

OBRA FORMULA FOR SFY 2015-16

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

* Note: According to the Balanced Budget Act of 1997 and Balanced Budget Refinement Act of 1999, the OBRA (Omnibus Budget Reconciliation Act) limit amounts that are determined by this formula will be applied:

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

Medi-Cal / Uninsured Expenses

$$\text{Medi-Cal / Uninsured Expenses} = \left(\frac{\text{Projected Total Hospital Expenses for FY 2015/16}}{\text{Total Hospital Expenses for FY 2015/16}} \right) * \left(\frac{\text{Medi-Cal / Uninsured Patient Mix}}{\text{Total Patient Mix}} \right)$$

Where

$$\text{Projected Total Hospital Expenses for FY 2015/16} = \left(\frac{\text{Projected Adjusted Hospital Operating Expenses for FY 2015/16}}{\text{Total Hospital Operating Expenses for FY 2015/16}} \right) + \left(\frac{\text{Estimated FY 2015/16 CRRP Costs (from Survey)}}{\text{Total Hospital Expenses for FY 2015/16}} \right) - \left(\frac{\text{Estimated FY 2015/16 Medi-Cal Administrative Activities (from Survey)}}{\text{Total Hospital Expenses for FY 2015/16}} \right)$$

Where

$$\text{Projected Adjusted Hospital Operating Expenses for FY 2015/16} = \left[\left(\frac{\text{Total Operating Expenses (P8_C1_L200)}}{\text{Total Hospital Operating Expenses for FY 2015/16}} \right) - \left(\frac{\text{QAF Fee (selected Private Hospitals)}}{\text{Total Hospital Operating Expenses for FY 2015/16}} \right) - \left(\frac{\text{Nonpatient Expenses (from Survey)}}{\text{Total Hospital Operating Expenses for FY 2015/16}} \right) - \left(\frac{\text{CRRP Costs for FY ending in 2013 (from Survey)}}{\text{Total Hospital Operating Expenses for FY 2015/16}} \right) \right] * \left(\frac{\text{Trend Factor}}{\text{Total Hospital Operating Expenses for FY 2015/16}} \right)$$

Where

$$\text{Trend Factor} = \left[\left(\frac{\text{Medicare Market Basket Percentage for FFY 2014}}{\text{Total Hospital Operating Expenses for FY 2015/16}} \right) * \left(\frac{\text{Hospital 2013 FY Ending Month Adjustment Factor} + 1}{\text{Total Hospital Operating Expenses for FY 2015/16}} \right) * \left[\left(\frac{\text{Medicare Market Basket Percentage for FFY 2015}}{\text{Total Hospital Operating Expenses for FY 2015/16}} \right) + 1 \right] * \left[\left(\frac{\text{Medicare Market Basket Percentage for FFY 2016}}{\text{Total Hospital Operating Expenses for FY 2015/16}} \right) + 1 \right]$$

Medi-Cal / Uninsured Patient Mix

$$\begin{array}{c}
 \text{Medi-Cal / Uninsured} \\
 \text{Patient Mix}
 \end{array}
 =
 \frac{
 \begin{array}{c}
 \text{Total Medi-Cal In / Outpatient} \\
 \text{Charges}^1 \\
 (\text{P12_C5_L415} + \\
 \text{P12_C6_L415} + \\
 \text{P12_C7_L415} + \\
 \text{P12_C8_L415} + \\
 \text{Short-Doyle Charges})
 \end{array}
 +
 \begin{array}{c}
 \text{Total County Indigent Program In /} \\
 \text{Outpatient Charges}^3 \\
 (\text{P12_C9_L415} + \text{P12_C10_L415} + \\
 \text{P12_C11_L415} + \text{P12_C12_L415})
 \end{array}
 +
 \begin{array}{c}
 \text{Total Uninsured In / Outpatient} \\
 \text{Charges}^3 \\
 (\text{P12_C17_L415} + \text{P12_C18_L415} \\
 + \text{P12_C19_L45} + \\
 \text{P12_C20_L415})
 \end{array}
 }{
 \begin{array}{c}
 \text{Total In / Outpatient Charges}^3 \\
 (\text{P12_C23_L415})
 \end{array}
 }$$

1. The Total Medi-Cal Inpatient and Outpatient Charges come from the OSHPD Annual Financial Disclosure Report (AFDR) for fiscal year ending (FYE) in 2013. Medi-Cal Short/Doyle paid claims for calendar year of service 2013 with dates of payment through May 2015.
2. Pursuant to the OSHPD Technical Letters No. 23 (August 2011) and 25 (September 2012), hospitals are required to report the Quality Assurance Fee (QAF) Program payments in the AFDR. According to California Welfare and Institutions Code Section 14169.8 (effective 2011), the QAF payments made to private hospitals will be adjusted in the OBRA calculation.
3. The Total County Indigent Program Inpatient and Outpatient Charges and the Total Uninsured Inpatient and Outpatient Charges come from the AFDR for the hospital's fiscal year ending in 2013.
4. The Medi-Cal/Uninsured Patient Mix must be between zero and one hundred.

Medi-Cal / Uninsured Revenues

$$\begin{aligned}
 \text{Medi-Cal / Uninsured Revenues} &= \left(\begin{array}{c} \text{Total Medi-Cal In /} \\ \text{Outpatient Revenues for} \\ \text{CY of Payment} \\ \text{2014}^1 \end{array} \right) + \left(\begin{array}{c} \text{Estimated FY 2015/16 CRRP} \\ \text{Revenues} \\ \text{(from Survey)} \end{array} \right) + \left(\begin{array}{c} \text{Supplemental Payments Paid or} \\ \text{Payable and SNCP CPEs} \\ \text{Claimed for FY 2015/16} \end{array} \right) + \left(\begin{array}{c} \text{Estimated FY 2015/16 Targeted} \\ \text{Case Management Revenues} \\ \text{(from Survey)} \end{array} \right) \\
 &+ \left[\begin{array}{c} \text{Uninsured Cash Payments}^2 \\ ((P12_C17_L445) + (P12_C18_L445) + (P12_C19_L445)) \\ + ((P12_C20_L445) + (P12_C17_L460^3 + P12_C18_L460^3 + \\ P12_C19_L460^3 + P12_C20_L460^3)) \end{array} \right] * (\text{Trend Factor}^4) \\
 &+ (\text{Outpatient DSH Payments}) + (\text{AB 915 Payments}) + (\text{Outpatient Small and Rural Hospital Payments}) + (\text{NDPH IGT})
 \end{aligned}$$

1. The Total Medi-Cal Inpatient and Outpatient Revenues come from the Medi-Cal paid claims files, Medi-Cal Short/Doyle paid claims files, Medi-Cal Inpatient Psychiatric paid claims files, and data collected from the Medi-Cal Managed Care plans for calendar year of payment 2014.
2. The Uninsured Cash Payments come from the OSHPD Annual Financial Disclosure Report for fiscal year ending in 2013.
3. To calculate the Uninsured Cash Payments, each support for Clinical Teaching (Line 445) will be offset by its Teaching Allowance (Line 440), and only positive values will be used for the Net Patient Revenue (Line 460).
4. Same as the Trend Factor calculated on page two.