

**REPORT
ON THE
COST REPORT REVIEW**

**KINDRED HOSPITAL RANCHO
RANCHO CUCAMONGA, CALIFORNIA
NATIONAL PROVIDER IDENTIFIERS:
1568578110 AND 1205146289**

**FISCAL PERIOD ENDED
SEPTEMBER 30, 2012**

**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: Mandy Ho**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

April 21, 2014

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

KINDRED HOSPITAL RANCHO
NATIONAL PROVIDER IDENTIFIER (NPI) 1205146289
FISCAL PERIOD ENDED SEPTEMBER 30, 2012

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 \$107,823 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
Page 2

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 Ended:
SEPTEMBER 30, 2012

		SETTLEMENT	COST
1. Medi-Cal Noncontract Settlement (SCHEDULE 1) Provider NPI: 1205146289	Reported	\$ (82,228)	
	Net Change	\$ (25,595)	
	Audited Amount Due Provider (State)	\$ (107,823)	
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)		\$ (107,823)	
9. Total Medi-Cal Cost			\$ 0

SUMMARY OF FINDINGS

Provider Name:
KINDRED HOSPITAL RANCHO

Fiscal Period Ended:
SEPTEMBER 30, 2012

		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)		\$ (107,823)	

COMPUTATION OF MEDI-CAL REIMBURSEMENT SETTLEMENT

Provider Name:
KINDRED HOSPITAL RANCHO

Fiscal Period Ended:
SEPTEMBER 30, 2012

Provider NPI:
1205146289

	REPORTED	AUDITED
1. Net Cost of Covered Services Rendered to Medi-Cal Patients (Schedule 3)	\$ <u>117,013</u>	\$ <u>117,150</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>
5. TOTAL COST-Reimbursable to Provider (Lines 1 through 4)	\$ <u>117,013</u>	\$ <u>117,150</u>
6. Interim Payments (Adj 6)	\$ <u>(199,241)</u>	\$ <u>(211,949)</u>
7. Balance Due Provider (State)	\$ <u>(82,228)</u>	\$ <u>(94,799)</u>
8. Medi-Cal Overpayments (Adj 8)	\$ <u>0</u>	\$ <u>(13,024)</u>
9.	\$ <u>0</u>	\$ <u>0</u>
10.	\$ <u>0</u>	\$ <u>0</u>
11. TOTAL MEDI-CAL SETTLEMENT Due Provider (State)	\$ <u><u>(82,228)</u></u>	\$ <u><u>(107,823)</u></u>
	(To Summary of Findings)	

COMPUTATION OF LESSER OF
MEDI-CAL REASONABLE COST OR CUSTOMARY CHARGESProvider Name:
KINDRED HOSPITAL RANCHOFiscal Period Ended:
SEPTEMBER 30, 2012Provider NPI:
1205146289

	REPORTED	AUDITED
REASONABLE COST OF MEDI-CAL INPATIENT SERVICES		
1. Cost of Covered Services (Schedule 3)	\$ <u>121,625</u>	\$ <u>122,093</u>
CHARGES FOR MEDI-CAL INPATIENT SERVICES		
2. Inpatient Routine Service Charges (Adj 4)	\$ <u>138,100</u>	\$ <u>151,600</u>
3. Inpatient Ancillary Service Charges (Adj 4)	\$ <u>399,332</u>	\$ <u>408,772</u>
4. Total Charges - Medi-Cal Inpatient Services	\$ <u>537,432</u>	\$ <u>560,372</u>
5. Excess of Customary Charges Over Reasonable Cost (Line 4 minus Line 1) *	\$ <u>415,807</u>	\$ <u>438,279</u>
6. Excess of Reasonable Cost Over Customary Charges (Line 1 minus Line 4)	\$ <u>0</u>	\$ <u>0</u>
	(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 Ended:
SEPTEMBER 30, 2012Provider NPI:
1205146289

	REPORTED	AUDITED
1. Medi-Cal Inpatient Ancillary Services (Schedule 5)	\$ <u>59,860</u>	\$ <u>60,804</u>
2. Medi-Cal Inpatient Routine Services (Schedule 4)	\$ <u>61,765</u>	\$ <u>61,289</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>121,625</u>	\$ <u>122,093</u>
7. Medi-Cal Inpatient Hospital Based Physician for Acute Care Services (Schedule 7)	\$ (See Schedule 1)	\$ <u>0</u>
8. SUBTOTAL	\$ <u>121,625</u>	\$ <u>122,093</u> (To Schedule 2)
9. Medi-Cal Deductible (Adj)	\$ <u>0</u>	\$ <u>0</u>
10. Medi-Cal Coinsurance (Adj 5)	\$ <u>(4,612)</u>	\$ <u>(4,943)</u>
11. Net Cost of Covered Services Rendered to Medi-Cal Inpatients	\$ <u><u>117,013</u></u>	\$ <u><u>117,150</u></u> (To Schedule 1)

COMPUTATION OF
MEDI-CAL INPATIENT ROUTINE SERVICE COSTProvider Name:
KINDRED HOSPITAL RANCHOFiscal Period Ended:
SEPTEMBER 30, 2012Provider NPI:
1205146289

GENERAL SERVICE UNIT NET OF SWING-BED COSTS

	REPORTED	AUDITED
INPATIENT DAYS		
1. Total Inpatient Days (include private & swing-bed) (Adj)	15,899	15,899
2. Inpatient Days (include private, exclude swing-bed)	15,899	15,899
3. Private Room Days (exclude swing-bed private room) (Adj)	0	0
4. Semi-Private Room Days (exclude swing-bed) (Adj)	15,899	15,899
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) (Adjs 2,7)	0	1.50

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 26)	\$ 12,583,876	\$ 12,298,445
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)	\$ 12,583,876	\$ 12,298,445

PRIVATE ROOM DIFFERENTIAL ADJUSTMENT

28. Gen Inpatient Routine Serv Charges (excl swing-bed charges)	\$ 41,028,700	\$ 41,028,700
29. Private Room Charges (excluding swing-bed charges)	\$ 0	\$ 0
30. Semi-Private Room Charges (excluding swing-bed charges)	\$ 41,028,700	\$ 41,028,700
31. Gen Inpatient Routine Service Cost/Charge Ratio (L 27 ÷ L 28)	\$ 0.306709	\$ 0.299752
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)	\$ 2,580.58	\$ 2,580.58
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)	\$ 12,583,876	\$ 12,298,445

PROGRAM INPATIENT OPERATING COST

38. Adjusted General Inpatient Routine Cost Per Diem (L 37 ÷ L 2)	\$ 791.49	\$ 773.54
39. Program General Inpatient Routine Service Cost (L 9 x L 38)	\$ 0	\$ 1,160
40. Cost Applicable to Medi-Cal (Sch 4A)	\$ 61,765	\$ 60,129
41. Cost Applicable to Medi-Cal (Sch 4B)	\$ 0	\$ 0
42. TOTAL MEDI-CAL ROUTINE COST (Sum of Lines 39,40 & 41)	\$ 61,765	\$ 61,289

(To Schedule 3)

COMPUTATION OF
MEDI-CAL INPATIENT ROUTINE SERVICE COSTProvider Name:
KINDRED HOSPITAL RANCHOFiscal Period Ended:
SEPTEMBER 30, 2012Provider NPI:
1205146289

SPECIAL CARE AND/OR NURSERY UNITS	REPORTED	AUDITED
NURSERY		
1. Total Inpatient Routine Cost (Sch 8, Line 43, Col 26)	\$ 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 26)	\$ 3,287,773	\$ 3,200,734
7. Total Inpatient Days (Adj)	2,768	2,768
8. Average Per Diem Cost	\$ 1,187.78	\$ 1,156.33
9. Medi-Cal Inpatient Days (Adj)	52	52
10. Cost Applicable to Medi-Cal	\$ 61,765	\$ 60,129
CORONARY CARE UNIT		
11. Total Inpatient Routine Cost (Sch 8, Line 32, Col 26)	\$ 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 26)	\$ 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 26)	\$ 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 26)	\$ 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 5,10,15,20,25,28,31)	\$ 61,765	\$ 60,129

(To Schedule 4)

COMPUTATION OF
MEDI-CAL INPATIENT ROUTINE SERVICE COST

Provider Name:
KINDRED HOSPITAL RANCHO

Fiscal Period Ended:
SEPTEMBER 30, 2012

Provider NPI:
1205146289

SPECIAL CARE UNITS	REPORTED	AUDITED
1. Total Inpatient Routine Cost (Sch 8, Line ____, Col 26)	\$ 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 26)	\$ 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 26)	\$ 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 26)	\$ 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 26)	\$ 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 26)	\$ 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 Ended:
SEPTEMBER 30, 2012Provider NPI:
1205146289

		TOTAL ANCILLARY COST *	TOTAL ANCILLARY CHARGES (Adj)	RATIO COST TO CHARGES	MEDI-CAL CHARGES (From Schedule 6)	MEDI-CAL COST
ANCILLARY COST CENTERS						
50.00	Operating Room	\$ 2,681,001	\$ 39,462,503	0.067938	\$ 0	\$ 0
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	1,206,489	4,658,474	0.258988	4,513	1,169
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	1,394,635	10,179,850	0.137000	25,460	3,488
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	2,308,007	34,442,092	0.067011	234,052	15,684
66.00	Physical Therapy	100,718	4,926,231	0.020445	413	8
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	7,485,197	20,672,510	0.362085	81,192	29,398
72.00	Implantable Devices Charged to Patients	0	0	0.000000	0	0
73.00	Drugs Charged to Patients	3,508,665	20,974,157	0.167285	61,056	10,214
74.00	Renal Dialysis	648,223	1,603,269	0.404313	2,086	843
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	1,234,262	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	\$ 20,567,196	\$ 136,919,086		\$ 408,772	\$ 60,804

(To Schedule 3)

* From Schedule 8, Column 26

ADJUSTMENTS TO MEDI-CAL CHARGES

Provider Name:
KINDRED HOSPITAL RANCHO

Fiscal Period Ended:
SEPTEMBER 30, 2012

Provider NPI:
1205146289

ANCILLARY CHARGES		REPORTED	ADJUSTMENTS (Adj 3)	AUDITED
50.00	Operating Room	\$	\$	\$ 0
51.00	Recovery Room			0
52.00	Labor Room and Delivery Room			0
53.00	Anesthesiology			0
54.00	Radiology-Diagnostic	4,254	259	4,513
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	22,969	2,491	25,460
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	234,052		234,052
66.00	Physical Therapy	0	413	413
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	78,292	2,900	81,192
72.00	Implantable Devices Charged to Patients			0
73.00	Drugs Charged to Patients	57,679	3,377	61,056
74.00	Renal Dialysis	2,086		2,086
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		\$ 399,332	\$ 9,440	\$ 408,772

(To Schedule 5)

STATE OF CALIFORNIA

COMPUTATION OF COST ALLOCATION (W/S B)

SCHEDULE 8.1

Provider Name:
KINDRED HOSPITAL RANCHO

Fiscal Period Ended:
SEPTEMBER 30, 2012

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
105.00 Kidney Acquisition	0	0	0	0	0	0	0	0	0	0	0	0
106.00 Heart Acquisition	0	0	0	0	0	0	0	0	0	0	0	0
107.00 Liver Acquisition	0	0	0	0	0	0	0	0	0	0	0	0
108.00 Lung Acquisition	0	0	0	0	0	0	0	0	0	0	0	0
109.00 Pancreas Acquisition	0	0	0	0	0	0	0	0	0	0	0	0
110.00 Intestinal Acquisition	0	0	0	0	0	0	0	0	0	0	0	0
111.00 Islet Acquisition	0	0	0	0	0	0	0	0	0	0	0	0
112.00 Other Organ Acquisition (specify)	0	0	0	0	0	0	0	0	0	0	0	0
113.00 Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0
114.00 Utilization Review-SNF	0	0	0	0	0	0	0	0	0	0	0	0
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
117.00 Other Special Purpose (specify)	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	217,064	39,615
193.00 Nonpaid Workers	0	0	0	0	0	0	0	0	0	0	0	0
194.00 Nonallowable Case Manager	0	7,654	0	0	0	0	0	0	0	0	59,997	10,950
194.01 Idle Space	0	0	0	0	0	0	0	0	0	0	42,545	7,765
194.09 Visitor Meals	0	0	0	0	0	0	0	0	0	0	26,551	4,846
194.10	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	<u>2,449,264</u>	0	0	0	0	0	0	0	0	<u>37,302,436</u>	<u>5,757,190</u>

STATE OF CALIFORNIA

COMPUTATION OF COST ALLOCATION (W/S B)

SCHEDULE 8.2

Provider Name:
KINDRED HOSPITAL RANCHO

Fiscal Period Ended:
SEPTEMBER 30, 2012

TRIAL BALANCE EXPENSES	MAINT & REPAIR 6.00	OPERATION OF PLANT 7.00	LAUNDRY & LINEN 8.00	HOUSEKEEP 9.00	DIETARY 10.00	CAFETERIA 11.00	MAINT OF PERSONNEL 12.00	NURSING ADMIN 13.00	CENTRAL SERVICE & SUPPLY 14.00	PHARMACY 15.00	MEDICAL RECORDS & LIBRARY 16.00	SOCIAL SERVICE 17.00
105.00 Kidney Acquisition	0	0	0	0	0	0	0	0	0	0	0	0
106.00 Heart Acquisition	0	0	0	0	0	0	0	0	0	0	0	0
107.00 Liver Acquisition	0	0	0	0	0	0	0	0	0	0	0	0
108.00 Lung Acquisition	0	0	0	0	0	0	0	0	0	0	0	0
109.00 Pancreas Acquisition	0	0	0	0	0	0	0	0	0	0	0	0
110.00 Intestinal Acquisition	0	0	0	0	0	0	0	0	0	0	0	0
111.00 Islet Acquisition	0	0	0	0	0	0	0	0	0	0	0	0
112.00 Other Organ Acquisition (specify)	0	0	0	0	0	0	0	0	0	0	0	0
113.00 Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0
114.00 Utilization Review-SNF	0	0	0	0	0	0	0	0	0	0	0	0
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
117.00 Other Special Purpose (specify)	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	304,649	0	67,872	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	0	0	0	0	0	0	0	0	0	0	0
194.01 Idle Space	0	59,713	0	13,303	0	0	0	0	0	0	0	0
194.09 Visitor Meals	0	37,264	0	8,302	116,024	0	0	0	0	0	0	0
194.10	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	<u>2,651,548</u>	<u>303,665</u>	<u>584,883</u>	<u>1,026,906</u>	<u>747,864</u>	0	<u>1,647,138</u>	<u>213,156</u>	<u>1,254,591</u>	<u>935,570</u>	<u>699,065</u>

STATE OF CALIFORNIA

COMPUTATION OF COST ALLOCATION (W/S B)

SCHEDULE 8.3

Provider Name:
KINDRED HOSPITAL RANCHO

Fiscal Period Ended:
SEPTEMBER 30, 2012

TRIAL BALANCE EXPENSES	OTHER GEN SVC (SPECIFIC)	NONPHYSICIAN ANESTHETIST	NURSING SCHOOL	I & R SVC SAL & BENEFITS	I&R OTHER PROGRAM COSTS	PARAMEDICAL EDUCATION PROGRAM	ALLOC COST	ALLOC COST	SUBTOTAL	POST STEP-DOWN ADJUSTMENT	TOTAL COST
	18.00	19.00	20.00	21.00	22.00	23.00	23.01	23.02	24.00	25.00	26.00
105.00 Kidney Acquisition	0	0	0	0	0	0	0	0	0	0	0
106.00 Heart Acquisition	0	0	0	0	0	0	0	0	0	0	0
107.00 Liver Acquisition	0	0	0	0	0	0	0	0	0	0	0
108.00 Lung Acquisition	0	0	0	0	0	0	0	0	0	0	0
109.00 Pancreas Acquisition	0	0	0	0	0	0	0	0	0	0	0
110.00 Intestinal Acquisition	0	0	0	0	0	0	0	0	0	0	0
111.00 Islet Acquisition	0	0	0	0	0	0	0	0	0	0	0
112.00 Other Organ Acquisition (specify)	0	0	0	0	0	0	0	0	0	0	0
113.00 Interest Expense	0	0	0	0	0	0	0	0	0	0	0
114.00 Utilization Review-SNF	0	0	0	0	0	0	0	0	0	0	0
115.00 Ambulatory Surgical Center (Distinct Part)	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
117.00 Other Special Purpose (specify)	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
191.00 Research	0	0	0	0	0	0	0	0	0	0	0
192.00 Physicians' Private Offices	0	0	0	0	0	0	0	0	629,200	0	629,200
193.00 Nonpaid Workers	0	0	0	0	0	0	0	0	0	0	0
194.00 Nonallowable Case Manager	0	0	0	0	0	0	0	0	70,947	0	70,947
194.01 Idle Space	0	0	0	0	0	0	0	0	123,326	0	123,326
194.09 Visitor Meals	0	0	0	0	0	0	0	0	192,987	0	192,987
194.10	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	37,302,436	0	37,302,436

STATE OF CALIFORNIA

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

SCHEDULE 9.1

Provider Name:
KINDRED HOSPITAL RANCHO

Fiscal Period Ended:
SEPTEMBER 30, 2012

	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
105.00	Kidney Acquisition											0
106.00	Heart Acquisition											0
107.00	Liver Acquisition											0
108.00	Lung Acquisition											0
109.00	Pancreas Acquisition											0
110.00	Intestinal Acquisition											0
111.00	Islet Acquisition											0
112.00	Other Organ Acquisition (specify)											0
113.00	Interest Expense											0
114.00	Utilization Review-SNF											0
115.00	Ambulatory Surgical Center (Distinct Part)											0
116.00	Hospice											0
117.00	Other Special Purpose (specify)											0
190.00	Gift, Flower, Coffee Shop, & Canteen											0
191.00	Research											0
192.00	Physicians' Private Offices										217,064	
193.00	Nonpaid Workers										0	
194.00	Nonallowable Case Manager	48,082									59,997	
194.01	Idle Space										42,545	
194.09	Visitor Meals										26,551	
194.10											0	
	TOTAL	15,386,426	0	0	0	0	0	0	0		31,545,246	0
	COST TO BE ALLOCATED	2,449,264	0	0	0	0	0	0	0		5,757,190	0
	UNIT COST MULTIPLIER - SCH 8	0.159183	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000		0.182506	0.000000

STATE OF CALIFORNIA

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

SCHEDULE 9.2

Provider Name:
KINDRED HOSPITAL RANCHO

Fiscal Period Ended:
SEPTEMBER 30, 2012

	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 FTES)	CENT SERV & SUPPLY (CSTD REQ)	PHARMACY (COST REQUIS)	MED REC (GROSS REVENUE)	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	526											
10.00	1,337											
11.00	2,827											
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	14,878	15,899	14,878	31,147	96		96	46,262	25,845	41,162,558	15,899	
31.00	2,788	2,768	2,788		20		20	2,359	8,041	8,937,750	2,768	
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												

STATE OF CALIFORNIA

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

SCHEDULE 9.2

Provider Name:
KINDRED HOSPITAL RANCHO

Fiscal Period Ended:
SEPTEMBER 30, 2012

	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 FTES)	CENT SERV & SUPPLY (CSTD REQ)	PHARMACY (COST REQUIS)	MED REC (GROSS REVENUE)	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	
105.00	Kidney Acquisition												
106.00	Heart Acquisition												
107.00	Liver Acquisition												
108.00	Lung Acquisition												
109.00	Pancreas Acquisition												
110.00	Intestinal Acquisition												
111.00	Islet Acquisition												
112.00	Other Organ Acquisition (specify)												
113.00	Interest Expense												
114.00	Utilization Review-SNF												
115.00	Ambulatory Surgical Center (Distinct Part)												
116.00	Hospice												
117.00	Other Special Purpose (specify)												
190.00	Gift, Flower, Coffee Shop, & Canteen												
191.00	Research												
192.00	Physicians' Private Offices	6,107	6,107										
193.00	Nonpaid Workers												
194.00	Nonallowable Case Manager												
194.01	Idle Space	1,197	1,197										
194.09	Visitor Meals	747	747	7,955									
194.10													
	TOTAL	53,153	18,667	52,627	70,408	190	0	124	6,336,549	1,921,362	187,019,394	18,667	0
	COST TO BE ALLOCATED	2,651,548	303,665	584,883	1,026,906	747,864	0	1,647,138	213,156	1,254,591	935,570	699,065	0
	UNIT COST MULTIPLIER - SCH 8	49.885195	16.267484	11.113750	14.585072	3936.126048	0.000000	13283.372791	0.033639	0.652970	0.005003	37.449259	0.000000

Provider Name:
KINDRED HOSPITAL RANCHO

Fiscal Period Ended:
SEPTEMBER 30, 2012

NONPHYSICIAN 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 Ended:
SEPTEMBER 30, 2012

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)
- 100.00 Intern-Resident Service (not appvd. tchnlg. prgm)
- 101.00 Home Health Agency

TRIAL BALANCE OF EXPENSES

Provider Name:
KINDRED HOSPITAL RANCHO

Fiscal Period Ended:
SEPTEMBER 30, 2012

		REPORTED	ADJUSTMENTS (From Sch 10A)	AUDITED
	GENERAL SERVICE COST CENTERS			
1.00	Capital Related Costs-Buildings and Fixtures	\$ 2,078,442	\$ 54,337	\$ 2,132,779
2.00	Capital Related Costs-Movable Equipment	1,264,718	204,509	1,469,227
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	2,830,350	(381,086)	2,449,264
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	5,538,862	(720,847)	4,818,015
6.00	Maintenance and Repairs		0	0
7.00	Operation of Plant	1,149,282	0	1,149,282
8.00	Laundry and Linen Service	256,798	0	256,798
9.00	Housekeeping	403,214	0	403,214
10.00	Dietary	696,029	0	696,029
11.00	Cafeteria		0	0
12.00	Maintenance of Personnel		0	0
13.00	Nursing Administration	1,125,733	0	1,125,733
14.00	Central Services and Supply	147,853	0	147,853
15.00	Pharmacy	994,622	0	994,622
16.00	Medical Records & Library	546,793	0	546,793
17.00	Social Service	481,188	0	481,188
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)	5,571,440	0	5,571,440
31.00	Intensive Care Unit	1,731,600	0	1,731,600
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 Ended:
SEPTEMBER 30, 2012

		REPORTED	ADJUSTMENTS (From Sch 10A)	AUDITED
	ANCILLARY COST CENTERS			
50.00	Operating Room	\$ 1,007,401	\$ 0	\$ 1,007,401
51.00	Recovery Room		0	0
52.00	Labor Room and Delivery Room		0	0
53.00	Anesthesiology		0	0
54.00	Radiology-Diagnostic	778,666	0	778,666
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	663,790	0	663,790
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	1,474,153	0	1,474,153
66.00	Physical Therapy	1,178,024	(1,159,646)	18,378
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	6,069,821	0	6,069,821
72.00	Implantable Devices Charged to Patients		0	0
73.00	Drugs Charged to Patients	1,854,419	0	1,854,419
74.00	Renal Dialysis	541,395	0	541,395
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	703,422	0	703,422
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	\$ 39,088,015	\$ (2,002,733)	\$ 37,085,282
	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 Ended:
SEPTEMBER 30, 2012

		REPORTED	ADJUSTMENTS (From Sch 10A)	AUDITED
98.00	Other Reimbursable (specify)		0	0
99.00	Outpatient Rehabilitation Provider (specify)		0	0
100.00	Intern-Resident Service (not appvd. tchnng. prgm.)	164,811	0	164,811
101.00	Home Health Agency		0	0
105.00	Kidney Acquisition		0	0
106.00	Heart Acquisition		0	0
107.00	Liver Acquisition		0	0
108.00	Lung Acquisition		0	0
109.00	Pancreas Acquisition		0	0
110.00	Intestinal Acquisition		0	0
111.00	Islet Acquisition		0	0
112.00	Other Organ Acquisition (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
117.00	Other Special Purpose (specify)		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	52,343	0	52,343
194.01	Idle Space		0	0
194.09	Visitor Meals		0	0
194.10			0	0
	SUBTOTAL	\$ 217,154	\$ 0	\$ 217,154
200	TOTAL	\$ 39,305,169	\$ (2,002,733)	\$ 37,302,436

(To Schedule 8)

Provider Name							Fiscal Period		Provider NPI		Adjustments
KINDRED HOSPITAL RANCHO							OCTOBER 1, 2011 THROUGH SEPTEMBER 30, 2012		1205146289		8
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Adj. No.	Audit Report	Cost Report									
		Work Sheet	Part	Title	Line	Col.					
<u>ADJUSTMENT TO REPORTED COSTS</u>											
1	10A	A			1.00	7	Capital Related Costs-Buildings and Fixtures	\$2,078,442	\$54,337	\$2,132,779	
	10A	A			2.00	7	Capital Related Costs-Movable Equipment	1,264,718	204,509	1,469,227	
	10A	A			4.00	7	Employee Benefits	2,830,350	(381,086)	2,449,264	
	10A	A			5.00	7	Administrative and General	5,538,862	(720,847)	4,818,015	
	10A	A			66.00	7	Physical Therapy	1,178,024	(1,159,646)	18,378	
							To adjust home office costs to agree with the filed Home Office Cost Report.				
							42 CFR 413.17 and 413.24				
							CMS Pub. 15-1, Sections 2150.2 and 2304				

Provider Name							Fiscal Period		Provider NPI		Adjustments
KINDRED HOSPITAL RANCHO							OCTOBER 1, 2011 THROUGH SEPTEMBER 30, 2012		1205146289		8
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											
2	4	D-1	I	XIX	9.00	1	Medi-Cal Days - Adults and Pediatrics	0.00	2.00	2.00 *	
3	6	D-3		XIX	54.00	2	Medi-Cal Ancillary Charges - Radiology-Diagnostic	\$4,254	\$259	\$4,513	
	6	D-3		XIX	60.00	2	Medi-Cal Ancillary Charges - Laboratory	22,969	2,491	25,460	
	6	D-3		XIX	66.00	2	Medi-Cal Ancillary Charges - Physical Therapy	0	413	413	
	6	D-3		XIX	71.00	2	Medi-Cal Ancillary Charges - Medical Supplies Charged to Patients	78,292	2,900	81,192	
	6	D-3		XIX	73.00	2	Medi-Cal Ancillary Charges - Drugs Charged to Patients	57,679	3,377	61,056	
	6	D-3		XIX	200.00	2	Medi-Cal Ancillary Charges - Total	399,332	9,440	408,772	
4	2	E-3	VII	XIX	8.00	1	Medi-Cal Routine Service Charges	\$138,100	\$13,500	\$151,600	
	2	E-3	VII	XIX	9.00	1	Medi-Cal Ancillary Service Charges	399,332	9,440	408,772	
5	3	E-3	VII	XIX	33.00	1	Medi-Cal Coinsurance	\$4,612	\$331	\$4,943	
6	1	E-3	VII	XIX	41.00	1	Medi-Cal Interim Payment	\$199,241	\$12,708	\$211,949	
<p>To adjust Medi-Cal Settlement Data to agree with the following Fiscal Intermediary Payment Data: Service Period: October 1, 2011 through September 30, 2012 Payment Period: October 1, 2011 through January 15, 2014 Report Date: January 17, 2014 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>											

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period		Provider NPI		Adjustments
KINDRED HOSPITAL RANCHO							OCTOBER 1, 2011 THROUGH SEPTEMBER 30, 2012		1205146289		8
Report References							Explanation of Audit Adjustments		As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report	Cost Report									
		Work Sheet	Part	Title	Line	Col.					
<u>ADJUSTMENTS TO REPORTED MEDI-CAL SETTLEMENT DATA - NONCONTRACT</u>											
7	4	D-1	I	XIX	9.00	1	Medi-Cal Days - Adults and Pediatrics To eliminate Medi-Cal days for billed Medi-Cal days by 25% for claims submitted during the 7th through the 9th month (RAD Code 475) 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	*	2.00	(0.50)	1.50

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period			Provider NPI		Adjustments
KINDRED HOSPITAL RANCHO							OCTOBER 1, 2011 THROUGH SEPTEMBER 30, 2012			1205146289		8
Report References										As Reported	Increase (Decrease)	As Adjusted
Cost Report												
Adj. No.	Audit Report	Work Sheet	Part	Title	Line	Col.	Explanation of Audit Adjustments					
<u>ADJUSTMENT TO OTHER MATTERS</u>												
8	1	Not Reported		Medi-Cal Overpayments						\$0	\$13,024	\$13,024
				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								