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May 5, 2011

TO: Maryland Hospital Chief Financial Officers

CC: Case Mix Liaisons Contacts

FROM: Oscar Ibarra, Chief, Information Management and Program Administration

SUBJECT: Feedback on FY11 Quarter 2 Rate Reconciliation Schedules (that were due 4/5/11).

Commission Staff has reviewed the completed Rate Reconciliation Schedules for FY2011, Quarter 2 that were due on April 5, 2011. In the table below, we have listed our general findings among reconciliation submissions and listed Staff expectations for future reconciliation submissions.

Common Reconciliation Issues	Commission Staff Expectation for Subsequent Reconciliation Submissions
Many hospitals reported that the rate center variances for revenue and units were due to timing.	Many timing issues can be resolved using the "In House" columns in the updated Reconciliation Schedule templates. When appropriate, hospital staff should use these columns to reconcile.
Many hospitals reported that the rate center variances for revenue and units were due to reclassification of units and revenue from one rate center to another rate center.	Many reclassification issues can be resolved using the "Re-class Among Centers" columns in the updated Reconciliation Schedule templates. When appropriate, hospital staff should use these columns to reconcile.
Some hospitals indicated that the rate center variances were caused by incorrect mapping of rate centers or other programming issues by their data vendors.	Staff would expect all vendor and mapping issues to be resolved by the May 20 th submission deadline. If this is not the case, please notify Commission Staff of the intended resolution.

Once hospital staff submit the final FY11 Quarter 1 and 2 reconciliation schedules, Staff will review the submissions and determine whether fines will be imposed on hospitals who continue to have rate center variances outside the +/- 2% corridor without sufficient justification.

If you have any questions or concerns about Rate Reconciliation, please contact me at 410-764-2566.