

**REPORT  
ON THE  
COST REPORT REVIEW**

**ARROYO GRANDE COMMUNITY HOSPITAL  
ARROYO GRANDE, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1770659336**

**FISCAL PERIOD ENDED  
JUNE 30, 2011**

**Audits Section—Fresno  
Financial Audits Branch  
Audits and Investigations  
Department of Health Care Services**

**Section Chief: Michael Harrold  
Audit Supervisor: Kristina Nacino  
Auditor: Svetlana Lysenko**



TOBY DOUGLAS  
DIRECTOR

State of California—Health and Human Services Agency  
Department of Health Care Services



EDMUND G. BROWN JR.  
GOVERNOR

July 9, 2013

Matt Richardson, Controller  
Arroyo Grande Community Hospital  
345 S. Halcyon Road  
Arroyo Grande, CA 93420

ARROYO GRANDE COMMUNITY HOSPITAL  
NATIONAL PROVIDER IDENTIFIER (NPI) 1770659336  
FISCAL PERIOD ENDED JUNE 30, 2011

We have examined the provider's Medi-Cal Cost Report for the above-referenced fiscal period. Our examination was made under the authority of Section 14170 of the Welfare and Institutions Code and was limited to a review of the cost report and accompanying financial statements, Medi-Cal payment data reports, prior fiscal period's Medi-Cal program audit report, and Medicare audit report for the current fiscal period, if applicable and available.

In our opinion, the audited settlement for the fiscal period due the provider in the amount of \$16,167 presented in the Summary of Findings represents a proper determination in accordance with the reimbursement principles of applicable programs.

This audit report includes the:

1. Summary of Findings
2. Computation of Medi-Cal Reimbursement Settlement (NONCONTRACT Schedules)
3. Audited Allocation of Home Office Cost
4. Audit Adjustments Schedule

The audited settlement will be incorporated into a Statement of Account Status, which may reflect tentative retroactive adjustment determinations, payments from the provider, and other financial transactions initiated by the Department. The Statement of Account Status will be forwarded to the provider by the State fiscal intermediary. Instructions regarding payment will be included with the Statement of Account Status.

Matt Richardson  
Page 2

Notwithstanding this audit report, overpayments to the provider are subject to recovery pursuant to Section 51458.1, Article 6 of Division 3, Title 22, California Code of Regulations.

If you disagree with the decision of the Department, you may appeal by writing to:

Chief  
Department of Health Care Services  
Office of Administrative Hearings and Appeals  
1029 J Street, Suite 200  
Sacramento, CA 95814  
(916) 322-5603

The written notice of disagreement must be received by the Department within 60 calendar days from the day you receive this letter. A copy of this notice should be sent to:

**United States Postal Service (USPS)**

Assistant Chief Counsel  
Department of Health Care Services  
Office of Legal Services  
MS 0010  
PO Box 997413  
Sacramento, CA 95899

**Courier (UPS, FedEx, etc.)**

Assistant Chief Counsel  
Department of Health Care Services  
Office of Legal Services  
MS 0010  
1501 Capitol Avenue, Suite 71.5001  
Sacramento, CA 95814  
(916) 440-7700

The procedures that govern an appeal are contained in Welfare and Institutions Code, Section 14171, and California Code of Regulations, Title 22, Section 51016, et seq.

If you have questions regarding this report, you may call the Audits Section—Fresno at (559) 446-2458.

Original Signed by

Michael A. Harrold, Chief  
Audits Section—Fresno  
Financial Audits Branch

Certified

Matt Richardson  
Page 3

cc:

Eddie Arvayo  
Reimbursement Manager  
Dignity Health  
251 South Lake Avenue, 7<sup>th</sup> Floor  
Pasadena, CA 91101

**SUMMARY OF FINDINGS**

**Provider Name:**  
ARROYO GRANDE COMMUNITY HOSPITAL

**Fiscal Period Ended:**  
JUNE 30, 2011

	SETTLEMENT	COST
<b>1. Medi-Cal Noncontract Settlement (SCHEDULE 1)</b> <b>Provider NPI: 1770659336</b>		
Reported	\$ 13,040	
Net Change	\$ 3,127	
Audited Amount Due Provider (State)	\$ 16,167	
<b>2. Subprovider I (SCHEDULE 1-1)</b> <b>Provider NPI:</b>		
Reported	\$ 0	
Net Change	\$ 0	
Audited Amount Due Provider (State)	\$ 0	
<b>3. Subprovider II (SCHEDULE 1-2)</b> <b>Provider NPI:</b>		
Reported	\$ 0	
Net Change	\$ 0	
Audited Amount Due Provider (State)	\$ 0	
<b>4. Medi-Cal Contract Cost (CONTRACT SCH 1)</b> <b>Provider NPI:</b>		
Reported		\$ 0
Net Change		\$ 0
Audited Cost		\$ 0
Audited Amount Due Provider (State)	\$ 0	
<b>5. Distinct Part Nursing Facility (DPNF SCH 1)</b> <b>Provider NPI: 1770659336</b>		
Reported		\$ 963.83
Net Change		\$ (36.38)
Audited Cost Per Day		\$ 927.45
Audited Amount Due Provider (State)	\$ 0	
<b>6. Distinct Part Nursing Facility (DPNF SCH 1-1)</b> <b>Provider NPI:</b>		
Reported		\$ 0.00
Net Change		\$ 0.00
Audited Cost Per Day		\$ 0.00
Audited Amount Due Provider (State)	\$ 0	
<b>7. Adult Subacute (ADULT SUBACUTE SCH 1)</b> <b>Provider NPI:</b>		
Reported		\$ 0.00
Net Change		\$ 0.00
Audited Cost Per Day		\$ 0.00
Audited Amount Due Provider (State)	\$ 0	
<b>8. Total Medi-Cal Settlement</b> <b>Due Provider (State) - (Lines 1 through 7)</b>	\$ 16,167	
<b>9. Total Medi-Cal Cost</b>		\$ 0

**SUMMARY OF FINDINGS**

**Provider Name:**  
ARROYO GRANDE COMMUNITY HOSPITAL

**Fiscal Period Ended:**  
JUNE 30, 2011

		SETTLEMENT	COST
<b>10. Subacute (SUBACUTE SCH 1-1)</b> <b>Provider NPI:</b>	Reported		\$ 0.00
	Net Change		\$ 0.00
	Audited Cost Per Day		\$ 0.00
	Audited Amount Due Provider (State)	\$ 0	
<b>11. Rural Health Clinic (RHC SCH 1)</b> <b>Provider NPI:</b>	Reported	\$ 0	
	Net Change	\$ 0	
	Audited Amount Due Provider (State)	\$ 0	
<b>12. Rural Health Clinic (RHC 95-210 SCH 1)</b> <b>Provider NPI:</b>	Reported	\$ 0	
	Net Change	\$ 0	
	Audited Amount Due Provider (State)	\$ 0	
<b>13. Rural Health Clinic (RHC 95-210 SCH 1-1)</b> <b>Provider NPI:</b>	Reported	\$ 0	
	Net Change	\$ 0	
	Audited Amount Due Provider (State)	\$ 0	
<b>14. County Medical Services Program (CMSP SCH 1)</b> <b>Provider NPI:</b>	Reported	\$ 0	
	Net Change	\$ 0	
	Audited Amount Due Provider (State)	\$ 0	
<b>15. Transitional Care (TC SCH 1)</b> <b>Provider NPI:</b>	Reported		\$ 0.00
	Net Change		\$ 0.00
	Audited Cost Per Day		\$ 0.00
	Audited Amount Due Provider (State)	\$ 0	
<b>16. Total Other Settlement</b> <b>Due Provider - (Lines 10 through 15)</b>		\$ 0	
<b>17. Total Combined Audited Settlement Due</b> <b>Provider (State/CMSP/RHC) - (Line 8 + Line 16)</b>		\$ 16,167	

## COMPUTATION OF MEDI-CAL REIMBURSEMENT SETTLEMENT

Provider Name:  
ARROYO GRANDE COMMUNITY HOSPITAL

Fiscal Period Ended:  
JUNE 30, 2011

Provider NPI:  
1770659336

		REPORTED	AUDITED
1. Net Cost of Covered Services Rendered to Medi-Cal Patients (Schedule 3)		\$ <u>91,923</u>	\$ <u>121,473</u>
2. Excess Reasonable Cost Over Charges (Schedule 2)		\$ <u>0</u>	\$ <u>0</u>
3. Medi-Cal Inpatient Hospital Based Physician Services		\$ <u>0</u>	\$ <u>N/A</u>
4.	\$	\$ <u>0</u>	\$ <u>0</u>
5. TOTAL COST-Reimbursable to Provider (Lines 1 through 4)		\$ <u>91,923</u>	\$ <u>121,473</u>
6. Interim Payments (Adj 5)		\$ <u>(71,529)</u>	\$ <u>(98,403)</u>
7. Balance Due Provider (State)		\$ <u>20,394</u>	\$ <u>23,070</u>
8. Duplicate Payments (Adj )		\$ <u>0</u>	\$ <u>0</u>
9. AB 5 and AB 1183 Reduction (Adj 6)		\$ <u>(7,354)</u>	\$ <u>(6,903)</u>
10.	\$	\$ <u>0</u>	\$ <u>0</u>
11. TOTAL MEDI-CAL SETTLEMENT Due Provider (State)		\$ <u><u>13,040</u></u>	\$ <u><u>16,167</u></u>
		(To Summary of Findings)	

COMPUTATION OF MEDI-CAL REIMBURSEMENT SETTLEMENT  
AB 5 and AB 1183 - SUMMARY OF REDUCTIONSProvider Name:  
ARROYO GRANDE COMMUNITY HOSPITALFiscal Period Ended:  
JUNE 30, 2011Provider NPI:  
1770659336

1. 10% Reduction to Noncontract Services for 07/01/08 Through 9/30/08 (SCHEDULE A-1)	\$ <u>0</u>
2. Reduction to Noncontract Services for 10/01/08 Through 04/05/09 (SCHEDULE A-2)	<u>0</u>
3. 10% Reduction to Noncontract Services for 07/01/10 Through 04/12/11 (SCHEDULE A-3)	<u>6,903</u>
4. 10% Reduction to HFPAs < 3 Hospitals for 07/01/08 Through 04/12/11 (SCHEDULE A-4)	<u>0</u>
5. 10% Reduction to Rural Health Hospitals for 07/01/08 Through 10/31/08 (SCHEDULE A-5)	<u>0</u>
6. 10% Reduction to Rural Health Hospitals for 07/01/09 Through 02/23/10 (SCHEDULE A-6)	<u>0</u>
7. Total Noncontract AB 5 and AB 1183 Reductions	\$ <u><u>6,903</u></u> (To Schedule 1, Line 9)

**COMPUTATION OF MEDI-CAL REIMBURSEMENT SETTLEMENT**  
**AB 5 - 10% REDUCTION TO SERVICES FROM JULY 1, 2010 THROUGH APRIL 12, 2011 - NONCONTRACT HOSPITALS**

**Provider Name:**  
**ARROYO GRANDE COMMUNITY HOSPITAL**

**Fiscal Period Ended:**  
**JUNE 30, 2011**

**Provider NPI:**  
**1770659336**

**Audited Medi-Cal Cost Per Day**

1. Medi-Cal Cost of Covered Services (Schedule 3, Line 8)	\$ <u>121,623</u>
2. Less: Medi-Cal Administrative Day Cost (Schedule 4A, Lines 28 and 31)	<u>                    </u>
3. Less: Medi-Cal Administrative Ancillary Cost (Schedule A-7)	<u>                    </u>
4. Total Medi-Cal Cost of Covered Services Subject to Reductions (Line 1 - Lines 2 and 3)	\$ <u><u>121,623</u></u>
5. Total Audited Medi-Cal Days (Schedules 4, 4A and 4B, excludes Administrative Days)	<u><u>37</u></u>
6. Audited Medi-Cal Cost Per Day (Line 4 / Line 5)	\$ <u><u>3,287.11</u></u>

**AB 5 - 10% Cost Reduction For Services From 07/01/10 Through 04/12/11**

7. Audited Medi-Cal Days of Service from 07/01/10 Through 04/12/11(excludes Administrative Days)	<u>21</u>
8. Audited Medi-Cal Cost For 07/01/10 Through 04/12/11(Line 6 * Line 7)	\$ <u>69,029</u>
9. AB 5 - 10% Cost Reduction for 07/01/10 Through 04/12/11 (Line 8 * 10%)	\$ <u><u>6,903</u></u> (To Schedule A, Line 3)

COMPUTATION OF LESSER OF  
MEDI-CAL REASONABLE COST OR CUSTOMARY CHARGESProvider Name:  
ARROYO GRANDE COMMUNITY HOSPITALFiscal Period Ended:  
JUNE 30, 2011Provider NPI:  
1770659336

REPORTED

AUDITED

## REASONABLE COST OF MEDI-CAL INPATIENT SERVICES

1. Cost of Covered Services (Schedule 3) \$ 91,923 \$ 121,623

## CHARGES FOR MEDI-CAL INPATIENT SERVICES

2. Inpatient Routine Service Charges (Adj 4) \$ 84,728 \$ 112,7463. Inpatient Ancillary Service Charges (Adj 4) \$ 332,156 \$ 452,6054. Total Charges - Medi-Cal Inpatient Services \$ 416,884 \$ 565,3515. Excess of Customary Charges Over Reasonable Cost  
(Line 4 minus Line 1) \* \$ 324,961 \$ 443,7286. Excess of Reasonable Cost Over Customary Charges  
(Line 1 minus Line 4) \$ 0 \$ 0

(To Schedule 1)

\* If charges exceed reasonable cost, no further calculation necessary for this schedule.



COMPUTATION OF  
MEDI-CAL INPATIENT ROUTINE SERVICE COSTProvider Name:  
ARROYO GRANDE COMMUNITY HOSPITALFiscal Period Ended:  
JUNE 30, 2011Provider NPI:  
1770659336

## GENERAL SERVICE UNIT NET OF SWING-BED COSTS

REPORTED	AUDITED
----------	---------

## INPATIENT DAYS

1. Total Inpatient Days (include private & swing-bed) (Adj )	8,510	8,510
2. Inpatient Days (include private, exclude swing-bed)	8,510	8,510
3. Private Room Days (exclude swing-bed private room) (Adj )	0	0
4. Semi-Private Room Days (exclude swing-bed) (Adj )	8,510	8,510
5. Medicare NF Swing-Bed Days through Dec 31 (Adj )	0	0
6. Medicare NF Swing-Bed Days after Dec 31 (Adj )	0	0
7. Medi-Cal NF Swing-Bed Days through July 31 (Adj )	0	0
8. Medi-Cal NF Swing-Bed Days after July 31 (Adj )	0	0
9. Medi-Cal Days (excluding swing-bed) (Adj 2)	22	33

## SWING-BED ADJUSTMENT

17. Medicare NF Swing-Bed Rates through Dec 31 (Adj )	\$ 0.00	\$ 0.00
18. Medicare NF Swing-Bed Rates after Dec 31 (Adj )	\$ 0.00	\$ 0.00
19. Medi-Cal NF Swing-Bed Rates through July 31 (Adj )	\$ 0.00	\$ 0.00
20. Medi-Cal NF Swing-Bed Rates after July 31 (Adj )	\$ 0.00	\$ 0.00
21. Total Routine Serv Cost (Sch 8, Line 30, Col 27)	\$ 10,198,753	\$ 9,822,353
22. Medicare NF Swing-Bed Cost through Dec 31 (L 5 x L 17)	\$ 0	\$ 0
23. Medicare NF Swing-Bed Cost after Dec 31 (L 6 x L 18)	\$ 0	\$ 0
24. Medi-Cal NF Swing-Bed Cost through July 31 (L 7 x L 19)	\$ 0	\$ 0
25. Medi-Cal NF Swing-Bed Cost after July 31 (L 8 x L 20)	\$ 0	\$ 0
26. Total Swing-Bed Cost (Sum of Lines 22 to 25)	\$ 0	\$ 0
27. Inpatient Routine Cost Net of Swing-Bed (L 21 minus L 26)	\$ 10,198,753	\$ 9,822,353

## PRIVATE ROOM DIFFERENTIAL ADJUSTMENT

28. Gen Inpatient Routine Serv Charges (excl swing-bed charges)	\$ 28,555,952	\$ 28,555,952
29. Private Room Charges (excluding swing-bed charges)	\$ 0	\$ 0
30. Semi-Private Room Charges (excluding swing-bed charges)	\$ 28,555,952	\$ 28,555,952
31. Gen Inpatient Routine Service Cost/Charge Ratio (L 27 ÷ L 28)	\$ 0.357150	\$ 0.343969
32. Average Private Room Per Diem Charge (L 29 ÷ L 3)	\$ 0.00	\$ 0.00
33. Average Semi-Private Room Per Diem Charge (L 30 ÷ L 4)	\$ 3,355.58	\$ 3,355.58
34. Avg Per Diem Prvt Room Charge Differential (L 32 minus L 33)	\$ 0.00	\$ 0.00
35. Average Per Diem Private Room Cost Differential (L 31 x L 34)	\$ 0.00	\$ 0.00
36. Private Room Cost Differential Adjustment (L 35 x L 3)	\$ 0	\$ 0
37. Inpatient Rout Cost Net of Swing-Bed & Prvt Rm (L 27 minus L 36)	\$ 10,198,753	\$ 9,822,353

## PROGRAM INPATIENT OPERATING COST

38. Adjusted General Inpatient Routine Cost Per Diem (L 37 ÷ L 2)	\$ 1,198.44	\$ 1,154.21
39. Program General Inpatient Routine Service Cost (L 9 x L 38)	\$ 26,366	\$ 38,089
40. Cost Applicable to Medi-Cal (Sch 4A)	\$ 9,046	\$ 8,699
41. Cost Applicable to Medi-Cal (Sch 4B)	\$ 0	\$ 0
42. TOTAL MEDI-CAL ROUTINE COST (Sum of Lines 39,40 & 41)	\$ 35,412	\$ 46,788

( To Schedule 3 )

COMPUTATION OF  
MEDI-CAL INPATIENT ROUTINE SERVICE COST

Provider Name:  
ARROYO GRANDE COMMUNITY HOSPITAL

Fiscal Period Ended:  
JUNE 30, 2011

Provider NPI:  
1770659336

SPECIAL CARE AND/OR NURSERY UNITS	REPORTED	AUDITED
<b>NURSERY</b>		
1. Total Inpatient Routine Cost (Sch 8, Line 43, Col 27)	\$ 0	\$ 0
2. Total Inpatient Days (Adj )	0	0
3. Average Per Diem Cost	\$ 0.00	\$ 0.00
4. Medi-Cal Inpatient Days (Adj )	0	0
5. Cost Applicable to Medi-Cal	\$ 0	\$ 0
<b>INTENSIVE CARE UNIT</b>		
6. Total Inpatient Routine Cost (Sch 8, Line 31, Col 27)	\$ 3,688,464	\$ 3,547,114
7. Total Inpatient Days (Adj )	1,631	1,631
8. Average Per Diem Cost	\$ 2,261.47	\$ 2,174.81
9. Medi-Cal Inpatient Days (Adj )	4	4
10. Cost Applicable to Medi-Cal	\$ 9,046	\$ 8,699
<b>CORONARY CARE UNIT</b>		
11. Total Inpatient Routine Cost (Sch 8, Line 32, Col 27)	\$ 0	\$ 0
12. Total Inpatient Days (Adj )	0	0
13. Average Per Diem Cost	\$ 0.00	\$ 0.00
14. Medi-Cal Inpatient Days (Adj )	0	0
15. Cost Applicable to Medi-Cal	\$ 0	\$ 0
<b>BURN INTENSIVE CARE UNIT</b>		
16. Total Inpatient Routine Cost (Sch 8, Line 33, Col 27)	\$ 0	\$ 0
17. Total Inpatient Days (Adj )	0	0
18. Average Per Diem Cost	\$ 0.00	\$ 0.00
19. Medi-Cal Inpatient Days (Adj )	0	0
20. Cost Applicable to Medi-Cal	\$ 0	\$ 0
<b>SURGICAL INTENSIVE CARE UNIT</b>		
21. Total Inpatient Routine Cost (Sch 8, Line 34, Col 27)	\$ 0	\$ 0
22. Total Inpatient Days (Adj )	0	0
23. Average Per Diem Cost	\$ 0.00	\$ 0.00
24. Medi-Cal Inpatient Days (Adj )	0	0
25. Cost Applicable to Medi-Cal	\$ 0	\$ 0
<b>OTHER SPECIAL CARE (SPECIFY)</b>		
26. Total Inpatient Routine Cost (Sch 8, Line 35, Col 27)	\$ 0	\$ 0
27. Total Inpatient Days (Adj )	0	0
28. Average Per Diem Cost	\$ 0.00	\$ 0.00
29. Medi-Cal Inpatient Days (Adj )	0	0
30. Cost Applicable to Medi-Cal	\$ 0	\$ 0
<b>ADMINISTRATIVE DAYS</b>		
21. Per Diem Rate (Adj )	\$ 0.00	\$ 0.00
32. Medi-Cal Inpatient Days (Adj )	0	0
33. Cost Applicable to Medi-Cal	\$ 0	\$ 0
<b>ADMINISTRATIVE DAYS</b>		
21. Per Diem Rate (Adj )	\$ 0.00	\$ 0.00
32. Medi-Cal Inpatient Days (Adj )	0	0
33. Cost Applicable to Medi-Cal	\$ 0	\$ 0
37. Medi-Cal Routine Cost (Sum of Lines 5,10,15,20,25,28,31)	\$ 9,046	\$ 8,699

(To Schedule 4)



ADJUSTMENTS TO MEDI-CAL CHARGES

Provider Name:  
ARROYO GRANDE COMMUNITY HOSPITAL

Fiscal Period Ended:  
JUNE 30, 2011

Provider NPI:  
1770659336

ANCILLARY CHARGES		REPORTED	ADJUSTMENTS (Adj 3)	AUDITED
50.00	Operating Room	\$ 57,827	\$ 49,409	\$ 107,236
50.01	Gastro-Intestinal Services	6,233	(6,233)	0
52.00	Labor Room and Delivery Room			0
53.00	Anesthesiology			0
54.00	Radiology-Diagnostic	53,110	15,113	68,223
55.00	Radiology-Therapeutic			0
56.00	Radioisotope			0
57.00	Computed Tomography (CT) Scan			0
58.00	Magnetic Resonance Imaging (MRI)			0
59.00	Cardiac Catheterization			0
60.00	Laboratory	68,631	11,554	80,185
61.00	PBP Clinical Laboratory Services-Program Only			0
62.00	Whole Blood & Packed Red Blood Cells	37,912	4,060	41,972
63.00	Blood Storing, Processing & Transfer			0
64.00	Intravenous Therapy			0
65.00	Respiratory Therapy	9,614	6,233	15,847
66.00	Physical Therapy	773	612	1,385
67.00	Occupational Therapy			0
68.00	Speech Pathology			0
69.00	Electrocardiology			0
70.00	Electroencephalography	0	3,860	3,860
71.00	Medical Supplies Charged to Patients	18,349	11,283	29,632
71.01	Supplies Implants	0	5,292	5,292
73.00	Drugs Charged to Patients	59,000	14,459	73,459
74.00	Renal Dialysis			0
75.00	ASC (Non-Distinct Part)			0
76.00	Other Ancillary (specify)			0
77.00				0
78.00				0
79.00				0
80.00				0
81.00				0
82.00				0
83.00				0
84.00				0
85.00				0
86.00				0
87.00				0
87.01				0
88.00	Rural Health Clinic (RHC)			0
89.00	Federally Qualified Health Center (FQHC)			0
90.00	Clinic			0
91.00	Emergency	20,707	4,807	25,514
92.00				0
93.00				0
93.01				0
93.02				0
93.03				0
93.04				0
93.05				0
<b>TOTAL MEDI-CAL ANCILLARY CHARGES</b>		<b>\$ 332,156</b>	<b>\$ 120,449</b>	<b>\$ 452,605</b>

(To Schedule 5)



**COMPUTATION OF  
DISTINCT PART NURSING FACILITY PER DIEM**

**Provider Name:**  
**ARROYO GRANDE COMMUNITY HOSPITAL**

**Fiscal Period Ended:**  
**JUNE 30, 2011**

**Provider NPI:**  
**1770659336**

	<b>REPORTED</b>	<b>AUDITED</b>	<b>DIFFERENCE</b>
<b>COMPUTATION OF DISTINCT PART (DP) NURSING FACILITY PER DIEM</b>			
1. Distinct Part Ancillary Cost (DPNF Sch 3)	\$ 0	\$ 0	\$ 0
2. Distinct Part Routine Cost (DPNF Sch 2)	\$ 540,707	\$ 520,302	\$ (20,405)
3. Total Distinct Part Facility Cost (Lines 1 & 2)	\$ 540,707	\$ 520,302	\$ (20,405)
4. Total Distinct Part Patient Days (Adj )	561	561	0
5. Average DP Per Diem Cost (Line 3 ÷ Line 4)	\$ 963.83	\$ 927.45	\$ (36.38)
<b>DPNF OVERPAYMENTS AND OVERBILLINGS</b>			
6. Medi-Cal Overpayments (Adj )	\$ 0	\$ 0	\$ 0
7. Medi-Cal Credit Balances (Adj )	\$ 0	\$ 0	\$ 0
8. MEDI-CAL SETTLEMENT Due Provider (State)	\$ 0	\$ 0	\$ 0
	(To Summary of Findings)		
<b>GENERAL INFORMATION</b>			
9. Total Licensed Distinct Part Beds (C/R, W/S S-3)	0	0	0
10. Total Licensed Capacity (All levels) (Adj )	0	0	0
11. Total Medi-Cal DP Patient Days (Adj )	0	0	0
<b>CAPITAL RELATED COST</b>			
12. Direct Capital Related Cost	N/A	\$ 0	N/A
13. Indirect Capital Related Cost (DPNF Sch 5)	N/A	\$ 39,127	N/A
14. Total Capital Related Cost (Lines 12 & 13)	N/A	\$ 39,127	N/A
<b>TOTAL SALARY &amp; BENEFITS</b>			
15. Direct Salary & Benefits Expenses	N/A	\$ 199,732	N/A
16. Allocated Salary & Benefits (DPNF Sch 5)	N/A	\$ 189,532	N/A
17. Total Salary & Benefits Expenses (Lines 15 & 16)	N/A	\$ 389,264	N/A

## SUMMARY OF DISTINCT PART FACILITY EXPENSES

Provider Name:  
ARROYO GRANDE COMMUNITY HOSPITAL

Fiscal Period Ended:  
JUNE 30, 2011

Provider NPI:  
1770659336

COL.	COST CENTER DIRECT AND ALLOCATED EXPENSE	REPORTED	AUDITED *	DIFFERENCE
0.00	Distinct Part	\$ 208,193	\$ 208,193	\$ 0
1.00	Capital Related Costs-Buildings and Fixtures	9,764	9,764	0
2.00	Capital Related Costs-Movable Equipment	19,911	19,911	(0)
3.00	Other Capital Related Costs		0	0
3.01			0	0
3.02			0	0
3.03			0	0
3.04			0	0
3.05			0	0
3.06			0	0
3.07			0	0
3.08			0	0
3.09			0	0
4.00	Employee Benefits	67,099	63,112	(3,987)
5.01			0	0
5.02			0	0
5.03			0	0
5.04			0	0
5.05			0	0
5.06			0	0
5.07			0	0
5.08			0	0
5.00	Administrative and General	73,622	62,989	(10,633)
6.00	Maintenance and Repairs	32,021	31,087	(934)
7.00	Operation of Plant		0	0
8.00	Laundry and Linen Service	2,778	2,706	(72)
9.00	Housekeeping	12,089	11,645	(444)
10.00	Dietary	36,706	35,407	(1,299)
11.00	Cafeteria	7,914	7,634	(280)
12.00	Maintenance of Personnel		0	0
13.00	Nursing Administration	66,208	63,589	(2,619)
14.00	Central Services and Supply	22	21	(1)
15.00	Pharmacy		0	0
16.00	Medical Records & Library	4,380	4,244	(136)
17.00	Social Service		0	0
18.00	Other General Service (specify)		0	0
19.00	Nonphysician Anesthetists		0	0
20.00	Nursing School		0	0
21.00	Intern & Res. Service-Salary & Fringes		0	0
22.00	Intern & Res. Other Program Costs		0	0
23.00	Paramedical Ed. Program (specify)		0	0
23.01			0	0
23.02			0	0
101.00	TOTAL DIRECT AND ALLOCATED EXPENSES	\$ 540,707	\$ 520,302	\$ (20,405)

(To DPNF Sch 1)

\* From Schedule 8, line 44 plus line 45.





**ALLOCATION OF INDIRECT EXPENSES  
DISTINCT PART NURSING FACILITY**

**Provider Name:**  
**ARROYO GRANDE COMMUNITY HOSPITAL**

**Fiscal Period Ended:**  
**JUNE 30, 2011**

**Provider NPI:**  
**1770659336**

<b>COL.</b>	<b>COST CENTER</b>	<b>AUDITED CAP RELATED * (COL 1)</b>	<b>AUDITED SAL &amp; EMP BENEFITS * (COL 2)</b>
1.00	Capital Related Costs-Buildings and Fixtures	\$ 9,764	\$ N/A
2.00	Capital Related Costs-Movable Equipment	19,911	N/A
3.00	Other Capital Related Costs	0	N/A
3.01		0	N/A
3.02		0	N/A
3.03		0	N/A
3.04		0	N/A
3.05		0	N/A
3.06		0	N/A
3.07		0	N/A
3.08		0	N/A
3.09		0	N/A
4.00	Employee Benefits	392	62,721
5.01		0	0
5.02		0	0
5.03		0	0
5.04		0	0
5.05		0	0
5.06		0	0
5.07		0	0
5.08		0	0
5.00	Administrative and General	1,169	28,180
6.00	Maintenance and Repairs	1,971	8,161
7.00	Operation of Plant	0	0
8.00	Laundry and Linen Service	9	210
9.00	Housekeeping	900	8,032
10.00	Dietary	2,662	21,727
11.00	Cafeteria	574	4,684
12.00	Maintenance of Personnel	0	0
13.00	Nursing Administration	1,503	54,239
14.00	Central Services and Supply	0	18
15.00	Pharmacy	0	0
16.00	Medical Records & Library	273	1,560
17.00	Social Service	0	0
18.00	Other General Service (specify)	0	0
19.00	Nonphysician Anesthetists	0	0
20.00	Nursing School	0	0
21.00	Intern & Res. Service-Salary & Fringes	0	0
22.00	Intern & Res. Other Program Costs	0	0
23.00	Paramedical Ed. Program (specify)	0	0
23.01		0	0
23.02		0	0
101	<b>TOTAL ALLOCATED INDIRECT EXPENSES</b>	<b>\$ 39,127</b>	<b>\$ 189,532</b>

\* These amounts include both Skilled Nursing Facility expenses,  
line 44 and Nursing Facility expenses, line 45.

(To DPNF SCH 1)











































Provider Name:  
ARROYO GRANDE COMMUNITY HOSPITAL

Fiscal Period Ended:  
JUNE 30, 2011

NONPHY- SICIAN ANE	NURSING SCHOOL	I&R SVC&SAL	I&R OTHER PROG (ASG TIME)	PARAMEDICAL ED. PROG (ASG TIME)	STAT	STAT
19.00	20.00	21.00	22.00	23.00	23.01	23.02
(Adj)	(Adj)	(Adj)	(Adj)	(Adj)	(Adj)	(Adj)

**GENERAL SERVICE COST CENTERS**

- 1.00 Capital Related Costs-Buildings and Fixtures
- 2.00 Capital Related Costs-Movable Equipment
- 3.00 Other Capital Related Costs
- 3.01
- 3.02
- 3.03
- 3.04
- 3.05
- 3.06
- 3.07
- 3.08
- 3.09
- 4.00 Employee Benefits
- 5.01
- 5.02
- 5.03
- 5.04
- 5.05
- 5.06
- 5.07
- 5.08
- 5.00 Administrative and General
- 6.00 Maintenance and Repairs
- 7.00 Operation of Plant
- 8.00 Laundry and Linen Service
- 9.00 Housekeeping
- 10.00 Dietary
- 11.00 Cafeteria
- 12.00 Maintenance of Personnel
- 13.00 Nursing Administration
- 14.00 Central Services and Supply
- 15.00 Pharmacy
- 16.00 Medical Records & Library
- 17.00 Social Service
- 18.00 Other General Service (specify)
- 19.00 Nonphysician Anesthetists
- 20.00 Nursing School
- 21.00 Intern & Res. Service-Salary & Fringes
- 22.00 Intern & Res. Other Program Costs
- 23.00 Paramedical Ed. Program (specify)
- 23.01
- 23.02

**INPATIENT ROUTINE COST CENTERS**

- 30.00 Adults & Pediatrics (Gen Routine)
- 31.00 Intensive Care Unit
- 32.00 Coronary Care Unit
- 33.00 Burn Intensive Care Unit
- 34.00 Surgical Intensive Care Unit
- 35.00 Other Special Care (specify)
- 40.00 Subprovider - IPF
- 41.00 Subprovider - IRF
- 42.00 Subprovider (specify)
- 43.00 Nursery
- 44.00 Skilled Nursing Facility
- 45.00 Nursing Facility
- 46.00 Other Long Term Care
- 47.00

Provider Name:

ARROYO GRANDE COMMUNITY HOSPITAL

Fiscal Period Ended:

JUNE 30, 2011

NONPHY- SICIAN ANE	NURSING SCHOOL	I&R SVC&SAL	I&R OTHER PROG (ASG TIME)	PARAMEDICAL ED. PROG (ASG TIME)	STAT	STAT
19.00	20.00	21.00	22.00	23.00	23.01	23.02
(Adj)	(Adj)	(Adj)	(Adj)	(Adj)	(Adj)	(Adj)

**ANCILLARY COST CENTERS**

- 50.00 Operating Room
- 50.01 Gastro-Intestinal Services
- 52.00 Labor Room and Delivery Room
- 53.00 Anesthesiology
- 54.00 Radiology-Diagnostic
- 55.00 Radiology-Therapeutic
- 56.00 Radioisotope
- 57.00 Computed Tomography (CT) Scan
- 58.00 Magnetic Resonance Imaging (MRI)
- 59.00 Cardiac Catheterization
- 60.00 Laboratory
- 61.00 PBP Clinical Laboratory Services-Program Only
- 62.00 Whole Blood & Packed Red Blood Cells
- 63.00 Blood Storing, Processing & Transfer
- 64.00 Intravenous Therapy
- 65.00 Respiratory Therapy
- 66.00 Physical Therapy
- 67.00 Occupational Therapy
- 68.00 Speech Pathology
- 69.00 Electrocardiology
- 70.00 Electroencephalography
- 71.00 Medical Supplies Charged to Patients
- 71.01 Supplies Implants
- 73.00 Drugs Charged to Patients
- 74.00 Renal Dialysis
- 75.00 ASC (Non-Distinct Part)
- 76.00 Other Ancillary (specify)
- 77.00
- 78.00
- 79.00
- 80.00
- 81.00
- 82.00
- 83.00
- 84.00
- 85.00
- 86.00
- 87.00
- 87.01
- 88.00 Rural Health Clinic (RHC)
- 89.00 Federally Qualified Health Center (FQHC)
- 90.00 Clinic
- 91.00 Emergency
- 92.00 Observation Beds
- 93.00 Other Outpatient Services (Specify)
- 93.01
- 93.02
- 93.03
- 93.04
- 93.05

**NONREIMBURSABLE COST CENTERS**

- 193.01 Public Relations
- 194.00 Gift Shop
- 194.03 Community Health Education
- 0.00
- 0.00
- 0.00
- 0.00
- 0.00



## TRIAL BALANCE OF EXPENSES

Provider Name:  
ARROYO GRANDE COMMUNITY HOSPITAL

Fiscal Period Ended:  
JUNE 30, 2011

		REPORTED	ADJUSTMENTS (From Sch 10A)	AUDITED
	<b>GENERAL SERVICE COST CENTERS</b>			
1.00	Capital Related Costs-Buildings and Fixtures	\$ 897,849	\$ 0	\$ 897,849
2.00	Capital Related Costs-Movable Equipment	1,830,879	0	1,830,879
3.00	Other Capital Related Costs		0	0
3.01			0	0
3.02			0	0
3.03			0	0
3.04			0	0
3.05			0	0
3.06			0	0
3.07			0	0
3.08			0	0
3.09			0	0
4.00	Employee Benefits	6,884,420	(411,400)	6,473,020
5.01			0	0
5.02			0	0
5.03			0	0
5.04			0	0
5.05			0	0
5.06			0	0
5.07			0	0
5.08			0	0
5.00	Administrative and General	8,387,714	(1,278,729)	7,108,985
6.00	Maintenance and Repairs	1,810,975	0	1,810,975
7.00	Operation of Plant		0	0
8.00	Laundry and Linen Service	319,791	0	319,791
9.00	Housekeeping	506,839	0	506,839
10.00	Dietary	686,558	0	686,558
11.00	Cafeteria		0	0
12.00	Maintenance of Personnel		0	0
13.00	Nursing Administration	1,332,818	0	1,332,818
14.00	Central Services and Supply	192,211	0	192,211
15.00	Pharmacy	821,729	0	821,729
16.00	Medical Records & Library	559,546	0	559,546
17.00	Social Service		0	0
18.00	Other General Service (specify)		0	0
19.00	Nonphysician Anesthetists		0	0
20.00	Nursing School		0	0
21.00	Intern & Res. Service-Salary & Fringes		0	0
22.00	Intern & Res. Other Program Costs		0	0
23.00	Paramedical Ed. Program (specify)		0	0
23.01			0	0
23.02			0	0
	<b>INPATIENT ROUTINE COST CENTERS</b>			
30.00	Adults & Pediatrics (Gen Routine)	4,380,979	0	4,380,979
31.00	Intensive Care Unit	1,662,335	0	1,662,335
32.00	Coronary Care Unit		0	0
33.00	Burn Intensive Care Unit		0	0
34.00	Surgical Intensive Care Unit		0	0
35.00	Other Special Care (specify)		0	0
40.00	Subprovider - IPF		0	0
41.00	Subprovider - IRF	132,174	0	132,174
42.00	Subprovider (specify)		0	0
43.00	Nursery		0	0
44.00	Skilled Nursing Facility	208,193	0	208,193
45.00	Nursing Facility		0	0
46.00	Other Long Term Care		0	0
47.00			0	0

## TRIAL BALANCE OF EXPENSES

Provider Name:  
ARROYO GRANDE COMMUNITY HOSPITAL

Fiscal Period Ended:  
JUNE 30, 2011

		REPORTED	ADJUSTMENTS (From Sch 10A)	AUDITED
	<b>ANCILLARY COST CENTERS</b>			
50.00	Operating Room	\$ 1,916,594	\$ 0	\$ 1,916,594
50.01	Gastro-Intestinal Services	64,417	0	64,417
52.00	Labor Room and Delivery Room		0	0
53.00	Anesthesiology		0	0
54.00	Radiology-Diagnostic	2,587,061	0	2,587,061
55.00	Radiology-Therapeutic		0	0
56.00	Radioisotope	150,325	0	150,325
57.00	Computed Tomography (CT) Scan		0	0
58.00	Magnetic Resonance Imaging (MRI)		0	0
59.00	Cardiac Catheterization		0	0
60.00	Laboratory	2,195,365	0	2,195,365
61.00	PBP Clinical Laboratory Services-Program Only		0	0
62.00	Whole Blood & Packed Red Blood Cells	466,528	0	466,528
63.00	Blood Storing, Processing & Transfer		0	0
64.00	Intravenous Therapy		0	0
65.00	Respiratory Therapy	775,213	0	775,213
66.00	Physical Therapy	525,846	0	525,846
67.00	Occupational Therapy	73,221	0	73,221
68.00	Speech Pathology	79,493	0	79,493
69.00	Electrocardiology		0	0
70.00	Electroencephalography	47,288	0	47,288
71.00	Medical Supplies Charged to Patients	1,550,335	0	1,550,335
71.01	Supplies Implants	3,019,408	0	3,019,408
73.00	Drugs Charged to Patients	915,249	0	915,249
74.00	Renal Dialysis	75,825	0	75,825
75.00	ASC (Non-Distinct Part)	604,280	0	604,280
76.00	Other Ancillary (specify)		0	0
77.00			0	0
78.00			0	0
79.00			0	0
80.00			0	0
81.00			0	0
82.00			0	0
83.00			0	0
84.00			0	0
85.00			0	0
86.00			0	0
87.00			0	0
87.01			0	0
88.00	Rural Health Clinic (RHC)		0	0
89.00	Federally Qualified Health Center (FQHC)		0	0
90.00	Clinic		0	0
91.00	Emergency	2,471,951	0	2,471,951
92.00	Observation Beds		0	0
93.00	Other Outpatient Services (Specify)		0	0
93.01			0	0
93.02			0	0
93.03			0	0
93.04			0	0
93.05			0	0
	<b>SUBTOTAL</b>	\$ 48,133,409	\$ (1,690,129)	\$ 46,443,280
	<b>NONREIMBURSABLE COST CENTERS</b>			
193.01	Public Relations	359,602	0	359,602
194.00	Gift Shop	46,752	0	46,752
194.03	Community Health Education	121,087	0	121,087
			0	0















Provider Name							Fiscal Period			Provider NPI		Adjustments
ARROYO GRANDE COMMUNITY HOSPITAL							JULY 1, 2010 THROUGH JUNE 30, 2011			1770659336		6
Report References												
Adj. No.	Audit Report	Cost Report					Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted		
		Work Sheet	Part	Title	Line	Col.						
<b><u>ADJUSTMENT TO REPORTED COSTS</u></b>												
1	10A	A			4.00	7	Employee Benefits	\$6,884,420	(\$411,400)	\$6,473,020		
	10A	A			5.00	7	Administrative and General	8,387,714	(1,278,729)	7,108,985		
							To adjust reported home office costs to agree with the Catholic Healthcare West Home Office Audit Report for fiscal period ended June 30, 2011. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304					

Provider Name							Fiscal Period		Provider NPI		Adjustments
ARROYO GRANDE COMMUNITY HOSPITAL							JULY 1, 2010 THROUGH JUNE 30, 2011		1770659336		6
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Adj. No.	Audit Report	Cost Report									
		Work Sheet	Part	Title	Line	Col.					
<b>ADJUSTMENTS TO REPORTED MEDI-CAL SETTLEMENT DATA - NONCONTRACT</b>											
2	4	D-1	I	XIX	9.00	1	Medi-Cal Days - Adults and Pediatrics	22	11	33	
3	6	D-3		XIX	50.00	2	Medi-Cal Ancillary Charges - Operating Room	\$57,827	\$49,409	\$107,236	
	6	D-3		XIX	50.01	2	Medi-Cal Ancillary Charges - Gastro-Intestinal Services	6,233	(6,233)	0	
	6	D-3		XIX	54.00	2	Medi-Cal Ancillary Charges - Radiology-Diagnostic	53,110	15,113	68,223	
	6	D-3		XIX	60.00	2	Medi-Cal Ancillary Charges - Laboratory	68,631	11,554	80,185	
	6	D-3		XIX	62.00	2	Medi-Cal Ancillary Charges - Whole Blood & Packed Red Blood Cells	37,912	4,060	41,972	
	6	D-3		XIX	65.00	2	Medi-Cal Ancillary Charges - Respiratory Therapy	9,614	6,233	15,847	
	6	D-3		XIX	66.00	2	Medi-Cal Ancillary Charges - Physical Therapy	773	612	1,385	
	6	D-3		XIX	70.00	2	Medi-Cal Ancillary Charges - Electroencephalography	0	3,860	3,860	
	6	D-3		XIX	71.00	2	Medi-Cal Ancillary Charges - Medical Supplies Charged to Patients	18,349	11,283	29,632	
	6	D-3		XIX	71.01	2	Medi-Cal Ancillary Charges - Supplies Implants	0	5,292	5,292	
	6	D-3		XIX	73.00	2	Medi-Cal Ancillary Charges - Drugs Charged to Patients	59,000	14,459	73,459	
	6	D-3		XIX	91.00	2	Medi-Cal Ancillary Charges - Emergency	20,707	4,807	25,514	
	6	D-3		XIX	200.00	2	Medi-Cal Ancillary Charges - Total	332,156	120,449	452,605	
4	2	E-3	VII	XIX	8.00	1	Medi-Cal Routine Service Charges - Total	\$84,728	\$28,018	\$112,746	
	2	E-3	VII	XIX	9.00	1	Medi-Cal Ancillary Service Charges - Total	332,156	120,449	452,605	
5	3	E-3	VII	XIX	33.00	1	Medi-Cal Coinsurance	\$0	\$150	\$150	
	1	E-3	VII	XIX	41.00	1	Medi-Cal Interim Payment	71,529	26,874	98,403	
<p style="text-align: center;">To adjust Medi-Cal Settlement Data to agree with the following Fiscal Intermediary Payment Data:                      Service Period: July 1, 2010 through June 30, 2011                      Payment Period: July 1, 2010 through July 20, 2012                      Report Date: July 26, 2012                      42 CFR 413.20, 413.24, 413.50, 413.53, 413.60, 413.64, and 433.139                      CMS Pub. 15-1, Sections 2300, 2304, 2404, and 2408                      CCR, Title 22, Section 51541</p>											

Provider Name							Fiscal Period		Provider NPI		Adjustments
ARROYO GRANDE COMMUNITY HOSPITAL							JULY 1, 2010 THROUGH JUNE 30, 2011		1770659336		6
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Adj. No.	Audit Report	Cost Report									
		Work Sheet	Part	Title	Line	Col.					
<b><u>ADJUSTMENT TO OTHER MATTERS</u></b>											
6	1	E-3	VII	XIX	37.00	1	Total Noncontract AB 5 and AB 1183 Reduction To adjust provider's reduction of the net Medi-Cal cost of covered services to agree with calculation performed on Schedule A-3 and AB 5 regulations. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 W & I Code Sections 14105.19 and 14166.245	(\$7,354)	\$451	(\$6,903)	