



Ohio Provider Resource Association



Modified Formulary/2 Year Phase In Assumptions

- Protected:** Use overall CPI for CY 2010 for inflationary component (1.64%).
- Direct:** Use 50% of multiplication factor (Small 1.094, Large 1.112) x median, which would reduce FY 2011 ceilings to (Small \$99.22, Large \$105.04). Use overall CPI for CY 2010 for inflationary component (1.64%).
- Indirect:** Rebase FY 2011 Small Ceiling to \$66.73 (to cover same % of Facilities as Large) before ceiling modification. Use 60% of multiplication factor (Small 1.061, Large 1.074) x median, which would reduce FY 2011 ceiling to (Small \$62.85, Large \$70.97). Use overall CPI for CY2010 for inflationary component (1.64%). Incentive calculation = 7% x ceiling reduced by 50% (Small \$2.20, Large \$2.48).
- Capital:** No modification of ceilings or inflation factor, reduce incentive calculation by 50%

- **50% Rollback/ 50% Modified Formulary FY 2012 Full Modified Formulary FY 2013**

Impact Statistics

- 122 Facilities (Decrease)
- 276 Facilities (NO change or Increase)
- 264 Small Facilities (64 %), 189 Increase/75 Decrease
- 140 Large Facilities (36 %), 93 Increase/47 Decrease
- Overall Impact (-5.98 % to +4.70 %)
- Small Facilities Impact (-4.83 % to +4.70%)
- Large Facilities Impact (-5.98 % to +4.15%)

Current vs. Modified Comparisons

	Full Modified	Full Formulary
% Facilities Direct Cost Covered for FY11 before Rollback (Small)	171/264 64.77%	204/264 77.27%
% Facilities Direct Cost Covered for FY11 before Rollback (Large)	90/140 64.29%	108/140 77.14%
% Facilities Indirect Cost Covered for FY11 before Rollback (Small)	178/264 64.39%	161/264 60.98%
% Facilities Indirect Cost Covered for FY11 before Rollback (Large)	96/140 64.29%	109/140 77.86%

Rationale

- **Eliminates rollback; giving providers the ability to manage available resources**
- **Predictability**
- **Rewards cost containment efforts**
- **Promotes downsizing**