

**REPORT
ON THE
COST REPORT REVIEW**

**CHAPMAN MEDICAL CENTER
ORANGE, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1427041110
FISCAL PERIOD ENDED
MARCH 31, 2011**

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

**Section Chief: Margaret A. Varho
Audit Supervisor: Lan Nguyen
Auditors: Monique Nguyen/Lynsey Ly**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

Date: April 30, 2013

Ray Rivas
Chief Financial Officer
Chapman Medical Center
2601 East Chapman Avenue
Orange, CA 92869

CHAPMAN MEDICAL CENTER
NATIONAL PROVIDER IDENTIFIER (NPI) 1427041110
FISCAL PERIOD ENDED MARCH 31, 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, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances

In our opinion, the audited combined settlement for the fiscal period due the State in the amount of \$1,925 and the audited costs presented in the Summary of Findings represent 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 Contract Cost (CONTRACT Schedules)
3. Computation of Subacute Per Diem (ADULT SUBACUTE Schedules)
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's fiscal intermediary. Instructions regarding payment will be included with the Statement of Account Status.

Future long-term care prospective rates may be affected by this examination. The extent of the rate changes will be determined by the Department's Medi-Cal Benefits, Waiver Analysis and Rates Division.

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.

Ray Rivas
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If you have questions regarding this report, you may call the Audits Section— Santa Ana at (714) 558-4434.

(Original signed by Stan Van Arsdale)

For

Margaret A. Varho, Chief
Audits Section—Santa Ana
Financial Audits Branch

Certified

cc: Tad R. Erickson, President
TRE Reimbursement Consulting, Inc.
2008 East Palmdale Avenue
Phoenix, AZ 85020

SUMMARY OF FINDINGS

Provider Name:
CHAPMAN MEDICAL CENTER

Fiscal Period Ended:
MARCH 31, 2011

	SETTLEMENT	COST
1. Medi-Cal Noncontract Settlement (SCHEDULE 1)		
Provider NPI:		
Reported	\$ 0	
Net Change	\$ 0	
Audited Amount Due Provider (State)	\$ 0	
2. Subprovider I (SCHEDULE 1-1)		
Provider NPI:		
Reported	\$ 0	
Net Change	\$ 0	
Audited Amount Due Provider (State)	\$ 0	
3. Subprovider II (SCHEDULE 1-2)		
Provider NPI:		
Reported	\$ 0	
Net Change	\$ 0	
Audited Amount Due Provider (State)	\$ 0	
4. Contract (CONTRACT SCHEDULE 1)		
Provider NPI: 1427041110		
Reported		\$ 337,269
Net Change		\$ (20,681)
Audited Cost		\$ 316,587
Audited Amount Due Provider (State)	\$ (1,925)	
5. Distinct Part Nursing Facility (DPNF SCH 1)		
Provider NPI:		
Reported		\$ 0.00
Net Change		\$ 0.00
Audited Cost Per Day		\$ 0.00
Audited Amount Due Provider (State)	\$ 0	
6. Distinct Part Nursing Facility (DPNF SCH 1-1)		
Provider NPI:		
Reported		\$ 0.00
Net Change		\$ 0.00
Audited Cost Per Day		\$ 0.00
Audited Amount Due Provider (State)	\$ 0	
7. Adult Subacute (ADULT SUBACUTE SCH 1)		
Provider NPI: 1477672665		
Reported		\$ 600.11
Net Change		\$ 164.45
Audited Cost Per Day		\$ 764.56
Audited Amount Due Provider (State)	\$ 0	
8. Total Medi-Cal Settlement Due Provider (State) - (Lines 1 through 7)	\$ (1,925)	
9. Total Medi-Cal Cost		\$ 316,587

SUMMARY OF FINDINGS

Provider Name:
CHAPMAN MEDICAL CENTER

Fiscal Period Ended:
MARCH 31, 2011

		SETTLEMENT	COST
10. Subacute (SUBACUTE SCH 1-1) Provider NPI:	Reported		\$ 0.00
	Net Change		\$ 0.00
	Audited Cost Per Day		\$ 0.00
	Audited Amount Due Provider (State)	\$ 0	
11. Rural Health Clinic (RHC SCH 1) Provider NPI:	Reported	\$ 0	
	Net Change	\$ 0	
	Audited Amount Due Provider (State)	\$ 0	
12. Rural Health Clinic (RHC 95-210 SCH 1) Provider NPI:	Reported	\$ 0	
	Net Change	\$ 0	
	Audited Amount Due Provider (State)	\$ 0	
13. Rural Health Clinic (RHC 95-210 SCH 1-1) Provider NPI:	Reported	\$ 0	
	Net Change	\$ 0	
	Audited Amount Due Provider (State)	\$ 0	
14. County Medical Services Program (CMSP SCH 1) Provider NPI:	Reported	\$ 0	
	Net Change	\$ 0	
	Audited Amount Due Provider (State)	\$ 0	
15. Transitional Care (TC SCH 1) Provider NPI:	Reported		\$ 0.00
	Net Change		\$ 0.00
	Audited Cost Per Day		\$ 0.00
	Audited Amount Due Provider (State)	\$ 0	
16. Total Other Settlement Due Provider - (Lines 10 through 15)		\$ 0	
17. Total Combined Audited Settlement Due Provider (State/CMSP/RHC) - (Line 8 + Line 16)		\$ (1,925)	

COMPUTATION OF MEDI-CAL CONTRACT COST

Provider Name:
CHAPMAN MEDICAL CENTER

Fiscal Period Ended:
MARCH 31, 2011

Provider NPI:
1427041110

		REPORTED	AUDITED
1.	Net Cost of Covered Services Rendered to Medi-Cal Patients (Contract Sch 3)	\$ 337,269	\$ 316,587
2.	Excess Reasonable Cost Over Charges (Contract Sch 2)	\$ 0	\$ 0
3.	Medi-Cal Inpatient Hospital Based Physician Services	\$ 0	N/A
4.		\$ 0	\$ 0
5.	Subtotal (Sum of Lines 1 through 4)	\$ 337,269	\$ 316,587
6.	\$	\$ 0	\$ 0
7.		\$ 0	\$ 0
8.	Total Medi-Cal Cost (Sum of Lines 5 through 7)	\$ 337,269	\$ 316,587
(To Summary of Findings)			
9.	Medi-Cal Overpayments (Adj)	\$ 0	\$ 0
10.	Medi-Cal Credit Balances (Adj 16)	\$ 0	\$ (1,925)
11.		\$ 0	\$ 0
12.		\$ 0	\$ 0
13.	TOTAL MEDI-CAL SETTLEMENT Due Provider (State)	\$ 0	\$ (1,925)
(To Summary of Findings)			

**COMPUTATION OF LESSER OF
MEDI-CAL REASONABLE COST OR CUSTOMARY CHARGES**

Provider Name:
CHAPMAN MEDICAL CENTER

Fiscal Period Ended:
MARCH 31, 2011

Provider NPI:
1427041110

	REPORTED	AUDITED
REASONABLE COST OF MEDI-CAL INPATIENT SERVICES		
1. Cost of Covered Services (Contract Sch 3)	\$ <u>337,269</u>	\$ <u>321,751</u>
CHARGES FOR MEDI-CAL INPATIENT SERVICES		
2. Inpatient Routine Service Charges (Adj 11)	\$ <u>280,940</u>	\$ <u>292,864</u>
3. Inpatient Ancillary Service Charges (Adj 11)	\$ <u>1,222,598</u>	\$ <u>1,076,154</u>
4. Total Charges - Medi-Cal Inpatient Services	\$ <u>1,503,538</u>	\$ <u>1,369,018</u>
5. Excess of Customary Charges Over Reasonable Cost (Line 4 minus Line 1) *	\$ <u>1,166,269</u>	\$ <u>1,047,267</u>
6. Excess of Reasonable Cost Over Customary Charges (Line 1 minus Line 4)	\$ <u>0</u>	\$ <u>0</u>
	(To Contract Sch 1)	

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

**COMPUTATION OF
MEDI-CAL INPATIENT ROUTINE SERVICE COST**

Provider Name:
CHAPMAN MEDICAL CENTER

Fiscal Period Ended:
MARCH 31, 2011

Provider NPI:
1427041110

GENERAL SERVICE UNIT NET OF SWING-BEDS COSTS

	REPORTED	AUDITED
INPATIENT DAYS		
1. Total Inpatient Days (include private & swing-bed) (Adj 7)	11,715	11,617
2. Inpatient Days (include private, exclude swing-bed)	11,715	11,617
3. Private Room Days (exclude swing-bed private room) (Adj)	0	0
4. Semi-Private Room Days (exclude swing-bed) (Adj 7)	11,715	11,617
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 9)	111	117

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 25, Col 27)	\$ 11,689,214	\$ 11,024,223
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)	\$ 11,689,214	\$ 11,024,223

PRIVATE ROOM DIFFERENTIAL ADJUSTMENT

28. Gen Inpatient Routine Serv Charges (excl swing-bed charges) (Adj)	\$ 21,720,812	\$ 21,720,812
29. Private Room Charges (excluding swing-bed charges) (Adj)	\$ 0	\$ 0
30. Semi-Private Room Charges (excluding swing-bed charges) (Adj)	\$ 14,081,838	\$ 14,081,838
31. Gen Inpatient Routine Service Cost/Charge Ratio (L 27 / L 28)	\$ 0.538157	\$ 0.507542
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)	\$ 1,202.03	\$ 1,212.18
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)	\$ 11,689,214	\$ 11,024,223

PROGRAM INPATIENT OPERATING COST

38. Adjusted General Inpatient Routine Cost Per Diem (L 37 / L 2)	\$ 997.80	\$ 948.97
39. Program General Inpatient Routine Service Cost (L 9 x L 38)	\$ 110,756	\$ 111,029
40. Cost Applicable to Medi-Cal (Contract Sch 4A)	\$ 24,987	\$ 37,753
41. Cost Applicable to Medi-Cal (Contract Sch 4B)	\$ 0	\$ 0
42. TOTAL MEDI-CAL ROUTINE COST (Sum of Lines 39, 40 & 41)	\$ 135,743	\$ 148,782

(To Contract Sch 3)

COMPUTATION OF
MEDI-CAL INPATIENT ROUTINE SERVICE COST

Provider Name:
CHAPMAN MEDICAL CENTER

Fiscal Period Ended:
MARCH 31, 2011

Provider NPI:
1427041110

	REPORTED	AUDITED
SPECIAL CARE AND/OR NURSERY UNITS		
NURSERY		
1. Total Inpatient Routine Cost (Sch 8, Line 33, 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
INTENSIVE CARE UNIT		
6. Total Inpatient Routine Cost (Sch 8, Line 26, Col 27)	\$ 2,798,511	\$ 2,592,349
7. Total Inpatient Days (Adj 7)	1,232	1,236
8. Average Per Diem Cost	\$ 2,271.52	\$ 2,097.37
9. Medi-Cal Inpatient Days (Adj 9)	11	18
10. Cost Applicable to Medi-Cal	\$ 24,987	\$ 37,753
CORONARY CARE UNIT		
11. Total Inpatient Routine Cost (Sch 8, Line 27, 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
NEONATAL INTENSIVE CARE UNIT		
16. Total Inpatient Routine Cost (Sch 8, Line 28, 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
SURGICAL INTENSIVE CARE UNIT		
21. Total Inpatient Routine Cost (Sch 8, Line 29, 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
0		
26. Total Inpatient Routine Cost (Sch 8, Line___ , 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
31. Medi-Cal Routine Cost (Sum of Lines 5,10,15,20,25,30)	\$ 24,987	\$ 37,753

(To Contract Sch 4)

COMPUTATION OF
MEDI-CAL INPATIENT ROUTINE SERVICE COST

Provider Name:
CHAPMAN MEDICAL CENTER

Fiscal Period Ended:
MARCH 31, 2011

Provider NPI:
1427041110

SPECIAL CARE UNITS	REPORTED	AUDITED
1. Total Inpatient Routine Cost (Sch 8, Line ____, 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
6. Total Inpatient Routine Cost (Sch 8, Line ____, Col 27)	\$ 0	\$ 0
7. Total Inpatient Days (Adj)	0	0
8. Average Per Diem Cost	\$ 0.00	\$ 0.00
9. Medi-Cal Inpatient Days (Adj)	0	0
10. Cost Applicable to Medi-Cal	\$ 0	\$ 0
11. Total Inpatient Routine Cost (Sch 8, Line ____, 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
16. Total Inpatient Routine Cost (Sch 8, Line ____, 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
21. Total Inpatient Routine Cost (Sch 8, Line ____, 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
0		
26. Total Inpatient Routine Cost (Sch 8, Line ____, 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
31. Medi-Cal Routine Cost (Sum of Lines 5,10,15,20,25,30)	\$ 0	\$ 0

(To Contract Sch 4)

ADJUSTMENTS TO MEDI-CAL CHARGES

Provider Name:
CHAPMAN MEDICAL CENTER

Fiscal Period Ended:
MARCH 31, 2011

Provider NPI:
1427041110

ANCILLARY CHARGES		REPORTED	ADJUSTMENTS (Adj 10)	AUDITED
37.00	Operating Room	\$ 126,416	\$ (5,020)	\$ 121,396
38.00	Recovery Room			0
39.00	Delivery Room and Labor Room			0
40.00	Anesthesiology			0
41.00	Radiology - Diagnostic	187,136	(8,560)	178,576
41.01				0
41.02				0
42.00	Radiology - Therapeutic			0
43.00	Radioisotope			0
44.00	Laboratory	155,870	(6,298)	149,572
44.01	Pathological Lab			0
46.00	Whole Blood			0
47.00	Blood Storing and Processing			0
48.00	Intravenous Therapy			0
49.00	Respiratory Therapy	125,745	(78,561)	47,184
50.00	Physical Therapy	10,163	(2,177)	7,986
51.00	Occupational Therapy			0
52.00	Speech Pathology			0
53.00	Electrocardiology	16,828	3,265	20,093
54.00	Electroencephalography	2,352	(668)	1,684
55.00	Medical Supplies Charged to Patients	200,322	(24,697)	175,625
55.30	Implant Dev. Charged to Patient	1,178	(1,178)	0
56.00	Drugs Charged to Patients	324,551	(20,824)	303,727
57.00	Renal Dialysis			0
58.00	ASC (Non-Distinct Part)			0
59.01				0
59.02				0
59.03				0
60.00	Clinic			0
60.01	Other Clinic Services			0
61.00	Emergency	63,231	7,080	70,311
62.00	Observation Beds	8,806	(8,806)	0
71.00				0
82.00				0
83.00				0
84.00				0
85.00				0
86.00				0
TOTAL MEDI-CAL ANCILLARY CHARGES		\$ 1,222,598	\$ (146,444)	\$ 1,076,154

(To Contract Sch 5)

COMPUTATION OF ADULT SUBACUTE PER DIEM

Provider Name:
CHAPMAN MEDICAL CENTER

Fiscal Period Ended:
MARCH 31, 2011

Provider NPI:
1477672665

	REPORTED	AUDITED	DIFFERENCE
COMPUTATION OF SUBACUTE PER DIEM			
1. Adult Subacute Ancillary Cost (Adult Subacute Sch 3)	\$ 0	\$ 2,258,877	\$ 2,258,877
2. Adult Subacute Routine Cost (Adult Subacute Sch 2)	\$ 5,689,069	\$ 4,999,069	\$ (690,000)
3. Total Adult Subacute Facility Cost (Lines 1 & 2)	\$ 5,689,069	\$ 7,257,946	\$ 1,568,877
4. Total Adult Subacute Patient Days (Adj 8)	9,480	9,493	13
5. Average Adult Subacute Per Diem Cost (L3 / L4)	\$ 600.11	\$ 764.56	\$ 164.45

ADULT SUBACUTE OVERPAYMENT & OVERBILLINGS

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)

GENERAL INFORMATION

9. Contracted Number of Adult Subacute Beds (Adj 17)	0	27	27
10. Total Licensed Nursing Facility Beds (Adj)	27	27	0
11. Total Licensed Capacity (All levels of care)(Adj)	114	114	0
12. Total Medi-Cal Adult Subacute Patient Days (Adj 13)	45	36	(9)

CAPITAL RELATED COST

13. Direct Capital Related Cost	N/A	\$ 0	N/A
14. Indirect Capital Related Cost (Adult Subacute Sch 5)	N/A	\$ 179,494	N/A
15. Total Capital Related Cost (Lines 13 & 14)	N/A	\$ 179,494	N/A

TOTAL SALARY & BENEFITS

16. Direct Salary & Benefits Expenses	N/A	\$ 2,387,651	N/A
17. Alloc Salary & Benefits Expenses (Adult Subacute Sch 5)	N/A	\$ 597,412	N/A
18. Total Salary & Benefits Expenses (Lines 16 & 17)	N/A	\$ 2,985,063	N/A

AUDITED ADULT SUBACUTE COST-VENTILATOR AND NONVENTILATOR

	AUDITED COSTS (Adj 15)	AUDITED TOTAL DAYS (Adj 8)	AUDITED MEDI-CAL DAYS (Adj)
19. Ventilator (Equipment Cost Only)	\$ 23,170	2,105	0
20. Nonventilator	N/A	7,388	N/A
21. TOTAL	N/A	9,493	N/A

SUMMARY OF ADULT SUBACUTE FACILITY EXPENSES

Provider Name:
CHAPMAN MEDICAL CENTER

Fiscal Period Ended:
MARCH 31, 2011

Provider NPI:
1477672665

COL.	COST CENTER DIRECT AND ALLOCATED EXPENSE	REPORTED	AUDITED *	DIFFERENCE
0.00	Adult Subacute	\$ 3,262,356	\$ 3,262,356	\$ 0
1.00	Old Cap Rel Costs-Bldg & Fixtures	0	0	0
2.00	Old Cap Rel Costs-Movable Equipment	0	0	0
3.00	New Cap Rel Costs-Bldg & Fixtures	50,061	49,776	(285)
4.00	New Cap Rel Costs-Movable Equipment	42,559	48,105	5,546
4.01			0	0
4.02			0	0
4.03			0	0
4.04			0	0
4.05			0	0
4.06			0	0
4.07			0	0
4.08			0	0
5.00	Employee Benefits	15,174	15,261	87
6.01	Non-Patient Telephones		0	0
6.02	Data Processing		0	0
6.03	Purchasing/Receiving		0	0
6.04	Patient Admitting		0	0
6.05	Patient Business Office		0	0
6.06			0	0
6.07			0	0
6.08			0	0
6.00	Administrative and General	1,244,499	922,258	(322,241)
7.00	Maintenance and Repairs	55,048	51,120	(3,928)
8.00	Operation of Plant	35,948	33,161	(2,787)
9.00	Laundry and Linen Service	224,215	208,634	(15,581)
10.00	Housekeeping	44,133	40,732	(3,401)
11.00	Dietary	369,112	43,039	(326,073)
12.00	Cafeteria	60,045	58,408	(1,637)
13.00	Maintenance of Personnel	0	0	0
14.00	Nursing Administration	203,970	189,852	(14,118)
15.00	Central Services & Supply	0	0	0
16.00	Pharmacy	0	0	0
17.00	Medical Records and Library	81,949	76,367	(5,582)
18.00	Social Service	0	0	0
19.00			0	0
19.02			0	0
19.03			0	0
20.00			0	0
21.00	Nursing School		0	0
22.00	Intern & Res Service-Salary & Fringes		0	0
23.00	Intern & Res Other Program		0	0
24.00	Paramedical Ed Program		0	0
101.00	TOTAL DIRECT AND ALLOCATED EXPENSES	\$ 5,689,069	\$ 4,999,069	\$ (690,000)

(To Adult Subacute Sch 1)

**ALLOCATION OF INDIRECT EXPENSES
ADULT SUBACUTE**

Provider Name:
CHAPMAN MEDICAL CENTER

Fiscal Period Ended:
MARCH 31, 2011

Provider NPI:
1477672665

COL.	COST CENTER ALLOCATED EXPENSES	AUDITED CAP RELATED (COL 1)	AUDITED SAL & EMP BENEFITS (COL 2)
1.00	Old Cap Rel Costs-Bldg & Fixtures	\$ 0	\$ N/A
2.00	Old Cap Rel Costs-Movable Equipment	0	N/A
3.00	New Cap Rel Costs-Bldg & Fixtures	49,776	N/A
4.00	New Cap Rel Costs-Movable Equipment	48,105	N/A
4.01		0	N/A
4.02		0	N/A
4.03		0	N/A
4.04		0	N/A
4.05		0	N/A
4.06		0	N/A
4.07		0	N/A
4.08		0	N/A
5.00	Employee Benefits	1,626	13,635
6.01	Non-Patient Telephones	0	0
6.02	Data Processing	0	0
6.03	Purchasing/Receiving	0	0
6.04	Patient Admitting	0	0
6.05	Patient Business Office	0	0
6.06		0	0
6.07		0	0
6.08		0	0
6.00	Administrative and General	56,009	318,911
7.00	Maintenance and Repairs	5,639	19,699
8.00	Operation of Plant	432	2,461
9.00	Laundry and Linen Service	5,102	15,850
10.00	Housekeeping	907	3,081
11.00	Dietary	3,273	31,687
12.00	Cafeteria	1,838	21,175
13.00	Maintenance of Personnel	0	0
14.00	Nursing Administration	3,526	137,182
15.00	Central Services & Supply	0	0
16.00	Pharmacy	0	0
17.00	Medical Records and Library	3,261	33,732
18.00	Social Service	0	0
19.00		0	0
19.02		0	0
19.03		0	0
20.00		0	0
21.00	Nursing School	0	0
22.00	Intern & Res Service-Salary & Fringes	0	0
23.00	Intern & Res Other Program	0	0
24.00	Paramedical Ed Program	0	0
101.00	TOTAL ALLOCATED INDIRECT EXPENSES	\$ 179,494	\$ 597,412

(To Adult Subacute Sch 1)

Provider Name:
CHAPMAN MEDICAL CENTER

Fiscal Period Ended:
MARCH 31, 2011

	TRIAL BALANCE EXPENSES	ALLOC COST 4.08	EMPLOYEE BENEFITS 5.00	ALLOC COST 6.01	ALLOC COST 6.02	ALLOC COST 6.03	ALLOC COST 6.04	ALLOC COST 6.05	ALLOC COST 6.06	ALLOC COST 6.07	ALLOC COST 6.08	ACCUMULATE COST	ADMIN- TRATIVE & GENERAL 6.00
ANCILLARY COST CENTERS													
37.00	Operating Room	0	9,995	0	0	0	0	0	0	0	0	2,992,924	817,731
38.00	Recovery Room	0	0	0	0	0	0	0	0	0	0	0	0
39.00	Delivery Room and Labor Room	0	0	0	0	0	0	0	0	0	0	0	0
40.00	Anesthesiology	0	0	0	0	0	0	0	0	0	0	0	0
41.00	Radiology - Diagnostic	0	6,732	0	0	0	0	0	0	0	0	1,856,213	507,157
41.01		0	0	0	0	0	0	0	0	0	0	0	0
41.02		0	0	0	0	0	0	0	0	0	0	0	0
42.00	Radiology - Therapeutic	0	0	0	0	0	0	0	0	0	0	0	0
43.00	Radioisotope	0	0	0	0	0	0	0	0	0	0	0	0
44.00	Laboratory	0	4,773	0	0	0	0	0	0	0	0	1,574,751	430,256
44.01	Pathological Lab	0	0	0	0	0	0	0	0	0	0	0	0
46.00	Whole Blood	0	0	0	0	0	0	0	0	0	0	0	0
47.00	Blood Storing and Processing	0	0	0	0	0	0	0	0	0	0	0	0
48.00	Intravenous Therapy	0	0	0	0	0	0	0	0	0	0	0	0
49.00	Respiratory Therapy	0	5,570	0	0	0	0	0	0	0	0	1,176,453	321,432
50.00	Physical Therapy	0	3,634	0	0	0	0	0	0	0	0	679,422	185,633
51.00	Occupational Therapy	0	0	0	0	0	0	0	0	0	0	0	0
52.00	Speech Pathology	0	0	0	0	0	0	0	0	0	0	0	0
53.00	Electrocardiology	0	700	0	0	0	0	0	0	0	0	133,444	36,460
54.00	Electroencephalography	0	109	0	0	0	0	0	0	0	0	22,957	6,272
55.00	Medical Supplies Charged to Patients	0	0	0	0	0	0	0	0	0	0	990,259	270,560
55.30	Implant Dev. Charged to Patient	0	0	0	0	0	0	0	0	0	0	3,629,445	991,642
56.00	Drugs Charged to Patients	0	0	0	0	0	0	0	0	0	0	1,337,127	365,332
57.00	Renal Dialysis	0	0	0	0	0	0	0	0	0	0	103,766	28,351
58.00	ASC (Non-Distinct Part)	0	0	0	0	0	0	0	0	0	0	0	0
59.01		0	0	0	0	0	0	0	0	0	0	0	0
59.02		0	0	0	0	0	0	0	0	0	0	0	0
59.03		0	0	0	0	0	0	0	0	0	0	0	0
60.00	Clinic	0	2,294	0	0	0	0	0	0	0	0	768,519	209,976
60.01	Other Clinic Services	0	0	0	0	0	0	0	0	0	0	0	0
61.00	Emergency	0	6,403	0	0	0	0	0	0	0	0	1,424,005	389,069
62.00	Observation Beds	0	0	0	0	0	0	0	0	0	0	0	0
71.00		0	0	0	0	0	0	0	0	0	0	0	0
82.00		0	0	0	0	0	0	0	0	0	0	0	0
83.00		0	0	0	0	0	0	0	0	0	0	0	0
84.00		0	0	0	0	0	0	0	0	0	0	0	0
85.00		0	0	0	0	0	0	0	0	0	0	0	0
86.00		0	0	0	0	0	0	0	0	0	0	0	0
NONREIMBURSABLE COST CENTER:													
96.00	Gift, Flower, Coffee Shop & Canteen	0	0	0	0	0	0	0	0	0	0	0	0
97.00	Research	0	0	0	0	0	0	0	0	0	0	0	0
98.00	Physicians' Private Office	0	0	0	0	0	0	0	0	0	0	0	0
99.00	Nonpaid Workers	0	0	0	0	0	0	0	0	0	0	0	0
99.01		0	0	0	0	0	0	0	0	0	0	0	0
99.02		0	0	0	0	0	0	0	0	0	0	0	0
99.03		0	0	0	0	0	0	0	0	0	0	0	0
99.04		0	0	0	0	0	0	0	0	0	0	0	0
99.05		0	0	0	0	0	0	0	0	0	0	0	0
100.00	Doctors Meals	0	566	0	0	0	0	0	0	0	0	416,681	113,846
100.01	Public Relations	0	0	0	0	0	0	0	0	0	0	355,556	97,145
100.02	MOB	0	1	0	0	0	0	0	0	0	0	804,897	219,915
100.03	Gift Shop Kiosk	0	0	0	0	0	0	0	0	0	0	2,331	637
100.04		0	0	0	0	0	0	0	0	0	0	0	0
TOTAL		0	132,546	0	45,547,507	9,774,066							

Provider Name:

CHAPMAN MEDICAL CENTER

Fiscal Period Ended:

MARCH 31, 2011

TRIAL BALANCE EXPENSES	MAINT & REPAIRS 7.00	OPER PLANT 8.00	LAUNDRY & LINEN 9.00	HOUSEKEEP 10.00	DIETARY 11.00	CAFE 12.00	MAINT OF PERSONNEL 13.00	NURSING ADMIN 14.00	CENTRAL SERVICE & SUPPLY 15.00	PHARMACY 16.00	MEDICAL RECORDS & LIBRARY 17.00	SOCIAL SERVICE 18.00
ANCILLARY COST CENTERS												
37.00 Operating Room	97,213	63,060	0	77,458	0	38,254	0	115,688	0	0	90,073	0
38.00 Recovery Room	0	0	0	0	0	0	0	0	0	0	0	0
39.00 Delivery Room and Labor Room	0	0	0	0	0	0	0	0	0	0	0	0
40.00 Anesthesiology	0	0	0	0	0	0	0	0	0	0	0	0
41.00 Radiology - Diagnostic	28,043	18,191	0	22,344	0	25,763	0	23,643	0	0	103,107	0
41.01	0	0	0	0	0	0	0	0	0	0	0	0
41.02	0	0	0	0	0	0	0	0	0	0	0	0
42.00 Radiology - Therapeutic	0	0	0	0	0	0	0	0	0	0	0	0
43.00 Radioisotope	0	0	0	0	0	0	0	0	0	0	0	0
44.00 Laboratory	14,898	9,664	0	11,870	0	18,268	0	0	0	0	98,258	0
44.01 Pathological Lab	0	0	0	0	0	0	0	0	0	0	0	0
46.00 Whole Blood	0	0	0	0	0	0	0	0	0	0	0	0
47.00 Blood Storing and Processing	0	0	0	0	0	0	0	0	0	0	0	0
48.00 Intravenous Therapy	0	0	0	0	0	0	0	0	0	0	0	0
49.00 Respiratory Therapy	19,170	12,435	0	15,274	0	21,318	0	0	0	0	120,705	0
50.00 Physical Therapy	6,086	3,948	0	4,849	0	13,907	0	9,326	0	0	17,846	0
51.00 Occupational Therapy	0	0	0	0	0	0	0	0	0	0	0	0
52.00 Speech Pathology	0	0	0	0	0	0	0	0	0	0	0	0
53.00 Electrocardiology	609	395	0	485	0	2,678	0	0	0	0	13,795	0
54.00 Electroencephalography	0	0	0	0	0	416	0	0	0	0	2,249	0
55.00 Medical Supplies Charged to Patients	0	0	0	0	0	0	0	0	66,705	0	177,178	0
55.30 Implant Dev. Charged to Patient	0	0	0	0	0	0	0	0	244,483	0	38,203	0
56.00 Drugs Charged to Patients	0	0	0	0	0	0	0	0	0	1,096,526	154,197	0
57.00 Renal Dialysis	0	0	0	0	0	0	0	0	0	0	4,056	0
58.00 ASC (Non-Distinct Part)	0	0	0	0	0	0	0	0	0	0	0	0
59.01	0	0	0	0	0	0	0	0	0	0	0	0
59.02	0	0	0	0	0	0	0	0	0	0	0	0
59.03	0	0	0	0	0	0	0	0	0	0	0	0
60.00 Clinic	142,564	92,479	0	113,592	94,388	8,782	0	1,393	0	0	2,346	0
60.01 Other Clinic Services	0	0	0	0	0	0	0	0	0	0	0	0
61.00 Emergency	44,121	28,621	0	35,155	0	24,504	0	116,315	0	0	51,658	0
62.00 Observation Beds	0	0	0	0	0	0	0	0	0	0	0	0
71.00	0	0	0	0	0	0	0	0	0	0	0	0
82.00	0	0	0	0	0	0	0	0	0	0	0	0
83.00	0	0	0	0	0	0	0	0	0	0	0	0
84.00	0	0	0	0	0	0	0	0	0	0	0	0
85.00	0	0	0	0	0	0	0	0	0	0	0	0
86.00	0	0	0	0	0	0	0	0	0	0	0	0
NONREIMBURSABLE COST CENTER:												
96.00 Gift, Flower, Coffee Shop & Canteen	0	0	0	0	0	0	0	0	0	0	0	0
97.00 Research	0	0	0	0	0	0	0	0	0	0	0	0
98.00 Physicians' Private Office	0	0	0	0	0	0	0	0	0	0	0	0
99.00 Nonpaid Workers	0	0	0	0	0	0	0	0	0	0	0	0
99.01	0	0	0	0	0	0	0	0	0	0	0	0
99.02	0	0	0	0	0	0	0	0	0	0	0	0
99.03	0	0	0	0	0	0	0	0	0	0	0	0
99.04	0	0	0	0	0	0	0	0	0	0	0	0
99.05	0	0	0	0	0	0	0	0	0	0	0	0
100.00 Doctors Meals	2,434	1,579	0	1,940	0	2,168	0	0	0	0	0	0
100.01 Public Relations	840	545	0	669	0	3	0	0	0	0	0	0
100.02 MOB	0	0	0	0	0	0	0	0	0	0	0	0
100.03 Gift Shop Kiosk	1,217	790	0	970	0	0	0	0	0	0	0	0
100.04	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	917,918	595,438	493,174	726,495	689,758	404,374	0	1,020,574	311,188	1,096,526	1,131,094	0

Provider Name:
CHAPMAN MEDICAL CENTER

Fiscal Period Ended:
MARCH 31, 2011

TRIAL BALANCE EXPENSES	ALLOC COST 19.00	ALLOC COST 19.02	ALLOC COST 19.03	NON-PHYSICIAN ANESTH 20.00	NURSING SCHOOL 21.00	INT & RES SALARY & FRINGES 22.00	INT & RES PROGRAM 23.00	PARAMED EDUCAT 24.00	SUBTOTAL 25.00	POST	TOTAL COST 27.00
										STEP-DOWN ADJUSTMENT 26.00	
ANCILLARY COST CENTERS											
37.00 Operating Room	0	0	0	0	0	0	0	0	4,292,400		4,292,400
38.00 Recovery Room	0	0	0	0	0	0	0	0	0		0
39.00 Delivery Room and Labor Room	0	0	0	0	0	0	0	0	0		0
40.00 Anesthesiology	0	0	0	0	0	0	0	0	0		0
41.00 Radiology - Diagnostic	0	0	0	0	0	0	0	0	2,584,462		2,584,462
41.01	0	0	0	0	0	0	0	0	0		0
41.02	0	0	0	0	0	0	0	0	0		0
42.00 Radiology - Therapeutic	0	0	0	0	0	0	0	0	0		0
43.00 Radioisotope	0	0	0	0	0	0	0	0	0		0
44.00 Laboratory	0	0	0	0	0	0	0	0	2,157,965		2,157,965
44.01 Pathological Lab	0	0	0	0	0	0	0	0	0		0
46.00 Whole Blood	0	0	0	0	0	0	0	0	0		0
47.00 Blood Storing and Processing	0	0	0	0	0	0	0	0	0		0
48.00 Intravenous Therapy	0	0	0	0	0	0	0	0	0		0
49.00 Respiratory Therapy	0	0	0	0	0	0	0	0	1,686,788		1,686,788
50.00 Physical Therapy	0	0	0	0	0	0	0	0	921,016		921,016
51.00 Occupational Therapy	0	0	0	0	0	0	0	0	0		0
52.00 Speech Pathology	0	0	0	0	0	0	0	0	0		0
53.00 Electrocardiology	0	0	0	0	0	0	0	0	187,865		187,865
54.00 Electroencephalography	0	0	0	0	0	0	0	0	31,894		31,894
55.00 Medical Supplies Charged to Patients	0	0	0	0	0	0	0	0	1,504,702		1,504,702
55.30 Implant Dev. Charged to Patient	0	0	0	0	0	0	0	0	4,903,773		4,903,773
56.00 Drugs Charged to Patients	0	0	0	0	0	0	0	0	2,953,182		2,953,182
57.00 Renal Dialysis	0	0	0	0	0	0	0	0	136,173		136,173
58.00 ASC (Non-Distinct Part)	0	0	0	0	0	0	0	0	0		0
59.01	0	0	0	0	0	0	0	0	0		0
59.02	0	0	0	0	0	0	0	0	0		0
59.03	0	0	0	0	0	0	0	0	0		0
60.00 Clinic	0	0	0	0	0	0	0	0	1,434,038		1,434,038
60.01 Other Clinic Services	0	0	0	0	0	0	0	0	0		0
61.00 Emergency	0	0	0	0	0	0	0	0	2,113,448		2,113,448
62.00 Observation Beds	0	0	0	0	0	0	0	0	0		0
71.00	0	0	0	0	0	0	0	0	0		0
82.00	0	0	0	0	0	0	0	0	0		0
83.00	0	0	0	0	0	0	0	0	0		0
84.00	0	0	0	0	0	0	0	0	0		0
85.00	0	0	0	0	0	0	0	0	0		0
86.00	0	0	0	0	0	0	0	0	0		0
NONREIMBURSABLE COST CENTER:											
96.00 Gift, Flower, Coffee Shop & Canteen	0	0	0	0	0	0	0	0	0		0
97.00 Research	0	0	0	0	0	0	0	0	0		0
98.00 Physicians' Private Office	0	0	0	0	0	0	0	0	0		0
99.00 Nonpaid Workers	0	0	0	0	0	0	0	0	0		0
99.01	0	0	0	0	0	0	0	0	0		0
99.02	0	0	0	0	0	0	0	0	0		0
99.03	0	0	0	0	0	0	0	0	0		0
99.04	0	0	0	0	0	0	0	0	0		0
99.05	0	0	0	0	0	0	0	0	0		0
100.00 Doctors Meals	0	0	0	0	0	0	0	0	538,649		538,649
100.01 Public Relations	0	0	0	0	0	0	0	0	454,758		454,758
100.02 MOB	0	0	0	0	0	0	0	0	1,024,812		1,024,812
100.03 Gift Shop Kiosk	0	0	0	0	0	0	0	0	5,944		5,944
100.04	0	0	0	0	0	0	0	0	0		0
TOTAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>45,547,507</u>	<u>0</u>	<u>45,547,507</u>

STATE OF CALIFORNIA

STATISTICS FOR COST ALLOCATION (W/S B-1)

SCHEDULE 9.1

Provider Name:
CHAPMAN MEDICAL CENTER

Fiscal Period Ended:
MARCH 31, 2011

	EMP BENE (GROSS SALARIES)	STAT	STAT	ADM & GEN (ACCUM COST)	MAINT & REPAIRS (SQ FT)							
	5.00 (Adj)	6.01 (Adj)	6.02 (Adj)	6.03 (Adj)	6.04 (Adj)	6.05 (Adj)	6.06 (Adj)	6.07 (Adj)	6.08 (Adj)			7.00 (Adj 5)
ANCILLARY COST CENTERS												
37.00	Operating Room	1,563,766									2,992,924	7,987
38.00	Recovery Room										0	
39.00	Delivery Room and Labor Room										0	
40.00	Anesthesiology										0	
41.00	Radiology - Diagnostic	1,053,169									1,856,213	2,304
41.01											0	
41.02											0	
42.00	Radiology - Therapeutic										0	
43.00	Radioisotope										0	
44.00	Laboratory	746,761									1,574,751	1,224
44.01	Pathological Lab										0	
46.00	Whole Blood										0	
47.00	Blood Storing and Processing										0	
48.00	Intravenous Therapy										0	
49.00	Respiratory Therapy	871,462									1,176,453	1,575
50.00	Physical Therapy	568,512									679,422	500
51.00	Occupational Therapy										0	
52.00	Speech Pathology										0	
53.00	Electrocardiology	109,465									133,444	50
54.00	Electroencephalography	17,014									22,957	
55.00	Medical Supplies Charged to Patients										990,259	
55.30	Implant Dev. Charged to Patient										3,629,445	
56.00	Drugs Charged to Patients										1,337,127	
57.00	Renal Dialysis										103,766	
58.00	ASC (Non-Distinct Part)										0	
59.01											0	
59.02											0	
59.03											0	
60.00	Clinic	358,976									768,519	11,713
60.01	Other Clinic Services										0	
61.00	Emergency	1,001,700									1,424,005	3,625
62.00	Observation Beds										0	
71.00											0	
82.00											0	
83.00											0	
84.00											0	
85.00											0	
86.00											0	
NONREIMBURSABLE COST CENTERS												
96.00	Gift, Flower, Coffee Shop & Canteen										0	
97.00	Research										0	
98.00	Physicians' Private Office										0	
99.00	Nonpaid Workers										0	
99.01											0	
99.02											0	
99.03											0	
99.04											0	
99.05											0	
100.00	Doctors Meals	88,622									416,681	200
100.01	Public Relations										355,556	69
100.02	MOB	124									804,897	
100.03	Gift Shop Kiosk										2,331	100
100.04											0	
TOTAL		20,737,089	0	0	0	0	0	0	0	0	35,773,441	75,416
COST TO BE ALLOCATED		132,546	0	0	0	0	0	0	0	0	9,774,066	917,918
UNIT COST MULTIPLIER - SCH 8		0.006392	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.273221	12.171395

Provider Name:
CHAPMAN MEDICAL CENTER

Fiscal Period Ended:
MARCH 31, 2011

	OPER PLANT (SQ FT)	LAUNDRY & LINEN (PAT DAYS)	HOUSE-KEEPING (SQ FT)	DIETARY (MEALS SERVED)	CAFETERIA (GROSS SALARIES)	MAINT OF PERSONNEL (# HOUSED)	NURSING ADMIN (NURSE SAL)	CENT SERV & SUPPLY (CST REQ)	PHARMACY (COSTS REQUIS)	MED REC (GROSS REV)	SOC SERV (TIME SPENT)	STAT	
	8.00 (Adj 5)	9.00 (Adj)	10.00 (Adj 5)	11.00 (Adj 6)	12.00 (Adj)	13.00 (Adj)	14.00 (Adj)	15.00 (Adj)	16.00 (Adj)	17.00 (Adj)	18.00 (Adj)	19.00 (Adj)	
ANCILLARY COST CENTERS													
37.00	Operating Room	7,987			1,563,766		923,620			13,328,335			
38.00	Recovery Room		7,987										
39.00	Delivery Room and Labor Room												
40.00	Anesthesiology												
41.00	Radiology - Diagnostic	2,304	2,304		1,053,169		188,756			15,257,165			
41.01													
41.02													
42.00	Radiology - Therapeutic												
43.00	Radioisotope												
44.00	Laboratory	1,224	1,224		746,761					14,539,504			
44.01	Pathological Lab												
46.00	Whole Blood												
47.00	Blood Storing and Processing												
48.00	Intravenous Therapy												
49.00	Respiratory Therapy	1,575	1,575		871,462					17,861,177			
50.00	Physical Therapy	500	500		568,512		74,454			2,640,680			
51.00	Occupational Therapy												
52.00	Speech Pathology												
53.00	Electrocardiology	50	50		109,465					2,041,282			
54.00	Electroencephalography				17,014					332,789			
55.00	Medical Supplies Charged to Patients							990,259		26,217,618			
55.30	Implant Dev. Charged to Patient							3,629,445		5,653,016			
56.00	Drugs Charged to Patients								100	22,817,051			
57.00	Renal Dialysis									600,118			
58.00	ASC (Non-Distinct Part)												
59.01													
59.02													
59.03													
60.00	Clinic	11,713	11,713	8,632	358,976		11,121			347,171			
60.01	Other Clinic Services												
61.00	Emergency	3,625	3,625		1,001,700		928,626			7,643,962			
62.00	Observation Beds												
71.00													
82.00													
83.00													
84.00													
85.00													
86.00													
NONREIMBURSABLE COST CENTERS													
96.00	Gift, Flower, Coffee Shop & Canteen												
97.00	Research												
98.00	Physicians' Private Office												
99.00	Nonpaid Workers												
99.01													
99.02													
99.03													
99.04													
99.05													
100.00	Doctors Meals	200	200		88,622								
100.01	Public Relations	69	69		124								
100.02	MOB												
100.03	Gift Shop Kiosh	100	100										
100.04													
	TOTAL	75,416	22,409	74,912	63,080	16,530,272	0	8,147,991	4,619,704	100	167,371,750	0	0
	COST TO BE ALLOCATED	595,438	493,174	726,495	689,758	404,374	0	1,020,574	311,188	1,096,526	1,131,094	0	0
	UNIT COST MULTIPLIER - SCH 8	7.895387	22.007832	9.697979	10.934654	0.024463	0.000000	0.125255	0.067361	10965.263898	0.006758	0.000000	0.000000

Provider Name:
 CHAPMAN MEDICAL CENTER

Fiscal Period Ended:
 MARCH 31, 2011

	STAT	STAT	NONPHY ANESTH (ASG TIME)	NURSE SCHOOL (ASG TIME)	I&R-SAL & FRINGES (ASG TIME)	I&R-PRG COST (ASG TIME)	PARAMED EDUCAT (ASG TIME)
	19.02	19.03	20.00	21.00	22.00	23.00	24.00
	(Adj)	(Adj)	(Adj)	(Adj)	(Adj)	(Adj)	(Adj)
	(Adj)	(Adj)	(Adj)	(Adj)	(Adj)	(Adj)	(Adj)
GENERAL SERVICE COST CENTERS							
1.00							
2.00							
3.00							
4.00							
4.01							
4.02							
4.03							
4.04							
4.05							
4.06							
4.07							
4.08							
5.00							
6.01							
6.02							
6.03							
6.04							
6.05							
6.06							
6.07							
6.08							
6.00							
7.00							
8.00							
9.00							
10.00							
11.00							
12.00							
13.00							
14.00							
15.00							
16.00							
17.00							
18.00							
19.00							
19.02							
19.03							
20.00							
21.00							
22.00							
23.00							
24.00							
INPATIENT ROUTINE COST CENTERS							
25.00							
26.00							
27.00							
28.00							
29.00							
30.00							
31.00							
32.00							
33.00							
34.00							
35.00							
36.00							
36.01							
36.02							

TRIAL BALANCE OF EXPENSES

Provider Name:
CHAPMAN MEDICAL CENTER

Fiscal Period Ended:
MARCH 31, 2011

		REPORTED	ADJUSTMENTS (From Sch 10A)	AUDITED
	GENERAL SERVICE COST CENTERS			
1.00	Old Cap Rel Costs-Bldg & Fixtures	\$	\$ 0	\$ 0
2.00	Old Cap Rel Costs-Movable Equipment		0	0
3.00	New Cap Rel Costs-Bldg & Fixtures	1,246,967	0	1,246,967
4.00	New Cap Rel Costs-Movable Equipment	1,060,101	145,021	1,205,122
4.01			0	0
4.02			0	0
4.03			0	0
4.04			0	0
4.05			0	0
4.06			0	0
4.07			0	0
4.08			0	0
5.00	Employee Benefits	118,423	0	118,423
6.01	Non-Patient Telephones		0	0
6.02	Data Processing		0	0
6.03	Purchasing/Receiving		0	0
6.04	Patient Admitting		0	0
6.05	Patient Business Office		0	0
6.06			0	0
6.07			0	0
6.08			0	0
6.00	Administrative and General	12,587,439	(3,426,149)	9,161,290
7.00	Maintenance and Repairs	630,031	0	630,031
8.00	Operation of Plant	467,663	0	467,663
9.00	Laundry and Linen Service	378,358	0	378,358
10.00	Housekeeping	559,892	0	559,892
11.00	Dietary	540,719	(83,811)	456,908
12.00	Cafeteria	302,861	0	302,861
13.00	Maintenance of Personnel		0	0
14.00	Nursing Administration	775,522	0	775,522
15.00	Central Services & Supply	221,906	0	221,906
16.00	Pharmacy	816,514	0	816,514
17.00	Medical Records and Library	815,110	0	815,110
18.00	Social Service		0	0
19.00			0	0
19.02			0	0
19.03			0	0
20.00			0	0
21.00	Nursing School		0	0
22.00	Intern & Res Service-Salary & Fringes		0	0
23.00	Intern & Res Other Program		0	0
24.00	Paramedical Ed Program		0	0
	INPATIENT ROUTINE COST CENTERS			
25.00	Adults & Pediatrics (Gen Routine)	6,015,295	0	6,015,295
26.00	Intensive Care Unit	1,569,249	0	1,569,249
27.00	Coronary Care Unit		0	0
28.00	Neonatal Intensive Care Unit		0	0
29.00	Surgical Intensive Care		0	0
30.00	Subprovider I		0	0
31.00	Subprovider II		0	0
32.00			0	0
33.00	Nursery		0	0
34.00	Medicare Certified Nursing Facility		0	0
35.00	Distinct Part Nursing Facility		0	0
36.00	Adult Subacute Care Unit	3,262,356	0	3,262,356
36.01	Subacute Care Unit II		0	0
36.02	Transitional Care Unit		0	0

TRIAL BALANCE OF EXPENSES

Provider Name:
CHAPMAN MEDICAL CENTER

Fiscal Period Ended:
MARCH 31, 2011

		REPORTED	ADJUSTMENTS (From Sch 10A)	AUDITED
	ANCILLARY COST CENTERS			
37.00	Operating Room	\$ 2,796,791	\$ 0	\$ 2,796,791
38.00	Recovery Room		0	0
39.00	Delivery Room and Labor Room		0	0
40.00	Anesthesiology		0	0
41.00	Radiology - Diagnostic	1,795,787	0	1,795,787
41.01			0	0
41.02			0	0
42.00	Radiology - Therapeutic		0	0
43.00	Radioisotope		0	0
44.00	Laboratory	1,541,453	0	1,541,453
44.01	Pathological Lab		0	0
46.00	Whole Blood		0	0
47.00	Blood Storing and Processing		0	0
48.00	Intravenous Therapy		0	0
49.00	Respiratory Therapy	1,134,177	0	1,134,177
50.00	Physical Therapy	664,136	0	664,136
51.00	Occupational Therapy		0	0
52.00	Speech Pathology		0	0
53.00	Electrocardiology	131,579	0	131,579
54.00	Electroencephalography	22,848	0	22,848
55.00	Medical Supplies Charged to Patients	990,259	0	990,259
55.30	Implant Dev. Charged to Patient	3,629,445	0	3,629,445
56.00	Drugs Charged to Patients	1,337,127	0	1,337,127
57.00	Renal Dialysis	103,766	0	103,766
58.00	ASC (Non-Distinct Part)		0	0
59.01			0	0
59.02			0	0
59.03			0	0
60.00	Clinic	493,252	0	493,252
60.01	Other Clinic Services		0	0
61.00	Emergency	1,333,122	0	1,333,122
62.00	Observation Beds		0	0
71.00			0	0
82.00			0	0
83.00			0	0
84.00			0	0
85.00			0	0
86.00			0	0
	SUBTOTAL	\$ 47,342,148	\$ (3,364,939)	\$ 43,977,209
	NONREIMBURSABLE COST CENTERS			
96.00	Gift, Flower, Coffee Shop & Canteen		0	0
97.00	Research		0	0
98.00	Physicians' Private Office		0	0
99.00	Nonpaid Workers		0	0
99.01			0	0
99.02			0	0
99.03			0	0
99.04			0	0
99.05			0	0
100.00	Doctors Meals	327,643	83,811	411,454
100.01	Public Relations	353,948	0	353,948
100.02	MOB	804,896	0	804,896
100.03	Gift Shop Kiosk	0	0	0
100.04			0	0
100.99	SUBTOTAL	\$ 1,486,487	\$ 83,811	\$ 1,570,298
101	TOTAL	\$ 48,828,635	\$ (3,281,128)	\$ 45,547,507

(To Schedule 8)

Provider Name:
CHAPMAN MEDICAL CENTER

Page 1
Fiscal Period Ended:
MARCH 31, 2011

	TOTAL ADJ (Page 1 & 2)	AUDIT ADJ 2	AUDIT ADJ 3	AUDIT ADJ 4	AUDIT ADJ							
ANCILLARY COST CENTERS												
37.00 Operating Room	0											
38.00 Recovery Room	0											
39.00 Delivery Room and Labor Room	0											
40.00 Anesthesiology	0											
41.00 Radiology - Diagnostic	0											
41.01	0											
41.02	0											
42.00 Radiology - Therapeutic	0											
43.00 Radioisotope	0											
44.00 Laboratory	0											
44.01 Pathological Lab	0											
46.00 Whole Blood	0											
47.00 Blood Storing and Processing	0											
48.00 Intravenous Therapy	0											
49.00 Respiratory Therapy	0											
50.00 Physical Therapy	0											
51.00 Occupational Therapy	0											
52.00 Speech Pathology	0											
53.00 Electrocardiology	0											
54.00 Electroencephalography	0											
55.00 Medical Supplies Charged to Patients	0											
55.30 Implant Dev. Charged to Patient	0											
56.00 Drugs Charged to Patients	0											
57.00 Renal Dialysis	0											
58.00 ASC (Non-Distinct Part)	0											
59.01	0											
59.02	0											
59.03	0											
60.00 Clinic	0											
60.01 Other Clinic Services	0											
61.00 Emergency	0											
62.00 Observation Beds	0											
71.00	0											
82.00	0											
83.00	0											
84.00	0											
85.00	0											
86.00	0											
NONREIMBURSABLE COST CENTERS												
96.00 Gift, Flower, Coffee Shop & Canteen	0											
97.00 Research	0											
98.00 Physicians' Private Office	0											
99.00 Nonpaid Workers	0											
99.01	0											
99.02	0											
99.03	0											
99.04	0											
99.05	0											
100.00 Doctors Meals	83,811	83,811										
100.01 Public Relations	0											
100.02 MOB	0											
100.03 Gift Shop Kiosk	0											
100.04	0											
101.00 TOTAL	#####	0	(3,000)	(3,278,128)	0	0	0	0	0	0	0	0

(To Sch 10)

Provider Name							Fiscal Period			Provider NPI		Adjustments
CHAPMAN MEDICAL CENTER							APRIL 1, 2010 THROUGH MARCH 31, 2011			1427041110		17
Report References												
Cost Report												
Adj. No.	Audit Report	Work Sheet	Part	Title	Line	Col.	Explanation of Audit Adjustments			As Reported	Increase (Decrease)	As Adjusted
<u>MEMORANDUM ADJUSTMENT</u>												
1							<p>The subacute facility costs and statistics were reported in the cost report on line 34, Skilled Nursing Facility. The costs, days, and statistics will be recognized as line 36, Adult Subacute Care Unit on the audit report. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304</p>					

Provider Name							Fiscal Period	Provider NPI		Adjustments
CHAPMAN MEDICAL CENTER							APRIL 1, 2010 THROUGH MARCH 31, 2011	1427041110		17
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report										
Adj. No.	Audit Report	Work Sheet	Part	Title	Line	Col.				
<u>RECLASSIFICATION OF REPORTED COSTS</u>										
2	10A	A			11.00	7	Dietary	\$540,719	(\$83,811)	\$456,908
	10A	A			100.00	7	Doctor Meals	327,643	83,811	411,454
To adjust the provider's reclassification of costs from Dietary to a nonreimbursable cost center in order to capture the overhead costs. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2304, and 2328										

Provider Name							Fiscal Period	Provider NPI		Adjustments
CHAPMAN MEDICAL CENTER							APRIL 1, 2010 THROUGH MARCH 31, 2011	1427041110		17
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report	Cost Report								
		Work Sheet	Part	Title	Line	Col.				
ADJUSTMENTS TO REPORTED COSTS										
3	10A	A			4.00	7	New Capital Related Costs-Movable Equipment	\$1,060,101	\$145,021	\$1,205,122
	10A	A			6.00	7	Administrative and General	12,587,439	(148,021)	12,439,418 *
							To adjusted reported home office costs to agree with the Integrated Healthcare Holdings, Inc filed Home Office Cost Report for fiscal year ended March 31, 2011.			
							42 CFR 413.17 and 413.24			
							CMS Pub. 15-1, Sections 2150.2 and 2304			
4	10A	A			6.00	7	Administrative and General	* \$12,439,418	(\$3,278,128)	\$9,161,290
							To eliminate the reported quality assurance fee as an unallowable expense.			
							42 CFR 413.20 and 413.24			
							CMS Pub. 15-1, Sections 2300 and 2304			
							W&I Code, Sections 14167.32 and 14168.32			

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period			Provider NPI		Adjustments
CHAPMAN MEDICAL CENTER							APRIL 1, 2010 THROUGH MARCH 31, 2011			1427041110		17
Report References												
Adj. No.	Audit Report	Cost Report					Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted		
		Work Sheet	Part	Title	Line	Col.						
ADJUSTMENTS TO REPORTED STATISTICS												
5	9	B-1		11.00	3,4,7,8,10	Dietary (Square Feet)	2,056	(300)	1,756			
	9	B-1		12.00	3,4,7,8,10	Cafeteria	0	300	300			
	9	B-1		16.00	3,4,7,8,10	Pharmacy	290	300	590			
	9	B-1		100.00	3,4,7,8,10	Doctors Meals	0	200	200			
	9	B-1		100.03	3,4,7,8,10	Gift Shop Kiosk	0	100	100			
	9	B-1		3.00	3	Total - Square Feet	104,617	600	105,217			
	9	B-1		4.00	4	Total - Square Feet	104,617	600	105,217			
	9	B-1		7.00	7	Total - Square Feet	74,816	600	75,416			
	9	B-1		8.00	8	Total - Square Feet	74,816	600	75,416			
	9	B-1		10.00	10	Total - Square Feet	74,312	600	74,912			
To adjust reported square footage statistics to agree with floor plan and due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304												
6	9	B-1		25.00	11	Adults and Pediatrics (Meals Served)	11,697	36,514	48,211			
	9	B-1		26.00	11	Intensive Care Unit	1,232	1,069	2,301			
	9	B-1		36.00	11	Adult Subacute Care Unit	9,480	(5,544)	3,936			
	9	B-1		60.00	11	Clinic	0	8,632	8,632			
	9	B-1		11.00	11	Total - Meals Served	22,409	40,671	63,080			
To adjust patient days statistics to the meals served statistics equivalent for proper cost allocation. 42 CFR 413.20, 413.24, and 413.50 CMS Pub. 15-1, Sections 2300, 2304, and 2306.1												

Provider Name							Fiscal Period	Provider NPI	Adjustments	
CHAPMAN MEDICAL CENTER							APRIL 1, 2010 THROUGH MARCH 31, 2011	1427041110	17	
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report	Cost Report								
		Work Sheet	Part	Title	Line	Col.				
<u>ADJUSTMENTS TO REPORTED PATIENT DAYS</u>										
7	Contract 4	D-1	I	XIX	1	1	Adults and Pediatrics	11,715	(98)	11,617
	Contract 4A	D-1	II	XIX	43	2	Intensive Care Unit	1,232	4	1,236
							To adjust total patient days to agree with the provider's patient census reports. 42 CFR 413.20, 413.24, and 413.50 CMS Pub. 15-1, Sections 2205, 2300, and 2304			
8	Subacute 1	Not Reported					Adults Subacute Days - Ventilator	0	2,105	2,105
	Subacute 1	Not Reported					Adults Subacute Days - Nonventilator	0	7,388	7,388
	Subacute 1	D-1	I	XIX	1.00	1	Adults Subacute Days - Total	9,480	13	9,493
							To reflect total adult subacute patient days and to include total ventilator and nonventilator patient days in the audit report. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 Medi-Cal Adult Subacute Contract No. 03-05-70108			

Provider Name							Fiscal Period	Provider NPI		Adjustments
CHAPMAN MEDICAL CENTER							APRIL 1, 2010 THROUGH MARCH 31, 2011	1427041110		17
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report	Cost Report								
		Work Sheet	Part	Title	Line	Col.				
ADJUSTMENTS TO REPORTED MEDI-CAL SETTLEMENT DATA - CONTRACT										
9	Contract 4	D-1	I	XIX	9.00	1	Medi-Cal Days - Adults and Pediatrics	111	6	117
	Contract 4A	D-1	II	XIX	43.00	4	Medi-Cal Days - Intensive Care Unit	11	7	18
10	Contract 6	D-4		XIX	37.00	2	Medi-Cal Ancillary Charges - Operating Room	\$126,416	(\$5,020)	\$121,396
	Contract 6	D-4		XIX	41.00	2	Medi-Cal Ancillary Charges - Radiology - Diagnostic	187,136	(8,560)	178,576
	Contract 6	D-4		XIX	44.00	2	Medi-Cal Ancillary Charges - Laboratory	155,870	(6,298)	149,572
	Contract 6	D-4		XIX	49.00	2	Medi-Cal Ancillary Charges - Respiratory Therapy	125,745	(78,561)	47,184
	Contract 6	D-4		XIX	50.00	2	Medi-Cal Ancillary Charges - Physical Therapy	10,163	(2,177)	7,986
	Contract 6	D-4		XIX	53.00	2	Medi-Cal Ancillary Charges - Electrocardiology	16,828	3,265	20,093
	Contract 6	D-4		XIX	54.00	2	Medi-Cal Ancillary Charges - Electroencephalography	2,352	(668)	1,684
	Contract 6	D-4		XIX	55.00	2	Medi-Cal Ancillary Charges - Medical Supplies Charged to Patients	200,322	(24,697)	175,625
	Contract 6	D-4		XIX	55.30	2	Medi-Cal Ancillary Charges - Implant Device Charged to Patients	1,178	(1,178)	0
	Contract 6	D-4		XIX	56.00	2	Medi-Cal Ancillary Charges - Drugs Charged to Patients	324,551	(20,824)	303,727
	Contract 6	D-4		XIX	61.00	2	Medi-Cal Ancillary Charges - Emergency	63,231	7,080	70,311
	Contract 6	D-4		XIX	62.00	2	Medi-Cal Ancillary Charges - Observation Beds	8,806	(8,806)	0
	Contract 6	D-4		XIX	101.00	2	Medi-Cal Ancillary Charges - Total	1,222,598	(146,444)	1,076,154
11	Contract 2	E-3	III	XIX	10.00	1	Medi-Cal Routine Service Charges	\$280,940	\$11,924	\$292,864
	Contract 2	E-3	III	XIX	11.00	1	Medi-Cal Ancillary Service Charges	1,222,598	(146,444)	1,076,154
12	Contract 3	E-3	III	XIX	33.00	1	Medi-Cal Patient and Third Party Liability	\$0	\$1,168	\$1,168
	Contract 3	E-3	III	XIX	36.00	1	Medi-Cal Coinsurance	0	3,996	3,996
<p>To adjust Medi-Cal Settlement Data to agree with the following Fiscal Intermediary Payment Data: Report Date: November 21, 2012 Payment Period: April 1, 2010 through October 31, 2012 Service Period: April 1, 2010 through March 31, 2011 42 CFR 413.20, 413.24, 413.53, and 433.139 CMS Pub. 15-1, Sections 2304, 2404, and 2408 CCR, Title 22, Section 51541</p>										

Provider Name							Fiscal Period	Provider NPI		Adjustments
CHAPMAN MEDICAL CENTER							APRIL 1, 2010 THROUGH MARCH 31, 2011	1427041110		17
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report	Cost Report								
		Work Sheet	Part	Title	Line	Col.				
ADJUSTMENTS TO REPORTED MEDI-CAL SETTLEMENT DATA - SUBACUTE										
13	Subacute 1	D-1	I	XIX	9.00	1	Medi-Cal Subacute Days - Total To adjust Medi-Cal Settlement Data to agree with the following Fiscal Intermediary Payment Data: Report Date: November 21, 2012 Payment Period: April 1, 2010 through August 31, 2012 Service Period: April 1, 2010 through March 31, 2011 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	45	(9)	36
14	Subacute 4	Not Reported					Subacute Ancillary Charges - Radiology - Diagnostic	\$0	\$88,489	\$88,489
	Subacute 4	Not Reported					Subacute Ancillary Charges - Laboratory	0	1,353,703	1,353,703
	Subacute 4	Not Reported					Subacute Ancillary Charges - Respiratory Therapy	0	16,544,946	16,544,946
	Subacute 4	Not Reported					Subacute Ancillary Charges - Physical Therapy	0	627,411	627,411
	Subacute 4	Not Reported					Subacute Ancillary Charges - Medical Supplies Charged to Patients	0	3,896,874	3,896,874
	Subacute 4	Not Reported					Subacute Ancillary Charges - Drugs Charged to Patients	0	293,642	293,642
	Subacute 4	Not Reported					Subacute Ancillary Charges - Total	0	22,805,065	22,805,065
							To include ancillary charges for subacute services, which are included in the Medi-Cal rate. CCR, Title 22, Section 51511.5 CMS Pub 15-1, Sections 2304 and 2408			

Provider Name			Fiscal Period				Provider NPI		Adjustments	
CHAPMAN MEDICAL CENTER			APRIL 1, 2010 THROUGH MARCH 31, 2011				1427041110		17	
Report References										
Adj. No.	Audit Report	Cost Report					Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
		Work Sheet	Part	Title	Line	Col.				
<u>ADJUSTMENTS TO OTHER MATTERS</u>										
15	Subacute 1	Not Reported	Ventilator Equipment Cost To reflect adult subacute ventilator equipment cost in the audit report. 42 CFR 413.24 and 413.24 / CMS Pub. 15-1, Section 2300 and 2304 Medi-Cal Adult Subacute Contract No. 03-05-70108				\$0	\$23,170	\$23,170	
16	Contract 1	Not Reported	Medi-Cal Credit Balances To recover outstanding Medi-Cal credit balances. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 CCR, Title 22, Sections 50761 and 51458.1				\$0	\$1,925	\$1,925	
17	Subacute 1	Not Reported	Contracted Number of Adult Subacute Beds To include the number of contracted subacute beds in the audit report. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304				0	27	27	