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April 1, 2020

Dear Investigator,

The Executive Committee for Clinical Research Billing, consisting of senior research, legal, compliance and financial executives for Johns Hopkins Medicine met this month to review and update the research charge adjustment percentages.

For statements generated after April 1, 2020 Hospital Billing (HB) charges will be discounted by 71.1% of the facility charge master for Government/Not for Profit organizations and by 56.8% for Pharmaceutical/For Profit sponsors. These reductions maintain equivalency with our target guideline of 100% of CMS Medicare rates for Government/Not for Profit sponsors and 150% of CMS Medicare rates for Pharmaceutical/For Profit companies.

Monthly Single Billing Office (SBO) account statements for research accounts with HB charges will continue to include a memo highlighting the charge master total, research discount, and adjusted balance for payment from the study IO#.

Your support and cooperation is appreciated as we continue to improve administrative processes supporting clinical research. Study teams should contact the Clinical Research Support Services (CRSS) team to access pricing and develop budgets that ensure financial integrity of research projects. Please contact that group at CRSS@jhmi.edu or via phone at 410-361-8362. Fees used in budgets for imaging services on the Johns Hopkins Hospital campus must be obtained directly from RadResearchBilling@jhmi.edu.

Best regards,

A handwritten signature in black ink, appearing to read "D. Ford".

Daniel Ford, M.D., M.P.H.
Vice Dean, Clinical Investigation

Cc: Executive Committee on Clinical Research Billing

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Senior Vice President and Chief Financial Officer

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MEMORANDUM

To: Paul B. Rothman, M.D.

Ronald R. Peterson

From: Richard A. Grossi

Ronald Werthman

Date: April 4, 2014

Re: Revision in Rates Accepted for Reimbursement of Research Patient Care (replaces Memorandum dated March 22, 2002)

A group initiated by Mike Amey, and including Rich Grossi, Ron Werthman, Stu Erdman, and Ed Beranek have met to determine what research patient care rate changes for sponsors would best comply with the MD HSCRC patient care rate regulations, the HHS Research Patient Care Cost Principles, make Johns Hopkins Medicine patient care entities more competitive for pricing of clinical trials and provide clinic research faculty and administrative staff with consistent and clear instructions.

Research patient care may be treated as unregulated care under the HSCRC rules. The current procedure of discounting the research patient care rates to the average aggregate HHS cost basis is inaccurate for many procedures because it is an un-weighted average. When that is combined with our current regulated ancillary charges, it results in research patient care rates, especially for ancillaries (e.g., pulmonary function and cardiac testing), that are several times the national and regional average Medicare rates. This has caused us to be uncompetitive in clinical trial sponsor pricing and has caused us to be excluded from many regional and national trials. Finally, we also need consistent research patient care pricing across all of our JHM entities and our affiliate Clinical Research Network sites, now involving four states and the District of Columbia.

Meanwhile, our review of the JHH, JHBMC and SOM billed patient care for clinical research for the past three years showed that 97.5% of such charges were to insurers and self-pay for the standard-of-care portions of the clinical trials at the HSCRC rates, leaving only 2.5% billed to research study budgets. It was agreed by the review group above that it was in our best interests to reduce the research patient care billed to sponsors to enable us to capture more studies quickly with 97.5% billed to insurers. Accordingly, we have proposed the following revisions to the pricing of the research patient care rates billed to sponsors, in place of the March 27, 2002 Memorandum (attached):


1. For research patient care (in-patient and out-patient), billed to sponsors, JHM patient care entities and affiliated Clinical Research Network institutions will:
 - a. For Federal and non-profit sponsors, accept 100% of the average regional Medicare/Medicaid rates.
 - b. For industry sponsors, accept 150% of the average regional Medicare/Medicaid rates.

Memorandum cont.

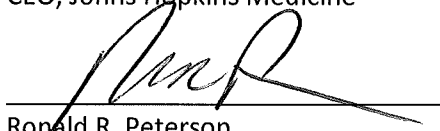
- c. Regional Medicare/Medicaid rates will be researched and established through the Clinical Research Billing Compliance Group in cooperation with JHHS Finance.
 - d. Any JHM entity or affiliated Clinical Research Network entity may choose to not participate in a particular clinical research study, if the regional average Medicare/Medicaid rates are cost prohibitive for that entity.
2. We expect that using this policy and our no longer using routine off-set inpatient research patient care rates, should allow us to simplify the JHH and JHBMC HHS rate agreements for research patient care, removing the need for cost analysis in place of regional Medicare rates.

We thank you for consideration of this policy change. If you approve, please sign this Memorandum and return it to Mike Amey for distribution.

Approved:



Paul B. Rothman, M.D.
Dean of the Medical Faculty
CEO, Johns Hopkins Medicine



Ronald R. Peterson
President, The Johns Hopkins Hospital and Health System
EVP, Johns Hopkins Medicine

Enclosures (2)

CC:

Michael Amey
Ed Beranek
Daniel Ford, M.D., MPH
Landon King, M.D.
Joanne Pollak
Antony Rosen, M.D.
Mark Rotenberg
Dan Shealer
Martha Weiner