

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

**GOLETA VALLEY COTTAGE HOSPITAL
GOLETA, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1225038136**

**FISCAL PERIOD ENDED
DECEMBER 31, 2010**

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

**Section Chief: Maria Delgado
Audit Supervisor: Ginn Sampson
Auditor: George Barbosa**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

September 17, 2012

Joan Bricher
Chief Financial Officer
Goleta Valley Cottage Hospital
351 South Patterson Avenue
Santa Barbara, CA 93111

PROVIDER: GOLETA VALLEY COTTAGE HOSPITAL
NATIONAL PROVIDER IDENTIFIER: 1225038136
FISCAL PERIOD ENDED: DECEMBER 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 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

Joan Bricher
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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—Gardena at (310) 516-4757.

Original Signed By:

Maria Delgado, Chief
Audits Section—Gardena
Financial Audits Branch

Certified

Cc: Ellen (Suzi) Wiley
Reimbursement Analyst
Goleta Valley Cottage Hospital
C/O Finance Department
P.O. Box 689
Santa Barbara, CA 93102

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME GOLETA VALLEY COTTAGE HOSPITAL
NPI 1225038136
FISCAL PERIOD JANUARY 1, 2010 THROUGH DECEMBER 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)	\$	139,300	\$	\$	139,300
B. Deductibles and Coinsurance (Third Party Liability) (Schedule 3, Lines 9 and 10)	\$	2,110	\$	\$	2,110
C. Medi-Cal Inpatient Days (Adj) (Schedules 4 and 4A)					
1. Routine (Adults and Pediatrics)		37			37
2. ICU		2			2
3. CCU					
4. Nursery					
5. NICU					
6. Other (Specify)					
a.					
b.					
D. Total Hospital Discharges *** (Adj 3)		N/A		N/A	1,616
E. Total Medi-Cal Discharges*** (Adj 4)					19
F. Total Medi-Cal Inpatient Charges (Schedules 2, Line 4) (Adj 5)	\$	514,813	\$	\$	514,813

* 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	GOLETA VALLEY COTTAGE HOSPITAL
NPI	1225038136
FISCAL PERIOD	JANUARY 1, 2010 THROUGH DECEMBER 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	\$	2,604,606
2. Rent and Lease Expense: (Adj 6)	8820-8822, and/or .75 and .76	\$	575,130
3. Interest Expense: (Adj)	8860, 8870	\$	55
4. Property Taxes and License Fees: (Adj 7)	8850 and/or .83	\$	95,038
5. Utility Expense: (Adj)	.77, .78, .79, and .80	\$	554,269
6. Malpractice Insurance Expense: (Adj)	8830 and/or .81	\$	(164,685)
B. GROSS OPERATING EXPENSES (Adj)	Sch 10, line 101, col. 3	\$	51,429,917
C. STUDENT AND PHYSICIANS COMPENSATION			
1. Salaries and Wages (include benefits) (Adj)	.07, 8210.09 - 8290.09	\$	
2. Professional Fees (Adj)	.20	\$	1,248,424
D. PHARMACY NONLABOR EXPENSE (Adj)	8390.37 and 8390.38	\$	1,186,370
E. FOOD SERVICES NONLABOR EXPENSE (Adj)	8320, 8330 and 8340 and/or .42 and .43	\$	405,831
F. DIRECT OPERATING COSTS			
1. Salaries and Wages (Adj 8)	.00 - .09, .91, .95	\$	19,991,404
2. Employee Benefits	.10 - .19, .92, .96	\$	7,482,058
3. Other Professional Fees	.21 - .29	\$	562,965
4. Purchased Services	.61 - .69	\$	4,711,856
5. Supplies	.31 - .36, .39 - .41 .44 - .50, .93, .97	\$	9,172,085
6. Other Direct Operating Expense	.85 - .90	\$	

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME	GOLETA VALLEY COTTAGE HOSPITAL
NPI	1225038136
FISCAL PERIOD	JANUARY 1, 2010 THROUGH DECEMBER 31, 2010
CONTRACT PERIOD	N/A

A. DIRECT PAYROLL COSTS (Totals)	<u>REFERENCE</u>		
1. Management and Supervision (Adj)			
a. Productive Salaries	.00	\$	1,842,367
b. Productive Hours			29,225.00
2. Technicians and Specialists (Adj)			
a. Productive Salaries	.01	\$	4,072,266
b. Productive Hours			101,681.00
3. Registered Nurses (Adj)			
a. Productive Salaries	.02	\$	6,615,414
b. Productive Hours			127,503.00
4. Licensed Vocational Nurses (Adj)			
a. Productive Salaries	.03	\$	996,593
b. Productive Hours			34,130.00
5. Aides and Orderlies (Adj)			
a. Productive Salaries	.04	\$	1,740,763
b. Productive Hours			90,823.00
6. Physicians (Salaried) (Adj)			
a. Productive Salaries	.07	\$	-
b. Productive Hours			-
7. Nonphysician Medical Practitioners (Adj)			
a. Productive Salaries	.08	\$	-
b. Productive Hours			-
8. Environmental and Food Services (Adj)			
a. Productive Salaries	.06	\$	1,042,750
b. Productive Hours			64,497.00
9. Clerical and Other Administrative (Adj)			
a. Productive Salaries	.05	\$	1,248,055
b. Productive Hours			59,091.00
10. Other Salaries and Wages (Adj)			
a. Productive Salaries	.09	\$	110,184
b. Productive Hours			5,586.00
11. All Nonproductive Salaries and Wages (Adj)			
a. Nonproductive Salaries	Labor Distribution	\$	2,346,752
b. Nonproductive Hours	Report or Provider W/P		52,351.00
B. SUBTOTAL DIRECT PAYROLL COST			
1. Productive Salaries (lines A1a - A10a)		\$	<u>17,668,392</u>
2. Productive Hours (lines A1b - A10b)			<u>512,536.00</u>
C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (A11a + B1)		\$	<u>20,015,144</u>
D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (A11b + B2)			<u>564,887.00</u>

Provider Name		Fiscal Period		NPI		Adjustments	
GOLETA VALLEY COTTAGE HOSPITAL		JANUARY 1, 2010 THROUGH DECEMBER 31, 2010		1225038136		8	
Report References				Explanation of Audit Adjustments			
Adj. No.	Report Page	RD Schedule Page	Line	Reported	Increase (Decrease)	Adjusted	
<u>ADJUSTMENTS TO RATE DEVELOPMENT SCHEDULES</u>							
1	1	3	A	\$ 136,750	\$ 2,550	\$ 139,300	Medi-Cal Net Cost of Covered Services - Noncontract
2	1	3	B	\$ 0	\$ 2,110	\$ 2,110	Deductibles and Coinsurance - Noncontract
3	1	3	D	1,378	238	1,616	Total Hospital Discharges
4	1	3	E	16	3	19	Total Medi-Cal Discharges - Acute - Noncontract
5	1	3	F	\$ 504,685	\$ 10,128	\$ 514,813	Total Medi-Cal Inpatient Charges - Noncontract
6	2	4	A 2	\$ 575,139	\$ (9)	\$ 575,130	Rent and Lease Expense
7	2	4	A 4	\$ 95,578	\$ (540)	\$ 95,038	Property Taxes and License Fees
8	2	4	F 1	\$ 17,668,392	\$ 2,323,012	\$ 19,991,404	Direct Operating - Salaries and Wages

To adjust the Rate Development Schedules to agree with audit adjustments and provider records.
 CCR, Title 22, Section 51536