

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

**FRESNO HEART AND SURGICAL HOSPITAL  
FRESNO, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1699872978**

**FISCAL PERIOD ENDED  
AUGUST 31, 2010**

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

**Section Chief: Michael Harrold  
Audit Supervisor: Linda King  
Auditor: Kathryn Rodrigues**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

July 5, 2013

James Cole  
Director of Government Reimbursement  
Community Medical Centers  
1925 East Dakota Avenue, Ste. 214  
Fresno, CA 93726

FRESNO HEART AND SURGICAL HOSPITAL  
NATIONAL PROVIDER IDENTIFIER (NPI) 1699872978  
FISCAL PERIOD ENDED AUGUST 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 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](http://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

James Cole  
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(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—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
FRESNO HART AND SURGICAL HOSPITAL				SEPTEMBER 1, 2009 THROUGH AUGUST 31, 2010		1699872978	18
Report References				Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted
Adj. No.	Audit Report Page	RD Schedule Page Line					
<b><u>ADJUSTMENTS TO RATE DEVELOPMENT SCHEDULES</u></b>							
1	1	3	A	Medi-Cal Net Cost of Covered Services—Noncontract	\$ 15,252	\$ 32,824	\$ 48,076
2	1	3	B	Deductibles and Coinsurance—Noncontract	\$ 0	\$ 19,156	\$ 19,156
3	1	3	C 1	Medi-Cal Inpatient Days—Adults and Pediatrics—Noncontract	6	10	16
4	1	3	C 3	Medi-Cal Inpatient Days—CCU—Noncontract	0	2	2
5	1	3	E	Total Medi-Cal Discharges—Acute—Noncontract	3	2	5
6	1	3	F	Total Medi-Cal Inpatient Charges—Noncontract	\$ 60,581	\$ 118,945	\$ 179,526
7	2	4	A 2	Rent and Lease Expense	\$ 692,292	\$ (6,536)	\$ 685,756
8	2	4	A 5	Utility Expense	\$ 1,043,090	\$ (3,521)	\$ 1,039,569
9	2	4	A 6	Malpractice Insurance Expense	\$ 123,210	\$ 438,378	\$ 561,588
10	2	4	B	Gross Operating Expenses	\$ 72,942,347	\$ 238,908	\$ 73,181,255
11	2	4	C 2	Student and Physicians Compensation—Professional Fees	\$ 2,214,736	\$ (9,975)	\$ 2,204,761
12	2	4	D	Pharmacy Nonlabor Expense	\$ 2,422,754	\$ (31,466)	\$ 2,391,288
13	2	4	E	Food Services Nonlabor Expense	\$ 1,508,218	\$ (1,117,336)	\$ 390,882

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14	2	4	F 2	Direct Operating—Employee Benefits	\$ 8,068,650	\$ 1,704	\$ 8,070,354
15	2	4	F 3	Direct Operating—Other Professional Fees	\$ 2,198,343	\$ 1,500	\$ 2,199,843
16	2	4	F 4	Direct Operating—Purchased Services	\$ 8,645,036	\$ (19,678)	\$ 8,625,358
17	2	4	F 5	Direct Operating—Supplies	\$ 9,793,078	\$ 8,052,999	\$ 17,846,077
18	2	4	F 6	Other Direct Operating Expense	\$ 947,187	\$ 342,104	\$ 1,289,291
				To adjust the Rate Development Schedules to agree with audit adjustments and/or provider records. CCR, Title 22, Section 51536			

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3	5	B 1		Subtotal Productive Salaries	\$	\$	\$
3	5	B 2		Subtotal Productive Hours			
3	5	C		Total Productive and Nonproductive Salaries	\$	\$	\$
3	5	D		Total Productive and Nonproductive Hours			
				To adjust the Rate Development Schedules to agree with audit adjustments and/or provider records. CCR, Title 22, Section 51536			