# OBRA FORMULA FOR FISCAL YEAR 2009/10

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

\* 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

# OBRA FORMULA FOR FISCAL YEAR 2009/10

## Medi-Cal/Uninsured Expenses

$$
\begin{array}{c}
\text{Medi-Cal/Uninsured} \\
\text{Expenses}
\end{array}
=
\left(
\begin{array}{c}
\text{Projected Total} \\
\text{Hospital Expenses} \\
\text{For FY 09/10}
\end{array}
\right)
\left(
\begin{array}{c}
\text{Medi-Cal/Uninsured} \\
\text{Patient Mix}
\end{array}
\right)
$$

Where,

$$
\begin{array}{c}
\text{Projected Total} \\
\text{Hospital Expenses} = \\
\text{For FY 09/10}
\end{array}
\left(
\begin{array}{c}
\text{Projected Adjusted} \\
\text{Hospital Operating} \\
\text{Expenses For FY 09/10}
\end{array}
\right)
+
\left(
\begin{array}{c}
\text{Estimated FY 09/10} \\
\text{CRRP Costs} \\
\text{(From Survey)}
\end{array}
\right)
-
\left(
\begin{array}{c}
\text{Estimated FY 09/10} \\
\text{Medi-Cal Administrative} \\
\text{Activities} \\
\text{(From Survey)}
\end{array}
\right)
$$

Where,

$$
\begin{array}{c}
\text{Projected Adjusted} \\
\text{Hospital Operating} = \\
\text{Expenses For FY 09/10}
\end{array}
\left[
\left(
\begin{array}{c}
\text{Total Operating} \\
\text{Expenses}^{1} \\
\text{(L0820001)}
\end{array}
\right)
-
\left(
\begin{array}{c}
\text{Non - Patient} \\
\text{Expenses}
\end{array}
\right)
-
\left(
\begin{array}{c}
\text{CRRP Costs} \\
\text{For FY Ending} \\
\text{In 2007}
\end{array}
\right)
\right]
\left(
\begin{array}{c}
\text{Trend} \\
\text{Factor}
\end{array}
\right)
$$

and where,

$$
\begin{array}{c}
\text{Trend} \\
\text{Factor}
\end{array}
=
\left[
\left(
\begin{array}{c}
\text{Medicare Market} \\
\text{Basket Percentage} \\
\text{for FFY 2008}
\end{array}
\right)
\left(
\begin{array}{c}
\text{Hospital 2007 FY} \\
\text{End Month} \\
\text{Adjustment Factor}
\end{array}
\right)
+ 1
\right]
\left[
\left(
\begin{array}{c}
\text{Medicare Market} \\
\text{Basket Percentage} \\
\text{for FFY 2009}
\end{array}
\right)
+ 1
\right]
\left[
\left(
\begin{array}{c}
\text{Medicare Market} \\
\text{Basket Percentage} \\
\text{for FFY 2010}
\end{array}
\right)
+ 1
\right]
$$

1. From the OSHPD Annual Financial Disclosure Report for fiscal year ending in 2007.

# OBRA FORMULA FOR FISCAL YEAR 2009/10

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

1. From the OSHPD Annual Financial Disclosure Report for fiscal year ending in 2007 and the OSHPD Confidential Discharge Data files for calender year of service 2007. Medi-Cal Short/Doyle paid claims files for calender year of service 2007 with dates of payment through May 2009.

2. From the OSHPD Annual Financial Disclosure Report for the hospital's fiscal year ending in 2007.

Revised Date: December 22, 2009

# OBRA FORMULA FOR FISCAL YEAR 2009/10

## Medi-Cal/Uninsured Revenues

$$
\begin{aligned}
\text{Medi-Cal/Uninsured Revenues} = & \begin{pmatrix} \text{Total Medi-Cal} \\ \text{In/Outpatient} \\ \text{Revenues For CY} \\ \text{of Payment 2008}^1 \end{pmatrix} + \begin{pmatrix} \text{Estimated} \\ \text{FY 09/10} \\ \text{CRRP Revenues} \\ \text{(From Survey)} \end{pmatrix} + \begin{pmatrix} \text{CMAC} \\ \text{Supplemental Payments and} \\ \text{SNCP Hosp Amounts} \\ \text{Paid or Payable} \\ \text{For FY 09/10} \end{pmatrix} + \begin{pmatrix} \text{Estimated FY 09/10} \\ \text{Targeted Case} \\ \text{Management Revenues} \\ \text{(From Survey)} \end{pmatrix} \\[2em]
& + \left[ \begin{pmatrix} \text{Uninsured Cash} \\ \text{Payments}^2 \\ (|\text{L1244517}| + |\text{L1244518}| + |\text{L1244519}| + |\text{L1244520}| \\ + |\text{L1246017}| + |\text{L1246018}| + |\text{L1246019}| + |\text{L1246020}|) \end{pmatrix} \left( \text{Trend Factor}^3 \right) \right] \\[2em]
& + \begin{pmatrix} \text{Outpatient DSH Payments} \end{pmatrix} + \begin{pmatrix} \text{AB 915 Payments} \end{pmatrix} + \begin{pmatrix} \text{Outpatient Small \& Rural Hospital Payments} \end{pmatrix}
\end{aligned}
$$

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, San Luis Obispo, 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 2008.
2. From the OSHPD Annual Financial Disclosure Report for fiscal year ending in 2007.
3. Same as the Trend Factor calculated on page two.

Revised Date: December 22, 2009