

Total	Unit Cost	Utilization	Provider Mix	Service Mix	Total
CY2010	4.8%	0.3%	*	-1.4%	3.6%
CY2011	8.5%	-3.1%	*	-2.4%	2.7%
CY2012	4.0%	-12.9%	*	0.5%	-8.9%
YE Q1 2012					-1.4%
YE Q1 2013					-4.9%

\*Given the growth of business on CHLIC we did not think we could accurately normalize the impact of provider mix and report a distinct trend figure. The impact of provider mix is captured in unit cost and to a lesser extent service mix.

1. Actual Observed Medical Expenditure Trend

- a. For 2010 through 2012, demographics of the population increased observed trend for MA residents by 1.6% in 2010, 0.8% in 2011, and 0.6% in 2012. Nationally, these figures are 1.8%, 0.4%, and 0.2% respectively.
- b. Benefit buy downs decreased observed trend for MA residents by 1%, 5%, and 1.4% for the years 2010-2012. Nationally these figures are 1.6%, 1.7%, and 2.1%.
- c. The health status of this population had a range of estimated costs associated with the identified health risk. The range of impact on trend is estimated to be between -0.3% and 15.7% in 2010, between -4.0% and -22.3% in 2011, and between -8.5% and 23.1% in 2012.