C4

AHCCCS Long-Term Care for Individuals Who Are Elderly and/or Have a Physical Disability Solicitation #YH24-0001

C4. Actuarial Certification for Non-Benefit Costs Bid Submission Revised – Best and Final Offer

October 1, 2024, Through September 30, 2025

Prepared For:
AHCCCS Procurement Officer and Division of Health Care Management

Prepared By:
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BlueCross BlueShield Arizona
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INTRODUCTION

Background & Limitations

The purpose of this letter is to provide documentation and actuarial certification in compliance with 42 CFR § 438 for the non-benefit costs (administrative and case management) bid submission of the Health Choice Arizona, Inc. (HCA) response to the Arizona Health Care Cost Containment System (AHCCCS) Long-Term Care for Individuals Who Are Elderly and/or Have a Physical Disability (ALTCS-EPD) Solicitation #YH24-0001. Included are the data, assumptions and methodology used in the development of the administrative and case management components of the HCA bid for services covered during the period beginning October 1, 2024, through September 30, 2025, known as Contract Year Ending (CYE) 2025.

This certification has been organized following the Centers for Medicare and Medicaid Services (CMS) 2023-2024 Medicaid Managed Care Rate Development Guide (2024 Guide), which outlines the appropriate documentation and rate development standards needed for Medicaid managed care rate certifications.

This actuarial certification was prepared for the AHCCCS Procurement Officer, Meggan LaPorte, and the AHCCCS Division of Health Care Management Actuarial Team, for review of HCA's actuarially sound non-benefit costs bid submission. This certification may not be appropriate for any other purpose. The actuarial rates contained herein represent projections of future events which will vary from actual results. If this rate certification is made available to third parties, it should be provided and reviewed in its entirety. Any third party reviewing this certification should be familiar with the AHCCCS ALTCS-EPD Program, 42 CFR § 438, the CMS 2024 Guide, Actuarial Standards of Practice (ASOPs), and generally accepted actuarial principles and practices.

Executive Summary

The HCA non-benefit costs covered by this certification for the ALTCS-EPD Solicitation #YH24-0001 bid submission, effective for the twelve-month period October 1, 2024, though September 30, 2025, are summarized below. The non-benefit costs below have been updated as requested by AHCCCS in their Request for Best and Final Offer (BAFO), dated October 16, 2023.

Administrative Component Bid

		Membership Tier					
		0-34,999	35,000-69,999	70,000-104,999	105,000-139,999	140,000-174,999	175,000+
Member Months Assumed in Bid:		31,200	45,000	81,600	105,000	140,000	175,000
CYE 25: (10/1/24 - 9/30/25)	Variable Cost **PMPM**	$122.55	$96.95	$69.52	$70.69	$61.08	$53.31
	Fixed Cost Total **Dollars**	$4,131,801	$4,955,117	$6,947,916	$8,556,819	$9,960,507	$11,101,029
CYE 26: (10/1/25 - 9/30/26)	Variable Cost **PMPM**	$122.62	$96.93	$69.35	$70.51	$60.84	$53.04
	Fixed Cost Total **Dollars**	$4,224,792	$5,060,566	$7,083,550	$8,728,416	$10,154,560	$11,312,552
CYE 27: (10/1/26 - 9/30/27)	Variable Cost **PMPM**	$123.84	$97.89	$70.04	$71.21	$61.45	$53.56
	Fixed Cost Total **Dollars**	$4,320,522	$5,169,026	$7,222,857	$8,904,740	$10,353,860	$11,529,709
CYE 28: (10/1/27 - 9/30/28)	Variable Cost **PMPM**	$125.07	$98.86	$70.74	$71.92	$62.06	$54.10
	Fixed Cost Total **Dollars**	$4,419,080	$5,280,596	$7,365,952	$9,085,943	$10,558,575	$11,752,678
CYE 29: (10/1/28 - 9/30/29)	Variable Cost **PMPM**	$126.31	$99.85	$71.44	$72.63	$62.68	$54.63
	Fixed Cost Total **Dollars**	$4,520,562	$5,395,377	$7,512,960	$9,272,184	$10,768,878	$11,981,646

Case Management Component Bid

	North GSA	Central GSA	South GSA
Bid Prescribed Enrollment	2,365	5,838	3,113
Total Case Management **PMPM**	$170.11	$176.38	$174.40

SECTION I – MEDICAID MANAGED CARE RATES

The non-benefit cost development and documentation outlined throughout this certification is consistent with 42 CFR § 438, specifically 42 CFR § 438.4 through 42 CFR § 438.7. The rates discussed are developed in accordance with 42 CFR § 438.4(b), and in observance of the principles CMS uses to apply the regulation standards (as outlined in the 2024 Guide):

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

In addition, the following relevant ASOPs were reviewed:

- ASOP No. 1 – Introductory Actuarial Standard of Practice
- ASOP No. 5 – Incurred Health and Disability Claims
- ASOP No. 12 – Risk Classification (for All Practice Areas)
- ASOP No. 23 – Data Quality
- ASOP No. 25 – Credibility Procedures
- ASOP No. 41 – Actuarial Communications
- ASOP No. 45 – The Use of Health Status Based Risk Adjustment Methodologies
- ASOP No. 49 – Medicaid Managed Care Capitation Rate Development
- ASOP No. 56 – Modeling

The term "actuarially sound" referenced throughout this certification is defined consistent with ASOP 49:

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

1.1. General Information

A. Rate Development Standards

i. Standards and Documentation for Rate Ranges

All standards and documentation outlined in the 2024 Guide apply to the development of both individual capitation rates and capitation rate ranges. However, AHCCCS develops individual capitation rates for the ALTCS-EPD Program, so rate ranges are not applicable for this certification.

ii. Rating Period

The ALTCS-EPD CYE 2025 capitation rates are effective for the twelve-months beginning October 1, 2024, through September 30, 2025.

iii. Required Elements

(a) Letter from the Certifying Actuary

The actuarial certification letter for the HCA CYE 2025 non-benefit costs bid submission is found in Appendix 1. The signing actuary, Nettie R. Meier, meets the qualification standards established by the American Academy of Actuaries for an actuary and follows the standards established by the Actuarial Standards Board. Nettie R. Meier, acting on behalf

of HCA, certifies that the CYE 2025 non-benefit costs contained in Appendix 2 are actuarially sound, meet the standards set forth in 42 CFR § 438, and are reasonable and appropriate for the purpose of the ALTCS-EPD Solicitation #YH24-0001 bid submission.

(b) Final and Certified Capitation Rates

This rate certification is only for the HCA non-benefit, specifically the administrative and case management, costs components of CYE 2025 ALTCS-EPD capitation rates. The benefit costs components for the corresponding rates will be developed by the AHCCCS Actuarial Team. Therefore, this certification does not include the actuarial certification for the final CYE 2025 capitation rates to be provided to CMS; this will be provided by AHCCCS actuaries at a future time. Per the AHCCCS Rate Development Documentation bid document, AHCCCS reserves the right to adjust the capitation rates, including the administrative and case management costs components, in order to maintain compliance with the Medicaid Managed Care Rules and Rate Setting Guidelines.

(c) Program Information

(i) Summary of the Program

According to the AHCCCS website (azahhhc.gov), ALTCS-EPD is health insurance for individuals who are age 65 or older, or who have a disability, and who require nursing facility level of care. Those who qualify do not have to reside in a nursing home, however. Many ALTCS members live in their own homes or an assisted living facility and receive needed services in a home or community-based setting.

The ALTCS-EPD Program delivers comprehensive integrated benefits, including long-term services and supports (LTSS), acute, behavioral health and case management services to eligible members. A full description of covered services is included in the "Program Requirements: Scope of Services" section of the Request For Proposal (RFP) Document, as well as the Service Matrix, both found in the solicitation Bidder's Library. The capitation rates fund prospective and prior period coverage for long-term, acute, behavioral health and case management services, as well as coverage of acute care services only for members that qualify for ALTCS-EPD but decline to receive LTSS care services.

Since the late 1980s, AHCCCS has operated the ALTCS-EPD Program on a statewide basis. As of the last ALTCS-EPD bid solicitation, AHCCCS has contracted with a total of three managed care organizations (MCOs) to provide services. However, the number of contracts has varied by Geographical Service Area (GSA). The following counties make up the three GSAs:

- North – Apache, Coconino, Mohave, Navajo, and Yavapai
- Central – Gila, Maricopa, and Pinal
- South – Cochise, Graham, Greenlee, La Paz, Pima, Santa Cruz, and Yuma

For the ALTCS-EPD Solicitation #YH24-0001, AHCCCS intends to make a total of three awards, awarding GSAs based upon the winning bids in each GSA. The maximum number of MCOs by GSA will be two in the North and South, and three in Central. Awards may therefore result in zero, one, or two statewide MCO(s). As requested, this certification includes HCA's non-benefit bid submission for all three GSAs.

(ii) Rating Period Covered

The rating period for the ALTCS-EPD CYE 2025 capitation rates is the twelve-month period beginning October 1, 2024, through September 30, 2025.

(iii) Covered Populations

The populations covered by the ALTCS-EPD Program are Title XIX individuals who are age 65 or older, and/or have a disability, and have been deemed eligible to receive nursing facility level of care services through AHCCCS. A full description of covered populations is included in the "Program Requirements: Purpose, Application and Introduction" section of the RFP Document in the solicitation Bidder's Library. The covered population is segmented into two risk groups for capitation rate development purposes:

- "Duals" – members who are dually eligible for Medicare and Medicaid,
- "Non-Duals" – members who are not eligible for Medicare.

ALTCS-EPD capitation rates vary by risk group, GSA and MCO. For purposes of this rate certification, HCA developed the administrative component of the non-benefit expense at the statewide level, and the case management component by GSA, as requested for the bid submission. Per the Non-Benefit Costs Bid Requirements document in the RFP, AHCCCS will allocate non-benefit expenses between the dual and non-dual risk groups during the capitation rate development process for each year of the contract, in compliance with the current Managed Care Rate Setting Guidelines. The non-benefit costs will also be adjusted for membership volume after awards have been set and final distribution of membership is known.

(iv) Eligibility or Enrollment Criteria

AHCCCS determines eligibility for ALTCS-EPD members. The "Program Requirements: Eligibility" section of the RFP Document in the solicitation Bidder's Library outlines the following criteria:

- **Financial Eligibility:** Anyone may apply for ALTCS at any of the ALTCS eligibility offices located throughout the State. The applicant shall be an Arizona resident as well as a U.S. citizen or qualified legal immigrant as defined in A.R.S. § 36-2903.03. To qualify financially for the ALTCS Program, applicants shall have countable income and resources below certain thresholds. The AHCCCS Medical Assistance Eligibility Policy Manual provides a detailed discussion of all eligibility criteria. The Manual is available on the AHCCCS website.
- **Medical Eligibility:** In addition to financial eligibility, an individual shall meet the medical and functional eligibility criteria as established by the Preadmission Screening tool (PAS). The PAS is conducted by an AHCCCS Registered Nurse (RN) or Social Worker (SW) with consultation by a physician, if necessary, to evaluate the person's medical status. The PAS is used to determine whether the person is at immediate risk of placement in a Nursing Facility (NF). In most cases, AHCCCS does not re-evaluate the medical status of each ALTCS member annually; however, the MCO is responsible for notifying AHCCCS of significant changes in a member's condition, which may result in a change in eligibility.
- **Serious Emotional Disturbance/Serious Mental Illness (SED/SMI) Eligibility:** The MCO shall ensure the identification and assessment of enrolled members by qualified clinicians to identify those individuals who may meet the SED or SMI eligibility criteria as specified in the AHCCCS Medical Policy Manual (AMPM) Policy 320-P.

AHCCCS has the exclusive authority to enroll and disenroll members. AHCCCS operates as a mandatory managed care program and choice of enrollment or auto-assignment (passive enrollment) is used pursuant to the terms of the 1115 Waiver Special Terms and Conditions [42 CFR § 438.54(d)].

(v) Summary of Special Contract Provisions Related to Payment

Not applicable. This certification does not include special contract provisions.

(vi) Retroactive Capitation Rate Adjustments

Not applicable. This certification does not cover retroactive adjustments for previous capitation rates.

iv. Rate Development Standards and Federal Financial Participation (FFP)

Differences in assumptions, methodologies or factors used to develop the non-benefit costs bid submission are based on valid rate development standards that represent actual cost differences in providing covered services to the covered populations and are not based on the rate of FFP for the populations covered under the ALTCS-EPD Program.

v. Rate Cell Cross-subsidization

The final ALTCS-EPD capitation rates are set at the risk group level. Payments for one risk group therefore do not cross-subsidize other risk groups.

vi. Effective Dates of Changes

It is assumed the effective date of any changes will be October 1, 2024, consistent with the assumptions used to develop the CYE 2025 non-benefit costs included in this certification.

vii. Minimum Medical Loss Ratio

The assumed final certified capitation rates from AHCCCS will be developed so each ALTCS-EPD MCO would reasonably achieve a medical loss ratio, as calculated under 42 CFR § 438.8, of at least 85 percent for CYE 2025.

viii. Conditions for Certifying Capitation Rate Range

Not applicable. AHCCCS does not set a rate range for the ALTCS-EPD Program.

ix. Certifying Actuarially Sound Capitation Rate Range

Not applicable. AHCCCS does not set a rate range for the ALTCS-EPD Program.

x. Generally Accepted Actuarial Principles and Practices

(a) Reasonable, Appropriate and Attainable Costs

In the actuary's judgement, all adjustments to the fixed and variable components of the administrative costs as well as case management costs included in this certification reflect reasonable, appropriate, and attainable costs.

(b) Rate Setting Process

HCA anticipates AHCCCS will make adjustments to the capitation revenue during the rate setting process for the final CYE 2025 ALTCS-EPD rates, including the adjustments referenced above to the non-benefit costs contained in this certification. All other adjustments performed outside of the rate setting process are not considered actuarially sound under 42 CFR § 438.4.

(c) Contracted Rates

The final CYE 2025 contracted rates in each cell for the ALTCS-EPD program will be developed and certified by the AHCCCS Actuarial Team, matching the capitation rates included in their rate certification.

xi. Rates from Previous Rating Periods

The final CYE 2025 capitation rates will be certified for the period effective October 1, 2024 through September 30, 2025 by the AHCCCS Actuarial Team. Typically, this section is not applicable in the AHCCCS certifications as capitation rates from previous rating periods are not usually used in the development of future periods.

xii. COVID-19 Public Health Emergency (PHE) Assumptions, Impacts, and Risk Mitigation

The non-benefit costs included in this certification do not include any explicit adjustments related to the impact of the COVID-19 PHE and subsequent unwinding.

A review of the enrollment information included in the Data Book provided shows a decrease in annual ALTCS-EPD total membership from CYE 2020 to CYE 2021, and then again to CYE 2022. One possible cause could be the unfortunate disproportionate mortality associated with COVID-19 on the elderly and disabled population represented in the ALTCS-EPD Program. ALTCS-EPD was also not as impacted by the maintenance of effort (MOE) requirements as other AHCCCS populations. The MOE allowed members who became eligible for benefits before or during the PHE to remain eligible through the end of the PHE. This caused significant increases in enrollment and now subsequent disenrollments as part of the unwinding for other Medicaid populations. This phenomenon is not expected for the ALTCS-EPD program as the higher allowable income limits and age/medical criteria make it unlikely a member would lose eligibility once determined eligible for ALTCS-EPD. Due to these factors, HCA kept the enrollment assumption flat for the five years requested in the administrative costs bid submission. No other adjustments due to COVID-19 were applicable for the non-benefit costs components.

Risk mitigation strategies will be in place for ALTCS-EPD in CYE 2025 and will apply in the event of adverse impact due to the COVID-19 PHE. These are discussed in Section 1.4., Special Contract Provisions Related to Payment, below.

xiii. Rate Certification Procedures

Not applicable. The AHCCCS Actuarial Team will be certifying the final CYE 2025 capitation rates and any related contract amendments.

B. Appropriate Documentation

i. Capitation Rates or Rate Ranges

AHCCCS will be certifying capitation rates for each risk group described above, not rate ranges.

ii. Elements

This certification includes documentation of all data, assumptions and methodological elements used to develop the HCA CYE 2025 ALTCS-EPD non-benefit costs components.

iii. Capitation Rate Cell Assumptions

All assumptions and adjustments used in the development of the statewide administrative and GSA case management non-benefit costs are included in this certification.

iv. Capitation Rate Range Assumptions

Not applicable. AHCCCS does not set a rate range for the ALTCS-EPD Program.

v. Rate Certification Index

The table of contents, immediately following the cover page, serves as the index for this certification. Sections that are not applicable are noted throughout the narrative.

vi. Assurance Rate Assumptions Do Not Differ by FFP

Not applicable. AHCCCS will be completing the final rate certification for the CYE 2025 ALTCS-EPD Program that will be provided to CMS, including assurance that the assumptions do not differ by FFP.

vii. Differences in Federal Medical Assistance Percentage (FMAP)

Not applicable. AHCCCS will provide assurance that all covered populations under the ALTCS-EPD Program receive regular FMAP.

viii. Comparison to Prior Rates

Not applicable. Given HCA would be a new MCO contractor for the ALTCS-EPD Program, there are no prior non-benefit rates to compare to. However, we have reviewed the previous and current rates for other contractors available on the ACCCHS website and determined the rates included in this submission to be reasonable and appropriate.

ix. Future Rate Amendments

Not applicable. At this time, we are not expecting or considering future rate amendments. In the event of future amendments, we will work with AHCCCS to revise the non-benefit costs as needed during the final rate development process.

x. COVID-19 PHE Impacts

Since the beginning of the COVID-19 PHE, HCA has continued to monitor its impacts on our existing AHCCCS Complete Care (ACC) population, as well as State and industry information related to utilization, enrollment, vaccines, new treatments, etc. As we considered how the impacts of COVID-19 may relate to the ALTCS-EPD population, we determined no adjustments are necessary for the non-benefit costs included in this certification. Specific considerations include:

- **Enrollment:** As discussed above, enrollment is assumed to be flat given historical declines in member volume for this population combined with minimal impact due to the MOE requirements included in the Families First Coronavirus Response Act.
- **Non-Benefit Administrative Costs:** Some overhead expenses theoretically are lower now than historical levels as most staff have continued to work from home or adopt a hybrid working environment. However, because our baseline ACC experience used for the ALTCS-EPD administrative cost development was after the COVID-19 PHE timeframe, it already reflects this change in work environment. No other adjustments were considered necessary.
- **Non-Benefit Case Management Costs:** It is possible members' LTSS service needs have changed as a result of COVID-19, which could result in an impact on the benefit costs component of the rates that AHCCCS develops. While it was not a direct assumption related to the COVID-19 PHE, HCA has assumed a lower case manager weighted average caseload than the maximum prescribed by AHCCCS. This would allow additional capacity for case management staff should their work be more intense as a result of this potential change in LTSS need. The caseload assumption is described in more detail in Section 1.5.B.i. below.
- **Acuity:** Another potential impact is on the acuity of the covered population due to enrollment changes, changes in utilization of services, COVID-19 testing, new treatments and vaccines, deferred care, and/or expanded coverage of telehealth, etc. Impacts for any of these reasons would be reflected in the benefit cost component of the capitation rates. However, AHCCCS described in their CYE 2024 rate certification letter:

  > *"The LTSS and acute care services received by the members in the ALTCS-EPD Program were not affected by the PHE in the same manner as acute care services for traditional populations. Similarly, the ALTCS-EPD Program enrollment was not impacted by the MOE requirements of the PHE in the same way that other AHCCCS programs were… which resulted in the evaluation of changes in acuity being negligible… and so while*

the population was evaluated for acuity changes, no adjustments to the rates were made as they were unnecessary."

- **Risk Mitigation:** Strategies will be in place for ALTCS-EPD in CYE 2025 and will apply in the event of adverse impact due to COVID-19 PHE.

1.2. Data

Not Applicable. Given this certification only pertains to the non-benefit costs component of the capitation rates, we are not including a discussion of benefit cost base data, nor our internal projections of final ALTCS-EPD capitation rates. HCA did however review the Data Book information that was provided by AHCCCS as part of the Solicitation #YH24-0001 Bidder's Library for reasonableness, as well as previous rates and financial reports from the current contractors. We have not performed an audit of any of this information, relying on the ongoing review and audit performed by the AHCCCS Actuarial Team. We determined this information is reasonable however for our internal financial projections.

A discussion of non-benefit costs data is included in Section 1.5.

1.3. Projected Benefit Costs and Trends

Not applicable. Given this certification only pertains to the non-benefit costs component of the capitation rates, we are not including a discussion of benefit costs trend. We did however review historical AHCCCS ALTCS-EPD trend projections for reasonableness and inclusion in our internal projections of the final ALTCS-EPD capitation rates.

A discussion of non-benefit costs trend is included in Section 1.5.

1.4. Special Contract Provisions Related to Payment

The following reflects information provided by AHCCCS in the Rate Development Documentation included in the Solicitation #YH24-0001 Bidder's Library, the Solicitation Program Requirements as well as the CYE 2024 Capitation Rate Certification for the ALTCS-EPD Program. In accordance with 42 CFR § 438.6, an MCO may be subject to a withhold arrangement, eligible for incentive payments, participate in delivery system and provider payment initiatives, and/or direct payments to providers. A summary of the provisions determined by AHCCCS for the ALTCS-EPD Program are specified below. The AHCCCS Actuarial Team provides additional documentation of these provisions in the final capitation rate certification.

A. Incentive Arrangements

An incentive arrangement, as defined in 42 CFR § 438.6(a), is any payment mechanism under which a managed care plan may receive additional funds over and above the capitation rate it was paid for meeting targets specified in the contract. AHCCS provides for the following incentive arrangements:

- **Alternative Payment Model (APM) Initiative – Withhold and Quality Measure Performance (QMP) Incentive:** The APM Withhold and QMP incorporates an incentive arrangement under which the Contractor may receive additional funds over and above the capitation rates for performance on select performance measures identified in AHCCCS Contractor Operations Manual (ACOM) Policy 306. AHCCCS will make a lump-sum payment after the completion of the contract year and the computation of the performance measures.
- **Alternative Payment Model Initiative – Performance Based Payments (APM-PBP):** The APM-PBP incorporates an incentive arrangement under which the Contractor may receive additional funds over and above the capitation rates for implementing APM arrangements with providers who successfully meet targets established by the Contractor that are aimed at quality improvement, such as reducing costs, improving health outcomes, or improving access to care. In accordance with ACOM Policy 307, for those APM arrangements which result in PBP to providers, AHCCCS will make a lump-sum payment to the Contractor after the completion of the contract year.

B. Withhold Arrangements

The APM Initiative – Withhold and QMP incorporates a withhold arrangement of 1% of capitation and a portion of, or all of, the withheld amount will be paid for performance on select performance measures identified in ACOM Policy 306. AHCCCS will apply the withhold after the completion of the contract year by recouping the full amount of the annual withhold. Also, after the completion of the contract year and the computation of the performance measures including measure stratifications, AHCCCS will reconcile the Contractor's earned portion of the withhold against the withheld funds and will make a lump-sum payment to the Contractor. The Contractor will not be paid greater than 100% of the withhold.

C. Risk-Sharing Mechanisms

AHCCCS intends to have two risk corridor type arrangements for the ALTCS-EPD Program:

- **Tiered Reconciliation:** A reconciliation of costs to reimbursement.
- **Share of Cost (SOC) Reconciliation:** A reconciliation of actual SOC payments to the assumed SOC offsets in the certified capitation rates for members receiving LTSS services.

The tiered risk corridor will reconcile medical cost expenses to the medical revenue paid to the contractor. More information is found in the ACOM Policy 301. In the first year of the contract, this reconciliation is anticipated to limit the Contractor's profits and losses as shown in the table below. It is the intent of AHCCCS to add a tiered loss segment and expand the tiered profit segment in a future year of the ALTCS-EPD RFP contract.

Profit	Contractor Share	State Share	Max Contractor Profit	Cumulative Contractor Profit
<= 2%	100%	0%	2%	2%
> 2% and <= 6%	50%	50%	2%	4%
> 6%	0%	100%	0%	4%
Loss	**Contractor Share**	**State Share**	**Max Contractor Loss**	**Cumulative Contractor Loss**
<= 2%	100%	0%	2%	2%
> 2%	0%	100%	0%	2%

The SOC risk corridor will reconcile the actual member SOC payments received during each federal fiscal year against the SOC Per Member Per Month (PMPM) amounts assumed in the capitation rates for that year. The SOC payments are reconciled to zero; that is, payments to the Contractor, or recoupments from the Contractor, are the arithmetic difference between the actual and assumed amounts, grossed up by 2% for premium tax.

In addition, AHCCCS provides a reinsurance program to the ALTCS-EPD contractors. For regular reinsurance cases, the deductible amount is not anticipated to differ from the deductible in place for the ALTCS-EPD contracts for CYE 2024. The reinsurance stop loss limit is also anticipated to be the same $1,000,000 that is in place for CYE 2024. All risk groups under ALTCS-EPD are subject to the same deductibles. High-Cost Behavioral Health reinsurance will be discontinued effective October 1, 2024. Medical expenses which have historically qualified for reinsurance under High-Cost Behavioral Health reinsurance may qualify for reinsurance under another reinsurance case type after October 1, 2024.

D. State Directed Payments

42 CFR § 438.6(c) and § 438.6(d) provide the State flexibility to implement delivery system and provider payment initiatives. AHCCCS reserves the right to utilize this flexibility to require Contractor participation in initiatives that may require certain payment levels and/or certain directed payments to providers to support State actions that are critical to ensuring timely access to high-quality care. AHCCCS will obtain written approval from CMS prior to implementation, if applicable, and Contractors will be required to implement, as directed by AHCCCS guidance. AHCCCS anticipates that most initiatives will involve payments to the Contractor outside of the monthly base capitation payments, made as a separate lump sum payment. AHCCCS will compute directed payment amounts and ensure the associated payments and/or capitation rates

meet actuarial soundness requirements, as applicable. The following is a summary of these directed payment arrangements from the AHCCCS CYE 2024 Capitation Rate Certification.

- **Federally Qualified Health Centers and Rural Health Clinics (FQHC/RHC):** Contractors are required to adopt Prospective Payment System (PPS) rates as defined in the Medicaid State plan as a minimum fee schedule for FQHC/RHC providers.
- **Differential Adjusted Payments (DAP):** The DAP initiative delivers a uniform percentage increase to registered providers who provide a particular service under the contract and who meet specific criteria established by AHCCCS. All providers were notified via a proposed and a final Public Notice of the criteria required to qualify for the DAP.
- **Access to Professional Services Initiative (APSI):** The APSI provides a uniform percentage increase of 75% to otherwise contracted rates for eligible practitioners, critical to professional training and education efforts, who deliver services to AHCCCS members. The uniform percentage increase is applicable only to services covered under the AHCCCS APSI policy. The rate increase is intended to supplement, not supplant, payments to eligible providers.
- **Pediatric Services Initiative (PSI):** The PSI provides a uniform percentage increase for inpatient and outpatient services provided by the State's freestanding children's hospitals with more than 100 licensed beds. The PSI uniform percentage increase is based on a fixed total payment amount and is expected to fluctuate based on utilization in the contract year. The increase is intended to supplement, not supplant, payments to eligible hospitals or pediatric units.
- **Hospital Enhanced Access Leading to Health Improvements Initiative (HEALTHII):** The HEALTHII delivers a uniform percentage increase to hospitals for acute inpatient and ambulatory outpatient contracted Medicaid Managed Care services. The HEALTHII uniform percentage increases are based on a fixed payment pool that is allocated to each hospital class based on the additional funding needed to achieve each class's aggregate targeted pay-to-cost ratio for Medicaid Managed care services. The increase is intended to supplement, not supplant, payments to eligible providers.
- **Nursing Facility Supplemental Payments (NF-SP):** The NF-SP delivers a uniform dollar increase across all Contractors' reported nursing facility Medicaid bed days to network providers that provide nursing facility services. The uniform dollar increase is based on available funds in the nursing facility assessment fund, plus FMAP, and is expected to fluctuate based on utilization and available funds for each quarter. The increase is intended to supplement, not supplant, payments to eligible providers.

E. Pass-Through Payments

Not applicable. There are no pass-through payments for the ALTCS-EPD Program.

1.5. Projected Non-Benefit Costs

A. Rate Development Standards

In accordance with 42 CFR § 438.5(e), the development of the non-benefit component of the rate must include reasonable, appropriate, and attainable expenses related to MCO administration, taxes, licensing and regulatory fees, contribution to reserves, risk margin and cost of capital. In addition, the non-benefit component must include other operational costs associated with the provision of services under the contract, developed in accordance with generally accepted actuarial principles and practices.

The ALTCS-EPD capitation rates include two non-benefit components that have been developed by HCA for purposes of our HCA bid submission and included under this certification: administration and case management expenses. A description of the data, assumptions and methodology used in the development of the PMPM costs for each of these two components, in accordance with 42 CFR § 438.7(b)(4), is included below. Given HCA is not a current contractor for the ALTCS-EPD Program, there are no changes to the data or other material changes from previous rate certifications. In addition, HCA has no concern with meeting the capitalization requirements of the contract.

B. Appropriate Documentation

i. Description of the Development of Projected Non-Benefit Costs

Administrative Expenses

The Solicitation #YH24-0001 Non-Benefit Costs Bid Submission requires the Offeror to bid administrative expenses within each of six membership tier ranges. HCA has assumed the following member month (MM) projections in our bid submission. In the initial year of the contract, AHCCCS intends to determine the appropriate membership tier for each awarded Contractor based on projected membership after initial member assignment and member choice.

Membership Tier		HCA MMs Assumed
1	0-34,999	31,200
2	35,000-69,999	45,000
3	70,000-104,999	81,600
4	105,000-139,999	105,000
5	140,000-174,999	140,000
6	175,000+	175,000

HCA is currently a contractor for the AHCCCS ACC population and administers a Medicare Dual-Eligible Special Needs Plan (DSNP). Our financial projections for these existing lines of business, for the period January 1, 2023, through December 31, 2023 (CY 2023), serves as the base data used for the ALTCS-EPD projection.

In consultation with the HCA Finance Team, we first segmented the base data costs into compensation versus non-compensation related expenses, as well as fixed versus variable expenses. These four segments were further stratified by individual line items listed in the Administrative Component Bid tabs of the submission file. Next, by detailed line item and segment, we determine an appropriate allocation to apply for each line of business with the addition of the ALTCS-EPD population. The allocation methodology was unique to each category based on the type of work performed by the department or vendor. For instance, it was appropriate to allocate some categories by membership volume where a higher staff/vendor burden is not expected based on the acuity of the population, while others by expected revenue PMPM given the intensity of administrative services varies by population and benefits covered. Line items that only apply to ACC and/or DSNP were allocated 100% to those lines of business and excluded from the ALTCS-EPD expense build-up.

Based on this review, a range of fixed costs currently covered by ACC and DSNP are being allocated to ALTCS-EPD. Total fixed costs for HCA will remain constant, however different membership scenarios will drive a different allocation of the portion of fixed costs charged to ATLCS-EPD currently covered by ACC and DSNP. Future ACC and DSNP non-benefit costs will reflect this change in fixed cost allocation by line of business, based on final ALTCS-EPD award membership volume. Projected variable expenses for ALTCS-EPD increased or decreased from the base data depending on the allocation methodology used for each detailed line item.

Next, each department reviewed the Solicitation #YH24-0001 Program Requirements document to determine where additional staff will be needed to meet the requirements of the ALTCS-EPD contract. We are assuming the following incremental staff for each department will be needed at the various membership tiers. To determine the incremental costs associated with these adds, we utilized the Blue Cross Blue Shield of Arizona CY 2023 wage and employee related expense (ERE) cost structure for similar positions. The resulting approximate total cost addition at each tier level is also reflected below.

Position Department	Tiers: 1, 2 & 3	Tier: 4	Tiers: 5 & 6
Administration	1	1	1
Finance and Marketing	2	2	2
Data Analytics	1	1	1
Clinical Management	3	14	14
Information Technology	5	5	5
Claims and Encounters	5	8	10
Provider Relations and Network Management	4	4	4
Quality	5	5	5
Member Services	8	8	9
Total Adds	34	48	51
Contract Required Staff Costs (CY 2023)	**$2.7 M**	**$3.8 M**	**$4.0 M**

Finally, we trended fixed FTE compensation at a merit increase of 3.5% annually to the mid-point of each of the five contract periods required in Administrative Component Bid tabs. We trended all other categories that are impacted by inflation at an annual trend of 1.0%. Those non-compensation categories not impacted by inflation remain flat for the five contract years. We considered a variety of sources in determining these trend factors, including a review of emerging projected Consumer Price Index for wage earners and the trends used by AHCCCS in the current CYE24 ALTCS-EPD rates, as described in the actuarial certification.

The HCA administrative expense development also includes an assumption for start-up expenses; however, these costs have not been included in the PMPMs reflected in the bid submission covered by this certification as AHCCCS does not reimburse start-up expenses. These costs are used for internal financial projections only.

According to the Non-Benefit Cost Bid Requirements, AHCCCS will be allocating the administrative expenses between the Dual and Non-Dual risk groups, as well as by GSA, during the final capitation rate development process. AHCCCS will evaluate administrative bids and set administrative cost components of the capitation rates for each year of the contract in compliance with the Medicaid Managed Care Rules and Rate Setting Guidelines and ultimate membership levels. HCA anticipates updating the allocation of fixed administrative expenses for each line of business once the final ALTCS-EPD membership distribution is known.

Case Management Expenses

For the case management component of the non-benefit costs bid submission, AHCCCS provided the member enrollment and mix percentages for each Offeror to use, which are based on an average of the data from July through December 2022. AHCCCS will adjust the member enrollment and mix percentages used in capitation rate development after awards have been set and final distribution of membership is known.

The first assumption used in the case management PMPM cost development is the weighted average for each case manager's caseload. In the current AMPM 1630, AHCCCS requires that each case manager's caseload shall not exceed a weighted value of 96. HCA has assumed a caseload of 94 to ensure adequate capacity as staff vacancies may occur. Using this and the setting placement ratios prescribed in AMPM 1630 Section D, HCA is assuming the following maximum members for each setting and EPD/SMI combination. AHCCCS has indicated that if the weights assigned to members or the maximum members per case manager changes from what is in the AMPM 1630, they will adjust the awarded bids as necessary to comply with any new requirements.

Setting	EPD		SMI	
	Ratio	Max Members	Ratio	Max Members
Institutional	1.00	94.0	1.40	67.1
HCBS – own home	2.20	42.7	3.00	31.3
HCBS – alternative	1.80	52.2	1.90	49.5
Acute Care Only	1.00	94.0	1.00	94.0

Next, the case management staffing model was developed. Based on the ALTCS-EPD Program Requirement:

> *"A case manager shall be an Arizona licensed registered nurse in good standing, social worker, or individuals who possess a bachelor's degree in psychology, special education, or counseling and who have at least one year of case management experience, or individuals with a minimum of two years' experience in providing case management services to individuals who are elderly and/or individuals with physical or developmental disabilities and/or with an SMI designation."*

Using this definition, HCA clinical management developed a mix of RNs, SWs, and individuals with the specified bachelor's degree and/or years of experience, to determine the average case manager total compensation. In addition to the case managers, we are assuming an average of 14.50 case managers per supervisor, and 0.11 administrative staff per supervisor. For the total average compensation costs used for each level of staff, we utilized the Blue Cross Blue Shield of Arizona CY 2023 wage and ERE cost structure for similar positions, trended to CYE 2025 at 3.5%, consistent with the administrative expense component above.

Finally, we included a provision for travel since case managers' work is mainly field based. Our assumption is on average, each case manager will travel 100 miles per week. This assumption reflects our commitment to hiring case management staff who work in or near the communities they serve. We performed an analysis of historical IRS mileage rates to project this expenditure for each year of the contract, assuming a reimbursement of $0.663 per mile for the CYE 2025 rate period. This results in an average travel expense per case manager of approximately $3,316.

Per the AHCCCS Non-Benefit Costs Bid Requirements, AHCCCS will evaluate case management bids and set case management cost components of the capitation rates for each year of the contract in compliance with the Medicaid Managed Care Rules and Rate Setting Guidelines. The same case management PMPM will be applied to both Dual and Non-Dual rate cells; however, case management PMPMs can, and likely will, vary by GSA.

ii. Projected Non-Benefit Costs by Category

(a) Administrative Costs

The development of the administrative components of the CYE 2025 ALTCS-EPD capitation rates is described above in Section 1.5.B.i. The resulting administrative variable cost PMPMs, administrative fixed cost total dollar amounts, and case management PMPMs covered by this certification are included in Appendix 2.

(b) Taxes and Other Fees

It is anticipated AHCCCS will include a provision of 2.0% for premium tax in the CYE 25 ALTCS-EPD final capitation rates. The premium tax is applied to the total capitation rate. No other taxes, fees or assessments apply.

(c) Contribution to Reserves, Risk Margin, and Cost of Capital

AHCCCS increased the provision for risk margin (i.e., underwriting gain) in the CYE 2024 rates to 1.45%; however, consistent with the Rate Development Documentation on the Bidder's Library, we are anticipating AHCCCS will include a provision of 1.0% for risk margin in the CYE 25 ALTCS-EPD final capitation rates. As a new contractor for the ALTCS-EPD program, HCA recognizes our actual risk margin may be lower than 1.0% in the first contract year.

(d) Other Material Non-Benefit Costs

No other material or non-material non-benefit costs are expected in the CYE 25 ALTCS-EPD final capitation rates.

iii. Historical Non-Benefit Cost

HCA has not participated in the ALTCS-EPD Program previously, so historical non-benefit costs are not available. However, AHCCCS posts the audited financial statements for all AHCCCS contractors on their website. This information was used as a comparison for the non-benefit costs assumptions described in section 1.5.B.i. above.

1.6. Risk Adjustment

Not applicable at this time. AHCCCS has indicated in the Rate Development Documentation in the RFP that they will be reviewing different LTSS risk adjustment models for implementation during the RFP contract, with the goal to align risk with revenue to the extent possible given the data available. Some of the options under consideration include risk adjustment using functional assessment data, non-diagnostic-based risk adjustment (i.e., past member utilization repriced at AHCCCS fee schedule rates to determine relative risk of individual members), regional factors (i.e., based on MCO

specific mixes across placements (e.g., Nursing Facility, Home and Community Based Services)), or some combination of the above. Risk adjustment for the first year will be based on initial member assignment and subsequent member choice.

1.7. Acuity Adjustments

Not applicable. AHCCCS has not indicated the ALTCS-EPD capitation rates will include acuity adjustments for CYE 2025.

SECTION II – MEDICAID MANAGED CARE RATES WITH LONG-TERM SERVICES AND SUPPORTS

The ALTCS-EPD Program discussed in this memorandum is a managed long-term services and supports (MLTSS) program and subject to the actuarial soundness requirements in 42 CFR § 438.4 and includes LTSS benefits as defined in 42 CFR § 438.2(a); therefore Section II of the 2024 Guide is applicable.

2.1. Managed Long-Term Services and Supports

A. CMS Expectations

The rate development standards and appropriate documentation described in Section 1 of the 2024 Guide are also applicable to the MLTSS rate development process.

B. Rate Development Standards

i. Rate Cell Structure

This section of the 2024 Guide outlines the most common approaches to the structure of MLTSS rate cells.

C. Appropriate Documentation

i. Considerations

AHCCCS uses a "blended" approach to structure the ALTCS-EPD rate cells. For each GSA, AHCCCS completes the rate development process by health care status and long-term care setting, then blends the data to establish a Dual and Non-Dual total blended benefit PMPM.

The ALTCS-EPD rates are payable monthly for each enrolled member. The benefit cost development is described in Section 1.3 above. Section 1.4 above describes the other payment provisions applicable for the ALTCS-EPD Program. ALTCS-EPD has historically operated as a managed care program, therefore no data is available to quantify the effect that the management of LTSS is expected to have.

ii. Projected Non-Benefit Costs

The non-benefit costs components are added to the blended benefit rates. The development of the non-benefit costs is described in Section 1.5.B. of this certification.

iii. Additional Information

No additional information beyond what has been discussed previously in this certification was considered.

SECTION III – NEW ADULT GROUP CAPITATION RATES

The New Adult Group is not a covered population under the AHCCCS ALTCS-EPD Program; therefore Section III of the 2024 Guide is not applicable for this certification.

APPENDIX 1 – ACTUARIAL CERTIFICATION

I, Nettie R. Meier, am an employee of Blue Cross Blue Shield of Arizona, of which Health Choice Arizona, Inc. (HCA) is a fully owned subsidiary. I am a member of the American Academy of Actuaries (MAAA) and an Associate of the Society of Actuaries (ASA). I meet the qualification standards established by the American Academy of Actuaries and have followed the practice standards established by the Actuarial Standards Board.

I am certifying the actuarial soundness of the administrative and case management rates contained in the HCA Non-Benefit Costs Bid Submission file for Solicitation #YH24-0001, also included in Appendix 2 of this memorandum. They are reasonable and appropriate for the population and services covered under the AHCCCS ALTCS-EPD contract for the twelve-month period beginning October 1, 2024, through September 30, 2025.

Consistent with the requirements under 42 CFR § 438.4(a), ASOP #49 defines "actuarial soundness" as follows:

> *"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."*

To develop the rates, I relied on information provided by Arizona Health Care Cost Containment System (AHCCCS) in the Solicitation #YH24-0001 ALTCS-EPD Bidders' Library, the Data Book on the ASFS system, as well as historical rate and financial information on the AHCCCS website. In addition, I relied on the HCA Finance Team for certain internal financial data and assumptions. I have not performed an independent audit of any of the data utilized but determined it to be reasonable for inclusion in actuarial rate development. If the underlying data or information is inaccurate or incomplete, the results of the analysis may likewise be inaccurate or incomplete.

The actuarially sound rates covered by this certification are based on a projection of future events. Actual experience will vary from the data and assumptions assumed in the rates. The rates were developed for the AHCCCS Procurement Officer and Division of Health Care Management for the sole purpose of evaluating HCA's bid submission and may not be appropriate for other purposes. Actuarial methods, considerations and analyses used in forming my opinion conform to the appropriate Standards of Practice as promulgated by the Actuarial Standards Board.

The rates covered by this certification only reflect the non-benefit components for the ALTCS-EPD Program, specifically the administrative and case management cost components of the capitation rates, in accordance with 42 CFR § 438.7(b)(3). The final ALTCS-EPD capitation rates for the period beginning October 1, 2024, through September 30, 2025, that include all benefit and other non-benefit costs and will ultimately be submitted to the Centers for Medicare and Medicaid Services for approval, will be separately developed and certified by the AHCCCS Actuarial Team.

Nettie R. Meier
Associate, Society of Actuaries
Member, American Academy of Actuaries

10/20/2023
Date

APPENDIX 2 – NON-BENEFIT COSTS BID SUBMISSION

Admin Bid MMs 0-34,999

ALTCS-EPD Administrative Component Bid										
	CYE 25 (10/1/24 - 9/30/25)		CYE 26 (10/1/25 - 9/30/26)		CYE 27 (10/1/26 - 9/30/27)		CYE 28 (10/1/27 - 9/30/28)		CYE 29 (10/1/28 - 9/30/29)	
Detail Admin Break Out [1]	Variable Cost **PMPM**	Fixed Cost Total **Dollars**	Variable Cost **PMPM**	Fixed Cost Total **Dollars**	Variable Cost **PMPM**	Fixed Cost Total **Dollars**	Variable Cost **PMPM**	Fixed Cost Total **Dollars**	Variable Cost **PMPM**	Fixed Cost Total **Dollars**
Compensation	$ 84.99	$ 2,597,005	$ 85.84	$ 2,674,648	$ 86.70	$ 2,754,876	$ 87.57	$ 2,837,778	$ 88.44	$ 2,923,447
Occupancy	$ 0.13	$ 256,459	$ 0.13	$ 259,023	$ 0.13	$ 261,614	$ 0.13	$ 264,230	$ 0.13	$ 266,872
Depreciation	$ -	$ 13,068	$ -	$ 13,199	$ -	$ 13,331	$ -	$ 13,464	$ -	$ 13,599
Care Management/Care Coordination	$ 0.06	$ 1,554	$ 0.06	$ 1,569	$ 0.06	$ 1,585	$ 0.06	$ 1,601	$ 0.06	$ 1,617
Professional and Outside Services	$ 12.29	$ 412,172	$ 12.42	$ 416,294	$ 12.54	$ 420,457	$ 12.67	$ 424,662	$ 12.79	$ 428,908
Office Supplies and Equipment	$ 6.75	$ 251,403	$ 5.66	$ 253,917	$ 5.72	$ 256,456	$ 5.78	$ 259,021	$ 5.83	$ 261,611
Travel	$ 0.57	$ 2,442	$ 0.57	$ 2,467	$ 0.58	$ 2,492	$ 0.59	$ 2,516	$ 0.59	$ 2,542
Repair and Maintenance	$ 12.02	$ 403,417	$ 12.14	$ 407,451	$ 12.26	$ 411,525	$ 12.38	$ 415,641	$ 12.50	$ 419,797
Bank Service Charge	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Insurance	$ -	$ 81,762	$ -	$ 82,579	$ -	$ 83,405	$ -	$ 84,239	$ -	$ 85,082
Marketing	$ 0.16	$ 60,867	$ 0.16	$ 61,475	$ 0.16	$ 62,090	$ 0.16	$ 62,711	$ 0.16	$ 63,338
Interest Expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pharmacy Benefit Manager Expenses	$ 0.38	$ -	$ 0.38	$ -	$ 0.38	$ -	$ 0.39	$ -	$ 0.39	$ -
Fraud Reduction Expenses	$ 1.53	$ -	$ 1.54	$ -	$ 1.56	$ -	$ 1.58	$ -	$ 1.59	$ -
Third Party Activities	$ 3.19	$ 9,434	$ 3.22	$ 9,528	$ 3.25	$ 9,623	$ 3.29	$ 9,720	$ 3.32	$ 9,817
Sub Capitation Block Administrative	$ 0.05	$ -	$ 0.05	$ -	$ 0.05	$ -	$ 0.05	$ -	$ 0.05	$ -
Health Care Quality Improvement	$ 0.09	$ 42,038	$ 0.09	$ 42,458	$ 0.09	$ 42,883	$ 0.09	$ 43,312	$ 0.09	$ 43,745
Program Integrity Fraud, Waste and Abuse Prevention Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interpretation/Translation Services	$ 0.02	$ -	$ 0.02	$ -	$ 0.02	$ -	$ 0.02	$ -	$ 0.02	$ -
Other Administrative Expenses [2]	$ 0.32	$ 181	$ 0.32	$ 183	$ 0.32	$ 185	$ 0.32	$ 187	$ 0.32	$ 189
Total Admin Costs	$ 122.55	$ 4,131,801	$ 122.62	$ 4,224,792	$ 123.84	$ 4,320,522	$ 125.07	$ 4,419,080	$ 126.31	$ 4,520,562

Member Months Assumed in Bid		31,200		31,200		31,200		31,200		31,200

Footnotes:

1) Case Manager Costs will be reflected in the Offerors Case Management Bid Component which can be found on tab "Case Management Bid" in this workbook.

2) If "Other Administrative Expenses" is greater than 5% of the total then please provide a detailed list describing what's included, with amounts.

Admin Bid MMs 35,000-69,999

ALTCS-EPD Administrative Component Bid										
	CYE 25 (10/1/24 - 9/30/25)		CYE 26 (10/1/25 - 9/30/26)		CYE 27 (10/1/26 - 9/30/27)		CYE 28 (10/1/27 - 9/30/28)		CYE 29 (10/1/28 - 9/30/29)	
Detail Admin Break Out [1]	Variable Cost **PMPM**	Fixed Cost Total **Dollars**	Variable Cost **PMPM**	Fixed Cost Total **Dollars**	Variable Cost **PMPM**	Fixed Cost Total **Dollars**	Variable Cost **PMPM**	Fixed Cost Total **Dollars**	Variable Cost **PMPM**	Fixed Cost Total **Dollars**
Compensation	$ 62.70	$ 2,934,130	$ 63.33	$ 3,019,369	$ 63.96	$ 3,107,417	$ 64.60	$ 3,198,371	$ 65.25	$ 3,292,329
Occupancy	$ 0.12	$ 336,315	$ 0.12	$ 339,678	$ 0.12	$ 343,075	$ 0.12	$ 346,506	$ 0.12	$ 349,971
Depreciation	$ -	$ 17,227	$ -	$ 17,400	$ -	$ 17,574	$ -	$ 17,749	$ -	$ 17,927
Care Management/Care Coordination	$ 0.05	$ 2,055	$ 0.05	$ 2,075	$ 0.06	$ 2,096	$ 0.06	$ 2,117	$ 0.06	$ 2,138
Professional and Outside Services	$ 11.27	$ 542,594	$ 11.38	$ 548,020	$ 11.49	$ 553,500	$ 11.61	$ 559,035	$ 11.72	$ 564,626
Office Supplies and Equipment	$ 6.10	$ 330,301	$ 5.17	$ 333,604	$ 5.22	$ 336,940	$ 5.27	$ 340,309	$ 5.33	$ 343,712
Travel	$ 0.52	$ 3,451	$ 0.52	$ 3,485	$ 0.53	$ 3,520	$ 0.53	$ 3,555	$ 0.54	$ 3,591
Repair and Maintenance	$ 10.91	$ 531,286	$ 11.02	$ 536,598	$ 11.13	$ 541,964	$ 11.24	$ 547,384	$ 11.35	$ 552,858
Bank Service Charge	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Insurance	$ -	$ 109,847	$ -	$ 110,946	$ -	$ 112,055	$ -	$ 113,176	$ -	$ 114,308
Marketing	$ 0.15	$ 80,162	$ 0.15	$ 80,964	$ 0.15	$ 81,774	$ 0.15	$ 82,591	$ 0.15	$ 83,417
Interest Expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pharmacy Benefit Manager Expenses	$ 0.38	$ -	$ 0.38	$ -	$ 0.38	$ -	$ 0.39	$ -	$ 0.39	$ -
Fraud Reduction Expenses	$ 1.39	$ -	$ 1.40	$ -	$ 1.42	$ -	$ 1.43	$ -	$ 1.45	$ -
Third Party Activities	$ 2.93	$ 12,371	$ 2.95	$ 12,494	$ 2.98	$ 12,619	$ 3.01	$ 12,746	$ 3.04	$ 12,873
Sub Capitation Block Administrative	$ 0.05	$ -	$ 0.05	$ -	$ 0.05	$ -	$ 0.05	$ -	$ 0.05	$ -
Health Care Quality Improvement	$ 0.08	$ 55,141	$ 0.08	$ 55,692	$ 0.08	$ 56,249	$ 0.08	$ 56,812	$ 0.08	$ 57,380
Program Integrity Fraud, Waste and Abuse Prevention Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interpretation/Translation Services	$ 0.02	$ -	$ 0.02	$ -	$ 0.02	$ -	$ 0.02	$ -	$ 0.02	$ -
Other Administrative Expenses [2]	$ 0.30	$ 238	$ 0.30	$ 241	$ 0.30	$ 243	$ 0.30	$ 245	$ 0.30	$ 248
Total Admin Costs	$ 96.95	$ 4,955,117	$ 96.93	$ 5,060,566	$ 97.89	$ 5,169,026	$ 98.86	$ 5,280,596	$ 99.85	$ 5,395,377
Member Months Assumed in Bid		45,000		45,000		45,000		45,000		45,000

Footnotes:

1) Case Manager Costs will be reflected in the Offerors Case Management Bid Component which can be found on tab "Case Management Bid" in this workbook.

2) If "Other Administrative Expenses" is greater than 5% of the total then please provide a detailed list describing what's included, with amounts.

Admin Bid MMs 70,000-104,999

ALTCS-EPD Administrative Component Bid										
	CYE 25 (10/1/24 - 9/30/25)		CYE 26 (10/1/25 - 9/30/26)		CYE 27 (10/1/26 - 9/30/27)		CYE 28 (10/1/27 - 9/30/28)		CYE 29 (10/1/28 - 9/30/29)	
Detail Admin Break Out [1]	Variable Cost **PMPM**	Fixed Cost Total **Dollars**	Variable Cost **PMPM**	Fixed Cost Total **Dollars**	Variable Cost **PMPM**	Fixed Cost Total **Dollars**	Variable Cost **PMPM**	Fixed Cost Total **Dollars**	Variable Cost **PMPM**	Fixed Cost Total **Dollars**
Compensation	$ 39.61	$ 3,750,641	$ 40.01	$ 3,854,303	$ 40.41	$ 3,961,317	$ 40.82	$ 4,071,797	$ 41.22	$ 4,185,863
Occupancy	$ 0.10	$ 528,583	$ 0.10	$ 533,869	$ 0.10	$ 539,208	$ 0.10	$ 544,600	$ 0.10	$ 550,046
Depreciation	$ -	$ 27,284	$ -	$ 27,556	$ -	$ 27,832	$ -	$ 28,110	$ -	$ 28,391
Care Management/Care Coordination	$ 0.05	$ 3,282	$ 0.05	$ 3,315	$ 0.05	$ 3,348	$ 0.05	$ 3,382	$ 0.05	$ 3,416
Professional and Outside Services	$ 9.87	$ 857,843	$ 9.97	$ 866,421	$ 10.07	$ 875,086	$ 10.17	$ 883,837	$ 10.27	$ 892,675
Office Supplies and Equipment	$ 5.34	$ 520,712	$ 4.54	$ 525,919	$ 4.58	$ 531,178	$ 4.63	$ 536,490	$ 4.67	$ 541,855
Travel	$ 0.44	$ 6,132	$ 0.45	$ 6,193	$ 0.45	$ 6,255	$ 0.46	$ 6,318	$ 0.46	$ 6,381
Repair and Maintenance	$ 9.41	$ 841,430	$ 9.51	$ 849,844	$ 9.60	$ 858,343	$ 9.70	$ 866,926	$ 9.80	$ 875,595
Bank Service Charge	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Insurance	$ -	$ 178,705	$ -	$ 180,492	$ -	$ 182,297	$ -	$ 184,120	$ -	$ 185,962
Marketing	$ 0.13	$ 126,782	$ 0.13	$ 128,050	$ 0.13	$ 129,330	$ 0.13	$ 130,624	$ 0.13	$ 131,930
Interest Expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pharmacy Benefit Manager Expenses	$ 0.38	$ -	$ 0.38	$ -	$ 0.38	$ -	$ 0.39	$ -	$ 0.39	$ -
Fraud Reduction Expenses	$ 1.20	$ -	$ 1.22	$ -	$ 1.23	$ -	$ 1.24	$ -	$ 1.25	$ -
Third Party Activities	$ 2.57	$ 19,441	$ 2.60	$ 19,635	$ 2.62	$ 19,832	$ 2.65	$ 20,030	$ 2.67	$ 20,230
Sub Capitation Block Administrative	$ 0.05	$ -	$ 0.05	$ -	$ 0.05	$ -	$ 0.05	$ -	$ 0.05	$ -
Health Care Quality Improvement	$ 0.07	$ 86,705	$ 0.07	$ 87,572	$ 0.07	$ 88,448	$ 0.07	$ 89,332	$ 0.07	$ 90,226
Program Integrity Fraud, Waste and Abuse Prevention Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interpretation/Translation Services	$ 0.02	$ -	$ 0.02	$ -	$ 0.02	$ -	$ 0.02	$ -	$ 0.02	$ -
Other Administrative Expenses [2]	$ 0.27	$ 375	$ 0.27	$ 379	$ 0.27	$ 382	$ 0.27	$ 386	$ 0.27	$ 390
Total Admin Costs	$ 69.52	$ 6,947,916	$ 69.35	$ 7,083,550	$ 70.04	$ 7,222,857	$ 70.74	$ 7,365,952	$ 71.44	$ 7,512,960
Member Months Assumed in Bid		81,600		81,600		81,600		81,600		81,600

Footnotes:

1) Case Manager Costs will be reflected in the Offerors Case Management Bid Component which can be found on tab "Case Management Bid" in this workbook.

2) If "Other Administrative Expenses" is greater than 5% of the total then please provide a detailed list describing what's included, with amounts.

Admin Bid MMs 105,000-139,999

ALTCS-EPD Administrative Component Bid										
	CYE 25 (10/1/24 - 9/30/25)		CYE 26 (10/1/25 - 9/30/26)		CYE 27 (10/1/26 - 9/30/27)		CYE 28 (10/1/27 - 9/30/28)		CYE 29 (10/1/28 - 9/30/29)	
Detail Admin Break Out [1]	Variable Cost **PMPM**	Fixed Cost Total **Dollars**	Variable Cost **PMPM**	Fixed Cost Total **Dollars**	Variable Cost **PMPM**	Fixed Cost Total **Dollars**	Variable Cost **PMPM**	Fixed Cost Total **Dollars**	Variable Cost **PMPM**	Fixed Cost Total **Dollars**
Compensation	$ 42.59	$ 4,759,882	$ 43.01	$ 4,893,509	$ 43.44	$ 5,031,484	$ 43.88	$ 5,173,955	$ 44.32	$ 5,321,076
Occupancy	$ 0.09	$ 628,526	$ 0.09	$ 634,811	$ 0.09	$ 641,159	$ 0.09	$ 647,571	$ 0.09	$ 654,047
Depreciation	$ -	$ 32,603	$ -	$ 32,929	$ -	$ 33,258	$ -	$ 33,591	$ -	$ 33,927
Care Management/Care Coordination	$ 0.04	$ 3,781	$ 0.04	$ 3,819	$ 0.04	$ 3,857	$ 0.05	$ 3,896	$ 0.05	$ 3,935
Professional and Outside Services	$ 9.22	$ 1,020,748	$ 9.31	$ 1,030,956	$ 9.40	$ 1,041,265	$ 9.49	$ 1,051,678	$ 9.59	$ 1,062,195
Office Supplies and Equipment	$ 5.12	$ 619,025	$ 4.28	$ 625,215	$ 4.33	$ 631,467	$ 4.37	$ 637,782	$ 4.41	$ 644,159
Travel	$ 0.42	$ 6,266	$ 0.43	$ 6,328	$ 0.43	$ 6,392	$ 0.44	$ 6,456	$ 0.44	$ 6,520
Repair and Maintenance	$ 8.82	$ 991,054	$ 8.90	$ 1,000,964	$ 8.99	$ 1,010,974	$ 9.08	$ 1,021,084	$ 9.17	$ 1,031,294
Bank Service Charge	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Insurance	$ -	$ 217,036	$ -	$ 219,207	$ -	$ 221,399	$ -	$ 223,613	$ -	$ 225,849
Marketing	$ 0.12	$ 151,332	$ 0.12	$ 152,845	$ 0.12	$ 154,374	$ 0.12	$ 155,918	$ 0.12	$ 157,477
Interest Expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pharmacy Benefit Manager Expenses	$ 0.38	$ -	$ 0.38	$ -	$ 0.38	$ -	$ 0.39	$ -	$ 0.39	$ -
Fraud Reduction Expenses	$ 1.11	$ -	$ 1.12	$ -	$ 1.14	$ -	$ 1.15	$ -	$ 1.16	$ -
Third Party Activities	$ 2.40	$ 23,120	$ 2.42	$ 23,351	$ 2.44	$ 23,585	$ 2.47	$ 23,821	$ 2.49	$ 24,059
Sub Capitation Block Administrative	$ 0.05	$ -	$ 0.05	$ -	$ 0.05	$ -	$ 0.05	$ -	$ 0.05	$ -
Health Care Quality Improvement	$ 0.07	$ 103,001	$ 0.07	$ 104,031	$ 0.07	$ 105,071	$ 0.07	$ 106,122	$ 0.07	$ 107,183
Program Integrity Fraud, Waste and Abuse Prevention Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interpretation/Translation Services	$ 0.02	$ -	$ 0.02	$ -	$ 0.02	$ -	$ 0.02	$ -	$ 0.02	$ -
Other Administrative Expenses [2]	$ 0.26	$ 445	$ 0.26	$ 449	$ 0.26	$ 454	$ 0.26	$ 458	$ 0.26	$ 463
Total Admin Costs	$ 70.69	$ 8,556,819	$ 70.51	$ 8,728,416	$ 71.21	$ 8,904,740	$ 71.92	$ 9,085,943	$ 72.63	$ 9,272,184
Member Months Assumed in Bid		105,000		105,000		105,000		105,000		105,000

Footnotes:

1) Case Manager Costs will be reflected in the Offerors Case Management Bid Component which can be found on tab "Case Management Bid" in this workbook.

2) If "Other Administrative Expenses" is greater than 5% of the total then please provide a detailed list describing what's included, with amounts.

Admin Bid MMs 140,000-174,999

ALTCS-EPD Administrative Component Bid										
	CYE 25 (10/1/24 - 9/30/25)		CYE 26 (10/1/25 - 9/30/26)		CYE 27 (10/1/26 - 9/30/27)		CYE 28 (10/1/27 - 9/30/28)		CYE 29 (10/1/28 - 9/30/29)	
Detail Admin Break Out [1]	Variable Cost **PMPM**	Fixed Cost Total **Dollars**	Variable Cost **PMPM**	Fixed Cost Total **Dollars**	Variable Cost **PMPM**	Fixed Cost Total **Dollars**	Variable Cost **PMPM**	Fixed Cost Total **Dollars**	Variable Cost **PMPM**	Fixed Cost Total **Dollars**
Compensation	$ 35.39	$ 5,374,529	$ 35.75	$ 5,522,723	$ 36.11	$ 5,675,705	$ 36.47	$ 5,833,638	$ 36.83	$ 5,996,691
Occupancy	$ 0.08	$ 756,650	$ 0.08	$ 764,216	$ 0.08	$ 771,858	$ 0.08	$ 779,577	$ 0.08	$ 787,373
Depreciation	$ -	$ 39,514	$ -	$ 39,909	$ -	$ 40,308	$ -	$ 40,711	$ -	$ 41,118
Care Management/Care Coordination	$ 0.04	$ 4,530	$ 0.04	$ 4,576	$ 0.04	$ 4,622	$ 0.04	$ 4,668	$ 0.04	$ 4,714
Professional and Outside Services	$ 8.41	$ 1,233,512	$ 8.50	$ 1,245,847	$ 8.58	$ 1,258,305	$ 8.67	$ 1,270,888	$ 8.75	$ 1,283,597
Office Supplies and Equipment	$ 4.73	$ 746,442	$ 3.93	$ 753,906	$ 3.97	$ 761,445	$ 4.01	$ 769,060	$ 4.05	$ 776,750
Travel	$ 0.39	$ 7,575	$ 0.39	$ 7,651	$ 0.39	$ 7,728	$ 0.40	$ 7,805	$ 0.40	$ 7,883
Repair and Maintenance	$ 7.99	$ 1,193,310	$ 8.07	$ 1,205,243	$ 8.15	$ 1,217,296	$ 8.23	$ 1,229,469	$ 8.31	$ 1,241,764
Bank Service Charge	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Insurance	$ -	$ 268,925	$ -	$ 271,614	$ -	$ 274,330	$ -	$ 277,073	$ -	$ 279,844
Marketing	$ 0.11	$ 183,172	$ 0.11	$ 185,004	$ 0.11	$ 186,854	$ 0.11	$ 188,723	$ 0.11	$ 190,610
Interest Expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pharmacy Benefit Manager Expenses	$ 0.38	$ -	$ 0.38	$ -	$ 0.38	$ -	$ 0.39	$ -	$ 0.39	$ -
Fraud Reduction Expenses	$ 1.01	$ -	$ 1.02	$ -	$ 1.03	$ -	$ 1.04	$ -	$ 1.05	$ -
Third Party Activities	$ 2.19	$ 27,833	$ 2.21	$ 28,112	$ 2.23	$ 28,393	$ 2.25	$ 28,677	$ 2.28	$ 28,964
Sub Capitation Block Administrative	$ 0.05	$ -	$ 0.05	$ -	$ 0.05	$ -	$ 0.05	$ -	$ 0.05	$ -
Health Care Quality Improvement	$ 0.06	$ 123,979	$ 0.06	$ 125,218	$ 0.06	$ 126,471	$ 0.06	$ 127,735	$ 0.06	$ 129,013
Program Integrity Fraud, Waste and Abuse Prevention Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interpretation/Translation Services	$ 0.02	$ -	$ 0.02	$ -	$ 0.02	$ -	$ 0.02	$ -	$ 0.02	$ -
Other Administrative Expenses [2]	$ 0.24	$ 535	$ 0.24	$ 541	$ 0.24	$ 546	$ 0.24	$ 552	$ 0.24	$ 557
Total Admin Costs	$ 61.08	$ 9,960,507	$ 60.84	$ 10,154,560	$ 61.45	$ 10,353,860	$ 62.06	$ 10,558,575	$ 62.68	$ 10,768,878
Member Months Assumed in Bid		140,000		140,000		140,000		140,000		140,000

Footnotes:

1) Case Manager Costs will be reflected in the Offerors Case Management Bid Component which can be found on tab "Case Management Bid" in this workbook.

2) If "Other Administrative Expenses" is greater than 5% of the total then please provide a detailed list describing what's included, with amounts.

Admin Bid MMs 175,000+

ALTCS-EPD Administrative Component Bid										
	CYE 25 (10/1/24 - 9/30/25)		CYE 26 (10/1/25 - 9/30/26)		CYE 27 (10/1/26 - 9/30/27)		CYE 28 (10/1/27 - 9/30/28)		CYE 29 (10/1/28 - 9/30/29)	
Detail Admin Break Out [1]	Variable Cost **PMPM**	Fixed Cost Total **Dollars**	Variable Cost **PMPM**	Fixed Cost Total **Dollars**	Variable Cost **PMPM**	Fixed Cost Total **Dollars**	Variable Cost **PMPM**	Fixed Cost Total **Dollars**	Variable Cost **PMPM**	Fixed Cost Total **Dollars**
Compensation	$ 29.67	$ 5,849,967	$ 29.96	$ 6,008,980	$ 30.26	$ 6,173,100	$ 30.57	$ 6,342,504	$ 30.87	$ 6,517,369
Occupancy	$ 0.08	$ 862,139	$ 0.08	$ 870,760	$ 0.08	$ 879,468	$ 0.08	$ 888,262	$ 0.08	$ 897,145
Depreciation	$ -	$ 45,325	$ -	$ 45,778	$ -	$ 46,236	$ -	$ 46,698	$ -	$ 47,165
Care Management/Care Coordination	$ 0.04	$ 5,204	$ 0.04	$ 5,256	$ 0.04	$ 5,308	$ 0.04	$ 5,361	$ 0.04	$ 5,415
Professional and Outside Services	$ 7.75	$ 1,412,137	$ 7.82	$ 1,426,258	$ 7.90	$ 1,440,521	$ 7.98	$ 1,454,926	$ 8.06	$ 1,469,475
Office Supplies and Equipment	$ 4.41	$ 852,433	$ 3.65	$ 860,957	$ 3.68	$ 869,567	$ 3.72	$ 878,263	$ 3.76	$ 887,045
Travel	$ 0.35	$ 9,317	$ 0.36	$ 9,410	$ 0.36	$ 9,505	$ 0.36	$ 9,600	$ 0.37	$ 9,696
Repair and Maintenance	$ 7.27	$ 1,365,841	$ 7.35	$ 1,379,500	$ 7.42	$ 1,393,295	$ 7.49	$ 1,407,228	$ 7.57	$ 1,421,300
Bank Service Charge	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Insurance	$ -	$ 315,194	$ -	$ 318,346	$ -	$ 321,530	$ -	$ 324,745	$ -	$ 327,993
Marketing	$ 0.10	$ 209,854	$ 0.10	$ 211,953	$ 0.10	$ 214,072	$ 0.10	$ 216,213	$ 0.10	$ 218,375
Interest Expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pharmacy Benefit Manager Expenses	$ 0.38	$ -	$ 0.38	$ -	$ 0.38	$ -	$ 0.39	$ -	$ 0.39	$ -
Fraud Reduction Expenses	$ 0.92	$ -	$ 0.93	$ -	$ 0.93	$ -	$ 0.94	$ -	$ 0.95	$ -
Third Party Activities	$ 2.02	$ 31,712	$ 2.04	$ 32,029	$ 2.06	$ 32,350	$ 2.08	$ 32,673	$ 2.10	$ 33,000
Sub Capitation Block Administrative	$ 0.05	$ -	$ 0.05	$ -	$ 0.05	$ -	$ 0.05	$ -	$ 0.05	$ -
Health Care Quality Improvement	$ 0.05	$ 141,295	$ 0.05	$ 142,708	$ 0.06	$ 144,135	$ 0.06	$ 145,577	$ 0.06	$ 147,032
Program Integrity Fraud, Waste and Abuse Prevention Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interpretation/Translation Services	$ 0.02	$ -	$ 0.02	$ -	$ 0.02	$ -	$ 0.02	$ -	$ 0.02	$ -
Other Administrative Expenses [2]	$ 0.22	$ 611	$ 0.22	$ 617	$ 0.22	$ 623	$ 0.22	$ 629	$ 0.22	$ 635
Total Admin Costs	$ 53.31	$ 11,101,029	$ 53.04	$ 11,312,552	$ 53.56	$ 11,529,709	$ 54.10	$ 11,752,678	$ 54.63	$ 11,981,646
Member Months Assumed in Bid		175,000		175,000		175,000		175,000		175,000

Footnotes:

1) Case Manager Costs will be reflected in the Offerors Case Management Bid Component which can be found on tab "Case Management Bid" in this workbook.

2) If "Other Administrative Expenses" is greater than 5% of the total then please provide a detailed list describing what's included, with amounts.

Case Management Bid

ALTCS-EPD Case Management Component Bid									
	North GSA			Central GSA			South GSA		
Assumptions:	**Non-SMI**	**SMI**	**Total**	**Non-SMI**	**SMI**	**Total**	**Non-SMI**	**SMI**	**Total**
Number of ALTCS-EPD enrollment: [1]	2,194	171	2,365	5,375	463	5,838	2,856	256	3,113
Institutional Mix %: [1]	28.8%	26.5%	28.7%	19.6%	33.9%	20.7%	25.6%	38.7%	26.6%
Acute Care Only Mix %: [1]	2.9%	1.4%	2.8%	3.0%	0.9%	2.8%	1.7%	1.1%	1.6%
Alternative Home and Community Bases Service (HCBS) Mix %: [1]	23.0%	33.7%	23.7%	29.4%	42.1%	30.4%	21.6%	33.0%	22.6%
HCBS (own home) Mix %: [1]	45.3%	38.4%	44.8%	48.0%	23.1%	46.1%	51.1%	27.2%	49.2%
Average Case Management Manager total compensation (includes ERE)	$ 96,000	$ 96,000	$ 96,000	$ 96,000	$ 96,000	$ 96,000	$ 96,000	$ 96,000	$ 96,000
Average Case Management Supervisor total compensation (includes ERE)	$ 134,500	$ 134,500	$ 134,500	$ 134,500	$ 134,500	$ 134,500	$ 134,500	$ 134,500	$ 134,500
Average Case Management Administration Support Staff total compensation (includes ERE)	$ 61,000	$ 61,000	$ 61,000	$ 61,000	$ 61,000	$ 61,000	$ 61,000	$ 61,000	$ 61,000
Maximum Members per Case Manager (Institutional) [2]	94.0	67.1	91.5	94.0	67.1	89.4	94.0	67.1	89.7
Maximum Members per Case Manager (Acute Care Only) [2]	94.0	94.0	94.0	94.0	94.0	94.0	94.0	94.0	94.0
Maximum Members per Case Manager (Alternative HCBS) [2]	52.2	49.5	51.9	52.2	49.5	51.9	52.2	49.5	51.9
Maximum Members per Case Manager (HCBS Own Home) [2]	42.7	31.3	41.8	42.7	31.3	42.1	42.7	31.3	42.0
Average Travel Expenses per Case Management Manager	$ 3,316.00	$ 3,316.00	$ 3,316.00	$ 3,316.00	$ 3,316.00	$ 3,316.00	$ 3,316.00	$ 3,316.00	$ 3,316.00
Average Case Managers per Supervisor	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5
Average Administrative Support Staff per Supervisor	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11
Calculations:									
Case Management Manager FTEs required	40.3	4.0	44.3	103.6	9.7	113.3	54.3	5.4	59.7
Case Management Manager salary and ERE	$3,868,891	$380,607	$4,249,498	$9,942,951	$934,195	$10,877,146	$5,211,890	$522,704	$5,734,594
Case Management Supervisor FTEs required	2.8	0.3	3.1	7.1	0.7	7.8	3.7	0.4	4.1
Case Management Supervisor salary and ERE	$373,826	$36,776	$410,602	$960,723	$90,265	$1,050,989	$503,591	$50,505	$554,097
Case Management Administration Support Staff FTEs	0.3	0.0	0.3	0.8	0.1	0.9	0.4	0.0	0.5
Case Management Administration Support Staff salary and ERE	$18,650	$1,835	$20,484	$47,929	$4,503	$52,432	$25,123	$2,520	$27,643
Travel Costs	$133,638	$13,147	$146,785	$343,446	$32,269	$375,715	$180,027	$18,055	$198,082
Total Annual Case Management Cost	$4,395,005	$432,364	$4,827,368	$11,295,050	$1,061,232	$12,356,282	$5,920,632	$593,784	$6,514,416
Total Case Management PMPM			**$170.11**			**$176.38**			**$174.40**

Footnotes:

1. AHCCCS prescribed values are based on GSA specific averages of enrollment and placement data between July and December 2022. AHCCCS will adjust the member enrollment and mix percentages once awards have been set and final distribution of membership is known.

2. Refer to AHCCCS Medical Policy Manual (AMPM) 1630 Section D. Caseload Management for maximum case load allowed for each setting.