

Example Payment Structure

80% Direct / 20% Performance

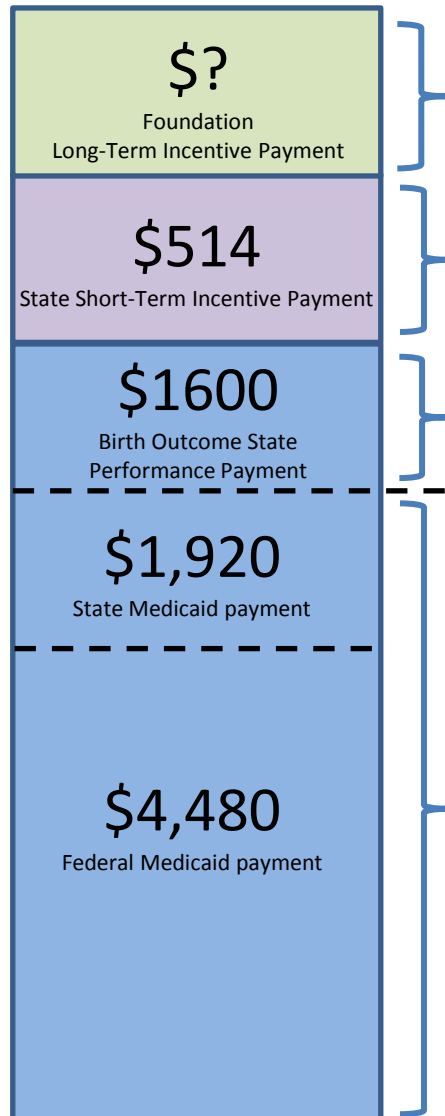
Cost per Client Served

NFP Total Cost = \$8,000

Initial Investment = \$7.1M

Aggregate Cost

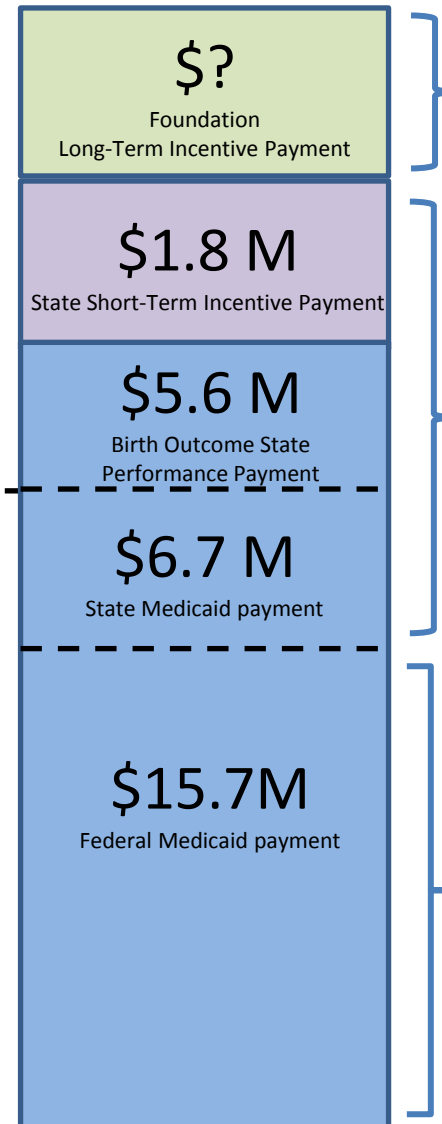
Total Clients = 3,500



25% Return on Initial Investment

20% Total Cost of NFP
Performance Contingent

80% Total Cost of NFP
Paid Direct through MCO



Total Foundation Cost \$?

Maximum State Cost \$14.1 M

Total Federal Cost \$15.7M

Example Cash Flow Forecast
80% Direct / 20% Performance
Initial Investment = \$7.1M

SIB Cash Flow Forecast (NFP)

| Year | Pre-Start | 1 | 2 | 3 | 4 | 5 | 6 |
|---|---------------------|---------------------|---------------------|---------------------|----------------|-------------|-------------|
| Total Clients Served | | 500 | 1,000 | 1,000 | 1,000 | | |
| Investor Payment | \$ 5,600,000 | | | | | | |
| NFP Beginning Balance | | \$ 5,600,000 | \$ 4,800,000 | \$ 3,200,000 | \$ 1,600,000 | \$ - | |
| Program Expenses (Cost of Providing NFP Services) | \$ - | \$ (4,000,000) | \$ (8,000,000) | \$ (8,000,000) | \$ (8,000,000) | | |
| Federal Medicaid Payment | \$ - | \$ 2,240,000 | \$ 4,480,000 | \$ 4,480,000 | \$ 4,480,000 | | |
| State Medicaid Payment | \$ - | \$ 960,000 | \$ 1,920,000 | \$ 1,920,000 | \$ 1,920,000 | | |
| State Performance Payment | | | | | | | |
| Return Payment to Investors | \$ - | | | | | | |
| End of Year Balance | \$ 5,600,000 | \$ 4,800,000 | \$ 3,200,000 | \$ 1,600,000 | \$ - | \$ - | \$ - |

Initial Investment (\$7.1M) = Investor Payment (\$5.6M) + Intermediary/Evaluator Fees (\$1.5M)

| % Paid Direct / % Performance Contingent | Investment Required (Millions) | Total State Cost Min-Max (Millions) | Total Federal Cost (Millions) | Preliminary Estimate of State Savings (Millions) | | State Share of Total Cost Min-Max (%) |
|--|--------------------------------------|---|-------------------------------------|---|----------------------------|---|
| 0 (No SIB) | \$0 | \$8.4 | \$19.6 | Medicaid Non-Medicaid Total | \$12.5 \$10.8 \$23.3 | 30 |
| 90/10 | \$4.2 | \$7.6 - \$11.5 | \$17.6 | Medicaid Non-Medicaid Total | \$12.5 \$10.8 \$23.3 | 30 - 40 |
| 80/20 | \$7.1 | \$6.7 - \$14.1 | \$15.7 | Medicaid Non-Medicaid Total | \$12.5 \$10.8 \$23.3 | 30 - 47 |
| 70/30 | \$9.9 | \$5.9 - \$16.8 | \$13.7 | Medicaid Non-Medicaid Total | \$12.5 \$10.8 \$23.3 | 30 - 55 |
| 60/40 | \$12.7 | \$5 - \$19.4 | \$11.8 | Medicaid Non-Medicaid Total | \$12.5 \$10.8 \$23.3 | 30 - 62 |
| 50/50 | \$15.5 | \$4.2 - \$22.1 | \$9.8 | Medicaid Non-Medicaid Total | \$12.5 \$10.8 \$23.3 | 30 - 69 |

Total Cost to South Carolina by Performance Contingent Breakdown

