

**REPORT
ON THE
COST REPORT REVIEW**

**KINDRED HOSPITAL - RANCHO
RANCHO CUCAMONGA, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1568578110**

**FISCAL PERIOD
NOVEMBER 1, 2010 THROUGH SEPTEMBER 30, 2011**

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

**Section Chief: Julio M. Cueto
Audit Supervisor: Bina Matani
Auditor: James Cheng**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

January 17, 2014

Administrator
Kindred Hospital - Rancho
10841 White Oak Avenue
Rancho Cucamonga, CA 91730

KINDRED HOSPITAL - RANCHO
NATIONAL PROVIDER IDENTIFIER (NPI) 1568578110
FISCAL PERIOD NOVEMBER 1, 2010 THROUGH 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 was limited to a review of the cost report and accompanying financial statements, Medi-Cal payment data reports, prior fiscal period's Medi-Cal program audit report, and Medicare audit report for the current fiscal period, if applicable and available.

In our opinion, the audited settlement for the fiscal period due the State in the amount of \$39,700 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(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 fiscal intermediary. Instructions regarding payment will be included with the Statement(s) 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.

Administrator
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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—Rancho Cucamonga at (909) 481-3420.

Original Signed By

Julio M. Cueto, Chief
Audits Section—Rancho Cucamonga
Financial Audits Branch

Certified

cc: Betsy Walker
Senior Reimbursement Analyst
Kindred Healthcare, Inc.
680 South Fourth Street
Louisville, KY 40202-2407

SUMMARY OF FINDINGS

Provider Name:
KINDRED HOSPITAL - RANCHO

Fiscal Period:
NOVEMBER 1, 2010 THROUGH SEPTEMBER 30, 2011

		SETTLEMENT	COST
1. Medi-Cal Noncontract Settlement (SCHEDULE 1) Provider NPI: 1568578110	Reported	\$ 33,085	
	Net Change	\$ (72,785)	
	Audited Amount Due Provider (State)	\$ (39,700)	
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)		\$ (39,700)	
9. Total Medi-Cal Cost			\$ 0

SUMMARY OF FINDINGS

Provider Name:
KINDRED HOSPITAL - RANCHO

Fiscal Period:
NOVEMBER 1, 2010 THROUGH 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)		\$ (39,700)	

COMPUTATION OF MEDI-CAL REIMBURSEMENT SETTLEMENT

Provider Name:
KINDRED HOSPITAL - RANCHO

Fiscal Period:
NOVEMBER 1, 2010 THROUGH SEPTEMBER 30, 2011

Provider NPI:
1568578110

	REPORTED	AUDITED
1. Net Cost of Covered Services Rendered to Medi-Cal Patients (Schedule 3)	\$ <u>541,392</u>	\$ <u>681,191</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>541,392</u>	\$ <u>681,191</u>
6. Interim Payments (Adj 8)	\$ <u>(508,307)</u>	\$ <u>(696,273)</u>
7. Balance Due Provider (State)	\$ <u>33,085</u>	\$ <u>(15,082)</u>
8. Duplicate Payments (Adj)	\$ <u>0</u>	\$ <u>0</u>
9. AB 5 and AB 1183 Reductions (Schedule A)	\$ <u>0</u>	\$ <u>(24,618)</u>
10.	\$ <u>0</u>	\$ <u>0</u>
11. TOTAL MEDI-CAL SETTLEMENT Due Provider (State)	\$ <u><u>33,085</u></u>	\$ <u><u>(39,700)</u></u>
	(To Summary of Findings)	

COMPUTATION OF MEDI-CAL REIMBURSEMENT SETTLEMENT
AB 5 and AB 1183 - SUMMARY OF REDUCTIONSProvider Name:
KINDRED HOSPITAL - RANCHOFiscal Period:
NOVEMBER 1, 2010 THROUGH
SEPTEMBER 30, 2011Provider NPI:
1568578110

1. 10% Reduction to Noncontract Services for 07/01/08 Through 9/30/08 (SCHEDULE A-1)	\$ <u>0</u>
2. Reduction to Noncontract Services for 10/01/08 Through 04/05/09 (SCHEDULE A-2)	<u>0</u>
3. 10% Reduction to Noncontract Services for 11/1/10 Through 04/12/11 (SCHEDULE A-3)	<u>24,618</u>
4. 10% Reduction to HFPAs < 3 Hospitals for 07/01/08 Through 04/12/11 (SCHEDULE A-4)	<u>0</u>
5. 10% Reduction to Rural Health Hospitals for 07/01/08 Through 10/31/08 (SCHEDULE A-5)	<u>0</u>
6. 10% Reduction to Rural Health Hospitals for 07/01/09 Through 02/23/10 (SCHEDULE A-6)	<u>0</u>
7. Total Noncontract AB 5 AND AB 1183 Reductions	\$ <u><u>24,618</u></u> (To Schedule 1, Line 9)

COMPUTATION OF MEDI-CAL REIMBURSEMENT SETTLEMENT

AB 5 - 10% REDUCTION TO SERVICES FROM APRIL 6, 2009 THROUGH April 12, 2011 - NONCONTRACT HOSPITALS

Provider Name:
KINDRED HOSPITAL - RANCHO

Fiscal Period:
NOVEMBER 1, 2010 THROUGH
SEPTEMBER 30, 2011

Provider NPI:
1568578110

Audited Medi-Cal Cost Per Day

1. Medi-Cal Cost of Covered Services (Schedule 3, Line 8)	\$ <u>744,923</u>
2. Less: Medi-Cal Administrative Day Cost (Schedule 4A, Lines 28 and 31)	<u>0</u>
3. Less: Medi-Cal Administrative Ancillary Cost (Schedule A-7)	<u>0</u>
4. Total Medi-Cal Cost of Covered Services Subject to Reductions (Line 1 - Lines 2 and 3)	\$ <u><u>744,923</u></u>
5. Total Audited Medi-Cal Days (Schedules 4, 4A and 4B, excludes Administrative Days)	<u><u>408.50</u></u>
6. Audited Medi-Cal Cost Per Day (Line 4 / Line 5)	\$ <u><u>1,823.56</u></u>

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

7. Audited Medi-Cal Days of Service from 11/01/10 Through 04/12/11(excludes Administrative Days)	<u>135.00</u>
8. Audited Medi-Cal Cost Per Day For 11/01/10 Through 04/12/11(Line 6 * Line 7)	\$ <u>246,180</u>
9. AB 5 - 10% Cost Reduction for 11/01/10 Through 04/12/11 (Line 8 * 10%)	\$ <u><u>24,618</u></u> (To Schedule A, Line 3)

COMPUTATION OF LESSER OF
MEDI-CAL REASONABLE COST OR CUSTOMARY CHARGESProvider Name:
KINDRED HOSPITAL - RANCHOFiscal Period:
NOVEMBER 1, 2010 THROUGH SEPTEMBER 30, 2011Provider NPI:
1568578110

REPORTED

AUDITED

REASONABLE COST OF MEDI-CAL INPATIENT SERVICES

1. Cost of Covered Services (Schedule 3) \$ 591,404 \$ 744,923

CHARGES FOR MEDI-CAL INPATIENT SERVICES

2. Inpatient Routine Service Charges (Adj 6) \$ 794,000 \$ 1,099,5003. Inpatient Ancillary Service Charges (Adj 6) \$ 2,216,628 \$ 2,973,1324. Total Charges - Medi-Cal Inpatient Services \$ 3,010,628 \$ 4,072,6325. Excess of Customary Charges Over Reasonable Cost
(Line 4 minus Line 1) * \$ 2,419,224 \$ 3,327,7096. 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:
KINDRED HOSPITAL - RANCHOFiscal Period:
NOVEMBER 1, 2010 THROUGH SEPTEMBER 30, 2011Provider NPI:
1568578110

	REPORTED	AUDITED
1. Medi-Cal Inpatient Ancillary Services (Schedule 5)	\$ <u>246,518</u>	\$ <u>310,756</u>
2. Medi-Cal Inpatient Routine Services (Schedule 4)	\$ <u>344,886</u>	\$ <u>434,167</u>
3. Medi-Cal Inpatient Hospital Based Physician for Intern and Resident Services (Sch)	\$ <u>0</u>	\$ <u>0</u>
4.	\$ <u>0</u>	\$ <u>0</u>
5.	\$ <u>0</u>	\$ <u>0</u>
6. SUBTOTAL (Sum of Lines 1 through 5)	\$ <u>591,404</u>	\$ <u>744,923</u>
7. Medi-Cal Inpatient Hospital Based Physician for Acute Care Services (Schedule 7)	\$ <u>(See Schedule 1)</u>	\$ <u>0</u>
8. SUBTOTAL	\$ <u>591,404</u>	\$ <u>744,923</u>
	(To Schedule 2)	
9. Medi-Cal Deductible (Adj)	\$ <u>0</u>	\$ <u>0</u>
10. Medi-Cal Coinsurance (Adj 7)	\$ <u>(50,012)</u>	\$ <u>(63,732)</u>
11. Net Cost of Covered Services Rendered to Medi-Cal Inpatients	\$ <u>541,392</u>	\$ <u>681,191</u>
	(To Schedule 1)	

COMPUTATION OF
MEDI-CAL INPATIENT ROUTINE SERVICE COSTProvider Name:
KINDRED HOSPITAL - RANCHOFiscal Period:
NOVEMBER 1, 2010 THROUGH SEPTEMBER 30, 2011Provider NPI:
1568578110

GENERAL SERVICE UNIT NET OF SWING-BED COSTS

REPORTED	AUDITED
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INPATIENT DAYS

1. Total Inpatient Days (include private & swing-bed) (Adj 3)	15,575	15,718
2. Inpatient Days (include private, exclude swing-bed)	15,575	15,718
3. Private Room Days (exclude swing-bed private room) (Adj)	0	0
4. Semi-Private Room Days (exclude swing-bed) (Adj 3)	15,575	15,718
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 4)	100	183

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)	\$ 14,108,054	\$ 13,859,484
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)	\$ 14,108,054	\$ 13,859,484

PRIVATE ROOM DIFFERENTIAL ADJUSTMENT

28. Gen Inpatient Routine Serv Charges (excl swing-bed charges)	\$ 33,853,245	\$ 33,853,245
29. Private Room Charges (excluding swing-bed charges)	\$ 0	\$ 0
30. Semi-Private Room Charges (excluding swing-bed charges)	\$ 33,853,245	\$ 33,853,245
31. Gen Inpatient Routine Service Cost/Charge Ratio (L 27 ÷ L 28)	\$ 0.416742	\$ 0.409399
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)	\$ 2,173.56	\$ 2,153.79
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)	\$ 14,108,054	\$ 13,859,484

PROGRAM INPATIENT OPERATING COST

38. Adjusted General Inpatient Routine Cost Per Diem (L 37 ÷ L 2)	\$ 905.81	\$ 881.76
39. Program General Inpatient Routine Service Cost (L 9 x L 38)	\$ 90,581	\$ 161,362
40. Cost Applicable to Medi-Cal (Sch 4A)	\$ 254,305	\$ 272,805
41. Cost Applicable to Medi-Cal (Sch 4B)	\$ 0	\$ 0
42. TOTAL MEDI-CAL ROUTINE COST (Sum of Lines 39,40 & 41)	\$ 344,886	\$ 434,167

(To Schedule 3)

COMPUTATION OF
MEDI-CAL INPATIENT ROUTINE SERVICE COST

Provider Name:
KINDRED HOSPITAL - RANCHO

Fiscal Period:
NOVEMBER 1, 2010 THROUGH SEPTEMBER 30, 2011

Provider NPI:
1568578110

SPECIAL CARE AND/OR NURSERY UNITS	REPORTED	AUDITED
NURSERY		
1. Total Inpatient Routine Cost (Sch 8, Line 43, Col 27)	\$ 0	\$ 0
2. Total Inpatient Days (Adj)	0	0
3. Average Per Diem Cost	\$ 0.00	\$ 0.00
4. Medi-Cal Inpatient Days (Adj)	0	0
5. Cost Applicable to Medi-Cal	\$ 0	\$ 0
INTENSIVE CARE UNIT		
6. Total Inpatient Routine Cost (Sch 8, Line 31, Col 27)	\$ 3,122,014	\$ 3,059,522
7. Total Inpatient Days (Adj)	2,529	2,529
8. Average Per Diem Cost	\$ 1,234.49	\$ 1,209.78
9. Medi-Cal Inpatient Days (Adjs 4, 9)	206.00	225.50
10. Cost Applicable to Medi-Cal	\$ 254,305	\$ 272,805
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	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	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
ADMINISTRATIVE DAYS		
31. Per Diem Rate (Adj)	\$ 0.00	\$ 0.00
32. Medi-Cal Inpatient Days (Adj)	0	0
33. Cost Applicable to Medi-Cal	\$ 0	\$ 0
ADMINISTRATIVE DAYS		
34. Per Diem Rate (Adj)	\$ 0.00	\$ 0.00
35. Medi-Cal Inpatient Days (Adj)	0	0
36. Cost Applicable to Medi-Cal	\$ 0	\$ 0
37. Medi-Cal Routine Cost (Sum of Lines 5,10,15,20,25,30,33,36)	\$ 254,305	\$ 272,805

(To Schedule 4)

COMPUTATION OF
MEDI-CAL INPATIENT ROUTINE SERVICE COSTProvider Name:
KINDRED HOSPITAL - RANCHOFiscal Period:
NOVEMBER 1, 2010 THROUGH SEPTEMBER 30, 2011Provider NPI:
1568578110

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
26. Total Inpatient Routine Cost (Sch 8, Line ____, Col 27)	\$ 0	\$ 0
27. Total Inpatient Days (Adj)	0	0
28. Average Per Diem Cost	\$ 0.00	\$ 0.00
29. Medi-Cal Inpatient Days (Adj)	0	0
30. Cost Applicable to Medi-Cal	\$ 0	\$ 0
31. Medi-Cal Routine Cost (Sum of Lines 5,10,15,20,25,30)	\$ 0	\$ 0

(To Schedule 4)

SCHEDULE OF MEDI-CAL ANCILLARY COSTS

Provider Name:
KINDRED HOSPITAL - RANCHOFiscal Period:
NOVEMBER 1, 2010 THROUGH SEPTEMBER 30, 2011Provider NPI:
1568578110

ANCILLARY COST CENTERS		TOTAL ANCILLARY COST *	TOTAL ANCILLARY CHARGES (Adj)	RATIO COST TO CHARGES	MEDI-CAL CHARGES (From Schedule 6)	MEDI-CAL COST
50.00	Operating Room	\$ 5,692,061	\$ 32,169,496	0.176940	\$ 51,792	\$ 9,164
51.00	Recovery Room	0	0	0.000000	0	0
52.00	Labor Room and Delivery Room	0	0	0.000000	0	0
53.00	Anesthesiology	0	0	0.000000	0	0
54.00	Radiology-Diagnostic	1,349,016	4,582,574	0.294379	34,217	10,073
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	0	0	0.000000	0	0
60.00	Laboratory	1,887,816	8,794,338	0.214663	196,765	42,238
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	2,623,497	32,057,942	0.081836	1,521,326	124,499
66.00	Physical Therapy	122,871	4,632,787	0.026522	14,526	385
67.00	Occupational Therapy	0	0	0.000000	0	0
68.00	Speech Pathology	0	0	0.000000	0	0
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	233,316	16,542,001	0.014104	549,993	7,757
72.00	Implantable Devices Charged to Patients	0	0	0.000000	0	0
73.00	Drugs Charged to Patients	3,455,623	22,621,138	0.152761	506,750	77,412
74.00	Renal Dialysis	559,627	1,394,673	0.401261	97,763	39,228
75.00	ASC (Non-Distinct Part)	0	0	0.000000	0	0
76.00	Other Ancillary (specify)	0	0	0.000000	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	1,728,073	0	0.000000	0	0
91.00	Emergency	0	0	0.000000	0	0
92.00	Observation Beds	0	0	0.000000	0	0
93.00	Other Outpatient Services (Specify)	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	\$ 17,651,899	\$ 122,794,949		\$ 2,973,132	\$ 310,756

(To Schedule 3)

ADJUSTMENTS TO MEDI-CAL CHARGES

Provider Name:
KINDRED HOSPITAL - RANCHOFiscal Period:
NOVEMBER 1, 2010 THROUGH SEPTEMBER 30, 2011Provider NPI:
1568578110

ANCILLARY CHARGES		REPORTED	ADJUSTMENTS (Adj 5)	AUDITED
50.00	Operating Room	\$ 41,135	\$ 10,657	\$ 51,792
51.00	Recovery Room			0
52.00	Labor Room and Delivery Room			0
53.00	Anesthesiology			0
54.00	Radiology-Diagnostic	22,422	11,795	34,217
55.00	Radiology-Therapeutic			0
56.00	Radioisotope			0
57.00	Computed Tomography (CT) Scan			0
58.00	Magnetic Resonance Imaging (MRI)			0
59.00	Cardiac Catheterization			0
60.00	Laboratory	147,119	49,646	196,765
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	1,089,276	432,050	1,521,326
66.00	Physical Therapy	16,587	(2,061)	14,526
67.00	Occupational Therapy			0
68.00	Speech Pathology			0
69.00	Electrocardiology			0
70.00	Electroencephalography			0
71.00	Medical Supplies Charged to Patients	405,804	144,189	549,993
72.00	Implantable Devices Charged to Patients			0
73.00	Drugs Charged to Patients	407,733	99,017	506,750
74.00	Renal Dialysis	86,552	11,211	97,763
75.00	ASC (Non-Distinct Part)			0
76.00	Other Ancillary (specify)			0
77.00				0
78.00				0
79.00				0
80.00				0
81.00				0
82.00				0
83.00				0
84.00				0
85.00				0
86.00				0
87.00				0
87.01				0
88.00	Rural Health Clinic (RHC)			0
89.00	Federally Qualified Health Center (FQHC)			0
90.00	Clinic			0
91.00	Emergency			0
92.00	Observation Beds			0
93.00	Other Outpatient Services (Specify)			0
93.01				0
93.02				0
93.03				0
93.04				0
93.05				0
TOTAL MEDI-CAL ANCILLARY CHARGES		\$ 2,216,628	\$ 756,504	\$ 2,973,132

(To Schedule 5)

Provider Name:
KINDRED HOSPITAL - RANCHO

Fiscal Period:
NOVEMBER 1, 2010 THROUGH 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
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
190.00 Gift, Flower, Coffee Shop, & Canteen	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
194.00 Nonallowable Case Manager	0	10,650	0	0	0	0	0	0	0	0	86,111	17,496
194.01 Idle Space	0	0	0	0	0	0	0	0	0	0	0	0
194.02 Reg Hospital Office	0	0	0	0	0	0	0	0	0	0	0	0
194.03 Reg Nursing Office	0	0	0	0	0	0	0	0	0	0	0	0
194.04 Physician Office	0	0	0	0	0	0	0	0	0	0	367,703	74,712
194.05 Corp Data Center	0	0	0	0	0	0	0	0	0	0	0	0
194.06 Data Ctr Sublease (XODIAC)	0	0	0	0	0	0	0	0	0	0	0	0
194.07 Other Nonreimbursable - Open	0	0	0	0	0	0	0	0	0	0	0	0
194.08 Rehabcare Nursing	0	0	0	0	0	0	0	0	0	0	0	0
194.09 Visitor Meals	0	0	0	0	0	0	0	0	0	0	0	0
194.10 Nonreimbursable Projects	0	0	0	0	0	0	0	0	0	0	0	0
194.11 Nonreimb New Business Implementation	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	<u>0</u>	<u>2,317,567</u>	<u>0</u>	<u>35,796,196</u>	<u>6,045,013</u>							

STATE OF CALIFORNIA

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

SCHEDULE 9.1

Provider Name:
KINDRED HOSPITAL - RANCHO

Fiscal Period:
NOVEMBER 1, 2010 THROUGH SEPTEMBER 30, 2011

	EMP BENE (GROSS SALARIES) 4.00	STAT 5.01	STAT 5.02	STAT 5.03	STAT 5.04	STAT 5.05	STAT 5.06	STAT 5.07	STAT 5.08	RECON- CILIATION	ADM & GEN (ACCUM COST) 5.00	MANT & REPAIRS 6.00
115.00 Ambulatory Surgical Center (Distinct Part)												0
116.00 Hospice												0
190.00 Gift, Flower, Coffee Shop, & Canteen												0
191.00 Research												0
192.00 Physicians' Private Offices												0
193.00 Nonpaid Workers												0
194.00 Nonallowable Case Manager	69,953										86,111	0
194.01 Idle Space												0
194.02 Reg Hospital Office												0
194.03 Reg Nursing Office												0
194.04 Physician Office											367,703	0
194.05 Corp Data Center												0
194.06 Data Ctr Sublease (XODIAC)												0
194.07 Other Nonreimbursable - Open												0
194.08 Rehabcare Nursing												0
194.09 Visitor Meals												0
194.10 Nonreimbursable Projects												0
194.11 Nonreimb New Business Implementation												0
0.00												0
0.00												0
0.00												0
TOTAL	15,222,828	0	0	0	0	0	0	0	0		29,751,183	0
COST TO BE ALLOCATED	2,317,567	0	0	0	0	0	0	0	0		6,045,013	0
UNIT COST MULTIPLIER - SCH 8	0.152243	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000		0.203186	0.000000

Provider Name:
KINDRED HOSPITAL - RANCHO

Fiscal Period:
NOVEMBER 1, 2010 THROUGH SEPTEMBER 30, 2011

	OPER PLANT (SQ FT)	LAUNDRY & LINEN (PAT. DAYS)	HOUSE-KEEPING (SQ FT)	DIETARY (MEALS SERVED)	CAFETERIA (PAID FTE'S)	MANT OF PERSONNEL	NURSING ADMIN (NURSE HR)	CENT SERV & SUPPLY (CSTD REQUIS)	PHARMACY (COST REQUIS)	MED REC (GROSS CHARGES)	SOC SERV (PAT. DAYS)	OTHER SVC (TIME SPENT)
	7.00	8.00	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	17.00	18.00
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	526										
10.00	Dietary	1,337	1,337									
11.00	Cafeteria	2,827	2,827									
12.00	Maintenance of Personnel											
13.00	Nursing Administration											
14.00	Central Services and Supply											
15.00	Pharmacy	757	757					29,028				
16.00	Medical Records & Library	1,728	1,728					46				
17.00	Social Service	269	269					285				
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)	14,878	15,575	14,878	100	110	110	348,339	14,509	33,853,245	15,575	
31.00	Intensive Care Unit	2,788	2,529	2,788		19	19	120,819	3,969	7,433,500	2,529	
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:
KINDRED HOSPITAL - RANCHO

Fiscal Period:
NOVEMBER 1, 2010 THROUGH SEPTEMBER 30, 2011

	OPER PLANT (SQ FT) 7.00	LAUNDRY & LINEN (PAT. DAYS) 8.00	HOUSE- KEEPING (SQ FT) 9.00	DIETARY (MEALS SERVED) 10.00	CAFETERIA (PAID FTE'S) 11.00	MANT OF PERSONNEL 12.00	NURSING ADMIN (NURSE HR) 13.00	CENT SERV & SUPPLY CSTD REQUIS 14.00	PHARMACY (COST REQUIS) 15.00	MED REC (GROSS CHARGES) 16.00	SOC SERV (PAT. DAYS) 17.00	OTHER SVC (TIME SPENT) 18.00
115.00 Ambulatory Surgical Center (Distinct Part)												
116.00 Hospice												
190.00 Gift, Flower, Coffee Shop, & Canteen												
191.00 Research												
192.00 Physicians' Private Offices												
193.00 Nonpaid Workers												
194.00 Nonallowable Case Manager												
194.01 Idle Space												
194.02 Reg Hospital Office												
194.03 Reg Nursing Office												
194.04 Physician Office	6,107		6,107									
194.05 Corp Data Center												
194.06 Data Ctr Sublease (XODIAC)												
194.07 Other Nonreimbursable - Open												
194.08 Rehabcare Nursing												
194.09 Visitor Meals												
194.10 Nonreimbursable Projects												
194.11 Nonreimb New Business Implementation												
0.00												
0.00												
0.00												
TOTAL	49,373	18,104	48,847	100	213	0	137	3,374,696	1,825,791	164,081,694	18,104	0
COST TO BE ALLOCATED	3,341,456	268,153	551,996	1,163,502	428,071	0	1,323,890	238,774	1,196,794	819,783	623,088	0
UNIT COST MULTIPLIER - SCH 8	67.677804	14.811798	11.300514	#####	2009.721300	0.000000	9663.430524	0.070754	0.655493	0.004996	34.417141	0.000000

Provider Name:
KINDRED HOSPITAL - RANCHO

Fiscal Period:
NOVEMBER 1, 2010 THROUGH 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

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:
KINDRED HOSPITAL - RANCHO

Fiscal Period:
NOVEMBER 1, 2010 THROUGH 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

ANCILLARY COST CENTERS

- 50.00 Operating Room
- 51.00 Recovery Room
- 52.00 Labor Room and Delivery Room
- 53.00 Anesthesiology
- 54.00 Radiology-Diagnostic
- 55.00 Radiology-Therapeutic
- 56.00 Radioisotope
- 57.00 Computed Tomography (CT) Scan
- 58.00 Magnetic Resonance Imaging (MRI)
- 59.00 Cardiac Catheterization
- 60.00 Laboratory
- 61.00 PBP Clinical Laboratory Services-Program Only
- 62.00 Whole Blood & Packed Red Blood Cells
- 63.00 Blood Storing, Processing, & 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 Other Ancillary (specify)
- 77.00
- 78.00
- 79.00
- 80.00
- 81.00
- 82.00
- 83.00
- 84.00
- 85.00
- 86.00
- 87.00
- 87.01
- 88.00 Rural Health Clinic (RHC)
- 89.00 Federally Qualified Health Center (FQHC)
- 90.00 Clinic
- 91.00 Emergency
- 92.00 Observation Beds
- 93.00 Other Outpatient Services (Specify)
- 93.01
- 93.02
- 93.03
- 93.04
- 93.05

NONREIMBURSABLE COST CENTERS

- 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 Outpatient Rehabilitation Provider (specify)
- 113.00 Interest Expense
- 114.00 Utilization Review-SNF

TRIAL BALANCE OF EXPENSES

Provider Name:
KINDRED HOSPITAL - RANCHO

Fiscal Period:
NOVEMBER 1, 2010 THROUGH SEPTEMBER 30, 2011

		REPORTED	ADJUSTMENTS (From Sch 10A)	AUDITED
	GENERAL SERVICE COST CENTERS			
1.00	Capital Related Costs-Buildings and Fixtures	\$ 4,060,337	\$ 40,898	\$ 4,101,235
2.00	Capital Related Costs-Movable Equipment	1,615,827	157,094	1,772,921
3.00	Other Capital Related Costs		0	0
3.01			0	0
3.02			0	0
3.03			0	0
3.04			0	0
3.05			0	0
3.06			0	0
3.07			0	0
3.08			0	0
3.09			0	0
4.00	Employee Benefits	2,560,149	(242,582)	2,317,567
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	5,343,318	(732,516)	4,610,802
6.00	Maintenance and Repairs		0	0
7.00	Operation of Plant	961,163	0	961,163
8.00	Laundry and Linen Service	222,869	0	222,869
9.00	Housekeeping	354,104	0	354,104
10.00	Dietary	742,722	0	742,722
11.00	Cafeteria	0	0	0
12.00	Maintenance of Personnel		0	0
13.00	Nursing Administration	878,677	0	878,677
14.00	Central Services and Supply	174,801	0	174,801
15.00	Pharmacy	830,322	0	830,322
16.00	Medical Records & Library	405,354	0	405,354
17.00	Social Service	417,537	0	417,537
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)	6,006,262	0	6,006,262
31.00	Intensive Care Unit	1,634,951	0	1,634,951
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:
KINDRED HOSPITAL - RANCHO

Fiscal Period:
NOVEMBER 1, 2010 THROUGH SEPTEMBER 30, 2011

		REPORTED	ADJUSTMENTS (From Sch 10A)	AUDITED
	ANCILLARY COST CENTERS			
50.00	Operating Room	\$ 3,073,514	\$ 0	\$ 3,073,514
51.00	Recovery Room		0	0
52.00	Labor Room and Delivery Room		0	0
53.00	Anesthesiology		0	0
54.00	Radiology-Diagnostic	829,382	0	829,382
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		0	0
60.00	Laboratory	1,158,198	0	1,158,198
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	1,721,387	0	1,721,387
66.00	Physical Therapy	1,046,772	(1,030,291)	16,481
67.00	Occupational Therapy		0	0
68.00	Speech Pathology		0	0
69.00	Electrocardiology		0	0
70.00	Electroencephalography		0	0
71.00	Medical Supplies Charged to Patients	118,270	0	118,270
72.00	Implantable Devices Charged to Patients		0	0
73.00	Drugs Charged to Patients	1,798,376	0	1,798,376
74.00	Renal Dialysis	459,330	0	459,330
75.00	ASC (Non-Distinct Part)		0	0
76.00	Other Ancillary (specify)		0	0
77.00			0	0
78.00			0	0
79.00			0	0
80.00			0	0
81.00			0	0
82.00			0	0
83.00			0	0
84.00			0	0
85.00			0	0
86.00			0	0
87.00			0	0
87.01			0	0
88.00	Rural Health Clinic (RHC)		0	0
89.00	Federally Qualified Health Center (FQHC)		0	0
90.00	Clinic	967,138	0	967,138
91.00	Emergency		0	0
92.00	Observation Beds		0	0
93.00	Other Outpatient Services (Specify)		0	0
93.01			0	0
93.02			0	0
93.03			0	0
93.04			0	0
93.05			0	0
	SUBTOTAL	\$ 37,380,760	\$ (1,807,397)	\$ 35,573,363
	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:
KINDRED HOSPITAL - RANCHO

Fiscal Period:
NOVEMBER 1, 2010 THROUGH SEPTEMBER 30, 2011

		REPORTED	ADJUSTMENTS (From Sch 10A)	AUDITED
98.00	Other Reimbursable (specify)	147,372	0	147,372
99.00	Outpatient Rehabilitation Provider (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
190.00	Gift, Flower, Coffee Shop, & Canteen		0	0
191.00	Research		0	0
192.00	Physicians' Private Offices		0	0
193.00	Nonpaid Workers		0	0
194.00	Nonallowable Case Manager	75,461	0	75,461
194.01	Idle Space		0	0
194.02	Reg Hospital Office		0	0
194.03	Reg Nursing Office		0	0
194.04	Physician Office		0	0
194.05	Corp Data Center		0	0
194.06	Data Ctr Sublease (XODIAC)		0	0
194.07	Other Nonreimbursable - Open		0	0
194.08	Rehabcare Nursing		0	0
194.09	Visitor Meals		0	0
194.10	Nonreimbursable Projects		0	0
194.11	Nonreimb New Business Implementation		0	0
			0	0
			0	0
			0	0
	SUBTOTAL	\$ 222,833	\$ 0	\$ 222,833
200	TOTAL	\$ 37,603,593	\$ (1,807,397)	\$ 35,796,196

(To Schedule 8)

Provider Name							Fiscal Period			Provider NPI		Adjustments
KINDRED HOSPITAL - RANCHO							NOVEMBER 1, 2010 THROUGH SEPTEMBER 30, 2011			1568578110		9
Report References							Explanation of Audit Adjustments			As Reported	Increase (Decrease)	As Adjusted
Cost Report												
Adj. No.	Audit Report	Work Sheet	Part	Title	Line	Col.						
1							<p style="text-align: center;"><u>MEMORANDUM ADJUSTMENT</u></p> <p>The services provided to Medi-Cal inpatients in Noncontract acute hospitals are subject to various reimbursement limitations identified in AB 5 and/or AB 1183. These limitations are addressed on Noncontract Schedule A and are incorporated on Noncontract Schedule 1, Line 9. W&I Code, Sections 14105.19 and 14166.245</p>					

Provider Name			Fiscal Period				Provider NPI		Adjustments	
KINDRED HOSPITAL - RANCHO			NOVEMBER 1, 2010 THROUGH SEPTEMBER 30, 2011				1568578110		9	
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 REPORTED COSTS</u>										
2	10A	A		1.00	7	Capital Related Costs-Buildings and Fixtures	\$4,060,337	\$40,898	\$4,101,235	
	10A	A		2.00	7	Capital Related Costs-Movable Equipment	1,615,827	157,094	1,772,921	
	10A	A		4.00	7	Employee Benefits	2,560,149	(242,582)	2,317,567	
	10A	A		5.00	7	Administrative and General	5,343,318	(732,516)	4,610,802	
	10A	A		66.00	7	Physical Therapy	1,046,772	(1,030,291)	16,481	
To adjust home office costs to agree with the filed Home Office Cost Reports. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304										

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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 REPORTED PATIENT DAYS</u>										
3	4	D-1		XIX	1.00	1	Total Patient Days	15,575	143	15,718
	4	D-1		XIX	4.00	1	Semi-Private Room Days	15,575	143	15,718
To adjust total patient days to agree with the provider's census records. 42 CFR 413.20, 413.24, and 413.50 CMS Pub. 15-1, Sections 2205, 2300, and 2304										

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KINDRED HOSPITAL - RANCHO							NOVEMBER 1, 2010 THROUGH SEPTEMBER 30, 2011	1568578110	9	
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										
4	4	D-1	I	XIX	9.00	1	Medi-Cal Days - Adults and Pediatrics	100.00	83.00	183.00
	4A	D-1	II	XIX	43.00	4	Medi-Cal Days - Intensive Care Unit	206.00	45.00	251.00 *
5	6	D-3		XIX	50.00	2	Medi-Cal Ancillary Charges - Operating Room	\$41,135	\$10,657	\$51,792
	6	D-3		XIX	54.00	2	Medi-Cal Ancillary Charges - Radiology-Diagnostic	22,422	11,795	34,217
	6	D-3		XIX	60.00	2	Medi-Cal Ancillary Charges - Laboratory	147,119	49,646	196,765
	6	D-3		XIX	65.00	2	Medi-Cal Ancillary Charges - Respiratory Therapy	1,089,276	432,050	1,521,326
	6	D-3		XIX	66.00	2	Medi-Cal Ancillary Charges - Physical Therapy	16,587	(2,061)	14,526
	6	D-3		XIX	71.00	2	Medi-Cal Ancillary Charges - Medical Supplies Charged to Patients	405,804	144,189	549,993
	6	D-3		XIX	73.00	2	Medi-Cal Ancillary Charges - Drugs Charged to Patients	407,733	99,017	506,750
	6	D-3		XIX	74.00	2	Medi-Cal Ancillary Charges - Renal Dialysis	86,552	11,211	97,763
	6	D-3		XIX	200.00	2	Medi-Cal Ancillary Charges - Total	2,216,628	756,504	2,973,132
6	2	E-3	VII	XIX	8.00	1	Medi-Cal Routine Service Charges	\$794,000	\$305,500	\$1,099,500
	2	E-3	VII	XIX	9.00	1	Medi-Cal Ancillary Service Charges	2,216,628	756,504	2,973,132
7	3	E-3	VII	XIX	33.00	1	Medi-Cal Coinsurance	\$50,012	\$13,720	\$63,732
8	1	E-3	VII	XIX	41.00	1	Medi-Cal Interim Payments	\$508,307	\$187,966	\$696,273
<p style="text-align: center;">To adjust Medi-Cal Settlement Data to agree with the following Fiscal Intermediary Payment Data: Service Period: November 1, 2010 through September 30, 2011 Payment Period: November 1, 2010 through September 30, 2013 Report Date: October 9, 2013 42 CFR 413.20, 413.24, 413.50, 413.53, 413.60, 413.64, and 433.139 CMS Pub. 15-1, Sections 2300, 2304, 2404, and 2408 CCR, Title 22, Sections 51173, 51511, 51541, and 51542</p>										

Provider Name							Fiscal Period			Provider NPI		Adjustments
KINDRED HOSPITAL - RANCHO							NOVEMBER 1, 2010 THROUGH SEPTEMBER 30, 2011			1568578110		9
Report References										As Reported	Increase (Decrease)	As Adjusted
Cost Report												
Adj. No.	Audit Report	Work Sheet	Part	Title	Line	Col.	Explanation of Audit Adjustments					
ADJUSTMENTS TO REPORTED MEDI-CAL SETTLEMENT DATA - NONCONTRACT												
9	4A	D-1	II	XIX	43.00	4	Medi-Cal Days - Intensive Care Unit	*	251.00	(25.50)	225.50	
							To eliminate Medi-Cal days for billed Medi-Cal days by 25% and 50%, for claims submitted during the 7th through the 9th month (RAD Code 475) and the 10th through the 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 14115					

*Balance carried forward from prior/to subsequent adjustments