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Hospital Rate Setting

HEALTH SERVICES COST REVIEW COMMISSION

4160 PATTERSON AVENUE · BALTIMORE, MARYLAND 21215

Phone: 410-764-2605 Fax: 410-358-6217

Toll Free: 1-888-287-3229

www.hsrcr.state.md.us

470th MEETING OF THE HEALTH SERVICES COST REVIEW COMMISSION

PUBLIC SESSION

September 1, 2010

9:30 a.m.

- 1. Review of the Public Minutes of July 7, 2010**
- 2. Executive Director's Report**
- 3. Docket Status - Cases Closed**
 - 2071N – James Lawrence Kernan Hospital
 - 2074A – Medstar Health
 - 2075A – Johns Hopkins Health System
- 4. Docket Status - Cases Open**
 - 2073A – University of Maryland Medical Center
 - 2076R – St. Agnes Hospital
 - 2077A – Johns Hopkins Health System
 - 2078A – MedStar Health
 - 2079R – Montgomery General Hospital
 - 2080A – MedStar Health
 - 2081A – Johns Hopkins Health System
 - 2082A – University of Maryland Medical Center
 - 2083A – University of Maryland Medical Center
 - 2084A – Johns Hopkins Health System
 - 2085A – Johns Hopkins Health System
 - 2086A – Johns Hopkins Health System
 - 2087R – Memorial Hospital at Easton
 - 2088R – Dorchester General Hospital
 - 2089A – Maryland Physicians Care
- 5. Final Recommendation on the Revenue Neutrality Adjustment under the Uncompensated Care Policy**
- 6. Appeal by Greater Baltimore Medical Center of Fines Relating to the Submission of Reconciliation Data - Removed from Agenda**
- 7. Legal Report**
- 8. Hearing and Meeting Schedule**

**IN RE: THE APPLICATION FOR
ALTERNATIVE METHOD OF RATE
DETERMINATION
UNIVERSITY OF MARYLAND
MEDICAL CENTER
BALTIMORE, MARYLAND**

*** BEFORE THE MARYLAND HEALTH
* SERVICES COST REVIEW
* COMMISSION
* DOCKET: 2010
* FOLIO: 1883
* PROCEEDING: 2073A**

Staff Recommendation

September 1, 2010

I. INTRODUCTION

University of Maryland Medical Center (“Hospital”) filed an application with the HSCRC on June 10, 2010 for an alternative method of rate determination pursuant to COMAR 10.37.10.06. The Hospital requests approval from the HSCRC for continued participation in global rates for solid organ transplant, gamma knife, and blood and bone marrow transplants for three years with Aetna Health, Inc. beginning August 1, 2010.

II. OVERVIEW OF THE APPLICATION

The contract will be continue to be held and administered by University Physicians, Inc. ("UPI") which is a subsidiary of the University of Maryland Medical System. UPI will manage all financial transactions related to the global price contract including payments to the Hospital and bear all risk relating to services associated with the contract.

III. FEE DEVELOPMENT

The hospital portion of the global rates has been re-developed by calculating recent historical charges for patients receiving the procedures for which global rates are to be paid. The remainder of the global rate is comprised of physician service costs. Additional per diem payments were calculated for cases that exceed a specific length of stay outlier threshold.

IV. IDENTIFICATION AND ASSESSMENT OF RISK

The Hospital will continue to submit bills to UPI for all contracted and covered services. UPI is responsible for billing the payer, collecting payments; disbursing payments to the Hospital at its full HSCRC approved rates, and reimbursing the physicians. The Hospital contends that the arrangement between UPI and the Hospital holds the Hospital harmless from any shortfalls in payment from the global price contract.

V. STAFF EVALUATION

Staff reviewed the experience under this arrangement and found it to be favorable. Staff believes that the Hospital can continue to achieve favorable performance under this arrangement.

VI. STAFF RECOMMENDATION

Based on the Hospital's favorable performance, staff recommends that the Commission approve the Hospital's application for an alternative method of rate determination for solid organ transplant, gamma knife, and blood and bone marrow transplant services, for a one year period beginning August 1, 2010. The Hospital will need to file a renewal application to be considered for continued participation.

Consistent with its policy paper regarding applications for alternative methods of rate determination, the staff recommends that this approval be contingent upon the execution of the standard Memorandum of Understanding ("MOU") with the Hospital for the approved contract. This document would formalize the understanding between the Commission and the Hospital, and would include provisions for such things as payments of HSCRC-approved rates, treatment of losses that may be attributed to the contract, quarterly and annual reporting, and confidentiality of data submitted, penalties for noncompliance, project termination and/or alteration, on-going monitoring, and other issues specific to the proposed contract. The MOU will also stipulate that operating losses under the contract cannot be used to justify future requests for rate increases.

**IN RE: THE APPLICATION FOR
ALTERNATIVE METHOD OF RATE
DETERMINATION
JOHNS HOPKINS HEALTH
SYSTEM
BALTIMORE, MARYLAND**

*** BEFORE THE MARYLAND HEALTH
* SERVICES COST REVIEW
* COMMISSION
* DOCKET: 2010
* FOLIO: 1887
* PROCEEDING: 2077A**

Staff Recommendation

September 1, 2010

I. INTRODUCTION

Johns Hopkins Health System (“System”) filed an application with the HSCRC on July 1, 2010 on behalf of Johns Hopkins Hospital and Johns Hopkins Bayview Medical Center (the “Hospitals”) for an alternative method of rate determination, pursuant to COMAR 10.37.10.06. The System requests approval from the HSCRC for participation in a global rate arrangement for live donor kidney transplant services with National Health Services, Inc. for a period of one year beginning August 1, 2010.

II. OVERVIEW OF APPLICATION

The contract will be held and administered by Johns Hopkins HealthCare, LLC (“JHHC”), which is a subsidiary of the System. JHHC will manage all financial transactions related to the global price contract including payments to the Hospitals and bear all risk relating to regulated services associated with the contract.

III. FEE DEVELOPMENT

The hospital portion of the new global rates was developed by calculating mean historical charges for patients receiving live donor kidney transplants at the Hospitals. The remainder of the global rate is comprised of physician service costs. Additional per diem payments were calculated for cases that exceed a specific length of stay outlier threshold.

IV. IDENTIFICATION AND ASSESSMENT OF RISK

The Hospitals will submit bills to JHHC for all contracted and covered services. JHHC is responsible for billing the payer, collecting payments, disbursing payments to the Hospitals at their full HSCRC approved rates, and reimbursing the physicians. The System contends that the arrangement among JHHC, the Hospitals, and the physicians holds the Hospitals harmless from any

shortfalls in payment from the global price contract. JHHC maintains it has been active in similar types of fixed fee contracts for several years, and that JHHC is adequately capitalized to bear the risk of potential losses.

V. STAFF EVALUATION

Since the format utilized to calculate the case rate, i.e., historical data for like cases, has been utilized as the basis for other successful transplant arrangements in which the Hospitals are currently participating, staff believes that the Hospitals can achieve a favorable experience under this arrangement.

VI. STAFF RECOMMENDATION

The staff recommends that the Commission approve the Hospitals' application for an alternative method of rate determination for live donor kidney transplant services, for a one year period commencing August 1, 2010. The Hospitals will need to file a renewal application for review to be considered for continued participation. Consistent with its policy paper regarding applications for alternative methods of rate determination, the staff recommends that this approval be contingent upon the execution of the standard Memorandum of Understanding ("MOU") with the Hospitals for the approved contract. This document would formalize the understanding between the Commission and the Hospitals, and would include provisions for such things as payments of HSCRC-approved rates, treatment of losses that may be attributed to the contract, quarterly and annual reporting, confidentiality of data submitted, penalties for noncompliance, project termination and/or alteration, on-going monitoring, and other issues specific to the proposed contract. The MOU will also stipulate that operating losses under the contract cannot be used to justify future requests for rate increases.

**IN RE: THE APPLICATION FOR
ALTERNATIVE METHOD OF RATE
DETERMINATION
MEDSTAR HEALTH

BALTIMORE, MARYLAND**

*** BEFORE THE MARYLAND HEALTH
* SERVICES COST REVIEW
* COMMISSION
* DOCKET: 2010
* FOLIO: 1888
* PROCEEDING: 2078A**

**Staff Recommendation
September 1, 2010**

I. INTRODUCTION

MedStar Health filed an application with the HSCRC on July 12, 2010 on behalf of Union Memorial Hospital and Good Samaritan Hospital (the "Hospitals") to participate in an alternative method of rate determination, pursuant to COMAR 10.37.10.06. Medstar Health requests approval from the HSCRC for continued participation in a global rate arrangement for orthopedic services with MAMSI for a one year period beginning September 1, 2010.

II. OVERVIEW OF APPLICATION

The contract will continue to be held and administered by Helix Resources Management, Inc. (HRMI). HRMI will manage all financial transactions related to the global price contract including payments to the Hospitals and bear all risk relating to services associated with the contract.

III. FEE DEVELOPMENT

The hospital portion of the global rates was developed by calculating the mean historical charges for patients receiving the procedures for which global rates are to be paid. The remainder of the global rate is comprised of physician service costs. Additional per diem payments were calculated for cases that exceed a specific length of stay outlier threshold.

IV. IDENTIFICATION AND ASSESSMENT OF RISK

The Hospitals will continue to submit bills to HRMI for all contracted and covered services. HRMI is responsible for billing the payer, collecting payments, disbursing payments to the Hospitals at their full HSCRC approved rates, and reimbursing the physicians. The Hospitals contend that the arrangement between HRMI and the Hospitals holds the Hospitals harmless from any shortfalls in payment from the global price contract.

V. STAFF EVALUATION

The staff reviewed the experience under this arrangement for the last year and found that it was favorable. The staff believes that the Hospitals can continue to achieve a favorable experience under this arrangement.

VI. STAFF RECOMMENDATION

The staff recommends that the Commission approve the Hospitals' request for continued participation in the alternative method of rate determination for orthopedic services, for a one year period, commencing September 1, 2010. The Hospital will need to file a renewal application for review to be considered for continued participation.

Consistent with its policy paper regarding applications for alternative methods of rate determination, the staff recommends that this approval be contingent upon the execution of the standard Memorandum of Understanding ("MOU") with the Hospitals for the approved contract. This document would formalize the understanding between the Commission and the Hospitals, and would include provisions for such things as payments of HSCRC-approved rates, treatment of losses that may be attributed to the contract, quarterly and annual reporting, confidentiality of data submitted, penalties for noncompliance, project termination and/or alteration, on-going monitoring, and other issues specific to the proposed contract. The MOU will also stipulate that operating losses under the contract cannot be used to justify future requests for rate increases.

IN RE: THE PARTIAL RATE * BEFORE THE HEALTH SERVICES
APPLICATION OF * COST REVIEW COMMISSION
MONTGOMERY GENERAL * DOCKET: 2010
HOSPITAL * FOLIO: 1889
OLNEY, MARYLAND * PROCEEDING: 2079R

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Staff

Recommendation

September 1, 2010

Introduction

On July 21, 2010, Montgomery General Hospital (“the Hospital”) submitted a partial rate application to the Commission requesting a rate for Radiation Therapy (RAT) services to be provided in-house. The Hospital currently has a rebundled rate for RAT services. A rebundled rate is one approved by the Commission when a hospital provides certain non-physician services to inpatients off-site, in accordance with COMAR 10.37.03.09. By approving a rebundled rate, the Commission makes it possible for a hospital to bill for services provided off-site, as required by Medicare. The Hospital is requesting that its in-house RAT rate be set at the statewide median with an effective date of October 1, 2010.

Staff Evaluation

The Hospital submitted its RAT costs and statistical projections for FY 2011 to the Commission in order to determine if the Hospital’s RAT rate should be set at the statewide median rate or at a rate based on its own cost experience. Based on the information provided, staff determined that the RAT rate based on the Hospital’s projected data would be \$25.29 per RVU, while the statewide median for RAT services is \$25.96 per RVU.

Recommendation

After reviewing the Hospital’s application, the staff has the following recommendations:

1. That the RAT rate of \$ 25.29 per RVU be approved effective October 1, 2010;
2. That no change be made to the Hospital’s Charge per Case standard for RAT services; and
3. That the RAT rate not be rate realigned until a full year’s experience data have been reported to the Commission.

IN RE: THE ALTERNATIVE	*	BEFORE THE HEALTH
RATE APPLICATION OF	*	SERVICES COST REVIEW
MEDSTAR HEALTH	*	COMMISSION
SYSTEM	*	DOCKET: 2010
	*	FOLIO: 1890
COLUMBIA, MARYLAND	*	PROCEEDING: 2080A

Draft Recommendation

September

1, 2010

I. Introduction

On August 16, 2010, MedStar Health filed an application for an Alternative Method of Rate Determination pursuant to COMAR 10.37.10.06 on behalf of Franklin Square Hospital, Good Samaritan Hospital, Harbor Hospital, and Union Memorial Hospital (the “Hospitals”). MedStar Health seeks renewal for the continued participation of MedStar Family Choice in the Medicaid Health Choice Program. MedStar Family Choice is the MedStar entity that assumes the risk under this contract. The Commission most recently approved this contract under proceeding 2045A for the period from January 1, 2010 through December 31, 2010. The Hospitals are requesting to renew this contract for one year beginning January 1, 2011.

II. Background

Under the Medicaid Health Choice Program, MedStar Family Choice, a Managed Care Organization (“MCO”) sponsored by the Hospitals, is responsible for providing a comprehensive range of health care benefits to Medical Assistance enrollees. The application requests approval for the Hospitals to provide inpatient and outpatient hospital services, as well as certain non-hospital services, in return for a State-determined capitation payment. MedStar Family Choice pays the Hospitals HSCRC-approved rates for hospital services used by its enrollees. MedStar Family Choice provides services to about 4% of the total number of MCO enrollees in Maryland.

The hospitals supplied information on their most recent experience and their projected revenues and expenditures for the upcoming year based on the revised Medicaid capitation rates.

III. Staff Review

This contract has been operating under previous HSCRC approval (proceeding 2045A). Staff reviewed the operating performance of the contract as well as the terms of the capitation

pricing agreement. The actual financial experience for CY 2009 was unfavorable; however, estimates reported to staff for CY 2010 show a positive financial outlook. Medstar Family Choice projects to continue favorable performance into CY 2011.

IV. Recommendation

Staff believes that the proposed renewal arrangement is acceptable under Commission policy. However, staff recommends that further periodic monitoring is necessary to ensure sustained favorable performance. Staff, nonetheless, believes the CY 2011 projections to be reasonable based on the information currently available regarding Medicaid rate setting for CY 2011.

Staff Recommendations:

- (1) Staff recommends approval of this alternative rate application for a one-year period beginning January 1, 2011.**

- (2) Since sustained losses over an extended period of time may be construed as a loss contract necessitating termination of this arrangement, staff will continue to monitor financial performance to determine whether favorable financial performance is achieved in CY 2010 and expected to be sustained into CY 2011.**

- (3) Staff recommends that MedStar Family Choice report to Commission staff (on or before the August 2011 meeting of the Commission) on actual experience for CY 2010, the preliminary estimates for CY 2011 financial performance (adjusted for seasonality) of the MCO, and projections for CY 2012.**

(4) Consistent with its policy paper outlining a structure for review and evaluation of applications for alternative methods of rate determination, the staff recommends that this approval be contingent upon the continued adherence to the standard Memorandum of Understanding with the Hospitals for the approved contract. This document formalizes the understanding between the Commission and the Hospitals, and includes provisions for such things as payments of HSCRC-approved rates, treatment of losses that may be attributed to the managed care contract, quarterly and annual reporting, the confidentiality of data submitted, penalties for noncompliance, project termination and/or alteration, on-going monitoring, and other issues specific to the proposed contract. The MOU also stipulates that operating losses under managed care contracts may not be used to justify future requests for rate increases.

IN RE: THE ALTERNATIVE	*	BEFORE THE HEALTH	
RATE APPLICATION OF	*	SERVICES COST REVIEW	
THE JOHNS HOPKINS HEALTH	*	COMMISSION	
SYSTEM	*	DOCKET:	2010
BALTIMORE, MARYLAND	*	FOLIO:	1891
	*	PROCEEDING	2081A

Draft Recommendation

September

1, 2010

I. Introduction

On August 10, 2010 Johns Hopkins Health System (“JHHS,” or the “System”) filed an application for an Alternative Method of Rate Determination pursuant to COMAR 10.37.10.06 on behalf of Johns Hopkins Hospital, Johns Hopkins Bayview Medical Center, and Howard County General Hospital (the “Hospitals”). The System seeks renewal for the continued participation of Priority Partners, Inc. in the Medicaid Health Choice Program. Priority Partners, Inc. is the entity that assumes the risk under the contract. The Commission most recently approved this contract under proceeding 2041A for the period from January 1, 2010 through December 31, 2010. The Hospitals are requesting to renew this contract for a one-year period beginning January 1, 2011.

II. Background

Under the Medicaid Health Choice Program, Priority Partners, a provider sponsored Managed Care Organization (“MCO” sponsored by the Hospitals), is responsible for providing a comprehensive range of health care benefits to Medical Assistance enrollees. Priority Partners was created in 1996 as a joint venture between Johns Hopkins Health Care (JHHC) and the Maryland Community Health System (MCHS) to operate an MCO under the Health Choice Program. Johns Hopkins Health Care operates as the administrative arm of Priority Partners and receives a percentage of premiums to provide services such as claim adjudication and utilization management. MCHS oversees a network of Federally Qualified Health Clinics which provide member expertise in the provision of primary care services and assistance in the development of provider networks on an exclusive basis in exchange for an exclusivity payment.

The application requests approval for the hospitals to continue to provide inpatient and outpatient hospital services, as well as certain non-hospital services, in return for a State-determined capitation payment. Priority Partners pays the Hospitals HSCRC-approved rates for hospital services used by its enrollees. The Hospitals supplied information on their most recent experience and their projected revenues and expenditures for the upcoming year based on the revised Medicaid capitation rates.

Priority Partners is a major participant in the Medicaid Health Choice program, providing managed care services on a statewide basis and serving 26% of the state's MCO population.

III. Staff Review

This contract has been operating under the HSCRC's initial approval in proceeding 2041A. Staff reviewed the operating performance under the contract as well as the terms of the capitation pricing agreement. Staff has analyzed Priority Partner's financial history and net income projections for CY 2010 and CY2011. The statements provided by Priority Partners to staff represent both a stand- alone and "consolidated" view of Priority's operations. The consolidated picture reflects certain administrative revenues and expenses of Johns Hopkins Health Care. When other provider-based MCOs are evaluated for financial stability, their administrative costs relative to their MCO business are included as well; however, they are all included under one entity.

Staff found that Priority Partners (consolidated) financial performance was unfavorable in CY 2009 but was favorable in FY 2010. Profits are expected to continue to improve in CY 2010 and CY 2011.

IV. Recommendation

As noted above, Priority Partners has shown favorable financial performance on a consolidated basis in FY 2010. Based on information currently available on Medicaid rate setting from CY 2011, Priority Partners (Consolidated) is expecting to continue favorable performance into CY 2011.

Therefore, staff makes the following recommendations:

- 1) That approval be granted for participation in the Medicaid Health Choice Program for a one-year period beginning January 1, 2011.**
- 2) Since sustained losses over an extended period of time may be construed as a loss contract necessitating termination of this arrangement, staff will continue to monitor financial performance to determine whether favorable financial performance is achieved in CY 2010 and expected to be sustained into CY 2011.**
- 3) That Priority Partners report to Commission staff (on or before the August 2011 public meeting of the Commission) on the actual CY 2010, preliminary CY 2011, and projected CY 2012 financial performance (adjusted for seasonality) of the MCO.**
- 4) Consistent with its policy paper outlining a structure for review and evaluation of applications for alternative methods of rate determination, the staff recommends**

that this approval be contingent upon the continued adherence to the standard Memorandum of Understanding with the Hospitals for the approved contract. This document formalizes the understanding between the Commission and the Hospitals, and includes provisions for such things as payments of HSCRC-approved rates, treatment of losses that may be attributed to the managed care contract, quarterly and annual reporting, the confidentiality of data submitted, penalties for noncompliance, project termination and/or alteration, on-going monitoring, and other issues specific to the proposed contract. The MOU also stipulates that operating losses under managed care contracts may not be used to justify future requests for rate increases.

**IN RE: THE APPLICATION FOR
ALTERNATIVE METHOD OF RATE
DETERMINATION ***

**UNIVERSITY OF MARYLAND
MEDICAL CENTER ***
BALTIMORE, MARYLAND

*** BEFORE THE MARYLAND HEALTH
* SERVICES COST REVIEW
COMMISSION**

*** DOCKET: 2010
* FOLIO: 1892
* PROCEEDING: 2082A**

Staff Recommendation

September 1, 2010

I. INTRODUCTION

The University of Maryland Medical Center (“Hospital”) filed an application with the HSCRC on August 16, 2010 requesting approval to continue participation in a global rate arrangement with Maryland Physicians Care (“MPC”) for solid organ and blood and bone marrow transplant services for a period of three years beginning September 1, 2010. A list of transplant services provided under this arrangement is attached.

II. OVERVIEW OF APPLICATION

The contract will continue to be held and administered by University Physicians, Inc. (UPI), which is a subsidiary of the University of Maryland Medical System. UPI will manage all financial transactions related to the global price contract including payments to the Hospital and bear all risk relating to services associated with the contract.

III. FEE DEVELOPMENT

The hospital portion of the global rates was developed by calculating historical charges for patients receiving the procedures for which global rates are to be paid. The remainder of the global rate is comprised of physician service costs. Additional per diem payments were calculated for cases that exceed a specific length of stay outlier threshold.

IV. IDENTIFICATION AND ASSESSMENT OF RISK

The Hospital will continue to submit bills to UPI for all contracted and covered services. UPI is responsible for billing the payer, collecting payments, disbursing payments to the Hospital at its full HSCRC approved rates, and reimbursing the physicians. The Hospital contends that the arrangement between UPI and the Hospital holds the Hospital harmless from any shortfalls in payment from the global price contract.

V. STAFF EVALUATION

Staff found that the actual experience under the arrangement for the last year has been favorable.

VI. STAFF RECOMMENDATION

The staff recommends that the Commission approve the Hospital's application for an alternative method of rate determination for solid organ and blood and bone marrow transplant services, for a one year period commencing September 1, 2010. The Hospital will need to file a renewal application for review to be considered for continued participation.

Consistent with its policy paper regarding applications for alternative methods of rate determination, the staff recommends that this approval be contingent upon the execution of the standard Memorandum of Understanding ("MOU") with the Hospital for the approved contract. This document would formalize the understanding between the Commission and the Hospital, and would include provisions for such things as payments of HSCRC-approved rates, treatment of losses that may be attributed to the contract, quarterly and annual reporting, confidentiality of data submitted, penalties for noncompliance, project termination and/or alteration, on-going monitoring, and other issues specific to the proposed contract. The MOU will also stipulate that operating losses under the contract cannot be used to justify future requests for rate increases.

**IN RE: THE APPLICATION FOR
ALTERNATIVE METHOD OF RATE
DETERMINATION ***

**UNIVERSITY OF MARYLAND
MEDICAL CENTER ***
BALTIMORE, MARYLAND

*** BEFORE THE MARYLAND HEALTH
* SERVICES COST REVIEW
COMMISSION**

*** DOCKET: 2010
* FOLIO: 1893
* PROCEEDING: 2083A**

**Staff Recommendation
September 1, 2010**

INTRODUCTION

The University of Maryland Medical Center (“Hospital”) filed an application with the HSCRC on August 16, 2010 requesting approval to continue to participate in a global rate arrangement for blood and bone marrow transplants for three years with the BlueCross and BlueShield Association Quality Centers for Transplant (BQCT) beginning September 1, 2010. A list of bone marrow transplants provided under this arrangement is attached.

II. OVERVIEW OF APPLICATION

The contract will continue to be held and administered by University Physicians, Inc. (“UPI”), which is a subsidiary of the University of Maryland Medical System. UPI will manage all financial transactions related to the global price contract including payments to the Hospital and bear all risk relating to services associated with the contract.

III. FEE DEVELOPMENT

The hospital portion of the global rates was developed by calculating historical charges for patients receiving the procedures for which global rates are to be paid. The remainder of the global rate is comprised of physician service costs. Additional per diem payments were calculated for cases that exceed a specific length of stay outlier threshold.

IV. IDENTIFICATION AND ASSESSMENT OF RISK

The Hospital will continue to submit bills to UPI for all contracted and covered services. UPI is responsible for billing the payer, collecting payments, disbursing payments to the Hospital at its full HSCRC approved rates, and reimbursing the physicians. The Hospital contends that the arrangement between UPI and the Hospital holds the Hospital harmless from any shortfalls in payment from the global price contract.

V. STAFF EVALUATION

Staff found that the actual experience under the arrangement for the last year has been favorable. Staff is satisfied that the hospital component of the global price has sufficient built-in allowance for inflation to achieve favorable performance under this arrangement.

VI. STAFF RECOMMENDATION

The staff recommends that the Commission approve the Hospital's application for an alternative method of rate determination for solid organ and blood and bone marrow transplant services, for a one year period commencing September 1, 2010. The Hospital will need to file a renewal application for review to be considered for continued participation.

Consistent with its policy paper regarding applications for alternative methods of rate determination, the staff recommends that this approval be contingent upon the execution of the standard Memorandum of Understanding ("MOU") with the Hospital for the approved contract. This document will formalize the understanding between the Commission and the Hospital, and will include provisions for such things as payments of HSCRC-approved rates, treatment of losses that may be attributed to the contract, quarterly and annual reporting, confidentiality of data submitted, penalties for noncompliance, project termination and/or alteration, on-going monitoring, and other issues specific to the proposed contract. The MOU will also stipulate that operating losses under the contract cannot be used to justify future requests for rate increases.

**IN RE: THE APPLICATION FOR
ALTERNATIVE METHOD OF RATE
DETERMINATION ***

**JOHNS HOPKINS HEALTH
SYSTEM
BALTIMORE, MARYLAND**

*** BEFORE THE MARYLAND HEALTH
* SERVICES COST REVIEW
COMMISSION**

*** DOCKET: 2010**

*** FOLIO: 1894**

*** PROCEEDING: 2084A**

Staff Recommendation

September 1, 2010

I. INTRODUCTION

On August 16, 2010, Johns Hopkins Health System (“System”) filed a renewal application on behalf of its member hospitals, Johns Hopkins Hospital, Johns Hopkins Bayview Medical Center, and Howard County General Hospital (the “Hospitals”) requesting approval from the HSCRC to continue participation in global rates for cardiovascular procedures with the Canadian Medical Network. The Hospitals request that the Commission approve the arrangement for an additional year beginning October 1, 2010.

II. OVERVIEW OF APPLICATION

The contract will continue to be held and administered by Johns Hopkins HealthCare, LLC (“JHHC”), which is a subsidiary of the System. JHHC will continue to manage all financial transactions related to the global price contract including payments to the Hospitals and bear all risk relating to regulated services associated with the contract.

III. FEE DEVELOPMENT

The hospital portion of the global rates was developed by calculating mean historical charges for patients receiving the procedures for which global rates are to be paid. The remainder of the global rate is comprised of physician service costs. Additional per diem payments were calculated for cases that exceed a specific length of stay outlier threshold.

IV. IDENTIFICATION AND ASSESSMENT OF RISK

The Hospitals will continue to submit bills to JHHC for all contracted and covered services. JHHC is responsible for billing the payer, collecting payments, disbursing payments to the Hospitals at their full HSCRC approved rates, and reimbursing the physicians. The System contends that the arrangement among JHHC, the Hospitals, and the physicians holds the Hospitals harmless from any shortfalls in payment from the global price contract. JHHC maintains it has been active in similar types of fixed fee contracts for several years, and that

JHHC is adequately capitalized to bear the risk of potential losses.

V. STAFF EVALUATION

Staff finds that the actual experience under the arrangement for the last year has been favorable.

VI. STAFF RECOMMENDATION

The staff recommends that the Commission approve the Hospitals' application for an alternative method of rate determination for cardiovascular procedures for one year beginning October 1, 2010. The Hospitals must file a renewal application annually for continued participation.

Consistent with its policy paper regarding applications for alternative methods of rate determination, the staff recommends that this approval be contingent upon the execution of the standard Memorandum of Understanding ("MOU") with the Hospitals for the approved contract. This document will formalize the understanding between the Commission and the Hospitals, and will include provisions for such things as payments of HSCRC-approved rates, treatment of losses that may be attributed to the contract, quarterly and annual reporting, confidentiality of data submitted, penalties for noncompliance, project termination and/or alteration, on-going monitoring, and other issues specific to the proposed contract. The MOU will also stipulate that operating losses under the contract cannot be used to justify future requests for rate increases.

**IN RE: THE APPLICATION FOR
ALTERNATIVE METHOD OF RATE
DETERMINATION *
JOHNS HOPKINS HEALTH
SYSTEM
BALTIMORE, MARYLAND**

*** BEFORE THE MARYLAND HEALTH
* SERVICES COST REVIEW
COMMISSION
* DOCKET: 2010
* FOLIO: 1895
* PROCEEDING: 2085A**

**Staff Recommendation
September 1, 2010**

I. INTRODUCTION

Johns Hopkins Health System (“System”) filed a renewal application with the HSCRC on August 16, 2010 on behalf of its member hospitals, Johns Hopkins Hospital, Johns Hopkins Bayview Medical Center, and Howard County General Hospital (the “Hospitals”) requesting approval from the HSCRC for continued participation in a global rate arrangement for solid organ and bone marrow transplants with Preferred Health Care LLC. The Hospitals request that the Commission approve the arrangement for one year beginning September 1, 2010.

II. OVERVIEW OF APPLICATION

The contract will continue to be held and administered by Johns Hopkins HealthCare, LLC (“JHHC”), which is a subsidiary of the System. JHHC will manage all financial transactions related to the global price contract including payments to the Hospitals and bear all risk relating to regulated services associated with the contract.

III. FEE DEVELOPMENT

The hospital portion of the global rates was developed by calculating mean historical charges for patients receiving the procedures for which global rates are to be paid. The remainder of the global rate is comprised of physician service costs. Additional per diem payments were calculated for cases that exceed a specific length of stay outlier threshold.

IV. IDENTIFICATION AND ASSESSMENT OF RISK

The Hospitals will continue to submit bills to JHHC for all contracted and covered services. JHHC is responsible for billing the payer, collecting payments, disbursing payments to the Hospitals at their full HSCRC approved rates, and reimbursing the physicians. The System contends that the arrangement among JHHC, the Hospitals, and the physicians holds the Hospitals harmless from any shortfalls in payment from the global price contract. JHHC maintains that it has been active in similar types of fixed fee contracts for several years, and that

JHHC is adequately capitalized to bear the risk of potential losses.

V. STAFF EVALUATION

Although there was no activity under this arrangement in the last year, staff is satisfied that the hospital component of the global prices, which has been updated with current data, is sufficient for the Hospitals to achieve favorable experience under this arrangement.

VI. STAFF RECOMMENDATION

The staff recommends that the Commission approve the Hospitals' application for an alternative method of rate determination for solid organ and bone marrow transplant services, for a one year period commencing September 1, 2010. The Hospitals will need to file a renewal application for review to be considered for continued participation.

Consistent with its policy paper regarding applications for alternative methods of rate determination, the staff recommends that this approval be contingent upon the execution of the standard Memorandum of Understanding ("MOU") with the Hospitals for the approved contract. This document will formalize the understanding between the Commission and the Hospitals, and will include provisions for such things as payments of HSCRC-approved rates, treatment of losses that may be attributed to the contract, quarterly and annual reporting, confidentiality of data submitted, penalties for noncompliance, project termination and/or alteration, on-going monitoring, and other issues specific to the proposed contract. The MOU will also stipulate that operating losses under the contract cannot be used to justify future requests for rate increases.

**IN RE: THE APPLICATION FOR
ALTERNATIVE METHOD OF RATE
DETERMINATION *
JOHNS HOPKINS HEALTH
SYSTEM
BALTIMORE, MARYLAND**

*** BEFORE THE MARYLAND HEALTH
* SERVICES COST REVIEW
COMMISSION
* DOCKET: 2010
* FOLIO: 1896
* PROCEEDING: 2086A**

Staff Recommendation

September 1, 2010

I. INTRODUCTION

Johns Hopkins Health System (“System”) filed a renewal application with the HSCRC on August 16, 2010 on behalf of the Johns Hopkins Bayview Medical Center (the “Hospital”) requesting approval from the HSCRC for continued participation in a capitation arrangement among the System, the Maryland Department of Health and Mental Hygiene (DHMH), and the Centers for Medicare and Medicaid Services (CMS). The Hospital, doing business as Hopkins Elder Plus (“HEP”), serves as a provider in the federal “Program of All-inclusive Care for the Elderly” (“PACE”). Under this program, HEP provides services for a Medicare and Medicaid dually eligible population of frail elderly. The requested approval is for a period of one year effective September 1, 2010.

II. OVERVIEW OF APPLICATION

The parties to the contract include the System, DHMH, and CMS. The contract covers medical services provided to the PACE population. The assumptions for enrollment, utilization, and unit costs were developed on the basis of historical HEP experience for the PACE population as previously reviewed by an actuarial consultant. The System will assume the risks under the agreement, and all Maryland hospital services will be paid based on HSCRC rates.

III. STAFF RECOMMENDATION

Based on favorable performance in the last year, staff recommends that the Commission approve the Hospital’s renewal application for an alternative method of rate determination for one year beginning September 1, 2010.

Consistent with its policy paper regarding applications for alternative methods of rate determination, the staff recommends that this approval be contingent upon the execution of the standard Memorandum of Understanding (“MOU”) with the Hospital for the approved contract. This document formalizes the understanding between the Commission and the Hospital, and includes provisions for such things as payments of HSCRC-approved rates, treatment of losses that may be attributed to the contract, quarterly and annual reporting, confidentiality of data submitted, penalties for noncompliance, project termination and/or alteration, on-going monitoring, and other issues specific to the proposed contract. The MOU also stipulates that operating losses under the contract cannot be used to justify future requests for rate increases.

IN RE: THE ALTERNATIVE * **BEFORE THE HEALTH**
RATE APPLICATION OF * **SERVICES COST REVIEW**
MARYLAND GENERAL HOSPITAL * **COMMISSION**
SAINT AGNES HEALTH * **DOCKET: 2010**
WESTERN MARYLAND * **FOLIO: 1899**
HEALTH SYSTEM * **PROCEEDING: 2089A**
WASHINGTON COUNTY HOSPITAL

Draft
September

Recommendation
1, 2010

I. Introduction

On August 17, 2009, Maryland General Hospital, Saint Agnes Health System, Western Maryland Health System, and Washington County Hospital (the “Hospitals”) filed an application for an Alternative Method of Rate Determination pursuant to COMAR 10.37.10.06. The Hospitals seek renewal for the continued participation of Maryland Physicians Care (MPC) in the Medicaid Health Choice Program. MPC is the entity that assumes the risk under this contract. The Commission most recently approved this contract under proceeding 2046A for the period January 1, 2010 through December 31, 2010. The Hospitals are requesting to renew this contract for one year beginning January 1, 2011.

II. Background

Under the Medicaid Health Choice Program, MPC, a Managed Care Organization (“MCO”) sponsored by the Hospitals, is responsible for providing a comprehensive range of health care benefits to Medical Assistance enrollees. The application requests approval for the Hospitals to provide inpatient and outpatient hospital services as well as certain non-hospital services, in return for a State-determined capitation payment. Maryland Physicians Care pays the Hospitals HSCRC-approved rates for hospital services used by its enrollees. Maryland Physicians Care Priority Partners is a major participant in the Medicaid Health Choice program, and provides services to about 18% of the total number of MCO enrollees in Maryland.

The Hospitals supplied information on their most recent experience and their projected revenues and expenditures for the upcoming year based on the revised Medicaid capitation rates.

III. Staff Review

This contract has been operating under previous HSCRC approval (Proceeding 2046A).

Staff reviewed the operating performance under the contract as well as the terms of the capitation pricing agreement. Staff reviewed financial information and projections for CYs 2009, 2010 and 2011. In recent years, the financial performance of MPC has been favorable. The actual financial experience reported to staff for CY2009 was positive, and MPC profits are expected to improve in CY 2010.

IV. Recommendation

MPC has continued to maintain consistent favorable performance in recent years. Staff believes that the proposed renewal arrangement for MPC is acceptable under Commission policy in that the MCO has been able to sustain reasonable profit margins. Staff will closely monitor actual performance to ensure that the favorable results continue into the future.

Therefore, staff recommends the following:

- (1) Staff recommends approval of this alternative rate application for a one-year period beginning January 1, 2011.**

- (2) Since sustained losses over an extended period of time may be construed as a loss contract necessitating termination of this arrangement, staff will continue to monitor financial performance to determine whether favorable financial performance is achieved in CY 2010 and expected to be sustained into CY 2011.**

- (3) Staff recommends that Maryland Physicians Care report to Commission staff (on or before the August 2011 meeting of the Commission) on the actual CY 2010 experience and preliminary CY 2011 financial performance (adjusted for seasonality) of the MCO as well as projections for CY 2012.**

(4) Consistent with its policy paper outlining a structure for review and evaluation of applications for alternative methods of rate determination, the staff recommends that this approval be contingent upon the continued adherence to the standard Memorandum of Understanding with the Hospitals for the approved contract. This document formalizes the understanding between the Commission and the Hospitals, and includes provisions for such things as payments of HSCRC-approved rates, treatment of losses that may be attributed to the managed care contract, quarterly and annual reporting, the confidentiality of data submitted, penalties for noncompliance, project termination and/or alteration, on-going monitoring, and other issues specific to the proposed contract. The MOU also stipulates that operating losses under managed care contracts may not be used to justify future requests for rate increases.

Health Services Cost Review Commission

**Final Recommendation on the Revenue Neutrality Adjustment under the
Uncompensated Care Policy**

September 1, 2010

Introduction

At the June 9, 2010 Commission meeting, staff presented a status report on the fiscal year 2011 Uncompensated Care Policy results and updated the Commission on discussions surrounding the policy. The purpose of this paper is to recommend for Commission approval an alternative approach to the Revenue Neutrality Adjustment under the Commission's Uncompensated Care Policy.

The HSCRC's provision for uncompensated care in hospital rates is one of the unique features of rate regulation in Maryland. Uncompensated care includes bad debt and charity care. By recognizing reasonable levels of bad debt and charity care in hospital rates, the system enhances access to hospital care for those citizens who cannot pay for care. The uncompensated care provision in rates is applied prospectively and is meant to be predictive of actual uncompensated care costs in a given year.

The HSCRC uses a regression methodology as a vehicle to predict actual uncompensated care costs in a given year. The uncompensated care methodology has undergone substantial changes over the years since it was initially established. The most recent version of the policy was adopted by the Commission on May 2, 2007.

The uncompensated care regression estimates the relationship between a set of explanatory variables and the rate of uncompensated care observed at each hospital as a percentage of gross patient revenue. Under the current policy, the following variables are included as explanatory variables:

- The proportion of a hospital's total charges from inpatient non-Medicare admissions through the emergency room;
- The proportion of a hospital's total charges from inpatient Medicaid, self-pay, and charity cases;
- The proportion of a hospital's total charges from outpatient Medicaid, self-pay, and charity visits to the emergency room; and
- The proportion of a hospital's total charges from outpatient charges.

Discussions surrounding the Uncompensated Care Policy

In the last six months, a number of hospital representatives have met with staff to discuss various issues related to the uncompensated care methodology. Most of the discussions have focused on the impact of the ongoing Medicaid expansion and the economy on the stability of the uncompensated care regression estimates. Discussions have also taken place on the difficulty of reconciliation and settlement of monies associated with "averted bad debt" and on reconstituting the explanatory variables used in the uncompensated care regression.

There were also suggestions for revising the regression model as presented by representatives from the Johns Hopkins Medical System and Mercy Medical Center at the Maryland Hospital Association's April 15, 2010 Financial Technical Issues Task Force meeting. A subsequent meeting was held by hospital representatives at the behest of MHA to further discuss the

proposal on April 21, 2010.

A meeting was also held on May 6, 2010 between the HSCRC staff and hospital representatives to discuss possible recommendations from the MHA. On June 21, 2010, the MHA sent a letter (see attached) to HSCRC staff recommending "adding the final FY 2009 hospital-specific averted UCC best estimates to the reported UCC, and then proceeding with the regression and subsequent calculations," based on the June 9, 2010, report to the Commission.

The uncompensated care model

The model remains as specified in the current methodology. The amount of uncompensated care in rates is computed as follows:

1. Compute a three-year moving average for uncompensated care for each hospital.
2. Use the most recent three years of data to compute the uncompensated care regression (while adding "dummy" variables for each year).
3. Generate a predicted value for the hospital's uncompensated care rate based on the last available year of data.
4. Compute a 50/50 blend of the predicted and three-year moving average as the hospital's amount in rates.
5. Calculate the statewide amount of uncompensated care in rates from this process, and generate the percentage difference between the preliminary amount in rates and the last year of actual experience.
6. Add/subtract the statewide difference (step 5) to the hospital's preliminary UCC rate (step 4) to get adjusted rates that tie to the State's last year of actual UCC experience.

This addition or subtraction of the statewide difference to the hospital's preliminary UCC rate to get adjusted rates that tie to the State's last year of actual UCC experience is what is referred to as **Revenue Neutrality Adjustment**.

The result is the hospital's UCC rate for the next fiscal year.

Medicaid's expansion and "averted bad debts"

To account for the impact of Medicaid's expansion and "averted bad debts" on the UCC policy, staff is now using a methodology that parallels the Commission-approved method for handling uncompensated care resulting from the previous imposition of day-limits in State Medicaid reimbursement to acute care hospitals. Under that methodology, adjustments were made to the UCC policy by removing the pre-funded amounts in rates for day limits from actual uncompensated care prior to calculating the model described above. The pre-funded amounts were then added to the UCC rate calculated in step 6 to finance the day limits portion separately. Therefore, the impact of Medicaid's expansion and "averted bad debts" is accounted for by adding the "FY 2009 hospital-specific averted UCC best estimates" to hospital reported UCC and then applying the regression and other subsequent calculations. "FY 2009 hospital-specific averted UCC best estimates" refers to the hospital reconciled amount attributable to the ongoing Medicaid expansion based on the most current data available as of the date of this report.

Newly estimated “averted bad debts” for each hospital will be calculated and the UCC policy results adjusted for these new estimates before the 100 percent UCC pooling methodology is applied. The new uncompensated care provisions will become effective on July 1, 2010 with the new charge per case targets.

Staff Recommendation on the Revenue Neutrality Adjustment under the Uncompensated Care Policy

Since the most recent version of the UCC policy was adopted by the Commission on May 2, 2007, a substantial revenue neutrality adjustment to hospital’s preliminary UCC rate has not been needed to arrive at adjusted rates that tie to the State’s last year of actual UCC experience. This is because the adjustment has never been greater than 0.05% and, therefore, is negligible across hospitals.

However, with Medicaid’s recent expansion and ensuing “averted bad debts” and their impact on the UCC policy, the applicable revenue neutrality adjustment for FY 2011 is 0.17%. Therefore, the Commission’s current additive revenue neutrality adjustment has substantial impact on some hospitals.

Making the revenue neutrality adjustment multiplicative instead of additive would direct much of the additional dollars to hospitals that are underfinanced relative to their actual UCC. Hospitals with adjusted rates (under the 50/50 blend) close to the State’s actual UCC experience in the previous year would experience no effect from this change. Hospitals with higher actual UCC would receive additional revenue, while those with lower actual UCC would receive less revenue. Table 1 illustrates the policy results from the regression and compares the additive and multiplicative revenue neutrality impacts

Staff, therefore, recommends that the Commission change the application of the revenue neutrality adjustment from being additive or subtractive to multiplicative. Staff will also ask the Commission to waive the sixty day comment period so that this recommendation may be considered for final approval.

Result

The result of this approach is that the prospective amount built into rates across the industry is the amount actually experienced in the previous year of available data, excluding any new estimates for averted bad debt due to Medicaid expansion. If, for example, uncompensated care was \$1 billion in FY 2009, this model would establish rates that would deliver \$1 billion in fiscal year 2011, if volumes and rates remain the same.

Table 2 provides summary results of the UCC policy for Fiscal Year 2011 without additional expected offset for FY 2011 averted bad debt due to Medicaid expansion. Table 3 shows the results from the regression analysis and the multiplicative revenue neutrality adjustment. Table 4 provides details of the FY 2009 data used in the regression model. Table 5 provides a statistical summary of the variables and regression results.

Table 1

Policy Results from the Regression and Comparison of Revenue Neutrality Adjustments (Current Additive Versus Proposed Multiplicative Adjustment)

Hospid	Hospital Name	UCC in Rates (July 1, 2008)	Actual UCC for FY '09	Adjusted UCC for FY '09 (Includes Averted Bad Debt)	Predicted UCC	FY '07 - FY '09 UCC Average	50/ 50 Blended UCC Average	Current (Additive) Revenue Neutrality Adjustment	Current Policy Results	Proposed (Multiplicative) Revenue Neutrality Adjustment	Proposed Policy Results	Difference Between Current Policy and Proposed Policy Results
1	2	3	4	5	6	7	8	9	10	11	12	13
210013	Bon Secours Hospital	13.68%	17.93%	18.30%	18.35%	16.47%	17.41%	0.17%	17.58%	1.0229	17.80%	0.22%
210003	Prince Georges Hospital	13.35%	15.62%	16.06%	14.58%	15.33%	14.96%	0.17%	15.13%	1.0229	15.30%	0.17%
210038	Maryland General Hospital	11.59%	13.14%	13.87%	13.17%	12.68%	12.93%	0.17%	13.10%	1.0229	13.22%	0.12%
210060	Fort Washington Medical Center	9.60%	14.68%	15.07%	11.46%	13.73%	12.60%	0.17%	12.77%	1.0229	12.89%	0.11%
210055	Laurel Regional Hospital	11.07%	11.53%	12.02%	11.10%	12.05%	11.58%	0.17%	11.75%	1.0229	11.84%	0.09%
210006	Harford Memorial Hospital	8.24%	11.76%	12.09%	10.32%	11.35%	10.83%	0.17%	11.01%	1.0229	11.08%	0.07%
210034	Harbor Hospital Center	9.05%	8.58%	9.23%	11.00%	9.09%	10.05%	0.17%	10.22%	1.0229	10.28%	0.06%
210051	Doctors Community Hospital	8.25%	9.61%	10.04%	9.83%	10.11%	9.97%	0.17%	10.14%	1.0229	10.20%	0.05%
210045	McCready Foundation, Inc.	6.84%	10.39%	11.26%	10.04%	9.73%	9.88%	0.17%	10.06%	1.0229	10.11%	0.05%
210002	Univ. of Maryland Medical System	8.69%	9.18%	9.73%	9.39%	9.58%	9.48%	0.17%	9.66%	1.0229	9.70%	0.04%
210016	Washington Adventist Hospital	7.29%	8.64%	9.01%	8.84%	9.52%	9.18%	0.17%	9.36%	1.0229	9.39%	0.04%
210029	Johns Hopkins Bayview Med. Center	8.68%	10.49%	11.05%	8.54%	9.81%	9.17%	0.17%	9.35%	1.0229	9.38%	0.04%
210030	Chester River Hospital Center	7.39%	10.60%	11.26%	6.48%	11.73%	9.11%	0.17%	9.28%	1.0229	9.32%	0.03%
210032	Union Hospital of Cecil County	7.89%	10.10%	10.95%	9.56%	8.55%	9.06%	0.17%	9.23%	1.0229	9.26%	0.03%
210054	Southern Maryland Hospital	7.39%	8.05%	8.42%	8.80%	8.81%	8.80%	0.17%	8.98%	1.0229	9.01%	0.03%
210017	Garrett County Memorial Hospital	8.08%	9.14%	10.20%	8.68%	8.65%	8.66%	0.17%	8.84%	1.0229	8.86%	0.02%
210015	Franklin Square Hospital	7.93%	7.26%	7.83%	9.17%	8.15%	8.66%	0.17%	8.83%	1.0229	8.85%	0.02%
210010	Dorchester General Hospital	8.25%	8.28%	9.20%	9.17%	7.54%	8.35%	0.17%	8.53%	1.0229	8.55%	0.02%
210043	North Arundel General Hospital	6.73%	8.01%	8.40%	8.44%	8.00%	8.22%	0.17%	8.40%	1.0229	8.41%	0.01%
210040	Northwest Hospital Center, Inc.	7.30%	8.28%	8.60%	8.22%	8.03%	8.12%	0.17%	8.30%	1.0229	8.31%	0.01%
210008	Mercy Medical Center, Inc.	7.79%	7.98%	8.35%	7.88%	7.86%	7.87%	0.17%	8.05%	1.0229	8.05%	0.01%
210001	Washington County Hospital	6.67%	8.52%	8.93%	7.60%	8.09%	7.84%	0.17%	8.02%	1.0229	8.02%	0.01%
210012	Sinai Hospital	7.06%	7.74%	8.03%	7.69%	7.95%	7.82%	0.17%	8.00%	1.0229	8.00%	0.00%
210057	Shady Grove Adventist Hospital	6.60%	6.92%	7.24%	8.41%	7.15%	7.78%	0.17%	7.95%	1.0229	7.95%	0.00%
210035	Civista Medical Center	6.10%	6.02%	6.50%	9.01%	6.29%	7.65%	0.17%	7.82%	1.0229	7.82%	0.00%
**210058	James Lawrence Kernan Hospital	6.30%	7.54%	7.86%	0.00%	6.95%	6.82%	0.00%	6.82%	0.0000	6.82%	0.00%
210028	St. Marys Hospital	6.51%	5.41%	5.86%	9.16%	6.04%	7.60%	0.17%	7.77%	1.0229	7.77%	-0.00%
210011	St. Agnes Hospital	7.07%	6.28%	6.72%	8.60%	6.59%	7.60%	0.17%	7.77%	1.0229	7.77%	-0.00%
210004	Holy Cross Hospital of Silver Spring	6.43%	7.57%	7.81%	7.81%	7.24%	7.53%	0.17%	7.70%	1.0229	7.70%	-0.00%
210039	Calvert Memorial Hospital	6.14%	5.86%	6.32%	8.40%	5.88%	7.14%	0.17%	7.31%	1.0229	7.30%	-0.01%
210049	Upper Chesapeake Medical Center	5.47%	6.97%	7.27%	7.43%	6.37%	6.90%	0.17%	7.07%	1.0229	7.06%	-0.02%
210048	Howard County General Hospital	5.73%	5.70%	5.99%	7.80%	5.48%	6.64%	0.17%	6.82%	1.0229	6.80%	-0.02%
210019	Peninsula Regional Medical Center	5.56%	6.45%	6.90%	6.66%	6.45%	6.55%	0.17%	6.73%	1.0229	6.70%	-0.02%
210018	Montgomery General Hospital	6.03%	6.02%	6.17%	7.20%	5.90%	6.55%	0.17%	6.72%	1.0229	6.70%	-0.02%
210005	Frederick Memorial Hospital	5.62%	5.77%	6.22%	6.97%	5.92%	6.44%	0.17%	6.62%	1.0229	6.59%	-0.03%
210009	Johns Hopkins Hospital	5.65%	6.60%	6.78%	6.49%	6.22%	6.35%	0.17%	6.53%	1.0229	6.50%	-0.03%
210024	Union Memorial Hospital	6.33%	6.23%	6.59%	5.85%	6.83%	6.34%	0.17%	6.52%	1.0229	6.49%	-0.03%
210061	Atlantic General Hospital	5.64%	6.21%	6.67%	6.68%	5.89%	6.28%	0.17%	6.46%	1.0229	6.43%	-0.03%
210025	The Memorial Hospital	4.86%	4.55%	5.35%	6.76%	5.54%	6.15%	0.17%	6.33%	1.0229	6.29%	-0.03%
210037	Memorial Hospital at Easton	5.92%	4.95%	5.47%	6.83%	5.20%	6.01%	0.17%	6.19%	1.0229	6.15%	-0.04%
210056	Good Samaritan Hospital	5.72%	5.30%	5.71%	6.27%	5.67%	5.97%	0.17%	6.14%	1.0229	6.11%	-0.04%
210033	Carroll County General Hospital	5.17%	4.46%	4.94%	6.74%	5.09%	5.92%	0.17%	6.09%	1.0229	6.05%	-0.04%
210022	Suburban Hospital Association, Inc	4.71%	5.09%	5.18%	5.40%	4.93%	5.17%	0.17%	5.34%	1.0229	5.28%	-0.06%
210027	Braddock Hospital	4.06%	5.03%	5.60%	4.91%	5.07%	4.99%	0.17%	5.16%	1.0229	5.10%	-0.06%
210023	Anne Arundel General Hospital	4.36%	4.28%	4.31%	4.95%	4.39%	4.67%	0.17%	4.84%	1.0229	4.78%	-0.07%
210044	Greater Baltimore Medical Center	2.54%	2.87%	3.08%	4.67%	2.83%	3.75%	0.17%	3.93%	1.0229	3.84%	-0.09%
210007	St. Josephs Hospital	2.81%	4.09%	4.18%	3.44%	3.63%	3.53%	0.17%	3.71%	1.0229	3.61%	-0.09%
	STATE-WIDE	6.73%	7.42%	7.79%	7.77%	7.43%	7.62%	0.17%	7.79%	1.0229	7.79%	0.00%

** James Lawrence Kernan Hospital was excluded in the Regression Analysis

Table 2
Summary Results of the UCC Model for FY 2011
(Without Additional Expected Offset for FY 2011
Averted Bad Debt due to Medicaid Expansion)

Hospid	Hospital Name	UCC Provision for FY 2011
210001	Washington County Hospital	8.02%
210002	Univ. of Maryland Medical System	9.70%
210003	Prince Georges Hospital	15.30%
210004	Holy Cross Hospital of Silver Spring	7.70%
210005	Frederick Memorial Hospital	6.59%
210006	Harford Memorial Hospital	11.08%
210007	St. Josephs Hospital	3.61%
210008	Mercy Medical Center, Inc.	8.05%
210009	Johns Hopkins Hospital	6.50%
210010	Dorchester General Hospital	8.55%
210011	St. Agnes Hospital	7.77%
210012	Sinai Hospital	8.00%
210013	Bon Secours Hospital	17.80%
210015	Franklin Square Hospital	8.85%
210016	Washington Adventist Hospital	9.39%
210017	Garrett County Memorial Hospital	8.86%
210018	Montgomery General Hospital	6.70%
210019	Peninsula Regional Medical Center	6.70%
210022	Suburban Hospital Association,Inc	5.28%
210023	Anne Arundel General Hospital	4.78%
210024	Union Memorial Hospital	6.49%
210025	The Memorial Hospital	6.29%
210027	Braddock Hospital	5.10%
210028	St. Marys Hospital	7.77%
210029	Johns Hopkins Bayview Med. Center	9.38%
210030	Chester River Hospital Center	9.32%
210032	Union Hospital of Cecil County	9.26%
210033	Carroll County General Hospital	6.05%
210034	Harbor Hospital Center	10.28%
210035	Civista Medical Center	7.82%
210037	Memorial Hospital at Easton	6.15%
210038	Maryland General Hospital	13.22%
210039	Calvert Memorial Hospital	7.30%
210040	Northwest Hospital Center, Inc.	8.31%
210043	North Arundel General Hospital	8.41%
210044	Greater Baltimore Medical Center	3.84%
210045	McCready Foundation, Inc.	10.11%
210048	Howard County General Hospital	6.80%
210049	Upper Chesapeake Medical Center	7.06%
210051	Doctors Community Hospital	10.20%
210054	Southern Maryland Hospital	9.01%
210055	Laurel Regional Hospital	11.84%
210056	Good Samaritan Hospital	6.11%
210057	Shady Grove Adventist Hospital	7.95%
** 210058	James Lawrence Kernan Hospital	6.82%
210060	Fort Washington Medical Center	12.89%
210061	Atlantic General Hospital	6.43%
	STATE-WIDE	7.79%

**** James Lawrence Kernan Hospital was excluded in the Regression Analysis**

Table 3
Policy Results from the Regression and Revenue Neutrality Adjustment for FY 2011

Hospid	Hospital Name	UCC in Rates (July 1, 2008)	Actual UCC for FY '09	Adjusted UCC for FY '09 (Includes Averted Bad Debt)	Predicted UCC	FY '07 - FY '09 UCC Average	50/ 50 Blended UCC Average	Revenue Neutrality Adjustment	Policy Results	Dollar Amount
210001	Washington County Hospital	6.67%	8.52%	8.93%	7.60%	8.09%	7.84%	1.0229	8.02%	19,492,184
210002	Univ. of Maryland Medical System	8.69%	9.18%	9.73%	9.39%	9.58%	9.48%	1.0229	9.70%	91,202,055
210003	Prince Georges Hospital	13.35%	15.62%	16.06%	14.58%	15.33%	14.96%	1.0229	15.30%	39,862,460
210004	Holy Cross Hospital of Silver Spring	6.43%	7.57%	7.81%	7.81%	7.24%	7.53%	1.0229	7.70%	30,371,315
210005	Frederick Memorial Hospital	5.62%	5.77%	6.22%	6.97%	5.92%	6.44%	1.0229	6.59%	17,588,491
210006	Harford Memorial Hospital	8.24%	11.76%	12.09%	10.32%	11.35%	10.83%	1.0229	11.08%	10,665,618
210007	St. Josephs Hospital	2.81%	4.09%	4.18%	3.44%	3.63%	3.53%	1.0229	3.61%	14,416,519
210008	Mercy Medical Center, Inc.	7.79%	7.98%	8.35%	7.88%	7.86%	7.87%	1.0229	8.05%	30,776,594
210009	Johns Hopkins Hospital	5.65%	6.60%	6.78%	6.49%	6.22%	6.35%	1.0229	6.50%	105,321,972
210010	Dorchester General Hospital	8.25%	8.28%	9.20%	9.17%	7.54%	8.35%	1.0229	8.55%	4,506,249
210011	St. Agnes Hospital	7.07%	6.28%	6.72%	8.60%	6.59%	7.60%	1.0229	7.77%	27,888,989
210012	Sinai Hospital	7.06%	7.74%	8.03%	7.69%	7.95%	7.82%	1.0229	8.00%	50,182,682
210013	Bon Secours Hospital	13.68%	17.93%	18.30%	18.35%	16.47%	17.41%	1.0229	17.80%	21,747,467
210015	Franklin Square Hospital	7.93%	7.26%	7.83%	9.17%	8.15%	8.66%	1.0229	8.85%	36,746,895
210016	Washington Adventist Hospital	7.29%	8.64%	9.01%	8.84%	9.52%	9.18%	1.0229	9.39%	26,694,941
210017	Garrett County Memorial Hospital	8.08%	9.14%	10.20%	8.68%	8.65%	8.66%	1.0229	8.86%	3,262,188
210018	Montgomery General Hospital	6.03%	6.02%	6.17%	7.20%	5.90%	6.55%	1.0229	6.70%	9,420,461
210019	Peninsula Regional Medical Center	5.56%	6.45%	6.90%	6.66%	6.45%	6.55%	1.0229	6.70%	25,829,782
210022	Suburban Hospital Association, Inc	4.71%	5.09%	5.18%	5.40%	4.93%	5.17%	1.0229	5.28%	12,061,156
210023	Anne Arundel General Hospital	4.36%	4.28%	4.31%	4.95%	4.39%	4.67%	1.0229	4.78%	18,746,000
210024	Union Memorial Hospital	6.33%	6.23%	6.59%	5.85%	6.83%	6.34%	1.0229	6.49%	26,852,474
210025	The Memorial Hospital	4.86%	4.55%	5.35%	6.76%	5.54%	6.15%	1.0229	6.29%	6,683,448
210027	Braddock Hospital	4.06%	5.03%	5.60%	4.91%	5.07%	4.99%	1.0229	5.10%	8,512,750
210028	St. Marys Hospital	6.51%	5.41%	5.86%	9.16%	6.04%	7.60%	1.0229	7.77%	9,647,825
210029	Johns Hopkins Bayview Med. Center	8.68%	10.49%	11.05%	8.54%	9.81%	9.17%	1.0229	9.38%	48,183,825
210030	Chester River Hospital Center	7.39%	10.60%	11.26%	6.48%	11.73%	9.11%	1.0229	9.32%	5,675,069
210032	Union Hospital of Cecil County	7.89%	10.10%	10.95%	9.56%	8.55%	9.06%	1.0229	9.26%	11,746,184
210033	Carroll County General Hospital	5.17%	4.46%	4.94%	6.74%	5.09%	5.92%	1.0229	6.05%	11,876,290
210034	Harbor Hospital Center	9.05%	8.58%	9.23%	11.00%	9.09%	10.05%	1.0229	10.28%	20,647,133
210035	Civista Medical Center	6.10%	6.02%	6.50%	9.01%	6.29%	7.65%	1.0229	7.82%	8,107,365
210037	Memorial Hospital at Easton	5.92%	4.95%	5.47%	6.83%	5.20%	6.01%	1.0229	6.15%	9,845,970
210038	Maryland General Hospital	11.59%	13.14%	13.87%	13.17%	12.68%	12.93%	1.0229	13.22%	24,047,831
210039	Calvert Memorial Hospital	6.14%	5.86%	6.32%	8.40%	5.88%	7.14%	1.0229	7.30%	8,131,860
210040	Northwest Hospital Center, Inc.	7.30%	8.28%	8.60%	8.22%	8.03%	8.12%	1.0229	8.31%	17,593,350
210043	North Arundel General Hospital	6.73%	8.01%	8.40%	8.44%	8.00%	8.22%	1.0229	8.41%	26,012,047
210044	Greater Baltimore Medical Center	2.54%	2.87%	3.08%	4.67%	2.83%	3.75%	1.0229	3.84%	15,087,464
210045	McCready Foundation, Inc.	6.84%	10.39%	11.26%	10.04%	9.73%	9.88%	1.0229	10.11%	1,700,106
210048	Howard County General Hospital	5.73%	5.70%	5.99%	7.80%	5.48%	6.64%	1.0229	6.80%	15,676,137
210049	Upper Chesapeake Medical Center	5.47%	6.97%	7.27%	7.43%	6.37%	6.90%	1.0229	7.06%	15,495,190
210051	Doctors Community Hospital	8.25%	9.61%	10.04%	9.83%	10.11%	9.97%	1.0229	10.20%	19,242,643
210054	Southern Maryland Hospital	7.39%	8.05%	8.42%	8.80%	8.81%	8.80%	1.0229	9.01%	20,247,587
210055	Laurel Regional Hospital	11.07%	11.53%	12.02%	11.10%	12.05%	11.58%	1.0229	11.84%	10,851,962
210056	Good Samaritan Hospital	5.72%	5.30%	5.71%	6.27%	5.67%	5.97%	1.0229	6.11%	17,483,037
210057	Shady Grove Adventist Hospital	6.60%	6.92%	7.24%	8.41%	7.15%	7.78%	1.0229	7.95%	26,351,570
** 210058	James Lawrence Kernan Hospital	6.30%	7.54%	7.86%	2.65%	6.95%	6.82%	0.0000	6.82%	7,214,107
210060	Fort Washington Medical Center	9.60%	14.68%	15.07%	11.46%	13.73%	12.60%	1.0229	12.89%	6,087,941
210061	Atlantic General Hospital	5.64%	6.21%	6.67%	6.68%	5.89%	6.28%	1.0229	6.43%	4,916,290
	STATE-WIDE	6.73%	7.42%	7.79%	7.77%	7.43%	7.62%	1.0229	7.79%	1,000,701,473

** James Lawrence Kernan Hospital was excluded in the Regression Analysis

Table 4
Fiscal Year 2009 Data Used in Regression for FY 2011

Hospid	Hospital Name	Inpatient Medicaid Charges	Inpatient Non-Medicare Charges through the ER	Inpatient Self-Pay and Charity Charges	Outpatient Medicaid Charges through the ER	Outpatient Self-Pay and Charity Charges through the ER	Outpatient Revenue	UCC in Rates (July 1, 2008)	Gross Patient Revenue	Uncompensated Care
210001	Washington County Hospital	15,952,474	38,632,899	7,589,685	5,408,649	6,109,283	84,404,900	6.67%	243,018,300	21,702,105
210002	Univ. of Maryland Medical System	156,245,288	211,979,816	28,714,728	20,154,582	12,315,254	230,738,600	8.69%	940,100,100	91,431,903
210003	Prince Georges Hospital	63,962,391	87,265,226	10,231,269	5,709,816	10,991,631	55,608,200	13.35%	260,576,400	41,836,320
210004	Holy Cross Hospital of Silver Spring	50,300,641	72,057,998	14,009,580	5,637,406	6,592,324	104,017,600	6.43%	394,466,500	30,804,837
210005	Frederick Memorial Hospital	16,663,408	44,789,815	7,344,206	4,025,617	4,047,916	97,939,200	5.62%	266,844,200	16,596,515
210006	Harford Memorial Hospital	6,105,545	23,121,858	2,135,544	2,896,062	3,232,698	36,652,600	8.24%	96,235,600	11,636,821
210007	St. Josephs Hospital	13,845,556	44,266,439	7,684,253	1,959,318	2,819,792	104,312,600	2.81%	398,844,400	16,664,358
210008	Mercy Medical Center, Inc.	53,470,919	39,763,371	4,712,857	10,215,339	7,265,630	172,493,300	7.79%	382,169,900	31,904,414
210009	Johns Hopkins Hospital	238,447,216	203,793,243	9,290,264	23,864,212	16,266,132	532,549,400	5.65%	1,620,280,400	109,913,666
210010	Dorchester General Hospital	4,799,161	8,208,569	1,381,188	1,990,566	1,377,072	22,093,700	8.25%	52,734,300	4,853,083
210011	St. Agnes Hospital	39,588,328	69,594,308	13,158,174	8,259,139	6,945,992	106,315,300	7.07%	358,890,700	24,108,054
210012	Sinai Hospital	74,688,549	91,976,620	4,700,656	17,154,584	11,601,406	215,542,000	7.06%	627,278,200	50,401,507
210013	Bon Secours Hospital	23,302,229	39,995,914	10,790,145	7,596,937	8,070,408	40,612,800	13.68%	122,144,200	22,350,849
210015	Franklin Square Hospital	51,714,900	87,927,827	10,213,789	10,892,263	8,053,135	119,994,200	7.93%	414,987,900	32,510,444
210016	Washington Adventist Hospital	34,902,387	60,487,456	13,133,638	4,272,179	6,973,154	67,428,566	7.29%	284,247,984	25,613,179
210017	Garrett County Memorial Hospital	2,569,214	5,106,360	760,044	1,316,094	995,786	17,444,100	8.08%	36,812,400	3,756,527
210018	Montgomery General Hospital	8,131,948	28,869,822	4,488,155	1,842,120	2,049,850	41,711,400	6.03%	140,619,400	8,683,168
210019	Peninsula Regional Medical Center	29,619,422	57,572,291	11,512,770	7,138,622	5,920,880	122,608,300	5.56%	385,277,000	26,588,993
210022	Suburban Hospital Association, Inc	8,209,895	44,127,946	4,995,636	870,181	1,788,476	61,005,500	4.71%	228,243,300	11,821,537
210023	Anne Arundel General Hospital	20,659,710	50,459,440	6,304,903	3,275,172	4,042,253	132,999,100	4.36%	392,507,100	16,902,798
210024	Union Memorial Hospital	40,583,803	60,899,926	8,631,913	5,324,091	5,188,219	100,221,800	6.33%	413,847,100	27,273,257
210025	The Memorial Hospital	11,785,336	13,764,163	2,007,720	2,663,060	1,374,985	33,350,500	4.86%	106,194,800	5,682,857
210027	Braddock Hospital	6,930,410	17,588,088	3,325,686	1,092,822	824,958	79,602,300	4.06%	166,869,000	9,341,888
210028	St. Marys Hospital	9,293,320	22,882,844	3,666,776	3,982,189	2,452,100	54,536,400	6.51%	124,100,600	7,273,978
210029	Johns Hopkins Bayview Med. Center	71,125,805	86,667,581	18,193,203	8,808,268	10,707,631	173,521,800	8.68%	513,495,600	56,733,972
210030	Chester River Hospital Center	3,436,824	6,056,727	1,072,467	1,353,039	1,182,703	29,086,800	7.39%	60,914,200	6,859,800
210032	Union Hospital of Cecil County	12,546,014	17,520,386	3,244,674	5,020,856	4,061,508	58,238,200	7.89%	126,780,200	13,888,138
210033	Carroll County General Hospital	14,129,715	42,676,156	301,680	2,459,772	2,177,565	50,496,400	5.17%	196,154,700	9,687,701
210034	Harbor Hospital Center	35,035,129	45,075,760	6,591,080	7,339,924	5,284,135	50,840,100	9.05%	200,915,200	18,543,797
210035	Civista Medical Center	7,796,477	21,574,481	2,906,586	2,865,755	2,525,992	35,240,700	6.10%	103,621,000	6,736,477
210037	Memorial Hospital at Easton	13,744,371	20,378,409	3,027,840	3,368,904	2,765,253	61,997,900	5.92%	160,032,300	8,755,898
210038	Maryland General Hospital	56,783,529	47,535,543	5,356,870	4,723,381	4,002,021	42,813,000	11.59%	181,868,000	25,227,434
210039	Calvert Memorial Hospital	7,400,040	20,900,312	2,389,963	2,811,722	1,756,944	48,468,900	6.14%	111,417,900	7,045,237
210040	Northwest Hospital Center, Inc.	16,245,186	36,683,583	1,345,729	6,197,434	4,767,011	82,674,300	7.30%	211,714,700	18,213,422
210043	North Arundel General Hospital	15,308,972	62,717,014	9,045,149	6,552,618	9,170,935	106,197,100	6.73%	309,341,800	25,980,982
210044	Greater Baltimore Medical Center	13,815,354	47,179,356	3,068,008	3,436,144	2,565,757	161,811,600	2.54%	393,162,100	12,096,889
210045	McCready Foundation, Inc.	486,406	1,224,611	426,331	1,136,093	720,464	10,582,069	6.84%	16,819,985	1,893,209
210048	Howard County General Hospital	17,381,065	42,202,983	4,965,648	4,392,680	4,412,360	84,099,600	5.73%	230,685,500	13,807,153
210049	Upper Chesapeake Medical Center	11,630,699	42,905,186	1,729,814	4,123,845	3,944,147	79,900,400	5.47%	219,562,700	15,965,250
210051	Doctors Community Hospital	13,847,690	43,847,986	4,397,256	4,484,208	5,328,727	74,494,100	8.25%	188,720,500	18,950,583
210054	Southern Maryland Hospital	22,780,234	46,802,593	8,922,996	5,496,723	4,224,846	64,202,100	7.39%	224,831,800	18,923,051
210055	Laurel Regional Hospital	11,435,159	21,086,616	2,093,103	2,109,332	4,029,663	32,799,700	11.07%	91,640,000	11,011,682
210056	Good Samaritan Hospital	24,262,041	46,127,743	5,063,008	4,404,794	3,680,740	78,515,900	5.72%	286,296,100	16,358,751
210057	Shady Grove Adventist Hospital	31,115,779	69,386,808	9,253,034	5,379,982	5,721,686	112,384,799	6.60%	331,274,906	23,999,958
** 210058	James Lawrence Kernan Hospital	4,926,932	0	841,012	0	0	36,827,500	6.30%	105,778,700	8,317,195
210060	Fort Washington Medical Center	1,007,917	11,141,181	2,189,825	1,277,259	2,394,929	23,677,252	9.60%	47,242,143	7,118,211
210061	Atlantic General Hospital	2,059,390	8,919,426	1,316,867	1,379,530	1,965,090	38,586,400	5.64%	76,484,900	5,098,630
	STATE-WIDE	1,390,072,778	2,213,742,680	288,525,722	246,663,283	224,689,443	4,171,638,986	6.73%	12,846,044,718	1,000,866,478

** James Lawrence Kernan Hospital was excluded in the Regression Analysis

Table 5
Statistical Summary of the Variables and Regression Results

R-Square	0.7091			
Adjusted R-Square	0.6958			
Variables:	Parameter Estimate	Standard Error	t Value	P-Value (Pr > t)
The proportion of a hospital's total charges from inpatient non-Medicare admissions through the emergency room	0.22643	0.03935	5.75	<.0001
The proportion of a hospital's total charges from inpatient Medicaid, self-pay, and charity cases	0.16134	0.03303	4.88	<.0001
The proportion of a hospital's total charges from outpatient Medicaid, self-pay, and charity visits to the emergency room	0.51025	0.11077	4.61	<.0001
The proportion of a hospital's total charges from outpatient charges	0.06799	0.02876	2.36	0.0195



MHA
6820 Deerpath Road
Elkridge, Maryland 21075-6234
Tel: 410-379-6200
Fax: 410-379-8239

June 21, 2010

Andy Udom
Associate Director, Research and Methodology
Health Services Cost Review Commission
4160 Patterson Avenue
Baltimore MD 21215

Dear Mr. Udom:

On behalf of Maryland's 47 acute care hospitals, the Maryland Hospital Association (MHA) recommends that the Commission modify its method for accommodating the FY 2009 averted uncompensated care (UCC) prospective reduction in the FY 2011 UCC policy. In your June 9 *Report on Preliminary Results of the Uncompensated Care Policy for FY 2011*, you propose "...adding the estimated averted bad debts to hospital reported UCC and then applying the regression and subsequent calculations." The hospital field recommends adding the final FY 2009 hospital-specific averted UCC best estimates to the reported UCC, and then proceeding with the regression and subsequent calculations. Using the final best estimate of FY 2009, averted UCC will have a relatively small statewide effect, but a more meaningful effect on specific hospitals.

I appreciate the opportunity to comment on the UCC policy and the continued dialogue with you on this technically challenging issue. If you have any questions, please contact me.

Sincerely,

A handwritten signature in black ink that reads 'Traci Lynn LaValle'.

Traci La Valle
Assistant Vice President, Financial Policy

cc: Robert Murray, Executive Director, HSCRC

Health Services Cost Review Commission

Staff Recommendation
Delinquent Reporting

September 1, 2010

This final recommendation is ready for Commission action.

STATE OF MARYLAND
DEPARTMENT OF HEALTH AND MENTAL HYGIENE

Donald A. Young, M.D.
Chairman

Kevin J. Sexton
Vice Chairman

Joseph R. Antos, Ph.D.

Trudy R. Hall, M.D.

Steven B. Larsen, J.D.

C. James Lowthers

Herbert S. Wong, Ph.D.



Robert Murray
Executive Director

Stephen Ports
Principal Deputy Director
Policy & Operations

Gerard J. Schmith
Deputy Director
Hospital Rate Setting

Deputy Director
Research and Methodology

HEALTH SERVICES COST REVIEW COMMISSION

4160 PATTERSON AVENUE · BALTIMORE, MARYLAND 21215

Phone: 410-764-2605 Fax: 410-358-6217

Toll Free: 1-888-287-3229

www.hscrc.state.md.us

June 25, 2010

Michael D. Myers, Director of Finance
Greater Baltimore Medical Center
6545 N. Charles Street, Suite 201
Towson, MD 21204

Dear Mike:

The Commission has granted an extension for the resubmission of Inpatient and Outpatient data and Rate Center Reconciliation for Fiscal Year 1020, Quarters 1, 2, and 3 until **Tuesday, June 29, 2010**. **Failure to comply with this extended deadline will result in the assessment of penalties from the original due date of June 18, 2010.**

Please take all necessary steps to ensure that you meet your new deadline.

Sincerely,

A handwritten signature in black ink that reads 'Robert Murray'.

Robert Murray
Executive Director

cc: Oscar Ibarra, Chief, Program Administration and Information Management
Fred Levinsky, St. Paul Group

Title 10 DEPARTMENT OF HEALTH AND MENTAL HYGIENE

Subtitle 37 HEALTH SERVICES COST REVIEW COMMISSION

**10.37.01 Uniform Accounting and Reporting System for
Hospitals and Related Institutions**

**Authority: Health-General Article, §§ 19-207, and 19-216,
Annotated Code of Maryland**

NOTICE OF PROPOSED ACTION

The Health Services Cost Review Commission proposes to amend Regulations **.03** under **COMAR 10.37.01 Uniform Accounting and Reporting System for Hospitals and Related Institutions**. This action was considered and approved for promulgation by the Commission at a previously announced open meeting held on September 1, 2010, notice of which was given pursuant to State Government Article, § 10-506(c), Annotated Code of Maryland. If adopted, the proposed amendments will become effective on or about January 24, 2011.

Statement of Purpose

The purpose of this action is to require hospitals to file with the Commission an Annual Debt Collection Report in the form prescribed by the Commission.

Comparison of Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

The proposed action has no economic impact.

Opportunity for Public Comment

Comments may be sent to Diana M. Kemp, Regulations Coordinator, Health Services Cost Review Commission, 4160 Patterson Avenue, Baltimore, Maryland 21215, or (410) 764-2576, or fax to (410) 358-6217, or email to dkemp@hsrc.state.md.us. The Health Services Cost Review Commission will consider comments on the proposed amendments until November 8, 2010. A

hearing may be held at the discretion of the Commission.

.03 Reporting Requirements; Hospitals.

A.-L-4. (text unchanged)

L-5. Annual Debt Collection Report.

(1) Hospitals shall submit the Annual Debt Collection Report to the Commission within 60 days after the end of each hospital's fiscal year.

(2) Hospitals shall complete the report on the basis of actual data in the form prescribed by the Commission.

(3) The Commission shall provide instructions for completing the report in its "Accounting and Budget Manual for Fiscal and Operating Management."

M.-Q. (text unchanged)

FREDERICK W. PUDDISTER
Chairman
Health Services Cost Review Commission

STATE OF MARYLAND
DEPARTMENT OF HEALTH AND MENTAL HYGIENE



Frederick W. Puddester
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HEALTH SERVICES COST REVIEW COMMISSION

4160 PATTERSON AVENUE · BALTIMORE, MARYLAND 21215

Phone: 410-764-2605 Fax: 410-358-6217

Toll Free: 1-888-287-3229

www.hscrc.state.md.us

TO: Commissioners

FROM: Legal Department

DATE: August 24, 2010

SUBJECT: Hearing and Meeting Schedule

Public Session

October 13, 2010 Time to be determined, 4160 Patterson Avenue, HSCRC Conference Room

November 3, 2010 Time to be determined, 4160 Patterson Avenue, HSCRC Conference Room

The Agenda for the Executive and Public Sessions will be available for your review on the Commission's Web Site, on the Monday before the Commission meeting. To review the Agenda, visit the Commission's web site at: <http://www.hscrc.state.md.us>.