



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY

***Development of Per Capita Costs
for the TennCare and TennCare
Partners Programs for
State Fiscal Year 2004***

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PRICEWATERHOUSECOOPERS 

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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 2004. The per capita costs shown in this report are calculated to assist in the development of the TennCare budget and to develop medical fund targets for managed care organizations. Should TennCare return to at-risk contracts with managed care organizations, these per capita costs would also serve as the basis for developing capitation rates.

Effective July 1, 2002 Tennessee was granted a five-year waiver from the Centers for Medicare and Medicaid Services (CMS). The waiver provides for a number of changes in TennCare including:

- changes in the eligible population,
- limits on some services, cost-sharing for some services, and
- the elimination of non-pharmacy services for the dual TennCare Uninsurable population.

This benefit package change was to be effective January 1, 2003; however, implementation has been delayed.

This report presents our findings under the current and the new waiver benefit packages. The State is currently contracting with managed care organizations on an Administrative Services Only basis; the terms of the waiver call for TennCare to return to risk-based contracts on January 1, 2004.

In response to the new waiver eligibility criteria, the State began a reverification process for all expansion population participants. Prior to completing this effort, the process was halted by court order. Subsequent to this decision, those who were deemed ineligible were given until March 31, 2004 to prove eligibility. Therefore, our report includes all participating members during the data period regardless of the preliminary reverification decision.

Effective September 2002, dental services have been removed from the managed care plan contracts and are provided through a dental program manager on a fee-for-service basis. Dental costs are separately reported in this study and are based on budget estimates developed by TennCare Bureau

staff and estimated changes in utilization and costs developed by PwC. The report also addresses costs of the TennCare Partners behavioral health program.

This report describes the methods, data and assumptions used to develop per capita costs for the acute care portion of the TennCare program. Administrative costs associated with those portions of the program that will be covered by contracts with managed care organizations are included in these calculations.

The per capita costs are developed using a combination of encounter data reported by health plans and prescription drug payment data for Dual eligibles and for behavioral health drugs administered by Consultec. In a change from prior years, the amounts health plans pay to providers are used directly in the calculations of expected future costs. To assess how these payments in TennCare compare to those for comparable population groups in other states, we have updated our comparison of payment methods and amounts where we were able to obtain data.

Changes in TennCare over the past two years have resulted in improvements in the encounter data, largely as plans with encounter data reporting problems have left the program. Consequently, we believe the information available for estimating per capita costs is of higher quality than in past analyses and therefore requires fewer adjustments. Further, the TennCare Bureau has gained stronger control over most expenditures to providers through specific contractual terms with managed care organizations. However, health care costs are subject to significant fluctuation, and there remain important cost drivers in TennCare that could cause total costs to differ from these estimates. Some important areas of uncertainty are:

- Drug costs continue to grow at extraordinary rates. Significant changes are contemplated in the prescription drug component of TennCare, and the changes in costs associated with that new program design are not yet known;
- Outpatient hospital services, in particular, have grown at a high rate over the past year. Many health plans pay for these services as a percentage of billed charges, resulting in little control over expenditures;

- While the TennCare Bureau has successfully controlled the payments per unit of service for most services, control of the numbers of units of service provided is more complex;
- The population that will be covered by TennCare during the coming year is not known. Should program design and enrollment changes be made, these per capita cost values should be reevaluated.

This report is structured around several general concepts:

- The per capita cost estimate for TennCare should reflect current spending levels and should consider planned contracting requirements.
- Variation in payment amounts among population groups and health plans should reflect underlying differences in health care need.
- TennCare-specific cost and utilization data should be used where appropriate in the calculations.
- Anticipated changes in program administration should be considered in the analysis.
- Health plan administrative costs should be reasonably funded and should consider the mix of services administered through health plans.

TennCare is currently funded through multiple sources including 1) direct payments made to health plans and/or providers, 2) payments resulting from collection of third party liability claims (TPL); and 3) premium contributions and point of service cost sharing made by TennCare enrollees.

This report shows the expected per capita cost of the program based on the assumptions described herein. We also show the per capita cost for services that are paid through contracts with managed care organizations. If TennCare returns to at-risk contracts, these amounts would serve as the basis for calculating capitation payments.

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. Health plan payments to providers form the primary basis of the calculation of the cost per unit of service. These values are compared to expected costs based on 85% of Medicare payments for professional services as a point of reference. Actual payments per day for inpatient care are also shown. For comparison purposes, we assessed TennCare's payment rates for certain services versus those of 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 2004. The following table provides a summary of our results for the program under its current structure and a comparison to current estimates of costs for FY 2003. The amounts shown are net of TPL and point-of-service cost sharing amounts under the old waiver program design. The per capita costs are shown both including and excluding prescription drugs for dual eligibles. To provide a consistent basis of comparison, we have adjusted the FY 2003 amounts for the value of cost sharing and Third Party Liability.

Eligibility Group	FY2004	FY2003 Current Estimate	Percent Change
Medicaid (TANF & Related)	\$147.02	\$138.81	5.9%
Disabled	\$477.00	\$450.75	5.8%
Duals (Medicare & TennCare)	\$257.75	\$244.75	5.3%
Uninsured	\$154.22	\$143.67	7.3%
Uninsurable / Medically Eligible	\$386.71	\$361.54	7.0%
Waiver Duals (Uninsurable & TennCare)	\$276.85	\$261.51	5.9%
All Eligibility Groups	\$226.34	\$213.18	6.2%
All Eligibility Groups (Exc Dual Rx)	\$188.93	\$177.73	6.3%

*Amounts shown 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 2003 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 2002 report.

Table ES 1 – b shows a comparison of our estimates of FY2003 expenditures per capita to the most up to date information on actual expenditures projected to the end of the fiscal year.

TABLE ES-1b			
SUMMARY OF TOTAL PER CAPITA COST			
UPDATE OF FY 2003 PRIOR ESTIMATE TO CURRENT ESTIMATE			
Eligibility Group	FY2003 Current Estimate	FY2003 Prior Estimate	Percent Change
Medicaid (TANF & Related)	\$138.81	\$120.92	14.8%
Disabled	\$450.75	\$388.81	15.9%
Duals (Medicare & TennCare)	\$244.75	\$234.67	4.3%
Uninsured	\$143.67	\$132.58	8.4%
Uninsurable / Medically Eligible	\$361.54	\$307.88	17.4%
Waiver Duals (Uninsurable & TennCare)	\$261.51	\$283.85	-7.9%
All Eligibility Groups	\$213.18	\$191.04	11.6%
All Eligibility Groups (Exc Dual Rx)	\$177.73	\$155.06	14.6%

Our examination of updated data for this analysis shows several specific areas where differences emerged from the calculations made one year ago, including the following:

- Inpatient hospital utilization increased at levels higher than expected;
- Outpatient hospital charges increased faster than expected, and combined with even greater increases in utilization contributed significantly to cost overruns;
- Professional services utilization is currently showing a 10% annual rate of increase, far in excess of rates observed in other programs;
- The Grier Consent Decree has resulted in a significant change in the mix of prescription drugs purchased through the program. Use of brand name drugs, in particular, increased by more than 25% during the most recent year.

Taken together, per capita costs were 14.6% higher than our projections, with increases observed starting in January 2003.

Table ES-2 shows the per capita costs by age and sex category.

TABLE ES-2			
SUMMARY OF TOTAL PER CAPITA COST BY DEMOGRAPHIC CATEGORY			
TENNCARE			
TennCare Medicaid	FY2004	TennCare Standard	FY2004
Medicaid (TANF & Related)		Uninsured	
Age Under 1	\$313.43	Age Under 1	\$206.48
Age 1-13	\$65.82	Age 1-13	\$54.63
Age 14-18 Female	\$153.62	Age 14-18 Female	\$101.04
Age 14-18 Male	\$65.33	Age 14-18 Male	\$57.26
Age 19-20 Female	\$322.31	Age 19-20 Female	\$154.32
Age 19-20 Male	\$97.84	Age 19-20 Male	\$63.12
Age 21-44 Female	\$282.25	Age 21-44 Female	\$197.01
Age 21-44 Male	\$205.28	Age 21-44 Male	\$134.74
Age 45-64	\$386.52	Age 45-64	\$348.41
Age Over 65	\$226.50	Age Over 65	\$230.89
Disabled		Uninsurable / Medically Eligible	
Age Under 21	\$321.23	Age Under 1	\$401.22
Age 21+	\$535.91	Age 1-13	\$85.61
Duals		Age 14-18 Female	\$141.17
Medicare & TennCare	\$257.75	Age 14-18 Male	\$106.35
		Age 19-20 Female	\$190.92
		Age 19-20 Male	\$167.41
		Age 21-44 Female	\$321.55
		Age 21-44 Male	\$289.15
		Age 45-64	\$511.08
		Age Over 65	\$254.46
		Waiver Duals	
		Uninsurable and TennCare	\$276.85
All TennCare Medicaid	\$227.31	All TennCare Standard	\$224.92
All Eligibility Groups			\$226.34

The following table illustrates the per capita costs that may be funded through direct capitation to MCO health plans at the end of the stabilization period.

The values shown in this table reflect that prescription drug coverage for the Medicare dual population is provided on a fee-for-service basis. Per capita cost values are also shown excluding prescription drugs for all TennCare enrollees, as the state is contemplating covering those services entirely on a fee-for-service basis through a single Pharmacy Benefits Manager. The amounts shown in both columns include an allowance for administrative costs. Current contracting plans call for a 9.25% administrative cost allowance, including a 2% premium tax. Should pharmacy services be removed from MCO contracts we would expect the administrative costs would represent a higher percentage of total costs, as health plans generally do not use a proportionate amount of their administrative payments to cover the administration of prescription drugs. We gathered information on current healthplan expenditures for administering prescription drugs and adjusted the administrative cost load accordingly. Our calculation yielded an 11.75% administrative cost load when prescription drugs are excluded from MCO contracts. Prescription drugs are excluded from all values below for Dual eligibles.

TABLE ES-3 SUMMARY OF TOTAL FY 2004 PER CAPITA COST FUNDED BY HEALTH PLANS WITH AND WITHOUT PHARMACY		
Eligibility Group	With Pharmacy*	Without Pharmacy**
Medicaid (TANF & Related)	\$147.02	\$126.91
Disabled	\$477.00	\$355.97
Duals - Medicare & TennCare	\$24.11	\$24.77
Uninsured	\$154.22	\$111.60
Uninsurable / Medically Eligible	\$386.71	\$260.70
Waiver Duals - Uninsurable & TennCare	\$24.55	\$25.23
All Eligibility Groups	\$188.93	\$146.07

* Assumes 9.25% administrative fees

** Assumes 11.75% administrative fees

Third Party Liability and Participant Cost Sharing

The per capita costs shown here are inclusive of adjustments for Third Party Liability, with the exception of subrogation. We have assumed plans will continue to collect payments for Third Party Liability at levels similar to those observed during the data period.

Point-of-service cost-sharing is currently required for some of those in the Uninsured and Uninsurable eligibility categories. The per capita costs shown in this report reflect the amounts of cost-sharing under the old waiver program structure.

Upon implementation of the modified waiver benefit package, limits will be imposed on certain services. TennCare Standard participants will contribute to the cost of services through copays for certain services such as pharmacy and hospital emergency room services. Individuals who are dually eligible for Medicare and TennCare Uninsurable will only have coverage for pharmacy services. We have modeled the effect of changes in point-of-service cost sharing under the new waiver design, and the cost estimates adjusted for the effect of these changes are illustrated elsewhere in the report.

Dental Costs

Effective October 2002, dental services were carved out of the managed care contracts. The services are now paid fee-for-service and are administered by a Dental Benefits Manager. Under the new waiver, TennCare Standard enrollees are 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 is calculated by the TennCare Bureau to be fully self-funding. Medicaid adults continue to be covered for emergency dental services.

PwC estimated changes in costs per unit and utilization rates associated with the contracting change in our FY 2003 report. A review of the experience for the first five months of that program suggests those estimates were reasonable. We assumed utilization rates would increase at levels similar to those for physician services. The following table illustrates the FY 2004 portion of dental costs that will be covered by TennCare.

TABLE ES-4	
SUMMARY OF EXPECTED DENTAL PER CAPITA COSTS	
FY 2004	
Eligibility Group	FY 2004
Medicaid (TANF & Related)	\$10.95
Disabled	\$5.35
Duals - Medicare & TennCare	\$0.91
Uninsured	\$6.37
Children (Age under 18)	\$12.09
Adults (Age over 19)	\$2.26
Uninsurable / Medically Eligible	\$2.20
Children (Age under 18)	\$14.64
Adults (Age over 19)	\$1.50
Waiver Duals - Uninsurable & TennCare	\$0.77
All Eligibility Groups	\$6.84

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. TennCare Partners is in the process of developing a Request for Proposals to solicit participation of new managed care plans. The final structure of the program has not yet been defined, and consequently we are not able to provide an assessment of expected costs under the program. An increase of 4.5% has been budgeted for TennCare Partners.

In FY 2003 the TennCare Partners program was budgeted for a \$16.5 million program enhancement. Only a portion of those enhancements have been implemented and the remaining increases are expected to occur in the early part of FY 2004. Consequently, the 4.5% increase is separate from the \$16.5 million program change. With these changes, the TennCare Partners program would require a budget of \$407.55 million. An important change in contracting arrangements took place during FY 2003, with Premier Behavioral Health converting to an Administrative Services Only (ASO) contract. It will be important that the TennCare Bureau and the Mental Health Division

monitor program expenditures on an ongoing basis to assess whether this change in contracting arrangement results in changes in the cost of services.

The following table shows the budgeted amount for BHO services. This amount includes an allocation for administrative costs. We believe it is reasonable to reassess the administrative cost requirements, including profit margin, in light of changes in the contracting arrangement and the elimination of the risk component of the contract.

TABLE ES 5	
SUMMARY OF TENNCARE PARTNERS COSTS	
FY 2004	
	Total
FY 2003 BHO Budget	\$390,000,000
4.5% Budget Increase	\$17,550,000
Total	\$407,550,000

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, excluding administrative costs, of \$37.29 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 may not 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, Jill Stockard, the Project Manager 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 2004. The per capita costs shown in this report are calculated to assist in the development of the TennCare budget and to develop medical fund targets for managed care organizations. Should TennCare return to at-risk contracts with managed care organizations, these per capita costs would also serve as the basis for developing capitation rates.

Effective September 2002, dental services have been removed from the managed care plan contracts and are provided through a Dental Benefits Manager on a fee-for-service basis. Dental costs are separately reported in this study. This report also addresses costs of the TennCare Partners behavioral health program.

The purpose of this report is to provide per capita costs that form one important component of the TennCare budget for TennCare and TennCare Partners for Fiscal Year 2004. The cost estimates are based on a detailed analysis of provider payments made by managed care organizations and by the TennCare Bureau. Where appropriate, we have applied offsets to these per capita amounts to reflect expected contributions for higher levels of enrollee point-of-service cost sharing. Payments for Third Party Liability and current cost sharing requirements are inherent in the data.

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. In a change from prior years, health plan payments to providers are used more directly in the calculations of expected future costs. While we made some reliance on payment amounts, combined with derived costs, in prior analyses, data improvements resulting from changes in the structure of TennCare allow for more direct use of reported payment amounts.

Changes in TennCare over the past two years have resulted in improvements in the encounter data, largely as plans with encounter data reporting problems have left the program. Consequently, we believe the information available for estimating per capita costs is of higher quality than in past analyses. Further, the TennCare Bureau has gained stronger control over most expenditures to providers through specific contractual terms with managed care organizations. However, health care costs are subject to significant fluctuation, and there remain important cost drivers in TennCare that could cause total costs to differ from these estimates. Some important areas of uncertainty are:

- Drug costs continue to show extraordinary rates of growth. Significant changes are contemplated in the prescription drug component of TennCare, and the changes in costs associated with that new program design are not yet known;
- Outpatient hospital services, in particular, have grown at a high rate over the past year. Many health plans pay for these services as a percentage of billed charges, resulting in little control over expenditures;
- While the TennCare Bureau has successfully controlled the payments per unit of service for most services, control of the numbers of units of service provided is more complex;
- The population that will be covered by TennCare during the coming year is not known. Should program design and enrollment changes be made, these per capita cost values should be reevaluated.

To assess how payments in TennCare compare to those for comparable population groups in other states, we have updated our comparison of payment methods and amounts where we were able to obtain data.

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.

TennCare entered into a “stabilization” plan in July 2002 whereby risk-based contracts for managed care organizations were converted to Administrative Services Only contracts. According to the waiver, the state intends to return to risk-based contracts in January 2004. The transition to ASO contracts has resulted in important changes in the data reported by managed care organizations, and in particular, to the amount paid for specific services.

To calculate the expected per capita costs, we obtained encounter data for TennCare enrollees from the TennCare Bureau and calculated utilization rates and measures of payments per unit of service. As a check against earlier work, we calculated implied costs per unit of service based on a specified cost per inpatient day, as well as provider payment rates based on 85% of the Medicare payment amount. We then applied trend adjustments to bring the per capita costs forward to FY2004, and added an allocation for administrative costs.

This report is structured around several general concepts:

- The per capita cost estimate for TennCare should reflect current spending levels and should consider planned contracting requirements.
- Variation in payment amounts among population groups and health plans should reflect underlying differences in health care need.
- TennCare-specific cost and utilization data should be used where appropriate in the calculations.
- Anticipated changes in program administration should be considered in the analysis.
- Health plan administrative costs should be reasonably funded and should consider the mix of services administered through health plans.

TennCare is currently funded through multiple sources including 1) direct payments made to health plans and/or providers, 2) payments resulting from

collection of third party liability claims (TPL); and 3) premium contributions and point of service cost sharing made by TennCare enrollees.

This report reflects the expected per capita costs considering the first two items for acute care services. Premium contributions are separately accounted for in the TennCare budget, as are long-term care costs.

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.

II. OUR APPROACH - TENNCARE

To develop the per capita funding level for TennCare for Fiscal Year 2004, 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 calculated the paid amount per unit of service and established a reasonable administrative cost load. These amounts, when taken together, calculate the expected cost per person per month for services provided to TennCare enrollees in FY 2004. The amounts shown incorporate adjustments for enrollee cost sharing and Third Party Liability under the current program design.

Demographic Groups

Per capita costs for the TennCare program vary based on eligibility category and demographic group. Under the new waiver, eligibility criteria for some categories have changed. Since the reverification of individuals has been delayed, the per capita costs in this report reflect the cost of the eligibility structure prior to the new waiver. For informational purposes, the following chart describes the populations under the old and new waivers. Age groupings are used for most eligibility categories where use of health care services varies by demographic grouping.

**TABLE 1
TENNCARE ELIGIBILITY CATEGORIES
OLD WAIVER AND NEW WAIVER STRUCTURES**

	OLD WAIVER	NEW WAIVER
Medicaid	<p>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:</p> <ul style="list-style-type: none"> - Under 1 year of age; - Age 1 – 13; - Age 14-18 Female; - Age 19 – 20 Female; - Age 21-44 Female; - Age 13-18 Male; - Age 19 – 20 Male; - Age 21-44 Male; - Age 45-64; and - Age 65 and over 	<p>Same as Current Program. Additionally, includes woman under 65 who have been determined by the CDC to need treatment for breast or cervical cancer.</p>
Blind/Disabled	<p>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:</p> <ul style="list-style-type: none"> - Under 21 years of age; - Age 21 + 	<p>Same as Current Program</p>
Duals – Medicaid & Medicare	<p>Individuals who are dually eligible for Medicaid and Medicare.</p>	<p>Same as Current Program</p>
Uninsured (TennCare Standard)	<p>Eligible for TennCare program because no other insurance coverage is available. Demographic categories similar to the Medicaid eligibles are used.</p>	<p>Adults below 100% poverty who enrolled as uninsureds who continue to lack access to health insurance.</p> <p>Children under age 19 whose family incomes are below 200% poverty</p> <p>People who lost Medicaid eligibility and who subsequently applied for TennCare and met the definition of "uninsured."</p>

TABLE 1 TENNCARE ELIGIBILITY CATEGORIES OLD WAIVER AND NEW WAIVER STRUCTURES		
	OLD WAIVER	NEW WAIVER
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.
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 (TennCare Standard)	Not applicable	Individuals who have applied for TennCare Standard and have been determined by the state or a state-contracted underwriter to be unable to purchase health care insurance in the private market because of health conditions. If the individual is Medicare-eligible but not Medicaid-eligible, he or she must have been in the program before Jan. 1, 2002.
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 (Benefits are limited to fee-for-service pharmacy)

To develop medical fund targets or capitation rates, 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 October 1, 2000 through September 30, 2002, updating our databases obtained for earlier analyses. The database included claims records for prescription drugs provided to Dual eligibles and for behavioral health drugs 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, and pharmacy. 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. 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, claim service category, eligibility group and month of service to ensure the units of service and resulting per-member-per-month raw values did not have poor data quality. Additionally to ensure the completeness of the data, we compared the encounter data for each plan to the paid expenditure data reported in the monthly Medical Loss Ratio reports that are submitted to the Department of Commerce and Insurance.

Access Med Plus terminated operations October 2001. Upon inspection of the data, it was apparent that there was significant missing information for this plan starting around May 2001. In prior analyses we have typically used twenty-four months of encounter data as the basis of our actuarial analysis. In light of the issues with the Access Med Plus data and given the large number of participants in the TennCare program, data incurred during the one-year period from October 2001 through September 2002 paid through December 31, 2002 form the basis of this year's analysis. Prescription drug claims are typically paid quickly after incurral. Consequently, we used prescription drug data for services incurred from October 2001 through December 31, 2002 and paid through December 31, 2002.

Universal Health Plan experienced a “break” in provider payments in the spring of 2002. We obtained information from the Department of Commerce

and Insurance regarding the amount and distribution of the missing data. We were informed that approximately \$40 million in provider payments was missing from the encounter data, and there was no reason to believe there was a bias in which providers were not paid during this time period, with the exception that prescription drug claims tend to be paid quickly at the point of sale. Based upon this information, we allocated \$40 million in paid expenditures across all eligibility categories and service categories excluding prescription drugs. The allocation was done pro-rata based upon paid amounts reported on the encounter data. Billed charges and units of service for Universal Health Plan enrollees were similarly increased, resulting in an approximate adjustment of 25% over the Universal data that were included in the encounter database.

This analysis relies primarily on the amounts reported as paid by health plans on the encounter database. This change in methodology was made for two reasons:

1. Under the stabilization plan, health plans are paid directly by the TennCare Bureau based on the value of the paid amounts on the encounter database, resulting in incentives to ensure those values are accurate and complete. Previously the paid amount was not an edited field and had questionable reliability; and
2. Health plans have significantly reduced their reliance on subcapitation as a means of paying providers, again increasing the reliability of the paid amount in the encounter data.

During the data period some of the plans paid for a portion of services on a capitated basis and sometimes reported the paid amount for those services as zero. In these instances we calculated an estimated paid amount for the service. For professional services, the calculated amount is the average paid amount for the non-capitated services for each procedure code. This calculation is performed separately for each eligibility category. Outpatient amounts are calculated as the average non-capitated outpatient payment per service by eligibility category. Home health is similarly calculated. Vanderbilt is the only health plan that capitates providers for inpatient hospital services. Less than 25% of Vanderbilt's encounter data included payment amounts. As a result, we excluded Vanderbilt inpatient data from our analysis of paid expenditures, since the actual payments per day could not be

accurately estimated. In the calculation of paid per member per month inpatient expenditures we also exclude the Vanderbilt member months, thereby resulting in an accurate cost per member per month for the TennCare program as a whole. Vanderbilt’s data is included in our analysis of billed charges and units of service. The following chart illustrates the percent of claims with calculated paid amounts by service category.

Home Health Care	0.70%
Outpatient	2.50%
Professional	9.20%

Encounter records 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, 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 inpatient length of stay.

TABLE 3	
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 data 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. The eligibility data included information regarding reverification status of the Uninsured and Uninsurable population. Because individuals have until March 31, 2004 to prove TennCare eligibility, our study includes all eligibles during the data period regardless of the preliminary reverification decision. However, individuals who changed eligibility categories as a result of reverification were assigned to their new eligibility category, as we assumed those changes provide a better representation of the category in which each person would qualify. For example, if an individual was classified as Uninsured prior to reverification and reverified as Medicaid, all claims and prior periods of eligibility for that individual were changed to Medicaid status.

The State underwent a different eligibility reverification process prior to beginning waiver eligibility reverification. This first procedure eliminated individuals who were considered to be fraudulently or inaccurately enrolled in

the program. This group of approximately 85,000 individuals and their claims information are excluded from the analysis.

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, paid expenditures and member months of eligibility for October 2001 through September 2002 (through December 2002 for pharmacy),
- Charges per member per month,
- Paid expenditures per member per month
- Unadjusted units of service,
- Units/1,000 members, 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.
- Paid expenditures per unit of service.

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. The following describes information from a report published in 2001 as well as more current information that we were able to glean from the marketplace.

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 at the time of this report, many Medicaid programs were 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 2004. At the end of this section, we provide an update on changes in program payment levels.

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 4 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.

TABLE 5			
EXAMPLES OF INPATIENT HOSPITAL EXPENDITURES PER DAY			
State	Data Period	Expenditure Per Day	Comments
Illinois	FY 2001	\$1,200	TANF and related
Florida	FY 1999	\$877	TANF&SOBRA eligibles
Tennessee	FY 2003	\$825	All aid categories & expanded populations
Missouri	FY 2001	\$820	TANF only
Mississippi	FY 2000	\$796	All aid categories
Virginia	FY 2002	\$692	All aid categories
Kentucky	FY 2002	\$611	All aid categories

The payments per day described in this table do not include any supplemental Disproportionate Share Hospital (DSH) payments that provide compensation for a portion of the care provided to individuals who are not covered by health insurance. Tennessee does not have a Disproportionate Share Hospital payment program, in large part because TennCare covers the Uninsured and Uninsurable, and the funds that may have been available to fund DSH payments are allocated to direct payments for services for these groups.

Changes in Payment Per Unit Since Prior Fiscal Year

We were able to gather information about changes in physician, inpatient hospital and outpatient hospital from various state Medicaid programs since their prior fiscal year. The following chart highlights our findings.

TABLE 6			
PAYMENT CHANGE SINCE PRIOR YEAR			
FY 04 STATE MEDICAID PROGRAMS - CHANGE IN REIMBURSEMENT PER UNIT OF SERVICE			
State	Physician	Inpatient Hospital	Outpatient Hospital
North Carolina	Not Available	No Change	Decrease
West Virginia	Increase	Increase	No Change
Alabama	Not Available		
Mississippi	Not Available		
Georgia	Not Available	Increase	Not Available
Arkansas	No Change	No Change	No Change
Tennessee	No Change	No Change	Increase
Kentucky	No Change	No Change	Decrease
Virginia	No Change	Decrease	Decrease
Louisiana	Not Available	No Change	Not Available
Florida	Not Available		
South Carolina	Increase	No Change	No Change
Missouri	Not Available		

In general, states have either frozen or reduced provider payment levels over the past years. There have been some limited increases in rates, typically where rate setting methodology is cost or charge-based.

Cost per Unit for TennCare for FY 2004

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 FY2004. We have used the paid amount on the encounter records, adjusted as described above. 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.

TABLE 7		
WEIGHTED AVERAGE COST / UNIT; PAID BASIS		
	Cost / Unit TennCare Only Members	Cost / Unit Dual TennCare / Medicare Members
Pharmacy	\$33.78	\$38.95
Home Health Care	\$160.34	\$197.73
Inpatient	\$825.67	\$331.26
Outpatient	\$243.08	\$387.40
Professional	\$42.50	\$18.97
DME / Supplies	\$8.58	\$1.92
Lab	\$10.91	\$7.76
Radiology	\$36.82	\$19.48
Transportation / Ambulance	\$12.67	\$8.64

Please refer to Table 3 for a definition of the units associated with each service category.

As a point of comparison, we calculated the amount providers would be paid based on two values:

- For professional services, we calculated the payments based on 85% of the 2003 Medicare fee schedule.
- For hospital services, we assumed a payment of \$825 per day for all eligibility categories except Dual eligibles.

Table 8 shows the payments per unit of service under this alternative pricing methodology.

TABLE 8		
WEIGHTED AVERAGE COST / UNIT; ALTERNATIVE		
	Cost / Unit TennCare Only Members	Cost / Unit Dual TennCare / Medicare Members
Pharmacy	\$33.78	\$38.95
Home Health Care	\$160.34	\$197.73
Inpatient	\$825.00	\$331.00
Outpatient	\$243.08	\$387.40
Professional	\$43.47	\$19.40
DME / Supplies	\$8.72	\$1.95
Lab	\$11.57	\$8.23
Radiology	\$37.70	\$19.95
Transportation / Ambulance	\$21.91	\$14.93

Outpatient hospital services are generally paid through one of two methodologies:

- Some health plans contract with hospitals on a percentage of billed charges basis;
- Other plans pay for these services based on the Medicare outpatient payment methodology.

The encounter database does not include the data elements needed to calculate the implied Medicare payment amount. However, we examined the data for those plans known to pay on the basis of the Medicare formula to identify the relationship between billed charges and payments. Table 9 shows the percentage of billed charges paid by all plans and for plans paying on the basis of the Medicare formula.

TABLE 9 OUTPATIENT PAYMENT PER SERVICE ALL PLANS COMPARED TO MEDICARE FORMULA		
	All Plans	Plans Paying per Medicare
Medicaid (TANF & Related)	33.5%	25.2%
Disabled	33.2%	27.5%
Duals (Medicare & TennCare)	38.8%	28.2%
Uninsured	32.1%	23.7%
Uninsurable / Medically Eligible	31.8%	23.0%
Waiver Duals (Uninsurable & TennCare)	21.8%	14.0%
All Eligibility Groups	32.8%	25.1%

For pharmacy data, we use the paid amount on the encounter data file. The paid amount is adjusted for rebates received by health plans from pharmaceutical manufacturers, and averages 7%. 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.

Effect of the Grier Consent Decree

The Grier Consent Decree has had an important effect on the costs of the TennCare program. That 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 paid amount per prescription by month from January 1999 to December 2002, 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, and another significant increase in January 2002. Based on this data analysis, we calculated the effect of the Decree on both the number of prescriptions written and the paid amount per member per month.

The Grier Consent Decree was in effect during our entire data period, therefore, it was not necessary to make adjustments to the base data. However, we have estimated the impact of the additional cost of Grier in Fiscal 2004 as \$130 to \$190 million. In other words, absent the Grier Consent Decree, total program expenditures would be decreased by these amounts. We believe that Grier will continue to add additional costs to the program in the future. In developing our pharmacy trend rate we assumed the Consent Decree would continue to be in effect. Our contract period trend value was developed based on a combination of TennCare experience data and industry estimates of changes in costs.

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

IBNR and Trend

The non-pharmacy claims data covers dates of service from October 2001 through September 2002, with runout through December 2002. Pharmacy claims include dates of service through December 31, 2002. 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.

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. The TennCare Bureau has indicated it will require managed care organizations to hold contractual relationships between plans and providers constant in FY 2004. Practically, this means that providers that are currently paid on a fee-schedule basis will receive the same amount per unit of service (with changes occurring only if the mix of services changes) in FY 2004 as was true during the data period. Those services that are paid on a percentage of charge basis will likely continue to see fee increases. Increases in the numbers of services provided

will also result in changes in per capita costs. The trend calculations have been made considering those areas where only utilization trend is expected and those areas where both cost and utilization changes will affect program costs.

The trend rates are applied in two steps, first updating the data to January 1, 2003, the end of our data period, and then to the midpoint of the contract period, January 1, 2004. The historical and contract period annual trend factors are shown in Exhibit 2a.

Change in Responsibility for Certain Behavioral Health Services

Beginning in July 2003, TennCare MCOs took definitive responsibility for certain behavioral health services. These services, defined as behavioral health services delivered by primary care providers, had 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.

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 9.25% for all services except pharmacy for those who are dually eligible for TennCare and Medicare, consistent with current TennCare Bureau contracts with plans to provide Administrative Services. Common administrative cost allowances in other state Medicaid managed care programs, including premium tax and risk payments, range from 8% to 15%.

We have also modeled expected administrative costs assuming prescription drug services are carved out of all MCO contracts. Under that scenario, we would expect the administrative costs would represent a higher percentage of total costs, as health plans generally do not use a proportionate amount of their administrative payments to cover the requirements for prescription drugs. We gathered information on current healthplan expenditures for administering prescription drugs and adjusted the administrative cost load accordingly. Our

calculation yielded an 11.75% administrative cost load when prescription drugs are excluded from MCO contracts.

Calculation of Per Capita Costs

The per capita costs for Fiscal Year 2004 are calculated based on the historical data shown in Exhibit 1, 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. Exhibits 4a and 4b show the variation in utilization and per member per month costs by Grand Region.

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

1. The billed claims, paid amount, 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 non-dual pharmacy paid amounts are adjusted to reflect pharmacy rebates.
3. The paid amounts are then multiplied by appropriate trend and IBNR adjustment factors to move the data from the midpoint of the historical data period (July 1, 2002) to January 1, 2003, and finally to the midpoint of the contract period (January 1, 2004).
4. The claims costs are then divided by the count of member months for each rate cell to arrive at PMPM costs by service category and rate cell.
5. The PMPM costs are summarized by rate cell across all service categories to arrive at the total claims cost for each rate cell.
6. An administrative cost percentage is then added to this total PMPM cost to calculate the per capita costs for FY 2004.

The per capita costs include adjustments for Third Party Liability and participant point-of-service cost sharing. We have assumed that plans will continue to collect Third Party Liability payments consistent with their

experience during the data period. We have also calculated the value of participant point-of- service cost sharing under the new waiver design.

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. Upon implementation of the waiver benefit package, limits will be imposed on certain services. TennCare Standard participants will contribute to the cost of services through copays for certain services such as pharmacy and hospital emergency room services. Individuals who are dually eligible for Medicare and TennCare Uninsurable will only have coverage for pharmacy services.

Summary Results – Old Waiver Program

Exhibit 5a displays the final per capita costs. Exhibit 5b displays the final per capita costs that would be funded through direct capitation payments made to health plans under a risk based program including prescription drugs for non-Dual eligibles. Exhibit 5c displays per capita costs excluding prescription drugs for all TennCare enrollees.

Summary Results – New Waiver Program

Exhibit 6a displays the results assuming immediate implementation of the new benefit package. Under this same benefit package, Exhibit 6b displays the final per capita costs that would be funded through direct capitation payments made to health plans under a risk based program including prescription drugs for non-Dual eligibles and Exhibit 6c displays per capita costs excluding prescription drugs for all TennCare enrollees

Variation in Costs Based on Reverification Status

In response to the new waiver eligibility criteria, the TennCare Bureau began a reverification process for all expansion population participants. Prior to completing this effort the process was halted by court order. Individuals have now been given until March 31, 2004 to provide the necessary documentation and to challenge their removal from the program.

In this analysis we retained those individual's claims and eligibility data in developing the per capita cost estimates. However, it is likely that a large, though unknown, percentage of those persons initially considered to be ineligible will not reenroll in the program. Our analysis shows that those

individuals who were initially removed from TennCare during the reverification process have a per capita cost that is lower than the overall average for their eligibility category. Therefore, if they continue to be ineligible, the per capita cost for the remaining TennCare enrollees will be higher than the values shown here. To allow for more accurate budget estimates, Exhibit 7a shows the relative per capita cost for the various categories of TennCare enrollees by their reverification status, including the reason for the determination of ineligibility. Exhibit 7b also shows the percentage of the population falling into each category in our data files.

Dental Costs

Effective October 2002, dental services were carved out of the managed care contracts. The services are now paid fee-for-service and are administered by a Dental Benefits Manager. Under the new waiver, TennCare Standard enrollees are 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 is calculated to be fully self-funding. Medicaid adults continue to be covered for emergency dental services.

Dental estimates were developed based on assumptions regarding changes in utilization of services compared to use rates that were observed when health plans had responsibility for this service. The dental estimates under the ASO contract assumed a 60% increase in payments per unit of service over rates in place in 2001. The calculations also assumed an increase in the proportion of the population using services. Our 2002 analysis showed that 28% of children were using Diagnostic and Preventive services; we assumed a 20% increase in utilization under the new contract.

The experience of the modified program is relatively new, and stable calculations of utilization rates cannot be made. However, we assessed the percentage of the population using any dental service prior to the program change and found an increase of ranging from 20% to 30%, a level that is consistent with our FY 2003 estimates. We believe the estimates developed for FY 2003 are therefore a reasonable basis for developing expenditure expectations for FY 2004. We assumed utilization rates would increase at levels similar to those for physician services.

The following table shows our best estimate of FY 2004 dental costs that will be covered by TennCare. It will be important to monitor dental utilization rates on an ongoing basis to ensure these budget estimates are appropriate. The significant change in the program design could yield different results.

TABLE 10 SUMMARY OF EXPECTED DENTAL PER CAPITA COSTS FY 2004	
Eligibility Group	FY 2004
Medicaid (TANF & Related)	\$10.95
Disabled	\$5.35
Duals - Medicare & TennCare	\$0.91
Uninsured	\$6.37
Children (Age under 18)	\$12.09
Adults (Age over 19)	\$2.26
Uninsurable / Medically Eligible	\$2.20
Children (Age under 18)	\$14.64
Adults (Age over 19)	\$1.50
Waiver Duals - Uninsurable & TennCare	\$0.77
All Eligibility Groups	\$6.84

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. TennCare Partners is in the process of developing a Request for Proposals to solicit participation of new managed care plans. The final structure of the program has not yet been defined, and consequently we are not able to provide an assessment of expected costs under the program. An increase of 4.5% has been budgeted for TennCare Partners.

The following table shows the budgeted amount for BHO services for FY 2004.

TABLE 11	
SUMMARY OF TENNCARE PARTNERS COSTS	
FY 2004	
	Total
FY 2003 BHO Budget	\$390,000,000
4.5% Budget Increase	\$17,550,000
Total	\$407,550,000

These values are subject to significant uncertainty, as there have been recent changes in the BHO contracting arrangements and the Mental Health Division is currently considering additional contracting options. We recommend regular monitoring of BHO expenditures.

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, excluding administrative costs, of \$37.29 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 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

All Eligibility Categories All Ages								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	16,850,958	20,859,492	16,459,817					
Service Category								
Pharmacy - Brand	\$1,294,437,633	\$62.06	\$1,115,612,763	\$53.48	16,177,409	9,307	\$80.02	\$68.96
Pharmacy - Generic	\$514,369,584	\$24.66	\$315,936,132	\$15.15	20,708,707	11,913	\$24.84	\$15.26
Home Health Care	\$71,860,216	\$4.26	\$51,005,522	\$3.03	312,848	223	\$229.70	\$163.04
IP - Maternity	\$192,468,902	\$11.42	\$59,524,780	\$3.62	88,371	63	\$2,177.95	\$673.58
IP - Newborn	\$186,815,705	\$11.09	\$83,758,252	\$5.09	107,015	76	\$1,745.69	\$782.68
IP - Other	\$1,399,130,898	\$83.03	\$373,259,579	\$22.68	438,616	312	\$3,189.88	\$850.99
OP - Emergency Room	\$136,676,442	\$8.11	\$56,834,922	\$3.37	231,718	165	\$589.84	\$245.28
OP - Other	\$1,309,202,656	\$77.69	\$415,517,660	\$24.66	1,696,789	1,208	\$771.58	\$244.88
Prof - Evaluation & Management	\$836,608,246	\$49.65	\$392,712,441	\$23.31	11,163,371	7,950	\$74.94	\$35.18
Prof - Maternity	\$89,902,937	\$5.34	\$42,523,252	\$2.52	83,363	59	\$1,078.45	\$510.09
Prof - Other	\$526,481,899	\$31.24	\$160,447,779	\$9.52	2,968,118	2,114	\$177.38	\$54.06
Prof - DME/Supplies	\$85,271,879	\$5.06	\$53,302,547	\$3.16	7,519,730	5,355	\$11.34	\$7.09
Prof - Lab	\$153,604,898	\$9.12	\$49,536,944	\$2.94	4,562,700	3,249	\$33.67	\$10.86
Prof - Radiology	\$211,359,189	\$12.54	\$65,360,649	\$3.88	1,795,825	1,279	\$117.69	\$36.40
Prof - Transportation/Ambulance	\$80,100,755	\$4.75	\$49,214,072	\$2.92	4,552,051	3,242	\$17.60	\$10.81
Total	\$7,088,291,839	\$400.02	\$3,284,547,295	\$179.32	72,406,631		\$97.90	\$45.36

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Medicaid (TANF & Related)								
All Ages								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	6,683,159	8,506,058	6,499,313					
Service Category								
Pharmacy - Brand	\$122,673,753	\$14.42	\$113,446,158	\$13.34	2,052,028	2,895	\$59.78	\$55.28
Pharmacy - Generic	\$52,891,850	\$6.22	\$39,037,040	\$4.59	3,266,363	4,608	\$16.19	\$11.95
Home Health Care	\$8,262,025	\$1.24	\$5,987,079	\$0.90	29,147	52	\$283.46	\$205.41
IP - Maternity	\$155,559,806	\$23.28	\$48,178,242	\$7.41	71,908	129	\$2,163.32	\$670.00
IP - Newborn	\$141,842,091	\$21.22	\$63,859,592	\$9.83	83,273	150	\$1,703.34	\$766.87
IP - Other	\$245,696,678	\$36.76	\$71,083,930	\$10.94	78,121	140	\$3,145.06	\$909.92
OP - Emergency Room	\$53,922,856	\$8.07	\$23,749,871	\$3.55	116,751	210	\$461.86	\$203.42
OP - Other	\$391,334,063	\$58.56	\$125,212,851	\$18.74	642,774	1,154	\$608.82	\$194.80
Prof - Evaluation & Management	\$313,870,918	\$46.96	\$156,703,662	\$23.45	4,354,279	7,818	\$72.08	\$35.99
Prof - Maternity	\$73,162,401	\$10.95	\$34,698,008	\$5.19	67,066	120	\$1,090.89	\$517.37
Prof - Other	\$149,067,631	\$22.30	\$46,288,445	\$6.93	1,002,626	1,800	\$148.68	\$46.17
Prof - DME/Supplies	\$9,566,584	\$1.43	\$6,025,133	\$0.90	325,822	585	\$29.36	\$18.49
Prof - Lab	\$55,112,559	\$8.25	\$18,835,301	\$2.82	1,787,690	3,210	\$30.83	\$10.54
Prof - Radiology	\$61,366,867	\$9.18	\$19,245,202	\$2.88	561,654	1,008	\$109.26	\$34.27
Prof - Transportation/Ambulance	\$16,013,242	\$2.40	\$7,666,386	\$1.15	542,157	973	\$29.54	\$14.14
Total	\$1,850,343,325	\$271.24	\$780,016,899	\$112.60	14,981,660		\$123.51	\$52.06

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Medicaid (TANF & Related)								
Age Under 1								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	404,700	509,963	393,055					
Service Category								
Pharmacy - Brand	\$5,131,499	\$10.06	\$4,858,838	\$9.53	84,233	1,982	\$60.92	\$57.68
Pharmacy - Generic	\$1,773,663	\$3.48	\$1,453,462	\$2.85	172,686	4,063	\$10.27	\$8.42
Home Health Care	\$2,176,601	\$5.38	\$1,641,611	\$4.06	5,218	155	\$417.12	\$314.60
IP - Maternity	\$26,802	\$0.07	\$4,688	\$0.01	15	0	\$1,740.01	\$304.37
IP - Newborn	\$78,956,949	\$195.10	\$35,897,724	\$91.33	37,582	1,114	\$2,100.91	\$955.18
IP - Other	\$39,091,282	\$96.59	\$14,503,766	\$36.90	15,739	467	\$2,483.77	\$921.54
OP - Emergency Room	\$4,481,343	\$11.07	\$2,179,635	\$5.39	13,288	394	\$337.24	\$164.03
OP - Other	\$19,930,784	\$49.25	\$7,453,865	\$18.42	49,281	1,461	\$404.43	\$151.25
Prof - Evaluation & Management	\$52,196,368	\$128.98	\$26,695,067	\$65.96	832,434	24,683	\$62.70	\$32.07
Prof - Maternity	\$9,251	\$0.02	\$4,881	\$0.01	5	0	\$1,789.88	\$944.26
Prof - Other	\$7,248,770	\$17.91	\$2,312,598	\$5.71	32,367	960	\$223.96	\$71.45
Prof - DME/Supplies	\$1,952,086	\$4.82	\$1,157,224	\$2.86	35,774	1,061	\$54.57	\$32.35
Prof - Lab	\$1,409,925	\$3.48	\$460,341	\$1.14	51,320	1,522	\$27.47	\$8.97
Prof - Radiology	\$2,025,545	\$5.01	\$577,336	\$1.43	35,469	1,052	\$57.11	\$16.28
Prof - Transportation/Ambulance	\$1,208,024	\$2.98	\$532,257	\$1.32	32,019	949	\$37.73	\$16.62
Total	\$217,618,893	\$534.21	\$99,733,293	\$246.91	1,397,431		\$155.73	\$71.37

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Medicaid (TANF & Related)								
Ages 1 - 13								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	3,508,897	4,467,100	3,411,008					
Service Category								
Pharmacy - Brand	\$36,536,584	\$8.18	\$33,784,486	\$7.56	697,619	1,874	\$52.37	\$48.43
Pharmacy - Generic	\$11,804,164	\$2.64	\$9,454,638	\$2.12	848,329	2,279	\$13.91	\$11.15
Home Health Care	\$2,486,289	\$0.71	\$1,876,853	\$0.53	9,878	34	\$251.70	\$190.00
IP - Maternity	\$261,314	\$0.07	\$68,557	\$0.02	115	0	\$2,272.56	\$596.21
IP - Newborn	\$79,592	\$0.02	\$32,824	\$0.01	77	0	\$1,030.39	\$424.94
IP - Other	\$42,884,059	\$12.22	\$13,385,290	\$3.92	17,226	59	\$2,489.52	\$777.05
OP - Emergency Room	\$17,007,331	\$4.85	\$8,219,472	\$2.34	48,224	165	\$352.68	\$170.44
OP - Other	\$102,048,054	\$29.08	\$37,164,881	\$10.59	215,986	739	\$472.47	\$172.07
Prof - Evaluation & Management	\$109,071,158	\$31.08	\$58,268,565	\$16.61	1,757,769	6,011	\$62.05	\$33.15
Prof - Maternity	\$85,051	\$0.02	\$42,241	\$0.01	121	0	\$705.77	\$350.52
Prof - Other	\$32,329,948	\$9.21	\$11,073,584	\$3.16	286,956	981	\$112.67	\$38.59
Prof - DME/Supplies	\$2,560,966	\$0.73	\$1,646,040	\$0.47	140,485	480	\$18.23	\$11.72
Prof - Lab	\$10,318,333	\$2.94	\$3,570,149	\$1.02	409,044	1,399	\$25.23	\$8.73
Prof - Radiology	\$7,920,238	\$2.26	\$2,305,819	\$0.66	127,644	437	\$62.05	\$18.06
Prof - Transportation/Ambulance	\$3,574,791	\$1.02	\$1,759,370	\$0.50	134,072	459	\$26.66	\$13.12
Total	\$378,967,871	\$105.05	\$182,652,770	\$49.52	4,693,545		\$80.74	\$38.92

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Medicaid (TANF & Related)								
Ages 14 - 18 Female								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	465,465	594,233	454,353					
Service Category								
Pharmacy - Brand	\$6,903,489	\$11.62	\$6,362,815	\$10.71	135,573	2,738	\$50.92	\$46.93
Pharmacy - Generic	\$3,442,018	\$5.79	\$2,537,524	\$4.27	228,375	4,612	\$15.07	\$11.11
Home Health Care	\$199,496	\$0.43	\$138,460	\$0.30	1,096	28	\$182.09	\$126.38
IP - Maternity	\$21,798,228	\$46.83	\$6,598,689	\$14.52	10,462	270	\$2,083.58	\$630.74
IP - Newborn	\$9,639,257	\$20.71	\$4,211,394	\$9.27	8,569	221	\$1,124.84	\$491.44
IP - Other	\$9,784,508	\$21.02	\$2,682,094	\$5.90	2,979	77	\$3,284.18	\$900.25
OP - Emergency Room	\$3,671,320	\$7.89	\$1,540,316	\$3.31	6,997	180	\$524.74	\$220.15
OP - Other	\$28,165,691	\$60.51	\$8,299,447	\$17.83	50,544	1,303	\$557.25	\$164.20
Prof - Evaluation & Management	\$21,152,097	\$45.44	\$10,846,286	\$23.30	266,172	6,862	\$79.47	\$40.75
Prof - Maternity	\$10,267,209	\$22.06	\$4,881,289	\$10.49	9,046	233	\$1,134.97	\$539.59
Prof - Other	\$10,210,931	\$21.94	\$3,348,626	\$7.19	99,299	2,560	\$102.83	\$33.72
Prof - DME/Supplies	\$335,311	\$0.72	\$228,867	\$0.49	11,470	296	\$29.23	\$19.95
Prof - Lab	\$6,430,294	\$13.81	\$2,321,506	\$4.99	218,259	5,627	\$29.46	\$10.64
Prof - Radiology	\$5,423,333	\$11.65	\$1,747,223	\$3.75	44,368	1,144	\$122.24	\$39.38
Prof - Transportation/Ambulance	\$1,421,637	\$3.05	\$664,502	\$1.43	45,968	1,185	\$30.93	\$14.46
Total	\$138,844,819	\$293.48	\$56,409,038	\$117.75	1,139,176		\$121.88	\$49.52

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Medicaid (TANF & Related)								
Ages 14 - 18 Male								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	408,401	524,085	398,936					
Service Category								
Pharmacy - Brand	\$4,015,850	\$7.66	\$3,670,946	\$7.00	54,735	1,253	\$73.37	\$67.07
Pharmacy - Generic	\$1,724,552	\$3.29	\$1,198,724	\$2.29	101,276	2,319	\$17.03	\$11.84
Home Health Care	\$194,810	\$0.48	\$122,498	\$0.30	961	28	\$202.71	\$127.46
IP - Maternity	\$11,377	\$0.03	\$4,878	\$0.01	8	0	\$1,350.96	\$579.20
IP - Newborn	\$2,571	\$0.01	\$1,075	\$0.00	5	0	\$489.40	\$204.66
IP - Other	\$10,217,823	\$25.02	\$2,528,687	\$6.34	2,169	64	\$4,711.92	\$1,166.10
OP - Emergency Room	\$2,050,469	\$5.02	\$895,399	\$2.19	4,009	118	\$511.41	\$223.32
OP - Other	\$16,278,767	\$39.86	\$4,496,148	\$11.01	24,615	723	\$661.33	\$182.66
Prof - Evaluation & Management	\$9,723,678	\$23.81	\$4,936,270	\$12.09	132,398	3,890	\$73.44	\$37.28
Prof - Maternity	\$8,375	\$0.02	\$5,137	\$0.01	4	0	\$2,017.62	\$1,237.58
Prof - Other	\$5,168,639	\$12.66	\$1,714,708	\$4.20	37,471	1,101	\$137.94	\$45.76
Prof - DME/Supplies	\$330,840	\$0.81	\$233,544	\$0.57	9,615	283	\$34.41	\$24.29
Prof - Lab	\$1,145,247	\$2.80	\$409,600	\$1.00	41,883	1,231	\$27.34	\$9.78
Prof - Radiology	\$2,026,248	\$4.96	\$589,114	\$1.44	26,823	788	\$75.54	\$21.96
Prof - Transportation/Ambulance	\$824,854	\$2.02	\$359,050	\$0.88	21,233	624	\$38.85	\$16.91
Total	\$53,724,099	\$128.44	\$21,165,779	\$49.34	457,205		\$117.51	\$46.29

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Medicaid (TANF & Related)								
Ages 19 - 20 Female								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	201,604	255,472	195,717					
Service Category								
Pharmacy - Brand	\$3,408,433	\$13.34	\$3,175,013	\$12.43	71,999	3,382	\$47.34	\$44.10
Pharmacy - Generic	\$2,050,076	\$8.02	\$1,571,380	\$6.15	153,538	7,212	\$13.35	\$10.23
Home Health Care	\$255,150	\$1.27	\$187,280	\$0.93	654	39	\$390.30	\$286.48
IP - Maternity	\$30,278,499	\$150.19	\$9,550,913	\$48.80	14,480	862	\$2,091.10	\$659.61
IP - Newborn	\$13,661,282	\$67.76	\$6,092,928	\$31.13	9,577	570	\$1,426.53	\$636.23
IP - Other	\$6,621,174	\$32.84	\$2,100,069	\$10.73	2,059	123	\$3,215.58	\$1,019.90
OP - Emergency Room	\$2,866,168	\$14.22	\$1,172,462	\$5.82	5,132	305	\$558.46	\$228.45
OP - Other	\$20,567,711	\$102.02	\$6,100,796	\$30.26	36,813	2,191	\$558.71	\$165.72
Prof - Evaluation & Management	\$14,113,905	\$70.01	\$6,727,569	\$33.37	142,931	8,508	\$98.75	\$47.07
Prof - Maternity	\$14,582,276	\$72.33	\$6,972,965	\$34.59	13,693	815	\$1,064.96	\$509.24
Prof - Other	\$9,134,107	\$45.31	\$2,978,950	\$14.78	85,613	5,096	\$106.69	\$34.80
Prof - DME/Supplies	\$226,628	\$1.12	\$143,935	\$0.71	4,981	296	\$45.50	\$28.90
Prof - Lab	\$5,283,727	\$26.21	\$1,893,615	\$9.39	168,385	10,023	\$31.38	\$11.25
Prof - Radiology	\$5,043,277	\$25.02	\$1,692,344	\$8.39	34,929	2,079	\$144.39	\$48.45
Prof - Transportation/Ambulance	\$1,062,454	\$5.27	\$488,362	\$2.42	25,768	1,534	\$41.23	\$18.95
Total	\$129,154,868	\$634.93	\$50,848,580	\$249.90	770,552		\$167.61	\$65.99

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Medicaid (TANF & Related)								
Ages 19 - 20 Male								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	70,472	90,981	68,432					
Service Category								
Pharmacy - Brand	\$593,929	\$6.53	\$554,814	\$6.10	8,431	1,112	\$70.44	\$65.80
Pharmacy - Generic	\$348,614	\$3.83	\$248,118	\$2.73	21,731	2,866	\$16.04	\$11.42
Home Health Care	\$40,452	\$0.57	\$24,824	\$0.35	186	32	\$217.00	\$133.16
IP - Maternity	\$40,014	\$0.57	\$10,314	\$0.15	21	4	\$1,872.62	\$482.67
IP - Newborn	\$6,143	\$0.09	\$3,099	\$0.05	8	1	\$730.86	\$368.76
IP - Other	\$4,960,117	\$70.38	\$1,700,363	\$24.85	1,115	190	\$4,447.59	\$1,524.67
OP - Emergency Room	\$652,162	\$9.25	\$263,748	\$3.74	1,137	194	\$573.44	\$231.91
OP - Other	\$3,810,788	\$54.08	\$1,030,399	\$14.62	5,565	948	\$684.77	\$185.15
Prof - Evaluation & Management	\$1,878,445	\$26.66	\$805,184	\$11.43	18,960	3,228	\$99.08	\$42.47
Prof - Maternity	\$20,225	\$0.29	\$9,827	\$0.14	10	2	\$1,987.64	\$965.75
Prof - Other	\$1,367,363	\$19.40	\$395,396	\$5.61	5,574	949	\$245.31	\$70.93
Prof - DME/Supplies	\$65,710	\$0.93	\$52,557	\$0.75	1,401	239	\$46.90	\$37.51
Prof - Lab	\$163,789	\$2.32	\$53,440	\$0.76	4,698	800	\$34.86	\$11.37
Prof - Radiology	\$527,134	\$7.48	\$162,530	\$2.31	6,266	1,067	\$84.12	\$25.94
Prof - Transportation/Ambulance	\$312,255	\$4.43	\$125,469	\$1.78	7,074	1,205	\$44.14	\$17.74
Total	\$14,787,140	\$206.81	\$5,440,081	\$75.35	82,180		\$179.94	\$66.20

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Medicaid (TANF & Related)								
Ages 21 - 44 Female								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	1,310,622	1,666,276	1,272,500					
Service Category								
Pharmacy - Brand	\$43,997,854	\$26.40	\$40,762,491	\$24.46	695,414	5,008	\$63.27	\$58.62
Pharmacy - Generic	\$22,329,963	\$13.40	\$16,133,216	\$9.68	1,314,734	9,468	\$16.98	\$12.27
Home Health Care	\$1,955,864	\$1.49	\$1,427,444	\$1.09	7,321	67	\$267.17	\$194.99
IP - Maternity	\$102,904,849	\$78.52	\$31,837,539	\$25.02	46,699	428	\$2,203.58	\$681.76
IP - Newborn	\$39,438,821	\$30.09	\$17,587,065	\$13.82	27,410	251	\$1,438.84	\$641.62
IP - Other	\$85,089,492	\$64.92	\$22,746,401	\$17.88	23,758	218	\$3,581.44	\$957.40
OP - Emergency Room	\$19,344,958	\$14.76	\$7,916,279	\$6.04	32,509	298	\$595.06	\$243.51
OP - Other	\$162,213,625	\$123.77	\$49,198,718	\$37.54	218,590	2,001	\$742.09	\$225.07
Prof - Evaluation & Management	\$86,205,697	\$65.77	\$39,888,753	\$30.43	977,806	8,953	\$88.16	\$40.79
Prof - Maternity	\$48,091,317	\$36.69	\$22,736,545	\$17.35	44,096	404	\$1,090.62	\$515.62
Prof - Other	\$67,568,421	\$51.55	\$19,622,417	\$14.97	386,291	3,537	\$174.92	\$50.80
Prof - DME/Supplies	\$2,583,572	\$1.97	\$1,641,111	\$1.25	60,601	555	\$42.63	\$27.08
Prof - Lab	\$27,171,231	\$20.73	\$9,156,998	\$6.99	801,476	7,338	\$33.90	\$11.43
Prof - Radiology	\$31,809,214	\$24.27	\$10,160,516	\$7.75	233,962	2,142	\$135.96	\$43.43
Prof - Transportation/Ambulance	\$5,987,143	\$4.57	\$2,844,917	\$2.17	196,025	1,795	\$30.54	\$14.51
Total	\$746,692,020	\$558.92	\$293,660,410	\$216.45	5,066,691		\$147.37	\$57.96

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Medicaid (TANF & Related)								
Ages 21 - 44 Male								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	144,733	187,247	141,971					
Service Category								
Pharmacy - Brand	\$5,809,193	\$31.02	\$5,326,695	\$28.45	68,358	4,381	\$84.98	\$77.92
Pharmacy - Generic	\$2,645,643	\$14.13	\$1,746,613	\$9.33	121,949	7,815	\$21.69	\$14.32
Home Health Care	\$230,770	\$1.59	\$142,344	\$0.98	919	76	\$251.22	\$154.96
IP - Maternity	\$150,813	\$1.04	\$58,543	\$0.41	75	6	\$2,015.11	\$782.23
IP - Newborn	\$18,892	\$0.13	\$13,439	\$0.09	21	2	\$895.02	\$636.66
IP - Other	\$15,794,957	\$109.13	\$4,062,384	\$28.61	4,173	346	\$3,785.00	\$973.48
OP - Emergency Room	\$2,011,527	\$13.90	\$816,996	\$5.64	3,288	273	\$611.80	\$248.49
OP - Other	\$17,247,883	\$119.17	\$4,771,112	\$32.96	19,745	1,637	\$873.51	\$241.63
Prof - Evaluation & Management	\$8,039,928	\$55.55	\$3,443,770	\$23.79	89,104	7,388	\$90.23	\$38.65
Prof - Maternity	\$74,534	\$0.51	\$35,098	\$0.24	64	5	\$1,158.28	\$545.43
Prof - Other	\$6,326,913	\$43.71	\$1,918,960	\$13.26	23,381	1,939	\$270.60	\$82.07
Prof - DME/Supplies	\$629,882	\$4.35	\$392,572	\$2.71	15,504	1,285	\$40.63	\$25.32
Prof - Lab	\$995,061	\$6.88	\$301,839	\$2.09	28,378	2,353	\$35.06	\$10.64
Prof - Radiology	\$2,644,543	\$18.27	\$807,918	\$5.58	22,240	1,844	\$118.91	\$36.33
Prof - Transportation/Ambulance	\$583,729	\$4.03	\$270,689	\$1.87	27,984	2,320	\$20.86	\$9.67
Total	\$63,204,269	\$423.43	\$24,108,972	\$156.04	425,184		\$148.65	\$56.70

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Medicaid (TANF & Related)								
Ages 45 - 64								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	108,118	139,608	105,204					
Service Category								
Pharmacy - Brand	\$10,903,560	\$78.10	\$10,034,881	\$71.88	148,869	12,796	\$73.24	\$67.41
Pharmacy - Generic	\$4,452,305	\$31.89	\$3,002,233	\$21.50	195,580	16,811	\$22.76	\$15.35
Home Health Care	\$524,913	\$4.86	\$320,217	\$2.96	2,115	235	\$248.23	\$151.43
IP - Maternity	\$87,911	\$0.81	\$44,123	\$0.42	33	4	\$2,699.91	\$1,355.10
IP - Newborn	\$38,584	\$0.36	\$20,043	\$0.19	22	2	\$1,730.12	\$898.72
IP - Other	\$25,153,328	\$232.65	\$5,784,859	\$54.99	6,429	714	\$3,912.39	\$899.79
OP - Emergency Room	\$1,598,033	\$14.78	\$661,068	\$6.11	1,985	220	\$805.24	\$333.11
OP - Other	\$17,909,279	\$165.65	\$5,415,259	\$50.09	18,453	2,048	\$970.55	\$293.47
Prof - Evaluation & Management	\$9,735,983	\$90.05	\$4,370,577	\$40.42	118,018	13,099	\$82.50	\$37.03
Prof - Maternity	\$24,163	\$0.22	\$10,026	\$0.09	28	3	\$876.91	\$363.88
Prof - Other	\$8,217,467	\$76.00	\$2,508,301	\$23.20	37,563	4,169	\$218.76	\$66.78
Prof - DME/Supplies	\$715,244	\$6.62	\$437,879	\$4.05	24,872	2,761	\$28.76	\$17.61
Prof - Lab	\$1,889,350	\$17.47	\$580,351	\$5.37	55,140	6,120	\$34.26	\$10.53
Prof - Radiology	\$3,329,019	\$30.79	\$1,033,726	\$9.56	25,335	2,812	\$131.40	\$40.80
Prof - Transportation/Ambulance	\$699,329	\$6.47	\$402,502	\$3.72	34,158	3,791	\$20.47	\$11.78
Total	\$85,278,468	\$756.72	\$34,626,045	\$294.56	668,599		\$127.55	\$51.79

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Medicaid (TANF & Related) Age Over 65								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	60,146	71,093	58,139					
Service Category								
Pharmacy - Brand	\$5,373,363	\$75.58	\$4,915,178	\$69.14	86,796	14,651	\$61.91	\$56.63
Pharmacy - Generic	\$2,320,852	\$32.65	\$1,691,132	\$23.79	108,163	18,257	\$21.46	\$15.64
Home Health Care	\$197,680	\$3.29	\$105,548	\$1.75	800	160	\$247.16	\$131.97
IP - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Newborn	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Other	\$6,099,938	\$101.42	\$1,590,019	\$27.35	2,474	494	\$2,465.43	\$642.64
OP - Emergency Room	\$239,544	\$3.98	\$84,495	\$1.40	182	36	\$1,313.40	\$463.28
OP - Other	\$3,161,481	\$52.56	\$1,282,226	\$21.32	3,181	635	\$993.71	\$403.03
Prof - Evaluation & Management	\$1,753,659	\$29.16	\$721,620	\$12.00	18,687	3,728	\$93.85	\$38.62
Prof - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
Prof - Other	\$1,495,072	\$24.86	\$414,905	\$6.90	8,112	1,619	\$184.30	\$51.14
Prof - DME/Supplies	\$166,345	\$2.77	\$91,404	\$1.52	21,119	4,213	\$7.88	\$4.33
Prof - Lab	\$305,603	\$5.08	\$87,460	\$1.45	9,108	1,817	\$33.55	\$9.60
Prof - Radiology	\$618,316	\$10.28	\$168,676	\$2.80	4,618	921	\$133.89	\$36.52
Prof - Transportation/Ambulance	\$339,026	\$5.64	\$219,268	\$3.65	17,856	3,562	\$18.99	\$12.28
Total	\$22,070,879	\$347.26	\$11,371,932	\$173.07	281,097		\$78.52	\$40.46

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Disabled All Ages								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	1,909,548	2,365,956	1,874,580					
Service Category								
Pharmacy - Brand	\$196,183,755	\$82.92	\$179,143,410	\$75.72	2,316,668	11,750	\$84.68	\$77.33
Pharmacy - Generic	\$82,005,460	\$34.66	\$55,497,488	\$23.46	3,377,359	17,130	\$24.28	\$16.43
Home Health Care	\$45,534,474	\$23.85	\$33,027,055	\$17.30	215,246	1,353	\$211.55	\$153.44
IP - Maternity	\$8,670,787	\$4.54	\$2,802,247	\$1.49	3,869	24	\$2,240.94	\$724.23
IP - Newborn	\$24,793,643	\$12.98	\$11,185,324	\$5.97	12,202	77	\$2,031.93	\$916.68
IP - Other	\$594,717,580	\$311.44	\$159,974,278	\$85.34	194,658	1,223	\$3,055.20	\$821.82
OP - Emergency Room	\$25,948,411	\$13.59	\$10,380,423	\$5.44	32,951	207	\$787.48	\$315.02
OP - Other	\$339,107,462	\$177.59	\$110,413,321	\$57.82	389,191	2,446	\$871.31	\$283.70
Prof - Evaluation & Management	\$189,344,909	\$99.16	\$86,300,690	\$45.19	2,363,469	14,853	\$80.11	\$36.51
Prof - Maternity	\$3,218,806	\$1.69	\$1,482,793	\$0.78	3,016	19	\$1,067.18	\$491.61
Prof - Other	\$128,219,040	\$67.15	\$40,317,181	\$21.11	730,099	4,588	\$175.62	\$55.22
Prof - DME/Supplies	\$48,132,086	\$25.21	\$31,425,738	\$16.46	4,805,711	30,200	\$10.02	\$6.54
Prof - Lab	\$29,406,359	\$15.40	\$9,174,202	\$4.80	860,677	5,409	\$34.17	\$10.66
Prof - Radiology	\$50,835,315	\$26.62	\$15,719,129	\$8.23	437,697	2,751	\$116.14	\$35.91
Prof - Transportation/Ambulance	\$26,078,716	\$13.66	\$14,852,908	\$7.78	1,243,615	7,815	\$20.97	\$11.94
Total	\$1,792,196,804	\$910.44	\$761,696,189	\$376.88	16,986,428		\$105.51	\$44.84

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Disabled Child (Age Under 21)								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	520,511	651,737	514,838					
Service Category								
Pharmacy - Brand	\$21,121,541	\$32.41	\$18,990,039	\$29.14	169,020	3,112	\$124.96	\$112.35
Pharmacy - Generic	\$4,572,588	\$7.02	\$3,208,745	\$4.92	201,342	3,707	\$22.71	\$15.94
Home Health Care	\$24,925,123	\$47.89	\$19,418,001	\$37.31	141,454	3,261	\$176.21	\$137.27
IP - Maternity	\$2,783,974	\$5.35	\$904,706	\$1.76	1,326	31	\$2,099.68	\$682.33
IP - Newborn	\$22,175,411	\$42.60	\$9,698,185	\$18.84	10,503	242	\$2,111.41	\$923.40
IP - Other	\$84,242,046	\$161.84	\$26,122,082	\$50.74	26,389	608	\$3,192.30	\$989.88
OP - Emergency Room	\$1,697,959	\$3.26	\$744,766	\$1.43	3,050	70	\$556.71	\$244.19
OP - Other	\$54,859,841	\$105.40	\$19,842,319	\$38.12	91,476	2,109	\$599.72	\$216.91
Prof - Evaluation & Management	\$36,567,151	\$70.25	\$18,219,776	\$35.00	447,340	10,313	\$81.74	\$40.73
Prof - Maternity	\$973,051	\$1.87	\$450,920	\$0.87	777	18	\$1,251.98	\$580.18
Prof - Other	\$17,606,795	\$33.83	\$4,719,520	\$9.07	155,224	3,579	\$113.43	\$30.40
Prof - DME/Supplies	\$16,877,020	\$32.42	\$11,384,679	\$21.87	2,897,376	66,797	\$5.82	\$3.93
Prof - Lab	\$2,999,802	\$5.76	\$1,040,683	\$2.00	101,408	2,338	\$29.58	\$10.26
Prof - Radiology	\$4,457,173	\$8.56	\$1,239,161	\$2.38	51,935	1,197	\$85.82	\$23.86
Prof - Transportation/Ambulance	\$3,001,127	\$5.77	\$1,518,318	\$2.92	107,065	2,468	\$28.03	\$14.18
Total	\$298,860,603	\$564.23	\$137,501,901	\$256.36	4,405,684		\$67.84	\$31.21

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Disabled Adult (Ages 21 & Over)								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	1,389,037	1,714,219	1,359,742					
Service Category								
Pharmacy - Brand	\$175,062,214	\$102.12	\$160,153,371	\$93.43	2,147,648	15,034	\$81.51	\$74.57
Pharmacy - Generic	\$77,432,872	\$45.17	\$52,288,743	\$30.50	3,176,018	22,233	\$24.38	\$16.46
Home Health Care	\$20,609,351	\$14.84	\$13,609,054	\$9.80	73,792	637	\$279.29	\$184.42
IP - Maternity	\$5,886,813	\$4.24	\$1,897,541	\$1.40	2,543	22	\$2,314.59	\$746.08
IP - Newborn	\$2,618,232	\$1.88	\$1,487,139	\$1.09	1,699	15	\$1,540.74	\$875.13
IP - Other	\$510,475,534	\$367.50	\$133,852,196	\$98.44	168,269	1,454	\$3,033.70	\$795.47
OP - Emergency Room	\$24,250,452	\$17.46	\$9,635,658	\$6.94	29,901	258	\$811.02	\$322.25
OP - Other	\$284,247,620	\$204.64	\$90,571,003	\$65.20	297,715	2,572	\$954.76	\$304.22
Prof - Evaluation & Management	\$152,777,758	\$109.99	\$68,080,914	\$49.01	1,916,129	16,554	\$79.73	\$35.53
Prof - Maternity	\$2,245,755	\$1.62	\$1,031,873	\$0.74	2,239	19	\$1,003.03	\$460.87
Prof - Other	\$110,612,245	\$79.63	\$35,597,661	\$25.63	574,875	4,966	\$192.41	\$61.92
Prof - DME/Supplies	\$31,255,066	\$22.50	\$20,041,059	\$14.43	1,908,334	16,486	\$16.38	\$10.50
Prof - Lab	\$26,406,557	\$19.01	\$8,133,519	\$5.86	759,269	6,559	\$34.78	\$10.71
Prof - Radiology	\$46,378,142	\$33.39	\$14,479,969	\$10.42	385,762	3,333	\$120.22	\$37.54
Prof - Transportation/Ambulance	\$23,077,589	\$16.61	\$13,334,590	\$9.60	1,136,551	9,819	\$20.30	\$11.73
Total	\$1,493,336,201	\$1,040.60	\$624,194,288	\$422.49	12,580,744		\$118.70	\$49.62

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Duals (Medicare & TennCare)								
All Ages								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	2,013,102	2,568,778	1,977,568					
Service Category								
Pharmacy - Brand	\$503,315,094	\$195.94	\$413,584,880	\$161.00	5,752,154	26,871	\$87.50	\$71.90
Pharmacy - Generic	\$209,908,312	\$81.72	\$119,303,316	\$46.44	7,108,722	33,208	\$29.53	\$16.78
Home Health Care	\$5,556,077	\$2.76	\$3,688,824	\$1.83	17,699	106	\$313.92	\$208.42
IP - Maternity	\$141,173	\$0.07	\$36,167	\$0.02	57	0	\$2,468.42	\$632.39
IP - Newborn	\$247,762	\$0.12	\$99,421	\$0.05	176	1	\$1,409.82	\$565.72
IP - Other	\$20,887,550	\$10.38	\$3,102,076	\$1.57	10,728	64	\$1,947.08	\$289.17
OP - Emergency Room	\$1,148,190	\$0.57	\$219,493	\$0.11	1,274	8	\$901.04	\$172.25
OP - Other	\$18,505,888	\$9.19	\$7,406,125	\$3.68	15,293	91	\$1,210.12	\$484.30
Prof - Evaluation & Management	\$12,855,087	\$6.39	\$2,410,471	\$1.20	179,020	1,067	\$71.81	\$13.46
Prof - Maternity	\$132,730	\$0.07	\$37,498	\$0.02	114	1	\$1,161.06	\$328.01
Prof - Other	\$12,216,165	\$6.07	\$1,273,892	\$0.63	49,732	296	\$245.64	\$25.62
Prof - DME/Supplies	\$5,249,837	\$2.61	\$2,504,422	\$1.24	1,468,496	8,754	\$3.57	\$1.71
Prof - Lab	\$2,315,973	\$1.15	\$338,023	\$0.17	48,573	290	\$47.68	\$6.96
Prof - Radiology	\$3,940,852	\$1.96	\$432,894	\$0.22	28,342	169	\$139.05	\$15.27
Prof - Transportation/Ambulance	\$17,794,809	\$8.84	\$15,988,471	\$7.94	1,843,265	10,988	\$9.65	\$8.67
Total	\$814,215,498	\$327.82	\$570,425,974	\$226.12	16,523,645		\$49.28	\$34.52

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Uninsured All Ages								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	3,953,661	4,691,321	3,867,879					
Service Category								
Pharmacy - Brand	\$128,221,235	\$27.33	\$115,642,506	\$24.65	1,937,735	4,957	\$66.17	\$59.68
Pharmacy - Generic	\$50,271,064	\$10.72	\$32,386,495	\$6.90	2,453,510	6,276	\$20.49	\$13.20
Home Health Care	\$3,748,902	\$0.95	\$2,523,982	\$0.64	14,872	45	\$252.07	\$169.71
IP - Maternity	\$23,566,836	\$5.96	\$7,125,936	\$1.84	10,547	32	\$2,234.42	\$675.62
IP - Newborn	\$17,845,462	\$4.51	\$7,791,397	\$2.01	10,202	31	\$1,749.19	\$763.70
IP - Other	\$177,823,192	\$44.98	\$47,634,977	\$12.32	52,159	158	\$3,409.24	\$913.26
OP - Emergency Room	\$28,633,144	\$7.24	\$11,961,134	\$3.03	48,383	147	\$591.80	\$247.22
OP - Other	\$261,165,071	\$66.06	\$80,922,231	\$20.47	346,285	1,051	\$754.19	\$233.69
Prof - Evaluation & Management	\$162,721,554	\$41.16	\$78,582,700	\$19.88	2,283,302	6,930	\$71.27	\$34.42
Prof - Maternity	\$11,321,760	\$2.86	\$5,360,983	\$1.36	11,014	33	\$1,027.95	\$486.75
Prof - Other	\$100,901,984	\$25.52	\$31,535,390	\$7.98	563,590	1,711	\$179.03	\$55.95
Prof - DME/Supplies	\$6,860,608	\$1.74	\$4,214,783	\$1.07	234,195	711	\$29.29	\$18.00
Prof - Lab	\$33,120,493	\$8.38	\$10,871,149	\$2.75	973,966	2,956	\$34.01	\$11.16
Prof - Radiology	\$41,530,877	\$10.50	\$13,096,035	\$3.31	366,518	1,112	\$113.31	\$35.73
Prof - Transportation/Ambulance	\$7,693,713	\$1.95	\$3,565,238	\$0.90	269,691	819	\$28.53	\$13.22
Total	\$1,055,425,894	\$259.85	\$453,214,935	\$109.10	9,575,970		\$110.22	\$47.33

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Uninsured Age Under 1								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	45,335	51,405	43,744					
Service Category								
Pharmacy - Brand	\$299,832	\$5.83	\$273,252	\$5.32	5,999	1,400	\$49.98	\$45.55
Pharmacy - Generic	\$112,653	\$2.19	\$80,887	\$1.57	10,895	2,543	\$10.34	\$7.42
Home Health Care	\$137,509	\$3.03	\$102,095	\$2.25	239	63	\$574.47	\$426.52
IP - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Newborn	\$6,277,742	\$138.47	\$2,703,722	\$61.81	2,190	580	\$2,866.37	\$1,234.50
IP - Other	\$2,371,276	\$52.31	\$725,469	\$16.58	1,103	292	\$2,149.38	\$657.58
OP - Emergency Room	\$284,270	\$6.27	\$136,750	\$3.02	796	211	\$357.26	\$171.86
OP - Other	\$1,693,124	\$37.35	\$650,173	\$14.34	3,896	1,031	\$434.53	\$166.86
Prof - Evaluation & Management	\$3,789,570	\$83.59	\$2,013,749	\$44.42	69,988	18,526	\$54.15	\$28.77
Prof - Maternity	\$3	\$0.00	\$3	\$0.00	1	0	\$3.01	\$3.00
Prof - Other	\$528,673	\$11.66	\$160,902	\$3.55	2,713	718	\$194.84	\$59.30
Prof - DME/Supplies	\$131,627	\$2.90	\$85,176	\$1.88	2,523	668	\$52.17	\$33.76
Prof - Lab	\$112,974	\$2.49	\$38,029	\$0.84	4,324	1,144	\$26.13	\$8.80
Prof - Radiology	\$143,178	\$3.16	\$42,128	\$0.93	2,406	637	\$59.51	\$17.51
Prof - Transportation/Ambulance	\$61,202	\$1.35	\$24,141	\$0.53	1,008	267	\$60.72	\$23.95
Total	\$15,943,634	\$350.61	\$7,036,476	\$157.04	108,083		\$147.51	\$65.10

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Uninsured Ages 1 - 13								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	1,200,335	1,384,669	1,165,240					
Service Category								
Pharmacy - Brand	\$10,782,625	\$7.79	\$9,658,483	\$6.98	187,028	1,621	\$57.65	\$51.64
Pharmacy - Generic	\$2,862,763	\$2.07	\$2,062,324	\$1.49	196,031	1,699	\$14.60	\$10.52
Home Health Care	\$457,421	\$0.38	\$332,862	\$0.28	1,834	18	\$249.43	\$181.51
IP - Maternity	\$26,228	\$0.02	\$11,481	\$0.01	13	0	\$2,008.13	\$879.07
IP - Newborn	\$43,868	\$0.04	\$22,001	\$0.02	36	0	\$1,232.88	\$618.33
IP - Other	\$10,819,676	\$9.01	\$3,260,382	\$2.80	4,160	42	\$2,600.86	\$783.74
OP - Emergency Room	\$4,053,504	\$3.38	\$1,852,990	\$1.54	10,957	110	\$369.96	\$169.12
OP - Other	\$28,971,777	\$24.14	\$9,903,049	\$8.25	55,866	559	\$518.59	\$177.26
Prof - Evaluation & Management	\$31,346,483	\$26.11	\$16,723,383	\$13.93	533,158	5,330	\$58.79	\$31.37
Prof - Maternity	\$17,245	\$0.01	\$9,157	\$0.01	15	0	\$1,131.01	\$600.54
Prof - Other	\$9,911,662	\$8.26	\$3,393,061	\$2.83	90,564	905	\$109.44	\$37.47
Prof - DME/Supplies	\$697,954	\$0.58	\$464,621	\$0.39	35,845	358	\$19.47	\$12.96
Prof - Lab	\$3,061,612	\$2.55	\$1,089,008	\$0.91	115,867	1,158	\$26.42	\$9.40
Prof - Radiology	\$2,405,178	\$2.00	\$713,385	\$0.59	36,600	366	\$65.72	\$19.49
Prof - Transportation/Ambulance	\$578,653	\$0.48	\$258,302	\$0.22	17,468	175	\$33.13	\$14.79
Total	\$106,036,649	\$86.83	\$49,754,490	\$40.23	1,285,440		\$82.49	\$38.71

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Uninsured Ages 14 - 18 Female								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	223,305	259,788	217,997					
Service Category								
Pharmacy - Brand	\$2,817,507	\$10.85	\$2,594,962	\$9.99	50,916	2,352	\$55.34	\$50.97
Pharmacy - Generic	\$1,174,752	\$4.52	\$790,680	\$3.04	71,466	3,301	\$16.44	\$11.06
Home Health Care	\$502,846	\$2.25	\$399,144	\$1.79	544	29	\$923.79	\$733.28
IP - Maternity	\$3,970,038	\$17.78	\$1,289,020	\$5.91	1,888	101	\$2,102.42	\$682.63
IP - Newborn	\$2,021,802	\$9.05	\$705,864	\$3.24	1,256	67	\$1,610.24	\$562.18
IP - Other	\$2,923,538	\$13.09	\$772,828	\$3.55	900	48	\$3,247.37	\$858.43
OP - Emergency Room	\$1,358,730	\$6.08	\$582,764	\$2.61	2,629	141	\$516.87	\$221.69
OP - Other	\$10,125,907	\$45.35	\$2,927,984	\$13.11	16,927	910	\$598.20	\$172.97
Prof - Evaluation & Management	\$7,635,881	\$34.19	\$3,929,725	\$17.60	103,639	5,569	\$73.68	\$37.92
Prof - Maternity	\$1,829,328	\$8.19	\$898,462	\$4.02	1,881	101	\$972.61	\$477.69
Prof - Other	\$3,209,401	\$14.37	\$1,074,355	\$4.81	34,822	1,871	\$92.17	\$30.85
Prof - DME/Supplies	\$141,465	\$0.63	\$93,998	\$0.42	5,626	302	\$25.14	\$16.71
Prof - Lab	\$1,959,822	\$8.78	\$709,853	\$3.18	64,467	3,464	\$30.40	\$11.01
Prof - Radiology	\$1,646,799	\$7.37	\$527,272	\$2.36	15,002	806	\$109.77	\$35.15
Prof - Transportation/Ambulance	\$362,527	\$1.62	\$154,709	\$0.69	9,602	516	\$37.76	\$16.11
Total	\$41,680,344	\$184.14	\$17,451,621	\$76.32	381,565		\$109.24	\$45.74

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Uninsured Ages 14 - 18 Male								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	229,579	266,473	224,499					
Service Category								
Pharmacy - Brand	\$1,676,558	\$6.29	\$1,497,556	\$5.62	22,302	1,004	\$75.18	\$67.15
Pharmacy - Generic	\$663,697	\$2.49	\$424,235	\$1.59	39,294	1,770	\$16.89	\$10.80
Home Health Care	\$60,461	\$0.26	\$39,559	\$0.17	401	21	\$150.88	\$98.72
IP - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Newborn	\$1,241	\$0.01	\$631	\$0.00	2	0	\$503.85	\$256.06
IP - Other	\$5,771,771	\$25.14	\$1,455,019	\$6.48	1,362	71	\$4,239.16	\$1,068.66
OP - Emergency Room	\$1,070,242	\$4.66	\$451,911	\$1.97	1,977	103	\$541.41	\$228.61
OP - Other	\$7,279,093	\$31.71	\$2,181,650	\$9.50	10,878	569	\$669.14	\$200.55
Prof - Evaluation & Management	\$4,562,332	\$19.87	\$2,262,574	\$9.86	64,472	3,370	\$70.76	\$35.09
Prof - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
Prof - Other	\$2,847,252	\$12.40	\$920,699	\$4.01	19,755	1,033	\$144.13	\$46.61
Prof - DME/Supplies	\$151,637	\$0.66	\$96,764	\$0.42	11,446	598	\$13.25	\$8.45
Prof - Lab	\$491,393	\$2.14	\$168,177	\$0.73	16,198	847	\$30.34	\$10.38
Prof - Radiology	\$935,853	\$4.08	\$284,897	\$1.24	12,414	649	\$75.39	\$22.95
Prof - Transportation/Ambulance	\$314,630	\$1.37	\$127,808	\$0.56	6,157	322	\$51.10	\$20.76
Total	\$25,826,159	\$111.08	\$9,911,479	\$42.16	206,657		\$124.97	\$47.96

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Uninsured Ages 19 - 20 Female								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	119,169	140,359	116,837					
Service Category								
Pharmacy - Brand	\$1,886,141	\$13.44	\$1,732,933	\$12.35	41,688	3,564	\$45.24	\$41.57
Pharmacy - Generic	\$919,616	\$6.55	\$656,004	\$4.67	59,055	5,049	\$15.57	\$11.11
Home Health Care	\$124,747	\$1.05	\$77,190	\$0.65	283	28	\$440.99	\$272.87
IP - Maternity	\$4,268,397	\$35.82	\$1,335,960	\$11.43	2,007	202	\$2,126.93	\$665.71
IP - Newborn	\$2,311,956	\$19.40	\$1,139,025	\$9.75	1,490	150	\$1,552.14	\$764.69
IP - Other	\$2,080,896	\$17.46	\$666,247	\$5.70	777	78	\$2,678.55	\$857.60
OP - Emergency Room	\$1,149,592	\$9.65	\$451,460	\$3.79	2,013	203	\$571.10	\$224.28
OP - Other	\$8,161,011	\$68.48	\$2,391,128	\$20.07	12,981	1,307	\$628.67	\$184.20
Prof - Evaluation & Management	\$5,484,668	\$46.02	\$2,692,782	\$22.60	66,089	6,655	\$82.99	\$40.74
Prof - Maternity	\$2,039,511	\$17.11	\$963,377	\$8.08	1,891	190	\$1,078.72	\$509.54
Prof - Other	\$2,846,055	\$23.88	\$918,415	\$7.71	23,759	2,392	\$119.79	\$38.66
Prof - DME/Supplies	\$87,454	\$0.73	\$59,883	\$0.50	2,703	272	\$32.36	\$22.16
Prof - Lab	\$1,739,005	\$14.59	\$624,873	\$5.24	51,077	5,143	\$34.05	\$12.23
Prof - Radiology	\$1,490,986	\$12.51	\$476,853	\$4.00	11,902	1,199	\$125.27	\$40.06
Prof - Transportation/Ambulance	\$305,600	\$2.56	\$121,473	\$1.02	6,224	627	\$49.10	\$19.52
Total	\$34,895,633	\$289.27	\$14,307,602	\$117.56	283,939		\$122.90	\$50.39

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Uninsured Ages 19 - 20 Male								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	120,392	140,651	118,299					
Service Category								
Pharmacy - Brand	\$697,530	\$4.96	\$632,759	\$4.50	10,600	904	\$65.80	\$59.69
Pharmacy - Generic	\$382,294	\$2.72	\$249,956	\$1.78	24,557	2,095	\$15.57	\$10.18
Home Health Care	\$26,176	\$0.22	\$18,404	\$0.15	131	13	\$200.14	\$140.72
IP - Maternity	\$10,435	\$0.09	\$2,605	\$0.02	5	1	\$1,926.05	\$480.76
IP - Newborn	\$7,065	\$0.06	\$3,086	\$0.03	7	1	\$1,043.74	\$455.88
IP - Other	\$3,304,861	\$27.45	\$1,015,917	\$8.59	764	76	\$4,323.49	\$1,329.05
OP - Emergency Room	\$814,346	\$6.76	\$340,855	\$2.83	1,387	138	\$587.24	\$245.80
OP - Other	\$4,504,680	\$37.42	\$1,259,003	\$10.46	6,593	657	\$683.29	\$190.97
Prof - Evaluation & Management	\$2,368,253	\$19.67	\$1,032,165	\$8.57	26,082	2,600	\$90.80	\$39.57
Prof - Maternity	\$5,177	\$0.04	\$3,305	\$0.03	7	1	\$792.24	\$505.78
Prof - Other	\$1,402,821	\$11.65	\$451,752	\$3.75	7,612	759	\$184.28	\$59.34
Prof - DME/Supplies	\$71,200	\$0.59	\$43,081	\$0.36	2,700	269	\$26.37	\$15.95
Prof - Lab	\$221,641	\$1.84	\$69,456	\$0.58	6,260	624	\$35.40	\$11.09
Prof - Radiology	\$584,788	\$4.86	\$176,762	\$1.47	7,280	726	\$80.32	\$24.28
Prof - Transportation/Ambulance	\$290,709	\$2.41	\$112,660	\$0.94	5,819	580	\$49.96	\$19.36
Total	\$14,691,973	\$120.74	\$5,411,765	\$44.05	99,805		\$147.21	\$54.22

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Uninsured Ages 21 - 44 Female								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	916,685	1,093,987	898,643					
Service Category								
Pharmacy - Brand	\$34,196,808	\$31.26	\$31,082,448	\$28.41	549,601	6,029	\$62.22	\$56.55
Pharmacy - Generic	\$14,728,183	\$13.46	\$9,726,835	\$8.89	769,536	8,441	\$19.14	\$12.64
Home Health Care	\$782,366	\$0.85	\$495,833	\$0.54	3,115	41	\$251.13	\$159.15
IP - Maternity	\$15,254,560	\$16.64	\$4,476,739	\$4.98	6,614	87	\$2,306.38	\$676.85
IP - Newborn	\$7,127,451	\$7.78	\$3,202,588	\$3.56	5,190	68	\$1,373.41	\$617.12
IP - Other	\$44,498,982	\$48.54	\$11,507,591	\$12.81	14,176	186	\$3,139.02	\$811.76
OP - Emergency Room	\$9,376,171	\$10.23	\$3,885,224	\$4.24	15,039	197	\$623.45	\$258.34
OP - Other	\$89,533,736	\$97.67	\$27,279,991	\$29.76	114,423	1,498	\$782.48	\$238.41
Prof - Evaluation & Management	\$48,060,373	\$52.43	\$22,919,814	\$25.00	644,968	8,443	\$74.52	\$35.54
Prof - Maternity	\$7,403,856	\$8.08	\$3,475,706	\$3.79	7,198	94	\$1,028.64	\$482.89
Prof - Other	\$34,658,666	\$37.81	\$10,240,048	\$11.17	170,943	2,238	\$202.75	\$59.90
Prof - DME/Supplies	\$1,596,807	\$1.74	\$970,342	\$1.06	44,724	585	\$35.70	\$21.70
Prof - Lab	\$13,293,849	\$14.50	\$4,409,420	\$4.81	372,926	4,882	\$35.65	\$11.82
Prof - Radiology	\$15,179,405	\$16.56	\$4,809,281	\$5.25	122,117	1,599	\$124.30	\$39.38
Prof - Transportation/Ambulance	\$2,085,493	\$2.28	\$986,506	\$1.08	83,000	1,087	\$25.13	\$11.89
Total	\$337,776,705	\$359.83	\$139,468,365	\$145.35	2,923,569		\$115.54	\$47.70

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Uninsured Ages 21 - 44 Male								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	504,254	605,280	496,318					
Service Category								
Pharmacy - Brand	\$14,764,893	\$24.39	\$13,369,909	\$22.09	168,495	3,341	\$87.63	\$79.35
Pharmacy - Generic	\$5,805,353	\$9.59	\$3,648,266	\$6.03	268,477	5,323	\$21.62	\$13.59
Home Health Care	\$446,599	\$0.89	\$297,467	\$0.59	2,068	49	\$215.93	\$143.82
IP - Maternity	\$14,176	\$0.03	\$6,430	\$0.01	11	0	\$1,308.32	\$593.38
IP - Newborn	\$40,360	\$0.08	\$5,167	\$0.01	18	0	\$2,293.45	\$293.64
IP - Other	\$25,053,480	\$49.68	\$6,760,035	\$13.62	6,543	156	\$3,829.19	\$1,033.21
OP - Emergency Room	\$4,354,067	\$8.63	\$1,764,311	\$3.50	6,945	165	\$626.90	\$254.03
OP - Other	\$34,617,350	\$68.65	\$9,872,405	\$19.58	42,377	1,008	\$816.90	\$232.97
Prof - Evaluation & Management	\$17,233,761	\$34.18	\$7,513,778	\$14.90	202,983	4,831	\$84.90	\$37.02
Prof - Maternity	\$14,195	\$0.03	\$5,919	\$0.01	12	0	\$1,184.96	\$494.12
Prof - Other	\$11,356,589	\$22.52	\$3,457,242	\$6.86	46,692	1,111	\$243.22	\$74.04
Prof - DME/Supplies	\$1,025,545	\$2.03	\$651,605	\$1.29	18,151	432	\$56.50	\$35.90
Prof - Lab	\$2,413,751	\$4.79	\$728,971	\$1.45	65,901	1,568	\$36.63	\$11.06
Prof - Radiology	\$5,120,475	\$10.15	\$1,583,010	\$3.14	47,528	1,131	\$107.74	\$33.31
Prof - Transportation/Ambulance	\$1,582,793	\$3.14	\$694,303	\$1.38	45,373	1,080	\$34.88	\$15.30
Total	\$123,843,388	\$238.79	\$50,358,819	\$94.45	921,574		\$134.38	\$54.64

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Uninsured Ages 45 - 64								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	581,005	733,958	572,917					
Service Category								
Pharmacy - Brand	\$59,957,159	\$81.69	\$53,788,124	\$73.29	882,457	14,428	\$67.94	\$60.95
Pharmacy - Generic	\$23,121,862	\$31.50	\$14,438,781	\$19.67	991,907	16,217	\$23.31	\$14.56
Home Health Care	\$1,152,570	\$1.98	\$728,057	\$1.25	5,970	123	\$193.06	\$121.96
IP - Maternity	\$23,001	\$0.04	\$3,701	\$0.01	9	0	\$2,653.50	\$426.98
IP - Newborn	\$13,978	\$0.02	\$9,314	\$0.02	15	0	\$938.69	\$625.49
IP - Other	\$79,698,421	\$137.17	\$21,229,799	\$37.06	21,813	451	\$3,653.76	\$973.28
OP - Emergency Room	\$6,145,927	\$10.58	\$2,483,556	\$4.27	6,614	137	\$929.22	\$375.50
OP - Other	\$75,624,641	\$130.16	\$24,249,991	\$41.74	81,622	1,686	\$926.53	\$297.10
Prof - Evaluation & Management	\$41,651,970	\$71.69	\$19,268,886	\$33.16	562,915	11,626	\$73.99	\$34.23
Prof - Maternity	\$12,445	\$0.02	\$5,054	\$0.01	10	0	\$1,269.65	\$515.63
Prof - Other	\$33,607,232	\$57.84	\$10,787,471	\$18.57	163,620	3,379	\$205.40	\$65.93
Prof - DME/Supplies	\$2,893,327	\$4.98	\$1,715,033	\$2.95	105,147	2,172	\$27.52	\$16.31
Prof - Lab	\$9,731,205	\$16.75	\$3,007,777	\$5.18	273,945	5,658	\$35.52	\$10.98
Prof - Radiology	\$13,886,856	\$23.90	\$4,440,820	\$7.64	110,130	2,275	\$126.10	\$40.32
Prof - Transportation/Ambulance	\$2,064,309	\$3.55	\$1,063,630	\$1.83	93,489	1,931	\$22.08	\$11.38
Total	\$349,584,903	\$571.89	\$157,219,995	\$246.64	3,299,662		\$105.95	\$47.65

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Uninsured Age Over 65								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	13,601	14,750	13,384					
Service Category								
Pharmacy - Brand	\$1,142,182	\$77.43	\$1,012,080	\$68.61	18,650	15,172	\$61.24	\$54.27
Pharmacy - Generic	\$499,891	\$33.89	\$308,526	\$20.92	22,291	18,134	\$22.43	\$13.84
Home Health Care	\$58,206	\$4.28	\$33,371	\$2.45	287	253	\$202.80	\$116.27
IP - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Newborn	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Other	\$1,300,292	\$95.60	\$241,693	\$18.06	561	495	\$2,316.43	\$430.57
OP - Emergency Room	\$26,293	\$1.93	\$11,312	\$0.83	27	24	\$969.30	\$417.00
OP - Other	\$653,753	\$48.07	\$206,857	\$15.21	721	637	\$906.14	\$286.72
Prof - Evaluation & Management	\$588,263	\$43.25	\$225,845	\$16.60	9,008	7,948	\$65.30	\$25.07
Prof - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
Prof - Other	\$533,635	\$39.23	\$131,445	\$9.66	3,109	2,743	\$171.61	\$42.27
Prof - DME/Supplies	\$63,592	\$4.68	\$34,279	\$2.52	5,331	4,703	\$11.93	\$6.43
Prof - Lab	\$95,240	\$7.00	\$25,586	\$1.88	3,000	2,647	\$31.74	\$8.53
Prof - Radiology	\$137,360	\$10.10	\$41,626	\$3.06	1,138	1,004	\$120.69	\$36.58
Prof - Transportation/Ambulance	\$47,796	\$3.51	\$21,704	\$1.60	1,551	1,369	\$30.81	\$13.99
Total	\$5,146,504	\$368.98	\$2,294,323	\$161.41	65,676		\$78.36	\$34.93

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Uninsurable All Ages								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	1,335,553	1,568,410	1,299,075					
Service Category								
Pharmacy - Brand	\$130,760,640	\$83.37	\$116,235,516	\$74.11	1,687,214	12,909	\$77.50	\$68.89
Pharmacy - Generic	\$43,591,004	\$27.79	\$26,728,635	\$17.04	1,850,182	14,156	\$23.56	\$14.45
Home Health Care	\$3,844,981	\$2.88	\$2,604,313	\$1.95	17,713	159	\$217.08	\$147.03
IP - Maternity	\$4,104,175	\$3.07	\$1,260,287	\$0.97	1,808	16	\$2,269.46	\$696.89
IP - Newborn	\$1,927,623	\$1.44	\$692,625	\$0.53	1,032	9	\$1,867.48	\$671.01
IP - Other	\$241,592,916	\$180.89	\$61,931,615	\$47.67	68,514	616	\$3,526.18	\$903.93
OP - Emergency Room	\$19,872,390	\$14.88	\$7,832,877	\$5.86	24,384	219	\$814.96	\$321.23
OP - Other	\$215,112,706	\$161.07	\$66,423,512	\$49.73	222,500	1,999	\$966.80	\$298.53
Prof - Evaluation & Management	\$110,038,893	\$82.39	\$49,064,729	\$36.74	1,385,624	12,450	\$79.41	\$35.41
Prof - Maternity	\$1,879,614	\$1.41	\$858,514	\$0.64	1,978	18	\$950.41	\$434.10
Prof - Other	\$93,726,138	\$70.18	\$28,839,284	\$21.59	425,355	3,822	\$220.35	\$67.80
Prof - DME/Supplies	\$8,086,892	\$6.06	\$5,012,102	\$3.75	268,293	2,411	\$30.14	\$18.68
Prof - Lab	\$24,939,943	\$18.67	\$7,797,754	\$5.84	662,428	5,952	\$37.65	\$11.77
Prof - Radiology	\$37,814,899	\$28.31	\$12,086,882	\$9.05	285,445	2,565	\$132.48	\$42.34
Prof - Transportation/Ambulance	\$6,573,403	\$4.92	\$3,188,259	\$2.39	234,247	2,105	\$28.06	\$13.61
Total	\$943,866,217	\$687.34	\$390,556,903	\$277.88	7,136,717		\$132.25	\$54.73

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Uninsurable Age Under 1								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	427	504	427					
Service Category								
Pharmacy - Brand	\$9,156	\$18.18	\$7,478	\$14.85	105	2,511	\$86.88	\$70.96
Pharmacy - Generic	\$1,259	\$2.50	\$894	\$1.78	127	3,029	\$9.90	\$7.03
Home Health Care	\$11,154	\$26.10	\$5,859	\$13.71	7	208	\$1,506.54	\$791.35
IP - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Newborn	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Other	\$185,274	\$433.50	\$76,649	\$179.34	23	648	\$8,024.74	\$3,319.88
OP - Emergency Room	\$242	\$0.57	\$123	\$0.29	1	32	\$211.54	\$107.57
OP - Other	\$25,025	\$58.55	\$11,263	\$26.35	54	1,516	\$463.32	\$208.53
Prof - Evaluation & Management	\$64,290	\$150.42	\$33,284	\$77.88	672	18,860	\$95.71	\$49.55
Prof - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
Prof - Other	\$27,072	\$63.34	\$7,961	\$18.63	33	913	\$832.59	\$244.85
Prof - DME/Supplies	\$2,545	\$5.95	\$1,833	\$4.29	62	1,729	\$41.32	\$29.76
Prof - Lab	\$4,666	\$10.92	\$2,067	\$4.84	54	1,504	\$87.10	\$38.58
Prof - Radiology	\$2,912	\$6.81	\$855	\$2.00	59	1,651	\$49.52	\$14.54
Prof - Transportation/Ambulance	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
Total	\$333,595	\$776.84	\$148,267	\$343.94	1,196		\$278.83	\$123.93

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Uninsurable Ages 1 - 13								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	50,990	60,457	49,572					
Service Category								
Pharmacy - Brand	\$1,092,912	\$18.08	\$988,553	\$16.35	11,176	2,218	\$97.79	\$88.45
Pharmacy - Generic	\$227,186	\$3.76	\$165,230	\$2.73	11,050	2,193	\$20.56	\$14.95
Home Health Care	\$96,374	\$1.89	\$75,248	\$1.48	339	80	\$283.92	\$221.68
IP - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Newborn	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Other	\$765,401	\$15.01	\$196,032	\$3.95	226	53	\$3,386.02	\$867.22
OP - Emergency Room	\$189,881	\$3.72	\$84,596	\$1.66	479	113	\$396.81	\$176.79
OP - Other	\$1,535,621	\$30.12	\$550,008	\$10.79	2,827	665	\$543.12	\$194.53
Prof - Evaluation & Management	\$1,414,330	\$27.74	\$741,507	\$14.54	27,652	6,508	\$51.15	\$26.82
Prof - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
Prof - Other	\$553,414	\$10.85	\$175,050	\$3.43	4,542	1,069	\$121.84	\$38.54
Prof - DME/Supplies	\$156,157	\$3.06	\$77,752	\$1.52	3,049	717	\$51.22	\$25.50
Prof - Lab	\$158,937	\$3.12	\$53,680	\$1.05	6,286	1,479	\$25.29	\$8.54
Prof - Radiology	\$142,874	\$2.80	\$44,937	\$0.88	1,894	446	\$75.43	\$23.73
Prof - Transportation/Ambulance	\$32,247	\$0.63	\$12,876	\$0.25	608	143	\$53.02	\$21.17
Total	\$6,365,334	\$120.78	\$3,165,470	\$58.65	70,128		\$90.77	\$45.14

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Uninsurable Ages 14 - 18 Female								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	14,760	17,267	14,369					
Service Category								
Pharmacy - Brand	\$317,944	\$18.41	\$279,781	\$16.20	4,547	3,160	\$69.93	\$61.54
Pharmacy - Generic	\$107,000	\$6.20	\$73,924	\$4.28	6,115	4,250	\$17.50	\$12.09
Home Health Care	\$1,087	\$0.07	\$689	\$0.05	15	12	\$74.55	\$47.24
IP - Maternity	\$119,706	\$8.11	\$43,223	\$3.01	58	47	\$2,063.73	\$745.17
IP - Newborn	\$61,785	\$4.19	\$33,534	\$2.33	48	39	\$1,279.81	\$694.62
IP - Other	\$488,855	\$33.12	\$150,141	\$10.45	171	139	\$2,852.51	\$876.09
OP - Emergency Room	\$107,516	\$7.28	\$47,273	\$3.20	194	157	\$555.41	\$244.20
OP - Other	\$820,715	\$55.60	\$234,346	\$15.88	1,251	1,017	\$655.86	\$187.27
Prof - Evaluation & Management	\$578,496	\$39.19	\$288,435	\$19.54	7,914	6,434	\$73.10	\$36.45
Prof - Maternity	\$86,635	\$5.87	\$40,609	\$2.75	69	56	\$1,262.57	\$591.81
Prof - Other	\$323,804	\$21.94	\$96,768	\$6.56	3,182	2,587	\$101.77	\$30.42
Prof - DME/Supplies	\$30,572	\$2.07	\$23,289	\$1.58	219	178	\$139.43	\$106.22
Prof - Lab	\$161,906	\$10.97	\$53,687	\$3.64	4,882	3,969	\$33.17	\$11.00
Prof - Radiology	\$121,235	\$8.21	\$39,013	\$2.64	1,143	930	\$106.03	\$34.12
Prof - Transportation/Ambulance	\$33,815	\$2.29	\$14,692	\$1.00	436	355	\$77.55	\$33.69
Total	\$3,361,071	\$223.54	\$1,419,405	\$93.10	30,244		\$111.13	\$46.93

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Uninsurable Ages 14 - 18 Male								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	16,194	19,029	15,796					
Service Category								
Pharmacy - Brand	\$461,961	\$24.28	\$448,761	\$23.58	2,457	1,549	\$188.03	\$182.65
Pharmacy - Generic	\$72,592	\$3.81	\$46,737	\$2.46	3,685	2,324	\$19.70	\$12.68
Home Health Care	\$5,932	\$0.37	\$3,409	\$0.21	20	14	\$303.89	\$174.66
IP - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Newborn	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Other	\$431,555	\$26.65	\$71,110	\$4.50	116	86	\$3,706.08	\$610.68
OP - Emergency Room	\$83,117	\$5.13	\$34,117	\$2.11	158	117	\$525.94	\$215.88
OP - Other	\$747,927	\$46.18	\$223,777	\$13.82	1,110	823	\$673.56	\$201.53
Prof - Evaluation & Management	\$401,216	\$24.78	\$188,679	\$11.65	5,151	3,817	\$77.88	\$36.63
Prof - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
Prof - Other	\$243,119	\$15.01	\$76,221	\$4.71	1,778	1,317	\$136.74	\$42.87
Prof - DME/Supplies	\$16,245	\$1.00	\$11,615	\$0.72	3,023	2,240	\$5.37	\$3.84
Prof - Lab	\$53,589	\$3.31	\$17,472	\$1.08	1,651	1,223	\$32.46	\$10.58
Prof - Radiology	\$84,855	\$5.24	\$25,708	\$1.59	1,090	808	\$77.85	\$23.58
Prof - Transportation/Ambulance	\$23,279	\$1.44	\$11,613	\$0.72	473	350	\$49.27	\$24.58
Total	\$2,625,386	\$157.20	\$1,159,219	\$67.14	20,712		\$126.76	\$55.97

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Uninsurable Ages 19 - 20 Female								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	10,907	12,899	10,537					
Service Category								
Pharmacy - Brand	\$272,760	\$21.15	\$247,305	\$19.17	5,149	4,790	\$52.97	\$48.03
Pharmacy - Generic	\$120,315	\$9.33	\$84,046	\$6.52	7,034	6,544	\$17.10	\$11.95
Home Health Care	\$13,988	\$1.28	\$11,962	\$1.10	80	88	\$173.90	\$148.72
IP - Maternity	\$292,744	\$26.84	\$95,412	\$9.05	140	155	\$2,084.54	\$679.40
IP - Newborn	\$59,840	\$5.49	\$33,842	\$3.21	70	77	\$854.87	\$483.46
IP - Other	\$776,663	\$71.21	\$201,350	\$19.11	195	214	\$3,993.12	\$1,035.22
OP - Emergency Room	\$147,773	\$13.55	\$60,024	\$5.50	257	282	\$576.02	\$233.97
OP - Other	\$977,126	\$89.59	\$278,474	\$25.53	1,465	1,612	\$666.87	\$190.05
Prof - Evaluation & Management	\$589,729	\$54.07	\$279,089	\$25.59	6,951	7,647	\$84.85	\$40.15
Prof - Maternity	\$150,666	\$13.81	\$68,434	\$6.27	146	161	\$1,031.34	\$468.44
Prof - Other	\$442,451	\$40.57	\$141,245	\$12.95	2,691	2,960	\$164.44	\$52.50
Prof - DME/Supplies	\$26,792	\$2.46	\$19,059	\$1.75	1,619	1,782	\$16.55	\$11.77
Prof - Lab	\$177,929	\$16.31	\$62,645	\$5.74	5,249	5,775	\$33.90	\$11.94
Prof - Radiology	\$159,410	\$14.62	\$52,559	\$4.82	1,295	1,425	\$123.11	\$40.59
Prof - Transportation/Ambulance	\$35,645	\$3.27	\$14,967	\$1.37	758	834	\$47.04	\$19.75
Total	\$4,243,830	\$383.53	\$1,650,413	\$147.69	33,098		\$128.22	\$49.86

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Uninsurable Ages 19 - 20 Male								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	12,580	14,640	12,209					
Service Category								
Pharmacy - Brand	\$535,275	\$36.56	\$507,238	\$34.65	2,181	1,788	\$245.44	\$232.58
Pharmacy - Generic	\$63,413	\$4.33	\$43,152	\$2.95	3,367	2,760	\$18.83	\$12.82
Home Health Care	\$2,102	\$0.17	\$1,756	\$0.14	36	35	\$57.65	\$48.17
IP - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Newborn	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Other	\$1,100,381	\$87.47	\$287,908	\$23.58	267	255	\$4,115.59	\$1,076.82
OP - Emergency Room	\$100,640	\$8.00	\$41,692	\$3.31	171	163	\$590.02	\$244.43
OP - Other	\$799,253	\$63.53	\$227,209	\$18.06	934	891	\$855.91	\$243.32
Prof - Evaluation & Management	\$378,175	\$30.06	\$162,298	\$12.90	3,997	3,813	\$94.62	\$40.61
Prof - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
Prof - Other	\$280,908	\$22.33	\$75,368	\$5.99	1,164	1,111	\$241.27	\$64.73
Prof - DME/Supplies	\$17,857	\$1.42	\$12,822	\$1.02	73	70	\$244.45	\$175.52
Prof - Lab	\$38,642	\$3.07	\$12,029	\$0.96	1,149	1,096	\$33.63	\$10.47
Prof - Radiology	\$94,432	\$7.51	\$29,208	\$2.32	1,113	1,061	\$84.86	\$26.25
Prof - Transportation/Ambulance	\$70,772	\$5.63	\$26,493	\$2.11	785	749	\$90.18	\$33.76
Total	\$3,481,850	\$270.08	\$1,427,174	\$107.99	15,237		\$228.52	\$93.67

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Uninsurable Ages 21 - 44 Female								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	305,264	357,767	295,942					
Service Category								
Pharmacy - Brand	\$21,321,787	\$59.60	\$19,097,611	\$53.38	290,592	9,747	\$73.37	\$65.72
Pharmacy - Generic	\$8,029,646	\$22.44	\$5,131,609	\$14.34	375,986	12,611	\$21.36	\$13.65
Home Health Care	\$826,680	\$2.71	\$627,479	\$2.06	2,659	105	\$310.88	\$235.97
IP - Maternity	\$3,640,594	\$11.93	\$1,111,064	\$3.75	1,591	63	\$2,287.61	\$698.15
IP - Newborn	\$1,801,601	\$5.90	\$624,412	\$2.11	906	36	\$1,988.55	\$689.21
IP - Other	\$35,610,883	\$116.66	\$9,004,181	\$30.43	10,658	419	\$3,341.19	\$844.82
OP - Emergency Room	\$5,146,792	\$16.86	\$2,036,128	\$6.67	7,234	284	\$711.46	\$281.46
OP - Other	\$48,957,525	\$160.38	\$14,922,130	\$48.88	55,892	2,197	\$875.92	\$266.98
Prof - Evaluation & Management	\$24,196,303	\$79.26	\$11,099,685	\$36.36	312,455	12,283	\$77.44	\$35.52
Prof - Maternity	\$1,633,583	\$5.35	\$745,115	\$2.44	1,747	69	\$934.97	\$426.46
Prof - Other	\$19,156,630	\$62.75	\$5,662,197	\$18.55	85,977	3,380	\$222.81	\$65.86
Prof - DME/Supplies	\$1,209,365	\$3.96	\$787,222	\$2.58	43,485	1,709	\$27.81	\$18.10
Prof - Lab	\$6,364,138	\$20.85	\$2,061,769	\$6.75	163,889	6,442	\$38.83	\$12.58
Prof - Radiology	\$8,119,287	\$26.60	\$2,585,803	\$8.47	62,330	2,450	\$130.26	\$41.49
Prof - Transportation/Ambulance	\$1,364,394	\$4.47	\$649,263	\$2.13	50,827	1,998	\$26.84	\$12.77
Total	\$187,379,209	\$599.72	\$76,145,668	\$238.90	1,466,229		\$127.80	\$51.93

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Uninsurable Ages 21 - 44 Male								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	331,237	386,405	318,715					
Service Category								
Pharmacy - Brand	\$21,982,348	\$56.89	\$19,910,581	\$51.53	197,729	6,141	\$111.17	\$100.70
Pharmacy - Generic	\$6,242,080	\$16.15	\$4,024,652	\$10.42	267,350	8,303	\$23.35	\$15.05
Home Health Care	\$816,559	\$2.47	\$569,807	\$1.72	3,223	117	\$253.33	\$176.78
IP - Maternity	\$22,837	\$0.07	\$6,203	\$0.02	9	0	\$2,467.39	\$670.18
IP - Newborn	\$4,396	\$0.01	\$837	\$0.00	8	0	\$553.43	\$105.35
IP - Other	\$57,873,356	\$174.72	\$14,623,034	\$45.88	15,438	559	\$3,748.66	\$947.19
OP - Emergency Room	\$5,490,309	\$16.58	\$2,151,353	\$6.49	7,516	272	\$730.51	\$286.25
OP - Other	\$42,860,653	\$129.40	\$12,525,689	\$37.81	44,712	1,620	\$958.60	\$280.14
Prof - Evaluation & Management	\$20,403,523	\$61.60	\$8,690,190	\$26.24	218,246	7,907	\$93.49	\$39.82
Prof - Maternity	\$8,480	\$0.03	\$4,247	\$0.01	13	0	\$629.56	\$315.31
Prof - Other	\$16,600,984	\$50.12	\$4,796,116	\$14.48	58,980	2,137	\$281.47	\$81.32
Prof - DME/Supplies	\$1,656,222	\$5.00	\$1,073,911	\$3.24	50,443	1,827	\$32.83	\$21.29
Prof - Lab	\$3,464,361	\$10.46	\$1,103,707	\$3.33	88,471	3,205	\$39.16	\$12.48
Prof - Radiology	\$6,413,606	\$19.36	\$1,973,157	\$5.96	55,771	2,020	\$115.00	\$35.38
Prof - Transportation/Ambulance	\$2,095,805	\$6.33	\$981,199	\$2.96	62,600	2,268	\$33.48	\$15.67
Total	\$185,935,519	\$549.17	\$72,434,683	\$210.10	1,070,510		\$173.69	\$67.66

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Uninsurable Ages 45 - 64								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	579,664	685,087	568,218					
Service Category								
Pharmacy - Brand	\$83,050,475	\$121.23	\$73,246,772	\$106.92	1,147,577	20,101	\$72.37	\$63.83
Pharmacy - Generic	\$28,083,156	\$40.99	\$16,786,255	\$24.50	1,148,564	20,118	\$24.45	\$14.61
Home Health Care	\$2,054,693	\$3.54	\$1,297,280	\$2.24	11,149	231	\$184.30	\$116.36
IP - Maternity	\$28,295	\$0.05	\$4,385	\$0.01	9	0	\$3,042.61	\$471.57
IP - Newborn	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Other	\$143,548,061	\$247.64	\$37,104,725	\$65.30	41,120	851	\$3,490.92	\$902.34
OP - Emergency Room	\$8,568,656	\$14.78	\$3,363,647	\$5.80	8,336	173	\$1,027.93	\$403.52
OP - Other	\$117,843,135	\$203.30	\$37,270,968	\$64.30	113,656	2,353	\$1,036.84	\$327.93
Prof - Evaluation & Management	\$61,581,684	\$106.24	\$27,414,247	\$47.29	797,172	16,503	\$77.25	\$34.39
Prof - Maternity	\$250	\$0.00	\$109	\$0.00	2	0	\$108.29	\$47.17
Prof - Other	\$55,645,264	\$96.00	\$17,661,725	\$30.47	262,590	5,436	\$211.91	\$67.26
Prof - DME/Supplies	\$4,914,078	\$8.48	\$2,977,049	\$5.14	163,313	3,381	\$30.09	\$18.23
Prof - Lab	\$14,433,665	\$24.90	\$4,406,961	\$7.60	388,075	8,034	\$37.19	\$11.36
Prof - Radiology	\$22,493,504	\$38.80	\$7,278,673	\$12.56	159,512	3,302	\$141.01	\$45.63
Prof - Transportation/Ambulance	\$2,891,200	\$4.99	\$1,463,192	\$2.52	116,640	2,415	\$24.79	\$12.54
Total	\$545,136,116	\$910.93	\$230,275,988	\$374.65	4,357,715		\$125.10	\$52.84

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Uninsurable Age Over 65								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	13,530	14,355	13,288					
Service Category								
Pharmacy - Brand	\$1,716,023	\$119.54	\$1,501,434	\$104.59	25,702	21,485	\$66.77	\$58.42
Pharmacy - Generic	\$644,357	\$44.89	\$372,135	\$25.92	26,905	22,490	\$23.95	\$13.83
Home Health Care	\$16,414	\$1.21	\$10,824	\$0.80	184	163	\$89.33	\$58.91
IP - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Newborn	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Other	\$812,488	\$60.05	\$216,484	\$16.29	298	265	\$2,724.05	\$725.81
OP - Emergency Room	\$37,463	\$2.77	\$13,925	\$1.03	40	36	\$932.34	\$346.55
OP - Other	\$545,727	\$40.34	\$179,647	\$13.28	597	529	\$914.49	\$301.04
Prof - Evaluation & Management	\$431,147	\$31.87	\$167,315	\$12.37	5,414	4,802	\$79.63	\$30.90
Prof - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
Prof - Other	\$452,492	\$33.44	\$146,631	\$10.84	4,418	3,919	\$102.41	\$33.19
Prof - DME/Supplies	\$57,057	\$4.22	\$27,551	\$2.04	3,008	2,668	\$18.97	\$9.16
Prof - Lab	\$82,109	\$6.07	\$23,737	\$1.75	2,724	2,416	\$30.15	\$8.71
Prof - Radiology	\$182,784	\$13.51	\$56,968	\$4.21	1,238	1,098	\$147.69	\$46.03
Prof - Transportation/Ambulance	\$26,244	\$1.94	\$13,964	\$1.03	1,120	994	\$23.43	\$12.47
Total	\$5,004,306	\$359.84	\$2,730,617	\$194.15	71,647		\$69.85	\$38.11

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Disabled / Uninsured All Ages								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	142,425	163,575	139,852					
Service Category								
Pharmacy - Brand	\$17,023,383	\$104.07	\$15,431,472	\$94.34	209,936	15,401	\$81.09	\$73.51
Pharmacy - Generic	\$6,536,675	\$39.96	\$4,252,097	\$25.99	272,482	19,990	\$23.99	\$15.61
Home Health Care	\$1,107,796	\$7.78	\$754,234	\$5.30	4,073	343	\$271.96	\$185.16
IP - Maternity	\$259,807	\$1.82	\$75,019	\$0.54	106	9	\$2,443.71	\$705.62
IP - Newborn	\$71,051	\$0.50	\$79,707	\$0.57	53	4	\$1,341.97	\$1,505.45
IP - Other	\$30,296,543	\$212.72	\$8,459,512	\$60.49	8,951	754	\$3,384.80	\$945.12
OP - Emergency Room	\$2,263,989	\$15.90	\$909,563	\$6.39	2,749	232	\$823.48	\$330.83
OP - Other	\$24,284,469	\$170.51	\$7,363,847	\$51.70	25,712	2,166	\$944.49	\$286.40
Prof - Evaluation & Management	\$13,220,330	\$92.82	\$5,872,734	\$41.23	169,326	14,267	\$78.08	\$34.68
Prof - Maternity	\$101,974	\$0.72	\$47,432	\$0.33	82	7	\$1,237.96	\$575.82
Prof - Other	\$10,875,092	\$76.36	\$3,383,892	\$23.76	51,390	4,330	\$211.62	\$65.85
Prof - DME/Supplies	\$1,713,740	\$12.03	\$1,063,018	\$7.46	79,853	6,728	\$21.46	\$13.31
Prof - Lab	\$2,480,113	\$17.41	\$760,162	\$5.34	65,256	5,498	\$38.01	\$11.65
Prof - Radiology	\$4,378,380	\$30.74	\$1,418,746	\$9.96	33,651	2,835	\$130.11	\$42.16
Prof - Transportation/Ambulance	\$1,086,380	\$7.63	\$610,086	\$4.28	53,679	4,523	\$20.24	\$11.37
Total	\$115,699,726	\$790.97	\$50,481,521	\$337.69	977,300		\$118.39	\$51.65

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Disabled / Uninsured Age Under 1								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	57	59	54					
Service Category								
Pharmacy - Brand	\$5,156	\$87.89	\$5,103	\$86.99	30	6,176	\$170.75	\$169.00
Pharmacy - Generic	\$180	\$3.06	\$195	\$3.33	12	2,552	\$14.39	\$15.65
Home Health Care	\$11,467	\$202.51	\$8,981	\$158.61	93	19,765	\$122.96	\$96.30
IP - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Newborn	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Other	\$126,565	\$2,235.11	\$213,090	\$3,979.70	30	6,350	\$4,223.87	\$7,111.49
OP - Emergency Room	\$801	\$14.14	\$322	\$5.69	1	222	\$763.20	\$307.30
OP - Other	\$21,826	\$385.45	\$8,062	\$142.38	17	3,618	\$1,278.36	\$472.21
Prof - Evaluation & Management	\$10,700	\$188.95	\$5,241	\$92.56	122	25,787	\$87.93	\$43.07
Prof - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
Prof - Other	\$8,462	\$149.44	\$4,096	\$72.34	233	49,406	\$36.30	\$17.57
Prof - DME/Supplies	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
Prof - Lab	\$287	\$5.07	\$119	\$2.11	5	1,128	\$53.94	\$22.44
Prof - Radiology	\$1,274	\$22.50	\$321	\$5.67	12	2,480	\$108.88	\$27.45
Prof - Transportation/Ambulance	\$1,329	\$23.47	\$581	\$10.26	23	4,838	\$58.22	\$25.46
Total	\$188,047	\$3,317.59	\$246,113	\$4,559.63	579		\$324.95	\$425.28

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Disabled / Uninsured Ages 1 - 13								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	8,367	9,432	8,101					
Service Category								
Pharmacy - Brand	\$243,177	\$25.78	\$230,007	\$24.39	2,194	2,791	\$110.85	\$104.84
Pharmacy - Generic	\$48,347	\$5.13	\$37,337	\$3.96	2,534	3,224	\$19.08	\$14.73
Home Health Care	\$70,505	\$8.43	\$62,956	\$7.52	538	771	\$131.14	\$117.10
IP - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Newborn	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Other	\$1,260,665	\$150.68	\$363,412	\$44.86	309	443	\$4,077.77	\$1,175.50
OP - Emergency Room	\$63,646	\$7.61	\$24,934	\$2.98	116	167	\$546.33	\$214.03
OP - Other	\$534,548	\$63.89	\$203,294	\$24.30	1,017	1,459	\$525.47	\$199.84
Prof - Evaluation & Management	\$460,572	\$55.05	\$232,320	\$27.77	6,873	9,858	\$67.01	\$33.80
Prof - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
Prof - Other	\$247,558	\$29.59	\$71,306	\$8.52	2,315	3,321	\$106.92	\$30.80
Prof - DME/Supplies	\$130,891	\$15.64	\$87,778	\$10.49	11,263	16,154	\$11.62	\$7.79
Prof - Lab	\$49,401	\$5.90	\$18,422	\$2.20	1,347	1,931	\$36.69	\$13.68
Prof - Radiology	\$51,929	\$6.21	\$15,870	\$1.90	694	995	\$74.88	\$22.88
Prof - Transportation/Ambulance	\$20,025	\$2.39	\$8,213	\$0.98	419	601	\$47.83	\$19.62
Total	\$3,181,265	\$376.29	\$1,355,849	\$159.87	29,619		\$107.41	\$45.78

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Disabled / Uninsured Ages 14 - 18 Female								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	2,225	2,539	2,206					
Service Category								
Pharmacy - Brand	\$70,105	\$27.61	\$61,676	\$24.29	879	4,156	\$79.72	\$70.14
Pharmacy - Generic	\$24,315	\$9.58	\$17,675	\$6.96	1,221	5,771	\$19.92	\$14.48
Home Health Care	\$16,801	\$7.55	\$16,771	\$7.54	24	131	\$693.54	\$692.30
IP - Maternity	\$25,033	\$11.25	\$8,980	\$4.07	9	46	\$2,903.21	\$1,041.48
IP - Newborn	\$1,274	\$0.57	\$518	\$0.23	3	15	\$463.42	\$188.46
IP - Other	\$110,038	\$49.45	\$11,283	\$5.11	292	1,575	\$376.65	\$38.62
OP - Emergency Room	\$18,334	\$8.24	\$6,903	\$3.10	33	175	\$563.62	\$212.22
OP - Other	\$197,657	\$88.82	\$63,405	\$28.49	303	1,632	\$653.08	\$209.50
Prof - Evaluation & Management	\$100,363	\$45.10	\$50,072	\$22.50	1,545	8,332	\$64.95	\$32.41
Prof - Maternity	\$5,687	\$2.56	\$2,052	\$0.92	6	32	\$950.90	\$343.08
Prof - Other	\$74,171	\$33.33	\$20,475	\$9.20	379	2,046	\$195.45	\$53.95
Prof - DME/Supplies	\$13,192	\$5.93	\$11,056	\$4.97	2,877	15,514	\$4.59	\$3.84
Prof - Lab	\$25,921	\$11.65	\$8,402	\$3.78	671	3,616	\$38.66	\$12.53
Prof - Radiology	\$26,477	\$11.90	\$9,058	\$4.07	231	1,247	\$114.50	\$39.17
Prof - Transportation/Ambulance	\$4,978	\$2.24	\$2,036	\$0.91	186	1,001	\$26.81	\$10.97
Total	\$714,344	\$315.78	\$290,363	\$126.16	8,658		\$82.51	\$33.54

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Disabled / Uninsured Ages 14 - 18 Male								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	3,132	3,536	3,026					
Service Category								
Pharmacy - Brand	\$190,962	\$54.00	\$183,778	\$51.97	685	2,323	\$278.93	\$268.44
Pharmacy - Generic	\$21,970	\$6.21	\$15,979	\$4.52	981	3,329	\$22.40	\$16.29
Home Health Care	\$33,961	\$10.84	\$17,871	\$5.71	90	344	\$378.78	\$199.32
IP - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Newborn	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Other	\$138,141	\$44.11	\$36,179	\$11.96	38	144	\$3,672.59	\$961.85
OP - Emergency Room	\$8,837	\$2.82	\$4,954	\$1.58	16	60	\$561.49	\$314.73
OP - Other	\$220,538	\$70.42	\$44,710	\$14.28	239	917	\$921.88	\$186.90
Prof - Evaluation & Management	\$92,046	\$29.39	\$44,282	\$14.14	1,369	5,245	\$67.25	\$32.35
Prof - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
Prof - Other	\$83,632	\$26.71	\$22,361	\$7.14	456	1,749	\$183.23	\$48.99
Prof - DME/Supplies	\$37,150	\$11.86	\$31,076	\$9.92	3,603	13,807	\$10.31	\$8.62
Prof - Lab	\$11,364	\$3.63	\$4,082	\$1.30	341	1,306	\$33.33	\$11.97
Prof - Radiology	\$14,986	\$4.79	\$4,276	\$1.37	221	847	\$67.83	\$19.36
Prof - Transportation/Ambulance	\$18,509	\$5.91	\$11,177	\$3.57	1,591	6,098	\$11.63	\$7.02
Total	\$872,098	\$270.70	\$420,723	\$127.45	9,629		\$90.57	\$43.69

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Disabled / Uninsured Ages 19 - 20 Female								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	1,057	1,205	1,057					
Service Category								
Pharmacy - Brand	\$34,495	\$28.62	\$32,024	\$26.57	551	5,485	\$62.62	\$58.13
Pharmacy - Generic	\$14,953	\$12.41	\$10,455	\$8.67	888	8,846	\$16.83	\$11.77
Home Health Care	\$664	\$0.63	\$663	\$0.63	8	96	\$78.31	\$78.17
IP - Maternity	\$23,059	\$21.81	\$6,565	\$6.21	10	110	\$2,373.61	\$675.79
IP - Newborn	\$1,973	\$1.87	\$353	\$0.33	2	24	\$927.00	\$165.89
IP - Other	\$9,474	\$8.96	\$4,170	\$3.94	3	39	\$2,747.46	\$1,209.28
OP - Emergency Room	\$18,239	\$17.25	\$8,007	\$7.57	31	357	\$579.40	\$254.37
OP - Other	\$182,920	\$173.02	\$44,784	\$42.36	176	2,000	\$1,037.91	\$254.11
Prof - Evaluation & Management	\$68,781	\$65.06	\$33,844	\$32.01	856	9,711	\$80.40	\$39.56
Prof - Maternity	\$8,329	\$7.88	\$3,845	\$3.64	7	80	\$1,180.17	\$544.84
Prof - Other	\$35,321	\$33.41	\$10,553	\$9.98	246	2,787	\$143.86	\$42.98
Prof - DME/Supplies	\$2,698	\$2.55	\$2,074	\$1.96	1,316	14,937	\$2.05	\$1.58
Prof - Lab	\$25,066	\$23.71	\$8,226	\$7.78	792	8,989	\$31.65	\$10.39
Prof - Radiology	\$20,550	\$19.44	\$6,877	\$6.50	184	2,089	\$111.67	\$37.37
Prof - Transportation/Ambulance	\$6,007	\$5.68	\$2,420	\$2.29	114	1,294	\$52.70	\$21.23
Total	\$452,529	\$422.29	\$174,860	\$160.46	5,185		\$87.28	\$33.72

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Disabled / Uninsured Ages 19 - 20 Male								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	1,677	1,899	1,641					
Service Category								
Pharmacy - Brand	\$391,475	\$206.20	\$350,466	\$184.60	325	2,056	\$1,203.38	\$1,077.32
Pharmacy - Generic	\$7,900	\$4.16	\$5,749	\$3.03	467	2,949	\$16.93	\$12.32
Home Health Care	\$116,245	\$69.31	\$116,037	\$69.18	18	130	\$6,398.09	\$6,386.66
IP - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Newborn	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Other	\$67,383	\$40.18	\$19,109	\$11.65	23	162	\$2,966.96	\$841.39
OP - Emergency Room	\$22,719	\$13.55	\$6,432	\$3.83	18	128	\$1,273.64	\$360.58
OP - Other	\$159,498	\$95.10	\$41,400	\$24.68	157	1,124	\$1,015.00	\$263.46
Prof - Evaluation & Management	\$56,002	\$33.39	\$24,555	\$14.64	552	3,948	\$101.48	\$44.50
Prof - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
Prof - Other	\$53,010	\$31.61	\$18,482	\$11.02	195	1,392	\$272.45	\$94.99
Prof - DME/Supplies	\$2,121	\$1.26	\$978	\$0.58	12	84	\$180.34	\$83.14
Prof - Lab	\$3,532	\$2.11	\$1,211	\$0.72	149	1,068	\$23.67	\$8.12
Prof - Radiology	\$17,621	\$10.51	\$5,113	\$3.05	214	1,530	\$82.41	\$23.91
Prof - Transportation/Ambulance	\$4,359	\$2.60	\$2,584	\$1.54	191	1,363	\$22.88	\$13.56
Total	\$901,864	\$509.96	\$592,116	\$328.53	2,319		\$388.82	\$255.28

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Disabled / Uninsured Ages 21 - 44 Female								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	20,917	23,923	20,421					
Service Category								
Pharmacy - Brand	\$1,967,075	\$82.23	\$1,795,297	\$75.05	25,862	12,973	\$76.06	\$69.42
Pharmacy - Generic	\$890,986	\$37.24	\$607,844	\$25.41	38,706	19,416	\$23.02	\$15.70
Home Health Care	\$22,882	\$1.09	\$14,762	\$0.71	142	82	\$160.73	\$103.69
IP - Maternity	\$211,715	\$10.12	\$59,474	\$2.91	88	50	\$2,406.42	\$676.00
IP - Newborn	\$67,804	\$3.24	\$78,835	\$3.86	48	28	\$1,410.58	\$1,640.07
IP - Other	\$3,655,425	\$174.76	\$892,684	\$43.71	1,033	592	\$3,539.52	\$864.38
OP - Emergency Room	\$514,402	\$24.59	\$208,004	\$9.94	679	390	\$757.47	\$306.29
OP - Other	\$4,402,927	\$210.50	\$1,296,027	\$61.96	4,903	2,813	\$897.96	\$264.32
Prof - Evaluation & Management	\$2,238,528	\$107.02	\$1,006,696	\$48.13	27,709	15,897	\$80.79	\$36.33
Prof - Maternity	\$86,936	\$4.16	\$41,152	\$1.97	67	39	\$1,294.06	\$612.56
Prof - Other	\$1,556,230	\$74.40	\$486,606	\$23.26	6,178	3,544	\$251.92	\$78.77
Prof - DME/Supplies	\$163,127	\$7.80	\$102,478	\$4.90	4,867	2,792	\$33.52	\$21.06
Prof - Lab	\$437,080	\$20.90	\$137,468	\$6.57	11,357	6,515	\$38.49	\$12.10
Prof - Radiology	\$762,598	\$36.46	\$244,816	\$11.70	5,817	3,337	\$131.09	\$42.08
Prof - Transportation/Ambulance	\$172,909	\$8.27	\$91,843	\$4.39	9,339	5,358	\$18.51	\$9.83
Total	\$17,150,625	\$802.78	\$7,063,987	\$324.48	136,796		\$125.37	\$51.64

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Disabled / Uninsured Ages 21 - 44 Male								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	24,440	28,124	23,847					
Service Category								
Pharmacy - Brand	\$2,201,775	\$78.29	\$2,013,535	\$71.60	18,592	7,933	\$118.42	\$108.30
Pharmacy - Generic	\$714,618	\$25.41	\$480,018	\$17.07	29,717	12,680	\$24.05	\$16.15
Home Health Care	\$232,564	\$9.52	\$149,774	\$6.13	785	386	\$296.10	\$190.69
IP - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Newborn	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Other	\$3,797,859	\$155.40	\$1,055,446	\$44.26	1,059	520	\$3,586.62	\$996.74
OP - Emergency Room	\$453,637	\$18.56	\$185,787	\$7.60	638	313	\$710.91	\$291.15
OP - Other	\$3,635,650	\$148.76	\$1,012,793	\$41.44	3,943	1,936	\$922.11	\$256.87
Prof - Evaluation & Management	\$1,791,809	\$73.31	\$765,109	\$31.31	20,314	9,974	\$88.21	\$37.66
Prof - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
Prof - Other	\$1,658,714	\$67.87	\$456,240	\$18.67	5,106	2,507	\$324.83	\$89.35
Prof - DME/Supplies	\$290,026	\$11.87	\$182,370	\$7.46	11,278	5,537	\$25.72	\$16.17
Prof - Lab	\$261,958	\$10.72	\$80,420	\$3.29	6,450	3,167	\$40.61	\$12.47
Prof - Radiology	\$615,199	\$25.17	\$202,598	\$8.29	4,874	2,393	\$126.21	\$41.56
Prof - Transportation/Ambulance	\$184,542	\$7.55	\$88,222	\$3.61	8,793	4,317	\$20.99	\$10.03
Total	\$15,838,351	\$632.42	\$6,672,312	\$260.72	111,550		\$141.98	\$59.81

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Disabled / Uninsured Ages 45 - 64								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	76,050	88,082	75,014					
Service Category								
Pharmacy - Brand	\$11,401,488	\$129.44	\$10,307,716	\$117.02	153,128	20,862	\$74.46	\$67.31
Pharmacy - Generic	\$4,581,189	\$52.01	\$2,945,332	\$33.44	188,212	25,641	\$24.34	\$15.65
Home Health Care	\$588,579	\$7.74	\$357,890	\$4.71	2,324	367	\$253.29	\$154.02
IP - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Newborn	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Other	\$20,568,099	\$270.45	\$5,750,852	\$76.66	5,994	946	\$3,431.61	\$959.48
OP - Emergency Room	\$1,143,728	\$15.04	\$455,161	\$5.99	1,193	188	\$958.86	\$381.59
OP - Other	\$14,506,309	\$190.75	\$4,552,517	\$59.86	14,608	2,305	\$993.03	\$311.64
Prof - Evaluation & Management	\$8,189,299	\$107.68	\$3,623,039	\$47.64	107,652	16,986	\$76.07	\$33.66
Prof - Maternity	\$1,022	\$0.01	\$383	\$0.01	2	0	\$474.71	\$177.76
Prof - Other	\$6,989,561	\$91.91	\$2,243,054	\$29.49	35,436	5,591	\$197.24	\$63.30
Prof - DME/Supplies	\$1,023,135	\$13.45	\$621,041	\$8.17	40,452	6,383	\$25.29	\$15.35
Prof - Lab	\$1,622,577	\$21.34	\$489,312	\$6.43	42,766	6,748	\$37.94	\$11.44
Prof - Radiology	\$2,804,771	\$36.88	\$911,761	\$11.99	20,888	3,296	\$134.28	\$43.65
Prof - Transportation/Ambulance	\$648,479	\$8.53	\$386,640	\$5.08	32,143	5,072	\$20.17	\$12.03
Total	\$74,068,236	\$945.23	\$32,644,697	\$406.49	644,798		\$114.87	\$50.63

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Disabled / Uninsured Age Over 65								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	4,503	4,776	4,484					
Service Category								
Pharmacy - Brand	\$517,675	\$108.38	\$451,871	\$94.61	7,690	19,319	\$67.32	\$58.76
Pharmacy - Generic	\$232,218	\$48.62	\$131,513	\$27.53	9,743	24,478	\$23.83	\$13.50
Home Health Care	\$14,128	\$3.14	\$8,529	\$1.89	50	134	\$280.15	\$169.13
IP - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Newborn	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Other	\$562,893	\$125.00	\$113,287	\$25.26	170	454	\$3,304.27	\$665.01
OP - Emergency Room	\$19,646	\$4.36	\$9,059	\$2.01	24	64	\$813.13	\$374.96
OP - Other	\$422,595	\$93.84	\$96,853	\$21.51	348	927	\$1,214.50	\$278.35
Prof - Evaluation & Management	\$212,230	\$47.13	\$87,576	\$19.45	2,335	6,222	\$90.89	\$37.51
Prof - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
Prof - Other	\$168,434	\$37.40	\$50,720	\$11.26	846	2,253	\$199.21	\$59.99
Prof - DME/Supplies	\$51,401	\$11.41	\$24,168	\$5.37	4,186	11,155	\$12.28	\$5.77
Prof - Lab	\$42,929	\$9.53	\$12,499	\$2.78	1,378	3,673	\$31.14	\$9.07
Prof - Radiology	\$62,974	\$13.98	\$18,055	\$4.01	516	1,375	\$122.01	\$34.98
Prof - Transportation/Ambulance	\$25,244	\$5.61	\$16,371	\$3.64	881	2,347	\$28.67	\$18.59
Total	\$2,332,366	\$508.41	\$1,020,501	\$219.31	28,167		\$82.80	\$36.23

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Disabled / Uninsurable All Ages								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	245,199	280,595	239,563					
Service Category								
Pharmacy - Brand	\$38,244,038	\$136.30	\$34,234,389	\$122.01	445,648	19,059	\$85.82	\$76.82
Pharmacy - Generic	\$13,108,927	\$46.72	\$8,326,395	\$29.67	514,109	21,986	\$25.50	\$16.20
Home Health Care	\$2,435,671	\$9.93	\$1,654,707	\$6.75	9,271	454	\$262.71	\$178.48
IP - Maternity	\$162,890	\$0.66	\$45,677	\$0.19	73	4	\$2,234.15	\$626.49
IP - Newborn	\$70,341	\$0.29	\$39,367	\$0.16	67	3	\$1,046.28	\$585.57
IP - Other	\$78,908,684	\$321.82	\$19,678,444	\$82.14	22,437	1,098	\$3,516.84	\$877.04
OP - Emergency Room	\$4,116,989	\$16.79	\$1,585,192	\$6.46	4,543	222	\$906.23	\$348.93
OP - Other	\$51,432,300	\$209.76	\$16,018,834	\$65.33	47,557	2,327	\$1,081.49	\$336.83
Prof - Evaluation & Management	\$27,085,944	\$110.47	\$11,837,353	\$48.28	329,387	16,120	\$82.23	\$35.94
Prof - Maternity	\$74,512	\$0.30	\$35,125	\$0.14	84	4	\$883.58	\$416.52
Prof - Other	\$24,473,020	\$99.81	\$7,634,376	\$31.14	112,569	5,509	\$217.40	\$67.82
Prof - DME/Supplies	\$3,880,257	\$15.82	\$2,330,932	\$9.51	123,027	6,021	\$31.54	\$18.95
Prof - Lab	\$4,920,599	\$20.07	\$1,490,170	\$6.08	134,354	6,575	\$36.62	\$11.09
Prof - Radiology	\$9,343,838	\$38.11	\$2,947,710	\$12.02	67,374	3,297	\$138.69	\$43.75
Prof - Transportation/Ambulance	\$2,211,514	\$9.02	\$1,180,481	\$4.81	107,381	5,255	\$20.59	\$10.99
Total	\$260,469,522	\$1,035.86	\$109,039,151	\$424.70	1,917,883		\$135.81	\$56.85

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Disabled / Uninsurable Age Under 1								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	12	12	12					
Service Category								
Pharmacy - Brand	\$37	\$3.15	\$3	\$0.29	3	3,427	\$11.04	\$1.00
Pharmacy - Generic	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
Home Health Care	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Newborn	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Other	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
OP - Emergency Room	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
OP - Other	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
Prof - Evaluation & Management	\$244	\$20.70	\$77	\$6.52	6	5,675	\$43.78	\$13.78
Prof - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
Prof - Other	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
Prof - DME/Supplies	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
Prof - Lab	\$61	\$5.18	\$17	\$1.44	2	2,316	\$26.86	\$7.46
Prof - Radiology	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
Prof - Transportation/Ambulance	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
Total	\$342	\$29.04	\$97	\$8.24	11		\$30.52	\$8.66

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Disabled / Uninsurable Ages 1 - 13								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	1,308	1,494	1,264					
Service Category								
Pharmacy - Brand	\$53,753	\$35.99	\$46,450	\$31.10	486	3,902	\$110.67	\$95.64
Pharmacy - Generic	\$13,460	\$9.01	\$8,356	\$5.59	469	3,772	\$28.67	\$17.80
Home Health Care	\$185,328	\$141.68	\$170,639	\$130.45	232	2,128	\$798.94	\$735.62
IP - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Newborn	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Other	\$281,114	\$214.90	\$48,583	\$38.43	55	500	\$5,156.66	\$891.19
OP - Emergency Room	\$6,105	\$4.67	\$1,350	\$1.03	8	70	\$805.39	\$178.04
OP - Other	\$187,025	\$142.97	\$77,646	\$59.36	195	1,793	\$957.13	\$397.37
Prof - Evaluation & Management	\$73,634	\$56.29	\$40,609	\$31.04	960	8,807	\$76.70	\$42.30
Prof - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
Prof - Other	\$44,886	\$34.31	\$14,082	\$10.77	597	5,479	\$75.15	\$23.58
Prof - DME/Supplies	\$28,769	\$21.99	\$20,782	\$15.89	1,193	10,948	\$24.11	\$17.41
Prof - Lab	\$11,330	\$8.66	\$4,263	\$3.26	244	2,237	\$46.47	\$17.49
Prof - Radiology	\$18,084	\$13.82	\$5,312	\$4.06	119	1,089	\$152.29	\$44.73
Prof - Transportation/Ambulance	\$1,114	\$0.85	\$1,105	\$0.84	19	173	\$58.94	\$58.43
Total	\$904,603	\$685.15	\$439,178	\$331.82	4,577		\$197.65	\$95.96

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Disabled / Uninsurable Ages 14 - 18 Female								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	441	501	425					
Service Category								
Pharmacy - Brand	\$15,940	\$31.83	\$14,418	\$28.79	279	6,688	\$57.11	\$51.66
Pharmacy - Generic	\$11,423	\$22.81	\$7,842	\$15.66	301	7,212	\$37.95	\$26.06
Home Health Care	\$12,964	\$29.42	\$8,637	\$19.60	20	540	\$654.22	\$435.86
IP - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Newborn	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Other	\$164,770	\$373.90	\$114,962	\$270.64	49	1,339	\$3,350.96	\$2,338.01
OP - Emergency Room	\$4,992	\$11.33	\$2,089	\$4.74	8	206	\$658.56	\$275.64
OP - Other	\$209,271	\$474.88	\$114,163	\$259.06	264	7,192	\$792.34	\$432.24
Prof - Evaluation & Management	\$33,731	\$76.54	\$14,799	\$33.58	371	10,100	\$90.94	\$39.90
Prof - Maternity	\$6,234	\$14.15	\$3,012	\$6.83	8	228	\$745.82	\$360.31
Prof - Other	\$9,627	\$21.85	\$2,745	\$6.23	71	1,940	\$135.10	\$38.51
Prof - DME/Supplies	\$15,959	\$36.21	\$10,546	\$23.93	2,907	79,159	\$5.49	\$3.63
Prof - Lab	\$7,862	\$17.84	\$2,088	\$4.74	208	5,663	\$37.80	\$10.04
Prof - Radiology	\$20,594	\$46.73	\$5,309	\$12.05	151	4,103	\$136.67	\$35.23
Prof - Transportation/Ambulance	\$2,360	\$5.36	\$1,457	\$3.31	46	1,244	\$51.66	\$31.90
Total	\$515,728	\$1,162.83	\$302,067	\$689.16	4,683		\$110.14	\$64.51

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Disabled / Uninsurable Ages 14 - 18 Male								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	602	690	585					
Service Category								
Pharmacy - Brand	\$44,251	\$64.10	\$38,472	\$55.73	227	3,951	\$194.67	\$169.25
Pharmacy - Generic	\$3,275	\$4.74	\$2,177	\$3.15	171	2,977	\$19.12	\$12.71
Home Health Care	\$150,236	\$249.54	\$99,486	\$165.24	301	5,996	\$499.43	\$330.72
IP - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Newborn	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Other	\$301,668	\$501.06	\$41,702	\$71.34	105	2,094	\$2,872.02	\$397.02
OP - Emergency Room	\$2,219	\$3.69	\$1,479	\$2.46	4	86	\$512.38	\$341.34
OP - Other	\$66,866	\$111.06	\$46,602	\$77.40	106	2,119	\$628.96	\$438.35
Prof - Evaluation & Management	\$27,599	\$45.84	\$14,063	\$23.36	335	6,686	\$82.27	\$41.92
Prof - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
Prof - Other	\$29,517	\$49.03	\$8,304	\$13.79	70	1,395	\$421.79	\$118.66
Prof - DME/Supplies	\$24,927	\$41.40	\$18,811	\$31.24	502	10,010	\$49.63	\$37.46
Prof - Lab	\$7,535	\$12.51	\$3,818	\$6.34	159	3,161	\$47.52	\$24.08
Prof - Radiology	\$7,999	\$13.29	\$2,529	\$4.20	84	1,680	\$94.92	\$30.01
Prof - Transportation/Ambulance	\$717	\$1.19	\$546	\$0.91	26	511	\$27.97	\$21.32
Total	\$666,809	\$1,097.45	\$277,989	\$455.16	2,091		\$318.86	\$132.93

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Disabled / Uninsurable Ages 19 - 20 Female								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	420	494	398					
Service Category								
Pharmacy - Brand	\$16,526	\$33.46	\$15,424	\$31.23	285	6,929	\$57.95	\$54.09
Pharmacy - Generic	\$5,384	\$10.90	\$3,774	\$7.64	335	8,147	\$16.06	\$11.26
Home Health Care	\$26,339	\$62.78	\$15,485	\$36.91	38	1,100	\$684.72	\$402.57
IP - Maternity	\$12,924	\$30.80	\$4,661	\$11.73	5	149	\$2,473.40	\$892.10
IP - Newborn	\$1,019	\$2.43	\$480	\$1.21	3	88	\$330.25	\$155.66
IP - Other	\$20,429	\$48.69	\$4,870	\$12.25	3	98	\$5,978.49	\$1,425.29
OP - Emergency Room	\$13,678	\$32.60	\$5,008	\$11.94	14	403	\$971.56	\$355.76
OP - Other	\$55,366	\$131.96	\$13,483	\$32.14	62	1,784	\$887.53	\$216.14
Prof - Evaluation & Management	\$23,675	\$56.43	\$10,992	\$26.20	614	17,555	\$38.57	\$17.91
Prof - Maternity	\$4,411	\$10.51	\$2,781	\$6.63	2	59	\$2,126.94	\$1,340.90
Prof - Other	\$6,220	\$14.82	\$1,781	\$4.24	75	2,150	\$82.75	\$23.69
Prof - DME/Supplies	\$3,263	\$7.78	\$2,301	\$5.48	461	13,175	\$7.08	\$4.99
Prof - Lab	\$9,272	\$22.10	\$2,922	\$6.97	273	7,822	\$33.90	\$10.69
Prof - Radiology	\$5,358	\$12.77	\$1,677	\$4.00	66	1,873	\$81.80	\$25.61
Prof - Transportation/Ambulance	\$4,973	\$11.85	\$2,272	\$5.42	85	2,419	\$58.79	\$26.87
Total	\$208,837	\$489.89	\$87,913	\$203.98	2,322		\$89.93	\$37.86

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Disabled / Uninsurable Ages 19 - 20 Male								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	709	815	687					
Service Category								
Pharmacy - Brand	\$56,999	\$69.97	\$52,487	\$64.43	156	2,293	\$366.21	\$337.21
Pharmacy - Generic	\$12,406	\$15.23	\$10,045	\$12.33	357	5,255	\$34.77	\$28.16
Home Health Care	\$27,883	\$39.30	\$26,571	\$37.45	9	158	\$2,990.08	\$2,849.31
IP - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Newborn	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Other	\$520,648	\$733.89	\$175,106	\$254.81	163	2,753	\$3,199.15	\$1,075.95
OP - Emergency Room	\$6,275	\$8.84	\$2,462	\$3.47	13	220	\$482.85	\$189.47
OP - Other	\$114,662	\$161.62	\$32,665	\$46.04	100	1,698	\$1,141.90	\$325.30
Prof - Evaluation & Management	\$44,106	\$62.17	\$18,142	\$25.57	521	8,818	\$84.60	\$34.80
Prof - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
Prof - Other	\$138,936	\$195.84	\$30,881	\$43.53	186	3,147	\$746.83	\$166.00
Prof - DME/Supplies	\$59,992	\$84.56	\$35,678	\$50.29	4,886	82,637	\$12.28	\$7.30
Prof - Lab	\$8,856	\$12.48	\$1,828	\$2.58	167	2,825	\$53.02	\$10.94
Prof - Radiology	\$16,972	\$23.92	\$6,186	\$8.72	197	3,325	\$86.34	\$31.47
Prof - Transportation/Ambulance	\$4,109	\$5.79	\$2,170	\$3.06	75	1,261	\$55.10	\$29.10
Total	\$1,011,844	\$1,413.63	\$394,220	\$552.29	6,829		\$148.17	\$57.73

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Disabled / Uninsurable Ages 21 - 44 Female								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	28,267	32,421	27,340					
Service Category								
Pharmacy - Brand	\$3,088,063	\$95.25	\$2,814,097	\$86.80	35,166	13,016	\$87.81	\$80.02
Pharmacy - Generic	\$1,118,827	\$34.51	\$779,982	\$24.06	48,076	17,794	\$23.27	\$16.22
Home Health Care	\$338,557	\$11.98	\$273,201	\$9.66	1,094	464	\$309.54	\$249.78
IP - Maternity	\$149,966	\$5.31	\$41,015	\$1.50	68	29	\$2,215.68	\$605.98
IP - Newborn	\$69,322	\$2.45	\$38,887	\$1.42	64	27	\$1,080.72	\$606.24
IP - Other	\$7,005,520	\$247.83	\$1,497,192	\$54.76	2,075	881	\$3,375.91	\$721.49
OP - Emergency Room	\$631,299	\$22.33	\$249,546	\$8.83	823	349	\$767.03	\$303.20
OP - Other	\$5,806,371	\$205.41	\$1,835,640	\$64.94	6,519	2,767	\$890.67	\$281.58
Prof - Evaluation & Management	\$2,925,110	\$103.48	\$1,310,441	\$46.36	35,316	14,992	\$82.83	\$37.11
Prof - Maternity	\$63,867	\$2.26	\$29,333	\$1.04	74	31	\$864.27	\$396.94
Prof - Other	\$2,581,283	\$91.32	\$759,126	\$26.86	10,119	4,296	\$255.10	\$75.02
Prof - DME/Supplies	\$221,110	\$7.82	\$143,566	\$5.08	10,359	4,398	\$21.34	\$13.86
Prof - Lab	\$620,588	\$21.95	\$197,553	\$6.99	16,443	6,980	\$37.74	\$12.01
Prof - Radiology	\$1,042,586	\$36.88	\$327,906	\$11.60	8,064	3,423	\$129.28	\$40.66
Prof - Transportation/Ambulance	\$266,364	\$9.42	\$145,763	\$5.16	18,808	7,984	\$14.16	\$7.75
Total	\$25,928,834	\$898.21	\$10,443,247	\$355.05	193,068		\$134.30	\$54.09

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Disabled / Uninsurable Ages 21 - 44 Male								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	48,909	56,277	46,892					
Service Category								
Pharmacy - Brand	\$5,426,753	\$96.43	\$4,964,798	\$88.22	39,062	8,329	\$138.93	\$127.10
Pharmacy - Generic	\$1,462,612	\$25.99	\$986,947	\$17.54	57,692	12,302	\$25.35	\$17.11
Home Health Care	\$169,331	\$3.46	\$115,551	\$2.36	904	222	\$187.23	\$127.77
IP - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Newborn	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Other	\$15,379,421	\$314.45	\$3,523,338	\$75.14	3,985	978	\$3,858.99	\$884.07
OP - Emergency Room	\$891,778	\$18.23	\$341,487	\$6.98	1,263	310	\$706.25	\$270.44
OP - Other	\$9,140,738	\$186.89	\$2,659,506	\$54.38	8,580	2,105	\$1,065.38	\$309.97
Prof - Evaluation & Management	\$4,059,928	\$83.01	\$1,756,781	\$35.92	44,768	10,984	\$90.69	\$39.24
Prof - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
Prof - Other	\$4,251,703	\$86.93	\$1,243,884	\$25.43	14,074	3,453	\$302.09	\$88.38
Prof - DME/Supplies	\$635,936	\$13.00	\$413,781	\$8.46	14,466	3,549	\$43.96	\$28.60
Prof - Lab	\$581,368	\$11.89	\$176,671	\$3.61	15,211	3,732	\$38.22	\$11.61
Prof - Radiology	\$1,415,665	\$28.94	\$446,871	\$9.14	11,483	2,817	\$123.28	\$38.91
Prof - Transportation/Ambulance	\$475,575	\$9.72	\$246,691	\$5.04	17,579	4,313	\$27.05	\$14.03
Total	\$43,890,810	\$878.95	\$16,876,307	\$332.22	229,067		\$191.61	\$73.67

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Disabled / Uninsurable Ages 45 - 64								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	153,452	176,394	151,017					
Service Category								
Pharmacy - Brand	\$28,097,608	\$159.29	\$25,056,737	\$142.05	348,637	23,718	\$80.59	\$71.87
Pharmacy - Generic	\$9,878,802	\$56.00	\$6,170,945	\$34.98	382,203	26,001	\$25.85	\$16.15
Home Health Care	\$1,497,295	\$9.76	\$927,783	\$6.05	6,405	501	\$233.76	\$144.85
IP - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Newborn	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Other	\$54,476,272	\$355.01	\$14,058,504	\$93.09	15,791	1,235	\$3,449.79	\$890.28
OP - Emergency Room	\$2,528,083	\$16.47	\$976,893	\$6.37	2,387	187	\$1,059.16	\$409.28
OP - Other	\$35,504,501	\$231.37	\$11,157,630	\$72.71	31,424	2,457	\$1,129.84	\$355.06
Prof - Evaluation & Management	\$19,508,437	\$127.13	\$8,550,527	\$55.72	242,064	18,929	\$80.59	\$35.32
Prof - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
Prof - Other	\$17,167,611	\$111.88	\$5,514,863	\$35.94	86,378	6,755	\$198.75	\$63.85
Prof - DME/Supplies	\$2,818,415	\$18.37	\$1,653,401	\$10.77	80,388	6,286	\$35.06	\$20.57
Prof - Lab	\$3,618,116	\$23.58	\$1,086,762	\$7.08	100,390	7,851	\$36.04	\$10.83
Prof - Radiology	\$6,739,199	\$43.92	\$2,134,548	\$13.91	46,493	3,636	\$144.95	\$45.91
Prof - Transportation/Ambulance	\$1,326,491	\$8.64	\$685,472	\$4.47	64,406	5,037	\$20.60	\$10.64
Total	\$183,160,831	\$1,161.42	\$77,974,065	\$483.14	1,406,966		\$130.18	\$55.42

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Disabled / Uninsurable Age Over 65								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	11,078	11,497	10,944					
Service Category								
Pharmacy - Brand	\$1,444,106	\$125.60	\$1,231,504	\$107.11	21,346	22,279	\$67.65	\$57.69
Pharmacy - Generic	\$602,738	\$52.42	\$356,327	\$30.99	24,505	25,576	\$24.60	\$14.54
Home Health Care	\$27,736	\$2.50	\$17,353	\$1.57	267	290	\$103.71	\$64.89
IP - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Newborn	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
IP - Other	\$758,842	\$68.50	\$214,187	\$19.57	211	228	\$3,599.35	\$1,015.93
OP - Emergency Room	\$32,559	\$2.94	\$4,877	\$0.44	24	26	\$1,366.58	\$204.71
OP - Other	\$347,498	\$31.37	\$81,498	\$7.36	305	330	\$1,139.53	\$267.25
Prof - Evaluation & Management	\$389,479	\$35.16	\$120,922	\$10.92	4,433	4,802	\$87.86	\$27.28
Prof - Maternity	\$0	\$0.00	\$0	\$0.00	0	0	\$0.00	\$0.00
Prof - Other	\$243,237	\$21.96	\$58,711	\$5.30	999	1,082	\$243.48	\$58.77
Prof - DME/Supplies	\$71,886	\$6.49	\$32,066	\$2.89	7,865	8,519	\$9.14	\$4.08
Prof - Lab	\$55,610	\$5.02	\$14,248	\$1.29	1,257	1,362	\$44.23	\$11.33
Prof - Radiology	\$77,381	\$6.98	\$17,372	\$1.57	718	777	\$107.82	\$24.21
Prof - Transportation/Ambulance	\$129,810	\$11.72	\$95,003	\$8.58	6,340	6,867	\$20.48	\$14.99
Total	\$4,180,883	\$370.66	\$2,244,068	\$197.58	68,269		\$61.24	\$32.87

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Historical Encounter Data
Statewide; Excludes Access Med Plus

Exhibit 1

Waiver Duals (Uninsurable & Medicare)								
All Ages								
	Raw Charges	Raw Charges PMPM	Paid Expenditures	Paid Expenditure PMPM	Units	Units / 1000	Raw Charges / Unit	Paid Expenditures / Unit
	MM Non-Rx	MM Rx	MM IP Paid					
	568,312	714,800	561,988					
Service Category								
Pharmacy - Brand	\$158,015,736	\$221.06	\$127,894,431	\$178.92	1,776,024	29,816	\$88.97	\$72.01
Pharmacy - Generic	\$56,056,291	\$78.42	\$30,404,668	\$42.54	1,865,979	31,326	\$30.04	\$16.29
Home Health Care	\$1,370,290	\$2.41	\$765,328	\$1.35	4,827	102	\$283.85	\$158.54
IP - Maternity	\$3,428	\$0.01	\$1,205	\$0.00	2	0	\$1,667.63	\$586.07
IP - Newborn	\$17,732	\$0.03	\$10,820	\$0.02	10	0	\$1,714.00	\$1,045.84
IP - Other	\$9,207,753	\$16.20	\$1,394,747	\$2.48	3,047	64	\$3,021.53	\$457.69
OP - Emergency Room	\$770,474	\$1.36	\$196,368	\$0.35	682	14	\$1,130.07	\$288.02
OP - Other	\$8,260,698	\$14.54	\$1,756,939	\$3.09	7,478	158	\$1,104.73	\$234.96
Prof - Evaluation & Management	\$7,470,611	\$13.15	\$1,940,101	\$3.41	98,964	2,090	\$75.49	\$19.60
Prof - Maternity	\$11,139	\$0.02	\$2,899	\$0.01	8	0	\$1,354.58	\$352.55
Prof - Other	\$7,002,829	\$12.32	\$1,175,319	\$2.07	32,758	692	\$213.78	\$35.88
Prof - DME/Supplies	\$1,781,875	\$3.14	\$726,420	\$1.28	214,333	4,526	\$8.31	\$3.39
Prof - Lab	\$1,308,859	\$2.30	\$270,182	\$0.48	29,755	628	\$43.99	\$9.08
Prof - Radiology	\$2,148,162	\$3.78	\$414,053	\$0.73	15,145	320	\$141.84	\$27.34
Prof - Transportation/Ambulance	\$2,648,977	\$4.66	\$2,162,244	\$3.80	258,014	5,448	\$10.27	\$8.38
Total	\$256,074,852	\$373.39	\$169,115,724	\$240.52	4,307,027		\$59.46	\$39.27

- Non-Pharmacy claims incurred 10/1/01 - 9/30/02
- Pharmacy claims incurred 10/1/01 - 12/31/02

TennCare
FY 2004 Per Capita Cost Development
Annual Trend Factors

Historical Annual Trend Factors						
	Medicaid (TANF & Related)	Disabled	Duals (Medicaid & Medicare)	Uninsured	Uninsurable	Duals (TC Standard & Medicare)
Pharmacy - Brand	1.253	1.253	1.181	1.253	1.253	1.181
Pharmacy - Generic	1.092	1.092	0.877	1.092	1.092	0.877
Home Health Care	1.050	1.050	1.050	1.050	1.050	1.050
Inpatient	1.072	0.945	1.006	1.072	0.945	1.006
Outpatient	1.196	1.168	1.035	1.196	1.168	1.035
Professional	1.109	1.109	1.085	1.109	1.109	1.085

Contract Period Trend Factors						
	Medicaid (TANF & Related)	Disabled	Duals (Medicaid & Medicare)	Uninsured	Uninsurable	Duals (TC Standard & Medicare)
Pharmacy - Brand	1.152	1.152	1.096	1.152	1.152	1.096
Pharmacy - Generic	1.092	1.092	0.877	1.092	1.092	0.877
Home Health Care	1.050	1.050	1.050	1.050	1.050	1.050
Inpatient	1.006	1.006	1.006	1.006	1.006	1.006
Outpatient	1.087	1.118	1.035	1.087	1.118	1.035
Professional	1.102	1.063	1.085	1.102	1.063	1.085

Note:

Historical Annual Trend Factors as shown are for a 12-month period. Refer to Exhibit 3 for the factors used to trend the data from the mid-point of the data period (April 1, 2002) to the end of the data period, or 9 months for all non-pharmacy service categories.

Pharmacy data is trended from its midpoint (May 15, 2002) to the end of the data period, or 7.5 months.

The Contract Period Trend Factors represent the additional adjustment required to trend the data from the end of the data period (January 1, 2003) to the midpoint of the contract period (January 1, 2004).

**TennCare
 FY 2004 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)
Pharmacy - Brand	1.152	1.152	1.111	1.152	1.152	1.111
Pharmacy - Generic	1.058	1.057	0.922	1.058	1.057	0.922
Home Health Care	1.079	1.087	1.144	1.079	1.087	1.079
Inpatient	1.092	0.991	1.094	1.092	0.991	1.041
Outpatient	1.156	1.139	1.076	1.156	1.139	1.037
Professional	1.091	1.094	1.101	1.091	1.094	1.073

Note:

The Trend/IBNR Factors - Data Period represent the total adjustment required to trend the data using historical trend factors to the end of the data period (January 1, 2003); these factors also incorporate completion factors necessary to adjust the encounter data to a fully incurred basis.

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Medicaid (TANF & Related)									
All Ages									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	6,683,159	8,506,058	6,499,313						
Service Category									
Pharmacy - Brand	\$122,673,753	\$113,446,158	\$105,504,927	2,052,028	\$51.41	1.1516	1.0006	1.1524	\$16.47
Pharmacy - Generic	\$52,891,850	\$39,037,040	\$36,304,447	3,266,363	\$11.11	1.0568	1.0006	1.0925	\$4.93
Home Health Care	\$8,262,025	\$5,987,079	\$5,987,079	29,147	\$205.41	1.0376	1.0398	1.0504	\$1.02
IP - Maternity	\$155,559,806	\$48,178,242	\$48,178,242	71,908	\$670.00	1.0532	1.0366	1.0060	\$8.14
IP - Newborn	\$141,842,091	\$63,859,592	\$63,859,592	83,273	\$766.87	1.0532	1.0366	1.0060	\$10.79
IP - Other	\$245,696,678	\$71,083,930	\$71,083,930	78,121	\$909.92	1.0532	1.0366	1.0060	\$12.01
OP - Emergency Room	\$53,922,856	\$23,749,871	\$23,749,871	116,751	\$203.42	1.1437	1.0107	1.0865	\$4.46
OP - Other	\$391,334,063	\$125,212,851	\$125,212,851	642,774	\$194.80	1.1437	1.0107	1.0865	\$23.53
Prof - Evaluation & Management	\$313,870,918	\$156,703,662	\$156,703,662	4,354,279	\$35.99	1.0807	1.0094	1.1019	\$28.19
Prof - Maternity	\$73,162,401	\$34,698,008	\$34,698,008	67,066	\$517.37	1.0807	1.0094	1.1019	\$6.24
Prof - Other	\$149,067,631	\$46,288,445	\$46,288,445	1,002,626	\$46.17	1.0807	1.0094	1.1019	\$8.33
Prof - DME/Supplies	\$9,566,584	\$6,025,133	\$6,025,133	325,822	\$18.49	1.0807	1.0094	1.1019	\$1.08
Prof - Lab	\$55,112,559	\$18,835,301	\$18,835,301	1,787,690	\$10.54	1.0807	1.0094	1.1019	\$3.39
Prof - Radiology	\$61,366,867	\$19,245,202	\$19,245,202	561,654	\$34.27	1.0807	1.0094	1.1019	\$3.46
Prof - Transportation/Ambulance	\$16,013,242	\$7,666,386	\$7,666,386	542,157	\$14.14	1.0807	1.0094	1.1019	\$1.38
Total	\$1,850,343,325	\$780,016,899	\$769,343,076	14,981,660					\$133.42
Administrative Adjustment									1.1019
Per Capita Cost									\$147.02

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Medicaid (TANF & Related)									
Age Under 1									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	404,700	509,963	393,055						
Service Category									
Pharmacy - Brand	\$5,131,499	\$4,858,838	\$4,518,719	84,233	\$53.65	1.1516	1.0006	1.1524	\$11.77
Pharmacy - Generic	\$1,773,663	\$1,453,462	\$1,351,720	172,686	\$7.83	1.0568	1.0006	1.0925	\$3.06
Home Health Care	\$2,176,601	\$1,641,611	\$1,641,611	5,218	\$314.60	1.0376	1.0398	1.0504	\$4.60
IP - Maternity	\$26,802	\$4,688	\$4,688	15	\$304.37	1.0532	1.0366	1.0060	\$0.01
IP - Newborn	\$78,956,949	\$35,897,724	\$35,897,724	37,582	\$955.18	1.0532	1.0366	1.0060	\$100.31
IP - Other	\$39,091,282	\$14,503,766	\$14,503,766	15,739	\$921.54	1.0532	1.0366	1.0060	\$40.53
OP - Emergency Room	\$4,481,343	\$2,179,635	\$2,179,635	13,288	\$164.03	1.1437	1.0107	1.0865	\$6.76
OP - Other	\$19,930,784	\$7,453,865	\$7,453,865	49,281	\$151.25	1.1437	1.0107	1.0865	\$23.13
Prof - Evaluation & Management	\$52,196,368	\$26,695,067	\$26,695,067	832,434	\$32.07	1.0807	1.0094	1.1019	\$79.29
Prof - Maternity	\$9,251	\$4,881	\$4,881	5	\$944.26	1.0807	1.0094	1.1019	\$0.01
Prof - Other	\$7,248,770	\$2,312,598	\$2,312,598	32,367	\$71.45	1.0807	1.0094	1.1019	\$6.87
Prof - DME/Supplies	\$1,952,086	\$1,157,224	\$1,157,224	35,774	\$32.35	1.0807	1.0094	1.1019	\$3.44
Prof - Lab	\$1,409,925	\$460,341	\$460,341	51,320	\$8.97	1.0807	1.0094	1.1019	\$1.37
Prof - Radiology	\$2,025,545	\$577,336	\$577,336	35,469	\$16.28	1.0807	1.0094	1.1019	\$1.71
Prof - Transportation/Ambulance	\$1,208,024	\$532,257	\$532,257	32,019	\$16.62	1.0807	1.0094	1.1019	\$1.58
Total	\$217,618,893	\$99,733,293	\$99,291,432	1,397,431					\$284.44
Administrative Adjustment									1.1019
Per Capita Cost									\$313.43

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Medicaid (TANF & Related)									
Ages 1 - 13									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	3,508,897	4,467,100	3,411,008						
Service Category									
Pharmacy - Brand	\$36,536,584	\$33,784,486	\$31,419,572	697,619	\$45.04	1.1516	1.0006	1.1524	\$9.34
Pharmacy - Generic	\$11,804,164	\$9,454,638	\$8,792,814	848,329	\$10.36	1.0568	1.0006	1.0925	\$2.27
Home Health Care	\$2,486,289	\$1,876,853	\$1,876,853	9,878	\$190.00	1.0376	1.0398	1.0504	\$0.61
IP - Maternity	\$261,314	\$68,557	\$68,557	115	\$596.21	1.0532	1.0366	1.0060	\$0.02
IP - Newborn	\$79,592	\$32,824	\$32,824	77	\$424.94	1.0532	1.0366	1.0060	\$0.01
IP - Other	\$42,884,059	\$13,385,290	\$13,385,290	17,226	\$777.05	1.0532	1.0366	1.0060	\$4.31
OP - Emergency Room	\$17,007,331	\$8,219,472	\$8,219,472	48,224	\$170.44	1.1437	1.0107	1.0865	\$2.94
OP - Other	\$102,048,054	\$37,164,881	\$37,164,881	215,986	\$172.07	1.1437	1.0107	1.0865	\$13.30
Prof - Evaluation & Management	\$109,071,158	\$58,268,565	\$58,268,565	1,757,769	\$33.15	1.0807	1.0094	1.1019	\$19.96
Prof - Maternity	\$85,051	\$42,241	\$42,241	121	\$350.52	1.0807	1.0094	1.1019	\$0.01
Prof - Other	\$32,329,948	\$11,073,584	\$11,073,584	286,956	\$38.59	1.0807	1.0094	1.1019	\$3.79
Prof - DME/Supplies	\$2,560,966	\$1,646,040	\$1,646,040	140,485	\$11.72	1.0807	1.0094	1.1019	\$0.56
Prof - Lab	\$10,318,333	\$3,570,149	\$3,570,149	409,044	\$8.73	1.0807	1.0094	1.1019	\$1.22
Prof - Radiology	\$7,920,238	\$2,305,819	\$2,305,819	127,644	\$18.06	1.0807	1.0094	1.1019	\$0.79
Prof - Transportation/Ambulance	\$3,574,791	\$1,759,370	\$1,759,370	134,072	\$13.12	1.0807	1.0094	1.1019	\$0.60
Total	\$378,967,871	\$182,652,770	\$179,626,031	4,693,545					\$59.73
Administrative Adjustment									1.1019
Per Capita Cost									\$65.82

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Medicaid (TANF & Related)									
Ages 14 - 18 Female									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	465,465	594,233	454,353						
Service Category									
Pharmacy - Brand	\$6,903,489	\$6,362,815	\$5,917,418	135,573	\$43.65	1.1516	1.0006	1.1524	\$13.22
Pharmacy - Generic	\$3,442,018	\$2,537,524	\$2,359,897	228,375	\$10.33	1.0568	1.0006	1.0925	\$4.59
Home Health Care	\$199,496	\$138,460	\$138,460	1,096	\$126.38	1.0376	1.0398	1.0504	\$0.34
IP - Maternity	\$21,798,228	\$6,598,689	\$6,598,689	10,462	\$630.74	1.0532	1.0366	1.0060	\$15.95
IP - Newborn	\$9,639,257	\$4,211,394	\$4,211,394	8,569	\$491.44	1.0532	1.0366	1.0060	\$10.18
IP - Other	\$9,784,508	\$2,682,094	\$2,682,094	2,979	\$900.25	1.0532	1.0366	1.0060	\$6.48
OP - Emergency Room	\$3,671,320	\$1,540,316	\$1,540,316	6,997	\$220.15	1.1437	1.0107	1.0865	\$4.16
OP - Other	\$28,165,691	\$8,299,447	\$8,299,447	50,544	\$164.20	1.1437	1.0107	1.0865	\$22.40
Prof - Evaluation & Management	\$21,152,097	\$10,846,286	\$10,846,286	266,172	\$40.75	1.0807	1.0094	1.1019	\$28.01
Prof - Maternity	\$10,267,209	\$4,881,289	\$4,881,289	9,046	\$539.59	1.0807	1.0094	1.1019	\$12.61
Prof - Other	\$10,210,931	\$3,348,626	\$3,348,626	99,299	\$33.72	1.0807	1.0094	1.1019	\$8.65
Prof - DME/Supplies	\$335,311	\$228,867	\$228,867	11,470	\$19.95	1.0807	1.0094	1.1019	\$0.59
Prof - Lab	\$6,430,294	\$2,321,506	\$2,321,506	218,259	\$10.64	1.0807	1.0094	1.1019	\$6.00
Prof - Radiology	\$5,423,333	\$1,747,223	\$1,747,223	44,368	\$39.38	1.0807	1.0094	1.1019	\$4.51
Prof - Transportation/Ambulance	\$1,421,637	\$664,502	\$664,502	45,968	\$14.46	1.0807	1.0094	1.1019	\$1.72
Total	\$138,844,819	\$56,409,038	\$55,786,014	1,139,176					\$139.41
Administrative Adjustment									1.1019
Per Capita Cost									\$153.62

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Medicaid (TANF & Related)									
Ages 14 - 18 Male									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	408,401	524,085	398,936						
Service Category									
Pharmacy - Brand	\$4,015,850	\$3,670,946	\$3,413,979	54,735	\$62.37	1.1516	1.0006	1.1524	\$8.65
Pharmacy - Generic	\$1,724,552	\$1,198,724	\$1,114,814	101,276	\$11.01	1.0568	1.0006	1.0925	\$2.46
Home Health Care	\$194,810	\$122,498	\$122,498	961	\$127.46	1.0376	1.0398	1.0504	\$0.34
IP - Maternity	\$11,377	\$4,878	\$4,878	8	\$579.20	1.0532	1.0366	1.0060	\$0.01
IP - Newborn	\$2,571	\$1,075	\$1,075	5	\$204.66	1.0532	1.0366	1.0060	\$0.00
IP - Other	\$10,217,823	\$2,528,687	\$2,528,687	2,169	\$1,166.10	1.0532	1.0366	1.0060	\$6.96
OP - Emergency Room	\$2,050,469	\$895,399	\$895,399	4,009	\$223.32	1.1437	1.0107	1.0865	\$2.75
OP - Other	\$16,278,767	\$4,496,148	\$4,496,148	24,615	\$182.66	1.1437	1.0107	1.0865	\$13.83
Prof - Evaluation & Management	\$9,723,678	\$4,936,270	\$4,936,270	132,398	\$37.28	1.0807	1.0094	1.1019	\$14.53
Prof - Maternity	\$8,375	\$5,137	\$5,137	4	\$1,237.58	1.0807	1.0094	1.1019	\$0.02
Prof - Other	\$5,168,639	\$1,714,708	\$1,714,708	37,471	\$45.76	1.0807	1.0094	1.1019	\$5.05
Prof - DME/Supplies	\$330,840	\$233,544	\$233,544	9,615	\$24.29	1.0807	1.0094	1.1019	\$0.69
Prof - Lab	\$1,145,247	\$409,600	\$409,600	41,883	\$9.78	1.0807	1.0094	1.1019	\$1.21
Prof - Radiology	\$2,026,248	\$589,114	\$589,114	26,823	\$21.96	1.0807	1.0094	1.1019	\$1.73
Prof - Transportation/Ambulance	\$824,854	\$359,050	\$359,050	21,233	\$16.91	1.0807	1.0094	1.1019	\$1.06
Total	\$53,724,099	\$21,165,779	\$20,824,903	457,205					\$59.29
Administrative Adjustment									1.1019
Per Capita Cost									\$65.33

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Medicaid (TANF & Related)									
Ages 19 - 20 Female									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	201,604	255,472	195,717						
Service Category									
Pharmacy - Brand	\$3,408,433	\$3,175,013	\$2,952,762	71,999	\$41.01	1.1516	1.0006	1.1524	\$15.35
Pharmacy - Generic	\$2,050,076	\$1,571,380	\$1,461,383	153,538	\$9.52	1.0568	1.0006	1.0925	\$6.61
Home Health Care	\$255,150	\$187,280	\$187,280	654	\$286.48	1.0376	1.0398	1.0504	\$1.05
IP - Maternity	\$30,278,499	\$9,550,913	\$9,550,913	14,480	\$659.61	1.0532	1.0366	1.0060	\$53.60
IP - Newborn	\$13,661,282	\$6,092,928	\$6,092,928	9,577	\$636.23	1.0532	1.0366	1.0060	\$34.19
IP - Other	\$6,621,174	\$2,100,069	\$2,100,069	2,059	\$1,019.90	1.0532	1.0366	1.0060	\$11.79
OP - Emergency Room	\$2,866,168	\$1,172,462	\$1,172,462	5,132	\$228.45	1.1437	1.0107	1.0865	\$7.30
OP - Other	\$20,567,711	\$6,100,796	\$6,100,796	36,813	\$165.72	1.1437	1.0107	1.0865	\$38.01
Prof - Evaluation & Management	\$14,113,905	\$6,727,569	\$6,727,569	142,931	\$47.07	1.0807	1.0094	1.1019	\$40.11
Prof - Maternity	\$14,582,276	\$6,972,965	\$6,972,965	13,693	\$509.24	1.0807	1.0094	1.1019	\$41.58
Prof - Other	\$9,134,107	\$2,978,950	\$2,978,950	85,613	\$34.80	1.0807	1.0094	1.1019	\$17.76
Prof - DME/Supplies	\$226,628	\$143,935	\$143,935	4,981	\$28.90	1.0807	1.0094	1.1019	\$0.86
Prof - Lab	\$5,283,727	\$1,893,615	\$1,893,615	168,385	\$11.25	1.0807	1.0094	1.1019	\$11.29
Prof - Radiology	\$5,043,277	\$1,692,344	\$1,692,344	34,929	\$48.45	1.0807	1.0094	1.1019	\$10.09
Prof - Transportation/Ambulance	\$1,062,454	\$488,362	\$488,362	25,768	\$18.95	1.0807	1.0094	1.1019	\$2.91
Total	\$129,154,868	\$50,848,580	\$50,516,332	770,552					\$292.50
Administrative Adjustment									1.1019
Per Capita Cost									\$322.31

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Medicaid (TANF & Related)									
Ages 19 - 20 Male									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	70,472	90,981	68,432						
Service Category									
Pharmacy - Brand	\$593,929	\$554,814	\$515,977	8,431	\$61.20	1.1516	1.0006	1.1524	\$7.53
Pharmacy - Generic	\$348,614	\$248,118	\$230,750	21,731	\$10.62	1.0568	1.0006	1.0925	\$2.93
Home Health Care	\$40,452	\$24,824	\$24,824	186	\$133.16	1.0376	1.0398	1.0504	\$0.40
IP - Maternity	\$40,014	\$10,314	\$10,314	21	\$482.67	1.0532	1.0366	1.0060	\$0.17
IP - Newborn	\$6,143	\$3,099	\$3,099	8	\$368.76	1.0532	1.0366	1.0060	\$0.05
IP - Other	\$4,960,117	\$1,700,363	\$1,700,363	1,115	\$1,524.67	1.0532	1.0366	1.0060	\$27.29
OP - Emergency Room	\$652,162	\$263,748	\$263,748	1,137	\$231.91	1.1437	1.0107	1.0865	\$4.70
OP - Other	\$3,810,788	\$1,030,399	\$1,030,399	5,565	\$185.15	1.1437	1.0107	1.0865	\$18.36
Prof - Evaluation & Management	\$1,878,445	\$805,184	\$805,184	18,960	\$42.47	1.0807	1.0094	1.1019	\$13.73
Prof - Maternity	\$20,225	\$9,827	\$9,827	10	\$965.75	1.0807	1.0094	1.1019	\$0.17
Prof - Other	\$1,367,363	\$395,396	\$395,396	5,574	\$70.93	1.0807	1.0094	1.1019	\$6.74
Prof - DME/Supplies	\$65,710	\$52,557	\$52,557	1,401	\$37.51	1.0807	1.0094	1.1019	\$0.90
Prof - Lab	\$163,789	\$53,440	\$53,440	4,698	\$11.37	1.0807	1.0094	1.1019	\$0.91
Prof - Radiology	\$527,134	\$162,530	\$162,530	6,266	\$25.94	1.0807	1.0094	1.1019	\$2.77
Prof - Transportation/Ambulance	\$312,255	\$125,469	\$125,469	7,074	\$17.74	1.0807	1.0094	1.1019	\$2.14
Total	\$14,787,140	\$5,440,081	\$5,383,876	82,180					\$88.79
Administrative Adjustment									1.1019
Per Capita Cost									\$97.84

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Medicaid (TANF & Related) Ages 21 - 44 Female									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	1,310,622	1,666,276	1,272,500						
Service Category									
Pharmacy - Brand	\$43,997,854	\$40,762,491	\$37,909,117	695,414	\$54.51	1.1516	1.0006	1.1524	\$30.21
Pharmacy - Generic	\$22,329,963	\$16,133,216	\$15,003,891	1,314,734	\$11.41	1.0568	1.0006	1.0925	\$10.40
Home Health Care	\$1,955,864	\$1,427,444	\$1,427,444	7,321	\$194.99	1.0376	1.0398	1.0504	\$1.23
IP - Maternity	\$102,904,849	\$31,837,539	\$31,837,539	46,699	\$681.76	1.0532	1.0366	1.0060	\$27.48
IP - Newborn	\$39,438,821	\$17,587,065	\$17,587,065	27,410	\$641.62	1.0532	1.0366	1.0060	\$15.18
IP - Other	\$85,089,492	\$22,746,401	\$22,746,401	23,758	\$957.40	1.0532	1.0366	1.0060	\$19.63
OP - Emergency Room	\$19,344,958	\$7,916,279	\$7,916,279	32,509	\$243.51	1.1437	1.0107	1.0865	\$7.59
OP - Other	\$162,213,625	\$49,198,718	\$49,198,718	218,590	\$225.07	1.1437	1.0107	1.0865	\$47.15
Prof - Evaluation & Management	\$86,205,697	\$39,888,753	\$39,888,753	977,806	\$40.79	1.0807	1.0094	1.1019	\$36.58
Prof - Maternity	\$48,091,317	\$22,736,545	\$22,736,545	44,096	\$515.62	1.0807	1.0094	1.1019	\$20.85
Prof - Other	\$67,568,421	\$19,622,417	\$19,622,417	386,291	\$50.80	1.0807	1.0094	1.1019	\$18.00
Prof - DME/Supplies	\$2,583,572	\$1,641,111	\$1,641,111	60,601	\$27.08	1.0807	1.0094	1.1019	\$1.51
Prof - Lab	\$27,171,231	\$9,156,998	\$9,156,998	801,476	\$11.43	1.0807	1.0094	1.1019	\$8.40
Prof - Radiology	\$31,809,214	\$10,160,516	\$10,160,516	233,962	\$43.43	1.0807	1.0094	1.1019	\$9.32
Prof - Transportation/Ambulance	\$5,987,143	\$2,844,917	\$2,844,917	196,025	\$14.51	1.0807	1.0094	1.1019	\$2.61
Total	\$746,692,020	\$293,660,410	\$289,677,711	5,066,691					\$256.14
Administrative Adjustment									1.1019
Per Capita Cost									\$282.25

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Medicaid (TANF & Related)									
Ages 21 - 44 Male									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	144,733	187,247	141,971						
Service Category									
Pharmacy - Brand	\$5,809,193	\$5,326,695	\$4,953,826	68,358	\$72.47	1.1516	1.0006	1.1524	\$35.13
Pharmacy - Generic	\$2,645,643	\$1,746,613	\$1,624,350	121,949	\$13.32	1.0568	1.0006	1.0925	\$10.02
Home Health Care	\$230,770	\$142,344	\$142,344	919	\$154.96	1.0376	1.0398	1.0504	\$1.11
IP - Maternity	\$150,813	\$58,543	\$58,543	75	\$782.23	1.0532	1.0366	1.0060	\$0.45
IP - Newborn	\$18,892	\$13,439	\$13,439	21	\$636.66	1.0532	1.0366	1.0060	\$0.10
IP - Other	\$15,794,957	\$4,062,384	\$4,062,384	4,173	\$973.48	1.0532	1.0366	1.0060	\$31.43
OP - Emergency Room	\$2,011,527	\$816,996	\$816,996	3,288	\$248.49	1.1437	1.0107	1.0865	\$7.09
OP - Other	\$17,247,883	\$4,771,112	\$4,771,112	19,745	\$241.63	1.1437	1.0107	1.0865	\$41.40
Prof - Evaluation & Management	\$8,039,928	\$3,443,770	\$3,443,770	89,104	\$38.65	1.0807	1.0094	1.1019	\$28.60
Prof - Maternity	\$74,534	\$35,098	\$35,098	64	\$545.43	1.0807	1.0094	1.1019	\$0.29
Prof - Other	\$6,326,913	\$1,918,960	\$1,918,960	23,381	\$82.07	1.0807	1.0094	1.1019	\$15.94
Prof - DME/Supplies	\$629,882	\$392,572	\$392,572	15,504	\$25.32	1.0807	1.0094	1.1019	\$3.26
Prof - Lab	\$995,061	\$301,839	\$301,839	28,378	\$10.64	1.0807	1.0094	1.1019	\$2.51
Prof - Radiology	\$2,644,543	\$807,918	\$807,918	22,240	\$36.33	1.0807	1.0094	1.1019	\$6.71
Prof - Transportation/Ambulance	\$583,729	\$270,689	\$270,689	27,984	\$9.67	1.0807	1.0094	1.1019	\$2.25
Total	\$63,204,269	\$24,108,972	\$23,613,841	425,184					\$186.29
Administrative Adjustment									1.1019
Per Capita Cost									\$205.28

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Medicaid (TANF & Related)									
Ages 45 - 64									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	108,118	139,608	105,204						
Service Category									
Pharmacy - Brand	\$10,903,560	\$10,034,881	\$9,332,440	148,869	\$62.69	1.1516	1.0006	1.1524	\$88.77
Pharmacy - Generic	\$4,452,305	\$3,002,233	\$2,792,076	195,580	\$14.28	1.0568	1.0006	1.0925	\$23.11
Home Health Care	\$524,913	\$320,217	\$320,217	2,115	\$151.43	1.0376	1.0398	1.0504	\$3.36
IP - Maternity	\$87,911	\$44,123	\$44,123	33	\$1,355.10	1.0532	1.0366	1.0060	\$0.46
IP - Newborn	\$38,584	\$20,043	\$20,043	22	\$898.72	1.0532	1.0366	1.0060	\$0.21
IP - Other	\$25,153,328	\$5,784,859	\$5,784,859	6,429	\$899.79	1.0532	1.0366	1.0060	\$60.39
OP - Emergency Room	\$1,598,033	\$661,068	\$661,068	1,985	\$333.11	1.1437	1.0107	1.0865	\$7.68
OP - Other	\$17,909,279	\$5,415,259	\$5,415,259	18,453	\$293.47	1.1437	1.0107	1.0865	\$62.91
Prof - Evaluation & Management	\$9,735,983	\$4,370,577	\$4,370,577	118,018	\$37.03	1.0807	1.0094	1.1019	\$48.59
Prof - Maternity	\$24,163	\$10,026	\$10,026	28	\$363.88	1.0807	1.0094	1.1019	\$0.11
Prof - Other	\$8,217,467	\$2,508,301	\$2,508,301	37,563	\$66.78	1.0807	1.0094	1.1019	\$27.89
Prof - DME/Supplies	\$715,244	\$437,879	\$437,879	24,872	\$17.61	1.0807	1.0094	1.1019	\$4.87
Prof - Lab	\$1,889,350	\$580,351	\$580,351	55,140	\$10.53	1.0807	1.0094	1.1019	\$6.45
Prof - Radiology	\$3,329,019	\$1,033,726	\$1,033,726	25,335	\$40.80	1.0807	1.0094	1.1019	\$11.49
Prof - Transportation/Ambulance	\$699,329	\$402,502	\$402,502	34,158	\$11.78	1.0807	1.0094	1.1019	\$4.48
Total	\$85,278,468	\$34,626,045	\$33,713,447	668,599					\$350.77
Administrative Adjustment									1.1019
Per Capita Cost									\$386.52

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Medicaid (TANF & Related)									
Age Over 65									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	60,146	71,093	58,139						
Service Category									
Pharmacy - Brand	\$5,373,363	\$4,915,178	\$4,571,116	86,796	\$52.66	1.1516	1.0006	1.1524	\$85.38
Pharmacy - Generic	\$2,320,852	\$1,691,132	\$1,572,752	108,163	\$14.54	1.0568	1.0006	1.0925	\$25.56
Home Health Care	\$197,680	\$105,548	\$105,548	800	\$131.97	1.0376	1.0398	1.0504	\$1.99
IP - Maternity	\$0	\$0	\$0	0	\$0.00	1.0532	1.0366	1.0060	\$0.00
IP - Newborn	\$0	\$0	\$0	0	\$0.00	1.0532	1.0366	1.0060	\$0.00
IP - Other	\$6,099,938	\$1,590,019	\$1,590,019	2,474	\$642.64	1.0532	1.0366	1.0060	\$30.04
OP - Emergency Room	\$239,544	\$84,495	\$84,495	182	\$463.28	1.1437	1.0107	1.0865	\$1.76
OP - Other	\$3,161,481	\$1,282,226	\$1,282,226	3,181	\$403.03	1.1437	1.0107	1.0865	\$26.78
Prof - Evaluation & Management	\$1,753,659	\$721,620	\$721,620	18,687	\$38.62	1.0807	1.0094	1.1019	\$14.42
Prof - Maternity	\$0	\$0	\$0	0	\$0.00	1.0807	1.0094	1.1019	\$0.00
Prof - Other	\$1,495,072	\$414,905	\$414,905	8,112	\$51.14	1.0807	1.0094	1.1019	\$8.29
Prof - DME/Supplies	\$166,345	\$91,404	\$91,404	21,119	\$4.33	1.0807	1.0094	1.1019	\$1.83
Prof - Lab	\$305,603	\$87,460	\$87,460	9,108	\$9.60	1.0807	1.0094	1.1019	\$1.75
Prof - Radiology	\$618,316	\$168,676	\$168,676	4,618	\$36.52	1.0807	1.0094	1.1019	\$3.37
Prof - Transportation/Ambulance	\$339,026	\$219,268	\$219,268	17,856	\$12.28	1.0807	1.0094	1.1019	\$4.38
Total	\$22,070,879	\$11,371,932	\$10,909,490	281,097					\$205.55
Administrative Adjustment									1.1019
Per Capita Cost									\$226.50

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Disabled All Ages									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	1,909,548	2,365,956	1,874,580						
Service Category									
Pharmacy - Brand	\$196,183,755	\$179,143,410	\$166,603,372	2,316,668	\$71.92	1.1516	1.0005	1.1524	\$93.50
Pharmacy - Generic	\$82,005,460	\$55,497,488	\$51,612,663	3,377,359	\$15.28	1.0568	1.0005	1.0925	\$25.20
Home Health Care	\$45,534,474	\$33,027,055	\$33,027,055	215,246	\$153.44	1.0376	1.0478	1.0504	\$19.75
IP - Maternity	\$8,670,787	\$2,802,247	\$2,802,247	3,869	\$724.23	0.9585	1.0336	1.0060	\$1.49
IP - Newborn	\$24,793,643	\$11,185,324	\$11,185,324	12,202	\$916.68	0.9585	1.0336	1.0060	\$5.95
IP - Other	\$594,717,580	\$159,974,278	\$159,974,278	194,658	\$821.82	0.9585	1.0336	1.0060	\$85.05
OP - Emergency Room	\$25,948,411	\$10,380,423	\$10,380,423	32,951	\$315.02	1.1233	1.0136	1.1177	\$6.92
OP - Other	\$339,107,462	\$110,413,321	\$110,413,321	389,191	\$283.70	1.1233	1.0136	1.1177	\$73.59
Prof - Evaluation & Management	\$189,344,909	\$86,300,690	\$86,300,690	2,363,469	\$36.51	1.0806	1.0127	1.0634	\$52.59
Prof - Maternity	\$3,218,806	\$1,482,793	\$1,482,793	3,016	\$491.61	1.0806	1.0127	1.0634	\$0.90
Prof - Other	\$128,219,040	\$40,317,181	\$40,317,181	730,099	\$55.22	1.0806	1.0127	1.0634	\$24.57
Prof - DME/Supplies	\$48,132,086	\$31,425,738	\$31,425,738	4,805,711	\$6.54	1.0806	1.0127	1.0634	\$19.15
Prof - Lab	\$29,406,359	\$9,174,202	\$9,174,202	860,677	\$10.66	1.0806	1.0127	1.0634	\$5.59
Prof - Radiology	\$50,835,315	\$15,719,129	\$15,719,129	437,697	\$35.91	1.0806	1.0127	1.0634	\$9.58
Prof - Transportation/Ambulance	\$26,078,716	\$14,852,908	\$14,852,908	1,243,615	\$11.94	1.0806	1.0127	1.0634	\$9.05
Total	\$1,792,196,804	\$761,696,189	\$745,271,326	16,986,428					\$432.88
Administrative Adjustment									1.1019
Per Capita Cost									\$477.00

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Disabled Child (Age Under 21)									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	520,511	651,737	514,838						
Service Category									
Pharmacy - Brand	\$21,121,541	\$18,990,039	\$17,660,737	169,020	\$104.49	1.1516	1.0005	1.1524	\$35.98
Pharmacy - Generic	\$4,572,588	\$3,208,745	\$2,984,133	201,342	\$14.82	1.0568	1.0005	1.0925	\$5.29
Home Health Care	\$24,925,123	\$19,418,001	\$19,418,001	141,454	\$137.27	1.0376	1.0478	1.0504	\$42.60
IP - Maternity	\$2,783,974	\$904,706	\$904,706	1,326	\$682.33	0.9585	1.0336	1.0060	\$1.75
IP - Newborn	\$22,175,411	\$9,698,185	\$9,698,185	10,503	\$923.40	0.9585	1.0336	1.0060	\$18.77
IP - Other	\$84,242,046	\$26,122,082	\$26,122,082	26,389	\$989.88	0.9585	1.0336	1.0060	\$50.57
OP - Emergency Room	\$1,697,959	\$744,766	\$744,766	3,050	\$244.19	1.1233	1.0136	1.1177	\$1.82
OP - Other	\$54,859,841	\$19,842,319	\$19,842,319	91,476	\$216.91	1.1233	1.0136	1.1177	\$48.51
Prof - Evaluation & Management	\$36,567,151	\$18,219,776	\$18,219,776	447,340	\$40.73	1.0806	1.0127	1.0634	\$40.73
Prof - Maternity	\$973,051	\$450,920	\$450,920	777	\$580.18	1.0806	1.0127	1.0634	\$1.01
Prof - Other	\$17,606,795	\$4,719,520	\$4,719,520	155,224	\$30.40	1.0806	1.0127	1.0634	\$10.55
Prof - DME/Supplies	\$16,877,020	\$11,384,679	\$11,384,679	2,897,376	\$3.93	1.0806	1.0127	1.0634	\$25.45
Prof - Lab	\$2,999,802	\$1,040,683	\$1,040,683	101,408	\$10.26	1.0806	1.0127	1.0634	\$2.33
Prof - Radiology	\$4,457,173	\$1,239,161	\$1,239,161	51,935	\$23.86	1.0806	1.0127	1.0634	\$2.77
Prof - Transportation/Ambulance	\$3,001,127	\$1,518,318	\$1,518,318	107,065	\$14.18	1.0806	1.0127	1.0634	\$3.39
Total	\$298,860,603	\$137,501,901	\$135,947,986	4,405,684					\$291.52
Administrative Adjustment									1.1019
Per Capita Cost									\$321.23

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Disabled Adults (Ages 21 & Over)									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	1,389,037	1,714,219	1,359,742						
Service Category									
Pharmacy - Brand	\$175,062,214	\$160,153,371	\$148,942,635	2,147,648	\$69.35	1.1516	1.0005	1.1524	\$115.36
Pharmacy - Generic	\$77,432,872	\$52,288,743	\$48,628,531	3,176,018	\$15.31	1.0568	1.0005	1.0925	\$32.77
Home Health Care	\$20,609,351	\$13,609,054	\$13,609,054	73,792	\$184.42	1.0376	1.0478	1.0504	\$11.19
IP - Maternity	\$5,886,813	\$1,897,541	\$1,897,541	2,543	\$746.08	0.9585	1.0336	1.0060	\$1.39
IP - Newborn	\$2,618,232	\$1,487,139	\$1,487,139	1,699	\$875.13	0.9585	1.0336	1.0060	\$1.09
IP - Other	\$510,475,534	\$133,852,196	\$133,852,196	168,269	\$795.47	0.9585	1.0336	1.0060	\$98.11
OP - Emergency Room	\$24,250,452	\$9,635,658	\$9,635,658	29,901	\$322.25	1.1233	1.0136	1.1177	\$8.83
OP - Other	\$284,247,620	\$90,571,003	\$90,571,003	297,715	\$304.22	1.1233	1.0136	1.1177	\$82.98
Prof - Evaluation & Management	\$152,777,758	\$68,080,914	\$68,080,914	1,916,129	\$35.53	1.0806	1.0127	1.0634	\$57.04
Prof - Maternity	\$2,245,755	\$1,031,873	\$1,031,873	2,239	\$460.87	1.0806	1.0127	1.0634	\$0.86
Prof - Other	\$110,612,245	\$35,597,661	\$35,597,661	574,875	\$61.92	1.0806	1.0127	1.0634	\$29.82
Prof - DME/Supplies	\$31,255,066	\$20,041,059	\$20,041,059	1,908,334	\$10.50	1.0806	1.0127	1.0634	\$16.79
Prof - Lab	\$26,406,557	\$8,133,519	\$8,133,519	759,269	\$10.71	1.0806	1.0127	1.0634	\$6.81
Prof - Radiology	\$46,378,142	\$14,479,969	\$14,479,969	385,762	\$37.54	1.0806	1.0127	1.0634	\$12.13
Prof - Transportation/Ambulance	\$23,077,589	\$13,334,590	\$13,334,590	1,136,551	\$11.73	1.0806	1.0127	1.0634	\$11.17
Total	\$1,493,336,201	\$624,194,288	\$609,323,340	12,580,744					\$486.34
Administrative Adjustment									1.1019
Per Capita Cost									\$535.91

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Duals (Medicare & TennCare)									
All Ages									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	2,013,102	2,568,778	1,977,568						
Service Category									
Pharmacy - Brand	\$503,315,094	\$413,584,880	\$413,584,880	5,752,154	\$71.90	1.1095	1.0010	1.0964	\$196.06
Pharmacy - Generic	\$209,908,312	\$119,303,316	\$119,303,316	7,108,722	\$16.78	0.9215	1.0010	0.8773	\$37.58
Home Health Care	\$5,556,077	\$3,688,824	\$3,688,824	17,699	\$208.42	1.0376	1.1022	1.0504	\$2.20
IP - Maternity	\$141,173	\$36,167	\$36,167	57	\$632.39	1.0045	1.0890	1.0060	\$0.02
IP - Newborn	\$247,762	\$99,421	\$99,421	176	\$565.72	1.0045	1.0890	1.0060	\$0.06
IP - Other	\$20,887,550	\$3,102,076	\$3,102,076	10,728	\$289.17	1.0045	1.0890	1.0060	\$1.73
OP - Emergency Room	\$1,148,190	\$219,493	\$219,493	1,274	\$172.25	1.0264	1.0486	1.0354	\$0.12
OP - Other	\$18,505,888	\$7,406,125	\$7,406,125	15,293	\$484.30	1.0264	1.0486	1.0354	\$4.10
Prof - Evaluation & Management	\$12,855,087	\$2,410,471	\$2,410,471	179,020	\$13.46	1.0630	1.0357	1.0849	\$1.43
Prof - Maternity	\$132,730	\$37,498	\$37,498	114	\$328.01	1.0630	1.0357	1.0849	\$0.02
Prof - Other	\$12,216,165	\$1,273,892	\$1,273,892	49,732	\$25.62	1.0630	1.0357	1.0849	\$0.76
Prof - DME/Supplies	\$5,249,837	\$2,504,422	\$2,504,422	1,468,496	\$1.71	1.0630	1.0357	1.0849	\$1.49
Prof - Lab	\$2,315,973	\$338,023	\$338,023	48,573	\$6.96	1.0630	1.0357	1.0849	\$0.20
Prof - Radiology	\$3,940,852	\$432,894	\$432,894	28,342	\$15.27	1.0630	1.0357	1.0849	\$0.26
Prof - Transportation/Ambulance	\$17,794,809	\$15,988,471	\$15,988,471	1,843,265	\$8.67	1.0630	1.0357	1.0849	\$9.49
Total	\$814,215,498	\$570,425,974	\$570,425,974	16,523,645					\$255.52
Administrative Adjustment									1.1019
Per Capita Cost									\$257.75
Per Capita Cost without Pharmacy									\$24.11

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Uninsured All Ages									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	3,953,661	4,691,321	3,867,879						
Service Category									
Pharmacy - Brand	\$128,221,235	\$115,642,506	\$107,547,531	1,937,735	\$55.50	1.1516	1.0006	1.1524	\$30.44
Pharmacy - Generic	\$50,271,064	\$32,386,495	\$30,119,440	2,453,510	\$12.28	1.0568	1.0006	1.0925	\$7.42
Home Health Care	\$3,748,902	\$2,523,982	\$2,523,982	14,872	\$169.71	1.0376	1.0398	1.0504	\$0.72
IP - Maternity	\$23,566,836	\$7,125,936	\$7,125,936	10,547	\$675.62	1.0532	1.0366	1.0060	\$2.02
IP - Newborn	\$17,845,462	\$7,791,397	\$7,791,397	10,202	\$763.70	1.0532	1.0366	1.0060	\$2.21
IP - Other	\$177,823,192	\$47,634,977	\$47,634,977	52,159	\$913.26	1.0532	1.0366	1.0060	\$13.53
OP - Emergency Room	\$28,633,144	\$11,961,134	\$11,961,134	48,383	\$247.22	1.1437	1.0107	1.0865	\$3.80
OP - Other	\$261,165,071	\$80,922,231	\$80,922,231	346,285	\$233.69	1.1437	1.0107	1.0865	\$25.71
Prof - Evaluation & Management	\$162,721,554	\$78,582,700	\$78,582,700	2,283,302	\$34.42	1.0807	1.0094	1.1019	\$23.89
Prof - Maternity	\$11,321,760	\$5,360,983	\$5,360,983	11,014	\$486.75	1.0807	1.0094	1.1019	\$1.63
Prof - Other	\$100,901,984	\$31,535,390	\$31,535,390	563,590	\$55.95	1.0807	1.0094	1.1019	\$9.59
Prof - DME/Supplies	\$6,860,608	\$4,214,783	\$4,214,783	234,195	\$18.00	1.0807	1.0094	1.1019	\$1.28
Prof - Lab	\$33,120,493	\$10,871,149	\$10,871,149	973,966	\$11.16	1.0807	1.0094	1.1019	\$3.31
Prof - Radiology	\$41,530,877	\$13,096,035	\$13,096,035	366,518	\$35.73	1.0807	1.0094	1.1019	\$3.98
Prof - Transportation/Ambulance	\$7,693,713	\$3,565,238	\$3,565,238	269,691	\$13.22	1.0807	1.0094	1.1019	\$1.08
Total	\$1,055,425,894	\$453,214,935	\$442,852,905	9,575,970					\$130.61
Administrative Adjustment									1.1019
Per Capita Cost									\$143.92

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Uninsured Age Under 1									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	45,335	51,405	43,744						
Service Category									
Pharmacy - Brand	\$299,832	\$273,252	\$254,125	5,999	\$42.36	1.1516	1.0006	1.1524	\$6.56
Pharmacy - Generic	\$112,653	\$80,887	\$75,225	10,895	\$6.90	1.0568	1.0006	1.0925	\$1.69
Home Health Care	\$137,509	\$102,095	\$102,095	239	\$426.52	1.0376	1.0398	1.0504	\$2.55
IP - Maternity	\$0	\$0	\$0	0	\$0.00	1.0532	1.0366	1.0060	\$0.00
IP - Newborn	\$6,277,742	\$2,703,722	\$2,703,722	2,190	\$1,234.50	1.0532	1.0366	1.0060	\$67.89
IP - Other	\$2,371,276	\$725,469	\$725,469	1,103	\$657.58	1.0532	1.0366	1.0060	\$18.22
OP - Emergency Room	\$284,270	\$136,750	\$136,750	796	\$171.86	1.1437	1.0107	1.0865	\$3.79
OP - Other	\$1,693,124	\$650,173	\$650,173	3,896	\$166.86	1.1437	1.0107	1.0865	\$18.01
Prof - Evaluation & Management	\$3,789,570	\$2,013,749	\$2,013,749	69,988	\$28.77	1.0807	1.0094	1.1019	\$53.39
Prof - Maternity	\$3	\$3	\$3	1	\$3.00	1.0807	1.0094	1.1019	\$0.00
Prof - Other	\$528,673	\$160,902	\$160,902	2,713	\$59.30	1.0807	1.0094	1.1019	\$4.27
Prof - DME/Supplies	\$131,627	\$85,176	\$85,176	2,523	\$33.76	1.0807	1.0094	1.1019	\$2.26
Prof - Lab	\$112,974	\$38,029	\$38,029	4,324	\$8.80	1.0807	1.0094	1.1019	\$1.01
Prof - Radiology	\$143,178	\$42,128	\$42,128	2,406	\$17.51	1.0807	1.0094	1.1019	\$1.12
Prof - Transportation/Ambulance	\$61,202	\$24,141	\$24,141	1,008	\$23.95	1.0807	1.0094	1.1019	\$0.64
Total	\$15,943,634	\$7,036,476	\$7,011,686	108,083					\$181.40
Administrative Adjustment									1.1019
Per Capita Cost									\$199.89

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Uninsured Ages 1 - 13									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	1,200,335	1,384,669	1,165,240						
Service Category									
Pharmacy - Brand	\$10,782,625	\$9,658,483	\$8,982,389	187,028	\$48.03	1.1516	1.0006	1.1524	\$8.61
Pharmacy - Generic	\$2,862,763	\$2,062,324	\$1,917,962	196,031	\$9.78	1.0568	1.0006	1.0925	\$1.60
Home Health Care	\$457,421	\$332,862	\$332,862	1,834	\$181.51	1.0376	1.0398	1.0504	\$0.31
IP - Maternity	\$26,228	\$11,481	\$11,481	13	\$879.07	1.0532	1.0366	1.0060	\$0.01
IP - Newborn	\$43,868	\$22,001	\$22,001	36	\$618.33	1.0532	1.0366	1.0060	\$0.02
IP - Other	\$10,819,676	\$3,260,382	\$3,260,382	4,160	\$783.74	1.0532	1.0366	1.0060	\$3.07
OP - Emergency Room	\$4,053,504	\$1,852,990	\$1,852,990	10,957	\$169.12	1.1437	1.0107	1.0865	\$1.94
OP - Other	\$28,971,777	\$9,903,049	\$9,903,049	55,866	\$177.26	1.1437	1.0107	1.0865	\$10.36
Prof - Evaluation & Management	\$31,346,483	\$16,723,383	\$16,723,383	533,158	\$31.37	1.0807	1.0094	1.1019	\$16.75
Prof - Maternity	\$17,245	\$9,157	\$9,157	15	\$600.54	1.0807	1.0094	1.1019	\$0.01
Prof - Other	\$9,911,662	\$3,393,061	\$3,393,061	90,564	\$37.47	1.0807	1.0094	1.1019	\$3.40
Prof - DME/Supplies	\$697,954	\$464,621	\$464,621	35,845	\$12.96	1.0807	1.0094	1.1019	\$0.47
Prof - Lab	\$3,061,612	\$1,089,008	\$1,089,008	115,867	\$9.40	1.0807	1.0094	1.1019	\$1.09
Prof - Radiology	\$2,405,178	\$713,385	\$713,385	36,600	\$19.49	1.0807	1.0094	1.1019	\$0.71
Prof - Transportation/Ambulance	\$578,653	\$258,302	\$258,302	17,468	\$14.79	1.0807	1.0094	1.1019	\$0.26
Total	\$106,036,649	\$49,754,490	\$48,934,033	1,285,440					\$48.61
Administrative Adjustment									1.1019
Per Capita Cost									\$53.56

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Uninsured Ages 14 - 18 Female									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	223,305	259,788	217,997						
Service Category									
Pharmacy - Brand	\$2,817,507	\$2,594,962	\$2,413,315	50,916	\$47.40	1.1516	1.0006	1.1524	\$12.34
Pharmacy - Generic	\$1,174,752	\$790,680	\$735,332	71,466	\$10.29	1.0568	1.0006	1.0925	\$3.27
Home Health Care	\$502,846	\$399,144	\$399,144	544	\$733.28	1.0376	1.0398	1.0504	\$2.03
IP - Maternity	\$3,970,038	\$1,289,020	\$1,289,020	1,888	\$682.63	1.0532	1.0366	1.0060	\$6.49
IP - Newborn	\$2,021,802	\$705,864	\$705,864	1,256	\$562.18	1.0532	1.0366	1.0060	\$3.56
IP - Other	\$2,923,538	\$772,828	\$772,828	900	\$858.43	1.0532	1.0366	1.0060	\$3.89
OP - Emergency Room	\$1,358,730	\$582,764	\$582,764	2,629	\$221.69	1.1437	1.0107	1.0865	\$3.28
OP - Other	\$10,125,907	\$2,927,984	\$2,927,984	16,927	\$172.97	1.1437	1.0107	1.0865	\$16.47
Prof - Evaluation & Management	\$7,635,881	\$3,929,725	\$3,929,725	103,639	\$37.92	1.0807	1.0094	1.1019	\$21.15
Prof - Maternity	\$1,829,328	\$898,462	\$898,462	1,881	\$477.69	1.0807	1.0094	1.1019	\$4.84
Prof - Other	\$3,209,401	\$1,074,355	\$1,074,355	34,822	\$30.85	1.0807	1.0094	1.1019	\$5.78
Prof - DME/Supplies	\$141,465	\$93,998	\$93,998	5,626	\$16.71	1.0807	1.0094	1.1019	\$0.51
Prof - Lab	\$1,959,822	\$709,853	\$709,853	64,467	\$11.01	1.0807	1.0094	1.1019	\$3.82
Prof - Radiology	\$1,646,799	\$527,272	\$527,272	15,002	\$35.15	1.0807	1.0094	1.1019	\$2.84
Prof - Transportation/Ambulance	\$362,527	\$154,709	\$154,709	9,602	\$16.11	1.0807	1.0094	1.1019	\$0.83
Total	\$41,680,344	\$17,451,621	\$17,214,626	381,565					\$91.10
Administrative Adjustment									1.1019
Per Capita Cost									\$100.39

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Uninsured Ages 14 - 18 Male									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	229,579	266,473	224,499						
Service Category									
Pharmacy - Brand	\$1,676,558	\$1,497,556	\$1,392,727	22,302	\$62.45	1.1516	1.0006	1.1524	\$6.94
Pharmacy - Generic	\$663,697	\$424,235	\$394,539	39,294	\$10.04	1.0568	1.0006	1.0925	\$1.71
Home Health Care	\$60,461	\$39,559	\$39,559	401	\$98.72	1.0376	1.0398	1.0504	\$0.20
IP - Maternity	\$0	\$0	\$0	0	\$0.00	1.0532	1.0366	1.0060	\$0.00
IP - Newborn	\$1,241	\$631	\$631	2	\$256.06	1.0532	1.0366	1.0060	\$0.00
IP - Other	\$5,771,771	\$1,455,019	\$1,455,019	1,362	\$1,068.66	1.0532	1.0366	1.0060	\$7.12
OP - Emergency Room	\$1,070,242	\$451,911	\$451,911	1,977	\$228.61	1.1437	1.0107	1.0865	\$2.47
OP - Other	\$7,279,093	\$2,181,650	\$2,181,650	10,878	\$200.55	1.1437	1.0107	1.0865	\$11.94
Prof - Evaluation & Management	\$4,562,332	\$2,262,574	\$2,262,574	64,472	\$35.09	1.0807	1.0094	1.1019	\$11.85
Prof - Maternity	\$0	\$0	\$0	0	\$0.00	1.0807	1.0094	1.1019	\$0.00
Prof - Other	\$2,847,252	\$920,699	\$920,699	19,755	\$46.61	1.0807	1.0094	1.1019	\$4.82
Prof - DME/Supplies	\$151,637	\$96,764	\$96,764	11,446	\$8.45	1.0807	1.0094	1.1019	\$0.51
Prof - Lab	\$491,393	\$168,177	\$168,177	16,198	\$10.38	1.0807	1.0094	1.1019	\$0.88
Prof - Radiology	\$935,853	\$284,897	\$284,897	12,414	\$22.95	1.0807	1.0094	1.1019	\$1.49
Prof - Transportation/Ambulance	\$314,630	\$127,808	\$127,808	6,157	\$20.76	1.0807	1.0094	1.1019	\$0.67
Total	\$25,826,159	\$9,911,479	\$9,776,954	206,657					\$50.60
Administrative Adjustment									1.1019
Per Capita Cost									\$55.76

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Uninsured Ages 19 - 20 Female									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	119,169	140,359	116,837						
Service Category									
Pharmacy - Brand	\$1,886,141	\$1,732,933	\$1,611,627	41,688	\$38.66	1.1516	1.0006	1.1524	\$15.25
Pharmacy - Generic	\$919,616	\$656,004	\$610,083	59,055	\$10.33	1.0568	1.0006	1.0925	\$5.02
Home Health Care	\$124,747	\$77,190	\$77,190	283	\$272.87	1.0376	1.0398	1.0504	\$0.73
IP - Maternity	\$4,268,397	\$1,335,960	\$1,335,960	2,007	\$665.71	1.0532	1.0366	1.0060	\$12.56
IP - Newborn	\$2,311,956	\$1,139,025	\$1,139,025	1,490	\$764.69	1.0532	1.0366	1.0060	\$10.71
IP - Other	\$2,080,896	\$666,247	\$666,247	777	\$857.60	1.0532	1.0366	1.0060	\$6.26
OP - Emergency Room	\$1,149,592	\$451,460	\$451,460	2,013	\$224.28	1.1437	1.0107	1.0865	\$4.76
OP - Other	\$8,161,011	\$2,391,128	\$2,391,128	12,981	\$184.20	1.1437	1.0107	1.0865	\$25.20
Prof - Evaluation & Management	\$5,484,668	\$2,692,782	\$2,692,782	66,089	\$40.74	1.0807	1.0094	1.1019	\$27.16
Prof - Maternity	\$2,039,511	\$963,377	\$963,377	1,891	\$509.54	1.0807	1.0094	1.1019	\$9.72
Prof - Other	\$2,846,055	\$918,415	\$918,415	23,759	\$38.66	1.0807	1.0094	1.1019	\$9.26
Prof - DME/Supplies	\$87,454	\$59,883	\$59,883	2,703	\$22.16	1.0807	1.0094	1.1019	\$0.60
Prof - Lab	\$1,739,005	\$624,873	\$624,873	51,077	\$12.23	1.0807	1.0094	1.1019	\$6.30
Prof - Radiology	\$1,490,986	\$476,853	\$476,853	11,902	\$40.06	1.0807	1.0094	1.1019	\$4.81
Prof - Transportation/Ambulance	\$305,600	\$121,473	\$121,473	6,224	\$19.52	1.0807	1.0094	1.1019	\$1.23
Total	\$34,895,633	\$14,307,602	\$14,140,377	283,939					\$139.57
Administrative Adjustment									1.1019
Per Capita Cost									\$153.80

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Uninsured Ages 19 - 20 Male									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	120,392	140,651	118,299						
Service Category									
Pharmacy - Brand	\$697,530	\$632,759	\$588,466	10,600	\$55.51	1.1516	1.0006	1.1524	\$5.56
Pharmacy - Generic	\$382,294	\$249,956	\$232,459	24,557	\$9.47	1.0568	1.0006	1.0925	\$1.91
Home Health Care	\$26,176	\$18,404	\$18,404	131	\$140.72	1.0376	1.0398	1.0504	\$0.17
IP - Maternity	\$10,435	\$2,605	\$2,605	5	\$480.76	1.0532	1.0366	1.0060	\$0.02
IP - Newborn	\$7,065	\$3,086	\$3,086	7	\$455.88	1.0532	1.0366	1.0060	\$0.03
IP - Other	\$3,304,861	\$1,015,917	\$1,015,917	764	\$1,329.05	1.0532	1.0366	1.0060	\$9.43
OP - Emergency Room	\$814,346	\$340,855	\$340,855	1,387	\$245.80	1.1437	1.0107	1.0865	\$3.56
OP - Other	\$4,504,680	\$1,259,003	\$1,259,003	6,593	\$190.97	1.1437	1.0107	1.0865	\$13.13
Prof - Evaluation & Management	\$2,368,253	\$1,032,165	\$1,032,165	26,082	\$39.57	1.0807	1.0094	1.1019	\$10.31
Prof - Maternity	\$5,177	\$3,305	\$3,305	7	\$505.78	1.0807	1.0094	1.1019	\$0.03
Prof - Other	\$1,402,821	\$451,752	\$451,752	7,612	\$59.34	1.0807	1.0094	1.1019	\$4.51
Prof - DME/Supplies	\$71,200	\$43,081	\$43,081	2,700	\$15.95	1.0807	1.0094	1.1019	\$0.43
Prof - Lab	\$221,641	\$69,456	\$69,456	6,260	\$11.09	1.0807	1.0094	1.1019	\$0.69
Prof - Radiology	\$584,788	\$176,762	\$176,762	7,280	\$24.28	1.0807	1.0094	1.1019	\$1.76
Prof - Transportation/Ambulance	\$290,709	\$112,660	\$112,660	5,819	\$19.36	1.0807	1.0094	1.1019	\$1.12
Total	\$14,691,973	\$5,411,765	\$5,349,975	99,805					\$52.66
Administrative Adjustment									1.1019
Per Capita Cost									\$58.03

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Uninsured Ages 21 - 44 Female									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	916,685	1,093,987	898,643						
Service Category									
Pharmacy - Brand	\$34,196,808	\$31,082,448	\$28,906,677	549,601	\$52.60	1.1516	1.0006	1.1524	\$35.09
Pharmacy - Generic	\$14,728,183	\$9,726,835	\$9,045,957	769,536	\$11.76	1.0568	1.0006	1.0925	\$9.55
Home Health Care	\$782,366	\$495,833	\$495,833	3,115	\$159.15	1.0376	1.0398	1.0504	\$0.61
IP - Maternity	\$15,254,560	\$4,476,739	\$4,476,739	6,614	\$676.85	1.0532	1.0366	1.0060	\$5.47
IP - Newborn	\$7,127,451	\$3,202,588	\$3,202,588	5,190	\$617.12	1.0532	1.0366	1.0060	\$3.91
IP - Other	\$44,498,982	\$11,507,591	\$11,507,591	14,176	\$811.76	1.0532	1.0366	1.0060	\$14.06
OP - Emergency Room	\$9,376,171	\$3,885,224	\$3,885,224	15,039	\$258.34	1.1437	1.0107	1.0865	\$5.32
OP - Other	\$89,533,736	\$27,279,991	\$27,279,991	114,423	\$238.41	1.1437	1.0107	1.0865	\$37.38
Prof - Evaluation & Management	\$48,060,373	\$22,919,814	\$22,919,814	644,968	\$35.54	1.0807	1.0094	1.1019	\$30.06
Prof - Maternity	\$7,403,856	\$3,475,706	\$3,475,706	7,198	\$482.89	1.0807	1.0094	1.1019	\$4.56
Prof - Other	\$34,658,666	\$10,240,048	\$10,240,048	170,943	\$59.90	1.0807	1.0094	1.1019	\$13.43
Prof - DME/Supplies	\$1,596,807	\$970,342	\$970,342	44,724	\$21.70	1.0807	1.0094	1.1019	\$1.27
Prof - Lab	\$13,293,849	\$4,409,420	\$4,409,420	372,926	\$11.82	1.0807	1.0094	1.1019	\$5.78
Prof - Radiology	\$15,179,405	\$4,809,281	\$4,809,281	122,117	\$39.38	1.0807	1.0094	1.1019	\$6.31
Prof - Transportation/Ambulance	\$2,085,493	\$986,506	\$986,506	83,000	\$11.89	1.0807	1.0094	1.1019	\$1.29
Total	\$337,776,705	\$139,468,365	\$136,611,715	2,923,569					\$174.09
Administrative Adjustment									1.1019
Per Capita Cost									\$191.83

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Uninsured Ages 21 - 44 Male									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	504,254	605,280	496,318						
Service Category									
Pharmacy - Brand	\$14,764,893	\$13,369,909	\$12,434,015	168,495	\$73.79	1.1516	1.0006	1.1524	\$27.28
Pharmacy - Generic	\$5,805,353	\$3,648,266	\$3,392,888	268,477	\$12.64	1.0568	1.0006	1.0925	\$6.48
Home Health Care	\$446,599	\$297,467	\$297,467	2,068	\$143.82	1.0376	1.0398	1.0504	\$0.67
IP - Maternity	\$14,176	\$6,430	\$6,430	11	\$593.38	1.0532	1.0366	1.0060	\$0.01
IP - Newborn	\$40,360	\$5,167	\$5,167	18	\$293.64	1.0532	1.0366	1.0060	\$0.01
IP - Other	\$25,053,480	\$6,760,035	\$6,760,035	6,543	\$1,033.21	1.0532	1.0366	1.0060	\$14.96
OP - Emergency Room	\$4,354,067	\$1,764,311	\$1,764,311	6,945	\$254.03	1.1437	1.0107	1.0865	\$4.39
OP - Other	\$34,617,350	\$9,872,405	\$9,872,405	42,377	\$232.97	1.1437	1.0107	1.0865	\$24.59
Prof - Evaluation & Management	\$17,233,761	\$7,513,778	\$7,513,778	202,983	\$37.02	1.0807	1.0094	1.1019	\$17.91
Prof - Maternity	\$14,195	\$5,919	\$5,919	12	\$494.12	1.0807	1.0094	1.1019	\$0.01
Prof - Other	\$11,356,589	\$3,457,242	\$3,457,242	46,692	\$74.04	1.0807	1.0094	1.1019	\$8.24
Prof - DME/Supplies	\$1,025,545	\$651,605	\$651,605	18,151	\$35.90	1.0807	1.0094	1.1019	\$1.55
Prof - Lab	\$2,413,751	\$728,971	\$728,971	65,901	\$11.06	1.0807	1.0094	1.1019	\$1.74
Prof - Radiology	\$5,120,475	\$1,583,010	\$1,583,010	47,528	\$33.31	1.0807	1.0094	1.1019	\$3.77
Prof - Transportation/Ambulance	\$1,582,793	\$694,303	\$694,303	45,373	\$15.30	1.0807	1.0094	1.1019	\$1.66
Total	\$123,843,388	\$50,358,819	\$49,167,547	921,574					\$113.27
Administrative Adjustment									1.1019
Per Capita Cost									\$124.82

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Uninsured Ages 45 - 64									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	581,005	733,958	572,917						
Service Category									
Pharmacy - Brand	\$59,957,159	\$53,788,124	\$50,022,955	882,457	\$56.69	1.1516	1.0006	1.1524	\$90.51
Pharmacy - Generic	\$23,121,862	\$14,438,781	\$13,428,067	991,907	\$13.54	1.0568	1.0006	1.0925	\$21.14
Home Health Care	\$1,152,570	\$728,057	\$728,057	5,970	\$121.96	1.0376	1.0398	1.0504	\$1.42
IP - Maternity	\$23,001	\$3,701	\$3,701	9	\$426.98	1.0532	1.0366	1.0060	\$0.01
IP - Newborn	\$13,978	\$9,314	\$9,314	15	\$625.49	1.0532	1.0366	1.0060	\$0.02
IP - Other	\$79,698,421	\$21,229,799	\$21,229,799	21,813	\$973.28	1.0532	1.0366	1.0060	\$40.70
OP - Emergency Room	\$6,145,927	\$2,483,556	\$2,483,556	6,614	\$375.50	1.1437	1.0107	1.0865	\$5.37
OP - Other	\$75,624,641	\$24,249,991	\$24,249,991	81,622	\$297.10	1.1437	1.0107	1.0865	\$52.42
Prof - Evaluation & Management	\$41,651,970	\$19,268,886	\$19,268,886	562,915	\$34.23	1.0807	1.0094	1.1019	\$39.87
Prof - Maternity	\$12,445	\$5,054	\$5,054	10	\$515.63	1.0807	1.0094	1.1019	\$0.01
Prof - Other	\$33,607,232	\$10,787,471	\$10,787,471	163,620	\$65.93	1.0807	1.0094	1.1019	\$22.32
Prof - DME/Supplies	\$2,893,327	\$1,715,033	\$1,715,033	105,147	\$16.31	1.0807	1.0094	1.1019	\$3.55
Prof - Lab	\$9,731,205	\$3,007,777	\$3,007,777	273,945	\$10.98	1.0807	1.0094	1.1019	\$6.22
Prof - Radiology	\$13,886,856	\$4,440,820	\$4,440,820	110,130	\$40.32	1.0807	1.0094	1.1019	\$9.19
Prof - Transportation/Ambulance	\$2,064,309	\$1,063,630	\$1,063,630	93,489	\$11.38	1.0807	1.0094	1.1019	\$2.20
Total	\$349,584,903	\$157,219,995	\$152,444,112	3,299,662					\$294.95
Administrative Adjustment									1.1019
Per Capita Cost									\$325.01

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Uninsured Age Over 65									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	13,601	14,750	13,384						
Service Category									
Pharmacy - Brand	\$1,142,182	\$1,012,080	\$941,234	18,650	\$50.47	1.1516	1.0006	1.1524	\$84.74
Pharmacy - Generic	\$499,891	\$308,526	\$286,930	22,291	\$12.87	1.0568	1.0006	1.0925	\$22.47
Home Health Care	\$58,206	\$33,371	\$33,371	287	\$116.27	1.0376	1.0398	1.0504	\$2.78
IP - Maternity	\$0	\$0	\$0	0	\$0.00	1.0532	1.0366	1.0060	\$0.00
IP - Newborn	\$0	\$0	\$0	0	\$0.00	1.0532	1.0366	1.0060	\$0.00
IP - Other	\$1,300,292	\$241,693	\$241,693	561	\$430.57	1.0532	1.0366	1.0060	\$19.83
OP - Emergency Room	\$26,293	\$11,312	\$11,312	27	\$417.00	1.1437	1.0107	1.0865	\$1.04
OP - Other	\$653,753	\$206,857	\$206,857	721	\$286.72	1.1437	1.0107	1.0865	\$19.10
Prof - Evaluation & Management	\$588,263	\$225,845	\$225,845	9,008	\$25.07	1.0807	1.0094	1.1019	\$19.96
Prof - Maternity	\$0	\$0	\$0	0	\$0.00	1.0807	1.0094	1.1019	\$0.00
Prof - Other	\$533,635	\$131,445	\$131,445	3,109	\$42.27	1.0807	1.0094	1.1019	\$11.62
Prof - DME/Supplies	\$63,592	\$34,279	\$34,279	5,331	\$6.43	1.0807	1.0094	1.1019	\$3.03
Prof - Lab	\$95,240	\$25,586	\$25,586	3,000	\$8.53	1.0807	1.0094	1.1019	\$2.26
Prof - Radiology	\$137,360	\$41,626	\$41,626	1,138	\$36.58	1.0807	1.0094	1.1019	\$3.68
Prof - Transportation/Ambulance	\$47,796	\$21,704	\$21,704	1,551	\$13.99	1.0807	1.0094	1.1019	\$1.92
Total	\$5,146,504	\$2,294,323	\$2,201,880	65,676					\$192.43
Administrative Adjustment									1.1019
Per Capita Cost									\$212.04

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Uninsurable All Ages									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	1,335,553	1,568,410	1,299,075						
Service Category									
Pharmacy - Brand	\$130,760,640	\$116,235,516	\$108,099,029	1,687,214	\$64.07	1.1516	1.0005	1.1524	\$91.51
Pharmacy - Generic	\$43,591,004	\$26,728,635	\$24,857,630	1,850,182	\$13.44	1.0568	1.0005	1.0925	\$18.31
Home Health Care	\$3,844,981	\$2,604,313	\$2,604,313	17,713	\$147.03	1.0376	1.0478	1.0504	\$2.23
IP - Maternity	\$4,104,175	\$1,260,287	\$1,260,287	1,808	\$696.89	0.9585	1.0336	1.0060	\$0.97
IP - Newborn	\$1,927,623	\$692,625	\$692,625	1,032	\$671.01	0.9585	1.0336	1.0060	\$0.53
IP - Other	\$241,592,916	\$61,931,615	\$61,931,615	68,514	\$903.93	0.9585	1.0336	1.0060	\$47.51
OP - Emergency Room	\$19,872,390	\$7,832,877	\$7,832,877	24,384	\$321.23	1.1233	1.0136	1.1177	\$7.46
OP - Other	\$215,112,706	\$66,423,512	\$66,423,512	222,500	\$298.53	1.1233	1.0136	1.1177	\$63.30
Prof - Evaluation & Management	\$110,038,893	\$49,064,729	\$49,064,729	1,385,624	\$35.41	1.0806	1.0127	1.0634	\$42.75
Prof - Maternity	\$1,879,614	\$858,514	\$858,514	1,978	\$434.10	1.0806	1.0127	1.0634	\$0.75
Prof - Other	\$93,726,138	\$28,839,284	\$28,839,284	425,355	\$67.80	1.0806	1.0127	1.0634	\$25.13
Prof - DME/Supplies	\$8,086,892	\$5,012,102	\$5,012,102	268,293	\$18.68	1.0806	1.0127	1.0634	\$4.37
Prof - Lab	\$24,939,943	\$7,797,754	\$7,797,754	662,428	\$11.77	1.0806	1.0127	1.0634	\$6.79
Prof - Radiology	\$37,814,899	\$12,086,882	\$12,086,882	285,445	\$42.34	1.0806	1.0127	1.0634	\$10.53
Prof - Transportation/Ambulance	\$6,573,403	\$3,188,259	\$3,188,259	234,247	\$13.61	1.0806	1.0127	1.0634	\$2.78
Total	\$943,866,217	\$390,556,903	\$380,549,412	7,136,717					\$324.92
Administrative Adjustment									1.1019
Per Capita Cost									\$358.04

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Uninsurable Age Under 1									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	427	504	427						
Service Category									
Pharmacy - Brand	\$9,156	\$7,478	\$6,955	105	\$65.99	1.1516	1.0005	1.1524	\$18.33
Pharmacy - Generic	\$1,259	\$894	\$832	127	\$6.54	1.0568	1.0005	1.0925	\$1.91
Home Health Care	\$11,154	\$5,859	\$5,859	7	\$791.35	1.0376	1.0478	1.0504	\$15.65
IP - Maternity	\$0	\$0	\$0	0	\$0.00	0.9585	1.0336	1.0060	\$0.00
IP - Newborn	\$0	\$0	\$0	0	\$0.00	0.9585	1.0336	1.0060	\$0.00
IP - Other	\$185,274	\$76,649	\$76,649	23	\$3,319.88	0.9585	1.0336	1.0060	\$178.74
OP - Emergency Room	\$242	\$123	\$123	1	\$107.57	1.1233	1.0136	1.1177	\$0.37
OP - Other	\$25,025	\$11,263	\$11,263	54	\$208.53	1.1233	1.0136	1.1177	\$33.54
Prof - Evaluation & Management	\$64,290	\$33,284	\$33,284	672	\$49.55	1.0806	1.0127	1.0634	\$90.62
Prof - Maternity	\$0	\$0	\$0	0	\$0.00	1.0806	1.0127	1.0634	\$0.00
Prof - Other	\$27,072	\$7,961	\$7,961	33	\$244.85	1.0806	1.0127	1.0634	\$21.68
Prof - DME/Supplies	\$2,545	\$1,833	\$1,833	62	\$29.76	1.0806	1.0127	1.0634	\$4.99
Prof - Lab	\$4,666	\$2,067	\$2,067	54	\$38.58	1.0806	1.0127	1.0634	\$5.63
Prof - Radiology	\$2,912	\$855	\$855	59	\$14.54	1.0806	1.0127	1.0634	\$2.33
Prof - Transportation/Ambulance	\$0	\$0	\$0	0	\$0.00	1.0806	1.0127	1.0634	\$0.00
Total	\$333,595	\$148,267	\$147,680	1,196					\$373.79
Administrative Adjustment									1.1019
Per Capita Cost									\$411.89

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Uninsurable Ages 1 - 13									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	50,990	60,457	49,572						
Service Category									
Pharmacy - Brand	\$1,092,912	\$988,553	\$919,354	11,176	\$82.26	1.1516	1.0005	1.1524	\$20.19
Pharmacy - Generic	\$227,186	\$165,230	\$153,664	11,050	\$13.91	1.0568	1.0005	1.0925	\$2.94
Home Health Care	\$96,374	\$75,248	\$75,248	339	\$221.68	1.0376	1.0478	1.0504	\$1.69
IP - Maternity	\$0	\$0	\$0	0	\$0.00	0.9585	1.0336	1.0060	\$0.00
IP - Newborn	\$0	\$0	\$0	0	\$0.00	0.9585	1.0336	1.0060	\$0.00
IP - Other	\$765,401	\$196,032	\$196,032	226	\$867.22	0.9585	1.0336	1.0060	\$3.94
OP - Emergency Room	\$189,881	\$84,596	\$84,596	479	\$176.79	1.1233	1.0136	1.1177	\$2.11
OP - Other	\$1,535,621	\$550,008	\$550,008	2,827	\$194.53	1.1233	1.0136	1.1177	\$13.73
Prof - Evaluation & Management	\$1,414,330	\$741,507	\$741,507	27,652	\$26.82	1.0806	1.0127	1.0634	\$16.92
Prof - Maternity	\$0	\$0	\$0	0	\$0.00	1.0806	1.0127	1.0634	\$0.00
Prof - Other	\$553,414	\$175,050	\$175,050	4,542	\$38.54	1.0806	1.0127	1.0634	\$3.99
Prof - DME/Supplies	\$156,157	\$77,752	\$77,752	3,049	\$25.50	1.0806	1.0127	1.0634	\$1.77
Prof - Lab	\$158,937	\$53,680	\$53,680	6,286	\$8.54	1.0806	1.0127	1.0634	\$1.23
Prof - Radiology	\$142,874	\$44,937	\$44,937	1,894	\$23.73	1.0806	1.0127	1.0634	\$1.03
Prof - Transportation/Ambulance	\$32,247	\$12,876	\$12,876	608	\$21.17	1.0806	1.0127	1.0634	\$0.29
Total	\$6,365,334	\$3,165,470	\$3,084,706	70,128					\$69.83
Administrative Adjustment									1.1019
Per Capita Cost									\$76.95

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Uninsurable Ages 14 - 18 Female									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	14,760	17,267	14,369						
Service Category									
Pharmacy - Brand	\$317,944	\$279,781	\$260,196	4,547	\$57.23	1.1516	1.0005	1.1524	\$20.01
Pharmacy - Generic	\$107,000	\$73,924	\$68,750	6,115	\$11.24	1.0568	1.0005	1.0925	\$4.60
Home Health Care	\$1,087	\$689	\$689	15	\$47.24	1.0376	1.0478	1.0504	\$0.05
IP - Maternity	\$119,706	\$43,223	\$43,223	58	\$745.17	0.9585	1.0336	1.0060	\$3.00
IP - Newborn	\$61,785	\$33,534	\$33,534	48	\$694.62	0.9585	1.0336	1.0060	\$2.33
IP - Other	\$488,855	\$150,141	\$150,141	171	\$876.09	0.9585	1.0336	1.0060	\$10.41
OP - Emergency Room	\$107,516	\$47,273	\$47,273	194	\$244.20	1.1233	1.0136	1.1177	\$4.08
OP - Other	\$820,715	\$234,346	\$234,346	1,251	\$187.27	1.1233	1.0136	1.1177	\$20.21
Prof - Evaluation & Management	\$578,496	\$288,435	\$288,435	7,914	\$36.45	1.0806	1.0127	1.0634	\$22.74
Prof - Maternity	\$86,635	\$40,609	\$40,609	69	\$591.81	1.0806	1.0127	1.0634	\$3.20
Prof - Other	\$323,804	\$96,768	\$96,768	3,182	\$30.42	1.0806	1.0127	1.0634	\$7.63
Prof - DME/Supplies	\$30,572	\$23,289	\$23,289	219	\$106.22	1.0806	1.0127	1.0634	\$1.84
Prof - Lab	\$161,906	\$53,687	\$53,687	4,882	\$11.00	1.0806	1.0127	1.0634	\$4.23
Prof - Radiology	\$121,235	\$39,013	\$39,013	1,143	\$34.12	1.0806	1.0127	1.0634	\$3.08
Prof - Transportation/Ambulance	\$33,815	\$14,692	\$14,692	436	\$33.69	1.0806	1.0127	1.0634	\$1.16
Total	\$3,361,071	\$1,419,405	\$1,394,645	30,244					\$108.57
Administrative Adjustment									1.1019
Per Capita Cost									\$119.64

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Uninsurable Ages 14 - 18 Male									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	16,194	19,029	15,796						
Service Category									
Pharmacy - Brand	\$461,961	\$448,761	\$417,348	2,457	\$169.87	1.1516	1.0005	1.1524	\$29.12
Pharmacy - Generic	\$72,592	\$46,737	\$43,465	3,685	\$11.80	1.0568	1.0005	1.0925	\$2.64
Home Health Care	\$5,932	\$3,409	\$3,409	20	\$174.66	1.0376	1.0478	1.0504	\$0.24
IP - Maternity	\$0	\$0	\$0	0	\$0.00	0.9585	1.0336	1.0060	\$0.00
IP - Newborn	\$0	\$0	\$0	0	\$0.00	0.9585	1.0336	1.0060	\$0.00
IP - Other	\$431,555	\$71,110	\$71,110	116	\$610.68	0.9585	1.0336	1.0060	\$4.49
OP - Emergency Room	\$83,117	\$34,117	\$34,117	158	\$215.88	1.1233	1.0136	1.1177	\$2.68
OP - Other	\$747,927	\$223,777	\$223,777	1,110	\$201.53	1.1233	1.0136	1.1177	\$17.59
Prof - Evaluation & Management	\$401,216	\$188,679	\$188,679	5,151	\$36.63	1.0806	1.0127	1.0634	\$13.56
Prof - Maternity	\$0	\$0	\$0	0	\$0.00	1.0806	1.0127	1.0634	\$0.00
Prof - Other	\$243,119	\$76,221	\$76,221	1,778	\$42.87	1.0806	1.0127	1.0634	\$5.48
Prof - DME/Supplies	\$16,245	\$11,615	\$11,615	3,023	\$3.84	1.0806	1.0127	1.0634	\$0.83
Prof - Lab	\$53,589	\$17,472	\$17,472	1,651	\$10.58	1.0806	1.0127	1.0634	\$1.26
Prof - Radiology	\$84,855	\$25,708	\$25,708	1,090	\$23.58	1.0806	1.0127	1.0634	\$1.85
Prof - Transportation/Ambulance	\$23,279	\$11,613	\$11,613	473	\$24.58	1.0806	1.0127	1.0634	\$0.83
Total	\$2,625,386	\$1,159,219	\$1,124,534	20,712					\$80.57
Administrative Adjustment									1.1019
Per Capita Cost									\$88.78

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Uninsurable Ages 19 - 20 Female									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	10,907	12,899	10,537						
Service Category									
Pharmacy - Brand	\$272,760	\$247,305	\$229,994	5,149	\$44.66	1.1516	1.0005	1.1524	\$23.67
Pharmacy - Generic	\$120,315	\$84,046	\$78,163	7,034	\$11.11	1.0568	1.0005	1.0925	\$7.00
Home Health Care	\$13,988	\$11,962	\$11,962	80	\$148.72	1.0376	1.0478	1.0504	\$1.25
IP - Maternity	\$292,744	\$95,412	\$95,412	140	\$679.40	0.9585	1.0336	1.0060	\$9.02
IP - Newborn	\$59,840	\$33,842	\$33,842	70	\$483.46	0.9585	1.0336	1.0060	\$3.20
IP - Other	\$776,663	\$201,350	\$201,350	195	\$1,035.22	0.9585	1.0336	1.0060	\$19.04
OP - Emergency Room	\$147,773	\$60,024	\$60,024	257	\$233.97	1.1233	1.0136	1.1177	\$7.00
OP - Other	\$977,126	\$278,474	\$278,474	1,465	\$190.05	1.1233	1.0136	1.1177	\$32.49
Prof - Evaluation & Management	\$589,729	\$279,089	\$279,089	6,951	\$40.15	1.0806	1.0127	1.0634	\$29.78
Prof - Maternity	\$150,666	\$68,434	\$68,434	146	\$468.44	1.0806	1.0127	1.0634	\$7.30
Prof - Other	\$442,451	\$141,245	\$141,245	2,691	\$52.50	1.0806	1.0127	1.0634	\$15.07
Prof - DME/Supplies	\$26,792	\$19,059	\$19,059	1,619	\$11.77	1.0806	1.0127	1.0634	\$2.03
Prof - Lab	\$177,929	\$62,645	\$62,645	5,249	\$11.94	1.0806	1.0127	1.0634	\$6.68
Prof - Radiology	\$159,410	\$52,559	\$52,559	1,295	\$40.59	1.0806	1.0127	1.0634	\$5.61
Prof - Transportation/Ambulance	\$35,645	\$14,967	\$14,967	758	\$19.75	1.0806	1.0127	1.0634	\$1.60
Total	\$4,243,830	\$1,650,413	\$1,627,218	33,098					\$170.74
Administrative Adjustment									1.1019
Per Capita Cost									\$188.14

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Uninsurable Ages 19 - 20 Male									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	12,580	14,640	12,209						
Service Category									
Pharmacy - Brand	\$535,275	\$507,238	\$471,731	2,181	\$216.30	1.1516	1.0005	1.1524	\$42.78
Pharmacy - Generic	\$63,413	\$43,152	\$40,131	3,367	\$11.92	1.0568	1.0005	1.0925	\$3.17
Home Health Care	\$2,102	\$1,756	\$1,756	36	\$48.17	1.0376	1.0478	1.0504	\$0.16
IP - Maternity	\$0	\$0	\$0	0	\$0.00	0.9585	1.0336	1.0060	\$0.00
IP - Newborn	\$0	\$0	\$0	0	\$0.00	0.9585	1.0336	1.0060	\$0.00
IP - Other	\$1,100,381	\$287,908	\$287,908	267	\$1,076.82	0.9585	1.0336	1.0060	\$23.50
OP - Emergency Room	\$100,640	\$41,692	\$41,692	171	\$244.43	1.1233	1.0136	1.1177	\$4.22
OP - Other	\$799,253	\$227,209	\$227,209	934	\$243.32	1.1233	1.0136	1.1177	\$22.99
Prof - Evaluation & Management	\$378,175	\$162,298	\$162,298	3,997	\$40.61	1.0806	1.0127	1.0634	\$15.01
Prof - Maternity	\$0	\$0	\$0	0	\$0.00	1.0806	1.0127	1.0634	\$0.00
Prof - Other	\$280,908	\$75,368	\$75,368	1,164	\$64.73	1.0806	1.0127	1.0634	\$6.97
Prof - DME/Supplies	\$17,857	\$12,822	\$12,822	73	\$175.52	1.0806	1.0127	1.0634	\$1.19
Prof - Lab	\$38,642	\$12,029	\$12,029	1,149	\$10.47	1.0806	1.0127	1.0634	\$1.11
Prof - Radiology	\$94,432	\$29,208	\$29,208	1,113	\$26.25	1.0806	1.0127	1.0634	\$2.70
Prof - Transportation/Ambulance	\$70,772	\$26,493	\$26,493	785	\$33.76	1.0806	1.0127	1.0634	\$2.45
Total	\$3,481,850	\$1,427,174	\$1,388,646	15,237					\$126.25
Administrative Adjustment									1.1019
Per Capita Cost									\$139.12

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Uninsurable Ages 21 - 44 Female									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	305,264	357,767	295,942						
Service Category									
Pharmacy - Brand	\$21,321,787	\$19,097,611	\$17,760,778	290,592	\$61.12	1.1516	1.0005	1.1524	\$65.91
Pharmacy - Generic	\$8,029,646	\$5,131,609	\$4,772,397	375,986	\$12.69	1.0568	1.0005	1.0925	\$15.41
Home Health Care	\$826,680	\$627,479	\$627,479	2,659	\$235.97	1.0376	1.0478	1.0504	\$2.35
IP - Maternity	\$3,640,594	\$1,111,064	\$1,111,064	1,591	\$698.15	0.9585	1.0336	1.0060	\$3.74
IP - Newborn	\$1,801,601	\$624,412	\$624,412	906	\$689.21	0.9585	1.0336	1.0060	\$2.10
IP - Other	\$35,610,883	\$9,004,181	\$9,004,181	10,658	\$844.82	0.9585	1.0336	1.0060	\$30.32
OP - Emergency Room	\$5,146,792	\$2,036,128	\$2,036,128	7,234	\$281.46	1.1233	1.0136	1.1177	\$8.49
OP - Other	\$48,957,525	\$14,922,130	\$14,922,130	55,892	\$266.98	1.1233	1.0136	1.1177	\$62.21
Prof - Evaluation & Management	\$24,196,303	\$11,099,685	\$11,099,685	312,455	\$35.52	1.0806	1.0127	1.0634	\$42.31
Prof - Maternity	\$1,633,583	\$745,115	\$745,115	1,747	\$426.46	1.0806	1.0127	1.0634	\$2.84
Prof - Other	\$19,156,630	\$5,662,197	\$5,662,197	85,977	\$65.86	1.0806	1.0127	1.0634	\$21.58
Prof - DME/Supplies	\$1,209,365	\$787,222	\$787,222	43,485	\$18.10	1.0806	1.0127	1.0634	\$3.00
Prof - Lab	\$6,364,138	\$2,061,769	\$2,061,769	163,889	\$12.58	1.0806	1.0127	1.0634	\$7.86
Prof - Radiology	\$8,119,287	\$2,585,803	\$2,585,803	62,330	\$41.49	1.0806	1.0127	1.0634	\$9.86
Prof - Transportation/Ambulance	\$1,364,394	\$649,263	\$649,263	50,827	\$12.77	1.0806	1.0127	1.0634	\$2.48
Total	\$187,379,209	\$76,145,668	\$74,449,623	1,466,229					\$280.46
Administrative Adjustment									1.1019
Per Capita Cost									\$309.05

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Uninsurable Ages 21 - 44 Male									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	331,237	386,405	318,715						
Service Category									
Pharmacy - Brand	\$21,982,348	\$19,910,581	\$18,516,841	197,729	\$93.65	1.1516	1.0005	1.1524	\$63.63
Pharmacy - Generic	\$6,242,080	\$4,024,652	\$3,742,926	267,350	\$14.00	1.0568	1.0005	1.0925	\$11.19
Home Health Care	\$816,559	\$569,807	\$569,807	3,223	\$176.78	1.0376	1.0478	1.0504	\$1.96
IP - Maternity	\$22,837	\$6,203	\$6,203	9	\$670.18	0.9585	1.0336	1.0060	\$0.02
IP - Newborn	\$4,396	\$837	\$837	8	\$105.35	0.9585	1.0336	1.0060	\$0.00
IP - Other	\$57,873,356	\$14,623,034	\$14,623,034	15,438	\$947.19	0.9585	1.0336	1.0060	\$45.73
OP - Emergency Room	\$5,490,309	\$2,151,353	\$2,151,353	7,516	\$286.25	1.1233	1.0136	1.1177	\$8.27
OP - Other	\$42,860,653	\$12,525,689	\$12,525,689	44,712	\$280.14	1.1233	1.0136	1.1177	\$48.13
Prof - Evaluation & Management	\$20,403,523	\$8,690,190	\$8,690,190	218,246	\$39.82	1.0806	1.0127	1.0634	\$30.53
Prof - Maternity	\$8,480	\$4,247	\$4,247	13	\$315.31	1.0806	1.0127	1.0634	\$0.01
Prof - Other	\$16,600,984	\$4,796,116	\$4,796,116	58,980	\$81.32	1.0806	1.0127	1.0634	\$16.85
Prof - DME/Supplies	\$1,656,222	\$1,073,911	\$1,073,911	50,443	\$21.29	1.0806	1.0127	1.0634	\$3.77
Prof - Lab	\$3,464,361	\$1,103,707	\$1,103,707	88,471	\$12.48	1.0806	1.0127	1.0634	\$3.88
Prof - Radiology	\$6,413,606	\$1,973,157	\$1,973,157	55,771	\$35.38	1.0806	1.0127	1.0634	\$6.93
Prof - Transportation/Ambulance	\$2,095,805	\$981,199	\$981,199	62,600	\$15.67	1.0806	1.0127	1.0634	\$3.45
Total	\$185,935,519	\$72,434,683	\$70,759,217	1,070,510					\$244.35
Administrative Adjustment									1.1019
Per Capita Cost									\$269.26

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Uninsurable Ages 45 - 64									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	579,664	685,087	568,218						
Service Category									
Pharmacy - Brand	\$83,050,475	\$73,246,772	\$68,119,498	1,147,577	\$59.36	1.1516	1.0005	1.1524	\$132.02
Pharmacy - Generic	\$28,083,156	\$16,786,255	\$15,611,217	1,148,564	\$13.59	1.0568	1.0005	1.0925	\$26.32
Home Health Care	\$2,054,693	\$1,297,280	\$1,297,280	11,149	\$116.36	1.0376	1.0478	1.0504	\$2.56
IP - Maternity	\$28,295	\$4,385	\$4,385	9	\$471.57	0.9585	1.0336	1.0060	\$0.01
IP - Newborn	\$0	\$0	\$0	0	\$0.00	0.9585	1.0336	1.0060	\$0.00
IP - Other	\$143,548,061	\$37,104,725	\$37,104,725	41,120	\$902.34	0.9585	1.0336	1.0060	\$65.08
OP - Emergency Room	\$8,568,656	\$3,363,647	\$3,363,647	8,336	\$403.52	1.1233	1.0136	1.1177	\$7.38
OP - Other	\$117,843,135	\$37,270,968	\$37,270,968	113,656	\$327.93	1.1233	1.0136	1.1177	\$81.83
Prof - Evaluation & Management	\$61,581,684	\$27,414,247	\$27,414,247	797,172	\$34.39	1.0806	1.0127	1.0634	\$55.03
Prof - Maternity	\$250	\$109	\$109	2	\$47.17	1.0806	1.0127	1.0634	\$0.00
Prof - Other	\$55,645,264	\$17,661,725	\$17,661,725	262,590	\$67.26	1.0806	1.0127	1.0634	\$35.46
Prof - DME/Supplies	\$4,914,078	\$2,977,049	\$2,977,049	163,313	\$18.23	1.0806	1.0127	1.0634	\$5.98
Prof - Lab	\$14,433,665	\$4,406,961	\$4,406,961	388,075	\$11.36	1.0806	1.0127	1.0634	\$8.85
Prof - Radiology	\$22,493,504	\$7,278,673	\$7,278,673	159,512	\$45.63	1.0806	1.0127	1.0634	\$14.61
Prof - Transportation/Ambulance	\$2,891,200	\$1,463,192	\$1,463,192	116,640	\$12.54	1.0806	1.0127	1.0634	\$2.94
Total	\$545,136,116	\$230,275,988	\$223,973,676	4,357,715					\$438.07
Administrative Adjustment									1.1019
Per Capita Cost									\$482.72

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Uninsurable Age Over 65									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	13,530	14,355	13,288						
Service Category									
Pharmacy - Brand	\$1,716,023	\$1,501,434	\$1,396,333	25,702	\$54.33	1.1516	1.0005	1.1524	\$129.15
Pharmacy - Generic	\$644,357	\$372,135	\$346,085	26,905	\$12.86	1.0568	1.0005	1.0925	\$27.85
Home Health Care	\$16,414	\$10,824	\$10,824	184	\$58.91	1.0376	1.0478	1.0504	\$0.91
IP - Maternity	\$0	\$0	\$0	0	\$0.00	0.9585	1.0336	1.0060	\$0.00
IP - Newborn	\$0	\$0	\$0	0	\$0.00	0.9585	1.0336	1.0060	\$0.00
IP - Other	\$812,488	\$216,484	\$216,484	298	\$725.81	0.9585	1.0336	1.0060	\$16.24
OP - Emergency Room	\$37,463	\$13,925	\$13,925	40	\$346.55	1.1233	1.0136	1.1177	\$1.31
OP - Other	\$545,727	\$179,647	\$179,647	597	\$301.04	1.1233	1.0136	1.1177	\$16.90
Prof - Evaluation & Management	\$431,147	\$167,315	\$167,315	5,414	\$30.90	1.0806	1.0127	1.0634	\$14.39
Prof - Maternity	\$0	\$0	\$0	0	\$0.00	1.0806	1.0127	1.0634	\$0.00
Prof - Other	\$452,492	\$146,631	\$146,631	4,418	\$33.19	1.0806	1.0127	1.0634	\$12.61
Prof - DME/Supplies	\$57,057	\$27,551	\$27,551	3,008	\$9.16	1.0806	1.0127	1.0634	\$2.37
Prof - Lab	\$82,109	\$23,737	\$23,737	2,724	\$8.71	1.0806	1.0127	1.0634	\$2.04
Prof - Radiology	\$182,784	\$56,968	\$56,968	1,238	\$46.03	1.0806	1.0127	1.0634	\$4.90
Prof - Transportation/Ambulance	\$26,244	\$13,964	\$13,964	1,120	\$12.47	1.0806	1.0127	1.0634	\$1.20
Total	\$5,004,306	\$2,730,617	\$2,599,467	71,647					\$229.87
Administrative Adjustment									1.1019
Per Capita Cost									\$253.30

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Disabled / Uninsured All Ages									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	142,425	163,575	139,852						
Service Category									
Pharmacy - Brand	\$17,023,383	\$15,431,472	\$14,351,269	209,936	\$68.36	1.1516	1.0006	1.1524	\$116.51
Pharmacy - Generic	\$6,536,675	\$4,252,097	\$3,954,450	272,482	\$14.51	1.0568	1.0006	1.0925	\$27.93
Home Health Care	\$1,107,796	\$754,234	\$754,234	4,073	\$185.16	1.0376	1.0398	1.0504	\$6.00
IP - Maternity	\$259,807	\$75,019	\$75,019	106	\$705.62	1.0532	1.0366	1.0060	\$0.59
IP - Newborn	\$71,051	\$79,707	\$79,707	53	\$1,505.45	1.0532	1.0366	1.0060	\$0.63
IP - Other	\$30,296,543	\$8,459,512	\$8,459,512	8,951	\$945.12	1.0532	1.0366	1.0060	\$66.44
OP - Emergency Room	\$2,263,989	\$909,563	\$909,563	2,749	\$330.83	1.1437	1.0107	1.0865	\$8.02
OP - Other	\$24,284,469	\$7,363,847	\$7,363,847	25,712	\$286.40	1.1437	1.0107	1.0865	\$64.94
Prof - Evaluation & Management	\$13,220,330	\$5,872,734	\$5,872,734	169,326	\$34.68	1.0807	1.0094	1.1019	\$49.57
Prof - Maternity	\$101,974	\$47,432	\$47,432	82	\$575.82	1.0807	1.0094	1.1019	\$0.40
Prof - Other	\$10,875,092	\$3,383,892	\$3,383,892	51,390	\$65.85	1.0807	1.0094	1.1019	\$28.56
Prof - DME/Supplies	\$1,713,740	\$1,063,018	\$1,063,018	79,853	\$13.31	1.0807	1.0094	1.1019	\$8.97
Prof - Lab	\$2,480,113	\$760,162	\$760,162	65,256	\$11.65	1.0807	1.0094	1.1019	\$6.42
Prof - Radiology	\$4,378,380	\$1,418,746	\$1,418,746	33,651	\$42.16	1.0807	1.0094	1.1019	\$11.97
Prof - Transportation/Ambulance	\$1,086,380	\$610,086	\$610,086	53,679	\$11.37	1.0807	1.0094	1.1019	\$5.15
Total	\$115,699,726	\$50,481,521	\$49,103,671	977,300					\$402.10
Administrative Adjustment									1.1019
Per Capita Cost									\$443.09

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Disabled / Uninsured Age Under 1									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	57	59	54						
Service Category									
Pharmacy - Brand	\$5,156	\$5,103	\$4,746	30	\$157.17	1.1516	1.0006	1.1524	\$107.43
Pharmacy - Generic	\$180	\$195	\$182	12	\$14.55	1.0568	1.0006	1.0925	\$3.58
Home Health Care	\$11,467	\$8,981	\$8,981	93	\$96.30	1.0376	1.0398	1.0504	\$179.74
IP - Maternity	\$0	\$0	\$0	0	\$0.00	1.0532	1.0366	1.0060	\$0.00
IP - Newborn	\$0	\$0	\$0	0	\$0.00	1.0532	1.0366	1.0060	\$0.00
IP - Other	\$126,565	\$213,090	\$213,090	30	\$7,111.49	1.0532	1.0366	1.0060	\$4,370.99
OP - Emergency Room	\$801	\$322	\$322	1	\$307.30	1.1437	1.0107	1.0865	\$7.15
OP - Other	\$21,826	\$8,062	\$8,062	17	\$472.21	1.1437	1.0107	1.0865	\$178.83
Prof - Evaluation & Management	\$10,700	\$5,241	\$5,241	122	\$43.07	1.0807	1.0094	1.1019	\$111.26
Prof - Maternity	\$0	\$0	\$0	0	\$0.00	1.0807	1.0094	1.1019	\$0.00
Prof - Other	\$8,462	\$4,096	\$4,096	233	\$17.57	1.0807	1.0094	1.1019	\$86.95
Prof - DME/Supplies	\$0	\$0	\$0	0	\$0.00	1.0807	1.0094	1.1019	\$0.00
Prof - Lab	\$287	\$119	\$119	5	\$22.44	1.0807	1.0094	1.1019	\$2.54
Prof - Radiology	\$1,274	\$321	\$321	12	\$27.45	1.0807	1.0094	1.1019	\$6.82
Prof - Transportation/Ambulance	\$1,329	\$581	\$581	23	\$25.46	1.0807	1.0094	1.1019	\$12.34
Total	\$188,047	\$246,113	\$245,742	579					\$5,067.63
Administrative Adjustment									1.1019
Per Capita Cost									\$5,584.17

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Disabled / Uninsured Ages 1 - 13									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	8,367	9,432	8,101						
Service Category									
Pharmacy - Brand	\$243,177	\$230,007	\$213,907	2,194	\$97.50	1.1516	1.0006	1.1524	\$30.12
Pharmacy - Generic	\$48,347	\$37,337	\$34,723	2,534	\$13.70	1.0568	1.0006	1.0925	\$4.25
Home Health Care	\$70,505	\$62,956	\$62,956	538	\$117.10	1.0376	1.0398	1.0504	\$8.53
IP - Maternity	\$0	\$0	\$0	0	\$0.00	1.0532	1.0366	1.0060	\$0.00
IP - Newborn	\$0	\$0	\$0	0	\$0.00	1.0532	1.0366	1.0060	\$0.00
IP - Other	\$1,260,665	\$363,412	\$363,412	309	\$1,175.50	1.0532	1.0366	1.0060	\$49.27
OP - Emergency Room	\$63,646	\$24,934	\$24,934	116	\$214.03	1.1437	1.0107	1.0865	\$3.74
OP - Other	\$534,548	\$203,294	\$203,294	1,017	\$199.84	1.1437	1.0107	1.0865	\$30.52
Prof - Evaluation & Management	\$460,572	\$232,320	\$232,320	6,873	\$33.80	1.0807	1.0094	1.1019	\$33.38
Prof - Maternity	\$0	\$0	\$0	0	\$0.00	1.0807	1.0094	1.1019	\$0.00
Prof - Other	\$247,558	\$71,306	\$71,306	2,315	\$30.80	1.0807	1.0094	1.1019	\$10.24
Prof - DME/Supplies	\$130,891	\$87,778	\$87,778	11,263	\$7.79	1.0807	1.0094	1.1019	\$12.61
Prof - Lab	\$49,401	\$18,422	\$18,422	1,347	\$13.68	1.0807	1.0094	1.1019	\$2.65
Prof - Radiology	\$51,929	\$15,870	\$15,870	694	\$22.88	1.0807	1.0094	1.1019	\$2.28
Prof - Transportation/Ambulance	\$20,025	\$8,213	\$8,213	419	\$19.62	1.0807	1.0094	1.1019	\$1.18
Total	\$3,181,265	\$1,355,849	\$1,337,135	29,619					\$188.77
Administrative Adjustment									1.1019
Per Capita Cost									\$208.01

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Disabled / Uninsured Ages 14 - 18 Female									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	2,225	2,539	2,206						
Service Category									
Pharmacy - Brand	\$70,105	\$61,676	\$57,359	879	\$65.23	1.1516	1.0006	1.1524	\$30.00
Pharmacy - Generic	\$24,315	\$17,675	\$16,438	1,221	\$13.46	1.0568	1.0006	1.0925	\$7.48
Home Health Care	\$16,801	\$16,771	\$16,771	24	\$692.30	1.0376	1.0398	1.0504	\$8.54
IP - Maternity	\$25,033	\$8,980	\$8,980	9	\$1,041.48	1.0532	1.0366	1.0060	\$4.47
IP - Newborn	\$1,274	\$518	\$518	3	\$188.46	1.0532	1.0366	1.0060	\$0.26
IP - Other	\$110,038	\$11,283	\$11,283	292	\$38.62	1.0532	1.0366	1.0060	\$5.62
OP - Emergency Room	\$18,334	\$6,903	\$6,903	33	\$212.22	1.1437	1.0107	1.0865	\$3.90
OP - Other	\$197,657	\$63,405	\$63,405	303	\$209.50	1.1437	1.0107	1.0865	\$35.79
Prof - Evaluation & Management	\$100,363	\$50,072	\$50,072	1,545	\$32.41	1.0807	1.0094	1.1019	\$27.05
Prof - Maternity	\$5,687	\$2,052	\$2,052	6	\$343.08	1.0807	1.0094	1.1019	\$1.11
Prof - Other	\$74,171	\$20,475	\$20,475	379	\$53.95	1.0807	1.0094	1.1019	\$11.06
Prof - DME/Supplies	\$13,192	\$11,056	\$11,056	2,877	\$3.84	1.0807	1.0094	1.1019	\$5.97
Prof - Lab	\$25,921	\$8,402	\$8,402	671	\$12.53	1.0807	1.0094	1.1019	\$4.54
Prof - Radiology	\$26,477	\$9,058	\$9,058	231	\$39.17	1.0807	1.0094	1.1019	\$4.89
Prof - Transportation/Ambulance	\$4,978	\$2,036	\$2,036	186	\$10.97	1.0807	1.0094	1.1019	\$1.10
Total	\$714,344	\$290,363	\$284,808	8,658					\$151.78
Administrative Adjustment									1.1019
Per Capita Cost									\$167.25

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Disabled / Uninsured Ages 14 - 18 Male									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	3,132	3,536	3,026						
Service Category									
Pharmacy - Brand	\$190,962	\$183,778	\$170,913	685	\$249.65	1.1516	1.0006	1.1524	\$64.18
Pharmacy - Generic	\$21,970	\$15,979	\$14,860	981	\$15.15	1.0568	1.0006	1.0925	\$4.86
Home Health Care	\$33,961	\$17,871	\$17,871	90	\$199.32	1.0376	1.0398	1.0504	\$6.47
IP - Maternity	\$0	\$0	\$0	0	\$0.00	1.0532	1.0366	1.0060	\$0.00
IP - Newborn	\$0	\$0	\$0	0	\$0.00	1.0532	1.0366	1.0060	\$0.00
IP - Other	\$138,141	\$36,179	\$36,179	38	\$961.85	1.0532	1.0366	1.0060	\$13.13
OP - Emergency Room	\$8,837	\$4,954	\$4,954	16	\$314.73	1.1437	1.0107	1.0865	\$1.99
OP - Other	\$220,538	\$44,710	\$44,710	239	\$186.90	1.1437	1.0107	1.0865	\$17.93
Prof - Evaluation & Management	\$92,046	\$44,282	\$44,282	1,369	\$32.35	1.0807	1.0094	1.1019	\$17.00
Prof - Maternity	\$0	\$0	\$0	0	\$0.00	1.0807	1.0094	1.1019	\$0.00
Prof - Other	\$83,632	\$22,361	\$22,361	456	\$48.99	1.0807	1.0094	1.1019	\$8.58
Prof - DME/Supplies	\$37,150	\$31,076	\$31,076	3,603	\$8.62	1.0807	1.0094	1.1019	\$11.93
Prof - Lab	\$11,364	\$4,082	\$4,082	341	\$11.97	1.0807	1.0094	1.1019	\$1.57
Prof - Radiology	\$14,986	\$4,276	\$4,276	221	\$19.36	1.0807	1.0094	1.1019	\$1.64
Prof - Transportation/Ambulance	\$18,509	\$11,177	\$11,177	1,591	\$7.02	1.0807	1.0094	1.1019	\$4.29
Total	\$872,098	\$420,723	\$406,740	9,629					\$153.57
Administrative Adjustment									1.1019
Per Capita Cost									\$169.22

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Disabled / Uninsured Ages 19 - 20 Female									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	1,057	1,205	1,057						
Service Category									
Pharmacy - Brand	\$34,495	\$32,024	\$29,782	551	\$54.07	1.1516	1.0006	1.1524	\$32.81
Pharmacy - Generic	\$14,953	\$10,455	\$9,723	888	\$10.94	1.0568	1.0006	1.0925	\$9.32
Home Health Care	\$664	\$663	\$663	8	\$78.17	1.0376	1.0398	1.0504	\$0.71
IP - Maternity	\$23,059	\$6,565	\$6,565	10	\$675.79	1.0532	1.0366	1.0060	\$6.82
IP - Newborn	\$1,973	\$353	\$353	2	\$165.89	1.0532	1.0366	1.0060	\$0.37
IP - Other	\$9,474	\$4,170	\$4,170	3	\$1,209.28	1.0532	1.0366	1.0060	\$4.33
OP - Emergency Room	\$18,239	\$8,007	\$8,007	31	\$254.37	1.1437	1.0107	1.0865	\$9.51
OP - Other	\$182,920	\$44,784	\$44,784	176	\$254.11	1.1437	1.0107	1.0865	\$53.21
Prof - Evaluation & Management	\$68,781	\$33,844	\$33,844	856	\$39.56	1.0807	1.0094	1.1019	\$38.48
Prof - Maternity	\$8,329	\$3,845	\$3,845	7	\$544.84	1.0807	1.0094	1.1019	\$4.37
Prof - Other	\$35,321	\$10,553	\$10,553	246	\$42.98	1.0807	1.0094	1.1019	\$12.00
Prof - DME/Supplies	\$2,698	\$2,074	\$2,074	1,316	\$1.58	1.0807	1.0094	1.1019	\$2.36
Prof - Lab	\$25,066	\$8,226	\$8,226	792	\$10.39	1.0807	1.0094	1.1019	\$9.35
Prof - Radiology	\$20,550	\$6,877	\$6,877	184	\$37.37	1.0807	1.0094	1.1019	\$7.82
Prof - Transportation/Ambulance	\$6,007	\$2,420	\$2,420	114	\$21.23	1.0807	1.0094	1.1019	\$2.75
Total	\$452,529	\$174,860	\$171,886	5,185					\$194.21
Administrative Adjustment									1.1019
Per Capita Cost									\$214.01

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Disabled / Uninsured Ages 19 - 20 Male									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	1,677	1,899	1,641						
Service Category									
Pharmacy - Brand	\$391,475	\$350,466	\$325,934	325	\$1,001.91	1.1516	1.0006	1.1524	\$227.98
Pharmacy - Generic	\$7,900	\$5,749	\$5,347	467	\$11.46	1.0568	1.0006	1.0925	\$3.25
Home Health Care	\$116,245	\$116,037	\$116,037	18	\$6,386.66	1.0376	1.0398	1.0504	\$78.40
IP - Maternity	\$0	\$0	\$0	0	\$0.00	1.0532	1.0366	1.0060	\$0.00
IP - Newborn	\$0	\$0	\$0	0	\$0.00	1.0532	1.0366	1.0060	\$0.00
IP - Other	\$67,383	\$19,109	\$19,109	23	\$841.39	1.0532	1.0366	1.0060	\$12.79
OP - Emergency Room	\$22,719	\$6,432	\$6,432	18	\$360.58	1.1437	1.0107	1.0865	\$4.82
OP - Other	\$159,498	\$41,400	\$41,400	157	\$263.46	1.1437	1.0107	1.0865	\$31.00
Prof - Evaluation & Management	\$56,002	\$24,555	\$24,555	552	\$44.50	1.0807	1.0094	1.1019	\$17.60
Prof - Maternity	\$0	\$0	\$0	0	\$0.00	1.0807	1.0094	1.1019	\$0.00
Prof - Other	\$53,010	\$18,482	\$18,482	195	\$94.99	1.0807	1.0094	1.1019	\$13.25
Prof - DME/Supplies	\$2,121	\$978	\$978	12	\$83.14	1.0807	1.0094	1.1019	\$0.70
Prof - Lab	\$3,532	\$1,211	\$1,211	149	\$8.12	1.0807	1.0094	1.1019	\$0.87
Prof - Radiology	\$17,621	\$5,113	\$5,113	214	\$23.91	1.0807	1.0094	1.1019	\$3.66
Prof - Transportation/Ambulance	\$4,359	\$2,584	\$2,584	191	\$13.56	1.0807	1.0094	1.1019	\$1.85
Total	\$901,864	\$592,116	\$567,181	2,319					\$396.17
Administrative Adjustment									1.1019
Per Capita Cost									\$436.55

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Disabled / Uninsured Ages 21 - 44 Female									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	20,917	23,923	20,421						
Service Category									
Pharmacy - Brand	\$1,967,075	\$1,795,297	\$1,669,626	25,862	\$64.56	1.1516	1.0006	1.1524	\$92.68
Pharmacy - Generic	\$890,986	\$607,844	\$565,295	38,706	\$14.60	1.0568	1.0006	1.0925	\$27.30
Home Health Care	\$22,882	\$14,762	\$14,762	142	\$103.69	1.0376	1.0398	1.0504	\$0.80
IP - Maternity	\$211,715	\$59,474	\$59,474	88	\$676.00	1.0532	1.0366	1.0060	\$3.20
IP - Newborn	\$67,804	\$78,835	\$78,835	48	\$1,640.07	1.0532	1.0366	1.0060	\$4.24
IP - Other	\$3,655,425	\$892,684	\$892,684	1,033	\$864.38	1.0532	1.0366	1.0060	\$48.01
OP - Emergency Room	\$514,402	\$208,004	\$208,004	679	\$306.29	1.1437	1.0107	1.0865	\$12.49
OP - Other	\$4,402,927	\$1,296,027	\$1,296,027	4,903	\$264.32	1.1437	1.0107	1.0865	\$77.83
Prof - Evaluation & Management	\$2,238,528	\$1,006,696	\$1,006,696	27,709	\$36.33	1.0807	1.0094	1.1019	\$57.85
Prof - Maternity	\$86,936	\$41,152	\$41,152	67	\$612.56	1.0807	1.0094	1.1019	\$2.37
Prof - Other	\$1,556,230	\$486,606	\$486,606	6,178	\$78.77	1.0807	1.0094	1.1019	\$27.97
Prof - DME/Supplies	\$163,127	\$102,478	\$102,478	4,867	\$21.06	1.0807	1.0094	1.1019	\$5.89
Prof - Lab	\$437,080	\$137,468	\$137,468	11,357	\$12.10	1.0807	1.0094	1.1019	\$7.90
Prof - Radiology	\$762,598	\$244,816	\$244,816	5,817	\$42.08	1.0807	1.0094	1.1019	\$14.07
Prof - Transportation/Ambulance	\$172,909	\$91,843	\$91,843	9,339	\$9.83	1.0807	1.0094	1.1019	\$5.28
Total	\$17,150,625	\$7,063,987	\$6,895,767	136,796					\$387.88
Administrative Adjustment									1.1019
Per Capita Cost									\$427.42

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Disabled / Uninsured Ages 21 - 44 Male									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	24,440	28,124	23,847						
Service Category									
Pharmacy - Brand	\$2,201,775	\$2,013,535	\$1,872,587	18,592	\$100.72	1.1516	1.0006	1.1524	\$88.42
Pharmacy - Generic	\$714,618	\$480,018	\$446,416	29,717	\$15.02	1.0568	1.0006	1.0925	\$18.34
Home Health Care	\$232,564	\$149,774	\$149,774	785	\$190.69	1.0376	1.0398	1.0504	\$6.94
IP - Maternity	\$0	\$0	\$0	0	\$0.00	1.0532	1.0366	1.0060	\$0.00
IP - Newborn	\$0	\$0	\$0	0	\$0.00	1.0532	1.0366	1.0060	\$0.00
IP - Other	\$3,797,859	\$1,055,446	\$1,055,446	1,059	\$996.74	1.0532	1.0366	1.0060	\$48.61
OP - Emergency Room	\$453,637	\$185,787	\$185,787	638	\$291.15	1.1437	1.0107	1.0865	\$9.55
OP - Other	\$3,635,650	\$1,012,793	\$1,012,793	3,943	\$256.87	1.1437	1.0107	1.0865	\$52.05
Prof - Evaluation & Management	\$1,791,809	\$765,109	\$765,109	20,314	\$37.66	1.0807	1.0094	1.1019	\$37.63
Prof - Maternity	\$0	\$0	\$0	0	\$0.00	1.0807	1.0094	1.1019	\$0.00
Prof - Other	\$1,658,714	\$456,240	\$456,240	5,106	\$89.35	1.0807	1.0094	1.1019	\$22.44
Prof - DME/Supplies	\$290,026	\$182,370	\$182,370	11,278	\$16.17	1.0807	1.0094	1.1019	\$8.97
Prof - Lab	\$261,958	\$80,420	\$80,420	6,450	\$12.47	1.0807	1.0094	1.1019	\$3.96
Prof - Radiology	\$615,199	\$202,598	\$202,598	4,874	\$41.56	1.0807	1.0094	1.1019	\$9.96
Prof - Transportation/Ambulance	\$184,542	\$88,222	\$88,222	8,793	\$10.03	1.0807	1.0094	1.1019	\$4.34
Total	\$15,838,351	\$6,672,312	\$6,497,763	111,550					\$311.21
Administrative Adjustment									1.1019
Per Capita Cost									\$342.93

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Disabled / Uninsured Ages 45 - 64									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	76,050	88,082	75,014						
Service Category									
Pharmacy - Brand	\$11,401,488	\$10,307,716	\$9,586,176	153,128	\$62.60	1.1516	1.0006	1.1524	\$144.52
Pharmacy - Generic	\$4,581,189	\$2,945,332	\$2,739,159	188,212	\$14.55	1.0568	1.0006	1.0925	\$35.93
Home Health Care	\$588,579	\$357,890	\$357,890	2,324	\$154.02	1.0376	1.0398	1.0504	\$5.33
IP - Maternity	\$0	\$0	\$0	0	\$0.00	1.0532	1.0366	1.0060	\$0.00
IP - Newborn	\$0	\$0	\$0	0	\$0.00	1.0532	1.0366	1.0060	\$0.00
IP - Other	\$20,568,099	\$5,750,852	\$5,750,852	5,994	\$959.48	1.0532	1.0366	1.0060	\$84.20
OP - Emergency Room	\$1,143,728	\$455,161	\$455,161	1,193	\$381.59	1.1437	1.0107	1.0865	\$7.52
OP - Other	\$14,506,309	\$4,552,517	\$4,552,517	14,608	\$311.64	1.1437	1.0107	1.0865	\$75.19
Prof - Evaluation & Management	\$8,189,299	\$3,623,039	\$3,623,039	107,652	\$33.66	1.0807	1.0094	1.1019	\$57.27
Prof - Maternity	\$1,022	\$383	\$383	2	\$177.76	1.0807	1.0094	1.1019	\$0.01
Prof - Other	\$6,989,561	\$2,243,054	\$2,243,054	35,436	\$63.30	1.0807	1.0094	1.1019	\$35.45
Prof - DME/Supplies	\$1,023,135	\$621,041	\$621,041	40,452	\$15.35	1.0807	1.0094	1.1019	\$9.82
Prof - Lab	\$1,622,577	\$489,312	\$489,312	42,766	\$11.44	1.0807	1.0094	1.1019	\$7.73
Prof - Radiology	\$2,804,771	\$911,761	\$911,761	20,888	\$43.65	1.0807	1.0094	1.1019	\$14.41
Prof - Transportation/Ambulance	\$648,479	\$386,640	\$386,640	32,143	\$12.03	1.0807	1.0094	1.1019	\$6.11
Total	\$74,068,236	\$32,644,697	\$31,716,984	644,798					\$483.49
Administrative Adjustment									1.1019
Per Capita Cost									\$532.77

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Disabled / Uninsured Age Over 65									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	4,503	4,776	4,484						
Service Category									
Pharmacy - Brand	\$517,675	\$451,871	\$420,240	7,690	\$54.65	1.1516	1.0006	1.1524	\$116.84
Pharmacy - Generic	\$232,218	\$131,513	\$122,307	9,743	\$12.55	1.0568	1.0006	1.0925	\$29.58
Home Health Care	\$14,128	\$8,529	\$8,529	50	\$169.13	1.0376	1.0398	1.0504	\$2.15
IP - Maternity	\$0	\$0	\$0	0	\$0.00	1.0532	1.0366	1.0060	\$0.00
IP - Newborn	\$0	\$0	\$0	0	\$0.00	1.0532	1.0366	1.0060	\$0.00
IP - Other	\$562,893	\$113,287	\$113,287	170	\$665.01	1.0532	1.0366	1.0060	\$27.75
OP - Emergency Room	\$19,646	\$9,059	\$9,059	24	\$374.96	1.1437	1.0107	1.0865	\$2.53
OP - Other	\$422,595	\$96,853	\$96,853	348	\$278.35	1.1437	1.0107	1.0865	\$27.01
Prof - Evaluation & Management	\$212,230	\$87,576	\$87,576	2,335	\$37.51	1.0807	1.0094	1.1019	\$23.38
Prof - Maternity	\$0	\$0	\$0	0	\$0.00	1.0807	1.0094	1.1019	\$0.00
Prof - Other	\$168,434	\$50,720	\$50,720	846	\$59.99	1.0807	1.0094	1.1019	\$13.54
Prof - DME/Supplies	\$51,401	\$24,168	\$24,168	4,186	\$5.77	1.0807	1.0094	1.1019	\$6.45
Prof - Lab	\$42,929	\$12,499	\$12,499	1,378	\$9.07	1.0807	1.0094	1.1019	\$3.34
Prof - Radiology	\$62,974	\$18,055	\$18,055	516	\$34.98	1.0807	1.0094	1.1019	\$4.82
Prof - Transportation/Ambulance	\$25,244	\$16,371	\$16,371	881	\$18.59	1.0807	1.0094	1.1019	\$4.37
Total	\$2,332,366	\$1,020,501	\$979,664	28,167					\$261.76
Administrative Adjustment									1.1019
Per Capita Cost									\$288.44

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Disabled / Uninsurable All Ages									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	245,199	280,595	239,563						
Service Category									
Pharmacy - Brand	\$38,244,038	\$34,234,389	\$31,837,982	445,648	\$71.44	1.1516	1.0005	1.1524	\$150.65
Pharmacy - Generic	\$13,108,927	\$8,326,395	\$7,743,547	514,109	\$15.06	1.0568	1.0005	1.0925	\$31.88
Home Health Care	\$2,435,671	\$1,654,707	\$1,654,707	9,271	\$178.48	1.0376	1.0478	1.0504	\$7.71
IP - Maternity	\$162,890	\$45,677	\$45,677	73	\$626.49	0.9585	1.0336	1.0060	\$0.19
IP - Newborn	\$70,341	\$39,367	\$39,367	67	\$585.57	0.9585	1.0336	1.0060	\$0.16
IP - Other	\$78,908,684	\$19,678,444	\$19,678,444	22,437	\$877.04	0.9585	1.0336	1.0060	\$81.87
OP - Emergency Room	\$4,116,989	\$1,585,192	\$1,585,192	4,543	\$348.93	1.1233	1.0136	1.1177	\$8.23
OP - Other	\$51,432,300	\$16,018,834	\$16,018,834	47,557	\$336.83	1.1233	1.0136	1.1177	\$83.14
Prof - Evaluation & Management	\$27,085,944	\$11,837,353	\$11,837,353	329,387	\$35.94	1.0806	1.0127	1.0634	\$56.18
Prof - Maternity	\$74,512	\$35,125	\$35,125	84	\$416.52	1.0806	1.0127	1.0634	\$0.17
Prof - Other	\$24,473,020	\$7,634,376	\$7,634,376	112,569	\$67.82	1.0806	1.0127	1.0634	\$36.23
Prof - DME/Supplies	\$3,880,257	\$2,330,932	\$2,330,932	123,027	\$18.95	1.0806	1.0127	1.0634	\$11.06
Prof - Lab	\$4,920,599	\$1,490,170	\$1,490,170	134,354	\$11.09	1.0806	1.0127	1.0634	\$7.07
Prof - Radiology	\$9,343,838	\$2,947,710	\$2,947,710	67,374	\$43.75	1.0806	1.0127	1.0634	\$13.99
Prof - Transportation/Ambulance	\$2,211,514	\$1,180,481	\$1,180,481	107,381	\$10.99	1.0806	1.0127	1.0634	\$5.60
Total	\$260,469,522	\$109,039,151	\$106,059,896	1,917,883					\$494.13
Administrative Adjustment									1.1019
Per Capita Cost									\$544.50

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Disabled / Uninsurable Age Under 1									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	12	12	12						
Service Category									
Pharmacy - Brand	\$37	\$3	\$3	3	\$0.93	1.1516	1.0005	1.1524	\$0.35
Pharmacy - Generic	\$0	\$0	\$0	0	\$0.00	1.0568	1.0005	1.0925	\$0.00
Home Health Care	\$0	\$0	\$0	0	\$0.00	1.0376	1.0478	1.0504	\$0.00
IP - Maternity	\$0	\$0	\$0	0	\$0.00	0.9585	1.0336	1.0060	\$0.00
IP - Newborn	\$0	\$0	\$0	0	\$0.00	0.9585	1.0336	1.0060	\$0.00
IP - Other	\$0	\$0	\$0	0	\$0.00	0.9585	1.0336	1.0060	\$0.00
OP - Emergency Room	\$0	\$0	\$0	0	\$0.00	1.1233	1.0136	1.1177	\$0.00
OP - Other	\$0	\$0	\$0	0	\$0.00	1.1233	1.0136	1.1177	\$0.00
Prof - Evaluation & Management	\$244	\$77	\$77	6	\$13.78	1.0806	1.0127	1.0634	\$7.59
Prof - Maternity	\$0	\$0	\$0	0	\$0.00	1.0806	1.0127	1.0634	\$0.00
Prof - Other	\$0	\$0	\$0	0	\$0.00	1.0806	1.0127	1.0634	\$0.00
Prof - DME/Supplies	\$0	\$0	\$0	0	\$0.00	1.0806	1.0127	1.0634	\$0.00
Prof - Lab	\$61	\$17	\$17	2	\$7.46	1.0806	1.0127	1.0634	\$1.68
Prof - Radiology	\$0	\$0	\$0	0	\$0.00	1.0806	1.0127	1.0634	\$0.00
Prof - Transportation/Ambulance	\$0	\$0	\$0	0	\$0.00	1.0806	1.0127	1.0634	\$0.00
Total	\$342	\$97	\$97	11					\$9.62
Administrative Adjustment									1.1019
Per Capita Cost									\$10.60

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Disabled / Uninsurable Ages 1 - 13									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	1,308	1,494	1,264						
Service Category									
Pharmacy - Brand	\$53,753	\$46,450	\$43,199	486	\$88.94	1.1516	1.0005	1.1524	\$38.40
Pharmacy - Generic	\$13,460	\$8,356	\$7,771	469	\$16.55	1.0568	1.0005	1.0925	\$6.01
Home Health Care	\$185,328	\$170,639	\$170,639	232	\$735.62	1.0376	1.0478	1.0504	\$148.96
IP - Maternity	\$0	\$0	\$0	0	\$0.00	0.9585	1.0336	1.0060	\$0.00
IP - Newborn	\$0	\$0	\$0	0	\$0.00	0.9585	1.0336	1.0060	\$0.00
IP - Other	\$281,114	\$48,583	\$48,583	55	\$891.19	0.9585	1.0336	1.0060	\$38.30
OP - Emergency Room	\$6,105	\$1,350	\$1,350	8	\$178.04	1.1233	1.0136	1.1177	\$1.31
OP - Other	\$187,025	\$77,646	\$77,646	195	\$397.37	1.1233	1.0136	1.1177	\$75.54
Prof - Evaluation & Management	\$73,634	\$40,609	\$40,609	960	\$42.30	1.0806	1.0127	1.0634	\$36.13
Prof - Maternity	\$0	\$0	\$0	0	\$0.00	1.0806	1.0127	1.0634	\$0.00
Prof - Other	\$44,886	\$14,082	\$14,082	597	\$23.58	1.0806	1.0127	1.0634	\$12.53
Prof - DME/Supplies	\$28,769	\$20,782	\$20,782	1,193	\$17.41	1.0806	1.0127	1.0634	\$18.49
Prof - Lab	\$11,330	\$4,263	\$4,263	244	\$17.49	1.0806	1.0127	1.0634	\$3.79
Prof - Radiology	\$18,084	\$5,312	\$5,312	119	\$44.73	1.0806	1.0127	1.0634	\$4.73
Prof - Transportation/Ambulance	\$1,114	\$1,105	\$1,105	19	\$58.43	1.0806	1.0127	1.0634	\$0.98
Total	\$904,603	\$439,178	\$435,341	4,577					\$385.17
Administrative Adjustment									1.1019
Per Capita Cost									\$424.43

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Disabled / Uninsurable Ages 14 - 18 Female									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	441	501	425						
Service Category									
Pharmacy - Brand	\$15,940	\$14,418	\$13,408	279	\$48.04	1.1516	1.0005	1.1524	\$35.55
Pharmacy - Generic	\$11,423	\$7,842	\$7,293	301	\$24.23	1.0568	1.0005	1.0925	\$16.82
Home Health Care	\$12,964	\$8,637	\$8,637	20	\$435.86	1.0376	1.0478	1.0504	\$22.38
IP - Maternity	\$0	\$0	\$0	0	\$0.00	0.9585	1.0336	1.0060	\$0.00
IP - Newborn	\$0	\$0	\$0	0	\$0.00	0.9585	1.0336	1.0060	\$0.00
IP - Other	\$164,770	\$114,962	\$114,962	49	\$2,338.01	0.9585	1.0336	1.0060	\$269.74
OP - Emergency Room	\$4,992	\$2,089	\$2,089	8	\$275.64	1.1233	1.0136	1.1177	\$6.03
OP - Other	\$209,271	\$114,163	\$114,163	264	\$432.24	1.1233	1.0136	1.1177	\$329.69
Prof - Evaluation & Management	\$33,731	\$14,799	\$14,799	371	\$39.90	1.0806	1.0127	1.0634	\$39.08
Prof - Maternity	\$6,234	\$3,012	\$3,012	8	\$360.31	1.0806	1.0127	1.0634	\$7.95
Prof - Other	\$9,627	\$2,745	\$2,745	71	\$38.51	1.0806	1.0127	1.0634	\$7.25
Prof - DME/Supplies	\$15,959	\$10,546	\$10,546	2,907	\$3.63	1.0806	1.0127	1.0634	\$27.85
Prof - Lab	\$7,862	\$2,088	\$2,088	208	\$10.04	1.0806	1.0127	1.0634	\$5.51
Prof - Radiology	\$20,594	\$5,309	\$5,309	151	\$35.23	1.0806	1.0127	1.0634	\$14.02
Prof - Transportation/Ambulance	\$2,360	\$1,457	\$1,457	46	\$31.90	1.0806	1.0127	1.0634	\$3.85
Total	\$515,728	\$302,067	\$300,509	4,683					\$785.72
Administrative Adjustment									1.1019
Per Capita Cost									\$865.81

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Disabled / Uninsurable Ages 14 - 18 Male									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	602	690	585						
Service Category									
Pharmacy - Brand	\$44,251	\$38,472	\$35,779	227	\$157.40	1.1516	1.0005	1.1524	\$68.81
Pharmacy - Generic	\$3,275	\$2,177	\$2,025	171	\$11.82	1.0568	1.0005	1.0925	\$3.39
Home Health Care	\$150,236	\$99,486	\$99,486	301	\$330.72	1.0376	1.0478	1.0504	\$188.70
IP - Maternity	\$0	\$0	\$0	0	\$0.00	0.9585	1.0336	1.0060	\$0.00
IP - Newborn	\$0	\$0	\$0	0	\$0.00	0.9585	1.0336	1.0060	\$0.00
IP - Other	\$301,668	\$41,702	\$41,702	105	\$397.02	0.9585	1.0336	1.0060	\$71.10
OP - Emergency Room	\$2,219	\$1,479	\$1,479	4	\$341.34	1.1233	1.0136	1.1177	\$3.13
OP - Other	\$66,866	\$46,602	\$46,602	106	\$438.35	1.1233	1.0136	1.1177	\$98.51
Prof - Evaluation & Management	\$27,599	\$14,063	\$14,063	335	\$41.92	1.0806	1.0127	1.0634	\$27.18
Prof - Maternity	\$0	\$0	\$0	0	\$0.00	1.0806	1.0127	1.0634	\$0.00
Prof - Other	\$29,517	\$8,304	\$8,304	70	\$118.66	1.0806	1.0127	1.0634	\$16.05
Prof - DME/Supplies	\$24,927	\$18,811	\$18,811	502	\$37.46	1.0806	1.0127	1.0634	\$36.36
Prof - Lab	\$7,535	\$3,818	\$3,818	159	\$24.08	1.0806	1.0127	1.0634	\$7.38
Prof - Radiology	\$7,999	\$2,529	\$2,529	84	\$30.01	1.0806	1.0127	1.0634	\$4.89
Prof - Transportation/Ambulance	\$717	\$546	\$546	26	\$21.32	1.0806	1.0127	1.0634	\$1.06
Total	\$666,809	\$277,989	\$275,144	2,091					\$526.56
Administrative Adjustment									1.1019
Per Capita Cost									\$580.23

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Disabled / Uninsurable Ages 19 - 20 Female									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	420	494	398						
Service Category									
Pharmacy - Brand	\$16,526	\$15,424	\$14,344	285	\$50.30	1.1516	1.0005	1.1524	\$38.57
Pharmacy - Generic	\$5,384	\$3,774	\$3,510	335	\$10.47	1.0568	1.0005	1.0925	\$8.21
Home Health Care	\$26,339	\$15,485	\$15,485	38	\$402.57	1.0376	1.0478	1.0504	\$42.15
IP - Maternity	\$12,924	\$4,661	\$4,661	5	\$892.10	0.9585	1.0336	1.0060	\$11.69
IP - Newborn	\$1,019	\$480	\$480	3	\$155.66	0.9585	1.0336	1.0060	\$1.20
IP - Other	\$20,429	\$4,870	\$4,870	3	\$1,425.29	0.9585	1.0336	1.0060	\$12.21
OP - Emergency Room	\$13,678	\$5,008	\$5,008	14	\$355.76	1.1233	1.0136	1.1177	\$15.19
OP - Other	\$55,366	\$13,483	\$13,483	62	\$216.14	1.1233	1.0136	1.1177	\$40.90
Prof - Evaluation & Management	\$23,675	\$10,992	\$10,992	614	\$17.91	1.0806	1.0127	1.0634	\$30.49
Prof - Maternity	\$4,411	\$2,781	\$2,781	2	\$1,340.90	1.0806	1.0127	1.0634	\$7.71
Prof - Other	\$6,220	\$1,781	\$1,781	75	\$23.69	1.0806	1.0127	1.0634	\$4.94
Prof - DME/Supplies	\$3,263	\$2,301	\$2,301	461	\$4.99	1.0806	1.0127	1.0634	\$6.38
Prof - Lab	\$9,272	\$2,922	\$2,922	273	\$10.69	1.0806	1.0127	1.0634	\$8.11
Prof - Radiology	\$5,358	\$1,677	\$1,677	66	\$25.61	1.0806	1.0127	1.0634	\$4.65
Prof - Transportation/Ambulance	\$4,973	\$2,272	\$2,272	85	\$26.87	1.0806	1.0127	1.0634	\$6.30
Total	\$208,837	\$87,913	\$86,569	2,322					\$238.70
Administrative Adjustment									1.1019
Per Capita Cost									\$263.03

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Disabled / Uninsurable Ages 19 - 20 Male									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	709	815	687						
Service Category									
Pharmacy - Brand	\$56,999	\$52,487	\$48,813	156	\$313.61	1.1516	1.0005	1.1524	\$79.56
Pharmacy - Generic	\$12,406	\$10,045	\$9,342	357	\$26.19	1.0568	1.0005	1.0925	\$13.25
Home Health Care	\$27,883	\$26,571	\$26,571	9	\$2,849.31	1.0376	1.0478	1.0504	\$42.77
IP - Maternity	\$0	\$0	\$0	0	\$0.00	0.9585	1.0336	1.0060	\$0.00
IP - Newborn	\$0	\$0	\$0	0	\$0.00	0.9585	1.0336	1.0060	\$0.00
IP - Other	\$520,648	\$175,106	\$175,106	163	\$1,075.95	0.9585	1.0336	1.0060	\$253.96
OP - Emergency Room	\$6,275	\$2,462	\$2,462	13	\$189.47	1.1233	1.0136	1.1177	\$4.42
OP - Other	\$114,662	\$32,665	\$32,665	100	\$325.30	1.1233	1.0136	1.1177	\$58.60
Prof - Evaluation & Management	\$44,106	\$18,142	\$18,142	521	\$34.80	1.0806	1.0127	1.0634	\$29.76
Prof - Maternity	\$0	\$0	\$0	0	\$0.00	1.0806	1.0127	1.0634	\$0.00
Prof - Other	\$138,936	\$30,881	\$30,881	186	\$166.00	1.0806	1.0127	1.0634	\$50.65
Prof - DME/Supplies	\$59,992	\$35,678	\$35,678	4,886	\$7.30	1.0806	1.0127	1.0634	\$58.52
Prof - Lab	\$8,856	\$1,828	\$1,828	167	\$10.94	1.0806	1.0127	1.0634	\$3.00
Prof - Radiology	\$16,972	\$6,186	\$6,186	197	\$31.47	1.0806	1.0127	1.0634	\$10.15
Prof - Transportation/Ambulance	\$4,109	\$2,170	\$2,170	75	\$29.10	1.0806	1.0127	1.0634	\$3.56
Total	\$1,011,844	\$394,220	\$389,842	6,829					\$608.20
Administrative Adjustment									1.1019
Per Capita Cost									\$670.19

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Disabled / Uninsurable Ages 21 - 44 Female									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	28,267	32,421	27,340						
Service Category									
Pharmacy - Brand	\$3,088,063	\$2,814,097	\$2,617,110	35,166	\$74.42	1.1516	1.0005	1.1524	\$107.18
Pharmacy - Generic	\$1,118,827	\$779,982	\$725,383	48,076	\$15.09	1.0568	1.0005	1.0925	\$25.85
Home Health Care	\$338,557	\$273,201	\$273,201	1,094	\$249.78	1.0376	1.0478	1.0504	\$11.04
IP - Maternity	\$149,966	\$41,015	\$41,015	68	\$605.98	0.9585	1.0336	1.0060	\$1.50
IP - Newborn	\$69,322	\$38,887	\$38,887	64	\$606.24	0.9585	1.0336	1.0060	\$1.42
IP - Other	\$7,005,520	\$1,497,192	\$1,497,192	2,075	\$721.49	0.9585	1.0336	1.0060	\$54.58
OP - Emergency Room	\$631,299	\$249,546	\$249,546	823	\$303.20	1.1233	1.0136	1.1177	\$11.24
OP - Other	\$5,806,371	\$1,835,640	\$1,835,640	6,519	\$281.58	1.1233	1.0136	1.1177	\$82.64
Prof - Evaluation & Management	\$2,925,110	\$1,310,441	\$1,310,441	35,316	\$37.11	1.0806	1.0127	1.0634	\$53.95
Prof - Maternity	\$63,867	\$29,333	\$29,333	74	\$396.94	1.0806	1.0127	1.0634	\$1.21
Prof - Other	\$2,581,283	\$759,126	\$759,126	10,119	\$75.02	1.0806	1.0127	1.0634	\$31.25
Prof - DME/Supplies	\$221,110	\$143,566	\$143,566	10,359	\$13.86	1.0806	1.0127	1.0634	\$5.91
Prof - Lab	\$620,588	\$197,553	\$197,553	16,443	\$12.01	1.0806	1.0127	1.0634	\$8.13
Prof - Radiology	\$1,042,586	\$327,906	\$327,906	8,064	\$40.66	1.0806	1.0127	1.0634	\$13.50
Prof - Transportation/Ambulance	\$266,364	\$145,763	\$145,763	18,808	\$7.75	1.0806	1.0127	1.0634	\$6.00
Total	\$25,928,834	\$10,443,247	\$10,191,661	193,068					\$415.40
Administrative Adjustment									1.1019
Per Capita Cost									\$457.74

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Disabled / Uninsurable Ages 21 - 44 Male									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	48,909	56,277	46,892						
Service Category									
Pharmacy - Brand	\$5,426,753	\$4,964,798	\$4,617,262	39,062	\$118.20	1.1516	1.0005	1.1524	\$108.93
Pharmacy - Generic	\$1,462,612	\$986,947	\$917,861	57,692	\$15.91	1.0568	1.0005	1.0925	\$18.84
Home Health Care	\$169,331	\$115,551	\$115,551	904	\$127.77	1.0376	1.0478	1.0504	\$2.70
IP - Maternity	\$0	\$0	\$0	0	\$0.00	0.9585	1.0336	1.0060	\$0.00
IP - Newborn	\$0	\$0	\$0	0	\$0.00	0.9585	1.0336	1.0060	\$0.00
IP - Other	\$15,379,421	\$3,523,338	\$3,523,338	3,985	\$884.07	0.9585	1.0336	1.0060	\$74.89
OP - Emergency Room	\$891,778	\$341,487	\$341,487	1,263	\$270.44	1.1233	1.0136	1.1177	\$8.89
OP - Other	\$9,140,738	\$2,659,506	\$2,659,506	8,580	\$309.97	1.1233	1.0136	1.1177	\$69.20
Prof - Evaluation & Management	\$4,059,928	\$1,756,781	\$1,756,781	44,768	\$39.24	1.0806	1.0127	1.0634	\$41.80
Prof - Maternity	\$0	\$0	\$0	0	\$0.00	1.0806	1.0127	1.0634	\$0.00
Prof - Other	\$4,251,703	\$1,243,884	\$1,243,884	14,074	\$88.38	1.0806	1.0127	1.0634	\$29.60
Prof - DME/Supplies	\$635,936	\$413,781	\$413,781	14,466	\$28.60	1.0806	1.0127	1.0634	\$9.84
Prof - Lab	\$581,368	\$176,671	\$176,671	15,211	\$11.61	1.0806	1.0127	1.0634	\$4.20
Prof - Radiology	\$1,415,665	\$446,871	\$446,871	11,483	\$38.91	1.0806	1.0127	1.0634	\$10.63
Prof - Transportation/Ambulance	\$475,575	\$246,691	\$246,691	17,579	\$14.03	1.0806	1.0127	1.0634	\$5.87
Total	\$43,890,810	\$16,876,307	\$16,459,684	229,067					\$385.39
Administrative Adjustment									1.1019
Per Capita Cost									\$424.67

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Disabled / Uninsurable Ages 45 - 64									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	153,452	176,394	151,017						
Service Category									
Pharmacy - Brand	\$28,097,608	\$25,056,737	\$23,302,765	348,637	\$66.84	1.1516	1.0005	1.1524	\$175.40
Pharmacy - Generic	\$9,878,802	\$6,170,945	\$5,738,979	382,203	\$15.02	1.0568	1.0005	1.0925	\$37.58
Home Health Care	\$1,497,295	\$927,783	\$927,783	6,405	\$144.85	1.0376	1.0478	1.0504	\$6.90
IP - Maternity	\$0	\$0	\$0	0	\$0.00	0.9585	1.0336	1.0060	\$0.00
IP - Newborn	\$0	\$0	\$0	0	\$0.00	0.9585	1.0336	1.0060	\$0.00
IP - Other	\$54,476,272	\$14,058,504	\$14,058,504	15,791	\$890.28	0.9585	1.0336	1.0060	\$92.78
OP - Emergency Room	\$2,528,083	\$976,893	\$976,893	2,387	\$409.28	1.1233	1.0136	1.1177	\$8.10
OP - Other	\$35,504,501	\$11,157,630	\$11,157,630	31,424	\$355.06	1.1233	1.0136	1.1177	\$92.54
Prof - Evaluation & Management	\$19,508,437	\$8,550,527	\$8,550,527	242,064	\$35.32	1.0806	1.0127	1.0634	\$64.84
Prof - Maternity	\$0	\$0	\$0	0	\$0.00	1.0806	1.0127	1.0634	\$0.00
Prof - Other	\$17,167,611	\$5,514,863	\$5,514,863	86,378	\$63.85	1.0806	1.0127	1.0634	\$41.82
Prof - DME/Supplies	\$2,818,415	\$1,653,401	\$1,653,401	80,388	\$20.57	1.0806	1.0127	1.0634	\$12.54
Prof - Lab	\$3,618,116	\$1,086,762	\$1,086,762	100,390	\$10.83	1.0806	1.0127	1.0634	\$8.24
Prof - Radiology	\$6,739,199	\$2,134,548	\$2,134,548	46,493	\$45.91	1.0806	1.0127	1.0634	\$16.19
Prof - Transportation/Ambulance	\$1,326,491	\$685,472	\$685,472	64,406	\$10.64	1.0806	1.0127	1.0634	\$5.20
Total	\$183,160,831	\$77,974,065	\$75,788,128	1,406,966					\$562.13
Administrative Adjustment									1.1019
Per Capita Cost									\$619.43

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Disabled / Uninsurable Age Over 65									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	11,078	11,497	10,944						
Service Category									
Pharmacy - Brand	\$1,444,106	\$1,231,504	\$1,145,299	21,346	\$53.65	1.1516	1.0005	1.1524	\$132.26
Pharmacy - Generic	\$602,738	\$356,327	\$331,384	24,505	\$13.52	1.0568	1.0005	1.0925	\$33.29
Home Health Care	\$27,736	\$17,353	\$17,353	267	\$64.89	1.0376	1.0478	1.0504	\$1.79
IP - Maternity	\$0	\$0	\$0	0	\$0.00	0.9585	1.0336	1.0060	\$0.00
IP - Newborn	\$0	\$0	\$0	0	\$0.00	0.9585	1.0336	1.0060	\$0.00
IP - Other	\$758,842	\$214,187	\$214,187	211	\$1,015.93	0.9585	1.0336	1.0060	\$19.51
OP - Emergency Room	\$32,559	\$4,877	\$4,877	24	\$204.71	1.1233	1.0136	1.1177	\$0.56
OP - Other	\$347,498	\$81,498	\$81,498	305	\$267.25	1.1233	1.0136	1.1177	\$9.36
Prof - Evaluation & Management	\$389,479	\$120,922	\$120,922	4,433	\$27.28	1.0806	1.0127	1.0634	\$12.70
Prof - Maternity	\$0	\$0	\$0	0	\$0.00	1.0806	1.0127	1.0634	\$0.00
Prof - Other	\$243,237	\$58,711	\$58,711	999	\$58.77	1.0806	1.0127	1.0634	\$6.17
Prof - DME/Supplies	\$71,886	\$32,066	\$32,066	7,865	\$4.08	1.0806	1.0127	1.0634	\$3.37
Prof - Lab	\$55,610	\$14,248	\$14,248	1,257	\$11.33	1.0806	1.0127	1.0634	\$1.50
Prof - Radiology	\$77,381	\$17,372	\$17,372	718	\$24.21	1.0806	1.0127	1.0634	\$1.82
Prof - Transportation/Ambulance	\$129,810	\$95,003	\$95,003	6,340	\$14.99	1.0806	1.0127	1.0634	\$9.98
Total	\$4,180,883	\$2,244,068	\$2,132,920	68,269					\$232.31
Administrative Adjustment									1.1019
Per Capita Cost									\$255.99

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare
FY 2004 Per Capita Cost Development
Development of Per Capita Costs
Statewide; Excludes Access Med Plus

Exhibit 3

Waiver Duals (Uninsurable & TennCare)									
All Ages									
	Raw Charges	Paid Expenditures	Adjusted Claims*	Units	Cost / Unit	Trend Data Period	IBNR Data Period	Trend Contract Period	FY 2004 PMPM
	MM Non-Rx	MM Rx	MM IP-Paid						
	568,312	714,800	561,988						
Service Category									
Pharmacy - Brand	\$158,015,736	\$127,894,431	\$127,894,431	1,776,024	\$72.01	1.1095	1.0010	1.0964	\$217.88
Pharmacy - Generic	\$56,056,291	\$30,404,668	\$30,404,668	1,865,979	\$16.29	0.9215	1.0010	0.8773	\$34.42
Home Health Care	\$1,370,290	\$765,328	\$765,328	4,827	\$158.54	1.0376	1.1022	1.0504	\$1.62
IP - Maternity	\$3,428	\$1,205	\$1,205	2	\$586.07	1.0045	1.0890	1.0060	\$0.00
IP - Newborn	\$17,732	\$10,820	\$10,820	10	\$1,045.84	1.0045	1.0890	1.0060	\$0.02
IP - Other	\$9,207,753	\$1,394,747	\$1,394,747	3,047	\$457.69	1.0045	1.0890	1.0060	\$2.73
OP - Emergency Room	\$770,474	\$196,368	\$196,368	682	\$288.02	1.0264	1.0486	1.0354	\$0.39
OP - Other	\$8,260,698	\$1,756,939	\$1,756,939	7,478	\$234.96	1.0264	1.0486	1.0354	\$3.45
Prof - Evaluation & Management	\$7,470,611	\$1,940,101	\$1,940,101	98,964	\$19.60	1.0630	1.0357	1.0849	\$4.08
Prof - Maternity	\$11,139	\$2,899	\$2,899	8	\$352.55	1.0630	1.0357	1.0849	\$0.01
Prof - Other	\$7,002,829	\$1,175,319	\$1,175,319	32,758	\$35.88	1.0630	1.0357	1.0849	\$2.47
Prof - DME/Supplies	\$1,781,875	\$726,420	\$726,420	214,333	\$3.39	1.0630	1.0357	1.0849	\$1.53
Prof - Lab	\$1,308,859	\$270,182	\$270,182	29,755	\$9.08	1.0630	1.0357	1.0849	\$0.57
Prof - Radiology	\$2,148,162	\$414,053	\$414,053	15,145	\$27.34	1.0630	1.0357	1.0849	\$0.87
Prof - Transportation/Ambulance	\$2,648,977	\$2,162,244	\$2,162,244	258,014	\$8.38	1.0630	1.0357	1.0849	\$4.54
Total	\$256,074,852	\$169,115,724	\$169,115,724	4,307,027					\$274.58
Administrative Adjustment									1.1019
Per Capita Cost									\$276.85
Per Capita Cost without Pharmacy									\$24.55

- Non-Pharmacy Claims Incurred 10/1/01 - 9/30/02

- Pharmacy Claims Incurred 10/1/01 - 12/31/02

*Reflects 7.0% rebate for non-dual pharmacy claims

TennCare

FY 2004 Per Capita Cost Development

Comparison of Utilization Rates by Eligibility Category

	Medicaid (TANF & Related)		
	East vs State	Mid vs State	West vs State
Pharmacy	14.2%	1.5%	-15.6%
Home Health	40.6%	-5.0%	-36.4%
Inpatient	10.2%	23.6%	-29.1%
Outpatient	31.3%	12.9%	-42.8%
Professional	18.0%	2.1%	-19.9%
Lab & Radiology	6.3%	-28.5%	18.8%
DME & Transportation	<u>9.5%</u>	<u>35.7%</u>	<u>-41.0%</u>
Total	15.0%	-0.2%	-14.9%

	Disabled		
	East vs State	Mid vs State	West vs State
Pharmacy	21.3%	-0.6%	-25.0%
Home Health	30.3%	4.8%	-40.5%
Inpatient	2.7%	22.4%	-20.3%
Outpatient	28.8%	9.4%	-42.3%
Professional	15.0%	-1.5%	-16.8%
Lab & Radiology	6.9%	-27.6%	14.2%
DME & Transportation	<u>2.4%</u>	<u>26.1%</u>	<u>-24.1%</u>
Total	11.7%	7.8%	-20.5%

	Duals (Medicaid & Medicare)		
	East vs State	Mid vs State	West vs State
Pharmacy	2.6%	2.4%	-6.7%
Home Health	51.9%	-32.2%	-43.3%
Inpatient	32.1%	-6.2%	-42.7%
Outpatient	24.7%	-2.5%	-35.0%
Professional	19.5%	-16.7%	-11.1%
Lab & Radiology	8.3%	-34.2%	25.8%
DME & Transportation	<u>-14.1%</u>	<u>18.7%</u>	<u>0.6%</u>
Total	-1.1%	5.8%	-4.9%

	Uninsured		
	East vs State	Mid vs State	West vs State
Pharmacy	9.9%	-6.7%	-6.7%
Home Health	43.9%	-16.1%	-46.7%
Inpatient	-2.0%	19.7%	-20.0%
Outpatient	21.9%	6.8%	-42.0%
Professional	10.9%	-1.4%	-14.9%
Lab & Radiology	6.3%	-32.7%	31.6%
DME & Transportation	<u>-8.2%</u>	<u>46.6%</u>	<u>-46.2%</u>
Total	9.1%	-5.0%	-7.6%

	Uninsurable		
	East vs State	Mid vs State	West vs State
Pharmacy	9.5%	-4.4%	-8.8%
Home Health	49.4%	-16.9%	-55.6%
Inpatient	-2.7%	20.8%	-25.9%
Outpatient	15.9%	10.3%	-42.6%
Professional	9.2%	-4.4%	-8.5%
Lab & Radiology	6.4%	-30.6%	37.4%
DME & Transportation	<u>0.8%</u>	<u>23.6%</u>	<u>-38.4%</u>
Total	8.5%	-5.2%	-6.0%

	Waiver Duals (Uninsurable & TennCare)		
	East vs State	Mid vs State	West vs State
Pharmacy	2.1%	-0.8%	-2.8%
Home Health	35.3%	-29.0%	-28.9%
Inpatient	-16.3%	89.4%	-71.8%
Outpatient	16.8%	19.3%	-52.6%
Professional	7.9%	-7.6%	-5.2%
Lab & Radiology	1.1%	-21.1%	22.8%
DME & Transportation	<u>-9.0%</u>	<u>12.9%</u>	<u>0.8%</u>
Total	0.9%	0.6%	-2.3%

	Disabled Uninsured		
	East vs State	Mid vs State	West vs State
Pharmacy	6.5%	-4.0%	-7.9%
Home Health	32.3%	-21.4%	-37.3%
Inpatient	-9.9%	31.4%	-21.5%
Outpatient	13.3%	12.6%	-45.7%
Professional	5.8%	2.4%	-15.6%
Lab & Radiology	6.3%	-27.6%	26.1%
DME & Transportation	<u>-9.2%</u>	<u>42.9%</u>	<u>-41.8%</u>
Total	4.2%	2.7%	-12.5%

	Disabled Uninsurable		
	East vs State	Mid vs State	West vs State
Pharmacy	9.7%	-5.4%	-8.9%
Home Health	46.3%	-12.6%	-61.3%
Inpatient	-3.2%	25.1%	-27.7%
Outpatient	10.9%	15.7%	-40.7%
Professional	2.9%	4.0%	-10.5%
Lab & Radiology	2.8%	-25.3%	31.0%
DME & Transportation	<u>1.8%</u>	<u>11.6%</u>	<u>-19.4%</u>
Total	6.3%	-2.2%	-7.6%

TennCare

FY 2004 Per Capita Cost Development

Comparison of Per Member Per Month Costs by Eligibility Category

	Medicaid (TANF & Related)		
	East vs State	Mid vs State	West vs State
Pharmacy	19.3%	5.0%	-23.9%
Home Health	13.0%	20.0%	-29.0%
Inpatient	13.7%	8.9%	-20.9%
Outpatient	-8.7%	28.4%	-16.3%
Professional	17.2%	8.3%	-24.7%
Lab & Radiology	28.3%	-15.1%	-14.9%
DME & Transportation	<u>15.5%</u>	<u>6.5%</u>	<u>-20.8%</u>
Total	11.8%	11.0%	-21.4%

	Disabled		
	East vs State	Mid vs State	West vs State
Pharmacy	23.9%	2.6%	-30.9%
Home Health	33.1%	-15.2%	-27.5%
Inpatient	-2.0%	22.8%	-14.8%
Outpatient	-7.6%	25.2%	-11.2%
Professional	15.6%	10.7%	-27.4%
Lab & Radiology	22.6%	-10.9%	-18.4%
DME & Transportation	<u>3.9%</u>	<u>15.4%</u>	<u>-17.2%</u>
Total	10.0%	12.2%	-21.7%

	Duals (Medicare & TennCare)		
	East vs State	Mid vs State	West vs State
Pharmacy	5.9%	3.3%	-12.8%
Home Health	33.9%	-0.9%	-50.0%
Inpatient	22.9%	-41.3%	8.4%
Outpatient	17.5%	-44.8%	23.3%
Professional	13.5%	-13.9%	-4.0%
Lab & Radiology	26.1%	-32.6%	-4.3%
DME & Transportation	<u>-42.9%</u>	<u>29.8%</u>	<u>32.3%</u>
Total	4.4%	3.1%	-10.3%

	Uninsured		
	East vs State	Mid vs State	West vs State
Pharmacy	14.3%	-5.0%	-15.7%
Home Health	33.3%	-1.4%	-50.0%
Inpatient	2.5%	14.4%	-20.4%
Outpatient	-16.1%	31.4%	-15.0%
Professional	10.4%	5.6%	-22.9%
Lab & Radiology	21.4%	-19.5%	-7.9%
DME & Transportation	<u>12.4%</u>	<u>3.0%</u>	<u>-21.8%</u>
Total	5.2%	8.1%	-18.0%

	Uninsurable		
	East vs State	Mid vs State	West vs State
Pharmacy	12.9%	-3.2%	-16.4%
Home Health	15.0%	-22.3%	9.5%
Inpatient	-0.4%	22.4%	-31.9%
Outpatient	-16.9%	27.5%	-15.0%
Professional	7.5%	6.1%	-22.1%
Lab & Radiology	17.2%	-15.2%	-5.0%
DME & Transportation	<u>8.7%</u>	<u>4.5%</u>	<u>-21.9%</u>
Total	3.4%	8.8%	-19.0%

	Waiver Duals (Uninsurable & TennCare)		
	East vs State	Mid vs State	West vs State
Pharmacy	4.4%	1.3%	-9.4%
Home Health	16.5%	-40.5%	19.0%
Inpatient	23.1%	27.4%	-71.5%
Outpatient	-12.8%	17.2%	1.8%
Professional	2.7%	9.1%	-15.6%
Lab & Radiology	5.6%	-5.6%	-4.9%
DME & Transportation	<u>-41.2%</u>	<u>18.2%</u>	<u>52.5%</u>
Total	3.4%	2.1%	-8.5%

	Disabled Uninsured		
	East vs State	Mid vs State	West vs State
Pharmacy	12.2%	-4.4%	-19.3%
Home Health	4.8%	-1.7%	-7.5%
Inpatient	-11.6%	42.6%	-32.8%
Outpatient	-17.3%	40.5%	-21.3%
Professional	2.0%	17.1%	-28.7%
Lab & Radiology	13.4%	-11.8%	-11.3%
DME & Transportation	<u>-9.1%</u>	<u>19.0%</u>	<u>-7.9%</u>
Total	0.0%	16.4%	-22.8%

	Disabled Uninsurable		
	East vs State	Mid vs State	West vs State
Pharmacy	18.0%	-9.0%	-17.9%
Home Health	43.4%	-14.5%	-53.6%
Inpatient	-11.1%	35.4%	-27.8%
Outpatient	-19.4%	30.2%	-9.6%
Professional	3.2%	16.1%	-28.2%
Lab & Radiology	10.7%	-6.5%	-9.1%
DME & Transportation	<u>-1.9%</u>	<u>9.8%</u>	<u>-10.6%</u>
Total	2.9%	11.0%	-19.9%

TennCare
FY 2004 Per Capita Cost Development
Summary of Per Capita Costs - Old Waiver Program Structure

Eligibility Group	Participant Age Categories											Weighted Average
	Age Under 1	Ages 1 - 13	Ages 14 - 18 Female	Ages 14 - 18 Male	Ages 19 - 20 Female	Ages 19 - 20 Male	Ages 21 - 44 Female	Ages 21 - 44 Male	Ages 45 - 64	Age Over 65	All Ages	
Medicaid (TANF & Related)	\$313.43	\$65.82	\$153.62	\$65.33	\$322.31	\$97.84	\$282.25	\$205.28	\$386.52	\$226.50		\$147.02
Disabled	\$321.23	\$321.23	\$321.23	\$321.23	\$321.23	\$321.23	\$535.91	\$535.91	\$535.91	\$535.91		\$477.00
Duals (Medicare & TennCare)											\$257.75	\$257.75
Uninsured	\$199.89	\$53.56	\$100.39	\$55.76	\$153.80	\$58.03	\$191.83	\$124.82	\$325.01	\$212.04		\$143.92
Uninsurable	\$411.89	\$76.95	\$119.64	\$88.78	\$188.14	\$139.12	\$309.05	\$269.26	\$482.72	\$253.30		\$358.04
Disabled Uninsured	\$5,584.17	\$208.01	\$167.25	\$169.22	\$214.01	\$436.55	\$427.42	\$342.93	\$532.77	\$288.44		\$443.09
Disabled Uninsurable	\$10.60	\$424.43	\$865.81	\$580.23	\$263.03	\$670.19	\$457.74	\$424.67	\$619.43	\$255.99		\$544.50
Duals (Uninsurable & TennCare)											\$276.85	\$276.85
Weighted Average	\$303.18	\$77.87	\$150.24	\$98.95	\$261.42	\$122.01	\$289.58	\$281.93	\$462.27	\$313.78	\$261.91	\$226.34

TennCare
FY 2004 Per Capita Cost Development
Summary of Per Capita Costs - Old Waiver Program Structure
Excludes Dual Pharmacy

Eligibility Group	Participant Age Categories											Weighted Average
	Age Under 1	Ages 1 - 13	Ages 14 - 18 Female	Ages 14 - 18 Male	Ages 19 - 20 Female	Ages 19 - 20 Male	Ages 21 - 44 Female	Ages 21 - 44 Male	Ages 45 - 64	Age Over 65	All Ages	
Medicaid (TANF & Related)	\$313.43	\$65.82	\$153.62	\$65.33	\$322.31	\$97.84	\$282.25	\$205.28	\$386.52	\$226.50		\$147.02
Disabled	\$321.23	\$321.23	\$321.23	\$321.23	\$321.23	\$321.23	\$535.91	\$535.91	\$535.91	\$535.91		\$477.00
Duals (Medicare & TennCare)											\$24.11	\$24.11
Uninsured	\$199.89	\$53.56	\$100.39	\$55.76	\$153.80	\$58.03	\$191.83	\$124.82	\$325.01	\$212.04		\$143.92
Uninsurable	\$411.89	\$76.95	\$119.64	\$88.78	\$188.14	\$139.12	\$309.05	\$269.26	\$482.72	\$253.30		\$358.04
Disabled Uninsured	\$5,584.17	\$208.01	\$167.25	\$169.22	\$214.01	\$436.55	\$427.42	\$342.93	\$532.77	\$288.44		\$443.09
Disabled Uninsurable	\$10.60	\$424.43	\$865.81	\$580.23	\$263.03	\$670.19	\$457.74	\$424.67	\$619.43	\$255.99		\$544.50
Duals (Uninsurable & TennCare)											\$24.55	\$24.55
Weighted Average	\$303.18	\$77.87	\$150.24	\$98.95	\$261.42	\$122.01	\$289.58	\$281.93	\$462.27	\$313.78	\$24.19	\$188.93

TennCare
FY 2004 Per Capita Cost Development
Summary of Per Capita Costs - Old Waiver Program Structure
Excludes Pharmacy

Eligibility Group	Participant Age Categories											Weighted Average
	Age Under 1	Ages 1 - 13	Ages 14 - 18 Female	Ages 14 - 18 Male	Ages 19 - 20 Female	Ages 19 - 20 Male	Ages 21 - 44 Female	Ages 21 - 44 Male	Ages 45 - 64	Age Over 65	All Ages	
Medicaid (TANF & Related)	\$305.48	\$54.52	\$137.78	\$54.59	\$306.54	\$88.75	\$244.21	\$159.92	\$270.68	\$107.20		\$126.91
Disabled	\$283.55	\$283.55	\$283.55	\$283.55	\$283.55	\$283.55	\$383.21	\$383.21	\$383.21	\$383.21		\$355.97
Duals (Medicare & TennCare)											\$24.77	\$24.77
Uninsured	\$196.19	\$43.51	\$85.53	\$47.53	\$135.17	\$51.20	\$146.67	\$90.09	\$207.69	\$96.56		\$105.09
Uninsurable	\$400.59	\$52.91	\$95.13	\$55.30	\$158.71	\$90.98	\$225.64	\$192.09	\$316.95	\$82.57		\$243.72
Disabled Uninsured	\$5,616.13	\$174.94	\$129.51	\$95.78	\$172.32	\$186.89	\$303.55	\$231.65	\$343.36	\$130.69		\$291.94
Disabled Uninsurable	\$10.50	\$386.10	\$830.93	\$514.82	\$217.46	\$583.97	\$319.94	\$291.90	\$395.61	\$75.64		\$353.06
Duals (Uninsurable & TennCare)											\$25.23	\$25.23
Weighted Average	\$295.00	\$65.18	\$132.79	\$84.44	\$242.65	\$105.39	\$229.58	\$202.34	\$312.02	\$175.37	\$24.87	\$146.07

TennCare
FY 2004 Per Capita Cost Development
Summary of Per Capita Costs - New Waiver Program Structure

Eligibility Group	Participant Age Categories											Weighted Average
	Age Under 1	Ages 1 - 13	Ages 14 - 18 Female	Ages 14 - 18 Male	Ages 19 - 20 Female	Ages 19 - 20 Male	Ages 21 - 44 Female	Ages 21 - 44 Male	Ages 45 - 64	Age Over 65	All Ages	
Medicaid (TANF & Related)	\$313.43	\$65.82	\$153.62	\$65.33	\$322.31	\$97.84	\$282.25	\$205.28	\$386.52	\$226.50		\$147.02
Disabled	\$321.23	\$321.23	\$321.23	\$321.23	\$321.23	\$321.23	\$535.91	\$535.91	\$535.91	\$535.91		\$477.00
Duals (Medicare & TennCare)											\$257.75	\$257.75
Uninsured	\$195.04	\$50.57	\$95.50	\$53.25	\$148.40	\$56.24	\$183.47	\$119.23	\$308.25	\$197.77		\$137.05
Uninsurable	\$410.81	\$73.66	\$115.93	\$84.74	\$183.70	\$134.15	\$298.73	\$260.83	\$464.04	\$235.56		\$344.99
Disabled Uninsured	\$5,626.35	\$199.64	\$158.50	\$157.83	\$204.90	\$405.95	\$407.75	\$326.40	\$506.06	\$269.17		\$421.15
Disabled Uninsurable	\$10.14	\$416.64	\$870.42	\$569.73	\$255.21	\$662.59	\$441.36	\$410.37	\$594.79	\$237.40		\$523.40
Duals (Uninsurable & TennCare)											\$276.85	\$276.85
Weighted Average	\$302.71	\$77.13	\$148.74	\$98.08	\$259.49	\$120.69	\$285.71	\$277.21	\$450.23	\$308.97	\$261.91	\$223.32

TennCare
FY 2004 Per Capita Cost Development
Summary of Per Capita Costs - New Waiver Program Structure
Excludes Dual Pharmacy

Eligibility Group	Participant Age Categories											Weighted Average
	Age Under 1	Ages 1 - 13	Ages 14 - 18 Female	Ages 14 - 18 Male	Ages 19 - 20 Female	Ages 19 - 20 Male	Ages 21 - 44 Female	Ages 21 - 44 Male	Ages 45 - 64	Age Over 65	All Ages	
Medicaid (TANF & Related)	\$313.43	\$65.82	\$153.62	\$65.33	\$322.31	\$97.84	\$282.25	\$205.28	\$386.52	\$226.50		\$147.02
Disabled	\$321.23	\$321.23	\$321.23	\$321.23	\$321.23	\$321.23	\$535.91	\$535.91	\$535.91	\$535.91		\$477.00
Duals (Medicare & TennCare)											\$24.11	\$24.11
Uninsured	\$195.04	\$50.57	\$95.50	\$53.25	\$148.40	\$56.24	\$183.47	\$119.23	\$308.25	\$197.77		\$137.05
Uninsurable	\$410.81	\$73.66	\$115.93	\$84.74	\$183.70	\$134.15	\$298.73	\$260.83	\$464.04	\$235.56		\$344.99
Disabled Uninsured	\$5,626.35	\$199.64	\$158.50	\$157.83	\$204.90	\$405.95	\$407.75	\$326.40	\$506.06	\$269.17		\$421.15
Disabled Uninsurable	\$10.14	\$416.64	\$870.42	\$569.73	\$255.21	\$662.59	\$441.36	\$410.37	\$594.79	\$237.40		\$523.40
Duals (Uninsurable & TennCare)											\$24.55	\$24.55
Weighted Average	\$302.71	\$77.13	\$148.74	\$98.08	\$259.49	\$120.69	\$285.71	\$277.21	\$450.23	\$308.97	\$24.19	\$185.90

TennCare
FY 2004 Per Capita Cost Development
Summary of Per Capita Costs - New Waiver Program Structure
Excludes Pharmacy

Eligibility Group	Participant Age Categories											Weighted Average
	Age Under 1	Ages 1 - 13	Ages 14 - 18 Female	Ages 14 - 18 Male	Ages 19 - 20 Female	Ages 19 - 20 Male	Ages 21 - 44 Female	Ages 21 - 44 Male	Ages 45 - 64	Age Over 65	All Ages	
Medicaid (TANF & Related)	\$305.48	\$54.52	\$137.78	\$54.59	\$306.54	\$88.75	\$244.21	\$159.92	\$270.68	\$107.20		\$126.91
Disabled	\$283.55	\$283.55	\$283.55	\$283.55	\$283.55	\$283.55	\$383.21	\$383.21	\$383.21	\$383.21		\$355.97
Duals (Medicare & TennCare)											\$24.77	\$24.77
Uninsured	\$192.14	\$41.60	\$82.29	\$45.94	\$131.93	\$50.22	\$143.17	\$88.19	\$203.18	\$94.11		\$102.33
Uninsurable	\$401.74	\$52.12	\$94.07	\$54.69	\$157.56	\$91.00	\$224.11	\$191.77	\$315.41	\$81.85		\$242.56
Disabled Uninsured	\$5,672.17	\$170.26	\$124.78	\$91.94	\$167.76	\$181.78	\$297.00	\$226.83	\$336.47	\$127.57		\$285.87
Disabled Uninsurable	\$10.07	\$383.05	\$841.52	\$512.07	\$214.64	\$586.50	\$317.94	\$291.44	\$394.04	\$75.00		\$351.74
Duals (Uninsurable & TennCare)											\$25.23	\$25.23
Weighted Average	\$294.61	\$64.71	\$131.81	\$83.93	\$241.52	\$104.89	\$228.26	\$201.47	\$310.03	\$174.91	\$24.87	\$145.25

TennCare
FY 2004 Per Capita Cost Development
Comparison of Per Capita Costs by Reverification Class

Eligibility Group	Children (Ages 18 & Under)					Adults (Ages 19 & Over)				
	Not Reverified	Reverification Approved	Reverification Denied	Reverification No Response	All Categories	Not Reverified	Reverification Approved	Reverification Denied	Reverification No Response	All Categories
Uninsured	4.2%	27.7%	14.5%	-21.1%	0.0%	1.5%	55.4%	-12.2%	-47.4%	0.0%
Uninsurable	-8.5%	119.1%	12.7%	-45.0%	0.0%	1.9%	31.5%	-22.9%	-52.4%	0.0%
Disabled Uninsured	-4.2%	5.8%	-51.6%	1.0%	0.0%	2.8%	18.8%	-25.0%	-57.9%	0.0%
Disabled Uninsurable	5.6%	13.7%	-87.4%	-13.2%	0.0%	-0.2%	19.8%	-9.3%	-48.2%	0.0%
Duals (Uninsurable & TennCare)	117.3%	20.7%	N / A	-71.2%	0.0%	0.7%	12.3%	-18.5%	-25.9%	0.0%
Weighted Average	-0.4%	54.2%	8.6%	-24.7%	0.0%	0.1%	40.9%	-22.9%	-49.1%	0.0%

Note: Percentages represent differences from the eligibility category weighted average. For example, Uninsured children who have not been reverified have a per capita cost that is 4.2% higher than the average cost for all Uninsured children while Uninsured children who were subject to reverification but for whom there was no response had a per capita cost that is 21.1% lower than the average for their eligibility category.

TennCare
FY 2004 Per Capita Cost Development
Distribution of Individuals by Reverification Status

Eligibility Group	Children (Ages 18 & Under)				Adults (Ages 19 & Over)			
	Not Reverified	Reverification Approved	Reverification Denied	Reverification No Response	Not Reverified	Reverification Approved	Reverification Denied	Reverification No Response
Uninsured	55.0%	13.5%	1.7%	29.9%	47.9%	20.8%	7.2%	24.0%
Uninsurable	49.1%	15.9%	1.8%	33.2%	41.3%	34.3%	4.0%	20.4%
Disabled Uninsured	38.6%	36.3%	1.4%	23.8%	36.0%	45.1%	4.4%	14.5%
Disabled Uninsurable	48.2%	21.3%	2.1%	28.4%	40.6%	39.8%	4.2%	15.4%
Duals (Uninsurable & TennCare)	32.2%	11.4%	0.0%	56.4%	44.9%	36.1%	2.6%	16.4%
Weighted Average	54.6%	13.7%	1.7%	29.9%	44.8%	28.5%	5.4%	21.3%