

IN RE: THE PARTIAL RATE * BEFORE THE HEALTH SERVICES
APPLICATION OF * COST REVIEW COMMISSION
DIMENSIONS * DOCKET: 2011
HEALTHCARE SYSTEM * FOLIO: 1930
LAUREL, MARYLAND * PROCEEDING: 2120R

* * * * *

Staff Recommendation

July 6, 2011

Introduction

On May 31, 2011, Dimensions Healthcare System, on behalf of its member hospitals Prince George's Hospital Center (PGHC) and Laurel Regional Hospital (LRH), submitted a request to the Commission for approval for a Chronic Care (CHR) rate for LRH. The new rate is necessary because on June 30, 2011, the patients in PGHC's CHR unit will be moved to LRH. Dimensions Healthcare System has received approval from the Maryland Health Care Commission for licensure of these CHR beds at LRH. LRH has requested that effective July 1, 2011, the Commission approve PGHC's currently approved CHR rate for LRH, increased by the FY 2012 core update factor of 1.56%.

Recommendation

After review of the System's application, staff recommends:

- 1) That LRH's new CHR rate be based on PGHC's approved CHR rate;
- 2) That to ensure revenue neutrality, LRH's mark-up of 1.175109 be substituted for PGHC's mark-up of 1.213134, reducing the rate from \$698.9463 to \$677.0382;
- 3) That core inflation of 1.56% be added to the rate, increasing the CHR rate to \$687.6000;
- 4) That a CHR rate of \$687.6000 be approved for LRG effective July 1, 2011;
- 5) That because these cases are excluded from the Charge-per-Case standard, there should be no change to LRH's or PGHC's Charge-per-Case standard; and
- 6) That the CHR rate not be rate realigned until a full year's experience data have been reported to the Commission.