

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

**ALAMEDA HOSPITAL
ALAMEDA, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1225059355**

**FISCAL PERIOD ENDED
JUNE 30, 2010**

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

**Section Chief: Louise Wong
Audit Supervisor: David Mui
Auditor: Joy Maramag**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

September 10, 2012

Robert Anderson
Interim Chief Financial Officer
Alameda Hospital
2070 Clinton Avenue
Alameda, CA 94501

ALAMEDA HOSPITAL
NATIONAL PROVIDER IDENTIFIER (NPI) 1225059355
FISCAL PERIOD ENDED JUNE 30, 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 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 Department's Fee-For Service Rate 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.

If you disagree with the decision of the Department, you may appeal by writing to:

Robert Anderson
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John Melton, 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—Richmond at (510) 620-3100.

Original Signed by

Louise Wong, Chief
Audits Section—Richmond
Financial Audits Branch

Certified

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME ALAMEDA HOSPITAL
NATIONAL PROVIDER ID 1225059355
FISCAL PERIOD JULY 1, 2009 THROUGH JUNE 30, 2010
CONTRACT PERIOD MAY 6, 2010 THROUGH JUNE 30, 2010

	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) (Adjs 1, 2)	\$ 2,709,887		\$ 542,263		\$ 3,252,150
B. Deductibles and Coinsurance (Third Party Liability) (Schedule 3, Lines 9 and 10) (Adjs 3, 4)	\$ 51,029		\$ 12,263		\$ 63,292
C. Medi-Cal Inpatient Days (Adjs 5,6,7,8) (Schedules 4 and 4A)					
1. Routine (Adults and Pediatrics)	950		205		1,155
2. ICU					
3. CCU	117		14		131
4. Nursery					
5. NICU					
6. Other (Specify)					
a.					
b.					
D. Total Hospital Discharges (Adj 9)	N/A		N/A		2,878
E. Total Medi-Cal Discharges (Adjs 10,11)	265		47		312
F. Total Medi-Cal Inpatient Charges (Schedules 2, Line 4) (Adjs 12,13)	\$ 10,604,480		\$ 2,141,246		\$ 12,745,726

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME	ALAMEDA HOSPITAL
NATIONAL PROVIDER ID	1225059355
FISCAL PERIOD	JULY 1, 2009 THROUGH JUNE 30, 2010
CONTRACT PERIOD	MAY 6, 2010 THROUGH JUNE 30, 2010

	<u>REFERENCE</u>		
A. EXPENSE PASS-THROUGH DATA			
1. Depreciation Expense:	8810 - 8813, and/or .71, .72, .73 and .74	\$	1,155,022
2. Rent and Lease Expense:	8820-8822, and/or .75 and .76	\$	810,983
3. Interest Expense:	8860, 8870	\$	94,807
4. Property Taxes and License Fees:	8850 and/or .83	\$	270,792
5. Utility Expense:	.77, .78, .79, and .80	\$	775,792
6. Malpractice Insurance Expense:	8830 and/or .81	\$	370,967
B. GROSS OPERATING EXPENSES	Sch 10, line 101, col. 3	\$	72,161,566
C. STUDENT AND PHYSICIANS COMPENSATION			
1. Salaries and Wages (include benefits)	.07, 8210.09 - 8290.09	\$	0
2. Professional Fees	.20	\$	2,376,873
D. PHARMACY NONLABOR EXPENSE	8390.37 and 8390.38	\$	3,078,022
E. FOOD SERVICES NONLABOR EXPENSE	8320, 8330 and 8340 and/or .42 and .43	\$	315,143
F. DIRECT OPERATING COSTS			
1. Salaries and Wages	.00 - .09, .91, .95	\$	37,494,789
2. Employee Benefits	.10 - .19, .92, .96	\$	10,115,283
3. Other Professional Fees	.21 - .29	\$	3,099,897
4. Purchased Services	.61 - .69	\$	4,651,564
5. Supplies	.31 - .36, .39 - .41, .44 - .50, .93, .97	\$	5,795,183
6. Other Direct Operating Expense (Adj 14)	.85 - .90	\$	1,756,449

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME ALAMEDA HOSPITAL
NATIONAL PROVIDER ID 1225059355
FISCAL PERIOD JULY 1, 2009 THROUGH JUNE 30, 2010
CONTRACT PERIOD MAY 6, 2010 THROUGH JUNE 30, 2010

A. DIRECT PAYROLL COSTS (Totals)	<u>REFERENCE</u>		
1. Management and Supervision			
a. Productive Salaries	.00	\$	3,874,874
b. Productive Hours			65,374
2. Technicians and Specialists			
a. Productive Salaries	.01	\$	7,336,490
b. Productive Hours			180,259
3. Registered Nurses			
a. Productive Salaries	.02	\$	11,381,386
b. Productive Hours			185,190
4. Licensed Vocational Nurses			
a. Productive Salaries	.03	\$	752,355
b. Productive Hours			22,696
5. Aides and Orderlies			
a. Productive Salaries	.04	\$	2,372,989
b. Productive Hours			100,832
6. Physicians (Salaried)			
a. Productive Salaries	.07	\$	
b. Productive Hours			
7. Nonphysician Medical Practitioners			
a. Productive Salaries	.08	\$	
b. Productive Hours			
8. Environmental and Food Services			
a. Productive Salaries	.06	\$	1,854,166
b. Productive Hours			80,320
9. Clerical and Other Administrative			
a. Productive Salaries	.05	\$	3,086,011
b. Productive Hours			131,164
10. Other Salaries and Wages			
a. Productive Salaries	.09	\$	395,422
b. Productive Hours			6,661
11. All Nonproductive Salaries and Wages			
a. Nonproductive Salaries	Labor Distribution	\$	6,089,889
b. Nonproductive Hours	Report or Provider W/P		165,876
B. SUBTOTAL DIRECT PAYROLL COST			
1. Productive Salaries (lines A1a - A10a)		\$	<u>31,053,692</u>
2. Productive Hours (lines A1b - A10b)			<u>772,496</u>
C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (A11a + B1)		\$	<u>37,143,581</u>
D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (A11b + B2)			<u>938,372</u>

Provider Name				Fiscal Period		NPI	Adjustments	
ALAMEDA HOSPITAL				JULY 1, 2009 THROUGH JUNE 30, 2010		1225059355	14	
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	\$ 1,922,646	\$ 787,241	\$ 2,709,887	
2	1	3	A	Medi-Cal Net Cost of Covered Services—Contract	\$ 408,443	\$ 133,820	\$ 542,263	
3	1	3	B	Deductibles and Coinsurance—Noncontract	\$ 22,347	\$ 28,682	\$ 51,029	
4	1	3	B	Deductibles and Coinsurance—Contract	\$ 10,812	\$ 1,451	\$ 12,263	
5	1	3	C 1	Medi-Cal Inpatient Days—Adults and Pediatrics—Noncontract	701	249	950	
6	1	3	C 1	Medi-Cal Inpatient Days—Adults and Pediatrics—Contract	165	40	205	
	1	3	C 2	Medi-Cal Inpatient Days—ICU—Noncontract				
	1	3	C 2	Medi-Cal Inpatient Days—ICU—Contract				
7	1	3	C 3	Medi-Cal Inpatient Days—CCU—Noncontract	87	30	117	
8	1	3	C 3	Medi-Cal Inpatient Days—CCU—Contract	10	4	14	
	1	3	C 4	Medi-Cal Inpatient Days—Nursery—Noncontract				
	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
ALAMEDA HOSPITAL				JULY 1, 2009 THROUGH JUNE 30, 2010		1225059355	14
Report References				Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted
Adj. No.	Audit Report Page	RD Schedule Page Line					
9	1	3	D	Total Hospital Discharges	2,802	76	2,878
10	1	3	E	Total Medi-Cal Discharges—Acute—Noncontract	202	63	265
11	1	3	E	Total Medi-Cal Discharges—Acute—Contract	37	10	47
12	1	3	F	Total Medi-Cal Inpatient Charges—Noncontract	\$ 6,343,597	\$ 4,260,883	\$ 10,604,480
13	1	3	F	Total Medi-Cal Inpatient Charges—Contract	\$ 1,347,998	\$ 793,248	\$ 2,141,246
	2	4	A 1	Depreciation Expense	\$ 1,155,022	\$ 0	\$ 1,155,022
	2	4	A 2	Rent and Lease Expense	\$ 810,983	\$ 0	\$ 810,983
	2	4	A 3	Interest Expense	\$ 94,807	\$ 0	\$ 94,807
	2	4	A 4	Property Taxes and License Fees	\$ 270,792	\$ 0	\$ 270,792
	2	4	A 5	Utility Expense	\$ 775,792	\$ 0	\$ 775,792
	2	4	A 6	Malpractice Insurance Expense	\$ 370,967	\$ 0	\$ 370,967
	2	4	B	Gross Operating Expenses	\$ 72,161,566	\$ 0	\$ 72,161,566
	2	4	C 1	Student and Physicians Compensation—Salaries and Wages	\$	\$	\$
	2	4	C 2	Student and Physicians Compensation—Professional Fees	\$ 2,376,873	\$ 0	\$ 2,376,873
	2	4	D	Pharmacy Nonlabor Expense	\$ 3,078,022	\$ 0	\$ 3,078,022

Provider Name				Fiscal Period		NPI	Adjustments
ALAMEDA HOSPITAL				JULY 1, 2009 THROUGH JUNE 30, 2010		1225059355	14
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	\$ 315,143	\$ 0	\$ 315,143
	2	4	F 1	Direct Operating—Salaries and Wages	\$ 37,494,789	\$ 0	\$ 37,494,789
	2	4	F 2	Direct Operating—Employee Benefits	\$ 10,115,283	\$ 0	\$ 10,115,283
	2	4	F 3	Direct Operating—Other Professional Fees	\$ 3,099,897	\$ 0	\$ 3,099,897
	2	4	F 4	Direct Operating—Purchased Services	\$ 4,651,564	\$ 0	\$ 4,651,564
	2	4	F 5	Direct Operating—Supplies	\$ 5,795,183	\$ 0	\$ 5,795,183
14	2	4	F 6	Direct Operating—Other Direct Operating Expense	\$ 0	\$ 1,756,449	\$ 1,756,449
	3	5	A 1 a	Management and Supervision—Productive Salaries	\$ 3,874,874	\$ 0	\$ 3,874,874
	3	5	A 1 b	Management and Supervision—Productive Hours	65,374	0	65,374
	3	5	A 2 a	Technicians and Specialists—Productive Salaries	\$ 7,336,490	\$ 0	\$ 7,336,490
	3	5	A 2 b	Technicians and Specialists—Productive Hours	180,259	0	180,259
	3	5	A 3 a	Registered Nurses—Productive Salaries	\$ 11,381,386	\$ 0	\$ 11,381,386
	3	5	A 3 b	Registered Nurses—Productive Hours	185,190	0	185,190
	3	5	A 4 a	Licensed Vocational Nurses—Productive Salaries	\$ 752,355	\$ 0	\$ 752,355
	3	5	A 4 b	Licensed Vocational Nurses—Productive Hours	22,696	0	22,696
	3	5	A 5 a	Aides and Orderlies—Productive Salaries	\$ 2,372,989	\$ 0	\$ 2,372,989
	3	5	A 5 b	Aides and Orderlies—Productive Hours	100,832	0	100,832

Provider Name				Fiscal Period		NPI	Adjustments
ALAMEDA HOSPITAL				JULY 1, 2009 THROUGH JUNE 30, 2010		1225059355	14
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				
3	5	A 7 a	Nonphysician Medical Practitioners—Productive Salaries	\$	\$	\$	
3	5	A 7 b	Nonphysician Medical Practitioners—Productive Hours				
3	5	A 8 a	Environmental and Food Services—Productive Salaries	\$ 1,854,166	\$ 0	\$ 1,854,166	
3	5	A 8 b	Environmental and Food Services—Productive Hours	80,320	0	80,320	
3	5	A 9 a	Clerical and Other Administrative—Productive Salaries	\$ 3,086,011	\$ 0	\$ 3,086,011	
3	5	A 9 b	Clerical and Other Administrative—Productive Hours	131,164	0	131,164	
3	5	A 10 a	Other Salaries and Wages—Productive Salaries	\$ 398,422	\$ 0	\$ 398,422	
3	5	A 10 b	Other Salaries and Wages—Productive Hours	6,661	0	6,661	
3	5	A 11	Nonproductive Salaries and Wages	\$ 6,089,889	\$ 0	\$ 6,089,889	
3	5	A 11	Nonproductive Hours	165,876	0	165,876	
3	5	B 1	Subtotal Productive Salaries	\$ 31,053,693	\$ 0	\$ 31,053,693	
3	5	B 2	Subtotal Productive Hours	772,496	0	772,496	
3	5	C	Total Productive and Nonproductive Salaries	\$ 37,143,581	\$ 0	\$ 37,143,581	
3	5	D	Total Productive and Nonproductive Hours	938,372	0	938,372	
<p>To adjust the Rate Development Schedules to agree with audit adjustments and/or provider records. CCR, Title 22, Section 51536</p>							