

**ESTIMATED COST OF 1% RATE INCREASE  
FISCAL YEAR 2009-10**

SERVICE CATEGORY	ESTIMATE WITHOUT RATE INCREASE	ADJUSTMENT FACTOR (1)	FULL YEAR COST FOR EACH 1% RATE INCREASE		ASSUMING AUG. 2009 IMPLEMENTATION			
			TOTAL	STATE	11 MONTH ADJUSTMENT	PAYMENT LAG (2)	LAGGED COST FOR EACH 1% RATE INCREASE	
							TOTAL	STATE
PHYSICIANS	\$1,074,831,430	0.9660	\$10,382,870	\$4,069,320	0.9167	0.7815	\$7,437,960	\$2,915,130
OTHER MEDICAL	\$1,938,492,680	0.9760	\$18,919,690	\$7,573,950	0.9167	0.8213	\$14,243,700	\$5,702,060
COUNTY OUTPATIENT	\$212,593,280	0.9600	\$2,040,900	\$356,090	0.9167	0.7685	\$1,437,680	\$250,850
COMMUNITY OUTPATIENT	\$647,373,480	0.9100	\$5,891,100	\$2,116,330	0.9167	0.8133	\$4,392,000	\$1,577,790
PHARMACY	\$1,981,113,150	0.0793	\$1,571,820	\$533,290	0.9167	0.9320	\$1,342,850	\$455,600
COUNTY INPATIENT	\$742,684,410	1.0000	N/A	N/A	0.9167	0.6040	N/A	N/A
COMMUNITY INPATIENT	\$4,273,008,810	1.0000	N/A	N/A	0.9167	0.7383	N/A	N/A
NURSING FACILITIES	\$4,224,212,760	1.1578	\$48,907,510	\$20,134,820	0.9167	0.8662	\$38,833,120	\$15,987,280
ICF-DD	\$432,791,460	1.1578	\$5,010,820	\$2,037,980	0.9167	0.9119	\$4,188,410	\$1,703,500
MEDICAL TRANSPORTATION	\$171,911,770	0.9660	\$1,660,670	\$673,580	0.9167	0.8203	\$1,248,660	\$506,470
OTHER SERVICES	\$1,050,862,000	0.9540	\$10,025,220	\$3,461,790	0.9167	0.8270	\$7,599,840	\$2,624,290
HOME HEALTH	\$186,558,710	0.9800	\$1,828,280	\$723,240	0.9167	0.7962	\$1,334,430	\$527,880
DENTAL	\$479,860,690	0.9990	\$4,793,810	\$1,736,340	0.9167	1.0000	\$4,394,320	\$1,591,650
MENTAL HEALTH	\$1,597,608,660	1.0000	N/A	N/A	0.9167	1.0000	N/A	N/A
TWO PLAN MODEL	\$4,427,807,190	1.0000	\$44,278,070	\$18,203,860	0.9167	1.0000	\$40,588,230	\$16,686,870
COUNTY ORGANIZED HEALTH SYSTEMS	\$2,484,887,580	1.0000	\$24,848,880	\$10,348,760	0.9167	1.0000	\$22,778,140	\$9,486,360
GEOGRAPHIC MANAGED CARE	\$651,566,830	1.0000	\$6,515,670	\$2,604,420	0.9167	1.0000	\$5,972,700	\$2,387,390
PHP & OTHER MANAG. CARE	\$261,981,770	1.0000	\$2,619,820	\$1,051,060	0.9167	1.0000	\$2,401,500	\$963,470
AUDITS/ LAWSUITS	\$3,071,160	1.0000	N/A	N/A	0.9167	1.0000	N/A	N/A
EPSDT SCREENS	\$62,249,160	1.0000	\$622,490	\$245,620	0.9167	1.0000	\$570,620	\$225,150
MEDICARE PAYMENTS (4)	\$3,572,206,600	1.0000	N/A	N/A	0.9167	1.0000	N/A	N/A
STATE HOSP./DEVELOPMENTAL CNTRS.	\$317,931,480	0.9782	\$3,109,970	\$0	0.9167	1.0000	\$2,850,810	\$0
MISC. SERVICES	\$4,396,869,170	1.0000	\$43,968,690	\$153,450	0.9167	1.0000	\$40,304,630	\$140,660
RECOVERIES	-\$259,320,320	1.0000	N/A	N/A	0.9167	1.0000	N/A	N/A
<b>TOTAL</b>	<b>\$34,933,153,930</b>		<b>\$236,996,260</b>	<b>\$76,023,910</b> (3)			<b>\$201,919,610</b>	<b>\$63,732,390</b>

(1) Reflects adjustment for services not affected by rate increases due to Medicare crossover and unlisted procedures.  
 Adjustment factor for Dental services due primarily to prior year reconciliations.  
 Adjustment factor for SNF & ICF services compensates for the impact of shares of cost on average payments.  
 Adjustment factor for Pharmacy includes an adjustment for the dispensing fee only.

(2) Reflects adjustment for the lag between actual rendering of service and payment for that service.

(3) Excludes service categories noted above with N/A and all policy changes excluded from Cost/Eligible report.

(4) Medicare Payments cost increase included as base adjustment.