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December 16, 2013

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Ms. Jinn-Feng Lin, F.S.A., M.A.A.A.
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Dear Ms. Hunt and Ms. Lin:

I, Curtis Cunningham, Director of the Bureau of Financial Management for the Wisconsin Department of Health Service's Division of Long-Term Care, hereby affirm that the following data prepared and submitted to PricewaterhouseCoopers LLP for the purpose of developing 2014 Family Care and Family Care Partnership/PACE capitation rates were prepared under my direction, and to the best of my knowledge and belief, are accurate and complete. These data include:

1. MA Card fee-for-service claim data files for 2010 through 2012, for the nursing home, managed care, and home and community-based waiver populations;
2. MA eligibility data files for 2010 through 2012, for the nursing home and home and community-based waiver populations;
3. Functional screen information for Family Care and Family Care Partnership/PACE members, as well as for home and community-based waiver and wait list clients;
4. Eligibility information for Family Care and Family Care Partnership/PACE members;
5. MCO encounter file containing units of service and program costs for Family Care and Family Care Partnership/PACE members;
6. Potential contracting agencies and anticipated start dates in regions of the state that are served by the program or to which the program is expected to expand;
7. Projected Family Care and Family Care Partnership/PACE enrollment months for CY 2014 in light of the program's anticipated expansion and transition to an entitlement.
8. CY 2012-2013 financial reporting from the managed care organizations (MCOs) was used to develop care management rates that were used for the care management component of the Family Care and Family Care Partnership/PACE rates.

Sincerely,

Curtis Cunningham
Bureau Director
DLTC/BFM

Wisconsin Department of Health Services

Calendar Year 2014 Family Care Capitation Rates

Prepared by:
PricewaterhouseCoopers

December 2013



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- Exhibit I-1 Summary of 2012 Actual Experience by County; Nursing Home Level of Care
- Exhibit I-2 Summary of 2012 Actual Experience by County; Non-Nursing Home Level of Care
- Exhibit-II-1a Developmentally Disabled: Functional Screen Regression Model of 2012 PMPM; NH Level of Care
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- Exhibit II-2a Developmentally Disabled: Summary of Proportion of MCO Population with Rating Characteristics -
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- Exhibit II-3a Developmentally Disabled: Summary of Proportion of MCO Population with Rating Characteristics -
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- Exhibit III-1a Development of the 2014 Capitation Rates by Population; Nursing Home Level of Care
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- Exhibit III-1c Development of the 2014 Capitation Rates by MCO; Nursing Home Level of Care
- Exhibit III-2 Development of the 2014 Capitation Rates; Non-Nursing Home Level of Care

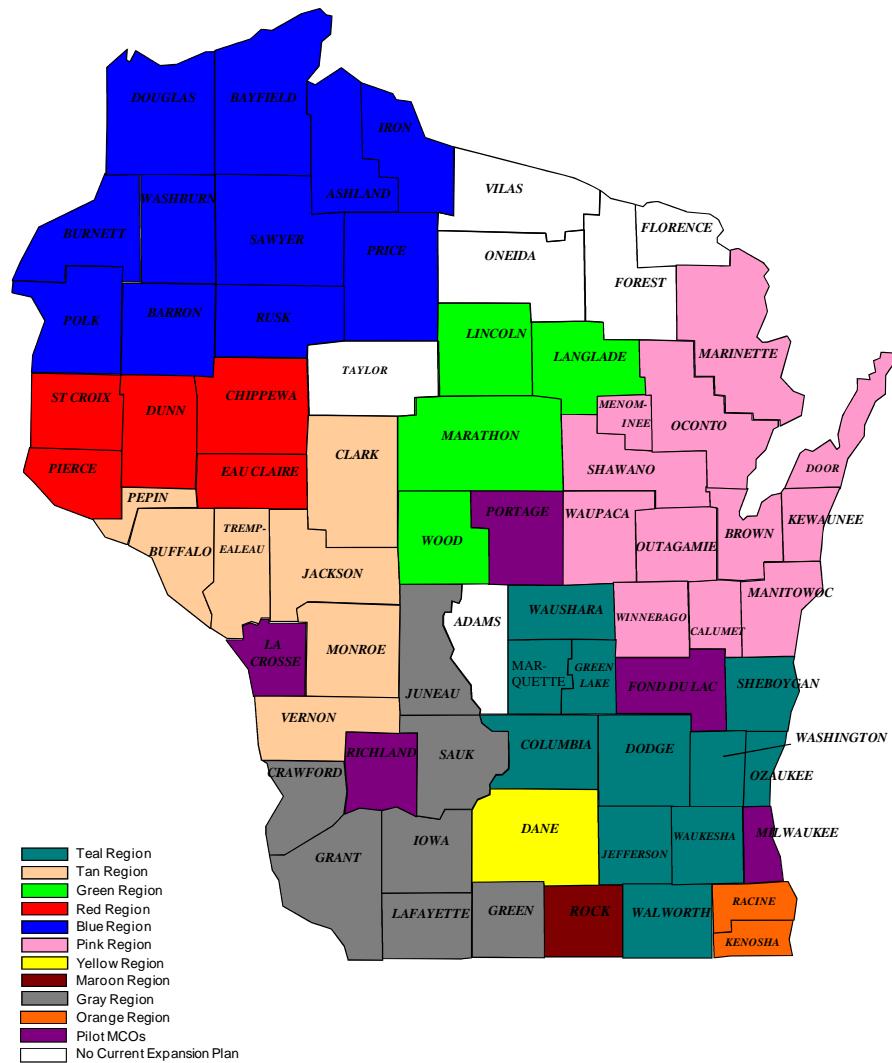
EXECUTIVE SUMMARY

This report describes the methodology used to develop calendar year 2014 monthly capitation payments for Family Care. This program is sponsored by the State of Wisconsin Department of Health Services and covers long-term care (LTC) services previously provided through the Medicaid State Plan, the Medicaid Home and Community Based Waivers (Waiver), and the Community Options Program (COP). Primary and acute medical services are not covered by Family Care. The following table shows the five original pilot MCOs that have been operating in the Family Care program since 2000.

Family Care Original Pilot MCOs		
MCO	Implementation Date	Covered Counties
Lakeland Care District (LCD)	Pilot MCO	Fond du Lac
Western Wisconsin Cares (WWC)	Pilot MCO	La Crosse
Milwaukee County Department of Family Care (MCDFC)	Pilot MCO	Milwaukee (Elderly)
Community Care of Central Wisconsin (CCCW)	Pilot MCO	Portage
ContinuUS (formerly Southwest Family Care Alliance)	Pilot MCO	Richland

The State has been continuing the effort to expand the Family Care program outside of the original, and the current service areas. The expansion plan that DHS has provided categorizes the State into eleven regions; most being comprised of multiple counties. MCOs did not expand to all counties in their region at the same time, and multiple MCOs may provide services in the same county or region. The map below provides the current regional configuration for the Family Care program.

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Wisconsin Department of Health Services
Family Care Capitation Rates, CY 2014

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The implementation dates for various MCO expanded coverage to are detailed below. In reference the date the first county in a region

MCO	Implementation Date	Famil Expansion
		Implementation Date
Community Care	Jan. 1, 2007	Calumet Outagamie Waukesha
Care Wisconsin	Mar. 1, 2008	Columbia Lake, Jefferson Washington Waushara
ContinuUS	Sept. 1, 2008	n/a

EXECUTIVE SUMMARY

efficiencies; therefore the data for the managed care populations within these 17 counties was also included in the rate development for the CY 2014 rate setting process.

Throughout the remainder of the report, the experience of these 22 counties (5 pilot plus 17 expansion counties) will be referred to as the “base cohort counties”. For other expansion areas, managed care claim experience was deemed unreliable and could not be used for rate development. As a result, the capitation rates for the other expansion areas were developed based on encounter data reported from the base cohort counties for calendar year 2012.

As noted in the above table, some MCOs currently participating in the Family Care program have expanded coverage to additional counties. As a result, the capitation rates for these providers will be calculated using a blend of the following two rates:

1. Capitation rate for the base cohort MCO population
2. Capitation rate for an MCO's known expansion population in a non-base cohort county

The capitation rates were developed by MCO and by the rate regions discussed above. The rates were based on:

- The base cohort MCOs' encounter data, with adjustments for variation in functional status as measured by each recipient's Long-Term Care Functional Screen (LTCFS) based on enrollees from the expansion regions.
- The encounter data is adjusted to remove costs for non-state plan services and the waiver services contained in the baseline claims experience that were not cost effective in comparison with their in-lieu-of substitute state plan service.
- An adjustment is made to account for the differences in cost by geography between a region and the base cohort county experience used as the basis for the rate development.
- Baseline experience data is adjusted for trend.
- An allowance is made for administrative costs and the claims data is adjusted to account for incomplete claims.
- Additionally, several policy adjustments were applied in order to develop the final capitation rates.

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Nursing Home Level of Care Functional Status Model

The NH level of care rates were based on three regression models of functional status developed from MCO-reported experience for calendar year 2012. Regression is a statistical technique that produces an estimate of the effect of each factor individually on the cost for an individual. A regression model is independently developed for each of the three target groups (Developmentally Disabled, Physically Disabled, and Frail Elderly) using corresponding population's claim and eligibility data. The structure of the three regression models therefore varies based on the characteristics that are most prevalent to a population. Following are the "functional" measures that were used to develop the models:

- SNF level of care for the elderly
- Type of developmental disability for the disabled, if any
- Number of Instrumental Activities of Daily Living (IADLs)
- Activities of Daily Living (ADLs) and their levels of help
- Interaction terms among various ADLs
- Behavioral indicators
- Medication management
- Health Related Services
- Specific Diagnoses
- Interaction terms among various specific diagnoses
- Restrictive Measures
- Dual eligibility for Medicare and Medicaid
- Parameters associated with high cost individuals

Trend was developed separately for the Developmentally Disabled, Physically Disabled, and Elderly populations based on an analysis of managed care claims experience. An annual trend of 0.25% for the Developmentally Disabled population, 1.00% for the Physically Disabled and 0.50% for the Elderly population, was developed using managed care claim and eligibility data, which measures the annual mix, cost, and utilization trend. The current mix of participants is used to determine the two-year trend rates for each county. These rates are aggregated to develop a regional trend rate for each of the participating MCOs.

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The rates include an allowance for health plan administrative expenses and are adjusted for regional variation in costs and incomplete claims.

Non-Nursing Home Level of Care Functional Status Model

The non-NH level of care rates are based on the base cohort MCO-reported experience for calendar year 2012. The non-NH level of care rates were developed using a functional status based model that stratifies claims experience based on an individual's level of need, using their sum of ADLs and IADLs. The ADLs and IADLs are each separated into "low" and "high" levels of need. A "low" level of need corresponds to an individual that has an ADL/IADL count of two or less. A "high" level of need corresponds to an individual that has an ADL/IADL count of three or more. The rates are developed based on four distinct cohorts:

- Low IADL and low ADL level of need,
- Low IADL and high ADL level of need,
- High IADL and low ADL level of need, and
- High IADL and high ADL level of need

For example, assume an individual requires bathing assistance (ADL), dressing assistance (ADL), and medication management (IADL). This individual has an ADL count of two and an IADL count of one. Therefore the claim and eligibility experience of this individual are bucketed into the "low" ADL and "low" IADL level of need cohort.

For a Family Care MCO that is expanding coverage to additional regions where they have no current enrollment, the non-NH expansion capitation rate is equivalent to the current MCO non-NH capitation rate. For those providers who are not currently participating in the Family Care program, a program-wide non-NH level of care capitation rate applies to all providers.

Similar to the NH level of care rate development, the non-NH rates are adjusted for trend and an administrative allowance.

Disclaimer

In performing this analysis, we relied on data and other information provided by the State. We have not audited or verified this data or other information. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete.

We performed a limited review of the data used directly in our analysis for reasonableness and consistency and believe the data appear to be reasonable for this

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rate development. If there are material errors or omissions in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

Differences between our projections and actual results depend on the extent to which future experience conforms to the assumptions made for this analysis. It is certain that actual experience will not conform exactly to the assumptions used in this analysis.

This report is intended to assist the State in developing Family Care capitation rates. It may not be appropriate for other uses. PricewaterhouseCoopers does not intend to benefit and assumes no duty or liability to other parties who receive this work. This report should only be reviewed in its entirety. It assumes the reader is familiar with Family Care, the Wisconsin Medicaid long-term care and Waiver programs, and managed care rating principles.

The results in this report are technical in nature and are dependent upon specific assumptions and methods. No party should rely upon these results without a thorough understanding of those assumptions and methods. Such an understanding may require consultation with qualified professionals.

I. DATA SOURCES

A first step in developing capitation rates is identifying the data that is used for the calculations. The CMS regulations call for use of data that is appropriate for the population to be covered by the program. Those regulations also indicate it is CMS' intent that the data be no more than five years old. A number of sources of data may be considered appropriate including:

- Fee-for-service data for the Medicaid population in the geographic area to be covered by managed care plans;
- Health plan encounter data for their Medicaid population;
- Health plan encounter data for other populations, with appropriate adjustments to reflect utilization patterns of Medicaid enrollees;
- For some components of the analysis, health plan financial data;
- For some components of the analysis, data from other Medicaid programs.

The capitation rates are developed separately for those individuals that meet a nursing home level of care criteria and those that do not. Managed care eligibility and claims experience data from the base cohort Wisconsin MCOs for calendar year 2012 is used to establish baseline costs for both populations. In addition to claims and eligibility data, functional screen data were provided by the State. To correct for missing functional screen data, missing values were assumed to have a value of "0". In other words, we assumed that the individual did not have the characteristic addressed by the question unless it was affirmatively reported.

Each recipient's cost for 2012 was matched to their corresponding eligible days. Therefore a per member per month (PMPM) cost was determined for each target group as the total payments divided by total eligibility days times 30.41667 (the average number of days in a month).

I. DATA SOURCES

Claims Experience

The claims data covers dates of service for April 2013. These data must be adjusted to Reported (IBNR) in order to “complete”. Adjustments were made by MCO across the t

MCO	Ba
Lakeland	Fond du Lac
WWC	La Crosse
Community Care	Calumet / Ozaukee
	Kenosha / Racine
	Washington / Waukesha
Care Wisconsin	Washington / Waukesha
	Columbia / Dodge
	Marquette / Wausau
MDCFC	Milwaukee
ContinuUS	Richland

I. DATA SOURCES

- The use of medications and the level of assistance required to correctly administer them
- The frequency of certain health related services (e.g., pain management, TPN, dialysis, etc.)
- The levels of communication, memory, and cognition
- The presence and extent of certain behaviors (wandering, self-injurious, offensive, etc.)

Legal and administrative information is also collected but not used for risk adjuster development. All screeners are trained by the State to ensure that the screens are administered consistently.

To appropriately reflect the relative risk and cost of enrollees in the Family Care program, three risk assessment models were developed that measure differences in utilization of services based on functional status within each target group (Developmentally Disabled, Physically Disabled, and Frail Elderly). Family Care-specific models were developed because available risk assessment and risk adjustment models were deemed to be a poor fit for measuring differences in expected Long Term Care costs among enrollees. Commercial and other available models are largely designed to estimate the need for acute care services, and do not take into account such factors as frailty and the need for assistance with activities of daily living. A description of each risk assessment model is contained in the NH and non-NH rate development sections of the report.

II. NURSING HOME LEVEL OF CARE METHODOLOGY

This section of the report details the development and statistical validity of a risk adjustment methodology used to calculate the Nursing Home level of care baseline per capita costs.

Base Data

The base data consists of calendar year 2012 encounter eligibility and claim data for the MCOs that were providing coverage in the 22 base cohort counties. When comparing the care management encounter data costs with the care management costs contained in the MCOs financial statements, material variances were noted. An adjustment to the data was made by MCO to appropriately reflect the care management costs contained in the financial statements.

After making these adjustments to the base data, the resulting aggregate 2012 claims for the base cohort MCOs were \$673,115,151, and the exposure months totaled 244,823, resulting in a PMPM of \$2,749.39 for the NH level of care population. Exhibit I-1 shows the experience by county, target group, and category of service for the NH population, after the care management adjustment described above was made. Based on discussions with DHS staff, we understand that reported costs are prior to any participant cost sharing and net of any third party liability.

Non State Plan Services Adjustment

A non-state plan service included in the calendar year 2012 data is non-covered residential care services. Non-covered residential care services are provided in-lieu-of nursing home stays for nursing home eligible enrollees. A cost effectiveness analysis was completed for the non-residential care services. A service is cost effective if the cost of providing that service is less than or equal to the cost of its in-lieu-of substitute. We have utilized the data to determine the cost of residential care and the comparable institutional care which would be utilized by a proportion of those currently using residential care. The results of our analysis show that non-covered residential care is a cost effective substitute for nursing home stays, therefore no adjustment to the data was made.

Approach to NH Level of Care Rate Development

Estimated PMPM costs are determined by target group for recipients based on each recipient's IADL count, specific levels of ADL assistance needed, the presence of certain behavioral problems, detail on medication assistance provided, the level of care provided, the type of developmental disability (if any), certain combinations of ADLs and of diagnoses, use of restrictive measures, dual eligibility for Medicare and Medicaid,

II. NURSING HOME LEVEL OF CARE METHODOLOGY

and health related services. Monthly screen information of the cost period (calendar year 2012) is used, resulting in a concurrent risk adjustment model.¹

Ordinary Least Squares regression was used to model the effects of the above factors in predicting PMPM costs for the three target groups. Generally, the overall cost estimate for a recipient is determined by summing the coefficients for the factors applicable to the recipient, and adding the regression intercept. This method essentially results in an individual rate for each recipient rather than categorizing them into mutually exclusive groups, as would be done with other approaches to rate development.

Exhibit II-1 shows the results of the regression analysis. The R-squared of the risk adjustment models is approximately 50% for the Developmentally Disabled population, 43% for the Physically Disabled population and 38% for the Frail Elderly populations.

When used with the 2012 functional status indices, the regression models estimate a baseline cost by MCO for the NH population in 2012. To better assess the prospective cost in a region, we used the latest credible functional screens for the Family Care population enrolled in each region in 2013. This risk adjustment technique is discussed in further detail later in the report.

Regression Modeling Details

The calendar year 2012 NH data for the base cohort MCOs is used as the basis to develop the target group specific regression models. Using this data, three ordinary least squares linear regression models are created to relate monthly costs to recipient functional characteristics; one model is developed for each of the target groups. Developmentally Disabled, Physically Disabled, and Frail Elderly regression models are developed to account for the material differences in costs and functional needs between the populations. The data used to develop each of the models is based on the corresponding claim and eligibility for the population within a given target group.

For each model, the unit of analysis is the recipient month. That is, the monthly 2012 cost and the recipient's corresponding functional screen constitute one observation. The statistical analyses weigh experience in proportion to each recipient's days of eligibility.

Modeling proceeds in a stepwise manner, starting with variables that explain the most variation and incrementally adding variables that have a marginally decreasing effect on

¹ Note: Risk adjustment models are typically termed "concurrent" or "prospective". A concurrent model measures expected costs in the current period based on claims and screening data for the current period. A prospective model measures expected costs in a subsequent period based on claims and screening data for a current period. The choice of whether to use a concurrent or prospective model depends on a number of factors, including the stability of the population. For the Family Care population, we believe a concurrent model is appropriate, although a prospective model is not expected to yield materially different results for this program, given the limited turnover of the population.

II. NURSING HOME LEVEL OF CARE METHODOLOGY

improving the model's R-squared value and increasing the model's overall predictive capacity. Note also that all predictor variables are coded as binary, (i.e., having a value of "0" or "1".) Thus, a recipient either has a particular characteristic or they do not. With this approach we avoid forcing a relationship upon the variables, such as doubling the expected costs for an individual with twice as many ADLs as another individual.

When considering variables to include in a model, we used the following criteria:

- Variables are included in a model if they show a 5% level of significance.
- Variables are excluded if, when included, multicollinearity is present. That is, when an additional variable is included it shows a strong linear relationship among one or more of the other variables.
- Variables are excluded to simplify the model if including them only marginally increases model fit.

With a baseline model established, the effects of interaction are considered. Interaction terms are important since the effect of, for example, a bathing ADL requiring assistance with a dressing ADL requiring assistance, may be greater or less than the sum of these effects modeled individually.

The number of variables to predict cost varies by each target group. The variables are separated into the following classes: level of care, IADLs, specific ADLs, interactions, behavioral, medication use, health related services, and diagnosis groups. The estimated impact on the cost for each variable is shown along with its significance (i.e., p-value), relative contribution in explaining the variation (i.e., Incremental Partial R²) and the proportion of the population with the characteristic.

Exhibits II-1a, II-1b, and II-1c show the final statistical models for the Developmentally Disabled, Physically Disabled, and Frail Elderly populations, respectively. Each model has a mean consistent with the aggregate base cohort MCO's calendar year 2012 baseline costs as shown in Exhibit I-1.

The average effect of each variable shows how the aggregate PMPM costs are allocated among individual characteristics in the population. For example, referring to Exhibit II-1a, the model attributes \$142.04 PMPM of the aggregate Developmentally Disabled PMPM (\$3,409.35) to IADL-5. Thus to derive the average PMPM cost for a given population, one would cross-multiply all regression parameter estimates by the proportion of the population with the respective characteristic.

Factors to Reflect Regional Economic Differences

We developed base cohort MCO factors based on the relative wage levels paid in the 22 counties. We used wage data reported by the U.S. Bureau of Labor Statistics for

II. NURSING HOME LEVEL OF CARE METHODOLOGY

occupations involved in providing care: registered nurses, social workers, home health aides, personal care / home care aides and personal care / service. The relative wage levels were aggregated using the relative costs for these services for all MCOs combined. This process estimates the potential costs faced by the MCOs and the expansion regions.

Additionally, we have developed factors based on the wage levels paid in the expansion regions. Since the base data consists of encounter eligibility and claim data for the base cohort MCOs, the potential costs faced by the expansion regions were calculated relative to the current base cohort MCOs. To account for the difference in wage levels, the baseline per capita costs for the expanding MCOs are adjusted by these wage factors. For example, a factor of 0.994 means that the potential costs faced by an MCO were on average 0.6% lower than the base cohort MCOs. Based on analyses performed by DHS, in collaboration with the MCOs, it was determined that the wage factor should apply to 70% of an MCO's cost on average.

The following table provides the final wage factors.

MCO	Wage Factor
WWC	0.974
MCDFC	1.007
CCCW (Green Region)	0.983
CCCW (Blue Region)	1.014
ContinuUS (Gray Region)	1.023
ContinuUS (Red Region)	1.028
Community Care (Kenosha/Racine)	1.037
Community Care (Teal Region)	1.011
Community Care (Milwaukee)	1.007
Community Care (Pink Region)	0.991
Care Wisconsin	1.011

Application of the Model

The regression models were developed using 2012 cost and functional screen data. To determine expected costs for the contract period, we obtained updated functional screen information as of July 2013. This July 2013 data was applied to the regression coefficients to derive costs by MCO and by target group for the following three distinct populations.

II. NURSING HOME LEVEL OF CARE METHODOLOGY

Base Cohort County Population

Using July 2013 functional screen data provides a snapshot of the estimated average cost for each of the base cohort MCOs at a point in time. Since this population is consistent with those individuals' claim and eligibility data used to develop the regression model, the acuity adjustment between the two periods (calendar year 2012 and July 2013) is budget neutral. As a result, using the updated functional screen data does not have a direct impact on the aggregate baseline costs. This approach quantifies a relative change in acuity between the plans, and thus shifts expected costs among counties.

Known Expansion Population

For areas where the base cohort and new MCOs have already expanded coverage (outside of the base cohort county), we obtained the latest functional screen information available, July 2013, for this population. This data was applied to the regression coefficients to derive costs by MCO and by region.

Exhibits II-2a, II-2b, and II-2c show the distribution of the population by target group, MCO, population type, and functional measure used to calculate the final base rates for the base cohort counties. Exhibits II-3a, II-3b, and II-3c provide similar information for the known expansion population. Using the functional screen data provides a snapshot of the estimated average cost for each of the MCOs at a point in time. The most recent functional screen information is used to better assess the relative prospective cost in a region.

III. NON-NURSING HOME LEVEL OF CARE METHODOLOGY

This section of the report details the development and statistical validity of a risk adjustment methodology used to calculate the Non-Nursing Home level of care baseline per capita costs.

Base Data

Aggregate 2012 claims were \$3,288,451.82, and the exposure months totaled 5,997, resulting in a PMPM of \$548.33 for the non-NH level of care population. However, an adjustment to the base data costs needed to be made to remove the costs of certain non-covered waiver services. The section below provides a complete description of the costs that were removed. Exhibit I-2 shows the experience by county, target group, and category of service for the Non-NH population after adjusting the baseline experience; the adjusted aggregate PMPM is \$531.47. Based on discussions with DHS staff, we understand that the non-nursing home level of care population is not subject to cost sharing.

Waiver Services Cost Adjustment

The non-NH population's calendar year 2012 claims data was adjusted to remove costs of non-covered waiver services that were not cost effective in comparison with their in-lieu-of substitute service.

A cost effectiveness analysis was completed for each waiver service. A service is cost effective if the cost of providing that service is less than or equal to the cost of its in-lieu-of substitute. The two significant services that waiver services are "in-lieu-of" are personal care and transportation services. PwC consulted with DHS on the appropriate measure of personal care for a majority of the waiver services including daily living skills training, day services, adult day care, supportive home care, and residential services. For example, daily living skills training is purchased by an MCO so that members can learn skills to provide their own personal care that would otherwise have to be purchased by an MCO. For those services that were cost effective no adjustment to the data was made. However, some waiver services were determined to not be cost effective; consequently we have removed the additional costs incurred as a result of providing a service that is partially cost effective.

Some waiver services were not explicitly included in the cost effectiveness analysis because they do not have a comparable service under Wisconsin's state plan services. For example, the waiver service supported employment may avoid occupational and physical therapy costs in the future by keeping individuals active through employment. It may also reduce the need for personal care if individuals would otherwise be home all day rather than employed. However according to CMS, it does not have a comparable state plan service and cannot be included in the rate development. Consequently we have removed the entire cost for those services that do not have a comparable state plan service.

III. NON-NURSING HOME LEVEL OF CARE METHODOLOGY

The exclusion of costs for waiver services that are not cost effective or that do not have a comparable state plan service was done on an MCO basis:

MCO	Base Data	Exclusion of Costs for Waiver Services (decrease)
Lakeland	Fond du Lac	\$4,595
WWC	La Crosse	\$34,332
Community Care	Calumet / Outagamie / Waupaca	\$10,082
	Kenosha / Racine	\$1,720
	Washington / Waukesha	\$1,791
Care Wisconsin	Washington / Waukesha	\$17,936
	Columbia / Dodge / Green Lake / Jefferson / Marquette / Waushara	\$1,318
MDCFC	Milwaukee	\$2,014
ContinuUS	Richland	\$0
CCCW	Portage	\$8,900
	Marathon / Wood	\$18,381
	Langlade / Lincoln	\$26

The remainder of this section summarizes the methodology used to develop the proposed payment rates. The results include the regression analysis conducted on the MCO calendar year 2012 encounter data and the functional measures reported from the screens conducted by the Resource Centers and MCOs.

Approach to Non-NH Rate Development

The non-NH level of care rates were developed using a functional status based model that stratifies claims experience based on an individual's level of need, using their sum of ADLs and IADLs. The ADLs and IADLs are each separated into "low" and "high" levels of need. A "low" level of need corresponds to an individual that has an ADL/IADL count of two or less. A "high" level of need corresponds to an individual that has an ADL/IADL count of three or more. The rates are developed based on four distinct cohorts:

- Low IADL and low ADL level of need,
- Low IADL and high ADL level of need,
- High IADL and low ADL level of need, and
- High IADL and high ADL level of need

III. NON-NURSING HOME LEVEL OF CARE METHODOLOGY

For example, assume an individual requires bathing assistance (ADL), dressing assistance (ADL), and medication management (IADL). This individual has an ADL count of two and an IADL count of one. Therefore the claim and eligibility experience of this individual are bucketed into the "low" ADL and "low" IADL level of need cohort.

Estimated costs PMPM were calculated by combining the claim and eligibility data for all individuals that correspond to a given cohort. The table below provides the cost PMPM for the four cohorts. To calculate rates for an MCO, the MCO's enrollees are bucketed into the four levels of need cohorts. The distribution of enrollees is then used to calculate a weighted average of the PMPM costs across the four cohorts. A similar methodology is used for all base cohort county MCOs. For a current Family Care provider that has expanded coverage to additional regions, the non-NH expansion capitation rate is equivalent to the current base cohort county MCO capitation rate. However, for those providers who are not currently participating in the Family Care program, a program-wide non-NH level of care capitation rate is calculated using the base cohort MCOs experience, and is applied to all expansion providers.

Functional Based PMPM	
Low IADL, Low ADL	\$ 496.61
Low IADL, High ADL	\$ 704.97
High IADL, Low ADL	\$ 667.18
High IADL, High ADL	\$ 738.61

To better assess the prospective cost in a region, we used the functional screens active in July 2013 for the Family Care population enrolled in each region in 2012.

IV. TREND DEVELOPMENT

Trend rates were used to project the 2012 baseline cost data beyond the base cost period to the 2014 contract period, to reflect changes in payment levels and utilization. To determine the annual trend rates the following information is assessed:

- Historical encounter data experience;
- Budgeted provider increases;
- Known policy changes that may impact utilization patterns; and
- Industry experience for other comparable Medicaid long-term care programs.

Trend was developed separately for the Developmentally Disabled, Physically Disabled, and Elderly. An annual trend was developed analyzing Family Care encounter claim and eligibility data from calendar years 2010 through 2012. The trend over this period includes annual mix, fee increases, and utilization trend. The following table summarizes the trend by each target group.

Target Group	Annual Trend
Developmentally Disabled	0.25%
Physically Disabled	1.00%
Elderly	0.50%

V. ADMINISTRATIVE ALLOWANCE

DHS has worked in collaboration with the MCOs to develop a sustainable approach to determine the administrative funding levels for the Family Care program. The administrative funding methodology was developed to address new and expanding MCOs, the size of an MCO's enrolled population, and the determination of program operational costs. As a result, DHS and the MCOs formed "small work groups" (SWG) to help assess the type and range of administrative costs.

Findings from the SWGs showed that there are nine primary administrative components that are typically incurred by an MCO that participates in the Family Care program, they are as follows:

- Administrative and Executive;
- Compliance;
- Human Resources;
- Marketing;
- Provider Management;
- Claims Management;
- Fiscal Management;
- Information Management, and
- Quality Management.

Within each of these administrative components, the MCOs provided their projected CY09 enrollment, the number of full-time equivalent employees (FTEs), the corresponding expense per FTE, and the administrative expenditures.

A first step to develop a PMPM cost for the administrative allowance was to determine the most appropriate classification of fixed versus variable costs for each of the components. It is important to differentiate the two types of costs since the costs associated with the fixed components will decrease on a per member per month basis as an MCO continues to expand coverage to additional members.

Fixed Costs

The fixed cost portion of the administrative allowance decreases as a percentage of total revenue as MCOs increase the number of enrolled members. For example, as MCOs continue to expand there is no need to hire an additional CEO, although the demands on the CEO will increase, perhaps leading to the need for higher compensation. Therefore executive costs as a percentage of capitation revenue will decrease as MCOs become larger; a similar argument can be applied to the other five

V. ADMINISTRATIVE ALLOWANCE

fixed cost components, which may increase somewhat with growth in the size of the enrolled population, but not in a direct way. As a result we have structured our approach to assess a reasonable number of personnel to have on staff for each component based on MCO size. To accommodate the personnel needs of different sized MCOs for their fixed administrative costs, we have developed three tiers within each component to account for different staffing expectations at small, medium, and large MCOs.

The enrolled members, number of full-time equivalents (FTEs), and expense per FTE as reported by each MCO were used to assess and determine appropriate assumptions. Based on the data reported by the MCOs, a three-tier structure was developed for each of the components.

Once the number of personnel and corresponding cost were determined for the tiers, MCOs were assigned to a tier based on their projected calendar year 2014 enrollment. The resulting fixed PMPM costs were calculated for each MCO as the projected number of FTEs, and their corresponding expense, divided by the projected number of member months.

Variable Costs

The variable portion of administrative costs increases roughly proportionately with the number of members enrolled by an MCO. Therefore a single PMPM cost assumption was determined for each of the variable components. The PMPM cost projections as reported in the SWG documents were used as the basis to derive a point estimate.

Based on CY 2014 projected enrollment, MCOs were classified into the small, mid-size, and large tiers. Determination of an MCO's tier classification considers participation in the FCP/PACE programs as well. The total administrative per capita cost for each MCO was calculated by summing the variable and the corresponding tiered fixed cost components. Similar to last year, DHS is providing a modest amount of funding (\$0.61 PMPM) to be used as a provision for the Office of the Commissioner of Insurance's (OCI's) financial oversight function. By contract, MCOs will be required to use 100% of these funds to pay for these OCI services, as a cost of doing business.

VI. RATE DEVELOPMENT FOR EXPANDING FAMILY CARE MCOs

Where applicable, the capitation rates for an MCO were calculated by aggregating the rates for two distinct populations by rate region. Specifically the populations are:

- Base Cohort Population: The base cohort population from 22 counties represents the enrollees in the base cohort counties whose data is used to develop the baseline costs and regression models.
- Known Expansion Population: This represents individuals in a non-base cohort county enrolled by an MCO on or before July 2013.

As discussed in Section II of the report, PMPM costs for the base cohort and known expansion populations are calculated using the functional screen information of individuals currently enrolled by an MCO as of July 2013. The weighted average MCO capitation rate will be calculated using projected managed care calendar year 2014 enrollment as provided by DHS for each of the populations.

A region specific capitation rate is calculated for each MCO. For example, Community Care began participating in the Orange region (Kenosha and Racine counties) in 2007. Subsequently they expanded coverage to the Teal, Pink, and Milwaukee Regions with initial expansion beginning in 2008. Therefore, Community Care will be provided four capitation rates, one for each region where they are participating in the Family Care program. Further, due to contract considerations some of the regional rates have been split apart. For example, there is a separate rate for Waukesha / Washington counties provided to Care Wisconsin and Community Care although these counties have been historically included with the other covered counties in the Teal region.

VII. PER MEMBER PER MONTH COST DEVELOPMENT

In summary, the 2014 per capita costs were developed as described below.

1. Determine functional status based costs for the NH and non-NH populations using the 2012 MCO reported experience and functional screens as outlined in Section II and III. These cost estimates are adjusted to reflect an estimate for IBNR using payments through April 2013.
2. Replace care management costs to account for the difference between the plan financial experience and the level of costs contained in the encounter data.
3. Exclude costs for waiver services that were not fully cost effective or did not have a comparable state plan service that were included in the 2012 encounter data for the non-NH population.
4. Project adjusted 2012 costs two years forward using the annualized Developmentally Disabled, Physically Disabled, and Elderly trend rates discussed in Section IV.
5. Increase costs to include an administration as discussed in Section V.
6. A blended capitation rate is calculated for the CY14 contract period, as discussed in Section VI.

We did not adjust the nursing home level of care rates for cost-sharing. The department's payment system has the functionality to pay the gross capitation rate and deduct member specific cost share amounts as directed by CMS.

Exhibit III-1a shows the development of the Nursing Home level of care capitation rates. Exhibit III-1b provides the projected member months by population used to develop aggregate capitation rates by MCO and region shown in Exhibit III-1c. Exhibit III-2 provides the development for the non-Nursing Home level of care population.

VIII. FINAL CAPITATION RATES

The Wisconsin Department of Health Services determined the final 2014 capitation rates for each MCO participating in a region that participates in the Family Care program. DHS developed the 2014 capitation rates with reference to the following:

- 2014 managed care equivalent (MCE) rates,
- 2013 capitation rates,
- Aggregate financial results as reported by the MCOs, and,
- Detailed business plan projections.

The capitation rates are effective for calendar year 2014 for all MCOs. Exhibits III-1c and III-2 provide the 2014 capitation rates.

Rate considerations were also made based on the business plans developed by the participating MCOs and reviewed by DHS. Policy adjustments were applied to several MCOs' rates where excessive levels of surplus are anticipated.

The 2014 per member per month costs developed in this report are within a reasonable range of rates for the Family Care population, as defined by reasonable ranges on several important assumptions including annual trend rates and appropriate administrative loadings, among others.

IX. ACTUARIAL CERTIFICATION

Following is our actuarial certification for the 2014 capitation rates.

IX. ACTUARIAL CERTIFICATION

**Actuarial Certification of
Proposed 2014 Family Care Capitated Rates
State of Wisconsin Department of Health Services**

I, Jinn-Feng Lin, am associated with the firm of PricewaterhouseCoopers. I am a member of the American Academy of Actuaries and meet its Qualification Standards to certify as to the actuarial soundness of the 2014 capitation rates developed for the Medicaid managed care programs known as Family Care. I have been retained by the Wisconsin Department of Health Services (DHS) to perform an actuarial certification of the Family Care capitation rates for calendar year 2014 for filing with the Centers for Medicare and Medicaid Services (CMS). I have reviewed the capitation rates developed by DHS and am familiar with the Code of Federal Regulations, 42 CFR 438.6(c) and the CMS "Appendix A, PAHP, PIHP and MCO Contracts Financial Review Documentation for At-risk Capitated Contracts Ratesetting."

I have examined the actuarial assumptions and actuarial methods used by DHS in setting the capitation rates for calendar year 2014.

To the best of my information, knowledge and belief the capitation rates offered by DHS are in compliance with 42 CFR 438.6(c), with respect to the development of Medicaid managed care capitation rates. The attached actuarial report describes the rate development methodology used by DHS. I believe that the capitation rates have been developed in accordance with generally accepted actuarial principles and practices, and are appropriate for the populations to be covered and the services to be furnished under the contract. The capitation rates are based solely on the projected costs for State Plan services.

In making my opinion, I have relied upon the accuracy of the underlying enrollment, encounter, and other data and summaries prepared by DHS and the participating contracted MCOs. A copy of the reliance letter received from DHS is attached and constitutes part of this opinion. I reviewed the data for reasonableness; however, I performed no independent verification and take no responsibility as to the accuracy of these data.

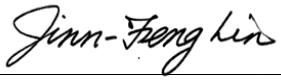
The proposed actuarially sound rates shown are a projection of future events. It may be expected that actual experience will vary from the values shown here. Actuarial methods, considerations, and analyses used in developing the proposed capitation rates conform to the appropriate Standards of Practice promulgated from time to time by the Actuarial Standards Board.

The capitation rates may not be appropriate for any specific MCO. Each MCO will need to review the rates in relation to the benefits provided. The MCOs should compare the

IX. ACTUARIAL CERTIFICATION

rates with their own experience, expenses, capital and surplus, and profit requirements prior to agreeing to contract with the State. The MCO may require rates above, equal to, or below the proposed actuarially sound capitation rates.

This Opinion assumes the reader is familiar with the Family Care program, eligibility rules, and actuarial rating techniques. The Opinion is intended for the State of Wisconsin and Centers for Medicare and Medicaid Services and should not be relied on by other parties. The reader should be advised by actuaries or other professionals competent in the area of actuarial rate projections of the type in this Opinion, so as to properly interpret the projection results.



Jinn-Feng Lin
Member, American Academy of Actuaries

December 19, 2013
Date

X. CMS CHECKLIST

Wisconsin Department of Health Services

Crosswalk from CMS Rate Setting Checklist to 2014 Family C

Item		Location
AA.1.0	Overview of Rate setting Methodology	Entire Report
AA.1.1	Actuarial Certification	Pages 25-27
AA.1.2	Projection of Expenditures	NA
AA.1.3	Procurement, Prior Approval and Rate setting	NA
AA.1.5	Risk contracts	NA
AA.1.6	Limit on Payment to other providers	NA
AA.1.7	Rate Modifications	NA
AA.2.0	Base Year Utilization and Cost Data	Pages 8-10, 1
AA.2.1	Medicaid Eligibles under the Contract	Pages 1-4

X. CMS CHECKLIST

Wisconsin Department of Health Services

Crosswalk from CMS Rate Setting Checklist to 2014 Family Ca

Item		Location
AA.3.9	FQHC and RHC Reimbursement	NA
AA.3.10	Medical Cost / Trend Inflation	Page 19
AA.3.11	Utilization Adjustments	NA
AA.3.12	Utilization and Cost Assumptions	NA
AA.3.13	Post-Eligibility Treatment of Income	NA
AA.3.14	Incomplete Data Adjustment	Page 9
AA.4.0	Establish Rate Category Groupings	Pages 5-6
AA.4.1	Age	NA
AA.4.2	Gender	NA

Exhibits

Wisconsin Department of Health Services
CY 2014 Family Care Capitation Rate Development

Summary of 2012 Actual Experience by MCO
Nursing Home Level of Care

	LCD (Fond du Lac)			WWC (La Crosse)			MCDFC (Milwaukee)			CCCW (Portage)		
	DD	PD	FE	DD	PD	FE	DD	PD	FE	DD	PD	FE
Exposure Months	4,886	3,976	3,263	8,057	8,312	6,659	6,167	40,942	25,080	3,862	2,739	4,043
State Plan Services												
Adaptive Equipment	41.00	95.25	37.83	70.53	128.73	59.87	66.79	81.27	61.89	66.38	84.88	69.54
Adult Day Activities	312.64	14.80	13.12	186.77	17.80	16.67	491.90	42.54	64.43	336.55	23.28	8.37
Case Management	343.54	444.45	264.36	355.71	410.32	320.41	318.34	334.60	309.98	461.89	530.08	446.00
Habilitation / Health	6.10	35.42	7.97	38.20	78.90	25.42	30.69	65.56	27.71	14.15	29.50	9.63
Home Care	198.93	525.99	531.54	283.64	397.29	229.19	189.83	497.28	401.96	635.60	537.79	286.21
Home Health Care	13.44	43.21	3.72	49.53	81.54	24.16	17.18	47.04	11.27	51.92	51.85	7.09
Housing	-	-	-	0.39	0.88	-	0.18	0.83	0.38	-	-	-
Institutional	93.38	559.33	530.19	75.65	353.86	1,079.73	363.85	602.51	655.51	34.76	157.80	342.16
Other	-	-	-	0.37	0.45	-	-	-	-	-	-	-
Residential Care	1,508.50	466.64	788.30	1,565.90	588.41	687.23	2,219.72	577.10	785.38	1,385.19	597.83	1,352.99
Respite Care	29.78	0.68	1.61	29.87	0.63	4.83	4.53	3.49	3.83	44.28	22.09	2.10
Transportation	137.01	78.15	12.55	179.56	77.02	27.26	79.93	71.34	57.07	62.83	52.81	13.15
Vocational	248.75	5.57	-	201.55	7.05	0.61	128.39	0.03	-	177.20	13.52	1.54
Total State Plan Services	2,933.08	2,269.48	2,191.19	3,037.67	2,142.87	2,475.39	3,911.33	2,323.59	2,379.42	3,270.77	2,101.43	2,538.78
Room and Board												
Room and Board - Collections	(250.78)	(141.38)	(259.51)	(262.43)	(68.10)	(106.92)	(382.81)	(136.17)	(208.00)	(202.82)	(139.53)	(404.11)
Room and Board - Costs	269.39	161.05	297.20	278.46	79.98	115.45	368.26	117.99	167.71	207.35	162.76	457.19
Total Room and Board	18.61	19.67	37.70	16.02	11.88	8.53	(14.55)	(18.18)	(40.29)	4.53	23.23	53.08
Grand Total	2,951.69	2,289.15	2,228.88	3,053.69	2,154.75	2,483.93	3,896.78	2,305.41	2,339.13	3,275.30	2,124.66	2,591.86
Composite PMPM			2,539.91			2,564.46			2,453.09			2,719.63

Wisconsin Department of Health Services
CY 2014 Family Care Capitation Rate Development

Summary of 2012 Actual Experience by MCO
Nursing Home Level of Care

	CCCW (Marathon/Wood)			SFCA (Richland)			CCI (Kenosha/Racine)			CCCW (All Other)		
	DD	PD	FE	DD	PD	FE	DD	PD	FE	DD	PD	FE
Exposure Months	11,726	4,236	6,956	1,586	1,427	1,290	13,054	7,656	5,889	2,233	917	1,263
State Plan Services												
Adaptive Equipment	46.17	149.68	77.31	30.53	89.45	65.17	31.77	76.23	34.94	35.57	128.29	66.56
Adult Day Activities	238.74	15.88	15.99	148.47	24.74	3.02	289.56	12.24	11.75	336.42	8.20	5.22
Case Management	431.06	570.37	401.54	342.83	388.76	319.96	298.24	370.08	291.67	383.45	599.00	456.03
Habilitation / Health	16.29	44.99	14.85	16.73	54.34	26.12	32.16	63.70	1.73	15.77	19.94	11.00
Home Care	549.37	746.70	273.75	239.75	439.85	267.07	478.29	584.35	238.18	544.16	441.70	368.74
Home Health Care	23.58	121.44	19.16	1.50	29.43	5.87	29.16	46.18	3.95	37.37	166.61	22.41
Housing	-	0.23	0.06	-	-	-	0.03	0.23	0.04	-	-	-
Institutional	61.43	142.97	161.45	99.70	712.58	1,036.76	51.01	394.44	621.81	5.73	274.65	124.68
Other	0.09	0.92	-	-	-	-	-	-	-	-	-	-
Residential Care	1,534.57	699.54	1,405.85	1,427.13	434.68	1,147.80	2,088.19	773.42	1,229.43	1,511.86	385.32	754.66
Respite Care	29.60	6.29	3.62	14.82	4.22	5.22	39.61	11.26	2.39	22.33	3.96	7.04
Transportation	75.23	53.55	18.15	15.31	36.49	17.62	141.92	61.29	12.56	71.12	72.36	31.07
Vocational	269.81	17.57	0.38	276.19	27.03	13.91	230.34	21.82	3.03	327.00	5.27	-
Total State Plan Services	3,275.93	2,570.13	2,392.10	2,612.95	2,241.55	2,908.51	3,710.28	2,415.26	2,451.47	3,290.76	2,105.29	1,847.42
Room and Board												
Room and Board - Collections	(239.33)	(165.60)	(411.04)	(214.06)	(66.19)	(234.04)	(369.08)	(172.33)	(362.32)	(272.23)	(95.66)	(211.43)
Room and Board - Costs	246.67	184.13	468.68	224.28	71.58	260.82	368.73	182.38	400.44	276.34	97.23	253.98
Total Room and Board	7.33	18.53	57.64	10.22	5.38	26.79	(0.35)	10.06	38.12	4.11	1.57	42.55
Grand Total	3,283.27	2,588.66	2,449.74	2,623.17	2,246.94	2,935.30	3,709.93	2,425.31	2,489.59	3,294.86	2,106.86	1,889.97
Composite PMPM		2,901.90			2,591.98			3,070.01				2,645.88

Wisconsin Department of Health Services
CY 2014 Family Care Capitation Rate Development

Summary of 2012 Actual Experience by MCO
Nursing Home Level of Care

	Care WI (Other Teal)			Care WI (Washington/Waukesha)			CCI (Pink)			CCI (Washington/Waukesha)		
	DD	PD	FE	DD	PD	FE	DD	PD	FE	DD	PD	FE
Exposure Months	14,583	5,235	5,451	8,646	2,870	4,936	9,329	2,663	3,660	6,189	2,127	2,914
State Plan Services												
Adaptive Equipment	38.33	101.68	49.50	36.84	80.46	43.51	26.73	85.97	35.01	21.59	57.61	30.64
Adult Day Activities	324.17	32.53	15.42	414.68	52.27	11.25	273.23	22.22	0.19	299.32	23.89	39.00
Case Management	314.22	463.07	332.82	287.43	360.68	265.82	294.05	449.05	348.14	322.00	452.09	323.07
Habilitation / Health	43.96	49.32	11.03	6.43	20.90	7.92	4.71	16.29	4.08	46.16	24.78	5.78
Home Care	561.75	674.22	236.01	645.79	804.69	128.34	760.78	454.57	206.41	305.28	572.71	189.12
Home Health Care	3.41	35.44	13.21	4.37	7.60	1.83	11.45	44.78	12.18	11.78	84.23	6.85
Housing	1.23	0.04	-	-	0.21	0.17	-	-	-	0.22	0.37	0.18
Institutional	103.08	189.30	177.48	62.16	340.70	466.89	112.15	216.32	347.72	23.18	390.82	442.50
Other	-	-	-	-	-	-	-	-	-	-	-	-
Residential Care	1,759.75	798.50	1,449.14	1,650.94	858.23	1,372.94	1,626.70	910.85	1,290.63	1,643.76	784.88	1,302.86
Respite Care	10.00	3.70	8.43	5.16	0.60	1.17	27.94	8.23	2.23	28.85	9.48	19.65
Transportation	76.97	95.92	31.38	110.71	57.55	17.49	76.18	52.42	10.33	153.92	45.48	27.81
Vocational	334.87	16.23	-	220.91	8.18	-	246.06	20.56	0.05	256.15	5.55	1.09
Total State Plan Services	3,571.73	2,459.96	2,324.41	3,445.42	2,592.07	2,317.34	3,459.97	2,281.27	2,256.97	3,112.23	2,451.90	2,388.55
Room and Board												
Room and Board - Collections	(321.47)	(191.95)	(406.70)	(308.93)	(241.92)	(475.24)	(281.35)	(245.00)	(425.58)	(275.28)	(203.73)	(423.16)
Room and Board - Costs	333.86	241.97	461.64	321.62	294.65	548.38	285.44	267.86	484.08	279.97	230.94	463.71
Total Room and Board	12.38	50.02	54.94	12.68	52.73	73.14	4.09	22.86	58.50	4.69	27.21	40.55
Grand Total	3,584.11	2,509.98	2,379.35	3,458.10	2,644.80	2,390.48	3,464.06	2,304.13	2,315.47	3,116.93	2,479.11	2,429.10
Composite PMPM		3,101.67			2,995.88			2,998.14				2,817.64

Wisconsin Department of Health Services
CY 2014 Family Care Capitation Rate Development

Summary of 2012 Actual Experience by MCO

Nursing Home Level of Care

	Grand Total		
	DD	PD	FE
Exposure Months	90,318	83,101	71,404
State Plan Services			
Adaptive Equipment	41.87	91.29	55.59
Adult Day Activities	306.10	31.84	31.49
Case Management	337.06	388.68	327.92
Habilitation / Health	25.25	57.16	17.10
Home Care	486.34	531.45	305.90
Home Health Care	19.72	53.98	11.52
Housing	0.26	0.55	0.16
Institutional	91.14	463.73	544.19
Other	0.04	0.09	-
Residential Care	1,718.42	633.07	1,049.88
Respite Care	23.83	4.78	4.40
Transportation	105.32	69.01	32.85
Vocational	247.22	6.96	0.73
Total State Plan Services	3,402.58	2,332.59	2,381.72
Room and Board			
Room and Board - Collections	(296.10)	(145.29)	(298.65)
Room and Board - Costs	302.88	147.61	313.92
Total Room and Board	6.78	2.32	15.27
Grand Total	3,409.35	2,334.91	2,396.99
Composite PMPM		2,749.39	

Wisconsin Department of Health Services
CY 2014 Family Care Capitation Rate Development

Summary of 2012 Actual Experience by MCO
Non-Nursing Home Level of Care

	LCD (Fond du Lac)			WWC (La Crosse)			MCDFC (Milwaukee)			CCCW (Portage)		
	DD	PD	FE	DD	PD	FE	DD	PD	FE	DD	PD	FE
Exposure Months	121	484	72	226	1,428	250	1	301	132	123	456	85
State Plan Services												
Adaptive Equipment	4.15	48.49	7.09	13.68	68.86	37.96	-	12.33	8.31	3.56	36.08	17.56
Adult Day Activities	-	-	-	14.85	4.73	4.08	-	0.70	-	4.87	-	-
Case Management	301.88	346.50	180.32	270.41	307.07	328.91	50.11	232.71	201.99	285.38	333.29	288.85
Habilitation / Health	4.47	20.22	19.21	19.86	57.28	7.25	-	8.33	1.24	36.71	16.57	2.83
Home Care	41.73	84.37	350.70	80.03	120.93	94.80	24.36	13.10	1.71	76.55	48.39	33.47
Home Health Care	-	42.78	-	-	3.75	-	-	-	-	-	-	-
Housing	-	-	-	-	2.01	-	-	-	-	-	-	-
Institutional	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	0.84	-	-	-	-	-	-	-
Residential Care	-	-	-	1.85	42.74	84.66	-	-	-	-	-	-
Respite Care	-	-	-	0.66	-	-	-	-	-	-	-	-
Transportation	55.40	76.53	11.93	46.45	50.54	29.46	40.50	14.58	18.52	14.54	33.82	32.07
Vocational	-	-	-	-	-	-	-	-	-	-	-	-
Total State Plan Services	407.64	618.88	569.25	447.80	658.76	587.12	114.97	281.74	231.78	421.60	468.15	374.78
Room and Board												
Room and Board - Collections	-	(0.06)	-	-	(2.78)	-	-	-	-	-	-	-
Room and Board - Costs	-	-	-	0.34	6.65	-	-	-	-	-	-	-
Total Room and Board	-	(0.06)	-	0.34	3.87	-	-	-	-	-	-	-
Grand Total	407.64	618.82	569.25	448.14	662.63	587.12	114.97	281.74	231.78	421.60	468.15	374.78
Composite PMPM		575.80			627.22			266.15			447.54	

Wisconsin Department of Health Services
CY 2014 Family Care Capitation Rate Development

Summary of 2012 Actual Experience by MCO
Non-Nursing Home Level of Care

	CCCW (Marathon/Wood)			SFCA (Richland)			CCI (Kenosha/Racine)			CCCW (All Other)		
	DD	PD	FE	DD	PD	FE	DD	PD	FE	DD	PD	FE
Exposure Months	242	399	56	12	223	85	84	179	22	26	61	-
State Plan Services												
Adaptive Equipment	2.50	38.48	22.49	-	21.61	36.97	1.67	19.85	19.33	-	22.63	-
Adult Day Activities	-	-	-	-	-	-	97.14	-	-	-	-	-
Case Management	430.07	360.78	404.32	162.45	261.16	213.59	328.61	306.93	216.63	835.47	293.81	-
Habilitation / Health	14.55	13.51	3.12	-	16.89	8.08	5.28	14.37	-	-	48.51	-
Home Care	64.46	63.55	23.51	48.18	102.41	195.53	57.13	106.47	6.98	95.75	86.54	-
Home Health Care	-	-	-	-	-	-	1.37	0.10	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-
Institutional	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Residential Care	-	-	-	-	-	-	23.69	-	-	-	-	-
Respite Care	0.24	-	-	-	-	-	-	-	-	-	-	-
Transportation	41.16	46.99	18.35	-	17.34	4.98	127.26	83.10	0.91	7.33	55.66	-
Vocational	38.85	24.73	-	-	-	-	33.10	-	-	-	-	-
Total State Plan Services	591.84	548.03	471.79	210.64	419.40	463.14	675.24	530.83	243.85	938.56	507.15	-
Room and Board							(8.02)	-	-	-	-	-
Room and Board - Collections	-	-	-	-	-	-	8.17	-	-	-	-	-
Room and Board - Costs	-	-	-	-	-	-	-	-	-	-	-	-
Total Room and Board	-	-	-	-	-	(0.00)	0.15	-	-	-	-	-
Grand Total	591.84	548.03	471.79	210.64	419.40	463.14	675.39	530.83	243.85	938.56	507.15	-
Composite PMPM		557.09			423.19			550.95			635.77	

Wisconsin Department of Health Services
CY 2014 Family Care Capitation Rate Development

Summary of 2012 Actual Experience by MCO
Non-Nursing Home Level of Care

	Care WI (Other Teal)			Care WI (Washington/Waukesha)			CCI (Pink)			CCI (Washington/Waukesha)		
	DD	PD	FE	DD	PD	FE	DD	PD	FE	DD	PD	FE
Exposure Months	125	202	48	50	44	4	73	178	72	75	49	5
State Plan Services												
Adaptive Equipment	5.74	34.65	13.24	36.65	31.81	-	4.87	27.08	17.10	14.54	26.53	19.16
Adult Day Activities	-	-	-	-	-	-	-	-	-	19.92	-	-
Case Management	264.04	316.49	273.19	342.08	623.16	217.46	311.94	398.74	349.85	326.77	531.29	460.11
Habilitation / Health	12.14	53.02	0.81	9.45	26.23	-	5.62	11.36	2.14	16.59	55.97	-
Home Care	-	5.38	-	112.48	9.11	-	30.81	42.87	58.99	73.02	66.38	50.74
Home Health Care	-	8.19	-	-	-	-	-	-	-	-	127.66	-
Housing	-	-	-	-	-	-	-	-	-	6.93	-	-
Institutional	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Residential Care	-	-	-	-	132.94	-	-	16.07	-	81.05	-	-
Respite Care	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	53.22	46.35	10.46	20.25	33.93	-	16.35	11.51	7.90	20.19	32.48	-
Vocational	-	-	-	-	-	-	32.44	-	-	0.43	-	-
Total State Plan Services	335.14	464.08	297.69	520.91	857.19	217.46	402.02	507.63	435.99	559.45	840.32	530.02
Room and Board												
Room and Board - Collections	-	-	-	-	(31.07)	-	-	(1.93)	-	(4.80)	-	-
Room and Board - Costs	-	-	-	-	36.41	-	-	4.01	-	9.58	-	-
Total Room and Board	-	-	-	-	5.34	-	-	2.08	-	4.78	-	-
Grand Total	335.14	464.08	297.69	520.91	862.53	217.46	402.02	509.71	435.99	564.23	840.32	530.02
Composite PMPM		399.84			661.93			468.84			668.01	

Wisconsin Department of Health Services
CY 2014 Family Care Capitation Rate Development

Summary of 2012 Actual Experience by MCO
Non-Nursing Home Level of Care

	Grand Total		
	DD	PD	FE
Exposure Months	1,160	4,005	832
State Plan Services			
Adaptive Equipment	7.58	45.35	23.31
Adult Day Activities	11.75	1.74	1.22
Case Management	332.99	322.61	280.98
Habilitation / Health	14.81	33.20	5.59
Home Care	59.95	81.01	89.66
Home Health Care	0.10	8.48	-
Housing	0.45	0.72	-
Institutional	-	-	-
Other	-	0.30	-
Residential Care	7.30	17.42	25.81
Respite Care	0.18	-	-
Transportation	43.38	46.05	19.16
Vocational	12.61	2.47	-
Total State Plan Services	491.10	559.35	445.74
Room and Board			
Room and Board - Collections	(0.89)	(1.43)	(0.09)
Room and Board - Costs	1.28	2.95	0.09
Total Room and Board	0.38	1.52	(0.00)
Grand Total	491.48	560.87	445.74
Composite PMPM			531.47

Exhibit II-1a

**Wisconsin Department of Health Services
CY 2014 Family Care Capitation Rate Development**

**Functional Screen Regression Model of 2012 PMPM
Developmentally Disabled**

Variable	Estimate	p-Value	Incremental Partial R2	Proportion with Variable	Incremental Increase
Intercept (Grid Component)	87.95	-	1.0000	87.95	
DDN Level of Care (Grid Component)					
VerDependent	6,256.04	0.0001	0.01131000	0.00103659	5.45
DD1A	349.38	0.0001	0.00968000	0.03468163	12.01
DD1B	250.31	0.0001	0.01731400	0.21892089	54.80
DD2	256.04	0.0001	0.01159000	0.62319975	160.13
Restrictive Measures	1,707.98	0.0001	0.03139000	0.01407115	25.30
Dual Enrollee	311.46	0.0001	0.00257000	0.72638451	225.24
High Cost (5 Parameters)	947.33	0.0001	0.01129000	0.00975338	9.25
Number of IADLs (Grid Component)					
IADL_4	246.73	0.0001	0.01257000	0.17188637	42.41
IADL_5	517.05	0.0001	0.00089121	0.27470722	142.04
IADL_6	620.53	0.0001	0.01017500	0.33814870	209.83
Specific ADLs / Equipment Used (Add-On)					
Bathing_2	124.27	0.0001	0.01955000	0.40632099	50.49
Toileting_1	77.32	0.0004	0.00125000	0.23636444	18.28
Toileting_2	310.81	0.0001	0.01404000	0.20523367	63.79
Transfer_2	654.90	0.0001	0.00522000	0.14097616	92.32
Interaction Terms (Add-On)					
Bath_Equip_Eat	309.16	0.0001	0.00287000	0.30270782	93.67
Dress_Bath_Equip	256.68	0.0001	0.00080154	0.38820979	94.51
Transfer_Equip_Mobility	682.15	0.0001	0.00175000	0.04762797	32.49
Autism_Alcohol/Drug Abuse	729.01	0.0010	0.00006014	0.00106967	0.78
Autism_Depression	249.96	0.0001	0.00031309	0.02089720	5.22
Autism_Schizophrenia	321.60	0.0008	0.00027624	0.00586665	1.89
Brain Injury Pre-22_Alcohol/Drug Abuse	393.20	0.0024	0.00010574	0.00337443	1.33
Brain Injury Pre-22_Other Mental Illness	265.69	0.0008	0.00008279	0.01068569	2.84
Cerebral Palsy_Bipolar	594.37	0.0001	0.00013002	0.00401403	2.39
Menial Retardation_Anxiety Disorder	204.94	0.0001	0.00034068	0.19814296	40.61
Menial Retardation_Other Mental Illness	318.67	0.0001	0.00150000	0.14828742	47.25
Seizure Pre-22_Depression	300.32	0.0001	0.00031831	0.05056130	15.18
Seizure Post-22_Bipolar	502.70	0.0001	0.00022290	0.00341654	17.72
Trauma BI Post-22_Alcohol/Drug Abuse	334.14	0.0004	0.00025329	0.00657167	2.23
Trauma BI Post-22_Depression	725.17	0.0001	0.00056684	0.01280298	6.28
Other Federal DD_Bipolar	737.96	0.0001	0.00029459	0.00539247	3.98
Behaviors_Autism	422.63	0.0001	0.00075751	0.39026449	16.49
Injury_Mental Illness_Age Under 30	1,480.29	0.0001	0.00025328	0.04048512	7.18
Injury_Overnight	781.27	0.0001	0.00151000	0.03100946	24.23
Injury_Overnight_Mental Illness_Age Under 30	1,640.58	0.0001	0.00500000	0.0302155	4.96
Offensive_Mobility_Age 60 and Under	478.46	0.0001	0.00017131	0.00748770	3.58
Overnight_Age Under 30	347.94	0.0001	0.00039474	0.04667961	16.24
Overnight_Alzheimers_Dementia_Decision Making	186.26	0.0001	0.00030559	0.05081452	94.96
Overnight_Mental Illness	599.61	0.0001	0.00127000	0.05051719	30.29
Overnight_Mental Illness_Age Under 30	1,262.03	0.0001	0.00268000	0.00938444	11.84
Restrictive Measures_Autism	949.31	0.0001	0.00012456	0.00385012	3.47
Restrictive Measures_Behaviors	1,346.32	0.0001	0.00076093	0.00755387	10.17
Behavioral Variables (Add-On)					
Cognition_3	80.68	0.0005	0.00145000	0.25908118	20.90
Communication_1	403.99	0.0001	0.00013241	0.01249421	5.05
Injury_1-2	396.43	0.0001	0.00009564	0.11394764	45.17
Mental Health_2-3	238.18	0.0001	0.01111000	0.46816347	111.51
Offensive_1	496.03	0.0001	0.00378000	0.10907347	54.10
Offensive_2	629.34	0.0001	0.00610000	0.09985444	62.84
Offensive_3	1,909.07	0.0001	0.02299000	0.08474670	161.79
Wander_2	869.03	0.0001	0.00658000	0.03503452	30.45
Medication Use (Add-On)					
Meds_.2B	252.61	0.0001	0.00479000	0.58952163	148.92
Health Related Services (Add-On)					
Behaviors	259.89	0.0001	0.00033135	0.26583004	69.09
Dialysis	470.96	0.0031	0.00002018	0.00213934	1.01
Exercise	291.04	0.0001	0.00001500	0.00001588	5.24
Med Admin	523.91	0.0001	0.00016500	0.08372996	359.21
Nursing	247.82	0.0027	0.00009353	0.00448921	1.11
Ostomy	716.71	0.0001	0.00027132	0.00689222	4.94
Overnight	362.14	0.0001	0.00325000	0.67706932	245.20
Reposition	225.77	0.0001	0.00010965	0.06683947	15.05
Respirate	460.69	0.0001	0.00130000	0.04222448	19.45
Tracheostomy	2,671.56	0.0001	0.00135000	0.00191879	5.13
Tube Feedings	181.43	0.0022	0.00005315	0.02274983	4.13
Ulcer Stage 3-4	414.09	0.0295	0.00001572	0.00149975	0.62
Urinary	504.37	0.0001	0.00023164	0.0073332	3.70
Diagnoses (Add-On)					
Brain Injury Pre-22	112.19	0.0031	0.00000010	0.05174125	5.80
Cerebral Palsy	81.26	0.0005	0.00002828	0.14296112	11.62
Mental Retardation	236.25	0.0001	0.00106000	0.7933275	187.42
Prader Willi	420.66	0.0003	0.00012178	0.00400300	1.68

Wisconsin Department of Health Services
CY 2014 Family Care Capitation Rate Development

Functional Screen Regression Model of 2012 PMPM

Physically Disabled

Variable	Estimate	p-Value	Incremental Partial R2	Proportion with Variable	Incremental Increase
Intercept (Grid Component)	342.77	-		1.0000	342.77
DD/NH Level of Care (Grid Component)					
Vent Dependent	4,253.12	0.0001	0.04624000	0.0035	14.94
SNF	356.82	0.0001	0.12051000	0.2717	96.95
Number of IADLs (Grid Component)					
IADL_1	116.22	0.0065	0.02126000	0.0819	9.51
IADL_2	333.31	0.0001	0.02909000	0.1663	55.44
IADL_3	381.23	0.0001	0.03242000	0.1782	67.94
IADL_4-5	586.62	0.0001	0.01385000	0.5107	299.57
IADL_6	1,052.23	0.0001	0.01803000	0.0431	45.30
Specific ADLs / Equipment Used (Add-On)					
Bathing_1	177.18	0.0001	0.00968000	0.3316	58.76
Bathing_2	347.54	0.0001	0.02318000	0.4975	172.90
Dressing_2	54.90	0.0027	0.01397000	0.3430	18.83
Eating_2	117.24	0.0001	0.00997000	0.0828	9.71
Toileting_1	106.78	0.0001	0.00028460	0.2103	22.45
Toileting_2	283.06	0.0001	0.01917000	0.2438	69.02
Transfer_2	423.88	0.0001	0.00740000	0.2523	106.95
Interaction Terms (Add-On)					
Both_Equip_Eat	37.75	0.0143	0.00023904	0.2738	10.34
Dress_Bath_Equip	134.55	0.0001	0.00007219	0.6253	64.14
Transfer_Equip_Mobility	531.96	0.0001	0.00672000	0.0736	39.14
Seizure Pre-22_Alcohol/Drug Abuse	418.94	0.0099	0.00004541	0.0011	0.46
Seizure Post-22_Bipolar	158.16	0.0105	0.00021322	0.0082	1.29
Seizure Post-22_Other Mental Illness	314.40	0.0001	0.00054296	0.0137	4.32
Trauma BI Post-22_Alcohol/Drug Abuse	304.69	0.0001	0.00084951	0.0093	2.84
Trauma BI Post-22_Depression	285.21	0.0001	0.00062933	0.0173	4.94
Trauma BI Post-22_Exercise	1,433.69	0.0001	0.00047504	0.0010	1.43
Trauma BI Post-22_Other Mental Illness	369.88	0.0001	0.00020182	0.0064	2.35
Behavioral Variables (Add-On)					
Cognition_2-3	53.19	0.0017	0.00254000	0.2615	13.91
Injury_1	188.69	0.0060	0.00036838	0.0064	1.20
Injury_2	413.44	0.0001	0.00074971	0.0054	2.22
Offensive_1-2	439.00	0.0001	0.00386000	0.0498	21.87
Offensive_3	1,451.42	0.0001	0.00447000	0.0083	12.11
Mental Health_2-3	140.64	0.0001	0.00498000	0.5646	79.41
Substance Abuse Current	193.13	0.0001	0.00204000	0.0768	14.83
Wander_2	277.26	0.0001	0.00010860	0.0117	3.25
Medication Use (Add-On)					
Meds_2A	73.56	0.0236	0.00023353	0.2478	18.23
Meds_2B	294.74	0.0001	0.00257000	0.3834	113.01
Diagnoses (Add-On)					
Alzheimers	129.10	0.0001	0.00002170	0.2129	27.49
Cerebral Palsy	455.68	0.0001	0.00034694	0.0061	2.78
Mental Illness	169.06	0.0001	0.00167000	0.2240	37.88
Health Related Services (Add-On)					
Dialysis	96.65	0.0039	0.00000174	0.0314	3.03
Exercise	68.27	0.0001	0.00106000	0.1650	11.27
Med Admin	99.56	0.0005	0.00004991	0.6085	60.58
Med Management	77.28	0.0001	0.00006085	0.3498	27.03
Nursing	150.44	0.0006	0.00025257	0.0165	2.48
Ostomy	139.03	0.0175	0.00018201	0.0091	1.27
Overnight	381.11	0.0001	0.00581000	0.4410	168.08
Reposition	538.26	0.0001	0.00470000	0.0945	50.84
Respirate	180.51	0.0001	0.00112000	0.0880	15.88
Tracheostomy	2,428.02	0.0001	0.00671000	0.0053	12.75
Ulcer Stage 2	207.59	0.0001	0.00017793	0.0174	3.62
Ulcer Stage 3-4	582.61	0.0001	0.00125000	0.0122	7.12
Urinary	622.04	0.0001	0.00170000	0.0165	10.29
Wound	206.34	0.0001	0.00040689	0.0474	9.77

**Wisconsin Department of Health Services
CY 2014 Family Care Capitation Rate Development**

Functional Screen Regression Model of 2012 PMPM

Frail Elderly

Variable	Estimate	p-Value	Incremental Partial R2	Proportion with Variable	Incremental Increase
Intercept (Grid Component)	316.54	-		1.0000	316.54
DD/NH Level of Care (Grid Component)					
SNF	382.95	0.0001	0.11640	0.2713	103.90
Number of IADLs (Grid Component)					
IADL_1	210.98	0.0019	0.02338	0.0357	7.54
IADL_2	432.50	0.0001	0.04332	0.0915	39.58
IADL_3	555.41	0.0001	0.04150	0.1306	72.53
IADL_4-5-6	645.96	0.0001	0.00768	0.7371	476.11
Specific ADLs / Equipment Used (Add-On)					
Bathing_1	164.98	0.0001	0.01441	0.2570	42.40
Bathing_2	320.83	0.0001	0.02904	0.6224	199.69
Toileting_1	176.53	0.0001	0.00251	0.2214	39.09
Toileting_2	580.57	0.0001	0.05334	0.2952	171.39
Transfer_1-2	77.77	0.0001	0.00079	0.4317	33.58
Interaction Terms (Add-On)					
Bath_Equip_Eat	32.36	0.0076	0.00158	0.3403	11.01
Dress_Bath_Equip	169.59	0.0001	0.00083	0.6733	114.19
Transfer_Equip_Mobility	412.86	0.0001	0.00923	0.0560	23.12
Seizure Pre-22_Anxiety Disorder	512.61	0.0002	0.00013	0.0011	0.58
Seizure Post-22_Anxiety Disorder	97.34	0.0211	0.00016	0.0128	1.25
Seizure Post-22_Bipolar	278.24	0.0063	0.00007	0.0021	0.57
Seizure Post-22_Schizophrenia	408.06	0.0001	0.00032	0.0052	2.12
At least 3 Mental Illnesses	60.93	0.0232	0.00004	0.0348	2.12
Behavioral Variables (Add-On)					
Cognition_2	106.17	0.0001	0.00141	0.2657	28.20
Cognition_3	159.32	0.0001	0.00538	0.1939	30.89
Injury_1-2	144.09	0.0174	0.00014	0.0058	0.84
Mental Health_2-3	157.72	0.0001	0.00561	0.5039	79.48
Offensive_1-2-3	151.40	0.0001	0.00056	0.0668	10.12
Substance Abuse Current	254.93	0.0001	0.00084	0.0215	5.47
Medication Use (Add-On)					
Meds_2B	211.40	0.0001	0.00464	0.6205	131.18
Diagnoses (Add-On)					
Alzheimers	85.77	0.0001	0.00032	0.5108	43.82
Mental Illness	245.85	0.0001	0.00252	0.0947	23.28
Health Related Services (Add-On)					
Med Admin	182.13	0.0001	0.00079	0.7737	140.92
Med Management	118.28	0.0001	0.00115	0.3587	42.43
Overnight	247.84	0.0001	0.00305	0.6202	153.71
Reposition	500.96	0.0001	0.00611	0.0787	39.42
Tube Feedings	556.66	0.0001	0.00081	0.0061	3.40
Ulcer Stage 2	313.53	0.0001	0.00053	0.0128	4.03
Ulcer Stage 3-4	556.91	0.0001	0.00040	0.0033	1.85
Urinary	168.18	0.0239	0.00005	0.0039	0.66

Exhibit II-2a

Wisconsin Department of Health Services

CY 2014 Family Care Capitation Rate Development

Functional Screen Regression Model of 2012 PMPM

Developmentally Disabled - by MCO

Variable	Proportion with Variable - Base Cohort Population					
	LCD (Fond du Lac)	WWC (La Crosse)	MCDRC (Milwaukee)	CCCW (Portage)	CCCW (Marathon / Wood)	CCCW (Lincoln / Langlade)
Intercept (Grid Component)	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
DDNI Level of Care (Grid Component)						
Vent Dependent	-	-	0.0019	0.0031	-	-
DD1A	0.0169	0.0455	0.0760	0.0566	0.0258	0.0155
DD1B	0.1084	0.1777	0.0627	0.1604	0.1968	0.2010
DD2	0.7614	0.6065	0.7719	0.5692	0.6203	0.6804
Restrictive Measures	0.0120	0.0132	0.0095	0.0031	0.0119	0.0103
Dual Enrollee	0.7084	0.6843	0.9430	0.7170	0.7227	0.7887
High Cost (5 Parameters)	0.0048	0.0044	0.0038	0.0094	0.0119	0.0103
Number of ADLs (Grid Component)						
[ADL_4	0.2169	0.1968	0.1787	0.1415	0.1471	0.1701
[ADL_5	0.2627	0.2790	0.4962	0.1824	0.2286	0.2165
[ADL_6	0.3325	0.2276	0.2034	0.3648	0.3698	0.4330
Specific ADLs / Equipment Used (Add-On)						
Bathing	0.3373	0.3054	0.6160	0.3994	0.3797	0.4381
Toileting_1	0.1880	0.2203	0.2414	0.2170	0.2268	0.2629
Toileting_2	0.1663	0.1689	0.3137	0.2075	0.1948	0.2010
Transfer	0.1133	0.1204	0.2376	0.1635	0.1252	0.1186
Interaction Terms (Add-On)						
Bath_Equip_Eat	0.2313	0.2291	0.3916	0.3176	0.3082	0.3247
Dress_Bath_Equip	0.2916	0.2761	0.6236	0.3679	0.3519	0.3918
Transfer_Equip_Mobility	0.0361	0.0411	0.0703	0.0881	0.0427	0.0258
Autism_Alcohol/Drug Abuse	0.0024	0.0073	-	-	0.0010	-
Autism_Depression	0.0241	0.0279	0.0057	0.0314	0.0209	0.0361
Autism_Schizophrenia	0.0024	0.0176	0.0057	0.0031	0.0030	0.0052
Brain Injury Pre-22_Alcohol/Drug Abuse	0.0048	0.0117	0.0038	0.0031	0.0110	-
Brain Injury Pre-22_Other Mental Illness	-	-	0.0065	0.0019	0.0129	0.0206
Cerebral Palsy_Bipolar	0.0024	0.0059	-	-	0.0063	0.0103
Mental Retardation_Anatoly Disorder	0.2169	0.2247	0.2205	0.1918	0.1670	0.2423
Mental Retardation_Other Mental Illness	0.1470	0.1263	0.1939	0.1226	0.1610	0.1237
Seizure Pre-22_Depression	0.0602	0.0455	0.0865	0.0377	0.0477	0.0826
Seizure Post-22_Bipolar	0.0024	-	0.0076	0.0031	0.0030	0.0052
Trauma BI Post-22_Alcohol/Drug Abuse	0.0048	0.0059	0.0019	0.0063	0.0070	0.0155
Trauma BI Post-22_Depression	0.0096	0.0073	0.0057	0.0252	0.0040	0.0258
Other Federal DD_Bipolar	-	-	0.0038	0.0031	0.0070	0.0103
Behaviors_Autism	0.0217	0.0470	0.0019	0.0314	0.0328	0.0258
Injury_Mental Illness_Age Under 30	0.0024	-	-	0.0063	0.0030	-
Injury_Overnight	0.0072	0.2026	0.0057	0.0283	0.0258	0.0309
Injury_Overnight_Mental Illness_Age Under 30	-	-	-	0.0063	0.0030	-
Offensive_Mobility_Age 60 and Under	0.0072	0.0117	0.0038	0.0063	0.0129	0.0052
Overnight_Age Under 30	0.0410	0.0426	-	0.0660	0.0547	0.0567
Overnight_Alzheimers_Dementia_Decision Making	0.4313	0.4449	0.5856	0.4969	0.4930	0.5464
Overnight_Mental Illness	0.0313	0.0308	0.1008	0.0503	0.0586	0.0567
Overnight_Mental Illness_Age Under 30	0.0072	0.0059	-	0.0126	0.0139	0.0206
Restrictive Measures_Autism	0.0048	0.0029	-	-	0.0070	0.0052
Restrictive Measures_Behaviors	0.0024	0.0117	0.0038	-	0.0089	-
Behavioral Variables (Add-On)						
Cognition_3	0.1277	0.2129	0.3099	0.2673	0.2306	0.2784
Communication_1	0.0024	0.0147	0.0114	0.0157	0.0179	0.0155
Injury_1-2	0.1157	0.0705	0.0532	0.0975	0.1044	0.0722
Mental Health_2-3	0.4627	0.5198	0.5304	0.5126	0.4901	0.5258
Offensive_1	0.1687	0.0954	0.0779	0.0849	0.1014	0.0825
Offensive_2	0.0578	0.0822	0.0361	0.0912	0.1014	0.0773
Offensive_3	0.0217	0.0705	0.0171	0.0597	0.0686	0.1186
Wander_2	0.0145	0.0279	0.0171	0.0346	0.0408	0.0412
Medication Use (Add-On)						
Meds_2B	0.5133	0.4787	0.7624	0.5063	0.5278	0.5464
Health Related Services (Add-On)						
Behaviors	0.1301	0.2070	0.0837	0.2013	0.2416	0.2371
Dialysis	0.0024	0.0059	0.0038	-	0.0030	0.0052
Exercise	0.1205	0.2041	0.1027	0.2390	0.1541	0.2423
Med Admin	0.6145	0.5962	0.8631	0.5912	0.6213	0.6134
Nursing	-	-	0.0019	-	-	-
Ostomy	0.0072	0.0132	0.0171	0.0189	0.0070	0.0103
Overnight	0.7060	0.5991	0.7471	0.6321	0.6262	0.7062
Reposition	0.0289	0.0587	0.0894	0.1164	0.0785	0.0773
Respirate	0.0337	0.0499	0.0513	0.0472	0.0447	0.0515
Tracheostomy	-	0.0015	-	0.0094	0.0030	-
Tube Feedings	0.0072	0.0206	0.0361	0.0409	0.0159	0.0155
Ulcer Stage 3-4	-	0.0044	0.0038	-	0.0010	-
Urinary	-	0.0103	0.0114	0.0094	0.0099	0.0052
Diagnoses (Add-On)						
Brain Injury Pre-22	0.0366	0.0485	0.0456	0.0660	0.0308	0.0567
Cerebral Palsy	0.1518	0.1885	0.1274	0.1698	0.1451	0.1546
Mental Retardation	0.8892	0.7709	0.8669	0.6535	0.8002	0.7680
Prader Willi	0.0024	0.0029	-	-	0.0040	-

Exhibit II-2a (continued)

**Wisconsin Department of Health Services
CY 2014 Family Care Capitation Rate Development
Functional Screen Regression Model of 2012 PMPM
Developmentally Disabled - by MCO**

Variable	Proportion with Variable - Base Cohort Population				
	ContinUs (Richland)	CCI (Kenosha / Racine)	CCI (Pink Region)	CCI (Washington / Waukesha)	Care WI (Other Teal) (Washington / Waukesha)
Intercept (Grid Component)	1.0000	1.0000	1.0000	1.0000	1.0000
DDNI Level of Care (Grid Component)					
Vent Dependent	-	0.0028	-	-	0.0008
DD1A	0.0226	0.0257	0.0245	0.0154	0.0261
DD1B	0.1504	0.2472	0.3015	0.3308	0.3001
DD2	0.6466	0.6085	0.5625	0.5769	0.5392
Restrictive Measures	0.0150	0.0092	0.0110	0.0308	0.0222
Dual Enrollee	0.6692	0.6719	0.7157	0.7154	0.7419
High Cost (5 Parameters)	0.0150	0.0092	0.0147	0.0115	0.0127
Number of ADLs (Grid Component)					
[ADL_4	0.1353	0.1765	0.2022	0.1712	0.1504
[ADL_5	0.2707	0.2629	0.2292	0.2654	0.2819
[ADL_6	0.1955	0.4053	0.3076	0.4038	0.3903
Specific ADLs / Equipment Used (Add-On)					
Bathing_1	0.2932	0.4246	0.3664	0.3808	0.4648
Toileting_1	0.1805	0.2748	0.2696	0.2500	0.2288
Toileting_2	0.1729	0.2050	0.1471	0.1808	0.2652
Transfer_1	0.0827	0.1517	0.1163	0.1192	0.1655
Interaction Terms (Add-On)					
Bath_Equip_Eat	0.1805	0.3189	0.3088	0.2673	0.3618
Dress_Bath_Equip	0.2707	0.3511	0.3468	0.3423	0.4355
Transfer_Equip_Mobility	-	0.0450	0.0441	0.0365	0.0562
Autism_Alcohol/Drug Abuse	-	0.0018	-	0.0019	0.0016
Autism_Depression	0.0301	0.0147	0.0172	0.0519	0.0222
Autism_Schizophrenia	0.0226	0.0083	0.0037	0.0077	0.0048
Brain Injury Pre-22_Alcohol/Drug Abuse	-	0.0016	0.0025	0.0058	0.0053
Brain Injury Pre-22_Other Mental Illness	-	0.0129	0.0098	0.0154	0.0079
Cerebral Palsy_Bipolar	-	0.0074	0.0049	0.0058	0.0063
Mental Retardation_Anxiety Disorder	0.2406	0.1351	0.2537	0.2038	0.2510
Mental Retardation_Other Mental Illness	0.1504	0.1553	0.1324	0.1769	0.1457
Seizure Pre-22_Depression	0.0977	0.0313	0.0478	0.0519	0.0562
Seizure Post-22_Bipolar	-	0.0037	0.0037	0.0077	0.0055
Trauma BI Post-22_Alcohol/Drug Abuse	0.0075	0.0165	0.0037	0.0058	0.0079
Trauma BI Post-22_Depression	0.0075	0.0248	0.0123	0.0212	0.0206
Other Federal DD_Bipolar	0.0376	0.0046	0.0049	0.0058	0.0055
Behaviors_Autism	0.0226	0.0588	0.0600	0.0827	0.0364
Injury_Mental Illness_Age Under 30	-	0.0074	0.0061	0.0077	0.0071
Injury_Overnight	0.0226	0.0506	0.0502	0.0692	0.0372
Injury_Overnight_Mental Illness_Age Under 30	-	0.0046	0.0037	0.0038	0.0063
Offensive_Mobility_Age 60 and Under	0.0075	0.0037	0.0049	0.0115	0.0135
Overnight_Age Under 30	0.0376	0.0506	0.0551	0.0558	0.0483
Overnight_Alzheimers_Dementia_Decision Making	0.4286	0.5496	0.5392	0.6288	0.5574
Overnight_Mental Illness	0.0602	0.0524	0.0539	0.0538	0.0736
Overnight_Mental Illness_Age Under 30	0.0075	0.0119	0.0098	0.0135	0.0166
Restrictive Measures_Autism	0.0075	0.0028	0.0012	0.0058	0.0048
Restrictive Measures_Behaviors	0.0150	0.0064	0.0086	0.0192	0.0111
Behavioral Variables (Add-On)					
Cognition_3	0.2030	0.2794	0.2108	0.3462	0.2898
Communication_1	0.0075	0.0083	0.0098	0.0096	0.0095
Injury_1-2	0.0752	0.0947	0.1225	0.0846	0.1576
Mental Health_2-3	0.6241	0.4274	0.5098	0.4385	0.5004
Offensive_1	0.0902	0.0717	0.0711	0.0731	0.1465
Offensive_2	0.0827	0.0754	0.0784	0.1192	0.1813
Offensive_3	0.0526	0.1296	0.1691	0.1731	0.0887
Wander_2	0.0075	0.0395	0.0466	0.0500	0.0388
Medication Use (Add-On)					
Meds_2B	0.3759	0.7344	0.6324	0.6788	0.6302
Health Related Services (Add-On)					
Behaviors	0.1729	0.2987	0.3566	0.3865	0.3880
Dialysis	-	0.0037	0.0012	-	0.0008
Exercise	0.0752	0.0800	0.0907	0.1385	0.2526
Med Admin	0.5789	0.7847	0.6642	0.7173	0.7427
Nursing	-	-	0.0012	-	0.0063
Ostomy	-	0.0055	0.0037	0.0038	0.0032
Overnight	0.5038	0.7252	0.6703	0.7615	0.7656
Reposition	0.0150	0.0607	0.0478	0.0731	0.0681
Respirate	0.0526	0.0257	0.0343	0.0327	0.0459
Tracheostomy	-	0.0028	0.0012	-	0.0008
Tube Feedings	0.0150	0.0276	0.0208	0.0154	0.0230
Ulcer Stage 3-4	-	0.0055	0.0025	-	0.0016
Urinary	-	0.0046	0.0074	0.0173	0.0111
Diagnoses (Add-On)					
Brain Injury Pre-22	0.0301	0.0542	0.0025	0.0462	0.0475
Cerebral Palsy	0.1353	0.1369	0.1360	0.1250	0.1211
Mental Retardation	0.7218	0.7178	0.7451	0.8173	0.7981
Prader Willi	-	0.0064	0.0061	0.0077	0.0040

Exhibit II-2b

Wisconsin Department of Health Services

CY 2014 Family Care Capitation Rate Development

Functional Screen Regression Model of 2012 PMPM

Physically Disabled - by MCO

Variable	Proportion with Variable - Base Cohort Population					
	LCD (Fond du Lac)	WWC (La Crosse)	MCDFC (Milwaukee)	CCCW (Portage)	CCCW (Marathon / Wood)	CCCW (Lincoln / Langlade)
Intercept (Grid Component)	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
DDNH Level of Care (Grid Component)						
Vent Dependent	-	-	0.0028	-	0.0127	-
SNF	0.2436	0.2339	0.2668	0.2454	0.2284	0.1724
Number of IADLs (Grid Component)						
IADL_1	0.0458	0.1330	0.0554	0.1019	0.0888	0.1149
IADL_2	0.1433	0.2237	0.1703	0.1713	0.1574	0.2299
IADL_3	0.1633	0.1959	0.1800	0.1528	0.1624	0.2529
IADL_4-5	0.5931	0.3640	0.5698	0.4259	0.4340	0.3333
IADL_6	0.0401	0.0351	0.0182	0.1250	0.1320	0.0575
Specific ADLs / Equipment Used (Add-On)						
Bathing_1	0.4355	0.3392	0.3375	0.3380	0.2944	0.3448
Bathing_2	0.4011	0.2632	0.5413	0.4213	0.5127	0.5172
Dressing_2	0.2665	0.1608	0.3945	0.2731	0.2843	0.2414
Eating_2	0.0716	0.0424	0.0767	0.0972	0.1168	0.0460
Toileting_1	0.2980	0.1579	0.2113	0.1852	0.2132	0.2299
Toileting_2	0.1977	0.1257	0.2492	0.2500	0.2513	0.2069
Transfer_2	0.2493	0.1535	0.2342	0.2685	0.2665	0.1839
Interaction Terms (Add-On)						
Bath_Equip_Eat	0.3066	0.1871	0.2646	0.3843	0.3503	0.3448
Dress_Bath_Equip	0.5559	0.4020	0.6857	0.6343	0.5888	0.6092
Transfer_Equip_Mobility	0.1003	0.0541	0.0711	0.0972	0.0635	0.0690
Seizure Pre-22_Alcohol/Drug Abuse	-	0.0015	0.0003	0.0093	-	-
Seizure Post-22_Bipolar	0.0057	0.0088	0.0088	0.0139	0.0127	-
Seizure Post-22_Other Mental Illness	0.0201	0.0292	0.0125	0.0231	0.0305	-
Trauma BI Post-22_Alcohol/Drug Abuse	0.0172	0.0219	0.0038	0.0046	0.0025	-
Trauma BI Post-22_Depression	0.0201	0.0424	0.0069	0.0139	0.0228	0.0115
Trauma BI Post-22_Exercise	-	-	0.0003	-	0.0025	-
Trauma BI Post-22_Other Mental Illness	0.0057	0.0132	0.0034	-	0.0051	-
Age Under 60_Employment Assistance	0.2464	0.4137	-	0.3981	0.4340	0.3448
At least 3 Mental Illnesses	0.0745	0.1827	0.0679	0.1065	0.0939	0.0690
Offensive_Mobility_Age 60 and Under	-	0.0029	-	0.0093	0.0051	-
Overnight_Mental Illness	0.0659	0.0395	0.0329	0.0417	0.0457	0.0115
Spiral Injury_Alcohol/Drug Abuse	0.0029	0.0015	0.0013	0.0139	0.0051	0.0115
Behavioral Variables (Add-On)						
Cognition_2-3	0.1633	0.1652	0.2899	0.2037	0.1726	0.1609
Injury_1	0.0057	0.0102	0.0034	0.0093	0.0076	-
Injury_2	-	0.0088	0.0013	-	0.0178	-
Offensive_1-2	0.0201	0.0439	0.0426	0.0556	0.0533	0.0575
Offensive_3	0.0115	0.0044	0.0016	-	0.0051	-
Mental Health_2-3	0.6619	0.7895	0.4850	0.7870	0.7081	0.6897
Substance Abuse Current	0.0802	0.1696	0.0416	0.1157	0.1193	0.0805
Wander_2	0.0066	0.0073	0.0100	0.0046	0.0152	-
Medication Use (Add-On)						
Meds_2A	0.2980	0.2310	0.2520	0.2407	0.2259	0.1494
Meds_2B	0.3639	0.2719	0.4302	0.3287	0.3350	0.2874
Diagnoses (Add-On)						
Alzheimers	0.1490	0.1389	0.2724	0.1065	0.1168	0.1034
Cerebral Palsy	0.0115	0.0044	0.0025	0.0231	0.0102	-
Mental Illness	0.2980	0.3874	0.1894	0.2778	0.2487	0.1379
Health Related Services (Add-On)						
Dialysis	0.0172	0.0336	0.0310	0.0278	0.0330	0.0115
Exercise	0.1404	0.1433	0.0974	0.1898	0.1929	0.1494
Med Admin	0.6476	0.4883	0.6603	0.5509	0.5508	0.4138
Med Management	0.2493	0.2178	0.4014	0.2546	0.2030	0.2069
Nursing	-	0.0102	0.0034	-	-	-
Ostomy	0.0086	0.0117	0.0081	0.0093	0.0102	0.0115
Overnight	0.6132	0.3465	0.3791	0.5139	0.5711	0.5977
Reposition	0.0630	0.0658	0.0814	0.1296	0.1244	0.0575
Respirate	0.1060	0.0643	0.0729	0.0741	0.0888	0.0690
Tracheostomy	0.0057	0.0044	0.0022	0.0046	0.0127	0.0230
Ulcer Stage 2	0.0143	0.0132	0.0172	0.0417	0.0254	0.0575
Ulcer Stage 3-4	0.0143	0.0146	0.0106	0.0093	0.0203	0.0230
Urinary	0.0086	0.0336	0.0075	0.0370	0.0381	0.0460
Wound	0.0745	0.0760	0.0360	0.0741	0.0508	0.0115

Exhibit II-2b (continued)

Wisconsin Department of Health Services

CY 2014 Family Care Capitation Rate Development

Functional Screen Regression Model of 2012 PMPM

Physically Disabled - by MCO

Variable	Proportion with Variable - Base Cohort Population					
	ContinuUs (Richland)	CCI (Kenosha / Racine)	CCI (Pink Region)	CCI (Washington / Waukesha)	Care WI (Other Teal)	Care WI (Washington / Waukesha)
Intercept (Grid Component)	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
DDNH Level of Care (Grid Component)						
Vent Dependent	-	0.0051	-	0.0049	0.0159	0.0039
SNF	0.2787	0.2453	0.2386	0.2956	0.3220	0.4280
Number of IADLs (Grid Component)						
IADL_1	0.1639	0.1029	0.1477	0.0837	0.1111	0.0389
IADL_2	0.1557	0.1750	0.2235	0.1626	0.1270	0.1245
IADL_3	0.1475	0.2041	0.1402	0.1330	0.1655	0.1479
IADL_4-5	0.4016	0.4099	0.3788	0.4975	0.4512	0.5564
IADL_6	0.0656	0.0772	0.0644	0.0985	0.0998	0.1167
Specific ADLs / Equipment Used (Add-On)						
Bathing_1	0.4098	0.4443	0.4886	0.3744	0.2676	0.2140
Bathing_2	0.3689	0.3911	0.3750	0.4483	0.5782	0.6693
Dressing_2	0.2951	0.2985	0.2652	0.3645	0.3968	0.4591
Eating_2	0.0656	0.0892	0.0909	0.1133	0.1202	0.1518
Toileting_1	0.2295	0.2264	0.2803	0.1872	0.2290	0.1907
Toileting_2	0.2213	0.1921	0.1970	0.2611	0.3424	0.3852
Transfer_2	0.2213	0.2230	0.2348	0.2857	0.3810	0.4202
Interaction Terms (Add-On)						
Bath_Equip_Eat	0.2705	0.3156	0.3182	0.3005	0.3379	0.3735
Dress_Bath_Equip	0.6475	0.6467	0.6553	0.6207	0.6984	0.6576
Transfer_Equip_Mobility	0.1148	0.0738	0.0530	0.0640	0.0998	0.1245
Seizure Pre-22_Alcohol/Drug Abuse	-	0.0017	-	-	0.0045	0.0039
Seizure Post-22_Bipolar	-	0.0172	0.0152	0.0099	0.0068	0.0039
Seizure Post-22_Other Mental Illness	0.0164	0.0120	0.0189	0.0197	0.0091	0.0117
Trauma BI Post-22_Alcohol/Drug Abuse	0.0082	0.0051	0.0114	0.0049	0.0023	0.0039
Trauma BI Post-22_Depression	0.0328	0.0137	0.0152	0.0296	0.0113	0.0272
Trauma BI Post-22_Exercise	0.0082	-	-	0.0049	-	-
Trauma BI Post-22_Other Mental Illness	0.0246	0.0034	0.0038	0.0246	0.0023	-
Age Under 60_Employment Assistance	0.3033	0.4443	0.3068	0.3103	0.3039	0.2568
At least 3 Mental Illnesses	0.0738	0.1046	0.0909	0.0936	0.0816	0.0856
Offensive_Mobility_Age 60 and Under	-	-	0.0114	-	0.0045	0.0078
Overnight_Mental Illness	0.0738	0.0497	0.0568	0.1034	0.0930	0.0661
Spiral Injury_Alcohol/Drug Abuse	-	0.0051	0.0076	0.0049	0.0023	-
Behavioral Variables (Add-On)						
Cognition_2-3	0.2213	0.2196	0.2311	0.3350	0.2517	0.2918
Injury_1	0.0082	0.0034	0.0076	0.0049	0.0159	0.0117
Injury_2	-	0.0017	0.0038	0.0148	0.0159	-
Offensive_1-2	0.0246	0.0429	0.0720	0.0690	0.1111	0.1012
Offensive_3	0.0492	0.0137	0.0114	0.0394	0.0181	0.0156
Mental Health_2-3	0.6393	0.5626	0.6629	0.6798	0.5873	0.6770
Substance Abuse Current	0.1475	0.0806	0.1402	0.0837	0.0998	0.1245
Wander_2	0.0164	0.0103	0.0076	0.0148	0.0317	0.0272
Medication Use (Add-On)						
Meds_2A	0.4098	0.1492	0.1591	0.1921	0.2313	0.2451
Meds_2B	0.2213	0.4322	0.3598	0.4236	0.3651	0.4669
Diagnoses (Add-On)						
Alzheimers	0.1311	0.1252	0.1326	0.2266	0.1497	0.1984
Cerebral Palsy	-	0.0069	0.0114	0.0049	0.0023	0.0078
Mental Illness	0.2705	0.2539	0.2424	0.2906	0.2925	0.2023
Health Related Services (Add-On)						
Dialysis	0.0246	0.0326	0.0265	0.0246	0.0363	0.0428
Exercise	0.1967	0.1492	0.1250	0.1576	0.3741	0.3463
Med Admin	0.5656	0.5592	0.5114	0.6059	0.5873	0.7082
Med Management	0.3361	0.2127	0.1818	0.3005	0.2585	0.4475
Nursing	0.0082	0.0017	0.0076	-	0.0272	0.0389
Ostomy	-	0.0172	0.0114	0.0099	0.0136	0.0156
Overnight	0.3852	0.4734	0.5303	0.5517	0.6304	0.7510
Reposition	0.0820	0.1063	0.0758	0.1133	0.1156	0.1401
Respirate	0.0656	0.0926	0.0909	0.1084	0.0998	0.0817
Tracheostomy	-	0.0120	-	0.0049	0.0113	0.0117
Ulcer Stage 2	0.0082	0.0103	0.0114	0.0296	0.0340	0.0078
Ulcer Stage 3-4	0.0246	0.0189	0.0114	0.0148	0.0272	0.0195
Urinary	0.0164	0.0172	0.0265	0.0246	0.0204	0.0506
Wound	0.0574	0.0497	0.0379	0.0493	0.0658	0.0739

Wisconsin Department of Health Services**CY 2014 Family Care Capitation Rate Development****Functional Screen Regression Model of 2012 PMPM****Frail Elderly - by MCO**

Variable	Proportion with Variable - Base Cohort Population					
	LCD (Fond du Lac)	WWC (La Crosse)	MCDFC (Milwaukee)	CCCW (Portage)	CCCW (Marathon / Wood)	CCCW (Lincoln / Langlade)
Intercept (Grid Component)	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
DD/NH Level of Care (Grid Component)						
SNF	0.1843	0.2459	0.2716	0.2252	0.2348	0.2417
Number of IADLs (Grid Component)						
IADL_1	0.0092	0.0524	0.0475	0.0033	0.0131	0.0500
IADL_2	0.0691	0.1266	0.1103	0.0695	0.0788	0.1417
IADL_3	0.1198	0.1429	0.1452	0.1026	0.1330	0.1750
IADL_4-5-6	0.8018	0.6637	0.6907	0.8212	0.7734	0.6333
Specific ADLs / Equipment Used (Add-On)						
Bathing_1	0.3502	0.2315	0.3066	0.2185	0.1987	0.1750
Bathing_2	0.5161	0.5660	0.5778	0.7119	0.7110	0.6833
Toileting_1	0.2949	0.2297	0.2192	0.2152	0.2447	0.2333
Toileting_2	0.2396	0.2405	0.2712	0.4040	0.3366	0.3000
Transfer_1-2	0.3825	0.4430	0.3967	0.5166	0.4860	0.4917
Interaction Terms (Add-On)						
Bath_Equip_Eat	0.2811	0.3400	0.3218	0.4007	0.4417	0.4000
Dress_Bath_Equip	0.6083	0.6148	0.6871	0.7450	0.7192	0.7000
Transfer_Equip_Mobility	0.0829	0.0922	0.0547	0.0894	0.0378	0.0333
Seizure Pre-22_Anxiety Disorder	-	-	0.0013	-	0.0033	-
Seizure Post-22_Anxiety Disorder	0.0046	0.0127	0.0166	0.0066	0.0131	0.0083
Seizure Post-22_Bipolar	-	-	0.0036	-	0.0049	-
Seizure Post-22_Schizophrenia	0.0046	0.0072	0.0081	0.0066	-	-
At least 3 Mental Illnesses	0.0184	0.0289	0.0453	0.0265	0.0279	0.0333
Behavioral Variables (Add-On)						
Cognition_2	0.2949	0.2260	0.2420	0.3742	0.3284	0.2167
Cognition_3	0.0691	0.1410	0.1932	0.1854	0.1593	0.2083
Injury_1-2	-	0.0054	0.0040	0.0099	0.0066	0.0083
Mental Health_2-3	0.4332	0.5479	0.4836	0.6457	0.5764	0.6083
Offensive_1-2-3	0.0369	0.0542	0.0453	0.0861	0.0657	0.0417
Substance Abuse Current	0.0184	0.0307	0.0193	0.0132	0.0181	-
Medication Use (Add-On)						
Meds_2B	0.6359	0.5443	0.5769	0.7483	0.6486	0.5583
Diagnoses (Add-On)						
Alzheimers	0.4608	0.4394	0.5087	0.5861	0.4893	0.4250
Mental Illness	0.1244	0.0922	0.1103	0.0762	0.0772	0.0917
Health Related Services (Add-On)						
Med Admin	0.8249	0.6745	0.7593	0.8311	0.7800	0.6083
Med Management	0.2166	0.2658	0.4406	0.3642	0.2923	0.2083
Overnight	0.8387	0.6383	0.4715	0.7715	0.7438	0.7083
Reposition	0.0783	0.0850	0.0654	0.1358	0.0903	0.0750
Tube Feedings	-	0.0054	0.0108	0.0033	-	-
Ulcer Stage 2	0.0138	0.0072	0.0134	0.0199	0.0197	0.0167
Ulcer Stage 3-4	-	0.0018	0.0058	-	0.0033	-
Urinary	0.0046	0.0036	0.0040	0.0033	0.0033	0.0083

Exhibit II-2c (continued)

Wisconsin Department of Health Services

CY 2014 Family Care Capitation Rate Development

Functional Screen Regression Model of 2012 PMPM

Frail Elderly - by MCO

Variable	Proportion with Variable - Base Cohort Population				
	ContinuUs (Richland)	CCI (Kenosha / Racine)	CCI (Pink Region)	CCI (Washington / Waukesha)	Care WI (Other Teal)
Intercept (Grid Component)	1.0000	1.0000	1.0000	1.0000	1.0000
DD/NH Level of Care (Grid Component)					
SNF	0.3100	0.2158	0.2107	0.2279	0.2974
Number of IADLs (Grid Component)					
IADL_1	0.0900	0.0653	0.0431	0.0257	0.0374
IADL_2	0.0300	0.0574	0.1015	0.0515	0.0485
IADL_3	0.0900	0.0851	0.1091	0.1471	0.0771
IADL_4-5-6	0.7700	0.7921	0.7386	0.7757	0.8304
Specific ADLs / Equipment Used (Add-On)					
Bathing_1	0.1800	0.3069	0.3071	0.2647	0.2203
Bathing_2	0.6900	0.5980	0.5812	0.6213	0.7070
Toileting_1	0.2100	0.2376	0.2360	0.1985	0.2181
Toileting_2	0.3300	0.3149	0.2563	0.2316	0.4119
Transfer_1-2	0.5900	0.4475	0.4518	0.3088	0.5859
Interaction Terms (Add-On)					
Bath_Equip_Eat	0.3700	0.4436	0.3629	0.3125	0.4119
Dress_Bath_Equip	0.7500	0.7327	0.6980	0.6029	0.7467
Transfer_Equip_Mobility	0.0700	0.0475	0.0508	0.0515	0.0529
Seizure Pre-22_Anxiety Disorder	-	-	-	-	0.0023
Seizure Post-22_Anxiety Disorder	0.0200	0.0059	0.0152	0.0074	0.0066
Seizure Post-22_Bipolar	-	-	-	0.0037	0.0044
Seizure Post-22_Schizophrenia	-	0.0040	-	-	0.0022
At least 3 Mental Illnesses	0.0300	0.0238	0.0228	0.0699	0.0110
Behavioral Variables (Add-On)					
Cognition_2	0.2700	0.2990	0.3096	0.2757	0.3084
Cognition_3	0.1800	0.1822	0.1244	0.2022	0.2291
Injury_1-2	-	0.0079	0.0076	0.0074	0.0132
Mental Health_2-3	0.4700	0.4475	0.5736	0.5478	0.4692
Offensive_1-2-3	0.1100	0.0297	0.0431	0.0551	0.1608
Substance Abuse Current	0.0100	0.0099	0.0178	0.0368	0.0396
Medication Use (Add-On)					
Meds_2B	0.5200	0.7802	0.7183	0.7390	0.6608
Diagnoses (Add-On)					
Alzheimers	0.5100	0.5604	0.4162	0.4816	0.5396
Mental Illness	0.1500	0.0673	0.0660	0.1140	0.1123
Health Related Services (Add-On)					
Med Admin	0.8100	0.8495	0.8020	0.8125	0.8216
Med Management	0.3900	0.2634	0.2411	0.3529	0.2996
Overnight	0.7000	0.7287	0.6497	0.7500	0.8480
Reposition	0.0900	0.0673	0.0508	0.0551	0.0815
Tube Feedings	-	0.0139	-	-	0.0022
Ulcer Stage 2	0.0200	-	0.0076	0.0074	0.0110
Ulcer Stage 3-4	-	-	0.0076	-	0.0044
Urinary	-	0.0059	0.0102	-	0.0022

Exhibit II-3a

**Wisconsin Department of Health Services
CY 2014 Family Care Capitation Rate Development
Functional Screen Regression Model of 2012 PMPM
Developmentally Disabled - by MCO**

Variable	Proportion with Variable - Known Expansion Population				
	CCI (Other Teal Region)	CCI (Milwaukee)	LCD	WWC	MDCF (Disabled)
Intercept (Grid Component)	1.0000	1.0000	1.0000	1.0000	1.0000
DDNIV Level of Care (Grid Component)					
Vent Dependent	-	-	-	-	0.0008
DD1A	0.0295	0.0291	0.0470	0.0418	0.0287
DD1B	0.2453	0.2461	0.2336	0.2725	0.1358
DD2	0.5926	0.5624	0.6255	0.5703	0.7230
Restrictive Measures	0.0074	0.0073	0.0188	0.0317	0.0132
Dual Enrollee	0.7453	0.6582	0.7302	0.7060	0.6191
High Cost (5 Parameters)	0.0095	0.0097	0.0107	0.0165	0.0039
Number of ADLs (Grid Component)					
[ADL_4	0.2011	0.1455	0.1557	0.1774	0.1660
[ADL_5	0.2547	0.2642	0.2792	0.2662	0.2971
[ADL_6	0.2958	0.4339	0.3826	0.3549	0.3732
Specific ADLs / Equipment Used (Add-On)					
Bathing	0.3768	0.4255	0.4403	0.4058	0.3763
Toileting_1	0.2474	0.2691	0.2121	0.2471	0.2058
Toileting_2	0.1695	0.2279	0.2456	0.1901	0.1955
Transfer_2	0.1388	0.1455	0.1463	0.1293	0.1234
Interaction Terms (Add-On)					
Bath_Equip_Eat	0.2663	0.2715	0.3315	0.3207	0.2265
Dress_Bath_Equip	0.3516	0.3333	0.3799	0.3802	0.2995
Transfer_Equip_Mobility	0.0358	0.0521	0.0658	0.0646	0.0489
Autism_Alcohol/Drug Abuse	-	-	-	-	-
Autism_Depression	0.0263	0.0158	0.0268	0.0228	0.0264
Autism_Schizophrenia	0.0105	0.0121	0.0034	0.0033	0.0147
Brain Injury Pre-22_Alcohol/Drug Abuse	0.0021	0.0023	0.0027	0.0021	0.0023
Brain Injury Pre-22_Other Mental Illness	0.0165	0.0206	0.0054	0.0139	0.0124
Cerebral Palsy_Bipolar	0.0042	0.0097	0.0054	0.0013	0.0062
Mental Retardation_Anxiety Disorder	0.2032	0.1758	0.2685	0.2156	0.1652
Mental Retardation_Other Mental Illness	0.1621	0.1455	0.1570	0.1483	0.2141
Seizure Pre-22_Depression	0.0411	0.0352	0.0698	0.0482	0.0489
Seizure Post-22_Bipolar	0.0032	0.0061	0.0027	0.0025	0.0054
Trauma BI Post-22_Alcohol/Drug Abuse	0.0032	0.0242	0.0027	0.0013	0.0054
Trauma BI Post-22_Depression	0.0147	0.0327	0.0067	0.0013	0.0124
Other Federal DD_Bipolar	0.0011	0.0024	0.0013	0.0051	0.0078
Behaviors_Autism	0.0432	0.0739	0.0256	0.0393	0.0225
Injury_Mental Illness_Age Under 30	0.0105	0.0012	0.0027	0.0025	0.0031
Injury_Overnight	0.0347	0.0376	0.0322	0.0431	0.0171
Injury_Overnight_Mental Illness_Age Under 30	0.0063	0.0012	0.0027	0.0013	0.0008
Offensive_Mobility_Age 60 and Under	0.0042	0.0061	0.0081	0.0139	0.0054
Overnight_Age Under 30	0.0537	0.0594	0.0523	0.0494	0.0396
Overnight_Alzheimers_Dementia_Decision Making	0.5011	0.6024	0.5987	0.5526	0.4833
Overnight_Mental Illness	0.0568	0.0667	0.0510	0.0507	0.0535
Overnight_Mental Illness_Age Under 30	0.0189	0.0121	0.0094	0.0127	0.0116
Restrictive Measures_Autism	0.0032	0.0012	0.0067	0.0076	0.0016
Restrictive Measures_Behaviors	0.0053	0.0048	0.0040	0.0241	0.0023
Behavioral Variables (Add-On)					
Cognition_3	0.2221	0.2594	0.2631	0.2839	0.3064
Communication_1	0.0137	0.0073	0.0148	0.0063	0.0093
Injury_1-2	0.0811	0.0739	0.1611	0.1496	0.1218
Mental Health_2-3	0.4863	0.4570	0.4980	0.4474	0.4298
Offensive_1	0.0453	0.0727	0.1221	0.1369	0.1458
Offensive_2	0.0758	0.0945	0.1168	0.1483	0.0760
Offensive_3	0.1326	0.1442	0.0591	0.0811	0.0341
Wander_2	0.0274	0.0255	0.0268	0.0520	0.0295
Medication Use (Add-On)					
Meds_.2B	0.6653	0.7236	0.6268	0.5665	0.5950
Health Related Services (Add-On)					
Behaviors	0.2789	0.3152	0.2564	0.3093	0.1746
Dialysis	-	0.0061	0.0013	0.0051	0.0023
Exercise	0.1063	0.1030	0.1128	0.1267	0.0776
Med Admin	0.6874	0.7503	0.7087	0.6844	0.7060
Nursing	-	0.0012	-	-	0.0016
Ostomy	0.0011	0.0048	0.0094	0.0025	0.0039
Overnight	0.6705	0.7345	0.7463	0.6844	0.6183
Reposition	0.0600	0.0885	0.0631	0.0634	0.0667
Respirate	0.0432	0.0376	0.0550	0.0722	0.0287
Tracheostomy	0.0011	0.0012	0.0027	0.0038	0.0016
Tube Feedings	0.0211	0.0303	0.0268	0.0266	0.0248
Ulcer Stage 3-4	0.0011	0.0048	0.0013	0.0013	0.0016
Urinary	0.0084	0.0024	0.0067	0.0051	0.0078
Diagnoses (Add-On)					
Brain Injury Pre-22	0.0547	0.0679	0.0202	0.0545	0.0401
Cerebral Palsy	0.1358	0.1600	0.1490	0.1293	0.1334
Mental Retardation	0.7905	0.7539	0.8631	0.8175	0.7960
Prader Willi	0.0074	0.0024	0.0040	0.0101	0.0039

Exhibit II-3a (continued)

**Wisconsin Department of Health Services
CY 2014 Family Care Capitation Rate Development
Functional Screen Regression Model of 2012 PMPM
Developmentally Disabled - by MCO**

Variable	Proportion with Variable - Known Expansion Population		
	Northern Bridges	ContinuUs (Gray Region)	ContinuUs (Red Region)
Intercept (Grid Component)	1.0000	1.0000	1.0000
DDNI Level of Care (Grid Component)			
Vent Dependent	0.0011	-	-
DD1A	0.0276	0.0242	0.0276
DD1B	0.1667	0.1656	0.2243
DD2	0.6744	0.6548	0.6207
Restrictive Measures	0.0254	0.0115	0.0181
Dual Enrollee	0.7395	0.7414	0.7424
High Cost (5 Parameters)	0.0077	0.0038	0.0057
Number of ADLs (Grid Component)			
[ADL_4	0.1887	0.1592	0.1759
[ADL_5	0.2583	0.2841	0.2586
[ADL_6	0.3024	0.2968	0.3403
Specific ADLs / Equipment Used (Add-On)			
Bathing	0.3808	0.3631	0.3679
Toileting_1	0.2075	0.1720	0.2490
Toileting_2	0.2296	0.2089	0.2129
Transfer_2	0.1336	0.1248	0.1236
Interaction Terms (Add-On)			
Bath_Equip_Eat	0.3278	0.2446	0.3298
Dress_Bath_Equip	0.3554	0.3096	0.4049
Transfer_Equip_Mobility	0.0353	0.0395	0.0523
Autism_Alcohol/Drug Abuse	-	0.0025	0.0010
Autism_Depression	0.0254	0.0191	0.0295
Autism_Schizophrenia	0.0022	0.0004	0.0019
Brain Injury Pre-22_Alcohol/Drug Abuse	0.0055	0.0058	0.0076
Brain Injury Pre-22_Other Mental Illness	0.0243	0.0102	0.0160
Cerebral Palsy_Bipolar	0.0022	0.0084	0.0029
Mental Retardation_Anxiety Disorder	0.1887	0.2178	0.2548
Mental Retardation_Other Mental Illness	0.1589	0.1529	0.1968
Seizure Pre-22_Depression	0.0607	0.0497	0.0618
Seizure Post-22_Bipolar	0.0011	0.0025	0.0048
Trauma BI Post-22_Alcohol/Drug Abuse	0.0066	0.0025	0.0038
Trauma BI Post-22_Depression	0.0232	0.0038	0.0067
Other Federal DD_Bipolar	0.0066	0.0064	0.0209
Behaviors_Autism	0.0121	0.0204	0.0219
Injury_Mental Illness_Age Under 30	0.0022	0.0013	0.0019
Injury_Overnight	0.0199	0.0115	0.0247
Injury_Overnight_Mental Illness_Age Under 30	0.0022	-	0.0010
Offensive_Mobility_Age 60 and Under	0.0066	0.0064	0.0209
Overnight_Age Under 30	0.0442	0.0344	0.0399
Overnight_Alzheimers_Dementia_Decision Making	0.4724	0.4675	0.5523
Overnight_Mental Illness	0.0695	0.0382	0.0656
Overnight_Mental Illness_Age Under 30	0.0166	0.0038	0.0076
Restrictive Measures_Autism	0.0022	0.0013	0.0057
Restrictive Measures_Behaviors	0.0155	0.0038	0.0076
Behavioral Variables (Add-On)			
Cognition_3	0.2196	0.2803	0.2338
Communication_1	0.0022	0.0115	0.0152
Injury_1-2	0.1015	0.1452	0.1464
Mental Health_2-3	0.4790	0.4510	0.5713
Offensive_1	0.0872	0.1783	0.1568
Offensive_2	0.0850	0.1032	0.1426
Offensive_3	0.0386	0.0408	0.0409
Wander_2	0.0221	0.0395	0.0447
Medication Use (Add-On)			
Meds_2B	0.6126	0.5248	0.5675
Health Related Services (Add-On)			
Behaviors	0.1965	0.2076	0.2690
Dialysis	0.0022	0.0025	0.0019
Exercise	0.1247	0.1019	0.1806
Med Admin	0.6534	0.6396	0.6767
Nursing	-	0.0013	-
Ostomy	0.0055	0.0064	0.0076
Overnight	0.6766	0.6357	0.6616
Reposition	0.0552	0.0548	0.0618
Respirate	0.0508	0.0369	0.0846
Tracheostomy	0.0022	0.0013	0.0029
Tube Feedings	0.0199	0.0166	0.0200
Ulcer Stage 3-4	0.0022	-	0.0029
Urinary	0.0033	0.0064	0.0067
Diagnoses (Add-On)			
Brain Injury Pre-22	0.0497	0.0535	0.0713
Cerebral Palsy	0.1247	0.1350	0.1245
Mental Retardation	0.6843	0.7873	0.6559
Prader Willi	0.0055	0.0076	0.0029

Wisconsin Department of Health Services

CY 2014 Family Care Capitation Rate Development

Functional Screen Regression Model of 2012 PMPM

Physically Disabled - by MCO

Variable	Proportion with Variable - Known Expansion Population				
	CCI (Other Teal Region)	CCI (Milwaukee)	LCD	WWC	MDCF (Disabled)
Intercept (Grid Component)	1.0000	1.0000	1.0000	1.0000	1.0000
DDNH Level of Care (Grid Component)					
Vent Dependent	0.0052	0.0034	0.0020	-	-
SNF	0.2706	0.2642	0.3427	0.2673	0.2244
Number of IADLs (Grid Component)					
IADL_1	0.1340	0.1063	0.0726	0.1164	0.0992
IADL_2	0.1649	0.1887	0.1290	0.2200	0.2412
IADL_3	0.1675	0.1664	0.1552	0.1818	0.1863
IADL_4-5	0.4253	0.4443	0.5605	0.4036	0.3969
IADL_6	0.0799	0.0840	0.0786	0.0400	0.0626
Specific ADLs / Equipment Used (Add-On)					
Bathing_1	0.3866	0.5009	0.2661	0.3327	0.5023
Bathing_2	0.4356	0.4082	0.5827	0.4018	0.3756
Dressing_2	0.3119	0.2950	0.4073	0.1982	0.2947
Eating_2	0.0722	0.0652	0.1331	0.0436	0.0656
Toileting_1	0.2474	0.2676	0.1895	0.2182	0.2061
Toileting_2	0.2320	0.1835	0.3448	0.1545	0.1634
Transfer_2	0.3144	0.2333	0.3468	0.1727	0.1786
Interaction Terms (Add-On)					
Bath_Equip_Eat	0.3119	0.2830	0.3690	0.2145	0.1710
Dress_Bath_Equip	0.5825	0.6655	0.6492	0.5073	0.5664
Transfer_Equip_Mobility	0.0644	0.0583	0.0726	0.0764	0.0504
Seizure Pre-22_Alcohol/Drug Abuse	-	0.0017	-	-	0.0031
Seizure Post-22_Bipolar	0.0077	0.0120	0.0060	0.0091	0.0260
Seizure Post-22_Other Mental Illness	0.0052	0.0069	0.0302	0.0109	0.0229
Trauma BI Post-22_Alcohol/Drug Abuse	0.0206	0.0103	0.0081	0.0164	0.0260
Trauma BI Post-22_Depression	0.0284	0.0103	0.0262	0.0364	0.0305
Trauma BI Post-22_Exercise	0.0026	-	-	0.0018	0.0015
Trauma BI Post-22_Other Mental Illness	0.0103	-	0.0081	0.0145	0.0183
Age Under 60_Employment Assistance	0.3660	0.4820	0.2379	0.3109	0.6458
At Least 3 Mental Illnesses	0.0851	0.0429	0.1008	0.0818	0.1053
Offensive_Mobility_Age 60 and Under	-	0.0017	0.0020	0.0073	0.0015
Overnight_Mental Illness	0.0361	0.0257	0.0645	0.0255	0.0305
Spiral injury_Alcohol/Drug Abuse	0.0077	0.0086	0.0040	0.0036	0.0061
Behavioral Variables (Add-On)					
Cognition_2-3	0.2216	0.2110	0.3448	0.1727	0.2168
Injury_1	0.0103	0.0051	0.0141	0.0109	0.0137
Injury_2	0.0052	0.0034	0.0040	0.0127	0.0031
Offensive_1-2	0.0335	0.0309	0.0726	0.0618	0.0473
Offensive_3	0.0206	0.0017	0.0121	0.0055	0.0046
Mental Health_2-3	0.6005	0.4545	0.7177	0.6382	0.4611
Substance Abuse Current	0.0825	0.1235	0.1250	0.0836	0.1313
Wander_2	0.0077	0.0103	0.0202	0.0145	0.0137
Medication Use (Add-On)					
Meds_2A	0.1392	0.1801	0.2319	0.2309	0.2885
Meds_2B	0.4588	0.4305	0.4980	0.2582	0.2519
Diagnoses (Add-On)					
Alzheimers	0.1186	0.1166	0.2480	0.0964	0.0702
Cerebral Palsy	0.0180	0.0017	0.0302	0.0036	0.0076
Mental Illness	0.2088	0.1784	0.2722	0.2218	0.2870
Health Related Services (Add-On)					
Dialysis	0.0309	0.0617	0.0242	0.0436	0.0397
Exercise	0.1830	0.1509	0.1149	0.1218	0.0885
Med Admin	0.5773	0.5815	0.6875	0.4636	0.5252
Med Management	0.2320	0.2590	0.3589	0.1873	0.2519
Nursing	-	-	0.0060	0.0073	0.0076
Ostomy	0.0155	0.0017	0.0161	0.0109	0.0137
Overnight	0.5722	0.4923	0.6391	0.3909	0.2748
Reposition	0.1469	0.1149	0.1028	0.0709	0.0733
Respirate	0.0747	0.0738	0.1089	0.0691	0.0382
Tracheostomy	0.0103	0.0103	0.0040	0.0018	-
Ulcer Stage 2	0.0284	0.0120	0.0040	0.0218	0.0168
Ulcer Stage 3-4	0.0309	0.0103	0.0202	0.0127	0.0122
Urinary	0.0464	0.0292	0.0242	0.0273	0.0214
Wound	0.0464	0.0395	0.0625	0.0673	0.0489

Exhibit II-3b (continued)

Wisconsin Department of Health Services

CY 2014 Family Care Capitation Rate Development

Functional Screen Regression Model of 2012 PMPM

Physically Disabled - by MCO

Variable	Proportion with Variable - Known Expansion Population		
	Northern Bridges	ContinuUs (Gray Region)	ContinuUs (Red Region)
Intercept (Grid Component)	1.0000	1.0000	1.0000
DDNH Level of Care (Grid Component)			
Vent Dependent	0.0019	0.0023	0.0074
SNF	0.2514	0.3018	0.2375
Number of IADLs (Grid Component)			
IADL_1	0.1363	0.1216	0.1313
IADL_2	0.2015	0.2095	0.1991
IADL_3	0.1977	0.1802	0.1667
IADL_4-5	0.3858	0.3829	0.3894
IADL_6	0.0480	0.0631	0.0605
Specific ADLs / Equipment Used (Add-On)			
Bathing_1	0.3474	0.3198	0.3997
Bathing_2	0.4491	0.5315	0.4233
Dressing_2	0.2706	0.3378	0.2581
Eating_2	0.0691	0.0878	0.0737
Toileting_1	0.1804	0.1757	0.2006
Toileting_2	0.2265	0.2658	0.2168
Transfer_2	0.2207	0.2658	0.2139
Interaction Terms (Add-On)			
Bath_Equip_Eat	0.2764	0.2500	0.2404
Dress_Bath_Equip	0.5547	0.6059	0.5929
Transfer_Equip_Mobility	0.0518	0.0856	0.0649
Seizure Pre-22_Alcohol/Drug Abuse	0.0019	0.0023	0.0029
Seizure Post-22_Bipolar	0.0096	0.0045	0.0133
Seizure Post-22_Other Mental Illness	0.0230	0.0113	0.0295
Trauma BI Post-22_Alcohol/Drug Abuse	0.0192	0.0090	0.0192
Trauma BI Post-22_Depression	0.0288	0.0338	0.0413
Trauma BI Post-22_Exercise	-	-	0.0029
Trauma BI Post-22_Other Mental Illness	0.0154	0.0023	0.0118
Age Under 60_Employment Assistance	0.3244	0.2455	0.2832
At least 3 Mental Illnesses	0.1248	0.0676	0.1770
Offensive_Mobility_Age 60 and Under	-	-	0.0029
Oversight_Mental Illness	0.0326	0.0315	0.0442
Spiral injury_Alcohol/Drug Abuse	0.0038	0.0090	0.0059
Behavioral Variables (Add-On)			
Cognition_2-3	0.1516	0.2117	0.2050
Injury_1	0.0038	0.0158	0.0118
Injury_2	0.0058	0.0090	0.0088
Offensive_1-2	0.0461	0.0766	0.0782
Offensive_3	0.0077	0.0045	0.0059
Mental Health_2-3	0.6564	0.5676	0.6873
Substance Abuse Current	0.1209	0.0856	0.1106
Wander_2	0.0096	0.0113	0.0118
Medication Use (Add-On)			
Meds_2A	0.1651	0.2455	0.2611
Meds_2B	0.3570	0.3108	0.3024
Diagnoses (Add-On)			
Alzheimers	0.0979	0.1396	0.1180
Cerebral Palsy	0.0154	0.0135	0.0133
Mental Illness	0.2937	0.1982	0.2611
Health Related Services (Add-On)			
Dialysis	0.0307	0.0405	0.0324
Exercise	0.1248	0.1532	0.1667
Med Admin	0.5182	0.5315	0.5487
Med Management	0.2035	0.2230	0.2537
Nursing	-	0.0113	-
Ostomy	0.0096	0.0180	0.0133
Oversight	0.4779	0.4797	0.4735
Reposition	0.0825	0.0698	0.0973
Respirate	0.0864	0.1104	0.1165
Tracheostomy	0.0096	0.0090	0.0059
Ulcer Stage 2	0.0269	0.0338	0.0206
Ulcer Stage 3-4	0.0038	0.0293	0.0118
Urinary	0.0230	0.0338	0.0192
Wound	0.0557	0.0698	0.0457

Wisconsin Department of Health Services
CY 2014 Family Care Capitation Rate Development

Functional Screen Regression Model of 2012 PMPM
Frail Elderly - by MCO

Variable	Proportion with Variable - Known Expansion Population			
	CCI (Other Teal Region)	CCI (Milwaukee)	LCD	MDCF (Disabled)
Intercept (Grid Component)	1.0000	1.0000	1.0000	1.0000
DD/NH Level of Care (Grid Component)				
SNF	0.2358	0.2411	0.3050	0.2208
Number of IADLs (Grid Component)				
IADL_1	0.0347	0.0435	0.0293	0.0547
IADL_2	0.0750	0.0909	0.0704	0.1623
IADL_3	0.1298	0.1265	0.1202	0.1642
IADL_4-5-6	0.7569	0.7273	0.7801	0.6075
Specific ADLs / Equipment Used (Add-On)				
Bathing_1	0.2614	0.3794	0.2493	0.2736
Bathing_2	0.6453	0.5375	0.6628	0.5660
Toileting_1	0.3364	0.2490	0.2082	0.2000
Toileting_2	0.2541	0.2530	0.3196	0.1547
Transfer_1-2	0.4516	0.4229	0.3724	0.2925
Interaction Terms (Add-On)				
Bath_Equip_Eat	0.3547	0.3004	0.3695	0.2170
Dress_Bath_Equip	0.7057	0.6838	0.6100	0.5472
Transfer_Equip_Mobility	0.0585	0.0474	0.0440	0.0566
Seizure Pre-22_Anxiety Disorder	0.0037	-	-	-
Seizure Post-22_Anxiety Disorder	0.0073	0.0158	0.0147	0.0132
Seizure Post-22_Bipolar	-	0.0040	-	-
Seizure Post-22_Schizophrenia	-	-	-	0.0038
At least 3 Mental Illnesses	0.0274	0.0119	0.0352	0.0321
Behavioral Variables (Add-On)				
Cognition_2	0.2468	0.2490	0.3255	0.1849
Cognition_3	0.2431	0.1739	0.1818	0.0981
Injury_1-2	0.0055	-	0.0059	0.0113
Mental Health_2-3	0.4899	0.3281	0.5337	0.4396
Offensive_1-2-3	0.0622	0.0277	0.0968	0.0679
Substance Abuse Current	0.0165	0.0316	0.0352	0.0113
Medication Use (Add-On)				
Meds_2B	0.7770	0.7115	0.7097	0.4774
Diagnoses (Add-On)				
Alzheimers	0.4991	0.4032	0.5836	0.3642
Mental Illness	0.0804	0.0711	0.1173	0.0660
Health Related Services (Add-On)				
Med Admin	0.8300	0.7826	0.8328	0.6604
Med Management	0.2340	0.2964	0.2962	0.1736
Oversight	0.7715	0.5968	0.7243	0.5132
Reposition	0.0676	0.0791	0.0528	0.0415
Tube Feedings	0.0037	-	0.0088	0.0019
Ulcer Stage 2	0.0219	0.0158	0.0147	0.0113
Ulcer Stage 3-4	0.0018	0.0119	0.0059	0.0057
Urinary	0.0037	0.0040	0.0088	0.0075

Wisconsin Department of Health Services
CY 2014 Family Care Capitation Rate Development

Functional Screen Regression Model of 2012 PMPM

Frail Elderly - by MCO

Variable	Proportion with Variable - Known Expansion Population		
	Northern Bridges	ContinuUs (Gray Region)	ContinuUs (Red Region)
Intercept (Grid Component)	1.0000	1.0000	1.0000
DD/NH Level of Care (Grid Component)			
SNF	0.1618	0.2876	0.2399
Number of IADLs (Grid Component)			
IADL_1	0.0502	0.0629	0.0618
IADL_2	0.1181	0.1191	0.1121
IADL_3	0.1618	0.1708	0.1293
IADL_4-5-6	0.6650	0.6360	0.6810
Specific ADLs / Equipment Used (Add-On)			
Bathing_1	0.2233	0.2247	0.2845
Bathing_2	0.6748	0.6427	0.5690
Toileting_1	0.2492	0.2090	0.2011
Toileting_2	0.2945	0.2944	0.3017
Transfer_1-2	0.4353	0.4315	0.3908
Interaction Terms (Add-On)			
Bath_Equip_Eat	0.3560	0.2674	0.3376
Dress_Bath_Equip	0.6812	0.6427	0.6322
Transfer_Equip_Mobility	0.0550	0.0787	0.0690
Seizure Pre-22_Anxiety Disorder	-	0.0022	0.0043
Seizure Post-22_Anxiety Disorder	0.0178	0.0135	0.0144
Seizure Post-22_Bipolar	-	-	0.0014
Seizure Post-22_Schizophrenia	-	0.0022	0.0029
At least 3 Mental Illnesses	0.0356	0.0202	0.0417
Behavioral Variables (Add-On)			
Cognition_2	0.2816	0.2831	0.3032
Cognition_3	0.1165	0.1371	0.1710
Injury_1-2	-	0.0090	0.0086
Mental Health_2-3	0.5000	0.4157	0.5259
Offensive_1-2-3	0.0340	0.1056	0.0948
Substance Abuse Current	0.0259	0.0270	0.0172
Medication Use (Add-On)			
Meds_2B	0.6197	0.5326	0.6006
Diagnoses (Add-On)			
Alzheimers	0.4256	0.4382	0.4655
Mental Illness	0.0987	0.0742	0.0819
Health Related Services (Add-On)			
Med Admin	0.6893	0.7034	0.7428
Med Management	0.2120	0.2202	0.3563
Oversight	0.6586	0.5753	0.6422
Reposition	0.0583	0.0517	0.0891
Tube Feedings	0.0016	0.0022	0.0072
Ulcer Stage 2	0.0146	0.0045	0.0101
Ulcer Stage 3-4	0.0065	0.0045	0.0072
Urinary	0.0097	0.0090	0.0014

Wisconsin Department of Health Services
CY 2014 Family Care Capitation Rate Development

Development of the 2014 Final Nursing Home Rates

Pilot Population	Total Statistical Model 2012 PMPM Inc IBNR	Two-Year Trend	2014 Gross Nursing Home Rates	Admin/Risk PMPM	Preliminary 2014 MCE Rates
CCCW (Portage)	\$2,738.62	1.0%	\$2,765.37	\$156.84	\$2,922.20
CCCW (Marathon/Wood)	\$2,816.06	0.9%	\$2,841.26	\$156.84	\$2,998.10
CCCW (Langlade/Lincoln)	\$2,782.91	0.9%	\$2,806.94	\$156.84	\$2,963.78
LCD (Fond du Lac)	\$2,580.35	1.1%	\$2,608.49	\$173.84	\$2,782.32
MCDFC (Milwaukee)	\$2,391.01	1.5%	\$2,425.95	\$131.78	\$2,557.72
ContinuUS (Richland)	\$2,506.35	1.1%	\$2,534.00	\$141.58	\$2,675.58
WWC (La Crosse)	\$2,391.04	1.1%	\$2,417.22	\$149.44	\$2,566.65
CCI (Kenosha/Racine)	\$3,005.15	0.9%	\$3,032.69	\$125.69	\$3,158.38
CCI (Pink Region)	\$2,949.62	0.8%	\$2,973.73	\$125.69	\$3,099.42
CCI (Washington/Waukesha)	\$3,206.62	0.9%	\$3,235.12	\$125.69	\$3,360.80
Care WI (Washington/Waukesha)	\$3,284.31	0.9%	\$3,312.63	\$152.92	\$3,465.55
Care WI (Other Teal Counties)	\$3,298.55	0.8%	\$3,325.91	\$152.92	\$3,478.83

Expansion Population	Total Statistical Model 2012 PMPM Inc IBNR	Two-Year Trend	2014 Gross Nursing Home Rates	Admin/Risk PMPM	Preliminary 2014 MCE Rates
CCCW (Blue Region)	\$2,725.72	1.0%	\$2,751.85	\$156.65	\$2,908.49
CCI (Milwaukee)	\$2,999.68	1.0%	\$3,029.27	\$125.69	\$3,154.96
CCI (Sheb / Ozaukee / Wal)	\$2,965.09	0.9%	\$2,991.45	\$125.69	\$3,117.14
Lakeland Care District	\$3,057.30	1.0%	\$3,088.14	\$173.84	\$3,261.98
MCDFC (Milwaukee)	\$2,830.36	0.9%	\$2,855.92	\$131.78	\$2,987.69
ContinuUS (Grey Region)	\$2,740.63	1.0%	\$2,766.93	\$141.58	\$2,908.51
ContinuUS (Red Region)	\$2,883.38	1.0%	\$2,911.17	\$141.58	\$3,052.74
WWC	\$2,668.58	0.9%	\$2,693.92	\$149.44	\$2,843.36

Wisconsin Department of Health Services
Estimated CY14 Member Months by Eligibility Category

Nursing Home Level of Care

MCO	Pilot Population				Expansion Population				Grand Total			
	DD	PD	FE	Total	DD	PD	FE	Total	DD	PD	FE	Total
Care WI (Washington/Waukesha)	9,130	3,179	5,279	17,588	-	-	-	-	9,130	3,179	5,279	17,588
Care WI (Sheb / Ozaukee / Wal)	-	-	-	-	212	121	145	478	212	121	145	478
Care WI (Other Teal Counties)	15,560	5,415	5,590	26,564	-	-	-	-	15,560	5,415	5,590	26,564
CCCW (Green Region)	19,464	8,883	12,896	41,243	-	-	-	-	19,464	8,883	12,896	41,243
CCCW (Blue Region)	-	-	-	-	11,652	6,854	7,739	26,245	11,652	6,854	7,739	26,245
CCI (Kenosha/Racine)	13,032	7,100	5,983	26,116	-	-	-	-	13,032	7,100	5,983	26,116
CCI (Pink Region)	10,750	3,512	5,035	19,296	-	-	-	-	10,750	3,512	5,035	19,296
CCI (Milwaukee)	-	-	-	-	10,572	7,558	3,024	21,153	10,572	7,558	3,024	21,153
CCI (Washington / Waukesha)	6,435	2,467	3,361	12,263	-	-	-	-	6,435	2,467	3,361	12,263
CCI (Sheb / Ozaukee / Wal)	-	-	-	-	11,661	4,763	6,580	23,005	11,661	4,763	6,580	23,005
Lakeland Care District	5,019	4,404	2,692	12,115	9,455	6,265	4,253	19,973	14,473	10,669	6,945	32,088
MCDFC (Milwaukee)	5,436	38,210	26,106	69,752	17,532	9,293	13	26,837	22,968	47,503	26,118	96,589
MCDFC (Kenosha/Racine)	-	-	-	-	335	396	247	978	335	396	247	978
MCDFC (Washington/Waukesha)	-	-	-	-	221	80	119	419	221	80	119	419
MCDFC (Sheb / Ozaukee / Wal)	-	-	-	-	200	91	107	397	200	91	107	397
ContinuUS (Grey Region)	1,609	1,426	1,228	4,263	10,064	5,591	5,448	21,103	11,673	7,017	6,676	25,366
ContinuUS (Red Region)	-	-	-	-	13,180	8,332	8,560	30,073	13,180	8,332	8,560	30,073
WWC	8,206	8,327	6,615	23,148	10,230	7,020	6,693	23,944	18,436	15,347	13,308	47,092

Wisconsin Department of Health Services
CY 2014 Family Care Capitation Rate Development
Development of the 2014 Final Nursing Home Rates

MCO	2014 Gross MCE Rates	2014 Gross Capitation Rates
Care WI (Washington/Waukesha)	\$3,465.55	\$3,252.40
Care WI (Sheb / Ozaukee / Wal)	\$3,117.14	\$2,925.41
Care WI (Other Teal Counties)	\$3,478.83	\$3,264.87
Care WI (Tan Region)	\$2,707.34	\$2,540.83
CCCW (Green Region)	\$2,975.24	\$2,975.24
CCCW (Blue Region)	\$2,908.49	\$2,908.49
CCI (Kenosha/Racine)	\$3,158.38	\$3,158.38
CCI (Pink Region)	\$3,099.42	\$3,099.42
CCI (Milwaukee)	\$3,154.96	\$3,154.96
CCI (Washington / Waukesha)	\$3,360.80	\$3,360.80
CCI (Sheb / Ozaukee / Wal)	\$3,117.14	\$3,117.14
Lakeland Care District	\$3,080.88	\$3,030.52
MCDFC (Milwaukee)	\$2,677.19	\$2,677.19
MCDFC (Kenosha/Racine)	\$3,158.38	\$3,158.38
MCDFC (Washington/Waukesha)	\$3,422.52	\$3,422.52
MCDFC (Sheb / Ozaukee / Wal)	\$3,117.14	\$3,117.14
WWC	\$2,707.34	\$2,842.71
ContinuUs (Grey Region)	\$2,869.36	\$2,921.67
ContinuUs (Red Region)	\$3,052.74	\$3,108.39
ContinuUs (Washington/Waukesha)	\$3,422.52	\$3,484.90
ContinuUs (Other Teal Counties)	\$3,478.83	\$3,542.24

Wisconsin Department of Health Services
CY 2014 Family Care Capitation Rate Development
Development of the 2014 Final Non-Nursing Home Rates

MCO	Total Statistical Model 2012 PMPM Inc IBNR	Two-Year Trend	2014 Gross Nursing Home Rates	Admin/Risk Rate	2014 Gross Capitation Rates
CCCW (Green Region)	\$538.60	0.9%	\$543.51	5.6%	\$575.53
LCD (Fond du Lac)	\$547.40	1.1%	\$553.37	6.7%	\$592.88
MCDFC (Milwaukee)	\$507.65	1.5%	\$515.07	5.4%	\$544.66
ContinuUs (Richland)	\$521.73	1.1%	\$527.49	5.6%	\$558.70
WWC (La Crosse)	\$533.57	1.1%	\$539.41	6.2%	\$574.96
CCI (Kenosha/Racine)	\$515.00	0.9%	\$519.72	4.1%	\$542.19
CCI (Pink Region)	\$518.21	0.8%	\$522.44	4.2%	\$545.50
CCI (Washington/Waukesha)	\$537.73	0.9%	\$542.51	3.9%	\$564.43
Care WI (Washington/Waukesha)	\$524.63	0.9%	\$529.16	4.6%	\$554.77
Care WI (Other Teal Counties)	\$554.10	0.8%	\$558.70	4.6%	\$585.62
MCDFC (Kenosha/Racine)					\$544.66
MCDFC (Washington/Waukesha)					\$544.66
MCDFC (Sheb / Ozaukee / Wal)					\$544.66
CCI (Milwaukee)					\$547.84
CCI (Sheb / Ozaukee / Wal)					\$547.84
Care WI (Sheb / Ozaukee / Wal)					\$576.08
Care WI (Tan Region)					\$576.08
CCCW (Blue Region)					\$569.76
ContinuUs (Red Region)					\$558.70
ContinuUs (Washington/Waukesha)					\$558.70
ContinuUs (Other Teal Counties)					\$558.70