



15800 Bluemound Road
Suite 100
Brookfield, WI 53005
USA
Tel +1 262 796 3434
Fax +1 262 923 3680

milliman.com

John D. Meerschaert, FSA, MAAA
Principal and Consulting Actuary

john.meerschaert@milliman.com

September 1, 2016

Ms. Karen Chang
Bureau Chief
Medicaid Program Analysis
Agency for Health Care Administration
2727 Mahan Drive – Building 3
Tallahassee, FL 32308-5407

Re: CY 2017 D-SNP, C-SNP, and Non-SNP Medicaid Capitation Rates – Data Request

Dear Karen:

The Florida Agency for Health Care Administration (AHCA) retained Milliman to develop calendar year (CY) 2017 Medicaid capitation rates for the following populations:

- Medicare Advantage (MA) Dual Eligible Special Needs Plans (D-SNPs),
- MA Chronic Condition Special Needs Plans (C-SNPs), and
- MA non-Special Needs Plans (non-SNPs) for Dual Eligible Statewide Medicaid Managed Care (SMMC) Managed Medical Assistance (MMA) members enrolled in the same entity's non-SNP.

Subsequent to the development of CY 2016 rates for these populations, capitated plans expressed various concerns regarding the development of these rates. Based on these concerns, we are considering revising the methodology used in prior years to develop CY 2017 rates which better reflect plans' MA claims, administrative expense, and revenue projections and will require plan-provided information to do so.

In order to better evaluate potential changes in methodology, we are requesting each plan provide the final CY 2017 MA Bid Pricing Tools (BPTs) uploaded to the Health Plan Management System (HPMS) in Excel format for all of their D-SNPs, C-SNPs, and non-SNPs expected to be funded by the CY 2017 Florida Medicaid capitation rates.

Please forward this request to the plans. We are willing to sign a non-disclosure agreement with any plan determining it is necessary. **We request the BPTs be provided to us no later than September 23, 2016. Please send the BPTs directly to Milliman via email at kelly.backes@milliman.com.**

We intend to develop CY 2017 rates on a timeline similar to prior years (i.e., by the end of 2016). However, due to plan feedback, we intend to develop CY 2018 rates immediately after the CY 2017 rates are determined (i.e., prior to the CY 2018 bid submission deadline).



Ms. Karen Chang
Florida Agency for Healthcare Administration
September 1, 2016
Page 2 of 2

CAVEATS AND LIMITATIONS ON USE

This letter is designed to assist AHCA with collecting CY 2017 MA BPTs from Florida D-SNPs, C-SNPs, and non-SNPs. This information may not be appropriate, and should not be used, for other purposes.

The information contained in this letter has been prepared for AHCA. To the extent that the information contained in this letter is provided to third parties, the information should be distributed in its entirety. We understand this information will be shared with the Florida PACE plans.

Milliman makes no representations or warranties regarding the contents of this letter to third parties. Likewise, third parties are instructed that they are to place no reliance upon this letter prepared for the State of Florida by Milliman resulting in the creation of any duty or liability under any theory of law by Milliman or its employees to third parties. Other parties receiving this letter must rely upon their own experts in drawing conclusions about the information presented.

The terms of Milliman's Consulting Services Agreement with AHCA signed on October 22, 2014 apply to this letter and its use.



Please call Kelly Backes (262-923-3676), Andrew Gaffner (262-641-3562), or me (262-796-3434) if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'John D. Meerschaert'.

John D. Meerschaert, FSA, MAAA
Principal and Consulting Actuary

JDM/zk