

ND Basic Care
Rate Setting Process Review
Demonstration of 6 Month Excluded Inflation Impact

Modeled Rate Setting for 7/1/25 Rates	
Cost Incurred Period	7/1/23 to 6/30/24
Example Allowable Cost Total	\$ 250,000
1/2 of CPI as of 12/31/2024	1.45%
Legislative Provided Inflation	<u>2.00%</u>
Amount included in Rates as of 7/1/2025 to cover costs for 7/1/2025 to 6/30/2026	<u>\$ 258,698</u>

Inflation of Costs	
Cost Incurred Period	7/1/23 to 6/30/24
Example Allowable Cost Total	\$ 250,000
CPI for 7/1/24 to 6/30/25 (est)	2.40%
CPI for 7/1/25 to 6/30/26 (est)	<u>2.40%</u>
	<u>\$ 262,144</u>
Costs exceeding payment	<u>\$ (3,447)</u>
	<u>-1.3%</u>

Modeled Rate Setting for 7/1/25 Rates with additional 6 Months Adjusted	
Cost Incurred Period	7/1/23 to 6/30/24
Example Allowable Cost Total	\$ 250,000
CPI as of 12/31/2024 (2.9%)	2.90%
Legislative Provided Inflation	<u>2.00%</u>
Amount included in Rates as of 7/1/2025 to cover costs for 7/1/2025 to 6/30/2026	<u>\$ 262,395</u>
Payment Exceeding Costs	<u>\$ 251</u>
	<u><u>0.10%</u></u>