

North Dakota Department of Human Services Forecast Analysis for Fiscal Years 2007 Through 2011

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Section I. Introduction and Scope

Milliman, Inc. (Milliman) was retained by the North Dakota Department of Human Services (DHS) to prepare a five year forecast of specific Medicaid program expenditures as required by Section 50-06 of the North Dakota Century Code. This report documents the results of our analysis and describes our methodology and assumptions. Summary results include a projection of Incurred Claims, Paid Claims and Enrollment for State Fiscal Years 2007 through 2011. As requested, we have prepared forecast results under three scenarios: (1) Baseline Forecast, (2) Medicare Fee Level Analysis and (3) 1% Sensitivity Analysis.

The data and information included in the report has been developed to assist in the review of budget projections through fiscal year 2011. The data and information presented may not be appropriate for any other purpose. The values shown in this report are based on a set of assumptions regarding future health care expenditure trends and population enrollment changes. The values shown reflect a point estimate of values. Actual results may vary from the estimates shown in the report to the extent that the underlying assumptions are not realized.

The information contained in this report has been prepared for the State of North Dakota and their consultants and advisors. To the extent that the information contained in this report is provided to third parties, the report should be distributed in its entirety. Any user of the data must possess a certain level of expertise in actuarial science and healthcare modeling so as not to misinterpret the data presented. Milliman makes no representations or warranties regarding the contents of this letter to third parties. Likewise, third parties are instructed that they are to place no reliance upon this letter prepared for DHS by Milliman that would result in the creation of any duty or liability under any theory of law by Milliman or its employees to third parties.

In the development of the information presented in this letter, Milliman has relied upon certain data from the North Dakota Department of Human Services. To the extent that the data was incomplete or inaccurate, the values presented in our report will need to be reviewed for consistency and revised to meet any revised data.

Section II. Executive Summary

At the request of DHS, Milliman has prepared a Baseline Forecast for fiscal years 2007 through 2011 for specific Medicaid program expenditures. We have also prepared two additional forecast scenarios: (1) Medicare Fee Schedule Forecast and (2) 1% Sensitivity Forecast.

- **Baseline Forecast** – The Baseline Forecast assumes future Medicaid reimbursement is consistent with the current reimbursement methodology. The forecast utilizes annual trend assumptions based upon a review of recent historical trends as well as projections released by the Office of the Actuary at the Center for Medicare and Medicaid Services.
- **Medicare Fee Schedule Forecast** – The Medicare Fee Schedule Forecast assumes that fees will increase from the current Medicaid fee schedule to the Medicare fee schedule effective July 1, 2007. The fee schedule change was modeled using results from the Milliman report entitled *Analysis of Medicaid Fee for Service Payment Rates* dated August 25, 2006. Our analysis related to this forecast scenario was limited to non-Dual eligible populations.
- **1% Sensitivity Forecast** – The 1% Sensitivity Forecast reflects the impact of a 1% increase in fees over fee levels assumed in the Baseline Forecast. The 1% increase was assumed to occur annually on a cumulative basis effective at the beginning of fiscal year 2008 (*i.e.*, July 1, 2007). Our analysis related to this forecast was limited to all services for non-Dual eligible populations as well as non-Medicare services (*e.g.*, Dental, Transportation, etc.) for the Dual eligible population.

The results for each forecast are highlighted in the following sections.

Note, as discussed in Section IV – Reconciliation of this report, Milliman was unable to reconcile to values provided by DHS for State Fiscal Year 2005. The reconciliation indicates an absolute difference of \$12.6 million or 6.4% of the categories of service reviewed for this report. The total values shown in this report for the Baseline forecast should be used with caution until the difference can be reconciled. However, the impact to the budget to reflect fee schedule scenarios do provide information regarding the relative magnitude associated with each scenario.

A. Baseline Forecast

Projected expenditures by state fiscal year for the Baseline Forecast are provided in Table 1. Corresponding detail by aid category group and category of service is provided on an incurred claim basis in Appendix A and a paid claim basis in Appendix B. The results are illustrated as State plus Federal dollars. The results are based upon analysis of claims and enrollment data provided by DHS for the period of July 1, 2004 through July 18, 2006.

Table 1

**NORTH DAKOTA DEPARTMENT OF HUMAN SERVICES
Baseline Forecast
Expenditure Forecast for Fiscal Years 2007 through 2011
(State and Federal Dollars in Thousands)**

State Fiscal Year	Incurred Basis		Paid Basis	
	Expenditures	% Growth	Expenditures	% Growth
SFY 2005	\$186,252.8		\$184,923.7	
SFY 2006	179,459.0	(3.6%)	193,360.6	4.6%
SFY 2007	186,542.2	3.9%	184,238.3	(4.7%)
SFY 2008	201,843.9	8.2%	198,860.3	7.9%
SFY 2009	217,099.8	7.6%	218,831.3	10.0%
SFY 2010	232,960.6	7.3%	230,488.2	5.3%
SFY 2011	250,005.1	7.3%	247,337.1	7.3%

Notes: (1) The lower growth rates in SFY 2006 and SFY 2007 correspond to implementation of Medicare Part D Pharmacy benefits effective January 1, 2006.
(2) The increased growth rate for paid SFY 2009 corresponds to a 53 week payment pattern (i.e., 53 Tuesdays) for the fiscal year.

The expenditures in Table 1 reflect specific Medicaid program services identified for the analysis by DHS. The following categories of services have been included:

Inpatient Hospital	Indian Health Services
Outpatient Hospital	Laboratory and Radiology
Ambulance Services	N.D. Health Tracks *
Breast and Cervical Cancer *	Occupational Therapy
Children's Health Insurance Program *	Optometry Services
Chiropractic Services	Physical Therapy
Dental Services	Physician Services
Pharmacy	Psychological Services
Durable Medical Equipment	Refugee Assistance *
Family Planning *	Rural Health Clinics
Federally Qualified Health Centers	Speech and Hearing Services
Home Health Services	Transportation Services
Hospice Services	Working Disabled*

Claims data for each category of service identified above with an asterisk was included in the analysis; however, the expenditures for those line items were allocated across the other (non-asterisk) listed line items. In other words, the hospital inpatient expenditures for the Breast and Cervical Cancer recipients were included in the Inpatient Hospital category of service. The allocation was based upon category of service logic provided by DHS. The

category of service logic as well as a comprehensive summary of the methodology and assumptions are provided in Section III.

The expenditures in Table 1 were developed using Per Member Per Month (PMPM) projected cost by aid category group and category of service multiplied by corresponding forecasted enrollment. Table 2 provides a summary of PMPM values on an incurred claim basis for each state fiscal year by population. Additional PMPM detail by aid category group and category of service is provided in Appendix C.

Table 2

**NORTH DAKOTA DEPARTMENT OF HUMAN SERVICES
Baseline Forecast - Incurred
Projected PMPM Values**

Aid Category Group	State Fiscal Year						
	2005	2006	2007	2008	2009	2010	2011
TANF	\$173.24	\$192.68	\$203.30	\$214.40	\$226.12	\$238.57	\$251.69
Pregnant Women	786.39	810.92	847.42	887.00	928.03	971.05	1,015.72
Aged	379.09	213.69	143.58	150.12	156.89	163.94	171.19
Disabled -Dual	357.10	213.71	125.45	130.66	136.06	141.70	147.54
Disabled – Non-Dual	768.19	816.40	858.42	904.46	953.49	1,005.96	1,061.59
Partial Eligibles	165.41	148.28	154.33	160.76	167.42	174.41	181.63
Other	29.77	36.82	38.52	40.48	42.51	44.61	46.77

Forecasted enrollment for June 30th of each State fiscal year is illustrated in Table 3. Enrollment trend assumptions are illustrated and further discussed in Section III of this report.

Table 3

**NORTH DAKOTA DEPARTMENT OF HUMAN SERVICES
Projected Fiscal Year End Enrollment**

Aid Category Group	State Fiscal Year End – June 30, 20XX						
	2005	2006	2007	2008	2009	2010	2011
TANF	34,396	34,771	35,467	35,999	36,359	36,722	37,089
Pregnant Women	1,253	1,483	1,558	1,620	1,668	1,718	1,770
Aged	6,571	6,624	6,624	6,640	6,673	6,725	6,792
Disabled -Dual	4,732	4,511	4,489	4,489	4,489	4,489	4,489
Disabled – Non-Dual	5,530	6,068	6,371	6,626	6,825	7,030	7,241
Partial Eligibles	1,085	1,332	1,439	1,539	1,632	1,712	1,780
Other	582	763	824	882	934	980	1,020
Total	54,149	55,552	56,772	57,795	58,580	59,376	60,181
% Growth		2.6%	2.2%	1.8%	1.4%	1.4%	1.4%

B. Medicare Fee Schedule Forecast

The Medicare Fee Schedule Forecast assumes that the current Medicaid Fee Schedule will be replaced with the Medicare Fee Schedule on an incurred claim basis effective July 1, 2007 for each of the service categories reviewed in our fee schedule analysis entitled *Analysis of Medicaid Fee for Service Payment Rates* dated August 25, 2006. Milliman utilized results from the fee schedule analysis report to estimate the impact of implementing the fee schedule change at the beginning of SFY 2008. In addition to reimbursement fee changes, estimated annual cost trends were revised for the non-Dual eligible population to mirror estimated Medicare trends. Based upon discussion with DHS, Milliman has only modeled the projected impact of this fee scenario on the non-Dual eligible populations.

Projected expenditures by State fiscal year for the Medicare Fee Schedule Forecast are provided in Table 4. The results for the Medicare Fee Schedule Forecast have been illustrated on a paid claims basis to be consistent with North Dakota fiscal reporting.

Table 4

**NORTH DAKOTA DEPARTMENT OF HUMAN SERVICES
Medicare Fee Schedule Forecast
Expenditure Forecast for Fiscal Years 2007 through 2011
(State and Federal Dollars in Thousands)**

State Fiscal Year	Paid Basis	
	Expenditures	% Growth
SFY 2007	\$184,238.3	
SFY 2008	209,268.6	13.6%
SFY 2009	229,058.4	9.5%
SFY 2010	239,705.3	4.6%
SFY 2011	255,711.8	6.7%

The difference between the Baseline Forecast and the Medicare Fee Schedule Forecast is summarized by fiscal year in Table 5. Results have been illustrated by aid category group.

Table 5

**NORTH DAKOTA DEPARTMENT OF HUMAN SERVICES
Medicare Fee Schedule Forecast
Impact to Baseline Forecast - Paid
(State and Federal Dollars in Thousands)**

Aid Category Group	State Fiscal Year					
	2007	2008	2009	2010	2011	
TANF	(1)	\$5,310.0	\$5,133.6	\$4,558.1	\$4,080.3	
Pregnant Women	(1)	1,255.0	1,233.8	1,105.2	992.6	
Aged	(1)	(2)	(2)	(2)	(2)	
Blind & Disabled -Dual	(1)	(2)	(2)	(2)	(2)	
Blind & Disabled – Non-Dual	(1)	3,819.4	3,835.7	3,531.9	3,287.3	
Partial Eligibles	(1)	(2)	(2)	(2)	(2)	
Other	(1)	23.8	24.0	22.0	20.1	
Total		\$0.0	\$10,408.3	\$10,227.1	\$9,217.1	\$8,380.3
% Impact		0.0%	5.2%	4.7%	4.0%	3.4%

- Notes: (1) Fee schedule scenario was assumed to occur on July 1, 2007 and will not impact SFY 2007.
(2) Dual eligible populations were excluded from the analysis.

Table 6 illustrates the difference between the Baseline Forecast and the Medicare Fee Schedule Forecast by Category of Service. Only those categories of service for which the fee schedule analysis was performed are listed below.

Table 6

**NORTH DAKOTA DEPARTMENT OF HUMAN SERVICES
Medicare Fee Schedule Forecast
Impact to Baseline Forecast - Paid
(State and Federal Dollars in Thousands)**

Category of Service	State Fiscal Year				
	2007	2008	2009	2010	2011
Inpatient Hosp.	\$0.0	\$3,299.0	\$3,439.5	\$3,259.4	\$3,122.5
Outpatient Hosp.	0.0	3,037.1	3,129.8	2,953.9	2,826.3
Ambulance	0.0	257.1	262.0	255.5	251.8
DME	0.0	30.9	20.1	8.7	0.0
Lab/Radiology	0.0	27.6	17.6	11.4	8.8
Occ. Therapy	0.0	139.5	139.4	135.5	136.4
Physical Therapy	0.0	91.1	91.0	88.5	89.1
Physician	0.0	3,397.4	2,994.4	2,359.5	1,773.6
Psychological	0.0	11.8	11.5	10.7	10.3
Speech/Hearing	0.0	116.7	121.7	134.0	161.4
Total	\$0.0	\$10,408.3	\$10,227.1	\$9,217.1	\$8,380.3

C. 1% Sensitivity Forecast

The 1% Sensitivity Forecast reflects the impact of a 1% increase in the fee schedules for each of the categories of service reviewed in our report entitled *Analysis of Medicaid Fee for Service Payment Rates* dated August 25, 2006. The 1% increase was assumed to occur annually on a cumulative basis effective at the beginning of State SFY 2008. Based upon discussions with DHS, Milliman has limited the impact of the analysis to all services for non-Dual eligible populations as well as specific non-Medicare services for the Dual eligible population. The services analyzed for the Dual eligible population include Dental, Pharmacy and Transportation.

Projected expenditures by State fiscal year for the 1% Sensitivity Forecast are provided in Table 7. The results for the 1% Sensitivity Forecast have been illustrated on a paid claims basis to be consistent with North Dakota fiscal reporting.

Table 7

**NORTH DAKOTA DEPARTMENT OF HUMAN SERVICES
1% Sensitivity Forecast
Expenditure Forecast for Fiscal Years 2007 through 2011
(State and Federal Dollars in Thousands)**

State fiscal year	Paid Basis	
	Expenditures	% Growth
SFY 2007	\$184,238.3	
SFY 2008	200,369.8	8.8%
SFY 2009	222,485.7	11.0%
SFY 2010	236,465.2	6.3%
SFY 2011	256,066.1	8.3%

The difference between the Baseline Forecast and the 1% Sensitivity Forecast is summarized by fiscal year in Table 8. Results have been illustrated by aid category group.

Table 8

**NORTH DAKOTA DEPARTMENT OF HUMAN SERVICES
1% Sensitivity Forecast
Impact to Baseline Forecast - Paid
(State and Federal Dollars in Thousands)**

Aid Category Group	State Fiscal Year				
	2007	2008	2009	2010	2011
TANF	\$0.0	\$767.3	\$1,837.2	\$2,977.2	\$4,308.3
Pregnant Women	0.0	140.2	341.6	560.4	820.3
Aged	0.0	8.9	20.8	33.5	48.4
Blind & Disabled -Dual	0.0	4.7	11.1	17.9	25.9
Blind & Disabled – Non-Dual	0.0	585.0	1,435.1	2,373.4	3,504.4
Partial Eligibles	0.0	0.0	0.0	0.0	0.0
Other	0.0	3.4	8.6	14.5	21.6
Total	\$0.0	\$1,509.4	\$3,654.4	\$5,977.0	\$8,729.0
% Change	0.0%	0.8%	1.7%	2.6%	3.5%

Table 9 illustrates the difference between the Baseline Forecast and the 1% Sensitivity Forecast by Category of Service. Note, the values shown in Table 9 are on a paid basis; therefore, the full 1% impact is not realized in SFY 2008.

Table 9

**NORTH DAKOTA DEPARTMENT OF HUMAN SERVICES
1% Sensitivity Forecast
Impact to Baseline Forecast - Paid
(State and Federal Dollars in Thousands)**

Category of Service	State Fiscal Year				
	2007	2008	2009	2010	2011
Inpatient Hosp.	\$0.0	\$406.4	\$973.8	\$1,565.7	\$2,245.4
Outpatient Hosp.	0.0	209.0	503.6	827.6	1,216.4
Ambulance	0.0	9.1	22.3	36.0	51.6
Chiropractic	0.0	1.7	4.1	6.7	9.7
Dental	0.0	62.5	146.3	235.6	339.6
Pharmacy	0.0	318.6	781.3	1,309.1	1,964.2
DME	0.0	19.0	45.6	73.1	104.5
FQHC	0.0	11.5	27.2	43.8	63.0
Home Health	0.0	7.6	22.7	39.8	60.4
Hospice	0.0	6.3	16.5	27.7	41.1
Indian Health	0.0	95.4	240.4	399.4	589.5
Lab/Radiology	0.0	7.6	17.7	28.4	40.7
Occ. Therapy	0.0	3.6	9.0	14.8	21.7
Optometry	0.0	10.1	23.8	38.4	55.3
Physical Therapy	0.0	2.3	5.9	9.7	14.1
Physician	0.0	280.7	673.9	1,093.3	1,582.3
Psychological	0.0	1.8	4.3	6.9	9.8
RHCs	0.0	18.5	43.2	69.5	100.0
Speech/Hearing	0.0	16.4	40.4	65.9	95.5
Transportation	0.0	21.2	52.3	85.5	124.3
Total	\$0.0	\$1,509.4	\$3,654.4	\$5,977.0	\$8,729.0

Notes: (1) Fee schedule impact was assumed to occur on July 1, 2007 and will not impact SFY 2007.

Section III. Methodology and Assumptions

The results of our analysis are based upon claims and enrollment data for the period of July 1, 2004 through July 18, 2006 as provided by DHS. Throughout our analysis, Milliman has recognized that the fiscal year for North Dakota Medicaid includes claims paid through the third week in July for each fiscal year. We have continued this assumption into the development of forecasted expenditures for the five year projection period.

Milliman utilized the following steps in the development of our forecast:

Step 1: Summarization of Claims Data: In addition to the original claims data provided by DHS, Milliman received a separate listing of ICN numbers that identified the voided claims. The voided claim ICN numbers were match to ICN numbers in the claims extract. For any matched ICN number, the claim was removed from the analysis. In addition to removal of the voided claims, Milliman excluded claims for the following ICNs prior to beginning summarization of the data:

- “30” – CHILDRENS SPECIAL HEALTH SERVICES
- “50” – VOCATIONAL REHABILITATION
- “60” – DISABILITY DETERMINATION SERVICES
- “91” – DIRECTOR OF INSTITUTIONS

Milliman utilized logic provided by DHS to separate the available claims data by category of service, aid category group and incurred month. A summary of the category of service logic used in our analysis is provided in Appendix D. The following table illustrates the mapping of DHS Recipient Aid Categories to the aid category groups used in our analysis.

Aid Category Group	Recipient Aid Categories
TANF	003 – AFDC-Child 006 – Refugee Assistance 007 – Foster Care 008 – CSHS 010 – AFDC-Adult Caretaker 022 – Poverty Level-Child under 6 023 – Poverty Level Child (Deprived) under6 026 – AFDC-Me. Trans Med. Adult 027 – AFDC-Med Trans. Med Child 033 – Children born after 09/30/83 (deprived, not deprived, Foster Care) 037 – AFDC-UP Child 038 – AFDC-UP Caretaker
Pregnant Women	020 – AFDC-Pregnant Women 021 – Poverty Level-Pregnant Women 051 – Women’s Way
Aged	001 – Old Age Assistance
Blind & Disabled ⁽¹⁾	002 – Aid to the Blind 004 – Aid to the Disabled (includes SSI Disabled Children) 009 – Medically Needy under 21 015 – Disability Determination Services 016 – Development Disability 052 – Workers With Disabilities Buy-In

Aid Category Group	Recipient Aid Categories
Partial Eligibles	028 – QMB Aged 029 – QMB Blind 030 – QMB Disabled 041 – QI135 – AGED (TEC 1A) QI135 – BLIND (TEC 1B) QI135 – DISABLED (TEC 1D) 042 – QI175 – AGED (TEC 2A) QI175 – BLIND (TEC 2B) QI175 – DISABLED (TEC 1D)
Other	All Other Recipient Aid Categories

Notes: (1) The Medicare eligibility flag was used to establish Dual eligibility status for the separation of the Blind & Disabled Dual eligible population and the Blind & Disabled non-Dual eligible population. When the Medicare Eligibility flag was blank, claims were assigned to the Non-Dual category. All other claims were considered to have Dual eligibility status.

Step 2: Claims Completion: Claim completion factors were developed and applied to the summarized incurred claims data to estimate recent incurred claims experience. The completion factors were derived by applying standard actuarial methods to the data provided by DHS.

Step 3: Enrollment Summary and Completion: Enrollment data was summarized by month by aid category group. Due to retroactive eligibility, Milliman developed completion factors for the enrollment data based upon the data provided by DHS, other internal data related to Medicaid enrollment completion patterns and actuarial judgment.

Step 4: Enrollment Projection: Milliman analyzed historical enrollment trends and applied actuarial judgment to develop the following enrollment trends by fiscal year. The enrollment trends were used to estimate total enrollment by month by aid category group. July 2006 enrollment estimates were used as the basis for the projection along with the assumed enrollment trends.

Aid Category Group	Enrollment Trend Assumptions by State Fiscal Year				
	2007	2008	2009	2010	2011
TANF	2.00%	1.50%	1.00%	1.00%	1.00%
Pregnant Women	5.00%	4.00%	3.00%	3.00%	3.00%
Aged	0.00%	0.25%	.050%	0.75%	1.00%
Blind & Disabled -Dual	(0.50%)	0.00%	0.00%	0.00%	0.00%
Blind & Disabled – Non-Dual	5.00%	4.00%	3.00%	3.00%	3.00%
Partial Eligibles	8.00%	7.00%	6.00%	5.00%	4.00%
Other	8.00%	7.00%	6.00%	5.00%	4.00%

Step 5: Development and Projection of Per Member Per Month Estimates: Historical Per Member Per Month (PMPM) expenditures were derived for each category of service within each aid category group by dividing historical incurred claim estimates by the corresponding estimated enrollment. Average PMPM expenditures for fiscal year 2006 were trended forward to future fiscal years based upon trend assumptions that varied by category of service and by Dual versus non-Dual eligibility for each fiscal year.

The Office of the Actuary at the Center for Medicare and Medicaid Services publishes trend projections on an annual basis. The most recent projections were released in February 2006. The general direction of the Office of the Actuary trends for fiscal years 2008 through 2011 was used to alter the magnitude of 2007 assumed trend levels as appropriate.

Trends for fiscal year 2007 were established by reviewing the recent historical trend experience for DHS as well as the magnitude of the 2007 per capita trends in the CMS report. Additional sources of historical Medicare related expenditure trends were also used in the determination of projected trends for the Dual eligible population. The assumed 2007 trend levels for the Dual eligible versus non-Dual eligible populations for each category of service are illustrated in the following table. The 2007 trends were altered no more than plus or minus 1.5% over the total duration of the forecast. The illustrated trends reflect the combined expected impact of increases in utilization, intensity of services, and cost per unit of service. Differences in trends by population occur due to the coordination with Medicare, as well as other inherent cost differentials.

Category of Service	SFY 2007 Trend Assumption	
	Dual Eligibles	Non-Dual Eligibles
Inpatient Hospital	2.6%	3.0%
Outpatient Hospital	5.1%	6.0%
Ambulance Services	2.0%	3.0%
Chiropractic Services	4.5%	5.5%
Dental Services	5.5%	5.5%
Pharmacy	7.0%	8.0%
Durable Medical Equipment	2.0%	2.5%
Federally Qualified Health Centers	4.0%	5.5%
Home Health Services	5.7%	7.0%
Hospice Services	5.5%	5.5%
Indian Health Services	5.1%	6.0%
Laboratory and Radiology	3.2%	4.0%
Occupational Therapy	3.2%	5.0%
Optometry Services	3.2%	5.0%
Physical Therapy	3.2%	5.0%
Physician Services	4.0%	5.5%
Psychological Services	2.4%	3.0%
Rural Health Clinics	4.0%	5.5%
Speech and Hearing Services	3.2%	5.0%
Transportation Services	5.0%	5.0%

Step 6: Projected Incurred Expenditures: Incurred expenditure estimates were developed by multiplying projected monthly enrollment by the corresponding monthly PMPM value for each category of service within each aid category grouping. The resulting expenditure values were summed across all categories of service in each aid category grouping for the twelve months in each fiscal year.

Step 7: Projected Paid Expenditures: Projected paid expenditures by fiscal year were developed by translating the monthly incurred claims expenditure stream to a paid claims basis. The most critical components of the translation included the modeling of the impact of the number of payments per month (*i.e.*, 4 Tuesdays or 5 Tuesdays per month), the impact of the average payment lag by category of service (*i.e.*, longer lag for Inpatient Hospital services, shorter lag for Pharmacy and Dental services), and the inclusion of the first three weeks of payments in July into the prior fiscal year. SFY 2009 expenditures were slightly elevated by this methodology due to the occurrence of 53 Tuesdays in the fiscal year.

Section IV. Reconciliation

A reconciliation between the budget summary reports provided by DHS and paid claims results for SFY 2005 from Milliman's analysis is provided in Appendix E. The reconciliation should be reviewed for complete understanding of the baseline magnitude of expenditures included in our analysis for each category of service. Please note that the sub-totals at the bottom of Appendix E only include those line items listed at the bottom of this section.

Based upon our understanding of the category of service logic included in Appendix D, we believe that claims expenditures for each category of service identified below with an asterisk is included in our analysis, however, the expenditures for those line items were allocated across the other (non-asterisk) listed line items. For example, the hospital inpatient expenditures for the Breast and Cervical Cancer recipients were included in the Inpatient Hospital category of service. DHS should review the category of service logic summarized in Appendix D to verify the validity of this assumption.

Inpatient Hospital	Indian Health Services
Outpatient Hospital	Laboratory and Radiology
Ambulance Services	N.D. Health Tracks *
Breast and Cervical Cancer *	Occupational Therapy
Children's Health Insurance Program *	Optometry Services
Chiropractic Services	Physical Therapy
Dental Services	Physician Services
Pharmacy	Psychological Services
Durable Medical Equipment	Refugee Assistance *
Family Planning *	Rural Health Clinics
Federally Qualified Health Centers	Speech and Hearing Services
Home Health Services	Transportation Services
Hospice Services	Working Disabled*

As shown in Appendix E, the FY 2005 budget information provided by DHS is approximately \$12.6 million greater than the values developed by Milliman from the DHS claim data bases. We were unable to reconcile the difference between the two sets of data. The values in our report will need to be adjusted to the extent that additional expenditure information was omitted from the analysis.

Appendix A: Baseline Forecast – Incurred Claims

**STATE OF NORTH DAKOTA -- DEPARTMENT OF HUMAN SERVICES
INCURRED CLAIMS FORECAST: FY 2005 - FY 2011**

Total - Scenario: Baseline
Data Paid Through July 18, 2006
(State and Federal Dollars in Thousands)

EXPENDITURES (in Thousands)	FY 2005	<i>Growth</i>	FY 2006	<i>Growth</i>	FY 2007	<i>Growth</i>	FY 2008	<i>Growth</i>	FY 2009	<i>Growth</i>	FY 2010	<i>Growth</i>	FY 2011
Inpatient Hospital	\$38,506.2	18.3%	\$45,561.2	9.4%	\$49,821.7	6.3%	\$52,941.0	5.6%	\$55,894.6	5.3%	\$58,871.9	5.3%	\$62,012.4
Outpatient Hospital	23,563.3	6.0%	24,983.1	11.6%	27,889.2	8.7%	30,326.0	8.3%	32,828.2	8.1%	35,495.0	8.1%	38,370.7
Ambulance Svcs.	1,154.9	7.7%	1,244.1	8.0%	1,343.8	5.7%	1,420.2	5.1%	1,493.0	4.8%	1,564.9	4.8%	1,640.7
Breast and Cervical Cancer	*	*	*	*	*	*	*	*	*	*	*	*	*
Children's Health Ins. Program	*	*	*	*	*	*	*	*	*	*	*	*	*
Chiropractic Svcs.	198.2	8.6%	215.2	9.9%	236.5	7.7%	254.7	7.1%	272.6	6.8%	291.1	6.6%	310.2
Dental Svcs.	5,938.5	0.9%	5,991.1	10.0%	6,591.8	7.9%	7,113.6	7.1%	7,621.2	6.7%	8,133.9	6.5%	8,666.6
Drugs	61,783.9	(34.4%)	40,506.7	(17.2%)	33,537.6	11.5%	37,384.6	10.9%	41,446.9	10.6%	45,853.0	10.7%	50,772.8
Durable Medical Equipment	2,938.5	3.0%	3,027.7	7.4%	3,252.0	5.3%	3,424.1	4.8%	3,587.5	4.5%	3,747.9	4.5%	3,916.0
Family Planning	*	*	*	*	*	*	*	*	*	*	*	*	*
Federally Qualified Health Centers	1,178.4	6.2%	1,251.1	9.8%	1,373.7	7.7%	1,479.9	6.8%	1,580.5	6.3%	1,680.1	6.2%	1,783.6
Home Health Svcs.	1,378.8	0.4%	1,384.7	11.3%	1,540.6	9.6%	1,688.4	8.8%	1,837.4	8.4%	1,991.9	8.2%	2,156.2
Hospice Svcs.	3,491.5	18.3%	4,129.2	7.6%	4,444.3	6.4%	4,728.2	6.3%	5,026.6	6.3%	5,342.9	6.3%	5,680.3
Indian Health Svcs.	9,537.9	11.5%	10,630.7	10.5%	11,750.0	8.7%	12,775.4	8.2%	13,820.4	8.1%	14,933.4	8.1%	16,137.7
Laboratory & Radiology	932.1	(12.0%)	820.2	9.5%	898.5	6.7%	959.1	6.0%	1,016.7	5.7%	1,074.5	5.6%	1,134.1
N.D. Health Tracks	*	*	*	*	*	*	*	*	*	*	*	*	*
Occupational Therapy	270.6	43.0%	386.8	10.8%	428.5	8.5%	464.7	7.5%	499.7	7.1%	535.3	7.0%	572.7
Optometry Svcs.	1,073.2	7.0%	1,148.7	8.7%	1,249.1	7.0%	1,336.1	6.3%	1,420.7	6.1%	1,507.1	5.9%	1,596.7
Physical Therapy	340.0	(14.6%)	290.4	10.2%	320.0	7.8%	345.0	7.0%	369.2	6.7%	393.8	6.6%	419.7
Physician Svcs.	28,440.9	10.8%	31,499.8	10.8%	34,908.6	8.1%	37,733.0	7.1%	40,414.4	6.6%	43,068.1	6.4%	45,826.6
Psychological Svcs.	250.5	(9.6%)	226.5	7.1%	242.5	5.4%	255.6	4.8%	267.8	4.5%	279.7	4.4%	292.0
Refugee Assistance	*	*	*	*	*	*	*	*	*	*	*	*	*
Rural Health Clinics	1,810.0	5.1%	1,903.1	9.4%	2,082.8	7.8%	2,244.7	6.8%	2,397.8	6.3%	2,548.9	6.2%	2,705.8
Speech & Hearing Svcs.	1,414.8	38.9%	1,964.6	8.7%	2,135.5	7.2%	2,289.8	6.5%	2,439.7	6.3%	2,593.0	6.2%	2,752.7
Transportation Svcs.	2,050.7	11.9%	2,294.1	8.8%	2,495.3	7.4%	2,680.1	6.9%	2,865.0	6.6%	3,053.9	6.7%	3,257.6
Working Disabled	*	*	*	*	*	*	*	*	*	*	*	*	*
Total Expenditures	\$186,252.8	(3.6%)	\$179,459.0	3.9%	\$186,542.2	8.2%	\$201,843.9	7.6%	\$217,099.8	7.3%	\$232,960.6	7.3%	\$250,005.1
ENROLLMENT (In Thousands)													
Total Member Months	650.0	0.3%	651.7	3.5%	674.5	2.0%	687.9	1.6%	698.6	1.4%	708.1	1.4%	717.7
June Enrollment	54.1	2.6%	55.6	2.2%	56.8	1.8%	57.8	1.4%	58.6	1.4%	59.4	1.4%	60.2

* Based upon our understanding of the logic included in Appendix E, we believe that claims expenditures for each category of service identified with an asterisk is included in our analysis, however, the expenditures for those line items were allocated across the other (non-asterisk) listed line items.

STATE OF NORTH DAKOTA -- DEPARTMENT OF HUMAN SERVICES
INCURRED CLAIMS FORECAST: FY 2005 - FY 2011
TANF - Scenario: Baseline
 Data Paid Through July 18, 2006
 (State and Federal Dollars in Thousands)

EXPENDITURES (in Thousands)	FY 2005	<i>Growth</i>	FY 2006	<i>Growth</i>	FY 2007	<i>Growth</i>	FY 2008	<i>Growth</i>	FY 2009	<i>Growth</i>	FY 2010	<i>Growth</i>	FY 2011
Inpatient Hospital	\$16,540.6	12.3%	\$18,574.7	6.0%	\$19,692.0	4.8%	\$20,642.4	4.4%	\$21,543.0	4.2%	\$22,449.4	4.2%	\$23,393.1
Outpatient Hospital	10,938.4	7.0%	11,705.5	9.2%	12,777.1	7.9%	13,789.7	7.5%	14,823.5	7.4%	15,922.7	7.4%	17,102.2
Ambulance Svcs.	503.0	(1.3%)	496.5	5.6%	524.4	4.8%	549.4	4.3%	573.0	4.0%	596.1	4.1%	620.3
Breast and Cervical Cancer	*	*	*	*	*	*	*	*	*	*	*	*	*
Children's Health Ins. Program	*	*	*	*	*	*	*	*	*	*	*	*	*
Chiropractic Svcs.	115.4	10.7%	127.7	8.8%	138.9	7.2%	148.9	6.6%	158.7	6.3%	168.7	6.1%	179.0
Dental Svcs.	3,883.6	(1.8%)	3,813.2	7.9%	4,116.1	7.2%	4,412.3	6.5%	4,698.3	6.1%	4,984.9	5.9%	5,279.2
Drugs	12,379.3	13.0%	13,994.2	12.4%	15,733.5	10.0%	17,308.6	9.7%	18,978.9	9.5%	20,785.6	9.6%	22,781.7
Durable Medical Equipment	521.9	6.9%	557.9	5.2%	586.6	4.3%	611.7	3.8%	634.8	3.5%	657.2	3.6%	680.6
Family Planning	*	*	*	*	*	*	*	*	*	*	*	*	*
Federally Qualified Health Centers	734.4	7.4%	788.8	7.9%	851.5	7.2%	912.9	6.3%	970.7	5.8%	1,027.4	5.7%	1,085.7
Home Health Svcs.	205.8	38.5%	284.9	9.4%	311.7	8.7%	338.8	8.0%	366.0	7.6%	393.8	7.4%	422.8
Hospice Svcs.	24.7	(62.7%)	9.2	8.3%	10.0	7.2%	10.7	6.6%	11.4	6.2%	12.1	6.0%	12.8
Indian Health Svcs.	6,021.0	16.7%	7,028.4	8.4%	7,619.5	7.9%	8,223.3	7.5%	8,839.8	7.4%	9,495.3	7.4%	10,198.7
Laboratory & Radiology	500.4	(9.5%)	452.7	6.6%	482.5	5.7%	510.0	5.1%	536.1	4.9%	562.1	4.7%	588.7
N.D. Health Tracks	*	*	*	*	*	*	*	*	*	*	*	*	*
Occupational Therapy	101.4	48.9%	151.0	7.6%	162.4	6.7%	173.3	6.1%	183.8	5.8%	194.5	5.7%	205.5
Optometry Svcs.	738.7	5.3%	778.1	7.5%	836.2	6.7%	892.2	6.1%	946.4	5.8%	1,001.5	5.7%	1,058.2
Physical Therapy	90.3	11.0%	100.3	9.1%	109.4	6.7%	116.8	6.1%	123.9	5.8%	131.1	5.7%	138.5
Physician Svcs.	14,961.8	8.7%	16,270.9	8.0%	17,566.1	7.2%	18,833.3	6.3%	20,025.4	5.8%	21,195.1	5.7%	22,398.1
Psychological Svcs.	153.1	(18.8%)	124.3	5.6%	131.2	4.7%	137.4	4.1%	143.1	3.9%	148.7	3.8%	154.3
Refugee Assistance	*	*	*	*	*	*	*	*	*	*	*	*	*
Rural Health Clinics	1,210.5	10.0%	1,331.6	7.9%	1,437.3	7.2%	1,541.0	6.3%	1,638.5	5.8%	1,734.3	5.7%	1,832.7
Speech & Hearing Svcs.	683.5	69.8%	1,160.3	7.6%	1,248.7	6.7%	1,332.3	6.1%	1,413.2	5.8%	1,495.5	5.7%	1,580.1
Transportation Svcs.	1,306.6	(0.1%)	1,305.9	7.7%	1,406.7	6.8%	1,502.6	6.3%	1,597.8	6.0%	1,694.5	6.1%	1,797.9
Working Disabled	*	*	*	*	*	*	*	*	*	*	*	*	*
Total Expenditures	\$71,614.4	10.4%	\$79,056.0	8.5%	\$85,741.9	7.3%	\$91,987.6	6.8%	\$98,206.2	6.6%	\$104,650.3	6.6%	\$111,510.1
ENROLLMENT (In Thousands)													
Total Member Months	413.4	(0.7%)	410.3	2.8%	421.8	1.7%	429.0	1.2%	434.3	1.0%	438.7	1.0%	443.0
June Enrollment	34.4	1.1%	34.8	2.0%	35.5	1.5%	36.0	1.0%	36.4	1.0%	36.7	1.0%	37.1

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STATE OF NORTH DAKOTA -- DEPARTMENT OF HUMAN SERVICES
INCURRED CLAIMS FORECAST: FY 2005 - FY 2011
Pregnant Women - Scenario: Baseline
 Data Paid Through July 18, 2006
 (State and Federal Dollars in Thousands)

EXPENDITURES (in Thousands)	FY 2005	<i>Growth</i>	FY 2006	<i>Growth</i>	FY 2007	<i>Growth</i>	FY 2008	<i>Growth</i>	FY 2009	<i>Growth</i>	FY 2010	<i>Growth</i>	FY 2011
Inpatient Hospital	\$4,642.1	15.6%	\$5,367.8	17.3%	\$6,295.2	7.6%	\$6,775.8	6.7%	\$7,226.8	6.3%	\$7,680.0	6.3%	\$8,161.3
Outpatient Hospital	1,464.0	9.4%	1,601.2	22.3%	1,958.5	10.8%	2,170.3	9.9%	2,384.2	9.5%	2,611.7	9.5%	2,860.7
Ambulance Svcs.	56.4	14.0%	64.3	17.2%	75.4	7.6%	81.1	6.6%	86.4	6.1%	91.7	6.1%	97.3
Breast and Cervical Cancer	*	*	*	*	*	*	*	*	*	*	*	*	*
Children's Health Ins. Program	*	*	*	*	*	*	*	*	*	*	*	*	*
Chiropractic Svcs.	14.6	10.2%	16.1	19.8%	19.2	10.1%	21.2	8.9%	23.1	8.4%	25.0	8.2%	27.1
Dental Svcs.	170.0	11.9%	190.3	19.8%	227.9	10.1%	250.8	8.8%	272.9	8.2%	295.3	8.0%	319.0
Drugs	480.5	21.3%	582.8	23.6%	720.2	13.0%	813.5	12.1%	911.6	11.7%	1,018.2	11.8%	1,138.0
Durable Medical Equipment	19.1	(35.1%)	12.4	15.8%	14.3	7.1%	15.3	6.1%	16.3	5.6%	17.2	5.6%	18.1
Family Planning	*	*	*	*	*	*	*	*	*	*	*	*	*
Federally Qualified Health Centers	109.7	22.7%	134.6	20.3%	162.0	10.1%	178.4	8.7%	193.8	7.9%	209.2	7.8%	225.4
Home Health Svcs.	1.5	209.6%	4.7	19.9%	5.6	11.6%	6.2	10.4%	6.9	9.7%	7.6	9.5%	8.3
Hospice Svcs.	0.0	0.0%	9.4	18.8%	11.2	10.1%	12.3	8.9%	13.4	8.3%	14.5	8.1%	15.7
Indian Health Svcs.	629.4	39.0%	874.6	20.5%	1,054.3	10.8%	1,168.3	9.9%	1,283.4	9.5%	1,405.9	9.5%	1,540.0
Laboratory & Radiology	126.3	(10.8%)	112.7	18.3%	133.3	8.5%	144.7	7.4%	155.4	6.9%	166.2	6.8%	177.5
N.D. Health Tracks	*	*	*	*	*	*	*	*	*	*	*	*	*
Occupational Therapy	3.1	(2.8%)	3.0	22.9%	3.7	9.6%	4.1	8.4%	4.4	7.9%	4.7	7.8%	5.1
Optometry Svcs.	37.7	(0.3%)	37.6	19.3%	44.8	9.6%	49.1	8.4%	53.3	7.9%	57.5	7.8%	61.9
Physical Therapy	0.7	12.3%	0.8	20.1%	1.0	9.6%	1.0	8.4%	1.1	7.9%	1.2	7.8%	1.3
Physician Svcs.	3,393.3	13.1%	3,838.4	19.9%	4,602.2	10.1%	5,066.2	8.7%	5,505.2	7.9%	5,942.2	7.8%	6,403.8
Psychological Svcs.	2.3	(84.3%)	0.4	15.5%	0.4	7.5%	0.5	6.4%	0.5	6.0%	0.5	5.9%	0.5
Refugee Assistance	*	*	*	*	*	*	*	*	*	*	*	*	*
Rural Health Clinics	108.9	(6.4%)	101.9	20.0%	122.3	10.1%	134.6	8.7%	146.2	7.9%	157.9	7.8%	170.1
Speech & Hearing Svcs.	0.0	0.0%	0.0	(100.0%)	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0
Transportation Svcs.	55.8	(42.8%)	31.9	19.5%	38.1	9.7%	41.8	8.7%	45.4	8.1%	49.1	8.2%	53.2
Working Disabled	*	*	*	*	*	*	*	*	*	*	*	*	*
Total Expenditures	\$11,315.4	14.8%	\$12,984.9	19.3%	\$15,489.5	9.3%	\$16,935.1	8.2%	\$18,330.4	7.8%	\$19,755.5	7.7%	\$21,284.3
ENROLLMENT (In Thousands)													
Total Member Months	14.4	11.3%	16.0	14.2%	18.3	4.5%	19.1	3.5%	19.8	3.0%	20.3	3.0%	21.0
June Enrollment	1.3	18.4%	1.5	5.0%	1.6	4.0%	1.6	3.0%	1.7	3.0%	1.7	3.0%	1.8

* Based upon our understanding of the logic included in Appendix E, we believe that claims expenditures for each category of service identified with an asterisk is included in our analysis, however, the expenditures for those line items were allocated across the other (non-asterisk) listed line items.

STATE OF NORTH DAKOTA -- DEPARTMENT OF HUMAN SERVICES													
INCURRED CLAIMS FORECAST: FY 2005 - FY 2011													
Aged - Scenario: Baseline													
Data Paid Through July 18, 2006													
(State and Federal Dollars in Thousands)													
EXPENDITURES (in Thousands)	FY 2005	Growth	FY 2006	Growth	FY 2007	Growth	FY 2008	Growth	FY 2009	Growth	FY 2010	Growth	FY 2011
Inpatient Hospital	\$1,435.6	14.9%	\$1,649.6	3.8%	\$1,712.8	2.8%	\$1,760.4	3.1%	\$1,814.6	3.4%	\$1,876.5	3.7%	\$1,945.5
Outpatient Hospital	1,721.6	19.7%	2,061.1	5.7%	2,178.4	5.3%	2,294.3	5.7%	2,424.5	6.1%	2,571.7	6.3%	2,734.9
Ambulance Svcs.	118.6	(2.5%)	115.6	2.9%	119.0	2.1%	121.5	2.4%	124.4	2.7%	127.7	2.9%	131.5
Breast and Cervical Cancer	*	*	*	*	*	*	*	*	*	*	*	*	*
Children's Health Ins. Program	*	*	*	*	*	*	*	*	*	*	*	*	*
Chiropractic Svcs.	11.3	(10.5%)	10.1	5.2%	10.6	4.5%	11.1	4.7%	11.6	5.0%	12.2	5.1%	12.8
Dental Svcs.	509.1	(1.9%)	499.3	6.1%	529.7	5.5%	558.9	5.6%	590.2	5.7%	624.0	5.8%	660.2
Drugs	20,678.9	(69.5%)	6,301.4	(94.8%)	330.5	7.3%	354.5	7.7%	381.8	8.1%	412.6	8.4%	447.4
Durable Medical Equipment	332.8	2.1%	339.9	2.9%	349.7	2.1%	357.2	2.4%	365.8	2.7%	375.5	2.9%	386.5
Family Planning	*	*	*	*	*	*	*	*	*	*	*	*	*
Federally Qualified Health Centers	87.3	(3.1%)	84.6	5.1%	88.9	4.1%	92.5	4.1%	96.3	4.1%	100.3	4.3%	104.6
Home Health Svcs.	176.5	9.9%	194.0	6.3%	206.2	5.7%	218.0	5.9%	230.8	6.0%	244.6	6.1%	259.5
Hospice Svcs.	2,788.3	14.2%	3,185.2	6.4%	3,390.2	5.5%	3,578.0	5.7%	3,781.1	5.8%	4,000.5	5.9%	4,237.0
Indian Health Svcs.	542.6	(26.1%)	401.0	5.6%	423.6	5.3%	446.2	5.7%	471.5	6.1%	500.1	6.3%	531.8
Laboratory & Radiology	46.0	(30.8%)	31.8	4.0%	33.1	3.3%	34.2	3.5%	35.3	3.7%	36.7	3.9%	38.1
N.D. Health Tracks	*	*	*	*	*	*	*	*	*	*	*	*	*
Occupational Therapy	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0
Optometry Svcs.	88.0	4.7%	92.1	5.6%	97.3	3.3%	100.5	3.5%	104.0	3.7%	107.8	3.9%	112.0
Physical Therapy	8.9	(41.6%)	5.2	3.9%	5.4	3.3%	5.6	3.5%	5.8	3.7%	6.0	3.9%	6.2
Physician Svcs.	1,538.8	(1.4%)	1,517.0	5.1%	1,593.8	4.1%	1,658.6	4.1%	1,726.1	4.1%	1,797.6	4.3%	1,875.0
Psychological Svcs.	4.3	14.6%	5.0	3.2%	5.1	2.5%	5.3	2.7%	5.4	2.9%	5.6	3.1%	5.7
Refugee Assistance	*	*	*	*	*	*	*	*	*	*	*	*	*
Rural Health Clinics	66.7	(6.1%)	62.6	4.8%	65.6	4.1%	68.3	4.1%	71.0	4.1%	74.0	4.3%	77.2
Speech & Hearing Svcs.	131.6	19.1%	156.7	3.8%	162.7	3.3%	168.0	3.5%	173.8	3.7%	180.3	3.9%	187.3
Transportation Svcs.	80.6	27.2%	102.5	6.8%	109.4	5.1%	115.1	5.5%	121.4	5.7%	128.2	6.0%	135.9
Working Disabled	*	*	*	*	*	*	*	*	*	*	*	*	*
Total Expenditures	\$30,367.5	(44.6%)	\$16,814.8	(32.1%)	\$11,411.9	4.7%	\$11,948.1	4.9%	\$12,535.4	5.2%	\$13,181.8	5.4%	\$13,889.2
ENROLLMENT (In Thousands)													
Total Member Months	80.1	(1.8%)	78.7	1.0%	79.5	0.1%	79.6	0.4%	79.9	0.6%	80.4	0.9%	81.1
June Enrollment	6.6	0.8%	6.6	0.0%	6.6	0.2%	6.6	0.5%	6.7	0.8%	6.7	1.0%	6.8

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STATE OF NORTH DAKOTA -- DEPARTMENT OF HUMAN SERVICES
INCURRED CLAIMS FORECAST: FY 2005 - FY 2011
Blind & Disabled, Dual - Scenario: Baseline
 Data Paid Through July 18, 2006
 (State and Federal Dollars in Thousands)

EXPENDITURES (in Thousands)	FY 2005	<i>Growth</i>	FY 2006	<i>Growth</i>	FY 2007	<i>Growth</i>	FY 2008	<i>Growth</i>	FY 2009	<i>Growth</i>	FY 2010	<i>Growth</i>	FY 2011
Inpatient Hospital	\$913.3	22.2%	\$1,115.8	1.1%	\$1,127.7	2.4%	\$1,154.9	2.7%	\$1,185.9	2.8%	\$1,218.5	2.7%	\$1,252.0
Outpatient Hospital	1,012.9	92.2%	1,946.5	3.3%	2,011.2	4.9%	2,110.6	5.3%	2,221.7	5.4%	2,341.6	5.4%	2,467.9
Ambulance Svcs.	50.5	79.2%	90.5	(0.6%)	89.9	1.8%	91.5	2.0%	93.4	2.0%	95.2	2.0%	97.2
Breast and Cervical Cancer	*	*	*	*	*	*	*	*	*	*	*	*	*
Children's Health Ins. Program	*	*	*	*	*	*	*	*	*	*	*	*	*
Chiropractic Svcs.	8.8	153.9%	22.5	1.9%	22.9	4.2%	23.8	4.3%	24.9	4.3%	25.9	4.2%	27.0
Dental Svcs.	610.5	(94.7%)	32.3	4.7%	33.8	5.1%	35.6	5.2%	37.4	5.0%	39.3	4.9%	41.2
Drugs	16,007.1	(66.0%)	5,437.0	(95.2%)	263.3	6.9%	281.4	7.3%	301.9	7.4%	324.2	7.5%	348.3
Durable Medical Equipment	312.2	73.7%	542.1	(0.5%)	539.5	1.8%	549.1	2.0%	560.2	2.0%	571.4	2.0%	582.9
Family Planning	*	*	*	*	*	*	*	*	*	*	*	*	*
Federally Qualified Health Centers	62.0	(30.1%)	43.4	1.0%	43.8	3.7%	45.4	3.7%	47.1	3.5%	48.7	3.4%	50.4
Home Health Svcs.	186.0	(14.4%)	159.2	2.4%	163.1	5.4%	171.8	5.5%	181.2	5.3%	190.8	5.1%	200.6
Hospice Svcs.	122.9	107.6%	255.1	2.7%	261.8	5.2%	275.3	5.3%	289.9	5.1%	304.7	5.0%	319.8
Indian Health Svcs.	157.5	(78.4%)	34.0	1.8%	34.7	4.9%	36.4	5.3%	38.3	5.4%	40.4	5.4%	42.5
Laboratory & Radiology	15.6	48.3%	23.1	0.6%	23.3	2.9%	23.9	3.1%	24.7	3.1%	25.4	3.0%	26.2
N.D. Health Tracks	*	*	*	*	*	*	*	*	*	*	*	*	*
Occupational Therapy	0.0	2314.1%	1.0	(0.6%)	1.0	2.9%	1.1	3.1%	1.1	3.1%	1.1	3.0%	1.2
Optometry Svcs.	25.0	55.8%	38.9	0.7%	39.2	2.9%	40.3	3.1%	41.5	3.1%	42.8	3.0%	44.1
Physical Therapy	65.2	(49.2%)	33.2	0.5%	33.3	2.9%	34.3	3.1%	35.3	3.1%	36.4	3.0%	37.5
Physician Svcs.	650.2	161.2%	1,698.5	1.3%	1,719.9	3.7%	1,783.3	3.7%	1,848.7	3.5%	1,913.1	3.4%	1,977.6
Psychological Svcs.	14.2	72.6%	24.5	(0.2%)	24.4	2.1%	24.9	2.3%	25.5	2.3%	26.1	2.2%	26.7
Refugee Assistance	*	*	*	*	*	*	*	*	*	*	*	*	*
Rural Health Clinics	55.0	(10.9%)	49.0	1.1%	49.5	3.7%	51.4	3.7%	53.3	3.5%	55.1	3.4%	57.0
Speech & Hearing Svcs.	87.4	(33.8%)	57.8	0.4%	58.1	2.9%	59.7	3.1%	61.6	3.1%	63.4	3.0%	65.3
Transportation Svcs.	137.5	65.5%	227.6	2.0%	232.1	4.8%	243.2	5.1%	255.4	5.0%	268.2	5.1%	281.8
Working Disabled	*	*	*	*	*	*	*	*	*	*	*	*	*
Total Expenditures	\$20,493.8	(42.3%)	\$11,832.0	(42.8%)	\$6,772.5	3.9%	\$7,037.8	4.1%	\$7,328.7	4.1%	\$7,632.5	4.1%	\$7,947.1
ENROLLMENT (In Thousands)													
Total Member Months	57.4	(3.5%)	55.4	(2.5%)	54.0	(0.2%)	53.9	0.0%	53.9	0.0%	53.9	0.0%	53.9
June Enrollment	4.7	(4.7%)	4.5	(0.5%)	4.5	0.0%	4.5	0.0%	4.5	0.0%	4.5	0.0%	4.5

* Based upon our understanding of the logic included in Appendix E, we believe that claims expenditures for each category of service identified with an asterisk is included in our analysis, however, the expenditures for those line items were allocated across the other (non-asterisk) listed line items.

STATE OF NORTH DAKOTA -- DEPARTMENT OF HUMAN SERVICES
INCURRED CLAIMS FORECAST: FY 2005 - FY 2011
Blind & Disabled, Non-Dual - Scenario: Baseline
 Data Paid Through July 18, 2006
 (State and Federal Dollars in Thousands)

EXPENDITURES (in Thousands)	FY 2005	<i>Growth</i>	FY 2006	<i>Growth</i>	FY 2007	<i>Growth</i>	FY 2008	<i>Growth</i>	FY 2009	<i>Growth</i>	FY 2010	<i>Growth</i>	FY 2011
Inpatient Hospital	\$14,576.9	27.0%	\$18,514.4	11.2%	\$20,590.6	7.6%	\$22,162.5	6.7%	\$23,637.6	6.3%	\$25,120.0	6.3%	\$26,694.3
Outpatient Hospital	7,509.2	(11.3%)	6,661.5	16.1%	7,737.3	10.8%	8,574.0	9.9%	9,419.2	9.5%	10,318.1	9.5%	11,301.8
Ambulance Svcs.	391.2	11.8%	437.5	11.6%	488.3	7.6%	525.4	6.6%	560.0	6.1%	594.1	6.1%	630.5
Breast and Cervical Cancer	*	*	*	*	*	*	*	*	*	*	*	*	*
Children's Health Ins. Program	*	*	*	*	*	*	*	*	*	*	*	*	*
Chiropractic Svcs.	37.9	(29.2%)	26.8	13.7%	30.5	10.1%	33.5	8.9%	36.5	8.4%	39.6	8.2%	42.9
Dental Svcs.	741.1	89.2%	1,401.9	15.1%	1,614.1	10.1%	1,776.6	8.8%	1,933.3	8.2%	2,091.9	8.0%	2,259.2
Drugs	12,234.2	16.0%	14,188.6	16.2%	16,486.7	13.0%	18,622.6	12.1%	20,868.1	11.7%	23,307.2	11.8%	26,051.4
Durable Medical Equipment	1,607.6	(11.3%)	1,425.6	11.3%	1,586.1	7.1%	1,698.1	6.1%	1,801.1	5.6%	1,901.5	5.6%	2,008.0
Family Planning	*	*	*	*	*	*	*	*	*	*	*	*	*
Federally Qualified Health Centers	181.6	6.2%	192.9	13.7%	219.2	10.1%	241.3	8.7%	262.2	7.9%	283.1	7.8%	305.0
Home Health Svcs.	807.5	(8.7%)	737.0	15.1%	848.2	11.6%	946.7	10.4%	1,045.1	9.7%	1,146.7	9.5%	1,255.7
Hospice Svcs.	495.8	20.4%	597.1	13.7%	678.7	10.1%	747.2	8.9%	813.6	8.3%	881.1	8.1%	952.5
Indian Health Svcs.	2,179.6	5.0%	2,289.2	14.2%	2,613.8	10.8%	2,896.5	9.9%	3,182.0	9.5%	3,485.7	9.5%	3,818.0
Laboratory & Radiology	222.4	(19.0%)	180.2	12.4%	202.6	8.5%	219.8	7.4%	236.1	6.9%	252.5	6.8%	269.7
N.D. Health Tracks	*	*	*	*	*	*	*	*	*	*	*	*	*
Occupational Therapy	165.8	39.7%	231.6	12.7%	261.1	9.6%	286.1	8.4%	310.1	7.9%	334.7	7.8%	360.6
Optometry Svcs.	168.0	12.3%	188.7	14.3%	215.7	9.6%	236.3	8.4%	256.2	7.9%	276.4	7.8%	297.9
Physical Therapy	169.6	(12.2%)	149.0	13.2%	168.6	9.6%	184.7	8.4%	200.2	7.9%	216.1	7.8%	232.8
Physician Svcs.	7,312.6	2.3%	7,482.5	14.9%	8,595.8	10.1%	9,462.6	8.7%	10,282.5	7.9%	11,098.6	7.8%	11,960.7
Psychological Svcs.	72.2	(4.2%)	69.2	12.1%	77.6	7.5%	83.4	6.4%	88.7	6.0%	94.0	5.9%	99.5
Refugee Assistance	*	*	*	*	*	*	*	*	*	*	*	*	*
Rural Health Clinics	362.5	(3.5%)	350.0	13.8%	398.4	10.1%	438.5	8.7%	476.5	7.9%	514.3	7.8%	554.3
Speech & Hearing Svcs.	489.9	20.2%	589.0	12.9%	665.1	9.6%	728.7	8.4%	789.9	7.9%	852.4	7.8%	918.5
Transportation Svcs.	441.6	41.6%	625.3	13.2%	707.8	9.7%	776.3	8.7%	843.6	8.1%	912.4	8.2%	987.2
Working Disabled	*	*	*	*	*	*	*	*	*	*	*	*	*
Total Expenditures	\$50,167.2	12.3%	\$56,338.0	13.9%	\$64,186.2	10.1%	\$70,640.8	9.1%	\$77,042.8	8.7%	\$83,720.4	8.7%	\$91,000.7
ENROLLMENT (In Thousands)													
Total Member Months	65.3	5.7%	69.0	8.4%	74.8	4.5%	78.1	3.5%	80.8	3.0%	83.2	3.0%	85.7
June Enrollment	5.5	9.7%	6.1	5.0%	6.4	4.0%	6.6	3.0%	6.8	3.0%	7.0	3.0%	7.2

* Based upon our understanding of the logic included in Appendix E, we believe that claims expenditures for each category of service identified with an asterisk is included in our analysis, however, the expenditures for those line items were allocated across the other (non-asterisk) listed line items.

STATE OF NORTH DAKOTA -- DEPARTMENT OF HUMAN SERVICES
INCURRED CLAIMS FORECAST: FY 2005 - FY 2011
Partial Eligible - Scenario: Baseline
 Data Paid Through July 18, 2006
 (State and Federal Dollars in Thousands)

EXPENDITURES (in Thousands)	FY 2005	<i>Growth</i>	FY 2006	<i>Growth</i>	FY 2007	<i>Growth</i>	FY 2008	<i>Growth</i>	FY 2009	<i>Growth</i>	FY 2010	<i>Growth</i>	FY 2011
Inpatient Hospital	\$330.2	(9.6%)	\$298.4	18.4%	\$353.3	10.3%	\$389.7	9.3%	\$425.9	8.3%	\$461.5	7.2%	\$494.9
Outpatient Hospital	886.4	7.6%	953.5	21.3%	1,156.7	13.0%	1,307.2	12.1%	1,464.7	11.1%	1,627.8	10.0%	1,790.6
Ambulance Svcs.	30.3	23.5%	37.4	17.8%	44.0	9.6%	48.3	8.6%	52.4	7.6%	56.4	6.5%	60.0
Breast and Cervical Cancer	*	*	*	*	*	*	*	*	*	*	*	*	*
Children's Health Ins. Program	*	*	*	*	*	*	*	*	*	*	*	*	*
Chiropractic Svcs.	9.6	19.4%	11.5	18.9%	13.7	12.2%	15.4	11.0%	17.1	10.0%	18.8	8.7%	20.4
Dental Svcs.	0.0	617.0%	0.1	16.7%	0.2	13.2%	0.2	12.0%	0.2	10.8%	0.2	9.4%	0.2
Drugs	0.4	562.1%	2.4	(100.0%)	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0
Durable Medical Equipment	144.8	(2.7%)	140.8	17.1%	164.9	9.6%	180.8	8.6%	196.3	7.6%	211.1	6.5%	224.8
Family Planning	*	*	*	*	*	*	*	*	*	*	*	*	*
Federally Qualified Health Centers	3.4	98.3%	6.8	22.1%	8.3	12.8%	9.3	11.4%	10.4	10.1%	11.5	8.8%	12.5
Home Health Svcs.	1.3	268.5%	4.8	22.6%	5.9	13.5%	6.7	12.3%	7.6	11.0%	8.4	9.7%	9.2
Hospice Svcs.	13.7	24.7%	17.1	22.3%	20.9	13.2%	23.7	12.1%	26.5	10.9%	29.4	9.6%	32.2
Indian Health Svcs.	6.7	(73.0%)	1.8	22.7%	2.2	13.6%	2.5	12.6%	2.8	11.7%	3.2	10.6%	3.5
Laboratory & Radiology	18.8	(15.2%)	15.9	19.5%	19.1	10.8%	21.1	9.7%	23.2	8.7%	25.2	7.5%	27.0
N.D. Health Tracks	*	*	*	*	*	*	*	*	*	*	*	*	*
Occupational Therapy	0.1	124.2%	0.2	17.8%	0.2	10.8%	0.2	9.7%	0.2	8.7%	0.3	7.5%	0.3
Optometry Svcs.	15.7	(16.0%)	13.2	19.2%	15.7	10.8%	17.4	9.7%	19.1	8.7%	20.8	7.5%	22.3
Physical Therapy	5.2	(63.5%)	1.9	16.7%	2.2	10.8%	2.4	9.7%	2.7	8.7%	2.9	7.5%	3.1
Physician Svcs.	568.2	10.5%	627.7	19.6%	750.4	11.7%	838.0	10.4%	924.7	9.1%	1,009.0	7.9%	1,088.6
Psychological Svcs.	3.1	(12.9%)	2.7	14.6%	3.1	10.0%	3.4	8.9%	3.7	7.9%	4.0	6.7%	4.3
Refugee Assistance	*	*	*	*	*	*	*	*	*	*	*	*	*
Rural Health Clinics	6.2	29.1%	8.1	20.2%	9.7	12.7%	10.9	11.3%	12.2	10.0%	13.4	8.8%	14.6
Speech & Hearing Svcs.	22.5	(96.5%)	0.8	19.4%	1.0	10.8%	1.1	9.7%	1.2	8.7%	1.3	7.5%	1.4
Transportation Svcs.	27.4	(96.9%)	0.8	17.4%	1.0	12.8%	1.1	11.8%	1.2	10.7%	1.4	9.6%	1.5
Working Disabled	*	*	*	*	*	*	*	*	*	*	*	*	*
Total Expenditures	\$2,094.1	2.5%	\$2,145.9	19.9%	\$2,572.5	11.9%	\$2,879.3	10.9%	\$3,192.1	9.8%	\$3,506.3	8.7%	\$3,811.4
ENROLLMENT (In Thousands)													
Total Member Months	12.7	14.2%	14.5	15.3%	16.7	7.5%	17.9	6.5%	19.1	5.4%	20.1	4.4%	21.0
June Enrollment	1.1	22.8%	1.3	8.0%	1.4	7.0%	1.5	6.0%	1.6	4.9%	1.7	4.0%	1.8

* Based upon our understanding of the logic included in Appendix E, we believe that claims expenditures for each category of service identified with an asterisk is included in our analysis, however, the expenditures for those line items were allocated across the other (non-asterisk) listed line items.

STATE OF NORTH DAKOTA -- DEPARTMENT OF HUMAN SERVICES
INCURRED CLAIMS FORECAST: FY 2005 - FY 2011

Other - Scenario: Baseline
Data Paid Through July 18, 2006
(State and Federal Dollars in Thousands)

EXPENDITURES (in Thousands)	FY 2005	Growth	FY 2006	Growth	FY 2007	Growth	FY 2008	Growth	FY 2009	Growth	FY 2010	Growth	FY 2011
Inpatient Hospital	\$67.4	(39.9%)	\$40.5	23.6%	\$50.1	10.7%	\$55.4	9.7%	\$60.8	8.8%	\$66.2	7.7%	\$71.3
Outpatient Hospital	30.8	74.8%	53.9	30.1%	70.1	14.0%	79.9	13.0%	90.4	12.1%	101.3	11.0%	112.5
Ambulance Svcs.	5.0	(54.5%)	2.3	23.6%	2.8	10.7%	3.1	9.7%	3.4	8.6%	3.7	7.5%	4.0
Breast and Cervical Cancer	*	*	*	*	*	*	*	*	*	*	*	*	*
Children's Health Ins. Program	*	*	*	*	*	*	*	*	*	*	*	*	*
Chiropractic Svcs.	0.5	(3.3%)	0.5	28.5%	0.6	13.2%	0.7	12.1%	0.8	11.0%	0.9	9.7%	1.0
Dental Svcs.	24.2	123.1%	53.9	29.8%	70.0	13.2%	79.3	12.0%	88.8	10.8%	98.4	9.4%	107.6
Drugs	4.0	(33.4%)	2.7	28.8%	3.4	16.2%	4.0	15.3%	4.6	14.3%	5.3	13.3%	5.9
Durable Medical Equipment	0.0	27432.6%	8.9	21.0%	10.8	10.1%	11.9	9.1%	13.0	8.1%	14.0	7.0%	15.0
Family Planning	*	*	*	*	*	*	*	*	*	*	*	*	*
Federally Qualified Health Centers	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0
Home Health Svcs.	0.2	(100.0%)	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0
Hospice Svcs.	46.2	21.5%	56.1	27.5%	71.5	13.2%	81.0	12.1%	90.7	10.9%	100.6	9.6%	110.2
Indian Health Svcs.	1.1	43.6%	1.6	26.4%	2.0	14.0%	2.2	13.0%	2.5	12.1%	2.8	11.0%	3.1
Laboratory & Radiology	2.5	48.3%	3.8	26.4%	4.8	11.6%	5.3	10.5%	5.9	9.5%	6.4	8.2%	6.9
N.D. Health Tracks	*	*	*	*	*	*	*	*	*	*	*	*	*
Occupational Therapy	0.1	(100.0%)	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0
Optometry Svcs.	0.1	22.3%	0.2	24.4%	0.2	12.7%	0.2	11.5%	0.3	10.5%	0.3	9.2%	0.3
Physical Therapy	0.0	0.0%	0.1	25.6%	0.1	12.7%	0.1	11.5%	0.1	10.5%	0.2	9.2%	0.2
Physician Svcs.	15.9	306.6%	64.7	24.3%	80.4	13.2%	91.1	11.8%	101.8	10.5%	112.5	9.2%	122.9
Psychological Svcs.	1.2	(53.8%)	0.5	22.6%	0.7	10.6%	0.7	9.5%	0.8	8.5%	0.9	7.3%	0.9
Refugee Assistance	*	*	*	*	*	*	*	*	*	*	*	*	*
Rural Health Clinics	0.2	(100.0%)	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0
Speech & Hearing Svcs.	0.0	0.0%	0.0	23.7%	0.1	12.7%	0.1	11.5%	0.1	10.5%	0.1	9.2%	0.1
Transportation Svcs.	1.2	(94.7%)	0.1	25.5%	0.1	12.8%	0.1	11.8%	0.1	10.7%	0.1	9.6%	0.1
Working Disabled	*	*	*	*	*	*	*	*	*	*	*	*	*
Total Expenditures	\$200.7	44.4%	\$289.7	26.9%	\$367.7	12.9%	\$415.2	11.8%	\$464.2	10.7%	\$513.7	9.4%	\$562.1
ENROLLMENT (In Thousands)													
Total Member Months	6.7	16.7%	7.9	21.3%	9.5	7.5%	10.3	6.5%	10.9	5.4%	11.5	4.4%	12.0
June Enrollment	0.6	31.1%	0.8	8.0%	0.8	7.0%	0.9	6.0%	0.9	4.9%	1.0	4.0%	1.0

* Based upon our understanding of the logic included in Appendix E, we believe that claims expenditures for each category of service identified with an asterisk is included in our analysis, however, the expenditures for those line items were allocated across the other (non-asterisk) listed line items.

Appendix B: Baseline Forecast – Paid Claims

STATE OF NORTH DAKOTA -- DEPARTMENT OF HUMAN SERVICES
PAID CLAIMS FORECAST: FY 2005 - FY 2011
 Total - Scenario: Baseline
 Data Paid Through July 18, 2006
 (State and Federal Dollars in Thousands)

EXPENDITURES (in Thousands)	FY 2005	<i>Growth</i>	FY 2006	<i>Growth</i>	FY 2007	<i>Growth</i>	FY 2008	<i>Growth</i>	FY 2009	<i>Growth</i>	FY 2010	<i>Growth</i>	FY 2011
Inpatient Hospital	\$35,390.0	48.9%	\$52,691.7	(6.5%)	\$49,278.1	6.1%	\$52,272.0	8.0%	\$56,458.8	3.4%	\$58,352.1	5.3%	\$61,467.9
Outpatient Hospital	23,533.2	6.0%	24,943.5	10.5%	27,563.1	8.4%	29,875.3	10.7%	33,081.0	6.2%	35,119.1	8.1%	37,968.1
Ambulance Svcs.	1,326.7	(7.6%)	1,226.0	8.4%	1,329.3	5.5%	1,402.8	7.5%	1,508.2	2.9%	1,551.5	4.8%	1,626.1
Breast and Cervical Cancer	*	*	*	*	*	*	*	*	*	*	*	*	*
Children's Health Ins. Program	*	*	*	*	*	*	*	*	*	*	*	*	*
Chiropractic Svcs.	195.8	6.3%	208.1	12.4%	233.8	7.4%	251.2	9.5%	275.1	4.8%	288.4	6.6%	307.3
Dental Svcs.	6,031.5	(5.7%)	5,689.2	14.9%	6,534.6	7.6%	7,028.1	9.6%	7,705.1	4.8%	8,075.8	6.5%	8,604.3
Drugs (Excludes rebates)	63,118.0	(26.2%)	46,553.3	(29.1%)	33,017.9	11.2%	36,705.5	13.4%	41,633.1	8.6%	45,215.1	10.7%	50,052.2
Durable Medical Equipment	3,066.5	(3.1%)	2,972.3	8.2%	3,217.0	5.1%	3,381.6	7.2%	3,623.6	2.5%	3,715.3	4.5%	3,881.0
Family Planning	*	*	*	*	*	*	*	*	*	*	*	*	*
Federally Qualified Health Centers	1,224.3	0.3%	1,227.6	10.8%	1,360.0	7.4%	1,460.7	9.3%	1,596.5	4.4%	1,666.5	6.2%	1,769.2
Home Health Svcs.	1,438.4	(13.3%)	1,247.0	20.7%	1,505.5	9.5%	1,648.0	11.4%	1,836.6	6.5%	1,955.9	8.2%	2,117.1
Hospice Svcs.	3,497.5	15.9%	4,055.1	8.7%	4,407.5	6.0%	4,670.2	8.7%	5,075.2	4.4%	5,297.3	6.3%	5,631.5
Indian Health Svcs.	9,009.9	48.2%	13,349.2	(13.4%)	11,560.2	8.5%	12,537.6	10.7%	13,879.7	6.0%	14,714.4	8.1%	15,902.2
Laboratory & Radiology	951.4	(15.2%)	807.0	10.3%	889.8	6.4%	947.1	8.4%	1,026.9	3.8%	1,065.7	5.6%	1,125.1
N.D. Health Tracks	*	*	*	*	*	*	*	*	*	*	*	*	*
Occupational Therapy	238.8	45.9%	348.6	21.0%	421.6	8.3%	456.7	10.1%	502.6	5.2%	528.5	7.0%	565.5
Optometry Svcs.	1,131.0	(4.7%)	1,078.1	14.8%	1,237.6	6.6%	1,319.7	8.8%	1,435.6	4.2%	1,495.4	5.9%	1,584.3
Physical Therapy	353.6	(10.5%)	316.4	(0.3%)	315.4	7.6%	339.4	9.5%	371.6	4.7%	389.1	6.6%	414.7
Physician Svcs.	28,976.3	4.5%	30,273.5	13.9%	34,491.5	7.8%	37,197.8	9.6%	40,781.1	4.6%	42,664.4	6.4%	45,400.8
Psychological Svcs.	254.5	(11.8%)	224.5	7.0%	240.3	5.2%	252.7	7.1%	270.8	2.5%	277.6	4.4%	289.8
Refugee Assistance	*	*	*	*	*	*	*	*	*	*	*	*	*
Rural Health Clinics	1,887.6	(4.9%)	1,794.4	14.9%	2,061.9	7.4%	2,215.5	9.3%	2,422.0	4.4%	2,528.3	6.2%	2,683.9
Speech & Hearing Svcs.	1,398.9	34.3%	1,878.4	12.2%	2,108.3	7.0%	2,256.9	9.0%	2,459.7	4.3%	2,565.6	6.2%	2,724.0
Transportation Svcs.	1,899.9	30.4%	2,476.8	(0.5%)	2,464.8	7.2%	2,641.5	9.3%	2,888.2	4.6%	3,022.2	6.6%	3,222.2
Working Disabled	*	*	*	*	*	*	*	*	*	*	*	*	*
Total Expenditures	\$184,923.7	4.6%	\$193,360.6	(4.7%)	\$184,238.3	7.9%	\$198,860.3	10.0%	\$218,831.3	5.3%	\$230,488.2	7.3%	\$247,337.1
ENROLLMENT (In Thousands)													
Total Member Months	650.0	0.3%	651.7	3.5%	674.5	2.0%	687.9	1.6%	698.6	1.4%	708.1	1.4%	717.7
June Enrollment	54.1	2.6%	55.6	2.2%	56.8	1.8%	57.8	1.4%	58.6	1.4%	59.4	1.4%	60.2

* Based upon our understanding of the logic included in Appendix E, we believe that claims expenditures for each category of service identified with an asterisk is included in our analysis, however, the expenditures for those line items were allocated across the other (non-asterisk) listed line items.

STATE OF NORTH DAKOTA -- DEPARTMENT OF HUMAN SERVICES
PAID CLAIMS FORECAST: FY 2005 - FY 2011
TANF - Scenario: Baseline
 Data Paid Through July 18, 2006
 (State and Federal Dollars in Thousands)

EXPENDITURES (in Thousands)	FY 2005	<i>Growth</i>	FY 2006	<i>Growth</i>	FY 2007	<i>Growth</i>	FY 2008	<i>Growth</i>	FY 2009	<i>Growth</i>	FY 2010	<i>Growth</i>	FY 2011
Inpatient Hospital	\$16,250.4	33.9%	\$21,756.7	(10.3%)	\$19,522.9	4.6%	\$20,418.1	6.7%	\$21,791.8	2.2%	\$22,281.3	4.2%	\$23,220.2
Outpatient Hospital	11,047.6	6.7%	11,787.9	7.2%	12,638.7	7.6%	13,595.9	9.9%	14,948.2	5.5%	15,764.1	7.4%	16,933.7
Ambulance Svcs.	609.4	(18.7%)	495.3	4.9%	519.5	4.6%	543.4	6.6%	579.5	2.1%	591.6	4.0%	615.5
Breast and Cervical Cancer	*	*	*	*	*	*	*	*	*	*	*	*	*
Children's Health Ins. Program	*	*	*	*	*	*	*	*	*	*	*	*	*
Chiropractic Svcs.	116.9	6.4%	124.4	10.5%	137.4	6.9%	146.9	9.0%	160.1	4.4%	167.1	6.1%	177.4
Dental Svcs.	3,967.8	(8.0%)	3,650.4	11.8%	4,082.4	6.8%	4,361.3	9.0%	4,751.9	4.2%	4,951.0	5.9%	5,243.2
Drugs (Excludes rebates)	12,652.2	5.6%	13,362.7	16.1%	15,517.3	9.7%	17,020.3	12.1%	19,087.2	7.5%	20,519.6	9.6%	22,484.8
Durable Medical Equipment	564.7	0.1%	565.5	2.8%	581.3	4.1%	605.1	6.1%	642.2	1.6%	652.4	3.5%	675.4
Family Planning	*	*	*	*	*	*	*	*	*	*	*	*	*
Federally Qualified Health Centers	763.8	(0.0%)	763.6	10.5%	843.4	6.9%	901.5	8.8%	980.9	3.9%	1,019.4	5.7%	1,077.3
Home Health Svcs.	196.2	8.0%	212.0	44.2%	305.6	8.4%	331.3	10.6%	366.3	5.7%	387.2	7.4%	415.8
Hospice Svcs.	26.1	(73.6%)	6.9	43.0%	9.9	6.9%	10.5	9.0%	11.5	4.3%	12.0	6.0%	12.7
Indian Health Svcs.	5,765.4	49.3%	8,607.0	(12.8%)	7,505.9	7.7%	8,080.2	10.0%	8,886.6	5.4%	9,365.2	7.4%	10,060.0
Laboratory & Radiology	516.9	(13.9%)	444.8	7.5%	478.3	5.4%	504.2	7.5%	541.9	3.0%	557.9	4.7%	584.4
N.D. Health Tracks	*	*	*	*	*	*	*	*	*	*	*	*	*
Occupational Therapy	86.1	61.9%	139.4	15.0%	160.3	6.5%	170.7	8.5%	185.3	3.9%	192.4	5.7%	203.4
Optometry Svcs.	783.2	(8.6%)	716.1	15.7%	828.7	6.4%	881.5	8.5%	956.5	3.9%	993.9	5.7%	1,050.2
Physical Therapy	86.7	18.4%	102.6	5.3%	108.0	6.5%	115.1	8.5%	124.9	3.9%	129.7	5.7%	137.0
Physician Svcs.	15,591.3	1.0%	15,740.5	10.4%	17,375.9	7.0%	18,583.5	8.8%	20,222.8	3.9%	21,011.6	5.7%	22,206.7
Psychological Svcs.	158.8	(25.6%)	118.1	10.2%	130.1	4.5%	136.0	6.5%	144.8	2.0%	147.6	3.8%	153.3
Refugee Assistance	*	*	*	*	*	*	*	*	*	*	*	*	*
Rural Health Clinics	1,247.2	0.3%	1,251.2	13.8%	1,423.7	6.9%	1,521.7	8.8%	1,655.7	3.9%	1,720.8	5.7%	1,818.5
Speech & Hearing Svcs.	645.5	58.9%	1,025.5	20.3%	1,233.8	6.5%	1,314.1	8.5%	1,425.7	3.9%	1,480.6	5.7%	1,564.8
Transportation Svcs.	1,137.2	30.1%	1,479.5	(6.0%)	1,390.7	6.6%	1,482.1	8.8%	1,611.9	4.1%	1,678.0	6.1%	1,779.6
Working Disabled	*	*	*	*	*	*	*	*	*	*	*	*	*
Total Expenditures	\$72,213.4	14.0%	\$82,350.0	3.0%	\$84,793.6	7.0%	\$90,723.4	9.2%	\$99,075.5	4.6%	\$103,623.6	6.6%	\$110,413.9
ENROLLMENT (In Thousands)													
Total Member Months	413.4	(0.7%)	410.3	2.8%	421.8	1.7%	429.0	1.2%	434.3	1.0%	438.7	1.0%	443.0
June Enrollment	34.4	1.1%	34.8	2.0%	35.5	1.5%	36.0	1.0%	36.4	1.0%	36.7	1.0%	37.1

* Based upon our understanding of the logic included in Appendix E, we believe that claims expenditures for each category of service identified with an asterisk is included in our analysis, however, the expenditures for those line items were allocated across the other (non-asterisk) listed line items.

STATE OF NORTH DAKOTA -- DEPARTMENT OF HUMAN SERVICES
PAID CLAIMS FORECAST: FY 2005 - FY 2011
Pregnant Women - Scenario: Baseline
 Data Paid Through July 18, 2006
 (State and Federal Dollars in Thousands)

EXPENDITURES (in Thousands)	FY 2005	<i>Growth</i>	FY 2006	<i>Growth</i>	FY 2007	<i>Growth</i>	FY 2008	<i>Growth</i>	FY 2009	<i>Growth</i>	FY 2010	<i>Growth</i>	FY 2011
Inpatient Hospital	\$4,050.4	59.1%	\$6,444.9	(3.8%)	\$6,200.9	7.7%	\$6,679.2	9.2%	\$7,290.8	4.3%	\$7,603.6	6.3%	\$8,080.5
Outpatient Hospital	1,527.5	2.1%	1,559.9	23.7%	1,930.0	10.6%	2,134.0	12.4%	2,399.3	7.6%	2,580.7	9.5%	2,827.0
Ambulance Svcs.	67.4	(5.6%)	63.6	16.5%	74.1	7.8%	79.9	9.1%	87.1	4.1%	90.7	6.1%	96.2
Breast and Cervical Cancer	*	*	*	*	*	*	*	*	*	*	*	*	*
Children's Health Ins. Program	*	*	*	*	*	*	*	*	*	*	*	*	*
Chiropractic Svcs.	14.5	4.1%	15.1	25.6%	19.0	9.9%	20.8	11.5%	23.2	6.5%	24.7	8.2%	26.8
Dental Svcs.	169.9	6.3%	180.5	24.9%	225.5	9.8%	247.5	11.4%	275.7	6.3%	293.0	8.0%	316.4
Drugs (Excludes rebates)	476.1	21.2%	577.3	22.4%	706.8	12.8%	797.5	14.7%	914.6	9.7%	1,002.9	11.7%	1,120.7
Durable Medical Equipment	21.5	(40.3%)	12.8	9.9%	14.1	7.3%	15.1	8.6%	16.4	3.6%	17.0	5.6%	18.0
Family Planning	*	*	*	*	*	*	*	*	*	*	*	*	*
Federally Qualified Health Centers	110.1	21.6%	133.9	19.5%	160.0	9.8%	175.7	11.3%	195.5	6.0%	207.3	7.8%	223.4
Home Health Svcs.	7.8	(53.0%)	3.7	46.6%	5.4	12.4%	6.1	13.1%	6.9	7.8%	7.4	9.5%	8.1
Hospice Svcs.	0.0	0.0%	6.9	60.2%	11.1	9.8%	12.1	11.4%	13.5	6.4%	14.4	8.1%	15.6
Indian Health Svcs.	638.8	63.7%	1,045.7	(1.0%)	1,034.8	10.5%	1,143.0	12.5%	1,285.9	7.5%	1,382.3	9.5%	1,514.1
Laboratory & Radiology	130.9	(16.2%)	109.7	20.1%	131.7	8.3%	142.7	9.9%	156.8	5.0%	164.7	6.8%	175.9
N.D. Health Tracks	*	*	*	*	*	*	*	*	*	*	*	*	*
Occupational Therapy	0.0	0.0%	0.0	0.0%	3.6	9.8%	4.0	11.0%	4.4	5.9%	4.7	7.8%	5.0
Optometry Svcs.	40.0	(8.4%)	36.6	20.9%	44.3	9.3%	48.4	11.0%	53.7	6.0%	57.0	7.8%	61.4
Physical Therapy	0.6	10.9%	0.7	30.8%	0.9	9.8%	1.0	11.0%	1.1	5.9%	1.2	7.8%	1.3
Physician Svcs.	3,471.3	6.6%	3,702.1	22.4%	4,532.5	10.0%	4,984.5	11.3%	5,547.0	6.0%	5,878.5	7.8%	6,335.5
Psychological Svcs.	2.5	(89.2%)	0.3	54.8%	0.4	7.5%	0.4	8.9%	0.5	4.0%	0.5	5.9%	0.5
Refugee Assistance	*	*	*	*	*	*	*	*	*	*	*	*	*
Rural Health Clinics	112.1	(17.2%)	92.8	30.1%	120.7	9.8%	132.6	11.3%	147.5	6.0%	156.4	7.8%	168.5
Speech & Hearing Svcs.	0.1	(30.8%)	0.1	(100.0%)	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0
Transportation Svcs.	70.2	(52.9%)	33.1	13.1%	37.4	9.8%	41.1	11.2%	45.7	6.2%	48.5	8.2%	52.5
Working Disabled	*	*	*	*	*	*	*	*	*	*	*	*	*
Total Expenditures	\$10,911.6	28.5%	\$14,019.6	8.8%	\$15,253.2	9.3%	\$16,665.7	10.8%	\$18,465.8	5.8%	\$19,535.5	7.7%	\$21,047.3
ENROLLMENT (In Thousands)													
Total Member Months	14.4	11.3%	16.0	14.2%	18.3	4.5%	19.1	3.5%	19.8	3.0%	20.3	3.0%	21.0
June Enrollment	1.3	18.4%	1.5	5.0%	1.6	4.0%	1.6	3.0%	1.7	3.0%	1.7	3.0%	1.8

* Based upon our understanding of the logic included in Appendix E, we believe that claims expenditures for each category of service identified with an asterisk is included in our analysis, however, the expenditures for those line items were allocated across the other (non-asterisk) listed line items.

STATE OF NORTH DAKOTA -- DEPARTMENT OF HUMAN SERVICES
PAID CLAIMS FORECAST: FY 2005 - FY 2011
 Aged - Scenario: Baseline
 Data Paid Through July 18, 2006
 (State and Federal Dollars in Thousands)

EXPENDITURES (in Thousands)	FY 2005	<i>Growth</i>	FY 2006	<i>Growth</i>	FY 2007	<i>Growth</i>	FY 2008	<i>Growth</i>	FY 2009	<i>Growth</i>	FY 2010	<i>Growth</i>	FY 2011
Inpatient Hospital	\$1,255.4	46.5%	\$1,839.6	(7.4%)	\$1,703.1	2.5%	\$1,745.3	5.3%	\$1,837.9	1.4%	\$1,864.0	3.7%	\$1,932.1
Outpatient Hospital	1,565.2	26.5%	1,980.7	9.1%	2,161.1	4.9%	2,267.5	8.0%	2,448.5	4.1%	2,549.0	6.3%	2,710.4
Ambulance Svcs.	113.0	11.3%	125.7	(5.8%)	118.3	1.9%	120.6	4.6%	126.1	0.7%	127.0	2.9%	130.6
Breast and Cervical Cancer	*	*	*	*	*	*	*	*	*	*	*	*	*
Children's Health Ins. Program	*	*	*	*	*	*	*	*	*	*	*	*	*
Chiropractic Svcs.	11.2	(14.7%)	9.6	10.4%	10.6	4.2%	11.0	7.0%	11.8	3.0%	12.1	5.1%	12.7
Dental Svcs.	528.7	(8.6%)	483.0	8.9%	526.0	5.1%	553.0	8.0%	597.1	3.8%	619.8	5.8%	655.7
Drugs (Excludes rebates)	21,550.7	(49.9%)	10,796.9	(97.0%)	327.1	6.9%	349.6	10.0%	384.7	6.0%	407.9	8.4%	442.1
Durable Medical Equipment	302.2	18.4%	357.7	(2.8%)	347.8	1.9%	354.4	4.6%	370.7	0.7%	373.2	2.9%	383.9
Family Planning	*	*	*	*	*	*	*	*	*	*	*	*	*
Federally Qualified Health Centers	90.2	(3.3%)	87.3	1.2%	88.3	3.7%	91.6	6.4%	97.4	2.2%	99.6	4.3%	103.9
Home Health Svcs.	212.6	(17.9%)	174.7	16.2%	202.9	5.6%	214.2	8.2%	231.8	4.0%	241.2	6.0%	255.8
Hospice Svcs.	2,797.5	14.3%	3,196.9	5.2%	3,363.0	5.2%	3,536.7	8.0%	3,819.4	3.9%	3,967.8	5.9%	4,201.9
Indian Health Svcs.	520.8	19.3%	621.1	(32.5%)	419.2	5.0%	440.1	8.0%	475.1	4.0%	494.2	6.3%	525.4
Laboratory & Radiology	42.8	(23.6%)	32.7	0.4%	32.9	2.9%	33.8	5.7%	35.8	1.8%	36.4	3.9%	37.8
N.D. Health Tracks	*	*	*	*	*	*	*	*	*	*	*	*	*
Occupational Therapy	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0
Optometry Svcs.	93.0	(2.8%)	90.4	6.9%	96.7	2.9%	99.5	5.8%	105.3	1.8%	107.1	3.9%	111.3
Physical Therapy	9.8	(28.5%)	7.0	(23.1%)	5.4	3.0%	5.5	5.7%	5.9	1.7%	6.0	3.9%	6.2
Physician Svcs.	1,450.4	3.0%	1,494.4	5.9%	1,582.5	3.7%	1,641.8	6.4%	1,746.6	2.2%	1,784.9	4.3%	1,861.3
Psychological Svcs.	4.2	14.7%	4.8	6.1%	5.1	2.2%	5.2	4.9%	5.5	1.0%	5.5	3.1%	5.7
Refugee Assistance	*	*	*	*	*	*	*	*	*	*	*	*	*
Rural Health Clinics	70.3	(14.4%)	60.2	8.3%	65.2	3.7%	67.6	6.4%	71.9	2.2%	73.5	4.3%	76.7
Speech & Hearing Svcs.	147.9	3.5%	153.1	5.6%	161.6	3.0%	166.5	5.7%	175.9	1.7%	178.9	3.9%	185.9
Transportation Svcs.	88.3	16.9%	103.3	5.0%	108.5	4.8%	113.7	7.7%	122.5	3.7%	127.0	5.9%	134.6
Working Disabled	*	*	*	*	*	*	*	*	*	*	*	*	*
Total Expenditures	\$30,854.2	(29.9%)	\$21,619.0	(47.6%)	\$11,325.1	4.3%	\$11,817.5	7.2%	\$12,669.8	3.2%	\$13,075.1	5.3%	\$13,773.9
ENROLLMENT (In Thousands)													
Total Member Months	80.1	(1.8%)	78.7	1.0%	79.5	0.1%	79.6	0.4%	79.9	0.6%	80.4	0.9%	81.1
June Enrollment	6.6	0.8%	6.6	0.0%	6.6	0.2%	6.6	0.5%	6.7	0.8%	6.7	1.0%	6.8

* Based upon our understanding of the logic included in Appendix E, we believe that claims expenditures for each category of service identified with an asterisk is included in our analysis, however, the expenditures for those line items were allocated across the other (non-asterisk) listed line items.

STATE OF NORTH DAKOTA -- DEPARTMENT OF HUMAN SERVICES
PAID CLAIMS FORECAST: FY 2005 - FY 2011
Blind & Disabled, Dual - Scenario: Baseline
 Data Paid Through July 18, 2006
 (State and Federal Dollars in Thousands)

EXPENDITURES (in Thousands)	FY 2005	<i>Growth</i>	FY 2006	<i>Growth</i>	FY 2007	<i>Growth</i>	FY 2008	<i>Growth</i>	FY 2009	<i>Growth</i>	FY 2010	<i>Growth</i>	FY 2011
Inpatient Hospital	\$537.5	160.1%	\$1,398.1	(19.7%)	\$1,122.6	2.0%	\$1,145.4	4.9%	\$1,201.8	0.8%	\$1,211.5	2.8%	\$1,245.0
Outpatient Hospital	710.7	170.9%	1,925.0	3.7%	1,996.6	4.5%	2,086.4	7.6%	2,244.9	3.5%	2,322.7	5.4%	2,448.3
Ambulance Svcs.	51.2	67.4%	85.8	4.4%	89.6	1.4%	90.9	4.2%	94.7	0.1%	94.8	2.0%	96.7
Breast and Cervical Cancer	*	*	*	*	*	*	*	*	*	*	*	*	*
Children's Health Ins. Program	*	*	*	*	*	*	*	*	*	*	*	*	*
Chiropractic Svcs.	5.7	259.4%	20.3	11.8%	22.7	3.8%	23.6	6.6%	25.2	2.4%	25.8	4.2%	26.8
Dental Svcs.	638.9	(95.5%)	28.9	16.5%	33.6	4.7%	35.2	7.6%	37.9	3.2%	39.1	4.9%	41.0
Drugs (Excludes rebates)	16,397.8	(49.7%)	8,242.0	(96.8%)	260.8	6.4%	277.6	9.6%	304.3	5.4%	320.7	7.4%	344.6
Durable Medical Equipment	320.2	49.6%	479.0	12.2%	537.3	1.4%	545.0	4.2%	568.0	0.1%	568.5	2.0%	579.8
Family Planning	*	*	*	*	*	*	*	*	*	*	*	*	*
Federally Qualified Health Centers	66.1	(34.5%)	43.3	0.5%	43.5	3.3%	45.0	6.0%	47.7	1.6%	48.4	3.4%	50.1
Home Health Svcs.	200.4	(17.1%)	166.2	(3.4%)	160.5	5.3%	168.9	7.8%	182.2	3.4%	188.4	5.2%	198.1
Hospice Svcs.	140.1	69.1%	236.9	10.7%	262.3	3.8%	272.2	7.6%	292.9	3.2%	302.4	5.0%	317.5
Indian Health Svcs.	75.9	175.3%	209.1	(83.6%)	34.4	4.5%	35.9	7.6%	38.6	3.4%	39.9	5.4%	42.1
Laboratory & Radiology	12.9	78.3%	23.1	0.2%	23.1	2.5%	23.7	5.3%	25.0	1.2%	25.3	3.0%	26.0
N.D. Health Tracks	*	*	*	*	*	*	*	*	*	*	*	*	*
Occupational Therapy	0.2	251.1%	0.8	20.3%	1.0	2.5%	1.0	5.3%	1.1	1.1%	1.1	3.0%	1.1
Optometry Svcs.	21.2	85.2%	39.3	(0.9%)	38.9	2.5%	39.9	5.4%	42.1	1.2%	42.5	3.0%	43.8
Physical Therapy	71.5	(40.6%)	42.5	(22.0%)	33.1	2.6%	34.0	5.3%	35.8	1.1%	36.2	3.0%	37.2
Physician Svcs.	526.2	175.2%	1,447.9	18.0%	1,709.0	3.3%	1,765.7	6.0%	1,871.8	1.6%	1,901.1	3.4%	1,965.3
Psychological Svcs.	8.6	293.1%	34.0	(28.4%)	24.3	1.8%	24.7	4.5%	25.9	0.4%	26.0	2.2%	26.5
Refugee Assistance	*	*	*	*	*	*	*	*	*	*	*	*	*
Rural Health Clinics	64.2	(26.6%)	47.2	4.4%	49.2	3.3%	50.9	6.0%	53.9	1.6%	54.8	3.4%	56.6
Speech & Hearing Svcs.	103.5	(32.6%)	69.8	(17.3%)	57.7	2.6%	59.2	5.3%	62.4	1.1%	63.0	3.0%	64.9
Transportation Svcs.	146.0	45.3%	212.1	8.6%	230.3	4.4%	240.4	7.4%	258.1	3.1%	266.0	5.0%	279.3
Working Disabled	*	*	*	*	*	*	*	*	*	*	*	*	*
Total Expenditures	\$20,099.1	(26.6%)	\$14,751.2	(54.4%)	\$6,730.8	3.5%	\$6,965.7	6.4%	\$7,414.1	2.2%	\$7,578.2	4.1%	\$7,890.8
ENROLLMENT (In Thousands)													
Total Member Months	57.4	(3.5%)	55.4	(2.5%)	54.0	(0.2%)	53.9	0.0%	53.9	0.0%	53.9	0.0%	53.9
June Enrollment	4.7	(4.7%)	4.5	(0.5%)	4.5	0.0%	4.5	0.0%	4.5	0.0%	4.5	0.0%	4.5

* Based upon our understanding of the logic included in Appendix E, we believe that claims expenditures for each category of service identified with an asterisk is included in our analysis, however, the expenditures for those line items were allocated across the other (non-asterisk) listed line items.

STATE OF NORTH DAKOTA -- DEPARTMENT OF HUMAN SERVICES
PAID CLAIMS FORECAST: FY 2005 - FY 2011
Blind & Disabled, Non-Dual - Scenario: Baseline
 Data Paid Through July 18, 2006
 (State and Federal Dollars in Thousands)

EXPENDITURES (in Thousands)	FY 2005	<i>Growth</i>	FY 2006	<i>Growth</i>	FY 2007	<i>Growth</i>	FY 2008	<i>Growth</i>	FY 2009	<i>Growth</i>	FY 2010	<i>Growth</i>	FY 2011
Inpatient Hospital	\$13,042.2	59.5%	\$20,806.1	(2.3%)	\$20,332.0	7.5%	\$21,846.7	9.2%	\$23,847.0	4.3%	\$24,870.3	6.3%	\$26,430.0
Outpatient Hospital	7,877.6	(15.3%)	6,675.0	14.3%	7,630.0	10.5%	8,430.6	12.4%	9,478.7	7.6%	10,195.6	9.5%	11,168.4
Ambulance Svcs.	446.7	(7.0%)	415.5	15.9%	481.7	7.5%	517.6	9.1%	564.7	4.1%	588.0	6.1%	623.8
Breast and Cervical Cancer	*	*	*	*	*	*	*	*	*	*	*	*	*
Children's Health Ins. Program	*	*	*	*	*	*	*	*	*	*	*	*	*
Chiropractic Svcs.	38.3	(28.6%)	27.4	9.8%	30.1	9.8%	33.0	11.5%	36.8	6.5%	39.2	8.2%	42.4
Dental Svcs.	726.2	85.4%	1,346.3	18.7%	1,597.8	9.7%	1,752.9	11.4%	1,952.8	6.3%	2,075.3	8.0%	2,241.1
Drugs (Excludes rebates)	12,038.0	12.7%	13,571.2	19.4%	16,202.7	12.7%	18,256.6	14.7%	20,937.6	9.7%	22,958.7	11.7%	25,654.2
Durable Medical Equipment	1,706.2	(17.8%)	1,402.6	11.5%	1,564.1	7.0%	1,672.9	8.6%	1,816.1	3.6%	1,881.9	5.6%	1,986.7
Family Planning	*	*	*	*	*	*	*	*	*	*	*	*	*
Federally Qualified Health Centers	189.7	2.0%	193.5	11.9%	216.6	9.8%	237.8	11.3%	264.5	6.0%	280.4	7.8%	302.2
Home Health Svcs.	820.5	(16.6%)	684.3	20.6%	825.4	11.6%	921.0	13.1%	1,041.9	7.8%	1,123.4	9.5%	1,230.2
Hospice Svcs.	530.6	9.9%	583.3	14.9%	670.2	9.8%	735.8	11.4%	820.0	6.4%	872.2	8.1%	943.0
Indian Health Svcs.	2,004.7	42.1%	2,848.4	(10.1%)	2,562.0	10.6%	2,833.8	12.5%	3,188.1	7.5%	3,427.0	9.5%	3,754.0
Laboratory & Radiology	228.2	(22.6%)	176.7	13.3%	200.2	8.3%	216.8	9.9%	238.2	5.0%	250.2	6.8%	267.2
N.D. Health Tracks	*	*	*	*	*	*	*	*	*	*	*	*	*
Occupational Therapy	152.3	36.7%	208.3	23.1%	256.5	9.4%	280.7	11.0%	311.6	5.9%	330.0	7.8%	355.7
Optometry Svcs.	177.5	2.4%	181.7	17.3%	213.2	9.2%	232.9	11.0%	258.5	6.0%	273.9	7.8%	295.2
Physical Therapy	179.5	(10.1%)	161.5	2.6%	165.6	9.4%	181.3	11.0%	201.2	5.9%	213.1	7.8%	229.7
Physician Svcs.	7,372.1	(2.0%)	7,226.2	17.3%	8,474.5	9.9%	9,309.9	11.3%	10,360.5	6.0%	10,979.7	7.8%	11,833.3
Psychological Svcs.	77.6	(17.1%)	64.4	19.1%	76.6	7.3%	82.3	8.9%	89.6	4.0%	93.2	5.9%	98.6
Refugee Assistance	*	*	*	*	*	*	*	*	*	*	*	*	*
Rural Health Clinics	390.5	(14.7%)	333.1	18.2%	393.6	9.8%	432.1	11.3%	480.7	6.0%	509.6	7.8%	549.1
Speech & Hearing Svcs.	469.5	33.9%	628.7	4.1%	654.3	9.4%	716.0	11.0%	794.5	5.9%	841.6	7.8%	907.0
Transportation Svcs.	419.2	54.3%	646.6	7.8%	696.9	9.5%	763.0	11.2%	848.7	6.2%	901.2	8.2%	974.7
Working Disabled	*	*	*	*	*	*	*	*	*	*	*	*	*
Total Expenditures	\$48,887.2	19.0%	\$58,180.7	8.7%	\$63,244.0	9.8%	\$69,453.9	11.6%	\$77,531.8	6.7%	\$82,704.7	8.7%	\$89,886.5
ENROLLMENT (In Thousands)													
Total Member Months	65.3	5.7%	69.0	8.4%	74.8	4.5%	78.1	3.5%	80.8	3.0%	83.2	3.0%	85.7
June Enrollment	5.5	9.7%	6.1	5.0%	6.4	4.0%	6.6	3.0%	6.8	3.0%	7.0	3.0%	7.2

* Based upon our understanding of the logic included in Appendix E, we believe that claims expenditures for each category of service identified with an asterisk is included in our analysis, however, the expenditures for those line items were allocated across the other (non-asterisk) listed line items.

STATE OF NORTH DAKOTA -- DEPARTMENT OF HUMAN SERVICES
PAID CLAIMS FORECAST: FY 2005 - FY 2011
Partial Eligible - Scenario: Baseline
 Data Paid Through July 18, 2006
 (State and Federal Dollars in Thousands)

EXPENDITURES (in Thousands)	FY 2005	<i>Growth</i>	FY 2006	<i>Growth</i>	FY 2007	<i>Growth</i>	FY 2008	<i>Growth</i>	FY 2009	<i>Growth</i>	FY 2010	<i>Growth</i>	FY 2011
Inpatient Hospital	\$194.6	105.5%	\$399.9	(13.1%)	\$347.5	10.2%	\$382.8	11.9%	\$428.3	6.5%	\$456.0	7.4%	\$489.6
Outpatient Hospital	784.5	22.2%	958.6	18.7%	1,137.8	12.7%	1,282.5	14.7%	1,470.9	9.3%	1,607.0	10.1%	1,769.3
Ambulance Svcs.	34.8	3.8%	36.1	19.7%	43.3	9.6%	47.4	11.2%	52.7	5.7%	55.7	6.6%	59.4
Breast and Cervical Cancer	*	*	*	*	*	*	*	*	*	*	*	*	*
Children's Health Ins. Program	*	*	*	*	*	*	*	*	*	*	*	*	*
Chiropractic Svcs.	9.3	22.3%	11.4	18.5%	13.5	12.0%	15.1	13.7%	17.2	8.1%	18.5	8.8%	20.2
Dental Svcs.	0.0	424.0%	0.1	57.8%	0.1	12.8%	0.2	14.6%	0.2	8.9%	0.2	9.5%	0.2
Drugs (Excludes rebates)	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0
Durable Medical Equipment	151.7	(2.4%)	148.1	9.3%	161.8	9.6%	177.4	11.2%	197.2	5.7%	208.5	6.6%	222.3
Family Planning	*	*	*	*	*	*	*	*	*	*	*	*	*
Federally Qualified Health Centers	4.4	37.4%	6.1	34.7%	8.2	12.5%	9.2	14.0%	10.5	8.2%	11.3	8.9%	12.3
Home Health Svcs.	0.8	641.8%	6.2	(6.2%)	5.8	12.3%	6.5	15.0%	7.5	9.3%	8.2	9.9%	9.0
Hospice Svcs.	3.1	689.0%	24.1	(14.6%)	20.6	13.0%	23.2	14.7%	26.7	9.0%	29.1	9.6%	31.9
Indian Health Svcs.	3.6	349.0%	16.0	(86.5%)	2.2	13.5%	2.5	15.3%	2.8	9.8%	3.1	10.7%	3.4
Laboratory & Radiology	17.1	(5.6%)	16.2	16.2%	18.8	10.5%	20.8	12.3%	23.3	6.8%	24.9	7.6%	26.8
N.D. Health Tracks	*	*	*	*	*	*	*	*	*	*	*	*	*
Occupational Therapy	0.0	0.0%	0.0	0.0%	0.2	10.7%	0.2	12.3%	0.2	6.8%	0.3	7.6%	0.3
Optometry Svcs.	16.1	(14.5%)	13.7	12.9%	15.5	10.5%	17.2	12.3%	19.3	6.8%	20.6	7.5%	22.1
Physical Therapy	5.5	(60.9%)	2.1	0.9%	2.2	10.8%	2.4	12.3%	2.7	6.8%	2.9	7.6%	3.1
Physician Svcs.	548.0	10.2%	604.0	22.2%	738.3	11.5%	823.0	13.0%	930.0	7.3%	997.5	8.0%	1,077.3
Psychological Svcs.	2.8	5.8%	2.9	3.8%	3.0	9.8%	3.3	11.4%	3.7	6.0%	3.9	6.8%	4.2
Refugee Assistance	*	*	*	*	*	*	*	*	*	*	*	*	*
Rural Health Clinics	3.1	225.3%	9.9	(3.7%)	9.6	12.4%	10.7	14.0%	12.2	8.2%	13.2	8.8%	14.4
Speech & Hearing Svcs.	32.3	(96.1%)	1.3	(25.5%)	0.9	10.8%	1.0	12.3%	1.2	6.8%	1.2	7.6%	1.3
Transportation Svcs.	38.9	(97.6%)	0.9	2.2%	1.0	12.8%	1.1	14.5%	1.2	8.9%	1.4	9.7%	1.5
Working Disabled	*	*	*	*	*	*	*	*	*	*	*	*	*
Total Expenditures	\$1,850.5	22.0%	\$2,257.7	12.1%	\$2,530.1	11.7%	\$2,826.5	13.5%	\$3,207.8	8.0%	\$3,463.7	8.8%	\$3,768.7
ENROLLMENT (In Thousands)													
Total Member Months	12.7	14.2%	14.5	15.3%	16.7	7.5%	17.9	6.5%	19.1	5.4%	20.1	4.4%	21.0
June Enrollment	1.1	22.8%	1.3	8.0%	1.4	7.0%	1.5	6.0%	1.6	4.9%	1.7	4.0%	1.8

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STATE OF NORTH DAKOTA -- DEPARTMENT OF HUMAN SERVICES
PAID CLAIMS FORECAST: FY 2005 - FY 2011

Other - Scenario: Baseline
Data Paid Through July 18, 2006
(State and Federal Dollars in Thousands)

EXPENDITURES (in Thousands)	FY 2005	Growth	FY 2006	Growth	FY 2007	Growth	FY 2008	Growth	FY 2009	Growth	FY 2010	Growth	FY 2011
Inpatient Hospital	\$59.5	(22.0%)	\$46.4	5.9%	\$49.2	10.8%	\$54.4	12.3%	\$61.2	6.9%	\$65.4	7.8%	\$70.5
Outpatient Hospital	20.1	180.6%	56.5	22.0%	68.9	13.7%	78.3	15.7%	90.7	10.2%	99.9	11.1%	111.0
Ambulance Svcs.	4.2	(4.7%)	4.0	(31.3%)	2.7	10.8%	3.0	12.3%	3.4	6.8%	3.6	7.6%	3.9
Breast and Cervical Cancer	*	*	*	*	*	*	*	*	*	*	*	*	*
Children's Health Ins. Program	*	*	*	*	*	*	*	*	*	*	*	*	*
Chiropractic Svcs.	0.0	0.0%	0.0	0.0%	0.6	13.1%	0.7	14.7%	0.8	9.1%	0.9	9.8%	1.0
Dental Svcs.	0.0	0.0%	0.0	0.0%	69.2	12.9%	78.1	14.6%	89.5	8.9%	97.5	9.5%	106.7
Drugs (Excludes rebates)	3.1	7.3%	3.3	1.5%	3.4	16.1%	3.9	18.0%	4.6	12.4%	5.2	13.3%	5.9
Durable Medical Equipment	0.1	5299.7%	6.5	61.3%	10.6	10.4%	11.6	11.7%	13.0	6.3%	13.8	7.1%	14.8
Family Planning	*	*	*	*	*	*	*	*	*	*	*	*	*
Federally Qualified Health Centers	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0
Home Health Svcs.	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0
Hospice Svcs.	0.0	0.0%	0.0	0.0%	70.4	13.0%	79.5	14.7%	91.2	9.0%	99.4	9.6%	109.0
Indian Health Svcs.	0.6	205.4%	2.0	(3.7%)	1.9	14.2%	2.2	15.8%	2.5	10.2%	2.8	11.2%	3.1
Laboratory & Radiology	2.5	52.4%	3.8	23.4%	4.7	11.4%	5.2	13.1%	5.9	7.6%	6.3	8.3%	6.9
N.D. Health Tracks	*	*	*	*	*	*	*	*	*	*	*	*	*
Occupational Therapy	0.1	(100.0%)	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0
Optometry Svcs.	0.1	34.4%	0.2	32.8%	0.2	12.4%	0.2	14.2%	0.3	8.6%	0.3	9.3%	0.3
Physical Therapy	0.0	0.0%	0.1	70.3%	0.1	12.9%	0.1	14.2%	0.1	8.6%	0.2	9.4%	0.2
Physician Svcs.	16.9	245.2%	58.5	35.0%	78.9	13.1%	89.3	14.5%	102.3	8.6%	111.1	9.3%	121.4
Psychological Svcs.	0.0	0.0%	0.0	0.0%	0.7	10.6%	0.7	12.1%	0.8	6.6%	0.9	7.4%	0.9
Refugee Assistance	*	*	*	*	*	*	*	*	*	*	*	*	*
Rural Health Clinics	0.2	(100.0%)	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0
Speech & Hearing Svcs.	0.0	8.0%	0.0	67.1%	0.1	12.9%	0.1	14.2%	0.1	8.6%	0.1	9.3%	0.1
Transportation Svcs.	0.1	1743.4%	1.2	(93.4%)	0.1	12.9%	0.1	14.5%	0.1	8.9%	0.1	9.7%	0.1
Working Disabled	*	*	*	*	*	*	*	*	*	*	*	*	*
Total Expenditures	\$107.7	69.4%	\$182.4	98.2%	\$361.5	12.8%	\$407.7	14.4%	\$466.5	8.8%	\$507.5	9.5%	\$555.9
ENROLLMENT (In Thousands)													
Total Member Months	6.7	16.7%	7.9	21.3%	9.5	7.5%	10.3	6.5%	10.9	5.4%	11.5	4.4%	12.0
June Enrollment	0.6	31.1%	0.8	8.0%	0.8	7.0%	0.9	6.0%	0.9	4.9%	1.0	4.0%	1.0

* Based upon our understanding of the logic included in Appendix E, we believe that claims expenditures for each category of service identified with an asterisk is included in our analysis, however, the expenditures for those line items were allocated across the other (non-asterisk) listed line items.

Appendix C: Baseline Forecast – Incurred PMPM Summary

STATE OF NORTH DAKOTA -- DEPARTMENT OF HUMAN SERVICES
INCURRED CLAIMS FORECAST: FY 2005 - FY 2011

Total - Scenario: Baseline
Data Paid Through July 18, 2006
(State and Federal Dollars in Thousands)

AVERAGE EXPENDITURES PMPM	FY 2005	Growth	FY 2006	Growth	FY 2007	Growth	FY 2008	Growth	FY 2009	Growth	FY 2010	Growth	FY 2011
Inpatient Hospital	\$59.24	18.0%	\$69.91	5.7%	\$73.87	4.2%	\$76.96	4.0%	\$80.01	3.9%	\$83.14	3.9%	\$86.40
Outpatient Hospital	36.25	5.7%	38.34	7.9%	41.35	6.6%	44.09	6.6%	46.99	6.7%	50.13	6.7%	53.46
Ambulance Svcs.	1.78	7.4%	1.91	4.4%	1.99	3.6%	2.06	3.5%	2.14	3.4%	2.21	3.4%	2.29
Breast and Cervical Cancer	*	*	*	*	*	*	*	*	*	*	*	*	*
Children's Health Ins. Program	*	*	*	*	*	*	*	*	*	*	*	*	*
Chiropractic Svcs.	0.30	8.3%	0.33	6.2%	0.35	5.6%	0.37	5.4%	0.39	5.3%	0.41	5.1%	0.43
Dental Svcs.	9.14	0.6%	9.19	6.3%	9.77	5.8%	10.34	5.5%	10.91	5.3%	11.49	5.1%	12.08
Drugs	95.06	(34.6%)	62.16	(20.0%)	49.72	9.3%	54.35	9.2%	59.33	9.1%	64.75	9.2%	70.74
Durable Medical Equipment	4.52	2.8%	4.65	3.8%	4.82	3.2%	4.98	3.2%	5.14	3.1%	5.29	3.1%	5.46
Family Planning	*	*	*	*	*	*	*	*	*	*	*	*	*
Federally Qualified Health Centers	1.81	5.9%	1.92	6.1%	2.04	5.6%	2.15	5.2%	2.26	4.9%	2.37	4.7%	2.49
Home Health Svcs.	2.12	0.2%	2.12	7.5%	2.28	7.5%	2.45	7.2%	2.63	7.0%	2.81	6.8%	3.00
Hospice Svcs.	5.37	18.0%	6.34	4.0%	6.59	4.3%	6.87	4.7%	7.20	4.9%	7.55	4.9%	7.91
Indian Health Svcs.	14.67	11.2%	16.31	6.8%	17.42	6.6%	18.57	6.5%	19.78	6.6%	21.09	6.6%	22.48
Laboratory & Radiology	1.43	(12.2%)	1.26	5.8%	1.33	4.7%	1.39	4.4%	1.46	4.3%	1.52	4.1%	1.58
N.D. Health Tracks	*	*	*	*	*	*	*	*	*	*	*	*	*
Occupational Therapy	0.42	42.6%	0.59	7.0%	0.64	6.3%	0.68	5.9%	0.72	5.7%	0.76	5.5%	0.80
Optometry Svcs.	1.65	6.8%	1.76	5.1%	1.85	4.9%	1.94	4.7%	2.03	4.7%	2.13	4.5%	2.22
Physical Therapy	0.52	(14.8%)	0.45	6.5%	0.47	5.7%	0.50	5.4%	0.53	5.3%	0.56	5.1%	0.58
Physician Svcs.	43.76	10.5%	48.33	7.1%	51.76	6.0%	54.86	5.5%	57.85	5.1%	60.82	5.0%	63.85
Psychological Svcs.	0.39	(9.8%)	0.35	3.4%	0.36	3.3%	0.37	3.1%	0.38	3.1%	0.40	3.0%	0.41
Refugee Assistance	*	*	*	*	*	*	*	*	*	*	*	*	*
Rural Health Clinics	2.78	4.9%	2.92	5.7%	3.09	5.7%	3.26	5.2%	3.43	4.9%	3.60	4.7%	3.77
Speech & Hearing Svcs.	2.18	38.5%	3.01	5.0%	3.17	5.1%	3.33	4.9%	3.49	4.9%	3.66	4.7%	3.84
Transportation Svcs.	3.16	11.6%	3.52	5.1%	3.70	5.3%	3.90	5.3%	4.10	5.2%	4.31	5.2%	4.54
Working Disabled	*	*	*	*	*	*	*	*	*	*	*	*	*
Total Expenditures	\$286.55	(3.9%)	\$275.37	0.4%	\$276.57	6.1%	\$293.44	5.9%	\$310.76	5.9%	\$328.99	5.9%	\$348.33

* Based upon our understanding of the logic included in Appendix E, we believe that claims expenditures for each category of service identified with an asterisk is included in our analysis, however, the expenditures for those line items were allocated across the other (non-asterisk) listed line items.

STATE OF NORTH DAKOTA -- DEPARTMENT OF HUMAN SERVICES
INCURRED CLAIMS FORECAST: FY 2005 - FY 2011
TANF - Scenario: Baseline
 Data Paid Through July 18, 2006
 (State and Federal Dollars in Thousands)

AVERAGE EXPENDITURES PMPM	FY 2005	<i>Growth</i>	FY 2006	<i>Growth</i>	FY 2007	<i>Growth</i>	FY 2008	<i>Growth</i>	FY 2009	<i>Growth</i>	FY 2010	<i>Growth</i>	FY 2011
Inpatient Hospital	\$40.01	13.1%	\$45.27	3.1%	\$46.69	3.0%	\$48.11	3.1%	\$49.60	3.2%	\$51.18	3.2%	\$52.80
Outpatient Hospital	26.46	7.8%	28.53	6.2%	30.29	6.1%	32.14	6.2%	34.13	6.4%	36.30	6.3%	38.60
Ambulance Svcs.	1.22	(0.5%)	1.21	2.7%	1.24	3.0%	1.28	3.0%	1.32	3.0%	1.36	3.0%	1.40
Breast and Cervical Cancer	*	*	*	*	*	*	*	*	*	*	*	*	*
Children's Health Ins. Program	*	*	*	*	*	*	*	*	*	*	*	*	*
Chiropractic Svcs.	0.28	11.5%	0.31	5.8%	0.33	5.4%	0.35	5.3%	0.37	5.3%	0.38	5.1%	0.40
Dental Svcs.	9.39	(1.1%)	9.29	5.0%	9.76	5.4%	10.28	5.2%	10.82	5.0%	11.36	4.9%	11.92
Drugs	29.95	13.9%	34.11	9.4%	37.30	8.1%	40.34	8.3%	43.70	8.4%	47.38	8.5%	51.42
Durable Medical Equipment	1.26	7.7%	1.36	2.3%	1.39	2.5%	1.43	2.5%	1.46	2.5%	1.50	2.5%	1.54
Family Planning	*	*	*	*	*	*	*	*	*	*	*	*	*
Federally Qualified Health Centers	1.78	8.2%	1.92	5.0%	2.02	5.4%	2.13	5.0%	2.24	4.8%	2.34	4.6%	2.45
Home Health Svcs.	0.50	39.5%	0.69	6.4%	0.74	6.9%	0.79	6.7%	0.84	6.5%	0.90	6.3%	0.95
Hospice Svcs.	0.06	(62.5%)	0.02	5.4%	0.02	5.4%	0.02	5.3%	0.03	5.1%	0.03	5.0%	0.03
Indian Health Svcs.	14.57	17.6%	17.13	5.5%	18.07	6.1%	19.17	6.2%	20.35	6.4%	21.65	6.3%	23.02
Laboratory & Radiology	1.21	(8.9%)	1.10	3.7%	1.14	3.9%	1.19	3.8%	1.23	3.8%	1.28	3.7%	1.33
N.D. Health Tracks	*	*	*	*	*	*	*	*	*	*	*	*	*
Occupational Therapy	0.25	50.0%	0.37	4.6%	0.39	4.9%	0.40	4.8%	0.42	4.8%	0.44	4.6%	0.46
Optometry Svcs.	1.79	6.1%	1.90	4.6%	1.98	4.9%	2.08	4.8%	2.18	4.8%	2.28	4.6%	2.39
Physical Therapy	0.22	11.9%	0.24	6.1%	0.26	4.9%	0.27	4.8%	0.29	4.8%	0.30	4.6%	0.31
Physician Svcs.	36.19	9.6%	39.66	5.0%	41.65	5.4%	43.90	5.0%	46.11	4.8%	48.32	4.6%	50.55
Psychological Svcs.	0.37	(18.2%)	0.30	2.7%	0.31	2.9%	0.32	2.9%	0.33	2.9%	0.34	2.8%	0.35
Refugee Assistance	*	*	*	*	*	*	*	*	*	*	*	*	*
Rural Health Clinics	2.93	10.8%	3.25	5.0%	3.41	5.4%	3.59	5.0%	3.77	4.8%	3.95	4.6%	4.14
Speech & Hearing Svcs.	1.65	71.0%	2.83	4.7%	2.96	4.9%	3.11	4.8%	3.25	4.8%	3.41	4.6%	3.57
Transportation Svcs.	3.16	0.7%	3.18	4.8%	3.34	5.0%	3.50	5.0%	3.68	5.0%	3.86	5.1%	4.06
Working Disabled	*	*	*	*	*	*	*	*	*	*	*	*	*
Total Expenditures	\$173.24	11.2%	\$192.68	5.5%	\$203.30	5.5%	\$214.40	5.5%	\$226.12	5.5%	\$238.57	5.5%	\$251.69

* Based upon our understanding of the logic included in Appendix E, we believe that claims expenditures for each category of service identified with an asterisk is included in our analysis, however, the expenditures for those line items were allocated across the other (non-asterisk) listed line items.

STATE OF NORTH DAKOTA -- DEPARTMENT OF HUMAN SERVICES
INCURRED CLAIMS FORECAST: FY 2005 - FY 2011
Pregnant Women - Scenario: Baseline
 Data Paid Through July 18, 2006
 (State and Federal Dollars in Thousands)

AVERAGE EXPENDITURES PMPM	FY 2005	<i>Growth</i>	FY 2006	<i>Growth</i>	FY 2007	<i>Growth</i>	FY 2008	<i>Growth</i>	FY 2009	<i>Growth</i>	FY 2010	<i>Growth</i>	FY 2011
Inpatient Hospital	\$322.62	3.9%	\$335.22	2.7%	\$344.40	3.0%	\$354.89	3.1%	\$365.87	3.2%	\$377.49	3.2%	\$389.47
Outpatient Hospital	101.74	(1.7%)	100.00	7.1%	107.15	6.1%	113.67	6.2%	120.71	6.4%	128.37	6.3%	136.52
Ambulance Svcs.	3.92	2.4%	4.02	2.6%	4.12	3.0%	4.25	3.0%	4.37	3.0%	4.51	3.0%	4.64
Breast and Cervical Cancer	*	*	*	*	*	*	*	*	*	*	*	*	*
Children's Health Ins. Program	*	*	*	*	*	*	*	*	*	*	*	*	*
Chiropractic Svcs.	1.01	(1.0%)	1.00	5.0%	1.05	5.4%	1.11	5.3%	1.17	5.3%	1.23	5.1%	1.29
Dental Svcs.	11.81	0.6%	11.88	4.9%	12.47	5.4%	13.14	5.2%	13.82	5.0%	14.52	4.9%	15.22
Drugs	33.40	9.0%	36.40	8.3%	39.40	8.1%	42.61	8.3%	46.15	8.4%	50.05	8.5%	54.31
Durable Medical Equipment	1.33	(41.7%)	0.77	1.4%	0.78	2.5%	0.80	2.5%	0.82	2.5%	0.84	2.5%	0.87
Family Planning	*	*	*	*	*	*	*	*	*	*	*	*	*
Federally Qualified Health Centers	7.62	10.3%	8.41	5.4%	8.86	5.4%	9.34	5.0%	9.81	4.8%	10.28	4.6%	10.76
Home Health Svcs.	0.10	178.2%	0.29	5.0%	0.31	6.9%	0.33	6.7%	0.35	6.5%	0.37	6.3%	0.39
Hospice Svcs.	-	0.0%	0.59	4.1%	0.61	5.4%	0.65	5.3%	0.68	5.1%	0.71	5.0%	0.75
Indian Health Svcs.	43.74	24.9%	54.62	5.6%	57.68	6.1%	61.19	6.2%	64.98	6.4%	69.10	6.3%	73.49
Laboratory & Radiology	8.78	(19.8%)	7.04	3.6%	7.29	3.9%	7.58	3.8%	7.87	3.8%	8.17	3.7%	8.47
N.D. Health Tracks	*	*	*	*	*	*	*	*	*	*	*	*	*
Occupational Therapy	0.22	(12.7%)	0.19	7.7%	0.20	4.9%	0.21	4.8%	0.22	4.8%	0.23	4.6%	0.24
Optometry Svcs.	2.62	(10.4%)	2.35	4.5%	2.45	4.9%	2.57	4.8%	2.70	4.8%	2.83	4.6%	2.96
Physical Therapy	0.05	0.9%	0.05	5.2%	0.05	4.9%	0.05	4.8%	0.06	4.8%	0.06	4.6%	0.06
Physician Svcs.	235.83	1.6%	239.71	5.0%	251.78	5.4%	265.35	5.0%	278.72	4.8%	292.08	4.6%	305.60
Psychological Svcs.	0.16	(85.9%)	0.02	1.2%	0.02	2.9%	0.02	2.9%	0.02	2.9%	0.03	2.8%	0.03
Refugee Assistance	*	*	*	*	*	*	*	*	*	*	*	*	*
Rural Health Clinics	7.57	(15.9%)	6.36	5.1%	6.69	5.4%	7.05	5.0%	7.40	4.8%	7.76	4.6%	8.12
Speech & Hearing Svcs.	-	0.0%	0.00	(100.0%)	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Transportation Svcs.	3.88	(48.6%)	1.99	4.7%	2.09	5.0%	2.19	5.0%	2.30	5.0%	2.41	5.1%	2.54
Working Disabled	*	*	*	*	*	*	*	*	*	*	*	*	*
Total Expenditures	\$786.39	3.1%	\$810.92	4.5%	\$847.42	4.7%	\$887.00	4.6%	\$928.03	4.6%	\$971.05	4.6%	\$1,015.72

* Based upon our understanding of the logic included in Appendix E, we believe that claims expenditures for each category of service identified with an asterisk is included in our analysis, however, the expenditures for those line items were allocated across the other (non-asterisk) listed line items.

STATE OF NORTH DAKOTA -- DEPARTMENT OF HUMAN SERVICES
INCURRED CLAIMS FORECAST: FY 2005 - FY 2011
 Aged - Scenario: Baseline
 Data Paid Through July 18, 2006
 (State and Federal Dollars in Thousands)

AVERAGE EXPENDITURES PMPM	FY 2005	<i>Growth</i>	FY 2006	<i>Growth</i>	FY 2007	<i>Growth</i>	FY 2008	<i>Growth</i>	FY 2009	<i>Growth</i>	FY 2010	<i>Growth</i>	FY 2011
Inpatient Hospital	\$17.92	17.0%	\$20.96	2.8%	\$21.55	2.6%	\$22.12	2.7%	\$22.71	2.8%	\$23.34	2.7%	\$23.98
Outpatient Hospital	21.49	21.9%	26.19	4.6%	27.41	5.2%	28.83	5.3%	30.35	5.4%	31.98	5.4%	33.71
Ambulance Svcs.	1.48	(0.7%)	1.47	1.9%	1.50	2.0%	1.53	2.0%	1.56	2.0%	1.59	2.0%	1.62
Breast and Cervical Cancer	*	*	*	*	*	*	*	*	*	*	*	*	*
Children's Health Ins. Program	*	*	*	*	*	*	*	*	*	*	*	*	*
Chiropractic Svcs.	0.14	(8.9%)	0.13	4.2%	0.13	4.4%	0.14	4.3%	0.15	4.3%	0.15	4.2%	0.16
Dental Svcs.	6.36	(0.2%)	6.35	5.0%	6.66	5.4%	7.02	5.2%	7.39	5.1%	7.76	4.9%	8.14
Drugs	258.14	(69.0%)	80.08	(94.8%)	4.16	7.1%	4.45	7.3%	4.78	7.4%	5.13	7.5%	5.51
Durable Medical Equipment	4.15	4.0%	4.32	1.9%	4.40	2.0%	4.49	2.0%	4.58	2.0%	4.67	2.0%	4.76
Family Planning	*	*	*	*	*	*	*	*	*	*	*	*	*
Federally Qualified Health Centers	1.09	(1.4%)	1.07	4.0%	1.12	3.9%	1.16	3.7%	1.20	3.5%	1.25	3.4%	1.29
Home Health Svcs.	2.20	11.9%	2.47	5.2%	2.59	5.6%	2.74	5.5%	2.89	5.3%	3.04	5.1%	3.20
Hospice Svcs.	34.81	16.3%	40.48	5.4%	42.65	5.4%	44.96	5.3%	47.32	5.1%	49.75	5.0%	52.22
Indian Health Svcs.	6.77	(24.8%)	5.10	4.6%	5.33	5.2%	5.61	5.3%	5.90	5.4%	6.22	5.4%	6.56
Laboratory & Radiology	0.57	(29.5%)	0.40	2.9%	0.42	3.1%	0.43	3.1%	0.44	3.1%	0.46	3.0%	0.47
N.D. Health Tracks	*	*	*	*	*	*	*	*	*	*	*	*	*
Occupational Therapy	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Optometry Svcs.	1.10	6.5%	1.17	4.6%	1.22	3.1%	1.26	3.1%	1.30	3.1%	1.34	3.0%	1.38
Physical Therapy	0.11	(40.6%)	0.07	2.9%	0.07	3.1%	0.07	3.1%	0.07	3.1%	0.07	3.0%	0.08
Physician Svcs.	19.21	0.4%	19.28	4.0%	20.05	3.9%	20.84	3.7%	21.60	3.5%	22.36	3.4%	23.11
Psychological Svcs.	0.05	16.7%	0.06	2.2%	0.06	2.3%	0.07	2.3%	0.07	2.3%	0.07	2.2%	0.07
Refugee Assistance	*	*	*	*	*	*	*	*	*	*	*	*	*
Rural Health Clinics	0.83	(4.4%)	0.80	3.7%	0.83	3.9%	0.86	3.7%	0.89	3.5%	0.92	3.4%	0.95
Speech & Hearing Svcs.	1.64	21.2%	1.99	2.8%	2.05	3.1%	2.11	3.1%	2.18	3.1%	2.24	3.0%	2.31
Transportation Svcs.	1.01	29.5%	1.30	5.7%	1.38	5.0%	1.45	5.1%	1.52	5.0%	1.59	5.1%	1.68
Working Disabled	*	*	*	*	*	*	*	*	*	*	*	*	*
Total Expenditures	\$379.09	(43.6%)	\$213.69	(32.8%)	\$143.58	4.6%	\$150.12	4.5%	\$156.89	4.5%	\$163.94	4.4%	\$171.19

* Based upon our understanding of the logic included in Appendix E, we believe that claims expenditures for each category of service identified with an asterisk is included in our analysis, however, the expenditures for those line items were allocated across the other (non-asterisk) listed line items.

STATE OF NORTH DAKOTA -- DEPARTMENT OF HUMAN SERVICES													
INCURRED CLAIMS FORECAST: FY 2005 - FY 2011													
Blind & Disabled, Dual - Scenario: Baseline													
Data Paid Through July 18, 2006													
(State and Federal Dollars in Thousands)													
AVERAGE EXPENDITURES PMPM	FY 2005	Growth	FY 2006	Growth	FY 2007	Growth	FY 2008	Growth	FY 2009	Growth	FY 2010	Growth	FY 2011
Inpatient Hospital	\$15.91	26.6%	\$20.15	3.7%	\$20.89	2.6%	\$21.44	2.7%	\$22.02	2.8%	\$22.62	2.7%	\$23.24
Outpatient Hospital	17.65	99.2%	35.16	6.0%	37.25	5.2%	39.18	5.3%	41.25	5.4%	43.47	5.4%	45.82
Ambulance Svcs.	0.88	85.7%	1.63	1.9%	1.67	2.0%	1.70	2.0%	1.73	2.0%	1.77	2.0%	1.80
Breast and Cervical Cancer	*	*	*	*	*	*	*	*	*	*	*	*	*
Children's Health Ins. Program	*	*	*	*	*	*	*	*	*	*	*	*	*
Chiropractic Svcs.	0.15	163.2%	0.41	4.5%	0.42	4.4%	0.44	4.3%	0.46	4.3%	0.48	4.2%	0.50
Dental Svcs.	10.64	(94.5%)	0.58	7.4%	0.63	5.4%	0.66	5.2%	0.69	5.0%	0.73	4.9%	0.77
Drugs	278.92	(64.8%)	98.20	(95.0%)	4.88	7.1%	5.22	7.3%	5.61	7.4%	6.02	7.5%	6.47
Durable Medical Equipment	5.44	80.0%	9.79	2.1%	9.99	2.0%	10.19	2.0%	10.40	2.0%	10.61	2.0%	10.82
Family Planning	*	*	*	*	*	*	*	*	*	*	*	*	*
Federally Qualified Health Centers	1.08	(27.5%)	0.78	3.6%	0.81	3.9%	0.84	3.7%	0.87	3.5%	0.90	3.4%	0.93
Home Health Svcs.	3.24	(11.3%)	2.88	5.0%	3.02	5.6%	3.19	5.5%	3.36	5.3%	3.54	5.1%	3.72
Hospice Svcs.	2.14	115.2%	4.61	5.3%	4.85	5.4%	5.11	5.3%	5.38	5.1%	5.66	5.0%	5.94
Indian Health Svcs.	2.74	(77.6%)	0.61	4.4%	0.64	5.2%	0.68	5.3%	0.71	5.4%	0.75	5.4%	0.79
Laboratory & Radiology	0.27	53.7%	0.42	3.2%	0.43	3.1%	0.44	3.1%	0.46	3.1%	0.47	3.0%	0.49
N.D. Health Tracks	*	*	*	*	*	*	*	*	*	*	*	*	*
Occupational Therapy	0.00	2402.5%	0.02	1.9%	0.02	3.1%	0.02	3.1%	0.02	3.1%	0.02	3.0%	0.02
Optometry Svcs.	0.43	61.5%	0.70	3.3%	0.73	3.1%	0.75	3.1%	0.77	3.1%	0.79	3.0%	0.82
Physical Therapy	1.14	(47.3%)	0.60	3.0%	0.62	3.1%	0.64	3.1%	0.66	3.1%	0.68	3.0%	0.70
Physician Svcs.	11.33	170.8%	30.68	3.8%	31.86	3.9%	33.11	3.7%	34.32	3.5%	35.52	3.4%	36.72
Psychological Svcs.	0.25	78.9%	0.44	2.3%	0.45	2.3%	0.46	2.3%	0.47	2.3%	0.48	2.2%	0.50
Refugee Assistance	*	*	*	*	*	*	*	*	*	*	*	*	*
Rural Health Clinics	0.96	(7.7%)	0.88	3.7%	0.92	3.9%	0.95	3.7%	0.99	3.5%	1.02	3.4%	1.06
Speech & Hearing Svcs.	1.52	(31.4%)	1.04	2.9%	1.08	3.1%	1.11	3.1%	1.14	3.1%	1.18	3.0%	1.21
Transportation Svcs.	2.40	71.5%	4.11	4.6%	4.30	5.0%	4.51	5.1%	4.74	5.0%	4.98	5.1%	5.23
Working Disabled	*	*	*	*	*	*	*	*	*	*	*	*	*
Total Expenditures	\$357.10	(40.2%)	\$213.71	(41.3%)	\$125.45	4.2%	\$130.66	4.1%	\$136.06	4.1%	\$141.70	4.1%	\$147.54

* Based upon our understanding of the logic included in Appendix E, we believe that claims expenditures for each category of service identified with an asterisk is included in our analysis, however, the expenditures for those line items were allocated across the other (non-asterisk) listed line items.

STATE OF NORTH DAKOTA -- DEPARTMENT OF HUMAN SERVICES
INCURRED CLAIMS FORECAST: FY 2005 - FY 2011
Blind & Disabled, Non-Dual - Scenario: Baseline
 Data Paid Through July 18, 2006
 (State and Federal Dollars in Thousands)

AVERAGE EXPENDITURES PMPM	FY 2005	<i>Growth</i>	FY 2006	<i>Growth</i>	FY 2007	<i>Growth</i>	FY 2008	<i>Growth</i>	FY 2009	<i>Growth</i>	FY 2010	<i>Growth</i>	FY 2011
Inpatient Hospital	\$223.21	20.2%	\$268.29	2.6%	\$275.38	3.0%	\$283.76	3.1%	\$292.54	3.2%	\$301.83	3.2%	\$311.41
Outpatient Hospital	114.99	(16.0%)	96.53	7.2%	103.48	6.1%	109.78	6.2%	116.57	6.4%	123.98	6.3%	131.84
Ambulance Svcs.	5.99	5.8%	6.34	3.0%	6.53	3.0%	6.73	3.0%	6.93	3.0%	7.14	3.0%	7.35
Breast and Cervical Cancer	*	*	*	*	*	*	*	*	*	*	*	*	*
Children's Health Ins. Program	*	*	*	*	*	*	*	*	*	*	*	*	*
Chiropractic Svcs.	0.58	(33.0%)	0.39	4.9%	0.41	5.4%	0.43	5.3%	0.45	5.3%	0.48	5.1%	0.50
Dental Svcs.	11.35	79.0%	20.32	6.3%	21.59	5.4%	22.75	5.2%	23.93	5.0%	25.14	4.9%	26.36
Drugs	187.34	9.8%	205.61	7.2%	220.49	8.1%	238.44	8.3%	258.27	8.4%	280.05	8.5%	303.91
Durable Medical Equipment	24.62	(16.1%)	20.66	2.7%	21.21	2.5%	21.74	2.5%	22.29	2.5%	22.85	2.5%	23.43
Family Planning	*	*	*	*	*	*	*	*	*	*	*	*	*
Federally Qualified Health Centers	2.78	0.5%	2.79	4.9%	2.93	5.4%	3.09	5.0%	3.25	4.8%	3.40	4.6%	3.56
Home Health Svcs.	12.36	(13.6%)	10.68	6.2%	11.34	6.9%	12.12	6.7%	12.93	6.5%	13.78	6.3%	14.65
Hospice Svcs.	7.59	14.0%	8.65	4.9%	9.08	5.4%	9.57	5.3%	10.07	5.1%	10.59	5.0%	11.11
Indian Health Svcs.	33.38	(0.6%)	33.17	5.4%	34.96	6.1%	37.09	6.2%	39.38	6.4%	41.88	6.3%	44.54
Laboratory & Radiology	3.41	(23.3%)	2.61	3.8%	2.71	3.9%	2.81	3.8%	2.92	3.8%	3.03	3.7%	3.15
N.D. Health Tracks	*	*	*	*	*	*	*	*	*	*	*	*	*
Occupational Therapy	2.54	32.2%	3.36	4.1%	3.49	4.9%	3.66	4.8%	3.84	4.8%	4.02	4.6%	4.21
Optometry Svcs.	2.57	6.3%	2.73	5.5%	2.88	4.9%	3.03	4.8%	3.17	4.8%	3.32	4.6%	3.47
Physical Therapy	2.60	(16.9%)	2.16	4.5%	2.25	4.9%	2.36	4.8%	2.48	4.8%	2.60	4.6%	2.72
Physician Svcs.	111.97	(3.2%)	108.43	6.0%	114.96	5.4%	121.16	5.0%	127.26	4.8%	133.36	4.6%	139.53
Psychological Svcs.	1.11	(9.4%)	1.00	3.5%	1.04	2.9%	1.07	2.9%	1.10	2.9%	1.13	2.8%	1.16
Refugee Assistance	*	*	*	*	*	*	*	*	*	*	*	*	*
Rural Health Clinics	5.55	(8.6%)	5.07	5.1%	5.33	5.4%	5.61	5.0%	5.90	4.8%	6.18	4.6%	6.47
Speech & Hearing Svcs.	7.50	13.8%	8.53	4.2%	8.90	4.9%	9.33	4.8%	9.78	4.8%	10.24	4.6%	10.72
Transportation Svcs.	6.76	34.0%	9.06	4.5%	9.47	5.0%	9.94	5.0%	10.44	5.0%	10.96	5.1%	11.52
Working Disabled	*	*	*	*	*	*	*	*	*	*	*	*	*
Total Expenditures	\$768.19	6.3%	\$816.40	5.1%	\$858.42	5.4%	\$904.46	5.4%	\$953.49	5.5%	\$1,005.96	5.5%	\$1,061.59

* Based upon our understanding of the logic included in Appendix E, we believe that claims expenditures for each category of service identified with an asterisk is included in our analysis, however, the expenditures for those line items were allocated across the other (non-asterisk) listed line items.

STATE OF NORTH DAKOTA -- DEPARTMENT OF HUMAN SERVICES
INCURRED CLAIMS FORECAST: FY 2005 - FY 2011
Partial Eligible - Scenario: Baseline
 Data Paid Through July 18, 2006
 (State and Federal Dollars in Thousands)

AVERAGE EXPENDITURES PMPM	FY 2005	<i>Growth</i>	FY 2006	<i>Growth</i>	FY 2007	<i>Growth</i>	FY 2008	<i>Growth</i>	FY 2009	<i>Growth</i>	FY 2010	<i>Growth</i>	FY 2011
Inpatient Hospital	\$26.09	(20.9%)	\$20.64	2.7%	\$21.20	2.6%	\$21.76	2.7%	\$22.34	2.8%	\$22.95	2.7%	\$23.58
Outpatient Hospital	70.03	(5.8%)	65.96	5.2%	69.39	5.2%	72.98	5.3%	76.82	5.4%	80.97	5.4%	85.33
Ambulance Svcs.	2.39	8.1%	2.59	2.1%	2.64	2.0%	2.69	2.0%	2.75	2.0%	2.80	2.0%	2.86
Breast and Cervical Cancer	*	*	*	*	*	*	*	*	*	*	*	*	*
Children's Health Ins. Program	*	*	*	*	*	*	*	*	*	*	*	*	*
Chiropractic Svcs.	0.76	4.5%	0.80	3.2%	0.82	4.4%	0.86	4.3%	0.90	4.3%	0.93	4.1%	0.97
Dental Svcs.	0.00	527.8%	0.01	1.3%	0.01	5.4%	0.01	5.2%	0.01	5.0%	0.01	4.9%	0.01
Drugs	0.03	479.8%	0.16	(100.0%)	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Durable Medical Equipment	11.44	(14.8%)	9.74	1.6%	9.89	2.0%	10.09	2.0%	10.30	2.0%	10.50	2.0%	10.71
Family Planning	*	*	*	*	*	*	*	*	*	*	*	*	*
Federally Qualified Health Centers	0.27	73.6%	0.47	5.9%	0.50	4.9%	0.52	4.6%	0.55	4.4%	0.57	4.3%	0.59
Home Health Svcs.	0.10	222.6%	0.34	6.3%	0.36	5.6%	0.38	5.5%	0.40	5.3%	0.42	5.1%	0.44
Hospice Svcs.	1.08	9.1%	1.18	6.1%	1.25	5.4%	1.32	5.3%	1.39	5.1%	1.46	5.0%	1.54
Indian Health Svcs.	0.53	(76.4%)	0.13	6.4%	0.13	5.7%	0.14	5.8%	0.15	5.9%	0.16	5.9%	0.17
Laboratory & Radiology	1.49	(25.8%)	1.10	3.6%	1.14	3.1%	1.18	3.1%	1.21	3.1%	1.25	3.0%	1.29
N.D. Health Tracks	*	*	*	*	*	*	*	*	*	*	*	*	*
Occupational Therapy	0.01	96.3%	0.01	2.2%	0.01	3.1%	0.01	3.1%	0.01	3.1%	0.01	3.0%	0.01
Optometry Svcs.	1.24	(26.4%)	0.91	3.4%	0.94	3.1%	0.97	3.1%	1.00	3.1%	1.03	3.0%	1.06
Physical Therapy	0.41	(68.0%)	0.13	1.2%	0.13	3.1%	0.14	3.1%	0.14	3.1%	0.14	3.0%	0.15
Physician Svcs.	44.89	(3.3%)	43.42	3.7%	45.02	3.9%	46.79	3.7%	48.50	3.5%	50.19	3.4%	51.88
Psychological Svcs.	0.24	(23.7%)	0.19	(0.6%)	0.19	2.3%	0.19	2.3%	0.19	2.3%	0.20	2.2%	0.20
Refugee Assistance	*	*	*	*	*	*	*	*	*	*	*	*	*
Rural Health Clinics	0.49	13.1%	0.56	4.3%	0.58	4.9%	0.61	4.6%	0.64	4.3%	0.67	4.2%	0.69
Speech & Hearing Svcs.	1.77	(96.9%)	0.06	3.5%	0.06	3.1%	0.06	3.1%	0.06	3.1%	0.06	3.0%	0.06
Transportation Svcs.	2.16	(97.3%)	0.06	1.8%	0.06	5.0%	0.06	5.0%	0.07	5.0%	0.07	5.0%	0.07
Working Disabled	*	*	*	*	*	*	*	*	*	*	*	*	*
Total Expenditures	\$165.43	(10.3%)	\$148.45	4.0%	\$154.33	4.2%	\$160.76	4.1%	\$167.42	4.2%	\$174.41	4.1%	\$181.63

* Based upon our understanding of the logic included in Appendix E, we believe that claims expenditures for each category of service identified with an asterisk is included in our analysis, however, the expenditures for those line items were allocated across the other (non-asterisk) listed line items.

STATE OF NORTH DAKOTA -- DEPARTMENT OF HUMAN SERVICES
INCURRED CLAIMS FORECAST: FY 2005 - FY 2011

Other - Scenario: Baseline
Data Paid Through July 18, 2006
(State and Federal Dollars in Thousands)

AVERAGE EXPENDITURES PMPM	FY 2005	Growth	FY 2006	Growth	FY 2007	Growth	FY 2008	Growth	FY 2009	Growth	FY 2010	Growth	FY 2011
Inpatient Hospital	\$10.00	(48.5%)	\$5.15	1.8%	\$5.25	3.0%	\$5.41	3.1%	\$5.57	3.2%	\$5.75	3.2%	\$5.93
Outpatient Hospital	4.57	49.8%	6.85	7.3%	7.34	6.1%	7.79	6.2%	8.27	6.3%	8.80	6.3%	9.36
Ambulance Svcs.	0.74	(61.0%)	0.29	1.9%	0.29	3.0%	0.30	3.0%	0.31	3.0%	0.32	3.0%	0.33
Breast and Cervical Cancer	*	*	*	*	*	*	*	*	*	*	*	*	*
Children's Health Ins. Program	*	*	*	*	*	*	*	*	*	*	*	*	*
Chiropractic Svcs.	0.08	(17.1%)	0.06	6.0%	0.07	5.4%	0.07	5.3%	0.08	5.2%	0.08	5.1%	0.08
Dental Svcs.	3.59	91.1%	6.86	7.0%	7.34	5.4%	7.73	5.2%	8.13	5.0%	8.54	4.9%	8.96
Drugs	0.59	(43.0%)	0.34	6.2%	0.36	8.1%	0.39	8.3%	0.42	8.4%	0.46	8.5%	0.49
Durable Medical Equipment	0.00	23490.5%	1.13	(0.3%)	1.13	2.5%	1.16	2.5%	1.19	2.5%	1.22	2.5%	1.25
Family Planning	*	*	*	*	*	*	*	*	*	*	*	*	*
Federally Qualified Health Centers	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Home Health Svcs.	0.03	(100.0%)	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Hospice Svcs.	6.85	4.1%	7.13	5.1%	7.49	5.4%	7.89	5.3%	8.31	5.1%	8.74	5.0%	9.17
Indian Health Svcs.	0.16	23.1%	0.20	4.2%	0.21	6.1%	0.22	6.2%	0.23	6.3%	0.25	6.3%	0.26
Laboratory & Radiology	0.38	27.1%	0.48	4.2%	0.50	3.9%	0.52	3.8%	0.54	3.8%	0.56	3.7%	0.58
N.D. Health Tracks	*	*	*	*	*	*	*	*	*	*	*	*	*
Occupational Therapy	0.02	(100.0%)	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Optometry Svcs.	0.02	4.8%	0.02	2.6%	0.02	4.9%	0.02	4.8%	0.02	4.8%	0.03	4.6%	0.03
Physical Therapy	-	0.0%	0.01	3.5%	0.01	4.9%	0.01	4.8%	0.01	4.8%	0.01	4.6%	0.02
Physician Svcs.	2.36	248.4%	8.22	2.5%	8.42	5.4%	8.88	5.0%	9.33	4.8%	9.77	4.6%	10.22
Psychological Svcs.	0.18	(60.4%)	0.07	1.1%	0.07	2.9%	0.07	2.9%	0.07	2.9%	0.08	2.8%	0.08
Refugee Assistance	*	*	*	*	*	*	*	*	*	*	*	*	*
Rural Health Clinics	0.03	(100.0%)	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Speech & Hearing Svcs.	-	0.0%	0.01	2.0%	0.01	4.9%	0.01	4.8%	0.01	4.8%	0.01	4.6%	0.01
Transportation Svcs.	0.18	(95.4%)	0.01	3.4%	0.01	5.0%	0.01	5.0%	0.01	5.0%	0.01	5.0%	0.01
Working Disabled	*	*	*	*	*	*	*	*	*	*	*	*	*
Total Expenditures	\$29.77	23.7%	\$36.82	4.6%	\$38.52	5.1%	\$40.48	5.0%	\$42.51	4.9%	\$44.61	4.9%	\$46.77

* Based upon our understanding of the logic included in Appendix E, we believe that claims expenditures for each category of service identified with an asterisk is included in our analysis, however, the expenditures for those line items were allocated across the other (non-asterisk) listed line items.

Appendix D: Category of Service Logic

All claims excluding ICNs starting with '30','50','60','91'

Hospice

Provider Type = '57' **AND** Provider Specialty = '66'

AND

Revenue Code >= '00650' **AND** <= '00659')

OR

Major Category of '06' **OR** '12'

AND

Minor COS = '99'

AND Provider Type = '99'

AND Provider Specialty = '49' **OR** '96' **OR** '99'

AND Revenue Code >= '00650' **AND** <= '00659')

Rural Health Clinics

Record Code='R' **AND**

Billing Provider Number ge '5000' and Billing Provider Number le '5899'

Federally Qualified Health Centers

Record Code='R' **AND**

Billing Provider Number ge '5900' and Billing Provider Number le '5999'

Home Health

All other Record Code 'R' Claims

Indian Health Services

ICN Region = '70'

Durable Medical Equipment

Major Category of Service = '06' **OR** '12'

AND

Provider Type = '62' **AND**

Provider Specialty = '53' **OR** Provider Specialty = '54'

OR

Provider Type = '60' **AND**

Minor COS = '73','75','92','99'

OR

Provider Type = '51' **AND** Provider Specialty = '70'

OR

Minor COS = '64', '73', '75'

OR

Procedure Codes = 'A4522', 'A4523', 'A0394', 'A0382', 'A7003', 'L3540',
'L4205', 'L4210', 'L3310', 'K0108', 'K0004', 'L3260', 'L3650', 'L3800', 'L3908',
'L0120', 'A4527', 'E0114', '20220', 'A4526', 'A4565', 'E0135', 'L2114',
'L4350', 'L1830', 'A4565', 'L3020', 'L3907', 'L1820', 'L2800', 'A4520', 'S9364',
'L1832', 'E0935', 'L3805', 'L3914', 'A4206', 'L4398', 'L0110', 'L4386', 'L0172',
'L1815', 'L3932', 'L8045', 'L1906', 'J7040', 'L1902', 'L0150', 'L3963', 'E0693',
'E0483', 'A4253', 'A4256', 'L1844', 'L3170', 'A4450', 'A6266', 'A6402',
'A6197', 'A4254', 'A4256', 'A4258', 'A4259', 'A4310', 'A4344', 'A4349',
'A4351', 'A4357', 'A4358', 'A4362', 'A4367', 'A4388', 'A4402', 'A4406',
'A4414', 'A4429', 'A4430', 'A4521', 'A4554', 'A4620', 'A4624', 'A4927',
'A5061', 'A5063', 'A5119', 'A7015', 'A7034', 'E0110', 'E0442', 'E0443',
'E0570', 'E0941', 'E1340', 'E1399', 'K0078', 'K0630', 'L1800', 'L3010',
'A7035', 'A7036', 'A7037', 'E0601', 'A4626', 'A4628', 'A4629', 'A4216',
'A4616', 'A4614', 'A4615', 'A4389', 'A4394', 'A4352', 'A5500', 'A5131',
'A7035', 'A7037', 'A7038', 'A7002', 'A7526', 'A7038', 'E0277', 'E0470',
'K0635', 'K0067', 'K0068', 'L1907', 'L3216', 'L5685', 'L5999', 'L7520', 'L8499',
'E0562', 'E0561', 'E1390', 'E0600', 'L2275', 'L2999', 'L3999', 'A4628',
'L3002', 'A6209', 'A4595', 'A7520', 'A7521', 'K0634', 'A7013', '66984',
'A4213', 'A4385', 'A6446', 'A6449', 'A6453', 'A7001', 'A7007', 'A7033',
'A7046', 'A7525', 'E0165', 'E0297', 'E0431', 'E0450', 'E0618', 'E0855',
'E0910', 'E2361', 'K0001', 'K0019', 'K0090', 'K0091', 'L1825', 'L1960', 'L1970',
'L2210', 'L2770', 'L3000', 'L3221', 'L3222', 'L3332', 'L3480', 'L4002', 'A4217',
'A4315', 'A4331', 'A4364', 'A4369', 'A4371', 'A4373', 'A4390', 'A4398',
'A4535', 'A4606', 'A5054', 'A5105', 'A6219', 'A6253', 'B4035', 'B9998',
'E0100', 'E0105', 'E0143', 'E0155', 'E0188', 'E0424', 'E1353', 'E2619',
'K0011', 'K0066', 'L0500', 'L2840', 'L3334', 'L3675', 'L8400', 'L8501', 'V2627',
'V2628', 'A0398', 'A4326', 'A4332', 'A4455', 'A7005', 'E0191', 'E0203',
'E2362', 'E2365', 'E2601', 'E2603', 'E2613', 'K0195', 'K0462', 'L0210',
'L1660', 'L1810', 'L1845', 'L3203', 'L3390', 'L3928', 'L5673', 'L8140', 'L8440',
'S8120', 'A4247', 'A4534', 'A4556', 'A4557', 'A5114', 'A6199', 'A6212',
'A6234', 'A7030', 'A9999', 'B4150', 'B4152', 'E0163', 'E0167', 'E0265',
'E0445', 'E0971', 'E0978', 'E2201', 'K0005', 'K0006', 'K0007', 'K0015',
'K0072', 'L2200', 'L2280', 'L2820', 'L3150', 'L3225', 'L3762', 'L5704', 'A4314',
'A4320', 'A4365', 'A5073', 'A7031', 'B4086', 'E0430', 'E0482', 'E0720',
'E0956', 'E0982', 'E1060', 'E1070', 'E2363', 'E2615', 'K0041', 'K0095',
'K0629', 'L0450', 'L1650', 'L2270', 'L3040', 'L3224', 'L3252', 'L3400', 'L3620',
'L4110', 'L4396', 'L5683', 'A5102', 'A6196', 'A6216', 'A6242', 'A6452',
'B4034', 'E0439', 'L0626', 'L3909', 'L8000', 'L8030'

Inpatient Hospital

Maior COS = '01'

Outpatient Hospital

Major COS = '02'

Ambulance

Provider Type = '80'
AND
Provider Specialty = '59'

OR

Procedure Codes = 'A0360', 'A0362', 'A0364', 'A0366', 'A0368', 'A0370', 'A0380', 'A0390',
'A0425', 'A0426', 'A0427', 'A0428', 'A0429', 'A0435', 'A0436', 'S4505', 'T2006', 'A0422',
'A0424', 'A0021', 'A0030', 'A0040'

Chiropractic Services

Minor Category of Service = '47'

OR

Major Category of Service = '06' **OR** '12'
AND
Procedure Code = '98940', '98941', '98942', '99201', '99205'

Dental Services

Major Category of Service '07'

OR

Major Category of '06' **OR** '12'
AND
Procedure Codes = '40490', '99251', 'T1015', '21470', '70350', '21085'
OR
Provider Type = '40'
AND Provider Specialty = '19'

Laboratory & Radiology

Claim Type 'M' **OR** 'X'

AND

Major Category of Service = '09'

OR

Major Category of '06' **OR** '12'
AND
Minor Category of Service = '55' **OR** '56'

Occupational Therapy

Major Category of '06' OR '12'

AND

Minor Category of Service = '66'

AND Procedure Code >= '01500' **AND** Procedure Code <= '01599')

OR

Minor Category of Service = '67'

OR

Procedure Codes = '97530', '97003'

OR

Provider Specialty = '74'

Optometry Services

Major Category of '06' OR '12'

AND

Provider Type '32' OR '31' **AND** a Provider Specialty of '81'

OR

Minor Category of Service = '44' OR '95'

Physical Therapy

Major Category of '06' OR '12'

AND

Provider Type = '35' **AND** Provider Specialty = '65'

OR

Minor Category of Service = '66'

AND (Procedure Code NOT >= '01300' **AND** NOT <= '01399' **AND** NOT >= '01500'
AND NOT <= '01599')

OR

Procedure Code = '01452', '97001', '97002', '97110', '97112', '97116', '97035',
'L3906', 'L3805', 'A6454', '97022', '97010', '97140', '97535', '97033'

Psychological Services

Major Category of '06' OR '12'

AND

Provider Type = '28' **AND** Provider Specialty = '62'

OR

Minor Category of Service = '48' **AND** Provider Type = '28' **OR** Provider Specialty = '62'

Speech AND Hearing

Major Category of '06' **OR** '12'

AND

Minor Category of Service = '58', '59', '65', '76'

OR

Minor Category of Service = '66' **AND** Procedure Code >= '01300' **AND** Procedure Code <= '01399'

OR

Procedure Codes = '01301', '92507', '92506', 'e2510', '92526', 'E2512', 'E2599', '92510', 'V5090', 'V5256'

OR

Provider Type = '34' **AND** Provider Specialty = '95'

OR

Provider Type = '33' **AND** Provider Specialty = '64'

Transportation

Major Category of '06' **OR** '12'

AND

Procedure Codes = 'A0080', 'A0190', 'A0200', 'A0180', 'A0192', 'A0191', 'A0193', 'A0100', 'A0101', 'A0130', 'A0430', 'S0215', 'T2005'

OR

Provider Type '81'

OR

Minor Category of Service = '99'

AND Provider Type = '99'

AND Provider Specialty '49'

OR Provider Specialty = '96'

OR Provider Specialty = '99' **AND** Procedure Code <> '02500'

OR

Minor Category of Service '60'

Physician Services

Major Category of Service = '05'

OR

Major Category of '06' OR '12'

AND NOT

CASE MANAGEMENT: Identify by Procedure Codes '00015', '00017', '00059', '00060', '00061', '00062', '00092', '02794', '05050', '05055', '05060', '05065', '05070', 'H1000', 'H1001', 'H1002', 'H1003', 'H1004', 'H2021', 'T1016', 'T1017', 'T1021', 'T2023'

CSHS CLINIC: Identify by Provider Type '49'

FAMILY PLANNING: Identify by Provider Type '52'

HOME REHAB SERVICE: Identify by Provider # '54631', '57527', '59048'

HUMAN SERVICE CENTERS: Identify by Provider # Range '54516 – 54523'

PRTFs: Identify by Procedures 'H0019' or '02782'

RCCFs: Identify by Procedures 'H2020' or '02997'

THERAPEUTIC FOSTER CARE: Identify by Provider #59063

NURSING HOME CHARGES: Identify by Provider Type '14'

Pharmacy

Record Code = 'D'

Appendix E: SFY 2005 Reconciliation

STATE OF NORTH DAKOTA -- DEPARTMENT OF HUMAN SERVICES
PAID CLAIMS SUMMARY - SFY 2005 COMPARISON
MEDICAID AND RELATED PROGRAMS
(State and Federal Dollars in Thousands)

EXPENDITURES	Milliman Data Summary	Actual Expenditures
	SFY 2005	SFY 2005
Inpatient Hospital	\$35,390.0	\$39,836.2
Outpatient Hospital	23,533.2	22,797.3
Ambulance Svcs.	1,326.7	1,200.2
Breast and Cervical Cancer*	0.0	835.1
Children's Health Ins. Program*	0.0	3,245.8
Chiropractic Svcs.	195.8	178.8
Dental Svcs.	6,031.5	5,920.6
Drugs - NET (Includes rebates)	63,118.0	62,719.5
Durable Medical Equipment	3,066.5	2,572.6
Family Planning*	0.0	1,156.8
Federally Qualified Health Centers	1,224.3	1,221.8
Home Health Svcs.	1,438.4	1,624.1
Hospice Svcs.	3,497.5	3,554.6
Indian Health Svcs.	9,009.9	11,126.8
Laboratory & Radiology	951.4	912.6
N.D. Health Tracks*	0.0	1,061.2
Occupational Therapy	238.8	49.0
Optometry Svcs.	1,131.0	1,055.8
Physical Therapy	353.6	52.4
Physician Svcs.	28,976.3	26,946.1
Psychological Svcs.	254.5	458.9
Refugee Assistance*	0.0	101.6
Rural Health Clinics	1,887.6	1,906.1
Speech & Hearing Svcs.	1,398.9	519.3
Transportation Svcs.	1,899.9	905.1
Working Disabled*	0.0	5,614.1
Sub-Total Expenditures included in Milliman Forecast	\$184,923.7	\$197,572.5

* Based upon our understanding of the logic included in Appendix E, we believe that claims expenditures for each category of service identified below with an asterisk is included in our analysis, however, the expenditures for those line items were allocated across the other (non-asterisk) listed line items.