

STATE OF MARYLAND  
DEPARTMENT OF HEALTH AND MENTAL HYGIENE

Donald A. Young, M.D.  
Chairman

Kevin J. Sexton  
Vice Chairman

Joseph R. Antos, Ph.D.

Trudy R. Hall, M.D.

Steven B. Larsen, J.D.

C. James Lowthers

Herbert S. Wong, Ph.D.



Robert Murray  
Executive Director

Stephen Ports  
Principal Deputy Director  
Policy & Operations

Gerard J. Schmith  
Deputy Director  
Hospital Rate Setting

Deputy Director  
Research and Methodology

**HEALTH SERVICES COST REVIEW COMMISSION**

4160 PATTERSON AVENUE · BALTIMORE, MARYLAND 21215

Phone: 410-764-2605 Fax: 410-358-6217

Toll Free: 1-888-287-3229

www.hscrc.state.md.us

July 16, 2010

*Sent via e-mail. Hard copy to follow.*

To: Maryland Hospital Chief Financial Officers

Cc: Case Mix Liaisons Contacts

From: Oscar Ibarra, Chief Information Management & Program Administration *OI*

Re: Rate Center Reconciliations Reports for FY10

---

Rate Center Reconciliations Reports of FY10 quarters 1-3, Inpatient and Outpatient case mix data versus financial data for the same period, by hospital, are due to the Commission by **Wednesday, July 28 2010**.

The charges and units by rate center reported on the Inpatient and Outpatient data tapes should match the same information reported in the financial data. The optimal rate center volume and revenue reconciliation would be within +/- 1%. However, we do recognize that this may be difficult due to the size of some revenue centers; therefore, staff will review and take into consideration explanations for any discrepancies greater than +/- 1%.

Attached to this memorandum is a Rate Reconciliation Report Template. Please submit the reconciliation reports and explanations using this format (i.e., EXCEL). Reports in other formats will not be accepted and will be returned to the hospital.

- On the first 2 sheets (Q1 Inpatient, Q1 Outpatient) in the workbook, please copy and paste the charges and volumes (case mix versus financials) for inpatient and outpatient for **FY10 Quarter 1 only**. For each rate center that is outside the +/- corridor, please provide an explanation in the last column, titled "Variance Explanation."
- On the next 2 sheets in the workbook (Q2 Inpatient, Q2 Outpatient), please copy

and paste the charges and volumes (case mix versus financials) for inpatient and outpatient for **FY10 Quarter 2 only**. For each rate center that is outside the +/- corridor, please provide an explanation in the last column, titled "Variance Explanation."

- On the next 2 sheets in the workbook (Q3 Inpatient, Q3 Outpatient), please copy and paste the charges and volumes (case mix versus financials) for inpatient and outpatient for **FY10 Quarter 3 only**. For each rate center that is outside the +/- corridor, please provide an explanation in the last column, titled "Variance Explanation."
- When Quarter 4 Inpatient and Outpatient data becomes available, please insert the charges and volumes (case mix versus financials) for inpatient and outpatient for **FY10 Quarter 4 only in the Q4 Inpatient and Q4 Outpatient tabs**. For each rate center that is outside the +/- corridor, please provide an explanation in the last column, titled "Variance Explanation."
- On the last 2 sheets, please combine FY10 Quarters 1-3 (and 4 once its available) charges and volumes (case mix versus financials) for inpatient and then for outpatient. For each rate center that is outside the +/- corridor, please provide an explanation in the last column, titled "Variance Explanation."

If your hospital does not have charges or volumes for a particular rate center enter "0" for volumes and charges.

If the variance by rate center falls outside of the +/-1% corridor, without sufficient justification, **finest will be imposed at \$250 per day**, for both the inpatient and outpatient data sets in accordance with COMAR 10.37.01.03, commencing with the first day following the data submission due date for each of the three quarters until corrected data are received. These fines will be imposed regardless of whether the quarterly data were submitted to St. Paul by the due date.

St. Paul is providing charges and volume reports by rate center along with the error reports after a hospital submits the initial case mix data. Any resubmissions made by hospitals after the final data submissions will be subject to a \$250 charge per resubmission/per quarter by St. Paul.

If you have any questions concerning the above, please contact me at 410-764-2566.