Contract Year Ending 2025
Capitation Rate Certification Amendment
AHCCCS Complete Care and
AHCCCS Complete Care – Regional Behavioral Health Agreement
Program

October 1, 2024 through March 31, 2025 and
April 1, 2025 through September 30, 2025

Prepared for:
The Centers for Medicare & Medicaid Services

Prepared by:
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CYE 25 Capitation Rate Certification Amendment – ACC and ACC-RBHA Program

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CYE 25 Capitation Rate Certification Amendment – ACC and ACC-RBHA Program

Introduction and Limitations

The purpose of this rate certification amendment is to provide documentation for compliance with the applicable provisions of 42 CFR Part 438. This rate certification amendment provides documentation for revisions to the capitation rates for the Arizona Health Cost Containment System (AHCCCS) Complete Care (ACC) and AHCCCS Complete Care – Regional Behavioral Health Agreement (ACC-RBHA) Program for the six-month period covering April 1, 2025, through September 30, 2025. The original rate certification signed August 26, 2024, provides further documentation on the development of the original capitation rates, and an amended actuarial rate certification signed November 27, 2024, was submitted to document a new state directed payment paid through a separate payment arrangement which did not impact the certified capitation rates. The AHCCCS Division of Business and Finance (DBF) Actuarial Team is updating some of the assumptions used in the development of the capitation rates for the second six months of CYE 25 due to significant disenrollment occurring after the rates were originally developed. This amendment will address changes to trend projections, revisions to the acuity adjustment factor modeling, a new Prior Period Coverage (PPC) adjustment factor, and an update to the projected expenses for Assertive Community Treatment (ACT) Teams; this amendment also revises the projected member months which directly impacts the projected administrative expense PMPMs and the Crisis 24 Hour Group medical PMPMs. The actuaries are additionally adjusting the risk adjustment factors for the time frame April 1, 2025, through September 30, 2025, consistent with the information provided in the original capitation rate certification, by updating the Member Snapshot Period for the Non-Newborn risk groups. There are no other changes to data, assumptions, or methodologies used and provided in the previous actuarial rate certifications besides the ones listed in this amendment.

This rate certification amendment was prepared for the Centers for Medicare & Medicaid Services (CMS), or its actuaries, for review and approval of the actuarially sound certified capitation rates contained herein. This rate certification amendment may not be appropriate for any other purpose. The actuarially sound capitation rates represent projections of future events. Actual results may vary from the projections.

This rate certification amendment may also be made available publicly on the AHCCCS website or distributed to other parties. If this rate certification amendment is made available to third parties, then this rate certification amendment should be provided in its entirety. Any third party reviewing this rate certification amendment should be familiar with the AHCCCS Medicaid managed care program, the provisions of 42 CFR Part 438 applicable to this rate certification, the 2024-2025 Medicaid Managed Care Rate Development Guide (2025 Guide), Actuarial Standards of Practice and generally accepted actuarial principles and practices.

The 2025 Guide describes the rate development standards and appropriate documentation to be included within Medicaid managed care rate certifications. This rate certification amendment has been organized to follow the 2025 Guide to help facilitate the review of this rate certification by CMS. This amendment only addresses changes from the original certification; it does not purport to address all subsections of the 2025 Guide as most subsections are unchanged.

Section I Medicaid Managed Care Rates

The capitation rates included with this rate certification amendment are considered actuarially sound according to the following criteria from 42 CFR § 438.4(a) and 42 CFR § 438.4(b). The state did not opt to develop capitation rate ranges, therefore adherence to 42 CFR § 438.4(c) is not required.

- § 438.4(a) Actuarially sound capitation rates defined. Actuarially sound capitation rates are projected to provide for all reasonable, appropriate, and attainable costs that are required under the terms of the contract and for the operation of the MCO, PIHP, or PAHP for the time period and the population covered under the terms of the contract, and such capitation rates are developed in accordance with the requirements in paragraph (b) of this section.
- § 438.4(b) CMS review and approval of actuarially sound capitation rates. Capitation rates for MCOs, PIHPs, and PAHPs must be reviewed and approved by CMS as actuarially sound. To be approved by CMS, capitation rates must:
- § 438.4(b)(1) Have been developed in accordance with standards specified in § 438.5 and generally accepted actuarial principles and practices. Any differences in the assumptions, methodologies, or factors used to develop capitation rates for covered populations must be based on valid rate development standards that represent actual cost differences in providing covered services to the covered populations. Any differences in the assumptions, methodologies, or factors used to develop capitation rates must not vary with the rate of Federal financial participation (FFP) associated with the covered populations in a manner that increases Federal costs. The determination that differences in the assumptions, methodologies, or factors used to develop capitation rates for MCOs, PIHPs, and PAHPs increase Federal costs and vary with the rate of FFP associated with the covered populations must be evaluated for the entire managed care program and include all managed care contracts for all covered populations. CMS may require a State to provide written documentation and justification that any differences in the assumptions, methodologies, or factors used to develop capitation rates for covered populations or contracts represent actual cost differences based on the characteristics and mix of the covered services or the covered populations.
- § 438.4(b)(2) Be appropriate for the populations to be covered and the services to be furnished under the contract.
- § 438.4(b)(3) Be adequate to meet the requirements on MCOs, PIHPs, and PAHPs in §§ 438.206, 438.207, and 438.208.
- § 438.4(b)(4) Be specific to payments for each rate cell under the contract.
- § 438.4(b)(5) Payments from any rate cell must not cross-subsidize or be cross-subsidized by payments for any other rate cell.
- § 438.4(b)(6) Be certified by an actuary as meeting the applicable requirements of this part, including that the rates have been developed in accordance with the requirements specified in § 438.3(c)(1)(ii) and (e).
- § 438.4(b)(7) Meet any applicable special contract provisions as specified in § 438.6.
- § 438.4(b)(8) Be provided to CMS in a format and within a timeframe that meets requirements in § 438.7.

- § 438.4(b)(9) Be developed in such a way that the MCO, PIHP, or PAHP would reasonably achieve a medical loss ratio standard, as calculated under § 438.8, of at least 85 percent for the rate year. The capitation rates may be developed in such a way that the MCO, PIHP, or PAHP would reasonably achieve a medical loss ratio standard greater than 85 percent, as calculated under § 438.8, as long as the capitation rates are adequate for reasonable, appropriate, and attainable non-benefit costs.

The actuaries have followed generally accepted actuarial practices and regulatory requirements, including published guidance from the American Academy of Actuaries (AAA), the Actuarial Standards Board (ASB), CMS, and federal regulations. In particular, the actuaries referenced the below during the development of the actuarially sound capitation rates:

- Actuarial Standards of Practice (ASOPs) applicable to Medicaid managed care rate setting which were effective before the start date of the rating period:
  - 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 and Certification, and
  - ASOP No. 56 - Modeling.
- The 2016, 2020, and 2024 Medicaid and CHIP Managed Care Final Rules (CMS-2390-F, CMS-2408-F, and CMS-2439-F)
- FAQs related to payments to MCOs and PIHPs for IMD stays
- The 2024-2025 Medicaid Managed Care Rate Development Guide (2025 Guide) and the Addendum to 2024-2025 Medicaid Managed Care Rate Development Guide (Addendum) published by CMS

Throughout this actuarial certification amendment, the term “actuarially sound” will be defined as in ASOP 49 (consistent with the definition at 42 CFR § 438.4(a)):

> “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.”

As stated on page 4 of the 2025 Guide, CMS will also use these three principles in applying the regulation standards:

- 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 Part 438 and generally accepted actuarial principles and practices.

I.1. General Information

The certified capitation rates for the ACC and ACC-RBHA Program are effective for the 12-month time period from October 1, 2024, through September 30, 2025 (CYE 25), with one set of capitation rates being effective for the 6-month time period from October 1, 2024, through March 31, 2025, and the second set of capitation rates being effective for the 6-month time period from April 1, 2025, through September 30, 2025. The CYE 25 capitation rates effective for the first half of the year are unchanged from the original CYE 25 capitation rate certification signed August 26, 2024, and the certification amendment signed November 27, 2024. This capitation rate certification amendment addresses and accounts for all differences from the previously certified rates. The capitation rates effective for the second half of the year were developed in the same way as the original capitation rates except for the changes specifically addressed herein. Please see the original rate certification for additional information about the ACC and ACC-RBHA Program. The state has not made any previous adjustment to rates in the rating period by a *de minimis* amount or otherwise.

The actuarial certification letter for the revised CYE 25 capitation rates for the ACC and ACC-RBHA Program, signed by Matthew C. Varitek, FSA, MAAA and Luna Zong, ASA, MAAA, is in Appendix 1. Mr. Varitek and Ms. Zong meet the requirements for the definition of an Actuary described at 42 CFR § 438.2.

Mr. Varitek and Ms. Zong certify that the CYE 25 capitation rates for the ACC and ACC-RBHA Program contained in this rate certification amendment are actuarially sound and meet the standards within the applicable provisions of 42 CFR Part 438.

The final and certified capitation rates by rate cell are located in Appendix 2. Additionally, the ACC and ACC-RBHA Program contract includes the final and certified capitation rates by rate cell in accordance with 42 CFR § 438.3(c)(1)(i). The ACC and ACC-RBHA Program contract uses the term risk group instead of rate cell. This rate certification amendment will use the term rate cell when identifying a population at the certified capitation rate level to be consistent with the applicable provisions of 42 CFR Part 438, the 2025 Guide, and the prior rate certifications, and will use the term risk group when identifying a population not at the certified capitation rate level, e.g., the AGE < 1 risk group represents children under age 1 in the ACC and ACC-RBHA Program.

Appendix 3 compares the CYE 25 revised certified capitation rates for the period April 1, 2025, through September 30, 2025, to the CYE 25 original certified capitation rates for the period October 1, 2024, through March 31, 2025. The AHCCCS DBF Actuarial Team has defined a large change as any weighted capitation rate which is 10% greater than the previous rating period's weighted capitation rate and defined a negative change as any weighted capitation rate that is less than the previous rating period's weighted capitation rate. The actuaries compared the revised CYE 25 certified capitation rates to the original CYE 25 certified capitation rates, applying the same weights, as specified above and as shown in Appendix 3, as the measurement of change. The risk groups where the weighted capitation rates have increased more than 10% when compared to the original CYE 25 weighted capitation rates are the Prop 204 Childless Adults and the Expansion Adults, and this is true for each of the three geographic service

areas (GSAs) within the state. These increased rates are driven primarily by the revisions to the aggregate acuity factors, described in more detail in Section I.7. Acuity Adjustments.

Proposed differences among the CYE 25 capitation rates for the ACC and ACC-RBHA Program are based on valid rate development standards and are not based on the rate of FFP for the populations covered under the ACC and ACC-RBHA Program. The CYE 25 capitation rates were developed at the rate cell level. Payments from rate cells do not cross-subsidize payments from other rate cells. The effective dates of changes to the ACC and ACC-RBHA Program are consistent with the assumptions used to develop the CYE 25 capitation rates for the ACC and ACC-RBHA Program. The capitation rates were developed so each Contractor would reasonably achieve a medical loss ratio, as calculated under 42 CFR § 438.8, of at least 85 percent for CYE 25.

In the actuaries' judgement, all adjustments to the capitation rates or to any portion of the capitation rates reflect reasonable, appropriate, and attainable costs. To the actuaries' knowledge, there are no reasonable, appropriate, and attainable costs which have not been included in the rate certification amendment. There have been no adjustments to the rates performed outside of the rate setting process described in the rate certification. The amended CYE 25 capitation rates certified in this report represent the contracted rates by rate cell. The state will submit a contract amendment to CMS.

I.2. Data

Please see the original capitation rate certification for any subsection which has not been included here, as only those subsections where there have been changes are included in this capitation rate amendment certification.

I.2.B.ii.(a) Description of Data

Please see the original rate certification for a description of the data AHCCCS used in the initial capitation rate development. The additional data that AHCCCS reviewed for developing the revised capitation rates for the second six months of the CYE 25 rating period, beyond the data documented in the original rate certification for the ACC and ACC-RBHA Program, include:

- adjudicated and approved encounter data, submitted by the ACC and ACC-RBHA Contractors, and included in the AHCCCS Prepaid Medical Management Information System (PMMIS) mainframe as of the second December 2024 encounter processing cycle,
- eligibility reports from AHCCCS Division of Member and Provider Services (DMPS),
- quarterly financial statements submitted by the ACC and ACC-RBHA Contractors and reviewed by the AHCCCS DBF Finance & Reinsurance Team for January 2024 through December 2024,
- historical enrollment data through February 2025,
- revised enrollment projections for March 2025 through September 2025, and
- updated supplemental historical and projected data associated with benefit costs provided by the Contractors in March 2025, including detail on ACT Teams contracted rates.

I.2.B.ii.(c)(i) Not Using Encounter or Fee-for-Service Data

Unchanged from the original rate certification, managed care encounters served as the primary data source for the development of the CYE 25 capitation rates for the ACC populations and the RBHA SMI population.

Due to the unique nature of the Crisis 24 Hour Group rate cells and the use of contracted block payment amounts, a revision to these rate cells was necessary for the second six-month period of the rating period due to the significant reduction in projected enrollment.

As noted in the original rate certification, crisis intervention services are based on a "firehouse" model, in which costs are incurred for staffing 24/7 crisis phone lines (CPLs), 24/7 crisis mobile teams (CMTs), and 24/7 crisis stabilization units (CSUs), whether or not there are services provided. The ACC-RBHA Contractors therefore contract and pay for these staffing costs primarily through block payment arrangements, which keeps the system running smoothly, since the number of people seeking crisis in any given year can be very different and trying to price fee schedules to account for those differences could under or over fund the services in any given year if the projections turn out different than reality.

The revised Crisis 24 Hour Group capitation rates derived new PMPMs for the "firehouse" model components by taking six months of the original annual projected "firehouse" model costs divided by the revised member month projections for the latter half of CYE 25. The ancillary crisis services, DAP, and administrative expense projection PMPM components remain unchanged.

I.3. Projected Benefit Costs and Trends

Please see the original capitation rate certification for any subsection which has not been included here, as only those subsections where there have been changes are included in this capitation rate amendment certification.

I.3.B.ii.(a) Description of the Data, Assumptions, and Methodologies

Assertive Community Treatment (ACT) Teams

The North and Central GSA ACC-RBHA Contractors have committed to additional ACT teams for the SMI population that were not in place during the base data year. ACT teams are available 24 hours per day, 7 days per week for those members with SMI who have been assigned to an ACT team. ACT teams provide individualized, flexible services to those living in the community, and each team includes no less than 10 professional health care workers with varied experience, including: a psychiatrist, nurse, social worker, substance abuse specialist, vocational rehabilitation specialist, and a peer specialist. The projected costs for each new ACT team are somewhat lower than the costs of ACT teams already in place, with the understanding that it takes some amount of time to ramp up to the full spectrum of services for a full complement of members.

In addition to the information above from the original rate certification, for the second 6-month period of the contract year, the actuaries have included an update to the contracted amounts being paid to the ACT teams in the Central GSA. The impact of this change for the second half of the year is $4.8M for the Central SMI rate cell.

I.3.B.iii. Projected Benefit Cost Trends

The data reviewed for revision of the projected benefit cost trends for the second six-month period of the rating period was the ACC and ACC-RBHA encounter data incurred from October 2020 through

December 2024, adjudicated and approved through the second December 2024 encounter processing cycle.

As noted in the original rate certification, the AHCCCS DBF Actuarial Team has defined outlier trends as utilization and unit cost trend combinations which resulted in a PMPM trend greater than 7%. The revisions to the projected benefit cost trends for the second six-month period resulted in several outlier trends. Please see Appendix 4 for the original and the revised trend assumptions at the GSA, risk group, and COS level by effective date.

For the following combinations of GSA, risk groups, and categories of service (COS), the outlier trends are driven primarily by utilization per 1000 metrics that have continued to increase through the time period after the original rate development was completed:

- in the North GSA, for all risk groups except SMI and the Delivery Supplemental Payments, the FQHC/RHC and Mental Health Inpatient and LTC COS,
- in the North GSA, for the SSIWO and Prop 204 Childless Adults risk groups, the Mental Health Practitioners COS,
- in the Central GSA, for the SSIWO risk group, the Mental Health Practitioners COS,
- in the Central GSA, for the SMI risk group, the Residential Services COS,
- in the South GSA, for all risk groups except SMI and the Delivery Supplemental Payments, the Mental Health Inpatient and LTC COS, and
- in the South GSA, for the Age 1-20 and SSIWO risk groups, the Mental Health Practitioners COS.

For the following combinations of GSA, risk group, and COS, the outlier trends are driven primarily by unit cost metrics that have continued to increase through the time period after the original rate development was completed:

- in the Central GSA, for the Prop 204 Childless Adults and Expansion Adults risk groups, the Pharmacy COS,
- in the South GSA, for the Age 21+ and Expansion Adults risk groups, the Pharmacy COS, and
- in the South GSA, for the SMI risk group, the Case Management COS.

Finally, in the North GSA, for the SMI risk group, the Mental Health Practitioners COS observed both increases in utilization and unit costs, combining for an aggregate PMPM trend projection above 7%.

For all COS, GSA, and risk group combinations where the projected PMPM trend is greater than 7%, the revisions were further supported by encounter data incurred subsequently to the dates of service used in development of the trend assumptions in the original CYE 25 capitation rates.

All adjustments to the trend assumptions from those contained within the original CYE 25 capitation rates were increases, which also had the result of decreasing the number of negative trends assumed for utilization or unit cost. The remaining (and unchanged) negative trend assumptions for utilization are as follows:

- in the North GSA, for the Delivery Supplemental Payment risk group, the Physician COS, and
- in the South GSA, for the Expansion Adults risk group, the Physical Health Inpatient and LTC COS.

The remaining (and unchanged) negative trend assumptions for unit cost are as follows:

- in the North GSA, for the Duals risk group, the Outpatient Facility COS,

- in the South GSA, for the Duals risk group, the Physical Health Inpatient and LTC COS, and
- in the South GSA, for the Duals and Prop 204 Childless Adults risk groups, the Physical Health Practitioners COS.

Please see the original rate certification for additional information on the negative trends.

The aggregate projected benefit cost trends, excluding the Delivery Supplemental Payment risk group, by GSA for utilization per 1000, unit cost, and PMPMs by effective dates are included in Table 1.

Table 1: CYE 25 Annualized Aggregate Trends

Effective Dates	October 1, 2024 - March 31, 2025			April 1, 2025 - September 30, 2025		
GSA	Utilization Per 1000	Unit Cost	PMPM	Utilization Per 1000	Unit Cost	PMPM
North	1.16%	1.61%	2.79%	2.54%	1.54%	4.13%
Central	1.33%	1.63%	2.99%	2.08%	1.94%	4.06%
South	2.14%	1.32%	3.48%	3.06%	1.68%	4.78%
Total	**1.51%**	**1.55%**	**3.09%**	**2.35%**	**1.85%**	**4.24%**

I.3.B.vi. Retrospective Eligibility Periods

The original CYE 25 capitation rates in the capitation rate certification dated August 26, 2024, did not include any specific adjustments for the PPC time frame, given that the PPC encounter and enrollment data were already included within the base data used for the development of the capitation rates. However, more recent enrollment and encounter data demonstrate that a higher share of the total enrollment and expenses are from the PPC timeframe than was observed during the base data year, CYE 23, used for the original rate development. Historical experience shows that PMPM expenses incurred during the PPC time frame are higher than those incurred during the prospective time frame of a member's enrollment for most risk groups. As such, the revised capitation rates in this certification include adjustments to projected costs that assume there will continue to be a greater share of PPC enrollment during the second half of the CYE 25 rating period than was observed in the CYE 23 base data.

The adjustment factors were developed at the GSA and risk group level using enrollment data from October 2018 through December 2024. The PPC adjustment factors reflect the cost relativities of PPC and prospective members during the base year and use projected proportions of prospective and PPC members assumed for CYE 25 to adjust the base data as if the base year had included the same proportion of PPC members as is being forecast.

Please see Table 2 for the PPC factors, by risk group and GSA, that are applied to the base data as adjustments before the application of trend.

Table 2: PPC Factors

Risk Group	Capitation Rates Effective			
	October 1, 2024 – March 31, 2025	April 1, 2025 – September 30, 2025		
		North	Central	South
AGE < 1	NA	1.0000	1.0000	1.0000
AGE 1-20	NA	1.0015	1.0000	1.0009
AGE 21+	NA	1.0010	1.0005	1.0025
Duals	NA	1.0002	1.0004	1.0006
SSIWO	NA	1.0000	0.9994	0.9995
Prop 204 Childless Adults	NA	1.0187	1.0146	1.0187
Expansion Adults	NA	1.0117	1.0146	1.0072
SMI	NA	1.0008	1.0020	1.0005

I.4. Special Contract Provisions Related to Payment

Please see the original capitation rate certification, signed August 26, 2024, and the previous capitation rate certification amendment, signed November 27, 2024, for additional information. There have been no changes to the capitation rate development process in this regard.

I.5. Projected Non-Benefit Costs

Please see the original capitation rate certification for any subsection which has not been included here, as only those subsections where there have been changes are included in this capitation rate amendment certification.

I.5.B.i.(a) Data, Assumptions, and Methodology

The revisions of the projected administrative components for the second six-month period of the rating period for the ACC populations are based on updates to the projected member months and gross medical costs. The RBHA population's administrative components remain unchanged. For the fixed administrative expenses for the ACC population, the revised fixed PMPM was developed by using one half of the Contractor's projected annual fixed administrative costs from the original CYE 25 rates, then dividing the result by the revised member month projections for the latter half of CYE 25. The total variable PMPM by Contractor remains unchanged but the distribution of the variable PMPM to the rate cells varies based on updated gross medical costs, consistent with the methodology used in the original rate development.

Please see Appendix 5 for the original and revised administrative PMPMs at the rate cell level by effective date.

I.6. Risk Adjustment

Please see the original capitation rate certification for relevant definitions of terms, a description of the model used, and the methodology for developing and applying risk adjustment factors, all of which are

unchanged. The changes in the risk adjustment factors follow from updating the Member Snapshot Period for the Non-Newborn risk groups mid-year as shown in Table 3 below.

Table 3: Marker Study Period and Member Snapshot Period

Effective Dates	October 1, 2024 – March 31, 2025		April 1, 2025 – September 30, 2025	
Risk Adjusted Risk Groups	Marker Study Period	Member Snapshot Period	Marker Study Period	Member Snapshot Period
Newborns (i.e., AGE < 1)	October 2022 – September 2023	October 2022 – September 2023	October 2022 – September 2023	October 2022 – September 2023
Non-Newborns	October 2022 – September 2023	February 2024	October 2022 – September 2023	February 2025

I.7. Acuity Adjustments

Due to unanticipated enrollment decreases in the first quarter of CYE 25, the AHCCCS DBF actuaries have revised the acuity factors included in the capitation rate development for the second 6-month time frame of CYE 25. In early 2025, the AHCCCS DMPS provided the AHCCCS DBF Actuarial Team with an updated list of all AHCCCS members with an adverse redetermination decision and their redetermination reason through January 2025. The AHCCCS DBF Actuarial Team used this updated list as the primary driver of data inputs into the revised acuity modeling for estimating appropriate adjustment factors by risk group and GSA.

The revisions to the acuity factors arise from two sources: the first is the inclusion of disenrollment data through January 2025, while the second is a change to the calculation methodology from the original capitation rates by including an additional factor to account for more recent increased expenses associated with "churn" while maintaining the same practice as the original factors which accounted for the acuity and higher expenses in the base year associated with the "staying or returning" population. Thus, in the second 6-month period, there are two factors which make up the aggregate acuity change for each risk group and GSA combination.

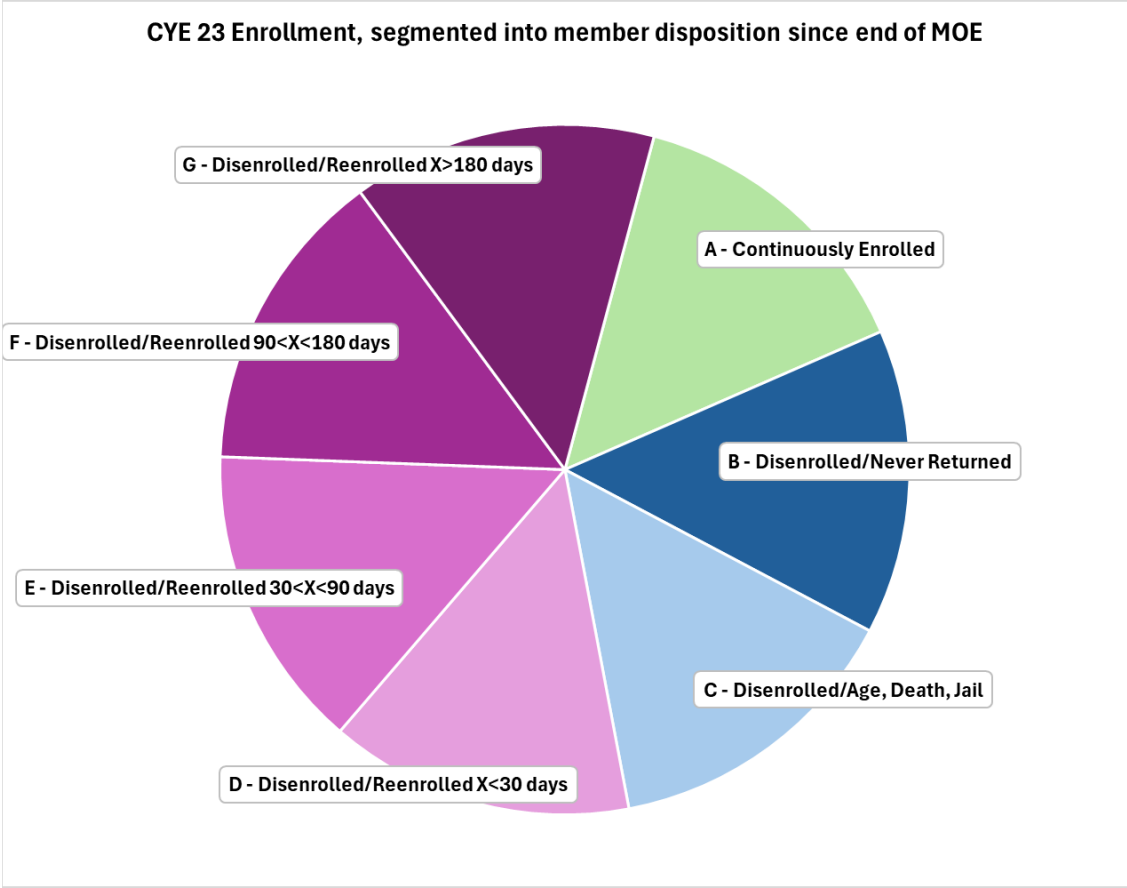
A graphic, purposefully not to scale, and formulas have been included on the following pages to illustrate the differences between the original, single factor methodology (original acuity) and the revised, dual factor methodologies (revised acuity and churn) that aggregate to a single factor for the latter half of the rating period.

Using the provided member list, the AHCCCS DBF Actuarial Team extracted adjudicated and approved encounter data for all members on the list as well as their membership information. The revised acuity factors use adjudicated and approved encounter data for all ACC and ACC-RBHA members incurred during CYE 23 and paid through December 2024. The churn factors use adjudicated and approved encounter data for all ACC and ACC-RBHA members incurred and paid through December 2024.

In developing the methodology for both the original and revised factors, the actuaries separated the CYE 23 base data enrollment into seven segments based on characteristics of the population following the end of the maintenance of effort (MOE) period (post-MOE). For the factors included in the revised

capitation rates, enrollment information through January 2025 was used to segment the population. These segments are as follows:

A) Members who have been continuously enrolled since CYE 23
B) Members who disenrolled post-MOE who have not re-enrolled since
C) Members who "technically" disenrolled from a specific risk group, whether that was due to age, death, or incarceration
D) Members who disenrolled post-MOE who re-enrolled within 30 days
E) Members who disenrolled post-MOE who re-enrolled between 30 and 90 days later
F) Members who disenrolled post-MOE who re-enrolled between 90 and 180 days later
G) Members who disenrolled post-MOE and re-enrolled more than 180 days later



The original acuity factor methodology classified the groups B, E, F, and G as "leavers", with the remaining groups A, C, and D, classified as "stayers" and the acuity factors were based on the cost relativities between the "stayers" CYE 23 PMPMs as compared to the total population PMPM in CYE 23, calculated at the GSA and risk group level. In the revised acuity factor methodology, the cost relativity being measured is now between the CYE 23 PMPM of the "staying or returning" population (all groups except for group B) and the CYE 23 PMPM of the total population (all groups), still at the GSA and risk group level.

The actuaries can illustrate each of the factors' calculations and methodology by defining two summation functions and then combining them in various ways. Each of the summations describes a population being considered, 'x', across a timeframe, where the index 'i' is each person in the considered population. For costs, the notation will be $C(x,\text{timeframe})$ and for member months, the notation will be $M(x,\text{timeframe})$.

Defining $C(x,\text{timeframe}) = \sum_{i=1}^{x} \text{expenses in timeframe}_i$ and $M(x,\text{timeframe}) = \sum_{i=1}^{x} \text{member-months in timeframe}_i$, and then defining a function for the PMPM costs in a timeframe as $PMPM(x,\text{timeframe}) = \frac{C(x,\text{timeframe})}{M(x,\text{timeframe})}$, the original acuity factor methodology can be stated as $\text{Original Acuity Factors} = \frac{PMPM(A \cup C \cup D,\text{CYE 23})}{PMPM(A \cup B \cup C \cup D \cup E \cup F \cup G,\text{CYE 23})}$ and the revised acuity factor methodology can be stated as $\text{Revised Acuity Factors} = \frac{PMPM(A \cup C \cup D \cup E \cup F \cup G,\text{CYE 23})}{PMPM(A \cup B \cup C \cup D \cup E \cup F \cup G,\text{CYE 23})}$.

The churn factor methodology is similarly defined using a combination of the above functions. As seen in the graphic above, the actuaries categorized the "returners" based on the length of their disenrollment (groups D, E, F, and G). The specific subset of "returners" where the impacts of churn were most evident, and in need of addressing with the churn factor, were those members who disenrolled post-MOE and then re-enrolled between 90 and 180 days later (group F). These particular members were more likely to have increased medical needs prompting their re-enrollment, i.e., the coverage gap was long enough to result in pent-up demand when the members re-enrolled. The churn factor measures the relativity of the group F PMPM expenses during the three months following their re-enrollment to their expenses during the three months prior to their disenrollment. The modeling excludes all PPC expenses and enrollment from the PMPM analysis given that increased expenses associated with increased PPC percentages beyond those seen in the base data period are now captured in a separate factor as described above in Section I.3.B.vi. Retrospective Eligibility Periods. The churn methodology applies a scaling factor based on the percentage of enrollment attributable to the group F enrollment during the base period in order to not overstate the impact of churn by applying the churn factor to all enrollment within the base period. The churn factors can then be stated as $\text{Churn Factors} = \frac{PMPM(F,\text{3 months following reenrollment})}{PMPM(F,\text{3 months prior to disenrollment})} \times \frac{M(F,\text{CYE 23})}{M(A \cup B \cup C \cup D \cup E \cup F \cup G,\text{CYE 23})}$.

Appendix 6 includes the original and revised factors at the risk group and GSA level by effective date.

Section II Medicaid Managed Care Rates with Long-Term Services and Supports – Not Applicable

Please see the original capitation rate certification for additional information. There have been no changes to the capitation rate development process in this regard.

Section III New Adult Group Capitation Rates

Section III of the 2025 Medicaid Managed Care Rate Development Guide is applicable to the ACC and ACC-RBHA Program. There have been no changes to data, assumptions, or methodologies that affect the new adult group capitation rates other than those described above.

Appendix 1: Actuarial Certification

We, Matthew C. Varitek, FSA, MAAA and Luna Zong, ASA, MAAA, are employees of AHCCCS. We meet the qualification standards established by the American Academy of Actuaries and have followed generally accepted actuarial practices and regulatory requirements, including published guidance from the American Academy of Actuaries, the Actuarial Standards Board, CMS, and federal regulations.

The capitation rates included with this rate certification amendment are considered actuarially sound according to the following criteria from 42 CFR § 438.4(a) and 42 CFR § 438.4(b). The state did not opt to develop capitation rate ranges, therefore adherence to 42 CFR § 438.4(c) is not required.

- § 438.4(a) Actuarially sound capitation rates defined. Actuarially sound capitation rates are projected to provide for all reasonable, appropriate, and attainable costs that are required under the terms of the contract and for the operation of the MCO, PIHP, or PAHP for the time period and the population covered under the terms of the contract, and such capitation rates are developed in accordance with the requirements in paragraph (b) of this section.
- § 438.4(b) CMS review and approval of actuarially sound capitation rates. Capitation rates for MCOs, PIHPs, and PAHPs must be reviewed and approved by CMS as actuarially sound. To be approved by CMS, capitation rates must:
- § 438.4(b)(1) Have been developed in accordance with standards specified in § 438.5 and generally accepted actuarial principles and practices. Any differences in the assumptions, methodologies, or factors used to develop capitation rates for covered populations must be based on valid rate development standards that represent actual cost differences in providing covered services to the covered populations. Any differences in the assumptions, methodologies, or factors used to develop capitation rates must not vary with the rate of Federal financial participation (FFP) associated with the covered populations in a manner that increases Federal costs. The determination that differences in the assumptions, methodologies, or factors used to develop capitation rates for MCOs, PIHPs, and PAHPs increase Federal costs and vary with the rate of FFP associated with the covered populations must be evaluated for the entire managed care program and include all managed care contracts for all covered populations. CMS may require a State to provide written documentation and justification that any differences in the assumptions, methodologies, or factors used to develop capitation rates for covered populations or contracts represent actual cost differences based on the characteristics and mix of the covered services or the covered populations.
- § 438.4(b)(2) Be appropriate for the populations to be covered and the services to be furnished under the contract.
- § 438.4(b)(3) Be adequate to meet the requirements on MCOs, PIHPs, and PAHPs in §§ 438.206, 438.207, and 438.208.
- § 438.4(b)(4) Be specific to payments for each rate cell under the contract.
- § 438.4(b)(5) Payments from any rate cell must not cross-subsidize or be cross-subsidized by payments for any other rate cell.
- § 438.4(b)(6) Be certified by an actuary as meeting the applicable requirements of this part, including that the rates have been developed in accordance with the requirements specified in § 438.3(c)(1)(ii) and (e).
- § 438.4(b)(7) Meet any applicable special contract provisions as specified in § 438.6.
- § 438.4(b)(8) Be provided to CMS in a format and within a timeframe that meets requirements in § 438.7.
- § 438.4(b)(9) Be developed in such a way that the MCO, PIHP, or PAHP would reasonably achieve a medical loss ratio standard, as calculated under § 438.8, of at least 85 percent for the

> rate year. The capitation rates may be developed in such a way that the MCO, PIHP, or PAHP would reasonably achieve a medical loss ratio standard greater than 85 percent, as calculated under § 438.8, as long as the capitation rates are adequate for reasonable, appropriate, and attainable non-benefit costs.

Additionally, the term "actuarially sound" is defined in Actuarial Standard of Practice (ASOP) 49, "Medicaid Managed Care Capitation Rate Development and Certification," as:

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

The data, assumptions, and methodologies used to develop the CYE 25 capitation rates for the ACC and ACC-RBHA Program have been documented according to the guidelines established by CMS in the 2025 Guide. The certified capitation rates for the ACC and ACC-RBHA Program are effective for the 12-month time period from October 1, 2024, through September 30, 2025 (CYE 25), with the original capitation rates being effective for the 6-month time period from October 1, 2024, through March 31, 2025, and the revised capitation rates being effective for the 6-month time period from April 1, 2025, through September 30, 2025.

The actuarially sound capitation rates are based on projections of future events. Actual results may vary from the projections. In developing the actuarially sound capitation rates, we have relied upon data and information provided by teams at AHCCCS and the Contractors. We have relied upon AHCCCS and the Contractors for the accuracy of the data and we have accepted the data without audit, after checking the data for reasonableness and consistency unless stated otherwise.

SIGNATURE ON FILE	March 31, 2025
Matthew C. Varitek Fellow, Society of Actuaries Member, American Academy of Actuaries	Date

SIGNATURE ON FILE	March 31, 2025
Luna Zong Associate, Society of Actuaries Member, American Academy of Actuaries	Date

Appendix 2: Certified Capitation Rates

Appendix 2: Certified Capitation Rates

Original Capitation Rates Effective October 1, 2024 through March 31, 2025

GSA	Contractor	AGE < 1	AGE 1-20	AGE 21+	Duals	SSIWO	Prop 204 Childless Adults	Expansion Adults	Delivery Supplemental Payments	SMI	Crisis 24 Hour Group
North	Arizona Complete Health - Complete Care Plan	$734.00	$252.57	$406.26	$147.54	$1,311.28	$604.56	$458.84	$7,271.29	$1,628.83	$6.42
North	Health Choice Arizona, Inc.	$748.93	$250.98	$402.55	$149.84	$1,329.33	$604.79	$463.80	$7,271.29	NA	NA
Central	Arizona Complete Health - Complete Care Plan	$758.64	$231.86	$419.37	$167.69	$1,244.84	$629.33	$470.58	$7,025.64	NA	NA
Central	Banner - University Family Care	$781.18	$228.68	$412.46	$165.58	$1,254.21	$631.57	$464.22	$7,025.64	NA	NA
Central	Molina Healthcare of Arizona, Inc.	$748.33	$251.29	$432.09	$198.00	$1,347.63	$641.10	$500.47	$7,025.64	NA	NA
Central	Mercy Care	$778.27	$234.48	$455.52	$157.32	$1,409.47	$660.71	$486.88	$7,025.64	$2,863.55	$9.77
Central	Health Choice Arizona, Inc.	$819.05	$238.84	$427.37	$169.89	$1,299.92	$625.41	$458.86	$7,025.64	NA	NA
Central	UnitedHealthcare Community Plan	$760.70	$235.67	$441.51	$162.94	$1,369.50	$649.41	$485.56	$7,025.64	NA	NA
South	Arizona Complete Health - Complete Care Plan	$787.09	$255.00	$435.84	$167.17	$1,409.79	$623.54	$471.98	$7,176.93	$1,849.48	$9.10
South	Banner - University Family Care	$850.06	$259.13	$443.58	$165.52	$1,387.56	$623.94	$469.27	$7,176.93	NA	NA
South	UnitedHealthcare Community Plan (Pima Only)	$841.11	$280.79	$481.41	$162.13	$1,415.12	$636.38	$487.44	$7,176.93	NA	NA

Revised Capitation Rates Effective April 1, 2025 through September 30, 2025

GSA	Contractor	AGE < 1	AGE 1-20	AGE 21+	Duals	SSIWO	Prop 204 Childless Adults	Expansion Adults	Delivery Supplemental Payments	SMI	Crisis 24 Hour Group
North	Arizona Complete Health - Complete Care Plan	$737.98	$261.99	$427.93	$153.19	$1,348.26	$678.01	$521.00	$7,271.29	$1,717.26	$6.80
North	Health Choice Arizona, Inc.	$753.91	$262.66	$427.61	$155.99	$1,339.36	$678.37	$517.52	$7,271.29	NA	NA
Central	Arizona Complete Health - Complete Care Plan	$761.78	$242.48	$447.64	$173.38	$1,268.07	$701.69	$541.37	$7,025.64	NA	NA
Central	Banner - University Family Care	$783.95	$239.26	$439.91	$170.98	$1,307.32	$701.50	$542.62	$7,025.64	NA	NA
Central	Molina Healthcare of Arizona, Inc.	$757.50	$268.49	$461.29	$209.01	$1,375.38	$714.33	$556.34	$7,025.64	NA	NA
Central	Mercy Care	$779.70	$242.84	$481.33	$161.46	$1,418.19	$736.85	$557.14	$7,025.64	$3,004.31	$10.40
Central	Health Choice Arizona, Inc.	$823.07	$249.34	$454.36	$176.04	$1,338.96	$697.05	$545.03	$7,025.64	NA	NA
Central	UnitedHealthcare Community Plan	$763.99	$246.16	$468.50	$168.38	$1,384.46	$724.55	$567.47	$7,025.64	NA	NA
South	Arizona Complete Health - Complete Care Plan	$796.76	$265.29	$464.67	$173.00	$1,453.85	$690.24	$528.50	$7,176.93	$1,896.63	$9.59
South	Banner - University Family Care	$859.88	$271.41	$474.94	$171.07	$1,439.17	$688.68	$530.00	$7,176.93	NA	NA
South	UnitedHealthcare Community Plan (Pima Only)	$851.60	$292.45	$507.73	$167.71	$1,482.39	$703.55	$545.04	$7,176.93	NA	NA

Appendix 3: Fiscal Impact Summary and Comparison to Prior Rates

Appendix 3: Fiscal Impact Summary

GSA	Risk Group	Projected MMs (4/1/25 - 9/30/25)	Original Cap Rate (10/1/24 - 3/31/25)	Projected Expenditures Original Cap Rate	Revised Cap Rate (4/1/25 - 9/30/25)	Projected Expenditures Revised Cap Rate	Percentage Impact
North	AGE < 1	19,481	$742.65	$ 14,467,339	$747.21	$ 14,556,196	0.61%
North	AGE 1-20	355,273	$251.69	$ 89,420,255	$262.36	$ 93,208,553	4.24%
North	AGE 21+	153,354	$404.15	$ 61,977,239	$427.75	$ 65,596,635	5.84%
North	Duals	92,041	$148.75	$ 13,691,275	$154.66	$ 14,235,328	3.97%
North	SSIWO	32,373	$1,321.13	$ 42,769,405	$1,343.40	$ 43,490,415	1.69%
North	Prop 204 Childless Adults	242,684	$604.69	$ 146,747,871	$678.21	$ 164,590,822	12.16%
North	Expansion Adults	40,760	$461.67	$ 18,817,495	$519.01	$ 21,154,765	12.42%
North	Delivery Supplemental Payments	770	$7,271.29	$ 5,598,897	$7,271.29	$ 5,598,897	0.00%
North	SMI	32,233	$1,628.83	$ 52,502,422	$1,717.26	$ 55,352,782	5.43%
North	Crisis 24 Hour Group	1,379,369	$6.42	$ 8,856,032	$6.80	$ 9,375,964	5.87%
North	**Total** [1,2]	968,198		$ 454,848,229		$ 487,160,356	7.10%
Central	AGE < 1	175,533	$773.89	$ 135,843,769	$776.82	$ 136,357,661	0.38%
Central	AGE 1-20	2,810,579	$234.85	$ 660,075,945	$244.87	$ 688,219,705	4.26%
Central	AGE 21+	1,054,740	$437.69	$ 461,651,149	$464.64	$ 490,074,657	6.16%
Central	Duals	414,760	$164.13	$ 68,073,530	$169.48	$ 70,294,312	3.26%
Central	SSIWO	190,095	$1,341.18	$ 254,952,208	$1,362.09	$ 258,926,087	1.56%
Central	Prop 204 Childless Adults	1,497,796	$644.34	$ 965,086,129	$718.24	$ 1,075,783,590	11.47%
Central	Expansion Adults	240,976	$478.95	$ 115,416,273	$554.26	$ 133,562,999	15.72%
Central	Delivery Supplemental Payments	6,899	$7,025.64	$ 48,469,904	$7,025.64	$ 48,469,904	0.00%
Central	SMI	169,828	$2,863.55	$ 486,311,529	$3,004.31	$ 510,216,824	4.92%
Central	Crisis 24 Hour Group	6,995,174	$9.77	$ 68,351,657	$10.40	$ 72,780,403	6.48%
Central	**Total** [1,2]	6,554,309		$ 3,264,232,093		$ 3,484,686,142	6.75%
South	AGE < 1	53,382	$823.59	$ 43,964,809	$833.51	$ 44,494,588	1.21%
South	AGE 1-20	926,344	$263.21	$ 243,827,220	$274.64	$ 254,412,300	4.34%
South	AGE 21+	407,731	$450.12	$ 183,529,452	$479.32	$ 195,435,482	6.49%
South	Duals	250,270	$165.17	$ 41,336,206	$170.82	$ 42,751,012	3.42%
South	SSIWO	85,176	$1,402.70	$ 119,476,572	$1,455.86	$ 124,004,197	3.79%
South	Prop 204 Childless Adults	581,116	$627.16	$ 364,450,395	$693.26	$ 402,866,316	10.54%
South	Expansion Adults	107,686	$474.96	$ 51,146,847	$533.34	$ 57,433,154	12.29%
South	Delivery Supplemental Payments	2,338	$7,176.93	$ 16,779,665	$7,176.93	$ 16,779,665	0.00%
South	SMI	70,795	$1,849.48	$ 130,933,249	$1,896.63	$ 134,271,136	2.55%
South	Crisis 24 Hour Group	2,666,920	$9.10	$ 24,266,416	$9.59	$ 25,575,691	5.40%
South	**Total** [1,2]	2,482,500		$ 1,219,710,833		$ 1,298,023,539	6.42%
Total	AGE < 1	248,396	$782.12	$ 194,275,917	$786.68	$ 195,408,444	0.58%
Total	AGE 1-20	4,092,197	$242.74	$ 993,323,420	$253.13	$ 1,035,840,558	4.28%
Total	AGE 21+	1,615,824	$437.65	$ 707,157,841	$464.84	$ 751,106,774	6.21%
Total	Duals	757,071	$162.60	$ 123,101,010	$168.12	$ 127,280,651	3.40%
Total	SSIWO	307,644	$1,356.11	$ 417,198,184	$1,386.08	$ 426,420,698	2.21%
Total	Prop 204 Childless Adults	2,321,596	$635.89	$ 1,476,284,396	$707.81	$ 1,643,240,728	11.31%
Total	Expansion Adults	389,422	$476.04	$ 185,380,616	$544.78	$ 212,150,918	14.44%
Total	Delivery Supplemental Payments	10,007	$7,079.89	$ 70,848,466	$7,079.89	$ 70,848,466	0.00%
Total	SMI	272,856	$2,454.58	$ 669,747,201	$2,564.87	$ 699,840,742	4.49%
Total	Crisis 24 Hour Group	11,041,463	$9.19	$ 101,474,104	$9.76	$ 107,732,058	6.17%
Total	**Total** [1,2]	**10,005,008**		**$ 4,938,791,155**		**$ 5,269,870,037**	**6.70%**

1) Total Projected MMs doesn't include Delivery Supplemental Payment members or Crisis 24 Hour Group member months

2) Totals may not add up due to rounding

Appendix 4: Original and Revised Projected Benefit Cost Trends

Appendix 4: Original and Revised Projected Benefit Cost Trends

North							
Effective Dates		10/1/2024 - 3/31/2025			4/1/2025 - 9/30/2025		
Risk Group	Trend COS	Utilization per 1000	Unit Cost	PMPM	Utilization per 1000	Unit Cost	PMPM
AGE < 1	Physical Health Inpatient and LTC	0.00%	2.00%	2.00%	0.00%	2.00%	2.00%
AGE < 1	Mental Health Inpatient and LTC	4.00%	2.00%	6.08%	6.00%	2.00%	8.12%
AGE < 1	Outpatient and Emergency Facilities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
AGE < 1	Pharmacy	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
AGE < 1	Transportation	5.00%	0.00%	5.00%	6.50%	0.00%	6.50%
AGE < 1	Dental	4.00%	0.00%	4.00%	4.00%	1.00%	5.04%
AGE < 1	FQHC/RHC	5.00%	0.50%	5.52%	7.00%	0.50%	7.54%
AGE < 1	Laboratory and Radiology Services	0.50%	1.50%	2.01%	3.00%	1.50%	4.54%
AGE < 1	Other Professional Services	0.00%	2.00%	2.00%	2.00%	2.00%	4.04%
AGE < 1	Physical Health Practitioners	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
AGE < 1	Mental Health Practitioners	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
AGE 1-20	Physical Health Inpatient and LTC	0.00%	2.50%	2.50%	0.00%	2.50%	2.50%
AGE 1-20	Mental Health Inpatient and LTC	4.00%	2.00%	6.08%	6.00%	2.00%	8.12%
AGE 1-20	Outpatient and Emergency Facilities	0.00%	3.00%	3.00%	0.00%	3.00%	3.00%
AGE 1-20	Pharmacy	0.00%	5.00%	5.00%	0.00%	6.00%	6.00%
AGE 1-20	Transportation	5.00%	0.00%	5.00%	6.50%	0.00%	6.50%
AGE 1-20	Dental	4.00%	0.00%	4.00%	4.00%	1.00%	5.04%
AGE 1-20	FQHC/RHC	5.00%	0.50%	5.52%	7.00%	0.50%	7.54%
AGE 1-20	Laboratory and Radiology Services	0.50%	1.50%	2.01%	3.00%	1.50%	4.54%
AGE 1-20	Other Professional Services	0.00%	2.00%	2.00%	2.00%	2.00%	4.04%
AGE 1-20	Physical Health Practitioners	0.00%	4.00%	4.00%	0.00%	4.00%	4.00%
AGE 1-20	Mental Health Practitioners	5.00%	0.50%	5.52%	6.00%	0.50%	6.53%
AGE 21+	Physical Health Inpatient and LTC	0.00%	1.00%	1.00%	0.00%	1.00%	1.00%
AGE 21+	Mental Health Inpatient and LTC	4.00%	2.00%	6.08%	6.00%	2.00%	8.12%
AGE 21+	Outpatient and Emergency Facilities	1.00%	0.00%	1.00%	1.00%	0.00%	1.00%
AGE 21+	Pharmacy	0.00%	4.00%	4.00%	0.00%	6.00%	6.00%
AGE 21+	Transportation	5.00%	0.00%	5.00%	6.50%	0.00%	6.50%
AGE 21+	Dental	4.00%	0.00%	4.00%	4.00%	1.00%	5.04%
AGE 21+	FQHC/RHC	5.00%	0.50%	5.52%	7.00%	0.50%	7.54%
AGE 21+	Laboratory and Radiology Services	0.50%	1.50%	2.01%	3.00%	1.50%	4.54%
AGE 21+	Other Professional Services	0.00%	2.00%	2.00%	2.00%	2.00%	4.04%
AGE 21+	Physical Health Practitioners	(1.00%)	2.00%	0.98%	0.00%	2.00%	2.00%
AGE 21+	Mental Health Practitioners	3.00%	2.00%	5.06%	3.00%	2.00%	5.06%

Appendix 4: Original and Revised Projected Benefit Cost Trends

North							
Effective Dates		10/1/2024 - 3/31/2025			4/1/2025 - 9/30/2025		
Risk Group	Trend COS	Utilization per 1000	Unit Cost	PMPM	Utilization per 1000	Unit Cost	PMPM
Duals	Physical Health Inpatient and LTC	2.00%	0.00%	2.00%	2.00%	0.00%	2.00%
Duals	Mental Health Inpatient and LTC	4.00%	2.00%	6.08%	6.00%	2.00%	8.12%
Duals	Outpatient and Emergency Facilities	3.00%	(1.00%)	1.97%	3.00%	(1.00%)	1.97%
Duals	Pharmacy	2.00%	0.00%	2.00%	2.00%	0.00%	2.00%
Duals	Transportation	5.00%	0.00%	5.00%	6.50%	0.00%	6.50%
Duals	Dental	4.00%	0.00%	4.00%	4.00%	1.00%	5.04%
Duals	FQHC/RHC	5.00%	0.50%	5.52%	7.00%	0.50%	7.54%
Duals	Laboratory and Radiology Services	0.50%	1.50%	2.01%	3.00%	1.50%	4.54%
Duals	Other Professional Services	0.00%	2.00%	2.00%	2.00%	2.00%	4.04%
Duals	Physical Health Practitioners	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Duals	Mental Health Practitioners	4.00%	0.50%	4.52%	6.00%	0.50%	6.53%
SSIWO	Physical Health Inpatient and LTC	1.00%	2.00%	3.02%	1.00%	2.00%	3.02%
SSIWO	Mental Health Inpatient and LTC	4.00%	2.00%	6.08%	6.00%	2.00%	8.12%
SSIWO	Outpatient and Emergency Facilities	1.00%	0.00%	1.00%	3.00%	0.00%	3.00%
SSIWO	Pharmacy	0.00%	4.00%	4.00%	0.00%	5.00%	5.00%
SSIWO	Transportation	5.00%	0.00%	5.00%	6.50%	0.00%	6.50%
SSIWO	Dental	4.00%	0.00%	4.00%	4.00%	1.00%	5.04%
SSIWO	FQHC/RHC	5.00%	0.50%	5.52%	7.00%	0.50%	7.54%
SSIWO	Laboratory and Radiology Services	0.50%	1.50%	2.01%	3.00%	1.50%	4.54%
SSIWO	Other Professional Services	0.00%	2.00%	2.00%	2.00%	2.00%	4.04%
SSIWO	Physical Health Practitioners	0.00%	3.00%	3.00%	0.00%	3.00%	3.00%
SSIWO	Mental Health Practitioners	3.00%	2.00%	5.06%	5.00%	2.00%	7.10%
Prop 204 Childless Adults	Physical Health Inpatient and LTC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prop 204 Childless Adults	Mental Health Inpatient and LTC	4.00%	2.00%	6.08%	6.00%	2.00%	8.12%
Prop 204 Childless Adults	Outpatient and Emergency Facilities	0.00%	0.00%	0.00%	1.00%	0.00%	1.00%
Prop 204 Childless Adults	Pharmacy	0.00%	3.00%	3.00%	0.00%	5.50%	5.50%
Prop 204 Childless Adults	Transportation	5.00%	0.00%	5.00%	6.50%	0.00%	6.50%
Prop 204 Childless Adults	Dental	4.00%	0.00%	4.00%	4.00%	1.00%	5.04%
Prop 204 Childless Adults	FQHC/RHC	5.00%	0.50%	5.52%	7.00%	0.50%	7.54%
Prop 204 Childless Adults	Laboratory and Radiology Services	0.50%	1.50%	2.01%	3.00%	1.50%	4.54%
Prop 204 Childless Adults	Other Professional Services	0.00%	2.00%	2.00%	2.00%	2.00%	4.04%
Prop 204 Childless Adults	Physical Health Practitioners	(2.00%)	1.00%	(1.02%)	0.00%	1.00%	1.00%
Prop 204 Childless Adults	Mental Health Practitioners	4.00%	1.00%	5.04%	6.00%	1.00%	7.06%

Appendix 4: Original and Revised Projected Benefit Cost Trends

North							
Effective Dates		10/1/2024 - 3/31/2025			4/1/2025 - 9/30/2025		
Risk Group	Trend COS	Utilization per 1000	Unit Cost	PMPM	Utilization per 1000	Unit Cost	PMPM
Expansion Adults	Physical Health Inpatient and LTC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Expansion Adults	Mental Health Inpatient and LTC	4.00%	2.00%	6.08%	6.00%	2.00%	8.12%
Expansion Adults	Outpatient and Emergency Facilities	0.50%	1.00%	1.50%	2.50%	1.00%	3.53%
Expansion Adults	Pharmacy	0.00%	3.00%	3.00%	0.00%	5.00%	5.00%
Expansion Adults	Transportation	5.00%	0.00%	5.00%	6.50%	0.00%	6.50%
Expansion Adults	Dental	4.00%	0.00%	4.00%	4.00%	1.00%	5.04%
Expansion Adults	FQHC/RHC	5.00%	0.50%	5.52%	7.00%	0.50%	7.54%
Expansion Adults	Laboratory and Radiology Services	0.50%	1.50%	2.01%	3.00%	1.50%	4.54%
Expansion Adults	Other Professional Services	0.00%	2.00%	2.00%	2.00%	2.00%	4.04%
Expansion Adults	Physical Health Practitioners	0.00%	0.50%	0.50%	0.00%	0.50%	0.50%
Expansion Adults	Mental Health Practitioners	4.00%	0.50%	4.52%	6.00%	0.50%	6.53%
Delivery Supplemental Payments	Inpatient	1.00%	0.00%	1.00%	1.00%	0.00%	1.00%
Delivery Supplemental Payments	Outpatient Facility	0.00%	3.00%	3.00%	0.00%	3.00%	3.00%
Delivery Supplemental Payments	Pharmacy	0.00%	3.00%	3.00%	0.00%	3.00%	3.00%
Delivery Supplemental Payments	Transportation	0.00%	3.00%	3.00%	0.00%	3.00%	3.00%
Delivery Supplemental Payments	FQHC/RHC	0.00%	3.00%	3.00%	0.00%	3.00%	3.00%
Delivery Supplemental Payments	Laboratory and Radiology Services	0.00%	3.00%	3.00%	0.00%	3.00%	3.00%
Delivery Supplemental Payments	Other Professional Services	0.00%	3.00%	3.00%	0.00%	3.00%	3.00%
Delivery Supplemental Payments	Physician	(1.00%)	5.00%	3.95%	(1.00%)	5.00%	3.95%
SMI	Physical Health Inpatient and LTC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
SMI	Mental Health Inpatient and LTC	3.50%	0.50%	4.02%	6.00%	0.50%	6.53%
SMI	Outpatient and Emergency Facilities	0.00%	0.00%	0.00%	2.00%	2.00%	4.04%
SMI	Pharmacy	0.00%	4.00%	4.00%	0.00%	5.00%	5.00%
SMI	Transportation	3.50%	0.00%	3.50%	5.50%	0.00%	5.50%
SMI	Dental	0.00%	2.00%	2.00%	4.50%	2.00%	6.59%
SMI	FQHC/RHC	0.00%	2.00%	2.00%	4.50%	2.00%	6.59%
SMI	Laboratory and Radiology Services	0.00%	2.00%	2.00%	4.50%	2.00%	6.59%
SMI	Other Professional Services	0.00%	2.00%	2.00%	4.50%	2.00%	6.59%
SMI	Physical Health Practitioners	0.00%	0.00%	0.00%	5.00%	0.00%	5.00%
SMI	Mental Health Practitioners	4.00%	1.50%	5.56%	5.00%	3.00%	8.15%
SMI	Case Management	0.00%	2.00%	2.00%	4.00%	2.00%	6.08%
SMI	Rehabilitation Services	1.00%	1.00%	2.01%	5.00%	1.00%	6.05%
SMI	Residential Services	0.00%	2.00%	2.00%	2.00%	2.00%	4.04%

Appendix 4: Original and Revised Projected Benefit Cost Trends

Central							
Effective Dates		10/1/2024 - 3/31/2025			4/1/2025 - 9/30/2025		
Risk Group	Trend COS	Utilization per 1000	Unit Cost	PMPM	Utilization per 1000	Unit Cost	PMPM
AGE < 1	Physical Health Inpatient and LTC	0.00%	2.00%	2.00%	0.00%	2.00%	2.00%
AGE < 1	Mental Health Inpatient and LTC	4.00%	0.50%	4.52%	6.00%	0.50%	6.53%
AGE < 1	Outpatient and Emergency Facilities	1.00%	0.00%	1.00%	1.00%	0.00%	1.00%
AGE < 1	Pharmacy	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
AGE < 1	Transportation	2.00%	0.00%	2.00%	2.00%	0.00%	2.00%
AGE < 1	Dental	1.50%	0.50%	2.01%	1.50%	0.50%	2.01%
AGE < 1	FQHC/RHC	4.00%	0.00%	4.00%	6.50%	0.00%	6.50%
AGE < 1	Laboratory and Radiology Services	2.00%	0.50%	2.51%	3.00%	0.50%	3.52%
AGE < 1	Other Professional Services	(1.00%)	2.00%	0.98%	0.00%	3.00%	3.00%
AGE < 1	Physical Health Practitioners	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
AGE < 1	Mental Health Practitioners	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
AGE 1-20	Physical Health Inpatient and LTC	2.00%	0.50%	2.51%	2.00%	0.50%	2.51%
AGE 1-20	Mental Health Inpatient and LTC	4.00%	0.50%	4.52%	6.00%	0.50%	6.53%
AGE 1-20	Outpatient and Emergency Facilities	3.00%	1.00%	4.03%	3.00%	1.00%	4.03%
AGE 1-20	Pharmacy	1.00%	4.00%	5.04%	1.00%	5.00%	6.05%
AGE 1-20	Transportation	2.00%	0.00%	2.00%	2.00%	0.00%	2.00%
AGE 1-20	Dental	1.50%	0.50%	2.01%	1.50%	0.50%	2.01%
AGE 1-20	FQHC/RHC	4.00%	0.00%	4.00%	6.50%	0.00%	6.50%
AGE 1-20	Laboratory and Radiology Services	2.00%	0.50%	2.51%	3.00%	0.50%	3.52%
AGE 1-20	Other Professional Services	(1.00%)	2.00%	0.98%	0.00%	3.00%	3.00%
AGE 1-20	Physical Health Practitioners	2.00%	0.50%	2.51%	2.00%	0.50%	2.51%
AGE 1-20	Mental Health Practitioners	6.00%	0.00%	6.00%	6.50%	0.00%	6.50%
AGE 21+	Physical Health Inpatient and LTC	1.00%	2.00%	3.02%	1.00%	2.00%	3.02%
AGE 21+	Mental Health Inpatient and LTC	4.00%	0.50%	4.52%	6.00%	0.50%	6.53%
AGE 21+	Outpatient and Emergency Facilities	1.00%	0.00%	1.00%	1.00%	0.00%	1.00%
AGE 21+	Pharmacy	0.00%	4.00%	4.00%	0.00%	6.50%	6.50%
AGE 21+	Transportation	2.00%	0.00%	2.00%	2.00%	0.00%	2.00%
AGE 21+	Dental	1.50%	0.50%	2.01%	1.50%	0.50%	2.01%
AGE 21+	FQHC/RHC	4.00%	0.00%	4.00%	6.50%	0.00%	6.50%
AGE 21+	Laboratory and Radiology Services	2.00%	0.50%	2.51%	3.00%	0.50%	3.52%
AGE 21+	Other Professional Services	(1.00%)	2.00%	0.98%	0.00%	3.00%	3.00%
AGE 21+	Physical Health Practitioners	1.00%	0.00%	1.00%	3.00%	0.00%	3.00%
AGE 21+	Mental Health Practitioners	2.00%	3.00%	5.06%	2.00%	3.00%	5.06%

Appendix 4: Original and Revised Projected Benefit Cost Trends

Central							
Effective Dates		10/1/2024 - 3/31/2025			4/1/2025 - 9/30/2025		
Risk Group	Trend COS	Utilization per 1000	Unit Cost	PMPM	Utilization per 1000	Unit Cost	PMPM
Duals	Physical Health Inpatient and LTC	2.00%	1.00%	3.02%	2.00%	1.00%	3.02%
Duals	Mental Health Inpatient and LTC	4.00%	0.50%	4.52%	6.00%	0.50%	6.53%
Duals	Outpatient and Emergency Facilities	1.00%	2.00%	3.02%	1.00%	2.00%	3.02%
Duals	Pharmacy	0.00%	4.00%	4.00%	0.00%	4.00%	4.00%
Duals	Transportation	2.00%	0.00%	2.00%	2.00%	0.00%	2.00%
Duals	Dental	1.50%	0.50%	2.01%	1.50%	0.50%	2.01%
Duals	FQHC/RHC	4.00%	0.00%	4.00%	6.50%	0.00%	6.50%
Duals	Laboratory and Radiology Services	2.00%	0.50%	2.51%	3.00%	0.50%	3.52%
Duals	Other Professional Services	(1.00%)	2.00%	0.98%	0.00%	3.00%	3.00%
Duals	Physical Health Practitioners	1.00%	1.50%	2.51%	1.00%	1.50%	2.51%
Duals	Mental Health Practitioners	1.00%	2.00%	3.02%	3.00%	2.00%	5.06%
SSIWO	Physical Health Inpatient and LTC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
SSIWO	Mental Health Inpatient and LTC	4.00%	0.50%	4.52%	6.00%	0.50%	6.53%
SSIWO	Outpatient and Emergency Facilities	2.00%	0.00%	2.00%	4.00%	0.00%	4.00%
SSIWO	Pharmacy	0.00%	5.00%	5.00%	0.00%	6.50%	6.50%
SSIWO	Transportation	2.00%	0.00%	2.00%	2.00%	0.00%	2.00%
SSIWO	Dental	1.50%	0.50%	2.01%	1.50%	0.50%	2.01%
SSIWO	FQHC/RHC	4.00%	0.00%	4.00%	6.50%	0.00%	6.50%
SSIWO	Laboratory and Radiology Services	2.00%	0.50%	2.51%	3.00%	0.50%	3.52%
SSIWO	Other Professional Services	(1.00%)	2.00%	0.98%	0.00%	3.00%	3.00%
SSIWO	Physical Health Practitioners	0.00%	1.00%	1.00%	0.00%	1.00%	1.00%
SSIWO	Mental Health Practitioners	4.00%	2.00%	6.08%	5.00%	2.00%	7.10%
Prop 204 Childless Adults	Physical Health Inpatient and LTC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prop 204 Childless Adults	Mental Health Inpatient and LTC	4.00%	0.50%	4.52%	6.00%	0.50%	6.53%
Prop 204 Childless Adults	Outpatient and Emergency Facilities	1.00%	2.00%	3.02%	1.00%	2.00%	3.02%
Prop 204 Childless Adults	Pharmacy	0.00%	5.00%	5.00%	0.00%	7.00%	7.00%
Prop 204 Childless Adults	Transportation	2.00%	0.00%	2.00%	2.00%	0.00%	2.00%
Prop 204 Childless Adults	Dental	1.50%	0.50%	2.01%	1.50%	0.50%	2.01%
Prop 204 Childless Adults	FQHC/RHC	4.00%	0.00%	4.00%	6.50%	0.00%	6.50%
Prop 204 Childless Adults	Laboratory and Radiology Services	2.00%	0.50%	2.51%	3.00%	0.50%	3.52%
Prop 204 Childless Adults	Other Professional Services	(1.00%)	2.00%	0.98%	0.00%	3.00%	3.00%
Prop 204 Childless Adults	Physical Health Practitioners	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prop 204 Childless Adults	Mental Health Practitioners	2.00%	2.00%	4.04%	4.00%	2.00%	6.08%

Appendix 4: Original and Revised Projected Benefit Cost Trends

Central							
Effective Dates		10/1/2024 - 3/31/2025			4/1/2025 - 9/30/2025		
Risk Group	Trend COS	Utilization per 1000	Unit Cost	PMPM	Utilization per 1000	Unit Cost	PMPM
Expansion Adults	Physical Health Inpatient and LTC	0.00%	1.00%	1.00%	3.00%	1.00%	4.03%
Expansion Adults	Mental Health Inpatient and LTC	4.00%	0.50%	4.52%	6.00%	0.50%	6.53%
Expansion Adults	Outpatient and Emergency Facilities	0.00%	2.00%	2.00%	3.00%	2.00%	5.06%
Expansion Adults	Pharmacy	1.00%	4.00%	5.04%	1.00%	7.00%	8.07%
Expansion Adults	Transportation	2.00%	0.00%	2.00%	2.00%	0.00%	2.00%
Expansion Adults	Dental	1.50%	0.50%	2.01%	1.50%	0.50%	2.01%
Expansion Adults	FQHC/RHC	4.00%	0.00%	4.00%	6.50%	0.00%	6.50%
Expansion Adults	Laboratory and Radiology Services	2.00%	0.50%	2.51%	3.00%	0.50%	3.52%
Expansion Adults	Other Professional Services	(1.00%)	2.00%	0.98%	0.00%	3.00%	3.00%
Expansion Adults	Physical Health Practitioners	0.50%	0.00%	0.50%	2.50%	0.00%	2.50%
Expansion Adults	Mental Health Practitioners	0.50%	2.00%	2.51%	0.50%	2.00%	2.51%
Delivery Supplemental Payments	Inpatient	1.00%	0.00%	1.00%	1.00%	0.00%	1.00%
Delivery Supplemental Payments	Outpatient Facility	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Delivery Supplemental Payments	Pharmacy	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Delivery Supplemental Payments	Transportation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Delivery Supplemental Payments	FQHC/RHC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Delivery Supplemental Payments	Laboratory and Radiology Services	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Delivery Supplemental Payments	Other Professional Services	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Delivery Supplemental Payments	Physician	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
SMI	Physical Health Inpatient and LTC	3.00%	2.00%	5.06%	4.50%	2.00%	6.59%
SMI	Mental Health Inpatient and LTC	3.00%	2.00%	5.06%	4.50%	2.00%	6.59%
SMI	Outpatient and Emergency Facilities	1.00%	0.00%	1.00%	3.00%	0.00%	3.00%
SMI	Pharmacy	2.00%	3.00%	5.06%	2.50%	4.00%	6.60%
SMI	Transportation	3.00%	1.00%	4.03%	5.00%	1.00%	6.05%
SMI	Dental	0.00%	3.00%	3.00%	0.00%	4.00%	4.00%
SMI	FQHC/RHC	0.00%	3.00%	3.00%	0.00%	4.00%	4.00%
SMI	Laboratory and Radiology Services	0.00%	3.00%	3.00%	0.00%	4.00%	4.00%
SMI	Other Professional Services	0.00%	3.00%	3.00%	0.00%	4.00%	4.00%
SMI	Physical Health Practitioners	0.00%	1.00%	1.00%	0.00%	1.00%	1.00%
SMI	Mental Health Practitioners	5.00%	0.50%	5.52%	6.00%	0.50%	6.53%
SMI	Case Management	2.00%	3.00%	5.06%	3.50%	3.00%	6.60%
SMI	Rehabilitation Services	3.00%	0.00%	3.00%	4.00%	0.00%	4.00%
SMI	Residential Services	5.00%	1.00%	6.05%	7.00%	1.00%	8.07%

Appendix 4: Original and Revised Projected Benefit Cost Trends

South							
Effective Dates		10/1/2024 - 3/31/2025			4/1/2025 - 9/30/2025		
Risk Group	Trend COS	Utilization per 1000	Unit Cost	PMPM	Utilization per 1000	Unit Cost	PMPM
AGE < 1	Physical Health Inpatient and LTC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
AGE < 1	Mental Health Inpatient and LTC	5.00%	1.00%	6.05%	7.00%	1.00%	8.07%
AGE < 1	Outpatient and Emergency Facilities	1.00%	2.00%	3.02%	1.00%	2.00%	3.02%
AGE < 1	Pharmacy	0.00%	0.50%	0.50%	0.00%	0.50%	0.50%
AGE < 1	Transportation	0.00%	4.00%	4.00%	2.00%	4.00%	6.08%
AGE < 1	Dental	5.00%	0.00%	5.00%	5.00%	0.00%	5.00%
AGE < 1	FQHC/RHC	3.50%	0.00%	3.50%	6.50%	0.00%	6.50%
AGE < 1	Laboratory and Radiology Services	3.00%	0.00%	3.00%	5.00%	0.00%	5.00%
AGE < 1	Other Professional Services	1.00%	2.50%	3.53%	1.00%	3.50%	4.54%
AGE < 1	Physical Health Practitioners	0.50%	0.00%	0.50%	0.50%	0.00%	0.50%
AGE < 1	Mental Health Practitioners	0.50%	0.00%	0.50%	0.50%	0.00%	0.50%
AGE 1-20	Physical Health Inpatient and LTC	4.00%	0.00%	4.00%	4.00%	0.00%	4.00%
AGE 1-20	Mental Health Inpatient and LTC	5.00%	1.00%	6.05%	7.00%	1.00%	8.07%
AGE 1-20	Outpatient and Emergency Facilities	3.00%	2.00%	5.06%	3.00%	2.00%	5.06%
AGE 1-20	Pharmacy	2.00%	2.00%	4.04%	2.00%	3.00%	5.06%
AGE 1-20	Transportation	0.00%	4.00%	4.00%	2.00%	4.00%	6.08%
AGE 1-20	Dental	5.00%	0.00%	5.00%	5.00%	0.00%	5.00%
AGE 1-20	FQHC/RHC	3.50%	0.00%	3.50%	6.50%	0.00%	6.50%
AGE 1-20	Laboratory and Radiology Services	3.00%	0.00%	3.00%	5.00%	0.00%	5.00%
AGE 1-20	Other Professional Services	1.00%	2.50%	3.53%	1.00%	3.50%	4.54%
AGE 1-20	Physical Health Practitioners	4.00%	0.00%	4.00%	4.00%	0.00%	4.00%
AGE 1-20	Mental Health Practitioners	6.50%	0.00%	6.50%	8.00%	0.00%	8.00%
AGE 21+	Physical Health Inpatient and LTC	0.00%	2.00%	2.00%	0.00%	2.00%	2.00%
AGE 21+	Mental Health Inpatient and LTC	5.00%	1.00%	6.05%	7.00%	1.00%	8.07%
AGE 21+	Outpatient and Emergency Facilities	1.00%	3.00%	4.03%	3.00%	3.00%	6.09%
AGE 21+	Pharmacy	1.00%	5.00%	6.05%	1.00%	6.00%	7.06%
AGE 21+	Transportation	0.00%	4.00%	4.00%	2.00%	4.00%	6.08%
AGE 21+	Dental	5.00%	0.00%	5.00%	5.00%	0.00%	5.00%
AGE 21+	FQHC/RHC	3.50%	0.00%	3.50%	6.50%	0.00%	6.50%
AGE 21+	Laboratory and Radiology Services	3.00%	0.00%	3.00%	5.00%	0.00%	5.00%
AGE 21+	Other Professional Services	1.00%	2.50%	3.53%	1.00%	3.50%	4.54%
AGE 21+	Physical Health Practitioners	3.00%	0.00%	3.00%	5.00%	0.00%	5.00%
AGE 21+	Mental Health Practitioners	1.00%	4.00%	5.04%	1.00%	4.00%	5.04%

Appendix 4: Original and Revised Projected Benefit Cost Trends

South							
Effective Dates		10/1/2024 - 3/31/2025			4/1/2025 - 9/30/2025		
Risk Group	Trend COS	Utilization per 1000	Unit Cost	PMPM	Utilization per 1000	Unit Cost	PMPM
Duals	Physical Health Inpatient and LTC	3.50%	(3.00%)	0.39%	3.50%	(3.00%)	0.39%
Duals	Mental Health Inpatient and LTC	5.00%	1.00%	6.05%	7.00%	1.00%	8.07%
Duals	Outpatient and Emergency Facilities	3.00%	0.00%	3.00%	3.00%	0.00%	3.00%
Duals	Pharmacy	2.00%	2.00%	4.04%	2.00%	2.00%	4.04%
Duals	Transportation	0.00%	4.00%	4.00%	2.00%	4.00%	6.08%
Duals	Dental	5.00%	0.00%	5.00%	5.00%	0.00%	5.00%
Duals	FQHC/RHC	3.50%	0.00%	3.50%	6.50%	0.00%	6.50%
Duals	Laboratory and Radiology Services	3.00%	0.00%	3.00%	5.00%	0.00%	5.00%
Duals	Other Professional Services	1.00%	2.50%	3.53%	1.00%	3.50%	4.54%
Duals	Physical Health Practitioners	1.00%	(2.00%)	(1.02%)	1.00%	(2.00%)	(1.02%)
Duals	Mental Health Practitioners	2.00%	2.00%	4.04%	2.00%	2.00%	4.04%
SSIWO	Physical Health Inpatient and LTC	0.00%	0.00%	0.00%	2.00%	0.00%	2.00%
SSIWO	Mental Health Inpatient and LTC	5.00%	1.00%	6.05%	7.00%	1.00%	8.07%
SSIWO	Outpatient and Emergency Facilities	1.00%	1.00%	2.01%	3.00%	1.00%	4.03%
SSIWO	Pharmacy	0.00%	4.00%	4.00%	0.00%	6.50%	6.50%
SSIWO	Transportation	0.00%	4.00%	4.00%	2.00%	4.00%	6.08%
SSIWO	Dental	5.00%	0.00%	5.00%	5.00%	0.00%	5.00%
SSIWO	FQHC/RHC	3.50%	0.00%	3.50%	6.50%	0.00%	6.50%
SSIWO	Laboratory and Radiology Services	3.00%	0.00%	3.00%	5.00%	0.00%	5.00%
SSIWO	Other Professional Services	1.00%	2.50%	3.53%	1.00%	3.50%	4.54%
SSIWO	Physical Health Practitioners	2.00%	0.00%	2.00%	4.00%	0.00%	4.00%
SSIWO	Mental Health Practitioners	4.50%	2.00%	6.59%	6.00%	2.00%	8.12%
Prop 204 Childless Adults	Physical Health Inpatient and LTC	0.00%	1.00%	1.00%	0.00%	1.00%	1.00%
Prop 204 Childless Adults	Mental Health Inpatient and LTC	5.00%	1.00%	6.05%	7.00%	1.00%	8.07%
Prop 204 Childless Adults	Outpatient and Emergency Facilities	2.00%	2.00%	4.04%	3.00%	2.00%	5.06%
Prop 204 Childless Adults	Pharmacy	0.10%	5.00%	5.10%	0.10%	6.00%	6.11%
Prop 204 Childless Adults	Transportation	0.00%	4.00%	4.00%	2.00%	4.00%	6.08%
Prop 204 Childless Adults	Dental	5.00%	0.00%	5.00%	5.00%	0.00%	5.00%
Prop 204 Childless Adults	FQHC/RHC	3.50%	0.00%	3.50%	6.50%	0.00%	6.50%
Prop 204 Childless Adults	Laboratory and Radiology Services	3.00%	0.00%	3.00%	5.00%	0.00%	5.00%
Prop 204 Childless Adults	Other Professional Services	1.00%	2.50%	3.53%	1.00%	3.50%	4.54%
Prop 204 Childless Adults	Physical Health Practitioners	3.00%	(1.00%)	1.97%	5.00%	(1.00%)	3.95%
Prop 204 Childless Adults	Mental Health Practitioners	0.50%	2.50%	3.01%	0.50%	2.50%	3.01%

Appendix 4: Original and Revised Projected Benefit Cost Trends

South							
Effective Dates		10/1/2024 - 3/31/2025			4/1/2025 - 9/30/2025		
Risk Group	Trend COS	Utilization per 1000	Unit Cost	PMPM	Utilization per 1000	Unit Cost	PMPM
Expansion Adults	Physical Health Inpatient and LTC	(1.00%)	1.00%	(0.01%)	(1.00%)	1.00%	(0.01%)
Expansion Adults	Mental Health Inpatient and LTC	5.00%	1.00%	6.05%	7.00%	1.00%	8.07%
Expansion Adults	Outpatient and Emergency Facilities	2.00%	1.50%	3.53%	4.00%	1.50%	5.56%
Expansion Adults	Pharmacy	1.00%	4.00%	5.04%	1.00%	8.00%	9.08%
Expansion Adults	Transportation	0.00%	4.00%	4.00%	2.00%	4.00%	6.08%
Expansion Adults	Dental	5.00%	0.00%	5.00%	5.00%	0.00%	5.00%
Expansion Adults	FQHC/RHC	3.50%	0.00%	3.50%	6.50%	0.00%	6.50%
Expansion Adults	Laboratory and Radiology Services	3.00%	0.00%	3.00%	5.00%	0.00%	5.00%
Expansion Adults	Other Professional Services	1.00%	2.50%	3.53%	1.00%	3.50%	4.54%
Expansion Adults	Physical Health Practitioners	2.00%	0.00%	2.00%	5.00%	0.00%	5.00%
Expansion Adults	Mental Health Practitioners	0.50%	3.00%	3.52%	0.50%	3.00%	3.52%
Delivery Supplemental Payments	Inpatient	1.00%	0.00%	1.00%	1.00%	0.00%	1.00%
Delivery Supplemental Payments	Outpatient Facility	0.50%	1.00%	1.51%	0.50%	1.00%	1.51%
Delivery Supplemental Payments	Pharmacy	0.50%	1.00%	1.51%	0.50%	1.00%	1.51%
Delivery Supplemental Payments	Transportation	0.50%	1.00%	1.51%	0.50%	1.00%	1.51%
Delivery Supplemental Payments	FQHC/RHC	0.50%	1.00%	1.51%	0.50%	1.00%	1.51%
Delivery Supplemental Payments	Laboratory and Radiology Services	0.50%	1.00%	1.51%	0.50%	1.00%	1.51%
Delivery Supplemental Payments	Other Professional Services	0.50%	1.00%	1.51%	0.50%	1.00%	1.51%
Delivery Supplemental Payments	Physician	2.00%	1.00%	3.02%	2.00%	1.00%	3.02%
SMI	Physical Health Inpatient and LTC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
SMI	Mental Health Inpatient and LTC	2.50%	1.50%	4.04%	5.00%	1.50%	6.57%
SMI	Outpatient and Emergency Facilities	1.00%	0.50%	1.50%	3.00%	0.50%	3.51%
SMI	Pharmacy	0.50%	3.00%	3.51%	0.50%	3.50%	4.02%
SMI	Transportation	0.00%	2.00%	2.00%	0.00%	2.00%	2.00%
SMI	Dental	1.00%	2.00%	3.02%	2.00%	2.00%	4.04%
SMI	FQHC/RHC	1.00%	2.00%	3.02%	2.00%	2.00%	4.04%
SMI	Laboratory and Radiology Services	1.00%	2.00%	3.02%	2.00%	2.00%	4.04%
SMI	Other Professional Services	1.00%	2.00%	3.02%	2.00%	2.00%	4.04%
SMI	Physical Health Practitioners	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
SMI	Mental Health Practitioners	4.00%	1.00%	5.04%	4.00%	1.00%	5.04%
SMI	Case Management	2.00%	3.00%	5.06%	2.00%	5.00%	7.10%
SMI	Rehabilitation Services	0.00%	2.50%	2.50%	0.00%	2.50%	2.50%
SMI	Residential Services	3.50%	0.00%	3.50%	6.00%	0.00%	6.00%

Appendix 5: Original and Revised Non-Benefit Costs

Appendix 5: Original and Revised Non-Benefit Costs

Original Administrative Expense Effective October 1, 2024 through March 31, 2025

GSA	Contractor	AGE < 1	AGE 1-20	AGE 21+	Duals	SSIWO	Prop 204 Childless Adults	Expansion Adults	Delivery Supplemental Payments	SMI	Crisis 24 Hour Group
North	Arizona Complete Health - Complete Care Plan	$57.51	$29.23	$37.75	$22.61	$95.55	$49.12	$40.60	$0.00	$129.29	$0.50
North	Health Choice Arizona, Inc.	$53.44	$29.96	$36.70	$24.84	$84.19	$46.01	$39.39	$0.00	NA	NA
Central	Arizona Complete Health - Complete Care Plan	$60.76	$27.86	$38.54	$23.78	$89.50	$51.02	$41.57	$0.00	NA	NA
Central	Banner - University Family Care	$63.35	$26.08	$37.40	$21.75	$93.53	$51.47	$40.71	$0.00	NA	NA
Central	Molina Healthcare of Arizona, Inc.	$75.42	$55.29	$61.96	$53.07	$98.52	$70.01	$64.57	$0.00	NA	NA
Central	Mercy Care	$58.30	$19.33	$33.83	$13.77	$101.34	$47.84	$35.97	$0.00	$208.95	$0.59
Central	Health Choice Arizona, Inc.	$59.05	$29.48	$38.24	$25.92	$82.19	$47.85	$39.77	$0.00	NA	NA
Central	UnitedHealthcare Community Plan	$52.86	$23.33	$33.90	$19.20	$85.42	$45.03	$36.25	$0.00	NA	NA
South	Arizona Complete Health - Complete Care Plan	$59.76	$28.43	$38.56	$23.39	$96.99	$49.19	$40.82	$0.00	$129.29	$0.50
South	Banner - University Family Care	$67.09	$27.86	$39.53	$21.80	$103.49	$51.06	$41.41	$0.00	NA	NA
South	UnitedHealthcare Community Plan (Pima Only)	$52.97	$24.40	$34.13	$18.52	$82.76	$41.72	$34.61	$0.00	NA	NA

Revised Administrative Expense Effective April 1, 2025 through September 30, 2025

GSA	Contractor	AGE < 1	AGE 1-20	AGE 21+	Duals	SSIWO	Prop 204 Childless Adults	Expansion Adults	Delivery Supplemental Payments	SMI	Crisis 24 Hour Group
North	Arizona Complete Health - Complete Care Plan	$57.16	$30.79	$39.49	$24.32	$95.02	$53.06	$44.39	$0.00	$129.29	$0.50
North	Health Choice Arizona, Inc.	$53.95	$32.11	$39.04	$27.02	$83.20	$49.95	$42.83	$0.00	NA	NA
Central	Arizona Complete Health - Complete Care Plan	$60.28	$29.59	$40.66	$25.45	$88.63	$54.93	$45.88	$0.00	NA	NA
Central	Banner - University Family Care	$62.41	$27.57	$39.29	$23.13	$94.15	$55.20	$45.49	$0.00	NA	NA
Central	Molina Healthcare of Arizona, Inc.	$80.89	$62.20	$68.91	$59.88	$103.38	$78.09	$72.34	$0.00	NA	NA
Central	Mercy Care	$56.05	$19.50	$34.37	$13.93	$97.42	$50.92	$39.25	$0.00	$208.95	$0.59
Central	Health Choice Arizona, Inc.	$59.10	$31.58	$40.55	$28.02	$82.53	$51.63	$44.66	$0.00	NA	NA
Central	UnitedHealthcare Community Plan	$52.48	$24.81	$35.65	$20.62	$84.02	$48.66	$40.64	$0.00	NA	NA
South	Arizona Complete Health - Complete Care Plan	$59.61	$30.06	$40.62	$25.06	$96.78	$52.67	$44.25	$0.00	$129.29	$0.50
South	Banner - University Family Care	$66.37	$29.35	$41.55	$23.19	$103.60	$54.49	$45.14	$0.00	NA	NA
South	UnitedHealthcare Community Plan (Pima Only)	$52.82	$25.80	$35.69	$19.94	$83.87	$44.78	$37.63	$0.00	NA	NA

Appendix 6: Original and Revised Acuity Factors

Appendix 6: Original and Revised Acuity Factors

GSA	Risk Group	Capitation Rates Effective			
		October 1, 2024 – March 31, 2025	April 1, 2025 – September 30, 2025		
		Original Acuity Factors	Revised Acuity	Churn	Aggregate Acuity Factors
North	AGE < 1	1.0000	1.0000	1.0000	1.0000
North	AGE 1-20	1.0826	1.1030	1.0012	1.1043
North	AGE 21+	1.0802	1.1214	1.0002	1.1216
North	Duals	1.0303	1.0454	1.0006	1.0460
North	SSIWO	1.0378	1.0370	1.0004	1.0374
North	Prop 204 Childless Adults	1.0643	1.1390	1.0014	1.1405
North	Expansion Adults	1.1818	1.2781	1.0040	1.2833
North	Delivery Supplemental Payments	1.0000	1.0000	1.0000	1.0000
North	SMI	1.0301	1.0383	1.0015	1.0399
Central	AGE < 1	1.0000	1.0000	1.0000	1.0000
Central	AGE 1-20	1.0706	1.0992	1.0016	1.1011
Central	AGE 21+	1.0822	1.1208	1.0006	1.1214
Central	Duals	1.0203	1.0365	1.0000	1.0366
Central	SSIWO	1.0481	1.0470	1.0007	1.0478
Central	Prop 204 Childless Adults	1.0732	1.1580	1.0021	1.1605
Central	Expansion Adults	1.2017	1.3152	1.0003	1.3156
Central	Delivery Supplemental Payments	1.0000	1.0000	1.0000	1.0000
Central	SMI	1.0199	1.0300	1.0021	1.0322
South	AGE < 1	1.0000	1.0000	1.0000	1.0000
South	AGE 1-20	1.0658	1.0838	1.0010	1.0848
South	AGE 21+	1.0754	1.1108	1.0004	1.1113
South	Duals	1.0158	1.0273	1.0006	1.0280
South	SSIWO	1.0392	1.0399	1.0011	1.0411
South	Prop 204 Childless Adults	1.0759	1.1460	1.0015	1.1477
South	Expansion Adults	1.1883	1.2691	1.0025	1.2723
South	Delivery Supplemental Payments	1.0000	1.0000	1.0000	1.0000
South	SMI	1.0254	1.0297	1.0012	1.0310