

## How to use the AAP Pediatric Medical Cost Model

- To protect your computer from a virus we recommend that you download your copy from the AAP Web site directly.
- To start the application, double-click "AAP Pediatric Medical Cost Model", read the virus warning and, if you determine that your application file came from a trusted source, choose "**Enable Contents**" and "**Enable Editing**" to start the application. The application will not execute properly if these settings are disabled.
- The start-up page is the "Input" page. (You can return to this page at any time by clicking the "Input" tab at the bottom left of the document window.) You can modify the default settings in this application to reflect a scenario of interest to you. Verify or change these settings by clicking on the down-arrow of the applicable field and choosing from the drop-down box for each of the following settings:
  - **Line of Business:** Choose plan type, either Commercial or Medicaid
  - **Service State:** Choose State, or click "National" for US average
  - **Statewide/Urban/Rural:** Choose Statewide, Urban, or Rural area

Define member (patient) population by clicking either the "Choose Commercial Default" or the "Choose Medicaid Default" button under **Member Demographic**. Alternatively, you can specify your own member mix by (a) editing default values in the Age by Gender table, or, (b) by member mix. Blank cells are interpreted as zeros. Default member age and gender distribution for the Commercial and the Medicaid population are as follows:

Member Age	Commercial			Medicaid		
	Total	Male	Female	Total	Male	Female
0	4.7%	2.4%	2.3%	6.0%	3.1%	2.9%
1	4.8%	2.4%	2.3%	6.0%	3.1%	2.9%
2	4.8%	2.4%	2.3%	6.0%	3.1%	2.9%
3	4.7%	2.4%	2.3%	5.9%	3.0%	2.9%
4	4.6%	2.4%	2.3%	5.8%	3.0%	2.8%
5	4.8%	2.4%	2.3%	6.0%	3.0%	2.9%
6	4.7%	2.4%	2.3%	4.6%	2.3%	2.2%
7	4.5%	2.3%	2.2%	4.4%	2.3%	2.2%
8	4.5%	2.3%	2.2%	4.4%	2.2%	2.1%
9	4.6%	2.3%	2.2%	4.5%	2.3%	2.2%
10	4.5%	2.3%	2.2%	4.4%	2.3%	2.1%
11	4.6%	2.4%	2.2%	4.5%	2.3%	2.2%
12	4.6%	2.4%	2.2%	4.5%	2.3%	2.2%
13	4.6%	2.3%	2.2%	3.8%	1.9%	1.8%
14	4.6%	2.4%	2.3%	3.8%	1.9%	1.9%
15	4.7%	2.4%	2.3%	3.9%	1.9%	2.0%
16	4.7%	2.4%	2.4%	3.9%	1.9%	2.0%
17	4.8%	2.3%	2.4%	3.9%	1.9%	2.0%
18	4.7%	2.3%	2.4%	3.9%	1.8%	2.1%
19	4.3%	2.0%	2.4%	3.6%	1.3%	2.3%
20	3.7%	1.6%	2.1%	3.1%	1.0%	2.1%
21	3.6%	1.5%	2.1%	3.1%	1.0%	2.1%
<b>Totals</b>	100.0%	50.0%	50.0%	100.0%	49.0%	51.0%

- Click the 2<sup>nd</sup> tab on the bottom of the document window to access the “PMPM” page. (You can return to the “Input” page at any time by clicking the "Input" tab at the bottom left of the document window.) On this page, you will be able to (a) select benefits to include in or exclude from the total PMPM, (b) specify cost sharing requirements, and (c) view results.
  - **Include/exclude Benefits:** All benefits are included by default. To exclude one or more benefits, first uncheck the “Include All Services” checkbox (Row 10) and then uncheck each applicable checkbox to *deselect* those benefits you wish to exclude from the cost estimate. *All services will be automatically included if the “Include All Services” checkbox is checked, even if the individual checkboxes are not.* Click on an unchecked box to *select* a benefit you wish to include in the cost estimate. A detailed definition of each benefit item is provided on the "Service Categories" page. You can access this page by clicking the "Service Categories" tab located at the bottom of the document window.
  - **Copayments and coinsurance requirements** can be specified for each benefit in “Cost Share” column, as “Flat Copay” or as “Member Coins %”. Input applicable co-pays (as dollar amounts) and coinsurance (as percentages) for each selected benefit to reflect your scenario of interest.
  
- **Review Results (in Columns F- J of PMPM page):**

Based on user-defined plan type (Commercial or Medicaid/SCHIP), locale, member mix, included benefits and cost-sharing requirements, the model provides estimates of the following:

  - **Utilization** per thousand members per year (Column F)
  - **Cost/unit:** unit medical cost (Column G)
  - **Gross PMPM:** per-member-per-month medical cost (Column H, sum of Columns I and J)
  - **Copay PMPM:** per-member-per-month medical cost paid out-of-pocket by member (Column I)
  - **Net PMPM:** per-member-per-month medical cost paid by insurer (Column J)
  - **Total PMPMs** for all selected benefits (Row 45)
  
- **Save settings:** If you wish to save the settings you specify in the program, it is critical that you choose "Yes" to the prompt "Do you want to save the changes you made to 'AAP Pediatric Cost Model.xls?'" upon exiting the application.
  
- Email questions and comments about this report to *costmodel@aap.org*