Summary of Saving Initiatives – Savings Amounts

Summary of Savings from the Dirigo Initiatives

A complete list of savings generated from all Dirigo Savings Initiatives are as follows:

Estimated Savings - Year 1 Calculation

Savings Initiatives	Measures	Statutory Reference/Target	Savings
Hospital COM	Voluntary Reduction in Hospital Profitability	No more than 3%	$8.8 million
Hospital CMAD	Voluntary Reduction in Hospital Costs	No more than 3.5%	$75.0 million
Carrier VUG	Voluntary Reduction in Underwriting Gain	No more than 3%	$11.2 million
Uninsured BD/CC	Reduction in Bad Debt and Charity Care	Reduce Cost-Shifting due to Reduced BD/CC	$1.6 million
Under-insured BD/CC	Reduction in Bad Debt and Charity Care	Reduce Cost-Shifting due to Reduced BD/CC	$1.1 million
MaineCare WW	Reduction in Bad Debt and Charity Care	Reduce Cost-Shifting due to Reduced BD/CC	$3.0 million
Private Insurance WW	Reduction in Bad Debt and Charity Care	Reduce Cost-Shifting due to Reduced BD/CC	data N/A in Yr 1
Hospital CON/CIF	Reduction in Hospital Spending	Reduce Cost-Shifting due to Reduced Spending	$4.1 million
Non-Hospital CON/CIF	Reduction in Non-Hospital Spending	Reduce Cost-Shifting due to Reduced Spending	$5.7 million
Hospital Fee Initiatives * Historical Settlements (new money) * Time value of money	Increase in Payments	Reduce Cost-Shifting due to Increased Payments	 $96.4 million $14.0 million
Physician Fee Initiatives	Increase in Payments	Reduce Cost-Shifting due to Increased Payments	$12.3 million