**Option 1: Member Level Acuity Analysis**

* The data parameters and approach used for this project would be very similar to the 2020 analysis Wakely performed for TAHP. Below is a summary of the key aspects of the work:
  + Work with the plans to develop templates for each MCO to populate to track member enrollment and associated costs over time. The purpose of the templates will be to:
    - Track historical and ongoing member lapses by rate cell and region.
    - Evaluate the changes in member lapse patterns during the public health emergency (PHE) and associated suspension of redetermination activities.
    - Estimate the impact of programmatic enrollment growth on incurred costs at the rate cell level.
    - Quantify the estimated rate setting impact of the growth in programmatic enrollment and estimate the impact of any future enrollment growth prior to the resumption of member redetermination activities.
    - It is likely that the templates would be similar to those used for the 2020 Wakely analysis.
  + Aggregate and review the submitted MCO templates for reasonableness and consistency, and work with individual plans to resolve any data or reporting issues.
  + Estimate the impact of the suspension of member redetermination activities on population morbidity. This will be achieved by performing the following steps:
    - Identify baseline lapse rates based on a review of historical data.
    - Identify PMPM costs associated with baseline lapse rates.
    - Identify changes in lapse rates that occurred during the pandemic.
    - Calculate estimated PMPM costs for the additional members who have remained enrolled during the PHE.
    - This estimate is derived by comparing historical lapse rates and population costs to similar metrics from recent periods.
    - Estimate impact of decreased lapse rate on incurred claim costs
    - Estimate the future impact of incremental enrollment growth expected to occur subsequent to the data period provided.
    - Estimate the future impact of the “unwinding” of the surplus enrollment that accumulated during the pandemic under various scenarios.
  + Produce a report that may or may not be shared publicly at the MCOs’ discretion. The report will quantify the estimated rate setting impact of the suspension/resumption of member redetermination, and the anticipated impact on SFY 2023 and SFY 2024 rating periods.
  + Participate by phone or in person in meetings where the MCOs discuss the study and associated issues with the state and their actuaries.
* Total estimated cost for this analysis is $225k - $275k
* Other comments:
  + See the attached file “*TAHP Reverification Analysis Template v1 2020.02.14.xlsx*”, which contains the templates that were used for the 2020 Wakely acuity analysis. We anticipate that the templates used for this analysis would be similar.
  + The data required for this analysis would easily allow Wakely to perform Option 3 (which requires the availability of member level detail), described below.

**Option 2: Stayer/Joiner/Leaver analysis**

* This analysis would seek to answer the same questions as Option 1 but would rely on data grouped by the MCOs rather than member level detail. Below is a summary of the key aspects of the work:
  + Work with the plans to develop S/J/L templates for each MCO to populate that will track member movements by cohort and the associated costs over time. The purpose of the templates will be to:
    - Track the volume of stayers/joiners/leavers by population and region over time.
    - Evaluate the changes in member movements during the PHE and associated suspension of redetermination activities.
    - Estimate the impact of programmatic enrollment growth on incurred costs at the rate cell level.
    - Quantify the estimated rate setting impact of the growth in programmatic enrollment and estimate the impact of any future enrollment growth prior to the resumption of member redetermination activities.
  + Aggregate and review the submitted MCO templates for reasonableness and consistency, and work with individual plans to resolve any data or reporting issues.
  + Estimate the impact of the suspension of member redetermination activities on population morbidity by reviewing changes in stayer, joiner, and leaver enrollment patterns and relative costs.
    - This process will compare pandemic-era experience periods to pre-pandemic data to better understand changes arising from the pandemic and suspension of member redetermination activities.
    - We will additionally:
      * Estimate the future impact of incremental growth expected to occur subsequent to the data period provided.
      * Estimate the future impact of the “unwinding” of the surplus enrollment that accumulated during the pandemic under a variety of scenarios.
  + Produce a report that may or may not be shared publicly at the MCOs’ discretion. The report will quantify the estimated rate setting impact of the suspension/resumption of member redetermination, and the anticipated impact on SFY 2023 and SFY 2024 rating periods.
  + Participate by phone or in person in meetings where the MCOs discuss the study and associated issues with the state and their actuaries.
  + The attached file (*“TAHP S-J-L Analysis Template 2023.04.12 DRAFT.xlsx”*) outlines the MCO data that would be needed to support this analysis. The templates would be individually generated by each MCO and provided to Wakely.
    - The “Instructions” tab contains details on how each MCO will segment their population by each calendar year experience period.
    - The current draft template requests historical claims information at the population level, not the more detailed rate cell level. A sample crosswalk between population and rate cell is provided on the “Rating Pop Xwalk” tab.
    - Enrollment data is requested at the rate cell level to better understand how population mix has changed during the study period.
      * The current template captures historical claim cost relativities at the “population” level rather by individual rate cell. We could expand the template to capture this information by individual rate cell if desired.
  + The current template illustrates the data collection on a statewide basis, but we anticipate the analysis would likely be performed at the service delivery area level of granularity. Under this scenario, we would segment the template to capture experience by service delivery area.
* Total estimated cost for this analysis is $75k - $125k

**Option 3: Tracking the Emerging Impact of Member Disenrollment**

* Note that this analysis requires the use of member-level data. It can be efficiently performed in conjunction with Option 1 since both projects rely on the same data format.
* Unlike Options 1 and 2 which prospectively estimate the impact of the upcoming enrollment unwinding, this analysis would be performed on a retrospective basis and provide a more precise sense of the impact of member disenrollment. It could be performed monthly, periodically, or on an ad-hoc basis.
* Below is a summary of the key aspects of the work (note that the italicized steps would not be required if Option 3 were performed in conjunction with Option 1):
  + *Work with the plans to develop templates for each MCO to populate that will track member enrollment and associated costs over time. The purpose of the templates will be to:*
    - *Track historical and ongoing member lapses by rate cell and region.*
    - *Evaluate the changes in member lapse patterns during the public health emergency (PHE) and associated suspension of redetermination activities.*
    - *Estimate the impact of programmatic enrollment growth on incurred costs at the rate cell level.*
    - *Quantify the estimated rate setting impact of the growth in programmatic enrollment and estimate the impact of any future enrollment growth prior to the resumption of member redetermination activities.*
    - *It is likely that the templates would be similar to those used for the 2020 Wakely analysis.*
    - Collect member disenrollment lists from each MCO. This information would identify the members who disenroll each month and could be provided on a monthly or periodic basis.
  + *Aggregate and review the submitted MCO templates for reasonableness and consistency, and work with individual plans to resolve any data or reporting issues.*
  + Estimate the impact of the suspension of member redetermination activities on population morbidity. This will be achieved by performing the following steps:
    - Calculate historical claim costs by population group and service area.
    - Identify lapsing members within the claims data, and recalculate historical claim levels excluding the impact of these members.
      * This process can be repeated to calculate the incremental impact of monthly disenrollments. It is anticipated that the acuity impact would grow as more disenrollments are reported.
  + Produce a report that may or may not be shared publicly at the MCOs’ discretion. The report will quantify the estimated cost impact of emerging member disenrollment activity.
  + Participate by phone or in person in meetings where the MCOs discuss the study and associated issues with the state and their actuaries.
* Total estimated cost for this analysis (assuming Option 1 is undertaken, and 6 monthly member list runs against the dataset): $60k - $85k
* Total estimated cost for this analysis (assuming Option 1 is not undertaken, and 6 monthly member list runs against the dataset): $125k - $175k

**Option 4: Wakely review of SFY 2024 rates**

* Note that this Option can be performed either with or without Options 1-3. The estimated cost range provided below does not include the scope or costs associated with any of these other options. Below is a summary of the key aspects of the work:
  + Review proposed rate-setting policy and program features to be released by the state and their consulting actuaries to:
    - Determine the potential impact on the rate-setting process and associated assumptions.
    - Identify any inconsistencies with actuarial standards or issues that should concern health plans.
  + Review the base data information to evaluate appropriateness for rate setting.
  + Review and evaluate the appropriateness of the methodology and assumptions used to determine prospective rate setting trends.
  + Review the rate-setting methodology and assumptions supporting the proposed capitation rates, including all rate development reports and exhibits. Evaluate the reasonableness of adjustments and identify errors or inconsistencies with actuarial standards and announced rate-setting policy and program decisions.
  + Review methodologies and adjustments related to population acuity changes or other program changes.
  + Work with the MCOs to understand any other items that may impact the program or rate setting.
  + Produce a report that may or may not be shared publicly at the MCOs’ discretion. The report will provide a summary of potential issues identified in the course of our review.
* Total estimated cost for this analysis is $40k - $65k