Low Income Percent Formula for Fiscal Year 2023-24

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

Medicaid Fraction[1]

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

Where

$$
\begin{aligned}
\text{Medi-Cal Paid Patient Revenue} = &\left[\substack{\text{Medi-Cal Net Patient} \\ \text{Revenue} \\ \text{(P12\_C5\_L460)}^3}\right] - \substack{\text{Absolute} \\ \text{Value}} \left|\substack{\text{HQAF Fee-for-Service} \\ \text{Payments - Selected} \\ \text{Privates}^4}\right| \\[2mm]
+ &\left[\substack{\text{Medi-Cal Short-Doyle} \\ \text{Net Patient Revenue}^5}\right] - \substack{\text{Absolute} \\ \text{Value}} \left|\substack{\text{Disproportionate Share Payments} \\ \text{P12\_C23\_L426}}\right| \\[2mm]
+ &\left[\substack{\text{Medi-Cal Managed Care} \\ \text{Net Patient Revenue} \\ \text{(P12\_C7\_L460)}}\right] - \substack{\text{Absolute} \\ \text{Value}} \left|\substack{\text{HQAF Managed Care} \\ \text{Payments - Selected} \\ \text{Privates}^4}\right|
\end{aligned}
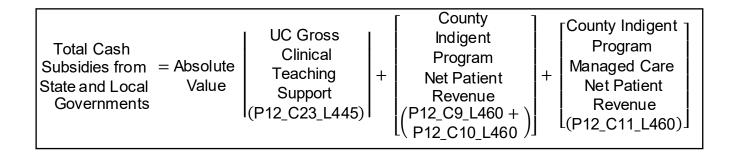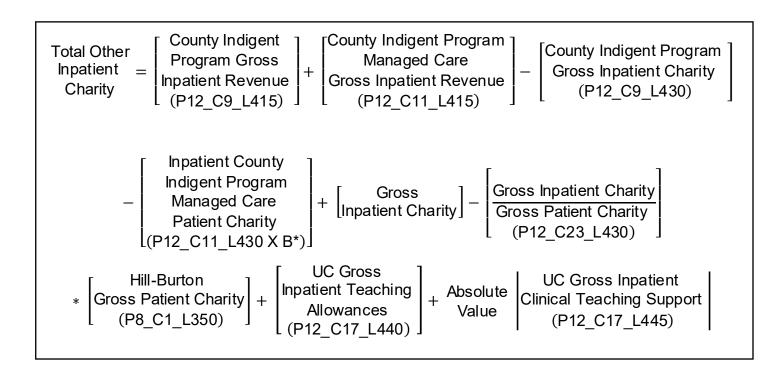$$

1. Unless otherwise noted, all data are derived from the HCAI Annual Financial Disclosure Report (AFDR) for the hospital's fiscal year ending (FYE) in 2021.
2. 0 ≤ Medicaid Fraction ≤ 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 2021 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 2023-24 LIUR calculation.
5. Medi-Cal Short-Doyle paid claims for calendar year of service 2021 with dates of payment through February 2023.

Safety Net Financing Division DSH Unit

Low Income Percent Formula for Fiscal Year 2023-24

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

$$\text{Total Paid Patient Revenue} = \left[\begin{array}{c} \text{Total Net Patient Revenue} \\ \text{(P8\_C1\_L110)} \end{array} \right] - \text{Absolute Value} \left| \begin{array}{c} \text{HQAF Fee for Service} \\ \text{Payments - Selected Privates}[1] \end{array} \right|$$

$$- \text{Absolute Value} \left| \begin{array}{c} \text{HQAF Managed Care} \\ \text{Payments - Selected Privates}[1] \end{array} \right| - \text{Absolute Value} \left| \begin{array}{c} \text{Disproportionate Share Payments} \\ \text{(P12\_C23\_L426)} \end{array} \right|$$

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 2021 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 2023-24 LIUR calculation.

Safety Net Financing Division DSH Unit

Low Income Percent Formula for Fiscal Year 2023-24

Charity Fraction[1]

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

Where

$$\begin{array}{c}\text{Total Other}\\\text{Inpatient}\\\text{Charity}\end{array} = \left[\begin{array}{c}\text{County Indigent}\\\text{Program Gross}\\\text{Inpatient Revenue}\\\text{(P12\_C9\_L415)}\end{array}\right] + \left[\begin{array}{c}\text{County Indigent Program}\\\text{Managed Care}\\\text{Gross Inpatient Revenue}\\\text{(P12\_C11\_L415)}\end{array}\right] - \left[\begin{array}{c}\text{County Indigent Program}\\\text{Gross Inpatient Charity}\\\text{(P12\_C9\_L430)}\end{array}\right]$$

$$- \left[\begin{array}{c}\text{Inpatient County}\\\text{Indigent Program}\\\text{Managed Care}\\\text{Patient Charity}\\\text{(P12\_C11\_L430 X B*)}\end{array}\right] + \left[\begin{array}{c}\text{Gross}\\\text{Inpatient Charity}\end{array}\right] - \left[\begin{array}{c}\dfrac{\text{Gross Inpatient Charity}}{\text{Gross Patient Charity}}\\\text{(P12\_C23\_L430)}\end{array}\right]$$

$$* \left[\begin{array}{c}\text{Hill-Burton}\\\text{Gross Patient Charity}\\\text{(P8\_C1\_L350)}\end{array}\right] + \left[\begin{array}{c}\text{UC Gross}\\\text{Inpatient Teaching}\\\text{Allowances}\\\text{(P12\_C17\_L440)}\end{array}\right] + \begin{array}{c}\text{Absolute}\\\text{Value}\end{array}\left|\begin{array}{c}\text{UC Gross Inpatient}\\\text{Clinical Teaching Support}\\\text{(P12\_C17\_L445)}\end{array}\right|$$

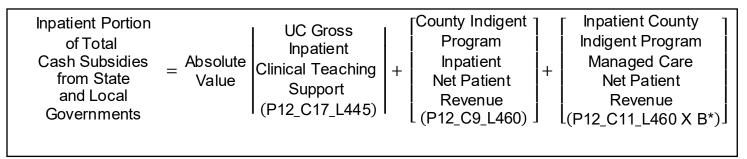* See B on Page 4

1. Unless otherwise noted, all data are derived from the HCAI Annual Financial Disclosure Report (AFDR) for the hospital's fiscal year ending in 2021.
2. $0 \leq \text{Charity Fraction} \leq 100$.

Safety Net Financing Division DSH Unit

Low Income Percent Formula for Fiscal Year 2023-24

Where

$$\text{Gross Inpatient Charity} = \left[\begin{array}{c}\text{Non-Medi-Cal}\\\text{Gross Inpatient Charity}\\(P12\_C1\_L430 + P12\_C9\_L430 +\\P12\_C13\_L430 + P12\_C19\_L430)\end{array}\right] + \left[\begin{array}{c}\text{Inpatient Non-Medi-Cal}\\\text{Managed Care}\\\text{Gross Inpatient Charity}\\(P12\_C3\_L430 \times A^* +\\P12\_C11\_L430 \times B^* +\\P12\_C15\_L430 \times C^*)\end{array}\right]$$

$$+ \left[\begin{array}{c}\text{Other Indigent}\\\text{Gross Inpatient Charity}\\(P12\_C17\_L430)\end{array}\right] + \left[\dfrac{\begin{array}{c}\text{Medi-Cal Gross Inpatient Revenue}\\(P12\_C5\_L415)\end{array}}{\begin{array}{c}\text{Medi-Cal Gross Patient Revenue}\\(P12\_C5\_L415 + P12\_C6\_L415)\end{array}}\right]$$

$$\times \left[\begin{array}{c}\text{Medi-Cal Gross Patient Charity}\\(P12\_C5\_L430)\end{array}\right] + \left[\begin{array}{c}\text{Inpatient Medi-Cal}\\\text{Managed Care Gross}\\\text{Patient Charity } (P12\_C7\_L430 \times D^*)\end{array}\right]$$

and

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

*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])

Safety Net Financing Division DSH Unit