

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

**DOCTORS HOSPITAL OF MANTECA
MANTECA, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1992736599**

**FISCAL PERIOD ENDED
MAY 31, 2010**

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

**Section Chief: Robert G. Kwick
Audit Supervisor: Kelly Ostrom
Auditor: David Pereira**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

August 20, 2013

Maribel Soller, Manager
Tenet Healthcare Corporation
5550 Topanga Canyon Blvd., Suite 260
Woodland Hills, CA 91367

DOCTORS HOSPITAL OF MANTECA
NATIONAL PROVIDER IDENTIFIER (NPI) 1992736599
FISCAL PERIOD ENDED MAY 31, 2010

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 limited review.

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 Fee-For-Service Rates Development Division pursuant to California Code of Regulations (CCR), Title 22, Sections 51545 through 51556. These regulations may be viewed at www.oal.ca.gov.

Maribel Soller
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—Sacramento at (916) 650-6994.

Original Signed By

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

Certified

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME DOCTORS HOSPITAL OF MANTECA
NPI 1992736599
FISCAL PERIOD JUNE 1, 2009 THROUGH MAY 31, 2010
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)	\$	1,757,181	\$	\$	1,757,181
B. Deductibles and Coinsurance (Third Party Liability) (Schedule 3, Lines 9 and 10) (Adj 2)	\$	63,764	\$	\$	63,764
C. Medi-Cal Inpatient Days (Adj 3, 4, 5) (Schedules 4 and 4A)					
1. Routine (Adults and Pediatrics)		657.50			657.50
2. ICU		63.50			63.50
3. CCU					
4. Nursery		315.75			315.75
5. NICU					
6. Other (Specify)					
a.					
b.					
D. Total Hospital Discharges *** (Adj)		N/A		N/A	3,969
E. Total Medi-Cal Discharges*** (Adj 6)		284			284
F. Total Medi-Cal Inpatient Charges (Schedule 2, Line 4) (Adj 7)	\$	16,116,445	\$	\$	16,116,445

* Data for NF or Administrative Days are 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 are not included.

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME	DOCTORS HOSPITAL OF MANTECA
NPI	1992736599
FISCAL PERIOD	JUNE 1, 2009 THROUGH MAY 31, 2010
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	\$	2,495,439
2. Rent and Lease Expense: (Adj)	8820-8822, and/or .75 and .76	\$	659,671
3. Interest Expense: (Adj)	8860, 8870	\$	1,397
4. Property Taxes and License Fees: (Adj 8)	8850 and/or .83	\$	447,626
5. Utility Expense: (Adj)	.77, .78, .79, and .80	\$	759,231
6. Malpractice Insurance Expense: (Adj)	8830 and/or .81	\$	278,255
B. GROSS OPERATING EXPENSES (Adj 8A)	Sch 10, line 101, col. 3	\$	61,896,702
C. STUDENT AND PHYSICIANS COMPENSATION			
1. Salaries and Wages (include benefits) (Adj)	.07, 8210.09 - 8290.09	\$	
2. Professional Fees (Adj)	.20	\$	1,272,737
D. PHARMACY NONLABOR EXPENSE (Adj 9)	8390.37 and 8390.38	\$	2,732,365
E. FOOD SERVICES NONLABOR EXPENSE (Adj)	8320, 8330 and 8340 and/or .42 and .43	\$	346,971
F. DIRECT OPERATING COSTS (Adj. 10-13)			
1. Salaries and Wages	.00 - .09, .91, .95	\$	30,396,922
2. Employee Benefits	.10 - .19, .92, .96	\$	6,924,756
3. Other Professional Fees	.21 - .29	\$	478,892
4. Purchased Services	.61 - .69	\$	8,426,310
5. Supplies	.31 - .36, .39 - .41 .44 - .50, .93, .97	\$	5,726,521
6. Other Direct Operating Expense	.85 - .90	\$	

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME	DOCTORS HOSPITAL OF MANTECA
NPI	1992736599
FISCAL PERIOD	JUNE 1, 2009 THROUGH MAY 31, 2010
CONTRACT PERIOD	N/A

A. DIRECT PAYROLL COSTS (Totals)	<u>REFERENCE</u>		
1. Management and Supervision (Adj 14,15)			
a. Productive Salaries	.00	\$	5,275,288
b. Productive Hours			98,642.00
2. Technicians and Specialists (Adj 16,17)			
a. Productive Salaries	.01	\$	5,826,116
b. Productive Hours			165,061.00
3. Registered Nurses (Adj 18,19)			
a. Productive Salaries	.02	\$	9,308,530
b. Productive Hours			189,982.00
4. Licensed Vocational Nurses (Adj 20,21)			
a. Productive Salaries	.03	\$	192,268
b. Productive Hours			7,752.00
5. Aides and Orderlies (Adj 22,23)			
a. Productive Salaries	.04	\$	831,659
b. Productive Hours			47,490.00
6. Physicians (Salaried) (Adj)			
a. Productive Salaries	.07	\$	
b. Productive Hours			
7. Nonphysician Medical Practitioners (Adj 24,25)			
a. Productive Salaries	.08	\$	224,953
b. Productive Hours			3,616.00
8. Environmental and Food Services (Adj 26,27)			
a. Productive Salaries	.06	\$	120,286
b. Productive Hours			4,545.00
9. Clerical and Other Administrative (Adj 28,29)			
a. Productive Salaries	.05	\$	3,014,486
b. Productive Hours			130,497.00
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	\$	5,470,907
b. Nonproductive Hours	Report or Provider W/P		104,338.00
B. SUBTOTAL DIRECT PAYROLL COST			
1. Productive Salaries (lines A1a - A10a) (Adj 32)		\$	<u>24,793,586</u>
2. Productive Hours (lines A1b - A10b) (Adj 33)			<u>647,585.00</u>
C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (A11a + B1) (Adj 34)		\$	<u>30,264,493</u>
D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (A11b + B2) (Adj 35)			<u>751,923.00</u>

Provider Name				Fiscal Period	NPI	Adjustments	
DOCTORS HOSPITAL OF MANTECA				JUNE 1, 2009 THROUGH MAY 31, 2010	1992736599	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	\$ 1,872,024	\$ (114,843)	\$ 1,757,181
	1	3	A	Medi-Cal Net Cost of Covered Services—Contract	\$	\$	\$
2	1	3	B	Deductibles and Coinsurance—Noncontract	\$ 52,527	\$ 11,237	\$ 63,764
	1	3	B	Deductibles and Coinsurance—Contract	\$	\$	\$
3	1	3	C 1	Medi-Cal Inpatient Days—Adults and Pediatrics—Noncontract	677.00	(19.50)	657.50
	1	3	C 1	Medi-Cal Inpatient Days—Adults and Pediatrics—Contract			
4	1	3	C 2	Medi-Cal Inpatient Days—ICU—Noncontract	68.00	(4.50)	63.50
	1	3	C 2	Medi-Cal Inpatient Days—ICU—Contract			
	1	3	C 3	Medi-Cal Inpatient Days—CCU—Noncontract			
	1	3	C 3	Medi-Cal Inpatient Days—CCU—Contract			
5	1	3	C 4	Medi-Cal Inpatient Days—Nursery—Noncontract	292.00	23.75	315.75
	1	3	C 4	Medi-Cal Inpatient Days—Nursery—Contract			
	1	3	C 5	Medi-Cal Inpatient Days—NICU—Noncontract			
	1	3	C 5	Medi-Cal Inpatient Days—NICU—Contract			
	1	3	C 6 a	Medi-Cal Inpatient Days—_____ Noncontract			
	1	3	C 6 a	Medi-Cal Inpatient Days—_____ Contract			
	1	3	C 6 b	Medi-Cal Inpatient Days—_____ Noncontract			
	1	3	C 6 b	Medi-Cal Inpatient Days—_____ Contract			

Provider Name				Fiscal Period		NPI	Adjustments
DOCTORS HOSPITAL OF MANTECA				JUNE 1, 2009 THROUGH MAY 31, 2010		1992736599	35
Report References				Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted
Adj. No.	Audit Report Page	RD Schedule Page Line					
	1	3	D	Total Hospital Discharges	3,969		3,969
6	1	3	E	Total Medi-Cal Discharges—Acute—Noncontract	269	15	284
	1	3	E	Total Medi-Cal Discharges—Acute—Contract			
7	1	3	F	Total Medi-Cal Inpatient Charges—Noncontract	\$ 14,489,333	\$ 1,627,112	\$ 16,116,445
	1	3	F	Total Medi-Cal Inpatient Charges—Contract	\$	\$	\$
	2	4	A 1	Depreciation Expense	\$ 2,495,439	\$	\$ 2,495,439
	2	4	A 2	Rent and Lease Expense	\$ 659,671	\$	\$ 659,671
	2	4	A 3	Interest Expense	\$ 1,397	\$	\$ 1,397
8	2	4	A 4	Property Taxes and License Fees	\$ 414,690	\$ 32,936	\$ 447,626
	2	4	A 5	Utility Expense	\$ 759,231	\$	\$ 759,231
	2	4	A 6	Malpractice Insurance Expense	\$ 278,255	\$	\$ 278,255
8A	2	4	B	Gross Operating Expenses	\$ 65,860,991	\$ (3,964,289)	\$ 61,896,702
	2	4	C 1	Student and Physicians Compensation—Salaries and Wages	\$	\$	\$
	2	4	C 2	Student and Physicians Compensation—Professional Fees	\$ 1,272,737	\$	\$ 1,272,737
9	2	4	D	Pharmacy Nonlabor Expense	\$ 2,246,693	\$ 485,672	\$ 2,732,365

Provider Name				Fiscal Period		NPI	Adjustments
DOCTORS HOSPITAL OF MANTECA				JUNE 1, 2009 THROUGH MAY 31, 2010		1992736599	35
Report References				Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted
Adj. No.	Audit Report Page	RD Schedule Page Line					
	2	4	E	Food Services Nonlabor Expense	\$ 346,971	\$	\$ 346,971
10	2	4	F 1	Direct Operating—Salaries and Wages	\$ 27,743,189	\$ 2,653,733	\$ 30,396,922
11	2	4	F 2	Direct Operating—Employee Benefits	\$ 9,570,877	\$ (2,646,121)	\$ 6,924,756
	2	4	F 3	Direct Operating—Other Professional Fees	\$ 478,892	\$	\$ 478,892
12	2	4	F 4	Direct Operating—Purchased Services	\$ 8,427,707	\$ (1,397)	\$ 8,426,310
13	2	4	F 5	Direct Operating—Supplies	\$ 3,750,386	\$ 1,976,135	\$ 5,726,521
	2	4	F 6	Direct Operating—Other Direct Operating Expense	\$	\$	\$
14	3	5	A 1 a	Management and Supervision—Productive Salaries	\$ 5,298,372	\$ (23,084)	\$ 5,275,288
15	3	5	A 1 b	Management and Supervision—Productive Hours	99,073	(431)	98,642
16	3	5	A 2 a	Technicians and Specialists—Productive Salaries	\$ 5,851,609	\$ (25,493)	\$ 5,826,116
17	3	5	A 2 b	Technicians and Specialists—Productive Hours	165,783	(722)	165,061
18	3	5	A 3 a	Registered Nurses—Productive Salaries	\$ 9,349,261	\$ (40,731)	\$ 9,308,530
19	3	5	A 3 b	Registered Nurses—Productive Hours	190,813	(831)	189,982
20	3	5	A 4 a	Licensed Vocational Nurses—Productive Salaries	\$ 193,110	\$ (842)	\$ 192,268
21	3	5	A 4 b	Licensed Vocational Nurses—Productive Hours	7,786	(34)	7,752
22	3	5	A 5 a	Aides and Orderlies—Productive Salaries	\$ 835,298	\$ (3,639)	\$ 831,659
23	3	5	A 5 b	Aides and Orderlies—Productive Hours	47,698	(208)	47,490

Provider Name				Fiscal Period		NPI	Adjustments
DOCTORS HOSPITAL OF MANTECA				JUNE 1, 2009 THROUGH MAY 31, 2010		1992736599	35
Report References				Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted
Adj. No.	Audit Report Page	RD Schedule Page Line					
	3	5	A 6 a	Physicians (Salaried)—Productive Salaries	\$	\$	\$
	3	5	A 6 b	Physicians (Salaried)—Productive Hours			
24	3	5	A 7 a	Nonphysician Medical Practitioners—Productive Salaries	\$ 225,937	\$ (984)	\$ 224,953
25	3	5	A 7 b	Nonphysician Medical Practitioners—Productive Hours	3,632	(16)	3,616
26	3	5	A 8 a	Environmental and Food Services—Productive Salaries	\$ 120,812	\$ (526)	\$ 120,286
27	3	5	A 8 b	Environmental and Food Services—Productive Hours	4,565	(20)	4,545
28	3	5	A 9 a	Clerical and Other Administrative—Productive Salaries	\$ 3,027,677	\$ (13,191)	\$ 3,014,486
29	3	5	A 9 b	Clerical and Other Administrative—Productive Hours	131,068	(571)	130,497
	3	5	A 10 a	Other Salaries and Wages—Productive Salaries	\$	\$	\$
	3	5	A 10 b	Other Salaries and Wages—Productive Hours			
30	3	5	A 11	Nonproductive Salaries and Wages	\$ 5,494,846	\$ (23,939)	\$ 5,470,907
31	3	5	A 11	Nonproductive Hours	104,795	(457)	104,338
32	3	5	B 1	Subtotal Productive Salaries	\$ 24,902,076	\$ (108,490)	\$ 24,793,586
33	3	5	B 2	Subtotal Productive Hours	650,418	(2,833)	647,585
34	3	5	C	Total Productive and Nonproductive Salaries	\$ 30,396,922	\$ (132,429)	\$ 30,264,493
35	3	5	D	Total Productive and Nonproductive Hours	755,213	(3,290)	751,923
<p>To adjust the Rate Development Schedules to agree with audit adjustments and/or provider records. CCR, Title 22, Section 51536</p>							