

**REPORT
ON THE AUDIT OF
RATE DEVELOPMENT SCHEDULES**

**SIERRA VIEW DISTRICT HOSPITAL
PORTERVILLE, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1073736443**

**FISCAL PERIOD ENDED
JUNE 30, 2011**

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

**Section Chief: Michael Harrold
Audit Supervisor: Kristina Nacino
Auditor: Lisa Merrill**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

August 8, 2013

Kim Strange
Interim CFO
Sierra View District Hospital
465 West Putnam Avenue
Porterville, CA 93257

SIERRA VIEW DISTRICT HOSPITAL
NATIONAL PROVIDER IDENTIFIER (NPI) 1073736443
FISCAL PERIOD ENDED JUNE 30, 2011

We have examined the Rate Development 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 field audit.

In our opinion, the audited data presented in the Rate Development 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. Rate Development 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 the Benefits, Waiver Analysis and Rates 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

Kim Strange
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(916) 322-5603

The written notice of disagreement must be received by the Department within 60 calendar days from the day you receive this letter. A copy of this notice should be sent to:

United States Postal Service (USPS)

Assistant Chief Counsel
Department of Health Care Services
Office of Legal Services
MS 0010
PO Box 997413
Sacramento, CA 95899

Courier (UPS, FedEx, etc.)

Assistant Chief Counsel
Department of Health Care Services
Office of Legal Services
MS 0010
1501 Capitol Avenue, Suite 71.5001
Sacramento, CA 95814
(916) 440-7700

The procedures that govern an appeal are contained in Welfare and Institutions Code, Section 14171, and California Code of Regulations, Title 22, Section 51016, et seq.

If you have questions regarding this report, you may call the Audits Section—Fresno at (559) 446-2458.

Original Signed by

Michael A. Harrold, Chief
Audits Section—Fresno
Financial Audits Branch

Certified

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME	SIERRA VIEW DISTRICT HOSPITAL
NPI	1073736443
FISCAL PERIOD	JULY 1, 2010 THROUGH JUNE 30, 2011
CONTRACT PERIOD	N/A

	<u>REFERENCE</u>		
A. EXPENSE PASS-THROUGH DATA			
1. Depreciation Expense: (Adj)	8810 - 8813, and/or .71, .72, .73 and .74	\$	6,196,808
2. Rent and Lease Expense: (Adj 8)	8820-8822, and/or .75 and .76	\$	1,772,117
3. Interest Expense: (Adj)	8860, 8870	\$	1,073,019
4. Property Taxes and License Fees: (Adj 9)	8850 and/or .83	\$	210,583
5. Utility Expense: (Adj 10)	.77, .78, .79, and .80	\$	1,853,041
6. Malpractice Insurance Expense: (Adj)	8830 and/or .81	\$	896,337
B. GROSS OPERATING EXPENSES (Adj)	Sch A, line 200, col. 3	\$	121,180,227
C. STUDENT AND PHYSICIANS COMPENSATION			
1. Salaries and Wages (include benefits) (Adj)	.07, 8210.09 - 8290.09	\$	
2. Professional Fees (Adj 11)	.20	\$	4,712,225
D. PHARMACY NONLABOR EXPENSE (Adj 12)	8390.37 and 8390.38	\$	6,369,670
E. FOOD SERVICES NONLABOR EXPENSE (Adj 13)	8320, 8330 and 8340 and/or .42 and .43	\$	1,004,185
F. DIRECT OPERATING COSTS (Adj 14-16)			
1. Salaries and Wages	.00 - .09, .91, .95	\$	47,943,959
2. Employee Benefits	.10 - .19, .92, .96	\$	20,235,571
3. Other Professional Fees	.21 - .29	\$	4,480,465
4. Purchased Services	.61 - .69	\$	7,948,289
5. Supplies	.31 - .36, .39 - .41 .44 - .50, .93, .97	\$	13,045,802

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME	SIERRA VIEW DISTRICT HOSPITAL
NPI	1073736443
FISCAL PERIOD	JULY 1, 2010 THROUGH JUNE 30, 2011
CONTRACT PERIOD	N/A

A. DIRECT PAYROLL COSTS (Totals)	<u>REFERENCE</u>		
1. Management and Supervision (Adj 17-18)			
a. Productive Salaries	.00	\$	6,503,518
b. Productive Hours			134,608.00
2. Technicians and Specialists (Adj 19-20)			
a. Productive Salaries	.01	\$	10,661,076
b. Productive Hours			380,568.00
3. Registered Nurses (Adj 21-22)			
a. Productive Salaries	.02	\$	16,234,276
b. Productive Hours			414,376.00
4. Licensed Vocational Nurses (Adj 23-24)			
a. Productive Salaries	.03	\$	2,152,779
b. Productive Hours			93,011.00
5. Aides and Orderlies (Adj 25-26)			
a. Productive Salaries	.04	\$	2,076,549
b. Productive Hours			151,094.00
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 27)			
a. Productive Salaries	.06	\$	2,027,354
b. Productive Hours			158,888.00
9. Clerical and Other Administrative (Adj 28-29)			
a. Productive Salaries	.05	\$	5,043,188
b. Productive Hours			342,254.00
10. Other Salaries and Wages (Adj)			
a. Productive Salaries	.09	\$	
b. Productive Hours			
11. All Nonproductive Salaries and Wages (Adj 30-31)			
a. Nonproductive Salaries	Labor Distribution	\$	5,394,527
b. Nonproductive Hours	Report or Provider W/P		270,102.00
B. SUBTOTAL DIRECT PAYROLL COST (Adj 32-33)			
1. Productive Salaries (lines A1a - A10a)		\$	44,698,740
2. Productive Hours (lines A1b - A10b)			<u>1,674,799.00</u>
C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (A11a + B1) (Adj 34)		\$	<u>50,093,267</u>
D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (A11b + B2) (Adj 35)			<u>1,944,901.00</u>

Provider Name				Fiscal Period		NPI	Adjustments
SIERRA VIEW DISTRICT HOSPITAL				JULY 1, 2010 THROUGH JUNE 30, 2011		1073736443	35
Report References				Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted
Adj. No.	Audit Report Page	RD Schedule Page Line					
<u>ADJUSTMENTS TO RATE DEVELOPMENT SCHEDULES</u>							
1	1	3	A	Medi-Cal Net Cost of Covered Services—Noncontract	\$ 12,399,651	\$ 713,569	\$ 13,113,220
2	1	3	B	Deductibles and Coinsurance—Noncontract	\$ 0	\$ 152,513	\$ 152,513
3	1	3	C 1	Medi-Cal Inpatient Days—Adults and Pediatrics—Noncontract	5,455	319	5,774
4	1	3	C 2	Medi-Cal Inpatient Days—ICU—Noncontract	573	92	665
5	1	3	C 4	Medi-Cal Inpatient Days—Nursery—Noncontract	1,485	(30)	1,455
6	1	3	E	Total Medi-Cal Discharges—Acute—Noncontract	1,543	257	1,800
7	1	3	F	Total Medi-Cal Inpatient Charges—Noncontract	\$ 46,481,713	\$ 5,084,632	\$ 51,566,345
8	2	4	A 2	Rent and Lease Expense	\$ 1,721,044	\$ 51,073	\$ 1,772,117
9	2	4	A 4	Property Taxes and License Fees	\$ 0	\$ 210,583	\$ 210,583
10	2	4	A 5	Utility Expense	\$ 1,678,827	\$ 174,214	\$ 1,853,041
11	2	4	C 2	Student and Physicians Compensation—Professional Fees	\$ 4,589,765	\$ 122,460	\$ 4,712,225
12	2	4	D	Pharmacy Nonlabor Expense	\$ 3,313,584	\$ 3,056,086	\$ 6,369,670
13	2	4	E	Food Services Nonlabor Expense	\$ 1,173,757	\$ (169,572)	\$ 1,004,185

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Adj. No.	Audit Report Page	RD Schedule Page Line					
14	2	4	F 3	Direct Operating—Other Professional Fees	\$ 4,602,925	\$ (122,460)	\$ 4,480,465
15	2	4	F 4	Direct Operating—Purchased Services	\$ 7,839,920	\$ 108,369	\$ 7,948,289
16	2	4	F 5	Direct Operating—Supplies	\$ 19,228,170	\$ (6,182,368)	\$ 13,045,802
17	3	5	A 1 a	Management and Supervision—Productive Salaries	\$ 6,776,025	\$ (272,507)	\$ 6,503,518
18	3	5	A 1 b	Management and Supervision—Productive Hours	1,443,157	(1,308,549)	134,608
19	3	5	A 2 a	Technicians and Specialists—Productive Salaries	\$ 11,697,928	\$ (1,036,852)	\$ 10,661,076
20	3	5	A 2 b	Technicians and Specialists—Productive Hours	415,423	(34,855)	380,568
21	3	5	A 3 a	Registered Nurses—Productive Salaries	\$ 15,205,241	\$ 1,029,035	\$ 16,234,276
22	3	5	A 3 b	Registered Nurses—Productive Hours	384,532	29,844	414,376
23	3	5	A 4 a	Licensed Vocational Nurses—Productive Salaries	\$ 2,048,076	\$ 104,703	\$ 2,152,779
24	3	5	A 4 b	Licensed Vocational Nurses—Productive Hours	87,917	5,094	93,011
25	3	5	A 5 a	Aides and Orderlies—Productive Salaries	\$ 2,026,813	\$ 49,736	\$ 2,076,549
26	3	5	A 5 b	Aides and Orderlies—Productive Hours	147,459	3,635	151,094
27	3	5	A 8 b	Environmental and Food Services—Productive Hours	\$ 158,889	\$ (1)	\$ 158,888
28	3	5	A 9 a	Clerical and Other Administrative—Productive Salaries	\$ 5,043,158	\$ 30	\$ 5,043,188
29	3	5	A 9 b	Clerical and Other Administrative—Productive Hours	342,259	(5)	342,254

Provider Name				Fiscal Period		NPI	Adjustments
SIERRA VIEW DISTRICT HOSPITAL				JULY 1, 2010 THROUGH JUNE 30, 2011		1073736443	35
Report References				Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted
Adj. No.	Audit Report Page	RD Schedule Page Line					
30	3	5	A 11	Nonproductive Salaries and Wages	\$ 5,404,367	\$ (9,840)	\$ 5,394,527
31	3	5	A 11	Nonproductive Hours	274,681	(4,579)	270,102
32	3	5	B 1	Subtotal Productive Salaries	\$ 44,824,595	\$ (125,855)	\$ 44,698,740
33	3	5	B 2	Subtotal Productive Hours	1,679,636	(4,837)	1,674,799
34	3	5	C	Total Productive and Nonproductive Salaries	\$ 50,228,962	\$ (135,695)	\$ 50,093,267
35	3	5	D	Total Productive and Nonproductive Hours	1,954,317	(9,416)	1,944,901
<p>To adjust the Rate Development Schedules to agree with audit adjustments and/or provider records. CCR, Title 22, Section 51536</p>							

Provider Name SIERRA VIEW DISTRICT HOSPITAL				Fiscal Period JULY 1, 2010 THROUGH JUNE 30, 2011		NPI 1073736443	Adjustments 35
Report References				Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted
Adj. No.	Audit Report Page	RD Schedule Page Line					