



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY

***Development of Per Capita Costs
for the TennCare and TennCare
Partners Programs for
State Fiscal Year 2003***

May, 2002

PRICEWATERHOUSECOOPERS 

Prepared for the Tennessee Office of the Comptroller

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EXECUTIVE SUMMARY

At the request of the Tennessee Office of the Comptroller, PricewaterhouseCoopers LLP (PwC) has calculated per capita costs for the TennCare program for State Fiscal Year 2003. The per capita costs shown in this report are calculated to assure an actuarially sound base funding level for managed care plans. Health plan capitation payments are adjusted for the health status mix of plan enrollees and for geographic variation in utilization patterns.

Costs for dental services are reported separately from those for other physical health services to facilitate a new contracting arrangement. The report also addresses costs of the TennCare Partners behavioral health program.

To address variation in expected costs that may result if the state's most recent waiver modification proposal is approved, we have included three per capita cost scenarios for the TennCare program:

- 1) The current program design prior to any adjustments for changes in eligibility rules or processes,
- 2) Waiver Scenario 1, assuming the waiver is approved and the TennCare Standard program is made available to the medically eligible, to uninsured adults up to 100% of the federal poverty level and uninsured children up to 200% of the federal poverty level, and
- 3) Waiver Scenario 2, assuming the waiver is approved and the TennCare Standard program is made available to the medically eligible and to uninsured adults and children up to 250% of the federal poverty level.

TennCare Standard enrollees who are dually eligible for Medicare would have TennCare coverage only for Prescription Drugs under the proposed waiver modification.

This report describes the methods, data and assumptions used to develop per capita costs for the TennCare programs. Administrative costs associated with those portions of the program that are covered by capitated contracts are included in these calculations; those portions of administrative costs that derive from payments for prescription drugs for the Dual TennCare/Medicare population are excluded.

The per capita costs are developed using a combination of encounter data reported by health plans, prescription drug payment data for Dual eligibles and for behavioral health drugs administered by Consultec, and assumed average payment levels per unit of service. Similar to our reports on per capita costs for fiscal years 2001 and 2002, we structured our analysis around several general concepts:

- The per capita funding for TennCare should be appropriate for a publicly funded program.
- Payments should be sufficient to assure adequate access to necessary services and should be reasonably aligned with payments per unit of service in Medicaid services for nearby states.
- Variation in payment amounts among population groups and health plans should reflect underlying differences in health care need.
- TennCare-specific utilization data should be used to the extent appropriate in the calculations.
- Anticipated changes in program administration should be considered in the analysis.
- Health plan administrative costs should be reasonably funded.
- Recent TennCare financial information should inform the development of estimated costs.

TennCare is currently funded through multiple sources including the following:

- Direct capitation payments made to health plans;
- Offsets to capitation payments resulting from expected collection of third party liability claims (TPL); and
- Premium contributions and point of service cost sharing made by TennCare enrollees.

In this report we show the expected per capita cost of the program based on the assumptions described here and we show the per capita cost that will ultimately form the basis of the payments to health plans under capitated

contracts. It is important to note that the final structure of TennCare is not currently known, and that movement of individuals among eligibility categories is likely to occur if the program is structured with varying benefits or cost sharing requirements depending on eligibility category.

We have made a current best estimate of the composition of the TennCare population, but will reevaluate our analysis as the program takes shape. Consequently, the per capita costs shown here should be considered preliminary; capitation rates to health plans will be calculated once the program structure is known. The per capita cost amounts reflect offsets for the value of Third Party Liability and participant cost sharing. In the values that will serve as the basis of the capitation rate development we have also adjusted the hospital payments to reflect the establishment of a \$100 million pool to allow payments to essential TennCare hospital providers outside of the capitation arrangement and removed the cost of prescription drugs for Dual eligibles, since those services are covered on a fee-for-service basis.

For TennCare Partners we show the costs of services that are included in the Behavioral Health Organization contract and for behavioral health drugs that are paid on a fee-for-service basis.

Our Approach

The per capita costs shown in this report are developed based on actual TennCare utilization experience subset by key demographic and eligibility categories. The expected cost per unit of service is approximately 85% of Medicare payments for professional services and a blend of commercial and Medicaid payment levels for hospital services. In developing our cost per unit estimates we reviewed payments currently made in Medicaid programs in several other states. Information is included in the report that shows Tennessee's relative position to other states for key service categories.

The per capita costs are updated using inflation factors to estimate expected costs during Fiscal Year 2003. Because the program will be structured differently for the first and second halves of the year, we have calculated per capita cost values for each six-month period. We also provide an average value for the year to allow comparison to prior year amounts. The following table provides a summary of our results for the program under its current structure and a comparison to last year's per capita costs. To provide a consistent basis of comparison, we have adjusted the FY 2002 amounts for the value of cost sharing and Third Party Liability.

TABLES-1A SUMMARY OF TOTAL PER CAPITA COST CURRENT PROGRAM STRUCTURE* TENNCARE					
Eligibility Group	July - Dec 2002	Jan - June 2003	FY2003	FY2002	Percent Change
Medicaid (TANF & Related)	\$119.56	\$122.33	\$120.92	\$115.58	4.6%
Disabled	\$383.22	\$394.60	\$388.81	\$405.41	-4.1%
Duals (Medicaid & Medicare)	\$226.82	\$242.81	\$234.67	\$156.96	49.5%
Uninsured	\$130.55	\$134.18	\$132.34	\$122.47	8.1%
Uninsurable / Medically Eligible	\$304.31	\$312.63	\$308.42	\$300.83	2.5%
Duals (Uninsurable & Medicare)	\$274.28	\$293.79	\$283.85	\$189.92	49.5%
All Eligibility Groups	\$185.60	\$192.27	\$188.88	\$171.81	9.9%

*Amounts shown are prior to adjustments for a hospital special payment pool and are net of adjustments for Third Party Liability, and point-of-service cost sharing. Dental costs are excluded from the calculations and are separately reported elsewhere.

Note that the per capita values for FY 2002 are calculated as weighted averages based on the most current available eligibility data; consequently the average values by broad eligibility category do not match the amounts shown in our 2001 report.

As can be seen in this table, there is a wide variation in the rate of change in per capita costs by eligibility category. The significant growth in costs for Dual eligibles results from extraordinary trend rates for Prescription Drugs as well as differences in the methods for accounting for drug rebates. In prior years the drug rebates for all eligibles, including Duals, were built into the per capita cost development. Drug rebates for Dual Eligibles are now a separate budget line item, since these services are paid on a fee-for-service basis and the state collects the rebates rather than the health plans. Dual eligibles have only limited benefits for other TennCare-covered services. The use of the Medicare 2002 payment levels as the basis for establishing expected physician payment amounts results in a decrease in costs for the Disabled population, since a large percentage of the costs for that population are for physicians. The lower cost for the Disabled population is also a result of a reduction in utilization of inpatient services.

Under the waiver modification proposal, a number of changes will occur in the mix of enrollees in each eligibility category, as well as the scope of covered services and cost sharing requirements for the TennCare Standard population. We have used the costs of the current uninsured and uninsurable populations as a starting point for estimating costs for the TennCare Standard enrollees. In modeling the expected changes in costs, we adjusted the base data to reflect the following:

- The movement of some individuals in the Uninsured and Uninsurable categories to Medicaid and Disabled eligibility categories. For the Medicaid eligibility category, in particular, this change resulted in a substantively higher percentage of the total population being children and consequently a lower per capita cost. The remaining uninsured population is comprised largely of adults.
- The application of varying cost sharing requirements for services as defined in the waiver modification proposal;
- The limitation of services for TennCare Standard enrollees, as defined in the waiver modification proposal; and
- Limitation of coverage for higher income enrollees, resulting in somewhat lower per capita costs for those who are proposed to be covered.

Table ES-1B shows expected per capita costs under the two waiver scenarios described above. The values shown here are for the period of January through June 2003.

TABLE ES-1B SUMMARY OF TOTAL PER CAPITA COST - WAIVER SCENARIOS TENNCARE		
Eligibility Group	Jan - June 2003 Per Cap Cost - Waiver Scenario 1*	Jan - June 2003 Per Cap Cost - Waiver Scenario 2*
TennCare Medicaid		
Medicaid (TANF & Related)	\$109.33	\$109.33
Disabled	\$392.71	\$392.71
Duals (Medicaid & Medicare)	\$242.81	\$242.81
All TennCare Medicaid	\$178.90	\$178.90
TennCare Standard		
Uninsured	\$167.62	\$175.59
Uninsurable / Medically Eligible	\$319.09	\$319.09
Duals (TennCare & Medicare)	\$258.03	\$258.03
All TennCare Standard	\$233.79	\$225.25
All Eligibility Groups	\$190.14	\$190.20

* Amounts shown are prior to adjustments for a hospital special payment pool but are net of adjustments for Third Party Liability, and point-of-service cost sharing. Dental costs are excluded from the calculations and are separately reported elsewhere.

Waiver scenario 1 assumes coverage for those who are considered medically eligible plus uninsured children in families with income to 200% of poverty and uninsured adults in families with income to 100% of poverty.

Waiver scenario 2 assumes coverage for those who are considered medically eligible plus uninsured children and adults in families with income to 250% of poverty.

The following table ES – 2A, and 2B show the per capita costs by age and sex category under the current program design and the two waiver scenarios, respectively. The amounts shown are prior to adjustments for hospital special payments and include adjustments for Third Party Liability and point-of-service cost sharing. Dental costs are excluded.

TABLE ES-2A			
SUMMARY OF TOTAL PER CAPITA COST BY DEMOGRAPHIC CATEGORY			
CURRENT PROGRAM STRUCTURE			
TENNCARE			
Eligibility Group	July - Dec 2002	Jan - June 2003	FY2003
Medicaid (TANF & Related)			
Age Under 1	\$224.28	\$226.90	\$225.57
Age 1-13	\$45.52	\$46.90	\$46.20
Age 14-18 Female	\$139.11	\$141.83	\$140.45
Age 14-18 Male	\$53.75	\$55.26	\$54.49
Age 19-44 Female	\$234.92	\$240.07	\$237.46
Age 19-44 Male	\$193.45	\$197.36	\$195.37
Age 45-64	\$298.63	\$309.40	\$303.92
Age Over 65	\$201.04	\$210.50	\$205.68
Disabled			
Age 0-18	\$233.39	\$239.60	\$236.45
Age 19+	\$428.21	\$441.15	\$434.57
Duals			
Medicaid & Medicare	\$226.82	\$242.81	\$234.67
Uninsured			
Age Under 1	\$154.17	\$155.89	\$155.02
Age 1-13	\$47.09	\$48.30	\$47.69
Age 14-18 Female	\$96.86	\$98.89	\$97.86
Age 14-18 Male	\$53.93	\$55.25	\$54.58
Age 19-44 Female	\$176.52	\$180.84	\$178.65
Age 19-44 Male	\$116.62	\$119.75	\$118.16
Age 45-64	\$302.22	\$312.04	\$307.06
Age Over 65	\$169.55	\$177.37	\$173.40
Uninsurable / Medically Eligible			
Age Under 1	\$111.23	\$112.83	\$112.02
Age 1-13	\$70.87	\$73.01	\$71.93
Age 14-18 Female	\$112.31	\$114.89	\$113.59
Age 14-18 Male	\$95.08	\$98.06	\$96.55
Age 19-44 Female	\$259.81	\$266.06	\$262.90
Age 19-44 Male	\$206.14	\$211.75	\$208.91
Age 45-64	\$407.12	\$418.44	\$412.71
Age Over 65	\$204.29	\$213.21	\$208.68
Duals			
Uninsurable and Medicare	\$274.28	\$293.79	\$283.85
All Eligibility Groups	\$185.60	\$192.27	\$188.88

TABLE ES-2B		
SUMMARY OF TOTAL PER CAPITA COST BY DEMOGRAPHIC CATEGORY		
WAIVER SCENARIOS		
	Jan - June 2003 Per Cap Cost - Waiver Scenario 1*	Jan - June 2003 Per Cap Cost - Waiver Scenario 2*
Eligibility Group		
TennCare Medicaid		
Medicaid (TANF & Related)		
Age Under 1	\$219.31	\$219.31
Age 1-13	\$47.29	\$47.29
Age 14-18 Female	\$126.11	\$126.11
Age 14-18 Male	\$55.27	\$55.27
Age 19-44 Female	\$239.31	\$239.31
Age 19-44 Male	\$186.06	\$186.06
Age 45-64	\$325.29	\$325.29
Age Over 65	\$208.05	\$208.05
Disabled		
Age 0-18	\$237.97	\$237.97
Age 19+	\$434.58	\$434.58
Duals		
Medicaid & Medicare	\$242.81	\$242.81
All TennCare Medicaid	\$178.90	\$178.90
TennCare Standard		
Uninsured		
Age Under 1	\$153.89	\$149.80
Age 1-13	\$56.77	\$55.46
Age 14-18 Female	\$92.38	\$88.19
Age 14-18 Male	\$66.76	\$63.14
Age 19-44 Female	\$177.83	\$171.03
Age 19-44 Male	\$113.93	\$112.03
Age 45-64	\$296.74	\$292.46
Age Over 65	\$151.39	\$168.26
Uninsurable / Medically Eligible		
Age Under 1	\$128.17	\$128.17
Age 1-13	\$103.14	\$103.14
Age 14-18 Female	\$118.33	\$118.33
Age 14-18 Male	\$179.80	\$179.80
Age 19-44 Female	\$260.12	\$260.12
Age 19-44 Male	\$204.58	\$204.58
Age 45-64	\$412.90	\$412.90
Age Over 65	\$214.94	\$214.94
Duals		
TC Standard & Medicare	\$258.03	\$258.03
All TennCare Standard	\$233.79	\$225.25
All Eligibility Groups	\$190.14	\$190.20

See notes for Table ES-1B for a description of the waiver scenarios.

The following table illustrates the per capita costs that are funded through direct capitation to MCO health plans under the current program design. The values shown in this table reflect two further adjustments to the per capita costs beyond those incorporated in thus far. Specifically, the base per capita costs for developing capitation rates are adjusted for:

- A \$100 million hospital supplemental payment pool; and
- Coverage of prescription drugs for Dual eligibles on a fee-for-service basis.

TABLE ES-3			
SUMMARY OF TOTAL PER CAPITA COST FUNDED BY HEALTH PLANS			
CURRENT PROGRAM STRUCTURE			
Eligibility Group	July - Dec 2002	Jan - June 2003	FY2003
Medicaid (TANF & Related)	\$116.96	\$119.68	\$118.30
Disabled	\$376.36	\$387.66	\$381.91
Duals - Medicaid & Medicare	\$16.36	\$16.36	\$16.36
Uninsured	\$128.05	\$131.62	\$129.81
Uninsurable / Medically Eligible	\$298.68	\$306.88	\$302.73
Duals - TC Standard & Medicare	\$17.38	\$17.38	\$17.38
All Eligibility Groups	\$147.22	\$151.13	\$149.14

Third Party Liability and Participant Cost Sharing

The per capita costs include adjustments for Third Party Liability and participant point-of-service cost sharing. We have assumed that plans will collect Third Party Liability payments for those individuals who are currently enrolled as Medicaid TANF or Disabled of 3% and 4% of total costs, respectively. We have also calculated the value of participant point-of-service cost sharing, varying by income level, based on both the current program and the waiver modification proposal.

Point-of-service cost sharing is currently required only for those individuals who are in the Uninsured and Uninsurable eligibility categories. Most cost sharing applies only to those with an income above 100% of the federal poverty level.

Under TennCare Standard, certain services will have new limits applied. In addition, routine dental services for children will be available for separate purchase and will be funded solely through premium payments. This change

is scheduled to go into effect January 1, 2003 under the waiver modification proposal.

Dental Costs

The state has issued a Request for Proposals to establish a statewide dental program. Under that program, which is scheduled for implementation September 2002, all dental services will be paid on a fee-for-service basis. (Note that adults will continue to be covered only for emergency dental services.) The dental program manager will be paid an administrative fee. Health plan capitation payments will be augmented during July and August when MCOs have responsibility for continuing to provide dental services.

We have estimated the following cost of dental services under this program design.

TABLE ES-4A SUMMARY OF DENTAL PER CAPITA COSTS CURRENT PROGRAM STRUCTURE				
Eligibility Group	July - Aug 2002	Sept - Dec 2002	Jan - June 2003	FY 2003
Medicaid (TANF & Related)	\$5.19	\$9.77	\$9.83	\$9.04
Disabled	\$2.74	\$4.98	\$5.09	\$4.66
Duals - Medicaid & Medicare	\$0.52	\$0.82	\$0.82	\$0.77
Uninsured				
Children	\$5.62	\$10.80	\$10.80	\$9.93
Adults	\$1.26	\$2.02	\$2.02	\$1.89
Uninsurable / Medically Eligible				
Children	\$7.18	\$13.62	\$13.35	\$12.41
Adults	\$0.88	\$1.39	\$1.37	\$1.30
Duals - TC Standard & Medicare	\$0.44	\$0.70	\$0.70	\$0.66
All Eligibility Groups	\$3.31	\$6.15	\$6.18	\$5.69

* For July and August MCO capitation rates will be augmented to cover the cost of dental services.

Under the waiver modification proposal, TennCare Standard enrollees will be covered for emergency dental services. Families will have the option of purchasing a more comprehensive dental services benefit package for TennCare Standard children. The premium for this coverage will be calculated to be fully self-funding.

The following table shows estimated dental costs under the waiver modification proposal scenarios for the portion of the costs that will be covered by TennCare. For uninsured and uninsurable children, we have assumed that 10% of their current costs will remain when the benefit package is limited to emergency dental services only. No change in the level of coverage is expected for adults. Estimates have not been made of the likely premium costs for wrap-around dental services.

TABLE ES-4B SUMMARY OF DENTAL PER CAPITA COSTS WAIVER SCENARIOS		
Eligibility Group	Jan - June 2003 Per Cap Cost - Waiver Scenario 1*	Jan - June 2003 Per Cap Cost - Waiver Scenario 2*
Medicaid (TANF & Related)	\$9.77	\$9.66
Disabled	\$5.06	\$5.05
Duals - Medicaid & Medicare	\$0.82	\$0.82
Uninsured		
Children	\$1.08	\$1.08
Adults	\$2.02	\$2.02
Uninsurable / Medically Eligible		
Children	\$1.34	\$1.34
Adults	\$1.37	\$1.37
Duals - TC Standard & Medicare	\$0.70	\$0.70
All Eligibility Groups	\$6.28	\$6.02

TennCare Partners

Unlike physical health services, behavioral health services are funded on the basis of a fixed monthly budget. This budget is currently divided between payments for individuals who are classified as being Seriously and Persistently Mentally Ill adults or Seriously Emotionally Disturbed children, and those not having those classifications. For evaluation purposes we have converted the current budget amount to per capita costs.

We conducted a thorough review of the TennCare Partners data and found that the data are not structured in a manner that facilitates development of per capita costs. Specifically, Community Mental Health Facility providers do not have a need to report all encounters in order to receive payment, since they are paid largely on a case rate basis. Further, the value of services provided is uncertain; nearly all encounters are coded with a billed amount of \$75. Encounter data reporting requirements include the necessity to show a

billed amount, but do not require that the billed amount reflect actual billings from the provider.

As a substitute we reviewed funding levels for comparable services in other states. Because TennCare covers a higher percentage of the state population than do most Medicaid programs, our analysis considered the funding level in TennCare Partners as a per capita value for all individuals in the state, including those who are not enrolled in TennCare. We differentiated our analysis to the extent feasible between costs for adults and children.

Under the proposed MCO contract amendment, health plans will take responsibility for a small amount of behavioral health services, specifically those behavioral health services that are provided by primary care physicians. The MCO per capita cost has been increased by approximately \$0.40 per member per month. To remain budget neutral, the BHO payment will be reduced by a comparable amount.

Cost trend for professional services is approximately 4%. Adjusting for the change in the scope of services and cost trend, we recommend an increase in payments for BHO services to approximately \$373.5 million. We also recommend that new funding be largely allocated to children's behavioral health services.

A revised benefit package for TennCare Partners will be implemented January 1, 2003. The most substantive change will be an expansion of the number of people eligible for case management services. We estimate the cost of the change in benefits to be approximately \$1 per member per month. We have assumed that the increase in costs will be distributed between adults and children in the same proportion as current costs. The following table shows recommended payment amounts for BHO services subset between adults and children.

TABLES 5			
SUMMARY OF TENNCARE PARTNERS COSTS			
FY 2003			
	Children	Adults	Total
FY 2002 BHO Budget	\$95,470,381	\$262,163,159	\$357,597,216
4% Professional Fee Increase	\$14,303,889	\$0	\$14,303,889
Adjustment for Blended Benefit	\$2,130,480	\$5,850,331	\$7,980,811
Adjustment for Professional Services	(\$1,704,384)	(\$4,680,265)	(\$6,384,648)
Total	\$110,200,365	\$263,333,225	\$373,497,267

To the extent additional BHO services are developed beyond the levels in the current BHO contract, additional funding will be required.

Behavioral health drugs are paid on a fee-for-service basis and administered by Consultec. The paid claims data are included in the encounter databases that form the basis of our analysis. Using that data, we calculated an expected cost of \$25.12 for behavioral health drugs for all TennCare enrollees. This per capita cost estimate is sensitive to the number of people enrolled in the program, as we would expect that changes in enrollment would not necessarily result in a proportionate change in the use of behavioral health drugs.

Acknowledgements

We received significant assistance in obtaining data and background information for this report from: the TennCare Bureau, the Office of the Comptroller of the Treasury, Division of State Audit and Office of Research, and several TennCare health plans.

A large project team at PricewaterhouseCoopers prepared this report. Questions regarding the report should be addressed to Sandra Hunt, the Engagement Partner or Martin Staehlin, the Lead Actuary.

I. INTRODUCTION

At the request of the Tennessee Office of the Comptroller, PricewaterhouseCoopers LLP (PwC) has calculated per capita costs for the TennCare program for State Fiscal Year 2003. The per capita costs shown in this report are calculated to assure an actuarially sound base funding level for managed care plans. Health plan capitation payments are adjusted for the health status mix of plan enrollees and for geographic variation in utilization patterns.

Costs for dental services are reported separately from those for other physical health services to facilitate a new contracting arrangement. The report also addresses costs of the TennCare Partners behavioral health program.

To address variation in expected costs that may result if the state's most recent waiver modification proposal is approved, we have included three total per capita cost scenarios for the TennCare program:

- 1) The current program design prior to any adjustments for changes in eligibility rules or processes,
- 2) Waiver Scenario 1, assuming the waiver is approved and the TennCare Standard program is made available to the medically eligible, to uninsured adults up to 100% of the federal poverty level and uninsured children up to 200% of the federal poverty level, and
- 3) Waiver Scenario 2, assuming the waiver is approved and the TennCare Standard program is made available to the medically eligible and to uninsured adults and children up to 250% of the federal poverty level.

The purpose of this report is to calculate the level of funding needed by TennCare and TennCare Partners for Fiscal Year 2003 to assure that the rates paid to managed care plans are actuarially sound, and to provide a basis for developing a budget for the program. We have applied offsets to these per capita amounts to reflect expected contributions for enrollee point-of-service cost sharing and Third Party Liability. We have also shown the effect of establishing a \$100 million hospital supplemental payment pool and the change in responsibility for dental services from MCOs to a statewide dental contractor, with dental services paid on a fee-for-service basis. Capitation

payments to health plans will be augmented in July and August to cover the cost of providing dental care prior to finalizing implementation of the dental carve-out.

For TennCare Partners we show the costs of services that are included in the Behavioral Health Organization contract and for behavioral health drugs that are paid on a fee-for-service basis.

In developing per capita cost levels it is important to note that there is no single correct answer to the level of funding required. Instead, the per capita cost development relies on a combination of data and assumptions regarding utilization levels and costs per unit of service. States may choose to build into their capitation payments varying cost per unit of service values. A fee-for-service Medicaid program operates similarly, with the State determining the payments that will apply on a periodic basis. Payment levels per service represent a primary area of flexibility available to states in managing the costs of their Medicaid program. Other areas of flexibility are the types of individuals eligible for coverage and to some extent the type and number of services covered. Underlying utilization rates are more difficult for the state to control, but are a critical component of the calculation of per capita cost.

Unlike most states with Medicaid managed care plans, TennCare operates under a section 1115 waiver. TennCare has been in operation since 1994, and there is no current fee-for-service system in place that can be used to estimate the costs of providing services to the Medicaid population in the absence of managed care. Because fee-for-service data are not available, different approaches must be used to estimate program costs.

To calculate the expected per capita costs, we obtained encounter data for TennCare enrollees from the TennCare Bureau and calculated utilization rates. We then developed assumptions regarding payment rates per unit of service based on levels we believe will be sufficient to attract an adequate supply of high quality providers, adjusted the data to bring it forward to FY2003, and added an allocation for administrative costs.

Similar to our reports on per capita costs for fiscal years 2001 and 2002, we structured our analysis around several general concepts:

- The per capita funding for TennCare should be appropriate for a publicly funded program.

- Payments should be sufficient to assure adequate access to necessary services and should be reasonably aligned with payments per unit of service in Medicaid services for nearby states.
- Variation in payment amounts among population groups and health plans should reflect underlying differences in health care need.
- TennCare-specific utilization data should be used to the extent appropriate in the calculations.
- Anticipated changes in program administration should be considered in the analysis.
- Health plan administrative costs should be reasonably funded.
- Recent TennCare financial information should inform the development of estimated costs.

TennCare is currently funded through multiple sources including the following:

- Direct capitation payments made to health plans;
- Offsets to capitation payments resulting from expected collection of third party liability claims (TPL); and
- Premium contributions and point of service cost sharing made by TennCare enrollees.

Generally Accepted Methods for Calculating Per Capita Costs

Per capita costs are generally calculated by multiplying the rate of utilization of covered services by the average payment per unit of service. The utilization rate is expressed in terms of the number of services provided per 1,000 eligibles (or enrollees) in a program per year. The number of eligibles per year is expressed in terms of the number of member-months of eligibility. Thus, a person eligible for the entire year would have twelve member-months of eligibility, while a person eligible for only half of the year would be counted as having six member-months of eligibility.

For example, the amount to be paid for covered inpatient services would be expressed in terms of the number of inpatient days or the number of

admissions per 1,000 members per year. This utilization rate is then converted into a measure per person per month by dividing by 12 and dividing by 1,000. The average payment (or reimbursement) per unit of service is then multiplied by this utilization rate to determine the per capita cost per month for that service. Similar calculations are made for the other categories of service and appropriate adjustments are applied to reflect changes in covered services, eligibility, or the change in the cost per unit of service over time. Refinements to the rate setting methodology, combined with regular updates to the underlying data should ensure that the rates remain actuarially sound.

The sum of the required per capita costs for all contracted services is the total per capita cost for health care services. Under TennCare, health plans are also paid an allowance for administrative expenses, since managed care utilization data are used to determine the per capita costs and savings from managed care cannot be relied on to fund plan administration.

II. OUR APPROACH - TENNCARE

To develop the per capita funding level for TennCare for Fiscal Year 2003, we started with detailed encounter data that reports all utilization by TennCare enrollees. This data is submitted by the health plans to the TennCare Bureau. In addition to health plan encounter data we obtained detailed prescription drug data for Dual Eligibles that are paid on a fee-for-service basis. We established the cost per unit of service and an administrative cost. These amounts, when taken together, calculate the expected cost per person per month for services provided to TennCare enrollees in FY 2003. The amounts shown incorporate expected offsets for enrollee cost sharing and Third Party Liability as well as the establishment of a \$100 million hospital supplemental payment pool and the carve-out of dental services.

For the waiver scenarios, we first calculated per capita costs for individuals in their current eligibility category, segmented by type of eligibility (i.e., Uninsured or Uninsurable), income level, and whether the individual is designated as Disabled within their eligibility category. Expected per capita costs are developed for these scenarios by “moving” individuals among eligibility categories.

Demographic Groups

Per capita costs for the TennCare program vary based on eligibility category and demographic group. For FY 2003, developing sound per capita costs is particularly complicated, as the program is in a significant state of transition. Among the considerations in developing per capita costs in the existing environment are the following:

- TennCare is undertaking a complete eligibility reverification process, and a number of people currently covered by TennCare will be removed from the eligibility roles. These reductions in the number of covered people will likely increase per capita cost while lowering total costs.
- The distribution of people among the TennCare Medicaid and TennCare Standard programs cannot be known at this time. While we believe we have made reasonable assumptions regarding likely eligibility distribution, the final distribution of enrollees will depend in large part on operational factors that have not been tested.

The following table provides a summary of the eligibility categories for which we have developed per capita costs and would propose capitation rates under the current program structure and the waiver modification proposals. Age groupings are used for most eligibility categories where use of health care services varies by demographic grouping.

**TABLE 1
TENNCARE ELIGIBILITY CATEGORIES
CURRENT PROGRAM STRUCTURE AND WAIVER SCENARIOS**

	Current Program	Waiver Modification Proposal
Medicaid	Includes Temporary Aid to Needy Families, pregnant women, low income children, Old Age Assistance recipients without Medicare coverage, children in Foster Care, etc. Per capita costs have been calculated for the following demographic categories: <ul style="list-style-type: none"> - Under 1 year of age; - Age 1 – 14; - Age 14 – 44 Female; - Age 14-44 Male; - Age 45-64; and - Age 65 and over 	Same as Current Program
Blind/Disabled	Individuals who qualify for traditional Medicaid as Blind or Disabled but do not have Medicare coverage. Per capita costs have been calculated for the following demographic categories: <ul style="list-style-type: none"> - Under 19 years of age; - Age 19 + 	Same as Current Program
Duals – Medicaid & Medicare	Individuals who are dually eligible for Medicaid and Medicare.	Same as Current Program
Uninsured	Eligible for TennCare program because no other insurance coverage is available. Demographic categories similar to the Medicaid eligibles are used.	Eligible for TennCare Standard per Waiver modification proposal; income limits will apply with possible variation for adults and children
Uninsured/Disabled	Self-designated subset of Uninsured. Demographic categories similar to the Medicaid eligibles are used.	Expected to meet Medicaid Disabled eligibility criteria; income limits will apply with possible variation for adults and children
Uninsurable	Eligible for TennCare because individual has been denied insurance coverage due to a medical condition. Demographic categories similar to the Medicaid eligibles are used.	Not applicable

TABLE 1 TENNCARE ELIGIBILITY CATEGORIES CURRENT PROGRAM STRUCTURE AND WAIVER SCENARIOS		
	Current Program	Waiver Modification Proposal
Uninsurable/Disabled	Self-designated subset of Uninsurable. Demographic categories similar to the Medicaid eligibles are used.	Expected to meet Medicaid Disabled eligibility criteria; income limits will apply with possible variation for adults and children
Medically Eligible	Not applicable	Meets medical underwriting criteria. Demographic categories similar to the Medicaid eligibles are used; income limits will apply with possible variation for adults and children
Duals – Uninsurable and Medicare	Individuals who are dually eligible for TennCare Uninsurable and Medicare	Not applicable
Duals – TennCare Standard and Medicare	Not applicable	Individuals who are dually eligible for TennCare Standard and Medicare; income limits will apply

For purposes of rate setting we will combine the data for infants age 0-1 for the Medicaid, Uninsured, and Uninsurable/ Medically Eligible categories, although the historical experience data for these rate cells is shown in this report. There are very few infants in the Uninsurable category, in particular, and we believe the data are not sufficiently stable to project a per capita cost for this population separately.

In the following section we describe the data sources used for our analysis and the considerations made in establishing the assumptions that are critical to the per capita cost development.

Data Sources

Claims and Encounter Data

PwC obtained detailed claims and encounter data submitted to the TennCare Bureau for the period January 1, 2000 through September 30, 2001, updating our databases obtained for earlier analyses. The database included claims records for prescription drugs provided to Dual eligibles and for behavioral health drugs and paid on a fee-for-service basis. The data were segregated into the following broad service categories: inpatient hospital, outpatient hospital, home health care, professional, pharmacy and dental. Where

appropriate the data are segregated between physical health, behavioral health and dental services. The Bureau also provided control totals of claim counts and billed amounts by year and service category to which we matched in our initial data analyses. Data for the two-year period of October 1999 through September 2001 form the basis of this analysis.

We performed numerous diagnostic analyses to ensure the data were credible. Detailed reviews of segments of the claim and eligibility records were performed by health plan, by geographic region, by claim service category and by eligibility group to ensure the units of service and resulting per-member-per-month raw values did not have poor data quality.

We undertook an in-depth analysis of encounter records for Access Med Plus members to gain an understanding of the effects that plan's claims processing problems had on the quality of the data. The results of this analysis are described more fully below in the section on Incurred but Not Reported claims and Trend. As a consequence of that review, we included Access Med Plus data in our analysis generally through April 2001 and imputed per member per month costs for the remaining time period. We also made an adjustment to data for earlier time periods to reflect the measured effect of the Grier Consent Decree on health plan utilization. That adjustment is applied only to prescription drug utilization as no discernable effect of the Consent Decree was found in our examination of data for other service categories. A detailed discussion of the effect of the Grier Consent Decree is included below.

To allow time for the claims data to be sufficiently complete, data for claims incurred for October 1999 through September 2001, with claims payments through December 2001 are used in all of the attached exhibits with the special adjustment made to the Access Med Plus data noted above.

Encounters were classified into the detailed service categories shown in the attached tables using combinations of diagnosis codes, procedure codes, revenue codes and claim type indicators. After categorizing claims, the encounter data was summarized by eligibility group, demographic group, geographic region, calendar year and service category.

In this summarization process, unit counts were made for each service category. The following table details the types of units that were counted for each detailed service category. In the table, "Services" indicates the actual unit counts that were recorded on each claim. "Claims" or "Prescriptions"

refers to a count of “1” for each claim record in the historical database. This count is used for services in which recorded units are not meaningful, such as for pharmacy where the units recorded is often the number of pills dispensed. “Days” are used for inpatient units, and represent the number of inpatient days that were covered by the managed care plan.

TABLE 2	
DEFINITION OF SERVICE UNITS	
Service Category	Units Counted
Dental	Claims
Pharmacy	Prescriptions
Home Health Care	Claims
Inpatient	Days
Outpatient	Claims
Professional	Services
DME/Supplies	Claims
Lab	Services
Radiology	Services
Transportation/Ambulance	Claims

Eligibility Data

The TennCare Bureau provided detailed eligibility data for the October 1999 through September 2001 time period. PwC calculated member months of eligibility from this data segregated by eligibility category, demographic group, health plan, region and month. The calculations include counts of fractional months for members who started or ended their eligibility in the middle of the month. To facilitate analysis of the potential changes in program costs that could result from the waiver, we obtained a data set that included an income level identifier for the Uninsured and Uninsurable population. The income level, expressed as a percentage of poverty level, was merged to the claims data base to allow calculation of costs by income level.

The eligibility data were “flagged” to identify the varying types of eligibility reverification that is underway; our database was provided in February 2002 to allow time for the reverification process to begin and to more accurately reflect those individuals who are expected to remain in the program. Individuals who were identified as dropping TennCare eligibility through the reverification process were removed from our analysis database. Since most individuals who are being removed had a relatively low propensity to use

health care services, removing their cost and eligibility data results in a higher per capita cost value.

Historical Data Exhibits

Exhibit 1 shows historical eligibility and encounter data, and is the basis of all future calculations described here. This exhibit shows, for informational purposes:

- Billed charges and member months of eligibility for October 1999 through September 2001,
- Charges per member per month (PMPM) for each year,
- Unadjusted units of service by year,
- Units/1,000 members for each year, calculated as the total units of service divided by the appropriate member months, multiplied by 1,000, multiplied by 12, and
- Charges per unit of service for the combined years.

Note that this exhibit includes the value of imputed claims for Access Med Plus for the periods of time where that plan's data was considered to be unreliable.

Adjustments to Data

Development of the Cost per Unit of Service

We reviewed information on payment rates for key service categories in several state Medicaid programs. We specifically focused on physician and hospital costs.

Professional Services

In a 2001 report commissioned by the MediCal Policy Institute, a survey of physician payment arrangements in all 50 states plus the District of Columbia was performed. The payment rates reported are generally the amounts paid in the states' fee-for-service programs. In addition, the payments form the basis of capitation rates paid to managed care plans. That report found that TennCare, which currently pays 85% of the Medicare payment amount, had

the 23rd highest physician payment level among Medicaid programs.¹ When the payments were adjusted to reflect relative costs of providing care by state, Tennessee ranks 19th. This relative ranking is shown in Table 3. (Note that each state's ranking does not necessarily correspond to the percentage of Medicare payments used in developing the payment rates because of the adjustment for variation in costs by geography.) Compared to a group of 12 "peer" states, Tennessee is ranked 7th. The following table shows the 2001 physician payment amounts for certain states, the relative ranking of these states among all Medicaid programs and among the "peer" states.

It is important to note that many Medicaid programs are in the midst of changing provider reimbursement amounts as a result of looming budget deficits. Consequently, the values shown in this report can be considered accurate for the data period that is reported, but do not serve as an indication of expected payment levels in fiscal year 2003.

For Tennessee, these payments are made for the Medicaid and expansion populations; for most other states the population covered by TennCare's expansion would be uninsured.

¹ The Lewin Group, "Comparing Physician and Dentist Fees Among Medicaid Programs," Prepared for the MediCal Policy Institute, June 2001.

TABLE 3 COMPARISON OF PHYSICIAN PAYMENT AMOUNTS IN MEDICAID PROGRAMS			
State	Average Medicaid Fee as % of Medicare Payment	Volume Weighted Ranking, Geographically Adjusted Fees (of 51 states)	Ranking v. Peer states
North Carolina	100.1%	7	1
West Virginia	92.5%	11	2
Alabama	88.5%	18	3
Mississippi	91.4%	12	4
Georgia	80.6%	21	5
Arkansas	88.9%	16	6
Tennessee	85.0%	19	7
Kentucky	84.5%	20	8
Virginia	81.7%	23	9
Louisiana	80.8%	24	10
Florida	65.1%	40	11
South Carolina	66.2%	39	12
Missouri	56.2%	47	13

Hospital Services

Comprehensive studies of hospital payment amounts similar to that for physician services are not available. As a substitute, we examined hospital payment amounts in Medicaid programs for those states where we have data readily available or where the state was willing to share information with PwC. The following table reports the cost per day for hospital services for certain states. We attempted to obtain hospital payment information for the same states reported in the physician analysis, and were unable to do so. The information shown here includes all of the hospital information available to us. As there are significant differences in payment arrangements, the use of pass-through payments, and other critical payment amounts, these values should be considered illustrative only. In some cases pass-through payments may be included, while those payments are excluded in other states.

In several cases we were able to obtain per diem rates for only a subset of the Medicaid population, generally the Temporary Aid for Needy Families, or

TANF, and related populations. To assess whether this more limited information provided a skewed picture of per diems when compared to data for all enrollees, we calculated the per diem for TANF and related enrollees versus all enrollees in two states where we have access to detailed claims data. In those two states, the payment per diem for TANF enrollees was nearly identical to the value for all enrollees, although the cost per discharge was significantly different. Disabled enrollees tend to have much longer lengths of stay than do TANF and related enrollees.

As with physician services, the payments for hospital services extend to all TennCare enrollees, including those who would be uninsured in other states. Also similar to physician services, a number of states are implementing reductions in hospital payment amounts for FY 2003.

TABLE 4			
EXAMPLES OF INPATIENT HOSPITAL EXPENDITURES PER DAY			
State	Data Period	Expenditure Per Day	Comments
Illinois	FY 2001	\$1,200.61	TANF and related
Florida	FY 1999	\$877.17	TANF&SOBRA eligibles
Tennessee	FY 2001	\$825.00	All aid categories & expanded populations
Missouri	FY 2001	\$820.70	TANF only
Mississippi	FY 2000	\$796.44	All aid categories
Virginia	FY 2002	\$692.46	All aid categories
Kentucky	FY 1999	\$674.25	TANF only

Cost per Unit for TennCare for FY 2003

The following table provides a summary of the average cost per unit of service used in the calculation of per member per month costs for TennCare for FY2003. Note that these values vary by eligibility category, and the averages shown here do not represent the amount that any individual provider can expect to be paid for services. The capitation rates will be adjusted to reflect the carveout of \$100 million for hospital special payments.

TABLE 5		
WEIGHTED AVERAGE COST / UNIT		
	Cost / Unit TennCare Only Members	Cost / Unit Dual TennCare / Medicare Members
Dental	\$35.43	\$36.27
Pharmacy	\$27.65	\$36.51
Home Health Care	\$205.18	\$24.74
Inpatient	\$825.00	\$238.51
Outpatient	\$211.36	\$149.14
Professional	\$43.14	\$14.13
DME / Supplies	\$4.81	\$0.62
Lab	\$12.96	\$9.45
Radiology	\$77.55	\$39.96
Transportation / Ambulance	\$25.10	\$10.97

Please refer to Table 2 for a definition of the units associated with each service category.

For inpatient services we determined a reasonable cost amount per day based on other data sources and derived a conversion factor by dividing the cost per day by the billed amount per day. Inpatient services have been priced assuming an average cost per day of \$825. This cost per day represents a blended average of all hospital days, including high cost tertiary care, maternity services, and medical/surgical services and is considered to cover the entire cost of care. The outpatient hospital conversion factor is the same as the inpatient factor. From this amount, health plan capitation payments will be reduced to fund a \$100 million supplemental payment pool. This carveout represents 4.9% of total expected hospital costs.

For pharmacy data, information from the encounter data on historical payment levels compared to billed amounts was used to set the conversion factor. Claims that had a zero paid amount were excluded from the calculation. The paid amount is adjusted for rebates received by health plans from pharmaceutical manufacturers. Dual pharmacy costs are based on the paid amount, since those claims are paid on a fee-for-service basis. No rebate adjustment is made, as the state accounts for rebates in a specific budget line item.

For professional services we calculated conversion factors by comparing the billed amount per unit of service by CPT4 code to payment amounts set at

85% of the 2002 Medicare fee schedule. Based on an analysis of dental payments made by health plans under current contracts, we derived a conversion factor of 0.74. In a separate analysis we have developed dental cost estimates for a stand-alone dental program paid on a fee-for-service basis. Dental costs are reported separately in Tables 7A and 7B below.

For DME/supplies we used the Medicare payment methodology to derive a conversion factor. Transportation services are assumed to have a cost that is 90% of billed charges; Medicare does not provide a pricing model for non-emergency transportation.

The resulting conversion factors are shown in Exhibit 2a. Separate conversion factors are shown for Dual eligibles and all others. Under TennCare, the state pays the cost of Medicare deductibles and copayments. Consequently, the cost to health plans of serving Dual eligibles includes only those costs that are not part of the Medicare benefit package. This difference is evident in the Weighted Average Cost/Unit columns in Exhibit 2a. Under the proposed waiver, individuals who are dually eligible for Medicare and TennCare Standard will receive only prescription drug coverage through TennCare. Consequently, these individuals will not be enrolled in managed care plans.

Effect of the Grier Consent Decree

We performed an analysis of the effects of the Grier Consent Decree. Although the Decree has provisions that can affect several areas of cost, it has had the greatest effect on the cost of providing prescription drug services. Specifically, the Decree allows physicians to prescribe non-formulary drugs. If not approved by the MCO plan, a 14-day supply is provided while an appeal is processed. Plans have argued that this provision renders drug management programs moot for most purposes, and that the effect of the program rules was to change both the number of prescriptions filled and the cost per prescription. The Decree went into effect in November 2000. It appears from the data that plans have reacted to the Decree by changing their approval processes.

To estimate the costs associated with the Consent Decree, we measured the rate of change in prescription drug utilization and billed amount per prescription by month from January 1999 to September 2001, the end of our data period. We observed a significant increase in the month-to-month utilization and cost values beginning in approximately January 2001, two

months after the change was implemented. Based on this data analysis, we calculated the effect of the Decree on both the number of prescriptions written and the billed amount per member per month. Exhibit 2b shows the factors calculated by eligibility category.

We adjusted the claims data prior to January 2001 to mimic the effect of the Consent Decree on health care costs. This adjustment was made prior to calculating the general rate of change in health care costs, so as not to overstate general trend.

We performed similar analyses for each service category, but did not observe a measurable difference in trend rates that could be attributed to the Consent Decree.

For Dual eligibles, the state took over responsibility for prescription drug costs, administered through Consultec, in July 2000. We observed changes in cost and utilization for this eligibility category similar to the “Grier effect.” However, those changes appear to have started in July 2000 rather than concurrent with the implementation of the Consent Decree. We have calculated an adjustment to the cost of Prescription Drugs for Dual eligibles that results from the program change, but have not attributed that change to the Consent Decree. The adjustment factor for Dual eligibles is included in Exhibit 2b.

IBNR and Trend

The claims data covers dates of service from October 1999 through September 2001, with runout through December 2001. These data must be adjusted to reflect claims that were Incurred But Not Reported (IBNR) in order to “complete” the starting claims database. Incurred But Not Reported claims have been estimated using standard actuarial methods on the 24 months of data used for this analysis.

Additionally, the claims data used in this report represent charge and utilization levels that were present from October 1999 through September 2001, the data period used for these calculations. These data must therefore be adjusted to reflect the anticipated cost and usage levels in the contract period, FY 2003. To provide information for decision makers related to the different components of TennCare throughout the 2003 fiscal year, per capita costs have been separately estimated for the period of July 1, 2002 through

December 31, 2002 and January 1, 2003 through June 30, 2003. The values are then combined to show the average cost for the entire fiscal year.

As previously mentioned in the section titled Claims and Encounter Data, an in-depth review of the Access Med Plus data records was performed to ensure the data was consistent with that of other participant carriers and appropriately reflected underlying experience patterns. The pharmacy data was utilized through the same period (September 30, 2001) as all other MCOs. For Inpatient Hospital, Outpatient Hospital, Dental and Home Health, data through April 30, 2001 was utilized.

Underlying costs and utilization were trended forward to September 30th, 2001 (consistent with the process described in the following paragraph) in order to combine similar data sets (i.e., data from October 1, 1999 through September 30, 2001). The trend applied to the Access Med Plus data was similar to that applicable to all MCO's but was specific to the Access Med Plus experience. For Professional Services, the most in-depth review was performed, since for this one claims category, that data appeared to be underreported for most of 2001. The analysis considered the past three years of Access Med Plus data, the past three years of all MCOs data and the most recent 24 months of all MCOs data to develop appropriate underlying base rates. Due to the special adjustment on Professional Services for Access Med Plus, all Professional Services trend values were derived from the Professional Services data excluding Access Med Plus.

Trend rates are comprised of changes in cost per unit of service as well as changes in the volume of services used per person over time. PwC has examined the historical data and has calculated utilization trend rates from this information using a least-squares regression method. For inpatient and outpatient services, where the conversion factor assumes a fixed overall cost per unit of service, the cost component of trend is not required. Similarly, for professional services, our calculations of payments per unit of service are based on a comparison to FY 2002 payment rates in the Medicare program, and only a utilization trend is required. For other service categories, a cost component has been added.

The trend rates are applied in two steps, first updating the data to January 1, 2002, and then to the midpoint of the contract period. For this report, we show two half-year contract periods, and the trend rates are applied separately

for each half of the year. This contract period trend was developed based upon the historical underlying trend rates in the experience data. As noted, a separate adjustment was made to recognize the effect of the Grier Consent Decree. The historical and contract period annual trend factors are shown in Exhibits 2c and 2d.

Different capitation payments will be made for the first and second halves of the contract year.

Change in Responsibility for Certain Behavioral Health Services

TennCare MCOs will have clear responsibility for certain behavioral health services in the upcoming contract year. These services, defined as behavioral health services delivered by primary care providers, have historically been the responsibility of the Behavioral Health Organizations under TennCare Partners. However, two health plans tracked the utilization of these services among their enrollees. Relying on the data for these plans, we calculated an adjustment to the professional service utilization category to reflect additional expected service use due to this change in policy. A comparable adjustment has been made to the BHO per capita cost development to ensure budget neutrality.

Administrative Cost

The preliminary rates in our study use health plan encounter data as the base. Therefore, it is necessary to add an amount to cover health plan administration. Additionally, in Tennessee plans are required to pay a 2% premium tax on their premium revenues. We have included an administrative cost load of 11% for all services except pharmacy for those who are dually eligible for TennCare and Medicare. Common administrative cost allowances in other state Medicaid managed care programs, including premium tax, range from 8% to 15%.

Calculation of Per Capita Costs

The per capita costs for Fiscal Year 2003 are calculated based on the historical data shown in Exhibits 1a through 1d, adjusted to reflect the estimated cost and volume of services during the contract period, as described above. Resulting per capita costs are calculated in Exhibit 3 for each of the TennCare per capita cost cells. A weighted average value for the full fiscal year is shown in these exhibits. Exhibit 4 shows the variation in utilization by Grand

Region. Note that the values shown in Exhibit 3 are before adjustments for Third Party Liability and point-of-service cost sharing.

The steps used for calculating the per capita costs are as follows:

1. The billed claims, units of service and member months for each rate cell and service category are brought forward to Exhibit 3 from the corresponding rate cell in Exhibit 1. This information serves as the starting point for the per capita cost calculation.
2. The cost per unit is calculated for informational purposes as the billed charges, divided by the units of service, multiplied by the conversion factor.
3. The billed claims are converted to their corresponding cost levels by multiplying by the conversion factor.
4. These cost amounts are then multiplied by appropriate trend and IBNR adjustment factors to move the data from the midpoint of the historical data period (November 15, 2000) to January 1, 2002, and finally to the midpoint of the two contract periods (January 1, 2003). An adjustment is also applied to reflect the effect of the Grier consent decree.
5. The claims costs from Step 4 are divided by the count of member months for each rate cell to arrive at PMPM costs by service category.
6. The PMPM costs are summarized by rate cell across all service categories to arrive at the total claims cost for each rate cell.
7. Adjustments are made to reflect expected collections for Third Party Liability and member cost sharing.
8. An administrative cost percentage is then added to this total PMPM cost to calculate the per capita costs for FY 2003.

The per capita costs include adjustments for Third Party Liability and participant point-of-service cost sharing. We have assumed that plans will collect Third Party Liability payments for those individuals who are currently enrolled as Medicaid TANF or Disabled of 3% and 4% of total costs, respectively. We have also calculated the value of participant point-of-service cost sharing, varying by income level, based on both the current program and the waiver modification proposal.

Point-of-service cost sharing is currently required only for those individuals who are in the Uninsured and Uninsurable eligibility categories. Most cost sharing applies only to those with an income above 100% of the federal poverty level.

Summary Results – Current Program

Exhibit 5a displays the final per capita costs. Exhibit 5b displays the final per capita costs that are funded through direct capitation payments made to health plans. These per capita costs include pharmacy services for all eligibility categories except for the Medicare and TennCare Dual eligibles and are adjusted to provide funding for a \$100 hospital special payment pool. Dental costs are excluded.

Adjustments to Costs for TennCare Standard Population

To provide information needed for decision-making regarding the proposed TennCare Standard program, we derived per capita cost values for the uninsured and medically eligible populations by age group, income level and eligibility status. These amounts are shown in Exhibit 6a. Working with TennCare Bureau and Department of Finance and Administration staff, we developed estimates of the percentage of the population in each category that could be expected to transition to a TennCare Medicaid eligibility category. We then recalculated the cost by rate cell reflecting the movement of individuals among eligibility categories.

In developing these values we assumed that individuals moving from one eligibility category to another would retain their average cost from their current eligibility category, adjusted for changes in benefits and costs, as appropriate. For example, assume that 10% of the current uninsured population moves into the Medicaid eligibility category, and that these new Medicaid eligibles make up 3% of the total Medicaid eligibility category. The new cost for the Medicaid group would be calculated as the cost of the Medicaid population $\times 0.97$ + the cost of the uninsured population $\times 0.03$. The costs for the uninsured population were developed by income level. Cost sharing is not required for the Medicaid population, so adjustments for cost sharing were removed.

Under TennCare Standard, certain services will have new limits applied. In addition, dental services will be available for separate purchase and will be funded solely through premium payments.

Summary Results – Waiver Modification Proposal

Department of Finance and Administration staff developed estimates of the total number of eligibles by rate cell as well as assumptions regarding the movement of eligibles among rate cells. Those enrollment estimates are used to develop a weighted average per capita cost for the program under the different waiver modification proposals. Exhibits 6b and 6c show the assumptions used regarding transfer of eligibles among categories and the population that is expected to remain enrolled in TennCare. Exhibits 7a and 7b show the expected per capita costs by rate cell and the weighted average cost based on the Department of Finance and Administration assumptions.

Dental Costs

The state has issued a Request for Proposals to establish a statewide dental program. Under that program, which is scheduled for implementation September 2002, all dental services will be paid on a fee-for-service basis. (Note that adults will continue to be covered only for emergency dental services.) The dental program manager will be paid an administrative fee. Health plan capitation payments will be augmented during July and August when MCOs have responsibility for continuing to provide dental services.

In developing dental cost estimates we obtained information on average charges and fee levels for several commercial dental benefit plans. Based on this information, we estimated the cost per unit of service under the new plan design. We have assumed payments per unit of service will increase by 60% under the program. We also assumed that the percentage of children receiving diagnostic and preventive services will increase from the current level of 28% to 38% in the first year of the program. Finally, we assumed that the distribution of types of service will remain similar to the current distribution (in other words, the same percentage of children receiving any service will receive preventive or restorative services as is reflected in the claims data.) We have assumed no change in the level of utilization of dental services for adults; adults will continue to have coverage only for emergency dental services.

We have estimated the following cost of dental services under this program design, including the 11% administrative cost allowance.

TABLE 6A				
SUMMARY OF DENTAL PER CAPITA COSTS				
CURRENT PROGRAM STRUCTURE				
Eligibility Group	July - Aug 2002	Sept - Dec 2002	Jan - June 2003	FY 2003
Medicaid (TANF & Related)	\$5.19	\$9.77	\$9.83	\$9.04
Disabled	\$2.74	\$4.98	\$5.09	\$4.66
Duals - Medicaid & Medicare	\$0.52	\$0.82	\$0.82	\$0.77
Uninsured				
Children	\$5.62	\$10.80	\$10.80	\$9.93
Adults	\$1.26	\$2.02	\$2.02	\$1.89
Uninsurable / Medically Eligible				
Children	\$7.18	\$13.62	\$13.35	\$12.41
Adults	\$0.88	\$1.39	\$1.37	\$1.30
Duals - TC Standard & Medicare	\$0.44	\$0.70	\$0.70	\$0.66
All Eligibility Groups	\$3.31	\$6.15	\$6.18	\$5.69

* For July and August, MCO capitation payments will be increased to cover the cost of providing dental services.

Under the waiver modification proposal, TennCare Standard enrollees will be covered for emergency dental services. Families will have the option of purchasing a more comprehensive dental services benefit package for TennCare Standard children. The premium for this coverage will be calculated to be fully self-funding.

The following table shows estimated dental costs under the waiver modification proposal scenarios for the portion of the costs that will be covered by TennCare. For uninsured and uninsurable children, we have assumed that 10% of their current costs will remain when the benefit package is limited to emergency dental services only. No change in the level of coverage is expected for adults. Estimates have not been made of the likely premium costs for wrap-around dental services.

TABLE 6B SUMMARY OF DENTAL PER CAPITA COSTS WAIVER SCENARIOS		
Eligibility Group	Jan - June 2003 Per Cap Cost - Waiver Scenario 1*	Jan - June 2003 Per Cap Cost - Waiver Scenario 2*
Medicaid (TANF & Related)	\$9.83	\$9.83
Disabled	\$5.09	\$5.09
Duals - Medicaid & Medicare	\$0.82	\$0.82
Uninsured		
Children	\$1.08	\$1.08
Adults	\$2.02	\$2.02
Uninsurable / Medically Eligible		
Children	\$1.34	\$1.34
Adults	\$1.37	\$1.37
Duals - TC Standard & Medicare	\$0.70	\$0.70
All Eligibility Groups	\$6.32	\$6.11

III. OUR APPROACH - TENNCARE PARTNERS

Unlike physical health services, behavioral health services are funded on the basis of a fixed monthly budget. This budget is currently divided between payments for individuals who are classified as being Seriously and Persistently Mentally Ill adults or Seriously Emotionally Disturbed children, and those not having those classifications. For analysis purposes we have converted the current budget amount to per capita costs; however, the contract will continue to operate on a budget basis.

To assess the appropriateness of the current funding level for TennCare Partners and to develop recommendations for adjustments to that funding level, we conducted a thorough review of the TennCare Partners data. However, we found that the data are not structured in a manner that facilitates development of per capita costs. Specifically, Community Mental Health Facility providers do not have a need to report all encounters in order to receive payment, since they are paid largely on a case rate basis. Further, the value of services provided is uncertain; nearly all encounters are coded with a billed amount of \$75. Encounter data reporting requirements include the necessity to show a billed amount, but do not require that the billed amount reflect actual billings from the provider.

As a substitute we reviewed funding levels for comparable services in other states. Because TennCare covers a higher percentage of the state population than do most Medicaid programs, our analysis considered the funding level in TennCare Partners as a per capita value for all individuals in the state, including those who are not enrolled in TennCare. We took this approach since those with the greatest need for behavioral health services are likely to be enrolled in Medicaid or a Medicaid-like program. Additional costs would be expected to result from covering more people, but additional enrollees would most likely result in a lower average cost per person. We differentiated our analysis to the extent feasible between costs for adults and children.

Overview

We sought information on Medicaid behavioral health organization (BHO) program design and rates from a number of states that operate behavioral health managed care programs. Because TennCare operates a program with expanded eligibility that covers almost a quarter of the state population, such Medicaid-only rates are not directly comparable to the TennCare program. Therefore, the information was converted to an estimated per capita rate for the entire state population to allow a more appropriate comparison. Separate per capita costs were estimated for Adult and Child groupings.

State Data Collection

Based upon our existing knowledge and a literature and internet search, we identified approximately ten states that operate Medicaid managed care behavioral health programs. Two of these states, Oregon and Massachusetts, have Medicaid programs with expanded eligibility that includes populations similar to the expanded eligibility population in TennCare.

We obtained Medicaid rate information on six states and more detailed program design information on four of those states. Recent rate information was available for Arizona, Colorado, Massachusetts, Oregon, Utah and Washington. Most of the rates are effective for FY2002. Information on program design was available for Arizona, Colorado, Massachusetts and Oregon.

Calculation of the Estimated State Per Capita Cost

Historically, TennCare BHO has operated on a “budget” basis: the funding for the program is fixed on a monthly basis, and changes in enrollment levels result in changes in the per capita payment amount. Separate payment

amounts are made for individuals with severe mental illness, classified as Seriously and Persistently Mentally Ill/Seriously Emotionally Disturbed (SPMI/SED), and those without that designation. There is a significant difference in the dollar amount paid for individuals in these two classifications, reflecting the difference in the level of service needed. To provide the most appropriate point of comparison, we estimated per capita expenditures for adults and children in TennCare and in the other state Medicaid programs.

The steps to calculate Per Capita BHO cost for each state were:

1. Calculate an aggregate Child and Adult rate for each State.

Four of the states, Arizona, Colorado, Utah, and Washington, set BHO rates for groupings that are easily aggregated into Child and Adult categories. For example, Arizona uses a Child, Seriously Mentally Ill Adult and General Adult rate cells and Washington uses Disabled/Non-Disabled Child and Disabled/Non-Disabled Adult rate cells. Massachusetts and Oregon combine adults and children in their Family, Disabled and Expansion group rate categories.

Because PwC does the rate setting for the Oregon Health Plan (OHP), we have the data that is used to set BHO rates. The FFS and BHO encounter data was run sorting claims by adult and child rather than the OHP rate cell categories to arrive at an estimate for child and adult. For Massachusetts, we calculated an estimate for the Adult rate group only, as data were not available to calculate the child rate.

Using either eligibility data provided by the state, or recent Medicaid enrollment reported to the Centers for Medicare and Medicaid Services (CMS), the separate aid category rates were used to calculate a weighted average Child and Adult per member per month (PMPM) rate for each state. Where costs for Disabled individuals were reported as a single value for adults and children, we developed cost distribution information factors based on Oregon data to allocate an appropriate amount of the costs to children and adults.

2. Calculate estimated total Medicaid BHO expenditures for each State.

The PMPM weighted average estimates were multiplied by actual or estimated eligibility to produce an estimate of total Medicaid/Medicaid

expansion BHO expenditures. Child and Adult totals are calculated separately.

3. Calculate estimated Per Capita BHO expenditures for each State.

The Medicaid / Medicaid-expansion expenditures are converted to state per capita estimates by dividing the relevant total BHO expenditure by the total child or adult population in the state. Total population is taken from reports of the age distribution by state of the 2000 Census. The Child population is defined as people under 18 years of age; Adults are 18 years and older.

Data Limitations

The BHO plan benefit design and administration varies for each state. Therefore, the scope of benefits and the mix of services that are actually purchased are not completely comparable. However, all of the state BHO rates exclude outpatient prescription drugs; with the general exception for methadone treatment, prescription drugs is carved out of the BHO program and paid fee-for-service. The rates differ as to whether they include coverage for substance and alcohol abuse, community based residential treatment (transitional or longer term), and the definition and extent of “case management” services. Because we did not obtain the underlying data used to determine the rates, we are unable to make these adjustments.

Results

Despite the data limitations, the results of the analysis show state per capita costs that are fairly similar for the time period. As shown in the following tables, Tennessee has the highest per capita expenditure for BHO services for adults, although the per capita expenditure for the TennCare enrollees is the lowest. Tennessee also has the lowest per capita value for TennCare children, and has the second lowest statewide per capita value for all children.

TABLE 7				
COMPARISON OF EXPENDITURES FOR BEHAVIORAL HEALTH SERVICES FOR ADULTS IN SELECTED STATES				
State	Adults 18+ ¹	Medicaid Population ⁵	Medicaid Average PMPM	State Per Capita PMPM
Arizona ⁷	3,763,685	262,121	\$45.44	\$3.16
Colorado ^{2,7}	3,200,466	112,815	\$57.79	\$2.04
Massachusetts ⁶	4,849,033	118,409	\$100.73	\$2.46
Minnesota	3,632,585	222,882	N/A	N/A
Ohio	8,464,801	608,725	N/A	N/A
Oregon	2,574,873	298,260	\$43.52	\$5.04
Tennessee	4,290,762	815,560	\$30.30	\$5.76
Utah ³	1,514,089	47,164	\$94.03	\$2.93
Washington ⁴	4,380,278	378,198	\$33.18	\$2.86

N/A: Not available

TABLE 8				
COMPARISON OF EXPENDITURES FOR BEHAVIORAL HEALTH SERVICES FOR CHILDREN IN SELECTED STATES				
State	Number of Youth 0-17 ¹	Medicaid Population ⁵	Medicaid Average PMPM	State Per Capita PMPM
Arizona ⁶	1,366,947	387,181	\$28.47	\$8.06
Colorado ^{2,6}	1,100,795	120,804	\$56.38	\$6.19
Massachusetts	1,500,064	477,509	N/A	N/A
Minnesota	1,286,894	334,350	N/A	N/A
Ohio	2,888,339	793,639	N/A	N/A
Oregon	846,526	273,143	\$20.18	\$6.51
Tennessee	1,398,521	639,238	\$12.08	\$5.52
Utah ³	719,080	71,871	\$21.24	\$2.12
Washington ⁴	1,513,843	563,834	\$17.09	\$6.37

N/A: Not available

Under the proposed MCO contract, health plans will take responsibility for a small amount of behavioral health services, specifically those behavioral health services that are provided by primary care physicians. The MCO per

capita cost has been increased by approximately \$0.40 per member per month. To remain budget neutral, the BHO payment will be reduced by a comparable amount.

Cost trend for professional services is approximately 4%. Adjusting for the change in the scope of services and cost trend, we recommend an increase in payments for BHO services to approximately \$373.5 million. We also recommend that new funding be largely allocated to children’s behavioral health services.

A revised benefit package for TennCare Partners will be implemented January 1, 2003. The most substantive change will be an expansion of the number of people eligible for case management services. We estimate the cost of the change in benefits to be approximately \$1 per member per month. We have assumed that the increase in costs will be distributed between adults and children in the same proportion as current costs. The following table shows recommended payment amounts for BHO services subset between adults and children.

TABLE 9			
SUMMARY OF TENNCARE PARTNERS COSTS			
FY 2003			
	Children	Adults	Total
FY 2002 BHO Budget	\$95,470,381	\$262,163,159	\$357,597,216
4% Professional Fee Increase	\$14,303,889	\$0	\$14,303,889
Adjustment for Blended Benefit	\$2,130,480	\$5,850,331	\$7,980,811
Adjustment for Professional Services	(\$1,704,384)	(\$4,680,265)	(\$6,384,648)
Total	\$110,200,365	\$263,333,225	\$373,497,267

To the extent additional BHO services are developed beyond the levels in the current BHO contract, additional funding will be required.

Behavioral health drugs are paid on a fee-for-service basis and administered by Consultec. The paid claims data are included in the encounter databases that form the basis of our analysis. Using that data, we calculated an expected cost of \$25.12 for behavioral health drugs for all TennCare enrollees. This per capita cost estimate is sensitive to the number of people enrolled in the program, as we would expect that changes in enrollment would not

necessarily result in a proportionate change in the use of behavioral health drugs.

EXHIBITS

TennCare
FY 2003 Per Capita Cost Development
Historical Encounter Data
Statewide; All Plans

All Eligibility Categories All Age Groups					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	32,315,529				
Service Category					
Dental - Orthodontics	\$4,419,192	\$0.14	33,002	12	\$133.91
Dental - Other	\$137,236,156	\$4.25	2,924,094	1,086	\$46.93
Pharmacy	\$1,799,380,337	\$55.68	48,271,000	17,925	\$37.28
Home Health Care	\$93,528,786	\$2.89	400,074	149	\$233.78
IP - Maternity	\$368,087,676	\$11.39	181,316	67	\$2,030.09
IP - Newborn	\$335,572,171	\$10.38	200,236	74	\$1,675.88
IP - Other	\$2,339,389,200	\$72.39	801,742	298	\$2,917.88
OP - Emergency Room	\$305,035,673	\$9.44	610,405	227	\$499.73
OP - Other	\$1,792,272,823	\$55.46	2,558,224	950	\$700.59
Prof - Anesthesia	\$178,217,632	\$5.51	1,685,495	626	\$105.74
Prof - Digestive System	\$113,951,613	\$3.53	145,540	54	\$782.96
Prof - Ears/Nose/Throat	\$106,551,604	\$3.30	184,017	68	\$579.03
Prof - Evaluation & Management	\$1,225,687,818	\$37.93	18,306,552	6,798	\$66.95
Prof - Female Genital	\$54,863,228	\$1.70	91,966	34	\$596.56
Prof - Integumentary System	\$48,025,918	\$1.49	230,620	86	\$208.25
Prof - Laparoscopy	\$8,085,924	\$0.25	6,079	2	\$1,330.03
Prof - Male Genital	\$6,192,714	\$0.19	12,814	5	\$483.29
Prof - Maternity	\$172,275,899	\$5.33	207,908	77	\$828.62
Prof - Musculoskeletal System	\$125,032,476	\$3.87	212,257	79	\$589.06
Prof - Other	\$47,565,827	\$1.47	3,226,954	1,198	\$14.74
Prof - Respiratory/Cardiology	\$94,733,031	\$2.93	1,020,191	379	\$92.86
Prof - Urinary	\$24,339,917	\$0.75	45,420	17	\$535.88
Prof - Brightline	\$14,027,353	\$0.43	848,659	315	\$16.53
DME/Supplies	\$132,609,295	\$4.10	16,649,480	6,183	\$7.96
Lab	\$214,519,227	\$6.64	7,163,534	2,660	\$29.95
Radiology	\$321,031,483	\$9.93	3,016,320	1,120	\$106.43
Transportation/Ambulance	\$122,986,614	\$3.81	6,021,197	2,236	\$20.43
Total	\$10,185,619,584	\$315.19	115,055,096		

* Claims incurred from 10/1/99 - 9/30/01

TennCare
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Statewide; All Plans

Medicaid (TANF & Related)					
All Age Groups					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	11,679,402				
Service Category					
Dental - Orthodontics	\$1,843,714	\$0.16	13,025	13	\$141.55
Dental - Other	\$68,892,084	\$5.90	1,526,866	1,569	\$45.12
Pharmacy	\$146,317,570	\$12.53	6,243,631	6,415	\$23.43
Home Health Care	\$8,805,256	\$0.75	29,335	30	\$300.16
IP - Maternity	\$220,973,442	\$18.92	111,152	114	\$1,988.04
IP - Newborn	\$264,459,918	\$22.64	159,430	164	\$1,658.79
IP - Other	\$491,359,759	\$42.07	177,715	183	\$2,764.88
OP - Emergency Room	\$117,540,576	\$10.06	289,265	297	\$406.34
OP - Other	\$466,252,150	\$39.92	844,184	867	\$552.31
Prof - Anesthesia	\$70,527,087	\$6.04	751,400	772	\$93.86
Prof - Digestive System	\$24,534,180	\$2.10	29,747	31	\$824.75
Prof - Ears/Nose/Throat	\$21,711,246	\$1.86	55,810	57	\$389.02
Prof - Evaluation & Management	\$408,956,835	\$35.02	6,218,062	6,389	\$65.77
Prof - Female Genital	\$22,454,242	\$1.92	45,009	46	\$498.89
Prof - Integumentary System	\$11,500,448	\$0.98	57,347	59	\$200.54
Prof - Laparoscopy	\$2,987,774	\$0.26	2,445	3	\$1,222.05
Prof - Male Genital	\$3,079,051	\$0.26	8,016	8	\$384.10
Prof - Maternity	\$135,812,767	\$11.63	164,727	169	\$824.47
Prof - Musculoskeletal System	\$25,230,369	\$2.16	44,929	46	\$561.56
Prof - Other	\$12,237,096	\$1.05	373,246	383	\$32.79
Prof - Respiratory/Cardiology	\$14,055,160	\$1.20	250,148	257	\$56.19
Prof - Urinary	\$4,419,160	\$0.38	8,892	9	\$496.96
Prof - Brightline	\$5,197,346	\$0.45	89,905	92	\$57.81
DME/Supplies	\$13,520,378	\$1.16	626,698	644	\$21.57
Lab	\$70,994,228	\$6.08	2,465,145	2,533	\$28.80
Radiology	\$86,924,046	\$7.44	858,467	882	\$101.26
Transportation/Ambulance	\$22,673,402	\$1.94	668,285	687	\$33.93
Total	\$2,743,259,285	\$234.88	22,112,880		

* Claims incurred from 10/1/99 - 9/30/01

TennCare
FY 2003 Per Capita Cost Development
Historical Encounter Data
Statewide; All Plans

Medicaid (TANF & Related)					
Age Under 1					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	746,959				
Service Category					
Dental - Orthodontics	\$0	\$0.00	0	0	\$0.00
Dental - Other	\$25,902	\$0.03	674	11	\$38.42
Pharmacy	\$6,519,052	\$8.73	408,881	6,569	\$15.94
Home Health Care	\$2,225,982	\$2.98	5,264	85	\$422.88
IP - Maternity	\$0	\$0.00	0	0	\$0.00
IP - Newborn	\$146,721,006	\$196.42	75,998	1,221	\$1,930.60
IP - Other	\$74,644,254	\$99.93	33,004	530	\$2,261.68
OP - Emergency Room	\$11,255,375	\$15.07	36,500	586	\$308.37
OP - Other	\$28,247,032	\$37.82	74,052	1,190	\$381.45
Prof - Anesthesia	\$2,558,855	\$3.43	20,205	325	\$126.64
Prof - Digestive System	\$2,147,012	\$2.87	1,938	31	\$1,107.69
Prof - Ears/Nose/Throat	\$2,225,894	\$2.98	6,063	97	\$367.10
Prof - Evaluation & Management	\$71,528,788	\$95.76	1,206,702	19,386	\$59.28
Prof - Female Genital	\$13,107	\$0.02	34	1	\$390.78
Prof - Integumentary System	\$284,252	\$0.38	1,563	25	\$181.90
Prof - Laparoscopy	\$11,708	\$0.02	9	0	\$1,361.74
Prof - Male Genital	\$1,687,716	\$2.26	6,133	99	\$275.20
Prof - Maternity	\$0	\$0.00	0	0	\$0.00
Prof - Musculoskeletal System	\$694,674	\$0.93	945	15	\$734.84
Prof - Other	\$31,290	\$0.04	686	11	\$45.62
Prof - Respiratory/Cardiology	\$2,276,863	\$3.05	14,854	239	\$153.28
Prof - Urinary	\$352,978	\$0.47	1,355	22	\$260.56
Prof - Brightline	\$54,722	\$0.07	833	13	\$65.70
DME/Supplies	\$3,268,431	\$4.38	108,960	1,750	\$30.00
Lab	\$1,943,416	\$2.60	75,093	1,206	\$25.88
Radiology	\$3,393,808	\$4.54	60,070	965	\$56.50
Transportation/Ambulance	\$1,675,183	\$2.24	47,170	758	\$35.51
Total	\$363,787,299	\$487.02	2,186,985		

* Claims incurred from 10/1/99 - 9/30/01

TennCare
FY 2003 Per Capita Cost Development
Historical Encounter Data
Statewide; All Plans

Medicaid (TANF & Related)					
Ages 1 - 13					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	6,027,153				
Service Category					
Dental - Orthodontics	\$1,008,804	\$0.17	6,656	13	\$151.55
Dental - Other	\$45,357,224	\$7.53	1,105,206	2,200	\$41.04
Pharmacy	\$39,445,874	\$6.54	1,799,226	3,582	\$21.92
Home Health Care	\$1,859,241	\$0.31	10,000	20	\$185.92
IP - Maternity	\$4,346,091	\$0.72	2,273	5	\$1,912.42
IP - Newborn	\$270,406	\$0.04	282	1	\$960.13
IP - Other	\$76,315,509	\$12.66	32,659	65	\$2,336.73
OP - Emergency Room	\$33,519,718	\$5.56	107,974	215	\$310.44
OP - Other	\$113,625,662	\$18.85	249,688	497	\$455.07
Prof - Anesthesia	\$10,992,909	\$1.82	99,535	198	\$110.44
Prof - Digestive System	\$5,825,313	\$0.97	9,553	19	\$609.81
Prof - Ears/Nose/Throat	\$7,757,233	\$1.29	19,632	39	\$395.14
Prof - Evaluation & Management	\$129,398,436	\$21.47	2,400,233	4,779	\$53.91
Prof - Female Genital	\$74,412	\$0.01	238	0	\$313.07
Prof - Integumentary System	\$3,980,387	\$0.66	24,098	48	\$165.17
Prof - Laparoscopy	\$43,794	\$0.01	32	0	\$1,387.04
Prof - Male Genital	\$1,127,987	\$0.19	1,549	3	\$728.13
Prof - Maternity	\$141,905	\$0.02	157	0	\$903.23
Prof - Musculoskeletal System	\$5,522,747	\$0.92	11,606	23	\$475.85
Prof - Other	\$6,462,536	\$1.07	178,300	355	\$36.25
Prof - Respiratory/Cardiology	\$2,263,083	\$0.38	55,665	111	\$40.66
Prof - Urinary	\$805,053	\$0.13	2,080	4	\$387.08
Prof - Brightline	\$2,722,823	\$0.45	45,938	91	\$59.27
DME/Supplies	\$2,967,956	\$0.49	235,369	469	\$12.61
Lab	\$11,136,179	\$1.85	473,374	942	\$23.53
Radiology	\$11,076,669	\$1.84	185,928	370	\$59.57
Transportation/Ambulance	\$4,965,203	\$0.82	172,343	343	\$28.81
Total	\$523,013,155	\$86.78	7,229,592		

* Claims incurred from 10/1/99 - 9/30/01

TennCare
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Statewide; All Plans

Medicaid (TANF & Related)					
Ages 14 - 18 Female					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	759,484				
Service Category					
Dental - Orthodontics	\$459,742	\$0.61	3,541	56	\$129.83
Dental - Other	\$8,158,288	\$10.74	144,895	2,289	\$56.30
Pharmacy	\$8,140,851	\$10.72	404,230	6,387	\$20.14
Home Health Care	\$269,624	\$0.36	1,063	17	\$253.74
IP - Maternity	\$33,227,168	\$43.75	16,959	268	\$1,959.28
IP - Newborn	\$19,335,064	\$25.46	13,175	208	\$1,467.50
IP - Other	\$18,447,227	\$24.29	6,257	99	\$2,948.29
OP - Emergency Room	\$8,617,261	\$11.35	19,266	304	\$447.28
OP - Other	\$31,500,586	\$41.48	67,075	1,060	\$469.63
Prof - Anesthesia	\$7,143,665	\$9.41	80,074	1,265	\$89.21
Prof - Digestive System	\$1,196,858	\$1.58	1,383	22	\$865.61
Prof - Ears/Nose/Throat	\$654,912	\$0.86	3,227	51	\$202.93
Prof - Evaluation & Management	\$28,057,265	\$36.94	383,415	6,058	\$73.18
Prof - Female Genital	\$1,186,963	\$1.56	4,572	72	\$259.63
Prof - Integumentary System	\$676,017	\$0.89	3,909	62	\$172.94
Prof - Laparoscopy	\$121,767	\$0.16	75	1	\$1,628.63
Prof - Male Genital	\$0	\$0.00	0	0	\$0.00
Prof - Maternity	\$19,750,497	\$26.01	24,431	386	\$808.41
Prof - Musculoskeletal System	\$1,549,513	\$2.04	1,712	27	\$905.19
Prof - Other	\$1,620,058	\$2.13	44,250	699	\$36.61
Prof - Respiratory/Cardiology	\$684,818	\$0.90	23,501	371	\$29.14
Prof - Urinary	\$178,724	\$0.24	351	6	\$509.03
Prof - Brightline	\$259,773	\$0.34	4,828	76	\$53.80
DME/Supplies	\$600,883	\$0.79	13,231	209	\$45.41
Lab	\$8,285,424	\$10.91	304,250	4,807	\$27.23
Radiology	\$8,061,298	\$10.61	67,297	1,063	\$119.79
Transportation/Ambulance	\$2,071,508	\$2.73	59,104	934	\$35.05
Total	\$210,255,754	\$276.84	1,696,073		

* Claims incurred from 10/1/99 - 9/30/01

TennCare
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Historical Encounter Data
Statewide; All Plans

Medicaid (TANF & Related)					
Ages 14 - 18 Male					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	656,508				
Service Category					
Dental - Orthodontics	\$294,864	\$0.45	2,295	42	\$128.51
Dental - Other	\$5,938,439	\$9.05	108,734	1,988	\$54.61
Pharmacy	\$4,248,869	\$6.47	156,313	2,857	\$27.18
Home Health Care	\$256,746	\$0.39	1,177	22	\$218.12
IP - Maternity	\$0	\$0.00	0	0	\$0.00
IP - Newborn	\$73,879	\$0.11	36	1	\$2,070.27
IP - Other	\$18,120,734	\$27.60	5,800	106	\$3,124.35
OP - Emergency Room	\$4,545,746	\$6.92	10,178	186	\$446.62
OP - Other	\$15,183,582	\$23.13	27,477	502	\$552.60
Prof - Anesthesia	\$1,042,058	\$1.59	8,506	155	\$122.51
Prof - Digestive System	\$620,642	\$0.95	729	13	\$851.10
Prof - Ears/Nose/Throat	\$574,660	\$0.88	978	18	\$587.85
Prof - Evaluation & Management	\$10,762,715	\$16.39	166,307	3,040	\$64.72
Prof - Female Genital	\$0	\$0.00	0	0	\$0.00
Prof - Integumentary System	\$750,260	\$1.14	4,089	75	\$183.48
Prof - Laparoscopy	\$11,873	\$0.02	7	0	\$1,678.96
Prof - Male Genital	\$109,339	\$0.17	108	2	\$1,011.37
Prof - Maternity	\$0	\$0.00	0	0	\$0.00
Prof - Musculoskeletal System	\$2,349,980	\$3.58	3,234	59	\$726.56
Prof - Other	\$981,942	\$1.50	25,865	473	\$37.96
Prof - Respiratory/Cardiology	\$445,586	\$0.68	5,735	105	\$77.70
Prof - Urinary	\$46,524	\$0.07	81	1	\$572.01
Prof - Brightline	\$282,186	\$0.43	7,473	137	\$37.76
DME/Supplies	\$348,247	\$0.53	10,463	191	\$33.28
Lab	\$1,031,587	\$1.57	41,143	752	\$25.07
Radiology	\$2,481,836	\$3.78	37,647	688	\$65.92
Transportation/Ambulance	\$1,081,329	\$1.65	23,217	424	\$46.58
Total	\$71,583,624	\$109.04	647,591		

* Claims incurred from 10/1/99 - 9/30/01

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Medicaid (TANF & Related)					
Ages 19 - 44 Female					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	2,806,879				
Service Category					
Dental - Orthodontics	\$65,042	\$0.02	453	2	\$143.59
Dental - Other	\$7,944,247	\$2.83	143,677	614	\$55.29
Pharmacy	\$60,613,972	\$21.59	2,626,136	11,227	\$23.08
Home Health Care	\$2,592,984	\$0.92	7,432	32	\$348.90
IP - Maternity	\$183,098,951	\$65.23	91,753	392	\$1,995.56
IP - Newborn	\$97,326,506	\$34.67	69,511	297	\$1,400.15
IP - Other	\$166,366,409	\$59.27	56,057	240	\$2,967.80
OP - Emergency Room	\$50,895,658	\$18.13	100,336	429	\$507.25
OP - Other	\$226,575,572	\$80.72	365,891	1,564	\$619.24
Prof - Anesthesia	\$45,102,876	\$16.07	512,486	2,191	\$88.01
Prof - Digestive System	\$11,580,547	\$4.13	12,343	53	\$938.22
Prof - Ears/Nose/Throat	\$6,741,448	\$2.40	21,310	91	\$316.35
Prof - Evaluation & Management	\$142,612,971	\$50.81	1,716,304	7,338	\$83.09
Prof - Female Genital	\$20,632,803	\$7.35	39,470	169	\$522.75
Prof - Integumentary System	\$4,362,580	\$1.55	17,994	77	\$242.45
Prof - Laparoscopy	\$2,687,397	\$0.96	2,240	10	\$1,199.85
Prof - Male Genital	\$0	\$0.00	0	0	\$0.00
Prof - Maternity	\$115,898,862	\$41.29	140,114	599	\$827.18
Prof - Musculoskeletal System	\$9,765,710	\$3.48	20,080	86	\$486.35
Prof - Other	\$2,307,669	\$0.82	103,546	443	\$22.29
Prof - Respiratory/Cardiology	\$5,380,700	\$1.92	127,671	546	\$42.15
Prof - Urinary	\$2,235,454	\$0.80	4,011	17	\$557.31
Prof - Brightline	\$1,577,507	\$0.56	26,142	112	\$60.34
DME/Supplies	\$4,452,330	\$1.59	128,233	548	\$34.72
Lab	\$44,722,589	\$15.93	1,443,879	6,173	\$30.97
Radiology	\$52,863,832	\$18.83	421,981	1,804	\$125.28
Transportation/Ambulance	\$10,101,215	\$3.60	277,468	1,186	\$36.40
Total	\$1,278,505,833	\$455.49	8,476,517		

* Claims incurred from 10/1/99 - 9/30/01

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Medicaid (TANF & Related)					
Ages 19 - 44 Male					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	385,955				
Service Category					
Dental - Orthodontics	\$15,262	\$0.04	80	2	\$191.19
Dental - Other	\$1,218,685	\$3.16	17,963	558	\$67.85
Pharmacy	\$6,764,326	\$17.53	216,662	6,736	\$31.22
Home Health Care	\$353,017	\$0.91	1,222	38	\$288.90
IP - Maternity	\$0	\$0.00	0	0	\$0.00
IP - Newborn	\$330,050	\$0.86	203	6	\$1,626.16
IP - Other	\$93,652,794	\$242.65	29,197	908	\$3,207.57
OP - Emergency Room	\$5,198,956	\$13.47	10,200	317	\$509.68
OP - Other	\$24,813,707	\$64.29	30,153	937	\$822.94
Prof - Anesthesia	\$1,820,594	\$4.72	14,007	436	\$129.98
Prof - Digestive System	\$1,284,214	\$3.33	1,480	46	\$867.46
Prof - Ears/Nose/Throat	\$1,745,446	\$4.52	1,987	62	\$878.38
Prof - Evaluation & Management	\$11,676,309	\$30.25	141,407	4,397	\$82.57
Prof - Female Genital	\$0	\$0.00	0	0	\$0.00
Prof - Integumentary System	\$801,937	\$2.08	3,327	103	\$241.04
Prof - Laparoscopy	\$47,270	\$0.12	29	1	\$1,613.32
Prof - Male Genital	\$110,585	\$0.29	186	6	\$593.22
Prof - Maternity	\$0	\$0.00	0	0	\$0.00
Prof - Musculoskeletal System	\$3,250,990	\$8.42	4,211	131	\$772.01
Prof - Other	\$254,493	\$0.66	5,786	180	\$43.98
Prof - Respiratory/Cardiology	\$1,129,591	\$2.93	7,685	239	\$147.00
Prof - Urinary	\$398,581	\$1.03	359	11	\$1,111.26
Prof - Brightline	\$155,713	\$0.40	2,538	79	\$61.35
DME/Supplies	\$725,896	\$1.88	22,890	712	\$31.71
Lab	\$1,221,213	\$3.16	38,457	1,196	\$31.76
Radiology	\$3,941,120	\$10.21	41,300	1,284	\$95.43
Transportation/Ambulance	\$1,379,113	\$3.57	33,843	1,052	\$40.75
Total	\$162,289,863	\$420.49	625,172		

* Claims incurred from 10/1/99 - 9/30/01

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Medicaid (TANF & Related)					
Ages 45 - 64					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	203,734				
Service Category					
Dental - Orthodontics	\$0	\$0.00	0	0	\$0.00
Dental - Other	\$228,476	\$1.12	5,185	305	\$44.06
Pharmacy	\$13,755,799	\$67.52	411,123	24,215	\$33.46
Home Health Care	\$923,925	\$4.53	2,224	131	\$415.52
IP - Maternity	\$301,232	\$1.48	167	10	\$1,803.37
IP - Newborn	\$279,587	\$1.37	159	9	\$1,758.64
IP - Other	\$34,019,032	\$166.98	11,130	656	\$3,056.52
OP - Emergency Room	\$3,171,557	\$15.57	4,484	264	\$707.29
OP - Other	\$22,210,701	\$109.02	25,431	1,498	\$873.37
Prof - Anesthesia	\$1,564,678	\$7.68	14,152	834	\$110.56
Prof - Digestive System	\$1,594,844	\$7.83	1,896	112	\$840.95
Prof - Ears/Nose/Throat	\$1,411,415	\$6.93	1,703	100	\$828.92
Prof - Evaluation & Management	\$12,569,315	\$61.69	173,443	10,216	\$72.47
Prof - Female Genital	\$519,765	\$2.55	651	38	\$798.81
Prof - Integumentary System	\$556,913	\$2.73	2,010	118	\$277.10
Prof - Laparoscopy	\$60,509	\$0.30	52	3	\$1,168.56
Prof - Male Genital	\$32,565	\$0.16	27	2	\$1,193.74
Prof - Maternity	\$21,503	\$0.11	25	1	\$868.70
Prof - Musculoskeletal System	\$1,804,342	\$8.86	2,892	170	\$623.93
Prof - Other	\$518,448	\$2.54	12,993	765	\$39.90
Prof - Respiratory/Cardiology	\$1,435,782	\$7.05	12,660	746	\$113.41
Prof - Urinary	\$326,981	\$1.60	541	32	\$604.35
Prof - Brightline	\$118,024	\$0.58	1,735	102	\$68.04
DME/Supplies	\$842,730	\$4.14	56,238	3,312	\$14.99
Lab	\$2,299,063	\$11.28	77,069	4,539	\$29.83
Radiology	\$4,290,091	\$21.06	36,667	2,160	\$117.00
Transportation/Ambulance	\$901,746	\$4.43	33,109	1,950	\$27.24
Total	\$105,759,024	\$519.10	887,763		

* Claims incurred from 10/1/99 - 9/30/01

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Medicaid (TANF & Related)					
Age Over 65					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	92,730				
Service Category					
Dental - Orthodontics	\$0	\$0.00	0	0	\$0.00
Dental - Other	\$20,823	\$0.22	532	69	\$39.14
Pharmacy	\$6,828,826	\$73.64	221,060	28,607	\$30.89
Home Health Care	\$323,736	\$3.49	954	123	\$339.49
IP - Maternity	\$0	\$0.00	0	0	\$0.00
IP - Newborn	\$123,420	\$1.33	66	9	\$1,862.29
IP - Other	\$9,793,800	\$105.62	3,610	467	\$2,712.63
OP - Emergency Room	\$336,305	\$3.63	327	42	\$1,029.88
OP - Other	\$4,095,309	\$44.16	4,417	572	\$927.18
Prof - Anesthesia	\$301,451	\$3.25	2,434	315	\$123.83
Prof - Digestive System	\$284,750	\$3.07	425	55	\$670.65
Prof - Ears/Nose/Throat	\$600,238	\$6.47	911	118	\$659.17
Prof - Evaluation & Management	\$2,351,038	\$25.35	30,251	3,915	\$77.72
Prof - Female Genital	\$27,193	\$0.29	45	6	\$604.83
Prof - Integumentary System	\$88,100	\$0.95	357	46	\$246.51
Prof - Laparoscopy	\$3,456	\$0.04	2	0	\$1,710.18
Prof - Male Genital	\$10,859	\$0.12	13	2	\$859.82
Prof - Maternity	\$0	\$0.00	0	0	\$0.00
Prof - Musculoskeletal System	\$292,412	\$3.15	249	32	\$1,172.98
Prof - Other	\$60,659	\$0.65	1,821	236	\$33.31
Prof - Respiratory/Cardiology	\$438,738	\$4.73	2,377	308	\$184.58
Prof - Urinary	\$74,865	\$0.81	115	15	\$652.86
Prof - Brightline	\$26,598	\$0.29	418	54	\$63.67
DME/Supplies	\$313,904	\$3.39	51,313	6,640	\$6.12
Lab	\$354,756	\$3.83	11,881	1,537	\$29.86
Radiology	\$815,391	\$8.79	7,578	981	\$107.60
Transportation/Ambulance	\$498,105	\$5.37	22,031	2,851	\$22.61
Total	\$28,064,733	\$302.65	363,187		

* Claims incurred from 10/1/99 - 9/30/01

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Disabled					
All Age Groups					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	3,631,372				
Service Category					
Dental - Orthodontics	\$179,404	\$0.05	1,297	4	\$138.35
Dental - Other	\$10,695,848	\$2.95	218,419	722	\$48.97
Pharmacy	\$317,327,333	\$87.38	7,913,467	26,150	\$40.10
Home Health Care	\$58,061,171	\$15.99	280,390	927	\$207.07
IP - Maternity	\$32,341,132	\$8.91	15,440	51	\$2,094.61
IP - Newborn	\$27,046,321	\$7.45	12,209	40	\$2,215.19
IP - Other	\$875,661,442	\$241.14	309,816	1,024	\$2,826.39
OP - Emergency Room	\$62,678,785	\$17.26	97,659	323	\$641.81
OP - Other	\$469,254,553	\$129.22	596,790	1,972	\$786.30
Prof - Anesthesia	\$34,330,041	\$9.45	286,320	946	\$119.90
Prof - Digestive System	\$28,915,377	\$7.96	37,713	125	\$766.73
Prof - Ears/Nose/Throat	\$28,427,577	\$7.83	38,471	127	\$738.93
Prof - Evaluation & Management	\$285,291,675	\$78.56	3,888,313	12,849	\$73.37
Prof - Female Genital	\$5,868,879	\$1.62	8,181	27	\$717.37
Prof - Integumentary System	\$10,601,121	\$2.92	43,506	144	\$243.67
Prof - Laparoscopy	\$1,072,626	\$0.30	785	3	\$1,366.20
Prof - Male Genital	\$762,080	\$0.21	1,255	4	\$607.01
Prof - Maternity	\$6,195,520	\$1.71	7,558	25	\$819.71
Prof - Musculoskeletal System	\$31,452,231	\$8.66	52,790	174	\$595.80
Prof - Other	\$14,299,525	\$3.94	2,089,498	6,905	\$6.84
Prof - Respiratory/Cardiology	\$31,700,758	\$8.73	253,875	839	\$124.87
Prof - Urinary	\$5,705,396	\$1.57	10,663	35	\$535.07
Prof - Brightline	\$3,395,355	\$0.94	508,601	1,681	\$6.68
DME/Supplies	\$77,097,615	\$21.23	10,210,070	33,740	\$7.55
Lab	\$41,348,220	\$11.39	1,376,740	4,549	\$30.03
Radiology	\$77,014,408	\$21.21	731,709	2,418	\$105.25
Transportation/Ambulance	\$38,633,933	\$10.64	1,608,413	5,315	\$24.02
Total	\$2,575,358,325	\$709.20	30,599,949		

* Claims incurred from 10/1/99 - 9/30/01

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Disabled Children; Age Under 18					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	838,692				
Service Category					
Dental - Orthodontics	\$168,560	\$0.20	1,179	17	\$143.02
Dental - Other	\$6,417,598	\$7.65	139,802	2,000	\$45.91
Pharmacy	\$25,556,043	\$30.47	428,795	6,135	\$59.60
Home Health Care	\$26,190,498	\$31.23	153,045	2,190	\$171.13
IP - Maternity	\$6,199,403	\$7.39	3,170	45	\$1,955.49
IP - Newborn	\$18,620,604	\$22.20	6,676	96	\$2,789.04
IP - Other	\$102,970,633	\$122.78	35,956	514	\$2,863.80
OP - Emergency Room	\$6,316,039	\$7.53	13,565	194	\$465.61
OP - Other	\$63,084,582	\$75.22	108,666	1,555	\$580.54
Prof - Anesthesia	\$6,147,553	\$7.33	46,657	668	\$131.76
Prof - Digestive System	\$3,403,511	\$4.06	4,009	57	\$848.95
Prof - Ears/Nose/Throat	\$4,427,642	\$5.28	5,924	85	\$747.43
Prof - Evaluation & Management	\$44,200,963	\$52.70	598,011	8,556	\$73.91
Prof - Female Genital	\$127,479	\$0.15	314	4	\$406.03
Prof - Integumentary System	\$968,359	\$1.15	4,093	59	\$236.59
Prof - Laparoscopy	\$37,866	\$0.05	33	0	\$1,153.76
Prof - Male Genital	\$394,835	\$0.47	519	7	\$761.08
Prof - Maternity	\$862,659	\$1.03	1,170	17	\$737.10
Prof - Musculoskeletal System	\$3,239,131	\$3.86	3,153	45	\$1,027.47
Prof - Other	\$2,812,541	\$3.35	129,229	1,849	\$21.76
Prof - Respiratory/Cardiology	\$4,371,030	\$5.21	19,337	277	\$226.04
Prof - Urinary	\$736,391	\$0.88	1,412	20	\$521.64
Prof - Brightline	\$1,424,783	\$1.70	343,015	4,908	\$4.15
DME/Supplies	\$23,852,488	\$28.44	5,207,100	74,503	\$4.58
Lab	\$3,636,138	\$4.34	135,322	1,936	\$26.87
Radiology	\$5,519,272	\$6.58	74,011	1,059	\$74.57
Transportation/Ambulance	\$3,486,985	\$4.16	144,110	2,062	\$24.20
Total	\$365,173,588	\$435.41	7,608,271		

* Claims incurred from 10/1/99 - 9/30/01

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Disabled Adults; Age Over 19					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	2,792,680				
Service Category					
Dental - Orthodontics	\$10,844	\$0.00	118	1	\$91.77
Dental - Other	\$4,278,250	\$1.53	78,617	338	\$54.42
Pharmacy	\$291,771,290	\$104.48	7,484,671	32,161	\$38.98
Home Health Care	\$31,870,674	\$11.41	127,345	547	\$250.27
IP - Maternity	\$26,141,729	\$9.36	12,270	53	\$2,130.55
IP - Newborn	\$8,425,717	\$3.02	5,533	24	\$1,522.77
IP - Other	\$772,690,808	\$276.68	273,860	1,177	\$2,821.48
OP - Emergency Room	\$56,362,746	\$20.18	84,094	361	\$670.23
OP - Other	\$406,169,971	\$145.44	488,124	2,097	\$832.10
Prof - Anesthesia	\$28,182,487	\$10.09	239,663	1,030	\$117.59
Prof - Digestive System	\$25,511,866	\$9.14	33,704	145	\$756.95
Prof - Ears/Nose/Throat	\$23,999,935	\$8.59	32,547	140	\$737.38
Prof - Evaluation & Management	\$241,090,712	\$86.33	3,290,302	14,138	\$73.27
Prof - Female Genital	\$5,741,400	\$2.06	7,867	34	\$729.80
Prof - Integumentary System	\$9,632,762	\$3.45	39,413	169	\$244.41
Prof - Laparoscopy	\$1,034,760	\$0.37	752	3	\$1,375.47
Prof - Male Genital	\$367,245	\$0.13	737	3	\$498.51
Prof - Maternity	\$5,332,861	\$1.91	6,388	27	\$834.85
Prof - Musculoskeletal System	\$28,213,100	\$10.10	49,637	213	\$568.39
Prof - Other	\$11,486,984	\$4.11	1,960,269	8,423	\$5.86
Prof - Respiratory/Cardiology	\$27,329,728	\$9.79	234,538	1,008	\$116.53
Prof - Urinary	\$4,969,006	\$1.78	9,251	40	\$537.12
Prof - Brightline	\$1,970,572	\$0.71	165,587	712	\$11.90
DME/Supplies	\$53,245,126	\$19.07	5,002,970	21,498	\$10.64
Lab	\$37,712,081	\$13.50	1,241,418	5,334	\$30.38
Radiology	\$71,495,136	\$25.60	657,698	2,826	\$108.71
Transportation/Ambulance	\$35,146,948	\$12.59	1,464,304	6,292	\$24.00
Total	\$2,210,184,737	\$791.42	22,991,678		

* Claims incurred from 10/1/99 - 9/30/01

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Duals (Medicaid & Medicare)					
All Age Groups					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	3,969,359				
Service Category					
Dental - Orthodontics	\$1,003	\$0.00	12	0	\$80.58
Dental - Other	\$2,446,097	\$0.62	49,360	149	\$49.56
Pharmacy	\$692,982,331	\$174.58	17,057,237	51,567	\$40.63
Home Health Care	\$9,338,568	\$2.35	31,266	95	\$298.68
IP - Maternity	\$1,742,848	\$0.44	885	3	\$1,970.12
IP - Newborn	\$277,496	\$0.07	220	1	\$1,259.25
IP - Other	\$65,674,833	\$16.55	23,326	71	\$2,815.54
OP - Emergency Room	\$2,550,564	\$0.64	3,326	10	\$766.85
OP - Other	\$30,327,601	\$7.64	29,058	88	\$1,043.68
Prof - Anesthesia	\$2,798,126	\$0.70	25,064	76	\$111.64
Prof - Digestive System	\$2,683,179	\$0.68	3,884	12	\$690.81
Prof - Ears/Nose/Throat	\$4,279,818	\$1.08	7,996	24	\$535.23
Prof - Evaluation & Management	\$23,803,110	\$6.00	370,403	1,120	\$64.26
Prof - Female Genital	\$806,685	\$0.20	1,079	3	\$747.63
Prof - Integumentary System	\$1,575,889	\$0.40	8,722	26	\$180.69
Prof - Laparoscopy	\$119,018	\$0.03	108	0	\$1,100.98
Prof - Male Genital	\$71,314	\$0.02	149	0	\$480.13
Prof - Maternity	\$246,832	\$0.06	341	1	\$722.88
Prof - Musculoskeletal System	\$3,862,253	\$0.97	6,383	19	\$605.08
Prof - Other	\$2,005,363	\$0.51	245,178	741	\$8.18
Prof - Respiratory/Cardiology	\$3,803,141	\$0.96	15,569	47	\$244.27
Prof - Urinary	\$776,449	\$0.20	2,173	7	\$357.29
Prof - Brightline	\$229,343	\$0.06	131,254	397	\$1.75
DME/Supplies	\$9,432,877	\$2.38	4,023,510	12,164	\$2.34
Lab	\$4,636,155	\$1.17	92,758	280	\$49.98
Radiology	\$7,560,612	\$1.90	64,775	196	\$116.72
Transportation/Ambulance	\$31,372,845	\$7.90	2,588,702	7,826	\$12.12
Total	\$905,404,349	\$228.10	24,782,740		

* Claims incurred from 10/1/99 - 9/30/01

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Uninsured All Age Groups					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	9,357,238				
Service Category					
Dental - Orthodontics	\$2,294,491	\$0.25	17,876	23	\$128.36
Dental - Other	\$50,023,788	\$5.35	1,026,605	1,317	\$48.73
Pharmacy	\$236,289,419	\$25.25	7,591,794	9,736	\$31.12
Home Health Care	\$6,140,993	\$0.66	22,106	28	\$277.80
IP - Maternity	\$89,277,929	\$9.54	42,514	55	\$2,099.98
IP - Newborn	\$39,454,383	\$4.22	25,607	33	\$1,540.76
IP - Other	\$446,189,379	\$47.68	145,138	186	\$3,074.25
OP - Emergency Room	\$73,186,388	\$7.82	148,659	191	\$492.31
OP - Other	\$465,311,110	\$49.73	685,800	879	\$678.49
Prof - Anesthesia	\$42,377,748	\$4.53	367,092	471	\$115.44
Prof - Digestive System	\$31,134,854	\$3.33	39,164	50	\$795.00
Prof - Ears/Nose/Throat	\$25,322,632	\$2.71	45,494	58	\$556.62
Prof - Evaluation & Management	\$312,389,877	\$33.38	5,026,405	6,446	\$62.15
Prof - Female Genital	\$17,195,584	\$1.84	26,849	34	\$640.45
Prof - Integumentary System	\$13,791,014	\$1.47	72,124	92	\$191.21
Prof - Laparoscopy	\$2,590,481	\$0.28	1,802	2	\$1,437.32
Prof - Male Genital	\$1,559,965	\$0.17	2,283	3	\$683.19
Prof - Maternity	\$26,501,684	\$2.83	31,065	40	\$853.11
Prof - Musculoskeletal System	\$33,323,081	\$3.56	59,520	76	\$559.86
Prof - Other	\$11,370,233	\$1.22	312,970	401	\$36.33
Prof - Respiratory/Cardiology	\$19,192,434	\$2.05	276,851	355	\$69.32
Prof - Urinary	\$7,133,832	\$0.76	13,399	17	\$532.40
Prof - Brightline	\$3,631,568	\$0.39	74,578	96	\$48.70
DME/Supplies	\$12,999,206	\$1.39	556,911	714	\$23.34
Lab	\$59,012,340	\$6.31	1,996,002	2,560	\$29.57
Radiology	\$82,087,025	\$8.77	790,559	1,014	\$103.83
Transportation/Ambulance	\$14,809,465	\$1.58	456,187	585	\$32.46
Total	\$2,124,590,905	\$227.05	19,855,355		

* Claims incurred from 10/1/99 - 9/30/01

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Uninsured Age Under 1					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	131,769				
Service Category					
Dental - Orthodontics	\$0	\$0.00	0	0	\$0.00
Dental - Other	\$3,531	\$0.03	83	8	\$42.44
Pharmacy	\$897,371	\$6.81	50,879	4,633	\$17.64
Home Health Care	\$463,620	\$3.52	1,381	126	\$335.80
IP - Maternity	\$0	\$0.00	0	0	\$0.00
IP - Newborn	\$11,547,705	\$87.64	4,998	455	\$2,310.29
IP - Other	\$10,332,456	\$78.41	3,636	331	\$2,841.77
OP - Emergency Room	\$1,105,320	\$8.39	3,697	337	\$298.98
OP - Other	\$4,190,498	\$31.80	9,744	887	\$430.07
Prof - Anesthesia	\$402,288	\$3.05	3,745	341	\$107.43
Prof - Digestive System	\$312,809	\$2.37	263	24	\$1,190.83
Prof - Ears/Nose/Throat	\$378,271	\$2.87	966	88	\$391.55
Prof - Evaluation & Management	\$9,719,372	\$73.76	176,093	16,037	\$55.19
Prof - Female Genital	\$9,488	\$0.07	10	1	\$959.39
Prof - Integumentary System	\$36,302	\$0.28	221	20	\$164.34
Prof - Laparoscopy	\$4,537	\$0.03	2	0	\$2,064.34
Prof - Male Genital	\$230,350	\$1.75	568	52	\$405.65
Prof - Maternity	\$0	\$0.00	0	0	\$0.00
Prof - Musculoskeletal System	\$112,807	\$0.86	103	9	\$1,095.74
Prof - Other	\$3,963	\$0.03	80	7	\$49.62
Prof - Respiratory/Cardiology	\$299,252	\$2.27	2,394	218	\$125.00
Prof - Urinary	\$37,997	\$0.29	236	21	\$161.31
Prof - Brightline	\$7,038	\$0.05	103	9	\$68.38
DME/Supplies	\$438,237	\$3.33	13,336	1,214	\$32.86
Lab	\$288,213	\$2.19	11,039	1,005	\$26.11
Radiology	\$442,312	\$3.36	7,271	662	\$60.84
Transportation/Ambulance	\$180,237	\$1.37	4,592	418	\$39.25
Total	\$41,443,971	\$314.52	295,438		

* Claims incurred from 10/1/99 - 9/30/01

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Uninsured Age 1 - 13					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	3,310,339				
Service Category					
Dental - Orthodontics	\$1,158,681	\$0.35	8,380	30	\$138.27
Dental - Other	\$27,375,223	\$8.27	646,411	2,343	\$42.35
Pharmacy	\$25,186,944	\$7.61	984,871	3,570	\$25.57
Home Health Care	\$1,160,744	\$0.35	4,926	18	\$235.62
IP - Maternity	\$2,858,905	\$0.86	1,475	5	\$1,938.02
IP - Newborn	\$99,472	\$0.03	82	0	\$1,217.12
IP - Other	\$35,903,305	\$10.85	14,707	53	\$2,441.32
OP - Emergency Room	\$13,644,871	\$4.12	42,746	155	\$319.21
OP - Other	\$67,003,269	\$20.24	140,623	510	\$476.48
Prof - Anesthesia	\$6,946,766	\$2.10	59,295	215	\$117.16
Prof - Digestive System	\$3,958,030	\$1.20	6,071	22	\$651.93
Prof - Ears/Nose/Throat	\$4,783,557	\$1.45	11,453	42	\$417.66
Prof - Evaluation & Management	\$75,891,492	\$22.93	1,517,529	5,501	\$50.01
Prof - Female Genital	\$61,902	\$0.02	164	1	\$376.74
Prof - Integumentary System	\$2,401,294	\$0.73	16,108	58	\$149.08
Prof - Laparoscopy	\$23,575	\$0.01	35	0	\$671.73
Prof - Male Genital	\$624,827	\$0.19	729	3	\$857.32
Prof - Maternity	\$52,044	\$0.02	30	0	\$1,741.55
Prof - Musculoskeletal System	\$3,860,755	\$1.17	8,255	30	\$467.70
Prof - Other	\$3,953,000	\$1.19	106,692	387	\$37.05
Prof - Respiratory/Cardiology	\$1,472,585	\$0.44	33,200	120	\$44.35
Prof - Urinary	\$764,050	\$0.23	1,779	6	\$429.49
Prof - Brightline	\$1,357,340	\$0.41	28,115	102	\$48.28
DME/Supplies	\$1,673,138	\$0.51	94,409	342	\$17.72
Lab	\$6,981,814	\$2.11	285,466	1,035	\$24.46
Radiology	\$6,983,375	\$2.11	112,112	406	\$62.29
Transportation/Ambulance	\$1,687,781	\$0.51	49,772	180	\$33.91
Total	\$297,868,740	\$89.98	4,175,434		

* Claims incurred from 10/1/99 - 9/30/01

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Uninsured					
Age 14 - 18 Female					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	591,249				
Service Category					
Dental - Orthodontics	\$578,844	\$0.98	4,837	98	\$119.68
Dental - Other	\$7,319,716	\$12.38	122,046	2,477	\$59.97
Pharmacy	\$6,898,950	\$11.67	287,677	5,839	\$23.98
Home Health Care	\$234,987	\$0.40	788	16	\$298.28
IP - Maternity	\$15,085,377	\$25.51	7,216	146	\$2,090.40
IP - Newborn	\$4,072,728	\$6.89	3,688	75	\$1,104.45
IP - Other	\$10,068,647	\$17.03	3,557	72	\$2,830.58
OP - Emergency Room	\$4,850,095	\$8.20	10,373	211	\$467.59
OP - Other	\$21,780,745	\$36.84	40,421	820	\$538.85
Prof - Anesthesia	\$2,647,639	\$4.48	25,981	527	\$101.91
Prof - Digestive System	\$1,071,810	\$1.81	1,120	23	\$957.23
Prof - Ears/Nose/Throat	\$460,176	\$0.78	1,856	38	\$247.98
Prof - Evaluation & Management	\$17,927,744	\$30.32	291,211	5,910	\$61.56
Prof - Female Genital	\$685,001	\$1.16	2,140	43	\$320.08
Prof - Integumentary System	\$624,642	\$1.06	3,950	80	\$158.13
Prof - Laparoscopy	\$112,960	\$0.19	68	1	\$1,653.20
Prof - Male Genital	\$0	\$0.00	0	0	\$0.00
Prof - Maternity	\$4,883,379	\$8.26	5,624	114	\$868.35
Prof - Musculoskeletal System	\$1,413,198	\$2.39	1,979	40	\$714.05
Prof - Other	\$1,305,743	\$2.21	34,970	710	\$37.34
Prof - Respiratory/Cardiology	\$568,487	\$0.96	14,787	300	\$38.45
Prof - Urinary	\$157,455	\$0.27	255	5	\$617.66
Prof - Brightline	\$158,361	\$0.27	3,091	63	\$51.23
DME/Supplies	\$361,022	\$0.61	6,669	135	\$54.14
Lab	\$4,408,644	\$7.46	162,143	3,291	\$27.19
Radiology	\$4,452,800	\$7.53	42,275	858	\$105.33
Transportation/Ambulance	\$896,525	\$1.52	20,327	413	\$44.10
Total	\$113,025,674	\$191.16	1,099,047		

* Claims incurred from 10/1/99 - 9/30/01

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Uninsured Age 14 - 18 Male					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	575,330				
Service Category					
Dental - Orthodontics	\$409,703	\$0.71	3,647	76	\$112.35
Dental - Other	\$5,420,054	\$9.42	91,841	1,916	\$59.02
Pharmacy	\$3,704,255	\$6.44	140,291	2,926	\$26.40
Home Health Care	\$103,943	\$0.18	652	14	\$159.52
IP - Maternity	\$0	\$0.00	0	0	\$0.00
IP - Newborn	\$15,799	\$0.03	9	0	\$1,762.45
IP - Other	\$12,337,414	\$21.44	3,429	72	\$3,598.44
OP - Emergency Room	\$3,351,761	\$5.83	7,341	153	\$456.57
OP - Other	\$14,948,036	\$25.98	24,436	510	\$611.73
Prof - Anesthesia	\$1,100,824	\$1.91	7,925	165	\$138.90
Prof - Digestive System	\$629,749	\$1.09	622	13	\$1,013.09
Prof - Ears/Nose/Throat	\$429,258	\$0.75	729	15	\$588.90
Prof - Evaluation & Management	\$9,994,811	\$17.37	163,913	3,419	\$60.98
Prof - Female Genital	\$0	\$0.00	0	0	\$0.00
Prof - Integumentary System	\$873,546	\$1.52	5,133	107	\$170.18
Prof - Laparoscopy	\$24,078	\$0.04	20	0	\$1,188.50
Prof - Male Genital	\$89,554	\$0.16	99	2	\$900.13
Prof - Maternity	\$0	\$0.00	0	0	\$0.00
Prof - Musculoskeletal System	\$2,500,478	\$4.35	3,211	67	\$778.80
Prof - Other	\$852,059	\$1.48	22,111	461	\$38.54
Prof - Respiratory/Cardiology	\$504,148	\$0.88	5,815	121	\$86.70
Prof - Urinary	\$96,281	\$0.17	113	2	\$852.08
Prof - Brightline	\$165,808	\$0.29	3,292	69	\$50.37
DME/Supplies	\$322,038	\$0.56	10,526	220	\$30.59
Lab	\$962,810	\$1.67	35,870	748	\$26.84
Radiology	\$2,404,489	\$4.18	33,276	694	\$72.26
Transportation/Ambulance	\$832,118	\$1.45	18,954	395	\$43.90
Total	\$62,073,015	\$107.89	583,255		

* Claims incurred from 10/1/99 - 9/30/01

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Uninsured					
Age 19 - 44 Female					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	2,158,905				
Service Category					
Dental - Orthodontics	\$101,076	\$0.05	667	4	\$151.49
Dental - Other	\$6,159,971	\$2.85	101,893	566	\$60.46
Pharmacy	\$60,431,685	\$27.99	2,203,553	12,248	\$27.42
Home Health Care	\$1,149,049	\$0.53	4,154	23	\$276.62
IP - Maternity	\$70,142,058	\$32.49	33,180	184	\$2,113.96
IP - Newborn	\$23,554,568	\$10.91	16,703	93	\$1,410.17
IP - Other	\$108,646,825	\$50.32	35,288	196	\$3,078.90
OP - Emergency Room	\$24,797,084	\$11.49	46,712	260	\$530.85
OP - Other	\$159,496,357	\$73.88	230,788	1,283	\$691.09
Prof - Anesthesia	\$17,527,728	\$8.12	156,213	868	\$112.20
Prof - Digestive System	\$10,033,100	\$4.65	11,289	63	\$888.78
Prof - Ears/Nose/Throat	\$5,794,806	\$2.68	9,811	55	\$590.65
Prof - Evaluation & Management	\$91,339,371	\$42.31	1,345,528	7,479	\$67.88
Prof - Female Genital	\$13,446,075	\$6.23	20,479	114	\$656.59
Prof - Integumentary System	\$3,985,029	\$1.85	17,645	98	\$225.85
Prof - Laparoscopy	\$1,898,814	\$0.88	1,352	8	\$1,403.95
Prof - Male Genital	\$0	\$0.00	0	0	\$0.00
Prof - Maternity	\$21,549,048	\$9.98	25,400	141	\$848.39
Prof - Musculoskeletal System	\$9,006,428	\$4.17	18,015	100	\$499.93
Prof - Other	\$1,818,190	\$0.84	46,085	256	\$39.45
Prof - Respiratory/Cardiology	\$4,030,027	\$1.87	91,691	510	\$43.95
Prof - Urinary	\$2,449,323	\$1.13	4,471	25	\$547.78
Prof - Brightline	\$1,046,638	\$0.48	21,837	121	\$47.93
DME/Supplies	\$2,782,788	\$1.29	95,281	530	\$29.21
Lab	\$25,384,165	\$11.76	804,651	4,473	\$31.55
Radiology	\$30,759,336	\$14.25	264,264	1,469	\$116.40
Transportation/Ambulance	\$4,377,351	\$2.03	121,717	677	\$35.96
Total	\$701,706,888	\$325.03	5,728,668		

* Claims incurred from 10/1/99 - 9/30/01

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Uninsured Age 19 - 44 Male					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	1,179,324				
Service Category					
Dental - Orthodontics	\$45,652	\$0.04	337	3	\$135.36
Dental - Other	\$2,738,416	\$2.32	41,947	427	\$65.28
Pharmacy	\$24,064,275	\$20.41	644,170	6,555	\$37.36
Home Health Care	\$635,336	\$0.54	2,494	25	\$254.72
IP - Maternity	\$0	\$0.00	0	0	\$0.00
IP - Newborn	\$6,220	\$0.01	14	0	\$437.34
IP - Other	\$83,316,486	\$70.65	26,245	267	\$3,174.62
OP - Emergency Room	\$11,231,865	\$9.52	20,420	208	\$550.03
OP - Other	\$57,333,748	\$48.62	76,499	778	\$749.47
Prof - Anesthesia	\$3,757,228	\$3.19	35,066	357	\$107.15
Prof - Digestive System	\$3,303,732	\$2.80	4,576	47	\$722.04
Prof - Ears/Nose/Throat	\$3,515,634	\$2.98	4,624	47	\$760.27
Prof - Evaluation & Management	\$29,338,944	\$24.88	380,111	3,868	\$77.19
Prof - Female Genital	\$0	\$0.00	0	0	\$0.00
Prof - Integumentary System	\$1,721,077	\$1.46	8,988	91	\$191.48
Prof - Laparoscopy	\$129,013	\$0.11	64	1	\$2,013.49
Prof - Male Genital	\$278,362	\$0.24	441	4	\$631.55
Prof - Maternity	\$0	\$0.00	0	0	\$0.00
Prof - Musculoskeletal System	\$6,397,516	\$5.42	9,244	94	\$692.11
Prof - Other	\$485,226	\$0.41	11,114	113	\$43.66
Prof - Respiratory/Cardiology	\$2,280,540	\$1.93	23,239	236	\$98.14
Prof - Urinary	\$1,037,070	\$0.88	1,046	11	\$991.06
Prof - Brightline	\$378,252	\$0.32	7,281	74	\$51.95
DME/Supplies	\$1,698,535	\$1.44	51,792	527	\$32.80
Lab	\$3,887,687	\$3.30	128,150	1,304	\$30.34
Radiology	\$9,159,659	\$7.77	97,386	991	\$94.06
Transportation/Ambulance	\$3,064,599	\$2.60	77,254	786	\$39.67
Total	\$249,805,071	\$211.82	1,652,503		

* Claims incurred from 10/1/99 - 9/30/01

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Uninsured Age 45 - 64					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	1,286,601				
Service Category					
Dental - Orthodontics	\$535	\$0.00	8	0	\$68.24
Dental - Other	\$965,083	\$0.75	21,242	198	\$45.43
Pharmacy	\$105,161,128	\$81.74	2,972,661	27,726	\$35.38
Home Health Care	\$2,296,669	\$1.79	7,201	67	\$318.93
IP - Maternity	\$1,191,589	\$0.93	642	6	\$1,857.49
IP - Newborn	\$157,892	\$0.12	113	1	\$1,399.61
IP - Other	\$179,753,288	\$139.71	55,448	517	\$3,241.85
OP - Emergency Room	\$13,971,542	\$10.86	17,120	160	\$816.10
OP - Other	\$137,419,979	\$106.81	159,704	1,490	\$860.47
Prof - Anesthesia	\$9,728,749	\$7.56	77,167	720	\$126.07
Prof - Digestive System	\$11,493,072	\$8.93	14,810	138	\$776.01
Prof - Ears/Nose/Throat	\$9,472,453	\$7.36	15,030	140	\$630.22
Prof - Evaluation & Management	\$75,824,532	\$58.93	1,116,244	10,411	\$67.93
Prof - Female Genital	\$2,924,654	\$2.27	3,987	37	\$733.56
Prof - Integumentary System	\$4,019,732	\$3.12	19,305	180	\$208.22
Prof - Laparoscopy	\$383,244	\$0.30	253	2	\$1,511.92
Prof - Male Genital	\$325,699	\$0.25	418	4	\$779.07
Prof - Maternity	\$17,213	\$0.01	11	0	\$1,563.82
Prof - Musculoskeletal System	\$9,796,345	\$7.61	18,353	171	\$533.78
Prof - Other	\$2,827,659	\$2.20	88,373	824	\$32.00
Prof - Respiratory/Cardiology	\$9,631,568	\$7.49	102,935	960	\$93.57
Prof - Urinary	\$2,522,903	\$1.96	5,323	50	\$473.93
Prof - Brightline	\$508,175	\$0.39	10,645	99	\$47.74
DME/Supplies	\$5,455,610	\$4.24	258,117	2,407	\$21.14
Lab	\$16,664,147	\$12.95	554,292	5,170	\$30.06
Radiology	\$27,088,006	\$21.05	227,343	2,120	\$119.15
Transportation/Ambulance	\$3,545,950	\$2.76	151,391	1,412	\$23.42
Total	\$633,147,414	\$492.11	5,898,136		

* Claims incurred from 10/1/99 - 9/30/01

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Uninsured Age Over 65					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	123,721				
Service Category					
Dental - Orthodontics	\$0	\$0.00	0	0	\$0.00
Dental - Other	\$41,794	\$0.34	1,142	111	\$36.61
Pharmacy	\$9,944,810	\$80.38	307,692	29,844	\$32.32
Home Health Care	\$96,647	\$0.78	510	49	\$189.42
IP - Maternity	\$0	\$0.00	0	0	\$0.00
IP - Newborn	\$0	\$0.00	0	0	\$0.00
IP - Other	\$5,830,959	\$47.13	2,830	274	\$2,060.61
OP - Emergency Room	\$233,851	\$1.89	251	24	\$931.26
OP - Other	\$3,138,479	\$25.37	3,587	348	\$874.99
Prof - Anesthesia	\$266,525	\$2.15	1,701	165	\$156.69
Prof - Digestive System	\$332,553	\$2.69	414	40	\$803.85
Prof - Ears/Nose/Throat	\$488,478	\$3.95	1,025	99	\$476.75
Prof - Evaluation & Management	\$2,353,611	\$19.02	35,777	3,470	\$65.79
Prof - Female Genital	\$68,465	\$0.55	70	7	\$985.09
Prof - Integumentary System	\$129,392	\$1.05	774	75	\$167.09
Prof - Laparoscopy	\$14,260	\$0.12	6	1	\$2,234.64
Prof - Male Genital	\$11,173	\$0.09	28	3	\$393.49
Prof - Maternity	\$0	\$0.00	0	0	\$0.00
Prof - Musculoskeletal System	\$235,554	\$1.90	361	35	\$652.78
Prof - Other	\$124,394	\$1.01	3,545	344	\$35.09
Prof - Respiratory/Cardiology	\$405,827	\$3.28	2,791	271	\$145.42
Prof - Urinary	\$68,754	\$0.56	176	17	\$390.74
Prof - Brightline	\$9,955	\$0.08	214	21	\$46.50
DME/Supplies	\$267,837	\$2.16	26,781	2,598	\$10.00
Lab	\$434,861	\$3.51	14,390	1,396	\$30.22
Radiology	\$797,049	\$6.44	6,632	643	\$120.18
Transportation/Ambulance	\$224,904	\$1.82	12,179	1,181	\$18.47
Total	\$25,520,133	\$206.27	422,875		

* Claims incurred from 10/1/99 - 9/30/01

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Uninsurable All Age Groups					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	2,197,574				
Service Category					
Dental - Orthodontics	\$88,440	\$0.04	694	4	\$127.48
Dental - Other	\$3,738,645	\$1.70	73,304	400	\$51.00
Pharmacy	\$164,038,281	\$74.65	4,044,989	22,088	\$40.55
Home Health Care	\$5,089,483	\$2.32	16,881	92	\$301.50
IP - Maternity	\$18,953,819	\$8.62	9,135	50	\$2,074.82
IP - Newborn	\$3,517,482	\$1.60	2,286	12	\$1,538.64
IP - Other	\$305,013,256	\$138.80	95,109	519	\$3,206.97
OP - Emergency Room	\$37,016,566	\$16.84	54,743	299	\$676.18
OP - Other	\$261,179,740	\$118.85	292,884	1,599	\$891.75
Prof - Anesthesia	\$20,481,737	\$9.32	186,302	1,017	\$109.94
Prof - Digestive System	\$19,323,929	\$8.79	25,228	138	\$765.97
Prof - Ears/Nose/Throat	\$17,939,183	\$8.16	24,077	131	\$745.08
Prof - Evaluation & Management	\$135,733,302	\$61.77	1,954,179	10,671	\$69.46
Prof - Female Genital	\$6,977,477	\$3.18	8,859	48	\$787.65
Prof - Integumentary System	\$7,658,339	\$3.48	33,693	184	\$227.30
Prof - Laparoscopy	\$1,057,249	\$0.48	762	4	\$1,388.06
Prof - Male Genital	\$533,183	\$0.24	774	4	\$689.09
Prof - Maternity	\$3,173,616	\$1.44	3,801	21	\$834.97
Prof - Musculoskeletal System	\$20,593,775	\$9.37	32,014	175	\$643.28
Prof - Other	\$4,789,409	\$2.18	128,871	704	\$37.16
Prof - Respiratory/Cardiology	\$17,581,347	\$8.00	162,238	886	\$108.37
Prof - Urinary	\$4,663,011	\$2.12	7,387	40	\$631.23
Prof - Brightline	\$1,121,468	\$0.51	30,634	167	\$36.61
DME/Supplies	\$9,703,143	\$4.42	384,994	2,102	\$25.20
Lab	\$28,208,121	\$12.84	905,148	4,943	\$31.16
Radiology	\$47,656,009	\$21.69	405,048	2,212	\$117.66
Transportation/Ambulance	\$7,630,173	\$3.47	250,597	1,368	\$30.45
Total	\$1,153,460,182	\$524.88	9,134,629		

* Claims incurred from 10/1/99 - 9/30/01

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Uninsurable Age Under 1					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	430				
Service Category					
Dental - Orthodontics	\$0	\$0.00	0	0	\$0.00
Dental - Other	\$85	\$0.20	3	95	\$25.08
Pharmacy	\$3,678	\$8.56	199	5,563	\$18.46
Home Health Care	\$0	\$0.00	0	0	\$0.00
IP - Maternity	\$0	\$0.00	0	0	\$0.00
IP - Newborn	\$0	\$0.00	0	0	\$0.00
IP - Other	\$41,774	\$97.19	16	435	\$2,679.10
OP - Emergency Room	\$4,351	\$10.12	10	277	\$439.07
OP - Other	\$20,752	\$48.28	34	951	\$609.25
Prof - Anesthesia	\$1,009	\$2.35	6	163	\$173.01
Prof - Digestive System	\$5,368	\$12.49	1	31	\$4,884.99
Prof - Ears/Nose/Throat	\$7,509	\$17.47	16	448	\$467.68
Prof - Evaluation & Management	\$22,813	\$53.08	381	10,626	\$59.94
Prof - Female Genital	\$0	\$0.00	0	0	\$0.00
Prof - Integumentary System	\$0	\$0.00	0	0	\$0.00
Prof - Laparoscopy	\$0	\$0.00	0	0	\$0.00
Prof - Male Genital	\$0	\$0.00	0	0	\$0.00
Prof - Maternity	\$0	\$0.00	0	0	\$0.00
Prof - Musculoskeletal System	\$0	\$0.00	0	0	\$0.00
Prof - Other	\$0	\$0.00	0	0	\$0.00
Prof - Respiratory/Cardiology	\$36	\$0.08	3	92	\$11.03
Prof - Urinary	\$0	\$0.00	0	0	\$0.00
Prof - Brightline	\$0	\$0.00	0	0	\$0.00
DME/Supplies	\$1,890	\$4.40	626	17,487	\$3.02
Lab	\$879	\$2.05	30	826	\$29.73
Radiology	\$1,139	\$2.65	21	580	\$54.79
Transportation/Ambulance	\$0	\$0.00	0	0	\$0.00
Total	\$111,284	\$258.92	1,346		

* Claims incurred from 10/1/99 - 9/30/01

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Uninsurable Age 1-13					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	91,123				
Service Category					
Dental - Orthodontics	\$40,604	\$0.45	238	31	\$170.76
Dental - Other	\$726,615	\$7.97	17,700	2,331	\$41.05
Pharmacy	\$1,505,742	\$16.52	31,267	4,118	\$48.16
Home Health Care	\$52,003	\$0.57	385	51	\$135.18
IP - Maternity	\$96,418	\$1.06	41	5	\$2,355.74
IP - Newborn	\$0	\$0.00	0	0	\$0.00
IP - Other	\$1,462,853	\$16.05	578	76	\$2,529.19
OP - Emergency Room	\$428,595	\$4.70	1,193	157	\$359.29
OP - Other	\$2,142,697	\$23.51	4,484	590	\$477.87
Prof - Anesthesia	\$270,701	\$2.97	1,810	238	\$149.57
Prof - Digestive System	\$177,568	\$1.95	224	29	\$793.98
Prof - Ears/Nose/Throat	\$151,185	\$1.66	282	37	\$535.61
Prof - Evaluation & Management	\$2,095,181	\$22.99	47,082	6,200	\$44.50
Prof - Female Genital	\$544	\$0.01	2	0	\$255.92
Prof - Integumentary System	\$70,201	\$0.77	477	63	\$147.28
Prof - Laparoscopy	\$2,530	\$0.03	9	1	\$297.41
Prof - Male Genital	\$12,388	\$0.14	13	2	\$921.54
Prof - Maternity	\$0	\$0.00	0	0	\$0.00
Prof - Musculoskeletal System	\$134,754	\$1.48	254	33	\$530.40
Prof - Other	\$122,871	\$1.35	3,443	453	\$35.69
Prof - Respiratory/Cardiology	\$79,919	\$0.88	942	124	\$84.85
Prof - Urinary	\$22,597	\$0.25	45	6	\$506.37
Prof - Brightline	\$48,451	\$0.53	1,676	221	\$28.91
DME/Supplies	\$97,157	\$1.07	2,129	280	\$45.64
Lab	\$203,348	\$2.23	8,262	1,088	\$24.61
Radiology	\$229,493	\$2.52	3,576	471	\$64.17
Transportation/Ambulance	\$43,339	\$0.48	1,688	222	\$25.68
Total	\$10,217,755	\$112.13	127,799		

* Claims incurred from 10/1/99 - 9/30/01

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Uninsurable					
Age 14 - 18 Female					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	27,707				
Service Category					
Dental - Orthodontics	\$30,977	\$1.12	276	120	\$112.18
Dental - Other	\$321,827	\$11.62	5,365	2,323	\$59.99
Pharmacy	\$567,985	\$20.50	15,231	6,597	\$37.29
Home Health Care	\$16,401	\$0.59	28	12	\$576.35
IP - Maternity	\$813,101	\$29.35	437	189	\$1,860.51
IP - Newborn	\$340,671	\$12.30	134	58	\$2,540.75
IP - Other	\$360,946	\$13.03	133	58	\$2,717.33
OP - Emergency Room	\$267,386	\$9.65	580	251	\$460.64
OP - Other	\$1,172,651	\$42.32	2,143	928	\$547.30
Prof - Anesthesia	\$113,583	\$4.10	1,253	543	\$90.65
Prof - Digestive System	\$47,225	\$1.70	52	23	\$901.77
Prof - Ears/Nose/Throat	\$12,864	\$0.46	49	21	\$259.99
Prof - Evaluation & Management	\$895,747	\$32.33	14,459	6,262	\$61.95
Prof - Female Genital	\$28,242	\$1.02	84	36	\$338.19
Prof - Integumentary System	\$31,047	\$1.12	259	112	\$119.74
Prof - Laparoscopy	\$7,833	\$0.28	2	1	\$3,174.56
Prof - Male Genital	\$0	\$0.00	0	0	\$0.00
Prof - Maternity	\$187,301	\$6.76	231	100	\$811.57
Prof - Musculoskeletal System	\$60,497	\$2.18	71	31	\$855.11
Prof - Other	\$51,894	\$1.87	1,405	609	\$36.93
Prof - Respiratory/Cardiology	\$52,342	\$1.89	666	288	\$78.62
Prof - Urinary	\$16,062	\$0.58	12	5	\$1,334.12
Prof - Brightline	\$7,578	\$0.27	250	108	\$30.28
DME/Supplies	\$52,189	\$1.88	468	203	\$111.55
Lab	\$202,593	\$7.31	7,452	3,227	\$27.19
Radiology	\$202,128	\$7.30	2,069	896	\$97.71
Transportation/Ambulance	\$36,118	\$1.30	1,472	638	\$24.53
Total	\$5,897,187	\$212.84	54,582		

* Claims incurred from 10/1/99 - 9/30/01

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Uninsurable					
Age 14 - 18 Male					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	30,921				
Service Category					
Dental - Orthodontics	\$12,874	\$0.42	126	49	\$102.54
Dental - Other	\$272,780	\$8.82	4,529	1,757	\$60.24
Pharmacy	\$884,117	\$28.59	10,193	3,956	\$86.74
Home Health Care	\$29,886	\$0.97	136	53	\$220.49
IP - Maternity	\$0	\$0.00	0	0	\$0.00
IP - Newborn	\$0	\$0.00	0	0	\$0.00
IP - Other	\$831,624	\$26.89	264	102	\$3,154.49
OP - Emergency Room	\$222,634	\$7.20	499	194	\$446.05
OP - Other	\$1,039,033	\$33.60	1,594	619	\$651.87
Prof - Anesthesia	\$87,224	\$2.82	772	300	\$112.92
Prof - Digestive System	\$39,816	\$1.29	43	17	\$923.01
Prof - Ears/Nose/Throat	\$20,548	\$0.66	56	22	\$367.03
Prof - Evaluation & Management	\$627,270	\$20.29	10,707	4,155	\$58.59
Prof - Female Genital	\$0	\$0.00	0	0	\$0.00
Prof - Integumentary System	\$46,504	\$1.50	280	109	\$166.28
Prof - Laparoscopy	\$0	\$0.00	0	0	\$0.00
Prof - Male Genital	\$1,072	\$0.03	5	2	\$233.42
Prof - Maternity	\$0	\$0.00	0	0	\$0.00
Prof - Musculoskeletal System	\$144,768	\$4.68	186	72	\$779.97
Prof - Other	\$44,876	\$1.45	1,191	462	\$37.69
Prof - Respiratory/Cardiology	\$32,326	\$1.05	358	139	\$90.37
Prof - Urinary	\$10,055	\$0.33	10	4	\$1,050.45
Prof - Brightline	\$10,895	\$0.35	346	134	\$31.45
DME/Supplies	\$39,427	\$1.28	360	140	\$109.43
Lab	\$62,858	\$2.03	2,258	876	\$27.84
Radiology	\$152,967	\$4.95	2,065	801	\$74.08
Transportation/Ambulance	\$37,777	\$1.22	773	300	\$48.85
Total	\$4,651,330	\$150.43	36,749		

* Claims incurred from 10/1/99 - 9/30/01

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Uninsurable					
Age 19 - 44 Female					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	494,130				
Service Category					
Dental - Orthodontics	\$2,593	\$0.01	34	1	\$75.30
Dental - Other	\$923,760	\$1.87	16,766	407	\$55.10
Pharmacy	\$24,341,274	\$49.26	708,984	17,218	\$34.33
Home Health Care	\$681,868	\$1.38	2,022	49	\$337.20
IP - Maternity	\$16,664,106	\$33.72	7,966	193	\$2,091.88
IP - Newborn	\$2,403,283	\$4.86	2,001	49	\$1,201.05
IP - Other	\$47,916,388	\$96.97	15,754	383	\$3,041.50
OP - Emergency Room	\$9,797,776	\$19.83	16,534	402	\$592.59
OP - Other	\$58,009,835	\$117.40	72,007	1,749	\$805.62
Prof - Anesthesia	\$5,222,284	\$10.57	48,306	1,173	\$108.11
Prof - Digestive System	\$4,084,835	\$8.27	4,982	121	\$819.92
Prof - Ears/Nose/Throat	\$2,687,854	\$5.44	4,027	98	\$667.42
Prof - Evaluation & Management	\$28,655,967	\$57.99	430,229	10,448	\$66.61
Prof - Female Genital	\$4,125,185	\$8.35	5,270	128	\$782.72
Prof - Integumentary System	\$1,538,519	\$3.11	5,949	144	\$258.61
Prof - Laparoscopy	\$527,842	\$1.07	406	10	\$1,299.49
Prof - Male Genital	\$0	\$0.00	0	0	\$0.00
Prof - Maternity	\$2,973,770	\$6.02	3,558	86	\$835.71
Prof - Musculoskeletal System	\$3,735,200	\$7.56	6,550	159	\$570.22
Prof - Other	\$568,730	\$1.15	14,261	346	\$39.88
Prof - Respiratory/Cardiology	\$1,822,577	\$3.69	29,960	728	\$60.83
Prof - Urinary	\$897,397	\$1.82	1,740	42	\$515.62
Prof - Brightline	\$321,038	\$0.65	8,802	214	\$36.47
DME/Supplies	\$1,700,254	\$3.44	49,529	1,203	\$34.33
Lab	\$7,206,356	\$14.58	223,453	5,427	\$32.25
Radiology	\$10,171,846	\$20.59	86,796	2,108	\$117.19
Transportation/Ambulance	\$1,611,480	\$3.26	43,052	1,046	\$37.43
Total	\$238,592,015	\$482.85	1,808,940		

* Claims incurred from 10/1/99 - 9/30/01

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Uninsurable Age 19 - 44 Male					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	531,037				
Service Category					
Dental - Orthodontics	\$1,286	\$0.00	17	0	\$74.53
Dental - Other	\$806,240	\$1.52	14,288	323	\$56.43
Pharmacy	\$24,322,598	\$45.80	476,539	10,768	\$51.04
Home Health Care	\$986,651	\$1.86	2,553	58	\$386.46
IP - Maternity	\$0	\$0.00	0	0	\$0.00
IP - Newborn	\$0	\$0.00	0	0	\$0.00
IP - Other	\$48,894,544	\$92.07	14,630	331	\$3,342.10
OP - Emergency Room	\$11,246,091	\$21.18	18,835	426	\$597.09
OP - Other	\$46,156,904	\$86.92	52,143	1,178	\$885.20
Prof - Anesthesia	\$3,272,500	\$6.16	32,610	737	\$100.35
Prof - Digestive System	\$2,931,058	\$5.52	3,980	90	\$736.53
Prof - Ears/Nose/Throat	\$3,328,756	\$6.27	4,343	98	\$766.40
Prof - Evaluation & Management	\$22,454,439	\$42.28	275,509	6,226	\$81.50
Prof - Female Genital	\$0	\$0.00	0	0	\$0.00
Prof - Integumentary System	\$1,490,203	\$2.81	5,793	131	\$257.25
Prof - Laparoscopy	\$79,478	\$0.15	51	1	\$1,569.94
Prof - Male Genital	\$149,097	\$0.28	243	5	\$612.71
Prof - Maternity	\$0	\$0.00	0	0	\$0.00
Prof - Musculoskeletal System	\$5,385,976	\$10.14	7,137	161	\$754.71
Prof - Other	\$406,539	\$0.77	9,811	222	\$41.44
Prof - Respiratory/Cardiology	\$2,301,615	\$4.33	20,238	457	\$113.73
Prof - Urinary	\$931,121	\$1.75	1,046	24	\$890.38
Prof - Brightline	\$341,689	\$0.64	8,397	190	\$40.69
DME/Supplies	\$1,860,190	\$3.50	58,088	1,313	\$32.02
Lab	\$3,852,171	\$7.25	115,577	2,612	\$33.33
Radiology	\$7,265,824	\$13.68	72,179	1,631	\$100.66
Transportation/Ambulance	\$2,396,779	\$4.51	64,485	1,457	\$37.17
Total	\$190,861,751	\$359.41	1,258,491		

* Claims incurred from 10/1/99 - 9/30/01

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Uninsurable Age 45 - 64					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	977,098				
Service Category					
Dental - Orthodontics	\$108	\$0.00	3	0	\$41.20
Dental - Other	\$677,844	\$0.69	14,467	178	\$46.85
Pharmacy	\$107,119,313	\$109.63	2,665,230	32,732	\$40.19
Home Health Care	\$3,259,719	\$3.34	11,090	136	\$293.93
IP - Maternity	\$1,380,194	\$1.41	691	8	\$1,997.13
IP - Newborn	\$773,528	\$0.79	151	2	\$5,121.60
IP - Other	\$203,128,032	\$207.89	62,891	772	\$3,229.84
OP - Emergency Room	\$14,946,776	\$15.30	17,003	209	\$879.06
OP - Other	\$151,471,346	\$155.02	159,186	1,955	\$951.53
Prof - Anesthesia	\$11,405,070	\$11.67	100,406	1,233	\$113.59
Prof - Digestive System	\$11,899,585	\$12.18	15,778	194	\$754.20
Prof - Ears/Nose/Throat	\$11,497,667	\$11.77	14,983	184	\$767.36
Prof - Evaluation & Management	\$80,027,141	\$81.90	1,163,083	14,284	\$68.81
Prof - Female Genital	\$2,818,632	\$2.88	3,492	43	\$807.17
Prof - Integumentary System	\$4,398,365	\$4.50	20,634	253	\$213.16
Prof - Laparoscopy	\$436,714	\$0.45	291	4	\$1,498.61
Prof - Male Genital	\$362,921	\$0.37	494	6	\$734.22
Prof - Maternity	\$12,545	\$0.01	12	0	\$1,072.30
Prof - Musculoskeletal System	\$11,010,115	\$11.27	17,677	217	\$622.85
Prof - Other	\$3,549,095	\$3.63	97,183	1,194	\$36.52
Prof - Respiratory/Cardiology	\$13,113,014	\$13.42	109,082	1,340	\$120.21
Prof - Urinary	\$2,764,283	\$2.83	4,485	55	\$616.27
Prof - Brightline	\$389,830	\$0.40	11,085	136	\$35.17
DME/Supplies	\$5,868,197	\$6.01	269,120	3,305	\$21.81
Lab	\$16,485,175	\$16.87	542,841	6,667	\$30.37
Radiology	\$29,324,721	\$30.01	235,836	2,896	\$124.34
Transportation/Ambulance	\$3,435,780	\$3.52	134,463	1,651	\$25.55
Total	\$691,555,712	\$707.76	5,671,660		

* Claims incurred from 10/1/99 - 9/30/01

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Uninsurable Age Over 65					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	45,129				
Service Category					
Dental - Orthodontics	\$0	\$0.00	0	0	\$0.00
Dental - Other	\$9,495	\$0.21	186	49	\$51.05
Pharmacy	\$5,293,573	\$117.30	137,346	36,521	\$38.54
Home Health Care	\$62,955	\$1.40	667	177	\$94.43
IP - Maternity	\$0	\$0.00	0	0	\$0.00
IP - Newborn	\$0	\$0.00	0	0	\$0.00
IP - Other	\$2,377,094	\$52.67	844	224	\$2,816.83
OP - Emergency Room	\$102,957	\$2.28	89	24	\$1,156.67
OP - Other	\$1,166,522	\$25.85	1,294	344	\$901.63
Prof - Anesthesia	\$109,366	\$2.42	1,139	303	\$95.98
Prof - Digestive System	\$138,474	\$3.07	169	45	\$821.56
Prof - Ears/Nose/Throat	\$232,800	\$5.16	319	85	\$729.83
Prof - Evaluation & Management	\$954,744	\$21.16	12,730	3,385	\$75.00
Prof - Female Genital	\$4,874	\$0.11	11	3	\$458.26
Prof - Integumentary System	\$83,500	\$1.85	301	80	\$277.15
Prof - Laparoscopy	\$2,851	\$0.06	2	1	\$1,155.55
Prof - Male Genital	\$7,704	\$0.17	18	5	\$426.10
Prof - Maternity	\$0	\$0.00	0	0	\$0.00
Prof - Musculoskeletal System	\$122,465	\$2.71	140	37	\$877.40
Prof - Other	\$45,405	\$1.01	1,577	419	\$28.79
Prof - Respiratory/Cardiology	\$179,518	\$3.98	989	263	\$181.47
Prof - Urinary	\$21,497	\$0.48	49	13	\$436.37
Prof - Brightline	\$1,987	\$0.04	77	20	\$25.95
DME/Supplies	\$83,838	\$1.86	4,673	1,243	\$17.94
Lab	\$194,740	\$4.32	5,275	1,403	\$36.92
Radiology	\$307,890	\$6.82	2,506	666	\$122.85
Transportation/Ambulance	\$68,899	\$1.53	4,663	1,240	\$14.77
Total	\$11,573,147	\$256.45	175,064		

* Claims incurred from 10/1/99 - 9/30/01

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Disabled / Uninsured All Age Groups					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	320,171				
Service Category					
Dental - Orthodontics	\$8,666	\$0.03	77	3	\$112.49
Dental - Other	\$594,751	\$1.86	11,351	425	\$52.40
Pharmacy	\$32,379,080	\$101.13	831,713	31,173	\$38.93
Home Health Care	\$1,328,196	\$4.15	5,250	197	\$252.99
IP - Maternity	\$2,255,172	\$7.04	951	36	\$2,370.61
IP - Newborn	\$230,545	\$0.72	148	6	\$1,559.03
IP - Other	\$49,108,252	\$153.38	15,511	581	\$3,166.12
OP - Emergency Room	\$4,150,472	\$12.96	5,841	219	\$710.59
OP - Other	\$32,867,376	\$102.66	38,968	1,461	\$843.46
Prof - Anesthesia	\$2,437,107	\$7.61	20,424	766	\$119.32
Prof - Digestive System	\$2,310,926	\$7.22	2,941	110	\$785.77
Prof - Ears/Nose/Throat	\$2,550,681	\$7.97	3,763	141	\$677.76
Prof - Evaluation & Management	\$19,258,414	\$60.15	266,751	9,998	\$72.20
Prof - Female Genital	\$574,013	\$1.79	658	25	\$872.10
Prof - Integumentary System	\$866,310	\$2.71	4,295	161	\$201.68
Prof - Laparoscopy	\$77,677	\$0.24	40	1	\$1,950.34
Prof - Male Genital	\$55,353	\$0.17	76	3	\$732.20
Prof - Maternity	\$212,465	\$0.66	264	10	\$804.09
Prof - Musculoskeletal System	\$3,086,698	\$9.64	5,539	208	\$557.30
Prof - Other	\$629,913	\$1.97	17,515	656	\$35.96
Prof - Respiratory/Cardiology	\$2,497,415	\$7.80	20,518	769	\$121.72
Prof - Urinary	\$487,621	\$1.52	835	31	\$583.64
Prof - Brightline	\$198,292	\$0.62	5,260	197	\$37.70
DME/Supplies	\$3,099,290	\$9.68	212,562	7,967	\$14.58
Lab	\$3,289,400	\$10.27	107,496	4,029	\$30.60
Radiology	\$6,178,472	\$19.30	54,239	2,033	\$113.91
Transportation/Ambulance	\$1,697,512	\$5.30	71,798	2,691	\$23.64
Total	\$172,430,071	\$538.56	1,704,785		

* Claims incurred from 10/1/99 - 9/30/01

TennCare
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Disabled / Uninsured					
Age Under 1					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	120				
Service Category					
Dental - Orthodontics	\$0	\$0.00	0	0	\$0.00
Dental - Other	\$0	\$0.00	0	0	\$0.00
Pharmacy	\$825	\$6.85	49	4,845	\$16.96
Home Health Care	\$1,900	\$15.77	3	338	\$560.34
IP - Maternity	\$0	\$0.00	0	0	\$0.00
IP - Newborn	\$0	\$0.00	0	0	\$0.00
IP - Other	\$20,462	\$169.87	12	1,165	\$1,750.43
OP - Emergency Room	\$1,589	\$13.19	6	565	\$280.12
OP - Other	\$1,966	\$16.32	2	225	\$869.71
Prof - Anesthesia	\$0	\$0.00	0	0	\$0.00
Prof - Digestive System	\$0	\$0.00	0	0	\$0.00
Prof - Ears/Nose/Throat	\$0	\$0.00	0	0	\$0.00
Prof - Evaluation & Management	\$11,866	\$98.50	141	14,048	\$84.14
Prof - Female Genital	\$0	\$0.00	0	0	\$0.00
Prof - Integumentary System	\$0	\$0.00	0	0	\$0.00
Prof - Laparoscopy	\$0	\$0.00	0	0	\$0.00
Prof - Male Genital	\$220	\$1.83	1	109	\$200.62
Prof - Maternity	\$0	\$0.00	0	0	\$0.00
Prof - Musculoskeletal System	\$0	\$0.00	0	0	\$0.00
Prof - Other	\$0	\$0.00	0	0	\$0.00
Prof - Respiratory/Cardiology	\$66	\$0.55	5	547	\$12.04
Prof - Urinary	\$0	\$0.00	0	0	\$0.00
Prof - Brightline	\$0	\$0.00	0	0	\$0.00
DME/Supplies	\$0	\$0.00	0	0	\$0.00
Lab	\$311	\$2.58	12	1,241	\$24.99
Radiology	\$175	\$1.45	4	438	\$39.87
Transportation/Ambulance	\$0	\$0.00	0	0	\$0.00
Total	\$39,381	\$326.92	236		

* Claims incurred from 10/1/99 - 9/30/01

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Disabled / Uninsured					
Age 1 - 13					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	16,737				
Service Category					
Dental - Orthodontics	\$877	\$0.05	11	8	\$83.31
Dental - Other	\$158,348	\$9.46	3,592	2,575	\$44.08
Pharmacy	\$661,284	\$39.51	6,825	4,893	\$96.89
Home Health Care	\$109,063	\$6.52	189	135	\$577.25
IP - Maternity	\$96,642	\$5.77	49	35	\$1,961.84
IP - Newborn	\$0	\$0.00	0	0	\$0.00
IP - Other	\$607,645	\$36.31	237	170	\$2,558.83
OP - Emergency Room	\$75,621	\$4.52	201	144	\$376.48
OP - Other	\$737,821	\$44.08	1,557	1,116	\$473.85
Prof - Anesthesia	\$59,681	\$3.57	372	267	\$160.36
Prof - Digestive System	\$25,103	\$1.50	56	40	\$444.52
Prof - Ears/Nose/Throat	\$77,585	\$4.64	91	65	\$849.29
Prof - Evaluation & Management	\$467,283	\$27.92	9,465	6,786	\$49.37
Prof - Female Genital	\$0	\$0.00	0	0	\$0.00
Prof - Integumentary System	\$11,543	\$0.69	72	52	\$159.27
Prof - Laparoscopy	\$0	\$0.00	0	0	\$0.00
Prof - Male Genital	\$2,875	\$0.17	5	3	\$621.48
Prof - Maternity	\$0	\$0.00	0	0	\$0.00
Prof - Musculoskeletal System	\$45,442	\$2.72	94	67	\$485.27
Prof - Other	\$29,931	\$1.79	1,765	1,265	\$16.96
Prof - Respiratory/Cardiology	\$7,504	\$0.45	186	133	\$40.34
Prof - Urinary	\$10,955	\$0.65	20	14	\$550.83
Prof - Brightline	\$36,736	\$2.19	2,047	1,468	\$17.95
DME/Supplies	\$220,855	\$13.20	28,519	20,447	\$7.74
Lab	\$45,086	\$2.69	1,706	1,223	\$26.43
Radiology	\$66,763	\$3.99	880	631	\$75.83
Transportation/Ambulance	\$34,760	\$2.08	6,325	4,535	\$5.50
Total	\$3,589,405	\$214.46	64,265		

* Claims incurred from 10/1/99 - 9/30/01

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Disabled / Uninsured Age 14 - 18 Female					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	4,107				
Service Category					
Dental - Orthodontics	\$3,325	\$0.81	42	122	\$79.87
Dental - Other	\$60,019	\$14.61	934	2,729	\$64.25
Pharmacy	\$94,244	\$22.95	3,248	9,490	\$29.01
Home Health Care	\$4,460	\$1.09	17	49	\$264.48
IP - Maternity	\$162,144	\$39.48	80	233	\$2,034.09
IP - Newborn	\$9,987	\$2.43	11	33	\$880.92
IP - Other	\$141,117	\$34.36	54	156	\$2,636.01
OP - Emergency Room	\$59,702	\$14.54	124	363	\$480.19
OP - Other	\$338,053	\$82.30	485	1,418	\$696.66
Prof - Anesthesia	\$29,889	\$7.28	159	463	\$188.56
Prof - Digestive System	\$11,337	\$2.76	11	32	\$1,025.08
Prof - Ears/Nose/Throat	\$10,823	\$2.64	32	93	\$338.67
Prof - Evaluation & Management	\$175,278	\$42.67	2,473	7,224	\$70.88
Prof - Female Genital	\$2,520	\$0.61	9	25	\$296.16
Prof - Integumentary System	\$3,477	\$0.85	49	142	\$71.54
Prof - Laparoscopy	\$0	\$0.00	0	0	\$0.00
Prof - Male Genital	\$0	\$0.00	0	0	\$0.00
Prof - Maternity	\$31,254	\$7.61	43	125	\$728.32
Prof - Musculoskeletal System	\$19,350	\$4.71	10	29	\$1,945.97
Prof - Other	\$11,123	\$2.71	290	848	\$38.33
Prof - Respiratory/Cardiology	\$2,676	\$0.65	109	320	\$24.46
Prof - Urinary	\$1,583	\$0.39	8	24	\$192.05
Prof - Brightline	\$3,015	\$0.73	43	127	\$69.58
DME/Supplies	\$12,956	\$3.15	2,667	7,793	\$4.86
Lab	\$34,971	\$8.51	1,179	3,445	\$29.65
Radiology	\$46,162	\$11.24	381	1,113	\$121.20
Transportation/Ambulance	\$12,313	\$3.00	239	698	\$51.53
Total	\$1,281,780	\$312.07	12,697		

* Claims incurred from 10/1/99 - 9/30/01

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Disabled / Uninsured					
Age 14 - 18 Male					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	5,774				
Service Category					
Dental - Orthodontics	\$3,233	\$0.56	18	38	\$176.90
Dental - Other	\$49,830	\$8.63	849	1,764	\$58.71
Pharmacy	\$650,101	\$112.60	2,417	5,023	\$269.02
Home Health Care	\$16,097	\$2.79	93	193	\$173.56
IP - Maternity	\$0	\$0.00	0	0	\$0.00
IP - Newborn	\$0	\$0.00	0	0	\$0.00
IP - Other	\$74,414	\$12.89	20	41	\$3,799.02
OP - Emergency Room	\$37,483	\$6.49	91	190	\$409.75
OP - Other	\$190,365	\$32.97	383	797	\$496.44
Prof - Anesthesia	\$16,659	\$2.89	87	180	\$192.55
Prof - Digestive System	\$7,860	\$1.36	10	21	\$761.90
Prof - Ears/Nose/Throat	\$9,982	\$1.73	11	23	\$906.82
Prof - Evaluation & Management	\$137,240	\$23.77	1,837	3,819	\$74.70
Prof - Female Genital	\$0	\$0.00	0	0	\$0.00
Prof - Integumentary System	\$15,153	\$2.62	45	94	\$336.04
Prof - Laparoscopy	\$0	\$0.00	0	0	\$0.00
Prof - Male Genital	\$0	\$0.00	0	0	\$0.00
Prof - Maternity	\$0	\$0.00	0	0	\$0.00
Prof - Musculoskeletal System	\$48,544	\$8.41	40	83	\$1,220.45
Prof - Other	\$12,147	\$2.10	586	1,218	\$20.73
Prof - Respiratory/Cardiology	\$6,961	\$1.21	85	177	\$81.62
Prof - Urinary	\$0	\$0.00	0	0	\$0.00
Prof - Brightline	\$4,471	\$0.77	85	177	\$52.49
DME/Supplies	\$33,989	\$5.89	5,020	10,433	\$6.77
Lab	\$13,361	\$2.31	482	1,002	\$27.70
Radiology	\$26,497	\$4.59	349	726	\$75.87
Transportation/Ambulance	\$25,012	\$4.33	1,225	2,547	\$20.41
Total	\$1,379,400	\$238.91	13,734		

* Claims incurred from 10/1/99 - 9/30/01

TennCare
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Disabled / Uninsured Age 19- - 44 Female					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	41,720				
Service Category					
Dental - Orthodontics	\$1,231	\$0.03	7	2	\$186.30
Dental - Other	\$95,110	\$2.28	1,522	438	\$62.49
Pharmacy	\$3,058,528	\$73.31	88,952	25,586	\$34.38
Home Health Care	\$105,834	\$2.54	309	89	\$342.06
IP - Maternity	\$1,718,556	\$41.19	707	203	\$2,430.28
IP - Newborn	\$219,528	\$5.26	134	39	\$1,637.15
IP - Other	\$4,841,323	\$116.04	1,707	491	\$2,836.77
OP - Emergency Room	\$950,040	\$22.77	1,375	396	\$690.79
OP - Other	\$5,584,551	\$133.86	7,370	2,120	\$757.76
Prof - Anesthesia	\$439,444	\$10.53	4,411	1,269	\$99.63
Prof - Digestive System	\$273,374	\$6.55	351	101	\$777.77
Prof - Ears/Nose/Throat	\$345,871	\$8.29	657	189	\$526.44
Prof - Evaluation & Management	\$3,128,005	\$74.98	42,758	12,299	\$73.16
Prof - Female Genital	\$292,518	\$7.01	312	90	\$937.14
Prof - Integumentary System	\$170,275	\$4.08	581	167	\$292.86
Prof - Laparoscopy	\$36,795	\$0.88	18	5	\$2,029.23
Prof - Male Genital	\$0	\$0.00	0	0	\$0.00
Prof - Maternity	\$173,672	\$4.16	215	62	\$808.01
Prof - Musculoskeletal System	\$585,711	\$14.04	1,064	306	\$550.23
Prof - Other	\$39,148	\$0.94	986	284	\$39.69
Prof - Respiratory/Cardiology	\$205,492	\$4.93	2,924	841	\$70.28
Prof - Urinary	\$85,582	\$2.05	165	47	\$519.84
Prof - Brightline	\$39,199	\$0.94	717	206	\$54.69
DME/Supplies	\$265,466	\$6.36	22,174	6,378	\$11.97
Lab	\$622,298	\$14.92	19,369	5,571	\$32.13
Radiology	\$972,603	\$23.31	8,698	2,502	\$111.81
Transportation/Ambulance	\$265,198	\$6.36	10,149	2,919	\$26.13
Total	\$24,515,350	\$587.62	217,633		

* Claims incurred from 10/1/99 - 9/30/01

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Disabled / Uninsured Age 19- - 44 Male					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	53,753				
Service Category					
Dental - Orthodontics	\$0	\$0.00	0	0	\$0.00
Dental - Other	\$83,436	\$1.55	1,381	308	\$60.43
Pharmacy	\$3,414,556	\$63.52	68,248	15,236	\$50.03
Home Health Care	\$373,412	\$6.95	1,435	320	\$260.24
IP - Maternity	\$0	\$0.00	0	0	\$0.00
IP - Newborn	\$1,030	\$0.02	2	1	\$420.75
IP - Other	\$4,055,481	\$75.45	1,376	307	\$2,946.48
OP - Emergency Room	\$767,940	\$14.29	1,293	289	\$593.76
OP - Other	\$4,460,799	\$82.99	5,685	1,269	\$784.66
Prof - Anesthesia	\$266,634	\$4.96	2,494	557	\$106.89
Prof - Digestive System	\$253,512	\$4.72	325	73	\$779.26
Prof - Ears/Nose/Throat	\$292,148	\$5.44	386	86	\$757.71
Prof - Evaluation & Management	\$2,358,876	\$43.88	28,792	6,428	\$81.93
Prof - Female Genital	\$0	\$0.00	0	0	\$0.00
Prof - Integumentary System	\$94,023	\$1.75	481	107	\$195.36
Prof - Laparoscopy	\$2,872	\$0.05	2	1	\$1,149.04
Prof - Male Genital	\$12,261	\$0.23	17	4	\$720.53
Prof - Maternity	\$0	\$0.00	0	0	\$0.00
Prof - Musculoskeletal System	\$474,628	\$8.83	980	219	\$484.44
Prof - Other	\$36,263	\$0.67	645	144	\$56.23
Prof - Respiratory/Cardiology	\$224,031	\$4.17	1,898	424	\$118.06
Prof - Urinary	\$49,288	\$0.92	64	14	\$775.64
Prof - Brightline	\$33,381	\$0.62	689	154	\$48.45
DME/Supplies	\$452,551	\$8.42	23,337	5,210	\$19.39
Lab	\$300,143	\$5.58	9,577	2,138	\$31.34
Radiology	\$805,698	\$14.99	8,712	1,945	\$92.49
Transportation/Ambulance	\$300,283	\$5.59	9,531	2,128	\$31.51
Total	\$19,113,245	\$355.58	167,350		

* Claims incurred from 10/1/99 - 9/30/01

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Disabled / Uninsured					
Age 45 - 64					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	163,860				
Service Category					
Dental - Orthodontics	\$0	\$0.00	0	0	\$0.00
Dental - Other	\$140,505	\$0.86	2,868	210	\$48.99
Pharmacy	\$20,759,616	\$126.69	550,755	40,334	\$37.69
Home Health Care	\$650,615	\$3.97	2,842	208	\$228.96
IP - Maternity	\$277,830	\$1.70	115	8	\$2,411.97
IP - Newborn	\$0	\$0.00	0	0	\$0.00
IP - Other	\$35,981,678	\$219.59	11,118	814	\$3,236.26
OP - Emergency Room	\$2,163,969	\$13.21	2,654	194	\$815.39
OP - Other	\$20,399,915	\$124.50	22,194	1,625	\$919.17
Prof - Anesthesia	\$1,476,394	\$9.01	12,297	901	\$120.06
Prof - Digestive System	\$1,612,688	\$9.84	2,022	148	\$797.39
Prof - Ears/Nose/Throat	\$1,640,690	\$10.01	2,298	168	\$713.92
Prof - Evaluation & Management	\$12,039,864	\$73.48	169,246	12,394	\$71.14
Prof - Female Genital	\$262,363	\$1.60	325	24	\$807.79
Prof - Integumentary System	\$529,369	\$3.23	2,791	204	\$189.69
Prof - Laparoscopy	\$35,549	\$0.22	18	1	\$1,960.53
Prof - Male Genital	\$29,808	\$0.18	40	3	\$743.45
Prof - Maternity	\$7,539	\$0.05	6	0	\$1,181.47
Prof - Musculoskeletal System	\$1,818,533	\$11.10	3,212	235	\$566.16
Prof - Other	\$482,616	\$2.95	12,836	940	\$37.60
Prof - Respiratory/Cardiology	\$1,889,965	\$11.53	14,268	1,045	\$132.46
Prof - Urinary	\$307,931	\$1.88	541	40	\$569.35
Prof - Brightline	\$75,736	\$0.46	1,568	115	\$48.32
DME/Supplies	\$1,832,356	\$11.18	110,478	8,091	\$16.59
Lab	\$2,118,479	\$12.93	70,708	5,178	\$29.96
Radiology	\$3,972,118	\$24.24	32,740	2,398	\$121.32
Transportation/Ambulance	\$935,198	\$5.71	39,546	2,896	\$23.65
Total	\$111,441,324	\$680.10	1,067,487		

* Claims incurred from 10/1/99 - 9/30/01

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Disabled / Uninsured Age Over 65					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	34,100				
Service Category					
Dental - Orthodontics	\$0	\$0.00	0	0	\$0.00
Dental - Other	\$7,503	\$0.22	205	72	\$36.57
Pharmacy	\$3,739,926	\$109.68	111,219	39,139	\$33.63
Home Health Care	\$66,815	\$1.96	362	127	\$184.47
IP - Maternity	\$0	\$0.00	0	0	\$0.00
IP - Newborn	\$0	\$0.00	0	0	\$0.00
IP - Other	\$3,386,131	\$99.30	987	347	\$3,430.89
OP - Emergency Room	\$94,127	\$2.76	96	34	\$981.06
OP - Other	\$1,153,906	\$33.84	1,291	454	\$893.94
Prof - Anesthesia	\$148,407	\$4.35	605	213	\$245.22
Prof - Digestive System	\$127,052	\$3.73	164	58	\$775.49
Prof - Ears/Nose/Throat	\$173,582	\$5.09	288	101	\$601.87
Prof - Evaluation & Management	\$940,002	\$27.57	12,039	4,237	\$78.08
Prof - Female Genital	\$16,612	\$0.49	13	4	\$1,301.68
Prof - Integumentary System	\$42,469	\$1.25	276	97	\$153.91
Prof - Laparoscopy	\$2,461	\$0.07	1	0	\$2,314.28
Prof - Male Genital	\$10,189	\$0.30	13	4	\$798.33
Prof - Maternity	\$0	\$0.00	0	0	\$0.00
Prof - Musculoskeletal System	\$94,490	\$2.77	139	49	\$679.78
Prof - Other	\$18,684	\$0.55	406	143	\$45.99
Prof - Respiratory/Cardiology	\$160,718	\$4.71	1,042	367	\$154.19
Prof - Urinary	\$32,284	\$0.95	38	13	\$842.06
Prof - Brightline	\$5,753	\$0.17	111	39	\$51.62
DME/Supplies	\$281,117	\$8.24	20,366	7,167	\$13.80
Lab	\$154,750	\$4.54	4,463	1,571	\$34.67
Radiology	\$288,456	\$8.46	2,474	871	\$116.61
Transportation/Ambulance	\$124,749	\$3.66	4,783	1,683	\$26.08
Total	\$11,070,185	\$324.64	161,383		

* Claims incurred from 10/1/99 - 9/30/01

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Disabled / Uninsurable					
All Age Groups					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	412,008				
Service Category					
Dental - Orthodontics	\$1,669	\$0.00	12	0	\$137.69
Dental - Other	\$454,150	\$1.10	9,666	282	\$46.98
Pharmacy	\$50,583,327	\$122.77	1,161,756	33,837	\$43.54
Home Health Care	\$3,301,283	\$8.01	8,906	259	\$370.67
IP - Maternity	\$2,376,101	\$5.77	1,152	34	\$2,062.10
IP - Newborn	\$554,449	\$1.35	309	9	\$1,792.00
IP - Other	\$88,291,562	\$214.30	28,668	835	\$3,079.77
OP - Emergency Room	\$7,229,792	\$17.55	10,152	296	\$712.14
OP - Other	\$58,770,740	\$142.64	62,510	1,821	\$940.18
Prof - Anesthesia	\$4,402,572	\$10.69	41,433	1,207	\$106.26
Prof - Digestive System	\$4,022,594	\$9.76	5,665	165	\$710.14
Prof - Ears/Nose/Throat	\$4,889,246	\$11.87	6,095	178	\$802.19
Prof - Evaluation & Management	\$32,466,634	\$78.80	460,296	13,406	\$70.53
Prof - Female Genital	\$776,109	\$1.88	1,056	31	\$734.68
Prof - Integumentary System	\$1,536,946	\$3.73	8,229	240	\$186.78
Prof - Laparoscopy	\$158,656	\$0.39	123	4	\$1,288.67
Prof - Male Genital	\$103,267	\$0.25	206	6	\$500.30
Prof - Maternity	\$127,575	\$0.31	144	4	\$887.21
Prof - Musculoskeletal System	\$6,315,171	\$15.33	9,101	265	\$693.92
Prof - Other	\$1,622,134	\$3.94	42,505	1,238	\$38.16
Prof - Respiratory/Cardiology	\$4,447,287	\$10.79	34,716	1,011	\$128.10
Prof - Urinary	\$923,701	\$2.24	1,581	46	\$584.12
Prof - Brightline	\$223,843	\$0.54	6,157	179	\$36.36
DME/Supplies	\$4,720,769	\$11.46	252,713	7,360	\$18.68
Lab	\$5,623,864	\$13.65	185,411	5,400	\$30.33
Radiology	\$11,162,094	\$27.09	92,785	2,702	\$120.30
Transportation/Ambulance	\$2,643,930	\$6.42	102,826	2,995	\$25.71
Total	\$297,729,465	\$722.63	2,534,172		

* Claims incurred from 10/1/99 - 9/30/01

TennCare
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Disabled / Uninsurable					
Age Under 1					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	41				
Service Category					
Dental - Orthodontics	\$0	\$0.00	0	0	\$0.00
Dental - Other	\$0	\$0.00	0	0	\$0.00
Pharmacy	\$397	\$9.69	33	9,595	\$12.12
Home Health Care	\$0	\$0.00	0	0	\$0.00
IP - Maternity	\$0	\$0.00	0	0	\$0.00
IP - Newborn	\$0	\$0.00	0	0	\$0.00
IP - Other	\$0	\$0.00	0	0	\$0.00
OP - Emergency Room	\$218	\$5.32	1	331	\$193.05
OP - Other	\$102	\$2.48	1	331	\$90.09
Prof - Anesthesia	\$0	\$0.00	0	0	\$0.00
Prof - Digestive System	\$0	\$0.00	0	0	\$0.00
Prof - Ears/Nose/Throat	\$53	\$1.29	1	322	\$48.15
Prof - Evaluation & Management	\$2,740	\$66.85	60	17,693	\$45.34
Prof - Female Genital	\$0	\$0.00	0	0	\$0.00
Prof - Integumentary System	\$0	\$0.00	0	0	\$0.00
Prof - Laparoscopy	\$0	\$0.00	0	0	\$0.00
Prof - Male Genital	\$0	\$0.00	0	0	\$0.00
Prof - Maternity	\$0	\$0.00	0	0	\$0.00
Prof - Musculoskeletal System	\$0	\$0.00	0	0	\$0.00
Prof - Other	\$0	\$0.00	0	0	\$0.00
Prof - Respiratory/Cardiology	\$0	\$0.00	0	0	\$0.00
Prof - Urinary	\$0	\$0.00	0	0	\$0.00
Prof - Brightline	\$0	\$0.00	0	0	\$0.00
DME/Supplies	\$0	\$0.00	0	0	\$0.00
Lab	\$0	\$0.00	0	0	\$0.00
Radiology	\$149	\$3.63	2	643	\$67.71
Transportation/Ambulance	\$0	\$0.00	0	0	\$0.00
Total	\$3,659	\$89.27	99		

* Claims incurred from 10/1/99 - 9/30/01

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Disabled / Uninsurable					
Age 1 - 13					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	2,819				
Service Category					
Dental - Orthodontics	\$0	\$0.00	0	0	\$0.00
Dental - Other	\$22,972	\$8.15	543	2,309	\$42.34
Pharmacy	\$99,625	\$35.33	1,830	7,788	\$54.45
Home Health Care	\$536,340	\$190.23	1,170	4,982	\$458.22
IP - Maternity	\$15,108	\$5.36	7	31	\$2,056.84
IP - Newborn	\$0	\$0.00	0	0	\$0.00
IP - Other	\$323,022	\$114.57	167	712	\$1,929.96
OP - Emergency Room	\$10,724	\$3.80	29	123	\$371.35
OP - Other	\$266,146	\$94.40	507	2,159	\$524.56
Prof - Anesthesia	\$25,535	\$9.06	187	798	\$136.26
Prof - Digestive System	\$5,928	\$2.10	5	23	\$1,114.85
Prof - Ears/Nose/Throat	\$3,846	\$1.36	10	41	\$401.76
Prof - Evaluation & Management	\$120,885	\$42.87	1,883	8,014	\$64.20
Prof - Female Genital	\$0	\$0.00	0	0	\$0.00
Prof - Integumentary System	\$2,420	\$0.86	10	42	\$244.16
Prof - Laparoscopy	\$0	\$0.00	0	0	\$0.00
Prof - Male Genital	\$757	\$0.27	1	6	\$539.19
Prof - Maternity	\$0	\$0.00	0	0	\$0.00
Prof - Musculoskeletal System	\$927	\$0.33	1	5	\$871.73
Prof - Other	\$9,834	\$3.49	321	1,364	\$30.67
Prof - Respiratory/Cardiology	\$7,508	\$2.66	47	199	\$160.74
Prof - Urinary	\$469	\$0.17	5	23	\$88.17
Prof - Brightline	\$4,001	\$1.42	150	639	\$26.65
DME/Supplies	\$81,749	\$28.99	13,168	56,044	\$6.21
Lab	\$8,994	\$3.19	303	1,290	\$29.67
Radiology	\$12,709	\$4.51	183	779	\$69.46
Transportation/Ambulance	\$2,927	\$1.04	72	305	\$40.88
Total	\$1,562,425	\$554.15	20,600		

* Claims incurred from 10/1/99 - 9/30/01

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Disabled / Uninsurable Age 14 - 18 Female					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	1,005				
Service Category					
Dental - Orthodontics	\$1,669	\$1.66	12	145	\$137.69
Dental - Other	\$13,651	\$13.59	166	1,988	\$82.00
Pharmacy	\$23,626	\$23.51	649	7,757	\$36.37
Home Health Care	\$64,709	\$64.40	94	1,120	\$689.85
IP - Maternity	\$16,415	\$16.34	15	175	\$1,117.34
IP - Newborn	\$1,013	\$1.01	2	29	\$413.64
IP - Other	\$108,493	\$107.97	60	716	\$1,808.63
OP - Emergency Room	\$11,340	\$11.29	17	207	\$652.68
OP - Other	\$97,888	\$97.42	126	1,500	\$779.54
Prof - Anesthesia	\$12,943	\$12.88	154	1,842	\$83.93
Prof - Digestive System	\$2,192	\$2.18	4	51	\$515.34
Prof - Ears/Nose/Throat	\$267	\$0.27	3	38	\$83.64
Prof - Evaluation & Management	\$44,034	\$43.82	549	6,555	\$80.23
Prof - Female Genital	\$133	\$0.13	1	13	\$124.96
Prof - Integumentary System	\$1,739	\$1.73	6	68	\$307.33
Prof - Laparoscopy	\$0	\$0.00	0	0	\$0.00
Prof - Male Genital	\$0	\$0.00	0	0	\$0.00
Prof - Maternity	\$5,106	\$5.08	7	80	\$759.58
Prof - Musculoskeletal System	\$5,266	\$5.24	3	38	\$1,650.49
Prof - Other	\$999	\$0.99	30	362	\$32.95
Prof - Respiratory/Cardiology	\$3,709	\$3.69	29	343	\$129.18
Prof - Urinary	\$43	\$0.04	1	13	\$39.99
Prof - Brightline	\$413	\$0.41	10	114	\$43.14
DME/Supplies	\$42,184	\$41.98	5,525	65,978	\$7.64
Lab	\$10,631	\$10.58	340	4,058	\$31.28
Radiology	\$14,846	\$14.77	122	1,455	\$121.89
Transportation/Ambulance	\$4,785	\$4.76	84	1,003	\$56.96
Total	\$488,095	\$485.76	8,009		

* Claims incurred from 10/1/99 - 9/30/01

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Disabled / Uninsurable					
Age 14 - 18 Male					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	1,396				
Service Category					
Dental - Orthodontics	\$0	\$0.00	0	0	\$0.00
Dental - Other	\$12,988	\$9.30	219	1,879	\$59.41
Pharmacy	\$143,375	\$102.70	572	4,913	\$250.87
Home Health Care	\$9,549	\$6.84	22	190	\$431.43
IP - Maternity	\$0	\$0.00	0	0	\$0.00
IP - Newborn	\$53,473	\$38.30	34	295	\$1,559.96
IP - Other	\$378,032	\$270.79	94	805	\$4,036.39
OP - Emergency Room	\$10,289	\$7.37	10	86	\$1,025.99
OP - Other	\$54,432	\$38.99	109	937	\$499.50
Prof - Anesthesia	\$11,876	\$8.51	80	686	\$148.89
Prof - Digestive System	\$2,726	\$1.95	2	18	\$1,281.60
Prof - Ears/Nose/Throat	\$8,614	\$6.17	4	37	\$2,024.87
Prof - Evaluation & Management	\$47,337	\$33.91	682	5,860	\$69.43
Prof - Female Genital	\$0	\$0.00	0	0	\$0.00
Prof - Integumentary System	\$16,080	\$11.52	22	192	\$719.97
Prof - Laparoscopy	\$0	\$0.00	0	0	\$0.00
Prof - Male Genital	\$0	\$0.00	0	0	\$0.00
Prof - Maternity	\$0	\$0.00	0	0	\$0.00
Prof - Musculoskeletal System	\$56,852	\$40.72	22	192	\$2,545.54
Prof - Other	\$1,526	\$1.09	48	411	\$31.94
Prof - Respiratory/Cardiology	\$14,075	\$10.08	30	256	\$472.64
Prof - Urinary	\$346	\$0.25	3	27	\$108.30
Prof - Brightline	\$1,268	\$0.91	34	292	\$37.36
DME/Supplies	\$21,213	\$15.20	242	2,084	\$87.48
Lab	\$3,238	\$2.32	126	1,084	\$25.69
Radiology	\$13,111	\$9.39	378	3,248	\$34.70
Transportation/Ambulance	\$1,713	\$1.23	37	320	\$46.01
Total	\$862,111	\$617.55	2,770		

* Claims incurred from 10/1/99 - 9/30/01

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Disabled / Uninsurable					
Age 19 - 44 Female					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	48,524				
Service Category					
Dental - Orthodontics	\$0	\$0.00	0	0	\$0.00
Dental - Other	\$80,077	\$1.65	1,755	434	\$45.62
Pharmacy	\$3,932,420	\$81.04	97,470	24,105	\$40.34
Home Health Care	\$397,382	\$8.19	808	200	\$492.02
IP - Maternity	\$1,995,789	\$41.13	942	233	\$2,117.56
IP - Newborn	\$429,218	\$8.85	214	53	\$2,009.68
IP - Other	\$10,258,336	\$211.41	3,813	943	\$2,690.63
OP - Emergency Room	\$1,168,336	\$24.08	2,001	495	\$583.89
OP - Other	\$7,197,198	\$148.32	8,833	2,184	\$814.84
Prof - Anesthesia	\$546,373	\$11.26	4,958	1,226	\$110.20
Prof - Digestive System	\$418,154	\$8.62	528	131	\$791.84
Prof - Ears/Nose/Throat	\$431,854	\$8.90	694	172	\$622.66
Prof - Evaluation & Management	\$3,730,358	\$76.88	55,126	13,633	\$67.67
Prof - Female Genital	\$311,622	\$6.42	359	89	\$867.90
Prof - Integumentary System	\$156,540	\$3.23	529	131	\$296.10
Prof - Laparoscopy	\$50,704	\$1.04	39	10	\$1,291.30
Prof - Male Genital	\$0	\$0.00	0	0	\$0.00
Prof - Maternity	\$119,888	\$2.47	133	33	\$900.06
Prof - Musculoskeletal System	\$687,930	\$14.18	1,174	290	\$585.98
Prof - Other	\$91,481	\$1.89	2,744	679	\$33.34
Prof - Respiratory/Cardiology	\$346,840	\$7.15	3,549	878	\$97.73
Prof - Urinary	\$96,771	\$1.99	178	44	\$542.76
Prof - Brightline	\$39,618	\$0.82	1,174	290	\$33.75
DME/Supplies	\$340,981	\$7.03	11,583	2,865	\$29.44
Lab	\$763,494	\$15.73	24,031	5,943	\$31.77
Radiology	\$1,325,404	\$27.31	11,254	2,783	\$117.77
Transportation/Ambulance	\$288,610	\$5.95	12,489	3,089	\$23.11
Total	\$35,205,381	\$725.53	246,378		

* Claims incurred from 10/1/99 - 9/30/01

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Disabled / Uninsurable Age 19 - 44 Male					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	84,679				
Service Category					
Dental - Orthodontics	\$0	\$0.00	0	0	\$0.00
Dental - Other	\$123,179	\$1.45	2,414	342	\$51.02
Pharmacy	\$6,397,273	\$75.55	112,903	16,000	\$56.66
Home Health Care	\$450,172	\$5.32	1,019	144	\$441.83
IP - Maternity	\$0	\$0.00	0	0	\$0.00
IP - Newborn	\$688	\$0.01	1	0	\$562.02
IP - Other	\$12,961,057	\$153.06	3,987	565	\$3,250.83
OP - Emergency Room	\$2,117,436	\$25.01	3,249	460	\$651.82
OP - Other	\$9,944,300	\$117.43	11,092	1,572	\$896.52
Prof - Anesthesia	\$856,344	\$10.11	9,044	1,282	\$94.68
Prof - Digestive System	\$679,298	\$8.02	803	114	\$846.37
Prof - Ears/Nose/Throat	\$1,098,943	\$12.98	965	137	\$1,138.72
Prof - Evaluation & Management	\$5,010,472	\$59.17	65,932	9,343	\$75.99
Prof - Female Genital	\$0	\$0.00	0	0	\$0.00
Prof - Integumentary System	\$338,734	\$4.00	2,215	314	\$152.95
Prof - Laparoscopy	\$11,350	\$0.13	6	1	\$1,892.06
Prof - Male Genital	\$22,341	\$0.26	54	8	\$412.21
Prof - Maternity	\$0	\$0.00	0	0	\$0.00
Prof - Musculoskeletal System	\$1,914,702	\$22.61	2,026	287	\$945.14
Prof - Other	\$93,212	\$1.10	1,612	228	\$57.83
Prof - Respiratory/Cardiology	\$524,711	\$6.20	3,945	559	\$133.01
Prof - Urinary	\$163,469	\$1.93	159	22	\$1,030.71
Prof - Brightline	\$63,456	\$0.75	1,476	209	\$42.99
DME/Supplies	\$791,218	\$9.34	34,181	4,844	\$23.15
Lab	\$791,184	\$9.34	22,383	3,172	\$35.35
Radiology	\$1,755,587	\$20.73	16,454	2,332	\$106.69
Transportation/Ambulance	\$601,337	\$7.10	17,749	2,515	\$33.88
Total	\$46,710,465	\$551.62	313,668		

* Claims incurred from 10/1/99 - 9/30/01

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Disabled / Uninsurable					
Age 45 - 64					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	248,033				
Service Category					
Dental - Orthodontics	\$0	\$0.00	0	0	\$0.00
Dental - Other	\$191,482	\$0.77	4,373	212	\$43.79
Pharmacy	\$36,403,690	\$146.77	852,816	41,260	\$42.69
Home Health Care	\$1,813,098	\$7.31	5,632	272	\$321.93
IP - Maternity	\$348,789	\$1.41	188	9	\$1,857.84
IP - Newborn	\$44,051	\$0.18	36	2	\$1,232.90
IP - Other	\$63,227,439	\$254.91	20,168	976	\$3,135.08
OP - Emergency Room	\$3,867,316	\$15.59	4,800	232	\$805.77
OP - Other	\$40,727,259	\$164.20	41,262	1,996	\$987.04
Prof - Anesthesia	\$2,892,064	\$11.66	26,788	1,296	\$107.96
Prof - Digestive System	\$2,869,257	\$11.57	4,254	206	\$674.53
Prof - Ears/Nose/Throat	\$3,240,420	\$13.06	4,310	209	\$751.84
Prof - Evaluation & Management	\$23,037,490	\$92.88	328,313	15,884	\$70.17
Prof - Female Genital	\$457,485	\$1.84	686	33	\$667.23
Prof - Integumentary System	\$992,543	\$4.00	5,266	255	\$188.48
Prof - Laparoscopy	\$96,323	\$0.39	77	4	\$1,254.40
Prof - Male Genital	\$79,664	\$0.32	149	7	\$535.80
Prof - Maternity	\$2,581	\$0.01	4	0	\$666.77
Prof - Musculoskeletal System	\$3,601,058	\$14.52	5,821	282	\$618.66
Prof - Other	\$1,406,485	\$5.67	37,061	1,793	\$37.95
Prof - Respiratory/Cardiology	\$3,454,582	\$13.93	26,651	1,289	\$129.63
Prof - Urinary	\$650,330	\$2.62	1,201	58	\$541.70
Prof - Brightline	\$111,508	\$0.45	3,203	155	\$34.81
DME/Supplies	\$3,333,254	\$13.44	165,249	7,995	\$20.17
Lab	\$3,963,545	\$15.98	135,765	6,568	\$29.19
Radiology	\$7,894,081	\$31.83	63,065	3,051	\$125.17
Transportation/Ambulance	\$1,528,600	\$6.16	59,776	2,892	\$25.57
Total	\$206,234,396	\$831.48	1,796,909		

* Claims incurred from 10/1/99 - 9/30/01

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Disabled / Uninsurable Age Over 65					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	25,510				
Service Category					
Dental - Orthodontics	\$0	\$0.00	0	0	\$0.00
Dental - Other	\$9,801	\$0.38	196	92	\$49.95
Pharmacy	\$3,582,920	\$140.45	95,484	44,916	\$37.52
Home Health Care	\$30,033	\$1.18	161	76	\$186.09
IP - Maternity	\$0	\$0.00	0	0	\$0.00
IP - Newborn	\$26,005	\$1.02	22	10	\$1,174.31
IP - Other	\$1,035,184	\$40.58	380	179	\$2,725.29
OP - Emergency Room	\$44,133	\$1.73	46	22	\$964.09
OP - Other	\$483,415	\$18.95	580	273	\$832.86
Prof - Anesthesia	\$57,436	\$2.25	221	104	\$259.74
Prof - Digestive System	\$45,037	\$1.77	68	32	\$658.38
Prof - Ears/Nose/Throat	\$105,251	\$4.13	108	51	\$973.67
Prof - Evaluation & Management	\$473,318	\$18.55	7,750	3,646	\$61.07
Prof - Female Genital	\$6,869	\$0.27	11	5	\$645.90
Prof - Integumentary System	\$28,889	\$1.13	181	85	\$159.26
Prof - Laparoscopy	\$280	\$0.01	1	1	\$262.92
Prof - Male Genital	\$505	\$0.02	2	1	\$237.43
Prof - Maternity	\$0	\$0.00	0	0	\$0.00
Prof - Musculoskeletal System	\$48,435	\$1.90	53	25	\$905.76
Prof - Other	\$18,596	\$0.73	688	324	\$27.01
Prof - Respiratory/Cardiology	\$95,862	\$3.76	466	219	\$205.58
Prof - Urinary	\$12,274	\$0.48	34	16	\$357.08
Prof - Brightline	\$3,579	\$0.14	110	52	\$32.54
DME/Supplies	\$110,169	\$4.32	22,765	10,709	\$4.84
Lab	\$82,778	\$3.24	2,463	1,159	\$33.61
Radiology	\$146,207	\$5.73	1,327	624	\$110.20
Transportation/Ambulance	\$215,957	\$8.47	12,618	5,935	\$17.11
Total	\$6,662,933	\$261.19	145,739		

* Claims incurred from 10/1/99 - 9/30/01

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Duals (Uninsurable & Medicare)					
All Age Groups					
	Raw Charges 1999 - 2001*	Unadjusted PMPM 1999 - 2001	Units 1999 - 2001*	Units / 1000 1999 - 2001	Charges / Unit
Member Months	748,406				
Service Category					
Dental - Orthodontics	\$1,804	\$0.00	10	0	\$185.72
Dental - Other	\$390,791	\$0.52	8,523	137	\$45.85
Pharmacy	\$159,462,996	\$213.07	3,426,413	54,939	\$46.54
Home Health Care	\$1,463,834	\$1.96	5,940	95	\$246.45
IP - Maternity	\$167,233	\$0.22	87	1	\$1,920.29
IP - Newborn	\$31,577	\$0.04	26	0	\$1,220.27
IP - Other	\$18,090,718	\$24.17	6,459	104	\$2,800.75
OP - Emergency Room	\$682,532	\$0.91	758	12	\$900.44
OP - Other	\$8,309,553	\$11.10	8,030	129	\$1,034.85
Prof - Anesthesia	\$863,214	\$1.15	7,460	120	\$115.72
Prof - Digestive System	\$1,026,574	\$1.37	1,199	19	\$856.40
Prof - Ears/Nose/Throat	\$1,431,221	\$1.91	2,310	37	\$619.60
Prof - Evaluation & Management	\$7,787,971	\$10.41	122,142	1,958	\$63.76
Prof - Female Genital	\$210,238	\$0.28	274	4	\$766.09
Prof - Integumentary System	\$495,852	\$0.66	2,704	43	\$183.36
Prof - Laparoscopy	\$22,443	\$0.03	14	0	\$1,551.15
Prof - Male Genital	\$28,500	\$0.04	54	1	\$525.70
Prof - Maternity	\$5,439	\$0.01	8	0	\$673.02
Prof - Musculoskeletal System	\$1,168,898	\$1.56	1,981	32	\$589.95
Prof - Other	\$612,155	\$0.82	17,172	275	\$35.65
Prof - Respiratory/Cardiology	\$1,455,488	\$1.94	6,276	101	\$231.90
Prof - Urinary	\$230,747	\$0.31	488	8	\$472.60
Prof - Brightline	\$30,139	\$0.04	2,270	36	\$13.28
DME/Supplies	\$2,036,017	\$2.72	382,022	6,125	\$5.33
Lab	\$1,406,899	\$1.88	34,834	559	\$40.39
Radiology	\$2,448,816	\$3.27	18,740	300	\$130.68
Transportation/Ambulance	\$3,525,355	\$4.71	274,390	4,400	\$12.85
Total	\$213,387,003	\$285.12	4,330,586		

* Claims incurred from 10/1/99 - 9/30/01

TennCare
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Conversion Factors

	Conversion Factors	
	TennCare Only Members	Dual TennCare/Medicare Members
Service Category		
Dental - Orthodontics	0.740	0.250
Dental - Other	0.740	0.740
Pharmacy	0.782	0.850
Home Health Care	0.900	0.085
IP - Maternity	0.322	0.086
IP - Newborn	0.322	0.086
IP - Other	0.322	0.086
OP - Emergency Room	0.322	0.147
OP - Other	0.322	0.147
Prof - Anesthesia	0.520	0.237
Prof - Digestive System	0.363	0.166
Prof - Ears/Nose/Throat	0.343	0.156
Prof - Evaluation & Management	0.547	0.250
Prof - Female Genital	0.288	0.131
Prof - Integumentary System	0.493	0.225
Prof - Laparoscopy	1.000	0.456
Prof - Male Genital	0.747	0.341
Prof - Maternity	0.547	0.250
Prof - Musculoskeletal System	0.276	0.126
Prof - Other	1.000	0.456
Prof - Respiratory/Cardiology	0.313	0.143
Prof - Urinary	0.465	0.212
Prof - Brightline	0.612	0.279
DME/Supplies	0.486	0.237
Lab	0.437	0.199
Radiology	0.731	0.333
Transportation/Ambulance	0.900	0.900

TennCare
FY 2003 Per Capita Cost Development
Adjustment Factors for Grier Consent Decree

	Medicaid (TANF & Related)	Disabled	Duals (Medicaid & Medicare) *	Uninsured	Uninsurable	Duals (TC Standard & Medicare) *
Service Unit						
Billed	1.082	1.056	1.056	1.033	1.118	1.056
Scripts	1.029	1.029	1.023	1.011	1.058	1.023

* Note: A "Grier-like" change was observed for the Dual eligible populations concurrent with the change in responsibility for coverage of prescription drugs for this group. An adjustment factor similar to the adjustment for the Grier Consent Decree is calculated and applied in a similar manner, but is not attributed specifically to the Consent Decree.

TennCare
FY 2003 Per Capita Cost Development
Annual Trend Factors

Historical Annual Trend Factors						
	Medicaid (TANF & Related)	Disabled	Duals (Medicaid & Medicare)	Uninsured	Uninsurable	Duals (TC Standard & Medicare)
Dental	1.013	1.051	1.000	0.779	0.952	1.000
Pharmacy	1.179	1.166	1.158	1.147	1.120	1.158
Home Health Care	1.042	1.117	1.000	1.059	1.118	1.000
Inpatient	1.013	0.903	1.079	1.086	1.024	1.079
Outpatient	1.105	1.060	1.000	1.089	1.095	1.000
Professional	1.011	1.001	1.000	1.011	1.000	1.000

Contract Period Trend Factors						
	Medicaid (TANF & Related)	Disabled	Duals (Medicaid & Medicare)	Uninsured	Uninsurable	Duals (TC Standard & Medicare)
Dental	1.013	1.051	1.000	1.000	0.952	1.000
Pharmacy	1.179	1.166	1.158	1.147	1.120	1.158
Home Health Care	1.042	1.117	1.000	1.059	1.118	1.000
Inpatient	1.000	1.000	1.000	1.000	1.000	1.000
Outpatient	1.105	1.060	1.000	1.089	1.095	1.000
Professional	1.011	1.001	1.000	1.011	1.000	1.000

Note:

Historical Annual Trend Factors as shown are for a 12-month period. Refer to Exhibit 3d for the factors used to trend the data from the mid-point of the data period (October 1, 2000) to the end of the data period, or 15 months.

The Contract Period Trend Factors represent the additional adjustment required to trend the data from the end of the data period (January 1, 2002) to the midpoint of the contract period (January 1, 2003).

TennCare
FY 2003 Per Capita Cost Development
IBNR and Trend Adjustment Factors

	Combined IBNR and Trend Factor - Data Period					
	Medicaid (TANF & Related)	Disabled	Duals (Medicaid & Medicare)	Uninsured	Uninsurable	Duals (TC Standard & Medicare)
Dental	1.023	1.071	1.005	0.737	0.948	1.005
Pharmacy	1.229	1.213	1.202	1.187	1.153	1.202
Home Health Care	1.076	1.208	1.072	1.102	1.189	1.072
Inpatient	1.061	0.913	1.184	1.155	1.080	1.184
Outpatient	1.145	1.088	1.036	1.124	1.134	1.036
Professional	1.023	1.013	1.027	1.024	1.012	1.027

Note:

The Trend/IBNR Factors - Data Period represent the total adjustment required to trend the data using historical trend factors from the midpoint of the data period (October 1, 2000) to the end of the data period (January 1, 2002), or 15 months; these factors also incorporate completion factors necessary to gross up the starting claims data for Incurred But Not Reported costs.

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Exhibit 3

Medicaid (TANF & Related) All Age Groups									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	11,679,402								
Service Category									
Dental - Orthodontics	\$1,843,714	13,025	0.740	\$104.75	\$1,364,349	1.0169	1.0056	1.0135	\$0.12
Dental - Other	\$68,892,084	1,526,866	0.740	\$33.39	\$50,980,143	1.0169	1.0056	1.0135	\$4.52
Pharmacy	\$158,261,193	6,425,097	0.782	\$19.27	\$123,806,556	1.2282	1.0003	1.1788	\$15.35
Home Health Care	\$8,805,256	29,335	0.900	\$270.15	\$7,924,730	1.0533	1.0219	1.0424	\$0.76
IP - Maternity	\$220,973,442	111,152	0.322	\$639.35	\$71,065,059	1.0165	1.0439	1.0000	\$6.46
IP - Newborn	\$264,459,918	159,430	0.322	\$533.47	\$85,050,310	1.0165	1.0439	1.0000	\$7.73
IP - Other	\$491,359,759	177,715	0.322	\$889.18	\$158,021,298	1.0165	1.0439	1.0000	\$14.36
OP - Emergency Room	\$117,540,576	289,265	0.322	\$130.68	\$37,801,049	1.1328	1.0103	1.1049	\$4.09
OP - Other	\$466,252,150	844,184	0.322	\$177.62	\$149,946,692	1.1328	1.0103	1.1049	\$16.24
Prof - Anesthesia	\$70,527,087	751,400	0.520	\$48.78	\$36,650,229	1.0138	1.0092	1.0110	\$3.25
Prof - Digestive System	\$24,534,180	29,747	0.363	\$299.48	\$8,908,800	1.0138	1.0092	1.0110	\$0.79
Prof - Ears/Nose/Throat	\$21,711,246	55,810	0.343	\$133.34	\$7,441,707	1.0138	1.0092	1.0110	\$0.66
Prof - Evaluation & Management	\$408,956,835	6,218,062	0.547	\$36.00	\$223,842,977	1.0138	1.0092	1.0110	\$19.82
Prof - Female Genital	\$22,454,242	45,009	0.288	\$143.67	\$6,466,356	1.0138	1.0092	1.0110	\$0.57
Prof - Integumentary System	\$11,500,448	57,347	0.493	\$98.82	\$5,666,999	1.0138	1.0092	1.0110	\$0.50
Prof - Laparoscopy	\$2,987,774	2,445	1.000	\$1,222.05	\$2,987,774	1.0138	1.0092	1.0110	\$0.26
Prof - Male Genital	\$3,079,051	8,016	0.747	\$286.97	\$2,300,449	1.0138	1.0092	1.0110	\$0.20
Prof - Maternity	\$135,812,767	164,727	0.547	\$451.28	\$74,337,268	1.0138	1.0092	1.0110	\$6.58
Prof - Musculoskeletal System	\$25,230,369	44,929	0.276	\$154.81	\$6,955,631	1.0138	1.0092	1.0110	\$0.62
Prof - Other	\$12,237,096	373,246	1.000	\$32.79	\$12,237,096	1.0138	1.0092	1.0110	\$1.08
Prof - Respiratory/Cardiology	\$14,055,160	250,148	0.313	\$17.60	\$4,402,348	1.0138	1.0092	1.0110	\$0.39
Prof - Urinary	\$4,419,160	8,892	0.465	\$231.03	\$2,054,393	1.0138	1.0092	1.0110	\$0.18
Prof - Brightline	\$5,197,346	89,905	0.612	\$35.37	\$3,180,161	1.0138	1.0092	1.0110	\$0.28
DME/Supplies	\$13,520,378	626,698	0.486	\$10.49	\$6,577,139	1.0138	1.0092	1.0110	\$0.58
Lab	\$70,994,228	2,465,145	0.437	\$12.60	\$31,053,219	1.0138	1.0092	1.0110	\$2.75
Radiology	\$86,924,046	858,467	0.731	\$74.04	\$63,562,907	1.0138	1.0092	1.0110	\$5.63
Transportation/Ambulance	\$22,673,402	668,285	0.900	\$30.53	\$20,406,062	1.0138	1.0092	1.0110	\$1.81
Total	\$2,755,202,908	22,294,346			\$1,204,991,703				\$115.59
Administrative Adjustment									1.1236
Per Capita Cost									\$129.88
Per Capita Cost Excluding Direct Payments to Hospitals									\$127.18

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Exhibit 3

Medicaid (TANF & Related)									
Age Under 1									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	746,959								
Service Category									
Dental - Orthodontics	\$0	0	0.740	\$0.00	\$0	1.0169	1.0056	1.0135	\$0.00
Dental - Other	\$25,902	674	0.740	\$28.43	\$19,168	1.0169	1.0056	1.0135	\$0.03
Pharmacy	\$7,051,190	420,765	0.782	\$13.11	\$5,516,093	1.2282	1.0003	1.1788	\$10.70
Home Health Care	\$2,225,982	5,264	0.900	\$380.59	\$2,003,384	1.0533	1.0219	1.0424	\$3.01
IP - Maternity	\$0	0	0.322	\$0.00	\$0	1.0165	1.0439	1.0000	\$0.00
IP - Newborn	\$146,721,006	75,998	0.322	\$620.88	\$47,185,475	1.0165	1.0439	1.0000	\$67.03
IP - Other	\$74,644,254	33,004	0.322	\$727.35	\$24,005,592	1.0165	1.0439	1.0000	\$34.10
OP - Emergency Room	\$11,255,375	36,500	0.322	\$99.17	\$3,619,728	1.1328	1.0103	1.1049	\$6.13
OP - Other	\$28,247,032	74,052	0.322	\$122.67	\$9,084,245	1.1328	1.0103	1.1049	\$15.38
Prof - Anesthesia	\$2,558,855	20,205	0.520	\$65.81	\$1,329,739	1.0138	1.0092	1.0110	\$1.84
Prof - Digestive System	\$2,147,012	1,938	0.363	\$402.22	\$779,618	1.0138	1.0092	1.0110	\$1.08
Prof - Ears/Nose/Throat	\$2,225,894	6,063	0.343	\$125.83	\$762,943	1.0138	1.0092	1.0110	\$1.06
Prof - Evaluation & Management	\$71,528,788	1,206,702	0.547	\$32.44	\$39,151,361	1.0138	1.0092	1.0110	\$54.21
Prof - Female Genital	\$13,107	34	0.288	\$112.54	\$3,774	1.0138	1.0092	1.0110	\$0.01
Prof - Integumentary System	\$284,252	1,563	0.493	\$89.63	\$140,069	1.0138	1.0092	1.0110	\$0.19
Prof - Laparoscopy	\$11,708	9	1.000	\$1,361.74	\$11,708	1.0138	1.0092	1.0110	\$0.02
Prof - Male Genital	\$1,687,716	6,133	0.747	\$205.61	\$1,260,942	1.0138	1.0092	1.0110	\$1.75
Prof - Maternity	\$0	0	0.547	\$0.00	\$0	1.0138	1.0092	1.0110	\$0.00
Prof - Musculoskeletal System	\$694,674	945	0.276	\$202.59	\$191,511	1.0138	1.0092	1.0110	\$0.27
Prof - Other	\$31,290	686	1.000	\$45.62	\$31,290	1.0138	1.0092	1.0110	\$0.04
Prof - Respiratory/Cardiology	\$2,276,863	14,854	0.313	\$48.01	\$713,158	1.0138	1.0092	1.0110	\$0.99
Prof - Urinary	\$352,978	1,355	0.465	\$121.13	\$164,093	1.0138	1.0092	1.0110	\$0.23
Prof - Brightline	\$54,722	833	0.612	\$40.20	\$33,483	1.0138	1.0092	1.0110	\$0.05
DME/Supplies	\$3,268,431	108,960	0.486	\$14.59	\$1,589,965	1.0138	1.0092	1.0110	\$2.20
Lab	\$1,943,416	75,093	0.437	\$11.32	\$850,060	1.0138	1.0092	1.0110	\$1.18
Radiology	\$3,393,808	60,070	0.731	\$41.31	\$2,481,710	1.0138	1.0092	1.0110	\$3.44
Transportation/Ambulance	\$1,675,183	47,170	0.900	\$31.96	\$1,507,665	1.0138	1.0092	1.0110	\$2.09
Total	\$364,319,437	2,198,869			\$142,436,778				\$207.00
Administrative Adjustment									1.1236
Per Capita Cost									\$232.58
Per Capita Cost Excluding Direct Payments to Hospitals									\$225.80

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Exhibit 3

Medicaid (TANF & Related)									
Ages 1 - 13									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	6,027,153								
Service Category									
Dental - Orthodontics	\$1,008,804	6,656	0.740	\$112.15	\$746,515	1.0169	1.0056	1.0135	\$0.13
Dental - Other	\$45,357,224	1,105,206	0.740	\$30.37	\$33,564,346	1.0169	1.0056	1.0135	\$5.77
Pharmacy	\$42,665,766	1,851,519	0.782	\$18.03	\$33,377,112	1.2282	1.0003	1.1788	\$8.02
Home Health Care	\$1,859,241	10,000	0.900	\$167.33	\$1,673,317	1.0533	1.0219	1.0424	\$0.31
IP - Maternity	\$4,346,091	2,273	0.322	\$615.03	\$1,397,703	1.0165	1.0439	1.0000	\$0.25
IP - Newborn	\$270,406	282	0.322	\$308.78	\$86,963	1.0165	1.0439	1.0000	\$0.02
IP - Other	\$76,315,509	32,659	0.322	\$751.49	\$24,543,068	1.0165	1.0439	1.0000	\$4.32
OP - Emergency Room	\$33,519,718	107,974	0.322	\$99.84	\$10,779,941	1.1328	1.0103	1.1049	\$2.26
OP - Other	\$113,625,662	249,688	0.322	\$146.35	\$36,542,013	1.1328	1.0103	1.1049	\$7.67
Prof - Anesthesia	\$10,992,909	99,535	0.520	\$57.39	\$5,712,594	1.0138	1.0092	1.0110	\$0.98
Prof - Digestive System	\$5,825,313	9,553	0.363	\$221.43	\$2,115,276	1.0138	1.0092	1.0110	\$0.36
Prof - Ears/Nose/Throat	\$7,757,233	19,632	0.343	\$135.44	\$2,658,855	1.0138	1.0092	1.0110	\$0.46
Prof - Evaluation & Management	\$129,398,436	2,400,233	0.547	\$29.51	\$70,826,377	1.0138	1.0092	1.0110	\$12.15
Prof - Female Genital	\$74,412	238	0.288	\$90.16	\$21,429	1.0138	1.0092	1.0110	\$0.00
Prof - Integumentary System	\$3,980,387	24,098	0.493	\$81.39	\$1,961,389	1.0138	1.0092	1.0110	\$0.34
Prof - Laparoscopy	\$43,794	32	1.000	\$1,387.04	\$43,794	1.0138	1.0092	1.0110	\$0.01
Prof - Male Genital	\$1,127,987	1,549	0.747	\$544.01	\$842,752	1.0138	1.0092	1.0110	\$0.14
Prof - Maternity	\$141,905	157	0.547	\$494.38	\$77,672	1.0138	1.0092	1.0110	\$0.01
Prof - Musculoskeletal System	\$5,522,747	11,606	0.276	\$131.19	\$1,522,538	1.0138	1.0092	1.0110	\$0.26
Prof - Other	\$6,462,536	178,300	1.000	\$36.25	\$6,462,536	1.0138	1.0092	1.0110	\$1.11
Prof - Respiratory/Cardiology	\$2,263,083	55,665	0.313	\$12.73	\$708,841	1.0138	1.0092	1.0110	\$0.12
Prof - Urinary	\$805,053	2,080	0.465	\$179.95	\$374,255	1.0138	1.0092	1.0110	\$0.06
Prof - Brightline	\$2,722,823	45,938	0.612	\$36.27	\$1,666,046	1.0138	1.0092	1.0110	\$0.29
DME/Supplies	\$2,967,956	235,369	0.486	\$6.13	\$1,443,795	1.0138	1.0092	1.0110	\$0.25
Lab	\$11,136,179	473,374	0.437	\$10.29	\$4,871,019	1.0138	1.0092	1.0110	\$0.84
Radiology	\$11,076,669	185,928	0.731	\$43.56	\$8,099,776	1.0138	1.0092	1.0110	\$1.39
Transportation/Ambulance	\$4,965,203	172,343	0.900	\$25.93	\$4,468,683	1.0138	1.0092	1.0110	\$0.77
Total	\$526,233,046	7,281,885			\$256,588,604				\$48.29
Administrative Adjustment									1.1236
Per Capita Cost									\$54.25
Per Capita Cost Excluding Direct Payments to Hospitals									\$53.45

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Exhibit 3

Medicaid (TANF & Related) Ages 14 - 18 Female									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	759,484								
Service Category									
Dental - Orthodontics	\$459,742	3,541	0.740	\$96.08	\$340,209	1.0169	1.0056	1.0135	\$0.46
Dental - Other	\$8,158,288	144,895	0.740	\$41.67	\$6,037,133	1.0169	1.0056	1.0135	\$8.24
Pharmacy	\$8,805,373	415,979	0.782	\$16.56	\$6,888,378	1.2282	1.0003	1.1788	\$13.14
Home Health Care	\$269,624	1,063	0.900	\$228.37	\$242,662	1.0533	1.0219	1.0424	\$0.36
IP - Maternity	\$33,227,168	16,959	0.322	\$630.10	\$10,685,857	1.0165	1.0439	1.0000	\$14.93
IP - Newborn	\$19,335,064	13,175	0.322	\$471.95	\$6,218,157	1.0165	1.0439	1.0000	\$8.69
IP - Other	\$18,447,227	6,257	0.322	\$948.17	\$5,932,628	1.0165	1.0439	1.0000	\$8.29
OP - Emergency Room	\$8,617,261	19,266	0.322	\$143.84	\$2,771,311	1.1328	1.0103	1.1049	\$4.61
OP - Other	\$31,500,586	67,075	0.322	\$151.03	\$10,130,589	1.1328	1.0103	1.1049	\$16.87
Prof - Anesthesia	\$7,143,665	80,074	0.520	\$46.36	\$3,712,290	1.0138	1.0092	1.0110	\$5.06
Prof - Digestive System	\$1,196,858	1,383	0.363	\$314.32	\$434,601	1.0138	1.0092	1.0110	\$0.59
Prof - Ears/Nose/Throat	\$654,912	3,227	0.343	\$69.56	\$224,476	1.0138	1.0092	1.0110	\$0.31
Prof - Evaluation & Management	\$28,057,265	383,415	0.547	\$40.05	\$15,357,175	1.0138	1.0092	1.0110	\$20.91
Prof - Female Genital	\$1,186,963	4,572	0.288	\$74.77	\$341,821	1.0138	1.0092	1.0110	\$0.47
Prof - Integumentary System	\$676,017	3,909	0.493	\$85.22	\$333,116	1.0138	1.0092	1.0110	\$0.45
Prof - Laparoscopy	\$121,767	75	1.000	\$1,628.63	\$121,767	1.0138	1.0092	1.0110	\$0.17
Prof - Male Genital	\$0	0	0.747	\$0.00	\$0	1.0138	1.0092	1.0110	\$0.00
Prof - Maternity	\$19,750,497	24,431	0.547	\$442.48	\$10,810,456	1.0138	1.0092	1.0110	\$14.72
Prof - Musculoskeletal System	\$1,549,513	1,712	0.276	\$249.55	\$427,177	1.0138	1.0092	1.0110	\$0.58
Prof - Other	\$1,620,058	44,250	1.000	\$36.61	\$1,620,058	1.0138	1.0092	1.0110	\$2.21
Prof - Respiratory/Cardiology	\$684,818	23,501	0.313	\$9.13	\$214,498	1.0138	1.0092	1.0110	\$0.29
Prof - Urinary	\$178,724	351	0.465	\$236.64	\$83,086	1.0138	1.0092	1.0110	\$0.11
Prof - Brightline	\$259,773	4,828	0.612	\$32.92	\$158,950	1.0138	1.0092	1.0110	\$0.22
DME/Supplies	\$600,883	13,231	0.486	\$22.09	\$292,306	1.0138	1.0092	1.0110	\$0.40
Lab	\$8,285,424	304,250	0.437	\$11.91	\$3,624,085	1.0138	1.0092	1.0110	\$4.94
Radiology	\$8,061,298	67,297	0.731	\$87.59	\$5,894,796	1.0138	1.0092	1.0110	\$8.03
Transportation/Ambulance	\$2,071,508	59,104	0.900	\$31.54	\$1,864,357	1.0138	1.0092	1.0110	\$2.54
Total	\$210,920,276	1,707,821			\$94,761,939				\$137.57
Administrative Adjustment									1.1236
Per Capita Cost									\$154.57
Per Capita Cost Excluding Direct Payments to Hospitals									\$151.62

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Medicaid (TANF & Related) Ages 14 - 18 Male									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	656,508								
Service Category									
Dental - Orthodontics	\$294,864	2,295	0.740	\$95.10	\$218,200	1.0169	1.0056	1.0135	\$0.34
Dental - Other	\$5,938,439	108,734	0.740	\$40.41	\$4,394,445	1.0169	1.0056	1.0135	\$6.94
Pharmacy	\$4,595,696	160,856	0.782	\$22.35	\$3,595,179	1.2282	1.0003	1.1788	\$7.93
Home Health Care	\$256,746	1,177	0.900	\$196.31	\$231,072	1.0533	1.0219	1.0424	\$0.39
IP - Maternity	\$0	0	0.322	\$0.00	\$0	1.0165	1.0439	1.0000	\$0.00
IP - Newborn	\$73,879	36	0.322	\$665.80	\$23,759	1.0165	1.0439	1.0000	\$0.04
IP - Other	\$18,120,734	5,800	0.322	\$1,004.79	\$5,827,628	1.0165	1.0439	1.0000	\$9.42
OP - Emergency Room	\$4,545,746	10,178	0.322	\$143.63	\$1,461,912	1.1328	1.0103	1.1049	\$2.82
OP - Other	\$15,183,582	27,477	0.322	\$177.72	\$4,883,040	1.1328	1.0103	1.1049	\$9.41
Prof - Anesthesia	\$1,042,058	8,506	0.520	\$63.66	\$541,518	1.0138	1.0092	1.0110	\$0.85
Prof - Digestive System	\$620,642	729	0.363	\$309.05	\$225,366	1.0138	1.0092	1.0110	\$0.36
Prof - Ears/Nose/Throat	\$574,660	978	0.343	\$201.49	\$196,969	1.0138	1.0092	1.0110	\$0.31
Prof - Evaluation & Management	\$10,762,715	166,307	0.547	\$35.42	\$5,890,984	1.0138	1.0092	1.0110	\$9.28
Prof - Female Genital	\$0	0	0.288	\$0.00	\$0	1.0138	1.0092	1.0110	\$0.00
Prof - Integumentary System	\$750,260	4,089	0.493	\$90.41	\$369,701	1.0138	1.0092	1.0110	\$0.58
Prof - Laparoscopy	\$11,873	7	1.000	\$1,678.96	\$11,873	1.0138	1.0092	1.0110	\$0.02
Prof - Male Genital	\$109,339	108	0.747	\$755.63	\$81,691	1.0138	1.0092	1.0110	\$0.13
Prof - Maternity	\$0	0	0.547	\$0.00	\$0	1.0138	1.0092	1.0110	\$0.00
Prof - Musculoskeletal System	\$2,349,980	3,234	0.276	\$200.30	\$647,854	1.0138	1.0092	1.0110	\$1.02
Prof - Other	\$981,942	25,865	1.000	\$37.96	\$981,942	1.0138	1.0092	1.0110	\$1.55
Prof - Respiratory/Cardiology	\$445,586	5,735	0.313	\$24.34	\$139,566	1.0138	1.0092	1.0110	\$0.22
Prof - Urinary	\$46,524	81	0.465	\$265.92	\$21,628	1.0138	1.0092	1.0110	\$0.03
Prof - Brightline	\$282,186	7,473	0.612	\$23.10	\$172,665	1.0138	1.0092	1.0110	\$0.27
DME/Supplies	\$348,247	10,463	0.486	\$16.19	\$169,409	1.0138	1.0092	1.0110	\$0.27
Lab	\$1,031,587	41,143	0.437	\$10.97	\$451,221	1.0138	1.0092	1.0110	\$0.71
Radiology	\$2,481,836	37,647	0.731	\$48.21	\$1,814,834	1.0138	1.0092	1.0110	\$2.86
Transportation/Ambulance	\$1,081,329	23,217	0.900	\$41.92	\$973,196	1.0138	1.0092	1.0110	\$1.53
Total	\$71,930,451	652,135			\$33,325,651				\$57.28
Administrative Adjustment									1.1236
Per Capita Cost									\$64.36
Per Capita Cost Excluding Direct Payments to Hospitals									\$63.16

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Exhibit 3

Medicaid (TANF & Related) Ages 19 - 44 Female									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	2,806,879								
Service Category									
Dental - Orthodontics	\$65,042	453	0.740	\$106.26	\$48,131	1.0169	1.0056	1.0135	\$0.02
Dental - Other	\$7,944,247	143,677	0.740	\$40.92	\$5,878,743	1.0169	1.0056	1.0135	\$2.17
Pharmacy	\$65,561,774	2,702,462	0.782	\$18.98	\$51,288,489	1.2282	1.0003	1.1788	\$26.46
Home Health Care	\$2,592,984	7,432	0.900	\$314.01	\$2,333,686	1.0533	1.0219	1.0424	\$0.93
IP - Maternity	\$183,098,951	91,753	0.322	\$641.77	\$58,884,623	1.0165	1.0439	1.0000	\$22.26
IP - Newborn	\$97,326,506	69,511	0.322	\$450.29	\$31,300,204	1.0165	1.0439	1.0000	\$11.83
IP - Other	\$166,366,409	56,057	0.322	\$954.44	\$53,503,437	1.0165	1.0439	1.0000	\$20.23
OP - Emergency Room	\$50,895,658	100,336	0.322	\$163.13	\$16,368,044	1.1328	1.0103	1.1049	\$7.37
OP - Other	\$226,575,572	365,891	0.322	\$199.15	\$72,866,704	1.1328	1.0103	1.1049	\$32.83
Prof - Anesthesia	\$45,102,876	512,486	0.520	\$45.73	\$23,438,240	1.0138	1.0092	1.0110	\$8.64
Prof - Digestive System	\$11,580,547	12,343	0.363	\$340.69	\$4,205,104	1.0138	1.0092	1.0110	\$1.55
Prof - Ears/Nose/Throat	\$6,741,448	21,310	0.343	\$108.43	\$2,310,686	1.0138	1.0092	1.0110	\$0.85
Prof - Evaluation & Management	\$142,612,971	1,716,304	0.547	\$45.48	\$78,059,367	1.0138	1.0092	1.0110	\$28.76
Prof - Female Genital	\$20,632,803	39,470	0.288	\$150.54	\$5,941,819	1.0138	1.0092	1.0110	\$2.19
Prof - Integumentary System	\$4,362,580	17,994	0.493	\$119.47	\$2,149,719	1.0138	1.0092	1.0110	\$0.79
Prof - Laparoscopy	\$2,687,397	2,240	1.000	\$1,199.85	\$2,687,397	1.0138	1.0092	1.0110	\$0.99
Prof - Male Genital	\$0	0	0.747	\$0.00	\$0	1.0138	1.0092	1.0110	\$0.00
Prof - Maternity	\$115,898,862	140,114	0.547	\$452.76	\$63,437,371	1.0138	1.0092	1.0110	\$23.38
Prof - Musculoskeletal System	\$9,765,710	20,080	0.276	\$134.08	\$2,692,259	1.0138	1.0092	1.0110	\$0.99
Prof - Other	\$2,307,669	103,546	1.000	\$22.29	\$2,307,669	1.0138	1.0092	1.0110	\$0.85
Prof - Respiratory/Cardiology	\$5,380,700	127,671	0.313	\$13.20	\$1,685,339	1.0138	1.0092	1.0110	\$0.62
Prof - Urinary	\$2,235,454	4,011	0.465	\$259.09	\$1,039,225	1.0138	1.0092	1.0110	\$0.38
Prof - Brightline	\$1,577,507	26,142	0.612	\$36.92	\$965,248	1.0138	1.0092	1.0110	\$0.36
DME/Supplies	\$4,452,330	128,233	0.486	\$16.89	\$2,165,886	1.0138	1.0092	1.0110	\$0.80
Lab	\$44,722,589	1,443,879	0.437	\$13.55	\$19,561,877	1.0138	1.0092	1.0110	\$7.21
Radiology	\$52,863,832	421,981	0.731	\$91.61	\$38,656,493	1.0138	1.0092	1.0110	\$14.24
Transportation/Ambulance	\$10,101,215	277,468	0.900	\$32.76	\$9,091,093	1.0138	1.0092	1.0110	\$3.35
Total	\$1,283,453,636	8,552,844			\$552,866,855				\$220.06
Administrative Adjustment									1.1236
Per Capita Cost									\$247.26
Per Capita Cost Excluding Direct Payments to Hospitals									\$242.03

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Exhibit 3

Medicaid (TANF & Related) Ages 19 - 44 Male									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	385,955								
Service Category									
Dental - Orthodontics	\$15,262	80	0.740	\$141.48	\$11,294	1.0169	1.0056	1.0135	\$0.03
Dental - Other	\$1,218,685	17,963	0.740	\$50.21	\$901,827	1.0169	1.0056	1.0135	\$2.42
Pharmacy	\$7,316,485	222,959	0.782	\$25.67	\$5,723,632	1.2282	1.0003	1.1788	\$21.48
Home Health Care	\$353,017	1,222	0.900	\$260.01	\$317,715	1.0533	1.0219	1.0424	\$0.92
IP - Maternity	\$0	0	0.322	\$0.00	\$0	1.0165	1.0439	1.0000	\$0.00
IP - Newborn	\$330,050	203	0.322	\$522.97	\$106,144	1.0165	1.0439	1.0000	\$0.29
IP - Other	\$93,652,794	29,197	0.322	\$1,031.55	\$30,118,739	1.0165	1.0439	1.0000	\$82.81
OP - Emergency Room	\$5,198,956	10,200	0.322	\$163.91	\$1,671,984	1.1328	1.0103	1.1049	\$5.48
OP - Other	\$24,813,707	30,153	0.322	\$264.66	\$7,980,088	1.1328	1.0103	1.1049	\$26.15
Prof - Anesthesia	\$1,820,594	14,007	0.520	\$67.54	\$946,093	1.0138	1.0092	1.0110	\$2.54
Prof - Digestive System	\$1,284,214	1,480	0.363	\$314.99	\$466,321	1.0138	1.0092	1.0110	\$1.25
Prof - Ears/Nose/Throat	\$1,745,446	1,987	0.343	\$301.07	\$598,266	1.0138	1.0092	1.0110	\$1.60
Prof - Evaluation & Management	\$11,676,309	141,407	0.547	\$45.20	\$6,391,041	1.0138	1.0092	1.0110	\$17.13
Prof - Female Genital	\$0	0	0.288	\$0.00	\$0	1.0138	1.0092	1.0110	\$0.00
Prof - Integumentary System	\$801,937	3,327	0.493	\$118.77	\$395,165	1.0138	1.0092	1.0110	\$1.06
Prof - Laparoscopy	\$47,270	29	1.000	\$1,613.32	\$47,270	1.0138	1.0092	1.0110	\$0.13
Prof - Male Genital	\$110,585	186	0.747	\$443.21	\$82,622	1.0138	1.0092	1.0110	\$0.22
Prof - Maternity	\$0	0	0.547	\$0.00	\$0	1.0138	1.0092	1.0110	\$0.00
Prof - Musculoskeletal System	\$3,250,990	4,211	0.276	\$212.83	\$896,249	1.0138	1.0092	1.0110	\$2.40
Prof - Other	\$254,493	5,786	1.000	\$43.98	\$254,493	1.0138	1.0092	1.0110	\$0.68
Prof - Respiratory/Cardiology	\$1,129,591	7,685	0.313	\$46.04	\$353,810	1.0138	1.0092	1.0110	\$0.95
Prof - Urinary	\$398,581	359	0.465	\$516.60	\$185,294	1.0138	1.0092	1.0110	\$0.50
Prof - Brightline	\$155,713	2,538	0.612	\$37.54	\$95,278	1.0138	1.0092	1.0110	\$0.26
DME/Supplies	\$725,896	22,890	0.486	\$15.43	\$353,120	1.0138	1.0092	1.0110	\$0.95
Lab	\$1,221,213	38,457	0.437	\$13.89	\$534,165	1.0138	1.0092	1.0110	\$1.43
Radiology	\$3,941,120	41,300	0.731	\$69.78	\$2,881,931	1.0138	1.0092	1.0110	\$7.72
Transportation/Ambulance	\$1,379,113	33,843	0.900	\$36.68	\$1,241,201	1.0138	1.0092	1.0110	\$3.33
Total	\$162,842,022	631,469			\$62,553,741				\$181.71
Administrative Adjustment									1.1236
Per Capita Cost									\$204.17
Per Capita Cost Excluding Direct Payments to Hospitals									\$197.82

* Claims incurred from 10/1/99 - 9/30/01

TennCare
FY 2003 Per Capita Cost Development
Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Exhibit 3

Medicaid (TANF & Related)									
Ages 45 - 64									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	203,734								
Service Category									
Dental - Orthodontics	\$0	0	0.740	\$0.00	\$0	1.0169	1.0056	1.0135	\$0.00
Dental - Other	\$228,476	5,185	0.740	\$32.61	\$169,072	1.0169	1.0056	1.0135	\$0.86
Pharmacy	\$14,878,659	423,072	0.782	\$27.51	\$11,639,464	1.2282	1.0003	1.1788	\$82.74
Home Health Care	\$923,925	2,224	0.900	\$373.97	\$831,532	1.0533	1.0219	1.0424	\$4.58
IP - Maternity	\$301,232	167	0.322	\$579.96	\$96,876	1.0165	1.0439	1.0000	\$0.50
IP - Newborn	\$279,587	159	0.322	\$565.58	\$89,915	1.0165	1.0439	1.0000	\$0.47
IP - Other	\$34,019,032	11,130	0.322	\$982.98	\$10,940,521	1.0165	1.0439	1.0000	\$56.98
OP - Emergency Room	\$3,171,557	4,484	0.322	\$227.47	\$1,019,973	1.1328	1.0103	1.1049	\$6.33
OP - Other	\$22,210,701	25,431	0.322	\$280.88	\$7,142,961	1.1328	1.0103	1.1049	\$44.34
Prof - Anesthesia	\$1,564,678	14,152	0.520	\$57.46	\$813,103	1.0138	1.0092	1.0110	\$4.13
Prof - Digestive System	\$1,594,844	1,896	0.363	\$305.36	\$579,116	1.0138	1.0092	1.0110	\$2.94
Prof - Ears/Nose/Throat	\$1,411,415	1,703	0.343	\$284.12	\$483,774	1.0138	1.0092	1.0110	\$2.46
Prof - Evaluation & Management	\$12,569,315	173,443	0.547	\$39.67	\$6,879,828	1.0138	1.0092	1.0110	\$34.93
Prof - Female Genital	\$519,765	651	0.288	\$230.04	\$149,681	1.0138	1.0092	1.0110	\$0.76
Prof - Integumentary System	\$556,913	2,010	0.493	\$136.54	\$274,426	1.0138	1.0092	1.0110	\$1.39
Prof - Laparoscopy	\$60,509	52	1.000	\$1,168.56	\$60,509	1.0138	1.0092	1.0110	\$0.31
Prof - Male Genital	\$32,565	27	0.747	\$891.88	\$24,330	1.0138	1.0092	1.0110	\$0.12
Prof - Maternity	\$21,503	25	0.547	\$475.48	\$11,770	1.0138	1.0092	1.0110	\$0.06
Prof - Musculoskeletal System	\$1,804,342	2,892	0.276	\$172.01	\$497,430	1.0138	1.0092	1.0110	\$2.53
Prof - Other	\$518,448	12,993	1.000	\$39.90	\$518,448	1.0138	1.0092	1.0110	\$2.63
Prof - Respiratory/Cardiology	\$1,435,782	12,660	0.313	\$35.52	\$449,715	1.0138	1.0092	1.0110	\$2.28
Prof - Urinary	\$326,981	541	0.465	\$280.95	\$152,008	1.0138	1.0092	1.0110	\$0.77
Prof - Brightline	\$118,024	1,735	0.612	\$41.63	\$72,217	1.0138	1.0092	1.0110	\$0.37
DME/Supplies	\$842,730	56,238	0.486	\$7.29	\$409,956	1.0138	1.0092	1.0110	\$2.08
Lab	\$2,299,063	77,069	0.437	\$13.05	\$1,005,621	1.0138	1.0092	1.0110	\$5.11
Radiology	\$4,290,091	36,667	0.731	\$85.56	\$3,137,114	1.0138	1.0092	1.0110	\$15.93
Transportation/Ambulance	\$901,746	33,109	0.900	\$24.51	\$811,571	1.0138	1.0092	1.0110	\$4.12
Total	\$106,881,883	899,712			\$48,260,934				\$279.71
Administrative Adjustment									1.1236
Per Capita Cost									\$314.28
Per Capita Cost Excluding Direct Payments to Hospitals									\$308.28

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Medicaid (TANF & Related) Age Over 65									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	92,730								
Service Category									
Dental - Orthodontics	\$0	0	0.740	\$0.00	\$0	1.0169	1.0056	1.0135	\$0.00
Dental - Other	\$20,823	532	0.740	\$28.97	\$15,409	1.0169	1.0056	1.0135	\$0.17
Pharmacy	\$7,386,250	227,485	0.782	\$25.40	\$5,778,209	1.2282	1.0003	1.1788	\$90.25
Home Health Care	\$323,736	954	0.900	\$305.54	\$291,363	1.0533	1.0219	1.0424	\$3.53
IP - Maternity	\$0	0	0.322	\$0.00	\$0	1.0165	1.0439	1.0000	\$0.00
IP - Newborn	\$123,420	66	0.322	\$598.91	\$39,692	1.0165	1.0439	1.0000	\$0.45
IP - Other	\$9,793,800	3,610	0.322	\$872.38	\$3,149,686	1.0165	1.0439	1.0000	\$36.04
OP - Emergency Room	\$336,305	327	0.322	\$331.21	\$108,156	1.1328	1.0103	1.1049	\$1.47
OP - Other	\$4,095,309	4,417	0.322	\$298.18	\$1,317,051	1.1328	1.0103	1.1049	\$17.96
Prof - Anesthesia	\$301,451	2,434	0.520	\$64.35	\$156,653	1.0138	1.0092	1.0110	\$1.75
Prof - Digestive System	\$284,750	425	0.363	\$243.53	\$103,398	1.0138	1.0092	1.0110	\$1.15
Prof - Ears/Nose/Throat	\$600,238	911	0.343	\$225.94	\$205,737	1.0138	1.0092	1.0110	\$2.29
Prof - Evaluation & Management	\$2,351,038	30,251	0.547	\$42.54	\$1,286,843	1.0138	1.0092	1.0110	\$14.35
Prof - Female Genital	\$27,193	45	0.288	\$174.18	\$7,831	1.0138	1.0092	1.0110	\$0.09
Prof - Integumentary System	\$88,100	357	0.493	\$121.47	\$43,413	1.0138	1.0092	1.0110	\$0.48
Prof - Laparoscopy	\$3,456	2	1.000	\$1,710.18	\$3,456	1.0138	1.0092	1.0110	\$0.04
Prof - Male Genital	\$10,859	13	0.747	\$642.39	\$8,113	1.0138	1.0092	1.0110	\$0.09
Prof - Maternity	\$0	0	0.547	\$0.00	\$0	1.0138	1.0092	1.0110	\$0.00
Prof - Musculoskeletal System	\$292,412	249	0.276	\$323.37	\$80,614	1.0138	1.0092	1.0110	\$0.90
Prof - Other	\$60,659	1,821	1.000	\$33.31	\$60,659	1.0138	1.0092	1.0110	\$0.68
Prof - Respiratory/Cardiology	\$438,738	2,377	0.313	\$57.81	\$137,421	1.0138	1.0092	1.0110	\$1.53
Prof - Urinary	\$74,865	115	0.465	\$303.50	\$34,803	1.0138	1.0092	1.0110	\$0.39
Prof - Brightline	\$26,598	418	0.612	\$38.96	\$16,275	1.0138	1.0092	1.0110	\$0.18
DME/Supplies	\$313,904	51,313	0.486	\$2.98	\$152,702	1.0138	1.0092	1.0110	\$1.70
Lab	\$354,756	11,881	0.437	\$13.06	\$155,172	1.0138	1.0092	1.0110	\$1.73
Radiology	\$815,391	7,578	0.731	\$78.68	\$596,252	1.0138	1.0092	1.0110	\$6.65
Transportation/Ambulance	\$498,105	22,031	0.900	\$20.35	\$448,295	1.0138	1.0092	1.0110	\$5.00
Total	\$28,622,157	369,612			\$14,197,200				\$188.89
Administrative Adjustment									1.1236
Per Capita Cost									\$212.24
Per Capita Cost Excluding Direct Payments to Hospitals									\$209.14

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Disabled All Age Groups									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	3,631,372								
Service Category									
Dental - Orthodontics	\$179,404	1,297	0.740	\$102.38	\$132,759	1.0638	1.0066	1.0507	\$0.04
Dental - Other	\$10,695,848	218,419	0.740	\$36.24	\$7,914,928	1.0638	1.0066	1.0507	\$2.45
Pharmacy	\$334,991,966	8,145,220	0.782	\$32.17	\$262,061,728	1.2122	1.0005	1.1664	\$102.08
Home Health Care	\$58,061,171	280,390	0.900	\$186.37	\$52,255,054	1.1483	1.0518	1.1170	\$19.41
IP - Maternity	\$32,341,132	15,440	0.322	\$673.63	\$10,400,908	0.8805	1.0368	1.0000	\$2.61
IP - Newborn	\$27,046,321	12,209	0.322	\$712.40	\$8,698,097	0.8805	1.0368	1.0000	\$2.19
IP - Other	\$875,661,442	309,816	0.322	\$908.97	\$281,612,720	0.8805	1.0368	1.0000	\$70.80
OP - Emergency Room	\$62,678,785	97,659	0.322	\$206.41	\$20,157,497	1.0750	1.0123	1.0595	\$6.40
OP - Other	\$469,254,553	596,790	0.322	\$252.87	\$150,912,264	1.0750	1.0123	1.0595	\$47.92
Prof - Anesthesia	\$34,330,041	286,320	0.520	\$62.31	\$17,840,009	1.0013	1.0119	1.0010	\$4.98
Prof - Digestive System	\$28,915,377	37,713	0.363	\$278.41	\$10,499,691	1.0013	1.0119	1.0010	\$2.93
Prof - Ears/Nose/Throat	\$28,427,577	38,471	0.343	\$253.27	\$9,743,784	1.0013	1.0119	1.0010	\$2.72
Prof - Evaluation & Management	\$285,291,675	3,888,313	0.547	\$40.16	\$156,154,714	1.0013	1.0119	1.0010	\$43.61
Prof - Female Genital	\$5,868,879	8,181	0.288	\$206.59	\$1,690,115	1.0013	1.0119	1.0010	\$0.47
Prof - Integumentary System	\$10,601,121	43,506	0.493	\$120.07	\$5,223,844	1.0013	1.0119	1.0010	\$1.46
Prof - Laparoscopy	\$1,072,626	785	1.000	\$1,366.20	\$1,072,626	1.0013	1.0119	1.0010	\$0.30
Prof - Male Genital	\$762,080	1,255	0.747	\$453.51	\$569,372	1.0013	1.0119	1.0010	\$0.16
Prof - Maternity	\$6,195,520	7,558	0.547	\$448.67	\$3,391,125	1.0013	1.0119	1.0010	\$0.95
Prof - Musculoskeletal System	\$31,452,231	52,790	0.276	\$164.25	\$8,670,905	1.0013	1.0119	1.0010	\$2.42
Prof - Other	\$14,299,525	2,089,498	1.000	\$6.84	\$14,299,525	1.0013	1.0119	1.0010	\$3.99
Prof - Respiratory/Cardiology	\$31,700,758	253,875	0.313	\$39.11	\$9,929,291	1.0013	1.0119	1.0010	\$2.77
Prof - Urinary	\$5,705,396	10,663	0.465	\$248.74	\$2,652,342	1.0013	1.0119	1.0010	\$0.74
Prof - Brightline	\$3,395,355	508,601	0.612	\$4.08	\$2,077,556	1.0013	1.0119	1.0010	\$0.58
DME/Supplies	\$77,097,615	10,210,070	0.486	\$3.67	\$37,504,995	1.0013	1.0119	1.0010	\$10.47
Lab	\$41,348,220	1,376,740	0.437	\$13.14	\$18,085,912	1.0013	1.0119	1.0010	\$5.05
Radiology	\$77,014,408	731,709	0.731	\$76.97	\$56,316,519	1.0013	1.0119	1.0010	\$15.73
Transportation/Ambulance	\$38,633,933	1,608,413	0.900	\$21.62	\$34,770,540	1.0013	1.0119	1.0010	\$9.71
Total	\$2,593,022,958	30,831,703			\$1,184,638,820				\$362.96
Administrative Adjustment									1.1236
Per Capita Cost									\$407.82
Per Capita Cost Excluding Direct Payments to Hospitals									\$400.63

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Exhibit 3

Disabled Children; Age Under 18									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	838,692								
Service Category									
Dental - Orthodontics	\$168,560	1,179	0.740	\$105.84	\$124,734	1.0638	1.0066	1.0507	\$0.17
Dental - Other	\$6,417,598	139,802	0.740	\$33.97	\$4,749,023	1.0638	1.0066	1.0507	\$6.37
Pharmacy	\$26,978,669	441,353	0.782	\$47.82	\$21,105,213	1.2122	1.0005	1.1664	\$35.60
Home Health Care	\$26,190,498	153,045	0.900	\$154.02	\$23,571,448	1.1483	1.0518	1.1170	\$37.92
IP - Maternity	\$6,199,403	3,170	0.322	\$628.89	\$1,993,728	0.8805	1.0368	1.0000	\$2.17
IP - Newborn	\$18,620,604	6,676	0.322	\$896.96	\$5,988,386	0.8805	1.0368	1.0000	\$6.52
IP - Other	\$102,970,633	35,956	0.322	\$921.00	\$33,115,356	0.8805	1.0368	1.0000	\$36.05
OP - Emergency Room	\$6,316,039	13,565	0.322	\$149.74	\$2,031,238	1.0750	1.0123	1.0595	\$2.79
OP - Other	\$63,084,582	108,666	0.322	\$186.70	\$20,288,001	1.0750	1.0123	1.0595	\$27.89
Prof - Anesthesia	\$6,147,553	46,657	0.520	\$68.47	\$3,194,648	1.0013	1.0119	1.0010	\$3.86
Prof - Digestive System	\$3,403,511	4,009	0.363	\$308.27	\$1,235,876	1.0013	1.0119	1.0010	\$1.49
Prof - Ears/Nose/Throat	\$4,427,642	5,924	0.343	\$256.19	\$1,517,610	1.0013	1.0119	1.0010	\$1.84
Prof - Evaluation & Management	\$44,200,963	598,011	0.547	\$40.46	\$24,193,446	1.0013	1.0119	1.0010	\$29.25
Prof - Female Genital	\$127,479	314	0.288	\$116.93	\$36,711	1.0013	1.0119	1.0010	\$0.04
Prof - Integumentary System	\$968,359	4,093	0.493	\$116.58	\$477,172	1.0013	1.0119	1.0010	\$0.58
Prof - Laparoscopy	\$37,866	33	1.000	\$1,153.76	\$37,866	1.0013	1.0119	1.0010	\$0.05
Prof - Male Genital	\$394,835	519	0.747	\$568.62	\$294,993	1.0013	1.0119	1.0010	\$0.36
Prof - Maternity	\$862,659	1,170	0.547	\$403.45	\$472,177	1.0013	1.0119	1.0010	\$0.57
Prof - Musculoskeletal System	\$3,239,131	3,153	0.276	\$283.26	\$892,980	1.0013	1.0119	1.0010	\$1.08
Prof - Other	\$2,812,541	129,229	1.000	\$21.76	\$2,812,541	1.0013	1.0119	1.0010	\$3.40
Prof - Respiratory/Cardiology	\$4,371,030	19,337	0.313	\$70.80	\$1,369,091	1.0013	1.0119	1.0010	\$1.66
Prof - Urinary	\$736,391	1,412	0.465	\$242.50	\$342,336	1.0013	1.0119	1.0010	\$0.41
Prof - Brightline	\$1,424,783	343,015	0.612	\$2.54	\$871,799	1.0013	1.0119	1.0010	\$1.05
DME/Supplies	\$23,852,488	5,207,100	0.486	\$2.23	\$11,603,309	1.0013	1.0119	1.0010	\$14.03
Lab	\$3,636,138	135,322	0.437	\$11.75	\$1,590,465	1.0013	1.0119	1.0010	\$1.92
Radiology	\$5,519,272	74,011	0.731	\$54.53	\$4,035,949	1.0013	1.0119	1.0010	\$4.88
Transportation/Ambulance	\$3,486,985	144,110	0.900	\$21.78	\$3,138,287	1.0013	1.0119	1.0010	\$3.79
Total	\$366,596,214	7,620,829			\$171,084,383				\$225.74
Administrative Adjustment									1.1236
Per Capita Cost									\$253.64
Per Capita Cost Excluding Direct Payments to Hospitals									\$249.47

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Exhibit 3

Disabled Adults; Age Over 19									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	2,792,680								
Service Category									
Dental - Orthodontics	\$10,844	118	0.740	\$67.91	\$8,024	1.0638	1.0066	1.0507	\$0.00
Dental - Other	\$4,278,250	78,617	0.740	\$40.27	\$3,165,905	1.0638	1.0066	1.0507	\$1.28
Pharmacy	\$308,013,296	7,703,867	0.782	\$31.28	\$240,956,515	1.2122	1.0005	1.1664	\$122.05
Home Health Care	\$31,870,674	127,345	0.900	\$225.24	\$28,683,606	1.1483	1.0518	1.1170	\$13.86
IP - Maternity	\$26,141,729	12,270	0.322	\$685.19	\$8,407,180	0.8805	1.0368	1.0000	\$2.75
IP - Newborn	\$8,425,717	5,533	0.322	\$489.72	\$2,709,710	0.8805	1.0368	1.0000	\$0.89
IP - Other	\$772,690,808	273,860	0.322	\$907.39	\$248,497,364	0.8805	1.0368	1.0000	\$81.23
OP - Emergency Room	\$56,362,746	84,094	0.322	\$215.55	\$18,126,259	1.0750	1.0123	1.0595	\$7.48
OP - Other	\$406,169,971	488,124	0.322	\$267.60	\$130,624,263	1.0750	1.0123	1.0595	\$53.93
Prof - Anesthesia	\$28,182,487	239,663	0.520	\$61.11	\$14,645,361	1.0013	1.0119	1.0010	\$5.32
Prof - Digestive System	\$25,511,866	33,704	0.363	\$274.86	\$9,263,815	1.0013	1.0119	1.0010	\$3.36
Prof - Ears/Nose/Throat	\$23,999,935	32,547	0.343	\$252.74	\$8,226,174	1.0013	1.0119	1.0010	\$2.99
Prof - Evaluation & Management	\$241,090,712	3,290,302	0.547	\$40.11	\$131,961,268	1.0013	1.0119	1.0010	\$47.92
Prof - Female Genital	\$5,741,400	7,867	0.288	\$210.17	\$1,653,404	1.0013	1.0119	1.0010	\$0.60
Prof - Integumentary System	\$9,632,762	39,413	0.493	\$120.44	\$4,746,672	1.0013	1.0119	1.0010	\$1.72
Prof - Laparoscopy	\$1,034,760	752	1.000	\$1,375.47	\$1,034,760	1.0013	1.0119	1.0010	\$0.38
Prof - Male Genital	\$367,245	737	0.747	\$372.45	\$274,380	1.0013	1.0119	1.0010	\$0.10
Prof - Maternity	\$5,332,861	6,388	0.547	\$456.96	\$2,918,948	1.0013	1.0119	1.0010	\$1.06
Prof - Musculoskeletal System	\$28,213,100	49,637	0.276	\$156.70	\$7,777,925	1.0013	1.0119	1.0010	\$2.82
Prof - Other	\$11,486,984	1,960,269	1.000	\$5.86	\$11,486,984	1.0013	1.0119	1.0010	\$4.17
Prof - Respiratory/Cardiology	\$27,329,728	234,538	0.313	\$36.50	\$8,560,200	1.0013	1.0119	1.0010	\$3.11
Prof - Urinary	\$4,969,006	9,251	0.465	\$249.70	\$2,310,007	1.0013	1.0119	1.0010	\$0.84
Prof - Brightline	\$1,970,572	165,587	0.612	\$7.28	\$1,205,757	1.0013	1.0119	1.0010	\$0.44
DME/Supplies	\$53,245,126	5,002,970	0.486	\$5.18	\$25,901,686	1.0013	1.0119	1.0010	\$9.41
Lab	\$37,712,081	1,241,418	0.437	\$13.29	\$16,495,447	1.0013	1.0119	1.0010	\$5.99
Radiology	\$71,495,136	657,698	0.731	\$79.49	\$52,280,570	1.0013	1.0119	1.0010	\$18.99
Transportation/Ambulance	\$35,146,948	1,464,304	0.900	\$21.60	\$31,632,253	1.0013	1.0119	1.0010	\$11.49
Total	\$2,226,426,743	23,210,875			\$1,013,554,437				\$404.16
Administrative Adjustment									1.1236
Per Capita Cost									\$454.12
Per Capita Cost Excluding Direct Payments to Hospitals									\$446.03

* Claims incurred from 10/1/99 - 9/30/01

TennCare
FY 2003 Per Capita Cost Development
Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Exhibit 3

Duals (Medicaid & Medicare) All Age Groups									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	3,969,359								
Service Category									
Dental - Orthodontics	\$1,003	12	0.250	\$20.11	\$250	1.0000	1.0054	1.0000	\$0.00
Dental - Other	\$2,446,097	49,360	0.740	\$36.67	\$1,810,112	1.0000	1.0054	1.0000	\$0.46
Pharmacy	\$731,898,318	17,455,808	0.850	\$35.64	\$622,113,570	1.2010	1.0009	1.1578	\$218.15
Home Health Care	\$9,338,568	31,266	0.085	\$25.45	\$795,835	1.0000	1.0718	1.0000	\$0.21
IP - Maternity	\$1,742,848	885	0.086	\$169.43	\$149,885	1.1001	1.0765	1.0000	\$0.04
IP - Newborn	\$277,496	220	0.086	\$108.30	\$23,865	1.1001	1.0765	1.0000	\$0.01
IP - Other	\$65,674,833	23,326	0.086	\$242.14	\$5,648,036	1.1001	1.0765	1.0000	\$1.69
OP - Emergency Room	\$2,550,564	3,326	0.147	\$112.46	\$374,039	1.0000	1.0362	1.0000	\$0.10
OP - Other	\$30,327,601	29,058	0.147	\$153.06	\$4,447,530	1.0000	1.0362	1.0000	\$1.16
Prof - Anesthesia	\$2,798,126	25,064	0.237	\$26.45	\$663,060	1.0000	1.0275	1.0000	\$0.17
Prof - Digestive System	\$2,683,179	3,884	0.166	\$114.39	\$444,286	1.0000	1.0275	1.0000	\$0.12
Prof - Ears/Nose/Throat	\$4,279,818	7,996	0.156	\$83.66	\$668,926	1.0000	1.0275	1.0000	\$0.17
Prof - Evaluation & Management	\$23,803,110	370,403	0.250	\$16.04	\$5,941,068	1.0000	1.0275	1.0000	\$1.54
Prof - Female Genital	\$806,685	1,079	0.131	\$98.18	\$105,933	1.0000	1.0275	1.0000	\$0.03
Prof - Integumentary System	\$1,575,889	8,722	0.225	\$40.60	\$354,102	1.0000	1.0275	1.0000	\$0.09
Prof - Laparoscopy	\$119,018	108	0.456	\$502.05	\$54,272	1.0000	1.0275	1.0000	\$0.01
Prof - Male Genital	\$71,314	149	0.341	\$163.57	\$24,296	1.0000	1.0275	1.0000	\$0.01
Prof - Maternity	\$246,832	341	0.250	\$180.43	\$61,607	1.0000	1.0275	1.0000	\$0.02
Prof - Musculoskeletal System	\$3,862,253	6,383	0.126	\$76.07	\$485,533	1.0000	1.0275	1.0000	\$0.13
Prof - Other	\$2,005,363	245,178	0.456	\$3.73	\$914,445	1.0000	1.0275	1.0000	\$0.24
Prof - Respiratory/Cardiology	\$3,803,141	15,569	0.143	\$34.89	\$543,195	1.0000	1.0275	1.0000	\$0.14
Prof - Urinary	\$776,449	2,173	0.212	\$75.74	\$164,597	1.0000	1.0275	1.0000	\$0.04
Prof - Brightline	\$229,343	131,254	0.279	\$0.49	\$63,991	1.0000	1.0275	1.0000	\$0.02
DME/Supplies	\$9,432,877	4,023,510	0.237	\$0.56	\$2,235,269	1.0000	1.0275	1.0000	\$0.58
Lab	\$4,636,155	92,758	0.199	\$9.97	\$924,712	1.0000	1.0275	1.0000	\$0.24
Radiology	\$7,560,612	64,775	0.333	\$38.92	\$2,521,074	1.0000	1.0275	1.0000	\$0.65
Transportation/Ambulance	\$31,372,845	2,588,702	0.900	\$10.91	\$28,235,560	1.0000	1.0275	1.0000	\$7.31
Total	\$944,320,336	25,181,310			\$679,769,048				\$233.31
Administrative Adjustment									1.1236
Per Capita Cost									\$235.19
Per Capita Cost Excluding Direct Payments to Hospitals									\$235.02
Per Capita Cost without Pharmacy									\$17.04

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Exhibit 3

Uninsured All Age Groups									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	9,357,238								
Service Category									
Dental - Orthodontics	\$2,294,491	17,876	0.740	\$94.99	\$1,697,924	0.7323	1.0062	1.0000	\$0.13
Dental - Other	\$50,023,788	1,026,605	0.740	\$36.06	\$37,017,603	0.7323	1.0062	1.0000	\$2.91
Pharmacy	\$244,053,321	7,677,352	0.782	\$24.87	\$190,921,101	1.1869	1.0001	1.1469	\$27.78
Home Health Care	\$6,140,993	22,106	0.900	\$250.02	\$5,526,894	1.0743	1.0256	1.0590	\$0.69
IP - Maternity	\$89,277,929	42,514	0.322	\$675.36	\$28,711,782	1.1082	1.0420	1.0000	\$3.54
IP - Newborn	\$39,454,383	25,607	0.322	\$495.51	\$12,688,530	1.1082	1.0420	1.0000	\$1.57
IP - Other	\$446,189,379	145,138	0.322	\$988.68	\$143,494,504	1.1082	1.0420	1.0000	\$17.71
OP - Emergency Room	\$73,186,388	148,659	0.322	\$158.33	\$23,536,742	1.1124	1.0101	1.0889	\$3.08
OP - Other	\$465,311,110	685,800	0.322	\$218.20	\$149,644,053	1.1124	1.0101	1.0889	\$19.57
Prof - Anesthesia	\$42,377,748	367,092	0.520	\$59.99	\$22,022,095	1.0138	1.0098	1.0110	\$2.44
Prof - Digestive System	\$31,134,854	39,164	0.363	\$288.68	\$11,305,623	1.0138	1.0098	1.0110	\$1.25
Prof - Ears/Nose/Throat	\$25,322,632	45,494	0.343	\$190.78	\$8,679,539	1.0138	1.0098	1.0110	\$0.96
Prof - Evaluation & Management	\$312,389,877	5,026,405	0.547	\$34.02	\$170,986,945	1.0138	1.0098	1.0110	\$18.91
Prof - Female Genital	\$17,195,584	26,849	0.288	\$184.44	\$4,951,972	1.0138	1.0098	1.0110	\$0.55
Prof - Integumentary System	\$13,791,014	72,124	0.493	\$94.22	\$6,795,706	1.0138	1.0098	1.0110	\$0.75
Prof - Laparoscopy	\$2,590,481	1,802	1.000	\$1,437.32	\$2,590,481	1.0138	1.0098	1.0110	\$0.29
Prof - Male Genital	\$1,559,965	2,283	0.747	\$510.43	\$1,165,496	1.0138	1.0098	1.0110	\$0.13
Prof - Maternity	\$26,501,684	31,065	0.547	\$466.95	\$14,505,726	1.0138	1.0098	1.0110	\$1.60
Prof - Musculoskeletal System	\$33,323,081	59,520	0.276	\$154.35	\$9,186,669	1.0138	1.0098	1.0110	\$1.02
Prof - Other	\$11,370,233	312,970	1.000	\$36.33	\$11,370,233	1.0138	1.0098	1.0110	\$1.26
Prof - Respiratory/Cardiology	\$19,192,434	276,851	0.313	\$21.71	\$6,011,442	1.0138	1.0098	1.0110	\$0.66
Prof - Urinary	\$7,133,832	13,399	0.465	\$247.50	\$3,316,398	1.0138	1.0098	1.0110	\$0.37
Prof - Brightline	\$3,631,568	74,578	0.612	\$29.80	\$2,222,090	1.0138	1.0098	1.0110	\$0.25
DME/Supplies	\$12,999,206	556,911	0.486	\$11.35	\$6,323,609	1.0138	1.0098	1.0110	\$0.70
Lab	\$59,012,340	1,996,002	0.437	\$12.93	\$25,812,284	1.0138	1.0098	1.0110	\$2.85
Radiology	\$82,087,025	790,559	0.731	\$75.93	\$60,025,852	1.0138	1.0098	1.0110	\$6.64
Transportation/Ambulance	\$14,809,465	456,187	0.900	\$29.22	\$13,328,519	1.0138	1.0098	1.0110	\$1.47
Total	\$2,132,354,807	19,940,913			\$973,839,812				\$119.07
Administrative Adjustment									1.1236
Per Capita Cost									\$133.79
Per Capita Cost Excluding Direct Payments to Hospitals									\$131.28

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Uninsured Age Under 1									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	131,769								
Service Category									
Dental - Orthodontics	\$0	0	0.740	\$0.00	\$0	0.7323	1.0062	1.0000	\$0.00
Dental - Other	\$3,531	83	0.740	\$31.40	\$2,613	0.7323	1.0062	1.0000	\$0.01
Pharmacy	\$926,856	51,452	0.782	\$14.09	\$725,073	1.1869	1.0001	1.1469	\$7.49
Home Health Care	\$463,620	1,381	0.900	\$302.22	\$417,258	1.0743	1.0256	1.0590	\$3.69
IP - Maternity	\$0	0	0.322	\$0.00	\$0	1.1082	1.0420	1.0000	\$0.00
IP - Newborn	\$11,547,705	4,998	0.322	\$742.99	\$3,713,742	1.1082	1.0420	1.0000	\$32.55
IP - Other	\$10,332,456	3,636	0.322	\$913.91	\$3,322,918	1.1082	1.0420	1.0000	\$29.12
OP - Emergency Room	\$1,105,320	3,697	0.322	\$96.15	\$355,471	1.1124	1.0101	1.0889	\$3.30
OP - Other	\$4,190,498	9,744	0.322	\$138.31	\$1,347,664	1.1124	1.0101	1.0889	\$12.51
Prof - Anesthesia	\$402,288	3,745	0.520	\$55.83	\$209,054	1.0138	1.0098	1.0110	\$1.64
Prof - Digestive System	\$312,809	263	0.363	\$432.41	\$113,586	1.0138	1.0098	1.0110	\$0.89
Prof - Ears/Nose/Throat	\$378,271	966	0.343	\$134.21	\$129,656	1.0138	1.0098	1.0110	\$1.02
Prof - Evaluation & Management	\$9,719,372	176,093	0.547	\$30.21	\$5,319,909	1.0138	1.0098	1.0110	\$41.78
Prof - Female Genital	\$9,488	10	0.288	\$276.28	\$2,732	1.0138	1.0098	1.0110	\$0.02
Prof - Integumentary System	\$36,302	221	0.493	\$80.98	\$17,888	1.0138	1.0098	1.0110	\$0.14
Prof - Laparoscopy	\$4,537	2	1.000	\$2,064.34	\$4,537	1.0138	1.0098	1.0110	\$0.04
Prof - Male Genital	\$230,350	568	0.747	\$303.08	\$172,101	1.0138	1.0098	1.0110	\$1.35
Prof - Maternity	\$0	0	0.547	\$0.00	\$0	1.0138	1.0098	1.0110	\$0.00
Prof - Musculoskeletal System	\$112,807	103	0.276	\$302.08	\$31,099	1.0138	1.0098	1.0110	\$0.24
Prof - Other	\$3,963	80	1.000	\$49.62	\$3,963	1.0138	1.0098	1.0110	\$0.03
Prof - Respiratory/Cardiology	\$299,252	2,394	0.313	\$39.15	\$93,732	1.0138	1.0098	1.0110	\$0.74
Prof - Urinary	\$37,997	236	0.465	\$74.99	\$17,664	1.0138	1.0098	1.0110	\$0.14
Prof - Brightline	\$7,038	103	0.612	\$41.84	\$4,306	1.0138	1.0098	1.0110	\$0.03
DME/Supplies	\$438,237	13,336	0.486	\$15.99	\$213,185	1.0138	1.0098	1.0110	\$1.67
Lab	\$288,213	11,039	0.437	\$11.42	\$126,066	1.0138	1.0098	1.0110	\$0.99
Radiology	\$442,312	7,271	0.731	\$44.49	\$323,439	1.0138	1.0098	1.0110	\$2.54
Transportation/Ambulance	\$180,237	4,592	0.900	\$35.33	\$162,213	1.0138	1.0098	1.0110	\$1.27
Total	\$41,473,456	296,011			\$16,829,868				\$143.23
Administrative Adjustment									1.1236
Per Capita Cost									\$160.94
Per Capita Cost Excluding Direct Payments to Hospitals									\$156.65

* Claims incurred from 10/1/99 - 9/30/01

TennCare
FY 2003 Per Capita Cost Development
Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Exhibit 3

Uninsured Ages 1 - 13									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	3,310,339								
Service Category									
Dental - Orthodontics	\$1,158,681	8,380	0.740	\$102.32	\$857,424	0.7323	1.0062	1.0000	\$0.19
Dental - Other	\$27,375,223	646,411	0.740	\$31.34	\$20,257,665	0.7323	1.0062	1.0000	\$4.51
Pharmacy	\$26,014,527	995,970	0.782	\$20.43	\$20,350,971	1.1869	1.0001	1.1469	\$8.37
Home Health Care	\$1,160,744	4,926	0.900	\$212.06	\$1,044,669	1.0743	1.0256	1.0590	\$0.37
IP - Maternity	\$2,858,905	1,475	0.322	\$623.27	\$919,424	1.1082	1.0420	1.0000	\$0.32
IP - Newborn	\$99,472	82	0.322	\$391.43	\$31,990	1.1082	1.0420	1.0000	\$0.01
IP - Other	\$35,903,305	14,707	0.322	\$785.13	\$11,546,503	1.1082	1.0420	1.0000	\$4.03
OP - Emergency Room	\$13,644,871	42,746	0.322	\$102.66	\$4,388,191	1.1124	1.0101	1.0889	\$1.62
OP - Other	\$67,003,269	140,623	0.322	\$153.23	\$21,548,251	1.1124	1.0101	1.0889	\$7.96
Prof - Anesthesia	\$6,946,766	59,295	0.520	\$60.88	\$3,609,969	1.0138	1.0098	1.0110	\$1.13
Prof - Digestive System	\$3,958,030	6,071	0.363	\$236.73	\$1,437,231	1.0138	1.0098	1.0110	\$0.45
Prof - Ears/Nose/Throat	\$4,783,557	11,453	0.343	\$143.16	\$1,639,603	1.0138	1.0098	1.0110	\$0.51
Prof - Evaluation & Management	\$75,891,492	1,517,529	0.547	\$27.37	\$41,539,292	1.0138	1.0098	1.0110	\$12.99
Prof - Female Genital	\$61,902	164	0.288	\$108.49	\$17,827	1.0138	1.0098	1.0110	\$0.01
Prof - Integumentary System	\$2,401,294	16,108	0.493	\$73.46	\$1,183,270	1.0138	1.0098	1.0110	\$0.37
Prof - Laparoscopy	\$23,575	35	1.000	\$671.73	\$23,575	1.0138	1.0098	1.0110	\$0.01
Prof - Male Genital	\$624,827	729	0.747	\$640.53	\$466,827	1.0138	1.0098	1.0110	\$0.15
Prof - Maternity	\$52,044	30	0.547	\$953.24	\$28,486	1.0138	1.0098	1.0110	\$0.01
Prof - Musculoskeletal System	\$3,860,755	8,255	0.276	\$128.94	\$1,064,352	1.0138	1.0098	1.0110	\$0.33
Prof - Other	\$3,953,000	106,692	1.000	\$37.05	\$3,953,000	1.0138	1.0098	1.0110	\$1.24
Prof - Respiratory/Cardiology	\$1,472,585	33,200	0.313	\$13.89	\$461,242	1.0138	1.0098	1.0110	\$0.14
Prof - Urinary	\$764,050	1,779	0.465	\$199.66	\$355,194	1.0138	1.0098	1.0110	\$0.11
Prof - Brightline	\$1,357,340	28,115	0.612	\$29.54	\$830,532	1.0138	1.0098	1.0110	\$0.26
DME/Supplies	\$1,673,138	94,409	0.486	\$8.62	\$813,917	1.0138	1.0098	1.0110	\$0.25
Lab	\$6,981,814	285,466	0.437	\$10.70	\$3,053,879	1.0138	1.0098	1.0110	\$0.95
Radiology	\$6,983,375	112,112	0.731	\$45.55	\$5,106,569	1.0138	1.0098	1.0110	\$1.60
Transportation/Ambulance	\$1,687,781	49,772	0.900	\$30.52	\$1,519,003	1.0138	1.0098	1.0110	\$0.47
Total	\$298,696,322	4,186,533			\$148,048,856				\$48.36
Administrative Adjustment									1.1236
Per Capita Cost									\$54.34
Per Capita Cost Excluding Direct Payments to Hospitals									\$53.57

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Uninsured Ages 14 - 18 Female									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	591,249								
Service Category									
Dental - Orthodontics	\$578,844	4,837	0.740	\$88.56	\$428,345	0.7323	1.0062	1.0000	\$0.53
Dental - Other	\$7,319,716	122,046	0.740	\$44.38	\$5,416,590	0.7323	1.0062	1.0000	\$6.75
Pharmacy	\$7,125,633	290,919	0.782	\$19.16	\$5,574,330	1.1869	1.0001	1.1469	\$12.84
Home Health Care	\$234,987	788	0.900	\$268.45	\$211,488	1.0743	1.0256	1.0590	\$0.42
IP - Maternity	\$15,085,377	7,216	0.322	\$672.27	\$4,851,457	1.1082	1.0420	1.0000	\$9.48
IP - Newborn	\$4,072,728	3,688	0.322	\$355.19	\$1,309,789	1.1082	1.0420	1.0000	\$2.56
IP - Other	\$10,068,647	3,557	0.322	\$910.32	\$3,238,077	1.1082	1.0420	1.0000	\$6.32
OP - Emergency Room	\$4,850,095	10,373	0.322	\$150.38	\$1,559,791	1.1124	1.0101	1.0889	\$3.23
OP - Other	\$21,780,745	40,421	0.322	\$173.29	\$7,004,688	1.1124	1.0101	1.0889	\$14.50
Prof - Anesthesia	\$2,647,639	25,981	0.520	\$52.96	\$1,375,877	1.0138	1.0098	1.0110	\$2.41
Prof - Digestive System	\$1,071,810	1,120	0.363	\$347.59	\$389,193	1.0138	1.0098	1.0110	\$0.68
Prof - Ears/Nose/Throat	\$460,176	1,856	0.343	\$85.00	\$157,729	1.0138	1.0098	1.0110	\$0.28
Prof - Evaluation & Management	\$17,927,744	291,211	0.547	\$33.70	\$9,812,770	1.0138	1.0098	1.0110	\$17.18
Prof - Female Genital	\$685,001	2,140	0.288	\$92.18	\$197,266	1.0138	1.0098	1.0110	\$0.35
Prof - Integumentary System	\$624,642	3,950	0.493	\$77.92	\$307,800	1.0138	1.0098	1.0110	\$0.54
Prof - Laparoscopy	\$112,960	68	1.000	\$1,653.20	\$112,960	1.0138	1.0098	1.0110	\$0.20
Prof - Male Genital	\$0	0	0.747	\$0.00	\$0	1.0138	1.0098	1.0110	\$0.00
Prof - Maternity	\$4,883,379	5,624	0.547	\$475.29	\$2,672,923	1.0138	1.0098	1.0110	\$4.68
Prof - Musculoskeletal System	\$1,413,198	1,979	0.276	\$196.85	\$389,597	1.0138	1.0098	1.0110	\$0.68
Prof - Other	\$1,305,743	34,970	1.000	\$37.34	\$1,305,743	1.0138	1.0098	1.0110	\$2.29
Prof - Respiratory/Cardiology	\$568,487	14,787	0.313	\$12.04	\$178,061	1.0138	1.0098	1.0110	\$0.31
Prof - Urinary	\$157,455	255	0.465	\$287.14	\$73,198	1.0138	1.0098	1.0110	\$0.13
Prof - Brightline	\$158,361	3,091	0.612	\$31.35	\$96,898	1.0138	1.0098	1.0110	\$0.17
DME/Supplies	\$361,022	6,669	0.486	\$26.34	\$175,623	1.0138	1.0098	1.0110	\$0.31
Lab	\$4,408,644	162,143	0.437	\$11.89	\$1,928,362	1.0138	1.0098	1.0110	\$3.38
Radiology	\$4,452,800	42,275	0.731	\$77.02	\$3,256,094	1.0138	1.0098	1.0110	\$5.70
Transportation/Ambulance	\$896,525	20,327	0.900	\$39.69	\$806,872	1.0138	1.0098	1.0110	\$1.41
Total	\$113,252,356	1,102,289			\$52,831,523				\$97.29
Administrative Adjustment									1.1236
Per Capita Cost									\$109.32
Per Capita Cost Excluding Direct Payments to Hospitals									\$107.32

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Exhibit 3

Uninsured Ages 14 - 18 Male									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	575,330								
Service Category									
Dental - Orthodontics	\$409,703	3,647	0.740	\$83.14	\$303,180	0.7323	1.0062	1.0000	\$0.39
Dental - Other	\$5,420,054	91,841	0.740	\$43.67	\$4,010,840	0.7323	1.0062	1.0000	\$5.14
Pharmacy	\$3,825,968	141,872	0.782	\$21.10	\$2,993,027	1.1869	1.0001	1.1469	\$7.08
Home Health Care	\$103,943	652	0.900	\$143.56	\$93,549	1.0743	1.0256	1.0590	\$0.19
IP - Maternity	\$0	0	0.322	\$0.00	\$0	1.1082	1.0420	1.0000	\$0.00
IP - Newborn	\$15,799	9	0.322	\$566.80	\$5,081	1.1082	1.0420	1.0000	\$0.01
IP - Other	\$12,337,414	3,429	0.322	\$1,157.26	\$3,967,712	1.1082	1.0420	1.0000	\$7.96
OP - Emergency Room	\$3,351,761	7,341	0.322	\$146.83	\$1,077,926	1.1124	1.0101	1.0889	\$2.29
OP - Other	\$14,948,036	24,436	0.322	\$196.73	\$4,807,288	1.1124	1.0101	1.0889	\$10.22
Prof - Anesthesia	\$1,100,824	7,925	0.520	\$72.18	\$572,056	1.0138	1.0098	1.0110	\$1.03
Prof - Digestive System	\$629,749	622	0.363	\$367.87	\$228,673	1.0138	1.0098	1.0110	\$0.41
Prof - Ears/Nose/Throat	\$429,258	729	0.343	\$201.85	\$147,132	1.0138	1.0098	1.0110	\$0.26
Prof - Evaluation & Management	\$9,994,811	163,913	0.547	\$33.38	\$5,470,671	1.0138	1.0098	1.0110	\$9.84
Prof - Female Genital	\$0	0	0.288	\$0.00	\$0	1.0138	1.0098	1.0110	\$0.00
Prof - Integumentary System	\$873,546	5,133	0.493	\$83.86	\$430,451	1.0138	1.0098	1.0110	\$0.77
Prof - Laparoscopy	\$24,078	20	1.000	\$1,188.50	\$24,078	1.0138	1.0098	1.0110	\$0.04
Prof - Male Genital	\$89,554	99	0.747	\$672.51	\$66,908	1.0138	1.0098	1.0110	\$0.12
Prof - Maternity	\$0	0	0.547	\$0.00	\$0	1.0138	1.0098	1.0110	\$0.00
Prof - Musculoskeletal System	\$2,500,478	3,211	0.276	\$214.70	\$689,344	1.0138	1.0098	1.0110	\$1.24
Prof - Other	\$852,059	22,111	1.000	\$38.54	\$852,059	1.0138	1.0098	1.0110	\$1.53
Prof - Respiratory/Cardiology	\$504,148	5,815	0.313	\$27.16	\$157,909	1.0138	1.0098	1.0110	\$0.28
Prof - Urinary	\$96,281	113	0.465	\$396.12	\$44,760	1.0138	1.0098	1.0110	\$0.08
Prof - Brightline	\$165,808	3,292	0.612	\$30.82	\$101,455	1.0138	1.0098	1.0110	\$0.18
DME/Supplies	\$322,038	10,526	0.486	\$14.88	\$156,659	1.0138	1.0098	1.0110	\$0.28
Lab	\$962,810	35,870	0.437	\$11.74	\$421,138	1.0138	1.0098	1.0110	\$0.76
Radiology	\$2,404,489	33,276	0.731	\$52.84	\$1,758,274	1.0138	1.0098	1.0110	\$3.16
Transportation/Ambulance	\$832,118	18,954	0.900	\$39.51	\$748,906	1.0138	1.0098	1.0110	\$1.35
Total	\$62,194,728	584,836			\$29,129,077				\$54.64
Administrative Adjustment									1.1236
Per Capita Cost									\$61.39
Per Capita Cost Excluding Direct Payments to Hospitals									\$60.26

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Exhibit 3

Uninsured Ages 19 - 44 Female									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	2,158,905								
Service Category									
Dental - Orthodontics	\$101,076	667	0.740	\$112.10	\$74,796	0.7323	1.0062	1.0000	\$0.03
Dental - Other	\$6,159,971	101,893	0.740	\$44.74	\$4,558,378	0.7323	1.0062	1.0000	\$1.56
Pharmacy	\$62,417,324	2,228,386	0.782	\$21.91	\$48,828,610	1.1869	1.0001	1.1469	\$30.79
Home Health Care	\$1,149,049	4,154	0.900	\$248.96	\$1,034,144	1.0743	1.0256	1.0590	\$0.56
IP - Maternity	\$70,142,058	33,180	0.322	\$679.85	\$22,557,686	1.1082	1.0420	1.0000	\$12.07
IP - Newborn	\$23,554,568	16,703	0.322	\$453.51	\$7,575,149	1.1082	1.0420	1.0000	\$4.05
IP - Other	\$108,646,825	35,288	0.322	\$990.17	\$34,940,819	1.1082	1.0420	1.0000	\$18.69
OP - Emergency Room	\$24,797,084	46,712	0.322	\$170.72	\$7,974,742	1.1124	1.0101	1.0889	\$4.52
OP - Other	\$159,496,357	230,788	0.322	\$222.26	\$51,294,028	1.1124	1.0101	1.0889	\$29.07
Prof - Anesthesia	\$17,527,728	156,213	0.520	\$58.31	\$9,108,490	1.0138	1.0098	1.0110	\$4.37
Prof - Digestive System	\$10,033,100	11,289	0.363	\$322.73	\$3,643,198	1.0138	1.0098	1.0110	\$1.75
Prof - Ears/Nose/Throat	\$5,794,806	9,811	0.343	\$202.45	\$1,986,217	1.0138	1.0098	1.0110	\$0.95
Prof - Evaluation & Management	\$91,339,371	1,345,528	0.547	\$37.16	\$49,994,706	1.0138	1.0098	1.0110	\$23.97
Prof - Female Genital	\$13,446,075	20,479	0.288	\$189.08	\$3,872,191	1.0138	1.0098	1.0110	\$1.86
Prof - Integumentary System	\$3,985,029	17,645	0.493	\$111.29	\$1,963,676	1.0138	1.0098	1.0110	\$0.94
Prof - Laparoscopy	\$1,898,814	1,352	1.000	\$1,403.95	\$1,898,814	1.0138	1.0098	1.0110	\$0.91
Prof - Male Genital	\$0	0	0.747	\$0.00	\$0	1.0138	1.0098	1.0110	\$0.00
Prof - Maternity	\$21,549,048	25,400	0.547	\$464.36	\$11,794,895	1.0138	1.0098	1.0110	\$5.65
Prof - Musculoskeletal System	\$9,006,428	18,015	0.276	\$137.82	\$2,482,936	1.0138	1.0098	1.0110	\$1.19
Prof - Other	\$1,818,190	46,085	1.000	\$39.45	\$1,818,190	1.0138	1.0098	1.0110	\$0.87
Prof - Respiratory/Cardiology	\$4,030,027	91,691	0.313	\$13.77	\$1,262,283	1.0138	1.0098	1.0110	\$0.61
Prof - Urinary	\$2,449,323	4,471	0.465	\$254.66	\$1,138,649	1.0138	1.0098	1.0110	\$0.55
Prof - Brightline	\$1,046,638	21,837	0.612	\$29.33	\$640,419	1.0138	1.0098	1.0110	\$0.31
DME/Supplies	\$2,782,788	95,281	0.486	\$14.21	\$1,353,718	1.0138	1.0098	1.0110	\$0.65
Lab	\$25,384,165	804,651	0.437	\$13.80	\$11,103,157	1.0138	1.0098	1.0110	\$5.32
Radiology	\$30,759,336	264,264	0.731	\$85.11	\$22,492,658	1.0138	1.0098	1.0110	\$10.78
Transportation/Ambulance	\$4,377,351	121,717	0.900	\$32.37	\$3,939,616	1.0138	1.0098	1.0110	\$1.89
Total	\$703,692,527	5,753,501			\$309,332,164				\$163.89
Administrative Adjustment									1.1236
Per Capita Cost									\$184.14
Per Capita Cost Excluding Direct Payments to Hospitals									\$180.36

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Exhibit 3

Uninsured Ages 19 - 44 Male									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	1,179,324								
Service Category									
Dental - Orthodontics	\$45,652	337	0.740	\$100.16	\$33,782	0.7323	1.0062	1.0000	\$0.02
Dental - Other	\$2,738,416	41,947	0.740	\$48.31	\$2,026,428	0.7323	1.0062	1.0000	\$1.27
Pharmacy	\$24,854,970	651,430	0.782	\$29.85	\$19,443,858	1.1869	1.0001	1.1469	\$22.45
Home Health Care	\$635,336	2,494	0.900	\$229.25	\$571,802	1.0743	1.0256	1.0590	\$0.57
IP - Maternity	\$0	0	0.322	\$0.00	\$0	1.1082	1.0420	1.0000	\$0.00
IP - Newborn	\$6,220	14	0.322	\$140.65	\$2,000	1.1082	1.0420	1.0000	\$0.00
IP - Other	\$83,316,486	26,245	0.322	\$1,020.96	\$26,794,582	1.1082	1.0420	1.0000	\$26.24
OP - Emergency Room	\$11,231,865	20,420	0.322	\$176.89	\$3,612,168	1.1124	1.0101	1.0889	\$3.75
OP - Other	\$57,333,748	76,499	0.322	\$241.03	\$18,438,533	1.1124	1.0101	1.0889	\$19.13
Prof - Anesthesia	\$3,757,228	35,066	0.520	\$55.68	\$1,952,488	1.0138	1.0098	1.0110	\$1.71
Prof - Digestive System	\$3,303,732	4,576	0.363	\$262.19	\$1,199,644	1.0138	1.0098	1.0110	\$1.05
Prof - Ears/Nose/Throat	\$3,515,634	4,624	0.343	\$260.59	\$1,205,012	1.0138	1.0098	1.0110	\$1.06
Prof - Evaluation & Management	\$29,338,944	380,111	0.547	\$42.25	\$16,058,704	1.0138	1.0098	1.0110	\$14.09
Prof - Female Genital	\$0	0	0.288	\$0.00	\$0	1.0138	1.0098	1.0110	\$0.00
Prof - Integumentary System	\$1,721,077	8,988	0.493	\$94.36	\$848,084	1.0138	1.0098	1.0110	\$0.74
Prof - Laparoscopy	\$129,013	64	1.000	\$2,013.49	\$129,013	1.0138	1.0098	1.0110	\$0.11
Prof - Male Genital	\$278,362	441	0.747	\$471.85	\$207,972	1.0138	1.0098	1.0110	\$0.18
Prof - Maternity	\$0	0	0.547	\$0.00	\$0	1.0138	1.0098	1.0110	\$0.00
Prof - Musculoskeletal System	\$6,397,516	9,244	0.276	\$190.80	\$1,763,698	1.0138	1.0098	1.0110	\$1.55
Prof - Other	\$485,226	11,114	1.000	\$43.66	\$485,226	1.0138	1.0098	1.0110	\$0.43
Prof - Respiratory/Cardiology	\$2,280,540	23,239	0.313	\$30.74	\$714,309	1.0138	1.0098	1.0110	\$0.63
Prof - Urinary	\$1,037,070	1,046	0.465	\$460.72	\$482,116	1.0138	1.0098	1.0110	\$0.42
Prof - Brightline	\$378,252	7,281	0.612	\$31.79	\$231,446	1.0138	1.0098	1.0110	\$0.20
DME/Supplies	\$1,698,535	51,792	0.486	\$15.95	\$826,271	1.0138	1.0098	1.0110	\$0.73
Lab	\$3,887,687	128,150	0.437	\$13.27	\$1,700,493	1.0138	1.0098	1.0110	\$1.49
Radiology	\$9,159,659	97,386	0.731	\$68.78	\$6,697,969	1.0138	1.0098	1.0110	\$5.88
Transportation/Ambulance	\$3,064,599	77,254	0.900	\$35.70	\$2,758,139	1.0138	1.0098	1.0110	\$2.42
Total	\$250,595,765	1,659,762			\$108,183,738				\$106.11
Administrative Adjustment									1.1236
Per Capita Cost									\$119.23
Per Capita Cost Excluding Direct Payments to Hospitals									\$116.51

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Exhibit 3

Uninsured Ages 45 - 64									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	1,286,601								
Service Category									
Dental - Orthodontics	\$535	8	0.740	\$50.49	\$396	0.7323	1.0062	1.0000	\$0.00
Dental - Other	\$965,083	21,242	0.740	\$33.62	\$714,161	0.7323	1.0062	1.0000	\$0.41
Pharmacy	\$108,616,469	3,006,161	0.782	\$28.27	\$84,969,858	1.1869	1.0001	1.1469	\$89.91
Home Health Care	\$2,296,669	7,201	0.900	\$287.04	\$2,067,002	1.0743	1.0256	1.0590	\$1.87
IP - Maternity	\$1,191,589	642	0.322	\$597.37	\$383,215	1.1082	1.0420	1.0000	\$0.34
IP - Newborn	\$157,892	113	0.322	\$450.11	\$50,778	1.1082	1.0420	1.0000	\$0.05
IP - Other	\$179,753,288	55,448	0.322	\$1,042.58	\$57,808,657	1.1082	1.0420	1.0000	\$51.89
OP - Emergency Room	\$13,971,542	17,120	0.322	\$262.46	\$4,493,248	1.1124	1.0101	1.0889	\$4.27
OP - Other	\$137,419,979	159,704	0.322	\$276.73	\$44,194,265	1.1124	1.0101	1.0889	\$42.03
Prof - Anesthesia	\$9,728,749	77,167	0.520	\$65.52	\$5,055,659	1.0138	1.0098	1.0110	\$4.07
Prof - Digestive System	\$11,493,072	14,810	0.363	\$281.78	\$4,173,340	1.0138	1.0098	1.0110	\$3.36
Prof - Ears/Nose/Throat	\$9,472,453	15,030	0.343	\$216.01	\$3,246,761	1.0138	1.0098	1.0110	\$2.61
Prof - Evaluation & Management	\$75,824,532	1,116,244	0.547	\$37.18	\$41,502,641	1.0138	1.0098	1.0110	\$33.38
Prof - Female Genital	\$2,924,654	3,987	0.288	\$211.25	\$842,240	1.0138	1.0098	1.0110	\$0.68
Prof - Integumentary System	\$4,019,732	19,305	0.493	\$102.61	\$1,980,777	1.0138	1.0098	1.0110	\$1.59
Prof - Laparoscopy	\$383,244	253	1.000	\$1,511.92	\$383,244	1.0138	1.0098	1.0110	\$0.31
Prof - Male Genital	\$325,699	418	0.747	\$582.06	\$243,339	1.0138	1.0098	1.0110	\$0.20
Prof - Maternity	\$17,213	11	0.547	\$855.96	\$9,422	1.0138	1.0098	1.0110	\$0.01
Prof - Musculoskeletal System	\$9,796,345	18,353	0.276	\$147.15	\$2,700,704	1.0138	1.0098	1.0110	\$2.17
Prof - Other	\$2,827,659	88,373	1.000	\$32.00	\$2,827,659	1.0138	1.0098	1.0110	\$2.27
Prof - Respiratory/Cardiology	\$9,631,568	102,935	0.313	\$29.31	\$3,016,793	1.0138	1.0098	1.0110	\$2.43
Prof - Urinary	\$2,522,903	5,323	0.465	\$220.32	\$1,172,855	1.0138	1.0098	1.0110	\$0.94
Prof - Brightline	\$508,175	10,645	0.612	\$29.21	\$310,943	1.0138	1.0098	1.0110	\$0.25
DME/Supplies	\$5,455,610	258,117	0.486	\$10.28	\$2,653,942	1.0138	1.0098	1.0110	\$2.13
Lab	\$16,664,147	554,292	0.437	\$13.15	\$7,288,979	1.0138	1.0098	1.0110	\$5.86
Radiology	\$27,088,006	227,343	0.731	\$87.13	\$19,808,010	1.0138	1.0098	1.0110	\$15.93
Transportation/Ambulance	\$3,545,950	151,391	0.900	\$21.08	\$3,191,355	1.0138	1.0098	1.0110	\$2.57
Total	\$636,602,755	5,931,637			\$295,090,243				\$271.54
Administrative Adjustment									1.1236
Per Capita Cost									\$305.10
Per Capita Cost Excluding Direct Payments to Hospitals									\$299.65

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Exhibit 3

Uninsured Age Over 65									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	123,721								
Service Category									
Dental - Orthodontics	\$0	0	0.740	\$0.00	\$0	0.7323	1.0062	1.0000	\$0.00
Dental - Other	\$41,794	1,142	0.740	\$27.09	\$30,928	0.7323	1.0062	1.0000	\$0.18
Pharmacy	\$10,271,573	311,160	0.782	\$25.82	\$8,035,375	1.1869	1.0001	1.1469	\$88.42
Home Health Care	\$96,647	510	0.900	\$170.48	\$86,982	1.0743	1.0256	1.0590	\$0.82
IP - Maternity	\$0	0	0.322	\$0.00	\$0	1.1082	1.0420	1.0000	\$0.00
IP - Newborn	\$0	0	0.322	\$0.00	\$0	1.1082	1.0420	1.0000	\$0.00
IP - Other	\$5,830,959	2,830	0.322	\$662.69	\$1,875,236	1.1082	1.0420	1.0000	\$17.50
OP - Emergency Room	\$233,851	251	0.322	\$299.49	\$75,206	1.1124	1.0101	1.0889	\$0.74
OP - Other	\$3,138,479	3,587	0.322	\$281.40	\$1,009,335	1.1124	1.0101	1.0889	\$9.98
Prof - Anesthesia	\$266,525	1,701	0.520	\$81.43	\$138,503	1.0138	1.0098	1.0110	\$1.16
Prof - Digestive System	\$332,553	414	0.363	\$291.89	\$120,756	1.0138	1.0098	1.0110	\$1.01
Prof - Ears/Nose/Throat	\$488,478	1,025	0.343	\$163.41	\$167,430	1.0138	1.0098	1.0110	\$1.40
Prof - Evaluation & Management	\$2,353,611	35,777	0.547	\$36.01	\$1,288,252	1.0138	1.0098	1.0110	\$10.78
Prof - Female Genital	\$68,465	70	0.288	\$283.68	\$19,716	1.0138	1.0098	1.0110	\$0.16
Prof - Integumentary System	\$129,392	774	0.493	\$82.34	\$63,760	1.0138	1.0098	1.0110	\$0.53
Prof - Laparoscopy	\$14,260	6	1.000	\$2,234.64	\$14,260	1.0138	1.0098	1.0110	\$0.12
Prof - Male Genital	\$11,173	28	0.747	\$293.99	\$8,348	1.0138	1.0098	1.0110	\$0.07
Prof - Maternity	\$0	0	0.547	\$0.00	\$0	1.0138	1.0098	1.0110	\$0.00
Prof - Musculoskeletal System	\$235,554	361	0.276	\$179.96	\$64,939	1.0138	1.0098	1.0110	\$0.54
Prof - Other	\$124,394	3,545	1.000	\$35.09	\$124,394	1.0138	1.0098	1.0110	\$1.04
Prof - Respiratory/Cardiology	\$405,827	2,791	0.313	\$45.55	\$127,113	1.0138	1.0098	1.0110	\$1.06
Prof - Urinary	\$68,754	176	0.465	\$181.65	\$31,962	1.0138	1.0098	1.0110	\$0.27
Prof - Brightline	\$9,955	214	0.612	\$28.45	\$6,091	1.0138	1.0098	1.0110	\$0.05
DME/Supplies	\$267,837	26,781	0.486	\$4.87	\$130,292	1.0138	1.0098	1.0110	\$1.09
Lab	\$434,861	14,390	0.437	\$13.22	\$190,210	1.0138	1.0098	1.0110	\$1.59
Radiology	\$797,049	6,632	0.731	\$87.88	\$582,839	1.0138	1.0098	1.0110	\$4.88
Transportation/Ambulance	\$224,904	12,179	0.900	\$16.62	\$202,413	1.0138	1.0098	1.0110	\$1.69
Total	\$25,846,896	426,343			\$14,394,342				\$145.10
Administrative Adjustment									1.1236
Per Capita Cost									\$163.04
Per Capita Cost Excluding Direct Payments to Hospitals									\$161.47

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Exhibit 3

Uninsurable All Age Groups									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	2,197,574								
Service Category									
Dental - Orthodontics	\$88,440	694	0.740	\$94.33	\$65,446	0.9410	1.0076	0.9525	\$0.03
Dental - Other	\$3,738,645	73,304	0.740	\$37.74	\$2,766,598	0.9410	1.0076	0.9525	\$1.14
Pharmacy	\$183,348,115	4,280,246	0.782	\$33.51	\$143,431,869	1.1524	1.0001	1.1202	\$84.27
Home Health Care	\$5,089,483	16,881	0.900	\$271.35	\$4,580,535	1.1496	1.0341	1.1180	\$2.77
IP - Maternity	\$18,953,819	9,135	0.322	\$667.26	\$6,095,548	1.0302	1.0483	1.0000	\$3.00
IP - Newborn	\$3,517,482	2,286	0.322	\$494.83	\$1,131,222	1.0302	1.0483	1.0000	\$0.56
IP - Other	\$305,013,256	95,109	0.322	\$1,031.36	\$98,092,263	1.0302	1.0483	1.0000	\$48.21
OP - Emergency Room	\$37,016,566	54,743	0.322	\$217.46	\$11,904,528	1.1206	1.0115	1.0954	\$6.73
OP - Other	\$261,179,740	292,884	0.322	\$286.79	\$83,995,404	1.1206	1.0115	1.0954	\$47.46
Prof - Anesthesia	\$20,481,737	186,302	0.520	\$57.13	\$10,643,575	1.0000	1.0125	1.0000	\$4.90
Prof - Digestive System	\$19,323,929	25,228	0.363	\$278.14	\$7,016,864	1.0000	1.0125	1.0000	\$3.23
Prof - Ears/Nose/Throat	\$17,939,183	24,077	0.343	\$255.38	\$6,148,802	1.0000	1.0125	1.0000	\$2.83
Prof - Evaluation & Management	\$135,733,302	1,954,179	0.547	\$38.02	\$74,293,773	1.0000	1.0125	1.0000	\$34.23
Prof - Female Genital	\$6,977,477	8,859	0.288	\$226.83	\$2,009,369	1.0000	1.0125	1.0000	\$0.93
Prof - Integumentary System	\$7,658,339	33,693	0.493	\$112.00	\$3,773,749	1.0000	1.0125	1.0000	\$1.74
Prof - Laparoscopy	\$1,057,249	762	1.000	\$1,388.06	\$1,057,249	1.0000	1.0125	1.0000	\$0.49
Prof - Male Genital	\$533,183	774	0.747	\$514.84	\$398,356	1.0000	1.0125	1.0000	\$0.18
Prof - Maternity	\$3,173,616	3,801	0.547	\$457.02	\$1,737,082	1.0000	1.0125	1.0000	\$0.80
Prof - Musculoskeletal System	\$20,593,775	32,014	0.276	\$177.34	\$5,677,392	1.0000	1.0125	1.0000	\$2.62
Prof - Other	\$4,789,409	128,871	1.000	\$37.16	\$4,789,409	1.0000	1.0125	1.0000	\$2.21
Prof - Respiratory/Cardiology	\$17,581,347	162,238	0.313	\$33.94	\$5,506,818	1.0000	1.0125	1.0000	\$2.54
Prof - Urinary	\$4,663,011	7,387	0.465	\$293.45	\$2,167,755	1.0000	1.0125	1.0000	\$1.00
Prof - Brightline	\$1,121,468	30,634	0.612	\$22.40	\$686,206	1.0000	1.0125	1.0000	\$0.32
DME/Supplies	\$9,703,143	384,994	0.486	\$12.26	\$4,720,202	1.0000	1.0125	1.0000	\$2.17
Lab	\$28,208,121	905,148	0.437	\$13.63	\$12,338,369	1.0000	1.0125	1.0000	\$5.68
Radiology	\$47,656,009	405,048	0.731	\$86.03	\$34,848,291	1.0000	1.0125	1.0000	\$16.06
Transportation/Ambulance	\$7,630,173	250,597	0.900	\$27.40	\$6,867,155	1.0000	1.0125	1.0000	\$3.16
Total	\$1,172,770,016	9,369,886			\$536,743,831				\$279.23
Administrative Adjustment									1.1236
Per Capita Cost									\$313.74
Per Capita Cost Excluding Direct Payments to Hospitals									\$307.88

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Uninsurable Age Under 1									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	430								
Service Category									
Dental - Orthodontics	\$0	0	0.740	\$0.00	\$0	0.9410	1.0076	0.9525	\$0.00
Dental - Other	\$85	3	0.740	\$18.56	\$63	0.9410	1.0076	0.9525	\$0.13
Pharmacy	\$4,111	211	0.782	\$15.25	\$3,216	1.1524	1.0001	1.1202	\$9.66
Home Health Care	\$0	0	0.900	\$0.00	\$0	1.1496	1.0341	1.1180	\$0.00
IP - Maternity	\$0	0	0.322	\$0.00	\$0	1.0302	1.0483	1.0000	\$0.00
IP - Newborn	\$0	0	0.322	\$0.00	\$0	1.0302	1.0483	1.0000	\$0.00
IP - Other	\$41,774	16	0.322	\$861.60	\$13,434	1.0302	1.0483	1.0000	\$33.76
OP - Emergency Room	\$4,351	10	0.322	\$141.21	\$1,399	1.1206	1.0115	1.0954	\$4.04
OP - Other	\$20,752	34	0.322	\$195.93	\$6,674	1.1206	1.0115	1.0954	\$19.28
Prof - Anesthesia	\$1,009	6	0.520	\$89.91	\$524	1.0000	1.0125	1.0000	\$1.23
Prof - Digestive System	\$5,368	1	0.363	\$1,773.83	\$1,949	1.0000	1.0125	1.0000	\$4.59
Prof - Ears/Nose/Throat	\$7,509	16	0.343	\$160.30	\$2,574	1.0000	1.0125	1.0000	\$6.06
Prof - Evaluation & Management	\$22,813	381	0.547	\$32.81	\$12,487	1.0000	1.0125	1.0000	\$29.42
Prof - Female Genital	\$0	0	0.288	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Integumentary System	\$0	0	0.493	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Laparoscopy	\$0	0	1.000	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Male Genital	\$0	0	0.747	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Maternity	\$0	0	0.547	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Musculoskeletal System	\$0	0	0.276	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Other	\$0	0	1.000	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Respiratory/Cardiology	\$36	3	0.313	\$3.46	\$11	1.0000	1.0125	1.0000	\$0.03
Prof - Urinary	\$0	0	0.465	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Brightline	\$0	0	0.612	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
DME/Supplies	\$1,890	626	0.486	\$1.47	\$920	1.0000	1.0125	1.0000	\$2.17
Lab	\$879	30	0.437	\$13.00	\$385	1.0000	1.0125	1.0000	\$0.91
Radiology	\$1,139	21	0.731	\$40.07	\$833	1.0000	1.0125	1.0000	\$1.96
Transportation/Ambulance	\$0	0	0.900	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Total	\$111,717	1,357			\$44,469				\$113.24
Administrative Adjustment									1.1236
Per Capita Cost									\$127.24
Per Capita Cost Excluding Direct Payments to Hospitals									\$124.08

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Uninsurable Ages 1 - 13									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	91,123								
Service Category									
Dental - Orthodontics	\$40,604	238	0.740	\$126.36	\$30,047	0.9410	1.0076	0.9525	\$0.30
Dental - Other	\$726,615	17,700	0.740	\$30.38	\$537,695	0.9410	1.0076	0.9525	\$5.33
Pharmacy	\$1,682,991	33,086	0.782	\$39.79	\$1,316,592	1.1524	1.0001	1.1202	\$18.65
Home Health Care	\$52,003	385	0.900	\$121.66	\$46,803	1.1496	1.0341	1.1180	\$0.68
IP - Maternity	\$96,418	41	0.322	\$757.61	\$31,008	1.0302	1.0483	1.0000	\$0.37
IP - Newborn	\$0	0	0.322	\$0.00	\$0	1.0302	1.0483	1.0000	\$0.00
IP - Other	\$1,462,853	578	0.322	\$813.39	\$470,453	1.0302	1.0483	1.0000	\$5.58
OP - Emergency Room	\$428,595	1,193	0.322	\$115.55	\$137,836	1.1206	1.0115	1.0954	\$1.88
OP - Other	\$2,142,697	4,484	0.322	\$153.68	\$689,091	1.1206	1.0115	1.0954	\$9.39
Prof - Anesthesia	\$270,701	1,810	0.520	\$77.73	\$140,673	1.0000	1.0125	1.0000	\$1.56
Prof - Digestive System	\$177,568	224	0.363	\$288.31	\$64,478	1.0000	1.0125	1.0000	\$0.72
Prof - Ears/Nose/Throat	\$151,185	282	0.343	\$183.58	\$51,820	1.0000	1.0125	1.0000	\$0.58
Prof - Evaluation & Management	\$2,095,181	47,082	0.547	\$24.36	\$1,146,800	1.0000	1.0125	1.0000	\$12.74
Prof - Female Genital	\$544	2	0.288	\$73.70	\$157	1.0000	1.0125	1.0000	\$0.00
Prof - Integumentary System	\$70,201	477	0.493	\$72.58	\$34,593	1.0000	1.0125	1.0000	\$0.38
Prof - Laparoscopy	\$2,530	9	1.000	\$297.41	\$2,530	1.0000	1.0125	1.0000	\$0.03
Prof - Male Genital	\$12,388	13	0.747	\$688.51	\$9,256	1.0000	1.0125	1.0000	\$0.10
Prof - Maternity	\$0	0	0.547	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Musculoskeletal System	\$134,754	254	0.276	\$146.22	\$37,150	1.0000	1.0125	1.0000	\$0.41
Prof - Other	\$122,871	3,443	1.000	\$35.69	\$122,871	1.0000	1.0125	1.0000	\$1.37
Prof - Respiratory/Cardiology	\$79,919	942	0.313	\$26.58	\$25,032	1.0000	1.0125	1.0000	\$0.28
Prof - Urinary	\$22,597	45	0.465	\$235.40	\$10,505	1.0000	1.0125	1.0000	\$0.12
Prof - Brightline	\$48,451	1,676	0.612	\$17.69	\$29,646	1.0000	1.0125	1.0000	\$0.33
DME/Supplies	\$97,157	2,129	0.486	\$22.20	\$47,263	1.0000	1.0125	1.0000	\$0.53
Lab	\$203,348	8,262	0.437	\$10.77	\$88,945	1.0000	1.0125	1.0000	\$0.99
Radiology	\$229,493	3,576	0.731	\$46.93	\$167,816	1.0000	1.0125	1.0000	\$1.86
Transportation/Ambulance	\$43,339	1,688	0.900	\$23.11	\$39,005	1.0000	1.0125	1.0000	\$0.43
Total	\$10,395,004	129,617			\$5,278,065				\$64.60
Administrative Adjustment									1.1236
Per Capita Cost									\$72.59
Per Capita Cost Excluding Direct Payments to Hospitals									\$71.64

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Uninsurable Ages 14 - 18 Female									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	27,707								
Service Category									
Dental - Orthodontics	\$30,977	276	0.740	\$83.01	\$22,923	0.9410	1.0076	0.9525	\$0.75
Dental - Other	\$321,827	5,365	0.740	\$44.39	\$238,152	0.9410	1.0076	0.9525	\$7.76
Pharmacy	\$634,845	16,117	0.782	\$30.81	\$496,635	1.1524	1.0001	1.1202	\$23.14
Home Health Care	\$16,401	28	0.900	\$518.71	\$14,761	1.1496	1.0341	1.1180	\$0.71
IP - Maternity	\$813,101	437	0.322	\$598.34	\$261,493	1.0302	1.0483	1.0000	\$10.19
IP - Newborn	\$340,671	134	0.322	\$817.10	\$109,560	1.0302	1.0483	1.0000	\$4.27
IP - Other	\$360,946	133	0.322	\$873.89	\$116,080	1.0302	1.0483	1.0000	\$4.52
OP - Emergency Room	\$267,386	580	0.322	\$148.14	\$85,991	1.1206	1.0115	1.0954	\$3.85
OP - Other	\$1,172,651	2,143	0.322	\$176.01	\$377,124	1.1206	1.0115	1.0954	\$16.90
Prof - Anesthesia	\$113,583	1,253	0.520	\$47.11	\$59,025	1.0000	1.0125	1.0000	\$2.16
Prof - Digestive System	\$47,225	52	0.363	\$327.45	\$17,148	1.0000	1.0125	1.0000	\$0.63
Prof - Ears/Nose/Throat	\$12,864	49	0.343	\$89.12	\$4,409	1.0000	1.0125	1.0000	\$0.16
Prof - Evaluation & Management	\$895,747	14,459	0.547	\$33.91	\$490,288	1.0000	1.0125	1.0000	\$17.92
Prof - Female Genital	\$28,242	84	0.288	\$97.39	\$8,133	1.0000	1.0125	1.0000	\$0.30
Prof - Integumentary System	\$31,047	259	0.493	\$59.00	\$15,299	1.0000	1.0125	1.0000	\$0.56
Prof - Laparoscopy	\$7,833	2	1.000	\$3,174.56	\$7,833	1.0000	1.0125	1.0000	\$0.29
Prof - Male Genital	\$0	0	0.747	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Maternity	\$187,301	231	0.547	\$444.21	\$102,520	1.0000	1.0125	1.0000	\$3.75
Prof - Musculoskeletal System	\$60,497	71	0.276	\$235.74	\$16,678	1.0000	1.0125	1.0000	\$0.61
Prof - Other	\$51,894	1,405	1.000	\$36.93	\$51,894	1.0000	1.0125	1.0000	\$1.90
Prof - Respiratory/Cardiology	\$52,342	666	0.313	\$24.63	\$16,395	1.0000	1.0125	1.0000	\$0.60
Prof - Urinary	\$16,062	12	0.465	\$620.21	\$7,467	1.0000	1.0125	1.0000	\$0.27
Prof - Brightline	\$7,578	250	0.612	\$18.53	\$4,637	1.0000	1.0125	1.0000	\$0.17
DME/Supplies	\$52,189	468	0.486	\$54.26	\$25,388	1.0000	1.0125	1.0000	\$0.93
Lab	\$202,593	7,452	0.437	\$11.89	\$88,615	1.0000	1.0125	1.0000	\$3.24
Radiology	\$202,128	2,069	0.731	\$71.45	\$147,806	1.0000	1.0125	1.0000	\$5.40
Transportation/Ambulance	\$36,118	1,472	0.900	\$22.08	\$32,506	1.0000	1.0125	1.0000	\$1.19
Total	\$5,964,047	55,468			\$2,818,759				\$112.15
Administrative Adjustment									1.1236
Per Capita Cost									\$126.01
Per Capita Cost Excluding Direct Payments to Hospitals									\$123.82

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing

All Regions

Uninsurable Ages 14 - 18 Male									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	30,921								
Service Category									
Dental - Orthodontics	\$12,874	126	0.740	\$75.88	\$9,526	0.9410	1.0076	0.9525	\$0.28
Dental - Other	\$272,780	4,529	0.740	\$44.57	\$201,857	0.9410	1.0076	0.9525	\$5.90
Pharmacy	\$988,192	10,786	0.782	\$71.67	\$773,055	1.1524	1.0001	1.1202	\$32.28
Home Health Care	\$29,886	136	0.900	\$198.45	\$26,897	1.1496	1.0341	1.1180	\$1.16
IP - Maternity	\$0	0	0.322	\$0.00	\$0	1.0302	1.0483	1.0000	\$0.00
IP - Newborn	\$0	0	0.322	\$0.00	\$0	1.0302	1.0483	1.0000	\$0.00
IP - Other	\$831,624	264	0.322	\$1,014.48	\$267,450	1.0302	1.0483	1.0000	\$9.34
OP - Emergency Room	\$222,634	499	0.322	\$143.45	\$71,599	1.1206	1.0115	1.0954	\$2.87
OP - Other	\$1,039,033	1,594	0.322	\$209.64	\$334,153	1.1206	1.0115	1.0954	\$13.42
Prof - Anesthesia	\$87,224	772	0.520	\$58.68	\$45,327	1.0000	1.0125	1.0000	\$1.48
Prof - Digestive System	\$39,816	43	0.363	\$335.16	\$14,458	1.0000	1.0125	1.0000	\$0.47
Prof - Ears/Nose/Throat	\$20,548	56	0.343	\$125.80	\$7,043	1.0000	1.0125	1.0000	\$0.23
Prof - Evaluation & Management	\$627,270	10,707	0.547	\$32.07	\$343,337	1.0000	1.0125	1.0000	\$11.24
Prof - Female Genital	\$0	0	0.288	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Integumentary System	\$46,504	280	0.493	\$81.94	\$22,915	1.0000	1.0125	1.0000	\$0.75
Prof - Laparoscopy	\$0	0	1.000	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Male Genital	\$1,072	5	0.747	\$174.40	\$801	1.0000	1.0125	1.0000	\$0.03
Prof - Maternity	\$0	0	0.547	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Musculoskeletal System	\$144,768	186	0.276	\$215.03	\$39,910	1.0000	1.0125	1.0000	\$1.31
Prof - Other	\$44,876	1,191	1.000	\$37.69	\$44,876	1.0000	1.0125	1.0000	\$1.47
Prof - Respiratory/Cardiology	\$32,326	358	0.313	\$28.31	\$10,125	1.0000	1.0125	1.0000	\$0.33
Prof - Urinary	\$10,055	10	0.465	\$488.34	\$4,674	1.0000	1.0125	1.0000	\$0.15
Prof - Brightline	\$10,895	346	0.612	\$19.24	\$6,667	1.0000	1.0125	1.0000	\$0.22
DME/Supplies	\$39,427	360	0.486	\$53.24	\$19,180	1.0000	1.0125	1.0000	\$0.63
Lab	\$62,858	2,258	0.437	\$12.18	\$27,494	1.0000	1.0125	1.0000	\$0.90
Radiology	\$152,967	2,065	0.731	\$54.17	\$111,857	1.0000	1.0125	1.0000	\$3.66
Transportation/Ambulance	\$37,777	773	0.900	\$43.96	\$33,999	1.0000	1.0125	1.0000	\$1.11
Total	\$4,755,404	37,341			\$2,417,201				\$89.23
Administrative Adjustment									1.1236
Per Capita Cost									\$100.26
Per Capita Cost Excluding Direct Payments to Hospitals									\$98.84

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Exhibit 3

Uninsurable Ages 19 - 44 Female									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	494,130								
Service Category									
Dental - Orthodontics	\$2,593	34	0.740	\$55.72	\$1,919	0.9410	1.0076	0.9525	\$0.00
Dental - Other	\$923,760	16,766	0.740	\$40.77	\$683,582	0.9410	1.0076	0.9525	\$1.25
Pharmacy	\$27,206,617	750,218	0.782	\$28.37	\$21,283,535	1.1524	1.0001	1.1202	\$55.61
Home Health Care	\$681,868	2,022	0.900	\$303.48	\$613,682	1.1496	1.0341	1.1180	\$1.65
IP - Maternity	\$16,664,106	7,966	0.322	\$672.75	\$5,359,177	1.0302	1.0483	1.0000	\$11.71
IP - Newborn	\$2,403,283	2,001	0.322	\$386.26	\$772,896	1.0302	1.0483	1.0000	\$1.69
IP - Other	\$47,916,388	15,754	0.322	\$978.15	\$15,409,910	1.0302	1.0483	1.0000	\$33.68
OP - Emergency Room	\$9,797,776	16,534	0.322	\$190.58	\$3,150,965	1.1206	1.0115	1.0954	\$7.92
OP - Other	\$58,009,835	72,007	0.322	\$259.09	\$18,655,963	1.1206	1.0115	1.0954	\$46.88
Prof - Anesthesia	\$5,222,284	48,306	0.520	\$56.18	\$2,713,821	1.0000	1.0125	1.0000	\$5.56
Prof - Digestive System	\$4,084,835	4,982	0.363	\$297.73	\$1,483,277	1.0000	1.0125	1.0000	\$3.04
Prof - Ears/Nose/Throat	\$2,687,854	4,027	0.343	\$228.77	\$921,284	1.0000	1.0125	1.0000	\$1.89
Prof - Evaluation & Management	\$28,655,967	430,229	0.547	\$36.46	\$15,684,875	1.0000	1.0125	1.0000	\$32.14
Prof - Female Genital	\$4,125,185	5,270	0.288	\$225.41	\$1,187,968	1.0000	1.0125	1.0000	\$2.43
Prof - Integumentary System	\$1,538,519	5,949	0.493	\$127.43	\$758,126	1.0000	1.0125	1.0000	\$1.55
Prof - Laparoscopy	\$527,842	406	1.000	\$1,299.49	\$527,842	1.0000	1.0125	1.0000	\$1.08
Prof - Male Genital	\$0	0	0.747	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Maternity	\$2,973,770	3,558	0.547	\$457.42	\$1,627,696	1.0000	1.0125	1.0000	\$3.34
Prof - Musculoskeletal System	\$3,735,200	6,550	0.276	\$157.20	\$1,029,738	1.0000	1.0125	1.0000	\$2.11
Prof - Other	\$568,730	14,261	1.000	\$39.88	\$568,730	1.0000	1.0125	1.0000	\$1.17
Prof - Respiratory/Cardiology	\$1,822,577	29,960	0.313	\$19.05	\$570,866	1.0000	1.0125	1.0000	\$1.17
Prof - Urinary	\$897,397	1,740	0.465	\$239.70	\$417,185	1.0000	1.0125	1.0000	\$0.85
Prof - Brightline	\$321,038	8,802	0.612	\$22.32	\$196,438	1.0000	1.0125	1.0000	\$0.40
DME/Supplies	\$1,700,254	49,529	0.486	\$16.70	\$827,107	1.0000	1.0125	1.0000	\$1.69
Lab	\$7,206,356	223,453	0.437	\$14.11	\$3,152,095	1.0000	1.0125	1.0000	\$6.46
Radiology	\$10,171,846	86,796	0.731	\$85.70	\$7,438,127	1.0000	1.0125	1.0000	\$15.24
Transportation/Ambulance	\$1,611,480	43,052	0.900	\$33.69	\$1,450,332	1.0000	1.0125	1.0000	\$2.97
Total	\$241,457,359	1,850,175			\$106,487,134				\$243.49
Administrative Adjustment									1.1236
Per Capita Cost									\$273.59
Per Capita Cost Excluding Direct Payments to Hospitals									\$267.95

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Uninsurable Ages 19 - 44 Male									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	531,037								
Service Category									
Dental - Orthodontics	\$1,286	17	0.740	\$55.15	\$952	0.9410	1.0076	0.9525	\$0.00
Dental - Other	\$806,240	14,288	0.740	\$41.76	\$596,618	0.9410	1.0076	0.9525	\$1.01
Pharmacy	\$27,185,743	504,254	0.782	\$42.18	\$21,267,205	1.1524	1.0001	1.1202	\$51.71
Home Health Care	\$986,651	2,553	0.900	\$347.82	\$887,986	1.1496	1.0341	1.1180	\$2.22
IP - Maternity	\$0	0	0.322	\$0.00	\$0	1.0302	1.0483	1.0000	\$0.00
IP - Newborn	\$0	0	0.322	\$0.00	\$0	1.0302	1.0483	1.0000	\$0.00
IP - Other	\$48,894,544	14,630	0.322	\$1,074.82	\$15,724,485	1.0302	1.0483	1.0000	\$31.98
OP - Emergency Room	\$11,246,091	18,835	0.322	\$192.02	\$3,616,743	1.1206	1.0115	1.0954	\$8.46
OP - Other	\$46,156,904	52,143	0.322	\$284.68	\$14,844,060	1.1206	1.0115	1.0954	\$34.71
Prof - Anesthesia	\$3,272,500	32,610	0.520	\$52.15	\$1,700,593	1.0000	1.0125	1.0000	\$3.24
Prof - Digestive System	\$2,931,058	3,980	0.363	\$267.45	\$1,064,320	1.0000	1.0125	1.0000	\$2.03
Prof - Ears/Nose/Throat	\$3,328,756	4,343	0.343	\$262.69	\$1,140,958	1.0000	1.0125	1.0000	\$2.18
Prof - Evaluation & Management	\$22,454,439	275,509	0.547	\$44.61	\$12,290,462	1.0000	1.0125	1.0000	\$23.43
Prof - Female Genital	\$0	0	0.288	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Integumentary System	\$1,490,203	5,793	0.493	\$126.76	\$734,317	1.0000	1.0125	1.0000	\$1.40
Prof - Laparoscopy	\$79,478	51	1.000	\$1,569.94	\$79,478	1.0000	1.0125	1.0000	\$0.15
Prof - Male Genital	\$149,097	243	0.747	\$457.77	\$111,395	1.0000	1.0125	1.0000	\$0.21
Prof - Maternity	\$0	0	0.547	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Musculoskeletal System	\$5,385,976	7,137	0.276	\$208.06	\$1,484,832	1.0000	1.0125	1.0000	\$2.83
Prof - Other	\$406,539	9,811	1.000	\$41.44	\$406,539	1.0000	1.0125	1.0000	\$0.78
Prof - Respiratory/Cardiology	\$2,301,615	20,238	0.313	\$35.62	\$720,910	1.0000	1.0125	1.0000	\$1.37
Prof - Urinary	\$931,121	1,046	0.465	\$413.92	\$432,863	1.0000	1.0125	1.0000	\$0.83
Prof - Brightline	\$341,689	8,397	0.612	\$24.90	\$209,073	1.0000	1.0125	1.0000	\$0.40
DME/Supplies	\$1,860,190	58,088	0.486	\$15.58	\$904,910	1.0000	1.0125	1.0000	\$1.73
Lab	\$3,852,171	115,577	0.437	\$14.58	\$1,684,958	1.0000	1.0125	1.0000	\$3.21
Radiology	\$7,265,824	72,179	0.731	\$73.61	\$5,313,109	1.0000	1.0125	1.0000	\$10.13
Transportation/Ambulance	\$2,396,779	64,485	0.900	\$33.45	\$2,157,101	1.0000	1.0125	1.0000	\$4.11
Total	\$193,724,896	1,286,206			\$87,373,869				\$188.12
Administrative Adjustment									1.1236
Per Capita Cost									\$211.37
Per Capita Cost Excluding Direct Payments to Hospitals									\$207.21

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Exhibit 3

Uninsurable Ages 45 - 64									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	977,098								
Service Category									
Dental - Orthodontics	\$108	3	0.740	\$30.49	\$80	0.9410	1.0076	0.9525	\$0.00
Dental - Other	\$677,844	14,467	0.740	\$34.67	\$501,605	0.9410	1.0076	0.9525	\$0.46
Pharmacy	\$119,728,907	2,820,241	0.782	\$33.21	\$93,663,035	1.1524	1.0001	1.1202	\$123.76
Home Health Care	\$3,259,719	11,090	0.900	\$264.54	\$2,933,747	1.1496	1.0341	1.1180	\$3.99
IP - Maternity	\$1,380,194	691	0.322	\$642.28	\$443,870	1.0302	1.0483	1.0000	\$0.49
IP - Newborn	\$773,528	151	0.322	\$1,647.11	\$248,767	1.0302	1.0483	1.0000	\$0.27
IP - Other	\$203,128,032	62,891	0.322	\$1,038.72	\$65,325,975	1.0302	1.0483	1.0000	\$72.21
OP - Emergency Room	\$14,946,776	17,003	0.322	\$282.70	\$4,806,883	1.1206	1.0115	1.0954	\$6.11
OP - Other	\$151,471,346	159,186	0.322	\$306.01	\$48,713,185	1.1206	1.0115	1.0954	\$61.90
Prof - Anesthesia	\$11,405,070	100,406	0.520	\$59.03	\$5,926,779	1.0000	1.0125	1.0000	\$6.14
Prof - Digestive System	\$11,899,585	15,778	0.363	\$273.86	\$4,320,952	1.0000	1.0125	1.0000	\$4.48
Prof - Ears/Nose/Throat	\$11,497,667	14,983	0.343	\$263.02	\$3,940,920	1.0000	1.0125	1.0000	\$4.08
Prof - Evaluation & Management	\$80,027,141	1,163,083	0.547	\$37.66	\$43,802,944	1.0000	1.0125	1.0000	\$45.39
Prof - Female Genital	\$2,818,632	3,492	0.288	\$232.45	\$811,708	1.0000	1.0125	1.0000	\$0.84
Prof - Integumentary System	\$4,398,365	20,634	0.493	\$105.04	\$2,167,353	1.0000	1.0125	1.0000	\$2.25
Prof - Laparoscopy	\$436,714	291	1.000	\$1,498.61	\$436,714	1.0000	1.0125	1.0000	\$0.45
Prof - Male Genital	\$362,921	494	0.747	\$548.56	\$271,149	1.0000	1.0125	1.0000	\$0.28
Prof - Maternity	\$12,545	12	0.547	\$586.93	\$6,866	1.0000	1.0125	1.0000	\$0.01
Prof - Musculoskeletal System	\$11,010,115	17,677	0.276	\$171.71	\$3,035,322	1.0000	1.0125	1.0000	\$3.15
Prof - Other	\$3,549,095	97,183	1.000	\$36.52	\$3,549,095	1.0000	1.0125	1.0000	\$3.68
Prof - Respiratory/Cardiology	\$13,113,014	109,082	0.313	\$37.65	\$4,107,250	1.0000	1.0125	1.0000	\$4.26
Prof - Urinary	\$2,764,283	4,485	0.465	\$286.50	\$1,285,068	1.0000	1.0125	1.0000	\$1.33
Prof - Brightline	\$389,830	11,085	0.612	\$21.52	\$238,530	1.0000	1.0125	1.0000	\$0.25
DME/Supplies	\$5,868,197	269,120	0.486	\$10.61	\$2,854,650	1.0000	1.0125	1.0000	\$2.96
Lab	\$16,485,175	542,841	0.437	\$13.28	\$7,210,696	1.0000	1.0125	1.0000	\$7.47
Radiology	\$29,324,721	235,836	0.731	\$90.93	\$21,443,600	1.0000	1.0125	1.0000	\$22.22
Transportation/Ambulance	\$3,435,780	134,463	0.900	\$23.00	\$3,092,202	1.0000	1.0125	1.0000	\$3.20
Total	\$704,165,306	5,826,670			\$325,138,946				\$381.63
Administrative Adjustment									1.1236
Per Capita Cost									\$428.79
Per Capita Cost Excluding Direct Payments to Hospitals									\$420.99

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Uninsurable Age Over 65									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	45,129								
Service Category									
Dental - Orthodontics	\$0	0	0.740	\$0.00	\$0	0.9410	1.0076	0.9525	\$0.00
Dental - Other	\$9,495	186	0.740	\$37.78	\$7,026	0.9410	1.0076	0.9525	\$0.14
Pharmacy	\$5,916,708	145,334	0.782	\$31.85	\$4,628,597	1.1524	1.0001	1.1202	\$132.42
Home Health Care	\$62,955	667	0.900	\$84.98	\$56,659	1.1496	1.0341	1.1180	\$1.67
IP - Maternity	\$0	0	0.322	\$0.00	\$0	1.0302	1.0483	1.0000	\$0.00
IP - Newborn	\$0	0	0.322	\$0.00	\$0	1.0302	1.0483	1.0000	\$0.00
IP - Other	\$2,377,094	844	0.322	\$905.89	\$764,474	1.0302	1.0483	1.0000	\$18.30
OP - Emergency Room	\$102,957	89	0.322	\$371.99	\$33,111	1.1206	1.0115	1.0954	\$0.91
OP - Other	\$1,166,522	1,294	0.322	\$289.96	\$375,153	1.1206	1.0115	1.0954	\$10.32
Prof - Anesthesia	\$109,366	1,139	0.520	\$49.88	\$56,834	1.0000	1.0125	1.0000	\$1.28
Prof - Digestive System	\$138,474	169	0.363	\$298.32	\$50,283	1.0000	1.0125	1.0000	\$1.13
Prof - Ears/Nose/Throat	\$232,800	319	0.343	\$250.16	\$79,794	1.0000	1.0125	1.0000	\$1.79
Prof - Evaluation & Management	\$954,744	12,730	0.547	\$41.05	\$522,580	1.0000	1.0125	1.0000	\$11.72
Prof - Female Genital	\$4,874	11	0.288	\$131.97	\$1,404	1.0000	1.0125	1.0000	\$0.03
Prof - Integumentary System	\$83,500	301	0.493	\$136.57	\$41,146	1.0000	1.0125	1.0000	\$0.92
Prof - Laparoscopy	\$2,851	2	1.000	\$1,155.55	\$2,851	1.0000	1.0125	1.0000	\$0.06
Prof - Male Genital	\$7,704	18	0.747	\$318.35	\$5,756	1.0000	1.0125	1.0000	\$0.13
Prof - Maternity	\$0	0	0.547	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Musculoskeletal System	\$122,465	140	0.276	\$241.89	\$33,762	1.0000	1.0125	1.0000	\$0.76
Prof - Other	\$45,405	1,577	1.000	\$28.79	\$45,405	1.0000	1.0125	1.0000	\$1.02
Prof - Respiratory/Cardiology	\$179,518	989	0.313	\$56.84	\$56,229	1.0000	1.0125	1.0000	\$1.26
Prof - Urinary	\$21,497	49	0.465	\$202.86	\$9,993	1.0000	1.0125	1.0000	\$0.22
Prof - Brightline	\$1,987	77	0.612	\$15.88	\$1,216	1.0000	1.0125	1.0000	\$0.03
DME/Supplies	\$83,838	4,673	0.486	\$8.73	\$40,784	1.0000	1.0125	1.0000	\$0.92
Lab	\$194,740	5,275	0.437	\$16.15	\$85,180	1.0000	1.0125	1.0000	\$1.91
Radiology	\$307,890	2,506	0.731	\$89.84	\$225,143	1.0000	1.0125	1.0000	\$5.05
Transportation/Ambulance	\$68,899	4,663	0.900	\$13.30	\$62,009	1.0000	1.0125	1.0000	\$1.39
Total	\$12,196,282	183,052			\$7,185,387				\$193.38
Administrative Adjustment									1.1236
Per Capita Cost									\$217.28
Per Capita Cost Excluding Direct Payments to Hospitals									\$215.64

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Exhibit 3

Disabled / Uninsured All Age Groups									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	320,171								
Service Category									
Dental - Orthodontics	\$8,666	77	0.740	\$83.24	\$6,413	0.7323	1.0062	1.0000	\$0.01
Dental - Other	\$594,751	11,351	0.740	\$38.77	\$440,116	0.7323	1.0062	1.0000	\$1.01
Pharmacy	\$33,442,979	841,086	0.782	\$31.11	\$26,162,194	1.1869	1.0001	1.1469	\$111.24
Home Health Care	\$1,328,196	5,250	0.900	\$227.69	\$1,195,377	1.0743	1.0256	1.0590	\$4.36
IP - Maternity	\$2,255,172	951	0.322	\$762.39	\$725,263	1.1082	1.0420	1.0000	\$2.62
IP - Newborn	\$230,545	148	0.322	\$501.38	\$74,143	1.1082	1.0420	1.0000	\$0.27
IP - Other	\$49,108,252	15,511	0.322	\$1,018.22	\$15,793,214	1.1082	1.0420	1.0000	\$56.96
OP - Emergency Room	\$4,150,472	5,841	0.322	\$228.53	\$1,334,792	1.1124	1.0101	1.0889	\$5.10
OP - Other	\$32,867,376	38,968	0.322	\$271.26	\$10,570,148	1.1124	1.0101	1.0889	\$40.40
Prof - Anesthesia	\$2,437,107	20,424	0.520	\$62.01	\$1,266,471	1.0138	1.0098	1.0110	\$4.09
Prof - Digestive System	\$2,310,926	2,941	0.363	\$285.33	\$839,139	1.0138	1.0098	1.0110	\$2.71
Prof - Ears/Nose/Throat	\$2,550,681	3,763	0.343	\$232.31	\$874,267	1.0138	1.0098	1.0110	\$2.83
Prof - Evaluation & Management	\$19,258,414	266,751	0.547	\$39.52	\$10,541,114	1.0138	1.0098	1.0110	\$34.07
Prof - Female Genital	\$574,013	658	0.288	\$251.15	\$165,304	1.0138	1.0098	1.0110	\$0.53
Prof - Integumentary System	\$866,310	4,295	0.493	\$99.38	\$426,886	1.0138	1.0098	1.0110	\$1.38
Prof - Laparoscopy	\$77,677	40	1.000	\$1,950.34	\$77,677	1.0138	1.0098	1.0110	\$0.25
Prof - Male Genital	\$55,353	76	0.747	\$547.05	\$41,356	1.0138	1.0098	1.0110	\$0.13
Prof - Maternity	\$212,465	264	0.547	\$440.12	\$116,293	1.0138	1.0098	1.0110	\$0.38
Prof - Musculoskeletal System	\$3,086,698	5,539	0.276	\$153.64	\$850,956	1.0138	1.0098	1.0110	\$2.75
Prof - Other	\$629,913	17,515	1.000	\$35.96	\$629,913	1.0138	1.0098	1.0110	\$2.04
Prof - Respiratory/Cardiology	\$2,497,415	20,518	0.313	\$38.12	\$782,239	1.0138	1.0098	1.0110	\$2.53
Prof - Urinary	\$487,621	835	0.465	\$271.32	\$226,687	1.0138	1.0098	1.0110	\$0.73
Prof - Brightline	\$198,292	5,260	0.612	\$23.07	\$121,331	1.0138	1.0098	1.0110	\$0.39
DME/Supplies	\$3,099,290	212,562	0.486	\$7.09	\$1,507,684	1.0138	1.0098	1.0110	\$4.87
Lab	\$3,289,400	107,496	0.437	\$13.38	\$1,438,800	1.0138	1.0098	1.0110	\$4.65
Radiology	\$6,178,472	54,239	0.731	\$83.30	\$4,517,987	1.0138	1.0098	1.0110	\$14.60
Transportation/Ambulance	\$1,697,512	71,798	0.900	\$21.28	\$1,527,761	1.0138	1.0098	1.0110	\$4.94
Total	\$173,493,969	1,714,158			\$82,253,523				\$305.86
Administrative Adjustment									1.1236
Per Capita Cost									\$343.66
Per Capita Cost Excluding Direct Payments to Hospitals									\$337.83

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Disabled / Uninsured Age Under 1									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	120								
Service Category									
Dental - Orthodontics	\$0	0	0.740	\$0.00	\$0	0.7323	1.0062	1.0000	\$0.00
Dental - Other	\$0	0	0.740	\$0.00	\$0	0.7323	1.0062	1.0000	\$0.00
Pharmacy	\$852	49	0.782	\$13.55	\$666	1.1869	1.0001	1.1469	\$7.53
Home Health Care	\$1,900	3	0.900	\$504.30	\$1,710	1.0743	1.0256	1.0590	\$16.56
IP - Maternity	\$0	0	0.322	\$0.00	\$0	1.1082	1.0420	1.0000	\$0.00
IP - Newborn	\$0	0	0.322	\$0.00	\$0	1.1082	1.0420	1.0000	\$0.00
IP - Other	\$20,462	12	0.322	\$562.94	\$6,581	1.1082	1.0420	1.0000	\$63.09
OP - Emergency Room	\$1,589	6	0.322	\$90.09	\$511	1.1124	1.0101	1.0889	\$5.19
OP - Other	\$1,966	2	0.322	\$279.70	\$632	1.1124	1.0101	1.0889	\$6.42
Prof - Anesthesia	\$0	0	0.520	\$0.00	\$0	1.0138	1.0098	1.0110	\$0.00
Prof - Digestive System	\$0	0	0.363	\$0.00	\$0	1.0138	1.0098	1.0110	\$0.00
Prof - Ears/Nose/Throat	\$0	0	0.343	\$0.00	\$0	1.0138	1.0098	1.0110	\$0.00
Prof - Evaluation & Management	\$11,866	141	0.547	\$46.05	\$6,495	1.0138	1.0098	1.0110	\$55.80
Prof - Female Genital	\$0	0	0.288	\$0.00	\$0	1.0138	1.0098	1.0110	\$0.00
Prof - Integumentary System	\$0	0	0.493	\$0.00	\$0	1.0138	1.0098	1.0110	\$0.00
Prof - Laparoscopy	\$0	0	1.000	\$0.00	\$0	1.0138	1.0098	1.0110	\$0.00
Prof - Male Genital	\$220	1	0.747	\$149.89	\$165	1.0138	1.0098	1.0110	\$1.41
Prof - Maternity	\$0	0	0.547	\$0.00	\$0	1.0138	1.0098	1.0110	\$0.00
Prof - Musculoskeletal System	\$0	0	0.276	\$0.00	\$0	1.0138	1.0098	1.0110	\$0.00
Prof - Other	\$0	0	1.000	\$0.00	\$0	1.0138	1.0098	1.0110	\$0.00
Prof - Respiratory/Cardiology	\$66	5	0.313	\$3.77	\$21	1.0138	1.0098	1.0110	\$0.18
Prof - Urinary	\$0	0	0.465	\$0.00	\$0	1.0138	1.0098	1.0110	\$0.00
Prof - Brightline	\$0	0	0.612	\$0.00	\$0	1.0138	1.0098	1.0110	\$0.00
DME/Supplies	\$0	0	0.486	\$0.00	\$0	1.0138	1.0098	1.0110	\$0.00
Lab	\$311	12	0.437	\$10.93	\$136	1.0138	1.0098	1.0110	\$1.17
Radiology	\$175	4	0.731	\$29.16	\$128	1.0138	1.0098	1.0110	\$1.10
Transportation/Ambulance	\$0	0	0.900	\$0.00	\$0	1.0138	1.0098	1.0110	\$0.00
Total	\$39,408	237			\$17,045				\$158.45
Administrative Adjustment									1.1236
Per Capita Cost									\$178.04
Per Capita Cost Excluding Direct Payments to Hospitals									\$173.91

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Disabled / Uninsured Ages 1 - 13									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	16,737								
Service Category									
Dental - Orthodontics	\$877	11	0.740	\$61.65	\$649	0.7323	1.0062	1.0000	\$0.03
Dental - Other	\$158,348	3,592	0.740	\$32.62	\$117,178	0.7323	1.0062	1.0000	\$5.16
Pharmacy	\$683,012	6,902	0.782	\$77.41	\$534,315	1.1869	1.0001	1.1469	\$43.46
Home Health Care	\$109,063	189	0.900	\$519.53	\$98,157	1.0743	1.0256	1.0590	\$6.84
IP - Maternity	\$96,642	49	0.322	\$630.93	\$31,080	1.1082	1.0420	1.0000	\$2.14
IP - Newborn	\$0	0	0.322	\$0.00	\$0	1.1082	1.0420	1.0000	\$0.00
IP - Other	\$607,645	237	0.322	\$822.92	\$195,419	1.1082	1.0420	1.0000	\$13.48
OP - Emergency Room	\$75,621	201	0.322	\$121.07	\$24,320	1.1124	1.0101	1.0889	\$1.78
OP - Other	\$737,821	1,557	0.322	\$152.39	\$237,283	1.1124	1.0101	1.0889	\$17.35
Prof - Anesthesia	\$59,681	372	0.520	\$83.33	\$31,014	1.0138	1.0098	1.0110	\$1.92
Prof - Digestive System	\$25,103	56	0.363	\$161.41	\$9,115	1.0138	1.0098	1.0110	\$0.56
Prof - Ears/Nose/Throat	\$77,585	91	0.343	\$291.10	\$26,593	1.0138	1.0098	1.0110	\$1.64
Prof - Evaluation & Management	\$467,283	9,465	0.547	\$27.02	\$255,768	1.0138	1.0098	1.0110	\$15.82
Prof - Female Genital	\$0	0	0.288	\$0.00	\$0	1.0138	1.0098	1.0110	\$0.00
Prof - Integumentary System	\$11,543	72	0.493	\$78.48	\$5,688	1.0138	1.0098	1.0110	\$0.35
Prof - Laparoscopy	\$0	0	1.000	\$0.00	\$0	1.0138	1.0098	1.0110	\$0.00
Prof - Male Genital	\$2,875	5	0.747	\$464.33	\$2,148	1.0138	1.0098	1.0110	\$0.13
Prof - Maternity	\$0	0	0.547	\$0.00	\$0	1.0138	1.0098	1.0110	\$0.00
Prof - Musculoskeletal System	\$45,442	94	0.276	\$133.78	\$12,528	1.0138	1.0098	1.0110	\$0.77
Prof - Other	\$29,931	1,765	1.000	\$16.96	\$29,931	1.0138	1.0098	1.0110	\$1.85
Prof - Respiratory/Cardiology	\$7,504	186	0.313	\$12.64	\$2,350	1.0138	1.0098	1.0110	\$0.15
Prof - Urinary	\$10,955	20	0.465	\$256.07	\$5,093	1.0138	1.0098	1.0110	\$0.31
Prof - Brightline	\$36,736	2,047	0.612	\$10.98	\$22,478	1.0138	1.0098	1.0110	\$1.39
DME/Supplies	\$220,855	28,519	0.486	\$3.77	\$107,437	1.0138	1.0098	1.0110	\$6.64
Lab	\$45,086	1,706	0.437	\$11.56	\$19,721	1.0138	1.0098	1.0110	\$1.22
Radiology	\$66,763	880	0.731	\$55.45	\$48,820	1.0138	1.0098	1.0110	\$3.02
Transportation/Ambulance	\$34,760	6,325	0.900	\$4.95	\$31,284	1.0138	1.0098	1.0110	\$1.93
Total	\$3,611,133	64,342			\$1,848,369				\$127.96
Administrative Adjustment									1.1236
Per Capita Cost									\$143.78
Per Capita Cost Excluding Direct Payments to Hospitals									\$141.85

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Exhibit 3

Disabled / Uninsured Ages 14 - 18 Female									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	4,107								
Service Category									
Dental - Orthodontics	\$3,325	42	0.740	\$59.11	\$2,460	0.7323	1.0062	1.0000	\$0.44
Dental - Other	\$60,019	934	0.740	\$47.55	\$44,414	0.7323	1.0062	1.0000	\$7.97
Pharmacy	\$97,341	3,285	0.782	\$23.18	\$76,149	1.1869	1.0001	1.1469	\$25.24
Home Health Care	\$4,460	17	0.900	\$238.03	\$4,014	1.0743	1.0256	1.0590	\$1.14
IP - Maternity	\$162,144	80	0.322	\$654.16	\$52,146	1.1082	1.0420	1.0000	\$14.66
IP - Newborn	\$9,987	11	0.322	\$283.30	\$3,212	1.1082	1.0420	1.0000	\$0.90
IP - Other	\$141,117	54	0.322	\$847.74	\$45,383	1.1082	1.0420	1.0000	\$12.76
OP - Emergency Room	\$59,702	124	0.322	\$154.43	\$19,200	1.1124	1.0101	1.0889	\$5.72
OP - Other	\$338,053	485	0.322	\$224.04	\$108,718	1.1124	1.0101	1.0889	\$32.39
Prof - Anesthesia	\$29,889	159	0.520	\$97.98	\$15,532	1.0138	1.0098	1.0110	\$3.91
Prof - Digestive System	\$11,337	11	0.363	\$372.23	\$4,117	1.0138	1.0098	1.0110	\$1.04
Prof - Ears/Nose/Throat	\$10,823	32	0.343	\$116.08	\$3,710	1.0138	1.0098	1.0110	\$0.93
Prof - Evaluation & Management	\$175,278	2,473	0.547	\$38.80	\$95,938	1.0138	1.0098	1.0110	\$24.17
Prof - Female Genital	\$2,520	9	0.288	\$85.29	\$726	1.0138	1.0098	1.0110	\$0.18
Prof - Integumentary System	\$3,477	49	0.493	\$35.25	\$1,713	1.0138	1.0098	1.0110	\$0.43
Prof - Laparoscopy	\$0	0	1.000	\$0.00	\$0	1.0138	1.0098	1.0110	\$0.00
Prof - Male Genital	\$0	0	0.747	\$0.00	\$0	1.0138	1.0098	1.0110	\$0.00
Prof - Maternity	\$31,254	43	0.547	\$398.65	\$17,107	1.0138	1.0098	1.0110	\$4.31
Prof - Musculoskeletal System	\$19,350	10	0.276	\$536.48	\$5,335	1.0138	1.0098	1.0110	\$1.34
Prof - Other	\$11,123	290	1.000	\$38.33	\$11,123	1.0138	1.0098	1.0110	\$2.80
Prof - Respiratory/Cardiology	\$2,676	109	0.313	\$7.66	\$838	1.0138	1.0098	1.0110	\$0.21
Prof - Urinary	\$1,583	8	0.465	\$89.28	\$736	1.0138	1.0098	1.0110	\$0.19
Prof - Brightline	\$3,015	43	0.612	\$42.57	\$1,845	1.0138	1.0098	1.0110	\$0.46
DME/Supplies	\$12,956	2,667	0.486	\$2.36	\$6,303	1.0138	1.0098	1.0110	\$1.59
Lab	\$34,971	1,179	0.437	\$12.97	\$15,297	1.0138	1.0098	1.0110	\$3.85
Radiology	\$46,162	381	0.731	\$88.62	\$33,756	1.0138	1.0098	1.0110	\$8.51
Transportation/Ambulance	\$12,313	239	0.900	\$46.37	\$11,081	1.0138	1.0098	1.0110	\$2.79
Total	\$1,284,877	12,734			\$580,853				\$157.95
Administrative Adjustment									1.1236
Per Capita Cost									\$177.48
Per Capita Cost Excluding Direct Payments to Hospitals									\$173.80

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Exhibit 3

Disabled / Uninsured Ages 14 - 18 Male									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	5,774								
Service Category									
Dental - Orthodontics	\$3,233	18	0.740	\$130.91	\$2,393	0.7323	1.0062	1.0000	\$0.31
Dental - Other	\$49,830	849	0.740	\$43.45	\$36,874	0.7323	1.0062	1.0000	\$4.71
Pharmacy	\$671,462	2,444	0.782	\$214.95	\$525,279	1.1869	1.0001	1.1469	\$123.86
Home Health Care	\$16,097	93	0.900	\$156.20	\$14,487	1.0743	1.0256	1.0590	\$2.93
IP - Maternity	\$0	0	0.322	\$0.00	\$0	1.1082	1.0420	1.0000	\$0.00
IP - Newborn	\$0	0	0.322	\$0.00	\$0	1.1082	1.0420	1.0000	\$0.00
IP - Other	\$74,414	20	0.322	\$1,221.76	\$23,932	1.1082	1.0420	1.0000	\$4.79
OP - Emergency Room	\$37,483	91	0.322	\$131.77	\$12,055	1.1124	1.0101	1.0889	\$2.55
OP - Other	\$190,365	383	0.322	\$159.66	\$61,221	1.1124	1.0101	1.0889	\$12.97
Prof - Anesthesia	\$16,659	87	0.520	\$100.06	\$8,657	1.0138	1.0098	1.0110	\$1.55
Prof - Digestive System	\$7,860	10	0.363	\$276.66	\$2,854	1.0138	1.0098	1.0110	\$0.51
Prof - Ears/Nose/Throat	\$9,982	11	0.343	\$310.82	\$3,421	1.0138	1.0098	1.0110	\$0.61
Prof - Evaluation & Management	\$137,240	1,837	0.547	\$40.89	\$75,119	1.0138	1.0098	1.0110	\$13.47
Prof - Female Genital	\$0	0	0.288	\$0.00	\$0	1.0138	1.0098	1.0110	\$0.00
Prof - Integumentary System	\$15,153	45	0.493	\$165.59	\$7,467	1.0138	1.0098	1.0110	\$1.34
Prof - Laparoscopy	\$0	0	1.000	\$0.00	\$0	1.0138	1.0098	1.0110	\$0.00
Prof - Male Genital	\$0	0	0.747	\$0.00	\$0	1.0138	1.0098	1.0110	\$0.00
Prof - Maternity	\$0	0	0.547	\$0.00	\$0	1.0138	1.0098	1.0110	\$0.00
Prof - Musculoskeletal System	\$48,544	40	0.276	\$336.46	\$13,383	1.0138	1.0098	1.0110	\$2.40
Prof - Other	\$12,147	586	1.000	\$20.73	\$12,147	1.0138	1.0098	1.0110	\$2.18
Prof - Respiratory/Cardiology	\$6,961	85	0.313	\$25.56	\$2,180	1.0138	1.0098	1.0110	\$0.39
Prof - Urinary	\$0	0	0.465	\$0.00	\$0	1.0138	1.0098	1.0110	\$0.00
Prof - Brightline	\$4,471	85	0.612	\$32.12	\$2,736	1.0138	1.0098	1.0110	\$0.49
DME/Supplies	\$33,989	5,020	0.486	\$3.29	\$16,535	1.0138	1.0098	1.0110	\$2.96
Lab	\$13,361	482	0.437	\$12.12	\$5,844	1.0138	1.0098	1.0110	\$1.05
Radiology	\$26,497	349	0.731	\$55.48	\$19,376	1.0138	1.0098	1.0110	\$3.47
Transportation/Ambulance	\$25,012	1,225	0.900	\$18.37	\$22,510	1.0138	1.0098	1.0110	\$4.03
Total	\$1,400,761	13,761			\$868,471				\$186.57
Administrative Adjustment									1.1236
Per Capita Cost									\$209.63
Per Capita Cost Excluding Direct Payments to Hospitals									\$208.51

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Exhibit 3

Disabled / Uninsured Ages 19 - 44 Female									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	41,720								
Service Category									
Dental - Orthodontics	\$1,231	7	0.740	\$137.86	\$911	0.7323	1.0062	1.0000	\$0.02
Dental - Other	\$95,110	1,522	0.740	\$46.24	\$70,382	0.7323	1.0062	1.0000	\$1.24
Pharmacy	\$3,159,024	89,954	0.782	\$27.47	\$2,471,281	1.1869	1.0001	1.1469	\$80.64
Home Health Care	\$105,834	309	0.900	\$307.85	\$95,251	1.0743	1.0256	1.0590	\$2.66
IP - Maternity	\$1,718,556	707	0.322	\$781.58	\$552,688	1.1082	1.0420	1.0000	\$15.30
IP - Newborn	\$219,528	134	0.322	\$526.51	\$70,600	1.1082	1.0420	1.0000	\$1.95
IP - Other	\$4,841,323	1,707	0.322	\$912.31	\$1,556,970	1.1082	1.0420	1.0000	\$43.10
OP - Emergency Room	\$950,040	1,375	0.322	\$222.16	\$305,533	1.1124	1.0101	1.0889	\$8.96
OP - Other	\$5,584,551	7,370	0.322	\$243.70	\$1,795,992	1.1124	1.0101	1.0889	\$52.67
Prof - Anesthesia	\$439,444	4,411	0.520	\$51.77	\$228,362	1.0138	1.0098	1.0110	\$5.66
Prof - Digestive System	\$273,374	351	0.363	\$282.42	\$99,267	1.0138	1.0098	1.0110	\$2.46
Prof - Ears/Nose/Throat	\$345,871	657	0.343	\$180.44	\$118,550	1.0138	1.0098	1.0110	\$2.94
Prof - Evaluation & Management	\$3,128,005	42,758	0.547	\$40.04	\$1,712,117	1.0138	1.0098	1.0110	\$42.47
Prof - Female Genital	\$292,518	312	0.288	\$269.88	\$84,239	1.0138	1.0098	1.0110	\$2.09
Prof - Integumentary System	\$170,275	581	0.493	\$144.31	\$83,905	1.0138	1.0098	1.0110	\$2.08
Prof - Laparoscopy	\$36,795	18	1.000	\$2,029.23	\$36,795	1.0138	1.0098	1.0110	\$0.91
Prof - Male Genital	\$0	0	0.747	\$0.00	\$0	1.0138	1.0098	1.0110	\$0.00
Prof - Maternity	\$173,672	215	0.547	\$442.27	\$95,059	1.0138	1.0098	1.0110	\$2.36
Prof - Musculoskeletal System	\$585,711	1,064	0.276	\$151.69	\$161,472	1.0138	1.0098	1.0110	\$4.01
Prof - Other	\$39,148	986	1.000	\$39.69	\$39,148	1.0138	1.0098	1.0110	\$0.97
Prof - Respiratory/Cardiology	\$205,492	2,924	0.313	\$22.01	\$64,364	1.0138	1.0098	1.0110	\$1.60
Prof - Urinary	\$85,582	165	0.465	\$241.66	\$39,785	1.0138	1.0098	1.0110	\$0.99
Prof - Brightline	\$39,199	717	0.612	\$33.46	\$23,985	1.0138	1.0098	1.0110	\$0.59
DME/Supplies	\$265,466	22,174	0.486	\$5.82	\$129,139	1.0138	1.0098	1.0110	\$3.20
Lab	\$622,298	19,369	0.437	\$14.05	\$272,196	1.0138	1.0098	1.0110	\$6.75
Radiology	\$972,603	8,698	0.731	\$81.76	\$711,212	1.0138	1.0098	1.0110	\$17.64
Transportation/Ambulance	\$265,198	10,149	0.900	\$23.52	\$238,678	1.0138	1.0098	1.0110	\$5.92
Total	\$24,615,846	218,636			\$11,057,880				\$309.21
Administrative Adjustment									1.1236
Per Capita Cost									\$347.42
Per Capita Cost Excluding Direct Payments to Hospitals									\$340.68

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Exhibit 3

Disabled / Uninsured Ages 19 - 44 Male									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	53,753								
Service Category									
Dental - Orthodontics	\$0	0	0.740	\$0.00	\$0	0.7323	1.0062	1.0000	\$0.00
Dental - Other	\$83,436	1,381	0.740	\$44.72	\$61,743	0.7323	1.0062	1.0000	\$0.85
Pharmacy	\$3,526,750	69,017	0.782	\$39.98	\$2,758,951	1.1869	1.0001	1.1469	\$69.88
Home Health Care	\$373,412	1,435	0.900	\$234.21	\$336,071	1.0743	1.0256	1.0590	\$7.29
IP - Maternity	\$0	0	0.322	\$0.00	\$0	1.1082	1.0420	1.0000	\$0.00
IP - Newborn	\$1,030	2	0.322	\$135.31	\$331	1.1082	1.0420	1.0000	\$0.01
IP - Other	\$4,055,481	1,376	0.322	\$947.59	\$1,304,243	1.1082	1.0420	1.0000	\$28.02
OP - Emergency Room	\$767,940	1,293	0.322	\$190.95	\$246,970	1.1124	1.0101	1.0889	\$5.62
OP - Other	\$4,460,799	5,685	0.322	\$252.35	\$1,434,593	1.1124	1.0101	1.0889	\$32.66
Prof - Anesthesia	\$266,634	2,494	0.520	\$55.55	\$138,559	1.0138	1.0098	1.0110	\$2.67
Prof - Digestive System	\$253,512	325	0.363	\$282.96	\$92,055	1.0138	1.0098	1.0110	\$1.77
Prof - Ears/Nose/Throat	\$292,148	386	0.343	\$259.71	\$100,136	1.0138	1.0098	1.0110	\$1.93
Prof - Evaluation & Management	\$2,358,876	28,792	0.547	\$44.84	\$1,291,134	1.0138	1.0098	1.0110	\$24.86
Prof - Female Genital	\$0	0	0.288	\$0.00	\$0	1.0138	1.0098	1.0110	\$0.00
Prof - Integumentary System	\$94,023	481	0.493	\$96.27	\$46,331	1.0138	1.0098	1.0110	\$0.89
Prof - Laparoscopy	\$2,872	2	1.000	\$1,149.04	\$2,872	1.0138	1.0098	1.0110	\$0.06
Prof - Male Genital	\$12,261	17	0.747	\$538.33	\$9,160	1.0138	1.0098	1.0110	\$0.18
Prof - Maternity	\$0	0	0.547	\$0.00	\$0	1.0138	1.0098	1.0110	\$0.00
Prof - Musculoskeletal System	\$474,628	980	0.276	\$133.55	\$130,848	1.0138	1.0098	1.0110	\$2.52
Prof - Other	\$36,263	645	1.000	\$56.23	\$36,263	1.0138	1.0098	1.0110	\$0.70
Prof - Respiratory/Cardiology	\$224,031	1,898	0.313	\$36.98	\$70,171	1.0138	1.0098	1.0110	\$1.35
Prof - Urinary	\$49,288	64	0.465	\$360.58	\$22,913	1.0138	1.0098	1.0110	\$0.44
Prof - Brightline	\$33,381	689	0.612	\$29.64	\$20,425	1.0138	1.0098	1.0110	\$0.39
DME/Supplies	\$452,551	23,337	0.486	\$9.43	\$220,148	1.0138	1.0098	1.0110	\$4.24
Lab	\$300,143	9,577	0.437	\$13.71	\$131,284	1.0138	1.0098	1.0110	\$2.53
Radiology	\$805,698	8,712	0.731	\$67.63	\$589,164	1.0138	1.0098	1.0110	\$11.34
Transportation/Ambulance	\$300,283	9,531	0.900	\$28.36	\$270,254	1.0138	1.0098	1.0110	\$5.20
Total	\$19,225,440	168,119			\$9,314,618				\$205.39
Administrative Adjustment									1.1236
Per Capita Cost									\$230.77
Per Capita Cost Excluding Direct Payments to Hospitals									\$227.11

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Disabled / Uninsured Ages 45 - 64									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	163,860								
Service Category									
Dental - Orthodontics	\$0	0	0.740	\$0.00	\$0	0.7323	1.0062	1.0000	\$0.00
Dental - Other	\$140,505	2,868	0.740	\$36.26	\$103,973	0.7323	1.0062	1.0000	\$0.47
Pharmacy	\$21,441,727	556,962	0.782	\$30.12	\$16,773,704	1.1869	1.0001	1.1469	\$139.36
Home Health Care	\$650,615	2,842	0.900	\$206.07	\$585,554	1.0743	1.0256	1.0590	\$4.17
IP - Maternity	\$277,830	115	0.322	\$775.69	\$89,350	1.1082	1.0420	1.0000	\$0.63
IP - Newborn	\$0	0	0.322	\$0.00	\$0	1.1082	1.0420	1.0000	\$0.00
IP - Other	\$35,981,678	11,118	0.322	\$1,040.78	\$11,571,708	1.1082	1.0420	1.0000	\$81.55
OP - Emergency Room	\$2,163,969	2,654	0.322	\$262.23	\$695,933	1.1124	1.0101	1.0889	\$5.20
OP - Other	\$20,399,915	22,194	0.322	\$295.60	\$6,560,613	1.1124	1.0101	1.0889	\$48.99
Prof - Anesthesia	\$1,476,394	12,297	0.520	\$62.39	\$767,225	1.0138	1.0098	1.0110	\$4.85
Prof - Digestive System	\$1,612,688	2,022	0.363	\$289.55	\$585,596	1.0138	1.0098	1.0110	\$3.70
Prof - Ears/Nose/Throat	\$1,640,690	2,298	0.343	\$244.70	\$562,360	1.0138	1.0098	1.0110	\$3.55
Prof - Evaluation & Management	\$12,039,864	169,246	0.547	\$38.94	\$6,590,033	1.0138	1.0098	1.0110	\$41.62
Prof - Female Genital	\$262,363	325	0.288	\$232.63	\$75,555	1.0138	1.0098	1.0110	\$0.48
Prof - Integumentary System	\$529,369	2,791	0.493	\$93.47	\$260,854	1.0138	1.0098	1.0110	\$1.65
Prof - Laparoscopy	\$35,549	18	1.000	\$1,960.53	\$35,549	1.0138	1.0098	1.0110	\$0.22
Prof - Male Genital	\$29,808	40	0.747	\$555.46	\$22,271	1.0138	1.0098	1.0110	\$0.14
Prof - Maternity	\$7,539	6	0.547	\$646.68	\$4,127	1.0138	1.0098	1.0110	\$0.03
Prof - Musculoskeletal System	\$1,818,533	3,212	0.276	\$156.08	\$501,342	1.0138	1.0098	1.0110	\$3.17
Prof - Other	\$482,616	12,836	1.000	\$37.60	\$482,616	1.0138	1.0098	1.0110	\$3.05
Prof - Respiratory/Cardiology	\$1,889,965	14,268	0.313	\$41.49	\$591,974	1.0138	1.0098	1.0110	\$3.74
Prof - Urinary	\$307,931	541	0.465	\$264.68	\$143,152	1.0138	1.0098	1.0110	\$0.90
Prof - Brightline	\$75,736	1,568	0.612	\$29.56	\$46,342	1.0138	1.0098	1.0110	\$0.29
DME/Supplies	\$1,832,356	110,478	0.486	\$8.07	\$891,370	1.0138	1.0098	1.0110	\$5.63
Lab	\$2,118,479	70,708	0.437	\$13.11	\$926,633	1.0138	1.0098	1.0110	\$5.85
Radiology	\$3,972,118	32,740	0.731	\$88.72	\$2,904,597	1.0138	1.0098	1.0110	\$18.35
Transportation/Ambulance	\$935,198	39,546	0.900	\$21.28	\$841,678	1.0138	1.0098	1.0110	\$5.32
Total	\$112,123,435	1,073,694			\$52,614,107				\$382.89
Administrative Adjustment									1.1236
Per Capita Cost									\$430.22
Per Capita Cost Excluding Direct Payments to Hospitals									\$422.67

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Exhibit 3

Disabled / Uninsured Age Over 65									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	34,100								
Service Category									
Dental - Orthodontics	\$0	0	0.740	\$0.00	\$0	0.7323	1.0062	1.0000	\$0.00
Dental - Other	\$7,503	205	0.740	\$27.06	\$5,553	0.7323	1.0062	1.0000	\$0.12
Pharmacy	\$3,862,811	112,472	0.782	\$26.87	\$3,021,848	1.1869	1.0001	1.1469	\$120.64
Home Health Care	\$66,815	362	0.900	\$166.02	\$60,133	1.0743	1.0256	1.0590	\$2.06
IP - Maternity	\$0	0	0.322	\$0.00	\$0	1.1082	1.0420	1.0000	\$0.00
IP - Newborn	\$0	0	0.322	\$0.00	\$0	1.1082	1.0420	1.0000	\$0.00
IP - Other	\$3,386,131	987	0.322	\$1,103.37	\$1,088,980	1.1082	1.0420	1.0000	\$36.88
OP - Emergency Room	\$94,127	96	0.322	\$315.51	\$30,271	1.1124	1.0101	1.0889	\$1.09
OP - Other	\$1,153,906	1,291	0.322	\$287.49	\$371,096	1.1124	1.0101	1.0889	\$13.32
Prof - Anesthesia	\$148,407	605	0.520	\$127.43	\$77,121	1.0138	1.0098	1.0110	\$2.34
Prof - Digestive System	\$127,052	164	0.363	\$281.59	\$46,135	1.0138	1.0098	1.0110	\$1.40
Prof - Ears/Nose/Throat	\$173,582	288	0.343	\$206.30	\$59,497	1.0138	1.0098	1.0110	\$1.81
Prof - Evaluation & Management	\$940,002	12,039	0.547	\$42.74	\$514,511	1.0138	1.0098	1.0110	\$15.62
Prof - Female Genital	\$16,612	13	0.288	\$374.86	\$4,784	1.0138	1.0098	1.0110	\$0.15
Prof - Integumentary System	\$42,469	276	0.493	\$75.84	\$20,927	1.0138	1.0098	1.0110	\$0.64
Prof - Laparoscopy	\$2,461	1	1.000	\$2,314.28	\$2,461	1.0138	1.0098	1.0110	\$0.07
Prof - Male Genital	\$10,189	13	0.747	\$596.46	\$7,612	1.0138	1.0098	1.0110	\$0.23
Prof - Maternity	\$0	0	0.547	\$0.00	\$0	1.0138	1.0098	1.0110	\$0.00
Prof - Musculoskeletal System	\$94,490	139	0.276	\$187.40	\$26,050	1.0138	1.0098	1.0110	\$0.79
Prof - Other	\$18,684	406	1.000	\$45.99	\$18,684	1.0138	1.0098	1.0110	\$0.57
Prof - Respiratory/Cardiology	\$160,718	1,042	0.313	\$48.29	\$50,340	1.0138	1.0098	1.0110	\$1.53
Prof - Urinary	\$32,284	38	0.465	\$391.46	\$15,008	1.0138	1.0098	1.0110	\$0.46
Prof - Brightline	\$5,753	111	0.612	\$31.59	\$3,520	1.0138	1.0098	1.0110	\$0.11
DME/Supplies	\$281,117	20,366	0.486	\$6.71	\$136,752	1.0138	1.0098	1.0110	\$4.15
Lab	\$154,750	4,463	0.437	\$15.17	\$67,688	1.0138	1.0098	1.0110	\$2.05
Radiology	\$288,456	2,474	0.731	\$85.27	\$210,933	1.0138	1.0098	1.0110	\$6.40
Transportation/Ambulance	\$124,749	4,783	0.900	\$23.48	\$112,274	1.0138	1.0098	1.0110	\$3.41
Total	\$11,193,070	162,636			\$5,952,180				\$215.81
Administrative Adjustment									1.1236
Per Capita Cost									\$242.48
Per Capita Cost Excluding Direct Payments to Hospitals									\$239.65

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Exhibit 3

Disabled / Uninsurable All Age Groups									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	412,008								
Service Category									
Dental - Orthodontics	\$1,669	12	0.740	\$101.89	\$1,235	0.9410	1.0076	0.9525	\$0.00
Dental - Other	\$454,150	9,666	0.740	\$34.77	\$336,071	0.9410	1.0076	0.9525	\$0.74
Pharmacy	\$56,537,764	1,229,324	0.782	\$35.98	\$44,229,073	1.1524	1.0001	1.1202	\$138.60
Home Health Care	\$3,301,283	8,906	0.900	\$333.60	\$2,971,155	1.1496	1.0341	1.1180	\$9.58
IP - Maternity	\$2,376,101	1,152	0.322	\$663.17	\$764,154	1.0302	1.0483	1.0000	\$2.00
IP - Newborn	\$554,449	309	0.322	\$576.31	\$178,311	1.0302	1.0483	1.0000	\$0.47
IP - Other	\$88,291,562	28,668	0.322	\$990.46	\$28,394,566	1.0302	1.0483	1.0000	\$74.43
OP - Emergency Room	\$7,229,792	10,152	0.322	\$229.03	\$2,325,101	1.1206	1.0115	1.0954	\$7.01
OP - Other	\$58,770,740	62,510	0.322	\$302.36	\$18,900,670	1.1206	1.0115	1.0954	\$56.96
Prof - Anesthesia	\$4,402,572	41,433	0.520	\$55.22	\$2,287,848	1.0000	1.0125	1.0000	\$5.62
Prof - Digestive System	\$4,022,594	5,665	0.363	\$257.86	\$1,460,676	1.0000	1.0125	1.0000	\$3.59
Prof - Ears/Nose/Throat	\$4,889,246	6,095	0.343	\$274.96	\$1,675,829	1.0000	1.0125	1.0000	\$4.12
Prof - Evaluation & Management	\$32,466,634	460,296	0.547	\$38.61	\$17,770,648	1.0000	1.0125	1.0000	\$43.67
Prof - Female Genital	\$776,109	1,056	0.288	\$211.57	\$223,503	1.0000	1.0125	1.0000	\$0.55
Prof - Integumentary System	\$1,536,946	8,229	0.493	\$92.04	\$757,350	1.0000	1.0125	1.0000	\$1.86
Prof - Laparoscopy	\$158,656	123	1.000	\$1,288.67	\$158,656	1.0000	1.0125	1.0000	\$0.39
Prof - Male Genital	\$103,267	206	0.747	\$373.79	\$77,154	1.0000	1.0125	1.0000	\$0.19
Prof - Maternity	\$127,575	144	0.547	\$485.62	\$69,828	1.0000	1.0125	1.0000	\$0.17
Prof - Musculoskeletal System	\$6,315,171	9,101	0.276	\$191.30	\$1,740,997	1.0000	1.0125	1.0000	\$4.28
Prof - Other	\$1,622,134	42,505	1.000	\$38.16	\$1,622,134	1.0000	1.0125	1.0000	\$3.99
Prof - Respiratory/Cardiology	\$4,447,287	34,716	0.313	\$40.12	\$1,392,976	1.0000	1.0125	1.0000	\$3.42
Prof - Urinary	\$923,701	1,581	0.465	\$271.55	\$429,413	1.0000	1.0125	1.0000	\$1.06
Prof - Brightline	\$223,843	6,157	0.612	\$22.25	\$136,965	1.0000	1.0125	1.0000	\$0.34
DME/Supplies	\$4,720,769	252,713	0.486	\$9.09	\$2,296,471	1.0000	1.0125	1.0000	\$5.64
Lab	\$5,623,864	185,411	0.437	\$13.27	\$2,459,905	1.0000	1.0125	1.0000	\$6.05
Radiology	\$11,162,094	92,785	0.731	\$87.97	\$8,162,243	1.0000	1.0125	1.0000	\$20.06
Transportation/Ambulance	\$2,643,930	102,826	0.900	\$23.14	\$2,379,537	1.0000	1.0125	1.0000	\$5.85
Total	\$303,683,902	2,601,740			\$143,202,471				\$400.62
Administrative Adjustment									1.1236
Per Capita Cost									\$450.14
Per Capita Cost Excluding Direct Payments to Hospitals									\$442.35

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Disabled / Uninsurable Age Under 1									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	41								
Service Category									
Dental - Orthodontics	\$0	0	0.740	\$0.00	\$0	0.9410	1.0076	0.9525	\$0.00
Dental - Other	\$0	0	0.740	\$0.00	\$0	0.9410	1.0076	0.9525	\$0.00
Pharmacy	\$444	35	0.782	\$10.01	\$347	1.1524	1.0001	1.1202	\$10.94
Home Health Care	\$0	0	0.900	\$0.00	\$0	1.1496	1.0341	1.1180	\$0.00
IP - Maternity	\$0	0	0.322	\$0.00	\$0	1.0302	1.0483	1.0000	\$0.00
IP - Newborn	\$0	0	0.322	\$0.00	\$0	1.0302	1.0483	1.0000	\$0.00
IP - Other	\$0	0	0.322	\$0.00	\$0	1.0302	1.0483	1.0000	\$0.00
OP - Emergency Room	\$218	1	0.322	\$62.08	\$70	1.1206	1.0115	1.0954	\$2.13
OP - Other	\$102	1	0.322	\$28.97	\$33	1.1206	1.0115	1.0954	\$0.99
Prof - Anesthesia	\$0	0	0.520	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Digestive System	\$0	0	0.363	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Ears/Nose/Throat	\$53	1	0.343	\$16.50	\$18	1.0000	1.0125	1.0000	\$0.45
Prof - Evaluation & Management	\$2,740	60	0.547	\$24.82	\$1,500	1.0000	1.0125	1.0000	\$37.05
Prof - Female Genital	\$0	0	0.288	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Integumentary System	\$0	0	0.493	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Laparoscopy	\$0	0	1.000	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Male Genital	\$0	0	0.747	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Maternity	\$0	0	0.547	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Musculoskeletal System	\$0	0	0.276	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Other	\$0	0	1.000	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Respiratory/Cardiology	\$0	0	0.313	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Urinary	\$0	0	0.465	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Brightline	\$0	0	0.612	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
DME/Supplies	\$0	0	0.486	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Lab	\$0	0	0.437	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Radiology	\$149	2	0.731	\$49.51	\$109	1.0000	1.0125	1.0000	\$2.69
Transportation/Ambulance	\$0	0	0.900	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Total	\$3,706	101			\$2,077				\$54.24
Administrative Adjustment									1.1236
Per Capita Cost									\$60.94
Per Capita Cost Excluding Direct Payments to Hospitals									\$60.77

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Disabled / Uninsurable Ages 1- 13									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	2,819								
Service Category									
Dental - Orthodontics	\$0	0	0.740	\$0.00	\$0	0.9410	1.0076	0.9525	\$0.00
Dental - Other	\$22,972	543	0.740	\$31.33	\$16,999	0.9410	1.0076	0.9525	\$5.44
Pharmacy	\$111,352	1,936	0.782	\$44.99	\$87,110	1.1524	1.0001	1.1202	\$39.89
Home Health Care	\$536,340	1,170	0.900	\$412.40	\$482,706	1.1496	1.0341	1.1180	\$227.55
IP - Maternity	\$15,108	7	0.322	\$661.48	\$4,859	1.0302	1.0483	1.0000	\$1.86
IP - Newborn	\$0	0	0.322	\$0.00	\$0	1.0302	1.0483	1.0000	\$0.00
IP - Other	\$323,022	167	0.322	\$620.67	\$103,884	1.0302	1.0483	1.0000	\$39.79
OP - Emergency Room	\$10,724	29	0.322	\$119.43	\$3,449	1.1206	1.0115	1.0954	\$1.52
OP - Other	\$266,146	507	0.322	\$168.70	\$85,593	1.1206	1.0115	1.0954	\$37.69
Prof - Anesthesia	\$25,535	187	0.520	\$70.81	\$13,270	1.0000	1.0125	1.0000	\$4.77
Prof - Digestive System	\$5,928	5	0.363	\$404.82	\$2,153	1.0000	1.0125	1.0000	\$0.77
Prof - Ears/Nose/Throat	\$3,846	10	0.343	\$137.71	\$1,318	1.0000	1.0125	1.0000	\$0.47
Prof - Evaluation & Management	\$120,885	1,883	0.547	\$35.14	\$66,167	1.0000	1.0125	1.0000	\$23.76
Prof - Female Genital	\$0	0	0.288	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Integumentary System	\$2,420	10	0.493	\$120.31	\$1,193	1.0000	1.0125	1.0000	\$0.43
Prof - Laparoscopy	\$0	0	1.000	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Male Genital	\$757	1	0.747	\$402.85	\$566	1.0000	1.0125	1.0000	\$0.20
Prof - Maternity	\$0	0	0.547	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Musculoskeletal System	\$927	1	0.276	\$240.32	\$256	1.0000	1.0125	1.0000	\$0.09
Prof - Other	\$9,834	321	1.000	\$30.67	\$9,834	1.0000	1.0125	1.0000	\$3.53
Prof - Respiratory/Cardiology	\$7,508	47	0.313	\$50.35	\$2,352	1.0000	1.0125	1.0000	\$0.84
Prof - Urinary	\$469	5	0.465	\$40.99	\$218	1.0000	1.0125	1.0000	\$0.08
Prof - Brightline	\$4,001	150	0.612	\$16.30	\$2,448	1.0000	1.0125	1.0000	\$0.88
DME/Supplies	\$81,749	13,168	0.486	\$3.02	\$39,768	1.0000	1.0125	1.0000	\$14.28
Lab	\$8,994	303	0.437	\$12.98	\$3,934	1.0000	1.0125	1.0000	\$1.41
Radiology	\$12,709	183	0.731	\$50.79	\$9,293	1.0000	1.0125	1.0000	\$3.34
Transportation/Ambulance	\$2,927	72	0.900	\$36.79	\$2,634	1.0000	1.0125	1.0000	\$0.95
Total	\$1,574,152	20,706			\$940,000				\$409.55
Administrative Adjustment									1.1236
Per Capita Cost									\$460.17
Per Capita Cost Excluding Direct Payments to Hospitals									\$455.70

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Disabled / Uninsurable Ages 14 - 18 Female									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	1,005								
Service Category									
Dental - Orthodontics	\$1,669	12	0.740	\$101.89	\$1,235	0.9410	1.0076	0.9525	\$1.11
Dental - Other	\$13,651	166	0.740	\$60.68	\$10,102	0.9410	1.0076	0.9525	\$9.08
Pharmacy	\$26,407	687	0.782	\$30.06	\$20,658	1.1524	1.0001	1.1202	\$26.54
Home Health Care	\$64,709	94	0.900	\$620.87	\$58,238	1.1496	1.0341	1.1180	\$77.03
IP - Maternity	\$16,415	15	0.322	\$359.34	\$5,279	1.0302	1.0483	1.0000	\$5.67
IP - Newborn	\$1,013	2	0.322	\$133.03	\$326	1.0302	1.0483	1.0000	\$0.35
IP - Other	\$108,493	60	0.322	\$581.65	\$34,891	1.0302	1.0483	1.0000	\$37.50
OP - Emergency Room	\$11,340	17	0.322	\$209.90	\$3,647	1.1206	1.0115	1.0954	\$4.51
OP - Other	\$97,888	126	0.322	\$250.70	\$31,481	1.1206	1.0115	1.0954	\$38.90
Prof - Anesthesia	\$12,943	154	0.520	\$43.62	\$6,726	1.0000	1.0125	1.0000	\$6.78
Prof - Digestive System	\$2,192	4	0.363	\$187.13	\$796	1.0000	1.0125	1.0000	\$0.80
Prof - Ears/Nose/Throat	\$267	3	0.343	\$28.67	\$91	1.0000	1.0125	1.0000	\$0.09
Prof - Evaluation & Management	\$44,034	549	0.547	\$43.91	\$24,102	1.0000	1.0125	1.0000	\$24.29
Prof - Female Genital	\$133	1	0.288	\$35.99	\$38	1.0000	1.0125	1.0000	\$0.04
Prof - Integumentary System	\$1,739	6	0.493	\$151.44	\$857	1.0000	1.0125	1.0000	\$0.86
Prof - Laparoscopy	\$0	0	1.000	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Male Genital	\$0	0	0.747	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Maternity	\$5,106	7	0.547	\$415.76	\$2,795	1.0000	1.0125	1.0000	\$2.82
Prof - Musculoskeletal System	\$5,266	3	0.276	\$455.01	\$1,452	1.0000	1.0125	1.0000	\$1.46
Prof - Other	\$999	30	1.000	\$32.95	\$999	1.0000	1.0125	1.0000	\$1.01
Prof - Respiratory/Cardiology	\$3,709	29	0.313	\$40.46	\$1,162	1.0000	1.0125	1.0000	\$1.17
Prof - Urinary	\$43	1	0.465	\$18.59	\$20	1.0000	1.0125	1.0000	\$0.02
Prof - Brightline	\$413	10	0.612	\$26.40	\$253	1.0000	1.0125	1.0000	\$0.25
DME/Supplies	\$42,184	5,525	0.486	\$3.71	\$20,521	1.0000	1.0125	1.0000	\$20.68
Lab	\$10,631	340	0.437	\$13.68	\$4,650	1.0000	1.0125	1.0000	\$4.69
Radiology	\$14,846	122	0.731	\$89.13	\$10,856	1.0000	1.0125	1.0000	\$10.94
Transportation/Ambulance	\$4,785	84	0.900	\$51.26	\$4,307	1.0000	1.0125	1.0000	\$4.34
Total	\$490,876	8,047			\$245,482				\$280.93
Administrative Adjustment									1.1236
Per Capita Cost									\$315.66
Per Capita Cost Excluding Direct Payments to Hospitals									\$310.85

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Disabled / Uninsurable Ages 14 - 18 Male									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	1,396								
Service Category									
Dental - Orthodontics	\$0	0	0.740	\$0.00	\$0	0.9410	1.0076	0.9525	\$0.00
Dental - Other	\$12,988	219	0.740	\$43.96	\$9,611	0.9410	1.0076	0.9525	\$6.22
Pharmacy	\$160,252	605	0.782	\$207.30	\$125,364	1.1524	1.0001	1.1202	\$115.94
Home Health Care	\$9,549	22	0.900	\$388.29	\$8,594	1.1496	1.0341	1.1180	\$8.18
IP - Maternity	\$0	0	0.322	\$0.00	\$0	1.0302	1.0483	1.0000	\$0.00
IP - Newborn	\$53,473	34	0.322	\$501.68	\$17,197	1.0302	1.0483	1.0000	\$13.30
IP - Other	\$378,032	94	0.322	\$1,298.10	\$121,575	1.0302	1.0483	1.0000	\$94.06
OP - Emergency Room	\$10,289	10	0.322	\$329.96	\$3,309	1.1206	1.0115	1.0954	\$2.94
OP - Other	\$54,432	109	0.322	\$160.64	\$17,505	1.1206	1.0115	1.0954	\$15.57
Prof - Anesthesia	\$11,876	80	0.520	\$77.37	\$6,171	1.0000	1.0125	1.0000	\$4.48
Prof - Digestive System	\$2,726	2	0.363	\$465.37	\$990	1.0000	1.0125	1.0000	\$0.72
Prof - Ears/Nose/Throat	\$8,614	4	0.343	\$694.04	\$2,953	1.0000	1.0125	1.0000	\$2.14
Prof - Evaluation & Management	\$47,337	682	0.547	\$38.00	\$25,910	1.0000	1.0125	1.0000	\$18.79
Prof - Female Genital	\$0	0	0.288	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Integumentary System	\$16,080	22	0.493	\$354.77	\$7,924	1.0000	1.0125	1.0000	\$5.75
Prof - Laparoscopy	\$0	0	1.000	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Male Genital	\$0	0	0.747	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Maternity	\$0	0	0.547	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Musculoskeletal System	\$56,852	22	0.276	\$701.77	\$15,673	1.0000	1.0125	1.0000	\$11.37
Prof - Other	\$1,526	48	1.000	\$31.94	\$1,526	1.0000	1.0125	1.0000	\$1.11
Prof - Respiratory/Cardiology	\$14,075	30	0.313	\$148.04	\$4,408	1.0000	1.0125	1.0000	\$3.20
Prof - Urinary	\$346	3	0.465	\$50.35	\$161	1.0000	1.0125	1.0000	\$0.12
Prof - Brightline	\$1,268	34	0.612	\$22.86	\$776	1.0000	1.0125	1.0000	\$0.56
DME/Supplies	\$21,213	242	0.486	\$42.56	\$10,319	1.0000	1.0125	1.0000	\$7.48
Lab	\$3,238	126	0.437	\$11.24	\$1,416	1.0000	1.0125	1.0000	\$1.03
Radiology	\$13,111	378	0.731	\$25.38	\$9,587	1.0000	1.0125	1.0000	\$6.95
Transportation/Ambulance	\$1,713	37	0.900	\$41.41	\$1,542	1.0000	1.0125	1.0000	\$1.12
Total	\$878,988	2,803			\$392,511				\$321.02
Administrative Adjustment									1.1236
Per Capita Cost									\$360.69
Per Capita Cost Excluding Direct Payments to Hospitals									\$353.73

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Exhibit 3

Disabled / Uninsurable Ages 19 - 44 Female									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	48,524								
Service Category									
Dental - Orthodontics	\$0	0	0.740	\$0.00	\$0	0.9410	1.0076	0.9525	\$0.00
Dental - Other	\$80,077	1,755	0.740	\$33.76	\$59,257	0.9410	1.0076	0.9525	\$1.10
Pharmacy	\$4,395,327	103,139	0.782	\$33.34	\$3,438,432	1.1524	1.0001	1.1202	\$91.49
Home Health Care	\$397,382	808	0.900	\$442.82	\$357,644	1.1496	1.0341	1.1180	\$9.80
IP - Maternity	\$1,995,789	942	0.322	\$681.01	\$641,846	1.0302	1.0483	1.0000	\$14.29
IP - Newborn	\$429,218	214	0.322	\$646.31	\$138,037	1.0302	1.0483	1.0000	\$3.07
IP - Other	\$10,258,336	3,813	0.322	\$865.31	\$3,299,081	1.0302	1.0483	1.0000	\$73.43
OP - Emergency Room	\$1,168,336	2,001	0.322	\$187.78	\$375,737	1.1206	1.0115	1.0954	\$9.61
OP - Other	\$7,197,198	8,833	0.322	\$262.05	\$2,314,619	1.1206	1.0115	1.0954	\$59.22
Prof - Anesthesia	\$546,373	4,958	0.520	\$57.27	\$283,929	1.0000	1.0125	1.0000	\$5.92
Prof - Digestive System	\$418,154	528	0.363	\$287.53	\$151,839	1.0000	1.0125	1.0000	\$3.17
Prof - Ears/Nose/Throat	\$431,854	694	0.343	\$213.42	\$148,021	1.0000	1.0125	1.0000	\$3.09
Prof - Evaluation & Management	\$3,730,358	55,126	0.547	\$37.04	\$2,041,815	1.0000	1.0125	1.0000	\$42.60
Prof - Female Genital	\$311,622	359	0.288	\$249.94	\$89,741	1.0000	1.0125	1.0000	\$1.87
Prof - Integumentary System	\$156,540	529	0.493	\$145.91	\$77,137	1.0000	1.0125	1.0000	\$1.61
Prof - Laparoscopy	\$50,704	39	1.000	\$1,291.30	\$50,704	1.0000	1.0125	1.0000	\$1.06
Prof - Male Genital	\$0	0	0.747	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Maternity	\$119,888	133	0.547	\$492.65	\$65,621	1.0000	1.0125	1.0000	\$1.37
Prof - Musculoskeletal System	\$687,930	1,174	0.276	\$161.54	\$189,652	1.0000	1.0125	1.0000	\$3.96
Prof - Other	\$91,481	2,744	1.000	\$33.34	\$91,481	1.0000	1.0125	1.0000	\$1.91
Prof - Respiratory/Cardiology	\$346,840	3,549	0.313	\$30.61	\$108,637	1.0000	1.0125	1.0000	\$2.27
Prof - Urinary	\$96,771	178	0.465	\$252.32	\$44,987	1.0000	1.0125	1.0000	\$0.94
Prof - Brightline	\$39,618	1,174	0.612	\$20.65	\$24,242	1.0000	1.0125	1.0000	\$0.51
DME/Supplies	\$340,981	11,583	0.486	\$14.32	\$165,874	1.0000	1.0125	1.0000	\$3.46
Lab	\$763,494	24,031	0.437	\$13.90	\$333,956	1.0000	1.0125	1.0000	\$6.97
Radiology	\$1,325,404	11,254	0.731	\$86.12	\$969,197	1.0000	1.0125	1.0000	\$20.22
Transportation/Ambulance	\$288,610	12,489	0.900	\$20.80	\$259,749	1.0000	1.0125	1.0000	\$5.42
Total	\$35,668,288	252,047			\$15,721,236				\$368.36
Administrative Adjustment									1.1236
Per Capita Cost									\$413.88
Per Capita Cost Excluding Direct Payments to Hospitals									\$405.05

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Exhibit 3

Disabled / Uninsurable Ages 19 - 44 Male									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	84,679								
Service Category									
Dental - Orthodontics	\$0	0	0.740	\$0.00	\$0	0.9410	1.0076	0.9525	\$0.00
Dental - Other	\$123,179	2,414	0.740	\$37.76	\$91,152	0.9410	1.0076	0.9525	\$0.97
Pharmacy	\$7,150,331	119,469	0.782	\$46.82	\$5,593,651	1.1524	1.0001	1.1202	\$85.28
Home Health Care	\$450,172	1,019	0.900	\$397.65	\$405,155	1.1496	1.0341	1.1180	\$6.36
IP - Maternity	\$0	0	0.322	\$0.00	\$0	1.0302	1.0483	1.0000	\$0.00
IP - Newborn	\$688	1	0.322	\$180.74	\$221	1.0302	1.0483	1.0000	\$0.00
IP - Other	\$12,961,057	3,987	0.322	\$1,045.47	\$4,168,276	1.0302	1.0483	1.0000	\$53.16
OP - Emergency Room	\$2,117,436	3,249	0.322	\$209.62	\$680,968	1.1206	1.0115	1.0954	\$9.98
OP - Other	\$9,944,300	11,092	0.322	\$288.32	\$3,198,087	1.1206	1.0115	1.0954	\$46.89
Prof - Anesthesia	\$856,344	9,044	0.520	\$49.20	\$445,009	1.0000	1.0125	1.0000	\$5.32
Prof - Digestive System	\$679,298	803	0.363	\$307.33	\$246,665	1.0000	1.0125	1.0000	\$2.95
Prof - Ears/Nose/Throat	\$1,098,943	965	0.343	\$390.31	\$376,672	1.0000	1.0125	1.0000	\$4.50
Prof - Evaluation & Management	\$5,010,472	65,932	0.547	\$41.60	\$2,742,487	1.0000	1.0125	1.0000	\$32.79
Prof - Female Genital	\$0	0	0.288	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Integumentary System	\$338,734	2,215	0.493	\$75.37	\$166,916	1.0000	1.0125	1.0000	\$2.00
Prof - Laparoscopy	\$11,350	6	1.000	\$1,892.06	\$11,350	1.0000	1.0125	1.0000	\$0.14
Prof - Male Genital	\$22,341	54	0.747	\$307.98	\$16,692	1.0000	1.0125	1.0000	\$0.20
Prof - Maternity	\$0	0	0.547	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Musculoskeletal System	\$1,914,702	2,026	0.276	\$260.56	\$527,854	1.0000	1.0125	1.0000	\$6.31
Prof - Other	\$93,212	1,612	1.000	\$57.83	\$93,212	1.0000	1.0125	1.0000	\$1.11
Prof - Respiratory/Cardiology	\$524,711	3,945	0.313	\$41.66	\$164,350	1.0000	1.0125	1.0000	\$1.97
Prof - Urinary	\$163,469	159	0.465	\$479.16	\$75,994	1.0000	1.0125	1.0000	\$0.91
Prof - Brightline	\$63,456	1,476	0.612	\$26.30	\$38,827	1.0000	1.0125	1.0000	\$0.46
DME/Supplies	\$791,218	34,181	0.486	\$11.26	\$384,897	1.0000	1.0125	1.0000	\$4.60
Lab	\$791,184	22,383	0.437	\$15.46	\$346,068	1.0000	1.0125	1.0000	\$4.14
Radiology	\$1,755,587	16,454	0.731	\$78.02	\$1,283,767	1.0000	1.0125	1.0000	\$15.35
Transportation/Ambulance	\$601,337	17,749	0.900	\$30.49	\$541,203	1.0000	1.0125	1.0000	\$6.47
Total	\$47,463,522	320,234			\$21,599,473				\$291.88
Administrative Adjustment									1.1236
Per Capita Cost									\$327.95
Per Capita Cost Excluding Direct Payments to Hospitals									\$321.87

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Exhibit 3

Disabled / Uninsurable Ages 45 - 64									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	248,033								
Service Category									
Dental - Orthodontics	\$0	0	0.740	\$0.00	\$0	0.9410	1.0076	0.9525	\$0.00
Dental - Other	\$191,482	4,373	0.740	\$32.41	\$141,697	0.9410	1.0076	0.9525	\$0.52
Pharmacy	\$40,688,966	902,415	0.782	\$35.27	\$31,830,676	1.1524	1.0001	1.1202	\$165.69
Home Health Care	\$1,813,098	5,632	0.900	\$289.74	\$1,631,788	1.1496	1.0341	1.1180	\$8.74
IP - Maternity	\$348,789	188	0.322	\$597.48	\$112,171	1.0302	1.0483	1.0000	\$0.49
IP - Newborn	\$44,051	36	0.322	\$396.50	\$14,167	1.0302	1.0483	1.0000	\$0.06
IP - Other	\$63,227,439	20,168	0.322	\$1,008.24	\$20,333,944	1.0302	1.0483	1.0000	\$88.54
OP - Emergency Room	\$3,867,316	4,800	0.322	\$259.14	\$1,243,729	1.1206	1.0115	1.0954	\$6.23
OP - Other	\$40,727,259	41,262	0.322	\$317.43	\$13,097,887	1.1206	1.0115	1.0954	\$65.56
Prof - Anesthesia	\$2,892,064	26,788	0.520	\$56.10	\$1,502,895	1.0000	1.0125	1.0000	\$6.13
Prof - Digestive System	\$2,869,257	4,254	0.363	\$244.93	\$1,041,879	1.0000	1.0125	1.0000	\$4.25
Prof - Ears/Nose/Throat	\$3,240,420	4,310	0.343	\$257.70	\$1,110,680	1.0000	1.0125	1.0000	\$4.53
Prof - Evaluation & Management	\$23,037,490	328,313	0.547	\$38.41	\$12,609,596	1.0000	1.0125	1.0000	\$51.47
Prof - Female Genital	\$457,485	686	0.288	\$192.15	\$131,746	1.0000	1.0125	1.0000	\$0.54
Prof - Integumentary System	\$992,543	5,266	0.493	\$92.88	\$489,089	1.0000	1.0125	1.0000	\$2.00
Prof - Laparoscopy	\$96,323	77	1.000	\$1,254.40	\$96,323	1.0000	1.0125	1.0000	\$0.39
Prof - Male Genital	\$79,664	149	0.747	\$400.31	\$59,519	1.0000	1.0125	1.0000	\$0.24
Prof - Maternity	\$2,581	4	0.547	\$364.96	\$1,413	1.0000	1.0125	1.0000	\$0.01
Prof - Musculoskeletal System	\$3,601,058	5,821	0.276	\$170.55	\$992,757	1.0000	1.0125	1.0000	\$4.05
Prof - Other	\$1,406,485	37,061	1.000	\$37.95	\$1,406,485	1.0000	1.0125	1.0000	\$5.74
Prof - Respiratory/Cardiology	\$3,454,582	26,651	0.313	\$40.60	\$1,082,042	1.0000	1.0125	1.0000	\$4.42
Prof - Urinary	\$650,330	1,201	0.465	\$251.83	\$302,328	1.0000	1.0125	1.0000	\$1.23
Prof - Brightline	\$111,508	3,203	0.612	\$21.30	\$68,229	1.0000	1.0125	1.0000	\$0.28
DME/Supplies	\$3,333,254	165,249	0.486	\$9.81	\$1,621,499	1.0000	1.0125	1.0000	\$6.62
Lab	\$3,963,545	135,765	0.437	\$12.77	\$1,733,674	1.0000	1.0125	1.0000	\$7.08
Radiology	\$7,894,081	63,065	0.731	\$91.53	\$5,772,520	1.0000	1.0125	1.0000	\$23.56
Transportation/Ambulance	\$1,528,600	59,776	0.900	\$23.01	\$1,375,740	1.0000	1.0125	1.0000	\$5.62
Total	\$210,519,672	1,846,509			\$99,804,472				\$464.00
Administrative Adjustment									1.1236
Per Capita Cost									\$521.34
Per Capita Cost Excluding Direct Payments to Hospitals									\$512.44

* Claims incurred from 10/1/99 - 9/30/01

TennCare

FY 2003 Per Capita Cost Development

Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Exhibit 3

Disabled / Uninsurable Age Over 65									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	25,510								
Service Category									
Dental - Orthodontics	\$0	0	0.740	\$0.00	\$0	0.9410	1.0076	0.9525	\$0.00
Dental - Other	\$9,801	196	0.740	\$36.96	\$7,253	0.9410	1.0076	0.9525	\$0.26
Pharmacy	\$4,004,685	101,037	0.782	\$31.01	\$3,132,835	1.1524	1.0001	1.1202	\$158.55
Home Health Care	\$30,033	161	0.900	\$167.48	\$27,030	1.1496	1.0341	1.1180	\$1.41
IP - Maternity	\$0	0	0.322	\$0.00	\$0	1.0302	1.0483	1.0000	\$0.00
IP - Newborn	\$26,005	22	0.322	\$377.66	\$8,363	1.0302	1.0483	1.0000	\$0.35
IP - Other	\$1,035,184	380	0.322	\$876.45	\$332,915	1.0302	1.0483	1.0000	\$14.09
OP - Emergency Room	\$44,133	46	0.322	\$310.05	\$14,193	1.1206	1.0115	1.0954	\$0.69
OP - Other	\$483,415	580	0.322	\$267.85	\$155,466	1.1206	1.0115	1.0954	\$7.57
Prof - Anesthesia	\$57,436	221	0.520	\$134.98	\$29,847	1.0000	1.0125	1.0000	\$1.18
Prof - Digestive System	\$45,037	68	0.363	\$239.07	\$16,354	1.0000	1.0125	1.0000	\$0.65
Prof - Ears/Nose/Throat	\$105,251	108	0.343	\$333.73	\$36,076	1.0000	1.0125	1.0000	\$1.43
Prof - Evaluation & Management	\$473,318	7,750	0.547	\$33.43	\$259,071	1.0000	1.0125	1.0000	\$10.28
Prof - Female Genital	\$6,869	11	0.288	\$186.01	\$1,978	1.0000	1.0125	1.0000	\$0.08
Prof - Integumentary System	\$28,889	181	0.493	\$78.48	\$14,236	1.0000	1.0125	1.0000	\$0.57
Prof - Laparoscopy	\$280	1	1.000	\$262.92	\$280	1.0000	1.0125	1.0000	\$0.01
Prof - Male Genital	\$505	2	0.747	\$177.39	\$377	1.0000	1.0125	1.0000	\$0.01
Prof - Maternity	\$0	0	0.547	\$0.00	\$0	1.0000	1.0125	1.0000	\$0.00
Prof - Musculoskeletal System	\$48,435	53	0.276	\$249.70	\$13,353	1.0000	1.0125	1.0000	\$0.53
Prof - Other	\$18,596	688	1.000	\$27.01	\$18,596	1.0000	1.0125	1.0000	\$0.74
Prof - Respiratory/Cardiology	\$95,862	466	0.313	\$64.39	\$30,026	1.0000	1.0125	1.0000	\$1.19
Prof - Urinary	\$12,274	34	0.465	\$166.00	\$5,706	1.0000	1.0125	1.0000	\$0.23
Prof - Brightline	\$3,579	110	0.612	\$19.91	\$2,190	1.0000	1.0125	1.0000	\$0.09
DME/Supplies	\$110,169	22,765	0.486	\$2.35	\$53,593	1.0000	1.0125	1.0000	\$2.13
Lab	\$82,778	2,463	0.437	\$14.70	\$36,207	1.0000	1.0125	1.0000	\$1.44
Radiology	\$146,207	1,327	0.731	\$80.59	\$106,914	1.0000	1.0125	1.0000	\$4.24
Transportation/Ambulance	\$215,957	12,618	0.900	\$15.40	\$194,361	1.0000	1.0125	1.0000	\$7.71
Total	\$7,084,698	151,292			\$4,497,220				\$215.43
Administrative Adjustment									1.1236
Per Capita Cost									\$242.06
Per Capita Cost Excluding Direct Payments to Hospitals									\$240.81

* Claims incurred from 10/1/99 - 9/30/01

TennCare
FY 2003 Per Capita Cost Development
Development of Per Capita Costs before Adjustments for Third Party Liability and Patient Cost Sharing
All Regions

Exhibit 3

Duals (TennCare Standard & Medicare) All Age Groups									
	Raw Charges 1999 - 2001*	Units 1999 - 2001*	Cost to Charge Ratio	Cost per Unit	Adjusted Claims	Trend Data Period	IBNR Data Period	Additional Trend Contract Period	PMPM
Member Months	748,406								
Service Category									
Dental - Orthodontics	\$1,804	10	0.250	\$46.35	\$450	1.0000	1.0054	1.0000	\$0.00
Dental - Other	\$390,791	8,523	0.740	\$33.93	\$289,185	1.0000	1.0054	1.0000	\$0.39
Pharmacy	\$168,418,001	3,506,477	0.850	\$40.83	\$143,155,301	1.2010	1.0009	1.1578	\$266.24
Home Health Care	\$1,463,834	5,940	0.085	\$21.00	\$124,748	1.0000	1.0718	1.0000	\$0.18
IP - Maternity	\$167,233	87	0.086	\$165.14	\$14,382	1.1001	1.0765	1.0000	\$0.02
IP - Newborn	\$31,577	26	0.086	\$104.94	\$2,716	1.1001	1.0765	1.0000	\$0.00
IP - Other	\$18,090,718	6,459	0.086	\$240.86	\$1,555,802	1.1001	1.0765	1.0000	\$2.46
OP - Emergency Room	\$682,532	758	0.147	\$132.05	\$100,093	1.0000	1.0362	1.0000	\$0.14
OP - Other	\$8,309,553	8,030	0.147	\$151.76	\$1,218,593	1.0000	1.0362	1.0000	\$1.69
Prof - Anesthesia	\$863,214	7,460	0.237	\$27.42	\$204,552	1.0000	1.0275	1.0000	\$0.28
Prof - Digestive System	\$1,026,574	1,199	0.166	\$141.80	\$169,982	1.0000	1.0275	1.0000	\$0.23
Prof - Ears/Nose/Throat	\$1,431,221	2,310	0.156	\$96.84	\$223,697	1.0000	1.0275	1.0000	\$0.31
Prof - Evaluation & Management	\$7,787,971	122,142	0.250	\$15.91	\$1,943,816	1.0000	1.0275	1.0000	\$2.67
Prof - Female Genital	\$210,238	274	0.131	\$100.60	\$27,608	1.0000	1.0275	1.0000	\$0.04
Prof - Integumentary System	\$495,852	2,704	0.225	\$41.20	\$111,418	1.0000	1.0275	1.0000	\$0.15
Prof - Laparoscopy	\$22,443	14	0.456	\$707.33	\$10,234	1.0000	1.0275	1.0000	\$0.01
Prof - Male Genital	\$28,500	54	0.341	\$179.10	\$9,710	1.0000	1.0275	1.0000	\$0.01
Prof - Maternity	\$5,439	8	0.250	\$167.98	\$1,358	1.0000	1.0275	1.0000	\$0.00
Prof - Musculoskeletal System	\$1,168,898	1,981	0.126	\$74.16	\$146,945	1.0000	1.0275	1.0000	\$0.20
Prof - Other	\$612,155	17,172	0.456	\$16.26	\$279,142	1.0000	1.0275	1.0000	\$0.38
Prof - Respiratory/Cardiology	\$1,455,488	6,276	0.143	\$33.12	\$207,885	1.0000	1.0275	1.0000	\$0.29
Prof - Urinary	\$230,747	488	0.212	\$100.18	\$48,915	1.0000	1.0275	1.0000	\$0.07
Prof - Brightline	\$30,139	2,270	0.279	\$3.70	\$8,409	1.0000	1.0275	1.0000	\$0.01
DME/Supplies	\$2,036,017	382,022	0.237	\$1.26	\$482,466	1.0000	1.0275	1.0000	\$0.66
Lab	\$1,406,899	34,834	0.199	\$8.06	\$280,615	1.0000	1.0275	1.0000	\$0.39
Radiology	\$2,448,816	18,740	0.333	\$43.57	\$816,554	1.0000	1.0275	1.0000	\$1.12
Transportation/Ambulance	\$3,525,355	274,390	0.900	\$11.56	\$3,172,819	1.0000	1.0275	1.0000	\$4.36
Total	\$222,342,008	4,410,649			\$154,607,395				\$282.31
Administrative Adjustment									1.1236
Per Capita Cost									\$284.29
Per Capita Cost Excluding Direct Payments to Hospitals									\$284.05
Per Capita Cost without Pharmacy									\$18.05

* Claims incurred from 10/1/99 - 9/30/01

TennCare
FY 2003 Per Capita Cost Development
Comparison of Regional Per Member Per Months Costs

	Medicaid			Uninsured			Uninsurable		
	East vs State	Mid vs State	West vs State	East vs State	Mid vs State	West vs State	East vs State	Mid vs State	West vs State
Dental	9.4%	1.8%	-10.0%	1.5%	9.4%	-14.2%	-16.6%	13.2%	6.7%
Pharmacy	20.7%	3.8%	-21.6%	10.1%	-3.9%	-11.0%	6.5%	-2.0%	-8.3%
Home Health	8.9%	9.5%	-15.7%	16.0%	-2.1%	-22.7%	20.9%	-13.9%	-13.2%
Inpatient	11.4%	15.1%	-22.5%	-2.7%	3.3%	0.1%	-0.2%	1.2%	-1.8%
Outpatient	-15.8%	24.0%	-5.3%	-17.0%	18.4%	3.5%	-9.6%	13.5%	-6.6%
Professional	19.2%	14.7%	-29.1%	6.0%	6.8%	-18.2%	1.5%	5.9%	-13.2%
Lab & Radiology	19.6%	-17.4%	-3.5%	14.7%	-22.0%	4.8%	16.4%	-14.1%	-4.7%
DME & Transportation	<u>15.1%</u>	<u>10.0%</u>	<u>-21.7%</u>	<u>3.7%</u>	<u>2.9%</u>	<u>-9.5%</u>	<u>-0.3%</u>	<u>3.5%</u>	<u>-5.7%</u>
Total	14.9%	11.5%	-22.6%	4.5%	2.0%	-9.7%	3.2%	1.1%	-7.7%

	Disabled Uninsured			Disabled Uninsurable			Disabled		
	East vs State	Mid vs State	West vs State	East vs State	Mid vs State	West vs State	East vs State	Mid vs State	West vs State
Dental	-9.3%	16.5%	-3.2%	-28.6%	17.2%	23.4%	-8.8%	14.3%	-1.0%
Pharmacy	8.0%	-2.6%	-12.1%	9.8%	-7.6%	-5.5%	18.3%	6.0%	-26.9%
Home Health	-18.3%	11.9%	20.3%	16.8%	-27.6%	10.8%	25.8%	-9.1%	-23.7%
Inpatient	-8.2%	20.3%	-10.3%	-8.6%	14.3%	-5.7%	2.1%	13.3%	-13.3%
Outpatient	-14.6%	22.7%	-0.9%	-18.6%	17.5%	6.4%	-7.3%	13.5%	-2.1%
Professional	-1.7%	16.8%	-18.3%	-3.1%	13.0%	-13.2%	12.0%	11.3%	-23.6%
Lab & Radiology	5.5%	-3.7%	-5.9%	7.7%	-4.7%	-6.1%	11.1%	1.7%	-14.8%
DME & Transportation	<u>-4.3%</u>	<u>21.2%</u>	<u>-18.9%</u>	<u>-6.7%</u>	<u>14.4%</u>	<u>-9.1%</u>	<u>10.9%</u>	<u>13.0%</u>	<u>-23.6%</u>
Total	0.5%	8.8%	-12.3%	1.3%	3.2%	-6.7%	11.9%	8.4%	-21.1%

	Duals			Duals Uninsurable		
	East vs State	Mid vs State	West vs State	East vs State	Mid vs State	West vs State
Dental	-13.5%	5.4%	14.3%	-41.7%	17.6%	53.1%
Pharmacy	5.3%	1.3%	-9.4%	3.1%	0.6%	-6.1%
Home Health	-6.4%	37.8%	-31.8%	-17.3%	-3.7%	35.0%
Inpatient	-15.8%	36.2%	-16.0%	-21.6%	40.2%	-9.1%
Outpatient	-0.2%	-11.4%	12.7%	-8.6%	0.2%	14.9%
Professional	-3.3%	2.6%	2.2%	-11.3%	15.1%	2.2%
Lab & Radiology	-2.7%	-3.4%	7.8%	6.4%	-5.9%	-4.4%
DME & Transportation	<u>-12.4%</u>	<u>-7.6%</u>	<u>26.9%</u>	<u>-15.4%</u>	<u>8.1%</u>	<u>17.8%</u>
Total	4.9%	1.6%	-9.1%	2.5%	1.2%	-5.8%

TennCare
FY 2003 Per Capita Cost Development
Summary of Per Capita Costs
Current Program Structure

Exhibit 5a

Eligibility Group	Participant Age Categories									Weighted Average	
	Age Under 1	Ages 1 - 13	Ages 14 - 18 Female	Ages 14 - 18 Male	Ages 19 - 44 Female	Ages 19 - 44 Male	Ages 45 - 64	Age Over 65	All Ages		
Medicaid (TANF & Related)	\$226.90	\$46.90	\$141.83	\$55.26	\$240.07	\$197.36	\$309.40	\$210.50		\$122.33	
Disabled	\$239.60	\$239.60	\$239.60	\$239.60	\$441.15	\$441.15	\$441.15	\$441.15		\$394.60	
Duals (Medicaid & Medicare)										\$242.81	\$242.81
Uninsured	\$155.89	\$48.30	\$98.89	\$55.25	\$180.84	\$119.75	\$312.04	\$177.37		\$134.18	
Uninsurable	\$112.83	\$73.01	\$114.89	\$98.06	\$266.06	\$211.75	\$418.44	\$213.21		\$312.63	
Duals (TC Standard & Medicare)										\$293.79	\$293.79
Weighted Average	\$216.62	\$57.87	\$130.85	\$80.02	\$245.14	\$228.12	\$382.64	\$239.07	\$254.89	\$192.27	

TennCare

FY 2003 Per Capita Cost Development

Summary of Per Capita Costs Funded through Direct Capitation to Health Plans

Eligibility Group	Participant Age Categories									Weighted Average
	Age Under 1	Ages 1 - 13	Ages 14 - 18 Female	Ages 14 - 18 Male	Ages 19 - 44 Female	Ages 19 - 44 Male	Ages 45 - 64	Age Over 65	All Ages	
Medicaid (TANF & Related)	\$220.29	\$46.11	\$138.94	\$54.08	\$234.95	\$191.16	\$303.50	\$207.47		\$119.68
Disabled	\$235.57	\$235.57	\$235.57	\$235.57	\$433.34	\$433.34	\$433.34	\$433.34		\$387.66
Duals (Medicaid & Medicare)									\$16.36	\$16.36
Uninsured	\$151.75	\$47.54	\$96.94	\$54.15	\$177.11	\$117.06	\$306.51	\$175.59		\$131.62
Uninsurable	\$110.13	\$72.02	\$112.75	\$96.51	\$260.53	\$207.61	\$410.96	\$211.81		\$306.88
Duals (TC Standard & Medicare)									\$17.38	\$17.38
Weighted Average	\$210.42	\$56.92	\$128.27	\$78.50	\$240.15	\$223.41	\$375.82	\$235.97	\$16.60	\$151.13

TennCare
FY 2003 Per Capita Cost Development
Summary of Per Capita Costs by Income Level
Proposed TennCare Standard Eligibility Categories

	Child	Adult
Uninsured		
Income Level < 100%	\$55.86	\$186.22
Income Level 100% - 139/149% FPL	\$60.91	\$199.55
Income Level 140/150% - 199% FPL	\$63.12	\$208.34
Income Level > 200% FPL	\$66.68	\$236.28
Uninsurable		
Income Level < 100%	\$58.35	\$288.54
Income Level 100% - 139/149% FPL	\$84.88	\$313.90
Income Level 140/150% - 199% FPL	\$64.11	\$318.32
Income Level > 200% FPL	\$225.42	\$360.78
Disabled / Uninsured		
Income Level < 100%	\$99.39	\$331.12
Income Level 100% - 139/149% FPL	\$125.61	\$374.17
Income Level 140/150% - 199% FPL	\$398.64	\$386.88
Income Level > 200% FPL	\$617.84	\$456.62
Disabled / Uninsurable		
Income Level < 100%	\$229.67	\$395.85
Income Level 100% - 139/149% FPL	\$738.69	\$433.92
Income Level 140/150% - 199% FPL	\$440.72	\$453.79
Income Level > 200% FPL	\$334.29	\$505.69

TennCare
FY 2003 Per Capita Cost Development
Assumptions Regarding Population Movement
Waiver Scenario 1

Exhibit 6b

	Percent Reallocated		Percent Remaining in Plan	
	Child	Adult	Child	Adult
Uninsured				
Income Level < 100%	100%	10%	100%	100%
Income Level 100% - 139/149% FPL	100%	0%	100%	0%
Income Level 140/150% - 199% FPL	0%	0%	100%	0%
Income Level > 200% FPL	0%	0%	0%	0%
Uninsurable				
Income Level < 100%	100%	10%	100%	100%
Income Level 100% - 139/149% FPL	100%	0%	100%	100%
Income Level 140/150% - 199% FPL	0%	0%	100%	100%
Income Level > 200% FPL	0%	0%	100%	100%
Disabled / Uninsured				
Income Level < 100%	100%	100%	100%	100%
Income Level 100% - 139/149% FPL	100%	0%	100%	0%
Income Level 140/150% - 199% FPL	0%	0%	100%	0%
Income Level > 200% FPL	0%	0%	0%	0%
Disabled / Uninsurable				
Income Level < 100%	100%	100%	100%	100%
Income Level 100% - 139/149% FPL	100%	0%	100%	100%
Income Level 140/150% - 199% FPL	100%	0%	100%	100%
Income Level > 200% FPL	100%	0%	100%	100%

TennCare
FY 2003 Per Capita Cost Development
Assumptions Regarding Population Movement
Waiver Scenario 2

Exhibit 6c

	Percent Reallocated		Percent Remaining in Plan	
	Child	Adult	Child	Adult
Uninsured				
Income Level < 100%	100%	10%	100%	100%
Income Level 100% - 139/149% FPL	100%	0%	100%	100%
Income Level 140/150% - 199% FPL	0%	0%	100%	100%
Income Level > 200% FPL*	0%	0%	100%	100%
Uninsurable				
Income Level < 100%	100%	10%	100%	100%
Income Level 100% - 139/149% FPL	100%	0%	100%	100%
Income Level 140/150% - 199% FPL	0%	0%	100%	100%
Income Level > 200% FPL	0%	0%	100%	100%
Disabled / Uninsured				
Income Level < 100%	100%	100%	100%	100%
Income Level 100% - 139/149% FPL	100%	0%	100%	100%
Income Level 140/150% - 199% FPL	0%	0%	100%	100%
Income Level > 200% FPL*	0%	0%	100%	100%
Disabled / Uninsurable				
Income Level < 100%	100%	100%	100%	100%
Income Level 100% - 139/149% FPL	100%	0%	100%	100%
Income Level 140/150% - 199% FPL	100%	0%	100%	100%
Income Level > 200% FPL	100%	0%	100%	100%

*those members with an income level greater than 250% were removed from the program

TennCare
FY 2003 Per Capita Cost Development
Summary of Per Capita Costs
Waiver Scenario 1

Exhibit 7a

Eligibility Group	Participant Age Categories									Weighted Average
	Age Under 1	Ages 1 - 13	Ages 14 - 18 Female	Ages 14 - 18 Male	Ages 19 - 44 Female	Ages 19 - 44 Male	Ages 45 - 64	Age Over 65	All Ages	
Medicaid (TANF & Related)	\$219.31	\$47.29	\$126.11	\$55.27	\$239.31	\$186.06	\$325.29	\$208.05		\$109.33
Disabled	\$237.97	\$237.97	\$237.97	\$237.97	\$434.58	\$434.58	\$434.58	\$434.58		\$392.71
Duals (Medicaid & Medicare)									\$242.81	\$242.81
Uninsured	\$153.89	\$56.77	\$92.38	\$66.76	\$177.83	\$113.93	\$296.74	\$151.39		\$167.62
Uninsurable	\$128.17	\$103.14	\$118.33	\$179.80	\$260.12	\$204.58	\$412.90	\$214.94		\$319.09
Duals (TC Standard & Medicare)									\$258.03	\$258.03
Weighted Average	\$218.79	\$58.34	\$132.76	\$81.16	\$256.33	\$252.01	\$394.26	\$257.12	\$245.76	\$190.14

TennCare
FY 2003 Per Capita Cost Development
Summary of Per Capita Costs
Waiver Scenario 2

Exhibit 7b

Eligibility Group	Participant Age Categories									Weighted Average	
	Age Under 1	Ages 1 - 13	Ages 14 - 18 Female	Ages 14 - 18 Male	Ages 19 - 44 Female	Ages 19 - 44 Male	Ages 45 - 64	Age Over 65	All Ages		
Medicaid (TANF & Related)	\$219.31	\$47.29	\$126.11	\$55.27	\$239.31	\$186.06	\$325.29	\$208.05		\$109.33	
Disabled	\$237.97	\$237.97	\$237.97	\$237.97	\$434.58	\$434.58	\$434.58	\$434.58		\$392.71	
Duals (Medicaid & Medicare)										\$242.81	\$242.81
Uninsured	\$149.80	\$55.46	\$88.19	\$63.14	\$171.03	\$112.03	\$292.46	\$168.26		\$175.59	
Uninsurable	\$128.17	\$103.14	\$118.33	\$179.80	\$260.12	\$204.58	\$412.90	\$214.94		\$319.09	
Duals (TC Standard & Medicare)										\$258.03	\$258.03
Weighted Average	\$218.64	\$58.29	\$132.37	\$80.91	\$247.06	\$235.53	\$378.98	\$246.39	\$245.76	\$190.20	