

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

**SAN DIMAS COMMUNITY HOSPITAL
SAN DIMAS, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1740447945**

**FISCAL PERIOD ENDED
DECEMBER 31, 2011**

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

**Section Chief: Julio M. Cueto
Audit Supervisor: Lucia Martinez
Auditor: Richard Cruz**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

February 28, 2014

Pete Lou, Controller
Inland Valley Region
Prime Healthcare Services, Inc.
3300 East Guasti Road, 2nd Floor
Ontario, CA 91761

SAN DIMAS COMMUNITY HOSPITAL
NATIONAL PROVIDER IDENTIFIER (NPI) 1740447945
FISCAL PERIOD ENDED DECEMBER 31, 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 field audit.

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

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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

cc: Jeffrey Brown
Chief Executive Officer
Hospital Management Services
211 East Imperial Highway, Suite 102
Fullerton, CA 92835

PEER GROUPING INPATIENT REIMBURSEMENT LIMITATION SCHEDULES

PROVIDER NAME	SAN DIMAS COMMUNITY HOSPITAL
NPI	1740447945
FISCAL PERIOD	JANUARY 1, 2011 THROUGH DECEMBER 31, 2011
CONTRACT PERIOD	N/A

	<u>REFERENCE</u>		
A. EXPENSE PASS-THROUGH DATA			
1. Depreciation Expense: (Adj 8)	8810 - 8813, and/or .71, .72, .73 and .74	\$	1,777,689
2. Rent and Lease Expense: (Adj 9)	8820-8822, and/or .75 and .76	\$	295,111
3. Interest Expense:	8860, 8870	\$	
4. Property Taxes and License Fees: (Adj 10)	8850 and/or .83	\$	1,421,129
5. Utility Expense: (Adj 11)	.77, .78, .79, and .80	\$	523,374
6. Malpractice Insurance Expense: (Adj 12)	8830 and/or .81	\$	1,322,198
B. GROSS OPERATING EXPENSES (Adj 13)	Sch 10, Audited Total Cost	\$	41,329,106
C. STUDENT AND PHYSICIANS COMPENSATION			
1. Salaries and Wages (include benefits)	.07, 8210.09 - 8290.09	\$	
2. Professional Fees	.20	\$	588,980
D. PHARMACY NONLABOR EXPENSE (Adj 14)	8390.37 and 8390.38	\$	1,268,381
E. FOOD SERVICES NONLABOR EXPENSE	8320, 8330 and 8340 and/or .42 and .43	\$	215,754
F. DIRECT OPERATING COSTS (Adjs 15 - 19)			
1. Salaries and Wages	.00 - .09, .91, .95	\$	18,124,169
2. Employee Benefits	.10 - .19, .92, .96	\$	5,960,457
3. Other Professional Fees	.21 - .29	\$	1,104,242
4. Purchased Services	.61 - .69	\$	13,346,443
5. Supplies	.31 - .36, .39 - .41, .44 - .50, .93, .97	\$	6,107,571

PEER GROUPING INPATIENT REIMBURSEMENT LIMITATION SCHEDULES

PROVIDER NAME	SAN DIMAS COMMUNITY HOSPITAL
NPI	1740447945
FISCAL PERIOD	JANUARY 1, 2011 THROUGH DECEMBER 31, 2011
CONTRACT PERIOD	N/A

A. DIRECT PAYROLL COSTS (Totals)	<u>REFERENCE</u>		
1. Management and Supervision (Adj)			
a. Productive Salaries	.00	\$	2,015,980
b. Productive Hours			46,190.00
2. Technicians and Specialists (Adj)			
a. Productive Salaries	.01	\$	4,244,137
b. Productive Hours			139,743.00
3. Registered Nurses (Adj)			
a. Productive Salaries	.02	\$	7,764,698
b. Productive Hours			194,336.00
4. Licensed Vocational Nurses (Adj)			
a. Productive Salaries	.03	\$	489,391
b. Productive Hours			21,756.00
5. Aides and Orderlies (Adj)			
a. Productive Salaries	.04	\$	1,094,520
b. Productive Hours			78,288.00
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	\$	634,771
b. Productive Hours			54,094.00
9. Clerical and Other Administrative (Adj)			
a. Productive Salaries	.05	\$	1,551,682
b. Productive Hours			94,794.00
10. Other Salaries and Wages (Adj)			
a. Productive Salaries	.09	\$	312,391
b. Productive Hours			21,651.00
11. All Nonproductive Salaries and Wages (Adj 20)			
a. Nonproductive Salaries	Labor Distribution	\$	1,691,671
b. Nonproductive Hours	Report or Provider W/P		61,736.00
B. SUBTOTAL DIRECT PAYROLL COST			
1. Productive Salaries (lines A1a - A10a)		\$	<u>18,107,570</u>
2. Productive Hours (lines A1b - A10b)			<u>650,852.00</u>
C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (A11a + B1)		\$	<u>19,799,241</u>
D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (A11b + B2)			<u>712,588.00</u>

Provider Name				Fiscal Period	NPI	Adjustments	
SAN DIMAS COMMUNITY HOSPITAL				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1740447945	21	
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	\$ 1,513,595	\$ 43,077	\$ 1,556,672
2	1	3	B	Deductibles and Coinsurance—Noncontract	\$ (43,733)	\$ (11,646)	\$ (55,379)
3	1	3	C 1	Medi-Cal Inpatient Days—Adults and Pediatrics—Noncontract	389.00	6.75	395.75
4	1	3	C 2	Medi-Cal Inpatient Days—ICU—Noncontract	167.00	11.75	178.75
5	1	3	C 4	Medi-Cal Inpatient Days—Nursery—Noncontract	21.00	39.25	60.25
6	1	3	E	Total Medi-Cal Discharges—Acute—Noncontract	252	(130)	122
7	1	3	F	Total Medi-Cal Inpatient Charges—Noncontract	\$ 7,593,721	\$ 1,270,939	\$ 8,864,660
8	2	4	A 1	Depreciation Expense	\$ 0	\$ 1,777,689	\$ 1,777,689
9	2	4	A 2	Rent and Lease Expense	\$ 0	\$ 295,111	\$ 295,111
10	2	4	A 4	Property Taxes and License Fees	\$ 0	\$ 1,421,129	\$ 1,421,129
11	2	4	A 5	Utility Expense	\$ 0	\$ 523,374	\$ 523,374
12	2	4	A 6	Malpractice Insurance Expense	\$ 0	\$ 1,322,198	\$ 1,322,198
13	2	4	B	Gross Operating Expenses	\$ 0	\$ 41,329,106	\$ 41,329,106
14	2	4	D	Pharmacy Nonlabor Expense	\$ 1,268,845	\$ (464)	\$ 1,268,381

Provider Name				Fiscal Period	NPI	Adjustments	
SAN DIMAS COMMUNITY HOSPITAL				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1740447945	21	
Report References				Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted
Adj. No.	Audit Report Page	PIRL Schedule Page Line					
15	2	4	F 1	Direct Operating—Salaries and Wages	\$ 0	\$ 18,124,169	\$ 18,124,169
16	2	4	F 2	Direct Operating—Employee Benefits	\$ (14,173)	\$ 5,974,630	\$ 5,960,457
17	2	4	F 3	Direct Operating—Other Professional Fees	\$ 744,897	\$ 359,345	\$ 1,104,242
18	2	4	F 4	Direct Operating—Purchased Services	\$ 0	\$ 13,346,443	\$ 13,346,443
19	2	4	F 5	Direct Operating—Supplies	\$ 27,118,688	\$ (21,011,117)	\$ 6,107,571
20	3	5	A 11	Nonproductive Hours	62,049	(313)	61,736
21	3	5	D	Total Productive and Nonproductive Hours	712,901	(313)	712,588
<p>To adjust the Peer Grouping Inpatient Reimbursement Limitation Schedules to agree with audit adjustments and/or provider records. CCR, Title 22, Section 51545 through 51556</p>							