



Rhode Island Total Cost of Care Study

Drivers of Medical Cost in Rhode Island from 2011 to 2013

Prepared for:

The Rhode Island Office of the Health Insurance Commissioner (OHIC) and to support the work of the Health Care Planning and Accountability Advisory Council (HCPAAC)

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1.1. Executive Summary

In 2013 the Rhode Island General Assembly amended R.I.G.L §23-81-4 to require the Health Care Planning and Accountability Advisory Council, in consultation with the Office of the Health Insurance Commissioner, to review health system total cost drivers. The following report fulfills the General Assembly's charge and fills an important gap in our understanding of health care costs in Rhode Island from a local and regional perspective. This report furnishes policymakers, health care leaders, and the public at large new information to advance our understanding of spending on health care services, and to create a comprehensive baseline of health care costs from which future health care strategies can be measured. By obtaining and analyzing health care claim experience, representing all types of services for Rhode Island residents, for a three-year period (2011-2013), we are able to establish facts about how dollars are spent.

This report represents the first time Rhode Island has viewed health care spending comprehensively, from an all payer perspective and in a broader regional context. The analysis presented reveals a number of key findings including that Rhode Island experienced very low claim cost increases from 2011 to 2013 for all lines of business. On a per member per month basis, annualized medical claim cost trends averaged approximately -2% to 3% for commercial, Medicare, and Medicaid populations. Analysis of prescription drug data for commercial business showed that prescription drug claim costs during this time period decreased per member per month, likely driven by a pharmacy benefit manager (PBM) contracting change for one of Rhode Island's large carriers. The decrease in prescription drug costs for commercial products in Rhode Island was the leading reason for muted overall trends. Overall, medical and prescription drug claim costs per capita changed on average 0.2% for all residents during 2011 to 2013.

The remainder of this report focuses on how utilization and costs per service by the various categories of service changed over time. This information is presented separately for commercial, Medicare, and Medicaid Rhode Island residents.

1.2. Background

Scope and Key Objectives

In May of 2014, The Rhode Island Office of the Health Insurance Commissioner (OHIC) contracted with Wakely Consulting Group (Wakely) to perform an analysis of the total cost of care provided to Rhode Island residents to support the work of the Health Care Planning and Accountability Advisory Council (HCPAAC). The HCPAAC is chaired by the Commissioner of OHIC and the Secretary of the Executive Office of Health and Human Services (EOHHS). This report contains the results of Wakely's work on the following items and tasks from the scope of work:

- A. Calculation of annual health spend over a three year time period
- B. Analysis of health spend in Rhode Island against regional benchmarks
- C. A breakdown of medical spend by payer type (Commercial, Medicare, Medicaid) and category of service
- D. Analysis on trend drivers with an emphasis on separating trend into utilization and unit cost components by detailed service category while assessing the magnitude and providing context for the changes

The key objectives that will be the focus of this report are to –

- Understand total cost of care and cost drivers to inform initiatives to improve health care system efficiency, quality and access
- Provide a baseline for a statewide health plan by providing an approach for defining and calculating health care spending

General Findings

Over the three year study period that spanned from 2011 to 2013, our study found per capita cost trends to be very low across payer types. As depicted in Table 1.1, annualized per capita trends¹ were recorded to be 0.2% per year on average over the study period.

¹ In Table 1.1 Total per capita trends are calculated as the dollar weighted average of per capita trends to mitigate the influence that population mix has on trend.

Table 1.1 – Enrollment and Per Capita Costs in Rhode Island from 2011 to 2013²

Rhode Island	Average Enrollment			Per Capita Cost			Per Capita Trend		
	2011	2012	2013	2011	2012	2013	2012	2013	Avg
Commercial									
Medical	414,764	405,835	398,360	\$ 3,786	\$ 3,977	\$ 3,983	5.1%	0.1%	2.6%
Pharmacy	338,766	328,003	319,805	\$ 1,076	\$ 1,110	\$ 1,017	3.1%	-8.4%	-2.8%
Medicare									
Medicare Advantage									
Medical	63,439	66,093	67,940	\$ 9,722	\$ 9,881	\$ 9,627	1.6%	-2.6%	-0.5%
Pharmacy	61,208	64,051	66,093	\$ 2,229	\$ 2,241	\$ 2,061	0.5%	-8.0%	-3.8%
Medicare FFS									
Medical	118,068	121,021	123,565	\$10,596	\$10,529	\$10,447	-0.6%	-0.8%	-0.7%
Pharmacy	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Medicaid									
RiteCare	117,728	120,393	121,386	\$ 2,778	\$ 2,784	\$ 2,782	0.2%	-0.1%	0.1%
RHP / CSHCN	19,731	20,021	19,892	\$12,796	\$12,779	\$13,482	-0.1%	5.5%	2.6%
FFS Only	32,341	32,610	32,762	\$21,932	\$21,874	\$21,153	-0.3%	-3.3%	-1.8%
Total	766,071	765,974	763,904	\$ 8,507	\$ 8,692	\$ 8,628	1.8%	-1.4%	0.2%

While each population was analyzed separately and will be discussed in detail in this report, the following themes emerged across payer types –

- Utilization trends for inpatient facility were consistently low
- Pharmacy trends were generally low or negative throughout the study period. This is generally a result of improvements in pharmacy contracting for one of Rhode Island’s large payers. Low pharmacy trends are not expected to persist, as discussed later in this report.
- Rhode Island’s per capita costs were generally lower than the New England average for Commercial and Medicare FFS populations.

² Medicare Advantage is the program which covers Medicare services through private insurers. FFS refers to fee-for-service, or traditional Medicare. Pharmacy information is not available for the Medicare FFS population. RiteCare is Rhode Island’s Medicaid program covering low income families, pregnant women and children. RHP, or Rhode Health Partners, generally covers Medicaid eligible aged, blind and disabled. CSN is the Medicaid program that generally covers children with special needs. ABD is aged, blind and disabled.

Commercial Findings***Commercial Trends within Rhode Island***

Over the duration of our study period of 2011 - 2013, commercial per capita spend in Rhode Island rose from \$4,862 in 2011 to \$5,000 in 2013, trending at an average annual rate³ of 1.4%.

Table 1.2 – Commercial Per Capita Costs in Rhode Island

Calendar Year	2011	2012	2013	Average
Average Enrollment	414,764	405,835	398,360	
Per Capita Spend	\$ 4,862	\$ 5,087	\$ 5,000	
Per Capita Spend Trend		4.6%	-1.7%	1.4%

An average annual growth rate of 1.4% is likely below what has been observed in previous years and much lower than can be expected in the foreseeable future. As indicated in Table 1.3, the following drove the rate of change in per capita spend over our study period –

- Utilization trends generally were low. Annualized utilization trends were near zero in the facility setting, slightly positive for professional services, and slightly negative on pharmacy. Only for ancillary services could the utilization trends be considered high.
- Unit cost trends generally were moderate, with the highest being in outpatient facility.
- The very low pharmacy unit cost trends were heavily driven by contract changes between the insurer and the pharmacy benefit manager. In Table 1.3 below, this can be seen in Pharmacy Unit Cost. This is a one-time change that is not expected to persist.

Table 1.3 – Commercial Average Trends in Rhode Island

Rhode Island Commercial	Annualized Average Trend		
	Utilization	Unit Cost	PMPY
Inpatient Facility	-1.4%	4.3%	2.8%
Outpatient Facility	0.2%	5.5%	5.7%
Ancillary	8.7%	-4.7%	3.6%
Professional	1.8%	0.3%	2.2%
Pharmacy	-1.6%	-1.2%	-2.8%
Total	0.0%	1.4%	1.4%

³ Throughout this study, Trend reflects the year over year change. For example, the 2012 Per Capita Spend Trend is the 2012 per capita spend / 2011 per capita spend – 1. “Average” trends depicts the annualized change from 2011 to 2013.

Regional Commercial Trend Comparison

Per capita costs in Rhode Island were also benchmarked against the broader New England region and Massachusetts specifically. To perform this analysis, MarketScan⁴ data was used. While the MarketScan[®] data reflects a slightly different population than the Rhode Island carrier data that was used for the basis of this study, the observed trends were generally consistent.

During the period between 2011 and 2013, levels of per capita spend and rates of trend are observed to be lower in Rhode Island than the rest of the New England region.

To ensure that differences in the demographic profiles of states don't drive differences in levels of per capita spend and rates of trend, we also reviewed the levels of per capita spend and rates of trend normalized for demographic differences. Demographic factors derived from MarketScan[®] data have been applied, and costs have been normalized so that a 1.0 reflects the demographic distribution in Rhode Island in 2011.

Demographic adjustments mostly affect Maine, New Hampshire, and Vermont, which have a relatively expensive profile of enrollees in the benchmark dataset. As indicated in Table 1.4⁵, after adjusting for demographics, Rhode Island is still among the lowest levels of per capita spend and rates of trend in the New England region.

Table 1.4 – Commercial Benchmarking, Normalized

State	Demographic Factor			Normalized Allowed PMPY			Normalized PMPY Trend		
	2011	2012	2013	2011	2012	2013	2012	2013	Avg
Connecticut	1.03	1.03	1.03	\$ 5,097	\$ 5,485	\$ 5,669	7.6%	3.3%	5.5%
Massachusetts	1.01	0.98	0.99	\$ 4,781	\$ 4,944	\$ 5,053	3.4%	2.2%	2.8%
Maine	1.08	1.07	1.07	\$ 4,808	\$ 4,894	\$ 4,957	1.8%	1.3%	1.5%
New Hampshire	1.03	1.04	1.04	\$ 5,210	\$ 5,375	\$ 5,690	3.2%	5.9%	4.5%
Rhode Island	1.00	0.99	0.99	\$ 4,781	\$ 4,888	\$ 4,837	2.2%	-1.0%	0.6%
Vermont	1.06	1.06	1.08	\$ 4,691	\$ 4,863	\$ 4,889	3.7%	0.5%	2.1%
New England	1.03	1.02	1.02	\$ 4,956	\$ 5,193	\$ 5,343	4.8%	2.9%	3.8%

⁴ This retrospective claims analysis utilized data from the Truven Health MarketScan[®] Commercial Claims Database for the period of 1/1/2011 to 12/31/2013. These data included health insurance claims across the continuum of care (e.g., inpatient, outpatient, outpatient pharmacy, carve-out behavioral healthcare) as well as enrollment data from large employers and health plans across the United States that provide private healthcare coverage for millions of employees, their spouses, and dependents. This administrative claims database includes a variety of fee-for-service, preferred provider organizations, and capitated health plans. MarketScan[®] is a registered trademark of Truven Health Analytics, Inc.

⁵ Shading is indicative of the relative cost levels presented in Table 1.4. Red signifies a higher number, while blue represents a lower number.

Wakely's more detailed commercial benchmarking analysis was focused on the differences between Rhode Island, Massachusetts, and the New England region as a whole. The key differences are as follows:

- Rhode Island has lower per capita expenses and lower per capita trends even after normalizing for demographic mix.
- Rhode Island has lower pharmacy trend but higher underlying pharmacy costs than Massachusetts and the New England region as a whole. The lower trend is likely driven by a pharmacy benefit manager (PBM) contracting change for one of Rhode Island's large carriers, and the higher costs are driven by higher underlying levels of prescription drug utilization.
- Rhode Island has substantially lower professional costs than Massachusetts and the New England Region. This difference in underlying costs is driven by unit cost differences, not utilization. When the unit costs were normalized for relative intensity using relative value units (RVUs, as described later in the report), we concluded that price differentials, not differences in mix of services or morbidity, are driving the difference in cost.

Table 1.5 – Commercial Benchmarking, Detail

Category of Service	2013 Allowed PMPY			Avg PMPY Trend			Avg PMPY Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Inpatient Facility	\$ 1,017	\$ 928	\$ 1,018	-0.1%	1.3%	3.3%	0.0%	0.2%	0.6%
Outpatient Facility	\$ 1,190	\$ 1,200	\$ 1,428	9.8%	2.2%	5.2%	2.2%	0.5%	1.3%
Ancillary	\$ 107	\$ 141	\$ 146	-8.9%	1.8%	3.7%	-0.2%	0.0%	0.1%
Professional	\$ 1,533	\$ 1,895	\$ 1,909	-3.4%	1.7%	2.6%	-1.1%	0.6%	0.9%
Pharmacy	\$ 961	\$ 861	\$ 965	-2.2%	4.7%	3.4%	-0.4%	0.8%	0.6%
Total	\$ 4,809	\$ 5,026	\$ 5,465	0.3%	2.3%	3.6%	0.3%	2.3%	3.6%

Medicare Findings

Our analysis of Medicare spending included both coverage through Medicare Advantage (e.g., private) plans, and traditional Medicare Fee-for-Service (FFS). We were not able to obtain the drug information for Medicare FFS enrollees who have drug coverage under a standalone prescription drug plan. It's also possible for someone to be enrolled in a Medicare Advantage (MA) plan that does not cover prescription drugs, which according to the results below only affects a small percentage of MA enrollment. Our analysis also excludes claims covered by Medicare Supplement plans. Our results indicate that per capita medical trend was comparable for both Medicare beneficiaries enrolled in a Medicare Advantage plan or the traditional Medicare FFS program in Rhode Island. Medical cost per capita spend averaged 7.4% less for Medicare Advantage enrollees than Medicare FFS beneficiaries in Rhode Island during the study period.

Table 1.6 – Medicare Summary

Type of Coverage	Average Enrollment			Allowed PMPY			Allowed PMPY Trend		
	2011	2012	2013	2011	2012	2013	2012	2013	Avg
Medicare FFS									
Medical Coverage	118,068	121,021	123,565	\$10,596	\$10,529	\$10,447	-0.6%	-0.8%	-0.7%
Pharmacy Coverage	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Medicare Advantage									
Medical Coverage	63,439	66,093	67,940	\$ 9,722	\$ 9,881	\$ 9,627	1.6%	-2.6%	-0.5%
Pharmacy Coverage	61,208	64,051	66,093	\$ 2,229	\$ 2,241	\$ 2,061	0.5%	-8.0%	-3.8%
Total	63,439	66,093	67,940	\$11,951	\$12,123	\$11,688	1.4%	-3.6%	-1.1%

Medicare Trends within Rhode Island

In general, trends were low in Rhode Island in both the FFS and MA populations. Table 1.6 contains the average utilization, unit cost, and per capita trends over the study period. Findings include -

- Very low utilization trends on inpatient facility for both the MA and FFS populations
- High utilization trends in home health for both the MA and FFS populations
- The FFS population had much higher outpatient facility utilization trends than the MA population. Drivers include outpatient surgery, emergency room, and outpatient pharmacy
- Pharmacy cost trends on the MA population were low in 2013 largely due to a PBM change. This study does not include pharmacy information for the FFS population

Table 1.7 – Medicare Trend Summary

Category of Service	Average Trend					
	Medicare Advantage			Medicare FFS		
	Utilization	Unit Cost	PMPY	Utilization	Unit Cost	PMPY
Inpatient Facility	-4.6%	1.8%	-2.9%	-6.4%	2.0%	-4.5%
Outpatient Facility	1.2%	-0.8%	3.1%	6.7%	-1.5%	5.1%
Ancillary	5.9%	2.2%	8.6%	6.6%	-3.0%	3.3%
Professional	-2.3%	1.9%	-1.1%	2.8%	-2.8%	-0.1%
Pharmacy	1.4%	-5.2%	-3.8%	n/a	n/a	n/a
Total	-1.6%	0.5%	-1.1%	-0.7%	0.0%	-0.7%

Regional Comparison

In comparing Rhode Island's per capita costs and rates of growth for its Medicare FFS population to Massachusetts and the New England region, the following findings emerged –

- Rates of trend were found to be relatively comparable, but levels of per capita spend were higher in Massachusetts compared to Rhode Island.
- Differences in the relative risk of populations did not explain the difference in cost levels. Some of the variation may be due to regional variation in Medicare case rates and fee schedules.
- The driver of this cost differential was per capita spend on inpatient facility, where higher levels of underlying utilization and unit cost existed in Massachusetts compared to Rhode Island.
- Rhode Island's FFS population, however, had higher rates of trend and underlying utilization in outpatient facility, driven by emergency room and outpatient surgery.

Table 1.8 – New England Benchmarking - Medicare FFS – Per Capita Costs

State	Average Enrollment			Allowed PMPY			Allowed PMPY Trend		
	2011	2012	2013	2011	2012	2013	2012	2013	Avg
Rhode Island	118,068	121,021	123,565	\$10,596	\$10,529	\$10,447	-0.6%	-0.8%	-0.7%
Massachusetts	879,716	911,294	934,470	\$11,851	\$11,821	\$11,608	-0.3%	-1.8%	-1.0%
New England	2,003,402	2,058,412	2,097,355	\$11,044	\$11,019	\$10,954	-0.2%	-0.6%	-0.4%

Table 1.9 – New England Benchmarking - Medicare FFS – Utilization

Category of Service	2013 Utilization			2013 Utilization Trend			Avg Utilization Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Inpatient Facility	358	393	368	-6.4%	-6.2%	-5.2%	-2.9%	-3.0%	-2.4%
Outpatient Facility	10,396	10,159	9,853	6.7%	4.4%	3.8%	1.2%	0.7%	0.7%
Ancillary	6,299	5,882	5,498	6.6%	-2.9%	-1.5%	0.6%	-0.3%	-0.1%
Professional	29,022	28,978	28,452	2.8%	-2.0%	1.7%	0.3%	-0.5%	0.3%
Total				-0.7%	0.0%	0.0%	-0.7%	-3.1%	-1.6%

Medicaid Findings

Low per capita trends were also observed in the Medicaid population as depicted in Table 1.10. Medicaid per capita costs were segmented by general eligibility category and whether expenses were paid by a managed care organization (MCO, e.g., private insurer) or under the FFS program. Please note, administrative costs or capitation revenue paid to Medicaid MCOs was not analyzed in this study. Only costs directly related to services obtained by beneficiaries were analyzed.

Major findings are as follows –

- Low inpatient facility trends across populations with relative uniformity across populations (RiteCare⁶, etc.) and payer (Managed Care vs. FFS)
- Consistently low trends in dental (a service covered under FFS) across populations
- High home health trends in the FFS only population (mostly dual eligibles)
- Higher outpatient and professional managed care trends observed in the RHP/CSHCN population

Table 1.10 – Rhode Island – Medicaid – Per Capita Costs

Rhode Island	Paid PMPY			PMPY Trend			Average Enrollment		
	2011	2012	2013	2012	2013	Avg	2011	2012	2013
<u>RiteCare</u>									
Managed Care Claim Costs	\$ 2,495	\$ 2,518	\$ 2,551	0.9%	1.4%	1.1%			
FFS Claim Costs	\$ 283	\$ 266	\$ 231	-5.9%	-13.5%	-9.8%			
Total RiteCare	\$ 2,778	\$ 2,784	\$ 2,782	0.2%	-0.1%	0.1%	117,728	120,393	121,386
<u>RHP / CSHCN</u>									
Managed Care Claim Costs	\$ 10,508	\$ 10,604	\$ 11,166	0.9%	5.3%	3.1%			
FFS Claim Costs	\$ 2,288	\$ 2,176	\$ 2,316	-4.9%	6.5%	0.6%			
Total RHP / CSHCN	\$ 12,796	\$ 12,779	\$ 13,482	-0.1%	5.5%	2.6%	19,731	20,021	19,892
<u>FFS Only</u>									
Managed Care Claim Costs	\$ -	\$ -	\$ -	n/a	n/a	n/a			
FFS Claim Costs	\$ 21,932	\$ 21,874	\$ 21,153	-0.3%	-2.3%	-1.3%	32,341	32,610	32,762
Total	\$ 7,590	\$ 7,538	\$ 7,463	-0.1%	-0.2%	-0.1%	169,800	173,025	174,039

Note that Wakely's analysis of Medicaid claims data is less detailed than that for other payer types due to some data issues described in subsequent sections.

⁶ For more information on population definitions and detail on managed care vs. FFS expenses, see the section 4.3

2. DATA

Table 2.1 below describes the data sources utilized in the analysis presented in this study. Most of the data utilized in the study was provided to Wakely by RTI International (RTI) which had acquired the data from the carriers under authority of OHIC Bulletin 2013-2 for purposes of program evaluation for the State's all payer patient centered medical home (PCMH) initiative. The carrier data requested to support the medical home evaluation, and ultimately this project, was inclusive of claims for Rhode Island residents and out of state residents attributed to Rhode Island primary care providers for each major carrier's book of business.

Table 2.1 – Data Sources

Payer Type	Rhode Island Data Source	Regional Comparison
Commercial (including employer self-funded)	RI carrier data provided by RTI	MarketScan® Databases
Medicaid Managed Care	RI carrier data provided by RTI	N/A
Medicaid Fee for Service (FFS)	RI Medicaid FFS data provided by RTI	N/A
Medicare Fee for Service (FFS)	CMS Limited Data Set (LDS)	LDS ⁷
Medicare Advantage Plans (MA)	RI carrier data provided by RTI	N/A

Healthcare costs that are not contained in this study include but are not limited to –

- Medicare Supplement (Employer and Medigap)
- Medicare Part D costs for stand-alone prescription drug plans (PDPs)
- Costs for standalone dental and vision coverage
- Pharmacy rebates
- Costs of uncompensated care
- Costs related to the administration of healthcare outside of those remitted to providers as part of service costs

⁷ LDS was calibrated to represent all claims for Medicare FFS members in Wakely's analysis

2.1. Plan Data

This section describes the Rhode Island claim and eligibility data Wakely acquired through RTI for the three major insurers in Rhode Island, UnitedHealthcare (UHC), Blue Cross & Blue Shield of Rhode Island (BCBS), and Neighborhood Health Plan of Rhode Island (NHP).⁸

Data intake process

Wakely received detailed claim and enrollment data contained in a series of files provided by RTI during the winter of 2014 and into the spring of 2015. Upon receipt of the files, Wakely standardized the data for future processing and assessed it for reasonableness.

Steps to standardize the data reflect best practices in the industry and include:

- Creating an eligibility table from the enrollment data that reflects eligibility at a monthly level and indicates whether the member had medical coverage only or medical and pharmacy coverage
- Linking claims to enrollment at a member / monthly level
- Excluding denied claims
- Restricting the eligibility (and associated claims) to those for Rhode Island residents only
- Standardizing critical fields to be used in later analyses (procedure code, revenue code, etc.) across payers

Steps to assess the reasonableness of the data reflect best practices in the industry and include:

- Assessing the population of fields to be used in later analyses and the differences in population approaches across carriers
- Assessing the amount of claims that could not be attributed to a member based on the coverage indicated on the eligibility file
- Checking the population of data for consistency across time

⁸ During the study period, Tufts Health Plan was a recent market entrant and had a Rhode Island book of business covering fewer than 10,000 lives. As a result, Tufts was not included in this study.

Data Quality

After assessing the data, Wakely determined that there were notable variations in the data quality and population of data fields by carrier. The variations can be separated into two general types:

- 1) Major issues that might lead to inappropriate conclusions without addressing
- 2) Limitations that might impair a finer level of analysis

The major issues Wakely identified are discussed in more detail below.

Major Issues

After Wakely's initial assessment of the medical and claim data there were three major issues that were uncovered, that if left unaddressed, may have led to inappropriate conclusions. These issues were limited to a single payer and market segment and were corrected for later in the process as Wakely received control totals and supplemental data files directly from the carriers. The three issues were as follows -

- 1) The proportion of members without any medical claims changed drastically over time.

An important check to assess the quality of healthcare data is to measure the proportion of members without a single medical claim. There is going to be variation in this percentage depending on the type of coverage. For example, in the commercial line of business the proportion of people who have medical coverage but don't use a single healthcare service within a year is typically around 20%. In Medicare, this proportion is likely to be much lower as the relative morbidity of the population is substantially higher. Wakely looked for consistency in the data among payers for the same line of business across the time period of study. Wakely noticed that there was a payer / line of business combination for which this proportion varied markedly. Wakely investigated this issue at the member level and determined that claim data for some members was likely missing. For example, a member who was eligible throughout the entire calendar year would have multiple scripts per month and no medical claims over the entire year. Wakely rectified this issue by using supplemental data as described in the next section.

- 2) The proportion of claims that were unmatched to members (relative to total claims) was high and the proportion was not consistent over time.

As previously described, after receipt of the data, Wakely developed an eligibility file from the enrollment information provided and linked claims to membership by member ID and month of eligibility and incurred date of the claim. Wakely found that a particulate payer / line of business had a high proportion of claims that were unmatched relative to the total claims received. Investigating this further, it was discovered that eligibility end dates for many of the members didn't correspond to the member's claims. For example, a member would have an eligibility end date of 10/31/2012 and there would continue to be claims for this member

throughout November and December. Wakely wasn't able to determine which members had correct eligibility end dates and which ones were not correct. Wakely rectified this issue by using supplemental data as described in the next section.

3) There were periods of time for which there were anomalies in the pharmacy claim volume

When analyzing health care data, it is important to look for anomalies in the claim pattern by service date. Variations can be due to natural events like holidays, storms, or pandemics, or they can be due to errors in the claim data. It was discovered that for a payer / line of business, two weeks of pharmacy data were well below their normal volume. Similar to the issues above, Wakely modified the data to reflect supplemental data described in the next section.

Supplements to the data

After the claim and enrollment data went through initial processing and analysis, Wakely solicited feedback from the payers. Wakely developed templates at the payer / line of business level that contained summary claim and enrollment data by service category and quarter based on the data provided by RTI. Wakely also sent the carriers questions that related specifically to the issues encountered. The purposes of this exercise were to:

- Obtain health cost data for services that were covered under a capitated arrangement and not included in the RI carrier claim data
- Validate that the data reflected the carriers' internal records
- Supplement the data that contained major issues
- Ask targeted questions related to carrier-specific issues

Wakely worked with each carrier to supplement the claim and enrollment data used in this study to ensure the conclusions drawn are appropriate. This process required considerable judgment, and data was only summarized at a level for which Wakely felt the information was credible. For example, little detail is shown at the service category level on the Managed Medicaid data as there were major issues with one of the carrier's detailed data, and Wakely was not able to obtain a supplemental data file at a service category level.

2.2. Benchmarking Data

To examine how health care cost and utilization levels and trends varied between Rhode Island and the rest of the New England region, Wakely used two external datasets. For the Commercial comparison, Wakely used MarketScan®, and for the Medicare FFS comparison, the CMS Limited Dataset (LDS) was used. Comparison of Medicaid programs was deemed out of scope for this study, as there is a high level of variation by state in the types of Medicaid programs offered, populations who are eligible, and services covered, which would impede meaningful analytic comparisons.

Commercial Benchmarking

The Truven Health MarketScan® Research Databases contain individual-level, de-identified, healthcare claims information from employers, health plans, hospitals, Medicare, and Medicaid programs. Since their creation in the early 1990s, the MarketScan databases have grown into one of the largest collections of de-identified patient-level data in the nation. These databases reflect the real world of treatment patterns and costs by tracking millions of patients as they travel through the healthcare system offering detailed information about all aspects of care. Data from individual patients are integrated from all providers of care, maintaining all healthcare utilization and cost record connections at the patient level. Used primarily for research, these databases are fully HIPAA compliant. Research using MarketScan data has been widely publicized in peer-reviewed journals.

To ensure consistency in service categorization and utilization counting on the data from Rhode Island carriers and on MarketScan® data, the same methodology was applied to both data. For more details, see section 3.1.

Medicare Limited Dataset

Limited Data Sets (LDS) are CMS datasets that contain the beneficiary level eligibility and claims information under Medicare fee-for-service. Wakely is a purchaser of the 5% sample LDS data set. The LDS contains the denominator file (eligibility) and the following standard analytical files: Inpatient, Outpatient, Home Health, Skilled Nursing, Hospice, Carrier (Physician/supplier) and DME. Wakely uses HCC software V92212.79.L2 to apply 2014 HCC model risk adjustment factors (RAFs) to LDS members. Risk scores are based on diagnoses from the prior year for the current year beneficiaries. Risk scores are then summarized by county and adjusted to CMS published 100% Medicare FFS risk scores by county. These adjustments are used to calibrate the LDS medical costs to calendar year 100% Medicare FFS costs. The Dual/Non-Dual mix of 100% Medicare FFS data is assumed to be the same as the LDS data.

2.3. Limitations of Data

The data used for the analysis is robust and has been tested for reasonability. We believe the data utilized is appropriate for the analysis displayed. However, the following were key limitations of the data:

- The LDS is a sample of Medicare fee for service information. While it does not represent data for all fee for service beneficiaries, we have calibrated the sample data to match the overall fee for service experience in total.
- The Truven MarketScan data is a robust dataset; however, it consists primarily of large group experience. Differences between large group versus individual or small group populations has not been reflected.
- There were differences between the detailed Medicaid claims data received and the Medicaid expenditure reports provided by the State that were not reconcilable. These differences are explained further in this report.
- Healthcare costs that are not contained in this study include but are not limited to
 - Data related to Medicare Prescription Drug Plans
 - Medicare Supplement (Employer and Medigap)
 - Medicare Part D costs for stand-alone prescription drug plans (PDPs)
 - Costs for standalone dental and vision coverage
 - Pharmacy rebates
 - Costs of uncompensated care
 - Costs related to the administration of healthcare outside of those remitted to providers as part of service costs

3. METHODOLOGY

A standardized methodology to categorize claims and count utilization was applied to all the detailed claim data used in this study⁹. This includes detailed data from all three carriers, MarketScan® data from the New England region, and Medicaid FFS data. The purpose of this was to ensure that all data was as standardized as possible for comparison purposes.

3.1. Classification

Claims were categorized into the categories and subcategories related to the type of care received. Utilization attributable to the service is assigned in a standardized way so that costs per services can be understood and trends can be measured over time.

Utilization

The utilization assigned to a service depends on the type of service being administered. The following are the types of utilization metrics utilized in this study –

Admit_A – Reflects a continuous stay in a facility setting that lasts more than one night.

Day_D – The number of days a patient was in a facility during a continuous stay.

Visit_V – Applies to three types of services in the Outpatient facility setting (Emergency Room, Outpatient Surgery, and Observation) for which a patient would typically receive only one bill. For example, a member might go to the emergency room and have an MRI, lab tests, and an injection. All facility services within this event¹⁰ would get bundled together into the applicable category and one visit would be assigned. For occurrences in which there are revenue codes on an event that related to two or more of the three categories mentioned above, a hierarchical approach giving Emergency Room the highest priority and Observation the lowest was utilized.

Procedure_P – A unique combination of member, service date, provider, and code (either revenue or procedure) that has a positive allowed amount.

Script_S – For pharmacy claims, a count of prescriptions filled.

⁹ The exception to this is the Medicare FFS benchmark data that comes from the LDS. Wakely already had a standard process in place that was very similar to the methodology used on all other data.

¹⁰ In this case, event is defined as the same member, date of service, and provider.

Assignment into Service Categories

The utilization assigned to a service depends on the type of service being administered. The following are types of service categories¹¹ utilized in this study –

Inpatient Facility (A, D) – These claims represent an event that requires an overnight stay in a hospital. These events are flagged by the presence of a Diagnosis Related Group (DRG) or appropriate bill type code. Admits are assigned to a continuous stay, and days within that stay are also counted.

Outpatient Facility (V or P) – These claims have a valid revenue code but are not associated with an overnight stay in a hospital. Three of the categories are classified as “visit” based, and as previously described, include other facility claims associated with the event.

Professional (P) – These are services that don’t have a valid revenue code and are classified based on their procedure code.

For details on the detailed service categories, see the Appendix 6.1.

Pharmacy – Prescription drug data includes a valid National Drug Code (NDC). Drugs were classified into the four categories below based on NDC. Each NDC is classified in the same category (Specialty, Brand, or Generic) across payers and for the duration of the study.

Specialty (S) – While there is no standard way to define whether a drug is considered “Specialty,” they are “Typically used to treat chronic, serious, or life-threatening conditions, such as cancer, rheumatoid arthritis, growth hormone deficiency, and multiple sclerosis” and “are often priced much higher than traditional drugs.”¹² These drugs are typically priced in the thousands of dollars per 30 day supply and can sometimes run into the hundreds of thousands for an entire year of treatment. To define a drug as Specialty, Wakely used lists from several large PBMs.

Brand (S) – Brand drugs are defined using the Drug Source Indicator on the Medi-Span database. Generally if the brand is only sourced from one manufacturer or is a co-branded product, the drug is considered to be Brand.

Generic (S) – Generic drugs are drugs that have lost their patent protection and are typically much less expensive than drugs that still have patent protection.

¹¹ For details on the detailed category definitions, please see the Appendix section 6.1.

¹² Spatz, Ian. “Specialty Pharmaceuticals”, http://www.healthaffairs.org/healthpolicybriefs/brief.php?brief_id=103, HealthAffairs, 11/25/2013

Components of Cost and Definitions

Paid – The amount paid by the insurer or FFS Medicaid or Medicare

Member Cost Sharing – The amount the patient pays for the service, typically in the form of a deductible, copay, or coinsurance

Allowed – Paid + Member Cost Sharing

Member Months – The number of months for which there is valid enrollment over a period of time

Average Enrollment – Member Months divided by 12

Per Capita Health Care Spend – [Total Allowed Expenses / Member Months] x 12, expressed as per Member per Year costs, or PMPY

PMPY – [Allowed / Member Months] x 12, could be in total (in which case it equals Per Capita Spend), or calculated at a service category level

Utilization / k – [Services¹³ / Member Months] x 12,000, the average annualized utilization for a type of service per 1,000 members

Utilization / Member – [Scripts / Member Months] x 12, the average number of scripts per member on an annual basis

Unit Cost – [Allowed / Number of Services], the average cost per service

Trend – The annualized growth rate. Expressed as the year over year percentage change in either PMPY, Utilization, or Unit Cost

In this study, we separate observed trend into its unit cost and utilization constituents such that:

$$(1+\text{PMPY}_t) = (1+\text{Utilization}_t) \times (1+\text{Unit Cost}_t)$$

Trend Impact – The contribution a service category, along with an associated metric (PMPY, Unit Cost, or Utilization), has on the overall trend. For example, if the trend impact from outpatient surgery utilization is listed to be 0.5%, a way to interpret that would be if all other service categories trended at zero and the Unit Cost for outpatient surgery trended at zero, the total observed trend would be 0.5%.

¹³ Services could be Days, Admits, Visits, Procedures, or Scripts

Unit Cost - Measuring Intensity vs. Price Inflation

Changes in overall unit cost can generally be described by the two following components –

- Price Inflation; increases in fee schedules or hospital payment rates. This could also occur when there are changes in the provider landscape. For example, an insurer incentivizes members with cost sharing to utilize “preferred” providers for which higher discounts have been secured.
- Intensity of services or changes in the mix of services performed. For example, more C-Sections instead of vaginal deliveries would result in an increase in intensity

In this study, to estimate changes in the unit cost due to price inflation or intensity we used Relative Value Units (RVUs) on professional claims and Diagnosis Related Groups (DRGs) on inpatient facility stays.

Relative Value Units are defined and maintained by the Center for Medicare and Medicaid (CMS) and can be thought of as a proxy for the expense born by the provider for performing the service. RVUs are derived from components that reflect factors including the provider’s time and required education, the expense associated with any equipment required, and the relative risk that procedure results in a malpractice claim. RVUs also reflect regional variation and whether the claim was incurred in a facility or non-facility setting.

Wakely used RVUs from CMS’s October 2013 release. The RVUs for the state of Rhode Island were applied to the data on a claim line basis to all data in this analysis. There are some services for which CMS does not maintain RVUs. No gap filling, or creation of RVUs that didn’t exist, was performed. However, the average RVU per service was measured, and only those services that had valid RVUs were included in the numerator and denominator. Over time, increases/decreases in the average RVU reflect increases/decreases in intensity. Since many professional fee schedules are tied to RVUs, changes in the average allowed / RVU are generally reflective of changes in prices.

DRGs are a specific type of patient classification system that is generally used to assign weight based on the relative cost to the hospital of an admission.

The application of DRGs and RVUs to the claim data should only be used to put price changes in a general context as to whether a change in unit cost looks to be driven by intensity or price inflation.

Also, there are other factors that can distort the observed changes in unit cost including –

- Differences or changes in the geographic or demographic distribution of enrollees over time
- Differences or changes in the morbidity of the enrollees
- Changes in the provider arrangements over time. For example, services that change from non-capitated to capitated or provider incentive arrangements that aren’t able to be quantified by the claim data
- Large claims; particularly if the population is relatively small

3.2. Normalization

Where possible, we normalized the data using either a demographic factor or risk score.

On the commercial data, we utilized demographic factors that had previously been developed by Wakely using national MarketScan data. In the benchmarking section of this study, the purpose of using these factors is to compare per capita costs between states that may have substantially different distributions of members. In the portion of the study that relates to examining the commercial per capita trends in Rhode Island, the primary purpose is to identify what contribution the changing demographics over time has on trend.

The factors were developed and applied by age and gender for commercial enrollees aged zero to 64. The factors utilized represent the relative expected claim costs for an individual at a given age/gender as compared to the entire population. The relativities between ages do not conform to any rating rules and are purely based on expected costs.

In the benchmarking comparison using Medicare FFS data, we used HHS risk scores that were calibrated to CMS's 2014 HHS model. As in the case of the Commercial benchmarking exercise, the primary purpose of the incorporation of risk scores is to be able depict any obvious differences in morbidity in the Medicare population when comparing costs between different states.

For the Medicaid population, in lieu of risk adjustment, we categorize individuals based on their category of aid. While this doesn't entirely normalize costs, it does prevent distortion in total per capita costs and trends that would occur if the information were only summarized in total.

4. RESULTS

4.1. Commercial

Within Rhode Island

Demographics

As described in the methodology section, demographic factors developed from national MarketScan® data were applied to the enrollment data. The second row in Table 4.1.1 shows the changes in observed per capita allowed costs. The third row depicts the weighted average demographic factors and the impact it has on per capita costs. Over the three year period of the study, changes in the demographic distribution in Rhode Island had only a minimal effect on the two year average per capita allowed trend.

Table 4.1.1 – Rhode Island – Commercial – Costs and Demographics

Rhode Island Commercial				Trend		
	2011	2012	2013	2012	2013	Avg
Average Enrollment	414,764	405,835	398,360	-2.2%	-1.8%	-2.0%
Per Capita Costs	\$ 4,862	\$ 5,087	\$ 5,000	4.6%	-1.7%	1.4%
Demographic Factor	0.98	0.97	0.98	-0.1%	0.2%	0.0%

Cost Sharing

While the focus of this study is on the per capita allowed costs, it's important to consider the cost sharing paid by the member in addition to the monthly premium. Table 4.1.2 illustrates that medical benefits in Rhode Island are relatively rich, with insurers covering approximately 88% of the allowed costs. That means that roughly \$1 is paid by the member for almost \$9 paid by the plan. Throughout the three year period, the cost sharing paid by the member is increasing faster than the rate of allowed trend. Over this time period, the average allowed costs rose by 1.4% per year while the member cost sharing is increasing by an average of 5%.

Table 4.1.2 – Rhode Island – Commercial – Member Cost Sharing

Rhode Island Commercial				Trend		
	2011	2012	2013	2012	2013	Avg
Allowed PMPY	\$ 4,862	\$ 5,087	\$ 5,000	4.6%	-1.7%	1.4%
Net Paid PMPY	\$ 4,305	\$ 4,480	\$ 4,386	4.1%	-2.1%	0.9%
Net to Allowed Ratio	89%	88%	88%	-0.6%	-0.4%	-0.5%
Cost Share PMPY	\$ 556	\$ 607	\$ 614	9.1%	1.0%	5.0%

Per Capita Costs

Per capita costs for Rhode Island's commercial population rose by an average of 1.4% per year during our study period. To deconstruct and understand that number better, Table 4.1.3 depicts service category level detail so that the drivers of trend can be identified. The PMPY Trend Impact¹⁴ columns show the relative impact of a particular category on overall trend. Red shading means that a service category increased trend, blue shading indicates that it lowered trend. The darker/lighter the shading, the more/less impactful that service category was on the overall total.

The following points regarding the commercial population in Rhode Island were identified from Table 4.1.3:

- Inpatient facility had a spike in trend in 2012 and a downward reversion in 2013. On average, inpatient facility contributed 0.6% to per capita cost increases.
- Outpatient facility was a source of more sustained growth in cost. On average, it contributed 1.2% per year.
- Pharmacy claims dropped drastically in 2013. As will be shown in more detail, this is predominately the result of a change in PBM from one of the carriers.

Table 4.1.3 – Rhode Island – Commercial – Per Capita Costs

Category of Service	Allowed PMPY			PMPY Trend			PMPY Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Inpatient Facility	\$ 912	\$ 1,007	\$ 972	10.4%	-3.4%	3.3%	1.9%	-0.7%	0.6%
Outpatient Facility	\$ 990	\$ 1,060	\$ 1,105	7.1%	4.2%	5.7%	1.4%	0.9%	1.2%
Ancillary	\$ 108	\$ 114	\$ 116	5.5%	1.7%	3.6%	0.1%	0.0%	0.1%
Professional	\$ 1,430	\$ 1,470	\$ 1,493	2.8%	1.5%	2.2%	0.8%	0.4%	0.6%
Other	\$ 346	\$ 326	\$ 296	-5.9%	-9.0%	-7.4%	-0.4%	-0.6%	-0.5%
Pharmacy	\$ 1,076	\$ 1,110	\$ 1,017	3.1%	-8.4%	-2.8%	0.7%	-1.8%	-0.6%
Total Per Capita Cost	\$ 4,862	\$ 5,087	\$ 5,000	4.6%	-1.7%	1.4%	4.6%	-1.7%	1.4%

To better understand the categories that drove per capita spend, it's helpful to separate per capita costs into their utilization and unit cost components.

¹⁴ For example, in 2012, Inpatient Facility is shown to have trended at 10.4% over 2011 and had an overall impact of 1.9%. To better understand the 1.9%, imagine that every other category experienced no trend in 2012. If this were the case, the total trend would have been 1.9%.

Utilization

Table 4.1.4 depicts the raw levels of utilization¹⁵, utilization trend, and the impact on overall trend that is attributable to utilization. Observations¹⁶ include –

Inpatient Facility – Negative utilization trends

- Utilization for general hospital stays dropped by roughly 3% per year, however, admits related to maternity events increased at approximately 7% per year. (Note that this level of detail is not shown in Table 4.1.4, but is based on Wakely’s deeper dive into the data)
- The average length of stay rose for both general hospital stays and maternity events

Outpatient Facility – Utilization trends near zero

- Utilization associated with outpatient surgery dropped by an average of 2% per year
- Emergency room visits also had slightly negative utilization trends
- Use of pharmacy in the outpatient facility setting rose steadily at approximately 4% per year

Ancillary – Positive utilization trends

- Driven by an increase associated with Dialysis

Professional - Moderate utilization increases in the low single digits across categoriesPharmacy – Negative utilization trends on prescription drugs**Table 4.1.4 – Rhode Island – Commercial – Utilization**

Category of Service	Utilization			Utilization Trend			Utilization Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Inpatient Facility	65	66	64	-0.3%	-2.5%	-1.4%	-0.1%	-0.5%	-0.3%
Outpatient Facility	5,409	5,416	5,354	-0.2%	0.5%	0.2%	0.0%	0.1%	0.0%
Ancillary	625	658	672	8.0%	9.3%	8.7%	0.2%	0.2%	0.2%
Professional	17,636	17,952	18,209	1.7%	2.0%	1.8%	0.5%	0.4%	0.5%
Pharmacy	15	15	14	-1.8%	-1.5%	-1.6%	-0.4%	-0.3%	-0.3%
Total Utilization				0.1%	-0.2%	0.0%	0.1%	-0.2%	0.0%

¹⁵ There are large unit cost differences in services at the detailed service category level. For example, in Outpatient Facility, services typically have an average cost per service above \$2,000 where labs typically have an average cost of around \$40. For this reason, the utilization trend that is shown is a weighted average of utilization trends at the detailed level.

¹⁶ For additional tables, please see Appendix section 6.2

Unit Cost

Table 4.1.5 depicts the raw levels of unit cost, unit cost trend, and the impact on overall trend that was attributable to unit cost. Observations include –

Inpatient Facility – Unit cost trends were high in 2011, and then dropped in 2012

- Price inflation trends were similar to observed unit costs indicating an increase in pricing in 2012 and a drop in 2013
- There also appear to be moderate increases in intensity over the two year period (Table 4.1.7)

Outpatient Facility – Unit cost trends were in the mid-single digits, averaging 5.5% over a two year period

- Outpatient surgery drove the growth in unit cost trend, with trends averaging 9.4% (Table 4.1.6). One explanation for this is more procedures that used to be done in an inpatient setting are now being performed on an outpatient basis.
- Pharmacy (in the form of injectables) delivered in the outpatient setting are also driving costs. Drilling down into the detail, it appears that the growth in cost was driven by a change in the mix of injectable drugs. A small change in utilization for hemophiliac drugs that cost \$40,000 per injection can dominate the overall unit cost trend in this category. Cancer treatments like Pegfilgrastim and Pemetrexed make up a large proportion of spend in this category and have unit costs around \$5,000 per injection.

Ancillary – Negative cost trends here were driven by dialysis. Data quality makes it difficult to count units of dialysis so this should be considered a qualified finding.

Professional – Low unit cost trends across service categories

- Based on the trends in Allowed / RVU, visits associated with preventive care and emergency room have had sustained price increases of around 5% per year. All other categories are around zero or negative.

Pharmacy – High unit cost trends in 2012 and very low trends in 2013

- High trends in 2012 were driven by increases in cost trends on brand and specialty drugs
- Cost trends on brand and specialty drugs continued to be high in 2013, but because of a carrier's change in PBMs, costs for generics were markedly reduced. This dominated the overall unit cost trend.

Table 4.1.5 – Rhode Island – Commercial – Unit Cost

Category of Service	Unit Cost			Unit Cost Trend			Unit Cost Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Inpatient Facility	\$ 14,377	\$ 15,831	\$ 15,466	10.6%	-1.7%	4.3%	2.0%	-0.3%	0.8%
Outpatient Facility	\$ 183	\$ 196	\$ 206	7.3%	3.7%	5.5%	1.4%	0.8%	1.1%
Ancillary	\$ 173	\$ 174	\$ 173	-2.3%	-7.0%	-4.7%	0.0%	-0.1%	-0.1%
Professional	\$ 81	\$ 82	\$ 82	1.1%	-0.5%	0.3%	0.3%	0.0%	0.2%
Pharmacy	\$ 72	\$ 76	\$ 70	5.0%	-7.0%	-1.2%	1.1%	-1.5%	-0.2%
Total Unit Cost				4.5%	-1.6%	1.4%	4.5%	-1.6%	1.4%

Table 4.1.6 – Rhode Island – Commercial – Outpatient Facility Unit Cost

Outpatient Facility Category	Unit Cost			Unit Cost Trend			Unit Cost Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Emergency Room	\$ 1,117	\$ 1,082	\$ 1,171	-3.1%	8.2%	2.4%	-0.1%	0.3%	0.1%
Outpatient Surgery	\$ 2,218	\$ 2,543	\$ 2,653	14.6%	4.3%	9.4%	0.8%	0.3%	0.5%
Observation	\$ 1,775	\$ 2,260	\$ 2,303	27.3%	1.9%	13.9%	0.1%	0.0%	0.1%
Pathology/Lab	\$ 36	\$ 37	\$ 36	2.8%	-1.5%	0.6%	0.1%	0.0%	0.0%
Radiology	\$ 322	\$ 329	\$ 333	2.1%	1.2%	1.6%	0.1%	0.0%	0.1%
Pharmacy	\$ 354	\$ 426	\$ 457	20.2%	7.3%	13.6%	0.3%	0.1%	0.2%
Other OP Facility	\$ 236	\$ 253	\$ 258	7.2%	2.0%	4.5%	0.2%	0.1%	0.1%
Outpatient Facility	\$ 183	\$ 196	\$ 206	7.3%	3.7%	5.5%	1.4%	0.8%	1.1%

Table 4.1.7 – Rhode Island – Commercial – Intensity and Price Inflation

Category of Service	Unit Cost Trend			Intensity Trend			Price Inflation		
	2012	2013	Avg	2012	2013	Avg	2012	2013	Avg
Inpatient Facility	10.6%	-1.7%	4.3%	1.5%	4.1%	2.8%	9.8%	-1.8%	4.0%
Professional	1.1%	-0.5%	0.3%	-0.4%	-1.0%	-0.7%	1.4%	1.1%	1.2%

Pharmacy

While historical utilization and unit cost trends can be indicative of future medical trends, the intricacies of pharmacy changes tend to create challenges in using historical trends to estimate future pharmacy trends. Instead, pharmacy trend projections typically rely on a detailed analysis of the pipeline for new drugs coming to market and the anticipated expiration of patents for highly utilized or high cost drugs.

Utilization trends across drug types were trending at a relatively low rate during the study period (Table 4.1.9). The low utilization trend in brand (averaging -17.5%) is directly related to the generic conversions that happen on a regular basis (Table 4.1.9). When a brand drug goes generic, the price drops substantially (typically after an exclusivity period) and utilization moves from using the brand version of the drugs to generic equivalents.

We believe the large drop in generic unit cost (Table 4.1.10) in 2013 is likely due to one of the carriers changing PBMs. On brand drugs, carriers' arrangements with PBMs are typically based on paying a percentage of average wholesale price (AWP). A drug's AWP is a publicly available number which changes over time. The pricing around generic drugs is typically more opaque and is based on a PBM's Maximum Allowable Cost (MAC) list. The drop in unit cost in 2013 is likely the result of moving to another PBM's MAC list.

Also of note is the relative proportion of utilization that specialty makes up of the total and the proportion of overall spend for specialty relative to the total. The proportion of utilization stays relatively constant over time (0.06 scripts per capita) but the per capita spend devoted to specialty drugs climbs from 14.7% of total drug costs in 2011 to 21.7% in 2013.

Table 4.1.8 – Rhode Island – Commercial – Pharmacy PMPY

Pharmacy Category	PMPY			PMPY Trend			PMPY % of Total		
	2011	2012	2013	2011	2012	Avg	2011	2012	2013
Generic	\$ 281	\$ 324	\$ 241	15.2%	-25.7%	-7.5%	26.1%	29.2%	23.7%
Brand	\$ 637	\$ 595	\$ 556	-6.5%	-6.6%	-6.6%	59.2%	53.6%	54.7%
Specialty	\$ 158	\$ 191	\$ 220	20.4%	15.6%	18.0%	14.7%	17.2%	21.7%
Pharmacy	\$ 1,076	\$ 1,110	\$ 1,017	3.1%	-8.4%	-2.8%	100.0%	100.0%	100.0%

Table 4.1.9 – Rhode Island – Commercial – Pharmacy Utilization / Member

Pharmacy Category	Utilization			Utilization Trend			Utilization % of Total		
	2011	2012	2013	2012	2013	Avg	2011	2012	2013
Generic	11.15	11.53	11.86	3.4%	2.8%	3.1%	74.5%	78.5%	82.0%
Brand	3.75	3.10	2.55	-17.4%	-17.7%	-17.5%	25.1%	21.1%	17.6%
Specialty	0.06	0.06	0.06	4.6%	0.0%	2.3%	0.4%	0.4%	0.4%
Pharmacy	14.96	14.69	14.47	-1.8%	-1.5%	-1.6%	100.0%	100.0%	100.0%

Table 4.1.10 – Rhode Island – Commercial – Pharmacy Unit Cost

Pharmacy Category	Unit Cost			Unit Cost Trend			Relative Unit Cost vs. Total		
	2011	2012	2013	2012	2013	Avg	2011	2012	2013
Generic	\$ 25	\$ 28	\$ 20	11.4%	-27.8%	-10.3%	35%	37%	29%
Brand	\$ 170	\$ 192	\$ 218	13.1%	13.5%	13.3%	236%	254%	310%
Specialty	\$ 2,726	\$ 3,137	\$ 3,627	15.1%	15.6%	15.3%	3,789%	4,153%	5,161%
Total	\$ 71.95	\$ 75.53	\$ 70.28	5.0%	-7.0%	-1.2%	100%	100%	100%

Tables 4.1.11 and 4.1.12 illustrate the contributors to the drug trend (Table 4.1.11) and what changes are anticipated in the near future (Table 4.1.12). The arrows in Table 4.1.12 denote how these forces are likely to impact overall pharmacy trend. For example, over the next several years, the impact of generic launches is unlikely to have an impact of the same magnitude that they did over our study period, when highly utilized drugs like Lipitor, Lexapro, Singular, and Plavix were losing their patent protection.

The impact from the PBM change is not going to continue into the future and the pressure from specialty drugs is expected to continue for some time. Much higher pharmacy trends for the foreseeable future should be expected.

Table 4.1.11 – Rhode Island – Commercial – Pharmacy Trends

Trend Category	Trend			Trend Reflects	Historical Trend Notes
	2012	2013	AVG		
Drug Utilization	-1.8%	-1.5%	-1.7%	Brand & Generic Utilization	Utilization for Brand and Generic Drugs was slightly negative
Generic Launch	-5.4%	-6.9%	-6.2%	Brand & Generic PMPY	Popular drugs going generic have substantially reduced trend
Specialty Trend	20.4%	15.6%	18.0%	Specialty PMPY	Trends for Specialty Drugs putting upward pressure on pharmacy trend
Brand Price Inflation	11.8%	13.1%	12.4%	Brand Unit Cost	Prices on brand drugs continue to rise
Generic Contracting *	-4.9%	-31.9%	-18.4%	Generic Unit Cost	Changes in contracting have substantially reduced drug trend

Table 4.1.12 – Rhode Island – Commercial – Pharmacy Trends

Trend Category	Trend Impact			The Future ?	What can be expected in the future ?
	2012	2013	AVG		
Drug Utilization	-1.8%	-1.5%	-1.7%	↔	Low to moderate utilization trends are likely
Generic Launch	-5.4%	-6.9%	-6.2%	↑	The downward pressure will become less impactful
Specialty Trend	3.0%	3.0%	3.0%	↑	Impact from Specialty will continue to grow in the foreseeable future
Brand Price Inflation	6.3%	7.2%	6.7%	↑	Brand price inflation is expected to increase from historical levels, driving the impact higher
Generic Contracting	-1.4%	-7.6%	-4.5%	↑	PBM change was one-time event. Price inflation may turn slightly positive.
Other *	2.8%	-2.0%	0.4%	↔	Will likely fluctuate and not be a big contributor to trend
Pharmacy Trend	3.1%	-8.4%	-2.8%	↑	High pharmacy trends can be expected in the foreseeable future

Regional Comparison

One of the focuses of this study is a comparison of healthcare costs between Rhode Island and the rest of New England. To perform this analysis, MarketScan® data was utilized. As depicted in the table below, we found per capita expenses in the New England region to be \$5,096 in 2011 and \$5,465 in 2013 resulting in an annualized 3.6% trend per year. These numbers line up well with the numbers reported by the Health Care Cost Institute¹⁷ (HCCI). The MarketScan® experience is primarily large group while the HCCI data covers all lines of business. There is likely an underlying benefit, demographic, or morbidity difference that causes the absolute per capita costs for the New England region to be slightly different, but the comparable rate in annual trend is reassuring.

Comparing per capita costs and per capita trends to the rest of the New England region, Rhode Island has the lowest per capita expenses and the lowest per capita trend in the New England region over the study period.

Table 4.1.13 – New England – Commercial Benchmarking – Per Capita Costs

State	Average Enrollment			Allowed PMPY			Allowed PMPY Trend		
	2011	2012	2013	2011	2012	2013	2012	2013	Avg
Connecticut	810,365	745,566	691,036	\$ 5,239	\$ 5,643	\$ 5,828	7.7%	3.3%	5.5%
Massachusetts	608,016	611,620	575,100	\$ 4,807	\$ 4,850	\$ 5,026	0.9%	3.6%	2.3%
Maine	276,922	239,001	190,448	\$ 5,190	\$ 5,245	\$ 5,328	1.1%	1.6%	1.3%
New Hampshire	254,223	263,357	209,770	\$ 5,377	\$ 5,570	\$ 5,914	3.6%	6.2%	4.9%
Rhode Island	86,589	78,084	66,546	\$ 4,781	\$ 4,826	\$ 4,809	0.9%	-0.4%	0.3%
Vermont	32,197	32,122	22,649	\$ 4,960	\$ 5,152	\$ 5,267	3.9%	2.2%	3.0%
New England	2,068,311	1,969,751	1,755,548	\$ 5,096	\$ 5,291	\$ 5,465	3.8%	3.3%	3.6%

Adjusting for demographic differences changes the results slightly, but Rhode Island's per capita health costs and per capita trends are the lowest observed in the New England region for this time period. The shading on the Allowed PMPY section of Table 4.1.13 is intended to give readers a sense of the relative differences between the numbers in that section. Red shading indicates higher per capita costs and blue shading indicates lower per capita costs.

¹⁷ The Health Care Cost Institute (HCCI), a non-profit research institution reported national annual per capita health expenses for the commercial population to be \$4,514 in 2011 and \$4,864 in 2013 resulting in an annual growth rate of roughly 3.8% per year. The same report had the New England region at \$5,037 in 2013, approximately 3.5% above the national average. (<http://www.healthcostinstitute.org/2013-health-care-cost-and-utilization-report>)

Table 4.1.14 – New England – Commercial Benchmarking – Per Capita Costs Normalized

State	Demographic Factor			Normalized Allowed PMPY			Normalized PMPY Trend		
	2011	2012	2013	2011	2012	2013	2012	2013	Avg
Connecticut	1.03	1.03	1.03	\$ 5,097	\$ 5,485	\$ 5,669	7.6%	3.3%	5.5%
Massachusetts	1.01	0.98	0.99	\$ 4,781	\$ 4,944	\$ 5,053	3.4%	2.2%	2.8%
Maine	1.08	1.07	1.07	\$ 4,808	\$ 4,894	\$ 4,957	1.8%	1.3%	1.5%
New Hampshire	1.03	1.04	1.04	\$ 5,210	\$ 5,375	\$ 5,690	3.2%	5.9%	4.5%
Rhode Island	1.00	0.99	0.99	\$ 4,781	\$ 4,888	\$ 4,837	2.2%	-1.0%	0.6%
Vermont	1.06	1.06	1.08	\$ 4,691	\$ 4,863	\$ 4,889	3.7%	0.5%	2.1%
New England	1.03	1.02	1.02	\$ 4,956	\$ 5,193	\$ 5,343	4.8%	2.9%	3.8%

Commercial Regional Comparison, Background

The remainder of this section will focus on a detailed comparison of per capita costs, trends, and drivers in Rhode Island, Massachusetts, and the New England region.

Table 4.1.15 depicts trends at a service category level. In a previous section, 2013 per capita costs for the total commercial market in Rhode Island were reported to be \$5,000 with an average annual rate of growth of 1.6%. The results of the benchmark analysis indicate a slightly lower per capita cost and lower rate of trend. It's important to keep in mind that Rhode Island commercial cost and enrollment data that come from the MarketScan® database differs from the commercial Rhode Island information collected from the carriers. Differences include but are not limited to the following:

- MarketScan® includes mostly large group business. Data from the carriers included in this study incorporated additional lines of business (Individual, Small Group, and Large Group).
- MarketScan® data includes Rhode Island residents who have self-funded coverage from many health plans other than the two major commercial carriers who provided data for this study.
- The claim data from the carriers has been reconciled to the carrier's internal records and was supplemented with information on the carrier's subcapitated arrangements that aren't reflected in the claim level detail provided in MarketScan.
- The number of average enrollees in Rhode Island in the carrier data was roughly 400,000 in 2013. There were approximately 70,000 average enrollees in 2013 in the benchmark data.

Even with these differences, the Rhode Island benchmark data shows similar patterns to the Rhode Island carrier data with high outpatient facility trend, low inpatient facility trends, and very low pharmacy trends.

Commercial Regional Comparison, Per capita costs

Table 4.1.15 below indicates the following key points¹⁸:

- Over the study period, trends in both Rhode Island and Massachusetts have been lower than the broader New England region. A large driver of this is lower pharmacy trends.
- Rhode Island also had noticeably lower levels of professional per capita spend.
- Rhode Island had higher levels of pharmacy per capita spend.

Table 4.1.15 – New England – Commercial Benchmarking – Per Capita Costs¹⁹

Category of Service	2013 Allowed PMPY			Avg PMPY Trend			Avg PMPY Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Inpatient Facility	\$ 1,017	\$ 928	\$ 1,018	-0.1%	1.3%	3.3%	0.0%	0.2%	0.6%
Outpatient Facility	\$ 1,190	\$ 1,200	\$ 1,428	9.8%	2.2%	5.2%	2.2%	0.5%	1.3%
Ancillary	\$ 107	\$ 141	\$ 146	-8.9%	1.8%	3.7%	-0.2%	0.0%	0.1%
Professional	\$ 1,533	\$ 1,895	\$ 1,909	-3.4%	1.7%	2.6%	-1.1%	0.6%	0.9%
Pharmacy	\$ 961	\$ 861	\$ 965	-2.2%	4.7%	3.4%	-0.4%	0.8%	0.6%
Total	\$ 4,809	\$ 5,026	\$ 5,465	0.3%	2.3%	3.6%	0.3%	2.3%	3.6%

Utilization trends were observed to be much lower in Rhode Island and Massachusetts than the rest of the New England region. However, rates of pharmacy utilization were higher in Rhode Island than the rest of the New England region.

Table 4.1.16 – New England – Commercial Benchmarking – Utilization

Category of Service	2013 Utilization			Avg Utilization Trend			Avg Utilization Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Inpatient Facility	65	62	60	-4.8%	-5.8%	-2.7%	-1.1%	-1.2%	-0.5%
Outpatient Facility	4,785	4,789	4,184	5.4%	-1.3%	0.4%	1.1%	-0.4%	0.1%
Ancillary	562	539	591	-8.5%	1.3%	2.3%	-0.3%	0.0%	0.1%
Professional	16,495	15,696	17,922	-3.9%	-1.2%	0.3%	-1.3%	-0.6%	0.1%
Pharmacy	11	9	9	-3.4%	-0.7%	-0.5%	-0.7%	-0.1%	-0.1%
Total				-2.3%	-2.2%	-0.4%	-2.3%	-2.2%	-0.4%

There is some consistency in the unit costs trends across New England at the service category level. Unit cost trends for inpatient and outpatient facility were moderate. Unit cost trends for all other types of services were lower throughout New England, as shown in the following table.

¹⁸ For more Commercial Benchmarking tables, see Appendix section 6.3

¹⁹ The Per Capita costs in Table 4.1.15 or any other table in the report that depicts service category level detail are not adjusted for demographics or risk.

Table 4.1.17 – New England – Commercial Benchmarking – Unit Cost

Category of Service	2013 Unit Cost			Avg Unit Cost Trend			Avg Unit Cost Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Inpatient Facility	\$ 15,590	\$ 14,887	\$ 16,895	5.0%	7.6%	6.3%	1.1%	1.5%	1.1%
Outpatient Facility	\$ 249	\$ 251	\$ 341	4.1%	3.6%	4.7%	1.1%	0.9%	1.2%
Ancillary	\$ 190	\$ 262	\$ 247	-0.4%	0.4%	1.3%	0.0%	0.0%	0.0%
Professional	\$ 93	\$ 121	\$ 107	0.5%	3.0%	2.3%	0.2%	1.2%	0.8%
Pharmacy	\$ 91	\$ 98	\$ 104	3.5%	0.7%	0.5%	0.3%	0.9%	0.7%
Total				2.6%	4.6%	3.9%	2.6%	4.6%	3.9%

To explore the relative differences in average costs and trend for professional services between Rhode Island and the broader New England region, 2013 average costs per RVU, average RVU trends and average Allowed per RVU trends are shown in Table 4.1.18.

Comparing average allowed per RVU amounts between states allows for a relative comparison of prices across services of differing intensities. For example, surgeries are generally much more expensive than office visits but the allowed per RVU is comparable. Looking at differences in these rates between states allows for a relative comparison of average cost that normalizes for differences in the intensity of services. The conclusion from these numbers is that average costs for comparable services are generally lower in Rhode Island than for the Massachusetts or the New England region.

The Average Allowed per RVU trend is a proxy for price inflation. These numbers indicate that there is relative homogeneity between Rhode Island, Massachusetts, and the New England region.

It's important to note that only professional services with valid RVUs are included in this summary and the RVU is not a proxy for value. Also, as mentioned in the methodology section, RVU values applied to data do not vary by geography, as values for Rhode Island were used across all data.

Table 4.1.18 – New England – Commercial Benchmarking – Intensity & Price Inflation

Professional Category	2013 Allowed / RVU			Avg Intensity Trend			Avg Price Inflation		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Allergy	9.09	12.91	9.60	-0.1%	2.7%	1.9%	4.5%	5.0%	1.9%
Cardiovascular	1.95	2.65	2.67	-3.7%	-0.5%	-1.9%	-0.9%	-0.1%	-0.4%
Consultations	1.53	2.26	1.85	-1.2%	0.3%	0.0%	5.1%	2.2%	0.5%
Emergency Room	2.99	2.93	2.73	-0.8%	1.7%	2.1%	9.0%	5.4%	4.9%
Inpatient Visits	2.03	3.36	2.91	-1.9%	0.0%	-0.2%	2.6%	5.2%	3.6%
Maternity	1.31	2.22	2.07	-1.7%	0.2%	0.5%	2.1%	4.1%	3.7%
Office Visits	1.29	1.94	1.62	0.1%	0.4%	0.6%	1.5%	2.5%	2.2%
Ophthalmology	1.13	1.82	1.45	-1.7%	-1.1%	-1.2%	-0.6%	4.3%	3.1%
Preventive Visits	1.35	1.95	1.79	-0.5%	-0.5%	-0.6%	5.4%	8.0%	5.0%
PT/OT/ST	1.38	1.40	1.46	0.0%	0.8%	0.2%	1.9%	2.4%	1.3%
Radiology	2.02	2.65	2.38	-3.4%	-0.4%	-0.9%	0.7%	-1.0%	-0.1%
Surgery	1.87	2.74	2.51	-2.5%	-0.3%	-0.3%	4.2%	1.7%	2.6%
Professional*	1.66	2.25	1.96	-1.3%	0.1%	0.0%	1.8%	2.3%	1.5%

4.2. Medicare

Within Rhode Island

Individuals eligible for Medicare have the option of selecting the traditional Medicare FFS program or enrolling with a private insurer under the Medicare Advantage (MA) program. Table 4.2.1 illustrates the enrollment and cost information for RI beneficiaries under the Medicare FFS program and those enrolled with the two MA carriers included in this study.

Table 4.2.1 – Rhode Island – Medicare – Per Capita Costs

Type of Coverage	Average Enrollment			Allowed PMPY			Allowed PMPY Trend		
	2011	2012	2013	2011	2012	2013	2012	2013	Avg
Medicare FFS									
Medical Coverage	118,068	121,021	123,565	\$10,596	\$10,529	\$10,447	-0.6%	-0.8%	-0.7%
Pharmacy Coverage	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Medicare Advantage									
Medical Coverage	63,439	66,093	67,940	\$ 9,722	\$ 9,881	\$ 9,627	1.6%	-2.6%	-0.5%
Pharmacy Coverage	61,208	64,051	66,093	\$ 2,229	\$ 2,241	\$ 2,061	0.5%	-8.0%	-3.8%
Total	63,439	66,093	67,940	\$11,951	\$12,123	\$11,688	1.4%	-3.6%	-1.1%

Rhode Island Medicare Advantage

Per capita trends for members with Medicare Advantage coverage have been quite low over the study period. While these low trends are comparable to those observed in other populations within Rhode Island, there are some caveats and limitations specific to the Medicare Advantage data.

- Wakely was not provided information to separate enrollees who are dually eligible (are enrolled in both Medicare and Medicaid) versus non dually eligible
- Wakely was not provided with a risk score or any way to determine the relative morbidity of the population over time
- The data quality of the initial RTI extracts for Medicare enrollees from one of the carriers did not allow Wakely to use it directly, thus requiring supplementation. Therefore, while we are comfortable with the exhibits contained in this report, additional levels of detail could not be shown.
- Wakely was not able to use “admits” for measuring hospital utilization as was done in the Commercial analysis, so “days” have been substituted.

When examining trends over the study period for Rhode Island's Medicare Advantage population, the following themes emerge²⁰ –

- Very low trends on inpatient facility driven by decreases in utilization
- Pharmacy costs decline dramatically in 2013, most likely due to brand drugs going off patent and also as a result of the PBM change
- High unit cost trends within outpatient surgery and outpatient pharmacy drive trend, particularly in 2012
- Decreases in emergency room utilization drive total trend down over the study period
- Utilization in home health (under ancillary) drives trend upward; however, utilization here may be preventing episodes in more acute settings

Table 4.2.2 – Rhode Island – Medicare Advantage – Per Capita Costs

Category of Service	Allowed PMPY			PMPY Trend			PMPY Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Inpatient Facility	\$ 4,429	\$ 4,330	\$ 4,179	-2.2%	-3.5%	-2.9%	-0.8%	-1.3%	-1.1%
Outpatient Facility	\$ 1,734	\$ 1,893	\$ 1,842	9.2%	-2.7%	3.1%	1.3%	-0.4%	0.5%
Ancillary	\$ 732	\$ 769	\$ 864	5.1%	12.3%	8.6%	0.3%	0.8%	0.6%
Professional	\$ 2,764	\$ 2,819	\$ 2,702	2.0%	-4.1%	-1.1%	0.5%	-1.0%	-0.3%
Other	\$ 62	\$ 70	\$ 39	12.2%	-43.7%	-20.5%	0.1%	-0.3%	-0.1%
Pharmacy	\$ 2,229	\$ 2,241	\$ 2,061	0.5%	-8.0%	-3.8%	0.1%	-1.5%	-0.7%
Total	\$ 11,951	\$ 12,123	\$ 11,688	1.4%	-3.6%	-1.1%	1.4%	-3.6%	-1.1%

Table 4.2.3 – Rhode Island – Medicare Advantage – Utilization

Category of Service	Utilization			Utilization Trend			Utilization Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Inpatient Facility (days)	3,970	3,637	3,614	-10.0%	0.7%	-4.6%	-3.9%	0.2%	-1.8%
Outpatient Facility	16,240	16,615	17,523	-0.3%	2.7%	1.2%	0.0%	0.3%	0.1%
Ancillary	5,775	6,179	6,526	6.8%	4.9%	5.9%	0.4%	0.4%	0.4%
Professional	39,809	39,336	37,491	-0.5%	-4.1%	-2.3%	-0.1%	-1.0%	-0.6%
Pharmacy	39	40	40	1.0%	1.9%	1.4%	0.2%	0.3%	0.2%
Total				-3.5%	0.2%	-1.6%	-3.5%	0.2%	-1.6%

²⁰ For more details on Rhode Island Medicare Advantage, see Appendix section 6.4

Table 4.2.4 – Rhode Island – Medicare Advantage – Unit Cost

Category of Service	Unit Cost			Unit Cost Trend			Unit Cost Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Inpatient Facility (days)	\$ 1,116	\$ 1,191	\$ 1,156	6.7%	-2.9%	1.8%	3.2%	-1.5%	0.8%
Outpatient Facility	\$ 107	\$ 114	\$ 105	6.7%	-7.7%	-0.8%	1.4%	-0.7%	0.3%
Ancillary	\$ 127	\$ 125	\$ 132	-1.8%	6.4%	2.2%	0.0%	0.4%	0.1%
Professional	\$ 69	\$ 72	\$ 72	3.2%	0.6%	1.9%	0.6%	0.1%	0.3%
Pharmacy	\$ 57	\$ 57	\$ 51	-0.4%	-9.7%	-5.2%	-0.1%	-1.8%	-1.0%
Total				5.1%	-3.8%	0.5%	5.1%	-3.8%	0.5%

Table 4.2.5 – Rhode Island – Medicare Advantage – Inpatient Facility – Utilization / k

Inpatient Facility Category	Days / K			Utilization Trend			Utilization Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Med/Surg	1,484	1,321	1,335	-11.0%	1.1%	-5.1%	-3.3%	0.3%	-1.5%
SNF	2,399	2,230	2,177	-7.0%	-2.4%	-4.7%	-0.5%	-0.2%	-0.4%
MHCD	87	85	101	-1.6%	18.7%	8.1%	0.0%	0.1%	0.1%
Total	3,970	3,637	3,614	-10.0%	0.7%	-4.6%	-3.9%	0.2%	-1.8%

Table 4.2.6 – Rhode Island – Medicare Advantage – Outpatient Facility – Utilization / k

Outpatient Facility Category	Utilization			Utilization Trend			Utilization Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Emergency Room	443	402	361	-9.4%	-10.1%	-9.7%	-0.3%	-0.3%	-0.3%
Outpatient Surgery	337	350	346	3.8%	-1.1%	1.3%	0.2%	-0.1%	0.1%
Observation	42	48	50	12.5%	5.1%	8.8%	0.1%	0.0%	0.1%
Pathology/Lab	5,586	5,875	6,579	5.2%	12.0%	8.5%	0.0%	0.1%	0.1%
Radiology	939	915	866	-2.5%	-5.3%	-3.9%	0.0%	-0.1%	-0.1%
Pharmacy	540	526	659	-2.7%	25.4%	10.5%	-0.1%	0.5%	0.2%
Other OP Facility	8,352	8,499	8,661	1.8%	1.9%	1.8%	0.0%	0.0%	0.0%
Total	16,240	16,615	17,523	-0.3%	2.7%	1.2%	0.0%	0.3%	0.1%

Table 4.2.7 – Rhode Island – Medicare Advantage – Outpatient Facility – Unit Cost

Outpatient Facility Category	Unit Cost			Unit Cost Trend			Unit Cost Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Emergency Room	\$ 792	\$ 743	\$ 774	-6.2%	4.1%	-1.2%	-0.2%	0.1%	0.0%
Outpatient Surgery	\$ 1,517	\$ 1,724	\$ 1,727	13.7%	0.2%	6.7%	0.6%	0.0%	0.3%
Observation	\$ 1,825	\$ 1,873	\$ 2,004	2.6%	7.0%	4.8%	0.0%	0.1%	0.0%
Pathology/Lab	\$ 17	\$ 16	\$ 14	-4.8%	-9.2%	-7.0%	0.0%	-0.1%	-0.1%
Radiology	\$ 225	\$ 228	\$ 211	1.2%	-7.4%	-3.2%	0.0%	-0.1%	-0.1%
Pharmacy	\$ 422	\$ 582	\$ 436	37.9%	-25.0%	1.7%	0.7%	-0.7%	0.0%
Other OP Facility	\$ 31	\$ 35	\$ 35	10.4%	-0.2%	5.0%	0.2%	0.0%	0.1%
Total	\$ 107	\$ 114	\$ 105	6.7%	-7.7%	-0.8%	1.4%	-0.7%	0.3%

Table 4.2.8 – Rhode Island – Medicare Advantage – Ancillary – Utilization / k

Ancillary Category	Utilization			Utilization Trend			Utilization Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Ambulance	915	918	882	0.3%	-3.9%	-1.8%	0.0%	-0.1%	0.0%
DME/Prosthetics/Supplie	1,626	1,596	1,495	-1.8%	-6.3%	-4.1%	0.0%	-0.1%	0.0%
Home Health	2,864	3,035	3,389	6.0%	11.7%	8.8%	0.2%	0.4%	0.3%
Dialysis	370	630	759	70.2%	20.5%	43.2%	0.2%	0.2%	0.2%
Total	5,775	6,179	6,526	6.8%	4.9%	5.9%	0.4%	0.4%	0.4%

Rhode Island Medicare FFS

When examining trends over the study period for Rhode Island's Medicare FFS²¹ population, the following themes emerge –

- As was the case in Medicare Advantage, very low trends on inpatient facility are driven by decreases in utilization
- Unlike Medicare Advantage, emergency room use (under outpatient facility) is shown to increase over the study period, driving trend upward
- As was the case in Medicare Advantage, utilization in home health (under ancillary) was a driver in trend
- Average annual per capita cost trends on professional services net out to around zero over the three year study period

Table 4.2.9 – Rhode Island – Medicare FFS – Per Capita Costs

Category of Service	Allowed PMPY			PMPY Trend			PMPY Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Inpatient Facility	\$ 4,792	\$ 4,529	\$ 4,371	-5.5%	-3.5%	-4.5%	-2.4%	-1.5%	-2.0%
Outpatient Facility	\$ 1,962	\$ 2,056	\$ 2,168	4.8%	5.4%	5.1%	0.9%	1.1%	1.0%
Ancillary	\$ 1,056	\$ 1,052	\$ 1,127	-0.3%	7.1%	3.3%	0.0%	0.7%	0.3%
Professional	\$ 2,786	\$ 2,892	\$ 2,781	3.8%	-3.8%	-0.1%	1.0%	-1.0%	0.0%
Total Medical	\$ 10,596	\$ 10,529	\$ 10,447	-0.6%	-0.8%	-0.7%	-0.6%	-0.8%	-0.7%

Table 4.2.10 – Rhode Island – Medicare FFS – Utilization / k

Category of Service	Utilization			Utilization Trend			Utilization Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Inpatient Facility	407	374	358	-8.8%	-4.0%	-6.4%	-3.9%	-1.7%	-2.9%
Outpatient Facility	9,589	10,093	10,396	5.6%	7.8%	6.7%	1.1%	1.3%	1.2%
Ancillary	5,510	5,627	6,299	2.3%	10.8%	6.6%	0.2%	1.0%	0.6%
Professional	29,030	30,931	29,022	8.3%	-2.6%	2.8%	2.0%	-1.3%	0.3%
Total Medical				-0.7%	-0.6%	-0.7%	-0.7%	-0.6%	-0.7%

²¹ For more details on Medicare FFS within Rhode Island, see Appendix section 6.5

Table 4.2.11 – Rhode Island – Medicare FFS – Unit Cost

Category of Service	Unit Cost			Unit Cost Trend			Unit Cost Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Inpatient Facility	\$ 11,770	\$ 12,099	\$ 12,198	3.6%	0.6%	2.0%	1.5%	0.2%	0.9%
Outpatient Facility	\$ 205	\$ 204	\$ 209	-0.8%	-2.2%	-1.5%	-0.2%	-0.2%	-0.2%
Ancillary	\$ 192	\$ 187	\$ 179	-2.5%	-3.4%	-3.0%	-0.3%	-0.3%	-0.3%
Professional	\$ 96	\$ 93	\$ 96	-4.1%	-1.2%	-2.8%	-1.0%	0.2%	-0.4%
Total Medical				0.0%	-0.2%	0.0%	0.0%	-0.2%	0.0%

Table 4.2.12 – Rhode Island – Medicare FFS – Outpatient Unit Cost

	Utilization			Utilization Trend			Utilization Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Emergency Room	520	574	601	10.4%	4.7%	7.5%	0.3%	0.1%	0.2%
Outpatient Surgery	487	542	569	11.4%	5.0%	8.1%	0.5%	0.3%	0.4%
Observation	40	45	50	12.4%	9.8%	11.1%	0.0%	0.0%	0.0%
Pathology/Lab	5,263	5,644	5,534	7.2%	-2.0%	2.5%	0.2%	-0.1%	0.1%
Radiology	657	683	663	3.9%	-3.0%	0.4%	0.1%	-0.1%	0.0%
Pharmacy	680	674	891	-0.8%	32.2%	14.5%	0.0%	0.8%	0.4%
Other OP Facility	1,942	1,930	2,089	-0.6%	8.2%	3.7%	0.0%	0.2%	0.1%
Total	9,589	10,093	10,396	5.6%	7.8%	6.7%	1.1%	1.3%	1.2%

Medicare Regional Comparison

To compare medical cost and trend differences between Rhode Island and the New England region, the CMS limited dataset (LDS) was used. Enrollment in Medicare Advantage is far more common in Rhode Island than in other New England states as depicted in Table 4.2.13 below.

Table 4.2.13 – Medicare Advantage Penetration

State	Medicare Advantage Penetration				
	2011	2012	2013	2013	2013
Connecticut	19%	21%	23%	24%	25%
Massachusetts	18%	18%	18%	20%	19%
Maine	14%	15%	17%	20%	22%
New Hampshire	6%	5%	5%	6%	7%
Rhode Island	35%	35%	35%	36%	35%
Vermont	5%	7%	7%	7%	7%
National	26%	27%	28%	30%	31%

Comparing per capita costs and per capita trends between Rhode Island, Massachusetts, and the New England region, Rhode Island has the lowest per capita expenses and comparable levels of trend.

Table 4.2.14 – New England – Medicare FFS Benchmarking – Per Capita Costs, Unadjusted

State	Average Enrollment			Allowed PMPY			Allowed PMPY Trend		
	2011	2012	2013	2011	2012	2013	2012	2013	Avg
Rhode Island	118,068	121,021	123,565	\$10,596	\$10,529	\$10,447	-0.6%	-0.8%	-0.7%
Massachusetts	879,716	911,294	934,470	\$11,851	\$11,821	\$11,608	-0.3%	-1.8%	-1.0%
New England	2,003,402	2,058,412	2,097,355	\$11,044	\$11,019	\$10,954	-0.2%	-0.6%	-0.4%

Adjusting for demographic differences changes the results slightly, but Rhode Island's Medicare FFS per capita health costs are still substantially lower than the New England region for this time period.

Table 4.2.15 – New England – Medicare FFS Benchmarking – Normalized Per Capita Costs

State	Risk Score			Normalized Allowed PMPY			Normalized PMPY Trend		
	2011	2012	2013	2011	2012	2013	2012	2013	Avg
Rhode Island	1.037	1.034	1.041	\$10,220	\$10,184	\$10,032	-0.4%	-1.5%	-0.9%
Massachusetts	1.039	1.040	1.043	\$11,411	\$11,366	\$11,126	-0.4%	-2.1%	-1.3%
New England	1.019	1.017	1.021	\$10,842	\$10,832	\$10,728	-0.1%	-1.0%	-0.5%

After separating the costs at a service category level and into their utilization and unit cost constituents, the following concepts emerge²² –

- Massachusetts has noticeably higher inpatient facility per capita spend compared to Rhode Island for the Medicare FFS population. This can be explained by both higher rates of utilization and higher unit costs.
- 2013 levels of per capita spend at the service category level are comparable for outpatient facility, ancillary, and professional.
- Rhode Island has higher levels of trend and underlying levels of utilization in emergency room and outpatient surgery.
- Rhode Island has much lower levels of observation utilization.
- Rhode Island has higher levels of utilization and trend in home health.

Table 4.2.16 – New England – Medicare FFS Benchmarking – Per Capita Costs

Category of Service	2013 Allowed PMPY			Avg PMPY Trend			Avg PMPY Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Inpatient Facility	\$ 4,371	\$ 5,287	\$ 4,845	-4.5%	-3.2%	-2.5%	-2.0%	-1.5%	-1.2%
Outpatient Facility	\$ 2,168	\$ 2,361	\$ 2,347	5.1%	4.8%	3.8%	1.0%	0.9%	0.8%
Ancillary	\$ 1,127	\$ 1,123	\$ 1,040	3.3%	-2.5%	-1.1%	0.3%	-0.2%	-0.1%
Professional	\$ 2,781	\$ 2,837	\$ 2,722	-0.1%	-0.7%	0.4%	0.0%	-0.2%	0.1%
Total	\$ 10,447	\$ 11,608	\$ 10,954	-0.7%	-1.0%	-0.4%	-0.7%	-1.0%	-0.4%

²² For more details on the Medicare Regional Comparison, see Appendix, section 6.3

Table 4.2.17 – New England – Medicare FFS Benchmarking – Utilization / k

Category of Service	2013 Utilization			2013 Utilization Trend			Avg Utilization Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Inpatient Facility	358	393	368	-6.4%	-6.2%	-5.2%	-2.9%	-3.0%	-2.4%
Outpatient Facility	10,396	10,159	9,853	6.7%	4.4%	3.8%	1.2%	0.7%	0.7%
Ancillary	6,299	5,882	5,498	6.6%	-2.9%	-1.5%	0.6%	-0.3%	-0.1%
Professional	29,022	28,978	28,452	2.8%	-2.0%	1.7%	0.3%	-0.5%	0.3%
Total				-0.7%	0.0%	0.0%	-0.7%	-3.1%	-1.6%

Table 4.2.18 – New England – Medicare FFS Benchmarking – Outpatient Facility - Utilization / k

Outpatient Facility Category	2013 Utilization			2013 Utilization Trend			Avg Utilization Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Emergency Room	601	550	540	7.5%	0.2%	1.1%	0.2%	0.0%	0.0%
Outpatient Surgery	569	481	490	8.1%	3.9%	2.5%	0.4%	0.2%	0.1%
Observation	50	294	293	11.1%	3.4%	5.0%	0.0%	0.0%	0.0%
Pathology/Lab	5,534	4,366	4,242	2.5%	-0.3%	-0.6%	0.1%	0.0%	0.0%
Radiology	663	952	846	0.4%	0.1%	-0.2%	0.0%	0.0%	0.0%
Pharmacy	891	937	966	14.5%	18.2%	14.1%	0.4%	0.6%	0.5%
Other OP Facility	2,089	2,579	2,476	3.7%	-0.8%	0.1%	0.1%	0.0%	0.0%
Total	10,396	10,159	9,853	6.7%	4.4%	3.8%	1.2%	0.7%	0.7%

Table 4.2.19 – New England – Medicare FFS Benchmarking – Ancillary - Utilization / k

Ancillary Category	2013 Utilization			2013 Utilization Trend			Avg Utilization Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Ambulance	660	557	508	3.0%	-3.5%	-1.1%	0.1%	-0.1%	0.0%
DME/Prosthetics/Supplies	1,691	1,572	1,645	-1.7%	-2.3%	-1.6%	0.0%	-0.1%	0.0%
Home Health	3,940	3,737	3,334	12.1%	-2.9%	-1.6%	0.6%	-0.2%	-0.1%
Dialysis	8	17	10	44.0%	-20.3%	-20.0%	0.0%	0.0%	0.0%
Total	6,299	5,882	5,498	6.6%	-2.9%	-1.5%	0.6%	-0.3%	-0.1%

4.3. Medicaid

In Rhode Island, Medicaid is operated in a public-private partnership where most recipients are enrolled in a managed care program (with coverage offered through private plans). For those enrolled in managed care, some services are “carved out” of the Managed Care Organizations’ (MCO) responsibility and paid on a FFS basis. For purposes of this study, we have integrated the managed care claim and enrollment information received and validated by the insurers with the FFS claim and enrollment information received from RTI to generate per capita costs.

Managed Care Programs

RiteCare - The program covers low income families, pregnant women, and children.

Rhody Health Partners (RHP) – This program generally covers the portion of the population where Medicaid eligibility comes from an Aged, Blind, or Disabled (ABD) status.

Children with Special Health Care Needs (CSHCN) – This program generally covers Medicaid eligible children with special needs.

Rhody Health Options (RHO) – This program covers costs not paid for by Medicare for members with dual eligibility through Medicare and Medicaid. Dual eligible members began to move into this managed care program starting in November of 2013. Prior to that point, they received services under the FFS program. Since we would only have had 1-2 months of managed care data for this population, managed care costs related to this program are not included in this study. Adjustments were made to the FFS data so that per capita costs would not be understated for this reason.

Reporting Categories

RiteCare – Recipients in a managed care plan under RiteCare are classified here. Expenses paid are separated based on whether the payment came from the MCO or was paid under FFS. In general, most expenses for these members are paid for by an MCO and most of the per capita costs are found under the Managed Care section. However, there are some services (some behavioral health, NICU, and dental) that are not the responsibility of the MCO per their contract with the State of Rhode Island. Also, in the week or so while an enrollee is receiving services but not officially enrolled in one of the two MCOs, their claims are paid through FFS.

RHP/CSHCN – Members enrolled under the CSHCN²³ and RHP programs are reported in this category. Similar to the RiteCare category, costs paid for by MCOs are separated from those covered under the FFS program.

FFS Only – Medicaid recipients in this category are not covered under managed care and typically qualify as dual eligibles. As some of these recipients began to migrate to Rhody Health Options starting in November of 2013, their per capita costs as reported in the FFS data Wakely received from RTI were lower in those months. To ensure per capita costs and trends were reflected as accurately and meaningfully as possible, Wakely made the decision to exclude 2013Q4 from the reporting. In the tables below, per capita costs for CY2013 are calculated as an average of the first three quarters of 2013. Also, the CY13 trends reported below are the first three quarters of 2013 as compared to the first three quarters of 2012 to minimize the impact of seasonality. This adjustment was only performed on the FFS Only population.

²³ CSHCNs can be in both managed care and fee-for-service.

Data limitations and known differences

As described in the Data section of this report, Wakely received detailed claim and enrollment files from the two MCOs. A reconciliation and data supplementation process was then undertaken to ensure that the results published in this report contained the subcapitated arrangements not available in the RTI claim data and that control totals reconciled to the MCOs' internal records.

The FFS claim and enrollment data was provided to Wakely during September 2015. As was done with all data that was used for this study, Wakely derived enrollment from the eligibility files, linked claims to the enrollment, and categorized claims into service categories. As the receipt of the data was close to the date of publication of this report, Wakely and EOHHS did not have time to adequately reconcile some of the differences in cost and enrollment. The per capita costs for the Medicaid population published in this report represent Wakely and EOHHS's best effort to arrive at consensus around per capita costs given the time available.

There are some known differences between the data Wakely received from RTI and EOHHS's internal reporting. These known differences include the following –

- Average annual spend on healthcare costs paid under Medicaid FFS or a Medicaid MCO are estimated to be around \$1.6 billion per year. Based on the information Wakely received, Wakely is able to account for approximately \$1.3 billion of those costs on an annual basis.
- According to EOHHS, there are estimated to be approximately 196,000 average eligibles on Medicaid over the duration of the study period; Wakely is able to report on per capita costs on approximately 170,000 of these average eligibles. After comparing Wakely's results with some of EOHHS's internal reporting we believe this gap to be due to missing enrollment for some members under FFS; specifically a portion of members eligible based on their Aged, Blind and Disabled (ABD) status and many of those with coverage under the Katie Beckett and Early Intervention programs.
- When reviewing FFS per capita spend amounts for the ABD population, Wakely noticed that 2013Q4 experience was much lower than prior quarters and the seasonality pattern didn't line up with what was observed in prior years. Some of this is likely the result of the November 2013 migration of some members into Rhody Health Options. As such, we are reporting the CY2013 per capita expenses for the ABD population to be an average of the first three quarters of 2013. Reported CY2013 trends compare the first three quarters of 2013 to the first three quarters of 2012.

Results

Table 4.3.1 depicts per capita costs and trends for the three populations described above. The next several pages will detail findings for each population category. As previously described, per capita costs are stratified by payment type as either Managed Care or FFS expenses²⁴.

Table 4.3.1 – Rhode Island – Medicaid – Per Capita Claim Costs

Rhode Island	Paid PMPY			PMPY Trend			Average Enrollment		
	2011	2012	2013	2012	2013	Avg	2011	2012	2013
RiteCare									
Managed Care Claim Costs	\$ 2,495	\$ 2,518	\$ 2,551	0.9%	1.4%	1.1%			
FFS Claim Costs	\$ 283	\$ 266	\$ 231	-5.9%	-13.5%	-9.8%			
Total RiteCare	\$ 2,778	\$ 2,784	\$ 2,782	0.2%	-0.1%	0.1%	117,728	120,393	121,386
RHP / CSHCN									
Managed Care Claim Costs	\$ 10,508	\$ 10,604	\$ 11,166	0.9%	5.3%	3.1%			
FFS Claim Costs	\$ 2,288	\$ 2,176	\$ 2,316	-4.9%	6.5%	0.6%			
Total RHP / CSHCN	\$ 12,796	\$ 12,779	\$ 13,482	-0.1%	5.5%	2.6%	19,731	20,021	19,892
FFS Only									
Managed Care Claim Costs	\$ -	\$ -	\$ -	n/a	n/a	n/a			
FFS Claim Costs	\$ 21,932	\$ 21,874	\$ 21,153	-0.3%	-2.3%	-1.3%	32,341	32,610	32,762
Total	\$ 7,590	\$ 7,538	\$ 7,463	-0.1%	-0.2%	-0.1%	169,800	173,025	174,039

Major findings to be explored throughout the next couple pages are as follows –

- Low inpatient facility trends are found across populations and payers (Managed Care vs. FFS)
- Consistently low trends in dental (a service covered under FFS) across populations
- High home health trends in the FFS Only population (mostly dual eligibles)
- Higher outpatient and professional managed care trends observed in the RHP/CSHCN population

²⁴ There may be some cases for which claims over the study period moved from FFS to Managed Care, creating anomalies in the trend by payment type.

RiteCare

For the RiteCare population, the majority of costs are paid by MCOs. Inpatient maternity paid by the FFS program stands out as having a relatively large share of the overall spend. This may be the result of newborn costs (categorized under inpatient maternity) during the period prior to enrollment into an MCO. Trends for this population are generally very low. Highlights include –

- Low trends on managed care inpatient facility
- Moderate trends for managed care professional services
- Low trends on FFS inpatient maternity. The decrease is utilization driven; unit cost trends over this period are fairly flat
- Low trends on FFS dental services, driven by decreases in utilization

Table 4.3.2 reflects claim costs at the service category level. As previously described in the Data section, data quality issues on the detailed MCO data prevented us from stratifying claim costs at a more granular level. The FFS data was categorized using a similar version of the approach used on Plan data while integrating some of Medicaid’s specific CPT codes. Categories with a relatively high level of spend were separated (dental, FQHC) while those with little to no spend (outpatient facility) were categorized as “Other.”

Table 4.3.2 – Rhode Island – Medicaid – RiteCare – Per Capita Claim Costs

Category of Service	Paid PMPY			PMPY Trend			PMPY Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Managed Care Expenses									
Inpatient	\$ 525	\$ 482	\$ 489	-8.2%	1.6%	-3.4%	-1.5%	0.3%	-0.6%
Outpatient	\$ 727	\$ 759	\$ 748	4.5%	-1.5%	1.5%	1.2%	-0.4%	0.4%
Professional	\$ 862	\$ 880	\$ 916	2.1%	4.1%	3.1%	0.6%	1.3%	1.0%
Pharmacy	\$ 382	\$ 396	\$ 398	3.9%	0.4%	2.1%	0.5%	0.1%	0.3%
Subtotal	\$ 2,495	\$ 2,518	\$ 2,551	0.9%	1.4%	1.1%	0.8%	1.2%	1.0%
FFS Expenses									
Inpatient Facility	\$ 103	\$ 89	\$ 65	-13.4%	-27.1%	-20.5%	-0.5%	-0.9%	-0.7%
General Inpatient	\$ 58	\$ 39	\$ 30	-32.5%	-24.4%	-28.6%	-0.7%	-0.3%	-0.5%
Maternity	\$ 21	\$ 19	\$ 14	-7.7%	-26.0%	-17.4%	-0.1%	-0.2%	-0.1%
Mental Health	\$ 24	\$ 31	\$ 21	28.0%	-31.1%	-6.1%	0.2%	-0.3%	-0.1%
Ancillary / Prof / Other	\$ 180	\$ 177	\$ 165	-1.6%	-6.6%	-4.1%	-0.1%	-0.4%	-0.3%
Case Management	\$ 10	\$ 11	\$ 12	14.9%	8.8%	11.8%	0.1%	0.0%	0.0%
Dental	\$ 60	\$ 48	\$ 41	-20.0%	-15.1%	-17.6%	-0.4%	-0.3%	-0.3%
FQHC	\$ 40	\$ 43	\$ 42	8.1%	-2.3%	2.8%	0.1%	0.0%	0.0%
Home Health	\$ 36	\$ 37	\$ 36	-0.8%	-23.7%	-13.0%	0.1%	-0.1%	0.0%
Inpatient Visits	\$ 13	\$ 13	\$ 10	35.4%	11.9%	23.1%	0.0%	-0.1%	-0.1%
PT/ST/OT	\$ 8	\$ 10	\$ 11	2.6%	-7.5%	-2.6%	0.1%	0.0%	0.1%
Other	\$ 14	\$ 14	\$ 13	-5.9%	-13.5%	-9.8%	0.0%	0.0%	0.0%
Subtotal	\$ 283	\$ 266	\$ 231	-5.9%	-13.5%	-9.8%	-0.6%	-1.3%	-0.9%
Total	\$ 2,778	\$ 2,784	\$ 2,782	0.2%	-0.1%	0.1%	0.2%	-0.1%	0.1%

RHP/CSHCN

As was the case in RiteCare, for the RHP/CSHCN population²⁵, the majority of costs are paid by MCOs. Mental Health and Substance Abuse (MH/SA) spend and services, classified under BHDDH & Rehabilitation, stand out as having a relatively large share of the overall spend. Observed trends are relatively high compared to other populations over the study period. It's unclear whether these higher trends are driven by increases in utilization or differences in population mix over time. Other highlights include –

- Low average trends in inpatient facility but higher trends in outpatient and professional (managed care)
- High FFS home health trends observed in 2013, driven by utilization increases
- Low FFS trends for BHDDH & Rehabilitation and MH/SA services observed over the study period

Table 4.3.3 – Rhode Island – Medicaid – RHP / CSHCN – Per Capita Claim Costs

Category of Service	Paid PMPY			PMPY Trend			PMPY Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Managed Care Expenses									
Inpatient	\$ 2,637	\$ 2,354	\$ 2,473	-10.7%	5.0%	-3.2%	-2.2%	0.9%	-0.6%
Outpatient	\$ 2,875	\$ 3,152	\$ 3,392	9.6%	7.6%	8.6%	2.2%	1.8%	2.0%
Professional	\$ 2,241	\$ 2,387	\$ 2,495	6.5%	4.5%	5.5%	1.2%	0.8%	1.0%
Pharmacy	\$ 2,755	\$ 2,711	\$ 2,806	-1.6%	3.5%	0.9%	-0.3%	0.7%	0.2%
Subtotal	\$ 10,508	\$ 10,604	\$ 11,166	0.9%	5.3%	3.1%	0.8%	4.4%	2.5%
FFS Expenses									
Inpatient Facility	\$ 428	\$ 365	\$ 442	-14.6%	21.1%	1.7%	-0.5%	0.6%	0.1%
General Inpatient	\$ 219	\$ 200	\$ 202	-8.7%	1.0%	-4.0%	-0.1%	0.0%	-0.1%
SNF	\$ 137	\$ 98	\$ 185	-28.2%	88.1%	16.2%	-0.3%	0.6%	0.2%
Mental Health	\$ 72	\$ 67	\$ 55	-6.9%	-17.2%	-12.2%	0.0%	-0.1%	-0.1%
Outpatient Facility	\$ 108	\$ 99	\$ 104	-9.2%	5.7%	-2.0%	-0.1%	0.0%	0.0%
Ancillary / Prof / Other	\$ 1,529	\$ 1,499	\$ 1,500	-2.0%	0.1%	-1.0%	-0.2%	0.0%	-0.1%
Home Health	\$ 160	\$ 199	\$ 204	24.5%	2.4%	12.9%	0.3%	0.0%	0.2%
BHDDH & Rehabilitation	\$ 651	\$ 605	\$ 574	-7.0%	-5.2%	-6.1%	-0.4%	-0.2%	-0.3%
Dental	\$ 35	\$ 29	\$ 25	-15.5%	-14.9%	-15.2%	0.0%	0.0%	0.0%
FQHC	\$ 38	\$ 41	\$ 44	8.7%	8.3%	8.5%	0.0%	0.0%	0.0%
MH/SA	\$ 445	\$ 406	\$ 416	-8.6%	2.4%	-3.3%	-0.3%	0.1%	-0.1%
PT/ST/OT	\$ 10	\$ 14	\$ 17	44.7%	19.7%	31.6%	0.0%	0.0%	0.0%
Other	\$ 157	\$ 166	\$ 179	5.7%	8.1%	6.9%	0.1%	0.1%	0.1%
Pharmacy	\$ 223	\$ 213	\$ 270	-4.3%	26.5%	10.0%	-0.1%	0.4%	0.2%
Subtotal	\$ 2,288	\$ 2,176	\$ 2,316	-4.9%	6.5%	0.6%	-0.9%	1.1%	0.1%
Total	\$ 12,796	\$ 12,779	\$ 13,482	-0.1%	5.5%	2.6%	-0.1%	5.5%	2.6%

²⁵ Managed Care enrollees in either Rhody Health Partners or Children with Special Health Care Needs

FFS Only

Per capita costs for Medicaid enrollees that were not under managed care during the majority of our study period are detailed below in Table 4.3.4. Most of these enrollees have dual eligibility, and the majority of their costs were covered under Medicare. However, Medicaid still has the obligation to pay costs not covered by Medicare, the majority of which are Long Term Care related expenses. Medicaid is also responsible for Medicare cost sharing which is reflected in many of the categories shown below.

- Trends for Long Term Care services not covered by Medicare, like Skilled Nursing Facilities (SNF) and BHDDH + Rehabilitation, are relatively low and stable.
- Home health trends are quite high, which was also observed on the Medicare FFS population.
- Trends in other categories for which Medicaid is mostly responsible for the cost sharing contain fewer dollars and contain an expected amount of volatility.
- There are slightly more costs that are categorized as “Other” in the FFS Only population. These are typically CPT codes that we weren’t able to assign to our standard categories.

Table 4.3.4 – Rhode Island – Medicaid – FFS Only – Per Capita Claim Costs

Category of Service	Paid PMPY			PMPY Trend			PMPY Trend Impact		
	2011	2012	2013*	2012	2013*	Avg	2012	2013*	Avg
FFS Expenses									
Inpatient Facility	\$ 14,032	\$ 14,016	\$ 13,500	-0.1%	-4.6%	-2.4%			
General Inpatient	\$ 554	\$ 439	\$ 315	-20.7%	-31.5%	-26.1%	-0.5%	-0.7%	-0.6%
SNF	\$ 12,573	\$ 12,708	\$ 12,459	1.1%	-1.4%	-0.2%	0.6%	-0.8%	-0.1%
Hospice	\$ 788	\$ 748	\$ 680	-5.1%	-8.9%	-7.0%	-0.2%	-0.3%	-0.2%
Mental Health	\$ 117	\$ 120	\$ 46	3.2%	-61.9%	-29.4%	0.0%	-0.4%	-0.2%
Outpatient Facility	\$ 190	\$ 188	\$ 169	-0.8%	-11.9%	-6.4%	0.0%	-0.1%	-0.1%
Ancillary / Prof / Other	\$ 7,516	\$ 7,501	\$ 7,379	-0.2%	3.4%	1.6%			
Home Health	\$ 1,269	\$ 1,405	\$ 1,436	10.7%	3.5%	7.1%	0.6%	0.2%	0.4%
BHDDH & Rehabilitation	\$ 3,647	\$ 3,649	\$ 3,641	0.1%	-0.3%	-0.1%	0.0%	-0.1%	0.0%
Case Management	\$ 33	\$ 34	\$ 32	4.4%	-6.5%	-1.0%	0.0%	0.0%	0.0%
Day care	\$ 109	\$ 112	\$ 133	3.0%	19.7%	11.3%	0.0%	0.1%	0.1%
Dental	\$ 71	\$ 72	\$ 70	0.7%	-6.1%	-2.7%	0.0%	0.0%	0.0%
FQHC	\$ 66	\$ 74	\$ 69	11.2%	-8.9%	1.1%	0.0%	0.0%	0.0%
MH/SA	\$ 1,350	\$ 1,215	\$ 1,187	-10.0%	-2.4%	-6.2%	-0.6%	-0.1%	-0.4%
Other	\$ 972	\$ 941	\$ 810	-3.2%	38.9%	17.8%	-0.1%	1.1%	0.5%
Pharmacy	\$ 194	\$ 168	\$ 106	-13.2%	-39.2%	-26.2%			
Generic	\$ 65	\$ 63	\$ 40	-2.4%	-38.1%	-20.2%	0.0%	-0.1%	-0.1%
Brand	\$ 121	\$ 100	\$ 61	-17.7%	-41.5%	-29.6%	-0.1%	-0.2%	-0.2%
Specialty	\$ 8	\$ 5	\$ 5	-34.5%	-11.8%	-23.2%	0.0%	0.0%	0.0%
Total	\$ 21,932	\$ 21,874	\$ 21,153	-0.3%	-2.3%	-1.3%	-0.5%	-2.3%	-1.4%

5. DISCLOSURES

Wakely relied on carrier data provided by RTI including claim costs and enrollment information for the effective period of January 2011 through December 2013. Control totals were provided directly by the carriers. Wakely also relied on Truven Health MarketScan® data and the CMS LDS for various aspects of this analysis, as well as Medicaid FFS cost reports from the State of Rhode Island Medicaid Department (EOHHS). Wakely reviewed the data for reasonability, but did not audit the data. Results provided rely on the quality of the data. Data errors and/or omissions could have a significant impact on the results of Wakely's analysis.

This report is intended for use by RI OHIC, EOHHS and the HCPAAC to provide estimates of the historical cost of care and cost drivers for purposes of informing initiatives to improve the health care system in Rhode Island. Other uses of this report may not be appropriate.

Wakely does not intend to benefit third parties and assumes no duty or liability to other parties who receive this work. This report should only be utilized by qualified individuals with an understanding of the assumptions, methodologies and limitations of the analysis. Dissemination of the report should only be done in its entirety and include caveats about the possible variability of results and Wakely's reliance on data sources.

Guidelines issued by the American Academy of Actuaries require actuaries to include their professional qualifications in all actuarial communications. The authors of this report are Fellows of the Society of Actuaries and members of the American Academy of Actuaries and meet the qualification standards for performing the actuarial analyses included in this report.

6. APPENDIX

6.1 Service Category Definitions

Inpatient Facility	Util	Description
Med/Surg	(a), (d)	General inpatient hospital stays
Maternity	(a), (d)	Inpatient costs for the delivery and newborn
SNF	(a), (d)	Facility costs incurred in an Skilled Nursing Facility
MHCD	(a), (d)	Inpatient stays related to Mental Health or Chemical Dependency

Ancillary Category	Util	Description
Emergency Room	(v)	All facility costs related to an emergency room event
Outpatient Surgery	(v)	All facility costs related to an outpatient surgery event
Observation	(v)	Facility costs related to a hospital stay that doesn't require inpatient admission
Pathology/Lab	(p)	Lab tests performed in the facility
Radiology	(p)	X-rays and radiation services performed in the facility setting
Pharmacy	(p)	Injectable drugs administered in the facility setting
Other OP Facility	(p)	All other outpatient facility costs not categorized elsewhere

Ancillary Category	Util	Description
Ambulance	(p)	Expenses related to ambulance transportation costs
DME/Prosthetics/Supplies	(p)	Durable Medical Goods
Home Health	(p)	Care that is less intensive than skilled nursing given in the home
Dialysis	(p)	Costs related to dialysis treatment

Professional Category	Util	Description
Administered Drugs	(p)	Injectable drugs administered in a non-facility setting
Allergy	(p)	Services related to allergy testing and treatment
Anesthesia	(p)	Anesthesia services
Cardiovascular	(p)	Includes ECGs, EKGs, other cardiovascular related scans
Consultations	(p)	Gathering patient history, coordination of care, and face to face with the patient
Emergency Room	(p)	Physician costs associated with emergency room visit
Immunizations/Injections	(p)	Immunizations and injections
Inpatient Visits	(p)	Physician costs associated with inpatient stays
Maternity	(p)	Physician costs associated with deliveries
MH/SA	(p)	Mental Health and Substance Abuse that does not involve an inpatient stay
Office Visits	(p)	Physician costs for office visits
Ophthalmology	(p)	Eye care related services
Other Prof.	(p)	Misc. professional services not classified elsewhere
Pathology/Lab	(p)	Lab tests performed in a non-facility setting
Preventive Visits	(p)	Office visits classified as preventive care
PT/OT/ST	(p)	Includes physical therapy, occupational therapy, and speech therapy
Radiology	(p)	X-rays and radiation services performed in a non-facility setting
Surgery	(p)	Physician costs associated with surgery

6.2 Rhode Island Commercial Exhibits

Rhode Island Commercial Trends – Per Capita Costs

Category of Service	Allowed PMPY			PMPY Trend			PMPY Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Inpatient Facility	\$ 941	\$ 1,038	\$ 994	10.3%	-4.2%	2.8%	1.9%	-0.9%	0.5%
Outpatient Facility	\$ 988	\$ 1,059	\$ 1,104	7.2%	4.2%	5.7%	1.4%	0.9%	1.2%
Ancillary	\$ 108	\$ 114	\$ 116	5.5%	1.7%	3.6%	0.1%	0.0%	0.1%
Professional	\$ 1,431	\$ 1,471	\$ 1,494	2.8%	1.5%	2.2%	0.8%	0.4%	0.6%
Other	\$ 317	\$ 295	\$ 275	-7.0%	-6.8%	-6.9%	-0.4%	-0.4%	-0.4%
Pharmacy	\$ 1,076	\$ 1,110	\$ 1,017	3.1%	-8.4%	-2.8%	0.7%	-1.8%	-0.6%
Total	\$ 4,862	\$ 5,087	\$ 5,000	4.6%	-1.7%	1.4%	4.6%	-1.7%	1.4%

Rhode Island Commercial Trends – Utilization

Category of Service	Utilization			Utilization Trend			Utilization Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Inpatient Facility	65	66	64	-0.3%	-2.5%	-1.4%	-0.1%	-0.5%	-0.3%
Outpatient Facility	5,409	5,416	5,354	-0.2%	0.5%	0.2%	0.0%	0.1%	0.0%
Ancillary	625	658	672	8.0%	9.3%	8.7%	0.2%	0.2%	0.2%
Professional	17,636	17,952	18,209	1.7%	2.0%	1.8%	0.5%	0.4%	0.5%
Pharmacy	15	15	14	-1.8%	-1.5%	-1.6%	-0.4%	-0.3%	-0.3%
Total				0.1%	-0.2%	0.0%	0.1%	-0.2%	0.0%

Rhode Island Commercial Trends – Unit Cost

Category of Service	Unit Cost			Unit Cost Trend			Unit Cost Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Inpatient Facility	\$ 14,377	\$ 15,831	\$ 15,466	10.6%	-1.7%	4.3%	2.0%	-0.3%	0.8%
Outpatient Facility	\$ 183	\$ 196	\$ 206	7.3%	3.7%	5.5%	1.4%	0.8%	1.1%
Ancillary	\$ 173	\$ 174	\$ 173	-2.3%	-7.0%	-4.7%	0.0%	-0.1%	-0.1%
Professional	\$ 81	\$ 82	\$ 82	1.1%	-0.5%	0.3%	0.3%	0.0%	0.2%
Pharmacy	\$ 72	\$ 76	\$ 70	5.0%	-7.0%	-1.2%	1.1%	-1.5%	-0.2%
Total				4.5%	-1.6%	1.4%	4.5%	-1.6%	1.4%

Rhode Island Commercial Trends – Intensity and Price Inflation

Category of Service	Unit Cost Trend			Intensity Trend			Price Inflation		
	2012	2013	Avg	2012	2013	Avg	2012	2013	Avg
Inpatient Facility	10.6%	-1.7%	4.3%	1.5%	4.1%	2.8%	9.8%	-1.8%	4.0%
Professional	1.1%	-0.5%	0.3%	-0.4%	-1.0%	-0.7%	1.4%	1.1%	1.2%

Rhode Island Commercial Trends - Inpatient Detail - Per Capita Costs

Inpatient Facility Category	Allowed PMPY			PMPY Trend			PMPY Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Med/Surg	\$ 716	\$ 786	\$ 739	9.8%	-6.0%	1.6%	1.4%	-0.9%	0.2%
Maternity	\$ 133	\$ 163	\$ 163	22.7%	-0.4%	10.5%	0.6%	0.0%	0.3%
SNF	\$ 26	\$ 20	\$ 19	-24.9%	-5.2%	-15.6%	-0.1%	0.0%	-0.1%
MHCD	\$ 66	\$ 69	\$ 74	5.0%	7.0%	6.0%	0.1%	0.1%	0.1%
Total	\$ 941	\$ 1,038	\$ 994	10.3%	-4.2%	2.8%	1.9%	-0.9%	0.5%

Rhode Island Commercial Trends - Inpatient Detail - Utilization

Inpatient Facility Category	Utilization			Utilization Trend			Utilization Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Med/Surg	41.7	40.8	39.0	-2.2%	-4.3%	-3.3%	-0.3%	-0.7%	-0.5%
Maternity	12.6	13.3	14.3	6.3%	7.3%	6.8%	0.2%	0.2%	0.2%
SNF	3.9	2.9	2.8	-25.7%	-1.9%	-13.8%	-0.1%	0.0%	-0.1%
MHCD	7.3	8.5	8.1	16.9%	-5.0%	5.9%	0.2%	-0.1%	0.1%
Total	65.42	65.54	64.26	-0.3%	-2.5%	-1.4%	-0.1%	-0.5%	-0.3%

Inpatient Facility Category	Admits / K			Days / K			ALOS		
	2011	2012	2013	2011	2012	2013	2011	2012	2013
Med/Surg	41.7	40.8	39.0	144.7	152.0	147.2	3.47	3.73	3.77
Maternity	12.6	13.3	14.3	33.4	43.2	47.5	2.66	3.24	3.32
SNF	3.9	2.9	2.8	45.2	45.5	41.8	11.67	15.80	14.81
MHCD	7.3	8.5	8.1	41.5	45.8	49.8	5.69	5.38	6.15
Total	65.42	65.54	64.26	264.8	286.6	286.2	4.05	4.37	4.45

Inpatient Facility Category	Admits / K Trend			Days / K Trend			ALOS Trend		
	2012	2013	Avg	2012	2013	Avg	2012	2013	Avg
Med/Surg	-2.2%	-4.3%	-3.3%	5.0%	-3.2%	0.8%	7.4%	1.2%	4.2%
Maternity	6.3%	7.3%	6.8%	29.4%	9.9%	19.3%	21.8%	2.4%	11.7%
SNF	-25.7%	-1.9%	-14.6%	0.7%	-8.1%	-3.8%	35.5%	-6.3%	12.7%
MHCD	16.9%	-5.0%	5.4%	10.5%	8.6%	9.5%	-5.4%	14.3%	4.0%
Total	0.2%	-1.9%	-0.9%	8.2%	-0.1%	4.0%	8.0%	1.9%	4.9%

Rhode Island Commercial Trends - Inpatient Detail - Unit Cost

Inpatient Facility Category	Unit Cost			Unit Cost Trend			Unit Cost Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Med/Surg	\$ 17,165	\$ 19,262	\$ 18,936	12.2%	-1.7%	5.0%	1.7%	-0.3%	0.7%
Maternity	\$ 10,603	\$ 12,237	\$ 11,357	15.4%	-7.2%	3.5%	0.4%	-0.2%	0.1%
SNF	\$ 6,721	\$ 6,790	\$ 6,567	1.0%	-3.3%	-2.1%	0.0%	0.0%	0.0%
MHCD	\$ 8,999	\$ 8,089	\$ 9,107	-10.1%	12.6%	0.1%	-0.1%	0.2%	0.0%
Total	\$ 14,377	\$ 15,831	\$ 15,466	10.6%	-1.7%	4.3%	2.0%	-0.3%	0.8%

Inpatient Facility Category	Unit Cost Trend			Intensity Trend			Price Inflation		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Med/Surg	12.2%	-1.7%	5.0%	2.0%	5.6%	3.8%	10.5%	-2.7%	3.9%
Maternity	15.4%	-7.2%	3.5%	-1.1%	-0.9%	-1.0%	15.9%	-4.3%	5.8%
SNF	1.0%	-3.3%	-2.1%	n/a	n/a	n/a	n/a	n/a	n/a
MHCD	-10.1%	12.6%	0.1%	1.0%	-1.3%	-0.1%	-11.0%	14.0%	1.5%
Total	10.6%	-1.7%	4.3%	1.5%	4.1%	2.8%	9.8%	-1.8%	4.0%

Rhode Island Commercial Trends - Outpatient Detail - Per Capita Costs

Outpatient Facility Category	Allowed PMPY			PMPY Trend			PMPY Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Emergency Room	\$ 198	\$ 191	\$ 205	-3.5%	7.7%	1.9%	-0.1%	0.3%	0.1%
Outpatient Surgery	\$ 279	\$ 313	\$ 320	12.2%	2.3%	7.2%	0.7%	0.1%	0.4%
Observation	\$ 20	\$ 25	\$ 27	28.1%	6.7%	16.9%	0.1%	0.0%	0.1%
Pathology/Lab	\$ 138	\$ 141	\$ 135	2.4%	-4.3%	-1.0%	0.1%	-0.1%	0.0%
Radiology	\$ 152	\$ 151	\$ 152	-0.7%	0.7%	0.0%	0.0%	0.0%	0.0%
Pharmacy	\$ 80	\$ 99	\$ 112	23.7%	13.2%	18.3%	0.4%	0.3%	0.3%
Other OP Facility	\$ 122	\$ 139	\$ 152	14.0%	9.4%	11.6%	0.3%	0.3%	0.3%
Total	\$ 988	\$ 1,059	\$ 1,104	7.2%	4.2%	5.7%	1.4%	0.9%	1.2%

Rhode Island Commercial Trends - Outpatient Detail - Utilization

Outpatient Facility Category	Utilization			Utilization Trend			Utilization Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Emergency Room	177	176	175	-0.5%	-0.5%	-0.5%	0.0%	0.0%	0.0%
Outpatient Surgery	126	123	121	-2.1%	-1.9%	-2.0%	-0.1%	-0.1%	-0.1%
Observation	11	11	12	0.6%	4.7%	2.6%	0.0%	0.0%	0.0%
Pathology/Lab	3,880	3,864	3,754	-0.4%	-2.9%	-1.6%	0.0%	-0.1%	0.0%
Radiology	471	458	456	-2.8%	-0.4%	-1.6%	-0.1%	0.0%	-0.1%
Pharmacy	226	233	245	2.9%	5.5%	4.2%	0.1%	0.1%	0.1%
Other OP Facility	518	551	591	6.3%	7.3%	6.8%	0.2%	0.2%	0.2%
Total	5,409	5,416	5,354	-0.2%	0.5%	0.2%	0.0%	0.1%	0.0%

Rhode Island Commercial Trends - Outpatient Detail - Unit Cost

Outpatient Facility Category	Unit Cost			Unit Cost Trend			Unit Cost Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Emergency Room	\$ 1,117	\$ 1,082	\$ 1,171	-3.1%	8.2%	2.4%	-0.1%	0.3%	0.1%
Outpatient Surgery	\$ 2,218	\$ 2,543	\$ 2,653	14.6%	4.3%	9.4%	0.8%	0.3%	0.5%
Observation	\$ 1,775	\$ 2,260	\$ 2,303	27.3%	1.9%	13.9%	0.1%	0.0%	0.1%
Pathology/Lab	\$ 36	\$ 37	\$ 36	2.8%	-1.5%	0.6%	0.1%	0.0%	0.0%
Radiology	\$ 322	\$ 329	\$ 333	2.1%	1.2%	1.6%	0.1%	0.0%	0.1%
Pharmacy	\$ 354	\$ 426	\$ 457	20.2%	7.3%	13.6%	0.3%	0.1%	0.2%
Other OP Facility	\$ 236	\$ 253	\$ 258	7.2%	2.0%	4.5%	0.2%	0.1%	0.1%
Total	\$ 183	\$ 196	\$ 206	7.3%	3.7%	5.5%	1.4%	0.8%	1.1%

Rhode Island Commercial Trends - Ancillary Detail - Per Capita Costs

Ancillary Category	Allowed PMPY			PMPY Trend			PMPY Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Ambulance	\$ 20	\$ 22	\$ 25	12.5%	11.8%	12.1%	0.0%	0.1%	0.1%
DME/Prosthetics/Supplies	\$ 51	\$ 51	\$ 47	0.1%	-8.5%	-4.3%	0.0%	-0.1%	0.0%
Home Health	\$ 21	\$ 22	\$ 22	3.9%	1.6%	2.7%	0.0%	0.0%	0.0%
Dialysis	\$ 17	\$ 19	\$ 22	15.6%	17.5%	16.5%	0.1%	0.1%	0.1%
Total	\$ 108	\$ 114	\$ 116	5.5%	1.7%	3.6%	0.1%	0.0%	0.1%

Rhode Island Commercial Trends - Ancillary Detail - Utilization

Ancillary Category	Utilization			Utilization Trend			Utilization Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Ambulance	99	105	108	6.0%	3.0%	4.5%	0.0%	0.0%	0.0%
DME/Prosthetics/Supplies	364	389	378	7.0%	-2.8%	2.0%	0.1%	0.0%	0.0%
Home Health	147	144	157	-1.9%	8.8%	3.3%	0.0%	0.0%	0.0%
Dialysis	15	19	29	25.8%	49.7%	37.2%	0.1%	0.1%	0.1%
Total	625	658	672	8.0%	9.3%	8.7%	0.2%	0.2%	0.2%

Rhode Island Commercial Trends - Ancillary Detail - Unit Cost

Ancillary Category	Unit Cost			Unit Cost Trend			Unit Cost Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Ambulance	\$ 200	\$ 212	\$ 230	6.1%	8.5%	7.3%	0.0%	0.0%	0.0%
DME/Prosthetics/Supplies	\$ 141	\$ 132	\$ 124	-6.4%	-5.9%	-6.1%	-0.1%	-0.1%	-0.1%
Home Health	\$ 141	\$ 150	\$ 140	5.8%	-6.6%	-0.6%	0.0%	0.0%	0.0%
Dialysis	\$ 1,073	\$ 986	\$ 774	-8.1%	-21.5%	-15.1%	0.0%	-0.1%	0.0%
Total	\$ 173	\$ 174	\$ 173	-2.3%	-7.0%	-4.7%	0.0%	-0.1%	-0.1%

Rhode Island Commercial Trends - Professional Detail - Per Capita Costs

Professional Category	Allowed PMPY			PMPY Trend			PMPY Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Administered Drugs	\$ 43	\$ 45	\$ 40	4.2%	-10.8%	-3.6%	0.0%	-0.1%	0.0%
Allergy	\$ 11	\$ 11	\$ 11	3.5%	0.5%	2.0%	0.0%	0.0%	0.0%
Anesthesia	\$ 74	\$ 78	\$ 81	6.0%	3.3%	4.6%	0.1%	0.1%	0.1%
Cardiovascular	\$ 37	\$ 36	\$ 30	-2.8%	-16.1%	-9.7%	0.0%	-0.1%	-0.1%
Consultations	\$ 6	\$ 5	\$ 5	-18.8%	0.1%	-9.9%	0.0%	0.0%	0.0%
Emergency Room	\$ 45	\$ 49	\$ 53	7.8%	8.9%	8.4%	0.1%	0.1%	0.1%
Immunizations/Injections	\$ 21	\$ 24	\$ 24	10.9%	2.7%	6.7%	0.0%	0.0%	0.0%
Inpatient Visits	\$ 26	\$ 27	\$ 28	3.1%	3.3%	3.2%	0.0%	0.0%	0.0%
Maternity	\$ 18	\$ 19	\$ 19	2.7%	2.8%	2.8%	0.0%	0.0%	0.0%
MH/SA	\$ 145	\$ 153	\$ 146	5.7%	-4.6%	0.4%	0.2%	-0.1%	0.0%
Office Visits	\$ 291	\$ 298	\$ 319	2.2%	7.1%	4.7%	0.1%	0.4%	0.3%
Ophthalmology	\$ 37	\$ 35	\$ 34	-5.8%	-1.6%	-3.7%	0.0%	0.0%	0.0%
Other Prof.	\$ 53	\$ 52	\$ 50	-2.6%	-2.6%	-2.6%	0.0%	0.0%	0.0%
Pathology/Lab	\$ 82	\$ 85	\$ 89	2.5%	5.7%	4.1%	0.0%	0.1%	0.1%
Preventive Visits	\$ 84	\$ 88	\$ 96	5.1%	9.5%	7.3%	0.1%	0.2%	0.1%
PT/OT/ST	\$ 86	\$ 89	\$ 91	3.9%	2.3%	3.1%	0.1%	0.0%	0.1%
Radiology	\$ 156	\$ 165	\$ 161	5.5%	-2.0%	1.7%	0.2%	-0.1%	0.1%
Surgery	\$ 209	\$ 211	\$ 211	1.1%	0.2%	0.6%	0.0%	0.0%	0.0%
Other Prof.	\$ 6	\$ 3	\$ 2	-49.2%	-28.0%	-39.5%	-0.1%	0.0%	0.0%
Total	\$ 1,431	\$ 1,471	\$ 1,494	2.8%	1.5%	2.2%	0.8%	0.4%	0.6%

Rhode Island Commercial Trends - Professional Detail - Utilization

Professional Category	Utilization			Utilization Trend			Utilization Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Administered Drugs	178	181	170	1.8%	-6.4%	-2.3%	0.0%	-0.1%	0.0%
Allergy	199	206	205	3.7%	-0.5%	1.6%	0.0%	0.0%	0.0%
Anesthesia	131	133	133	1.4%	-0.1%	0.6%	0.0%	0.0%	0.0%
Cardiovascular	519	512	500	-1.3%	-2.4%	-1.9%	0.0%	0.0%	0.0%
Consultations	36	28	27	-21.0%	-2.4%	-12.2%	0.0%	0.0%	0.0%
Emergency Room	195	204	209	4.5%	2.4%	3.4%	0.0%	0.0%	0.0%
Immunizations/Injections	1,113	1,152	1,140	3.5%	-1.1%	1.2%	0.0%	0.0%	0.0%
Inpatient Visits	271	280	294	3.4%	5.1%	4.3%	0.0%	0.0%	0.0%
Maternity	21	21	21	-0.8%	4.5%	1.8%	0.0%	0.0%	0.0%
MH/SA	1,290	1,372	1,281	6.4%	-6.7%	-0.3%	0.2%	-0.2%	0.0%
Office Visits	3,453	3,455	3,659	0.0%	5.9%	2.9%	0.0%	0.4%	0.2%
Ophthalmology	449	453	462	0.9%	2.1%	1.5%	0.0%	0.0%	0.0%
Other Prof.	881	873	922	-1.0%	5.7%	2.3%	0.0%	0.1%	0.0%
Pathology/Lab	3,761	3,797	3,790	1.0%	-0.2%	0.4%	0.0%	0.0%	0.0%
Preventive Visits	721	727	758	0.9%	4.2%	2.5%	0.0%	0.1%	0.0%
PT/OT/ST	2,121	2,197	2,263	3.6%	3.0%	3.3%	0.1%	0.1%	0.1%
Radiology	1,519	1,570	1,555	3.3%	-0.9%	1.2%	0.1%	0.0%	0.0%
Surgery	767	785	797	2.3%	1.6%	1.9%	0.1%	0.1%	0.1%
Other Prof.	12	5	23	-59.9%	359.4%	35.7%	-0.1%	0.0%	0.0%
Total	17,636	17,952	18,209	1.7%	2.0%	1.8%	0.5%	0.4%	0.5%

Rhode Island Commercial Trends - Professional Detail - Unit Cost

Professional Category	Unit Cost			Unit Cost Trend			Unit Cost Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Administered Drugs	\$ 242	\$ 248	\$ 236	2.3%	-4.7%	-1.2%	0.0%	0.0%	0.0%
Allergy	\$ 55	\$ 55	\$ 56	-0.1%	1.0%	0.4%	0.0%	0.0%	0.0%
Anesthesia	\$ 565	\$ 591	\$ 611	4.6%	3.4%	4.0%	0.1%	0.1%	0.1%
Cardiovascular	\$ 71	\$ 69	\$ 60	-1.5%	-14.0%	-8.0%	0.0%	-0.1%	-0.1%
Consultations	\$ 180	\$ 185	\$ 190	2.7%	2.6%	2.7%	0.0%	0.0%	0.0%
Emergency Room	\$ 232	\$ 239	\$ 254	3.1%	6.4%	4.8%	0.0%	0.1%	0.0%
Immunizations/Injections	\$ 19	\$ 20	\$ 21	7.1%	3.9%	5.5%	0.0%	0.0%	0.0%
Inpatient Visits	\$ 98	\$ 98	\$ 96	-0.3%	-1.8%	-1.0%	0.0%	0.0%	0.0%
Maternity	\$ 876	\$ 907	\$ 892	3.5%	-1.6%	0.9%	0.0%	0.0%	0.0%
MH/SA	\$ 112	\$ 112	\$ 114	-0.7%	2.2%	0.7%	0.0%	0.1%	0.0%
Office Visits	\$ 84	\$ 86	\$ 87	2.2%	1.1%	1.7%	0.1%	0.1%	0.1%
Ophthalmology	\$ 82	\$ 77	\$ 74	-6.7%	-3.7%	-5.2%	0.0%	0.0%	0.0%
Other Prof.	\$ 60	\$ 59	\$ 54	-1.7%	-7.8%	-4.8%	0.0%	-0.1%	0.0%
Pathology/Lab	\$ 22	\$ 22	\$ 24	1.5%	5.9%	3.7%	0.0%	0.1%	0.1%
Preventive Visits	\$ 116	\$ 121	\$ 127	4.2%	5.1%	4.6%	0.1%	0.1%	0.1%
PT/OT/ST	\$ 40	\$ 41	\$ 40	0.3%	-0.6%	-0.2%	0.0%	0.0%	0.0%
Radiology	\$ 103	\$ 105	\$ 104	2.1%	-1.1%	0.5%	0.1%	0.0%	0.0%
Surgery	\$ 272	\$ 269	\$ 265	-1.2%	-1.3%	-1.3%	0.0%	-0.1%	-0.1%
Other Prof.	\$ 484	\$ 614	\$ 96	26.7%	-84.3%	-55.4%	0.0%	-0.1%	0.0%
Total	\$ 81	\$ 82	\$ 82	1.1%	-0.5%	0.3%	0.3%	0.0%	0.2%

Rhode Island Commercial Trends - Professional Detail - Intensity & Price Inflation

Professional Category	Unit Cost Trend			Intensity Trend			Allowed / RVU Trend		
	2012	2013	Avg	2012	2013	Avg	2012	2013	Avg
Administered Drugs	2.3%	-4.7%	-1.2%	n/a	n/a	n/a	n/a	n/a	n/a
Allergy	-0.1%	1.0%	0.4%	0.6%	0.1%	0.3%	-0.5%	0.4%	-0.1%
Anesthesia	4.6%	3.4%	4.0%	n/a	n/a	n/a	n/a	n/a	n/a
Cardiovascular	-1.5%	-14.0%	-8.0%	1.6%	-7.9%	-3.2%	-2.0%	-1.3%	-1.6%
Consultations	2.7%	2.6%	2.7%	-4.1%	-0.5%	-2.3%	3.6%	2.9%	3.2%
Emergency Room	3.1%	6.4%	4.8%	-1.4%	0.7%	-0.4%	4.9%	5.7%	5.3%
Immunizations/Injections	7.1%	3.9%	5.5%	n/a	n/a	n/a	n/a	n/a	n/a
Inpatient Visits	-0.3%	-1.8%	-1.0%	-0.4%	-0.6%	-0.5%	0.2%	-1.1%	-0.4%
Maternity	3.5%	-1.6%	0.9%	3.0%	-3.7%	-0.4%	0.6%	2.1%	1.4%
MH/SA	-0.7%	2.2%	0.7%	n/a	n/a	n/a	n/a	n/a	n/a
Office Visits	2.2%	1.1%	1.7%	0.4%	-0.3%	0.0%	1.7%	1.4%	1.6%
Ophthalmology	-6.7%	-3.7%	-5.2%	-3.5%	-2.0%	-2.8%	-4.1%	-1.7%	-2.9%
Other Prof.	-1.7%	-7.8%	-4.8%	n/a	n/a	n/a	n/a	n/a	n/a
Pathology/Lab	1.5%	5.9%	3.7%	n/a	n/a	n/a	n/a	n/a	n/a
Preventive Visits	4.2%	5.1%	4.6%	-0.1%	0.3%	0.1%	4.3%	4.8%	4.5%
PT/OT/ST	0.3%	-0.6%	-0.2%	0.6%	0.0%	0.3%	-0.2%	-0.5%	-0.3%
Radiology	2.1%	-1.1%	0.5%	0.0%	-0.8%	-0.4%	1.9%	-0.4%	0.8%
Surgery	-1.2%	-1.3%	-1.3%	-2.0%	-2.1%	-2.0%	0.9%	0.8%	0.9%
Other Prof.	26.7%	-84.3%	-55.4%	n/a	n/a	n/a	n/a	n/a	n/a
Total	1.1%	-0.5%	0.3%	-0.4%	-1.0%	-0.7%	1.4%	1.1%	1.2%

Rhode Island Commercial Trends - Pharmacy Detail - Per Capita Costs

Pharmacy Category	Allowed PMPY			PMPY Trend			PMPY % of Total		
	2011	2012	2013	2011	2012	Avg	2011	2012	2013
Generic	\$ 281	\$ 324	\$ 241	15.2%	-25.7%	-7.5%	26.1%	29.2%	23.7%
Brand	\$ 637	\$ 595	\$ 556	-6.5%	-6.6%	-6.6%	59.2%	53.6%	54.7%
Specialty	\$ 158	\$ 191	\$ 220	20.4%	15.6%	18.0%	14.7%	17.2%	21.7%
Total	\$ 1,076	\$ 1,110	\$ 1,017	3.1%	-8.4%	-2.8%	100.0%	100.0%	100.0%

Rhode Island Commercial Trends - Pharmacy Detail - Utilization

Pharmacy Category	Utilization			Utilization Trend			Utilization % of Total		
	2011	2012	2013	2012	2013	Avg	2011	2012	2013
Generic	11.15	11.53	11.86	3.4%	2.8%	3.1%	74.5%	78.5%	82.0%
Brand	3.75	3.10	2.55	-17.4%	-17.7%	-17.5%	25.1%	21.1%	17.6%
Specialty	0.06	0.06	0.06	4.6%	0.0%	2.3%	0.4%	0.4%	0.4%
Total	14.96	14.69	14.47	-1.8%	-1.5%	-1.6%	100.0%	100.0%	100.0%

Rhode Island Commercial Trends - Pharmacy Detail - Unit Costs

Pharmacy Category	Unit Cost			Unit Cost Trend			Relative Unit Cost vs. Total		
	2011	2012	2013	2012	2013	Avg	2011	2012	2013
Generic	\$ 25	\$ 28	\$ 20	11.4%	-27.8%	-10.3%	35%	37%	29%
Brand	\$ 170	\$ 192	\$ 218	13.1%	13.5%	13.3%	236%	254%	310%
Specialty	\$ 2,726	\$ 3,137	\$ 3,627	15.1%	15.6%	15.3%	3,789%	4,153%	5,161%
Total	\$ 71.95	\$ 75.53	\$ 70.28	5.0%	-7.0%	-1.2%	100%	100%	100%

6.3 Commercial Benchmarking Exhibits

Commercial Regional Benchmarking – Per Capita Costs

Category of Service	2013 Allowed PMPY			Avg PMPY Trend			Avg PMPY Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Inpatient Facility	\$ 1,017	\$ 928	\$ 1,018	-0.1%	1.3%	3.3%	0.0%	0.2%	0.6%
Outpatient Facility	\$ 1,190	\$ 1,200	\$ 1,428	9.8%	2.2%	5.2%	2.2%	0.5%	1.3%
Ancillary	\$ 107	\$ 141	\$ 146	-8.9%	1.8%	3.7%	-0.2%	0.0%	0.1%
Professional	\$ 1,533	\$ 1,895	\$ 1,909	-3.4%	1.7%	2.6%	-1.1%	0.6%	0.9%
Pharmacy	\$ 961	\$ 861	\$ 965	-2.2%	4.7%	3.4%	-0.4%	0.8%	0.6%
Total	\$ 4,809	\$ 5,026	\$ 5,465	0.3%	2.3%	3.6%	0.3%	2.3%	3.6%

Commercial Regional Benchmarking – Utilization

Category of Service	2013 Utilization			Avg Utilization Trend			Avg Utilization Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Inpatient Facility	65	62	60	-4.8%	-5.8%	-2.7%	-1.1%	-1.2%	-0.5%
Outpatient Facility	4,785	4,789	4,184	5.4%	-1.3%	0.4%	1.1%	-0.4%	0.1%
Ancillary	562	539	591	-8.5%	1.3%	2.3%	-0.3%	0.0%	0.1%
Professional	16,495	15,696	17,922	-3.9%	-1.2%	0.3%	-1.3%	-0.6%	0.1%
Pharmacy	11	9	9	-3.4%	-0.7%	-0.5%	-0.7%	-0.1%	-0.1%
Total				-2.3%	-2.2%	-0.4%	-2.3%	-2.2%	-0.4%

Commercial Regional Benchmarking – Unit Cost

Category of Service	2013 Unit Cost			Avg Unit Cost Trend			Avg Unit Cost Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Inpatient Facility	\$ 15,590	\$ 14,887	\$ 16,895	5.0%	7.6%	6.3%	1.1%	1.5%	1.1%
Outpatient Facility	\$ 249	\$ 251	\$ 341	4.1%	3.6%	4.7%	1.1%	0.9%	1.2%
Ancillary	\$ 190	\$ 262	\$ 247	-0.4%	0.4%	1.3%	0.0%	0.0%	0.0%
Professional	\$ 93	\$ 121	\$ 107	0.5%	3.0%	2.3%	0.2%	1.2%	0.8%
Pharmacy	\$ 91	\$ 98	\$ 104	3.5%	0.7%	0.5%	0.3%	0.9%	0.7%
Total				2.6%	4.6%	3.9%	2.6%	4.6%	3.9%

Commercial Regional Benchmarking – Intensity & Price Inflation

Category of Service	Avg Unit Cost Trend			Avg Intensity Trend			Avg Price Inflation		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Inpatient Facility	5.0%	7.6%	6.3%	0.9%	2.3%	2.0%	8.0%	4.8%	5.7%
Professional	0.5%	3.0%	2.3%	-1.3%	0.1%	0.0%	1.8%	2.3%	1.5%

Commercial Regional Benchmarking – Inpatient Detail - Per Capita Costs

Category of Service	2013 Allowed PMPY			Average PMPY Trend			Average Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Med/Surg	\$ 674	\$ 679	\$ 776	-4.2%	-0.2%	1.7%	-0.6%	0.0%	0.2%
Maternity	\$ 259	\$ 192	\$ 183	14.8%	6.0%	9.5%	0.7%	0.2%	0.3%
SNF	\$ 6	\$ 8	\$ 7	-26.7%	-5.6%	-0.6%	-0.1%	0.0%	0.0%
MHCD	\$ 78	\$ 49	\$ 51	0.5%	8.8%	9.2%	0.0%	0.1%	0.1%
Total	\$ 1,017	\$ 928	\$ 1,018	-0.1%	1.3%	3.3%	0.0%	0.2%	0.6%

Commercial Regional Benchmarking – Inpatient Detail - Utilization

Inpatient Facility Category	2013 Utilization			2013 Utilization Trend			Avg Utilization Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Med/Surg	33.5	34.1	35.9	-8.6%	-8.6%	-4.4%	-1.3%	-1.3%	-0.7%
Maternity	22.8	21.2	17.8	7.9%	1.6%	3.7%	0.4%	0.1%	0.1%
SNF	1.4	1.8	1.4	-29.0%	-2.5%	-3.2%	-0.1%	0.0%	0.0%
MHCD	7.5	5.3	5.1	-2.2%	5.4%	2.0%	0.0%	0.0%	0.0%
Total	65.23	62.32	60.27	-4.8%	-5.8%	-2.7%	-1.1%	-1.2%	-0.5%

Inpatient Facility Category	2013 Admits / K			2013 Days / K			2013 ALOS		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Med/Surg	33.5	34.1	35.9	126.3	140.5	153.7	3.76	4.12	4.28
Maternity	22.8	21.2	17.8	73.7	74.7	60.9	3.24	3.53	3.41
SNF	1.4	1.8	1.4	15.7	17.3	15.1	11.23	9.83	10.78
MHCD	7.5	5.3	5.1	53.5	41.1	37.6	7.11	7.73	7.39
Total	65.23	62.32	60.27	269.1	273.5	267.2	4.13	4.39	4.43

Inpatient Facility Category	Avg Admits / K Trend			Avg Days / K Trend			Avg ALOS Trend		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Med/Surg	-8.6%	-8.6%	-4.4%	-10.9%	-5.3%	-3.5%	-2.6%	3.6%	0.9%
Maternity	7.9%	1.6%	3.7%	14.8%	1.3%	4.2%	6.4%	-0.3%	0.5%
SNF	-29.0%	-2.5%	-3.2%	-20.6%	-4.6%	-2.4%	11.9%	-2.1%	0.9%
MHCD	-2.2%	5.4%	2.0%	4.7%	4.5%	5.5%	7.0%	-0.8%	3.4%
Total	-3.7%	-4.2%	-1.6%	-3.4%	-2.2%	-0.6%	0.3%	2.1%	1.0%

Commercial Regional Benchmarking – Inpatient Detail - Unit Cost

Inpatient Facility Category	2013 Unit Cost			Avg Unit Cost Trend			Avg Unit Cost Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Med/Surg	\$ 20,098	\$ 19,906	\$ 21,601	4.8%	9.1%	6.4%	0.7%	1.3%	0.9%
Maternity	\$ 11,356	\$ 9,080	\$ 10,271	6.4%	4.3%	5.6%	0.3%	0.2%	0.2%
SNF	\$ 4,450	\$ 4,648	\$ 5,324	3.3%	-3.2%	2.7%	0.0%	0.0%	0.0%
MHCD	\$ 10,378	\$ 9,176	\$ 10,077	2.7%	3.2%	7.0%	0.0%	0.0%	0.1%
Total	\$ 15,590	\$ 14,887	\$ 16,895	3.7%	5.8%	5.1%	1.1%	1.5%	1.1%

Inpatient Facility Category	2013 Allowed / DRG			Avg Intensity Trend			Avg Price Inflation / Provider Mix		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Med/Surg	\$ 12,266	\$ 12,231	\$ 12,730	1.7%	2.8%	2.4%	4.4%	5.8%	5.0%
Maternity	\$ 20,203	\$ 12,601	\$ 15,982	-1.1%	1.6%	0.7%	7.6%	2.7%	4.8%
SNF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MHCD	\$ 15,984	\$ 13,565	\$ 14,793	-1.5%	-1.1%	-0.4%	4.3%	4.4%	7.4%
Total				0.9%	2.3%	2.0%	8.0%	4.8%	5.7%

Commercial Regional Benchmarking – Outpatient Detail - Per Capita Costs

Inpatient Facility Category	2013 Allowed PMPY			Avg PMPY Trend			Avg PMPY Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Emergency Room	\$ 228	\$ 148	\$ 221	3.2%	1.2%	3.2%	0.1%	0.0%	0.1%
Outpatient Surgery	\$ 334	\$ 271	\$ 375	13.0%	6.3%	4.3%	0.8%	0.3%	0.3%
Observation	\$ 29	\$ 93	\$ 66	14.7%	10.5%	17.0%	0.1%	0.2%	0.2%
Pathology/Lab	\$ 151	\$ 133	\$ 130	8.2%	-1.8%	-0.3%	0.2%	0.0%	0.0%
Radiology	\$ 159	\$ 230	\$ 233	9.3%	1.3%	1.7%	0.3%	0.1%	0.1%
Pharmacy	\$ 123	\$ 115	\$ 168	9.8%	-8.0%	10.9%	0.2%	-0.2%	0.3%
Other OP Facility	\$ 167	\$ 210	\$ 234	15.2%	5.0%	9.1%	0.4%	0.2%	0.3%
Total	\$ 1,190	\$ 1,200	\$ 1,428	9.8%	2.2%	5.2%	2.2%	0.5%	1.3%

Commercial Regional Benchmarking – Outpatient Detail - Utilization

Outpatient Facility Category	2013 Utilization			2013 Utilization Trend			Avg Utilization Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Emergency Room	186	157	177	-1.7%	-6.2%	-5.1%	-0.1%	-0.2%	-0.2%
Outpatient Surgery	102	67	90	-2.2%	0.1%	-0.5%	-0.2%	0.0%	0.0%
Observation	12	58	41	3.3%	6.0%	9.6%	0.0%	0.1%	0.1%
Pathology/Lab	3,253	2,604	2,361	12.7%	-5.0%	-1.7%	0.3%	-0.1%	0.0%
Radiology	433	585	540	9.3%	-1.8%	0.7%	0.3%	-0.1%	0.0%
Pharmacy	191	191	179	9.0%	-4.2%	1.5%	0.2%	-0.1%	0.0%
Other OP Facility	607	1,128	797	18.6%	1.3%	5.6%	0.5%	0.1%	0.2%
Total	4,785	4,789	4,184	5.4%	-1.3%	0.4%	1.1%	-0.4%	0.1%

Commercial Regional Benchmarking – Outpatient Detail - Unit Cost

Outpatient Facility Category	2013 Unit Cost			Avg Unit Cost Trend			Avg Unit Cost Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Emergency Room	\$ 1,224	\$ 941	\$ 1,247	5.0%	7.9%	8.8%	0.2%	0.2%	0.3%
Outpatient Surgery	\$ 3,261	\$ 4,016	\$ 4,159	15.5%	6.1%	4.8%	0.9%	0.3%	0.3%
Observation	\$ 2,536	\$ 1,600	\$ 1,616	11.0%	4.3%	6.8%	0.1%	0.1%	0.1%
Pathology/Lab	\$ 46	\$ 51	\$ 55	-4.0%	3.4%	1.4%	-0.1%	0.1%	0.0%
Radiology	\$ 367	\$ 393	\$ 432	0.0%	3.2%	1.0%	0.0%	0.1%	0.0%
Pharmacy	\$ 643	\$ 605	\$ 942	0.7%	-4.0%	9.2%	0.0%	-0.1%	0.2%
Other OP Facility	\$ 275	\$ 186	\$ 294	-2.8%	3.7%	3.3%	-0.1%	0.1%	0.1%
Total	\$ 249	\$ 251	\$ 341	-1.8%	5.4%	5.2%	1.1%	0.9%	1.2%

Commercial Regional Benchmarking – Ancillary Detail - Per Capita Costs

Ancillary Category	2013 Allowed PMPY			Avg PMPY Trend			Avg PMPY Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Ambulance	\$ 24	\$ 40	\$ 34	13.3%	-1.0%	2.2%	0.1%	0.0%	0.0%
DME/Prosthetics/Supplie	\$ 49	\$ 55	\$ 62	-5.6%	-2.8%	1.8%	-0.1%	0.0%	0.0%
Home Health	\$ 21	\$ 19	\$ 19	0.1%	10.3%	11.9%	0.0%	0.0%	0.0%
Dialysis	\$ 13	\$ 28	\$ 31	-38.5%	11.6%	4.7%	-0.2%	0.1%	0.0%
Total	\$ 107	\$ 141	\$ 146	-8.9%	1.8%	3.7%	-0.2%	0.0%	0.1%

Commercial Regional Benchmarking – Ancillary Detail - Utilization

Ancillary Category	2013 Utilization / K			2013 Utilization Trend			Avg Utilization Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Ambulance	84	76	73	-0.2%	-4.4%	-0.9%	0.0%	0.0%	0.0%
DME/Prosthetics/Supplie	349	354	423	-1.4%	0.5%	3.6%	0.0%	0.0%	0.0%
Home Health	119	83	75	-1.2%	5.3%	10.2%	0.0%	0.0%	0.0%
Dialysis	10	26	20	-40.3%	10.2%	-1.2%	-0.2%	0.0%	0.0%
Total	562	539	591	-8.5%	1.3%	2.3%	-0.3%	0.0%	0.1%

Commercial Regional Benchmarking – Ancillary Detail - Unit Costs

Ancillary Category	2013 Unit Cost			Avg Unit Cost Trend			Avg Unit Cost Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Ambulance	\$ 285	\$ 527	\$ 462	13.6%	3.6%	3.2%	0.1%	0.0%	0.0%
DME/Prosthetics/Supplie	\$ 141	\$ 154	\$ 146	-4.2%	-3.3%	-1.8%	0.0%	0.0%	0.0%
Home Health	\$ 175	\$ 229	\$ 257	1.3%	4.8%	1.6%	0.0%	0.0%	0.0%
Dialysis	\$ 1,295	\$ 1,077	\$ 1,579	3.1%	1.3%	6.0%	0.0%	0.0%	0.0%
Total	\$ 190	\$ 262	\$ 247	-6.3%	0.9%	0.1%	0.0%	0.0%	0.0%

Commercial Regional Benchmarking – Professional Detail - Per Capita Costs

Professional Category	2013 Allowed PMPY			Avg PMPY Trend			Avg PMPY Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Administered Drugs	\$ 45	\$ 68	\$ 84	-9.3%	-0.6%	0.9%	-0.1%	0.0%	0.0%
Allergy	\$ 11	\$ 16	\$ 14	-4.2%	4.6%	1.7%	0.0%	0.0%	0.0%
Anesthesia	\$ 88	\$ 101	\$ 112	1.3%	3.8%	4.5%	0.0%	0.1%	0.1%
Cardiovascular	\$ 29	\$ 28	\$ 34	-14.1%	-9.3%	-6.7%	-0.1%	-0.1%	0.0%
Consultations	\$ 7	\$ 19	\$ 38	-7.3%	-13.2%	-5.4%	0.0%	-0.1%	0.0%
Emergency Room	\$ 62	\$ 54	\$ 44	6.1%	2.7%	8.7%	0.1%	0.0%	0.1%
Immunizations/Injections	\$ 26	\$ 55	\$ 41	-1.7%	17.3%	3.9%	0.0%	0.1%	0.0%
Inpatient Visits	\$ 27	\$ 43	\$ 34	-2.4%	4.2%	4.5%	0.0%	0.0%	0.0%
Maternity	\$ 31	\$ 48	\$ 42	7.7%	5.0%	6.6%	0.0%	0.0%	0.0%
MH/SA	\$ 144	\$ 130	\$ 128	-6.0%	0.0%	2.1%	-0.2%	0.0%	0.0%
Office Visits	\$ 315	\$ 408	\$ 378	0.3%	3.2%	4.5%	0.0%	0.2%	0.3%
Ophthalmology	\$ 23	\$ 27	\$ 31	-4.8%	-1.1%	-5.7%	0.0%	0.0%	0.0%
Other Prof.	\$ 51	\$ 80	\$ 68	-11.2%	-3.6%	-3.0%	-0.1%	-0.1%	0.0%
Pathology/Lab	\$ 92	\$ 133	\$ 134	-11.2%	3.3%	6.5%	-0.3%	0.1%	0.1%
Preventive Visits	\$ 105	\$ 135	\$ 121	8.0%	9.9%	7.8%	0.2%	0.2%	0.2%
PT/OT/ST	\$ 89	\$ 73	\$ 109	-2.3%	1.7%	3.6%	0.0%	0.0%	0.1%
Radiology	\$ 155	\$ 160	\$ 163	-9.9%	-4.8%	-2.8%	-0.4%	-0.2%	-0.1%
Surgery	\$ 214	\$ 285	\$ 305	-2.8%	-1.7%	1.8%	-0.1%	-0.1%	0.1%
Other Prof.	\$ 20	\$ 34	\$ 31	-6.3%	38.2%	7.0%	0.0%	0.2%	0.0%
Total	\$ 1,533	\$ 1,895	\$ 1,909	-3.4%	1.7%	2.6%	-1.1%	0.6%	0.9%

Commercial Regional Benchmarking – Professional Detail - Per Utilization

Professional Category	2013 Utilization			2013 Utilization Trend			Avg Utilization Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Administered Drugs	152	135	190	-13.0%	-3.8%	-1.5%	-0.1%	-0.1%	0.0%
Allergy	154	151	176	-7.8%	-1.6%	-1.4%	0.0%	0.0%	0.0%
Anesthesia	98	102	125	-1.9%	3.2%	2.5%	0.0%	0.1%	0.0%
Cardiovascular	418	303	356	-5.9%	-5.2%	-1.5%	0.0%	0.0%	0.0%
Consultations	33	67	166	-10.7%	-15.3%	-5.9%	0.0%	-0.1%	0.0%
Emergency Room	206	185	159	-1.9%	-4.1%	1.5%	0.0%	0.0%	0.0%
Immunizations/Injections	1,140	1,006	998	-2.3%	5.4%	1.0%	0.0%	0.1%	0.0%
Inpatient Visits	149	135	125	-3.0%	-1.0%	1.1%	0.0%	0.0%	0.0%
Maternity	33	32	31	6.7%	0.0%	1.6%	0.0%	0.0%	0.0%
MH/SA	1,232	1,324	1,180	-5.8%	-0.2%	-0.3%	-0.2%	0.0%	0.0%
Office Visits	3,390	2,987	3,285	-1.2%	0.3%	1.7%	-0.1%	0.0%	0.1%
Ophthalmology	272	213	336	-2.7%	-4.1%	-7.4%	0.0%	0.0%	0.0%
Other Prof.	751	817	1,198	-3.4%	-19.1%	-4.8%	0.0%	-0.4%	-0.1%
Pathology/Lab	3,414	3,628	4,080	-12.8%	0.0%	1.2%	-0.3%	0.0%	0.0%
Preventive Visits	826	733	706	3.0%	2.2%	3.3%	0.1%	0.1%	0.1%
PT/OT/ST	2,147	1,796	2,633	-4.0%	-1.7%	1.9%	-0.1%	0.0%	0.0%
Radiology	1,372	1,282	1,342	-4.9%	-2.8%	-1.2%	-0.2%	-0.1%	0.0%
Surgery	645	630	715	-4.0%	-2.8%	-0.4%	-0.2%	-0.2%	0.0%
Other Prof.	63	170	120	-11.5%	42.5%	3.8%	-0.1%	0.2%	0.0%
Total	16,495	15,696	17,922	-3.9%	-1.2%	0.3%	-1.3%	-0.6%	0.1%

Commercial Regional Benchmarking – Professional Detail - Unit Cost

Professional Category	2013 Unit Cost			Avg Unit Cost Trend			Avg Unit Cost Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Administered Drugs	294	503	440	4.3%	3.3%	2.4%	0.0%	0.0%	0.0%
Allergy	69	105	77	3.9%	6.3%	3.2%	0.0%	0.0%	0.0%
Anesthesia	901	990	896	3.2%	0.6%	2.0%	0.1%	0.0%	0.0%
Cardiovascular	69	93	96	-8.7%	-4.3%	-5.3%	-0.1%	0.0%	0.0%
Consultations	201	277	227	3.7%	2.4%	0.5%	0.0%	0.0%	0.0%
Emergency Room	302	294	275	8.2%	7.1%	7.1%	0.1%	0.1%	0.1%
Immunizations/Injections	23	54	41	0.6%	11.3%	2.8%	0.0%	0.1%	0.0%
Inpatient Visits	183	317	269	0.6%	5.2%	3.3%	0.0%	0.0%	0.0%
Maternity	936	1,493	1,348	0.9%	5.0%	5.0%	0.0%	0.0%	0.0%
MH/SA	117	98	108	-0.2%	0.2%	2.5%	0.0%	0.0%	0.1%
Office Visits	93	137	115	1.5%	2.9%	2.8%	0.1%	0.2%	0.2%
Ophthalmology	84	126	93	-2.3%	3.1%	1.8%	0.0%	0.0%	0.0%
Other Prof.	68	98	57	-8.1%	19.2%	1.9%	-0.1%	0.4%	0.0%
Pathology/Lab	27	37	33	1.9%	3.4%	5.2%	0.0%	0.1%	0.1%
Preventive Visits	127	184	171	4.9%	7.5%	4.3%	0.1%	0.2%	0.1%
PT/OT/ST	41	40	41	1.7%	3.4%	1.7%	0.0%	0.0%	0.0%
Radiology	113	125	121	-5.2%	-2.0%	-1.7%	-0.2%	-0.1%	-0.1%
Surgery	331	453	427	1.2%	1.2%	2.2%	0.1%	0.1%	0.1%
Other Prof.	321	201	261	5.9%	-3.0%	3.1%	0.0%	0.0%	0.0%
Total	93	121	107	0.5%	3.0%	2.3%	0.2%	1.2%	0.8%

Commercial Regional Benchmarking – Professional Detail - Intensity and Price Inflation

Professional Category	2013 Allowed / RVU			Avg Intensity Trend			Avg Price Inflation		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Allergy	9.09	12.91	9.60	-0.1%	2.7%	1.9%	4.5%	5.0%	1.9%
Cardiovascular	1.95	2.65	2.67	-3.7%	-0.5%	-1.9%	-0.9%	-0.1%	-0.4%
Consultations	1.53	2.26	1.85	-1.2%	0.3%	0.0%	5.1%	2.2%	0.5%
Emergency Room	2.99	2.93	2.73	-0.8%	1.7%	2.1%	9.0%	5.4%	4.9%
Inpatient Visits	2.03	3.36	2.91	-1.9%	0.0%	-0.2%	2.6%	5.2%	3.6%
Maternity	1.31	2.22	2.07	-1.7%	0.2%	0.5%	2.1%	4.1%	3.7%
Office Visits	1.29	1.94	1.62	0.1%	0.4%	0.6%	1.5%	2.5%	2.2%
Ophthalmology	1.13	1.82	1.45	-1.7%	-1.1%	-1.2%	-0.6%	4.3%	3.1%
Preventive Visits	1.35	1.95	1.79	-0.5%	-0.5%	-0.6%	5.4%	8.0%	5.0%
PT/OT/ST	1.38	1.40	1.46	0.0%	0.8%	0.2%	1.9%	2.4%	1.3%
Radiology	2.02	2.65	2.38	-3.4%	-0.4%	-0.9%	0.7%	-1.0%	-0.1%
Surgery	1.87	2.74	2.51	-2.5%	-0.3%	-0.3%	4.2%	1.7%	2.6%
Professional*	1.66	2.25	1.96	-1.3%	0.1%	0.0%	1.8%	2.3%	1.5%

Commercial Regional Benchmarking – Pharmacy Detail - Per Capita Costs

Pharmacy Category	2013 Allowed PMPY			Avg PMPY Trend			2013 PMPY % of Total		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Generic	\$ 240	\$ 238	\$ 254	0.6%	6.7%	9.4%	25.0%	27.6%	26.3%
Brand	\$ 504	\$ 412	\$ 502	-9.6%	-2.7%	-4.1%	52.4%	47.8%	52.1%
Specialty	\$ 218	\$ 212	\$ 209	20.3%	21.8%	20.4%	22.7%	24.6%	21.7%
Pharmacy	\$ 961	\$ 861	\$ 965	-2.2%	4.7%	3.4%	100.0%	100.0%	100.0%

Commercial Regional Benchmarking – Pharmacy Detail - Utilization

Pharmacy Category	2013 Scripts per Member per Year			Avg Utilization Trend			2013 Utilization % of Total		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Generic	8.54	7.24	7.28	2.2%	2.1%	4.0%	81.2%	82.4%	78.8%
Brand	1.92	1.50	1.91	-20.6%	-11.8%	-13.5%	18.3%	17.1%	20.7%
Specialty	0.05	0.05	0.04	3.5%	6.7%	6.3%	0.5%	0.5%	0.5%
Pharmacy	10.51	8.78	9.24	-3.4%	-0.7%	-0.5%	100.0%	100.0%	100.0%

Commercial Regional Benchmarking – Pharmacy Detail - Unit Costs

Pharmacy Category	2013 Unit Cost			Avg Unit Cost Trend			2013 Unit Cost % of Total		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Generic	\$ 28	\$ 33	\$ 35	16.9%	6.0%	11.3%	30.7%	33.5%	33.4%
Brand	\$ 262	\$ 274	\$ 263	4.7%	-4.2%	0.1%	286.2%	279.4%	251.5%
Specialty	\$ 4,241	\$ 4,614	\$ 4,711	8.8%	2.1%	5.4%	4637.4%	4704.6%	4512.9%
Pharmacy	\$ 91.45	\$ 98.08	\$ 104.38	7.2%	6.4%	6.8%	100.0%	100.0%	100.0%

6.4 Medicare FFS Benchmarking Exhibits

Medicare FFS Regional Benchmarking – Per Capita Costs

Category of Service	2013 Allowed PMPY			Avg PMPY Trend			Avg PMPY Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Inpatient Facility	\$ 4,371	\$ 5,287	\$ 4,845	-4.5%	-3.2%	-2.5%	-2.0%	-1.5%	-1.2%
Outpatient Facility	\$ 2,168	\$ 2,361	\$ 2,347	5.1%	4.8%	3.8%	1.0%	0.9%	0.8%
Ancillary	\$ 1,127	\$ 1,123	\$ 1,040	3.3%	-2.5%	-1.1%	0.3%	-0.2%	-0.1%
Professional	\$ 2,781	\$ 2,837	\$ 2,722	-0.1%	-0.7%	0.4%	0.0%	-0.2%	0.1%
Total	\$ 10,447	\$ 11,608	\$ 10,954	-0.7%	-1.0%	-0.4%	-0.7%	-1.0%	-0.4%

Medicare FFS Regional Benchmarking – Utilization

Category of Service	2013 Utilization			2013 Utilization Trend			Avg Utilization Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Inpatient Facility	358	393	368	-6.4%	-6.2%	-5.2%	-2.9%	-3.0%	-2.4%
Outpatient Facility	10,396	10,159	9,853	6.7%	4.4%	3.8%	1.2%	0.7%	0.7%
Ancillary	6,299	5,882	5,498	6.6%	-2.9%	-1.5%	0.6%	-0.3%	-0.1%
Professional	29,022	28,978	28,452	2.8%	-2.0%	1.7%	0.3%	-0.5%	0.3%
Total				-0.7%	0.0%	0.0%	-0.7%	-3.1%	-1.6%

Medicare FFS Regional Benchmarking – Unit Cost

Category of Service	2013 Unit Cost			Avg Unit Cost Trend			Avg Unit Cost Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Inpatient Facility	\$ 12,198	\$ 13,459	\$ 13,180	2.0%	3.2%	2.8%	0.9%	1.5%	1.3%
Outpatient Facility	\$ 209	\$ 232	\$ 238	-1.5%	0.4%	0.0%	-0.2%	0.2%	0.1%
Ancillary	\$ 179	\$ 191	\$ 189	-3.0%	0.4%	0.4%	-0.3%	0.0%	0.0%
Professional	\$ 96	\$ 98	\$ 96	-2.8%	1.3%	-1.3%	-0.4%	0.4%	-0.2%
Total				0.0%	0.0%	0.0%	0.0%	2.1%	1.2%

Medicare FFS Regional Benchmarking – Inpatient Detail - Per Capita Costs

Category of Service	2013 Allowed PMPY			Average PMPY Trend			Average Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Med/Surg	\$ 3,098	\$ 3,919	\$ 3,564	-3.5%	-1.0%	-1.3%	-1.1%	-0.4%	-0.4%
SNF	\$ 978	\$ 1,063	\$ 1,052	-9.4%	-10.7%	-7.1%	-1.0%	-1.1%	-0.8%
MHCD	\$ 295	\$ 304	\$ 229	3.6%	-0.7%	0.5%	0.1%	0.0%	0.0%
Inpatient Facility	\$ 4,371	\$ 5,287	\$ 4,845	-4.5%	-3.2%	-2.5%	-2.0%	-1.5%	-1.2%

Medicare FFS Regional Benchmarking – Inpatient Detail - Utilization

Inpatient Facility Category	2013 Utilization			2013 Utilization Trend			Avg Utilization Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Med/Surg	241	274	259	-6.8%	-6.4%	-5.6%	-2.2%	-2.3%	-1.9%
SNF	81	88	85	-6.9%	-5.8%	-4.4%	-0.7%	-0.6%	-0.5%
MHCD	37	31	23	0.0%	-2.9%	-2.5%	0.0%	-0.1%	-0.1%
Inpatient Facility	358	393	368	-6.4%	-6.2%	-5.2%	-2.9%	-3.0%	-2.4%

Inpatient Facility Category	2013 Admits / K			2013 Days / K			2013 ALOS		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Med/Surg	241	274	259	1,269.9	1,552.3	1,421.5	5.28	5.67	5.49
SNF	81	88	85	1,911.6	2,022.2	2,001.9	23.64	22.90	23.42
MHCD	37	31	23	323.2	336.0	251.1	8.78	10.94	10.79
Inpatient Facility	358	393	368	3,504.7	3,910.5	3,674.5	9.78	9.96	10.00

Inpatient Facility Category	Avg Admits / K Trend			Avg Days / K Trend			Avg ALOS Trend		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Med/Surg	-6.8%	-6.4%	-5.6%	-8.8%	-5.6%	-5.4%	-2.2%	0.9%	0.2%
SNF	-6.9%	-5.8%	-4.4%	-7.5%	-7.8%	-4.9%	-0.6%	-2.1%	-0.6%
MHCD	0.0%	-2.9%	-2.5%	2.8%	0.4%	0.5%	2.8%	3.4%	3.1%
Inpatient Facility	-6.2%	-6.0%	-5.1%	-7.2%	-6.3%	-4.8%	-1.1%	-0.3%	0.4%

Medicare FFS Regional Benchmarking – Inpatient Detail - Unit Cost

Inpatient Facility Category	2013 Unit Cost			Avg Unit Cost Trend			Avg Unit Cost Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Med/Surg	\$ 12,872	\$ 14,314	\$ 13,767	3.5%	5.8%	4.6%	1.1%	2.0%	1.5%
SNF	\$ 12,094	\$ 12,040	\$ 12,309	-2.7%	-5.2%	-2.8%	-0.3%	-0.6%	-0.3%
MHCD	\$ 8,017	\$ 9,912	\$ 9,841	3.6%	2.2%	3.1%	0.1%	0.1%	0.1%
Inpatient Facility	\$ 12,198	\$ 13,459	\$ 13,180	1.8%	3.0%	2.7%	0.9%	1.5%	1.3%

Medicare FFS Regional Benchmarking – Outpatient Detail - Per Capita Costs

Inpatient Facility Category	2013 Allowed PMPY			Avg PMPY Trend			Avg PMPY Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Emergency Room	\$ 333	\$ 310	\$ 305	12.9%	10.3%	8.3%	0.3%	0.2%	0.2%
Outpatient Surgery	\$ 592	\$ 533	\$ 543	9.8%	5.4%	4.0%	0.5%	0.2%	0.2%
Observation	\$ 21	\$ 120	\$ 84	7.8%	8.8%	10.3%	0.0%	0.1%	0.1%
Pathology/Lab	\$ 350	\$ 270	\$ 274	7.6%	1.5%	2.4%	0.2%	0.0%	0.1%
Radiology	\$ 228	\$ 331	\$ 310	4.2%	3.5%	2.1%	0.1%	0.1%	0.1%
Pharmacy	\$ 329	\$ 447	\$ 489	-7.0%	6.4%	3.8%	-0.2%	0.2%	0.2%
Other OP Facility	\$ 315	\$ 349	\$ 342	2.5%	0.2%	1.2%	0.1%	0.0%	0.0%
Total	\$ 2,168	\$ 2,361	\$ 2,347	5.1%	4.8%	3.8%	1.0%	0.9%	0.8%

Medicare FFS Regional Benchmarking – Outpatient Detail - Utilization

Outpatient Facility Category	2013 Utilization			2013 Utilization Trend			Avg Utilization Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Emergency Room	601	550	540	7.5%	0.2%	1.1%	0.2%	0.0%	0.0%
Outpatient Surgery	569	481	490	8.1%	3.9%	2.5%	0.4%	0.2%	0.1%
Observation	50	294	293	11.1%	3.4%	5.0%	0.0%	0.0%	0.0%
Pathology/Lab	5,534	4,366	4,242	2.5%	-0.3%	-0.6%	0.1%	0.0%	0.0%
Radiology	663	952	846	0.4%	0.1%	-0.2%	0.0%	0.0%	0.0%
Pharmacy	891	937	966	14.5%	18.2%	14.1%	0.4%	0.6%	0.5%
Other OP Facility	2,089	2,579	2,476	3.7%	-0.8%	0.1%	0.1%	0.0%	0.0%
Total	10,396	10,159	9,853	6.7%	4.4%	3.8%	1.2%	0.7%	0.7%

Medicare FFS Regional Benchmarking – Outpatient Detail - Unit Cost

Outpatient Facility Category	2013 Unit Cost			Avg Unit Cost Trend			Avg Unit Cost Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Emergency Room	\$ 554	\$ 564	\$ 565	5.0%	10.2%	7.1%	0.1%	0.2%	0.2%
Outpatient Surgery	\$ 1,041	\$ 1,107	\$ 1,109	1.6%	1.4%	1.4%	0.1%	0.1%	0.1%
Observation	\$ 416	\$ 409	\$ 287	-3.0%	5.2%	5.1%	0.0%	0.0%	0.0%
Pathology/Lab	\$ 63	\$ 62	\$ 64	4.9%	1.8%	3.0%	0.1%	0.0%	0.1%
Radiology	\$ 344	\$ 348	\$ 366	3.7%	3.4%	2.3%	0.1%	0.1%	0.1%
Pharmacy	\$ 369	\$ 477	\$ 506	-18.8%	-10.0%	-9.0%	-0.6%	-0.3%	-0.4%
Other OP Facility	\$ 151	\$ 135	\$ 138	-1.1%	1.1%	1.1%	0.0%	0.0%	0.0%
Total	\$ 209	\$ 232	\$ 238	0.9%	3.5%	2.6%	-0.2%	0.2%	0.1%

Medicare FFS Regional Benchmarking – Ancillary Detail - Per Capita Costs

Ancillary Category	2013 Allowed PMPY			Avg PMPY Trend			Avg PMPY Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Ambulance	\$ 258	\$ 233	\$ 222	3.5%	-2.9%	-0.4%	0.1%	-0.1%	0.0%
DME/Prosthetics/Supplies	\$ 259	\$ 249	\$ 265	-6.3%	-6.2%	-4.5%	-0.2%	-0.1%	-0.1%
Home Health	\$ 610	\$ 638	\$ 552	8.3%	-0.5%	0.5%	0.4%	0.0%	0.0%
Dialysis	\$ 1	\$ 3	\$ 1	38.6%	-27.9%	-24.7%	0.0%	0.0%	0.0%
Total	\$ 1,127	\$ 1,123	\$ 1,040	3.3%	-2.5%	-1.1%	0.3%	-0.2%	-0.1%

Medicare FFS Regional Benchmarking – Ancillary Detail - Utilization

Ancillary Category	2013 Utilization			2013 Utilization Trend			Avg Utilization Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Ambulance	660	557	508	3.0%	-3.5%	-1.1%	0.1%	-0.1%	0.0%
DME/Prosthetics/Supplies	1,691	1,572	1,645	-1.7%	-2.3%	-1.6%	0.0%	-0.1%	0.0%
Home Health	3,940	3,737	3,334	12.1%	-2.9%	-1.6%	0.6%	-0.2%	-0.1%
Dialysis	8	17	10	44.0%	-20.3%	-20.0%	0.0%	0.0%	0.0%
Total	6,299	5,882	5,498	6.6%	-2.9%	-1.5%	0.6%	-0.3%	-0.1%

Medicare FFS Regional Benchmarking – Ancillary Detail - Unit Cost

Ancillary Category	2013 Unit Cost			Avg Unit Cost Trend			Avg Unit Cost Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
Ambulance	\$ 391	\$ 418	\$ 438	0.4%	0.6%	0.7%	0.0%	0.0%	0.0%
DME/Prosthetics/Supplies	\$ 153	\$ 159	\$ 161	-4.7%	-4.1%	-2.9%	-0.1%	-0.1%	-0.1%
Home Health	\$ 155	\$ 171	\$ 165	-3.4%	2.4%	2.2%	-0.2%	0.1%	0.1%
Dialysis	\$ 72	\$ 148	\$ 143	-3.7%	-9.5%	-5.9%	0.0%	0.0%	0.0%
Total	\$ 179	\$ 191	\$ 189	-3.4%	0.4%	0.5%	-0.3%	0.0%	0.0%

Medicare FFS Regional Benchmarking – Professional Detail - Per Capita Costs

Professional Category	2013 Allowed PMPY			Avg PMPY Trend			Avg PMPY Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
PCP Services	\$ 604	\$ 749	\$ 718	0.8%	-0.5%	1.1%	0.0%	0.0%	0.1%
Specialst Services	\$ 1,221	\$ 1,140	\$ 1,100	1.6%	-0.1%	1.4%	0.2%	0.0%	0.1%
PT/OT/ST	\$ 131	\$ 112	\$ 110	5.7%	0.6%	1.6%	0.1%	0.0%	0.0%
MH/SA	\$ 111	\$ 139	\$ 113	8.0%	2.6%	5.5%	0.1%	0.0%	0.1%
Radiology	\$ 284	\$ 253	\$ 244	-11.9%	-6.5%	-7.5%	-0.4%	-0.2%	-0.2%
Other	\$ 430	\$ 445	\$ 437	-0.1%	-0.4%	0.1%	0.0%	0.0%	0.0%
Total	\$ 2,781	\$ 2,837	\$ 2,722	-0.1%	-0.7%	0.4%	0.0%	-0.2%	0.1%

Medicare FFS Regional Benchmarking – Professional Detail - Per Utilization

Professional Category	2013 Utilization			2013 Utilization Trend			Avg Utilization Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
PCP Services	6,312	7,913	7,464	-5.8%	-1.4%	-1.3%	-0.4%	-0.1%	-0.1%
Specialst Services	10,814	8,386	9,190	13.9%	-0.1%	8.6%	1.4%	0.0%	0.8%
PT/OT/ST	1,580	1,246	1,216	3.5%	2.0%	2.7%	0.0%	0.0%	0.0%
MH/SA	1,382	2,019	1,621	-2.5%	-4.2%	-2.3%	0.0%	-0.1%	0.0%
Radiology	3,649	3,612	3,345	-2.7%	-1.8%	-1.1%	-0.1%	0.0%	0.0%
Other	5,286	5,802	5,615	-11.8%	-8.4%	-8.1%	-0.6%	-0.4%	-0.4%
Total	29,022	28,978	28,452	2.8%	-2.0%	1.7%	0.3%	-0.5%	0.3%

Medicare FFS Regional Benchmarking – Professional Detail - Unit Cost

Professional Category	2013 Unit Cost			Avg Unit Cost Trend			Avg Unit Cost Trend Impact		
	RI	MA	NE	RI	MA	NE	RI	MA	NE
PCP Services	\$ 96	\$ 95	\$ 96	7.1%	1.0%	2.4%	0.4%	0.1%	0.2%
Specialst Services	\$ 113	\$ 136	\$ 120	-10.8%	0.0%	-6.6%	-1.2%	0.0%	-0.6%
PT/OT/ST	\$ 83	\$ 90	\$ 90	2.1%	-1.4%	-1.0%	0.0%	0.0%	0.0%
MH/SA	\$ 80	\$ 69	\$ 70	10.7%	7.1%	0.0%	0.1%	0.1%	0.1%
Radiology	\$ 78	\$ 70	\$ 73	-9.4%	-4.8%	-6.4%	-0.3%	-0.1%	-0.2%
Other	\$ 81	\$ 77	\$ 78	13.2%	8.8%	9.0%	0.6%	0.4%	0.4%
Total	\$ 96	\$ 98	\$ 96	-0.1%	2.0%	-1.3%	-0.4%	0.4%	-0.2%

6.5 Rhode Island Medicare Advantage Exhibits

Rhode Island Medicare Advantage – Per Capita Costs

Category of Service	Allowed PMPY			PMPY Trend			PMPY Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Inpatient Facility	\$ 4,429	\$ 4,330	\$ 4,179	-2.2%	-3.5%	-2.9%	-0.8%	-1.3%	-1.1%
Outpatient Facility	\$ 1,734	\$ 1,893	\$ 1,842	9.2%	-2.7%	3.1%	1.3%	-0.4%	0.5%
Ancillary	\$ 732	\$ 769	\$ 864	5.1%	12.3%	8.6%	0.3%	0.8%	0.6%
Professional	\$ 2,764	\$ 2,819	\$ 2,702	2.0%	-4.1%	-1.1%	0.5%	-1.0%	-0.3%
Other	\$ 62	\$ 70	\$ 39	12.2%	-43.7%	-20.5%	0.1%	-0.3%	-0.1%
Pharmacy	\$ 2,229	\$ 2,241	\$ 2,061	0.5%	-8.0%	-3.8%	0.1%	-1.5%	-0.7%
Total	\$ 11,951	\$ 12,123	\$ 11,688	1.4%	-3.6%	-1.1%	1.4%	-3.6%	-1.1%

Rhode Island Medicare Advantage – Utilization

Category of Service	Utilization			Utilization Trend			Utilization Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Inpatient Facility (days)	3,970	3,637	3,614	-10.0%	0.7%	-4.6%	-3.9%	0.2%	-1.8%
Outpatient Facility	16,240	16,615	17,523	-0.3%	2.7%	1.2%	0.0%	0.3%	0.1%
Ancillary	5,775	6,179	6,526	6.8%	4.9%	5.9%	0.4%	0.4%	0.4%
Professional	39,809	39,336	37,491	-0.5%	-4.1%	-2.3%	-0.1%	-1.0%	-0.6%
Pharmacy	39	40	40	1.0%	1.9%	1.4%	0.2%	0.3%	0.2%
Total				-3.5%	0.2%	-1.6%	-3.5%	0.2%	-1.6%

Rhode Island Medicare Advantage – Unit Cost

Category of Service	Unit Cost			Unit Cost Trend			Unit Cost Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Inpatient Facility (days)	\$ 1,116	\$ 1,191	\$ 1,156	6.7%	-2.9%	1.8%	3.2%	-1.5%	0.8%
Outpatient Facility	\$ 107	\$ 114	\$ 105	6.7%	-7.7%	-0.8%	1.4%	-0.7%	0.3%
Ancillary	\$ 127	\$ 125	\$ 132	-1.8%	6.4%	2.2%	0.0%	0.4%	0.1%
Professional	\$ 69	\$ 72	\$ 72	3.2%	0.6%	1.9%	0.6%	0.1%	0.3%
Pharmacy	\$ 57	\$ 57	\$ 51	-0.4%	-9.7%	-5.2%	-0.1%	-1.8%	-1.0%
Total				5.1%	-3.8%	0.5%	5.1%	-3.8%	0.5%

Inpatient Detail - Per Capita Costs

Inpatient Facility Category	Allowed PMPY			PMPY Trend			PMPY Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Med/Surg	\$ 3,411	\$ 3,382	\$ 3,260	-0.9%	-3.6%	-2.2%	-0.2%	-1.0%	-0.6%
SNF	\$ 929	\$ 867	\$ 833	-6.7%	-3.9%	-5.3%	-0.5%	-0.3%	-0.4%
MHCD	\$ 88	\$ 82	\$ 86	-7.6%	5.5%	-1.3%	-0.1%	0.0%	0.0%
Total	\$ 4,429	\$ 4,330	\$ 4,179	-2.2%	-3.5%	-2.9%	-0.8%	-1.3%	-1.1%

Inpatient Detail - Utilization

Inpatient Facility Category	Days / K			Utilization Trend			Utilization Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Med/Surg	1,484	1,321	1,335	-11.0%	1.1%	-5.1%	-3.3%	0.3%	-1.5%
SNF	2,399	2,230	2,177	-7.0%	-2.4%	-4.7%	-0.5%	-0.2%	-0.4%
MHCD	87	85	101	-1.6%	18.7%	8.1%	0.0%	0.1%	0.1%
Total	3,970	3,637	3,614	-10.0%	0.7%	-4.6%	-3.9%	0.2%	-1.8%

Inpatient Detail - Unit Cost

Inpatient Facility Category	Unit Cost			Unit Cost Trend			Unit Cost Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Med/Surg	\$ 2,298	\$ 2,560	\$ 2,441	11.4%	-4.6%	3.1%	3.2%	-1.3%	0.9%
SNF	\$ 387	\$ 389	\$ 383	0.3%	-1.6%	-0.6%	0.0%	-0.1%	0.0%
MHCD	\$ 1,019	\$ 958	\$ 851	-6.0%	-11.2%	-8.6%	0.0%	-0.1%	-0.1%
Total	\$ 1,116	\$ 1,191	\$ 1,156	6.7%	-2.9%	1.8%	3.2%	-1.5%	0.8%

Rhode Island Medicare Advantage – Outpatient Detail - Per Capita Costs

Inpatient Facility Category	Allowed PMPY			PMPY Trend			PMPY Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Emergency Room	\$ 351	\$ 299	\$ 279	-14.9%	-6.4%	-10.8%	-0.4%	-0.2%	-0.3%
Outpatient Surgery	\$ 512	\$ 604	\$ 598	18.0%	-0.9%	8.1%	0.8%	0.0%	0.4%
Observation	\$ 77	\$ 89	\$ 100	15.4%	12.5%	14.0%	0.1%	0.1%	0.1%
Pathology/Lab	\$ 93	\$ 94	\$ 95	0.1%	1.7%	0.9%	0.0%	0.0%	0.0%
Radiology	\$ 211	\$ 209	\$ 183	-1.4%	-12.4%	-7.0%	0.0%	-0.2%	-0.1%
Pharmacy	\$ 228	\$ 306	\$ 288	34.2%	-6.0%	12.3%	0.6%	-0.2%	0.3%
Other OP Facility	\$ 262	\$ 294	\$ 299	12.4%	1.7%	6.9%	0.3%	0.0%	0.2%
Total	\$ 1,734	\$ 1,893	\$ 1,842	9.2%	-2.7%	3.1%	1.3%	-0.4%	0.5%

Rhode Island Medicare Advantage – Outpatient Detail - Utilization

Outpatient Facility Category	Utilization			Utilization Trend			Utilization Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Emergency Room	443	402	361	-9.4%	-10.1%	-9.7%	-0.3%	-0.3%	-0.3%
Outpatient Surgery	337	350	346	3.8%	-1.1%	1.3%	0.2%	-0.1%	0.1%
Observation	42	48	50	12.5%	5.1%	8.8%	0.1%	0.0%	0.1%
Pathology/Lab	5,586	5,875	6,579	5.2%	12.0%	8.5%	0.0%	0.1%	0.1%
Radiology	939	915	866	-2.5%	-5.3%	-3.9%	0.0%	-0.1%	-0.1%
Pharmacy	540	526	659	-2.7%	25.4%	10.5%	-0.1%	0.5%	0.2%
Other OP Facility	8,352	8,499	8,661	1.8%	1.9%	1.8%	0.0%	0.0%	0.0%
Total	16,240	16,615	17,523	-0.3%	2.7%	1.2%	0.0%	0.3%	0.1%

Rhode Island Medicare Advantage – Outpatient Detail - Unit Cost

Outpatient Facility Category	Unit Cost			Unit Cost Trend			Unit Cost Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Emergency Room	\$ 792	\$ 743	\$ 774	-6.2%	4.1%	-1.2%	-0.2%	0.1%	0.0%
Outpatient Surgery	\$ 1,517	\$ 1,724	\$ 1,727	13.7%	0.2%	6.7%	0.6%	0.0%	0.3%
Observation	\$ 1,825	\$ 1,873	\$ 2,004	2.6%	7.0%	4.8%	0.0%	0.1%	0.0%
Pathology/Lab	\$ 17	\$ 16	\$ 14	-4.8%	-9.2%	-7.0%	0.0%	-0.1%	-0.1%
Radiology	\$ 225	\$ 228	\$ 211	1.2%	-7.4%	-3.2%	0.0%	-0.1%	-0.1%
Pharmacy	\$ 422	\$ 582	\$ 436	37.9%	-25.0%	1.7%	0.7%	-0.7%	0.0%
Other OP Facility	\$ 31	\$ 35	\$ 35	10.4%	-0.2%	5.0%	0.2%	0.0%	0.1%
Total	\$ 107	\$ 114	\$ 105	6.7%	-7.7%	-0.8%	1.4%	-0.7%	0.3%

Ancillary Detail

Ancillary Category	Allowed PMPY			PMPY Trend			PMPY Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Ambulance	\$ 189	\$ 196	\$ 199	3.6%	1.5%	2.6%	0.1%	0.0%	0.0%
DME/Prosthetics/Supplies	\$ 163	\$ 147	\$ 133	-10.1%	-9.7%	-9.9%	-0.1%	-0.1%	-0.1%
Home Health	\$ 334	\$ 368	\$ 429	10.3%	16.6%	13.4%	0.3%	0.5%	0.4%
Dialysis	\$ 46	\$ 58	\$ 103	27.2%	77.0%	50.1%	0.1%	0.4%	0.2%
Total	\$ 732	\$ 769	\$ 864	5.1%	12.3%	8.6%	0.3%	0.8%	0.6%

Ancillary Category	Utilization			Utilization Trend			Utilization Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Ambulance	915	918	882	0.3%	-3.9%	-1.8%	0.0%	-0.1%	0.0%
DME/Prosthetics/Supplies	1,626	1,596	1,495	-1.8%	-6.3%	-4.1%	0.0%	-0.1%	0.0%
Home Health	2,864	3,035	3,389	6.0%	11.7%	8.8%	0.2%	0.4%	0.3%
Dialysis	370	630	759	70.2%	20.5%	43.2%	0.2%	0.2%	0.2%
Total	5,775	6,179	6,526	6.8%	4.9%	5.9%	0.4%	0.4%	0.4%

Ancillary Category	Unit Cost			Unit Cost Trend			Unit Cost Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Ambulance	\$ 207	\$ 214	\$ 226	3.3%	5.6%	4.5%	0.1%	0.1%	0.1%
DME/Prosthetics/Supplies	\$ 100	\$ 92	\$ 89	-8.4%	-3.6%	-6.0%	-0.1%	0.0%	-0.1%
Home Health	\$ 117	\$ 121	\$ 127	4.1%	4.5%	4.3%	0.1%	0.1%	0.1%
Dialysis	\$ 124	\$ 92	\$ 136	-25.2%	46.9%	4.8%	-0.1%	0.2%	0.0%
Total	\$ 127	\$ 125	\$ 132	-1.8%	6.4%	2.2%	0.0%	0.4%	0.1%

Professional Detail - Per Capita Costs

Professional Category	Allowed PMPY			PMPY Trend			PMPY Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Administered Drugs	\$ 189	\$ 191	\$ 168	1.2%	-11.9%	-5.6%	0.0%	-0.2%	-0.1%
Allergy	\$ 5	\$ 5	\$ 5	4.3%	7.8%	6.0%	0.0%	0.0%	0.0%
Anesthesia	\$ 58	\$ 60	\$ 60	3.9%	0.0%	1.9%	0.0%	0.0%	0.0%
Cardiovascular	\$ 112	\$ 100	\$ 78	-10.9%	-21.7%	-16.5%	-0.1%	-0.2%	-0.1%
Consultations	\$ 0	\$ 0	\$ 0	16.2%	1933.7%	386.0%	0.0%	0.0%	0.0%
Emergency Room	\$ 90	\$ 89	\$ 85	-0.6%	-4.6%	-2.6%	0.0%	0.0%	0.0%
Immunizations/Injections	\$ 10	\$ 10	\$ 8	0.6%	-16.4%	-8.3%	0.0%	0.0%	0.0%
Inpatient Visits	\$ 288	\$ 288	\$ 287	-0.2%	-0.2%	-0.2%	0.0%	0.0%	0.0%
Maternity	\$ 0	\$ 0	\$ 0	654.6%	-87.0%	-1.0%	0.0%	0.0%	0.0%
MH/SA	\$ 28	\$ 28	\$ 24	1.4%	-13.1%	-6.1%	0.0%	0.0%	0.0%
Office Visits	\$ 571	\$ 604	\$ 612	5.8%	1.2%	3.5%	0.3%	0.1%	0.2%
Ophthalmology	\$ 110	\$ 112	\$ 114	2.3%	1.4%	1.9%	0.0%	0.0%	0.0%
Other Prof.	\$ 40	\$ 47	\$ 49	18.6%	4.5%	11.3%	0.1%	0.0%	0.0%
Pathology/Lab	\$ 117	\$ 113	\$ 104	-3.0%	-8.5%	-5.8%	0.0%	-0.1%	-0.1%
Preventive Visits	\$ 64	\$ 74	\$ 67	16.3%	-9.2%	2.8%	0.1%	-0.1%	0.0%
PT/OT/ST	\$ 154	\$ 168	\$ 159	9.0%	-5.4%	1.5%	0.1%	-0.1%	0.0%
Radiology	\$ 355	\$ 344	\$ 319	-3.3%	-7.1%	-5.2%	-0.1%	-0.2%	-0.2%
Surgery	\$ 477	\$ 477	\$ 463	-0.1%	-2.9%	-1.5%	0.0%	-0.1%	-0.1%
Other Prof.	\$ 97	\$ 107	\$ 97	10.3%	-9.3%	0.0%	0.1%	-0.1%	0.0%
Total	\$ 2,764	\$ 2,819	\$ 2,702	2.0%	-4.1%	-1.1%	0.5%	-1.0%	-0.3%

Professional Detail - Per Utilization

Professional Category	Utilization			Utilization Trend			Utilization Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Administered Drugs	637	604	466	-5.2%	-22.8%	-14.4%	-0.1%	-0.4%	-0.3%
Allergy	108	109	113	1.0%	4.1%	2.5%	0.0%	0.0%	0.0%
Anesthesia	305	314	297	2.9%	-5.4%	-1.3%	0.0%	0.0%	0.0%
Cardiovascular	2,169	2,144	2,016	-1.1%	-6.0%	-3.6%	0.0%	0.0%	0.0%
Consultations	0	0	0	-36.0%	1506.6%	220.6%	0.0%	0.0%	0.0%
Emergency Room	617	621	598	0.6%	-3.7%	-1.6%	0.0%	0.0%	0.0%
Immunizations/Injections	616	591	523	-4.0%	-11.6%	-7.8%	0.0%	0.0%	0.0%
Inpatient Visits	3,102	3,007	2,919	-3.1%	-2.9%	-3.0%	-0.1%	-0.1%	-0.1%
Maternity	0	0	0	188.2%	-93.5%	-56.8%	0.0%	0.0%	0.0%
MH/SA	300	301	240	0.5%	-20.4%	-10.5%	0.0%	-0.1%	0.0%
Office Visits	7,171	7,210	7,086	0.5%	-1.7%	-0.6%	0.0%	-0.1%	0.0%
Ophthalmology	1,521	1,518	1,546	-0.2%	1.8%	0.8%	0.0%	0.0%	0.0%
Other Prof.	703	648	679	-7.8%	4.8%	-1.7%	0.0%	0.0%	0.0%
Pathology/Lab	10,411	9,918	9,028	-4.7%	-9.0%	-6.9%	0.0%	-0.1%	-0.1%
Preventive Visits	555	590	520	6.4%	-11.9%	-3.2%	0.0%	-0.1%	0.0%
PT/OT/ST	3,129	3,396	3,233	8.5%	-4.8%	1.7%	0.1%	-0.1%	0.0%
Radiology	4,294	4,135	4,011	-3.7%	-3.0%	-3.3%	-0.1%	-0.1%	-0.1%
Surgery	2,799	2,810	2,801	0.4%	-0.3%	0.0%	0.0%	0.0%	0.0%
Other Prof.	1,374	1,420	1,414	3.3%	-0.4%	1.4%	0.0%	0.0%	0.0%
Professional	39,809	39,336	37,491	-0.5%	-4.1%	-2.3%	-0.1%	-1.0%	-0.6%

Professional Detail - Unit Cost

Professional Category	Unit Cost			Unit Cost Trend			Unit Cost Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Administered Drugs	296	316	361	6.7%	14.1%	10.4%	0.1%	0.2%	0.2%
Allergy	45	47	48	3.3%	3.6%	3.4%	0.0%	0.0%	0.0%
Anesthesia	191	193	203	1.0%	5.6%	3.3%	0.0%	0.0%	0.0%
Cardiovascular	52	47	39	-9.8%	-16.7%	-13.4%	-0.1%	-0.1%	-0.1%
Consultations	140	255	322	81.5%	26.6%	51.6%	0.0%	0.0%	0.0%
Emergency Room	146	144	143	-1.2%	-0.9%	-1.1%	0.0%	0.0%	0.0%
Immunizations/Injections	16	17	16	4.8%	-5.5%	-0.5%	0.0%	0.0%	0.0%
Inpatient Visits	93	96	98	3.0%	2.8%	2.9%	0.1%	0.1%	0.1%
Maternity	396	1,036	2,077	161.8%	100.5%	129.1%	0.0%	0.0%	0.0%
MH/SA	92	93	101	0.8%	9.2%	4.9%	0.0%	0.0%	0.0%
Office Visits	80	84	86	5.3%	3.0%	4.1%	0.2%	0.2%	0.2%
Ophthalmology	72	74	74	2.5%	-0.4%	1.0%	0.0%	0.0%	0.0%
Other Prof.	57	73	73	28.6%	-0.3%	13.3%	0.1%	0.0%	0.0%
Pathology/Lab	11	11	11	1.9%	0.5%	1.2%	0.0%	0.0%	0.0%
Preventive Visits	115	126	129	9.3%	3.1%	6.1%	0.0%	0.0%	0.0%
PT/OT/ST	49	50	49	0.5%	-0.7%	-0.1%	0.0%	0.0%	0.0%
Radiology	83	83	80	0.5%	-4.2%	-1.9%	0.0%	-0.1%	-0.1%
Surgery	170	170	165	-0.5%	-2.6%	-1.5%	0.0%	-0.1%	-0.1%
Other Prof.	71	75	69	6.8%	-9.0%	-1.4%	0.1%	-0.1%	0.0%
Professional	69	72	72	2.5%	0.0%	1.2%	0.6%	0.1%	0.3%

6.5 Rhode Island Medicare FFS Exhibits

Rhode Island Medicare FFS – Per Capita Costs

Category of Service	Allowed PMPY			PMPY Trend			PMPY Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Inpatient Facility	\$ 4,792	\$ 4,529	\$ 4,371	-5.5%	-3.5%	-4.5%	-2.4%	-1.5%	-2.0%
Outpatient Facility	\$ 1,962	\$ 2,056	\$ 2,168	4.8%	5.4%	5.1%	0.9%	1.1%	1.0%
Ancillary	\$ 1,056	\$ 1,052	\$ 1,127	-0.3%	7.1%	3.3%	0.0%	0.7%	0.3%
Professional	\$ 2,786	\$ 2,892	\$ 2,781	3.8%	-3.8%	-0.1%	1.0%	-1.0%	0.0%
Total Medical	\$ 10,596	\$ 10,529	\$ 10,447	-0.6%	-0.8%	-0.7%	-0.6%	-0.8%	-0.7%

Rhode Island Medicare FFS – Utilization

Category of Service	Utilization			Utilization Trend			Utilization Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Inpatient Facility	407	374	358	-8.8%	-4.0%	-6.4%	-3.9%	-1.7%	-2.9%
Outpatient Facility	9,589	10,093	10,396	5.6%	7.8%	6.7%	1.1%	1.3%	1.2%
Ancillary	5,510	5,627	6,299	2.3%	10.8%	6.6%	0.2%	1.0%	0.6%
Professional	29,030	30,931	29,022	8.3%	-2.6%	2.8%	2.0%	-1.3%	0.3%
Total Medical				-0.7%	-0.6%	-0.7%	-0.7%	-0.6%	-0.7%

Rhode Island Medicare FFS – Unit Cost

Category of Service	Unit Cost			Unit Cost Trend			Unit Cost Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Inpatient Facility	\$ 11,770	\$ 12,099	\$ 12,198	3.6%	0.6%	2.0%	1.5%	0.2%	0.9%
Outpatient Facility	\$ 205	\$ 204	\$ 209	-0.8%	-2.2%	-1.5%	-0.2%	-0.2%	-0.2%
Ancillary	\$ 192	\$ 187	\$ 179	-2.5%	-3.4%	-3.0%	-0.3%	-0.3%	-0.3%
Professional	\$ 96	\$ 93	\$ 96	-4.1%	-1.2%	-2.8%	-1.0%	0.2%	-0.4%
Total Medical				0.0%	-0.2%	0.0%	0.0%	-0.2%	0.0%

Rhode Island Medicare FFS – Inpatient Detail - Utilization

	Utilization			Utilization Trend			Utilization Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Med/Surg	276.9	246.7	240.7	-10.9%	-2.4%	-6.8%	-3.5%	-0.7%	-2.2%
SNF	93.4	86.0	80.9	-7.9%	-6.0%	-6.9%	-0.9%	-0.6%	-0.7%
MHCD	36.8	41.7	36.8	13.2%	-11.7%	0.0%	0.4%	-0.4%	0.0%
Inpatient Facility	407.13	374.34	358.32	-8.8%	-4.0%	-6.4%	-3.9%	-1.7%	-2.9%

	Admits / K			Days / K			ALOS		
	2011	2012	2013	2011	2012	2013	2011	2012	2013
Med/Surg	276.9	246.7	240.7	1,527.1	1,339.8	1,269.9	5.51	5.43	5.28
SNF	93.4	86.0	80.9	2,236.4	2,119.2	1,911.6	23.95	24.65	23.64
MHCD	36.8	41.7	36.8	305.8	436.3	323.2	8.30	10.46	8.78
Inpatient Facility	407.13	374.34	358.32	4,069.4	3,895.2	3,504.7	10.00	10.41	9.78

	Admits / K Trend			Days / K Trend			ALOS Trend		
	2012	2013	Avg	2012	2013	Avg	2012	2013	Avg
Med/Surg	-10.9%	-2.4%	-6.8%	-12.3%	-5.2%	-8.8%	-1.5%	-2.9%	-2.2%
SNF	-7.9%	-6.0%	-6.9%	-5.2%	-9.8%	-7.5%	2.9%	-4.1%	-0.6%
MHCD	13.2%	-11.7%	0.0%	42.7%	-25.9%	2.8%	26.0%	-16.1%	2.8%
Inpatient Facility	-8.1%	-4.3%	-6.2%	-4.3%	-10.0%	-7.2%	4.1%	-6.0%	-1.1%

Rhode Island Medicare FFS – Inpatient Detail - Unit Cost

	Unit Cost			Unit Cost Trend			Unit Cost Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Med/Surg	\$ 12,005	\$ 12,576	\$ 12,872	4.8%	2.4%	3.5%	1.5%	0.7%	1.1%
SNF	\$ 12,767	\$ 12,205	\$ 12,094	-4.4%	-0.9%	-2.7%	-0.5%	-0.1%	-0.3%
MHCD	\$ 7,467	\$ 9,059	\$ 8,017	21.3%	-11.5%	3.6%	0.6%	-0.4%	0.1%
Inpatient Facility	\$ 11,770	\$ 12,099	\$ 12,198	2.8%	0.8%	1.8%	1.5%	0.2%	0.9%

Rhode Island Medicare FFS – Outpatient Detail - Per Capita Costs

	Allowed PMPY			PMPY Trend			PMPY Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Emergency Room	\$ 261	\$ 283	\$ 333	8.2%	17.8%	12.9%	0.2%	0.5%	0.3%
Outpatient Surgery	\$ 491	\$ 563	\$ 592	14.6%	5.2%	9.8%	0.7%	0.3%	0.5%
Observation	\$ 18	\$ 30	\$ 21	71.7%	-32.4%	7.8%	0.1%	-0.1%	0.0%
Pathology/Lab	\$ 303	\$ 319	\$ 350	5.4%	9.9%	7.6%	0.2%	0.3%	0.2%
Radiology	\$ 210	\$ 234	\$ 228	11.3%	-2.5%	4.2%	0.2%	-0.1%	0.1%
Pharmacy	\$ 380	\$ 327	\$ 329	-14.0%	0.5%	-7.0%	-0.5%	0.0%	-0.2%
Other OP Facility	\$ 300	\$ 301	\$ 315	0.3%	4.8%	2.5%	0.0%	0.1%	0.1%
Total	\$ 1,962	\$ 2,056	\$ 2,168	4.8%	5.4%	5.1%	0.9%	1.1%	1.0%

Rhode Island Medicare FFS – Outpatient Detail - Utilization

	Utilization			Utilization Trend			Utilization Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Emergency Room	520	574	601	10.4%	4.7%	7.5%	0.3%	0.1%	0.2%
Outpatient Surgery	487	542	569	11.4%	5.0%	8.1%	0.5%	0.3%	0.4%
Observation	40	45	50	12.4%	9.8%	11.1%	0.0%	0.0%	0.0%
Pathology/Lab	5,263	5,644	5,534	7.2%	-2.0%	2.5%	0.2%	-0.1%	0.1%
Radiology	657	683	663	3.9%	-3.0%	0.4%	0.1%	-0.1%	0.0%
Pharmacy	680	674	891	-0.8%	32.2%	14.5%	0.0%	0.8%	0.4%
Other OP Facility	1,942	1,930	2,089	-0.6%	8.2%	3.7%	0.0%	0.2%	0.1%
Total	9,589	10,093	10,396	5.6%	7.8%	6.7%	1.1%	1.3%	1.2%

Rhode Island Medicare FFS – Outpatient Detail - Unit Cost

	Unit Cost			Unit Cost Trend			Unit Cost Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Emergency Room	\$ 502	\$ 493	\$ 554	-2.0%	12.5%	5.0%	0.0%	0.3%	0.1%
Outpatient Surgery	\$ 1,009	\$ 1,038	\$ 1,041	2.9%	0.3%	1.6%	0.1%	0.0%	0.1%
Observation	\$ 442	\$ 675	\$ 416	52.7%	-38.4%	-3.0%	0.1%	-0.1%	0.0%
Pathology/Lab	\$ 57	\$ 56	\$ 63	-1.7%	12.1%	4.9%	0.0%	0.4%	0.1%
Radiology	\$ 320	\$ 343	\$ 344	7.1%	0.5%	3.7%	0.1%	0.0%	0.1%
Pharmacy	\$ 559	\$ 485	\$ 369	-13.3%	-23.9%	-18.8%	-0.5%	-0.7%	-0.6%
Other OP Facility	\$ 154	\$ 156	\$ 151	0.9%	-3.2%	-1.1%	0.0%	-0.1%	0.0%
Total	\$ 205	\$ 204	\$ 209	-0.5%	2.4%	0.9%	-0.2%	-0.2%	-0.2%

Rhode Island Medicare FFS – Ancillary Detail - Per Capita Costs

	Allowed PMPY			PMPY Trend			PMPY Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Ambulance	\$ 241	\$ 249	\$ 258	3.4%	3.5%	3.5%	0.1%	0.1%	0.1%
DME/Prosthetics/Supplies	\$ 295	\$ 294	\$ 259	-0.1%	-12.1%	-6.3%	0.0%	-0.3%	-0.2%
Home Health	\$ 519	\$ 508	\$ 610	-2.1%	19.9%	8.3%	-0.1%	1.0%	0.4%
Dialysis	\$ 0	\$ 0	\$ 1	-53.0%	309.1%	38.6%	0.0%	0.0%	0.0%
Total	\$ 1,056	\$ 1,052	\$ 1,127	-0.3%	7.1%	3.3%	0.0%	0.7%	0.3%

Rhode Island Medicare FFS – Ancillary Detail - Utilization

	Utilization			Utilization Trend			Utilization Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Ambulance	622	642	660	3.2%	2.8%	3.0%	0.1%	0.1%	0.1%
DME/Prosthetics/Supplies	1,751	1,865	1,691	6.5%	-9.4%	-1.7%	0.2%	-0.3%	0.0%
Home Health	3,133	3,117	3,940	-0.5%	26.4%	12.1%	0.0%	1.2%	0.6%
Dialysis	4	2	8	-50.7%	320.1%	44.0%	0.0%	0.0%	0.0%
Total	5,510	5,627	6,299	2.3%	10.8%	6.6%	0.2%	1.0%	0.6%

Rhode Island Medicare FFS – Ancillary Detail - Unit Cost

	Unit Cost			Unit Cost Trend			Unit Cost Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
Ambulance	\$ 388	\$ 389	\$ 391	0.2%	0.7%	0.4%	0.0%	0.0%	0.0%
DME/Prosthetics/Supplies	\$ 168	\$ 158	\$ 153	-6.2%	-3.0%	-4.7%	-0.2%	-0.1%	-0.1%
Home Health	\$ 166	\$ 163	\$ 155	-1.6%	-5.1%	-3.4%	-0.1%	-0.3%	-0.2%
Dialysis	\$ 78	\$ 74	\$ 72	-4.8%	-2.6%	-3.7%	0.0%	0.0%	0.0%
Total	\$ 192	\$ 187	\$ 179	-2.4%	-4.3%	-3.4%	-0.3%	-0.3%	-0.3%

Rhode Island Medicare FFS – Professional Detail - Per Capita Costs

Professional Category	Allowed PMPY			PMPY Trend			PMPY Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
PCP Services	\$ 594	\$ 596	\$ 604	0.5%	1.2%	0.8%	0.0%	0.1%	0.0%
Specialst Services	\$ 1,183	\$ 1,243	\$ 1,221	5.0%	-1.7%	1.6%	0.6%	-0.2%	0.2%
PT/OT/ST	\$ 117	\$ 125	\$ 131	6.4%	5.0%	5.7%	0.1%	0.1%	0.1%
MH/SA	\$ 95	\$ 109	\$ 111	15.0%	1.4%	8.0%	0.1%	0.0%	0.1%
Radiology	\$ 366	\$ 357	\$ 284	-2.5%	-20.4%	-11.9%	-0.1%	-0.7%	-0.4%
Other	\$ 431	\$ 462	\$ 430	7.0%	-6.8%	-0.1%	0.3%	-0.3%	0.0%
Total	\$ 2,786	\$ 2,892	\$ 2,781	3.8%	-3.8%	-0.1%	1.0%	-1.0%	0.0%

Rhode Island Medicare FFS – Professional Detail - Utilization

Professional Category	Utilization			Utilization Trend			Utilization Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
PCP Services	7,119	7,162	6,312	0.6%	-11.9%	-5.8%	0.0%	-0.8%	-0.4%
Specialst Services	8,338	9,766	10,814	17.1%	10.7%	13.9%	1.8%	1.1%	1.4%
PT/OT/ST	1,476	1,520	1,580	3.0%	4.0%	3.5%	0.0%	0.0%	0.0%
MH/SA	1,453	1,590	1,382	9.5%	-13.1%	-2.5%	0.1%	-0.2%	0.0%
Radiology	3,853	3,723	3,649	-3.4%	-2.0%	-2.7%	-0.1%	-0.1%	-0.1%
Other	6,791	7,169	5,286	5.6%	-26.3%	-11.8%	0.2%	-1.4%	-0.6%
Total	29,030	30,931	29,022	8.3%	-2.6%	2.8%	2.0%	-1.3%	0.3%

Rhode Island Medicare FFS – Professional Detail - Unit Cost

Professional Category	Unit Cost			Unit Cost Trend			Unit Cost Trend Impact		
	2011	2012	2013	2012	2013	Avg	2012	2013	Avg
PCP Services	83	83	96	-0.1%	14.9%	7.1%	0.0%	0.8%	0.4%
Specialst Services	142	127	113	-10.3%	-11.2%	-10.8%	-1.2%	-1.3%	-1.2%
PT/OT/ST	80	82	83	3.3%	1.0%	2.1%	0.0%	0.0%	0.0%
MH/SA	65	69	80	5.0%	16.6%	10.7%	0.0%	0.2%	0.1%
Radiology	95	96	78	0.9%	-18.8%	-9.4%	0.0%	-0.6%	-0.3%
Other	64	64	81	1.4%	26.4%	13.2%	0.1%	1.2%	0.6%
Total	96	93	96	-2.6%	2.5%	-0.1%	-1.0%	0.2%	-0.4%