

OSHPD Office of Statewide Health Planning and Development

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October 2015

To: Hospital Chief Financial Officers
and Other Interested Parties

Re: Hospital Technical Letter No. 28

This is the 28th in a series of Hospital Technical Letters developed by the Office of Statewide Health Planning and Development (OSHPD or Office) regarding our uniform accounting and reporting system requirements for California hospitals. The purpose of these letters is to provide timely information to assist you in meeting these requirements.

SB 239 Reporting Instructions

A law enacted in 2013, SB 239 (Chapter 657, Statutes of 2013), extended the Hospital Quality Assurance Fee (QAF) Program to December 31, 2016. The Program had been set by SB 335 (Chapter 286, Statutes of 2011) to originally end December 31, 2013.

For the 12/31/14 quarterly and annual reports ending 12/31/14, report the Quality Assurance (QA) fees paid for service periods 1-4 since CMS approval was granted for the Fee-for-Service (FFS) portion on 12/6/14. This amount should only reflect the Fee-for-Service (FFS) portion since CMS has not given final approval for the managed care portion yet. Report the managed care portion of the QA Fee on the balance sheet as a prepaid expense until CMS gives final approval. Once CMS has given final approval for the managed care portion, recognize any accrued payments as expense, and report any subsequent managed care portion of the QA Fees and managed care payments in the service period the managed care fee is paid.

Since the provisions of SB 239 (2013) cover more than one Fiscal Year, it is extremely important that each hospital recognizes the payments and fees paid in the same quarterly and annual reporting periods when submitting its Annual Financial Disclosure Report and Quarterly Financial and Utilization Reports. One reason for this is that Department of Health Care Services (DHCS) uses OSHPD annual financial data to determine eligibility for and payment amounts related to the Disproportionate Share Hospital program, and will use the OSHPD guidelines to make necessary data adjustments to its calculations under the assumption data are being properly reported. Also, many OSHPD data users rely on quarterly data since they are more recent than



annual data and users may question the data validity unless they are consistently reported in each quarter.

SB 239 DHCS payment schedule:

<u>Service Period</u>	<u>QA Fee Due</u>	<u>FFS Payment</u>	<u>OSHPD Reporting Period</u>
1	3/2/15	3/9/15	12/31/14
2	3/18/15	3/30/15	12/31/14
3	4/9/15	4/20/15	12/31/14
4	4/29/15	5/11/15	12/31/14
5	5/20/15	6/1/15	3/31/15
6	7/1/15	7/13/15	6/30/15
7	10/7/15	10/19/15	9/30/15
8	1/6/16	1/19/16	12/31/15
9	4/6/16	4/18/16	3/31/16
10	7/6/16	7/18/16	6/30/16
11	10/5/16	10/17/16	9/30/16
12	1/4/17	1/16/17	12/31/16
Managed Care	TBD	TBD	Cash basis in period fee/payment occurs

Summary of Reporting Requirements - before CMS approvals have been made

The following table indicates where to report QA Fee transactions on the Hospital Annual Financial Disclosure Report and the Hospital Quarterly Financial and Utilization Report before CMS approvals have been made.

Hospital Fee Program	Annual Financial Disclosure Report	Quarterly Financial and Utilization Report
QA Fees	Page 5, column 1, line 50	Not reported
FFS Supplemental Payments	Page 5, column 3, line 70	Not reported
Health Plan Supplemental Payments	Page 5, column 3, line 70	Not reported
Direct Grants	Page 5, column 3, line 75	Not reported

Summary of Reporting Requirements - after CMS approval has been made

The following table indicates where to report QA Fee transactions on the Hospital Annual Financial Disclosure Report and the Hospital Quarterly Financial and Utilization Report after CMS approval has been made. Other fields exist in the Annual Disclosure Report where the reported amount is automatically included in sub-totals and totals.

Hospital Fee Program	Annual Financial Disclosure Report	Quarterly Financial and Utilization Report
QA Fees	Page 18, column 9, line 205	Line 830
FFS Supplemental Payments	Page 8, column 1, line 315; Page 12, column 5, line 425	Lines 560 and 760
Health Plan Supplemental Payments	Page 8, column 1, line 320; Page 12, column 7, line 425	Lines 565 and 765
Direct Grants	Page 8, column 1, line 510	Line 840

Other Operating Revenue – Other line descriptions

When reporting Other Operating Revenue – other lines on page 14, column 1, lines 35-50, 95-115, and 200-215; do not use any form of “Misc” or “Other” as a description. Enter a description that clearly describes what makes up the majority of the amount being reported for that particular line.

ANNUAL FINANCIAL DISCLOSURE REPORTING in 2015-16

The reporting requirements for the 41st year Hospital Annual Disclosure Report (HADR) cycle, which includes reporting periods ended June 30, 2015 through June 29, 2016, are the same as the previous year. All vendors have been approved to distribute HADR reporting software (Version 41A):

<u>Vendor</u>	<u>Contact Person</u>	<u>Phone Number</u>	<u>Status</u>
Health Financial Systems	Becky Dolin	(888) 216-6041	Approved
CDL Data Solutions, Inc.	Lanny Hawkinson	(714) 525-1907	Approved
KPMG	Jim David	(213) 430-2121	Approved

HADR Extension Policy: Hospitals may request 60 days on the initial HADR extension request. A second request must be submitted to use the remaining 30 days.

QUARTERLY REPORTING for 2016

The reporting requirements for 2016 are the same as 2015. All hospitals are still required to use SIERA (System for Integrated Electronic Reporting and Auditing) to prepare and submit their Quarterly Financial and Utilization Reports (QFUR). Quarterly Reports are due 45 days after the end of each calendar quarter.

2016 Quarterly Report Periods and Due Dates

Quarter	Period Begins:	Period Ends:	Date Due
1st Quarter	January 1, 2016	March 31, 2016	May 15, 2016 (Sun.)
2nd Quarter	April 1, 2016	June 30, 2016	August 14, 2016 (Sun.)
3rd Quarter	July 1, 2016	September 30, 2016	November 14, 2016 (Mon.)
4th Quarter	October 1, 2016	December 31, 2016	February 14, 2017 (Tue.)

*Note: Quarterly Reports due on a Saturday, Sunday, or State holiday may be submitted the next business day without penalty.

QFUR Extension Policy: One 30-day extension will be granted upon request. The law prohibits OSHPD from granting more than 30 days.

Quarterly Report revisions in SIERA

Quarterly revisions can be made any time after the audit of a quarterly report has been completed. Just login to SIERA at <https://siera.oshpd.ca.gov/> go to the "My Reports" tab at the top of the page, and then select the report you wish to revise under the "View/Correct" column on the right of the page. Please keep in mind that adjustments to quarterly reports need to be made in the quarter in which the revenue was earned, not when the adjustment was made. This is especially true when year-end adjustments are made in the final quarter of the hospital's annual reporting cycle. The data will not be comparable for many of our data users, such as government agencies, researchers and media, who use the individual quarterly reports for their analysis unless changes are made to the quarters in which the revenue was earned.

Copies of previous Hospital Technical Letters are available on the OSHPD web-site. If you have any accounting or reporting questions, please call me at (916) 326-3832.

Sincerely,

Original Signed By

Kyle Rowert
Hospital Unit Supervisor