

**REPORT
ON THE AUDIT OF
PEER GROUPING INPATIENT REIMBURSEMENT
LIMITATION (PIRL) SCHEDULES**

**MONROVIA MEMORIAL HOSPITAL
MONROVIA, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1265601561**

**FISCAL PERIOD ENDED
APRIL 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: Emmanuel K. Ngati**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

February 7, 2014

Administrator
Monrovia Memorial Hospital
323 South Heliotrope Avenue
Monrovia, CA 91016

MONROVIA MEMORIAL HOSPITAL
NATIONAL PROVIDER IDENTIFIER (NPI) 1265601561
FISCAL PERIOD ENDED APRIL 30, 2011

We have examined the Peer Grouping Inpatient Reimbursement Limitation (PIRL) Schedules for the above referenced fiscal period. Our examination was made under the authority of Section 14170 of the Welfare and Institutions Code. The data for the schedules was obtained from provider records during a limited review.

In our opinion, the audited data presented in the PIRL Schedules represents a proper determination of audited cost, patient days, and direct labor cost in accordance with applicable programs.

This audit report includes the:

1. Peer Grouping Inpatient Reimbursement Limitation Schedules
2. Audit Adjustments Schedule

The results of this examination may be used to determine the Medi-Cal Peer Grouping Inpatient Reimbursement Limitation (PIRL) rate calculations. This will be determined by Safety Net Financing Division pursuant to California Code of Regulations (CCR), Title 22, Sections 51545 through 51556. These regulations may be viewed at www.oal.ca.gov.

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

Administrator
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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

PEER GROUPING INPATIENT REIMBURSEMENT LIMITATION SCHEDULES

PROVIDER NAME MONROVIA MEMORIAL HOSPITAL
NPI 1265601561
FISCAL PERIOD MAY 1, 2010 THROUGH APRIL 30, 2011
CONTRACT PERIOD N/A

	Noncontract Cost Services		Medi-Cal For Contract Services		Medi-Cal Total For Fiscal Period
<u>ACUTE CARE ONLY*</u>					
A. Medi-Cal Net Cost of Covered** Services Plus Hospital-Based Physician Costs, Excluding Return on Equity (Schedule 1, Line 1) (Adj 1)	\$ 17,492		\$		\$ 17,492
B. Deductibles and Coinsurance (Third Party Liability) (Schedule 3, Lines 9 and 10)	\$		\$		\$
C. Medi-Cal Inpatient Days (Adj 2) (Schedules 4 and 4A)					
1. Routine (Adults and Pediatrics)					
2. ICU		6			6
3. CCU					
4. Nursery					
5. NICU					
6. Other (Specify)					
a.					
b.					
D. Total Hospital Discharges*** (Adj 3)		N/A		N/A	598
E. Total Medi-Cal Discharges*** (Adj 4)				1	1
F. Total Medi-Cal Inpatient Charges (Schedule 2, Line 4) (Adj 5)	\$ 77,269		\$		\$ 77,269

* Data for NF is not included.

** The Audited Net Cost of Covered Services is Net of Deductibles and Coinsurance and is from a source different than used on the filed report.

*** Data for newborns that were born in the hospital, Administrative Days, and NF data is not included.

PEER GROUPING INPATIENT REIMBURSEMENT LIMITATION SCHEDULES

PROVIDER NAME	MONROVIA MEMORIAL HOSPITAL
NPI	1265601561
FISCAL PERIOD	MAY 1, 2010 THROUGH APRIL 30, 2011
CONTRACT PERIOD	N/A

	<u>REFERENCE</u>		
A. EXPENSE PASS-THROUGH DATA			
1. Depreciation Expense:	8810 - 8813, and/or .71, .72, .73 and .74	\$	365,267
2. Rent and Lease Expense:	8820-8822, and/or .75 and .76	\$	429,783
3. Interest Expense: (Adj 6)	8860, 8870	\$	350,666
4. Property Taxes and License Fees:	8850 and/or .83	\$	214,308
5. Utility Expense:	.77, .78, .79, and .80	\$	99,453
6. Malpractice Insurance Expense:	8830 and/or .81	\$	
B. GROSS OPERATING EXPENSES (Adj 7)	Sch 10, Audited Total Cost	\$	22,151,818
C. STUDENT AND PHYSICIANS COMPENSATION			
1. Salaries and Wages (include benefits)	.07, 8210.09 - 8290.09	\$	
2. Professional Fees	.20	\$	24,000
D. PHARMACY NONLABOR EXPENSE	8390.37 and 8390.38	\$	
E. FOOD SERVICES NONLABOR EXPENSE	8320, 8330 and 8340 and/or .42 and .43	\$	112,132
F. DIRECT OPERATING COSTS			
1. Salaries and Wages	.00 - .09, .91, .95	\$	8,907,800
2. Employee Benefits	.10 - .19, .92, .96	\$	1,961,131
3. Other Professional Fees	.21 - .29	\$	60,244
4. Purchased Services	.61 - .69	\$	5,641,367
5. Supplies	.31 - .36, .39 - .41, .44 - .50, .93, .97	\$	6,864,130

PEER GROUPING INPATIENT REIMBURSEMENT LIMITATION SCHEDULES

PROVIDER NAME	MONROVIA MEMORIAL HOSPITAL
NPI	1265601561
FISCAL PERIOD	MAY 1, 2010 THROUGH APRIL 30, 2011
CONTRACT PERIOD	N/A

A. DIRECT PAYROLL COSTS (Totals)	<u>REFERENCE</u>		
1. Management and Supervision (Adj)			
a. Productive Salaries	.00	\$	2,289,289
b. Productive Hours			36,768.00
2. Technicians and Specialists (Adj)			
a. Productive Salaries	.01	\$	1,321,526
b. Productive Hours			42,474.00
3. Registered Nurses (Adj)			
a. Productive Salaries	.02	\$	3,653,100
b. Productive Hours			88,767.00
4. Licensed Vocational Nurses (Adj)			
a. Productive Salaries	.03	\$	233,293
b. Productive Hours			7,782.00
5. Aides and Orderlies (Adj)			
a. Productive Salaries	.04	\$	427,056
b. Productive Hours			25,929.00
6. Physicians (Salaried) (Adj)			
a. Productive Salaries	.07	\$	
b. Productive Hours			
7. Nonphysician Medical Practitioners (Adj)			
a. Productive Salaries	.08	\$	
b. Productive Hours			
8. Environmental and Food Services (Adj)			
a. Productive Salaries	.06	\$	307,247
b. Productive Hours			24,271.00
9. Clerical and Other Administrative (Adj)			
a. Productive Salaries	.05	\$	446,087
b. Productive Hours			27,206.00
10. Other Salaries and Wages (Adj 13)			
a. Productive Salaries	.09	\$	230,202
b. Productive Hours			9,867.00
11. All Nonproductive Salaries and Wages (Adj 14)			
a. Nonproductive Salaries	Labor Distribution	\$	573,066
b. Nonproductive Hours	Report or Provider W/P		11,970.00
B. SUBTOTAL DIRECT PAYROLL COST			
1. Productive Salaries (lines A1a - A10a)		\$	8,907,800
2. Productive Hours (lines A1b - A10b)			<u>263,064.00</u>
C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (A11a + B1)		\$	<u>9,480,866</u>
D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (A11b + B2)			<u>275,034.00</u>

Provider Name				Fiscal Period		NPI	Adjustments
MONROVIA MEMORIAL HOSPITAL				MAY 1, 2010 THROUGH APRIL 30, 2011		1265601561	10
Report References				Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted
Adj. No.	Audit Report Page	PIRL Schedule Page Line					
<u>ADJUSTMENTS TO PIRL SCHEDULES</u>							
1	1	3	A	Medi-Cal Net Cost of Covered Services—Noncontract	\$ 0	\$ 17,492	\$ 17,492
2	1	3	C 2	Medi-Cal Inpatient Days—ICU—Noncontract	0	6	6
3	1	3	D	Total Hospital Discharges	0	598	598
4	1	3	E	Total Medi-Cal Discharges—Acute—Noncontract	0	1	1
5	1	3	F	Total Medi-Cal Inpatient Charges—Noncontract	\$	\$ 77,269	\$ 77,269
6	2	4	A 3	Interest Expense	\$ 408,040	\$ (57,374)	\$ 350,666
7	2	4	B	Gross Operating Expenses	\$ 25,588,973	\$ (3,437,155)	\$ 22,151,818
8	2	4	F 3	Direct Operating—Other Professional Fees	\$ 95,420	\$ (35,176)	\$ 60,244
9	2	4	F 4	Direct Operating—Purchased Services	\$ 5,729,117	\$ (87,750)	\$ 5,641,367
10	2	4	F 5	Direct Operating—Supplies	\$ 7,004,289	\$ (140,159)	\$ 6,864,130
<p>To adjust the Peer Grouping Inpatient Reimbursement Limitation Schedules to agree with audit adjustments and/or provider records. CCR, Title 22, Sections 51545 through 51556.</p>							