

**ESTIMATED COST OF 1% RATE INCREASE
FISCAL YEAR 2011-12**

SERVICE CATEGORY	ESTIMATE WITHOUT RATE INCREASE	ADJUSTMENT FACTOR (1)	FULL YEAR COST FOR EACH 1% RATE INCREASE		ASSUMING AUG. 2011 IMPLEMENTATION			
			TOTAL	STATE	11 MONTH ADJUSTMENT	PAYMENT LAG (2)	LAGGED COST FOR EACH 1% RATE INCREASE	
							TOTAL	STATE
PHYSICIANS	\$1,076,072,740	0.9660	\$10,394,860	\$5,064,950	0.9167	0.7955	\$7,580,300	\$3,693,540
OTHER MEDICAL	\$2,040,016,570	0.9760	\$19,910,560	\$9,678,150	0.9167	0.8410	\$15,349,020	\$7,460,880
COUNTY OUTPATIENT	\$67,897,410	0.9600	\$651,820	\$318,410	0.9167	0.7396	\$441,930	\$215,890
COMMUNITY OUTPATIENT	\$296,119,960	0.9100	\$2,694,690	\$1,261,270	0.9167	0.8158	\$2,015,060	\$943,170
PHARMACY	\$887,550,100	0.0793	\$704,180	\$381,320	0.9167	0.9343	\$603,070	\$326,570
COUNTY INPATIENT	\$687,134,900	1.0000	N/A	N/A	0.9167	0.5743	N/A	N/A
COMMUNITY INPATIENT	\$4,019,362,120	1.0000	N/A	N/A	0.9167	0.7344	N/A	N/A
NURSING FACILITIES	\$3,910,572,930	1.1578	\$45,276,220	\$22,811,200	0.9167	0.8640	\$35,857,940	\$18,066,050
ICF-DD	\$340,348,870	1.1578	\$3,940,530	\$1,970,820	0.9167	0.9151	\$3,305,560	\$1,653,240
MEDICAL TRANSPORTATION	\$152,250,580	0.9660	\$1,470,740	\$749,720	0.9167	0.8289	\$1,117,480	\$569,640
OTHER SERVICES	\$959,981,030	0.9540	\$9,158,220	\$2,194,380	0.9167	0.7832	\$6,574,600	\$1,575,320
HOME HEALTH	\$174,298,430	0.9800	\$1,708,120	\$793,580	0.9167	0.8338	\$1,305,480	\$606,510
DENTAL	\$498,280,780	0.9990	\$4,977,820	\$2,417,410	0.9167	1.0000	\$4,563,010	\$2,215,960
MENTAL HEALTH	\$1,677,756,470	1.0000	N/A	N/A	0.9167	1.0000	N/A	N/A
TWO PLAN MODEL	\$5,917,128,820	1.0000	\$59,171,290	\$32,135,800	0.9167	1.0000	\$54,240,350	\$29,457,820
COUNTY ORGANIZED HEALTH SYSTEMS	\$3,689,649,160	1.0000	\$36,896,490	\$18,450,090	0.9167	1.0000	\$33,821,780	\$16,912,580
GEOGRAPHIC MANAGED CARE	\$973,645,850	1.0000	\$9,736,460	\$5,307,160	0.9167	1.0000	\$8,925,090	\$4,864,900
PHP & OTHER MANAG. CARE	\$294,476,270	1.0000	\$2,944,760	\$1,463,100	0.9167	1.0000	\$2,699,370	\$1,341,170
AUDITS/ LAWSUITS	\$3,865,190	1.0000	N/A	N/A	0.9167	1.0000	N/A	N/A
EPSDT SCREENS	\$56,399,030	1.0000	\$563,990	\$268,850	0.9167	1.0000	\$516,990	\$246,450
MEDICARE PAYMENTS (4)	\$3,994,381,840	1.0000	N/A	N/A	0.9167	1.0000	N/A	N/A
STATE HOSP./DEVELOPMENTAL CNTRS.	\$235,725,160	0.9782	\$2,305,840	\$0	0.9167	1.0000	\$2,113,690	\$0
MISC. SERVICES	\$4,371,134,430	1.0000	\$43,711,340	\$190,060	0.9167	1.0000	\$40,068,730	\$174,220
RECOVERIES	-\$297,108,000	1.0000	N/A	N/A	0.9167	1.0000	N/A	N/A
TOTAL	\$36,026,940,650		\$256,217,950	\$105,456,290 (3)			\$221,099,440	\$90,323,920

(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.