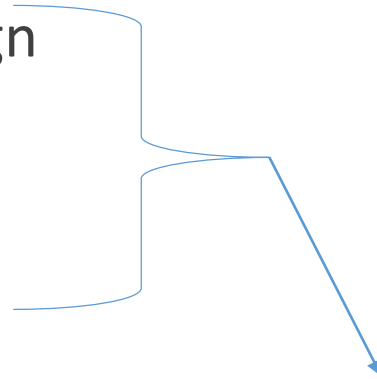


Objective

- Project Ohio's Medicaid medical inflation rate for the upcoming biennium

4 Determinants of Risk:

- Program Design
- Population
- Benefits
- Network



$$\text{PMPM} = \frac{\text{Utilization per 1,000} \times \text{Unit Cost}}{12,000}$$

Expenditure Exclusions

- Excludes one-time funds and spending that is not tied to a recipient
 - State Administration
 - HCAP – Hospital Care Assurance Program
 - Hospital UPL (Upper Payment Limit)
 - P4P – Managed Care Pay for Performance
 - HIF – Health Insurer Fee
 - Settlements and Rebates handled outside of the claims system and paid outside of managed care capitation rates
 - Physician UPL/*CICIP*
 - *Hospital Pass Through Payments*
 - *HIC Franchise & Premium taxes*

Optumas Projection for FY 2022-2023 Budget

SFY 2021 Projection PMPM		
SFY	Lower Bound	Upper Bound
2021 - Optumas	\$761	\$765

	Projection PMPM		Annualized Trend	
SFY	Lower Bound	Upper Bound	Lower Bound	Upper Bound
2022	\$785	\$796	3.1%	4.0%
2023	\$809	\$828	3.1%	4.1%
2021 - 2023			3.1%	4.1%

Benchmark: CPI Rate for Medical Care

	Midwest CPI	US CPI
September 2018	1.5%	1.7%
September 2019	3.0%	3.5%
September 2020	4.4%	4.2%
	Unweighted	Unweighted
3 Year Average	3.0%	3.1%

Source: Bureau of Labor Statistics

National Trends

CPI - Midwest

	FY 2021 PMPM	FY 2022	% change	FY 2023	% change	Biennial Increase
CPI - Medical	\$761	\$784	3.0%	\$808	3.0%	3.0%

CMS' Medicaid 2019

National Health Expenditures

	FY 2021 PMPM	FY 2022	% change	FY 2023	% change	Biennial Increase
CMS – 2019	\$761	\$791	3.9%	\$822	3.9%	3.9%

JMOC Rate Options: FY 2022-2023

	FY 2021 Estimate	FY 2022 Projection	Growth Rate	FY 2023 Projection	Growth Rate	Biennial Average
Optumas: Lower Bound	\$761	\$785	3.1%	\$809	3.1%	3.1%
Optumas: Upper Bound	\$765	\$796	4.0%	\$828	4.1%	4.1%

	FY 20201 Estimate	FY 2022 Projection	Growth Rate	FY 2023 Projection	Growth Rate	Biennial Average
Lower Bound PMPM	\$761	\$786	3.3%	\$812	3.3%	3.3%
Upper Bound PMPM	\$765	\$792	3.5%	\$820	3.5%	3.5%

JMOC's Growth Rates Passed for Prior Operating Budgets

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
JMOC Rates	2.9%	3.3%	3.3%	3.3%	3.3%	3.4%