

Pharmacy	Description	HealthChoices (All Zones)							
		CY 2017 Adjustment (CY 2014 Base)	CY 2018 Adjustment (CY 2015 Base)	CY 2019 Adjustment (CY 2016 Base)	CY 2020 Adjustment (CY 2017 Base)	% of CY 2014 Spend	% of CY 2015 Spend	% of CY 2016 Spend	% of CY 2017 Spend
<b>Retrospective Claims Analysis</b>	Review of retrospective claims using clinical rules-based pharmacy edits to identify inappropriate and/or inefficient care.	\$ 26,085,633	\$ 24,167,632	\$ 34,162,279	\$ 27,127,153	1.28%	1.22%	1.18%	0.88%
<b>Appropriate Drug Use Based on Diagnosis</b>	Review of appropriate diagnoses to support efficient use of select medications with specific characteristics.	\$ 23,941,955	\$ 22,858,434	\$ 38,810,019	\$ 24,175,416	1.18%	1.16%	1.34%	0.78%
<b>Maximum Allowable Cost (MAC)</b>	Comparison of each PH-MCO's MAC list against the PA FFS MAC list for efficient pricing.	\$ 19,098,216	\$ 2,578,696	\$ 28,120,463	\$ 62,031,155	0.94%	0.13%	0.97%	2.00%
<b>Provider Reimbursement on Drug-Related HCPCS Codes</b>	Evaluate if the per unit reimbursement for physician-administered drugs is appropriate and aligned with industry best practices.	\$ 1,085,341	\$ 220,861	\$ 298,431	\$ 205,795	0.05%	0.01%	0.01%	0.01%
<b>Total Pharmacy Efficiency Adjustments and % of Total Pharmacy Spend</b>		<b>\$ 70,211,145</b>	<b>\$ 49,825,623</b>	<b>\$ 101,391,192</b>	<b>\$ 113,539,519</b>	<b>3.46%</b>	<b>2.52%</b>	<b>3.50%</b>	<b>3.67%</b>
<b>Total Pharmacy Spend</b>		<b>\$ 2,031,819,968</b>	<b>\$ 1,977,028,791</b>	<b>\$ 2,896,252,904</b>	<b>\$ 3,095,499,895</b>				
<b>Inpatient</b>									
<b>Prevention Quality Indicators/Pediatric Quality Indicators (PQI/PDI)</b>	Identification of potentially preventable hospital admissions by leveraging AHRQ's PQI and PDI criteria.	\$ 44,375,299	\$ 38,701,391	\$ 45,957,044	\$ 49,469,492	2.50%	2.27%	1.98%	2.04%
<b>Other Ambulatory Care Sensitive (ACS) Conditions - Cellulitis</b>	Clinical review of claims data to identify ACS conditions resulting in potentially preventable hospital admissions.	\$ 1,242,081	\$ 1,617,829	\$ 1,151,259	\$ 1,382,973	0.07%	0.09%	0.05%	0.06%
<b>Short Stays</b>	Identification of one-day inpatient hospital stays that may have been replaced with a less intense and less expensive alternative.	\$ 2,977,672	\$ 3,973,908	\$ 2,843,082	\$ 2,897,391	0.17%	0.23%	0.12%	0.12%
<b>Readmissions</b>	Identification of potentially preventable hospital readmissions within 30 days of an initial inpatient stay.	\$ 15,327,703	\$ 15,883,965	\$ 19,216,142	\$ 20,456,680	0.86%	0.93%	0.83%	0.84%
<b>Total Inpatient Efficiency Adjustments and % of Total Inpatient Spend</b>		<b>\$ 63,922,754</b>	<b>\$ 60,177,093</b>	<b>\$ 69,167,527</b>	<b>\$ 74,206,536</b>	<b>3.60%</b>	<b>3.52%</b>	<b>2.99%</b>	<b>3.06%</b>
<b>Total Inpatient Spend</b>		<b>\$ 1,776,535,827</b>	<b>\$ 1,708,589,885</b>	<b>\$ 2,316,317,403</b>	<b>\$ 2,425,426,859</b>				
<b>Emergency Department, Radiology, and DME</b>									
<b>Low Acuity Non-Emergent (LANE) Services</b>	Identification of inappropriate emergency department visits, using low acuity procedure and diagnosis codes	\$ 26,996,723	\$ 29,419,976	\$ 38,909,164	\$ 38,262,739	0.85%	1.01%	0.96%	0.90%
<b>Excessive Utilization of Radiology</b>	Analysis of utilization patterns of certain high-cost, high-tech radiology services to identify inefficiencies.	\$ 895,136	\$ 1,401,456	\$ 3,061,428	\$ 3,344,363	0.03%	0.05%	0.08%	0.08%
<b>Excessive Utilization and Cost of DME</b>	Analysis of utilization and cost patterns of certain DME subcategories to identify inefficiencies.	\$ 931,715	\$ 332,167	\$ 443,083	\$ 648,496	0.03%	0.01%	0.01%	0.02%
<b>Total ED, Radiology, and DME Eff. Adj. and % of Total Other Spend</b>		<b>\$ 28,823,574</b>	<b>\$ 31,153,599</b>	<b>\$ 42,413,675</b>	<b>\$ 42,255,598</b>	<b>0.91%</b>	<b>1.07%</b>	<b>1.05%</b>	<b>0.99%</b>
<b>Total Other Spend (Physician+Other)</b>		<b>\$ 3,181,687,363</b>	<b>\$ 2,910,007,898</b>	<b>\$ 4,047,097,645</b>	<b>\$ 4,270,475,041</b>				
<b>TPL/COB and C-Section</b>									
<b>Third-Party Liability/Coordination of Benefits (TPL/COB)</b>	Evaluation of possible missed opportunities related to TPL/COB.	\$ 9,230,461	\$ 10,201,829	\$ 12,681,769	\$ 11,841,404	0.13%	0.15%	0.14%	0.12%
<b>C-Section Mix</b>	Identification of primary and repeat C-section births, without supporting medical justification, to evaluate an appropriate mix for ratesetting.	\$ 3,302,983	\$ 2,606,441	\$ 3,432,236	\$ 2,404,468	0.05%	0.04%	0.04%	0.02%
<b>Total TPL/COB and C-Section Eff. Adj. and % of Total Medical Spend</b>		<b>\$ 12,533,444</b>	<b>\$ 12,808,271</b>	<b>\$ 16,114,005</b>	<b>\$ 14,245,873</b>	<b>0.18%</b>	<b>0.19%</b>	<b>0.17%</b>	<b>0.15%</b>
<b>Total Medical Spend</b>		<b>\$ 6,990,043,158</b>	<b>\$ 6,595,626,574</b>	<b>\$ 9,259,667,953</b>	<b>\$ 9,791,401,796</b>				
<b>TOTAL EFFICIENCY ADJUSTMENTS</b>		<b>\$ 175,490,917</b>	<b>\$ 153,964,586</b>	<b>\$ 229,086,399</b>	<b>\$ 244,247,526</b>	<b>2.51%</b>	<b>2.33%</b>	<b>2.47%</b>	<b>2.49%</b>
<b>TOTAL MEDICAL SPEND</b>		<b>\$ 6,990,043,158</b>	<b>\$ 6,595,626,574</b>	<b>\$ 9,259,667,953</b>	<b>\$ 9,791,401,796</b>				

**Notes:**

1. Medical spend figures are based on PH-MCO submitted encounter data for the CY 2019 and CY 2020 adjustments (CY 2016 and CY 2017 base data) and IBNR-adjusted Report #4 for all earlier periods. All values are gross of pharmacy rebates.
2. Appendix 14, Appendix 16/16a, and Appendix 17 are not included in the displayed medical spend figures.
3. CY 2014 medical spend for GA CNO and GA MNO has been removed. These populations were also excluded from all efficiency analyses.
4. CY 2015 medical spend for SSI-shifters and Adult Expansion, with the exception of maternity expenditures, has been removed. These populations were also excluded from all efficiency analyses, except C-Section mix.
5. CY 2016 medical spend for CHC waiver-eligible members has been removed from the Southeast and Southwest zones. For the first time, Adult Expansion spend is included for all HealthChoices zones.
6. CY 2017 medical spend for CHC waiver-eligible members has been removed from all zones.

		Southeast							
Pharmacy	Description	CY 2017 Adjustment (CY 2014 Base)	CY 2018 Adjustment (CY 2015 Base)	CY 2019 Adjustment (CY 2016 Base)	CY 2020 Adjustment (CY 2017 Base)	% of CY 2014 Spend	% of CY 2015 Spend	% of CY 2016 Spend	% of CY 2017 Spend
Retrospective Claims Analysis	Review of retrospective claims using clinical rules-based pharmacy edits to identify inappropriate and/or inefficient care.	\$ 9,564,662	\$ 8,580,646	\$ 11,706,735	\$ 9,818,776	1.21%	1.15%	1.14%	0.91%
Appropriate Drug Use Based on Diagnosis	Review of appropriate diagnoses to support efficient use of select medications with specific characteristics.	\$ 10,494,265	\$ 8,883,921	\$ 14,711,048	\$ 8,445,370	1.33%	1.19%	1.43%	0.78%
Maximum Allowable Cost (MAC)	Comparison of each PH-MCO's MAC list against the PA FFS MAC list for efficient pricing.	\$ 3,096,274	\$ 2,029,889	\$ 8,142,300	\$ 14,979,358	0.39%	0.27%	0.79%	1.38%
Provider Reimbursement on Drug-Related HCPCS Codes	Evaluate if the per unit reimbursement for physician-administered drugs is appropriate and aligned with industry best practices.	\$ 806,071	\$ 31,067	\$ 34,190	\$ 113,235	0.10%	0.00%	0.00%	0.01%
<b>Total Pharmacy Efficiency Adjustments and % of Total Pharmacy Spend</b>		<b>\$ 23,961,272</b>	<b>\$ 19,525,523</b>	<b>\$ 34,594,273</b>	<b>\$ 33,356,739</b>	<b>3.04%</b>	<b>2.61%</b>	<b>3.36%</b>	<b>3.08%</b>
<b>Total Pharmacy Spend</b>		<b>\$ 788,127,332</b>	<b>\$ 747,491,066</b>	<b>\$ 1,029,651,658</b>	<b>\$ 1,082,186,248</b>				
<b>Inpatient</b>									
Prevention Quality Indicators/Pediatric Quality Indicators (PQ/PDI)	Identification of potentially preventable hospital admissions by leveraging AHRQ's PQI and PDI criteria.	\$ 25,290,570	\$ 21,672,932	\$ 22,820,647	\$ 24,362,389	2.98%	2.75%	2.30%	2.42%
Other Ambulatory Care Sensitive (ACS) Conditions - Cellulitis	Clinical review of claims data to identify ACS conditions resulting in potentially preventable hospital admissions.	\$ 661,371	\$ 794,747	\$ 561,395	\$ 662,428	0.08%	0.10%	0.06%	0.07%
Short Stays	Identification of one-day inpatient hospital stays that may have been replaced with a less intense and less expensive alternative.	\$ 2,228,382	\$ 2,756,081	\$ 1,622,817	\$ 1,377,762	0.26%	0.35%	0.16%	0.14%
Readmissions	Identification of potentially preventable hospital readmissions within 30 days of an initial inpatient stay.	\$ 8,852,609	\$ 9,450,093	\$ 9,340,977	\$ 9,560,212	1.04%	1.20%	0.94%	0.95%
<b>Total Inpatient Efficiency Adjustments and % of Total Inpatient Spend</b>		<b>\$ 37,032,933</b>	<b>\$ 34,673,852</b>	<b>\$ 34,345,836</b>	<b>\$ 35,962,790</b>	<b>4.37%</b>	<b>4.40%</b>	<b>3.46%</b>	<b>3.57%</b>
<b>Total Inpatient Spend</b>		<b>\$ 847,732,750</b>	<b>\$ 788,356,628</b>	<b>\$ 991,910,380</b>	<b>\$ 1,006,602,437</b>				
<b>Emergency Department, Radiology, and DME</b>									
Low Acuity Non-Emergent (LANE) Services	Identification of inappropriate emergency department visits, using low acuity procedure and diagnosis codes	\$ 18,426,304	\$ 21,016,374	\$ 28,847,862	\$ 27,584,498	1.44%	1.77%	1.80%	1.63%
Excessive Utilization of Radiology	Analysis of utilization patterns of certain high-cost, high-tech radiology services to identify inefficiencies.	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%
Excessive Utilization and Cost of DME	Analysis of utilization and cost patterns of certain DME subcategories to identify inefficiencies.	\$ 451,294	\$ -	\$ 75,455	\$ 142,714	0.04%	0.00%	0.00%	0.01%
<b>Total ED, Radiology, and DME Eff. Adj. and % of Total Other Spend</b>		<b>\$ 18,877,598</b>	<b>\$ 21,016,374</b>	<b>\$ 28,923,317</b>	<b>\$ 27,727,212</b>	<b>1.48%</b>	<b>1.77%</b>	<b>1.80%</b>	<b>1.64%</b>
<b>Total Other Spend (Physician+Other)</b>		<b>\$ 1,279,803,882</b>	<b>\$ 1,184,270,415</b>	<b>\$ 1,606,448,956</b>	<b>\$ 1,691,672,244</b>				
<b>TPL/COB and C-Section</b>									
Third-Party Liability/Coordination of Benefits (TPL/COB)	Evaluation of possible missed opportunities related to TPL/COB.	\$ 3,107,408	\$ 3,694,467	\$ 4,236,299	\$ 4,824,705	0.11%	0.14%	0.12%	0.13%
C-Section Mix	Identification of primary and repeat C-section births, without supporting medical justification, to evaluate an appropriate mix for ratesetting.	\$ 1,466,086	\$ 848,438	\$ 1,198,415	\$ 1,456,192	0.05%	0.03%	0.03%	0.04%
<b>Total TPL/COB and C-Section Eff. Adj. and % of Total Medical Spend</b>		<b>\$ 4,573,493</b>	<b>\$ 4,542,906</b>	<b>\$ 5,434,714</b>	<b>\$ 6,280,897</b>	<b>0.16%</b>	<b>0.17%</b>	<b>0.15%</b>	<b>0.17%</b>
<b>Total Medical Spend</b>		<b>\$ 2,915,663,964</b>	<b>\$ 2,720,118,110</b>	<b>\$ 3,628,010,994</b>	<b>\$ 3,780,460,929</b>				
<b>TOTAL EFFICIENCY ADJUSTMENTS</b>		<b>\$ 84,445,297</b>	<b>\$ 79,758,655</b>	<b>\$ 103,298,141</b>	<b>\$ 103,327,639</b>	<b>2.90%</b>	<b>2.93%</b>	<b>2.85%</b>	<b>2.73%</b>
<b>TOTAL MEDICAL SPEND</b>		<b>\$ 2,915,663,964</b>	<b>\$ 2,720,118,110</b>	<b>\$ 3,628,010,994</b>	<b>\$ 3,780,460,929</b>				

**Notes:**

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2. Appendix 14, Appendix 16/16a, and Appendix 17 are not included in the displayed medical spend figures.
3. CY 2014 medical spend for GA CNO and GA MNO has been removed. These populations were also excluded from all efficiency analyses.
4. CY 2015 medical spend for SSI-shifters and Adult Expansion, with the exception of maternity expenditures, has been removed. These populations were also excluded from all efficiency analyses, except C-Section mix.
5. CY 2016 medical spend for CHC waiver-eligible members has been removed from the Southeast and Southwest zones. For the first time, Adult Expansion spend is included for all HealthChoices zones.
6. CY 2017 medical spend for CHC waiver-eligible members has been removed from all zones.

Pharmacy	Description	Southwest							
		CY 2017 Adjustment (CY 2014 Base)	CY 2018 Adjustment (CY 2015 Base)	CY 2019 Adjustment (CY 2016 Base)	CY 2020 Adjustment (CY 2017 Base)	% of CY 2014 Spend	% of CY 2015 Spend	% of CY 2016 Spend	% of CY 2017 Spend
Retrospective Claims Analysis	Review of retrospective claims using clinical rules-based pharmacy edits to identify inappropriate and/or inefficient care.	\$ 7,297,537	\$ 6,569,113	\$ 8,720,640	\$ 7,215,300	1.52%	1.38%	1.27%	0.95%
Appropriate Drug Use Based on Diagnosis	Review of appropriate diagnoses to support efficient use of select medications with specific characteristics.	\$ 5,491,797	\$ 5,753,326	\$ 9,765,952	\$ 6,588,049	1.15%	1.21%	1.42%	0.87%
Maximum Allowable Cost (MAC)	Comparison of each PH-MCO's MAC list against the PA FFS MAC list for efficient pricing.	\$ 8,605,203	\$ 408,343	\$ 10,873,985	\$ 20,894,188	1.80%	0.09%	1.58%	2.76%
Provider Reimbursement on Drug-Related HCPCS Codes	Evaluate if the per unit reimbursement for physician-administered drugs is appropriate and aligned with industry best practices.	\$ 81,423	\$ 105,673	\$ 68,132	\$ 53,797	0.02%	0.02%	0.01%	0.01%
<b>Total Pharmacy Efficiency Adjustments and % of Total Pharmacy Spend</b>		<b>\$ 21,475,959</b>	<b>\$ 12,836,455</b>	<b>\$ 29,428,709</b>	<b>\$ 34,751,335</b>	<b>4.49%</b>	<b>2.69%</b>	<b>4.28%</b>	<b>4.59%</b>
<b>Total Pharmacy Spend</b>		<b>\$ 478,759,806</b>	<b>\$ 477,394,520</b>	<b>\$ 688,233,046</b>	<b>\$ 757,376,850</b>				
<b>Inpatient</b>									
Prevention Quality Indicators/Pediatric Quality Indicators (PQI/PDI)	Identification of potentially preventable hospital admissions by leveraging AHRQ's PQI and PDI criteria.	\$ 8,402,595	\$ 7,358,652	\$ 8,784,417	\$ 9,533,093	2.43%	2.09%	1.87%	1.80%
Other Ambulatory Care Sensitive (ACS) Conditions - Cellulitis	Clinical review of claims data to identify ACS conditions resulting in potentially preventable hospital admissions.	\$ 271,968	\$ 377,342	\$ 247,263	\$ 318,386	0.08%	0.11%	0.05%	0.06%
Short Stays	Identification of one-day inpatient hospital stays that may have been replaced with a less intense and less expensive alternative.	\$ 255,031	\$ 558,248	\$ 408,431	\$ 500,904	0.07%	0.16%	0.09%	0.09%
Readmissions	Identification of potentially preventable hospital readmissions within 30 days of an initial inpatient stay.	\$ 2,867,353	\$ 2,847,850	\$ 3,560,574	\$ 4,682,217	0.83%	0.81%	0.76%	0.88%
<b>Total Inpatient Efficiency Adjustments and % of Total Inpatient Spend</b>		<b>\$ 11,796,948</b>	<b>\$ 11,142,091</b>	<b>\$ 13,000,685</b>	<b>\$ 15,034,600</b>	<b>3.41%</b>	<b>3.16%</b>	<b>2.77%</b>	<b>2.84%</b>
<b>Total Inpatient Spend</b>		<b>\$ 345,747,071</b>	<b>\$ 352,582,862</b>	<b>\$ 469,319,647</b>	<b>\$ 529,366,862</b>				
<b>Emergency Department, Radiology, and DME</b>									
Low Acuity Non-Emergent (LANE) Services	Identification of inappropriate emergency department visits, using low acuity procedure and diagnosis codes	\$ 3,557,969	\$ 3,266,686	\$ 3,583,357	\$ 4,136,457	0.53%	0.54%	0.43%	0.47%
Excessive Utilization of Radiology	Analysis of utilization patterns of certain high-cost, high-tech radiology services to identify inefficiencies.	\$ 560,435	\$ 998,786	\$ 2,450,957	\$ 2,496,004	0.08%	0.16%	0.29%	0.28%
Excessive Utilization and Cost of DME	Analysis of utilization and cost patterns of certain DME subcategories to identify inefficiencies.	\$ 54,438	\$ 106,756	\$ 157,200	\$ 229,269	0.01%	0.02%	0.02%	0.03%
<b>Total ED, Radiology, and DME Eff. Adj. and % of Total Other Spend</b>		<b>\$ 4,172,841</b>	<b>\$ 4,372,228</b>	<b>\$ 6,191,514</b>	<b>\$ 6,861,730</b>	<b>0.63%</b>	<b>0.72%</b>	<b>0.74%</b>	<b>0.78%</b>
<b>Total Other Spend (Physician+Other)</b>		<b>\$ 666,163,411</b>	<b>\$ 609,752,161</b>	<b>\$ 831,142,034</b>	<b>\$ 876,000,915</b>				
<b>TPL/COB and C-Section</b>									
Third-Party Liability/Coordination of Benefits (TPL/COB)	Evaluation of possible missed opportunities related to TPL/COB.	\$ 1,545,253	\$ 1,444,423	\$ 1,834,971	\$ 1,529,198	0.10%	0.10%	0.09%	0.07%
C-Section Mix	Identification of primary and repeat C-section births, without supporting medical justification, to evaluate an appropriate mix for ratesetting.	\$ 184,473	\$ 92,428	\$ 551,610	\$ 430,222	0.01%	0.01%	0.03%	0.02%
<b>Total TPL/COB and C-Section Eff. Adj. and % of Total Medical Spend</b>		<b>\$ 1,729,727</b>	<b>\$ 1,536,851</b>	<b>\$ 2,386,581</b>	<b>\$ 1,959,420</b>	<b>0.12%</b>	<b>0.11%</b>	<b>0.12%</b>	<b>0.09%</b>
<b>Total Medical Spend</b>		<b>\$ 1,490,670,288</b>	<b>\$ 1,439,729,543</b>	<b>\$ 1,988,694,727</b>	<b>\$ 2,162,744,627</b>				
<b>TOTAL EFFICIENCY ADJUSTMENTS</b>		<b>\$ 39,175,475</b>	<b>\$ 29,887,626</b>	<b>\$ 51,007,488</b>	<b>\$ 58,607,085</b>	<b>2.63%</b>	<b>2.08%</b>	<b>2.56%</b>	<b>2.71%</b>
<b>TOTAL MEDICAL SPEND</b>		<b>\$ 1,490,670,288</b>	<b>\$ 1,439,729,543</b>	<b>\$ 1,988,694,727</b>	<b>\$ 2,162,744,627</b>				

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  - CY 2015 medical spend for SSI-shifters and Adult Expansion, with the exception of maternity expenditures, has been removed. These populations were also excluded from all efficiency analyses, except C-Section mix.
  - CY 2016 medical spend for CHC waiver-eligible members has been removed from the Southeast and Southwest zones. For the first time, Adult Expansion spend is included for all HealthChoices zones.
  - CY 2017 medical spend for CHC waiver-eligible members has been removed from all zones.

Pharmacy	Description	Lehigh/Capital							
		CY 2017 Adjustment (CY 2014 Base)	CY 2018 Adjustment (CY 2015 Base)	CY 2019 Adjustment (CY 2016 Base)	CY 2020 Adjustment (CY 2017 Base)	% of CY 2014 Spend	% of CY 2015 Spend	% of CY 2016 Spend	% of CY 2017 Spend
<b>Retrospective Claims Analysis</b>	Review of retrospective claims using clinical rules-based pharmacy edits to identify inappropriate and/or inefficient care.	\$ 4,781,947	\$ 4,806,551	\$ 7,296,084	\$ 5,073,603	1.27%	1.29%	1.24%	0.83%
<b>Appropriate Drug Use Based on Diagnosis</b>	Review of appropriate diagnoses to support efficient use of select medications with specific characteristics.	\$ 3,747,148	\$ 3,980,719	\$ 6,306,632	\$ 4,238,890	1.00%	1.07%	1.07%	0.70%
<b>Maximum Allowable Cost (MAC)</b>	Comparison of each PH-MCO's MAC list against the PA FFS MAC list for efficient pricing.	\$ 2,199,348	\$ -	\$ 6,119,766	\$ 11,062,042	0.59%	0.00%	1.04%	1.82%
<b>Provider Reimbursement on Drug-Related HCPCS Codes</b>	Evaluate if the per unit reimbursement for physician-administered drugs is appropriate and aligned with industry best practices.	\$ 121,263	\$ 61,578	\$ 180,877	\$ 7,979	0.03%	0.02%	0.03%	0.00%
<b>Total Pharmacy Efficiency Adjustments and % of Total Pharmacy Spend</b>		<b>\$ 10,849,706</b>	<b>\$ 8,848,848</b>	<b>\$ 19,903,359</b>	<b>\$ 20,382,512</b>	<b>2.89%</b>	<b>2.38%</b>	<b>3.39%</b>	<b>3.35%</b>
<b>Total Pharmacy Spend</b>		<b>\$ 375,857,920</b>	<b>\$ 371,175,588</b>	<b>\$ 587,383,345</b>	<b>\$ 607,795,454</b>				
<b>Inpatient</b>									
<b>Prevention Quality Indicators/Pediatric Quality Indicators (PQI/PDI)</b>	Identification of potentially preventable hospital admissions by leveraging AHRQ's PQI and PDI criteria.	\$ 5,513,802	\$ 4,817,563	\$ 7,306,935	\$ 8,240,549	1.81%	1.59%	1.62%	1.77%
<b>Other Ambulatory Care Sensitive (ACS) Conditions - Cellulitis</b>	Clinical review of claims data to identify ACS conditions resulting in potentially preventable hospital admissions.	\$ 148,363	\$ 194,186	\$ 188,494	\$ 197,840	0.05%	0.06%	0.04%	0.04%
<b>Short Stays</b>	Identification of one-day inpatient hospital stays that may have been replaced with a less intense and less expensive alternative.	\$ 305,939	\$ 347,316	\$ 463,398	\$ 468,026	0.10%	0.11%	0.10%	0.10%
<b>Readmissions</b>	Identification of potentially preventable hospital readmissions within 30 days of an initial inpatient stay.	\$ 1,985,270	\$ 2,113,564	\$ 3,648,318	\$ 3,673,723	0.65%	0.70%	0.81%	0.79%
<b>Total Inpatient Efficiency Adjustments and % of Total Inpatient Spend</b>		<b>\$ 7,953,374</b>	<b>\$ 7,472,630</b>	<b>\$ 11,607,144</b>	<b>\$ 12,580,138</b>	<b>2.61%</b>	<b>2.47%</b>	<b>2.58%</b>	<b>2.70%</b>
<b>Total Inpatient Spend</b>		<b>\$ 304,351,126</b>	<b>\$ 302,803,762</b>	<b>\$ 450,566,613</b>	<b>\$ 466,601,519</b>				
<b>Emergency Department, Radiology, and DME</b>									
<b>Low Acuity Non-Emergent (LANE) Services</b>	Identification of inappropriate emergency department visits, using low acuity procedure and diagnosis codes	\$ 3,051,538	\$ 3,160,402	\$ 3,960,364	\$ 4,002,275	0.49%	0.55%	0.48%	0.46%
<b>Excessive Utilization of Radiology</b>	Analysis of utilization patterns of certain high-cost, high-tech radiology services to identify inefficiencies.	\$ -	\$ -	\$ 48,935	\$ -	0.00%	0.00%	0.01%	0.00%
<b>Excessive Utilization and Cost of DME</b>	Analysis of utilization and cost patterns of certain DME subcategories to identify inefficiencies.	\$ 139,712	\$ -	\$ -	\$ -	0.02%	0.00%	0.00%	0.00%
<b>Total ED, Radiology, and DME Eff. Adj. and % of Total Other Spend</b>		<b>\$ 3,191,249</b>	<b>\$ 3,160,402</b>	<b>\$ 4,009,299</b>	<b>\$ 4,002,275</b>	<b>0.51%</b>	<b>0.55%</b>	<b>0.49%</b>	<b>0.46%</b>
<b>Total Other Spend (Physician+Other)</b>		<b>\$ 626,541,426</b>	<b>\$ 575,064,680</b>	<b>\$ 819,122,902</b>	<b>\$ 861,643,009</b>				
<b>TPL/COB and C-Section</b>									
<b>Third-Party Liability/Coordination of Benefits (TPL/COB)</b>	Evaluation of possible missed opportunities related to TPL/COB.	\$ 1,904,503	\$ 2,055,658	\$ 2,959,997	\$ 2,235,402	0.15%	0.16%	0.16%	0.12%
<b>C-Section Mix</b>	Identification of primary and repeat C-section births, without supporting medical justification, to evaluate an appropriate mix for ratesetting.	\$ 1,057,341	\$ 1,173,162	\$ 773,798	\$ 314,943	0.08%	0.09%	0.04%	0.02%
<b>Total TPL/COB and C-Section Eff. Adj. and % of Total Medical Spend</b>		<b>\$ 2,961,843</b>	<b>\$ 3,228,819</b>	<b>\$ 3,733,795</b>	<b>\$ 2,550,345</b>	<b>0.23%</b>	<b>0.26%</b>	<b>0.20%</b>	<b>0.13%</b>
<b>Total Medical Spend</b>		<b>\$ 1,306,750,472</b>	<b>\$ 1,249,044,030</b>	<b>\$ 1,857,072,860</b>	<b>\$ 1,936,039,982</b>				
<b>TOTAL EFFICIENCY ADJUSTMENTS</b>		<b>\$ 24,956,173</b>	<b>\$ 22,710,699</b>	<b>\$ 39,253,597</b>	<b>\$ 39,515,270</b>	<b>1.91%</b>	<b>1.82%</b>	<b>2.11%</b>	<b>2.04%</b>
<b>TOTAL MEDICAL SPEND</b>		<b>\$ 1,306,750,472</b>	<b>\$ 1,249,044,030</b>	<b>\$ 1,857,072,860</b>	<b>\$ 1,936,039,982</b>				

- Notes:**
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  2. Appendix 14, Appendix 16/16a, and Appendix 17 are not included in the displayed medical spend figures.
  3. CY 2014 medical spend for GA CNO and GA MNO has been removed. These populations were also excluded from all efficiency analyses.
  4. CY 2015 medical spend for SSI-shifters and Adult Expansion, with the exception of maternity expenditures, has been removed. These populations were also excluded from all efficiency analyses, except C-Section mix.
  5. CY 2016 medical spend for CHC waiver-eligible members has been removed from the Southeast and Southwest zones. For the first time, Adult Expansion spend is included for all HealthChoices zones.
  6. CY 2017 medical spend for CHC waiver-eligible members has been removed from all zones.

		Northeast							
Pharmacy	Description	CY 2017 Adjustment (CY 2014 Base)	CY 2018 Adjustment (CY 2015 Base)	CY 2019 Adjustment (CY 2016 Base)	CY 2020 Adjustment (CY 2017 Base)	% of CY 2014 Spend	% of CY 2015 Spend	% of CY 2016 Spend	% of CY 2017 Spend
Retrospective Claims Analysis	Review of retrospective claims using clinical rules-based pharmacy edits to identify inappropriate and/or inefficient care.	\$ 2,576,099	\$ 2,474,381	\$ 4,143,438	\$ 3,106,890	1.09%	1.05%	1.10%	0.73%
Appropriate Drug Use Based on Diagnosis	Review of appropriate diagnoses to support efficient use of select medications with specific characteristics.	\$ 2,058,370	\$ 1,799,527	\$ 4,052,435	\$ 2,682,993	0.87%	0.76%	1.08%	0.63%
Maximum Allowable Cost (MAC)	Comparison of each PH-MCO's MAC list against the PA FFS MAC list for efficient pricing.	\$ 1,281,195	\$ -	\$ -	\$ 8,561,835	0.54%	0.00%	0.00%	2.02%
Provider Reimbursement on Drug-Related HCPCS Codes	Evaluate if the per unit reimbursement for physician-administered drugs is appropriate and aligned with industry best practices.	\$ 63,373	\$ 20,614	\$ 5,928	\$ 16,834	0.03%	0.01%	0.00%	0.00%
<b>Total Pharmacy Efficiency Adjustments and % of Total Pharmacy Spend</b>		<b>\$ 5,979,037</b>	<b>\$ 4,294,522</b>	<b>\$ 8,201,800</b>	<b>\$ 14,368,551</b>	<b>2.53%</b>	<b>1.82%</b>	<b>2.18%</b>	<b>3.40%</b>
<b>Total Pharmacy Spend</b>		<b>\$ 236,536,162</b>	<b>\$ 236,382,269</b>	<b>\$ 376,153,140</b>	<b>\$ 422,980,581</b>				
<b>Inpatient</b>									
Prevention Quality Indicators/Pediatric Quality Indicators (PQI/PDI)	Identification of potentially preventable hospital admissions by leveraging AHRQ's PQI and PDI criteria.	\$ 3,201,111	\$ 3,238,764	\$ 4,571,974	\$ 4,828,484	1.77%	1.91%	1.71%	1.75%
Other Ambulatory Care Sensitive (ACS) Conditions - Cellulitis	Clinical review of claims data to identify ACS conditions resulting in potentially preventable hospital admissions.	\$ 125,068	\$ 193,062	\$ 107,644	\$ 156,679	0.07%	0.11%	0.04%	0.06%
Short Stays	Identification of one-day inpatient hospital stays that may have been replaced with a less intense and less expensive alternative.	\$ 99,534	\$ 229,728	\$ 242,811	\$ 399,568	0.05%	0.14%	0.09%	0.14%
Readmissions	Identification of potentially preventable hospital readmissions within 30 days of an initial inpatient stay.	\$ 922,694	\$ 972,610	\$ 1,971,289	\$ 1,451,235	0.51%	0.57%	0.74%	0.53%
<b>Total Inpatient Efficiency Adjustments and % of Total Inpatient Spend</b>		<b>\$ 4,348,407</b>	<b>\$ 4,634,164</b>	<b>\$ 6,893,719</b>	<b>\$ 6,835,966</b>	<b>2.40%</b>	<b>2.73%</b>	<b>2.58%</b>	<b>2.48%</b>
<b>Total Inpatient Spend</b>		<b>\$ 181,250,457</b>	<b>\$ 169,954,621</b>	<b>\$ 267,277,998</b>	<b>\$ 276,069,485</b>				
<b>Emergency Department, Radiology, and DME</b>									
Low Acuity Non-Emergent (LANE) Services	Identification of inappropriate emergency department visits, using low acuity procedure and diagnosis codes	\$ 849,741	\$ 876,996	\$ 1,232,226	\$ 1,317,594	0.22%	0.26%	0.24%	0.24%
Excessive Utilization of Radiology	Analysis of utilization patterns of certain high-cost, high-tech radiology services to identify inefficiencies.	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%
Excessive Utilization and Cost of DME	Analysis of utilization and cost patterns of certain DME subcategories to identify inefficiencies.	\$ 62,453	\$ 67,825	\$ -	\$ -	0.02%	0.02%	0.00%	0.00%
<b>Total ED, Radiology, and DME Eff. Adj. and % of Total Other Spend</b>		<b>\$ 912,194</b>	<b>\$ 944,821</b>	<b>\$ 1,232,226</b>	<b>\$ 1,317,594</b>	<b>0.24%</b>	<b>0.28%</b>	<b>0.24%</b>	<b>0.24%</b>
<b>Total Other Spend (Physician+Other)</b>		<b>\$ 385,013,447</b>	<b>\$ 338,061,667</b>	<b>\$ 503,721,309</b>	<b>\$ 540,462,562</b>				
<b>TPL/COB and C-Section</b>									
Third-Party Liability/Coordination of Benefits (TPL/COB)	Evaluation of possible missed opportunities related to TPL/COB.	\$ 2,110,922	\$ 2,437,221	\$ 3,043,259	\$ 2,743,244	0.26%	0.33%	0.27%	0.22%
C-Section Mix	Identification of primary and repeat C-section births, without supporting medical justification, to evaluate an appropriate mix for ratesetting.	\$ 190,302	\$ 232,600	\$ 594,194	\$ 98,014	0.02%	0.03%	0.05%	0.01%
<b>Total TPL/COB and C-Section Eff. Adj. and % of Total Medical Spend</b>		<b>\$ 2,301,224</b>	<b>\$ 2,669,821</b>	<b>\$ 3,637,454</b>	<b>\$ 2,841,258</b>	<b>0.29%</b>	<b>0.36%</b>	<b>0.32%</b>	<b>0.23%</b>
<b>Total Medical Spend</b>		<b>\$ 802,800,066</b>	<b>\$ 744,398,557</b>	<b>\$ 1,147,152,447</b>	<b>\$ 1,239,512,628</b>				
<b>TOTAL EFFICIENCY ADJUSTMENTS</b>		<b>\$ 13,540,863</b>	<b>\$ 12,543,328</b>	<b>\$ 19,965,200</b>	<b>\$ 25,363,368</b>	<b>1.69%</b>	<b>1.69%</b>	<b>1.74%</b>	<b>2.05%</b>
<b>TOTAL MEDICAL SPEND</b>		<b>\$ 802,800,066</b>	<b>\$ 744,398,557</b>	<b>\$ 1,147,152,447</b>	<b>\$ 1,239,512,628</b>				

**Notes:**

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3. CY 2014 medical spend for GA CNO and GA MNO has been removed. These populations were also excluded from all efficiency analyses.
4. CY 2015 medical spend for SSI-shifters and Adult Expansion, with the exception of maternity expenditures, has been removed. These populations were also excluded from all efficiency analyses, except C-Section mix.
5. CY 2016 medical spend for CHC waiver-eligible members has been removed from the Southeast and Southwest zones. For the first time, Adult Expansion spend is included for all HealthChoices zones.
6. CY 2017 medical spend for CHC waiver-eligible members has been removed from all zones.

Pharmacy	Description	Northwest							
		CY 2017 Adjustment (CY 2014 Base)	CY 2018 Adjustment (CY 2015 Base)	CY 2019 Adjustment (CY 2016 Base)	CY 2020 Adjustment (CY 2017 Base)	% of CY 2014 Spend	% of CY 2015 Spend	% of CY 2016 Spend	% of CY 2017 Spend
<b>Retrospective Claims Analysis</b>	Review of retrospective claims using clinical rules-based pharmacy edits to identify inappropriate and/or inefficient care.	\$ 1,865,388	\$ 1,736,942	\$ 2,295,382	\$ 1,912,584	1.22%	1.20%	1.07%	0.85%
<b>Appropriate Drug Use Based on Diagnosis</b>	Review of appropriate diagnoses to support efficient use of select medications with specific characteristics.	\$ 2,150,375	\$ 2,440,940	\$ 3,973,952	\$ 2,220,115	1.41%	1.69%	1.85%	0.99%
<b>Maximum Allowable Cost (MAC)</b>	Comparison of each PH-MCO's MAC list against the PA FFS MAC list for efficient pricing.	\$ 3,916,196	\$ 140,464	\$ 2,984,412	\$ 6,533,733	2.57%	0.10%	1.39%	2.90%
<b>Provider Reimbursement on Drug-Related HCPCS Codes</b>	Evaluate if the per unit reimbursement for physician-administered drugs is appropriate and aligned with industry best practices.	\$ 13,211	\$ 1,928	\$ 9,304	\$ 13,950	0.01%	0.00%	0.00%	0.01%
<b>Total Pharmacy Efficiency Adjustments and % of Total Pharmacy Spend</b>		<b>\$ 7,945,171</b>	<b>\$ 4,320,275</b>	<b>\$ 9,263,050</b>	<b>\$ 10,680,382</b>	<b>5.21%</b>	<b>2.99%</b>	<b>4.31%</b>	<b>4.74%</b>
<b>Total Pharmacy Spend</b>		<b>\$ 152,538,748</b>	<b>\$ 144,585,348</b>	<b>\$ 214,831,714</b>	<b>\$ 225,160,763</b>				
<b>Inpatient</b>									
<b>Prevention Quality Indicators/Pediatric Quality Indicators (PQI/PDI)</b>	Identification of potentially preventable hospital admissions by leveraging AHRQ's PQI and PDI criteria.	\$ 1,967,220	\$ 1,613,480	\$ 2,473,071	\$ 2,504,978	2.02%	1.70%	1.80%	1.71%
<b>Other Ambulatory Care Sensitive (ACS) Conditions - Cellulitis</b>	Clinical review of claims data to identify ACS conditions resulting in potentially preventable hospital admissions.	\$ 35,310	\$ 58,493	\$ 46,463	\$ 47,641	0.04%	0.06%	0.03%	0.03%
<b>Short Stays</b>	Identification of one-day inpatient hospital stays that may have been replaced with a less intense and less expensive alternative.	\$ 88,786	\$ 82,534	\$ 105,625	\$ 151,131	0.09%	0.09%	0.08%	0.10%
<b>Readmissions</b>	Identification of potentially preventable hospital readmissions within 30 days of an initial inpatient stay.	\$ 699,776	\$ 499,848	\$ 694,984	\$ 1,089,293	0.72%	0.53%	0.51%	0.74%
<b>Total Inpatient Efficiency Adjustments and % of Total Inpatient Spend</b>		<b>\$ 2,791,092</b>	<b>\$ 2,254,355</b>	<b>\$ 3,320,143</b>	<b>\$ 3,793,042</b>	<b>2.86%</b>	<b>2.38%</b>	<b>2.42%</b>	<b>2.58%</b>
<b>Total Inpatient Spend</b>		<b>\$ 97,454,424</b>	<b>\$ 94,892,012</b>	<b>\$ 137,242,767</b>	<b>\$ 146,786,556</b>				
<b>Emergency Department, Radiology, and DME</b>									
<b>Low Acuity Non-Emergent (LANE) Services</b>	Identification of inappropriate emergency department visits, using low acuity procedure and diagnosis codes	\$ 1,111,171	\$ 1,099,517	\$ 1,285,354	\$ 1,221,915	0.50%	0.54%	0.45%	0.41%
<b>Excessive Utilization of Radiology</b>	Analysis of utilization patterns of certain high-cost, high-tech radiology services to identify inefficiencies.	\$ 334,700	\$ 402,670	\$ 561,537	\$ 848,358	0.15%	0.20%	0.20%	0.28%
<b>Excessive Utilization and Cost of DME</b>	Analysis of utilization and cost patterns of certain DME subcategories to identify inefficiencies.	\$ 223,819	\$ 157,586	\$ 210,427	\$ 276,514	0.10%	0.08%	0.07%	0.09%
<b>Total ED, Radiology, and DME Eff. Adj. and % of Total Other Spend</b>		<b>\$ 1,669,691</b>	<b>\$ 1,659,774</b>	<b>\$ 2,057,319</b>	<b>\$ 2,346,788</b>	<b>0.74%</b>	<b>0.82%</b>	<b>0.72%</b>	<b>0.78%</b>
<b>Total Other Spend (Physician+Other)</b>		<b>\$ 224,165,196</b>	<b>\$ 202,858,975</b>	<b>\$ 286,662,444</b>	<b>\$ 300,696,311</b>				
<b>TPL/COB and C-Section</b>									
<b>Third-Party Liability/Coordination of Benefits (TPL/COB)</b>	Evaluation of possible missed opportunities related to TPL/COB.	\$ 562,375	\$ 570,061	\$ 607,243	\$ 508,856	0.12%	0.13%	0.10%	0.08%
<b>C-Section Mix</b>	Identification of primary and repeat C-section births, without supporting medical justification, to evaluate an appropriate mix for ratesetting.	\$ 404,782	\$ 259,813	\$ 314,219	\$ 105,097	0.09%	0.06%	0.05%	0.02%
<b>Total TPL/COB and C-Section Eff. Adj. and % of Total Medical Spend</b>		<b>\$ 967,157</b>	<b>\$ 829,874</b>	<b>\$ 921,462</b>	<b>\$ 613,953</b>	<b>0.20%</b>	<b>0.19%</b>	<b>0.14%</b>	<b>0.09%</b>
<b>Total Medical Spend</b>		<b>\$ 474,158,368</b>	<b>\$ 442,336,335</b>	<b>\$ 638,736,925</b>	<b>\$ 672,643,630</b>				
<b>TOTAL EFFICIENCY ADJUSTMENTS</b>		<b>\$ 13,373,111</b>	<b>\$ 9,064,278</b>	<b>\$ 15,561,974</b>	<b>\$ 17,434,165</b>	<b>2.82%</b>	<b>2.05%</b>	<b>2.44%</b>	<b>2.59%</b>
<b>TOTAL MEDICAL SPEND</b>		<b>\$ 474,158,368</b>	<b>\$ 442,336,335</b>	<b>\$ 638,736,925</b>	<b>\$ 672,643,630</b>				

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