	The Johns Hopkins Health System Policy & Procedure	<i>Policy Number</i>	FIN082
	<i>Subject</i>	<i>Effective Date</i>	01-01-08
	INCREMENTAL BUDGET REQUEST STANDARDIZATION	<i>Page</i>	1 of 2
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POLICY

This policy applies to The Johns Hopkins Health System Corp. (JHHS) and the following affiliated entities: The Johns Hopkins Hospital (JHH), Johns Hopkins Bayview Medical Center (JHBMC), Howard County General Hospital (HCGH), Johns Hopkins Community Physicians (JHCP), Johns Hopkins Medical Services Corporation (JHMSC), Johns Hopkins Medicine International (JHMI), Ophthalmology Associates (OA), Johns Hopkins Employer Health Programs (EHP), Johns Hopkins Medical Management Corporation (JHMMC), Priority Partners (PP), Johns Hopkins Pharmaquip, Inc. (JHPQ), Johns Hopkins Home Health Services, Inc. (JHHHS), Johns Hopkins Pediatrics Home, Inc. (JHPAH), Johns Hopkins HealthCare (JHHC), Johns Hopkins Home Care Group (JHHCG), Suburban Health Center (SHC), Broadway Acquisition and Development, and HCGH OB/GYN Associates Series, LLC (HCGH OBGYN)

Purpose

Requests for incremental operating expense must be submitted to senior management when new initiatives are proposed which would require funding in excess of that which is provided by current JHHS methodology of funding inflation and incremental costs associated with changes in patient volumes, The purpose of this policy is to standardize the process among JHHS affiliates of requesting incremental operating funds as a component of the JHHS Annual Operating Plan.

The decision to entertain requests for incremental operating funds in any given fiscal year shall be at the discretion of the JHHS Executive Vice President/Chief Operating Officer (COO). Such requests may only be made when they fit within the framework of prescribed JHHS financial targets for revenue and expense and contribute to institutional objectives (which include standard safety and regulatory requirements irrespective of financial considerations).

Requests for incremental operating funds for financially justified ventures (where anticipated revenues exceed expenditures) need not be confined to the time frame within which the Annual Operating Plan is in development. Any such request may be presented to the COO or designated Executive at any time with documentation sufficient to make an informed decision about the request. Requests for incremental operating funds for activity which is not financially justified based on income contribution may be made when provisions for such contingencies have been built into respective affiliate budgets. The central Finance Department of the respective affiliates must be contacted as to availability of such funding and the appropriate processes to be followed. The process and availability will vary by affiliate. For requests in excess of 1.0% of total affiliate operating revenue or expense budgets, see JHHS Finance Policy No. FIN086 - Board Approval of Budget Changes.


As the criteria, process, and forms may change annually at the discretion of senior management in response to market and institutional circumstances, incremental budget request guidelines will be developed and distributed annually which outline the current fiscal year criteria and process. If incremental budget requests are to be accepted, standardized forms for requesting incremental operating funds will be developed and distributed by the central Finance Department which categorize requests by type, and require specific financial and operational data relative to the request. Published guidelines will prescribe the process and time frame to be followed.

RESPONSIBILITIES

Vice President (VP) of Finance/
CFO and Treasurer, JHH/JHHS; VP
-Finance/CFO, JHBMC, JHCP
Vice President (VP) of Finance/

Establish guidelines for preparation and submission of requests.

Prioritize requests and provide preliminary approval.

 JOHNS HOPKINS MEDICINE JOHNS HOPKINS HEALTH SYSTEM	The Johns Hopkins Health System Policy & Procedure	<i>Policy Number</i>	FIN082
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CFO and Treasurer, JHHS

Integrate requests into JHHS annual operating plan.

Department Administrators/
 Department Chairpersons, Vice
 President of Finance/CFO, JHCP

Prepare and submit requests for consideration.

SPONSOR

Vice President of Finance/CFO and Treasurer, JHHS

REVIEW CYCLE

Three (3) years

APPROVAL

 President, JHHS

 Date