

OBRA Formula for Fiscal Year 2022-23

$$\text{OBRA 1993 Hospital Specific Limit*} = \left[\begin{array}{c} \text{Medi-Cal / Uninsured} \\ \text{Expense} \end{array} \right] - \left[\begin{array}{c} \text{Medi-Cal / Uninsured} \\ \text{Revenues} \end{array} \right]$$

* 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 applies

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

OBRA Formula for Fiscal Year 2022-23

Medi-Cal / Uninsured Expenses

$$\text{Medi-Cal / Uninsured Expenses} = \left[\begin{array}{c} \text{Projected Total} \\ \text{Hospital} \\ \text{Expenses for FY 2022-23} \end{array} \right] * \left[\begin{array}{c} \text{Medi-Cal /} \\ \text{Uninsured} \\ \text{Patient Mix} \end{array} \right]$$

Where

$$\text{Projected Total Hospital Expenses for FY 2022-23} = \left[\begin{array}{c} \text{Projected Adjusted} \\ \text{Hospital Operating} \\ \text{Expenses for} \\ \text{FY 2022-23} \end{array} \right] + \left[\begin{array}{c} \text{Estimated} \\ \text{FY 2022-23} \\ \text{CRRP Costs} \\ \text{(from Survey)} \end{array} \right] - \left[\begin{array}{c} \text{Estimated} \\ \text{FY 2022-23} \\ \text{Medi-Cal} \\ \text{Administrative} \\ \text{Activities} \\ \text{(from Survey)} \end{array} \right]$$

Where

$$\text{Projected Adjusted Hospital Operating Expenses for FY 2022-23} = \left(\left[\begin{array}{c} \text{Total} \\ \text{Operating} \\ \text{Expenses}^1 \\ \text{(P8_C1_L200)} \end{array} \right] - \left[\begin{array}{c} \text{HQAF Fee} \\ \text{(Selected} \\ \text{Private} \\ \text{Hospitals)}^2 \end{array} \right] - \left[\begin{array}{c} \text{Non-Patient} \\ \text{Expenses} \\ \text{(from Survey)} \end{array} \right] - \left[\begin{array}{c} \text{CRRP Costs} \\ \text{for FY} \\ \text{ending 2020} \\ \text{(from Survey)} \end{array} \right] \right) * \left[\begin{array}{c} \text{Trend} \\ \text{Factor} \end{array} \right]$$

Where

$$\text{Trend Factor} = \left(\left[\begin{array}{c} \text{Medicare} \\ \text{Market} \\ \text{Basket} \\ \text{Percentage} \\ \text{for FFY 2021} \end{array} \right] * \left[\begin{array}{c} \text{Hospital} \\ \text{2020} \\ \text{FY Ending} \\ \text{Month} \\ \text{Adjustment} \\ \text{Factor} \end{array} \right] + 1 \right) * \left(\left[\begin{array}{c} \text{Medicare} \\ \text{Market} \\ \text{Basket} \\ \text{Percentage} \\ \text{for FFY 2022} \end{array} \right] + 1 \right) * \left(\left[\begin{array}{c} \text{Medicare} \\ \text{Market} \\ \text{Basket} \\ \text{Percentage} \\ \text{for FFY 2023} \end{array} \right] + 1 \right)$$

1. From the Office of Statewide Health Planning and Development (OSHPD) Annual Financial Disclosure Report (AFDR) for fiscal year ending in 2020.
2. Pursuant to the OSHPD Technical Letters No. 23 (August 2011) and 25 (September 2012), hospitals are required to report the Hospital Quality Assurance Fee (HQAF) Program payments in the AFDR. According to California Welfare and Institutions Code Section 14169.8 (effective 2011), the HQAF payments made to private hospitals will be adjusted in the FY OBRA calculation.

OBRA Formula for Fiscal Year 2022-23

$$\text{Medi-Cal/Uninsured Patient Mix}^3 = \frac{
 \left[\begin{array}{l}
 \text{Total Medi-Cal In/Outpatient Charges}^1 \\
 (\text{P12_C5_L415} + \text{P12_C6_L415} + \text{P12_C7_L415} + \text{P12_C8_L415} + \\
 \text{Short-Doyle Charges})
 \end{array} \right] + \left[\begin{array}{l}
 \text{Total County Indigent Program In/Outpatient Charges}^2 \\
 (\text{P12_C9_L415} + \text{P12_C10_L415} + \text{P12_C11_L415} + \text{P12_C12_L415})
 \end{array} \right] + \left[\begin{array}{l}
 \text{Total Uninsured In/Outpatient Charges}^2 \\
 (\text{P12_C17_L415} + \text{P12_C18_L415} + \text{P12_C19_L415} + \text{P12_C20_L415})
 \end{array} \right]
 }{
 \text{Total In/Outpatient Charges}^2 (\text{P12_C23_L415})
 }$$

1. From the OSHPD AFDR for fiscal year ending in 2020 and Medi-Cal Short/Doyle paid claims for calendar year of service 2020 with dates of payment through May 2022.
2. From the OSHPD AFDR for fiscal year ending in 2020.
3. $0 \leq \text{Medi-Cal / Uninsured Patient Mix} \leq 100$

OBRA Formula for Fiscal Year 2022-23

Medi-Cal / Uninsured Revenues

$$\begin{aligned}
 \text{Medi-Cal/} \\
 \text{Uninsured} \\
 \text{Revenues} = & \left[\begin{array}{c} \text{Total Medi-Cal} \\ \text{In/Outpatient} \\ \text{Revenues for} \\ \text{CY of Payment} \\ \text{2021}^1 \end{array} \right] + \left[\begin{array}{c} \text{Estimated FY 2022-23} \\ \text{CRRP Revenues} \\ \text{(from Survey)} \end{array} \right] + \left[\begin{array}{c} \text{Estimated FY 2022-23} \\ \text{Targeted Case} \\ \text{Management Revenues} \\ \text{(from Survey)} \end{array} \right] + \\
 & \left(\left(\begin{array}{c} \text{Uninsured Cash Payments}^2 \\ (|P12_C17_L445|-|P12_C17_L440|)+P12_C17_L460^{2+} \\ (|P12_C18_L445|-|P12_C18_L440|)+P12_C18_L460^{2+} \\ (|P12_C19_L445|-|P12_C19_L440|)+P12_C19_L460^{2+} \\ (|P12_C20_L445|-|P12_C20_L440|)+P12_C20_L460^{2+} \end{array} \right) * \left[\begin{array}{c} \text{Trend} \\ \text{Factor}^3 \end{array} \right] \right) + \left[\begin{array}{c} \text{Other} \\ \text{Supplemental} \\ \text{Payments} \\ \text{Paid or} \\ \text{Payable}^4 \end{array} \right]
 \end{aligned}$$

1. From the Medi-Cal paid claims files, Medi-Cal Short/Doyle paid claims files, Medi-Cal Inpatient Psychiatric paid claims files, and data collected from the Medi-Cal Managed Care plans for calendar year of payment 2021.
2. From the OSHPD AFDR for fiscal year ending in 2020. 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 formula on page 2.
4. Other Supplemental Payments include: Outpatient DSH, Outpatient Small and Rural Hospital, AB 915, NDPH IGT, Graduate Medical Education (GME), Private Hospital Supplemental Fund, NDPH Supplemental Fund, and Enhanced Payment Program (EPP).