

LOW INCOME PERCENT FORMULA FOR FISCAL YEAR 2019-20

$$\text{Low Income Percent} = (\text{Medicaid Fraction}) + (\text{Charity Fraction})$$

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,

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

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 2017.
2. $0 \leq \text{Medicaid Fraction} \leq 100$.
3. Numeric PCL references denote specific data locations within the AFDR.
4. 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 CY 2011 AFDR. According to California Welfare and Institutions Code Section 14169.8 (effective 2011), the QAF payments made to private hospitals will be adjusted in the FY 2019-20 LIUR calculation.
5. Medi-Cal Short-Doyle paid claims for calendar year of service 2017 with dates of payment through February 2019.

$$\text{Total Cash Subsidies from State and Local Governments} = \text{Absolute Value} \left| \text{UC Gross Clinical Teaching Support (P12_C23_L445)} \right| + \left[\text{County Indigent Program Net Patient Revenue (P12_C9_L460 + P12_C10_L460)} \right] + \left[\text{County Indigent Program Managed Care Net Patient Revenue (P12_C11_L460)} \right]$$

$$\begin{aligned} \text{Total Paid Patient Revenue} = & \left[\text{Total Net Patient Revenue (P8_C1_110)} \right] - \text{Absolute Value} \left| \text{QAF Fee-for Service Payments - Selected Privates}^4 \right| - \text{Absolute Value} \left| \text{QAF Managed Care Payments - Selected Privates}^4 \right| \\ & - \text{Absolute Value} \left| \text{Disproportionate Share Payments P12_C23_L426} \right| \end{aligned}$$

4. 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 CY 2017 AFDR. According to California Welfare and Institutions Code Section 14169.8 (effective 2011), the QAF payments made to private hospitals will be adjusted in the FY 2019-20 LIUR calculation.

Charity Fraction¹

$$\text{Charity}^2 \text{ Fraction} = 100 * \left[\frac{\left[\text{Total Other Inpatient Charity} \right] - \left[\text{Inpatient Portion of Total Cash Subsidies from State and Local Governments} \right]}{\text{Gross Inpatient Revenue (P12_C21_L415)}} \right]$$

Where,

$$\begin{aligned} \text{Total Other Inpatient Charity} = & \left[\text{County Indigent Program Gross Inpatient Revenue (P12_C9_L415)} \right] + \left[\text{County Indigent Program Managed Care Gross Inpatient Revenue (P_12_C11_L415)} \right] - \left[\text{County Indigent Program Gross Inpatient Charity (P12_C9_L430)} \right] - \left[\text{Inpatient County Indigent Program Managed Care Patient Charity (P12_C11_L430 x B)} \right] + \left[\text{Gross Inpatient Charity} \right] \\ & - \left[\frac{\text{Gross Inpatient Charity}}{\text{Gross Patient Charity (P12_C23_L430)}} \right] * \left[\text{Hill-Burton Gross Patient Charity (P8_C1_L350)} \right] + \left[\text{UC Gross Inpatient Teaching Allowances (P12_C17_L440)} \right] + \text{Absolute Value} \left[\text{UC Gross Inpatient Clinical Teaching Support (P12_C17_L445)} \right] \end{aligned}$$

1. Unless otherwise noted, all data are derived from the OSHPD Annual Financial Disclosure Report (AFDR) for the hospital's fiscal year ending in 2017.
2. $0 \leq \text{Charity Fraction} \leq 100$.

Where,

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

$$\begin{aligned}
 \text{Inpatient Portion of Total} \\ \text{Cash Subsidies from State} \\ \text{and Local Governments} &= \text{Absolute} \\ &\text{Value} \left[\begin{array}{c} \text{UC Gross Inpatient} \\ \text{Clinical Teaching} \\ \text{Support} \\ (P12_C17_L445) \end{array} \right] + \left[\begin{array}{c} \text{County Indigent} \\ \text{Program Inpatient} \\ \text{Net Patient Revenue} \\ (P12_C9_L460) \end{array} \right] + \left[\begin{array}{c} \text{Inpatient County Indigent} \\ \text{Program Managed Care Net} \\ \text{Patient Revenue} \\ (P12_C11_L460 \times B^*) \end{array} \right]
 \end{aligned}$$

*Inpatient ratio as follows:

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

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

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

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