

## OBRA FORMULA FOR FISCAL YEAR 2018-19

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

\* 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

Medi-Cal / Uninsured Expenses	=	Projected Total Hospital Expenses for FY 2018-19	*	Medi-Cal / Uninsured Patient Mix
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Where

Projected Total Hospital Expenses for FY 2018-19	=	Projected Adjusted Hospital Operating Expenses for FY 2018-19	+	Estimated FY 2018-19 CRRP Costs (from Survey)	—	Estimated FY 2018-19 Medi-Cal Administrative Activities (from Survey)				
Where										
Projected Adjusted Hospital Operating Expenses for FY 2018-19	=	Total Operating Expenses <sup>1</sup> (P8_C1_L200)	—	QAF Fee (selected Private Hospitals) <sup>2</sup>	—	Nonpatient Expenses (from Survey)	—	CRRP Costs for FY ending in 2016 (from Survey)	*	Trend Factor
Where										
Trend Factor	=	Medicare Market Basket Percentage for FFY 2017	*	Hospital 2016 FY Ending Month Adjustment Factor	+ 1 *	Medicare Market Basket Percentage for FFY 2018	+ 1 *	Medicare Market Basket Percentage for FFY 2019	+ 1	

$$\begin{array}{c}
 \text{Medi-Cal / Uninsured} \\
 \text{Patient Mix}
 \end{array}
 =
 \frac{
 \begin{array}{c}
 \left( \begin{array}{c}
 \text{Total Medi-Cal In / Outpatient} \\
 \text{Charges}^1 \\
 (\text{P12\_C5\_L415} + \\
 \text{P12\_C6\_L415} + \\
 \text{P12\_C7\_L415} + \\
 \text{P12\_C8\_L415} + \\
 \text{Short-Doyle Charges})
 \end{array} \right)
 +
 \left( \begin{array}{c}
 \text{Total County Indigent Program In /} \\
 \text{Outpatient Charges}^3 \\
 (\text{P12\_C9\_L415} + \text{P12\_C10\_L415} + \\
 \text{P12\_C11\_L415} + \text{P12\_C12\_L415})
 \end{array} \right)
 +
 \left( \begin{array}{c}
 \text{Total Uninsured In / Outpatient} \\
 \text{Charges}^3 \\
 (\text{P12\_C17\_L415} + \text{P12\_C18\_L415} \\
 + \text{P12\_C19\_L45} + \\
 \text{P12\_C20\_L415})
 \end{array} \right)
 \end{array}
 }{
 \begin{array}{c}
 \text{Total In / Outpatient Charges}^3 \\
 (\text{P12\_C23\_L415})
 \end{array}
 }$$

1. From the OSHPD Annual Financial Disclosure Report (AFDR) for fiscal year ending (FYE) in 2016. Medi-Cal Short/Doyle paid claims for calendar year of service 2016 with dates of payment through May 2018.
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 FY OBRA calculation.
3. From the AFDR for the hospital's fiscal year ending in 2016.
4.  $0 \leq \text{Medi-Cal / Uninsured Patient Mix} \leq 100$ .

## Medi-Cal / Uninsured Revenues

$$\begin{aligned}
 \text{Medi-Cal / Uninsured Revenues} &= \left( \begin{array}{c} \text{Total Medi-Cal In /} \\ \text{Outpatient} \\ \text{Revenues for} \\ \text{CY of} \\ \text{Payment} \\ \text{2017}^1 \end{array} \right) + \left( \begin{array}{c} \text{Estimated FY 2018-19 CRRP} \\ \text{Revenues} \\ \text{(from Survey)} \end{array} \right) + \left( \begin{array}{c} \text{Supplemental Payments Paid or} \\ \text{Payable and SNCP CPEs} \\ \text{Claimed for FY 2018-19} \end{array} \right) + \left( \begin{array}{c} \text{Estimated FY 2018-} \\ \text{19 Targeted Case} \\ \text{Management} \\ \text{Revenues} \\ \text{(from Survey)} \end{array} \right) \\
 + \left[ \begin{array}{c} \text{Uninsured Cash Payments}^2 \\ \text{((P12\_C17\_L445) + (P12\_C18\_L445) + (P12\_C19\_L445))} \\ \text{+ ((P12\_C20\_L445) + (P12\_C17\_L460}^3 \text{ + P12\_C18\_L460}^3 \text{ +} \\ \text{P12\_C19\_L460}^3 \text{ + P12\_C20\_L460}^3 \text{))} \end{array} \right] * \text{(Trend Factor}^4 \text{)} \\
 + \text{(Outpatient DSH Payments) + (AB 915 Payments) + (Outpatient Small and Rural Hospital Payments) + (NDPH IGT)}
 \end{aligned}$$

1. 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 2017.
2. From the OSHPD Annual Financial Disclosure Report for fiscal year ending in 2016.
3. From the OSHPD Annual Financial Disclosure Report for fiscal year ending in 2016. 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).
4. Same as the Trend Factor calculated on page two.