



## Department of Medicaid

**John R. Kasich**, Governor

**John B. McCarthy**, Director

January 15, 2016

**Semi-Annual Cost Containment Report**  
**State Fiscal Year 2016: 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.

Following recommendations from the Joint Medicaid Oversight Committee, the Ohio Department of Medicaid has modernized its approach to the Semi-Annual Cost Containment Report. This document commences reporting for state fiscal year 2016 and provides status updates regarding the various cost-containment initiatives coordinated by our office.

Currently, there are 27 such items being led by the Department of Medicaid. While several initiatives have already been implemented in full following passage of the FY 16-17 biennium budget, the majority of efforts are categorized as being "In Progress" or in the "Planning Stage."

The statuses of these respective projects will be regularly updated through subsequent Semi-Annual Cost Containment Reports and testimony before the Joint Medicaid Oversight Committee.

Sincerely,

A handwritten signature in blue ink that reads "John B. McCarthy".

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

**Cost Containment Initiative Status Report  
July 1, 2015 - December 31, 2015**

Policy	Status				Start Date
	Implemented	In Progress	Planning Stage	Not Applicable	
<b>INPATIENT HOSPITAL</b>					
Provider Preventable Readmissions (1% Annual Reduction in the Statewide Avg PPR Rate)	X				7/1/2015
PPR Penalty / Incentive			X		1/1/2017
GME Cut		X			7/1/2016
Hospital Reimbursement to Balance (Potential Reimbursement Changes)			X		N/A
<b>OUTPATIENT HOSPITAL</b>					
Pay Drugs at Fee Schedule Rates Instead of 60% of Cost		X			1/1/2016
Roll-in OP Visits 72 Hours Before or After Admission to IP Claim		X			1/1/2016
Cut OP Hospital Rates by 5%- Exclude Children's Hospitals		X			1/1/2016
NCCI Implementation		X			1/1/2016
<b>UPL</b>					
Group VIII UPL Federal Share Claiming (IP & OP)		X			1/1/2016
Hospital Franchise Fee/UPL Changes		X			3/31/2016
<b>NURSING FACILITY</b>					
NF Reimbursement Change - RUGS IV		X			1/1/2016
NF Rates for PA1/PA2		X			7/1/2016
<b>HOME HEALTH</b>					
Electronic Visit Verification for Home Health Providers to Verify Billing Accuracy		X			1/1/2016
Medicaid Rates for Home Health Aide Services		X			1/1/2016
<b>PHYSICIAN</b>					
Limit Medicare Part B Cost-Sharing to the Medicaid Maximum			X		1/1/2016
Recoup Corresponding Physician Claims When a Hospital Claim is Deemed a Technical Denial		X			1/1/2016
Reduce Holzer Payments to 100% of Non-Facility Medicaid Maximum Fee				X	
<b>ELIGIBILITY</b>					
Eliminate Limited Family Planning Services Program		X			1/1/2016
Reduce TMA to 6 Months		X			1/1/2016
<b>MANAGED CARE</b>					
Use MC Lower Bound Growth Rate	X				7/1/2015
Use Balance in MC Incentive Fund/P4P	X				7/1/2015
<b>OTHER</b>					
Premiums Above 100% Personal Responsibility			X		TBD
Health and Human Service Fund			X		TBD
State Share Admin Cut 1%	X				7/31/2015
Program Integrity Savings/Software			X		1/1/2016
Healthy Ohio			X		1/1/2016
SIM		X			1/1/2016