Drugs	0.11	1.001	1.000	1.051	1.092	0.13	0.13
Office Administered Drugs - Specialty	0.72	1.001	1.000	1.051	1.092	0.83	0.83
Radiology/Pathology/Lab	4.83	0.985	1.000	1.051	1.092	5.46	5.46
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Other Professional	0.72	1.001	1.000	1.051	1.092	0.83	0.83
<b>Subtotal</b>	<b>\$ 31.65</b>					<b>\$ 36.27</b>	<b>\$ 36.27</b>
<b>Ancillary</b>							
Ambulance	\$ 2.87	1.001	1.000	1.124	1.000	\$ 3.23	\$ 3.23
DME/Prosthetics/Orthotics	1.47	1.001	1.000	1.124	1.000	1.65	1.65
PT/OT/ST	1.34	1.011	1.000	1.124	1.000	1.52	1.52
Chiropractic Services	0.01	1.001	1.000	1.124	1.000	0.01	0.01
PDN/Home Health/Hospice	-	1.000	1.000	1.000	1.000	-	-
Vision	1.09	1.071	1.000	1.124	1.000	1.31	1.31
Hearing and Speech Exams	0.02	0.947	1.000	1.124	1.000	0.02	0.02
Other Ancillary	0.05	1.001	1.000	1.124	1.000	0.06	0.06
<b>Subtotal</b>	<b>\$ 6.85</b>					<b>\$ 7.80</b>	<b>\$ 7.80</b>
<b>Behavioral Health</b>							
MH Residential	\$ 3.21	1.001	1.590	1.061	1.000	\$ 5.42	\$ 5.42
MH Office/Outpatient	6.18	1.001	1.000	1.124	0.990	6.88	6.88
MH/SUD Community Services	0.14	1.001	1.000	1.082	1.010	0.15	0.15
Medication Management/MAT	3.63	1.001	1.000	1.082	1.010	3.97	3.97
Other MH Inpatient	-	1.000	1.000	1.000	1.000	-	-
SUD Residential	2.08	1.001	1.599	1.061	1.000	3.53	3.53
SUD Office/Outpatient	3.75	1.001	1.000	1.124	0.990	4.18	4.18
Other SUD Inpatient	2.51	1.001	1.000	1.061	1.000	2.67	2.67
Applied Behavior Analysis	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 21.50</b>					<b>\$ 26.79</b>	<b>\$ 26.79</b>
<b>Sub-Capitation Payments</b>							
Outpatient Surgery	\$ 0.00	1.000	1.000	0.990	0.960	\$ 0.00	\$ 0.00
Office/Home Visits	1.33	0.963	1.000	1.051	1.092	1.47	1.47
Radiology/Pathology/Lab	-	1.000	1.000	1.051	1.092	-	-
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Capitation - Global	-	0.895	1.000	1.051	1.092	-	-
Capitation - Non Specific	-	1.000	1.000	1.051	1.092	-	-
<b>Subtotal</b>	<b>\$ 1.33</b>					<b>\$ 1.47</b>	<b>\$ 1.47</b>
<b>Aggregate Medical Cost</b>							
Encounter subtotal	\$ 138.07					\$ 153.83	\$ 153.83
Encounters & sub-capitation	\$ 139.40					\$ 155.30	\$ 155.30
<b>Direct enrollment claims</b>	<b>\$ 61.96</b>	<b>1.004</b>	<b>1.000</b>	<b>1.078</b>	<b>1.036</b>	<b>\$ 69.45</b>	<b>\$ 69.45</b>
<b>MCO &amp; FFS claims composite</b>	<b>\$ 137.75</b>					<b>\$ 153.47</b>	<b>\$ 153.47</b>
<b>MCO &amp; FFS total composite</b>	<b>\$ 139.07</b>					<b>\$ 154.94</b>	<b>\$ 154.94</b>
Provider Incentive Payments	\$ 1.14					\$ 1.14	\$ 1.14
Reinsurance	\$ 0.00	1.000	1.000	1.122	1.061	\$ 0.00	\$ 0.00
<b>Total Medical Cost</b>	<b>\$ 140.21</b>					<b>\$ 156.08</b>	<b>\$ 156.08</b>

Notes:  
 (1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
 (2) Completed data includes adjustment for Incurred but not Paid (IBNP).

Appendix B-1-17  
 State of Nevada  
 Division of Health Care Financing and Policy  
 CY 2019 Capitation Rate Development  
 MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMs	18,316
Aid Category: TANF/CHAP	2017 Direct Enrollment MMs	52
Rate Cell: Female - 35 - 64		
Region: North	CY 2019 Estimated Member Months	19,308

Benefit	CY 2017 Adjustment Factors						Post-Adj CY 2017 Paid PMPM (2)	CY 2019 Paid PMPM
	Pre-Adj CY 2017 Paid PMPM (2)	Unit Cost		Trend				
		Adj. (1) Cost	IMD Adj. Cost	Util.	Cost			
<b>Hospital Inpatient</b>								
Medical/Surgical	\$ 36.44	1.001	1.000	1.082	1.040	\$ 41.06	\$ 41.06	
Maternity Non-Delivery	1.18	1.001	1.000	1.082	1.040	1.33	1.33	
Well Newborn	-	1.000	1.000	1.000	1.000	-	-	
Other Newborn	-	1.000	1.000	1.000	1.000	-	-	
Nursing Facility - short term	1.84	1.087	1.000	1.082	1.040	2.25	2.25	
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-	
<b>Subtotal</b>	<b>\$ 39.46</b>					<b>\$ 44.64</b>	<b>\$ 44.64</b>	
<b>Hospital Outpatient</b>								
Emergency Department	\$ 17.60	0.991	1.000	1.061	1.010	\$ 18.68	\$ 18.68	
Outpatient Surgery	10.12	0.932	1.000	0.990	0.960	8.97	8.97	
Observation	4.85	0.988	1.000	1.061	1.010	5.14	5.14	
Radiology/Pathology/Lab	8.17	0.889	1.000	0.990	0.960	6.91	6.91	
Pharmacy and Blood	1.41	0.991	1.000	0.990	0.960	1.33	1.33	
Other Outpatient	5.12	0.985	1.000	0.990	0.960	4.80	4.80	
<b>Subtotal</b>	<b>\$ 47.27</b>					<b>\$ 45.82</b>	<b>\$ 45.82</b>	
<b>Prescription Drugs</b>								
Brand	\$ 36.38	0.940	1.000	1.047	0.992	\$ 35.49	\$ 35.49	
Generic	28.13	0.942	1.000	1.005	1.018	27.10	27.10	
Specialty	20.16	0.945	1.000	1.105	1.127	23.71	23.71	
Hepatitis C Drugs	1.64	0.964	1.000	1.000	0.939	1.49	1.49	
Other Pharmacy	3.44	0.937	1.000	1.005	1.018	3.30	3.30	
<b>Subtotal</b>	<b>\$ 89.75</b>					<b>\$ 91.09</b>	<b>\$ 91.09</b>	
<b>Physician</b>								
Surgery	\$ 15.94	1.001	1.000	1.051	1.092	\$ 18.31	\$ 18.31	
Anesthesia	2.56	1.001	1.000	1.051	1.092	2.94	2.94	
Hospital Inpatient Visits	6.11	1.001	1.000	1.051	1.092	7.02	7.02	
ED/Urgent Care Visits	12.86	1.001	1.000	1.051	1.092	14.78	14.78	
Office/Home Visits	28.88	1.003	1.000	1.051	1.092	33.22	33.22	
Well Baby/Physical Exams	0.65	1.001	1.000	1.051	1.092	0.75	0.75	
Allergy/Immunizations	1.26	1.004	1.000	1.051	1.092	1.45	1.45	
Office Administered Drugs	1.86	1.001	1.000	1.051	1.092	2.14	2.14	
Office Administered Drugs - Specialty	6.73	1.001	1.000	1.051	1.092	7.73	7.73	
Radiology/Pathology/Lab	16.92	0.986	1.000	1.051	1.092	19.14	19.14	
Physician Maternity Non-Delivery	0.86	1.002	1.000	1.000	1.000	0.86	0.86	
Other Professional	7.25	1.000	1.000	1.051	1.092	8.32	8.32	
<b>Subtotal</b>	<b>\$ 101.88</b>					<b>\$ 116.65</b>	<b>\$ 116.65</b>	
<b>Ancillary</b>								
Ambulance	\$ 3.25	1.001	1.000	1.124	1.000	\$ 3.66	\$ 3.66	
DME/Prosthetics/Orthotics	3.38	1.009	1.000	1.124	1.000	3.83	3.83	
PT/OT/ST	10.04	1.018	1.000	1.124	1.000	11.48	11.48	
Chiropractic Services	-	1.000	1.000	1.000	1.000	-	-	
PDN/Home Health/Hospice	0.81	1.001	1.000	1.124	1.000	0.91	0.91	
Vision	2.29	1.060	1.000	1.124	1.000	2.73	2.73	
Hearing and Speech Exams	0.08	0.978	1.000	1.124	1.000	0.09	0.09	
Other Ancillary	0.65	1.001	1.000	1.124	1.000	0.73	0.73	
<b>Subtotal</b>	<b>\$ 20.50</b>					<b>\$ 23.43</b>	<b>\$ 23.43</b>	
<b>Behavioral Health</b>								
MH Residential	\$ 2.81	1.001	1.546	1.061	1.000	\$ 4.62	\$ 4.62	
MH Office/Outpatient	9.77	1.000	1.000	1.124	0.990	10.87	10.87	
MH/SUD Community Services	0.44	1.001	1.000	1.082	1.010	0.48	0.48	
Medication Management/MAT	3.15	1.001	1.000	1.082	1.010	3.45	3.45	
Other MH Inpatient	0.24	1.001	1.000	1.061	1.000	0.25	0.25	
SUD Residential	1.18	1.001	1.597	1.061	1.000	2.00	2.00	
SUD Office/Outpatient	1.32	1.001	1.000	1.124	0.990	1.47	1.47	
Other SUD Inpatient	-	1.000	1.000	1.000	1.000	-	-	
Applied Behavior Analysis	-	1.000	1.000	1.000	1.000	-	-	
<b>Subtotal</b>	<b>\$ 18.91</b>					<b>\$ 23.14</b>	<b>\$ 23.14</b>	
<b>Sub-Capitation Payments</b>								
Outpatient Surgery	\$ 0.00	1.000	1.000	1.000	1.000	\$ 0.00	\$ 0.00	
Office/Home Visits	1.37	0.967	1.000	1.051	1.092	1.52	1.52	
Radiology/Pathology/Lab	-	1.000	1.000	1.000	1.000	-	-	
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-	
Capitation - Global	-	1.000	1.000	1.000	1.000	-	-	
Capitation - Non Specific	-	1.000	1.000	1.000	1.000	-	-	
<b>Subtotal</b>	<b>\$ 1.37</b>					<b>\$ 1.52</b>	<b>\$ 1.52</b>	
<b>Aggregate Medical Cost</b>								
Encounter subtotal	\$ 317.77					\$ 344.78	\$ 344.78	
Encounters & sub-capitation	\$ 319.14					\$ 346.30	\$ 346.30	
<b>Direct enrollment claims</b>	<b>\$266.17</b>	<b>1.036</b>	<b>1.000</b>	<b>1.054</b>	<b>1.034</b>	<b>\$ 300.69</b>	<b>\$ 300.69</b>	
<b>MCO &amp; FFS claims composite</b>	<b>\$317.62</b>					<b>\$ 344.66</b>	<b>\$ 344.66</b>	
<b>MCO &amp; FFS total composite</b>	<b>\$318.99</b>					<b>\$ 346.18</b>	<b>\$ 346.18</b>	
Provider Incentive Payments	\$1.03					\$ 1.03	\$ 1.03	
Reinsurance	(\$0.91)	1.000	1.000	1.122	1.061	\$(1.08)	\$(1.08)	
<b>Total Medical Cost</b>	<b>\$319.11</b>					<b>\$ 346.12</b>	<b>\$ 346.12</b>	

Notes:  
 (1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
 (2) Completed data includes adjustment for Incurred but not Paid (IBNP).

Appendix B-1-18  
 State of Nevada  
 Division of Health Care Financing and Policy  
 CY 2019 Capitation Rate Development  
 MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMs	7,312
Aid Category: TANF/CHAP	2017 Direct Enrollment MMs	20
Rate Cell: Male - 35 - 64		
Region: North	CY 2019 Estimated Member Months	6,909

Benefit	Pre-Adj CY 2017 Paid PMPM (2)	CY 2017 Adjustment Factors				Post-Adj CY 2017 Paid PMPM (2)	CY 2019 Paid PMPM
		Unit Cost	IMD Adj. Cost	Trend Util.	Trend Cost		
		Adj. (1) Cost					
<b>Hospital Inpatient</b>							
Medical/Surgical	\$ 81.75	1.001	1.000	1.082	1.040	\$ 92.13	\$ 92.13
Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Well Newborn	-	1.000	1.000	1.000	1.000	-	-
Other Newborn	-	1.000	1.000	1.000	1.000	-	-
Nursing Facility - short term	1.16	1.084	1.000	1.082	1.040	1.42	1.42
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 82.91</b>					<b>\$ 93.55</b>	<b>\$ 93.55</b>
<b>Hospital Outpatient</b>							
Emergency Department	\$ 13.49	0.978	1.000	1.061	1.010	\$ 14.13	\$ 14.13
Outpatient Surgery	8.49	0.915	1.000	0.990	0.960	7.39	7.39
Observation	4.06	0.998	1.000	1.061	1.010	4.34	4.34
Radiology/Pathology/Lab	4.72	0.787	1.000	0.990	0.960	3.53	3.53
Pharmacy and Blood	0.28	0.989	1.000	0.990	0.960	0.26	0.26
Other Outpatient	5.92	0.980	1.000	0.990	0.960	5.52	5.52
<b>Subtotal</b>	<b>\$ 36.96</b>					<b>\$ 35.17</b>	<b>\$ 35.17</b>
<b>Prescription Drugs</b>							
Brand	\$ 33.50	0.935	1.000	1.047	0.992	\$ 32.52	\$ 32.52
Generic	20.81	0.944	1.000	1.005	1.018	20.09	20.09
Specialty	10.47	0.932	1.000	1.105	1.127	12.15	12.15
Hepatitis C Drugs	7.21	0.965	1.000	1.000	0.939	6.53	6.53
Other Pharmacy	2.83	0.940	1.000	1.005	1.018	2.72	2.72
<b>Subtotal</b>	<b>\$ 74.82</b>					<b>\$ 74.02</b>	<b>\$ 74.02</b>
<b>Physician</b>							
Surgery	\$ 20.21	1.002	1.000	1.051	1.092	\$ 23.22	\$ 23.22
Anesthesia	3.34	1.001	1.000	1.051	1.092	3.84	3.84
Hospital Inpatient Visits	12.42	1.001	1.000	1.051	1.092	14.27	14.27
ED/Urgent Care Visits	10.02	1.001	1.000	1.051	1.092	11.51	11.51
Office/Home Visits	21.46	1.002	1.000	1.051	1.092	24.67	24.67
Well Baby/Physical Exams	0.16	1.001	1.000	1.051	1.092	0.18	0.18
Allergy/Immunizations	0.34	1.001	1.000	1.051	1.092	0.39	0.39
Office Administered Drugs	4.70	1.001	1.000	1.051	1.092	5.40	5.40
Office Administered Drugs - Specialty	10.27	1.001	1.000	1.051	1.092	11.80	11.80
Radiology/Pathology/Lab	9.70	0.972	1.000	1.051	1.092	10.81	10.81
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Other Professional	4.23	0.994	1.000	1.051	1.092	4.82	4.82
<b>Subtotal</b>	<b>\$ 96.85</b>					<b>\$ 110.92</b>	<b>\$ 110.92</b>
<b>Ancillary</b>							
Ambulance	\$ 3.84	1.001	1.000	1.124	1.000	\$ 4.32	\$ 4.32
DME/Prosthetics/Orthotics	7.08	1.050	1.000	1.124	1.000	8.36	8.36
PT/OT/ST	7.72	1.029	1.000	1.124	1.000	8.93	8.93
Chiropractic Services	-	1.000	1.000	1.000	1.000	-	-
PDN/Home Health/Hospice	0.56	1.001	1.000	1.124	1.000	0.63	0.63
Vision	1.87	1.056	1.000	1.124	1.000	2.22	2.22
Hearing and Speech Exams	0.03	0.941	1.000	1.124	1.000	0.03	0.03
Other Ancillary	0.23	1.001	1.000	1.124	1.000	0.26	0.26
<b>Subtotal</b>	<b>\$ 21.33</b>					<b>\$ 24.75</b>	<b>\$ 24.75</b>
<b>Behavioral Health</b>							
MH Residential	\$ 2.32	1.001	1.673	1.061	1.000	\$ 4.12	\$ 4.12
MH Office/Outpatient	7.24	1.001	1.000	1.124	0.990	8.06	8.06
MH/SUD Community Services	0.26	1.001	1.000	1.082	1.010	0.28	0.28
Medication Management/MAT	3.74	1.001	1.000	1.082	1.010	4.09	4.09
Other MH Inpatient	-	1.000	1.000	1.000	1.000	-	-
SUD Residential	1.36	1.001	1.587	1.061	1.000	2.29	2.29
SUD Office/Outpatient	2.48	1.001	1.000	1.124	0.990	2.76	2.76
Other SUD Inpatient	-	1.000	1.000	1.000	1.000	-	-
Applied Behavior Analysis	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 17.40</b>					<b>\$ 21.62</b>	<b>\$ 21.62</b>
<b>Sub-Capitation Payments</b>							
Outpatient Surgery	\$ 0.00	1.000	1.000	1.000	1.000	\$ 0.00	\$ 0.00
Office/Home Visits	1.36	0.959	1.000	1.051	1.092	1.50	1.50
Radiology/Pathology/Lab	-	1.000	1.000	1.000	1.000	-	-
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Capitation - Global	-	1.000	1.000	1.000	1.000	-	-
Capitation - Non Specific	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 1.36</b>					<b>\$ 1.50</b>	<b>\$ 1.50</b>
<b>Aggregate Medical Cost</b>							
Encounter subtotal	\$ 330.27					\$ 360.02	\$ 360.02
Encounters & sub-capitation	\$ 331.63					\$ 361.52	\$ 361.52
<b>Direct enrollment claims</b>	<b>\$438.07</b>	<b>0.996</b>	<b>1.000</b>	<b>1.055</b>	<b>1.034</b>	<b>\$ 476.39</b>	<b>\$ 476.39</b>
<b>MCO &amp; FFS claims composite</b>	<b>\$330.56</b>					<b>\$ 360.33</b>	<b>\$ 360.33</b>
<b>MCO &amp; FFS total composite</b>	<b>\$331.92</b>					<b>\$ 361.83</b>	<b>\$ 361.83</b>
Provider Incentive Payments	\$ 1.22					\$ 1.22	\$ 1.22
Reinsurance	(\$4.16)	1.000	1.000	1.122	1.061	\$ (4.95)	\$ (4.95)
<b>Total Medical Cost</b>	<b>\$328.98</b>					<b>\$ 358.10</b>	<b>\$ 358.10</b>

Notes:  
 (1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
 (2) Completed data includes adjustment for Incurred but not Paid (IBNP).



Appendix B-1-19  
 State of Nevada  
 Division of Health Care Financing and Policy  
 CY 2019 Capitation Rate Development  
 MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMs	1,298
Aid Category: Check-Up	2017 Direct Enrollment MMs	5
Rate Cell: Baby < 1		
Region: South	CY 2019 Estimated Member Months	2,004

Benefit	Pre-Adj CY 2017 Paid PMPM (2)	CY 2017 Adjustment Factors				Post-Adj CY 2017 Paid PMPM (2)	CY 2019 Paid PMPM
		Unit Cost	IMD Adj. Cost	Trend Util.	Trend Cost		
		Adj. (1) Cost					
<b>Hospital Inpatient</b>							
Medical/Surgical	\$ 13.41	1.000	1.000	1.010	1.071	\$ 14.51	\$ 14.51
Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Well Newborn	-	1.000	1.000	1.000	1.000	-	-
Other Newborn	0.28	1.000	1.000	1.010	1.071	0.30	0.30
Nursing Facility - short term	-	1.000	1.000	1.000	1.000	-	-
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 13.69</b>					<b>\$ 14.82</b>	<b>\$ 14.82</b>
<b>Hospital Outpatient</b>							
Emergency Department	\$ 5.13	1.032	1.000	1.040	1.000	\$ 5.51	\$ 5.51
Outpatient Surgery	2.93	1.064	1.000	0.980	0.960	2.94	2.94
Observation	-	1.000	1.000	1.000	1.000	-	-
Radiology/Pathology/Lab	-	1.000	1.000	1.000	1.000	-	-
Pharmacy and Blood	-	1.000	1.000	1.000	1.000	-	-
<b>Other Outpatient</b>	<b>0.08</b>	<b>1.000</b>	<b>1.000</b>	<b>0.980</b>	<b>0.960</b>	<b>0.08</b>	<b>0.08</b>
<b>Subtotal</b>	<b>\$ 8.14</b>					<b>\$ 8.52</b>	<b>\$ 8.52</b>
<b>Prescription Drugs</b>							
Brand	\$ 0.81	0.953	1.000	1.048	0.969	\$ 0.78	\$ 0.78
Generic	3.66	0.945	1.000	1.017	1.013	3.56	3.56
Specialty	-	1.000	1.000	1.000	1.000	-	-
Hepatitis C Drugs	-	1.000	1.000	1.000	0.939	-	-
<b>Other Pharmacy</b>	<b>0.19</b>	<b>0.944</b>	<b>1.000</b>	<b>1.017</b>	<b>1.013</b>	<b>0.18</b>	<b>0.18</b>
<b>Subtotal</b>	<b>\$ 4.66</b>					<b>\$ 4.53</b>	<b>\$ 4.53</b>
<b>Physician</b>							
Surgery	\$ 3.42	1.091	1.000	1.030	1.103	\$ 4.24	\$ 4.24
Anesthesia	1.33	1.000	1.000	1.030	1.103	1.51	1.51
Hospital Inpatient Visits	8.26	1.000	1.000	1.030	1.103	9.38	9.38
ED/Urgent Care Visits	6.48	1.000	1.000	1.030	1.103	7.36	7.36
Office/Home Visits	17.80	1.000	1.000	1.030	1.103	20.22	20.22
Well Baby/Physical Exams	30.23	1.000	1.000	1.030	1.103	34.35	34.35
Allergy/Immunizations	17.87	1.000	1.000	1.030	1.103	20.30	20.30
Office Administered Drugs	2.31	1.000	1.000	1.030	1.103	2.62	2.62
Office Administered Drugs - Specialty	-	1.000	1.000	1.000	1.000	-	-
Radiology/Pathology/Lab	2.08	0.989	1.000	1.030	1.103	2.34	2.34
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
<b>Other Professional</b>	<b>2.79</b>	<b>1.068</b>	<b>1.000</b>	<b>1.030</b>	<b>1.103</b>	<b>3.38</b>	<b>3.38</b>
<b>Subtotal</b>	<b>\$ 92.57</b>					<b>\$ 105.71</b>	<b>\$ 105.71</b>
<b>Ancillary</b>							
Ambulance	\$ 0.86	1.000	1.000	1.040	1.000	\$ 0.89	\$ 0.89
DME/Prosthetics/Orthotics	2.78	1.003	1.000	1.040	1.000	2.90	2.90
PT/OT/ST	2.43	1.000	1.000	1.040	1.000	2.53	2.53
Chiropractic Services	-	1.000	1.000	1.000	1.000	-	-
PDN/Home Health/Hospice	-	1.000	1.000	1.000	1.000	-	-
Vision	0.12	1.000	1.000	1.040	1.000	0.12	0.12
Hearing and Speech Exams	0.20	1.000	1.000	1.040	1.000	0.21	0.21
<b>Other Ancillary</b>	<b>0.11</b>	<b>1.000</b>	<b>1.000</b>	<b>1.040</b>	<b>1.000</b>	<b>0.11</b>	<b>0.11</b>
<b>Subtotal</b>	<b>\$ 6.50</b>					<b>\$ 6.77</b>	<b>\$ 6.77</b>
<b>Behavioral Health</b>							
MH Residential	\$ 0.00	1.000	1.000	1.000	1.000	\$ 0.00	\$ 0.00
MH Office/Outpatient	-	1.000	1.000	1.000	1.000	-	-
MH/SUD Community Services	-	1.000	1.000	1.000	1.000	-	-
Medication Management/MAT	-	1.000	1.000	1.000	1.000	-	-
Other MH Inpatient	-	1.000	1.000	1.000	1.000	-	-
SUD Residential	-	1.000	1.000	1.000	1.000	-	-
SUD Office/Outpatient	-	1.000	1.000	1.000	1.000	-	-
Other SUD Inpatient	-	1.000	1.000	1.000	1.000	-	-
<b>Applied Behavior Analysis</b>	<b>-</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>-</b>	<b>-</b>
<b>Subtotal</b>	<b>\$ 0.00</b>					<b>\$ 0.00</b>	<b>\$ 0.00</b>
<b>Sub-Capitation Payments</b>							
Outpatient Surgery	\$ 0.15	1.000	1.000	0.980	0.960	\$ 0.14	\$ 0.14
Office/Home Visits	0.36	0.932	1.000	1.030	1.103	0.38	0.38
Radiology/Pathology/Lab	1.17	1.000	1.000	1.030	1.103	1.33	1.33
Physician Maternity Non-Delivery	0.69	1.000	1.000	1.000	1.000	0.69	0.69
Capitation - Global	5.31	0.895	1.000	1.030	1.103	5.40	5.40
<b>Capitation - Non Specific</b>	<b>0.03</b>	<b>1.000</b>	<b>1.000</b>	<b>1.030</b>	<b>1.103</b>	<b>0.03</b>	<b>0.03</b>
<b>Subtotal</b>	<b>\$ 7.71</b>					<b>\$ 7.97</b>	<b>\$ 7.97</b>
<b>Aggregate Medical Cost</b>							
Encounter subtotal	\$ 125.56					\$ 140.35	\$ 140.35
Encounters & sub-capitation	\$ 133.27					\$ 148.32	\$ 148.32
<b>Direct enrollment claims</b>	<b>\$217.13</b>	<b>1.000</b>	<b>1.000</b>	<b>1.018</b>	<b>1.084</b>	<b>\$ 239.83</b>	<b>\$ 239.83</b>
<b>MCO &amp; FFS claims composite</b>	<b>\$125.94</b>					<b>\$ 140.76</b>	<b>\$ 140.76</b>
<b>MCO &amp; FFS total composite</b>	<b>\$133.62</b>					<b>\$ 148.70</b>	<b>\$ 148.70</b>
Provider Incentive Payments	\$0.03					\$ 0.03	\$ 0.03
Reinsurance	\$0.00	1.000	1.000	1.015	1.107	\$ 0.00	\$ 0.00
<b>Total Medical Cost</b>	<b>\$133.65</b>					<b>\$ 148.74</b>	<b>\$ 148.74</b>

Notes:  
 (1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
 (2) Completed data includes adjustment for Incurred but not Paid (IBNP).

Appendix B-1-20  
State of Nevada  
Division of Health Care Financing and Policy  
CY 2019 Capitation Rate Development  
MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMs	14,145
Aid Category: Check-Up	2017 Direct Enrollment MMs	21
Rate Cell: Child - 01 - 02		
Region: South	CY 2019 Estimated Member Months	15,481

Benefit	CY 2017 Adjustment Factors						CY 2019 Paid PMPM
	Pre-Adj CY 2017 Paid PMPM (2)	Unit Cost Adj. (1) Cost	IMD Adj. Cost	Trend Util. Cost		Post-Adj CY 2017 Paid PMPM (2)	
<b>Hospital Inpatient</b>							
Medical/Surgical	\$ 4.51	1.001	1.000	1.010	1.071	\$ 4.88	\$ 4.88
Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Well Newborn	-	1.000	1.000	1.000	1.000	-	-
Other Newborn	-	1.000	1.000	1.000	1.000	-	-
Nursing Facility - short term	-	1.000	1.000	1.000	1.000	-	-
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 4.51</b>					<b>\$ 4.88</b>	<b>\$ 4.88</b>
<b>Hospital Outpatient</b>							
Emergency Department	\$ 4.15	1.042	1.000	1.040	1.000	\$ 4.50	\$ 4.50
Outpatient Surgery	3.55	1.022	1.000	0.980	0.960	3.42	3.42
Observation	0.14	0.994	1.000	1.040	1.000	0.14	0.14
Radiology/Pathology/Lab	0.41	0.658	1.000	0.980	0.960	0.25	0.25
Pharmacy and Blood	0.01	1.001	1.000	0.980	0.960	0.01	0.01
<b>Other Outpatient</b>	<b>0.75</b>	<b>0.992</b>	<b>1.000</b>	<b>0.980</b>	<b>0.960</b>	<b>0.70</b>	<b>0.70</b>
<b>Subtotal</b>	<b>\$ 9.01</b>					<b>\$ 9.03</b>	<b>\$ 9.03</b>
<b>Prescription Drugs</b>							
Brand	\$ 1.10	0.945	1.000	1.048	0.969	\$ 1.06	\$ 1.06
Generic	6.14	0.947	1.000	1.017	1.013	5.99	5.99
Specialty	-	1.000	1.000	1.000	1.000	-	-
Hepatitis C Drugs	-	1.000	1.000	1.000	0.939	-	-
<b>Other Pharmacy</b>	<b>0.35</b>	<b>0.949</b>	<b>1.000</b>	<b>1.017</b>	<b>1.013</b>	<b>0.34</b>	<b>0.34</b>
<b>Subtotal</b>	<b>\$ 7.59</b>					<b>\$ 7.39</b>	<b>\$ 7.39</b>
<b>Physician</b>							
Surgery	\$ 2.00	1.080	1.000	1.030	1.103	\$ 2.45	\$ 2.45
Anesthesia	1.17	1.001	1.000	1.030	1.103	1.33	1.33
Hospital Inpatient Visits	0.64	1.001	1.000	1.030	1.103	0.73	0.73
ED/Urgent Care Visits	6.18	1.001	1.000	1.030	1.103	7.02	7.02
Office/Home Visits	16.75	1.001	1.000	1.030	1.103	19.04	19.04
Well Baby/Physical Exams	12.56	1.001	1.000	1.030	1.103	14.27	14.27
Allergy/Immunizations	4.40	1.001	1.000	1.030	1.103	5.00	5.00
Office Administered Drugs	0.14	1.001	1.000	1.030	1.103	0.16	0.16
Office Administered Drugs - Specialty	0.09	1.001	1.000	1.030	1.103	0.10	0.10
Radiology/Pathology/Lab	2.33	0.992	1.000	1.030	1.103	2.63	2.63
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
<b>Other Professional</b>	<b>2.30</b>	<b>1.031</b>	<b>1.000</b>	<b>1.030</b>	<b>1.103</b>	<b>2.69</b>	<b>2.69</b>
<b>Subtotal</b>	<b>\$ 48.56</b>					<b>\$ 55.43</b>	<b>\$ 55.43</b>
<b>Ancillary</b>							
Ambulance	\$ 0.52	1.001	1.000	1.040	1.000	\$ 0.54	\$ 0.54
DME/Prosthetics/Orthotics	1.96	1.004	1.000	1.040	1.000	2.05	2.05
PT/OT/ST	3.20	1.001	1.000	1.040	1.000	3.33	3.33
Chiropractic Services	-	1.000	1.000	1.000	1.000	-	-
PDN/Home Health/Hospice	0.02	1.001	1.000	1.040	1.000	0.02	0.02
Vision	0.18	1.027	1.000	1.040	1.000	0.19	0.19
Hearing and Speech Exams	0.87	1.007	1.000	1.040	1.000	0.91	0.91
<b>Other Ancillary</b>	<b>0.10</b>	<b>1.001</b>	<b>1.000</b>	<b>1.040</b>	<b>1.000</b>	<b>0.10</b>	<b>0.10</b>
<b>Subtotal</b>	<b>\$ 6.85</b>					<b>\$ 7.15</b>	<b>\$ 7.15</b>
<b>Behavioral Health</b>							
MH Residential	\$ 0.00	1.000	1.000	1.000	1.000	\$ 0.00	\$ 0.00
MH Office/Outpatient	0.07	1.001	1.000	1.210	0.990	0.08	0.08
MH/SUD Community Services	-	1.000	1.000	1.000	1.000	-	-
Medication Management/MAT	-	1.000	1.000	1.000	1.000	-	-
Other MH Inpatient	-	1.000	1.000	1.000	1.000	-	-
SUD Residential	-	1.000	1.000	1.000	1.000	-	-
SUD Office/Outpatient	-	1.000	1.000	1.000	1.000	-	-
Other SUD Inpatient	-	1.000	1.000	1.000	1.000	-	-
<b>Applied Behavior Analysis</b>	<b>1.47</b>	<b>1.001</b>	<b>1.000</b>	<b>1.410</b>	<b>1.010</b>	<b>2.09</b>	<b>2.09</b>
<b>Subtotal</b>	<b>\$ 1.54</b>					<b>\$ 2.18</b>	<b>\$ 2.18</b>
<b>Sub-Capitation Payments</b>							
Outpatient Surgery	\$ 0.13	1.000	1.000	0.980	0.960	\$ 0.12	\$ 0.12
Office/Home Visits	0.34	0.924	1.000	1.030	1.103	0.36	0.36
Radiology/Pathology/Lab	1.06	1.000	1.000	1.030	1.103	1.20	1.20
Physician Maternity Non-Delivery	0.62	1.000	1.000	1.000	1.000	0.62	0.62
Capitation - Global	5.25	0.895	1.000	1.030	1.103	5.34	5.34
<b>Capitation - Non Specific</b>	<b>0.03</b>	<b>1.000</b>	<b>1.000</b>	<b>1.030</b>	<b>1.103</b>	<b>0.03</b>	<b>0.03</b>
<b>Subtotal</b>	<b>\$ 7.43</b>					<b>\$ 7.67</b>	<b>\$ 7.67</b>
<b>Aggregate Medical Cost</b>							
Encounter subtotal	\$ 78.06					\$ 86.05	\$ 86.05
Encounters & sub-capitation	\$ 85.49					\$ 93.73	\$ 93.73
<b>Direct enrollment claims</b>	<b>\$ 67.41</b>	<b>1.040</b>	<b>1.000</b>	<b>1.042</b>	<b>1.079</b>	<b>\$ 78.77</b>	<b>\$ 78.77</b>
<b>MCO &amp; FFS claims composite</b>	<b>\$ 78.04</b>					<b>\$ 86.04</b>	<b>\$ 86.04</b>
<b>MCO &amp; FFS total composite</b>	<b>\$ 85.46</b>					<b>\$ 93.71</b>	<b>\$ 93.71</b>
Provider Incentive Payments	\$ 0.01					\$ 0.01	\$ 0.01
Reinsurance	\$ 0.00	1.000	1.000	1.015	1.107	\$ 0.00	\$ 0.00
<b>Total Medical Cost</b>	<b>\$ 85.47</b>					<b>\$ 93.71</b>	<b>\$ 93.71</b>

Notes:  
(1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
(2) Completed data includes adjustment for Incurred but not Paid (IBNP).

Appendix B-1-21  
 State of Nevada  
 Division of Health Care Financing and Policy  
 CY 2019 Capitation Rate Development  
 MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMs	165,155
Aid Category: Check-Up	2017 Direct Enrollment MMs	186
Rate Cell: Child - 03 - 14		
Region: South	CY 2019 Estimated Member Months	177,795

Benefit	CY 2017 Adjustment Factors						Post-Adj CY 2017 Paid PMPM (2)	CY 2019 Paid PMPM
	Pre-Adj CY 2017 Paid PMPM (2)	Unit Cost Adj. (1)	IMD Adj. Cost	Trend				
		Cost	Cost	Util.	Cost			
<b>Hospital Inpatient</b>								
Medical/Surgical	\$ 10.35	1.001	1.000	1.010	1.071	\$ 11.20	\$ 11.20	
Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-	
Well Newborn	-	1.000	1.000	1.000	1.000	-	-	
Other Newborn	-	1.000	1.000	1.000	1.000	-	-	
Nursing Facility - short term	-	1.000	1.000	1.000	1.000	-	-	
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-	
<b>Subtotal</b>	<b>\$ 10.35</b>					<b>\$ 11.20</b>	<b>\$ 11.20</b>	
<b>Hospital Outpatient</b>								
Emergency Department	\$ 2.43	1.025	1.000	1.040	1.000	\$ 2.59	\$ 2.59	
Outpatient Surgery	2.45	1.013	1.000	0.980	0.960	2.34	2.34	
Observation	0.19	1.018	1.000	1.040	1.000	0.20	0.20	
Radiology/Pathology/Lab	0.20	0.876	1.000	0.980	0.960	0.16	0.16	
Pharmacy and Blood	0.01	1.006	1.000	0.980	0.960	0.01	0.01	
Other Outpatient	0.19	1.007	1.000	0.980	0.960	0.18	0.18	
<b>Subtotal</b>	<b>\$ 5.47</b>					<b>\$ 5.48</b>	<b>\$ 5.48</b>	
<b>Prescription Drugs</b>								
Brand	\$ 6.86	0.940	1.000	1.048	0.969	\$ 6.55	\$ 6.55	
Generic	5.81	0.942	1.000	1.017	1.013	5.64	5.64	
Specialty	4.25	0.934	1.000	1.145	1.125	5.11	5.11	
Hepatitis C Drugs	-	1.000	1.000	1.000	0.939	-	-	
Other Pharmacy	0.90	0.942	1.000	1.017	1.013	0.87	0.87	
<b>Subtotal</b>	<b>\$ 17.82</b>					<b>\$ 18.17</b>	<b>\$ 18.17</b>	
<b>Physician</b>								
Surgery	\$ 2.00	1.077	1.000	1.030	1.103	\$ 2.45	\$ 2.45	
Anesthesia	0.79	1.001	1.000	1.030	1.103	0.90	0.90	
Hospital Inpatient Visits	0.94	1.001	1.000	1.030	1.103	1.07	1.07	
ED/Urgent Care Visits	3.52	1.001	1.000	1.030	1.103	4.00	4.00	
Office/Home Visits	11.77	1.003	1.000	1.030	1.103	13.40	13.40	
Well Baby/Physical Exams	5.01	1.001	1.000	1.030	1.103	5.69	5.69	
Allergy/Immunizations	1.89	1.001	1.000	1.030	1.103	2.15	2.15	
Office Administered Drugs	0.73	1.001	1.000	1.030	1.103	0.83	0.83	
Office Administered Drugs - Specialty	1.01	1.001	1.000	1.030	1.103	1.15	1.15	
Radiology/Pathology/Lab	2.41	0.991	1.000	1.030	1.103	2.71	2.71	
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-	
Other Professional	2.20	1.021	1.000	1.030	1.103	2.55	2.55	
<b>Subtotal</b>	<b>\$ 32.27</b>					<b>\$ 36.90</b>	<b>\$ 36.90</b>	
<b>Ancillary</b>								
Ambulance	\$ 0.29	1.001	1.000	1.040	1.000	\$ 0.30	\$ 0.30	
DME/Prosthetics/Orthotics	1.47	1.016	1.000	1.040	1.000	1.55	1.55	
PT/OT/ST	4.17	1.002	1.000	1.040	1.000	4.35	4.35	
Chiropractic Services	-	1.345	1.000	1.040	1.000	-	-	
PDN/Home Health/Hospice	0.13	1.001	1.000	1.040	1.000	0.14	0.14	
Vision	2.23	1.051	1.000	1.040	1.000	2.44	2.44	
Hearing and Speech Exams	0.21	1.001	1.000	1.040	1.000	0.22	0.22	
Other Ancillary	0.19	1.001	1.000	1.040	1.000	0.20	0.20	
<b>Subtotal</b>	<b>\$ 8.69</b>					<b>\$ 9.19</b>	<b>\$ 9.19</b>	
<b>Behavioral Health</b>								
MH Residential	\$ 0.65	1.001	1.000	1.103	1.040	\$ 0.75	\$ 0.75	
MH Office/Outpatient	5.00	0.999	1.000	1.210	0.990	5.98	5.98	
MH/SUD Community Services	0.97	1.001	1.000	1.103	1.092	1.17	1.17	
Medication Management/MAT	0.03	1.001	1.000	1.103	1.092	0.04	0.04	
Other MH Inpatient	0.14	1.001	1.000	1.103	1.040	0.16	0.16	
SUD Residential	-	1.000	1.000	1.000	1.000	-	-	
SUD Office/Outpatient	0.01	1.001	1.000	1.210	0.990	0.01	0.01	
Other SUD Inpatient	-	1.000	1.000	1.000	1.000	-	-	
Applied Behavior Analysis	0.44	1.001	1.000	1.410	1.010	0.63	0.63	
<b>Subtotal</b>	<b>\$ 7.24</b>					<b>\$ 8.73</b>	<b>\$ 8.73</b>	
<b>Sub-Capitation Payments</b>								
Outpatient Surgery	\$ 0.14	1.000	1.000	0.980	0.960	\$ 0.13	\$ 0.13	
Office/Home Visits	0.44	0.949	1.000	1.030	1.103	0.47	0.47	
Radiology/Pathology/Lab	1.16	1.000	1.000	1.030	1.103	1.32	1.32	
Physician Maternity Non-Delivery	0.68	1.000	1.000	1.000	1.000	0.68	0.68	
Capitation - Global	6.21	0.895	1.000	1.030	1.103	6.31	6.31	
Capitation - Non Specific	0.03	1.000	1.000	1.030	1.103	0.03	0.03	
<b>Subtotal</b>	<b>\$ 8.66</b>					<b>\$ 8.95</b>	<b>\$ 8.95</b>	
<b>Aggregate Medical Cost</b>								
Encounter subtotal	\$ 81.84					\$ 89.68	\$ 89.68	
Encounters & sub-capitation	\$ 90.50					\$ 98.63	\$ 98.63	
<b>Direct enrollment claims</b>	<b>\$88.46</b>	<b>1.057</b>	<b>1.000</b>	<b>1.066</b>	<b>1.038</b>	<b>\$ 103.44</b>	<b>\$ 103.44</b>	
<b>MCO &amp; FFS claims composite</b>	<b>\$81.85</b>					<b>\$ 89.70</b>	<b>\$ 89.70</b>	
<b>MCO &amp; FFS total composite</b>	<b>\$90.50</b>					<b>\$ 98.64</b>	<b>\$ 98.64</b>	
Provider Incentive Payments	\$ 0.00					\$ 0.00	\$ 0.00	
Reinsurance	(\$ 4.48)	1.000	1.000	1.015	1.107	\$ (5.03)	\$ (5.03)	
<b>Total Medical Cost</b>	<b>\$86.02</b>					<b>\$ 93.61</b>	<b>\$ 93.61</b>	

Notes:  
 (1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
 (2) Completed data includes adjustment for Incurred but not Paid (IBNP).

Appendix B-1-22  
State of Nevada  
Division of Health Care Financing and Policy  
CY 2019 Capitation Rate Development  
MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMs	24,386
Aid Category: Check-Up	2017 Direct Enrollment MMs	29
Rate Cell: Female - 15 - 18		
Region: South	CY 2019 Estimated Member Months	25,950

Benefit	CY 2017 Adjustment Factors						CY 2019 Paid PMPM
	Pre-Adj CY 2017 Paid PMPM (2)	Unit Cost Adj. (1) Cost	IMD Adj. Cost	Trend Util. Cost		Post-Adj CY 2017 Paid PMPM (2)	
<b>Hospital Inpatient</b>							
Medical/Surgical	\$ 54.62	1.001	1.000	1.010	1.071	\$ 59.15	\$ 59.15
Maternity Non-Delivery	0.13	1.001	1.000	1.010	1.071	0.14	0.14
Well Newborn	-	1.000	1.000	1.000	1.000	-	-
Other Newborn	-	1.000	1.000	1.000	1.000	-	-
Nursing Facility - short term	-	1.000	1.000	1.000	1.000	-	-
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 54.75</b>					<b>\$ 59.29</b>	<b>\$ 59.29</b>
<b>Hospital Outpatient</b>							
Emergency Department	\$ 4.69	1.003	1.000	1.040	1.000	\$ 4.90	\$ 4.90
Outpatient Surgery	3.11	1.014	1.000	0.980	0.960	2.97	2.97
Observation	0.50	1.022	1.000	1.040	1.000	0.53	0.53
Radiology/Pathology/Lab	0.19	0.589	1.000	0.980	0.960	0.11	0.11
Pharmacy and Blood	0.26	1.004	1.000	0.980	0.960	0.25	0.25
Other Outpatient	0.38	1.014	1.000	0.980	0.960	0.36	0.36
<b>Subtotal</b>	<b>\$ 9.13</b>					<b>\$ 9.11</b>	<b>\$ 9.11</b>
<b>Prescription Drugs</b>							
Brand	\$ 12.34	0.937	1.000	1.048	0.969	\$ 11.75	\$ 11.75
Generic	9.28	0.939	1.000	1.017	1.013	8.98	8.98
Specialty	10.04	0.945	1.000	1.145	1.125	12.22	12.22
Hepatitis C Drugs	-	1.000	1.000	1.000	0.939	-	-
Other Pharmacy	1.54	0.934	1.000	1.017	1.013	1.48	1.48
<b>Subtotal</b>	<b>\$ 33.20</b>					<b>\$ 34.42</b>	<b>\$ 34.42</b>
<b>Physician</b>							
Surgery	\$ 2.65	1.083	1.000	1.030	1.103	\$ 3.26	\$ 3.26
Anesthesia	0.69	1.001	1.000	1.030	1.103	0.78	0.78
Hospital Inpatient Visits	1.97	1.001	1.000	1.030	1.103	2.24	2.24
ED/Urgent Care Visits	4.57	1.001	1.000	1.030	1.103	5.20	5.20
Office/Home Visits	12.39	1.003	1.000	1.030	1.103	14.12	14.12
Well Baby/Physical Exams	4.05	1.001	1.000	1.030	1.103	4.60	4.60
Allergy/Immunizations	1.52	1.001	1.000	1.030	1.103	1.73	1.73
Office Administered Drugs	3.74	1.001	1.000	1.030	1.103	4.25	4.25
Office Administered Drugs - Specialty	1.79	1.001	1.000	1.030	1.103	2.04	2.04
Radiology/Pathology/Lab	4.94	0.994	1.000	1.030	1.103	5.58	5.58
Physician Maternity Non-Delivery	0.01	1.001	1.000	1.000	1.000	0.01	0.01
Other Professional	2.57	1.028	1.000	1.030	1.103	3.00	3.00
<b>Subtotal</b>	<b>\$ 40.89</b>					<b>\$ 46.80</b>	<b>\$ 46.80</b>
<b>Ancillary</b>							
Ambulance	\$ 0.79	1.001	1.000	1.040	1.000	\$ 0.82	\$ 0.82
DME/Prosthetics/Orthotics	1.55	1.002	1.000	1.040	1.000	1.62	1.62
PT/OT/ST	3.48	1.006	1.000	1.040	1.000	3.64	3.64
Chiropractic Services	0.01	1.082	1.000	1.040	1.000	0.01	0.01
PDN/Home Health/Hospice	0.10	1.001	1.000	1.040	1.000	0.10	0.10
Vision	3.30	1.052	1.000	1.040	1.000	3.61	3.61
Hearing and Speech Exams	0.05	0.995	1.000	1.040	1.000	0.05	0.05
Other Ancillary	0.08	1.001	1.000	1.040	1.000	0.08	0.08
<b>Subtotal</b>	<b>\$ 9.36</b>					<b>\$ 9.94</b>	<b>\$ 9.94</b>
<b>Behavioral Health</b>							
MH Residential	\$ 2.87	1.001	1.000	1.103	1.040	\$ 3.30	\$ 3.30
MH Office/Outpatient	7.53	1.000	1.000	1.210	0.990	9.02	9.02
MH/SUD Community Services	0.78	1.001	1.000	1.103	1.092	0.94	0.94
Medication Management/MAT	0.09	1.001	1.000	1.103	1.092	0.11	0.11
Other MH Inpatient	-	1.000	1.000	1.000	1.000	-	-
SUD Residential	-	1.000	1.000	1.000	1.000	-	-
SUD Office/Outpatient	-	1.000	1.000	1.000	1.000	-	-
Other SUD Inpatient	-	1.000	1.000	1.000	1.000	-	-
Applied Behavior Analysis	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 11.27</b>					<b>\$ 13.37</b>	<b>\$ 13.37</b>
<b>Sub-Capitation Payments</b>							
Outpatient Surgery	\$ 0.15	1.000	1.000	0.980	0.960	\$ 0.14	\$ 0.14
Office/Home Visits	0.47	0.958	1.000	1.030	1.103	0.51	0.51
Radiology/Pathology/Lab	1.24	1.000	1.000	1.030	1.103	1.41	1.41
Physician Maternity Non-Delivery	0.73	1.000	1.000	1.000	1.000	0.73	0.73
Capitation - Global	7.46	0.895	1.000	1.030	1.103	7.58	7.58
Capitation - Non Specific	0.03	1.000	1.000	1.030	1.103	0.03	0.03
<b>Subtotal</b>	<b>\$ 10.08</b>					<b>\$ 10.41</b>	<b>\$ 10.41</b>
<b>Aggregate Medical Cost</b>							
Encounter subtotal	\$ 158.60					\$ 172.93	\$ 172.93
Encounters & sub-capitation	\$ 168.68					\$ 183.34	\$ 183.34
<b>Direct enrollment claims</b>	<b>\$ 67.81</b>	<b>1.051</b>	<b>1.000</b>	<b>1.033</b>	<b>1.035</b>	<b>\$ 76.22</b>	<b>\$ 76.22</b>
<b>MCO &amp; FFS claims composite</b>	<b>\$ 158.49</b>					<b>\$ 172.82</b>	<b>\$ 172.82</b>
<b>MCO &amp; FFS total composite</b>	<b>\$ 168.56</b>					<b>\$ 183.21</b>	<b>\$ 183.21</b>
Provider Incentive Payments	\$ 0.00					\$ 0.00	\$ 0.00
Reinsurance	(\$ 32.96)	1.000	1.000	1.015	1.107	\$ (37.06)	\$ (37.06)
<b>Total Medical Cost</b>	<b>\$ 135.58</b>					<b>\$ 146.16</b>	<b>\$ 146.16</b>

Notes:  
(1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
(2) Completed data includes adjustment for Incurred but not Paid (IBNP).

Appendix B-1-23  
 State of Nevada  
 Division of Health Care Financing and Policy  
 CY 2019 Capitation Rate Development  
 MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMs	24,322
Aid Category: Check-Up	2017 Direct Enrollment MMs	23
Rate Cell: Male - 15 - 18		
Region: South	CY 2019 Estimated Member Months	25,714

Benefit	CY 2017 Adjustment Factors						CY 2019 Paid PMPM
	Pre-Adj CY 2017 Paid PMPM (2)	Unit Cost Adj. (1) Cost	IMD Adj. Cost	Trend Util.	Trend Cost	Post-Adj CY 2017 Paid PMPM (2)	
<b>Hospital Inpatient</b>							
Medical/Surgical	\$ 7.49	1.001	1.000	1.010	1.071	\$ 8.11	\$ 8.11
Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Well Newborn	-	1.000	1.000	1.000	1.000	-	-
Other Newborn	-	1.000	1.000	1.000	1.000	-	-
Nursing Facility - short term	-	1.000	1.000	1.000	1.000	-	-
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 7.49</b>					<b>\$ 8.11</b>	<b>\$ 8.11</b>
<b>Hospital Outpatient</b>							
Emergency Department	\$ 3.07	0.998	1.000	1.040	1.000	\$ 3.19	\$ 3.19
Outpatient Surgery	2.48	1.042	1.000	0.980	0.960	2.43	2.43
Observation	0.33	1.029	1.000	1.040	1.000	0.35	0.35
Radiology/Pathology/Lab	0.19	0.979	1.000	0.980	0.960	0.18	0.18
Pharmacy and Blood	-	0.559	1.000	0.980	0.960	-	-
Other Outpatient	0.11	0.991	1.000	0.980	0.960	0.10	0.10
<b>Subtotal</b>	<b>\$ 6.18</b>					<b>\$ 6.25</b>	<b>\$ 6.25</b>
<b>Prescription Drugs</b>							
Brand	\$ 8.87	0.935	1.000	1.048	0.969	\$ 8.42	\$ 8.42
Generic	6.75	0.943	1.000	1.017	1.013	6.55	6.55
Specialty	7.46	0.936	1.000	1.145	1.125	8.99	8.99
Hepatitis C Drugs	-	1.000	1.000	1.000	0.939	-	-
Other Pharmacy	1.06	0.932	1.000	1.017	1.013	1.02	1.02
<b>Subtotal</b>	<b>\$ 24.14</b>					<b>\$ 24.98</b>	<b>\$ 24.98</b>
<b>Physician</b>							
Surgery	\$ 2.85	1.078	1.000	1.030	1.103	\$ 3.49	\$ 3.49
Anesthesia	0.61	1.001	1.000	1.030	1.103	0.69	0.69
Hospital Inpatient Visits	2.97	1.001	1.000	1.030	1.103	3.38	3.38
ED/Urgent Care Visits	3.13	1.001	1.000	1.030	1.103	3.56	3.56
Office/Home Visits	8.87	1.002	1.000	1.030	1.103	10.10	10.10
Well Baby/Physical Exams	3.54	1.001	1.000	1.030	1.103	4.02	4.02
Allergy/Immunizations	1.25	1.001	1.000	1.030	1.103	1.42	1.42
Office Administered Drugs	0.14	1.001	1.000	1.030	1.103	0.16	0.16
Office Administered Drugs - Specialty	0.52	1.001	1.000	1.030	1.103	0.59	0.59
Radiology/Pathology/Lab	2.97	0.965	1.000	1.030	1.103	3.25	3.25
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Other Professional	2.00	1.045	1.000	1.030	1.103	2.37	2.37
<b>Subtotal</b>	<b>\$ 28.85</b>					<b>\$ 33.04</b>	<b>\$ 33.04</b>
<b>Ancillary</b>							
Ambulance	\$ 0.57	1.001	1.000	1.040	1.000	\$ 0.59	\$ 0.59
DME/Prosthetics/Orthotics	1.97	1.022	1.000	1.040	1.000	2.10	2.10
PT/OT/ST	1.41	1.001	1.000	1.040	1.000	1.47	1.47
Chiropractic Services	-	1.000	1.000	1.000	1.000	-	-
PDN/Home Health/Hospice	0.04	1.001	1.000	1.040	1.000	0.04	0.04
Vision	2.43	1.054	1.000	1.040	1.000	2.67	2.67
Hearing and Speech Exams	0.04	0.992	1.000	1.040	1.000	0.04	0.04
Other Ancillary	0.07	1.001	1.000	1.040	1.000	0.07	0.07
<b>Subtotal</b>	<b>\$ 6.53</b>					<b>\$ 6.98</b>	<b>\$ 6.98</b>
<b>Behavioral Health</b>							
MH Residential	\$ 4.22	1.001	1.000	1.103	1.040	\$ 4.85	\$ 4.85
MH Office/Outpatient	6.05	1.000	1.000	1.210	0.990	7.25	7.25
MH/SUD Community Services	0.78	1.001	1.000	1.103	1.092	0.94	0.94
Medication Management/MAT	0.03	1.001	1.000	1.103	1.092	0.04	0.04
Other MH Inpatient	-	1.000	1.000	1.000	1.000	-	-
SUD Residential	0.12	1.001	1.000	1.103	1.040	0.14	0.14
SUD Office/Outpatient	0.04	1.001	1.000	1.210	0.990	0.05	0.05
Other SUD Inpatient	0.38	1.001	1.000	1.103	1.040	0.44	0.44
Applied Behavior Analysis	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 11.62</b>					<b>\$ 13.69</b>	<b>\$ 13.69</b>
<b>Sub-Capitation Payments</b>							
Outpatient Surgery	\$ 0.16	1.000	1.000	0.980	0.960	\$ 0.15	\$ 0.15
Office/Home Visits	0.45	0.958	1.000	1.030	1.103	0.49	0.49
Radiology/Pathology/Lab	1.26	1.000	1.000	1.030	1.103	1.43	1.43
Physician Maternity Non-Delivery	0.75	1.000	1.000	1.000	1.000	0.75	0.75
Capitation - Global	7.41	0.895	1.000	1.030	1.103	7.53	7.53
Capitation - Non Specific	0.03	1.000	1.000	1.030	1.103	0.03	0.03
<b>Subtotal</b>	<b>\$ 10.06</b>					<b>\$ 10.39</b>	<b>\$ 10.39</b>
<b>Aggregate Medical Cost</b>							
Encounter subtotal	\$ 84.81					\$ 93.05	\$ 93.05
Encounters & sub-capitation	\$ 94.87					\$ 103.44	\$ 103.44
<b>Direct enrollment claims</b>	\$ 16.86	1.046	1.000	1.033	1.044	\$ 19.01	\$ 19.01
<b>MCO &amp; FFS claims composite</b>	\$ 84.74					\$ 92.98	\$ 92.98
<b>MCO &amp; FFS total composite</b>	\$ 94.80					\$ 103.36	\$ 103.36
Provider Incentive Payments	\$ 0.00					\$ 0.00	\$ 0.00
Reinsurance	\$ 0.00	1.000	1.000	1.015	1.107	\$ 0.00	\$ 0.00
<b>Total Medical Cost</b>	<b>\$ 94.80</b>					<b>\$ 103.37</b>	<b>\$ 103.37</b>

Notes:  
 (1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
 (2) Completed data includes adjustment for Incurred but not Paid (IBNP).

Appendix B-1-24  
 State of Nevada  
 Division of Health Care Financing and Policy  
 CY 2019 Capitation Rate Development  
 MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMs	344
Aid Category: Check-Up	2017 Direct Enrollment MMs	0
Rate Cell: Baby < 1		
Region: North	CY 2019 Estimated Member Months	415

Benefit	CY 2017 Adjustment Factors						Post-Adj CY 2017 Paid PMPM (2)	CY 2019 Paid PMPM
	Pre-Adj CY 2017 Paid PMPM (2)	Unit Cost Adj. (1)	IMD Adj. Cost	Trend				
		Cost	Cost	Util.	Cost			
<b>Hospital Inpatient</b>								
Medical/Surgical	\$ 17.81	1.001	1.000	1.010	1.071	\$ 19.28	\$ 19.28	
Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-	
Well Newborn	-	1.000	1.000	1.000	1.000	-	-	
Other Newborn	-	1.000	1.000	1.000	1.000	-	-	
Nursing Facility - short term	-	1.000	1.000	1.000	1.000	-	-	
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-	
<b>Subtotal</b>	<b>\$ 17.81</b>					<b>\$ 19.28</b>	<b>\$ 19.28</b>	
<b>Hospital Outpatient</b>								
Emergency Department	\$ 4.72	1.001	1.000	1.040	1.000	\$ 4.91	\$ 4.91	
Outpatient Surgery	-	1.000	1.000	1.000	1.000	-	-	
Observation	-	1.000	1.000	1.000	1.000	-	-	
Radiology/Pathology/Lab	0.32	1.001	1.000	0.980	0.960	0.30	0.30	
Pharmacy and Blood	0.02	1.001	1.000	0.980	0.960	0.02	0.02	
<b>Other Outpatient</b>	<b>2.41</b>	<b>0.958</b>	<b>1.000</b>	<b>0.980</b>	<b>0.960</b>	<b>2.17</b>	<b>2.17</b>	
<b>Subtotal</b>	<b>\$ 7.47</b>					<b>\$ 7.41</b>	<b>\$ 7.41</b>	
<b>Prescription Drugs</b>								
Brand	\$ 0.12	0.940	1.000	1.048	0.969	\$ 0.11	\$ 0.11	
Generic	3.13	0.952	1.000	1.017	1.013	3.07	3.07	
Specialty	-	1.000	1.000	1.000	1.000	-	-	
Hepatitis C Drugs	-	1.000	1.000	1.000	0.939	-	-	
Other Pharmacy	-	1.000	1.000	1.000	1.000	-	-	
<b>Subtotal</b>	<b>\$ 3.25</b>					<b>\$ 3.18</b>	<b>\$ 3.18</b>	
<b>Physician</b>								
Surgery	\$ 0.83	1.001	1.000	1.030	1.103	\$ 0.94	\$ 0.94	
Anesthesia	-	1.000	1.000	1.000	1.000	-	-	
Hospital Inpatient Visits	1.62	1.001	1.000	1.030	1.103	1.84	1.84	
ED/Urgent Care Visits	7.28	1.001	1.000	1.030	1.103	8.27	8.27	
Office/Home Visits	14.07	1.001	1.000	1.030	1.103	15.99	15.99	
Well Baby/Physical Exams	27.18	1.001	1.000	1.030	1.103	30.89	30.89	
Allergy/Immunizations	12.60	1.001	1.000	1.030	1.103	14.32	14.32	
Office Administered Drugs	-	1.001	1.000	1.030	1.103	-	-	
Office Administered Drugs - Specialty	0.06	1.001	1.000	1.030	1.103	0.07	0.07	
Radiology/Pathology/Lab	1.06	1.001	1.000	1.030	1.103	1.20	1.20	
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-	
<b>Other Professional</b>	<b>3.76</b>	<b>1.064</b>	<b>1.000</b>	<b>1.030</b>	<b>1.103</b>	<b>4.54</b>	<b>4.54</b>	
<b>Subtotal</b>	<b>\$ 68.46</b>					<b>\$ 78.08</b>	<b>\$ 78.08</b>	
<b>Ancillary</b>								
Ambulance	\$ 0.00	1.000	1.000	1.000	1.000	\$ 0.00	\$ 0.00	
DME/Prosthetics/Orthotics	3.26	1.001	1.000	1.040	1.000	3.39	3.39	
PT/OT/ST	1.67	1.001	1.000	1.040	1.000	1.74	1.74	
Chiropractic Services	-	1.000	1.000	1.000	1.000	-	-	
PDN/Home Health/Hospice	-	1.000	1.000	1.000	1.000	-	-	
Vision	0.40	1.001	1.000	1.040	1.000	0.42	0.42	
Hearing and Speech Exams	-	1.000	1.000	1.000	1.000	-	-	
<b>Other Ancillary</b>	<b>-</b>	<b>1.001</b>	<b>1.000</b>	<b>1.040</b>	<b>1.000</b>	<b>-</b>	<b>-</b>	
<b>Subtotal</b>	<b>\$ 5.33</b>					<b>\$ 5.55</b>	<b>\$ 5.55</b>	
<b>Behavioral Health</b>								
MH Residential	\$ 0.00	1.000	1.000	1.000	1.000	\$ 0.00	\$ 0.00	
MH Office/Outpatient	-	1.000	1.000	1.000	1.000	-	-	
MH/SUD Community Services	-	1.000	1.000	1.000	1.000	-	-	
Medication Management/MAT	-	1.000	1.000	1.000	1.000	-	-	
Other MH Inpatient	-	1.000	1.000	1.000	1.000	-	-	
SUD Residential	-	1.000	1.000	1.000	1.000	-	-	
SUD Office/Outpatient	-	1.000	1.000	1.000	1.000	-	-	
Other SUD Inpatient	-	1.000	1.000	1.000	1.000	-	-	
<b>Applied Behavior Analysis</b>	<b>-</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>-</b>	<b>-</b>	
<b>Subtotal</b>	<b>\$ 0.00</b>					<b>\$ 0.00</b>	<b>\$ 0.00</b>	
<b>Sub-Capitation Payments</b>								
Outpatient Surgery	\$ 0.00	1.000	1.000	1.000	1.000	\$ 0.00	\$ 0.00	
Office/Home Visits	1.43	0.947	1.000	1.030	1.103	1.54	1.54	
Radiology/Pathology/Lab	-	1.000	1.000	1.000	1.000	-	-	
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-	
Capitation - Global	-	1.000	1.000	1.000	1.000	-	-	
Capitation - Non Specific	-	1.000	1.000	1.000	1.000	-	-	
<b>Subtotal</b>	<b>\$ 1.43</b>					<b>\$ 1.54</b>	<b>\$ 1.54</b>	
<b>Aggregate Medical Cost</b>								
Encounter subtotal	\$ 102.32					\$ 113.50	\$ 113.50	
Encounters & sub-capitation	\$ 103.75					\$ 115.04	\$ 115.04	
<b>Direct enrollment claims</b>								
	\$ 0.00	0.000	0.000	0.000	0.000	\$ 0.00	\$ 0.00	
<b>MCO &amp; FFS claims composite</b>								
	\$ 102.22					\$ 113.39	\$ 113.39	
<b>MCO &amp; FFS total composite</b>								
	\$ 103.65					\$ 114.93	\$ 114.93	
<b>Provider Incentive Payments</b>								
	\$ 0.01					\$ 0.01	\$ 0.01	
<b>Reinsurance</b>								
	\$ 0.00	1.000	1.000	1.015	1.107	\$ 0.00	\$ 0.00	
<b>Total Medical Cost</b>	<b>\$ 103.67</b>					<b>\$ 114.94</b>	<b>\$ 114.94</b>	

Notes:  
 (1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
 (2) Completed data includes adjustment for Incurred but not Paid (IBNP).

Appendix B-1-25  
State of Nevada  
Division of Health Care Financing and Policy  
CY 2019 Capitation Rate Development  
MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMs	3,454
Aid Category: Check-Up	2017 Direct Enrollment MMs	4
Rate Cell: Child - 01 - 02		
Region: North	CY 2019 Estimated Member Months	3,593

Benefit	CY 2017 Adjustment Factors						Post-Adj CY 2017 Paid PMPM (2)	CY 2019 Paid PMPM
	Pre-Adj CY 2017 Paid PMPM (2)	Unit Cost Adj. (1)	IMD Adj. Cost	Trend				
		Cost	Cost	Util.	Cost			
<b>Hospital Inpatient</b>								
Medical/Surgical	\$ 3.29	1.001	1.000	1.010	1.071	\$ 3.56	\$ 3.56	
Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-	
Well Newborn	-	1.000	1.000	1.000	1.000	-	-	
Other Newborn	-	1.000	1.000	1.000	1.000	-	-	
Nursing Facility - short term	-	1.000	1.000	1.000	1.000	-	-	
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-	
<b>Subtotal</b>	<b>\$ 3.29</b>					<b>\$ 3.56</b>	<b>\$ 3.56</b>	
<b>Hospital Outpatient</b>								
Emergency Department	\$ 5.50	1.009	1.000	1.040	1.000	\$ 5.78	\$ 5.78	
Outpatient Surgery	4.38	1.054	1.000	0.980	0.960	4.34	4.34	
Observation	1.09	0.983	1.000	1.040	1.000	1.11	1.11	
Radiology/Pathology/Lab	1.94	1.002	1.000	0.980	0.960	1.83	1.83	
Pharmacy and Blood	0.08	1.001	1.000	0.980	0.960	0.08	0.08	
Other Outpatient	1.38	1.019	1.000	0.980	0.960	1.32	1.32	
<b>Subtotal</b>	<b>\$ 14.37</b>					<b>\$ 14.46</b>	<b>\$ 14.46</b>	
<b>Prescription Drugs</b>								
Brand	\$ 1.28	0.935	1.000	1.048	0.969	\$ 1.22	\$ 1.22	
Generic	4.23	0.946	1.000	1.017	1.013	4.12	4.12	
Specialty	1.94	0.940	1.000	1.145	1.125	2.35	2.35	
Hepatitis C Drugs	-	1.000	1.000	1.000	0.939	-	-	
Other Pharmacy	0.05	0.935	1.000	1.017	1.013	0.05	0.05	
<b>Subtotal</b>	<b>\$ 7.50</b>					<b>\$ 7.73</b>	<b>\$ 7.73</b>	
<b>Physician</b>								
Surgery	\$ 1.35	1.066	1.000	1.030	1.103	\$ 1.63	\$ 1.63	
Anesthesia	0.95	1.001	1.000	1.030	1.103	1.08	1.08	
Hospital Inpatient Visits	0.65	1.001	1.000	1.030	1.103	0.74	0.74	
ED/Urgent Care Visits	6.54	1.001	1.000	1.030	1.103	7.44	7.44	
Office/Home Visits	12.42	1.001	1.000	1.030	1.103	14.12	14.12	
Well Baby/Physical Exams	12.25	1.001	1.000	1.030	1.103	13.93	13.93	
Allergy/Immunizations	3.85	1.001	1.000	1.030	1.103	4.38	4.38	
Office Administered Drugs	0.01	1.001	1.000	1.030	1.103	0.01	0.01	
Office Administered Drugs - Specialty	0.01	1.001	1.000	1.030	1.103	0.01	0.01	
Radiology/Pathology/Lab	1.19	1.001	1.000	1.030	1.103	1.35	1.35	
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-	
Other Professional	3.11	1.009	1.000	1.030	1.103	3.56	3.56	
<b>Subtotal</b>	<b>\$ 42.33</b>					<b>\$ 48.25</b>	<b>\$ 48.25</b>	
<b>Ancillary</b>								
Ambulance	\$ 0.24	1.001	1.000	1.040	1.000	\$ 0.25	\$ 0.25	
DME/Prosthetics/Orthotics	4.78	1.021	1.000	1.040	1.000	5.08	5.08	
PT/OT/ST	6.89	1.001	1.000	1.040	1.000	7.18	7.18	
Chiropractic Services	0.01	1.346	1.000	1.040	1.000	0.01	0.01	
PDN/Home Health/Hospice	-	1.000	1.000	1.000	1.000	-	-	
Vision	0.50	1.031	1.000	1.040	1.000	0.54	0.54	
Hearing and Speech Exams	0.91	1.014	1.000	1.040	1.000	0.96	0.96	
Other Ancillary	0.04	1.001	1.000	1.040	1.000	0.04	0.04	
<b>Subtotal</b>	<b>\$ 13.37</b>					<b>\$ 14.06</b>	<b>\$ 14.06</b>	
<b>Behavioral Health</b>								
MH Residential	\$ 0.00	1.000	1.000	1.000	1.000	\$ 0.00	\$ 0.00	
MH Office/Outpatient	-	1.000	1.000	1.000	1.000	-	-	
MH/SUD Community Services	-	1.000	1.000	1.000	1.000	-	-	
Medication Management/MAT	-	1.000	1.000	1.000	1.000	-	-	
Other MH Inpatient	-	1.000	1.000	1.000	1.000	-	-	
SUD Residential	-	1.000	1.000	1.000	1.000	-	-	
SUD Office/Outpatient	-	1.000	1.000	1.000	1.000	-	-	
Other SUD Inpatient	-	1.000	1.000	1.000	1.000	-	-	
Applied Behavior Analysis	1.88	1.001	1.000	1.410	1.010	2.68	2.68	
<b>Subtotal</b>	<b>\$ 1.88</b>					<b>\$ 2.68</b>	<b>\$ 2.68</b>	
<b>Sub-Capitation Payments</b>								
Outpatient Surgery	\$ 0.00	1.000	1.000	1.000	1.000	\$ 0.00	\$ 0.00	
Office/Home Visits	1.36	0.963	1.000	1.030	1.103	1.49	1.49	
Radiology/Pathology/Lab	-	1.000	1.000	1.000	1.000	-	-	
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-	
Capitation - Global	-	1.000	1.000	1.000	1.000	-	-	
Capitation - Non Specific	-	1.000	1.000	1.000	1.000	-	-	
<b>Subtotal</b>	<b>\$ 1.36</b>					<b>\$ 1.49</b>	<b>\$ 1.49</b>	
<b>Aggregate Medical Cost</b>								
Encounter subtotal	\$ 82.74					\$ 90.75	\$ 90.75	
Encounters & sub-capitation	\$ 84.10					\$ 92.23	\$ 92.23	
<b>Direct enrollment claims</b>	\$ 81.64	1.120	1.000	1.028	1.089	\$ 102.36	\$ 102.36	
<b>MCO &amp; FFS claims composite</b>	\$ 82.74					\$ 90.76	\$ 90.76	
<b>MCO &amp; FFS total composite</b>	\$ 84.10					\$ 92.25	\$ 92.25	
Provider Incentive Payments	\$ 0.01					\$ 0.01	\$ 0.01	
Reinsurance	\$ 0.00	1.000	1.000	1.015	1.107	\$ 0.00	\$ 0.00	
<b>Total Medical Cost</b>	<b>\$ 84.10</b>					<b>\$ 92.25</b>	<b>\$ 92.25</b>	

Notes:  
(1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
(2) Completed data includes adjustment for Incurred but not Paid (IBNP).

Appendix B-1-26  
State of Nevada  
Division of Health Care Financing and Policy  
CY 2019 Capitation Rate Development  
MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMs	36,224
Aid Category: Check-Up	2017 Direct Enrollment MMs	37
Rate Cell: Child - 03 - 14		
Region: North	CY 2019 Estimated Member Months	38,257

Benefit	CY 2017 Adjustment Factors						Post-Adj CY 2017 Paid PMPM (2)	CY 2019 Paid PMPM
	Pre-Adj CY 2017 Paid PMPM (2)	Unit Cost Adj. (1)	IMD Adj. Cost	Trend				
		Cost	Cost	Util.	Cost			
<b>Hospital Inpatient</b>								
Medical/Surgical	\$ 28.65	1.001	1.000	1.010	1.071	\$ 31.02	\$ 31.02	
Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-	
Well Newborn	-	1.000	1.000	1.000	1.000	-	-	
Other Newborn	-	1.000	1.000	1.000	1.000	-	-	
Nursing Facility - short term	-	1.000	1.000	1.000	1.000	-	-	
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-	
<b>Subtotal</b>	<b>\$ 28.65</b>					<b>\$ 31.02</b>	<b>\$ 31.02</b>	
<b>Hospital Outpatient</b>								
Emergency Department	\$ 3.38	1.002	1.000	1.040	1.000	\$ 3.52	\$ 3.52	
Outpatient Surgery	2.52	0.980	1.000	0.980	0.960	2.32	2.32	
Observation	0.20	1.014	1.000	1.040	1.000	0.21	0.21	
Radiology/Pathology/Lab	0.59	0.867	1.000	0.980	0.960	0.48	0.48	
Pharmacy and Blood	0.67	0.992	1.000	0.980	0.960	0.63	0.63	
Other Outpatient	0.49	0.979	1.000	0.980	0.960	0.45	0.45	
<b>Subtotal</b>	<b>\$ 7.85</b>					<b>\$ 7.62</b>	<b>\$ 7.62</b>	
<b>Prescription Drugs</b>								
Brand	\$ 5.84	0.938	1.000	1.048	0.969	\$ 5.56	\$ 5.56	
Generic	4.44	0.940	1.000	1.017	1.013	4.30	4.30	
Specialty	1.59	0.940	1.000	1.145	1.125	1.92	1.92	
Hepatitis C Drugs	-	1.000	1.000	1.000	0.939	-	-	
Other Pharmacy	0.40	0.939	1.000	1.017	1.013	0.39	0.39	
<b>Subtotal</b>	<b>\$ 12.27</b>					<b>\$ 12.17</b>	<b>\$ 12.17</b>	
<b>Physician</b>								
Surgery	\$ 2.14	1.079	1.000	1.030	1.103	\$ 2.62	\$ 2.62	
Anesthesia	0.79	1.001	1.000	1.030	1.103	0.90	0.90	
Hospital Inpatient Visits	0.87	1.001	1.000	1.030	1.103	0.99	0.99	
ED/Urgent Care Visits	3.19	1.001	1.000	1.030	1.103	3.63	3.63	
Office/Home Visits	9.76	1.003	1.000	1.030	1.103	11.12	11.12	
Well Baby/Physical Exams	4.65	1.001	1.000	1.030	1.103	5.29	5.29	
Allergy/Immunizations	1.85	1.001	1.000	1.030	1.103	2.10	2.10	
Office Administered Drugs	0.02	1.001	1.000	1.030	1.103	0.02	0.02	
Office Administered Drugs - Specialty	0.13	1.001	1.000	1.030	1.103	0.15	0.15	
Radiology/Pathology/Lab	1.44	0.989	1.000	1.030	1.103	1.62	1.62	
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-	
Other Professional	1.62	1.036	1.000	1.030	1.103	1.91	1.91	
<b>Subtotal</b>	<b>\$ 26.46</b>					<b>\$ 30.34</b>	<b>\$ 30.34</b>	
<b>Ancillary</b>								
Ambulance	\$ 0.33	1.001	1.000	1.040	1.000	\$ 0.34	\$ 0.34	
DME/Prosthetics/Orthotics	0.98	1.002	1.000	1.040	1.000	1.02	1.02	
PT/OT/ST	5.20	1.005	1.000	1.040	1.000	5.44	5.44	
Chiropractic Services	0.01	1.113	1.000	1.040	1.000	0.01	0.01	
PDN/Home Health/Hospice	-	1.000	1.000	1.000	1.000	-	-	
Vision	2.04	1.069	1.000	1.040	1.000	2.27	2.27	
Hearing and Speech Exams	0.15	0.993	1.000	1.040	1.000	0.16	0.16	
Other Ancillary	0.08	1.001	1.000	1.040	1.000	0.08	0.08	
<b>Subtotal</b>	<b>\$ 8.79</b>					<b>\$ 9.32</b>	<b>\$ 9.32</b>	
<b>Behavioral Health</b>								
MH Residential	\$ 1.22	1.001	1.000	1.103	1.040	\$ 1.40	\$ 1.40	
MH Office/Outpatient	4.38	0.999	1.000	1.210	0.990	5.24	5.24	
MH/SUD Community Services	1.40	1.001	1.000	1.103	1.092	1.69	1.69	
Medication Management/MAT	0.07	1.001	1.000	1.103	1.092	0.08	0.08	
Other MH Inpatient	-	1.000	1.000	1.000	1.000	-	-	
SUD Residential	-	1.000	1.000	1.000	1.000	-	-	
SUD Office/Outpatient	-	1.001	1.000	1.210	0.990	-	-	
Other SUD Inpatient	-	1.000	1.000	1.000	1.000	-	-	
Applied Behavior Analysis	0.52	1.001	1.000	1.410	1.010	0.74	0.74	
<b>Subtotal</b>	<b>\$ 7.59</b>					<b>\$ 9.15</b>	<b>\$ 9.15</b>	
<b>Sub-Capitation Payments</b>								
Outpatient Surgery	\$ 0.00	1.000	1.000	1.000	1.000	\$ 0.00	\$ 0.00	
Office/Home Visits	1.39	0.969	1.000	1.030	1.103	1.53	1.53	
Radiology/Pathology/Lab	-	1.000	1.000	1.000	1.000	-	-	
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-	
Capitation - Global	-	1.000	1.000	1.000	1.000	-	-	
Capitation - Non Specific	-	1.000	1.000	1.000	1.000	-	-	
<b>Subtotal</b>	<b>\$ 1.39</b>					<b>\$ 1.53</b>	<b>\$ 1.53</b>	
<b>Aggregate Medical Cost</b>								
Encounter subtotal	\$ 91.61					\$ 99.63	\$ 99.63	
Encounters & sub-capitation	\$ 93.00					\$ 101.16	\$ 101.16	
<b>Direct enrollment claims</b>	<b>\$107.52</b>	<b>1.043</b>	<b>1.000</b>	<b>1.059</b>	<b>1.037</b>	<b>\$ 123.25</b>	<b>\$ 123.25</b>	
<b>MCO &amp; FFS claims composite</b>	<b>\$91.63</b>					<b>\$99.65</b>	<b>\$99.65</b>	
<b>MCO &amp; FFS total composite</b>	<b>\$93.01</b>					<b>\$ 101.18</b>	<b>\$ 101.18</b>	
Provider Incentive Payments	\$0.00					\$ 0.00	\$ 0.00	
Reinsurance	(\$17.10)	1.000	1.000	1.015	1.107	\$(19.22)	\$(19.22)	
<b>Total Medical Cost</b>	<b>\$75.91</b>					<b>\$ 81.97</b>	<b>\$ 81.97</b>	

Notes:  
(1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
(2) Completed data includes adjustment for Incurred but not Paid (IBNP).



Appendix B-1-27  
State of Nevada  
Division of Health Care Financing and Policy  
CY 2019 Capitation Rate Development  
MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMs	4,917
Aid Category: Check-Up	2017 Direct Enrollment MMs	3
Rate Cell: Female - 15 - 18		
Region: North	CY 2019 Estimated Member Months	5,411

Benefit	CY 2017 Adjustment Factors						Post-Adj CY 2017 Paid PMPM (2)	CY 2019 Paid PMPM
	Pre-Adj CY 2017 Paid PMPM (2)	Unit Cost				Trend Cost		
		Adj. (1) Cost	IMD Adj. Cost	Util.				
<b>Hospital Inpatient</b>								
Medical/Surgical	\$ 6.33	1.001	1.000	1.010	1.071	\$ 6.86	\$ 6.86	
Maternity Non-Delivery	2.19	1.001	1.000	1.010	1.071	2.37	2.37	
Well Newborn	-	1.000	1.000	1.000	1.000	-	-	
Other Newborn	-	1.000	1.000	1.000	1.000	-	-	
Nursing Facility - short term	-	1.000	1.000	1.000	1.000	-	-	
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-	
<b>Subtotal</b>	<b>\$ 8.52</b>					<b>\$ 9.23</b>	<b>\$ 9.23</b>	
<b>Hospital Outpatient</b>								
Emergency Department	\$ 4.93	1.008	1.000	1.040	1.000	\$ 5.17	\$ 5.17	
Outpatient Surgery	1.59	0.975	1.000	0.980	0.960	1.46	1.46	
Observation	0.19	1.048	1.000	1.040	1.000	0.21	0.21	
Radiology/Pathology/Lab	1.80	0.796	1.000	0.980	0.960	1.35	1.35	
Pharmacy and Blood	0.03	1.001	1.000	0.980	0.960	0.03	0.03	
Other Outpatient	0.60	1.084	1.000	0.980	0.960	0.61	0.61	
<b>Subtotal</b>	<b>\$ 9.14</b>					<b>\$ 8.82</b>	<b>\$ 8.82</b>	
<b>Prescription Drugs</b>								
Brand	\$ 8.26	0.939	1.000	1.048	0.969	\$ 7.88	\$ 7.88	
Generic	7.27	0.939	1.000	1.017	1.013	7.03	7.03	
Specialty	12.50	0.964	1.000	1.145	1.125	15.52	15.52	
Hepatitis C Drugs	-	1.000	1.000	1.000	0.939	-	-	
Other Pharmacy	0.95	0.936	1.000	1.017	1.013	0.92	0.92	
<b>Subtotal</b>	<b>\$ 28.98</b>					<b>\$ 31.34</b>	<b>\$ 31.34</b>	
<b>Physician</b>								
Surgery	\$ 3.63	1.120	1.000	1.030	1.103	\$ 4.62	\$ 4.62	
Anesthesia	0.62	1.001	1.000	1.030	1.103	0.70	0.70	
Hospital Inpatient Visits	1.89	1.001	1.000	1.030	1.103	2.15	2.15	
ED/Urgent Care Visits	4.42	1.001	1.000	1.030	1.103	5.02	5.02	
Office/Home Visits	12.72	1.004	1.000	1.030	1.103	14.50	14.50	
Well Baby/Physical Exams	3.23	1.001	1.000	1.030	1.103	3.67	3.67	
Allergy/Immunizations	1.76	1.001	1.000	1.030	1.103	2.00	2.00	
Office Administered Drugs	0.48	1.001	1.000	1.030	1.103	0.55	0.55	
Office Administered Drugs - Specialty	3.77	1.001	1.000	1.030	1.103	4.29	4.29	
Radiology/Pathology/Lab	4.01	1.003	1.000	1.030	1.103	4.57	4.57	
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-	
Other Professional	2.71	1.070	1.000	1.030	1.103	3.29	3.29	
<b>Subtotal</b>	<b>\$ 39.24</b>					<b>\$ 45.36</b>	<b>\$ 45.36</b>	
<b>Ancillary</b>								
Ambulance	\$ 0.53	1.001	1.000	1.040	1.000	\$ 0.55	\$ 0.55	
DME/Prosthetics/Orthotics	1.55	1.001	1.000	1.040	1.000	1.61	1.61	
PT/OT/ST	5.36	1.018	1.000	1.040	1.000	5.68	5.68	
Chiropractic Services	0.02	1.299	1.000	1.040	1.000	0.03	0.03	
PDN/Home Health/Hospice	-	1.000	1.000	1.000	1.000	-	-	
Vision	3.02	1.077	1.000	1.040	1.000	3.39	3.39	
Hearing and Speech Exams	0.12	0.985	1.000	1.040	1.000	0.12	0.12	
Other Ancillary	0.25	1.001	1.000	1.040	1.000	0.26	0.26	
<b>Subtotal</b>	<b>\$ 10.85</b>					<b>\$ 11.64</b>	<b>\$ 11.64</b>	
<b>Behavioral Health</b>								
MH Residential	\$ 3.01	1.001	1.000	1.103	1.040	\$ 3.46	\$ 3.46	
MH Office/Outpatient	6.21	1.002	1.000	1.210	0.990	7.45	7.45	
MH/SUD Community Services	0.87	1.001	1.000	1.103	1.092	1.05	1.05	
Medication Management/MAT	0.24	1.001	1.000	1.103	1.092	0.29	0.29	
Other MH Inpatient	-	1.000	1.000	1.000	1.000	-	-	
SUD Residential	-	1.000	1.000	1.000	1.000	-	-	
SUD Office/Outpatient	-	1.001	1.000	1.210	0.990	-	-	
Other SUD Inpatient	-	1.000	1.000	1.000	1.000	-	-	
Applied Behavior Analysis	-	1.000	1.000	1.000	1.000	-	-	
<b>Subtotal</b>	<b>\$ 10.33</b>					<b>\$ 12.25</b>	<b>\$ 12.25</b>	
<b>Sub-Capitation Payments</b>								
Outpatient Surgery	\$ 0.00	1.000	1.000	1.000	1.000	\$ 0.00	\$ 0.00	
Office/Home Visits	1.42	0.972	1.000	1.030	1.103	1.57	1.57	
Radiology/Pathology/Lab	-	1.000	1.000	1.000	1.000	-	-	
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-	
Capitation - Global	-	1.000	1.000	1.000	1.000	-	-	
Capitation - Non Specific	-	1.000	1.000	1.000	1.000	-	-	
<b>Subtotal</b>	<b>\$ 1.42</b>					<b>\$ 1.57</b>	<b>\$ 1.57</b>	
<b>Aggregate Medical Cost</b>								
Encounter subtotal	\$ 107.06					\$ 118.64	\$ 118.64	
Encounters & sub-capitation	\$ 108.48					\$ 120.21	\$ 120.21	
<b>Direct enrollment claims</b>	\$ 76.05	1.040	1.000	1.035	1.065	\$ 87.07	\$ 87.07	
<b>MCO &amp; FFS claims composite</b>	\$ 107.04					\$ 118.62	\$ 118.62	
<b>MCO &amp; FFS total composite</b>	\$ 108.46					\$ 120.19	\$ 120.19	
Provider Incentive Payments	\$ 0.00					\$ 0.00	\$ 0.00	
Reinsurance	\$ 0.00	1.000	1.000	1.015	1.107	\$ 0.00	\$ 0.00	
<b>Total Medical Cost</b>	<b>\$ 108.47</b>					<b>\$ 120.19</b>	<b>\$ 120.19</b>	

Notes:  
(1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
(2) Completed data includes adjustment for Incurred but not Paid (IBNP).

Appendix B-1-28  
State of Nevada  
Division of Health Care Financing and Policy  
CY 2019 Capitation Rate Development  
MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMs	5,380
Aid Category: Check-Up	2017 Direct Enrollment MMs	5
Rate Cell: Male - 15 - 18		
Region: North	CY 2019 Estimated Member Months	5,420

Benefit	CY 2017 Adjustment Factors						Post-Adj CY 2017 Paid PMPM (2)	CY 2019 Paid PMPM
	Pre-Adj CY 2017 Paid PMPM (2)	Unit Cost Adj. (1)	IMD Adj. Cost	Trend				
		Cost	Cost	Util.	Cost			
<b>Hospital Inpatient</b>								
Medical/Surgical	\$ 9.37	1.001	1.000	1.010	1.071	\$ 10.15	\$ 10.15	
Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-	
Well Newborn	-	1.000	1.000	1.000	1.000	-	-	
Other Newborn	-	1.000	1.000	1.000	1.000	-	-	
Nursing Facility - short term	-	1.000	1.000	1.000	1.000	-	-	
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-	
<b>Subtotal</b>	<b>\$ 9.37</b>					<b>\$ 10.15</b>	<b>\$ 10.15</b>	
<b>Hospital Outpatient</b>								
Emergency Department	\$ 3.71	1.000	1.000	1.040	1.000	\$ 3.86	\$ 3.86	
Outpatient Surgery	1.67	0.919	1.000	0.980	0.960	1.44	1.44	
Observation	0.15	1.001	1.000	1.040	1.000	0.16	0.16	
Radiology/Pathology/Lab	0.68	0.907	1.000	0.980	0.960	0.58	0.58	
Pharmacy and Blood	0.05	1.001	1.000	0.980	0.960	0.05	0.05	
Other Outpatient	0.51	0.994	1.000	0.980	0.960	0.48	0.48	
<b>Subtotal</b>	<b>\$ 6.77</b>					<b>\$ 6.57</b>	<b>\$ 6.57</b>	
<b>Prescription Drugs</b>								
Brand	\$ 7.08	0.952	1.000	1.048	0.969	\$ 6.84	\$ 6.84	
Generic	7.05	0.942	1.000	1.017	1.013	6.84	6.84	
Specialty	-	1.000	1.000	1.000	1.000	-	-	
Hepatitis C Drugs	-	1.000	1.000	1.000	0.939	-	-	
Other Pharmacy	0.66	0.953	1.000	1.017	1.013	0.65	0.65	
<b>Subtotal</b>	<b>\$ 14.79</b>					<b>\$ 14.33</b>	<b>\$ 14.33</b>	
<b>Physician</b>								
Surgery	\$ 3.34	1.082	1.000	1.030	1.103	\$ 4.10	\$ 4.10	
Anesthesia	0.72	1.001	1.000	1.030	1.103	0.82	0.82	
Hospital Inpatient Visits	1.38	1.001	1.000	1.030	1.103	1.57	1.57	
ED/Urgent Care Visits	2.95	1.001	1.000	1.030	1.103	3.35	3.35	
Office/Home Visits	8.80	1.001	1.000	1.030	1.103	10.01	10.01	
Well Baby/Physical Exams	2.72	1.001	1.000	1.030	1.103	3.09	3.09	
Allergy/Immunizations	1.02	1.001	1.000	1.030	1.103	1.16	1.16	
Office Administered Drugs	0.15	1.001	1.000	1.030	1.103	0.17	0.17	
Office Administered Drugs - Specialty	7.58	1.818	1.000	1.030	1.103	15.65	15.65	
Radiology/Pathology/Lab	2.93	0.978	1.000	1.030	1.103	3.26	3.26	
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-	
Other Professional	1.87	1.023	1.000	1.030	1.103	2.17	2.17	
<b>Subtotal</b>	<b>\$ 33.46</b>					<b>\$ 45.36</b>	<b>\$ 45.36</b>	
<b>Ancillary</b>								
Ambulance	\$ 1.21	1.001	1.000	1.040	1.000	\$ 1.26	\$ 1.26	
DME/Prosthetics/Orthotics	0.81	1.001	1.000	1.040	1.000	0.84	0.84	
PT/OT/ST	4.64	1.012	1.000	1.040	1.000	4.88	4.88	
Chiropractic Services	0.08	1.251	1.000	1.040	1.000	0.10	0.10	
PDN/Home Health/Hospice	-	1.000	1.000	1.000	1.000	-	-	
Vision	2.19	1.054	1.000	1.040	1.000	2.40	2.40	
Hearing and Speech Exams	0.02	1.001	1.000	1.040	1.000	0.02	0.02	
Other Ancillary	0.01	1.001	1.000	1.040	1.000	0.01	0.01	
<b>Subtotal</b>	<b>\$ 8.96</b>					<b>\$ 9.52</b>	<b>\$ 9.52</b>	
<b>Behavioral Health</b>								
MH Residential	\$ 3.92	1.001	1.000	1.103	1.040	\$ 4.50	\$ 4.50	
MH Office/Outpatient	4.82	1.000	1.000	1.210	0.990	5.77	5.77	
MH/SUD Community Services	1.16	1.001	1.000	1.103	1.092	1.40	1.40	
Medication Management/MAT	0.05	1.001	1.000	1.103	1.092	0.06	0.06	
Other MH Inpatient	-	1.000	1.000	1.000	1.000	-	-	
SUD Residential	-	1.000	1.000	1.000	1.000	-	-	
SUD Office/Outpatient	0.03	1.001	1.000	1.210	0.990	0.04	0.04	
Other SUD Inpatient	-	1.000	1.000	1.000	1.000	-	-	
Applied Behavior Analysis	-	1.000	1.000	1.000	1.000	-	-	
<b>Subtotal</b>	<b>\$ 9.98</b>					<b>\$ 11.77</b>	<b>\$ 11.77</b>	
<b>Sub-Capitation Payments</b>								
Outpatient Surgery	\$ 0.00	1.000	1.000	1.000	1.000	\$ 0.00	\$ 0.00	
Office/Home Visits	1.40	0.971	1.000	1.030	1.103	1.54	1.54	
Radiology/Pathology/Lab	-	1.000	1.000	1.000	1.000	-	-	
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-	
Capitation - Global	-	1.000	1.000	1.000	1.000	-	-	
Capitation - Non Specific	-	1.000	1.000	1.000	1.000	-	-	
<b>Subtotal</b>	<b>\$ 1.40</b>					<b>\$ 1.54</b>	<b>\$ 1.54</b>	
<b>Aggregate Medical Cost</b>								
Encounter subtotal	\$ 83.33					\$ 97.69	\$ 97.69	
Encounters & sub-capitation	\$ 84.73					\$ 99.24	\$ 99.24	
<b>Direct enrollment claims</b>	<b>\$ 63.88</b>	<b>1.001</b>	<b>1.000</b>	<b>1.035</b>	<b>1.052</b>	<b>\$ 69.66</b>	<b>\$ 69.66</b>	
<b>MCO &amp; FFS claims composite</b>	<b>\$ 83.31</b>					<b>\$ 97.67</b>	<b>\$ 97.67</b>	
<b>MCO &amp; FFS total composite</b>	<b>\$ 84.71</b>					<b>\$ 99.21</b>	<b>\$ 99.21</b>	
Provider Incentive Payments	\$ 0.00					\$ 0.00	\$ 0.00	
Reinsurance	\$ 0.00	1.000	1.000	1.015	1.107	\$ 0.00	\$ 0.00	
<b>Total Medical Cost</b>	<b>\$ 84.72</b>					<b>\$ 99.21</b>	<b>\$ 99.21</b>	

Notes:  
(1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
(2) Completed data includes adjustment for Incurred but not Paid (IBNP).

Appendix B-1-29  
State of Nevada  
Division of Health Care Financing and Policy  
CY 2019 Capitation Rate Development  
MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMs	439,521
Aid Category: Expansion	2017 Direct Enrollment MMs	1,262
Rate Cell: Female - 19 - 34		
Region: South	CY 2019 Estimated Member Months	463,466

Benefit	Pre-Adj CY 2017 Paid PMPM (2)	CY 2017 Adjustment Factors				Post-Adj CY 2017 Paid PMPM (2)	CY 2019 Paid PMPM
		Unit Cost	IMD Adj. Cost	Trend Util.	Trend Cost		
		Adj. (1) Cost					
<b>Hospital Inpatient</b>							
Medical/Surgical	\$ 22.63	1.001	1.000	1.082	1.040	\$ 25.49	\$ 25.49
Maternity Non-Delivery	1.09	1.001	1.000	1.082	1.040	1.23	1.23
Well Newborn	-	1.000	1.000	1.000	1.000	-	-
Other Newborn	-	1.000	1.000	1.000	1.000	-	-
Nursing Facility - short term	1.59	1.048	1.000	1.082	1.040	1.87	1.87
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 25.31</b>					<b>\$ 28.59</b>	<b>\$ 28.59</b>
<b>Hospital Outpatient</b>							
Emergency Department	\$ 16.73	1.002	1.000	1.061	0.980	\$ 17.43	\$ 17.43
Outpatient Surgery	3.93	0.914	1.000	1.061	0.960	3.66	3.66
Observation	3.98	0.985	1.000	1.061	0.980	4.08	4.08
Radiology/Pathology/Lab	0.14	0.942	1.000	1.061	0.960	0.13	0.13
Pharmacy and Blood	0.07	1.015	1.000	1.061	0.960	0.07	0.07
Other Outpatient	1.40	1.001	1.000	1.061	0.960	1.43	1.43
<b>Subtotal</b>	<b>\$ 26.25</b>					<b>\$ 26.80</b>	<b>\$ 26.80</b>
<b>Prescription Drugs</b>							
Brand	\$ 13.62	0.945	1.000	1.051	1.038	\$ 14.04	\$ 14.04
Generic	14.47	0.947	1.000	1.014	1.023	14.22	14.22
Specialty	9.52	0.943	1.000	1.054	1.189	11.25	11.25
Hepatitis C Drugs	1.68	0.946	1.000	1.000	0.939	1.49	1.49
Other Pharmacy	1.21	0.942	1.000	1.014	1.023	1.18	1.18
<b>Subtotal</b>	<b>\$ 40.50</b>					<b>\$ 42.18</b>	<b>\$ 42.18</b>
<b>Physician</b>							
Surgery	\$ 4.99	1.006	1.000	1.082	1.061	\$ 5.76	\$ 5.76
Anesthesia	1.07	1.001	1.000	1.082	1.061	1.23	1.23
Hospital Inpatient Visits	4.60	1.001	1.000	1.082	1.061	5.28	5.28
ED/Urgent Care Visits	12.21	1.001	1.000	1.082	1.061	14.02	14.02
Office/Home Visits	14.46	1.003	1.000	1.082	1.061	16.64	16.64
Well Baby/Physical Exams	1.79	1.000	1.000	1.082	1.061	2.05	2.05
Allergy/Immunizations	0.96	1.001	1.000	1.082	1.061	1.10	1.10
Office Administered Drugs	0.63	1.001	1.000	1.082	1.061	0.72	0.72
Office Administered Drugs - Specialty	3.87	1.001	1.000	1.082	1.061	4.44	4.44
Radiology/Pathology/Lab	12.85	0.996	1.000	1.082	1.061	14.68	14.68
Physician Maternity Non-Delivery	0.17	1.001	1.000	1.000	1.000	0.17	0.17
Other Professional	5.09	1.000	1.000	1.082	1.061	5.84	5.84
<b>Subtotal</b>	<b>\$ 62.69</b>					<b>\$ 71.95</b>	<b>\$ 71.95</b>
<b>Ancillary</b>							
Ambulance	\$ 3.75	1.001	1.000	1.124	1.010	\$ 4.26	\$ 4.26
DME/Prosthetics/Orthotics	1.17	1.036	1.000	1.124	1.010	1.38	1.38
PT/OT/ST	1.43	1.009	1.000	1.124	1.010	1.64	1.64
Chiropractic Services	0.02	1.071	1.000	1.124	1.010	0.02	0.02
PDN/Home Health/Hospice	0.39	1.001	1.000	1.124	1.010	0.44	0.44
Vision	2.01	1.057	1.000	1.124	1.010	2.41	2.41
Hearing and Speech Exams	0.05	0.993	1.000	1.124	1.010	0.06	0.06
Other Ancillary	0.68	1.001	1.000	1.124	1.010	0.77	0.77
<b>Subtotal</b>	<b>\$ 9.50</b>					<b>\$ 10.98</b>	<b>\$ 10.98</b>
<b>Behavioral Health</b>							
MH Residential	\$ 7.59	1.001	1.591	1.061	1.000	\$ 12.82	\$ 12.82
MH Office/Outpatient	9.61	0.999	1.000	1.124	1.000	10.79	10.79
MH/SUD Community Services	0.51	1.002	1.000	1.082	1.000	0.55	0.55
Medication Management/MAT	1.15	1.001	1.000	1.082	1.000	1.25	1.25
Other MH Inpatient	0.14	1.001	1.055	1.061	1.000	0.16	0.16
SUD Residential	0.96	1.001	1.300	1.061	1.000	1.33	1.33
SUD Office/Outpatient	0.49	1.001	1.000	1.124	1.000	0.55	0.55
Other SUD Inpatient	0.08	1.001	1.000	1.061	1.000	0.08	0.08
Applied Behavior Analysis	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 20.53</b>					<b>\$ 27.52</b>	<b>\$ 27.52</b>
<b>Sub-Capitation Payments</b>							
Outpatient Surgery	\$ 0.14	1.000	1.000	1.061	0.960	\$ 0.14	\$ 0.14
Office/Home Visits	1.76	0.929	1.000	1.082	1.061	1.88	1.88
Radiology/Pathology/Lab	4.84	1.000	1.000	1.082	1.061	5.55	5.55
Physician Maternity Non-Delivery	0.65	1.000	1.000	1.000	1.000	0.65	0.65
Capitation - Global	17.47	0.895	1.000	1.082	1.061	17.94	17.94
Capitation - Non Specific	0.53	1.000	1.000	1.082	1.061	0.61	0.61
<b>Subtotal</b>	<b>\$ 25.39</b>					<b>\$ 26.77</b>	<b>\$ 26.77</b>
<b>Aggregate Medical Cost</b>							
Encounter subtotal	\$ 184.78					\$ 208.02	\$ 208.02
Encounters & sub-capitation	\$ 210.17					\$ 234.80	\$ 234.80
<b>Direct enrollment claims</b>	\$196.78	1.026	1.000	1.074	1.048	\$ 227.20	\$ 227.20
<b>MCO &amp; FFS claims composite</b>	\$184.81					\$ 208.08	\$ 208.08
<b>MCO &amp; FFS total composite</b>	\$210.13					\$ 234.77	\$ 234.77
Provider Incentive Payments	\$0.02					\$ 0.02	\$ 0.02
Reinsurance	(\$1.73)	1.000	1.000	1.122	1.061	\$(2.06)	\$(2.06)
<b>Total Medical Cost</b>	<b>\$208.42</b>					<b>\$ 232.73</b>	<b>\$ 232.73</b>

Notes:  
(1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
(2) Completed data includes adjustment for Incurred but not Paid (IBNP).

Appendix B-1-30  
State of Nevada  
Division of Health Care Financing and Policy  
CY 2019 Capitation Rate Development  
MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMs	389,716
Aid Category: Expansion	2017 Direct Enrollment MMs	1,363
Rate Cell: Male - 19 - 34		
Region: South	CY 2019 Estimated Member Months	429,059

Benefit	CY 2017 Adjustment Factors						CY 2019 Paid PMPM
	Pre-Adj CY 2017 Paid PMPM (2)	Unit Cost Adj. (1)	IMD Adj. Cost	Trend Util.	Post-Adj CY 2017 Paid PMPM (2)		
		Cost	Cost	Cost			
<b>Hospital Inpatient</b>							
Medical/Surgical	\$ 36.67	1.001	1.000	1.082	1.040	\$ 41.29	\$ 41.29
Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Well Newborn	-	1.001	1.000	1.082	1.040	-	-
Other Newborn	-	1.000	1.000	1.000	1.000	-	-
Nursing Facility - short term	3.59	1.047	1.000	1.082	1.040	4.23	4.23
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 40.26</b>					<b>\$ 45.52</b>	<b>\$ 45.52</b>
<b>Hospital Outpatient</b>							
Emergency Department	\$ 12.35	0.992	1.000	1.061	0.980	\$ 12.74	\$ 12.74
Outpatient Surgery	2.97	0.891	1.000	1.061	0.960	2.70	2.70
Observation	4.43	0.999	1.000	1.061	0.980	4.60	4.60
Radiology/Pathology/Lab	0.11	0.926	1.000	1.061	0.960	0.10	0.10
Pharmacy and Blood	0.06	1.005	1.000	1.061	0.960	0.06	0.06
Other Outpatient	1.92	1.003	1.000	1.061	0.960	1.96	1.96
<b>Subtotal</b>	<b>\$ 21.84</b>					<b>\$ 22.17</b>	<b>\$ 22.17</b>
<b>Prescription Drugs</b>							
Brand	\$ 12.40	0.945	1.000	1.051	1.038	\$ 12.79	\$ 12.79
Generic	9.63	0.947	1.000	1.014	1.023	9.47	9.47
Specialty	34.77	0.945	1.000	1.054	1.189	41.19	41.19
Hepatitis C Drugs	1.85	0.948	1.000	1.000	0.939	1.65	1.65
Other Pharmacy	0.97	0.940	1.000	1.014	1.023	0.95	0.95
<b>Subtotal</b>	<b>\$ 59.62</b>					<b>\$ 66.04</b>	<b>\$ 66.04</b>
<b>Physician</b>							
Surgery	\$ 4.60	1.006	1.000	1.082	1.061	\$ 5.31	\$ 5.31
Anesthesia	0.86	1.001	1.000	1.082	1.061	0.99	0.99
Hospital Inpatient Visits	6.83	1.001	1.000	1.082	1.061	7.84	7.84
ED/Urgent Care Visits	9.43	1.001	1.000	1.082	1.061	10.83	10.83
Office/Home Visits	8.33	1.002	1.000	1.082	1.061	9.57	9.57
Well Baby/Physical Exams	0.49	1.001	1.000	1.082	1.061	0.56	0.56
Allergy/Immunizations	0.71	1.001	1.000	1.082	1.061	0.82	0.82
Office Administered Drugs	1.06	1.001	1.000	1.082	1.061	1.22	1.22
Office Administered Drugs - Specialty	3.33	1.001	1.000	1.082	1.061	3.82	3.82
Radiology/Pathology/Lab	5.95	0.989	1.000	1.082	1.061	6.75	6.75
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Other Professional	2.56	1.002	1.000	1.082	1.061	2.94	2.94
<b>Subtotal</b>	<b>\$ 44.15</b>					<b>\$ 50.65</b>	<b>\$ 50.65</b>
<b>Ancillary</b>							
Ambulance	\$ 5.35	1.001	1.000	1.124	1.010	\$ 6.08	\$ 6.08
DME/Prosthetics/Orthotics	1.48	1.018	1.000	1.124	1.010	1.71	1.71
PT/OT/ST	1.29	1.004	1.000	1.124	1.010	1.47	1.47
Chiropractic Services	-	1.047	1.000	1.124	1.010	-	-
PDN/Home Health/Hospice	0.50	1.001	1.000	1.124	1.010	0.57	0.57
Vision	1.26	1.053	1.000	1.124	1.010	1.51	1.51
Hearing and Speech Exams	0.03	1.005	1.000	1.124	1.010	0.03	0.03
Other Ancillary	0.93	1.015	1.000	1.124	1.010	1.07	1.07
<b>Subtotal</b>	<b>\$ 10.84</b>					<b>\$ 12.43</b>	<b>\$ 12.43</b>
<b>Behavioral Health</b>							
MH Residential	\$ 17.32	1.001	1.633	1.061	1.000	\$ 30.02	\$ 30.02
MH Office/Outpatient	11.49	0.999	1.000	1.124	1.000	12.90	12.90
MH/SUD Community Services	0.66	1.002	1.000	1.082	1.000	0.72	0.72
Medication Management/MAT	1.79	1.001	1.000	1.082	1.000	1.94	1.94
Other MH Inpatient	0.38	1.001	1.041	1.061	1.000	0.42	0.42
SUD Residential	3.25	1.001	1.375	1.061	1.000	4.74	4.74
SUD Office/Outpatient	1.02	1.001	1.000	1.124	1.000	1.15	1.15
Other SUD Inpatient	0.40	1.001	1.000	1.061	1.000	0.42	0.42
Applied Behavior Analysis	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 36.31</b>					<b>\$ 52.32</b>	<b>\$ 52.32</b>
<b>Sub-Capitation Payments</b>							
Outpatient Surgery	\$ 0.14	1.000	1.000	1.061	0.960	\$ 0.14	\$ 0.14
Office/Home Visits	1.86	0.936	1.000	1.082	1.061	2.00	2.00
Radiology/Pathology/Lab	4.92	1.000	1.000	1.082	1.061	5.65	5.65
Physician Maternity Non-Delivery	0.66	1.000	1.000	1.000	1.000	0.66	0.66
Capitation - Global	18.14	0.895	1.000	1.082	1.061	18.63	18.63
Capitation - Non Specific	0.54	1.000	1.000	1.082	1.061	0.62	0.62
<b>Subtotal</b>	<b>\$ 26.26</b>					<b>\$ 27.70</b>	<b>\$ 27.70</b>
<b>Aggregate Medical Cost</b>							
Encounter subtotal	\$ 213.02					\$ 249.14	\$ 249.14
Encounters & sub-capitation	\$ 239.28					\$ 276.83	\$ 276.83
<b>Direct enrollment claims</b>	<b>\$254.01</b>	<b>1.045</b>	<b>1.000</b>	<b>1.080</b>	<b>1.049</b>	<b>\$ 300.79</b>	<b>\$ 300.79</b>
<b>MCO &amp; FFS claims composite</b>	<b>\$213.16</b>					<b>\$ 249.32</b>	<b>\$ 249.32</b>
<b>MCO &amp; FFS total composite</b>	<b>\$239.33</b>					<b>\$ 276.92</b>	<b>\$ 276.92</b>
Provider Incentive Payments	\$0.02					\$ 0.02	\$ 0.02
Reinsurance	(\$3.30)	1.000	1.000	1.122	1.061	\$(3.93)	\$(3.93)
<b>Total Medical Cost</b>	<b>\$236.05</b>					<b>\$ 273.01</b>	<b>\$ 273.01</b>

Notes:  
(1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
(2) Completed data includes adjustment for Incurred but not Paid (IBNP).

Appendix B-1-31  
State of Nevada  
Division of Health Care Financing and Policy  
CY 2019 Capitation Rate Development  
MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMs	545,585
Aid Category: Expansion	2017 Direct Enrollment MMs	1,383
Rate Cell: Female - 35 - 64		
Region: South	CY 2019 Estimated Member Months	569,684

Benefit	Pre-Adj CY 2017 Paid PMPM (2)	CY 2017 Adjustment Factors				Post-Adj CY 2017 Paid PMPM (2)	CY 2019 Paid PMPM
		Unit Cost	IMD Adj. Cost	Trend Util.	Trend Cost		
		Adj. (1) Cost					
<b>Hospital Inpatient</b>							
Medical/Surgical	\$ 69.22	1.002	1.000	1.082	1.040	\$ 78.02	\$ 78.02
Maternity Non-Delivery	0.05	1.002	1.000	1.082	1.040	0.06	0.06
Well Newborn	-	1.000	1.000	1.000	1.000	-	-
Other Newborn	-	1.000	1.000	1.000	1.000	-	-
Nursing Facility - short term	11.83	1.049	1.000	1.082	1.040	13.96	13.96
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 81.10</b>					<b>\$ 92.04</b>	<b>\$ 92.04</b>
<b>Hospital Outpatient</b>							
Emergency Department	\$ 14.52	0.983	1.000	1.061	0.980	\$ 14.84	\$ 14.84
Outpatient Surgery	14.98	0.887	1.000	1.061	0.960	13.54	13.54
Observation	10.31	0.981	1.000	1.061	0.980	10.52	10.52
Radiology/Pathology/Lab	0.30	0.936	1.000	1.061	0.960	0.29	0.29
Pharmacy and Blood	0.14	1.003	1.000	1.061	0.960	0.14	0.14
Other Outpatient	5.01	0.972	1.000	1.061	0.960	4.96	4.96
<b>Subtotal</b>	<b>\$ 45.26</b>					<b>\$ 44.29</b>	<b>\$ 44.29</b>
<b>Prescription Drugs</b>							
Brand	\$ 48.27	0.945	1.000	1.051	1.038	\$ 49.76	\$ 49.76
Generic	37.09	0.946	1.000	1.014	1.023	36.42	36.42
Specialty	36.28	0.943	1.000	1.054	1.189	42.89	42.89
Hepatitis C Drugs	11.75	0.942	1.000	1.000	0.939	10.39	10.39
Other Pharmacy	5.44	0.941	1.000	1.014	1.023	5.31	5.31
<b>Subtotal</b>	<b>\$ 138.83</b>					<b>\$ 144.78</b>	<b>\$ 144.78</b>
<b>Physician</b>							
Surgery	\$ 18.46	1.002	1.000	1.082	1.061	\$ 21.22	\$ 21.22
Anesthesia	3.11	1.002	1.000	1.082	1.061	3.57	3.57
Hospital Inpatient Visits	13.83	1.002	1.000	1.082	1.061	15.90	15.90
ED/Urgent Care Visits	12.29	1.002	1.000	1.082	1.061	14.13	14.13
Office/Home Visits	31.39	1.003	1.000	1.082	1.061	36.12	36.12
Well Baby/Physical Exams	1.12	1.000	1.000	1.082	1.061	1.29	1.29
Allergy/Immunizations	1.17	1.002	1.000	1.082	1.061	1.34	1.34
Office Administered Drugs	3.93	1.002	1.000	1.082	1.061	4.52	4.52
Office Administered Drugs - Specialty	14.50	1.002	1.000	1.082	1.061	16.67	16.67
Radiology/Pathology/Lab	24.22	0.991	1.000	1.082	1.061	27.53	27.53
Physician Maternity Non-Delivery	0.04	1.002	1.000	1.000	1.000	0.04	0.04
Other Professional	13.87	1.002	1.000	1.082	1.061	15.94	15.94
<b>Subtotal</b>	<b>\$ 137.93</b>					<b>\$ 158.26</b>	<b>\$ 158.26</b>
<b>Ancillary</b>							
Ambulance	\$ 5.42	1.002	1.000	1.124	1.010	\$ 6.16	\$ 6.16
DME/Prosthetics/Orthotics	5.01	1.026	1.000	1.124	1.010	5.83	5.83
PT/OT/ST	6.21	1.006	1.000	1.124	1.010	7.09	7.09
Chiropractic Services	0.02	1.061	1.000	1.124	1.010	0.02	0.02
PDN/Home Health/Hospice	3.19	1.002	1.000	1.124	1.010	3.63	3.63
Vision	3.13	1.050	1.000	1.124	1.010	3.73	3.73
Hearing and Speech Exams	0.14	0.997	1.000	1.124	1.010	0.16	0.16
Other Ancillary	3.29	1.003	1.000	1.124	1.010	3.75	3.75
<b>Subtotal</b>	<b>\$ 26.41</b>					<b>\$ 30.36</b>	<b>\$ 30.36</b>
<b>Behavioral Health</b>							
MH Residential	\$ 7.83	1.002	1.637	1.061	1.000	\$ 13.62	\$ 13.62
MH Office/Outpatient	11.57	1.000	1.000	1.124	1.000	13.00	13.00
MH/SUD Community Services	1.66	1.005	1.000	1.082	1.000	1.80	1.80
Medication Management/MAT	1.31	1.002	1.000	1.082	1.000	1.42	1.42
Other MH Inpatient	0.26	1.002	1.028	1.061	1.000	0.28	0.28
SUD Residential	1.13	1.002	1.340	1.061	1.000	1.61	1.61
SUD Office/Outpatient	0.46	1.002	1.000	1.124	1.000	0.52	0.52
Other SUD Inpatient	0.54	1.002	1.000	1.061	1.000	0.57	0.57
Applied Behavior Analysis	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 24.76</b>					<b>\$ 32.83</b>	<b>\$ 32.83</b>
<b>Sub-Capitation Payments</b>							
Outpatient Surgery	\$ 0.15	1.000	1.000	1.061	0.960	\$ 0.15	\$ 0.15
Office/Home Visits	1.48	0.924	1.000	1.082	1.061	1.57	1.57
Radiology/Pathology/Lab	5.30	1.000	1.000	1.082	1.061	6.08	6.08
Physician Maternity Non-Delivery	0.72	1.000	1.000	1.000	1.000	0.72	0.72
Capitation - Global	18.27	0.895	1.000	1.082	1.061	18.76	18.76
Capitation - Non Specific	0.58	1.000	1.000	1.082	1.061	0.67	0.67
<b>Subtotal</b>	<b>\$ 26.50</b>					<b>\$ 27.95</b>	<b>\$ 27.95</b>
<b>Aggregate Medical Cost</b>							
Encounter subtotal	\$ 454.29					\$ 502.56	\$ 502.56
Encounters & sub-capitation	\$ 480.79					\$ 530.52	\$ 530.52
<b>Direct enrollment claims</b>	\$ 400.20	1.062	1.000	1.075	1.040	\$ 475.02	\$ 475.02
<b>MCO &amp; FFS claims composite</b>	\$ 454.15					\$ 502.49	\$ 502.49
<b>MCO &amp; FFS total composite</b>	\$ 480.59					\$ 530.38	\$ 530.38
Provider Incentive Payments	\$ 0.02					\$ 0.02	\$ 0.02
Reinsurance	(\$ 4.41)	1.000	1.000	1.122	1.061	\$ (5.25)	\$ (5.25)
<b>Total Medical Cost</b>	<b>\$ 476.19</b>					<b>\$ 525.14</b>	<b>\$ 525.14</b>

Notes:  
(1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
(2) Completed data includes adjustment for Incurred but not Paid (IBNP).

Appendix B-1-32  
State of Nevada  
Division of Health Care Financing and Policy  
CY 2019 Capitation Rate Development  
MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMs	508,034
Aid Category: Expansion	2017 Direct Enrollment MMs	1,542
Rate Cell: Male - 35 - 64		
Region: South	CY 2019 Estimated Member Months	544,367

Benefit	Pre-Adj CY 2017 Paid PMPM (2)	CY 2017 Adjustment Factors				Post-Adj CY 2017 Paid PMPM (2)	CY 2019 Paid PMPM
		Unit Cost	IMD Adj. Cost	Trend Util.	Trend Cost		
		Adj. (1) Cost					
<b>Hospital Inpatient</b>							
Medical/Surgical	\$ 100.99	1.001	1.000	1.082	1.040	\$ 113.80	\$ 113.80
Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Well Newborn	-	1.001	1.000	1.082	1.040	-	-
Other Newborn	-	1.000	1.000	1.000	1.000	-	-
Nursing Facility - short term	22.67	1.052	1.000	1.082	1.040	26.83	26.83
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 123.66</b>					<b>\$ 140.63</b>	<b>\$ 140.63</b>
<b>Hospital Outpatient</b>							
Emergency Department	\$ 15.32	0.984	1.000	1.061	0.980	\$ 15.68	\$ 15.68
Outpatient Surgery	10.34	0.889	1.000	1.061	0.960	9.36	9.36
Observation	12.51	0.989	1.000	1.061	0.980	12.87	12.87
Radiology/Pathology/Lab	0.23	0.949	1.000	1.061	0.960	0.22	0.22
Pharmacy and Blood	0.35	1.005	1.000	1.061	0.960	0.36	0.36
<b>Other Outpatient</b>	<b>7.24</b>	<b>0.983</b>	<b>1.000</b>	<b>1.061</b>	<b>0.960</b>	<b>7.25</b>	<b>7.25</b>
<b>Subtotal</b>	<b>\$ 45.99</b>					<b>\$ 45.75</b>	<b>\$ 45.75</b>
<b>Prescription Drugs</b>							
Brand	\$ 39.96	0.945	1.000	1.051	1.038	\$ 41.20	\$ 41.20
Generic	27.35	0.947	1.000	1.014	1.023	26.87	26.87
Specialty	50.97	0.947	1.000	1.054	1.189	60.45	60.45
Hepatitis C Drugs	18.37	0.946	1.000	1.000	0.939	16.31	16.31
Other Pharmacy	4.74	0.941	1.000	1.014	1.023	4.63	4.63
<b>Subtotal</b>	<b>\$ 141.39</b>					<b>\$ 149.47</b>	<b>\$ 149.47</b>
<b>Physician</b>							
Surgery	\$ 15.09	1.001	1.000	1.082	1.061	\$ 17.34	\$ 17.34
Anesthesia	2.42	1.001	1.000	1.082	1.061	2.78	2.78
Hospital Inpatient Visits	21.57	1.002	1.000	1.082	1.061	24.79	24.79
ED/Urgent Care Visits	12.72	1.001	1.000	1.082	1.061	14.62	14.62
Office/Home Visits	22.16	1.002	1.000	1.082	1.061	25.48	25.48
Well Baby/Physical Exams	0.54	1.001	1.000	1.082	1.061	0.62	0.62
Allergy/Immunizations	0.79	1.001	1.000	1.082	1.061	0.91	0.91
Office Administered Drugs	3.29	1.001	1.000	1.082	1.061	3.78	3.78
Office Administered Drugs - Specialty	8.05	1.001	1.000	1.082	1.061	9.25	9.25
Radiology/Pathology/Lab	17.35	0.987	1.000	1.082	1.061	19.66	19.66
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Other Professional	9.33	1.002	1.000	1.082	1.061	10.73	10.73
<b>Subtotal</b>	<b>\$ 113.31</b>					<b>\$ 129.96</b>	<b>\$ 129.96</b>
<b>Ancillary</b>							
Ambulance	\$ 8.69	1.001	1.000	1.124	1.010	\$ 9.88	\$ 9.88
DME/Prosthetics/Orthotics	5.41	1.024	1.000	1.124	1.010	6.28	6.28
PT/OT/ST	4.04	1.005	1.000	1.124	1.010	4.61	4.61
Chiropractic Services	0.01	1.052	1.000	1.124	1.010	0.01	0.01
PDN/Home Health/Hospice	2.28	1.001	1.000	1.124	1.010	2.59	2.59
Vision	2.20	1.046	1.000	1.124	1.010	2.61	2.61
Hearing and Speech Exams	0.11	0.994	1.000	1.124	1.010	0.12	0.12
<b>Other Ancillary</b>	<b>2.45</b>	<b>1.001</b>	<b>1.000</b>	<b>1.124</b>	<b>1.010</b>	<b>2.78</b>	<b>2.78</b>
<b>Subtotal</b>	<b>\$ 25.19</b>					<b>\$ 28.89</b>	<b>\$ 28.89</b>
<b>Behavioral Health</b>							
MH Residential	\$ 16.94	1.001	1.619	1.061	1.000	\$ 29.13	\$ 29.13
MH Office/Outpatient	13.33	1.001	1.000	1.124	1.000	14.99	14.99
MH/SUD Community Services	1.83	1.004	1.000	1.082	1.000	1.99	1.99
Medication Management/MAT	1.72	1.001	1.000	1.082	1.000	1.86	1.86
Other MH Inpatient	0.29	1.001	1.005	1.061	1.000	0.31	0.31
SUD Residential	3.19	1.001	1.211	1.061	1.000	4.10	4.10
SUD Office/Outpatient	1.14	1.001	1.000	1.124	1.000	1.28	1.28
Other SUD Inpatient	2.23	1.001	1.000	1.061	1.000	2.37	2.37
<b>Applied Behavior Analysis</b>	<b>-</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>-</b>	<b>-</b>
<b>Subtotal</b>	<b>\$ 40.67</b>					<b>\$ 56.03</b>	<b>\$ 56.03</b>
<b>Sub-Capitation Payments</b>							
Outpatient Surgery	\$ 0.15	1.000	1.000	1.061	0.960	\$ 0.15	\$ 0.15
Office/Home Visits	1.66	0.930	1.000	1.082	1.061	1.77	1.77
Radiology/Pathology/Lab	5.10	1.000	1.000	1.082	1.061	5.85	5.85
Physician Maternity Non-Delivery	0.69	1.000	1.000	1.000	1.000	0.69	0.69
Capitation - Global	18.07	0.895	1.000	1.082	1.061	18.56	18.56
<b>Capitation - Non Specific</b>	<b>0.56</b>	<b>1.000</b>	<b>1.000</b>	<b>1.082</b>	<b>1.061</b>	<b>0.64</b>	<b>0.64</b>
<b>Subtotal</b>	<b>\$ 26.23</b>					<b>\$ 27.67</b>	<b>\$ 27.67</b>
<b>Aggregate Medical Cost</b>							
Encounter subtotal	\$ 490.21					\$ 550.73	\$ 550.73
Encounters & sub-capitation	\$ 516.44					\$ 578.40	\$ 578.40
<b>Direct enrollment claims</b>	<b>\$510.51</b>	<b>1.038</b>	<b>1.000</b>	<b>1.078</b>	<b>1.046</b>	<b>\$ 596.95</b>	<b>\$ 596.95</b>
<b>MCO &amp; FFS claims composite</b>	<b>\$490.27</b>					<b>\$ 550.87</b>	<b>\$ 550.87</b>
<b>MCO &amp; FFS total composite</b>	<b>\$516.42</b>					<b>\$ 578.46</b>	<b>\$ 578.46</b>
Provider Incentive Payments	\$0.02					\$ 0.02	\$ 0.02
Reinsurance	(\$5.14)	1.000	1.000	1.122	1.061	(\$ 6.12)	(\$ 6.12)
<b>Total Medical Cost</b>	<b>\$511.30</b>					<b>\$ 572.35</b>	<b>\$ 572.35</b>

Notes:  
(1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
(2) Completed data includes adjustment for Incurred but not Paid (IBNP).

Appendix B-1-33  
 State of Nevada  
 Division of Health Care Financing and Policy  
 CY 2019 Capitation Rate Development  
 MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMs	68,219
Aid Category: Expansion	2017 Direct Enrollment MMs	239
Rate Cell: Female - 19 - 34		
Region: North	CY 2019 Estimated Member Months	68,958

Benefit	Pre-Adj CY 2017 Paid PMPM (2)	CY 2017 Adjustment Factors				Post-Adj CY 2017 Paid PMPM (2)	CY 2019 Paid PMPM
		Unit Cost	IMD Adj. Cost	Trend Util.	Trend Cost		
		Adj. (1) Cost					
<b>Hospital Inpatient</b>							
Medical/Surgical	\$ 27.69	1.001	1.000	1.082	1.040	\$ 31.19	\$ 31.19
Maternity Non-Delivery	1.22	1.001	1.000	1.082	1.040	1.37	1.37
Well Newborn	-	1.000	1.000	1.000	1.000	-	-
Other Newborn	-	1.000	1.000	1.000	1.000	-	-
Nursing Facility - short term	0.94	1.072	1.000	1.082	1.040	1.13	1.13
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 29.85</b>					<b>\$ 33.70</b>	<b>\$ 33.70</b>
<b>Hospital Outpatient</b>							
Emergency Department	\$ 16.79	0.998	1.000	1.061	0.980	\$ 17.42	\$ 17.42
Outpatient Surgery	4.71	0.959	1.000	1.061	0.960	4.60	4.60
Observation	2.27	0.982	1.000	1.061	0.980	2.32	2.32
Radiology/Pathology/Lab	2.53	0.904	1.000	1.061	0.960	2.33	2.33
Pharmacy and Blood	0.27	0.960	1.000	1.061	0.960	0.26	0.26
Other Outpatient	1.95	0.997	1.000	1.061	0.960	1.98	1.98
<b>Subtotal</b>	<b>\$ 28.52</b>					<b>\$ 28.92</b>	<b>\$ 28.92</b>
<b>Prescription Drugs</b>							
Brand	\$ 15.97	0.947	1.000	1.051	1.038	\$ 16.49	\$ 16.49
Generic	13.77	0.948	1.000	1.014	1.023	13.55	13.55
Specialty	10.00	0.950	1.000	1.054	1.189	11.90	11.90
Hepatitis C Drugs	1.00	0.964	1.000	1.000	0.939	0.91	0.91
Other Pharmacy	1.06	0.945	1.000	1.014	1.023	1.04	1.04
<b>Subtotal</b>	<b>\$ 41.80</b>					<b>\$ 43.89</b>	<b>\$ 43.89</b>
<b>Physician</b>							
Surgery	\$ 7.15	1.006	1.000	1.082	1.061	\$ 8.26	\$ 8.26
Anesthesia	1.53	1.001	1.000	1.082	1.061	1.76	1.76
Hospital Inpatient Visits	4.45	1.001	1.000	1.082	1.061	5.11	5.11
ED/Urgent Care Visits	12.75	1.001	1.000	1.082	1.061	14.64	14.64
Office/Home Visits	17.35	1.002	1.000	1.082	1.061	19.94	19.94
Well Baby/Physical Exams	0.75	1.001	1.000	1.082	1.061	0.86	0.86
Allergy/Immunizations	0.82	1.003	1.000	1.082	1.061	0.94	0.94
Office Administered Drugs	0.31	1.001	1.000	1.082	1.061	0.36	0.36
Office Administered Drugs - Specialty	2.94	1.001	1.000	1.082	1.061	3.38	3.38
Radiology/Pathology/Lab	10.29	0.989	1.000	1.082	1.061	11.68	11.68
Physician Maternity Non-Delivery	0.18	1.001	1.000	1.000	1.000	0.18	0.18
Other Professional	3.29	1.001	1.000	1.082	1.061	3.78	3.78
<b>Subtotal</b>	<b>\$ 61.81</b>					<b>\$ 70.89</b>	<b>\$ 70.89</b>
<b>Ancillary</b>							
Ambulance	\$ 3.73	1.001	1.000	1.124	1.010	\$ 4.24	\$ 4.24
DME/Prosthetics/Orthotics	1.46	1.011	1.000	1.124	1.010	1.67	1.67
PT/OT/ST	3.58	1.016	1.000	1.124	1.010	4.13	4.13
Chiropractic Services	0.01	1.052	1.000	1.124	1.010	0.01	0.01
PDN/Home Health/Hospice	0.09	1.001	1.000	1.124	1.010	0.10	0.10
Vision	1.99	1.070	1.000	1.124	1.010	2.42	2.42
Hearing and Speech Exams	0.04	0.981	1.000	1.124	1.010	0.04	0.04
Other Ancillary	0.47	1.001	1.000	1.124	1.010	0.53	0.53
<b>Subtotal</b>	<b>\$ 11.37</b>					<b>\$ 13.15</b>	<b>\$ 13.15</b>
<b>Behavioral Health</b>							
MH Residential	\$ 5.69	1.001	1.602	1.061	1.000	\$ 9.68	\$ 9.68
MH Office/Outpatient	13.21	0.999	1.000	1.124	1.000	14.82	14.82
MH/SUD Community Services	0.93	1.001	1.000	1.082	1.000	1.01	1.01
Medication Management/MAT	1.39	1.001	1.000	1.082	1.000	1.50	1.50
Other MH Inpatient	-	1.001	1.000	1.061	1.000	-	-
SUD Residential	2.66	1.001	1.503	1.061	1.000	4.25	4.25
SUD Office/Outpatient	3.12	1.001	1.000	1.124	1.000	3.51	3.51
Other SUD Inpatient	0.48	1.001	1.000	1.061	1.000	0.51	0.51
Applied Behavior Analysis	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 27.48</b>					<b>\$ 35.28</b>	<b>\$ 35.28</b>
<b>Sub-Capitation Payments</b>							
Outpatient Surgery	\$ 0.00	1.000	1.000	1.000	1.000	\$ 0.00	\$ 0.00
Office/Home Visits	2.32	0.934	1.000	1.082	1.061	2.49	2.49
Radiology/Pathology/Lab	-	1.000	1.000	1.000	1.000	-	-
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Capitation - Global	-	1.000	1.000	1.000	1.000	-	-
Capitation - Non Specific	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 2.32</b>					<b>\$ 2.49</b>	<b>\$ 2.49</b>
<b>Aggregate Medical Cost</b>							
Encounter subtotal	\$ 200.83					\$ 225.83	\$ 225.83
Encounters & sub-capitation	\$ 203.15					\$ 228.32	\$ 228.32
<b>Direct enrollment claims</b>	<b>\$293.97</b>	<b>1.008</b>	<b>1.000</b>	<b>1.059</b>	<b>1.031</b>	<b>\$ 323.88</b>	<b>\$ 323.88</b>
<b>MCO &amp; FFS claims composite</b>	<b>\$201.16</b>					<b>\$ 226.17</b>	<b>\$ 226.17</b>
<b>MCO &amp; FFS total composite</b>	<b>\$203.47</b>					<b>\$ 228.65</b>	<b>\$ 228.65</b>
Provider Incentive Payments	\$0.02					\$ 0.02	\$ 0.02
Reinsurance	(\$0.01)	1.000	1.000	1.122	1.061	(\$ 0.01)	(\$ 0.01)
<b>Total Medical Cost</b>	<b>\$203.47</b>					<b>\$ 228.65</b>	<b>\$ 228.65</b>

Notes:  
 (1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
 (2) Completed data includes adjustment for Incurred but not Paid (IBNP).

Appendix B-1-34  
 State of Nevada  
 Division of Health Care Financing and Policy  
 CY 2019 Capitation Rate Development  
 MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMs	54,058
Aid Category: Expansion	2017 Direct Enrollment MMs	233
Rate Cell: Male - 19 - 34		
Region: North	CY 2019 Estimated Member Months	55,371

Benefit	CY 2017 Adjustment Factors						Post-Adj CY 2017 Paid PMPM (2)	CY 2019 Paid PMPM
	Pre-Adj CY 2017 Paid PMPM (2)	Unit Cost Adj. (1)	IMD Adj. Cost	Trend				
		Cost	Cost	Util.	Cost			
<b>Hospital Inpatient</b>								
Medical/Surgical	\$ 35.02	1.001	1.000	1.082	1.040	\$ 39.44	\$ 39.44	
Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-	
Well Newborn	-	1.000	1.000	1.000	1.000	-	-	
Other Newborn	-	1.000	1.000	1.000	1.000	-	-	
Nursing Facility - short term	1.12	1.044	1.000	1.082	1.040	1.32	1.32	
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-	
<b>Subtotal</b>	<b>\$ 36.14</b>					<b>\$ 40.76</b>	<b>\$ 40.76</b>	
<b>Hospital Outpatient</b>								
Emergency Department	\$ 13.43	0.988	1.000	1.061	0.980	\$ 13.80	\$ 13.80	
Outpatient Surgery	2.72	0.961	1.000	1.061	0.960	2.66	2.66	
Observation	2.52	0.992	1.000	1.061	0.980	2.60	2.60	
Radiology/Pathology/Lab	1.38	0.849	1.000	1.061	0.960	1.19	1.19	
Pharmacy and Blood	0.43	0.938	1.000	1.061	0.960	0.41	0.41	
Other Outpatient	1.26	1.010	1.000	1.061	0.960	1.30	1.30	
<b>Subtotal</b>	<b>\$ 21.74</b>					<b>\$ 21.96</b>	<b>\$ 21.96</b>	
<b>Prescription Drugs</b>								
Brand	\$ 18.52	0.947	1.000	1.051	1.038	\$ 19.13	\$ 19.13	
Generic	8.28	0.950	1.000	1.014	1.023	8.17	8.17	
Specialty	28.84	0.949	1.000	1.054	1.189	34.31	34.31	
Hepatitis C Drugs	4.25	0.945	1.000	1.000	0.939	3.77	3.77	
Other Pharmacy	1.03	0.944	1.000	1.014	1.023	1.01	1.01	
<b>Subtotal</b>	<b>\$ 60.92</b>					<b>\$ 66.39</b>	<b>\$ 66.39</b>	
<b>Physician</b>								
Surgery	\$ 5.49	1.009	1.000	1.082	1.061	\$ 6.36	\$ 6.36	
Anesthesia	1.00	1.001	1.000	1.082	1.061	1.15	1.15	
Hospital Inpatient Visits	5.63	1.001	1.000	1.082	1.061	6.47	6.47	
ED/Urgent Care Visits	9.63	1.001	1.000	1.082	1.061	11.06	11.06	
Office/Home Visits	9.81	1.002	1.000	1.082	1.061	11.28	11.28	
Well Baby/Physical Exams	0.13	1.001	1.000	1.082	1.061	0.15	0.15	
Allergy/Immunizations	0.33	1.001	1.000	1.082	1.061	0.38	0.38	
Office Administered Drugs	0.85	1.001	1.000	1.082	1.061	0.98	0.98	
Office Administered Drugs - Specialty	2.24	1.001	1.000	1.082	1.061	2.57	2.57	
Radiology/Pathology/Lab	4.82	0.993	1.000	1.082	1.061	5.49	5.49	
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-	
Other Professional	1.09	1.009	1.000	1.082	1.061	1.26	1.26	
<b>Subtotal</b>	<b>\$ 41.02</b>					<b>\$ 47.14</b>	<b>\$ 47.14</b>	
<b>Ancillary</b>								
Ambulance	\$ 4.78	1.001	1.000	1.124	1.010	\$ 5.43	\$ 5.43	
DME/Prosthetics/Orthotics	1.94	1.024	1.000	1.124	1.010	2.25	2.25	
PT/OT/ST	1.68	1.014	1.000	1.124	1.010	1.93	1.93	
Chiropractic Services	-	1.001	1.000	1.124	1.010	-	-	
PDN/Home Health/Hospice	0.21	1.001	1.000	1.124	1.010	0.24	0.24	
Vision	1.09	1.058	1.000	1.124	1.010	1.31	1.31	
Hearing and Speech Exams	0.02	1.004	1.000	1.124	1.010	0.02	0.02	
Other Ancillary	0.62	1.001	1.000	1.124	1.010	0.70	0.70	
<b>Subtotal</b>	<b>\$ 10.34</b>					<b>\$ 11.89</b>	<b>\$ 11.89</b>	
<b>Behavioral Health</b>								
MH Residential	\$ 11.53	1.001	1.507	1.061	1.000	\$ 18.45	\$ 18.45	
MH Office/Outpatient	14.80	0.997	1.000	1.124	1.000	16.58	16.58	
MH/SUD Community Services	1.76	1.001	1.000	1.082	1.000	1.91	1.91	
Medication Management/MAT	3.19	1.001	1.000	1.082	1.000	3.45	3.45	
Other MH Inpatient	0.16	1.001	1.000	1.061	1.000	0.17	0.17	
SUD Residential	4.03	1.001	1.360	1.061	1.000	5.82	5.82	
SUD Office/Outpatient	6.76	1.001	1.000	1.124	1.000	7.60	7.60	
Other SUD Inpatient	1.71	1.001	1.000	1.061	1.000	1.82	1.82	
Applied Behavior Analysis	-	1.000	1.000	1.000	1.000	-	-	
<b>Subtotal</b>	<b>\$ 43.94</b>					<b>\$ 55.80</b>	<b>\$ 55.80</b>	
<b>Sub-Capitation Payments</b>								
Outpatient Surgery	\$ 0.00	1.000	1.000	1.000	1.000	\$ 0.00	\$ 0.00	
Office/Home Visits	2.40	0.930	1.000	1.082	1.061	2.56	2.56	
Radiology/Pathology/Lab	-	1.000	1.000	1.000	1.000	-	-	
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-	
Capitation - Global	-	1.000	1.000	1.000	1.000	-	-	
Capitation - Non Specific	-	1.000	1.000	1.000	1.000	-	-	
<b>Subtotal</b>	<b>\$ 2.40</b>					<b>\$ 2.56</b>	<b>\$ 2.56</b>	
<b>Aggregate Medical Cost</b>								
Encounter subtotal	\$ 214.10					\$ 243.94	\$ 243.94	
Encounters & sub-capitation	\$ 216.50					\$ 246.50	\$ 246.50	
<b>Direct enrollment claims</b>	\$ 263.55	1.007	1.000	1.083	1.026	\$ 295.09	\$ 295.09	
<b>MCO &amp; FFS claims composite</b>	\$ 214.31					\$ 244.16	\$ 244.16	
<b>MCO &amp; FFS total composite</b>	\$ 216.70					\$ 246.71	\$ 246.71	
Provider Incentive Payments	\$ 0.02					\$ 0.02	\$ 0.02	
Reinsurance	(\$ 0.57)	1.000	1.000	1.122	1.061	\$ (0.68)	\$ (0.68)	
<b>Total Medical Cost</b>	<b>\$ 216.15</b>					<b>\$ 246.05</b>	<b>\$ 246.05</b>	

Notes:  
 (1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
 (2) Completed data includes adjustment for Incurred but not Paid (IBNP).



Appendix B-1-35  
State of Nevada  
Division of Health Care Financing and Policy  
CY 2019 Capitation Rate Development  
MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMS	86,360
Aid Category: Expansion	2017 Direct Enrollment MMS	239
Rate Cell: Female - 35 - 64		
Region: North	CY 2019 Estimated Member Months	84,106

Benefit	Pre-Adj CY 2017 Paid PMPM (2)	CY 2017 Adjustment Factors				Post-Adj CY 2017 Paid PMPM (2)	CY 2019 Paid PMPM
		Unit Cost	IMD Adj. Cost	Trend Util.	Trend Cost		
		Adj. (1) Cost					
<b>Hospital Inpatient</b>							
Medical/Surgical	\$ 77.64	1.002	1.000	1.082	1.040	\$ 87.50	\$ 87.50
Maternity Non-Delivery	0.45	1.002	1.000	1.082	1.040	0.51	0.51
Well Newborn	-	1.000	1.000	1.000	1.000	-	-
Other Newborn	-	1.000	1.000	1.000	1.000	-	-
Nursing Facility - short term	5.90	1.051	1.000	1.082	1.040	6.98	6.98
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 83.99</b>					<b>\$ 94.99</b>	<b>\$ 94.99</b>
<b>Hospital Outpatient</b>							
Emergency Department	\$ 16.17	0.984	1.000	1.061	0.980	\$ 16.55	\$ 16.55
Outpatient Surgery	13.32	0.929	1.000	1.061	0.960	12.61	12.61
Observation	5.16	0.983	1.000	1.061	0.980	5.27	5.27
Radiology/Pathology/Lab	11.39	0.920	1.000	1.061	0.960	10.68	10.68
Pharmacy and Blood	2.49	0.967	1.000	1.061	0.960	2.45	2.45
Other Outpatient	7.61	0.982	1.000	1.061	0.960	7.61	7.61
<b>Subtotal</b>	<b>\$ 56.14</b>					<b>\$ 55.18</b>	<b>\$ 55.18</b>
<b>Prescription Drugs</b>							
Brand	\$ 53.92	0.947	1.000	1.051	1.038	\$ 55.68	\$ 55.68
Generic	34.99	0.948	1.000	1.014	1.023	34.44	34.44
Specialty	36.42	0.944	1.000	1.054	1.189	43.06	43.06
Hepatitis C Drugs	18.58	0.950	1.000	1.000	0.939	16.57	16.57
Other Pharmacy	4.15	0.945	1.000	1.014	1.023	4.07	4.07
<b>Subtotal</b>	<b>\$ 148.06</b>					<b>\$ 153.82</b>	<b>\$ 153.82</b>
<b>Physician</b>							
Surgery	\$ 24.63	1.002	1.000	1.082	1.061	\$ 28.31	\$ 28.31
Anesthesia	4.00	1.002	1.000	1.082	1.061	4.60	4.60
Hospital Inpatient Visits	12.04	1.002	1.000	1.082	1.061	13.84	13.84
ED/Urgent Care Visits	12.57	1.002	1.000	1.082	1.061	14.45	14.45
Office/Home Visits	35.51	1.003	1.000	1.082	1.061	40.85	40.85
Well Baby/Physical Exams	0.56	1.001	1.000	1.082	1.061	0.64	0.64
Allergy/Immunizations	1.08	1.002	1.000	1.082	1.061	1.24	1.24
Office Administered Drugs	3.67	1.002	1.000	1.082	1.061	4.22	4.22
Office Administered Drugs - Specialty	7.74	1.002	1.000	1.082	1.061	8.89	8.89
Radiology/Pathology/Lab	18.57	0.990	1.000	1.082	1.061	21.09	21.09
Physician Maternity Non-Delivery	0.05	1.002	1.000	1.000	1.000	0.05	0.05
Other Professional	8.89	0.999	1.000	1.082	1.061	10.19	10.19
<b>Subtotal</b>	<b>\$ 129.31</b>					<b>\$ 148.36</b>	<b>\$ 148.36</b>
<b>Ancillary</b>							
Ambulance	\$ 5.92	1.002	1.000	1.124	1.010	\$ 6.73	\$ 6.73
DME/Prosthetics/Orthotics	6.93	1.043	1.000	1.124	1.010	8.20	8.20
PT/OT/ST	13.08	1.020	1.000	1.124	1.010	15.14	15.14
Chiropractic Services	-	1.002	1.000	1.124	1.010	-	-
PDN/Home Health/Hospice	0.99	1.002	1.000	1.124	1.010	1.13	1.13
Vision	2.91	1.056	1.000	1.124	1.010	3.49	3.49
Hearing and Speech Exams	0.13	0.977	1.000	1.124	1.010	0.14	0.14
Other Ancillary	1.17	1.002	1.000	1.124	1.010	1.33	1.33
<b>Subtotal</b>	<b>\$ 31.13</b>					<b>\$ 36.16</b>	<b>\$ 36.16</b>
<b>Behavioral Health</b>							
MH Residential	\$ 7.65	1.002	1.559	1.061	1.000	\$ 12.67	\$ 12.67
MH Office/Outpatient	14.68	1.000	1.000	1.124	1.000	16.50	16.50
MH/SUD Community Services	1.11	1.002	1.000	1.082	1.000	1.20	1.20
Medication Management/MAT	2.24	1.002	1.000	1.082	1.000	2.43	2.43
Other MH Inpatient	0.44	1.002	1.000	1.061	1.000	0.47	0.47
SUD Residential	1.90	1.002	1.586	1.061	1.000	3.20	3.20
SUD Office/Outpatient	2.38	1.002	1.000	1.124	1.000	2.68	2.68
Other SUD Inpatient	3.06	1.002	1.000	1.061	1.000	3.25	3.25
Applied Behavior Analysis	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 33.46</b>					<b>\$ 42.40</b>	<b>\$ 42.40</b>
<b>Sub-Capitation Payments</b>							
Outpatient Surgery	\$ 0.00	1.000	1.000	1.061	0.960	\$ 0.00	\$ 0.00
Office/Home Visits	2.33	0.934	1.000	1.082	1.061	2.50	2.50
Radiology/Pathology/Lab	-	1.000	1.000	1.082	1.061	-	-
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Capitation - Global	-	0.895	1.000	1.082	1.061	-	-
Capitation - Non Specific	-	1.000	1.000	1.082	1.061	-	-
<b>Subtotal</b>	<b>\$ 2.33</b>					<b>\$ 2.50</b>	<b>\$ 2.50</b>
<b>Aggregate Medical Cost</b>							
Encounter subtotal	\$ 482.09					\$ 530.90	\$ 530.90
Encounters & sub-capitation	\$ 484.42					\$ 533.39	\$ 533.39
<b>Direct enrollment claims</b>	<b>\$504.93</b>	<b>1.027</b>	<b>1.000</b>	<b>1.074</b>	<b>1.032</b>	<b>\$ 574.77</b>	<b>\$ 574.77</b>
<b>MCO &amp; FFS claims composite</b>	<b>\$482.15</b>					<b>\$ 531.02</b>	<b>\$ 531.02</b>
<b>MCO &amp; FFS total composite</b>	<b>\$484.48</b>					<b>\$ 533.51</b>	<b>\$ 533.51</b>
Provider Incentive Payments	\$0.02					\$ 0.02	\$ 0.02
Reinsurance	(\$1.48)	1.000	1.000	1.122	1.061	\$(1.76)	\$(1.76)
<b>Total Medical Cost</b>	<b>\$483.01</b>					<b>\$ 531.76</b>	<b>\$ 531.76</b>

Notes:  
(1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
(2) Completed data includes adjustment for Incurred but not Paid (IBNP).

Appendix B-1-36  
State of Nevada  
Division of Health Care Financing and Policy  
CY 2019 Capitation Rate Development  
MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

Health Plan: Health Plan of Nevada, Anthem, SilverSummit HealthPlan, Aetna Better Health of Nevada	2017 MCO MMs	82,703
Aid Category: Expansion	2017 Direct Enrollment MMs	304
Rate Cell: Male - 35 - 64		
Region: North	CY 2019 Estimated Member Months	85,508

Benefit	CY 2017 Adjustment Factors						CY 2019 Paid PMPM
	Pre-Adj CY 2017 Paid PMPM (2)	Unit Cost Adj. (1)	IMD Adj. Cost	Trend Util.	Post-Adj CY 2017 Paid PMPM (2)		
		Cost	Cost	Cost			
<b>Hospital Inpatient</b>							
Medical/Surgical	\$ 127.92	1.001	1.000	1.082	1.040	\$ 144.15	\$ 144.15
Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Well Newborn	-	1.000	1.000	1.000	1.000	-	-
Other Newborn	-	1.000	1.000	1.000	1.000	-	-
Nursing Facility - short term	9.13	1.068	1.000	1.082	1.040	10.97	10.97
Other Inpatient	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 137.05</b>					<b>\$ 155.12</b>	<b>\$ 155.12</b>
<b>Hospital Outpatient</b>							
Emergency Department	\$ 15.91	0.982	1.000	1.061	0.980	\$ 16.25	\$ 16.25
Outpatient Surgery	8.81	0.921	1.000	1.061	0.960	8.27	8.27
Observation	6.19	0.989	1.000	1.061	0.980	6.37	6.37
Radiology/Pathology/Lab	8.48	0.934	1.000	1.061	0.960	8.07	8.07
Pharmacy and Blood	1.12	0.985	1.000	1.061	0.960	1.12	1.12
Other Outpatient	6.28	0.967	1.000	1.061	0.960	6.19	6.19
<b>Subtotal</b>	<b>\$ 46.79</b>					<b>\$ 46.26</b>	<b>\$ 46.26</b>
<b>Prescription Drugs</b>							
Brand	\$ 38.98	0.948	1.000	1.051	1.038	\$ 40.32	\$ 40.32
Generic	23.37	0.951	1.000	1.014	1.023	23.06	23.06
Specialty	36.98	0.946	1.000	1.054	1.189	43.85	43.85
Hepatitis C Drugs	24.89	0.945	1.000	1.000	0.939	22.08	22.08
Other Pharmacy	3.53	0.945	1.000	1.014	1.023	3.46	3.46
<b>Subtotal</b>	<b>\$ 127.75</b>					<b>\$ 132.77</b>	<b>\$ 132.77</b>
<b>Physician</b>							
Surgery	\$ 19.01	1.001	1.000	1.082	1.061	\$ 21.84	\$ 21.84
Anesthesia	3.36	1.001	1.000	1.082	1.061	3.86	3.86
Hospital Inpatient Visits	20.52	1.002	1.000	1.082	1.061	23.58	23.58
ED/Urgent Care Visits	13.07	1.001	1.000	1.082	1.061	15.02	15.02
Office/Home Visits	25.49	1.002	1.000	1.082	1.061	29.32	29.32
Well Baby/Physical Exams	0.14	1.001	1.000	1.082	1.061	0.16	0.16
Allergy/Immunizations	0.61	1.001	1.000	1.082	1.061	0.70	0.70
Office Administered Drugs	2.37	1.001	1.000	1.082	1.061	2.72	2.72
Office Administered Drugs - Specialty	6.74	1.001	1.000	1.082	1.061	7.74	7.74
Radiology/Pathology/Lab	12.99	0.985	1.000	1.082	1.061	14.69	14.69
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Other Professional	6.13	0.997	1.000	1.082	1.061	7.01	7.01
<b>Subtotal</b>	<b>\$ 110.43</b>					<b>\$ 126.66</b>	<b>\$ 126.66</b>
<b>Ancillary</b>							
Ambulance	\$ 8.83	1.001	1.000	1.124	1.010	\$ 10.03	\$ 10.03
DME/Prosthetics/Orthotics	7.35	1.064	1.000	1.124	1.010	8.87	8.87
PT/OT/ST	6.92	1.016	1.000	1.124	1.010	7.98	7.98
Chiropractic Services	-	1.001	1.000	1.124	1.010	-	-
PDN/Home Health/Hospice	1.03	1.001	1.000	1.124	1.010	1.17	1.17
Vision	2.10	1.055	1.000	1.124	1.010	2.51	2.51
Hearing and Speech Exams	0.11	0.977	1.000	1.124	1.010	0.12	0.12
Other Ancillary	1.54	1.001	1.000	1.124	1.010	1.75	1.75
<b>Subtotal</b>	<b>\$ 27.88</b>					<b>\$ 32.44</b>	<b>\$ 32.44</b>
<b>Behavioral Health</b>							
MH Residential	\$ 11.58	1.001	1.626	1.061	1.000	\$ 20.00	\$ 20.00
MH Office/Outpatient	15.36	1.000	1.000	1.124	1.000	17.25	17.25
MH/SUD Community Services	1.64	1.001	1.000	1.082	1.000	1.78	1.78
Medication Management/MAT	1.22	1.001	1.000	1.082	1.000	1.32	1.32
Other MH Inpatient	0.23	1.001	1.000	1.061	1.000	0.24	0.24
SUD Residential	4.39	1.001	1.421	1.061	1.000	6.63	6.63
SUD Office/Outpatient	3.69	1.001	1.000	1.124	1.000	4.15	4.15
Other SUD Inpatient	7.02	1.001	1.000	1.061	1.000	7.46	7.46
Applied Behavior Analysis	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 45.13</b>					<b>\$ 58.83</b>	<b>\$ 58.83</b>
<b>Sub-Capitation Payments</b>							
Outpatient Surgery	\$ 0.00	1.000	1.000	1.000	1.000	\$ 0.00	\$ 0.00
Office/Home Visits	2.42	0.929	1.000	1.082	1.061	2.58	2.58
Radiology/Pathology/Lab	-	1.000	1.000	1.000	1.000	-	-
Physician Maternity Non-Delivery	-	1.000	1.000	1.000	1.000	-	-
Capitation - Global	-	1.000	1.000	1.000	1.000	-	-
Capitation - Non Specific	-	1.000	1.000	1.000	1.000	-	-
<b>Subtotal</b>	<b>\$ 2.42</b>					<b>\$ 2.58</b>	<b>\$ 2.58</b>
<b>Aggregate Medical Cost</b>							
Encounter subtotal	\$ 495.03					\$ 552.08	\$ 552.08
Encounters & sub-capitation	\$ 497.45					\$ 554.66	\$ 554.66
<b>Direct enrollment claims</b>	<b>\$436.29</b>	<b>1.040</b>	<b>1.000</b>	<b>1.077</b>	<b>1.031</b>	<b>\$ 503.71</b>	<b>\$ 503.71</b>
<b>MCO &amp; FFS claims composite</b>	<b>\$494.81</b>					<b>\$ 551.90</b>	<b>\$ 551.90</b>
<b>MCO &amp; FFS total composite</b>	<b>\$497.23</b>					<b>\$ 554.47</b>	<b>\$ 554.47</b>
Provider Incentive Payments	\$0.02					\$ 0.02	\$ 0.02
Reinsurance	(\$3.26)	1.000	1.000	1.122	1.061	\$(3.88)	\$(3.88)
<b>Total Medical Cost</b>	<b>\$493.98</b>					<b>\$ 550.61</b>	<b>\$ 550.61</b>

Notes:  
(1) Unit cost adjustment includes fee schedule change adjustment, rebates adjustment for prescription drugs, and admin reduction adjustment for sub-capitation payments.  
(2) Completed data includes adjustment for Incurred but not Paid (IBNP).

Appendix B-2  
 State of Nevada  
 Division of Health Care Financing and Policy  
 CY 2019 Capitation Rate Development  
 MCO-submitted claims data incurred Jan 2017 to Dec 2017 ; paid through 03/2018

**TANF/Check-Up Populations**

Benefit	2017 Completed		CY 2017 Adjustment Factors		2019 Projected
	Cost per Delivery	Fee Schedule Adjustment	Trend Utilization	Unit Cost	Cost per Delivery
<b>CY 2017 Delivery Count:</b> <span style="border: 1px solid black; padding: 2px;">12,944</span> <b>2019 Estimated Delivery Count:</b> <span style="border: 1px solid black; padding: 2px;">13,444</span>					
<b>Hospital Inpatient</b>					
Vaginal delivery	\$ 1,428.30	1.001	1.000	1.020	\$ 1,458.29
C-Section delivery	1,169.08	1.001	1.000	1.020	1,193.68
Subtotal	\$ 2,597.38				\$ 2,651.97
<b>Physician</b>					
Vaginal delivery	\$ 907.88	1.002	1.000	1.000	\$ 910.03
C-Section delivery	576.64	1.001	1.000	1.000	577.17
Antepartum	68.59	1.001	1.000	1.000	68.66
Anesthesia	342.48	1.001	1.000	1.000	342.79
Subtotal	\$ 1,895.60				\$ 1,898.65
<b>Total Medical Claims Co:</b> \$ 4,492.97					\$ 4,550.62

**Expansion Population**

Benefit	2017 Completed		CY 2017 Adjustment Factors		2019 Projected
	Cost per Delivery	Fee Schedule Adjustment	Trend Utilization	Unit Cost	Cost per Delivery
<b>CY 2017 Delivery Count:</b> <span style="border: 1px solid black; padding: 2px;">658</span> <b>2019 Estimated Delivery Count:</b> <span style="border: 1px solid black; padding: 2px;">723</span>					
<b>Hospital Inpatient</b>					
Vaginal delivery	\$ 1,044.65	1.001	1.000	1.020	\$ 1,066.75
C-Section delivery	1,073.88	1.001	1.000	1.020	1,096.62
Subtotal	\$ 2,118.53				\$ 2,163.38
<b>Physician</b>					
Vaginal delivery	\$ 732.02	1.001	1.000	1.000	\$ 732.83
C-Section delivery	435.30	1.001	1.000	1.000	435.75
Antepartum	78.83	1.001	1.000	1.000	78.92
Anesthesia	279.45	1.001	1.000	1.000	279.74
Subtotal	\$ 1,525.60				\$ 1,527.24
<b>Total Medical Claims Co:</b> \$ 3,644.12					\$ 3,690.61

**All Populations**

Benefit	2017 Completed		CY 2017 Adjustment Factors		2019 Projected
	Cost per Delivery	Fee Schedule Adjustment	Trend Utilization	Unit Cost	Cost per Delivery
<b>CY 2017 Delivery Count:</b> <span style="border: 1px solid black; padding: 2px;">13,602</span> <b>2019 Estimated Delivery Count:</b> <span style="border: 1px solid black; padding: 2px;">14,167</span>					
<b>Hospital Inpatient</b>					
Vaginal delivery	\$ 1,409.74	1.001	1.000	1.020	\$ 1,438.32
C-Section delivery	1,164.47	1.001	1.000	1.020	1,188.72
Subtotal	\$ 2,574.21				\$ 2,627.04
<b>Physician</b>					
Vaginal delivery	\$ 899.37	1.002	1.000	1.000	\$ 900.99
C-Section delivery	569.80	1.001	1.000	1.000	569.96
Antepartum	69.09	1.001	1.000	1.000	69.19
Anesthesia	339.43	1.001	1.000	1.000	339.57
Subtotal	\$ 1,877.70				\$ 1,879.71
<b>Total Medical Claims Co:</b> \$ 4,451.91					\$ 4,506.75

DCR with 10% administrative load and 3.5% premium tax: \$ 5,189.12 (SSH)  
 DCR with 10.5% administrative load and 3.33% premium tax: \$ 5,208.93 (HPN)  
 DCR with 10.5% administrative load and 3.5% premium tax: \$ 5,218.11 (AMG)

## APPENDIX C

**Appendix C**  
**State of Nevada**  
**Division of Health Care Financing and Policy**  
**CY 2019 Capitation Rate Development**  
**Rates for 1/1/2019 - Assuming 3.5% Premium Tax and 10.5% Admin**

	Experience Member Months	Projected 2019 Member Months	Member Months Distribution	Credibility Weight	Medical Cost Net Mat	Cost VLBW	Pre-Credibility Benefit Cost	Manual PMPM	Credibility Adjusted PMPM	Admin/ Margin	Safety Net	Premium Tax	Proposed Managed Care Rates
<b>TANF/CHAP</b>													
<b>Southern Region Medical Rates</b>													
Males & Females; < 1yr old	184,104	191,066	6.3%	100%	\$ 578.42	\$ 57.87	\$ 520.55		\$ 520.55	\$ 61.07	\$ 25.34	\$ 22.01	\$ 628.98
Males & Females; 1 - 2 yrs old	316,868	320,617	10.5%	100%	105.81	0.00	105.81		105.81	12.41	5.15	4.47	127.85
Males & Females; 3 - 14 yrs old	1,545,836	1,587,109	52.1%	100%	84.28	0.00	84.28		84.28	9.89	4.10	3.56	101.83
Females; 15 - 18 yrs old	178,080	188,738	6.2%	100%	119.19	0.00	119.19		119.19	13.98	5.80	5.04	144.02
Males; 15 - 18 yrs old	175,381	182,179	6.0%	100%	99.73	0.00	99.73		99.73	11.70	4.85	4.22	120.50
Females; 19 - 34 yrs old	297,826	311,256	10.2%	100%	230.16	0.00	230.16		230.16	27.00	11.20	9.73	278.10
Males; 19 - 34 yrs old	50,311	52,070	1.7%	100%	156.51	0.00	156.51		156.51	18.36	7.62	6.62	189.11
Females; 35+ yrs old	147,027	157,165	5.2%	100%	395.77	0.00	395.77		395.77	46.43	19.26	16.74	478.20
Males; 35+ yrs old	51,295	54,250	1.8%	100%	368.44	0.00	368.44		368.44	43.22	17.93	15.58	445.18
Composite	2,946,729	3,044,451	100.0%		\$ 157.94	\$ 3.63	\$ 154.31		\$ 154.31	\$ 18.10	\$ 7.51	\$ 6.53	\$ 186.45
<b>Northern Region Medical Rates</b>													
Males & Females; < 1yr old	27,835	29,677	7.1%	75%	\$ 463.31	\$ 51.42	\$ 411.89	\$ 424.24	\$ 415.03	\$ 48.69	\$ 20.20	\$ 17.55	\$ 501.47
Males & Females; 1 - 2 yrs old	46,986	44,816	10.8%	97%	98.58	0.00	98.58	86.23	98.20	11.52	4.78	4.15	118.66
Males & Females; 3 - 14 yrs old	220,159	216,414	52.0%	100%	65.43	0.00	65.43		65.43	7.68	3.18	2.77	79.06
Females; 15 - 18 yrs old	24,015	24,455	5.9%	69%	125.58	0.00	125.58	97.14	116.85	13.71	5.69	4.94	141.19
Males; 15 - 18 yrs old	23,802	23,723	5.7%	69%	73.80	0.00	73.80	81.28	76.12	8.93	3.70	3.22	91.97
Females; 19 - 34 yrs old	41,751	43,699	10.5%	91%	228.66	0.00	228.66	218.33	227.77	26.72	11.09	9.63	275.21
Males; 19 - 34 yrs old	7,299	7,292	1.8%	38%	156.08	0.00	156.08	148.47	151.38	17.76	7.37	6.40	182.91
Females; 35+ yrs old	18,368	19,308	4.6%	61%	346.12	0.00	346.12	375.44	357.67	41.96	17.41	15.13	432.16
Males; 35+ yrs old	7,332	6,909	1.7%	38%	358.10	0.00	358.10	349.51	352.80	41.39	17.17	14.92	426.28
Composite	417,547	416,293	100.0%		\$ 137.97	\$ 3.67	\$ 134.31	\$ 205.35	\$ 134.38	\$ 15.77	\$ 6.54	\$ 5.68	\$ 162.37
<b>CHECK UP</b>													
<b>Southern Region Medical Rate</b>													
Males & Females; < 1yr old	1,303	2,004	0.8%	16%	\$ 148.74	\$ 56.94	\$ 91.80	\$ 179.38	\$ 165.24	\$ 19.39	\$ 8.04	\$ 6.99	\$ 199.66
Males & Females; 1 - 2 yrs old	14,166	15,481	6.3%	53%	93.71	0.00	93.71	107.63	100.22	11.76	4.88	4.24	121.09
Males & Females; 3 - 14 yrs old	165,341	177,795	72.0%	100%	93.61	0.00	93.61		93.61	10.98	4.56	3.96	113.11
Females; 15 - 18 yrs old	24,416	25,950	10.5%	70%	146.16	0.00	146.16	123.52	139.34	16.35	6.78	5.89	168.36
Males; 15 - 18 yrs old	24,345	25,714	10.4%	70%	103.37	0.00	103.37	98.93	102.03	11.97	4.97	4.31	123.28
Composite	229,571	246,944	100.0%		\$ 100.60	\$ 0.46	\$ 100.14	\$ 112.44	\$ 100.29	\$ 11.77	\$ 4.88	\$ 4.24	\$ 121.18
<b>Northern Region Medical Rate</b>													
Males & Females; < 1yr old	344	415	0.8%	8%	\$ 114.94	\$ 57.31	\$ 57.63	\$ 146.94	\$ 139.53	\$ 16.37	\$ 6.79	\$ 5.90	\$ 168.60
Males & Females; 1 - 2 yrs old	3,458	3,593	6.8%	26%	92.25	0.00	92.25	88.13	89.21	10.47	4.34	3.77	107.79
Males & Females; 3 - 14 yrs old	36,261	38,257	72.1%	85%	81.97	0.00	81.97	69.88	80.18	9.41	3.90	3.39	96.87
Females; 15 - 18 yrs old	4,920	5,411	10.2%	31%	120.19	0.00	120.19	104.10	109.15	12.80	5.31	4.62	131.88
Males; 15 - 18 yrs old	5,385	5,420	10.2%	33%	99.21	0.00	99.21	81.99	87.64	10.28	4.27	3.71	105.90
Composite	50,367	53,096	100.0%		\$ 88.58	\$ 0.45	\$ 88.13	\$ 76.44	\$ 84.97	\$ 9.97	\$ 4.14	\$ 3.59	\$ 102.66
<b>Expansion</b>													
<b>Southern Region Medical Rate</b>													
Females; 19 - 34 yrs old	440,783	463,466	23.1%	100%	\$ 232.73	\$ 0.00	\$ 232.73		\$ 232.73	\$ 27.30	\$ 6.10	\$ 9.65	\$ 275.79
Males; 19 - 34 yrs old	391,079	429,059	21.4%	100%	273.01	0.00	273.01		273.01	32.03	7.16	11.32	323.52
Females; 35+ yrs old	546,968	569,684	28.4%	100%	525.14	0.00	525.14		525.14	61.61	13.76	21.78	622.29
Males; 35+ yrs old	509,576	544,367	27.1%	100%	572.35	0.00	572.35		572.35	67.15	15.00	23.74	678.24
Composite	1,888,406	2,006,576	100.0%		\$ 416.50	\$ 0.00	\$ 416.50		\$ 416.50	\$ 48.86	\$ 10.92	\$ 17.27	\$ 493.55
<b>Northern Region Medical Rate</b>													
Females; 19 - 34 yrs old	68,458	68,958	23.5%	100%	\$ 228.66	\$ 0.00	\$ 228.66		\$ 228.66	\$ 26.83	\$ 5.99	\$ 9.48	\$ 270.96
Males; 19 - 34 yrs old	54,291	55,371	18.8%	100%	246.05	0.00	246.05		246.05	28.87	6.45	10.20	291.57
Females; 35+ yrs old	86,599	84,106	28.6%	100%	531.76	0.00	531.76		531.76	62.39	13.94	22.05	630.14
Males; 35+ yrs old	83,007	85,508	29.1%	100%	550.61	0.00	550.61		550.61	64.60	14.43	22.84	652.48
Composite	292,354	293,943	100.0%		\$ 412.32	\$ 0.00	\$ 412.32		\$ 412.32	\$ 48.37	\$ 10.81	\$ 17.10	\$ 488.60

## APPENDIX D

**Appendix D**  
**State of Nevada**  
**Division of Health Care Financing and Policy**  
**CY 2019 Capitation Rate Development**  
**Historical Provider Pass-Through Payments (Includes Premium Tax)**

<b>Total Safety Net PMPM</b>					
TANF/Check-Up	2016	Jan-Jun 2017	Jul-Dec 2017	2018	2019 (Proposed)
<b>UMC</b>	\$ 8.20	\$ 9.08	\$ 9.04	\$ 7.76	\$ 7.44
<b>Behavioral Health</b>	2.22	2.28	n/a	n/a	n/a
<b>Las Vegas Fire</b>	0.08	0.11	n/a	n/a	n/a
<b>Henderson Fire</b>	0.02	0.03	n/a	n/a	n/a
<b>Expansion</b>					
Expansion	2,016.00	Jan-Jun 2017	Jul-Dec 2017	2,018.00	2019 (Proposed)
<b>UMC</b>	\$ 12.90	\$ 10.64	\$ 10.72	\$ 10.37	\$ 11.29
<b>Behavioral Health</b>	2.23	2.04	n/a	n/a	n/a
<b>Las Vegas Fire</b>	0.33	0.40	n/a	n/a	n/a
<b>Henderson Fire</b>	0.09	0.11	n/a	n/a	n/a
<b>Composite</b>					
Composite	2,016.00	Jan-Jun 2017	Jul-Dec 2017	2,018.00	2019 (Proposed)
<b>UMC</b>	\$ 9.94	\$ 9.67	\$ 9.67	\$ 8.75	\$ 8.90
<b>Behavioral Health</b>	2.22	2.19	n/a	n/a	n/a
<b>Las Vegas Fire</b>	0.17	0.22	n/a	n/a	n/a
<b>Henderson Fire</b>	0.04	0.06	n/a	n/a	n/a

<b>Total Safety Net (Annualized)</b>					
TANF/Check-Up	2016	Jan-Jun 2017	Jul-Dec 2017	2018	2019 (Proposed)
<b>UMC</b>	\$ 28,004,945	\$ 16,158,180	\$ 16,473,084	\$ 29,637,436	\$ 27,968,070
<b>Behavioral Health</b>	7,584,549	4,054,621	n/a	n/a	n/a
<b>Las Vegas Fire</b>	272,788	195,873	n/a	n/a	n/a
<b>Henderson Fire</b>	61,464	56,672	n/a	n/a	n/a
<b>Expansion</b>					
Expansion	2016	Jan-Jun 2017	Jul-Dec 2017	2018	2019 (Proposed)
<b>UMC</b>	\$ 25,905,862	\$ 11,294,387	\$ 11,811,761	\$ 24,293,293	\$ 25,969,508
<b>Behavioral Health</b>	4,468,839	2,165,602	n/a	n/a	n/a
<b>Las Vegas Fire</b>	670,640	424,080	n/a	n/a	n/a
<b>Henderson Fire</b>	177,158	118,916	n/a	n/a	n/a
<b>Composite</b>					
Composite	2016	Jan-Jun 2017	Jul-Dec 2017	2018	2019 (Proposed)
<b>UMC</b>	\$ 53,910,806	\$ 27,452,567	\$ 28,284,845	\$ 53,930,729	\$ 53,937,578
<b>Behavioral Health</b>	12,053,388	6,220,222	n/a	n/a	n/a
<b>Las Vegas Fire</b>	943,428	619,953	n/a	n/a	n/a
<b>Henderson Fire</b>	238,622	175,588	n/a	n/a	n/a

Notes:  
Premium tax levels vary by year as the tax rate for Health Plan of Nevada changes, and also as plan mix changes.  
CY2016-2017 rating periods are based on actual member months, CY2018-2019 rating periods are based on projected member months specific to each period.