**HSA 6175 FINANCIAL MANAGEMENT OF HEALTH SYSTEMS**

**ASSIGNMENT 1**

**Problem 1**

OVERVIEW:

John Rossi, MD is an Internal Medicine Physician. For the year 2016 he had the following Payor Mix:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Insurance** | **Patient Type** | **Contract Type** | **Contract Rate Per Visit\* or PMPM\*\*** | **Patients** | **Monthly Utilization** | **Visits** |
| HMO A | Commercial | Fee for Service | $ 85.00 | 1,100 | 10% | 1,320 |
| HMOB | Medicare | Capitation | $ 45.00 | 500 | 31% | 1,860 |
| HMOB | Medicaid | Capitation | $ 15.00 | 350 | 9% | 378 |
| Medicare | Medicare | Fee for Service | $ 65.00 | 400 | 34% | 1,632 |
| Medicaid | Medicaid | Fee for Service | $ 35.00 | 435 | 11% | 574 |
| None | Self Pay | Fee for Service | $ 85.00 | 320 | 8% | 307 |
|  |  |  |  |  |  |  |
|  | Total |  |  | 3,105 |  | 6,071 |

\* Average rate per visit

\*\* Per member per month

**REQUIRED:**

A. Using an Excel Worksheet, calculate Dr. Rossi's revenues for 2016.

B. HMO A has offered Dr. Rossi $11 PMPM capitation rate. Should he accept this offer? Why or why not?

**Problem 2**

OVERVIEW:

The Orthopedic Unit at Collins General Hospital had the following cases, excluding outliers:



**REQUIRED:**

A. What is the average Per Diem paid by Medicare and the actual average Per Diem the hospital realized?

B. State at least two reasons why the actual ALOS was higher than the average MS-DRG LOS?

Rubrics:

Submission of both problems 50%

Problem 1A 10%

Problem 1B 15%

Problem 2A 10%

Problem 2B 15%