

**Report on Results of Uncompensated Care Policy and Final Recommendation
to Suspend the Formula for Calculating the Hospital Specific Results**

Health Services Cost Review Commission
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December 4, 2013

This document contains the Results of Uncompensated Care Policy and Final Recommendation to suspend the Charity Care Formula for Calculating the Hospital Specific Result. The recommendation, which is the same as the draft recommendation of November 6, 2013, is due for Commission action at the December 4, 2013 Public Commission Meeting. This recommendation was unanimously approved by the Commission.

Introduction

The purpose of this report is to detail the results of applying the Uncompensated Care Policy for Fiscal Year 2013 and to recommend that the Commission suspend the formula applied to arrive at hospital specific amounts of withdrawals from the Uncompensated Care Pool, based on inconsistencies in reporting of charity care expense across hospitals.

The HSCRC's provision for uncompensated care in hospital rates is one of the unique features of rate regulation in Maryland. Uncompensated care (UCC) 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 patients who cannot pay for care. The uncompensated care methodology has undergone substantial changes over the years since it was initially established in 1983. The most recent version of the policy was adopted by the Commission on June 6, 2012.

Under the current policy, the statewide uncompensated care provision (now 6.86 percent) is placed in each hospital's rates. Each hospital remits funds or withdraws funds from an uncompensated care pool administered by HSCRC based on application of the formula contained in the UCC policy of the HSCRC. Hospitals with a result above 6.86 percent withdraw money from the funds to cover additional uncompensated care while hospitals with a result below 6.86 percent pay into the fund.

The hospital specific uncompensated care levels used to determine whether the hospital will receive money from the pool, or pay into the pool are based on a predicted amount of uncompensated care derived from a regression formula and blended with actual experience of the hospital. In reviewing the data for application of the policy, the HSCRC staff determined that there were inconsistencies in reporting among hospitals in the allocation of uncompensated care between charity care and bad debts that resulted in differences in hospital specific allowances for total uncompensated care. As a result, the HSCRC staff is recommending that the distinction between charity care and bad debts be eliminated from the application of the policy until improved consistency in reporting can be achieved. By making this adjustment, the HSCRC staff believes that the reliability of the results from applying the policy is improved.

The Uncompensated Care Model

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 non-Medicare emergency department charges; and
- The proportion of a hospital’s total charges from outpatient Medicaid, self-pay, and charity visits.

The amount of uncompensated care allowed for each hospital relative to the overall statewide uncompensated care provision is determined as follows:

1. Compute a three-year moving average for uncompensated care for each hospital to be used for 50% of the UCC value.
2. Estimate the uncompensated care regression coefficients using the most recent three years of data (while adding “dummy” variables for each year to control for trending).
3. Generate a predicted value for the hospital’s uncompensated care rate by applying regression coefficients to the last available year of data.
4. Compute a 50/50 blend of the predicted and three-year moving average as the hospital’s preliminary UCC.
5. Adjust the preliminary UCC rates from step 4 to achieve revenue neutrality to the system by multiplying the percentage difference between state-wide UCC rate totaled from the preliminary UCC amounts and actual experience from the last year.

UCC Result for FY 2014 Rate Year

The total prospective amount built into rates across the industry is the percentage actually experienced in the previous year of available data. If, for example, uncompensated care were \$1 billion in FY 2012, this model would establish rates that would deliver \$1 billion in fiscal year 2014, provided volumes and rates remain the same. The policy result is used to determine how the \$1 billion in this example will be distributed among the hospitals on a revenue neutral basis through payments to or distributions from the pool

Appendix I shows the data used in the regression. Appendix II provides policy results from the regression and revenue neutrality adjustment for FY 2014.

The Charity Care Adjustment

The Charity Care Adjustment was adopted by the Commission on October 14, 2009 to recognize the charity care provided by Maryland hospitals and reported to the Commission each year. This policy grew out of provisions included in 2009 legislation (Chapters 310 and 311) which required the Commission to study and make recommendations on incentives for hospitals to provide free and reduced-cost care to patients without the means to pay their hospital bills. The legislation also established a minimum statewide hospital financial assistance threshold (of 150 percent of FPL, later increased by the Commission through regulation to 200 percent of FPL), and other requirements relating to hospital debt collection.

As the collection and reporting of data to the Commission on charity care provided was challenging for hospitals, the Charity Care Adjustment was delayed, and became effective July 1, 2011 (rate year 2012).

The current Charity Care Adjustment is calculated as 20% of the difference between the “Expected Rate” of charity care and the actual charity care provided, both measured as the percent of Gross Patient Revenue. It is calculated as follows:

1. Calculate actual Charity Care and UCC as a percent of gross patient revenue for each hospital.
2. Calculate expected rate of charity care, which is defined as the level of charity care if hospital provided charity at the state-average. The hospital’s actual UCC is multiplied by the state-wide actual charity care as a percent of gross patient revenue to calculate expected rate of charity. The difference between the expected rate and actual charity provided as Charity Care is then multiplied by .20, which provides additional revenue for hospitals that had higher than expected charity care levels in a given year versus amounts reported as bad debts.

Commission staff has analyzed trends over time of the hospital-specific charity care reported since the Charity Care Adjustment was put in place. In this intervening period, several hospitals have implemented presumptive charity care software while others continue to attempt to identify charity care through historic methods. Figure 1 below illustrates the change in percentages of charity care reported as a percent of total UCC. Staff notes that while the total amount of UCC provided from 2011 to 2012 have remained consistent, there is very wide hospital-level variation in charity care from one year to the next, with one hospital providing 16.48% less charity care and another providing 54.81% more charity care in 2012 compared to 2011. By contrast, the difference in the charity care provided from 2009 to 2010 ranged between 1.59% less charity care and 6.68% more charity care for 2010. In addition, one hospital reports that charity care they provided was 99% of their UCC for 2012, an increase of more than double from the prior year.

Staff has also calculated the final UCC adjustment for FY 2014 with and without the Charity Care Adjustment. Figure 2 below illustrates the statewide average UCC adjustment of 6.68% both with and without the charity care adjustment consistent with the policy’s revenue neutrality. Staff notes there are some differences in adjustments for each hospital, with some hospitals receiving more and some less, without the Charity Care Adjustment. Since the Charity Care Adjustment is applied as a revenue neutral scaling after the UCC is calculated resulting in some hospitals receiving more than their full UCC adjustment and some receiving less, and since staff has lack of confidence that the charity data is accurately and consistently reported, staff is concerned about the Charity Care Adjustment fairness.

Figure 1. Variation in Hospital Reported Charity Care from FYE 2011 to FYE 2012

Analysis of Uncompensated Care																	
FY 2012 vs. FY 2011																	
Bad Debt vs Charity Care from Schedule RE																	
	FYE 2012								FYE 2011								2012 CC-%
	Gross Patient Revenue	Bad Debt	BD %	Charity Care	CC %	Total UCC	UCC %	CC/UCC	Gross Patient Revenue	Bad Debt	BD %	Charity Care	CC %	Total UCC	UCC %	CC/UCC	
MEM. EASTON	184,647.5	113.6	0.06%	9,481.5	5.13%	9,595.1	5.20%	98.82%	173,171.5	5,391.8	3.11%	4,238.3	2.45%	9,630.1	5.56%	44.01%	54.81%
DORCHESTER GEN.	59,359.9	77.8	0.13%	3,216.0	5.42%	3,293.8	5.55%	97.64%	56,094.1	1,879.4	3.35%	2,036.7	3.63%	3,916.1	6.98%	52.01%	45.63%
CALVERT MEMORIAL	135,740.5	965.1	0.71%	6,770.4	4.99%	7,735.5	5.70%	87.52%	129,181.7	3,265.5	2.53%	4,171.1	3.23%	7,436.6	5.76%	56.09%	31.43%
CHESTER RIVER	65,051.7	957.3	1.47%	5,252.7	8.07%	6,210.0	9.55%	84.58%	62,310.3	1,742.9	2.80%	4,315.5	6.93%	6,058.4	9.72%	71.23%	13.35%
UNIVERSITY OF MD.	1,179,258.0	15,019.3	1.27%	58,436.8	4.96%	73,456.1	6.23%	79.55%	1,113,137.0	45,806.4	4.12%	41,235.8	3.70%	87,042.2	7.82%	47.37%	32.18%
WESTERN MARYLAND	308,555.8	4,637.0	1.50%	14,447.4	4.68%	19,084.4	6.19%	75.70%	304,982.5	4,754.8	1.56%	12,314.3	4.04%	17,069.1	5.60%	72.14%	3.56%
MARYLAND GEN.	185,438.4	7,138.9	3.85%	15,216.9	8.21%	22,355.8	12.06%	68.07%	183,154.5	13,507.1	7.37%	8,173.0	4.46%	21,680.1	11.84%	37.70%	30.37%
ST. AGNES	401,564.2	9,019.2	2.25%	17,723.3	4.41%	26,742.5	6.66%	66.27%	376,582.9	11,396.3	3.03%	14,578.7	3.87%	25,975.0	6.90%	56.13%	10.15%
BALTIMORE/WASHINGTON	381,065.3	11,543.8	3.03%	21,373.2	5.61%	32,917.0	8.64%	64.93%	353,767.5	21,447.1	6.06%	9,945.7	2.81%	31,392.8	8.87%	31.68%	33.25%
PRINCE GEORGES HOSP	255,903.8	14,745.8	5.76%	24,104.9	9.42%	38,850.7	15.18%	62.04%	263,104.3	15,019.9	5.71%	22,602.8	8.59%	37,622.7	14.30%	60.08%	1.97%
U OF MD CANCER CENTE	59,320.8	2,200.9	3.71%	2,991.0	4.96%	5,141.9	8.67%	57.20%	50,120.4	3,222.1	6.43%	1,855.0	3.70%	5,077.1	10.13%	36.54%	20.66%
GARRETT CO.	42,709.9	2,122.2	4.97%	2,717.9	6.36%	4,840.1	11.33%	56.15%	40,536.7	1,191.3	2.94%	2,617.5	6.46%	3,808.8	9.40%	68.72%	-12.57%
MONTGOMERY GEN.	165,915.0	4,856.7	2.93%	5,899.8	3.56%	10,756.5	6.48%	54.85%	156,795.1	3,204.4	2.04%	5,962.0	3.80%	9,166.4	5.85%	65.04%	-10.19%
MERITUS	295,465.2	10,976.3	3.71%	11,500.6	3.89%	22,476.9	7.61%	51.17%	275,699.7	11,632.4	4.22%	9,658.4	3.50%	21,290.8	7.72%	45.36%	5.80%
ST. MARY'S	151,897.0	4,728.0	3.11%	4,836.1	3.18%	9,564.1	6.30%	50.57%	134,162.9	3,833.9	2.86%	3,387.5	2.52%	7,221.4	5.38%	46.91%	3.66%
UNION MEM.	422,530.7	15,179.3	3.59%	14,850.9	3.51%	30,030.2	7.11%	49.45%	400,597.1	13,283.6	3.32%	11,798.9	2.95%	25,082.5	6.26%	47.04%	2.41%
JOHNS HOPKINS	1,851,351.5	34,631.7	1.87%	32,982.5	1.78%	67,614.2	3.65%	48.78%	1,772,066.3	38,011.4	2.15%	29,978.3	1.69%	67,989.7	3.84%	44.09%	4.69%
HOLY CROSS	453,731.6	22,306.8	4.92%	21,047.2	4.64%	43,354.0	9.55%	48.55%	437,749.3	19,990.5	4.57%	16,579.5	3.79%	36,570.0	8.35%	45.34%	3.21%
LAUREL REGIONAL	118,724.4	8,673.4	7.31%	7,918.1	6.67%	16,591.5	13.97%	47.72%	103,068.6	6,428.5	6.24%	6,458.5	6.27%	12,887.0	12.50%	50.12%	-2.39%
MCCREADY	17,710.4	815.0	4.60%	739.7	4.18%	1,554.7	8.78%	47.58%	18,235.9	1,687.5	9.25%	896.6	4.92%	2,584.1	14.17%	34.70%	12.88%
BAYVIEW	584,860.1	27,925.0	4.77%	25,058.1	4.28%	52,983.1	9.06%	47.29%	530,152.1	15,013.0	2.83%	21,020.6	3.97%	36,033.6	6.80%	58.34%	-11.04%
MERCY	459,265.7	18,170.1	3.96%	14,458.3	3.15%	32,628.4	7.10%	44.31%	420,066.7	20,170.7	4.80%	12,057.1	2.87%	32,227.8	7.67%	37.41%	6.90%
PENINSULA GEN.	414,765.5	15,904.4	3.83%	12,458.5	3.00%	28,362.9	6.84%	43.93%	406,379.6	16,690.6	4.11%	10,108.0	2.49%	26,798.6	6.59%	37.72%	6.21%
BON SECOURS	130,651.8	12,162.9	9.31%	9,495.6	7.27%	21,658.5	16.58%	43.84%	128,847.2	8,425.8	6.54%	11,360.3	8.82%	19,786.1	15.36%	57.42%	-13.57%
KERNANS	117,995.4	4,292.0	3.64%	3,165.0	2.68%	7,457.0	6.32%	42.44%	103,574.6	5,576.0	5.38%	1,730.0	1.67%	7,306.0	7.05%	23.68%	18.76%
HARBOR HOSP.	209,694.3	9,673.5	4.61%	7,084.2	3.38%	16,757.7	7.99%	42.27%	200,717.5	9,858.2	4.91%	7,036.3	3.51%	16,894.5	8.42%	41.65%	0.63%
FREDERICK MEM.	334,410.3	12,580.3	3.76%	8,155.4	2.44%	20,735.7	6.20%	39.33%	323,934.9	12,996.5	4.01%	7,810.6	2.41%	20,807.1	6.42%	37.54%	1.79%
GOOD SAMARITAN	311,855.4	11,226.5	3.60%	7,232.5	2.32%	18,459.0	5.92%	39.18%	304,134.3	10,761.4	3.54%	6,482.3	2.13%	17,243.7	5.67%	37.59%	1.59%
SINAI	676,602.7	21,383.6	3.16%	13,494.0	1.99%	34,877.6	5.15%	38.69%	636,490.9	19,665.9	3.09%	10,981.2	1.73%	30,647.1	4.82%	35.83%	2.86%
ATLANTIC GENERAL	95,474.2	3,733.2	3.91%	2,271.8	2.38%	6,005.0	6.29%	37.83%	88,149.0	4,639.3	5.26%	1,319.7	1.50%	5,959.0	6.76%	22.15%	15.69%
SHADY GROVE	348,706.2	14,507.5	4.16%	8,708.1	2.50%	23,215.6	6.66%	37.51%	358,655.5	12,053.3	3.36%	8,392.8	2.34%	20,446.1	5.70%	41.05%	-3.54%
G.B.M.C.	426,432.4	8,208.5	1.92%	4,878.5	1.14%	13,087.0	3.07%	37.28%	427,052.5	8,362.9	1.96%	4,801.8	1.12%	13,164.7	3.08%	36.47%	0.80%
FRANKLIN SQUARE	477,082.0	21,620.3	4.53%	12,654.2	2.65%	34,274.5	7.18%	36.92%	439,004.2	16,598.6	3.78%	10,808.6	2.46%	27,407.2	6.24%	39.44%	-2.52%
HOWARD CO. GEN.	275,201.9	11,108.1	4.04%	6,269.2	2.28%	17,377.3	6.31%	36.08%	255,470.4	10,218.8	4.00%	4,705.0	1.84%	14,923.8	5.84%	31.53%	4.55%
ST. JOSEPH'S	354,785.6	9,900.7	2.79%	5,390.7	1.52%	15,291.4	4.31%	35.25%	362,195.0	12,065.2	3.33%	4,310.9	1.19%	16,376.1	4.52%	26.32%	8.93%
SUBURBAN	272,892.4	7,965.4	2.92%	4,296.8	1.57%	12,262.2	4.49%	35.04%	253,166.9	8,552.7	3.38%	3,894.7	1.54%	12,447.4	4.92%	31.29%	3.75%
UPPER CHESAPEAKE	283,588.0	12,081.7	4.26%	4,777.1	1.68%	16,858.8	5.94%	28.34%	259,833.1	13,889.6	5.35%	3,981.5	1.53%	17,871.1	6.88%	22.28%	6.06%
ANNE ARUNDEL GEN.	523,717.0	17,762.1	3.39%	6,430.1	1.23%	24,192.2	4.62%	26.58%	461,358.8	15,049.3	3.26%	5,799.9	1.26%	20,849.2	4.52%	27.82%	-1.24%
FORT WASHINGTON	46,176.4	4,226.2	9.15%	1,497.1	3.24%	5,723.3	12.39%	26.16%	47,165.0	5,577.8	11.83%	687.5	1.46%	6,265.3	13.28%	10.97%	15.18%
HARFORD MEM.	104,451.4	9,109.3	8.72%	3,051.4	2.92%	12,160.7	11.64%	25.09%	100,465.5	9,234.0	9.19%	3,232.3	3.22%	12,466.3	12.41%	25.93%	-0.84%
CARROLL CO. GEN.	243,424.4	8,697.5	3.57%	2,902.4	1.19%	11,599.9	4.77%	25.02%	214,427.8	8,252.4	3.85%	3,011.9	1.40%	11,264.3	5.25%	26.74%	-1.72%
UNION OF CECIL	148,428.4	8,925.5	6.01%	2,762.7	1.86%	11,688.2	7.87%	23.64%	137,717.9	9,476.9	6.88%	2,407.1	1.75%	11,884.0	8.63%	20.25%	3.38%
SHOCK TRAUMA	181,819.2	28,114.6	15.46%	8,405.0	4.62%	36,519.6	20.09%	23.02%	180,648.8	33,889.9	18.76%	6,680.0	3.70%	40,569.9	22.46%	16.47%	6.55%
NORTHWEST	238,730.1	13,078.8	5.48%	3,134.9	1.31%	16,213.7	6.79%	19.33%	227,677.3	13,251.9	5.82%	3,692.3	1.62%	16,944.2	7.44%	21.79%	-2.46%
DOCTORS HOSP.	214,285.3	14,078.4	6.57%	2,913.5	1.36%	16,991.9	7.93%	17.15%	213,054.4	14,422.5	6.77%	2,128.7	1.00%	16,551.2	7.77%	12.86%	4.29%
WASHINGTON ADV.	260,716.1	28,768.7	11.03%	5,819.0	2.23%	34,587.7	13.27%	16.82%	270,695.9	20,486.8	7.57%	10,229.5	3.78%	30,716.3	11.35%	33.30%	-16.48%
SOUTHERN MD.	241,038.8	11,549.8	4.79%	2,178.5	0.90%	13,728.3	5.70%	15.87%	249,258.4	16,887.5	6.78%	1,440.4	0.58%	18,327.9	7.35%	7.86%	8.01%
CMVSTA	126,393.9	7,657.3	6.06%	1,346.3	1.07%	9,003.6	7.12%	14.95%	115,504.2	7,134.7	6.18%	1,762.6	1.53%	8,897.3	7.70%	19.81%	-4.86%
ACUTE REGULATED	14,839,386.5	545,120.0	3.67%	471,745.8	3.18%	1,016,865.8	6.85%	46.39%	14,120,316.7	585,899.0	4.15%	384,677.7	2.72%	970,576.7	6.87%	39.63%	6.78%

Figure 2. Summary Results of the UCC Policy With and Without Charity Care Adjustment

Hospid	Hospital Name	FY 2014 Policy Result without Charity Adjustment	FY 2014 Policy Result with Charity Adjustment
210001	Meritus Medical Center	7.46%	7.51%
210002	Univ. of Maryland Medical System	7.39%	7.79%
210003	Prince Georges Hospital	14.43%	14.88%
210004	Holy Cross Hospital of Silver Spring	8.10%	8.13%
210005	Frederick Memorial Hospital	5.82%	5.72%
210006	Harford Memorial Hospital	9.95%	9.44%
210007	St. Josephs Hospital	4.10%	4.00%
210008	Mercy Medical Center, Inc.	6.93%	6.89%
210009	Johns Hopkins Hospital	4.42%	4.43%
210010	Dorchester General Hospital	7.36%	7.92%
210011	St. Agnes Hospital	6.87%	7.13%
210012	Sinai Hospital	5.78%	5.69%
210013	Bon Secours Hospital	15.77%	15.66%
210015	Franklin Square Hospital	7.50%	7.36%
210016	Washington Adventist Hospital	9.94%	9.13%
210017	Garrett County Memorial Hospital	9.12%	9.32%
210018	Montgomery General Hospital	6.23%	6.33%
210019	Peninsula Regional Medical Center	6.05%	6.00%
210022	Suburban Hospital Association, Inc	4.27%	4.17%
210023	Anne Arundel General Hospital	4.25%	4.06%
210024	Union Memorial Hospital	5.81%	5.84%
210027	Braddock Hospital	5.26%	5.61%
210028	St. Marys Hospital	7.37%	7.41%
210029	Johns Hopkins Bayview Med. Center	7.75%	7.75%
210030	Chester River Hospital Center	8.03%	8.74%
210032	Union Hospital of Cecil County	8.79%	8.41%
210033	Carroll County General Hospital	5.14%	4.93%
210034	Harbor Hospital Center	9.07%	8.99%
210035	Civista Medical Center	8.14%	7.68%
210037	Memorial Hospital at Easton	5.42%	5.96%
210038	Maryland General Hospital	12.33%	12.83%
210039	Calvert Memorial Hospital	6.60%	7.06%
210040	Northwest Hospital Center, Inc.	7.25%	6.87%
210043	North Arundel General Hospital	7.70%	8.01%
210044	Greater Baltimore Medical Center	3.40%	3.34%
210045	McCready Foundation, Inc.	10.10%	10.11%
210048	Howard County General Hospital	6.70%	6.56%
210049	Upper Chesapeake Medical Center	5.86%	5.63%
210051	Doctors Community Hospital	7.75%	7.27%
210054	Southern Maryland Hospital	7.81%	7.45%
210055	Laurel Regional Hospital	11.25%	11.27%
210056	Good Samaritan Hospital	5.77%	5.68%
210057	Shady Grove Adventist Hospital	6.78%	6.65%
** 210058	James Lawrence Kernan Hospital	6.17%	6.17%
210060	Fort Washington Medical Center	13.69%	13.17%
210061	Atlantic General Hospital	6.59%	6.48%
	STATE-WIDE	6.68%	6.68%

*** James Lawrence Kernan Hospital was excluded in the Regression Analysis, Revenue Neutrality and Charity Care Adjustment Calculations*

Affordable Care Act Impact on UCC: Future Considerations

By January 1, 2014 there is likely to be an increase in the number of Medicaid enrollees and an increase in the number of Marylanders with insurance coverage obtained through the Exchange. These changes in access to insurance will lead to the changes in uncompensated care levels and the need for new models. The HSCRC will need to address these changes through analysis and policy development, which it plans to undertake after the beginning of 2014.

The HSCRC will invite the submission of White Papers and analyses by hospitals, payers, and other parties on the model that should be used for uncompensated care and the methods that should be employed to project bad debts after July 1, 2014. In particular, the HSCRC staff would like to examine the impact on uncompensated care levels that may be associated with individuals who do not qualify for Medicaid or Exchange policies, such as uninsured immigrants, as well as other factors that may contribute to changes in uncompensated care levels in particular communities.

Public Comments on the Draft Recommendation

During the comment period that ended November 20, 2013, staff did not receive any comment letters.

Staff Final Recommendation on the Charity Care Adjustment under the Uncompensated Care Policy

Based on the wide hospital-level variation in the percentage of charity care reported from 2011 to 2012, staff does not have confidence that the current Charity Care Adjustment policy accurately distinguishes charity care from bad debts. Staff also is not confident that charity care is accurately and consistently reported by hospitals, which may well relate to the implementation of presumptive charity care software by some hospitals and insufficient identification of patients meeting charity guidelines by others. Finally, the current UCC Policy, absent the Charity Care Adjustment, fully adjusts rates for all uncompensated care historically provided by hospitals. Therefore, staff recommends that the Commission suspend the Charity Care Adjustment for FY 2014 until an alternative Charity Care Adjustment methodology is developed and approved.

APPENDIX I

Fiscal Year 2012 Data Used in Regression for FY 2014

Hospid	Hospital Name	Inpatient Medicaid Charges (\$)	Inpatient Non-Medicare Charges through	Inpatient Self-Pay and Charity Charges (\$)	Outpatient Medicaid Charges (\$)	Outpatient Self-Pay and Charity Charges (\$)	Outpatient Non-Medicare ED Charges(\$)	UCC in Rates (July 1, 2011)	Gross Patient Revenue (\$)	Uncompensated Care (\$)
210001	Mentus Medical Center	20,012,255	40,740,684	9,758,953	16,656,372	9,808,953	35,785,228	6.80%	\$295,465,200	\$22,476,900
210002	Univ. of Maryland Medical S	191,325,621	242,660,007	37,824,526	93,894,112	15,385,779	61,193,510	7.23%	\$1,179,258,000	\$73,456,050
210003	Prince Georges Hospital	67,742,703	95,991,280	13,688,382	17,831,810	13,091,571	42,304,960	13.19%	\$255,903,800	\$38,850,690
210004	Holy Cross Hospital of Silve	62,272,525	75,491,294	17,519,814	14,733,133	23,051,774	40,739,097	6.82%	\$453,731,600	\$43,354,000
210005	Frederick Memorial Hospital	23,320,499	59,563,298	8,134,251	11,772,689	5,890,677	29,121,449	5.26%	\$334,410,300	\$20,735,620
210006	Harford Memorial Hospital	7,407,466	22,360,723	2,011,165	7,287,954	2,535,224	16,632,251	8.81%	\$104,451,400	\$12,160,690
210007	St. Josephs Hospital	14,304,091	38,596,137	7,398,760	7,539,518	4,715,007	23,010,036	3.18%	\$354,785,600	\$15,291,350
210008	Mercy Medical Center, Inc.	58,349,429	38,939,173	4,693,904	33,997,163	9,747,210	32,944,866	6.57%	\$459,265,700	\$32,628,440
210009	Johns Hopkins Hospital	260,457,461	243,692,086	11,500,752	92,386,036	20,425,595	62,330,134	4.86%	\$1,851,351,500	\$67,614,200
210010	Dorchester General Hospital	3,667,761	7,927,307	2,618,545	6,399,721	2,287,383	8,390,358	6.25%	\$59,359,900	\$3,293,850
210011	St. Agnes Hospital	41,049,064	68,478,191	15,860,780	22,715,267	11,982,348	35,640,110	6.43%	\$401,564,200	\$26,742,410
210012	Sinai Hospital	90,194,264	98,902,269	7,005,087	44,375,731	13,552,199	44,478,315	5.96%	\$676,602,700	\$34,877,590
210013	Bon Secours Hospital	29,335,858	39,791,387	12,396,730	15,829,475	8,213,944	21,340,199	17.09%	\$130,651,800	\$21,658,510
210015	Franklin Square Hospital	55,621,600	77,734,048	8,651,313	43,192,909	12,363,488	59,710,842	6.13%	\$477,082,000	\$34,274,460
210016	Washington Adventist Hos	37,703,679	60,522,210	18,140,787	11,449,716	9,381,957	23,481,170	7.81%	\$260,716,100	\$34,587,720
210017	Garrett County Memorial Ho	2,923,118	4,315,249	1,185,684	4,251,960	1,696,382	6,118,047	6.68%	\$42,709,900	\$4,840,080
210018	Montgomery General Hospit	7,618,769	26,475,777	5,680,410	5,868,523	2,977,080	19,921,445	5.83%	\$165,915,000	\$10,756,470
210019	Peninsula Regional Medical	32,454,896	61,747,828	14,646,150	20,056,580	7,876,083	28,013,043	5.18%	\$414,765,500	\$28,362,900
210022	Suburban Hospital Associat	7,244,720	50,172,165	8,897,818	2,027,552	2,799,353	19,939,428	4.37%	\$272,892,400	\$12,262,210
210023	Anne Arundel General Hosp	28,829,463	65,376,099	9,695,511	12,580,832	6,431,486	33,414,589	3.74%	\$523,717,000	\$24,192,210
210024	Union Memorial Hospital	39,732,116	55,382,223	8,697,354	22,951,011	10,427,242	24,716,133	4.95%	\$422,530,700	\$30,030,200
210027	Braddock Hospital	20,631,993	37,790,308	6,799,490	17,500,280	5,993,824	19,587,902	3.58%	\$308,555,800	\$19,084,400
210028	St. Marys Hospital	8,914,352	19,097,838	3,493,102	11,627,715	3,855,575	27,120,627	6.31%	\$151,897,000	\$9,564,090
210029	Johns Hopkins Bayview Me	81,805,766	90,636,960	12,585,160	58,942,999	15,997,076	36,569,311	7.49%	\$584,860,100	\$52,983,100
210030	Chester Rver Hospital Cent	3,269,850	6,180,041	1,158,231	5,783,612	1,708,025	7,367,286	7.10%	\$65,051,700	\$6,210,020
210032	Union Hospital of Cecil Cou	13,902,670	18,996,344	3,703,339	18,506,675	4,094,721	19,531,894	6.81%	\$148,428,400	\$11,688,200
210033	Carroll County General Hosp	16,616,147	34,824,775	305,019	10,917,494	2,822,496	25,980,195	4.51%	\$243,424,400	\$11,599,910
210034	Harbor Hospital Center	38,081,255	38,476,964	5,059,322	21,678,150	5,880,409	25,913,761	7.30%	\$209,694,300	\$16,757,740
210035	Cvista Medical Center	7,083,583	22,277,661	3,080,330	8,014,884	4,353,535	25,515,138	6.24%	\$126,393,900	\$9,003,600
210037	Memorial Hospital at Easton	12,979,388	21,080,375	3,040,740	11,910,647	4,244,372	16,247,143	4.52%	\$184,647,500	\$9,595,080
210038	Maryland General Hospital	50,765,479	43,882,643	6,277,572	26,822,417	6,718,433	22,659,964	11.04%	\$185,438,390	\$22,355,850
210039	Calvert Memorial Hospital	9,061,639	21,378,835	3,182,085	7,778,933	2,890,584	19,648,828	5.60%	\$135,740,500	\$7,735,570
210040	Northwest Hospital Center, I	24,298,754	47,055,226	597,156	11,762,106	9,763,501	24,282,163	6.63%	\$238,730,100	\$16,213,700
210043	North Arundel General Hosp	25,697,173	65,578,457	9,645,831	21,443,224	9,204,031	47,511,557	6.67%	\$381,065,300	\$32,917,050
210044	Greater Baltimore Medical C	15,834,679	45,254,390	3,865,915	11,268,595	4,221,822	33,933,776	3.28%	\$426,432,400	\$13,087,000
210045	McCready Foundation, Inc.	445,897	66,801	206,793	2,164,044	1,153,382	3,033,071	8.22%	\$17,710,400	\$1,554,750
210048	Howard County General Hos	23,264,254	47,246,009	2,692,690	11,905,461	6,081,570	41,342,002	5.65%	\$275,201,900	\$17,377,260
210049	Upper Chesapeake Medical	12,672,059	41,110,129	1,487,982	10,497,392	3,261,163	33,385,725	5.62%	\$283,588,000	\$16,858,790
210051	Doctors Community Hospita	20,572,899	54,827,032	5,147,306	10,080,272	5,673,460	23,994,210	7.70%	\$214,285,300	\$16,991,840
210054	Southern Maryland Hospita	24,446,291	50,162,886	11,728,958	12,842,478	5,786,199	32,817,586	7.00%	\$241,038,800	\$13,728,300
210055	Laurel Regional Hospital	15,289,284	19,742,936	3,777,208	7,343,412	4,918,194	19,128,044	10.01%	\$118,724,400	\$16,591,420
210056	Good Samaritan Hospital	25,096,587	44,064,719	6,326,626	17,637,341	6,666,189	24,327,944	4.90%	\$311,855,400	\$18,459,090
210057	Shady Grove Adventist Hos	32,230,904	66,108,641	13,076,664	17,994,241	8,053,853	39,177,608	6.27%	\$348,706,200	\$23,215,600
** 210058	James Lawrence Kernan Hos	8,564,108	0	4,515,847	14,358,047	1,645,836	0	6.56%	\$117,995,400	\$7,457,000
210060	Fort Washington Medical C	1,725,996	7,233,526	1,260,761	5,828,084	2,502,568	16,325,202	10.56%	\$46,176,440	\$5,723,260
210061	Atlantic General Hospital	1,802,676	8,553,094	1,621,715	5,848,808	3,094,855	14,876,864	5.31%	\$95,474,200	\$6,005,000
	STATE-WIDE	1,568,056,933	2,326,486,025	336,126,671	853,897,328	323,580,572	1,269,503,011	6.12%	\$14,480,251,130	\$967,747,170

**** James Lawrence Kernan Hospital was excluded in the Regression Analysis, Revenue Neutrality and Charity Care Adjustment Calculations**

APPENDIX II

Policy Results from the Regression and Revenue Neutrality Adjustment for FY 2014

Hospid	Hospital Name	UCC in Rates (July 1, 2011)	Actual UCC for FY '12	Predicted UCC	FY '10- FY '12 UCC AVERAGE	50/ 50 BLENDED UCC AVERAGE	Revenue Neutrality Adjustment	Policy Results without Charity Care Adjustemnt	Dollar Amount (\$)
210001	Menitus Medical Center	6.80%	7.61%	7.24%	7.86%	7.55%	0.9879	7.46%	22,027,068
210002	Univ. of Maryland Medical System	7.23%	6.23%	7.58%	7.37%	7.48%	0.9879	7.39%	87,093,528
210003	Prince Georges Hospital	13.19%	15.18%	14.42%	14.79%	14.61%	0.9879	14.43%	36,920,920
210004	Holy Cross Hospital of Silver Spring	6.82%	9.55%	7.80%	8.61%	8.20%	0.9879	8.10%	36,769,363
210005	Frederick Memorial Hospital	5.26%	6.20%	5.66%	6.12%	5.89%	0.9879	5.82%	19,446,673
210006	Harford Memorial Hospital	8.81%	11.64%	8.61%	11.55%	10.08%	0.9879	9.95%	10,396,644
210007	St. Josephs Hospital	3.18%	4.31%	3.66%	4.64%	4.15%	0.9879	4.10%	14,547,641
210008	Mercy Medical Center, Inc.	6.57%	7.10%	6.40%	7.63%	7.01%	0.9879	6.93%	31,824,180
210009	Johns Hopkins Hospital	4.86%	3.65%	5.10%	3.85%	4.48%	0.9879	4.42%	81,842,556
210010	Dorchester General Hospital	6.25%	5.55%	9.09%	5.82%	7.46%	0.9879	7.36%	4,371,656
210011	St. Agnes Hospital	6.43%	6.66%	7.25%	6.66%	6.96%	0.9879	6.87%	27,598,009
210012	Sinai Hospital	5.96%	5.15%	6.52%	5.18%	5.85%	0.9879	5.78%	39,085,590
210013	Bon Secours Hospital	17.09%	16.58%	15.37%	16.57%	15.97%	0.9879	15.77%	20,607,091
210015	Franklin Square Hospital	6.13%	7.18%	8.70%	6.49%	7.60%	0.9879	7.50%	35,802,822
210016	Washington Adventist Hospital	7.81%	13.27%	8.81%	11.31%	10.06%	0.9879	9.94%	25,910,282
210017	Garrett County Memorial Hospital	6.68%	11.33%	8.61%	9.85%	9.23%	0.9879	9.12%	3,895,717
210018	Montgomery General Hospital	5.83%	6.48%	6.17%	6.45%	6.31%	0.9879	6.23%	10,339,915
210019	Peninsula Regional Medical Center	5.18%	6.84%	5.64%	6.61%	6.12%	0.9879	6.05%	25,088,208
210022	Suburban Hospital Association, Inc.	4.37%	4.49%	3.92%	4.74%	4.33%	0.9879	4.27%	11,665,454
210023	Anne Arundel General Hospital	3.74%	4.62%	3.99%	4.62%	4.30%	0.9879	4.25%	22,259,474
210024	Union Memorial Hospital	4.95%	7.11%	5.57%	6.18%	5.88%	0.9879	5.81%	24,529,451
210027	Braddock Hospital	3.58%	6.19%	5.13%	5.52%	5.32%	0.9879	5.26%	16,221,282
210028	St. Marys Hospital	6.31%	6.30%	8.60%	6.33%	7.46%	0.9879	7.37%	11,194,649
210029	Johns Hopkins Bayview Medical Center	7.49%	9.06%	7.75%	7.93%	7.84%	0.9879	7.75%	45,310,232
210030	Chester River Hospital Center	7.10%	9.55%	6.75%	9.51%	8.13%	0.9879	8.03%	5,224,792
210032	Union Hospital of Cecil County	6.81%	7.87%	9.16%	8.63%	8.89%	0.9879	8.79%	13,041,256
210033	Carroll County General Hospital	4.51%	4.77%	5.60%	4.81%	5.20%	0.9879	5.14%	12,512,674
210034	Harbor Hospital Center	7.30%	7.99%	10.39%	7.97%	9.18%	0.9879	9.07%	19,010,303
210035	Civista Medical Center	6.24%	7.12%	9.40%	7.09%	8.24%	0.9879	8.14%	10,293,885
210037	Memorial Hospital at Easton	4.52%	5.20%	5.93%	5.05%	5.49%	0.9879	5.42%	10,016,156
210038	Maryland General Hospital	11.04%	12.06%	13.60%	11.37%	12.48%	0.9879	12.33%	22,863,438
210039	Calvert Memorial Hospital	5.60%	5.70%	7.54%	5.81%	6.68%	0.9879	6.60%	8,953,933
210040	Northwest Hospital Center, Inc.	6.63%	6.79%	7.17%	7.52%	7.34%	0.9879	7.25%	17,312,524
210043	North Arundel General Hospital	6.67%	8.64%	7.19%	8.40%	7.80%	0.9879	7.70%	29,353,691
210044	Greater Baltimore Medical Center	3.28%	3.07%	3.80%	3.09%	3.45%	0.9879	3.40%	14,513,911
210045	McCreedy Foundation, Inc.	8.22%	8.78%	8.76%	11.70%	10.23%	0.9879	10.10%	1,789,624
210048	Howard County General Hospital	5.65%	6.31%	7.55%	6.01%	6.78%	0.9879	6.70%	18,434,315
210049	Upper Chesapeake Medical Center	5.62%	5.94%	5.37%	6.49%	5.93%	0.9879	5.86%	16,614,495
210051	Doctors Community Hospital	7.70%	7.93%	7.70%	7.99%	7.84%	0.9879	7.75%	16,606,262
210054	Southern Maryland Hospital	7.00%	5.70%	8.67%	7.14%	7.90%	0.9879	7.81%	18,822,553
210055	Laurel Regional Hospital	10.01%	13.97%	9.83%	12.95%	11.39%	0.9879	11.25%	13,360,081
210056	Good Samaritan Hospital	4.90%	5.92%	5.87%	5.81%	5.84%	0.9879	5.77%	18,001,136
210057	Shady Grove Adventist Hospital	6.27%	6.66%	7.51%	6.22%	6.87%	0.9879	6.78%	23,654,909
** 210058	James Lawrence Kernan Hospital	6.56%	6.32%	5.33%	7.01%	6.17%	1.0000	6.17%	7,276,232
210060	Fort Washington Medical Center	10.56%	12.39%	14.79%	12.93%	13.86%	0.9879	13.69%	6,323,195
210061	Atlantic General Hospital	5.31%	6.29%	6.78%	6.57%	6.68%	0.9879	6.59%	6,295,634
	STATE-WIDE	6.12%	6.68%	6.87%	6.66%	6.77%	0.9879	6.68%	975,023,402

**** James Lawrence Kernan Hospital was excluded in the Regression Analysis, Revenue Neutrality and Charity Care Adjustment Calculations**