



Maryland Health Services Cost Review Commission

**GBR/TPR July 1, 2014 Update
For
FY 2015**

AGENDA

- A. Procedures for Initial Update to Hospitals' GBR/TPR Revenue for FY 2015
- B. GBR/TPR Model
- C. GBR/TPR 2 Worksheet Within Update Model
- D. Issuance of Rate Orders

A. Procedures for Initial Update to Hospitals' GBR/TPR Revenue for FY 2015

- Hospitals will be given the initial update model
 - Settlement of GBR/TPR revenue will not be included
 - Settlement of unit rate price penalties will not be included
- a) Notification will be sent by letter to each Hospital CEO/CFO of the initial GBR/TPR revenue for FY 2015 as well as the revenue target for December 31, 2014
- b) Existing unit rates remain in effect until such time as a new rate order is issued and should be used to achieve revenue compliance

B. GBR/TPR Model

- a. Input Data - such as current rate order, update factor, etc.
- b. GBR/TPR 1 – Calculates approved versus actual revenue variance
- c. GBR/TPR 2 – Calculates new approved GBR/TPR revenue for FY 2015
- d. Mark up Calculation – Calculation of new mark up
 - UCC reduced due to ACA
 - Medicaid increased as the expected reduction in UCC is paid for by Medical Assistance
 - UCC and payer shift requires adjustment to FY 2013 PDA schedules, revenue and percent of total

C. Worksheet GBR/TPR 2

Order of Adjustments

- a. Currently approved GBR/TPR revenue
- b. Reverse one-time adjustments included in current approved GBR/TPR revenue
- c. Permanent Adjustments
 - Inflation Update – net of shared savings adjustment
 - Mark up Adjustment – reflect statewide change in bad debt provision
 - Population/Demographic Adjustments – includes adjustment for potentially preventable utilization
 - Other Permanent Adjustments – Health care population infrastructure and other hospital specific adjustments
- d. Add One-Time adjustments for FY 2015

D. Issuance of Rate Orders

- a. Use actual FY 2014 financial data to settle GBR/TPR actual versus budgeted revenue
- b. Use actual FY 2014 financial data to identify any unit rate penalties
- c. Using GBR/TPR 2 and above calculations establish final GBR/TPR revenue for FY 2015
- d. Calculate final December 31, 2014 revenue target
- e. Mid to Late August 2014, issue FY 2015 rate orders

SUMMARY

Questions?

This document as well as supporting documents for the update will be available on the HSCRC website after July 7, 2014 @

www.HSCRC.Maryland.gov

For Hospitals – FY 2015 Update