

Capital Rate - Based on Age of Building - Modeled Rates - Rates not Guaranteed

1. Based on grouping by age of building, identified the rates of the newest group and the oldest group.
2. Gap between the oldest and the newest is calculated.
3. Assumed that 40 years of life for building (Useful life per AHA on Building)
4. Gap per life is calculated. This is the reduction in rate as the building ages per one year.
5. Age of building freezes at age 40 and receives the rate of 40.

	(a) Newest Group Rate	(b) Oldest Group Rate	(c) (a) - (b) Gap	(d) AHA Life	(e) (c) / (d) Gap / Life
7 groups	17.42	10.11	7.31	40	0.18

Base Year Capital Rate

Age of Building	7 Group
0	17.42 = (a)
1	17.24 = (e) - Building age 0
2	17.06 = (e) - Building age 1
3	16.88 etc
4	16.70
5	16.52
6	16.34
7	16.16
8	15.98
9	15.80
10	15.62
11	15.44
12	15.26
13	15.08
14	14.90
15	14.72
16	14.54
17	14.36
18	14.18
19	14.00
20	13.82
21	13.64
22	13.46
23	13.28
24	13.10
25	12.92
26	12.74
27	12.56
28	12.38
29	12.20
30	12.02
31	11.84
32	11.66
33	11.48
34	11.30
35	11.12
36	10.94
37	10.76
38	10.58
39	10.40
40	10.11 = Oldest rate above
41 and Over	10.11



Property - Building Age - Modeled Rates - Rates not Guaranteed

Prov #	Patient Days		Age	7 Group			Current Frozen	
	Medicaid	Total		Adjusted Building Age	Modeled Rate	Cost/ Assumed Occupancy	Profit/(Loss)	Rate
1	9,770	14,441	46	\$ 10.11	\$ 19.44	\$ (9.33)	\$ 10.41	\$ (0.30)
2	8,951	11,741	43	\$ 10.11	\$ 6.97	\$ 3.14	\$ 3.54	\$ 6.57
3	11,173	20,268	20	\$ 13.82	\$ 5.18	\$ 8.64	\$ 7.26	\$ 6.56
4	21,790	34,014	44	\$ 10.11	\$ 14.78	\$ (4.67)	\$ 5.07	\$ 5.04
5	5,866	10,533	25	\$ 12.92	\$ 5.42	\$ 7.50	\$ 3.91	\$ 9.01
6	13,266	19,056	31	\$ 11.84	\$ 29.43	\$ (17.59)	\$ 11.85	\$ (0.01)
7	22,809	35,391	31	\$ 11.84	\$ 9.49	\$ 2.35	\$ 9.50	\$ 2.34
8	62	1,704	31	\$ 11.84	\$ 27.37	\$ (15.53)	\$ 10.28	\$ 1.56
9	16,056	25,598	19	\$ 14.00	\$ 34.61	\$ (20.61)	\$ 2.67	\$ 11.33
10	27,821	44,225	32	\$ 11.66	\$ 22.24	\$ (10.58)	\$ 5.64	\$ 6.02
11	20,069	28,756	47	\$ 10.11	\$ 9.01	\$ 1.10	\$ 3.60	\$ 6.51
12	21,343	41,131	17	\$ 14.36	\$ 10.29	\$ 4.07	\$ 12.04	\$ 2.32
13	21,935	51,546	12	\$ 15.26	\$ 20.09	\$ (4.83)	\$ 8.64	\$ 6.62
14	8,370	12,434	26	\$ 12.74	\$ 4.05	\$ 8.69	\$ 7.07	\$ 5.67
15	22,810	27,348	17	\$ 14.36	\$ 7.72	\$ 6.64	\$ 8.04	\$ 6.32
16	29,230	39,529	43	\$ 10.11	\$ 12.14	\$ (2.03)	\$ 8.74	\$ 1.37
17	7,774	14,083	46	\$ 10.11	\$ 4.78	\$ 5.33	\$ 9.80	\$ 0.31
18	24,574	38,606	41	\$ 10.11	\$ 15.62	\$ (5.51)	\$ 3.41	\$ 6.70
19	20,695	32,542	14	\$ 14.90	\$ 21.04	\$ (6.14)	\$ 10.31	\$ 4.59
20	9,671	14,112	29	\$ 12.20	\$ 13.73	\$ (1.53)	\$ 10.97	\$ 1.23
21	17,286	25,822	46	\$ 10.11	\$ 27.41	\$ (17.30)	\$ 2.57	\$ 7.54
22	38,631	64,496	46	\$ 10.11	\$ 10.38	\$ (0.27)	\$ 6.82	\$ 3.29
23	21,291	32,136	45	\$ 10.11	\$ 11.07	\$ (0.96)	\$ 2.93	\$ 7.18
24	14,354	19,495	39	\$ 10.40	\$ 26.42	\$ (16.02)	\$ 2.41	\$ 7.99
25	5,179	7,905	12	\$ 15.26	\$ 11.46	\$ 3.80	\$ 11.20	\$ 4.06
26	8,877	18,238	19	\$ 14.00	\$ 32.39	\$ (18.39)	\$ 10.68	\$ 3.32
27	3,675	4,263	14	\$ 14.90	\$ 18.52	\$ (3.62)	\$ 10.18	\$ 4.72
28	6,763	12,558	33	\$ 11.48	\$ 8.89	\$ 2.59	\$ 6.10	\$ 5.38
29	14,110	17,572	43	\$ 10.11	\$ 10.66	\$ (0.55)	\$ 1.99	\$ 8.12
30	7,398	10,353	37	\$ 10.76	\$ 4.50	\$ 6.26	\$ 8.71	\$ 2.05
31	17,644	27,070	38	\$ 10.58	\$ 9.99	\$ 0.59	\$ 10.34	\$ 0.24
32	11,038	19,406	16	\$ 14.54	\$ 8.33	\$ 6.21	\$ 7.89	\$ 6.65
33	14,152	27,062	20	\$ 13.82	\$ 8.89	\$ 4.93	\$ 11.07	\$ 2.75
34	11,251	20,097	24	\$ 13.10	\$ 5.12	\$ 7.98	\$ 6.14	\$ 6.96
35	10,665	22,160	49	\$ 10.11	\$ 4.96	\$ 5.15	\$ 1.87	\$ 8.24
36	20,387	23,007	21	\$ 13.64	\$ 5.28	\$ 8.36	\$ 4.00	\$ 9.64
37	-	-	0	\$ 17.42	\$ 28.75	\$ (11.33)	\$ 11.92	\$ 5.50
	<u>546,736</u>	<u>868,698</u>	30	\$ 11.90	\$ 13.91	\$ (2.00)	\$ 6.85	\$ 5.05
					Profit / (Loss)	(1,094,841)		

A simple average of 31 years old is used for provider who did not submit the survey

Price Model - With Case Mix Adjustment (CMA) - Model - Rates not Guaranteed

Topic	Preliminary Model - Cheyenne Meeting	Cheyenne Meeting Changes
Methodology	Price Based	
Cost Limits	No, paying a fixed price	
Case Mix Adjustments	Yes	
Cost Centers Treatment:		
Exempt (E)	Pay MCD share of cost - no cap	
Healthcare (HC)	Fixed price - no case mix adj	
Healthcare Case Mix Adj (CMA) Routine	Fixed price - yes case mix adj	
Healthcare Case Mix Adj (CMA) Ancillary	Fixed price - no case mix adj	
Operating	Fixed price - no case mix adj	
Efficiency Incentive	No, automatically built into a price system	
Case Mix Period Used	MCD CMI Only Most Recent 4 quarters available to us 1/1/13, 4/1/13, 7/1/13, 10/1/13	

Current Estimated MCD Payments Using 2009 Frozen Rates

Cost Category	Preliminary Model - Cheyenne Meeting			
	Current Total Reimb (a)	MCD Budget Increase (b)	Price Budget (e)	Increase
Property	\$ 3,744,508		\$ 6,000,000	(e)
Operating	22,214,532	10%	24,435,985	2,221,453
Healthcare	64,228,456	10%	70,651,301	6,422,846
Total	<u>\$ 90,187,495</u>		<u>\$ 101,087,286</u>	<u>\$ 8,644,299</u>

Identify "Fixed" Portions of Total Budget - Balance Avail for Price

	Modeled Budget	
Total Budget Above	\$ 101,087,286	
Less: MCD Share Exempt	2,624,333	(from rate calc w/s in this workbook)
Less: MCD Share Property	<u>6,000,000</u>	(modeled separately)
Available for Price Setting	<u>\$ 92,462,954</u>	

Allocate the Remaining Budget to Set Price for HC, HC-CMA, & O

	Gross Cost	% Total	Price Budget	MCD Days	Model 2 Price Yes Case Mix Adj
Healthcare (HC)	35,796,537	22.57%	20,868,889	546,736	\$ 38.17
Healthcare - CMA Routine (c)	81,871,896	51.62%	47,729,377	546,736	\$ 86.88
Healthcare - CMA Ancillary (c)	2,947,313	1.86%	1,719,811	546,736	\$ 3.15
Operating	<u>37,977,056</u>	23.95%	<u>22,144,877</u>	546,736	<u>\$ 40.50</u>
Total	<u>158,592,803</u>	100.00%	<u>92,462,954</u>	546,736	<u>\$ 168.70</u>
		Exempt	<u>2,624,333</u>		
Total on Rate Calc WS (rounding diffs)			<u>95,087,286</u>		

(d) See Cell U5 on Rate Worksheet

- (a) Gross and includes state + federal dollars
- (b) Budget increases (if they occur) are unknown, amounts are merely for modeling purposes and are made up.
- (c) Only the "Routine" HCA cost center is case mix adjusted. "Ancillary HCA" is not because we allow costs based on allowed MCD & Other Charge utilization.
- (d) Manually changed the HCA Price until total Medicaid expenditures = the Price Budget.
- (e) Capital budget forced to equal separate building reage model budget. Property "increase" excluded from here so the impact of the other cost centers can be isolated.



Total with Profit 15
 Total with (Loss) 21

PRICE MODEL - WITH CASE MIX ADJUSTMENT - Modeling Purposes Only - Rates not Guaranteed

Prov #		Patient Days		Exempt	Healthcare		
Prov #	Hosp Based Free Standing	medicaid	Total	Allowed Cost	Cost PPD	Price	Profit / (Loss)
1	HB	9,770	14,441	5.21	64.51	38.17	(26.34)
2	HB	8,951	11,741	4.66	40.67	38.17	(2.50)
3	FS	11,173	20,268	2.24	50.36	38.17	(12.19)
4	FS	21,790	34,014	4.50	28.26	38.17	9.91
5	HB	5,866	10,533	4.02	38.77	38.17	(0.60)
6	FS	13,266	19,056	7.59	30.19	38.17	7.98
7	FS	22,809	35,391	4.74	32.82	38.17	5.35
8	HB	62	1,704	22.05	100.94	38.17	(62.77)
9	FS	16,056	25,598	4.22	29.59	38.17	8.58
10	FS	27,821	44,225	5.31	25.81	38.17	12.36
11	FS	20,069	28,756	5.53	36.92	38.17	1.25
12	FS	21,343	41,131	3.97	42.62	38.17	(4.45)
13	FS	21,935	51,546	1.32	42.63	38.17	(4.46)
14	FS	8,370	12,434	4.02	50.34	38.17	(12.17)
15	HB	22,810	27,348	4.73	40.37	38.17	(2.20)
16	HB	29,230	39,529	2.89	68.84	38.17	(30.67)
17	FS	7,774	14,083	3.43	56.07	38.17	(17.90)
18	FS	24,574	38,606	4.07	29.17	38.17	9.00
19	HB	20,695	32,542	7.83	41.99	38.17	(3.82)
20	FS	9,671	14,112	7.08	56.27	38.17	(18.10)
21	FS	17,286	25,822	4.81	27.43	38.17	10.74
22	FS	38,631	64,496	4.29	48.83	38.17	(10.66)
23	FS	21,291	32,136	4.69	33.65	38.17	4.52
24	FS	14,354	19,495	4.02	34.64	38.17	3.53
25	HB	5,179	7,905	11.37	121.05	38.17	(82.88)
26	HB	8,877	18,238	4.45	33.39	38.17	4.78
27	HB	3,675	4,263	5.70	41.78	38.17	(3.61)
28	FS	6,763	12,558	2.07	60.48	38.17	(22.31)
29	FS	14,110	17,572	5.11	37.87	38.17	0.30
30	FS	7,398	10,353	7.68	53.80	38.17	(15.63)
31	HB	17,644	27,070	6.53	35.47	38.17	2.70
32	HB	11,038	19,406	5.80	35.38	38.17	2.79
33	FS	14,152	27,062	4.03	41.82	38.17	(3.65)
34	FS	11,251	20,097	3.55	42.69	38.17	(4.52)
35	FS	10,665	22,160	4.18	34.14	38.17	4.03
36	FS	20,387	23,007	7.88	39.85	38.17	(1.68)
37	FS						
GRAND TOTAL ALL (MCD Day Avg)		546,736	868,698	4.80	41.18	38.17	(3.01)
				2,624,333	Profit / (Loss)		(1,645,675)



Total with Profit 16
Total with (Loss) 20

Price Budget 47,729,377
Sum Expenditures in Col H 47,806,596

Calculated Price (Manually manipulate until Price = Expenditures) \$ 86.88

PRICE MODEL - WITH CA

Prov #	A	B	C	D	E Avg A-C	F Source Data CMI	G E/F	H Price * G	J	K H - J
Healthcare CMA (Routine Costs Only)										
Prov #	MCD CMI				4 Qu			Case Mix	Cost	Profit /
	01/01/2013	04/01/2013	07/01/2013	10/01/2013	4 Qu Facility MCD Avg	Statewide Average	Ratio	Adj Price	PPD	(Loss)
1	0.9022	0.9379	0.9596	0.9177	0.9294	0.9068	1.0248	89.04	129.99	(40.95)
2	0.7085	0.6852	0.6724	0.7030	0.6923	0.9068	0.7634	66.32	57.23	9.09
3	0.9370	0.9250	0.9058	0.8849	0.9132	0.9068	1.0070	87.49	120.52	(33.03)
4	0.9725	0.9594	1.0033	0.9770	0.9781	0.9068	1.0785	93.70	66.22	27.48
5	1.1177	1.1236	1.0550	1.0444	1.0852	0.9068	1.1967	103.97	61.01	42.96
6	0.7547	0.7760	0.7715	0.7954	0.7744	0.9068	0.8540	74.19	62.28	11.91
7	0.7896	0.8027	0.8288	0.8498	0.8177	0.9068	0.9017	78.34	89.27	(10.93)
8	1.3300	1.2300	1.2300	1.3160	1.2765	0.9068	1.4077	122.30	407.17	(284.87)
9	0.8587	0.9773	0.8606	0.7809	0.8694	0.9068	0.9587	83.29	66.98	16.31
10	0.9264	0.8994	0.9227	0.8931	0.9104	0.9068	1.0039	87.22	71.04	16.18
11	0.8138	0.8836	0.8937	0.8916	0.8707	0.9068	0.9601	83.42	76.30	7.12
12	1.0792	1.0517	1.0619	1.0656	1.0646	0.9068	1.1740	102.00	87.88	14.12
13	1.0581	1.0235	0.9953	0.9687	1.0114	0.9068	1.1153	96.90	94.11	2.79
14	0.8835	0.8938	0.9439	0.9443	0.9164	0.9068	1.0105	87.79	104.57	(16.78)
15	0.7611	0.7946	0.8334	0.7802	0.7923	0.9068	0.8737	75.91	99.56	(23.65)
16	0.8896	0.8807	0.9422	0.8994	0.9030	0.9068	0.9958	86.51	112.58	(26.07)
17	0.7448	0.7571	0.8581	0.8579	0.8045	0.9068	0.8871	77.07	99.38	(22.31)
18	0.9775	0.9775	0.9563	0.9815	0.9732	0.9068	1.0732	93.24	73.88	19.36
19	0.9657	0.9505	0.9788	0.9856	0.9702	0.9068	1.0698	92.95	145.19	(52.24)
20	0.9667	1.0441	1.0858	1.1404	1.0593	0.9068	1.1681	101.48	59.12	42.36
21	0.9889	0.9455	0.9472	0.9543	0.9590	0.9068	1.0575	91.88	66.91	24.97
22	0.9289	0.9529	0.9427	0.9057	0.9326	0.9068	1.0284	89.34	90.98	(1.64)
23	1.0248	0.9979	1.0214	0.9248	0.9922	0.9068	1.0942	95.06	73.46	21.60
24	0.8605	0.8962	0.8763	0.9085	0.8854	0.9068	0.9763	84.82	77.11	7.71
25	1.0663	0.9476	0.8547	0.9515	0.9550	0.9068	1.0532	91.50	96.16	(4.66)
26	0.9283	0.9155	0.9660	0.9209	0.9327	0.9068	1.0285	89.36	163.05	(73.69)
27	0.9916	0.9994	0.9545	0.9895	0.9838	0.9068	1.0848	94.25	148.65	(54.40)
28	1.0063	0.9767	0.9447	0.9818	0.9774	0.9068	1.0778	93.64	117.60	(23.96)
29	0.9451	0.9603	0.9131	0.8988	0.9293	0.9068	1.0248	89.04	83.54	5.50
30	0.8504	0.8483	0.8271	0.8809	0.8517	0.9068	0.9392	81.60	87.78	(6.18)
31	0.8302	0.8067	0.8157	0.8015	0.8135	0.9068	0.8971	77.94	143.32	(65.38)
32	0.9160	0.9152	0.8850	0.8444	0.8902	0.9068	0.9816	85.28	101.26	(15.98)
33	1.1580	1.1377	1.1077	1.0815	1.1212	0.9068	1.2364	107.42	82.01	25.41
34	0.7957	0.8022	0.8394	0.7888	0.8065	0.9068	0.8894	77.27	108.68	(31.41)
35	0.9100	0.9506	0.8870	0.9358	0.9209	0.9068	1.0155	88.22	89.47	(1.25)
36	0.7398	0.7170	0.6917	0.6577	0.7016	0.9068	0.7736	67.21	140.56	(73.35)
37										
GRAND TOTAL ALL (MCD De	0.9100	0.9200	0.9200	0.9000	0.9100	0.9100	1.0100	\$ 87.44	93.74	(6.29)
Estimated Case Mix Adj Expenditures								47,806,596	rofit / (Loss)	(3,438,969)



Total with Profit	18	Total with Profit	15
Total with (Loss)	18	Total with (Loss)	21

PRICE MODEL - WITH CA

<u>Prov #</u>	<u>Healthcare CMA (Ancillary)</u>			<u>Operating</u>			<u>Total</u>
<u>Prov #</u>	<u>Cost PPD</u>	<u>Price</u>	<u>Profit / (Loss)</u>	<u>Cost PPD</u>	<u>Price</u>	<u>Profit / (Loss)</u>	<u>Total Price Rate</u>
1	-	3.15	3.15	51.70	40.50	(11.20)	176.07
2	-	3.15	3.15	38.11	40.50	2.39	152.80
3	1.71	3.15	1.44	47.99	40.50	(7.49)	171.55
4	3.93	3.15	(0.78)	33.76	40.50	6.74	180.02
5	-	3.15	3.15	34.80	40.50	5.70	189.81
6	5.40	3.15	(2.25)	31.99	40.50	8.51	163.60
7	-	3.15	3.15	48.82	40.50	(8.32)	164.90
8	14.07	3.15	(10.92)	182.83	40.50	(142.33)	226.17
9	4.18	3.15	(1.03)	43.31	40.50	(2.81)	169.33
10	4.01	3.15	(0.86)	39.18	40.50	1.32	174.35
11	5.65	3.15	(2.50)	34.79	40.50	5.71	170.77
12	5.25	3.15	(2.10)	34.88	40.50	5.62	187.79
13	8.20	3.15	(5.05)	38.83	40.50	1.67	180.04
14	1.02	3.15	2.13	48.27	40.50	(7.77)	173.63
15	0.12	3.15	3.03	33.45	40.50	7.05	162.46
16	2.32	3.15	0.83	40.84	40.50	(0.34)	171.22
17	0.21	3.15	2.94	44.31	40.50	(3.81)	162.32
18	3.47	3.15	(0.32)	56.23	40.50	(15.73)	179.13
19	-	3.15	3.15	56.77	40.50	(16.27)	182.60
20	6.64	3.15	(3.49)	40.83	40.50	(0.33)	190.38
21	7.55	3.15	(4.40)	41.15	40.50	(0.65)	178.51
22	2.77	3.15	0.38	38.56	40.50	1.94	175.45
23	3.35	3.15	(0.20)	38.34	40.50	2.16	181.57
24	5.52	3.15	(2.37)	49.07	40.50	(8.57)	170.66
25	-	3.15	3.15	71.84	40.50	(31.34)	184.69
26	0.08	3.15	3.07	76.86	40.50	(36.36)	175.63
27	0.79	3.15	2.36	32.72	40.50	7.78	181.77
28	9.68	3.15	(6.53)	55.81	40.50	(15.31)	177.53
29	6.26	3.15	(3.11)	37.17	40.50	3.33	175.96
30	4.34	3.15	(1.19)	59.84	40.50	(19.34)	171.10
31	0.56	3.15	2.59	46.85	40.50	(6.35)	166.29
32	-	3.15	3.15	49.86	40.50	(9.36)	172.90
33	7.00	3.15	(3.85)	37.24	40.50	3.26	193.27
34	4.57	3.15	(1.42)	44.07	40.50	(3.57)	162.64
35	2.69	3.15	0.46	37.12	40.50	3.38	174.22
36	0.12	3.15	3.03	54.23	40.50	(13.73)	156.91
37							
GRAND TOTAL ALL (MCD Dε \$	3.22 \$	3.15 \$	(0.07)	43.44	40.50	(2.94)	174.06
		Profit / (Loss)	(38,272)	Profit / (Loss)	(1,607,404)		95,164,868



Total With Increase 29
 Total with Decrease 7

PRICE MODEL - WITH CA

Prov #	10/1/09 Frozen Rates		Payment Compare			
Prov #	Healthcare	Operating	Frozen Total	Change	Increased MCD Pmts	Cost Coverage
1	134.29	41.86	176.15	(0.08)	(759)	70%
2	96.14	46.08	142.22	10.59	94,778	109%
3	134.03	41.78	175.81	(4.26)	(47,599)	78%
4	113.53	37.10	150.63	29.39	640,477	136%
5	100.91	44.86	145.77	44.04	258,336	137%
6	110.40	45.46	155.86	7.74	102,707	124%
7	104.62	43.57	148.19	16.71	381,105	94%
8	134.28	41.85	176.13	50.04	3,102	32%
9	94.36	42.85	137.22	32.12	515,641	118%
10	112.00	42.55	154.55	19.80	550,907	123%
11	103.33	41.99	145.32	25.45	510,676	111%
12	118.90	41.73	160.63	27.16	579,664	111%
13	128.91	41.91	170.83	9.21	202,086	102%
14	167.35	51.58	218.93	(45.30)	(379,160)	84%
15	130.74	40.92	171.66	(9.20)	(209,905)	91%
16	126.10	38.94	165.04	6.18	180,689	76%
17	130.74	40.75	171.49	(9.17)	(71,274)	80%
18	108.03	35.83	143.86	35.27	866,688	110%
19	132.01	41.15	173.16	9.44	195,268	73%
20	129.17	41.70	170.86	19.52	188,764	117%
21	99.18	40.60	139.79	38.72	669,312	127%
22	128.38	36.30	164.68	10.78	416,357	96%
23	107.26	38.00	145.26	36.31	773,119	121%
24	101.00	42.25	143.24	27.42	393,584	104%
25	134.35	41.88	176.23	8.46	43,813	61%
26	134.31	41.86	176.17	(0.55)	(4,853)	63%
27	135.64	34.81	170.46	11.31	41,576	79%
28	123.67	38.55	162.22	15.30	103,507	75%
29	104.42	40.00	144.42	31.54	445,064	107%
30	107.03	44.29	151.32	19.77	146,286	82%
31	133.20	42.71	175.91	(9.62)	(169,679)	72%
32	123.09	42.36	165.45	7.45	82,260	90%
33	114.12	39.92	154.04	39.23	555,211	117%
34	106.98	41.99	148.98	13.66	153,736	82%
35	95.81	35.72	131.53	42.70	455,351	106%
36	117.59	36.65	154.25	2.66	54,302	65%
37						
GRAND TOTAL ALL (MCD De	117.48	40.63	158.11	15.95	8,721,137	99%