

**ESTIMATED COST OF 1% RATE INCREASE
FISCAL YEAR 2012-13**

SERVICE CATEGORY	ESTIMATE WITHOUT RATE INCREASE	ADJUSTMENT FACTOR (1)	FULL YEAR COST FOR EACH 1% RATE INCREASE		ASSUMING AUG. 2012 IMPLEMENTATION			
			TOTAL	STATE	11 MONTH ADJUSTMENT	PAYMENT LAG (2)	LAGGED COST FOR EACH 1% RATE INCREASE	
							TOTAL	STATE
PHYSICIANS	\$913,945,700	0.9660	\$8,828,720	\$3,909,960	0.9167	0.7955	\$6,438,210	\$2,851,280
OTHER MEDICAL	\$2,131,345,540	0.9760	\$20,801,930	\$8,995,730	0.9167	0.8410	\$16,036,180	\$6,934,800
COUNTY OUTPATIENT	\$58,310,710	0.9600	\$559,780	\$293,590	0.9167	0.7396	\$379,530	\$199,060
COMMUNITY OUTPATIENT	\$353,976,580	0.9100	\$3,221,190	\$1,668,810	0.9167	0.8158	\$2,408,770	\$1,247,920
PHARMACY	\$403,799,150	0.0793	\$320,370	\$203,670	0.9167	0.9343	\$274,370	\$174,430
COUNTY INPATIENT	\$707,219,080	1.0000	N/A	N/A	0.9167	0.5743	N/A	N/A
COMMUNITY INPATIENT	\$3,405,140,690	1.0000	N/A	N/A	0.9167	0.7344	N/A	N/A
NURSING FACILITIES	\$3,084,457,630	1.1578	\$35,711,540	\$18,016,200	0.9167	0.8640	\$28,282,880	\$14,268,500
ICF-DD	\$254,615,730	1.1578	\$2,947,920	\$1,477,230	0.9167	0.9151	\$2,472,900	\$1,239,200
MEDICAL TRANSPORTATION	\$128,709,500	0.9660	\$1,243,330	\$677,690	0.9167	0.8289	\$944,700	\$514,920
OTHER SERVICES	\$502,092,710	0.9540	\$4,789,960	\$1,883,380	0.9167	0.7832	\$3,438,670	\$1,352,060
HOME HEALTH	\$147,224,410	0.9800	\$1,442,800	\$721,310	0.9167	0.8338	\$1,102,690	\$551,280
DENTAL	\$558,665,840	0.9990	\$5,581,070	\$2,646,280	0.9167	1.0000	\$5,115,980	\$2,425,760
MENTAL HEALTH	\$1,677,628,250	1.0000	N/A	N/A	0.9167	1.0000	N/A	N/A
TWO PLAN MODEL	\$9,550,119,740	1.0000	\$95,501,200	\$46,648,810	0.9167	1.0000	\$87,542,760	\$42,761,410
COUNTY ORGANIZED HEALTH SYSTEMS	\$4,306,676,940	1.0000	\$43,066,770	\$21,059,710	0.9167	1.0000	\$39,477,870	\$19,304,740
GEOGRAPHIC MANAGED CARE	\$1,521,017,980	1.0000	\$15,210,180	\$7,477,490	0.9167	1.0000	\$13,942,660	\$6,854,360
PHP & OTHER MANAG. CARE	\$265,232,220	1.0000	\$2,652,320	\$1,335,430	0.9167	1.0000	\$2,431,300	\$1,224,140
AUDITS/ LAWSUITS	\$3,865,000	1.0000	N/A	N/A	0.9167	1.0000	N/A	N/A
EPSDT SCREENS	\$48,171,240	1.0000	\$481,710	\$226,260	0.9167	1.0000	\$441,570	\$207,410
MEDICARE PAYMENTS (4)	\$3,951,251,810	1.0000	N/A	N/A	0.9167	1.0000	N/A	N/A
STATE HOSP./DEVELOPMENTAL CNTRS.	\$205,349,000	0.9782	\$2,008,700	\$0	0.9167	1.0000	\$1,841,310	\$0
MISC. SERVICES	\$5,029,087,000	1.0000	\$50,290,870	\$1,626,110	0.9167	1.0000	\$46,099,960	\$1,490,600
RECOVERIES	-\$286,256,000	1.0000	N/A	N/A	0.9167	1.0000	N/A	N/A
TOTAL	\$38,921,646,470		\$294,660,370	\$118,867,690 (3)			\$258,672,330	\$103,601,860

(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.