

State Fiscal Year 2016 Proposed Budget Reductions		Total Annual	State Fiscal Year 2016
<b>Administrative Reductions</b>			
Overall administrative cut (5% of appropriated dollars)			2,900,000
<b>Targeted Program Changes Effective July 1, 2015</b>			
<b>DRG Hospital</b>		<b>35,142,386</b>	<b>12,510,962</b>
Hospital readmissions (reduce payment for hospital readmission occurring w/in 30 days)		1,571,145	607,719
Mutual savings items:		33,571,241	11,903,243
Reduce Outlier payments (Increase threshold from \$27,000 to \$50,000)			
Pay lesser of billed charges or DRG amount			
Transfers pay lesser of transfer fee or DRG base (no outlier payment allowed for transfers)			
<b>Physician</b>		<b>22,225,143</b>	<b>7,880,295</b>
Pay like Medicare for physician services performed in a facility		7,376,605	2,615,498
Reduce payment to mid-level practitioners to 85% of the appropriate OHCA physician fee schedule		14,848,538	5,264,797
<b>Eliminate payment for removal of benign skin lesions for adults</b>		<b>106,832</b>	<b>37,879</b>
<b>Eliminate reimbursement for outpatient clinic / treatment room fee</b>		<b>1,226,019</b>	<b>434,705</b>
<b>High Risk OB Program Changes</b> (new limits on included services)		<b>292,433</b>	<b>103,687</b>
<b>Nursing Homes</b> (Reduce payment for coinsurance and deductible from 100% to 75%)		<b>6,179,930</b>	<b>2,191,197</b>
<b>DME</b>		<b>1,877,430</b>	<b>665,674</b>
Stationary Oxygen (change to competitive Medicare bid rate)		1,413,430	501,155
Eliminate reimbursement for sterile water and gloves		464,000	164,519
<b>Eliminate Adult Sleep Studies</b>		<b>1,459,302</b>	<b>517,420</b>
<b>Eliminate payment for NEW continuous positive airway pressure (CPAP) claims for adults</b>		<b>506,630</b>	<b>179,634</b>
<b>Urine Drug Testing</b> (new annual limits)		<b>11,703,400</b>	<b>4,149,635</b>
<b>Reduce payment for polycarbonate lens for eyeglasses to \$10</b>		<b>4,150,150</b>	<b>1,471,505</b>
<b>Spine Surgery</b> (Improve PA process)		<b>2,669,826</b>	<b>946,631</b>
Hospital		2,287,051	810,912
Physician		382,775	135,719
<b>Timely filing requirement change from 12 months to 6 months</b> (\$33.3M times 10%)		<b>3,330,000</b>	<b>1,288,044</b>
<b>Targeted Program Changes Effective October 1, 2015</b>			
<b>Dental</b>		<b>8,589,441</b>	<b>2,214,931</b>
Restoration Replacement		5,897,247	1,520,703
Orthodontic Services		2,384,550	614,896
Sealants		260,166	67,088
Anterior Endodontics		47,478	12,243
<b>Allergy &amp; Immunotherapy</b> (provider qualifications)		<b>11,273,925</b>	<b>2,907,169</b>
<b>Subtotal of Targeted Program Changes</b>		<b>110,732,846</b>	<b>37,499,369</b>
<b>Total with Administrative Reductions</b>		<b>110,732,846</b>	<b>40,399,369</b>

\* 2016 Federal matching participation blended 61.3175%