

LOW INCOME PERCENT FORMULA FOR FISCAL YEAR 2026-27

Low Income Percent = (Medicaid Fraction) + (Charity Fraction)

Medicaid Fraction¹

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

Where

$$\begin{aligned} \text{Medi-Cal Paid Patient Revenue} = & \left(\text{Medi-Cal Net Patient Revenue (P12_C5_L460)} \right)^3 - \text{Absolute Value} \left| \text{HQAF Fee-for-Service Payments - Selected Privates}^4 \right| \\ & + \left(\text{Medi-Cal Short-Doyle Net Patient Revenue}^5 \right) - \text{Absolute Value} \left| \text{Disproportionate Share Payments P12_C23_L426} \right| \\ & + \left(\text{Medi-Cal Managed Care Net Patient Revenue (P12_C7_L460)} \right) - \text{Absolute Value} \left| \text{HQAF Managed Care Payments - Selected Privates}^4 \right| \end{aligned}$$

1. Unless otherwise noted, all data is derived from the HCAI Annual Financial Disclosure Report (AFDR) for the hospital's fiscal year ending (FYE) in 2024.
2. $2.0 \leq \text{Medicaid Fraction} \leq 100$.
3. Numeric PCL references denote specific data locations within the AFDR.
4. Pursuant to the HCAI Technical Letters No. 23 (August 2011) and 25 (September 2012), hospitals are required to report the Hospital Quality Assurance Fee (HQAF) Program payments in the CY 2023 AFDR. According to California Welfare and Institutions Code Section 14169.8 (effective 2011), the HQAF payments made to private hospitals will be adjusted in the FY 2026-27 LIUR calculation.
5. Medi-Cal Short-Doyle paid claims for calendar year of service 2024 with dates of payment through February 2026.

Low Income Percent Formula for Fiscal Year 2026-27

$$\begin{array}{l}
 \text{Total Cash Subsidies from State and Local Governments} = \text{Absolute Value} \left[\text{UC Gross Clinical Teaching Support (P12_C23_L445)} + \left(\text{County Indigent Program Net Patient Revenue (P12_C9_L460 + P12_C10_L460)} \right) + \left(\text{County Indigent Program Managed Care Net Patient Revenue (P12_C11_L460)} \right) \right] \\
 \\
 \text{Total Paid Patient Revenue} = \left(\text{Total Net Patient Revenue (P8_C1_L110)} \right) - \text{Absolute Value} \left[\text{HQAF Fee for Service Payments - Selected Privates}^1 \right] \\
 \\
 - \text{Absolute Value} \left[\text{HQAF Managed Care Payments - Selected Privates}^1 \right] - \text{Absolute Value} \left[\text{Disproportionate Share Payments (P12_C23_L426)} \right]
 \end{array}$$

1. Pursuant to the HCAI Technical Letters No. 23 (August 2011) and 25 (September 2012), hospitals are required to report the Hospital Quality Assurance Fee (HQAF) Program payments in the CY 2024 AFDR. According to California Welfare and Institutions Code Section 14169.8(effective 2011), the HQAF payments made to private hospitals will be adjusted in the FY2026-27 LIUR calculation.

Low Income Percent Formula for Fiscal Year 2026-27

Charity Fraction₁

$$\text{Charity Fraction}_2 = 100 * \left(\frac{\left(\begin{array}{l} \text{Total Other Inpatient} \\ \text{Charity} \end{array} \right) + \left(\begin{array}{l} \text{Inpatient Portion of Total Cash} \\ \text{Subsidies from State and Local} \\ \text{Governments} \end{array} \right)}{\text{Gross Inpatient Revenue} \\ (P12_C21_L415)} \right)$$

Where

$$\text{Total Other Inpatient Charity} = \left(\begin{array}{l} \text{County Indigent} \\ \text{Program Gross} \\ \text{Inpatient} \\ \text{Revenue} \\ (P12_C9_L415) \end{array} \right) + \left(\begin{array}{l} \text{County Indigent} \\ \text{Program Managed} \\ \text{Care Gross Inpatient} \\ \text{Revenue} \\ (P12_C11_L415) \end{array} \right) - \left(\begin{array}{l} \text{County Indigent} \\ \text{Program Gross} \\ \text{Inpatient Charity} \\ (P12_C9_L430) \end{array} \right)$$

$$- \left(\begin{array}{l} \text{Inpatient County} \\ \text{Indigent Program} \\ \text{Managed Care Patient} \\ \text{Charity} \\ (P12_C11_L430 \times B^*) \end{array} \right) + \left(\begin{array}{l} \text{Gross Inpatient} \\ \text{Charity} \end{array} \right) - \left(\begin{array}{l} \text{Gross Inpatient Charity} \\ \text{Gross Patient Charity} \\ (P12_C23_L430) \end{array} \right)$$

$$* \left(\begin{array}{l} \text{Hill-Burton Gross} \\ \text{Patient Charity} \\ (P8_C1_L350) \end{array} \right) + \left(\begin{array}{l} \text{UC Gross} \\ \text{Inpatient} \\ \text{Teaching} \\ \text{Allowances} \\ (P12_C17_L440) \end{array} \right) + \text{Absolute Value} \left(\begin{array}{l} \text{UC Gross Inpatient} \\ \text{Clinical Teaching} \\ \text{Support} \\ (P12_C17_L445) \end{array} \right)$$

*See B on Page 5

1. Unless otherwise noted, all data are derived from the HCAI Annual Financial Disclosure Report (AFDR) for the hospital's fiscal year ending in 2024.
2. $0 \leq \text{Charity Fraction} \leq 100$.

Low Income Percent Formula for Fiscal Year 2026-27

Where

$$\begin{aligned}
 \text{Gross Inpatient Charity} = & \left(\begin{array}{c} \text{Non-Medi-Cal Gross} \\ \text{Inpatient Charity} \\ P12_C1_L430 + P12_C9_L430 + \\ P12_C13_L430 + P12_C19_L430 \end{array} \right) + \left(\begin{array}{c} \text{Inpatient Non-Medi-Cal} \\ \text{Managed Care Gross} \\ \text{Inpatient Charity} \\ P12_C3_L430 \times A^* + \\ P12_C11_L430 \times B^* + \\ P12_C15_L430 \times C^* \end{array} \right) \\
 & + \left(\begin{array}{c} \text{Other Indigent Gross} \\ \text{Inpatient Charity} \\ P12_C17_L430 \end{array} \right) + \left(\begin{array}{c} \text{Medi-Cal Gross Inpatient Revenue} \\ P12_C5_L415 \\ \hline \text{Medi-Cal Gross Patient Revenue} \\ P12_C5_L415 + P12_C6_L415 \end{array} \right) \\
 & * \left(\begin{array}{c} \text{Medi-Cal Gross Patient Charity} \\ P12_C5_L430 \end{array} \right) + \left(\begin{array}{c} \text{Inpatient Medi-Cal Managed Care} \\ \text{Gross Patient Charity} \\ P12_C7_L430 \times D^* \end{array} \right)
 \end{aligned}$$

and

$$\begin{aligned}
 \text{Inpatient Portion} & \quad \text{UC Gross} & & \text{County} & & \text{Inpatient County} \\
 \text{of Total Cash} & \text{Inpatient} & & \text{Indigent} & & \text{Indigent Program} \\
 \text{Subsidies from} & \text{Clinical} & & \text{Program} & & \text{Managed Care Net} \\
 \text{State and Local} & \text{Teaching} & & \text{Inpatient Net} & & \text{Patient Revenue} \\
 \text{Governments} & \text{Support} & & \text{Patient} & & \\
 & P12_C17_L445 & & Revenue & & \\
 & \text{Absolute} & & P12_C9_L460 & & \\
 & \text{Value} & & & & \\
 & & & & & P12_C11_L460 \times B^*
 \end{aligned}$$

*Inpatient ratio as follows

- A. (Medicare Managed Care) = $P12_C3_L415 / (P12_C3_L415 \text{ [Inpatient]} + P12_C4_L415 \text{ [Outpatient]})$
- B. (County Indigent Managed Care) = $P12_C11_L415 / (P12_C11_L415 \text{ [Inpatient]} + P12_C12_L415 \text{ [Outpatient]})$
- C. (Other Third Party Managed Care) = $P12_C15_L415 / (P12_C15_L415 \text{ [Inpatient]} + P12_C16_L415 \text{ [Outpatient]})$
- D. (Medi-Cal Managed Care) = $P12_C7_L415 / (P12_C7_L415 \text{ [Inpatient]} + P12_C8_L415 \text{ [Outpatient]})$