

Staffed Beds vs Licensed and Available Beds

We have noticed that some hospitals are reporting the number of staffed beds incorrectly. More than 43% of hospitals reported staffed beds that were greater than 10% of their average daily census. We also saw that more than 14% of hospitals reported staffed beds equal to the number of available beds. **Licensed beds** are defined as the number of licensed beds at the end of the reporting period. **Available beds** are defined as beds that are physically existing and actually available for overnight use, regardless of staffing levels. Available beds would include beds that can be placed back into service within 24 hours. **Staffed beds** must be calculated using a monthly average of beds that are set up, staffed, equipped and in all respects ready for use by patients remaining in the hospital overnight. Hospitals typically staff for those beds currently occupied by inpatients, plus an increment for unanticipated admissions so they should be slightly higher than the hospital's average daily census. It is imperative to report the correct number of staffed beds as they can be used for reimbursement calculations, such as the Fee-for-Service IGT payment distribution for district hospitals and future reimbursement programs.

Public Hospital Redesign and Incentives in Medi-Cal (PRIME) Payments

The California Public Hospital Redesign and Incentives in Medi-Cal (PRIME) Program is a five-year initiative under the Medi-Cal 2020 section 1115 waiver that builds upon the Delivery System Reform Incentive Payment (DSRIP) program established under the Bridge to Reform waiver. The goal of PRIME is to continue significant improvement in the way care is delivered through California's safety net hospital system to maximize health care value and to move toward alternative payment models (APMs), such as capitation and other risk-sharing arrangements.

To implement PRIME, the Department of Health Care Services (DHCS) approved plans submitted by 17 Designated Public Hospitals (DPHs) and 37 District/Municipal Public Hospitals (DMPHs) to become PRIME entities. These PRIME entities may receive up to \$3.7 billion in federal Medicaid funding over five years for achieving metrics in implementing clinical projects designed to change the way care is delivered. Like all Medicaid financing arrangements, these funds must be matched with a "state share," in this case, provided by other governmental health entity funds that are transferred to DHCS.

According to Welfare and Institutions Code Section 14184.50: PRIME payments shall be incentive payments, and are not payments for services otherwise reimbursable under the Medi-Cal program, nor direct reimbursement for expenditures incurred by participating PRIME entities in implementing reforms. PRIME incentive payments shall not offset payment amounts otherwise payable by the Medi-Cal program, or to and by Medi-Cal managed care plans for services provided to Medi-Cal beneficiaries, or otherwise supplant provider payments payable to PRIME entities.

PRIME payments are not payments for direct patient care but payments for DPHs and DMPHs to improve outcome results. The payments are the result of hospitals submitting

5 year plans within 3 domains, O/P Delivery System transformation; Targeted High Risk or High-Cost Populations; and Resource Utilization Efficiency.

Please report all PRIME payments as Other Operating Revenue on page 14, column 1, lines 200-215 on the annual report, similar to DSRIP payments. Any Intergovernmental Transfer (IGT) should be reported on page 7, column 1, line 105 of the annual report and not netted against the payments received.

ANNUAL FINANCIAL DISCLOSURE REPORTING in 2017-18

The reporting requirements for the 43rd year Hospital Annual Disclosure Report (HADR) cycle, which includes reporting periods ended June 30, 2017 through June 29, 2018, are the same as the previous year. There are three vendors approved to distribute HADR reporting software (Version 43A):

<u>Vendor</u>	<u>Contact Person</u>	<u>Phone Number</u>	<u>Status</u>
Health Financial Systems	Becky Dolin	(916) 226-6269	Approved
CDL Data Solutions, Inc.	Lanny Hawkinson	(714) 264-7752	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. The law prohibits OSHPD from granting more than a total of 90 days.

QUARTERLY REPORTING for 2018

The reporting requirements for 2018 are the same as 2017. 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.

2018 Quarterly Report Periods and Due Dates

Quarter	Period Begins:	Period Ends:	Date Due
1st Quarter	January 1, 2018	March 31, 2018	May 15, 2018 (Tue.)
2nd Quarter	April 1, 2018	June 30, 2018	August 14, 2018 (Tue.)
3rd Quarter	July 1, 2018	September 30, 2018	November 14, 2018 (Wed.)
4th Quarter	October 1, 2018	December 31, 2018	February 14, 2019 (Thu.)

*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.

Hospital Technical Letter No. 30
March 20, 2018

Quarterly Report revisions in SIERA

Quarterly report 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.

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