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DEPARTMENT OF HEALTH AND MENTAL HYGIENE

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MEMORANDUM

TO: Chief Financial Officers

FROM: Dennis N. Phelps, Associate Director - Audit & Compliance

RE: Revised Health Care Coverage Assessment

DATE: October 24, 2008

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The purpose of this memorandum is to provide you with the revised monthly Health Care Coverage fund assessment for FY 2009.

A revision to this assessment is necessary because the component of the assessment that facilitated the ending of Medicaid Day Limits on June 30, 2008, rather than December 31, 2008 (by providing a proxy for the savings to Medicaid for that period) was underestimated by \$3 million. As a result, the total assessment added to hospital rates and the monthly assessment to be remitted has been changed.

Therefore, the monthly assessment for all hospitals will change with the assessment due on or before November 5, 2008. The attached worksheets show the original assessment and the revised assessment to be remitted for the next 10 months, November 2008 through August 2009. The revised assessments take into consideration the remittances at the original amount that were due September 5<sup>th</sup> and October 5<sup>th</sup> 2008.

The instructions for submission of the assessment have not changed from those in my memorandum of August 21, 2008, attached.

If you have any questions, you may contact me at 410-764-2605.

REVISED CALCULATION OF AVERTED BAD DEBT & MDL ASSESSMENT FOR FY2009

| HOSP # | HOSPITALS                   | 2009                           |                           | 2009                                 |  | 2009        |  | NEW MONTHLY ASSESSMENT - OCT. 2008 THRU AUG. 2009 |
|--------|-----------------------------|--------------------------------|---------------------------|--------------------------------------|--|-------------|--|---|
|        |                             | AVERTED BAD DEBT ASSESSMENT FY | REVISED MDL ASSESSMENT FY | AVERTED BAD DEBT & MDL ASSESSMENT FY | REVISED AVERTED BAD DEBT & MDL MONTHLY ASSESSMENT FY |             |  |   |
| 0001   | WASHINGTON CO. HOSPITAL     | \$491,046                      | \$348,155                 | \$639,201                            | \$69,933   | \$70,850    |  |   |
| 0002   | UNIVERSITY OF MD            | \$1,967,112                    | \$1,394,695               | \$3,361,807                          | \$280,151  | \$283,821   |  |   |
| 0003   | PRINCE GEORGE HOSP. CTR.    | \$497,542                      | \$352,760                 | \$850,302                            | \$70,858   | \$71,787    |  |   |
| 0004   | HOLY CROSS HOSP.            | \$798,459                      | \$566,113                 | \$1,364,572                          | \$113,714  | \$115,204   |  |   |
| 0005   | FREDERICK MEMORIAL          | \$549,318                      | \$389,470                 | \$936,789                            | \$78,232   | \$79,257    |  |   |
| 0006   | HARFORD MEMORIAL            | \$184,570                      | \$130,861                 | \$315,432                            | \$26,286   | \$26,630    |  |   |
| 0007   | ST. JOSEPH'S HOSP.          | \$829,204                      | \$587,912                 | \$1,417,116                          | \$118,093  | \$119,640   |  |   |
| 0008   | MERCY MEDICAL CTR.          | \$799,422                      | \$566,795                 | \$1,366,217                          | \$113,851  | \$115,343   |  |   |
| 0009   | JOHNS HOPKINS HOSP.         | \$3,389,896                    | \$2,403,459               | \$5,793,355                          | \$482,780  | \$489,104   |  |   |
| 0010   | DORCHESTER GENERAL          | \$105,256                      | \$74,627                  | \$179,984                            | \$14,990   | \$15,187    |  |   |
| 0011   | ST. AGNES                   | \$724,377                      | \$513,598                 | \$1,237,965                          | \$103,164  | \$104,515   |  |   |
| 0012   | SINAL HOSPITAL              | \$1,209,016                    | \$857,200                 | \$2,066,216                          | \$172,185  | \$174,440   |  |   |
| 0013   | BON SECOURS                 | \$193,911                      | \$137,484                 | \$331,396                            | \$27,816   | \$27,978    |  |   |
| 0015   | FRANKLIN SQUARE             | \$664,390                      | \$612,858                 | \$1,477,248                          | \$123,104  | \$124,717   |  |   |
| 0016   | WASHINGTON ADVENTIST        | \$578,375                      | \$410,072                 | \$988,447                            | \$82,371   | \$83,450    |  |   |
| 0017   | GARRETT CO. GENERAL         | \$75,161                       | \$53,289                  | \$128,450                            | \$10,704   | \$10,844    |  |   |
| 0018   | MONTGOMERY GENERAL          | \$299,137                      | \$212,090                 | \$511,228                            | \$42,802   | \$43,160    |  |   |
| 0019   | PENINSULA GENERAL           | \$801,826                      | \$568,500                 | \$1,370,326                          | \$114,194  | \$115,690   |  |   |
| 0022   | SUBURBAN                    | \$489,134                      | \$346,090                 | \$834,224                            | \$69,519   | \$70,429    |  |   |
| 0023   | ANNE ARUNDEL MEDICAL CTR.   | \$808,529                      | \$573,252                 | \$1,381,781                          | \$115,148  | \$116,857   |  |   |
| 0024   | UNION MEMORIAL HOSPITAL     | \$910,916                      | \$645,845                 | \$1,556,761                          | \$129,730  | \$131,430   |  |   |
| 0025   | MEMORIAL AT CUMBERLAND      | \$202,783                      | \$143,774                 | \$346,557                            | \$28,880   | \$29,258    |  |   |
| 0027   | BRADDOCK                    | \$346,755                      | \$245,851                 | \$592,606                            | \$49,384   | \$50,031    |  |   |
| 0028   | ST. MARY'S                  | \$257,153                      | \$182,323                 | \$439,476                            | \$36,623   | \$37,103    |  |   |
| 0029   | JOHNS HOPKINS BAYVIEW       | \$1,041,656                    | \$738,541                 | \$1,780,197                          | \$148,350  | \$150,293   |  |   |
| 0030   | CHESTER RIVER               | \$131,794                      | \$93,443                  | \$225,236                            | \$18,770   | \$19,016    |  |   |
| 0032   | UNION HOSPITAL OF CECIL     | \$252,835                      | \$179,261                 | \$432,096                            | \$36,008   | \$36,480    |  |   |
| 0033   | CARROLL CO. GENERAL HOSP.   | \$413,613                      | \$293,255                 | \$706,868                            | \$59,677   | \$59,877    |  |   |
| 0034   | HARBOR HOSPITAL CTR.        | \$414,998                      | \$294,236                 | \$709,234                            | \$59,103   | \$59,877    |  |   |
| 0035   | CIVISTA                     | \$222,079                      | \$157,455                 | \$379,534                            | \$31,628   | \$32,042    |  |   |
| 0037   | MEMORIAL AT EASTON          | \$321,803                      | \$228,160                 | \$549,963                            | \$45,830   | \$46,431    |  |   |
| 0038   | MARYLAND GENERAL            | \$377,444                      | \$267,611                 | \$645,055                            | \$53,755   | \$54,459    |  |   |
| 0039   | CALVERT MEMORIAL HOSP.      | \$225,556                      | \$159,921                 | \$385,477                            | \$32,123   | \$32,544    |  |   |
| 0040   | NORTHWEST HOSPITAL CTR.     | \$447,292                      | \$317,133                 | \$764,424                            | \$63,702   | \$64,537    |  |   |
| 0043   | BALTIMORE WASHINGTON        | \$635,884                      | \$450,846                 | \$1,086,729                          | \$90,561   | \$91,747    |  |   |
| 0044   | G.B.M.C.                    | \$853,333                      | \$605,019                 | \$1,458,352                          | \$121,529  | \$123,121   |  |   |
| 0045   | MC CREADY                   | \$34,791                       | \$24,667                  | \$59,458                             | \$4,955  | \$5,020     |  |   |
| 0048   | HOWARD CO. GENERAL HOSPITAL | \$476,214                      | \$337,639                 | \$813,853                            | \$67,821   | \$68,710    |  |   |
| 0049   | UPPER CHESAPEAKE            | \$399,251                      | \$283,071                 | \$682,322                            | \$56,860   | \$57,605    |  |   |
| 0051   | DOCTORS                     | \$379,879                      | \$269,337                 | \$649,216                            | \$54,810   | \$54,810    |  |   |
| 0054   | SOUTHERN MID HOSPITAL CTR.  | \$464,131                      | \$329,072                 | \$793,202                            | \$66,100   | \$66,966    |  |   |
| 0055   | LAUREL REGIONAL             | \$198,550                      | \$140,773                 | \$339,323                            | \$28,277   | \$28,647    |  |   |
| 0060   | FORT WASHINGTON             | \$97,132                       | \$68,868                  | \$166,000                            | \$13,833   | \$14,015    |  |   |
| 0061   | ATLANTIC GENERAL            | \$163,228                      | \$115,730                 | \$278,958                            | \$23,247   | \$23,551    |  |   |
| 2001   | KERNAN                      | \$228,096                      | \$161,722                 | \$389,818                            | \$32,485   | \$32,910    |  |   |
| 2004   | GOOD SAMARITAN              | \$571,976                      | \$405,535                 | \$877,511                            | \$81,459   | \$82,526    |  |   |
| 5050   | SHADY GROVE ADVENTIST       | \$633,406                      | \$448,380                 | \$1,080,786                          | \$90,065   | \$91,245    |  |   |
| 8992   | MIEMISS                     | \$311,446                      | \$220,818                 | \$532,264                            | \$44,355   | \$44,936    |  |   |
| 8994   | UMCC                        | \$130,381                      | \$92,441                  | \$222,822                            | \$18,569   | \$18,811    |  |   |
| TOTAL  |                             | \$26,798,055                   | \$19,000,000              | \$45,798,055                         | \$3,816,505  | \$3,866,501 |  |   |