

STATE OF COLORADO
HEALTH CARE POLICY AND FINANCING

Data Book and Proposed Capitation Rates
Effective January 1, 2010 - December 31, 2010

Prepared by:

PricewaterhouseCoopers LLP

April 2010

April 8, 2010

Mr. Jed Ziegenhagen
Rates Section Manager
Department of Health Care Policy & Financing
1570 Grant Street
Denver, CO 80203

Dear Jed:

**Re: Medicaid Mental Health Program
Data Book and Proposed Capitation Rates**

The enclosed report provides a detailed description of the methodology used for calculating capitation rate ranges effective January 1, 2010 through December 31, 2010 for the Medicaid mental health program in Colorado. The methods used for calculating these costs are consistent with Centers for Medicare and Medicaid Services requirements that the capitation rates be actuarially sound and appropriate for the population covered by the program.

The development of these rates was overseen by Sandra Hunt, Principal, and Jinn-Feng Lin, Lead Actuary.

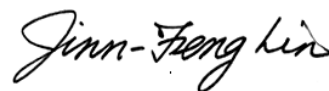
Please call Sandra Hunt at 415-498-5365 or Jinn-Feng Lin at 312-298-3792 if you have any questions regarding these capitation rates.

Very truly yours,

PricewaterhouseCoopers LLP



By: Sandra S. Hunt, M.P.A.
Principal



Jinn-Feng Lin, F.S.A., M.A.A.A.
Director

**Actuarial Certification of
Mental Health Medicaid Capitation Rates
January 1, 2010 through December 31, 2010**

I, Jinn-Feng Lin, am associated with the firm PricewaterhouseCoopers. I am a Member of the American Academy of Actuaries and meet its qualification standards to certify as to the actuarial soundness of the capitation rate ranges for the periods January 1, 2010 through December 31, 2010 developed for contracting with Behavioral Healthcare Organizations (BHOs) under the Colorado mental health managed Medicaid program. I have been retained by the Colorado Department of Health Care Policy and Financing (HCPF) to perform an actuarial certification of the mental health capitation rates for January 1, 2010 through December 31, 2010 for filing with the Centers for Medicare and Medicaid Services (CMS). I have reviewed the capitation rates developed by HCPF and am familiar with the Code of Federal Regulations, 42 CFR 438.6(c) and the CMS "Appendix A, PAHP, PIHP and MCO Contracts Financial Review Documentation for At-risk Capitated Contracts Ratesetting."

I have examined the actuarial assumptions and actuarial methods used by HCPF in setting the capitation rates for periods January 1, 2010 through December 31, 2010.

It is my opinion that all requirements of 42 CFR 438.6(c), with respect to the development of Medicaid managed care capitation rates, were satisfied in the development of the proposed capitation rate ranges for contracting with BHOs in Colorado. I believe that the capitation rates have been developed in accordance with generally accepted actuarial principles and practices, and are appropriate for the populations to be covered and the services to be furnished under the contract. The capitation rate ranges are based solely on the projected costs for State Plan services, and the 1915(b)(3) capitation rates are based on approved 1915(b)(3) services. Detailed descriptions of the methodology and assumptions used in the development of the capitation rate ranges are contained in the remainder of the report to which this actuarial certification is attached.

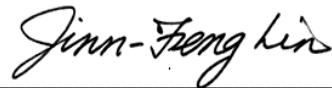
In the development of the proposed capitation rate ranges, I relied on enrollment, encounter, and other data provided by the BHOs and HCPF. I reviewed the data for reasonableness; however, I performed no independent verification and take no responsibility as to the accuracy of these data.

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

Capitation rates within the ranges specified in this report may not be appropriate for any specific BHO. Each BHO will need to review the rates offered in relation to the benefits provided. The BHOs should compare the rates with their own experience, expenses, capital and surplus, and profit requirements prior to agreeing to contract with the State. The BHOs may require rates above, equal to, or below the actuarially sound capitation rate ranges in this report.

It should be emphasized that capitation rates are a projection of future costs based on a set of assumptions. Actual costs will be dependent on each contracted organization's situation and experience.

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



Jinn-Feng Lin, M.A.A.A
Member, American Academy of Actuaries
April 8, 2010

TABLE OF CONTENTS

| | | |
|-------------|---|-----------|
| I. | BACKGROUND | 4 |
| II. | DATA BOOK | 5 |
| III. | CAPITATION RATE RANGE DEVELOPMENT | 7 |
| IV. | DETERMINATION OF UNIT COSTS | 9 |
| V. | ADJUSTMENTS | 10 |
| | IBNR (Incurred But Not Reported) | 10 |
| | Trend | 10 |
| | Policy Adjustments For Hospital Per Diem Rates | 11 |
| | Administration and Risk Load | 11 |
| | Data Smoothing | 11 |
| | Risk Adjustment | 11 |
| | IMD Adjustment | 11 |
| | Rate Ranges | 12 |
| VI. | PROPOSED CAPITATION RATE RANGES | 13 |

TABLE OF EXHIBITS

| | |
|-----------|---|
| EXHIBIT 1 | Low and High Range Capitation Rates (State Plan and 1915(b)(3) Services Combined) - January 1, 2010 through December 31, 2010 |
| EXHIBIT 2 | January 1, 2010 through December 31, 2010 Final Per Capita Cost Point Estimates |
| EXHIBIT 3 | Historical Rates; Development of January 1, 2010 through December 31, 2010 Per Capita Costs |
| EXHIBIT 4 | Encounter Data; Development of January 1, 2010 through December 31, 2010 Per Capita Costs |
| EXHIBIT 5 | Member Months by BHO |
| EXHIBIT 6 | January 1, 2010 through December 31, 2010 Per Capita Cost Point Estimates; Split State versus 1915(b)(3) Services |
| EXHIBIT 7 | Development of the Percentage of State versus 1915(b)(3) Services |
| EXHIBIT 8 | Unit Cost Trend Development |

Colorado Medicaid Mental Health Program
Data Book and Proposed Capitation Rates
January 1, 2010 through December 31, 2010
Prepared by PricewaterhouseCoopers LLP
April 2010

PricewaterhouseCoopers LLP (PwC) has calculated mental health capitation rate ranges for the Colorado Medicaid program for the period January 1, 2010 through December 31, 2010. In 2003, new regulations that govern the development of capitation payments for Medicaid managed care programs overseen by the Centers for Medicare and Medicaid Services (CMS) went into effect. These new regulations require that rates be “actuarially sound.” While there are no definitive criteria for determining actuarial soundness for Medicaid managed care programs, CMS has issued a checklist that provides guidance. We have followed that checklist in developing the proposed rate ranges shown here. The final rates will be established through signed contracts with the Behavioral Healthcare Organizations (BHOs), which will ensure that the BHOs concur that the rates paid will allow for contracting with sufficient numbers of providers to ensure appropriate access to mental health care, and that the BHOs expect to remain financially sound throughout the contract periods.

The general guidelines for developing actuarially sound payment rates encompass the following concepts:

- Data appropriate for the population to be covered by the managed care program should be used for the analysis;
- Payment rates should be sufficiently differentiated to reflect known variation in per capita costs related to age, gender, Medicaid eligibility category, and health status;
- Where rate cells have relatively small numbers of individuals, cost neutral data smoothing techniques should be used;
- Medicaid fee-for-service payment rates per unit of service are one of several appropriate benchmarks for developing capitation rates;
- When fee-for-service (FFS) data are used for the calculations, differences in expected utilization rates between FFS and managed care programs should be accounted for;

- Appropriate levels of managed care plan administrative costs should be included in the rates;
- Programmatic changes in the Medicaid program between the data and contract periods should be reflected in the rates; and
- A range of appropriate rates could emerge from the rate-setting process, and an upper and lower bound may be developed.

These capitation rate ranges are developed to be consistent with the concepts described above. The development of the rate ranges is described in this report and the supporting calculations are shown in the attached exhibits.

Disclaimer

In performing this analysis, we relied on data and other information provided by the Colorado Department of Health Care Policy and Financing (HCPF). We have not audited or verified this data or other information. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete.

We performed a limited review of the data used directly in our analysis for reasonableness and consistency and believe the data appear to be reasonable for this rate development. If there are material errors or omissions in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

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

This report is intended to assist HCPF in developing mental health capitation rates. It may not be appropriate for other uses. PricewaterhouseCoopers does not intend to benefit and assumes no duty or liability to other parties who receive this work. This report should only be reviewed in its entirety. It assumes the reader is familiar with Colorado Medicaid mental health program and managed care rating principles.

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

I. Background

The Colorado Medicaid program currently contracts with five BHOs to manage and deliver mental health services to Medicaid enrollees in exchange for a fixed per capita payment. Capitation rate ranges vary based on eligibility group and for each BHO, and HCPF negotiates capitation rates within those rate ranges with each of the BHOs. The managed care contract with HCPF, under which the BHOs operate, allows the BHOs to provide services that are Medicaid benefits under the State Plan and additional services provided under HCPF's 1915(b)(3) waiver. CMS regulations prevent these "alternative" services from being included in the development of actuarially sound capitation rates; separate capitation rates must be developed for these services.

The following tables summarize the mental health services included in the State Plan and under the 1915(b)(3) waiver:

| TABLE 1A | |
|----------------------------|--------------------------------------|
| STATE PLAN SERVICES | |
| Inpatient Hospital | Medication Management |
| Under 21 Psychiatric | Emergency |
| 65 and Over Psychiatric | School-Based Services |
| Outpatient | Psychosocial Rehabilitation Services |
| Psychiatrist | Clinic Services, Case Management |
| Rehabilitation | |

| TABLE 1B | |
|--|---|
| 1915(B)(3) SERVICES | |
| Clubhouses / Drop-In Centers | Vocational Services |
| Home-Based Services for Children and Adolescents | Recovery Services |
| Intensive Case Management | Prevention / Early Intervention |
| Assertive Community Treatment (ACT) | Specialized Services for Addressing Adoption Issues |
| Respite Care | Residential Services |

II. Data Book

A first step in developing capitation rates is identifying the data that will be used for the calculations. The CMS regulations call for use of data that is appropriate for the population to be covered by the program. A number of sources of data may be considered appropriate including:

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

For this analysis, we relied primarily on two sources of data: historical rates and detailed BHO encounter data for the Medicaid population to be covered under these capitation rates. Additionally, information was obtained through review of financial reports prepared by the BHOs for HCPF and other documentation provided by the BHOs. Eligibility and BHO enrollment data was provided by HCPF.

We obtained and analyzed detailed BHO encounter data for January 1, 2008 through December 31, 2008, calendar year (CY) 2008. The encounter data included all 1915(b)(3) services and state plan services. The CY 2008 encounter data was used as a basis for the January 1, 2010 through December 31, 2010 rate development, supplemented with the BHOs' audited financial statements. A process of date-sensitive matching of the encounter data to the eligibility data was performed to ensure that only encounters provided to Medicaid eligible members were retained. In addition, all services identified as neither State Plan nor 1915(b)(3), as well as services not covered under the HCPF contract, were eliminated from the base data.

Capitation rate ranges for the BHOs vary based on the following criteria:

- **Eligibility Group:** Separate rate ranges are made to recognize the differences in expected costs for individuals based on age and health status. As such, rates were developed for the following five eligibility groupings:
 - Elderly
 - Disabled
 - Adults
 - Children
 - Foster Care

- **Behavioral Healthcare Organization:** Separate rate ranges are made for each of the following BHOs:
- Access Behavioral Care
 - Behavioral Healthcare, Inc.
 - Foothills Behavioral Health Partners
 - Northeast Behavioral Health Partnership
 - Colorado Health Partnerships

The proposed capitation rate ranges and point estimates by rate cell are shown in Exhibits 1 and 2.

III. Capitation Rate Range Development

The capitation rate ranges January 1, 2010 through December 31, 2010 are calculated based on a combination of encounter data and historical rates adjusted to reflect projected unit costs. Each adjustment to the historical and encounter data is described in the following sections; the resulting per capita point estimates and rate ranges are shown in Exhibits 1 and 2.

The steps used for calculating the capitation rates are as follows:

Encounter Rates Development

1. A value is attached to each encounter record. The methodology used in pricing the encounter records is described in Section IV.
2. CY 2008 priced encounter data are summarized by rate cell. This data contains all services provided under the State plan of benefits, as well as any services covered under the 1915(b)(3) Waiver.
3. An adjustment is made to compensate for un-priced State Plan encounter records. These records consist of services that are covered under the State plan of benefits, that do not map to a service code in the Fee-For-Service fee schedule. Due to the minimal number of occurrences, the weighted average cost per unit was applied to these records. The adjustments applied to each BHO's State Plan encounter costs are contained in the table below:

| ADJUSTMENT FOR UN-PRICED ENCOUNTER RECORDS | |
|---|-------------------|
| BHO | Adjustment |
| Access Behavioral Care | 0.17% |
| Behavioral Healthcare, Inc. | 0.25% |
| Foothills Behavioral Health Partners | 0.96% |
| Northeast Behavioral Health Partnership | 0.01% |
| Colorado Health Partnerships | 0.31% |

4. CY 2008 priced encounter costs related to 1915(b)(3) services were used in developing baseline per capita costs. The development of the State Plans to 1915(b)(c) adjustment factors is shown in Exhibit 7.
5. Based on the CMS checklist, capitation rates must reflect the appropriate adjustment for Third Party Liabilities (TPL). Since BHOs retain TPL collections, the per capita costs were adjusted downward from base priced encounter amounts

to reflect these collections. The TPL adjustment, as a flat percentage of service costs, was applied uniformly across all eligibility categories by BHO.

6. There are scheduled rate changes for hospital per diems in both FY 09 and FY 10. A policy adjustment was made to the base data to reflect the hospital per diem rate changes in FY 09 and 10.
7. Trend adjustments are applied to project the base data from CY 2008 to the contract periods (January 1, 2010 through December 31, 2010). These adjustments are described in Section V and are shown in Exhibit 8. Also, since FY 2008 fee schedules were used to price the encounters, we have added an additional half a year of unit cost trend to reflect the timing differences between the pricing level and the data period.
8. The projected rates are then divided by a target administration and risk factor to develop a capitation rate. A factor of 11.0% was used for all five of the BHOs. The 11.0% factor is based on a review of BHO reported administrative costs in FY 2008. The development of these costs are shown in Exhibit 4.

Historical Rates Development

9. The other basis used in setting the January 1, 2010 through December 31, 2010 capitation rates starts with drawing on the historical rates which were used in contracting with the BHOs for the contract period of July 1, 2009 through December 31, 2009, as shown in Exhibit 3.
10. There are scheduled rate changes for hospital per diems in both FY 09 and FY 10. A policy adjustment was made to the July 1, 2009 through December 31, 2009 rates to reflect the hospital per diem rate changes in FY 09 and 10.
11. Trend adjustments are applied to the historical July 1, 2009 through December 31, 2009 rates to project capitation rates effective for the contract periods.

Blending of Encounter and Historical Rates

12. January 1, 2010 through December 31, 2010 per capita costs are developed using a blend of the encounter-based and historical-based rates, with the encounter data weighted 45% and historical data weighted 55% to develop the per capita costs, a change from the 35%/65% blending used for the 2009 capitation rates. We expect that future rate development will give greater weight to the encounter data component.

IV. Determination of Unit Costs

BHOs submitted CY 2008 claim level detail. Encounter data for all covered services were reported and were available for the entire 12 month period. HCPF has performed a data quality review of the BHO submitted encounter data for CY 2008. As a result, HCPF requested several BHOs to provide clarifications, to re-submit or to supplement data as needed to ensure the data used to price the encounter records are complete and accurate.

HCPF performed the following steps to attach a value to encounter records:

1. For those individuals that utilized the Community Mental Health Centers (CMHC), one procedure is chosen for each service category and is set as the service base unit cost. For all other procedures in the same service category, the unit cost is determined as the Relative Value Unit (RVU) times the service base unit cost divided by the service base unit RVU.
2. To price Institute encounters for Pueblo and Fort Logan, the Institute Cost Report rates were applied to Institute inpatient encounter records.
3. To price inpatient encounters, inpatient hospital per diem rates were applied to the inpatient encounter records.
4. To price emergency and lab encounters, the Colorado Medicaid Fee-For-Service fee schedule rates by procedure code were applied to all encounters currently not priced.
5. The remaining un-priced services were priced using an average FFS unit price for the corresponding services contained within MMIS.

V. Adjustments

This section describes the adjustments that were made to the encounter data to project costs to the contract periods.

IBNR (Incurred But Not Reported)

The encounter data reported by the BHOs may not be fully “complete.” A completion factor was applied to the CY 2008 encounter data to reflect claims incurred but not reported at the time HCPF staff compiled their data. We based this factor on encounter payment patterns. The encounter data reflects payments through June 2009 therefore with six months of additional claims runout. The completion factors vary by BHO as follows:

| ADJUSTMENT FOR INCURRED BUT NOT REPORTED CLAIMS (IBNR) | |
|---|--------------------|
| BHO | IBNR Factor |
| Access Behavioral Care | 1.0049 |
| Behavioral Healthcare, Inc. | 1.0006 |
| Foothills Behavioral Health Partners | 1.0007 |
| Northeast Behavioral Health Partnership | 1.0023 |
| Colorado Health Partnerships | 1.0019 |

Trend

We were provided with fee increases and audited unit cost increases spanning FY 2002 through FY 2008. An annualized unit cost trend was calculated for each category, and these annualized trends were aggregated using weights to get an overall average cost annual unit cost trend of 1.85%. The cost components shown on Exhibit 8 are a combination of audited unit costs for CMHCs, Medicaid fee schedule costs for Other State Plan Services as well as Colorado Mental Health Institutes (CMHIs). These results give us a basis to develop the proposed unit cost trend. There is a range of reasonable trend rates resulting from an analysis of historic cost data. Based upon the analysis shown, in our opinion the unit cost trend adjustment of 1.85% is reasonable and appropriate.

To develop a single annual unit cost trend, the cost components are combined using a weighted average, shown in Exhibit 8. The development of these weights uses FY 2008 data. The application of the weights to the cost components results in an estimate of 1.85%. The unit cost trend rate was applied to encounter rates and historical rates to shift the base rates to the contract periods.

In addition to increases in cost per unit, trend rates are also comprised of changes in the volume of services used per person over time. PwC has examined the historical encounter utilization data for FY07 - CY08 and has determined that no adjustment for changes in utilization rates is needed at this time. Our analysis included a regression analysis of

historical utilization changes based on BHO submitted encounter data. That analysis showed a consistent and flat utilization pattern throughout FY07 - CY08.

Policy Adjustments For Hospital Per Diem Rates

HCPF has provided prospective scheduled hospital per diem rate changes for FY09 and FY10. Based on the information, we calculated the adjustment for the hospital per diem rate changes between the base period and FY10 to be -2.40%. Since hospital claims cover 9.1% of the encounter data, the effective adjustment to the contract year 2010 rates is -0.22%. We have applied this as a flat adjustment to all rates.

Administration and Risk Load

The CMS regulations require that administrative costs directly related to the provision of Medicaid State Plan approved services be incorporated into the rate setting process. The BHOs do not segregate administration costs between State Plan and non-State Plan services in the BHO financial reports provided to HCPF. In FY 2008, the BHOs reported total administration costs as a percent of total healthcare costs averaging about 11.0%. Our experience with Medicaid Managed Care plans suggests that a 11.0% administrative ratio is reasonable, and we have applied this amount to derive the capitation rates.

Data Smoothing

No data smoothing processes were applied in the development of the proposed capitation rates. Due to the nature of the services covered under the HCPF contract, it is unlikely that large claims would cause a significant distortion. We believe the populations are sufficiently large to be credible assuming the underlying data itself is valid.

Institutions for Mental Diseases (IMD) Adjustment

The IMD services provided in lieu of acute psych days were included in the rate development, consistent with CMS policy. The cost per unit of service is the FFS cost per day for acute inpatient psych care, up to the maximum of the amount paid by the BHO for the service. The IMD costs are recognized to the extent that they are equal to or less than the cost of an equivalent psychiatric stay in a general hospital. IMD costs for persons aged 22-64 are reflected in the rate development if BHOs report IMD services in their encounter data. BHOs are not required to pay for services in an IMD for persons aged 22-64 years old and these services are not a Medicaid covered benefit. The IMD services covered by BHOs are substitutes for covered acute inpatient days, and do not represent long-term care IMD services.

Closure of Beds at the Fort Logan Institute

The beds at the Fort Logan Institute are being closed because the current patients could be served in a residential rather than institutional setting. These patients represent Medicaid eligible or indigent clients currently paid by the General Fund because federal regulation excludes payment to individuals ages 22-64 who receive treatment at an Institute for

Mental Disease or have exhausted the State's 45 days per year limit for inpatient psychiatric care.

These individuals will be eligible for community mental health services provided by the BHOs. As a result, an adjustment has been applied to the capitation rates to account for these anticipated costs and lives. HCPF has provided an estimated funding amount of \$1.164 million that will be necessary to provide community services for these impacted individuals. Adjustments are applied to each BHO based on the expected enrollment in each organization during the effective contract period. The base capitation rates and rates after including this additional funding is provided in Exhibit 2.

Risk Adjustment

We believe that the development and payment of capitation rates that vary based on eligibility group and geographical regions are sufficient risk adjustment in this instance. Further, the current quality of the encounter data does not support the application of more sophisticated forms of risk adjustment at this time.

Rate Ranges

We developed a range of rates that we consider to be actuarially sound. The rate ranges were developed taking into consideration recent experience of the managed care plans and the rates that would be derived based solely on trended fee-for-service experience. Using this data, we determined that rate ranges of +/- 5% around the calculated point estimate rates are reasonable.

| TABLE 2 | | |
|---|------------------|-------------------|
| RANGES AROUND CAPITATION POINT ESTIMATES | | |
| BHO | Low Range | High Range |
| Access Behavioral Care | -5.0% | +5.0% |
| Behavioral HealthCare, Inc. | -5.0% | +5.0% |
| Foothills Behavioral Health Partners | -5.0% | +5.0% |
| Northeast Behavioral Health Partnership | -5.0% | +5.0% |
| Colorado Health Partnerships | -5.0% | +5.0% |

VI. Proposed Capitation Rate Ranges

Exhibit 3 shows a comparison between the July 1, 2009 through December 31, 2009 and January 1, 2010 through December 31, 2010 capitation rates. The January 1, 2010 through December 31, 2010 point estimates of the projected per capita costs resulting from the application of the methodology, data, and assumptions described in the previous sections are shown in Exhibit 2.

Exhibits 6 displays these point estimates separated for State and 1915(b)(3) services by each BHO and each eligibility group. Finally, Exhibits 1 show the calculation of the low and high range capitation rates for each rate cell respectively for January 1, 2010 through December 31, 2010.

Colorado Health Care Policy and Financing
Crosswalk from CMS Rate Setting Checklist to January 1, 2010 through December 31, 2010 Data Book and Capitation Rate Report

| Item | Location | Comments |
|--|---------------|---|
| AA.1.0 Overview of Ratesetting Methodology | Entire Report | |
| AA.1.1 Actuarial Certification | Introduction | Included in Introduction of the Report |
| AA.1.2 Projection of Expenditures | See Comments | HCPF will provide |
| AA.1.3 Procurement, Prior Approval and Ratesetting | See Comments | State Sets Rates |
| AA.1.5 Risk contracts | See Comments | In Contract |
| AA.1.6 Limit on Payment to other providers | See Comments | In Contract |
| AA.1.7 Rate Modifications | NA | |
| AA.2.0 Base Year Utilization and Cost Data | Pages 5 - 9 | Encounter Data and Historical Rates |
| AA.2.1 Medicaid Eligibles under the Contract | NA | Data submitted by participating BHOs |
| AA.2.2 Dual Eligibles | NA | |
| AA.2.3 Spenddown | NA | Not included in managed care |
| AA.2.4 State Plan Services only | Page 4 | Data submitted by participating BHOs |
| AA.2.5 Services that may be covered out of contract savings | NA | In Contract |
| AA.3.0 Adjustments to Base Year Data | Pages 7 - 12 | |
| AA.3.1 Benefit Differences | NA | The benefits have not changed for January 1, 2010 through December 31, 2010 |
| AA.3.2 Administrative Cost Allowance Calculations | Page 11 | |
| AA.3.3 Special Populations' Adjustments | NA | |
| AA.3.4 Eligibility Adjustments | See Comments | The base rates accurately reflect the eligibility of the covered population |
| AA.3.5 DSH Payments | See Comments | Paid Outside of the capitation |
| AA.3.6 Third Party Liability | See Comments | Mental Health rates are adjusted downward due to the inclusion of TPL cost data |
| AA.3.7 Copayments, Coinsurance and Deductibles in Capitated Rates | See Comments | There is no cost sharing for these services |
| AA.3.8 Graduate Medical Education | See Comments | Paid Outside of the capitation |
| AA.3.9 FQHC and RHC Reimbursement | See Comments | Full cost of providing these services are included in the rate |
| AA.3.10 Medical Cost / Trend Inflation | Pages 10 - 11 | |
| AA.3.11 Utilization Adjustments | NA | |
| AA.3.12 Utilization and Cost Assumptions | NA | |
| AA.3.13 Post-Eligibility Treatment of Income | NA | |
| AA.3.14 Incomplete Data Adjustment | Pages 7, 10 | |
| AA.4.0 Establish Rate Category Groupings | Pages 5 - 6 | |
| AA.4.1 Age | Page 5 | Separate rates developed for children, adults and elderly |
| AA.4.2 Gender | NA | |
| AA.4.3 Locality / Region | NA | |
| AA.4.4 Eligibility Categories | Page 5 | Elderly, Disabled, Adults, Children, and Foster Care |
| AA.5.0 Data Smoothing | Page 11 | |
| AA.5.1 Special Population and Assessment of the Data for Distortions | NA | |
| AA.5.2 Cost-neutral data smoothing adjustment | NA | |
| AA.5.3 Risk Adjustment | NA | |
| AA.6.0 Stop Loss, Reinsurance or Risk Sharing arrangements | NA | |
| AA.6.1 Commercial Reinsurance | NA | |
| AA.6.2 Simple stop loss program | NA | |
| AA.6.3 Risk corridor program | NA | |
| AA.7.0 Incentive Arrangements | NA | |

Exhibits

Exhibit 1: Low and High Range Capitation Rates (State Plan and 1915(b)(3) Services Combined) - January 1, 2010 through December 31, 2010

| Metro - Access Behavioral Care Managed Care Equivalent Rates and Rate Ranges | | | | July 1, 2010 to December 31, 2010 |
|---|--------------------|--------------------|--------------------|--|
| | CY2010 Rate | Lower Limit | Upper Limit | Final Capitation Payment Rates |
| Elderly | \$19.48 | \$18.51 | \$20.46 | \$19.00 |
| Disabled | \$175.66 | \$166.88 | \$184.44 | \$171.35 |
| Adults | \$14.10 | \$13.40 | \$14.81 | \$13.75 |
| Children | \$10.31 | \$9.80 | \$10.83 | \$10.06 |
| Foster Care | \$193.79 | \$184.10 | \$203.48 | \$189.03 |

| Metro East - Behavioral Healthcare, Inc. (BHI) Managed Care Equivalent Rates and Rate Ranges | | | | July 1, 2010 to December 31, 2010 |
|---|--------------------|--------------------|--------------------|--|
| | CY2010 Rate | Lower Limit | Upper Limit | Final Capitation Payment Rates |
| Elderly | \$10.49 | \$9.97 | \$11.02 | \$10.23 |
| Disabled | \$151.62 | \$144.04 | \$159.20 | \$147.85 |
| Adults | \$19.38 | \$18.41 | \$20.35 | \$18.90 |
| Children | \$14.78 | \$14.04 | \$15.52 | \$14.41 |
| Foster Care | \$239.50 | \$227.52 | \$251.47 | \$233.54 |

| Metro West - Foothills Behavioral Health Partners Managed Care Equivalent Rates and Rate Ranges | | | | July 1, 2010 to December 31, 2010 |
|--|--------------------|--------------------|--------------------|--|
| | CY2010 Rate | Lower Limit | Upper Limit | Final Capitation Payment Rates |
| Elderly | \$13.73 | \$13.04 | \$14.41 | \$13.39 |
| Disabled | \$157.18 | \$149.32 | \$165.04 | \$153.27 |
| Adults | \$28.97 | \$27.52 | \$30.42 | \$28.25 |
| Children | \$21.50 | \$20.42 | \$22.57 | \$20.97 |
| Foster Care | \$215.39 | \$204.62 | \$226.16 | \$210.04 |

| Northeast - Northeast Behavioral Health Partnership Managed Care Equivalent Rates and Rate Ranges | | | | July 1, 2010 to December 31, 2010 |
|--|--------------------|--------------------|--------------------|--|
| | CY2010 Rate | Lower Limit | Upper Limit | Final Capitation Payment Rates |
| Elderly | \$7.28 | \$6.92 | \$7.65 | \$7.36 |
| Disabled | \$102.83 | \$97.69 | \$107.97 | \$103.90 |
| Adults | \$18.85 | \$17.91 | \$19.79 | \$19.05 |
| Children | \$13.75 | \$13.06 | \$14.44 | \$13.89 |
| Foster Care | \$173.80 | \$165.11 | \$182.49 | \$175.61 |

| Western / Southern - Colorado Health Partnerships Managed Care Equivalent Rates and Rate Ranges | | | | July 1, 2010 to December 31, 2010 |
|--|--------------------|--------------------|--------------------|--|
| | CY2010 Rate | Lower Limit | Upper Limit | Final Capitation Payment Rates |
| Elderly | \$13.85 | \$13.16 | \$14.54 | \$13.86 |
| Disabled | \$114.00 | \$108.30 | \$119.70 | \$114.11 |
| Adults | \$20.60 | \$19.57 | \$21.63 | \$20.62 |
| Children | \$15.81 | \$15.02 | \$16.60 | \$15.82 |
| Foster Care | \$191.63 | \$182.05 | \$201.21 | \$191.82 |

Exhibit 2: January 1, 2010 through December 31, 2010 Final Per Capita Cost Point Estimates

CY2010 Preliminary Rates with Unit Cost Trend By BHO, with Admin: Blended Rate based on 45.0% Encounter Data and 55.0% Historical Rates

| | Elderly | Disabled | Adults | Children | Foster Care | Total |
|---|---------|----------|---------|----------|-------------|---------|
| Access Behavioral Care | \$19.14 | \$172.59 | \$13.85 | \$10.13 | \$190.40 | \$42.56 |
| Behavioral Healthcare, Inc | \$10.44 | \$150.85 | \$19.28 | \$14.70 | \$238.27 | \$39.36 |
| Foothills Behavioral Health Partners | \$13.65 | \$156.28 | \$28.80 | \$21.37 | \$214.16 | \$53.97 |
| Northeast Behavioral Health Partnership | \$7.26 | \$102.46 | \$18.78 | \$13.70 | \$173.17 | \$32.78 |
| Colorado Health Partnerships | \$13.85 | \$114.00 | \$20.60 | \$15.81 | \$191.63 | \$39.51 |
| Total | \$13.37 | \$135.79 | \$19.87 | \$14.81 | \$201.88 | \$40.81 |

CY2010 Rates with Unit Cost Trend, Admin, Ft Logan Bed Closures: Blended Rate based on 45.0% Encounter Data and 55.0% Historical Rates

| | Elderly | Disabled | Adults | Children | Foster Care | Total |
|---|---------|----------|---------|----------|-------------|---------|
| Access Behavioral Care | \$19.48 | \$175.66 | \$14.10 | \$10.31 | \$193.79 | \$43.32 |
| Behavioral Healthcare, Inc | \$10.49 | \$151.62 | \$19.38 | \$14.78 | \$239.50 | \$39.56 |
| Foothills Behavioral Health Partners | \$13.73 | \$157.18 | \$28.97 | \$21.50 | \$215.39 | \$54.28 |
| Northeast Behavioral Health Partnership | \$7.28 | \$102.83 | \$18.85 | \$13.75 | \$173.80 | \$32.90 |
| Colorado Health Partnerships | \$13.85 | \$114.00 | \$20.60 | \$15.81 | \$191.63 | \$39.51 |
| Total | \$13.46 | \$136.66 | \$19.96 | \$14.88 | \$202.96 | \$41.04 |

Exhibit 3: Historical Rates; Development of January 1, 2010 through December 31, 2010 Per Capita Costs

July 1, 2009 - December 31, 2009 BHO Capitation Rates

| | Elderly | Disabled | Adults | Children | Foster Care | Total |
|---|----------------|-----------------|----------------|-----------------|--------------------|----------------|
| Access Behavioral Care | \$18.30 | \$160.83 | \$12.07 | \$10.75 | \$199.07 | \$41.19 |
| Behavioral Healthcare, Inc | \$9.09 | \$127.96 | \$17.27 | \$14.61 | \$277.50 | \$37.85 |
| Foothills Behavioral Health Partners | \$14.63 | \$156.21 | \$25.22 | \$19.61 | \$229.28 | \$53.34 |
| Northeast Behavioral Health Partnership | \$7.96 | \$102.57 | \$17.29 | \$13.95 | \$199.33 | \$33.97 |
| Colorado Health Partnerships | \$14.62 | \$107.90 | \$20.59 | \$15.05 | \$246.93 | \$40.57 |
| Total | \$13.41 | \$127.01 | \$18.56 | \$14.49 | \$236.57 | \$40.66 |

July 1, 2009 - December 31, 2009 BHO Capitation Rates; with Adjustment for Hospital Per Diem Changes between FY08 and FY10

| | Elderly | Disabled | Adults | Children | Foster Care | Total |
|---|----------------|-----------------|----------------|-----------------|--------------------|----------------|
| Access Behavioral Care | \$18.26 | \$160.48 | \$12.04 | \$10.73 | \$198.64 | \$41.10 |
| Behavioral Healthcare, Inc | \$9.07 | \$127.69 | \$17.23 | \$14.58 | \$276.90 | \$37.76 |
| Foothills Behavioral Health Partners | \$14.60 | \$155.87 | \$25.17 | \$19.57 | \$228.78 | \$53.23 |
| Northeast Behavioral Health Partnership | \$7.94 | \$102.34 | \$17.25 | \$13.92 | \$198.89 | \$33.90 |
| Colorado Health Partnerships | \$14.59 | \$107.66 | \$20.55 | \$15.01 | \$246.39 | \$40.48 |
| Total | \$13.38 | \$126.73 | \$18.52 | \$14.46 | \$236.05 | \$40.57 |

January 1, 2010 - December 31, 2010 Base Rates by BHO; Developed from July 1, 2009 - December 31, 2009 BHO Capitation Rates

| | Elderly | Disabled | Adults | Children | Foster Care | Total |
|---|----------------|-----------------|----------------|-----------------|--------------------|----------------|
| Access Behavioral Care | \$18.51 | \$162.70 | \$12.21 | \$10.88 | \$201.38 | \$41.67 |
| Behavioral Healthcare, Inc | \$9.20 | \$129.45 | \$17.47 | \$14.78 | \$280.72 | \$38.29 |
| Foothills Behavioral Health Partners | \$14.80 | \$158.02 | \$25.52 | \$19.84 | \$231.93 | \$53.96 |
| Northeast Behavioral Health Partnership | \$8.05 | \$103.76 | \$17.49 | \$14.11 | \$201.64 | \$34.36 |
| Colorado Health Partnerships | \$14.79 | \$109.15 | \$20.83 | \$15.22 | \$249.80 | \$41.04 |
| Total | \$13.57 | \$128.48 | \$18.77 | \$14.66 | \$239.31 | \$41.13 |

Exhibit 4: Encounter Data; Development of January 1, 2010 through December 31, 2010 Per Capita Costs

State Plan Services Only; Including Adjustment for IBNR

| | Elderly | Disabled | Adults | Children | Foster Care |
|---|---------|----------|---------|----------|-------------|
| Access Behavioral Care | \$10.86 | \$105.93 | \$12.51 | \$7.86 | \$154.72 |
| Behavioral Healthcare, Inc | \$7.58 | \$102.17 | \$16.75 | \$11.48 | \$140.30 |
| Foothills Behavioral Health Partners | \$7.44 | \$68.31 | \$19.38 | \$15.46 | \$128.53 |
| Northeast Behavioral Health Partnership | \$3.72 | \$54.24 | \$16.73 | \$9.45 | \$101.87 |
| Colorado Health Partnerships | \$6.34 | \$51.15 | \$13.18 | \$12.21 | \$93.55 |

State Plan Services Only; Adjusted for Unpriced Encounter Data

| | Elderly | Disabled | Adults | Children | Foster Care |
|---|---------|----------|---------|----------|-------------|
| Access Behavioral Care | \$10.88 | \$106.11 | \$12.54 | \$7.87 | \$154.98 |
| Behavioral Healthcare, Inc | \$7.60 | \$102.43 | \$16.79 | \$11.51 | \$140.65 |
| Foothills Behavioral Health Partners | \$7.51 | \$68.97 | \$19.57 | \$15.60 | \$129.76 |
| Northeast Behavioral Health Partnership | \$3.73 | \$54.25 | \$16.73 | \$9.46 | \$101.88 |
| Colorado Health Partnerships | \$6.35 | \$51.27 | \$13.21 | \$12.24 | \$93.77 |

Non-State Plan Only Including Adjustment for IBNR

| | Elderly | Disabled | Adults | Children | Foster Care |
|---|---------|----------|--------|----------|-------------|
| Access Behavioral Care | \$6.82 | \$58.06 | \$1.57 | \$0.32 | \$2.35 |
| Behavioral Healthcare, Inc | \$2.63 | \$49.04 | \$1.60 | \$0.99 | \$18.86 |
| Foothills Behavioral Health Partners | \$3.06 | \$64.17 | \$8.78 | \$4.47 | \$36.43 |
| Northeast Behavioral Health Partnership | \$1.67 | \$32.33 | \$0.74 | \$1.87 | \$16.89 |
| Colorado Health Partnerships | \$4.61 | \$52.22 | \$4.32 | \$2.02 | \$10.26 |

PMPM from CY08 Encounter Data; Including All State and Non-State Plan Services

| | Elderly | Disabled | Adults | Children | Foster Care |
|---|---------|----------|---------|----------|-------------|
| Access Behavioral Care | \$17.70 | \$164.17 | \$14.10 | \$8.19 | \$157.33 |
| Behavioral Healthcare, Inc | \$10.23 | \$151.47 | \$18.39 | \$12.50 | \$159.51 |
| Foothills Behavioral Health Partners | \$10.57 | \$133.14 | \$28.34 | \$20.08 | \$166.19 |
| Northeast Behavioral Health Partnership | \$5.39 | \$86.58 | \$17.47 | \$11.33 | \$118.77 |
| Colorado Health Partnerships | \$10.96 | \$103.50 | \$17.53 | \$14.26 | \$104.03 |

Exhibit 4 (cont): Encounter Data; Development of January 1, 2010 through December 31, 2010 Per Capita Costs

MPPM from CY08 Encounter Data; Excluding TPL Collections

| | Elderly | Disabled | Adults | Children | Foster Care |
|---|----------------|-----------------|---------------|-----------------|--------------------|
| Access Behavioral Care | \$16.97 | \$157.36 | \$13.52 | \$7.85 | \$150.81 |
| Behavioral Healthcare, Inc | \$10.19 | \$150.82 | \$18.31 | \$12.44 | \$158.82 |
| Foothills Behavioral Health Partners | \$10.43 | \$131.36 | \$27.96 | \$19.81 | \$163.97 |
| Northeast Behavioral Health Partnership | \$5.35 | \$85.95 | \$17.35 | \$11.25 | \$117.91 |
| Colorado Health Partnerships | \$10.82 | \$102.18 | \$17.31 | \$14.08 | \$102.71 |

Encounter Base Rates By BHO; with Adjustment for Hospital Per Diem Changes between FY08 and FY10

| | Elderly | Disabled | Adults | Children | Foster Care |
|---|----------------|-----------------|---------------|-----------------|--------------------|
| Access Behavioral Care | \$16.93 | \$157.02 | \$13.49 | \$7.84 | \$150.48 |
| Behavioral Healthcare, Inc | \$10.16 | \$150.49 | \$18.27 | \$12.42 | \$158.48 |
| Foothills Behavioral Health Partners | \$10.41 | \$131.07 | \$27.90 | \$19.76 | \$163.61 |
| Northeast Behavioral Health Partnership | \$5.34 | \$85.77 | \$17.31 | \$11.22 | \$117.66 |
| Colorado Health Partnerships | \$10.80 | \$101.96 | \$17.27 | \$14.05 | \$102.48 |

Encounter Base Rates By BHO; with Unit Cost Trend (from FY08 fee level to January 1, 2010 - December 31, 2010)

| | Elderly | Disabled | Adults | Children | Foster Care |
|---|----------------|-----------------|---------------|-----------------|--------------------|
| Access Behavioral Care | \$17.72 | \$164.36 | \$14.12 | \$8.20 | \$157.52 |
| Behavioral Healthcare, Inc | \$10.64 | \$157.53 | \$19.12 | \$13.00 | \$165.89 |
| Foothills Behavioral Health Partners | \$10.89 | \$137.21 | \$29.21 | \$20.69 | \$171.26 |
| Northeast Behavioral Health Partnership | \$5.59 | \$89.78 | \$18.12 | \$11.75 | \$123.16 |
| Colorado Health Partnerships | \$11.30 | \$106.73 | \$18.08 | \$14.71 | \$107.28 |

Encounter Base Rates By BHO; with Unit Cost Trend (from FY08 fee level to January 1, 2010 - December 31, 2010), with 11.0% Admin

| | Elderly | Disabled | Adults | Children | Foster Care |
|---|----------------|-----------------|---------------|-----------------|--------------------|
| Access Behavioral Care | \$19.91 | \$184.68 | \$15.86 | \$9.22 | \$176.98 |
| Behavioral Healthcare, Inc | \$11.95 | \$177.00 | \$21.49 | \$14.61 | \$186.39 |
| Foothills Behavioral Health Partners | \$12.24 | \$154.16 | \$32.82 | \$23.25 | \$192.43 |
| Northeast Behavioral Health Partnership | \$6.28 | \$100.87 | \$20.36 | \$13.20 | \$138.38 |
| Colorado Health Partnerships | \$12.70 | \$119.92 | \$20.31 | \$16.52 | \$120.53 |

Exhibit 5: Member Months by BHO

CY08 Member Month By BHO

| | Elderly | Disabled | Adults | Children | Foster Care | Total |
|---|----------------|-----------------|----------------|------------------|--------------------|------------------|
| Access Behavioral Care | 85,405 | 131,782 | 137,889 | 509,912 | 36,273 | 901,261 |
| Behavioral Healthcare, Inc | 89,971 | 130,809 | 187,101 | 704,562 | 45,971 | 1,158,412 |
| Foothills Behavioral Health Partners | 56,095 | 91,424 | 92,631 | 289,242 | 29,147 | 558,537 |
| Northeast Behavioral Health Partnership | 52,311 | 77,458 | 108,925 | 348,655 | 29,302 | 616,651 |
| Colorado Health Partnerships | 154,782 | 280,294 | 322,529 | 940,375 | 75,503 | 1,773,483 |
| TOTAL | 438,563 | 711,766 | 849,074 | 2,792,746 | 216,195 | 5,008,345 |

Exhibit 6: January 1, 2010 through December 31, 2010 Per Capita Cost Point Estimates; Split State versus 1915(b)(3) Services

| Metro - Access Behavioral Care - BHO Capitation Rates | | | | | |
|---|----------------------------------|------------------------|----------------------------------|--------------------------------|--------------------------------------|
| Capitation Rates Breakdown By the State and Non State Plan | | | | | |
| | Jan-Dec 10 Total Rate | State Plan Rate | State Plan Percentage | Non State Plan Rate | Non State Plan Percentage |
| Elderly | \$22.33 | \$16.77 | 75.09% | \$5.56 | 24.91% |
| Disabled | \$175.70 | \$131.94 | 75.09% | \$43.76 | 24.91% |
| Adults | \$13.85 | \$10.40 | 75.09% | \$3.45 | 24.91% |
| Children | \$10.13 | \$7.61 | 75.09% | \$2.52 | 24.91% |
| Foster Care | \$190.40 | \$142.98 | 75.09% | \$47.42 | 24.91% |

| Metro East - Behavioral Healthcare, Inc. (BHI) - BHO Capitation Rates | | | | | |
|--|----------------------------------|------------------------|----------------------------------|--------------------------------|--------------------------------------|
| Capitation Rates Breakdown By the State and Non State Plan | | | | | |
| | Jan-Dec 10 Total Rate | State Plan Rate | State Plan Percentage | Non State Plan Rate | Non State Plan Percentage |
| Elderly | \$11.74 | \$9.25 | 78.84% | \$2.48 | 21.16% |
| Disabled | \$151.75 | \$119.63 | 78.84% | \$32.12 | 21.16% |
| Adults | \$19.28 | \$15.20 | 78.84% | \$4.08 | 21.16% |
| Children | \$14.70 | \$11.59 | 78.84% | \$3.11 | 21.16% |
| Foster Care | \$238.27 | \$187.84 | 78.84% | \$50.43 | 21.16% |

| Metro West - Foothills Behavioral Health Partners - BHO Capitation Rates | | | | | |
|---|----------------------------------|------------------------|----------------------------------|--------------------------------|--------------------------------------|
| Capitation Rates Breakdown By the State and Non State Plan | | | | | |
| | Jan-Dec 10 Total Rate | State Plan Rate | State Plan Percentage | Non State Plan Rate | Non State Plan Percentage |
| Elderly | \$14.65 | \$9.44 | 64.43% | \$5.21 | 35.57% |
| Disabled | \$157.56 | \$101.52 | 64.43% | \$56.05 | 35.57% |
| Adults | \$28.80 | \$18.56 | 64.43% | \$10.25 | 35.57% |
| Children | \$21.37 | \$13.77 | 64.43% | \$7.60 | 35.57% |
| Foster Care | \$214.16 | \$137.98 | 64.43% | \$76.18 | 35.57% |

| Northeast - Northeast Behavioral Health Partnership - BHO Capitation Rates | | | | | |
|---|----------------------------------|------------------------|----------------------------------|--------------------------------|--------------------------------------|
| Capitation Rates Breakdown By the State and Non State Plan | | | | | |
| | Jan-Dec 10 Total Rate | State Plan Rate | State Plan Percentage | Non State Plan Rate | Non State Plan Percentage |
| Elderly | \$8.62 | \$6.60 | 76.59% | \$2.02 | 23.41% |
| Disabled | \$102.49 | \$78.49 | 76.59% | \$23.99 | 23.41% |
| Adults | \$18.78 | \$14.38 | 76.59% | \$4.40 | 23.41% |
| Children | \$13.70 | \$10.49 | 76.59% | \$3.21 | 23.41% |
| Foster Care | \$173.17 | \$132.63 | 76.59% | \$40.54 | 23.41% |

| Western / Southern - Colorado Health Partnerships - BHO Capitation Rates | | | | | |
|---|----------------------------------|------------------------|----------------------------------|--------------------------------|--------------------------------------|
| Capitation Rates Breakdown By the State and Non State Plan | | | | | |
| | Jan-Dec 10 Total Rate | State Plan Rate | State Plan Percentage | Non State Plan Rate | Non State Plan Percentage |
| Elderly | \$13.85 | \$9.18 | 66.25% | \$4.67 | 33.75% |
| Disabled | \$114.00 | \$75.53 | 66.25% | \$38.47 | 33.75% |
| Adults | \$20.60 | \$13.65 | 66.25% | \$6.95 | 33.75% |
| Children | \$15.81 | \$10.47 | 66.25% | \$5.33 | 33.75% |
| Foster Care | \$191.63 | \$126.96 | 66.25% | \$64.67 | 33.75% |

Exhibit 7: Development of the Percentage of State versus 1915(b)(3) Services

Percentage of State Plan vs. Non State Plan Services; Based on CY 2008 Priced Encounter Data

| | State Plan Service Cost For CY 08 | % State Plan | Non State Plan Service Cost For CY 08 | % Non State Plan | Total |
|---|--|---------------------|--|-------------------------|----------------------|
| Access Behavioral Care | \$26,102,724 | 75.09% | \$8,656,935 | 24.91% | \$34,759,659 |
| Behavioral Healthcare, Inc | \$31,699,219 | 78.84% | \$8,510,067 | 21.16% | \$40,209,287 |
| Foothills Behavioral Health Partners | \$16,663,830 | 64.43% | \$9,200,124 | 35.57% | \$25,863,954 |
| Northeast Behavioral Health Partnership | \$12,470,618 | 76.59% | \$3,811,940 | 23.41% | \$16,282,559 |
| Colorado Health Partnerships | \$38,046,228 | 66.25% | \$19,378,039 | 33.75% | \$57,424,267 |
| Total | \$124,982,619 | 71.61% | \$49,557,106 | 28.39% | \$174,539,725 |

Exhibit 8: Unit Cost Trend Development

| MH Cost Trend Analysis | | | | | | | | | | |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------------------|---------------|
| CMHC | FY02 | FY03 | FY04 | FY05 | FY06 | FY07 | FY08 | FY09 | Trend | Weight |
| Unit Cost | 83.59 | 87.24 | 93.02 | 103.09 | 109.74 | 111.84 | 109.37 | | | |
| Rate Change | | 4.37% | 6.63% | 10.82% | 6.45% | 1.92% | -2.21% | | 1.99% | 84.7% |
| Pueblo+FortLogan | FY02 | FY03 | FY04 | FY05 | FY06 | FY07 | FY08 | FY09 | | |
| Cost | | | | 848.50 | 872.42 | 834.07 | 849.16 | 921.40 | | |
| Rate Change | | | | | 2.82% | -4.40% | 1.81% | 8.51% | 1.84% | 5.0% |
| Hospital Per Diem | FY02 | FY03 | FY04 | FY05 | FY06 | FY07 | FY08 | FY09 | | |
| Cost | | | 1056.43 | 1112.75 | 1076.42 | 1044.77 | 1040.48 | | | |
| Rate Change | | | | 5.33% | -3.26% | -2.94% | -0.41% | | 0.00% | 9.1% |
| Other Providers | FY02 | FY03 | FY04 | FY05 | FY06 | FY07 | FY08 | FY09 | | |
| Ave. Rate | | 31.83 | 31.83 | 31.83 | 32.08 | 32.75 | 37.40 | | | |
| Rate Change | | | 0.0% | 0.0% | 0.8% | 2.1% | 14.2% | | 5.52% | 1.19% |
| | | | | | | | | | Weighted Average | |
| Annual Increase | | | | | | | | | 1.85% | |