

IN RE: THE PARTIAL RATE	*	BEFORE THE HEALTH SERVICES
APPLICATION OF THE	*	COST REVIEW COMMISSION
J. KENT McNEW	*	DOCKET: 2020
FAMILY MEDICAL CENTER	*	FOLIO: 2333
ANNAPOLIS, MARYLAND	*	PROCEEDING: 2523N

Staff Recommendation
September 9, 2020

Introduction

On June 1, 2020, J. Kent McNew Family Medical Center (“the Hospital”) submitted a partial rate application to establish both a new Physical Therapy (PTH) rate and a new Speech Therapy (STH) rates. The Hospital requested that the rates be set at the statewide median per RVU and be effective July 1, 2020. The J. Kent McNew Family Medical Center was opened by Anne Arundel Medical Center in the spring of this year as a stand-alone mental health facility that provides both inpatient and outpatient mental health services. It includes an acute inpatient mental health unit, a psychiatric day hospital (also referred to as a partial hospitalization program), and intensive outpatient treatment.

Staff Evaluation

HSCRC policy is to set the rates for new services at the lower of the statewide median or at a rate based on its projections. Therefore, staff requested that the Hospital submit to the Commission projected cost and statistical data for the requested new PTH and STH services. Based on the information received, it was determined that the PTH rate based on the Hospital projection data would be \$14.05 per RVU, while the statewide median rate for PTH services is \$14.23 per RVU. The STH rate based on the Hospital projection data would be \$12.28, while the statewide median rate for STH services is \$11.72.

	Estimated Annual Volume (RVUs)	FY20 Statewide Median Rate	Estimated Revenue at FY20 Rates
Physical Therapy	425	\$14.05	\$5,971
Speech Therapy	155	\$11.72	\$1,816

Recommendation

After reviewing the Hospital's application, the staff recommends:

1. That the Commission waive its requirement (COMAR 10.37.10.07) that a hospital file a rate application at least 60 days before the operational opening of a new hospital, a revenue center, or a new service;
2. That the PTH rate of \$14.05 per RVU be approved effective July 1, 2020;
3. That the STH rate of \$11.72 per RVU be approved effective July 1, 2020; and
4. That the PTH and STH rate centers not be rate realigned until a full year of cost data have been reported to the Commission.