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**Health Services Cost Review Commission**

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To: Hospital CFOs  
Cc: Case Mix Liaisons, Hospital Quality Contacts  
From: Alyson Schuster, Ph.D., Associate Director, Performance Measurement  
Date: June 21, 2017  
Re: Rate Year 2018 Potentially Avoidable Utilization Revenue Adjustments

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This memorandum provides the hospital's final results and revenue adjustments applied for Rate Year 2018 for the Potentially Avoidable Utilization (PAU) Savings Policy.

**Potentially Avoidable Utilization (PAU) Savings Adjustments**

At the June meeting, the Commission approved recommendations for the RY 2018 PAU Savings Policy adjustment. The RY 2018 PAU Savings Policy continues to align with the PAU definitions used in the market shift adjustments, which is comprised of readmissions and Prevention Quality Indicator (PQI) admissions. The statewide savings percentage was approved at 1.45 percent, which is a 0.20 percent net reduction in RY 2018. Hospitals with higher socio-economic burden, as measured by percent of Medicaid/self-pay charity equivalent case-mix adjusted discharges (ECMADs), receive the statewide average reduction if their savings adjustments are greater than the statewide average.

Additional details regarding PAU Shared Savings are available in the final recommendation posted on the HSCRC website. Appendix A shows the individual hospital PAU results and Appendix B shows the individual hospital PAU shared savings adjustments.

In preparation for RY 2019, the HSCRC will be updating the PQI software to version 6, which retires PQI 13 (angina without procedure) and updates ICD-10 logic for PQI 08 (heart failure). In addition, HSCRC is considering extending the readmission window on PAU reports to 60 or 90 days to capture more admissions for high needs patients.

If you have any questions, please email the quality team at [hsrc.quality@maryland.gov](mailto:hsrc.quality@maryland.gov)

**Appendix A. Rate Year 2018 PAU Results by Hospital**

Hosp ID	Hospital Name	Total Charges	CY16 PAU charges			CY16 PAU charges %		
			Readmissions	PQI	Total PAU	Readmissions	PQI	Total PAU
210001	MERITUS	\$324,215,631	\$23,494,447	\$17,431,874	\$40,926,321	7.25%	5.38%	12.62%
210002	UNIVERSITY OF MARYLAND	\$1,549,551,276	\$93,675,647	\$20,684,230	\$114,359,877	6.05%	1.33%	7.38%
210003	PRINCE GEORGE	\$284,183,818	\$22,850,811	\$14,644,428	\$37,495,238	8.04%	5.15%	13.19%
210004	HOLY CROSS	\$507,847,706	\$39,116,459	\$19,456,706	\$58,573,165	7.70%	3.83%	11.53%
210005	FREDERICK MEMORIAL	\$359,348,991	\$22,787,248	\$17,033,173	\$39,820,420	6.34%	4.74%	11.08%
210006	HARFORD	\$103,553,436	\$11,413,170	\$7,405,362	\$18,818,532	11.02%	7.15%	18.17%
210008	MERCY	\$516,074,467	\$18,196,792	\$8,910,342	\$27,107,134	3.53%	1.73%	5.25%
210009	JOHNS HOPKINS	\$2,170,719,063	\$149,286,161	\$37,525,052	\$186,811,213	6.88%	1.73%	8.61%
210010	DORCHESTER	\$46,780,260	\$4,428,502	\$4,790,869	\$9,219,371	9.47%	10.24%	19.71%
210011	ST. AGNES	\$434,083,925	\$34,126,243	\$26,439,581	\$60,565,824	7.86%	6.09%	13.95%
210012	SINAI	\$739,888,943	\$46,429,824	\$22,084,279	\$68,514,103	6.28%	2.98%	9.26%
210013	BON SECOURS	\$111,247,979	\$14,576,531	\$6,427,626	\$21,004,157	13.10%	5.78%	18.88%
210015	FRANKLIN SQUARE	\$511,214,718	\$48,312,713	\$28,450,630	\$76,763,343	9.45%	5.57%	15.02%
210016	WASHINGTON ADVENTIST	\$262,855,026	\$20,384,557	\$12,259,135	\$32,643,691	7.76%	4.66%	12.42%
210017	GARRETT COUNTY	\$52,159,649	\$1,301,034	\$2,951,330	\$4,252,364	2.49%	5.66%	8.15%
210018	MONTGOMERY GENERAL	\$178,361,906	\$13,179,066	\$8,061,244	\$21,240,310	7.39%	4.52%	11.91%
210019	PENINSULA REGIONAL	\$425,262,787	\$27,944,511	\$21,591,418	\$49,535,929	6.57%	5.08%	11.65%
210022	SUBURBAN	\$301,388,373	\$21,158,297	\$11,703,782	\$32,862,079	7.02%	3.88%	10.90%
210023	ANNE ARUNDEL	\$581,456,503	\$28,422,056	\$21,567,332	\$49,989,388	4.89%	3.71%	8.60%
210024	UNION MEMORIAL	\$430,575,293	\$27,863,344	\$15,148,428	\$43,011,772	6.47%	3.52%	9.99%
210027	WESTERN MARYLAND	\$327,613,031	\$21,538,583	\$13,559,716	\$35,098,299	6.57%	4.14%	10.71%
210028	ST. MARY	\$186,664,221	\$11,055,617	\$10,236,061	\$21,291,678	5.92%	5.48%	11.41%
210029	HOPKINS BAYVIEW	\$609,053,573	\$51,181,366	\$24,245,810	\$75,427,176	8.40%	3.98%	12.38%
210030	CHESTERTOWN	\$53,264,780	\$3,668,205	\$4,218,472	\$7,886,676	6.89%	7.92%	14.81%
210032	UNION HOSPITAL OF CECIL	\$159,598,016	\$8,679,051	\$11,444,321	\$20,123,372	5.44%	7.17%	12.61%
210033	CARROLL COUNTY	\$241,474,641	\$17,628,425	\$16,110,880	\$33,739,305	7.30%	6.67%	13.97%
210034	HARBOR	\$193,208,954	\$15,972,533	\$11,126,689	\$27,099,222	8.27%	5.76%	14.03%

Hosp ID	Hospital Name	Total Charges	CY16 PAU charges			CY16 PAU charges %		
			Readmissions	PQI	Total PAU	Readmissions	PQI	Total PAU
210035	CHARLES REGIONAL	\$147,824,611	\$10,590,715	\$10,156,771	\$20,747,486	7.16%	6.87%	14.04%
210037	EASTON	\$199,279,009	\$10,657,173	\$12,058,895	\$22,716,068	5.35%	6.05%	11.40%
210038	UMMC MIDTOWN	\$209,130,881	\$23,608,371	\$7,850,769	\$31,459,140	11.29%	3.75%	15.04%
210039	CALVERT	\$139,948,908	\$7,173,390	\$8,766,775	\$15,940,165	5.13%	6.26%	11.39%
210040	NORTHWEST	\$255,622,105	\$22,904,526	\$18,580,729	\$41,485,254	8.96%	7.27%	16.23%
210043	BALTIMORE WASHINGTON	\$413,230,603	\$36,132,870	\$24,334,401	\$60,467,272	8.74%	5.89%	14.63%
210044	G.B.M.C.	\$432,477,409	\$22,088,927	\$15,900,674	\$37,989,601	5.11%	3.68%	8.78%
210045	MCCREADY	\$16,231,370	\$527,671	\$1,039,034	\$1,566,705	3.25%	6.40%	9.65%
210048	HOWARD COUNTY	\$299,630,713	\$21,701,488	\$15,597,612	\$37,299,100	7.24%	5.21%	12.45%
210049	UPPER CHESAPEAKE	\$327,024,629	\$20,665,762	\$14,816,885	\$35,482,648	6.32%	4.53%	10.85%
210051	DOCTORS COMMUNITY	\$233,066,087	\$23,307,784	\$16,057,893	\$39,365,677	10.00%	6.89%	16.89%
210055	LAUREL REGIONAL	\$89,009,261	\$8,204,956	\$4,280,226	\$12,485,181	9.22%	4.81%	14.03%
210056	GOOD SAMARITAN	\$292,244,511	\$26,757,469	\$16,434,629	\$43,192,098	9.16%	5.62%	14.78%
210057	SHADY GROVE	\$387,382,790	\$24,088,433	\$14,101,319	\$38,189,752	6.22%	3.64%	9.86%
210058	REHAB & ORTHO	\$102,069,470	\$324,691		\$324,691	0.32%		0.32%
210060	FT. WASHINGTON	\$48,681,493	\$3,063,270	\$4,465,871	\$7,529,141	6.29%	9.17%	15.47%
210061	ATLANTIC GENERAL	\$106,408,852	\$3,908,166	\$4,882,142	\$8,790,307	3.67%	4.59%	8.26%
210062	SOUTHERN MARYLAND	\$272,519,087	\$24,002,657	\$18,299,811	\$42,302,468	8.81%	6.72%	15.52%
210063	UM ST. JOSEPH	\$402,473,448	\$21,653,327	\$12,826,818	\$34,480,145	5.38%	3.19%	8.57%
210064	LEVINDALE	\$57,387,715	\$4,390,825		\$4,390,825	7.65%		7.65%
210065	HOLY CROSS GERMANTOWN	\$91,237,532	\$6,919,516	\$5,463,433	\$12,382,949	7.58%	5.99%	13.57%
<b>State Total</b>		<b>\$16,224,300,772</b>	<b>\$1,121,343,178</b>	<b>\$641,423,453</b>	<b>\$1,762,766,631</b>	<b>6.91%</b>	<b>3.95%</b>	<b>10.86%</b>

Percentages have been rounded for display. Final numbers are calculated using full values. Total charges are different than permanent total revenue.  
A combined PAU percent is used for Holy Cross and Holy Cross Germantown for savings but results are presented separately for reference

**Appendix B. Rate Year 2018 PAU Savings Adjustments by Hospital**

Hosp ID	Hospital Name	FY17 Permanent Total Revenue	CY16 PAU %	FY18 PAU Savings Adjustment Before Protections		CY 16 % ECMAD Inpatient Medicaid / Self-Pay Charity	FY18 PAU Savings Adjustment with Medicaid Protection		FY17 PAU Savings Adjustment with Protection	Net Impact to RY 2018 Inflation Factor	Net RY 18 Revenue Impact
				Adjustment	Revenue Impact		Adjustment	Revenue Impact			
210001	MERITUS	\$314,827,421	12.62%	-1.75%	-\$5,520,664	18.70%	-1.75%	-\$5,520,664	-\$4,350,206	-0.37%	-\$1,170,528
210002	UMMC	\$1,316,372,491	7.38%	-1.03%	-\$13,498,782	30.64%	-1.03%	-\$13,498,782	-\$11,958,459	-0.12%	-\$1,540,156
210003	PRINCE GEORGE	\$286,573,599	13.19%	-1.83%	-\$5,252,190	42.75%	-1.51%	-\$4,324,396	-\$3,608,563	-0.25%	-\$715,861
210004	HOLY CROSS	\$479,646,983	11.84%	-1.65%	-\$7,893,731	22.24%	-1.65%	-\$7,893,731	-\$6,837,249	-0.22%	-\$1,056,662
210005	FREDERICK MEMORIAL	\$329,156,555	11.08%	-1.54%	-\$5,067,592	7.36%	-1.54%	-\$5,067,592	-\$4,326,716	-0.23%	-\$740,931
210006	HARFORD	\$99,998,182	18.17%	-2.52%	-\$2,524,681	18.01%	-2.52%	-\$2,524,681	-\$2,058,207	-0.47%	-\$466,492
210008	MERCY	\$502,208,027	5.25%	-0.73%	-\$3,663,552	24.46%	-0.73%	-\$3,663,552	-\$3,375,724	-0.06%	-\$287,765
210009	JOHNS HOPKINS	\$2,229,450,835	8.61%	-1.20%	-\$26,672,300	23.44%	-1.20%	-\$26,672,300	-\$23,369,402	-0.15%	-\$3,301,817
210010	DORCHESTER	\$48,094,357	19.71%	-2.74%	-\$1,317,165	25.45%	-1.51%	-\$725,744	-\$1,202,307	0.99%	\$476,567
210011	ST. AGNES	\$416,466,586	13.95%	-1.94%	-\$8,072,607	23.43%	-1.94%	-\$8,072,607	-\$6,807,387	-0.30%	-\$1,265,225
210012	SINAI	\$709,153,890	9.26%	-1.29%	-\$9,124,538	24.01%	-1.29%	-\$9,124,538	-\$7,716,249	-0.20%	-\$1,408,380
210013	BON SECOURS	\$114,232,763	18.88%	-2.62%	-\$2,996,761	59.97%	-1.51%	-\$1,723,772	-\$1,584,298	-0.12%	-\$139,478
210015	FRANKLIN SQUARE	\$492,402,641	15.02%	-2.09%	-\$10,276,606	26.75%	-1.51%	-\$7,430,356	-\$6,318,376	-0.23%	-\$1,111,845
210016	WASHINGTON ADVENTIST	\$258,319,310	12.42%	-1.73%	-\$4,457,978	30.47%	-1.51%	-\$3,898,038	-\$3,278,301	-0.24%	-\$619,708
210017	GARRETT COUNTY	\$53,507,634	8.15%	-1.13%	-\$605,944	15.88%	-1.13%	-\$605,944	-\$484,974	-0.23%	-\$120,981
210018	MONTGOMERY GENERAL	\$169,927,186	11.91%	-1.65%	-\$2,812,121	15.26%	-1.65%	-\$2,812,121	-\$2,351,779	-0.27%	-\$460,333
210019	PRMC	\$419,622,018	11.65%	-1.62%	-\$6,792,718	18.01%	-1.62%	-\$6,792,718	-\$5,584,916	-0.29%	-\$1,207,672
210022	SUBURBAN	\$296,104,140	10.90%	-1.51%	-\$4,484,669	8.47%	-1.51%	-\$4,484,669	-\$3,310,346	-0.40%	-\$1,174,349

Hosp ID	Hospital Name	FY17 Permanent Total Revenue	CY16 PAU %	FY18 PAU Savings Adjustment Before Protections		CY 16 % ECMAD Inpatient Medicaid / Self-Pay Charity	FY18 PAU Savings Adjustment with Medicaid Protection		FY17 PAU Savings Adjustment with Protection	Net Impact to RY 2018 Inflation Factor	Net RY 18 Revenue Impact
				Adjustment	Revenue Impact		Adjustment	Revenue Impact			
210023	ANNE ARUNDEL	\$575,908,245	8.60%	-1.19%	-\$6,881,944	11.90%	-1.19%	-\$6,881,944	-\$5,776,774	-0.19%	-\$1,105,168
210024	UNION MEMORIAL	\$414,710,552	9.99%	-1.39%	-\$5,756,652	18.79%	-1.39%	-\$5,756,652	-\$5,370,044	-0.09%	-\$386,510
210027	WESTERN MARYLAND	\$316,661,093	10.71%	-1.49%	-\$4,712,416	14.37%	-1.49%	-\$4,712,416	-\$3,839,345	-0.28%	-\$873,035
210028	ST. MARY	\$172,574,583	11.41%	-1.59%	-\$2,736,037	19.47%	-1.59%	-\$2,736,037	-\$2,134,757	-0.35%	-\$601,250
210029	HOPKINS BAYVIEW	\$620,440,469	12.38%	-1.72%	-\$10,672,844	29.09%	-1.51%	-\$9,362,447	-\$7,898,881	-0.24%	-\$1,463,619
210030	CHESTERTOWN	\$54,289,889	14.81%	-2.06%	-\$1,117,206	12.33%	-2.06%	-\$1,117,206	-\$847,354	-0.50%	-\$269,875
210032	UNION HOSP OF CECIL	\$156,358,285	12.61%	-1.75%	-\$2,739,652	26.43%	-1.51%	-\$2,359,447	-\$1,987,435	-0.24%	-\$371,976
210033	CARROLL COUNTY	\$223,662,684	13.97%	-1.94%	-\$4,341,595	13.67%	-1.94%	-\$4,341,595	-\$3,958,120	-0.17%	-\$383,582
210034	HARBOR	\$190,469,979	14.03%	-1.95%	-\$3,713,160	32.39%	-1.51%	-\$2,874,192	-\$2,461,177	-0.22%	-\$412,939
210035	CHARLES REGIONAL	\$143,723,289	14.04%	-1.95%	-\$2,803,843	17.95%	-1.95%	-\$2,803,843	-\$2,386,640	-0.29%	-\$417,229
210037	EASTON	\$195,481,707	11.40%	-1.58%	-\$3,096,495	17.25%	-1.58%	-\$3,096,495	-\$2,642,856	-0.23%	-\$453,713
210038	UMMC MIDTOWN	\$228,124,869	15.04%	-2.09%	-\$4,767,381	42.15%	-1.51%	-\$3,442,404	-\$2,895,546	-0.24%	-\$546,815
210039	CALVERT	\$141,821,983	11.39%	-1.58%	-\$2,244,537	16.25%	-1.58%	-\$2,244,537	-\$1,865,860	-0.27%	-\$378,665
210040	NORTHWEST	\$248,058,564	16.23%	-2.26%	-\$5,594,125	21.22%	-2.26%	-\$5,594,125	-\$4,615,117	-0.39%	-\$979,087
210043	BWMC	\$398,733,080	14.63%	-2.03%	-\$8,105,616	17.50%	-2.03%	-\$8,105,616	-\$7,057,541	-0.26%	-\$1,048,269
210044	G.B.M.C.	\$435,420,575	8.78%	-1.22%	-\$5,312,059	10.34%	-1.22%	-\$5,312,059	-\$4,050,196	-0.29%	-\$1,261,849
210045	MCCREADY	\$15,530,984	9.65%	-1.34%	-\$208,250	14.53%	-1.34%	-\$208,250	-\$121,592	-0.56%	-\$86,663
210048	HOWARD COUNTY	\$291,104,867	12.45%	-1.73%	-\$5,035,913	15.50%	-1.73%	-\$5,035,913	-\$4,020,574	-0.35%	-\$1,015,374
210049	UPPER CHESAPEAKE	\$325,619,300	10.85%	-1.51%	-\$4,909,071	11.39%	-1.51%	-\$4,909,071	-\$4,286,879	-0.19%	-\$622,258
210051	DOCTORS COMMUNITY	\$226,126,371	16.89%	-2.35%	-\$5,306,892	18.75%	-2.35%	-\$5,306,892	-\$4,318,086	-0.44%	-\$988,851
210055	LAUREL REGIONAL	\$98,343,286	14.03%	-1.95%	-\$1,917,175	29.37%	-1.51%	-\$1,484,000	-\$1,310,667	-0.18%	-\$173,379

Hosp ID	Hospital Name	FY17 Permanent Total Revenue	CY16 PAU %	FY18 PAU Savings Adjustment Before Protections		CY 16 % ECMAD Inpatient Medicaid / Self-Pay Charity	FY18 PAU Savings Adjustment with Medicaid Protection		FY17 PAU Savings Adjustment with Protection	Net Impact to RY 2018 Inflation Factor	Net RY 18 Revenue Impact
				Adjustment	Revenue Impact		Adjustment	Revenue Impact			
210056	GOOD SAMARITAN	\$284,642,445	14.78%	-2.05%	-\$5,845,659	20.39%	-2.05%	-\$5,845,659	-\$5,130,445	-0.25%	-\$715,306
210057	SHADY GROVE	\$376,694,222	9.86%	-1.37%	-\$5,160,898	19.17%	-1.37%	-\$5,160,898	-\$4,461,883	-0.19%	-\$699,144
210058	REHAB & ORTHO	\$117,465,701	0.32%	-0.04%	-\$8,357	24.04%	-0.01%	-\$8,357	-\$6,651	0.00%	-\$1,762
210060	FT. WASHINGTON	\$47,023,363	15.47%	-2.15%	-\$1,010,796	18.46%	-2.15%	-\$1,010,796	-\$802,982	-0.44%	-\$207,796
210061	ATLANTIC GENERAL	\$102,841,659	8.26%	-1.15%	-\$1,180,344	12.82%	-1.15%	-\$1,180,344	-\$1,032,629	-0.14%	-\$147,681
210062	SOUTHERN MD	\$269,769,528	15.52%	-2.16%	-\$5,817,602	21.05%	-2.16%	-\$5,817,602	-\$5,253,518	-0.21%	-\$564,088
210063	UM ST. JOSEPH	\$388,253,807	8.57%	-1.19%	-\$4,623,341	11.27%	-1.19%	-\$4,623,341	-\$3,595,241	-0.26%	-\$1,028,096
210064	LEVINDALE	\$57,520,942	7.65%	-1.06%	-\$611,430	5.70%	-1.06%	-\$611,430	-\$435,119	-0.31%	-\$176,302
210065	HOLY CROSS GERMANTOWN	\$100,218,431	11.84%	-1.65%	-\$1,649,332	21.98%	-1.65%	-\$1,649,332	-\$1,271,536	-0.38%	-\$377,823
<b>Total</b>		<b>\$15,753,659,372</b>	<b>10.86%</b>	<b>-1.51%</b>	<b>-\$237,722,720</b>	<b>20.85%</b>		<b>-\$228,429,107</b>	<b>-\$194,358,907</b>	<b>-0.22%</b>	<b>-\$34,069,720</b>
Statewide Revenue Impact								-1.45%			
Top Percentile						24.14%					
Rehab and Ortho Revenue is adjusted to 16% of total FY 17 Permanent Inpatient Revenue Percentages have been rounded for display but full numbers may be used in calculations. Final scaling percentages are rounded to two decimal places. A combined PAU percent is used for Holy Cross and Holy Cross Germantown for savings but results are presented separately for reference											