



Ms Ruth Kennedy  
Deputy Director of Medicaid  
Louisiana Department of Health and Hospitals  
628 North 4th Street  
Baton Rouge, LA 70821

January 25, 2012

**Subject:** Addendum to Actuarial Certification of BAYOU HEALTH Capitation Rates for Periods Ending December 31, 2012

Dear Ruth:

This is an addendum to my June 15, 2011 letter providing our actuarial certification of capitation rates for State of Louisiana's BAYOU HEALTH Program - Prepaid Model. At the time of my June 15, 2011 letter, the program was referred to as Louisiana Coordinated Care Networks – Prepaid Program. The name of the program has since been changed to BAYOU HEALTH and the Prepaid Program is now known as the Prepaid Model.

This addendum is to reflect:

- Several minor modifications to benefit provisions, including coverage of fluoride varnishes for children and disease management fees for diabetes education; and
- Guidance from The Louisiana Department of Insurance to the effect that Prepaid Model Plans would be subject to a broad-based tax on their premiums at the rate of 2.25%.

Apart from these changes, all substantive plan provisions remain the same and all significant actuarial assumptions and methods are unchanged from those set out in the June 15, 2011 letter. This addendum should be read in conjunction with our June 15, 2011 certification and all of the opinions and caveats expressed therein remain in effect except to the extent they are specifically amended herein.

The revised capitation rates attached to this addendum replace the "Final rates (Net of GME)" from Attachment A to the June 15, 2011 letter.

Mercer certifies that the rates attached to this addendum were developed in accordance with generally accepted actuarial practices and principles and are appropriate for the Medicaid covered populations and services under the managed care contract. The undersigned actuary is a member of the American Academy of Actuaries and meets its qualification standards to certify to the actuarial soundness of Medicaid managed care capitation rates.



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Rates and ranges developed by Mercer are actuarial projections of future contingent events. Actual CCN costs will differ from these projections. Mercer has developed these rates on behalf of DHH to demonstrate compliance with the CMS requirements under 42 CFR 438.6(c) and in accordance with applicable law and regulations. Use of these rate ranges for any purpose beyond that stated may not be appropriate.

Sincerely,

A handwritten signature in black ink, appearing to read "Nicholas J. Simmons".

Nicholas J. Simmons, FIA, FSA, MAAA

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## Attachment A – Rate Summary

			2/1/2012-12/31/2012
			Prepaid Final Rates w/ Tax (Net of GME)
Region Description	COA Description	RC Description	PMPM or Cost/Delivery
New Orleans	SSI	0-2 Months, Male and Female	\$ 13,638.40
New Orleans	SSI	3-11 Months, Male and Female	\$ 2,948.60
New Orleans	SSI	1-5 Years, Male and Female	\$ 547.33
New Orleans	SSI	6-13 Years, Male and Female	\$ 162.62
New Orleans	SSI	14-18 Years, Male and Female	\$ 167.29
New Orleans	SSI	19-44 Years, Male and Female	\$ 400.73
New Orleans	SSI	45+ Years, Male and Female	\$ 635.23
New Orleans	Family and Children	0-2 Months, Male and Female	\$ 948.53
New Orleans	Family and Children	3-11 Months, Male and Female	\$ 165.12
New Orleans	Family and Children	1-5 Years, Male and Female	\$ 71.51
New Orleans	Family and Children	6-13 Years, Male and Female	\$ 45.07
New Orleans	Family and Children	14-18 Years, Female	\$ 72.16
New Orleans	Family and Children	14-18 Years, Male	\$ 52.84
New Orleans	Family and Children	19-44 Years, Female	\$ 153.80
New Orleans	Family and Children	19-44 Years, Male	\$ 175.89
New Orleans	Family and Children	45+ Years, Female	\$ 270.93
New Orleans	Family and Children	45+ Years, Male	\$ 305.01
New Orleans	Foster Care Children	Foster Care, All Ages Male & Female	\$ 112.82
New Orleans	Breast and Cervical Cancer	BCC, All Ages Female	\$ 1,691.42
New Orleans	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 6,488.02
Mandeville	SSI	0-2 Months, Male and Female	\$ 13,638.40
Mandeville	SSI	3-11 Months, Male and Female	\$ 2,948.60
Mandeville	SSI	1-5 Years, Male and Female	\$ 547.33
Mandeville	SSI	6-13 Years, Male and Female	\$ 162.62
Mandeville	SSI	14-18 Years, Male and Female	\$ 167.29
Mandeville	SSI	19-44 Years, Male and Female	\$ 392.19
Mandeville	SSI	45+ Years, Male and Female	\$ 654.94
Mandeville	Family and Children	0-2 Months, Male and Female	\$ 940.86
Mandeville	Family and Children	3-11 Months, Male and Female	\$ 189.69
Mandeville	Family and Children	1-5 Years, Male and Female	\$ 89.17
Mandeville	Family and Children	6-13 Years, Male and Female	\$ 61.62
Mandeville	Family and Children	14-18 Years, Female	\$ 96.64
Mandeville	Family and Children	14-18 Years, Male	\$ 68.47
Mandeville	Family and Children	19-44 Years, Female	\$ 197.80
Mandeville	Family and Children	19-44 Years, Male	\$ 175.89
Mandeville	Family and Children	45+ Years, Female	\$ 270.93
Mandeville	Family and Children	45+ Years, Male	\$ 305.01
Mandeville	Foster Care Children	Foster Care, All Ages Male & Female	\$ 112.82
Mandeville	Breast and Cervical Cancer	BCC, All Ages Female	\$ 1,691.42
Mandeville	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 4,929.48

## Attachment A – Rate Summary

			4/1/2012-12/31/2012
			Prepaid Final Rates w/ Tax (Net of GME)
Region Description	COA Description	RC Description	PMPM or Cost/Delivery
Baton Rouge	SSI	0-2 Months, Male and Female	\$ 13,665.14
Baton Rouge	SSI	3-11 Months, Male and Female	\$ 2,955.87
Baton Rouge	SSI	1-5 Years, Male and Female	\$ 549.28
Baton Rouge	SSI	6-13 Years, Male and Female	\$ 163.26
Baton Rouge	SSI	14-18 Years, Male and Female	\$ 167.97
Baton Rouge	SSI	19-44 Years, Male and Female	\$ 437.08
Baton Rouge	SSI	45+ Years, Male and Female	\$ 621.71
Baton Rouge	Family and Children	0-2 Months, Male and Female	\$ 1,056.88
Baton Rouge	Family and Children	3-11 Months, Male and Female	\$ 182.38
Baton Rouge	Family and Children	1-5 Years, Male and Female	\$ 71.74
Baton Rouge	Family and Children	6-13 Years, Male and Female	\$ 45.43
Baton Rouge	Family and Children	14-18 Years, Female	\$ 76.85
Baton Rouge	Family and Children	14-18 Years, Male	\$ 53.84
Baton Rouge	Family and Children	19-44 Years, Female	\$ 161.15
Baton Rouge	Family and Children	19-44 Years, Male	\$ 176.60
Baton Rouge	Family and Children	45+ Years, Female	\$ 271.98
Baton Rouge	Family and Children	45+ Years, Male	\$ 306.12
Baton Rouge	Foster Care Children	Foster Care, All Ages Male & Female	\$ 113.28
Baton Rouge	Breast and Cervical Cancer	BCC, All Ages Female	\$ 1,703.05
Baton Rouge	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 5,152.56
Thibodaux	SSI	0-2 Months, Male and Female	\$ 13,665.14
Thibodaux	SSI	3-11 Months, Male and Female	\$ 2,955.87
Thibodaux	SSI	1-5 Years, Male and Female	\$ 549.28
Thibodaux	SSI	6-13 Years, Male and Female	\$ 163.26
Thibodaux	SSI	14-18 Years, Male and Female	\$ 167.97
Thibodaux	SSI	19-44 Years, Male and Female	\$ 337.15
Thibodaux	SSI	45+ Years, Male and Female	\$ 610.33
Thibodaux	Family and Children	0-2 Months, Male and Female	\$ 884.49
Thibodaux	Family and Children	3-11 Months, Male and Female	\$ 186.10
Thibodaux	Family and Children	1-5 Years, Male and Female	\$ 86.97
Thibodaux	Family and Children	6-13 Years, Male and Female	\$ 58.32
Thibodaux	Family and Children	14-18 Years, Female	\$ 105.69
Thibodaux	Family and Children	14-18 Years, Male	\$ 70.08
Thibodaux	Family and Children	19-44 Years, Female	\$ 202.30
Thibodaux	Family and Children	19-44 Years, Male	\$ 176.60
Thibodaux	Family and Children	45+ Years, Female	\$ 271.98
Thibodaux	Family and Children	45+ Years, Male	\$ 306.12
Thibodaux	Foster Care Children	Foster Care, All Ages Male & Female	\$ 113.28
Thibodaux	Breast and Cervical Cancer	BCC, All Ages Female	\$ 1,703.05
Thibodaux	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 5,046.32

## Attachment A – Rate Summary

			4/1/2012-12/31/2012
			Prepaid Final Rates w/ Tax (Net of GME)
Region Description	COA Description	RC Description	PMPM or Cost/Delivery
LaFayette	SSI	0-2 Months, Male and Female	\$ 13,665.14
LaFayette	SSI	3-11 Months, Male and Female	\$ 2,955.87
LaFayette	SSI	1-5 Years, Male and Female	\$ 549.28
LaFayette	SSI	6-13 Years, Male and Female	\$ 163.26
LaFayette	SSI	14-18 Years, Male and Female	\$ 167.97
LaFayette	SSI	19-44 Years, Male and Female	\$ 370.35
LaFayette	SSI	45+ Years, Male and Female	\$ 557.47
LaFayette	Family and Children	0-2 Months, Male and Female	\$ 1,000.20
LaFayette	Family and Children	3-11 Months, Male and Female	\$ 195.71
LaFayette	Family and Children	1-5 Years, Male and Female	\$ 80.27
LaFayette	Family and Children	6-13 Years, Male and Female	\$ 52.88
LaFayette	Family and Children	14-18 Years, Female	\$ 85.72
LaFayette	Family and Children	14-18 Years, Male	\$ 58.93
LaFayette	Family and Children	19-44 Years, Female	\$ 172.45
LaFayette	Family and Children	19-44 Years, Male	\$ 176.60
LaFayette	Family and Children	45+ Years, Female	\$ 271.98
LaFayette	Family and Children	45+ Years, Male	\$ 306.12
LaFayette	Foster Care Children	Foster Care, All Ages Male & Female	\$ 113.28
LaFayette	Breast and Cervical Cancer	BCC, All Ages Female	\$ 1,703.05
LaFayette	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 4,495.11

## Attachment A – Rate Summary

			6/1/2012-12/31/2012
			Prepaid Final Rates w/ Tax (Net of GME)
Region Description	COA Description	RC Description	PMPM or Cost/Delivery
Lake Charles	SSI	0-2 Months, Male and Female	\$ 13,691.96
Lake Charles	SSI	3-11 Months, Male and Female	\$ 2,963.18
Lake Charles	SSI	1-5 Years, Male and Female	\$ 551.23
Lake Charles	SSI	6-13 Years, Male and Female	\$ 163.90
Lake Charles	SSI	14-18 Years, Male and Female	\$ 168.66
Lake Charles	SSI	19-44 Years, Male and Female	\$ 360.26
Lake Charles	SSI	45+ Years, Male and Female	\$ 610.79
Lake Charles	Family and Children	0-2 Months, Male and Female	\$ 890.76
Lake Charles	Family and Children	3-11 Months, Male and Female	\$ 199.51
Lake Charles	Family and Children	1-5 Years, Male and Female	\$ 87.58
Lake Charles	Family and Children	6-13 Years, Male and Female	\$ 60.41
Lake Charles	Family and Children	14-18 Years, Female	\$ 97.77
Lake Charles	Family and Children	14-18 Years, Male	\$ 65.76
Lake Charles	Family and Children	19-44 Years, Female	\$ 204.32
Lake Charles	Family and Children	19-44 Years, Male	\$ 177.30
Lake Charles	Family and Children	45+ Years, Female	\$ 273.05
Lake Charles	Family and Children	45+ Years, Male	\$ 307.25
Lake Charles	Foster Care Children	Foster Care, All Ages Male & Female	\$ 113.75
Lake Charles	Breast and Cervical Cancer	BCC, All Ages Female	\$ 1,714.78
Lake Charles	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 4,650.71
Alexandria	SSI	0-2 Months, Male and Female	\$ 13,691.96
Alexandria	SSI	3-11 Months, Male and Female	\$ 2,963.18
Alexandria	SSI	1-5 Years, Male and Female	\$ 551.23
Alexandria	SSI	6-13 Years, Male and Female	\$ 163.90
Alexandria	SSI	14-18 Years, Male and Female	\$ 168.66
Alexandria	SSI	19-44 Years, Male and Female	\$ 321.10
Alexandria	SSI	45+ Years, Male and Female	\$ 581.69
Alexandria	Family and Children	0-2 Months, Male and Female	\$ 1,263.18
Alexandria	Family and Children	3-11 Months, Male and Female	\$ 208.42
Alexandria	Family and Children	1-5 Years, Male and Female	\$ 98.15
Alexandria	Family and Children	6-13 Years, Male and Female	\$ 61.99
Alexandria	Family and Children	14-18 Years, Female	\$ 101.95
Alexandria	Family and Children	14-18 Years, Male	\$ 69.29
Alexandria	Family and Children	19-44 Years, Female	\$ 192.78
Alexandria	Family and Children	19-44 Years, Male	\$ 177.30
Alexandria	Family and Children	45+ Years, Female	\$ 273.05
Alexandria	Family and Children	45+ Years, Male	\$ 307.25
Alexandria	Foster Care Children	Foster Care, All Ages Male & Female	\$ 113.75
Alexandria	Breast and Cervical Cancer	BCC, All Ages Female	\$ 1,714.78
Alexandria	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 4,758.21

## Attachment A – Rate Summary

			6/1/2012-12/31/2012
			Prepaid Final Rates w/ Tax (Net of GME)
Region Description	COA Description	RC Description	PMPM or Cost/Delivery
Shreveport	SSI	0-2 Months, Male and Female	\$ 13,691.96
Shreveport	SSI	3-11 Months, Male and Female	\$ 2,963.18
Shreveport	SSI	1-5 Years, Male and Female	\$ 551.23
Shreveport	SSI	6-13 Years, Male and Female	\$ 163.90
Shreveport	SSI	14-18 Years, Male and Female	\$ 168.66
Shreveport	SSI	19-44 Years, Male and Female	\$ 385.34
Shreveport	SSI	45+ Years, Male and Female	\$ 585.83
Shreveport	Family and Children	0-2 Months, Male and Female	\$ 1,109.26
Shreveport	Family and Children	3-11 Months, Male and Female	\$ 196.08
Shreveport	Family and Children	1-5 Years, Male and Female	\$ 83.75
Shreveport	Family and Children	6-13 Years, Male and Female	\$ 49.33
Shreveport	Family and Children	14-18 Years, Female	\$ 92.59
Shreveport	Family and Children	14-18 Years, Male	\$ 55.58
Shreveport	Family and Children	19-44 Years, Female	\$ 187.08
Shreveport	Family and Children	19-44 Years, Male	\$ 177.30
Shreveport	Family and Children	45+ Years, Female	\$ 273.05
Shreveport	Family and Children	45+ Years, Male	\$ 307.25
Shreveport	Foster Care Children	Foster Care, All Ages Male & Female	\$ 113.75
Shreveport	Breast and Cervical Cancer	BCC, All Ages Female	\$ 1,714.78
Shreveport	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 5,122.81
Monroe	SSI	0-2 Months, Male and Female	\$ 13,691.96
Monroe	SSI	3-11 Months, Male and Female	\$ 2,963.18
Monroe	SSI	1-5 Years, Male and Female	\$ 551.23
Monroe	SSI	6-13 Years, Male and Female	\$ 163.90
Monroe	SSI	14-18 Years, Male and Female	\$ 168.66
Monroe	SSI	19-44 Years, Male and Female	\$ 336.82
Monroe	SSI	45+ Years, Male and Female	\$ 607.64
Monroe	Family and Children	0-2 Months, Male and Female	\$ 1,296.17
Monroe	Family and Children	3-11 Months, Male and Female	\$ 223.47
Monroe	Family and Children	1-5 Years, Male and Female	\$ 95.91
Monroe	Family and Children	6-13 Years, Male and Female	\$ 58.94
Monroe	Family and Children	14-18 Years, Female	\$ 100.75
Monroe	Family and Children	14-18 Years, Male	\$ 68.73
Monroe	Family and Children	19-44 Years, Female	\$ 175.09
Monroe	Family and Children	19-44 Years, Male	\$ 177.30
Monroe	Family and Children	45+ Years, Female	\$ 273.05
Monroe	Family and Children	45+ Years, Male	\$ 307.25
Monroe	Foster Care Children	Foster Care, All Ages Male & Female	\$ 113.75
Monroe	Breast and Cervical Cancer	BCC, All Ages Female	\$ 1,714.78
Monroe	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 5,287.82