

OSHDPD Office of Statewide Health Planning and Development**Information Services Division**

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November 2018

To: Hospital Chief Financial Officers
and Other Interested Parties

Re: Hospital Technical Letter No. 31

This is the 31st in a series of Hospital Technical Letters developed by the Office of Statewide Health Planning and Development (OSHDPD) 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.

Splitting Medi-Cal DSH payments between Traditional and Managed Care

Although Disproportionate Share (DSH) payments are paid by the Medi-Cal fiscal intermediary, the DSH payment is for patient care services provided to all Medi-Cal beneficiaries. If your hospital provides services to Medi-Cal Traditional and Medi-Cal Managed Care patients, the DSH payment received must be split between Medi-Cal Traditional and Managed Care on report page 12, columns 5 and 7, line 426. According to Section 7020.2 of the *Accounting and Reporting Manual for California Hospitals*, the split must be allocated based on the ratio of Medi-Cal Traditional gross inpatient revenue (page 12, column 5, line 415) to Medi-Cal Managed Care gross inpatient revenue (page 12, column 7, line 415). Many hospitals have been reporting Medi-Cal Disproportionate Share payments all under the Medi-Cal Traditional inpatient column.

Completing prior year data on annual report – use audited data

When completing prior year data on the annual report on pages 5, 6, 8, and 9, column 2, please be sure to use audited data and not submitted data. This helps our audit staff save time from having to correct prior year submitted data to audited data.

FASB eliminated reporting of extraordinary items

FASB Accounting Standards Update No. 2015-01 eliminated the reporting of extraordinary items. Please do not report any extraordinary items on the annual report on page 8, column 1, lines 235 and 240. Any items that used to be considered extraordinary should be reported as Other Non-Operating revenue or expense.

Penalty Appeals

OSHDPD has implemented a new administrative hearing process for penalty appeals. If you receive Notice of Penalty from OSHDPD, you must either pay or appeal it within 15 business days from the receipt of the letter. If you choose to appeal the penalty, you must request an administrative hearing. You can find more information about OSHDPD's administrative hearing process on OSHDPD's website at: <https://oshpd.ca.gov/hearing-office>.

ANNUAL FINANCIAL DISCLOSURE REPORTING in 2018-19

The reporting requirements for the 44th year Hospital Annual Disclosure Report (HADR) cycle, which includes reporting periods ended June 30, 2018 through June 29, 2019, are the same as the previous year. There are three vendors approved to distribute HADR reporting software (Version 44A):

<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 2019

The reporting requirements for 2019 are the same as 2018. 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.

2019 Quarterly Report Periods and Due Dates

Quarter	Period Begins:	Period Ends:	Date Due
1st Quarter	January 1, 2019	March 31, 2019	May 15, 2019 (Wed.)
2nd Quarter	April 1, 2019	June 30, 2019	August 14, 2019 (Wed.)
3rd Quarter	July 1, 2019	September 30, 2019	November 14, 2018 (Thu.)
4th Quarter	October 1, 2019	December 31, 2019	February 14, 2020 (Fri.)

*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 report revisions can be made any time after the audit of a quarterly report has been completed. Login SIERA at <https://siera.oshpd.ca.gov>. Select Quarterly Financial Reports in the report type dropdown box on the top left corner of the screen. You can select reports from the Home page by clicking on the *Revise/View* link in the same row. Alternatively, you can use the Home page menu and go to *Revise Reports*. Find the report you want to revise, then click on the report icon in the in the same row under the *Revise/View* column.

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

Sincerely,

Original Signed By

Kyle Rowert
Hospital Unit Supervisor