

**REPORT
ON THE
HOME OFFICE AUDIT**

**BARTON HEALTH SYSTEM
SOUTH LAKE TAHOE, CALIFORNIA**

**FISCAL PERIOD ENDED
DECEMBER 31, 2012**

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

**Section Chief: Robert G. Kwick
Audit Supervisor: Blanca Dacanay
Auditors: Mandeep Kaur and Ivan Quiroz**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

April 11, 2014

Kelly Neiger
Controller
2170 South Avenue
South Lake Tahoe, CA 96150

BARTON HEALTH SYSTEM
FISCAL PERIOD ENDED DECEMBER 31, 2012

We have examined the Medi-Cal Home Office Cost Report for the fiscal period ended December 31, 2012. Our examination was made under the authority of Section 14170 of the Welfare and Institutions Code and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the data presented in the Summary of Audited Home Office Costs to Health Care Facilities represents a proper determination of home office allowable costs for the above fiscal period in accordance with Medi-Cal reimbursement principles. The audited home office cost will be incorporated, by separate adjustment, into each applicable facility audit report.

This audit report includes the:

1. Summary of Audited Home Office Costs to Health Care Facilities and Supporting Schedules
2. Audit Adjustments Schedule

If you disagree with the decision of the Department, the results of the home office audit may only be appealed through each individual facility's audit report. Please refer to the appeal instructions in each facility's audit report.

Kelly Neiger
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If you have questions regarding this report, you may call the Audits Section—
Sacramento at (916) 650-6994.

Original Signed By

Robert G. Kwick, Chief
Audits Section—Sacramento
Financial Audits Branch

Certified

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SUMMARY OF AUDITED HOME OFFICE CAPITAL AND NONCAPITAL RELATED COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:
BARTON HEALTH SYSTEMFISCAL PERIOD ENDED:
DECEMBER 31, 2012

	PROVIDER NPI	FISCAL PERIODS ENDING DURING HOME OFFICE FISCAL YEAR		CAPITAL RELATED (SCHEDULE 3) 1	NONCAPITAL RELATED (SCHEDULE 3-1) 2	TOTAL AUDITED H.O. COSTS (COLUMN 1 + 2) 3
		FROM	TO			
<u>HEALTH CARE FACILITIES</u>						
1.	BARTON MEMORIAL HOSPITAL	0	01/01/12 12/31/12	\$206,706	\$15,837,927	\$16,044,633
2.	CARSON VALLEY MEDICAL CENTER	0	01/01/12 12/31/12	74,845	3,354,772	3,429,617
3.		0		0	0	0
4.		0		0	0	0
5.		0		0	0	0
6.		0		0	0	0
7.		0		0	0	0
8.		0		0	0	0
9.		0		0	0	0
10.		0		0	0	0
11.		0		0	0	0
12.		0		0	0	0
13.		0		0	0	0
14.		0		0	0	0
15.		0		0	0	0
16.		0		0	0	0
17.		0		0	0	0
18.		0		0	0	0
19.		0		0	0	0
20.		0		0	0	0
SUBTOTAL (LINES 1 THROUGH 20)				\$281,552	\$19,192,699	\$19,474,251
<u>OTHER COMPONENTS</u>						
21.	LTASC	0		\$3,419	\$211,488	\$214,907
22.	BMH FOUNDATION	0		2,437	149,345	151,783
23.	NON REIMBURSABLE	0		16,580	469,888	486,468
24.		0		0	0	0
25.		0		0	0	0
26.		0		0	0	0
27.	OTHER MANAGED FACILITY	0		525	17,623	18,147
28.		0		0	0	0
29.		0		0	0	0
30.		0		0	0	0
31.		0		0	0	0
32.		0		0	0	0
33.		0		0	0	0
34.		0		0	0	0
35.		0		0	0	0
SUBTOTAL (LINES 21 THROUGH 35)				\$22,961	\$848,344	\$871,305
GRAND TOTAL				\$304,513	\$20,041,043	\$20,345,556

COMPARISON OF REPORTED AND AUDITED HOME OFFICE COSTS

HOME OFFICE NAME:
BARTON HEALTH SYSTEM

FISCAL PERIOD ENDED:
DECEMBER 31, 2012

	PROVIDER NPI	FISCAL PERIODS ENDING DURING HOME OFFICE FISCAL YEAR		REPORTED HOME OFFICE COSTS (SCH. 9) 1	AUDITED H.O. COSTS (SCH. 3 & 3-1) 2	VARIANCE (COLUMN 2-1) 3
		FROM	TO			
<u>HEALTH CARE FACILITIES</u>						
1.	BARTON MEMORIAL HOSPITAL	0	01/01/12 12/31/12	\$16,155,890	\$16,044,633	(\$111,257)
2.	CARSON VALLEY MEDICAL CENTER	0	01/01/12 12/31/12	3,438,657	3,429,617	(9,040)
3.		0		0	0	0
4.		0		0	0	0
5.		0		0	0	0
6.		0		0	0	0
7.		0		0	0	0
8.		0		0	0	0
9.		0		0	0	0
10.		0		0	0	0
11.		0		0	0	0
12.		0		0	0	0
13.		0		0	0	0
14.		0		0	0	0
15.		0		0	0	0
16.		0		0	0	0
17.		0		0	0	0
18.		0		0	0	0
19.		0		0	0	0
20.		0		0	0	0
SUBTOTAL (LINES 1 THROUGH 20)				\$19,594,547	\$19,474,250	(\$120,297)
<u>OTHER COMPONENTS</u>						
21.	LTASC	0		\$216,650	\$214,907	(\$1,743)
22.	BMH FOUNDATION	0		153,026	151,783	(1,243)
23.	NON REIMBURSABLE	0		487,781	486,468	(1,313)
24.		0		0	0	0
25.		0		0	0	0
26.		0		0	0	0
27.	OTHER MANAGED FACILITY	0		0	18,147	18,147
28.		0		0	0	0
29.		0		0	0	0
30.		0		0	0	0
31.		0		0	0	0
32.		0		0	0	0
33.		0		0	0	0
34.		0		0	0	0
35.		0		0	0	0
SUBTOTAL (LINES 21 THROUGH 35)				\$857,457	\$871,305	\$13,848
GRAND TOTAL				\$20,452,004	\$20,345,556	(\$106,449)

SUMMARY ALLOCATION OF HOME OFFICE COSTS - CAPITAL RELATED

HOME OFFICE NAME:
BARTON HEALTH SYSTEM

FISCAL PERIOD ENDED:
DECEMBER 31, 2012

	PROVIDER NPI	FISCAL PERIODS ENDING DURING HOME OFFICE FISCAL YEAR		DIRECT CAPITAL COSTS (SCHEDULE 7) 1	FUNCTIONAL CAPITAL COSTS (SCHEDULE 5) 2	POOLED CAPITAL COSTS (SCHEDULE 4) 3	TOTAL CAPITAL COSTS (COL. 1 TO 3)
		FROM	TO				
<u>HEALTH CARE FACILITIES</u>							
1.	BARTON MEMORIAL HOSPITAL	0	01/01/12 12/31/12	\$812	\$0	\$205,894	\$206,706
2.	CARSON VALLEY MEDICAL CENTER	0	01/01/12 12/31/12	0	0	74,845	74,845
3.		0		0	0	0	0
4.		0		0	0	0	0
5.		0		0	0	0	0
6.		0		0	0	0	0
7.		0		0	0	0	0
8.		0		0	0	0	0
9.		0		0	0	0	0
10.		0		0	0	0	0
11.		0		0	0	0	0
12.		0		0	0	0	0
13.		0		0	0	0	0
14.		0		0	0	0	0
15.		0		0	0	0	0
16.		0		0	0	0	0
17.		0		0	0	0	0
18.		0		0	0	0	0
19.		0		0	0	0	0
20.		0		0	0	0	0
SUBTOTAL (LINES 1 THROUGH 20)				\$812	\$0	\$280,740	\$281,552
<u>OTHER COMPONENTS</u>							
21.	LTASC	0		\$0	\$0	\$3,419	\$3,419
22.	BMH FOUNDATION	0		0	0	2,437	2,437
23.	NON REIMBURSABLE	0		14,004	0	2,576	16,580
24.		0		0	0	0	0
25.		0		0	0	0	0
26.		0		0	0	0	0
27.	OTHER MANAGED FACILITY	0		0	0	525	525
28.		0		0	0	0	0
29.		0		0	0	0	0
30.		0		0	0	0	0
31.		0		0	0	0	0
32.		0		0	0	0	0
33.		0		0	0	0	0
34.		0		0	0	0	0
35.		0		0	0	0	0
SUBTOTAL (LINES 21 THROUGH 35)				\$14,004	\$0	\$8,957	\$22,961
GRAND TOTAL				\$14,816	\$0	\$289,697	\$304,513

(To Schedule 1 & 2)

SUMMARY ALLOCATION OF HOME OFFICE COSTS - NONCAPITAL RELATED

HOME OFFICE NAME:
BARTON HEALTH SYSTEM

FISCAL PERIOD ENDED:
DECEMBER 31, 2012

	PROVIDER NPI	FISCAL PERIODS ENDING DURING HOME OFFICE FISCAL YEAR		DIRECT COSTS (SCH. 7-1) 1	FUNCTIONAL COSTS (SCH. 5-1) 2	POOLED COSTS (SCH. 4) 3	TOTAL NONCAPITAL COSTS (COL. 1 TO 3)
		FROM	TO				
<u>HEALTH CARE FACILITIES</u>							
1.	BARTON MEMORIAL HOSPITAL	0	01/01/12 12/31/12	\$1,473,888	\$7,447,321	\$6,916,718	\$15,837,927
2.	CARSON VALLEY MEDICAL CENTER	0	01/01/12 12/31/12	86,415	754,033	2,514,324	3,354,772
3.		0		0	0	0	0
4.		0		0	0	0	0
5.		0		0	0	0	0
6.		0		0	0	0	0
7.		0		0	0	0	0
8.		0		0	0	0	0
9.		0		0	0	0	0
10.		0		0	0	0	0
11.		0		0	0	0	0
12.		0		0	0	0	0
13.		0		0	0	0	0
14.		0		0	0	0	0
15.		0		0	0	0	0
16.		0		0	0	0	0
17.		0		0	0	0	0
18.		0		0	0	0	0
19.		0		0	0	0	0
20.		0		0	0	0	0
SUBTOTAL (LINES 1 THROUGH 20)				\$1,560,303	\$8,201,354	\$9,431,042	\$19,192,699
<u>OTHER COMPONENTS</u>							
21.	LTASC	0		\$0	\$96,629	\$114,859	\$211,488
22.	BMH FOUNDATION	0		0	67,468	81,877	149,345
23.	NON REIMBURSABLE	0		335,945	47,395	86,548	469,888
24.		0		0	0	0	0
25.		0		0	0	0	0
26.		0		0	0	0	0
27.	OTHER MANAGED FACILITY	0		0	0	17,623	17,623
28.		0		0	0	0	0
29.		0		0	0	0	0
30.		0		0	0	0	0
31.		0		0	0	0	0
32.		0		0	0	0	0
33.		0		0	0	0	0
34.		0		0	0	0	0
35.		0		0	0	0	0
SUBTOTAL (LINES 21 THROUGH 35)				\$335,945	\$211,492	\$300,907	\$848,344
GRAND TOTAL				\$1,896,248	\$8,412,846	\$9,731,949	\$20,041,043

(To Schedule 1 & 2)

POOLED ALLOCATION OF HOME OFFICE COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:
BARTON HEALTH SYSTEM

FISCAL PERIOD ENDED:
DECEMBER 31, 2012

	PROVIDER NPI	TOTAL COST (SCH. G, COL. 1) 1	CAPITAL (SCH. 8) 2	NONCAPITAL (SCH. 8) 3	TOTAL POOLED (COL. 2 + 3) 4
HEALTH CARE FACILITIES					
		(Adj 11)			
1. BARTON MEMORIAL HOSPITAL	0	\$102,343,974	\$205,894	\$6,916,718	\$7,122,612
2. CARSON VALLEY MEDICAL CENTER	0	37,203,465	74,845	2,514,324	2,589,169
3.	0	0	0	0	0
4.	0	0	0	0	0
5.	0	0	0	0	0
6.	0	0	0	0	0
7.	0	0	0	0	0
8.	0	0	0	0	0
9.	0	0	0	0	0
10.	0	0	0	0	0
11.	0	0	0	0	0
12.	0	0	0	0	0
13.	0	0	0	0	0
14.	0	0	0	0	0
15.	0	0	0	0	0
16.	0	0	0	0	0
17.	0	0	0	0	0
18.	0	0	0	0	0
19.	0	0	0	0	0
20.	0	0	0	0	0
SUBTOTAL (LINES 1 THROUGH 20)		\$139,547,439	\$280,740	\$9,431,042	\$9,711,782

	PROVIDER NPI	TOTAL COST (SCH. G, COL. 1) 1	CAPITAL (SCH. 8) 2	NONCAPITAL (SCH. 8) 3	TOTAL POOLED (COL. 2 + 3) 4
OTHER COMPONENTS					
21. LTASC	0	\$1,699,528	\$3,419	\$114,859	\$118,278
22. BMH FOUNDATION	0	1,211,507	2,437	81,877	84,315
23. NON REIMBURSABLE	0	1,280,616	2,576	86,548	89,124
24.	0	0	0	0	0
25.	0	0	0	0	0
26.	0	0	0	0	0
27. OTHER MANAGED FACILITY	0	260,755	525	17,623	18,147
28.	0	0	0	0	0
29.	0	0	0	0	0
30.	0	0	0	0	0
31.	0	0	0	0	0
32.	0	0	0	0	0
33.	0	0	0	0	0
34.	0	0	0	0	0
35.	0	0	0	0	0
SUBTOTAL (LINES 21 THROUGH 35)		\$4,452,406	\$8,957	\$300,907	\$309,864
GRAND TOTAL		\$143,999,845	\$289,697	\$9,731,949	\$10,021,646
			(To Schedule 3)	(To Schedule 3-1)	

MULTIPLIER

0.002012 0.067583

FUNCTIONAL ALLOCATION OF EXPENSES TO
CHAIN COMPONENTS - CAPITAL RELATED

HOME OFFICE NAME:
BARTON HEALTH SYSTEM

FISCAL PERIOD ENDED:
DECEMBER 31, 2012

	PROVIDER NPI	New Cap. Related- Movable 5.00	5.01	Insurance Premiums 7.00	Taxes and Licenses - Not INCM 8.00	Other 9.00	AUDITED TOTAL CAPITAL
HEALTH CARE FACILITIES							
1.	BARTON MEMORIAL HOSPITAL	0	\$0	\$0	\$0	\$0	\$0
2.	CARSON VALLEY MEDICAL CENTER	0	0	0	0	0	0
3.		0	0	0	0	0	0
4.		0	0	0	0	0	0
5.		0	0	0	0	0	0
6.		0	0	0	0	0	0
7.		0	0	0	0	0	0
8.		0	0	0	0	0	0
9.		0	0	0	0	0	0
10.		0	0	0	0	0	0
11.		0	0	0	0	0	0
12.		0	0	0	0	0	0
13.		0	0	0	0	0	0
14.		0	0	0	0	0	0
15.		0	0	0	0	0	0
16.		0	0	0	0	0	0
17.		0	0	0	0	0	0
18.		0	0	0	0	0	0
19.		0	0	0	0	0	0
20.		0	0	0	0	0	0
SUBTOTAL (LINES 1 THROUGH 20)			\$0	\$0	\$0	\$0	\$0
OTHER COMPONENTS							
21.	LTASC	0	\$0	\$0	\$0	\$0	\$0
22.	BMH FOUNDATION	0	0	0	0	0	0
23.	NON REIMBURSABLE	0	0	0	0	0	0
24.		0	0	0	0	0	0
25.		0	0	0	0	0	0
26.		0	0	0	0	0	0
27.	OTHER MANAGED FACILITY	0	0	0	0	0	0
28.		0	0	0	0	0	0
29.		0	0	0	0	0	0
30.		0	0	0	0	0	0
31.		0	0	0	0	0	0
32.		0	0	0	0	0	0
33.		0	0	0	0	0	0
34.		0	0	0	0	0	0
35.		0	0	0	0	0	0
SUBTOTAL (LINES 21 THROUGH 35)			\$0	\$0	\$0	\$0	\$0
GRAND TOTAL			\$0	\$0	\$0	\$0	\$0

(To Schedule 3)

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN
COMPONENTS - NONCAPITAL RELATEDHOME OFFICE NAME:
BARTON HEALTH SYSTEMFISCAL PERIOD ENDED:
DECEMBER 31, 2012

	PROVIDER NPI	Employee Health Services 34.14	Language Access Services 34.15	EPIC 34.16	Credit and Collections 34.17	Other 35	AUDITED TOTAL NONCAPITAL	
HEALTH CARE FACILITIES								
1.	BARTON MEMORIAL HOSPITAL	0	\$48,430	\$308,502	\$1,234,356	\$0	\$0	\$7,447,321
2.	CARSON VALLEY MEDICAL CENTER	0	0	0	0	0	0	754,033
3.		0	0	0	0	0	0	0
4.		0	0	0	0	0	0	0
5.		0	0	0	0	0	0	0
6.		0	0	0	0	0	0	0
7.		0	0	0	0	0	0	0
8.		0	0	0	0	0	0	0
9.		0	0	0	0	0	0	0
10.		0	0	0	0	0	0	0
11.		0	0	0	0	0	0	0
12.		0	0	0	0	0	0	0
13.		0	0	0	0	0	0	0
14.		0	0	0	0	0	0	0
15.		0	0	0	0	0	0	0
16.		0	0	0	0	0	0	0
17.		0	0	0	0	0	0	0
18.		0	0	0	0	0	0	0
19.		0	0	0	0	0	0	0
20.		0	0	0	0	0	0	0
SUBTOTAL (LINES 1 THROUGH 20)			\$48,430	\$308,502	\$1,234,356	\$0	\$0	\$8,201,354
OTHER COMPONENTS								
21.	LTASC	0	\$0	\$5,122	\$20,498	\$0	\$0	\$96,629
22.	BMH FOUNDATION	0	243	3,651	14,612	0	0	67,468
23.	NON REIMBURSABLE	0	0	3,860	15,446	0	0	47,395
24.		0	0	0	0	0	0	0
25.		0	0	0	0	0	0	0
26.		0	0	0	0	0	0	0
27.	OTHER MANAGED FACILITY	0	0	0	0	0	0	0
28.		0	0	0	0	0	0	0
29.		0	0	0	0	0	0	0
30.		0	0	0	0	0	0	0
31.		0	0	0	0	0	0	0
32.		0	0	0	0	0	0	0
33.		0	0	0	0	0	0	0
34.		0	0	0	0	0	0	0
35.		0	0	0	0	0	0	0
SUBTOTAL (LINES 21 THROUGH 35)			\$243	\$12,633	\$50,556	\$0	\$0	\$211,492
GRAND TOTAL			\$48,673	\$321,135	\$1,284,912	\$0	\$0	\$8,412,846

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS STATISTICS - CAPITAL RELATED

HOME OFFICE NAME:
BARTON HEALTH SYSTEM

FISCAL PERIOD ENDED:
DECEMBER 31, 2012

	PROVIDER NPI	New Cap. Related- (Statistics) 5.00 (Adj.)	(Statistics) 5.01 (Adj.)	Insurance Premiums (Statistics) 7.00 (Adj.)	Taxes and Licenses - Not (Statistics) 8.00 (Adj.)	Other (Statistics) 9.00 (Adj.)
HEALTH CARE FACILITIES						
1.	BARTON MEMORIAL HOSPITAL	0	0	0	0	0
2.	CARSON VALLEY MEDICAL CENTER	0	0	0	0	0
3.		0	0	0	0	0
4.		0	0	0	0	0
5.		0	0	0	0	0
6.		0	0	0	0	0
7.		0	0	0	0	0
8.		0	0	0	0	0
9.		0	0	0	0	0
10.		0	0	0	0	0
11.		0	0	0	0	0
12.		0	0	0	0	0
13.		0	0	0	0	0
14.		0	0	0	0	0
15.		0	0	0	0	0
16.		0	0	0	0	0
17.		0	0	0	0	0
18.		0	0	0	0	0
19.		0	0	0	0	0
20.		0	0	0	0	0
SUBTOTAL (LINES 1 THROUGH 20)		0	0	0	0	0
OTHER COMPONENTS						
21.	LTASC	0	0	0	0	0
22.	BMH FOUNDATION	0	0	0	0	0
23.	NON REIMBURSABLE	0	0	0	0	0
24.		0	0	0	0	0
25.		0	0	0	0	0
26.		0	0	0	0	0
27.	OTHER MANAGED FACILITY	0	0	0	0	0
28.		0	0	0	0	0
29.		0	0	0	0	0
30.		0	0	0	0	0
31.		0	0	0	0	0
32.		0	0	0	0	0
33.		0	0	0	0	0
34.		0	0	0	0	0
35.		0	0	0	0	0
SUBTOTAL (LINES 21 THROUGH 35)		0	0	0	0	0
GRAND TOTAL		0	0	0	0	0
TOTAL STATISTICS		0	0	0	0	0
COST TO BE ALLOCATED (FROM SCHEDULE 8)		\$0	\$0	\$0	\$0	\$0
UNIT COST MULTIPLIER		0.000000	0.000000	0.000000	0.000000	0.000000

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS STATISTICS - NONCAPITAL RELATED

HOME OFFICE NAME:
BARTON HEALTH SYSTEM

FISCAL PERIOD ENDED:
DECEMBER 31, 2012

HEALTH CARE FACILITIES

PROVIDER NPI	EPIC (Adj. Expense) 34.16 (Adj.)	Credit and Collections 34.17 (Adj.)	Other 35.00 (Adj.)
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1. BARTON MEMORIAL HOSPITAL	0	1,234,356	0	0
2. CARSON VALLEY MEDICAL CENTER	0	0	0	0
3.	0	0	0	0
4.	0	0	0	0
5.	0	0	0	0
6.	0	0	0	0
7.	0	0	0	0
8.	0	0	0	0
9.	0	0	0	0
10.	0	0	0	0
11.	0	0	0	0
12.	0	0	0	0
13.	0	0	0	0
14.	0	0	0	0
15.	0	0	0	0
16.	0	0	0	0
17.	0	0	0	0
18.	0	0	0	0
19.	0	0	0	0
20.	0	0	0	0
SUBTOTAL (LINES 1 THROUGH 20)		<u>1,234,356</u>	<u>0</u>	<u>0</u>

OTHER COMPONENTS

21. LTASC	0	20498	0	0
22. BMH FOUNDATION	0	14612	0	0
23. NON REIMBURSABLE	0	15446	0	0
24.	0	0	0	0
25.	0	0	0	0
26.	0	0	0	0
27. OTHER MANAGED FACILITY	0	0	0	0
28.	0	0	0	0
29.	0	0	0	0
30.	0	0	0	0
31.	0	0	0	0
32.	0	0	0	0
33.	0	0	0	0
34.	0	0	0	0
35.	0	0	0	0
SUBTOTAL (LINES 21 THROUGH 35)		<u>50,556</u>	<u>0</u>	<u>0</u>
GRAND TOTAL		<u>1,284,912</u>	<u>0</u>	<u>0</u>

TOTAL STATISTICS		1,284,912	0	0
COST TO BE ALLOCATED (FROM SCHEDULE 8)		\$1,284,912	\$0	\$0
UNIT COST MULTIPLIER		1.000000	0.000000	0.000000

DIRECT ALLOCATION OF CAPITAL COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:
BARTON HEALTH SYSTEM

FISCAL PERIOD ENDED:
DECEMBER 31, 2012

	PROVIDER NPI	REPORTED TOTAL (SCH. E)	NEW CAP. REL.					AUDITED TOTAL	
			COSTS BLDG	(Adj.)	(Adj.)	(Adj.)	(Adj.)		
<u>HEALTH CARE FACILITIES</u>									
1.	BARTON MEMORIAL HOSPITAL	0	\$812	\$0	\$0	\$0	\$0	\$0	\$812
2.	CARSON VALLEY MEDICAL CENTER	0	0	0	0	0	0	0	0
3.		0	0	0	0	0	0	0	0
4.		0	0	0	0	0	0	0	0
5.		0	0	0	0	0	0	0	0
6.		0	0	0	0	0	0	0	0
7.		0	0	0	0	0	0	0	0
8.		0	0	0	0	0	0	0	0
9.		0	0	0	0	0	0	0	0
10.		0	0	0	0	0	0	0	0
11.		0	0	0	0	0	0	0	0
12.		0	0	0	0	0	0	0	0
13.		0	0	0	0	0	0	0	0
14.		0	0	0	0	0	0	0	0
15.		0	0	0	0	0	0	0	0
16.		0	0	0	0	0	0	0	0
17.		0	0	0	0	0	0	0	0
18.		0	0	0	0	0	0	0	0
19.		0	0	0	0	0	0	0	0
20.		0	0	0	0	0	0	0	0
SUBTOTAL (LINES 1 THROUGH 20)			\$812	\$0	\$0	\$0	\$0	\$0	\$812
<u>OTHER COMPONENTS</u>									
21.	LTASC	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22.	BMH FOUNDATION	0	0	0	0	0	0	0	0
23.	NON REIMBURSABLE	0	14,004	0	0	0	0	0	14,004
24.		0	0	0	0	0	0	0	0
25.		0	0	0	0	0	0	0	0
26.		0	0	0	0	0	0	0	0
27.	OTHER MANAGED FACILITY	0	0	0	0	0	0	0	0
28.		0	0	0	0	0	0	0	0
29.		0	0	0	0	0	0	0	0
30.		0	0	0	0	0	0	0	0
31.		0	0	0	0	0	0	0	0
32.		0	0	0	0	0	0	0	0
33.		0	0	0	0	0	0	0	0
34.		0	0	0	0	0	0	0	0
35.		0	0	0	0	0	0	0	0
SUBTOTAL (LINES 21 THROUGH 35)			\$14,004	\$0	\$0	\$0	\$0	\$0	\$14,004
GRAND TOTAL			\$14,816	\$0	\$0	\$0	\$0	\$0	\$14,816

(To Schedule 3)

DIRECT ALLOCATION OF NONCAPITAL COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:
BARTON HEALTH SYSTEM

FISCAL PERIOD ENDED:
DECEMBER 31, 2012

	PROVIDER NPI							AUDITED TOTAL
		(Adj.)						
HEALTH CARE FACILITIES								
1.	BARTON MEMORIAL HOSPITAL	0	\$0	\$0	\$0	\$0	\$0	\$1,473,888
2.	CARSON VALLEY MEDICAL CENTER	0	0	0	0	0	0	86,415
3.		0	0	0	0	0	0	0
4.		0	0	0	0	0	0	0
5.		0	0	0	0	0	0	0
6.		0	0	0	0	0	0	0
7.		0	0	0	0	0	0	0
8.		0	0	0	0	0	0	0
9.		0	0	0	0	0	0	0
10.		0	0	0	0	0	0	0
11.		0	0	0	0	0	0	0
12.		0	0	0	0	0	0	0
13.		0	0	0	0	0	0	0
14.		0	0	0	0	0	0	0
15.		0	0	0	0	0	0	0
16.		0	0	0	0	0	0	0
17.		0	0	0	0	0	0	0
18.		0	0	0	0	0	0	0
19.		0	0	0	0	0	0	0
20.		0	0	0	0	0	0	0
SUBTOTAL (LINES 1 THROUGH 20)			\$0	\$0	\$0	\$0	\$0	\$1,560,303
OTHER COMPONENTS								
21.	LTASC	0	0	0	0	0	0	0
22.	BMH FOUNDATION	0	0	0	0	0	0	0
23.	NON REIMBURSABLE	0	0	0	0	0	0	335,945
24.		0	0	0	0	0	0	0
25.		0	0	0	0	0	0	0
26.		0	0	0	0	0	0	0
27.	OTHER MANAGED FACILITY	0	0	0	0	0	0	0
28.		0	0	0	0	0	0	0
29.		0	0	0	0	0	0	0
30.		0	0	0	0	0	0	0
31.		0	0	0	0	0	0	0
32.		0	0	0	0	0	0	0
33.		0	0	0	0	0	0	0
34.		0	0	0	0	0	0	0
35.		0	0	0	0	0	0	0
SUBTOTAL (LINES 21 THROUGH 35)			\$0	\$0	\$0	\$0	\$0	\$335,945
GRAND TOTAL			\$0	\$0	\$0	\$0	\$0	\$1,896,248

(To Schedule 3-1)

TRIAL BALANCE OF EXPENSES

HOME OFFICE NAME:
BARTON HEALTH SYSTEMFISCAL PERIOD ENDED:
DECEMBER 31, 2012

LINE NO.	COST CENTER DESCRIPTION	REPORTED FUNCTIONAL COSTS (SCH. B, COL 7)	ADJ. NO.	ADJUSTMENT AMOUNT(S)	AUDITED FUNCTIONAL COSTS
CAPITAL-RELATED COSTS - OLD					
1.00	Old Cap. Related-Buildings & Fixtures	\$0		\$0	\$0
1.01		0		0	0
2.00	Old Cap. Related-Movable Equipment	0		0	0
2.01		0		0	0
3.00	SUBTOTAL (sum of lines 1 through 2.01)	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
CAPITAL-RELATED COSTS - NEW					
4.00	New Cap. Related-Buildings & Fixtures	\$0		\$0	\$0
4.01		0		0	0
5.00	New Cap. Related-Movable Equipment	0		0	0
5.01		0		0	0
6.00	SUBTOTAL (sum of lines 4 through 5.01)	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
OTHER CAPITAL-RELATED COSTS					
7.00	Insurance Premiums	\$0		\$0	\$0
8.00	Taxes and Licenses - Not INCM	0		0	0
9.00	Other	0		0	0
10.00	SUBTOTAL (sum of lines 7 through 9)	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
NON CAPITAL-RELATED COSTS					
12.00	Salaries & Wages of Others	\$0		\$0	\$0
13.00	Payroll Taxes	0		0	0
15.00	Employee Benefits-Nonpayroll Related	0		0	0
17.00	Legal Fees	0		0	0
19.00	Utilities	0		0	0
20.00	Communications	0		0	0
21.00	Travel & Entertainment	0		0	0
23.00	Cleaning Office & Admin Supplies	0		0	0
24.00	Minor Equipment Expensed	0		0	0
25.00	Repairs & Maintenance	0		0	0
26.00	Dues & Subscriptions	0		0	0
28.00	Insurance Premium-Non Capital Related	0		0	0
29.00	Taxes & Licenses - Non Capital Related	0		0	0
31.00	Minor Equipment Expensed	0		0	0
32.00	Outside Training	0		0	0
33.00	Other Expense	0		0	0
33.03	Medical Supplies	0		0	0
33.05	Advertising	0		0	0
34.00	Human Resources	1,005,627		0	1,005,627
34.01	Material Management	575,088		0	575,088
34.02	Patient Accounting	2,723,180	4	(9,040)	2,714,140
34.04	Medical Records	0		0	0
34.06	2092 Lake Tahoe blvd	68,718		0	68,718
34.09	Employee Benefits	(1,560,011)		0	(1,560,011)
34.10	BMH Admin Support Services	3,971,230	5-10	(90,707)	3,880,523
34.11	CVMC Info Tech Support	0		0	0
34.12	BMH Other Admin Services	74,041		0	74,041
34.13	NV BHS Departments	0		0	0
34.14	Employee Health Services	48,673		0	48,673
34.15	Language Access Services	321,135		0	321,135
34.16	EPIC	1,284,912		0	1,284,912
34.17	Credit and Collections	0		0	0
35.00	Other	0		0	0
36.00	SUBTOTAL (sum of lines 11 through 35.08)	<u>\$8,512,593</u>		<u>(\$99,747)</u>	<u>\$8,412,846</u>
37.00	TOTAL ALLOWABLE EXPENSES	<u>\$8,512,593</u>		<u>(\$99,747)</u>	<u>\$8,412,846</u>
(To Sch. 6, 6-1)					
38.00	NONREIMBURSABLE EXPENSES	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
TOTAL EXPENSES		<u>\$8,512,593</u>		<u>(\$99,747)</u>	<u>\$8,412,846</u>

REPORTED HOME OFFICE COSTS

HOME OFFICE NAME:
BARTON HEALTH SYSTEM

FISCAL PERIOD ENDED:
DECEMBER 31, 2012

	PROVIDER NPI	FISCAL PERIODS ENDING DURING HOME OFFICE FISCAL YEAR		DIRECT ALLOCATION		FUNCTIONAL ALLOCATION		POOLED ALLOCATION		TOTAL ALLOCATION HOME OFFICE COSTS
		FROM	TO	CAPITAL RELATED COSTS (SCH. E)	NON-CAPITAL RELATED COSTS (SCH. E-1)	CAPITAL RELATED COSTS (SCH. F)	NON-CAPITAL RELATED COSTS (SCH. F-1)	CAPITAL RELATED COSTS (SCH. G)	NON-CAPITAL RELATED COSTS (SCH. G)	
HEALTH CARE FACILITIES										
1.	BARTON MEMORIAL HOSPITAL	01/01/12	12/31/12	\$812	\$1,473,888		\$7,540,890	\$206,268	\$6,934,032	\$16,155,890
2.	CARSON VALLEY MEDICAL CENTER	01/01/12	12/31/12		86,415		756,642	74,981	2,520,619	3,438,657
3.										0
4.										0
5.										0
6.										0
7.										0
8.										0
9.										0
10.										0
11.										0
12.										0
13.										0
14.										0
15.										0
16.										0
17.										0
18.										0
19.										0
20.										0
SUBTOTAL (LINES 1 THROUGH 20)				\$812	\$1,560,303	\$0	\$8,297,532	\$281,249	\$9,454,651	\$19,594,547
OTHER COMPONENTS										
21.	LTASC						\$98,076	\$3,425	\$115,149	\$216,650
22.	BMH FOUNDATION						68,500	2,442	82,084	153,026
23.	NON REIMBURSABLE			14,004	335,945		48,485	2,581	86,766	487,781
24.										0
25.										0
26.										0
27.	OTHER MANAGED FACILITY									0
28.										0
29.										0
30.										0
31.										0
32.										0
33.										0
34.										0
35.										0
SUBTOTAL (LINES 21 THROUGH 35)				\$14,004	\$335,945	\$0	\$215,061	\$8,448	\$283,999	\$857,457
GRAND TOTAL				\$14,816	\$1,896,248	\$0	\$8,512,593	\$289,697	\$9,738,650	\$20,452,004

(To Sch. 2, Col. 1)

Provider Name							Fiscal Period			Provider NPI		Adjustments
BARTON HEALTH SYSTEM							JANUARY 1, 2012 THROUGH DECEMBER 31, 2012			N/A		11
Report References							Explanation of Audit Adjustments			As Reported	Increase (Decrease)	As Adjusted
Cost Report												
Adj. No.	Audit Report	Work Sheet	Part	Title	Line	Col.						
ADJUSTMENTS TO REPORTED POOLED COSTS												
1	8	B			17.00	8	Legal Fees To eliminate Legal Fees expenses due to insufficient documentatic 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$36,266	(\$3,401)	\$32,865		
2	8	B			19.00	8	Utilities To eliminate Utilities-Other-Cable expenses not related to patient ca and due to lack of documentati 42 CFR 413.9(c)(3), 413.20, 413.24, and 431.10 CMS Pub. 15-1, Section 2102.3, 2300, and 2304 W&I Code 14124.2(b)	\$392,474	(\$540)	\$391,934		
3	8	B			25.00	8	Repairs & Maintenance To eliminate prior year Repairs and Maintenance expense 42 CFR 413.5, 413.20, 413.24, and 460.20 CMS Pub. 15-1, Sections 2300, 2302.1, and 2304	\$1,246,617	(\$2,760)	\$1,243,857		

Provider Name							Fiscal Period		Provider NPI		Adjustments
BARTON HEALTH SYSTEM							JANUARY 1, 2012 THROUGH DECEMBER 31, 2012		N/A		11
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 FUNCTIONAL COSTS											
4	8	B			34.02	7	Patient Accounting To eliminate prior year McKesson Health Solution expens 42 CFR 413.5, 413.20, 413.24, and 460.20 CMS Pub. 15-1, Sections 2300, 2302.1, and 230	\$2,723,180	(\$9,040)	\$2,714,140	
5	8	B			34.10	7	BMH Admin Support Svcs To eliminate other direct expenses due to lack of documentati 42 CFR 413.20, 413.24, and 431.10 CMS Pub. 15-1, Sections 2300 and 2304 / W&I Code 14124.2(b)	\$3,971,230	(\$4,211)		
6							To eliminate US Olympic Ski Team sponsorship costs not related patient care 42 CFR 413.5(c)(7) and 413.5 CMS Pub. 15-1, Sections 2102.3 and 2102.4		(32,500)		
7							To eliminate travel expenses due to insufficient documentati showing they are prudent, reasonable or patient care relate 42 CFR 413.9, 413.20, and 413.24 CMS Pub. 15-1, Sections 2300, 2103, 2105.5, 2105.6, 2105.8 2105.6, and 2304		(22,642)		
8							To eliminate the unreasonable cost of an excecutive staff retreat The Resort at Squaw Creek. Expenses are not prudent, reasonable or patient care related 42 CFR 413.9, 413.20, and 413.24 CMS Pub. 15-1, Sections 2103, 2105.5, 2105.6, 2105.8, and 2105.		(23,614)		
9							To eliminate dues and subscriptions expense due to lack of documentation 42 CFR 413.20, 413.24, and 431.10 CMS Pub. 15-1, Sections 2300 and 2304 / W&I Code 14124.2(b)		(6,420) (\$89,387)	\$3,881,843 *	

*Balance carried forward from prior/to subsequent adjustment

Provider Name							Fiscal Period			Provider NPI		Adjustments
BARTON HEALTH SYSTEM							JANUARY 1, 2012 THROUGH DECEMBER 31, 2012			N/A		11
Report References							Explanation of Audit Adjustments			As Reported	Increase (Decrease)	As Adjusted
Cost Report												
Adj. No.	Audit Report	Work Sheet	Part	Title	Line	Col.						
ADJUSTMENTS TO REPORTED FUNCTIONAL COSTS												
10	8	B			34.10	7	BMH Admin Support Svcs To eliminate expenses that should have been capitalized. 42 CFR 413.20, 413.130, and 413.134 CMS Pub. 15-1, Sections 104.1, 108.1, 2154, and 2300	*	\$3,881,843	(\$1,320)	\$3,880,523	

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period			Provider NPI		Adjustments
BARTON HEALTH SYSTEM							JANUARY 1, 2012 THROUGH DECEMBER 31, 2012			N/A		11
Report References							Explanation of Audit Adjustments			As Reported	Increase (Decrease)	As Adjusted
Cost Report												
Adj. No.	Audit Report	Work Sheet	Part	Title	Line	Col.						
ADJUSTMENT TO REPORTED POOLED STATISTICS												
11	4	G	II		27.00	1	Other Managed Facility	0	260,755	260,755		
	4	G	II		34.00	1	Grand Total	143,739,090	260,755	143,999,845		
							To adjust total cost statistics to agree with the provider's financial statements.					
							42 CFR 413.24 and 413.50					
							CMS Pub. 15-1, Sections 2304 and 2306					