

OBRA FORMULA FOR FISCAL YEAR 2010/11

$$\text{OBRA 1993 Hospital Specific Limit}^* = \left(\begin{array}{c} \text{Medi-Cal/Uninsured} \\ \text{Expenses} \end{array} \right) - \left(\begin{array}{c} \text{Medi-Cal/Uninsured} \\ \text{Revenues} \end{array} \right)$$

* Note: As per BBA 97 and BBRA 99, the OBRA limit amounts determined by the formula will be applied:

- at 175% to public hospitals
- at 100% to non-public hospitals

Medi-Cal/Uninsured Expenses

$$\text{Medi-Cal/Uninsured Expenses} = \left(\frac{\text{Projected Total Hospital Expenses For FY 10/11}}{\text{Hospital Expenses For FY 10/11}} \right) \left(\frac{\text{Medi-Cal/Uninsured Patient Mix}}{\text{Patient Mix}} \right)$$

Where,

$$\text{Projected Total Hospital Expenses For FY 10/11} = \left(\frac{\text{Projected Adjusted Hospital Operating Expenses For FY 10/11}}{\text{Hospital Operating Expenses For FY 10/11}} \right) + \left(\frac{\text{Estimated FY 10/11 CRRP Costs (From Survey)}}{\text{CRRP Costs (From Survey)}} \right) - \left(\frac{\text{Estimated FY 10/11 Medi-Cal Administrative Activities (From Survey)}}{\text{Medi-Cal Administrative Activities (From Survey)}} \right)$$

Where,

$$\text{Projected Adjusted Hospital Operating Expenses For FY 10/11} = \left[\left(\frac{\text{Total Operating Expenses}^1}{\text{(L0820001)}} \right) - \left(\frac{\text{Non - Patient Expenses}}{\text{(From Survey)}} \right) - \left(\frac{\text{CRRP Costs For FY Ending In 2008}}{\text{(From Survey)}} \right) \right] \left(\frac{\text{Trend Factor}}{\text{Factor}} \right)$$

and where,

$$\text{Trend Factor} = \left[\left(\frac{\text{Medicare Market Basket Percentage for FFY 2009}}{\text{Basket Percentage for FFY 2009}} \right) \left(\frac{\text{Hospital 2008 FY End Month Adjustment Factor}}{\text{Adjustment Factor}} \right) + 1 \right] \left[\left(\frac{\text{Medicare Market Basket Percentage for FFY 2010}}{\text{Basket Percentage for FFY 2010}} \right) + 1 \right] \left[\left(\frac{\text{Medicare Market Basket Percentage for FFY 2011}}{\text{Basket Percentage for FFY 2011}} \right) + 1 \right]$$

$$\text{Medi-Cal/Uninsured}^3 = \frac{\left(\begin{array}{l} \text{Total Medi-Cal} \\ \text{In/Outpatient Charges}^1 \\ (\text{L1241505} + \text{L1241506} + \\ \text{L1241507} + \text{L1241508} \\ + \text{Short/Doyle Charges}) \end{array} \right) + \left(\begin{array}{l} \text{Total County Indigent Program} \\ \text{In/Outpatient Charges}^2 \\ (\text{L1241509} + \text{L1241510} + \\ \text{L1241511} + \text{L1241512}) \end{array} \right) + \left(\begin{array}{l} \text{Total Uninsured} \\ \text{In/Outpatient Charges}^2 \\ (\text{L1241517} + \text{L1241518} + \\ \text{L1241519} + \text{L1241520}) \end{array} \right)}{\text{Total In/Outpatient Charges}^2} \\
 \text{Patient Mix} \qquad \qquad \qquad (\text{L1241523})$$

1. From the OSHPD Annual Financial Disclosure Report (AFDR) for fiscal year ending in 2008 and Medi-Cal Short/Doyle paid claims for calender year of service 2008 with dates of payment through May 2010.
2. From the AFDR for the hospital's fiscal year ending in 2008.
3. $0 \leq \text{Medi-Cal Uninsured Patient Mix} \leq 100$.

Medi-Cal/Uninsured Revenues

$$\begin{aligned}
 \text{Medi-Cal/Uninsured Revenues} = & \left(\begin{array}{c} \text{Total Medi-Cal} \\ \text{In/Outpatient} \\ \text{Revenues For CY} \\ \text{of Payment 2009}^1 \end{array} \right) + \left(\begin{array}{c} \text{Estimated} \\ \text{FY 10/11} \\ \text{CRRP Revenues} \\ \text{(From Survey)} \end{array} \right) + \left(\begin{array}{c} \text{Supplemental Payments} \\ \text{(Paid or Payable) or} \\ \text{SNCP CPEs Claimed} \\ \text{For FY 10/11} \end{array} \right) + \left(\begin{array}{c} \text{Estimated FY 10/11} \\ \text{Targeted Case} \\ \text{Management Revenues} \\ \text{(From Survey)} \end{array} \right) \\
 & + \left[\left(\begin{array}{c} \text{Uninsured Cash} \\ \text{Payments}^2 \\ \text{(| L1244517 | + | L1244518 | + | L1244519 | + | L1244520 | } \\ \text{+ | L1246017 | + | L1246018 | + | L1246019 | + | L1246020 |)} \end{array} \right) \left(\text{Trend Factor}^3 \right) \right] \\
 & + \left(\text{Outpatient DSH Payments} \right) + \left(\text{AB 915 Payments} \right) + \\
 & \left(\text{Outpatient Small \& Rural Hospital Payments} \right) + \left(\text{Quality Assurance Fee Payment}^4 \right) + \left(\text{NDPH - IGT Program} \right. \\
 & \left. \text{Payment}^5 \right)
 \end{aligned}$$

1. From Medi-Cal paid claims, Medi-Cal Short/Doyle paid claims, Medi-Cal Inpatient Psychiatric paid claims, the San Mateo, Santa Barbara, Solano, Napa, San Luis Obispo, Santa Cruz, Monterey, and Yolo county plans paid claims and data collected from the Medi-Cal Managed Care plans for calendar year of payment 2009.
2. From the OSHPD Annual Financial Disclosure Report for fiscal year ending in 2008. To calculate the Uninsured Cash Payments
 - (a) Each Support for Clinical Teaching (Line 445) will be offset by its Teaching Allowance (Line 440)
 - (b) Only positive values will be used for the Net Patient Revenue (Line 460).
3. Same as the Trend Factor calculated on page two.
4. **Applicable to non-designated public hospitals (NDPHs). Including payments for 7/1/2010 to 12/30/2010 (dates of service).**
5. **Including payments for 1/1/2011 to 06/30/2011 (dates of service).**