

 *Missouri Department of*
SOCIAL SERVICES
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MoHealth  **Net**

**Four-Year Plan to Reach
Reimbursement Parity**

July 1, 2008

Introduction

Section 208.152.1(23) RSMo requires the MO HealthNet Division to provide the General Assembly a four-year plan by July 1, 2008, to achieve parity with Medicare reimbursement rates and third-party payer average dental reimbursement rates. The funding of the plan is subject to appropriation and the division is required to include the funding needed to complete the four-year plan in its annual budget request.

This plan fulfills the statutory requirement.

Discussion

In this plan, we are providing the methodologies to bring parity to Medicare rates for seven MO HealthNet program areas (Ambulance, Audiology, Dental, Durable Medical Equipment, Optical, Physician and Rehabilitation Center Therapy). The table (*right*) shows where these programs will be in relation to Medicare rates when the increases approved in the 2009 Truly Agreed and Finally Passed (TAFP) budget are in place.

Some MO HealthNet programs were not included in this report. Please see the table (*below*) for a detailed explanation.

| MO HealthNet Average Reimbursement in SFY-2009* as a Percentage of Medicare | |
|---|------------------------|
| | Percentage of Medicare |
| Ambulance | 45% |
| Audiology | 65% |
| Dental | 42% |
| Durable Medical Equipment | 95% |
| Optical | 55% |
| Physician | 65% |
| Rehabilitation Center Therapy | 25% |

*Includes funding received in the SFY-2009 (TAFP) budget

| MO Health Net Program Areas Excluded from this Medicare Parity Plan | |
|---|---|
| MO HealthNet | Rationale |
| Comprehensive Day Rehab | This program is unique to Missouri and valid Medicare comparisons are not available. |
| Federally Qualified Health Center (FQHC) | Both Medicare and MO HealthNet reimburse FQHCs 100% of cost based on settlements through audited cost reports, per federal law. |
| Home Health | MO HealthNet reimburses on a per visit basis, while Medicare reimburses per episode of diagnosis. Valid comparisons between the two reimbursement methodologies are not possible. |
| Hospice | Rates are established annually by Medicare and authorized by Section 1814 (l)(1)(C)(ii) of the Social Security Act. Since MO HealthNet's reimbursement mirrors Medicare reimbursement, no adjustments are required. |

| MO Health Net Program Areas Excluded from this Medicare Parity Plan | |
|---|--|
| MO HealthNet | Rationale |
| Hospitals | MO Health reimburses hospitals using a rate per day. Medicare reimburses hospitals through Diagnostic Related Groups (DRGs). Through the DRG system, Medicare has established set amounts to pay hospitals for each diagnosis. The reimbursement methodologies used by MO HealthNet and Medicare are so different, no comparability is possible. |
| Non-Emergency Medical Transportation (NEMT) | Medicare does not cover NEMT. MO HealthNet NEMT capitated rates are paid for each participant based on a contractual arrangement. Reimbursement rates must be actuarially sound. |
| Nursing Facilities | Most nursing facility beds in Missouri are paid through the MO HealthNet program using a rate per day based on individual cost reports. Comparability to Medicare is not possible because Medicare only pays for nursing facility care in very limited circumstances and then for only a very limited time in limited amounts. |
| Pharmacy | MO HealthNet reimburses at lower of Wholesale Acquisition Cost (WAC) plus 10%; the Federal Upper Limit (FUL), the Missouri Maximum Acquisition Cost (MAC) or billed charge. Medicare Part D is based on capitated rates and comparability to MO HealthNet is not possible. |
| Rural Health Center (RHC) | Both Medicare and MO HealthNet reimburse RHCs 100% of cost based on settlements through audited cost reports, per federal law. |
| State Institutions | The reimbursement methodology for state institutions is similar to that of the MO HealthNet Hospital program. |
| School-Based Therapy | Services are provided for children in a school-based setting. Medicare does not reimburse for these types of services. |

Comparison to MO HealthNet When Medicare or Dental Rates Were Available

- For Dental rates, we used the *2007 National Dental Advisory Service Fee Report* (Wasserman, 2007). Target rates were at the 50th percentile, meaning half of dentists charge more and half charge less than the target rate.
- All other Medicare data was derived from the *Provider Reimbursement Rate Study* (submitted to the General Assembly in December 2007), which contains state fiscal year 2007 paid claims from the Medicaid Management Information System (MMIS).
- If the Medicare rates were unavailable from the MMIS, we relied on rates from Pinnacle Business Solutions, Inc., the Centers for Medicare and Medicaid Services' (CMS) contracted intermediary for the state of Missouri.
- All MO HealthNet rates were based on the current rate structure, which includes rate adjustments authorized in the state fiscal year 2009 (TAFP) budget.

Rate Proxies for Procedure Codes With No Medicare Comparison

- In some cases, Medicare does not cover a MO HealthNet procedure so comparisons were not possible. In these instances, we used two proxies for the Medicare benchmark: 1) an average of rates from other states with similar Medicaid reimbursement methodology; and, 2) the Consumer Price Index (CPI).

- 1) To establish an appropriate Medicare benchmark, we chose three neighboring states (Arkansas, Iowa and Oklahoma) with Medicaid reimbursement methodologies similar to Missouri. These states were also selected because their Medicaid reimbursement approximated Medicare rates (Arkansas at 82%, Iowa at 94% and Oklahoma at 100% in 2007). Finally, a sampling of codes revealed Medicare rates in these states were within 20% of Missouri's Medicare rates. The states' rates required two adjustments before comparing to MO HealthNet's rates:

Arriving at Average Rate for Arkansas

Arkansas' Medicaid rates were generally 82% of that state's Medicare rates; however, Arkansas' Medicare rates were 94% of Missouri's Medicare rates. If Arkansas has a Medicaid rate of \$100 for a procedure code, the rate was increased to 100% of Arkansas' Medicare rate, or \$121.95 ($\$100/82\% = \121.95). Then, the rate was increased to Missouri's Medicare rate for comparability ($\$121.95/94\% = \129.74).

- Adjustment of the state's Medicaid rate to the state's Medicare rate, then,
- Adjustment to Missouri's Medicare rates. (See example, upper right.)

- 2) CPI is a measure of the average change in prices of goods and services purchased over time by households. Where a Medicare or a state proxy was not available, we applied the annual medical care CPI, which was 3.9 for all urban consumers in the Midwest in March 2007 (Bureau of Labor Statistics, 2008), to the MO HealthNet current rate. Only 0.5% of the cost to reach parity was calculated using the CPI methodology.

Example of Application of 3.9 Medical CPI as Proxy for Medicare Rate

| At risk assessment for prenatal Rate (H1000) | |
|--|--------|
| FY09 | \$8.00 |
| FY10 | \$8.31 |
| FY11 | \$8.63 |
| FY12 | \$8.97 |
| FY13 | \$9.32 |

Reduction of Procedure Codes Paid in Excess of Medicare

- The statute requires parity with Medicare rates. Since Medicare is the statutory standard, we assumed the intent was to safeguard taxpayers by reducing any rates exceeding Medicare. Cost savings were calculated for procedure codes with rates in excess of Medicare. These savings were distributed over the life of this plan.

Calculations

- To assess the current MO HealthNet rate status in relation to the Medicare standard, we compared the 2009 MO HealthNet rate to the Medicare rate, state proxy rate or CPI target rate. Then, we multiplied the difference by the number of units paid in state fiscal year 2007 for each procedure code. This provided the cost to bring parity to the MO HealthNet fee for service program rates. This final calculation included all fee for service and managed care costs.
- We allocated the cost to each program area and age category and distributed the costs evenly over fiscal years 2010, 2011, 2012 and 2013. *(See Appendix for details on each program area.)*
- The following table captures the projected cost over the life of this plan.

| Projected Cost of Parity by Methodology Over Life of Plan | | | | | | |
|--|----------------------------------|--------------------------|------------------|------------------|---------------------------------------|--------------------|
| | Medicare Comparison Method | State Proxy Method | CPI Method | Dental Method | Vaccine for Children Method* | Total Cost |
| Cost | \$213.3 mil | \$10.3 mil | \$1.5 mil | \$59.0 mil | \$9.8 mil | \$293.9 mil |
| Savings | <u>(\$7.5) mil</u> | <u>(\$1.5) mil</u> | <u>\$0.0 mil</u> | <u>\$0.0 mil</u> | <u>\$0.0 mil</u> | <u>(\$9.0) mil</u> |
| Net Cost | \$205.8 mil | \$8.8 mil | \$1.5 mil | \$59.0 mil | \$9.8 mil | \$284.9 mil |
| State Share | \$78.3 mil | \$3.2 mil | \$0.5 mil | \$21.3 mil | \$3.5 mil | \$106.8 mil |
| Percent of Total Cost | 72.2% | 3.1% | 0.5% | 20.7% | 3.5% | |

*The Missouri Vaccines for Children (VFC) Program reimburses MO HealthNet for the administration fee of the immunization. Missouri is allowed to pay up to \$15.07 per antigen in each administration. Currently, Missouri pays \$5.00 per antigen in each administration. The cost for the vaccine itself is paid by the Centers for Disease Control (CDC). The difference between the current reimbursement and the highest possible was distributed over four years to fulfill the intent of the rate plan. These costs are shown as part of the Physician program.

Conclusion

Based on our work, we project bringing Medicare parity to MO HealthNet reimbursement will cost \$106.8 million in General Revenue (GR), or \$284.9 million in total, over the life of this plan. The following table summarizes these costs by fund source and MO HealthNet program area.

Raising MO HealthNet Rates to Medicare Levels Over Life of a Four-Year Plan

| | % of Medicare Achieved | General Revenue | Federal Funds | Total Funds |
|---------------------------------------|------------------------|-----------------------------|-----------------|-----------------|
| Entire Plan Cost | | \$106.8 mil | \$178.1 mil | \$284.9 mil |
| Annual Cost | | \$26.7 mil/year | \$44.6 mil/year | \$71.3 mil/year |
| 2010 Ambulance | 57% | | | |
| 2011 Ambulance | 72% | \$3.1/year | \$5.0/year | \$8.1/year |
| 2012 Ambulance | 86% | | | |
| 2013 Ambulance | 100% | | | |
| Subtotal Cost | | \$12.1 mil | \$19.8 mil | \$31.9 mil |
| 2010 Audiology | 74% | | | |
| 2011 Audiology | 83% | Less than \$0.1 mil/year | \$0.1 mil/year | \$0.1 mil/year |
| 2012 Audiology | 91% | | | |
| 2013 Audiology | 100% | | | |
| Subtotal Cost | | \$0.2 mil | \$0.3 mil | \$0.5 mil |
| 2010 Dental | 57% | | | |
| 2011 Dental | 71% | \$5.5 mil/year | \$9.7 mil/year | \$15.2 mil/year |
| 2012 Dental | 86% | | | |
| 2013 Dental | 100% | | | |
| Subtotal Cost | | \$21.9 mil | \$38.6 mil | \$60.5 mil |
| 2010 Durable Medical Equipment | 96% | | | |
| 2011 Durable Medical Equipment | 97% | \$0.4 mil/year | \$0.6 mil/year | \$1.0 mil/year |
| 2012 Durable Medical Equipment | 99% | | | |
| 2013 Durable Medical Equipment | 100% | | | |
| Subtotal Cost | | \$1.4 mil | \$2.4 mil | \$3.8 mil |
| 2010 Optical | 66% | | | |
| 2011 Optical | 77% | \$1.0 mil/year | \$1.5 mil/year | \$2.5 mil/year |
| 2012 Optical | 89% | | | |
| 2013 Optical | 100% | | | |
| Subtotal Cost | | \$3.8 mil | \$6.1 mil | \$9.9 mil |

Raising MO HealthNet Rates to Medicare Levels Over Life of a Four-Year Plan

| | % of Medicare Achieved | General Revenue | Federal Funds | Total Funds |
|------------------------------------|-------------------------------|------------------------|----------------------|--------------------|
| 2010 Physician | 75% | | | |
| 2011 Physician | 84% | \$16.7 mil/year | \$27.5 mil/year | \$44.2 mil/year |
| 2012 Physician | 92% | | | |
| 2013 Physician | 100% | | | |
| | Subtotal Cost | \$66.8 mil | \$109.9 mil | \$176.7 mil |
| 2010 Rehab Treatment Center | 44% | | | |
| 2011 Rehab Treatment Center | 63% | \$0.1 mil/year | \$0.3 mil/year | \$0.4 mil/year |
| 2012 Rehab Treatment Center | 82% | | | |
| 2013 Rehab Treatment Center | 100% | | | |
| | Subtotal Cost | \$0.6 mil | \$1.0 mil | \$1.6 mil |

Disclaimers: For these reasons, caution should be used when using this information for budget projections.

- Cost estimates were based on rates, participant counts and utilization patterns in fiscal year 2007. No attempt has been made to project changes in participant counts or utilization patterns in future years.
- Medicare rates are not static and may increase or decrease; therefore, the comparisons in this plan may only be viewed as a point-in-time comparison. If Medicare rates are decreased, Missouri's Medicaid rates could exceed the Medicare rate.

References

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Appendix

| Comparison Group | SFY 2010 | | | SFY 2011 | | | SFY 2012 | | | SFY 2013 | | | Total Increase | | | | |
|--------------------------------------|------------------------|-----------------|-------------|-------------|------------------------|-----------------|-------------|-------------|------------------------|-----------------|-------------|-------------|------------------------|-----------------|-------------|-------------|--|
| | % of Medi-care Revenue | General Revenue | Federal | Total | % of Medi-care Revenue | General Revenue | Federal | Total | % of Medi-care Revenue | General Revenue | Federal | Total | % of Medi-care Revenue | General Revenue | Federal | Total | |
| Using Medicare Rates | | | | | | | | | | | | | | | | | |
| Cost to Reach Parity - Medicare | 60% | \$3,044,375 | \$4,942,382 | \$7,986,757 | 75% | \$3,044,375 | \$4,942,382 | \$7,986,757 | 90% | \$3,044,375 | \$4,942,382 | \$7,986,757 | 100% | \$3,044,375 | \$4,942,382 | \$7,986,757 | \$12,177,500 \$19,769,528 \$31,947,028 |
| Savings to Reach Parity - Medicare | | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 \$0 \$0 |
| Net Total to Reach Parity - Medicare | 60% | \$3,044,375 | \$4,942,382 | \$7,986,757 | 75% | \$3,044,375 | \$4,942,382 | \$7,986,757 | 90% | \$3,044,375 | \$4,942,382 | \$7,986,757 | 100% | \$3,044,375 | \$4,942,382 | \$7,986,757 | \$12,177,500 \$19,769,528 \$31,947,028 |
| Using State Proxy | | | | | | | | | | | | | | | | | |
| Cost to Reach Parity - Proxy | 61% | \$1,272 | \$1,857 | \$3,129 | 74% | \$1,272 | \$1,857 | \$3,129 | 87% | \$1,272 | \$1,857 | \$3,129 | 100% | \$1,272 | \$1,857 | \$3,129 | \$5,088 \$7,428 \$12,516 |
| Savings to Reach Parity - Proxy | | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 \$0 \$0 |
| Net Total to Reach Parity - Proxy | 61% | \$1,272 | \$1,857 | \$3,129 | 74% | \$1,272 | \$1,857 | \$3,129 | 87% | \$1,272 | \$1,857 | \$3,129 | 100% | \$1,272 | \$1,857 | \$3,129 | \$5,088 \$7,428 \$12,516 |
| Using CPI | | | | | | | | | | | | | | | | | |
| Cost to Reach Parity - CPI | 89% | \$514 | \$786 | \$1,300 | 93% | \$527 | \$906 | \$1,333 | 96% | \$560 | \$857 | \$1,416 | 100% | \$573 | \$876 | \$1,449 | \$2,174 \$3,325 \$5,498 |
| Total | | | | | | | | | | | | | | | | | |
| Total Cost to Reach Parity | 60% | \$3,046,161 | \$4,945,025 | \$7,991,186 | 75% | \$3,046,174 | \$4,945,045 | \$7,991,219 | 90% | \$3,046,207 | \$4,945,095 | \$7,991,302 | 100% | \$3,046,220 | \$4,945,115 | \$7,991,335 | \$12,184,762 \$19,780,280 \$31,965,042 |
| Total Savings to Reach Parity | | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 \$0 \$0 |
| Net Total to Reach Parity | 60% | \$3,046,161 | \$4,945,025 | \$7,991,186 | 75% | \$3,046,174 | \$4,945,045 | \$7,991,219 | 90% | \$3,046,207 | \$4,945,095 | \$7,991,302 | 100% | \$3,046,220 | \$4,945,115 | \$7,991,335 | \$12,184,762 \$19,780,280 \$31,965,042 |



Four-Year Plan to Reach Reimbursement Parity
Ambulance
SFY 2010: First-Year Plan

| | MO HealthNet as % of Comparison Group | | Number of Codes | Number of Units | GR | Federal | Total |
|---------------------------------------|---------------------------------------|--|-----------------|-----------------|--------------------|--------------------|--------------------|
| | | | | | | | |
| Codes with Medicare Comparison | | | | | | | |
| Children | 67% | | 2 | 262,810 | \$160,791 | \$291,205 | \$451,996 |
| Ground Mileage | 63% | | 11 | 9,811 | \$349,956 | \$633,800 | \$983,756 |
| Air Mileage | 31% | | 2 | 54,477 | \$332,841 | \$602,803 | \$935,644 |
| Air Transport, Services & Supplies | 50% | | 3 | 972 | \$576,054 | \$1,043,282 | \$1,619,336 |
| Ground Mileage | 67% | | 1 | 608,479 | \$206,700 | \$301,678 | \$508,378 |
| Ground Transport, Services & Supplies | 64% | | 9 | 40,041 | \$791,303 | \$1,154,904 | \$1,946,207 |
| Air Mileage | 31% | | 1 | 52,955 | \$179,227 | \$261,581 | \$440,808 |
| Air Transport, Services & Supplies | 50% | | 2 | 1,810 | \$447,503 | \$653,129 | \$1,100,632 |
| Net Total | | | | | \$3,044,375 | \$4,942,382 | \$7,986,757 |
| Codes with Proxy Comparison | | | | | | | |
| Children | 61% | | 1 | 156 | \$379 | \$554 | \$933 |
| Air Transport, Services & Supplies | 61% | | 1 | 1,358 | \$893 | \$1,303 | \$2,196 |
| Total | 61% | | | | \$1,272 | \$1,857 | \$3,129 |
| Codes with CPI Comparison | | | | | | | |
| Children | 89% | | 2 | 21 | \$18 | \$33 | \$51 |
| Air Transport, Services & Supplies | 89% | | 2 | 381 | 112 | 192 | 304 |
| Adults | 89% | | 2 | 13 | \$5 | \$7 | \$12 |
| Air Transport, Services & Supplies | 89% | | 2 | 1,821 | \$379 | \$554 | \$933 |
| Total | 89% | | | | \$514 | \$786 | \$1,300 |
| Total Cost | 60% | | | | \$3,046,161 | \$4,945,025 | \$7,991,186 |
| Total Cost Savings | | | | | \$0 | \$0 | \$0 |
| Net Total for SFY 2010 | 60% | | | | \$3,046,161 | \$4,945,025 | \$7,991,186 |



**Four-Year Plan to Reach Reimbursement Parity
Ambulance
SFY 2011: Second-Year Plan**

| | MO HealthNet as % of Comparison Group | Number of Codes | Number of Units | GR | | Federal | Total |
|---------------------------------------|--|--------------------|--------------------|--------------------|--------------------|---------|--------------------|
| | | | | | | | |
| Codes with Medicare Comparison | | | | | | | |
| Children | 78% | 2 | 262,810 | \$160,791 | \$291,205 | | \$451,996 |
| Ground Mileage | 76% | 11 | 9,811 | \$349,956 | \$633,800 | | \$983,756 |
| Air Mileage | 54% | 2 | 54,477 | \$332,841 | \$602,803 | | \$935,644 |
| Air Transport, Services & Supplies | 66% | 3 | 972 | \$576,054 | \$1,043,282 | | \$1,619,336 |
| Ground Mileage | 78% | 1 | 608,479 | \$206,700 | \$301,678 | | \$508,378 |
| Ground Transport, Services & Supplies | 76% | 9 | 40,041 | \$791,303 | \$1,154,904 | | \$1,946,207 |
| Air Mileage | 54% | 1 | 52,955 | \$179,227 | \$261,581 | | \$440,808 |
| Air Transport, Services & Supplies | 66% | 2 | 1,810 | \$447,503 | \$653,129 | | \$1,100,632 |
| Total | 75% | | | \$3,044,375 | \$4,942,382 | | \$7,986,757 |
| Codes with Proxy Comparison | | | | | | | |
| Children | 74% | 1 | 156 | \$379 | \$554 | | \$933 |
| Adults | 74% | 1 | 1,358 | \$893 | \$1,303 | | \$2,196 |
| Total | 74% | | | \$1,272 | \$1,857 | | \$3,129 |
| Codes with CPI Comparison | | | | | | | |
| Children | 93% | 2 | 21 | \$18 | \$33 | | \$51 |
| Air Transport, Services & Supplies | 93% | 2 | 381 | 112 | 192 | | 304 |
| Adults | 93% | 2 | 13 | \$5 | \$8 | | \$13 |
| Air Transport, Services & Supplies | 93% | 2 | 1,821 | \$392 | \$573 | | \$965 |
| Total | 93% | | | \$527 | \$806 | | \$1,333 |
| Total Cost | 75% | | | \$3,046,174 | \$4,945,045 | | \$7,991,219 |
| Total Cost Savings | | | | \$0 | \$0 | | \$0 |
| Net Total for SFY 2011 | 75% | | | \$3,046,174 | \$4,945,045 | | \$7,991,219 |



**Four-Year Plan to Reach Reimbursement Parity
Ambulance
SFY 2012: Third-Year Plan**

| | MO HealthNet as % of Comparison Group | Number of Codes | Number of Units | GR | | Federal | Total |
|---------------------------------------|--|--------------------|--------------------|--------------------|--------------------|---------|--------------------|
| | | | | | | | |
| Codes with Medicare Comparison | | | | | | | |
| Children | 89% | 2 | 262,810 | \$160,791 | \$291,205 | | \$451,996 |
| Ground Mileage | 88% | 11 | 9,811 | \$349,956 | \$633,800 | | \$983,756 |
| Air Mileage | 77% | 2 | 54,477 | \$332,841 | \$602,803 | | \$935,644 |
| Air Transport, Services & Supplies | 83% | 3 | 972 | \$576,054 | \$1,043,282 | | \$1,619,336 |
| Ground Mileage | 89% | 1 | 608,479 | \$206,700 | \$301,678 | | \$508,378 |
| Ground Transport, Services & Supplies | 88% | 9 | 40,041 | \$791,303 | \$1,154,904 | | \$1,946,207 |
| Air Mileage | 77% | 1 | 52,955 | \$179,227 | \$261,581 | | \$440,808 |
| Air Transport, Services & Supplies | 83% | 2 | 1,810 | \$447,503 | \$653,129 | | \$1,100,632 |
| Total | 90% | | | \$3,044,375 | \$4,942,382 | | \$7,986,757 |
| Codes with Proxy Comparison | | | | | | | |
| Children | 87% | 1 | 156 | \$379 | \$554 | | \$933 |
| Adults | 87% | 1 | 1,358 | \$893 | \$1,303 | | \$2,196 |
| Total | 87% | | | \$1,272 | \$1,857 | | \$3,129 |
| Codes with CPI Comparison | | | | | | | |
| Children | 96% | 2 | 21 | \$18 | \$33 | | \$51 |
| Air Transport, Services & Supplies | 96% | 2 | 381 | 131 | 224 | | 355 |
| Adults | 96% | 2 | 13 | \$5 | \$8 | | \$13 |
| Air Transport, Services & Supplies | 96% | 2 | 1,821 | \$406 | \$592 | | \$997 |
| Total | 96% | | | \$560 | \$857 | | \$1,416 |
| Total Cost | 90% | | | \$3,046,207 | \$4,945,096 | | \$7,991,302 |
| Total Cost Savings | 90% | | | \$0 | \$0 | | \$0 |
| Net Total for SFY 2012 | 90% | | | \$3,046,207 | \$4,945,096 | | \$7,991,302 |



**Four-Year Plan to Reach Reimbursement Parity
Ambulance
SFY 2013: Fourth-Year Plan**

| | | MO HealthNet as % of Comparison Group | Number of Codes | Number of Units | GR | Federal | Total |
|---------------------------------------|---------------------------------------|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Codes with Medicare Comparison | | | | | | | |
| Children | Ground Mileage | 100% | 2 | 262,810 | \$160,791 | \$291,205 | \$451,996 |
| | Ground Transport, Services & Supplies | 100% | 11 | 9,811 | \$349,956 | \$633,800 | \$983,756 |
| | Air Mileage | 100% | 2 | 54,477 | \$332,841 | \$602,803 | \$935,644 |
| Adults | Air Transport, Services & Supplies | 100% | 3 | 972 | \$576,054 | \$1,043,282 | \$1,619,336 |
| | Ground Mileage | 100% | 1 | 608,479 | \$206,700 | \$301,678 | \$508,378 |
| | Ground Transport, Services & Supplies | 100% | 9 | 40,041 | \$791,303 | \$1,154,904 | \$1,946,207 |
| | Air Mileage | 100% | 1 | 52,955 | \$179,227 | \$261,581 | \$440,808 |
| | Air Transport, Services & Supplies | 100% | 2 | 1,810 | \$447,503 | \$653,129 | \$1,100,632 |
| Total | | 100% | | | \$3,044,375 | \$4,942,382 | \$7,986,757 |
| Codes with Proxy Comparison | | | | | | | |
| Children | Air Transport, Services & Supplies | 100% | 1 | 156 | \$379 | \$554 | \$933 |
| Adults | Air Transport, Services & Supplies | 100% | 1 | 1,358 | \$893 | \$1,303 | \$2,196 |
| Total | | 100% | | | \$1,272 | \$1,857 | \$3,129 |
| Codes with CPI Comparison | | | | | | | |
| Children | Ground Transport, Services & Supplies | 100% | 2 | 21 | \$18 | \$33 | \$51 |
| | Air Transport, Services & Supplies | 100% | 2 | 381 | 131 | 224 | 355 |
| Adults | Ground Transport, Services & Supplies | 100% | 2 | 13 | \$5 | \$8 | \$13 |
| | Air Transport, Services & Supplies | 100% | 2 | 1,821 | \$419 | \$611 | \$1,030 |
| Total | | 100% | | | \$573 | \$876 | \$1,449 |
| Total Cost | | 100% | | | \$3,046,220 | \$4,945,115 | \$7,991,335 |
| Total Cost Savings | | | | | \$0 | \$0 | \$0 |
| Net Total for SFY 2013 | | 100% | | | \$3,046,220 | \$4,945,115 | \$7,991,335 |

Audiology Summary

| Comparison Group | SFY 2010 | | | SFY 2011 | | | SFY 2012 | | | SFY 2013 | | | Total Increase | | | | | | |
|--|----------------|-----------------|---------------|----------------|-----------------|---------------|----------------|-----------------|---------------|----------------|-----------------|---------------|-----------------|---------------|------------|------------|------------|------------|-------------|
| | % of Medi-care | General Revenue | Federal Total | % of Medi-care | General Revenue | Federal Total | % of Medi-care | General Revenue | Federal Total | % of Medi-care | General Revenue | Federal Total | General Revenue | Federal Total | Total | | | | |
| Using Medicare Rates | | | | | | | | | | | | | | | | | | | |
| Cost to Reach Parity - Medicare | 53% | \$42,854 | \$76,898 | \$119,752 | 69% | \$42,854 | \$76,898 | \$119,752 | 84% | \$42,854 | \$76,898 | \$119,752 | 100% | \$42,854 | \$76,898 | \$119,752 | \$171,416 | \$307,592 | \$479,008 |
| Savings to Reach Parity - Medicare | 128% | (\$9,909) | (\$17,945) | (\$27,854) | \$1 | (\$9,909) | (\$17,945) | (\$27,854) | \$1 | (\$9,909) | (\$17,945) | (\$27,854) | \$1 | (\$9,909) | (\$17,945) | (\$27,854) | (\$39,636) | (\$71,780) | (\$111,416) |
| Net Total to Reach Parity - Medicare | 74% | \$32,945 | \$58,953 | \$91,898 | 82% | \$32,945 | \$58,953 | \$91,898 | 91% | \$32,945 | \$58,953 | \$91,898 | 100% | \$32,945 | \$58,953 | \$91,898 | \$131,780 | \$235,812 | \$367,592 |
| Using State Proxy | | | | | | | | | | | | | | | | | | | |
| Cost to Reach Parity - Proxy Rate | 67% | \$14,533 | \$23,301 | \$37,834 | 78% | \$14,533 | \$23,301 | \$37,834 | 89% | \$14,533 | \$23,301 | \$37,834 | 100% | \$14,533 | \$23,301 | \$37,834 | \$58,132 | \$93,204 | \$151,336 |
| Savings to Reach Parity - Proxy Rate | 118% | (\$451) | (\$816) | (\$1,267) | 112% | (\$451) | (\$816) | (\$1,267) | 106% | (\$451) | (\$816) | (\$1,267) | 100% | (\$451) | (\$816) | (\$1,267) | (\$1,804) | (\$3,264) | (\$5,069) |
| Net Total to Reach Parity - Proxy Rate | 70% | \$14,082 | \$22,485 | \$36,567 | 80% | \$14,082 | \$22,485 | \$36,567 | 90% | \$14,082 | \$22,485 | \$36,567 | 100% | \$14,082 | \$22,485 | \$36,567 | \$56,328 | \$89,940 | \$146,268 |
| Using CPI | | | | | | | | | | | | | | | | | | | |
| Cost to Reach Parity - CPI Rate | 89% | \$735 | \$960 | \$1,695 | 93% | \$867 | \$1,131 | \$1,998 | 96% | \$878 | \$1,147 | \$2,025 | 100% | \$890 | \$1,162 | \$2,052 | \$3,370 | \$4,400 | \$7,770 |
| Total | | | | | | | | | | | | | | | | | | | |
| Total Cost to Reach Parity | 61% | \$58,122 | \$101,159 | \$159,281 | 74% | \$58,254 | \$101,330 | \$159,584 | 87% | \$58,265 | \$101,346 | \$159,611 | 100% | \$58,277 | \$101,361 | \$159,638 | \$232,918 | \$405,196 | \$638,114 |
| Total Savings to Reach Parity | 127% | (\$10,360) | (\$18,761) | (\$29,121) | 118% | (\$10,360) | (\$18,761) | (\$29,121) | 109% | (\$10,360) | (\$18,761) | (\$29,121) | 100% | (\$10,360) | (\$18,761) | (\$29,121) | (\$41,440) | (\$75,044) | (\$116,484) |
| Net Total to Reach Parity | 74% | \$47,762 | \$82,398 | \$130,160 | 83% | \$47,894 | \$82,569 | \$130,463 | 91% | \$47,905 | \$82,585 | \$130,490 | 100% | \$47,917 | \$82,600 | \$130,517 | \$191,478 | \$330,152 | \$521,630 |



**Four-Year Plan to Reach Reimbursement Parity
Audiology
SFY 2010: First-Year Plan**

| | | MO HealthNet as % of Comparison Group | Number of Codes | Number of Units | GR | Federal | Total |
|--|---|--|--------------------|--------------------|-------------------|-------------------|-------------------|
| Codes with Medicare Comparison | | | | | | | |
| Children | Evaluations/Testing | 53% | 27 | 12,188 | \$41,436 | \$75,045 | \$116,481 |
| Adults | Evaluations/Testing | 56% | 5 | 337 | \$1,418 | \$1,853 | \$3,271 |
| | Total Cost | 53% | | 12,525 | \$42,854 | \$76,898 | \$119,752 |
| Children | Cost Savings | 128% | 8 | 1,772 | (\$9,909) | (\$17,945) | (\$27,854) |
| | Net Total to Reach Parity with Medicare Rate | 74% | | 14,297 | \$32,945 | \$58,953 | \$91,898 |
| Codes with State Proxy Comparison | | | | | | | |
| Children | Evaluations/Testing | 44% | 7 | 131 | \$8,558 | \$15,498 | \$24,056 |
| Adults | Evaluations/Testing | 77% | 19 | 312 | \$5,975 | \$7,803 | \$13,778 |
| | Total Cost | 67% | | 443 | \$14,533 | \$23,301 | \$37,834 |
| Children | Cost Savings | 118% | 1 | 9,517 | (\$451) | (\$816) | (\$1,267) |
| | Net Total to Reach Parity with State Proxy | 70% | | 9,960 | \$14,082 | \$22,485 | \$36,567 |
| Codes with CPI Comparison | | | | | | | |
| Children | Evaluations/Testing | 89% | 6 | 46 | \$11 | \$14 | \$25 |
| Adults | Evaluations/Testing | 89% | 13 | 688 | \$724 | \$946 | \$1,670 |
| | Total to Reach Parity with CPI Rate | 89% | | 734 | \$735 | \$960 | \$1,695 |
| | Total Cost | 61% | | 13,702 | \$58,122 | \$101,159 | \$159,281 |
| | Total Savings | 127% | | 11,289 | (\$10,360) | (\$18,761) | (\$29,121) |
| | Net Total to Reach Parity - SFY 2010 | 74% | | 24,991 | \$47,762 | \$82,398 | \$130,160 |



**Four-Year Plan to Reach Reimbursement Parity
Audiology
SFY 2011: Second-Year Plan**

| | | MO HealthNet as % of Comparison Group | Number of Codes | Number of Units | GR | Federal | Total |
|--|---|--|--------------------|--------------------|-------------------|-------------------|-------------------|
| Codes with Medicare Comparison | | | | | | | |
| Children | Evaluations/Testing | 69% | 27 | 12,188 | \$41,436 | \$75,045 | \$116,481 |
| Adults | Evaluations/Testing | 71% | 5 | 337 | \$1,418 | \$1,853 | \$3,271 |
| | Total Cost | 69% | | 12,525 | \$42,854 | \$76,898 | \$119,752 |
| Children | Cost Savings | 119% | 8 | 1,772 | (\$9,909) | (\$17,945) | (\$27,854) |
| | Net Total to Reach Parity with Medicare Rate | 82% | | 14,297 | \$32,945 | \$58,953 | \$91,898 |
| Codes with State Proxy Comparison | | | | | | | |
| Children | Evaluations/Testing | 63% | 7 | 131 | \$8,558 | \$15,498 | \$24,056 |
| Adults | Evaluations/Testing | 85% | 19 | 312 | \$5,975 | \$7,803 | \$13,778 |
| | Total Cost | 78% | | 443 | \$14,533 | \$23,301 | \$37,834 |
| Children | Cost Savings | 112% | 1 | 9,517 | (\$451) | (\$816) | (\$1,267) |
| | Net Total to Reach Parity with State Proxy | 80% | | 9,960 | \$14,082 | \$22,485 | \$36,567 |
| Codes with CPI Comparison | | | | | | | |
| Children | Evaluations/Testing | 93% | 6 | 46 | \$22 | \$28 | \$50 |
| Adults | Evaluations/Testing | 93% | 13 | 688 | \$845 | \$1,103 | \$1,948 |
| | Total Cost to Reach Parity with CPI Rate | 93% | | 734 | \$867 | \$1,131 | \$1,998 |
| | Total Cost | 74% | | 13,702 | \$58,254 | \$101,330 | \$159,584 |
| | Total Savings | 118% | | 11,289 | (\$10,360) | (\$18,761) | (\$29,121) |
| | Net Total to Reach Parity - SFY 2011 | 83% | | 24,991 | \$47,894 | \$82,569 | \$130,463 |



**Four-Year Plan to Reach Reimbursement Parity
Audiology
SFY 2012: Third-Year Plan**

| | | MO HealthNet as % of Comparison Group | Number of Codes | Number of Units | GR | Federal | Total |
|--|---|--|--------------------|--------------------|-------------------|-------------------|-------------------|
| Codes with Medicare Comparison | | | | | | | |
| Children | Evaluations/Testing | 84% | 27 | 12,188 | \$41,436 | \$75,045 | \$116,481 |
| Adults | Evaluations/Testing | 85% | 5 | 337 | \$1,418 | \$1,853 | \$3,271 |
| | Total Cost | 84% | | 12,525 | \$42,854 | \$76,898 | \$119,752 |
| Children | Cost Savings | 109% | 8 | 1,772 | (\$9,909) | (\$17,945) | (\$27,854) |
| | Net Total to Reach Parity with Medicare Rate | 91% | | 14,297 | \$32,945 | \$58,953 | \$91,898 |
| Codes with State Proxy Comparison | | | | | | | |
| Children | Evaluations/Testing | 81% | 7 | 131 | \$8,558 | \$15,498 | \$24,056 |
| Adults | Evaluations/Testing | 92% | 19 | 312 | \$5,975 | \$7,803 | \$13,778 |
| | Total Cost | 89% | | 443 | \$14,533 | \$23,301 | \$37,834 |
| Children | Cost Savings | 106% | 1 | 9,517 | (\$451) | (\$816) | (\$1,267) |
| | Net Total to Reach Parity with State Proxy | 90% | | 9,960 | \$14,082 | \$22,485 | \$36,567 |
| Codes with CPI Comparison | | | | | | | |
| Children | Evaluations/Testing | 96% | 6 | 46 | \$33 | \$44 | \$77 |
| Adults | Evaluations/Testing | 96% | 13 | 688 | \$845 | \$1,103 | \$1,948 |
| | Total to Reach Parity with CPI Rate | 96% | | 734 | \$878 | \$1,147 | \$2,025 |
| | Total Cost | 87% | | 13,702 | \$58,265 | \$101,346 | \$159,611 |
| | Total Savings | 109% | | 11,289 | (\$10,360) | (\$18,761) | (\$29,121) |
| | Net Total to Reach Parity - SFY 2012 | 91% | | 24,991 | \$47,905 | \$82,585 | \$130,490 |



Four-Year Plan to Reach Reimbursement Parity
Audiology
SFY 2013: Fourth-Year Plan

| | | MO HealthNet as % of Comparison Group | Number of Codes | Number of Units | GR | Federal | Total |
|--|---|--|--------------------|--------------------|-------------------|-------------------|-------------------|
| Codes with Medicare Comparison | | | | | | | |
| Children | Evaluations/Testing | 100% | 27 | 12,188 | \$41,436 | \$75,045 | \$116,481 |
| Adults | Evaluations/Testing | 100% | 5 | 337 | \$1,418 | \$1,853 | \$3,271 |
| | Total Cost | 100% | | 12,525 | \$42,854 | \$76,898 | \$119,752 |
| Children | Cost Savings | 100% | 8 | 1,772 | (\$9,909) | (\$17,945) | (\$27,854) |
| | Net Total to Reach Parity with Medicare Rate | 100% | | 14,297 | \$32,945 | \$58,953 | \$91,898 |
| Codes with State Proxy Comparison | | | | | | | |
| Children | Evaluations/Testing | 100% | 7 | 131 | \$8,558 | \$15,498 | \$24,056 |
| Adults | Evaluations/Testing | 100% | 19 | 312 | \$5,975 | \$7,803 | \$13,778 |
| | Total Cost | 100% | | 443 | \$14,533 | \$23,301 | \$37,834 |
| Children | Cost Savings | 100% | 1 | 9,517 | (\$451) | (\$816) | (\$1,267) |
| | Net Total to Reach Parity with State Proxy | 100% | | 9,960 | \$14,082 | \$22,485 | \$36,567 |
| Codes with CPI Comparison | | | | | | | |
| Children | Evaluations/Testing | 100% | 6 | 46 | \$45 | \$59 | \$104 |
| Adults | Evaluations/Testing | 100% | 13 | 688 | \$845 | \$1,103 | \$1,948 |
| | Total to Reach Parity with CPI Rate | 100% | | 734 | \$890 | \$1,162 | \$2,052 |
| | Total Cost | 100% | | 13,702 | \$58,277 | \$101,361 | \$159,638 |
| | Total Savings | 100% | | 11,289 | (\$10,360) | (\$18,761) | (\$29,121) |
| | Net Total to Reach Parity - SFY 2013 | 100% | | 24,991 | \$47,917 | \$82,600 | \$130,517 |

| Comparison Group | % of Medi-care | SFY 2010 | | | SFY 2011 | | | SFY 2012 | | | SFY 2013 | | | Total Cost to Reach Parity | | | | | |
|---|----------------|-----------------|-------------|--------------|-----------------|-------------|-------------|-----------------|---------|-------------|-----------------|--------------|-------|----------------------------|-------------|--------------|--------------|--------------|--------------|
| | | General Revenue | Federal | Total | General Revenue | Federal | Total | General Revenue | Federal | Total | General Revenue | Federal | Total | General Revenue | Federal | Total | | | |
| Using Dental UCR | | | | | | | | | | | | | | | | | | | |
| Cost to Reach Parity - UCR | 55% | \$5,333,766 | \$9,409,317 | \$14,743,083 | 70% | \$5,333,766 | \$9,409,317 | \$14,743,083 | 85% | \$5,333,766 | \$9,409,317 | \$14,743,083 | 100% | \$5,333,766 | \$9,409,317 | \$14,743,083 | \$21,335,064 | \$37,637,288 | \$58,972,332 |
| Using Medicare Rates | | | | | | | | | | | | | | | | | | | |
| Cost to Reach Parity - Medicare | 72% | \$141,160 | \$242,684 | \$383,844 | 81% | \$141,160 | \$242,684 | \$383,844 | 91% | \$141,160 | \$242,684 | \$383,844 | 100% | \$141,160 | \$242,684 | \$383,844 | \$64,640 | \$970,736 | \$1,535,376 |
| Cost Savings to Reach Parity - Medicare | 143% | (\$24) | (\$42) | (\$66) | \$1 | (\$24) | (\$42) | (\$66) | \$1 | (\$24) | (\$42) | (\$66) | \$1 | (\$24) | (\$42) | (\$66) | (\$96) | (\$168) | (\$264) |
| Net Total to Reach Parity - Medicare | 72% | \$141,136 | \$242,642 | \$383,778 | 81% | \$141,136 | \$242,642 | \$383,778 | 91% | \$141,136 | \$242,642 | \$383,778 | 100% | \$141,136 | \$242,642 | \$383,778 | \$64,544 | \$970,568 | \$1,535,112 |
| Using State Proxy | | | | | | | | | | | | | | | | | | | |
| Cost to Reach Parity - Proxy Rate | 78% | \$88 | \$145 | \$233 | 85% | \$88 | \$145 | \$233 | 93% | \$88 | \$145 | \$233 | 100% | \$88 | \$145 | \$233 | \$352 | \$580 | \$932 |
| Using CPI | | | | | | | | | | | | | | | | | | | |
| Cost to Reach Parity - CPI Rate | 89% | \$21 | \$38 | \$59 | 93% | \$21 | \$39 | \$60 | 96% | \$22 | \$40 | \$62 | 100% | \$23 | \$42 | \$65 | \$87 | \$159 | \$246 |
| Total | | | | | | | | | | | | | | | | | | | |
| Cost to Reach Parity | 57% | \$5,475,035 | \$9,652,184 | \$15,127,219 | 71% | \$5,475,035 | \$9,652,185 | \$15,127,220 | 86% | \$5,475,036 | \$9,652,186 | \$15,127,222 | 100% | \$5,475,037 | \$9,652,188 | \$15,127,225 | \$21,900,143 | \$38,608,743 | \$60,508,886 |
| Cost Savings to Reach Parity | 143% | (\$24) | (\$42) | (\$66) | 129% | (\$24) | (\$42) | (\$66) | 114% | (\$24) | (\$42) | (\$66) | 100% | (\$24) | (\$42) | (\$66) | (\$96) | (\$168) | (\$264) |
| Net Total to Reach Parity | 57% | \$5,475,011 | \$9,652,142 | \$15,127,153 | 71% | \$5,475,011 | \$9,652,143 | \$15,127,154 | 86% | \$5,475,012 | \$9,652,144 | \$15,127,156 | 100% | \$5,475,013 | \$9,652,146 | \$15,127,159 | \$21,900,047 | \$38,608,575 | \$60,508,622 |



Four-Year Plan to Reach Reimbursement Parity
Dental
SFY 2010: First-Year Plan

| | | MO HealthNet as % of Comparison Group | Number of Codes | Units of Service | GR | Federal | Total |
|---------------------------------------|--|--|--------------------|---------------------|--------------------|--------------------|---------------------|
| Codes with UCR Comparison | | | | | | | |
| Children | Dental Services | 55% | 161 | 410,758 | \$4,835,207 | \$8,751,498 | \$13,586,705 |
| Adults | Dental Services | 55% | 136 | 46,962 | \$498,559 | \$657,819 | \$1,156,378 |
| | Total Cost to Reach Parity with UCR | 55% | 297 | 457,720 | \$5,333,766 | \$9,409,317 | \$14,743,083 |
| Codes with Medicare Comparison | | | | | | | |
| Children | Cost - Dental Services (Physician codes billed by dentists) | 72% | 74 | 48,569 | \$103,879 | \$178,548 | \$282,427 |
| Adults | Cost -Dental Services (Physician codes billed by dentists) | 72% | 93 | 8,934 | \$37,281 | \$64,136 | \$101,417 |
| | Total Cost to Reach Parity with Medicare | 72% | 167 | 57,503 | \$141,160 | \$242,684 | \$383,844 |
| Children | Savings - Dental Services (Physician codes billed by dentists) | 155% | 2 | 9 | (\$11) | (\$19) | (\$30) |
| Adults | Savings - Dental Services (Physician codes billed by dentists) | 135% | 3 | 12 | (\$13) | (\$23) | (\$36) |
| | Total Cost Savings to Reach Parity with Medicare | 143% | 5 | 21 | (\$24) | (\$42) | (\$66) |
| | Net Total to Reach Parity with Medicare | 72% | 172 | 57,524 | \$141,136 | \$242,642 | \$383,778 |
| Codes with Proxy Comparison | | | | | | | |
| Children | Cost - Dental Services | 79% | 1 | 5 | \$53 | \$98 | \$151 |
| Adults | Cost - Dental Services | 78% | 1 | 1 | \$35 | \$47 | \$82 |
| | Total Cost to Reach Parity with Proxy Rate | 78% | 2 | 6 | \$88 | \$145 | \$233 |
| Codes with CPI Comparison | | | | | | | |
| Children | Cost - Dental Services | 89% | 1 | 1 | \$21 | \$38 | \$59 |
| | Total Cost to Reach Parity with CPI Rate | 89% | 1 | 1 | \$21 | \$38 | \$59 |
| | Total Cost | 57% | 467 | 515,230 | \$5,475,035 | \$9,652,184 | \$15,127,219 |
| | Total Savings | 143% | 5 | 21 | (\$24) | (\$42) | (\$66) |
| | Net Total to Reach Parity - SFY 2010 | 57% | 472 | 515,251 | \$5,475,011 | \$9,652,142 | \$15,127,153 |



**Four-Year Plan to Reach Reimbursement Parity
Dental
SFY 2011: Second-Year Plan**

| Codes with UCR Comparison | | MO HealthNet as % of Comparison Group | Number of Codes | Units of Service | GR | Federal | Total |
|---|--|--|--------------------|---------------------|--------------------|--------------------|---------------------|
| Children | Dental Services | 70% | 161 | 410,758 | \$4,835,207 | \$8,751,498 | \$13,586,705 |
| Adults | Dental Services | 70% | 136 | 46,962 | \$498,559 | \$657,819 | \$1,156,378 |
| Total Cost to Reach Parity with UCR | | 70% | 297 | 457,720 | \$5,333,766 | \$9,409,317 | \$14,743,083 |
| Codes with Medicare Comparison | | | | | | | |
| Children | Cost - Dental Services (Physician codes billed by dentists) | 82% | 74 | 48,569 | \$103,879 | \$178,548 | \$282,427 |
| Adults | Cost - Dental Services (Physician codes billed by dentists) | 81% | 93 | 8,934 | \$37,281 | \$64,136 | \$101,417 |
| Total Cost to Reach Parity with Medicare | | 81% | 167 | 57,503 | \$141,160 | \$242,684 | \$383,844 |
| Children | Savings - Dental Services (Physician codes billed by dentists) | 137% | 2 | 9 | (\$11) | (\$19) | (\$30) |
| Adults | Savings - Dental Services (Physician codes billed by dentists) | 123% | 3 | 12 | (\$13) | (\$23) | (\$36) |
| Total Cost Savings to Reach Parity with Medicare | | 129% | 5 | 21 | (\$24) | (\$42) | (\$66) |
| Net Total to Reach Parity with Medicare | | 81% | 172 | 57,524 | \$141,136 | \$242,642 | \$383,778 |
| Codes with Proxy Comparison | | | | | | | |
| Children | Cost - Dental Services | 86% | 1 | 5 | \$53 | \$98 | \$151 |
| Adults | Cost - Dental Services | 85% | 1 | 1 | \$35 | \$47 | \$82 |
| Total Cost to Reach Parity with Proxy Rate | | 85% | 2 | 6 | \$88 | \$145 | \$233 |
| Codes with CPI Comparison | | | | | | | |
| Children | Cost - Dental Services | 93% | 1 | 1 | \$21 | \$39 | \$60 |
| Total Cost to Reach Parity with CPI Rate | | 93% | 1 | 1 | \$21 | \$39 | \$60 |
| Total Cost | | 71% | 467 | 515,230 | \$5,475,035 | \$9,652,185 | \$15,127,220 |
| Total Savings | | 129% | 5 | 21 | (\$24) | (\$42) | (\$66) |
| Net Total to Reach Parity - SFY 2011 | | 71% | 472 | 515,251 | \$5,475,011 | \$9,652,143 | \$15,127,154 |



Four-Year Plan to Reach Reimbursement Parity
Dental
SFY 2012: Third-Year Plan

| Codes with UCR Comparison | | MO HealthNet as % of Comparison Group | Number of Codes | Units of Service | GR | Federal | Total |
|---|--|--|--------------------|---------------------|--------------------|--------------------|---------------------|
| Children | Dental Services | 85% | 161 | 410,758 | \$4,835,207 | \$8,751,498 | \$13,586,705 |
| Adults | Dental Services | 85% | 136 | 46,962 | \$498,559 | \$657,819 | \$1,156,378 |
| Total Cost to Reach Parity with UCR | | 85% | 297 | 457,720 | \$5,333,766 | \$9,409,317 | \$14,743,083 |
| Codes with Medicare Comparison | | | | | | | |
| Children | Cost - Dental Services (Physician codes billed by dentists) | 91% | 74 | 48,569 | \$103,879 | \$178,548 | \$282,427 |
| Adults | Cost - Dental Services (Physician codes billed by dentists) | 91% | 93 | 8,934 | \$37,281 | \$64,136 | \$101,417 |
| Total Cost to Reach Parity with Medicare | | 91% | 167 | 57,503 | \$141,160 | \$242,684 | \$383,844 |
| Children | Savings - Dental Services (Physician codes billed by dentists) | 118% | 2 | 9 | (\$11) | (\$19) | (\$30) |
| Adults | Savings - Dental Services (Physician codes billed by dentists) | 112% | 3 | 12 | (\$13) | (\$23) | (\$36) |
| Total Cost Savings to Reach Parity with Medicare | | 114% | 5 | 21 | (\$24) | (\$42) | (\$66) |
| Net Total to Reach Parity with Medicare | | 91% | 172 | 57,524 | \$141,136 | \$242,642 | \$383,778 |
| Codes with Proxy Comparison | | | | | | | |
| Children | Cost - Dental Services | 93% | 1 | 5 | \$53 | \$98 | \$151 |
| Adults | Cost - Dental Services | 93% | 1 | 1 | \$35 | \$47 | \$82 |
| Total Cost to Reach Parity with Proxy Rate | | 93% | 2 | 6 | \$88 | \$145 | \$233 |
| Codes with CPI Comparison | | | | | | | |
| Children | Cost - Dental Services | 96% | 1 | 1 | \$22 | \$40 | \$62 |
| Total Cost to Reach Parity with CPI Rate | | 96% | 1 | 1 | \$22 | \$40 | \$62 |
| Total Cost | | 86% | 467 | 515,230 | \$5,475,036 | \$9,652,186 | \$15,127,222 |
| Total Savings | | 114% | 5 | 21 | (\$24) | (\$42) | (\$66) |
| Net Total to Reach Parity - SFY 2012 | | 86% | 472 | 515,251 | \$5,475,012 | \$9,652,144 | \$15,127,156 |



Four-Year Plan to Reach Reimbursement Parity
Dental
SFY 2013: Fourth-Year Plan

| Codes with UCR Comparison | | MO HealthNet as % of Comparison Group | Number of Codes | Units of Service | GR | Federal | Total |
|---|--|--|--------------------|---------------------|--------------------|--------------------|---------------------|
| Children | Dental Services | 100% | 161 | 410,758 | \$4,835,207 | \$8,751,498 | \$13,586,705 |
| Adults | Dental Services | 100% | 136 | 46,962 | \$498,559 | \$657,819 | \$1,156,378 |
| Total Cost to Reach Parity with UCR | | 100% | 297 | 457,720 | \$5,333,766 | \$9,409,317 | \$14,743,083 |
| Codes with Medicare Comparison | | | | | | | |
| Children | Cost - Dental Services (Physician codes billed by dentists) | 100% | 74 | 48,569 | \$103,879 | \$178,548 | \$282,427 |
| Adults | Cost - Dental Services (Physician codes billed by dentists) | 100% | 93 | 8,934 | \$37,281 | \$64,136 | \$101,417 |
| Total Cost to Reach Parity with Medicare | | 100% | 167 | 57,503 | \$141,160 | \$242,684 | \$383,844 |
| Children | Savings - Dental Services (Physician codes billed by dentists) | 100% | 2 | 9 | (\$11) | (\$19) | (\$30) |
| Adults | Savings - Dental Services (Physician codes billed by dentists) | 100% | 3 | 12 | (\$13) | (\$23) | (\$36) |
| Total Cost Savings to Reach Parity with Medicare | | 100% | 5 | 21 | (\$24) | (\$42) | (\$66) |
| Net Total to Reach Parity with Medicare | | 100% | 172 | 57,524 | \$141,136 | \$242,642 | \$383,778 |
| Codes with Proxy Comparison | | | | | | | |
| Children | Cost - Dental Services | 100% | 1 | 5 | \$53 | \$98 | \$151 |
| Adults | Cost - Dental Services | 100% | 1 | 1 | \$35 | \$47 | \$82 |
| Total Cost to Reach Parity with Proxy Rate | | 100% | 2 | 6 | \$88 | \$145 | \$233 |
| Codes with CPL Comparison | | | | | | | |
| Children | Cost - Dental Services | 100% | 1 | 1 | \$23 | \$42 | \$65 |
| Total Cost to Reach Parity with CPL Rate | | 100% | 1 | 1 | \$23 | \$42 | \$65 |
| Total Cost | | 100% | 467 | 515,230 | \$5,475,037 | \$9,652,188 | \$15,127,225 |
| Total Savings | | 100% | 5 | 21 | (\$24) | (\$42) | (\$66) |
| Net Total to Reach Parity - SFY 2013 | | 100% | 472 | 515,251 | \$5,475,013 | \$9,652,146 | \$15,127,159 |

| Comparison Group Using Medicare Rates | SFY 2010 | | | SFY 2011 | | | SFY 2012 | | | SFY 2013 | | | Total Increase | | | | | | |
|---|----------------------------------|--------------------|------------------|----------------------------------|--------------------|------------------|----------------------------------|--------------------|------------------|----------------------------------|--------------------|------------------|--------------------|------------------|-------------|-------------|-------------|-------------|---------------|
| | % of Medi- care Revenue | General Revenue | Federal Total | % of Medi- care Revenue | General Revenue | Federal Total | % of Medi- care Revenue | General Revenue | Federal Total | % of Medi- care Revenue | General Revenue | Federal Total | General Revenue | Federal Total | Total | | | | |
| Cost to Reach Parity - Medicare | 92% | \$204,613 | \$337,522 | \$542,135 | 95% | \$204,613 | \$337,522 | \$542,135 | 97% | \$204,613 | \$337,522 | \$542,135 | 100% | \$204,613 | \$337,522 | \$542,135 | \$318,452 | \$1,350,088 | \$2,169,540 |
| Savings to Reach Parity - Medicare | 106% | (\$6,940) | (\$11,558) | (\$18,498) | 104% | (\$6,940) | (\$11,558) | (\$18,498) | 102% | (\$6,940) | (\$11,558) | (\$18,498) | 100% | (\$6,940) | (\$11,558) | (\$18,498) | (\$27,760) | (\$46,232) | (\$73,992) |
| Net Total to Reach Parity - Medicare | 93% | \$197,673 | \$325,964 | \$523,637 | 95% | \$197,673 | \$325,964 | \$523,637 | 98% | \$197,673 | \$325,964 | \$523,637 | 100% | \$197,673 | \$325,964 | \$523,637 | \$190,692 | \$1,303,856 | \$2,094,548 |
| Using State Proxy | | | | | | | | | | | | | | | | | | | |
| Cost to Reach Parity - Proxy | 84% | \$222,055 | \$392,669 | \$614,724 | 90% | \$222,055 | \$392,669 | \$614,724 | 95% | \$222,055 | \$392,669 | \$614,724 | 100% | \$222,055 | \$392,669 | \$614,724 | \$886,220 | \$1,570,676 | \$2,458,896 |
| Savings to Reach Parity - Proxy | 128% | (\$128,286) | (\$212,327) | (\$340,613) | 118% | (\$128,286) | (\$212,327) | (\$340,613) | 109% | (\$128,286) | (\$212,327) | (\$340,613) | 100% | (\$128,286) | (\$212,327) | (\$340,613) | (\$513,144) | (\$849,308) | (\$1,362,452) |
| Net Total to Reach Parity - Proxy | 117% | \$93,769 | \$180,342 | \$274,111 | 111% | \$93,769 | \$180,342 | \$274,111 | 106% | \$93,769 | \$180,342 | \$274,111 | 100% | \$93,769 | \$180,342 | \$274,111 | \$375,076 | \$721,368 | \$1,096,444 |
| Using CPI | | | | | | | | | | | | | | | | | | | |
| Cost to Reach Parity - CPI | 89% | \$55,646 | \$98,053 | \$153,699 | 93% | \$58,054 | \$102,300 | \$160,354 | 96% | \$60,035 | \$105,803 | \$165,838 | 100% | \$62,052 | \$109,349 | \$171,401 | \$235,787 | \$415,505 | \$651,292 |
| Total | | | | | | | | | | | | | | | | | | | |
| Total Cost to Reach Parity | | \$482,314 | \$928,244 | \$1,310,558 | | \$484,722 | \$892,491 | \$1,317,213 | | \$486,703 | \$835,994 | \$1,322,697 | | \$488,720 | \$839,540 | \$1,328,280 | \$1,942,459 | \$3,336,289 | \$5,278,728 |
| Total Savings to Reach Parity | | (\$135,226) | (\$223,885) | (\$359,111) | | (\$135,226) | (\$223,885) | (\$359,111) | | (\$135,226) | (\$223,885) | (\$359,111) | | (\$135,226) | (\$223,885) | (\$359,111) | (\$540,904) | (\$895,540) | (\$1,436,444) |
| Net Total to Reach Parity | 96% | \$347,088 | \$604,359 | \$951,447 | 97% | \$349,496 | \$608,606 | \$958,102 | 99% | \$351,477 | \$612,109 | \$963,586 | 100% | \$353,494 | \$615,655 | \$969,149 | \$1,401,555 | \$2,440,729 | \$3,842,284 |



Four-Year Plan to Reach Reimbursement Parity

DME
SFY 2010: First-Year Plan
(1 of 3)

| Codes with Medicare Comparison | MO HealthNet as % of Comparison Group | Number of Codes | Units of Services | GR | Federal | Total |
|---|---------------------------------------|-----------------|-------------------|------------------|-------------------|-------------------|
| | | | | | | |
| Children | | | | | | |
| Cost | 100% | 148 | 288,026 | \$604 | \$1,093 | \$1,697 |
| Supplies - Purchase | | | | | | |
| Cost | 90% | 1 | 101,099 | \$11,701 | \$21,191 | \$32,892 |
| Enteral & Parenteral Therapy - Purchase | | | | | | |
| Cost | 98% | 115 | 5,661 | \$4,599 | \$8,329 | \$12,928 |
| Equipment Purchase | | | | | | |
| Cost | 96% | 52 | 22,093 | \$19,138 | \$34,660 | \$53,798 |
| Equipment Rental | | | | | | |
| Cost | 85% | 290 | 9,562 | \$96,402 | \$174,592 | \$270,994 |
| Orthotic & Prosthetic - Purchase | | | | | | |
| Adults | | | | | | |
| Cost | 95% | 137 | 126,209 | \$7,566 | \$10,239 | \$17,805 |
| Supplies - Purchase | | | | | | |
| Cost | 100% | 156 | 6,137 | \$4,142 | \$5,606 | \$9,748 |
| Equipment - Purchase | | | | | | |
| Cost | 87% | 296 | 8,314 | \$60,461 | \$81,812 | \$142,273 |
| Orthotic & Prosthetic - Purchase | | | | | | |
| Total Cost | 92% | | 567,101 | \$204,613 | \$337,522 | \$542,135 |
| Children | | | | | | |
| Cost Savings | 113% | 2 | 2,346 | (\$1,072) | (\$1,942) | (\$3,014) |
| Supplies - Purchase | | | | | | |
| Cost Savings | 132% | 3 | 238 | (\$2,514) | (\$4,552) | (\$7,066) |
| Equipment - Purchase | | | | | | |
| Cost Savings | 101% | 6 | 2,909 | (\$1,107) | (\$2,006) | (\$3,113) |
| Equipment Rental | | | | | | |
| Cost Savings | 104% | 1 | 37 | (\$36) | (\$65) | (\$101) |
| Orthotic & Prosthetic - Purchase | | | | | | |
| Adults | | | | | | |
| Cost Savings | 136% | 11 | 318 | (\$2,211) | (\$2,993) | (\$5,204) |
| Equipment - Purchase | | | | | | |
| Total Savings | 106% | | 5,848 | (\$6,940) | (\$11,558) | (\$18,498) |
| Net Total Cost to Reach Parity with Medicare | 93% | | 572,949 | \$197,673 | \$325,964 | \$523,637 |



Four-Year Plan to Reach Reimbursement Parity

DME
SFY 2010: First-Year Plan
(2 of 3)

| Codes with State Proxy Comparison | MO HealthNet as % | | Number of Codes | Units of Services | GR | Federal | Total |
|--|---------------------|--|-----------------|-------------------|--------------------|--------------------|--------------------|
| | of Comparison Group | | | | | | |
| Children | | | | | | | |
| Supplies - Purchase | 77% | | 32 | 1,475,204 | \$76,505 | \$138,555 | \$215,060 |
| Enteral & Parenteral Therapy - Purchase | 83% | | 17 | 2,729,773 | \$123,493 | \$223,657 | \$347,150 |
| Orthotic & Prosthetic - Purchase | 79% | | 12 | 342 | \$1,329 | \$2,407 | \$3,736 |
| Adults | | | | | | | |
| Supplies - Purchase | 96% | | 3 | 16,492 | \$334 | \$453 | \$787 |
| Enteral & Parenteral Therapy - Purchase | 84% | | 11 | 647,448 | \$20,244 | \$27,394 | \$47,638 |
| Orthotic & Prosthetic - Purchase | 66% | | 6 | 18 | \$150 | \$203 | \$353 |
| Total Cost | 84% | | | 4,869,277 | \$222,055 | \$392,669 | \$614,724 |
| Children | | | | | | | |
| Supplies - Purchase | 222% | | 9 | 2,135 | (\$2,472) | (\$4,479) | (\$6,951) |
| Enteral & Parenteral Therapy - Purchase | 124% | | 9 | 173,335 | (\$81,697) | (\$147,960) | (\$229,657) |
| Enteral & Parenteral Therapy - Rental | 159% | | 1 | 11 | (\$383) | (\$693) | (\$1,076) |
| Equipment Purchase | 121% | | 1 | 1 | (\$27) | (\$49) | (\$76) |
| Orthotic & Prosthetic - Purchase | 116% | | 1 | 6 | (\$4) | (\$8) | (\$12) |
| Adults | | | | | | | |
| Supplies - Purchase | 220% | | 2 | 722 | (\$978) | (\$1,324) | (\$2,302) |
| Enteral & Parenteral Therapy - Purchase | 134% | | 14 | 48,736 | (\$41,661) | (\$56,374) | (\$98,035) |
| Enteral & Parenteral Therapy - Rental | 159% | | 1 | 39 | (\$1,064) | (\$1,440) | (\$2,504) |
| Total Savings | 128% | | | 224,985 | (\$128,286) | (\$212,327) | (\$340,613) |
| Net Total Cost to Reach Parity with State Proxy | 117% | | | 5,094,262 | \$93,769 | \$180,342 | \$274,111 |



Four-Year Plan to Reach Reimbursement Parity

**DME
SFY 2010: First-Year Plan
(3 of 3)**

| Codes with CPI Comparison | MO HealthNet as % of Comparison Group | Number of Codes | Units of Services | GR | Federal | Total |
|---|--|--------------------|----------------------|--------------------|--------------------|--------------------|
| | | | | | | |
| Children | | | | | | |
| Supplies - Purchase | 89% | 18 | 227,646 | \$9,157 | \$16,584 | \$25,741 |
| Cost | | | | | | |
| Enteral & Parenteral Therapy - Purchase | 89% | 5 | 73,711 | \$3,213 | \$5,819 | \$9,032 |
| Cost | | | | | | |
| Equipment Purchase | 89% | 2 | 4,653 | \$25,110 | \$45,477 | \$70,587 |
| Cost | | | | | | |
| Equipment Rental | 89% | 3 | 1,943 | \$12,760 | \$23,110 | \$35,870 |
| Cost | | | | | | |
| Orthotic & Prosthetic - Purchase | 89% | 1 | 1 | \$1 | \$2 | \$3 |
| Cost | | | | | | |
| Adults | | | | | | |
| Supplies - Purchase | 89% | 6 | 11,632 | \$2,580 | \$3,370 | \$5,950 |
| Cost | | | | | | |
| Enteral & Parenteral Therapy - Purchase | 89% | 7 | 5,987 | \$1,260 | \$1,646 | \$2,906 |
| Cost | | | | | | |
| Enteral & Parenteral Therapy - Rental | 89% | 4 | 5,940 | \$619 | \$809 | \$1,428 |
| Cost | | | | | | |
| Equipment Purchase | 89% | 2 | 254 | \$946 | \$1,236 | \$2,182 |
| Cost | | | | | | |
| Total Cost to Reach Parity with CPI | 89% | | 331,767 | \$55,646 | \$98,053 | \$153,699 |
| Total Cost | 92% | | 5,201,044 | \$482,314 | \$828,244 | \$1,310,558 |
| Total Savings | 123% | | 224,985 | (\$135,226) | (\$223,885) | (\$359,111) |
| Net Total to Reach Parity - SFY 2010 | 96% | | 5,426,029 | \$347,088 | \$604,359 | \$951,447 |



Four-Year Plan to Reach Reimbursement Parity

DME

SFY 2011: Second-Year Plan
(1 of 3)

| | MO HealthNet as % | | of Codes | Services | GR | Federal | Total |
|---------------------------------------|---|-------------|----------|----------------|------------------|-------------------|-------------------|
| | of Comparison Group | | | | | | |
| Codes with Medicare Comparison | | | | | | | |
| Children | | | | | | | |
| Cost | Supplies - Purchase | 100% | 148 | 288,026 | \$604 | \$1,093 | \$1,697 |
| Cost | Enteral & Parenteral Therapy - Purchase | 93% | 1 | 101,099 | \$11,701 | \$21,191 | \$32,892 |
| Cost | Equipment Purchase | 99% | 115 | 5,661 | \$4,599 | \$8,329 | \$12,928 |
| Cost | Equipment Rental | 97% | 52 | 22,093 | \$19,138 | \$34,660 | \$53,798 |
| Cost | Orthotic & Prosthetic - Purchase | 90% | 290 | 9,562 | \$96,402 | \$174,592 | \$270,994 |
| Adults | | | | | | | |
| Cost | Supplies - Purchase | 96% | 137 | 126,209 | \$7,566 | \$10,239 | \$17,805 |
| Cost | Equipment - Purchase | 100% | 156 | 6,137 | \$4,142 | \$5,606 | \$9,748 |
| Cost | Orthotic & Prosthetic - Purchase | 91% | 296 | 8,314 | \$60,461 | \$81,812 | \$142,273 |
| | Total Cost | 95% | | 567,101 | \$204,613 | \$337,522 | \$542,135 |
| Children | | | | | | | |
| Cost Savings | Supplies - Purchase | 109% | 2 | 2,346 | (\$1,072) | (\$1,942) | (\$3,014) |
| Cost Savings | Equipment - Purchase | 121% | 3 | 238 | (\$2,514) | (\$4,552) | (\$7,066) |
| Cost Savings | Equipment Rental | 101% | 6 | 2,909 | (\$1,107) | (\$2,006) | (\$3,113) |
| Cost Savings | Orthotic & Prosthetic - Purchase | 103% | 1 | 37 | (\$36) | (\$65) | (\$101) |
| Adults | | | | | | | |
| Cost Savings | Equipment - Purchase | 124% | 11 | 318 | (\$2,211) | (\$2,993) | (\$5,204) |
| | Total Savings | 104% | | 5,848 | (\$6,940) | (\$11,558) | (\$18,498) |
| | Net Total Cost to Reach Parity with Medicare | 95% | | 572,949 | \$197,673 | \$325,964 | \$523,637 |



Four-Year Plan to Reach Reimbursement Parity
DME
SFY 2011: Second-Year Plan
(2 of 3)

| Codes with State Proxy Comparison | MO HealthNet as % of Comparison Group | Number of Codes | Units of Services | GR | Federal Total | |
|--|---|-----------------|-------------------|--------------------|--------------------|--------------------|
| | | | | | GR | Total |
| Children | | | | | | |
| Cost | Supplies - Purchase | 32 | 1,475,204 | \$76,505 | \$138,555 | \$215,060 |
| Cost | Enteral & Parenteral Therapy - Purchase | 17 | 2,729,773 | \$123,493 | \$223,657 | \$347,150 |
| Cost | Orthotic & Prosthetic - Purchase | 12 | 342 | \$1,329 | \$2,407 | \$3,736 |
| Adults | | | | | | |
| Cost | Supplies - Purchase | 3 | 16,492 | \$334 | \$453 | \$787 |
| Cost | Enteral & Parenteral Therapy - Purchase | 11 | 647,448 | \$20,244 | \$27,394 | \$47,638 |
| Cost | Orthotic & Prosthetic - Purchase | 6 | 18 | \$150 | \$203 | \$353 |
| Total Cost | | | 4,869,277 | \$222,055 | \$392,669 | \$614,724 |
| Children | | | | | | |
| Cost Savings | Supplies - Purchase | 9 | 2,135 | (\$2,472) | (\$4,479) | (\$6,951) |
| Cost Savings | Enteral & Parenteral Therapy - Purchase | 9 | 173,335 | (\$81,697) | (\$147,960) | (\$229,657) |
| Cost Savings | Enteral & Parenteral Therapy - Rental | 1 | 11 | (\$383) | (\$693) | (\$1,076) |
| Cost Savings | Equipment Purchase | 1 | 1 | (\$27) | (\$49) | (\$76) |
| Cost Savings | Orthotic & Prosthetic - Purchase | 1 | 6 | (\$4) | (\$8) | (\$12) |
| Adults | | | | | | |
| Cost Savings | Supplies - Purchase | 2 | 722 | (\$978) | (\$1,324) | (\$2,302) |
| Cost Savings | Enteral & Parenteral Therapy - Purchase | 14 | 48,736 | (\$41,661) | (\$56,374) | (\$98,035) |
| Cost Savings | Enteral & Parenteral Therapy - Rental | 1 | 39 | (\$1,064) | (\$1,440) | (\$2,504) |
| Total Savings | | | 224,985 | (\$128,286) | (\$212,327) | (\$340,613) |
| Net Total Cost to Reach Parity with State Proxy | | | 5,094,262 | \$93,769 | \$180,342 | \$274,111 |



Four-Year Plan to Reach Reimbursement Parity

DME
SFY 2011: Second-Year Plan
(3 of 3)

| | Codes with CPI Comparison | | MO HealthNet as % of Comparison Group | Number of Codes | Units of Services | GR | Federal Total | |
|-----------------|---|--|--|--------------------|----------------------|--------------------|--------------------|--------------------|
| | | | | | | | | |
| Children | | | | | | | | |
| Cost | Supplies - Purchase | | 93% | 18 | 227,646 | \$9,320 | \$16,879 | \$26,199 |
| Cost | Enteral & Parenteral Therapy - Purchase | | 92% | 5 | 73,711 | \$3,711 | \$6,721 | \$10,432 |
| Cost | Equipment Purchase | | 93% | 2 | 4,653 | \$26,142 | \$47,346 | \$73,488 |
| Cost | Equipment Rental | | 93% | 3 | 1,943 | \$13,251 | \$23,999 | \$37,250 |
| Cost | Orthotic & Prosthetic - Purchase | | 93% | 1 | 1 | \$1 | \$3 | \$4 |
| Adults | | | | | | | | |
| Cost | Supplies - Purchase | | 93% | 6 | 11,632 | \$2,712 | \$3,542 | \$6,254 |
| Cost | Enteral & Parenteral Therapy - Purchase | | 93% | 7 | 5,987 | \$1,308 | \$1,709 | \$3,017 |
| Cost | Enteral & Parenteral Therapy - Rental | | 93% | 4 | 5,940 | \$623 | \$813 | \$1,436 |
| Cost | Equipment Purchase | | 93% | 2 | 254 | \$986 | \$1,288 | \$2,274 |
| | Total Cost to Reach Parity with CPI | | 93% | | 331,767 | \$58,054 | \$102,300 | \$160,354 |
| | Total Cost | | 94% | | 5,768,145 | \$484,722 | \$832,491 | \$1,317,213 |
| | Total Savings | | 115% | | 230,833 | (\$135,226) | (\$223,885) | (\$359,111) |
| | Net Total to Reach Parity - SFY 2011 | | 97% | | 5,998,978 | \$349,496 | \$608,606 | \$958,102 |



Four-Year Plan to Reach Reimbursement Parity
DME
SFY 2012: Second-Year Plan
(1 of 3)

| Codes with Medicare Comparison | MO HealthNet as % of Comparison Group | | Number of Codes | Units of Services | GR | Federal | Total |
|---|---------------------------------------|--|-----------------|-------------------|------------------|-------------------|-------------------|
| | % | | | | | | |
| Children | | | | | | | |
| Cost | 100% | | 148 | 288,026 | \$604 | \$1,093 | \$1,697 |
| Cost | 97% | | 1 | 101,099 | \$11,701 | \$21,191 | \$32,892 |
| Cost | 99% | | 115 | 5,661 | \$4,599 | \$8,329 | \$12,928 |
| Cost | 99% | | 52 | 22,093 | \$19,138 | \$34,660 | \$53,798 |
| Cost | 95% | | 290 | 9,562 | \$96,402 | \$174,592 | \$270,994 |
| Adults | | | | | | | |
| Cost | 98% | | 137 | 126,209 | \$7,566 | \$10,239 | \$17,805 |
| Cost | 100% | | 156 | 6,137 | \$4,142 | \$5,606 | \$9,748 |
| Cost | 96% | | 296 | 8,314 | \$60,461 | \$81,812 | \$142,273 |
| Total Cost | 97% | | | 567,101 | \$204,613 | \$337,522 | \$542,135 |
| Children | | | | | | | |
| Cost Savings | 104% | | 2 | 2,346 | (\$1,072) | (\$1,942) | (\$3,014) |
| Cost Savings | 111% | | 3 | 238 | (\$2,514) | (\$4,552) | (\$7,066) |
| Cost Savings | 100% | | 6 | 2,909 | (\$1,107) | (\$2,006) | (\$3,113) |
| Cost Savings | 101% | | 1 | 37 | (\$36) | (\$65) | (\$101) |
| Adults | | | | | | | |
| Cost Savings | 112% | | 11 | 318 | (\$2,211) | (\$2,993) | (\$5,204) |
| Total Savings | 102% | | | 5,848 | (\$6,940) | (\$11,558) | (\$18,498) |
| Net Total Cost to Reach Parity with Medicare | 98% | | | 572,949 | \$197,673 | \$325,964 | \$523,637 |



Four-Year Plan to Reach Reimbursement Parity
DME
SFY 2012: Second-Year Plan
(2 of 3)

| | MO HealthNet as % | | of Codes | Services | GR | Federal | Total |
|--|--|-------------|----------|------------------|--------------------|--------------------|--------------------|
| | of Comparison Group | of Codes | | | | | |
| Codes with State Proxy Comparison | | | | | | | |
| Children | | | | | | | |
| Cost | Supplies - Purchase | 92% | 32 | 1,475,204 | \$76,505 | \$138,555 | \$215,060 |
| Cost | Enteral & Parenteral Therapy - Purchase | 94% | 17 | 2,729,773 | \$123,493 | \$223,657 | \$347,150 |
| Cost | Orthotic & Prosthetic - Purchase | 93% | 12 | 342 | \$1,329 | \$2,407 | \$3,736 |
| Adults | | | | | | | |
| Cost | Supplies - Purchase | 99% | 3 | 16,492 | \$334 | \$453 | \$787 |
| Cost | Enteral & Parenteral Therapy - Purchase | 95% | 11 | 647,448 | \$20,244 | \$27,394 | \$47,638 |
| Cost | Orthotic & Prosthetic - Purchase | 89% | 6 | 18 | \$150 | \$203 | \$353 |
| | Total Cost | 95% | | 4,869,277 | \$222,055 | \$392,669 | \$614,371 |
| Children | | | | | | | |
| Cost Savings | Supplies - Purchase | 141% | 9 | 2,135 | (\$2,472) | (\$4,479) | (\$6,951) |
| Cost Savings | Enteral & Parenteral Therapy - Purchase | 108% | 9 | 173,335 | (\$81,697) | (\$147,960) | (\$229,657) |
| Cost Savings | Enteral & Parenteral Therapy - Rental | 120% | 1 | 11 | (\$383) | (\$693) | (\$1,076) |
| Cost Savings | Equipment Purchase | 107% | 1 | 1 | (\$27) | (\$49) | (\$76) |
| Cost Savings | Orthotic & Prosthetic - Purchase | 105% | 1 | 6 | (\$4) | (\$8) | (\$12) |
| Adults | | | | | | | |
| Cost Savings | Supplies - Purchase | 140% | 2 | 722 | (\$978) | (\$1,324) | (\$2,302) |
| Cost Savings | Enteral & Parenteral Therapy - Purchase | 111% | 14 | 48,736 | (\$41,661) | (\$56,374) | (\$98,035) |
| Cost Savings | Enteral & Parenteral Therapy - Rental | 120% | 1 | 39 | (\$1,064) | (\$1,440) | (\$2,504) |
| | Total Savings | 109% | | 224,985 | (\$128,286) | (\$212,327) | (\$340,613) |
| | Net Total Cost to Reach Parity with State Proxy | 106% | | 5,094,262 | \$93,769 | \$180,342 | \$273,758 |



Four-Year Plan to Reach Reimbursement Parity
DME
SFY 2012: Second-Year Plan
(3 of 3)

| Codes with CPI Comparison | MO HealthNet as % of Comparison Group | Number of Codes | Units of Services | GR | | Federal | | Total |
|---|---------------------------------------|-----------------|-------------------|--------------------|--------------------|--------------------|--|-------|
| | | | | | | | | |
| Children | | | | | | | | |
| Cost | | 18 | 227,646 | \$9,422 | \$17,063 | \$26,485 | | |
| Supplies - Purchase | 96% | 5 | 73,711 | \$3,951 | \$7,155 | \$11,106 | | |
| Enteral & Parenteral Therapy - Purchase | 96% | 2 | 4,653 | \$27,093 | \$49,067 | \$76,160 | | |
| Equipment Purchase | 96% | 3 | 1,943 | \$13,776 | \$24,950 | \$38,726 | | |
| Equipment Rental | | 1 | 1 | \$1 | \$3 | \$4 | | |
| Orthotic & Prosthetic - Purchase | 96% | | | | | | | |
| Adults | | | | | | | | |
| Cost | | 6 | 11,632 | \$2,777 | \$3,627 | \$6,404 | | |
| Supplies - Purchase | 96% | 7 | 5,987 | \$1,366 | \$1,784 | \$3,150 | | |
| Enteral & Parenteral Therapy - Purchase | 96% | 4 | 5,940 | \$628 | \$820 | \$1,448 | | |
| Equipment Purchase | 96% | 2 | 254 | \$1,021 | \$1,334 | \$2,355 | | |
| Orthotic & Prosthetic - Purchase | | | | | | | | |
| Total Cost to Reach Parity with CPI | 96% | | 331,767 | \$60,035 | \$105,803 | \$165,838 | | |
| Total Cost | 97% | | 5,768,145 | \$486,703 | \$835,994 | \$1,322,344 | | |
| Total Savings | 108% | | 230,833 | (\$135,226) | (\$223,885) | (\$359,111) | | |
| Net Total to Reach Parity - SFY 2012 | 99% | | 5,998,978 | \$351,477 | \$612,109 | \$963,233 | | |



Four-Year Plan to Reach Reimbursement Parity

DME
SFY 2013: Second-Year Plan
(1 of 3)

| Codes with Medicare Comparison | MO HealthNet as % of Comparison Group | Number of Codes | Units of Services | GR | Federal | Total |
|---|---------------------------------------|-----------------|-------------------|------------------|-------------------|-------------------|
| | | | | | | |
| Children | | | | | | |
| Cost | 100% | 148 | 288,026 | \$604 | \$1,093 | \$1,697 |
| Cost | 100% | 1 | 101,099 | \$11,701 | \$21,191 | \$32,892 |
| Cost | 100% | 115 | 5,661 | \$4,599 | \$8,329 | \$12,928 |
| Cost | 100% | 52 | 22,093 | \$19,138 | \$34,660 | \$53,798 |
| Cost | 100% | 290 | 9,562 | \$96,402 | \$174,592 | \$270,994 |
| | | | | | | |
| Adults | | | | | | |
| Cost | 100% | 137 | 126,209 | \$7,566 | \$10,239 | \$17,805 |
| Cost | 100% | 156 | 6,137 | \$4,142 | \$5,606 | \$9,748 |
| Cost | 100% | 296 | 8,314 | \$60,461 | \$81,812 | \$142,273 |
| Total Cost | 100% | | 567,101 | \$204,613 | \$337,522 | \$542,135 |
| | | | | | | |
| Children | | | | | | |
| Cost Savings | 100% | 2 | 2,346 | (\$1,072) | (\$1,942) | (\$3,014) |
| Cost Savings | 100% | 3 | 238 | (\$2,514) | (\$4,552) | (\$7,066) |
| Cost Savings | 100% | 6 | 2,909 | (\$1,107) | (\$2,006) | (\$3,113) |
| Cost Savings | 100% | 1 | 37 | (\$36) | (\$65) | (\$101) |
| | | | | | | |
| Adults | | | | | | |
| Cost Savings | 100% | 11 | 318 | (\$2,211) | (\$2,993) | (\$5,204) |
| | | | | | | |
| Total Savings | 100% | | 5,848 | (\$6,940) | (\$11,558) | (\$18,498) |
| | | | | | | |
| Net Total Cost to Reach Parity with Medicare | 100% | | 572,949 | \$197,673 | \$325,964 | \$523,637 |



Four-Year Plan to Reach Reimbursement Parity

DME
SFY 2013: Second-Year Plan
(2 of 3)

| Codes with State Proxy Comparison | MO HealthNet as % of Comparison Group | Number of Codes | Units of Services | GR | Federal | Total |
|--|---------------------------------------|-----------------|-------------------|--------------------|--------------------|--------------------|
| | | | | | | |
| Children | | | | | | |
| Cost | 100% | 32 | 1,475,204 | \$76,505 | \$138,555 | \$215,060 |
| Supplies - Purchase | 100% | 17 | 2,729,773 | \$123,493 | \$223,657 | \$347,150 |
| Cost | 100% | 12 | 342 | \$1,329 | \$2,407 | \$3,736 |
| Orthotic & Prosthetic - Purchase | | | | | | |
| Orthotic & Prosthetic - Purchase | | | | | | |
| Adults | | | | | | |
| Cost | 100% | 3 | 16,492 | \$334 | \$453 | \$787 |
| Supplies - Purchase | 100% | 11 | 647,448 | \$20,244 | \$27,394 | \$47,638 |
| Cost | 100% | 6 | 18 | \$150 | \$203 | \$353 |
| Orthotic & Prosthetic - Purchase | | | | | | |
| Orthotic & Prosthetic - Purchase | | | | | | |
| Total Cost | 100% | | 4,869,277 | \$222,055 | \$392,669 | \$614,724 |
| Children | | | | | | |
| Cost Savings | 100% | 9 | 2,135 | (\$2,472) | (\$4,479) | (\$6,951) |
| Supplies - Purchase | 100% | 9 | 173,335 | (\$81,697) | (\$147,960) | (\$229,657) |
| Cost Savings | 100% | 1 | 11 | (\$383) | (\$693) | (\$1,076) |
| Orthotic & Parenteral Therapy - Purchase | | | | | | |
| Orthotic & Parenteral Therapy - Rental | | | | | | |
| Equipment Purchase | | | | | | |
| Orthotic & Prosthetic - Purchase | | | | | | |
| Orthotic & Prosthetic - Purchase | | | | | | |
| Adults | | | | | | |
| Cost Savings | 100% | 2 | 722 | (\$978) | (\$1,324) | (\$2,302) |
| Supplies - Purchase | 100% | 14 | 48,736 | (\$41,661) | (\$56,374) | (\$98,035) |
| Cost Savings | 100% | 1 | 39 | (\$1,064) | (\$1,440) | (\$2,504) |
| Orthotic & Parenteral Therapy - Purchase | | | | | | |
| Orthotic & Parenteral Therapy - Rental | | | | | | |
| Total Savings | 100% | | 224,985 | (\$128,286) | (\$212,327) | (\$340,613) |
| Net Total Cost to Reach Parity with State Proxy | 100% | | 5,094,262 | \$93,769 | \$180,342 | \$274,111 |



Four-Year Plan to Reach Reimbursement Parity

DME
SFY 2013: Second-Year Plan
(3 of 3)

| Codes with CPI Comparison | MO HealthNet as % of Comparison Group | of Codes | Services | GR | Federal | Total |
|---|--|----------|-----------|-------------|-------------|-------------|
| | | | | | | |
| Children | | | | | | |
| Cost | 100% | 18 | 227,646 | \$9,511 | \$17,224 | \$26,735 |
| Supplies - Purchase | | 5 | 73,711 | \$4,009 | \$7,260 | \$11,269 |
| Cost | 100% | 2 | 4,653 | \$28,208 | \$51,086 | \$79,294 |
| Enteral & Parenteral Therapy - Purchase | | 3 | 1,943 | \$14,319 | \$25,933 | \$40,252 |
| Cost | 100% | 1 | 1 | \$1 | \$3 | \$4 |
| Equipment Rental | | | | | | |
| Orthotic & Prosthetic - Purchase | | | | | | |
| Cost | | | | | | |
| Adults | | | | | | |
| Cost | 100% | 6 | 11,632 | \$2,847 | \$3,719 | \$6,566 |
| Supplies - Purchase | | 7 | 5,987 | \$1,425 | \$1,862 | \$3,287 |
| Cost | 100% | 4 | 5,940 | \$669 | \$873 | \$1,542 |
| Enteral & Parenteral Therapy - Purchase | | 2 | 254 | \$1,063 | \$1,389 | \$2,452 |
| Cost | | | | | | |
| Enteral & Parenteral Therapy - Rental | | | | | | |
| Equipment Purchase | | | | | | |
| Cost | | | | | | |
| Total Cost to Reach Parity with CPI | 100% | | 331,767 | \$62,052 | \$109,349 | \$171,401 |
| Total Cost | 100% | | 5,768,145 | \$488,720 | \$839,540 | \$1,328,260 |
| Total Savings | 100% | | 230,833 | (\$135,226) | (\$223,885) | (\$359,111) |
| Net Total to Reach Parity - SFY 2013 | 100% | | 5,998,978 | \$353,494 | \$615,655 | \$969,149 |

Optical Summary

| Comparison Group | SFY 2010 | | | SFY 2011 | | | SFY 2012 | | | SFY 2013 | | | TOTAL INCREASE | | |
|---|----------------|------------------|--------------------|--------------------|----------------|------------------|--------------------|--------------------|----------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | % of Medi-care | General Revenue | Federal | Total | % of Medi-care | General Revenue | Federal | Total | % of Medi-care | General Revenue | Federal | Total | General Revenue | Federal | Total |
| Using Medicare Rates | | | | | | | | | | | | | | | |
| Cost to Reach Parity - Medicare | 62% | \$689,953 | \$1,083,136 | \$1,773,089 | 75% | \$689,953 | \$1,083,136 | \$1,773,089 | 87% | \$689,953 | \$1,083,136 | \$1,773,089 | \$2,759,812 | \$4,332,544 | \$7,092,356 |
| Cost Savings to Reach Parity - Medicare | 113% | (\$868) | (\$1,273) | (\$2,141) | 109% | (\$868) | (\$1,273) | (\$2,141) | 104% | (\$868) | (\$1,273) | (\$2,141) | (\$3,472) | (\$5,092) | (\$8,564) |
| Net Total to Reach Parity - Medicare | 62% | \$689,085 | \$1,081,863 | \$1,770,948 | 75% | \$689,085 | \$1,081,863 | \$1,770,948 | 87% | \$689,085 | \$1,081,863 | \$1,770,948 | \$2,756,340 | \$4,327,452 | \$7,083,792 |
| Using State Proxy | | | | | | | | | | | | | | | |
| Total to Reach Parity - Proxy Rate | 73% | \$266,046 | \$436,723 | \$702,769 | 82% | \$266,046 | \$436,723 | \$702,769 | 91% | \$266,046 | \$436,723 | \$702,769 | \$1,064,184 | \$1,746,892 | \$2,811,076 |
| Using CPI | | | | | | | | | | | | | | | |
| Total to Reach Parity - CPI Rate | 89% | \$1,373 | \$1,972 | \$3,345 | 93% | \$1,430 | \$2,057 | \$3,487 | 96% | \$1,468 | \$2,110 | \$3,578 | \$5,809 | \$8,351 | \$14,160 |
| Total | | | | | | | | | | | | | | | |
| Total Cost to Reach Parity | 66% | \$957,372 | \$1,521,831 | \$2,479,203 | 77% | \$957,429 | \$1,521,916 | \$2,479,345 | 89% | \$957,467 | \$1,521,969 | \$2,479,436 | \$3,829,805 | \$6,087,787 | \$9,917,592 |
| Total Savings to Reach Parity | 113% | (\$868) | (\$1,273) | (\$2,141) | 109% | (\$868) | (\$1,273) | (\$2,141) | 104% | (\$868) | (\$1,273) | (\$2,141) | (\$3,472) | (\$5,092) | (\$8,564) |
| Net Total to Reach Parity | 66% | \$956,504 | \$1,520,558 | \$2,477,062 | 77% | \$956,561 | \$1,520,643 | \$2,477,204 | 89% | \$956,599 | \$1,520,696 | \$2,477,295 | \$3,826,333 | \$6,082,695 | \$9,909,028 |



**Four-Year Plan to Reach Reimbursement Parity
Optical
SFY 2010: First-Year Plan**

| Codes with Medicare Comparison | | MO HealthNet as % of Comparison Group | Number of Codes | Units of Service | GR | Federal | Total |
|--|--|--|--------------------|---------------------|------------------|--------------------|--------------------|
| Children | Exams/Procedures | 53% | 42 | 6,147 | \$60,803 | \$110,120 | \$170,923 |
| Adults | Exams/Procedures | 52% | 56 | 10,429 | \$55,688 | \$75,353 | \$131,041 |
| Children | Frames/Lens | 56% | 91 | 51,676 | \$265,732 | \$481,263 | \$746,995 |
| Adults | Frames/Lens | 66% | 117 | 115,400 | \$307,730 | \$416,400 | \$724,130 |
| | Total Cost | 62% | | 183,652 | \$689,953 | \$1,083,136 | \$1,773,089 |
| Children | Exams/Procedures - Cost Savings | 121% | 1 | 2 | (\$9) | (\$16) | (\$25) |
| Adults | Exams/Procedures - Cost Savings | 121% | 1 | 6 | (\$13) | (\$18) | (\$31) |
| Children | Frames/Lens - Cost Savings | 108% | 17 | 155 | (\$202) | (\$367) | (\$569) |
| Adults | Frames/Lens - Cost Savings | 116% | 30 | 713 | (\$644) | (\$872) | (\$1,516) |
| | Total Savings | 113% | | 876 | (\$868) | (\$1,273) | (\$2,141) |
| | Net Total to Reach Parity with Medicare | 62% | | 184,528 | \$689,085 | \$1,081,863 | \$1,770,948 |
| Codes with State Proxy Comparison | | | | | | | |
| Children | Exams/Procedures | 75% | 6 | 29,322 | 167,547 | 303,441 | 470,988 |
| Adults | Exams/Procedures | 71% | 7 | 29,232 | 98,499 | 133,282 | 231,781 |
| | Total to Reach Parity with State Proxy | 73% | | 58,554 | \$266,046 | \$436,723 | \$702,769 |
| Codes with CPI Comparison | | | | | | | |
| Children | Exams/Procedures | 89% | 3 | 243 | \$253 | \$457 | \$710 |
| Adults | Exams/Procedures | 89% | 5 | 348 | \$193 | \$261 | \$454 |
| Adults | Frames/Lens | 89% | 4 | 528 | \$927 | \$1,254 | \$2,181 |
| | Total to Reach Parity with CPI Rate | 89% | | 1,119 | \$1,373 | \$1,972 | \$3,345 |
| | Total Cost | 66% | | 243,325 | 957,372 | 1,521,831 | 2,479,203 |
| | Total Savings | 113% | | 876 | (\$868) | (\$1,273) | (\$2,141) |
| | Net Total to Reach Parity - SFY 2010 | 66% | | 244,201 | \$956,504 | \$1,520,558 | \$2,477,062 |



**Four-Year Plan to Reach Reimbursement Parity
Optical
SFY 2011: Second-Year Plan**

| Codes with Medicare Comparison | | MO HealthNet as % of Comparison Group | Number of Codes | Units of Service | GR | Federal | Total |
|--|---------------------------------|--|--------------------|---------------------|------------------|--------------------|--------------------|
| Children | Exams/Procedures | 68% | 42 | 6,147 | \$60,803 | \$110,120 | \$170,923 |
| Adults | Exams/Procedures | 68% | 56 | 10,429 | \$55,688 | \$75,353 | \$131,041 |
| Children | Frames/Lens | 71% | 91 | 51,676 | \$265,732 | \$481,263 | \$746,995 |
| Adults | Frames/Lens | 78% | 117 | 115,400 | \$307,730 | \$416,400 | \$724,130 |
| Total Cost | | 75% | | 183,652 | \$689,953 | \$1,083,136 | \$1,773,089 |
| Children | Exams/Procedures - Cost Savings | 114% | 1 | 2 | (\$9) | (\$16) | (\$25) |
| Adults | Exams/Procedures - Cost Savings | 114% | 1 | 6 | (\$13) | (\$18) | (\$31) |
| Children | Frames/Lens - Cost Savings | 105% | 17 | 155 | (\$202) | (\$367) | (\$569) |
| Adults | Frames/Lens - Cost Savings | 110% | 30 | 713 | (\$644) | (\$872) | (\$1,516) |
| Total Savings | | 109% | | 876 | (\$868) | (\$1,273) | (\$2,141) |
| Net Total to Reach Parity with Medicare | | 75% | | 184,528 | \$689,085 | \$1,081,863 | \$1,770,948 |
| Codes with State Proxy Comparison | | | | | | | |
| Children | Exams/Procedures | 84% | 6 | 29,322 | \$167,547 | \$303,441 | \$470,988 |
| Adults | Exams/Procedures | 81% | 7 | 29,232 | \$98,499 | \$133,282 | \$231,781 |
| Total to Reach Parity with State Proxy | | 82% | | 58,554 | \$266,046 | \$436,723 | \$702,769 |
| Codes with CPI Comparison | | | | | | | |
| Children | Exams/Procedures | 91% | 3 | 243 | \$271 | \$489 | \$760 |
| Adults | Exams/Procedures | 93% | 5 | 348 | \$206 | \$279 | \$485 |
| Adults | Frames/Lens | 93% | 4 | 528 | \$953 | \$1,289 | \$2,242 |
| Total to Reach Parity with CPI Rate | | 93% | | 1,119 | \$1,430 | \$2,057 | \$3,487 |
| Total Cost | | 77% | | 243,325 | 957,429 | 1,521,916 | 2,479,345 |
| Total Savings | | 109% | | 876 | (\$868) | (\$1,273) | (\$2,141) |
| Net Total to Reach Parity - SFY 2011 | | 77% | | 244,201 | \$956,561 | \$1,520,643 | \$2,477,204 |



**Four-Year Plan to Reach Reimbursement Parity
Optical
SFY 2012: Third-Year Plan**

| | MO HealthNet as % of Comparison Group | | Number of Codes | Units of Service | GR | Federal | Total |
|--|--|--|--------------------|---------------------|------------------|--------------------|--------------------|
| | | | | | | | |
| Codes with Medicare Comparison | | | | | | | |
| Children | 84% | | 42 | 6,147 | \$60,803 | \$110,120 | \$170,923 |
| Adults | 84% | | 56 | 10,429 | \$55,688 | \$75,353 | \$131,041 |
| Children | 85% | | 91 | 51,676 | \$265,732 | \$481,263 | \$746,995 |
| Adults | 89% | | 117 | 115,400 | \$307,730 | \$416,400 | \$724,130 |
| Total Cost | 87% | | | 183,652 | \$689,953 | \$1,083,136 | \$1,773,089 |
| Children | 107% | | 1 | 2 | (\$9) | (\$16) | (\$25) |
| Adults | 107% | | 1 | 6 | (\$13) | (\$18) | (\$31) |
| Children | 103% | | 17 | 155 | (\$202) | (\$367) | (\$569) |
| Adults | 105% | | 30 | 713 | (\$644) | (\$872) | (\$1,516) |
| Total Savings | 104% | | | 876 | (\$868) | (\$1,273) | (\$2,141) |
| Net Total to Reach Parity with Medicare | 87% | | | 184,528 | \$689,085 | \$1,081,863 | \$1,770,948 |
| Codes with State Proxy Comparison | | | | | | | |
| Children | 92% | | 6 | 29,322 | \$167,547 | \$303,441 | \$470,988 |
| Adults | 90% | | 7 | 29,232 | \$98,499 | \$133,282 | \$231,781 |
| Total to Reach Parity with State Proxy | 91% | | | 58,554 | \$266,046 | \$436,723 | \$702,769 |
| Codes with CPI Increase | | | | | | | |
| Children | 96% | | 3 | 243 | \$271 | \$489 | \$760 |
| Adults | 96% | | 5 | 348 | \$206 | \$279 | \$485 |
| Adults | 96% | | 4 | 528 | \$991 | \$1,342 | \$2,333 |
| Total to Reach Parity with CPI Rate | 96% | | | 1,119 | \$1,468 | \$2,110 | \$3,578 |
| Total Cost | 89% | | | 243,325 | 957,467 | 1,521,969 | 2,479,436 |
| Total Savings | 104% | | | 876 | (\$868) | (\$1,273) | (\$2,141) |
| Net Total to Reach Parity - SFY 2012 | 89% | | | 244,201 | \$956,599 | \$1,520,696 | \$2,477,295 |



**Four-Year Plan to Reach Reimbursement Parity
Optical
SFY 2013: Fourth-Year Plan**

| Codes with Medicare Comparison | | MO HealthNet as % of Comparison Group | Number of Codes | Units of Service | GR | Federal | Total |
|--|-------------------------------|--|--------------------|---------------------|------------------|--------------------|--------------------|
| Children | Exams/Procedures | 100% | 42 | 6,147 | \$60,803 | \$110,120 | \$170,923 |
| Adults | Exams/Procedures | 100% | 56 | 10,429 | \$55,688 | \$75,353 | \$131,041 |
| Children | Frames/Lens | 100% | 91 | 51,676 | \$265,732 | \$481,263 | \$746,995 |
| Adults | Frames/Lens | 100% | 117 | 115,400 | \$307,730 | \$416,400 | \$724,130 |
| Total Cost | | 100% | | 183,652 | \$689,953 | \$1,083,136 | \$1,773,089 |
| Children | Exams/Procedures Cost Savings | 100% | 1 | 2 | (\$9) | (\$16) | (\$25) |
| Adults | Exams/Procedures Cost Savings | 100% | 1 | 6 | (\$13) | (\$18) | (\$31) |
| Children | Frames/Lens Cost Savings | 100% | 17 | 155 | (\$202) | (\$367) | (\$569) |
| Adults | Frames/Lens Cost Savings | 100% | 30 | 713 | (\$644) | (\$872) | (\$1,516) |
| Total Savings | | 100% | | 876 | (\$868) | (\$1,273) | (\$2,141) |
| Net Total to Reach Parity with Medicare | | 100% | | 184,528 | \$689,085 | \$1,081,863 | \$1,770,948 |
| Codes with State Proxy Comparison | | | | | | | |
| Children | Exams/Procedures | 100% | 6 | 29,322 | \$167,547 | \$303,441 | \$470,988 |
| Adults | Exams/Procedures | 100% | 7 | 29,232 | \$98,499 | \$133,282 | \$231,781 |
| Total to Reach Parity with State Proxy | | 100% | | 58,554 | \$266,046 | \$436,723 | \$702,769 |
| Codes with CPI Increase | | | | | | | |
| Children | Exams/Procedures | 100% | 3 | 243 | \$289 | \$522 | \$811 |
| Adults | Exams/Procedures | 100% | 5 | 348 | \$219 | \$296 | \$515 |
| Adults | Frames/Lens | 100% | 4 | 528 | \$1,030 | \$1,394 | \$2,424 |
| Total to Reach Parity with CPI Rate | | 100% | | 1,119 | \$1,538 | \$2,212 | \$3,750 |
| Total Cost | | 100% | | 243,325 | 957,537 | 1,522,071 | 2,479,608 |
| Total Savings | | 100% | | 876 | (\$868) | (\$1,273) | (\$2,141) |
| Net Total to Reach Parity - SFY 2013 | | 100% | | 244,201 | \$956,669 | \$1,520,798 | \$2,477,467 |

| Comparison Group | SFY 2010 | | | | SFY 2011 | | | | SFY 2012 | | | | SFY 2013 | | | | TOTAL INCREASE | | | |
|--------------------------------------|----------------|-----------------|---------------|---------------|----------------|-----------------|---------------|---------------|----------------|-----------------|---------------|---------------|----------------|-----------------|---------------|---------------|-----------------|---------------|---------------|--|
| | % of Med-icare | General Revenue | Federal | Total | % of Med-icare | General Revenue | Federal | Total | % of Med-icare | General Revenue | Federal | Total | % of Med-icare | General Revenue | Federal | Total | General Revenue | Federal | Total | |
| Using Medicare Rates | | | | | | | | | | | | | | | | | | | | |
| Cost to Reach Parity - Medicare | 74% | \$16,031,693 | \$26,085,433 | \$42,117,126 | 83% | \$16,031,693 | \$26,085,433 | \$42,117,126 | 91% | \$16,031,693 | \$26,085,433 | \$42,117,126 | 100% | \$16,031,693 | \$26,085,433 | \$42,117,126 | \$64,126,772 | \$104,341,732 | \$168,468,504 | |
| Savings to Reach Parity - Medicare | 140% | (\$717,662) | (\$1,097,634) | (\$1,815,296) | 127% | (\$717,662) | (\$1,097,634) | (\$1,815,296) | 113% | (\$717,662) | (\$1,097,634) | (\$1,815,296) | 100% | (\$717,662) | (\$1,097,634) | (\$1,815,296) | (\$2,870,648) | (\$4,390,536) | (\$7,261,184) | |
| Net Total to Reach Parity - Medicare | 76% | \$15,314,031 | \$24,987,799 | \$40,301,830 | 84% | \$15,314,031 | \$24,987,799 | \$40,301,830 | 92% | \$15,314,031 | \$24,987,799 | \$40,301,830 | 100% | \$15,314,031 | \$24,987,799 | \$40,301,830 | \$61,256,124 | \$99,951,196 | \$161,207,320 | |
| Using State Proxy | | | | | | | | | | | | | | | | | | | | |
| Cost to Reach Parity - Proxy | 78% | \$434,635 | \$772,658 | \$1,207,293 | 85% | \$434,635 | \$772,658 | \$1,207,293 | 92% | \$434,635 | \$772,658 | \$1,207,293 | 100% | \$434,635 | \$772,658 | \$1,207,293 | \$1,738,540 | \$3,090,632 | \$4,829,172 | |
| Savings to Reach Parity - Proxy | 151% | (\$8,133) | (\$13,841) | (\$21,974) | 134% | (\$8,133) | (\$13,841) | (\$21,974) | 117% | (\$8,133) | (\$13,841) | (\$21,974) | 100% | (\$8,133) | (\$13,841) | (\$21,974) | (\$32,532) | (\$55,364) | (\$87,896) | |
| Net Total to Reach Parity - Proxy | 79% | \$426,502 | \$758,817 | \$1,185,319 | 86% | \$426,502 | \$758,817 | \$1,185,319 | 93% | \$426,502 | \$758,817 | \$1,185,319 | 100% | \$426,502 | \$758,817 | \$1,185,319 | \$1,706,008 | \$3,035,268 | \$4,741,276 | |
| Using CPI | | | | | | | | | | | | | | | | | | | | |
| Cost to Reach Parity - CPI | 89% | \$68,824 | \$119,776 | \$188,600 | 93% | \$71,543 | \$124,504 | \$196,047 | 96% | \$74,289 | \$129,278 | \$203,567 | 100% | \$77,223 | \$134,383 | \$211,608 | \$291,879 | \$507,942 | \$798,820 | |
| VFC | | | | | | | | | | | | | | | | | | | | |
| Cost to Reach Parity - VFC | 50% | \$878,877 | \$1,591,719 | \$2,470,596 | 67% | \$878,877 | \$1,591,719 | \$2,470,596 | 83% | \$878,877 | \$1,591,719 | \$2,470,596 | 100% | \$878,877 | \$1,591,719 | \$2,470,596 | \$3,515,508 | \$6,386,876 | \$9,882,384 | |
| Total | | | | | | | | | | | | | | | | | | | | |
| Total Cost to Reach Parity | | \$17,414,029 | \$28,569,586 | \$45,983,615 | | \$17,416,748 | \$28,574,314 | \$45,991,062 | | \$17,419,494 | \$28,579,088 | \$45,998,582 | | \$17,422,428 | \$28,584,193 | \$46,006,621 | \$69,672,699 | \$114,307,182 | \$183,979,880 | |
| Total Savings to Reach Parity | | (\$725,795) | (\$1,111,475) | (\$1,837,270) | | (\$725,795) | (\$1,111,475) | (\$1,837,270) | | (\$725,795) | (\$1,111,475) | (\$1,837,270) | | (\$725,795) | (\$1,111,475) | (\$1,837,270) | (\$2,903,180) | (\$4,445,900) | (\$7,349,080) | |
| Net Total to Reach Parity | 75% | \$16,688,234 | \$27,458,111 | \$44,146,345 | 84% | \$16,690,953 | \$27,462,839 | \$44,153,792 | 92% | \$16,693,699 | \$27,467,613 | \$44,161,312 | 100% | \$16,696,633 | \$27,472,718 | \$44,165,351 | \$66,769,519 | \$109,861,282 | \$176,630,800 | |



Four-Year Plan to Reach Reimbursement Parity

Physician
SFY 2010: First-Year Plan
(1 of 3)

| Codes with Medicare Comparison | | MO HealthNet as % of Comparison Group | Number of Codes | Units of Service | GR | Federal | Total |
|---|------------------|--|--------------------|---------------------|---------------------|----------------------|----------------------|
| Children | | | | | | | |
| Cost | X-rays | 77% | 711 | 172,772 | \$330,964 | \$599,459 | \$930,423 |
| Cost | Anesthesia | 72% | 454 | 1,798,321 | \$219,292 | \$397,192 | \$616,484 |
| Cost | Lab | 92% | 309 | 161,024 | \$38,001 | \$68,829 | \$106,830 |
| Cost | Surgery | 76% | 2,422 | 58,190 | \$1,263,104 | \$2,287,798 | \$3,550,902 |
| Cost | Medical Services | 75% | 541 | 892,902 | \$4,419,836 | \$8,005,422 | \$12,425,258 |
| Cost | Nurse Midwife | 77% | 31 | 3,721 | \$22,653 | \$41,032 | \$63,685 |
| Cost | Podiatry | 74% | 147 | 5,444 | \$30,493 | \$55,229 | \$85,722 |
| Cost | Psychologist | 60% | 22 | 144,981 | \$1,419,082 | \$2,570,078 | \$3,989,160 |
| Adults | | | | | | | |
| Cost | X-rays | 77% | 1,271 | 555,669 | \$770,536 | \$1,123,338 | \$1,893,874 |
| Cost | Anesthesia | 72% | 601 | 4,324,017 | \$247,069 | \$360,190 | \$607,259 |
| Cost | Lab | 86% | 378 | 227,568 | \$72,975 | \$106,388 | \$179,363 |
| Cost | Surgery | 74% | 3,841 | 156,733 | \$2,512,725 | \$3,663,206 | \$6,175,931 |
| Cost | Medical Services | 73% | 643 | 1,374,726 | \$4,377,246 | \$6,381,396 | \$10,758,642 |
| Cost | Nurse Midwife | 76% | 26 | 9,516 | \$26,843 | \$39,134 | \$65,977 |
| Cost | Podiatry | 74% | 269 | 22,447 | \$63,830 | \$93,055 | \$156,885 |
| Cost | Psychologist | 60% | 19 | 41,351 | \$217,044 | \$293,687 | \$510,731 |
| Total Cost | | 74% | | 9,949,382 | \$16,031,693 | \$26,085,433 | \$42,117,126 |
| Children | | | | | | | |
| Cost Savings | X-rays | 148% | 337 | 40,175 | (\$118,562) | (\$214,725) | (\$333,287) |
| Cost Savings | Anesthesia | 118% | 19 | 2,881 | (\$2,582) | (\$4,674) | (\$7,256) |
| Cost Savings | Lab | 116% | 45 | 2,191 | (\$8,482) | (\$15,360) | (\$23,842) |
| Cost Savings | Surgery | 122% | 136 | 23,422 | (\$105,261) | (\$190,638) | (\$295,899) |
| Cost Savings | Medical Services | 110% | 2 | 45 | (\$87) | (\$15) | (\$242) |
| Cost Savings | Nurse Midwife | 114% | 3 | 262 | (\$176) | (\$319) | (\$495) |
| Cost Savings | Podiatry | | | | \$0 | \$0 | \$0 |
| Cost Savings | Psychologist | | | | \$0 | \$0 | \$0 |
| Adults | | | | | | | |
| Cost Savings | X-rays | 142% | 174 | 94,845 | (\$252,759) | (\$351,897) | (\$604,656) |
| Cost Savings | Anesthesia | 114% | 27 | 10,807 | \$0 | \$0 | \$0 |
| Cost Savings | Lab | 142% | 100 | 7,274 | (\$5,155) | (\$7,176) | (\$12,331) |
| Cost Savings | Surgery | 159% | 204 | 16,021 | (\$92,019) | (\$128,112) | (\$220,131) |
| Cost Savings | Medical Services | 122% | 1 | 12 | (\$132,235) | (\$184,101) | (\$316,336) |
| Cost Savings | Nurse Midwife | 103% | 3 | 725 | (\$185) | (\$257) | (\$442) |
| Cost Savings | Podiatry | | | | (\$159) | (\$220) | (\$379) |
| Cost Savings | Psychologist | | | | \$0 | \$0 | \$0 |
| Total Savings | | 140% | | 198,660 | (\$717,662) | (\$1,097,634) | (\$1,815,296) |
| Net Total Cost to Reach Parity With Medicare | | 76% | | 10,148,042 | \$15,314,031 | \$24,987,799 | \$40,301,830 |



Four-Year Plan to Reach Reimbursement Parity

Physician
SFY 2010: First-Year Plan
(2 of 3)

| Codes with State Proxy Comparison | | MO HealthNet as % of Comparison Group | Number of Codes | Units of Service | GR | Federal | Total |
|--|------------------|--|--------------------|---------------------|------------------|-------------------|--------------------|
| Children | | | | | | | |
| Cost | X-rays | 31% | 1 | 2 | \$6 | \$8 | \$14 |
| Cost | Lab | 58% | 4 | 1,190 | \$7,820 | \$14,161 | \$21,981 |
| Cost | Surgery | 60% | 5 | 432 | \$3,851 | \$6,975 | \$10,826 |
| Cost | Medical Services | 80% | 63 | 83,024 | \$381,159 | \$690,312 | \$1,071,471 |
| Cost | Nurse Midwife | 76% | 12 | 97 | \$420 | \$758 | \$1,178 |
| Cost | Podiatry | 57% | 2 | 33 | \$145 | \$262 | \$407 |
| Adults | | | | | | | |
| Cost | X-rays | 32% | 2 | 30 | \$43 | \$62 | \$105 |
| Cost | Lab | 59% | 4 | 3,164 | \$11,519 | \$16,811 | \$28,330 |
| Cost | Surgery | 60% | 8 | 1,000 | \$4,608 | \$6,726 | \$11,334 |
| Cost | Medical Services | 64% | 26 | 11,502 | \$24,706 | \$36,058 | \$60,764 |
| Cost | Nurse Midwife | 69% | 7 | 145 | \$339 | \$496 | \$835 |
| Cost | Podiatry | 57% | 1 | 8 | \$19 | \$29 | \$48 |
| Total Cost | | 78% | | 100,627 | \$434,635 | \$772,658 | \$1,207,293 |
| Children | | | | | | | |
| Cost Savings | X-rays | 156% | 1 | 5 | (\$9) | (\$17) | (\$26) |
| Cost Savings | Lab | | | | \$0 | \$0 | \$0 |
| Cost Savings | Surgery | 150% | 2 | 52 | (\$1,208) | (\$2,186) | (\$3,394) |
| Cost Savings | Medical Services | 198% | 2 | 1,196 | (\$4,391) | (\$7,954) | (\$12,345) |
| Cost Savings | Nurse Midwife | | | | \$0 | \$0 | \$0 |
| Cost Savings | Podiatry | | | | \$0 | \$0 | \$0 |
| Adults | | | | | | | |
| Cost Savings | X-rays | 114% | 1 | 9 | (\$87) | (\$128) | (\$215) |
| Cost Savings | Lab | 160% | 1 | 1 | (\$4) | (\$4) | (\$8) |
| Cost Savings | Surgery | 137% | 5 | 221 | (\$2,378) | (\$3,471) | (\$5,849) |
| Cost Savings | Medical Services | 183% | 3 | 33 | (\$56) | (\$81) | (\$137) |
| Cost Savings | Nurse Midwife | | | | \$0 | \$0 | \$0 |
| Cost Savings | Podiatry | | | | \$0 | \$0 | \$0 |
| Total Savings | | 151% | | 1,517 | (\$8,133) | (\$13,841) | (\$21,974) |
| Net Total Cost to Reach Parity with State Proxy | | 79% | | 102,144 | \$426,502 | \$758,817 | \$1,185,319 |



Four-Year Plan to Reach Reimbursement Parity

Physician
SFY 2010: First-Year Plan
(3 of 3)

| Codes with CPI Comparison | MO HealthNet as % of Comparison Group | Number of Codes | Units of Service | GR | | Federal | | Total |
|--|--|--------------------|---------------------|---------------------|----------------------|----------------------|--|-------|
| | | | | | | | | |
| Children | | | | | | | | |
| Cost | | | | | | | | |
| X-rays | 89% | 1 | 16 | \$22 | \$40 | \$62 | | |
| Medical Services | 89% | 22 | 20,748 | \$54,408 | \$98,537 | \$152,945 | | |
| Podiatry | 89% | 1 | 156 | \$540 | \$979 | \$1,519 | | |
| Adults | | | | | | | | |
| Cost | | | | | | | | |
| X-rays | 89% | 1 | 58 | \$39 | \$57 | \$97 | | |
| Medical Services | 89% | 23 | 18,586 | \$13,553 | \$19,781 | \$33,334 | | |
| Podiatry | 89% | 1 | 138 | \$262 | \$382 | \$644 | | |
| Total Cost to Reach Parity with CPI Rate | 89% | | 39,702 | \$68,824 | \$119,776 | \$188,600 | | |
| Vaccines For Children Program | | | | | | | | |
| Cost | | | | | | | | |
| Vaccines For Children | 50% | 28 | 198,344 | \$878,877 | \$1,591,719 | \$2,470,596 | | |
| Total Cost Increase for Vaccines For Children Program | 50% | | 198,344 | \$878,877 | \$1,591,719 | \$2,470,596 | | |
| Total Cost | | | 10,288,055 | \$17,414,029 | \$28,569,586 | \$45,983,615 | | |
| Total Savings | | | 200,177 | (\$725,795) | (\$1,111,475) | (\$1,837,270) | | |
| Net Total to Reach Parity - SFY 2010 | 75% | | 10,488,232 | \$16,688,234 | \$27,458,111 | \$44,146,345 | | |



Four-Year Plan to Reach Reimbursement Parity
Physician
SFY 2011 : Second-Year Plan
(1 of 3)

| Codes with Medicare Comparison | | MO HealthNet as % of Comparison Group | Number of Codes | Units of Service | GR | Federal | Total |
|--------------------------------|------------------|--|--------------------|---------------------|---------------------|---------------------|---------------------|
| Children | | | | | | | |
| Cost | X-rays | 85% | 711 | 172,772 | \$330,964 | \$599,459 | \$930,423 |
| Cost | Anesthesia | 81% | 454 | 1,798,321 | \$219,292 | \$397,192 | \$616,484 |
| Cost | Lab | 94% | 309 | 161,024 | \$38,001 | \$68,829 | \$106,830 |
| Cost | Surgery | 84% | 2,422 | 58,190 | \$1,263,104 | \$2,287,798 | \$3,550,902 |
| Cost | Medical Services | 83% | 541 | 892,902 | \$4,419,836 | \$8,005,422 | \$12,425,258 |
| Cost | Nurse Midwife | 85% | 31 | 3,721 | \$22,653 | \$41,032 | \$63,685 |
| Cost | Podiatry | 83% | 147 | 5,444 | \$30,493 | \$55,229 | \$85,722 |
| Cost | Psychologist | 72% | 22 | 144,981 | \$1,419,082 | \$2,570,078 | \$3,989,160 |
| Adults | | | | | | | |
| Cost | X-rays | 85% | 1,271 | 555,669 | \$770,536 | \$1,123,338 | \$1,893,874 |
| Cost | Anesthesia | 81% | 601 | 4,324,017 | \$247,069 | \$360,190 | \$607,259 |
| Cost | Lab | 91% | 378 | 227,668 | \$72,975 | \$106,388 | \$179,363 |
| Cost | Surgery | 83% | 3,841 | 156,733 | \$2,512,725 | \$3,663,206 | \$6,175,931 |
| Cost | Medical Services | 82% | 643 | 1,374,726 | \$4,377,246 | \$6,381,396 | \$10,758,642 |
| Cost | Nurse Midwife | 84% | 26 | 9,516 | \$26,843 | \$39,134 | \$65,977 |
| Cost | Podiatry | 83% | 269 | 22,447 | \$63,830 | \$93,055 | \$156,885 |
| Cost | Psychologist | 76% | 19 | 41,351 | \$217,044 | \$293,687 | \$510,731 |
| Total Cost | | 83% | | 9,949,382 | \$16,031,693 | \$26,085,433 | \$42,117,126 |
| Children | | | | | | | |
| Cost Savings | X-rays | 132% | 337 | 40,175 | (\$118,562) | (\$214,725) | (\$333,287) |
| Cost Savings | Anesthesia | 112% | 19 | 2,881 | \$0 | (\$4,674) | (\$7,286) |
| Cost Savings | Lab | 111% | 45 | 2,191 | (\$8,482) | (\$15,360) | (\$23,842) |
| Cost Savings | Surgery | 115% | 136 | 23,422 | (\$105,261) | (\$190,638) | (\$295,899) |
| Cost Savings | Medical Services | 107% | 2 | 45 | (\$87) | (\$155) | (\$242) |
| Cost Savings | Nurse Midwife | 110% | 3 | 262 | (\$176) | (\$319) | (\$495) |
| Cost Savings | Podiatry | | | | \$0 | \$0 | \$0 |
| Cost Savings | Psychologist | | | | \$0 | \$0 | \$0 |
| Adults | | | | | | | |
| Cost Savings | X-rays | 128% | 174 | 94,845 | (\$252,759) | (\$351,897) | (\$604,656) |
| Cost Savings | Anesthesia | 109% | 27 | 10,807 | \$0 | \$0 | \$0 |
| Cost Savings | Lab | 128% | 100 | 7,274 | (\$5,155) | (\$7,176) | (\$12,331) |
| Cost Savings | Surgery | 139% | 204 | 16,021 | (\$92,019) | (\$128,112) | (\$220,131) |
| Cost Savings | Medical Services | 115% | 1 | 12 | (\$132,235) | (\$184,101) | (\$316,336) |
| Cost Savings | Nurse Midwife | 102% | 3 | 725 | (\$185) | (\$257) | (\$442) |
| Cost Savings | Podiatry | | | | (\$159) | (\$220) | (\$379) |
| Cost Savings | Psychologist | | | | \$0 | \$0 | \$0 |
| Total Cost Savings | | 127% | | 198,660 | (717,662) | (1,097,634) | (1,815,296) |
| Net Total Cost | | 84% | | 10,148,042 | \$15,314,031 | \$24,987,799 | \$40,301,830 |



Four-Year Plan to Reach Reimbursement Parity

Physician
SFY 2011: Second-Year Plan
(2 of 3)

| Codes with State Proxy Comparison | | MO HealthNet as % of Comparison Group | Number of Codes | Units of Service | GR | Federal | Total |
|--|------------------|--|--------------------|---------------------|------------------|-------------------|--------------------|
| Children | | | | | | | |
| Cost | X-rays | 54% | 1 | 2 | \$6 | \$8 | \$14 |
| Cost | Lab | 72% | 4 | 1,190 | \$7,820 | \$14,161 | \$21,981 |
| Cost | Surgery | 73% | 5 | 432 | \$3,851 | \$6,975 | \$10,826 |
| Cost | Medical Services | 87% | 63 | 83,024 | \$381,159 | \$690,312 | \$1,071,471 |
| Cost | Nurse Midwife | 84% | 12 | 97 | \$420 | \$738 | \$1,178 |
| Cost | Podiatry | 71% | 2 | 33 | \$145 | \$262 | \$407 |
| Adults | | | | | | | |
| Cost | X-rays | 54% | 2 | 30 | \$43 | \$62 | \$105 |
| Cost | Lab | 73% | 4 | 3,164 | \$11,519 | \$16,811 | \$28,330 |
| Cost | Surgery | 73% | 8 | 1,000 | \$4,608 | \$6,726 | \$11,334 |
| Cost | Medical Services | 76% | 26 | 11,502 | \$24,706 | \$36,058 | \$60,764 |
| Cost | Nurse Midwife | 79% | 7 | 145 | \$339 | \$496 | \$835 |
| Cost | Podiatry | 71% | 1 | 8 | \$19 | \$29 | \$48 |
| Total Cost | | 85% | | 100,627 | \$434,635 | \$772,658 | \$1,207,293 |
| Children | | | | | | | |
| Cost Savings | X-rays | 137% | 1 | 5 | (\$9) | (\$17) | (\$26) |
| Cost Savings | Lab | | | | \$0 | \$0 | \$0 |
| Cost Savings | Surgery | 133% | 2 | 52 | (\$1,208) | (\$2,186) | (\$3,394) |
| Cost Savings | Medical Services | 165% | 2 | 1,196 | (\$4,391) | (\$7,954) | (\$12,345) |
| Cost Savings | Nurse Midwife | | | | \$0 | \$0 | \$0 |
| Cost Savings | Podiatry | | | | \$0 | \$0 | \$0 |
| Adults | | | | | | | |
| Cost Savings | X-rays | 109% | 1 | 9 | (\$87) | (\$128) | (\$215) |
| Cost Savings | Lab | 140% | 1 | 1 | (\$4) | (\$4) | (\$8) |
| Cost Savings | Surgery | 125% | 5 | 221 | (\$2,378) | (\$3,471) | (\$5,849) |
| Cost Savings | Medical Services | 155% | 3 | 33 | (\$56) | (\$81) | (\$137) |
| Cost Savings | Nurse Midwife | | | | \$0 | \$0 | \$0 |
| Cost Savings | Podiatry | | | | \$0 | \$0 | \$0 |
| Total Savings | | 134% | | 1,517 | (\$8,133) | (\$13,841) | (\$21,974) |
| Net Total Cost to Reach Parity with State Proxy | | 86% | | 102,144 | \$426,502 | \$758,817 | \$1,185,319 |



Four-Year Plan to Reach Reimbursement Parity

Physician
SFY 2011: Second-Year Plan
(3 of 3)

| Codes with CPI Comparison | | MO HealthNet as % of Comparison Group | Number of Codes | Units of Service | GR | Federal | Total |
|--|-----------------------|--|--------------------|---------------------|---------------------|----------------------|----------------------|
| Children | | | | | | | |
| Cost | X-rays | 93% | 1 | 16 | \$23 | \$42 | \$65 |
| Cost | Medical Services | 93% | 22 | 20,748 | \$56,551 | \$102,419 | \$158,970 |
| Cost | Podiatry | 93% | 1 | 156 | \$558 | \$1,011 | \$1,569 |
| Adults | | | | | | | |
| Cost | X-rays | 93% | 1 | 58 | \$46 | \$68 | \$114 |
| Cost | Medical Services | 93% | 23 | 18,586 | \$14,090 | \$20,564 | \$34,653 |
| Cost | Podiatry | 93% | 1 | 138 | \$275 | \$401 | \$676 |
| Total Cost to Reach Parity with CPI Rate | | 93% | | 39,702 | \$71,543 | \$124,504 | \$196,047 |
| Vaccines For Children Program | | | | | | | |
| Cost | Vaccines For Children | 67% | 28 | 198,344 | \$878,877 | \$1,591,719 | \$2,470,596 |
| Total Cost Increase for Vaccines For Children Program | | 67% | | 198,344 | \$878,877 | \$1,591,719 | \$2,470,596 |
| Total Cost | | | | 10,288,055 | \$17,416,748 | \$28,574,314 | \$45,991,062 |
| Total Savings | | | | 200,177 | (\$725,795) | (\$1,111,475) | (\$1,837,270) |
| Net Total to Reach Parity - SFY 2011 | | 84% | | 10,488,232 | \$16,690,953 | \$27,462,839 | \$44,153,792 |



Four-Year Plan to Reach Reimbursement Parity

Physician
SFY 2012: Third-Year Plan
(1 of 3)

| Codes with Medicare Comparison | | MO HealthNet as % of Comparison Group | Number of Codes | Units of Service | GR | Federal | Total |
|--------------------------------|------------------|--|--------------------|---------------------|---------------------|---------------------|---------------------|
| Children | | | | | | | |
| Cost | X-rays | 92% | 711 | 172,772 | \$330,964 | \$599,459 | \$930,423 |
| Cost | Anesthesia | 91% | 454 | 1,798,321 | \$219,292 | \$397,192 | \$616,484 |
| Cost | Lab | 97% | 309 | 1,611,024 | \$38,001 | \$68,829 | \$106,830 |
| Cost | Surgery | 92% | 2,422 | 58,190 | \$1,263,104 | \$2,287,798 | \$3,550,902 |
| Cost | Medical Services | 92% | 541 | 892,902 | \$4,419,836 | \$8,005,422 | \$12,425,258 |
| Cost | Nurse Midwife | 92% | 31 | 3,721 | \$22,653 | \$41,032 | \$63,685 |
| Cost | Podiatry | 91% | 147 | 5,444 | \$30,493 | \$55,229 | \$85,722 |
| Cost | Psychologist | 86% | 22 | 144,981 | \$1,419,082 | \$2,570,078 | \$3,989,160 |
| Adults | | | | | | | |
| Cost | X-rays | 92% | 1,271 | 555,669 | \$770,536 | \$1,123,338 | \$1,893,874 |
| Cost | Anesthesia | 91% | 601 | 4,324,017 | \$247,069 | \$360,190 | \$607,259 |
| Cost | Lab | 95% | 378 | 227,568 | \$72,975 | \$106,388 | \$179,363 |
| Cost | Surgery | 91% | 3,841 | 156,733 | \$2,512,725 | \$3,663,206 | \$6,175,931 |
| Cost | Medical Services | 91% | 643 | 1,374,726 | \$4,377,246 | \$6,381,396 | \$10,758,642 |
| Cost | Nurse Midwife | 92% | 26 | 9,516 | \$26,843 | \$39,134 | \$65,977 |
| Cost | Podiatry | 91% | 269 | 22,447 | \$63,830 | \$93,055 | \$156,885 |
| Cost | Psychologist | 88% | 19 | 41,351 | \$217,044 | \$293,687 | \$510,731 |
| Total Cost | | 91% | | 9,949,382 | \$16,031,693 | \$26,085,433 | \$42,117,126 |
| Children | | | | | | | |
| Cost Savings | X-rays | 116% | 337 | 40,175 | (\$118,562) | (\$214,725) | (\$333,287) |
| Cost Savings | Anesthesia | 106% | 19 | 2,881 | (\$2,582) | (\$4,674) | (\$7,256) |
| Cost Savings | Lab | 105% | 45 | 2,191 | (\$8,482) | (\$15,360) | (\$23,842) |
| Cost Savings | Surgery | 107% | 136 | 23,422 | (\$105,261) | (\$190,638) | (\$295,899) |
| Cost Savings | Medical Services | 103% | 2 | 45 | (\$87) | (\$155) | (\$242) |
| Cost Savings | Nurse Midwife | 105% | 3 | 262 | (\$176) | (\$319) | (\$495) |
| Cost Savings | Podiatry | | | | \$0 | \$0 | \$0 |
| Cost Savings | Psychologist | | | | \$0 | \$0 | \$0 |
| Adults | | | | | | | |
| Cost Savings | X-rays | 114% | 174 | 94,845 | (\$252,759) | (\$351,897) | (\$604,656) |
| Cost Savings | Anesthesia | 105% | 27 | 10,807 | \$0 | \$0 | \$0 |
| Cost Savings | Lab | 114% | 100 | 7,274 | (\$92,019) | (\$128,112) | (\$220,131) |
| Cost Savings | Surgery | 120% | 204 | 16,021 | (\$132,235) | (\$184,101) | (\$316,336) |
| Cost Savings | Medical Services | 107% | 1 | 12 | (\$185) | (\$257) | (\$442) |
| Cost Savings | Nurse Midwife | 101% | 3 | 725 | (\$159) | (\$220) | (\$379) |
| Cost Savings | Podiatry | | | | \$0 | \$0 | \$0 |
| Cost Savings | Psychologist | | | | \$0 | \$0 | \$0 |
| Total Cost Savings | | 113% | | 198,660 | (717,662) | (1,097,634) | (1,815,296) |
| Net Total Cost | | 92% | | 10,148,042 | \$15,314,031 | \$24,987,799 | \$40,301,830 |



Four-Year Plan to Reach Reimbursement Parity

Physician
SFY 2012: Third-Year Plan
(2 of 3)

| Codes with State Proxy Comparison | | MO HealthNet as % of Comparison Group | Number of Codes | Units of Service | GR | Federal | Total |
|--|------------------|--|--------------------|---------------------|------------------|-------------------|--------------------|
| Children | | | | | | | |
| Cost | X-rays | 77% | 1 | 2 | \$6 | \$8 | \$14 |
| Cost | Lab | 86% | 4 | 1,190 | \$7,820 | \$14,161 | \$21,981 |
| Cost | Surgery | 87% | 5 | 432 | \$3,851 | \$6,975 | \$10,826 |
| Cost | Medical Services | 93% | 63 | 83,024 | \$381,159 | \$690,312 | \$1,071,471 |
| Cost | Nurse Midwife | 92% | 12 | 97 | \$420 | \$758 | \$1,178 |
| Cost | Podiatry | 86% | 2 | 33 | \$145 | \$262 | \$407 |
| Adults | | | | | | | |
| Cost | X-rays | 77% | 2 | 30 | \$43 | \$62 | \$105 |
| Cost | Lab | 86% | 4 | 3,164 | \$11,519 | \$16,811 | \$28,330 |
| Cost | Surgery | 86% | 8 | 1,000 | \$4,608 | \$6,726 | \$11,334 |
| Cost | Medical Services | 88% | 26 | 11,502 | \$24,706 | \$36,058 | \$60,764 |
| Cost | Nurse Midwife | 90% | 7 | 145 | \$339 | \$496 | \$835 |
| Cost | Podiatry | 86% | 1 | 8 | \$19 | \$29 | \$48 |
| Total Cost | | 92% | | 100,627 | \$434,635 | \$772,658 | \$1,207,293 |
| Children | | | | | | | |
| Cost Savings | X-rays | 118% | 1 | 5 | (\$9) | (\$17) | (\$26) |
| Cost Savings | Lab | | | | \$0 | \$0 | \$0 |
| Cost Savings | Surgery | 117% | 2 | 52 | (\$1,208) | (\$2,186) | (\$3,394) |
| Cost Savings | Medical Services | 133% | 2 | 1,196 | (\$4,391) | (\$7,954) | (\$12,345) |
| Cost Savings | Nurse Midwife | | | | \$0 | \$0 | \$0 |
| Cost Savings | Podiatry | | | | \$0 | \$0 | \$0 |
| Adults | | | | | | | |
| Cost Savings | X-rays | 105% | 1 | 9 | (\$87) | (\$128) | (\$215) |
| Cost Savings | Lab | 120% | 1 | 1 | (\$4) | (\$4) | (\$8) |
| Cost Savings | Surgery | 112% | 5 | 221 | (\$2,378) | (\$3,471) | (\$5,849) |
| Cost Savings | Medical Services | 128% | 3 | 33 | (\$56) | (\$81) | (\$137) |
| Cost Savings | Nurse Midwife | | | | \$0 | \$0 | \$0 |
| Cost Savings | Podiatry | | | | \$0 | \$0 | \$0 |
| Total Savings | | 117% | | 1,517 | (\$8,133) | (\$13,841) | (\$21,974) |
| Net Total Cost to Reach Parity with State Proxy | | 93% | | 102,144 | \$426,502 | \$758,817 | \$1,185,319 |



Four-Year Plan to Reach Reimbursement Parity

Physician
SFY 2012: Third-Year Plan
(3 of 3)

| Codes with CPI Comparison | MO HealthNet as % of Comparison Group | Number of Codes | Units of Service | GR | Federal | Total |
|--|---------------------------------------|-----------------|-------------------|---------------------|----------------------|----------------------|
| Children | | | | | | |
| Cost X-rays | 96% | 1 | 16 | \$24 | \$43 | \$67 |
| Cost Medical Services | 96% | 22 | 20,748 | \$58,713 | \$106,335 | \$165,048 |
| Cost Podiatry | 96% | 1 | 156 | \$577 | \$1,044 | \$1,621 |
| Adults | | | | | | |
| Cost X-rays | 96% | 1 | 58 | \$48 | \$70 | \$118 |
| Cost Medical Services | 96% | 23 | 18,586 | \$14,639 | \$21,366 | \$36,005 |
| Cost Podiatry | 96% | 1 | 138 | \$288 | \$420 | \$708 |
| Total Cost | 96% | | 39,702 | \$74,289 | \$129,278 | \$203,567 |
| Vaccines For Children Program | | | | | | |
| Cost Vaccines For Children | 83% | 28 | 198,344 | \$878,877 | \$1,591,719 | \$2,470,596 |
| Total Cost Increase for Vaccines For Children Program | 83% | 28 | 198,344 | \$878,877 | \$1,591,719 | \$2,470,596 |
| Total Cost | | | 10,288,055 | \$17,419,494 | \$28,579,088 | \$45,998,582 |
| Total Savings | | | 200,177 | (\$725,795) | (\$1,114,475) | (\$1,837,270) |
| Net Total to Reach Parity - SFY 2012 | 92% | | 10,488,232 | \$16,693,699 | \$27,467,613 | \$44,161,312 |



Four-Year Plan to Reach Reimbursement Parity
Physician
SFY 2013: Fourth-Year Plan
(1 of 3)

| Codes with Medicare Comparison | | MO HealthNet as % of Comparison Group | Number of Codes | Units of Service | GR | Federal | Total |
|---|------------------|---------------------------------------|-----------------|-------------------|---------------------|----------------------|----------------------|
| Children | | | | | | | |
| Cost | X-rays | 100% | 711 | 172,772 | \$330,964 | \$599,459 | \$930,423 |
| Cost | Anesthesia | 100% | 454 | 1,798,321 | \$219,292 | \$397,192 | \$616,484 |
| Cost | Lab | 100% | 309 | 161,024 | \$38,001 | \$68,829 | \$106,830 |
| Cost | Surgery | 100% | 2,422 | 56,190 | \$1,263,104 | \$2,287,798 | \$3,550,902 |
| Cost | Medical Services | 100% | 541 | 892,902 | \$4,419,836 | \$8,005,422 | \$12,425,258 |
| Cost | Nurse Midwife | 100% | 31 | 3,721 | \$22,653 | \$41,032 | \$63,685 |
| Cost | Podiatry | 100% | 147 | 5,444 | \$30,493 | \$55,229 | \$85,722 |
| Cost | Psychologist | 100% | 22 | 144,981 | \$1,419,082 | \$2,570,078 | \$3,989,160 |
| Adults | | | | | | | |
| Cost | X-rays | 100% | 1,271 | 555,669 | \$770,536 | \$1,123,338 | \$1,893,874 |
| Cost | Anesthesia | 100% | 601 | 4,324,017 | \$247,069 | \$360,190 | \$607,259 |
| Cost | Lab | 100% | 378 | 227,568 | \$72,975 | \$106,388 | \$179,363 |
| Cost | Surgery | 100% | 3,841 | 156,733 | \$2,512,725 | \$3,663,206 | \$6,175,931 |
| Cost | Medical Services | 100% | 643 | 1,374,726 | \$4,377,246 | \$6,381,396 | \$10,758,642 |
| Cost | Nurse Midwife | 100% | 26 | 9,516 | \$26,843 | \$39,134 | \$65,977 |
| Cost | Podiatry | 100% | 269 | 22,447 | \$63,830 | \$93,055 | \$156,885 |
| Cost | Psychologist | 100% | 19 | 41,351 | \$217,044 | \$293,687 | \$510,731 |
| Total Cost | | 100% | | 9,949,382 | \$16,031,693 | \$26,085,433 | \$42,117,126 |
| Children | | | | | | | |
| Cost Savings | X-rays | 100% | 337 | 40,175 | (\$118,562) | (\$214,725) | (\$333,287) |
| Cost Savings | Anesthesia | 100% | 19 | 2,881 | \$0 | (\$4,674) | (\$7,256) |
| Cost Savings | Lab | 100% | 45 | 2,191 | (\$8,482) | (\$15,360) | (\$23,842) |
| Cost Savings | Surgery | 100% | 136 | 23,422 | (\$105,261) | (\$190,638) | (\$295,899) |
| Cost Savings | Medical Services | 100% | 2 | 45 | (\$87) | (\$155) | (\$242) |
| Cost Savings | Nurse Midwife | 100% | 3 | 262 | (\$176) | (\$319) | (\$495) |
| Cost Savings | Podiatry | 100% | | | \$0 | \$0 | \$0 |
| Cost Savings | Psychologist | 100% | | | \$0 | \$0 | \$0 |
| Adults | | | | | | | |
| Cost Savings | X-rays | 100% | 174 | 94,845 | (\$252,759) | (\$351,897) | (\$604,656) |
| Cost Savings | Anesthesia | 100% | 27 | 10,807 | \$0 | (\$7,176) | (\$12,331) |
| Cost Savings | Lab | 100% | 100 | 7,274 | (\$5,155) | (\$128,112) | (\$220,131) |
| Cost Savings | Surgery | 100% | 204 | 16,021 | (\$92,019) | (\$184,101) | (\$316,336) |
| Cost Savings | Medical Services | 100% | 1 | 12 | (\$185) | (\$257) | (\$442) |
| Cost Savings | Nurse Midwife | 100% | 3 | 725 | (\$159) | (\$220) | (\$379) |
| Cost Savings | Podiatry | 100% | | | \$0 | \$0 | \$0 |
| Cost Savings | Psychologist | 100% | | | \$0 | \$0 | \$0 |
| Total Cost Savings | | 100% | | 198,660 | (\$717,662) | (\$1,097,634) | (\$1,815,296) |
| Net Total Cost to Reach Parity with Medicare | | 100% | | 10,148,042 | \$15,314,031 | \$24,987,799 | \$40,301,830 |



Four-Year Plan to Reach Reimbursement Parity
Physician
SFY 2013: Fourth-Year Plan
(2 of 3)

| Codes with Proxy Comparison | MO HealthNet as % of Comparison Group | Number of Codes | Units of Service | GR | Federal | Total | |
|--|---------------------------------------|-----------------|------------------|------------------|-------------------|--------------------|--|
| | | | | | | | |
| Children | | | | | | | |
| Cost X-rays | 100% | 1 | 2 | \$6 | \$8 | \$14 | |
| Cost Lab | 100% | 4 | 1,190 | \$7,820 | \$14,161 | \$21,981 | |
| Cost Surgery | 100% | 5 | 432 | \$3,851 | \$6,975 | \$10,826 | |
| Cost Medical Services | 100% | 63 | 83,024 | \$381,159 | \$690,312 | \$1,071,471 | |
| Cost Nurse Midwife | 100% | 12 | 97 | \$420 | \$758 | \$1,178 | |
| Cost Podiatry | 100% | 2 | 33 | \$145 | \$262 | \$407 | |
| Adults | | | | | | | |
| Cost X-rays | 100% | 2 | 30 | \$43 | \$62 | \$105 | |
| Cost Lab | 100% | 4 | 3,164 | \$11,519 | \$16,811 | \$28,330 | |
| Cost Surgery | 100% | 8 | 1,000 | \$4,608 | \$6,726 | \$11,334 | |
| Cost Medical Services | 100% | 26 | 11,502 | \$24,706 | \$36,058 | \$60,764 | |
| Cost Nurse Midwife | 100% | 7 | 145 | \$339 | \$496 | \$835 | |
| Cost Podiatry | 100% | 1 | 8 | \$19 | \$29 | \$48 | |
| Total Cost | 100% | | 100,627 | \$434,635 | \$772,658 | \$1,207,293 | |
| Children | | | | | | | |
| Cost Savings X-rays | 100% | 1 | 5 | (\$9) | (\$17) | (\$26) | |
| Cost Savings Lab | 100% | | 52 | \$0 | \$0 | \$0 | |
| Cost Savings Surgery | 100% | 2 | 1,196 | (\$1,208) | (\$2,186) | (\$3,394) | |
| Cost Savings Medical Services | 100% | | | (\$4,391) | (\$7,954) | (\$12,345) | |
| Cost Savings Nurse Midwife | | | | \$0 | \$0 | \$0 | |
| Cost Savings Podiatry | | | | \$0 | \$0 | \$0 | |
| Adults | | | | | | | |
| Cost Savings X-rays | 100% | 1 | 9 | (\$87) | (\$128) | (\$215) | |
| Cost Savings Lab | 100% | 1 | 1 | (\$4) | (\$4) | (\$8) | |
| Cost Savings Surgery | 100% | 5 | 221 | (\$2,378) | (\$3,471) | (\$5,849) | |
| Cost Savings Medical Services | 100% | 3 | 33 | (\$56) | (\$81) | (\$137) | |
| Cost Savings Nurse Midwife | | | | \$0 | \$0 | \$0 | |
| Cost Savings Podiatry | | | | \$0 | \$0 | \$0 | |
| Total Savings | 100% | | 1,517 | (\$8,133) | (\$13,841) | (\$21,974) | |
| Net Total Cost to Reach Parity with State Proxy | 100% | | 102,144 | \$426,502 | \$758,817 | \$1,185,319 | |



Four-Year Plan to Reach Reimbursement Parity

Physician
SFY 2013: Fourth-Year Plan
(3 of 3)

| Codes with CPI Comparison | | MO HealthNet as % of Comparison Group | Number of Codes | Units of Service | GR | Federal | Total |
|--|-----------------------|--|--------------------|---------------------|---------------------|----------------------|----------------------|
| Children | | | | | | | |
| Cost | X-rays | 100% | 1 | 16 | \$25 | \$45 | \$70 |
| Cost | Medical Services | 100% | 22 | 20,748 | \$61,019 | \$110,511 | \$171,530 |
| Cost | Podiatry | 100% | 1 | 156 | \$613 | \$1,109 | \$1,722 |
| Adults | | | | | | | |
| Cost | X-rays | 100% | 1 | 58 | \$50 | \$73 | \$123 |
| Cost | Medical Services | 100% | 23 | 18,586 | \$15,215 | \$22,206 | \$37,420 |
| Cost | Podiatry | 100% | 1 | 138 | \$301 | \$439 | \$740 |
| Total Cost to Reach Parity with CPI Rate | | 100% | | 39,702 | \$77,223 | \$134,383 | \$211,606 |
| Vaccines For Children Program | | | | | | | |
| Cost | Vaccines For Children | 100% | 28 | 198,344 | \$878,877 | \$1,591,719 | \$2,470,596 |
| Total Cost Increase for Vaccines For Children Program | | 100% | 28 | 198,344 | \$878,877 | \$1,591,719 | \$2,470,596 |
| Total Cost | | | | 10,288,055 | \$17,422,428 | \$28,584,193 | \$46,006,621 |
| Total Savings | | | | 200,177 | (\$725,795) | (\$1,111,475) | (\$1,837,270) |
| Net Total to Reach Parity - SFY 2013 | | 100% | | 10,488,232 | \$16,696,633 | \$27,472,718 | \$44,169,351 |

| Comparison Group | SFY 2010 | | | SFY 2011 | | | SFY 2012 | | | SFY 2013 | | | Total Increase | | |
|--------------------------------------|------------|-----------------|-----------|-----------|------------|-----------------|-----------|-----------|------------|-----------------|-----------|-----------|-----------------|-------------|-------------|
| | Medi- care | General Revenue | Federal | Total | Medi- care | General Revenue | Federal | Total | Medi- care | General Revenue | Federal | Total | General Revenue | Federal | Total |
| Using Medicare Rates | | | | | | | | | | | | | | | |
| Cost to Reach Parity - Medicare | 44% | \$141,218 | \$255,741 | \$396,959 | 63% | \$141,218 | \$255,741 | \$396,959 | 82% | \$141,218 | \$255,741 | \$396,959 | \$564,872 | \$1,022,964 | \$1,587,836 |
| Savings to Reach Parity - Medicare | | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Net Total to Reach Parity - Medicare | 44% | \$141,218 | \$255,741 | \$396,959 | 63% | \$141,218 | \$255,741 | \$396,959 | 82% | \$141,218 | \$255,741 | \$396,959 | \$564,872 | \$1,022,964 | \$1,587,836 |
| Using State Proxy | | | | | | | | | | | | | | | |
| Cost to Reach Parity - Proxy | | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Savings to Reach Parity - Proxy | | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Net Total to Reach Parity - Proxy | | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Using CPI | | | | | | | | | | | | | | | |
| Cost to Reach Parity - CPI | | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total | | | | | | | | | | | | | | | |
| Total Cost to Reach Parity | | \$141,218 | \$255,741 | \$396,959 | | \$141,218 | \$255,741 | \$396,959 | | \$141,218 | \$255,741 | \$396,959 | \$564,872 | \$1,022,964 | \$1,587,836 |
| Total Savings to Reach Parity | | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Net Total to Reach Parity | 44% | \$141,218 | \$255,741 | \$396,959 | 63% | \$141,218 | \$255,741 | \$396,959 | 82% | \$141,218 | \$255,741 | \$396,959 | \$564,872 | \$1,022,964 | \$1,587,836 |



**Four-Year Plan to Reach Reimbursement Parity
Rehabilitation Therapy Center
SFY 2010: First-Year Plan**

| Codes with Medicare Comparison | MO HealthNet as % of Comparison Group | Number of Codes | Number of Units | GR | Federal | Total | | | |
|--|--|--------------------|--------------------|------------------|------------------|------------------|------------|---------------|---|
| | | | | | | | Total Cost | Total Savings | Net Total Cost to Reach Parity - SFY 2010 |
| Children Therapies, Tests & Evaluations | 44% | 20 | 20,814 | \$141,185 | \$255,698 | \$396,883 | | | |
| Adults Therapies, Tests & Evaluations | 36% | 2 | 12 | \$33 | \$43 | \$76 | | | |
| Total Cost | | | 20,826 | \$141,218 | \$255,741 | \$396,959 | | | |
| Total Savings | | | 0 | \$0 | \$0 | \$0 | | | |
| Net Total Cost to Reach Parity - SFY 2010 | 44% | | 20,826 | \$141,218 | \$255,741 | \$396,959 | | | |



**Four-Year Plan to Reach Reimbursement Parity
Rehabilitation Therapy Center
SFY 2011: Second-Year Plan**

| Codes with Medicare Comparison | MO HealthNet as % of Comparison Group | Number of Codes | Number of Units | GR | Federal | Total | | | |
|--|--|--------------------|--------------------|------------------|------------------|------------------|------------|---------------|---|
| | | | | | | | Total Cost | Total Savings | Net Total Cost to Reach Parity - SFY 2011 |
| Children Therapies, Tests & Evaluations | 63% | 20 | 20,814 | \$141,185 | \$255,698 | \$396,883 | | | |
| Adults Therapies, Tests & Evaluations | 57% | 2 | 12 | \$33 | \$43 | \$76 | | | |
| Total Cost | | | 20,826 | \$141,218 | \$255,741 | \$396,959 | | | |
| Total Savings | | | 0 | \$0 | \$0 | \$0 | | | |
| Net Total Cost to Reach Parity - SFY 2011 | 63% | | 20,826 | \$141,218 | \$255,741 | \$396,959 | | | |



**Four-Year Plan to Reach Reimbursement Parity
Rehabilitation Therapy Center
SFY 2012: Third-Year Plan**

| Codes with Medicare Comparison | | MO HealthNet as % of Comparison Group | Number of Codes | Number of Units | GR | Federal | Total |
|--|--|--|--------------------|--------------------|------------------|------------------|------------------|
| Children Therapies, Tests & Evaluations | | 82% | 20 | 20,814 | \$141,185 | \$255,698 | \$396,883 |
| Adults Therapies, Tests & Evaluations | | 79% | 2 | 12 | \$33 | \$43 | \$76 |
| Total Cost | | | | 20,826 | \$141,218 | \$255,741 | \$396,959 |
| Total Savings | | | | 0 | \$0 | \$0 | \$0 |
| Net Total Cost to Reach Parity - SFY 2012 | | 82% | | 20,826 | \$141,218 | \$255,741 | \$396,959 |



**Four-Year Plan to Reach Reimbursement Parity
Rehabilitation Therapy Center
SFY 2013: Fourth-Year Plan**

| Codes with Medicare Comparison | MO HealthNet as % of Comparison Group | Number of Codes | Number of Units | GR | Federal | Total |
|--|--|--------------------|--------------------|------------------|------------------|------------------|
| Children Therapies, Tests & Evaluations | 100% | 20 | 20,814 | \$141,185 | \$255,698 | \$396,883 |
| Adults Therapies, Tests & Evaluations | 100% | 2 | 12 | \$33 | \$43 | \$76 |
| Total Cost | | | 20,826 | \$141,218 | \$255,741 | \$396,959 |
| Total Savings | | | 0 | \$0 | \$0 | \$0 |
| Net Total Cost to Reach Parity - SFY 2013 | 100% | | 20,826 | \$141,218 | \$255,741 | \$396,959 |