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REVISED

TREATMENT OF RESEARCH ACTIVITIES

IN THE MARYLAND RATE SYSTEM

Categories of Research Activities

- 1) **Dedicated Inpatient Research Cases** -The purpose of the admission is for solely research purposes; all room and board, ancillary services, medical supplies, and drugs are provided in support of the research objective. The hospital is reimbursed through research contracts and/or grants for the entire admission. (Current hospital inpatients whose admissions are to be extended exclusively for research activities should be discharged and readmitted as Dedicated Research Cases.)
- 2) **Incremental Inpatient Research Activities** - The purpose of the admission is to receive medically necessary diagnostic and/or therapeutic hospital services. However, during the hospital stay an ancillary service, medical supply, or drug associated with research is provided to the patient. The ancillary service, medical supply or drug associated with research shall be reimbursed through research contracts or grants.
- 3) **Dedicated Outpatient Research Activities** - The purpose of the ambulatory surgery, clinic visit, or referred ambulatory visit is solely for research purposes; all facility fees, ancillary services, medical supplies, or drugs are provided in support of the research objective. The hospital is reimbursed through research contracts or grants for the entire outpatient visit.
- 4) **Incremental Outpatient Research Activities** - The purpose of the visit is for medically necessary diagnostic or therapeutic hospital services. However, during the visit, an ancillary service, medical supply, or drug associated with research is provided to the patient. The research ancillary service, medical supply, or drug shall be reimbursed through research contracts or grants.

How Research Activities are to be Handled in the HSCRC Reporting System

1) **Billing** - All hospital services provided to dedicated research patients and all hospital services associated with research provided to incremental research patients shall be reimbursed through research contracts or grants. All non-research hospital services provided to incremental research patients shall be billed to the patient or applicable third party payer at HSCRC approved rates.

2) **Monthly Reports of Revenues and Volumes** - All room and board, ambulatory services, ancillary services, medical supplies and drugs provided to dedicated and incremental research patients shall be included in the Monthly Reports.

3) **Annual Report** - Revenue from all research contracts and grants shall be reported on Other Institutional Programs Schedule F1. All direct costs associated with the administration of research projects, as well as hospital overhead costs (C Schedules) and capital (H3 Schedule) associated with the administration of research projects shall be reported on the Schedule F1. In addition, the costs of applicable room and board, ambulatory, ancillary, medical supplies, and drugs provided to dedicated research patients and the ancillary service, medical supplies, or drugs associated with research shall be excluded from the hospital's HSCRC regulated patient care centers (D Schedules) in the Annual Report and shall be reported on the F1 Schedule. The allocation of costs from the hospital's HSCRC regulated revenue centers to Schedule F1 for services provided to dedicated and incremental research patients shall be based on the percentage of units of service associated with research are of the total units in each center.

4) **Data Abstract Tapes** - All admissions, ambulatory surgery cases, and ambulatory care visits for both dedicated and incremental research patients shall be reported on the applicable data abstract tapes. All dedicated and incremental research admissions and ambulatory visits shall be flagged so that they may be considered for exclusion from HSCRC rate setting methodologies.

5) **Charge per Case and Charge per Episode Compliance** – At the end of the rate year the number of admissions and the revenue associated with all dedicated and incremental inpatient research cases included in the Monthly Reports of Revenues and Volumes in the rate year shall be reported to the Commission staff so that they may be considered for exclusion from Charge per Case and Charge per Episode compliance calculation.

6) **Charge per Visit Compliance** – At the end of the rate year the number of visits and the revenue associated with all dedicated and incremental outpatient research cases included in the Monthly Reports of Revenues and Volumes in the rate year shall be reported to the Commission staff so that they may be considered from exclusion from the Charge per Visit compliance calculation.