

METHODOLOGY FOR CALCULATING UNIT COSTS - SUPPORTS COORDINATION

After making the productivity adjustments described in the rate letter, ODP analyzed the resulting adjusted unit costs to calculate the average unit cost and the standard deviation for the Supports Coordination service. The average unit cost and the standard deviation were calculated based upon standard statistical formulas, as follows:

- Average Unit Cost = (Sum of all Unit Costs)/N, where N is the number of unit costs included in calculating the average unit cost
- Standard Deviation = Square Root of [$\frac{\text{Sum of (Unit Cost - Average Unit Cost)}^2 \text{ for each Unit Cost}}{N-1}$], where N is the number of unit costs included in calculating the average unit cost

The average unit cost and the standard deviation above and below the average unit cost for the service are set forth in the attached table, Statistical Unit Cost Analysis Summary - Supports Coordination.

After calculating the average unit cost and the standard deviation for the service, ODP applied the following principles:

- Unit costs that were within one standard deviation of the average unit cost were not adjusted.
- Unit cost "outliers" (defined as unit costs that deviated from the average unit cost by more than one standard deviation) were adjusted to be within one standard deviation of the average.