State Fiscal Year 2020 Medicaid Managed Care Capitation Rate Certification

July 1, 2019 through June 30, 2020

South Carolina Department of Health and Human Services

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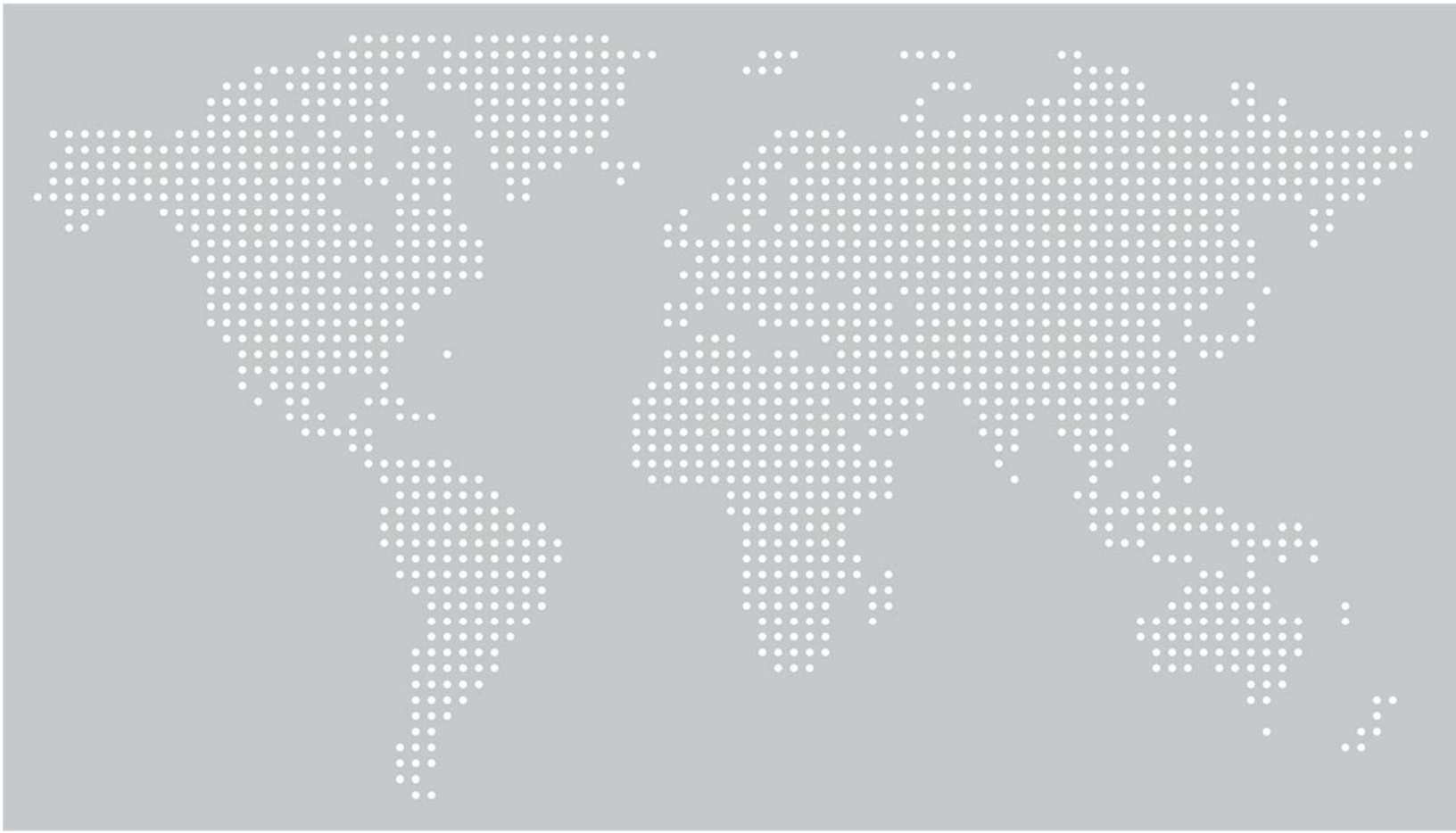

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Introduction & Executive Summary

BACKGROUND

Milliman, Inc. (Milliman) has been retained by the State of South Carolina, Department of Health and Human Services (SCDHHS) to provide actuarial and consulting services related to the development of capitation rates for its Medicaid Managed Care Program effective July 1, 2019.

This letter provides documentation for the development of the actuarially sound capitation rates. It also includes the required actuarial certification in Appendix 1.

To facilitate review, this document has been organized in the same manner as the 2019-2020 Medicaid Managed Care Rate Development Guide, released by the Centers for Medicare and Medicaid Services in March 2019 (CMS guide). Sections II and III of the CMS guide are not applicable to this certification as the covered populations and services do not include long-term services and supports (Section II), nor the new adult group under 1902(a)(10)(A)(i)(VIII) of the Social Security Act (Section III).

FISCAL IMPACT ESTIMATE

The composite per member per month (PMPM) capitation rates for the Medicaid managed care program are illustrated in Figure 1. These rates are effective for state fiscal year (SFY) 2020 (July 1, 2019 through June 30, 2020). Figure 1 provides a comparison of the SFY 2020 rates relative to the rates effective in SFY 2019. The composite rates illustrated for both SFY 2020 and SFY 2019 are calculated based on projected SFY 2020 enrollment by rate cell. The projected enrollment reflects annualized April 2019 membership. The TANF: 0-2 months old projected member months and the SFY 2020 projected KICK payments reflect calendar year 2018 average enrollment to account for the observed lag in eligibility completion for both rate cells.

FIGURE 1: Comparison with SFY 2019 Rates (PMPM Rates)

Composite	SFY 2019 PMPM	SFY 2020 PMPM	Increase/ (Decrease)
Including Add-Ons	$ 311.07	$ 326.65	5.0%
Excluding Add-Ons	$ 298.65	$ 307.84	3.1%

Note:
1. SFY 2019 and SFY 2020 composite rates reflect projected SFY 2020 enrollment by rate cell
2. Values shown in Figure 1 exclude amounts related to the Health Insurer Providers Fee (HIPF)
3. Add-Ons include Hospital Quality Payment Initiative and Supplemental Teaching Payments

Figure 2 presents the certified SFY 2020 capitation rates at the rate cell level for SFY 2020. The comparison of SFY 2020 capitation rates to the SFY 2019 capitation rates is also presented in Appendix 2.

FIGURE 2: Comparison with SFY 2019 Rates by Rate Cell (PMPM Rates)

		Including Add-Ons			Excluding Add-Ons		
Rate Cell	Projected Membership	SFY 2019 Rate	SFY 2020 Rate	Increase/ (Decrease)	SFY 2019 Rate	SFY 2020 Rate	Increase/ (Decrease)
TANF: 0-2 months old (AH3)	82,856	$ 2,167.32	$ 2,356.71	8.7%	$ 2,029.11	$ 2,168.35	6.9%
TANF: 3-12 months old (AI3)	354,132	254.97	260.04	2.0%	229.81	230.22	0.2%
TANF: Age 1-6 (AB3)	2,194,860	136.94	141.96	3.7%	130.43	132.93	1.9%
TANF: Age 7-13 (AC3)	2,621,148	146.40	151.38	3.4%	141.75	144.05	1.6%
TANF: Age 14-18, Male (AD1)	734,040	154.08	164.10	6.5%	148.90	155.91	4.7%
TANF: Age 14-18, Female (AD2)	749,856	184.59	201.73	9.3%	177.09	190.04	7.3%
TANF: Age 19-44, Male (AE1)	273,000	239.59	240.38	0.3%	232.53	228.47	(1.7%)
TANF: Age 19-44, Female (AE2)	1,382,364	330.15	339.69	2.9%	314.36	317.47	1.0%
TANF: Age 45+ (AF3)	234,168	555.40	582.64	4.9%	535.81	552.11	3.0%
SSI - Children (SO3)	139,932	654.70	682.56	4.3%	631.16	642.80	1.8%
SSI - Adults (SP3)	605,052	1,231.22	1,329.85	8.0%	1,195.27	1,267.18	6.0%
OCWI (WG2)	163,464	348.62	382.32	9.7%	295.90	312.11	5.5%
DUAL	-	155.37	165.49	6.5%	155.37	165.49	6.5%
Foster Care - Children (FG3)	58,740	933.29	872.55	(6.5%)	918.40	846.89	(7.8%)
KICK (MG2/NG2)	26,556	6,715.22	6,807.22	1.4%	6,715.22	6,698.30	(0.3%)
Composite	**9,593,612**	**$ 311.07**	**$ 326.65**	**5.0%**	**$ 298.65**	**$ 307.84**	**3.1%**

Notes:
1. SFY 2020 projected monthly deliveries are consistent with the average of CY 2018 delivery counts.
2. Add-Ons include Hospital Quality Payment Initiative and Supplemental Teaching Payments

Figure 3 presents the estimated aggregate monthly expenditures under the managed care program, based on SFY 2020 projected average monthly membership. Further detail by rate cell is illustrated on an annual basis in Appendix 3.

FIGURE 3: Estimated Monthly Fiscal Impact (Millions)

		Monthly Projected Expenditures		Dollar Increase/ (Decrease)	Percentage Increase/ (Decrease)
	Projected Membership	SFY 2019	SFY 2020		
Composite	799,468	$ 248.7	$ 261.1	$ 12.5	5.0%
Total Federal Only		$ 175.8	$ 184.6	$ 8.8	5.0%
Total State		$ 72.9	$ 76.5	$ 3.7	5.0%

Notes:
1. SFY 2019 and SFY 2020 aggregate monthly expenditures were developed based on SFY 2020 projected enrollment and estimated CY 2018 average monthly deliveries.
2. Values shown in Figure 3 exclude health insurer providers fee (HIPF).
3. State expenditures based on Federal Fiscal Year 2020 FMAP of 70.70%.
4. Values have been rounded.

Section I. Medicaid managed care rates

1. General information

This section provides information listed under the General Information section of CMS guide, Section I.

The capitation rates provided under this certification are “actuarially sound” for purposes of 42 CFR 438.4(a), according to the following criteria:

The capitation rates provide for all reasonable, appropriate, and attainable costs that are required under terms of the contract and for the operation of the managed care plan for the time period and population covered under the terms of the contract, and such capitation rates were developed in accordance with the requirements under 42 CFR 438.4(b).

To ensure compliance with generally accepted actuarial practices and regulatory requirements, we referred to published guidance from the American Academy of Actuaries (AAA), the Actuarial Standards Board (ASB), the Centers for Medicare and Medicaid Services (CMS), and federal regulations. Specifically, the following were referenced during the rate development:

- Actuarial standards of practice applicable to Medicaid managed care rate setting which have been enacted as of the capitation rate certification date, including: ASOP 1 (Introductory Actuarial Standard of Practice); ASOP 5 (Incurred Health and Disability Claims); ASOP 23 (Data Quality); ASOP 25 (Credibility Procedures); ASOP 41 (Actuarial Communications); ASOP 45 (The Use of Health Status Based Risk Adjustment Methodologies); and ASOP 49 (Medicaid Managed Care Capitation Rate Development and Certification).
- Actuarial soundness and rate development requirements in the Medicaid and CHIP Managed Care Final Rule (CMS 2390-F) for the provisions effective for the SFY 2020 managed care program rating period.
- The most recent CMS guide.
- Throughout this document and consistent with the requirements under 42 CFR 438.4(a), the term “actuarially sound” will be defined as in ASOP 49:

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

A. RATE DEVELOPMENT STANDARDS

i. Annual basis

The actuarial certification contained in this report is effective for the capitation rates for the one year rate period from July 1, 2019 through June 30, 2020.

ii. Required elements

(a) Actuarial certification

The actuarial certification, signed by Jeremy D. Palmer, FSA, is in Appendix 1. Mr. Palmer meets the qualification standards established by the American Academy of Actuaries, follows the practice standards established by the Actuarial Standards Board, and certifies that the final rates meet the applicable standards in 42 CFR 438 that are effective for the SFY 2020 managed care program rating period.

(b) Certified capitation rates for each rate cell

The certified capitation rates by rate cell are illustrated in Figure 2. Projected membership illustrated in Figure 2 represent annualized April 2019 membership. Projected membership for the TANF: 0-2 months old rate cell and the SFY 2020 projected KICK payments reflect calendar year 2018 average enrollment to account for the observed lag in eligibility completion for both rate cells. These rates represent the contracted capitation rates prior to risk adjustment.

(c) Program information

(i) Managed Care program

This certification was developed for the State of South Carolina's Medicaid managed care program.

Medicaid managed care organizations (MCOs) have been operating in South Carolina since 1996. In August 2007, SCDHHS implemented the South Carolina Healthy Connections Choices program to more effectively enroll members in MCOs. This program provides comprehensive services through five MCOs on a statewide basis.

Benefits covered under the Medicaid managed care program are comprehensive in nature. Certain services such as waiver services, non-emergency transportation, dental, and long-term nursing home stays are covered on a fee-for-service basis.

The following table outlines the core benefits covered under the managed care capitation rate.

FIGURE 4: LIST OF CORE BENEFITS

Ambulance Transportation	Hearing Aids and Hearing Aid Accessories	Outpatient Services
Ancillary Medical Services	Home Health Services	Physician Services
Audiological Services	Hysterectomies, Sterilizations and Abortions (as covered in policy guidelines)	Prescription Drugs
Autism Spectrum Disorder Services	Independent Laboratory and X-Ray Services	Psychiatric, Rehabilitative Behavioral Health, and associated outpatient mental health services
Communicable Disease Services	Inpatient Hospital Services	Rehabilitative Therapies for Children - Non-Hospital Based
Disease Management	Institutional Long-Term Care Facilities/Nursing Homes for short-term stays	Substance Abuse
Durable Medical Equipment	Maternity Services	Tobacco Cessation Coverage
Early & Periodic Screening, Diagnosis and Treatment (EPSDT) / Well Child	Medication-Assisted Treatment in Opioid Treatment Programs	Transplant and Transplant-Related Services
Family Planning Services	Newborn Hearing Screenings	Vision Care Services
Free-standing inpatient psychiatric facilities	Outpatient Pediatric AIDS Clinic Services (OPAC)	

Notes:

1. The managed care policies & procedures (P&P) manual indicates that MCOs are responsible for covering corneal transplants. With respect to other types of transplants as outlined in the P&P manual, MCOs are responsible for pre- and post-transplant services as documented in the manual.
2. Free-standing inpatient psychiatric facility coverage applies to individuals under age 21
3. The Hepatitis C class of prescriptions drugs is carved out of the managed care capitation rate.
4. Source:https://msp.scdhhs.gov/managedcare/sites/default/files/MCO%20PP%20April%202019_Final2%20Post%20032919.pdf
5. Detailed benefit coverage information for all Core Benefits in this table can be found within the Managed Care Policy and Procedure Manual.

(ii) Rating period

This actuarial certification is effective for the one year rating period July 1, 2019 through June 30, 2020.

(iii) Covered populations

Specific eligibility for the managed care program is defined by the individual's Medicaid eligibility category as assigned by SCDHHS.

The following table outlines these specific SCDHHS Medicaid eligibility categories (also referenced as "payment categories" or "PCATs") that are eligible for inclusion in the risk-based managed care program.

FIGURE 5: Managed Care Eligibility Payment Categories

PCAT Code	Payment Category	PCAT Code	Payment Category
11	MAO (Extended/Transitional)	57	Katie Beckett/TEFRA
12	OCWI (Infants)	59	Low Income Families
13	MAO (Fostercare/Adoption)	60	Regular Foster Care
16	Pass Along Eligibles	61	Foster Care Adults
17	Early Widows/Widowers	71	Breast and Cervical Cancer
18	Disabled Widows/Widowers	80	SSI
19	Disabled Adult Children	81	SSI With Essential Spouse
20	Pass Along Children	85	Optional Supplement
31	Title IV-E Foster Care	86	Optional Supplement & SSI
32	Aged, Blind, Disabled (ABD)	87	OCWI Pregnant Women /Infants
40	Working Disabled	88	OCWI Partners For Healthy Children
51	Title IV-E Adoption Assistance	91	Ribicoff Children

Dual eligible individuals (eligible for coverage by both Medicaid and Medicare) and individuals aged 65 or over are not eligible for enrollment into the managed care program. Any individual identified as dual eligible while enrolled in an MCO is retroactively adjusted to the dual capitation rate cell (discussed further following Figure 7) for any such MCO-enrolled month, and are prospectively disenrolled from the managed care program.

Additionally, individuals denoted by any of the following recipient of a special program (RSP) indicators in Figure 6 are not eligible for enrollment into the managed care program.

FIGURE 6: RSP Indicators Not Eligible for Managed Care Enrollment

RSP Code	Payment Category	RSP Code	Payment Category
CLTC	Elderly Disabled Waiver	MCCM	Primary Care Case Management (Medical Care Home)
CSWE	Community Supports Waiver - Established	MCHS	Hospice
CSWN	Community Supports Waiver - New	MCPR	Dual Eligible Prime
DMRE	DMR Waiver - Established	MCSC	PACE
DMRN	DMR Waiver - New	MFPP	Money Follows the Person
HIVA	HIV/AIDS Waiver	NHTR	Nursing Home Transition
HSCE	Head & Spinal Cord Waiver - Established	VENT	Ventilator Dependent Waiver
HSCN	Head & Spinal Cord Waiver - New	WMCC	Medically Complex Children's Waiver

The SFY 2020 capitation rate development covers the following capitation rate cells:

FIGURE 7: Managed Care Capitation Rate Cells

Rate Cell	Rate Cell Indicator
TANF: 0 - 2 months old	AH3
TANF: 3 - 12 months old	AI3
TANF: Age 1 - 6	AB3
TANF: Age 7 - 13	AC3
TANF: Age 14 - 18 Male	AD1
TANF: Age 14 - 18 Female	AD2
TANF: Age 19 - 44 Male	AE1
TANF: Age 19 - 44 Female	AE2
TANF: Age 45+	AF3
SSI - Children	SO3
SSI - Adult	SP3
OCWI	WG2
Duals	
Foster Care Children	FG3
KICK	MG2/NG2

Note that the Duals rate cell does not have a corresponding rate cell indicator, because individuals identified in this category are not considered eligible for managed care enrollment. This rate cell only applies to individuals who receive retroactive Medicare eligibility while enrolled in an MCO. The Dual rate cell represents the fee-for-service (FFS) equivalent value estimated for this population, which is then adjusted to reflect the managed care program. The capitation rate includes all estimated Medicare crossover claims payments and expenditures related to services covered by Medicaid and not Medicare that are the responsibility of the MCOs for a dually eligible individual.

(iv) Eligibility criteria

Most Medicaid beneficiaries are required to enroll in managed care on a mandatory basis. Medicaid beneficiaries who are on waivers, institutionalized, or dual-eligible are served on a fee-for-service basis or in the Healthy Connections Prime dual demonstration program. Beneficiaries that may enroll in Medicaid managed care on a voluntary basis include SSI children, Katie Beckett/TEFRA individuals, foster care children, express lane eligible children (ELE), and children receiving adoption assistance. Further detail and clarification on managed care eligibility criteria can be found at the following link:

https://msp.scdhhs.gov/managedcare//sites/default/files/Pay%20cats%20and%20Managed%20Care%20Participation%20requirements%204-20-17.pdf

(v) Special contract provisions

This rate certification report contains documentation of the following special contract provisions related to payment included within rate development.

- Incentive arrangements
- Withhold arrangements
- Minimum medical loss ratio requirement
- Hospital quality payment initiative in accordance with 42 CFR §438.6(c)

Please see Section I, item 4, Special Contract Provisions Related to Payment, for additional detail and documentation.

(vi) Retroactive adjustment to capitation rates

This rate certification report does not include a retroactive adjustment to the SFY 2020 capitation rates.

iii. Differences among capitation rates

Any proposed differences among capitation rates according to covered populations are based on valid rate development standards and are not based on the rate of federal financial participation associated with the covered populations.

iv. Cross-subsidization of rate cell payment

The capitation rates were developed at the rate cell level and neither cross-subsidize nor are cross-subsidized by payments from any other rate cell.

v. Effective dates

To the best of our knowledge, the effective dates of changes to the SC Medicaid managed care program are consistent with the assumptions used in the development of the certified SFY 2020 capitation rates.

vi. Medical loss ratio

Capitation rates were developed in such a way that the MCOs would reasonably achieve a medical loss ratio, as calculated under 42 CFR 438.8, of at least 86% for the rate year.

vii. Generally accepted actuarial practices and principles

(a) Reasonable, appropriate, and attainable

In our judgment, all adjustments to the capitation rates, or to any portion of the capitation rates, reflect reasonable, appropriate, and attainable costs, and have been included in the certification.

(b) Outside the rate setting process

There are no adjustments to the rates performed outside the rate setting process.

(c) Final contracted rates

The SFY 2020 capitation rates certified in this report represent the final contracted rates by rate cell prior to risk adjustment.

viii. Rate certification for effective time periods

This actuarial certification is effective for the one year rating period July 1, 2019 through June 30, 2020.

ix. Procedures for rate certification and amendment

In general, a new rate certification will be submitted when the rates change. The following exceptions are allowed per §438.7 of CMS 2390-F:

1. A contract amendment that does not affect the rates.
2. An increase or decrease of up to 1.5% in the capitation rate per rate cell.
3. Risk adjustment, under a methodology described in the initial certification, changes the rates paid to the MCOs

In case 1 listed above, a contract amendment must still be submitted to CMS.

B. APPROPRIATE DOCUMENTATION

i. Documentation of required elements

This report contains appropriate documentation of all elements described in the rate certification, including data used, assumptions made, and methods for analyzing data and developing assumptions and adjustments.

ii. Index

The index to this rate certification is the table of contents, found immediately after the title page. The index includes section numbers and related page numbers. Sections not relevant to this certification continue to be provided, with an explanation of why they are not applicable.

iii. Different FMAP

All populations receive the regular state FMAP of 70.70% for FFY 2020. The enhanced FMAP percentage for CHIP and family planning expenditures in South Carolina is 100% and 90%, respectively. These enhanced amounts are not reflected in the values provided in Appendix 3.

iv. Comparison to final certified rates in the previous rate certification.

The previous rate certification applied to SFY 2019 capitation rates. A comparison to SFY 2019 certified rates by rate cell is provided in Figure 2.

2. Data

This section provides information on the data used to develop the capitation rates. The base SFY 2018 experience data described in this section was provided in the SFY 2020 Capitation Rate Methodology and Data Book, dated March 20, 2019. Additionally, the base SFY 2018 data is illustrated in Appendix 6.

A. RATE DEVELOPMENT STANDARDS

In accordance with 42 CFR §438.5(c), we have followed the rate development standards related to base data. The remainder of Section I, item 2 provides documentation of the data types, sources, validation process, material adjustments and other information relevant to the documentation standards required by CMS.

B. APPROPRIATE DOCUMENTATION

i. Requested data

As the actuary contracted by the SCDHHS to provide consulting services and associated financial analyses for many aspects of the South Carolina Medicaid program (and not just limited to capitation rate development), Milliman intakes and summarizes eligibility and expenditure data on a monthly basis from Clemson, SCDHHS's data administrator. As such, there is no separate data request from Milliman to the state specifically related to the base data for the capitation rate development. The remainder of this section details the base data and validation processes utilized in the SFY 2020 capitation rate development. Additionally, Appendix 6 summarizes the unadjusted base data.

ii. Data used to develop the capitation rates

(a) Description of the data

(i) Types of data

The primary data sources used or referenced in the development of the capitation rates are the following:

- Encounter data submitted by the MCOs (SFY 2016 through December 2018);
- FFS claims for dual eligible individuals during SFY 2018;
- SFY 2018 FFS claims for institution for mental disease (IMD) services for managed care enrollees under age 21;
- FFS claims for analysis of newborn enrollment delays;
- FFS claims for managed care covered benefits related to Ambulatory Surgery Centers (ASCs) for managed care enrollees during SFY 2018;
- Express Lane Eligible (ELE) roster for August 2018 newly enrolled Medicaid members;
- SFY 2020 MCO Rate-Setting Survey completed by each MCO;
- Statutory financial statement data;
- Department of Social Services (DSS) Foster Care Children roster as of April 2019; and,
- SFY 2018 financial summary reports provided by the MCOs (EQI reports) for base data validation analysis.

(ii) Age of the data

The data serving as the base experience in the capitation rate development process was incurred during SFY 2018. The encounter data for the SFY 2018 base period reflected encounters adjudicated and submitted through the monthly encounter data warehousing process through January 2019. The FFS data used in the analysis and development of the IMD under 21 carve-in was incurred July 2017 through June 2018, with paid run-out through January 2019.

The encounter data provided by SCDHHS was also used in the capitation rate development for the following purposes:

- For the purposes of trend development, we reviewed encounter experience from SFY 2016 through SFY 2018.
- In addition to SFY 2018 experience, we observed pharmacy, psychiatric rehabilitative treatment facility (PRTF), and ASD encounter data incurred from July through December 2018 and paid and submitted through the data warehousing process through January 2019 to assess utilization and expenditure levels resulting from the July 1, 2017 PRTF and ASD services carve-in and the removal of the monthly prescription limit.

We also summarized statutory financial statement data from calendar years 2016, 2017, and 2018, collected using SNL Financial.

(iii) Data sources

The historical claims and enrollment experience for the encounter data obtained through the encounter data warehousing process was provided to Milliman by Clemson, the data administrator for SCDHHS. The sources of other data are noted in (i) and (ii) above.

(iv) Sub-capitation

The encounter data summaries have been adjusted to include estimated expenditures for sub-capitated claims. Sub-capitated expenditures were estimated by repricing each sub-capitated encounter to the Medicaid FFS fee schedules and using total submitted sub-capitated units. For claims where a Medicaid FFS rate did not exist (approximately 2% of sub-capitated encounters), the expenditures were estimated by assuming the average cost per unit for the non-repriced sub-capitated claims would be equal to the average cost per unit for other sub-capitated claims in the specified category of service.

(b) Availability and quality of the data

(i) Steps taken to validate the data

The base experience used in the capitation rates primarily relies on encounter data submitted to SCDHHS by participating MCOs. The actuary, the MCOs, and SCDHHS all play a role in validating the quality of encounter data used in the development of the capitation rates.

The fee-for-service (FFS) data is provided by SCDHHS. Milliman has many years of experience working with SCDHHS's FFS data. We perform routine reconciliation of SCDHHS's financial data as part of the monthly data validation process and provide budgeting and forecasting assistance to the State, which involves aggregate claim reconciliation to SCDHHS's financial statements.

The remainder of the validation section relates to encounter data used in the rate development.

Completeness

Encounter Data

Encounter data is summarized quarterly through the encounter quality initiative (EQI) process. Separate sets of summaries, by rate group, are prepared for each MCO. Each summary illustrates utilization, cost per service, and per member per month cost for the population, stratified by category of service. The format of each quarterly exhibit is similar to the base data exhibits that were provided as part of SFY 2020 Capitation Rate Methodology and Data Book, dated March 20, 2019, allowing most data issues to be discovered before the annual capitation rate development process.

The quarterly EQI reconciliation process allows for three months of run-out from the end of the reported calendar quarter. For example, the first report of the calendar year would include the following claims:

- Services incurred January 1 through March 31
- Paid on or before June 30

The actuary compares the EQI summaries to summary totals submitted by the MCOs. Where the difference between the MCO's encounter data and financial data is more than 3%, the MCO is subject to a financial penalty per their contract with the state. MCOs are rarely penalized, and the discrepancy is more commonly under 1%. We provide all the individual encounter claims back to the MCOs for analysis. This allows the MCOs to identify any claims that need to be resubmitted or research any discrepancies that may exist in the final summary.

Finally, we submitted encounter data validation letters to each of the MCOs to confirm that their summarized SFY 2018 data is appropriate for use in the development of the capitation rate.

The annual rate setting process for SFY 2020 uses one year of experience data, with seven months of run-out.

The SFY 2018 encounter data used in the development of the rates was adjudicated through January 31, 2019. The seven months of claims run-out after the end of the fiscal year results in incurred but not paid (IBNP) claim liability estimates having a limited effect on the estimated incurred expenditures for SFY 2018. However, as noted in this report, claims completion is applied to the encounter data for estimated SFY 2018 claims adjudicated after January 31, 2019.

Accuracy

Encounter Data

Checks for accuracy of the data begin with the MCOs' internal auditing and review processes.

When the data is submitted to SCDHHS, it is subjected to most of the validation checks SCDHHS applies to FFS claims. For example, the data must contain a valid Medicaid recipient ID for an individual who was enrolled at the time the service was provided, and assigned to the MCO.

The actuary also reviews the encounter data to ensure each claim is related to a covered individual and a covered service. A quarterly review of the EQI summaries is performed to ensure that the data for each service is consistent across the MCOs and when compared to prior historical period as applicable. Stratification by rate group facilitates this analysis, as it mitigates the impact of changes in population mix.

The actuary also compares the encounter data with financial information submitted by each MCO. To provide greater transparency to the MCOs in the data validation process for the SFY 2020 capitation rates, a summary was provided to each MCO that starts with total submitted encounter claims and identifies claims that have been removed from the base data summaries, such as voided claims, expenditures for non-state plan services, expenditures for services not covered in the capitation rate, expenditures related to members over age 21 who were in an IMD for at least 15 days in a calendar month, and claims that have been removed because of unmatched eligibility records.

(ii) Actuary's assessment

As required by Actuarial Standard of Practice (ASOP) No. 23, Data Quality, we disclose that Milliman has relied upon certain data and information provided by SCDHHS and their vendors, primarily the MCOs. The values presented in this letter are dependent upon this reliance.

We found the encounter and FFS data to be of appropriate quality for purposes of developing actuarially sound capitation rates. However, due to the potential under-reporting of encounter data expenditures as reported in the MCOs response to the SFY 2020 MCO Rate-Setting Survey, an adjustment has been made to increase the base data for valid encounters missing from the data submission process.

Encounter data validation letters were submitted to each of the MCOs to confirm that their summarized SFY 2018 data is appropriate for use in the development of the capitation rates. For MCOs that reported valid encounters missing from the encounter data submissions in their response to the SFY 2020 MCO Rate-Setting Survey, an adjustment has been made to increase the base data. The impact of this adjustment resulted in a net increase of 0.3% to the SFY 2018 base data.

(iii) Data concerns

We have not identified any material concerns with the quality or availability of the data, other than the under-reporting of encounter data as discussed in the previous section and adjusted for in the development of the actuarially sound capitation rates.

(c) Appropriate data

(i) Use of encounter and fee-for-service data

All populations enrolled in managed care during the rate period were included in the risk-based managed care delivery system in the SFY 2018 base experience period. As such, expenditure data for populations enrolled in FFS during SFY 2018 is not reflected in the base experience cost models used to develop the capitation rates, with the exception of the dual rate cell. FFS claims experience for managed care enrollees was utilized to estimate the financial impact of including all IMD services for individuals up to age 21 in the managed care delivery system effective July 1, 2019.

(ii) Use of managed care encounter data

Managed care encounter data was the primary data source used in the development of the capitation rates.

(d) Reliance on a data book

Development of the capitation rates did not rely on a data book or other summarized data source. We were provided with detailed claims data for all covered services and populations. We created data books summarizing SFY 2018 encounter data, which were shared with SCDHHS and participating MCOs and also included in the SFY 2018 Base Experience section of Appendix 6.

iii. Data adjustments

Capitation rates were developed primarily from SFY 2018 encounter data. Adjustments were made to the base experience for completion, reimbursement changes, managed care efficiencies, and other program adjustments.

(a) Credibility adjustment

The SCDHHS managed care program populations, as represented in the base experience, were fully credible. No adjustments were made for credibility.

(b) Completion adjustment

The encounter data submitted by the MCOs and the FFS data used in developing the capitation rates was analyzed separately to estimate claim completion factors. The base period encounter and FFS data reflect claims incurred during SFY 2018 (July 1, 2017 through June 30, 2018) and paid through January 2019. Separate sets of completion factors for the two data sources were developed by summarizing the claims data and applying traditional actuarial techniques to develop estimates of incurred but not paid (IBNP) liability.

First, we stratified the data by category of service, in the population groupings illustrated in Figure 8. Claims for each of these population-service category stratifications were analyzed and formed into lag triangles by paid and incurred month. Claim completion factors were developed for each month of the base experience period, based on historical completion patterns. The monthly completion factors were applied to SFY 2018 experience to estimate the remaining claims liability for the fiscal year. Results were aggregated into annual completion factors for the fiscal year.

The claim completion factors applied to SFY 2018 data are illustrated by population and major service category in Figure 8.

FIGURE 8: Completion Factors Applied to SFY 2018 Experience Data

Category of Service	TANF/Foster	SSI	OCWI	Dual	Kick
Hospital					
Inpatient	1.0158	1.0187	1.0091	1.0388	1.0097
Outpatient	1.0093	1.0142	1.0090	1.0286	1.0149
Pharmacy	1.0000	1.0000	1.0001	1.0015	N/A
Ancillaries	1.0098	1.0082	1.0102	1.0701	N/A
Professional	1.0064	1.0099	1.0127	1.0186	1.0055

Notes:

1. Completion factors for the Dual population were developed from FFS source data. All other populations were developed from encounter data.

(c) Errors found in the data

Encounter data validation letters were submitted to each of the MCOs to confirm that their summarized SFY 2018 data is appropriate for use in the development of the capitation rates. For MCOs that reported valid encounters missing from the encounter data submissions in their response to the SFY 2020 MCO Rate-Setting Survey, an adjustment has been made to increase the base data.

Expenditures for managed care enrolled members related to managed care covered benefits for ambulatory surgery centers were being processed for payment in FFS and not reflected in the SFY 2018 encounter base data. An adjustment has been made to the base data to reflect the additional expenditures anticipated to be processed by the MCOs in SFY 2020. The base data has been increased by approximately $1.2 million for the FFS claims related to ASCs.

(d) Program change adjustments

All program and reimbursement changes that have occurred in the Medicaid managed care program since July 1, 2017, the beginning of the base experience period used in the capitation rates, are described below.

Changes in Provider Reimbursement

Changes in provider reimbursement were evaluated by performing repricing analyses on the individual encounter data for inpatient hospital, outpatient hospital, and physician services. For each category of service, we reviewed the distribution of the MCO paid amount relative to the repriced value using Medicaid fee-for-service reimbursement. We established an upper and lower bound from this distribution to ensure we captured a representative sample of claims that encompassed the multimodal distribution of the repriced values relative to the MCO paid amounts. Additionally, we reviewed the upper and lower bounds to ensure we captured a representative volume of the encounter claims reflected in the SFY 2018 base data for the repricing and reimbursement adjustment analyses.

Federally Qualified Health Centers (FQHC) Physician Reimbursement Changes

To develop the adjustment factor for FQHC physician reimbursement, we performed a repricing analysis to evaluate individual encounter data claims using Medicaid FQHC reimbursement methodology at the current Prospective Payment System (PPS) rates. This includes application of the July 1, 2018 PPS fee schedule update. We reviewed all FQHC physician claims in the SFY 2018 base data and applied the FQHC reimbursement methodology, state plan copayments for eligible populations, and current PPS rates. The repricing analysis captured approximately 97% of total FQHC dollars. For claims that were unable to be repriced as a result of unknown provider IDs, the repricing adjustment factor was assumed to be 1.0.

Effective July 1, 2019, SCDHHS anticipates a change to the PPS rates paid to FQHC providers to reflect scope of service changes. The FQHC provider-specific PPS rates reflect the full payment to the FQHC, including the wrap-around payment. The estimated impact of this rate change is approximately $0.5 million.

Physician (non-FQHC) Reimbursement Changes

To develop the adjustment factor for physician reimbursement, we performed a repricing analysis to evaluate individual encounter data claims using Medicaid FFS reimbursement methodology at the current Medicaid fee schedule. This includes application of the enhanced fee schedule for qualifying physicians providing evaluation & management services. Although the enhanced fee schedule was effective prior to SFY 2018, the entirety of the fee schedule change is not reflected in the SFY 2018 base data as some MCOs do not reflect the increase through the encounter claims. Therefore, the repricing of all qualifying physician claims to the enhanced fee schedule increases the SFY 2018 physician expenditures reported in the encounter base data (see 'Base Physician Adjustment' in Figure 9).

The review of the distribution of MCO paid amounts relative to the repriced values using Medicaid FFS reimbursement methodology for physician and ancillary services indicated a more consistent reimbursement methodology between the MCOs and Medicaid FFS for physician services than observed for facility services. Similar to SFY 2019, a more prominent mode existed in the distribution with very little unusual activity in the tails of the distribution. As such, we kept the upper and lower bounds consistent with SFY 2019 assumptions.

We began with all non-FQHC physician claims, and excluded any claims where the MCO paid amount was either below 50% of the repriced value or above 150% of the repriced value, to focus the analysis within a reasonable repricing bound. The application of exclusion criteria resulted in the repricing of approximately 93.5% of total non-FQHC physician dollars.

Effective July 1, 2019, SCDHHS is anticipated to implement a change to the physician fee schedule for the following services:

- **Office Administered Drugs (OAD) and Immunizations Adjustment**. The OAD and immunization reimbursement rates reflect updated rates provided by SCDHHS. The estimated impact of this rate change is a reduction of approximately $0.3 million.
- **Durable Medical Equipment (DME) Adjustment**. The DME reimbursement rates reflect reimbursement consistent with the Medicare January 2019 DMEPOS Non-Rural fee schedule. The estimated impact of this rate change is approximately $0.5 million.
- **July 1, 2019 Physician Fee Schedule Adjustment**. Physician fee schedules for family practice, obstetrics and gynecology, pediatric subspecialists, neonatologists, lab and radiology, podiatrists, chiropractors, enhanced qualifying providers, and other medical professionals. The physician reimbursement rates reflect updated rates based on a relativity to the 2019 Medicare Fee Relative Value Unit (RVU) and Clinical Lab Fee schedules. The estimated impact of this rate change is approximately $14.2 million

Figure 9 presents the combined results of the FQHC and non-FQHC repricing analyses.

FIGURE 9: Composite Physician and Ancillaries PMPM Adjustments by Rate Cell

Rate Cell	FQHC Adjustment	Base Physician Adjustment	OAD & Immunization Adjustment	DME Adjustment	July 1, 2019 Physician Fee Schedule	Composite Adjustment
TANF: 0-2 months old (AH3)	$ (0.16)	$ 5.80	$ 0.00	$ 0.65	$ 21.33	$ 27.62
TANF: 3-12 months old (AI3)	0.09	5.72	-	(0.50)	2.36	7.67
TANF: Age 1-6 (AB3)	0.14	2.97	-	0.03	0.98	4.12
TANF: Age 7-13 (AC3)	0.22	2.32	-	0.06	0.99	3.59
TANF: Age 14-18, Male (AD1)	0.18	2.03	(0.03)	0.07	0.79	3.04
TANF: Age 14-18, Female (AD2)	0.32	3.33	(0.01)	0.03	0.93	4.60
TANF: Age 19-44, Male (AE1)	0.16	1.69	(0.15)	-	1.02	2.72
TANF: Age 19-44, Female (AE2)	0.37	3.66	(0.04)	(0.04)	1.47	5.42
TANF: Age 45+ (AF3)	0.60	3.86	(0.20)	(0.35)	2.13	6.04
SSI - Children (SO3)	0.36	5.99	(0.14)	1.65	1.82	9.68
SSI - Adults (SP3)	0.60	6.70	(0.28)	0.50	3.27	10.79
OCWI (WG2)	0.19	3.42	0.23	0.02	2.94	6.80
DUAL	-	-	-	-	4.75	4.75
Foster Care - Children (FG3)	1.02	9.90	-	0.20	1.44	12.56
KICK (MG2/NG2)	1.35	15.68	-	-	48.26	65.29

For each rate cell, more detailed PMPM adjustments are applied at the category of service level and can be found in the “reimbursement adjustment” section of Appendix 7.

Historical Program Change Review

Removal of Monthly Prescription Limit

Effective July 1, 2017, SCDHHS implemented a policy change to remove the monthly prescription limit for beneficiaries over the age of 21. The prescription limit restricted reimbursement to a maximum of four prescriptions per member per month with an override of up to three more prescriptions per member month if the beneficiary met certain criteria. Additionally, there were several drug classes that did not count toward the prescription limit including diabetic medications, behavioral health medications, cardiovascular medications, anti-convulsants, and systemic antibiotics and retrovirals. The removal of the monthly prescription limit was assumed to not impact utilization for exempt medications or beneficiaries under the age of 21.

Based on a review of observed utilization in the SFY 2018 base data period, utilization levels of individuals with greater than 4 scripts per month increased through the first 4 months of SFY 2018 and leveled out for the remaining 8 months in the TANF 45+, OCWI, and SSI-Adult populations. To account for this ramp-up period, an adjustment was applied to the SFY 2018 base data to reflect a full year of increased utilization resulting from the removal of the monthly prescription limit. No ramp-up period was evident in the TANF 19-44 Male and Female rate cells; therefore, no adjustment was made to these rate cells.

The total impact to all adult rate cells affected by the ramp-up period of the removal of the monthly prescription limit is an estimated $0.7 million.

Autism Spectrum Disorder Services

Effective July 1, 2017, an Autism Spectrum Disorder (ASD) service array was included in the South Carolina Medicaid State Plan to expand treatment for children diagnosed with ASD up to age 21, and who were not currently enrolled in the state’s Pervasive Development Disorder (PDD) 1915(c) waiver. The ASD service array benefits were included in the managed care program for covered beneficiaries effective July 1, 2017. Figure 10 illustrates the build-up of anticipated SFY 2020 expenditures based on reimbursement increases, utilization ramp up, and provider capacity growth in the ASD market.

FIGURE 10: Autism Analysis - SFY 2020 Projected Cost ($ in millions)

SFY 2018		Adjustments Factors				SFY 2020
Paid	Repriced	July 2018 Rate Change	Emerging Utilization Ramp Up	July 2019 Rate Change	Increased Provider Capacity	Projected Autism Expenditures
$ 1.7	$ 1.7	1.24	1.47	1.10	1.46	**$ 5.0**

Notes:
1. Values are rounded.
2. SFY 2020 expenditures are based on projected SFY 2020 member months.

Further detail regarding each adjustment factor in Figure 10 is provide below.

SFY 2018 Paid. Total ASD services reflected in the SFY 2018 base data is approximately $1.7 million.

SFY 2018 Repriced. All SFY 2018 ASD services were repriced at the SFY 2018 FFS ASD fee schedule. The result of this repricing analysis was immaterial, with repriced expenditures estimated at nearly the same value as the paid expenditures. This indicates that the majority of ASD expenditures are paid at the FFS fee schedules by the MCOs.

July 2018 Rate Change. Effective July 1, 2018, SCDHHS implemented a single rate of $31 per hour for therapy services provided by RBTs. This increased composite SFY 2018 autism expenditures by approximately 24%.

Emerging Utilization Ramp Up. We applied an adjustment of 1.47 to the SFY 2018 base data to reflect observed utilization increases from July 2018 through October 2018.

July 2019 Rate Change. Effective July 1, 2019, SCDHHS is anticipated to implement a rate of $34.56 per hour for therapy services provided by RBTs and a rate of $62.96 per hour for therapy services provided by BCBAs and BCaBAs. The July 2019 rate change is anticipated to increase autism expenditures by approximately 10%.

Increased Provider Capacity. In consultation with SCDHHS, provider capacity is anticipated to increase in SFY 2020 to serve the unmet need of Medicaid individuals diagnosed with ASD in the South Carolina market.

We reviewed the list of providers meeting SCDHHS credentialing requirements from the Behavior Analyst Certification Board (BACB) directory provided on their website. In consultation with SCDHHS, we assumed the following provider capacity:

(1) **BCBAs/BCaBAs**. We assumed that approximately 20% of the hours available from the registered BCBAs/BCaBAs in South Carolina are used to provide services to Medicaid beneficiaries. As of April 1, 2019, there are 344 registered BCBAs/BCaBAs in South Carolina. Utilizing the assumption that approximately 20% of these providers' hours are used to serve the Medicaid population and assuming the BCBA utilization would align with the projected RBT capacity in SFY 2020, we established a current provider network capacity of approximately 69 BCBA/BCaBA practitioners available to assess and treat the ASD population in the Medicaid program. Based on observed utilization in October 2018, full-time equivalent BCBA/BCaBAs is at approximately 49.

(2) **RBTs**. Credentialing requirements for RBT providers, including age, education, and training requirements, have been established by the Behavior Analyst Certification Board (BACB). As of April 1, 2019, there are 981 credentialed RBTs registered on the BACB website. We have assumed that 25%, or approximately 245 full-time equivalent RBTs, will be available to serve the Medicaid population in SFY 2020. Based on observed utilization in October 2018, full-time equivalent RBTs is at approximately 190.

Prospective Program Changes

Medication Assisted Therapy for Opioid Use Disorder

Effective July 1, 2018, SCDHHS implemented a policy change related to the utilization management of Medication-Assisted Therapy (MAT) for Opioid Use Disorder.

This policy change targets consistent prior authorization and standard coverage criteria across all MCOs. Based on communication with SCDHHS, utilization levels have been targeted consistent with the least restrictive prior authorization policy. An adjustment was made to increase utilization for all MCOs by rate cell to the target utilization. For rate cells already exceeding the target utilization, no adjustment was made. The adjustment was valued at approximately $1.4 million.

Same Day Sick and Well Visit Policy

Effective July 1, 2019, SCDHHS will permit coverage of well and sick visits on the same day for beneficiaries up to age 21 as a method to increase EPSDT participation. Based on communication with SCHDHS, we targeted a 20% increase over utilization levels observed with the MCO that currently offers this program. An adjustment was made to increase utilization of well visits on the same day as sick visits for all MCOs by rate cell to the target utilization. The adjustment was valued at approximately $1.7 million.

Breast Cancer (BRCA) Genetic Testing

Effective July 1, 2019, SCDHHS will provide coverage of BRCA genetic testing to identify harmful mutations in either one of the two breast cancer genes (BRCA1 and BRCA2) as a state plan covered benefit, and add it to the managed care program covered services. Using observed breast cancer and ovarian cancer prevalence rates in the managed care program for women age 18 and over, and research and guidelines from industry leaders such as the National Cancer Institute, Breastcancer.org, and the National Breast Cancer Coalition, the total number of beneficiaries anticipated to receive the BRCA test in SFY2020 is estimated at approximately 400 beneficiaries. SCDHHS coverage guidelines require two genetic counseling services with each BRCA test, resulting in an average annual cost per beneficiary of approximately $1,700. The estimated value of the program change is approximately $0.7 million. Approximately $0.1 million is reflected in the SFY 2018 base data; therefore, the prospective adjustment to the base data is estimated at $0.6 million.

Continuous Glucose Monitoring (CGM) Coverage

Effective July 1, 2019, SCDHHS will include CGM devices and services as a state plan covered benefit. To estimate the impact of this program change, we identified CGM-eligible recipients based on diabetes diagnosis codes in the SFY 2018 base data. The CGM-eligible recipients were then stratified into the following categories based on SFY 2018 claims experience: diabetic members utilizing an insulin pump, diabetic members receiving an insulin prescription, but not using an insulin pump, and diabetic members without an insulin pump or insulin prescription in the base data.

CGM take-up rates were estimated based on a review of utilization levels in other Medicaid states that cover CGM services, as well as a review of SFY 2018 observed data for the MCO that covered CGM devices during the SFY 2018 base period. Based on this review, the SFY 2020 target utilization levels are as follows:

- Diabetic members utilizing an insulin pump: 55% of children and 55% of adults
- Diabetic members not utilizing an insulin pump, but receiving an insulin prescription: 20% of children and 5% of adults
- Diabetic members not utilizing an insulin pump or insulin prescription: 0% of children and adults

Based on guidance from SCDHHS, the annual costs of CGM services was estimated based on SCDHHS fee schedules and a 52-week supply of CGM sensors, or approximately $4,425. The estimated value of the program change is approximately $2.4 million. Approximately $0.8 million is reflected in the SFY 2018 base data; therefore, the prospective adjustment to the base data is estimated at $1.6 million.

Free-Standing Inpatient Psychiatric Facility carve-in for individuals up to age 21

Prior to July 1, 2019, all free-standing inpatient psychiatric facility services in IMDs for individuals up to age 21 were paid on a fee-for-service basis. Beginning on July 1, 2019, all IMD services provided to managed care beneficiaries up to age 21 are included in the managed care capitation rate.

We estimated the impact of including IMD services in the managed care program effective July 1, 2019 by summarizing all IMD fee-for-service expenditures related to MCO-enrolled members for the period July 2017 through June 2018. Expenditures were summarized and stratified by rate cell.

The reimbursement rate for each IMD provider in SFY 2020 is anticipated to be consistent with reimbursement rates in the SFY 2018 FFS experience data. Therefore, no adjustment has been made to the unit cost estimates.

Figure 11 provides a summary of the development of the composite IMD children benefit cost PMPM carve-in.

FIGURE 11: IMD Children Carve-In - SFY 2020 Projected PMPM

	SFY 2018 Base Data		SFY 2020 Carve-In	
	Days	Expenditures	Expenditures	PMPM
Composite	21,441	$ 10,962,661	$ 12,309,000	$ 1.28

Notes:
1. IMD children base data includes all SFY 2018 IMD children expenditures for SFY 2018 MCO-enrolled individuals.
2. SFY 2020 rate development reflects a completion adjustment and two years of trend at the rate cell level.
3. SFY 2020 composite PMPM and projected expenditures are based on projected SFY 2020 member months.

IMD as an "In Lieu of" Service

Effective July 1, 2019, SCDHHS is expanding the use of IMDs to all MH/SA diagnoses as an "in lieu of" service for the 21 to 64-year old managed care population for up to 15 days per month. This program change was implemented in compliance with the conditions outlined in the final Medicaid managed care regulations. Consistent with the rate-setting guidance published by CMS, in reviewing the impact of this program adjustment, we did not use the unit cost of the IMD, and instead utilized the unit cost for that of existing state plan providers.

In addition, we reviewed utilization in another Medicaid state who recently implemented IMD as an "in lieu of" service. Based on this review, we anticipate an estimated utilization increase of 25% to the SFY 2018 Inpatient MH/SA (non-PRTF) base data for the adult population as a result of the implementation of IMDs as an in lieu of service. The aggregate impact of these assumptions results in estimated expenditures of approximately $4.2 million in the SFY 2020 contract year. Approximately $1.0 million is reflected in the SFY 2018 base data that effectively could be removed as a non-covered service in the base period and subsequently added back in as a prospective adjustment related to the IMD in lieu of benefit in SFY 2020; however, for simplicity, the amount is left in the base data producing the same results. As a result of the $1.0 million of IMD experience in the base data, the prospective adjustment is estimated at $3.2 million.

Opioid Treatment Clinic Programs (OTPs) carve-in

Effective July 1, 2019, SCDHHS anticipates carving in OTPs for Medication-Assisted Treatment (MAT) for managed care beneficiaries with a confirmed diagnosis of opioid use disorder (OUD) to the managed care capitation rate. To estimate the impact of this program change, we identified OUD-diagnosed individuals in the SFY 2018 base data. The SFY 2018 OUD-diagnosed individuals were then increased by a factor of 1.75 to recognize the anticipated increase in OUD diagnoses due to increased accessibility of MAT through the carve-in of OTPs. We then applied a methadone treatment prevalence to the OUD-diagnosed individuals based on observed treatment percentages in other Medicaid states who have implemented similar programs. Based on this review, we estimated the following methadone treatment prevalence for each population:

- TANF Children/SSI Children/Foster Care Children: 0.4% of OUD-diagnosed individuals
- TANF Adult: 6.8% of OUD-diagnosed individuals
- SSI Adult: 9.2% of OUD-diagnosed individuals

Based on guidance from SCDHHS on reimbursement rates, OTP service guidelines, and an estimated treatment duration of 8.5 months, the estimated impact to the SFY 2020 rates is approximately $4.1 million.

Changes in Covered Population

Newborn Enrollment

Disruptions in processing eligibility for newborns caused a delay in newborn enrollment into the managed care program. We reviewed FFS data for all MCO-enrolled newborns to quantify the impact of the delayed enrollment into the managed care program. We reviewed FFS expenditures for MCO-enrolled individuals in the 0-2 month capitation rate cell. An adjustment was made to increase the encounter base data by $1.0 million, an increase of

0.7% to the 0-2 month rate cell, to include these expenditures that are expected to be covered by the MCOs during the SFY 2020 contract year.

Foster Care Children Enrollment

Disruptions in transferring foster care children out of the foster care rate cell caused an increase in the foster care children enrollment beginning April 2018. This change in eligibility processing caused foster care enrollment to increase from approximately 4,000 members observed in the July 2016 through March 2018 time frame, to an average of approximately 4,900 members from June 2018 to April 2019. The increased enrollment consists of individuals who are no longer in foster care, but the processing change has caused the individuals to remain in the foster care rate cell. Based on information provided by SCDHHS, eligibility is anticipated to remain at approximately 4,900 members through June 2020.

To estimate the impact of the increased enrollment, we reviewed SFY 2018 claims experience for all months in which a previously-enrolled foster care child was no longer identified as a foster care child, based on the presence of a non-foster care capitation payment. Based on this review, foster care children have lower observed benefit costs when not in the foster care children rate cell and under DSS supervision. The average cost relativity of an individual who has transferred in or out of the foster care rate cell compared to the average foster care child cost is approximately $253, or 32% of the July 2017 through March 2018 base data experience (prior to the eligibility processing change).

Utilizing the assumptions described above, Figure 12 illustrates the adjustment applied to the Foster Care Children rate cell.

FIGURE 12: Foster Care Children Enrollment Adjustment

	Enrollment		Cost
	SFY 2018	Projected SFY 2020	Estimated Relativity
Foster - In Foster Care	3,980	3,980	1.000
Foster - Not in Foster Care	131	915	0.323
Total Foster Care Rate Cell	4,111	4,895	0.893

Because this is a shift between rate cells, we also reviewed the impact of removing an additional 784 members, or 9,408 member months, from all other rate cells based on the historical movement of foster care children. Based on our review, the membership shift creates an immaterial reduction to the individual impacted rate cells, therefore no additional adjustment has been applied.

Express Lane Eligible Members

Prior to April 2018, Express Lane Eligibility (ELE) converted from Medicaid Eligibility Determination System (MEDS), the legacy system of record, to CURAM resulting in a brief suspension of ELE enrollment. ELE refers to the process used to identify children enrolled in the Supplemental Nutrition Assistance Program (SNAP) through the Department of Social Services (DSS) and enroll them in Medicaid. Effective August 2018, SCDHHS updated the algorithm utilized for this enrollment process. The pent-up enrollment due to the brief suspension and the updated algorithm added approximately 9,300 new ELE individuals into Medicaid on August 1, 2018 and anticipated monthly enrollment at an anticipated increase of approximately 50% over the prior monthly enrollment process going forward (approximately 415 additional ELE members each month) . In consultation with SCDHHS, all members are anticipated to enroll in the following four rate cells:

- TANF: Age 1 – 6
- TANF: Age 7 – 13
- TANF: Age 14-18, Female
- TANF: Age 14-18, Male

To estimate the impact of this program change, we reviewed SFY 2018 historical experience for ELE members enrolled in managed care to estimate the following assumptions:

ELE morbidity assumption. Our review indicates that the cost profile of ELE members exhibits approximately a 25% lower morbidity relative to the average population in each impacted rate cell.

Take-up rate into managed care. ELE members are a choice population (i.e., they can voluntarily enroll in managed care). A review of newly added ELE members beginning in August 2018 indicates that approximately 40% of ELE members choose to enroll in managed care. Of those that transition to managed care, the majority (approximately 90%) are anticipated to enroll in managed care within the first 3 months of Medicaid eligibility. The remaining members are assumed to enroll in managed care at a constant rate from the fourth month through the end of the year.

Utilizing the assumptions described above for the additional ELE members to be enrolled into managed care during SFY 2020 as a result of the program change and weighting with the base data population, the SFY 2020 capitation rates decrease by approximately 0.2% for each impacted rate cell.

Adjustment factors were applied by rate cell and are included in the program and policy adjustments section of Appendix 7.

Program changes deemed immaterial to benefit expenses in the rate period

Adjustment factors were developed for policy and program changes estimated to ***materially*** affect the managed care program during SFY 2020 that are not fully reflected in the SFY 2018 base experience.

Program adjustments were made in the rate development process to the extent a policy or reimbursement change is deemed to have a material cost impact to the MCOs. We defined a program adjustment to be 'material' if the total benefit expense for any individual rate cell is impacted by more than 0.1%.

The membership shift from the non-Foster Care rate cells to the Foster Care rate cell as described in the Foster Care Children Enrollment section above creates an immaterial reduction to the individual impacted non-Foster Care Children rate cells. As such, no adjustment has been applied to the non-Foster Care rate cells as a result of this eligibility processing change.

(e) Exclusion of payments or services from the data

The following adjustments were made to the base experience data to reflect non-state plan services as identified by the in-rate criteria included in Appendix 5, pharmacy rebates, third party liability recoveries, non-encounter claims payments, and state plan services not covered by the capitation rate.

Services excluded from initial base data summaries

Non-State Plan Services

We excluded all services included in the encounter data that do not reflect approved state plan services (nor are an approved in-lieu of service), such as circumcision. All claims for non-state plan services, totaling approximately $1.1 million, were excluded from the SFY 2018 experience data included in Appendix 6.

State Plan Services Not Covered by the Capitation Rate

We excluded all services included in the encounter data that do not reflect covered benefits in the managed care program. These services were identified through the application of in-rate criteria provided by SCDHHS and included in Appendix 5. All claims for non-covered services, totaling approximately $0.6 million, were excluded from the SFY 2018 experience data included in Appendix 6.

Institution for Mental Disease (IMD) Stays Greater than 15 Days

We excluded all costs and associated enrollment for enrollees aged 21 to 64 associated with an IMD stay of more than 15 days in a calendar month. This exclusion included any other costs outside of the IMD for any services delivered during the time an enrollee was in the IMD for more than 15 days. All claims associated with IMD stays greater than 15 days for the age 21 to 64 population, approximately $0.2 million, were excluded from the SFY 2018 experience data included in Appendix 6.

Adjustments made to base data

Pharmacy Rebates

Based on analysis of supplemental rebate percentages during the SFY 2018 historical experience period reported by the MCOs in the SFY 2020 MCO Survey, pharmacy expenditures were reduced by 3.0% to reflect aggregate rebate percentage levels achievable by MCOs. The estimated adjustment factor of 0.97 was uniformly applied to the pharmacy service category of each rate cell, excluding Dual, in Appendix 6.

Third Party Liability/Fraud and Abuse

In addition to actual cost avoidance reflected in the encounter data, we estimated additional third party liability (TPL) and fraud recoveries based on an analysis of the base period data and information submitted by the MCOs.

These data sources indicated that approximately 0.08% of total claims were recovered and not reflected in the baseline experience data. The estimated adjustment factor of 0.9992 was uniformly applied to each service category and rate cell, excluding Dual, in Appendix 6.

Non-encounter Claims Payment

We made an adjustment to the encounter base data period to reflect non-claim payments made to providers for items such as shared savings payments, quality incentives, and other similar provider incentive payments that are not reflected in the base data or in other components of the capitation rate. We have reviewed the information provided by the MCOs and included approximately $5.8 million in payments in the benefit cost component of the capitation rate development. This is reflected by an adjustment factor of 1.0024, uniformly applied to each service category and rate cell, excluding Dual, in Appendix 6.

3. Projected benefit cost and trends

This section provides information on the development of projected benefit costs in the capitation rates.

A. RATE DEVELOPMENT STANDARDS

i. Final Capitation Rate Compliance

The final capitation rates are in compliance with 42 CFR 438.4(b)(6) and are only based on services outlined in 42 CFR 438.3(c)(1)(ii) and 438.3(e). Non-state plan services as identified by the in-rate criteria included in Appendix 5 have been excluded from the capitation rate development process. Effective July 1, 2019, SCDHHS is expanding the use of IMDs as an in lieu of service for MH/SUD treatments for the 21 to 64-year-old population for up to 15 days per month.

ii. Basis for Variation in Assumptions

Any assumption variation between covered populations is the result of program differences and is in no way based on the rate of Federal financial participation associated with the population.

iii. Benefit Cost Trend Assumptions

Projected benefit cost trend assumptions are developed in accordance with generally accepted actuarial principles and practices. The primary data used to develop benefit cost trends is historical claims and enrollment from the covered populations. Additionally, consideration of other factors and data sources appropriate for benefit cost trend development is further documented in Section I, item 3.B.iii.

iv. In Lieu Of Services

SCDHHS began permitting the use of IMDs as an in lieu of service provider for substance use disorders effective July 1, 2018. Effective July 1, 2019, SCDHHS is expanding the use of IMDs to provide in lieu of services for mental health and substance use disorder treatments for up to 15 days per month. Consistent with the rate-setting guidance published by CMS, in reviewing the impact of this program adjustment, we did not use the unit cost of the IMD, and instead utilized the unit cost for that of existing state plan providers.

We reviewed benefit costs for enrollees aged 21 to 64 during the base experience period to identify costs associated with an Institution for Mental Diseases (IMD) stay of more than 15 days in a month and any other MCO costs for services delivered in a month when an enrollee had an IMD stay of more than 15 days. These costs and associated enrollment were identified and removed from the encounter data. In addition, as noted above we did not use the unit cost of the IMD as an in lieu of service, and instead utilized the unit cost for that of existing state plan providers.

v. IMDs as an in lieu of service provider

Effective July 1, 2019, SCDHHS is anticipated to begin permitting the use of IMDs as an in lieu of service for all MH/SUD services for the 21 to 64-year-old population for up to 15 days per month.

(a) Costs associated with an IMD stay of more than 15 days

We excluded all costs and associated enrollment for enrollees aged 21 to 64 associated with an IMD stay of more than 15 days in a calendar month. This exclusion included any other costs outside of the IMD for any services delivered during the time an enrollee was in the IMD for more than 15 days. All claims associated with IMD stays greater than 15 days for the age 21 to 64 population, approximately $0.2 million, were excluded from the SFY 2018 experience data included in Appendix 6.

(b) Other costs for services during the time an enrollee is in an IMD for more than 15 days

All costs for services delivered during the time an enrollee was in the IMD for more than 15 days in a calendar month were excluded from the SFY 2018 base data.

B. APPROPRIATE DOCUMENTATION

i. Projected Benefit Costs

This section provides the documentation of the methodology utilized to develop the benefit cost component of the capitation rates at the rate cell level.

ii. Development of Projected Benefit Costs

(a) Description of the data, assumptions, and methodologies

This section of the report outlines the data, assumptions, and methodology used to project the benefit costs to the rating period. The baseline benefit costs were developed using the following steps:

- **Step 1: Create unadjusted cost model summaries for the managed care population**

  The capitation rates were primarily developed from historical claims and enrollment data from the managed care enrolled populations. The data utilized to prepare the base period cost models consisted of SFY 2018 incurred encounter data that has been submitted by the MCOs. The information is summarized in Appendix 6 and is stratified by capitation rate cell and by major category of service. The exhibits in Appendix 6 reflect ***unadjusted*** summaries of the SFY 2018 base period data and are the combination of the MCO-specific encounter data summaries that were validated by each MCO.

- **Step 2: Apply historical and other adjustments to cost model summaries**
  As documented in the previous section, utilization and cost per service rates from the base experience period were adjusted for a number of items, including but not limited to: incomplete data adjustments, pharmacy rebates, TPL, and policy and program changes that occurred during SFY 2018.

- **Step 3: Adjust for prospective program and policy changes and trend to SFY 2020**
  We adjusted the SFY 2018 base experience for known policy and program changes that have occurred or are expected to be implemented between the base period and the end of the SFY 2020 rate period. In the previous section, we documented these items and the adjustment factors for each covered population. Assumed trend factors were applied for 24 months to the adjusted utilization and unit cost values, or per member per month (PMPM) values, as appropriate, from the midpoint of the base experience period (January 1, 2018) to the midpoint of the rate period (January 1, 2020).

As described later in this section, further adjustments were applied to the SFY 2018 base experience to reflect targeted improvements in managed care efficiency for specific rate cells and service categories that are estimated to impact projected 2020 benefit expense. The PMPMs resulting from the application of these adjustments established the adjusted benefit expense by population rate cell for the rating period.

Material adjustments that were previously noted

The following material adjustments were applied to recognize changes to provider reimbursement, prospective program adjustments, and changes to covered populations and were documented in Section I, item 2.B.iii (Data Adjustments):

- Claims completion
- Ramp-up of pharmacy expenditures related to the July 1, 2017 monthly prescription limit removal
- ASD utilization increase based on emerging SFY 2019 experience and anticipated increase in ASD provider capacity in SFY 2020
- Physician reimbursement, including the following fee schedule updates:
  - July 1, 2018 PRTF fee schedule
  - July 1, 2018 FQHC PPS fee schedule
  - July 1, 2018 ASD fee schedule update for RBTs
  - July 1, 2019 FQHC PPS fee schedule
  - July 1, 2019 DME fee schedule
  - July 1, 2109 OAD and Immunizations fee schedule

    - July 1, 2019 general practice physicians
    - July 1, 2019 ASD fee schedule update for RBTs and BCBAs/BCaBAs
- Addition of IMD services for beneficiaries up to age 21
- Addition of MAT services at OTPs
- Addition of CGM coverage for children and adults
- Addition of BRCA genetic testing
- Expansion of IMD in lieu of services
- Population adjustments for delay in newborn enrollment
- Population adjustments for increased ELE enrollment
- Population adjustment for increased enrollment in the Foster Care Children rate cell
- Program changes for MAT and same day sick and well visits

Additionally, the following adjustments were applied to either reduce or increase the base data benefit cost for certain service and payment exclusions:

- Pharmacy rebates
- Missing encounter data
- TPL/Fraud and Abuse
- Non-encounter claim payments
- FFS expenditures for managed care enrollees related to ASC managed care covered benefits

Other material adjustments – leap year adjustment

The SFY 2020 contract year contains one additional day as a result of leap year. The impact of leap year to each major category of service in the SFY 2018 base data is assumed to increase utilization by a factor of 1.0027.

Other material adjustments – managed care efficiency

We calculated percentage adjustments to the experience data to reflect the utilization and cost per unit differential between the base experience and the levels targeted for the projection period managed care environment. We developed the targeted managed care efficiency adjustments through a review and analysis of the following:

- SFY 2018 base period utilization and contracting levels achieved by each MCO
- Potentially avoidable emergency room utilization
- Agency for Healthcare Research and Quality (AHRQ) prevention quality indicators (PQI) for inpatient admissions
- Generic drug dispensing rates by therapeutic class
- Mix of vaginal and cesarean section deliveries in the SFY 2018 base period utilization

Emergency Room Services - For the outpatient hospital emergency room service category, multiple potentially avoidable diagnosis groups were clinically developed using the primary diagnosis of each claim. The potentially avoidable diagnosis groups were stratified by severity to target potentially avoidable emergency room visits in the three lowest severity groups. Additionally, potentially avoidable outpatient hospital emergency room visits were summarized by rate cell. Target utilization levels were developed for each diagnosis grouping and rate cell. The following illustrates the adjustments by population group:

- Disabled Children and Adults, TANF Children and OCWI – 5% reduction of potentially avoidable
- TANF Adults – 10% reduction of potentially avoidable

When applying the adjustments listed above, reductions were taken from level 1 emergency room claims first, followed by level 2 and level 3 claims if applicable. No adjustments were made to level 4 or level 5 emergency room claims. In coordination with determination of the managed care adjustments for hospital outpatient emergency room services, we assumed that 95% of emergency room visits reduced would be replaced with an office visit. Additionally, we reviewed historical data, along with data from other Medicaid states, to develop assumptions for additional services that may also be included with an office visit.

Based on this review, additional services related to pathology/lab, office administered drugs, and radiology were included with the replacement office visit. The overall impact of the emergency room service efficiency adjustment is a decrease of approximately $1.4 million.

Inpatient Hospital Services – We applied managed care adjustments to reflect higher levels of care management relative to the SFY 2018 base experience period. We identified potentially avoidable admissions using the AHRQ PQIs. Inpatient hospital managed care adjustments were developed by applying a 10% reduction to readmissions for the same DRG within 30 days, and a 10% reduction to potentially avoidable inpatient admissions for select PQIs. No adjustments were made to corresponding inpatient physician charges to account for the potential shift of these services to an ambulatory setting. Additionally, nursing facility claims were excluded from this analysis. The table below outlines the PQIs included in our analysis.

FIGURE 13: AHRQ Prevention Quality Indicators

PQI Number	Description
PQI #01	Diabetes Short-term Complications Admission Rate
PQI #02	Perforated Appendix Admission Rate
PQI #03	Diabetes Long-term Complications Admission Rate
PQI #05	Chronic Obstructive Pulmonary Disease (COPD) Admission Rate
PQI #07	Hypertension Admission Rate
PQI #08	Congestive Heart Failure (CHF) Admission Rate
PQI #10	Dehydration Admission Rate
PQI #11	Bacterial Pneumonia Admission Rate
PQI #12	Urinary Tract Infection Admission Rate
PQI #13	Angina without Procedure Admission Rate
PQI #14	Uncontrolled Diabetes Admission Rate
PQI #15	Adult Asthma Admission Rate
PQI #16	Rate of Lower-extremity Amputation among Patients with Diabetes

Pharmacy Services – Our review of historical pharmacy experience for managed care efficiencies included an evaluation by capitation rate cell and therapeutic class for each MCO to estimate achievable generic drug dispensing rates (GDR), as well as a review of MCO contracting of discounts for brand and specialty drugs.

For each therapeutic class, we estimated the impact of improvements in GDR amounts by shifting drug utilization in the MCO historical experience to levels achieved by other MCOs during the same time period. Per guidance from SCDHHS, antiretroviral drugs were excluded from the analysis of GDRs. The shift in the target GDR resulted in a 0.9% managed care savings to the prescription drug category of service, or a reduction of approximately $4.7 million.

In addition, we evaluated pharmacy contracting by repricing brand and specialty drugs to average wholesale price (AWP). MCOs were ranked by their ratio of expenditures to AWP. The aggregate MCO AWP contract value for the highest-performing MCOs comprising approximately 85% of expenditures was targeted for the MCO program. This resulted in a 0.7% managed care savings to the prescription drug category of service, or a reduction of approximately $3.6 million.

Delivery Services – Delivery managed care efficiency adjustments were developed by analyzing the percent of cesarean and vaginal deliveries by hospital. Vaginal delivery percentages were adjusted to target 69% of all deliveries in the managed care program, consistent with SFY 2019 expectations. This assumption was based on review and consideration of the following:

- SFY 2018 vaginal/cesarean section delivery mix for the top performing hospitals that collectively perform at least 40% of deliveries in the encounter data; and,
- The birth outcomes initiative implemented by SCDHHS to reduce elective induction and cesarean section deliveries prior to 39 weeks gestation.

Managed care savings were estimated by evaluating the cost per delivery difference between cesarean and vaginal deliveries for facility and physician services. No adjustments were made to the total number of deliveries. The overall impact to the KICK rate cell is a decrease of approximately 0.9%, or $1.4 million.

(b) Material changes to the data, assumptions, and methodologies

All rate development data and material assumptions are documented in this rate certification report and the overall methodology utilized to develop the capitation rates is consistent with the prior rate-setting analysis.

(c) Overpayments to providers

Consistent with 42 CFR 438.608(d), SCDHHS outlines the program integrity guidelines and reporting requirements related to overpayments, recoveries, and refunds in Section 11.6 of the MCO contract found here: (https://msp.scdhhs.gov/managedcare/sites/default/files/2018%20MCO%20Contract%20-%20Amendment%20I%20Final_1.pdf).

Overpayments to providers as a result of fraud, waste, and abuse and TPL activity are reported by the MCOs in the MCO Survey and discussed in greater detail in Section 2.B.iii.(e), adjustments to base data.

iii. Projected Benefit Cost Trends

This section discusses the data, assumptions, and methodologies used to develop the benefit cost trends, i.e., the annualized projected change in benefit costs from the historical base period (SFY 2018) to the SFY 2020 rating period of this certification. We evaluated prospective trend rates using historical experience for the South Carolina Medicaid managed care program, as well as external data sources.

(a) Required elements

(i) Data

The primary data used to develop benefit cost trends is historical claims and encounters from the covered populations. Data used for trend development included three years of cost and utilization experience, from SFY 2016 through the base experience data period (SFY 2018).

External data sources that were referenced for evaluating trend rates developed from SCDHHS data include:

- *National Health Expenditure (NHE) projections* developed by the CMS office of the actuary, specifically those related to Medicaid. Please note that as these are expenditure projections, projected growth reflects not only unit cost and utilization, but also aggregate enrollment growth and enrollment mix changes such as aging. For trends used in this certification, we are interested only in unit cost and utilization trends, so in general, our combinations of unit cost and utilization trends should be lower than NHE trends. NHE tables and documentation may be found in the location listed below:
    - https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/nationalhealthaccountsprojected.html
- Magellan Rx Management – Medicaid Pharmacy Trend Report 2018 Ninth Edition (February 2019) found in the location listed below:
    - https://www1.magellanrx.com/documents/2019/03/medical-pharmacy-trend-report_2018.pdf/
- *Express Scripts 2018 Drug Trend Report (February 2019*) found in the location listed below:
    - https://lab.express-scripts.com/lab/drug-trend-report/2018-drug-trend-report

Other sources: We also reviewed internal sources that are not publicly available, such as historical experience from other programs and trends used by other Milliman actuaries

(ii) Methodology

Non-pharmacy trends

For internal SCDHHS data, historical utilization and per member per month cost data was stratified by month, rate cell, and category of service. The data was adjusted for completion and normalized for historical program and reimbursement changes. We developed trend rates to adjust the base experience data (midpoint of January 1, 2018) forward 24 months to the midpoint of the contract period, January 1, 2020. Rolling 12-month, 6-month, and 3-month trends were calculated to identify changes in the underlying patterns over time, and two-year annualized trends were utilized to smooth out significant fluctuations from year to year.

For all non-pharmacy service categories, the trend rates were applied to utilization only, while reimbursement was explicitly addressed in Section I, item 2.B.iii of this certification report.

Trend rates were developed by population (TANF Adult, TANF Child, SSI Adult, SSI Child, OCWI, Foster, Dual and Kick) and by service category.

Historical trends should not be used in a simple formulaic manner to determine future trends; actuarial judgment is also required. We also referred to alternative sources, both publicly available and internal Milliman information. We also considered changing practice patterns, shifting population mix, and the impact of reimbursement changes on utilization in this specific population.

Pharmacy trends

We developed a Medicaid pharmacy model (trend model) for the purposes of studying and projecting detailed pharmacy trend information. The trend model summarizes pharmacy claims data by month, drug type (brand, generic, specialty brand, and specialty generic), covered population, and therapeutic class (according to GPI-4 assignments). For this analysis, we used data with dates of service incurred through June 2018, and projected through SFY 2020. Projected values are estimated using the base period data as a starting point and applying anticipated shifts and trends. There are several areas for consideration.

Brand patent loss

When a brand drug loses patent, the utilization often shifts from the brand drug to the new generic alternatives. Our model assumes effective dates of patent expirations and a shift in utilization as a result of patent loss.

Cost per script trends

Projected costs per script for July 2018 are based on the average costs per script in the three previous months (April, May, and June of 2018), adjusted for any anomalies in the data. These starting point costs are trended forward using separate cost trend assumptions by therapeutic class for brand, generic, and specialty products.

In developing cost trends, we relied on a combination of Milliman research, publicly available industry trend reports, and the historical average wholesale price (AWP) trends using the South Carolina Medicaid encounter data.

Changes in utilization

Utilization levels for July 2018 reflect the average utilization in the first six months of calendar year 2018, adjusted for anomalies in the data. We applied monthly utilization trends to this starting point to estimate the projection period utilization. To develop these utilization trend assumptions, we relied on a combination of Milliman research, publicly available industry trend reports, and the historical utilization trends using South Carolina Medicaid encounter data. Monthly seasonality is accounted for in our trend development. Each month is projected separately (rather than relying on an average value across all months) such that our non-calendar year projection period accounts for the appropriate seasonality.

(iii) Comparisons

As noted above, we did not explicitly rely on the historical MCO encounter data trend projections due to anomalies observed in the historical trend data. In addition to referencing external data sources and emerging experience in the encounter data, we also reviewed the utilization trends assumed in the SFY 2019 capitation rate development to determine if any adjustment to the trend assumption was appropriate for the SFY 2020 rating period. The dual population medical non-pharmacy trends are consistent with trend assumptions developed for the calendar year (CY) 2019 Healthy Connections Prime Community population.

Explicit adjustments were made outside of trend to reflect all recent or planned changes in reimbursement from the base period to the rating period.

(iv) Chosen trend rates

Figure 14 illustrates the utilization component of the trend by rate cell and category of service for the SFY 2020 capitation rate development. The utilization component includes both the trend in number of units as well as the mix or intensity of services provided. The chosen trend rates do not include any outlier or negative trends.

FIGURE 14: Annual Utilization Trend Rates

Category of Service	TANF Child	TANF Adult	SSI Child	SSI Adult	OCWI	Foster Care	Kick
Inpatient	1.0%	0.0%	1.0%	0.0%	0.0%	0.0%	0.0%
Outpatient	1.0%	1.0%	2.0%	3.0%	2.0%	2.0%	1.0%
Ancillaries	2.5%	2.0%	3.0%	3.0%	2.0%	2.5%	0.0%
Physician	2.5%	2.0%	3.0%	3.0%	2.0%	2.5%	1.0%
Total Medical	**1.8%**	**1.2%**	**2.3%**	**1.7%**	**1.7%**	**1.9%**	**0.3%**
Total Pharmacy	**3.0%**	**6.0%**	**5.0%**	**7.0%**	**1.8%**	**3.0%**	**N/A**
Composite	**2.0%**	**2.4%**	**3.2%**	**3.2%**	**1.7%**	**2.0%**	**0.3%**

Notes:
1. Pharmacy represents both utilization and cost.

(b) Benefit cost trend components

The utilization component of trend illustrated in Figure 14 includes both the trend in number of units as well as the mix or intensity of services provided. Unit cost trends are not applied as a trend adjustment, instead each claim is repriced and adjusted based on reimbursement updates that have occurred or are anticipated to be implemented after the end of the base period. The repricing and reimbursement update analyses are described further in Section I, item 2.B.ii.(d)iii(d).

The OCWI pharmacy trend includes the impact of the Makena generic launch in June 2018, which is estimated to reduce the OCWI annual pharmacy expenditures by approximately $500,000.

(c) Variation

To limit the variation in benefit cost that is present across the Medicaid population as a whole, we developed trends by population category and major category of service. For the pharmacy trend assumption development, we further reviewed experience for specialty, brand and generic drugs, and combined this review with consideration of brand name drugs that have had or are anticipated to have generic launches during the time period encompassing the SFY 2018 base period through the projection period (SFY 2020).

The variation that occurs between these high-level prescription drug stratifications and further within each major population category contributes to the variation in the pharmacy trend assumptions applied across the managed care program in the SFY 2020 capitation rate development.

(i) Medicaid populations

To limit the variation in benefit cost that is present across the Medicaid population as a whole, we developed trends by population category and major category of service. Minor trend variations between populations and service categories reflect observed variation in the underlying historical experience and actuarial judgement based on the sources listed in the section above. All trend values have been rounded to the nearest 0.5% (other than OCWI pharmacy trend as a result of the explicit adjustment related to the Makena generic launch discussed in Section I, item 2.B.iii.(b) above).

(ii) Rate cells

Benefit cost trends are evaluated by population category and major category of service. For population categories comprised of multiple rate cells, the benefit cost trends are consistent across all rate cells.

(iii) Subsets of benefits within a category of services

For the pharmacy trend assumption development, we further reviewed experience for specialty, brand and generic drugs, and combined this review with consideration of brand name drugs that have had or are anticipated to have generic launches during the time period encompassing the SFY 2018 base period through the projection period (SFY 2020).

The variation that occurs between these high-level prescription drug stratifications and further within each major population category contributes to the variation in the pharmacy trend assumptions applied across the managed care program in the SFY 2020 capitation rate development.

(d) Material adjustments

We made explicit adjustments to the historical data analyzed for trends in an effort to normalize the data for historical reimbursement adjustments and changing populations, and extract underlying trend information; however, as noted above, there were still anomalies that were present in the data and contributed to unreasonable trend patterns.

As a result, we used actuarial judgment to adjust the trends derived from historical experience in cases where the resulting trends did not appear reasonably sustainable, or were not within consensus parameters derived from other sources.

For many rate cells and categories of services, raw model output was outside of a range of reasonable results. In these situations, we relied on the sources identified to develop prospective trend.

Additionally, we considered the cost impact of recently released drugs on the pharmacy trend rates. We reviewed emerging pharmacy experience and adjusted the OCWI to reflect the Makena generic launch in June 2018. The generic launch of Makena is expected to lower the OCWI pharmacy trend in SFY 2019 and stabilize through SFY 2020. The cost impact of Makena's generic launch and other recently released drugs were reviewed and incorporated within the total pharmacy trend rates.

(e) Any other adjustments

(i) Impact of managed care

We did not adjust the trend rates to reflect a managed care impact on utilization or unit cost. The capitation rates have an explicit adjustment for the managed care adjustments.

(ii) Trend changes other than utilization and cost

We did not adjust the benefit cost trend for changes other than utilization or unit cost.

iv. Mental Health Parity and Addiction Equity Act Service Adjustment

We have reviewed SCDHHS's state plan benefits regarding compliance with the Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA) as required by 42 CFR 438.3(c)(1)(ii). Results of the analysis indicate full compliance with MHPAEA for financial requirements and both quantitative and non-quantitative treatment limits with no remediation needed that would constitute a program adjustment. Based on the final results, we have not made any rating adjustments to accommodate parity compliance. In addition, SCDHHS is actively working with each MCO to review MCO-specific compliance with MHPAEA financial requirements and treatment limitations.

v. In Lieu of Services

Effective July 1, 2019, SCDHHS will expand the use of IMDs as an in lieu of service for the 21 to 64-year-old population for all inpatient psychiatric or substance use disorders for up to 15 days per month. This program change will be implemented in compliance with the conditions outlined in the final Medicaid managed care regulations. Consistent with the rate-setting guidance published by CMS, in reviewing the impact of this program adjustment we did not use the unit cost of the IMD, and instead utilized the unit cost for that of existing state plan providers. IMD as an in lieu of service represents approximately $4.2 million of the SFY 2020 projected expenditures, or 8.8% of the "Inpatient MH/SA" service category, and is not included in any other service categories.

vi. Retrospective Eligibility Periods

(a) MCO responsibility

MCOs are not responsible for paying claims incurred during the retrospective eligibility period.

(b) Claims treatment

As noted earlier, MCOs are not responsible for paying claims incurred during the retrospective eligibility period; therefore, claims for retrospective eligibility periods are not reflected in the base data.

(c) Enrollment treatment

Enrollment is treated consistently with claims. We have not included retrospective eligibility in the base experience period.

(d) Adjustments

No adjustments are necessary.

vii. Impact of Material Changes

This section relates to material changes to covered benefits or services since the last rate certification. The last rate certification was for the SFY 2019 rating period.

(a) Change to covered benefits

Material changes to covered benefits have been described in program adjustments described in Section I, item 2.B.iii Program Change Adjustments.

(b) Recoveries of overpayments

To the best of our knowledge, all information related to any payment recoveries not reflected in the base period encounter data was provided to us by the MCOs in their survey responses and an adjustment factor was applied to reflect any such recoveries.

(c) Change to payment requirements

Material changes to required provider payments have been described in program adjustments described in Section I, item 2.B.iii Program Change Adjustments.

(d) Change to waiver requirements

There were no material changes related to waiver requirements or conditions.

(e) Change due to litigation

There were no material changes due to litigation.

viii. Documentation of Material Changes

Material changes to covered benefits and provider payments have been described in program adjustments described in Section I, item 2.B.iii Program Change Adjustments. This information includes the data, assumptions, and methodology used in developing the adjustment, and aggregate impact on the managed care program's benefit expense. Non-material changes to covered benefits or provider payments have also been described in that section of the report.

4. Special Contract Provisions Related to Payment

A. INCENTIVE ARRANGEMENTS

i. Rate Development Standards

This section provides documentation of the incentive payment structure in the South Carolina Medicaid managed care program.

ii. Appropriate Documentation

Incentive payments under this plan are below 105% of the certified capitation rates paid under the contract. An incentive pool is determined by the portion of withhold that is not returned to the MCOs after a first pass review. By design, the incentive amount represented by the bonus pool is significantly less than 5% of the certified rates. Please see Section I, item 4.B.ii for additional discussion on bonus pool distributions.

Incentive payments for "Patient-Centered Medical Homes (PCMH)" are not included within the certified capitation rate. As such, these incentives are paid by SCDHHS to the MCOs through gross level adjustments (GLAs). Additional details about the separate PCMH incentive payment program can be found within the "MCO Policy and Procedure Guide" under the "Provider Quality Incentive Programs" section. Approximate historical and anticipated incentive payments for the PCMH program are as follows:

- SFY 2018: $8.5 million – approximately 0.3% increase over estimated capitation premium
- SFY 2019 (anticipated): $8.6 million – approximately 0.4% increase over estimated capitation premium
- SFY 2020 (anticipated): $9.5 million – approximately 0.4% increase over estimated capitation premium

The total amount of incentive payments in the managed care program is below 105% of the certified rates paid under the contract.

B. WITHHOLD ARRANGEMENTS

i. Rate Development Standards

This section provides documentation of the withhold arrangement in the South Carolina Medicaid managed care program.

ii. Appropriate Documentation

(a) Description of the Withhold Arrangement

(i) Time period and purpose

The withhold arrangement is measured on a calendar year basis. The withhold measure evaluates quality-based performance in diabetes care, women's health, and pediatric preventive care.

(ii) Description of total percentage withheld

SCDHHS has established a quality withhold of 1.5% of the capitation rate net of supplemental teaching payments and the state-directed hospital quality payment program, and will determine the return of the withhold based on review of each MCO's HEDIS data and the MCO's compliance with the quality measures established in each MCO's contract with SCDHHS.

The capitation rates shown in this letter are illustrated before application of the withhold amount; however we consider the full amount of the withhold to be reasonably achievable.

(iii) Estimate of percent to be returned

In reporting year 2018 (CY 2018), based on measurement year 2017, the MCOs in aggregate received 100% of available withhold funds from SCDHHS through first pass and bonus pool distributions.

Withholds and incentives are treated separately for federal regulations; therefore, we reviewed the first pass and bonus pool distribution as separate components. Based on the design of the withhold program, 95.5% of the withhold was earned back through the first pass.

The MCO quality indices for reporting year 2019, measurement year 2018, have not changed; however, the applicable weights for each HEDIS measure in the withhold calculation have been updated and are fully documented in Section 15 of the Managed Care Policy and Procedure Manual. The estimated impact to the CY 2018 first pass earn back distribution as a result of this change to the quality index weights was approximately a $2.1 million decrease, or less than 0.1% of projected revenue.

Our review of the CY 2018 quality withhold results and the reweighted CY 2019 quality withhold measures, indicated that at least one plan would have met all target measures to receive the full return of the 1.5% withhold and the majority of others would have needed to improve by a marginal amount to receive the full withhold return. As such, we believe it is reasonably achievable in the context of the SFY 2020 capitation rate development for the MCOs to meet the quality withhold targets for 100% return of the withhold for CY 2019.

(iv) Reasonableness of withhold arrangement

Our review of the total withhold percentage of 1.5% of capitation revenue, net of supplemental teaching payments and state-directed hospital quality payment program, indicates that it is reasonable within the context of the capitation rate development and the magnitude of the withhold does not have a detrimental impact on the health plan's financial operating needs and capital reserves. Our interpretation of financial operating needs relates to cash flow needs for the health plan to pay claims and administer benefits for its covered population. We evaluated the reasonableness of the withhold within this context by reviewing the health plan's cash available to cover operating expenses, as well as the capitation rate payment mechanism utilized by SCDHHS. To evaluate the reasonableness of the withhold in relation to capital reserves, we reviewed each health plan's risk-based capital ratio. The data source utilized to calculate these metrics was each plan's calendar year 2018 NAIC annual statement.

(1) Risk-Based Capital (RBC) Levels: RBC levels were reviewed to assess surplus levels and financial stability of each MCO to pay all policyholder obligations. Based on CY 2018 audited financial statements, RBC-levels for each MCO are at or greater than 314%. Although 100% of the withhold is assumed to be reasonably achieved, stress-testing the capital levels for each MCO with the full amount of the 1.5% withhold does not reduce the RBC ratio to a level that would trigger regulatory action.

MCO Financial Review

Health Plan	Reported RBC Level	Stress-Tested RBC Level
Absolute Total Care	399%	359%
BlueChoice	1178%	1151%
Molina	421%	378%
Select Health	314%	272%
WellCare	588%	546%

Source: CY 2018 NAIC Annual Statement ('Five-Year Historical Data', Page 29)

(2) Cash available for operating expenses: We reviewed cash and cash equivalent levels in relation to the withhold arrangement. We believe the withhold arrangement is reasonable based on current cash levels and the following withhold level and SCDHHS payment timing:

- A 1.5% withhold over the SFY is equivalent to approximately 5.5 days of revenue.
- SCDHHS makes capitation payments to MCOs at the beginning of each month (which essentially "pre-pays" the expected claims for the month), contributing favorably to monthly cash flow needs.

(v) Effect on the capitation rates

The SFY 2020 certified capitation rates reflect the expectation that 100% of the withhold is reasonably achievable.

(b) Capitation payments minus withhold

The SFY 2020 certified capitation rates reflect the expectation that 100% of the withhold is reasonably achievable, and the capitation rates are certified as actuarially sound.

C. RISK SHARING MECHANISMS

i. Rate Development Standards

This section provides documentation of the risk-sharing mechanisms in the South Carolina managed care program.

ii. Appropriate Documentation

(a) Description of Risk-sharing Mechanism

SCDHHS has eliminated the FQHC risk pool for the SFY 2020 contract year. No risk-sharing mechanisms are proposed for the SFY 2020 South Carolina Medicaid managed care program.

(b) Medical Loss Ratio

Description

SCDHHS's provider agreement establishes a minimum medical loss ratio (MLR) of 86.0% for the Medicaid managed care population. The specific language from the provider agreement between SCDHHS and the MCOs should be referenced for final contract specifications and definitions. The MLR is calculated in accordance with guidance presented in the final Medicaid and Children's Health Insurance Program rule, released on May 6, 2016.

Financial consequences

Financial consequences of the minimum MLR requirements are specified in the provider agreement. However, in general, the MCO will be required to repay any revenue amounts below the 86.0% minimum MLR.

(c) Reinsurance Requirements and Effect on Capitation Rates

There are no reinsurance requirements for MCOs contracted with SCDHHS for the Medicaid managed care program.

D. DELIVERY SYSTEM AND PROVIDER PAYMENT INITIATIVES

i. Rate Development Standards

Consistent with guidance in 42 CFR §438.6(c), the South Carolina managed care capitation rates reflect consideration of the following delivery system and provider payment initiatives:

- Hospital quality payment initiative for all in-state acute care and critical access hospitals; and,
- Alternative Payment Model (APM) contracts linked to provider performance.

(a) Description of Managed Care Plan Requirement

Effective July 1, 2019, SCDHHS is requiring the MCOs to participate in a state directed value-based purchasing model to implement quality payment arrangements for all in-state acute care and critical access hospitals.

In addition, MCOs are required to meet the APM targets as described in Section 15 of the MCO contract.

(b) How Payment Arrangement is Reflected in Managed Care Rates

Hospital Quality Payment Initiative

The payment arrangement will be reflected through a separate payment term in which 1.6% of the monthly capitation rate will be directed to the eligible hospitals based on each hospital's allocation of the overall incentive pool.

(i) Documentation related to payment term included in the rate certification

Documentation related to the separate payment term is addressed in Section I, Item 4.D.ii(a)(iii).

(ii) PMPM estimate of state-directed payments addressed through separate payment term

State-directed PMPMs are estimated as 1.6% of the monthly capitation payments excluding STP payments. Figure 15 illustrates the estimated PMPM for each rate cell.

FIGURE 15: Hospital Quality Payment PMPM by Rate Cell

Rate Cell	PMPM
TANF: 0-2 months old (AH3)	$ 35.26
TANF: 3-12 months old (AI3)	3.74
TANF: Age 1-6 (AB3)	2.16
TANF: Age 7-13 (AC3)	2.34
TANF: Age 14-18, Male (AD1)	2.54
TANF: Age 14-18, Female (AD2)	3.09
TANF: Age 19-44, Male (AE1)	3.71
TANF: Age 19-44, Female (AE2)	5.16
TANF: Age 45+ (AF3)	8.98
SSI - Children (SO3)	10.45
SSI - Adults (SP3)	20.60
OCWI (WG2)	5.07
DUAL	-
Foster Care - Children (FG3)	13.77
KICK (MG2/NG2)	108.92

(iii) Final documentation of total state-directed payment amount by rate cell

To the extent the final state-directed PMPM payments by rate cell vary from the initial estimates presented in Figure 15, the rate certification will be updated to reflect the final aggregate payments made to the hospitals.

(iv) Change from initial base rate certification

As indicated above, the rate certification will be updated through a rate amendment if the total payment amount or distribution methodology varies from the initial estimates presented in Figure 15.

ii. Appropriate Documentation

(a) Description of Delivery System and Provider Payment Initiatives

(i) Description of delivery system and provider payment Initiatives included in the capitation rates

Hospital Quality Payment Initiative

Effective July 1, 2019, the hospital quality payment initiative was developed to align SCDHHS's quality and transparency-promotion activities with those of CMS and other dominant payers. Based on documentation provided in the SCDHHS-submitted preprint, the value-based purchasing arrangement is a quality payment program in which hospital agencies are paid based on the value of their quality improvement efforts, such as reducing readmissions and hospital-acquired infections, patient experience outcomes, maternal and prenatal

care quality programs, and effectiveness of opioids and behavioral health treatment programs and policies. In recognition of implementing and executing quality improvement initiatives, monthly payments are made to eligible hospital agencies from the MCOs.

Alternative Payment Model Contracts

Value-oriented contracts reflected in the SFY 2019 managed care capitation rates include pay for performance incentive programs, shared savings, and shared risk programs.

(ii) Description of payment arrangement if incorporated as a rate adjustment

The state-directed payment is reflected through a separate payment term as described in Section I, Item 4.D.i(b).

The APM contracts are included as an adjustment to the SFY 2018 base data in Appendix 6. The total amount of payments for these contracts included in the base data adjustment is approximately $4.8 million, or $0.52 PMPM.

(iii)Description of payment arrangement if incorporated as a separate payment term

The payment arrangement will be incorporated through a separate payment term in which 1.6% of the monthly capitation rate will be directed to the eligible hospitals based on each hospital's allocation of the overall incentive pool.

Aggregate amount of payment applicable to rate certification.

The aggregate amount of the payment is 1.6% of the capitation expenditures. The estimated amount of state-directed payments for the pay-for-performance arrangement is $48 million.

Provider types receiving the payment

The hospital quality payment initiative applies to all in-state acute care and critical access hospitals, provided that they:

- Are Medicare-registered;
- Are Medicaid-enrolled;
- Participate in the Inpatient Quality Reporting (IQR) and Outpatient Quality Reporting (OQR) programs; and,
- Use a Safe Surgery Checklist and participate in the South Carolina Hospital Association's Zero Harm Collaborative.

Distribution methodology

SCDHHS will supply the MCOs with a list of each hospital's allocation of the overall incentive pool prior to the beginning of each rating period. When an MCO receives a capitation payment from SCDHHS, the MCO must remit the appropriate share to each hospital per SCDHHS requirements as described in the MCO contract.

Estimated PMPM payout by rate cell

The estimated PMPM payout by rate cell is provided in Figure 15 in Section I, Item 4.D.i(b).

Consistency with 438.6(c) preprint

We confirm that the state-directed hospital quality payment initiative, as described in this certification, is consistent with the 438.6(c) pre-print that is currently under CMS review.

SCDHHS has indicated that a 438.6(c) preprint was not required for the APM arrangements.

Statement that certification will be amended if rates vary from initial estimate

To the extent the final state-directed pay-for-performance PMPM payments by rate cell for the hospital quality payment initiative vary from the initial estimates presented in Figure 15, the rate certification will be updated to reflect the final payments made to the hospitals.

E. PASS-THROUGH PAYMENTS

Supplemental Teaching Physician (STP) Payments: The STP payment program was developed to provide supplemental teaching payments to providers (i.e. Medical Universities or hospitals) of teaching physicians who are employed by or under contract with South Carolina Medical Universities and/or their component units. The STP payment that is made to qualifying providers accounts for the productivity loss and resulting revenue loss incurred by the teaching physicians from either direct supervision of or involvement with residents and/or medical students who are providing patient care. These amounts are paid by the MCOs to facilities utilizing teaching physicians, but are not included in the contracted rates between the MCOs and the teaching physicians.

i. Rate Development Standards

This section provides documentation of the pass-through payments reflected in the SFY 2020 capitation rates.

ii. Appropriate Documentation

(a) Description of Pass-Through Payments

(i) Description

SCDHHS implemented the original STP payment methodology effective October 1, 2001. The original payment methodology allowed for additional reimbursement at 35% of each teaching physician's billed charges to providers qualifying for STP payments. This payment was made in addition to the regular Medicaid FFS or MCO claims payment amount.

Effective April 1, 2016, SCDHHS follows the Average Commercial Rate (ACR) Model as described in the CMS approved Physician UPL Guidance document. Under the plan amendment submitted to CMS, the STP payment is determined based upon the aggregate difference between the average commercial rate of each STP provider's top 5 commercial carriers (excluding those not subject to market forces) and the Medicaid payment (including TPL and co-pays) for each billable procedure code based upon a base year claims period and commercial rate period.

The STP amounts for the SFY 2020 capitation rates are calculated under the ACR method. The following methodology was utilized to develop the STP PMPM:

1. Summarize the SFY 2018 encounter expenditures eligible for supplemental teaching payments using the SFY 2018 teaching physician list provided by SCDHHS for the SFY 2020 capitation rate-setting process. Total STP expenditures exclude all services billed under the HCPCS alphanumeric code set and immunization administration services reported with CPT codes 90460, 90461, 90471, 90472, 90473, and 90474.
2. Add estimated patient copay and third-party liability amounts to SFY 2018 expenditures to develop total payment received by the physician.
3. Reprice each of the SFY 2018 encounter physician claims by multiplying the number of incurred units for each procedure code by the individual STP provider's CY 2018 ACR for that procedure code.
4. Deduct total physician payment (developed in Step 2) from ACR (developed in Step 3) for each physician claim to calculate the STP amount.
5. Adjust the STP payment amounts obtained in Step 4 using utilization trend and other adjustment factors specific to the physician and ancillary service categories to estimate projected SFY 2020 STP PMPMs.

Note that STP expenditures for services covered by the KICK payment are deducted from the KICK rate cell and redistributed across the applicable female capitation rate cells, in proportion to the KICK payments made for individuals in the representative rate cells. Consistent with SCDHHS's payment methodology, supplemental teaching payments are not calculated for the DUAL rate cell.

(ii) Amount

The estimated pass-through payments incorporated into the SFY 2020 capitation rates is approximately $132.4 million ($13.81 PMPM). Appendices 8 and 9 document the development of the rate cell-specific STP PMPMs that are added to the SFY 2020 capitation rates.

(iii) Providers receiving the payment

The payments are received by providers with teaching physicians who are employed by or under contract with South Carolina Medical Universities and/or their component units. A list of teaching physicians during SFY 2018 was provided by SCDHHS for the SFY 2020 capitation rate-setting process.

(iv) Financing mechanism

The STP payment program is funded via intergovernmental transfers from non-state owned governmental hospitals, the MUSC School of Medicine, the University of South Carolina, and the SC Area Health Education Consortium (which receives annual state appropriations from the SC General Assembly).

(v) Pass-through payments for previous rating period

The estimated pass-through payments for the STP arrangement incorporated into the SFY 2019 capitation rates is approximately $115.9 million.

(vi) Pass-through payments for rating period in effect on July 5, 2016

The rating period in effect on July 5, 2016 is the SFY 2017 rating period. The estimated pass-through payments for the STP arrangement incorporated into the SFY 2017 capitation rates is approximately $125.6 million.

(b) Hospital Pass-Through Payments

Not applicable. There are no hospital pass-through payments in the South Carolina Medicaid managed care program.

5. Projected non-benefit costs

A. RATE DEVELOPMENT STANDARDS

i. Overview

In accordance with 42 CFR §438.5(e), the non-benefit component of the capitation rate includes reasonable, appropriate and attainable expenses related to MCO operation of the South Carolina Medicaid managed care program.

The remainder of Section I, item 5 provides documentation of the data, assumptions and methodology that we utilized to develop the non-benefit cost component of the capitation rate.

ii. PMPM versus percentage

The non-benefit cost was developed as a percentage of the capitation rate.

iii. Basis for variation in assumptions

Any assumption variation between covered populations is the result of program differences and is in no way based on the rate of federal financial participation associated with the population.

iv. Health insurance providers fee

Detail regarding the health insurance providers fee is provided in Section I, item 5.B.iii below.

B. APPROPRIATE DOCUMENTATION

i. Development of non-benefit costs

(a) Description of the data, assumptions, and methodologies

Data

The primary data sources used in the development of the state fiscal year 2020 non-benefit costs are listed below:

- Calendar Year 2018 administrative costs as reported in the Managed Care Survey completed by each MCO.
- Statutory financial statement data for each of the MCOs.
- Average non-benefit costs from the financial statements of Medicaid MCOs nationally, as summarized by Palmer, Pettit, and McCulla. A link to the 2017 report published in June 2018 (National Summary of Medicaid MCO Administrative Costs) is provided here: http://www.milliman.com/medicaid-results-2017/

Assumptions and methodology

In developing non-benefit costs, we reviewed historical administrative expenses for the managed care program along with national Medicaid MCO administrative expenses. We considered the size of participating MCOs and the resulting economies of scale that could be achieved, along with the benefits covered and the demographics of the population.

Historical reported administrative expenses by MCO were compared to statutory financial statements for consistency.

Our review of the non-benefit cost component of the capitation rate (excluding risk margin) in comparison to Appendix 1 of the National Summary of Medicaid MCO Administrative Costs referenced above indicates that the allowance reflected in the South Carolina Medicaid managed care rates is reasonable in comparison to this national benchmark. This is consistent with non-benefit cost allowance in prior capitation rate setting analyses for this program and we believe this continues to be a reasonable, appropriate and attainable assumption based on our review of historical financial results for the MCOs and continued review of the program.

(b) Material changes

There are no material changes to the data, assumptions, or methodology used to develop the projected non-benefit cost.

(c) Other material adjustments

There are no other material adjustments applicable to the non-benefit cost component of the capitation rate.

ii. Non-benefit costs, by cost category

Administrative expenses have not been developed from the ground up (based on individual components). However, individual components were reviewed within MCO-reported survey information and financial statement data. We did rely on MCO-reported information to estimate the allocation of the administrative expense percentage between general administrative costs and care coordination & care management expenses. The foster care children rate cell was increased to reflect additional care coordination and care management requirements.

The SFY 2020 non-benefit cost allowance is applied as a percentage of the capitation rates excluding supplemental teaching payments and 438.6 quality payments, as illustrated in Figure 16 below.

FIGURE 16: Non-Benefit Cost Allowance by Rate Cell

Rate Cell	Administrative Expenses	Care Coordination & Care Management	Risk Margin	Total
TANF: 0-2 months old (AH3)	5.50%	1.00%	1.00%	7.50%
TANF: 3-12 months old (AI3)	9.50%	1.75%	1.00%	12.25%
TANF: Age 1-6 (AB3)	9.50%	1.75%	1.00%	12.25%
TANF: Age 7-13 (AC3)	9.50%	1.75%	1.00%	12.25%
TANF: Age 14-18, Male (AD1)	9.50%	1.75%	1.00%	12.25%
TANF: Age 14-18, Female (AD2)	9.50%	1.75%	1.00%	12.25%
TANF: Age 19-44, Male (AE1)	7.75%	1.50%	1.00%	10.25%
TANF: Age 19-44, Female (AE2)	7.75%	1.50%	1.00%	10.25%
TANF: Age 45+ (AF3)	7.75%	1.50%	1.00%	10.25%
SSI - Children (SO3)	6.00%	1.50%	1.00%	8.50%
SSI - Adults (SP3)	5.50%	1.25%	1.00%	7.75%
OCWI (WG2)	7.75%	1.50%	1.00%	10.25%
Foster Care - Children (FG3)	5.75%	3.50%	1.00%	10.25%
KICK (MG2/NG2)	1.75%	0.25%	1.00%	3.00%

Notes:
1. The non-benefit cost allowance for the DUAL rate cell was estimated as a weighted average of the non-benefit cost allowance PMPM for the SSI-Children and SSI-Adult rate cells.
2. Other than the Health Insurance Providers Fee, there are no taxes, licensing and regulatory fees attributed to the South Carolina Medicaid managed care program.

The benefit expense and non-benefit cost allowance components of the SFY 2020 capitation rates are illustrated by rate cell in Appendix 4.

iii. Health insurance providers fee

(a) Whether the fee is incorporated in the rates

The SFY 2020 capitation rates in this certification do not reflect the incorporation of the Health Insurer Fee (HIF). Consistent with SCDHHS's payment of the HIF for the SFY 2018 rates, SFY 2020 rates will be amended after the calculated HIF and related income tax impact attributable to SCDHHS premium revenue are known.

(b) Fee year or data year

The HIF for each insurer is calculated based on the data year. Amended SFY 2020 rates will be based on the 2020 HIF attributable to the 2019 data year.

(c) Determination of fee impact to rates

The calculation of the fee for each MCO subject to the HIF will be based on the final Form 8963 premium amounts reported by the insurer, aggregate HIF premium base, final IRS invoices provided to the MCOs subject to the HIF, Form 8963 premium amounts attributable to SCDHHS, data year HIF tax percentage, and adjustments for premium revenue based on benefits described in 26 CFR 57.2(h)(2)(ix) such as nursing home and home health care. Final fee amounts are adjusted for the applicable income tax impact to reflect the non-tax-deductibility of the HIF. The SFY 2020 capitation rates will be amended based on the 2020 HIF attributable to the 2019 data year.

(d) Timing of adjustment for health insurance providers fee

The SFY 2020 capitation rates in this certification **do not** reflect the incorporation of the HIF. After the actual amount of the HIF is known, the capitation rates will be retrospectively adjusted as appropriate to include the HIF. We anticipate completing the analysis to amend the SFY 2020 rates in the last quarter of CY 2020.

(e) Identification of long-term care benefits

Not applicable.

(f) Application of health insurance providers fee in 2014, 2015, and 2016 capitation rates

The MCOs in South Carolina were required to pay the HIF in 2014, 2015, and 2016. For each year, the initially certified capitation rates were amended to include the HIF and associated income tax impacts to reflect the non-tax-deductibility of the HIF.

6. Risk Adjustment and Acuity Adjustments

This section provides information on the risk adjustment included in the contract.

A. RATE DEVELOPMENT STANDARDS

i. Overview

In accordance with 42 CFR §438.5(g), we will follow the rate development standards related to budget-neutral risk adjustment for the Medicaid managed care program. The composite rates for TANF Children, TANF Adult, SSI Children, and SSI Adult populations will be prospectively risk adjusted by MCO to reflect estimated prospective morbidity differences in the underlying population enrolling with each MCO.

ii. Risk adjustment model

The TANF Adult, TANF Children, SSI Adult, and SSI Children populations will be prospectively risk-adjusted using CDPS+Rx risk scoring models. Risk adjustment is performed on a budget neutral basis for each of the four defined populations, and the analysis uses generally accepted actuarial principles and practices.

iii. Acuity adjustments

Acuity adjustments are not applicable to the SFY 2020 capitation rates.

B. APPROPRIATE DOCUMENTATION

i. Prospective risk adjustment

(a) Data and adjustments

The risk adjustment analysis will utilize SFY 2018 FFS and encounter data for the population enrolled in managed care at April 2019 as the underlying data source. Additionally, an adjustment may be considered for anticipated changes to the South Carolina Medicaid enrollment distribution by MCO for the July through December 2019 contract period. Effective January 1, 2019, one MCO no longer receives new Medicaid beneficiaries (with the exception of newborns, foster care children, and members reinstated within 60 days) or individuals transferring from another MCO. As a result, recipients by MCO in the July 2019 through December 2019 projection period may shift from the April 2019 eligibility distribution levels. We will provide full documentation of the results and methodology for the risk adjustment analysis when it is complete. This is anticipated to be completed in June 2019.

(b) Risk adjustment model

The TANF Adult, TANF Children, SSI Adult, and SSI Children populations will be risk-adjusted using CDPS+Rx risk scoring models. We will provide full documentation of the results and methodology for the risk adjustment analysis when it is complete. This is anticipated to be completed in June 2019.

(c) Risk adjustment methodology

The SCDHHS risk adjustment is designed to be cost neutral for each of the four defined populations. Relative risk scores will be normalized to result in a composite risk score of 1.000 for each population group, across all MCOs. The risk adjustment methodology uses generally accepted actuarial principles and practices.

(d) Magnitude of the adjustment

The magnitude of the adjustment per MCO is not known at this time. We will provide full documentation of the results and methodology for the risk adjustment analysis when it is complete.

(e) Assessment of predictive value

We will provide full documentation of the results and methodology for the risk adjustment analysis when it is complete.

(f) Any concerns the actuary has with the risk adjustment process

At this time, we have no concerns with the risk adjustment process.

ii. Retrospective risk adjustment

Not applicable. The risk adjustment analysis will utilize a prospective methodology.

iii. Changes to risk adjustment model since last rating period

We used the CDPS+Rx risk adjustment model, Version 6.3 for the last rating period. There are no anticipated updates to the CDPS+Rx risk adjustment model for the SFY 2020 rating period.

iv. Acuity adjustments

Acuity adjustments are not applicable to the SFY 2020 capitation rates

Section II. Medicaid Managed care rates with long-term services and supports

Section II of the CMS Guide is not applicable to the SCDHHS Medicaid managed care program. Managed long-term services and supports (MLTSS) are not covered benefits. Enrollees who have been approved for long term institutional care, waiver services, or institutional hospice care will be dis-enrolled from the managed care program and served under the FFS delivery system. Skilled nursing facility services are covered under this program only for stays generally less than 90 days. ICF/IID, and home and community based (HCBS) waiver services are not covered.

Section III. New adult group capitation rates

Section III of the CMS Guide is not applicable to the SCDHHS Medicaid managed care program.

Limitations

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

The information contained in this letter, including the enclosures, has been prepared for SCDHHS and their consultants and advisors. It is our understanding that the information contained in this letter will be shared with the South Carolina Medicaid MCOs and CMS and may be used in a public document. To the extent that the information contained in this letter is provided to third parties, the letter should be distributed in its entirety. Any user of the data must possess a certain level of expertise in actuarial science and healthcare modeling so as not to misinterpret the data presented.

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

Although the capitation rates have been certified as actuarially sound, the capitation rates may not be appropriate for any individual MCO. Results will differ if actual experience is different from the assumptions contained in the capitation rate setting documentation. SCDHHS and Milliman provide no guarantee, either written or implied, that the data and information is 100% accurate or error free.

Milliman has relied on information provided by SCDHHS and the participating Medicaid MCOs in the development of the SFY 2020 capitation rates. We have relied upon SCDHHS and the MCOs for the accuracy of the data and accept it without audit. To the extent that the data provided are not accurate, the capitation rate development would need to be modified to reflect revised information.

The services provided by Milliman to SCDHHS were performed under the signed consulting agreement between Milliman and SCDHHS effective July 1, 2018.

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 analyses contained herein.

Appendix 1: Actuarial Certification

State of South Carolina
Department of Health and Human Services
Risk Based Managed Care Program
Capitation Rates Effective July 1, 2019 through June 30, 2020

Actuarial Certification

I, Jeremy D. Palmer, 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 employed by the State of South Carolina and am generally familiar with the state-specific Medicaid program, eligibility rules, and benefit provisions.

The capitation rates provided with this certification are considered "actuarially sound" for purposes of 42 CFR 438.4(a), according to the following criteria:

- the capitation rates provide for all reasonable, appropriate, and attainable costs that are required under terms of the contract and for the operation of the MCO for the time period and population covered under the terms of the contract, and such capitation rates were developed in accordance with the requirements under 42 CFR 438.4(b).

For the purposes of this certification and consistent with the requirements under 42 CFR 438.4(a), "actuarial soundness" is defined as in ASOP 49:

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

The assumptions used in the development of the "actuarially sound" capitation rates have been documented in my correspondence with the State of South Carolina. The "actuarially sound" capitation rates that are associated with this certification are effective for the rate period July 1, 2019 through June 30, 2020.

The capitation rates are considered actuarially sound after adjustment for the amount of the withhold not expected to be earned.

The "actuarially sound" capitation rates are based on a projection of future events. Actual experience may be expected to vary from the experience assumed in the rates.

In developing the "actuarially sound" capitation rates, I have relied upon data and information provided by the State. I have relied upon the State for audit of the data. However, I did review the data for reasonableness and consistency.

The capitation rates developed 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 the State. The health plan may require rates above, equal to, or below the "actuarially sound" capitation rates that are associated with this certification.

Jeremy D. Palmer, FSA
Member, American Academy of Actuaries

June 13, 2019
Date

Appendix 2: Certified Capitation Rates

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2020 Capitation Rate Development
Comparison to SFY 2019 Capitation Rates

Rate Cell Description	Rate Cell Code	SFY 2020 Projected Exposure	Including Add-Ons			Excluding Add-Ons		
			SFY 2019 Rates	SFY 2020 Rates	Total Rate Change	SFY 2019 Rates	SFY 2020 Rates	Total Rate Change
TANF Children								
TANF - 0 - 2 Months, Male & Female	**AH3**	82,856	$ 2,167.32	$ 2,356.71	8.7%	$ 2,029.11	$ 2,168.35	6.9%
TANF - 3 - 12 Months, Male & Female	**AI3**	354,132	254.97	260.04	2.0%	229.81	230.22	0.2%
TANF - Age 1 - 6, Male & Female	**AB3**	2,194,860	136.94	141.96	3.7%	130.43	132.93	1.9%
TANF - Age 7 - 13, Male & Female	**AC3**	2,621,148	146.40	151.38	3.4%	141.75	144.05	1.6%
TANF - Age 14 - 18, Male	**AD1**	734,040	154.08	164.10	6.5%	148.90	155.91	4.7%
TANF - Age 14 - 18, Female	**AD2**	749,856	184.59	201.73	9.3%	177.09	190.04	7.3%
Subtotal TANF Children		**6,736,892**	**$ 178.97**	**$ 188.14**	**5.1%**	**$ 170.62**	**$ 176.26**	**3.3%**
TANF Adult								
TANF - Age 19 - 44, Male	**AE1**	273,000	$ 239.59	240.38	0.3%	$ 232.53	$ 228.47	(1.7%)
TANF - Age 19 - 44, Female	**AE2**	1,382,364	330.15	339.69	2.9%	314.36	317.47	1.0%
TANF - Age 45+, Male & Female	**AF3**	234,168	555.40	582.64	4.9%	535.81	552.11	3.0%
Subtotal TANF Adult		**1,889,532**	**$ 344.98**	**$ 355.45**	**3.0%**	**$ 329.98**	**$ 333.69**	**1.1%**
Disabled								
SSI - Children	**SO3**	139,932	$ 654.70	682.56	4.3%	$ 631.16	$ 642.80	1.8%
SSI - Adults	**SP3**	605,052	1,231.22	1,329.85	8.0%	1,195.27	1,267.18	6.0%
Subtotal Disabled		**744,984**	**$ 1,122.93**	**$ 1,208.27**	**7.6%**	**$ 1,089.31**	**$ 1,149.90**	**5.6%**
OCWI	**WG2**	**163,464**	**$ 348.62**	**$ 382.32**	**9.7%**	**$ 295.90**	**$ 312.11**	**5.5%**
DUAL		**-**	**$ 155.37**	**$ 165.49**	**6.5%**	**$ 155.37**	**$ 165.49**	**6.5%**
Foster Care Children	**FG3**	**58,740**	**$ 933.29**	**$ 872.55**	**(6.5%)**	**$ 918.40**	**$ 846.89**	**(7.8%)**
KICK	**MG2/NG2**	**26,556**	**$ 6,715.22**	**$ 6,807.22**	**1.4%**	**$ 6,715.22**	**$ 6,698.30**	**(0.3%)**
Total		**9,593,612**	**$ 311.07**	**$ 326.65**	**5.0%**	**$ 298.65**	**$ 307.84**	**3.1%**

Appendix 3: Fiscal Impact Summary

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2020 Capitation Rate Development
Fiscal Impact Summary

Region: Statewide	SFY 2020 Projected Exposure	SFY19 Capitation Rates			SFY20 Capitation Rates			Increase/(Decrease)	
		Capitation Rate	Projected Expenditures	FMAP (70.70%) Federal Expenditures	Capitation Rate	Projected Expenditures	FMAP (70.70%) Federal Expenditures	Projected Expenditures	FMAP (70.70%) Federal Expenditures
TANF Children									
TANF - 0 - 2 Months, Male & Female	82,856	$ 2,167.32	$ 14,965,000	$ 10,580,000	$ 2,356.71	$ 16,272,000	$ 11,504,000	$ 1,307,000	$ 924,000
TANF - 3 - 12 Months, Male & Female	354,132	254.97	7,524,000	5,319,000	260.04	7,674,000	5,426,000	150,000	107,000
TANF - Age 1 - 6, Male & Female	2,194,860	136.94	25,047,000	17,708,000	141.96	25,965,000	18,357,000	918,000	649,000
TANF - Age 7 - 13, Male & Female	2,621,148	146.40	31,978,000	22,608,000	151.38	33,066,000	23,378,000	1,088,000	770,000
TANF - Age 14 - 18, Male	734,040	154.08	9,425,000	6,663,000	164.10	10,038,000	7,097,000	613,000	434,000
TANF - Age 14 - 18, Female	749,856	184.59	11,535,000	8,155,000	201.73	12,606,000	8,912,000	1,071,000	757,000
Subtotal TANF Children	**6,736,892**	**$ 178.97**	**$ 100,474,000**	**$ 71,033,000**	**$ 188.14**	**$ 105,621,000**	**$ 74,674,000**	**$ 5,147,000**	**$ 3,641,000**
TANF Adult									
TANF - Age 19 - 44, Male	273,000	$ 239.59	$ 5,451,000	$ 3,854,000	$ 240.38	$ 5,469,000	$ 3,867,000	$ 18,000	$ 13,000
TANF - Age 19 - 44, Female	1,382,364	330.15	38,032,000	26,889,000	339.69	39,131,000	27,666,000	1,099,000	777,000
TANF - Age 45+, Male & Female	234,168	555.40	10,838,000	7,662,000	582.64	11,370,000	8,039,000	532,000	377,000
Subtotal TANF Adult	**1,889,532**	**$ 344.98**	**$ 54,321,000**	**$ 38,405,000**	**$ 355.45**	**$ 55,970,000**	**$ 39,572,000**	**$ 1,649,000**	**$ 1,167,000**
Disabled									
SSI - Children	139,932	$ 654.70	$ 7,634,000	$ 5,397,000	$ 682.56	$ 7,959,000	$ 5,627,000	$ 325,000	$ 230,000
SSI - Adults	605,052	1,231.22	62,079,000	43,890,000	1,329.85	67,052,000	47,406,000	4,973,000	3,516,000
Subtotal Disabled	**744,984**	**$ 1,122.93**	**$ 69,713,000**	**$ 49,287,000**	**$ 1,208.27**	**$ 75,011,000**	**$ 53,033,000**	**$ 5,298,000**	**$ 3,746,000**
OCWI	**163,464**	**$ 348.62**	**$ 4,749,000**	**$ 3,358,000**	**$ 382.32**	**$ 5,208,000**	**$ 3,682,000**	**$ 459,000**	**$ 324,000**
DUAL	**-**	**$ 155.37**	**$ 0**	**$ 0**	**$ 165.49**	**$ 0**	**$ 0**	**$ 0**	**$ 0**
Foster Care Children	**58,740**	**$ 933.29**	**$ 4,568,000**	**$ 3,230,000**	**$ 872.55**	**$ 4,271,000**	**$ 3,020,000**	**$ (297,000)**	**$ (210,000)**
KICK	**26,556**	**$ 6,715.22**	**$ 14,861,000**	**$ 10,507,000**	**$ 6,807.22**	**$ 15,064,000**	**$ 10,650,000**	**$ 203,000**	**$ 143,000**
Total	**9,593,612**	**$ 311.07**	**$ 248,686,000**	**$ 175,820,000**	**$ 326.65**	**$ 261,145,000**	**$ 184,631,000**	**$ 12,459,000**	**$ 8,811,000**

Appendix 4: Rate Change Summary

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2020 Capitation Rate Development
Rate Change Summary

Region: Statewide	Projected Exposure	Base Benefit Expense	Admin Expense	Care Management	Risk Margin	Non-Benefit Expense	SFY 2020 Capitation Rate w/o Add-Ons	SFY 2019 Capitation Rate w/o Add-Ons	% Change	Hospital Quality Payment	Supplemental Teaching Payment	SFY 2020 Capitation Rate w/ Add-Ons	SFY 2019 Capitation Rate w/ Add-Ons	% Change
TANF Children														
TANF - 0 - 2 Months, Male & Female	82,856	$ 2,005.72	$ 119.26	$ 21.68	$ 21.69	$ 162.63	$ 2,168.35	$ 2,029.11	6.9%	$ 35.26	$ 153.10	$ 2,356.71	$ 2,167.32	8.7%
TANF - 3 - 12 Months, Male & Female	354,132	202.02	21.87	4.03	2.30	28.20	230.22	229.81	0.2%	3.74	26.08	260.04	254.97	2.0%
TANF - Age 1 - 6, Male & Female	2,194,860	116.65	12.63	2.33	1.32	16.28	132.93	130.43	1.9%	2.16	6.87	141.96	136.94	3.7%
TANF - Age 7 - 13, Male & Female	2,621,148	126.40	13.68	2.52	1.45	17.65	144.05	141.75	1.6%	2.34	4.99	151.38	146.40	3.4%
TANF - Age 14 - 18, Male	734,040	136.81	14.81	2.73	1.56	19.10	155.91	148.90	4.7%	2.54	5.65	164.10	154.08	6.5%
TANF - Age 14 - 18, Female	749,856	166.76	18.05	3.33	1.90	23.28	190.04	177.09	7.3%	3.09	8.60	201.73	184.59	9.3%
Subtotal TANF Children	**6,736,892**	**$ 155.94**	**$ 15.68**	**$ 2.89**	**$ 1.76**	**$ 20.33**	**$ 176.26**	**$ 170.62**	**3.3%**	**$ 2.87**	**$ 9.01**	**$ 188.14**	**$ 178.97**	**5.1%**
TANF Adult														
TANF - Age 19 - 44, Male	273,000	$ 205.05	$ 17.71	$ 3.43	$ 2.28	$ 23.42	$ 228.47	$ 232.53	(1.7%)	$ 3.71	$ 8.20	$ 240.38	$ 239.59	0.3%
TANF - Age 19 - 44, Female	1,382,364	284.93	24.60	4.76	3.18	32.54	317.47	314.36	1.0%	5.16	17.06	339.69	330.15	2.9%
TANF - Age 45+, Male & Female	234,168	495.52	42.79	8.28	5.52	56.59	552.11	535.81	3.0%	8.98	21.55	582.64	555.40	4.9%
Subtotal TANF Adult	**1,889,532**	**$ 299.49**	**$ 25.86**	**$ 5.00**	**$ 3.34**	**$ 34.20**	**$ 333.69**	**$ 329.98**	**1.1%**	**$ 5.42**	**$ 16.34**	**$ 355.45**	**$ 344.98**	**3.0%**
Disabled														
SSI - Children	139,932	$ 588.16	$ 38.57	$ 9.64	$ 6.43	$ 54.64	$ 642.80	$ 631.16	1.8%	$ 10.45	$ 29.31	$ 682.56	$ 654.70	4.3%
SSI - Adults	605,052	1,168.97	69.69	15.84	12.68	98.21	1,267.18	1,195.27	6.0%	20.60	42.07	1,329.85	1,231.22	8.0%
Subtotal Disabled	**744,984**	**$ 1,059.88**	**$ 63.84**	**$ 14.68**	**$ 11.51**	**$ 90.03**	**$ 1,149.90**	**$ 1,089.31**	**5.6%**	**$ 18.69**	**$ 39.67**	**$ 1,208.27**	**$ 1,122.93**	**7.6%**
OCWI	**163,464**	**$ 280.12**	**$ 24.19**	**$ 4.68**	**$ 3.12**	**$ 31.99**	**$ 312.11**	**$ 295.90**	**5.5%**	**$ 5.07**	**$ 65.14**	**$ 382.32**	**$ 348.62**	**9.7%**
DUAL	**-**	**$ 75.46**	**$ 63.84**	**$ 14.68**	**$ 11.51**	**$ 90.03**	**$ 165.49**	**$ 155.37**	**6.5%**	**$ 0.00**	**$ 0.00**	**$ 165.49**	**$ 155.37**	**6.5%**
Foster Care Children	**58,740**	**$ 760.08**	**$ 48.70**	**$ 29.64**	**$ 8.47**	**$ 86.81**	**$ 846.89**	**$ 918.40**	**(7.8%)**	**$ 13.77**	**$ 11.89**	**$ 872.55**	**$ 933.29**	**(6.5%)**
KICK	**26,556**	**$ 6,497.35**	**$ 117.22**	**$ 16.75**	**$ 66.98**	**$ 200.95**	**$ 6,698.30**	**$ 6,715.22**	**(0.3%)**	**$ 108.92**	**$ 0.00**	**$ 6,807.22**	**$ 6,715.22**	**1.4%**
Total	**9,593,612**	**$ 278.21**	**$ 22.09**	**$ 4.46**	**$ 3.08**	**$ 29.63**	**$ 307.84**	**$ 298.65**	**3.1%**	**$ 5.00**	**$ 13.81**	**$ 326.65**	**$ 311.07**	**5.0%**

Appendix 5: In-Rate Criteria

South Carolina Department of Health and Human Services SFY 2020 Medicaid Mangaged Care Captiation Rate Development In-Rate Criteria for Services Covered Under Managed Care Capitation Rate		
Eligibility Criteria		
Eligibility File Type	**Criteria**	**Notes**
Recipient	Exclude Recipient Payment Categories:10,14,15,33,48,50,52, 54,55,70,90	
Recipient	Exclude Recipient Limited Benefit Indicators: E, I, C, D, J, P, A, B, G	
Recipient	Pol Aux Comment=HMO	Exclude if HMO
Recipient	Exclude if age >= 65 on date of service	
Recipient	Exclude Dual eligible members	
Recipient	Retroactive Eligibility	See Methodology and Results - General
Recipient	Long Term Care Exclusion	See Methodology and Results - Medical Benefits
RSP	Exclude where RSP Program Indicator is: 3,5,A,C,D,F,J,K,L,M,R,S,T,V,W	

Note: The in-rate criteria only includes claims with a valid member record at the time services were rendered.

Nursing Home Claims Criteria			
Claim Type	**Provider Type**	**Provider Specialty**	**Notes**
G	00	Any	Include claims where the last 2 bytes of Billing Provider Number = SB or first byte of Billing Provider Number = V or Service Category = 11

UB-04 Claims Criteria			
Claim Type	**Provider Type**	**Provider Specialty**	**Notes**
Y	01	Any	Exclude if Ownership Code = 11 Exclude if Category of Service = 10
Y	01	Any	Exclude if ICD-10 diagnosis code equals Z94 through z94.9,except for Z94.7
Y	All	Any	Exclude if APR-DRG = 001-1, 001-2, 001-3, 001-4, 002-1, 002-2, 002-3, 002-4, 003-1, 003-2, 003-3, 003-4, 006-1, 006-2, 006-3, 006-4, 440-1, 440-2, 440-3, 440-4
Y	02	Any	Exclude if Ownership Code = 11 Exclude if Category of Service = 10

South Carolina Department of Health and Human Services SFY 2020 Medicaid Mangaged Care Captiation Rate Development In-Rate Criteria for Services Covered Under Managed Care Capitation Rate			
HIC Claims			
Claim Type	**Provider Type**	**Provider Specialty**	**Criteria**
A or B	All (Except Provider Type 22)	Any (Except Provider Type 93)	Exclude all Procedure Codes that begin with "D"
A	All	Any	Exclude if ICD-10 diagnosis code equals Z94 through z94.9, except for Z94.7 and Place of Service = 21(1)
A	All	Any	Exclude hearing aid and hearing aid accessories for any one over the age of 21 (Procedure Code V5030-V5299)
A	10	20	Exclude Procedure Codes (G9004 THROUGH G9011, T1016, T1017, T1023, T1024)
A	10	28	Exclude Procedure Codes (T1016, T1017)
A	10	90	Exclude Procedure Codes (T1016, T1017)
A	10	91	Exclude Provider Type and Specialty
A	10	92	Exclude Procedure Code (H2021, H2022, S9482, T1007, T1015, T1016, T1017, T2023, X2300)
A	21	78	Exclude if Provider Number = TR0003/NPI 1669523528
A	22	51	Exclude if Procedure Code in (T1016, T1017, T1027, T1002) *AND* Provider Number in (DHEC01-DHEC46, DHEC59)
A	22	51	Exclude if Primary Diagnosis in COMDHEC table *AND* Provider Number in (DHEC01-DHEC46, DHEC59)
A	22	95	Exclude if legacy provider ID begins with SD AND procedure code is (92500 THROUGH 92599, 97000 THROUGH 97999, L3808, S9152, C1000, T1002, T1003, T2003, T1015, T1024, V5011, V5090, V5275)
A	22	96	Exclude if Provider Number = MC0015 AND Procedure Code in (S0700 THROUGH S0703)
A	22	96	Exclude if Provider Number = MC0015 AND Procedure Code in (99241 THROUGH 99245) AND Modifier TF
A	22	96	Exclude if Provider Number in (MC0008, MC0009, MC0010, MC0011, MC0021, MC0040) AND Procedure Code in (T1016, T1017, S0315, S0316, S9445, S9446, 96153, 99204, 99213, 99214, 99215)
A	All	Any	Exclude routine vision care and Procedure code V2020 through V2799 for any one over the age of 21
A	35, 36	47	Exclude for beneficiaries over the age of 21
A	61	77	Exclude Provider Type and Specialty
A	80	Any	Exclude if Provider Control Facility = 017 *AND* Primary Diagnosis in COMDHEC table

Pharmacy Claims Criteria			
Claim Type	**Provider Type**	**Provider Specialty**	**Criteria**
D	70	Any	Exclude all Hepatitis C drugs in the National Drug Code list

Note: Only provider type 70 is included in rate setting for D claim types.

South Carolina Department of Health and Human Services SFY 2020 Medicaid Managed Care Capitation Rate Development In-Rate Criteria for Services Covered Under Managed Care Capitation Rate		
National Drug Code List - Hepatitis C Drugs		
NDC	**BRAND NAME**	**GENERIC NAME**
00085031403	VICTRELIS	BOCEPREVIR
00085031402	VICTRELIS	BOCEPREVIR
00003001101	DAKLINZA	DACLATASVIR DIHYDROCHLORIDE
00003021501	DAKLINZA	DACLATASVIR DIHYDROCHLORIDE
00003021301	DAKLINZA	DACLATASVIR DIHYDROCHLORIDE
00006307402	ZEPATIER	ELBASVIR/GRAZOPREVIR
00006307401	ZEPATIER	ELBASVIR/GRAZOPREVIR
00187200605	INFERGEN	INTERFERON ALFACON-1
55513056206	INFERGEN	INTERFERON ALFACON-1
64116003901	INFERGEN	INTERFERON ALFACON-1
66435020295	INFERGEN	INTERFERON ALFACON-1
00187200601	INFERGEN	INTERFERON ALFACON-1
55513056201	INFERGEN	INTERFERON ALFACON-1
64116003124	INFERGEN	INTERFERON ALFACON-1
66435020209	INFERGEN	INTERFERON ALFACON-1
55513055406	INFERGEN	INTERFERON ALFACON-1
55513092706	INFERGEN	INTERFERON ALFACON-1
64116003106	INFERGEN	INTERFERON ALFACON-1
66435020199	INFERGEN	INTERFERON ALFACON-1
55513055401	INFERGEN	INTERFERON ALFACON-1
55513092701	INFERGEN	INTERFERON ALFACON-1
64116003101	INFERGEN	INTERFERON ALFACON-1
66435020196	INFERGEN	INTERFERON ALFACON-1
00187200706	INFERGEN	INTERFERON ALFACON-1
55513092606	INFERGEN	INTERFERON ALFACON-1
64116003924	INFERGEN	INTERFERON ALFACON-1
66435020195	INFERGEN	INTERFERON ALFACON-1
00187200702	INFERGEN	INTERFERON ALFACON-1
55513092601	INFERGEN	INTERFERON ALFACON-1
64116003906	INFERGEN	INTERFERON ALFACON-1
66435020115	INFERGEN	INTERFERON ALFACON-1
61958180101	HARVONI	LEDIPASVIR/SOFOSBUVIR
00074309328	VIEKIRA PAK	OMBITA/PARITAP/RITON/DASABUVIR
00074006328	VIEKIRA XR	OMBITA/PARITAP/RITON/DASABUVIR
00074308228	TECHNIVIE	OMBITASVIR/PARITAPREV/RITONAV
00004035730	PEGASYS	PEGINTERFERON ALFA-2A
00004035239	PEGASYS	PEGINTERFERON ALFA-2A
00004035039	PEGASYS	PEGINTERFERON ALFA-2A
54868488701	PEGASYS	PEGINTERFERON ALFA-2A
00004035009	PEGASYS	PEGINTERFERON ALFA-2A
54868488700	PEGASYS	PEGINTERFERON ALFA-2A
00004036530	PEGASYS PROCLICK	PEGINTERFERON ALFA-2A

South Carolina Department of Health and Human Services SFY 2020 Medicaid Managed Care Capitation Rate Development In-Rate Criteria for Services Covered Under Managed Care Capitation Rate		
National Drug Code List - Hepatitis C Drugs		
NDC	**BRAND NAME**	**GENERIC NAME**
00004036030	PEGASYS PROCLICK	PEGINTERFERON ALFA-2A
00085129701	PEGINTRON REDIPEN	PEGINTERFERON ALFA-2B
00085132301	PEGINTRON REDIPEN	PEGINTERFERON ALFA-2B
00085137002	PEGINTRON REDIPEN	PEGINTERFERON ALFA-2B
00085129101	PEGINTRON	PEGINTERFERON ALFA-2B
00085137001	PEGINTRON REDIPEN	PEGINTERFERON ALFA-2B
00085435601	PEGINTRON	PEGINTERFERON ALFA-2B
00085127901	PEGINTRON	PEGINTERFERON ALFA-2B
00085131602	PEGINTRON REDIPEN	PEGINTERFERON ALFA-2B
00085136801	PEGINTRON	PEGINTERFERON ALFA-2B
00085435501	PEGINTRON	PEGINTERFERON ALFA-2B
00085131601	PEGINTRON REDIPEN	PEGINTERFERON ALFA-2B
00085435401	PEGINTRON	PEGINTERFERON ALFA-2B
00085130401	PEGINTRON	PEGINTERFERON ALFA-2B
00085435301	PEGINTRON	PEGINTERFERON ALFA-2B
54868503601	PEGINTRON REDIPEN	PEGINTERFERON ALFA-2B
00085129702	PEGINTRON REDIPEN	PEGINTERFERON ALFA-2B
00085132302	PEGINTRON REDIPEN	PEGINTERFERON ALFA-2B
54868503600	PEGINTRON REDIPEN	PEGINTERFERON ALFA-2B
49452622102	RIBAVIRIN	RIBAVIRIN
00074323914	MODERIBA	RIBAVIRIN
00085119403	REBETOL	RIBAVIRIN
00093722758	RIBAVIRIN	RIBAVIRIN
00406226070	RIBAVIRIN	RIBAVIRIN
00781517728	RIBAVIRIN	RIBAVIRIN
49884004532	RIBAVIRIN	RIBAVIRIN
49884085693	RIBASPHERE	RIBAVIRIN
54738095318	RIBAVIRIN	RIBAVIRIN
54868452101	RIBAVIRIN	RIBAVIRIN
54868503500	REBETOL	RIBAVIRIN
59930152302	RIBAVIRIN	RIBAVIRIN
65862029056	RIBAVIRIN	RIBAVIRIN
66435010170	RIBASPHERE	RIBAVIRIN
66435010599	RIBASPHERE RIBAPAK	RIBAVIRIN
66435010899	RIBASPHERE RIBAPAK	RIBAVIRIN
68382004610	RIBAVIRIN	RIBAVIRIN
68382026007	RIBAVIRIN	RIBAVIRIN
49452622101	RIBAVIRIN	RIBAVIRIN
62991207703	RIBAVIRIN	RIBAVIRIN
00074322456	MODERIBA	RIBAVIRIN
00074328256	MODERIBA	RIBAVIRIN
00085131801	REBETOL	RIBAVIRIN
00406226056	RIBAVIRIN	RIBAVIRIN
00781204367	RIBAVIRIN	RIBAVIRIN
16241033776	RIBATAB	RIBAVIRIN
49884085692	RIBASPHERE	RIBAVIRIN
54738095256	RIBAVIRIN	RIBAVIRIN
54868452100	RIBASPHERE	RIBAVIRIN
54868488800	COPEGUS	RIBAVIRIN
59930152301	RIBAVIRIN	RIBAVIRIN
65862029042	RIBAVIRIN	RIBAVIRIN

South Carolina Department of Health and Human Services SFY 2020 Medicaid Managed Care Capitation Rate Development In-Rate Criteria for Services Covered Under Managed Care Capitation Rate		
National Drug Code List - Hepatitis C Drugs		
NDC	**BRAND NAME**	**GENERIC NAME**
66435010156	RIBASPHERE	RIBAVIRIN
66435010556	RIBASPHERE RIBAPAK	RIBAVIRIN
66435010856	RIBASPHERE RIBAPAK	RIBAVIRIN
68382004603	RIBAVIRIN	RIBAVIRIN
68382026004	RIBAVIRIN	RIBAVIRIN
38779025609	RIBAVIRIN	RIBAVIRIN
62991207702	RIBAVIRIN	RIBAVIRIN
68382039504	RIBAVIRIN	RIBAVIRIN
00074322414	MODERIBA	RIBAVIRIN
00074328214	MODERIBA	RIBAVIRIN
00093723281	RIBAVIRIN	RIBAVIRIN
00406226042	RIBAVIRIN	RIBAVIRIN
00781204342	RIBAVIRIN	RIBAVIRIN
16241007076	RIBATAB	RIBAVIRIN
49884085656	RIBASPHERE	RIBAVIRIN
54738095156	RIBAVIRIN	RIBAVIRIN
54738095384	RIBAVIRIN	RIBAVIRIN
65862029018	RIBAVIRIN	RIBAVIRIN
66435010142	RIBASPHERE	RIBAVIRIN
66435010456	RIBASPHERE	RIBAVIRIN
66435010799	RIBASPHERE RIBAPAK	RIBAVIRIN
68084017965	RIBAVIRIN	RIBAVIRIN
68382012907	RIBAVIRIN	RIBAVIRIN
68382026028	RIBAVIRIN	RIBAVIRIN
62991207701	RIBAVIRIN	RIBAVIRIN
68382039501	RIBAVIRIN	RIBAVIRIN
00074319716	MODERIBA	RIBAVIRIN
00074327156	MODERIBA	RIBAVIRIN
00085135105	REBETOL	RIBAVIRIN
00093722777	RIBAVIRIN	RIBAVIRIN
00406204616	RIBAVIRIN	RIBAVIRIN
00781204316	RIBAVIRIN	RIBAVIRIN
16241007056	RIBATAB	RIBAVIRIN
49884034076	RIBAPAK	RIBAVIRIN
54738095016	RIBAVIRIN	RIBAVIRIN
54738095370	RIBAVIRIN	RIBAVIRIN
65862020768	RIBAVIRIN	RIBAVIRIN
66435010118	RIBASPHERE	RIBAVIRIN
66435010356	RIBASPHERE	RIBAVIRIN
66435010756	RIBASPHERE RIBAPAK	RIBAVIRIN
68084017911	RIBAVIRIN	RIBAVIRIN
68382012807	RIBAVIRIN	RIBAVIRIN
68382026012	RIBAVIRIN	RIBAVIRIN
63370021955	RIBAVIRIN	RIBAVIRIN
49452622104	RIBAVIRIN	RIBAVIRIN
00004008694	COPEGUS	RIBAVIRIN
00074327114	MODERIBA	RIBAVIRIN
00085132704	REBETOL	RIBAVIRIN
00093722772	RIBAVIRIN	RIBAVIRIN
00781204304	RIBAVIRIN	RIBAVIRIN
16241006976	RIBATAB	RIBAVIRIN

South Carolina Department of Health and Human Services SFY 2020 Medicaid Managed Care Capitation Rate Development In-Rate Criteria for Services Covered Under Managed Care Capitation Rate		
National Drug Code List - Hepatitis C Drugs		
NDC	**BRAND NAME**	**GENERIC NAME**
49884033876	RIBAPAK	RIBAVIRIN
54738095356	RIBAVIRIN	RIBAVIRIN
54868452103	RIBAVIRIN	RIBAVIRIN
59930152304	RIBAVIRIN	RIBAVIRIN
65862029084	RIBAVIRIN	RIBAVIRIN
66435010216	RIBASPHERE	RIBAVIRIN
66435010699	RIBASPHERE RIBAPAK	RIBAVIRIN
68084015065	RIBAVIRIN	RIBAVIRIN
68382012707	RIBAVIRIN	RIBAVIRIN
68382026010	RIBAVIRIN	RIBAVIRIN
63370021950	RIBAVIRIN	RIBAVIRIN
49452622103	RIBAVIRIN	RIBAVIRIN
00074323956	MODERIBA	RIBAVIRIN
00085138507	REBETOL	RIBAVIRIN
00093722763	RIBAVIRIN	RIBAVIRIN
00406226084	RIBAVIRIN	RIBAVIRIN
16241006956	RIBATAB	RIBAVIRIN
49884007176	RIBAPAK	RIBAVIRIN
49884085694	RIBASPHERE	RIBAVIRIN
54738095342	RIBAVIRIN	RIBAVIRIN
54868452102	RIBAVIRIN	RIBAVIRIN
59930152303	RIBAVIRIN	RIBAVIRIN
65862029070	RIBAVIRIN	RIBAVIRIN
66435010184	RIBASPHERE	RIBAVIRIN
66435010656	RIBASPHERE RIBAPAK	RIBAVIRIN
68084015011	RIBAVIRIN	RIBAVIRIN
68382004628	RIBAVIRIN	RIBAVIRIN
68382026009	RIBAVIRIN	RIBAVIRIN
51927167100	RIBAVIRIN	RIBAVIRIN
00085124103	REBETRON 600	RIBAVIRIN/INTERFERON ALFA-2B,R
00085124102	REBETRON 1000	RIBAVIRIN/INTERFERON ALFA-2B,R
00085124101	REBETRON 1200	RIBAVIRIN/INTERFERON ALFA-2B,R
00085123603	REBETRON 600	RIBAVIRIN/INTERFERON ALFA-2B,R
00085125803	REBETRON 600	RIBAVIRIN/INTERFERON ALFA-2B,R
00085123602	REBETRON 1000	RIBAVIRIN/INTERFERON ALFA-2B,R
00085125802	REBETRON 1000	RIBAVIRIN/INTERFERON ALFA-2B,R
54569542700	REBETRON 1200	RIBAVIRIN/INTERFERON ALFA-2B,R
00085123601	REBETRON 1200	RIBAVIRIN/INTERFERON ALFA-2B,R
00085125801	REBETRON 1200	RIBAVIRIN/INTERFERON ALFA-2B,R
59676022528	OLYSIO	SIMEPREVIR SODIUM
61958150101	SOVALDI	SOFOSBUVIR
61958220101	EPCLUSA	SOFOSBUVIR/VELPATASVIR
51167010003	INCIVEK	TELAPREVIR
51167010001	INCIVEK	TELAPREVIR
00074262528	MAVYRET	GLECAPREVIR/PIBRENTASVIR
61958240101	VOSEVI	SOFOSBUVIR/VELPATAS/VOXILAPREV
72626260101	LEDIPASVIR-SOFOSBUVIR	LEDIPASVIR/SOFOSBUVIR
72626270101	MAVYRET	GLECAPREVIR/PIBRENTASVIR
00074262501	MAVYRET	GLECAPREVIR/PIBRENTASVIR

South Carolina Department of Health and Human Services SFY 2020 Medicaid Managed Care Capitation Rate Development In-Rate Criteria for Services Covered Under Managed Care Capitation Rate	
COMDHEC Range Table ICD-10	
Min Diagnosis Code	**Max Diagnosis Code**
A0839	A0839
A182	A182
A35	A35
A380	A409
A482	A488
A5030	A5042
A506	A506
A5440	A549
A58	A58
A660	A699
A770	A779
A820	A858
A90	A90
A950	A959
B050	B059
A150	A159
A1831	A1839
A360	A360
A4101	A449
A4901	A499
A5044	A5044
A507	A519
A55	A55
A5900	A5909
A70	A70
A78	A78
A86	A86
A91	A91
A980	A988
B0600	B079
A170	A179
A184	A1889
A369	A369
A46	A46
A5001	A5009
A5049	A5049
A5200	A539
A5600	A568
A6000	A609
A710	A719
A790	A809
A870	A888
A920	A938
A99	A99
B08010	B088
A1801	A1818
A190	A329
A3700	A3791
A480	A480
A501	A502
A5051	A5059

South Carolina Department of Health and Human Services SFY 2020 Medicaid Managed Care Capitation Rate Development In-Rate Criteria for Services Covered Under Managed Care Capitation Rate	
COMDHEC Range Table ICD-10	
Min Diagnosis Code	**Max Diagnosis Code**
A5400	A5433
A57	A57
A630	A65
A740	A759
A8100	A819
A89	A89
A94	A94
B000	B019
B09	B09
B1001	B1089
B2700	B2799
B350	B370
B500	B538
B575	B575
B853	B853
B960	B9689
B974	B9789
L081	L081
N476	N476
N739	N739
Z01812	Z01812
Z113	Z113
Z20820	Z20820
Z717	Z717
B150	B199
B29	B29
B373	B373
B54	B54
B600	B600
B86	B86
B970	B970
G032	G032
L444	L444
N481	N481
R1111	R1111
Z0184	Z0184
Z16341	Z16342
Z21	Z21
Z7189	Z7189
B20	B20
B300	B338
B3741	B3749
B550	B569
B608	B608
B900	B909
B9710	B9719
I673	I673
M0230	M0239
N72	N72
R75	R75
Z0389	Z0389

South Carolina Department of Health and Human Services SFY 2020 Medicaid Managed Care Capitation Rate Development In-Rate Criteria for Services Covered Under Managed Care Capitation Rate	
COMDHEC Range Table ICD-10	
Min Diagnosis Code	**Max Diagnosis Code**
Z201	Z202
Z224	Z224
Z7251	Z7253
B250	B269
B340	B348
B471	B479
B570	B5749
B64	B64
B950	B958
B9721	B9739
K9081	K9081
N341	N341
N735	N735
R7611	R7612
Z111	Z111
Z205	Z206
Z2250	Z2259

Appendix 6: Adjusted SFY 2018 Base Data

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2020 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: TANF - 0 - 2 Months, Male & Female SFY 2018 Member Months: 82,975 Category of Service	MCO Encounter Data SFY 2018 Base Experience			Completion Adjustments		Managed Care Adjustments		Other Adjustments		SFY 2018 Adjusted Base Experience		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital												
Inpatient Medical/Surgical/Non-Delivery	8,816.4	$ 1,447.89	$ 1,063.77	$ 16.81	$ 0.00	$ (0.50)	$ (0.02)	$ 4.08	$ 1.69	8,985.4	$ 1,450.12	$ 1,085.83
Inpatient Well Newborn	7,281.4	622.43	377.68	5.97	-	(0.18)	(0.01)	5.20	0.60	7,493.3	623.37	389.26
Inpatient MH/SA	15.6	384.14	0.50	0.01	-	-	-	-	-	15.9	384.14	0.51
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 1,441.95**									**$ 1,475.60**
Outpatient Hospital												
Surgery	68.1	$ 1,115.14	$ 6.33	$ 0.06	$ 0.00	$ 0.00	$ 0.00	$ 0.04	$ 0.01	69.2	$ 1,116.88	$ 6.44
Non-Surg - Emergency Room	784.0	257.30	16.81	0.16	-	(0.31)	0.14	0.12	0.03	782.6	259.90	16.95
Non-Surg - Other	1,261.8	120.02	12.62	0.12	-	-	-	0.14	0.02	1,287.8	120.20	12.90
Observation Room	50.5	765.56	3.22	0.03	-	-	-	0.02	-	51.3	765.56	3.27
Treatment/Therapy/Testing	924.1	66.61	5.13	0.05	-	-	-	0.01	0.01	934.9	66.74	5.20
Other Outpatient	32.3	48.37	0.13	-	-	-	-	-	-	32.3	48.37	0.13
Subtotal Outpatient Hospital			**$ 44.24**									**$ 44.89**
Retail Pharmacy												
Prescription Drugs	2,945.9	$ 21.22	$ 5.21	$ 0.00	$ 0.00	$ 0.00	$ (0.02)	$ 0.01	$ (0.15)	2,951.6	$ 20.53	$ 5.05
Subtotal Retail Pharmacy			**$ 5.21**									**$ 5.05**
Ancillary												
Transportation	263.8	$ 244.28	$ 5.37	$ 0.05	$ 0.00	$ 0.00	$ 0.00	$ 0.05	$ 0.01	268.7	$ 244.73	$ 5.48
DME/Prosthetics	1,278.5	27.13	2.89	0.03	-	-	-	0.03	-	1,305.0	27.13	2.95
Dental	0.4	-	-	-	-	-	-	-	-	-	-	-
Other Ancillary	219.2	90.31	1.65	0.02	-	-	-	0.61	0.01	303.0	90.71	2.29
Subtotal Ancillary			**$ 9.91**									**$ 10.72**
Professional												
Inpatient and Outpatient Surgery	684.5	$ 157.43	$ 8.98	$ 0.06	$ 0.00	$ 0.00	$ 0.00	$ 0.21	$ 0.01	705.1	$ 157.60	$ 9.26
Anesthesia	115.3	166.57	1.60	0.01	-	-	-	-	0.01	116.0	167.61	1.62
Inpatient Visits	13,960.9	178.60	207.78	1.33	-	-	-	1.19	0.33	14,130.2	178.88	210.63
MH/SA	188.9	12.71	0.20	-	-	-	-	-	-	188.9	12.71	0.20
Emergency Room	1,034.0	72.76	6.27	0.04	-	(0.09)	-	0.05	0.01	1,034.0	72.88	6.28
Office/Home Visits/Consults	8,092.5	71.59	48.28	0.31	-	0.08	-	0.58	0.08	8,255.0	71.71	49.33
Pathology/Lab	1,765.7	50.36	7.41	0.05	-	0.01	-	0.29	0.01	1,849.1	50.42	7.77
Radiology	2,721.2	12.96	2.94	0.02	-	0.01	-	0.01	0.01	2,758.2	13.01	2.99
Office Administered Drugs	112.9	6.37	0.06	-	-	-	-	-	-	112.9	6.37	0.06
Physical Exams	20,388.9	46.85	79.60	0.51	-	-	-	0.84	0.13	20,734.7	46.92	81.08
Therapy	104.3	27.62	0.24	-	-	-	-	-	-	104.3	27.62	0.24
Vision	30.5	55.05	0.14	-	-	-	-	-	-	30.5	55.05	0.14
Other Professional	4,336.6	36.94	13.35	0.09	-	-	-	1.66	0.02	4,905.1	36.99	15.12
Subtotal Professional			**$ 376.85**									**$ 384.72**
Total Medical Costs			**$ 1,878.16**									**$ 1,920.98**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2020 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: TANF - 3 - 12 Months, Male & Female SFY 2018 Member Months: 348,217 Category of Service	MCO Encounter Data SFY 2018 Base Experience			Completion Adjustments		Managed Care Adjustments		Other Adjustments		SFY 2018 Adjusted Base Experience		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital												
Inpatient Medical/Surgical/Non-Delivery	199.0	$ 1,883.69	$ 31.24	$ 0.49	$ 0.00	$ (0.28)	$ 0.04	$ 0.00	$ 0.05	200.4	$ 1,889.08	$ 31.54
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	0.5	464.29	0.02	-	-	-	-	-	-	0.5	464.29	0.02
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 31.26**									**$ 31.56**
Outpatient Hospital												
Surgery	80.3	$ 1,602.10	$ 10.72	$ 0.10	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.02	81.0	$ 1,605.06	$ 10.84
Non-Surg - Emergency Room	971.0	209.96	16.99	0.16	-	(0.50)	0.17	-	0.03	951.6	212.48	16.85
Non-Surg - Other	727.9	134.36	8.15	0.08	-	-	-	-	0.01	735.0	134.52	8.24
Observation Room	15.1	964.17	1.21	0.01	-	-	-	-	-	15.2	964.17	1.22
Treatment/Therapy/Testing	293.3	161.20	3.94	0.04	-	-	-	-	-	296.3	161.20	3.98
Other Outpatient	26.9	75.80	0.17	-	-	-	-	-	-	26.9	75.80	0.17
Subtotal Outpatient Hospital			**$ 41.18**									**$ 41.30**
Retail Pharmacy												
Prescription Drugs	4,852.4	$ 33.63	$ 13.60	$ 0.00	$ 0.00	$ 0.00	$ (0.08)	$ 0.00	$ (0.39)	4,852.4	$ 32.47	$ 13.13
Subtotal Retail Pharmacy			**$ 13.60**									**$ 13.13**
Ancillary												
Transportation	95.6	$ 116.74	$ 0.93	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	96.6	$ 116.74	$ 0.94
DME/Prosthetics	2,305.5	16.97	3.26	0.03	-	-	-	0.01	-	2,333.8	16.97	3.30
Dental	174.9	16.47	0.24	-	-	-	-	-	0.01	174.9	17.15	0.25
Other Ancillary	28.4	97.31	0.23	-	-	-	-	-	-	28.4	97.31	0.23
Subtotal Ancillary			**$ 4.66**									**$ 4.72**
Professional												
Inpatient and Outpatient Surgery	295.7	$ 174.51	$ 4.30	$ 0.03	$ 0.00	$ 0.00	$ 0.00	$ 0.03	$ 0.02	299.8	$ 175.31	$ 4.38
Anesthesia	146.7	103.09	1.26	0.01	-	-	-	0.01	-	149.0	103.09	1.28
Inpatient Visits	602.6	185.19	9.30	0.06	-	-	-	0.07	0.01	611.0	185.39	9.44
MH/SA	663.8	8.32	0.46	-	-	-	-	0.01	-	678.3	8.32	0.47
Emergency Room	1,043.0	66.96	5.82	0.04	-	(0.16)	-	0.04	0.01	1,028.7	67.08	5.75
Office/Home Visits/Consults	4,941.3	71.64	29.50	0.19	-	0.16	-	0.21	0.05	5,035.1	71.76	30.11
Pathology/Lab	2,030.1	14.25	2.41	0.02	-	-	-	0.02	-	2,063.8	14.25	2.45
Radiology	588.1	15.71	0.77	-	-	0.01	-	-	-	595.7	15.71	0.78
Office Administered Drugs	354.7	51.08	1.51	0.01	-	-	-	0.01	-	359.4	51.08	1.53
Physical Exams	10,575.4	36.92	32.54	0.21	-	-	-	0.23	0.05	10,718.4	36.98	33.03
Therapy	1,237.2	22.50	2.32	0.01	-	-	-	0.02	-	1,253.2	22.50	2.35
Vision	43.2	52.76	0.19	-	-	-	-	-	-	43.2	52.76	0.19
Other Professional	1,793.2	21.75	3.25	0.02	-	-	-	0.02	0.01	1,815.3	21.82	3.30
Subtotal Professional			**$ 93.63**									**$ 95.06**
Total Medical Costs			**$ 184.33**									**$ 185.77**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2020 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: TANF - Age 1 - 6, Male & Female SFY 2018 Member Months: 2,172,716 Category of Service	MCO Encounter Data SFY 2018 Base Experience			Completion Adjustments		Managed Care Adjustments		Other Adjustments		SFY 2018 Adjusted Base Experience		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital												
Inpatient Medical/Surgical/Non-Delivery	45.6	$ 1,948.62	$ 7.40	$ 0.12	$ 0.00	$ (0.17)	$ 0.04	$ 0.00	$ 0.01	45.3	$ 1,961.88	$ 7.40
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	1.6	537.42	0.07	-	-	-	-	-	-	1.6	537.42	0.07
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 7.47**									**$ 7.47**
Outpatient Hospital												
Surgery	70.0	$ 1,327.86	$ 7.75	$ 0.07	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.02	70.7	$ 1,331.25	$ 7.84
Non-Surg - Emergency Room	539.1	235.07	10.56	0.10	-	(0.28)	0.11	-	0.02	529.9	238.01	10.51
Non-Surg - Other	295.7	124.17	3.06	0.03	-	-	-	-	-	298.6	124.17	3.09
Observation Room	4.2	1,046.75	0.37	-	-	-	-	-	-	4.2	1,046.75	0.37
Treatment/Therapy/Testing	215.0	200.35	3.59	0.03	-	-	-	-	0.01	216.8	200.90	3.63
Other Outpatient	18.5	194.92	0.30	-	-	-	-	-	-	18.5	194.92	0.30
Subtotal Outpatient Hospital			**$ 25.63**									**$ 25.74**
Retail Pharmacy												
Prescription Drugs	4,444.0	$ 42.50	$ 15.74	$ 0.00	$ 0.00	$ 0.00	$ (0.16)	$ 0.00	$ (0.44)	4,444.0	$ 40.88	$ 15.14
Subtotal Retail Pharmacy			**$ 15.74**									**$ 15.14**
Ancillary												
Transportation	49.6	$ 116.23	$ 0.48	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.01	$ 0.00	50.6	$ 116.23	$ 0.49
DME/Prosthetics	1,296.6	10.92	1.18	0.01	-	-	-	-	0.01	1,307.6	11.01	1.20
Dental	165.2	71.20	0.98	0.01	-	-	-	0.25	0.50	209.0	99.91	1.74
Other Ancillary	18.6	51.75	0.08	-	-	-	-	-	-	18.6	51.75	0.08
Subtotal Ancillary			**$ 2.72**									**$ 3.51**
Professional												
Inpatient and Outpatient Surgery	220.3	$ 136.20	$ 2.50	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.02	$ 0.01	223.8	$ 136.73	$ 2.55
Anesthesia	136.6	93.97	1.07	0.01	-	-	-	-	0.01	137.9	94.84	1.09
Inpatient Visits	68.6	115.48	0.66	-	-	-	-	0.01	-	69.6	115.48	0.67
MH/SA	3,121.5	22.41	5.83	0.04	-	-	-	0.04	0.01	3,164.4	22.45	5.92
Emergency Room	571.7	65.70	3.13	0.02	-	(0.08)	-	0.02	0.01	564.4	65.91	3.10
Office/Home Visits/Consults	3,154.9	70.82	18.62	0.12	-	0.08	-	0.13	0.02	3,210.8	70.90	18.97
Pathology/Lab	1,728.0	13.61	1.96	0.01	-	0.01	-	0.01	-	1,754.4	13.61	1.99
Radiology	303.3	16.22	0.41	-	-	-	-	0.01	-	310.7	16.22	0.42
Office Administered Drugs	288.6	10.81	0.26	-	-	-	-	-	-	288.6	10.81	0.26
Physical Exams	1,921.9	46.70	7.48	0.05	-	-	-	0.05	0.01	1,947.6	46.76	7.59
Therapy	4,957.1	22.59	9.33	0.06	-	-	-	0.06	0.02	5,020.9	22.63	9.47
Vision	324.5	31.06	0.84	0.01	-	-	-	-	-	328.4	31.06	0.85
Other Professional	1,683.1	14.83	2.08	0.01	-	-	-	0.02	-	1,707.4	14.83	2.11
Subtotal Professional			**$ 54.17**									**$ 54.99**
Total Medical Costs			**$ 105.73**									**$ 106.85**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2020 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: TANF - Age 7 - 13, Male & Female SFY 2018 Member Months: 2,495,974 Category of Service	MCO Encounter Data SFY 2018 Base Experience			Completion Adjustments		Managed Care Adjustments		Other Adjustments		SFY 2018 Adjusted Base Experience		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital												
Inpatient Medical/Surgical/Non-Delivery	27.4	$ 2,356.02	$ 5.37	$ 0.08	$ 0.00	$ (0.23)	$ 0.12	$ 0.00	$ 0.01	26.6	$ 2,414.69	$ 5.35
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	79.5	357.65	2.37	0.04	-	-	-	0.08	-	83.5	357.65	2.49
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 7.74**									**$ 7.84**
Outpatient Hospital												
Surgery	39.7	$ 1,389.34	$ 4.60	$ 0.04	$ 0.00	$ 0.00	$ 0.00	$ 0.01	$ 0.00	40.2	$ 1,389.34	$ 4.65
Non-Surg - Emergency Room	334.6	256.10	7.14	0.07	-	(0.14)	0.05	0.01	0.01	331.7	258.27	7.14
Non-Surg - Other	203.5	123.83	2.10	0.02	-	-	-	-	-	205.4	123.83	2.12
Observation Room	2.9	757.63	0.18	-	-	-	-	-	-	2.9	757.63	0.18
Treatment/Therapy/Testing	171.0	197.22	2.81	0.03	-	-	-	-	-	172.8	197.22	2.84
Other Outpatient	12.7	103.84	0.11	-	-	-	-	-	-	12.7	103.84	0.11
Subtotal Outpatient Hospital			**$ 16.94**									**$ 17.04**
Retail Pharmacy												
Prescription Drugs	5,703.2	$ 73.96	$ 35.15	$ 0.00	$ 0.00	$ 0.00	$ (0.26)	$ 0.00	$ (0.99)	5,703.2	$ 71.33	$ 33.90
Subtotal Retail Pharmacy			**$ 35.15**									**$ 33.90**
Ancillary												
Transportation	38.7	$ 102.33	$ 0.33	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	38.7	$ 102.33	$ 0.33
DME/Prosthetics	1,527.5	9.03	1.15	0.01	-	-	-	-	-	1,540.8	9.03	1.16
Dental	18.9	82.75	0.13	-	-	-	-	0.03	0.06	23.2	113.79	0.22
Other Ancillary	67.9	42.44	0.24	-	-	-	-	-	-	67.9	42.44	0.24
Subtotal Ancillary			**$ 1.85**									**$ 1.95**
Professional												
Inpatient and Outpatient Surgery	154.3	$ 135.32	$ 1.74	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.01	$ 0.01	156.1	$ 136.09	$ 1.77
Anesthesia	54.0	97.83	0.44	-	-	-	-	0.01	-	55.2	97.83	0.45
Inpatient Visits	65.3	82.72	0.45	-	-	-	-	0.01	-	66.7	82.72	0.46
MH/SA	6,901.4	35.75	20.56	0.13	-	-	-	0.13	0.03	6,988.7	35.80	20.85
Emergency Room	355.0	67.60	2.00	0.01	-	(0.03)	-	0.01	-	353.3	67.60	1.99
Office/Home Visits/Consults	2,592.3	74.53	16.10	0.10	-	0.04	-	0.10	0.03	2,631.0	74.66	16.37
Pathology/Lab	1,460.5	12.08	1.47	0.01	-	-	-	0.01	-	1,480.3	12.08	1.49
Radiology	378.4	19.03	0.60	-	-	0.01	-	-	-	384.8	19.03	0.61
Office Administered Drugs	780.8	7.38	0.48	-	-	0.01	-	-	-	797.0	7.38	0.49
Physical Exams	924.7	54.11	4.17	0.03	-	-	-	0.02	0.01	935.8	54.24	4.23
Therapy	771.4	21.93	1.41	0.01	-	-	-	0.01	-	782.4	21.93	1.43
Vision	1,120.8	27.52	2.57	0.02	-	-	-	0.01	0.01	1,133.8	27.62	2.61
Other Professional	2,402.8	10.84	2.17	0.01	-	-	-	0.02	-	2,436.0	10.84	2.20
Subtotal Professional			**$ 54.16**									**$ 54.95**
Total Medical Costs			**$ 115.84**									**$ 115.68**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2020 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: TANF - Age 14 - 18, Male SFY 2018 Member Months: 686,037 Category of Service	MCO Encounter Data SFY 2018 Base Experience			Completion Adjustments		Managed Care Adjustments		Other Adjustments		SFY 2018 Adjusted Base Experience		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital												
Inpatient Medical/Surgical/Non-Delivery	47.9	$ 2,744.15	$ 10.96	$ 0.17	$ 0.00	$ (0.20)	$ 0.06	$ 0.00	$ 0.02	47.8	$ 2,764.23	$ 11.01
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	195.8	355.43	5.80	0.09	-	-	-	0.17	0.01	204.6	356.01	6.07
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 16.76**									**$ 17.08**
Outpatient Hospital												
Surgery	52.2	$ 1,384.49	$ 6.02	$ 0.06	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.01	52.7	$ 1,386.77	$ 6.09
Non-Surg - Emergency Room	365.2	266.82	8.12	0.08	-	(0.12)	0.05	0.01	0.01	363.8	268.80	8.15
Non-Surg - Other	141.4	129.81	1.53	0.01	-	-	-	0.01	-	143.3	129.81	1.55
Observation Room	3.2	596.55	0.16	-	-	-	-	-	-	3.2	596.55	0.16
Treatment/Therapy/Testing	195.6	257.65	4.20	0.04	-	-	-	-	0.01	197.5	258.26	4.25
Other Outpatient	17.3	117.92	0.17	-	-	-	-	-	-	17.3	117.92	0.17
Subtotal Outpatient Hospital			**$ 20.20**									**$ 20.37**
Retail Pharmacy												
Prescription Drugs	5,243.3	$ 82.71	$ 36.14	$ 0.00	$ 0.00	$ 0.00	$ (0.32)	$ 0.04	$ (1.02)	5,249.1	$ 79.65	$ 34.84
Subtotal Retail Pharmacy			**$ 36.14**									**$ 34.84**
Ancillary												
Transportation	85.8	$ 100.66	$ 0.72	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	87.0	$ 100.66	$ 0.73
DME/Prosthetics	2,323.6	8.99	1.74	0.02	-	-	-	-	-	2,350.3	8.99	1.76
Dental	1.2	96.62	0.01	-	-	-	-	-	-	1.2	96.62	0.01
Other Ancillary	65.5	45.82	0.25	-	-	-	-	-	-	65.5	45.82	0.25
Subtotal Ancillary			**$ 2.72**									**$ 2.75**
Professional												
Inpatient and Outpatient Surgery	195.9	$ 156.17	$ 2.55	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.02	$ 0.01	199.0	$ 156.77	$ 2.60
Anesthesia	64.2	108.33	0.58	-	-	-	-	0.01	-	65.4	108.33	0.59
Inpatient Visits	125.0	77.74	0.81	0.01	-	-	-	-	-	126.6	77.74	0.82
MH/SA	4,879.8	40.08	16.30	0.10	-	-	-	0.14	0.03	4,951.6	40.16	16.57
Emergency Room	393.8	74.05	2.43	0.02	-	(0.04)	-	0.02	0.01	393.8	74.36	2.44
Office/Home Visits/Consults	2,119.0	75.43	13.32	0.09	-	0.03	-	0.11	0.02	2,155.6	75.54	13.57
Pathology/Lab	1,437.9	13.77	1.65	0.01	-	-	-	0.02	-	1,464.0	13.77	1.68
Radiology	572.6	23.89	1.14	0.01	-	-	-	0.01	-	582.6	23.89	1.16
Office Administered Drugs	362.7	31.43	0.95	0.01	-	-	-	0.01	-	370.3	31.43	0.97
Physical Exams	665.3	57.36	3.18	0.02	-	-	-	0.03	-	675.7	57.36	3.23
Therapy	441.5	21.47	0.79	0.01	-	-	-	-	-	447.1	21.47	0.80
Vision	937.0	27.41	2.14	0.01	-	-	-	0.02	0.01	950.1	27.53	2.18
Other Professional	1,624.1	12.78	1.73	0.01	-	-	-	0.02	-	1,652.3	12.78	1.76
Subtotal Professional			**$ 47.57**									**$ 48.37**
Total Medical Costs			**$ 123.39**									**$ 123.41**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2020 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: TANF - Age 14 - 18, Female SFY 2018 Member Months: 706,627 Category of Service	MCO Encounter Data SFY 2018 Base Experience			Completion Adjustments		Managed Care Adjustments		Other Adjustments		SFY 2018 Adjusted Base Experience		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital												
Inpatient Medical/Surgical/Non-Delivery	52.2	$ 2,393.71	$ 10.42	$ 0.16	$ 0.00	$ (0.16)	$ 0.05	$ 0.06	$ 0.02	52.5	$ 2,409.70	$ 10.55
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	189.5	388.77	6.14	0.10	-	-	-	0.04	0.01	193.8	389.39	6.29
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 16.56**									**$ 16.84**
Outpatient Hospital												
Surgery	70.6	$ 1,202.62	$ 7.08	$ 0.07	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.01	71.3	$ 1,204.31	$ 7.16
Non-Surg - Emergency Room	629.6	278.66	14.62	0.14	-	(0.22)	0.09	0.01	0.02	626.6	280.76	14.66
Non-Surg - Other	243.1	144.12	2.92	0.03	-	-	-	-	-	245.6	144.12	2.95
Observation Room	10.1	428.26	0.36	-	-	-	-	-	-	10.1	428.26	0.36
Treatment/Therapy/Testing	377.8	196.28	6.18	0.06	-	-	-	-	0.01	381.5	196.59	6.25
Other Outpatient	30.7	121.36	0.31	-	-	-	-	-	-	30.7	121.36	0.31
Subtotal Outpatient Hospital			**$ 31.47**									**$ 31.69**
Retail Pharmacy												
Prescription Drugs	7,808.7	$ 49.30	$ 32.08	$ 0.00	$ 0.00	$ 0.00	$ (0.29)	$ 0.00	$ (0.90)	7,808.7	$ 47.47	$ 30.89
Subtotal Retail Pharmacy			**$ 32.08**									**$ 30.89**
Ancillary												
Transportation	133.0	$ 89.36	$ 0.99	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	134.3	$ 89.36	$ 1.00
DME/Prosthetics	1,964.7	8.92	1.46	0.01	-	-	-	0.01	-	1,991.6	8.92	1.48
Dental	2.3	52.73	0.01	-	-	-	-	-	0.01	2.3	105.47	0.02
Other Ancillary	79.2	57.58	0.38	-	-	-	-	-	-	79.2	57.58	0.38
Subtotal Ancillary			**$ 2.84**									**$ 2.88**
Professional												
Inpatient and Outpatient Surgery	196.7	$ 156.80	$ 2.57	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.02	$ 0.01	199.7	$ 157.40	$ 2.62
Anesthesia	69.6	106.86	0.62	-	-	-	-	0.01	-	70.7	106.86	0.63
Inpatient Visits	184.9	73.34	1.13	0.01	-	-	-	0.01	-	188.2	73.34	1.15
MH/SA	4,836.9	47.66	19.21	0.12	-	-	-	0.16	0.03	4,907.4	47.73	19.52
Emergency Room	661.7	77.08	4.25	0.03	-	(0.06)	-	0.03	0.01	661.7	77.26	4.26
Office/Home Visits/Consults	3,157.8	75.05	19.75	0.13	-	0.05	-	0.16	0.03	3,212.1	75.17	20.12
Pathology/Lab	3,667.5	13.84	4.23	0.03	-	-	-	0.04	-	3,728.2	13.84	4.30
Radiology	675.8	29.66	1.67	0.01	-	0.01	-	0.01	-	687.9	29.66	1.70
Office Administered Drugs	21,470.3	1.00	1.79	0.01	-	0.02	-	0.02	-	22,070.0	1.00	1.84
Physical Exams	716.2	57.63	3.44	0.02	-	-	-	0.03	0.01	726.6	57.80	3.50
Therapy	478.6	21.56	0.86	0.01	-	-	-	-	-	484.1	21.56	0.87
Vision	1,489.8	27.14	3.37	0.02	-	-	-	0.03	-	1,511.9	27.14	3.42
Other Professional	2,130.0	20.90	3.71	0.02	-	-	-	0.03	0.01	2,158.7	20.96	3.77
Subtotal Professional			**$ 66.60**									**$ 67.70**
Total Medical Costs			**$ 149.55**									**$ 150.00**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2020 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: TANF - Age 19 - 44, Male SFY 2018 Member Months: 249,825 Category of Service	MCO Encounter Data SFY 2018 Base Experience			Completion Adjustments		Managed Care Adjustments		Other Adjustments		SFY 2018 Adjusted Base Experience		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital												
Inpatient Medical/Surgical/Non-Delivery	231.0	$ 2,284.26	$ 43.98	$ 0.69	$ 0.00	$ (0.66)	$ 0.19	$ 0.15	$ 0.07	232.0	$ 2,297.71	$ 44.42
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	66.1	740.76	4.08	0.06	-	-	-	-	0.01	67.1	742.55	4.15
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 48.06**									**$ 48.57**
Outpatient Hospital												
Surgery	106.4	$ 1,355.71	$ 12.02	$ 0.11	$ 0.00	$ 0.00	$ 0.00	$ 0.02	$ 0.01	107.5	$ 1,356.83	$ 12.16
Non-Surg - Emergency Room	703.7	280.86	16.47	0.15	-	(0.36)	0.16	0.02	0.02	695.6	283.97	16.46
Non-Surg - Other	96.5	134.30	1.08	0.01	-	-	-	-	-	97.4	134.30	1.09
Observation Room	6.6	1,094.12	0.60	0.01	-	-	-	-	-	6.7	1,094.12	0.61
Treatment/Therapy/Testing	308.6	358.11	9.21	0.09	-	-	-	0.01	0.01	312.0	358.50	9.32
Other Outpatient	32.6	198.98	0.54	0.01	-	-	-	-	-	33.2	198.98	0.55
Subtotal Outpatient Hospital			**$ 39.92**									**$ 40.19**
Retail Pharmacy												
Prescription Drugs	6,882.6	$ 85.64	$ 49.12	$ 0.00	$ 0.00	$ 0.00	$ (1.94)	$ 0.13	$ (1.34)	6,900.8	$ 79.94	$ 45.97
Subtotal Retail Pharmacy			**$ 49.12**									**$ 45.97**
Ancillary												
Transportation	207.6	$ 101.13	$ 1.75	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	210.0	$ 101.13	$ 1.77
DME/Prosthetics	1,923.2	16.78	2.69	0.03	-	-	-	-	-	1,944.6	16.78	2.72
Dental	-	-	-	-	-	-	-	-	-	-	-	-
Other Ancillary	130.3	58.93	0.64	0.01	-	-	-	-	-	132.4	58.93	0.65
Subtotal Ancillary			**$ 5.08**									**$ 5.14**
Professional												
Inpatient and Outpatient Surgery	423.2	$ 149.16	$ 5.26	$ 0.03	$ 0.00	$ 0.00	$ 0.00	$ 0.07	$ 0.04	431.2	$ 150.27	$ 5.40
Anesthesia	136.8	104.39	1.19	0.01	-	-	-	0.01	-	139.1	104.39	1.21
Inpatient Visits	405.9	75.69	2.56	0.02	-	-	-	0.02	0.01	412.2	75.98	2.61
MH/SA	1,098.3	60.09	5.50	0.04	-	-	-	0.05	0.01	1,116.3	60.20	5.60
Emergency Room	776.7	82.97	5.37	0.03	-	(0.10)	-	0.05	0.01	773.8	83.12	5.36
Office/Home Visits/Consults	2,173.4	75.64	13.70	0.09	-	0.09	-	0.14	0.02	2,224.1	75.75	14.04
Pathology/Lab	2,296.6	15.57	2.98	0.02	-	-	-	0.03	0.01	2,335.1	15.62	3.04
Radiology	1,079.7	29.34	2.64	0.02	-	-	-	0.03	-	1,100.1	29.34	2.69
Office Administered Drugs	7,986.2	9.05	6.02	0.04	-	0.02	-	0.07	-	8,158.6	9.05	6.15
Physical Exams	116.5	46.36	0.45	-	-	-	-	0.01	-	119.1	46.36	0.46
Therapy	409.5	22.27	0.76	-	-	-	-	0.01	-	414.9	22.27	0.77
Vision	164.7	37.17	0.51	-	-	-	-	0.01	-	167.9	37.17	0.52
Other Professional	832.0	27.40	1.90	0.01	-	-	-	0.02	-	845.1	27.40	1.93
Subtotal Professional			**$ 48.84**									**$ 49.78**
Total Medical Costs			**$ 191.02**									**$ 189.65**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2020 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: TANF - Age 19 - 44, Female SFY 2018 Member Months: 1,324,502 Category of Service	MCO Encounter Data SFY 2018 Base Experience			Completion Adjustments		Managed Care Adjustments		Other Adjustments		SFY 2018 Adjusted Base Experience		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital												
Inpatient Medical/Surgical/Non-Delivery	203.9	$ 2,276.85	$ 38.69	$ 0.61	$ 0.00	$ (0.58)	$ 0.11	$ 0.00	$ 0.07	204.1	$ 2,287.43	$ 38.90
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	56.1	710.05	3.32	0.05	-	-	-	0.01	-	57.1	710.05	3.38
Other Inpatient	3.0	364.54	0.09	-	-	-	-	-	-	3.0	364.54	0.09
Subtotal Inpatient Hospital			**$ 42.10**									**$ 42.37**
Outpatient Hospital												
Surgery	213.7	$ 1,177.86	$ 20.98	$ 0.20	$ 0.00	$ 0.00	$ 0.00	$ 0.01	$ 0.03	215.9	$ 1,179.53	$ 21.22
Non-Surg - Emergency Room	1,220.2	293.27	29.82	0.28	-	(0.73)	0.31	0.02	0.05	1,202.6	296.86	29.75
Non-Surg - Other	335.5	153.10	4.28	0.04	-	-	-	-	0.01	338.6	153.46	4.33
Observation Room	29.1	383.85	0.93	0.01	-	-	-	-	-	29.4	383.85	0.94
Treatment/Therapy/Testing	740.4	247.99	15.30	0.14	-	-	-	0.01	0.02	747.6	248.31	15.47
Other Outpatient	87.1	152.95	1.11	0.01	-	-	-	-	-	87.9	152.95	1.12
Subtotal Outpatient Hospital			**$ 72.42**									**$ 72.83**
Retail Pharmacy												
Prescription Drugs	11,239.7	$ 63.65	$ 59.62	$ 0.00	$ 0.00	$ 0.00	$ (1.46)	$ 0.09	$ (1.65)	11,256.7	$ 60.34	$ 56.60
Subtotal Retail Pharmacy			**$ 59.62**									**$ 56.60**
Ancillary												
Transportation	281.8	$ 89.86	$ 2.11	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.01	$ 0.00	285.8	$ 89.86	$ 2.14
DME/Prosthetics	1,779.0	11.67	1.73	0.02	-	-	-	-	-	1,799.5	11.67	1.75
Dental	0.1	-	-	-	-	-	-	-	-	-	-	-
Other Ancillary	164.2	95.02	1.30	0.01	-	-	-	0.01	-	166.7	95.02	1.32
Subtotal Ancillary			**$ 5.14**									**$ 5.21**
Professional												
Inpatient and Outpatient Surgery	511.9	$ 174.63	$ 7.45	$ 0.05	$ 0.00	$ 0.00	$ 0.00	$ 0.10	$ 0.03	522.3	$ 175.32	$ 7.63
Anesthesia	216.5	107.00	1.93	0.01	-	-	-	0.02	0.01	219.8	107.54	1.97
Inpatient Visits	387.9	75.80	2.45	0.02	-	-	-	0.02	0.01	394.2	76.10	2.50
MH/SA	2,053.7	63.69	10.90	0.07	-	-	-	0.12	0.02	2,089.5	63.81	11.11
Emergency Room	1,305.9	83.62	9.10	0.06	-	(0.21)	-	0.10	0.01	1,298.8	83.71	9.06
Office/Home Visits/Consults	3,934.1	74.94	24.57	0.16	-	0.17	-	0.28	0.04	4,031.8	75.06	25.22
Pathology/Lab	7,466.5	15.70	9.77	0.06	-	0.01	-	0.11	0.02	7,604.1	15.73	9.97
Radiology	1,567.3	36.98	4.83	0.03	-	0.01	-	0.06	0.01	1,599.8	37.06	4.94
Office Administered Drugs	26,793.3	2.11	4.71	0.03	-	0.03	-	0.05	0.01	27,419.1	2.11	4.83
Physical Exams	347.3	55.97	1.62	0.01	-	-	-	0.02	-	353.8	55.97	1.65
Therapy	405.5	22.79	0.77	-	-	-	-	0.01	-	410.7	22.79	0.78
Vision	181.9	42.23	0.64	-	-	-	-	0.01	-	184.7	42.23	0.65
Other Professional	1,995.4	35.18	5.85	0.04	-	-	-	0.06	0.01	2,029.5	35.24	5.96
Subtotal Professional			**$ 84.59**									**$ 86.27**
Total Medical Costs			**$ 263.87**									**$ 263.28**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2020 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: TANF - Age 45+, Male & Female SFY 2018 Member Months: 216,834 Category of Service	MCO Encounter Data SFY 2018 Base Experience			Completion Adjustments		Managed Care Adjustments		Other Adjustments		SFY 2018 Adjusted Base Experience		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital												
Inpatient Medical/Surgical/Non-Delivery	483.4	$ 2,482.61	$ 100.01	$ 1.58	$ 0.00	$ (1.68)	$ 0.43	$ 0.28	$ 0.16	484.3	$ 2,497.23	$ 100.78
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	51.5	745.29	3.20	0.05	-	-	-	-	0.01	52.3	747.59	3.26
Other Inpatient	27.7	272.67	0.63	0.01	-	(0.01)	0.02	0.01	-	28.2	281.19	0.66
Subtotal Inpatient Hospital			**$ 103.84**									**$ 104.70**
Outpatient Hospital												
Surgery	215.3	$ 1,680.73	$ 30.16	$ 0.28	$ 0.00	$ 0.00	$ 0.00	$ 0.04	$ 0.05	217.6	$ 1,683.49	$ 30.53
Non-Surg - Emergency Room	806.1	319.46	21.46	0.20	-	(0.45)	0.21	0.03	0.04	797.8	323.22	21.49
Non-Surg - Other	325.1	139.51	3.78	0.04	-	-	-	-	0.01	328.6	139.88	3.83
Observation Room	15.6	722.78	0.94	0.01	-	-	-	-	-	15.8	722.78	0.95
Treatment/Therapy/Testing	1,075.5	387.39	34.72	0.32	-	-	-	0.05	0.06	1,087.0	388.05	35.15
Other Outpatient	212.7	166.97	2.96	0.03	-	-	-	-	0.01	214.9	167.53	3.00
Subtotal Outpatient Hospital			**$ 94.02**									**$ 94.95**
Retail Pharmacy												
Prescription Drugs	22,554.7	$ 73.63	$ 138.39	$ 0.00	$ 0.00	$ 0.00	$ (2.79)	$ 0.25	$ (3.81)	22,595.4	$ 70.12	$ 132.04
Subtotal Retail Pharmacy			**$ 138.39**									**$ 132.04**
Ancillary												
Transportation	275.4	$ 98.03	$ 2.25	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.01	$ 0.00	279.1	$ 98.03	$ 2.28
DME/Prosthetics	4,910.7	15.03	6.15	0.06	-	-	-	0.02	0.01	4,974.6	15.05	6.24
Dental	-	-	-	-	-	-	-	-	-	-	-	-
Other Ancillary	392.4	75.85	2.48	0.02	-	-	-	0.01	-	397.1	75.85	2.51
Subtotal Ancillary			**$ 10.88**									**$ 11.03**
Professional												
Inpatient and Outpatient Surgery	1,096.1	$ 171.12	$ 15.63	$ 0.10	$ 0.00	$ 0.00	$ 0.00	$ 0.19	$ 0.10	1,116.4	$ 172.19	$ 16.02
Anesthesia	409.8	104.55	3.57	0.02	-	-	-	0.03	0.01	415.5	104.84	3.63
Inpatient Visits	795.8	77.66	5.15	0.03	-	-	-	0.05	0.01	808.2	77.80	5.24
MH/SA	2,271.8	52.19	9.88	0.06	-	-	-	0.09	0.01	2,306.3	52.24	10.04
Emergency Room	921.7	89.97	6.91	0.04	-	(0.12)	-	0.06	0.01	919.0	90.10	6.90
Office/Home Visits/Consults	5,751.1	77.08	36.94	0.24	-	0.10	-	0.32	0.05	5,853.9	77.18	37.65
Pathology/Lab	7,211.9	14.11	8.48	0.05	-	0.01	-	0.08	0.01	7,331.0	14.13	8.63
Radiology	2,516.0	36.77	7.71	0.05	-	0.02	-	0.07	0.01	2,561.6	36.82	7.86
Office Administered Drugs	20,025.0	6.38	10.64	0.07	-	0.04	-	0.09	0.01	20,401.4	6.38	10.85
Physical Exams	366.7	52.69	1.61	0.01	-	-	-	0.01	0.01	371.3	53.01	1.64
Therapy	1,095.6	22.45	2.05	0.01	-	-	-	0.02	-	1,111.6	22.45	2.08
Vision	289.4	49.76	1.20	0.01	-	-	-	0.01	-	294.2	49.76	1.22
Other Professional	2,874.2	29.39	7.04	0.05	-	-	-	0.05	0.02	2,915.1	29.47	7.16
Subtotal Professional			**$ 116.81**									**$ 118.92**
Total Medical Costs			**$ 463.94**									**$ 461.64**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2020 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: SSI - Children SFY 2018 Member Months: 150,415 Category of Service	MCO Encounter Data SFY 2018 Base Experience			Completion Adjustments		Managed Care Adjustments		Other Adjustments		SFY 2018 Adjusted Base Experience		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital												
Inpatient Medical/Surgical/Non-Delivery	351.7	$ 2,035.67	$ 59.67	$ 1.12	$ 0.00	$ (1.11)	$ 0.40	$ 0.06	$ 0.10	352.2	$ 2,052.71	$ 60.24
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	955.4	331.58	26.40	0.49	-	-	-	0.29	0.04	983.7	332.06	27.22
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 86.07**									**$ 87.46**
Outpatient Hospital												
Surgery	114.6	$ 1,927.32	$ 18.40	$ 0.26	$ 0.00	$ 0.00	$ 0.00	$ 0.01	$ 0.03	116.2	$ 1,930.42	$ 18.70
Non-Surg - Emergency Room	653.3	278.83	15.18	0.22	-	(0.25)	0.11	0.01	0.02	652.5	281.22	15.29
Non-Surg - Other	713.1	147.40	8.76	0.12	-	-	-	0.01	0.01	723.7	147.57	8.90
Observation Room	14.9	1,069.80	1.33	0.02	-	-	-	-	-	15.1	1,069.80	1.35
Treatment/Therapy/Testing	808.6	359.57	24.23	0.34	-	-	-	0.01	0.04	820.3	360.15	24.62
Other Outpatient	47.4	205.11	0.81	0.01	-	-	-	-	-	48.0	205.11	0.82
Subtotal Outpatient Hospital			**$ 68.71**									**$ 69.68**
Retail Pharmacy												
Prescription Drugs	15,879.6	$ 136.68	$ 180.87	$ 0.00	$ 0.00	$ 0.00	$ (1.80)	$ 1.23	$ (5.13)	15,987.6	$ 131.48	$ 175.17
Subtotal Retail Pharmacy			**$ 180.87**									**$ 175.17**
Ancillary												
Transportation	209.2	$ 106.13	$ 1.85	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.01	211.4	$ 106.70	$ 1.88
DME/Prosthetics	42,654.3	4.63	16.46	0.13	-	-	-	0.07	0.02	43,172.6	4.64	16.68
Dental	42.9	86.67	0.31	-	-	-	-	0.15	0.30	63.7	143.19	0.76
Other Ancillary	486.5	39.47	1.60	0.01	-	-	-	0.01	-	492.6	39.47	1.62
Subtotal Ancillary			**$ 20.22**									**$ 20.94**
Professional												
Inpatient and Outpatient Surgery	331.8	$ 165.28	$ 4.57	$ 0.05	$ 0.00	$ 0.00	$ 0.00	$ 0.03	$ 0.02	337.6	$ 165.99	$ 4.67
Anesthesia	223.4	114.96	2.14	0.02	-	-	-	0.02	-	227.6	114.96	2.18
Inpatient Visits	702.2	105.61	6.18	0.06	-	-	-	0.05	0.01	714.7	105.78	6.30
MH/SA	32,113.0	22.99	61.53	0.61	-	-	-	0.47	0.09	32,676.7	23.03	62.70
Emergency Room	752.2	76.89	4.82	0.05	-	(0.07)	-	0.04	-	755.4	76.89	4.84
Office/Home Visits/Consults	4,623.2	83.76	32.27	0.32	-	0.07	-	0.24	0.06	4,713.5	83.91	32.96
Pathology/Lab	2,164.4	17.91	3.23	0.03	-	0.01	-	0.02	0.01	2,204.6	17.96	3.30
Radiology	844.5	23.02	1.62	0.02	-	-	-	0.01	0.01	860.2	23.16	1.66
Office Administered Drugs	5,639.8	26.19	12.31	0.12	-	0.06	-	0.09	0.02	5,763.5	26.23	12.60
Physical Exams	991.0	54.97	4.54	0.04	-	-	-	0.04	0.01	1,008.5	55.09	4.63
Therapy	15,386.0	22.06	28.28	0.28	-	-	-	0.21	0.05	15,652.6	22.09	28.82
Vision	1,211.3	29.23	2.95	0.03	-	-	-	0.02	0.01	1,231.8	29.32	3.01
Other Professional	3,913.4	22.78	7.43	0.07	-	-	-	0.06	0.01	3,981.9	22.81	7.57
Subtotal Professional			**$ 171.87**									**$ 175.24**
Total Medical Costs			**$ 527.74**									**$ 528.49**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2020 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: SSI - Adults SFY 2018 Member Months: 599,147 Category of Service	MCO Encounter Data SFY 2018 Base Experience			Completion Adjustments		Managed Care Adjustments		Other Adjustments		SFY 2018 Adjusted Base Experience		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital												
Inpatient Medical/Surgical/Non-Delivery	1,802.6	$ 2,067.76	$ 310.62	$ 5.81	$ 0.00	$ (5.64)	$ 0.15	$ 0.67	$ 0.50	1,807.5	$ 2,072.08	$ 312.11
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	411.0	597.95	20.48	0.38	-	-	-	0.03	0.03	419.2	598.81	20.92
Other Inpatient	278.5	282.19	6.55	0.12	-	(0.12)	0.03	0.01	0.01	279.0	283.91	6.60
Subtotal Inpatient Hospital			**$ 337.65**									**$ 339.63**
Outpatient Hospital												
Surgery	300.7	$ 1,618.58	$ 40.56	$ 0.58	$ 0.00	$ 0.00	$ 0.00	$ 0.13	$ 0.07	306.0	$ 1,621.33	$ 41.34
Non-Surg - Emergency Room	1,581.1	356.49	46.97	0.67	-	(0.41)	0.23	0.15	0.08	1,594.9	358.82	47.69
Non-Surg - Other	682.4	158.44	9.01	0.13	-	-	-	0.03	0.01	694.5	158.62	9.18
Observation Room	47.2	526.19	2.07	0.03	-	-	-	0.01	-	48.1	526.19	2.11
Treatment/Therapy/Testing	1,419.5	596.49	70.56	1.00	-	-	-	0.24	0.11	1,444.4	597.41	71.91
Other Outpatient	203.2	249.82	4.23	0.06	-	-	-	0.01	0.01	206.6	250.40	4.31
Subtotal Outpatient Hospital			**$ 173.40**									**$ 176.54**
Retail Pharmacy												
Prescription Drugs	32,540.7	$ 117.73	$ 319.26	$ 0.00	$ 0.00	$ 0.00	$ (5.66)	$ 1.44	$ (9.07)	32,687.5	$ 112.33	$ 305.97
Subtotal Retail Pharmacy			**$ 319.26**									**$ 305.97**
Ancillary												
Transportation	1,363.8	$ 88.26	$ 10.03	$ 0.08	$ 0.00	$ 0.00	$ 0.00	$ 0.02	$ 0.02	1,377.4	$ 88.43	$ 10.15
DME/Prosthetics	29,492.9	7.93	19.50	0.16	-	-	-	0.04	0.03	29,795.4	7.95	19.73
Dental	0.4	-	-	-	-	-	-	-	-	-	-	-
Other Ancillary	1,720.6	68.28	9.79	0.08	-	-	-	0.02	0.01	1,738.2	68.35	9.90
Subtotal Ancillary			**$ 39.32**									**$ 39.78**
Professional												
Inpatient and Outpatient Surgery	1,390.0	$ 167.66	$ 19.42	$ 0.19	$ 0.00	$ 0.00	$ 0.00	$ 0.20	$ 0.13	1,417.9	$ 168.76	$ 19.94
Anesthesia	543.4	104.90	4.75	0.05	-	-	-	0.03	0.01	552.5	105.11	4.84
Inpatient Visits	3,250.3	75.46	20.44	0.20	-	-	-	0.15	0.04	3,306.0	75.61	20.83
MH/SA	11,992.4	21.78	21.77	0.22	-	-	-	0.16	0.03	12,201.7	21.81	22.18
Emergency Room	1,976.2	92.97	15.31	0.15	-	(0.10)	-	0.11	0.02	1,996.8	93.09	15.49
Office/Home Visits/Consults	6,789.2	85.00	48.09	0.48	-	0.09	-	0.36	0.07	6,920.5	85.12	49.09
Pathology/Lab	8,794.9	14.15	10.37	0.10	-	0.01	-	0.08	0.02	8,956.1	14.18	10.58
Radiology	3,873.8	38.13	12.31	0.12	-	0.04	-	0.09	0.02	3,952.5	38.19	12.58
Office Administered Drugs	59,200.0	7.56	37.30	0.37	-	0.16	-	0.28	0.06	60,485.5	7.57	38.17
Physical Exams	433.0	43.23	1.56	0.02	-	-	-	0.01	-	441.3	43.23	1.59
Therapy	779.1	22.79	1.48	0.01	-	-	-	0.02	-	794.9	22.79	1.51
Vision	316.9	49.98	1.32	0.01	-	-	-	0.01	0.01	321.7	50.36	1.35
Other Professional	3,817.5	53.44	17.00	0.17	-	-	-	0.13	0.02	3,884.9	53.50	17.32
Subtotal Professional			**$ 211.12**									**$ 215.47**
Total Medical Costs			**$ 1,080.75**									**$ 1,077.39**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2020 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: OCWI SFY 2018 Member Months: 161,501 Category of Service	MCO Encounter Data SFY 2018 Base Experience			Completion Adjustments		Managed Care Adjustments		Other Adjustments		SFY 2018 Adjusted Base Experience		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital												
Inpatient Medical/Surgical/Non-Delivery	247.2	$ 1,369.87	$ 28.22	$ 0.26	$ 0.00	$ (0.23)	$ 0.03	$ 0.00	$ 0.05	247.5	$ 1,373.75	$ 28.33
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	17.2	758.78	1.09	0.01	-	-	-	-	-	17.4	758.78	1.10
Other Inpatient	1.8	201.88	0.03	-	-	-	-	-	-	1.8	201.88	0.03
Subtotal Inpatient Hospital			**$ 29.34**									**$ 29.46**
Outpatient Hospital												
Surgery	696.9	$ 442.88	$ 25.72	$ 0.23	$ 0.00	$ 0.00	$ 0.00	$ 0.01	$ 0.04	703.4	$ 443.57	$ 26.00
Non-Surg - Emergency Room	951.3	351.31	27.85	0.25	-	(0.20)	0.11	0.01	0.04	953.4	353.20	28.06
Non-Surg - Other	1,101.2	142.65	13.09	0.12	-	-	-	-	0.02	1,111.3	142.86	13.23
Observation Room	195.3	264.77	4.31	0.04	-	-	-	-	0.01	197.2	265.37	4.36
Treatment/Therapy/Testing	1,648.6	128.83	17.70	0.16	-	-	-	0.01	0.02	1,664.5	128.98	17.89
Other Outpatient	82.9	102.75	0.71	0.01	-	-	-	-	-	84.1	102.75	0.72
Subtotal Outpatient Hospital			**$ 89.38**									**$ 90.26**
Retail Pharmacy												
Prescription Drugs	10,279.6	$ 50.55	$ 43.30	$ 0.00	$ 0.00	$ 0.00	$ (0.59)	$ 0.24	$ (1.27)	10,336.6	$ 48.39	$ 41.68
Subtotal Retail Pharmacy			**$ 43.30**									**$ 41.68**
Ancillary												
Transportation	333.1	$ 94.39	$ 2.62	$ 0.03	$ 0.00	$ 0.00	$ 0.00	$ 0.02	$ 0.00	339.5	$ 94.39	$ 2.67
DME/Prosthetics	931.8	18.93	1.47	0.01	-	-	-	0.02	-	950.9	18.93	1.50
Dental	-	-	-	-	-	-	-	-	-	-	-	-
Other Ancillary	363.4	128.12	3.88	0.04	-	-	-	0.03	0.01	370.0	128.44	3.96
Subtotal Ancillary			**$ 7.97**									**$ 8.13**
Professional												
Inpatient and Outpatient Surgery	349.4	$ 144.95	$ 4.22	$ 0.05	$ 0.00	$ 0.00	$ 0.00	$ 0.03	$ 0.02	356.0	$ 145.62	$ 4.32
Anesthesia	146.1	103.51	1.26	0.02	-	-	-	-	0.01	148.4	104.31	1.29
Inpatient Visits	863.9	65.98	4.75	0.06	-	-	-	0.03	0.01	880.3	66.11	4.85
MH/SA	1,337.8	87.73	9.78	0.12	-	-	-	0.06	0.02	1,362.4	87.91	9.98
Emergency Room	1,268.9	80.85	8.55	0.11	-	(0.05)	-	0.05	0.02	1,285.3	81.04	8.68
Office/Home Visits/Consults	2,508.0	69.62	14.55	0.18	-	0.04	-	0.09	0.02	2,561.5	69.71	14.88
Pathology/Lab	14,287.9	13.27	15.80	0.20	-	0.02	-	0.09	0.03	14,568.2	13.29	16.14
Radiology	1,455.7	53.66	6.51	0.08	-	0.02	-	0.04	0.01	1,487.0	53.74	6.66
Office Administered Drugs	14,992.3	1.97	2.46	0.03	-	0.01	-	0.02	-	15,358.0	1.97	2.52
Physical Exams	808.1	23.61	1.59	0.02	-	-	-	0.01	-	823.4	23.61	1.62
Therapy	137.2	23.61	0.27	-	-	-	-	0.01	-	142.3	23.61	0.28
Vision	199.3	34.93	0.58	0.01	-	-	-	-	-	202.7	34.93	0.59
Other Professional	2,857.6	80.96	19.28	0.24	-	-	-	0.12	0.03	2,911.0	81.09	19.67
Subtotal Professional			**$ 89.60**									**$ 91.48**
Total Medical Costs			**$ 259.59**									**$ 261.01**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2020 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: DUAL SFY 2018 Member Months: 587,614 Category of Service	FFS Data SFY 2018 Base Experience			Completion Adjustments		Managed Care Adjustments		Other Adjustments		SFY 2018 Adjusted Base Experience		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital												
Inpatient Medical/Surgical/Non-Delivery	650.7	$ 275.34	$ 14.93	$ 0.58	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	676.0	$ 275.34	$ 15.51
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	52.2	186.07	0.81	0.03	-	-	-	-	-	54.2	186.07	0.84
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 15.74**									**$ 16.35**
Outpatient Hospital												
Surgery	91.1	$ 216.12	$ 1.64	$ 0.05	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	93.8	$ 216.12	$ 1.69
Non-Surg - Emergency Room	490.2	66.09	2.70	0.08	-	-	-	-	-	504.8	66.09	2.78
Non-Surg - Other	341.1	24.63	0.70	0.02	-	-	-	-	-	350.8	24.63	0.72
Observation Room	24.2	49.63	0.10	-	-	-	-	-	-	24.2	49.63	0.10
Treatment/Therapy/Testing	493.5	72.47	2.98	0.09	-	-	-	-	-	508.4	72.47	3.07
Other Outpatient	37.3	57.89	0.18	0.01	-	-	-	-	-	39.4	57.89	0.19
Subtotal Outpatient Hospital			**$ 8.30**									**$ 8.55**
Retail Pharmacy												
Prescription Drugs	379.9	$ 38.54	$ 1.22	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	379.9	$ 38.54	$ 1.22
Subtotal Retail Pharmacy			**$ 1.22**									**$ 1.22**
Ancillary												
Transportation	29.2	$ 32.92	$ 0.08	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	32.8	$ 32.92	$ 0.09
DME/Prosthetics	13,120.3	3.39	3.71	0.26	-	-	-	-	-	14,039.8	3.39	3.97
Dental	0.6	-	-	-	-	-	-	-	-	-	-	-
Other Ancillary	639.6	32.46	1.73	0.12	-	-	-	-	-	684.0	32.46	1.85
Subtotal Ancillary			**$ 5.52**									**$ 5.91**
Professional												
Inpatient and Outpatient Surgery	477.4	$ 25.64	$ 1.02	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	486.8	$ 25.64	$ 1.04
Anesthesia	130.9	18.34	0.20	-	-	-	-	-	-	130.9	18.34	0.20
Inpatient Visits	869.2	20.16	1.46	0.03	-	-	-	-	-	887.0	20.16	1.49
MH/SA	12,059.9	13.41	13.48	0.25	-	-	-	-	-	12,283.6	13.41	13.73
Emergency Room	185.2	34.98	0.54	0.01	-	-	-	-	-	188.7	34.98	0.55
Office/Home Visits/Consults	2,942.6	35.44	8.69	0.16	-	-	-	-	-	2,996.8	35.44	8.85
Pathology/Lab	641.8	6.36	0.34	0.01	-	-	-	-	-	660.7	6.36	0.35
Radiology	764.3	14.13	0.90	0.02	-	-	-	-	-	781.3	14.13	0.92
Office Administered Drugs	27,920.8	2.47	5.75	0.11	-	-	-	-	-	28,455.0	2.47	5.86
Physical Exams	42.9	25.15	0.09	-	-	-	-	-	-	42.9	25.15	0.09
Therapy	166.4	3.61	0.05	-	-	-	-	-	-	166.4	3.61	0.05
Vision	91.3	27.59	0.21	-	-	-	-	-	-	91.3	27.59	0.21
Other Professional	1,572.5	6.94	0.91	0.02	-	-	-	-	-	1,607.1	6.94	0.93
Subtotal Professional			**$ 33.64**									**$ 34.27**
Total Medical Costs			**$ 64.42**									**$ 66.30**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2020 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: Foster Care Children SFY 2018 Member Months: 49,330 Category of Service	MCO Encounter Data SFY 2018 Base Experience			Completion Adjustments		Managed Care Adjustments		Other Adjustments		SFY 2018 Adjusted Base Experience		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital												
Inpatient Medical/Surgical/Non-Delivery	97.8	$ 1,579.30	$ 12.87	$ 0.20	$ 0.00	$ (0.68)	$ 0.37	$ 0.16	$ 0.02	95.4	$ 1,628.37	$ 12.94
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	5,629.0	310.88	145.83	2.30	-	-	-	-	0.24	5,717.8	311.39	148.37
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 158.70**									**$ 161.31**
Outpatient Hospital												
Surgery	89.8	$ 1,454.50	$ 10.88	$ 0.10	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.02	90.6	$ 1,457.15	$ 11.00
Non-Surg - Emergency Room	553.9	305.47	14.10	0.13	-	(0.17)	0.09	-	0.02	552.3	307.86	14.17
Non-Surg - Other	593.8	138.63	6.86	0.06	-	-	-	-	0.01	599.0	138.83	6.93
Observation Room	5.4	874.49	0.39	-	-	-	-	-	-	5.4	874.49	0.39
Treatment/Therapy/Testing	449.1	214.05	8.01	0.07	-	-	-	-	0.02	453.0	214.58	8.10
Other Outpatient	40.4	133.73	0.45	-	-	-	-	-	-	40.4	133.73	0.45
Subtotal Outpatient Hospital			**$ 40.69**									**$ 41.04**
Retail Pharmacy												
Prescription Drugs	14,741.8	$ 57.34	$ 70.44	$ 0.00	$ 0.00	$ 0.00	$ (0.30)	$ 0.00	$ (1.99)	14,741.8	$ 55.47	$ 68.15
Subtotal Retail Pharmacy			**$ 70.44**									**$ 68.15**
Ancillary												
Transportation	213.3	$ 88.31	$ 1.57	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	216.1	$ 88.31	$ 1.59
DME/Prosthetics	11,102.1	3.78	3.50	0.03	-	-	-	-	0.01	11,197.3	3.79	3.54
Dental	101.0	82.02	0.69	0.01	-	-	-	0.03	0.04	106.8	86.51	0.77
Other Ancillary	435.7	46.27	1.68	0.02	-	-	-	-	-	440.9	46.27	1.70
Subtotal Ancillary			**$ 7.44**									**$ 7.60**
Professional												
Inpatient and Outpatient Surgery	333.0	$ 139.09	$ 3.86	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.02	$ 0.02	336.5	$ 139.80	$ 3.92
Anesthesia	139.9	93.51	1.09	0.01	-	-	-	-	-	141.2	93.51	1.10
Inpatient Visits	658.7	70.13	3.85	0.02	-	-	-	0.01	0.01	663.9	70.31	3.89
MH/SA	507,340.4	9.42	398.24	2.55	-	-	-	0.98	0.64	511,837.5	9.43	402.41
Emergency Room	649.3	74.85	4.05	0.03	-	(0.05)	-	0.01	0.01	647.7	75.04	4.05
Office/Home Visits/Consults	5,137.4	82.41	35.28	0.23	-	0.04	-	0.09	0.05	5,189.8	82.52	35.69
Pathology/Lab	2,946.1	16.09	3.95	0.03	-	-	-	0.01	0.01	2,976.0	16.13	4.00
Radiology	606.9	20.96	1.06	0.01	-	-	-	-	-	612.7	20.96	1.07
Office Administered Drugs	7,179.6	1.81	1.08	0.01	-	-	-	0.01	-	7,312.5	1.81	1.10
Physical Exams	2,326.8	45.44	8.81	0.06	-	-	-	0.02	0.01	2,347.9	45.49	8.90
Therapy	11,554.6	21.64	20.84	0.13	-	-	-	0.05	0.04	11,654.4	21.68	21.06
Vision	1,456.6	35.84	4.35	0.03	-	-	-	0.01	0.01	1,470.0	35.92	4.40
Other Professional	2,094.0	24.01	4.19	0.03	-	-	-	0.01	-	2,114.0	24.01	4.23
Subtotal Professional			**$ 490.65**									**$ 495.82**
Total Medical Costs			**$ 767.92**									**$ 773.92**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2020 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: KICK SFY 2018 Deliveries: 26,720 Category of Service	MCO Encounter Data SFY 2018 Base Experience			Completion Adjustments		Managed Care Adjustments		Other Adjustments		SFY 2018 Adjusted Base Experience		
	Utilization per 1,000	Cost per Service	Cost per Delivery	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	Cost per Delivery
Inpatient Hospital												
Inpatient Maternity Delivery	2,465.5	$ 1,728.49	$ 4,261.59	$ 41.34	$ 0.00	$ 0.00	$ (56.45)	$ 1.09	$ 6.86	2,490.0	$ 1,708.58	$ 4,254.43
Subtotal Inpatient Hospital			**$ 4,261.59**									**$ 4,254.43**
Outpatient Hospital												
Outpatient Hospital - Maternity	61.6	$ 400.31	$ 24.66	$ 0.37	$ 0.00	$ 0.00	$ 0.00	$ 0.01	$ 0.04	62.6	$ 400.95	$ 25.08
Subtotal Outpatient Hospital			**$ 24.66**									**$ 25.08**
Professional												
Maternity Delivery	927.0	$ 1,038.37	$ 962.55	$ 5.29	$ 0.00	$ 0.00	$ 1.75	$ 1.48	$ 1.54	933.5	$ 1,041.89	$ 972.61
Maternity Anesthesia	1,149.9	293.26	337.22	1.85	-	-	-	0.52	0.54	1,158.0	293.73	340.13
Maternity Office Visits	8,282.6	58.08	481.08	2.65	-	-	-	0.73	0.77	8,340.8	58.18	485.23
Maternity Radiology	4,076.2	71.53	291.56	1.60	-	-	-	0.45	0.47	4,104.9	71.64	294.08
Maternity Non-Delivery	2.5	79.76	0.20	-	-	-	-	-	-	2.5	79.76	0.20
Subtotal Professional			**$ 2,072.61**									**$ 2,092.25**
Total Medical Costs			**$ 6,358.86**									**$ 6,371.76**

Appendix 7: SFY 2020 Capitation Rate Development

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2020 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: TANF - 0 - 2 Months, Male & Female SFY 2020 Member Months: 82,856 Category of Service	SFY 2018 Adjusted Base Experience			Trend Adjustments		Reimbursement Adjustments		Program and Policy Adjustments		SFY 2020 Projected Benefit Expense		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital												
Inpatient Medical/Surgical/Non-Delivery	8,985.4	$ 1,450.12	$ 1,085.83	$ 21.83	$ 0.00	$ 0.00	$ 0.00	$ 3.03	$ 0.00	9,191.2	$ 1,450.12	$ 1,110.69
Inpatient Well Newborn	7,493.3	623.37	389.26	7.82	-	-	-	1.09	-	7,664.8	623.37	398.17
Inpatient MH/SA	15.9	384.14	0.51	0.01	-	-	-	-	-	16.2	384.14	0.52
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 1,475.60**									**$ 1,509.38**
Outpatient Hospital												
Surgery	69.2	$ 1,116.88	$ 6.44	$ 0.13	$ 0.00	$ 0.00	$ 0.00	$ 0.02	$ 0.00	70.8	$ 1,116.88	$ 6.59
Non-Surg - Emergency Room	782.6	259.90	16.95	0.34	-	-	-	0.05	-	800.6	259.90	17.34
Non-Surg - Other	1,287.8	120.20	12.90	0.26	-	-	-	0.04	-	1,317.8	120.20	13.20
Observation Room	51.3	765.56	3.27	0.07	-	-	-	-	-	52.4	765.56	3.34
Treatment/Therapy/Testing	934.9	66.74	5.20	0.10	-	-	-	0.02	-	956.5	66.74	5.32
Other Outpatient	32.3	48.37	0.13	-	-	-	-	-	-	32.3	48.37	0.13
Subtotal Outpatient Hospital			**$ 44.89**									**$ 45.92**
Retail Pharmacy												
Prescription Drugs	2,951.6	$ 20.53	$ 5.05	$ 0.00	$ 0.31	$ 0.00	$ 0.00	$ 0.01	$ 0.00	2,957.4	$ 21.79	$ 5.37
Subtotal Retail Pharmacy			**$ 5.05**									**$ 5.37**
Ancillary												
Transportation	268.7	$ 244.73	$ 5.48	$ 0.28	$ 0.00	$ 0.00	$ (0.02)	$ 0.02	$ 0.00	283.4	$ 243.88	$ 5.76
DME/Prosthetics	1,305.0	27.13	2.95	0.15	-	-	0.98	0.01	-	1,375.8	35.67	4.09
Dental	-	-	-	-	-	-	-	-	-	-	-	-
Other Ancillary	303.0	90.71	2.29	0.12	-	-	-	-	-	318.8	90.71	2.41
Subtotal Ancillary			**$ 10.72**									**$ 12.26**
Professional												
Inpatient and Outpatient Surgery	705.1	$ 157.60	$ 9.26	$ 0.47	$ 0.00	$ (0.01)	$ 1.10	$ 0.03	$ 0.00	742.4	$ 175.38	$ 10.85
Anesthesia	116.0	167.61	1.62	0.08	-	-	0.03	0.01	-	122.4	170.55	1.74
Inpatient Visits	14,130.2	178.88	210.63	10.66	-	-	2.14	0.61	-	14,886.3	180.60	224.04
MH/SA	188.9	12.71	0.20	0.01	-	-	-	-	-	198.3	12.71	0.21
Emergency Room	1,034.0	72.88	6.28	0.32	-	-	0.19	0.02	-	1,090.0	74.97	6.81
Office/Home Visits/Consults	8,255.0	71.71	49.33	2.50	-	(0.03)	6.93	0.16	-	8,695.2	81.27	58.89
Pathology/Lab	1,849.1	50.42	7.77	0.39	-	(0.02)	0.16	0.02	-	1,941.9	51.41	8.32
Radiology	2,758.2	13.01	2.99	0.15	-	-	0.10	0.01	-	2,905.8	13.42	3.25
Office Administered Drugs	112.9	6.37	0.06	0.00	-	-	-	-	-	112.9	6.37	0.06
Physical Exams	20,734.7	46.92	81.08	4.10	-	(0.48)	12.97	0.63	0.39	21,821.6	54.27	98.69
Therapy	104.3	27.62	0.24	0.01	-	-	-	0.01	-	113.0	27.62	0.26
Vision	30.5	55.05	0.14	0.01	-	-	(0.01)	-	-	32.7	51.38	0.14
Other Professional	4,905.1	36.99	15.12	0.77	-	(0.18)	3.77	0.05	-	5,112.7	45.84	19.53
Subtotal Professional			**$ 384.72**									**$ 432.79**
Total Medical Costs			**$ 1,920.98**									**$ 2,005.72**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2020 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: TANF - 3 - 12 Months, Male & Female SFY 2020 Member Months: 354,132 Category of Service	SFY 2018 Adjusted Base Experience			Trend Adjustments		Reimbursement Adjustments		Program and Policy Adjustments		SFY 2020 Projected Benefit Expense		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital												
Inpatient Medical/Surgical/Non-Delivery	200.4	$ 1,889.08	$ 31.54	$ 0.63	$ 0.00	$ 0.00	$ 0.00	$ 0.09	$ 0.00	204.9	$ 1,889.08	$ 32.26
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	0.5	464.29	0.02	-	-	-	-	-	-	0.5	464.29	0.02
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 31.56**									**$ 32.28**
Outpatient Hospital												
Surgery	81.0	$ 1,605.06	$ 10.84	$ 0.22	$ 0.00	$ 0.00	$ 0.00	$ 0.03	$ 0.00	82.9	$ 1,605.06	$ 11.09
Non-Surg - Emergency Room	951.6	212.48	16.85	0.34	-	-	-	0.05	-	973.6	212.48	17.24
Non-Surg - Other	735.0	134.52	8.24	0.17	-	-	-	0.02	-	752.0	134.52	8.43
Observation Room	15.2	964.17	1.22	0.02	-	-	-	0.01	-	15.6	964.17	1.25
Treatment/Therapy/Testing	296.3	161.20	3.98	0.08	-	-	-	0.01	-	303.0	161.20	4.07
Other Outpatient	26.9	75.80	0.17	0.00	-	-	-	-	-	26.9	75.80	0.17
Subtotal Outpatient Hospital			**$ 41.30**									**$ 42.25**
Retail Pharmacy												
Prescription Drugs	4,852.4	$ 32.47	$ 13.13	$ 0.00	$ 0.80	$ 0.00	$ 0.00	$ 0.04	$ 0.00	4,867.2	$ 34.44	$ 13.97
Subtotal Retail Pharmacy			**$ 13.13**									**$ 13.97**
Ancillary												
Transportation	96.6	$ 116.74	$ 0.94	$ 0.05	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	101.8	$ 116.74	$ 0.99
DME/Prosthetics	2,333.8	16.97	3.30	0.17	-	-	(0.21)	0.01	-	2,461.1	15.94	3.27
Dental	174.9	17.15	0.25	0.01	-	-	(0.09)	-	-	181.9	11.22	0.17
Other Ancillary	28.4	97.31	0.23	0.01	-	-	-	-	-	29.6	97.31	0.24
Subtotal Ancillary			**$ 4.72**									**$ 4.67**
Professional												
Inpatient and Outpatient Surgery	299.8	$ 175.31	$ 4.38	$ 0.22	$ 0.00	$ 0.00	$ 0.10	$ 0.01	$ 0.00	315.5	$ 179.12	$ 4.71
Anesthesia	149.0	103.09	1.28	0.06	-	-	(0.01)	-	-	156.0	102.32	1.33
Inpatient Visits	611.0	185.39	9.44	0.48	-	-	0.13	0.02	-	643.4	187.81	10.07
MH/SA	678.3	8.32	0.47	0.02	-	-	0.01	0.01	-	721.6	8.48	0.51
Emergency Room	1,028.7	67.08	5.75	0.29	-	-	0.13	0.02	-	1,084.1	68.52	6.19
Office/Home Visits/Consults	5,035.1	71.76	30.11	1.52	-	(0.04)	3.89	0.10	-	5,299.3	80.57	35.58
Pathology/Lab	2,063.8	14.25	2.45	0.12	-	(0.01)	0.25	0.01	-	2,164.9	15.63	2.82
Radiology	595.7	15.71	0.78	0.04	-	-	0.01	0.01	-	633.9	15.90	0.84
Office Administered Drugs	359.4	51.08	1.53	0.08	-	(0.01)	(0.08)	0.01	-	378.2	48.54	1.53
Physical Exams	10,718.4	36.98	33.03	1.67	-	(0.31)	3.86	0.38	0.43	11,283.0	41.54	39.06
Therapy	1,253.2	22.50	2.35	0.12	-	-	0.06	0.01	-	1,322.6	23.05	2.54
Vision	43.2	52.76	0.19	0.01	-	-	-	-	-	45.5	52.76	0.20
Other Professional	1,815.3	21.82	3.30	0.17	-	(0.05)	0.04	0.01	-	1,886.8	22.07	3.47
Subtotal Professional			**$ 95.06**									**$ 108.85**
Total Medical Costs			**$ 185.77**									**$ 202.02**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2020 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: TANF - Age 1 - 6, Male & Female SFY 2020 Member Months: 2,194,860 Category of Service	SFY 2018 Adjusted Base Experience			Trend Adjustments		Reimbursement Adjustments		Program and Policy Adjustments		SFY 2020 Projected Benefit Expense		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital												
Inpatient Medical/Surgical/Non-Delivery	45.3	$ 1,961.88	$ 7.40	$ 0.15	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	46.2	$ 1,961.88	$ 7.55
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	1.6	537.42	0.07	0.00	-	-	-	0.05	-	2.7	537.42	0.12
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 7.47**									**$ 7.67**
Outpatient Hospital												
Surgery	70.7	$ 1,331.25	$ 7.84	$ 0.16	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	72.1	$ 1,331.25	$ 8.00
Non-Surg - Emergency Room	529.9	238.01	10.51	0.21	-	-	-	0.01	-	541.0	238.01	10.73
Non-Surg - Other	298.6	124.17	3.09	0.06	-	-	-	-	-	304.4	124.17	3.15
Observation Room	4.2	1,046.75	0.37	0.01	-	-	-	-	-	4.4	1,046.75	0.38
Treatment/Therapy/Testing	216.8	200.90	3.63	0.07	-	-	-	0.01	-	221.6	200.90	3.71
Other Outpatient	18.5	194.92	0.30	0.01	-	-	-	-	-	19.1	194.92	0.31
Subtotal Outpatient Hospital			**$ 25.74**									**$ 26.28**
Retail Pharmacy												
Prescription Drugs	4,444.0	$ 40.88	$ 15.14	$ 0.00	$ 0.92	$ 0.00	$ 0.00	$ 0.01	$ 0.00	4,447.0	$ 43.36	$ 16.07
Subtotal Retail Pharmacy			**$ 15.14**									**$ 16.07**
Ancillary												
Transportation	50.6	$ 116.23	$ 0.49	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	52.7	$ 116.23	$ 0.51
DME/Prosthetics	1,307.6	11.01	1.20	0.06	-	-	0.13	-	0.01	1,372.9	12.24	1.40
Dental	209.0	99.91	1.74	0.09	-	(0.02)	(0.16)	-	-	217.4	91.08	1.65
Other Ancillary	18.6	51.75	0.08	-	-	-	0.01	-	-	18.6	58.22	0.09
Subtotal Ancillary			**$ 3.51**									**$ 3.65**
Professional												
Inpatient and Outpatient Surgery	223.8	$ 136.73	$ 2.55	$ 0.13	$ 0.00	$ 0.00	$ (0.05)	$ 0.01	$ 0.00	236.1	$ 134.19	$ 2.64
Anesthesia	137.9	94.84	1.09	0.06	-	-	(0.04)	-	-	145.5	91.54	1.11
Inpatient Visits	69.6	115.48	0.67	0.03	-	-	0.05	-	-	72.7	123.73	0.75
MH/SA	3,164.4	22.45	5.92	0.30	-	-	0.02	1.06	(0.31)	3,891.3	21.56	6.99
Emergency Room	564.4	65.91	3.10	0.16	-	-	0.06	-	-	593.5	67.12	3.32
Office/Home Visits/Consults	3,210.8	70.90	18.97	0.96	-	(0.03)	2.62	0.01	-	3,369.9	80.23	22.53
Pathology/Lab	1,754.4	13.61	1.99	0.10	-	(0.01)	0.07	-	-	1,833.8	14.07	2.15
Radiology	310.7	16.22	0.42	0.02	-	-	0.01	-	-	325.5	16.59	0.45
Office Administered Drugs	288.6	10.81	0.26	0.01	-	-	-	-	-	299.7	10.81	0.27
Physical Exams	1,947.6	46.76	7.59	0.38	-	(0.07)	0.85	0.13	0.15	2,060.5	52.59	9.03
Therapy	5,020.9	22.63	9.47	0.48	-	-	0.59	-	-	5,275.3	23.98	10.54
Vision	328.4	31.06	0.85	0.04	-	-	0.12	-	-	343.8	35.25	1.01
Other Professional	1,707.4	14.83	2.11	0.11	-	(0.01)	(0.02)	-	-	1,788.3	14.70	2.19
Subtotal Professional			**$ 54.99**									**$ 62.98**
Total Medical Costs			**$ 106.85**									**$ 116.65**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2020 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: TANF - Age 7 - 13, Male & Female SFY 2020 Member Months: 2,621,148 Category of Service	SFY 2018 Adjusted Base Experience			Trend Adjustments		Reimbursement Adjustments		Program and Policy Adjustments		SFY 2020 Projected Benefit Expense		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital												
Inpatient Medical/Surgical/Non-Delivery	26.6	$ 2,414.69	$ 5.35	$ 0.11	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	27.1	$ 2,414.69	$ 5.46
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	83.5	357.65	2.49	0.05	-	-	0.01	0.66	0.32	107.4	394.53	3.53
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 7.84**									**$ 8.99**
Outpatient Hospital												
Surgery	40.2	$ 1,389.34	$ 4.65	$ 0.09	$ 0.00	$ 0.00	$ 0.00	$ 0.01	$ 0.00	41.0	$ 1,389.34	$ 4.75
Non-Surg - Emergency Room	331.7	258.27	7.14	0.14	-	-	-	0.01	-	338.7	258.27	7.29
Non-Surg - Other	205.4	123.83	2.12	0.04	-	-	-	-	-	209.3	123.83	2.16
Observation Room	2.9	757.63	0.18	0.00	-	-	-	-	-	2.9	757.63	0.18
Treatment/Therapy/Testing	172.8	197.22	2.84	0.06	-	-	-	-	-	176.5	197.22	2.90
Other Outpatient	12.7	103.84	0.11	(0.00)	-	-	-	-	-	12.7	103.84	0.11
Subtotal Outpatient Hospital			**$ 17.04**									**$ 17.39**
Retail Pharmacy												
Prescription Drugs	5,703.2	$ 71.33	$ 33.90	$ (0.00)	$ 2.06	$ 0.00	$ 0.00	$ 0.04	$ 0.00	5,709.9	$ 75.66	$ 36.00
Subtotal Retail Pharmacy			**$ 33.90**									**$ 36.00**
Ancillary												
Transportation	38.7	$ 102.33	$ 0.33	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	41.0	$ 102.33	$ 0.35
DME/Prosthetics	1,540.8	9.03	1.16	0.06	-	-	0.13	0.01	0.07	1,633.8	10.50	1.43
Dental	23.2	113.79	0.22	0.01	-	-	(0.01)	-	-	24.3	108.84	0.22
Other Ancillary	67.9	42.44	0.24	0.01	-	-	-	-	-	70.7	42.44	0.25
Subtotal Ancillary			**$ 1.95**									**$ 2.25**
Professional												
Inpatient and Outpatient Surgery	156.1	$ 136.09	$ 1.77	$ 0.09	$ 0.00	$ 0.00	$ (0.01)	$ 0.00	$ 0.00	164.0	$ 135.35	$ 1.85
Anesthesia	55.2	97.83	0.45	0.02	-	-	(0.01)	-	-	57.7	95.75	0.46
Inpatient Visits	66.7	82.72	0.46	0.02	-	-	0.06	-	-	69.6	93.05	0.54
MH/SA	6,988.7	35.80	20.85	1.06	-	-	0.08	0.62	(0.33)	7,551.8	35.40	22.28
Emergency Room	353.3	67.60	1.99	0.10	-	-	0.05	-	-	371.0	69.22	2.14
Office/Home Visits/Consults	2,631.0	74.66	16.37	0.83	-	(0.02)	2.22	0.02	-	2,764.4	84.30	19.42
Pathology/Lab	1,480.3	12.08	1.49	0.08	-	(0.01)	0.09	-	-	1,549.9	12.78	1.65
Radiology	384.8	19.03	0.61	0.03	-	-	0.03	-	-	403.7	19.92	0.67
Office Administered Drugs	797.0	7.38	0.49	0.02	-	-	0.01	-	-	829.6	7.52	0.52
Physical Exams	935.8	54.24	4.23	0.21	-	(0.03)	0.55	0.14	0.12	1,006.6	62.23	5.22
Therapy	782.4	21.93	1.43	0.07	-	-	0.10	-	-	820.7	23.40	1.60
Vision	1,133.8	27.62	2.61	0.13	-	-	0.39	0.01	-	1,194.7	31.54	3.14
Other Professional	2,436.0	10.84	2.20	0.11	-	-	(0.03)	-	-	2,557.8	10.70	2.28
Subtotal Professional			**$ 54.95**									**$ 61.77**
Total Medical Costs			**$ 115.68**									**$ 126.40**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2020 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: TANF - Age 14 - 18, Male SFY 2020 Member Months: 734,040 Category of Service	SFY 2018 Adjusted Base Experience			Trend Adjustments		Reimbursement Adjustments		Program and Policy Adjustments		SFY 2020 Projected Benefit Expense		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital												
Inpatient Medical/Surgical/Non-Delivery	47.8	$ 2,764.23	$ 11.01	$ 0.22	$ 0.00	$ 0.00	$ 0.00	$ 0.01	$ 0.00	48.8	$ 2,764.23	$ 11.24
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	204.6	356.01	6.07	0.12	-	-	(0.09)	2.98	1.24	309.1	400.66	10.32
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 17.08**									**$ 21.56**
Outpatient Hospital												
Surgery	52.7	$ 1,386.77	$ 6.09	$ 0.12	$ 0.00	$ 0.00	$ 0.00	$ 0.01	$ 0.00	53.8	$ 1,386.77	$ 6.22
Non-Surg - Emergency Room	363.8	268.80	8.15	0.16	-	-	-	0.01	-	371.4	268.80	8.32
Non-Surg - Other	143.3	129.81	1.55	0.03	-	-	-	-	-	146.1	129.81	1.58
Observation Room	3.2	596.55	0.16	-	-	-	-	-	-	3.2	596.55	0.16
Treatment/Therapy/Testing	197.5	258.26	4.25	0.09	-	-	-	-	-	201.7	258.26	4.34
Other Outpatient	17.3	117.92	0.17	0.00	-	-	-	-	-	17.3	117.92	0.17
Subtotal Outpatient Hospital			**$ 20.37**									**$ 20.79**
Retail Pharmacy												
Prescription Drugs	5,249.1	$ 79.65	$ 34.84	$ 0.00	$ 2.12	$ 0.00	$ 0.00	$ 0.04	$ 0.00	5,255.1	$ 84.49	$ 37.00
Subtotal Retail Pharmacy			**$ 34.84**									**$ 37.00**
Ancillary												
Transportation	87.0	$ 100.66	$ 0.73	$ 0.04	$ 0.00	$ 0.00	$ (0.01)	$ 0.01	$ 0.00	93.0	$ 99.37	$ 0.77
DME/Prosthetics	2,350.3	8.99	1.76	0.09	-	-	0.19	0.04	0.33	2,523.9	11.46	2.41
Dental	1.2	96.62	0.01	-	-	-	-	-	-	1.2	96.62	0.01
Other Ancillary	65.5	45.82	0.25	0.01	-	-	-	-	-	68.1	45.82	0.26
Subtotal Ancillary			**$ 2.75**									**$ 3.45**
Professional												
Inpatient and Outpatient Surgery	199.0	$ 156.77	$ 2.60	$ 0.13	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	209.0	$ 156.77	$ 2.73
Anesthesia	65.4	108.33	0.59	0.03	-	-	(0.02)	0.01	-	69.8	104.89	0.61
Inpatient Visits	126.6	77.74	0.82	0.04	-	-	0.11	0.01	-	134.3	87.57	0.98
MH/SA	4,951.6	40.16	16.57	0.84	-	-	0.07	0.02	0.01	5,208.6	40.34	17.51
Emergency Room	393.8	74.36	2.44	0.12	-	-	0.06	-	-	413.1	76.10	2.62
Office/Home Visits/Consults	2,155.6	75.54	13.57	0.69	-	(0.02)	1.83	0.02	-	2,265.2	85.24	16.09
Pathology/Lab	1,464.0	13.77	1.68	0.09	-	(0.01)	0.06	-	-	1,533.8	14.24	1.82
Radiology	582.6	23.89	1.16	0.06	-	-	0.01	-	-	612.8	24.09	1.23
Office Administered Drugs	370.3	31.43	0.97	0.05	-	-	(0.01)	-	-	389.4	31.12	1.01
Physical Exams	675.7	57.36	3.23	0.16	-	(0.04)	0.48	0.13	0.11	728.0	67.09	4.07
Therapy	447.1	21.47	0.80	0.04	-	-	0.05	-	-	469.4	22.75	0.89
Vision	950.1	27.53	2.18	0.11	-	-	0.33	0.01	-	1,002.4	31.48	2.63
Other Professional	1,652.3	12.78	1.76	0.09	-	(0.01)	(0.03)	0.01	-	1,736.7	12.58	1.82
Subtotal Professional			**$ 48.37**									**$ 54.01**
Total Medical Costs			**$ 123.41**									**$ 136.81**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2020 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: TANF - Age 14 - 18, Female SFY 2020 Member Months: 749,856 Category of Service	SFY 2018 Adjusted Base Experience			Trend Adjustments		Reimbursement Adjustments		Program and Policy Adjustments		SFY 2020 Projected Benefit Expense		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital												
Inpatient Medical/Surgical/Non-Delivery	52.5	$ 2,409.70	$ 10.55	$ 0.21	$ 0.00	$ 0.00	$ 0.00	$ 0.01	$ 0.00	53.6	$ 2,409.70	$ 10.77
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	193.8	389.39	6.29	0.13	-	-	(0.07)	3.90	1.15	318.0	430.14	11.40
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 16.84**									**$ 22.17**
Outpatient Hospital												
Surgery	71.3	$ 1,204.31	$ 7.16	$ 0.14	$ 0.00	$ 0.00	$ 0.00	$ 0.01	$ 0.00	72.8	$ 1,204.31	$ 7.31
Non-Surg - Emergency Room	626.6	280.76	14.66	0.29	-	-	-	0.02	-	639.8	280.76	14.97
Non-Surg - Other	245.6	144.12	2.95	0.06	-	-	-	-	-	250.6	144.12	3.01
Observation Room	10.1	428.26	0.36	0.01	-	-	-	-	-	10.4	428.26	0.37
Treatment/Therapy/Testing	381.5	196.59	6.25	0.13	-	-	-	-	-	389.4	196.59	6.38
Other Outpatient	30.7	121.36	0.31	0.01	-	-	-	-	-	31.6	121.36	0.32
Subtotal Outpatient Hospital			**$ 31.69**									**$ 32.36**
Retail Pharmacy												
Prescription Drugs	7,808.7	$ 47.47	$ 30.89	$ 0.00	$ 1.88	$ 0.00	$ 0.00	$ 0.04	$ 0.00	7,818.8	$ 50.36	$ 32.81
Subtotal Retail Pharmacy			**$ 30.89**									**$ 32.81**
Ancillary												
Transportation	134.3	$ 89.36	$ 1.00	$ 0.05	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	141.0	$ 89.36	$ 1.05
DME/Prosthetics	1,991.6	8.92	1.48	0.07	-	-	0.13	0.04	0.34	2,139.6	11.55	2.06
Dental	2.3	105.47	0.02	-	-	-	-	-	-	2.3	105.47	0.02
Other Ancillary	79.2	57.58	0.38	0.02	-	-	-	-	-	83.4	57.58	0.40
Subtotal Ancillary			**$ 2.88**									**$ 3.53**
Professional												
Inpatient and Outpatient Surgery	199.7	$ 157.40	$ 2.62	$ 0.13	$ 0.00	$ 0.00	$ (0.01)	$ 0.01	$ 0.00	210.4	$ 156.83	$ 2.75
Anesthesia	70.7	106.86	0.63	0.03	-	-	(0.01)	-	-	74.1	105.24	0.65
Inpatient Visits	188.2	73.34	1.15	0.06	-	-	0.18	0.01	-	199.6	84.16	1.40
MH/SA	4,907.4	47.73	19.52	0.99	-	-	0.12	0.03	-	5,163.8	48.01	20.66
Emergency Room	661.7	77.26	4.26	0.22	-	-	0.10	0.01	-	697.4	78.98	4.59
Office/Home Visits/Consults	3,212.1	75.17	20.12	1.02	-	(0.04)	2.72	0.03	-	3,373.4	84.84	23.85
Pathology/Lab	3,728.2	13.84	4.30	0.22	-	(0.02)	0.34	0.01	-	3,910.3	14.88	4.85
Radiology	687.9	29.66	1.70	0.09	-	-	0.05	-	-	724.3	30.48	1.84
Office Administered Drugs	22,070.0	1.00	1.84	0.09	-	-	-	-	-	23,149.5	1.00	1.93
Physical Exams	726.6	57.80	3.50	0.18	-	(0.04)	0.50	0.10	0.09	776.5	66.92	4.33
Therapy	484.1	21.56	0.87	0.04	-	-	0.05	-	-	506.4	22.75	0.96
Vision	1,511.9	27.14	3.42	0.17	-	-	0.53	-	-	1,587.0	31.15	4.12
Other Professional	2,158.7	20.96	3.77	0.19	-	(0.01)	0.01	-	-	2,261.8	21.01	3.96
Subtotal Professional			**$ 67.70**									**$ 75.89**
Total Medical Costs			**$ 150.00**									**$ 166.76**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2020 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: TANF - Age 19 - 44, Male SFY 2020 Member Months: 273,000 Category of Service	SFY 2018 Adjusted Base Experience			Trend Adjustments		Reimbursement Adjustments		Program and Policy Adjustments		SFY 2020 Projected Benefit Expense		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital												
Inpatient Medical/Surgical/Non-Delivery	232.0	$ 2,297.71	$ 44.42	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.12	$ 0.00	232.6	$ 2,297.71	$ 44.54
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	67.1	742.55	4.15	-	-	-	(0.02)	0.98	(0.02)	82.9	736.76	5.09
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 48.57**									**$ 49.63**
Outpatient Hospital												
Surgery	107.5	$ 1,356.83	$ 12.16	$ 0.24	$ 0.00	$ 0.00	$ 0.00	$ 0.04	$ 0.00	110.0	$ 1,356.83	$ 12.44
Non-Surg - Emergency Room	695.6	283.97	16.46	0.33	-	-	-	0.05	-	711.6	283.97	16.84
Non-Surg - Other	97.4	134.30	1.09	0.02	-	-	-	-	-	99.2	134.30	1.11
Observation Room	6.7	1,094.12	0.61	0.01	-	-	-	-	-	6.8	1,094.12	0.62
Treatment/Therapy/Testing	312.0	358.50	9.32	0.19	-	-	-	0.02	-	319.0	358.50	9.53
Other Outpatient	33.2	198.98	0.55	0.01	-	-	-	-	-	33.8	198.98	0.56
Subtotal Outpatient Hospital			**$ 40.19**									**$ 41.10**
Retail Pharmacy												
Prescription Drugs	6,900.8	$ 79.94	$ 45.97	$ 0.00	$ 5.68	$ 0.00	$ 0.00	$ 0.33	$ 0.31	6,950.3	$ 90.28	$ 52.29
Subtotal Retail Pharmacy			**$ 45.97**									**$ 52.29**
Ancillary												
Transportation	210.0	$ 101.13	$ 1.77	$ 0.07	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	218.3	$ 101.13	$ 1.84
DME/Prosthetics	1,944.6	16.78	2.72	0.11	-	-	0.17	0.06	0.21	2,066.2	18.99	3.27
Dental	-	-	-	-	-	-	-	-	-	-	-	-
Other Ancillary	132.4	58.93	0.65	0.03	-	-	-	-	-	138.5	58.93	0.68
Subtotal Ancillary			**$ 5.14**									**$ 5.79**
Professional												
Inpatient and Outpatient Surgery	431.2	$ 150.27	$ 5.40	$ 0.22	$ 0.00	$ 0.00	$ (0.14)	$ 0.01	$ 0.00	449.6	$ 146.53	$ 5.49
Anesthesia	139.1	104.39	1.21	0.05	-	-	(0.02)	-	-	144.8	102.73	1.24
Inpatient Visits	412.2	75.98	2.61	0.11	-	-	0.31	0.01	-	431.2	84.61	3.04
MH/SA	1,116.3	60.20	5.60	0.23	-	-	0.05	0.98	0.76	1,357.5	67.36	7.62
Emergency Room	773.8	83.12	5.36	0.22	-	-	0.11	0.02	-	808.5	84.75	5.71
Office/Home Visits/Consults	2,224.1	75.75	14.04	0.57	-	(0.05)	1.93	0.05	-	2,314.4	85.76	16.54
Pathology/Lab	2,335.1	15.62	3.04	0.12	-	(0.01)	0.04	0.01	-	2,427.3	15.82	3.20
Radiology	1,100.1	29.34	2.69	0.11	-	-	0.02	-	-	1,145.1	29.55	2.82
Office Administered Drugs	8,158.6	9.05	6.15	0.25	-	-	0.06	0.02	-	8,516.8	9.13	6.48
Physical Exams	119.1	46.36	0.46	0.02	-	(0.01)	0.06	0.01	0.01	124.2	53.12	0.55
Therapy	414.9	22.27	0.77	0.03	-	-	0.04	-	-	431.1	23.38	0.84
Vision	167.9	37.17	0.52	0.02	-	-	0.04	-	-	174.3	39.92	0.58
Other Professional	845.1	27.40	1.93	0.08	-	-	0.12	-	-	880.2	29.04	2.13
Subtotal Professional			**$ 49.78**									**$ 56.24**
Total Medical Costs			**$ 189.65**									**$ 205.05**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2020 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: TANF - Age 19 - 44, Female SFY 2020 Member Months: 1,382,364 Category of Service	SFY 2018 Adjusted Base Experience			Trend Adjustments		Reimbursement Adjustments		Program and Policy Adjustments		SFY 2020 Projected Benefit Expense		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital												
Inpatient Medical/Surgical/Non-Delivery	204.1	$ 2,287.43	$ 38.90	$ (0.00)	$ 0.00	$ 0.00	$ 0.00	$ 0.11	$ 0.00	204.6	$ 2,287.43	$ 39.01
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	57.1	710.05	3.38	(0.00)	-	-	-	0.70	0.01	69.0	711.79	4.09
Other Inpatient	3.0	364.54	0.09	(0.00)	-	-	-	-	-	3.0	364.54	0.09
Subtotal Inpatient Hospital			**$ 42.37**									**$ 43.19**
Outpatient Hospital												
Surgery	215.9	$ 1,179.53	$ 21.22	$ 0.43	$ 0.00	$ 0.00	$ 0.00	$ 0.06	$ 0.00	220.9	$ 1,179.53	$ 21.71
Non-Surg - Emergency Room	1,202.6	296.86	29.75	0.60	-	-	-	0.08	-	1,230.1	296.86	30.43
Non-Surg - Other	338.6	153.46	4.33	0.09	-	-	-	0.01	-	346.4	153.46	4.43
Observation Room	29.4	383.85	0.94	0.02	-	-	-	-	-	30.0	383.85	0.96
Treatment/Therapy/Testing	747.6	248.31	15.47	0.31	-	-	-	0.43	(0.26)	783.4	244.33	15.95
Other Outpatient	87.9	152.95	1.12	0.02	-	-	-	0.01	-	90.2	152.95	1.15
Subtotal Outpatient Hospital			**$ 72.83**									**$ 74.63**
Retail Pharmacy												
Prescription Drugs	11,256.7	$ 60.34	$ 56.60	$ (0.00)	$ 7.00	$ 0.00	$ 0.00	$ 0.36	$ 0.41	11,328.3	$ 68.19	$ 64.37
Subtotal Retail Pharmacy			**$ 56.60**									**$ 64.37**
Ancillary												
Transportation	285.8	$ 89.86	$ 2.14	$ 0.09	$ 0.00	$ 0.00	$ (0.01)	$ 0.01	$ 0.00	299.1	$ 89.46	$ 2.23
DME/Prosthetics	1,799.5	11.67	1.75	0.07	-	-	0.10	0.05	0.25	1,922.9	13.85	2.22
Dental	-	-	-	-	-	-	-	-	-	-	-	-
Other Ancillary	166.7	95.02	1.32	0.05	-	-	-	0.01	-	174.3	95.02	1.38
Subtotal Ancillary			**$ 5.21**									**$ 5.83**
Professional												
Inpatient and Outpatient Surgery	522.3	$ 175.32	$ 7.63	$ 0.31	$ 0.00	$ (0.01)	$ 0.01	$ 0.02	$ 0.00	544.2	$ 175.54	$ 7.96
Anesthesia	219.8	107.54	1.97	0.08	-	-	(0.05)	0.01	-	229.9	104.93	2.01
Inpatient Visits	394.2	76.10	2.50	0.10	-	-	0.30	0.01	-	411.5	84.85	2.91
MH/SA	2,089.5	63.81	11.11	0.45	-	-	0.10	0.84	0.54	2,332.1	67.10	13.04
Emergency Room	1,298.8	83.71	9.06	0.37	-	-	0.21	0.02	-	1,354.7	85.57	9.66
Office/Home Visits/Consults	4,031.8	75.06	25.22	1.02	-	(0.10)	3.48	0.08	-	4,191.6	85.03	29.70
Pathology/Lab	7,604.1	15.73	9.97	0.40	-	(0.03)	0.52	0.03	0.19	7,909.2	16.81	11.08
Radiology	1,599.8	37.06	4.94	0.20	-	-	0.23	0.01	-	1,667.8	38.71	5.38
Office Administered Drugs	27,419.1	2.11	4.83	0.20	-	(0.01)	0.14	0.02	-	28,611.2	2.17	5.18
Physical Exams	353.8	55.97	1.65	0.07	-	(0.02)	0.20	0.01	-	366.6	62.52	1.91
Therapy	410.7	22.79	0.78	0.03	-	-	0.04	0.01	-	431.8	23.90	0.86
Vision	184.7	42.23	0.65	0.03	-	-	0.03	-	-	193.2	44.09	0.71
Other Professional	2,029.5	35.24	5.96	0.24	-	(0.01)	0.30	0.02	-	2,114.6	36.94	6.51
Subtotal Professional			**$ 86.27**									**$ 96.91**
Total Medical Costs			**$ 263.28**									**$ 284.93**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2020 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: TANF - Age 45+, Male & Female SFY 2020 Member Months: 234,168 Category of Service	SFY 2018 Adjusted Base Experience			Trend Adjustments		Reimbursement Adjustments		Program and Policy Adjustments		SFY 2020 Projected Benefit Expense		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital												
Inpatient Medical/Surgical/Non-Delivery	484.3	$ 2,497.23	$ 100.78	$ (0.00)	$ 0.00	$ 0.00	$ 0.00	$ 0.28	$ 0.00	485.6	$ 2,497.23	$ 101.06
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	52.3	747.59	3.26	(0.00)	-	-	-	0.79	-	65.0	747.59	4.05
Other Inpatient	28.2	281.19	0.66	(0.00)	-	-	-	-	-	28.2	281.19	0.66
Subtotal Inpatient Hospital			**$ 104.70**									**$ 105.77**
Outpatient Hospital												
Surgery	217.6	$ 1,683.49	$ 30.53	$ 0.61	$ 0.00	$ 0.00	$ 0.00	$ 0.09	$ 0.00	222.6	$ 1,683.49	$ 31.23
Non-Surg - Emergency Room	797.8	323.22	21.49	0.43	-	-	-	0.06	-	816.0	323.22	21.98
Non-Surg - Other	328.6	139.88	3.83	0.08	-	-	-	0.01	-	336.3	139.88	3.92
Observation Room	15.8	722.78	0.95	0.02	-	-	-	-	-	16.1	722.78	0.97
Treatment/Therapy/Testing	1,087.0	388.05	35.15	0.71	-	-	-	0.53	(0.35)	1,125.3	384.32	36.04
Other Outpatient	214.9	167.53	3.00	0.06	-	-	-	0.01	-	219.9	167.53	3.07
Subtotal Outpatient Hospital			**$ 94.95**									**$ 97.21**
Retail Pharmacy												
Prescription Drugs	22,595.4	$ 70.12	$ 132.04	$ (0.00)	$ 16.32	$ 0.00	$ 0.00	$ 0.61	$ 0.42	22,699.8	$ 78.97	$ 149.39
Subtotal Retail Pharmacy			**$ 132.04**									**$ 149.39**
Ancillary												
Transportation	279.1	$ 98.03	$ 2.28	$ 0.09	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	290.1	$ 98.03	$ 2.37
DME/Prosthetics	4,974.6	15.05	6.24	0.25	-	-	0.11	0.06	0.17	5,221.7	15.70	6.83
Dental	-	-	-	-	-	-	-	-	-	-	-	-
Other Ancillary	397.1	75.85	2.51	0.10	-	-	-	0.01	-	414.5	75.85	2.62
Subtotal Ancillary			**$ 11.03**									**$ 11.82**
Professional												
Inpatient and Outpatient Surgery	1,116.4	$ 172.19	$ 16.02	$ 0.65	$ 0.00	$ (0.01)	$ (0.35)	$ 0.05	$ 0.00	1,164.5	$ 168.58	$ 16.36
Anesthesia	415.5	104.84	3.63	0.15	-	-	(0.07)	0.01	-	433.8	102.90	3.72
Inpatient Visits	808.2	77.80	5.24	0.21	-	-	0.56	0.01	-	842.1	85.78	6.02
MH/SA	2,306.3	52.24	10.04	0.41	-	-	0.15	0.60	0.59	2,538.3	55.74	11.79
Emergency Room	919.0	90.10	6.90	0.28	-	-	0.22	0.02	-	959.0	92.85	7.42
Office/Home Visits/Consults	5,853.9	77.18	37.65	1.52	-	(0.14)	4.78	0.12	-	6,087.1	86.60	43.93
Pathology/Lab	7,331.0	14.13	8.63	0.35	-	(0.04)	0.08	0.02	0.14	7,611.3	14.47	9.18
Radiology	2,561.6	36.82	7.86	0.32	-	-	0.16	0.02	-	2,672.4	37.54	8.36
Office Administered Drugs	20,401.4	6.38	10.85	0.44	-	(0.01)	0.16	0.03	-	21,266.3	6.47	11.47
Physical Exams	371.3	53.01	1.64	0.07	-	(0.02)	0.20	0.01	-	384.8	59.25	1.90
Therapy	1,111.6	22.45	2.08	0.08	-	-	0.08	0.01	-	1,159.7	23.28	2.25
Vision	294.2	49.76	1.22	0.05	-	-	0.02	0.01	-	308.7	50.54	1.30
Other Professional	2,915.1	29.47	7.16	0.29	-	(0.01)	0.17	0.02	-	3,037.2	30.15	7.63
Subtotal Professional			**$ 118.92**									**$ 131.33**
Total Medical Costs			**$ 461.64**									**$ 495.52**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2020 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: SSI - Children SFY 2020 Member Months: 139,932 Category of Service	SFY 2018 Adjusted Base Experience			Trend Adjustments		Reimbursement Adjustments		Program and Policy Adjustments		SFY 2020 Projected Benefit Expense		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital												
Inpatient Medical/Surgical/Non-Delivery	352.2	$ 2,052.71	$ 60.24	$ 1.21	$ 0.00	$ 0.00	$ 0.00	$ 0.17	$ 0.00	360.2	$ 2,052.71	$ 61.62
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	983.7	332.06	27.22	0.55	-	-	(0.29)	4.25	2.46	1,157.1	354.57	34.19
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 87.46**									**$ 95.81**
Outpatient Hospital												
Surgery	116.2	$ 1,930.42	$ 18.70	$ 0.76	$ 0.00	$ 0.00	$ 0.00	$ 0.05	$ 0.00	121.3	$ 1,930.42	$ 19.51
Non-Surg - Emergency Room	652.5	281.22	15.29	0.62	-	-	-	0.04	-	680.6	281.22	15.95
Non-Surg - Other	723.7	147.57	8.90	0.36	-	-	-	0.02	-	754.6	147.57	9.28
Observation Room	15.1	1,069.80	1.35	0.05	-	-	-	0.01	-	15.8	1,069.80	1.41
Treatment/Therapy/Testing	820.3	360.15	24.62	0.99	-	-	-	0.07	-	855.6	360.15	25.68
Other Outpatient	48.0	205.11	0.82	0.03	-	-	-	0.01	-	50.3	205.11	0.86
Subtotal Outpatient Hospital			**$ 69.68**									**$ 72.69**
Retail Pharmacy												
Prescription Drugs	15,987.6	$ 131.48	$ 175.17	$ (0.00)	$ 17.95	$ 0.00	$ 0.00	$ 0.53	$ 0.00	16,035.9	$ 144.91	$ 193.65
Subtotal Retail Pharmacy			**$ 175.17**									**$ 193.65**
Ancillary												
Transportation	211.4	$ 106.70	$ 1.88	$ 0.11	$ 0.00	$ 0.00	$ 0.00	$ 0.01	$ 0.00	224.9	$ 106.70	$ 2.00
DME/Prosthetics	43,172.6	4.64	16.68	1.02	-	-	2.61	0.07	0.20	45,993.8	5.37	20.58
Dental	63.7	143.19	0.76	0.05	-	(0.01)	(0.07)	-	-	67.0	130.66	0.73
Other Ancillary	492.6	39.47	1.62	0.10	-	-	-	-	-	523.0	39.47	1.72
Subtotal Ancillary			**$ 20.94**									**$ 25.03**
Professional												
Inpatient and Outpatient Surgery	337.6	$ 165.99	$ 4.67	$ 0.28	$ 0.00	$ 0.00	$ 0.07	$ 0.01	$ 0.00	358.6	$ 168.33	$ 5.03
Anesthesia	227.6	114.96	2.18	0.13	-	-	(0.04)	0.01	-	242.2	112.98	2.28
Inpatient Visits	714.7	105.78	6.30	0.38	-	-	0.53	0.02	-	760.1	114.14	7.23
MH/SA	32,676.7	23.03	62.70	3.82	-	-	0.21	7.80	(0.65)	38,732.5	22.89	73.88
Emergency Room	755.4	76.89	4.84	0.29	-	-	0.17	0.01	-	802.2	79.43	5.31
Office/Home Visits/Consults	4,713.5	83.91	32.96	2.01	-	(0.02)	3.59	0.10	-	5,012.3	92.51	38.64
Pathology/Lab	2,204.6	17.96	3.30	0.20	-	(0.01)	(0.21)	0.01	-	2,338.2	16.88	3.29
Radiology	860.2	23.16	1.66	0.10	-	-	0.08	-	-	912.0	24.21	1.84
Office Administered Drugs	5,763.5	26.23	12.60	0.77	-	(0.01)	(0.04)	0.04	-	6,129.4	26.16	13.36
Physical Exams	1,008.5	55.09	4.63	0.28	-	(0.05)	0.59	0.25	0.20	1,113.0	63.61	5.90
Therapy	15,652.6	22.09	28.82	1.76	-	-	1.74	0.09	-	16,657.3	23.35	32.41
Vision	1,231.8	29.32	3.01	0.18	-	-	0.39	0.01	-	1,309.6	32.90	3.59
Other Professional	3,981.9	22.81	7.57	0.46	-	(0.01)	0.17	0.03	-	4,234.4	23.30	8.22
Subtotal Professional			**$ 175.24**									**$ 200.98**
Total Medical Costs			**$ 528.49**									**$ 588.16**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2020 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: SSI - Adults SFY 2020 Member Months: 605,052 Category of Service	SFY 2018 Adjusted Base Experience			Trend Adjustments		Reimbursement Adjustments		Program and Policy Adjustments		SFY 2020 Projected Benefit Expense		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital												
Inpatient Medical/Surgical/Non-Delivery	1,807.5	$ 2,072.08	$ 312.11	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.86	$ 0.00	1,812.5	$ 2,072.08	$ 312.97
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	419.2	598.81	20.92	-	-	-	(0.06)	3.42	0.28	487.8	604.22	24.56
Other Inpatient	279.0	283.91	6.60	-	-	-	-	0.02	-	279.8	283.91	6.62
Subtotal Inpatient Hospital			**$ 339.63**									**$ 344.15**
Outpatient Hospital												
Surgery	306.0	$ 1,621.33	$ 41.34	$ 2.52	$ 0.00	$ 0.00	$ 0.00	$ 0.12	$ 0.00	325.5	$ 1,621.33	$ 43.98
Non-Surg - Emergency Room	1,594.9	358.82	47.69	2.90	-	-	-	0.14	-	1,696.6	358.82	50.73
Non-Surg - Other	694.5	158.62	9.18	0.56	-	-	-	0.03	-	739.1	158.62	9.77
Observation Room	48.1	526.19	2.11	0.13	-	-	-	-	-	51.1	526.19	2.24
Treatment/Therapy/Testing	1,444.4	597.41	71.91	4.38	-	-	-	0.66	(0.39)	1,545.7	594.38	76.56
Other Outpatient	206.6	250.40	4.31	0.26	-	-	-	0.02	-	220.0	250.40	4.59
Subtotal Outpatient Hospital			**$ 176.54**									**$ 187.87**
Retail Pharmacy												
Prescription Drugs	32,687.5	$ 112.33	$ 305.97	$ 0.00	$ 44.34	$ 0.00	$ 0.00	$ 1.28	$ 0.35	32,824.2	$ 128.66	$ 351.94
Subtotal Retail Pharmacy			**$ 305.97**									**$ 351.94**
Ancillary												
Transportation	1,377.4	$ 88.43	$ 10.15	$ 0.62	$ 0.00	$ 0.00	$ (0.02)	$ 0.02	$ 0.00	1,464.2	$ 88.27	$ 10.77
DME/Prosthetics	29,795.4	7.95	19.73	1.20	-	-	2.00	0.10	0.31	31,758.6	8.82	23.34
Dental	-	-	-	-	-	-	-	-	-	-	-	-
Other Ancillary	1,738.2	68.35	9.90	0.60	-	-	0.01	0.03	-	1,848.8	68.41	10.54
Subtotal Ancillary			**$ 39.78**									**$ 44.65**
Professional												
Inpatient and Outpatient Surgery	1,417.9	$ 168.76	$ 19.94	$ 1.21	$ 0.00	$ (0.01)	$ (0.56)	$ 0.06	$ 0.00	1,507.5	$ 164.30	$ 20.64
Anesthesia	552.5	105.11	4.84	0.29	-	-	(0.03)	0.01	-	586.8	104.50	5.11
Inpatient Visits	3,306.0	75.61	20.83	1.27	-	-	2.20	0.07	-	3,518.6	83.11	24.37
MH/SA	12,201.7	21.81	22.18	1.35	-	-	0.21	0.51	1.79	13,224.9	23.63	26.04
Emergency Room	1,996.8	93.09	15.49	0.94	-	-	0.44	0.05	-	2,124.4	95.57	16.92
Office/Home Visits/Consults	6,920.5	85.12	49.09	2.99	-	(0.26)	4.66	0.15	-	7,326.5	92.75	56.63
Pathology/Lab	8,956.1	14.18	10.58	0.64	-	(0.06)	0.13	0.03	0.09	9,472.4	14.45	11.41
Radiology	3,952.5	38.19	12.58	0.77	-	(0.01)	0.13	0.04	-	4,203.8	38.56	13.51
Office Administered Drugs	60,485.5	7.57	38.17	2.32	-	(0.01)	1.66	0.12	-	64,336.2	7.88	42.26
Physical Exams	441.3	43.23	1.59	0.10	-	(0.04)	0.17	0.01	-	460.8	47.66	1.83
Therapy	794.9	22.79	1.51	0.09	-	-	0.05	-	-	842.3	23.51	1.65
Vision	321.7	50.36	1.35	0.08	-	-	0.01	0.01	-	343.2	50.71	1.45
Other Professional	3,884.9	53.50	17.32	1.05	-	(0.02)	0.14	0.05	-	4,127.1	53.91	18.54
Subtotal Professional			**$ 215.47**									**$ 240.36**
Total Medical Costs			**$ 1,077.39**									**$ 1,168.97**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2020 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: OCWI SFY 2020 Member Months: 163,464 Category of Service	SFY 2018 Adjusted Base Experience			Trend Adjustments		Reimbursement Adjustments		Program and Policy Adjustments		SFY 2020 Projected Benefit Expense		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital												
Inpatient Medical/Surgical/Non-Delivery	247.5	$ 1,373.75	$ 28.33	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.08	$ 0.00	248.2	$ 1,373.75	$ 28.41
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	17.4	758.78	1.10	-	-	-	-	0.34	(0.01)	22.8	753.51	1.43
Other Inpatient	1.8	201.88	0.03	-	-	-	-	-	-	1.8	201.88	0.03
Subtotal Inpatient Hospital			**$ 29.46**									**$ 29.87**
Outpatient Hospital												
Surgery	703.4	$ 443.57	$ 26.00	$ 1.05	$ 0.00	$ 0.00	$ 0.00	$ 0.07	$ 0.00	733.7	$ 443.57	$ 27.12
Non-Surg - Emergency Room	953.4	353.20	28.06	1.13	-	-	-	0.08	-	994.5	353.20	29.27
Non-Surg - Other	1,111.3	142.86	13.23	0.53	-	-	-	0.04	-	1,159.1	142.86	13.80
Observation Room	197.2	265.37	4.36	0.18	-	-	-	0.01	-	205.7	265.37	4.55
Treatment/Therapy/Testing	1,664.5	128.98	17.89	0.72	-	-	-	0.37	(0.12)	1,765.9	128.16	18.86
Other Outpatient	84.1	102.75	0.72	0.03	-	-	-	-	-	87.6	102.75	0.75
Subtotal Outpatient Hospital			**$ 90.26**									**$ 94.35**
Retail Pharmacy												
Prescription Drugs	10,336.6	$ 48.39	$ 41.68	$ 0.00	$ 1.52	$ 0.00	$ 0.00	$ 0.19	$ 0.06	10,383.7	$ 50.21	$ 43.45
Subtotal Retail Pharmacy			**$ 41.68**									**$ 43.45**
Ancillary												
Transportation	339.5	$ 94.39	$ 2.67	$ 0.11	$ 0.00	$ 0.00	$ (0.01)	$ 0.01	$ 0.00	354.7	$ 94.05	$ 2.78
DME/Prosthetics	950.9	18.93	1.50	0.06	-	-	0.06	0.10	0.34	1,052.3	23.49	2.06
Dental	-	-	-	-	-	-	-	-	-	-	-	-
Other Ancillary	370.0	128.44	3.96	0.16	-	-	0.20	0.02	-	386.8	134.65	4.34
Subtotal Ancillary			**$ 8.13**									**$ 9.18**
Professional												
Inpatient and Outpatient Surgery	356.0	$ 145.62	$ 4.32	$ 0.17	$ 0.00	$ 0.00	$ 0.21	$ 0.01	$ 0.00	370.8	$ 152.42	$ 4.71
Anesthesia	148.4	104.31	1.29	0.05	-	-	(0.04)	-	-	154.2	101.20	1.30
Inpatient Visits	880.3	66.11	4.85	0.20	-	-	0.36	0.02	-	920.2	70.81	5.43
MH/SA	1,362.4	87.91	9.98	0.40	-	-	0.06	0.83	0.18	1,530.3	89.79	11.45
Emergency Room	1,285.3	81.04	8.68	0.35	-	-	0.38	0.03	-	1,341.5	84.44	9.44
Office/Home Visits/Consults	2,561.5	69.71	14.88	0.60	-	(0.04)	2.00	0.04	-	2,664.7	78.72	17.48
Pathology/Lab	14,568.2	13.29	16.14	0.65	-	(0.02)	1.03	0.05	0.30	15,182.0	14.35	18.15
Radiology	1,487.0	53.74	6.66	0.27	-	-	0.52	0.02	-	1,551.8	57.77	7.47
Office Administered Drugs	15,358.0	1.97	2.52	0.10	-	-	(0.05)	0.01	-	16,028.4	1.93	2.58
Physical Exams	823.4	23.61	1.62	0.07	-	(0.01)	0.07	0.01	-	858.9	24.59	1.76
Therapy	142.3	23.61	0.28	0.01	-	-	0.03	-	-	147.4	26.05	0.32
Vision	202.7	34.93	0.59	0.02	-	-	0.05	-	-	209.6	37.79	0.66
Other Professional	2,911.0	81.09	19.67	0.79	-	(0.02)	2.02	0.06	-	3,033.8	89.08	22.52
Subtotal Professional			**$ 91.48**									**$ 103.27**
Total Medical Costs			**$ 261.01**									**$ 280.12**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2020 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: DUAL SFY 2020 Member Months: 1,260 Category of Service	SFY 2018 Adjusted Base Experience			Trend Adjustments		Reimbursement Adjustments		Program and Policy Adjustments		SFY 2020 Projected Benefit Expense		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital												
Inpatient Medical/Surgical/Non-Delivery	676.0	$ 275.34	$ 15.51	$ 0.16	$ 0.00	$ 0.00	$ 0.00	$ 0.04	$ 0.00	684.7	$ 275.34	$ 15.71
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	54.2	186.07	0.84	0.01	-	-	-	-	-	54.8	186.07	0.85
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 16.35**									**$ 16.56**
Outpatient Hospital												
Surgery	93.8	$ 216.12	$ 1.69	$ 0.12	$ 0.00	$ 0.00	$ 0.00	$ 0.01	$ 0.00	101.1	$ 216.12	$ 1.82
Non-Surg - Emergency Room	504.8	66.09	2.78	0.20	-	-	-	0.01	-	542.9	66.09	2.99
Non-Surg - Other	350.8	24.63	0.72	0.05	-	-	-	-	-	375.2	24.63	0.77
Observation Room	24.2	49.63	0.10	0.01	-	-	-	-	-	26.6	49.63	0.11
Treatment/Therapy/Testing	508.4	72.47	3.07	0.22	-	-	-	0.01	-	546.5	72.47	3.30
Other Outpatient	39.4	57.89	0.19	0.01	-	-	-	-	-	41.5	57.89	0.20
Subtotal Outpatient Hospital			**$ 8.55**									**$ 9.19**
Retail Pharmacy												
Prescription Drugs	379.9	$ 38.54	$ 1.22	$ (0.00)	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	379.9	$ 38.54	$ 1.22
Subtotal Retail Pharmacy			**$ 1.22**									**$ 1.22**
Ancillary												
Transportation	32.8	$ 32.92	$ 0.09	$ 0.01	$ 0.00	$ 0.00	$ 0.01	$ 0.00	$ 0.00	36.5	$ 36.21	$ 0.11
DME/Prosthetics	14,039.8	3.39	3.97	0.28	-	-	0.47	0.02	0.10	15,100.7	3.85	4.84
Dental	-	-	-	-	-	-	-	-	-	-	-	-
Other Ancillary	684.0	32.46	1.85	0.13	-	-	0.22	0.01	-	735.8	36.04	2.21
Subtotal Ancillary			**$ 5.91**									**$ 7.16**
Professional												
Inpatient and Outpatient Surgery	486.8	$ 25.64	$ 1.04	$ 0.07	$ 0.00	$ 0.00	$ 0.13	$ 0.00	$ 0.00	519.5	$ 28.64	$ 1.24
Anesthesia	130.9	18.34	0.20	0.01	-	-	0.03	-	-	137.4	20.96	0.24
Inpatient Visits	887.0	20.16	1.49	0.11	-	-	0.17	0.01	-	958.5	22.29	1.78
MH/SA	12,283.6	13.41	13.73	0.98	-	-	1.62	0.15	0.34	13,294.5	15.18	16.82
Emergency Room	188.7	34.98	0.55	0.04	-	-	0.06	0.01	-	205.8	38.48	0.66
Office/Home Visits/Consults	2,996.8	35.44	8.85	0.63	-	-	1.04	0.03	-	3,220.3	39.31	10.55
Pathology/Lab	660.7	6.36	0.35	0.02	-	-	0.05	-	-	698.4	7.22	0.42
Radiology	781.3	14.13	0.92	0.07	-	-	0.10	0.01	-	849.2	15.54	1.10
Office Administered Drugs	28,455.0	2.47	5.86	0.42	-	-	0.69	0.02	-	30,591.5	2.74	6.99
Physical Exams	42.9	25.15	0.09	0.01	-	-	0.01	-	-	47.7	27.66	0.11
Therapy	166.4	3.61	0.05	-	-	-	0.01	-	-	166.4	4.33	0.06
Vision	91.3	27.59	0.21	0.01	-	-	0.03	-	-	95.7	31.36	0.25
Other Professional	1,607.1	6.94	0.93	0.07	-	-	0.11	-	-	1,728.0	7.71	1.11
Subtotal Professional			**$ 34.27**									**$ 41.33**
Total Medical Costs			**$ 66.30**									**$ 75.46**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2020 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: Foster Care Children SFY 2020 Member Months: 58,740 Category of Service	SFY 2018 Adjusted Base Experience			Trend Adjustments		Reimbursement Adjustments		Program and Policy Adjustments		SFY 2020 Projected Benefit Expense		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital												
Inpatient Medical/Surgical/Non-Delivery	95.4	$ 1,628.37	$ 12.94	$ (0.00)	$ 0.00	$ 0.00	$ 0.00	$ (1.36)	$ 0.00	85.3	$ 1,628.37	$ 11.58
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	5,717.8	311.39	148.37	(0.00)	-	-	2.46	(0.63)	9.70	5,693.5	337.01	159.90
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 161.31**									**$ 171.48**
Outpatient Hospital												
Surgery	90.6	$ 1,457.15	$ 11.00	$ 0.44	$ 0.00	$ 0.00	$ 0.00	$ (1.20)	$ 0.00	84.3	$ 1,457.15	$ 10.24
Non-Surg - Emergency Room	552.3	307.86	14.17	0.57	-	-	-	(1.54)	-	514.5	307.86	13.20
Non-Surg - Other	599.0	138.83	6.93	0.28	-	-	-	(0.76)	-	557.5	138.83	6.45
Observation Room	5.4	874.49	0.39	0.02	-	-	-	(0.05)	-	4.9	874.49	0.36
Treatment/Therapy/Testing	453.0	214.58	8.10	0.33	-	-	-	(0.89)	-	421.7	214.58	7.54
Other Outpatient	40.4	133.73	0.45	0.02	-	-	-	(0.05)	-	37.7	133.73	0.42
Subtotal Outpatient Hospital			**$ 41.04**									**$ 38.21**
Retail Pharmacy												
Prescription Drugs	14,741.8	$ 55.47	$ 68.15	$ (0.00)	$ 4.15	$ 0.00	$ 0.00	$ (7.58)	$ 0.00	13,102.1	$ 59.28	$ 64.72
Subtotal Retail Pharmacy			**$ 68.15**									**$ 64.72**
Ancillary												
Transportation	216.1	$ 88.31	$ 1.59	$ 0.08	$ 0.00	$ 0.00	$ 0.00	$ (0.17)	$ 0.00	203.8	$ 88.31	$ 1.50
DME/Prosthetics	11,197.3	3.79	3.54	0.18	-	-	0.47	(0.43)	0.35	10,406.5	4.74	4.11
Dental	106.8	86.51	0.77	0.04	-	(0.01)	(0.09)	(0.07)	-	101.3	75.85	0.64
Other Ancillary	440.9	46.27	1.70	0.09	-	-	-	(0.19)	-	414.9	46.27	1.60
Subtotal Ancillary			**$ 7.60**									**$ 7.85**
Professional												
Inpatient and Outpatient Surgery	336.5	$ 139.80	$ 3.92	$ 0.20	$ 0.00	$ 0.00	$ (0.07)	$ (0.43)	$ 0.00	316.7	$ 137.15	$ 3.62
Anesthesia	141.2	93.51	1.10	0.06	-	-	(0.06)	(0.12)	-	133.5	88.12	0.98
Inpatient Visits	663.9	70.31	3.89	0.20	-	-	0.74	(0.50)	-	612.7	84.81	4.33
MH/SA	511,837.5	9.43	402.41	20.37	-	-	0.84	(44.52)	0.28	481,120.4	9.46	379.38
Emergency Room	647.7	75.04	4.05	0.21	-	-	0.16	(0.46)	-	607.7	78.20	3.96
Office/Home Visits/Consults	5,189.8	82.52	35.69	1.81	-	0.17	5.50	(4.52)	-	4,820.5	96.21	38.65
Pathology/Lab	2,976.0	16.13	4.00	0.20	-	-	(0.31)	(0.41)	-	2,819.7	14.81	3.48
Radiology	612.7	20.96	1.07	0.05	-	-	0.05	(0.12)	-	572.6	22.01	1.05
Office Administered Drugs	7,312.5	1.81	1.10	0.06	-	-	(0.05)	(0.12)	-	6,913.7	1.72	0.99
Physical Exams	2,347.9	45.49	8.90	0.45	-	-	1.71	(0.96)	0.22	2,213.4	55.95	10.32
Therapy	11,654.4	21.68	21.06	1.07	-	-	2.48	(2.58)	-	10,818.8	24.44	22.03
Vision	1,470.0	35.92	4.40	0.22	-	-	1.02	(0.59)	-	1,346.4	45.01	5.05
Other Professional	2,114.0	24.01	4.23	0.21	-	-	0.01	(0.47)	-	1,984.0	24.07	3.98
Subtotal Professional			**$ 495.82**									**$ 477.82**
Total Medical Costs			**$ 773.92**									**$ 760.08**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2020 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: KICK SFY 2020 Deliveries: 26,556 Category of Service	SFY 2018 Adjusted Base Experience			Trend Adjustments		Reimbursement Adjustments		Program and Policy Adjustments		SFY 2020 Projected Benefit Expense		
	Utilization per 1,000	Cost per Service	Cost per Delivery	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	Cost per Delivery
Inpatient Hospital												
Inpatient Maternity Delivery	2,490.0	$ 1,708.58	$ 4,254.43	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 11.66	$ 0.00	2,496.9	$ 1,708.58	$ 4,266.09
Subtotal Inpatient Hospital			**$ 4,254.43**									**$ 4,266.09**
Outpatient Hospital												
Outpatient Hospital - Maternity	62.6	$ 400.95	$ 25.08	$ 0.50	$ 0.00	$ 0.00	$ 0.00	$ 0.07	$ 0.00	64.0	$ 400.95	$ 25.65
Subtotal Outpatient Hospital			**$ 25.08**									**$ 25.65**
Professional												
Maternity Delivery	933.5	$ 1,041.89	$ 972.61	$ 19.55	$ 0.00	$ (0.68)	$ (30.07)	$ 2.63	$ 0.00	954.1	$ 1,010.38	$ 964.04
Maternity Anesthesia	1,158.0	293.73	340.13	6.84	-	-	(5.16)	0.93	-	1,184.4	289.37	342.74
Maternity Office Visits	8,340.8	58.18	485.23	9.75	-	(1.21)	86.18	1.59	-	8,514.9	68.30	581.54
Maternity Radiology	4,104.9	71.64	294.08	5.91	-	(0.01)	16.25	0.87	-	4,199.4	75.51	317.10
Maternity Non-Delivery	2.5	79.76	0.20	(0.00)	-	-	(0.01)	-	-	2.5	75.77	0.19
Subtotal Professional			**$ 2,092.25**									**$ 2,205.61**
Total Medical Costs			**$ 6,371.76**									**$ 6,497.35**

Appendix 8: Supplemental Teaching Payment Development – Unadjusted STP

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2020 Supplemental Teaching Payment Development
Unadjusted STP Pass-through

Rate Cell Description	Rate Cell Code	[A] SFY 2018 Member Months	[B] STP Claims Paid Amount	[C] Estimated TPL	[D] Estimated Copay	[E] ACR Repricing Factor	[B] x [E] [F] STP Claims Repriced to ACR	[F] - ([B]+[C]+[D]) [G] SFY 2018 STP Pass-through Amount	[G] / [A] [H] SFY 2018 STP Pass-through PMPM
TANF Children									
TANF - 0 - 2 Months, Male & Female	**AH3**	82,975	$ 13,019,182	$ 712,149	$ 0	1.9577	$ 25,487,381	$ 11,756,049	$ 141.68
TANF - 3 - 12 Months, Male & Female	**AI3**	348,217	9,012,851	493,003	-	1.9990	18,016,746	8,510,892	24.44
TANF - Age 1 - 6, Male & Female	**AB3**	2,172,716	15,434,236	844,253	-	1.9632	30,300,160	14,021,672	6.45
TANF - Age 7 - 13, Male & Female	**AC3**	2,495,974	12,925,563	707,028	-	1.9587	25,317,091	11,684,500	4.68
TANF - Age 14 - 18, Male	**AD1**	686,037	3,534,280	193,325	-	2.0809	7,354,394	3,626,789	5.29
TANF - Age 14 - 18, Female	**AD2**	706,627	5,155,453	282,003	-	2.0314	10,472,828	5,035,372	7.13
Subtotal TANF Children		**6,492,546**	**$ 59,081,565**	**$ 3,231,762**	**$ 0**		**$ 116,948,600**	**$ 54,635,273**	**$ 8.42**
TANF Adult									
TANF - Age 19 - 44, Male	**AE1**	249,825	$ 1,399,797	$ 76,569	$ 16,886	2.4492	$ 3,428,373	$ 1,935,121	$ 7.75
TANF - Age 19 - 44, Female	**AE2**	1,324,502	12,751,783	697,523	129,538	2.3519	29,991,263	16,412,419	12.39
TANF - Age 45+, Male & Female	**AF3**	216,834	2,853,455	156,084	42,425	2.6172	7,467,942	4,415,978	20.37
Subtotal TANF Adult		**1,791,161**	**$ 17,005,035**	**$ 930,175**	**$ 188,849**		**$ 40,887,578**	**$ 22,763,518**	**$ 12.71**
Disabled									
SSI - Children	**SO3**	150,415	$ 3,456,085	$ 189,048	$ 0	2.2295	$ 7,705,321	$ 4,060,188	$ 26.99
SSI - Adults	**SP3**	599,147	16,029,733	876,826	174,705	2.5100	40,234,754	23,153,490	38.64
Subtotal Disabled		**749,562**	**$ 19,485,817**	**$ 1,065,874**	**$ 174,705**		**$ 47,940,075**	**$ 27,213,678**	**$ 36.31**
OCWI	**WG2**	**161,501**	**$ 2,559,707**	**$ 140,016**	**$ 0**	**2.2724**	**$ 5,816,663**	**$ 3,116,941**	**$ 19.30**
DUAL		**N/A**	**$ 0**	**$ 0**	**$ 0**	**1.0000**	**$ 0**	**$ 0**	**$ 0.00**
Foster Care Children	**FG3**	**49,330**	**$ 792,828**	**$ 43,368**	**$ 0**	**1.8331**	**$ 1,453,350**	**$ 617,155**	**$ 12.51**
KICK	**MG2/NG2**	**26,720**	**$ 13,730,878**	**$ 751,079**	**$ 0**	**1.9927**	**$ 27,361,529**	**$ 12,879,572**	**$ 482.02**
Total		**9,244,100**	**$ 112,655,829**	**$ 6,162,274**	**$ 363,554**		**$ 240,407,795**	**$ 121,226,137**	**$ 13.11**

Appendix 9: Supplemental Teaching Payment Development – Final STP PMPM

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2020 Supplemental Teaching Payment Development
Final STP PMPM

Rate Cell Description	Rate Cell Code	[A] SFY 2020 Projected Exposure	[B] SFY 2018 STP Pass-through PMPM	[C] SFY 2018 Retrospective Adjustments	[D] SFY 2020 Prospective Adjustments	[B] x [C] x [D] [E] Projected SFY 2020 STP Pass-through	[F] KICK Payment Allocation	[E] + [F] [G] Final SFY 2020 STP Pass-through	[A] x [G] [H] Final Pass-through Expenditures
TANF Children									
TANF - 0 - 2 Months, Male & Female	**AH3**	82,856	$ 141.68	1.0254	1.0538	$ 153.10	$ 0.00	$ 153.10	$ 12,685,254
TANF - 3 - 12 Months, Male & Female	**AI3**	354,132	24.44	1.0119	1.0547	26.08	-	26.08	9,235,763
TANF - Age 1 - 6, Male & Female	**AB3**	2,194,860	6.45	1.0108	1.0530	6.87	-	6.87	15,078,688
TANF - Age 7 - 13, Male & Female	**AC3**	2,621,148	4.68	1.0114	1.0542	4.99	-	4.99	13,079,529
TANF - Age 14 - 18, Male	**AD1**	734,040	5.29	1.0142	1.0532	5.65	-	5.65	4,147,326
TANF - Age 14 - 18, Female	**AD2**	749,856	7.13	1.0134	1.0527	7.60	0.99	8.60	6,448,762
Subtotal TANF Children		**6,736,892**	**$ 8.32**			**$ 8.90**		**$ 9.01**	**$ 60,675,320**
TANF Adult									
TANF - Age 19 - 44, Male	**AE1**	273,000	$ 7.75	1.0146	1.0434	$ 8.20	$ 0.00	$ 8.20	$ 2,238,600
TANF - Age 19 - 44, Female	**AE2**	1,382,364	12.39	1.0155	1.0433	13.13	3.93	17.06	23,583,130
TANF - Age 45+, Male & Female	**AF3**	234,168	20.37	1.0144	1.0433	21.55	-	21.55	5,046,320
Subtotal TANF Adult		**1,889,532**	**$ 12.71**			**$ 13.46**		**$ 16.34**	**$ 30,868,050**
Disabled									
SSI - Children	**SO3**	139,932	$ 26.99	1.0172	1.0646	$ 29.23	$ 0.08	$ 29.31	$ 4,101,407
SSI - Adults	**SP3**	605,052	38.64	1.0172	1.0638	41.82	0.25	42.07	25,454,538
Subtotal Disabled		**744,984**	**$ 36.46**			**$ 39.45**		**$ 39.67**	**$ 29,555,945**
OCWI	**WG2**	**163,464**	**$ 19.30**	**1.0189**	**1.0433**	**$ 20.52**	**$ 44.62**	**$ 65.14**	**$ 10,648,045**
DUAL		**N/A**	**$ 0.00**	**1.0000**	**1.0000**	**$ 0.00**	**$ 0.00**	**$ 0.00**	**$ 0**
Foster Care Children	**FG3**	**58,740**	**$ 12.51**	**1.0081**	**0.9424**	**$ 11.89**	**$ 0.00**	**$ 11.89**	**$ 698,419**
KICK	**MG2/NG2**	**26,556**	**$ 482.02**	**1.0074**	**1.0229**	**$ 496.72**	**$ (496.72)**	**$ 0.00**	**$ 0**
Total		**9,593,612**	**$ 12.92**			**$ 13.76**		**$ 13.81**	**$ 132,445,779**