

**Staff Recommendation**

**Kennedy Krieger Institute Reporting Requirements**

**January 14, 2009**

## Introduction and Background

The Health Services Cost Review Commission has jurisdiction over hospital services offered by or through all facilities in the State of Maryland. At its July 1, 1974 public meeting, the Commission voted to exempt the Kennedy Krieger Institute from Commission rate setting. The chief reason the Hospital was granted the exemption was because of its unique funding sources, i.e., an unusually large percentage of its revenue was provided by grants, endowments, and governmental payers who were not required to pay Commission approved rates. When the exemption was granted, Kennedy Krieger was not required to file any financial reports.

## Staff Recommendation

Staff believes that it is appropriate that the Commission be aware of the financial position of all hospitals under its jurisdiction, including Kennedy Krieger. In addition, staff believes that Kennedy Krieger should be required to provide evidence that its sources of revenue continue to justify its exemption from Commission rate-setting.

Therefore, staff recommends that the Kennedy Krieger Institute be required to: 1) immediately file audited financial statements for its most recent fiscal year; 2) submit the applicable schedules from its most recent Medicare Cost Report or other appropriate documentation, subject to the approval of staff, which discloses its sources of gross patient revenue for its most recent fiscal year; and 3) annually, 120 days after the end of its fiscal year, provide audited financial statements and documentation to justify its continued exemption from Commission rate setting.