

**REPORT
ON THE APPEAL RECOMPUTATION OF
RATE DEVELOPMENT SCHEDULES**

**HOAG MEMORIAL HOSPITAL PRESBYTERIAN
NEWPORT BEACH, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1518951300**

**FISCAL PERIOD ENDED
SEPTEMBER 30, 2010**

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

**Section Chief: Margaret A. Varho
Audit Supervisor: Felipe Avila
Auditor: Lang Doan**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

July 2, 2013

Bonny Shum
Hoag Memorial Hospital Presbyterian
500 Superior Avenue, Suite 200
Newport Beach, CA 92663

In the Matter of:

HOAG MEMORIAL HOSPITAL
PRESBYTERIAN
PROVIDER NUMBER: ZZT30224F
PROVIDER NPI: 1518951300
FISCAL YEAR ENDED: 9/30/10
CASE NUMBER: HA13-0910-516D-TW

DEPARTMENT OF HEALTH
CARE SERVICES
AUDITS AND INVESTIGATIONS
MEDI-CAL PROGRAM
RATE DEVELOPMENT WORKSHEET

Enclosed is the final Rate Development Worksheets pursuant to the Report of Findings dated June 19, 2012.

If you have any questions in regard to this revision, please contact Felipe Avila, Supervisor at (714) 558-4434.

(Original signed by Margaret Varho)

Margaret A. Varho, Chief
Audits Section—Santa Ana
Financial Audits Branch

Enclosure
Certified

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME HOAG MEMORIAL HOSPITAL PRESBYTERIAN
NPI 1518951300
FISCAL PERIOD SEPTEMBER 30, 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) (Rev 1)	\$ 6,502,143		\$		\$ 6,502,143
B. Deductibles and Coinsurance (Third Party Liability) (Schedule 3, Lines 9 and 10) (Rev)	\$ 35,008		\$		\$ 35,008
C. Medi-Cal Inpatient Days (Rev) (Schedules 4 and 4A)					
1. Routine (Adults and Pediatrics)	1,831				1,831
2. ICU	77				77
3. CCU	44				44
4. Nursery	937				937
5. NICU	324				324
6. Other (Specify)					
a.					
b.					
D. Total Hospital Discharges ** (Rev)	N/A		N/A		28,827
E. Total Medi-Cal Discharges** (Rev)		653			653
F. Total Medi-Cal Inpatient Charges (Schedules 2, Line 4) (Rev)	\$ 13,605,520		\$		\$ 13,605,520

* Data for NF or Administrative Days are not included.

** Data for newborns that were born in the hospital are not included.

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME	HOAG MEMORIAL HOSPITAL PRESBYTERIAN
NPI	1518951300
FISCAL PERIOD	SEPTEMBER 30, 2010
CONTRACT PERIOD	N/A

	<u>REFERENCE</u>		
A. EXPENSE PASS-THROUGH DATA			
1. Depreciation Expense: (Rev)	8810 - 8813, and/or .71, .72, .73 and .74	\$	53,409,986
2. Rent and Lease Expense: (Rev)	8820-8822, and/or .75 and .76	\$	11,405,253
3. Interest Expense: (Rev)	8860, 8870	\$	17,263,251
4. Property Taxes and License Fees: (Rev)	8850 and/or .83	\$	3,634,479
5. Utility Expense: (Rev)	.77, .78, .79, and .80	\$	7,191,470
6. Malpractice Insurance Expense: (Rev)	8830 and/or .81	\$	1,376,288
B. GROSS OPERATING EXPENSES (Rev)	Sch 10, line 101, col. 3	\$	623,780,279
C. STUDENT AND PHYSICIANS COMPENSATION			
1. Salaries and Wages (include benefits) (Rev)	.07, 8210.09 - 8290.09	\$	
2. Professional Fees (Rev)	.20	\$	4,553,975
D. PHARMACY NONLABOR EXPENSE (Rev)	8390.37 and 8390.38	\$	32,821,543
E. FOOD SERVICES NONLABOR EXPENSE (Rev)	8320, 8330 and 8340 and/or .42 and .43	\$	
F. DIRECT OPERATING COSTS			
1. Salaries and Wages	.00 - .09, .91, .95	\$	245,647,107
2. Employee Benefits	.10 - .19, .92, .96	\$	101,319,882
3. Other Professional Fees	.21 - .29	\$	11,750,003
4. Purchased Services	.61 - .69	\$	55,720,424
5. Supplies	.31 - .36, .39 - .41 .44 - .50, .93, .97	\$	97,036,956
6. Other Direct Operating Expense	.85 - .90	\$	

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME	HOAG MEMORIAL HOSPITAL PRESBYTERIAN
NPI	1518951300
FISCAL PERIOD	SEPTEMBER 30, 2010
CONTRACT PERIOD	N/A

A. DIRECT PAYROLL COSTS (Totals)	<u>REFERENCE</u>		
1. Management and Supervision (Adj)			
a. Productive Salaries	.00	\$	35,080,838
b. Productive Hours			616,624.00
2. Technicians and Specialists (Adj)			
a. Productive Salaries	.01	\$	54,299,122
b. Productive Hours			1,597,501.00
3. Registered Nurses (Adj)			
a. Productive Salaries	.02	\$	79,957,321
b. Productive Hours			1,786,075.00
4. Licensed Vocational Nurses (Adj)			
a. Productive Salaries	.03	\$	118,101
b. Productive Hours			5,036.00
5. Aides and Orderlies (Adj)			
a. Productive Salaries	.04	\$	9,683,935
b. Productive Hours			535,629.00
6. Physicians (Salaried) (Adj)			
a. Productive Salaries	.07	\$	612,755
b. Productive Hours			7,115.00
7. Nonphysician Medical Practitioners (Adj)			
a. Productive Salaries	.08	\$	796,971
b. Productive Hours			13,747.00
8. Environmental and Food Services (Adj)			
a. Productive Salaries	.06	\$	9,679,760
b. Productive Hours			640,048.00
9. Clerical and Other Administrative (Adj)			
a. Productive Salaries	.05	\$	18,712,243
b. Productive Hours			1,035,625.00
10. Other Salaries and Wages (Adj)			
a. Productive Salaries	.09	\$	12,159,931
b. Productive Hours			404,534.00
11. All Nonproductive Salaries and Wages (Adj)			
a. Nonproductive Salaries	Labor Distribution	\$	29,820,472
b. Nonproductive Hours	Report or Provider W/P		812,990.00
B. SUBTOTAL DIRECT PAYROLL COST			
1. Productive Salaries (lines A1a - A10a)		\$	<u>221,100,977</u>
2. Productive Hours (lines A1b - A10b)			<u>6,641,934.00</u>
C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (A11a + B1)		\$	<u>250,921,449</u>
D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (A11b + B2)			<u>7,454,924.00</u>

MEDI-CAL DISCHARGES

PROVIDER NAME	NPI	FPE
HOAG MEMORIAL HOSPITAL PRESBYTERIAN	1518951300	SEPTEMBER 30, 2010

MONTH/YR	RUN PAGE NUMBER	TOTAL LINES	ADJUSTMENTS						ADJUSTED TOTAL
			NURSERY	DB & CR ENTRIES	ZERO DAYS	30 & 31 CODES	"V" CODE	OTHER (EXPLAIN)	
Oct, 2009	1	21	1					4	16
Oct, 2009	2	27	1						26
Oct.Nov.,2009	3	27							27
Nov.,2009	4	27		2					25
Nov.Dec.,2009	5	27	1	6					20
Dec.,2009	6	27	1				2		24
Dec.Jan.,09-10	7	27	1						26
Jan.,2010	8	27	1				2		24
Jan.Feb.,2010	9	27	1						26
Feb., 2010	10	27							27
Feb.Mar.,2010	11	27	1						26
Mar.,2010	12	27	1						26
Mar.Apr.,2010	13	27							27
April, 2010	14	27							27
April May, 2010	15	27	1						26
May, 2010	16	27	2						25
June, 2010	17	27	3						24
June, 2010	18	27							27
Jun.Jul.,2010	19	27							27
Jul.,2010	20	27							27
Jul.,2010	21	27							27
Jul.Aug.,2010	22	27	1						26
Aug.Sept.,2010	23	27	2						25
Aug.Sept.,2010	24	27	4						23
Sept.,2010	25	27							27
Sept.,2010	26	23	1						22
TOTALS			23	8	0	0	8	0	653

Provider Name				Fiscal Period		NPI	Revision	
HOAG MEMORIAL HOSPITAL PRESBYTERIAN				SEPTEMBER 30, 2010		1518951300	1	
Report References				Explanation of Audit Adjustments	Adjusted	Increase (Decrease)	Revised	
Rev. 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	\$ 6,357,358	\$ 144,785	\$ 6,502,143	
				To adjust Medi-Cal Net Cost of Covered Services. Informal Appeal Finding - Issue 2 Case Number: HA13-0910-516D-TW				