

Report on the Results of the Uncompensated Care Policy for FY 2010

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## **Introduction**

The purpose of this report is to present the results of the current Uncompensated Care policy to the industry. The system's provision for uncompensated care is one of the hallmarks 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.

In May 2007, the Commission approved a new regression methodology for calculating the level of uncompensated care built into rates for Maryland hospitals. The regression methodology uses four independent variables to predict the level of uncompensated care at Maryland hospitals based on a three-year experience data. The four variables in the new methodology are: (1) the proportion of a hospital's total charges from inpatient Medicaid, self-pay and charity; (2) the proportion of a hospital's total charges from inpatient non-Medicare admissions through the emergency room; (3) the proportion of a hospital's total charges from outpatient Medicaid, self-pay, and charity visits to the emergency room; and (4) the proportion of a hospital's total charges from outpatient services. All the variables are based on hospital's gross revenue.

## **Result**

Table 1 shows the uncompensated care provision in rates for FY2010, as per the methodology, before the 100% Pooling Level is established. Table 2 provides a summary of the results from the new regression model, which includes the three-year average of each hospital's actual uncompensated care experience and the predicted value for FY 2010. The new methodology calls for a 50/50 blend of the three-year average and the predicted value.

**Table 1**  
**Summary Results of the UCC Model for FY 2010**

Hospid	Hospital Name	UCC Provision for FY 2010
210001	Washington County Hospital	7.23%
210002	Univ. of Maryland Medical System	10.02%
210003	Prince Georges Hospital	13.92%
210004	Holy Cross Hospital of Silver Spring	6.78%
210005	Frederick Memorial Hospital	6.29%
210006	Harford Memorial Hospital	9.19%
210007	St. Josephs Hospital	3.04%
210008	Mercy Medical Center, Inc.	7.81%
210009	Johns Hopkins Hospital	6.35%
210010	Dorchester General Hospital	8.52%
210011	St. Agnes Hospital	7.07%
210012	Sinai Hospital	7.60%
210013	Bon Secours Hospital	15.89%
210015	Franklin Square Hospital	8.56%
210016	Washington Adventist Hospital	8.24%
210017	Garrett County Memorial Hospital	7.99%
210018	Montgomery General Hospital	6.66%
210019	Peninsula Regional Medical Center	6.03%
210022	Suburban Hospital Association, Inc	5.04%
210023	Anne Arundel General Hospital	4.64%
210024	Union Memorial Hospital	6.56%
210025	The Memorial Hospital	5.71%
210027	Braddock Hospital	5.25%
210028	St. Marys Hospital	7.87%
210029	Johns Hopkins Bayview Med. Center	9.56%
210030	Chester River Hospital Center	8.64%
210032	Union Hospital of Cecil County	8.28%
210033	Carroll County General Hospital	5.78%
210034	Harbor Hospital Center	9.60%
210035	Civista Medical Center	7.20%
210037	Memorial Hospital at Easton	5.96%
210038	Maryland General Hospital	12.88%
210039	Calvert Memorial Hospital	6.73%
210040	Northwest Hospital Center, Inc.	7.85%
210043	North Arundel General Hospital	7.63%
210044	Greater Baltimore Medical Center	3.42%
210045	McCready Foundation, Inc.	8.53%
210048	Howard County General Hospital	6.12%
210049	Upper Chesapeake Medical Center	5.85%
210051	Doctors Community Hospital	9.80%
210054	Southern Maryland Hospital	8.11%
210055	Laurel Regional Hospital	10.96%
210056	Good Samaritan Hospital	5.81%
210057	Shady Grove Adventist Hospital	7.51%
** 210058	James Lawrence Kernan Hospital	6.58%
210060	Fort Washington Medical Center	11.25%
210061	Atlantic General Hospital	5.99%
	STATE-WIDE	7.39%

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

**Table 2**  
**Policy Results from the Regression and Revenue Neutrality Adjustment for FY 2010**

Hospid	Hospital Name	UCC in Rates	Actual UCC for FY '08	Predicted UCC	FY '06 - FY '08 UCC AVERAGE	50/50 BLENDED UCC AVERAGE	Revenue Neutrality Adjustment	Policy Results	Dollar Amount
210001	Washington County Hospital	6.67%	7.99%	6.94%	7.51%	7.23%	0.00%	7.23%	16,613,717
210002	Univ. of Maryland Medical System	8.69%	9.48%	10.37%	9.67%	10.02%	0.00%	10.02%	87,919,068
210003	Prince Georges Hospital	13.35%	14.93%	13.62%	14.22%	13.92%	0.00%	13.92%	33,688,198
210004	Holy Cross Hospital of Silver Spring	6.43%	7.37%	6.80%	6.76%	6.78%	0.00%	6.78%	25,985,394
210005	Frederick Memorial Hospital	5.62%	5.62%	6.99%	5.59%	6.29%	0.00%	6.29%	15,407,988
210006	Harford Memorial Hospital	8.24%	11.95%	8.00%	10.38%	9.19%	0.00%	9.19%	9,033,009
210007	St. Josephs Hospital	2.81%	3.36%	3.10%	2.97%	3.03%	0.00%	3.04%	11,045,080
210008	Mercy Medical Center, Inc.	7.79%	7.41%	7.72%	7.89%	7.81%	0.00%	7.81%	27,583,205
210009	Johns Hopkins Hospital	5.65%	6.08%	6.75%	5.94%	6.35%	0.00%	6.35%	97,286,611
210010	Dorchester General Hospital	8.25%	5.97%	9.70%	7.34%	8.52%	0.00%	8.52%	4,090,066
210011	St. Agnes Hospital	7.07%	6.24%	7.51%	6.62%	7.07%	0.00%	7.07%	23,574,557
210012	Sinai Hospital	7.06%	8.03%	7.22%	7.98%	7.60%	0.00%	7.60%	45,780,150
210013	Bon Secours Hospital	13.68%	17.08%	16.72%	15.06%	15.89%	0.00%	15.89%	16,235,411
210015	Franklin Square Hospital	7.93%	8.09%	8.83%	8.28%	8.56%	0.00%	8.56%	34,370,222
210016	Washington Adventist Hospital	7.29%	9.98%	6.99%	9.48%	8.24%	0.00%	8.24%	23,023,855
210017	Garrett County Memorial Hospital	8.08%	9.30%	8.48%	7.50%	7.99%	0.00%	7.99%	2,626,294
210018	Montgomery General Hospital	6.03%	5.55%	7.02%	6.30%	6.66%	0.00%	6.66%	9,002,414
210019	Peninsula Regional Medical Center	5.56%	6.50%	5.82%	6.25%	6.03%	0.00%	6.03%	22,142,996
210022	Suburban Hospital Association, Inc	4.71%	5.04%	5.26%	4.83%	5.04%	0.00%	5.04%	11,147,778
210023	Anne Arundel General Hospital	4.36%	4.68%	4.69%	4.59%	4.64%	0.00%	4.64%	16,769,476
210024	Union Memorial Hospital	6.33%	6.93%	5.99%	7.13%	6.56%	0.00%	6.56%	27,123,567
210025	The Memorial Hospital	4.86%	5.48%	6.32%	5.09%	5.70%	0.00%	5.71%	5,773,128
210027	Braddock Hospital	4.06%	4.75%	5.88%	4.61%	5.25%	0.00%	5.25%	8,076,977
210028	St. Marys Hospital	6.51%	6.29%	10.03%	5.71%	7.87%	0.00%	7.87%	9,024,609
210029	Johns Hopkins Bayview Med. Center	8.68%	9.36%	9.74%	9.37%	9.56%	0.00%	9.56%	47,117,515
210030	Chester River Hospital Center	7.39%	11.90%	6.59%	10.68%	8.64%	0.00%	8.64%	4,789,440
210032	Union Hospital of Cecil County	7.89%	7.76%	8.97%	7.57%	8.27%	0.00%	8.28%	9,636,431
210033	Carroll County General Hospital	5.17%	5.64%	6.68%	4.86%	5.77%	0.00%	5.78%	10,756,787
210034	Harbor Hospital Center	9.05%	8.94%	10.12%	9.08%	9.60%	0.00%	9.60%	18,626,936
210035	Civista Medical Center	6.10%	7.43%	8.51%	5.88%	7.19%	0.00%	7.20%	7,200,234
210037	Memorial Hospital at Easton	5.92%	5.71%	6.78%	5.14%	5.96%	0.00%	5.96%	8,591,914
210038	Maryland General Hospital	11.59%	12.71%	13.93%	11.82%	12.87%	0.00%	12.88%	23,257,744
210039	Calvert Memorial Hospital	6.14%	5.72%	7.73%	5.74%	6.73%	0.00%	6.73%	6,892,114
210040	Northwest Hospital Center, Inc.	7.30%	7.97%	7.81%	7.88%	7.85%	0.00%	7.85%	15,791,706
210043	North Arundel General Hospital	6.73%	7.94%	7.78%	7.48%	7.63%	0.00%	7.63%	21,691,512
210044	Greater Baltimore Medical Center	2.54%	2.81%	4.14%	2.69%	3.41%	0.00%	3.42%	12,266,930
210045	McCready Foundation, Inc.	6.84%	10.27%	8.96%	8.10%	8.53%	0.00%	8.53%	1,457,301
210048	Howard County General Hospital	5.73%	5.21%	6.99%	5.25%	6.12%	0.00%	6.12%	12,993,624
210049	Upper Chesapeake Medical Center	5.47%	5.90%	6.12%	5.57%	5.85%	0.00%	5.85%	11,515,728
210051	Doctors Community Hospital	8.25%	10.88%	9.99%	9.61%	9.80%	0.00%	9.80%	17,102,196
210054	Southern Maryland Hospital	7.39%	9.49%	7.62%	8.61%	8.11%	0.00%	8.11%	18,383,266
210055	Laurel Regional Hospital	11.07%	12.63%	10.16%	11.76%	10.96%	0.00%	10.96%	10,210,852
210056	Good Samaritan Hospital	5.72%	5.80%	5.73%	5.90%	5.81%	0.00%	5.81%	15,430,470
210057	Shady Grove Adventist Hospital	6.60%	6.66%	7.83%	7.18%	7.51%	0.00%	7.51%	22,857,943
** 210058	James Lawrence Kernan Hospital	6.30%	6.22%	3.74%	6.58%	6.58%	0.00%	6.58%	6,405,162
210060	Fort Washington Medical Center	9.60%	14.20%	9.19%	13.30%	11.25%	0.00%	11.25%	5,352,154
210061	Atlantic General Hospital	5.64%	5.48%	6.39%	5.58%	5.99%	0.00%	5.99%	4,398,711
	STATE-WIDE	6.74%	7.39%	7.55%	7.21%	7.39%	0.00%	7.39%	896,050,439

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