## **Managed Care Capitation Rate Setting**

State of Michigan, Department of Health and Human Services

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## Managed care capitation rates

Represents projected average cost to provide healthcare to covered members

· Capitation payments made by the state to Medicaid health plans

Developed using Medicaid health plan submitted data

- Claim level encounter data submitted for each service/admission/prescription
- · Established on a statewide basis

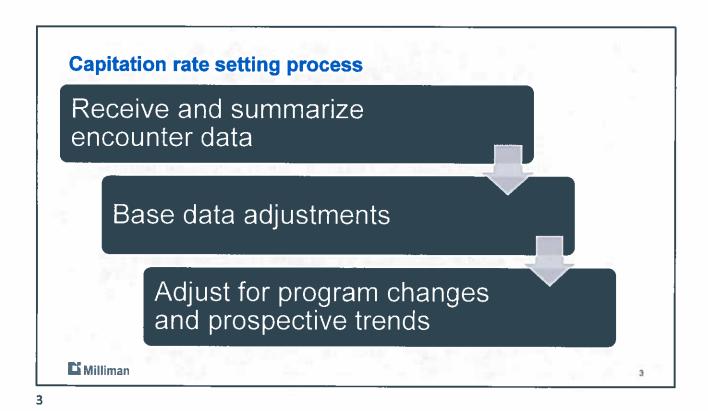
Certified by actuary and reviewed by federal government

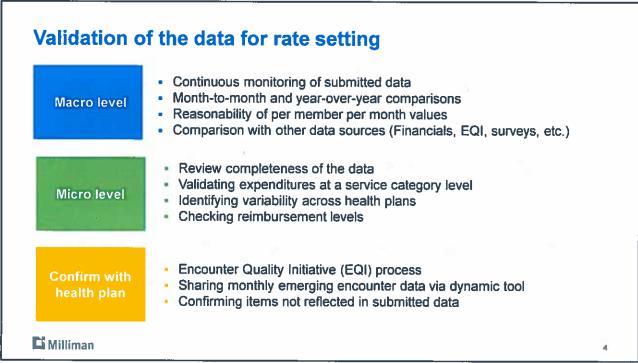
- · Performed on annual basis
- · Complies with actuarial standards of practice and regulations

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