

Actuarial Review of the TennCare and TennCare Partners Programs

Development of Fiscal Year 2006 Per Capita Costs

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SECTION 1 – EXECUTIVE SUMMARY

At the request of the Tennessee Office of the Comptroller, Aon Consulting (Aon) has calculated per capita costs for the TennCare program for State Fiscal Year 2006. As part of our analysis we have also restated the costs for the State Fiscal Year 2005. The per capita costs shown in this report are calculated to assist in the development of the TennCare budget and to develop medical fund targets for the managed care organizations. Should TennCare return to at-risk contracts with managed care organizations, these per capita costs would also serve as the basis for developing capitation rates.

The purpose of this report is to provide per capita costs for State Fiscal Year 2006 for the TennCare and TennCare Partners programs. These programs represent a large portion of the TennCare budget. These estimates are based on a detailed analysis of data provided by the TennCare Bureau, review of the provider payments and invoices paid to managed care and behavior health organizations, and are based on the current program's plan of benefits and eligible groups.

A number of material changes in the TennCare program have been proposed by the Governor's office. Aon was instructed to perform a baseline analysis that does not incorporate the proposed changes. The report is structured to segregate the plan members into categories outlined in the proposal in order to assist in costing out future program changes. As a result, this report presents per capita costs under the current plan of benefits, as well as the current enrollment levels. We have broken out the per capita costs for the proposed disenrollment groups and included them in our summary. As more information becomes available regarding the final program design, it will be appropriate to consider updating these estimates to reflect that design.

We received significant assistance in obtaining data and background information for this report from the TennCare Bureau and the Office of the Comptroller of the Treasury. Aon has relied upon this data and its integrity. Further details of the data received are discussed in Section IV of this report.

Methodology

The per capita costs shown in this report are developed based on actual TennCare utilization experience subset by key demographic and eligibility categories. A medically needy category was included in this year's analysis to coincide with potential program changes. The majority of the members in this new category were pulled from the prior Medicaid and Duals categories. Health plan payments to providers form the primary basis of the calculation of the cost per unit of service.

Aon developed a baseline per capita costs using claims incurred between July 1, 2003 and June 30, 2004 and paid on or before December 31, 2004. Since six months of claim run-out was used, only a small completion factor (less than 1%) was required to develop the baseline data (Fiscal Year 2004). This period is 3-months earlier than prior reports due to system data conversion issues that produced anomalies within the most recent CODMAN claims extract files being used for this project. Aon has recognized these issues in this report and projected costs.

The per capita costs are updated using inflation factors to estimate expected costs during Fiscal Years 2005 and 2006. Fiscal Year 2005 applies historical trends and completion factors to update the baseline data (Fiscal Year 2004) to the current period. The current period (Fiscal Year 2005) is then rolled forward a full year using projected trends to come up with the final Fiscal Year 2006 projection.

Summary

Based on methodologies and assumptions detailed in this report, Aon has developed per capita costs for State Fiscal Years 2006. Due to encounter data anomalies addressed in this report, Aon (in agreement with the TennCare Bureau) decided to define the baseline data as State Fiscal Year 2004. The data was based on incurred claims from July 2003 through June 2004, with claims run-out through December 2004. The data used was reconciled to the submitted Medical Fund Target Reports from the MCOs and the Medical Loss Ratio Reports from the BHOs, as well as Invoice Statements received from the State Audit Report.

Using the historical encounter data, Aon was able to develop completion factors that needed to be applied to the Fiscal Year 2004 data. Due to 6 months of claims run out, the factors were marginal (less than 1%) for the baseline period.

Aon applied the historical trends to calculate the baseline Fiscal Year 2005 per capita costs. Details of this calculation and the various breakouts are included in the Appendix. We used the projected incurred data and completion factors to estimate the projected paid claims from July 2004 through March 2005. Reconciliation of these numbers to emerging invoices and MCO payments provided verification of our historical trends and completion factors. The data was then projected to the end of Fiscal Year 2005 and appropriately adjusted/trended to reflect a January 1, 2005 mid-point.

MCO Per Capital Costs – Fiscal Year 2005

MCO Per Capita Costs - Fiscal Year 2005			
Summary By Rate Group			
	W/O Pharmacy		W/Pharmacy
Medically Needy	\$	156.18	\$ 293.17
Medicaid (TANF & Related)	\$	163.82	\$ 212.51
Duals	\$	30.23	\$ 329.13
Uninsured	\$	153.60	\$ 224.01
Disabled	\$	418.79	\$ 601.55
Disabled Uninsured	\$	390.35	\$ 579.19
Disabled Uninsurable	\$	308.39	\$ 460.40
Waiver Duals	\$	28.77	\$ 290.80
All Eligibility Groups	\$	178.86	\$ 298.62
Prior Actuarial Estimate	\$	167.12	\$ 273.76
Difference		7.0%	9.1%

The report indicates that the prior per capita cost estimates were understated by approximately 9.1%. The bulk of the variation appears to be from utilization trends much higher than projected. There could be many other reasons for the deviation, such as enrollment shifts, etc. A detailed review of the variations is beyond the scope of this project.

Enrollment and Membership Review

Over the last two fiscal years there has been a significant movement between eligibility categories. Below is a summary of the enrollment numbers received from the detailed eligibility file:

MCO Enrollment Analysis Summary By Rate Group			
	Fiscal Year 2003	Fiscal Year 2004	Change
Medically Needy	132,501	165,621	33,120
Medicaid (TANF & Related)	508,931	592,950	84,019
Duals	158,104	166,679	8,575
Uninsured	263,063	162,922	(100,141)
Disabled	159,095	160,518	1,423
Disabled Uninsured	6,217	2,695	(3,522)
Disabled Uninsurable	90,582	61,432	(29,150)
Waiver Duals	44,926	36,512	(8,414)
All Eligibility Groups	1,363,419	1,349,329	(14,090)

The enrollment swings are likely the result of the reverification process that the program went through. Aon used the most recent enrollment information as the basis of our projections. The March 2005 membership levels were consistent with the FY 2004 enrollment indicated above. For the total projected costs, Aon assumed an annual growth rate of 3% (from March 2005 forward). This is consistent with the TennCare Bureau's estimates.

The baseline enrollment projection was compared to the enrollment in the most recent TennCare budget forecasts and was within acceptable ranges. Aon also performed a similar review for Fiscal Year 20003 to validate our processes. The results were within 1% of TennCare financials for that year. Below is a summary of the total projected costs for Fiscal Year 2005:

Fiscal Year 2005 Summary By Service Category - MCO All Eligibility Groups		
	Per Capita	Total*
Pharmacy	\$ 119.10	\$ 1,929,991,680
Home Health Care	\$ 3.12	\$ 50,558,976
Inpatient Hospital	\$ 42.83	\$ 694,051,584
Outpatient Hospital	\$ 37.19	\$ 602,656,512
Professional	\$ 79.16	\$ 1,282,771,968
Total	\$ 281.40	\$ 4,560,030,720
Admin - Pharmacy	\$ 0.66	\$ 10,695,168
Admin - MCO	\$ 16.56	\$ 268,351,488
Total With Admin	\$ 298.62	\$ 4,839,077,376

* Assumed average enrollment of 1,350,400 (3% annual growth)

With our processes and trends validated, we performed a detailed trend analysis, which was required to bring the baseline data up to the projection period. There has been a significant spike in program utilization since proposed changes were announced. Aon has discounted this for Fiscal Year 2006 and returned the trend assumption to the historical levels. Our analysis has accounted for this and resulted in an overall projected trend for the MCOs of 13.6% (9.4% non-pharmacy).

MCO Per Capital Costs – Fiscal Year 2006

MCO Per Capita Costs - Fiscal Year 2006 Summary By Rate Group			
	W/O Pharmacy		W/Pharmacy
Medically Needy	\$	170.97	\$ 335.08
Medicaid (TANF & Related)	\$	179.46	\$ 237.79
Duals	\$	33.13	\$ 391.22
Uninsured	\$	168.40	\$ 252.75
Disabled	\$	457.20	\$ 676.14
Disabled Uninsured	\$	426.65	\$ 652.88
Disabled Uninsurable	\$	337.34	\$ 519.45
Waiver Duals	\$	31.47	\$ 345.38
All Eligibility Groups	\$	195.72	\$ 339.20
2005 Current Projection	\$	178.86	\$ 298.62
Difference		9.4%	13.6%

The report indicates that the per capita costs are anticipated to increase 13.6% or \$40.58 per capita over the Fiscal Year 2005 projections. Pharmacy trends represent nearly half the overall increase, with per capita costs increasing from \$119.76 to \$143.47.

The appendices include a detailed breakdown of each rate cell by various demographic categories. Below is a brief summary of the projection by major age/sex categories:

MCO Per Capita Costs - Fiscal Year 2006 Summary By Age			
	W/O Pharmacy		W/Pharmacy
Age Under 1	\$	786.99	\$ 863.38
Ages 1 - 13	\$	86.94	\$ 112.64
Ages 14 - 18 Female	\$	156.92	\$ 191.14
Ages 14 - 18 Male	\$	83.55	\$ 111.01
Ages 19 - 20 Female	\$	331.52	\$ 377.32
Ages 19 - 20 Male	\$	111.19	\$ 138.34
Ages 21 - 44 Female	\$	284.75	\$ 407.19
Ages 21 - 44 Male	\$	213.37	\$ 368.21
Ages 45 - 64	\$	354.73	\$ 692.51
Age Over 65	\$	46.31	\$ 391.68
All Ages	\$	195.72	\$ 339.20

These demographic breaks are consistent with prior reports and national published data.

Consistent with our analysis of Fiscal Year 2005, Aon developed aggregate projections for Fiscal Year 2006. The enrollment numbers are based on actual enrollment through March 2005 and assume a 3% annual growth rate. Below is summary by major category of service for Fiscal Year 2006:

Fiscal Year 2006 Summary By Service Category - MCO All Eligibility Groups			
	Per Capita		Total*
Pharmacy	\$ 142.68	\$	2,368,773,360
Home Health Care	\$ 3.34	\$	55,450,680
Inpatient Hospital	\$ 45.92	\$	762,363,840
Outpatient Hospital	\$ 39.60	\$	657,439,200
Professional	\$ 88.74	\$	1,473,261,480
Total	\$ 320.28	\$	5,317,288,560
Admin - Pharmacy	\$ 0.80	\$	13,281,600
Admin - MCO	\$ 18.12	\$	300,828,240
Total With Admin	\$ 339.20	\$	5,631,398,400

* Assumed average enrollment of 1,383,500 (3% annual growth)

Proposed Disenrollment Groups

Recent legislation has proposed removing part of the current expansion population from the program. Below is a summary of the groups and their disenrollment status:

TennCare Eligibility Classes	
Current	Disenrollment
Medically Needy	Over 20
Medicaid (TANF & Related)	None
Duals	None
Uninsured	Over 18
Disabled	None
Disabled Uninsured	Over 18
Disabled Uninsurable	Over 18
Waiver Duals	Over 18

As summarized above, all the children (under 19) will remain on the program. All others will be removed from the program over a timeframe and process yet to be approved. Aon was asked to quantify the per capita and projected costs for these groups. Below is a summary of the results:

MCO Per Capita Costs - Fiscal Year 2006 Analysis Of Proposed Disenrollment Groups						
	Fiscal Year 2006 Enrollment			Projected Fiscal Year 2006 Per Capita Cost		
	Disenrollment *	All Other **	Total	Disenrollment	All Other **	Total
Medically Needy	99,475	70,340	169,816	\$ 467.51	\$ 147.80	\$ 335.08
Medicaid (TANF & Related)	-	607,966	607,966	-	\$ 237.79	\$ 237.79
Duals	-	170,900	170,900	-	\$ 391.22	\$ 391.22
Uninsured	115,448	51,600	167,047	\$ 323.56	\$ 94.33	\$ 252.75
Disabled	-	164,583	164,583	-	\$ 676.14	\$ 676.14
Disabled Uninsured	2,600	163	2,763	\$ 670.59	\$ 370.52	\$ 652.88
Disabled Uninsurable	60,331	2,657	62,988	\$ 524.58	\$ 402.81	\$ 519.45
Waiver Duals	36,511	926	37,437	\$ 345.35	\$ 346.68	\$ 345.38
All Eligibility Groups	314,365	1,069,136	1,383,500	\$ 413.09	\$ 317.47	\$ 339.20
Fiscal 2006 Projection				\$ 1,558,330,961	\$ 4,073,067,439	\$ 5,631,398,400
% of total	23%	77%		28%	72%	

The disenrollment group has a projected average per capita cost of \$413.09 for Fiscal Year 2006. This is approximately 28% higher than the remaining group. Much of this is due to children, who average significantly less than those over 18. Using the current enrollment, we estimate \$1.56 billion will be spent on the disenrollment group in Fiscal Year 2006. Note that the total numbers above vary from the prior page due to the difference in the projected enrollment levels.

Regional Variation

Exhibit 3 shows the variation in utilization of services and monthly per capita costs for members located in East, West and Middle Tennessee.

Dental Per Capita Costs

Consistent with the calculation of the per capita costs for the MCOs, Aon developed the cost for the carved-out dental program. Projected costs for this program are detailed below include a 4.5% administrative load:

Summary of Expected Dental Per Capita Costs for 2006	
Eligibility Group	FY2006
Medicaid (TANF & Related)	\$14.36
Disableds	\$4.92
Duals	\$0.23
Uninsured	\$8.42
Disabled/Uninsurable	\$0.04
Disabled/Uninsured	\$1.87
<u>Waiver Duals</u>	<u>\$0.10</u>
All Eligibility Groups	\$9.35

The prior actuarial projection was \$8.60 per capita for FY 2005. The most recent 2005 budget indicates a per capita cost of \$9.34. Hence a modest increase is indicated for FY 2006 over FY2005. Using the FY 2006 enrollment assumptions outlined earlier, the total dental expense for FY 2006 is anticipated to be \$155,206,400.

The program may have a new vendor in the next contract period. The impact of this is indeterminable at this time.

TennCare Partners - BHO Per Capital Costs

Beginning July 1, 2004, TennCare Partners entered into a risk contract with Tennessee Behavioral Health, Inc. for the East Tennessee region (TBH East) that pays capitation rates based on demographic group and priority status. The remainder of the state is funded on the basis of a fixed monthly budget. This budget is currently divided between payments for individuals who are classified as priority (SPMI/SED) and non-priority. The following table shows the original aggregate FY 2005 per capita costs for statewide BHO services and the projected aggregate FY 2006 per capita costs:

TennCare Partners Per Capita Costs			
Plan	Original Projected FY 2005	Projected FY 2006	Increase
StateWide	\$27.28	\$29.80	9.3%

The FY 2006 per capita costs were developed using a 7.5% trend and include a 10% administrative load and 2% premium tax. Aggregate PMPM rate levels were developed using FY 2005 enrollment through February, 2004 projected forward at 3% per annum. The projected total FY 2006 BHO (Non-pharmacy) costs are \$494,807,000.

Behavioral health drugs are paid on a fee-for-service basis. Fiscal Year 2006 expected per capita costs have been developed using encounter data provided by TennCare. The data used covered the time period from January, 2004 through December, 2004. The following table illustrates BHO pharmacy per capita costs, which include administrative fees:

BHO Pharmacy Per Capita Costs				
Plan	Original Projected FY 2005	Restated FY 2005 Projection	Projected FY 2006	Increase Over Original Projection
SPMI/SED	\$249.20	\$223.56	\$267.83	7.5%
Non SPMI/SED	\$27.70	\$25.46	\$30.50	10.1%
Aggregate	\$44.20	\$40.21	\$48.40	9.5%

FY 2006 projected costs were developed using an historical annual trend rate of 16.9%, a future trend rate of 19.8% and includes a 0.56% administrative load. The projected total FY 2006 BHO pharmacy costs are \$803,462,000.

Analysis of Provider Cost

As part of our actuarial report, Aon was required to perform a detailed review of the hospital environment and reimbursement levels under the current Medicaid program. Details of our analysis, with associated methodologies, can be found in Section V. Below is a brief summary of our findings:

Hospital Environment

The percentage of Tennessee's population living below the FPL in 2003 was one percent less than the average for all other Region IV states. The percentage of individuals living under 200% of the FPL was equal to the average for the Region. However, Tennessee serves a disproportionately high percentage of its population through the Medicaid (TennCare) program.

In FY 2003, Tennessee's Medicaid enrollment equaled 22.33 percent of the State's total population. By comparison, the average percentage of population enrolled among other Region IV states was 13.96%. Although Mississippi had more than 20% of its population enrolled in Medicaid, the State had a significantly higher poverty level and a higher FMAP.

Tennessee's expenditures (non-federal dollars) per Medicaid enrollee, \$1,824.81, are higher than the average for Region IV by \$61.17, or 3.47%. The additional expense per enrollee and Tennessee's high enrollment percentage combine to create a state Medicaid program that is very burdensome for the population. In fact, the State's cost for the Medicaid program is equal to \$407.57 for each resident. This places Tennessee ahead of the average for other states in Region IV by \$161.31, or 65.51%.

Further, the State of Tennessee spent 25.2% of its general fund on Medicaid in 2003 compared to an average percentage of 12.9% for all other Region IV states. At 17.80%, Florida was the second highest.

The capacity for hospital service, as measured by inpatient beds per 1,000 residents, places Tennessee ahead of the average for all other Region IV states by 12.99 percent.

Medicaid Allowable Cost

Tennessee's Medicaid allowed inpatient cost using the methodology outlined herein, was \$1,051.76 per day for FY 2003. This indicates a variation from the Region IV average of less than 6.78%.

The Medicaid allowed outpatient cost to charge ratio, as determined using the methodology outlined herein, was 35.07% for FY 2003. This is a variation of 8.20% from the Region IV.

Medicaid Reimbursement

For FY 2003, Tennessee hospitals were reimbursed, as an industry, 90.09% of their Medicaid allowed costs. This placed the State's industry 2.49% ahead of the Region IV average of 87.90%.

Hospital Profitability

Tennessee's hospital industry reported revenues ahead of expenditures (profits) of \$541,797,952 for 2003. This was an 18.25% incremental increase over 2001 profits of \$458,196,766. The industry's performance appeared solid based upon profits per capita, profits per day, and net operating margin.

SECTION II. PROGRAM OVERVIEW

TennCare currently contracts with eight different Managed Care Organizations (MCOs) to provide services across the East, Middle, and West Tennessee Grand Regions. Plan members have the option to choose their MCO from those available in their region. Under CMS guidelines, if an area qualifies as a rural area, Tennessee may limit the choice of TennCare enrollees to one MCO in that area. Below is the current MCO by appropriate operating region:

West Tennessee	Middle Tennessee	East Tennessee
TennCare Select	TennCare Select	TennCare Select
Better Health Plans, Inc	Windsor Health Plan of TN, Inc	BlueCare
TLC Family Care		Preferred Health Plan (PHP)
OmniCare Health Plan		John Deere Health Care

Prior to July 1, 2004, TennCare Partners contracted with two Behavioral Health Organizations (BHOs) to provide mental health services statewide. Plan members choose from either Premier Behavioral Systems of Tennessee (Premier) or Tennessee Behavioral Health, Inc. (TBH.) Beginning July 1, 2004, TennCare Partners entered into a full capitation agreement with TBH to provide mental health services for all members in the East Region. Members in the remainder of the state continued to have the choice between Premier and TBH for their mental health services.

When TennCare first launched MCOs in 1994, the agreements with the MCOs were established as full risk arrangements. Under these arrangements, the MCOs were responsible for all services to TennCare enrollees. Over time, benefits were carved out of the original arrangement. The benefits carved currently include: pharmacy, behavioral health and dental benefits.

Financial difficulties for many of the MCOs led the program in a different direction. TennCare received approval to establish temporary relationships with MCOs in which they served, and continue to serve, as essentially non-risk bearing administrative services organizations (ASOs). Providers continue to be compensated at rates set forth in their agreements with the MCOs. TennCare is currently working to replace the current ASO arrangements with risk-based contracts with the MCOs.

Current 1115 Waiver and Historical Perspective

Tennessee was granted a five-year waiver from the Centers for Medicare and Medicaid Services (CMS) effective July 1, 2002. The waiver provides for a number of changes in TennCare including changes in the eligible population and changes in the program design such as service limits and cost sharing. While the new waiver was effective July 1, 2002, the benefit changes that were allowed under that waiver were never fully implemented in an effort to negotiate settlements to many outstanding lawsuits.

Under the waiver, TennCare was approved to enter into a “stabilization” plan, also effective July 2002, whereby risk-based contracts for managed care organizations were converted to Administrative Services Only (ASO) contracts. The transition to ASO contracts has resulted in more detailed data reporting from the MCOs. In particular, the amount paid for specific services is captured. This data collection is further detailed in Section IV (Data Sources). Since the inception of the stabilization plan, the TennCare Bureau has also gained stronger control over most expenditures to providers through specific contractual terms with managed care organizations.

Effective October 2002, dental services were carved out of the managed care contracts. The services are now paid fee-for-service and are administered by a Dental Benefits Manager (DBM), Doral Dental USA. As the

DBM for TennCare, Doral is responsible for maintaining an adequate dental provider network, paying provider claims and providing member and outreach services.

Effective July 1, 2003, the State took over the Non-Dual MCO pharmacy programs on a fee-for-service basis. MCO pharmacy per capita costs are presented in the development of the TennCare per capita costs. Behavioral pharmacy (hereafter referred to as BHO pharmacy) per capita costs are presented in the development of the TennCare Partners per capita cost. A new pharmacy benefit manager, First Health, was awarded a contract effective January 1, 2004.

A Preferred Drug List (PDL) was phased in, beginning October, 2003. It was fully implemented January, 2004. Although this is a voluntary PDL, compliance is currently over 80%. Savings from the PDL is primarily achieved through enhanced rebates, which are not included in our projection.

TennCare Partners recently underwent a vendor solicitation process to secure behavioral health organizations (BHOs) by region. Beginning July 1, 2004, there is a risk contract with a BHO in East Tennessee that pays capitation rates that differ by demographic group and priority status. The remainder of the state is funded on the basis of a fixed monthly budget. This budget is currently divided between payments for individuals who are classified as priority (SPMI/SED) and non-priority. Behavioral health drugs are paid on a fee-for-service basis.

Proposed Waiver Amendment, September 24, 2004

The Governor submitted an amendment to the initial CMS waiver on September 24, 2004. The Governor's plan:

- Maintains TennCare's current enrollment
- Exempts children from all benefit limits, copays and premium payments
- Continues to provide coverage to the most vulnerable: children, pregnant women and the disabled
- Extends benefits to other eligible enrollees with a tiered benefit package and cost sharing obligations
- Places limits on the pharmacy benefit for approximately 20% of the eligible population
- Establishes an Advisory Commission to review TennCare's performance and make recommendations to keep the program sustainable within established parameters
- Improves program administration and works to eliminate fraud and abuse
- Implements aggressive care management and chronic disease management
- Allows TennCare to implement more stringent performance measures for the MCOs

To execute the plan above, the submitted 1115 waiver has proposed seven new components that need to be implemented in order to save the program. Below is brief summary of the components:

1. Covered Population, Benefits and Cost-Sharing – there is clarification related to eligibility groups such as TennCare Medicaid vs. TennCare Standard; each group also has defined benefit limits, cost-sharing and premiums
2. Pharmacy Benefit – issues that need to be reviewed would include changes to the PDL, benefit design changes, and medical necessity issues
3. Care Management – probably one of the most important long term changes, will target care management based on evidence based medicine; will utilize mandatory compliance measures, and utilize provider-led programs
4. Advisory Commission – act as an advisory council on policy, finances, etc..
5. Contractual Arrangements With Managed Care Organizations (MCOs) – the intent is to return to risk based payments over the long term; to accomplish this, some of the first steps will be to standardize reporting and performance measures

6. Information Technology – a primary goal is to develop a centralized clinical information system to enhance the ability to manage TennCare programs more efficiently and effectively
7. Medical Necessity, Fraud and Abuse, and Third Party Liability – all three of these reform efforts could save substantial amounts of money. One component, Medical Necessity, has been a major driver in many Medicaid programs and TennCare is looking to clarify the definition used in these programs.

Supplement To Proposed Amendment, February 18, 2005

The Administration has since evaluated the current state of affairs and on February 18, 2005 submitted a supplement to the September 24, 2004 amendment discussed above. Below is brief excerpt from the introduction section of the submittal:

Tennessee has been working diligently over the last year to develop a plan to restructure our TennCare Demonstration Project ("TennCare") in a manner that would permit us to maintain coverage while reining in unsustainable growth in program costs. On September 24, 2004, we submitted a proposal to amend our current TennCare program ("Proposed Amendment"). Since submission of the proposal, we have continued to engage in numerous meetings with the public regarding the proposed reform. While many stakeholders have expressed support for this proposed reform, others have asserted multiple legal objections and will likely challenge in court the immediate implementation of some of the reforms contemplated by our Proposed Amendment. Although we have engaged in an extended negotiation process to seek relief under existing Consent Decrees and avoid such challenges, we have been unsuccessful. Because the budget outlook for TennCare is rapidly deteriorating, thereby increasing the amount of savings we will need to achieve in order to stabilize the program, we must now utilize more dramatic reform measures that do not conflict with our existing Consent Decrees in order to satisfy our budget obligations.

We therefore have developed a series of modifications to the Proposed Amendment. While we have seriously considered ending TennCare altogether and returning to a traditional Medicaid program, we want to preserve at least some of the coverage provided through the demonstration. In considering all possible options, our priority is to maintain coverage at current levels for the more than 600,000 children who rely on the TennCare program for care. Accordingly, while we find that we will need to terminate coverage for the adult demonstration population as well as the adult non-pregnant Medically Needy population, we will maintain coverage for children. In particular, we will preserve Medicaid coverage for children in the demonstration population. In addition, while we can no longer afford the unlimited pharmacy benefit that we are currently providing, we propose to limit it and in some cases eliminate it for adults, at this time, we are preserving full pharmacy benefits for children in Medicaid and TennCare Standard.

At the same time, we are aggressively returning to court to seek modifications of the Consent Decrees, where appropriate, that would allow us to adopt the reforms laid out in our September filing, which is our preferred course. Eventually we hope to implement many of these structural reforms that we believe are necessary to place TennCare on a more viable long-term financial path. As this process is likely to stretch out over the next several months, many of the reforms for which we are requesting approval may not be implemented immediately. If we are ultimately able to accomplish these reforms and achieve the necessary level of savings and stability in the program, it is our hope that we will be able to restore some of the coverage that we are now proposing to eliminate.

The details of our current proposal are described below. We are seeking approval for (i) reform components that have not changed from the Proposed Amendment, (ii) reform components that were included in the Proposed Amendment but are now being modified and (iii) new components of reform that had not been included in the Proposed Amendment. Despite the changes outlined here, we are retaining coverage for certain vulnerable populations, such as children enrolled in TennCare. Because the basic structure and

underlying rationale for the reforms remain unchanged, this proposal is being submitted as a supplement to our September proposal.

The final details of the proposal are still pending due to litigation. This report presents our findings under the current benefit package and does not reflect the proposed amendment. As the changes are finalized, this report, and subsequent reports, will need to be adjusted accordingly.

SECTION III. PROJECT SCOPE

At the request of the Tennessee Office of the Comptroller, Aon Consulting (Aon) has calculated per capita costs for the TennCare and TennCare Partners programs for State Fiscal Year 2006. The per capita costs shown in this report are calculated to assist in the development of the TennCare budget and to develop medical fund targets for managed care organizations. Should TennCare return to at-risk contracts with managed care organizations, these per capita costs would also serve as the basis for developing capitation rates.

This report describes the methods, data and assumptions used to develop per capita costs for the acute care portion of the TennCare program. Administrative costs associated with those portions of the program that would be covered by contracts with managed care organizations are included in these calculations.

The report also includes a review of the State's hospital reimbursement level. The report was produced with a methodology thoroughly discussed with the Tennessee Hospital Association and represents a good-faith effort to accurately compare the reimbursement amounts and costs with other similar States.

This report shows the expected per capita cost of the program based on the assumptions described herein. We also show the per capita cost for services that are paid through contracts with managed care organizations. If TennCare returns to at-risk contracts, these amounts would serve as the basis for calculating capitation payments. A number of material changes in the TennCare program have been proposed by the Governor's office. These changes have not yet been approved by the Centers for Medicare and Medicaid Services (CMS). Specific details regarding the populations that will be affected by the changes have not yet been finalized. As a result, this report presents per capita costs under the current plan of benefits.

For TennCare Partners we show the statewide per capita costs. Per capita costs for the fee-for-service dental and pharmacy programs are also provided.

SECTION IV. DATA SOURCES

TennCare Claims and Encounter Data

Medical Claims and Encounter Data

TennCare received detailed claims and encounter data from each of the MCOs. This data was then compiled and loaded into a central data warehouse. Aon obtained a detailed claims and encounter data extract from the Bureau of TennCare (the CODMAN Extract) for the period July 1, 2002 through December 31, 2004. Additionally, we received information regarding capitated payments and recoveries not available on the encounter data.

The data was segregated into the following broad service categories: inpatient hospital, outpatient hospital, home health care, professional, and pharmacy. We performed numerous diagnostic analyses to ensure the data was credible.

To ensure the completeness of the data, we compared the encounter data for each plan to the paid expenditure data reported in the monthly Medical Fund Target reports that are submitted to the Bureau of TennCare and the Department of Commerce and Insurance. Through this analysis, Aon concluded that many data components from the CODMAN Extract were invalid for information incurred after July, 2004. For this reason, Aon used the baseline incurred data period that ended in the month prior, June, 2004.

Pharmacy Claims and Encounter Data

The TennCare Bureau received detailed claims and encounter data from the pharmacy benefit manager, currently FirstHealth. This data was compiled and loaded into a central data warehouse. Aon obtained detailed claims and encounter data submitted to the TennCare Bureau for the period July 1, 2002 through December 31, 2004.

The pharmacy program underwent three major changes during our analysis period:

1. Effective November 1, 2003, a Preferred Drug List (PDL) was implemented, resulting in a shift in the mix of drugs.
2. Effective July 1, 2003, the MCO non-dual pharmacy program was carved-out of the MCO covered services and also paid on a fee-for-service basis through Consultec.
3. Effective January 1, 2004, First Health took over the administration of all pharmacy programs from Consultec.

These changes appear to have had a leveling impact through the first 6 months of the 2004 calendar year. In our analysis of the data, significant changes in the pharmacy run-rate (or Per Member Per Month expenditure amount) were observed and said changes corresponded with the two events above. Starting July, 2004, the monthly pharmacy run-rate was again starting to gain at a rate of 2% to 3% per month, significantly higher than the flat months prior to July.

Dental Claims and Encounter Data

Aon received dental encounter data from the TennCare Bureau for claims paid from July, 2002 through December, 2004. A new vendor took over the program on a fee-for-service basis effective October, 2002. We selected claims incurred from July 2003 through June 2004, paid through December 2004, as our base data period. This data represents twelve months of experience with six months of run-out. This data is also months after any transitional effects resulting from the new vendor beginning in October, 2002.

TennCare Partners Claims and Encounter Data

Aon obtained the following data from Advocare, the current behavioral health services provider, and from this data, selected base year data:

- UB92 inpatient and outpatient detailed encounter data with dates of payment from July 1, 2001 through December 31, 2004.
- HCFA 1500 professional detailed encounter data with dates of payment from July 1, 2001 through December 31, 2004;
- Utilization by provider and service type for services covered by grant payments, Community Mental Health Centers, Tennessee Christian Medical Center and Regional Mental Health Institutions from July 1, 2001 through December 31, 2004.
- Additionally, we received the BHO monthly Medical Loss Ratio reports that are submitted to the Bureau of TennCare and the Department of Commerce and Insurance with payment information through March 31, 2005.

On July 1, 2004, TennCare Partners entered into a full risk capitation agreement with Tennessee Behavioral Health, Inc. for the East Tennessee Region (TBH East.) Since approximately 37.5% of the covered population was capitated after July 1, 2004, we used data incurred between July 1, 2004 and December 31, 2004 and paid through March, 2005 to establish the baseline per capita costs.

Eligibility Data

The Bureau of TennCare provided detailed eligibility data for the period July, 2002 through December, 2004. From this data, we selected the appropriate time period corresponding to the baseline encounter data. Aon calculated member months of eligibility from this data segregated by eligibility category, demographic group, health plan, region and month. The calculations include counts of fractional months for members who started or ended their eligibility in the middle of the month.

The eligibility data included information regarding reverification status of the Uninsured and Uninsurable population. The data shows that nearly 100,000 members were moved from that population between Fiscal Years 2003 and 2004.

In addition, Advocare provided Eligibility data from October 1, 2003 through December 31, 2004 by age group, priority status, and vendor/contract.

Medical Fund Target Reports and Medical Loss Ratio Reports

MCOs are required to submit monthly reports that show how their experience compares to the medical fund targets. This was historically a loss ratio report, but the fund targets reported are no longer relevant to the MCOs due to their movement to an ASO relationship. There reports are valuable as a check to the claims data received.

BHO's continue to submit a medical loss ratio report that compares their experience to their capitation or funding level.

Aon received the MFT and MLR Reports for the period July, 2002 through March, 2005. The reports include required capitation adjustments, recoveries and claim triangle reports.

Invoices

Aon received detailed invoices for all the major service groups, including the MCOs, BHOs, Pharmacy and Dental. These invoices were used to validate both the claims data and MFT reports. The invoices were available from July, 2003 through March, 2005.

Fiscal Year 2005 Actuarial Report

Aon has utilized the 2005 Actuarial Report as a point of reference for various items and historical changes. Certain values from the 2005 Actuarial Report were also included for comparison purposes in this report.

SECTION V. ANALYSIS OF PROVIDER COST

Hospital Environment

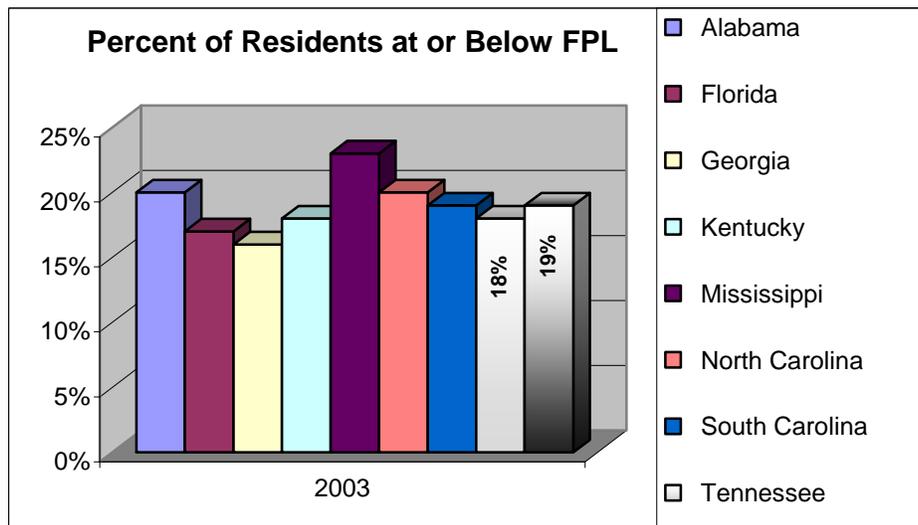
Tennessee’s hospital industry operates within an environment that, in many regards, offers relevant comparability to the environments of other states identified as being in CMS’ Region IV. These states include Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, and South Carolina.

The Federal Poverty Level (FPL) is discussed in the following text. As such, the following chart is provided in order to clarify the relationship between family size and income used to determine poverty by the US Department of Health and Human Services (DHHS). The FPL is a primary factor in determining eligibility for the Medicaid program.

Size of Family Unit	48 Contiguous States and D.C.	Alaska	Hawaii
1	\$ 8,980	\$11,210	\$10,330
2	12,120	15,140	13,940
3	15,260	19,070	17,550
4	18,400	23,000	21,160
5	21,540	26,930	24,770
6	24,680	30,860	28,380
7	27,820	34,790	31,990
8	30,960	38,720	35,600
For each additional person, add	3,140	3,930	3,610

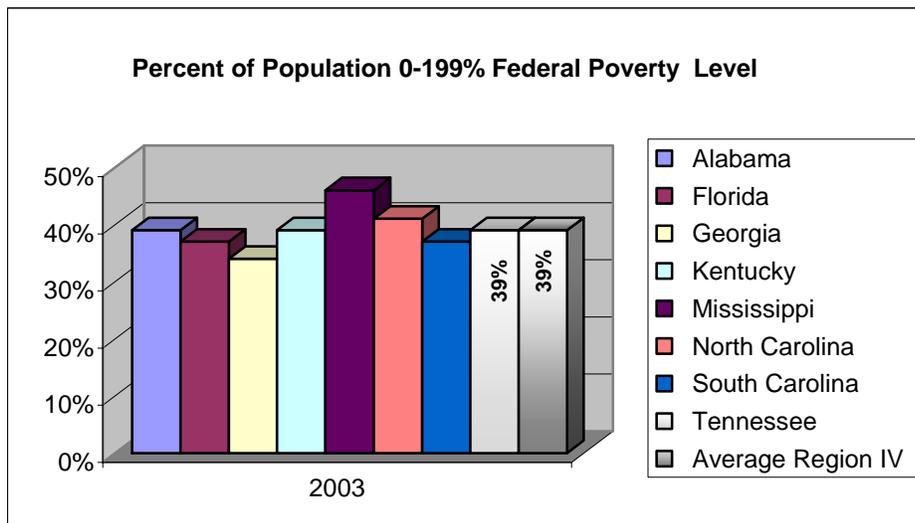
Federal Register, Vol. 68, No. 26, February 7, 2003, pp 6458

Each state has latitude with regard to the level of income that individuals and/or families may have in order to qualify for the Medicaid program. The following chart indicates that the percentage of Tennessee’s population that was below one hundred percent (100%) of the Federal Poverty Level (FPL) was eighteen percent (18%). The simple average percentage of those living below the FPL in all other Region IV states was nineteen percent (19%) during 2003. One would correctly conclude that, on average, Tennessee had only a slightly lower percentage (1%) of its population below the FPL than other Region IV states.



Sources: Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on pooled March, 2002 and 2003 Current Population Surveys. Total US numbers are based on March, 2004 estimates.

Most states set their state specific enrollment criteria at a level significantly higher than the FPL. As such, a better benchmark for potential program enrollment might be garnered using the percentage of a state’s population living below two hundred percent (200%) of the FPL. Tennessee’s percentage of individuals living at one hundred ninety-nine percent (199%) or less of the FPL was the same as the simple percentage of the average for all other Region IV states, thirty-nine percent (39%).



Sources: Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on pooled March, 2002 and 2003 Current Population Surveys. Total US numbers are based on March, 2004 estimates.

The percentage of individuals living from 0-199% of the FPL in Tennessee is equal to the average percentage in Region IV. However, the number of individuals enrolled in Tennessee’s Medicaid program as a percentage of the population varies greatly from other states in the Region as illustrated below:

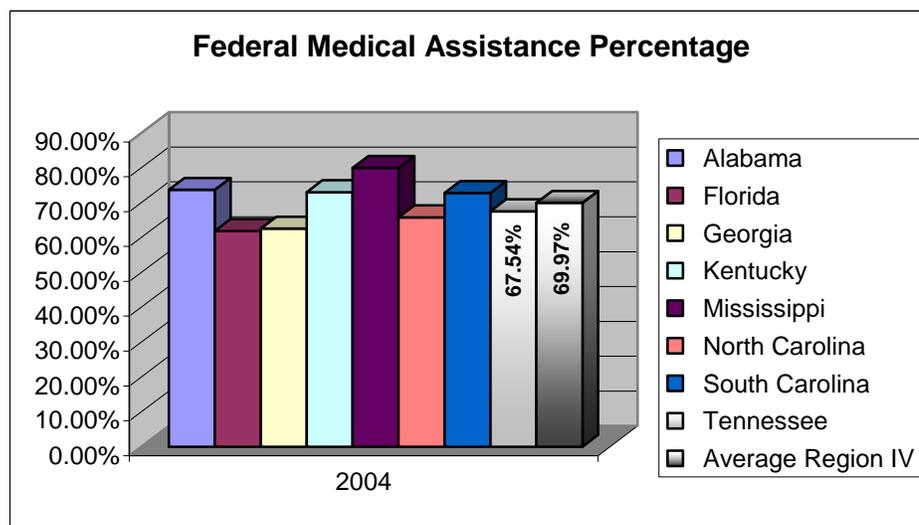
Enrollment as a Percentage of Population	
Florida	11.65%
North Carolina	12.78%
Georgia	14.44%
Alabama	14.48%
Kentucky	16.33%
South Carolina	17.56%
Mississippi	20.30%
Tennessee	22.33%
Average Region IV	13.96%
United States	13.94%

The Kaiser Family Foundation, *statehealthfacts.org*. Data Source: Compiled by the Health Management Associates from state Medicaid enrollment reports, for the Kaiser Commission on Medicaid and the Uninsured. Data as of June, 2003, published October, 2004.

The Centers for Medicare and Medicaid Services (CMS) reimburses state Medicaid agencies for a portion of actual expenditures made under the provisions of each state’s approved Medicaid State Plan. Federal financial participation (FFP) payment is based on qualifying expenditures for medical services or for program administration.

The amount of FFP (reimbursement) to a state for medical services depends on two factors. The first is the actual amount spent that qualifies as matchable under Medicaid guidelines: the expenditure is for a covered service; provided by a qualified provider enrolled with the Medicaid program; and to a person eligible for and enrolled in Medicaid at the time of service.

The second factor is the Federal Medical Assistance Percentage (FMAP), which varies from state to state. The FMAP percentage is computed from a formula that takes into account the average per capita income for each state relative to the national average and, by law, the FMAP cannot be less than 50%. The following table indicates the FMAP for all Region IV states for 2004 and, consequently, it is illustrative of the comparative relationship of each state’s historic per capita income (PCI) with that of the United States. Note, the relationship between FMAP and PCI is inversely correlated, such that states with a higher, comparative PCI have a lower FMAP.



Federal Register, December 3, 2003 (Vol. 68, No. 232), pp. 67676-67678

Total expenditures, from all sources, per Medicaid enrollee is a comparative factor that normalizes for the FMAP. Tennessee spends less, in total dollars, per Medicaid enrollee than any other state in Region IV as illustrated below:

Total Medicaid Expenditures per Enrollee	
Tennessee	\$4,888.90
Mississippi	\$4,947.17
South Carolina	\$4,966.07
Alabama	\$5,379.60
Florida	\$5,543.87
Kentucky	\$5,680.36
Georgia	\$6,054.60
North Carolina	\$6,762.06
Average Region IV	\$5,711.48
United States	\$6,579.44

The Kaiser Family Foundation, statehealthfacts.org. Data Source: Table 28, Medicaid Expenditures, 2003 State Expenditure Report, National Association of State Budget Officers and Health Management Associates from state Medicaid enrollment reports, for the Kaiser Commission on Medicaid and the Uninsured. Data as of Jun, 2003, published October, 2004.

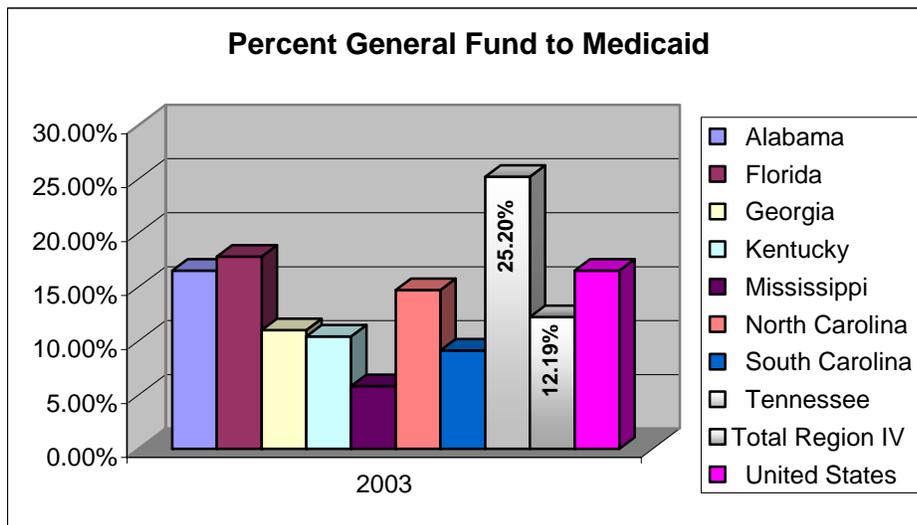
However, the level at which a state spends its own resources to provide for the medical care of the impoverished population is, given state budget constraints, a more critical indicator of the choices that states must make through enrollment and reimbursement policy.

When compared to the total population, Tennessee spends more per capita on Medicaid than any other state in Region IV as illustrated below.

State Medicaid Expenditures per Capita	
Georgia	\$185.26
Alabama	\$221.73
Mississippi	\$233.95
South Carolina	\$259.22
Florida	\$259.36
Kentucky	\$272.95
North Carolina	\$280.60
Tennessee	\$407.57
Average Region IV	\$246.25
Average US	\$350.08

*The Kaiser Family Foundation, statehealthfacts.org. Data Source
Table 28, Medicaid Expenditures, 2003 State Expenditure Report, National Association of State Budget Officers*

Tennessee also spends a significantly higher percentage of its general fund on Medicaid. In 2003, 25.2% of Tennessee's general fund expenditures were for Medicaid. The average for Region IV was 12.19% and the next highest-ranking state was Florida with 17.8% as illustrated below.



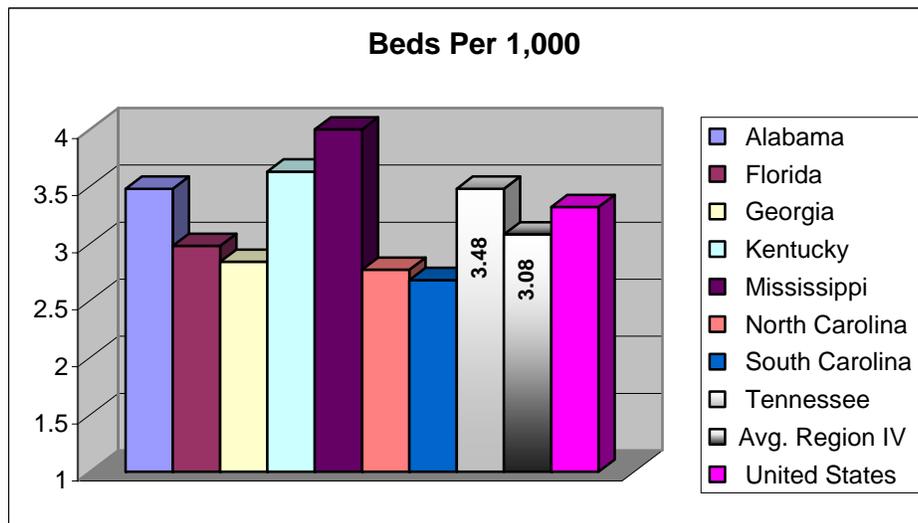
Tables 1 (All expenditures), Table 28 (Medicaid), 2003 State Expenditure Report, National Association of State Budget Officers.

Tennessee's spending per enrollee only slightly exceeds the average that other Region IV states are spending on Medicaid as illustrated below.

Florida	\$1,152.43
Mississippi	\$1,283.14
North Carolina	\$1,476.54
Georgia	\$1,531.40
South Carolina	\$1,671.91
Tennessee	\$1,824.81
Kentucky	\$2,195.37
Alabama	\$2,226.82
Average Region IV	\$1,763.64
Average US	\$2,510.46

Table 28, Medicaid Expenditures, 2003 State Expenditure Report, National Association of State Budget Officers.

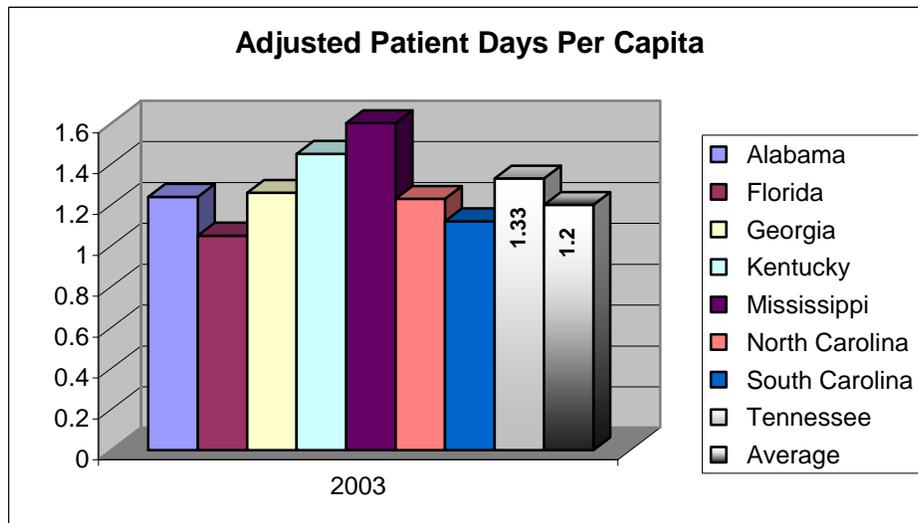
In 2003, there were 20,313 hospital beds available in Tennessee, which equated to 3.48 beds per 1,000 residents. Tennessee ranks well above the Region IV average of 3.08 and slightly ahead of the US average of 3.32, as illustrated in the following chart.



Source: AHA Hospital Statistics, 2005, Health Forum LLC, an affiliate of the American Hospital Association

Hospital Utilization

The utilization, within a state, of hospital services by the population at-large also assists in establishing the environment within which the industry operates. The following chart indicates that the adjusted patient day per capita figure in Tennessee for 2003 was 1.33, whereas the weighted average for all other Region IV states was 1.20. This indicates that, overall, Tennessee’s residents utilized ten percent 10% more hospital services per capita than the average of all those residing in all other Region IV states, as illustrated in the chart below.



Source: AHA Hospital Statistics, 2005, Health Forum LLC, an affiliate of the American Hospital Association

In 2003 Tennessee’s inpatient days, outpatient visits, and adjusted patient days per capita exceeded the Region IV average.

The comparison of available beds to the average daily census is a measure by which one might assess the adequacy of capacity. As indicated below, Tennessee's utilization rate in 2003 was below the weighted average for Region IV and only Mississippi's was lower. However, the level of variance between Tennessee and several other states is only slight.

Percentage Utilization of Beds	
Mississippi	56.77%
Tennessee	61.18%
Alabama	62.00%
Kentucky	62.25%
Florida	64.70%
Georgia	67.02%
North Carolina	71.23%
South Carolina	72.66%
Weighted Average	65.45%

Source: AHA Hospital Statistics, 2005, Health Forum LLC, an affiliate of the American Hospital Association

Tennessee Hospital Cost

Unlike the vast majority of other states, Tennessee does not require that Medicaid enrolled hospitals complete the Medicaid section of the Medicare cost report or that said hospitals complete a separate Medicaid cost report. Since cost data for the industry is not readily available it is necessary to develop a model for producing a proxy for both inpatient and outpatient cost.

Tennessee's hospitals do complete the Medicare Cost Report and there exists a relationship between hospitals' Medicare allowed costs and Medicaid allowed costs. In order to define this relationship, Medicare hospital cost report data was analyzed for every hospital that had filed a Medicare cost report for 2003. While data from all states was collected and analyzed, only data for those states in CMS Region IV has been used for this study. Alabama is excluded due to a lack of reporting requirements in that state.

It is important to note that the calculation of the Medicaid cost/charge ratio is based on an average of all reporting hospitals in the state and should not be assumed to apply to any specific hospital or hospital type.

Acuity Adjustment Factor (AAF)

Tennessee covers an expansion population that includes, among others, individuals classified as "uninsurable". This expansion population creates an aggregate acuity mix within the Medicaid population that is unique to the state. As such, an acuity adjustment factor (AAF) has been calculated for inpatient and outpatient services. Acuity adjustment factors were calculated as follows:

AAF Inpatient = charge per day with expansion population / charge per day without expansion population

$$\text{AAF Inpatient} = (3,143 / 2,921) = 7.6\%$$

AAF Outpatient = charge per claim with expansion population / charge per day without expansion population

$$\text{AAF Outpatient} = (885/786) = 12.6\%$$

The AAF will be applied to the cost per day for inpatient services and to the outpatient cost to charge ratio (CCR) for outpatient services in order to adjust proxy cost figures to reflect TennCare's unique acuity.

Medicaid Allowed Inpatient (IP) Cost per Day

The following chart indicates the Medicaid and Medicare costs per day by state, as reported by hospitals. Also, the relationship, by state, between the reported Medicare and Medicaid costs per day is given. The simple average for this relationship is then applied to Tennessee's Medicare cost per day reported to CMS by Tennessee hospitals. The resulting figure is a proxy for Tennessee's Medicaid allowed inpatient cost per day.

	2003 Inpatient Cost Per Day		
	Medicare	Medicaid	Medicaid/Medicare
Florida	\$1,371.50	\$1,188.44	86.65%
Georgia	\$1,343.38	\$1,088.85	81.05%
Kentucky	\$1,236.97	\$849.49	68.68%
Mississippi	\$1,087.11	\$853.12	78.48%
North Carolina	\$1,275.75	\$895.72	70.21%
South Carolina	\$1,301.01	\$1,034.04	79.48%
Tennessee	\$1,262.79	\$977.71	
Average Region IV	\$1,269.29	\$984.94	77.42%

Source: Centers for Medicare and Medicaid Services, HCRIS DATASET, last modified 2/17/2005

Tennessee's hospital reported Medicare cost per day is \$1,262.79. This figure varies less than 1% from the simple average cost among all other Region IV states.

The average relationship between the Medicare and Medicaid allowed costs per day among Region IV states is 77.42% (rounded).

When Tennessee's Medicare cost per day is multiplied by .7742, the proxy cost per day is determined to be \$977.71. This Medicaid allowed cost per day also varies by less than 1% from the Region IV average cost per day. When the AAF is applied, the proxy for Tennessee's Medicaid allowed inpatient cost per day is \$1,052.02. While this figure is deemed reliable for purposes of this analysis and has been calculated using methodology that was developed during discussions with industry leaders, it is not meant as a substitute for the figure one might obtain using filed and audited Medicaid cost data. It should be noted that the Tennessee average cost per day is based on an average of all hospitals and should not be assumed to apply to any specific hospital or hospital type.

Further, this proxy figure conflicts with figures published by the Tennessee Hospital Association, at least in part, due to the fact that it would represent Medicaid allowed costs and not necessarily all costs a hospital might incur.

Medicaid Allowed Outpatient Cost

Again, unlike the vast majority of states, Tennessee does not require that Medicaid enrolled hospitals submit any form of cost report that would indicate their Medicaid cost. As such, cost data from the industry is not available and a proxy for cost is required.

Unlike inpatient days, there is not a divisor for aggregated cost that will yield an acceptable cost per unit. Therefore, the relationship between the Medicaid and Medicare outpatient cost to charge ratio (CCR) for each state in Region IV has been established (excluding AL and TN). The average among these states has been used as a proxy for Tennessee's Medicaid allowed outpatient cost to charge ratio. When applied to the total charges billed for state fiscal year FY 2003, the result is a proxy for the state's aggregate Medicaid allowed outpatient cost, as illustrated below.

2003 Outpatient Cost to Charge Ratio			
	Medicare	Medicaid	Medicaid/Medicare
Florida	22.03%	23.93%	108.62%
Georgia	31.57%	37.90%	120.05%
Kentucky	29.98%	31.78%	106.00%
Mississippi	30.17%	32.75%	108.55%
North Carolina	31.84%	36.19%	113.66%
South Carolina	30.46%	31.91%	104.76%
Tennessee	28.75%	31.71%	
Average Region IV	29.34%	32.41%	110.28%

Data Source: Centers for Medicare and Medicaid Services, HCRIS DATASET, last modified 2/17/2005

When Tennessee's Medicare outpatient cost to charge ratio (28.75%) is multiplied by the average relationship between the Medicare and Medicaid CCR in Region IV (110.28%), Tennessee's a value for the Medicaid allowed outpatient cost to charge ratio is determined to be 31.71%. It should be noted that the Tennessee average cost to charge ratio is based on an average of all hospitals and should not be assumed to apply to any specific hospital or hospital type.

When the AAF is applied, the proxy for Tennessee's Medicaid allowed outpatient cost to charge ratio is determined to be 35.71%. While this figure is deemed reliable for purposes of this analysis and has been calculated using methodology that was developed during discussions with industry leaders, it is not meant as a substitute for the figure one might obtain using filed and audited Medicaid cost data. Total reported outpatient Medicaid charges for Tennessee during FY 2003 were \$1,658,786,670. When multiplied by the proxy for Tennessee's Medicaid allowed cost to charge ratio, 31.71%, the aggregate Medicaid allowed outpatient cost for the state is determined to be \$581,664,927.17.

Tennessee Hospital Reimbursement

In the preceding section the Medicaid allowed inpatient cost per day and the aggregate Medicaid allowed outpatient cost was determined for the State of Tennessee.

As the aggregate reimbursement amounts for inpatient and outpatient services is known, one might compare these figures to cost in order to determine the percentage of Medicaid allowed cost that is being reimbursed. First, the proxy for Tennessee's Medicaid allowed cost per day, \$1,052.02, is multiplied by the total number of inpatient days, 690,335, in order to garner the total inpatient cost for the industry, \$726,246,227.

When compared to the total payments reported by the state, \$574,262,073, one is able to ascertain that the industry was reimbursed 79.09% of Medicaid allowed inpatient cost for FY 2003, as illustrated below.

Inpatient % of Cost Reimbursed	
Cost Per Day	\$1,052.02
Payment Per Day	\$831.86
Number of Inpatient Days	690,335
Total Inpatient Cost	\$726,246,227
Total Inpatient Payments	\$574,262,073
% Reimbursed	79.07%

Secondly, the proxy for Tennessee's aggregate Medicaid allowed outpatient cost, \$592,352,720, is compared to aggregate outpatient payments, \$503,875,197, in order to ascertain that the industry was reimbursed 85.06%, as illustrated below.

Outpatient % of Cost Reimbursed	
Total Outpatient Charges	\$1,658,786,670
Outpatient CCR	35.71%
Total Outpatient Cost	\$592,352,720
Total Outpatient Payments	\$503,875,197
% Reimbursed	85.06%

In order to calculate the total Medicaid allowed cost reimbursed one must compare the total of outpatient and inpatient cost, \$1,318,598,947, to the total reimbursement figure, \$1,078,137,270. The result indicates that the industry was reimbursed 81.76% of its total Medicaid allowable cost for FY 2003, as illustrated below.

Total % of Cost Reimbursed	
Inpatient Cost	\$726,246,227
Outpatient Cost	\$592,352,720
Total Hospital Cost	\$1,318,598,947
Total Payments	\$1,078,137,270
% Reimbursed	81.76%

In order to compare Tennessee's Medicaid cost reimbursement to the other states in Region IV, hospital cost reports, as filed with CMS and contained in the October, 2004 HCRIS database, were analyzed. Hospitals with data included in both the Medicaid cost and Medicaid payment cells were included in calculating each state's percentage of Medicaid cost reimbursed for acute care hospitals. All Medicaid payments, including DSH payments, are included in each facility's payments, as reported. Due to apparent reporting anomalies for Medicaid payments, Kentucky and South Carolina are omitted, as illustrated below.

Percentage Medicaid Cost Reimbursed	
Florida	82.92%
Georgia	91.47%
Mississippi	91.21%
North Carolina	86.00%
Tennessee	81.76%
Average (excluding TN)	87.90%

On a comparative basis, Tennessee ranks last of the Region IV states included.

However, the State of Tennessee also makes supplemental payments to hospitals. The aggregate amount of the pooled funds in 2003 and in 2004 was \$100 million per year. When this figure is added to the previous value for total payments, the percentage of total Medicaid allowed cost reimbursed is 89.35% for FY 2003, as illustrated below.

Total % of Cost Reimbursed With Supplemental Payment	
Inpatient Cost	\$726,246,227
Outpatient Cost	\$592,352,720
Total Hospital Cost	\$1,318,598,947
Total Payments	\$1,178,137,270
% Reimbursed	89.35%

When all payments to hospitals are considered, Tennessee's reimbursement is the median among those listed and the state's reimbursement percentage is 1.45 percentage points ahead of the average, as illustrated below.

Percentage Medicaid Cost Reimbursed With Supplemental Payment	
Florida	82.92%
Georgia	91.47%
Mississippi	91.21%
North Carolina	86.00%
Tennessee	89.35%
Average (excluding TN)	87.90%

Profitability Analysis

For fiscal year end 2003, Tennessee hospitals reported net revenues exceeding net expenses (profit) by \$541,797,952. This represented an 18.25% increase in profitability from 2001, when net revenues were reported to exceed net expenses by \$458,196,766.

Tennessee Hospitals	2003	2002	2001
Total Net Revenue	\$9,748,320,172	\$8,915,158,689	\$8,601,327,992
Total Net Expenses	\$9,206,522,220	\$8,386,650,030	\$8,143,131,226
Net Profit	\$541,797,952	\$528,508,659	\$458,196,766

Source: AHA Hospital Statistics, 2005, Health Forum LLC, an affiliate of the American Hospital Association

The following chart details the profits calculated for each state in Region IV for 2003:

Total FY2003 Net Profit	
Alabama	\$336,186,572
Florida	\$1,518,967,422
Georgia	\$734,926,597
Kentucky	\$341,837,068
Mississippi	\$327,155,882
North Carolina	\$987,094,809
South Carolina	\$478,129,249
Tennessee	\$541,797,952

Source: AHA Hospital Statistics, 2005, Health Forum LLC, an affiliate of the American Hospital Association

Comparing the net profit of one state's hospital industry to another provides only limited value, as a myriad of factors (e.g., size of the state) would set states apart even during periods of similar profitability on a percentage basis. Therefore, the following table is provided in order to more adequately compare the performance of Tennessee's hospital industry to that of other Region IV states:

	FY 2003 Profitability Comparison		
	Per Capita	Per Adj Day	Net Oper. Margin
Alabama	\$74.69	\$63.53	4.96%
Florida	\$89.25	\$86.33	5.78%
Georgia	\$84.62	\$74.54	6.06%
Kentucky	\$83.01	\$59.98	4.92%
Mississippi	\$113.56	\$76.68	7.46%
North Carolina	\$117.41	\$100.47	7.39%
South Carolina	\$115.30	\$106.54	7.08%
Tennessee	\$92.74	\$74.74	5.56%
Average Region IV	\$96.83	\$81.15	6.24%
United States	\$77.63	\$69.18	4.78%

Source: AHA Hospital Statistics, 2005, Health Forum LLC, an affiliate of the American Hospital Association

Tennessee's hospital industry's profitability ranked below the Region IV average in each of the above criteria. However, in each classification, Tennessee's performance was well ahead of the United States average.

Change over time is another valuable indicator with regard to an industry's health. The following chart compares the increase in profitability from 2001 to 2003 by state:

% Increase in Profitability	
2001-2003	
Alabama	6.42%
Florida	-5.34%
Georgia	39.50%
Kentucky	15.60%
Mississippi	0.68%
North Carolina	19.92%
South Carolina	-4.59%
Tennessee	18.25%
Average Region IV	7.56%

Source: AHA Hospital Statistics, 2005, Health Forum LLC, an affiliate of the American Hospital Association

During the two-year period indicated above, Tennessee's profits grew at a rate more than twice the Region IV average.

Conclusions

Environment

1. Tennessee's population, on average, is no more impoverished (0-199% FPL) than the average population among all other states in Region IV.
2. Total expenditures per enrollee in Tennessee are the lowest among Region IV states.
3. Tennessee's non-federal expenditures per enrollee are higher than the average for states in Region IV.
4. The percentage of Tennessee's population that is covered under the TennCare program is higher than the percentage that any other Region IV state covers through its Medicaid program.
5. Tennessee's general fund expenditures on Medicaid, as a percentage, places the state ahead of all other Region IV states and nearly doubles the average within the Region. Further, at \$407.57 per resident (total Medicaid expenditures/resident), Tennessee's expenditures exceed the Region's average by \$161.31, or 65.51%.
6. The state's capacity for hospital services, as measured by inpatient beds per capita, places Tennessee ahead of the average for the Region by 12.99%.

Utilization

1. Tennessee's residents utilized hospital services at a level 10% higher than the average for all states in the Region (adjusted days per capita). However, the state's percentage utilization of beds was below the weighted average for the Region.
2. Tennessee's Medicaid population is unique within the Region. The state's expanded enrollment guidelines have allowed individuals atypical to other Region IV programs to receive coverage. These individuals utilize services at a higher rate than the "typical" Medicaid population and, as such, adjustments for acuity must be made when comparing Tennessee's hospital costs to those of other states in the Region.

Cost

1. Tennessee's Medicaid allowed inpatient cost per day is slightly higher (6.8%) than the Region IV average.
2. Tennessee's Medicaid allowed outpatient cost to charge ratio (CCR) is 3.3 percentage points above the Region IV average.

Reimbursement

3. Tennessee's hospitals, in aggregate and including the supplemental payment, were reimbursed 89.35% of their Medicaid allowed costs in 2003. This is just slightly (1.45 percentage points) ahead of the Region IV average and Tennessee ranked as the median state among those listed in the report.

Profitability

1. Tennessee's hospitals reported revenues in excess of expenditures (profits) of \$541,797,952 for 2003. This was an 18.25% increase from 2001. The industry's performance from 2001 through 2003 appeared solid based upon profits per capita, profits per day, and net operating gain.

SECTION VI. TENNCARE PER CAPITA COST

Eligibility Classes

Per capita costs for the TennCare program vary based on eligibility category. There were eight logical categories within which the data needed to be summarized and rates calculated. Each of the group has different characteristics and represents a unique utilization pattern. Below is brief summary of the categories used:

TennCare Eligibility Classes	
Current	Disenrollment
Medically Needy	Over 20
Medicaid (TANF & Related)	None
Duals	None
Uninsured	Over 18
Disabled	None
Disabled Uninsured	Over 18
Disabled Uninsurable	Over 18
Waiver Duals	Over 18

The disenrollment group represents the expansion population no longer being covered under the proposed amendment. All children under age 19 will continue to have coverage.

Aon has summarized per capita costs based on “current” groups participating under the program.

Demographic Groupings

In addition to eligibility category, the per capita costs also vary significantly based on demographic group. Age groupings are used for most eligibility categories where use of health care services varies by demographic grouping. The “Duals” and “Disableds” categories are the only groups without an age breakout. Below is a summary of the demographic groups:

Age Groups	Gender Split
Under 1	Combined
01-13	Combined
14-18	Male/Female
19-20	Male/Female
21-44	Male/Female
45-64	Combined
65 and over	Combined

To develop medical fund targets or capitation rates, we combined the data for infants’ age 0-1 for the Medicaid, Uninsured, and Uninsurable / Medically Eligible categories, although the historical experience data for these rate cells is shown in this report. There are very few infants in the Uninsurable category, in particular, and we believe the data are not sufficiently stable to project a per capita cost for this population separately.

Base Year Cost and Utilization

Determination of Units

Encounter records were classified into the detailed service categories shown in the attached tables using combinations of diagnosis codes, procedure codes, revenue codes and claim type indicators. Hospital inpatient data was run through the HCFA grouper and assigned a DRG. Over 90% of the data grouped, which is very high considering not all providers are not compensated in that manner. After grouping and categorizing the claims, they were further summarized into appropriate eligibility and demographic groups.

In this summarization process, unit counts were made for each service category. The following table details the types of units that were counted for each detailed service category. In the table, “Services” indicates the actual unit counts that were recorded on each claim. “Claims” or “Prescriptions” refers to a count of “1” for each claim record in the historical database. “Days” are used for inpatient units, and represent the inpatient length of stay, outlined below.

Determination of Service Units	
Major Service Group	Units Counted
Pharmacy	Prescriptions
Home Health Care	Claims
Inpatient	Days
Outpatient	Claims
Professional	Services
DME/Supplies	Claims
LAB	Services
Radiology	Services
Transportation	Claims
Dental	Claims

Data Adjustments and Anomalies

On detailed review, there were some MCOs with missing paid claims data for various timeframes due to submission errors by the MCOs. Below is a list of data elements missing:

1. OmniCare – June, 2004
2. TennCare Select High – July, 2004 through December, 2004
3. BlueCare East – July, 2004 through December, 2004

Using the MLR reports, we estimated the missing data represented \$98 million dollars of incurred claims during our baseline period. The MLR reports were used to quantify whether the missing claims were hospital (UB92) or professional (HCFA1500) claims. The historical baseline claims data was adjusted accordingly for each service category.

A final review was performed to ensure that the projected paid claims were consistent and balanced to the data reported by the MCOs. This resulted in a 3.9% adjustment factor.

Below is a summary of the capitation payments added to the claims data by each participating MCO:

Capitation Payments Loaded To Baseline Data	
MCO	Fiscal Year 2004
BCE (2 & 11)	\$ 8,098,342
Better Health Plans, Inc.	\$ 922,180
John Deere Health	\$ 1,597,149
TLC Family Care	\$ 11,918,473
OmniCare Health Plan, Inc.	\$ 7,454,088
Preferred Health Partnership of Tennessee, Inc.	\$ 1,557,145
TCS (4 & 11)	\$ 13,026,777
VHP	\$ 36,658,299
Total	\$ 81,232,453

The capitation amounts were added to the professional component only and spread evenly across all eligibility groups and demographic categories.

Third Party Liability and Participant Cost Sharing

The per capita costs shown here are inclusive of adjustments for Third Party Liability, with the exception of subrogation. We have assumed plans will continue to collect payments for Third Party Liability at levels similar to those observed during the data period.

Claims Completion and Trend Factors

Completion Factors

Using detailed claims data and triangular reports from the MFTs, Aon was able to calculate the outstanding incurred claims, the remaining IBNR. Since the run-out period was 6-months (July – December, 2004), the completion factors are very low. All MCO and BHO medical (excluding pharmacy & dental) have a completion factor of 1.01. Dental and pharmacy data are complete and required no additional adjustment to the incurred claims.

Trend Factors

The baseline data covers claims incurred from July, 2003 through June, 2004. All the claims were adequately adjusted (see above) to reflect any outstanding Incurred But Not Reported (IBNR) claims to provide a “complete” baseline data set.

Current Period Trend

Trend rates are comprised of changes in cost per unit of service as well as changes in the volume of services used per person over time. Aon has examined the historical data for Fiscal Years 2002, 2003 and 2004. From this we were able to calculate combined utilization and cost trend rates using a simple regression methodology. Although most of the provider contracts are frozen, our trend rates recognize the impact of built in escalators (e.g., CPI adjustments, charge master increases, Medicare payment trends, etc.). These provide the basis for the current trends. Pharmacy trends were adjusted to reflect the emerging run-rate of the group over the last 6 months of incurred data.

Historical Trends

Since paid claims data was available through March 2005, Aon used the MFT and Invoice details to adjust the current trend assumptions. To do this Aon used the current period trends to project paid claims for the last 3-months of the fiscal year. From that forecast and the calculated completion factors discussed earlier, we are able to develop total incurred claims for Fiscal Year 2005 that more accurately reflect emerging experience. The overall trend for the historical period would then equal the change in per capita costs over the baseline Fiscal Year 2004.

Below is a summary of the trend rates used in this actuarial projection:

Annual Trend Assumptions Summary By Rate Group		
	Historical	Current
Pharmacy	16.9%	19.8%
Home Health Care	12.8%	7.2%
Inpatient	12.8%	7.2%
Outpatient	11.4%	6.5%
Professional	14.4%	12.1%
Dental	5.0%	5.0%
BHO - Non Pharmacy	7.5%	7.5%
Overall - Without Pharmacy	13.2%	9.4%
Overall - With Pharmacy	14.7%	13.6%

Should there be any additional increases in costs per unit of service due to contractual negotiation, those additional costs will either need to be explicitly funded, or savings in utilization will be required to cover the additional costs.

Aon has reviewed the trends by eligibility and demographic groups. These deviations were discounted due to the significant shift in enrollment due to reverification. Trends by service grouping, as detailed above, are believed to more accurately reflect a group specific trend.

Administrative Costs

The rates in our actuarial review use health plan encounter data as the baseline. In order to develop a total per capita cost, it is necessary to add an amount to cover health plan administration. Tennessee plans are also required to pay a 2% premium tax on their premium revenues. This applied to the MCOs and BHOs only. Because pharmacy and dental claims are paid through TPA arrangements, the premium tax does not apply to these services.

Aon received ASO fee schedules for both the medical and dental administrators. The medical rates vary by vendor, volume, and aid category. Dental rates varied by age only. Pharmacy administrative costs were developed from estimated budgets from the TennCare Bureau.

Summary of MCO and BHO Per Capita Fees		
	ASO Fees	Premium Tax
Medical	8.00%	2.00%
Pharmacy	0.56%	N/A
Dental	4.50%	N/A
BHO	10.00%	2.00%

Per Capita Costs

The per capita costs are calculated based on the historical data shown in Exhibit 1. As discussed above (Data Adjustments and Anomalies) the data was adjusted to reflect missing elements, and capitation amounts. The final baseline was checked against the MFT report, Invoices and the prior Actuarial Report. The adjusted data was determined to be consistent.

The steps used for calculating the per capita costs for Fiscal Year 2005 and 2006 are as follows:

1. Exhibit 1 provides the baseline data. The exhibit includes billed charges, paid expenditures, member months, units (as discussed earlier), utilization rates based on a “per 1,000” methodology, amount billed and paid per unit of service, and per member per month billed and paid.

The encounter data is summarized by the demographic and eligibility rate cells. As the data cells become smaller, the credibility of each specific cell decreases. This information is the starting point for the per capita cost calculation.

2. The results in Exhibit 1 are brought forward to Exhibit 2, which includes billed claims, paid amount, units of service and member months for each rate cell and service category.
3. The paid amounts are multiplied by any data adjustment factors (primarily IBNR factors for this analysis) to complete the data period claims. The historical trend factors is then applied to move the data to the mid-point of Fiscal Year 2005 (January 1, 2005). The current trend factor is applied to Fiscal Year 2005 to project the per capita costs for Fiscal Year 2006 (mid-point of January 1, 2006).
4. The projected paid claims are divided by the count of member months for each rate cell to arrive at PMPM costs by service category and rate cell for each of the fiscal years.
5. The PMPM costs are summarized by rate cell across all service categories to arrive at the total claims cost for each rate cell.
6. Administrative costs are added to calculate the per capita costs for FY 2006. Administrative loads are different for pharmacy (discussed earlier).

Resulting per capita costs are calculated in Exhibit 2 for each of the TennCare per capita cost cells. A weighted average value for the full fiscal year is shown in these exhibits.

Exhibit 3 shows the variation in overall utilization and per member per month costs by the three Grand Regions – East, Middle, and West.

The per capita costs include adjustments for Third Party Liability and participant point-of-service cost sharing. We have assumed that plans will continue to collect Third Party Liability payments consistent with their experience during the data period.

Point-of-service cost sharing is currently required for some of those individuals who are in the Uninsured and Uninsurable eligibility categories. Most cost sharing applies only to those with an income above 100% of the federal poverty level. Current levels of cost sharing are reflected in the per capita costs.

Projected MCO per Capita Costs by Rate Group

Emerging FY 2005 experience indicates that the previously calculated per capita costs were understated by approximately 9.1%. The bulk of the variation appears to be from utilization trends much higher than projected. There could be many other reasons for the deviation, such as demographic swings, enrollment shifts, etc. A detailed review of the variations is beyond the scope of this project.

The projected MCO per capita cost by Eligibility/Rate group are shown below:

MCO Per Capita Costs - Fiscal Year 2006		
Summary By Rate Group		
	W/O Pharmacy	W/Pharmacy
Medically Needy	\$ 170.97	\$ 335.08
Medicaid (TANF & Related)	\$ 179.46	\$ 237.79
Duals	\$ 33.13	\$ 391.22
Uninsured	\$ 168.40	\$ 252.75
Disabled	\$ 457.20	\$ 676.14
Disabled Uninsured	\$ 426.65	\$ 652.88
Disabled Uninsurable	\$ 337.34	\$ 519.45
Waiver Duals	\$ 31.47	\$ 345.38
All Eligibility Groups	\$ 195.72	\$ 339.20
2005 Current Projection	\$ 178.86	\$ 298.62
Difference	9.4%	13.6%

The per capita costs are anticipated to increase 13.6% or \$40.58 per capita over the updated Fiscal Year 2005 projections. Pharmacy trends represent nearly half the overall increase, with per capita costs increasing from \$119.76 to \$143.47.

Medicare Modernization Act

As a result of the Medicare Modernization Act ("MMA"), beginning January 1, 2006, Medicare will be responsible for paying prescription drug benefits for dual eligibles ("Duals") with TennCare reimbursing Medicare for part of the costs. Currently, TennCare pays this benefit with the Federal Government reimbursing TennCare for part of the costs. The projected net costs to TennCare are not anticipated to change significantly as a result of implementing MMA. Consequently, for the purposes of this report, the Duals' prescription drug costs are shown as if TennCare would be the primary payer for the entire FY 2006.

Projected MCO Costs by Service Categories

Summary By Service Category - MCO All Eligibility Groups						
	Fiscal Year 2006		Fiscal Year 2005		% Change	
	Per Capita	Total*	Per Capita	Total**	Per Capita	Total
Pharmacy - Brand	\$ 115.40	\$ 1,915,870,800	\$ 96.33	\$ 1,561,008,384	19.8%	22.7%
Pharmacy - Generic	\$ 27.28	\$ 452,902,560	\$ 22.77	\$ 368,983,296	19.8%	22.7%
Subtotal - Pharmacy	\$ 142.68	\$ 2,368,773,360	\$ 119.10	\$ 1,929,991,680	19.8%	22.7%
Home Health Care	\$ 3.34	\$ 55,450,680	\$ 3.12	\$ 50,558,976	7.1%	9.7%
IP - Maternity	\$ 4.68	\$ 77,697,360	\$ 4.36	\$ 70,652,928	7.3%	10.0%
IP - Newborn	\$ 6.88	\$ 114,221,760	\$ 6.42	\$ 104,034,816	7.2%	9.8%
IP - Medical	\$ 14.66	\$ 243,385,320	\$ 13.67	\$ 221,519,616	7.2%	9.9%
IP - Surgery	\$ 10.71	\$ 177,807,420	\$ 9.99	\$ 161,885,952	7.2%	9.8%
IP - Other	\$ 8.99	\$ 149,251,980	\$ 8.39	\$ 135,958,272	7.2%	9.8%
Subtotal - InPatient	\$ 45.92	\$ 762,363,840	\$ 42.83	\$ 694,051,584	7.2%	9.8%
OP - Emergency Room	\$ 10.94	\$ 181,625,880	\$ 10.28	\$ 166,585,344	6.4%	9.0%
OP - Laboratory	\$ 2.59	\$ 42,999,180	\$ 2.43	\$ 39,377,664	6.6%	9.2%
OP - Radiology	\$ 6.63	\$ 110,071,260	\$ 6.23	\$ 100,955,904	6.4%	9.0%
OP - Surgery	\$ 11.68	\$ 193,911,360	\$ 10.97	\$ 177,766,656	6.5%	9.1%
OP - Other	\$ 7.76	\$ 128,831,520	\$ 7.28	\$ 117,970,944	6.6%	9.2%
Subtotal - OutPatient	\$ 39.60	\$ 657,439,200	\$ 37.19	\$ 602,656,512	6.5%	9.1%
Prof - Evaluation & Management	\$ 37.59	\$ 624,069,180	\$ 33.53	\$ 543,346,944	12.1%	14.9%
Prof - Maternity	\$ 3.66	\$ 60,763,320	\$ 3.27	\$ 52,989,696	11.9%	14.7%
Prof - Surgery	\$ 9.80	\$ 162,699,600	\$ 8.74	\$ 141,629,952	12.1%	14.9%
Prof - DME/Supplies	\$ 4.76	\$ 79,025,520	\$ 4.24	\$ 68,708,352	12.3%	15.0%
Prof - Lab	\$ 4.47	\$ 74,210,940	\$ 3.99	\$ 64,657,152	12.0%	14.8%
Prof - Radiology	\$ 6.86	\$ 113,889,720	\$ 6.12	\$ 99,173,376	12.1%	14.8%
Prof - Transportation	\$ 4.59	\$ 76,203,180	\$ 4.09	\$ 66,277,632	12.2%	15.0%
Prof - Other	\$ 17.01	\$ 282,400,020	\$ 15.18	\$ 245,988,864	12.1%	14.8%
Subtotal - Professional	\$ 88.74	\$ 1,473,261,480	\$ 79.16	\$ 1,282,771,968	12.1%	14.8%
Subtotal - Non Pharmacy	\$ 177.60	\$ 2,948,515,200	\$ 162.30	\$ 2,630,039,040	9.4%	12.1%
Total	\$ 320.28	\$ 5,317,288,560	\$ 281.40	\$ 4,560,030,720	13.8%	16.6%
Subtotal Including Administration						
Pharmacy	\$ 143.48	\$ 2,382,054,960	\$ 119.76	\$ 1,940,686,848	19.8%	22.7%
Non-Pharmacy	\$ 195.72	\$ 3,249,343,440	\$ 178.86	\$ 2,898,390,528	9.4%	12.1%
Total	\$ 339.20	\$ 5,631,398,400	\$ 298.62	\$ 4,839,077,376	13.6%	16.4%
* Assumed average enrollment of 1,383,500 for FY 2006						
** Assumed average enrollment of 1,350,400 for FY 2005						

Enrollment numbers use actual enrollment through March 2005, with projections assuming a 3% growth from that month forward. The total program expenditures for the MCOs are expected to increase 16.4%, with per capita costs increasing 13.6%.

Projected 2006 per capita costs by age/sex

The appendices include a detailed breakdown of each rate cell by various demographic categories. Below is a brief summary of the projection by major age/sex categories.

MCO Per Capita Costs - Fiscal Year 2006 Summary By Age				
	W/O Pharmacy		W/Pharmacy	
Age Under 1	\$	786.99	\$	863.38
Ages 1 - 13	\$	86.94	\$	112.64
Ages 14 - 18 Female	\$	156.92	\$	191.14
Ages 14 - 18 Male	\$	83.55	\$	111.01
Ages 19 - 20 Female	\$	331.52	\$	377.32
Ages 19 - 20 Male	\$	111.19	\$	138.34
Ages 21 - 44 Female	\$	284.75	\$	407.19
Ages 21 - 44 Male	\$	213.37	\$	368.21
Ages 45 - 64	\$	354.73	\$	692.51
Age Over 65	\$	46.31	\$	391.68
All Ages	\$	195.72	\$	339.20

These demographic breaks are consistent with prior reports and national published data.

Projected 2006 per capita costs for proposed disenrollment group

Using the breakout detailed in the eligibility categories, Aon has estimated the 2006 per capita costs associated with the proposed disenrollment groups. The costs below represent an entire fiscal year and do not recognize the staggered timeframe proposed as part of the Governor's reform proposal. These are estimated numbers only and assume that all individuals currently targeted for disenrollment will not move into another eligible category.

MCO Per Capita Costs - Fiscal Year 2006 Analysis Of Proposed Disenrollment Groups						
	Fiscal Year 2006 Enrollment			Projected Fiscal Year 2006 Per Capita Cost		
	Disenrollment *	All Other **	Total	Disenrollment	All Other **	Total
Medically Needy	99,475	70,340	169,816	\$ 467.51	\$ 147.80	\$ 335.08
Medicaid (TANF & Related)	-	607,966	607,966	-	\$ 237.79	\$ 237.79
Duals	-	170,900	170,900	-	\$ 391.22	\$ 391.22
Uninsured	115,448	51,600	167,047	\$ 323.56	\$ 94.33	\$ 252.75
Disabled	-	164,583	164,583	-	\$ 676.14	\$ 676.14
Disabled Uninsured	2,600	163	2,763	\$ 670.59	\$ 370.52	\$ 652.88
Disabled Uninsurable	60,331	2,657	62,988	\$ 524.58	\$ 402.81	\$ 519.45
Waiver Duals	36,511	926	37,437	\$ 345.35	\$ 346.68	\$ 345.38
All Eligibility Groups	314,365	1,069,136	1,383,500	\$ 413.09	\$ 317.47	\$ 339.20
Fiscal 2006 Projection				\$ 1,558,330,961	\$ 4,073,067,439	\$ 5,631,398,400
% of total	23%	77%		28%	72%	

The disenrollment group has a projected average per capita cost of \$413.09 for Fiscal Year 2006. This is approximately 28% higher than the remaining group. Much of this is due to children, whose average per capita cost is significantly less than the per capita cost for those over 18. Using the current enrollment, we estimate \$1.56 billion will be spent on the disenrollment group in Fiscal Year 2006. Note that the total numbers above vary from the prior page due to the difference in the projected enrollment levels.

SECTION VII. TENNCARE PARTNERS PER CAPITA COST

Eligibility Classes

TennCare Partners provides coverage for all individuals who are eligible for the TennCare program, as well as some individuals who qualify under special rules, i.e., the State Only and Judicial eligibles. State Only eligibles are priority individuals whose Medicaid application is pending. Judicials are individuals who were involuntarily placed in an inpatient facility. Both of these groups are eligible only for TennCare Partners benefits and are not eligible to participate in the TennCare physical health program.

Per capita costs for the TennCare Partners program vary based on behavioral health severity level (SPMI/SED status), age and region. These rate cells were chosen because they reflect known differences in cost of behavioral health services.

Base Year Cost and Utilization

Aon obtained the following data from Advocare, the current behavioral health services provider, and from this data, selected base year data:

- UB92 inpatient and outpatient detailed encounter data with dates of payment from July 1, 2001 through December 31, 2004.
- HCFA 1500 professional detailed encounter data with dates of payment from July 1, 2001 through December 31, 2004;
- Utilization by provider and service type for services covered by grant payments, Community Mental Health Centers, Tennessee Christian Medical Center and Regional Mental Health Institutions from July 1, 2001 through December 31, 2004.
- Additionally, we received the BHO monthly Medical Loss Ratio reports that are submitted to the Department of Commerce and Insurance with payment information through March 31, 2005.
- Eligibility data from October 1 2003 through December 31, 2004 by age group, priority status, and vendor/contract.

Beginning July 1, 2004, TennCare Partners entered into a full capitation agreement with TBH to provide mental health services to members in the East Region. Since approximately 37.5% of the covered population was capitated after July 1, 2004, we used data incurred between July 1, 2004 and December 31, 2004 and paid through March 2004 to establish the baseline per capita costs.

Data Adjustments and Anomalies

The Premier and TBH detailed encounter data sets provided relative cost and utilization by rate cell. However, the encounter data had to be supplemented with other data sources because many services are capitated or paid through other aggregated payment methods whose payment information is not available from the encounter data. The table below shows the payment amounts that were added to the encounter data by type of service. These amounts were reported as paid per the Premier Behavioral Systems, Inc. (Premier) and the Tennessee Behavioral Health, Inc Medical Loss Ratio reports. Some services were reported separately for children and adults, and were appropriately allocated to the encounter data within these demographic categories.

Additions to Encounter Data By Data Source			
	Adult	Child	Total
RMHI	\$27,777,725	\$2,113,459	\$29,891,183
TCMC	\$3,619,915	\$317,353	\$3,937,267
Grant Payments	\$14,266,069	\$5,270,676	\$19,536,745
CMHC	\$48,948,108	\$19,313,768	\$68,261,876
Total	\$94,611,816	\$27,015,255	\$121,627,071

Payments were allocated pro-rata in the following manner:

- RMHI – Regional Mental Health Institutions - hospital payments only apply to the priority population. Payments were allocated based upon private inpatient hospital spending by the SPMI population.
- CMHC – Community Mental Health Centers - payments were allocated to the rate cells based on utilization by rate cell.
- TCMC – Tennessee Christian Medical Center - payments were allocated to hospital payments based upon TCMC utilization by rate cell.
- Grant payments by rate cell were allocated to the rate cells based on utilization by rate cell.

Because the health plan financial experience appears to be the most accurate representation of actual expenditures, the statewide, per capita costs were then adjusted to match the plan’s financial experience.

Claims Completion Factors and Trend Factors

The financial experience data included an estimate of Incurred But Not Reported (IBNR) claims. Therefore, no further calculation of a claims completion factor was necessary.

The application of healthcare trend adjustments to the base data are complicated by a variety of factors. The nature of the payments being projected is the combination of three separate components of the program. The first component is comprised of services that are capitated, thus providing little detail on the workings of the program over time. Community mental health center case rates are fully capitated, while transportation and outpatient services are partially capitated. The second component is comprised of grant payments and inpatient hospital – regional mental health institute payments where little detail is available. The third component is comprised of services for which data is available and benchmarks can be applied. Each of the three components represents a significant portion of the non-pharmacy portion of the program.

The existence of case rate payments, grants and other capitated services will moderate the utilization trend, as measured against other similar programs. Consequently, we trended from the data period through the rating period (fiscal year 2006) at 7.5% per annum, which is consistent with prior trend rates.

Administrative Costs

The per capita costs include a 10% administrative fee. Additionally, in Tennessee plans are required to pay a 2% premium tax on their premium revenues. An adjustment for this tax has also been made.

Projected Fiscal Year 2006 Per Capita Costs

Beginning July 1, 2004, TennCare Partners entered into a risk contract with Tennessee Behavioral Health, Inc. for the East Tennessee region (TBH East) that pays capitation rates based on demographic group and priority status. The remainder of the state is funded on the basis of a fixed monthly budget. This budget is currently divided between payments for individuals who are classified as priority (SPMI/SED) and non-priority. The following table shows the original aggregate FY 2005 per capita costs for statewide BHO services and the projected aggregate FY 2006 per capita costs:

TennCare Partners Per Capita Costs			
Plan	Original Projected FY 2005	Projected FY 2006	Increase
StateWide	\$27.28	\$29.80	9.3%

The FY 2006 per capita costs were developed using a 7.5% trend and include a 10% administrative load and 2% premium tax. Aggregate PMPM rate levels were developed using FY 2005 enrollment through February, 2004 projected forward at 3% per annum. The projected total FY 2006 BHO (Non-pharmacy) costs are \$494,807,000. More detailed per capita costs are currently being developed and will be released with the final contractual capitation rates.

Behavioral health drugs are paid on a fee-for-service basis. Fiscal Year 2006 expected per capita costs have been developed using encounter data provided by TennCare. The data used covered the time period from January, 2004 through December, 2004. The following table illustrates BHO pharmacy per capita costs, which include administrative fees:

BHO Pharmacy Per Capita Costs				
Plan	Original Projected FY 2005	Restated FY 2005 Projection	Projected FY 2006	Increase Over Orginal Projection
SPMI/SED	\$249.20	\$223.56	\$267.83	7.5%
Non SPMI/SED	\$27.70	\$25.46	\$30.50	10.1%
Aggregate	\$44.20	\$40.21	\$48.40	9.5%

FY 2006 projected costs were developed using an historical annual trend rate of 16.9%, a future trend rate of 19.8% and includes a 0.56% administrative load. The projected total FY 2006 BHO pharmacy costs are \$803,462,000.

EXHIBITS

Exhibit 1 – Historical Encounter Data

Exhibit 2 – TennCare Statewide Per Capita Costs

Exhibit 3 – Regional Analysis

TennCare
FY 2006 Per Capita Cost Development
Historical Encounter Data; Statewide

Exhibit 1

All Categories ALL Ages								
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit
Service Category								
Member Months	16,191,954							
Pharmacy - Brand	n/a	\$ 1,334,179,323	n/a	\$ 82.40	19,055,401	14,122	n/a	\$ 70.02
Pharmacy - Generic	n/a	315,443,220	n/a	19.48	20,007,662	14,828	n/a	15.77
Subtotal - Pharmacy	n/a	1,649,622,544	n/a	101.88	39,063,063	28,950	n/a	42.23
Home Health Care	65,510,216	44,289,852	4.05	2.74	48,163	36	1,360.16	919.57
IP - Maternity	228,332,938	62,026,148	14.10	3.83	76,878	57	2,970.05	806.81
IP - Newborn	236,211,120	91,182,119	14.59	5.63	114,797	85	2,057.65	794.29
IP - Medical	844,781,443	194,326,862	52.17	12.00	292,160	217	2,891.50	665.14
IP - Surgery	680,221,327	142,050,915	42.01	8.77	119,378	88	5,698.06	1,189.93
IP - Other	451,439,956	119,186,714	27.88	7.36	122,274	91	3,692.02	974.75
Subtotal - InPatient	2,440,986,784	608,772,759	150.75	37.60	725,488	538	3,364.62	839.12
OP - Emergency Room	676,400,201	147,887,535	41.77	9.13	982,393	728	688.52	150.54
OP - Laboratory	175,237,118	35,022,303	10.82	2.16	252,215	187	694.79	138.86
OP - Radiology	432,998,914	89,597,938	26.74	5.53	373,242	277	1,160.10	240.05
OP - Surgery	595,592,502	157,844,687	36.78	9.75	149,389	111	3,986.85	1,056.60
OP - Other	306,229,269	104,795,672	18.91	6.47	408,161	302	750.27	256.75
Subtotal - OutPatient	2,186,458,005	535,148,136	135.03	33.05	2,165,400	1,605	1,009.72	247.14
Prof - Evaluation & Management	1,122,783,846	469,926,167	69.34	29.02	7,495,582	5,555	149.79	62.69
Prof - Maternity	111,128,769	45,756,088	6.86	2.83	91,179	68	1,218.80	501.83
Prof - Surgery	456,202,960	122,525,028	28.17	7.57	1,198,698	888	380.58	102.22
Prof - DME/Supplies	107,848,933	59,465,056	6.66	3.67	391,979	290	275.14	151.70
Prof - Lab	212,270,079	55,936,948	13.11	3.45	5,526,768	4,096	38.41	10.12
Prof - Radiology	298,522,400	85,735,064	18.44	5.29	2,182,816	1,618	136.76	39.28
Prof - Transportation	110,892,693	57,330,971	6.85	3.54	1,379,895	1,023	80.36	41.55
Prof - Other	598,830,988	212,657,829	36.98	13.13	20,971,333	15,542	28.55	10.14
Subtotal - Professional	3,018,480,669	1,109,333,151	186.42	68.51	39,238,251	29,080	76.93	28.27
Subtotal - Non Pharmacy	\$ 7,711,435,674	\$ 2,297,543,897	\$ 476.25	\$ 141.89	42,177,302	31,258	\$ 182.83	\$ 54.47
Total	\$ 7,711,435,674	\$ 3,947,166,440	\$ 476.25	\$ 243.77	81,240,365	60,208	\$ 94.92	\$ 48.59

TennCare
FY 2006 Per Capita Cost Development
Historical Encounter Data; Statewide

Exhibit 1

Medically Needy ALL Ages									
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	
Service Category									
Member Months	1,987,457								
Pharmacy - Brand	n/a	\$ 187,132,718	n/a	\$ 94.16	2,652,618	16,016	n/a	\$ 70.55	
Pharmacy - Generic	n/a	44,465,423	n/a	22.37	2,725,206	16,454	n/a	16.32	
Subtotal - Pharmacy	n/a	231,598,141	n/a	116.53	5,377,824	32,471	n/a	43.07	
Home Health Care	4,052,792	2,933,448	2.04	1.48	3,036	18	1,334.86	966.18	
IP - Maternity	17,130,579	4,753,623	8.62	2.39	5,917	36	2,895.10	803.37	
IP - Newborn	10,268,722	4,099,980	5.17	2.06	5,199	31	1,975.26	788.66	
IP - Medical	94,331,101	20,643,424	47.46	10.39	32,735	198	2,881.65	630.62	
IP - Surgery	86,741,782	18,301,942	43.64	9.21	16,005	97	5,419.60	1,143.50	
IP - Other	53,256,536	13,965,965	26.80	7.03	12,300	74	4,329.94	1,135.48	
Subtotal - InPatient	261,728,719	61,764,934	131.69	31.08	72,156	436	3,627.28	856.00	
OP - Emergency Room	83,959,957	17,249,121	42.24	8.68	118,875	718	706.29	145.10	
OP - Laboratory	20,031,843	3,946,493	10.08	1.99	24,777	150	808.48	159.28	
OP - Radiology	55,674,377	11,192,026	28.01	5.63	44,644	270	1,247.07	250.69	
OP - Surgery	75,606,188	19,245,944	38.04	9.68	17,613	106	4,292.69	1,092.73	
OP - Other	28,556,722	8,616,561	14.37	4.34	33,414	202	854.64	257.87	
Subtotal - OutPatient	263,829,087	60,250,146	132.75	30.32	239,323	1,445	1,102.40	251.75	
Prof - Evaluation & Management	122,761,626	50,784,466	61.77	25.55	811,511	4,900	151.28	62.58	
Prof - Maternity	8,608,665	3,688,867	4.33	1.86	7,706	47	1,117.16	478.71	
Prof - Surgery	59,751,829	15,266,107	30.06	7.68	139,002	839	429.86	109.83	
Prof - DME/Supplies	8,259,522	4,342,601	4.16	2.19	31,685	191	260.68	137.06	
Prof - Lab	24,498,661	6,434,897	12.33	3.24	611,973	3,695	40.03	10.51	
Prof - Radiology	37,554,225	10,415,865	18.90	5.24	265,916	1,606	141.23	39.17	
Prof - Transportation	12,461,953	6,632,348	6.27	3.34	165,394	999	75.35	40.10	
Prof - Other	69,449,537	23,744,119	34.94	11.95	1,785,798	10,782	38.89	13.30	
Subtotal - Professional	343,346,019	121,309,271	172.76	61.04	3,818,986	23,059	89.91	31.76	
Subtotal - Non Pharmacy	\$ 872,956,617	\$ 246,257,798	\$ 439.23	\$ 123.91	4,133,501	24,958	\$ 211.19	\$ 59.58	
Total	\$ 872,956,617	\$ 477,855,938	\$ 439.23	\$ 240.44	9,511,325	57,428	\$ 91.78	\$ 50.24	

TennCare
FY 2006 Per Capita Cost Development
Historical Encounter Data; Statewide

Exhibit 1

Medically Needy Age Under 1								
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit
Service Category								
Member Months	4,280							
Pharmacy - Brand	n/a	\$ 272,897	n/a	63.76	3,511	9,844	n/a	\$ 77.72
Pharmacy - Generic	n/a	26,260	n/a	6.14	2,688	7,535	n/a	9.77
Subtotal - Pharmacy	n/a	299,157	n/a	69.89	6,199	17,379	n/a	48.26
Home Health Care	3,709	1,271	0.87	0.30	6	18	593.67	203.50
IP - Maternity	-	-	-	-	-	-	-	-
IP - Newborn	1,360,535	697,995	317.87	163.08	578	1,620	2,354.43	1,207.89
IP - Medical	165,313	52,670	38.62	12.31	90	251	1,846.20	588.21
IP - Surgery	380,108	54,083	88.81	12.64	76	213	5,000.96	711.55
IP - Other	398,589	105,083	93.12	24.55	176	493	2,265.21	597.20
Subtotal - InPatient	2,304,545	909,831	538.43	212.57	919	2,578	2,506.65	989.62
OP - Emergency Room	474,340	135,999	110.82	31.77	1,065	2,986	445.33	127.68
OP - Laboratory	33,116	7,131	7.74	1.67	154	432	214.91	46.28
OP - Radiology	107,940	27,327	25.22	6.38	128	359	842.85	213.38
OP - Surgery	202,191	78,011	47.24	18.23	78	219	2,589.23	999.00
OP - Other	217,089	99,075	50.72	23.15	231	648	939.19	428.63
Subtotal - OutPatient	1,034,677	347,543	241.74	81.20	1,657	4,644	624.60	209.80
Prof - Evaluation & Management	1,699,505	719,892	397.07	168.19	10,689	29,969	158.99	67.35
Prof - Maternity	-	-	-	-	-	-	-	-
Prof - Surgery	225,739	58,275	52.74	13.62	646	1,810	349.57	90.24
Prof - DME/Supplies	82,849	45,443	19.36	10.62	366	1,027	226.21	124.08
Prof - Lab	48,623	13,293	11.36	3.11	1,734	4,862	28.04	7.67
Prof - Radiology	53,788	13,494	12.57	3.15	962	2,697	55.92	14.03
Prof - Transportation	41,800	15,613	9.77	3.65	127	355	330.06	123.28
Prof - Other	355,922	132,870	83.16	31.04	12,845	36,012	27.71	10.34
Subtotal - Professional	2,508,227	998,880	586.01	233.37	27,369	76,732	91.65	36.50
Subtotal - Non Pharmacy	\$ 5,851,158	\$ 2,257,525	\$ 1,367.04	\$ 527.44	29,951	83,971	\$ 195.36	\$ 75.37
Total	\$ 5,851,158	\$ 2,556,682	\$ 1,367.04	\$ 597.33	36,150	101,350	\$ 161.86	\$ 70.73

TennCare
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Historical Encounter Data; Statewide

Exhibit 1

Medically Needy Ages 1 - 13									
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	
Service Category									
Member Months	457,977								
Pharmacy - Brand	n/a	\$ 5,846,456	n/a	12.77	114,849	3,009	n/a	\$ 50.91	
Pharmacy - Generic	n/a	1,267,028	n/a	2.77	80,352	2,105	n/a	15.77	
Subtotal - Pharmacy	n/a	7,113,483	n/a	15.53	195,201	5,115	n/a	36.44	
Home Health Care	534,056	442,736	1.17	0.97	370	10	1,444.87	1,197.81	
IP - Maternity	11,060	3,340	0.02	0.01	3	0	3,540.67	1,069.33	
IP - Newborn	13,197	1,021	0.03	0.00	5	0	2,535.00	196.20	
IP - Medical	3,608,711	892,495	7.88	1.95	1,613	42	2,237.54	553.38	
IP - Surgery	2,610,288	469,914	5.70	1.03	526	14	4,964.40	893.71	
IP - Other	2,735,749	609,079	5.97	1.33	1,061	28	2,578.53	574.08	
Subtotal - InPatient	8,979,005	1,975,849	19.61	4.31	3,208	84	2,799.02	615.93	
OP - Emergency Room	10,236,860	2,615,325	22.35	5.71	21,906	574	467.32	119.39	
OP - Laboratory	1,239,176	249,062	2.71	0.54	3,189	84	388.56	78.10	
OP - Radiology	2,312,684	492,707	5.05	1.08	3,554	93	650.80	138.65	
OP - Surgery	6,887,448	2,143,382	15.04	4.68	2,141	56	3,217.40	1,001.26	
OP - Other	1,946,369	525,710	4.25	1.15	4,670	122	416.80	112.58	
Subtotal - OutPatient	22,622,538	6,026,187	49.40	13.16	35,459	929	637.99	169.95	
Prof - Evaluation & Management	18,856,911	8,460,175	41.17	18.47	147,343	3,861	127.98	57.42	
Prof - Maternity	2,852	768	0.01	0.00	2	0	1,250.00	336.50	
Prof - Surgery	4,649,189	1,216,833	10.15	2.66	26,418	692	175.98	46.06	
Prof - DME/Supplies	411,950	253,972	0.90	0.55	2,066	54	199.37	122.92	
Prof - Lab	1,727,042	530,035	3.77	1.16	62,669	1,642	27.56	8.46	
Prof - Radiology	1,626,039	431,350	3.55	0.94	21,299	558	76.34	20.25	
Prof - Transportation	666,563	236,190	1.46	0.52	2,752	72	242.22	85.83	
Prof - Other	5,006,836	2,273,184	10.93	4.96	197,105	5,165	25.40	11.53	
Subtotal - Professional	32,947,382	13,402,507	71.94	29.26	459,656	12,044	71.68	29.16	
Subtotal - Non Pharmacy	\$ 65,082,981	\$ 21,847,280	\$ 142.11	\$ 47.70	498,692	13,067	\$ 130.51	\$ 43.81	
Total	\$ 65,082,981	\$ 28,960,764	\$ 142.11	\$ 63.24	693,893	18,182	\$ 93.79	\$ 41.74	

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Exhibit 1

Medically Needy Age 14 - 18 Female								
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit
Service Category								
Member Months	82,414							
Pharmacy - Brand	n/a	\$ 1,312,453	n/a	15.93	24,836	3,616	n/a	\$ 52.84
Pharmacy - Generic	n/a	451,820	n/a	5.48	31,449	4,579	n/a	14.37
Subtotal - Pharmacy	n/a	1,764,273	n/a	21.41	56,285	8,196	n/a	31.35
Home Health Care	7,347	4,364	0.09	0.05	18	3	415.06	246.53
IP - Maternity	1,641,913	477,197	19.92	5.79	613	89	2,677.34	778.13
IP - Newborn	1,084,290	322,507	13.16	3.91	632	92	1,715.64	510.29
IP - Medical	2,559,885	602,056	31.06	7.31	907	132	2,822.75	663.88
IP - Surgery	2,029,842	427,114	24.63	5.18	340	50	5,961.89	1,254.49
IP - Other	1,203,418	358,225	14.60	4.35	188	27	6,385.69	1,900.85
Subtotal - InPatient	8,519,348	2,187,100	103.37	26.54	2,681	390	3,177.59	815.76
OP - Emergency Room	3,439,582	714,400	41.74	8.67	5,195	756	662.16	137.53
OP - Laboratory	714,975	184,709	8.68	2.24	1,063	155	672.57	173.75
OP - Radiology	1,230,059	236,558	14.93	2.87	1,361	198	903.90	173.83
OP - Surgery	1,833,225	541,578	22.24	6.57	410	60	4,468.78	1,320.18
OP - Other	662,584	180,461	8.04	2.19	1,129	164	587.06	159.89
Subtotal - OutPatient	7,880,425	1,857,706	95.62	22.54	9,157	1,333	860.56	202.87
Prof - Evaluation & Management	4,886,459	2,105,694	59.29	25.55	32,968	4,800	148.22	63.87
Prof - Maternity	827,625	356,427	10.04	4.32	628	91	1,318.90	568.00
Prof - Surgery	1,408,750	349,310	17.09	4.24	3,931	572	358.41	88.87
Prof - DME/Supplies	63,492	42,493	0.77	0.52	398	58	159.45	106.72
Prof - Lab	1,096,529	338,873	13.31	4.11	31,535	4,592	34.77	10.75
Prof - Radiology	997,079	281,813	12.10	3.42	8,163	1,189	122.14	34.52
Prof - Transportation	288,209	106,714	3.50	1.29	1,359	198	212.10	78.53
Prof - Other	1,695,903	627,935	20.58	7.62	44,816	6,525	37.84	14.01
Subtotal - Professional	11,264,044	4,209,259	136.68	51.07	123,798	18,026	90.99	34.00
Subtotal - Non Pharmacy	\$ 27,671,164	\$ 8,258,429	\$ 335.76	\$ 100.21	135,654	19,752	\$ 203.98	\$ 60.88
Total	\$ 27,671,164	\$ 10,022,702	\$ 335.76	\$ 121.61	191,939	27,948	\$ 144.17	\$ 52.22

TennCare
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Exhibit 1

Medically Needy Ages 14 - 18 Male								
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit
Service Category								
Member Months	84,041							
Pharmacy - Brand	n/a	\$ 892,485	n/a	10.62	13,986	1,997	n/a	\$ 63.81
Pharmacy - Generic	n/a	290,497	n/a	3.46	18,208	2,600	n/a	15.95
Subtotal - Pharmacy	n/a	1,182,982	n/a	14.08	32,194	4,597	n/a	36.75
Home Health Care	17,017	12,129	0.20	0.14	16	2	1,089.60	776.60
IP - Maternity	-	-	-	-	-	-	-	-
IP - Newborn	-	-	-	-	-	-	-	-
IP - Medical	1,700,941	304,791	20.24	3.63	579	83	2,938.22	526.50
IP - Surgery	2,529,192	386,447	30.09	4.60	394	56	6,426.28	981.90
IP - Other	1,947,123	548,160	23.17	6.52	389	56	5,000.24	1,407.68
Subtotal - InPatient	6,177,256	1,239,398	73.50	14.75	1,362	194	4,535.83	910.06
OP - Emergency Room	2,570,134	539,363	30.58	6.42	3,973	567	646.87	135.75
OP - Laboratory	310,696	73,567	3.70	0.88	427	61	727.81	172.33
OP - Radiology	939,271	179,703	11.18	2.14	994	142	944.62	180.73
OP - Surgery	1,276,558	277,036	15.19	3.30	275	39	4,644.15	1,007.86
OP - Other	449,615	124,504	5.35	1.48	683	98	658.27	182.28
Subtotal - OutPatient	5,546,274	1,194,174	65.99	14.21	6,352	907	873.11	187.99
Prof - Evaluation & Management	2,975,802	1,257,137	35.41	14.96	20,002	2,856	148.78	62.85
Prof - Maternity	-	-	-	-	-	-	-	-
Prof - Surgery	1,172,508	312,044	13.95	3.71	3,672	524	319.35	84.99
Prof - DME/Supplies	90,096	56,157	1.07	0.67	411	59	219.35	136.72
Prof - Lab	269,343	74,310	3.20	0.88	8,398	1,199	32.07	8.85
Prof - Radiology	680,788	189,471	8.10	2.25	7,353	1,050	92.58	25.77
Prof - Transportation	322,680	118,528	3.84	1.41	1,153	165	279.74	102.76
Prof - Other	1,034,718	395,785	12.31	4.71	31,984	4,567	32.35	12.37
Subtotal - Professional	6,545,934	2,403,432	77.89	28.60	72,973	10,420	89.70	32.94
Subtotal - Non Pharmacy	\$ 18,286,481	\$ 4,849,133	\$ 217.59	\$ 57.70	80,703	11,523	\$ 226.59	\$ 60.09
Total	\$ 18,286,481	\$ 6,032,115	\$ 217.59	\$ 71.78	112,897	16,120	\$ 161.98	\$ 53.43

TennCare
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Exhibit 1

Medically Needy Ages 19 - 20 Female								
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit
Service Category								
Member Months	89,725							
Pharmacy - Brand	n/a	\$ 2,266,171	n/a	25.26	47,770	6,389	n/a	\$ 47.44
Pharmacy - Generic	n/a	914,382	n/a	10.19	68,737	9,193	n/a	13.30
Subtotal - Pharmacy	n/a	3,180,553	n/a	35.45	116,506	15,582	n/a	27.30
Home Health Care	26,111	13,532	0.29	0.15	41	5	643.03	333.26
IP - Maternity	5,607,553	1,511,547	62.50	16.85	1,897	254	2,955.93	796.79
IP - Newborn	3,610,057	1,328,471	40.23	14.81	1,644	220	2,195.84	808.05
IP - Medical	4,035,314	972,169	44.97	10.84	1,401	187	2,879.40	693.69
IP - Surgery	2,109,458	720,180	23.51	8.03	382	51	5,520.45	1,884.71
IP - Other	900,711	213,202	10.04	2.38	244	33	3,696.91	875.07
Subtotal - InPatient	16,263,092	4,745,567	181.26	52.89	5,568	745	2,920.66	852.25
OP - Emergency Room	8,865,889	1,812,809	98.81	20.20	12,447	1,665	712.27	145.64
OP - Laboratory	1,287,991	231,149	14.35	2.58	2,033	272	633.40	113.67
OP - Radiology	2,697,422	572,207	30.06	6.38	2,650	354	1,017.96	215.94
OP - Surgery	3,880,001	977,887	43.24	10.90	839	112	4,623.45	1,165.26
OP - Other	1,471,573	331,446	16.40	3.69	2,477	331	594.10	133.81
Subtotal - OutPatient	18,202,877	3,925,497	202.87	43.75	20,447	2,735	890.25	191.98
Prof - Evaluation & Management	9,843,080	4,052,856	109.70	45.17	60,012	8,026	164.02	67.53
Prof - Maternity	2,836,204	1,240,590	31.61	13.83	2,221	297	1,276.77	558.47
Prof - Surgery	2,536,731	715,292	28.27	7.97	6,163	824	411.59	116.06
Prof - DME/Supplies	214,789	121,283	2.39	1.35	642	86	334.38	188.81
Prof - Lab	2,914,162	876,835	32.48	9.77	75,054	10,038	38.83	11.68
Prof - Radiology	2,487,718	730,850	27.73	8.15	18,045	2,413	137.86	40.50
Prof - Transportation	626,631	237,984	6.98	2.65	3,978	532	157.51	59.82
Prof - Other	3,368,858	1,148,294	37.55	12.80	84,342	11,280	39.94	13.61
Subtotal - Professional	24,828,173	9,123,983	276.72	101.69	250,459	33,497	99.13	36.43
Subtotal - Non Pharmacy	\$ 59,320,253	\$ 17,808,580	\$ 661.14	\$ 198.48	276,515	36,982	\$ 214.53	\$ 64.40
Total	\$ 59,320,253	\$ 20,989,133	\$ 661.14	\$ 233.93	393,021	52,564	\$ 150.93	\$ 53.40

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Exhibit 1

Medically Needy Ages 19 - 20 Male								
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit
Service Category								
Member Months	75,317							
Pharmacy - Brand	n/a	\$ 919,540	n/a	12.21	14,076	2,243	n/a	\$ 65.33
Pharmacy - Generic	n/a	352,309	n/a	4.68	26,744	4,261	n/a	13.17
Subtotal - Pharmacy	n/a	1,271,850	n/a	16.89	40,820	6,504	n/a	31.16
Home Health Care	39,701	16,639	0.53	0.22	51	8	778.16	326.14
IP - Maternity	-	-	-	-	-	-	-	-
IP - Newborn	24,288	13,469	0.32	0.18	15	2	1,666.21	924.00
IP - Medical	4,183,900	922,061	55.55	12.24	1,305	208	3,207.00	706.77
IP - Surgery	4,511,379	1,180,946	59.90	15.68	651	104	6,932.64	1,814.76
IP - Other	2,101,947	676,158	27.91	8.98	441	70	4,761.30	1,531.62
Subtotal - InPatient	10,821,513	2,792,635	143.68	37.08	2,411	384	4,487.65	1,158.10
OP - Emergency Room	4,908,025	985,935	65.16	13.09	7,335	1,169	669.11	134.41
OP - Laboratory	456,081	70,429	6.06	0.94	444	71	1,028.26	158.79
OP - Radiology	1,518,489	278,310	20.16	3.70	1,034	165	1,468.70	269.18
OP - Surgery	2,355,549	476,137	31.28	6.32	408	65	5,771.32	1,166.58
OP - Other	620,505	159,437	8.24	2.12	858	137	723.25	185.84
Subtotal - OutPatient	9,858,650	1,970,249	130.90	26.16	10,079	1,606	978.16	195.49
Prof - Evaluation & Management	3,963,487	1,479,354	52.62	19.64	22,318	3,556	177.59	66.29
Prof - Maternity	-	-	-	-	-	-	-	-
Prof - Surgery	2,185,863	548,557	29.02	7.28	4,045	644	540.44	135.63
Prof - DME/Supplies	172,466	112,267	2.29	1.49	686	109	251.52	163.73
Prof - Lab	345,929	81,104	4.59	1.08	8,863	1,412	39.03	9.15
Prof - Radiology	997,667	278,260	13.25	3.69	10,506	1,674	94.96	26.49
Prof - Transportation	586,805	197,189	7.79	2.62	2,500	398	234.74	78.88
Prof - Other	1,326,424	439,498	17.61	5.84	31,027	4,943	42.75	14.17
Subtotal - Professional	9,578,640	3,136,228	127.18	41.64	79,943	12,737	119.82	39.23
Subtotal - Non Pharmacy	\$ 30,298,503	\$ 7,915,751	\$ 402.28	\$ 105.10	92,484	14,735	\$ 327.61	\$ 85.59
Total	\$ 30,298,503	\$ 9,187,600	\$ 402.28	\$ 121.99	133,304	21,239	\$ 227.29	\$ 68.92

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Exhibit 1

Medically Needy Ages 21 - 44 Female									
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	
Service Category									
Member Months	451,702								
Pharmacy - Brand	n/a	\$ 26,784,861	n/a	59.30	376,338	9,998	n/a	\$ 71.17	
Pharmacy - Generic	n/a	7,440,173	n/a	16.47	472,592	12,555	n/a	15.74	
Subtotal - Pharmacy	n/a	34,225,035	n/a	75.77	848,930	22,553	n/a	40.32	
Home Health Care	345,493	169,846	0.76	0.38	541	14	638.13	313.71	
IP - Maternity	9,870,053	2,761,540	21.85	6.11	3,404	90	2,899.84	811.35	
IP - Newborn	4,176,355	1,736,517	9.25	3.84	2,325	62	1,796.30	746.90	
IP - Medical	23,896,044	5,720,049	52.90	12.66	9,044	240	2,642.26	632.48	
IP - Surgery	20,343,690	4,281,505	45.04	9.48	3,532	94	5,760.28	1,212.30	
IP - Other	9,870,510	2,689,984	21.85	5.96	2,050	54	4,814.63	1,312.12	
Subtotal - InPatient	68,156,652	17,189,594	150.89	38.06	20,354	541	3,348.52	844.52	
OP - Emergency Room	31,167,693	6,198,952	69.00	13.72	42,312	1,124	736.62	146.51	
OP - Laboratory	5,907,492	1,110,019	13.08	2.46	8,417	224	701.85	131.88	
OP - Radiology	19,915,067	4,039,544	44.09	8.94	17,864	475	1,114.83	226.13	
OP - Surgery	29,320,833	7,275,165	64.91	16.11	6,454	171	4,542.80	1,127.17	
OP - Other	8,052,367	2,052,561	17.83	4.54	10,449	278	770.61	196.43	
Subtotal - OutPatient	94,363,452	20,676,242	208.91	45.77	85,496	1,402	1,103.71	241.84	
Prof - Evaluation & Management	41,824,106	17,619,554	92.59	39.01	269,811	7,168	155.01	65.30	
Prof - Maternity	4,937,417	2,089,524	10.93	4.63	4,851	129	1,017.76	430.72	
Prof - Surgery	20,586,619	5,553,137	45.58	12.29	38,579	1,025	533.62	143.94	
Prof - DME/Supplies	1,672,122	960,196	3.70	2.13	7,099	189	235.55	135.26	
Prof - Lab	10,475,232	2,826,312	23.19	6.26	248,431	6,600	42.17	11.38	
Prof - Radiology	14,282,389	4,112,362	31.62	9.10	95,457	2,536	149.62	43.08	
Prof - Transportation	2,514,478	1,074,872	5.57	2.38	19,402	515	129.60	55.40	
Prof - Other	18,684,792	5,878,916	41.37	13.02	425,212	11,296	43.94	13.83	
Subtotal - Professional	114,977,155	40,114,872	254.54	88.81	1,108,843	29,458	103.69	36.18	
Subtotal - Non Pharmacy	\$ 277,842,752	\$ 78,150,555	\$ 615.10	\$ 173.01	1,215,235	31,414	\$ 228.63	\$ 64.31	
Total	\$ 277,842,752	\$ 112,375,590	\$ 615.10	\$ 248.78	2,064,165	53,967	\$ 134.60	\$ 54.44	

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Exhibit 1

Medically Needy Ages 21 - 44 Male									
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	
Service Category									
Member Months	175,584								
Pharmacy - Brand	n/a	\$ 12,093,424	n/a	68.88	123,602	8,447	n/a	\$ 97.84	
Pharmacy - Generic	n/a	2,827,888	n/a	16.11	153,070	10,461	n/a	18.47	
Subtotal - Pharmacy	n/a	14,921,311	n/a	84.98	276,671	18,909	n/a	53.93	
Home Health Care	861,854	744,075	4.91	4.24	457	31	1,885.55	1,627.88	
IP - Maternity	-	-	-	-	-	-	-	-	
IP - Newborn	-	-	-	-	-	-	-	-	
IP - Medical	14,028,900	3,238,320	79.90	18.44	4,524	309	3,101.01	715.81	
IP - Surgery	15,232,731	3,588,174	86.75	20.44	3,535	242	4,309.31	1,015.09	
IP - Other	8,719,904	2,340,773	49.66	13.33	1,857	127	4,694.47	1,260.18	
Subtotal - InPatient	37,981,535	9,167,267	216.32	52.21	9,916	678	3,830.21	924.46	
OP - Emergency Room	10,819,190	2,169,879	61.62	12.36	14,277	976	757.82	151.99	
OP - Laboratory	2,689,281	593,869	15.32	3.38	2,242	153	1,199.67	264.92	
OP - Radiology	7,114,654	1,434,275	40.52	8.17	4,401	301	1,616.56	325.89	
OP - Surgery	7,829,388	1,972,953	44.59	11.24	1,847	126	4,238.81	1,068.15	
OP - Other	3,615,712	1,047,991	20.59	5.97	3,417	234	1,058.10	306.68	
Subtotal - OutPatient	32,068,226	7,218,967	182.64	41.11	26,184	1,789	1,224.73	275.70	
Prof - Evaluation & Management	12,454,710	4,951,831	70.93	28.20	74,081	5,063	168.12	66.84	
Prof - Maternity	-	-	-	-	-	-	-	-	
Prof - Surgery	8,210,024	2,149,999	46.76	12.24	16,026	1,095	512.31	134.16	
Prof - DME/Supplies	1,237,809	719,498	7.05	4.10	3,940	269	314.19	182.63	
Prof - Lab	1,688,472	386,145	9.62	2.20	39,603	2,707	42.64	9.75	
Prof - Radiology	4,398,043	1,249,374	25.05	7.12	31,950	2,184	137.66	39.10	
Prof - Transportation	1,436,948	588,613	8.18	3.35	9,203	629	156.14	63.96	
Prof - Other	7,558,738	2,572,597	43.05	14.65	182,784	12,492	41.35	14.07	
Subtotal - Professional	36,984,745	12,618,057	210.64	71.86	357,585	24,439	103.43	35.29	
Subtotal - Non Pharmacy	\$ 107,896,359	\$ 29,748,366	\$ 614.50	\$ 169.43	394,143	26,937	\$ 273.75	\$ 75.48	
Total	\$ 107,896,359	\$ 44,669,677	\$ 614.50	\$ 254.41	670,814	45,846	\$ 160.84	\$ 66.59	

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Exhibit 1

Medically Needy									
Ages 45 - 64									
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	
Service Category									
Member Months	261,799								
Pharmacy - Brand	n/a	\$ 66,283,340	n/a	253.18	832,617	38,164	n/a	\$ 79.61	
Pharmacy - Generic	n/a	14,878,933	n/a	56.83	817,942	37,492	n/a	18.19	
Subtotal - Pharmacy	n/a	81,162,273	n/a	310.02	1,650,560	75,656	n/a	49.17	
Home Health Care	1,208,113	702,475	4.61	2.68	1,088	50	1,110.35	645.63	
IP - Maternity	-	-	-	-	-	-	-	-	
IP - Newborn	-	-	-	-	-	-	-	-	
IP - Medical	36,327,138	7,544,519	138.76	28.82	11,973	549	3,034.17	630.15	
IP - Surgery	33,987,744	6,848,280	129.82	26.16	6,008	275	5,657.39	1,139.92	
IP - Other	23,660,392	6,278,956	90.38	23.98	5,427	249	4,360.00	1,157.05	
Subtotal - InPatient	93,975,275	20,671,755	358.96	78.96	23,407	1,073	4,014.83	883.14	
OP - Emergency Room	10,704,046	1,993,284	40.89	7.61	9,737	446	1,099.29	204.71	
OP - Laboratory	6,998,272	1,382,914	26.73	5.28	6,267	287	1,116.70	220.67	
OP - Radiology	18,263,080	3,745,253	69.76	14.31	11,601	532	1,574.27	322.84	
OP - Surgery	20,013,359	5,173,284	76.45	19.76	4,546	208	4,402.56	1,138.03	
OP - Other	9,821,638	3,051,910	37.52	11.66	8,204	376	1,197.24	372.02	
Subtotal - OutPatient	65,800,395	15,346,645	251.34	58.62	40,354	1,850	1,630.56	380.30	
Prof - Evaluation & Management	22,964,813	9,504,314	87.72	36.30	150,957	6,919	152.13	62.96	
Prof - Maternity	4,567	1,559	0.02	0.01	3	0	1,334.33	455.33	
Prof - Surgery	16,101,765	4,064,261	61.50	15.52	33,051	1,515	487.19	122.97	
Prof - DME/Supplies	3,697,111	1,891,729	14.12	7.23	13,790	632	268.09	137.18	
Prof - Lab	5,267,424	1,222,334	20.12	4.67	123,110	5,643	42.79	9.93	
Prof - Radiology	10,810,463	2,960,492	41.29	11.31	65,007	2,980	166.30	45.54	
Prof - Transportation	3,431,097	2,146,311	13.11	8.20	62,168	2,850	55.19	34.52	
Prof - Other	26,370,046	9,405,904	100.73	35.93	574,335	26,326	45.91	16.38	
Subtotal - Professional	88,647,287	31,196,904	338.61	119.16	1,022,422	46,864	86.70	30.51	
Subtotal - Non Pharmacy	\$ 249,631,069	\$ 67,917,779	\$ 953.52	\$ 259.43	1,087,271	49,837	\$ 229.59	\$ 62.47	
Total	\$ 249,631,069	\$ 149,080,052	\$ 953.52	\$ 569.44	2,737,831	125,493	\$ 91.18	\$ 54.45	

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Exhibit 1

Medically Needy Age Over 65									
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	
Service Category									
Member Months	304,617								
Pharmacy - Brand	n/a	\$ 70,461,091	n/a	231.31	1,101,033	43,374	n/a	\$ 64.00	
Pharmacy - Generic	n/a	16,016,133	n/a	52.58	1,053,425	41,498	n/a	15.20	
Subtotal - Pharmacy	n/a	86,477,223	n/a	283.89	2,154,458	84,872	n/a	40.14	
Home Health Care	1,009,391	826,379	3.31	2.71	449	18	2,249.32	1,841.50	
IP - Maternity	-	-	-	-	-	-	-	-	
IP - Newborn	-	-	-	-	-	-	-	-	
IP - Medical	3,824,954	394,294	12.56	1.29	1,300	51	2,941.26	303.20	
IP - Surgery	3,007,350	345,300	9.87	1.13	562	22	5,348.84	614.15	
IP - Other	1,718,193	146,344	5.64	0.48	465	18	3,691.76	314.44	
Subtotal - InPatient	8,550,498	885,937	28.07	2.91	2,328	92	3,672.73	380.54	
OP - Emergency Room	774,198	83,173	2.54	0.27	628	25	1,233.12	132.48	
OP - Laboratory	394,763	43,643	1.30	0.14	541	21	729.13	80.61	
OP - Radiology	1,575,709	186,142	5.17	0.61	1,058	42	1,489.54	175.96	
OP - Surgery	2,007,637	330,512	6.59	1.09	614	24	3,268.15	538.03	
OP - Other	1,699,269	1,043,466	5.58	3.43	1,296	51	1,310.88	804.97	
Subtotal - OutPatient	6,451,575	1,686,936	21.18	5.54	4,138	163	1,559.22	407.70	
Prof - Evaluation & Management	3,292,753	633,658	10.81	2.08	23,330	919	141.14	27.16	
Prof - Maternity	-	-	-	-	-	-	-	-	
Prof - Surgery	2,674,642	298,398	8.78	0.98	6,473	255	413.23	46.10	
Prof - DME/Supplies	616,838	139,562	2.02	0.46	2,286	90	269.78	61.04	
Prof - Lab	665,905	85,656	2.19	0.28	12,575	495	52.95	6.81	
Prof - Radiology	1,220,250	168,401	4.01	0.55	7,174	283	170.09	23.47	
Prof - Transportation	2,546,743	1,910,335	8.36	6.27	62,752	2,472	40.58	30.44	
Prof - Other	4,047,299	869,137	13.29	2.85	201,348	7,932	20.10	4.32	
Subtotal - Professional	15,064,431	4,105,148	49.45	13.48	315,939	12,446	47.68	12.99	
Subtotal - Non Pharmacy	\$ 31,075,895	\$ 7,504,401	\$ 102.02	\$ 24.64	322,854	12,718	\$ 96.25	\$ 23.24	
Total	\$ 31,075,895	\$ 93,981,624	\$ 102.02	\$ 308.52	2,477,312	97,590	\$ 12.54	\$ 37.94	

TennCare
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Historical Encounter Data; Statewide

Exhibit 1

Medicaid (TANF & Related) ALL Ages									
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	
Service Category									
Member Months	7,115,402								
Pharmacy - Brand	n/a	\$ 234,287,869	n/a	\$ 32.93	3,760,396	6,342	n/a	\$ 62.30	
Pharmacy - Generic	n/a	60,423,877	n/a	8.49	4,191,403	7,069	n/a	14.42	
Subtotal - Pharmacy	n/a	294,711,746	n/a	41.42	7,951,799	13,411	n/a	37.06	
Home Health Care	4,792,706	2,863,947	0.67	0.40	6,528	11	734.15	438.70	
IP - Maternity	196,607,899	53,298,253	27.63	7.49	66,404	112	2,960.78	802.64	
IP - Newborn	190,205,065	76,939,589	26.73	10.81	97,953	165	1,941.80	785.47	
IP - Medical	194,829,069	48,733,845	27.38	6.85	75,902	128	2,566.86	642.06	
IP - Surgery	167,353,170	37,242,074	23.52	5.23	28,328	48	5,907.76	1,314.69	
IP - Other	103,027,284	28,902,663	14.48	4.06	33,338	56	3,090.39	866.96	
Subtotal - InPatient	852,022,487	245,116,424	119.74	34.45	301,925	509	2,821.97	811.85	
OP - Emergency Room	340,624,733	80,301,547	47.87	11.29	559,429	943	608.88	143.54	
OP - Laboratory	55,998,698	10,879,812	7.87	1.53	103,968	175	538.61	104.65	
OP - Radiology	137,904,366	28,567,307	19.38	4.01	141,121	238	977.21	202.43	
OP - Surgery	220,165,592	62,786,108	30.94	8.82	57,841	98	3,806.37	1,085.49	
OP - Other	92,834,704	26,607,871	13.05	3.74	163,887	276	566.46	162.36	
Subtotal - OutPatient	847,528,093	209,142,644	119.11	29.39	1,026,246	1,731	825.85	203.79	
Prof - Evaluation & Management	544,932,282	233,104,683	76.58	32.76	3,660,865	6,174	148.85	63.67	
Prof - Maternity	95,479,498	39,258,069	13.42	5.52	77,565	131	1,230.96	506.13	
Prof - Surgery	155,968,572	43,103,818	21.92	6.06	505,426	852	308.59	85.28	
Prof - DME/Supplies	17,065,459	10,154,180	2.40	1.43	78,354	132	217.80	129.59	
Prof - Lab	93,902,130	26,588,497	13.20	3.74	2,618,004	4,415	35.87	10.16	
Prof - Radiology	108,386,131	32,101,089	15.23	4.51	848,534	1,431	127.73	37.83	
Prof - Transportation	28,744,460	11,752,577	4.04	1.65	196,312	331	146.42	59.87	
Prof - Other	201,319,734	71,191,754	28.29	10.01	5,746,813	9,692	35.03	12.39	
Subtotal - Professional	1,245,798,265	467,254,666	175.08	65.67	13,731,873	23,159	90.72	34.03	
Subtotal - Non Pharmacy	\$ 2,950,141,551	\$ 924,377,681	\$ 414.61	\$ 129.91	15,066,573	25,410	\$ 195.81	\$ 61.35	
Total	\$ 2,950,141,551	\$ 1,219,089,427	\$ 414.61	\$ 171.33	23,018,371	38,820	\$ 128.16	\$ 52.96	

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Historical Encounter Data; Statewide

Exhibit 1

Medicaid (TANF & Related)									
Age Under 1									
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	
Service Category									
Member Months	255,705								
Pharmacy - Brand	n/a	\$ 10,297,177	n/a	40.27	145,938	6,849	n/a	\$ 70.56	
Pharmacy - Generic	n/a	1,196,065	n/a	4.68	117,082	5,495	n/a	10.22	
Subtotal - Pharmacy	n/a	11,493,241	n/a	44.95	263,020	12,343	n/a	43.70	
Home Health Care	305,394	148,754	1.19	0.58	652	31	468.55	228.23	
IP - Maternity	23,841	5,418	0.09	0.02	8	0	2,862.25	650.50	
IP - Newborn	106,237,226	42,440,241	415.47	165.97	46,850	2,199	2,267.58	905.87	
IP - Medical	16,850,384	5,434,308	65.90	21.25	7,750	364	2,174.36	701.24	
IP - Surgery	18,597,416	4,279,118	72.73	16.73	3,036	142	6,125.40	1,409.41	
IP - Other	21,974,327	7,452,135	85.94	29.14	9,470	444	2,320.50	786.95	
Subtotal - InPatient	163,683,195	59,611,221	640.13	233.13	67,114	3,150	2,438.88	888.21	
OP - Emergency Room	25,940,191	7,816,157	101.45	30.57	54,315	2,549	477.59	143.90	
OP - Laboratory	2,726,133	696,915	10.66	2.73	8,656	406	314.92	80.51	
OP - Radiology	5,398,866	1,407,396	21.11	5.50	7,527	353	717.29	186.99	
OP - Surgery	7,681,425	2,934,848	30.04	11.48	2,747	129	2,796.64	1,068.51	
OP - Other	6,587,685	2,205,732	25.76	8.63	9,291	436	709.07	237.42	
Subtotal - OutPatient	48,334,301	15,061,048	189.02	58.90	82,535	3,873	585.62	182.48	
Prof - Evaluation & Management	84,194,702	35,947,376	329.27	140.58	522,351	24,513	161.18	68.82	
Prof - Maternity	197,859	67,046	0.77	0.26	162	8	1,221.26	413.83	
Prof - Surgery	11,242,971	3,193,330	43.97	12.49	39,740	1,865	282.91	80.36	
Prof - DME/Supplies	3,392,415	1,930,965	13.27	7.55	15,121	710	224.35	127.70	
Prof - Lab	2,712,913	777,728	10.61	3.04	81,221	3,812	33.40	9.58	
Prof - Radiology	3,887,681	1,004,264	15.20	3.93	53,736	2,522	72.35	18.69	
Prof - Transportation	2,621,595	904,097	10.25	3.54	10,920	512	240.08	82.79	
Prof - Other	21,977,039	8,422,808	85.95	32.94	795,532	37,334	27.63	10.59	
Subtotal - Professional	130,227,176	52,247,614	509.29	204.33	1,518,782	71,275	85.74	34.40	
Subtotal - Non Pharmacy	\$ 342,550,065	\$ 127,068,637	\$ 1,339.63	\$ 496.94	1,669,083	78,329	\$ 205.23	\$ 76.13	
Total	\$ 342,550,065	\$ 138,561,878	\$ 1,339.63	\$ 541.88	1,932,103	90,672	\$ 177.29	\$ 71.72	

TennCare
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Historical Encounter Data; Statewide

Exhibit 1

Medicaid (TANF & Related)									
Ages 1 - 13									
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	
Service Category									
Member Months	3,944,798								
Pharmacy - Brand	n/a	\$ 48,983,601	n/a	12.42	977,915	2,975	n/a	\$ 50.09	
Pharmacy - Generic	n/a	10,037,819	n/a	2.54	693,204	2,109	n/a	14.48	
Subtotal - Pharmacy	n/a	59,021,420	n/a	14.96	1,671,119	5,084	n/a	35.32	
Home Health Care	2,386,873	1,633,923	0.61	0.41	3,268	10	730.31	499.93	
IP - Maternity	220,287	60,812	0.06	0.02	62	0	3,526.20	973.43	
IP - Newborn	292,756	151,128	0.07	0.04	131	0	2,231.54	1,151.98	
IP - Medical	26,738,887	7,393,122	6.78	1.87	13,369	41	2,000.08	553.01	
IP - Surgery	16,712,754	3,898,964	4.24	0.99	3,427	10	4,877.41	1,137.87	
IP - Other	18,337,027	5,101,714	4.65	1.29	9,485	29	1,933.21	537.86	
Subtotal - InPatient	62,301,711	16,605,740	15.79	4.21	26,474	81	2,353.28	627.24	
OP - Emergency Room	102,515,706	29,187,830	25.99	7.40	218,651	665	468.85	133.49	
OP - Laboratory	8,802,041	2,120,719	2.23	0.54	26,913	82	327.06	78.80	
OP - Radiology	17,571,663	4,298,853	4.45	1.09	27,671	84	635.03	155.36	
OP - Surgery	61,590,762	21,225,101	15.61	5.38	19,684	60	3,129.02	1,078.31	
OP - Other	18,749,681	5,639,980	4.75	1.43	54,803	167	342.13	102.91	
Subtotal - OutPatient	209,229,853	62,472,483	53.04	15.84	347,722	1,058	601.72	179.66	
Prof - Evaluation & Management	178,837,499	79,838,287	45.34	20.24	1,376,629	4,188	129.91	58.00	
Prof - Maternity	96,886	34,373	0.02	0.01	63	0	1,543.96	547.76	
Prof - Surgery	38,266,373	10,289,383	9.70	2.61	229,779	699	166.54	44.78	
Prof - DME/Supplies	3,310,731	2,018,750	0.84	0.51	19,297	59	171.57	104.62	
Prof - Lab	15,608,128	4,659,097	3.96	1.18	577,208	1,756	27.04	8.07	
Prof - Radiology	11,618,638	3,129,233	2.95	0.79	167,954	511	69.18	18.63	
Prof - Transportation	6,054,081	2,520,980	1.53	0.64	38,838	118	155.88	64.91	
Prof - Other	45,129,483	20,746,838	11.44	5.26	1,761,169	5,357	25.62	11.78	
Subtotal - Professional	298,921,818	123,236,940	75.78	31.24	4,170,937	12,688	71.67	29.55	
Subtotal - Non Pharmacy	\$ 572,840,255	\$ 203,949,085	\$ 145.21	\$ 51.70	4,548,401	13,836	\$ 125.94	\$ 44.84	
Total	\$ 572,840,255	\$ 262,970,505	\$ 145.21	\$ 66.66	6,219,520	18,920	\$ 92.10	\$ 42.28	

TennCare
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Exhibit 1

Medicaid (TANF & Related)								
Age 14 - 18 Female								
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit
Service Category								
Member Months	534,105							
Pharmacy - Brand	n/a	\$ 8,856,214	n/a	16.58	173,322	3,894	n/a	\$ 51.10
Pharmacy - Generic	n/a	3,108,246	n/a	5.82	226,707	5,094	n/a	13.71
Subtotal - Pharmacy	n/a	11,964,460	n/a	22.40	400,028	8,988	n/a	29.91
Home Health Care	93,678	43,694	0.18	0.08	154	3	607.92	283.55
IP - Maternity	26,004,323	6,816,542	48.69	12.76	8,648	194	3,006.93	788.21
IP - Newborn	12,467,422	4,728,122	23.34	8.85	7,119	160	1,751.38	664.19
IP - Medical	11,050,698	2,650,918	20.69	4.96	4,900	110	2,255.31	541.02
IP - Surgery	7,079,083	1,533,215	13.25	2.87	1,089	24	6,500.02	1,407.80
IP - Other	1,985,944	483,279	3.72	0.90	740	17	2,682.67	652.83
Subtotal - InPatient	58,587,470	16,212,077	109.69	30.35	22,496	505	2,604.35	720.67
OP - Emergency Room	26,018,553	5,753,799	48.71	10.77	39,608	890	656.90	145.27
OP - Laboratory	4,206,623	820,961	7.88	1.54	8,590	193	489.72	95.57
OP - Radiology	8,205,419	1,565,162	15.36	2.93	9,585	215	856.05	163.29
OP - Surgery	9,034,465	2,205,964	16.92	4.13	2,144	48	4,214.20	1,028.99
OP - Other	6,577,082	1,450,499	12.31	2.72	10,905	245	603.10	133.01
Subtotal - OutPatient	54,042,142	11,796,385	101.18	22.09	70,832	1,591	762.96	166.54
Prof - Evaluation & Management	36,082,192	15,603,179	67.56	29.21	239,557	5,382	150.62	65.13
Prof - Maternity	12,212,420	5,068,518	22.87	9.49	9,865	222	1,238.02	513.81
Prof - Surgery	6,727,798	1,890,316	12.60	3.54	24,120	542	278.92	78.37
Prof - DME/Supplies	501,754	284,287	0.94	0.53	2,388	54	210.12	119.05
Prof - Lab	10,116,995	3,077,281	18.94	5.76	296,835	6,669	34.08	10.37
Prof - Radiology	8,276,131	2,503,641	15.50	4.69	61,662	1,385	134.22	40.60
Prof - Transportation	2,437,219	928,652	4.56	1.74	16,007	360	152.26	58.01
Prof - Other	13,489,288	4,903,521	25.26	9.18	408,031	9,167	33.06	12.02
Subtotal - Professional	89,843,798	34,259,395	168.21	64.14	1,058,465	23,781	84.88	32.37
Subtotal - Non Pharmacy	\$ 202,567,088	\$ 62,311,551	\$ 379.26	\$ 116.67	1,151,947	25,881	\$ 175.85	\$ 54.09
Total	\$ 202,567,088	\$ 74,276,011	\$ 379.26	\$ 139.07	1,551,976	34,869	\$ 130.52	\$ 47.86

TennCare
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Historical Encounter Data; Statewide

Exhibit 1

Medicaid (TANF & Related)									
Ages 14 - 18 Male									
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	
Service Category									
Member Months	495,628								
Pharmacy - Brand	n/a	\$ 5,597,164	n/a	11.29	86,428	2,093	n/a	\$ 64.76	
Pharmacy - Generic	n/a	1,605,198	n/a	3.24	109,995	2,663	n/a	14.59	
Subtotal - Pharmacy	n/a	7,202,362	n/a	14.53	196,424	4,756	n/a	36.67	
Home Health Care	182,832	127,394	0.37	0.26	116	3	1,581.97	1,102.29	
IP - Maternity	-	-	-	-	-	-	-	-	
IP - Newborn	25,510	11,281	0.05	0.02	20	0	1,289.53	570.26	
IP - Medical	4,797,783	1,222,337	9.68	2.47	1,614	39	2,972.89	757.41	
IP - Surgery	7,822,380	1,676,907	15.78	3.38	1,092	26	7,161.98	1,535.33	
IP - Other	3,666,211	956,484	7.40	1.93	760	18	4,823.52	1,258.42	
Subtotal - InPatient	16,311,884	3,867,009	32.91	7.80	3,486	84	4,679.38	1,109.33	
OP - Emergency Room	15,131,238	3,605,874	30.53	7.28	23,502	569	643.83	153.43	
OP - Laboratory	1,530,036	307,598	3.09	0.62	2,562	62	597.12	120.04	
OP - Radiology	4,953,161	1,040,700	9.99	2.10	5,795	140	854.69	179.58	
OP - Surgery	7,080,937	1,875,533	14.29	3.78	1,756	43	4,031.30	1,067.77	
OP - Other	2,351,917	587,036	4.75	1.18	3,973	96	591.95	147.75	
Subtotal - OutPatient	31,047,290	7,416,741	62.64	14.96	37,589	910	825.97	197.31	
Prof - Evaluation & Management	16,902,674	7,261,073	34.10	14.65	116,972	2,832	144.50	62.08	
Prof - Maternity	27,964	10,409	0.06	0.02	18	0	1,531.88	570.19	
Prof - Surgery	5,934,029	1,616,426	11.97	3.26	19,614	475	302.54	82.41	
Prof - DME/Supplies	546,819	344,753	1.10	0.70	2,725	66	200.70	126.54	
Prof - Lab	1,730,571	453,857	3.49	0.92	56,763	1,374	30.49	8.00	
Prof - Radiology	3,333,998	897,682	6.73	1.81	38,371	929	86.89	23.39	
Prof - Transportation	1,565,623	588,977	3.16	1.19	8,413	204	186.09	70.01	
Prof - Other	5,629,122	2,426,395	11.36	4.90	172,875	4,186	32.56	14.04	
Subtotal - Professional	35,670,801	13,599,572	71.97	27.44	415,750	10,066	85.80	32.71	
Subtotal - Non Pharmacy	\$ 83,212,807	\$ 25,010,716	\$ 167.89	\$ 50.46	456,941	11,063	\$ 182.11	\$ 54.74	
Total	\$ 83,212,807	\$ 32,213,078	\$ 167.89	\$ 64.99	653,364	15,819	\$ 127.36	\$ 49.30	

TennCare
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Exhibit 1

Medicaid (TANF & Related)								
Ages 19 - 20 Female								
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit
Service Category								
Member Months	163,593							
Pharmacy - Brand	n/a	\$ 3,189,035	n/a	19.49	67,703	4,966	n/a	\$ 47.10
Pharmacy - Generic	n/a	1,263,852	n/a	7.73	106,988	7,848	n/a	11.81
Subtotal - Pharmacy	n/a	4,452,888	n/a	27.22	174,691	12,814	n/a	25.49
Home Health Care	57,105	25,092	0.35	0.15	75	5	761.75	334.71
IP - Maternity	33,749,651	9,193,399	206.30	56.20	11,844	869	2,849.62	776.24
IP - Newborn	13,491,804	5,809,619	82.47	35.51	8,114	595	1,662.78	716.00
IP - Medical	8,375,324	1,916,130	51.20	11.71	3,393	249	2,468.24	564.69
IP - Surgery	3,869,416	913,764	23.65	5.59	556	41	6,959.43	1,643.47
IP - Other	1,292,610	464,355	7.90	2.84	335	25	3,855.50	1,385.04
Subtotal - InPatient	60,778,806	18,297,267	371.52	111.85	24,242	1,778	2,507.16	754.77
OP - Emergency Room	13,305,470	2,699,170	81.33	16.50	19,216	1,410	692.41	140.46
OP - Laboratory	2,164,001	363,580	13.23	2.22	5,200	381	416.18	69.92
OP - Radiology	3,452,964	624,018	21.11	3.81	4,415	324	782.16	141.35
OP - Surgery	3,755,452	1,028,474	22.96	6.29	976	72	3,849.39	1,054.20
OP - Other	5,856,492	1,211,474	35.80	7.41	9,429	692	621.11	128.48
Subtotal - OutPatient	28,534,378	5,926,717	174.42	36.23	39,235	2,878	727.26	151.06
Prof - Evaluation & Management	18,132,688	7,369,576	110.84	45.05	102,271	7,502	177.30	72.06
Prof - Maternity	16,405,601	6,887,087	100.28	42.10	13,326	978	1,231.09	516.81
Prof - Surgery	3,230,247	978,132	19.75	5.98	8,911	654	362.51	109.77
Prof - DME/Supplies	188,392	104,107	1.15	0.64	756	55	249.05	137.63
Prof - Lab	6,601,688	2,014,868	40.35	12.32	181,061	13,281	36.46	11.13
Prof - Radiology	6,347,115	2,077,317	38.80	12.70	37,395	2,743	169.73	55.55
Prof - Transportation	1,244,795	466,785	7.61	2.85	7,489	549	166.21	62.33
Prof - Other	9,977,358	2,998,985	60.99	18.33	243,920	17,892	40.90	12.29
Subtotal - Professional	62,127,885	22,896,857	379.77	139.96	595,130	43,654	104.39	38.47
Subtotal - Non Pharmacy	\$ 151,498,174	\$ 47,145,932	\$ 926.07	\$ 288.19	658,682	48,316	\$ 230.00	\$ 71.58
Total	\$ 151,498,174	\$ 51,598,820	\$ 926.07	\$ 315.41	833,374	61,130	\$ 181.79	\$ 61.92

TennCare
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Historical Encounter Data; Statewide

Exhibit 1

Medicaid (TANF & Related)								
Ages 19 - 20 Male								
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit
Service Category								
Member Months	53,045							
Pharmacy - Brand	n/a	\$ 298,442	n/a	5.63	4,719	1,068	n/a	\$ 63.24
Pharmacy - Generic	n/a	101,267	n/a	1.91	7,670	1,735	n/a	13.20
Subtotal - Pharmacy	n/a	399,709	n/a	7.54	12,389	2,803	n/a	32.26
Home Health Care	5,313	2,099	0.10	0.04	7	2	729.00	288.00
IP - Maternity	-	-	-	-	-	-	-	-
IP - Newborn	71,801	19,241	1.35	0.36	21	5	3,448.00	924.00
IP - Medical	576,425	150,463	10.87	2.84	196	44	2,944.79	768.67
IP - Surgery	2,244,947	516,031	42.32	9.73	250	57	8,983.89	2,065.07
IP - Other	292,020	75,245	5.51	1.42	67	15	4,382.30	1,129.19
Subtotal - InPatient	3,185,193	760,980	60.05	14.35	533	121	5,974.96	1,427.49
OP - Emergency Room	1,236,006	237,579	23.30	4.48	1,855	420	666.17	128.05
OP - Laboratory	176,154	26,193	3.32	0.49	147	33	1,199.89	178.42
OP - Radiology	404,296	74,887	7.62	1.41	277	63	1,459.78	270.39
OP - Surgery	393,996	77,299	7.43	1.46	93	21	4,251.79	834.17
OP - Other	150,799	42,502	2.84	0.80	219	49	689.68	194.39
Subtotal - OutPatient	2,361,250	458,461	44.51	8.64	2,590	586	911.51	176.98
Prof - Evaluation & Management	1,000,465	368,548	18.86	6.95	5,787	1,309	172.89	63.69
Prof - Maternity	7,546	2,153	0.14	0.04	3	1	2,204.67	629.00
Prof - Surgery	462,554	133,748	8.72	2.52	752	170	615.20	177.89
Prof - DME/Supplies	27,720	12,082	0.52	0.23	128	29	216.93	94.55
Prof - Lab	102,495	24,525	1.93	0.46	2,354	532	43.55	10.42
Prof - Radiology	261,609	73,928	4.93	1.39	2,589	586	101.06	28.56
Prof - Transportation	146,444	46,143	2.76	0.87	600	136	244.02	76.89
Prof - Other	289,966	106,923	5.47	2.02	9,611	2,174	30.17	11.12
Subtotal - Professional	2,298,798	768,050	43.34	14.48	21,824	4,937	105.33	35.19
Subtotal - Non Pharmacy	\$ 7,850,555	\$ 1,989,589	\$ 148.00	\$ 37.51	24,955	5,645	\$ 314.59	\$ 79.73
Total	\$ 7,850,555	\$ 2,389,298	\$ 148.00	\$ 45.04	37,344	8,448	\$ 210.22	\$ 63.98

TennCare
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Historical Encounter Data; Statewide

Exhibit 1

Medicaid (TANF & Related) Ages 21 - 44 Female								
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit
Service Category								
Member Months	1,344,016							
Pharmacy - Brand	n/a	\$ 62,221,128	n/a	46.29	976,293	8,717	n/a	\$ 63.73
Pharmacy - Generic	n/a	19,873,063	n/a	14.79	1,407,918	12,571	n/a	14.12
Subtotal - Pharmacy	n/a	82,094,190	n/a	61.08	2,384,211	21,287	n/a	34.43
Home Health Care	720,883	311,511	0.54	0.23	977	9	738.13	318.96
IP - Maternity	136,504,452	37,194,022	101.56	27.67	45,797	409	2,980.65	812.15
IP - Newborn	57,369,429	23,687,570	42.69	17.62	35,635	318	1,609.93	664.73
IP - Medical	69,708,271	16,746,971	51.87	12.46	26,776	239	2,603.36	625.44
IP - Surgery	52,424,991	11,094,979	39.01	8.26	9,823	88	5,337.18	1,129.54
IP - Other	20,496,790	5,215,633	15.25	3.88	5,374	48	3,814.36	970.61
Subtotal - InPatient	336,503,933	93,939,175	250.37	69.89	123,404	1,102	2,726.85	761.23
OP - Emergency Room	117,834,016	23,587,743	87.67	17.55	158,819	1,418	741.94	148.52
OP - Laboratory	22,316,640	3,914,500	16.60	2.91	36,272	324	615.26	107.92
OP - Radiology	54,415,682	10,829,381	40.49	8.06	52,460	468	1,037.27	206.43
OP - Surgery	80,257,745	20,452,558	59.71	15.22	18,068	161	4,442.03	1,131.99
OP - Other	33,551,955	7,865,347	24.96	5.85	53,254	475	630.04	147.70
Subtotal - OutPatient	308,376,037	66,649,529	229.44	49.59	318,873	1,893	967.08	209.02
Prof - Evaluation & Management	152,446,431	61,922,217	113.43	46.07	916,142	8,180	166.40	67.59
Prof - Maternity	66,401,647	27,136,858	49.41	20.19	54,020	482	1,229.21	502.35
Prof - Surgery	53,641,761	14,805,837	39.91	11.02	110,463	986	485.61	134.03
Prof - DME/Supplies	4,086,213	2,518,896	3.04	1.87	17,537	157	233.00	143.63
Prof - Lab	44,259,422	12,489,818	32.93	9.29	1,095,953	9,785	40.38	11.40
Prof - Radiology	51,428,966	15,638,154	38.27	11.64	330,874	2,954	155.43	47.26
Prof - Transportation	9,218,856	3,759,960	6.86	2.80	64,653	577	142.59	58.16
Prof - Other	67,427,697	18,915,415	50.17	14.07	1,674,216	14,948	40.27	11.30
Subtotal - Professional	448,910,993	157,187,154	334.01	116.95	4,263,857	38,070	105.28	36.87
Subtotal - Non Pharmacy	\$ 1,094,511,846	\$ 318,087,370	\$ 814.36	\$ 236.67	4,707,111	41,074	\$ 232.52	\$ 67.58
Total	\$ 1,094,511,846	\$ 400,181,561	\$ 814.36	\$ 297.75	7,091,322	62,361	\$ 154.35	\$ 56.43

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Historical Encounter Data; Statewide

Exhibit 1

Medicaid (TANF & Related)									
Ages 21 - 44 Male									
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	
Service Category									
Member Months	151,602								
Pharmacy - Brand	n/a	\$ 15,559,390	n/a	102.63	172,173	13,628	n/a	\$ 90.37	
Pharmacy - Generic	n/a	4,000,498	n/a	26.39	243,110	19,243	n/a	16.46	
Subtotal - Pharmacy	n/a	19,559,888	n/a	129.02	415,284	32,872	n/a	47.10	
Home Health Care	188,052	112,686	1.24	0.74	249	20	755.70	452.84	
IP - Maternity	-	-	-	-	-	-	-	-	
IP - Newborn	(102,434)	40,822	(0.68)	0.27	9	1	(10,931.33)	4,356.33	
IP - Medical	16,029,934	3,802,846	105.74	25.08	5,182	410	3,093.38	733.86	
IP - Surgery	17,840,821	3,754,496	117.68	24.77	2,769	219	6,444.15	1,356.13	
IP - Other	10,166,281	2,865,749	67.06	18.90	1,749	138	5,811.95	1,638.32	
Subtotal - InPatient	43,934,602	10,463,913	289.80	69.02	9,709	769	4,525.09	1,077.74	
OP - Emergency Room	18,604,484	3,587,123	122.72	23.66	24,111	1,908	771.62	148.78	
OP - Laboratory	3,623,352	703,210	23.90	4.64	3,426	271	1,057.75	205.29	
OP - Radiology	10,316,796	2,066,925	68.05	13.63	7,139	565	1,445.04	289.51	
OP - Surgery	12,243,860	2,951,540	80.76	19.47	3,009	238	4,069.02	980.89	
OP - Other	3,726,593	913,284	24.58	6.02	5,045	399	738.73	181.04	
Subtotal - OutPatient	48,515,084	10,222,084	320.02	67.43	42,729	3,382	1,135.40	239.23	
Prof - Evaluation & Management	18,726,888	7,568,545	123.53	49.92	113,056	8,949	165.64	66.95	
Prof - Maternity	68,305	29,050	0.45	0.19	35	3	1,931.23	821.35	
Prof - Surgery	10,231,574	2,800,377	67.49	18.47	22,409	1,774	456.58	124.97	
Prof - DME/Supplies	1,294,123	823,240	8.54	5.43	4,816	381	268.72	170.94	
Prof - Lab	2,676,911	611,219	17.66	4.03	64,865	5,134	41.27	9.42	
Prof - Radiology	6,276,996	1,755,826	41.40	11.58	46,676	3,695	134.48	37.62	
Prof - Transportation	1,951,062	762,614	12.87	5.03	11,679	924	167.06	65.30	
Prof - Other	7,744,590	2,391,433	51.09	15.77	160,150	12,677	48.36	14.93	
Subtotal - Professional	48,970,451	16,742,305	323.02	110.44	423,686	33,537	115.58	39.52	
Subtotal - Non Pharmacy	\$ 141,608,188	\$ 37,540,987	\$ 934.08	\$ 247.63	476,374	37,707	\$ 297.26	\$ 78.81	
Total	\$ 141,608,188	\$ 57,100,875	\$ 934.08	\$ 376.65	891,658	70,579	\$ 158.81	\$ 64.04	

TennCare
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Historical Encounter Data; Statewide

Exhibit 1

Medicaid (TANF & Related)									
Ages 45 - 64									
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	
Service Category									
Member Months	139,977								
Pharmacy - Brand	n/a	\$ 56,609,867	n/a	404.42	782,876	67,115	n/a	\$ 72.31	
Pharmacy - Generic	n/a	13,149,375	n/a	93.94	836,688	71,728	n/a	15.72	
Subtotal - Pharmacy	n/a	69,759,242	n/a	498.36	1,619,565	138,843	n/a	43.07	
Home Health Care	643,813	307,973	4.60	2.20	867	74	742.31	355.09	
IP - Maternity	97,801	25,028	0.70	0.18	42	4	2,348.30	600.95	
IP - Newborn	349,897	51,062	2.50	0.36	51	4	6,858.24	1,000.86	
IP - Medical	36,790,747	8,617,900	262.83	61.57	11,523	988	3,192.85	747.90	
IP - Surgery	37,967,229	9,100,974	271.24	65.02	5,884	504	6,452.87	1,546.79	
IP - Other	22,609,977	5,810,693	161.53	41.51	4,715	404	4,795.82	1,232.51	
Subtotal - InPatient	97,815,651	23,605,658	698.80	168.64	22,214	1,904	4,403.37	1,062.66	
OP - Emergency Room	19,467,808	3,732,541	139.08	26.67	18,931	1,623	1,028.36	197.17	
OP - Laboratory	9,991,477	1,844,399	71.38	13.18	11,168	957	894.67	165.15	
OP - Radiology	32,436,042	6,534,195	231.72	46.68	25,677	2,201	1,263.24	254.48	
OP - Surgery	37,074,932	9,750,700	264.86	69.66	9,098	780	4,075.09	1,071.75	
OP - Other	12,263,886	4,399,398	87.61	31.43	15,465	1,326	793.02	284.48	
Subtotal - OutPatient	111,234,146	26,261,233	794.66	187.61	80,338	6,887	1,384.57	326.88	
Prof - Evaluation & Management	37,115,197	16,671,369	265.15	119.10	258,300	22,144	143.69	64.54	
Prof - Maternity	53,975	20,515	0.39	0.15	70	6	775.54	294.77	
Prof - Surgery	25,429,713	7,207,877	181.67	51.49	48,044	4,119	529.31	150.03	
Prof - DME/Supplies	3,561,742	2,048,805	25.45	14.64	14,958	1,282	238.12	136.97	
Prof - Lab	9,824,352	2,416,243	70.19	17.26	255,188	21,877	38.50	9.47	
Prof - Radiology	16,447,670	4,876,994	117.50	34.84	105,513	9,046	155.88	46.22	
Prof - Transportation	2,716,568	1,243,671	19.41	8.88	25,004	2,144	108.65	49.74	
Prof - Other	28,307,257	9,753,432	202.23	69.68	483,663	41,464	58.53	20.17	
Subtotal - Professional	123,456,473	44,238,907	881.98	316.04	1,190,739	102,080	103.68	37.15	
Subtotal - Non Pharmacy	\$ 333,150,084	\$ 94,413,770	\$ 2,380.04	\$ 674.50	1,294,158	110,946	\$ 257.43	\$ 72.95	
Total	\$ 333,150,084	\$ 164,173,012	\$ 2,380.04	\$ 1,172.86	2,913,723	249,789	\$ 114.34	\$ 56.34	

TennCare
FY 2006 Per Capita Cost Development
Historical Encounter Data; Statewide

Exhibit 1

Medicaid (TANF & Related) Age Over 65									
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	
Service Category									
Member Months	32,932								
Pharmacy - Brand	n/a	\$ 22,675,852	n/a	688.56	373,028	135,925	n/a	\$ 60.79	
Pharmacy - Generic	n/a	6,088,494	n/a	184.88	442,041	161,072	n/a	13.77	
Subtotal - Pharmacy	n/a	28,764,346	n/a	873.43	815,068	296,996	n/a	35.29	
Home Health Care	208,762	150,822	6.34	4.58	163	60	1,277.09	922.64	
IP - Maternity	7,543	3,032	0.23	0.09	3	1	2,415.00	970.67	
IP - Newborn	1,654	502	0.05	0.02	3	1	529.67	160.67	
IP - Medical	3,910,615	798,850	118.75	24.26	1,199	437	3,260.33	666.01	
IP - Surgery	2,794,132	473,626	84.84	14.38	403	147	6,934.34	1,175.42	
IP - Other	2,206,097	477,375	66.99	14.50	643	234	3,428.51	741.89	
Subtotal - InPatient	8,920,042	1,753,384	270.86	53.24	2,252	821	3,960.77	778.56	
OP - Emergency Room	571,261	93,730	17.35	2.85	421	153	1,358.07	222.83	
OP - Laboratory	462,241	81,737	14.04	2.48	1,035	377	446.63	78.98	
OP - Radiology	749,479	125,789	22.76	3.82	575	209	1,304.04	218.86	
OP - Surgery	1,052,018	284,090	31.94	8.63	268	98	3,931.51	1,061.68	
OP - Other	3,018,614	2,292,617	91.66	69.62	1,503	548	2,007.75	1,524.87	
Subtotal - OutPatient	5,853,613	2,877,964	177.75	87.39	3,801	1,385	1,539.86	757.08	
Prof - Evaluation & Management	1,493,546	554,512	45.35	16.84	9,801	3,571	152.39	56.58	
Prof - Maternity	7,293	2,059	0.22	0.06	3	1	2,130.67	601.67	
Prof - Surgery	801,553	188,393	24.34	5.72	1,595	581	502.53	118.11	
Prof - DME/Supplies	155,549	68,294	4.72	2.07	629	229	247.43	108.64	
Prof - Lab	268,655	63,860	8.16	1.94	6,556	2,389	40.98	9.74	
Prof - Radiology	507,327	144,051	15.41	4.37	3,765	1,372	134.75	38.26	
Prof - Transportation	788,216	530,698	23.93	16.11	12,709	4,631	62.02	41.76	
Prof - Other	1,347,933	526,005	40.93	15.97	37,645	13,717	35.81	13.97	
Subtotal - Professional	5,370,072	2,077,873	163.06	63.09	72,703	26,491	73.86	28.58	
Subtotal - Non Pharmacy	\$ 20,352,490	\$ 6,860,043	\$ 618.01	\$ 208.31	78,919	28,757	\$ 257.89	\$ 86.92	
Total	\$ 20,352,490	\$ 35,624,389	\$ 618.01	\$ 1,081.74	893,988	325,753	\$ 22.77	\$ 39.85	

TennCare
FY 2006 Per Capita Cost Development
Historical Encounter Data; Statewide

Exhibit 1

Duals ALL Ages								
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit
Service Category								
Member Months	2,000,152							
Pharmacy - Brand	n/a	\$ 412,748,849	n/a	\$ 206.36	5,828,239	34,967	n/a	\$ 70.82
Pharmacy - Generic	n/a	95,824,840	n/a	47.91	6,067,343	36,401	n/a	15.79
Subtotal - Pharmacy	n/a	508,573,689	n/a	254.27	11,895,582	71,368	n/a	42.75
Home Health Care	5,152,201	4,068,178	2.41	1.89	2,440	14	2,063.44	1,623.63
IP - Maternity	189,600	39,933	0.08	0.02	51	0	3,686.65	778.19
IP - Newborn	641,756	217,970	0.28	0.10	268	1	2,386.46	812.75
IP - Medical	17,827,131	1,623,390	8.99	0.81	6,403	38	2,812.08	254.80
IP - Surgery	13,343,095	1,084,849	6.77	0.54	3,053	19	4,351.20	346.98
IP - Other	10,548,364	1,153,342	5.30	0.57	3,219	19	3,268.94	353.76
Subtotal - InPatient	42,549,945	4,119,485	21.41	2.04	12,995	78	3,274.36	317.01
OP - Emergency Room	6,372,370	693,227	3.04	0.32	7,109	40	908.08	96.51
OP - Laboratory	2,836,272	336,732	1.38	0.16	2,892	17	988.17	114.62
OP - Radiology	6,450,143	753,125	3.17	0.36	5,000	29	1,292.88	147.95
OP - Surgery	10,105,083	1,075,013	4.96	0.52	2,824	17	3,567.67	371.17
OP - Other	16,646,726	11,694,399	8.59	6.13	9,152	56	1,847.54	1,319.27
Subtotal - OutPatient	42,410,593	14,552,496	21.13	7.49	26,977	159	1,572.10	539.44
Prof - Evaluation & Management	17,839,201	3,515,863	8.75	1.69	122,144	719	145.98	28.15
Prof - Maternity	153,646	31,545	0.07	0.01	147	1	1,046.93	214.99
Prof - Surgery	11,745,573	1,219,707	5.78	0.59	33,419	197	352.93	35.86
Prof - DME/Supplies	5,404,748	1,534,390	2.62	0.73	15,242	90	349.14	97.21
Prof - Lab	3,809,448	509,029	1.86	0.24	71,999	420	53.19	6.99
Prof - Radiology	5,670,972	746,152	2.79	0.36	33,933	200	167.66	21.56
Prof - Transportation	16,880,824	12,670,076	8.40	6.30	428,385	2,548	39.56	29.67
Prof - Other	19,135,455	5,013,685	9.42	2.44	1,451,383	8,493	13.30	3.45
Subtotal - Professional	80,639,866	25,240,446	39.68	12.36	2,156,651	12,667	37.39	11.70
Subtotal - Non Pharmacy	\$ 170,752,605	\$ 47,980,605	\$ 84.63	\$ 23.79	2,199,063	12,918	\$ 77.65	\$ 21.82
Total	\$ 170,752,605	\$ 556,554,294	\$ 84.63	\$ 278.05	14,094,644	84,286	\$ 12.11	\$ 39.49

TennCare
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Historical Encounter Data; Statewide

Exhibit 1

Duals Child (Age Under 21)								
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit
Service Category								
Member Months	2,483							
Pharmacy - Brand	n/a	\$ 682,012	n/a	274.68	5,383	26,018	n/a	\$ 126.69
Pharmacy - Generic	n/a	<u>122,502</u>	n/a	<u>49.34</u>	<u>4,594</u>	<u>22,202</u>	n/a	<u>26.67</u>
Subtotal - Pharmacy	n/a	804,515	n/a	324.02	9,977	48,220	n/a	80.64
Home Health Care	237,506	223,699	95.66	90.10	129	624	1,838.75	1,731.85
IP - Maternity	19,677	1,507	7.92	0.61	2	10	9,650.50	739.00
IP - Newborn	1,717	1,256	0.69	0.51	2	10	842.00	616.00
IP - Medical	38,382	-	15.46	-	9	45	4,145.56	-
IP - Surgery	49,326	-	19.87	-	3	15	15,982.67	-
IP - Other	<u>77,659</u>	<u>2,804</u>	<u>31.28</u>	<u>1.13</u>	<u>29</u>	<u>139</u>	<u>2,696.90</u>	<u>97.36</u>
Subtotal - InPatient	186,761	2,763	75.22	2.24	45	219	4,130.20	61.10
OP - Emergency Room	46,437	7,426	18.70	2.99	74	357	627.93	100.42
OP - Laboratory	29,234	6,337	11.77	2.55	55	264	535.30	116.04
OP - Radiology	8,545	1,308	3.44	0.53	12	59	694.15	106.28
OP - Surgery	23,878	7,570	9.62	3.05	11	55	2,107.44	668.08
OP - Other	<u>9,237</u>	<u>2,459</u>	<u>3.72</u>	<u>0.99</u>	<u>26</u>	<u>124</u>	<u>361.27</u>	<u>96.15</u>
Subtotal - OutPatient	117,331	25,100	47.26	10.11	178	481	660.00	141.19
Prof - Evaluation & Management	82,371	17,824	33.18	7.18	483	2,333	170.63	36.92
Prof - Maternity	5,993	2,477	2.41	1.00	3	16	1,788.33	739.00
Prof - Other	21,094	2,627	8.50	1.06	1,339	6,472	15.75	1.96
Prof - DME/Supplies	34,031	4,302	13.71	1.73	51	244	672.73	85.04
Prof - Lab	18,823	3,309	7.58	1.33	287	1,387	65.57	11.53
Prof - Radiology	16,608	2,283	6.69	0.92	153	740	108.52	14.92
Prof - Transportation	65,273	40,709	26.29	16.40	1,534	7,416	42.54	26.53
Prof - Transportation	<u>117,251</u>	<u>37,217</u>	<u>47.22</u>	<u>14.99</u>	<u>25,442</u>	<u>122,961</u>	<u>4.61</u>	<u>1.46</u>
Subtotal - Professional	361,445	110,747	145.57	44.60	29,292	141,570	12.34	3.78
Subtotal - Non Pharmacy	\$ 903,042	\$ 362,309	\$ 363.70	\$ 147.05	29,644	142,894	\$ 30.46	\$ 12.22
Total	\$ 903,042	\$ 1,166,823	\$ 363.70	\$ 471.07	39,621	191,113	\$ 22.79	\$ 29.45

TennCare
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Historical Encounter Data; Statewide

Exhibit 1

Duals Adult (Ages 21 & Over)								
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit
Service Category								
Member Months	1,997,669							
Pharmacy - Brand	n/a	\$ 412,066,836	n/a	206.27	5,822,856	34,978	n/a	\$ 70.77
Pharmacy - Generic	n/a	95,702,338	n/a	47.91	6,062,749	36,419	n/a	15.79
Subtotal - Pharmacy	n/a	507,769,174	n/a	254.18	11,885,605	71,397	n/a	42.72
Home Health Care	4,914,695	3,844,479	2.46	1.92	2,310	14	2,127.15	1,663.95
IP - Maternity	169,923	38,427	0.09	0.02	49	0	3,448.10	779.76
IP - Newborn	640,039	216,714	0.32	0.11	266	2	2,402.66	813.53
IP - Medical	17,788,749	1,623,390	8.90	0.81	6,394	38	2,782.23	253.90
IP - Surgery	13,293,768	1,084,849	6.65	0.54	3,050	18	4,358.44	355.67
IP - Other	10,470,705	1,150,538	5.24	0.58	3,190	19	3,282.18	360.65
Subtotal - InPatient	42,363,184	4,113,918	21.21	2.06	12,950	78	3,271.38	317.69
OP - Emergency Room	6,325,933	685,801	3.17	0.34	7,035	42	899.15	97.48
OP - Laboratory	2,807,038	330,394	1.41	0.17	2,837	17	989.28	116.44
OP - Radiology	6,441,598	751,817	3.22	0.38	4,987	30	1,291.60	150.75
OP - Surgery	10,081,205	1,067,444	5.05	0.53	2,812	17	3,584.67	379.56
OP - Other	16,637,489	11,691,940	8.33	5.85	9,127	55	1,822.93	1,281.06
Subtotal - OutPatient	42,293,262	14,527,396	21.17	7.27	26,799	97	1,578.15	542.08
Prof - Evaluation & Management	17,756,830	3,498,039	8.89	1.75	121,661	731	145.95	28.75
Prof - Maternity	147,653	29,068	0.07	0.01	144	1	1,028.85	202.55
Prof - Other	11,724,479	1,217,080	5.87	0.61	32,080	193	365.48	37.94
Prof - DME/Supplies	5,370,718	1,530,089	2.69	0.77	15,191	91	353.55	100.72
Prof - Lab	3,790,624	505,720	1.90	0.25	71,712	431	52.86	7.05
Prof - Radiology	5,654,364	743,869	2.83	0.37	33,780	203	167.39	22.02
Prof - Transportation	16,815,551	12,629,367	8.42	6.32	426,850	2,564	39.39	29.59
Prof - Transportation	19,018,204	4,976,468	9.52	2.49	1,425,941	8,566	13.34	3.49
Subtotal - Professional	80,278,421	25,129,699	40.19	12.58	2,127,359	12,779	37.74	11.81
Subtotal - Non Pharmacy	\$ 169,849,563	\$ 47,615,493	\$ 85.02	\$ 23.84	2,169,418	12,968	\$ 78.29	\$ 21.95
Total	\$ 169,849,563	\$ 555,384,667	\$ 85.02	\$ 278.02	14,055,023	84,365	\$ 12.08	\$ 39.52

TennCare
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Historical Encounter Data; Statewide

Exhibit 1

Uninsured ALL Ages									
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	
Service Category									
Member Months	1,955,059								
Pharmacy - Brand	n/a	\$ 93,516,424	n/a	\$ 47.83	1,431,926	8,789	n/a	\$ 65.31	
Pharmacy - Generic	n/a	23,574,799	n/a	12.06	1,439,905	8,838	n/a	16.37	
Subtotal - Pharmacy	n/a	117,091,223	n/a	59.89	2,871,831	17,627	n/a	40.77	
Home Health Care	1,947,379	1,022,158	1.00	0.52	2,466	15	789.84	414.58	
IP - Maternity	4,370,430	1,197,850	2.24	0.61	1,369	8	3,192.04	874.88	
IP - Newborn	2,368,537	909,718	1.21	0.47	1,346	8	1,759.34	675.74	
IP - Medical	86,565,207	20,007,029	44.28	10.23	32,005	196	2,704.72	625.12	
IP - Surgery	84,290,996	17,842,877	43.11	9.13	13,260	81	6,356.99	1,345.66	
IP - Other	39,993,043	9,445,172	20.46	4.83	11,284	69	3,544.09	837.01	
Subtotal - InPatient	217,588,212	49,402,647	111.29	25.27	59,265	364	3,671.47	833.59	
OP - Emergency Room	68,854,362	14,087,532	35.22	7.21	92,763	569	742.26	151.87	
OP - Laboratory	20,256,207	3,874,436	10.36	1.98	27,972	172	724.17	138.51	
OP - Radiology	65,096,518	13,588,335	33.30	6.95	58,913	362	1,104.97	230.65	
OP - Surgery	87,899,671	22,867,664	44.96	11.70	21,834	134	4,025.86	1,047.35	
OP - Other	26,913,971	7,389,435	13.77	3.78	41,484	255	648.78	178.13	
Subtotal - OutPatient	269,020,729	61,807,402	137.60	31.61	242,965	1,491	1,107.24	254.39	
Prof - Evaluation & Management	124,730,405	54,149,992	63.80	27.70	884,302	5,428	141.05	61.23	
Prof - Maternity	2,419,828	991,668	1.24	0.51	2,088	13	1,158.97	474.96	
Prof - Surgery	67,230,029	18,860,138	34.39	9.65	156,950	963	428.35	120.17	
Prof - DME/Supplies	9,276,797	5,293,713	4.75	2.71	39,466	242	235.06	134.13	
Prof - Lab	29,063,030	7,491,188	14.87	3.83	718,741	4,412	40.44	10.42	
Prof - Radiology	42,958,421	12,684,655	21.97	6.49	299,550	1,839	143.41	42.35	
Prof - Transportation	8,433,620	3,715,293	4.31	1.90	67,083	412	125.72	55.38	
Prof - Other	65,919,629	22,742,215	33.72	11.63	1,559,972	9,575	42.26	14.58	
Subtotal - Professional	350,031,760	125,928,862	179.04	64.41	3,728,152	22,883	93.89	33.78	
Subtotal - Non Pharmacy	\$ 838,588,080	\$ 238,161,069	\$ 428.93	\$ 121.82	4,032,847	24,753	\$ 207.94	\$ 59.06	
Total	\$ 838,588,080	\$ 355,252,292	\$ 428.93	\$ 181.71	6,904,678	42,380	\$ 121.45	\$ 51.45	

TennCare
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Exhibit 1

Uninsured Age Under 1									
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	
Service Category									
Member Months	504								
Pharmacy - Brand	n/a	\$ 8,314	n/a	16.50	111	2,650	n/a	\$ 74.74	
Pharmacy - Generic	n/a	531	n/a	1.05	84	2,008	n/a	6.29	
Subtotal - Pharmacy	n/a	8,845	n/a	17.56	196	4,658	n/a	45.23	
Home Health Care	623	298	1.24	0.59	1	25	598.00	286.00	
IP - Maternity	-	-	-	-	-	-	-	-	
IP - Newborn	18,873	6,879	37.46	13.65	31	744	604.20	220.23	
IP - Medical	-	-	-	-	-	-	-	-	
IP - Surgery	-	-	-	-	-	-	-	-	
IP - Other	8,882	3,076	17.63	6.10	8	198	1,066.38	369.25	
Subtotal - InPatient	27,755	9,955	55.09	19.76	40	942	701.50	251.61	
OP - Emergency Room	23,038	4,850	45.73	9.63	49	1,166	470.79	99.11	
OP - Laboratory	4,198	689	8.33	1.37	16	372	268.80	44.13	
OP - Radiology	3,226	470	6.40	0.93	7	174	442.57	64.43	
OP - Surgery	14,038	2,687	27.86	5.33	5	124	2,696.60	516.20	
OP - Other	4,192	730	8.32	1.45	6	149	671.00	116.83	
Subtotal - OutPatient	48,692	9,426	96.65	18.71	83	1,984	584.58	113.16	
Prof - Evaluation & Management	90,595	35,772	179.82	71.00	634	15,110	142.81	56.39	
Prof - Maternity	-	-	-	-	-	-	-	-	
Prof - Surgery	9,432	2,333	18.72	4.63	44	1,060	211.97	52.44	
Prof - DME/Supplies	4,221	2,010	8.38	3.99	18	435	231.25	110.13	
Prof - Lab	4,180	1,375	8.30	2.73	112	2,663	37.39	12.30	
Prof - Radiology	2,808	864	5.57	1.71	47	1,114	60.02	18.46	
Prof - Transportation	1,263	525	2.51	1.04	6	136	221.40	92.00	
Prof - Other	14,122	6,089	28.03	12.09	714	17,012	19.77	8.53	
Subtotal - Professional	126,622	48,968	251.33	97.20	1,576	37,530	80.36	31.08	
Subtotal - Non Pharmacy	\$ 203,693	\$ 68,647	\$ 404.31	\$ 136.26	1,700	40,481	\$ 119.85	\$ 40.39	
Total	\$ 203,693	\$ 77,492	\$ 404.31	\$ 153.81	1,895	45,139	\$ 107.48	\$ 40.89	

TennCare
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Exhibit 1

Uninsured Ages 1 - 13									
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	
Service Category									
Member Months	370,037								
Pharmacy - Brand	n/a	\$ 4,773,496	n/a	12.90	92,086	2,986	n/a	\$ 51.84	
Pharmacy - Generic	n/a	805,643	n/a	2.18	56,614	1,836	n/a	14.23	
Subtotal - Pharmacy	n/a	5,579,139	n/a	15.08	148,700	4,822	n/a	37.52	
Home Health Care	187,045	119,535	0.51	0.32	270	9	693.61	443.27	
IP - Maternity	9,932	3,831	0.03	0.01	5	0	1,907.80	735.80	
IP - Newborn	763	469	0.00	0.00	2	0	366.50	225.00	
IP - Medical	1,922,507	507,545	5.20	1.37	981	32	1,960.14	517.48	
IP - Surgery	1,852,211	304,904	5.01	0.82	311	10	5,949.61	979.40	
IP - Other	989,120	250,399	2.67	0.68	514	17	1,923.05	486.83	
Subtotal - InPatient	4,774,533	1,067,147	12.90	2.88	1,814	59	2,632.40	588.36	
OP - Emergency Room	5,164,822	1,152,927	13.96	3.12	10,680	346	483.62	107.96	
OP - Laboratory	773,913	173,949	2.09	0.47	2,484	81	311.52	70.02	
OP - Radiology	1,901,273	416,798	5.14	1.13	3,173	103	599.30	131.38	
OP - Surgery	4,511,717	1,467,560	12.19	3.97	1,481	48	3,047.27	991.21	
OP - Other	1,463,743	442,526	3.96	1.20	4,028	131	363.36	109.85	
Subtotal - OutPatient	13,815,469	3,653,761	37.34	9.87	21,845	708	632.42	167.26	
Prof - Evaluation & Management	13,064,271	5,706,551	35.31	15.42	110,194	3,573	118.56	51.79	
Prof - Maternity	3,297	2,244	0.01	0.01	2	0	1,445.00	983.50	
Prof - Surgery	3,352,282	925,094	9.06	2.50	19,982	648	167.76	46.30	
Prof - DME/Supplies	321,730	183,164	0.87	0.49	1,505	49	213.79	121.71	
Prof - Lab	1,485,750	484,054	4.02	1.31	51,105	1,657	29.07	9.47	
Prof - Radiology	1,160,857	325,922	3.14	0.88	15,072	489	77.02	21.62	
Prof - Transportation	301,561	112,659	0.81	0.30	1,225	40	246.10	91.94	
Prof - Other	4,089,900	1,996,164	11.05	5.39	167,521	5,433	24.41	11.92	
Subtotal - Professional	23,779,648	9,735,854	64.26	26.31	366,606	11,889	64.86	26.56	
Subtotal - Non Pharmacy	\$ 42,556,695	\$ 14,576,297	\$ 115.01	\$ 39.39	390,534	12,665	\$ 108.97	\$ 37.32	
Total	\$ 42,556,695	\$ 20,155,435	\$ 115.01	\$ 54.47	539,234	17,487	\$ 78.92	\$ 37.38	

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Exhibit 1

Uninsured Age 14 - 18 Female								
Service Category	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit
Member Months	98,211							
Pharmacy - Brand	n/a	\$ 1,232,605	n/a	12.55	26,058	3,184	n/a	\$ 47.30
Pharmacy - Generic	n/a	371,777	n/a	3.79	26,952	3,293	n/a	13.79
Subtotal - Pharmacy	n/a	1,604,383	n/a	16.34	53,010	6,477	n/a	30.27
Home Health Care	11,294	7,314	0.11	0.07	19	2	602.61	390.28
IP - Maternity	566,249	149,332	5.77	1.52	196	24	2,892.80	762.89
IP - Newborn	345,195	88,076	3.51	0.90	155	19	2,225.09	567.73
IP - Medical	913,712	262,269	9.30	2.67	551	67	1,658.91	476.17
IP - Surgery	606,391	110,423	6.17	1.12	96	12	6,330.45	1,152.76
IP - Other	225,124	51,868	2.29	0.53	103	13	2,184.02	503.19
Subtotal - InPatient	2,656,671	661,968	27.05	6.74	1,101	134	2,413.97	601.49
OP - Emergency Room	2,122,093	444,076	21.61	4.52	3,348	409	633.75	132.62
OP - Laboratory	411,955	83,357	4.19	0.85	952	116	432.89	87.59
OP - Radiology	1,187,029	253,147	12.09	2.58	1,328	162	894.17	190.69
OP - Surgery	1,320,418	359,389	13.44	3.66	325	40	4,064.68	1,106.32
OP - Other	604,869	168,543	6.16	1.72	1,110	136	544.97	151.85
Subtotal - OutPatient	5,646,364	1,308,512	57.49	13.32	7,062	863	799.50	185.28
Prof - Evaluation & Management	3,912,519	1,692,179	39.84	17.23	30,377	3,712	128.80	55.71
Prof - Maternity	298,445	127,152	3.04	1.29	261	32	1,142.27	486.66
Prof - Surgery	919,267	241,677	9.36	2.46	3,346	409	274.71	72.22
Prof - DME/Supplies	118,101	76,215	1.20	0.78	387	47	305.35	197.05
Prof - Lab	1,045,066	322,041	10.64	3.28	29,785	3,639	35.09	10.81
Prof - Radiology	813,895	244,609	8.29	2.49	6,710	820	121.30	36.46
Prof - Transportation	168,466	61,159	1.72	0.62	915	112	184.11	66.84
Prof - Other	1,383,327	613,458	14.09	6.25	48,724	5,953	28.39	12.59
Subtotal - Professional	8,659,085	3,378,490	88.17	34.40	120,505	14,724	71.86	28.04
Subtotal - Non Pharmacy	\$ 16,973,413	\$ 5,356,285	\$ 172.83	\$ 54.54	128,687	15,724	\$ 131.90	\$ 41.62
Total	\$ 16,973,413	\$ 6,960,667	\$ 172.83	\$ 70.87	181,697	22,201	\$ 93.42	\$ 38.31

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Exhibit 1

Uninsured Ages 14 - 18 Male								
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit
Service Category								
Member Months	100,936							
Pharmacy - Brand	n/a	\$ 1,135,711	n/a	11.25	15,437	1,835	n/a	\$ 73.57
Pharmacy - Generic	n/a	248,431	n/a	2.46	17,111	2,034	n/a	14.52
Subtotal - Pharmacy	n/a	1,384,142	n/a	13.71	32,547	3,869	n/a	42.53
Home Health Care	103,972	86,322	1.03	0.86	46	5	2,269.52	1,884.25
IP - Maternity	-	-	-	-	-	-	-	-
IP - Newborn	1,208	3,279	0.01	0.03	2	0	580.00	1,574.50
IP - Medical	1,256,203	349,576	12.45	3.46	389	46	3,225.95	897.72
IP - Surgery	1,104,147	395,922	10.94	3.92	165	20	6,711.80	2,406.70
IP - Other	1,288,303	152,247	12.76	1.51	206	25	6,249.17	738.51
Subtotal - InPatient	3,649,860	901,024	36.16	8.93	762	91	4,788.89	1,182.21
OP - Emergency Room	1,747,850	352,104	17.32	3.49	2,771	329	630.85	127.09
OP - Laboratory	333,107	71,555	3.30	0.71	447	53	745.76	160.20
OP - Radiology	770,490	161,932	7.63	1.60	984	117	783.08	164.58
OP - Surgery	1,124,295	317,734	11.14	3.15	273	32	4,121.44	1,164.75
OP - Other	425,768	118,859	4.22	1.18	688	82	618.64	172.70
Subtotal - OutPatient	4,401,511	1,022,185	43.61	10.13	5,162	614	852.64	198.01
Prof - Evaluation & Management	2,720,122	1,127,767	26.95	11.17	20,202	2,402	134.64	55.82
Prof - Maternity	5,134	1,661	0.05	0.02	2	0	2,250.00	728.00
Prof - Surgery	1,138,103	301,252	11.28	2.98	3,373	401	337.46	89.32
Prof - DME/Supplies	110,732	67,294	1.10	0.67	493	59	224.66	136.53
Prof - Lab	312,241	86,057	3.09	0.85	9,552	1,136	32.69	9.01
Prof - Radiology	532,291	150,798	5.27	1.49	6,053	720	87.94	24.91
Prof - Transportation	273,470	83,768	2.71	0.83	770	92	355.10	108.77
Prof - Other	1,049,090	472,383	10.39	4.68	31,276	3,718	33.54	15.10
Subtotal - Professional	6,141,184	2,290,981	60.84	22.70	71,721	8,527	85.63	31.94
Subtotal - Non Pharmacy	\$ 14,296,527	\$ 4,300,512	\$ 141.64	\$ 42.61	77,692	9,237	\$ 184.02	\$ 55.35
Total	\$ 14,296,527	\$ 5,684,653	\$ 141.64	\$ 56.32	110,239	13,106	\$ 129.69	\$ 51.57

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Exhibit 1

Uninsured Ages 19 - 20 Female									
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	
Service Category									
Member Months	37,700								
Pharmacy - Brand	n/a	\$ 625,858	n/a	16.60	13,833	4,403	n/a	\$ 45.24	
Pharmacy - Generic	n/a	208,681	n/a	5.54	15,337	4,882	n/a	13.61	
Subtotal - Pharmacy	n/a	834,539	n/a	22.14	29,170	9,285	n/a	28.61	
Home Health Care	-	-	-	-	-	-	-	-	
IP - Maternity	703,980	187,766	18.67	4.98	243	77	2,901.84	773.98	
IP - Newborn	243,767	137,872	6.47	3.66	195	62	1,251.99	708.12	
IP - Medical	597,461	168,732	15.85	4.48	329	105	1,815.90	512.84	
IP - Surgery	663,585	112,145	17.60	2.97	107	34	6,187.69	1,045.71	
IP - Other	74,495	25,743	1.98	0.68	46	15	1,626.09	561.93	
Subtotal - InPatient	2,283,287	632,259	60.56	16.77	919	293	2,483.53	687.71	
OP - Emergency Room	1,560,970	305,145	41.40	8.09	2,377	757	656.69	128.37	
OP - Laboratory	239,477	41,724	6.35	1.11	545	173	439.78	76.62	
OP - Radiology	716,903	132,002	19.02	3.50	651	207	1,101.67	202.85	
OP - Surgery	771,045	203,345	20.45	5.39	183	58	4,207.62	1,109.66	
OP - Other	370,767	77,930	9.83	2.07	576	183	643.94	135.35	
Subtotal - OutPatient	3,659,162	760,146	97.06	20.16	4,331	1,379	844.81	175.50	
Prof - Evaluation & Management	2,205,882	938,945	58.51	24.91	14,866	4,732	148.38	63.16	
Prof - Maternity	381,979	164,421	10.13	4.36	323	103	1,183.02	509.23	
Prof - Surgery	602,706	164,542	15.99	4.36	1,755	559	343.47	93.77	
Prof - DME/Supplies	53,587	28,161	1.42	0.75	141	45	378.77	199.05	
Prof - Lab	740,357	230,427	19.64	6.11	18,520	5,895	39.98	12.44	
Prof - Radiology	556,618	168,539	14.76	4.47	3,956	1,259	140.72	42.61	
Prof - Transportation	68,636	23,023	1.82	0.61	381	121	180.11	60.42	
Prof - Other	733,735	279,983	19.46	7.43	20,808	6,623	35.26	13.46	
Subtotal - Professional	5,343,499	1,998,040	141.74	53.00	60,750	19,337	87.96	32.89	
Subtotal - Non Pharmacy	\$ 11,285,949	\$ 3,390,445	\$ 299.36	\$ 89.93	66,001	21,008	\$ 171.00	\$ 51.37	
Total	\$ 11,285,949	\$ 4,224,984	\$ 299.36	\$ 112.07	95,171	30,293	\$ 118.59	\$ 44.39	

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Exhibit 1

Uninsured Ages 19 - 20 Male								
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit
Service Category								
Member Months	37,595							
Pharmacy - Brand	n/a	\$ 302,050	n/a	8.03	4,661	1,488	n/a	\$ 64.80
Pharmacy - Generic	n/a	87,567	n/a	2.33	6,431	2,053	n/a	13.62
Subtotal - Pharmacy	n/a	389,617	n/a	10.36	11,092	3,541	n/a	35.13
Home Health Care	10,349	1,805	0.28	0.05	6	2	1,656.67	289.00
IP - Maternity	-	-	-	-	-	-	-	-
IP - Newborn	-	-	-	-	-	-	-	-
IP - Medical	252,851	68,775	6.73	1.83	104	33	2,428.48	660.54
IP - Surgery	616,878	111,644	16.41	2.97	92	29	6,732.65	1,218.49
IP - Other	132,933	47,631	3.54	1.27	30	10	4,402.55	1,577.48
Subtotal - InPatient	1,002,662	228,050	26.67	6.07	226	72	4,437.76	1,009.35
OP - Emergency Room	1,038,809	197,885	27.63	5.26	1,584	505	655.96	124.95
OP - Laboratory	100,384	20,164	2.67	0.54	126	40	796.80	160.05
OP - Radiology	291,103	59,422	7.74	1.58	282	90	1,031.68	210.59
OP - Surgery	363,366	82,237	9.67	2.19	89	28	4,105.78	929.22
OP - Other	160,529	37,571	4.27	1.00	269	86	597.59	139.86
Subtotal - OutPatient	1,954,191	397,279	51.98	10.57	2,349	750	831.95	169.13
Prof - Evaluation & Management	990,704	370,751	26.35	9.86	6,098	1,947	162.46	60.80
Prof - Maternity	-	-	-	-	-	-	-	-
Prof - Surgery	397,647	105,194	10.58	2.80	1,180	377	337.07	89.17
Prof - DME/Supplies	42,144	24,282	1.12	0.65	133	43	315.71	181.91
Prof - Lab	97,980	25,300	2.61	0.67	2,630	839	37.26	9.62
Prof - Radiology	229,430	65,273	6.10	1.74	2,451	782	93.62	26.63
Prof - Transportation	138,497	43,369	3.68	1.15	470	150	294.63	92.26
Prof - Other	301,221	115,553	8.01	3.07	10,367	3,309	29.06	11.15
Subtotal - Professional	2,197,623	749,722	58.45	19.94	23,329	7,446	94.20	32.14
Subtotal - Non Pharmacy	\$ 5,164,826	\$ 1,376,856	\$ 137.38	\$ 36.62	25,910	8,270	\$ 199.34	\$ 53.14
Total	\$ 5,164,826	\$ 1,766,474	\$ 137.38	\$ 46.99	37,002	11,811	\$ 139.58	\$ 47.74

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Exhibit 1

Uninsured Ages 21 - 44 Female									
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	
Service Category									
Member Months	454,019								
Pharmacy - Brand	n/a	\$ 21,103,068	n/a	46.48	327,813	8,664	n/a	\$ 64.38	
Pharmacy - Generic	n/a	5,846,197	n/a	12.88	374,008	9,885	n/a	15.63	
Subtotal - Pharmacy	n/a	26,949,265	n/a	59.36	701,821	18,550	n/a	38.40	
Home Health Care	215,368	106,552	0.47	0.23	339	9	634.50	313.92	
IP - Maternity	3,074,521	851,016	6.77	1.87	916	24	3,355.55	928.80	
IP - Newborn	1,751,720	668,834	3.86	1.47	955	25	1,834.70	700.52	
IP - Medical	17,457,896	4,124,066	38.45	9.08	7,701	204	2,267.07	535.55	
IP - Surgery	17,539,459	3,516,530	38.63	7.75	3,029	80	5,790.84	1,161.02	
IP - Other	5,786,581	1,341,820	12.75	2.96	1,563	41	3,702.63	858.58	
Subtotal - InPatient	45,610,176	10,502,266	100.46	23.13	14,163	374	3,220.30	741.51	
OP - Emergency Room	22,911,764	4,567,632	50.46	10.06	31,448	831	728.56	145.24	
OP - Laboratory	5,291,514	906,968	11.65	2.00	7,796	206	678.71	116.33	
OP - Radiology	17,076,616	3,488,829	37.61	7.68	16,698	441	1,022.70	208.94	
OP - Surgery	26,340,642	6,619,981	58.02	14.58	6,227	165	4,229.82	1,063.05	
OP - Other	6,045,981	1,570,734	13.32	3.46	10,356	274	583.83	151.68	
Subtotal - OutPatient	77,666,517	17,154,144	171.06	37.78	72,525	1,105	1,070.89	236.53	
Prof - Evaluation & Management	35,474,844	15,227,857	78.14	33.54	243,278	6,430	145.82	62.59	
Prof - Maternity	1,721,364	692,802	3.79	1.53	1,493	39	1,152.59	463.88	
Prof - Surgery	17,991,627	4,979,343	39.63	10.97	36,827	973	488.54	135.21	
Prof - DME/Supplies	1,654,731	941,775	3.64	2.07	7,707	204	214.70	122.20	
Prof - Lab	9,581,111	2,601,498	21.10	5.73	223,997	5,920	42.77	11.61	
Prof - Radiology	12,262,165	3,591,102	27.01	7.91	83,536	2,208	146.79	42.99	
Prof - Transportation	1,959,493	852,860	4.32	1.88	16,084	425	121.83	53.03	
Prof - Other	15,343,847	4,884,109	33.80	10.76	391,900	10,358	39.15	12.46	
Subtotal - Professional	95,989,182	33,771,345	211.42	74.38	1,004,822	26,558	95.53	33.61	
Subtotal - Non Pharmacy	\$ 219,481,243	\$ 61,534,308	\$ 483.42	\$ 135.53	1,091,850	28,046	\$ 201.02	\$ 56.36	
Total	\$ 219,481,243	\$ 88,483,573	\$ 483.42	\$ 194.89	1,793,671	46,596	\$ 122.36	\$ 49.33	

TennCare
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Historical Encounter Data; Statewide

Exhibit 1

Uninsured Ages 21 - 44 Male									
Service Category	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	
Member Months	292,436								
Pharmacy - Brand	n/a	\$ 12,958,897	n/a	44.31	156,924	6,439	n/a	\$ 82.58	
Pharmacy - Generic	n/a	3,166,379	n/a	10.83	184,070	7,553	n/a	17.20	
Subtotal - Pharmacy	n/a	16,125,276	n/a	55.14	340,994	13,993	n/a	47.29	
Home Health Care	267,622	127,142	0.92	0.43	309	13	865.43	411.15	
IP - Maternity	-	-	-	-	-	-	-	-	
IP - Newborn	1,107	408	0.00	0.00	2	0	531.50	196.00	
IP - Medical	16,496,017	3,635,106	56.41	12.43	5,230	215	3,154.17	695.06	
IP - Surgery	12,726,642	2,442,401	43.52	8.35	2,021	83	6,297.35	1,208.54	
IP - Other	6,591,505	1,598,049	22.54	5.46	1,636	67	4,029.75	976.97	
Subtotal - InPatient	35,815,271	7,675,963	122.47	26.25	8,889	365	4,029.33	863.57	
OP - Emergency Room	15,297,746	3,181,725	52.31	10.88	20,211	829	756.92	157.43	
OP - Laboratory	2,571,017	531,163	8.79	1.82	3,055	125	841.62	173.87	
OP - Radiology	9,359,488	1,851,656	32.01	6.33	6,322	259	1,480.44	292.89	
OP - Surgery	10,895,457	2,753,643	37.26	9.42	2,705	111	4,027.87	1,017.98	
OP - Other	3,379,881	897,864	11.56	3.07	5,016	206	673.76	178.98	
Subtotal - OutPatient	41,503,589	9,216,051	141.92	31.51	37,309	1,531	1,112.43	247.02	
Prof - Evaluation & Management	18,408,532	7,482,774	62.95	25.59	117,205	4,809	157.06	63.84	
Prof - Maternity	2,966	1,507	0.01	0.01	1	0	2,600.00	1,321.00	
Prof - Surgery	9,865,319	2,690,220	33.73	9.20	20,338	835	485.06	132.27	
Prof - DME/Supplies	1,734,942	1,054,004	5.93	3.60	6,005	246	288.93	175.53	
Prof - Lab	2,850,174	630,999	9.75	2.16	66,506	2,729	42.86	9.49	
Prof - Radiology	5,872,399	1,694,989	20.08	5.80	44,669	1,833	131.47	37.95	
Prof - Transportation	1,976,348	798,530	6.76	2.73	12,407	509	159.30	64.36	
Prof - Other	7,227,736	2,300,937	24.72	7.87	168,171	6,901	42.98	13.68	
Subtotal - Professional	47,938,415	16,653,959	163.93	56.95	435,301	17,862	110.13	38.26	
Subtotal - Non Pharmacy	\$ 125,524,897	\$ 33,673,116	\$ 429.24	\$ 115.15	481,808	19,771	\$ 260.53	\$ 69.89	
Total	\$ 125,524,897	\$ 49,798,392	\$ 429.24	\$ 170.29	822,803	33,763	\$ 152.56	\$ 60.52	

TennCare
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Exhibit 1

Uninsured Ages 45 - 64									
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	
Service Category									
Member Months	552,008								
Pharmacy - Brand	n/a	\$ 50,931,446	n/a	92.27	787,410	17,117	n/a	\$ 64.68	
Pharmacy - Generic	n/a	12,733,229	n/a	23.07	752,343	16,355	n/a	16.92	
Subtotal - Pharmacy	n/a	63,664,676	n/a	115.33	1,539,753	33,472	n/a	41.35	
Home Health Care	1,128,890	561,609	2.05	1.02	1,442	31	782.84	389.45	
IP - Maternity	15,749	5,906	0.03	0.01	9	0	1,680.67	630.22	
IP - Newborn	5,905	3,900	0.01	0.01	4	0	1,417.75	936.50	
IP - Medical	47,199,642	10,767,805	85.51	19.51	16,509	359	2,859.00	652.23	
IP - Surgery	48,953,393	10,807,661	88.68	19.58	7,402	161	6,613.69	1,460.13	
IP - Other	24,727,037	5,936,141	44.79	10.75	7,119	155	3,473.57	833.89	
Subtotal - InPatient	120,901,725	27,521,413	219.02	49.86	31,043	675	3,894.64	886.55	
OP - Emergency Room	18,906,644	3,866,414	34.25	7.00	20,218	440	935.15	191.24	
OP - Laboratory	10,429,077	2,025,258	18.89	3.67	12,462	271	836.87	162.51	
OP - Radiology	33,596,125	7,180,019	60.86	13.01	29,305	637	1,146.42	245.01	
OP - Surgery	42,349,452	10,988,903	76.72	19.91	10,485	228	4,039.13	1,048.08	
OP - Other	14,352,625	4,028,287	26.00	7.30	19,306	420	743.44	208.66	
Subtotal - OutPatient	119,633,922	28,088,880	216.72	50.88	91,776	1,995	1,303.55	306.06	
Prof - Evaluation & Management	47,569,676	21,439,632	86.18	38.84	339,367	7,377	140.17	63.18	
Prof - Maternity	3,702	1,395	0.01	0.00	2	0	1,622.50	611.50	
Prof - Surgery	32,776,207	9,406,522	59.38	17.04	69,668	1,514	470.47	135.02	
Prof - DME/Supplies	5,197,770	2,892,523	9.42	5.24	22,852	497	227.46	126.58	
Prof - Lab	12,872,494	3,092,109	23.32	5.60	314,506	6,837	40.93	9.83	
Prof - Radiology	21,404,314	6,404,742	38.78	11.60	136,197	2,961	157.16	47.03	
Prof - Transportation	3,490,730	1,705,815	6.32	3.09	34,123	742	102.30	49.99	
Prof - Other	35,608,982	12,018,081	64.51	21.77	717,719	15,602	49.61	16.74	
Subtotal - Professional	158,923,875	56,960,820	287.90	103.19	1,634,433	35,531	97.23	34.85	
Subtotal - Non Pharmacy	\$ 400,588,413	\$ 113,132,723	\$ 725.69	\$ 204.95	1,758,694	38,232	\$ 227.78	\$ 64.33	
Total	\$ 400,588,413	\$ 176,797,399	\$ 725.69	\$ 320.28	3,298,447	71,704	\$ 121.45	\$ 53.60	

TennCare
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Exhibit 1

Uninsured Age Over 65								
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit
Service Category								
Member Months	11,612							
Pharmacy - Brand	n/a	\$ 444,979	n/a	38.32	7,593	7,847	n/a	\$ 58.61
Pharmacy - Generic	n/a	106,363	n/a	9.16	6,955	7,188	n/a	15.29
Subtotal - Pharmacy	n/a	551,342	n/a	47.48	14,548	15,034	n/a	37.90
Home Health Care	22,216	11,580	1.91	1.00	33	34	666.78	347.56
IP - Maternity	-	-	-	-	-	-	-	-
IP - Newborn	-	-	-	-	-	-	-	-
IP - Medical	468,918	123,155	40.38	10.61	211	218	2,218.56	582.67
IP - Surgery	228,291	41,248	19.66	3.55	37	39	6,090.53	1,100.44
IP - Other	169,062	38,197	14.56	3.29	59	61	2,848.67	643.61
Subtotal - InPatient	866,271	202,600	74.60	17.45	308	319	2,810.81	657.38
OP - Emergency Room	80,625	14,775	6.94	1.27	78	81	1,032.47	189.20
OP - Laboratory	101,564	19,610	8.75	1.69	90	93	1,134.26	219.00
OP - Radiology	194,267	44,060	16.73	3.79	163	169	1,188.41	269.54
OP - Surgery	209,241	72,184	18.02	6.22	61	63	3,406.15	1,175.05
OP - Other	105,615	46,390	9.10	4.00	129	133	818.04	359.31
Subtotal - OutPatient	691,312	197,018	59.54	16.97	522	539	1,325.27	377.69
Prof - Evaluation & Management	293,260	127,764	25.26	11.00	2,080	2,150	141.00	61.43
Prof - Maternity	2,940	485	0.25	0.04	2	2	1,288.50	212.50
Prof - Surgery	177,441	43,960	15.28	3.79	437	452	406.07	100.60
Prof - DME/Supplies	38,837	24,284	3.34	2.09	225	232	172.79	108.04
Prof - Lab	73,676	17,328	6.35	1.49	2,029	2,096	36.32	8.54
Prof - Radiology	123,645	37,817	10.65	3.26	861	890	143.54	43.90
Prof - Transportation	55,157	33,586	4.75	2.89	703	726	78.48	47.79
Prof - Other	167,669	55,458	14.44	4.78	2,772	2,865	60.48	20.00
Subtotal - Professional	932,626	340,683	80.32	29.34	9,109	9,414	102.38	37.40
Subtotal - Non Pharmacy	\$ 2,512,425	\$ 751,882	\$ 216.37	\$ 64.75	9,972	10,306	\$ 251.94	\$ 75.40
Total	\$ 2,512,425	\$ 1,303,224	\$ 216.37	\$ 112.24	24,520	25,340	\$ 102.46	\$ 53.15

TennCare
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Historical Encounter Data; Statewide

Exhibit 1

Disabled ALL Ages								
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit
Service Category								
Member Months	1,926,210							
Pharmacy - Brand	n/a	\$ 240,603,511	n/a	\$ 124.91	2,994,433	18,655	n/a	\$ 80.35
Pharmacy - Generic	n/a	58,860,007	n/a	30.56	3,491,945	21,754	n/a	16.86
Subtotal - Pharmacy	n/a	299,463,518	n/a	155.47	6,486,377	40,409	n/a	46.17
Home Health Care	46,307,792	31,540,570	24.04	16.37	30,595	191	1,513.55	1,030.89
IP - Maternity	9,159,729	2,518,283	4.76	1.31	2,837	18	3,228.39	887.58
IP - Newborn	32,360,394	8,855,609	16.80	4.60	9,773	61	3,311.33	906.17
IP - Medical	360,170,450	83,240,665	186.98	43.21	112,910	703	3,189.89	737.23
IP - Surgery	229,926,641	46,787,304	119.37	24.29	42,978	268	5,349.83	1,088.63
IP - Other	197,406,543	53,094,052	102.48	27.56	50,027	312	3,945.99	1,061.30
Subtotal - InPatient	829,023,757	194,495,913	430.39	100.97	218,525	1,361	3,793.72	890.04
OP - Emergency Room	140,560,395	28,927,345	72.97	15.02	166,745	1,039	842.97	173.48
OP - Laboratory	57,121,659	12,338,573	29.65	6.41	69,848	435	817.80	176.65
OP - Radiology	114,794,703	24,378,003	59.60	12.66	81,185	506	1,413.99	300.28
OP - Surgery	131,545,021	34,273,426	68.29	17.79	32,601	203	4,035.03	1,051.31
OP - Other	111,738,597	40,025,591	58.01	20.78	128,062	798	872.53	312.55
Subtotal - OutPatient	555,760,374	139,942,938	288.53	72.65	478,441	2,981	1,161.61	292.50
Prof - Evaluation & Management	233,320,109	96,768,395	121.13	50.24	1,473,982	9,183	158.29	65.65
Prof - Maternity	4,030,305	1,615,848	2.09	0.84	3,314	21	1,215.99	487.52
Prof - Surgery	105,310,036	29,199,039	54.67	15.16	243,181	1,515	433.05	120.07
Prof - DME/Supplies	56,565,808	32,187,091	29.37	16.71	184,139	1,147	307.19	174.80
Prof - Lab	40,414,483	9,940,803	20.98	5.16	1,019,591	6,352	39.64	9.75
Prof - Radiology	69,984,179	20,012,072	36.33	10.39	522,513	3,255	133.94	38.30
Prof - Transportation	35,066,763	17,519,866	18.21	9.10	391,748	2,441	89.51	44.72
Prof - Other	176,643,385	67,116,661	91.71	34.84	8,817,495	54,932	20.03	7.61
Subtotal - Professional	721,335,068	274,359,775	374.48	142.44	12,655,964	78,845	57.00	21.68
Subtotal - Non Pharmacy	\$ 2,152,426,991	\$ 640,339,196	\$ 1,117.44	\$ 332.43	13,383,525	83,377	\$ 160.83	\$ 47.85
Total	\$ 2,152,426,991	\$ 939,802,714	\$ 1,117.44	\$ 487.90	19,869,903	123,786	\$ 108.33	\$ 47.30

TennCare
FY 2006 Per Capita Cost Development
Historical Encounter Data; Statewide

Exhibit 1

Disabled Child (Age Under 21)								
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit
Service Category								
Member Months	531,512							
Pharmacy - Brand	n/a	\$ 30,989,808	n/a	58.30	273,980	6,186	n/a	\$ 113.11
Pharmacy - Generic	n/a	3,475,988	n/a	6.54	192,059	4,336	n/a	18.10
Subtotal - Pharmacy	n/a	34,465,796	n/a	64.84	466,040	10,522	n/a	73.95
Home Health Care	29,083,734	21,521,483	54.72	40.49	14,192	320	2,049.24	1,516.40
IP - Maternity	2,811,107	780,585	5.29	1.47	966	22	2,909.37	807.87
IP - Newborn	27,060,352	6,383,245	50.91	12.01	7,420	168	3,647.18	860.33
IP - Medical	47,165,426	12,699,683	88.74	23.89	13,447	304	3,507.51	944.43
IP - Surgery	35,110,493	7,783,449	66.06	14.64	6,410	145	5,477.82	1,214.35
IP - Other	36,115,560	10,785,486	67.95	20.29	8,718	197	4,142.69	1,237.17
Subtotal - InPatient	148,262,938	27,646,962	278.95	72.31	36,960	834	4,011.42	748.02
OP - Emergency Room	20,988,070	5,809,638	39.49	10.93	32,226	728	651.28	180.28
OP - Laboratory	10,534,658	2,877,122	19.82	5.41	12,940	292	814.12	222.34
OP - Radiology	10,640,853	2,743,181	20.02	5.16	10,000	226	1,064.13	274.33
OP - Surgery	19,989,225	6,085,665	37.61	11.45	5,084	115	3,931.68	1,196.99
OP - Other	25,672,196	8,629,368	48.30	16.24	65,018	1,468	394.85	132.72
Subtotal - OutPatient	87,825,001	26,144,975	165.24	49.19	125,268	2,195	701.10	208.71
Prof - Evaluation & Management	44,831,971	18,342,415	84.35	34.51	278,518	6,288	160.97	65.86
Prof - Maternity	1,256,993	494,132	2.36	0.93	907	20	1,385.82	544.77
Prof - Surgery	15,688,131	3,821,374	29.52	7.19	56,427	1,274	278.02	67.72
Prof - DME/Supplies	15,888,172	8,517,052	29.89	16.02	37,069	837	428.61	229.76
Prof - Lab	4,146,815	1,113,548	7.80	2.10	118,959	2,686	34.86	9.36
Prof - Radiology	5,974,588	1,511,251	11.24	2.84	62,092	1,402	96.22	24.34
Prof - Transportation	3,680,579	1,573,910	6.92	2.96	26,356	595	139.65	59.72
Prof - Other	41,920,604	16,568,011	78.87	31.17	4,167,113	94,081	10.06	3.98
Subtotal - Professional	133,387,854	51,941,693	250.96	97.72	4,747,440	107,183	28.10	10.94
Subtotal - Non Pharmacy	\$ 398,559,526	\$ 127,255,113	\$ 749.86	\$ 259.71	4,923,861	110,534	\$ 80.94	\$ 25.84
Total	\$ 398,559,526	\$ 161,720,909	\$ 749.86	\$ 324.56	5,389,901	121,056	\$ 73.95	\$ 30.00

TennCare
FY 2006 Per Capita Cost Development
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Exhibit 1

Disabled Adult (Ages 21 & Over)								
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit
Service Category								
Member Months	1,394,698							
Pharmacy - Brand	n/a	\$ 209,613,704	n/a	150.29	2,720,452	23,407	n/a	\$ 77.05
Pharmacy - Generic	n/a	55,384,019	n/a	39.71	3,299,885	28,392	n/a	16.78
Subtotal - Pharmacy	n/a	264,997,722	n/a	190.00	6,020,338	51,799	n/a	44.02
Home Health Care	17,224,059	10,019,087	12.35	7.18	16,403	141	1,050.06	610.81
IP - Maternity	6,348,622	1,737,698	4.55	1.25	1,871	16	3,393.13	928.74
IP - Newborn	5,300,043	2,472,364	3.80	1.77	2,353	20	2,252.37	1,050.69
IP - Medical	313,005,024	70,540,981	224.42	50.58	99,463	856	3,146.95	709.22
IP - Surgery	194,816,147	39,003,855	139.68	27.97	36,569	315	5,327.40	1,066.59
IP - Other	161,290,983	42,308,567	115.65	30.34	41,309	355	3,904.47	1,024.19
Subtotal - InPatient	680,760,819	156,063,465	488.11	111.90	181,565	1,562	3,749.40	859.55
OP - Emergency Room	119,572,325	23,117,706	85.73	16.58	134,519	1,157	888.89	171.85
OP - Laboratory	46,587,001	9,461,451	33.40	6.78	56,908	490	818.63	166.26
OP - Radiology	104,153,850	21,634,822	74.68	15.51	71,185	612	1,463.14	303.92
OP - Surgery	111,555,796	28,187,761	79.99	20.21	27,517	237	4,054.13	1,024.39
OP - Other	86,066,401	31,396,223	61.71	22.51	63,044	542	1,365.18	498.00
Subtotal - OutPatient	467,935,373	113,797,963	335.51	81.59	353,173	1,700	1,324.95	322.22
Prof - Evaluation & Management	188,488,138	78,425,980	135.15	56.23	1,195,465	10,286	157.67	65.60
Prof - Maternity	2,773,312	1,121,716	1.99	0.80	2,407	21	1,152.01	465.95
Prof - Surgery	89,621,905	25,377,665	64.26	18.20	186,754	1,607	479.89	135.89
Prof - DME/Supplies	40,677,636	23,670,038	29.17	16.97	147,070	1,265	276.59	160.94
Prof - Lab	36,267,668	8,827,255	26.00	6.33	900,632	7,749	40.27	9.80
Prof - Radiology	64,009,592	18,500,821	45.89	13.27	460,421	3,961	139.02	40.18
Prof - Transportation	31,386,183	15,945,956	22.50	11.43	365,393	3,144	85.90	43.64
Prof - Other	134,722,780	50,548,650	96.60	36.24	4,650,382	40,012	28.97	10.87
Subtotal - Professional	587,947,214	222,418,082	421.56	159.47	7,908,523	68,045	74.34	28.12
Subtotal - Non Pharmacy	\$ 1,753,867,465	\$ 502,298,597	\$ 1,257.52	\$ 360.15	8,459,664	71,448	\$ 207.32	\$ 59.38
Total	\$ 1,753,867,465	\$ 767,296,319	\$ 1,257.52	\$ 550.15	14,480,002	123,247	\$ 121.12	\$ 52.99

TennCare
FY 2006 Per Capita Cost Development
Historical Encounter Data; Statewide

Exhibit 1

Disabled Uninsured ALL Ages									
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	
Service Category									
Member Months	32,337								
Pharmacy - Brand	n/a	\$ 4,181,034	n/a	\$ 129.30	56,729	21,052	n/a	\$ 73.70	
Pharmacy - Generic	n/a	1,013,659	n/a	31.35	57,319	21,271	n/a	17.68	
Subtotal - Pharmacy	n/a	5,194,693	n/a	160.64	114,048	42,322	n/a	45.55	
Home Health Care	175,543	98,651	5.43	3.05	203	75	864.61	485.89	
IP - Maternity	15,339	1,470	0.47	0.05	4	2	3,683.00	353.00	
IP - Newborn	-	-	-	-	-	-	-	-	
IP - Medical	5,074,764	1,230,796	156.93	38.06	1,600	594	3,171.11	769.10	
IP - Surgery	5,286,921	1,155,436	163.49	35.73	752	279	7,032.91	1,537.02	
IP - Other	2,246,436	779,925	69.47	24.12	566	210	3,966.11	1,376.97	
Subtotal - InPatient	12,623,461	3,167,627	390.37	97.96	2,923	1,085	4,319.22	1,083.83	
OP - Emergency Room	1,895,993	354,711	58.63	10.97	1,969	731	962.97	180.16	
OP - Laboratory	805,372	171,388	24.91	5.30	1,027	381	784.49	166.95	
OP - Radiology	2,261,617	476,046	69.94	14.72	1,711	635	1,322.06	278.28	
OP - Surgery	3,072,875	733,454	95.03	22.68	691	257	4,444.74	1,060.90	
OP - Other	1,392,675	463,672	43.07	14.34	1,418	526	982.07	326.97	
Subtotal - OutPatient	9,428,531	2,199,271	291.57	68.01	6,816	2,529	1,383.37	322.68	
Prof - Evaluation & Management	3,640,067	1,569,763	112.57	48.54	24,236	8,994	150.19	64.77	
Prof - Maternity	2,128	442	0.07	0.01	2	1	932.50	193.50	
Prof - Surgery	2,620,790	740,578	81.05	22.90	4,657	1,728	562.73	159.01	
Prof - DME/Supplies	766,164	427,902	23.69	13.23	2,508	931	305.52	170.63	
Prof - Lab	796,141	188,818	24.62	5.84	17,624	6,540	45.17	10.71	
Prof - Radiology	1,486,344	435,424	45.96	13.47	10,090	3,744	147.30	43.15	
Prof - Transportation	346,371	151,307	10.71	4.68	3,369	1,250	102.81	44.91	
Prof - Other	2,799,590	1,036,666	86.58	32.06	73,014	27,095	38.34	14.20	
Subtotal - Professional	12,457,595	4,550,900	385.24	140.73	135,501	50,283	91.94	33.59	
Subtotal - Non Pharmacy	\$ 34,685,129	\$ 10,016,450	\$ 1,072.62	\$ 309.75	145,442	53,972	\$ 238.48	\$ 68.87	
Total	\$ 34,685,129	\$ 15,211,143	\$ 1,072.62	\$ 470.40	259,490	96,295	\$ 133.67	\$ 58.62	

TennCare
FY 2006 Per Capita Cost Development
Historical Encounter Data; Statewide

Exhibit 1

Disabled/Uninsured Child (Age Under 21)									
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	
Service Category									
Member Months	1,317								
Pharmacy - Brand	n/a	\$ 39,927	n/a	30.32	427	3,891	n/a	\$ 93.50	
Pharmacy - Generic	n/a	6,745	n/a	5.12	407	3,711	n/a	16.56	
Subtotal - Pharmacy	n/a	46,672	n/a	35.44	834	7,602	n/a	55.94	
Home Health Care	1,510	1,510	1.15	1.15	3	28	483.33	483.33	
IP - Maternity	-	-	-	-	-	-	-	-	
IP - Newborn	-	-	-	-	-	-	-	-	
IP - Medical	99,290	3,107	75.39	2.36	15	133	6,811.57	213.14	
IP - Surgery	7,363	2,687	5.59	2.04	2	19	3,536.00	1,290.50	
IP - Other	16,706	1,855	12.69	1.41	2	19	8,022.50	891.00	
Subtotal - InPatient	123,359	5,794	93.67	5.81	19	171	6,582.17	309.17	
OP - Emergency Room	24,218	6,017	18.39	4.57	51	465	474.69	117.94	
OP - Laboratory	2,931	411	2.23	0.31	15	133	201.07	28.21	
OP - Radiology	13,063	2,671	9.92	2.03	16	142	836.40	171.00	
OP - Surgery	26,106	8,952	19.82	6.80	7	66	3,581.86	1,228.29	
OP - Other	56,822	23,877	43.15	18.13	165	1,499	345.41	145.14	
Subtotal - OutPatient	123,140	41,928	93.50	31.84	253	1,964	486.70	165.72	
Prof - Evaluation & Management	56,763	22,057	43.10	16.75	397	3,618	142.96	55.55	
Prof - Maternity	-	-	-	-	-	-	-	-	
Prof - Surgery	28,402	6,411	21.57	4.87	143	1,300	199.15	44.95	
Prof - DME/Supplies	18,884	10,762	14.34	8.17	97	884	194.72	110.98	
Prof - Lab	7,899	2,300	6.00	1.75	194	1,767	40.72	11.86	
Prof - Radiology	10,146	2,766	7.70	2.10	99	904	102.22	27.86	
Prof - Transportation	2,171	1,122	1.65	0.85	13	114	173.00	89.36	
Prof - Other	31,556	11,884	23.96	9.02	6,645	60,547	4.75	1.79	
Subtotal - Professional	155,821	57,302	118.32	43.51	7,587	69,135	20.54	7.55	
Subtotal - Non Pharmacy	\$ 403,830	\$ 106,534	\$ 306.64	\$ 82.30	7,862	71,298	\$ 51.36	\$ 13.55	
Total	\$ 403,830	\$ 153,205	\$ 306.64	\$ 117.74	8,696	78,900	\$ 46.44	\$ 17.62	

TennCare
FY 2006 Per Capita Cost Development
Historical Encounter Data; Statewide

Exhibit 1

Disabled/Uninsured Adult (Ages 21 & Over)								
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit
Service Category								
Member Months	31,020							
Pharmacy - Brand	n/a	\$ 4,141,107	n/a	133.50	56,302	21,780	n/a	\$ 73.55
Pharmacy - Generic	n/a	1,006,914	n/a	32.46	56,911	22,016	n/a	17.69
Subtotal - Pharmacy	n/a	5,148,021	n/a	165.96	113,214	43,797	n/a	45.47
Home Health Care	174,033	97,141	5.61	3.13	200	77	870.56	485.93
IP - Maternity	15,339	1,470	0.49	0.05	4	2	3,683.00	353.00
IP - Newborn	-	-	-	-	-	-	-	-
IP - Medical	4,975,474	1,227,689	160.40	39.58	1,586	613	3,137.65	774.21
IP - Surgery	5,279,558	1,152,749	170.20	37.16	750	290	7,042.62	1,537.70
IP - Other	2,229,730	778,070	71.88	25.08	564	218	3,951.14	1,378.76
Subtotal - InPatient	12,500,101	3,159,978	402.97	101.87	2,904	1,123	4,304.62	1,088.19
OP - Emergency Room	1,871,775	348,694	60.34	11.24	1,918	742	975.96	181.81
OP - Laboratory	802,441	170,977	25.87	5.51	1,012	392	792.90	168.94
OP - Radiology	2,248,554	473,376	72.49	15.26	1,695	656	1,326.53	279.27
OP - Surgery	3,046,769	724,502	98.22	23.36	684	265	4,453.93	1,059.12
OP - Other	1,335,853	439,795	43.06	14.18	1,254	485	1,065.62	350.83
Subtotal - OutPatient	9,305,392	2,157,344	299.98	69.55	6,563	1,227	1,417.94	328.73
Prof - Evaluation & Management	3,583,304	1,547,706	115.52	49.89	23,839	9,222	150.31	64.92
Prof - Maternity	2,128	442	0.07	0.01	2	1	932.50	193.50
Prof - Surgery	2,592,387	734,167	83.57	23.67	4,515	1,746	574.21	162.62
Prof - DME/Supplies	747,280	417,140	24.09	13.45	2,411	933	309.97	173.03
Prof - Lab	788,242	186,517	25.41	6.01	17,430	6,743	45.22	10.70
Prof - Radiology	1,476,198	432,659	47.59	13.95	9,991	3,865	147.75	43.30
Prof - Transportation	344,200	150,186	11.10	4.84	3,357	1,299	102.54	44.74
Prof - Other	2,768,034	1,024,782	89.23	33.04	66,369	25,675	41.71	15.44
Subtotal - Professional	12,301,774	4,493,599	396.58	144.86	127,913	49,483	96.17	35.13
Subtotal - Non Pharmacy	\$ 34,281,299	\$ 9,908,061	\$ 1,105.14	\$ 319.41	137,580	51,911	\$ 249.17	\$ 72.02
Total	\$ 34,281,299	\$ 15,056,082	\$ 1,105.14	\$ 485.37	250,794	95,707	\$ 136.69	\$ 60.03

TennCare
FY 2006 Per Capita Cost Development
Historical Encounter Data; Statewide

Exhibit 1

Disabled Uninsurable ALL Ages									
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	
Service Category									
Member Months	737,187								
Pharmacy - Brand	n/a	\$ 79,580,606	n/a	\$ 107.95	1,140,874	18,571	n/a	\$ 69.75	
Pharmacy - Generic	n/a	15,745,162	n/a	21.36	1,001,592	16,304	n/a	15.72	
Subtotal - Pharmacy	n/a	95,325,768	n/a	129.31	2,142,465	34,875	n/a	44.49	
Home Health Care	2,368,776	1,215,980	3.21	1.65	2,493	41	950.32	487.83	
IP - Maternity	849,359	214,535	1.15	0.29	293	5	2,903.05	733.27	
IP - Newborn	327,577	145,356	0.44	0.20	241	4	1,361.98	604.35	
IP - Medical	81,889,525	18,484,851	111.08	25.07	29,213	476	2,803.22	632.77	
IP - Surgery	90,126,519	19,405,898	122.26	26.32	14,264	232	6,318.32	1,360.45	
IP - Other	42,593,481	11,601,109	57.78	15.74	10,808	176	3,941.08	1,073.42	
Subtotal - InPatient	215,786,461	49,851,750	292.72	67.62	54,818	892	3,936.44	909.41	
OP - Emergency Room	33,089,358	6,179,172	44.89	8.38	34,447	561	960.59	179.38	
OP - Laboratory	17,663,029	3,421,841	23.96	4.64	21,223	345	832.27	161.24	
OP - Radiology	49,548,603	10,512,918	67.21	14.26	39,699	646	1,248.12	264.82	
OP - Surgery	65,219,475	16,680,929	88.47	22.63	15,422	251	4,228.95	1,081.62	
OP - Other	23,855,634	6,742,168	32.36	9.15	28,563	465	835.19	236.05	
Subtotal - OutPatient	189,376,099	43,537,027	256.89	59.06	139,353	2,268	1,358.97	312.42	
Prof - Evaluation & Management	72,071,483	29,436,223	97.77	39.93	494,590	8,051	145.72	59.52	
Prof - Maternity	425,898	167,835	0.58	0.23	348	6	1,223.90	482.30	
Prof - Surgery	51,223,666	13,922,887	69.49	18.89	109,536	1,783	467.64	127.11	
Prof - DME/Supplies	9,528,890	5,281,425	12.93	7.16	37,537	611	253.86	140.70	
Prof - Lab	19,060,212	4,696,490	25.86	6.37	455,572	7,416	41.84	10.31	
Prof - Radiology	31,343,987	9,210,354	42.52	12.49	195,599	3,184	160.25	47.09	
Prof - Transportation	5,356,698	2,198,322	7.27	2.98	38,203	622	140.22	57.54	
Prof - Other	59,739,953	20,874,770	81.04	28.32	1,262,509	20,551	47.32	16.53	
Subtotal - Professional	248,750,787	85,788,306	337.43	116.37	2,593,895	42,224	95.90	33.07	
Subtotal - Non Pharmacy	\$ 656,282,122	\$ 180,393,063	\$ 890.25	\$ 244.70	2,790,558	45,425	\$ 235.18	\$ 64.64	
Total	\$ 656,282,122	\$ 275,718,831	\$ 890.25	\$ 374.01	4,933,023	80,300	\$ 133.04	\$ 55.89	

TennCare
FY 2006 Per Capita Cost Development
Historical Encounter Data; Statewide

Exhibit 1

Disabled/Uninsurable Child (Age Under 21)								
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit
Service Category								
Member Months	16,584							
Pharmacy - Brand	n/a	\$ 1,094,748	n/a	66.01	8,745	6,328	n/a	\$ 125.18
Pharmacy - Generic	n/a	115,965	n/a	6.99	6,425	4,649	n/a	18.05
Subtotal - Pharmacy	n/a	1,210,713	n/a	73.01	15,170	10,977	n/a	79.81
Home Health Care	377,807	266,216	22.78	16.05	125	90	3,023.83	2,130.70
IP - Maternity	69,770	19,542	4.21	1.18	28	20	2,481.85	695.15
IP - Newborn	15,226	8,932	0.92	0.54	15	11	1,044.57	612.79
IP - Medical	1,015,855	82,126	61.26	4.95	150	108	6,775.46	547.76
IP - Surgery	1,133,585	45,924	68.36	2.77	96	69	11,834.11	479.42
IP - Other	303,799	108,730	18.32	6.56	83	60	3,647.25	1,305.35
Subtotal - InPatient	2,538,235	156,524	153.06	15.99	372	269	6,828.62	421.10
OP - Emergency Room	537,379	102,847	32.40	6.20	739	535	726.93	139.12
OP - Laboratory	165,723	34,189	9.99	2.06	373	270	444.60	91.72
OP - Radiology	254,746	60,987	15.36	3.68	282	204	902.83	216.14
OP - Surgery	518,238	128,995	31.25	7.78	156	113	3,318.24	825.95
OP - Other	311,109	105,576	18.76	6.37	667	483	466.15	158.19
Subtotal - OutPatient	1,787,196	432,593	107.77	26.09	2,218	1,018	805.86	195.06
Prof - Evaluation & Management	967,515	359,963	58.34	21.71	6,749	4,883	143.36	53.34
Prof - Maternity	42,316	16,601	2.55	1.00	24	17	1,766.14	692.86
Prof - Surgery	381,365	92,712	23.00	5.59	1,270	919	300.32	73.01
Prof - DME/Supplies	127,167	80,189	7.67	4.84	266	192	478.36	301.65
Prof - Lab	177,800	50,311	10.72	3.03	4,933	3,570	36.04	10.20
Prof - Radiology	178,942	43,378	10.79	2.62	1,600	1,157	111.87	27.12
Prof - Transportation	30,463	14,436	1.84	0.87	265	192	115.09	54.54
Prof - Other	624,106	261,507	37.63	15.77	40,521	29,322	15.40	6.45
Subtotal - Professional	2,529,673	919,097	152.54	55.42	55,627	40,252	45.48	16.52
Subtotal - Non Pharmacy	\$ 7,232,911	\$ 1,774,431	\$ 436.15	\$ 113.56	58,342	41,630	\$ 123.97	\$ 30.41
Total	\$ 7,232,911	\$ 2,985,144	\$ 436.15	\$ 186.56	73,512	52,607	\$ 98.39	\$ 40.61

TennCare
FY 2006 Per Capita Cost Development
Historical Encounter Data; Statewide

Exhibit 1

Disabled/Uninsurable Adult (Ages 21 & Over)								
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit
Service Category								
Member Months	720,604							
Pharmacy - Brand	n/a	\$ 78,485,858	n/a	108.92	1,132,128	18,853	n/a	\$ 69.33
Pharmacy - Generic	n/a	15,629,198	n/a	21.69	995,167	16,572	n/a	15.71
Subtotal - Pharmacy	n/a	94,115,055	n/a	130.61	2,127,295	35,425	n/a	44.24
Home Health Care	1,990,969	949,764	2.76	1.32	2,368	39	840.90	401.14
IP - Maternity	779,589	194,993	1.08	0.27	264	4	2,947.82	737.32
IP - Newborn	312,350	136,423	0.43	0.19	226	4	1,382.46	603.81
IP - Medical	80,873,670	18,402,725	112.23	25.54	29,063	484	2,782.72	633.21
IP - Surgery	88,992,934	19,359,975	123.50	26.87	14,169	236	6,281.03	1,366.41
IP - Other	42,289,682	11,492,380	58.69	15.95	10,724	179	3,943.36	1,071.62
Subtotal - InPatient	213,248,225	49,586,496	295.93	68.81	54,446	907	3,916.69	910.75
OP - Emergency Room	32,551,979	6,076,325	45.17	8.43	33,708	561	965.72	180.27
OP - Laboratory	17,497,306	3,387,653	24.28	4.70	20,850	347	839.20	162.48
OP - Radiology	49,293,857	10,451,931	68.41	14.50	39,416	656	1,250.59	265.17
OP - Surgery	64,701,236	16,551,933	89.79	22.97	15,266	254	4,238.27	1,084.24
OP - Other	23,544,525	6,636,592	32.67	9.21	27,896	465	844.02	237.91
Subtotal - OutPatient	187,588,903	43,104,434	260.32	59.82	137,135	1,026	1,367.91	314.32
Prof - Evaluation & Management	71,103,969	29,076,260	98.67	40.35	487,841	8,124	145.75	59.60
Prof - Maternity	383,582	151,234	0.53	0.21	324	5	1,183.80	466.74
Prof - Surgery	50,842,301	13,830,175	70.56	19.19	108,267	1,803	469.60	127.74
Prof - DME/Supplies	9,401,722	5,201,236	13.05	7.22	37,271	621	252.25	139.55
Prof - Lab	18,882,412	4,646,179	26.20	6.45	450,639	7,504	41.90	10.31
Prof - Radiology	31,165,045	9,166,975	43.25	12.72	194,000	3,231	160.64	47.25
Prof - Transportation								
Prof - Other	59,115,847	20,613,263	82.04	28.61	1,221,988	20,349	48.38	16.87
Subtotal - Professional	240,894,878	82,685,323	334.30	114.74	2,500,329	41,637	96.35	33.07
Subtotal - Non Pharmacy	\$ 643,722,976	\$ 176,326,017	\$ 893.31	\$ 244.69	2,694,278	43,609	\$ 238.92	\$ 65.44
Total	\$ 643,722,976	\$ 270,441,072	\$ 893.31	\$ 375.30	4,821,573	79,034	\$ 133.51	\$ 56.09

TennCare
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Historical Encounter Data; Statewide

Exhibit 1

Waiver Duals ALL Ages									
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	
Service Category									
Member Months	438,150								
Pharmacy - Brand	n/a	\$ 82,128,312	n/a	\$ 187.44	1,190,187	32,597	n/a	\$ 69.00	
Pharmacy - Generic	n/a	15,535,454	n/a	35.46	1,032,949	28,290	n/a	15.04	
Subtotal - Pharmacy	n/a	97,663,766	n/a	222.90	2,223,136	60,887	n/a	43.93	
Home Health Care	713,026	546,920	1.63	1.25	403	11	1,770.06	1,357.71	
IP - Maternity	10,003	2,199	0.02	0.01	3	0	3,543.57	779.13	
IP - Newborn	39,069	13,897	0.09	0.03	17	0	2,317.30	824.28	
IP - Medical	4,094,196	362,862	9.34	0.83	1,392	38	2,940.29	260.59	
IP - Surgery	3,152,204	230,535	7.19	0.53	738	20	4,272.60	312.47	
IP - Other	2,368,270	244,486	5.41	0.56	732	20	3,233.78	333.84	
Subtotal - InPatient	9,663,742	853,980	22.06	1.95	2,882	79	3,352.84	296.29	
OP - Emergency Room	1,043,035	94,881	2.38	0.22	1,057	29	987.13	89.80	
OP - Laboratory	524,038	53,029	1.20	0.12	508	14	1,030.62	104.29	
OP - Radiology	1,268,588	130,178	2.90	0.30	971	27	1,307.05	134.12	
OP - Surgery	1,978,597	182,148	4.52	0.42	563	15	3,512.19	323.33	
OP - Other	4,290,241	3,255,976	9.79	7.43	2,180	60	1,968.00	1,493.57	
Subtotal - OutPatient	9,104,498	3,716,212	20.78	8.48	5,279	145	1,724.65	703.96	
Prof - Evaluation & Management	3,488,672	596,782	7.96	1.36	23,953	656	145.65	24.92	
Prof - Maternity	8,802	1,815	0.02	0.00	8	0	1,060.16	218.63	
Prof - Surgery	2,352,465	212,754	5.37	0.49	6,526	179	360.45	32.60	
Prof - DME/Supplies	981,546	243,753	2.24	0.56	3,050	84	321.83	79.92	
Prof - Lab	725,976	87,225	1.66	0.20	13,264	363	54.73	6.58	
Prof - Radiology	1,138,141	129,452	2.60	0.30	6,681	183	170.36	19.38	
Prof - Transportation	3,602,004	2,691,183	8.22	6.14	89,400	2,448	40.29	30.10	
Prof - Other	3,823,705	937,959	8.73	2.14	274,349	7,514	13.94	3.42	
Subtotal - Professional	16,121,311	4,900,923	36.79	11.19	417,230	11,427	38.64	11.75	
Subtotal - Non Pharmacy	\$ 35,602,578	\$ 10,018,035	\$ 81.26	\$ 22.86	425,795	11,662	\$ 83.61	\$ 23.53	
Total	\$ 35,602,578	\$ 107,681,801	\$ 81.26	\$ 245.76	2,648,930	72,549	\$ 13.44	\$ 40.65	

TennCare
FY 2006 Per Capita Cost Development
Historical Encounter Data; Statewide

Exhibit 1

Waiver Duals Child (Age Under 21)									
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	
Service Category									
Member Months	32								
Pharmacy - Brand	n/a	\$ 25,979	n/a	822.28	135	51,107	n/a	\$ 193.07	
Pharmacy - Generic	n/a	1,898	n/a	60.07	115	43,612	n/a	16.53	
Subtotal - Pharmacy	n/a	27,877	n/a	882.35	249	94,719	n/a	111.78	
Home Health Care	3,117	2,920	98.65	92.41	2	768	1,540.74	1,443.30	
IP - Maternity	419	32	13.27	1.02	0	17	9,650.50	739.00	
IP - Newborn	37	27	1.16	0.85	0	17	842.00	616.00	
IP - Medical	464	-	14.70	-	0	43	4,145.56	-	
IP - Surgery	597	-	18.89	-	0	14	15,982.67	-	
IP - Other	972	60	30.77	1.89	0	136	2,716.87	166.98	
Subtotal - InPatient	2,489	59	78.78	3.75	1	226	4,190.14	99.11	
OP - Emergency Room	627	85	19.85	2.68	1	385	618.78	83.57	
OP - Laboratory	353	77	11.16	2.43	1	217	617.93	134.30	
OP - Radiology	175	21	5.54	0.68	0	70	949.28	115.83	
OP - Surgery	219	36	6.94	1.15	0	47	1,786.67	295.46	
OP - Other	118	33	3.73	1.05	0	175	255.65	71.69	
Subtotal - OutPatient	1,492	252	47.22	7.98	2	560	634.32	107.14	
Prof - Evaluation & Management	1,411	257	44.65	8.14	8	2,988	179.32	32.68	
Prof - Maternity	128	53	4.04	1.67	0	27	1,788.33	739.00	
Prof - Surgery	501	49	15.85	1.54	37	13,976	13.61	1.32	
Prof - DME/Supplies	485	74	15.34	2.34	1	287	641.19	97.67	
Prof - Lab	197	35	6.25	1.11	4	1,467	51.08	9.09	
Prof - Radiology	247	30	7.82	0.96	2	809	115.98	14.26	
Prof - Transportation	985	637	31.18	20.17	25	9,565	39.12	25.30	
Prof - Other	2,411	603	76.31	19.09	551	209,272	4.38	1.09	
Subtotal - Professional	6,365	1,738	201.45	55.01	628	238,392	10.14	2.77	
Subtotal - Non Pharmacy	\$ 13,462	\$ 4,969	\$ 426.10	\$ 159.15	633	239,946	\$ 21.28	\$ 7.85	
Total	\$ 13,462	\$ 32,846	\$ 426.10	\$ 1,041.50	882	334,665	\$ 15.26	\$ 37.24	

TennCare
FY 2006 Per Capita Cost Development
Historical Encounter Data; Statewide

Exhibit 1

Waiver Duals Adult (Ages 21 & Over)									
	Billed Charges	Paid Expenditures	Billed Charges PMPM	Paid Expenditures PMPM	Units	Units / 1000	Billed Charges / Unit	Paid Expenditures / Unit	
Service Category									
Member Months	438,118								
Pharmacy - Brand	n/a	\$ 82,102,333	n/a	187.40	1,190,052	32,595	n/a	\$ 68.99	
Pharmacy - Generic	n/a	15,533,556	n/a	35.46	1,032,834	28,289	n/a	15.04	
Subtotal - Pharmacy	n/a	97,635,889	n/a	222.85	2,222,886	60,885	n/a	43.92	
Home Health Care	709,910	544,000	1.62	1.24	401	11	1,771.22	1,357.27	
IP - Maternity	9,584	2,167	0.02	0.00	3	0	3,448.10	779.76	
IP - Newborn	39,033	13,871	0.09	0.03	17	0	2,321.11	824.82	
IP - Medical	4,093,732	362,862	9.34	0.83	1,392	38	2,940.20	260.61	
IP - Surgery	3,151,607	230,535	7.19	0.53	738	20	4,272.01	312.49	
IP - Other	2,367,297	244,426	5.40	0.56	732	20	3,234.03	333.92	
Subtotal - InPatient	9,661,253	853,861	22.05	1.95	2,882	79	3,352.67	296.31	
OP - Emergency Room	1,042,407	94,796	2.38	0.22	1,056	29	987.48	89.80	
OP - Laboratory	523,685	52,952	1.20	0.12	508	14	1,031.09	104.26	
OP - Radiology	1,268,413	130,157	2.90	0.30	970	27	1,307.12	134.13	
OP - Surgery	1,978,378	182,112	4.52	0.42	563	15	3,512.56	323.34	
OP - Other	4,290,123	3,255,943	9.79	7.43	2,180	60	1,968.36	1,493.87	
Subtotal - OutPatient	9,103,007	3,715,960	20.78	8.48	5,277	89	1,725.14	704.22	
Prof - Evaluation & Management	3,487,261	596,525	7.96	1.36	23,945	656	145.64	24.91	
Prof - Maternity	8,674	1,762	0.02	0.00	8	0	1,053.84	214.11	
Prof - Surgery	2,351,964	212,705	5.37	0.49	6,490	178	362.42	32.78	
Prof - DME/Supplies	981,061	243,680	2.24	0.56	3,049	84	321.75	79.92	
Prof - Lab	725,778	87,190	1.66	0.20	13,260	363	54.73	6.58	
Prof - Radiology	1,137,894	129,422	2.60	0.30	6,679	183	170.38	19.38	
Prof - Transportation	3,601,019	2,690,545	8.22	6.14	89,375	2,448	40.29	30.10	
Prof - Other	3,821,294	937,355	8.72	2.14	273,798	7,499	13.96	3.42	
Subtotal - Professional	16,114,946	4,899,185	36.78	11.18	416,603	11,411	38.68	11.76	
Subtotal - Non Pharmacy	\$ 35,589,116	\$ 10,013,007	\$ 81.23	\$ 22.85	425,162	11,589	\$ 83.71	\$ 23.55	
Total	\$ 35,589,116	\$ 107,648,896	\$ 81.23	\$ 245.71	2,648,048	72,474	\$ 13.44	\$ 40.65	

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

All Categories ALL Ages						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	16,191,954					
Pharmacy - Brand	n/a	\$ 1,334,179,323	1.1690	1.0000	1.1980	\$ 115.39
Pharmacy - Generic	n/a	315,443,220	1.1690	1.0000	1.1980	27.28
Subtotal - Pharmacy	n/a	1,649,622,544				142.68
Home Health Care	65,510,216	44,289,852	1.1280	1.0100	1.0720	3.34
IP - Maternity	228,332,938	62,026,148	1.1280	1.0100	1.0720	4.68
IP - Newborn	236,211,120	91,182,119	1.1280	1.0100	1.0720	6.88
IP - Medical	844,781,443	194,326,862	1.1280	1.0100	1.0720	14.66
IP - Surgery	680,221,327	142,050,915	1.1280	1.0100	1.0720	10.71
IP - Other	451,439,956	119,186,714	1.1280	1.0100	1.0720	8.99
Subtotal - InPatient	2,440,986,784	608,772,759				45.92
OP - Emergency Room	676,400,201	147,887,535	1.1140	1.0100	1.0650	10.94
OP - Laboratory	175,237,118	35,022,303	1.1140	1.0100	1.0650	2.59
OP - Radiology	432,998,914	89,597,938	1.1140	1.0100	1.0650	6.63
OP - Surgery	595,592,502	157,844,687	1.1140	1.0100	1.0650	11.68
OP - Other	306,229,269	104,795,672	1.1140	1.0100	1.0650	7.76
Subtotal - OutPatient	2,186,458,005	535,148,136				39.60
Prof - Evaluation & Management	1,122,783,846	469,926,167	1.1440	1.0100	1.1210	37.59
Prof - Maternity	111,128,769	45,756,088	1.1440	1.0100	1.1210	3.66
Prof - Surgery	456,202,960	122,525,028	1.1440	1.0100	1.1210	9.80
Prof - DME/Supplies	107,848,933	59,465,056	1.1440	1.0100	1.1210	4.76
Prof - Lab	212,270,079	55,936,948	1.1440	1.0100	1.1210	4.47
Prof - Radiology	298,522,400	85,735,064	1.1440	1.0100	1.1210	6.86
Prof - Transportation	110,892,693	57,330,971	1.1440	1.0100	1.1210	4.59
Prof - Other	598,830,988	212,657,829	1.1440	1.0100	1.1210	17.01
Subtotal - Professional	3,018,480,669	1,109,333,151				88.74
Subtotal - Non Pharmacy	\$ 7,711,435,674	\$ 2,297,543,897				\$ 177.60
Total	\$ 7,711,435,674	\$ 3,947,166,440				\$ 320.28
Subtotal Including Administration						
Pharmacy						\$ 143.48
Non-Pharmacy						\$ 195.72
Total						\$ 339.20

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Medically Needy ALL Ages						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	1,987,457					
Pharmacy - Brand	n/a	\$ 187,132,718	1.1690	1.0000	1.1980	\$ 131.86
Pharmacy - Generic	n/a	44,465,423	1.1690	1.0000	1.1980	31.33
Subtotal - Pharmacy	n/a	231,598,141				163.20
Home Health Care	4,052,792	2,933,448	1.1280	1.0100	1.0720	1.80
IP - Maternity	17,130,579	4,753,623	1.1280	1.0100	1.0720	2.92
IP - Newborn	10,268,722	4,099,980	1.1280	1.0100	1.0720	2.52
IP - Medical	94,331,101	20,643,424	1.1280	1.0100	1.0720	12.69
IP - Surgery	86,741,782	18,301,942	1.1280	1.0100	1.0720	11.25
IP - Other	53,256,536	13,965,965	1.1280	1.0100	1.0720	8.58
Subtotal - InPatient	261,728,719	61,764,934				37.96
OP - Emergency Room	83,959,957	17,249,121	1.1140	1.0100	1.0650	10.40
OP - Laboratory	20,031,843	3,946,493	1.1140	1.0100	1.0650	2.38
OP - Radiology	55,674,377	11,192,026	1.1140	1.0100	1.0650	6.75
OP - Surgery	75,606,188	19,245,944	1.1140	1.0100	1.0650	11.60
OP - Other	28,556,722	8,616,561	1.1140	1.0100	1.0650	5.20
Subtotal - OutPatient	263,829,087	60,250,146				36.33
Prof - Evaluation & Management	122,761,626	50,784,466	1.1440	1.0100	1.1210	33.10
Prof - Maternity	8,608,665	3,688,867	1.1440	1.0100	1.1210	2.40
Prof - Surgery	59,751,829	15,266,107	1.1440	1.0100	1.1210	9.95
Prof - DME/Supplies	8,259,522	4,342,601	1.1440	1.0100	1.1210	2.83
Prof - Lab	24,498,661	6,434,897	1.1440	1.0100	1.1210	4.19
Prof - Radiology	37,554,225	10,415,865	1.1440	1.0100	1.1210	6.79
Prof - Transportation	12,461,953	6,632,348	1.1440	1.0100	1.1210	4.32
Prof - Other	69,449,537	23,744,119	1.1440	1.0100	1.1210	15.47
Subtotal - Professional	343,346,019	121,309,271				79.06
Subtotal - Non Pharmacy	\$ 872,956,617	\$ 246,257,798				\$ 155.14
Total	\$ 872,956,617	\$ 477,855,938				\$ 318.34
Subtotal Including Administration						
Pharmacy						\$ 164.11
Non-Pharmacy						\$ 170.97
Total						\$ 335.08

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Medically Needy						
Age Under 1						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	4,280					
Pharmacy - Brand	n/a	\$ 272,897	1.1690	1.0000	1.1980	\$ 89.29
Pharmacy - Generic	n/a	26,260	1.1690	1.0000	1.1980	8.59
Subtotal - Pharmacy	n/a	299,157				97.88
Home Health Care	3,709	1,271	1.1280	1.0100	1.0720	0.36
IP - Maternity	-	-	1.1280	1.0100	1.0720	-
IP - Newborn	1,360,535	697,995	1.1280	1.0100	1.0720	199.17
IP - Medical	165,313	52,670	1.1280	1.0100	1.0720	15.03
IP - Surgery	380,108	54,083	1.1280	1.0100	1.0720	15.43
IP - Other	398,589	105,083	1.1280	1.0100	1.0720	29.98
Subtotal - InPatient	2,304,545	909,831				259.61
OP - Emergency Room	474,340	135,999	1.1140	1.0100	1.0650	38.07
OP - Laboratory	33,116	7,131	1.1140	1.0100	1.0650	2.00
OP - Radiology	107,940	27,327	1.1140	1.0100	1.0650	7.65
OP - Surgery	202,191	78,011	1.1140	1.0100	1.0650	21.84
OP - Other	217,089	99,075	1.1140	1.0100	1.0650	27.74
Subtotal - OutPatient	1,034,677	347,543				97.30
Prof - Evaluation & Management	1,699,505	719,892	1.1440	1.0100	1.1210	217.85
Prof - Maternity	-	-	1.1440	1.0100	1.1210	-
Prof - Surgery	225,739	58,275	1.1440	1.0100	1.1210	17.64
Prof - DME/Supplies	82,849	45,443	1.1440	1.0100	1.1210	13.75
Prof - Lab	48,623	13,293	1.1440	1.0100	1.1210	4.02
Prof - Radiology	53,788	13,494	1.1440	1.0100	1.1210	4.08
Prof - Transportation	41,800	15,613	1.1440	1.0100	1.1210	4.72
Prof - Other	355,922	132,870	1.1440	1.0100	1.1210	40.21
Subtotal - Professional	2,508,227	998,880				302.28
Subtotal - Non Pharmacy	\$ 5,851,158	\$ 2,257,525				\$ 659.55
Total	\$ 5,851,158	\$ 2,556,682				\$ 757.44
Subtotal Including Administration						
Pharmacy						\$ 98.43
Non-Pharmacy						\$ 726.85
Total						\$ 825.29

TennCare
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Development of Per Capita Costs; Statewide

Exhibit 2

Medically Needy						
Ages 1 - 13						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	457,977					
Pharmacy - Brand	n/a	\$ 5,846,456	1.1690	1.0000	1.1980	\$ 17.88
Pharmacy - Generic	n/a	1,267,028	1.1690	1.0000	1.1980	3.87
Subtotal - Pharmacy	n/a	7,113,483				21.75
Home Health Care	534,056	442,736	1.1280	1.0100	1.0720	1.18
IP - Maternity	11,060	3,340	1.1280	1.0100	1.0720	0.01
IP - Newborn	13,197	1,021	1.1280	1.0100	1.0720	0.00
IP - Medical	3,608,711	892,495	1.1280	1.0100	1.0720	2.38
IP - Surgery	2,610,288	469,914	1.1280	1.0100	1.0720	1.25
IP - Other	2,735,749	609,079	1.1280	1.0100	1.0720	1.62
Subtotal - InPatient	8,979,005	1,975,849				5.27
OP - Emergency Room	10,236,860	2,615,325	1.1140	1.0100	1.0650	6.84
OP - Laboratory	1,239,176	249,062	1.1140	1.0100	1.0650	0.65
OP - Radiology	2,312,684	492,707	1.1140	1.0100	1.0650	1.29
OP - Surgery	6,887,448	2,143,382	1.1140	1.0100	1.0650	5.61
OP - Other	1,946,369	525,710	1.1140	1.0100	1.0650	1.38
Subtotal - OutPatient	22,622,538	6,026,187				15.77
Prof - Evaluation & Management	18,856,911	8,460,175	1.1440	1.0100	1.1210	23.93
Prof - Maternity	2,852	768	1.1440	1.0100	1.1210	0.00
Prof - Surgery	4,649,189	1,216,833	1.1440	1.0100	1.1210	3.44
Prof - DME/Supplies	411,950	253,972	1.1440	1.0100	1.1210	0.72
Prof - Lab	1,727,042	530,035	1.1440	1.0100	1.1210	1.50
Prof - Radiology	1,626,039	431,350	1.1440	1.0100	1.1210	1.22
Prof - Transportation	666,563	236,190	1.1440	1.0100	1.1210	0.67
Prof - Other	5,006,836	2,273,184	1.1440	1.0100	1.1210	6.43
Subtotal - Professional	32,947,382	13,402,507				37.90
Subtotal - Non Pharmacy	\$ 65,082,981	\$ 21,847,280				\$ 60.12
Total	\$ 65,082,981	\$ 28,960,764				\$ 81.87
Subtotal Including Administration						
Pharmacy						\$ 21.87
Non-Pharmacy						\$ 66.26
Total						\$ 88.13

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Medically Needy						
Age 14 - 18 Female						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	82,414					
Pharmacy - Brand	n/a	\$ 1,312,453	1.1690	1.0000	1.1980	\$ 22.30
Pharmacy - Generic	n/a	451,820	1.1690	1.0000	1.1980	7.68
Subtotal - Pharmacy	n/a	1,764,273				29.98
Home Health Care	7,347	4,364	1.1280	1.0100	1.0720	0.06
IP - Maternity	1,641,913	477,197	1.1280	1.0100	1.0720	7.07
IP - Newborn	1,084,290	322,507	1.1280	1.0100	1.0720	4.78
IP - Medical	2,559,885	602,056	1.1280	1.0100	1.0720	8.92
IP - Surgery	2,029,842	427,114	1.1280	1.0100	1.0720	6.33
IP - Other	1,203,418	358,225	1.1280	1.0100	1.0720	5.31
Subtotal - InPatient	8,519,348	2,187,100				32.41
OP - Emergency Room	3,439,582	714,400	1.1140	1.0100	1.0650	10.39
OP - Laboratory	714,975	184,709	1.1140	1.0100	1.0650	2.69
OP - Radiology	1,230,059	236,558	1.1140	1.0100	1.0650	3.44
OP - Surgery	1,833,225	541,578	1.1140	1.0100	1.0650	7.87
OP - Other	662,584	180,461	1.1140	1.0100	1.0650	2.62
Subtotal - OutPatient	7,880,425	1,857,706				27.01
Prof - Evaluation & Management	4,886,459	2,105,694	1.1440	1.0100	1.1210	33.09
Prof - Maternity	827,625	356,427	1.1440	1.0100	1.1210	5.60
Prof - Surgery	1,408,750	349,310	1.1440	1.0100	1.1210	5.49
Prof - DME/Supplies	63,492	42,493	1.1440	1.0100	1.1210	0.67
Prof - Lab	1,096,529	338,873	1.1440	1.0100	1.1210	5.33
Prof - Radiology	997,079	281,813	1.1440	1.0100	1.1210	4.43
Prof - Transportation	288,209	106,714	1.1440	1.0100	1.1210	1.68
Prof - Other	1,695,903	627,935	1.1440	1.0100	1.1210	9.87
Subtotal - Professional	11,264,044	4,209,259				66.15
Subtotal - Non Pharmacy	\$ 27,671,164	\$ 8,258,429				\$ 125.64
Total	\$ 27,671,164	\$ 10,022,702				\$ 155.62
Subtotal Including Administration						
Pharmacy						\$ 30.15
Non-Pharmacy						\$ 138.46
Total						\$ 168.61

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Medically Needy						
Ages 14 - 18 Male						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	84,041					
Pharmacy - Brand	n/a	\$ 892,485	1.1690	1.0000	1.1980	\$ 14.87
Pharmacy - Generic	n/a	290,497	1.1690	1.0000	1.1980	4.84
Subtotal - Pharmacy	n/a	1,182,982				19.71
Home Health Care	17,017	12,129	1.1280	1.0100	1.0720	0.18
IP - Maternity	-	-	1.1280	1.0100	1.0720	-
IP - Newborn	-	-	1.1280	1.0100	1.0720	-
IP - Medical	1,700,941	304,791	1.1280	1.0100	1.0720	4.43
IP - Surgery	2,529,192	386,447	1.1280	1.0100	1.0720	5.62
IP - Other	1,947,123	548,160	1.1280	1.0100	1.0720	7.97
Subtotal - InPatient	6,177,256	1,239,398				18.01
OP - Emergency Room	2,570,134	539,363	1.1140	1.0100	1.0650	7.69
OP - Laboratory	310,696	73,567	1.1140	1.0100	1.0650	1.05
OP - Radiology	939,271	179,703	1.1140	1.0100	1.0650	2.56
OP - Surgery	1,276,558	277,036	1.1140	1.0100	1.0650	3.95
OP - Other	449,615	124,504	1.1140	1.0100	1.0650	1.78
Subtotal - OutPatient	5,546,274	1,194,174				17.03
Prof - Evaluation & Management	2,975,802	1,257,137	1.1440	1.0100	1.1210	19.38
Prof - Maternity	-	-	1.1440	1.0100	1.1210	-
Prof - Surgery	1,172,508	312,044	1.1440	1.0100	1.1210	4.81
Prof - DME/Supplies	90,096	56,157	1.1440	1.0100	1.1210	0.87
Prof - Lab	269,343	74,310	1.1440	1.0100	1.1210	1.15
Prof - Radiology	680,788	189,471	1.1440	1.0100	1.1210	2.92
Prof - Transportation	322,680	118,528	1.1440	1.0100	1.1210	1.83
Prof - Other	1,034,718	395,785	1.1440	1.0100	1.1210	6.10
Subtotal - Professional	6,545,934	2,403,432				37.04
Subtotal - Non Pharmacy	\$ 18,286,481	\$ 4,849,133				\$ 72.26
Total	\$ 18,286,481	\$ 6,032,115				\$ 91.97
Subtotal Including Administration						
Pharmacy						\$ 19.82
Non-Pharmacy						\$ 79.63
Total						\$ 99.45

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Medically Needy						
Ages 19 - 20 Female						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	89,725					
Pharmacy - Brand	n/a	\$ 2,266,171	1.1690	1.0000	1.1980	\$ 35.37
Pharmacy - Generic	n/a	914,382	1.1690	1.0000	1.1980	14.27
Subtotal - Pharmacy	n/a	3,180,553				49.64
Home Health Care	26,111	13,532	1.1280	1.0100	1.0720	0.18
IP - Maternity	5,607,553	1,511,547	1.1280	1.0100	1.0720	20.57
IP - Newborn	3,610,057	1,328,471	1.1280	1.0100	1.0720	18.08
IP - Medical	4,035,314	972,169	1.1280	1.0100	1.0720	13.23
IP - Surgery	2,109,458	720,180	1.1280	1.0100	1.0720	9.80
IP - Other	900,711	213,202	1.1280	1.0100	1.0720	2.90
Subtotal - InPatient	16,263,092	4,745,567				64.60
OP - Emergency Room	8,865,889	1,812,809	1.1140	1.0100	1.0650	24.21
OP - Laboratory	1,287,991	231,149	1.1140	1.0100	1.0650	3.09
OP - Radiology	2,697,422	572,207	1.1140	1.0100	1.0650	7.64
OP - Surgery	3,880,001	977,887	1.1140	1.0100	1.0650	13.06
OP - Other	1,471,573	331,446	1.1140	1.0100	1.0650	4.43
Subtotal - OutPatient	18,202,877	3,925,497				52.43
Prof - Evaluation & Management	9,843,080	4,052,856	1.1440	1.0100	1.1210	58.51
Prof - Maternity	2,836,204	1,240,590	1.1440	1.0100	1.1210	17.91
Prof - Surgery	2,536,731	715,292	1.1440	1.0100	1.1210	10.33
Prof - DME/Supplies	214,789	121,283	1.1440	1.0100	1.1210	1.75
Prof - Lab	2,914,162	876,835	1.1440	1.0100	1.1210	12.66
Prof - Radiology	2,487,718	730,850	1.1440	1.0100	1.1210	10.55
Prof - Transportation	626,631	237,984	1.1440	1.0100	1.1210	3.44
Prof - Other	3,368,858	1,148,294	1.1440	1.0100	1.1210	16.58
Subtotal - Professional	24,828,173	9,123,983				131.71
Subtotal - Non Pharmacy	\$ 59,320,253	\$ 17,808,580				\$ 248.92
Total	\$ 59,320,253	\$ 20,989,133				\$ 298.56
Subtotal Including Administration						
Pharmacy						\$ 49.92
Non-Pharmacy						\$ 274.32
Total						\$ 324.24

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Medically Needy						
Ages 19 - 20 Male						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	75,317					
Pharmacy - Brand	n/a	\$ 919,540	1.1690	1.0000	1.1980	\$ 17.10
Pharmacy - Generic	n/a	352,309	1.1690	1.0000	1.1980	6.55
Subtotal - Pharmacy	n/a	1,271,850				23.65
Home Health Care	39,701	16,639	1.1280	1.0100	1.0720	0.27
IP - Maternity	-	-	1.1280	1.0100	1.0720	-
IP - Newborn	24,288	13,469	1.1280	1.0100	1.0720	0.22
IP - Medical	4,183,900	922,061	1.1280	1.0100	1.0720	14.95
IP - Surgery	4,511,379	1,180,946	1.1280	1.0100	1.0720	19.15
IP - Other	2,101,947	676,158	1.1280	1.0100	1.0720	10.96
Subtotal - InPatient	10,821,513	2,792,635				45.28
OP - Emergency Room	4,908,025	985,935	1.1140	1.0100	1.0650	15.69
OP - Laboratory	456,081	70,429	1.1140	1.0100	1.0650	1.12
OP - Radiology	1,518,489	278,310	1.1140	1.0100	1.0650	4.43
OP - Surgery	2,355,549	476,137	1.1140	1.0100	1.0650	7.58
OP - Other	620,505	159,437	1.1140	1.0100	1.0650	2.54
Subtotal - OutPatient	9,858,650	1,970,249				31.35
Prof - Evaluation & Management	3,963,487	1,479,354	1.1440	1.0100	1.1210	25.44
Prof - Maternity	-	-	1.1440	1.0100	1.1210	-
Prof - Surgery	2,185,863	548,557	1.1440	1.0100	1.1210	9.43
Prof - DME/Supplies	172,466	112,267	1.1440	1.0100	1.1210	1.93
Prof - Lab	345,929	81,104	1.1440	1.0100	1.1210	1.39
Prof - Radiology	997,667	278,260	1.1440	1.0100	1.1210	4.79
Prof - Transportation	586,805	197,189	1.1440	1.0100	1.1210	3.39
Prof - Other	1,326,424	439,498	1.1440	1.0100	1.1210	7.56
Subtotal - Professional	9,578,640	3,136,228				53.93
Subtotal - Non Pharmacy	\$ 30,298,503	\$ 7,915,751				\$ 130.83
Total	\$ 30,298,503	\$ 9,187,600				\$ 154.48
Subtotal Including Administration						
Pharmacy						\$ 23.78
Non-Pharmacy						\$ 144.19
Total						\$ 167.97

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Medically Needy						
Ages 21 - 44 Female						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	451,702					
Pharmacy - Brand	n/a	\$ 26,784,861	1.1690	1.0000	1.1980	\$ 83.04
Pharmacy - Generic	n/a	7,440,173	1.1690	1.0000	1.1980	23.07
Subtotal - Pharmacy	n/a	34,225,035				106.11
Home Health Care	345,493	169,846	1.1280	1.0100	1.0720	0.46
IP - Maternity	9,870,053	2,761,540	1.1280	1.0100	1.0720	7.47
IP - Newborn	4,176,355	1,736,517	1.1280	1.0100	1.0720	4.70
IP - Medical	23,896,044	5,720,049	1.1280	1.0100	1.0720	15.47
IP - Surgery	20,343,690	4,281,505	1.1280	1.0100	1.0720	11.58
IP - Other	9,870,510	2,689,984	1.1280	1.0100	1.0720	7.27
Subtotal - InPatient	68,156,652	17,189,594				46.48
OP - Emergency Room	31,167,693	6,198,952	1.1140	1.0100	1.0650	16.44
OP - Laboratory	5,907,492	1,110,019	1.1140	1.0100	1.0650	2.94
OP - Radiology	19,915,067	4,039,544	1.1140	1.0100	1.0650	10.72
OP - Surgery	29,320,833	7,275,165	1.1140	1.0100	1.0650	19.30
OP - Other	8,052,367	2,052,561	1.1140	1.0100	1.0650	5.45
Subtotal - OutPatient	94,363,452	20,676,242				54.85
Prof - Evaluation & Management	41,824,106	17,619,554	1.1440	1.0100	1.1210	50.52
Prof - Maternity	4,937,417	2,089,524	1.1440	1.0100	1.1210	5.99
Prof - Surgery	20,586,619	5,553,137	1.1440	1.0100	1.1210	15.92
Prof - DME/Supplies	1,672,122	960,196	1.1440	1.0100	1.1210	2.75
Prof - Lab	10,475,232	2,826,312	1.1440	1.0100	1.1210	8.10
Prof - Radiology	14,282,389	4,112,362	1.1440	1.0100	1.1210	11.79
Prof - Transportation	2,514,478	1,074,872	1.1440	1.0100	1.1210	3.08
Prof - Other	18,684,792	5,878,916	1.1440	1.0100	1.1210	16.86
Subtotal - Professional	114,977,155	40,114,872				115.03
Subtotal - Non Pharmacy	\$ 277,842,752	\$ 78,150,555				\$ 216.81
Total	\$ 277,842,752	\$ 112,375,590				\$ 322.93
Subtotal Including Administration						
Pharmacy						\$ 106.71
Non-Pharmacy						\$ 238.94
Total						\$ 345.64

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Medically Needy Ages 21 - 44 Male						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	175,584					
Pharmacy - Brand	n/a	\$ 12,093,424	1.1690	1.0000	1.1980	\$ 96.46
Pharmacy - Generic	n/a	2,827,888	1.1690	1.0000	1.1980	22.56
Subtotal - Pharmacy	n/a	14,921,311				119.01
Home Health Care	861,854	744,075	1.1280	1.0100	1.0720	5.18
IP - Maternity	-	-	1.1280	1.0100	1.0720	-
IP - Newborn	-	-	1.1280	1.0100	1.0720	-
IP - Medical	14,028,900	3,238,320	1.1280	1.0100	1.0720	22.52
IP - Surgery	15,232,731	3,588,174	1.1280	1.0100	1.0720	24.96
IP - Other	8,719,904	2,340,773	1.1280	1.0100	1.0720	16.28
Subtotal - InPatient	37,981,535	9,167,267				63.76
OP - Emergency Room	10,819,190	2,169,879	1.1140	1.0100	1.0650	14.81
OP - Laboratory	2,689,281	593,869	1.1140	1.0100	1.0650	4.05
OP - Radiology	7,114,654	1,434,275	1.1140	1.0100	1.0650	9.79
OP - Surgery	7,829,388	1,972,953	1.1140	1.0100	1.0650	13.46
OP - Other	3,615,712	1,047,991	1.1140	1.0100	1.0650	7.15
Subtotal - OutPatient	32,068,226	7,218,967				49.27
Prof - Evaluation & Management	12,454,710	4,951,831	1.1440	1.0100	1.1210	36.53
Prof - Maternity	-	-	1.1440	1.0100	1.1210	-
Prof - Surgery	8,210,024	2,149,999	1.1440	1.0100	1.1210	15.86
Prof - DME/Supplies	1,237,809	719,498	1.1440	1.0100	1.1210	5.31
Prof - Lab	1,688,472	386,145	1.1440	1.0100	1.1210	2.85
Prof - Radiology	4,398,043	1,249,374	1.1440	1.0100	1.1210	9.22
Prof - Transportation	1,436,948	588,613	1.1440	1.0100	1.1210	4.34
Prof - Other	7,558,738	2,572,597	1.1440	1.0100	1.1210	18.98
Subtotal - Professional	36,984,745	12,618,057				93.08
Subtotal - Non Pharmacy	\$ 107,896,359	\$ 29,748,366				\$ 211.29
Total	\$ 107,896,359	\$ 44,669,677				\$ 330.30
Subtotal Including Administration						
Pharmacy						\$ 119.68
Non-Pharmacy						\$ 232.85
Total						\$ 352.53

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Medically Needy						
Ages 45 - 64						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	261,799					
Pharmacy - Brand	n/a	\$ 66,283,340	1.1690	1.0000	1.1980	\$ 354.57
Pharmacy - Generic	n/a	14,878,933	1.1690	1.0000	1.1980	79.59
Subtotal - Pharmacy	n/a	81,162,273				434.17
Home Health Care	1,208,113	702,475	1.1280	1.0100	1.0720	3.28
IP - Maternity	-	-	1.1280	1.0100	1.0720	-
IP - Newborn	-	-	1.1280	1.0100	1.0720	-
IP - Medical	36,327,138	7,544,519	1.1280	1.0100	1.0720	35.20
IP - Surgery	33,987,744	6,848,280	1.1280	1.0100	1.0720	31.95
IP - Other	23,660,392	6,278,956	1.1280	1.0100	1.0720	29.29
Subtotal - InPatient	93,975,275	20,671,755				96.43
OP - Emergency Room	10,704,046	1,993,284	1.1140	1.0100	1.0650	9.12
OP - Laboratory	6,998,272	1,382,914	1.1140	1.0100	1.0650	6.33
OP - Radiology	18,263,080	3,745,253	1.1140	1.0100	1.0650	17.14
OP - Surgery	20,013,359	5,173,284	1.1140	1.0100	1.0650	23.68
OP - Other	9,821,638	3,051,910	1.1140	1.0100	1.0650	13.97
Subtotal - OutPatient	65,800,395	15,346,645				70.24
Prof - Evaluation & Management	22,964,813	9,504,314	1.1440	1.0100	1.1210	47.02
Prof - Maternity	4,567	1,559	1.1440	1.0100	1.1210	0.01
Prof - Surgery	16,101,765	4,064,261	1.1440	1.0100	1.1210	20.11
Prof - DME/Supplies	3,697,111	1,891,729	1.1440	1.0100	1.1210	9.36
Prof - Lab	5,267,424	1,222,334	1.1440	1.0100	1.1210	6.05
Prof - Radiology	10,810,463	2,960,492	1.1440	1.0100	1.1210	14.65
Prof - Transportation	3,431,097	2,146,311	1.1440	1.0100	1.1210	10.62
Prof - Other	26,370,046	9,405,904	1.1440	1.0100	1.1210	46.54
Subtotal - Professional	88,647,287	31,196,904				154.35
Subtotal - Non Pharmacy	\$ 249,631,069	\$ 67,917,779				\$ 324.30
Total	\$ 249,631,069	\$ 149,080,052				\$ 758.47
Subtotal Including Administration						
Pharmacy						\$ 436.60
Non-Pharmacy						\$ 357.39
Total						\$ 793.99

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Medically Needy Age Over 65						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	304,617					
Pharmacy - Brand	n/a	\$ 70,461,091	1.1690	1.0000	1.1980	\$ 323.94
Pharmacy - Generic	n/a	16,016,133	1.1690	1.0000	1.1980	73.63
Subtotal - Pharmacy	n/a	86,477,223				397.57
Home Health Care	1,009,391	826,379	1.1280	1.0100	1.0720	3.31
IP - Maternity	-	-	1.1280	1.0100	1.0720	-
IP - Newborn	-	-	1.1280	1.0100	1.0720	-
IP - Medical	3,824,954	394,294	1.1280	1.0100	1.0720	1.58
IP - Surgery	3,007,350	345,300	1.1280	1.0100	1.0720	1.38
IP - Other	1,718,193	146,344	1.1280	1.0100	1.0720	0.59
Subtotal - InPatient	8,550,498	885,937				3.55
OP - Emergency Room	774,198	83,173	1.1140	1.0100	1.0650	0.33
OP - Laboratory	394,763	43,643	1.1140	1.0100	1.0650	0.17
OP - Radiology	1,575,709	186,142	1.1140	1.0100	1.0650	0.73
OP - Surgery	2,007,637	330,512	1.1140	1.0100	1.0650	1.30
OP - Other	1,699,269	1,043,466	1.1140	1.0100	1.0650	4.10
Subtotal - OutPatient	6,451,575	1,686,936				6.64
Prof - Evaluation & Management	3,292,753	633,658	1.1440	1.0100	1.1210	2.69
Prof - Maternity	-	-	1.1440	1.0100	1.1210	-
Prof - Surgery	2,674,642	298,398	1.1440	1.0100	1.1210	1.27
Prof - DME/Supplies	616,838	139,562	1.1440	1.0100	1.1210	0.59
Prof - Lab	665,905	85,656	1.1440	1.0100	1.1210	0.36
Prof - Radiology	1,220,250	168,401	1.1440	1.0100	1.1210	0.72
Prof - Transportation	2,546,743	1,910,335	1.1440	1.0100	1.1210	8.12
Prof - Other	4,047,299	869,137	1.1440	1.0100	1.1210	3.70
Subtotal - Professional	15,064,431	4,105,148				17.46
Subtotal - Non Pharmacy	\$ 31,075,895	\$ 7,504,401				\$ 30.96
Total	\$ 31,075,895	\$ 93,981,624				\$ 428.53
Subtotal Including Administration						
Pharmacy						\$ 399.80
Non-Pharmacy						\$ 34.12
Total						\$ 433.92

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Medicaid (TANF & Related)						
ALL Ages						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	7,115,402					
Pharmacy - Brand	n/a	\$ 234,287,869	1.1690	1.0000	1.1980	\$ 46.11
Pharmacy - Generic	n/a	60,423,877	1.1690	1.0000	1.1980	11.89
Subtotal - Pharmacy	n/a	294,711,746				58.01
Home Health Care	4,792,706	2,863,947	1.1280	1.0100	1.0720	0.49
IP - Maternity	196,607,899	53,298,253	1.1280	1.0100	1.0720	9.15
IP - Newborn	190,205,065	76,939,589	1.1280	1.0100	1.0720	13.21
IP - Medical	194,829,069	48,733,845	1.1280	1.0100	1.0720	8.36
IP - Surgery	167,353,170	37,242,074	1.1280	1.0100	1.0720	6.39
IP - Other	103,027,284	28,902,663	1.1280	1.0100	1.0720	4.96
Subtotal - InPatient	852,022,487	245,116,424				42.07
OP - Emergency Room	340,624,733	80,301,547	1.1140	1.0100	1.0650	13.52
OP - Laboratory	55,998,698	10,879,812	1.1140	1.0100	1.0650	1.83
OP - Radiology	137,904,366	28,567,307	1.1140	1.0100	1.0650	4.81
OP - Surgery	220,165,592	62,786,108	1.1140	1.0100	1.0650	10.57
OP - Other	92,834,704	26,607,871	1.1140	1.0100	1.0650	4.48
Subtotal - OutPatient	847,528,093	209,142,644				35.22
Prof - Evaluation & Management	544,932,282	233,104,683	1.1440	1.0100	1.1210	42.43
Prof - Maternity	95,479,498	39,258,069	1.1440	1.0100	1.1210	7.15
Prof - Surgery	155,968,572	43,103,818	1.1440	1.0100	1.1210	7.85
Prof - DME/Supplies	17,065,459	10,154,180	1.1440	1.0100	1.1210	1.85
Prof - Lab	93,902,130	26,588,497	1.1440	1.0100	1.1210	4.84
Prof - Radiology	108,386,131	32,101,089	1.1440	1.0100	1.1210	5.84
Prof - Transportation	28,744,460	11,752,577	1.1440	1.0100	1.1210	2.14
Prof - Other	201,319,734	71,191,754	1.1440	1.0100	1.1210	12.96
Subtotal - Professional	1,245,798,265	467,254,666				85.06
Subtotal - Non Pharmacy	\$ 2,950,141,551	\$ 924,377,681				\$ 162.84
Total	\$ 2,950,141,551	\$ 1,219,089,427				\$ 220.85
Subtotal Including Administration						
Pharmacy						\$ 58.33
Non-Pharmacy						\$ 179.46
Total						\$ 237.79

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Medicaid (TANF & Related)						
Age Under 1						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	255,705					
Pharmacy - Brand	n/a	\$ 10,297,177	1.1690	1.0000	1.1980	\$ 56.40
Pharmacy - Generic	n/a	1,196,065	1.1690	1.0000	1.1980	6.55
Subtotal - Pharmacy	n/a	11,493,241				62.95
Home Health Care	305,394	148,754	1.1280	1.0100	1.0720	0.71
IP - Maternity	23,841	5,418	1.1280	1.0100	1.0720	0.03
IP - Newborn	106,237,226	42,440,241	1.1280	1.0100	1.0720	202.70
IP - Medical	16,850,384	5,434,308	1.1280	1.0100	1.0720	25.96
IP - Surgery	18,597,416	4,279,118	1.1280	1.0100	1.0720	20.44
IP - Other	21,974,327	7,452,135	1.1280	1.0100	1.0720	35.59
Subtotal - InPatient	163,683,195	59,611,221				284.72
OP - Emergency Room	25,940,191	7,816,157	1.1140	1.0100	1.0650	36.63
OP - Laboratory	2,726,133	696,915	1.1140	1.0100	1.0650	3.27
OP - Radiology	5,398,866	1,407,396	1.1140	1.0100	1.0650	6.60
OP - Surgery	7,681,425	2,934,848	1.1140	1.0100	1.0650	13.75
OP - Other	6,587,685	2,205,732	1.1140	1.0100	1.0650	10.34
Subtotal - OutPatient	48,334,301	15,061,048				70.58
Prof - Evaluation & Management	84,194,702	35,947,376	1.1440	1.0100	1.1210	182.09
Prof - Maternity	197,859	67,046	1.1440	1.0100	1.1210	0.34
Prof - Surgery	11,242,971	3,193,330	1.1440	1.0100	1.1210	16.18
Prof - DME/Supplies	3,392,415	1,930,965	1.1440	1.0100	1.1210	9.78
Prof - Lab	2,712,913	777,728	1.1440	1.0100	1.1210	3.94
Prof - Radiology	3,887,681	1,004,264	1.1440	1.0100	1.1210	5.09
Prof - Transportation	2,621,595	904,097	1.1440	1.0100	1.1210	4.58
Prof - Other	21,977,039	8,422,808	1.1440	1.0100	1.1210	42.66
Subtotal - Professional	130,227,176	52,247,614				264.66
Subtotal - Non Pharmacy	\$ 342,550,065	\$ 127,068,637				\$ 620.66
Total	\$ 342,550,065	\$ 138,561,878				\$ 683.61
Subtotal Including Administration						
Pharmacy						\$ 63.30
Non-Pharmacy						\$ 683.99
Total						\$ 747.29

TennCare
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Exhibit 2

Medicaid (TANF & Related)						
Ages 1 - 13						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	3,944,798					
Pharmacy - Brand	n/a	\$ 48,983,601	1.1690	1.0000	1.1980	\$ 17.39
Pharmacy - Generic	n/a	10,037,819	1.1690	1.0000	1.1980	3.56
Subtotal - Pharmacy	n/a	59,021,420				20.95
Home Health Care	2,386,873	1,633,923	1.1280	1.0100	1.0720	0.51
IP - Maternity	220,287	60,812	1.1280	1.0100	1.0720	0.02
IP - Newborn	292,756	151,128	1.1280	1.0100	1.0720	0.05
IP - Medical	26,738,887	7,393,122	1.1280	1.0100	1.0720	2.29
IP - Surgery	16,712,754	3,898,964	1.1280	1.0100	1.0720	1.21
IP - Other	18,337,027	5,101,714	1.1280	1.0100	1.0720	1.58
Subtotal - InPatient	62,301,711	16,605,740				5.14
OP - Emergency Room	102,515,706	29,187,830	1.1140	1.0100	1.0650	8.87
OP - Laboratory	8,802,041	2,120,719	1.1140	1.0100	1.0650	0.64
OP - Radiology	17,571,663	4,298,853	1.1140	1.0100	1.0650	1.31
OP - Surgery	61,590,762	21,225,101	1.1140	1.0100	1.0650	6.45
OP - Other	18,749,681	5,639,980	1.1140	1.0100	1.0650	1.71
Subtotal - OutPatient	209,229,853	62,472,483				18.98
Prof - Evaluation & Management	178,837,499	79,838,287	1.1440	1.0100	1.1210	26.21
Prof - Maternity	96,886	34,373	1.1440	1.0100	1.1210	0.01
Prof - Surgery	38,266,373	10,289,383	1.1440	1.0100	1.1210	3.38
Prof - DME/Supplies	3,310,731	2,018,750	1.1440	1.0100	1.1210	0.66
Prof - Lab	15,608,128	4,659,097	1.1440	1.0100	1.1210	1.53
Prof - Radiology	11,618,638	3,129,233	1.1440	1.0100	1.1210	1.03
Prof - Transportation	6,054,081	2,520,980	1.1440	1.0100	1.1210	0.83
Prof - Other	45,129,483	20,746,838	1.1440	1.0100	1.1210	6.81
Subtotal - Professional	298,921,818	123,236,940				40.46
Subtotal - Non Pharmacy	\$ 572,840,255	\$ 203,949,085				\$ 65.09
Total	\$ 572,840,255	\$ 262,970,505				\$ 86.04
Subtotal Including Administration						
Pharmacy						\$ 21.07
Non-Pharmacy						\$ 71.73
Total						\$ 92.80

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Exhibit 2

Medicaid (TANF & Related)						
Age 14 - 18 Female						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	534,105					
Pharmacy - Brand	n/a	\$ 8,856,214	1.1690	1.0000	1.1980	\$ 23.22
Pharmacy - Generic	n/a	3,108,246	1.1690	1.0000	1.1980	8.15
Subtotal - Pharmacy	n/a	11,964,460				31.37
Home Health Care	93,678	43,694	1.1280	1.0100	1.0720	0.10
IP - Maternity	26,004,323	6,816,542	1.1280	1.0100	1.0720	15.59
IP - Newborn	12,467,422	4,728,122	1.1280	1.0100	1.0720	10.81
IP - Medical	11,050,698	2,650,918	1.1280	1.0100	1.0720	6.06
IP - Surgery	7,079,083	1,533,215	1.1280	1.0100	1.0720	3.51
IP - Other	1,985,944	483,279	1.1280	1.0100	1.0720	1.11
Subtotal - InPatient	58,587,470	16,212,077				37.07
OP - Emergency Room	26,018,553	5,753,799	1.1140	1.0100	1.0650	12.91
OP - Laboratory	4,206,623	820,961	1.1140	1.0100	1.0650	1.84
OP - Radiology	8,205,419	1,565,162	1.1140	1.0100	1.0650	3.51
OP - Surgery	9,034,465	2,205,964	1.1140	1.0100	1.0650	4.95
OP - Other	6,577,082	1,450,499	1.1140	1.0100	1.0650	3.25
Subtotal - OutPatient	54,042,142	11,796,385				26.47
Prof - Evaluation & Management	36,082,192	15,603,179	1.1440	1.0100	1.1210	37.84
Prof - Maternity	12,212,420	5,068,518	1.1440	1.0100	1.1210	12.29
Prof - Surgery	6,727,798	1,890,316	1.1440	1.0100	1.1210	4.58
Prof - DME/Supplies	501,754	284,287	1.1440	1.0100	1.1210	0.69
Prof - Lab	10,116,995	3,077,281	1.1440	1.0100	1.1210	7.46
Prof - Radiology	8,276,131	2,503,641	1.1440	1.0100	1.1210	6.07
Prof - Transportation	2,437,219	928,652	1.1440	1.0100	1.1210	2.25
Prof - Other	13,489,288	4,903,521	1.1440	1.0100	1.1210	11.89
Subtotal - Professional	89,843,798	34,259,395				83.08
Subtotal - Non Pharmacy	\$ 202,567,088	\$ 62,311,551				\$ 146.72
Total	\$ 202,567,088	\$ 74,276,011				\$ 178.09
Subtotal Including Administration						
Pharmacy						\$ 31.55
Non-Pharmacy						\$ 161.69
Total						\$ 193.24

TennCare
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Exhibit 2

Medicaid (TANF & Related)						
Ages 14 - 18 Male						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	495,628					
Pharmacy - Brand	n/a	\$ 5,597,164	1.1690	1.0000	1.1980	\$ 15.82
Pharmacy - Generic	n/a	1,605,198	1.1690	1.0000	1.1980	4.54
Subtotal - Pharmacy	n/a	7,202,362				20.35
Home Health Care	182,832	127,394	1.1280	1.0100	1.0720	0.31
IP - Maternity	-	-	1.1280	1.0100	1.0720	-
IP - Newborn	25,510	11,281	1.1280	1.0100	1.0720	0.03
IP - Medical	4,797,783	1,222,337	1.1280	1.0100	1.0720	3.01
IP - Surgery	7,822,380	1,676,907	1.1280	1.0100	1.0720	4.13
IP - Other	3,666,211	956,484	1.1280	1.0100	1.0720	2.36
Subtotal - InPatient	16,311,884	3,867,009				9.53
OP - Emergency Room	15,131,238	3,605,874	1.1140	1.0100	1.0650	8.72
OP - Laboratory	1,530,036	307,598	1.1140	1.0100	1.0650	0.74
OP - Radiology	4,953,161	1,040,700	1.1140	1.0100	1.0650	2.52
OP - Surgery	7,080,937	1,875,533	1.1140	1.0100	1.0650	4.53
OP - Other	2,351,917	587,036	1.1140	1.0100	1.0650	1.42
Subtotal - OutPatient	31,047,290	7,416,741				17.93
Prof - Evaluation & Management	16,902,674	7,261,073	1.1440	1.0100	1.1210	18.98
Prof - Maternity	27,964	10,409	1.1440	1.0100	1.1210	0.03
Prof - Surgery	5,934,029	1,616,426	1.1440	1.0100	1.1210	4.22
Prof - DME/Supplies	546,819	344,753	1.1440	1.0100	1.1210	0.90
Prof - Lab	1,730,571	453,857	1.1440	1.0100	1.1210	1.19
Prof - Radiology	3,333,998	897,682	1.1440	1.0100	1.1210	2.35
Prof - Transportation	1,565,623	588,977	1.1440	1.0100	1.1210	1.54
Prof - Other	5,629,122	2,426,395	1.1440	1.0100	1.1210	6.34
Subtotal - Professional	35,670,801	13,599,572				35.54
Subtotal - Non Pharmacy	\$ 83,212,807	\$ 25,010,716				\$ 63.31
Total	\$ 83,212,807	\$ 32,213,078				\$ 83.67
Subtotal Including Administration						
Pharmacy						\$ 20.47
Non-Pharmacy						\$ 69.78
Total						\$ 90.24

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Exhibit 2

Medicaid (TANF & Related)						
Ages 19 - 20 Female						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	163,593					
Pharmacy - Brand	n/a	\$ 3,189,035	1.1690	1.0000	1.1980	\$ 27.30
Pharmacy - Generic	n/a	1,263,852	1.1690	1.0000	1.1980	10.82
Subtotal - Pharmacy	n/a	4,452,888				38.12
Home Health Care	57,105	25,092	1.1280	1.0100	1.0720	0.19
IP - Maternity	33,749,651	9,193,399	1.1280	1.0100	1.0720	68.63
IP - Newborn	13,491,804	5,809,619	1.1280	1.0100	1.0720	43.37
IP - Medical	8,375,324	1,916,130	1.1280	1.0100	1.0720	14.30
IP - Surgery	3,869,416	913,764	1.1280	1.0100	1.0720	6.82
IP - Other	1,292,610	464,355	1.1280	1.0100	1.0720	3.47
Subtotal - InPatient	60,778,806	18,297,267				136.60
OP - Emergency Room	13,305,470	2,699,170	1.1140	1.0100	1.0650	19.77
OP - Laboratory	2,164,001	363,580	1.1140	1.0100	1.0650	2.66
OP - Radiology	3,452,964	624,018	1.1140	1.0100	1.0650	4.57
OP - Surgery	3,755,452	1,028,474	1.1140	1.0100	1.0650	7.53
OP - Other	5,856,492	1,211,474	1.1140	1.0100	1.0650	8.87
Subtotal - OutPatient	28,534,378	5,926,717				43.41
Prof - Evaluation & Management	18,132,688	7,369,576	1.1440	1.0100	1.1210	58.35
Prof - Maternity	16,405,601	6,887,087	1.1440	1.0100	1.1210	54.53
Prof - Surgery	3,230,247	978,132	1.1440	1.0100	1.1210	7.74
Prof - DME/Supplies	188,392	104,107	1.1440	1.0100	1.1210	0.82
Prof - Lab	6,601,688	2,014,868	1.1440	1.0100	1.1210	15.95
Prof - Radiology	6,347,115	2,077,317	1.1440	1.0100	1.1210	16.45
Prof - Transportation	1,244,795	466,785	1.1440	1.0100	1.1210	3.70
Prof - Other	9,977,358	2,998,985	1.1440	1.0100	1.1210	23.74
Subtotal - Professional	62,127,885	22,896,857				181.29
Subtotal - Non Pharmacy	\$ 151,498,174	\$ 47,145,932				\$ 361.48
Total	\$ 151,498,174	\$ 51,598,820				\$ 399.60
Subtotal Including Administration						
Pharmacy						\$ 38.33
Non-Pharmacy						\$ 398.37
Total						\$ 436.70

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Exhibit 2

Medicaid (TANF & Related)						
Ages 19 - 20 Male						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	53,045					
Pharmacy - Brand	n/a	\$ 298,442	1.1690	1.0000	1.1980	\$ 7.88
Pharmacy - Generic	n/a	101,267	1.1690	1.0000	1.1980	2.67
Subtotal - Pharmacy	n/a	399,709				10.55
Home Health Care	5,313	2,099	1.1280	1.0100	1.0720	0.05
IP - Maternity	-	-	1.1280	1.0100	1.0720	-
IP - Newborn	71,801	19,241	1.1280	1.0100	1.0720	0.44
IP - Medical	576,425	150,463	1.1280	1.0100	1.0720	3.46
IP - Surgery	2,244,947	516,031	1.1280	1.0100	1.0720	11.88
IP - Other	292,020	75,245	1.1280	1.0100	1.0720	1.73
Subtotal - InPatient	3,185,193	760,980				17.52
OP - Emergency Room	1,236,006	237,579	1.1140	1.0100	1.0650	5.37
OP - Laboratory	176,154	26,193	1.1140	1.0100	1.0650	0.59
OP - Radiology	404,296	74,887	1.1140	1.0100	1.0650	1.69
OP - Surgery	393,996	77,299	1.1140	1.0100	1.0650	1.75
OP - Other	150,799	42,502	1.1140	1.0100	1.0650	0.96
Subtotal - OutPatient	2,361,250	458,461				10.36
Prof - Evaluation & Management	1,000,465	368,548	1.1440	1.0100	1.1210	9.00
Prof - Maternity	7,546	2,153	1.1440	1.0100	1.1210	0.05
Prof - Surgery	462,554	133,748	1.1440	1.0100	1.1210	3.27
Prof - DME/Supplies	27,720	12,082	1.1440	1.0100	1.1210	0.30
Prof - Lab	102,495	24,525	1.1440	1.0100	1.1210	0.60
Prof - Radiology	261,609	73,928	1.1440	1.0100	1.1210	1.81
Prof - Transportation	146,444	46,143	1.1440	1.0100	1.1210	1.13
Prof - Other	289,966	106,923	1.1440	1.0100	1.1210	2.61
Subtotal - Professional	2,298,798	768,050				18.75
Subtotal - Non Pharmacy	\$ 7,850,555	\$ 1,989,589				\$ 46.68
Total	\$ 7,850,555	\$ 2,389,298				\$ 57.23
Subtotal Including Administration						
Pharmacy						\$ 10.61
Non-Pharmacy						\$ 51.44
Total						\$ 62.05

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Exhibit 2

Medicaid (TANF & Related)						
Ages 21 - 44 Female						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	1,344,016					
Pharmacy - Brand	n/a	\$ 62,221,128	1.1690	1.0000	1.1980	\$ 64.83
Pharmacy - Generic	n/a	19,873,063	1.1690	1.0000	1.1980	20.71
Subtotal - Pharmacy	n/a	82,094,190				85.54
Home Health Care	720,883	311,511	1.1280	1.0100	1.0720	0.28
IP - Maternity	136,504,452	37,194,022	1.1280	1.0100	1.0720	33.80
IP - Newborn	57,369,429	23,687,570	1.1280	1.0100	1.0720	21.52
IP - Medical	69,708,271	16,746,971	1.1280	1.0100	1.0720	15.22
IP - Surgery	52,424,991	11,094,979	1.1280	1.0100	1.0720	10.08
IP - Other	20,496,790	5,215,633	1.1280	1.0100	1.0720	4.74
Subtotal - InPatient	336,503,933	93,939,175				85.36
OP - Emergency Room	117,834,016	23,587,743	1.1140	1.0100	1.0650	21.03
OP - Laboratory	22,316,640	3,914,500	1.1140	1.0100	1.0650	3.49
OP - Radiology	54,415,682	10,829,381	1.1140	1.0100	1.0650	9.66
OP - Surgery	80,257,745	20,452,558	1.1140	1.0100	1.0650	18.23
OP - Other	33,551,955	7,865,347	1.1140	1.0100	1.0650	7.01
Subtotal - OutPatient	308,376,037	66,649,529				59.42
Prof - Evaluation & Management	152,446,431	61,922,217	1.1440	1.0100	1.1210	59.68
Prof - Maternity	66,401,647	27,136,858	1.1440	1.0100	1.1210	26.15
Prof - Surgery	53,641,761	14,805,837	1.1440	1.0100	1.1210	14.27
Prof - DME/Supplies	4,086,213	2,518,896	1.1440	1.0100	1.1210	2.43
Prof - Lab	44,259,422	12,489,818	1.1440	1.0100	1.1210	12.04
Prof - Radiology	51,428,966	15,638,154	1.1440	1.0100	1.1210	15.07
Prof - Transportation	9,218,856	3,759,960	1.1440	1.0100	1.1210	3.62
Prof - Other	67,427,697	18,915,415	1.1440	1.0100	1.1210	18.23
Subtotal - Professional	448,910,993	157,187,154				151.48
Subtotal - Non Pharmacy	\$ 1,094,511,846	\$ 318,087,370				\$ 296.55
Total	\$ 1,094,511,846	\$ 400,181,561				\$ 382.09
Subtotal Including Administration						
Pharmacy						\$ 86.02
Non-Pharmacy						\$ 326.81
Total						\$ 412.83

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Exhibit 2

Medicaid (TANF & Related)						
Ages 21 - 44 Male						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	151,602					
Pharmacy - Brand	n/a	\$ 15,559,390	1.1690	1.0000	1.1980	\$ 143.73
Pharmacy - Generic	n/a	4,000,498	1.1690	1.0000	1.1980	36.96
Subtotal - Pharmacy	n/a	19,559,888				180.69
Home Health Care	188,052	112,686	1.1280	1.0100	1.0720	0.91
IP - Maternity	-	-	1.1280	1.0100	1.0720	-
IP - Newborn	(102,434)	40,822	1.1280	1.0100	1.0720	0.33
IP - Medical	16,029,934	3,802,846	1.1280	1.0100	1.0720	30.64
IP - Surgery	17,840,821	3,754,496	1.1280	1.0100	1.0720	30.25
IP - Other	10,166,281	2,865,749	1.1280	1.0100	1.0720	23.09
Subtotal - InPatient	43,934,602	10,463,913				84.30
OP - Emergency Room	18,604,484	3,587,123	1.1140	1.0100	1.0650	28.35
OP - Laboratory	3,623,352	703,210	1.1140	1.0100	1.0650	5.56
OP - Radiology	10,316,796	2,066,925	1.1140	1.0100	1.0650	16.34
OP - Surgery	12,243,860	2,951,540	1.1140	1.0100	1.0650	23.33
OP - Other	3,726,593	913,284	1.1140	1.0100	1.0650	7.22
Subtotal - OutPatient	48,515,084	10,222,084				80.80
Prof - Evaluation & Management	18,726,888	7,568,545	1.1440	1.0100	1.1210	64.66
Prof - Maternity	68,305	29,050	1.1440	1.0100	1.1210	0.25
Prof - Surgery	10,231,574	2,800,377	1.1440	1.0100	1.1210	23.93
Prof - DME/Supplies	1,294,123	823,240	1.1440	1.0100	1.1210	7.03
Prof - Lab	2,676,911	611,219	1.1440	1.0100	1.1210	5.22
Prof - Radiology	6,276,996	1,755,826	1.1440	1.0100	1.1210	15.00
Prof - Transportation	1,951,062	762,614	1.1440	1.0100	1.1210	6.52
Prof - Other	7,744,590	2,391,433	1.1440	1.0100	1.1210	20.43
Subtotal - Professional	48,970,451	16,742,305				143.04
Subtotal - Non Pharmacy	\$ 141,608,188	\$ 37,540,987				\$ 309.04
Total	\$ 141,608,188	\$ 57,100,875				\$ 489.73
Subtotal Including Administration						
Pharmacy						\$ 181.70
Non-Pharmacy						\$ 340.58
Total						\$ 522.28

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Exhibit 2

Medicaid (TANF & Related)						
Ages 45 - 64						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	139,977					
Pharmacy - Brand	n/a	\$ 56,609,867	1.1690	1.0000	1.1980	\$ 566.38
Pharmacy - Generic	n/a	13,149,375	1.1690	1.0000	1.1980	131.56
Subtotal - Pharmacy	n/a	69,759,242				697.94
Home Health Care	643,813	307,973	1.1280	1.0100	1.0720	2.69
IP - Maternity	97,801	25,028	1.1280	1.0100	1.0720	0.22
IP - Newborn	349,897	51,062	1.1280	1.0100	1.0720	0.45
IP - Medical	36,790,747	8,617,900	1.1280	1.0100	1.0720	75.19
IP - Surgery	37,967,229	9,100,974	1.1280	1.0100	1.0720	79.41
IP - Other	22,609,977	5,810,693	1.1280	1.0100	1.0720	50.70
Subtotal - InPatient	97,815,651	23,605,658				205.96
OP - Emergency Room	19,467,808	3,732,541	1.1140	1.0100	1.0650	31.95
OP - Laboratory	9,991,477	1,844,399	1.1140	1.0100	1.0650	15.79
OP - Radiology	32,436,042	6,534,195	1.1140	1.0100	1.0650	55.94
OP - Surgery	37,074,932	9,750,700	1.1140	1.0100	1.0650	83.47
OP - Other	12,263,886	4,399,398	1.1140	1.0100	1.0650	37.66
Subtotal - OutPatient	111,234,146	26,261,233				224.81
Prof - Evaluation & Management	37,115,197	16,671,369	1.1440	1.0100	1.1210	154.27
Prof - Maternity	53,975	20,515	1.1440	1.0100	1.1210	0.19
Prof - Surgery	25,429,713	7,207,877	1.1440	1.0100	1.1210	66.70
Prof - DME/Supplies	3,561,742	2,048,805	1.1440	1.0100	1.1210	18.96
Prof - Lab	9,824,352	2,416,243	1.1440	1.0100	1.1210	22.36
Prof - Radiology	16,447,670	4,876,994	1.1440	1.0100	1.1210	45.13
Prof - Transportation	2,716,568	1,243,671	1.1440	1.0100	1.1210	11.51
Prof - Other	28,307,257	9,753,432	1.1440	1.0100	1.1210	90.25
Subtotal - Professional	123,456,473	44,238,907				409.36
Subtotal - Non Pharmacy	\$ 333,150,084	\$ 94,413,770				\$ 842.81
Total	\$ 333,150,084	\$ 164,173,012				\$ 1,540.75
Subtotal Including Administration						
Pharmacy						\$ 701.85
Non-Pharmacy						\$ 928.81
Total						\$ 1,630.66

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Medicaid (TANF & Related)						
Age Over 65						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	32,932					
Pharmacy - Brand	n/a	\$ 22,675,852	1.1690	1.0000	1.1980	\$ 964.30
Pharmacy - Generic	n/a	6,088,494	1.1690	1.0000	1.1980	258.91
Subtotal - Pharmacy	n/a	28,764,346				1,223.21
Home Health Care	208,762	150,822	1.1280	1.0100	1.0720	5.59
IP - Maternity	7,543	3,032	1.1280	1.0100	1.0720	0.11
IP - Newborn	1,654	502	1.1280	1.0100	1.0720	0.02
IP - Medical	3,910,615	798,850	1.1280	1.0100	1.0720	29.63
IP - Surgery	2,794,132	473,626	1.1280	1.0100	1.0720	17.56
IP - Other	2,206,097	477,375	1.1280	1.0100	1.0720	17.70
Subtotal - InPatient	8,920,042	1,753,384				65.02
OP - Emergency Room	571,261	93,730	1.1140	1.0100	1.0650	3.41
OP - Laboratory	462,241	81,737	1.1140	1.0100	1.0650	2.97
OP - Radiology	749,479	125,789	1.1140	1.0100	1.0650	4.58
OP - Surgery	1,052,018	284,090	1.1140	1.0100	1.0650	10.34
OP - Other	3,018,614	2,292,617	1.1140	1.0100	1.0650	83.42
Subtotal - OutPatient	5,853,613	2,877,964				104.72
Prof - Evaluation & Management	1,493,546	554,512	1.1440	1.0100	1.1210	21.81
Prof - Maternity	7,293	2,059	1.1440	1.0100	1.1210	0.08
Prof - Surgery	801,553	188,393	1.1440	1.0100	1.1210	7.41
Prof - DME/Supplies	155,549	68,294	1.1440	1.0100	1.1210	2.69
Prof - Lab	268,655	63,860	1.1440	1.0100	1.1210	2.51
Prof - Radiology	507,327	144,051	1.1440	1.0100	1.1210	5.67
Prof - Transportation	788,216	530,698	1.1440	1.0100	1.1210	20.87
Prof - Other	1,347,933	526,005	1.1440	1.0100	1.1210	20.69
Subtotal - Professional	5,370,072	2,077,873				81.72
Subtotal - Non Pharmacy	\$ 20,352,490	\$ 6,860,043				\$ 257.06
Total	\$ 20,352,490	\$ 35,624,389				\$ 1,480.27
Subtotal Including Administration						
Pharmacy						\$ 1,230.06
Non-Pharmacy						\$ 283.29
Total						\$ 1,513.35

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Duals						
ALL Ages						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	2,000,152					
Pharmacy - Brand	n/a	\$ 412,748,849	1.1690	1.0000	1.1980	\$ 289.00
Pharmacy - Generic	n/a	95,824,840	1.1690	1.0000	1.1980	67.09
Subtotal - Pharmacy	n/a	508,573,689				356.09
Home Health Care	5,152,201	4,068,178	1.1280	1.0100	1.0720	2.48
IP - Maternity	189,600	39,933	1.1280	1.0100	1.0720	0.02
IP - Newborn	641,756	217,970	1.1280	1.0100	1.0720	0.13
IP - Medical	17,827,131	1,623,390	1.1280	1.0100	1.0720	0.99
IP - Surgery	13,343,095	1,084,849	1.1280	1.0100	1.0720	0.66
IP - Other	10,548,364	1,153,342	1.1280	1.0100	1.0720	0.70
Subtotal - InPatient	42,549,945	4,119,485				2.52
OP - Emergency Room	6,372,370	693,227	1.1140	1.0100	1.0650	0.42
OP - Laboratory	2,836,272	336,732	1.1140	1.0100	1.0650	0.20
OP - Radiology	6,450,143	753,125	1.1140	1.0100	1.0650	0.45
OP - Surgery	10,105,083	1,075,013	1.1140	1.0100	1.0650	0.64
OP - Other	16,646,726	11,694,399	1.1140	1.0100	1.0650	7.01
Subtotal - OutPatient	42,410,593	14,552,496				8.72
Prof - Evaluation & Management	17,839,201	3,515,863	1.1440	1.0100	1.1210	2.28
Prof - Maternity	153,646	31,545	1.1440	1.0100	1.1210	0.02
Prof - Surgery	11,745,573	1,219,707	1.1440	1.0100	1.1210	0.79
Prof - DME/Supplies	5,404,748	1,534,390	1.1440	1.0100	1.1210	0.99
Prof - Lab	3,809,448	509,029	1.1440	1.0100	1.1210	0.33
Prof - Radiology	5,670,972	746,152	1.1440	1.0100	1.1210	0.48
Prof - Transportation	16,880,824	12,670,076	1.1440	1.0100	1.1210	8.20
Prof - Other	19,135,455	5,013,685	1.1440	1.0100	1.1210	3.25
Subtotal - Professional	80,639,866	25,240,446				16.35
Subtotal - Non Pharmacy	\$ 170,752,605	\$ 47,980,605				\$ 30.06
Total	\$ 170,752,605	\$ 556,554,294				\$ 386.15
Subtotal Including Administration						
Pharmacy						\$ 358.09
Non-Pharmacy						\$ 33.13
Total						\$ 391.22

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Duals Child (Age Under 21)						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	2,483					
Pharmacy - Brand	n/a	\$ 682,012	1.1690	1.0000	1.1980	\$ 384.68
Pharmacy - Generic	n/a	122,502	1.1690	1.0000	1.1980	69.10
Subtotal - Pharmacy	n/a	804,515				453.78
Home Health Care	237,506	223,699	1.1280	1.0100	1.0720	110.03
IP - Maternity	19,677	1,507	1.1280	1.0100	1.0720	0.74
IP - Newborn	1,717	1,256	1.1280	1.0100	1.0720	0.62
IP - Medical	38,382	-	1.1280	1.0100	1.0720	-
IP - Surgery	49,326	-	1.1280	1.0100	1.0720	-
IP - Other	77,659	2,804	1.1280	1.0100	1.0720	1.38
Subtotal - InPatient	186,761	5,566				2.74
OP - Emergency Room	46,437	7,426	1.1140	1.0100	1.0650	3.58
OP - Laboratory	29,234	6,337	1.1140	1.0100	1.0650	3.06
OP - Radiology	8,545	1,308	1.1140	1.0100	1.0650	0.63
OP - Surgery	23,878	7,570	1.1140	1.0100	1.0650	3.65
OP - Other	9,237	2,459	1.1140	1.0100	1.0650	1.19
Subtotal - OutPatient	117,331	25,100				12.11
Prof - Evaluation & Management	82,371	17,824	1.1440	1.0100	1.1210	9.30
Prof - Maternity	5,993	2,477	1.1440	1.0100	1.1210	1.29
Prof - Surgery	21,094	2,627	1.1440	1.0100	1.1210	1.37
Prof - DME/Supplies	34,031	4,302	1.1440	1.0100	1.1210	2.24
Prof - Lab	18,823	3,309	1.1440	1.0100	1.1210	1.73
Prof - Radiology	16,608	2,283	1.1440	1.0100	1.1210	1.19
Prof - Transportation	65,273	40,709	1.1440	1.0100	1.1210	21.24
Prof - Other	117,251	37,217	1.1440	1.0100	1.1210	19.41
Subtotal - Professional	361,445	110,747				57.77
Subtotal - Non Pharmacy	\$ 903,042	\$ 365,112				\$ 182.66
Total	\$ 903,042	\$ 1,169,627				\$ 636.44
Subtotal Including Administration						
Pharmacy						\$ 456.32
Non-Pharmacy						\$ 201.30
Total						\$ 657.62

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Duals						
Adult (Ages 21 & Over)						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	1,997,669					
Pharmacy - Brand	n/a	\$ 412,066,836	1.1690	1.0000	1.1980	\$ 288.88
Pharmacy - Generic	n/a	95,702,338	1.1690	1.0000	1.1980	67.09
Subtotal - Pharmacy	n/a	507,769,174				355.97
Home Health Care	4,914,695	3,844,479	1.1280	1.0100	1.0720	2.35
IP - Maternity	169,923	38,427	1.1280	1.0100	1.0720	0.02
IP - Newborn	640,039	216,714	1.1280	1.0100	1.0720	0.13
IP - Medical	17,788,749	1,623,390	1.1280	1.0100	1.0720	0.99
IP - Surgery	13,293,768	1,084,849	1.1280	1.0100	1.0720	0.66
IP - Other	10,470,705	1,150,538	1.1280	1.0100	1.0720	0.70
Subtotal - InPatient	42,363,184	4,113,918				2.52
OP - Emergency Room	6,325,933	685,801	1.1140	1.0100	1.0650	0.41
OP - Laboratory	2,807,038	330,394	1.1140	1.0100	1.0650	0.20
OP - Radiology	6,441,598	751,817	1.1140	1.0100	1.0650	0.45
OP - Surgery	10,081,205	1,067,444	1.1140	1.0100	1.0650	0.64
OP - Other	16,637,489	11,691,940	1.1140	1.0100	1.0650	7.01
Subtotal - OutPatient	42,293,262	14,527,396				8.71
Prof - Evaluation & Management	17,756,830	3,498,039	1.1440	1.0100	1.1210	2.27
Prof - Maternity	147,653	29,068	1.1440	1.0100	1.1210	0.02
Prof - Surgery	11,724,479	1,217,080	1.1440	1.0100	1.1210	0.79
Prof - DME/Supplies	5,370,718	1,530,089	1.1440	1.0100	1.1210	0.99
Prof - Lab	3,790,624	505,720	1.1440	1.0100	1.1210	0.33
Prof - Radiology	5,654,364	743,869	1.1440	1.0100	1.1210	0.48
Prof - Transportation	16,815,551	12,629,367	1.1440	1.0100	1.1210	8.19
Prof - Other	19,018,204	4,976,468	1.1440	1.0100	1.1210	3.23
Subtotal - Professional	80,278,421	25,129,699				16.29
Subtotal - Non Pharmacy	\$ 169,849,563	\$ 47,615,493				\$ 29.87
Total	\$ 169,849,563	\$ 555,384,667				\$ 385.84
Subtotal Including Administration						
Pharmacy						\$ 357.96
Non-Pharmacy						\$ 32.92
Total						\$ 390.89

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Uninsured ALL Ages						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	1,955,059					
Pharmacy - Brand	n/a	\$ 93,516,424	1.1690	1.0000	1.1980	\$ 66.99
Pharmacy - Generic	n/a	23,574,799	1.1690	1.0000	1.1980	16.89
Subtotal - Pharmacy	n/a	117,091,223				83.88
Home Health Care	1,947,379	1,022,158	1.1280	1.0100	1.0720	0.64
IP - Maternity	4,370,430	1,197,850	1.1280	1.0100	1.0720	0.75
IP - Newborn	2,368,537	909,718	1.1280	1.0100	1.0720	0.57
IP - Medical	86,565,207	20,007,029	1.1280	1.0100	1.0720	12.50
IP - Surgery	84,290,996	17,842,877	1.1280	1.0100	1.0720	11.15
IP - Other	39,993,043	9,445,172	1.1280	1.0100	1.0720	5.90
Subtotal - InPatient	217,588,212	49,402,647				30.86
OP - Emergency Room	68,854,362	14,087,532	1.1140	1.0100	1.0650	8.63
OP - Laboratory	20,256,207	3,874,436	1.1140	1.0100	1.0650	2.37
OP - Radiology	65,096,518	13,588,335	1.1140	1.0100	1.0650	8.33
OP - Surgery	87,899,671	22,867,664	1.1140	1.0100	1.0650	14.02
OP - Other	26,913,971	7,389,435	1.1140	1.0100	1.0650	4.53
Subtotal - OutPatient	269,020,729	61,807,402				37.88
Prof - Evaluation & Management	124,730,405	54,149,992	1.1440	1.0100	1.1210	35.87
Prof - Maternity	2,419,828	991,668	1.1440	1.0100	1.1210	0.66
Prof - Surgery	67,230,029	18,860,138	1.1440	1.0100	1.1210	12.50
Prof - DME/Supplies	9,276,797	5,293,713	1.1440	1.0100	1.1210	3.51
Prof - Lab	29,063,030	7,491,188	1.1440	1.0100	1.1210	4.96
Prof - Radiology	42,958,421	12,684,655	1.1440	1.0100	1.1210	8.40
Prof - Transportation	8,433,620	3,715,293	1.1440	1.0100	1.1210	2.46
Prof - Other	65,919,629	22,742,215	1.1440	1.0100	1.1210	15.07
Subtotal - Professional	350,031,760	125,928,862				83.43
Subtotal - Non Pharmacy	\$ 838,588,080	\$ 238,161,069				\$ 152.81
Total	\$ 838,588,080	\$ 355,252,292				\$ 236.69
Subtotal Including Administration						
Pharmacy						\$ 84.35
Non-Pharmacy						\$ 168.40
Total						\$ 252.75

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Uninsured Age Under 1						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	504					
Pharmacy - Brand	n/a	\$ 8,314	1.1690	1.0000	1.1980	\$ 23.11
Pharmacy - Generic	n/a	531	1.1690	1.0000	1.1980	1.47
Subtotal - Pharmacy	n/a	8,845				24.59
Home Health Care	623	298	1.1280	1.0100	1.0720	0.72
IP - Maternity	-	-	1.1280	1.0100	1.0720	-
IP - Newborn	18,873	6,879	1.1280	1.0100	1.0720	16.68
IP - Medical	-	-	1.1280	1.0100	1.0720	-
IP - Surgery	-	-	1.1280	1.0100	1.0720	-
IP - Other	8,882	3,076	1.1280	1.0100	1.0720	7.46
Subtotal - InPatient	27,755	9,955				24.13
OP - Emergency Room	23,038	4,850	1.1140	1.0100	1.0650	11.54
OP - Laboratory	4,198	689	1.1140	1.0100	1.0650	1.64
OP - Radiology	3,226	470	1.1140	1.0100	1.0650	1.12
OP - Surgery	14,038	2,687	1.1140	1.0100	1.0650	6.39
OP - Other	4,192	730	1.1140	1.0100	1.0650	1.74
Subtotal - OutPatient	48,692	9,426				22.42
Prof - Evaluation & Management	90,595	35,772	1.1440	1.0100	1.1210	91.97
Prof - Maternity	-	-	1.1440	1.0100	1.1210	-
Prof - Surgery	9,432	2,333	1.1440	1.0100	1.1210	6.00
Prof - DME/Supplies	4,221	2,010	1.1440	1.0100	1.1210	5.17
Prof - Lab	4,180	1,375	1.1440	1.0100	1.1210	3.53
Prof - Radiology	2,808	864	1.1440	1.0100	1.1210	2.22
Prof - Transportation	1,263	525	1.1440	1.0100	1.1210	1.35
Prof - Other	14,122	6,089	1.1440	1.0100	1.1210	15.65
Subtotal - Professional	126,622	48,968				125.90
Subtotal - Non Pharmacy	\$ 203,693	\$ 68,647				\$ 173.17
Total	\$ 203,693	\$ 77,492				\$ 197.75
Subtotal Including Administration						
Pharmacy						\$ 24.72
Non-Pharmacy						\$ 190.84
Total						\$ 215.56

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Uninsured Ages 1 - 13						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	370,037					
Pharmacy - Brand	n/a	\$ 4,773,496	1.1690	1.0000	1.1980	\$ 18.07
Pharmacy - Generic	n/a	805,643	1.1690	1.0000	1.1980	3.05
Subtotal - Pharmacy	n/a	5,579,139				21.12
Home Health Care	187,045	119,535	1.1280	1.0100	1.0720	0.39
IP - Maternity	9,932	3,831	1.1280	1.0100	1.0720	0.01
IP - Newborn	763	469	1.1280	1.0100	1.0720	0.00
IP - Medical	1,922,507	507,545	1.1280	1.0100	1.0720	1.68
IP - Surgery	1,852,211	304,904	1.1280	1.0100	1.0720	1.01
IP - Other	989,120	250,399	1.1280	1.0100	1.0720	0.83
Subtotal - InPatient	4,774,533	1,067,147				3.52
OP - Emergency Room	5,164,822	1,152,927	1.1140	1.0100	1.0650	3.73
OP - Laboratory	773,913	173,949	1.1140	1.0100	1.0650	0.56
OP - Radiology	1,901,273	416,798	1.1140	1.0100	1.0650	1.35
OP - Surgery	4,511,717	1,467,560	1.1140	1.0100	1.0650	4.75
OP - Other	1,463,743	442,526	1.1140	1.0100	1.0650	1.43
Subtotal - OutPatient	13,815,469	3,653,761				11.83
Prof - Evaluation & Management	13,064,271	5,706,551	1.1440	1.0100	1.1210	19.97
Prof - Maternity	3,297	2,244	1.1440	1.0100	1.1210	0.01
Prof - Surgery	3,352,282	925,094	1.1440	1.0100	1.1210	3.24
Prof - DME/Supplies	321,730	183,164	1.1440	1.0100	1.1210	0.64
Prof - Lab	1,485,750	484,054	1.1440	1.0100	1.1210	1.69
Prof - Radiology	1,160,857	325,922	1.1440	1.0100	1.1210	1.14
Prof - Transportation	301,561	112,659	1.1440	1.0100	1.1210	0.39
Prof - Other	4,089,900	1,996,164	1.1440	1.0100	1.1210	6.99
Subtotal - Professional	23,779,648	9,735,854				34.08
Subtotal - Non Pharmacy	\$ 42,556,695	\$ 14,576,297				\$ 49.83
Total	\$ 42,556,695	\$ 20,155,435				\$ 70.94
Subtotal Including Administration						
Pharmacy						\$ 21.23
Non-Pharmacy						\$ 54.91
Total						\$ 76.14

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Uninsured Age 14 - 18 Female						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	98,211					
Pharmacy - Brand	n/a	\$ 1,232,605	1.1690	1.0000	1.1980	\$ 17.58
Pharmacy - Generic	n/a	371,777	1.1690	1.0000	1.1980	5.30
Subtotal - Pharmacy	n/a	1,604,383				22.88
Home Health Care	11,294	7,314	1.1280	1.0100	1.0720	0.09
IP - Maternity	566,249	149,332	1.1280	1.0100	1.0720	1.86
IP - Newborn	345,195	88,076	1.1280	1.0100	1.0720	1.10
IP - Medical	913,712	262,269	1.1280	1.0100	1.0720	3.26
IP - Surgery	606,391	110,423	1.1280	1.0100	1.0720	1.37
IP - Other	225,124	51,868	1.1280	1.0100	1.0720	0.65
Subtotal - InPatient	2,656,671	661,968				8.23
OP - Emergency Room	2,122,093	444,076	1.1140	1.0100	1.0650	5.42
OP - Laboratory	411,955	83,357	1.1140	1.0100	1.0650	1.02
OP - Radiology	1,187,029	253,147	1.1140	1.0100	1.0650	3.09
OP - Surgery	1,320,418	359,389	1.1140	1.0100	1.0650	4.38
OP - Other	604,869	168,543	1.1140	1.0100	1.0650	2.06
Subtotal - OutPatient	5,646,364	1,308,512				15.97
Prof - Evaluation & Management	3,912,519	1,692,179	1.1440	1.0100	1.1210	22.32
Prof - Maternity	298,445	127,152	1.1440	1.0100	1.1210	1.68
Prof - Surgery	919,267	241,677	1.1440	1.0100	1.1210	3.19
Prof - DME/Supplies	118,101	76,215	1.1440	1.0100	1.1210	1.01
Prof - Lab	1,045,066	322,041	1.1440	1.0100	1.1210	4.25
Prof - Radiology	813,895	244,609	1.1440	1.0100	1.1210	3.23
Prof - Transportation	168,466	61,159	1.1440	1.0100	1.1210	0.81
Prof - Other	1,383,327	613,458	1.1440	1.0100	1.1210	8.09
Subtotal - Professional	8,659,085	3,378,490				44.56
Subtotal - Non Pharmacy	\$ 16,973,413	\$ 5,356,285				\$ 68.84
Total	\$ 16,973,413	\$ 6,960,667				\$ 91.72
Subtotal Including Administration						
Pharmacy						\$ 23.01
Non-Pharmacy						\$ 75.87
Total						\$ 98.88

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Uninsured Ages 14 - 18 Male						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	100,936					
Pharmacy - Brand	n/a	\$ 1,135,711	1.1690	1.0000	1.1980	\$ 15.76
Pharmacy - Generic	n/a	248,431	1.1690	1.0000	1.1980	3.45
Subtotal - Pharmacy	n/a	1,384,142				19.20
Home Health Care	103,972	86,322	1.1280	1.0100	1.0720	1.04
IP - Maternity	-	-	1.1280	1.0100	1.0720	-
IP - Newborn	1,208	3,279	1.1280	1.0100	1.0720	0.04
IP - Medical	1,256,203	349,576	1.1280	1.0100	1.0720	4.23
IP - Surgery	1,104,147	395,922	1.1280	1.0100	1.0720	4.79
IP - Other	1,288,303	152,247	1.1280	1.0100	1.0720	1.84
Subtotal - InPatient	3,649,860	901,024				10.90
OP - Emergency Room	1,747,850	352,104	1.1140	1.0100	1.0650	4.18
OP - Laboratory	333,107	71,555	1.1140	1.0100	1.0650	0.85
OP - Radiology	770,490	161,932	1.1140	1.0100	1.0650	1.92
OP - Surgery	1,124,295	317,734	1.1140	1.0100	1.0650	3.77
OP - Other	425,768	118,859	1.1140	1.0100	1.0650	1.41
Subtotal - OutPatient	4,401,511	1,022,185				12.13
Prof - Evaluation & Management	2,720,122	1,127,767	1.1440	1.0100	1.1210	14.47
Prof - Maternity	5,134	1,661	1.1440	1.0100	1.1210	0.02
Prof - Surgery	1,138,103	301,252	1.1440	1.0100	1.1210	3.87
Prof - DME/Supplies	110,732	67,294	1.1440	1.0100	1.1210	0.86
Prof - Lab	312,241	86,057	1.1440	1.0100	1.1210	1.10
Prof - Radiology	532,291	150,798	1.1440	1.0100	1.1210	1.94
Prof - Transportation	273,470	83,768	1.1440	1.0100	1.1210	1.07
Prof - Other	1,049,090	472,383	1.1440	1.0100	1.1210	6.06
Subtotal - Professional	6,141,184	2,290,981				29.40
Subtotal - Non Pharmacy	\$ 14,296,527	\$ 4,300,512				\$ 53.48
Total	\$ 14,296,527	\$ 5,684,653				\$ 72.68
Subtotal Including Administration						
Pharmacy						\$ 19.31
Non-Pharmacy						\$ 58.94
Total						\$ 78.25

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Uninsured Ages 19 - 20 Female						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	37,700					
Pharmacy - Brand	n/a	\$ 625,858	1.1690	1.0000	1.1980	\$ 23.25
Pharmacy - Generic	n/a	208,681	1.1690	1.0000	1.1980	7.75
Subtotal - Pharmacy	n/a	834,539				31.00
Home Health Care	-	-	1.1280	1.0100	1.0720	-
IP - Maternity	703,980	187,766	1.1280	1.0100	1.0720	6.08
IP - Newborn	243,767	137,872	1.1280	1.0100	1.0720	4.47
IP - Medical	597,461	168,732	1.1280	1.0100	1.0720	5.47
IP - Surgery	663,585	112,145	1.1280	1.0100	1.0720	3.63
IP - Other	74,495	25,743	1.1280	1.0100	1.0720	0.83
Subtotal - InPatient	2,283,287	632,259				20.48
OP - Emergency Room	1,560,970	305,145	1.1140	1.0100	1.0650	9.70
OP - Laboratory	239,477	41,724	1.1140	1.0100	1.0650	1.33
OP - Radiology	716,903	132,002	1.1140	1.0100	1.0650	4.20
OP - Surgery	771,045	203,345	1.1140	1.0100	1.0650	6.46
OP - Other	370,767	77,930	1.1140	1.0100	1.0650	2.48
Subtotal - OutPatient	3,659,162	760,146				24.16
Prof - Evaluation & Management	2,205,882	938,945	1.1440	1.0100	1.1210	32.26
Prof - Maternity	381,979	164,421	1.1440	1.0100	1.1210	5.65
Prof - Surgery	602,706	164,542	1.1440	1.0100	1.1210	5.65
Prof - DME/Supplies	53,587	28,161	1.1440	1.0100	1.1210	0.97
Prof - Lab	740,357	230,427	1.1440	1.0100	1.1210	7.92
Prof - Radiology	556,618	168,539	1.1440	1.0100	1.1210	5.79
Prof - Transportation	68,636	23,023	1.1440	1.0100	1.1210	0.79
Prof - Other	733,735	279,983	1.1440	1.0100	1.1210	9.62
Subtotal - Professional	5,343,499	1,998,040				68.65
Subtotal - Non Pharmacy	\$ 11,285,949	\$ 3,390,445				\$ 113.29
Total	\$ 11,285,949	\$ 4,224,984				\$ 144.29
Subtotal Including Administration						
Pharmacy						\$ 31.17
Non-Pharmacy						\$ 124.85
Total						\$ 156.02

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Uninsured Ages 19 - 20 Male						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	37,595					
Pharmacy - Brand	n/a	\$ 302,050	1.1690	1.0000	1.1980	\$ 11.25
Pharmacy - Generic	n/a	87,567	1.1690	1.0000	1.1980	3.26
Subtotal - Pharmacy	n/a	389,617				14.51
Home Health Care	10,349	1,805	1.1280	1.0100	1.0720	0.06
IP - Maternity	-	-	1.1280	1.0100	1.0720	-
IP - Newborn	-	-	1.1280	1.0100	1.0720	-
IP - Medical	252,851	68,775	1.1280	1.0100	1.0720	2.23
IP - Surgery	616,878	111,644	1.1280	1.0100	1.0720	3.63
IP - Other	132,933	47,631	1.1280	1.0100	1.0720	1.55
Subtotal - InPatient	1,002,662	228,050				7.41
OP - Emergency Room	1,038,809	197,885	1.1140	1.0100	1.0650	6.31
OP - Laboratory	100,384	20,164	1.1140	1.0100	1.0650	0.64
OP - Radiology	291,103	59,422	1.1140	1.0100	1.0650	1.89
OP - Surgery	363,366	82,237	1.1140	1.0100	1.0650	2.62
OP - Other	160,529	37,571	1.1140	1.0100	1.0650	1.20
Subtotal - OutPatient	1,954,191	397,279				12.66
Prof - Evaluation & Management	990,704	370,751	1.1440	1.0100	1.1210	12.77
Prof - Maternity	-	-	1.1440	1.0100	1.1210	-
Prof - Surgery	397,647	105,194	1.1440	1.0100	1.1210	3.62
Prof - DME/Supplies	42,144	24,282	1.1440	1.0100	1.1210	0.84
Prof - Lab	97,980	25,300	1.1440	1.0100	1.1210	0.87
Prof - Radiology	229,430	65,273	1.1440	1.0100	1.1210	2.25
Prof - Transportation	138,497	43,369	1.1440	1.0100	1.1210	1.49
Prof - Other	301,221	115,553	1.1440	1.0100	1.1210	3.98
Subtotal - Professional	2,197,623	749,722				25.83
Subtotal - Non Pharmacy	\$ 5,164,826	\$ 1,376,856				\$ 45.96
Total	\$ 5,164,826	\$ 1,766,474				\$ 60.47
Subtotal Including Administration						
Pharmacy						\$ 14.59
Non-Pharmacy						\$ 50.65
Total						\$ 65.24

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Uninsured Ages 21 - 44 Female						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	454,019					
Pharmacy - Brand	n/a	\$ 21,103,068	1.1690	1.0000	1.1980	\$ 65.09
Pharmacy - Generic	n/a	5,846,197	1.1690	1.0000	1.1980	18.03
Subtotal - Pharmacy	n/a	26,949,265				83.13
Home Health Care	215,368	106,552	1.1280	1.0100	1.0720	0.29
IP - Maternity	3,074,521	851,016	1.1280	1.0100	1.0720	2.29
IP - Newborn	1,751,720	668,834	1.1280	1.0100	1.0720	1.80
IP - Medical	17,457,896	4,124,066	1.1280	1.0100	1.0720	11.09
IP - Surgery	17,539,459	3,516,530	1.1280	1.0100	1.0720	9.46
IP - Other	5,786,581	1,341,820	1.1280	1.0100	1.0720	3.61
Subtotal - InPatient	45,610,176	10,502,266				28.25
OP - Emergency Room	22,911,764	4,567,632	1.1140	1.0100	1.0650	12.06
OP - Laboratory	5,291,514	906,968	1.1140	1.0100	1.0650	2.39
OP - Radiology	17,076,616	3,488,829	1.1140	1.0100	1.0650	9.21
OP - Surgery	26,340,642	6,619,981	1.1140	1.0100	1.0650	17.47
OP - Other	6,045,981	1,570,734	1.1140	1.0100	1.0650	4.15
Subtotal - OutPatient	77,666,517	17,154,144				45.27
Prof - Evaluation & Management	35,474,844	15,227,857	1.1440	1.0100	1.1210	43.44
Prof - Maternity	1,721,364	692,802	1.1440	1.0100	1.1210	1.98
Prof - Surgery	17,991,627	4,979,343	1.1440	1.0100	1.1210	14.21
Prof - DME/Supplies	1,654,731	941,775	1.1440	1.0100	1.1210	2.69
Prof - Lab	9,581,111	2,601,498	1.1440	1.0100	1.1210	7.42
Prof - Radiology	12,262,165	3,591,102	1.1440	1.0100	1.1210	10.24
Prof - Transportation	1,959,493	852,860	1.1440	1.0100	1.1210	2.43
Prof - Other	15,343,847	4,884,109	1.1440	1.0100	1.1210	13.93
Subtotal - Professional	95,989,182	33,771,345				96.34
Subtotal - Non Pharmacy	\$ 219,481,243	\$ 61,534,308				\$ 170.16
Total	\$ 219,481,243	\$ 88,483,573				\$ 253.28
Subtotal Including Administration						
Pharmacy						\$ 83.59
Non-Pharmacy						\$ 187.52
Total						\$ 271.11

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Uninsured Ages 21 - 44 Male						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	292,436					
Pharmacy - Brand	n/a	\$ 12,958,897	1.1690	1.0000	1.1980	\$ 62.06
Pharmacy - Generic	n/a	3,166,379	1.1690	1.0000	1.1980	15.16
Subtotal - Pharmacy	n/a	16,125,276				77.22
Home Health Care	267,622	127,142	1.1280	1.0100	1.0720	0.53
IP - Maternity	-	-	1.1280	1.0100	1.0720	-
IP - Newborn	1,107	408	1.1280	1.0100	1.0720	0.00
IP - Medical	16,496,017	3,635,106	1.1280	1.0100	1.0720	15.18
IP - Surgery	12,726,642	2,442,401	1.1280	1.0100	1.0720	10.20
IP - Other	6,591,505	1,598,049	1.1280	1.0100	1.0720	6.67
Subtotal - InPatient	35,815,271	7,675,963				32.06
OP - Emergency Room	15,297,746	3,181,725	1.1140	1.0100	1.0650	13.04
OP - Laboratory	2,571,017	531,163	1.1140	1.0100	1.0650	2.18
OP - Radiology	9,359,488	1,851,656	1.1140	1.0100	1.0650	7.59
OP - Surgery	10,895,457	2,753,643	1.1140	1.0100	1.0650	11.28
OP - Other	3,379,881	897,864	1.1140	1.0100	1.0650	3.68
Subtotal - OutPatient	41,503,589	9,216,051				37.76
Prof - Evaluation & Management	18,408,532	7,482,774	1.1440	1.0100	1.1210	33.14
Prof - Maternity	2,966	1,507	1.1440	1.0100	1.1210	0.01
Prof - Surgery	9,865,319	2,690,220	1.1440	1.0100	1.1210	11.92
Prof - DME/Supplies	1,734,942	1,054,004	1.1440	1.0100	1.1210	4.67
Prof - Lab	2,850,174	630,999	1.1440	1.0100	1.1210	2.79
Prof - Radiology	5,872,399	1,694,989	1.1440	1.0100	1.1210	7.51
Prof - Transportation	1,976,348	798,530	1.1440	1.0100	1.1210	3.54
Prof - Other	7,227,736	2,300,937	1.1440	1.0100	1.1210	10.19
Subtotal - Professional	47,938,415	16,653,959				73.76
Subtotal - Non Pharmacy	\$ 125,524,897	\$ 33,673,116				\$ 144.11
Total	\$ 125,524,897	\$ 49,798,392				\$ 221.34
Subtotal Including Administration						
Pharmacy						\$ 77.66
Non-Pharmacy						\$ 158.82
Total						\$ 236.48

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Uninsured Ages 45 - 64						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	552,008					
Pharmacy - Brand	n/a	\$ 50,931,446	1.1690	1.0000	1.1980	\$ 129.21
Pharmacy - Generic	n/a	12,733,229	1.1690	1.0000	1.1980	32.30
Subtotal - Pharmacy	n/a	63,664,676				161.52
Home Health Care	1,128,890	561,609	1.1280	1.0100	1.0720	1.24
IP - Maternity	15,749	5,906	1.1280	1.0100	1.0720	0.01
IP - Newborn	5,905	3,900	1.1280	1.0100	1.0720	0.01
IP - Medical	47,199,642	10,767,805	1.1280	1.0100	1.0720	23.82
IP - Surgery	48,953,393	10,807,661	1.1280	1.0100	1.0720	23.91
IP - Other	24,727,037	5,936,141	1.1280	1.0100	1.0720	13.13
Subtotal - InPatient	120,901,725	27,521,413				60.89
OP - Emergency Room	18,906,644	3,866,414	1.1140	1.0100	1.0650	8.39
OP - Laboratory	10,429,077	2,025,258	1.1140	1.0100	1.0650	4.40
OP - Radiology	33,596,125	7,180,019	1.1140	1.0100	1.0650	15.59
OP - Surgery	42,349,452	10,988,903	1.1140	1.0100	1.0650	23.85
OP - Other	14,352,625	4,028,287	1.1140	1.0100	1.0650	8.74
Subtotal - OutPatient	119,633,922	28,088,880				60.97
Prof - Evaluation & Management	47,569,676	21,439,632	1.1440	1.0100	1.1210	50.31
Prof - Maternity	3,702	1,395	1.1440	1.0100	1.1210	0.00
Prof - Surgery	32,776,207	9,406,522	1.1440	1.0100	1.1210	22.07
Prof - DME/Supplies	5,197,770	2,892,523	1.1440	1.0100	1.1210	6.79
Prof - Lab	12,872,494	3,092,109	1.1440	1.0100	1.1210	7.26
Prof - Radiology	21,404,314	6,404,742	1.1440	1.0100	1.1210	15.03
Prof - Transportation	3,490,730	1,705,815	1.1440	1.0100	1.1210	4.00
Prof - Other	35,608,982	12,018,081	1.1440	1.0100	1.1210	28.20
Subtotal - Professional	158,923,875	56,960,820				133.65
Subtotal - Non Pharmacy	\$ 400,588,413	\$ 113,132,723				\$ 256.76
Total	\$ 400,588,413	\$ 176,797,399				\$ 418.28
Subtotal Including Administration						
Pharmacy						\$ 162.42
Non-Pharmacy						\$ 282.96
Total						\$ 445.39

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Uninsured Age Over 65						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	11,612					
Pharmacy - Brand	n/a	\$ 444,979	1.1690	1.0000	1.1980	\$ 53.67
Pharmacy - Generic	n/a	106,363	1.1690	1.0000	1.1980	12.83
Subtotal - Pharmacy	n/a	551,342				66.50
Home Health Care	22,216	11,580	1.1280	1.0100	1.0720	1.22
IP - Maternity	-	-	1.1280	1.0100	1.0720	-
IP - Newborn	-	-	1.1280	1.0100	1.0720	-
IP - Medical	468,918	123,155	1.1280	1.0100	1.0720	12.95
IP - Surgery	228,291	41,248	1.1280	1.0100	1.0720	4.34
IP - Other	169,062	38,197	1.1280	1.0100	1.0720	4.02
Subtotal - InPatient	866,271	202,600				21.31
OP - Emergency Room	80,625	14,775	1.1140	1.0100	1.0650	1.52
OP - Laboratory	101,564	19,610	1.1140	1.0100	1.0650	2.02
OP - Radiology	194,267	44,060	1.1140	1.0100	1.0650	4.55
OP - Surgery	209,241	72,184	1.1140	1.0100	1.0650	7.45
OP - Other	105,615	46,390	1.1140	1.0100	1.0650	4.79
Subtotal - OutPatient	691,312	197,018				20.33
Prof - Evaluation & Management	293,260	127,764	1.1440	1.0100	1.1210	14.25
Prof - Maternity	2,940	485	1.1440	1.0100	1.1210	0.05
Prof - Surgery	177,441	43,960	1.1440	1.0100	1.1210	4.90
Prof - DME/Supplies	38,837	24,284	1.1440	1.0100	1.1210	2.71
Prof - Lab	73,676	17,328	1.1440	1.0100	1.1210	1.93
Prof - Radiology	123,645	37,817	1.1440	1.0100	1.1210	4.22
Prof - Transportation	55,157	33,586	1.1440	1.0100	1.1210	3.75
Prof - Other	167,669	55,458	1.1440	1.0100	1.1210	6.19
Subtotal - Professional	932,626	340,683				38.00
Subtotal - Non Pharmacy	\$ 2,512,425	\$ 751,882				\$ 80.86
Total	\$ 2,512,425	\$ 1,303,224				\$ 147.36
Subtotal Including Administration						
Pharmacy						\$ 66.87
Non-Pharmacy						\$ 89.11
Total						\$ 155.98

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Disabled ALL Ages						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	1,926,210					
Pharmacy - Brand	n/a	\$ 240,603,511	1.1690	1.0000	1.1980	\$ 174.93
Pharmacy - Generic	n/a	58,860,007	1.1690	1.0000	1.1980	42.79
Subtotal - Pharmacy	n/a	299,463,518				217.73
Home Health Care	46,307,792	31,540,570	1.1280	1.0100	1.0720	20.00
IP - Maternity	9,159,729	2,518,283	1.1280	1.0100	1.0720	1.60
IP - Newborn	32,360,394	8,855,609	1.1280	1.0100	1.0720	5.61
IP - Medical	360,170,450	83,240,665	1.1280	1.0100	1.0720	52.78
IP - Surgery	229,926,641	46,787,304	1.1280	1.0100	1.0720	29.67
IP - Other	197,406,543	53,094,052	1.1280	1.0100	1.0720	33.66
Subtotal - InPatient	829,023,757	194,495,913				123.32
OP - Emergency Room	140,560,395	28,927,345	1.1140	1.0100	1.0650	18.00
OP - Laboratory	57,121,659	12,338,573	1.1140	1.0100	1.0650	7.68
OP - Radiology	114,794,703	24,378,003	1.1140	1.0100	1.0650	15.17
OP - Surgery	131,545,021	34,273,426	1.1140	1.0100	1.0650	21.32
OP - Other	111,738,597	40,025,591	1.1140	1.0100	1.0650	24.90
Subtotal - OutPatient	555,760,374	139,942,938				87.06
Prof - Evaluation & Management	233,320,109	96,768,395	1.1440	1.0100	1.1210	65.07
Prof - Maternity	4,030,305	1,615,848	1.1440	1.0100	1.1210	1.09
Prof - Surgery	105,310,036	29,199,039	1.1440	1.0100	1.1210	19.63
Prof - DME/Supplies	56,565,808	32,187,091	1.1440	1.0100	1.1210	21.64
Prof - Lab	40,414,483	9,940,803	1.1440	1.0100	1.1210	6.68
Prof - Radiology	69,984,179	20,012,072	1.1440	1.0100	1.1210	13.46
Prof - Transportation	35,066,763	17,519,866	1.1440	1.0100	1.1210	11.78
Prof - Other	176,643,385	67,116,661	1.1440	1.0100	1.1210	45.13
Subtotal - Professional	721,335,068	274,359,775				184.49
Subtotal - Non Pharmacy	\$ 2,152,426,991	\$ 640,339,196				\$ 414.86
Total	\$ 2,152,426,991	\$ 939,802,714				\$ 632.59
Subtotal Including Administration						
Pharmacy						\$ 218.95
Non-Pharmacy						\$ 457.20
Total						\$ 676.14

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Disabled Child (Age Under 21)						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	531,512					
Pharmacy - Brand	n/a	\$ 30,989,808	1.1690	1.0000	1.1980	\$ 81.65
Pharmacy - Generic	n/a	3,475,988	1.1690	1.0000	1.1980	9.16
Subtotal - Pharmacy	n/a	34,465,796				90.81
Home Health Care	29,083,734	21,521,483	1.1280	1.0100	1.0720	49.45
IP - Maternity	2,811,107	780,585	1.1280	1.0100	1.0720	1.79
IP - Newborn	27,060,352	6,383,245	1.1280	1.0100	1.0720	14.67
IP - Medical	47,165,426	12,699,683	1.1280	1.0100	1.0720	29.18
IP - Surgery	35,110,493	7,783,449	1.1280	1.0100	1.0720	17.88
IP - Other	36,115,560	10,785,486	1.1280	1.0100	1.0720	24.78
Subtotal - InPatient	148,262,938	38,432,448				88.31
OP - Emergency Room	20,988,070	5,809,638	1.1140	1.0100	1.0650	13.10
OP - Laboratory	10,534,658	2,877,122	1.1140	1.0100	1.0650	6.49
OP - Radiology	10,640,853	2,743,181	1.1140	1.0100	1.0650	6.18
OP - Surgery	19,989,225	6,085,665	1.1140	1.0100	1.0650	13.72
OP - Other	25,672,196	8,629,368	1.1140	1.0100	1.0650	19.45
Subtotal - OutPatient	87,825,001	26,144,975				58.94
Prof - Evaluation & Management	44,831,971	18,342,415	1.1440	1.0100	1.1210	44.70
Prof - Maternity	1,256,993	494,132	1.1440	1.0100	1.1210	1.20
Prof - Surgery	15,688,131	3,821,374	1.1440	1.0100	1.1210	9.31
Prof - DME/Supplies	15,888,172	8,517,052	1.1440	1.0100	1.1210	20.76
Prof - Lab	4,146,815	1,113,548	1.1440	1.0100	1.1210	2.71
Prof - Radiology	5,974,588	1,511,251	1.1440	1.0100	1.1210	3.68
Prof - Transportation	3,680,579	1,573,910	1.1440	1.0100	1.1210	3.84
Prof - Other	41,920,604	16,568,011	1.1440	1.0100	1.1210	40.37
Subtotal - Professional	133,387,854	51,941,693				126.58
Subtotal - Non Pharmacy	\$ 398,559,526	\$ 138,040,599				\$ 323.28
Total	\$ 398,559,526	\$ 172,506,395				\$ 414.09
Subtotal Including Administration						
Pharmacy						\$ 91.32
Non-Pharmacy						\$ 356.27
Total						\$ 447.59

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Disabled Adult (Ages 21 & Over)						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	1,394,698					
Pharmacy - Brand	n/a	\$ 209,613,704	1.1690	1.0000	1.1980	\$ 210.48
Pharmacy - Generic	n/a	55,384,019	1.1690	1.0000	1.1980	55.61
Subtotal - Pharmacy	n/a	264,997,722				266.09
Home Health Care	17,224,059	10,019,087	1.1280	1.0100	1.0720	8.77
IP - Maternity	6,348,622	1,737,698	1.1280	1.0100	1.0720	1.52
IP - Newborn	5,300,043	2,472,364	1.1280	1.0100	1.0720	2.16
IP - Medical	313,005,024	70,540,981	1.1280	1.0100	1.0720	61.77
IP - Surgery	194,816,147	39,003,855	1.1280	1.0100	1.0720	34.15
IP - Other	161,290,983	42,308,567	1.1280	1.0100	1.0720	37.05
Subtotal - InPatient	680,760,819	156,063,465				136.66
OP - Emergency Room	119,572,325	23,117,706	1.1140	1.0100	1.0650	19.86
OP - Laboratory	46,587,001	9,461,451	1.1140	1.0100	1.0650	8.13
OP - Radiology	104,153,850	21,634,822	1.1140	1.0100	1.0650	18.59
OP - Surgery	111,555,796	28,187,761	1.1140	1.0100	1.0650	24.22
OP - Other	86,066,401	31,396,223	1.1140	1.0100	1.0650	26.97
Subtotal - OutPatient	467,935,373	113,797,963				97.77
Prof - Evaluation & Management	188,488,138	78,425,980	1.1440	1.0100	1.1210	72.83
Prof - Maternity	2,773,312	1,121,716	1.1440	1.0100	1.1210	1.04
Prof - Surgery	89,621,905	25,377,665	1.1440	1.0100	1.1210	23.57
Prof - DME/Supplies	40,677,636	23,670,038	1.1440	1.0100	1.1210	21.98
Prof - Lab	36,267,668	8,827,255	1.1440	1.0100	1.1210	8.20
Prof - Radiology	64,009,592	18,500,821	1.1440	1.0100	1.1210	17.18
Prof - Transportation	31,386,183	15,945,956	1.1440	1.0100	1.1210	14.81
Prof - Other	134,722,780	50,548,650	1.1440	1.0100	1.1210	46.94
Subtotal - Professional	587,947,214	222,418,082				206.56
Subtotal - Non Pharmacy	\$ 1,753,867,465	\$ 502,298,597				\$ 449.76
Total	\$ 1,753,867,465	\$ 767,296,319				\$ 715.86
Subtotal Including Administration						
Pharmacy						\$ 267.58
Non-Pharmacy						\$ 495.66
Total						\$ 763.24

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Disabled Uninsured ALL Ages						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	32,337					
Pharmacy - Brand	n/a	\$ 4,181,034	1.1690	1.0000	1.1980	\$ 181.07
Pharmacy - Generic	n/a	1,013,659	1.1690	1.0000	1.1980	43.90
Subtotal - Pharmacy	n/a	5,194,693				224.97
Home Health Care	175,543	98,651	1.1280	1.0100	1.0720	3.73
IP - Maternity	15,339	1,470	1.1280	1.0100	1.0720	0.06
IP - Newborn	-	-	1.1280	1.0100	1.0720	-
IP - Medical	5,074,764	1,230,796	1.1280	1.0100	1.0720	46.48
IP - Surgery	5,286,921	1,155,436	1.1280	1.0100	1.0720	43.64
IP - Other	2,246,436	779,925	1.1280	1.0100	1.0720	29.46
Subtotal - InPatient	12,623,461	3,167,627				119.64
OP - Emergency Room	1,895,993	354,711	1.1140	1.0100	1.0650	13.14
OP - Laboratory	805,372	171,388	1.1140	1.0100	1.0650	6.35
OP - Radiology	2,261,617	476,046	1.1140	1.0100	1.0650	17.64
OP - Surgery	3,072,875	733,454	1.1140	1.0100	1.0650	27.18
OP - Other	1,392,675	463,672	1.1140	1.0100	1.0650	17.18
Subtotal - OutPatient	9,428,531	2,199,271				81.50
Prof - Evaluation & Management	3,640,067	1,569,763	1.1440	1.0100	1.1210	62.88
Prof - Maternity	2,128	442	1.1440	1.0100	1.1210	0.02
Prof - Surgery	2,620,790	740,578	1.1440	1.0100	1.1210	29.66
Prof - DME/Supplies	766,164	427,902	1.1440	1.0100	1.1210	17.14
Prof - Lab	796,141	188,818	1.1440	1.0100	1.1210	7.56
Prof - Radiology	1,486,344	435,424	1.1440	1.0100	1.1210	17.44
Prof - Transportation	346,371	151,307	1.1440	1.0100	1.1210	6.06
Prof - Other	2,799,590	1,036,666	1.1440	1.0100	1.1210	41.52
Subtotal - Professional	12,457,595	4,550,900				182.29
Subtotal - Non Pharmacy	\$ 34,685,129	\$ 10,016,450				\$ 387.14
Total	\$ 34,685,129	\$ 15,211,143				\$ 612.12
Subtotal Including Administration						
Pharmacy						\$ 226.23
Non-Pharmacy						\$ 426.65
Total						\$ 652.88

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Disabled/Uninsured Child (Age Under 21)						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	1,317					
Pharmacy - Brand	n/a	\$ 39,927	1.1690	1.0000	1.1980	\$ 42.46
Pharmacy - Generic	n/a	6,745	1.1690	1.0000	1.1980	7.17
Subtotal - Pharmacy	n/a	46,672				49.63
Home Health Care	1,510	1,510	1.1280	1.0100	1.0720	1.40
IP - Maternity	-	-	1.1280	1.0100	1.0720	-
IP - Newborn	-	-	1.1280	1.0100	1.0720	-
IP - Medical	99,290	3,107	1.1280	1.0100	1.0720	2.88
IP - Surgery	7,363	2,687	1.1280	1.0100	1.0720	2.49
IP - Other	16,706	1,855	1.1280	1.0100	1.0720	1.72
Subtotal - InPatient	123,359	7,650				7.09
OP - Emergency Room	24,218	6,017	1.1140	1.0100	1.0650	5.47
OP - Laboratory	2,931	411	1.1140	1.0100	1.0650	0.37
OP - Radiology	13,063	2,671	1.1140	1.0100	1.0650	2.43
OP - Surgery	26,106	8,952	1.1140	1.0100	1.0650	8.15
OP - Other	56,822	23,877	1.1140	1.0100	1.0650	21.73
Subtotal - OutPatient	123,140	41,928				38.15
Prof - Evaluation & Management	56,763	22,057	1.1440	1.0100	1.1210	21.69
Prof - Maternity	-	-	1.1440	1.0100	1.1210	-
Prof - Surgery	28,402	6,411	1.1440	1.0100	1.1210	6.31
Prof - DME/Supplies	18,884	10,762	1.1440	1.0100	1.1210	10.59
Prof - Lab	7,899	2,300	1.1440	1.0100	1.1210	2.26
Prof - Radiology	10,146	2,766	1.1440	1.0100	1.1210	2.72
Prof - Transportation	2,171	1,122	1.1440	1.0100	1.1210	1.10
Prof - Other	31,556	11,884	1.1440	1.0100	1.1210	11.69
Subtotal - Professional	155,821	57,302				56.36
Subtotal - Non Pharmacy	\$ 403,830	\$ 108,389				\$ 103.00
Total	\$ 403,830	\$ 155,061				\$ 152.63
Subtotal Including Administration						
Pharmacy						\$ 49.91
Non-Pharmacy						\$ 113.51
Total						\$ 163.42

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Disabled/Uninsured Adult (Ages 21 & Over)						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	31,020					
Pharmacy - Brand	n/a	\$ 4,141,107	1.1690	1.0000	1.1980	\$ 186.96
Pharmacy - Generic	n/a	1,006,914	1.1690	1.0000	1.1980	45.46
Subtotal - Pharmacy	n/a	5,148,021				232.42
Home Health Care	174,033	97,141	1.1280	1.0100	1.0720	3.82
IP - Maternity	15,339	1,470	1.1280	1.0100	1.0720	0.06
IP - Newborn	-	-	1.1280	1.0100	1.0720	-
IP - Medical	4,975,474	1,227,689	1.1280	1.0100	1.0720	48.34
IP - Surgery	5,279,558	1,152,749	1.1280	1.0100	1.0720	45.39
IP - Other	2,229,730	778,070	1.1280	1.0100	1.0720	30.63
Subtotal - InPatient	12,500,101	3,159,978				124.41
OP - Emergency Room	1,871,775	348,694	1.1140	1.0100	1.0650	13.47
OP - Laboratory	802,441	170,977	1.1140	1.0100	1.0650	6.60
OP - Radiology	2,248,554	473,376	1.1140	1.0100	1.0650	18.29
OP - Surgery	3,046,769	724,502	1.1140	1.0100	1.0650	27.99
OP - Other	1,335,853	439,795	1.1140	1.0100	1.0650	16.99
Subtotal - OutPatient	9,305,392	2,157,344				83.34
Prof - Evaluation & Management	3,583,304	1,547,706	1.1440	1.0100	1.1210	64.62
Prof - Maternity	2,128	442	1.1440	1.0100	1.1210	0.02
Prof - Surgery	2,592,387	734,167	1.1440	1.0100	1.1210	30.66
Prof - DME/Supplies	747,280	417,140	1.1440	1.0100	1.1210	17.42
Prof - Lab	788,242	186,517	1.1440	1.0100	1.1210	7.79
Prof - Radiology	1,476,198	432,659	1.1440	1.0100	1.1210	18.07
Prof - Transportation	344,200	150,186	1.1440	1.0100	1.1210	6.27
Prof - Other	2,768,034	1,024,782	1.1440	1.0100	1.1210	42.79
Subtotal - Professional	12,301,774	4,493,599				187.63
Subtotal - Non Pharmacy	\$ 34,281,299	\$ 9,908,061				\$ 399.21
Total	\$ 34,281,299	\$ 15,056,082				\$ 631.62
Subtotal Including Administration						
Pharmacy						\$ 233.72
Non-Pharmacy						\$ 439.94
Total						\$ 673.66

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Disabled Uninsurable ALL Ages						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	737,187					
Pharmacy - Brand	n/a	\$ 79,580,606	1.1690	1.0000	1.1980	\$ 151.18
Pharmacy - Generic	n/a	15,745,162	1.1690	1.0000	1.1980	29.91
Subtotal - Pharmacy	n/a	95,325,768				181.09
Home Health Care	2,368,776	1,215,980	1.1280	1.0100	1.0720	2.01
IP - Maternity	849,359	214,535	1.1280	1.0100	1.0720	0.36
IP - Newborn	327,577	145,356	1.1280	1.0100	1.0720	0.24
IP - Medical	81,889,525	18,484,851	1.1280	1.0100	1.0720	30.62
IP - Surgery	90,126,519	19,405,898	1.1280	1.0100	1.0720	32.15
IP - Other	42,593,481	11,601,109	1.1280	1.0100	1.0720	19.22
Subtotal - InPatient	215,786,461	49,851,750				82.59
OP - Emergency Room	33,089,358	6,179,172	1.1140	1.0100	1.0650	10.04
OP - Laboratory	17,663,029	3,421,841	1.1140	1.0100	1.0650	5.56
OP - Radiology	49,548,603	10,512,918	1.1140	1.0100	1.0650	17.09
OP - Surgery	65,219,475	16,680,929	1.1140	1.0100	1.0650	27.11
OP - Other	23,855,634	6,742,168	1.1140	1.0100	1.0650	10.96
Subtotal - OutPatient	189,376,099	43,537,027				70.77
Prof - Evaluation & Management	72,071,483	29,436,223	1.1440	1.0100	1.1210	51.72
Prof - Maternity	425,898	167,835	1.1440	1.0100	1.1210	0.29
Prof - Surgery	51,223,666	13,922,887	1.1440	1.0100	1.1210	24.46
Prof - DME/Supplies	9,528,890	5,281,425	1.1440	1.0100	1.1210	9.28
Prof - Lab	19,060,212	4,696,490	1.1440	1.0100	1.1210	8.25
Prof - Radiology	31,343,987	9,210,354	1.1440	1.0100	1.1210	16.18
Prof - Transportation	5,356,698	2,198,322	1.1440	1.0100	1.1210	3.86
Prof - Other	59,739,953	20,874,770	1.1440	1.0100	1.1210	36.68
Subtotal - Professional	248,750,787	85,788,306				150.73
Subtotal - Non Pharmacy	\$ 656,282,122	\$ 180,393,063				\$ 306.10
Total	\$ 656,282,122	\$ 275,718,831				\$ 487.20
Subtotal Including Administration						
Pharmacy						\$ 182.11
Non-Pharmacy						\$ 337.34
Total						\$ 519.45

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Disabled/Uninsurable Child (Age Under 21)						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	16,584					
Pharmacy - Brand	n/a	\$ 1,094,748	1.1690	1.0000	1.1980	\$ 92.45
Pharmacy - Generic	n/a	115,965	1.1690	1.0000	1.1980	9.79
Subtotal - Pharmacy	n/a	1,210,713				102.24
Home Health Care	377,807	266,216	1.1280	1.0100	1.0720	19.61
IP - Maternity	69,770	19,542	1.1280	1.0100	1.0720	1.44
IP - Newborn	15,226	8,932	1.1280	1.0100	1.0720	0.66
IP - Medical	1,015,855	82,126	1.1280	1.0100	1.0720	6.05
IP - Surgery	1,133,585	45,924	1.1280	1.0100	1.0720	3.38
IP - Other	303,799	108,730	1.1280	1.0100	1.0720	8.01
Subtotal - InPatient	2,538,235	265,254				19.53
OP - Emergency Room	537,379	102,847	1.1140	1.0100	1.0650	7.43
OP - Laboratory	165,723	34,189	1.1140	1.0100	1.0650	2.47
OP - Radiology	254,746	60,987	1.1140	1.0100	1.0650	4.41
OP - Surgery	518,238	128,995	1.1140	1.0100	1.0650	9.32
OP - Other	311,109	105,576	1.1140	1.0100	1.0650	7.63
Subtotal - OutPatient	1,787,196	432,593				31.26
Prof - Evaluation & Management	967,515	359,963	1.1440	1.0100	1.1210	28.11
Prof - Maternity	42,316	16,601	1.1440	1.0100	1.1210	1.30
Prof - Surgery	381,365	92,712	1.1440	1.0100	1.1210	7.24
Prof - DME/Supplies	127,167	80,189	1.1440	1.0100	1.1210	6.26
Prof - Lab	177,800	50,311	1.1440	1.0100	1.1210	3.93
Prof - Radiology	178,942	43,378	1.1440	1.0100	1.1210	3.39
Prof - Transportation	30,463	14,436	1.1440	1.0100	1.1210	1.13
Prof - Other	624,106	261,507	1.1440	1.0100	1.1210	20.42
Subtotal - Professional	2,529,673	919,097				71.79
Subtotal - Non Pharmacy	\$ 7,232,911	\$ 1,883,160				\$ 142.18
Total	\$ 7,232,911	\$ 3,093,873				\$ 244.43
Subtotal Including Administration						
Pharmacy						\$ 102.82
Non-Pharmacy						\$ 156.69
Total						\$ 259.51

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Disabled/Uninsurable Adult (Ages 21 & Over)						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	720,604					
Pharmacy - Brand	n/a	\$ 78,485,858	1.1690	1.0000	1.1980	\$ 152.53
Pharmacy - Generic	n/a	15,629,198	1.1690	1.0000	1.1980	30.37
Subtotal - Pharmacy	n/a	94,115,055				182.91
Home Health Care	1,990,969	949,764	1.1280	1.0100	1.0720	1.61
IP - Maternity	779,589	194,993	1.1280	1.0100	1.0720	0.33
IP - Newborn	312,350	136,423	1.1280	1.0100	1.0720	0.23
IP - Medical	80,873,670	18,402,725	1.1280	1.0100	1.0720	31.19
IP - Surgery	88,992,934	19,359,975	1.1280	1.0100	1.0720	32.81
IP - Other	42,289,682	11,492,380	1.1280	1.0100	1.0720	19.48
Subtotal - InPatient	213,248,225	49,586,496				84.04
OP - Emergency Room	32,551,979	6,076,325	1.1140	1.0100	1.0650	10.10
OP - Laboratory	17,497,306	3,387,653	1.1140	1.0100	1.0650	5.63
OP - Radiology	49,293,857	10,451,931	1.1140	1.0100	1.0650	17.38
OP - Surgery	64,701,236	16,551,933	1.1140	1.0100	1.0650	27.52
OP - Other	23,544,525	6,636,592	1.1140	1.0100	1.0650	11.04
Subtotal - OutPatient	187,588,903	43,104,434				71.68
Prof - Evaluation & Management	71,103,969	29,076,260	1.1440	1.0100	1.1210	52.26
Prof - Maternity	383,582	151,234	1.1440	1.0100	1.1210	0.27
Prof - Surgery	50,842,301	13,830,175	1.1440	1.0100	1.1210	24.86
Prof - DME/Supplies	9,401,722	5,201,236	1.1440	1.0100	1.1210	9.35
Prof - Lab	18,882,412	4,646,179	1.1440	1.0100	1.1210	8.35
Prof - Radiology	31,165,045	9,166,975	1.1440	1.0100	1.1210	16.48
Prof - Transportation	5,326,235	2,183,886	1.1440	1.0100	1.1210	3.93
Prof - Other	59,115,847	20,613,263	1.1440	1.0100	1.1210	37.05
Subtotal - Professional	246,221,114	84,869,208				152.55
Subtotal - Non Pharmacy	\$ 649,049,212	\$ 178,509,903				\$ 309.88
Total	\$ 649,049,212	\$ 272,624,958				\$ 492.78
Subtotal Including Administration						
Pharmacy						\$ 183.93
Non-Pharmacy						\$ 341.50
Total						\$ 525.43

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Waiver Duals ALL Ages						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	438,150					
Pharmacy - Brand	n/a	\$ 82,128,312	1.1690	1.0000	1.1980	\$ 262.51
Pharmacy - Generic	n/a	15,535,454	1.1690	1.0000	1.1980	49.66
Subtotal - Pharmacy	n/a	97,663,766				312.16
Home Health Care	713,026	546,920	1.1280	1.0100	1.0720	1.52
IP - Maternity	10,003	2,199	1.1280	1.0100	1.0720	0.01
IP - Newborn	39,069	13,897	1.1280	1.0100	1.0720	0.04
IP - Medical	4,094,196	362,862	1.1280	1.0100	1.0720	1.01
IP - Surgery	3,152,204	230,535	1.1280	1.0100	1.0720	0.64
IP - Other	2,368,270	244,486	1.1280	1.0100	1.0720	0.68
Subtotal - InPatient	9,663,742	853,980				2.38
OP - Emergency Room	1,043,035	94,881	1.1140	1.0100	1.0650	0.26
OP - Laboratory	524,038	53,029	1.1140	1.0100	1.0650	0.15
OP - Radiology	1,268,588	130,178	1.1140	1.0100	1.0650	0.36
OP - Surgery	1,978,597	182,148	1.1140	1.0100	1.0650	0.50
OP - Other	4,290,241	3,255,976	1.1140	1.0100	1.0650	8.90
Subtotal - OutPatient	9,104,498	3,716,212				10.16
Prof - Evaluation & Management	3,488,672	596,782	1.1440	1.0100	1.1210	1.76
Prof - Maternity	8,802	1,815	1.1440	1.0100	1.1210	0.01
Prof - Surgery	2,352,465	212,754	1.1440	1.0100	1.1210	0.63
Prof - DME/Supplies	981,546	243,753	1.1440	1.0100	1.1210	0.72
Prof - Lab	725,976	87,225	1.1440	1.0100	1.1210	0.26
Prof - Radiology	1,138,141	129,452	1.1440	1.0100	1.1210	0.38
Prof - Transportation	3,602,004	2,691,183	1.1440	1.0100	1.1210	7.96
Prof - Other	3,823,705	937,959	1.1440	1.0100	1.1210	2.77
Subtotal - Professional	16,121,311	4,900,923				14.49
Subtotal - Non Pharmacy	\$ 35,602,578	\$ 10,018,035				\$ 28.56
Total	\$ 35,602,578	\$ 107,681,801				\$ 340.72
Subtotal Including Administration						
Pharmacy						\$ 313.91
Non-Pharmacy						\$ 31.47
Total						\$ 345.38

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Waiver Duals Child (Age Under 21)						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	32					
Pharmacy - Brand	n/a	\$ 25,979	1.1690	1.0000	1.1980	\$ 1,151.57
Pharmacy - Generic	n/a	1,898	1.1690	1.0000	1.1980	84.13
Subtotal - Pharmacy	n/a	27,877				1,235.69
Home Health Care	3,117	2,920	1.1280	1.0100	1.0720	112.86
IP - Maternity	419	32	1.1280	1.0100	1.0720	1.24
IP - Newborn	37	27	1.1280	1.0100	1.0720	1.03
IP - Medical	464	-	1.1280	1.0100	1.0720	-
IP - Surgery	597	-	1.1280	1.0100	1.0720	-
IP - Other	972	60	1.1280	1.0100	1.0720	2.31
Subtotal - InPatient	2,489	119				4.59
OP - Emergency Room	627	85	1.1140	1.0100	1.0650	3.21
OP - Laboratory	353	77	1.1140	1.0100	1.0650	2.91
OP - Radiology	175	21	1.1140	1.0100	1.0650	0.81
OP - Surgery	219	36	1.1140	1.0100	1.0650	1.38
OP - Other	118	33	1.1140	1.0100	1.0650	1.25
Subtotal - OutPatient	1,492	252				9.56
Prof - Evaluation & Management	1,411	257	1.1440	1.0100	1.1210	10.54
Prof - Maternity	128	53	1.1440	1.0100	1.1210	2.16
Prof - Surgery	501	49	1.1440	1.0100	1.1210	1.99
Prof - DME/Supplies	485	74	1.1440	1.0100	1.1210	3.03
Prof - Lab	197	35	1.1440	1.0100	1.1210	1.44
Prof - Radiology	247	30	1.1440	1.0100	1.1210	1.25
Prof - Transportation	985	637	1.1440	1.0100	1.1210	26.13
Prof - Other	2,411	603	1.1440	1.0100	1.1210	24.72
Subtotal - Professional	6,365	1,738				71.25
Subtotal - Non Pharmacy	\$ 13,462	\$ 5,028				\$ 198.26
Total	\$ 13,462	\$ 32,906				\$ 1,433.95
Subtotal Including Administration						
Pharmacy						\$ 1,242.61
Non-Pharmacy						\$ 218.49
Total						\$ 1,461.10

TennCare
FY 2006 Per Capita Cost Development
Development of Per Capita Costs; Statewide

Exhibit 2

Waiver Duals Adult (Ages 21 & Over)						
	Billed Charges	Paid Expenditures	Trend Data Period	IBNR Data Period	Trend Contract Period	1/1/2006 PMPM
Service Category						
Member Months	438,118					
Pharmacy - Brand	n/a	\$ 82,102,333	1.1690	1.0000	1.1980	\$ 262.44
Pharmacy - Generic	n/a	15,533,556	1.1690	1.0000	1.1980	49.65
Subtotal - Pharmacy	n/a	97,635,889				312.10
Home Health Care	709,910	544,000	1.1280	1.0100	1.0720	1.52
IP - Maternity	9,584	2,167	1.1280	1.0100	1.0720	0.01
IP - Newborn	39,033	13,871	1.1280	1.0100	1.0720	0.04
IP - Medical	4,093,732	362,862	1.1280	1.0100	1.0720	1.01
IP - Surgery	3,151,607	230,535	1.1280	1.0100	1.0720	0.64
IP - Other	2,367,297	244,426	1.1280	1.0100	1.0720	0.68
Subtotal - InPatient	9,661,253	853,861				2.38
OP - Emergency Room	1,042,407	94,796	1.1140	1.0100	1.0650	0.26
OP - Laboratory	523,685	52,952	1.1140	1.0100	1.0650	0.14
OP - Radiology	1,268,413	130,157	1.1140	1.0100	1.0650	0.36
OP - Surgery	1,978,378	182,112	1.1140	1.0100	1.0650	0.50
OP - Other	4,290,123	3,255,943	1.1140	1.0100	1.0650	8.91
Subtotal - OutPatient	9,103,007	3,715,960				10.16
Prof - Evaluation & Management	3,487,261	596,525	1.1440	1.0100	1.1210	1.76
Prof - Maternity	8,674	1,762	1.1440	1.0100	1.1210	0.01
Prof - Surgery	2,351,964	212,705	1.1440	1.0100	1.1210	0.63
Prof - DME/Supplies	981,061	243,680	1.1440	1.0100	1.1210	0.72
Prof - Lab	725,778	87,190	1.1440	1.0100	1.1210	0.26
Prof - Radiology	1,137,894	129,422	1.1440	1.0100	1.1210	0.38
Prof - Transportation	3,601,019	2,690,545	1.1440	1.0100	1.1210	7.95
Prof - Other	3,821,294	937,355	1.1440	1.0100	1.1210	2.77
Subtotal - Professional	16,114,946	4,899,185				14.48
Subtotal - Non Pharmacy	\$ 35,589,116	\$ 10,013,007				\$ 28.54
Total	\$ 35,589,116	\$ 107,648,896				\$ 340.64
Subtotal Including Administration						
Pharmacy						\$ 313.84
Non-Pharmacy						\$ 31.46
Total						\$ 345.30

FY 2006 Per Capita Cost Development
Variance of Utilization and Per Capita Cost by Region
 From July 2003 through June 2004

All Categories ALL Ages																
	Utilization/1,000 members				Variance of Utilization/1,000 members				Per Capita Cost				Variance of Per Capita Cost by Region			
	Total	East	West	Middle	Total	East	West	Middle	Total	East	West	Middle	Total	East	West	Middle
Service Category	16,048,408															
Member Months	16,191,954	6,130,345	4,857,527	5,060,536												
Pharmacy - Brand	14,122	16,540	10,758	14,522	0%	17%	-24%	3%	\$ 82.40	\$ 97.63	\$ 61.20	\$ 85.23	0%	18%	-26%	3%
Pharmacy - Generic	14,828	16,713	12,497	14,931	0%	13%	-16%	1%	19.48	22.93	15.21	19.65	0%	18%	-22%	1%
Subtotal - Pharmacy	28,950	33,252	23,256	29,453	0%	15%	-20%	2%	101.88	120.57	76.41	104.88	0%	18%	-25%	3%
Home Health Care	36	48	25	30	0%	35%	-29%	-15%	2.74	3.37	2.49	2.26	0%	23%	-9%	-17%
IP - Maternity	57	58	34	75	0%	2%	-40%	32%	3.83	3.05	4.44	4.24	0%	-20%	16%	11%
IP - Newborn	85	86	60	104	0%	1%	-30%	23%	5.63	5.79	4.93	5.85	0%	3%	-12%	4%
IP - Medical	217	270	145	216	0%	25%	-33%	0%	12.00	10.40	12.91	13.06	0%	-13%	8%	9%
IP - Surgery	88	95	67	98	0%	8%	-24%	10%	8.77	8.63	7.61	9.85	0%	-2%	-13%	12%
IP - Other	91	110	58	97	0%	21%	-36%	7%	7.36	6.74	6.82	8.58	0%	-8%	-7%	16%
Subtotal - InPatient	538	619	363	591	0%	15%	-32%	10%	37.60	34.61	36.71	41.58	0%	-8%	-2%	11%
OP - Emergency Room	728	837	562	749	0%	15%	-23%	3%	9.13	8.48	11.38	8.06	0%	-7%	25%	-12%
OP - Laboratory	187	266	99	171	0%	43%	-47%	-9%	2.16	2.41	2.56	1.54	0%	11%	19%	-29%
OP - Radiology	277	317	184	312	0%	15%	-34%	13%	5.53	5.64	5.47	5.51	0%	2%	-1%	0%
OP - Surgery	111	130	70	125	0%	17%	-37%	13%	9.75	10.38	9.58	9.27	0%	6%	-2%	-5%
OP - Other	302	349	229	314	0%	15%	-24%	4%	6.47	7.09	7.07	5.33	0%	9%	9%	-18%
Subtotal - OutPatient	1,605	1,899	1,144	1,670	0%	18%	-29%	4%	33.05	34.00	36.06	29.71	0%	3%	9%	-10%
Prof - Evaluation & Management	5,555	6,071	4,653	5,836	0%	9%	-16%	5%	29.02	27.22	25.42	34.79	0%	-6%	-12%	20%
Prof - Maternity	68	72	69	61	0%	7%	3%	-10%	2.83	2.76	2.92	2.85	0%	-2%	3%	1%
Prof - Surgery	888	932	526	1,163	0%	5%	-41%	31%	7.57	8.75	4.91	8.62	0%	16%	-35%	14%
Prof - DME/Supplies	290	370	203	276	0%	27%	-30%	-5%	3.67	4.42	2.28	4.05	0%	20%	-38%	10%
Prof - Lab	4,096	3,941	5,508	3,092	0%	-4%	34%	-25%	3.45	4.27	3.25	2.71	0%	24%	-6%	-22%
Prof - Radiology	1,618	1,784	1,286	1,734	0%	10%	-20%	7%	5.29	5.99	4.10	5.59	0%	13%	-23%	6%
Prof - Transportation	1,023	851	1,161	1,118	0%	-17%	14%	9%	3.54	2.87	3.18	4.71	0%	-19%	-10%	33%
Prof - Other	15,542	15,459	14,936	16,335	0%	-1%	-4%	5%	13.13	14.21	11.09	13.81	0%	8%	-16%	5%
Subtotal - Professional	29,080	29,480	28,344	29,615	0%	1%	-3%	2%	68.51	70.50	57.15	77.13	0%	3%	-17%	13%
Subtotal - Non Pharmacy	31,258	32,047	29,876	31,906	0%	3%	-4%	2%	\$ 141.89	\$ 142.48	\$ 132.42	\$ 150.68	0%	0%	-7%	6%
Total	60,208	65,299	53,132	61,359	0%	8%	-12%	2%	\$ 243.77	\$ 263.05	\$ 208.83	\$ 255.56	0%	8%	-14%	5%

FY 2006 Per Capita Cost Development
Variance of Utilization and Per Capita Cost by Region
 From July 2003 through June 2004

Medically Needy ALL Ages																
Service Category	Utilization/1,000 members				Variance of Utilization/1,000 members				PMPM				Variance of PMPM by Region			
	Total	East	West	Middle	Total	East	West	Middle	Total	East	West	Middle	Total	East	West	Middle
Service Category	1,967,672															
Member Months	1,987,457	785,844	534,504	647,324												
Pharmacy - Brand	16,016	18,112	13,020	16,157	0%	13%	-19%	1%	\$ 94.16	\$ 108.75	\$ 74.01	\$ 94.63	0%	16%	-21%	1%
Pharmacy - Generic	16,454	18,031	14,437	16,453	0%	10%	-12%	0%	22.37	25.71	17.99	22.33	0%	15%	-20%	0%
Subtotal - Pharmacy	32,471	36,142	27,457	32,609	0%	11%	-15%	0%	116.53	134.46	91.99	116.96	0%	15%	-21%	0%
Home Health Care	18	24	15	15	0%	31%	-21%	-20%	1.48	2.10	1.26	0.93	0%	43%	-15%	-37%
IP - Maternity	36	39	23	40	0%	10%	-34%	13%	2.39	1.94	3.11	2.38	0%	-19%	30%	-1%
IP - Newborn	31	26	29	39	0%	-17%	-7%	25%	2.06	1.69	2.91	1.90	0%	-18%	41%	-8%
IP - Medical	198	249	114	197	0%	26%	-43%	-1%	10.39	9.49	8.89	12.33	0%	-9%	-14%	19%
IP - Surgery	97	106	49	119	0%	9%	-50%	23%	9.21	9.68	4.86	11.62	0%	5%	-47%	26%
IP - Other	74	82	50	82	0%	10%	-33%	10%	7.03	5.95	5.44	9.39	0%	-15%	-23%	34%
Subtotal - InPatient	436	502	265	477	0%	15%	-39%	10%	31.08	28.75	25.21	37.61	0%	-7%	-19%	21%
OP - Emergency Room	718	814	526	745	0%	13%	-27%	4%	8.68	8.65	9.14	8.37	0%	0%	5%	-4%
OP - Laboratory	150	207	82	132	0%	39%	-45%	-11%	1.99	2.33	2.05	1.55	0%	18%	3%	-22%
OP - Radiology	270	279	189	317	0%	3%	-30%	18%	5.63	5.52	5.19	6.09	0%	-2%	-8%	8%
OP - Surgery	106	117	69	121	0%	10%	-35%	14%	9.68	10.11	9.28	9.54	0%	4%	-4%	-1%
OP - Other	202	217	127	240	0%	7%	-37%	19%	4.34	4.79	4.15	3.96	0%	11%	-4%	-9%
Subtotal - OutPatient	1,445	1,634	993	1,556	0%	13%	-31%	8%	30.32	31.41	29.81	29.51	0%	4%	-2%	-3%
Prof - Evaluation & Management	4,900	5,090	4,278	5,212	0%	4%	-13%	6%	25.55	22.42	23.64	31.17	0%	-12%	-7%	22%
Prof - Maternity	47	57	47	34	0%	23%	1%	-27%	1.86	1.85	2.11	1.68	0%	0%	14%	-9%
Prof - Surgery	839	787	578	1,116	0%	-6%	-31%	33%	7.68	8.13	5.18	9.19	0%	6%	-33%	20%
Prof - DME/Supplies	191	240	124	189	0%	25%	-35%	-1%	2.19	2.70	1.11	2.44	0%	24%	-49%	12%
Prof - Lab	3,695	3,293	5,460	2,885	0%	-11%	48%	-22%	3.24	3.79	3.27	2.60	0%	17%	1%	-20%
Prof - Radiology	1,606	1,646	1,350	1,773	0%	2%	-16%	10%	5.24	5.49	4.26	5.77	0%	5%	-19%	10%
Prof - Transportation	999	759	1,203	1,144	0%	-24%	21%	15%	3.34	2.53	2.94	4.65	0%	-24%	-12%	39%
Prof - Other	10,782	10,175	10,420	11,970	0%	-6%	-3%	11%	11.95	12.50	9.78	13.09	0%	5%	-18%	10%
Subtotal - Professional	23,059	22,047	23,459	24,322	0%	-4%	2%	5%	61.04	59.41	52.30	70.60	0%	-3%	-14%	16%
Subtotal - Non Pharmacy	24,958	24,207	24,732	26,370	0%	-3%	-1%	6%	\$ 123.91	\$ 121.67	\$ 108.58	\$ 138.65	0%	-2%	-12%	12%
Total	57,428	60,349	52,189	58,980	0%	5%	-9%	3%	\$ 240.44	\$ 256.13	\$ 200.58	\$ 255.61	0%	7%	-17%	6%

TennCare

Exhibit 3

FY 2006 Per Capita Cost Development
Variance of Utilization and Per Capita Cost by Region
 From July 2003 through June 2004

Medicaid ALL Ages																
Service Category	Utilization/1,000 members				Variance of Utilization/1,000 members				PMPM				Variance of PMPM by Region			
	Total	East	West	Middle	Total	East	West	Middle	Total	East	West	Middle	Total	East	West	Middle
Service Category	7,084,742															
Member Months	7,115,402	2,411,612	2,415,314	2,257,815												
Pharmacy - Brand	6,342	7,691	4,515	6,716	0%	21%	-29%	6%	\$ 32.93	\$ 40.45	\$ 22.53	\$ 35.66	0%	23%	-32%	8%
Pharmacy - Generic	7,069	8,120	5,575	7,445	0%	15%	-21%	5%	8.49	10.15	6.33	8.97	0%	20%	-26%	6%
Subtotal - Pharmacy	13,411	15,812	10,090	14,162	0%	18%	-25%	6%	41.42	50.61	28.85	44.63	0%	22%	-30%	8%
Home Health Care	11	14	6	12	0%	32%	-50%	13%	0.40	0.47	0.31	0.41	0%	17%	-22%	1%
IP - Maternity	112	127	57	149	0%	14%	-49%	33%	7.49	6.67	7.51	8.32	0%	-11%	0%	11%
IP - Newborn	165	191	94	203	0%	16%	-43%	23%	10.81	12.77	7.45	11.51	0%	18%	-31%	6%
IP - Medical	128	182	71	125	0%	42%	-45%	-2%	6.85	6.22	6.49	7.79	0%	-9%	-5%	14%
IP - Surgery	48	49	37	56	0%	3%	-23%	18%	5.23	5.16	4.10	6.30	0%	-1%	-22%	20%
IP - Other	56	77	29	60	0%	37%	-48%	8%	4.06	4.30	3.14	4.65	0%	6%	-23%	14%
Subtotal - InPatient	509	627	287	594	0%	23%	-44%	17%	34.45	35.11	28.68	38.56	0%	2%	-17%	12%
OP - Emergency Room	943	1,171	677	970	0%	24%	-28%	3%	11.29	10.49	13.98	9.60	0%	-7%	24%	-15%
OP - Laboratory	175	273	74	172	0%	55%	-58%	-2%	1.53	1.93	1.45	1.18	0%	26%	-5%	-23%
OP - Radiology	238	284	151	274	0%	19%	-37%	15%	4.01	4.24	3.77	4.02	0%	5%	-6%	0%
OP - Surgery	98	123	55	111	0%	26%	-43%	14%	8.82	9.49	8.67	8.33	0%	8%	-2%	-6%
OP - Other	276	358	163	301	0%	29%	-41%	9%	3.74	4.53	3.55	3.10	0%	21%	-5%	-17%
Subtotal - OutPatient	1,731	2,209	1,121	1,828	0%	28%	-35%	6%	29.39	30.68	31.42	26.23	0%	4%	7%	-11%
Prof - Evaluation & Management	6,174	7,102	4,861	6,540	0%	15%	-21%	6%	32.76	32.56	26.64	39.71	0%	-1%	-19%	21%
Prof - Maternity	131	153	120	119	0%	17%	-8%	-9%	5.52	6.01	5.00	5.54	0%	9%	-9%	0%
Prof - Surgery	852	989	451	1,086	0%	16%	-47%	27%	6.06	7.44	3.66	6.90	0%	23%	-40%	14%
Prof - DME/Supplies	132	183	69	135	0%	38%	-48%	2%	1.43	1.86	0.69	1.62	0%	31%	-52%	14%
Prof - Lab	4,415	4,412	5,573	3,279	0%	0%	26%	-26%	3.74	4.82	3.34	2.97	0%	29%	-11%	-20%
Prof - Radiology	1,431	1,674	1,040	1,552	0%	17%	-27%	8%	4.51	5.55	3.12	4.74	0%	23%	-31%	5%
Prof - Transportation	331	329	271	384	0%	-1%	-18%	16%	1.65	1.40	1.42	2.11	0%	-15%	-14%	28%
Prof - Other	9,692	10,115	7,302	11,268	0%	4%	-25%	16%	10.01	11.77	7.34	10.63	0%	18%	-27%	6%
Subtotal - Professional	23,159	24,957	19,687	24,362	0%	8%	-15%	5%	65.67	71.41	51.21	74.24	0%	9%	-22%	13%
Subtotal - Non Pharmacy	25,410	27,807	21,100	26,797	0%	9%	-17%	5%	\$ 129.91	\$ 137.67	\$ 111.63	\$ 139.44	0%	6%	-14%	7%
Total	38,820	43,618	31,190	40,958	0%	12%	-20%	6%	\$ 171.33	\$ 188.28	\$ 140.48	\$ 184.07	0%	10%	-18%	7%

TennCare

Exhibit 3

FY 2006 Per Capita Cost Development
Variance of Utilization and Per Capita Cost by Region
 From July 2003 through June 2004

Service Category	Duals ALL Ages															
	Utilization/1,000 members				Variance of Utilization/1,000 members				PMPM				Variance of PMPM by Region			
	Total	East	West	Middle	Total	East	West	Middle	Total	East	West	Middle	Total	East	West	Middle
Member Months	1,977,552															
Pharmacy - Brand	34,967	36,856	30,095	37,541	0%	5%	-14%	7%	\$ 206.36	\$ 220.60	\$ 172.11	\$ 223.22	0%	7%	-17%	8%
Pharmacy - Generic	36,401	37,190	34,032	38,310	0%	2%	-7%	5%	47.91	50.44	41.76	51.33	0%	5%	-13%	7%
Subtotal - Pharmacy	71,368	74,047	64,127	75,852	0%	4%	-10%	6%	254.27	271.04	213.87	274.54	0%	7%	-16%	8%
Home Health Care	15	21	11	10	0%	40%	-23%	-33%	2.03	1.56	1.71	2.96	0%	-23%	-16%	46%
IP - Maternity	0	0	1	0	0%	-40%	96%	-40%	0.02	0.01	0.04	0.00	0%	-26%	120%	-76%
IP - Newborn	2	1	1	2	0%	-30%	-12%	46%	0.11	0.04	0.14	0.19	0%	-67%	24%	70%
IP - Medical	38	39	18	54	0%	2%	-54%	41%	0.81	0.66	1.11	0.78	0%	-18%	37%	-3%
IP - Surgery	18	20	6	26	0%	10%	-66%	41%	0.54	0.63	0.44	0.52	0%	16%	-19%	-5%
IP - Other	19	15	8	34	0%	-23%	-57%	77%	0.58	0.47	0.61	0.70	0%	-18%	6%	21%
Subtotal - InPatient	78	75	34	117	0%	-3%	-56%	50%	2.06	1.82	2.34	2.19	0%	-12%	14%	6%
OP - Emergency Room	43	47	27	50	0%	10%	-37%	17%	0.35	0.38	0.37	0.28	0%	11%	7%	-18%
OP - Laboratory	17	21	14	15	0%	23%	-20%	-13%	0.17	0.18	0.28	0.07	0%	5%	67%	-59%
OP - Radiology	30	30	17	41	0%	-1%	-42%	36%	0.38	0.36	0.51	0.30	0%	-5%	36%	-20%
OP - Surgery	17	16	8	26	0%	-6%	-54%	53%	0.54	0.52	0.68	0.45	0%	-3%	27%	-16%
OP - Other	55	54	58	55	0%	-2%	5%	1%	5.85	6.65	6.13	4.66	0%	14%	5%	-20%
Subtotal - OutPatient	162	168	123	187	0%	4%	-24%	15%	7.28	8.08	7.98	5.77	0%	11%	10%	-21%
Prof - Evaluation & Management	733	779	546	841	0%	6%	-25%	15%	1.76	1.72	1.76	1.78	0%	-2%	0%	1%
Prof - Maternity	1	1	2	1	0%	-28%	87%	-33%	0.02	0.02	0.02	0.01	0%	1%	35%	-49%
Prof - Surgery	200	225	119	241	0%	12%	-41%	20%	0.61	0.65	0.57	0.61	0%	7%	-7%	0%
Prof - DME/Supplies	91	106	62	99	0%	16%	-32%	8%	0.77	0.89	0.43	0.91	0%	16%	-44%	19%
Prof - Lab	432	438	472	403	0%	1%	9%	-7%	0.25	0.30	0.24	0.21	0%	19%	-5%	-19%
Prof - Radiology	204	184	162	270	0%	-10%	-20%	33%	0.37	0.39	0.33	0.39	0%	6%	-11%	5%
Prof - Transportation	2,570	1,676	3,795	2,842	0%	-35%	48%	11%	6.33	4.13	6.20	9.65	0%	-35%	-2%	52%
Prof - Other	8,708	8,265	9,800	8,647	0%	-5%	13%	-1%	2.51	2.19	3.21	2.44	0%	-13%	28%	-3%
Subtotal - Professional	12,939	11,673	14,958	13,344	0%	-10%	16%	3%	12.62	10.30	12.77	16.00	0%	-18%	1%	27%
Subtotal - Non Pharmacy	13,193	11,936	15,127	13,657	0%	-10%	15%	4%	\$ 23.99	\$ 21.76	\$ 24.80	\$ 26.93	0%	-9%	3%	12%
Total	84,561	85,983	79,254	89,509	0%	2%	-6%	6%	\$ 278.26	\$ 292.80	\$ 238.67	\$ 301.47	0%	5%	-14%	8%

TennCare

Exhibit 3

FY 2006 Per Capita Cost Development
Variance of Utilization and Per Capita Cost by Region
 From July 2003 through June 2004

Service Category	Uninsured ALL Ages															
	Utilization/1,000 members				Variance of Utilization/1,000 members				PMPM				Variance of PMPM by Region			
	Total	East	West	Middle	Total	East	West	Middle	Total	East	West	Middle	Total	East	West	Middle
Member Months	1,942,401															
Member Months	1,955,059	839,374	465,038	637,989												
Pharmacy - Brand	8,789	9,318	7,642	9,013	0%	6%	-13%	3%	\$ 47.83	\$ 50.83	\$ 41.04	\$ 49.30	0%	6%	-14%	3%
Pharmacy - Generic	8,838	8,923	8,770	8,867	0%	1%	-1%	0%	12.06	12.61	11.18	12.09	0%	5%	-7%	0%
Subtotal - Pharmacy	17,627	18,242	16,413	17,879	0%	3%	-7%	1%	59.89	63.44	52.22	61.40	0%	6%	-13%	3%
Home Health Care	15	16	14	14	0%	9%	-9%	-6%	0.52	0.54	0.40	0.58	0%	3%	-24%	11%
IP - Maternity	8	7	6	11	0%	-12%	-33%	35%	0.61	0.43	0.87	0.67	0%	-30%	41%	10%
IP - Newborn	8	6	5	13	0%	-33%	-34%	62%	0.47	0.25	0.71	0.57	0%	-46%	52%	23%
IP - Medical	196	257	123	166	0%	31%	-38%	-16%	10.23	8.91	10.66	11.41	0%	-13%	4%	11%
IP - Surgery	81	77	82	85	0%	-5%	1%	4%	9.13	7.98	9.58	10.19	0%	-13%	5%	12%
IP - Other	69	82	46	67	0%	19%	-33%	-4%	4.83	4.16	4.66	5.66	0%	-14%	-4%	17%
Subtotal - InPatient	364	430	262	342	0%	18%	-28%	-6%	25.27	21.72	26.48	28.50	0%	-14%	5%	13%
OP - Emergency Room	569	604	461	589	0%	6%	-19%	4%	7.21	6.72	8.59	6.84	0%	-7%	19%	-5%
OP - Laboratory	172	217	113	152	0%	26%	-34%	-11%	1.98	1.91	2.99	1.41	0%	-4%	51%	-29%
OP - Radiology	362	372	287	395	0%	3%	-21%	9%	6.95	6.17	8.32	6.97	0%	-11%	20%	0%
OP - Surgery	134	141	102	145	0%	5%	-24%	8%	11.70	11.73	11.86	11.48	0%	0%	1%	-2%
OP - Other	255	256	206	283	0%	1%	-19%	11%	3.78	3.57	4.77	3.35	0%	-6%	26%	-11%
Subtotal - OutPatient	1,491	1,589	1,169	1,564	0%	7%	-22%	5%	31.61	30.11	36.53	30.05	0%	-5%	16%	-5%
Prof - Evaluation & Management	5,428	5,527	5,026	5,614	0%	2%	-7%	3%	27.70	24.11	26.45	32.86	0%	-13%	-5%	19%
Prof - Maternity	13	13	16	11	0%	-1%	23%	-16%	0.51	0.45	0.56	0.54	0%	-11%	11%	6%
Prof - Surgery	963	918	631	1,255	0%	-5%	-34%	30%	9.65	9.96	7.37	10.86	0%	3%	-24%	13%
Prof - DME/Supplies	242	275	198	232	0%	14%	-18%	-4%	2.71	2.83	1.92	3.11	0%	4%	-29%	15%
Prof - Lab	4,412	4,095	6,747	3,284	0%	-7%	53%	-26%	3.83	4.51	4.05	2.84	0%	18%	6%	-26%
Prof - Radiology	1,839	1,853	1,711	1,920	0%	1%	-7%	4%	6.49	6.59	6.10	6.68	0%	2%	-6%	3%
Prof - Transportation	412	341	396	515	0%	-17%	-4%	25%	1.90	1.46	1.76	2.57	0%	-23%	-7%	35%
Prof - Other	9,575	9,053	8,777	10,888	0%	-5%	-8%	14%	11.63	11.78	10.55	12.30	0%	1%	-9%	6%
Subtotal - Professional	22,883	22,075	23,501	23,718	0%	-4%	3%	4%	64.41	61.69	58.76	71.75	0%	-4%	-9%	11%
Subtotal - Non Pharmacy	24,753	24,110	24,946	25,638	0%	-3%	1%	4%	\$ 121.82	\$ 114.06	\$ 122.16	\$ 130.88	0%	-6%	0%	7%
Total	42,380	42,352	41,359	43,518	0%	0%	-2%	3%	\$ 181.71	\$ 177.50	\$ 174.39	\$ 192.28	0%	-2%	-4%	6%

FY 2006 Per Capita Cost Development
Variance of Utilization and Per Capita Cost by Region
 From July 2003 through June 2004

Service Category	Disabled ALL Ages															
	Utilization/1,000 members				Variance of Utilization/1,000 members				PMPM				Variance of PMPM by Region			
	Total	East	West	Middle	Total	East	West	Middle	Total	East	West	Middle	Total	East	West	Middle
Member Months	1,874,941															
Member Months	1,926,210	735,169	631,824	507,948												
Pharmacy - Brand	18,655	23,304	13,343	19,898	0%	25%	-28%	7%	\$ 124.91	\$ 155.53	\$ 88.20	\$ 135.74	0%	25%	-29%	9%
Pharmacy - Generic	21,754	26,298	17,279	22,409	0%	21%	-21%	3%	30.56	38.64	22.11	31.77	0%	26%	-28%	4%
Subtotal - Pharmacy	40,409	49,602	30,622	42,306	0%	23%	-24%	5%	155.47	194.17	110.31	167.51	0%	25%	-29%	8%
Home Health Care	191	262	131	177	0%	37%	-31%	-7%	16.37	20.72	14.63	14.06	0%	27%	-11%	-14%
IP - Maternity	18	15	19	21	0%	-14%	8%	17%	1.31	0.85	2.02	1.24	0%	-35%	55%	-5%
IP - Newborn	61	54	71	65	0%	-12%	16%	7%	4.60	4.24	6.23	3.66	0%	-8%	35%	-20%
IP - Medical	703	781	558	819	0%	11%	-21%	16%	43.21	35.57	51.27	48.40	0%	-18%	19%	12%
IP - Surgery	268	302	210	298	0%	13%	-22%	11%	24.29	24.06	24.44	25.83	0%	-1%	1%	6%
IP - Other	312	366	217	368	0%	18%	-30%	18%	27.56	24.37	27.43	34.71	0%	-12%	-1%	26%
Subtotal - InPatient	1,361	1,518	1,075	1,571	0%	12%	-21%	15%	100.97	89.09	111.38	113.84	0%	-12%	10%	13%
OP - Emergency Room	1,039	1,271	799	1,057	0%	22%	-23%	2%	15.02	15.18	17.22	13.50	0%	1%	15%	-10%
OP - Laboratory	435	631	255	403	0%	45%	-41%	-7%	6.41	6.72	8.17	4.55	0%	5%	28%	-29%
OP - Radiology	506	650	313	564	0%	29%	-38%	11%	12.66	13.73	12.52	12.43	0%	9%	-1%	-2%
OP - Surgery	203	252	131	232	0%	24%	-35%	14%	17.79	20.08	17.49	16.49	0%	13%	-2%	-7%
OP - Other	798	926	731	767	0%	16%	-8%	-4%	20.78	21.10	24.12	18.65	0%	2%	16%	-10%
Subtotal - OutPatient	2,981	3,730	2,229	3,023	0%	25%	-25%	1%	72.65	76.82	79.53	65.63	0%	6%	9%	-10%
Prof - Evaluation & Management	9,183	10,849	7,377	9,756	0%	18%	-20%	6%	50.24	50.92	42.36	61.21	0%	1%	-16%	22%
Prof - Maternity	21	23	20	18	0%	14%	-2%	-11%	0.84	0.72	1.06	0.81	0%	-14%	27%	-4%
Prof - Surgery	1,515	1,628	920	2,178	0%	7%	-39%	44%	15.16	18.58	9.79	17.98	0%	23%	-35%	19%
Prof - DME/Supplies	1,147	1,427	859	1,195	0%	24%	-25%	4%	16.71	19.91	10.76	20.60	0%	19%	-36%	23%
Prof - Lab	6,352	6,478	7,963	4,932	0%	2%	25%	-22%	5.16	6.80	4.53	4.05	0%	32%	-12%	-21%
Prof - Radiology	3,255	3,816	2,584	3,538	0%	17%	-21%	9%	10.39	12.15	8.28	11.33	0%	17%	-20%	9%
Prof - Transportation	2,441	2,239	2,511	2,874	0%	-8%	3%	18%	9.10	8.16	8.06	12.45	0%	-10%	-11%	37%
Prof - Other	54,932	55,133	56,154	58,920	0%	0%	2%	7%	34.84	37.17	31.35	38.92	0%	7%	-10%	12%
Subtotal - Professional	78,845	81,594	78,388	83,412	0%	3%	-1%	6%	142.44	154.41	116.19	167.35	0%	8%	-18%	17%
Subtotal - Non Pharmacy	83,377	87,105	81,822	88,183	0%	4%	-2%	6%	\$ 332.43	\$ 341.02	\$ 321.73	\$ 360.88	0%	3%	-3%	9%
Total	123,786	136,707	112,444	130,489	0%	10%	-9%	5%	\$ 487.90	\$ 535.20	\$ 432.04	\$ 528.38	0%	10%	-11%	8%

TennCare

Exhibit 3

FY 2006 Per Capita Cost Development
Variance of Utilization and Per Capita Cost by Region
 From July 2003 through June 2004

Service Category	Disabled Uninsured ALL Ages															
	Utilization/1,000 members				Variance of Utilization/1,000 members				PMPM				Variance of PMPM by Region			
	Total	East	West	Middle	Total	East	West	Middle	Total	East	West	Middle	Total	East	West	Middle
Member Months	32,167															
Member Months	32,337	14,543	6,268	11,356												
Pharmacy - Brand	21,052	22,120	19,184	20,720	0%	5%	-9%	-2%	\$ 129.30	\$ 138.96	\$ 120.52	\$ 122.33	0%	7%	-7%	-5%
Pharmacy - Generic	21,271	22,081	21,391	20,361	0%	4%	1%	-4%	31.35	34.16	29.28	29.25	0%	9%	-7%	-7%
Subtotal - Pharmacy	42,322	44,200	40,576	41,081	0%	4%	-4%	-3%	160.64	173.12	149.81	151.58	0%	8%	-7%	-6%
Home Health Care	75	84	38	82	0%	11%	-49%	9%	3.05	4.55	1.85	1.78	0%	49%	-39%	-42%
IP - Maternity	2	-	-	4	0%	-100%	-100%	170%	0.05	-	-	0.12	0%	-100%	-100%	170%
IP - Newborn	-	-	-	-	0%	0%	0%	0%	-	-	-	-	0%	0%	0%	0%
IP - Medical	594	778	306	502	0%	31%	-48%	-15%	38.06	32.06	26.21	50.59	0%	-16%	-31%	33%
IP - Surgery	279	337	177	255	0%	21%	-37%	-9%	35.73	40.17	22.04	36.61	0%	12%	-38%	2%
IP - Other	210	227	143	220	0%	8%	-32%	5%	24.12	15.55	10.37	41.06	0%	-36%	-57%	70%
Subtotal - InPatient	1,085	1,342	625	981	0%	24%	-42%	-10%	97.96	87.77	58.62	128.38	0%	-10%	-40%	31%
OP - Emergency Room	731	714	470	868	0%	-2%	-36%	19%	10.97	10.71	8.66	12.28	0%	-2%	-21%	12%
OP - Laboratory	381	552	215	244	0%	45%	-44%	-36%	5.30	5.81	7.86	3.07	0%	10%	48%	-42%
OP - Radiology	635	684	398	683	0%	8%	-37%	8%	14.72	14.72	12.68	15.55	0%	0%	-14%	6%
OP - Surgery	257	281	174	264	0%	10%	-32%	3%	22.68	25.62	15.58	22.31	0%	13%	-31%	-2%
OP - Other	526	490	511	572	0%	-7%	-3%	9%	14.34	14.83	16.12	12.70	0%	3%	12%	-11%
Subtotal - OutPatient	2,529	2,721	1,768	2,631	0%	8%	-30%	4%	68.01	71.69	60.90	65.90	0%	5%	-10%	-3%
Prof - Evaluation & Management	8,994	9,266	7,613	9,361	0%	3%	-15%	4%	48.54	42.25	42.47	57.96	0%	-13%	-13%	19%
Prof - Maternity	1	1	-	1	0%	10%	-100%	39%	0.01	0.02	-	0.01	0%	50%	-100%	-11%
Prof - Surgery	1,728	1,687	900	2,212	0%	-2%	-48%	28%	22.90	26.35	11.71	24.43	0%	15%	-49%	7%
Prof - DME/Supplies	931	1,255	519	737	0%	35%	-44%	-21%	13.23	17.58	5.04	12.02	0%	33%	-62%	-9%
Prof - Lab	6,540	6,767	8,628	5,202	0%	3%	32%	-20%	5.84	7.32	6.03	3.90	0%	25%	3%	-33%
Prof - Radiology	3,744	3,746	2,613	4,324	0%	0%	-30%	15%	13.47	13.20	10.22	15.46	0%	-2%	-24%	15%
Prof - Transportation	1,250	856	1,440	1,655	0%	-32%	15%	32%	4.68	3.54	3.67	6.66	0%	-24%	-21%	42%
Prof - Other	27,095	19,320	30,811	35,115	0%	-29%	14%	30%	32.06	31.58	28.30	34.69	0%	-1%	-12%	8%
Subtotal - Professional	50,283	42,898	52,523	58,608	0%	-15%	4%	17%	140.73	141.84	107.45	155.12	0%	1%	-24%	10%
Subtotal - Non Pharmacy	53,972	47,046	54,955	62,302	0%	-13%	2%	15%	\$ 309.75	\$ 305.85	\$ 228.82	\$ 351.18	0%	-1%	-26%	13%
Total	96,295	91,246	95,531	103,383	0%	-5%	-1%	7%	\$ 470.40	\$ 478.97	\$ 378.62	\$ 502.76	0%	2%	-20%	7%

TennCare

Exhibit 3

FY 2006 Per Capita Cost Development
Variance of Utilization and Per Capita Cost by Region
 From July 2003 through June 2004

Disabled Uninsurable ALL Ages																
	Utilization/1,000 members				Variance of Utilization/1,000 members				PMPM				Variance of PMPM by Region			
	Total	East	West	Middle	Total	East	West	Middle	Total	East	West	Middle	Total	East	West	Middle
Service Category	732,518															
Member Months	737,187	316,547	148,100	267,870												
Pharmacy - Brand	18,571	19,663	16,670	18,397	0%	6%	-10%	-1%	\$ 107.95	\$ 112.30	\$ 97.36	\$ 109.04	0%	4%	-10%	1%
Pharmacy - Generic	16,304	16,512	17,070	15,710	0%	1%	5%	-4%	21.36	23.21	20.12	19.93	0%	9%	-6%	-7%
Subtotal - Pharmacy	34,875	36,175	33,740	34,107	0%	4%	-3%	-2%	129.31	135.51	117.48	128.97	0%	5%	-9%	0%
Home Health Care	41	46	34	38	0%	12%	-17%	-8%	1.65	1.84	1.05	1.71	0%	11%	-37%	4%
IP - Maternity	5	4	6	5	0%	-26%	29%	11%	0.29	0.20	0.52	0.27	0%	-31%	80%	-9%
IP - Newborn	4	2	7	4	0%	-47%	84%	8%	0.20	0.09	0.53	0.16	0%	-57%	170%	-21%
IP - Medical	476	565	320	438	0%	19%	-33%	-8%	25.07	20.67	27.40	28.09	0%	-18%	9%	12%
IP - Surgery	232	221	233	234	0%	-5%	0%	1%	26.32	22.97	27.76	28.78	0%	-13%	5%	9%
IP - Other	176	209	125	161	0%	19%	-29%	-8%	15.74	13.19	17.98	17.27	0%	-16%	14%	10%
Subtotal - InPatient	892	1,000	691	843	0%	12%	-23%	-6%	67.62	57.11	74.20	74.56	0%	-16%	10%	10%
OP - Emergency Room	561	548	492	594	0%	-2%	-12%	6%	8.38	7.98	9.70	7.99	0%	-5%	16%	-5%
OP - Laboratory	345	437	250	282	0%	26%	-28%	-18%	4.64	4.71	7.32	3.17	0%	1%	58%	-32%
OP - Radiology	646	655	544	674	0%	1%	-16%	4%	14.26	13.28	17.00	13.77	0%	-7%	19%	-3%
OP - Surgery	251	260	213	255	0%	3%	-15%	2%	22.63	23.10	23.80	21.08	0%	2%	5%	-7%
OP - Other	465	467	360	504	0%	0%	-23%	8%	9.15	8.79	12.43	7.77	0%	-4%	36%	-15%
Subtotal - OutPatient	2,268	2,365	1,859	2,310	0%	4%	-18%	2%	59.06	57.85	70.26	53.78	0%	-2%	19%	-9%
Prof - Evaluation & Management	8,051	8,093	7,953	8,016	0%	1%	-1%	0%	39.93	33.94	40.82	45.76	0%	-15%	2%	15%
Prof - Maternity	6	6	7	5	0%	-2%	17%	-8%	0.23	0.20	0.22	0.25	0%	-11%	-6%	11%
Prof - Surgery	1,783	1,563	1,354	2,252	0%	-12%	-24%	26%	18.89	19.79	14.89	19.85	0%	5%	-21%	5%
Prof - DME/Supplies	611	734	525	513	0%	20%	-14%	-16%	7.16	7.50	5.41	7.68	0%	5%	-25%	7%
Prof - Lab	7,416	6,947	12,516	5,333	0%	-6%	69%	-28%	6.37	7.58	7.05	4.61	0%	19%	11%	-28%
Prof - Radiology	3,184	3,188	3,143	3,191	0%	0%	-1%	0%	12.49	12.68	11.87	12.59	0%	1%	-5%	1%
Prof - Transportation	622	559	602	699	0%	-10%	-3%	12%	2.98	2.33	2.86	3.79	0%	-22%	-4%	27%
Prof - Other	20,551	18,046	22,014	22,701	0%	-12%	7%	10%	28.32	28.72	26.73	28.61	0%	1%	-6%	1%
Subtotal - Professional	42,224	39,136	48,113	42,711	0%	-7%	14%	1%	116.37	112.75	109.84	123.14	0%	-3%	-6%	6%
Subtotal - Non Pharmacy	45,425	42,547	50,696	45,901	0%	-6%	12%	1%	\$ 244.70	\$ 229.55	\$ 255.35	\$ 253.19	0%	-6%	4%	3%
Total	80,300	78,722	84,436	80,008	0%	-2%	5%	0%	\$ 374.01	\$ 365.06	\$ 372.83	\$ 382.16	0%	-2%	0%	2%

TennCare

Exhibit 3

FY 2006 Per Capita Cost Development
Variance of Utilization and Per Capita Cost by Region
 From July 2003 through June 2004

Service Category	Waiver ALL Ages															
	Utilization/1,000 members				Variance of Utilization/1,000 members				PMPM				Variance of PMPM by Region			
	Total	East	West	Middle	Total	East	West	Middle	Total	East	West	Middle	Total	East	West	Middle
Member Months	436,416															
Member Months	438,150	202,127	102,253	132,036												
Pharmacy - Brand	32,597	33,148	30,735	33,236	0%	2%	-6%	2%	\$ 187.44	\$ 192.47	\$ 175.51	\$ 189.30	0%	3%	-6%	1%
Pharmacy - Generic	28,290	27,932	29,388	28,038	0%	-1%	4%	-1%	35.46	36.81	34.43	34.23	0%	4%	-3%	-3%
Subtotal - Pharmacy	60,887	61,080	60,124	61,275	0%	0%	-1%	1%	222.90	229.29	209.94	223.53	0%	3%	-6%	0%
Home Health Care	11	17	9	5	0%	55%	-15%	-58%	1.25	1.28	1.36	1.21	0%	3%	9%	-3%
IP - Maternity	0	0	0	0	0%	-40%	59%	-30%	0.01	0.00	0.01	0.00	0%	-26%	80%	-73%
IP - Newborn	0	0	0	1	0%	-39%	-35%	78%	0.03	0.01	0.03	0.06	0%	-71%	-7%	103%
IP - Medical	38	35	18	59	0%	-8%	-53%	54%	0.83	0.66	1.17	0.78	0%	-20%	42%	-6%
IP - Surgery	20	21	7	30	0%	3%	-67%	50%	0.53	0.49	0.51	0.59	0%	-7%	-3%	13%
IP - Other	20	18	7	34	0%	-12%	-65%	69%	0.56	0.55	0.55	0.58	0%	-1%	-1%	3%
Subtotal - InPatient	79	74	32	124	0%	-7%	-60%	57%	1.95	1.72	2.27	2.02	0%	-12%	17%	3%
OP - Emergency Room	29	30	17	38	0%	2%	-42%	30%	0.22	0.23	0.24	0.18	0%	7%	12%	-17%
OP - Laboratory	14	17	11	12	0%	21%	-23%	-10%	0.12	0.13	0.21	0.04	0%	7%	70%	-64%
OP - Radiology	27	25	14	39	0%	-8%	-46%	46%	0.30	0.27	0.42	0.24	0%	-10%	41%	-18%
OP - Surgery	15	14	7	25	0%	-12%	-57%	61%	0.42	0.37	0.53	0.39	0%	-10%	28%	-6%
OP - Other	60	59	61	60	0%	-1%	2%	1%	7.43	8.75	7.32	5.92	0%	18%	-1%	-20%
Subtotal - OutPatient	145	144	109	174	0%	0%	-24%	20%	8.48	9.75	8.72	6.78	0%	15%	3%	-20%
Prof - Evaluation & Management	656	670	506	770	0%	2%	-23%	17%	1.36	1.28	1.48	1.36	0%	-6%	9%	0%
Prof - Maternity	0	0	0	0	0%	-26%	55%	-26%	0.00	0.00	0.00	0.00	0%	-3%	-12%	-44%
Prof - Surgery	179	186	114	223	0%	4%	-36%	25%	0.49	0.48	0.52	0.48	0%	-1%	6%	-1%
Prof - DME/Supplies	84	98	60	85	0%	17%	-28%	2%	0.56	0.63	0.39	0.61	0%	14%	-31%	9%
Prof - Lab	363	365	396	342	0%	1%	9%	-6%	0.20	0.23	0.20	0.16	0%	16%	0%	-21%
Prof - Radiology	183	151	146	259	0%	-17%	-20%	42%	0.30	0.29	0.28	0.32	0%	-3%	-4%	10%
Prof - Transportation	2,448	1,599	3,603	2,703	0%	-35%	47%	10%	6.14	3.93	6.17	9.25	0%	-36%	0%	51%
Prof - Other	7,514	7,096	8,776	7,180	0%	-6%	17%	-4%	2.14	1.82	2.77	2.10	0%	-15%	30%	-2%
Subtotal - Professional	11,427	10,165	13,600	11,563	0%	-11%	19%	1%	11.19	8.67	11.82	14.28	0%	-23%	6%	28%
Subtotal - Non Pharmacy	11,662	10,400	13,751	11,866	0%	-11%	18%	2%	\$ 22.86	\$ 21.42	\$ 24.17	\$ 24.29	0%	-6%	6%	6%
Total	72,549	71,480	73,875	73,140	0%	-1%	2%	1%	\$ 245.76	\$ 250.71	\$ 234.10	\$ 247.82	0%	2%	-5%	1%