

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

**BAKERSFIELD MEMORIAL HOSPITAL
BAKERSFIELD, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1467538520**

**FISCAL PERIOD ENDED
JUNE 30, 2010**

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

**Section Chief: Michael Harrold
Auditor: Sandy Feng**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

October 11, 2013

Jessica Hanson, CFO
Bakersfield Memorial Hospital
430 34th Street
Bakersfield, CA 93303

BAKERSFIELD MEMORIAL HOSPITAL
NATIONAL PROVIDER IDENTIFIER (NPI) 1467538520
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 Benefits, Waiver Analysis and Rates Division pursuant to California Code of Regulations (CCR), Title 22, Sections 51545 through 51556. These regulations may be viewed at www.oal.ca.gov.

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

Chief
Department of Health Care Services
Office of Administrative Hearings and Appeals
1029 J Street, Suite 200
Sacramento, CA 95814
(916) 322-5603

Jessica Hanson
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The written notice of disagreement must be received by the Department within 60 calendar days from the day you receive this letter. A copy of this notice should be sent to:

United States Postal Service (USPS)

Assistant Chief Counsel
Department of Health Care Services
Office of Legal Services
MS 0010
PO Box 997413
Sacramento, CA 95899

Courier (UPS, FedEx, etc.)

Assistant Chief Counsel
Department of Health Care Services
Office of Legal Services
MS 0010
1501 Capitol Avenue, Suite 71.5001
Sacramento, CA 95814
(916) 440-7700

The procedures that govern an appeal are contained in Welfare and Institutions Code, Section 14171, and California Code of Regulations, Title 22, Section 51016, et seq.

If you have questions regarding this report, you may call the Audits Section—Fresno at (559) 446-2458.

Original Signed by

Michael A. Harrold, Chief
Audits Section—Fresno
Financial Audits Branch

Certified

Provider Name				Fiscal Period		NPI	Adjustments
BAKERSFIELD MEMORIAL HOSPITAL				JULY 1, 2009 THROUGH JUNE 30, 2010		1467538520	12
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	\$ 23,490,566	\$ (1,739,522)	\$ 21,751,044
2	1	3	B	Deductibles and Coinsurance—Noncontract	\$ 234,574	\$ (10,956)	\$ 223,618
3	1	3	C 1	Medi-Cal Inpatient Days—Adults and Pediatrics—Noncontract	6,035.00	244.25	6,279.25
4	1	3	C 2	Medi-Cal Inpatient Days—ICU—Noncontract	934.00	43.00	977.00
5	1	3	C 4	Medi-Cal Inpatient Days—Nursery—Noncontract	653.00	21.00	674.00
6	1	3	C 5	Medi-Cal Inpatient Days—NICU—Noncontract	3,616.00	321.75	3,937.75
7	1	3	E	Total Medi-Cal Discharges—Acute—Noncontract	2,076	(2)	2,074
8	1	3	F	Total Medi-Cal Inpatient Charges—Noncontract	\$ 103,238,807	\$ 6,748,292	\$ 109,987,099
9	2	4	B	Gross Operating Expenses	\$ 245,764,976	\$ (26,925,150)	\$ 218,839,826
10	2	4	F 1	Direct Operating—Salaries and Wages	\$ 91,259,241	\$ (14,021,337)	\$ 77,237,904
11	2	4	F 2	Direct Operating—Employee Benefits	\$ 27,901,036	\$ 14,020,210	\$ 41,921,246
12	2	4	F 4	Direct Operating—Purchased Services	\$ 26,258,895	\$ 12,661,244	\$ 38,920,139
				To adjust the Rate Development Schedules to agree with audit adjustments and/or provider records. CCR, Title 22, Section 51536			

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME	BAKERSFIELD MEMORIAL HOSPITAL
NPI	1467538520
FISCAL PERIOD	JULY 1, 2009 THROUGH JUNE 30, 2010
CONTRACT PERIOD	N/A

	<u>REFERENCE</u>		
A. EXPENSE PASS-THROUGH DATA			
1. Depreciation Expense:	8810 - 8813, and/or .71, .72, .73 and .74	\$	9,104,038
2. Rent and Lease Expense:	8820-8822, and/or .75 and .76	\$	1,972,501
3. Interest Expense:	8860, 8870	\$	5,927,105
4. Property Taxes and License Fees:	8850 and/or .83	\$	267,498
5. Utility Expense:	.77, .78, .79, and .80	\$	3,537,965
6. Malpractice Insurance Expense:	8830 and/or .81	\$	744,714
B. GROSS OPERATING EXPENSES (Adj 9)	Sch 10, line 101, col. 3	\$	218,839,826
C. STUDENT AND PHYSICIANS COMPENSATION			
1. Salaries and Wages (include benefits)	.07, 8210.09 - 8290.09	\$	
2. Professional Fees	.20	\$	1,854,156
D. PHARMACY NONLABOR EXPENSE	8390.37 and 8390.38	\$	7,172,730
E. FOOD SERVICES NONLABOR EXPENSE	8320, 8330 and 8340 and/or .42 and .43	\$	1,452,580
F. DIRECT OPERATING COSTS (Adj 10-12)			
1. Salaries and Wages	.00 - .09, .91, .95	\$	77,237,904
2. Employee Benefits	.10 - .19, .92, .96	\$	41,921,246
3. Other Professional Fees	.21 - .29	\$	2,519,099
4. Purchased Services	.61 - .69	\$	38,920,139
5. Supplies	.31 - .36, .39 - .41, .44 - .50, .93, .97	\$	36,704,533

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME	BAKERSFIELD MEMORIAL HOSPITAL
NPI	1467538520
FISCAL PERIOD	JULY 1, 2009 THROUGH JUNE 30, 2010
CONTRACT PERIOD	N/A

A. DIRECT PAYROLL COSTS (Totals)	<u>REFERENCE</u>		
1. Management and Supervision			
a. Productive Salaries	.00	\$	8,490,625
b. Productive Hours			144,222.00
2. Technicians and Specialists			
a. Productive Salaries	.01	\$	18,312,685
b. Productive Hours			531,878.00
3. Registered Nurses			
a. Productive Salaries	.02	\$	35,884,196
b. Productive Hours			762,590.00
4. Licensed Vocational Nurses			
a. Productive Salaries	.03	\$	521,562
b. Productive Hours			20,856.00
5. Aides and Orderlies			
a. Productive Salaries	.04	\$	2,997,117
b. Productive Hours			185,761.00
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	\$	3,276,715
b. Productive Hours			204,503.00
9. Clerical and Other Administrative			
a. Productive Salaries	.05	\$	6,387,584
b. Productive Hours			337,979.00
10. Other Salaries and Wages			
a. Productive Salaries	.09	\$	1,368,656
b. Productive Hours			52,881.00
11. All Nonproductive Salaries and Wages			
a. Nonproductive Salaries	Labor Distribution	\$	14,020,221
b. Nonproductive Hours	Report or Provider W/P		432,958.00
B. SUBTOTAL DIRECT PAYROLL COST			
1. Productive Salaries (lines A1a - A10a)		\$	77,239,140
2. Productive Hours (lines A1b - A10b)			<u>2,240,670.00</u>
C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (A11a + B1)		\$	<u>81,259,361</u>
D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (A11b + B2)			<u>2,673,628.00</u>