	<b>The Johns Hopkins Health System Policy &amp; Procedure</b>	<i>Policy Number</i>	FIN089	
		<i>Effective Date</i>	01-01-08	
	<i>Subject</i>	<b>JHHS BUDGETING FOR REVENUE RATE INCREASES</b>	<i>Page</i>	1 of 2
			<i>Supersedes</i>	10-01-06

**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. (JHPAHI), 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

The purpose of this policy is (1) to ensure the consistent and appropriate application of revenue inflation rates among the JHHS affiliates in the determination of financial targets for revenue and expenses in JHHS and affiliate Annual Operating Plans, and (2) to provide comparable financial data among JHHS affiliates.

The process will incorporate the following:

1. The primary guideline for determining annual revenue inflation rates for JHHS affiliate acute hospitals will be the HSCRC Annual Update Factor. Within the allowable corridors established by the HSCRC, modifications to the HSCRC Annual Update Factor may be made by the respective affiliate Chief Financial Officer (CFO) based on approved HSCRC adjustment factors (such as a planned change in case mix) with the approval of the JHHS Vice President of Finance/CFO and Treasurer.
2. Annual operating revenue rates of the non-hospital affiliates will be determined by prevailing market forces and contractual agreements. Rate changes will be estimated by the Chief Executive Officer (CEO) and CFO of each affiliate, subject to the review and approval of the JHHS Vice President of Finance/CFO and Treasurer.

It is imperative that the following personnel and appropriate staff from all affiliate Finance Departments participate in the revenue rate increase determination process:


<u>Affiliate</u>	<u>Representative</u>
JHH and JHHS	Management Committee
All other affiliates	Senior Management

**RESPONSIBILITIES**

Vice President of Finance/CFO and Treasurer, JHHS	Approve all revenue rate increases for all JHHS affiliates.
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**SPONSOR**

Vice President of Finance/CFO and Treasurer, JHHS

 <b>JOHNS HOPKINS</b> MEDICINE <hr/> JOHNS HOPKINS HEALTH SYSTEM	<b>The Johns Hopkins Health System          Policy &amp; Procedure</b>	<i>Policy Number</i>	FIN089
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**REVIEW CYCLE**

Three (3) years

**APPROVAL**

\_\_\_\_\_  
 President, JHHS

\_\_\_\_\_  
 Date