REPORT
ON THE
COST REPORT REVIEW

HEMET VALLEY MEDICAL CENTER
HEMET, CALIFORNIA
NATIONAL PROVIDER IDENTIFIERS: 1114239068 & 1184936023

FISCAL PERIOD
NOVEMBER 30, 2010 TO DECEMBER 31, 2011

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

Section Chief: Margaret A. Varho
Audit Supervisor: Stan Van Arsdale
Auditor: Nhung Tran

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

TOBY DOUGLAS
DIRECTOR

EDMUND G. BROWN JR.
GOVERNOR

Date: April 24, 2013

John Collins, CHFO
Physicians for Healthy Hospitals, LLC.
1117 East Devonshire Avenue
Hemet, CA 92543

PROVIDER: HEMET VALLEY MEDICAL CENTER
NATIONAL PROVIDER IDENTIFIER (NPI) 1114239068
FISCAL PERIOD NOVEMBER 30, 2010 TO DECEMBER 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 $33,538, 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. Audited Allocation of Home Office Cost

5. Audit Adjustments Schedule

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

605 West Santa Ana Blvd., Building 28, Room 830, Santa Ana, CA 92701-4036
(714) 558-4434 / (714) 558-4179 fax
Internet Address: www.dhcs.ca.gov

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.

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

(***Original signed by Margaret Varho***)

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

Certified

SUMMARY OF FINDINGS

Provider Name:
HEMET VALLEY MEDICAL CENTER

Fiscal Period Ended:
DECEMBER 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.	**Medi-Cal Contract Cost (CONTRACT SCH 1)**		
	Provider NPI: 1114239068		
	Reported		$ 6,165,650
	Net Change		$ 1,514,795
	Audited Cost		$ 7,680,445
	Audited Amount Due Provider (State)	$ (3,972)	
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: 1184936023		
	Reported		$ 585.54
	Net Change		$ 68.85
	Audited Cost Per Day		$ 654.39
	Audited Amount Due Provider (State)	$ (29,566)	

8.	**Total Medi-Cal Settlement Due Provider (State) - (Lines 1 through 7)**	$ (33,538)	
9.	**Total Medi-Cal Cost**		$ 7,680,445

SUMMARY OF FINDINGS

Provider Name:
HEMET VALLEY MEDICAL CENTER

Fiscal Period Ended:
DECEMBER 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)**	$ (33,538)

COMPUTATION OF MEDI-CAL CONTRACT COST

Provider Name:
HEMET VALLEY MEDICAL CENTER

Fiscal Period Ended:
DECEMBER 31, 2011

Provider NPI:
1114239068

				REPORTED	AUDITED
1.	Net Cost of Covered Services Rendered to Medi-Cal Patients (Contract Sch 3)			$ 6,165,650	$ 7,680,445
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)			$ 6,165,650	$ 7,680,445
6.		$	$	0	0
7.		$	$	0	0
8.	Total Medi-Cal Cost (Sum of Lines 5 through 7)			$ 6,165,650	$ 7,680,445
				(To Summary of Findings)	
9.	Medi-Cal Overpayments (Adj)			$ 0	$ 0
10.	Medi-Cal Credit Balances (Adj 38)			$ 0	$ (3,972)
11.		$	$	0	0
12.		$	$	0	0
13.	TOTAL MEDI-CAL SETTLEMENT Due Provider (State)			$ 0	$ (3,972)
				(To Summary of Findings)	

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

Provider Name:
HEMET VALLEY MEDICAL CENTER

Fiscal Period Ended:
DECEMBER 31, 2011

Provider NPI:
1114239068

	REPORTED	AUDITED
REASONABLE COST OF MEDI-CAL INPATIENT SERVICES		
1. Cost of Covered Services (Contract Sch 3)	$ 6,358,401	$ 8,355,422
CHARGES FOR MEDI-CAL INPATIENT SERVICES		
2. Inpatient Routine Service Charges (Adj 27)	$ 7,886,166	$ 10,292,672
3. Inpatient Ancillary Service Charges (Adj 27)	$ 13,353,917	$ 23,550,065
4. Total Charges - Medi-Cal Inpatient Services	$ 21,240,083	$ 33,842,737
5. Excess of Customary Charges Over Reasonable Cost (Line 4 minus Line 1) *	$ 14,881,682	$ 25,487,315
6. Excess of Reasonable Cost Over Customary Charges (Line 1 minus Line 4)	$ 0	$ 0
	(To Contract Sch 1)	

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

COMPUTATION OF
MEDI-CAL NET COST OF COVERED SERVICES

Provider Name:
HEMET VALLEY MEDICAL CENTER

Fiscal Period Ended:
DECEMBER 31, 2011

Provider NPI:
1114239068

		REPORTED	AUDITED
1.	Medi-Cal Inpatient Ancillary Services (Contract Sch 5)	$ 2,498,620	$ 4,179,819
2.	Medi-Cal Inpatient Routine Services (Contract Sch 4)	$ 3,859,781	$ 4,175,603
3.	Medi-Cal Inpatient Hospital Based Physician for Intern and Resident Services (Sch)	$ 0	$ 0
4.	Medical and Other Services	$	$ 0
5.	$ $	0	0
6.	SUBTOTAL (Sum of Lines 1 through 5)	$ 6,358,401	$ 8,355,422
7.	Medi-Cal Inpatient Hospital Based Physician for Acute Care Services (Contract Sch 7)	$ (See Contract Sch 1)	$ 0
8.	SUBTOTAL	$ 6,358,401 (To Contract Sch 2)	$ 8,355,422
9.	Medi-Cal Deductible (Adj 28)	$ 0	$ (23,050)
10.	Medi-Cal Coinsurance (Adj 28)	$ (192,751)	$ (651,927)
11.	Net Cost of Covered Services Rendered to Medi-Cal Inpatients	$ 6,165,650 (To Contract Sch 1)	$ 7,680,445

COMPUTATION OF
MEDI-CAL INPATIENT ROUTINE SERVICE COST

Provider Name:
HEMET VALLEY MEDICAL CENTER

Fiscal Period Ended:
DECEMBER 31, 2011

Provider NPI:
1114239068

GENERAL SERVICE UNIT NET OF SWING-BEDS COSTS	REPORTED	AUDITED
INPATIENT DAYS		
1. Total Inpatient Days (include private & swing-bed) (Adj 21)	47,541	41,903
2. Inpatient Days (include private, exclude swing-bed)	47,541	41,903
3. Private Room Days (exclude swing-bed private room) (Adj)	0	0
4. Semi-Private Room Days (exclude swing-bed) (Adj 21)	47,541	41,903
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 25)	3,275	3,945
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)	$ 40,978,938	$ 31,906,674
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)	$ 40,978,938	$ 31,906,674
PRIVATE ROOM DIFFERENTIAL ADJUSTMENT		
28. Gen Inpatient Routine Serv Charges (excl swing-bed charges) (Adj)	$ 83,152,882	$ 83,152,882
29. Private Room Charges (excluding swing-bed charges) (Adj)	$ 0	$ 0
30. Semi-Private Room Charges (excluding swing-bed charges) (Adj)	$ 83,152,882	$ 83,152,882
31. Gen Inpatient Routine Service Cost/Charge Ratio (L 27 ÷ L 28)	$ 0.492814	$ 0.383711
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)	$ 1,749.08	$ 1,984.41
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)	$ 40,978,938	$ 31,906,674
PROGRAM INPATIENT OPERATING COST		
38. Adjusted General Inpatient Routine Cost Per Diem (L 37 ÷ L 2)	$ 861.97	$ 761.44
39. Program General Inpatient Routine Service Cost (L 9 x L 38)	$ 2,822,952	$ 3,003,881
40. Cost Applicable to Medi-Cal (Contract Sch 4A)	$ 1,036,829	$ 1,171,722
41. Cost Applicable to Medi-Cal (Contract Sch 4B)	$ 0	$ 0
42. TOTAL MEDI-CAL ROUTINE COST (Sum of Lines 39, 40 & 41)	$ 3,859,781	$ 4,175,603
	(To Contract Sch 3)	

COMPUTATION OF
MEDI-CAL INPATIENT ROUTINE SERVICE COST

Provider Name:
HEMET VALLEY MEDICAL CENTER

Fiscal Period Ended:
DECEMBER 31, 2011

Provider NPI:
1114239068

SPECIAL CARE AND/OR NURSERY UNITS	REPORTED	AUDITED
NURSERY		
1. Total Inpatient Routine Cost (Sch 8, Line 43, Col 27)	$ 1,193,186	$ 1,152,605
2. Total Inpatient Days (Adj 21)	2,599	2,577
3. Average Per Diem Cost	$ 459.09	$ 447.27
4. Medi-Cal Inpatient Days (Adj 25)	887	852
5. Cost Applicable to Medi-Cal	$ 407,213	$ 381,074
INTENSIVE CARE UNIT		
6. Total Inpatient Routine Cost (Sch 8, Line 31, Col 27)	$ 8,147,173	$ 7,627,759
7. Total Inpatient Days (Adj 21)	5,383	5,856
8. Average Per Diem Cost	$ 1,513.50	$ 1,302.55
9. Medi-Cal Inpatient Days (Adj 25)	416	607
10. Cost Applicable to Medi-Cal	$ 629,616	$ 790,648
CORONARY CARE UNIT		
11. Total Inpatient Routine Cost (Sch 8, Line 32, Col 27)	$ 0	$ 0
12. Total Inpatient Days (Adj)	0	0
13. Average Per Diem Cost	$ 0.00	$ 0.00
14. Medi-Cal Inpatient Days (Adj)		0
15. Cost Applicable to Medi-Cal	$ 0	$ 0
BURN INTENSIVE CARE UNIT		
16. Total Inpatient Routine Cost (Sch 8, Line 33, Col 27)	$ 0	$ 0
17. Total Inpatient Days (Adj)	0	0
18. Average Per Diem Cost	$ 0.00	$ 0.00
19. Medi-Cal Inpatient Days (Adj)	0	0
20. Cost Applicable to Medi-Cal	$ 0	$ 0
SURGICAL INTENSIVE CARE UNIT		
21. Total Inpatient Routine Cost (Sch 8, Line 34, Col 27)	$ 0	$ 0
22. Total Inpatient Days (Adj)	0	0
23. Average Per Diem Cost	$ 0.00	$ 0.00
24. Medi-Cal Inpatient Days (Adj)		0
25. Cost Applicable to Medi-Cal	$ 0	$ 0
OTHER SPECIAL CARE (SPECIFY)		
26. Total Inpatient Routine Cost (Sch 8, Line 35, Col 27)	$ 0	$ 0
27. Total Inpatient Days (Adj)	0	0
28. Average Per Diem Cost	$ 0.00	$ 0.00
29. Medi-Cal Inpatient Days (Adj)	0	0
30. Cost Applicable to Medi-Cal	$ 0	$ 0
31. Medi-Cal Routine Cost (Sum of Lines 5,10,15,20,25,30)	$ 1,036,829	$ 1,171,722

(To Contract Sch 4)

COMPUTATION OF
MEDI-CAL INPATIENT ROUTINE SERVICE COST

Provider Name:
HEMET VALLEY MEDICAL CENTER

Fiscal Period Ended:
DECEMBER 31, 2011

Provider NPI:
1114239068

	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
25.	Total Inpatient Routine Cost (Sch 8, Line ___, Col 27)	$ 0	$ 0
26.	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)

SCHEDULE OF MEDI-CAL ANCILLARY COSTS

Provider Name:
HEMET VALLEY MEDICAL CENTER

Fiscal Period Ended:
DECEMBER 31, 2011

Provider NPI:
1114239068

		TOTAL ANCILLARY COST*	TOTAL ANCILLARY CHARGES (Adjs 23, 24)	RATIO COST TO CHARGES	MEDI-CAL CHARGES (Contract Sch 6)	MEDI-CAL COST
ANCILLARY COST CENTERS						
50.00	Operating Room	$ 9,696,824	$ 27,035,864	0.358665	$ 1,964,655	$ 704,653
51.00	Recovery Room	936,439	4,747,130	0.197264	384,763	75,900
52.00	Labor Room and Delivery Room	2,675,411	9,513,219	0.281231	1,409,821	396,485
53.00	Anesthesiology	51,463	8,625,286	0.005967	374,064	2,232
54.00	Radiology-Diagnostic	3,162,489	10,884,557	0.290548	452,807	131,562
54.10	Ultasonography	750,351	7,501,917	0.100021	390,202	39,028
55.00	Radiology-Therapeutic	1,820,576	7,491,566	0.243017	430,413	104,598
56.00	Radioisotope	887,800	7,742,965	0.114659	58,601	6,719
57.00	Computed Tomography (CT) Scan	509,901	28,580,549	0.017841	1,030,188	18,379
58.00	Magnetic Resonance Imaging (MRI)	217,694	874,062	0.249060	54,540	13,584
59.00	Cardiac Catheterization	0	0	0.000000	0	0
60.00	Laboratory	6,788,275	55,202,529	0.122970	4,097,864	503,916
61.00	PBP Clinical Laboratory Services-Program Only	4,615	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.	1,879,830	1,613,169	1.165303	179,734	209,445
64.00	Intravenous Therapy	0	0	0.000000	0	0
65.00	Respiratory Therapy	3,730,726	32,892,676	0.113421	1,003,935	113,867
66.00	Physical Therapy	1,123,249	3,881,244	0.289404	197,486	57,153
67.00	Occupational Therapy	295,081	552,343	0.534235	19,949	10,657
68.00	Speech Pathology	0	0	0.000000	0	0
69.00	Electrocardiology	1,534,497	34,849,813	0.044032	1,314,938	57,899
70.00	Electroencephalography	0	0	0.000000	3,181	0
70.10	Endoscopy	847,370	3,429,094	0.247112	0	0
71.00	Medical Supplies Charged to Patients	6,354,425	51,220,548	0.124060	2,701,263	335,119
72.00	Implantable Devices Charged to Patients	0	0	0.000000	0	0
73.00	Drugs Charged to Patients	9,800,693	45,678,985	0.214556	3,956,278	848,843
74.00	Renal Dialysis	730,021	2,617,595	0.278890	447,419	124,781
75.00	ASC (Non-Distinct Part)	0	0	0.000000	0	0
76.00	Other Ancillary (specify)	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
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	OB Clinic	345,644	470,580	0.734507	0	0
90.10	Chemical Dependency	6,176,231	15,466,767	0.399323	0	0
91.00	Emergency	10,200,061	73,871,793	0.138078	3,077,964	424,999
92.00	Observation Beds	0	12,720,756	0.000000	0	0
93.00	Other Outpatient Services (Specify)	0	0	0.000000	0	0
93.10		0	0	0.000000	0	0
93.20		0	0	0.000000	0	0
93.30		0	0	0.000000	0	0
93.40		0	0	0.000000	0	0
93.50		0	0	0.000000	0	0
	TOTAL	$ 70,519,665	$ 447,465,007		$ 23,550,065	$ 4,179,819

(To Contract Sch 3)

* From Schedule 8, Column 26

ADJUSTMENTS TO MEDI-CAL CHARGES

Provider Name:
HEMET VALLEY MEDICAL CENTER

Fiscal Period Ended:
DECEMBER 31, 2011

Provider NPI:
1114239068

	ANCILLARY CHARGES	REPORTED	ADJUSTMENTS (Adj 26)	AUDITED
50.00	Operating Room	$ 1,098,320	$ 866,335	$ 1,964,655
51.00	Recovery Room	172,775	211,988	384,763
52.00	Labor Room and Delivery Room	980,338	429,483	1,409,821
53.00	Anesthesiology	309,288	64,776	374,064
54.00	Radiology-Diagnostic	244,756	208,051	452,807
54.10	Ultasonography	331,794	58,408	390,202
55.00	Radiology-Therapeutic	434,019	(3,606)	430,413
56.00	Radioisotope	10,097	48,504	58,601
57.00	Computed Tomography (CT) Scan	698,621	331,567	1,030,188
58.00	Magnetic Resonance Imaging (MRI)	25,787	28,753	54,540
59.00	Cardiac Catheterization			0
60.00	Laboratory	2,217,026	1,880,838	4,097,864
61.00	PBP Clinical Laboratory Services-Program Only			0
62.00	Whole Blood & Packed Red Blood Cells			0
63.00	Blood Storing, Processing, & Trans.	79,606	100,128	179,734
64.00	Intravenous Therapy			0
65.00	Respiratory Therapy	1,082,680	(78,745)	1,003,935
66.00	Physical Therapy	101,773	95,713	197,486
67.00	Occupational Therapy	9,582	10,367	19,949
68.00	Speech Pathology			0
69.00	Electrocardiology	530,266	784,672	1,314,938
70.00	Electroencephalography		3,181	3,181
70.10	Endoscopy	75,634	(75,634)	0
71.00	Medical Supplies Charged to Patients	1,289,439	1,411,824	2,701,263
72.00	Implantable Devices Charged to Patients			0
73.00	Drugs Charged to Patients	2,171,887	1,784,391	3,956,278
74.00	Renal Dialysis	160,776	286,643	447,419
75.00	ASC (Non-Distinct Part)			0
76.00	Other Ancillary (specify)			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
88.00	Rural Health Clinic (RHC)			0
89.00	Federally Qualified Health Center (FQHC)			0
90.00	OB Clinic			0
90.10	Chemical Dependency			0
91.00	Emergency	1,329,453	1,748,511	3,077,964
92.00	Observation Beds			0
93.00	Other Outpatient Services (Specify)			0
93.10				0
93.20				0
93.30				0
93.40				0
93.50				0
TOTAL MEDI-CAL ANCILLARY CHARGES		$ 13,353,917	$ 10,196,148	$ 23,550,065

(To Contract Sch 5)

COMPUTATION OF PROFESSIONAL COMPONENT OF HOSPITAL BASED PHYSICIAN'S REMUNERATION

Provider Name:
HEMET VALLEY MEDICAL CENTER

Fiscal Period Ended:
DECEMBER 31, 2011

Provider NPI:
1114239068

	PROFESSIONAL SERVICE COST CENTERS	HBP REMUNERATION (Adj)	TOTAL CHARGES TO ALL PATIENTS (Adj)	RATIO OF REMUNERATION TO CHARGES	MEDI-CAL CHARGES (Adj)	MEDI-CAL COST
53.00	Anesthesiology	$ 0	$ 0	0.000000	$	$ 0
54.00	Radiology - Diagnostic	0	0	0.000000		0
55.00	Radioisotope	0	0	0.000000		0
60.00	Laboratory	0	0	0.000000		0
69.00	Electrocardiology	0	0	0.000000		0
70.00	Electroencephalography	0	0	0.000000		0
91.00	Emergency	0	0	0.000000		0
		0	0	0.000000		0
		0	0	0.000000		0
		0	0	0.000000		0
		0	0	0.000000		0
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		0	0	0.000000		0
		0	0	0.000000		0
		0	0	0.000000		0
	TOTAL	$ 0	$ 0		$ 0	$ 0

(To Contract Sch 3)

COMPUTATION OF ADULT SUBACUTE PER DIEM

Provider Name:
HEMET VALLEY MEDICAL CENTER

Fiscal Period Ended:
DECEMBER 31, 2011

Provider NPI:
1184936023

	REPORTED	AUDITED	DIFFERENCE
COMPUTATION OF SUBACUTE PER DIEM			
1. Adult Subacute Ancillary Cost (Adult Subacute Sch 3)	$ 276,853	$ 1,276,276	$ 999,423
2. Adult Subacute Routine Cost (Adult Subacute Sch 2)	$ 4,653,393	$ 4,300,460	$ (352,933)
3. Total Adult Subacute Facility Cost (Lines 1 & 2)	$ 4,930,246	$ 5,576,736	$ 646,490
4. Total Adult Subacute Patient Days (Adj 22)	8,420	8,522	102
5. Average Adult Subacute Per Diem Cost (L3 ÷ L4)	$ 585.54	$ 654.39	$ 68.85
ADULT SUBACUTE OVERPAYMENT & OVERBILLINGS			
6. Medi-Cal Overpayments (Adjs 35-37)	$ 0	$ (29,566)	$ (29,566)
7. Medi-Cal Credit Balances (Adj)	$ 0	$ 0	$ 0
8. MEDI-CAL SETTLEMENT Due Provider (State)	$ 0	$ (29,566)	$ (29,566)
		(To Summary of Findings)	
GENERAL INFORMATION			
9. Contracted Number of Adult Subacute Beds (Adj 39)	62	23	(39)
10. Total Licensed Nursing Facility Beds (Adj 39)	0	90	90
11. Total Licensed Capacity (All levels of care)(Adj 39)	366	417	51
12. Total Medi-Cal Adult Subacute Patient Days (Adjs 29-32)	3,678	6,511	2,833
CAPITAL RELATED COST			
13. Direct Capital Related Cost	N/A	$	N/A
14. Indirect Capital Related Cost (Adult Subacute Sch 5)	N/A	$ 111,481	N/A
15. Total Capital Related Cost (Lines 13 & 14)	N/A	$ 111,481	N/A
TOTAL SALARY & BENEFITS			
16. Direct Salary & Benefits Expenses	N/A	$ 2,351,936	N/A
17. Alloc Salary & Benefits Expenses (Adult Subacute Sch 5)	N/A	$ 271,275	N/A
18. Total Salary & Benefits Expenses (Lines 16 & 17)	N/A	$ 2,623,211	N/A

AUDITED ADULT SUBACUTE COST-VENTILATOR AND NONVENTILATOR

	AUDITED COSTS (Adj 34)	AUDITED TOTAL DAYS (Adj 22)	AUDITED MEDI-CAL DAYS (Adjs 29 - 32)
19. Ventilator (Equipment Cost Only)	$ 2,171	2,600	2,246
20. Nonventilator	N/A	5,922	4,265
21. TOTAL	N/A	8,522	6,511

SUMMARY OF ADULT SUBACUTE FACILITY EXPENSES

Provider Name:
HEMET VALLEY MEDICAL CENTER

Fiscal Period Ended:
DECEMBER 31, 2011

Provider NPI:
1184936023

COL.	COST CENTER DIRECT AND ALLOCATED EXPENSE	REPORTED	AUDITED *	DIFFERENCE
0.00	Adult Subacute	$ 3,037,413	$ 2,898,431	$ (138,982)
1.00	Capital Related Costs-Buildings and Fixtures	151,199	74,555	(76,644)
2.00	Capital Related Costs-Movable Equipment	5,069	5,069	0
3.00	Other Capital Related Costs		0	0
3.10			0	0
3.20			0	0
3.30			0	0
3.40			0	0
3.50			0	0
3.60			0	0
3.70			0	0
3.80			0	0
3.90			0	0
4.00	Employee Benefits		0	0
5.10			0	0
5.20			0	0
5.30			0	0
5.40			0	0
5.50			0	0
5.60			0	0
5.70			0	0
5.80			0	0
5.00	Administrative and General	731,030	594,781	(136,249)
6.00	Maintenance and Repairs		0	0
7.00	Operation of Plant	144,188	88,810	(55,378)
8.00	Laundry and Linen Service	63,679	58,807	(4,872)
9.00	Housekeeping	97,045	73,445	(23,600)
10.00	Dietary		56,640	56,640
11.00	Cafeteria	181,510	218,713	37,203
12.00	Maintenance of Personnel		0	0
13.00	Nursing Administration	200,644	191,261	(9,383)
14.00	Central Services and Supply	18,677	18,517	(160)
15.00	Pharmacy		0	0
16.00	Medical Records & Library	22,939	21,431	(1,508)
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
23.10			0	0
23.20			0	0
101.00	TOTAL DIRECT AND ALLOCATED EXPENSES	$ 4,653,393	$ 4,300,460	$ (352,933)

(To Adult Subacute Sch 1)

* From Schedule 8, Line 46.00

SCHEDULE OF TOTAL OTHER ALLOWABLE ADULT SUBACUTE ANCILLARY COSTS**

Provider Name:
HEMET VALLEY MEDICAL CENTER

Fiscal Period Ended:
DECEMBER 31, 2011

Provider NPI:
1184936023

	ANCILLARY COST CENTERS	TOTAL ANCILLARY COST *	TOTAL ANCILLARY CHARGES	RATIO COST TO CHARGES	TOTAL SUBACUTE ANCILLARY CHARGES ** (Adult SA Sch 4)	SUBACUTE ANCILLARY COSTS***
54.00	Radiology - Diagnostic	$ 3,162,489	$ 10,884,557	0.290548	$ 24,071	$ 6,994
60.00	Laboratory	6,788,275	55,202,529	0.122970	444,772	54,694
65.00	Respiratory Therapy	3,730,726	32,892,676	0.113421	8,749,810	992,414
66.00	Physical Therapy	1,123,249	3,881,244	0.289404	105,800	30,619
67.00	Occupational Therapy	295,081	552,343	0.534235	94,762	50,625
71.00	Med Supply Charged to Patients	6,354,425	51,220,548	0.124060	1,036,352	128,570
73.00	Drugs Charged to Patients	9,800,693	45,678,985	0.214556	57,608	12,360
				0.000000	0	0
				0.000000	0	0
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				0.000000	0	0
101.00	TOTAL	$ 31,254,938	$ 200,312,882		$ 10,513,175	$ 1,276,276

(To Adult Subacute Sch

* From Schedule 8, Column 27
** Total Other Allowable Ancillary Charges included in the rate.
*** Total Other Ancillary Costs included in the rate.

ADJUSTMENTS TO OTHER ALLOWABLE ADULT SUBACUTE ANCILLARY CHARGES

Provider Name:
HEMET VALLEY MEDICAL CENTER

Fiscal Period Ended:
DECEMBER 31, 2011

Provider NPI:
1184936023

	ANCILLARY CHARGES	REPORTED	ADJUSTMENTS (Adj 33)	AUDITED
54.00	Radiology - Diagnostic	$ 0	$ 24,071	$ 24,071
60.00	Laboratory	0	444,772	444,772
65.00	Respiratory Therapy	0	8,749,810	8,749,810
66.00	Physical Therapy	0	105,800	105,800
67.00	Occupational Therapy	0	94,762	94,762
71.00	Med Supply Charged to Patients	0	1,036,352	1,036,352
73.00	Drugs Charged to Patients	0	57,608	57,608
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				0
101.00	TOTAL ANCILLARY CHARGES	$ 0	$ 10,513,175	$ 10,513,175

(To Adult Subacute Sch 3)

ALLOCATION OF INDIRECT EXPENSES
ADULT SUBACUTE

Provider Name:
HEMET VALLEY MEDICAL CENTER

Fiscal Period Ended:
DECEMBER 31, 2011

Provider NPI:
1184936023

COL.	COST CENTER ALLOCATED EXPENSES	AUDITED CAP RELATED (COL 1)	AUDITED SAL & EMP BENEFITS (COL 2)
1.00	Capital Related Costs-Buildings and Fixtures	$ 74,555	$ N/A
2.00	Capital Related Costs-Movable Equipment	5,069	N/A
3.00	Other Capital Related Costs	0	N/A
3.10		0	N/A
3.20		0	N/A
3.30		0	N/A
3.40		0	N/A
3.50		0	N/A
3.60		0	N/A
3.70		0	N/A
3.80		0	N/A
3.90		0	N/A
4.00	Employee Benefits	0	0
5.10		0	0
5.20		0	0
5.30		0	0
5.40		0	0
5.50		0	0
5.60		0	0
5.70		0	0
5.80		0	0
5.00	Administrative and General	7,615	101,077
6.00	Maintenance and Repairs	0	0
7.00	Operation of Plant	2,937	21,017
8.00	Laundry and Linen Service	1,556	1,985
9.00	Housekeeping	1,066	2,282
10.00	Dietary	4,842	2,663
11.00	Cafeteria	9,552	8,229
12.00	Maintenance of Personnel	0	0
13.00	Nursing Administration	3,510	115,638
14.00	Central Services and Supply	106	9,081
15.00	Pharmacy	0	0
16.00	Medical Records & Library	673	9,304
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
23.10		0	0
23.20		0	0
101.00	TOTAL ALLOCATED INDIRECT EXPENSES	$ 111,481	$ 271,275

(To Adult Subacute Sch 1)

Provider Name	Fiscal Period	Provider NPI	Adjustments
HEMET VALLEY MEDICAL CENTER	NOVEMBER 30, 2010 THROUGH DECEMBER 31, 2011	1114239068	39

Report References										
		Cost Report								
Adj. No.	Audit Report	Work Sheet	Part	Title	Line	Col.	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							MEMORANDUM ADJUSTMENT			
1							The Adult Subacute Care Unit was reported in the cost report on line 44. The cost and statistics will be included in the Adult Subacute Care Unit, line 46. This is done for proper flow of costs in the audit report. 42 CFR 413.20, 413.24, and 413.53 CMS Pub. 15-1, Sections 2300, 2304, and 2336			

Provider Name	Fiscal Period	Provider NPI	Adjustments
HEMET VALLEY MEDICAL CENTER	NOVEMBER 30, 2010 THROUGH DECEMBER 31, 2011	1114239068	39

Report References										
		Cost Report								
Adj. No.	Audit Report	Work Sheet	Part	Title	Line	Col.	Explanation of Audit Adjustments		As Reported	Increase (Decrease)	As Adjusted
							RECLASSIFICATIONS TO REPORTED COSTS				
2	10A	A			30.00	7	Adults and Pediatrics		$23,115,330	($3,558,916)	$19,556,414 *
	10A	A			90.10	7	Chemical Dependency		813,868	3,558,916	4,372,784 *
							To reclassify chemical dependency to its proper cost center.				
							42 CFR 413.20 and 413.24				
							CMS Pub. 15-1, Sections 2300 and 2304				
3	10A	A			52.00	7	Delivery Room and Labor Room		$2,227,572	($256,091)	$1,971,481
	10A	A			90.00	7	OB Clinic		0	256,091	256,091
							To reclassify OB from labor and delivery to its proper cost center.				
							42 CFR 413.20 and 413.24				
							CMS Pub. 15-1, Sections 2300 and 2304				
4	10A	A			10.00	7	Dietary		$1,417,388	($7,214)	$1,410,174
	10A	A			11.00	7	Cafeteria		1,588,900	7,214	1,596,114
							To reclassify cafeteria cost to agree with the provider's records.				
							42 CFR 413.20 and 413.24				
							CMS Pub. 15-1, Sections 2300 and 2304				
5	10A	A			30.00	7	Adults and Pediatrics	*	$19,556,414	$10,280	$19,566,694
	10A	A			90.10	7	Chemical Dependency	*	4,372,784	(10,280)	4,362,504
							To reclassify the HBP Chemical Dependency cost adjustment to its proper cost center.				
							42 CFR 413.5, 413.9, and 413.24				
							CMS Pub. 15-1, Sections 2136.2, 2328, and 2304				
6	10A	A			46.00	7	Adults Subacute Care Unit		$3,037,413	($138,982)	$2,898,431
	10A	A			71.00	7	Medical Supplies Charged to Patients		4,847,601	138,982	4,986,583
							To reclassify medical supplies charged to patients from subacute care for proper cost determination.				
							42 CFR 413.20 and 413.24				
							CMS Pub. 15-1, Sections 2300 and 2304				

*Balance carried forward from prior/to subsequent adjustments

Provider Name	Fiscal Period	Provider NPI	Adjustments
HEMET VALLEY MEDICAL CENTER	NOVEMBER 30, 2010 THROUGH DECEMBER 31, 2011	1114239068	39

Report References										
		Cost Report								
Adj. No.	Audit Report	Work Sheet	Part	Title	Line	Col.	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO REPORTED COSTS			
7	10A	A			1.00	7	New Cap Rel Costs - Building and Fixtures To eliminate lease expenses paid to the related party. 42 CFR 413.130 / CMS Pub. 15-1, Sections 110B, 112.1 and 1503.12	$7,637,406	($3,722,556)	$3,914,850 *
8	10A	A			7.00	7	Operation of Plant To exclude a portion of utilities used by the Home Office. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	$3,976,309	($249,591)	$3,726,718
9	10A	A			1.00	7	New Cap Rel Costs - Building and Fixtures *	$3,914,850	($205,700)	$3,709,150
	10A	A			5.00	7	Administrative and General To adjust reported home office costs to agree with the Physicians for Healthy Hospitals, LLC audited Home Office Audit Report for fiscal period ended December 31, 2011. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304	22,847,371	(3,530,120)	19,317,251

*Balance carried forward from prior/to subsequent adjustments

Provider Name	Fiscal Period	Provider NPI	Adjustments
HEMET VALLEY MEDICAL CENTER	NOVEMBER 30, 2010 THROUGH DECEMBER 31, 2011	1114239068	39

Report References										
		Cost Report								
Adj. No.	Audit Report	Work Sheet	Part	Title	Line	Col.	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO REPORTED STATISTICS			
10	9	B-1			193.50	7, 9	Unassigned Common (Square Feet)	0	1,373	1,373
	9	B-1			193.60	7, 9	Inaccessible Area	0	53,185	53,185
	9	B-1			7.00	7	Total - Square Feet	212,092	54,558	266,650
	9	B-1			9.00	9	Total - Square Feet	207,720	54,558	262,278
							To include unassigned common and inaccessible areas' square footage statistics that are applicable to operations and housekeeping costs. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 2304 and 2306			
11	9	B-1			7.00	1	Operation of Plant (Square Feet)	29,474	(21,652)	7,822
	9	B-1			90.10	1	Chemical Dependency	8,797	14,346	23,143
	9	B-1			1.00	1	Total - Square Feet	257,613	(7,306)	250,307
							To adjust square footage statistics to actual usage for proper allocation. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 2102.3, 2105.2, 2304, 2306, and 2328			
12	9	B-1			11.00	10	Cafeteria (Meals Served)	32,169	146,723	178,892
	9	B-1			30.00	10	Adults and Pediatrics	120,613	(9,173)	111,440
	9	B-1			46.00	10	Adult Subacute Care Unit	0	9,173	9,173
	9	B-1			90.10	10	Chemical Dependency	0	28,407	28,407
	9	B-1			10.00	10	Total - Meals Served	194,148	175,130	369,278
							To adjust the number of meals served to agree with the provider's detailed records. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 2304 and 2306			
13	9	B-1			30.00	16	Adults and Pediatrics (Gross Revenue)	83,152,882	1,465,268	84,618,150
	9	B-1			31.00	16	Intensive Care	22,045,269	2,505,741	24,551,010
	9	B-1			90.10	16	Chemical Dependency	6,717,020	8,749,747	15,466,767
	9	B-1			91.00	16	Emergency Room	86,592,549	(12,720,756)	73,871,793
							To adjust medical records and library statistics to agree with the provider's revenue records. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 2304 and 2306			

Provider Name	Fiscal Period	Provider NPI	Adjustments
HEMET VALLEY MEDICAL CENTER	NOVEMBER 30, 2010 THROUGH DECEMBER 31, 2011	1114239068	39

Report References									
		Cost Report							
Adj. No.	Audit Report	Work Sheet	Part	Title	Line	Col.	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO REPORTED STATISTICS			
14	9	B-1			90.10	8	Chemical Dependency (Pounds of Laundry)	0	2,831	2,831
	9	B-1			8.00	8	Total - Pounds of Laundry	201,614	2,831	204,445
							To include laundry and linen statistics for the chemical dependency unit.			
							42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304			
15	9	B-1			52.00	1,2,7,9	Delivery Room and Labor Room (Square Feet)	2,095	(240)	1,855
	9	B-1			90.00	1,2,7,9	OB Clinic	0	240	240
16	9	B-1			52.00	4	Delivery Room and Labor Room (Gross Salaries)	1,581,758	(189,639)	1,392,119
	9	B-1			90.00	4	OB Clinic	0	189,639	189,639
17	9	B-1			52.00	11	Delivery Room and Labor Room (FTEs)	1,850	(222)	1,628
	9	B-1			90.00	11	OB Clinic	0	222	222
18	9	B-1			52.00	13	Delivery Room and Labor Room (Direct Nursing Hours)	1,786	(214)	1,572
	9	B-1			90.00	13	OB Clinic	0	214	214
19	9	B-1			52.00	14	Delivery Room and Labor Room (Costed Requisition)	14,236	(1,706)	12,530
	9	B-1			90.00	14	OB Clinic	0	1,706	1,706
20	9	B-1			52.00	16	Delivery Room and Labor Room (Gross Revenue)	9,983,799	(470,580)	9,513,219
	9	B-1			90.00	16	OB Clinic	0	470,580	470,580
							To reclassify all related OB Clinic statistics from delivery room and labor room for proper cost determination.			
							42 CFR 413.24 and 413.50			
							CMS Pub. 15-1, Sections 2304 and 2306			

Provider Name	Fiscal Period	Provider NPI	Adjustments
HEMET VALLEY MEDICAL CENTER	NOVEMBER 30, 2010 THROUGH DECEMBER 31, 2011	1114239068	39

Report References										
		Cost Report								
Adj. No.	Audit Report	Work Sheet	Part	Title	Line	Col.	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO REPORTED PATIENT DAYS			
21	4	D-1			1.00	1	Total Days - Adults and Pediatrics	47,541	(5,638)	41,903
	4A	D-1			42.00	2	Total Days - Nursery	2,599	(22)	2,577
	4A	D-1			43.00	2	Total Days - Intensive Care	5,383	473	5,856
							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			
22	Subacute 1	Not Reported					Ventilator Days - Total	0	2,600	2,600
	Subacute 1	Not Reported					Nonventilator Days - Total	0	5,922	5,922
	Subacute 1	Not Reported					Subacute Days - Total	8,420	102	8,522
							To reflect total ventilator and nonventilator patient days in the audit report.			
							42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Section 2304			

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		Cost Report								
Adj. No.	Audit Report	Work Sheet	Part	Title	Line	Col.	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO REPORTED TOTAL CHARGES			
23	Contract 5	C	1		90.10	8	Chemical Dependency To adjust charges to agree with the provider's general ledger. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 2204, 2206, 2304 and 2306	$6,717,020	$8,749,747	$15,466,767
24	Contract 5	C	1		52.00	8	Delivery Room and Labor Room	9,983,799	(470,580)	9,513,219
	Contract 5	C	1		90.00	8	OB Clinic To reclassify OB clinic charges to its proper cost center. 42 CFR 413.24 CMS Pub. 15-1, Sections 2302.4A, 2304 and 2307A	0	470,580	470,580

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		Cost Report								
Adj. No.	Audit Report	Work Sheet	Part	Title	Line	Col.	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO REPORTED MEDI-CAL SETTLEMENT DATA - CONTRACT			
25	Contract 4	D-1	I	XIX	9.00	1	Medi-Cal Days - Adults and Pediatrics	3,275	670	3,945
	Contract 4A	D-1	II	XIX	42.00	4	Medi-Cal Days - Nursery	887	(35)	852
	Contract 4A	D-1	II	XIX	43.00	4	Medi-Cal Days - Intensive Care	416	191	607
26	Contract 6	D-3		XIX	50.00	2	Medi-Cal Ancillary Charges - Operating Room	$1,098,320	$866,335	$1,964,655
	Contract 6	D-3		XIX	51.00	2	Medi-Cal Ancillary Charges - Recovery Room	172,775	211,988	384,763
	Contract 6	D-3		XIX	52.00	2	Medi-Cal Ancillary Charges - Delivery Room and Labor Room	980,338	429,483	1,409,821
	Contract 6	D-3		XIX	53.00	2	Medi-Cal Ancillary Charges - Anesthesiology	309,288	64,776	374,064
	Contract 6	D-3		XIX	54.00	2	Medi-Cal Ancillary Charges - Radiology - Diagnostic	244,756	208,051	452,807
	Contract 6	D-3		XIX	54.10	2	Medi-Cal Ancillary Charges - Ultrasonography	331,794	58,408	390,202
	Contract 6	D-3		XIX	55.00	2	Medi-Cal Ancillary Charges - Radiology - Therapeutic	434,019	(3,606)	430,413
	Contract 6	D-3		XIX	56.00	2	Medi-Cal Ancillary Charges - Radioisotope	10,097	48,504	58,601
	Contract 6	D-3		XIX	57.00	2	Medi-Cal Ancillary Charges - Computed Tomographic Scanner	698,621	331,567	1,030,188
	Contract 6	D-3		XIX	58.00	2	Medi-Cal Ancillary Charges - Magnetic Resonance Imaging	25,787	28,753	54,540
	Contract 6	D-3		XIX	60.00	2	Medi-Cal Ancillary Charges - Laboratory	2,217,026	1,880,838	4,097,864
	Contract 6	D-3		XIX	63.00	2	Medi-Cal Ancillary Charges - Blood Storing and Processing	79,606	100,128	179,734
	Contract 6	D-3		XIX	65.00	2	Medi-Cal Ancillary Charges - Respiratory Therapy	1,082,680	(78,745)	1,003,935
	Contract 6	D-3		XIX	66.00	2	Medi-Cal Ancillary Charges - Physical Therapy	101,773	95,713	197,486
	Contract 6	D-3		XIX	67.00	2	Medi-Cal Ancillary Charges - Occupational Therapy	9,582	10,367	19,949
	Contract 6	D-3		XIX	69.00	2	Medi-Cal Ancillary Charges - Electrocardiology	530,266	784,672	1,314,938
	Contract 6	D-3		XIX	70.00	2	Medi-Cal Ancillary Charges - Electroencephalography	0	3,181	3,181
	Contract 6	D-3		XIX	70.10	2	Medi-Cal Ancillary Charges - Endoscopy	75,634	(75,634)	0
	Contract 6	D-3		XIX	71.00	2	Medi-Cal Ancillary Charges - Medical Supplies Charged to Patients	1,289,439	1,411,824	2,701,263
	Contract 6	D-3		XIX	73.00	2	Medi-Cal Ancillary Charges - Drugs Charged to Patients	2,171,887	1,784,391	3,956,278
	Contract 6	D-3		XIX	74.00	2	Medi-Cal Ancillary Charges - Renal Dialysis	160,776	286,643	447,419
	Contract 6	D-3		XIX	91.00	2	Medi-Cal Ancillary Charges - Emergency	1,329,453	1,748,511	3,077,964
	Contract 6	D-3		XIX	200.00	2	Medi-Cal Ancillary Charges - Total	13,353,917	10,196,148	23,550,065

-Continued on the next page-

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		Cost Report								
Adj. No.	Audit Report	Work Sheet	Part	Title	Line	Col.	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO REPORTED MEDI-CAL SETTLEMENT DATA - CONTRACT			
-Continued from previous page										
27	Contract 2	E-3	VII	XIX	8.00	1	Medi-Cal Routine Service Charges	$7,886,166	$2,406,506	$10,292,672
	Contract 2	E-3	VII	XIX	9.00	1	Medi-Cal Ancillary Service Charges	13,353,917	10,196,148	23,550,065
28	Contract 3	E-3	VII	XIX	32.00	1	Medi-Cal Deductible	$0	$23,050	$23,050
	Contract 3	E-3	VII	XIX	33.00	1	Medi-Cal Coinsurance	192,751	459,176	651,927

To adjust Medi-Cal Settlement Data to agree with the following
EDS Paid Claims Summary:
Report Date: December 11, 2012
Payment Period: November 30, 2010 through December 31, 2011
Service Period: November 30, 2010 through December 31, 2011
42 CFR 413.20, 413.50, 413.53, 413.60 and 413.64
CMS Pub. 15-I, Sections 2304 and 2408.3

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		Cost Report								
Adj. No.	Audit Report	Work Sheet	Part	Title	Line	Col.	Explanation of Audit Adjustments		As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO REPORTED MEDI-CAL SETTLEMENT DATA - SUBACUTE				
29	Subacute 1	Not Reported					Medi-Cal Subacute Days - Ventilator		0	2,279	2,279 *
	Subacute 1	Not Reported					Medi-Cal Subacute Days - Nonventilator		0	4,238	4,238 *
	Subacute 1	D-1	I	XIX	9.00	5	Medi-Cal Subacute Days - Total		3,678	2,839	6,517 *
							To adjust subacute Medi-Cal days to agree with the following				
							EDS Paid Claims Summary:				
							Report Date: December 11, 2012				
							Payment Period: November 30, 2010 through December 31, 2011				
							Service Period: November 30, 2010 through December 21, 2011				
							42 CFR 413.20, 413.50, 413.53, 413.60 and 413.64				
							CMS Pub. 15-1, Sections 2304 and 2408.3				
30	Subacute 1	Not Reported					Medi-Cal Subacute Days - Ventilator	*	2,279	(1)	2,278 *
	Subacute 1	D-1	I	XIX	9.00	5	Medi-Cal Subacute Days - Total	*	6,517	(1)	6,516 *
							To exclude nonallowable day of discharge.				
							42 CFR 413.20 / CMS Pub. 15-1, Sections 2205.1 and 2409.3				
							CCR, Title 22, Sections 51458.1 and 51511.5				
31	Subacute 1	Not Reported					Medi-Cal Subacute Days - Ventilator	*	2,278	(27)	2,251 *
	Subacute 1	Not Reported					Medi-Cal Subacute Days - Nonventilator	*	4,238	27	4,265
							To adjust Medi-Cal Subacute days due to a billing error.				
							42 CFR 413.20 / CMS Pub. 15-1, Sections 2304 and 2409				
							CCR, Title 22, Sections 51458.1 and 51511.5				
32	Subacute 1	Not Reported					Medi-Cal Subacute Days - Ventilator	*	2,251	(5)	2,246
	Subacute 1	D-1	I	XIX	9.00	5	Medi-Cal Subacute Days - Total	*	6,516	(5)	6,511
							To eliminate overbilled Medi-Cal ventilator days.				
							42 CFR 413.20 / CMS Pub. 15-1, Sections 2300 and 2304				

*Balance carried forward from prior/to subsequent adjustments

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		Cost Report								
Adj. No.	Audit Report	Work Sheet	Part	Title	Line	Col.	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO REPORTED MEDI-CAL SETTLEMENT DATA - SUBACUTE			
33	Subacute 4	D-3		XIX	41.00		Subacute Ancillary Charges - Radiology - Diagnostic	$0	$24,071	$24,071
	Subacute 4	D-3		XIX	60.00		Subacute Ancillary Charges - Laboratory	0	$444,772	$444,772
	Subacute 4	D-3		XIX	65.00		Subacute Ancillary Charges - Respiratory	0	8,749,810	8,749,810
	Subacute 4	D-3		XIX	66.00		Subacute Ancillary Charges - Physical Therapy	0	105,800	105,800
	Subacute 4	D-3		XIX	67.00		Subacute Ancillary Charges - Occupational Therapy	0	94,762	94,762
	Subacute 4	D-3		XIX	71.00		Subacute Ancillary Charges - Medical Supplies Charged to Patients	$0	$1,036,352	$1,036,352
	Subacute 4	D-3		XIX	73.00		Subacute Ancillary Charges - Drugs Charged to Patients	0	57,608	57,608
	Subacute 4	D-3		XIX	200.00		Subacute Ancillary Charges - Total	0	10,513,175	10,513,175
							To adjust allowable subacute ancillary charges to agree with the provider's general ledger.			
							42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304			
34	Subacute 1	Not Reported					Subacute Ventilator Costs	$0	$2,171	$2,171
							To include ventilator cost in the audit report.			
							42 CFR 413.20 and 413.24			
							CMS Pub. 15-1, Sections 2300 and 2304			

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		Cost Report								
Adj. No.	Audit Report	Work Sheet	Part	Title	Line	Col.	Explanation of Audit Adjustments		As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO OTHER MATTERS				
35	Subacute 1	Not Reported					Medi-Cal Overpayments To recover Medi-Cal overpayments due to the provider not deducting Medicare Part B payments and related Medi-Cal deductibles and coinsurance. CCR, Title 22, Sections 51458.1, 50761, 50786, and 51511.5		$0	$17,871	$17,871 *
36	Subacute 1	Not Reported					Medi-Cal Overpayments To recover Medi-Cal overpayments due to the billing of nonventilator days at the rate of ventilator days. 42 CFR 413.24 / CMS Pub. 15-1, Sections 2300 and 2304 CCR, Title 22, Sections 51458.1 and 51511.5	*	$17,871	$5,290	$23,161 *
37	Subacute 1	Not Reported					Medi-Cal Overpayments To recover Medi-Cal overpayments because the Share of Cost of subacute patients was not properly deducted from the amount billed. 42 CFR 413.5 and 413.20 CMS Pub. 15-1, Sections 2300 and 2409 CCR, Title 22, Sections 50786 and 51458.1	*	$23,161	$6,405	$29,566
38	Contract 1	Not Reported					Medi-Cal Overpayments 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	$3,972	$3,972

*Balance carried forward from prior/to subsequent adjustments

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		Cost Report								
Adj. No.	Audit Report	Work Sheet	Part	Title	Line	Col.	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO OTHER MATTERS			
39	Subacute 1	S-3	I		19.00	2	Subacute - Number of Beds	62	(39)	23
	Subacute 1	S-3	I		20.00	2	Nursing Facility - Number of Beds	0	90	90
	Subacute 1	S-3	I		27.00	2	Total - Number of Beds	366	51	417
							To adjust the facility reported number of beds to agree with the DPH license.			
							42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304			