

**THE MARYLAND HOSPITAL ASSOCIATION DUES FORMULA**

**FY 2009**

**NOTE:** System discount is based on your hospital's prorated system discount using the steps outlined below:

1. In making the dues calculation, the expenses of all facilities in the system are added together instead of each hospital's dues being calculated separately. This results in lower dues from the sliding scale rate per \$1000 of expenses.
2. To reflect economies due to multiple facilities in a system: For each member acute hospital beyond one, there is a 2 percent reduction from the total assessment developed in Step 1, and a 1 percent reduction for each facility in the special category.

General Hospitals

\$2.40/1000 on first \$2.5 million of expenses  
 \$1.44/1000 on second \$2.5 million of expenses  
 \$0.96/1000 on third \$2.5 million of expenses  
 \$0.72/1000 on fourth \$2.5 million of expenses  
 \$0.60/1000 on balance of expenses

- Minimum—\$3,300
- Maximum—4 3/4 percent of MHA's net expenses

DUES REDUCTION FACTOR REG CALCS **34.530 %**

SOURCE: Expenses are from your hospital's 2007 Audited Financial Statements. (Excludes bad debt expenses.)

**PRIME PARTICIPATION OFFSET:**

Hospital FY 2008 PRIME Fees	x	<b>\$ 637,000</b>
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Maryland Hospitals' FY 2008 PRIME Total Fees		

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FY 2009**

**VETERANS ADMINISTRATION**

**\$0.48/1000 ON FIRST \$2.5 MILLION OF EXPENSES  
\$0.288/1000 ON SECOND \$2.5 MILLION OF EXPENSES  
\$0.192/1000 ON THIRD \$2.5 MILLION OF EXPENSES  
\$0.144/1000 ON FOURTH \$2.5 MILLION OF EXPENSES  
\$0.12/1000 ON BALANCE OF EXPENSES**

- **Minimum- \$1000**
- **Maximum- 1 percent on MHA's net expenses**

**SOURCES: HOSPITAL SUPPLIED 2007 TOTAL OPERATING EXPENSES**

**PRIME PARTICIPATION OFFSET:**

<u>HOSPITAL FY 2008 PRIME FEES</u>	
MARYLAND HOSPITALS FY 2008 PRIME FEES	<b>X \$637,000</b>

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**FY 2009**

General Hospitals

\$2.40/1,000 on first \$2.5 million of expenses

\$1.44/1,000 on second \$2.5 million of expenses

\$0.96/1,000 on third \$2.5 million of expenses

\$0.72/1,000 on fourth \$2.5 million of expenses

\$0.60/1,000 on balance of expenses

- Minimum—\$3,300
- Maximum—4 3/4 percent of MHA's net expenses

**DUES REDUCTION FACTOR REG CALCS 34.530 %**

**SOURCE:** Expenses are from your hospital's 2007 Audited Financial Statements. (Excludes bad debt expenses.)

**PRIME PARTICIPATION OFFSET:**

Hospital FY 2008 PRIME FEES		
-----	X	\$ 637,000
Maryland Hospitals' FY 2008 PRIME Total FEES		

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**FY 2009**

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1. In making the dues calculation, the expenses of all facilities in the system are added together instead of each hospital's dues being calculated separately. This results in lower dues from the sliding scale rate per \$1000 of expenses.
2. To reflect economies due to multiple facilities in a system: For each member acute hospital beyond one, there is a 2 percent reduction from the total assessment developed in Step 1, and a 1 percent reduction for each facility in the special category.

Special Hospitals

- \$1 .20/1,000 on first \$2.5 million of expenses
- \$0.72/1,000 on second \$2.5 million of expenses
- \$0.48/1,000 on third \$2.5 million of expenses
- \$0.36/1,000 on fourth \$2.5 million of expenses
- \$0.30/1,000 on balance of expenses

- Minimum—\$ 1,650
- Maximum—2 3/8 percent of MHA's net expenses

DUES REDUCTION FACTOR REG CALCS **34.530 %**

SOURCE: Expenses are from your hospital's 2007 Audited Financial Statements. (Excludes bad debt expenses.)

PRIME PARTICIPATION OFFSET:

Hospital FY 2008 PRIME FEES

**X \$ 637,000**

Maryland Hospitals' FY 2008 PRIME Total Fees