LOW INCOME UTILIZATION RATE FORMULA FOR SFY 2016-17
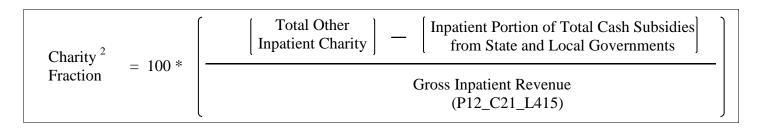
Low Income Utilization Rate = (Medicaid Fraction) + (Charity Fraction)

Medicaid Fraction[1]

$$\text{Medicaid}^2 \text{ Fraction} = 100 * \left[\frac{\left[\text{Medi-Cal Paid Patient Revenue}\right] + \left[\text{Total Cash Subsidies from State and Local Governments}\right]}{\text{Total Paid Patient Revenue}} \right]$$

Where,

$$\text{Medi-Cal Paid Patient Revenue} = \left[\begin{array}{c}\text{Medi-Cal Net}\\\text{Patient Revenue}\\\text{(P12\_C5\_L460)}\end{array}\right] - \left[\begin{array}{c}\text{QAF Fee-for-}\\\text{Service Payments}\\-\text{Selected Privates}^3\end{array}\right] + \left[\begin{array}{c}\text{Medi-Cal}\\\text{Short-Doyle}\\\text{Net Patient}\\\text{Revenue}^4\end{array}\right] - \text{Absolute Value}\left|\begin{array}{c}\text{Disproportionate}\\\text{Share Payments}\\\text{(P12\_C5\_426 or}\\\text{P12\_C13\_L426)}\end{array}\right| + \left[\begin{array}{c}\text{Medi-Cal Managed}\\\text{Care Net}\\\text{Patient Revenue}\\\text{(P12\_C7\_L460)}\end{array}\right] - \left[\begin{array}{c}\text{QAF Managed}\\\text{Care Payments} -\\\text{Selected Privates}^3\end{array}\right]$$

$$\begin{array}{c}\text{Total Cash Subsidies}\\\text{from State and}\\\text{Local Governments}\end{array} = \text{Absolute Value}\left|\begin{array}{c}\text{UC Gross Clinical}\\\text{Teaching Support}\\\text{(P12\_C23\_L445)}\end{array}\right| + \left[\begin{array}{c}\text{County Indigent Program}\\\text{Net Patient Revenue}\\\text{(P12\_C9\_L460 +}\\\text{P12\_C10\_L460)}\end{array}\right] + \left[\begin{array}{c}\text{County Indigent Program}\\\text{Managed Care}\\\text{Net Patient Revenue}\\\text{(P12\_C11\_L460)}\end{array}\right]$$

$$\begin{array}{c}\text{Total Paid}\\\text{Patient Revenue}\end{array} = \left[\begin{array}{c}\text{Total Net}\\\text{Patient Revenue}\\\text{(P8\_C1\_110)}\end{array}\right] - \left[\begin{array}{c}\text{QAF Fee-for-Service}\\\text{Payments} - \text{Selected}\\\text{Privates}^3\end{array}\right] - \left[\begin{array}{c}\text{QAF Managed Care}\\\text{Payments} - \text{Selected}\\\text{Privates}^3\end{array}\right] - \text{Absolute Value}\left|\begin{array}{c}\text{Disproportionate}\\\text{Share Payments}\\\text{(P12\_C5\_L426}\\\text{or}\\\text{P12\_C13\_L426)}\end{array}\right|$$

1. Unless otherwise noted, all data are derived from the OSHPD Annual Financial Disclosure Report (AFDR) for the hospital's fiscal year ending (FYE) in 2014.
2. The Medicaid Fraction must be between zero and one hundred.
3. Pursuant to the OSHPD Technical Letters No. 23 (August 2011) and 25 (September 2012), hospitals are required to report the Quality Assurance Fee (QAF) Program payments in the AFDR beginning with CY 2011. According to California Welfare and Institutions Code Section 14169.8 (effective 2011), the QAF payments made to private hospitals will be adjusted in the LIUR calculation.
4. The Medi-Cal Short-Doyle Net Patient Revenue uses Medi-Cal Short-Doyle paid claims for calendar year of service 2014 with dates of payment through February 2016.

Charity Fraction[1]

$$\text{Charity Fraction}^{2} = 100 * \left[\frac{\left[\begin{array}{c} \text{Total Other} \\ \text{Inpatient Charity} \end{array} \right] - \left[\begin{array}{c} \text{Inpatient Portion of Total Cash Subsidies} \\ \text{from State and Local Governments} \end{array} \right]}{\begin{array}{c} \text{Gross Inpatient Revenue} \\ \text{(P12\_C21\_L415)} \end{array}} \right]$$

Where,

1. Unless otherwise noted, all data are derived from the OSHPD Annual Financial Disclosure Report (AFDR) for the hospital's fiscal year ending in 2014.
2. The Charity Fraction must be between zero and one hundred.

$$
\begin{aligned}
\text{Total Other Inpatient Charity} =\ & \left[\begin{array}{c}\text{County Indigent}\\\text{Program Gross}\\\text{Inpatient Revenue}\\\text{(P12\_C9\_L415)}\end{array}\right] + \left[\begin{array}{c}\text{County Indigent Program}\\\text{Managed Care Gross}\\\text{Inpatient Revenue}\\\text{(P12\_C11\_L415)}\end{array}\right] - \left[\begin{array}{c}\text{County Indigent}\\\text{Program Gross}\\\text{Inpatient Charity}\\\text{(P12\_C9\_L430)}\end{array}\right] - \left[\begin{array}{c}\text{Inpatient County}\\\text{Indigent Program}\\\text{Managed Care}\\\text{Patient Charity}\\\text{(P12\_C11\_L430 x}\\\text{B*)}\end{array}\right] + \left[\begin{array}{c}\text{Gross}\\\text{Inpatient}\\\text{Charity}\end{array}\right] \\
& - \left[\begin{array}{c}\text{Gross Inpatient}\\\text{Charity}\\\hline\text{Gross Patient}\\\text{Charity}\\\text{(P12\_C23\_L430)}\end{array}\right] * \left[\begin{array}{c}\text{Hill-Burton Gross}\\\text{Patient Charity}\\\text{(P8\_C1\_L350)}\end{array}\right] + \left[\begin{array}{c}\text{UC Gross Inpatient}\\\text{Teaching Allowances}\\\text{(P12\_C17\_L440)}\end{array}\right] + \text{Absolute Value} \left|\begin{array}{c}\text{UC Gross Inpatient}\\\text{Clinical Teaching}\\\text{Support}\\\text{(P12\_C17\_L445)}\end{array}\right|
\end{aligned}
$$

Where,

$$
\begin{aligned}
\text{Gross Inpatient Charity} =\ & \left[\begin{array}{c}\text{Non-Medi-Cal Gross Inpatient}\\\text{Charity}\\\text{(P12\_C1\_L430 +}\\\text{P12\_C9\_L430 +}\\\text{P12\_C13\_L430 +}\\\text{P12\_C19\_L430)}\end{array}\right] + \left[\begin{array}{c}\text{Inpatient Non-Medi-Cal Managed}\\\text{Care Gross Inpatient Charity}\\\text{(P12\_C3\_L430 x A*}\\\text{+ P12\_C11\_L430 x B*}\\\text{+ P12\_C15\_L430 x C*)}\end{array}\right] + \left[\begin{array}{c}\text{Other Indigent}\\\text{Gross Inpatient}\\\text{Charity}\\\text{(P12\_C17\_L430)}\end{array}\right] \\
& + \left[\begin{array}{c}\text{Medi-Cal Gross}\\\text{Inpatient Revenue}\\\text{(P12\_C5\_L415)}\\\hline\text{Medi-Cal Gross}\\\text{Patient Revenue}\\\text{(P12\_C5\_L415}\\\text{+P12\_C6\_L415)}\end{array}\right] * \left[\begin{array}{c}\text{Medi-Cal Gross}\\\text{Patient Charity}\\\text{(P12\_C5\_L430)}\end{array}\right] + \left[\begin{array}{c}\text{Inpatient Medi-Cal Managed Care}\\\text{Gross Patient Charity}\\\text{(P12\_C7\_L430 x D*)}\end{array}\right]
\end{aligned}
$$

$$\text{Inpatient Portion of Total Cash Subsidies from State and Local Governments} = \text{Absolute Value} \left| \begin{array}{c} \text{UC Gross Inpatient} \\ \text{Clinical Teaching} \\ \text{Support} \\ \text{(P12\_C17\_L445)} \end{array} \right| + \left[\begin{array}{c} \text{County Indigent} \\ \text{Program Inpatient} \\ \text{Net Patient Revenue} \\ \text{(P12\_C9\_L460)} \end{array} \right] + \left[\begin{array}{c} \text{Inpatient County Indigent} \\ \text{Program Managed Care Net} \\ \text{Patient Revenue} \\ \text{(P12\_C11\_L460 x B*)} \end{array} \right]$$

*Inpatient ratio as follows:

Medicare Managed Care
    A = P12_C3_L415 / (P12_C3_L415 [Inpatient] + P12_C4_L415 [Outpatient])

County Indigent Managed Care
    B = P12_C11_L415 / (P12_C11_L415 [Inpatient] + P12_C12_L415 [Outpatient])

Other Third Party Managed Care
    C = P12_C15_L415 / (P12_C15_L415 [Inpatient] + P12_C16_L415 [Outpatient])

Medi-Cal Managed Care
    D = P12_C7_L415 / (P12_C7_L415 [Inpatient] + P12_C8_L415 [Outpatient])