

Estimated Hospital Savings in First Year of Dirigo Program Under Alternative Formulas

Estimated Hospital "Savings" for fiscal years beginning after July 1, 2003 ^{a/}

	Savings (millions)	Increases (millions)	Total Savings (Increases) (millions)
State Proposal			
Consolidated operating margins (COM)	\$13.1 ^{b/}	\$25.3 ^{c/}	(\$12.2)
Case-mix adjusted Costs per discharge (CMAD)	\$145.7	\$88.4	\$57.3
Total	\$158.8	\$113.7	\$45.1
Payer Working Group Alternative			
Case-mix adjusted Charges per adjusted discharge (CHGD)	\$206.0	\$170.3	\$35.7

* The savings figures under the two methodologies are in **bold italics**.

a/ Reflects data for 31 Maine Hospitals with data available for their fiscal years beginning between July 1, 2003 and June 30, 2004.

b/ Savings are for hospitals with historical average margin above 3.0 percent where margins are reduced to 3.0 percent or less.

c/ Includes all other changes in Margin.

Source: Lewin Group estimates using the Medicare hospital cost report data and data supplied by the Maine Hospital Association.