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**MEMORANDUM**

To: Chief Financial Officers

From: Katie Wunderlich – Executive Director

Date: June 17, 2020

Re: Corridor Expansion and Unit Rate Compliance

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The purpose of this memorandum is to provide information related to temporary corridor expansion, unit rate compliance, and GBR compliance during the COVID-19 pandemic.

All previously authorized unit rate corridor expansions for FY2020 will be temporarily extended through July 31, 2020. All hospitals are expected to comply with previously approved COVID-19 unit rate corridor expansion policies until FY2021 rate orders are issued, or otherwise directed. The Commission will continue to evaluate corridors weekly as FY2021 rate orders are issued.

For unit rate compliance purposes FY2020 corridors will be measured in two periods:

1. Pre-COVID-19: Measured across the 8 month period from July 1, 2019 through-February 28, 2020
2. COVID-19: Measured across the 4 month period from March 1, 2020 through June 30, 2020; additional consideration will be given to 100% Inpatient rate centers from the two month period May 1, 2020 through June 30, 2020.

Please note that hospitals will be assessed standard GBR overcharge penalties in the event FY2020 Regulated Revenue and COVID-19 Federal grant funds exceed the hospitals approved GBR.

If you have any questions, you may contact Jerry Schmith at [jerry.schmith@maryland.gov](mailto:jerry.schmith@maryland.gov) or Joe Delenick [joe.delenick@maryland.gov](mailto:joe.delenick@maryland.gov)