



Kennedy Krieger Institute

December 5, 2023

Mr. Dennis N. Phelps
Deputy Director
Audit & Compliance
Health Services Cost Review Commission
4160 Patterson Avenue
Baltimore, MD 21215

Dear Dennis:

Attached please find a copy of the fiscal year 2023 audited financial statements for Kennedy Krieger Institute, Inc. and Subsidiaries. These statements include the operating results for Kennedy Krieger Children's Hospital, Inc. (KKCH). Refer to the supplemental consolidating financial statements starting on page 34. We have also e-mailed a copy of the audited financial statements to hscrc.audited@maryland.gov.

Also attached is a copy of the HSCRC revenue test calculation for KKCH. The HSCRC revenue test documents that 81% of KKCH's gross patient revenue is generated from Medicare/Medicaid and other unregulated revenue sources.

I trust that information meets the needs of the Commission. Please do not hesitate to contact me should you have any questions or require additional information. I can be reached at 443-923-1886 or via e-mail at oppitz@kennedykrieger.org.

Sincerely,

Stephen Oppitz
Assistant Vice President – Finance

**Kennedy Krieger Children's Hospital (KKCH)
HSCRC Revenue Test
FY 2023**

	Gross Patient Service Revenue	Medicare/Medicaid and Unregulated Revenue				%
		Gross Medicaid Revenue	Gross Medicare Revenue	Gross Unregulated Revenue	Total Mcr/Mcd Unreg Revenue	
<u>Inpatient:</u>						
All-inclusive per diem	61,473,849	16,842,176	-	-	16,842,176	
Attending physician	3,500,513	-	-	3,500,513	3,500,513	
Disproportionate share/GME	1,614,919	-	-	1,614,919	1,614,919	
Total inpatient revenue - KKCH	66,589,281	16,842,176	-	5,115,432	21,957,608	33.0%
<u>Outpatient:</u>						
Hospital-based services	11,018,059	2,718,941	209,448	-	2,928,389	
Hospital-based off-site clinic services	182,133,766	-	-	182,133,766	182,133,766	
Specialized lab billing and other	4,083,176	-	-	4,083,176	4,083,176	
Physician professional services	7,123,063	-	-	7,123,063	7,123,063	
Total Outpatient Revenue - KKCH	204,358,064	2,718,941	209,448	193,340,005	196,268,394	96.0%
Total KKCH patient service revenue	270,947,345	19,561,117	209,448	198,455,437	218,226,002	80.5%

<u>Reconciliation of Patient Service Revenue to Audited Consolidated Financial Statements (Note #3):</u>				
	Gross	Deductions	Net Patient Revenue	
Patient Service Revenue - KKCH Inpatient	66,589,281	18,134,000	48,455,281	Audited CFS (Note 3)
Patent Service Rev - KKCH Outpatient	204,358,064	33,242,326	171,115,738	
Patent Service Rev - Non-Hospital Outpatient:				
School related medical services	4,573,817	856	4,572,961	
PACT day care medical services	320,963	129,792	191,171	
Research clinical trials/service center	3,215,694	-	3,215,694	
Total Patient Service Revenue - KKI (Outpatient)	212,468,538	33,372,974	179,095,564	Audited CFS (Note 3)
Total Patient Service Revenue - KKI (Combined)	279,057,819	51,506,974	227,550,845	Audited CFS (Note 3)