



Department of Medicaid

John R. Kasich, Governor

John B. McCarthy, Director

July 28, 2015

Semi-Annual Cost Containment Report
State Fiscal Year 2015: July 1 – December 31

Dear Sirs and Madams:

Section 5162.131 of the Revised Code requires the Ohio Department of Medicaid to report semi-annually on the cost-containment initiatives related to the administration of Ohio's Medicaid program.

This latest edition of the Semi-Annual Cost Containment Report commences reporting for state fiscal year 2015. Included in the following table are a number of initiatives that illustrate the innovative and reform-minded approach that has defined Ohio Medicaid over the past four years. Each one of these efforts plays an important part in our overall goal of ensuring accountability to our taxpayers and modernizing Ohio's Medicaid program.

Sincerely,

A handwritten signature in blue ink that reads "John B. McCarthy". The signature is fluid and cursive.

John B. McCarthy
Director

CC: Ohio House Speaker Cliff Rosenberger
Ohio Senate President Keith Faber
Ohio House Minority Leader Fred Strahorn
Ohio Senate Minority Leader Joe Schiavoni
Joint Medicaid Oversight Committee Executive Director Susan Ackerman
Legislative Service Commission Director Mark Flanders

**OHIO MEDICAID SEMI-ANNUAL COST CONTAINMENT REPORT
SFY 2015**

Initiative	7/1/2014 to 12/31/2014	1/1/2015 to 06/30/2015	Total SFY 2015 (Through 12/31/2014)
Reform Hospital Payments			
Eliminate Hospital 5% inpatient (1/1/2014 FFS & 7/1/2014 MCP)	-\$88,350,000		-\$88,350,000
Modify Outpatient Fee Schedule	-\$22,200,000		-\$22,200,000
Cap Capital to 85% of Cost with No FFS Settlement	-\$19,200,000		-\$19,200,000
Pay DRG Exempt Hospitals (including the James Cancer Hospital) at 90% of cost/no FFS settlement	-\$4,800,000		-\$4,800,000
Reform Other Provider Payments			
Multiple procedure pricing reduction for radiology	-\$244,874		-\$244,874
Facility/ Non-Facility pricing for physician services	-\$4,077,688		-\$4,077,688
Remaining Part B categories of service reduced to Medicaid Maximum- Except Physicians	-\$25,309,024		-\$25,309,024
Fight Fraud and Abuse			
Permedion	-\$19,985,453		-\$19,985,453
Reform Health Plan Payments			
Reduce PA Requirements for MCP pharmacy and adjust pharmacy component by 5%	-\$16,600,000		-\$16,600,000
Adjust Managed Care Admin down by 1%	-\$26,000,000		-\$26,000,000
Managed Care Cap Trend Rate Growth at 3%	-\$164,300,000		-\$164,300,000
TOTAL	-\$391,067,038		-\$391,067,038