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MEMORANDUM

To: Chief Financial Officers

From: Katie Wunderlich – Executive Director

Date: May 8, 2020

Re: 20% Corridor Expansion for 100% Inpatient Rate Centers Only

The purpose of this memorandum is to provide information on changes to inpatient unit rate corridors during the COVID-19 pandemic.

HSCRC staff has committed to review charging capacity and rate corridors on a weekly basis. To recognize the challenge of recovering outpatient undercharges during the quarantine and better reflect the true cost of COVID-19 inpatient stays, the Commission will permit hospitals to increase rate corridors to 20% above approved rate order unit rates for 100% inpatient patient care rate centers only.

Compliance to the 20% rate corridors for 100% inpatient rate centers will be measured and effective from May 1, 2020 to June 30, 2020. This rate corridor increase is a temporary adjustment to allow hospitals to limit undercharge growth as COVID-19 patients are admitted.

All other previously authorized unit rate corridor expansions in response to the COVID-19 pandemic will remain unchanged in FY2020. The HSCRC will continue to evaluate charging capacity on a weekly basis.

If you have any questions, you may contact Jerry Schmith at jerry.schmith@maryland.gov or Joe Delenick joe.delenick@maryland.gov