

## OBRA FORMULA FOR FISCAL YEAR 2008/09

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

\* 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

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## Medi-Cal/Uninsured Expenses

$$\text{Medi-Cal/Uninsured Expenses} = \left( \frac{\text{Projected Total Hospital Expenses For FY 08/09}}{\text{Patient Mix}} \right) \left( \text{Medi-Cal/Uninsured} \right)$$

Where,

$$\text{Projected Total Hospital Expenses For FY 08/09} = \left( \frac{\text{Projected Adjusted Hospital Operating Expenses For FY 08/09}}{\text{Patient Mix}} \right) + \left( \frac{\text{Estimated FY 08/09 CRRP Costs (From Survey)}}{\text{Patient Mix}} \right) - \left( \frac{\text{Estimated FY 08/09 Medi-Cal Administrative Activities (From Survey)}}{\text{Patient Mix}} \right)$$

Where,

$$\text{Projected Adjusted Hospital Operating Expenses For FY 08/09} = \left[ \left( \frac{\text{Total Operating Expenses}^1}{\text{L0820001}} \right) - \left( \frac{\text{Non - Patient Expenses}}{\text{Patient Mix}} \right) - \left( \frac{\text{CRRP Costs For FY Ending In 2006}}{\text{Patient Mix}} \right) \right] \left( \frac{\text{Trend Factor}}{\text{Patient Mix}} \right)$$

and where,

$$\text{Trend Factor} = \left[ \left( \frac{\text{Medicare Market Basket Percentage for FFY 2007}}{\text{Patient Mix}} \right) \left( \frac{\text{Hospital 2006 FY End Month Adjustment Factor}}{\text{Patient Mix}} \right) + 1 \right] \left[ \left( \frac{\text{Medicare Market Basket Percentage for FFY 2008}}{\text{Patient Mix}} \right) + 1 \right] \left[ \left( \frac{\text{Medicare Market Basket Percentage for FFY 2009}}{\text{Patient Mix}} \right) + 1 \right]$$

1. From the OSHPD Annual Financial Disclosure Report for fiscal year ending in 2006.

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

1. From the OSHPD Annual Financial Disclosure Report for fiscal year ending in 2006 and the OSHPD Confidential Discharge Data files for calender year of service 2006. Medi-Cal Short/Doyle paid claims files for calender year of service 2006 with dates of payment through May 2008.
2. From the OSHPD Annual Financial Disclosure Report for the hospital's fiscal year ending in 2006.

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## Medi-Cal/Uninsured Revenues

$$\begin{aligned}
 \text{Medi-Cal/Uninsured Revenues} = & \left( \begin{array}{c} \text{Total Medi-Cal} \\ \text{In/Outpatient} \\ \text{Revenues For CY} \\ \text{of Payment 2007}^1 \end{array} \right) + \left( \begin{array}{c} \text{Estimated} \\ \text{FY 08/09} \\ \text{CRRP Revenues} \\ \text{(From Survey)} \end{array} \right) + \left( \begin{array}{c} \text{CMAC} \\ \text{Supplemental Payments} \\ \text{Paid or Payable} \\ \text{For FY 08/09} \end{array} \right) + \left( \begin{array}{c} \text{Estimated FY 08/09} \\ \text{Targeted Case} \\ \text{Management Revenues} \\ \text{(From Survey)} \end{array} \right) \\
 & + \left[ \left( \begin{array}{c} \text{Uninsured Cash} \\ \text{Payments}^2 \\ (|L1244517| + |L1244518| + |L1244519| + |L1244520| \\ + |L1246017| + |L1246018| + |L1246019| + |L1246020|) \end{array} \right) \left( \text{Trend Factor}^3 \right) \right] \\
 & + \left( \text{Outpatient DSH Payments} \right) + \left( \text{AB 915 Payments} \right) + \left( \text{Outpatient Small \& Rural Hospital Payments} \right)
 \end{aligned}$$

1. From the Medi-Cal paid claims files, Medi-Cal Short/Doyle paid claims files, Medi-Cal Inpatient Psychiatric paid claims files, the San Mateo, Santa Barbara, Solano, Napa, Orange, Santa Cruz, Monterey, and Yolo county plans paid claims files and data collected from the Medi-Cal Managed Care plans for calendar year of payment 2007.
2. From the OSHPD Annual Financial Disclosure Report for fiscal year ending in 2006.
3. Same as the Trend Factor calculated on page two.