

<b>IN RE: THE PARTIAL RATE</b>	<b>*</b>	<b>BEFORE THE HEALTH SERVICES</b>
<b>APPLICATION OF THE</b>	<b>*</b>	<b>COST REVIEW COMMISSION</b>
<b>CARROLL HOSPITAL</b>	<b>*</b>	<b>DOCKET: 2011</b>
<b>CENTER</b>	<b>*</b>	<b>FOLIO: 1929</b>
<b>WESTMINSTER, MARYLAND</b>	<b>*</b>	<b>PROCEEDING: 2119R</b>

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**Staff Recommendation**

**July 6, 2011**

This recommendation was approved by the Commission at the July 6, 2011 public meeting.

## **Introduction**

On May 31, 2011, Carroll Hospital Center (the "Hospital") submitted a partial rate application to the Commission for a rate for Radiation Therapy (RAT) services to be provided to both inpatients and outpatients. This new rate would replace its currently approved rebundled RAT rate. A rebundled rate is approved by the Commission when a hospital provides certain non-physician services to inpatients through a third-party contractor off-site. By approving a rebundled rate, the Commission makes it possible for a hospital to bill for services provided off site, as required by Medicare. In this case, however, as of July 1, 2011, the Hospital will be providing RAT services on-site to both inpatients and outpatients. The Hospital requests that the RAT rate be set at the state-wide median rate and be effective July 1, 2011.

## **Staff Evaluation**

To determine if the Hospital's RAT rate should be set at the statewide median or at a rate based on its own cost experience, the staff requested that the Hospital submit to the Commission its RAT cost and statistical data projections for FY 2012. Based on information received, it was determined that the RAT rate based on the Hospital's projected data would be \$28.34 per RVU, while the statewide median rate for RAT services is \$26.12 per RVU.

## **Recommendation**

After reviewing the Hospital's application, the staff recommends as follows:

1. That COMAR 10.37.10.07 requiring that rate applications be filed 60 days before the opening of a new service be waived;
2. That an RAT rate of \$26.12 per RVU be approved effective July 1, 2011;
3. That the RAT rate not be rate realigned until a full year's cost experience data have been reported to the Commission; and
4. That incremental regulated revenue will be added to the Hospital's TPR with the final amount to be negotiated with HSCRC staff in conjunction with the regulation of the Hospital's entire radiation and medical oncology practice.