

# J. Kent McNew Family Medical Center

Partial Rate Application- Physical Therapy Rate and Speech Therapy Rate

## Introduction

- On June 1, 2020, J. Kent McNew Family Medical Center 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 Hospital 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.

## 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.
- 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.

## Staff Evaluation Cont.

- 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)	FY 20 Statewide Median Rates	Estimated Revenue at FY20 Rates
Physical Therapy	425	\$14.05	\$5,971
Speech Therapy	155	\$11.72	\$1,816

## Staff Recommendation

After reviewing the Hospital's applications, 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.