CAPITATION
NON-BENEFIT COSTS
BID SUBMISSION

SIGNED AGREEMENT ACCEPTING CAPITATION RATES

Corporate Office
Health Net Access, Inc.
1870 W. Rio Salado Parkway
Tempe, AZ 85281

January 25, 2018

Meggan Harley, CPPO, MSW
Chief Procurement Officer
AHCCCS
701 E. Jefferson, MD5700
Phoenix, Arizona 85034

Re: Notice of Request for Proposal, Solicitation # YH19-0001
Section H.19 Instructions to Offerors – Signed Agreement Accepting 2018 Capitation Rates

Ms. Harley:

As required by RFP No. YH19-0001, Section H.19 Submission Requirements, Capitation – Non-Benefit Costs Bid Submission, Health Net Access, Inc. will accept the actuarially sound capitation rates computed prior to October 1, 2018. The legal entity submitting this bid is Health Net Access, Inc., and as such, Arizona Complete Health-Complete Care Plan will be the DBA for that legal entity with Cenpatico Behavioral Health of Arizona, LLC as the Affiliated Organization. Consistent with the RFP, it is our understanding and expectation that such rates will be developed by AHCCCS' actuaries according to the applicable provisions of 42 CFR Part 438, applicable Actuarial Standards of Practices, and other generally accepted actuarial principles and practices.

Sincerely,

Paul Barnes
Chief Executive Officer
Health Net Access, Inc.

arizona complete health™

NON-BENEFIT COSTS BID SUBMISSION WORKBOOK

North GSA

Member Months to Use for Bidding	990,000

Administrative Bid Component

Total Admin PMPM (All Admin Expenses)	$ 28.97
% of Admin PMPM that is Fixed	35.00%
% of Admin PMPM that is Variable	65.00%
Detail Admin Break Out	
Compensation	$ 21.45
Occupancy	$ 1.10
Depreciation	$ 0.72
Care Management/Care Coordination	$ -
Professional and Outside Services	$ 2.76
Office Supplies and Equipment	$ 0.23
Travel	$ 0.12
Repair and Maintenance	$ -
Bank Service Charge	$ 0.05
Insurance	$ 0.09
Marketing	$ 1.01
Interest	$ -
Other Administrative	$ 1.44
Total Admin PMPM	$ 28.97

Underwriting Gain Component

	Year 1	Year 2	Year 3
Underwriting Gain	0.95%	0.95%	0.95%

Central GSA

Member Months to Use for Bidding	3,170,000

Administrative Bid Component

Total Admin PMPM (All Admin Expenses)	$ 22.12
% of Admin PMPM that is Fixed	35.00%
% of Admin PMPM that is Variable	65.00%
Detail Admin Break Out	
Compensation	$ 15.50
Occupancy	$ 0.77
Depreciation	$ 0.26
Care Management/Care Coordination	$ -
Professional and Outside Services	$ 2.29
Office Supplies and Equipment	$ 0.40
Travel	$ 0.17
Repair and Maintenance	$ -
Bank Service Charge	$ 0.09
Insurance	$ 0.05
Marketing	$ 1.78
Interest	$ -
Other Administrative	$ 0.81
Total Admin PMPM	$ 22.12

Underwriting Gain Component

	Year 1	Year 2	Year 3
Underwriting Gain	0.95%	0.95%	0.95%

South GSA

Member Months to Use for Bidding	1,630,000

Administrative Bid Component

Total Admin PMPM (All Admin Expenses)	$ 21.19
% of Admin PMPM that is Fixed	35.00%
% of Admin PMPM that is Variable	65.00%
Detail Admin Break Out	
Compensation	$ 15.49
Occupancy	$ 0.73
Depreciation	$ 0.45
Care Management/Care Coordination	$ -
Professional and Outside Services	$ 1.99
Office Supplies and Equipment	$ 0.24
Travel	$ 0.11
Repair and Maintenance	$ -
Bank Service Charge	$ 0.06
Insurance	$ 0.06
Marketing	$ 1.08
Interest	$ -
Other Administrative	$ 0.98
Total Admin PMPM	$ 21.19

Underwriting Gain Component

	Year 1	Year 2	Year 3
Underwriting Gain	0.95%	0.95%	0.95%

North and South GSAs

Member Months to Use for Bidding	2,620,000

Administrative Bid Component

Total Admin PMPM (All Admin Expenses)	$ 22.44
% of Admin PMPM that is Fixed	35.00%
% of Admin PMPM that is Variable	65.00%
Detail Admin Break Out	
Compensation	$ 15.91
Occupancy	$ 0.84
Depreciation	$ 0.30
Care Management/Care Coordination	$ -
Professional and Outside Services	$ 2.16
Office Supplies and Equipment	$ 0.36
Travel	$ 0.27
Repair and Maintenance	$ -
Bank Service Charge	$ 0.08
Insurance	$ 0.05
Marketing	$ 1.61
Interest	$ -
Other Administrative	$ 0.86
Total Admin PMPM	$ 22.44

Underwriting Gain Component

	Year 1	Year 2	Year 3
Underwriting Gain	0.95%	0.95%	0.95%

North and Central GSAs

Member Months to Use for Bidding	4,160,000

Administrative Bid Component

Total Admin PMPM (All Admin Expenses)	$ 23.05
% of Admin PMPM that is Fixed	35.00%
% of Admin PMPM that is Variable	65.00%
Detail Admin Break Out	
Compensation	$ 15.61
Occupancy	$ 0.85
Depreciation	$ 0.20
Care Management/Care Coordination	$ -
Professional and Outside Services	$ 2.51
Office Supplies and Equipment	$ 0.47
Travel	$ 0.38
Repair and Maintenance	$ -
Bank Service Charge	$ 0.11
Insurance	$ 0.04
Marketing	$ 2.10
Interest	$ -
Other Administrative	$ 0.78
Total Admin PMPM	$ 23.05

Underwriting Gain Component

	Year 1	Year 2	Year 3
Underwriting Gain	0.95%	0.95%	0.95%

Central and South GSAs

Member Months to Use for Bidding	4,800,000

Administrative Bid Component

Total Admin PMPM (All Admin Expenses)	$ 21.65
% of Admin PMPM that is Fixed	35.00%
% of Admin PMPM that is Variable	65.00%
Detail Admin Break Out	
Compensation	$ 14.68
Occupancy	$ 0.75
Depreciation	$ 0.18
Care Management/Care Coordination	$ -
Professional and Outside Services	$ 2.37
Office Supplies and Equipment	$ 0.47
Travel	$ 0.21
Repair and Maintenance	$ -
Bank Service Charge	$ 0.11
Insurance	$ 0.04
Marketing	$ 2.11
Interest	$ -
Other Administrative	$ 0.73
Total Admin PMPM	$ 21.65

Underwriting Gain Component

	Year 1	Year 2	Year 3
Underwriting Gain	0.95%	0.95%	0.95%

ACTUARIAL CERTIFICATION(S) OF THE NON-BENEFIT COSTS

(ADMINISTRATIVE AND UW GAIN BIDS)

Health Net Access, Inc.
October 2018 – September 2021 AHCCCS Complete Care Program
Non-Benefit Costs Bid Submission
Actuarial Memorandum and Certification

Prepared by:
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INTRODUCTION

I, Jason Nowakowski, have been retained by Health Net Access, Inc. (HNA), a Centene Corporation health plan (Centene) to certify its non-benefit costs bid for the Arizona Health Care Cost Containment System (AHCCCS) Complete Care (ACC) program in the State of Arizona for the three-year contracting period of October 1, 2018 through September 30, 2021. The purpose of the following actuarial memorandum and certification is to comply with the requirements of AHCCCS RFP YH19-0001 with respect to HNA's non-benefit costs (i.e., Administrative Costs and Underwriting Gain) bid for all rate groups and Geographic Service Areas (GSAs) or combinations of GSAs.

The outline and content of this certification has been developed to comply with the instructions of the RFP.

1. DATA

Administrative Costs

In the development of HNA's non-benefit costs bid, HNA provided the following forecast data for the development of administrative cost projections:

- Administrative costs
- Membership

Centene has two separate historical lines of business in Arizona, acute care (Health Net Access) and behavioral health (Cenpatico Integrated Care (CIC)). Forecasted administrative costs and membership were provided for the new integrated line of business as well as the business staying with CIC.

Costs were provided by cost center and line item. For cost centers that also apply to other lines of business, an allocation was made on the basis of either revenue or membership. In cases where revenue and membership were not deemed to be appropriate allocation methods, manual allocations were made. Costs were also defined as fixed or variable by line item.

Underwriting Gain

HNA provided the following data for the development of underwriting gain projections:

- Medicaid experience claims and membership data
- Member equity requirements by contract year (also specified in the RFP)
- Performance bond requirements (also specified in the RFP) and fees
- Cost of capital estimates
- Membership projection scenarios

Underwriting gain assumptions were developed using multiple data points and have several components. Both claims data variation studies and capital requirements calculations were used to develop the underwriting gain bid.

Updates from Prior Certification

Not applicable, we did not perform the prior certification.

2. ASSUMPTIONS

Administrative Costs

Administrative costs were developed based on adjusted estimates of forecasted costs. Some costs were assumed to vary based on membership or revenue. They were allocated to the Medicaid line of business on a line item basis and projected forward on the same basis as the categories in the bid template.

To develop the projected administrative costs, HNA first reviewed the CYE 17 reported administrative costs and realigned those costs based on the financial reporting requirements for the current Medicaid program. The same methodology was then used to realign forecasted CYE 18 costs to determine a baseline cost level for the current level of membership. Each projected line item was then given a classification as either Fixed or Variable.

Variable Costs

Each variable cost line item was determined to vary based on either membership or revenue on a percentage basis. Costs that do not vary by membership or revenue were adjusted manually, as appropriate.

Variable expenses are primarily projected based on growth in membership or revenue. Variable costs were present in the following categories:

- Compensation
- Occupancy
- Professional and outside services
- Office supplies and equipment
- Travel
- Bank service charges
- Marketing
- Other

Of note, it was determined that since Care Management/Care Coordination employees are internally employed by HNA and not externally contracted, all of their associated costs are included within the Detail Admin Category – Compensation. It was also concluded that printing costs associated with member mailings be included within the Detail Admin Category – Marketing. This was a proper assumption on the part of HNA as those associated costs did not fall into any other cost category. Finally, it was deemed appropriate to include the associated costs related to the pharmacy benefit manager (PBM) administrative fee paid within the Detail Admin Category – Professional and Outside Services. Such an assumption was justifiable since the cost category “Pharmacy Benefit Manager Expenses” was not included as a cost category within the RFP template.

In addition to scaling costs by the membership or revenue assumptions, the following adjustments were used to project costs forward:

- Anticipated compensation changes over time
- Anticipated staffing changes over time
- Anticipated travel and occupancy needs over time

Fixed Costs

Fixed costs include salaries, employee related expenses, and related operating costs for the positions that are required by the RFP. HNA determined that these costs are the minimum amount required to operate in Arizona and therefore they will not change in relation to utilization and enrollment. Other costs that do not change in relation to utilization and enrollment were also treated as fixed costs. Fixed costs were present in the following categories:

- Compensation
- Occupancy
- Depreciation

- Professional and outside services
- Office supplies and equipment
- Insurance
- Marketing
- Other

Underwriting Gain

The underwriting gain bid was based on the following assumptions:

- Underwriting gain should fund the cost of capital based on the equity per member and performance bond requirements in the RFP at the standard cost of borrowing for Centene.
- Underwriting gain less the cost of capital as defined above should be sufficient to cover the risk of claim variation and other risks inherent in the ACC program as described in the RFP and the bid submitted.

Other Assumptions

In developing the bid amounts, a number of critical assumptions were made about the ACC program. If one or more of these assumptions changes, we assume that AHCCCS will adjust rates accordingly.

- The starting membership distribution that AHCCCS will base administrative cost adjustments on is consistent with the distribution by rate cell found in the CY2016 historical period.
- Risk corridor parameters will be consistent with the first year parameters throughout the rating period.
- Reinsurance parameters will be consistent with the first year parameters throughout the rating period.
- AHCCCS will accurately project the expected value of the medical portion of the final capitation rates and appropriately combine the medical and non-benefit expense portions of the final capitation rates. Further, the components of the capitation rates will be developed under assumptions consistent with this bid.
- The medical cost portion of the final capitation rates will be consistent, after risk adjustment, with the experience of HNA.
- AHCCCS will appropriately adjust administrative expense and underwriting gain assumptions if there are material changes in the benefits, populations covered, risk mitigation features, or program operational requirements.
- The administrative cost development does not include premium taxes or Health Insurance Provider Fee.

Updates from Prior Certification

Not applicable, we did not perform the prior certification.

3. METHODOLOGIES

Administrative Costs

In order to create a consistent base population for the ACC program, base period experience was adjusted to match the eligibility definition for the new comprehensive program. Since CIC had a much larger behavioral health membership base than HNA's acute care membership in the base period, behavioral health administrative costs were scaled down to match the acute care membership. Administrative costs related to members who will continue to receive benefits from CIC were also excluded from the base.

Administrative costs were then adjusted to accommodate the required membership base in the non-benefit costs bid. HNA used staffing ratios, member months, and projected revenue to determine the magnitude of these cost adjustments, depending on the nature of each item being adjusted. Appropriate adjustments were made for each of the regional membership combinations in the bid template.

Total projected administrative costs established for this bid (fixed costs plus variable costs) were evaluated with respect to projected revenues under various enrollment scenarios and deemed reasonable relative to historical experience in Arizona and other markets.

Underwriting Gain

Underwriting gain estimates were developed using several different points of information as opposed to the standard projection of base period experience. We also referred to guidance produced by the Centers for Medicare and Medicaid Services (CMS), the Society of Actuaries (SOA), the American Academy of Actuaries (AAA), and other public sources, related to considerations in developing underwriting gain for Medicaid Managed Care capitation rates. Specifically, we relied on guidance from the following sources:

- CMS Final Rule 42 CFR Parts 431, 433, 438
- CMS Medicaid Managed Care Rate Development Guide
- Actuarial Standard of Practice No. 49 (Medicaid Managed Care Capitation Rate Development and Certification)
- SOA: Medicaid Managed Care Organizations: Considerations in Calculating Margin in Rate Setting

We also referred to other publically available publications and resources.

Variance Risk

In order to evaluate random medical expense variance risk, we prepared a study that evaluated variability in results in random samples from a large Medicaid population. We started with a population of over 500,000 members and took six sets of 10,000 random samples (one for each of the membership scenarios in the bid template). Using the results as an approximation of random variance risk, we evaluated the distribution of results to assess the likelihood of several key financial outcomes (e.g. underwriting gain covers cost of capital or less).

Pricing Risk

Our analysis did not incorporate pricing risk, given that the risk of insufficient capitation rates is not possible to assess since the rates and exact methodology and assumptions have not been published. More generally, HNA is a subsidiary of Centene. Centene's pricing risk spans across a large number of states and its membership base is large enough that it is assumed that the pricing risk will balance out on their large block of experience.

Contribution to Capital

HNA provided an estimate of their contribution to capital, including:

- Membership
- Required minimum equity
- Borrowing rate
- Performance bond fees

Risk Corridor

We considered the parameters and modeled outcomes of the risk corridor in assessing the soundness of the underwriting gain, both in the consideration of random variance risk and in the context of the overall capitalization of the health plan.

Other Underwriting Gain Considerations

We made the following additional considerations:

- Provision for income tax is implicit in the organization's cost of capital and margin requirements and was not considered as a standalone item
- Investment expenses were not considered as part of the underwriting gain assumption
- Profit was considered as part of the contribution to capital

Updates from Prior Certification

Not applicable, we did not perform the prior certification.

4. 42 CFR § 438.5(E) REQUIREMENTS

HNA's projections include reasonable, appropriate, and attainable expenses related to non-benefit components of Medicaid Managed Care capitation rate considerations outlined in 42 CFR § 438.5(e).

Startup costs are not included in the administrative cost portion of the bid.

5. ACTUARIAL CERTIFICATION

I, Jason Nowakowski, am associated with the firm of Milliman, Inc. I am a member of the American Academy of Actuaries and meet its Qualification Standards for Statements of Actuarial Opinion. I have been retained by Health Net Access, Inc. (HNA), a Centene Corporation health plan (Centene) to certify that the non-benefit costs bid submission meets the requirements of 42 CFR 438.5(e) and applicable Actuarial Standard of Practice. The purpose of the actuarial memorandum and cost certification is to comply with the requirements of AHCCCS RFP YH19-0001 with respect to HNA's non-benefit costs bid for all rate groups and GSAs or combinations of GSAs.

In my opinion, the proposed bid values included with the attached non-benefit costs proposal Excel workbook (one tab per GSA or GSA combination) meet the requirements of 42 CFR 438.5(e) as well as applicable Actuarial Standards of Practice and adequately provide for all reasonable, appropriate, and attainable costs during the time period for which they are intended, provided that Arizona Health Care Cost Containment System (AHCCCS) adjusts these bid values for changes in membership, and any additional changes that would materially impact claims volume or operational requirements in the rating period. Under such circumstances, the resulting cost estimates are projected to provide for reasonable, appropriate and attainable costs during the time period for which they are intended. The estimates are actuarially sound, as defined by the requirements of health plan actuaries under ASOP 49, have been developed in accordance with generally accepted actuarial principles and practices, and are appropriate for the populations to be covered and the services to be furnished under the contract.

My opinion is based upon a review of the financial and other information provided by HNA, and my judgment. In making my opinion, I relied upon data and other information provided by AHCCCS and HNA. I have not audited or verified this data and other information, but did review them for reasonableness and consistency and did not find material defects. If the underlying data or information is inaccurate or incomplete, the results of my analysis may likewise be inaccurate or incomplete.

I have also relied upon HNA financial information without audit. My opinion that the proposed underwriting gain assumptions are actuarially sound is based on the assumption that HNA is also supported financially by its parent company, Centene, and that Centene has the financial resources to absorb capitation risk.

The bid projections referenced in this actuarial memorandum and certification are estimates only and include assumptions regarding future non-benefit expenses and underwriting gain. In my opinion, the assumptions used are applicable for the purpose of this certification and are reasonably related to the experience of HNA and/or experience provided by AHCCCS and to reasonable expectations. Actual results will differ from the amounts indicated in the non-benefit costs proposal to the extent that future plan experience differs from the assumptions used to develop the amounts.

Actuarial methods, considerations, and analyses used in forming my opinion conform to the appropriate Standards of Practice as promulgated from time-to-time by the Actuarial Standards Board, whose standards form the basis of this Statement of Opinion.

This Opinion assumes the reader is familiar with the State of Arizona Medicaid program, Medicaid eligibility rules, and actuarial rating techniques. The Opinion is intended for HNA, AHCCCS and the Centers for Medicare and Medicaid

Services and should not be relied on by other parties. The reader should be advised by actuaries or other professionals competent in the area of actuarial rate projections of the type in this Opinion, so as to properly interpret the projection results.

Offeror Statement Regarding Confidence in Capitalization requirements

In accordance with RFP instructions, the actuarial certification must include a statement and a description of why the Offeror has no concern with meeting the capitalization requirements with the underwriting gain bid. Based on our communication with the Offeror, Centene Corporation ensures its regulated subsidiaries exceed capital requirements. Centene's regulated subsidiaries as a whole maintain a Risk Based Capital Ratio in excess of 350%. Centene has represented that they will ensure that the plan will meet, at all quarterly and annual measurement periods, the net worth requirements as specified by the RFP. Centene is a Fortune 100 company with a $1.0 billion revolving line of credit demonstrating that Centene has the means necessary to ensure that HNA will meet the necessary equity requirements. Centene and HNA will closely monitor the plan's financial statements and Centene will inject the necessary funds to ensure adequate funding. Centene health plans have never been insolvent nor have they ever been at risk for insolvency. For these reasons, the Offeror has no concern with meeting the capitalization requirements with the underwriting gain bid.

Signed:

Name:	Jason T. Nowakowski, FSA, MAAA
Title:	Principal & Consulting Actuary, Milliman, Inc.
Date:	January 22, 2018

6. SUPPORTING EXHIBITS

We have attached copies of the bid forms, including the rates that are relevant to this certification.

North GSA

Member Months to Use for Bidding	990,000

Administrative Bid Component

Total Admin PMPM (All Admin Expenses)	$ 28.97
% of Admin PMPM that is Fixed	35.00%
% of Admin PMPM that is Variable	65.00%
Detail Admin Break Out	
Compensation	$ 21.45
Occupancy	$ 1.10
Depreciation	$ 0.72
Care Management/Care Coordination	$ -
Professional and Outside Services	$ 2.76
Office Supplies and Equipment	$ 0.23
Travel	$ 0.12
Repair and Maintenance	$ -
Bank Service Charge	$ 0.05
Insurance	$ 0.09
Marketing	$ 1.01
Interest	$ -
Other Administrative	$ 1.44
Total Admin PMPM	$ 28.97

Underwriting Gain Component

	Year 1	Year 2	Year 3
Underwriting Gain	0.95%	0.95%	0.95%

Central GSA

Member Months to Use for Bidding	3,170,000

Administrative Bid Component

Total Admin PMPM (All Admin Expenses)	$ 22.12
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Compensation	$ 15.50
Occupancy	$ 0.77
Depreciation	$ 0.26
Care Management/Care Coordination	$ -
Professional and Outside Services	$ 2.29
Office Supplies and Equipment	$ 0.40
Travel	$ 0.17
Repair and Maintenance	$ -
Bank Service Charge	$ 0.09
Insurance	$ 0.05
Marketing	$ 1.78
Interest	$ -
Other Administrative	$ 0.81
Total Admin PMPM	$ 22.12

Underwriting Gain Component

	Year 1	Year 2	Year 3
Underwriting Gain	0.95%	0.95%	0.95%

South GSA

Member Months to Use for Bidding	1,630,000

Administrative Bid Component

Total Admin PMPM (All Admin Expenses)	$ 21.19
% of Admin PMPM that is Fixed	35.00%
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Detail Admin Break Out	
Compensation	$ 15.49
Occupancy	$ 0.73
Depreciation	$ 0.45
Care Management/Care Coordination	$ -
Professional and Outside Services	$ 1.99
Office Supplies and Equipment	$ 0.24
Travel	$ 0.11
Repair and Maintenance	$ -
Bank Service Charge	$ 0.06
Insurance	$ 0.06
Marketing	$ 1.08
Interest	$ -
Other Administrative	$ 0.98
Total Admin PMPM	$ 21.19

Underwriting Gain Component

	Year 1	Year 2	Year 3
Underwriting Gain	0.95%	0.95%	0.95%

North and South GSAs			
Member Months to Use for Bidding	2,620,000		
Administrative Bid Component			
Total Admin PMPM (All Admin Expenses)	$ 22.44		
% of Admin PMPM that is Fixed	35.00%		
% of Admin PMPM that is Variable	65.00%		
Detail Admin Break Out			
Compensation	$ 15.91		
Occupancy	$ 0.84		
Depreciation	$ 0.30		
Care Management/Care Coordination	$ -		
Professional and Outside Services	$ 2.16		
Office Supplies and Equipment	$ 0.36		
Travel	$ 0.27		
Repair and Maintenance	$ -		
Bank Service Charge	$ 0.08		
Insurance	$ 0.05		
Marketing	$ 1.61		
Interest	$ -		
Other Administrative	$ 0.86		
Total Admin PMPM	$ 22.44		
Underwriting Gain Component			
	Year 1	Year 2	Year 3
Underwriting Gain	0.95%	0.95%	0.95%

North and Central GSAs

Member Months to Use for Bidding	4,160,000

Administrative Bid Component

Total Admin PMPM (All Admin Expenses)	$ 23.05
% of Admin PMPM that is Fixed	35.00%
% of Admin PMPM that is Variable	65.00%
Detail Admin Break Out	
Compensation	$ 15.61
Occupancy	$ 0.85
Depreciation	$ 0.20
Care Management/Care Coordination	$ -
Professional and Outside Services	$ 2.51
Office Supplies and Equipment	$ 0.47
Travel	$ 0.38
Repair and Maintenance	$ -
Bank Service Charge	$ 0.11
Insurance	$ 0.04
Marketing	$ 2.10
Interest	$ -
Other Administrative	$ 0.78
Total Admin PMPM	$ 23.05

Underwriting Gain Component

	Year 1	Year 2	Year 3
Underwriting Gain	0.95%	0.95%	0.95%

Central and South GSAs

Member Months to Use for Bidding	4,800,000

Administrative Bid Component

Total Admin PMPM (All Admin Expenses)	$ 21.65
% of Admin PMPM that is Fixed	35.00%
% of Admin PMPM that is Variable	65.00%
Detail Admin Break Out	
Compensation	$ 14.68
Occupancy	$ 0.75
Depreciation	$ 0.18
Care Management/Care Coordination	$ -
Professional and Outside Services	$ 2.37
Office Supplies and Equipment	$ 0.47
Travel	$ 0.21
Repair and Maintenance	$ -
Bank Service Charge	$ 0.11
Insurance	$ 0.04
Marketing	$ 2.11
Interest	$ -
Other Administrative	$ 0.73
Total Admin PMPM	$ 21.65

Underwriting Gain Component

	Year 1	Year 2	Year 3
Underwriting Gain	0.95%	0.95%	0.95%