



F. Ronald Ogborne III, FSA, CERA, MAAA
Partner

Erik Axelsen, ASA, MAAA

Senior Associate
3560 Lenox Road NE, Suite 2400
Atlanta, GA 30326
+1 404 442 3100

www.mercer-government.mercer.com

Ms. Pam Diez
Deputy Medicaid Director/Chief Financial Officer
Louisiana Department of Health
Bureau of Health Services Financing
628 North 4th Street
Baton Rouge, LA 70821

August 5, 2019

Subject: Healthy Louisiana Program – Full Risk-Bearing Managed Care Organization (MCO) Rate Development and Actuarial Certification for the Period Effective July 1, 2019 through December 31, 2019

Dear Ms. Diez:

The Louisiana Department of Health (LDH) has contracted with Mercer Government Human Services Consulting (Mercer) to develop actuarially sound¹ capitation rate ranges for the State of Louisiana's (State) Healthy Louisiana program for the period of January 1, 2019 through December 31, 2019. This certification amends the previous certification issued May 22, 2019 and applies to the period of July 1, 2019 through December 31, 2019. The amendments include updates for new programmatic changes implemented by LDH after the prior certification was issued.

This letter presents an overview of the analyses and methodology used to support the programmatic changes, and the resulting capitation rate ranges effective July 1, 2019 through December 31, 2019 for the purpose of satisfying the requirements of the Centers for Medicare & Medicaid Services (CMS). This rate development process used Medicaid fee-for-service (FFS) medical and pharmacy claims, Healthy Louisiana Shared Savings claims experience, Healthy Louisiana Prepaid encounter data, and Louisiana Behavioral Health Partnership claims experience. It resulted in the development of a range of actuarially sound rates for each rate cell. The final capitation rates and rate ranges are summarized in Appendix A and represent payment in full for the covered services.

¹ Actuarially Sound/Actuarial Soundness — Medicaid capitation rates are “actuarially sound” if, for business for which the certification is being prepared and for the period covered by the certification, projected capitation rates and other revenue sources provide for all reasonable, appropriate, and attainable costs. For purposes of this definition, other revenue sources include, but are not limited to, expected reinsurance and governmental stop-loss cash flows, governmental risk adjustment cash flows, and investment income. For purposes of this definition, costs include, but are not limited to, expected health benefits, health benefit settlement expenses, administrative expenses, the cost of capital, and government-mandated assessments, fees, and taxes.

Reference: http://www.actuarialstandardsboard.org/wp-content/uploads/2015/03/asop049_179.pdf

BASE PROGRAM CHANGE ADJUSTMENTS

Program change adjustments recognize the impact of benefit or eligibility changes occurring during and after the base data period. CMS requires the rate setting methodology used to determine actuarially sound rates incorporate the results of any program changes that have taken place, or are anticipated to take place, between the start of the base data and the conclusion of the contract period.

Urine Drug Testing

Effective July 1, 2019, LDH adopted the following changes to the coverage of Urine Drug Testing:

- Presumptive drug testing is limited to 24 total tests per member per calendar year.
- Definitive drug testing is limited to 18 total tests per member per calendar year. CPT Codes 80320-80377 for individual substance(s) or metabolites will no longer be covered. Providers are required to use HCPCS codes G0480, G0481, or their successors. Testing more than 14 definitive drug classes per day is not reimbursable.
- No more than one presumptive and one definitive test will be reimbursed per day per recipient, from the same or different provider.

Additional details can be found in [HPA 19-10](#) published on LDH's website. The table below summarizes the impact of the changes to the coverage of Urine Drug Testing on projected costs on each rate cell.

COA	RATE CELL	URINE DRUG TESTING ADJUSTMENT
SSI	0 - 2 Months	0.00%
SSI	3 - 11 Months	0.00%
SSI	Child 1 - 20 Years	-0.04%
SSI	Adult 21+ Years	-0.07%
Family & Children	0 - 2 Months	0.00%
Family & Children	3 - 11 Months	0.00%
Family & Children	Child 1 - 20 Years	-0.03%
Family & Children	Adult 21+ Years	-0.25%
Foster Care Children	All Ages Male & Female	-0.13%

COA	RATE CELL	URINE DRUG TESTING ADJUSTMENT
BCC	BCC, All Ages	-0.01%
LAP	LAP, All Ages	-0.01%
HCBS	Child 1 - 20 Years	0.00%
HCBS	Adult 21+ Years	-0.04%
CCM	CCM, All Ages	-0.03%
SBH - CCM	SBH - CCM, All Ages	0.00%
SBH - Duals & LaHIPP	SBH - Dual Eligible & LaHIPP, All Ages	0.00%
SBH - HCBS	Child 1 - 20 Years	0.00%
SBH - HCBS	Adult 21+ Years	0.00%
SBH - Other	SBH - All Ages	0.00%
Maternity Kick Payment	Maternity Kick Payment	0.00%
EED Kick Payment	EED Kick Payment	0.00%

PROSPECTIVE RATING ADJUSTMENTS

Program change adjustments that occurred after the base data period, but before the conclusion of the rating period are referred to as Prospective Rating Adjustments.

Inpatient Fee Schedule Changes

Effective July 1, 2019, LDH released an updated Inpatient fee schedule which can be located on the LDH's website.² The revised fee schedule adjustments, as a percent of projected medical expenses, are summarized in the subsequent table. Please refer to Appendix C for a summary of the incremental impact of this program change.

² https://www.lamedicaid.com/provweb1/fee_schedules/feeschedulesindex.htm

COA	RATE CELL	FEE ADJUSTMENT EFFECTIVE 7/1/2019
SSI	0 - 2 Months	3.70%
SSI	3 - 11 Months	3.22%
SSI	Child 1 - 20 Years	3.38%
SSI	Adult 21+ Years	4.48%
Family & Children	0 - 2 Months	3.45%
Family & Children	3 - 11 Months	4.20%
Family & Children	Child 1 - 20 Years	4.33%
Family & Children	Adult 21+ Years	5.31%
Foster Care Children	All Ages Male & Female	4.50%
BCC	BCC, All Ages	2.22%
LAP	LAP, All Ages	4.82%
HCBS	Child 1 - 20 Years	3.97%
HCBS	Adult 21+ Years	3.92%
CCM	CCM, All Ages	4.83%
SBH - CCM	SBH - CCM, All Ages	3.36%
SBH - Duals & LaHIPP	SBH - Dual Eligible & LaHIPP, All Ages	1.43%
SBH - HCBS	Child 1 - 20 Years	3.24%
SBH - HCBS	Adult 21+ Years	5.74%
SBH - Other	SBH - All Ages	11.58%
Maternity Kick Payment	Maternity Kick Payment	8.45%
EED Kick Payment	EED Kick Payment	0.00%

FQHC/RHC Fee Schedule Changes

Effective July 1, 2019, LDH released updated Federally Qualified Health Center (FQHC) and Rural Health Center (RHC) fee schedules which can be located on the LDH's website.³ The updates are sourced from the annual refresh due to any changes to the Medicare Economic Index, which increased 1.5% for all FQHCs and RHCs (except those that receive a rate based on the alternative payment methodology). The revised fee schedule adjustments, as a percent of projected medical expenses, are summarized in the table below.

COA	RATE CELL	FEE ADJUSTMENT EFFECTIVE 7/1/2019
SSI	0 - 2 Months	0.00%
SSI	3 - 11 Months	0.00%
SSI	Child 1 - 20 Years	0.02%
SSI	Adult 21+ Years	0.02%
Family & Children	0 - 2 Months	0.01%
Family & Children	3 - 11 Months	0.08%
Family & Children	Child 1 - 20 Years	0.07%
Family & Children	Adult 21+ Years	0.05%
Foster Care Children	All Ages Male & Female	0.03%
BCC	BCC, All Ages	0.01%
LAP	LAP, All Ages	0.05%
HCBS	Child 1 - 20 Years	0.01%
HCBS	Adult 21+ Years	0.03%
CCM	CCM, All Ages	0.02%
SBH - CCM	SBH - CCM, All Ages	0.02%

³ https://www.lamedicaid.com/provweb1/fee_schedules/feescheduleindex.htm

COA	RATE CELL	FEE ADJUSTMENT EFFECTIVE 7/1/2019
SBH - Duals & LaHIPP	SBH - Dual Eligible & LaHIPP, All Ages	0.00%
SBH - HCBS	Child 1 - 20 Years	0.04%
SBH - HCBS	Adult 21+ Years	0.05%
SBH - Other	SBH - All Ages	0.00%
Maternity Kick Payment	Maternity Kick Payment	0.02%
EED Kick Payment	EED Kick Payment	0.00%

Home and Community Based Services Fee Schedule Changes

Effective July 1, 2019, LDH released an updated home- and community-based services (HCBS) fee schedule which can be located on the LDH's website.⁴ The revised fee schedule adjustments, as a percent of projected medical expenses, are summarized in the table below.

COA	RATE CELL	FEE ADJUSTMENT EFFECTIVE 7/1/2019
SSI	0 - 2 Months	0.00%
SSI	3 - 11 Months	0.01%
SSI	Child 1 - 20 Years	0.15%
SSI	Adult 21+ Years	0.00%
Family & Children	0 - 2 Months	0.00%
Family & Children	3 - 11 Months	0.00%
Family & Children	Child 1 - 20 Years	0.00%
Family & Children	Adult 21+ Years	0.00%

⁴ https://www.lamedicaid.com/provweb1/fee_schedules/feescheduleindex.htm

COA	RATE CELL	FEE ADJUSTMENT EFFECTIVE 7/1/2019
Foster Care Children	All Ages Male & Female	0.01%
BCC	BCC, All Ages	0.00%
LAP	LAP, All Ages	0.00%
HCBS	Child 1 - 20 Years	2.83%
HCBS	Adult 21+ Years	0.00%
CCM	CCM, All Ages	1.79%
SBH - CCM	SBH - CCM, All Ages	0.00%
SBH - Duals & LaHIPP	SBH - Dual Eligible & LaHIPP, All Ages	0.00%
SBH - HCBS	Child 1 - 20 Years	0.00%
SBH - HCBS	Adult 21+ Years	0.00%
SBH - Other	SBH - All Ages	0.00%
Maternity Kick Payment	Maternity Kick Payment	0.00%
EED Kick Payment	EED Kick Payment	0.00%

Single Preferred Drug List Updates

Effective May 1, 2019, LDH implemented a Single Preferred Drug List (PDL) for selected therapeutic classes. Effective July 1, 2019, LDH replaced Mavyret™, Epclusa®, and Vosevi® with the authorized generic of Epclusa as the preferred Direct Acting Antiviral (DAA) for Hepatitis C on the PDL. Concurrently, LDH also removed all prior authorization restrictions on its criteria for the use of the preferred Hepatitis C DAA.

To estimate the impact of these changes on the pharmacy utilization and cost, Mercer's actuaries and pharmacists reviewed the historical utilization of Hepatitis C DAAs, publically available research on the interaction between prior authorization criteria and Hepatitis C DAA utilization, known and estimated prevalence of Hepatitis C in the Louisiana Medicaid population, and the State's projections of Hepatitis C DAA use between July 1, 2019 and December 31, 2019. As a result of this analysis, Mercer revised its pharmacy trends; a summary of the revised annual pharmacy trend factors by rate cell are summarized in the subsequent table.

COA	RATE CELL	PHARMACY TREND
SSI	0 - 2 Months	1.14%
SSI	3 - 11 Months	3.19%
SSI	Child 1 - 20 Years	7.75%
SSI	Adult 21+ Years	7.17%
Family & Children	0 - 2 Months	2.22%
Family & Children	3 - 11 Months	3.26%
Family & Children	Child 1 - 20 Years	3.35%
Family & Children	Adult 21+ Years	6.92%
Foster Care Children	All Ages Male & Female	5.28%
BCC	BCC, All Ages	13.98%
LAP	LAP, All Ages	2.29%
HCBS	Child 1 - 20 Years	5.74%
HCBS	Adult 21+ Years	5.74%
CCM	CCM, All Ages	6.84%

Note: pharmacy is not a covered benefit in the SBH and Maternity rate cells.

Streamlined Hepatitis C Screening and Treatment Algorithm

Effective July 15, 2019, LDH implemented its Hepatitis C “Subscription Model” agreement with Asegua Therapeutics LLC. As a part of this agreement, LDH also adopted a streamlined protocol for Hepatitis C screening and monitoring. As compared to the protocols in place prior to the implementation of this agreement, the streamlined protocol will eliminate or reduce the utilization of the many services for individuals associated with the testing and subsequent treatment of Hepatitis C; examples include:

- Genotype testing
- Fibrosure testing
- RNA testing

In order to evaluate the impact of these changes, Mercer estimated the impact of eliminating or reducing the services that are no longer expected to be a part of the new treatment protocol on a per individual basis. LDH's FFS fee schedule was used to price the services in question. The FFS prices were also benchmarked against MCO-reported unit costs. The overall change in screen and treatment costs were also adjusted to account for the dramatic increase in the number of Medicaid enrollees expected to be treated for Hepatitis C between July 1, 2019 and December 31, 2019. A summary of the estimated impact of these changes by rate cell are summarized in the table below. Please refer to Appendix B for additional detail regarding this adjustment.

COA	RATE CELL	ADJUSTMENT
SSI	0 - 2 Months	0.00%
SSI	3 - 11 Months	0.00%
SSI	Child 1 - 20 Years	0.00%
SSI	Adult 21+ Years	0.03%
Family & Children	0 - 2 Months	0.00%
Family & Children	3 - 11 Months	0.00%
Family & Children	Child 1 - 20 Years	0.00%
Family & Children	Adult 21+ Years	0.01%
Foster Care Children	All Ages Male & Female	0.00%
BCC	BCC, All Ages	0.01%
LAP	LAP, All Ages	0.00%
HCBS	Child 1 - 20 Years	0.00%
HCBS	Adult 21+ Years	0.01%
CCM	CCM, All Ages	0.00%
SBH - CCM	SBH - CCM, All Ages	0.00%
SBH - Duals & LaHIPP	SBH - Dual Eligible & LaHIPP, All Ages	0.00%
SBH - HCBS	Child 1 - 20 Years	0.00%
SBH - HCBS	Adult 21+ Years	0.00%

COA	RATE CELL	ADJUSTMENT
SBH - Other	SBH - All Ages	0.00%
Maternity Kick Payment	Maternity Kick Payment	0.00%
EED Kick Payment	EED Kick Payment	0.00%

NON-MEDICAL EXPENSE LOAD

Administrative Expense Load

The actuarially sound capitation rates developed include a provision for MCO administration and other non-medical expenses. Due to the anticipated increase in the number of Medicaid enrollees expected to be treated for Hepatitis C between July 1, 2019 and December 31, 2019, Mercer determined it was necessary to increase the administrative expense load to account for additional Hepatitis C-related case management costs.

Mercer estimated historical Hepatitis C-related case management costs based on the MCO financial reports and developed an add-on commensurate with the expected increase in the number of Medicaid enrollees who will be treated for Hepatitis C between July 1, 2019 and December 31, 2019. A summary of the estimated impact of these changes by rate cell are summarized in the table below.

COA	Rate Cell	Fixed Admin PMPM Add-on			
		Gulf	Capital	South Central	North
SSI	Adult 21+ Years	\$0.68	\$0.51	\$0.28	\$0.30
Family & Children	Child 1 - 20 Years	\$0.00	\$0.00	\$0.00	\$0.00
Family & Children	Adult 21+ Years	\$0.04	\$0.03	\$0.02	\$0.02
BCC	BCC, All Ages	\$0.42	\$0.67	\$0.00	\$0.00
HCBS	Adult 21+ Years	\$0.12	\$0.32	\$0.00	\$0.15

RISK CORRIDOR

Due to the increased uncertainty around Hepatitis C-related costs in the July 1, 2019 through December 31, 2019 period, LDH will implement a risk corridor for Hepatitis C-related pharmacy, physician, and laboratory costs. LDH is working with the MCOs to finalize the details of the risk corridor, but the parameters are anticipated to follow:

Gain or Loss	Share of Contractor Loss/Gain	
	Contractor	LDH
Less than or equal to 1.0% of the aggregate Hepatitis C-related medical component of the risk adjusted capitation payment	100.00%	0.00%
Greater than 1.0% of the aggregate Hepatitis C-related medical component of the risk adjusted capitation payment	1.00%	99.00%

CERTIFICATION OF FINAL RATE RANGES

This certification assumes items in the Medicaid State Plan or Waiver, as well as the Healthy Louisiana MCO contract, have been approved by CMS.

In preparing the rate ranges shown in Appendix A, Mercer has used and relied upon enrollment, FFS claims, encounter data, reimbursement level, benefit design and other information supplied by LDH and its fiscal agent. LDH, its fiscal agent and the Healthy Louisiana MCOs are responsible for the validity and completeness of the data supplied. We have reviewed the data and information for internal consistency and reasonableness, but we did not audit them. In our opinion they are appropriate for the intended purposes. However, if the data and information are incomplete/inaccurate, the values shown in this report may differ significantly from values that would be obtained with accurate and complete information; this may require a later revision to this report.

Because modeling all aspects of a situation or scenario is not possible or practical, Mercer may use summary information, estimates, or simplifications of calculations to facilitate the modeling of future events in an efficient and cost-effective manner. Mercer may also exclude factors or data that are immaterial in our judgment. Use of such simplifying techniques does not, in our judgment, affect the reasonableness, appropriateness, or attainability of the results for the Medicaid program. Actuarial assumptions may also be changed from one certification period to the next because of changes in mandated requirements, program experience, changes in expectations about the future, and other factors. A change in assumptions is not an indication that prior assumptions were unreasonable, inappropriate, or unattainable when they were made.

Mercer certifies the rate ranges in Appendix A, including any risk-sharing mechanisms, were developed in accordance with generally accepted actuarial practices and principles and are appropriate for the Medicaid covered populations and services under the Healthy Louisiana MCO contract. The undersigned actuaries are members of the American Academy of Actuaries and meet its qualification standards to certify to the actuarial soundness of Medicaid managed care capitation rates.

Page 12
August 5, 2019
Ms. Pam Diez
Louisiana Department of Health

Rates and ranges developed by Mercer are actuarial projections of future contingent events. All estimates are based upon the information and data available at a point in time, and are subject to unforeseen and random events. Therefore, any projection must be interpreted as having a likely, and potentially wide, range of variability from the estimate. Any estimate or projection may not be used or relied upon by any other party or for any other purpose than for which it was issued by Mercer. Mercer is not responsible for the consequences of any unauthorized use. Actual Healthy Louisiana MCO costs will differ from these projections. Mercer has developed these rates on behalf of LDH to demonstrate compliance with the CMS requirements under 42 CFR 438.4 and accordance with applicable law and regulations. Use of these rate ranges for any purpose beyond that stated may not be appropriate.

Healthy Louisiana MCOs are advised that the use of these rate ranges may not be appropriate for their particular circumstance and Mercer disclaims any responsibility for the use of these rate ranges by Healthy Louisiana MCOs for any purpose. Mercer recommends that any MCO considering contracting with LDH should analyze its own projected medical expense, administrative expense, and any other premium needs for comparison to these rate ranges before deciding whether to contract with LDH.

LDH understands that Mercer is not engaged in the practice of law, or in providing advice on taxation matters. This report, which may include commenting on legal or taxation issues or regulations, does not constitute and is not a substitute for legal or taxation advice. Accordingly, Mercer recommends that LDH secure the advice of competent legal and taxation counsel with respect to any legal or taxation matters related to this report or otherwise.

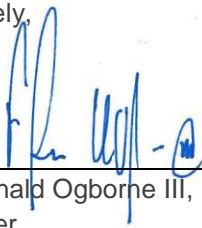
This certification letter assumes the reader is familiar with the Healthy Louisiana Program, Medicaid eligibility rules, and actuarial rate-setting techniques. It has been prepared exclusively for LDH and CMS, and should not be relied upon by third parties. Other readers should seek the advice of actuaries or other qualified professionals competent in the area of actuarial rate projections to understand the technical nature of these results. Mercer is not responsible for, and expressly disclaims liability for, any reliance on this report by third parties.

LDH agrees to notify Mercer within 30 days of receipt of this report if it disagrees with anything contained in this report or is aware of any information or data that would affect the results of this report that has not been communicated or provided to Mercer or incorporated herein. The report will be deemed final and acceptable to LDH if nothing is received by Mercer within such 30-day period.

Page 13
August 5, 2019
Ms. Pam Diez
Louisiana Department of Health

If you have any questions on any of the above, please feel free to contact Ron Ogborne at +1 602 522 6595 or Erik Axelsen at +1 404 442 3517 at your convenience.

Sincerely,



F. Ronald Ogborne III, FSA, MAAA, CERA
Partner



Erik Axelsen, ASA, MAAA
Senior Associate

Copy:
Amanda Joyner, Deputy Assistant Secretary – OBH/LDH
Marisa Naquin, Managed Care Finance – LDH
Jen Steele, Medicaid Director – LDH
Karen Stubbs, Deputy Assistant Secretary – OBH/LDH

Christina Coleman, Associate – Mercer
Adam Sery, FSA, MAAA, Principal – Mercer

APPENDIX A: HEALTHY LOUISIANA CAPITATION RATE RANGE

REGION	COA	RATE CELL	LOWER BOUND PMPM OR COST PER DELIVERY	REASONABLY ATTAINABLE PMPM OR COST PER DELIVERY	UPPER BOUND PMPM OR COST PER DELIVERY
Gulf	SSI	0 - 2 Months	\$29,394.76	\$29,421.76	\$31,210.57
Gulf	SSI	3 - 11 Months	\$5,734.05	\$5,739.54	\$6,099.13
Gulf	SSI	Child 1 - 20 Years	\$796.81	\$797.69	\$850.92
Gulf	SSI	Adult 21+ Years	\$1,566.69	\$1,568.26	\$1,667.77
Gulf	Family & Children	0 - 2 Months	\$3,240.62	\$3,243.19	\$3,419.41
Gulf	Family & Children	3 - 11 Months	\$313.75	\$314.06	\$332.33
Gulf	Family & Children	Child 1 - 20 Years	\$189.00	\$189.21	\$202.05
Gulf	Family & Children	Adult 21+ Years	\$404.23	\$404.65	\$431.13
Gulf	Foster Care Children	All Ages Male & Female	\$537.84	\$538.47	\$579.59
Gulf	BCC	BCC, All Ages	\$2,315.58	\$2,318.01	\$2,457.32
Gulf	LAP	LAP, All Ages	\$226.94	\$227.19	\$241.95
Gulf	HCBS	Child 1 - 20 Years	\$1,876.97	\$1,879.01	\$2,002.44
Gulf	HCBS	Adult 21+ Years	\$1,518.99	\$1,520.65	\$1,627.10
Gulf	CCM	CCM, All Ages	\$1,523.80	\$1,525.55	\$1,606.87
Gulf	SBH - CCM	SBH - CCM, All Ages	\$340.80	\$340.80	\$356.56

REGION	COA	RATE CELL	LOWER BOUND PMPM OR COST PER DELIVERY	REASONABLY ATTAINABLE PMPM OR COST PER DELIVERY	UPPER BOUND PMPM OR COST PER DELIVERY
Gulf	SBH - Duals	SBH - Dual Eligible, All Ages	\$40.22	\$40.22	\$43.86
Gulf	SBH - LaHIPP	SBH - LaHIPP, All Ages	\$40.22	\$40.22	\$43.86
Gulf	SBH - HCBS	Child 1 - 20 Years	\$223.58	\$223.58	\$229.56
Gulf	SBH - HCBS	Adult 21+ Years	\$68.76	\$68.76	\$74.47
Gulf	SBH - Other	SBH - All Ages	\$177.47	\$177.47	\$189.37
Gulf	Maternity Kick Payment	Maternity Kick Payment	\$15,127.22	\$15,127.22	\$15,770.15
Gulf	EED Kick Payment	EED Kick Payment	\$7,622.91	\$7,622.91	\$7,749.46
Gulf	Medicaid Expansion	SBH - Dual Eligible, All Ages	\$40.22	\$40.22	\$43.86
Gulf	Medicaid Expansion	SBH - LaHIPP, All Ages	\$40.22	\$40.22	\$43.86
Gulf	Medicaid Expansion	SBH - Other	\$177.47	\$177.47	\$189.37
Gulf	Medicaid Expansion	SBH - CCM, All Ages	\$340.80	\$340.80	\$356.56
Gulf	Medicaid Expansion	Maternity Kick Payment	\$15,127.22	\$15,127.22	\$15,770.15
Gulf	Medicaid Expansion	EED Kick Payment	\$7,622.91	\$7,622.91	\$7,749.46

REGION	COA	RATE CELL	LOWER BOUND PMPM OR COST PER DELIVERY	REASONABLY ATTAINABLE PMPM OR COST PER DELIVERY	UPPER BOUND PMPM OR COST PER DELIVERY
Capital	SSI	0 - 2 Months	\$29,844.11	\$29,871.67	\$31,702.66
Capital	SSI	3 - 11 Months	\$5,709.47	\$5,714.92	\$6,072.22
Capital	SSI	Child 1 - 20 Years	\$841.01	\$841.98	\$900.38
Capital	SSI	Adult 21+ Years	\$1,524.22	\$1,525.85	\$1,629.19
Capital	Family & Children	0 - 2 Months	\$2,866.33	\$2,869.04	\$3,057.35
Capital	Family & Children	3 - 11 Months	\$288.55	\$288.85	\$306.85
Capital	Family & Children	Child 1 - 20 Years	\$192.32	\$192.53	\$205.96
Capital	Family & Children	Adult 21+ Years	\$433.24	\$433.70	\$462.72
Capital	Foster Care Children	All Ages Male & Female	\$540.71	\$541.34	\$582.77
Capital	BCC	BCC, All Ages	\$2,316.47	\$2,318.90	\$2,458.07
Capital	LAP	LAP, All Ages	\$221.54	\$221.78	\$236.48
Capital	HCBS	Child 1 - 20 Years	\$1,981.22	\$1,983.39	\$2,111.53
Capital	HCBS	Adult 21+ Years	\$1,525.12	\$1,526.78	\$1,633.82
Capital	CCM	CCM, All Ages	\$1,410.33	\$1,411.94	\$1,493.33
Capital	SBH - CCM	SBH - CCM, All Ages	\$266.52	\$266.52	\$281.37

REGION	COA	RATE CELL	LOWER BOUND PMPM OR COST PER DELIVERY	REASONABLY ATTAINABLE PMPM OR COST PER DELIVERY	UPPER BOUND PMPM OR COST PER DELIVERY
Capital	SBH - Duals	SBH - Dual Eligible, All Ages	\$26.92	\$26.92	\$29.27
Capital	SBH - LaHIPP	SBH - LaHIPP, All Ages	\$26.92	\$26.92	\$29.27
Capital	SBH - HCBS	Child 1 - 20 Years	\$163.39	\$163.39	\$168.69
Capital	SBH - HCBS	Adult 21+ Years	\$68.58	\$68.58	\$74.31
Capital	SBH - Other	SBH - All Ages	\$175.32	\$175.32	\$187.04
Capital	Maternity Kick Payment	Maternity Kick Payment	\$11,223.90	\$11,223.90	\$11,783.14
Capital	EED Kick Payment	EED Kick Payment	\$4,696.28	\$4,696.28	\$4,806.36
Capital	Medicaid Expansion	SBH - Dual Eligible, All Ages	\$26.92	\$26.92	\$29.27
Capital	Medicaid Expansion	SBH - LaHIPP, All Ages	\$26.92	\$26.92	\$29.27
Capital	Medicaid Expansion	SBH - Other	\$175.32	\$175.32	\$187.04
Capital	Medicaid Expansion	SBH - CCM, All Ages	\$266.52	\$266.52	\$281.37
Capital	Medicaid Expansion	Maternity Kick Payment	\$11,223.90	\$11,223.90	\$11,783.14
Capital	Medicaid Expansion	EED Kick Payment	\$4,696.28	\$4,696.28	\$4,806.36

REGION	COA	RATE CELL	LOWER BOUND PMPM OR COST PER DELIVERY	REASONABLY ATTAINABLE PMPM OR COST PER DELIVERY	UPPER BOUND PMPM OR COST PER DELIVERY
South Central	SSI	0 - 2 Months	\$29,367.78	\$29,394.75	\$31,180.99
South Central	SSI	3 - 11 Months	\$5,721.48	\$5,726.95	\$6,085.36
South Central	SSI	Child 1 - 20 Years	\$750.54	\$751.40	\$802.31
South Central	SSI	Adult 21+ Years	\$1,369.15	\$1,370.60	\$1,462.19
South Central	Family & Children	0 - 2 Months	\$3,094.85	\$3,097.76	\$3,299.69
South Central	Family & Children	3 - 11 Months	\$296.64	\$296.95	\$315.97
South Central	Family & Children	Child 1 - 20 Years	\$187.24	\$187.45	\$200.72
South Central	Family & Children	Adult 21+ Years	\$395.15	\$395.57	\$422.03
South Central	Foster Care Children	All Ages Male & Female	\$539.50	\$540.13	\$581.08
South Central	BCC	BCC, All Ages	\$2,309.19	\$2,311.61	\$2,450.38
South Central	LAP	LAP, All Ages	\$231.32	\$231.57	\$246.25
South Central	HCBS	Child 1 - 20 Years	\$1,880.22	\$1,882.26	\$2,005.06
South Central	HCBS	Adult 21+ Years	\$1,513.34	\$1,514.99	\$1,620.68
South Central	CCM	CCM, All Ages	\$1,370.91	\$1,372.47	\$1,453.47
South Central	SBH - CCM	SBH - CCM, All Ages	\$280.65	\$280.65	\$295.98

REGION	COA	RATE CELL	LOWER BOUND PMPM OR COST PER DELIVERY	REASONABLY ATTAINABLE PMPM OR COST PER DELIVERY	UPPER BOUND PMPM OR COST PER DELIVERY
South Central	SBH - Duals	SBH - Dual Eligible, All Ages	\$26.53	\$26.53	\$28.86
South Central	SBH - LaHIPP	SBH - LaHIPP, All Ages	\$26.53	\$26.53	\$28.86
South Central	SBH - HCBS	Child 1 - 20 Years	\$66.96	\$66.96	\$71.36
South Central	SBH - HCBS	Adult 21+ Years	\$68.58	\$68.58	\$74.30
South Central	SBH - Other	SBH - All Ages	\$177.15	\$177.15	\$189.02
South Central	Maternity Kick Payment	Maternity Kick Payment	\$10,318.01	\$10,318.01	\$10,863.37
South Central	EED Kick Payment	EED Kick Payment	\$3,952.00	\$3,952.00	\$4,059.34
South Central	Medicaid Expansion	SBH - Dual Eligible, All Ages	\$26.53	\$26.53	\$28.86
South Central	Medicaid Expansion	SBH - LaHIPP, All Ages	\$26.53	\$26.53	\$28.86
South Central	Medicaid Expansion	SBH - Other	\$177.15	\$177.15	\$189.02
South Central	Medicaid Expansion	SBH - CCM, All Ages	\$280.65	\$280.65	\$295.98
South Central	Medicaid Expansion	Maternity Kick Payment	\$10,318.01	\$10,318.01	\$10,863.37
South Central	Medicaid Expansion	EED Kick Payment	\$3,952.00	\$3,952.00	\$4,059.34

REGION	COA	RATE CELL	LOWER BOUND PMPM OR COST PER DELIVERY	REASONABLY ATTAINABLE PMPM OR COST PER DELIVERY	UPPER BOUND PMPM OR COST PER DELIVERY
North	SSI	0 - 2 Months	\$29,188.75	\$29,215.49	\$30,984.97
North	SSI	3 - 11 Months	\$5,640.74	\$5,646.11	\$5,996.94
North	SSI	Child 1 - 20 Years	\$808.23	\$809.16	\$863.74
North	SSI	Adult 21+ Years	\$1,261.26	\$1,262.61	\$1,348.26
North	Family & Children	0 - 2 Months	\$2,746.73	\$2,749.21	\$2,919.11
North	Family & Children	3 - 11 Months	\$280.87	\$281.16	\$298.49
North	Family & Children	Child 1 - 20 Years	\$207.21	\$207.45	\$222.61
North	Family & Children	Adult 21+ Years	\$375.70	\$376.11	\$402.25
North	Foster Care Children	All Ages Male & Female	\$566.69	\$567.35	\$609.65
North	BCC	BCC, All Ages	\$2,303.22	\$2,305.63	\$2,443.83
North	LAP	LAP, All Ages	\$219.23	\$219.47	\$234.09
North	HCBS	Child 1 - 20 Years	\$1,926.32	\$1,928.42	\$2,051.39
North	HCBS	Adult 21+ Years	\$1,529.18	\$1,530.85	\$1,638.24
North	CCM	CCM, All Ages	\$1,397.71	\$1,399.31	\$1,481.17
North	SBH - CCM	SBH - CCM, All Ages	\$281.51	\$281.51	\$297.30

REGION	COA	RATE CELL	LOWER BOUND PMPM OR COST PER DELIVERY	REASONABLY ATTAINABLE PMPM OR COST PER DELIVERY	UPPER BOUND PMPM OR COST PER DELIVERY
North	SBH - Duals	SBH - Dual Eligible, All Ages	\$33.54	\$33.54	\$36.52
North	SBH - LaHIPP	SBH - LaHIPP, All Ages	\$33.54	\$33.54	\$36.52
North	SBH - HCBS	Child 1 - 20 Years	\$123.79	\$123.79	\$128.88
North	SBH - HCBS	Adult 21+ Years	\$69.79	\$69.79	\$75.62
North	SBH - Other	SBH - All Ages	\$176.35	\$176.35	\$187.94
North	Maternity Kick Payment	Maternity Kick Payment	\$11,566.24	\$11,566.24	\$12,118.98
North	EED Kick Payment	EED Kick Payment	\$5,115.99	\$5,115.99	\$5,224.79
North	Medicaid Expansion	SBH - Dual Eligible, All Ages	\$33.54	\$33.54	\$36.52
North	Medicaid Expansion	SBH - LaHIPP, All Ages	\$33.54	\$33.54	\$36.52
North	Medicaid Expansion	SBH - Other	\$176.35	\$176.35	\$187.94
North	Medicaid Expansion	SBH - CCM, All Ages	\$281.51	\$281.51	\$297.30
North	Medicaid Expansion	Maternity Kick Payment	\$11,566.24	\$11,566.24	\$12,118.98
North	Medicaid Expansion	EED Kick Payment	\$5,115.99	\$5,115.99	\$5,224.79

APPENDIX B: NON-RX HEPATITIS C EXPENSE ADJUSTMENT

Service Type	FFS Unit Cost	Hepatitis C Treatment Protocol Change	
		Current Practice	Streamlined Practice
Antibody	\$15.62	1	1
RNAs	\$46.85	6	2
Genotype	\$281.55	1	0
CMP	\$9.25	2	1
CBC	\$7.73	1	1
INR	\$3.92	1	1
Liver tests	\$8.93	2	1
Fibrosure	\$51.14	1	0
HbsAg	\$11.29	1	1
anti-HBs	\$11.75	1	1
anti-HBc	\$13.18	1	1
Office visit (level 3)	\$41.53	7	5
Total		25	15

Page 23
August 5, 2019
Ms. Pam Diez
Louisiana Department of Health

Impact Calculation	
Current Practice Cost Per User	\$1,004.35
Streamlined Practice Cost Per User	\$383.02
Discount	-61.9%
Hepatitis C Recipients 2019 Q1 & Q2	497
Hepatitis C Recipients 2019 Q3 & Q4 (Estimate)	1,503
Adherence to Streamlined Practice Rate	60%
	FFS Pricing
2019 Q1 & Q2 - Est. Cost Under Current Practice	\$499,162
2019 Q3 & Q4 - Est. Cost Under Streamlined Practice	\$949,223
Change in Cost for 2019 Q3 & Q4	\$450,061
Percentage Change in Cost	90%

* The \$450,061 impact includes both the Expansion and Non-Expansion populations.

Apr 2019 - Jun 2019 Rates									
COA	RATE CELL	PROJ MMs ¹	A	B	C	D	E=A+B+C+D	F	G=E+F
			CLAIMS PMPM	ADMIN PMPM	PREM TAX PMPM	UW GAIN PMPM	LIMITED RATE PMPM	FMP PMPM	FULL RATE PMPM
SSI	0 - 2 Months	678	\$ 18,962.52	\$ 1,199.85	\$ 1,192.40	\$ 325.20	\$ 21,679.96	\$ 7,787.83	\$ 29,467.79
SSI	3 - 11 Months	6,101	\$ 3,809.77	\$ 237.50	\$ 239.35	\$ 65.28	\$ 4,351.90	\$ 1,347.13	\$ 5,699.03
SSI	Child 1 - 20 Years	424,104	\$ 630.57	\$ 44.31	\$ 39.91	\$ 10.89	\$ 725.68	\$ 71.89	\$ 797.57
SSI	Adult 21+ Years	882,601	\$ 1,025.44	\$ 61.05	\$ 64.25	\$ 17.52	\$ 1,168.27	\$ 236.13	\$ 1,404.39
Family & Children	0 - 2 Months	123,687	\$ 1,857.56	\$ 134.72	\$ 117.82	\$ 32.13	\$ 2,142.24	\$ 868.55	\$ 3,010.79
Family & Children	3 - 11 Months	416,371	\$ 199.69	\$ 25.63	\$ 13.33	\$ 3.63	\$ 242.29	\$ 53.87	\$ 296.16
Family & Children	Child 1 - 20 Years	7,881,855	\$ 140.22	\$ 20.94	\$ 9.53	\$ 2.60	\$ 173.29	\$ 19.72	\$ 193.02
Family & Children	Adult 21+ Years	1,265,269	\$ 285.71	\$ 27.48	\$ 18.52	\$ 5.05	\$ 336.77	\$ 64.05	\$ 400.82
Foster Care Children	All Ages Male & Female	155,493	\$ 439.64	\$ 35.10	\$ 28.08	\$ 7.66	\$ 510.47	\$ 35.88	\$ 546.35
BCC	BCC, All Ages	5,736	\$ 1,695.77	\$ 92.19	\$ 105.74	\$ 28.84	\$ 1,922.54	\$ 377.57	\$ 2,300.10
LAP	LAP, All Ages	40,385	\$ 162.10	\$ 21.29	\$ 10.85	\$ 2.96	\$ 197.20	\$ 27.75	\$ 224.95
HCBS	Child 1 - 20 Years	5,618	\$ 1,423.52	\$ 89.67	\$ 89.49	\$ 24.41	\$ 1,627.08	\$ 244.21	\$ 1,871.29
HCBS	Adult 21+ Years	17,413	\$ 1,169.59	\$ 63.49	\$ 72.92	\$ 19.89	\$ 1,325.89	\$ 195.33	\$ 1,521.21
CCM	CCM, All Ages	34,227	\$ 1,127.20	\$ 74.33	\$ 71.06	\$ 19.38	\$ 1,291.96	\$ 119.42	\$ 1,411.38
SBH - CCM	SBH - CCM, All Ages	41,927	\$ 258.30	\$ 12.74	\$ 16.03	\$ 4.37	\$ 291.44	\$ 0.98	\$ 292.43
SBH - Duals	SBH - Dual Eligible, All Ages	1,236,752	\$ 24.91	\$ 4.65	\$ 1.75	\$ 0.48	\$ 31.78	\$ 0.16	\$ 31.94
SBH - HCBS	Child 1 - 20 Years	19,659	\$ 129.64	\$ 5.67	\$ 8.00	\$ 2.18	\$ 145.50	\$ 1.26	\$ 146.76
SBH - HCBS	Adult 21+ Years	41,285	\$ 54.55	\$ 6.99	\$ 3.64	\$ 0.99	\$ 66.17	\$ 2.75	\$ 68.92
SBH - Other	SBH - All Ages	38,339	\$ 130.91	\$ 13.99	\$ 8.57	\$ 2.34	\$ 155.81	\$ 20.59	\$ 176.40
Maternity Kick Payment	Maternity Kick Payment	25,424	\$ 7,485.17	\$ 315.46	\$ 461.33	\$ 125.82	\$ 8,387.77	\$ 3,766.44	\$ 12,154.21
	Aggregate	12,637,500	\$ 267.58	\$ 25.98	\$ 17.36	\$ 4.73	\$ 315.66	\$ 58.03	\$ 373.69

Jul 2019 - Dec 2019 Rates															
COA	RATE CELL	PROJ MMs ¹	H	I	J	K	L	M	N = A+H+I+J+K+L+M	O	P	Q	R=N+O+P+Q	S	T=R+S
			URINE TESTING	HCBS	FQHC / RHC	IP/OP FEE ADJ	Non-Rx HEP C	Rx HEP C	CLAIMS PMPM	ADMIN PMPM	PREM TAX PMPM	UW GAIN PMPM	LIMITED RATE PMPM	FMP PMPM	FULL RATE PMPM
SSI	0 - 2 Months	678	\$ -	\$ -	\$ 0.09	\$ (5.47)	\$ -	\$ (0.00)	\$ 18,957.14	\$ 1,199.85	\$ 1,192.08	\$ 325.11	\$ 21,674.17	\$ 7,793.87	\$ 29,468.04
SSI	3 - 11 Months	6,101	\$ -	\$ 0.48	\$ 0.16	\$ 1.28	\$ -	\$ 0.00	\$ 3,811.69	\$ 237.50	\$ 239.47	\$ 65.31	\$ 4,353.97	\$ 1,345.72	\$ 5,699.69
SSI	Child 1 - 20 Years	424,104	\$ (0.22)	\$ 0.93	\$ 0.14	\$ (0.18)	\$ -	\$ (0.01)	\$ 631.23	\$ 44.31	\$ 39.95	\$ 10.90	\$ 726.39	\$ 71.93	\$ 798.32
SSI	Adult 21+ Years	882,601	\$ (0.67)	\$ -	\$ 0.25	\$ 0.34	\$ 0.35	\$ 28.37	\$ 1,054.07	\$ 61.48	\$ 65.97	\$ 17.99	\$ 1,199.52	\$ 234.06	\$ 1,433.59
Family & Children	0 - 2 Months	123,687	\$ (0.00)	\$ -	\$ 0.23	\$ 0.89	\$ -	\$ (0.00)	\$ 1,858.68	\$ 134.72	\$ 117.89	\$ 32.15	\$ 2,143.45	\$ 867.56	\$ 3,011.01
Family & Children	3 - 11 Months	416,371	\$ (0.00)	\$ -	\$ 0.15	\$ 0.10	\$ -	\$ (0.00)	\$ 199.94	\$ 25.63	\$ 13.34	\$ 3.64	\$ 242.56	\$ 53.76	\$ 296.32
Family & Children	Child 1 - 20 Years	7,881,855	\$ (0.04)	\$ 0.01	\$ 0.10	\$ (0.03)	\$ 0.00	\$ (0.00)	\$ 140.26	\$ 20.94	\$ 9.53	\$ 2.60	\$ 173.33	\$ 19.75	\$ 193.08
Family & Children	Adult 21+ Years	1,265,269	\$ (0.60)	\$ -	\$ 0.16	\$ 0.12	\$ 0.02	\$ 3.14	\$ 288.55	\$ 27.51	\$ 18.69	\$ 5.10	\$ 339.85	\$ 63.50	\$ 403.36
Foster Care Children	All Ages Male & Female	155,493	\$ (0.44)	\$ 0.04	\$ 0.15	\$ (0.52)	\$ -	\$ (0.02)	\$ 438.84	\$ 35.10	\$ 28.03	\$ 7.64	\$ 509.61	\$ 35.83	\$ 545.44
BCC	BCC, All Ages	5,736	\$ (0.16)	\$ -	\$ 0.22	\$ 1.08	\$ 0.23	\$ 11.00	\$ 1,708.14	\$ 92.49	\$ 106.49	\$ 29.04	\$ 1,936.16	\$ 375.43	\$ 2,311.59
LAP	LAP, All Ages	40,385	\$ (0.02)	\$ -	\$ 0.08	\$ 0.02	\$ -	\$ (0.00)	\$ 162.18	\$ 21.29	\$ 10.85	\$ 2.96	\$ 197.28	\$ 27.73	\$ 225.01
HCBS	Child 1 - 20 Years	5,618	\$ (0.02)	\$ 39.42	\$ 0.12	\$ (0.10)	\$ -	\$ 0.26	\$ 1,463.19	\$ 89.67	\$ 91.84	\$ 25.05	\$ 1,669.74	\$ 244.32	\$ 1,914.06
HCBS	Adult 21+ Years	17,413	\$ (0.43)	\$ -	\$ 0.32	\$ 0.90	\$ 0.11	\$ 0.44	\$ 1,170.92	\$ 63.62	\$ 73.01	\$ 19.91	\$ 1,327.46	\$ 193.57	\$ 1,521.03
CCM	CCM, All Ages	34,227	\$ (0.20)	\$ 15.95	\$ 0.17	\$ (1.54)	\$ -	\$ (0.01)	\$ 1,141.57	\$ 74.33	\$ 71.91	\$ 19.61	\$ 1,307.41	\$ 121.03	\$ 1,428.44
SBH - CCM	SBH - CCM, All Ages	41,927	\$ -	\$ -	\$ 0.02	\$ (0.18)	\$ -	\$ (0.00)	\$ 258.14	\$ 12.74	\$ 16.02	\$ 4.37	\$ 291.27	\$ 1.09	\$ 292.36
SBH - Duals	SBH - Dual Eligible, All Ages	1,236,752	\$ (0.00)	\$ -	\$ 0.00	\$ (0.00)	\$ -	\$ (0.00)	\$ 24.91	\$ 4.65	\$ 1.75	\$ 0.48	\$ 31.78	\$ 0.16	\$ 31.94
SBH - HCBS	Child 1 - 20 Years	19,659	\$ -	\$ -	\$ 0.02	\$ (0.14)	\$ -	\$ (0.00)	\$ 129.52	\$ 5.67	\$ 8.00	\$ 2.18	\$ 145.37	\$ 1.41	\$ 146.78
SBH - HCBS	Adult 21+ Years	41,285	\$ -	\$ -	\$ 0.03	\$ (0.15)	\$ -	\$ (0.00)	\$ 54.43	\$ 6.99	\$ 3.63	\$ 0.99	\$ 66.04	\$ 2.85	\$ 68.89
SBH - Other	SBH - All Ages	38,339	\$ -	\$ -	\$ 0.00	\$ (1.08)	\$ -	\$ 0.05	\$ 129.88	\$ 13.99	\$ 8.51	\$ 2.32	\$ 154.70	\$ 21.83	\$ 176.53
Maternity Kick Payment	Maternity Kick Payment	25,424	\$ -	\$ -	\$ 1.82	\$ 8.33	\$ -	\$ 0.04	\$ 7,495.37	\$ 315.46	\$ 461.93	\$ 125.98	\$ 8,398.74	\$ 3,756.59	\$ 12,155.33
	Aggregate	12,637,500	\$ (0.14)	\$ 0.10	\$ 0.11	\$ 0.03	\$ 0.03	\$ 2.30	\$ 270.00	\$ 26.01	\$ 17.51	\$ 4.77	\$ 318.29	\$ 57.82	\$ 376.11
	Difference		\$ 2.42	\$ 0.03	\$ 0.15	\$ 0.04	\$ 0.15	\$ 0.04	\$ 2.64	\$ (0.21)	\$ 2.42				

Notes:
 1. Using latest projected enrollment figures from LDH for the period of January 1, 2019 through December 31, 2019.
 2. Non-Expansion Base Data represents experience having occurred from October 1, 2015 to September 30, 2017.