

**REPORT
ON THE
COST REPORT REVIEW**

**HEART HOSPITAL OF BAKERSFIELD
BAKERSFIELD, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1609856947**

**FISCAL PERIOD ENDED
SEPTEMBER 30, 2011**

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

**Section Chief: Michael Harrold
Auditor: Sandy Feng**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

April 23, 2014

Barbara Jo Wolff, CFO
Heart Hospital of Bakersfield
3001 Sillect Avenue
Bakersfield, CA 93308

HEART HOSPITAL OF BAKERSFIELD
NATIONAL PROVIDER IDENTIFIER (NPI) 1609856947
FISCAL PERIOD ENDED SEPTEMBER 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, 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 settlement for the fiscal period due the State in the amount of \$71,562 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. 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.

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.

Barbara Jo Wolff
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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

SUMMARY OF FINDINGS

Provider Name:
HEART HOSPITAL OF BAKERSFIELD

Fiscal Period Ended:
SEPTEMBER 30, 2011

		SETTLEMENT	COST
1. Medi-Cal Noncontract Settlement (SCHEDULE 1) Provider NPI: 1609856947	Reported	\$ 72,926	
	Net Change	\$ (144,489)	
	Audited Amount Due Provider (State)	\$ (71,562)	
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. Medi-Cal Contract Cost (CONTRACT SCH 1) Provider NPI:	Reported		\$ 0
	Net Change		\$ 0
	Audited Cost		\$ 0
	Audited Amount Due Provider (State)	\$ 0	
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:	Reported		\$ 0.00
	Net Change		\$ 0.00
	Audited Cost Per Day		\$ 0.00
	Audited Amount Due Provider (State)	\$ 0	
8. Total Medi-Cal Settlement Due Provider (State) - (Lines 1 through 7)		\$ (71,562)	
9. Total Medi-Cal Cost			\$ 0

SUMMARY OF FINDINGS

Provider Name:
HEART HOSPITAL OF BAKERSFIELD

Fiscal Period Ended:
SEPTEMBER 30, 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)		\$ (71,562)	

COMPUTATION OF MEDI-CAL REIMBURSEMENT SETTLEMENT

Provider Name:
HEART HOSPITAL OF BAKERSFIELD

Fiscal Period Ended:
SEPTEMBER 30, 2011

Provider NPI:
1609856947

		REPORTED	AUDITED
1. Net Cost of Covered Services Rendered to Medi-Cal Patients (Schedule 3)		\$ <u>2,712,437</u>	\$ <u>3,064,294</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>2,712,437</u>	\$ <u>3,064,294</u>
6. Interim Payments (Adj 23)		\$ <u>(2,639,511)</u>	\$ <u>(3,119,731)</u>
7. Balance Due Provider (State)		\$ <u>72,926</u>	\$ <u>(55,437)</u>
8. Medi-Cal Credit Balances (Adj 25)		\$ <u>0</u>	\$ <u>(16,125)</u>
9.	\$	\$ <u>0</u>	\$ <u>0</u>
10.	\$	\$ <u>0</u>	\$ <u>0</u>
11. TOTAL MEDI-CAL SETTLEMENT Due Provider (State)		\$ <u><u>72,926</u></u>	\$ <u><u>(71,562)</u></u>
		(To Summary of Findings)	

COMPUTATION OF LESSER OF
MEDI-CAL REASONABLE COST OR CUSTOMARY CHARGESProvider Name:
HEART HOSPITAL OF BAKERSFIELDFiscal Period Ended:
SEPTEMBER 30, 2011Provider NPI:
1609856947

REPORTED

AUDITED

REASONABLE COST OF MEDI-CAL INPATIENT SERVICES

1. Cost of Covered Services (Schedule 3) \$ 2,822,605 \$ 3,270,674

CHARGES FOR MEDI-CAL INPATIENT SERVICES

2. Inpatient Routine Service Charges (Adj 22) \$ 3,919,179 \$ 4,364,0343. Inpatient Ancillary Service Charges (Adj 22) \$ 10,509,564 \$ 12,538,7414. Total Charges - Medi-Cal Inpatient Services \$ 14,428,743 \$ 16,902,7755. Excess of Customary Charges Over Reasonable Cost
(Line 4 minus Line 1) * \$ 11,606,138 \$ 13,632,1016. 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 NET COSTS OF COVERED SERVICESProvider Name:
HEART HOSPITAL OF BAKERSFIELDFiscal Period Ended:
SEPTEMBER 30, 2011Provider NPI:
1609856947

	REPORTED	AUDITED
1. Medi-Cal Inpatient Ancillary Services (Schedule 5)	\$ 1,738,836	\$ 2,058,988
2. Medi-Cal Inpatient Routine Services (Schedule 4)	\$ 1,083,769	\$ 1,211,686
3. Medi-Cal Inpatient Hospital Based Physician for Intern and Resident Services (Sch)	\$ 0	\$ 0
4. \$ \$	0	0
5. \$ \$	0	0
6. SUBTOTAL (Sum of Lines 1 through 5)	\$ 2,822,605	\$ 3,270,674
7. Medi-Cal Inpatient Hospital Based Physician for Acute Care Services (Schedule 7)	\$ (See Schedule 1)	\$ 0
8. SUBTOTAL	\$ 2,822,605	\$ 3,270,674
	(To Schedule 2)	
9. Medi-Cal Deductible (Adj 23)	\$ (12,231)	\$ (12,597)
10. Medi-Cal Coinsurance (Adj 23)	\$ (97,937)	\$ (193,783)
11. Net Cost of Covered Services Rendered to Medi-Cal Inpatients	\$ 2,712,437	\$ 3,064,294
	(To Schedule 1)	

COMPUTATION OF
MEDI-CAL INPATIENT ROUTINE SERVICE COSTProvider Name:
HEART HOSPITAL OF BAKERSFIELDFiscal Period Ended:
SEPTEMBER 30, 2011Provider NPI:
1609856947

GENERAL SERVICE UNIT NET OF SWING-BED COSTS

INPATIENT DAYS

	REPORTED	AUDITED
1. Total Inpatient Days (include private & swing-bed) (Adj)	16,487	16,487
2. Inpatient Days (include private, exclude swing-bed)	16,487	16,487
3. Private Room Days (exclude swing-bed private room) (Adj)	0	0
4. Semi-Private Room Days (exclude swing-bed) (Adj)	16,487	16,487
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 20, 24)	1,106	1,289

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)	\$ 16,155,686	\$ 15,498,072
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)	\$ 16,155,686	\$ 15,498,072

PRIVATE ROOM DIFFERENTIAL ADJUSTMENT

28. Gen Inpatient Routine Serv Charges (excl swing-bed charges)	\$ 54,680,231	\$ 54,680,231
29. Private Room Charges (excluding swing-bed charges)	\$ 0	\$ 0
30. Semi-Private Room Charges (excluding swing-bed charges)	\$ 54,680,231	\$ 54,680,231
31. Gen Inpatient Routine Service Cost/Charge Ratio (L 27 ÷ L 28)	\$ 0.295458	\$ 0.283431
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)	\$ 3,316.57	\$ 3,316.57
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)	\$ 16,155,686	\$ 15,498,072

PROGRAM INPATIENT OPERATING COST

38. Adjusted General Inpatient Routine Cost Per Diem (L 37 ÷ L 2)	\$ 979.90	\$ 940.02
39. Program General Inpatient Routine Service Cost (L 9 x L 38)	\$ 1,083,769	\$ 1,211,686
40. Cost Applicable to Medi-Cal (Sch 4A)	\$ 0	\$ 0
41. Cost Applicable to Medi-Cal (Sch 4B)	\$ 0	\$ 0
42. TOTAL MEDI-CAL ROUTINE COST (Sum of Lines 39,40 & 41)	\$ 1,083,769	\$ 1,211,686

(To Schedule 3)

SCHEDULE OF MEDI-CAL ANCILLARY COSTS

Provider Name:
HEART HOSPITAL OF BAKERSFIELD

Fiscal Period Ended:
SEPTEMBER 30, 2011

Provider NPI:
1609856947

ANCILLARY COST CENTERS		TOTAL ANCILLARY COST *	TOTAL ANCILLARY CHARGES (Adj 18,19)	RATIO COST TO CHARGES	MEDI-CAL CHARGES (From Schedule 6)	MEDI-CAL COST
50.00	Operating Room	\$ 3,706,574	\$ 11,778,204	0.314698	\$ 1,081,959	\$ 340,490
51.00	Recovery Room	0	0	0.000000	0	0
52.00	Delivery Room and Labor Room	0	0	0.000000	0	0
53.00	Anesthesiology	0	0	0.000000	0	0
54.00	Radiology-Diagnostic	4,069,479	46,598,075	0.087331	1,773,029	154,841
55.00	Radiology-Therapeutic	0	0	0.000000	0	0
56.00	Radioisotope	0	0	0.000000	0	0
57.00	Computed Tomography (CT) Scan	0	0	0.000000	0	0
58.00	Magnetic Resonance Imaging (MRI)	0	0	0.000000	0	0
59.00	Cardiac Catheterization	7,811,524	68,852,166	0.113454	2,055,450	233,198
60.00	Laboratory	4,190,344	56,432,731	0.074254	3,284,680	243,900
61.00	PBP Clinical Laboratory Services-Program Only	0	0	0.000000	0	0
62.00	Whole Blood & Packed Red Blood Cells	0	0	0.000000	0	0
63.00	Blood Storing, Processing, & Trans.	0	0	0.000000	0	0
64.00	Intravenous Therapy	0	0	0.000000	0	0
65.00	Respiratory Therapy	1,477,496	7,532,090	0.196160	660,205	129,506
66.00	Physical Therapy	142,085	262,945	0.540361	19,319	10,439
67.00	Occupational Therapy	14,608	32,127	0.454701	2,056	935
68.00	Speech Pathology	48,072	267,632	0.179621	7,807	1,402
69.00	Electrocardiology	0	0	0.000000	0	0
70.00	Electroencephalography	0	0	0.000000	0	0
71.00	Medical Supplies Charged to Patients	4,391,928	13,605,243	0.322811	525,114	169,513
72.00	Implantable Devices Charged to Patients	6,619,834	18,504,963	0.357733	577,729	206,673
73.00	Drugs Charged to Patients	5,297,962	23,965,136	0.221070	1,835,191	405,705
74.00	Renal Dialysis	340,561	877,509	0.388099	79,989	31,044
75.00	ASC (Non-Distinct Part)	0	0	0.000000	0	0
76.00	Short Stay	893,033	3,516,882	0.253928	0	0
77.00		0	0	0.000000	0	0
78.00		0	0	0.000000	0	0
79.00		0	0	0.000000	0	0
80.00		0	0	0.000000	0	0
81.00		0	0	0.000000	0	0
82.00		0	0	0.000000	0	0
83.00		0	0	0.000000	0	0
84.00		0	0	0.000000	0	0
85.00		0	0	0.000000	0	0
86.00		0	0	0.000000	0	0
87.00		0	0	0.000000	0	0
87.01		0	0	0.000000	0	0
88.00	Rural Health Clinic (RHC)	0	0	0.000000	0	0
89.00	Federally Qualified Health Center (FQHC)	0	0	0.000000	0	0
90.00	Clinic	0	0	0.000000	0	0
91.00	Emergency	5,502,113	26,651,869	0.206444	636,213	131,342
92.00	Observation Beds (Non-Distinct Part)	0	0	0.000000	0	0
93.00		0	0	0.000000	0	0
93.01		0	0	0.000000	0	0
93.02		0	0	0.000000	0	0
93.03		0	0	0.000000	0	0
93.04		0	0	0.000000	0	0
93.05		0	0	0.000000	0	0
	TOTAL	\$ 44,505,615	\$ 278,877,572		\$ 12,538,741	\$ 2,058,988

(To Schedule 3)

* From Schedule 8, Column 26

ADJUSTMENTS TO MEDI-CAL CHARGES

Provider Name:
HEART HOSPITAL OF BAKERSFIELDFiscal Period Ended:
SEPTEMBER 30, 2011Provider NPI:
1609856947

ANCILLARY CHARGES		REPORTED	ADJUSTMENTS (Adj 21)	AUDITED
50.00	Operating Room	\$ 910,097	\$ 171,862	\$ 1,081,959
51.00	Recovery Room			0
52.00	Delivery Room and Labor Room			0
53.00	Anesthesiology			0
54.00	Radiology-Diagnostic	1,302,203	470,826	1,773,029
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	2,004,258	51,192	2,055,450
60.00	Laboratory	2,809,259	475,421	3,284,680
61.00	PBP Clinical Laboratory Services-Program Only			0
62.00	Whole Blood & Packed Red Blood Cells			0
63.00	Blood Storing, Processing, & Trans.			0
64.00	Intravenous Therapy			0
65.00	Respiratory Therapy	540,349	119,856	660,205
66.00	Physical Therapy	12,959	6,360	19,319
67.00	Occupational Therapy	1,693	363	2,056
68.00	Speech Pathology	0	7,807	7,807
69.00	Electrocardiology			0
70.00	Electroencephalography			0
71.00	Medical Supplies Charged to Patients	427,034	98,080	525,114
72.00	Implantable Devices Charged to Patients	534,042	43,687	577,729
73.00	Drugs Charged to Patients	1,401,078	434,113	1,835,191
74.00	Renal Dialysis	0	79,989	79,989
75.00	ASC (Non-Distinct Part)			0
76.00	Short Stay			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	566,592	69,621	636,213
92.00	Observation Beds (Non-Distinct Part)			0
93.00				0
93.01				0
93.02				0
93.03				0
93.04				0
93.05				0
TOTAL MEDI-CAL ANCILLARY CHARGES		\$ 10,509,564	\$ 2,029,177	\$ 12,538,741

(To Schedule 5)

Provider Name:
HEART HOSPITAL OF BAKERSFIELD

Fiscal Period Ended:
SEPTEMBER 30, 2011

TRIAL BALANCE EXPENSES	ALLOC COST 3.09	EMPLOYEE BENEFITS 4.00	ALLOC COST 5.01	ALLOC COST 5.02	ALLOC COST 5.03	ALLOC COST 5.04	ALLOC COST 5.05	ALLOC COST 5.06	ALLOC COST 5.07	ALLOC COST 5.08	ACCUMULATE COST	ADMINIS- TRATIVE & GENERAL 5.00
105.00 Kidney Acquisition	0	0	0	0	0	0	0	0	0	0	0	0
106.00 Heart Acquisition	0	0	0	0	0	0	0	0	0	0	0	0
107.00 Liver Acquisition	0	0	0	0	0	0	0	0	0	0	0	0
108.00 Lung Acquisition	0	0	0	0	0	0	0	0	0	0	0	0
109.00 Pancreas Acquisition	0	0	0	0	0	0	0	0	0	0	0	0
110.00 Intestinal Acquisition	0	0	0	0	0	0	0	0	0	0	0	0
111.00 Islet Acquisition	0	0	0	0	0	0	0	0	0	0	0	0
112.00 Other Organ Acquisition (specify)	0	0	0	0	0	0	0	0	0	0	0	0
113.00 Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0
114.00 Utilization Review-SNF	0	0	0	0	0	0	0	0	0	0	0	0
115.00 Ambulatory Surgical Center (Distinct Part)	0	0	0	0	0	0	0	0	0	0	0	0
116.00 Hospice	0	0	0	0	0	0	0	0	0	0	0	0
117.00 Other Special Purpose (specify)	0	0	0	0	0	0	0	0	0	0	0	0
190.00 Gift, Flower, Coffee Shop, & Canteen	0	0	0	0	0	0	0	0	0	0	0	0
190.01 Marketing	0	5,360	0	0	0	0	0	0	0	0	579,481	148,510
190.02 Non Emergency Transportation	0	0	0	0	0	0	0	0	0	0	96,772	24,801
190.03 Non Patient Meals	0	0	0	0	0	0	0	0	0	0	0	0
191.00 Research	0	0	0	0	0	0	0	0	0	0	0	0
192.00 Physicians' Private Offices	0	0	0	0	0	0	0	0	0	0	0	0
193.00 Nonpaid Workers	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	<u>1,098,189</u>	0	0	0	0	0	0	0	0	<u>61,155,284</u>	<u>12,475,697</u>

Provider Name:
HEART HOSPITAL OF BAKERSFIELD

Fiscal Period Ended:
SEPTEMBER 30, 2011

TRIAL BALANCE EXPENSES	MAINT & REPAIR 6.00	OPERATION OF PLANT 7.00	LAUNDRY & LINEN 8.00	HOUSEKEEP 9.00	DIETARY 10.00	CAFETERIA 11.00	MAINT OF PERSONNEL 12.00	NURSING ADMIN 13.00	CENTRAL SERVICE & SUPPLY 14.00	PHARMACY 15.00	MEDICAL RECORDS & LIBRARY 16.00	SOCIAL SERVICE 17.00
105.00 Kidney Acquisition	0	0	0	0	0	0	0	0	0	0	0	0
106.00 Heart Acquisition	0	0	0	0	0	0	0	0	0	0	0	0
107.00 Liver Acquisition	0	0	0	0	0	0	0	0	0	0	0	0
108.00 Lung Acquisition	0	0	0	0	0	0	0	0	0	0	0	0
109.00 Pancreas Acquisition	0	0	0	0	0	0	0	0	0	0	0	0
110.00 Intestinal Acquisition	0	0	0	0	0	0	0	0	0	0	0	0
111.00 Islet Acquisition	0	0	0	0	0	0	0	0	0	0	0	0
112.00 Other Organ Acquisition (specify)	0	0	0	0	0	0	0	0	0	0	0	0
113.00 Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0
114.00 Utilization Review-SNF	0	0	0	0	0	0	0	0	0	0	0	0
115.00 Ambulatory Surgical Center (Distinct Part)	0	0	0	0	0	0	0	0	0	0	0	0
116.00 Hospice	0	0	0	0	0	0	0	0	0	0	0	0
117.00 Other Special Purpose (specify)	0	0	0	0	0	0	0	0	0	0	0	0
190.00 Gift, Flower, Coffee Shop, & Canteen	0	0	0	0	0	0	0	0	0	0	0	0
190.01 Marketing	1	22,185	0	8,088	0	4,504	0	0	0	0	0	0
190.02 Non Emergency Transportation	0	0	0	0	0	0	0	0	0	0	0	0
190.03 Non Patient Meals	0	0	0	0	267,256	0	0	0	0	0	0	0
191.00 Research	0	0	0	0	0	0	0	0	0	0	0	0
192.00 Physicians' Private Offices	0	0	0	0	0	0	0	0	0	0	0	0
193.00 Nonpaid Workers	0	0	0	0	0	0	0	0	0	0	0	0
	0											
TOTAL	<u>131</u>	<u>2,793,180</u>	<u>433,759</u>	<u>995,905</u>	<u>1,691,577</u>	<u>1,133,553</u>	<u>0</u>	<u>0</u>	<u>633,645</u>	<u>1,535,793</u>	<u>1,410,199</u>	<u>0</u>

Provider Name:
HEART HOSPITAL OF BAKERSFIELD

Fiscal Period Ended:
SEPTEMBER 30, 2011

TRIAL BALANCE EXPENSES	OTHER GEN	NONPHYSICIAN	NURSING	I & R SVC	I&R OTHER	PARAMEDICAL	ALLOC	ALLOC	SUBTOTAL	POST	TOTAL
	SVC (SPECIFIC) 18.00	ANESTHETIST 19.00	SCHOOL 20.00	SAL & BENEFITS 21.00	PROGRAM COSTS 22.00	EDUCATION PROGRAM 23.00	COST 23.01	COST 23.02	24.00	STEP-DOWN ADJUSTMENT 25.00	COST 26.00
105.00 Kidney Acquisition	0	0	0	0	0	0	0	0	0	0	0
106.00 Heart Acquisition	0	0	0	0	0	0	0	0	0	0	0
107.00 Liver Acquisition	0	0	0	0	0	0	0	0	0	0	0
108.00 Lung Acquisition	0	0	0	0	0	0	0	0	0	0	0
109.00 Pancreas Acquisition	0	0	0	0	0	0	0	0	0	0	0
110.00 Intestinal Acquisition	0	0	0	0	0	0	0	0	0	0	0
111.00 Islet Acquisition	0	0	0	0	0	0	0	0	0	0	0
112.00 Other Organ Acquisition (specify)	0	0	0	0	0	0	0	0	0	0	0
113.00 Interest Expense	0	0	0	0	0	0	0	0	0	0	0
114.00 Utilization Review-SNF	0	0	0	0	0	0	0	0	0	0	0
115.00 Ambulatory Surgical Center (Distinct Part)	0	0	0	0	0	0	0	0	0	0	0
116.00 Hospice	0	0	0	0	0	0	0	0	0	0	0
117.00 Other Special Purpose (specify)	0	0	0	0	0	0	0	0	0	0	0
190.00 Gift, Flower, Coffee Shop, & Canteen	0	0	0	0	0	0	0	0	0	0	0
190.01 Marketing	0	0	0	0	0	0	0	0	762,768	0	762,768
190.02 Non Emergency Transportation	0	0	0	0	0	0	0	0	121,573	0	121,573
190.03 Non Patient Meals	0	0	0	0	0	0	0	0	267,256	0	267,256
191.00 Research	0	0	0	0	0	0	0	0	0	0	0
192.00 Physicians' Private Offices	0	0	0	0	0	0	0	0	0	0	0
193.00 Nonpaid Workers	0	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>61,155,284</u>	<u>0</u>	<u>61,155,284</u>

STATE OF CALIFORNIA

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

SCHEDULE 9.1

Provider Name:
HEART HOSPITAL OF BAKERSFIELD

Fiscal Period Ended:
SEPTEMBER 30, 2011

	EMP BENE (GROSS SALARIES) 4.00 (Adj)	STAT 5.01 (Adj)	STAT 5.02 (Adj)	STAT 5.03 (Adj)	STAT 5.04 (Adj)	STAT 5.05 (Adj)	STAT 5.06 (Adj)	STAT 5.07 (Adj)	STAT 5.08 (Adj)	RECON- CILIATION	ADM & GEN (ACCUM COST) 5.00	MANT & REPAIRS (SQ FT) 6.00 (Adj)
105.00 Kidney Acquisition											0	
106.00 Heart Acquisition											0	
107.00 Liver Acquisition											0	
108.00 Lung Acquisition											0	
109.00 Pancreas Acquisition											0	
110.00 Intestinal Acquisition											0	
111.00 Islet Acquisition											0	
112.00 Other Organ Acquisition (specify)											0	
113.00 Interest Expense											0	
114.00 Utilization Review-SNF											0	
115.00 Ambulatory Surgical Center (Distinct Part)											0	
116.00 Hospice											0	
117.00 Other Special Purpose (specify)											0	
190.00 Gift, Flower, Coffee Shop, & Canteen											0	
190.01 Marketing	104,813										579,481	566
190.02 Non Emergency Transportation											96,772	
190.03 Non Patient Meals											0	
191.00 Research											0	
192.00 Physicians' Private Offices											0	
193.00 Nonpaid Workers											0	
0.00											0	
TOTAL	21,475,637	0	0	0	0	0	0	0	0		48,679,587	80,281
COST TO BE ALLOCATED	1,098,189	0	0	0	0	0	0	0	0		12,475,697	131
UNIT COST MULTIPLIER - SCH 8	0.051137	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000		0.256282	0.001627

STATE OF CALIFORNIA

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

SCHEDULE 9.2

Provider Name:
HEART HOSPITAL OF BAKERSFIELD

Fiscal Period Ended:
SEPTEMBER 30, 2011

	OPER PLANT (SQ FT)	LAUNDRY & LINEN (LB LNDRY)	HOUSE-KEEPING (SQ FT)	DIETARY (MEALS SERVED)	CAFETERIA (FTES X 100)	MANT OF PERSONNEL	NURSING ADMIN (NURSE HR)	CENT SERV & SUPPLY (CST REQ)	PHARMACY (COSTED REQUIS)	MED REC (GROSS REVENUE)	SOC SERV (TIME SPENT)	OTHER SVC (TIME SPENT)
	7.00 (Adj)	8.00 (Adj)	9.00 (Adj)	10.00 (Adj 15)	11.00 (Adj 16)	12.00 (Adj)	13.00 (Adj)	14.00 (Adj)	15.00 (Adj)	16.00 (Adj 17)	17.00 (Adj)	18.00 (Adj)
105.00 Kidney Acquisition												
106.00 Heart Acquisition												
107.00 Liver Acquisition												
108.00 Lung Acquisition												
109.00 Pancreas Acquisition												
110.00 Intestinal Acquisition												
111.00 Islet Acquisition												
112.00 Other Organ Acquisition (specify)												
113.00 Interest Expense												
114.00 Utilization Review-SNF												
115.00 Ambulatory Surgical Center (Distinct Part)												
116.00 Hospice												
117.00 Other Special Purpose (specify)												
190.00 Gift, Flower, Coffee Shop, & Canteen												
190.01 Marketing	566		566		128							
190.02 Non Emergency Transportation												
190.03 Non Patient Meals				27,081								
191.00 Research												
192.00 Physicians' Private Offices												
193.00 Nonpaid Workers												
0.00												
TOTAL	71,263	375,412	69,696	171,407	32,213	0	0	7,687,374	100	333,557,805	0	0
COST TO BE ALLOCATED	2,793,180	433,759	995,905	1,691,577	1,133,553	0	0	633,645	1,535,793	1,410,199	0	0
UNIT COST MULTIPLIER - SCH 8	39.195375	1.155421	14.289265	9.868772	35.189298	0.000000	0.000000	0.082427	15357.931268	0.004228	0.000000	0.000000

Provider Name:
HEART HOSPITAL OF BAKERSFIELD

Fiscal Period Ended:
SEPTEMBER 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 (Approved)
- 22.00 Intern & Res. Other Program Costs (Approved)
- 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:
HEART HOSPITAL OF BAKERSFIELD

Fiscal Period Ended:
SEPTEMBER 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
- 51.00 Recovery Room
- 52.00 Delivery Room and Labor 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, & Trans.
- 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
- 72.00 Implantable Devices Charged to Patients
- 73.00 Drugs Charged to Patients
- 74.00 Renal Dialysis
- 75.00 ASC (Non-Distinct Part)
- 76.00 Short Stay
- 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 (Non-Distinct Part)
- 93.00
- 93.01
- 93.02
- 93.03
- 93.04
- 93.05

NONREIMBURSABLE COST CENTERS

- 94.00 Home Program Dialysis
- 95.00 Ambulance Services
- 96.00 Durable Medical Equipment-Rented
- 97.00 Durable Medical Equipment-Sold
- 98.00 Other Reimbursable (specify)
- 99.00 CMHC
- 100.00 CORF
- 101.00 Home Health Agency

TRIAL BALANCE OF EXPENSES

Provider Name:
HEART HOSPITAL OF BAKERSFIELD

Fiscal Period Ended:
SEPTEMBER 30, 2011

		REPORTED	ADJUSTMENTS (From Sch 10A)	AUDITED
	GENERAL SERVICE COST CENTERS			
1.00	Capital Related Costs-Buildings and Fixtures	\$ 1,761,598	\$ (239,542)	\$ 1,522,056
2.00	Capital Related Costs-Movable Equipment	2,026,152	(91,504)	1,934,648
3.00	Other Capital Related Costs	0	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	1,135,704	(37,515)	1,098,189
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	12,189,480	(260,197)	11,929,283
6.00	Maintenance and Repairs	104	0	104
7.00	Operation of Plant	1,876,997	0	1,876,997
8.00	Laundry and Linen Service	334,413	0	334,413
9.00	Housekeeping	694,522	0	694,522
10.00	Dietary	1,119,596	41,398	1,160,994
11.00	Cafeteria		0	0
12.00	Maintenance of Personnel		0	0
13.00	Nursing Administration		0	0
14.00	Central Services and Supply	429,950	(1,308)	428,642
15.00	Pharmacy	1,135,822	(116)	1,135,706
16.00	Medical Records & Library	982,769	(2,157)	980,612
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 (Approved)		0	0
22.00	Intern & Res. Other Program Costs (Approved)		0	0
23.00	Paramedical Ed. Program (specify)		0	0
23.01			0	0
23.02			0	0
	INPATIENT ROUTINE COST CENTERS			
30.00	Adults & Pediatrics (Gen Routine)	8,826,318	(294,684)	8,531,634
31.00	Intensive Care Unit		0	0
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		0	0
42.00	Subprovider (specify)		0	0
43.00	Nursery		0	0
44.00	Skilled Nursing Facility		0	0
45.00	Nursing Facility		0	0
46.00	Other Long Term Care		0	0
47.00			0	0

TRIAL BALANCE OF EXPENSES

Provider Name:
HEART HOSPITAL OF BAKERSFIELD

Fiscal Period Ended:
SEPTEMBER 30, 2011

		REPORTED	ADJUSTMENTS (From Sch 10A)	AUDITED
	ANCILLARY COST CENTERS			
50.00	Operating Room	\$ 1,876,715	\$ 25,302	\$ 1,902,017
51.00	Recovery Room		0	0
52.00	Delivery Room and Labor Room		0	0
53.00	Anesthesiology		0	0
54.00	Radiology-Diagnostic	2,719,846	(209,082)	2,510,764
55.00	Radiology-Therapeutic		0	0
56.00	Radioisotope		0	0
57.00	Computed Tomography (CT) Scan		0	0
58.00	Magnetic Resonance Imaging (MRI)		0	0
59.00	Cardiac Catheterization	4,663,613	(5,536)	4,658,077
60.00	Laboratory	3,223,514	(269,524)	2,953,990
61.00	PBP Clinical Laboratory Services-Program Only		0	0
62.00	Whole Blood & Packed Red Blood Cells		0	0
63.00	Blood Storing, Processing, & Trans.		0	0
64.00	Intravenous Therapy		0	0
65.00	Respiratory Therapy	981,014	(3,019)	977,995
66.00	Physical Therapy	112,215	0	112,215
67.00	Occupational Therapy	11,520	0	11,520
68.00	Speech Pathology	37,365	0	37,365
69.00	Electrocardiology		0	0
70.00	Electroencephalography		0	0
71.00	Medical Supplies Charged to Patients	3,450,188	0	3,450,188
72.00	Implantable Devices Charged to Patients	4,886,500	0	4,886,500
73.00	Drugs Charged to Patients	2,914,036	0	2,914,036
74.00	Renal Dialysis	0	268,133	268,133
75.00	ASC (Non-Distinct Part)		0	0
76.00	Short Stay	657,841	(1,422)	656,419
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	3,641,854	(102,743)	3,539,111
92.00	Observation Beds (Non-Distinct Part)		0	0
93.00			0	0
93.01			0	0
93.02			0	0
93.03			0	0
93.04			0	0
93.05			0	0
	SUBTOTAL	\$ 61,689,646	\$ (1,183,516)	\$ 60,506,130
	NONREIMBURSABLE COST CENTERS			
94.00	Home Program Dialysis		0	0
95.00	Ambulance Services		0	0
96.00	Durable Medical Equipment-Rented		0	0
97.00	Durable Medical Equipment-Sold		0	0

TRIAL BALANCE OF EXPENSES

Provider Name:
HEART HOSPITAL OF BAKERSFIELD

Fiscal Period Ended:
SEPTEMBER 30, 2011

		REPORTED	ADJUSTMENTS (From Sch 10A)	AUDITED
98.00	Other Reimbursable (specify)		0	0
99.00	CMHC		0	0
100.00	CORF		0	0
101.00	Home Health Agency		0	0
105.00	Kidney Acquisition		0	0
106.00	Heart Acquisition		0	0
107.00	Liver Acquisition		0	0
108.00	Lung Acquisition		0	0
109.00	Pancreas Acquisition		0	0
110.00	Intestinal Acquisition		0	0
111.00	Islet Acquisition		0	0
112.00	Other Organ Acquisition (specify)		0	0
113.00	Interest Expense		0	0
114.00	Utilization Review-SNF		0	0
115.00	Ambulatory Surgical Center (Distinct Part)		0	0
116.00	Hospice		0	0
117.00	Other Special Purpose (specify)		0	0
190.00	Gift, Flower, Coffee Shop, & Canteen		0	0
190.01	Marketing	552,606	(224)	552,382
190.02	Non Emergency Transportation	96,772	0	96,772
190.03	Non Patient Meals		0	0
191.00	Research		0	0
192.00	Physicians' Private Offices		0	0
193.00	Nonpaid Workers		0	0
			0	0
	SUBTOTAL	\$ 649,378	\$ (224)	\$ 649,154
200	TOTAL	\$ 62,339,024	\$ (1,183,740)	\$ 61,155,284

(To Schedule 8)

Provider Name							Fiscal Period		Provider NPI		Adjustments
HEART HOSPITAL OF BAKERSFIELD							OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011		1609856947		25
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>RECLASSIFICATIONS OF REPORTED COSTS</u>											
1	10A	A			50.00	7	Operating Room	\$1,876,715	\$36,500	\$1,913,215 *	
	10A	A			91.00	7	Emergency	3,641,854	(36,500)	3,605,354 *	
							To reclassify the provider's adjustment of physician compensation costs to the proper cost center. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304				
2	10A	A			74.00	7	Renal Dialysis	\$0	\$268,133	\$268,133	
	10A	A			30.00	7	Adults and Pediatrics	8,826,318	(268,133)	8,558,185 *	
							To reclassify dialysis treatment costs to the Renal Dialysis cost center for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2118, 2300 and 2304 CMS Pub. 15-2, Section 4013				

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period		Provider NPI		Adjustments	
HEART HOSPITAL OF BAKERSFIELD							OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011		1609856947		25	
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												
	10A	A			5.00	7	Administrative and General	\$12,189,480				
3							To adjust purchased services expense to agree with invoices and due to lack of documentation, and to eliminate prior year's expense. 42 CFR 413.5, 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1 and 2304		(\$22,515)			
4							To eliminate rental expense that is related to unused space for the Heart Clinic. 42 CFR 413.9, 413.20 and 413.24 CMS Pub. 15-1, Sections 2102.3, 2300 and 2304		(87,276)			
5							To eliminate prior year's legal fees and due to lack of documentation. 42 CFR 413.5, 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1 and 2304		(115,811)			
6							To eliminate physician compensation in excess of the reasonable compensation equivalent limit. 42 CFR 413.5, 413.9, 413.20, 413.24 and 415.70 CMS Pub. 15-1, Sections 2182.6C, 2300 and 2304 CMS Pub. 15-2, Section 4018		(21,430) (\$247,032)	\$11,942,448 *		
7	10A	A			2.00	7	Capital Related Costs-Movable Equipment To adjust for a change in useful life to agree with the AHA guidelines. 42 CFR 413.20, 413.24 and 413.134(b)(7) CMS Pub. 15-1, Sections 104.17, 104.18, 2300 and 2304	\$2,026,152	(\$91,504)	\$1,934,648		
8	10A	A			1.00	7	Capital Related Costs-Buildings and Fixtures To adjust componentized depreciation expense to agree with the provider's records and the audited amounts allowed. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$1,761,598	(\$239,542)	\$1,522,056		

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period			Provider NPI		Adjustments
HEART HOSPITAL OF BAKERSFIELD							OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011			1609856947		25
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												
9	10A	A			50.00	7	Operating Room	*	\$1,913,215	(\$9,031)	\$1,904,184 *	
	10A	A			54.00	7	Radiology - Diagnostic		2,719,846	(4,535)	2,715,311 *	
	10A	A			91.00	7	Emergency	*	3,605,354	(57,750)	3,547,604 *	
							To eliminate physician compensation costs for services directly billed under the physician provider number. 42 CFR 413.5, 413.9, 413.20 and 413.24 CMS Pub. 15-1, Sections 2108.1, 2182, 2182.3, 2300 and 2304 CMS Pub. 15-2, Section 4018					
10	10A	A			54.00	7	Radiology - Diagnostic	*	\$2,715,311	(\$200,000)	\$2,515,311 *	
							To eliminate physician revenue guarantee amortization cost that is not a reimbursable cost. 42 CFR 413.5, 413.9, 413.20 and 413.24 CMS Pub. 15-1, Sections 2109.2E, 2109.4C, 2300 and 2304					
	10A	A			60.00	7	Laboratory		\$3,223,514			
11							To eliminate physician compensation costs for services directly billed under the physician provider number. 42 CFR 413.5, 413.9, 2300 and 2304 CMS Pub. 15-1, Sections 2182.3C, 2300 and 2304 CMS Pub. 15-2, Section 4018			(\$39,623)		
12							To abate lab testing revenue against related costs for proper cost determination. 42 CFR 413.9(c)(3), 413.20 and 413.24 CMS Pub. 15-1, Sections 2102.3, 2300, 2304 and 2328C			(226,605) (\$266,228)	\$2,957,286 *	
13	10A	A			10.00	7	Dietary		\$1,119,596	\$41,735	\$1,161,331 *	
							To reverse the provider's abatement of visitor meals revenue for proper cost determination. 42 CFR 413.9, 413.20 and 413.24 CMS Pub. 15-1, Sections 2102.3, 2300, 2304 and 2328					

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
HEART HOSPITAL OF BAKERSFIELD							OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011	1609856947		25
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										
14	10A	A		4.00	7	Employee Benefits	\$1,135,704	(\$37,515)	\$1,098,189	
	10A	A		5.00	7	Administrative and General	* 11,942,448	(13,165)	11,929,283	
	10A	A		10.00	7	Dietary	* 1,161,331	(337)	1,160,994	
	10A	A		14.00	7	Central Services and Supply	429,950	(1,308)	428,642	
	10A	A		15.00	7	Pharmacy	1,135,822	(116)	1,135,706	
	10A	A		16.00	7	Medical Records and Library	982,769	(2,157)	980,612	
	10A	A		30.00	7	Adults and Pediatrics	* 8,558,185	(26,551)	8,531,634	
	10A	A		50.00	7	Operating Room	* 1,904,184	(2,167)	1,902,017	
	10A	A		54.00	7	Radiology - Diagnostic	* 2,515,311	(4,547)	2,510,764	
	10A	A		59.00	7	Cardiac Catheterization	4,663,613	(5,536)	4,658,077	
	10A	A		60.00	7	Laboratory	* 2,957,286	(3,296)	2,953,990	
	10A	A		65.00	7	Respiratory Therapy	981,014	(3,019)	977,995	
	10A	A		76.00	7	Short Stay	657,841	(1,422)	656,419	
	10A	A		91.00	7	Emergency	* 3,547,604	(8,493)	3,539,111	
	10A	A		190.01	7	Marketing	552,606	(224)	552,382	
To adjust group insurance costs to agree with the actual paid claims report. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2144.4, 2161, 2162, 2300, 2304 and 2328C										

Provider Name							Fiscal Period			Provider NPI		Adjustments
HEART HOSPITAL OF BAKERSFIELD							OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011			1609856947		25
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 STATISTICS												
15	9	B-1			11.00	10	Cafeteria (Meals Served)	62,410	38,721	101,131		
	9	B-1			190.03	10	Non Patient Meals	16,188	10,893	27,081		
	9	B-1			10.00	10	Total Statistic - Meals Served	121,793	49,614	171,407		
							To adjust meals served statistics to agree with the provider's statistics records. 42 CFR 413.20, 413.24 and 413.50 CMS Pub. 15-1, Sections 2300, 2304 and 2306					
16	9	B-1			14.00	11	Central Services and Supply (FTES X100)	368	15	383		
	9	B-1			16.00	11	Medical Records and Library	878	55	933		
	9	B-1			30.00	11	Adults and Pediatrics	10,133	4,029	14,162		
	9	B-1			50.00	11	Operating Room	846	885	1,731		
	9	B-1			54.00	11	Radiology - Diagnostic	1,597	1,324	2,921		
	9	B-1			59.00	11	Cardiac Catheterization	1,967	1,643	3,610		
	9	B-1			60.00	11	Laboratory	1,267	301	1,568		
	9	B-1			65.00	11	Respiratory Therapy	992	375	1,367		
	9	B-1			76.00	11	Short Stay	509	192	701		
	9	B-1			91.00	11	Emergency	3,107	1,578	4,685		
	9	B-1			190.01	11	Marketing	124	4	128		
	9	B-1			11.00	11	Total Statistic - FTES X100	21,812	10,401	32,213		
							To adjust FTE statistics to agree with the provider's payroll records. 42 CFR 413.20, 413.24 and 413.50 CMS Pub. 15-1, Sections 2300, 2304, 2306 and 2328 OSHDP Manual, Section 5020					
17	9	B-1			74.00	16	Renal Dialysis (Gross Revenue)	0	877,509	877,509		
	9	B-1			16.00	16	Total Statistic - Gross Revenue	332,680,296	877,509	333,557,805		
							To include renal dialysis revenue statistic to agree with the provider's records for proper cost determination. 42 CFR 413.20, 413.24 and 413.50 CMS Pub. 15-1, Sections 2300, 2304 and 2306					

Provider Name							Fiscal Period			Provider NPI		Adjustments
HEART HOSPITAL OF BAKERSFIELD							OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011			1609856947		25
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 TOTAL CHARGES												
18	5	C			74.00	8	Renal Dialysis To adjust total charges to agree with the provider's records. 42 CFR 413.20, 413.24 and 413.50 CMS Pub. 15-1, Sections 2206, 2300 and 2304	\$0	\$877,509	\$877,509		
19	5	C			92.00	8	Observation Beds (Non-Distinct Part) To eliminate observation bed charges for proper matching of revenues and expenses. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$769,518	(\$769,518)	\$0		

Provider Name							Fiscal Period	Provider NPI		Adjustments
HEART HOSPITAL OF BAKERSFIELD							OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011	1609856947		25
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 - NONCONTRACT										
20	4	D-1	I	XIX	9.00	1	Medi-Cal Inpatient Days - Adults and Pediatrics	1,106	214	1,320 *
21	6	D-3		XIX	50.00	2	Medi-Cal Ancillary Charges - Operating Room	\$910,097	\$171,862	\$1,081,959
	6	D-3		XIX	54.00	2	Medi-Cal Ancillary Charges - Radiology - Diagnostic	1,302,203	470,826	1,773,029
	6	D-3		XIX	59.00	2	Medi-Cal Ancillary Charges - Cardiac Catheterization	2,004,258	51,192	2,055,450
	6	D-3		XIX	60.00	2	Medi-Cal Ancillary Charges - Laboratory	2,809,259	475,421	3,284,680
	6	D-3		XIX	65.00	2	Medi-Cal Ancillary Charges - Respiratory Therapy	540,349	119,856	660,205
	6	D-3		XIX	66.00	2	Medi-Cal Ancillary Charges - Physical Therapy	12,959	6,360	19,319
	6	D-3		XIX	67.00	2	Medi-Cal Ancillary Charges - Occupational Therapy	1,693	363	2,056
	6	D-3		XIX	68.00	2	Medi-Cal Ancillary Charges - Speech Pathology	0	7,807	7,807
	6	D-3		XIX	71.00	2	Medi-Cal Ancillary Charges - Medical Supplies Charged to Patients	427,034	98,080	525,114
	6	D-3		XIX	72.00	2	Medi-Cal Ancillary Charges - Impl. Dev. Charged to Patients	534,042	43,687	577,729
	6	D-3		XIX	73.00	2	Medi-Cal Ancillary Charges - Drugs Charged to Patients	1,401,078	434,113	1,835,191
	6	D-3		XIX	74.00	2	Medi-Cal Ancillary Charges - Renal Dialysis	0	79,989	79,989
	6	D-3		XIX	91.00	2	Medi-Cal Ancillary Charges - Emergency	566,592	69,621	636,213
	6	D-3		XIX	200.00	2	Medi-Cal Ancillary Charges - Total	10,509,564	2,029,177	12,538,741
22	2	E-3	III	XIX	8.00	1	Medi-Cal Routine Charges - Total	\$3,919,179	\$444,855	\$4,364,034
	2	E-3	III	XIX	9.00	1	Medi-Cal Ancillary Charges - Total	10,509,564	2,029,177	12,538,741
23	3	E-3	III	XIX	32.00	1	Deductibles	\$12,231	\$366	\$12,597
	3	E-3	III	XIX	33.00	1	Coinsurance	97,937	95,846	193,783
	1	E-3	III	XIX	41.00	1	Medi-Cal Interim Payments	2,639,511	480,220	3,119,731
<p>To adjust Medi-Cal Settlement Data to agree with the following Fiscal Intermediary Payment Data: Report Date: February 15, 2013 Payment Period: October 1, 2010 through January 31, 2013 Service Period: October 1, 2010 through September 30, 2011 42 CFR 413.20, 413.24, 413.50, 413.53, 413.60, 413.64 and 433.139 CMS Pub. 15-1, Sections 2304, 2404 and 2408</p>										

Provider Name							Fiscal Period			Provider NPI		Adjustments
HEART HOSPITAL OF BAKERSFIELD							OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011			1609856947		25
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 - NONCONTRACT												
24	4	D-1	I	XIX	9.00	1	Medi-Cal Inpatient Days - Adults and Pediatrics To adjust Medi-Cal Routine Days to incorporate the late billing penalties for claims submitted during the 7th through 9th month (RAD Code 475) and 10th through 12th month (RAD Code 476) after the month of service, respectively. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 CCR, Title 22, Section 51458.1 W & I Code, Section 14115	*	1,320	(31)	1,289	

*Balance carried forward from prior/to subsequent adjustments

Provider Name			Fiscal Period				Provider NPI		Adjustments		
HEART HOSPITAL OF BAKERSFIELD			OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011				1609856947		25		
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>ADJUSTMENT TO OTHER MATTERS</u>											
25	1	N/A	Medi-Cal Credit Balances					\$0	\$16,125	\$16,125	
			To recover outstanding Medi-Cal credit balances.								
			42 CFR 413.5, 413.20 and 413.24								
			CMS Pub. 15-1, Sections 2300, 2304 and 2409								
			CCR, Title 22, Sections 50761 and 51458.1								