



2020 West El Camino Avenue, Suite 800
Sacramento, CA 95833
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April 05, 2024

To: Hospital Chief Financial Officers
and Other Interested Parties

Re: Hospital Technical Letter No. 36

This is the 36th in a series of Hospital Technical Letters developed by the Department of Health Care Access and Information (HCAI), formerly the Office of Statewide Health Planning and Development (OSHPD), 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.

AB 112 Distressed Hospital Loan Program

AB 112 (Chapter 6, Statutes of 2023) amended Health and Safety Code Section 128740 to include additional reporting requirements for Quarterly Financial and Utilization Report and establish Commercial Coverage as a separate payer category.

Changes to Hospital Quarterly Financial and Utilization Report

AB 112 requires hospitals to report an interim Balance Sheet detailing the assets, liabilities, and net worth at the end of the quarter. Additionally, Depreciation and Amortization Expense for the quarter is also now required to be reported. HCAI has adopted emergency regulations to implement this requirement. Please refer to the Accounting and Reporting Manual for California Hospitals, [Chapter 8000](#) for updated reporting form and detailed instructions to complete report. Changes to Quarterly Financial and Utilization Report are effective with reporting periods ending on and after January 1, 2024.

Proposed Changes to Payer Categories

AB 112 requires HCAI to establish a new payer category – Commercial Coverage. The focus of the change was the establishment of new payer category to separately account and report the activities associated with patients enrolled in coverage issued by a private company or entity. Private coverage patients are currently included in Other

Third Parties payer category. HCAI will be undertaking regulation process in near future to propose changes to payer categories.

SB 525 Minimum Wages Health Care Workers

SB 525 added Labor Code Section 1182.14 and established 5 separate minimum wage schedules for covered health care employees depending on the nature of the employer. SB 525 required HCAI to publish the following information:

- A) A list of all covered health care facilities employers with 10,000 or more full-time equivalent employees, or covered health care facility employers that are part of an integrated delivery system or health care system with 10,000 or more full-time equivalent employees as defined in Labor Code Section 1182.14 (b) (3) (A),
- B) A [list of all hospitals](#) that qualify as a hospital with a high government payor mix, independent hospital with an elevated governmental payor mix, or a rural independent covered health care facility.

The data used for these lists was sourced from Hospital Annual Financial Disclosure Reports as extracted for the 2021 Pivot Tabel in April 2023, which is available on the [California Health and Human Services Open Data Portal](#).

SIERA Multi-Factor Authentication Begins May 1

Starting on May 1, 2024, SIERA users will be required to use a multi-factor authentication (MFA) process to log in to SIERA. This new process will enhance system security and help to protect user data. On that date, the current SIERA login page will be replaced by a new SIERA Portal page. From the new page, users will be taken to the HCAI Sign-In page, where they will enter their email address and password and proceed to SIERA. With a few exceptions, SIERA will continue to look and function as before. Additional information about the MFA process will be sent by email to all active SIERA users in April.

ANNUAL FINANCIAL DISCLOSURE REPORTING in 2023-24

The reporting requirements for the 49th year Hospital Annual Disclosure Report (HADR) cycle, which includes reporting periods ended June 30, 2023 through June 29, 2024, are the same as the previous year. The approved software (Version 49A) is:

<u>Vendor</u>	<u>Contact Person</u>	<u>Phone Number</u>	<u>Status</u>
Health Financial Systems	Becky Dolin	(916) 226-6269	Approved
Compu-Max	Jim David	(213) 433-3921	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. The law prohibits HCAI from granting more than a total of 90 days.

QUARTERLY REPORTING for 2024

AB 112 related Balance Sheet reporting requirements have been implemented for reporting period ending on or after January 1, 2024. Hospitals 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.

2024 Quarterly Report Periods and Due Dates

Quarter	Period Begins:	Period Ends:	Date Due
1st Quarter	January 1, 2024	March 31, 2024	May 15, 2024 (Wed.)
2nd Quarter	April 1, 2024	June 30, 2024	August 14, 2024 (Wed.)
3rd Quarter	July 1, 2024	September 30, 2024	November 14, 2024 (Thur.)
4th Quarter	October 1, 2024	December 31, 2024	February 14, 2025 (Fri.)

*Note: 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 HCAI from granting more than 30 days.

Copies of previous Hospital Technical Letters are available on HCAI's web site. If you have any accounting or reporting questions, please call me at (916) 326-3905.

Sincerely,

Original Signed By

Harry Dhami
Hospital Unit Supervisor