

Medicaid Planned Budget Reductions that Impact MCOs

Revised 2/24/15

**FY 15 IMPACT**

**Rate Reduction**  
2% rate reduction(1/1/15 -6/30/15)  
**Pass through to Providers**  
Reduce Provider rates for E&M codes to 87% of Medicare(BPW)  
HSCRC adjustment for Uncompensated care(BPW)

**Subtotal**

**Adjustment (MCO Specific)**  
MLR Adjustment (CY 2014)  
S98 Savings  
Original HIX Duplicate/1mo error overpayment

**Subtotal**

**GRAND TOTAL FY 15**

<u>Proposed</u>		<u>Actual</u>		NOTE
GF	TF	GF	TF	
\$ 16,500,000	\$ 48,529,412	\$ 7,650,000	\$ 22,500,000	(1)
\$ 7,925,000	\$ 19,000,000	\$ 7,500,000	\$ 18,292,683	(2)
\$ 8,000,000	\$ 23,529,412	\$ 8,000,000	\$ 23,529,412	(3)
\$ 15,925,000	\$ 42,529,412	\$ 15,500,000	\$ 41,822,095	
\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	(4)
\$ 25,000,000	\$ 28,103,052	\$ 25,000,000	\$ 28,103,052	
		\$ 700,000	\$ 6,000,000	
\$ 35,000,000	\$ 38,103,052	\$ 35,700,000	\$ 44,103,052	
\$ 67,425,000	\$ 129,161,876	\$ 58,850,000	\$ 108,425,147	

**FY 16 IMPACT**

**Rate Reduction**  
2% rate reduction(7/1/15 -12/31/15)  
**Pass Through to Providers**  
Reduce Provider rates for E&M codes to 87% of Medicare  
HSCRC adjustment for Uncompensated care

**Subtotal**

**Adjustment (MCO Specific)**  
Supplemental payment reduction(HEP C)

**GRAND TOTAL FY 16**

<u>Proposed</u>		<u>Actual</u>		NOTE
GF	TF	GF	TF	
\$ 16,500,000	\$ 48,529,412	\$ 7,650,000	\$ 22,500,000	
\$ 35,600,000	\$ 84,700,000	\$ 35,600,000	\$ 84,700,000	
\$ 16,700,000	\$ 49,117,647	\$ 16,700,000	\$ 49,117,647	
\$ 52,300,000	\$ 133,817,647	\$ 52,300,000	\$ 133,817,647	
\$ 14,700,000	\$ 43,235,294	\$ 13,260,000	\$ 39,000,000	(5)
\$ 83,500,000	\$ 225,582,353	\$ 73,210,000	\$ 195,317,647	

**NOTE:**

- (1) 2% rate reduction for CY 2015 only(6mos in FY15 and 6mos in FY 16). No projection for CY 2016. Actuarial project less than proposed due to actuarial soundness limitations and exclusion of Childless Adult population.
- (2) E&M code reduction take affect 4/2015(3 mos) and carryover to full FY 2016. Calculations based on updated information.
- (3) HSCRC adjustment assumes a hospital rate reduction which would translate to lower MCO expenses.
- (4) MLR adjustment is for CY 2014 and will be adjusted during final CY 2016 rate setting. Assumes payment is an advance.
- (5) Supplemental payment reduction is for HEP C adjustments in rate and utilization from CY 14 and 1st half of CY 15.

**Medicaid Planned Budget Reductions Excluding MCOs**

Revised 2/24/15

**FY 15 IMPACT BPW**

Provider Rates: Medical Day Care, Private Duty Nursing  
(reduced by 50% of planned increase effective 1/1/2015)  
Behavioral Health Psychiatrist Rates to 87% of Medicare  
effective April 1, 2015  
Behavioral Health Provider Rate Increase reduction from 4% to 2%  
Nursing Homes - reduce rate increase to 1% effective 1/1/2015  
Reduce Provider rates for E&M codes to 87% of Medicare(FFS)  
(effective 4/1/2015)

**GRAND TOTAL FY 15**

	GF	TF
\$	650,000	\$ 1,300,845
\$	685,000	\$ 1,476,860
\$	2,269,400	\$ 4,538,800
\$	2,000,000	\$ 4,000,000
\$	1,075,000	\$ 2,600,000
<b>\$</b>	<b>6,679,400</b>	<b>\$ 13,916,505</b>

**FY 16 IMPACT**

Provider Rates: (reduced to FY 2014 rate levels)  
Medical Day Care  
Personal Care  
Private Duty Nursing  
Home and Community Based Options  
Community First Choice  
Nursing Homes  
Eliminate the Adult Day Care Grant Program  
Reduce eligibility levels for pregnant women to 185% of FPL  
Eliminate the Family Planning Program as of 1/1/2016  
Reduce pharmacy dispensing fees as part of new methodology  
Reduce Provider rates for E&M codes to 87% of Medicare(FFS)  
Behavioral Health Psychiatrist Rates to 87% of Medicare  
Behavioral Health Provider Rate reduction

**GRAND TOTAL FY 16**

	GF	TF
\$	320,000	\$ 640,000
\$	444,000	\$ 888,000
\$	325,500	\$ 651,000
\$	275,000	\$ 550,000
\$	4,300,120	\$ 9,773,000
\$	2,851,000	\$ 5,702,000
\$	2,082,000	\$ 2,082,000
\$	4,732,000	\$ 9,464,000
\$	159,000	\$ 885,000
\$	1,606,500	\$ 3,213,000
\$	4,900,000	\$ 11,600,000
\$	2,740,000	\$ 5,907,440
\$	2,269,400	\$ 4,538,800
<b>\$</b>	<b>27,004,520</b>	<b>\$ 55,894,240</b>