

**REPORT
ON THE
COST REPORT REVIEW**

**KERN MEDICAL CENTER
BAKERSFIELD, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1376623538**

**FISCAL PERIOD ENDED
JUNE 30, 2010**

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

**Section Chief: Michael Harrold
Audit Supervisor: Linda King
Auditor: Dianna Morgan**



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



EDMUND G. BROWN JR.
GOVERNOR

May 23, 2013

Houshang S. Abd, CFO
Kern Medical Center
1700 Mt Vernon Avenue
Bakersfield, CA 93306

PROVIDER: KERN MEDICAL CENTER
PROVIDER NO. 1376623538
FISCAL PERIOD ENDED JUNE 30, 2010

We have examined the provider's Medi-Cal Cost Report for the above-referenced fiscal period. Our examination was made under the authority of Section 14170 of the Welfare and Institutions Code and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the audited combined settlement for the fiscal period due the State in the amount of \$101,489, and the audited costs presented in the Summary of Findings represent a proper determination in accordance with the reimbursement principles of applicable programs.

This audit report includes the:

1. Summary of Findings
2. Computation of Medi-Cal Cost (DESIG PUB HOSP Schedules)
3. Audit Adjustments Schedule

The audited settlement will be incorporated into a Statement of Account Status, which may reflect tentative retroactive adjustment determinations, payments from the provider, and other financial transactions initiated by the Department. The Statement of Account Status will be forwarded to the provider by the State's fiscal intermediary. Instructions regarding payment will be included with the Statement of Account Status.

The audited cost data will be incorporated into the Workbook for purposes of determining final settlement in accordance with the Special Terms and Conditions Funding and Reimbursement Protocol. This final settlement will be determined by the Safety Net Financing Division and transmitted to you under separate cover.

Notwithstanding this audit report, overpayments to the provider are subject to recovery pursuant to Section 51458.1, Article 6 of Division 3, Title 22, California Code of Regulations.

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

Chief
Office of Administrative Hearing 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 95899-7413

Courier (UPS, FedEx, etc.)

Assistant Chief Counsel
Department of Health Care Services
Office of Legal Service MS 0010
1501 Capitol Avenue, Suite 71.5001
Sacramento, CA 95814-5005
(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

SUMMARY OF FINDINGS

Provider Name:
KERN MEDICAL CENTER

Fiscal Period Ended:
JUNE 30, 2010

	SETTLEMENT	COST
1. Medi-Cal Noncontract Settlement (SCHEDULE 1)		
Provider No.		
Reported	\$ 0	
Net Change	\$ 0	
Audited Amount Due Provider (State)	\$ 0	
2. Subprovider I (SCHEDULE 1-1)		
Provider No.		
Reported	\$ 0	
Net Change	\$ 0	
Audited Amount Due Provider (State)	\$ 0	
3. Subprovider II (SCHEDULE 1-2)		
Provider No.		
Reported	\$ 0	
Net Change	\$ 0	
Audited Amount Due Provider (State)	\$ 0	
4. Designated Public Hospital Cost (SCHEDULE 1)		
Provider No. 1376623538		
Reported		\$ 59,446,651
Net Change		\$ (2,682,067)
Audited Cost		\$ 56,764,583
Audited Amount Due Provider (State)	\$ (101,489)	
5. Distinct Part Nursing Facility (DPNF SCH 1)		
Provider No.		
Reported		\$ 0.00
Net Change		\$ 0.00
Audited Cost Per Day		\$ 0.00
Audited Amount Due Provider (State)	\$ 0	
6. Distinct Part Nursing Facility (DPNF SCH 1-1)		
Provider No.		
Reported		\$ 0.00
Net Change		\$ 0.00
Audited Cost Per Day		\$ 0.00
Audited Amount Due Provider (State)	\$ 0	
7. Adult Subacute (ADULT SUBACUTE SCH 1)		
Provider No.		
Reported		\$ 0.00
Net Change		\$ 0.00
Audited Cost Per Day		\$ 0.00
Audited Amount Due Provider (State)	\$ 0	
8. Total Medi-Cal Settlement Due Provider (State) - (Lines 1 through 7)	\$ (101,489)	
9. Total Medi-Cal Cost		\$ 56,764,583

SUMMARY OF FINDINGS

Provider Name:
KERN MEDICAL CENTER

Fiscal Period Ended:
JUNE 30, 2010

		SETTLEMENT	COST
10. Subacute (SUBACUTE SCH 1-1) Provider No.	Reported		\$ 0.00
	Net Change		\$ 0.00
	Audited Cost Per Day		\$ 0.00
	Audited Amount Due Provider (State)	\$ 0	
11. Rural Health Clinic (RHC SCH 1) Provider No.	Reported	\$ 0	
	Net Change	\$ 0	
	Audited Amount Due Provider (State)	\$ 0	
12. Rural Health Clinic (RHC 95-210 SCH 1) Provider No.	Reported	\$ 0	
	Net Change	\$ 0	
	Audited Amount Due Provider (State)	\$ 0	
13. Rural Health Clinic (RHC 95-210 SCH 1-1) Provider No.	Reported	\$ 0	
	Net Change	\$ 0	
	Audited Amount Due Provider (State)	\$ 0	
14. County Medical Services Program (CMSP SCH 1) Provider No.	Reported	\$ 0	
	Net Change	\$ 0	
	Audited Amount Due Provider (State)	\$ 0	
15. Transitional Care (TC SCH 1) Provider No.	Reported		\$ 0.00
	Net Change		\$ 0.00
	Audited Cost Per Day		\$ 0.00
	Audited Amount Due Provider (State)	\$ 0	
16. Total Other Settlement Due Provider - (Lines 10 through 15)		\$ 0	
17. Total Combined Audited Settlement Due Provider (State/CMSP/RHC) - (Line 8 + Line 16)		\$ (101,489)	

COMPUTATION OF MEDI-CAL CONTRACT COST

Provider Name:
KERN MEDICAL CENTER

Fiscal Period Ended:
JUNE 30, 2010

Provider No:
1376623538

		REPORTED	AUDITED
1.	Net Cost of Covered Services Rendered to Medi-Cal Patients (Contract Sch 3)	\$ 59,446,651	\$ 56,764,583
2.	Excess Reasonable Cost Over Charges (Contract Sch 2)	\$ 0	\$ 0
3.	Medi-Cal Inpatient Hospital Based Physician Services	\$ 0	N/A
4.		\$ 0	\$ 0
5.	Subtotal (Sum of Lines 1 through 4)	\$ 59,446,651	\$ 56,764,583
6.	\$	\$ 0	\$ 0
7.		\$ 0	\$ 0
8.	Total Medi-Cal Cost (Sum of Lines 5 through 7)	\$ 59,446,651	\$ 56,764,583
		(To Summary of Findings)	
9.	INTERIM PAYMENTS (Adj 29)	\$ 0	\$ (34,021,178)
10.	Medi-Cal Credit Balances (Adj 30)	\$ 0	\$ (101,489)
11.		\$ 0	\$ 0
12.		\$ 0	\$ 0
13.	TOTAL MEDI-CAL OVERPAYMENT SETTLEMENT Due Provider (State)	\$ 0	\$ (101,489)
		(To Summary of Findings)	

**COMPUTATION OF LESSER OF
MEDI-CAL REASONABLE COST OR CUSTOMARY CHARGES**

Provider Name:
KERN MEDICAL CENTER

Fiscal Period Ended:
JUNE 30, 2010

Provider No:
1376623538

REPORTED	AUDITED
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REASONABLE COST OF MEDI-CAL INPATIENT SERVICES

1. Cost of Covered Services (Contract Sch 3)	\$ <u>59,446,651</u>	\$ <u>57,043,580</u>
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CHARGES FOR MEDI-CAL INPATIENT SERVICES

2. Inpatient Routine Service Charges (Adj 27)	\$ <u>0</u>	\$ <u>98,754,232</u>
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3. Inpatient Ancillary Service Charges (Adj 27)	\$ <u>71,758,376</u>	\$ <u>76,904,584</u>
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4. Total Charges - Medi-Cal Inpatient Services	\$ <u>71,758,376</u>	\$ <u>175,658,816</u>
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5. Excess of Customary Charges Over Reasonable Cost (Line 4 minus Line 1) *	\$ <u>12,311,725</u>	\$ <u>118,615,236</u>
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6. Excess of Reasonable Cost Over Customary Charges (Line 1 minus Line 4)	\$ <u>0</u>	\$ <u>0</u>
	(To Contract Sch 1)	

* If charges exceed reasonable cost, no further calculation necessary for this schedule.

**COMPUTATION OF
MEDI-CAL INPATIENT ROUTINE SERVICE COST**

Provider Name:
KERN MEDICAL CENTER

Fiscal Period Ended:
JUNE 30, 2010

Provider No:
1376623538

GENERAL SERVICE UNIT NET OF SWING-BEDS COSTS

	REPORTED	AUDITED
INPATIENT DAYS		
1. Total Inpatient Days (include private & swing-bed) (Adj 23)	40,853	41,577
2. Inpatient Days (include private, exclude swing-bed)	40,853	41,577
3. Private Room Days (exclude swing-bed private room) (Adj)	0	0
4. Semi-Private Room Days (exclude swing-bed) (Adj 23)	40,853	41,577
5. Medicare NF Swing-Bed Days through Dec 31 (Adj)	0	0
6. Medicare NF Swing-Bed Days after Dec 31 (Adj)	0	0
7. Medi-Cal NF Swing-Bed Days through July 31 (Adj)	0	0
8. Medi-Cal NF Swing-Bed Days after July 31 (Adj)	0	0
9. Medi-Cal Days (excluding swing-bed) (Adj 25)	15,854	15,487

SWING-BED ADJUSTMENT

17. Medicare NF Swing-Bed Rates through Dec 31 (Adj)	\$ 0.00	\$ 0.00
18. Medicare NF Swing-Bed Rates after Dec 31(Adj)	\$ 0.00	\$ 0.00
19. Medi-Cal NF Swing-Bed Rates through July 31(Adj)	\$ 0.00	\$ 0.00
20. Medi-Cal NF Swing-Bed Rates after July 31(Adj)	\$ 0.00	\$ 0.00
21. Total Routine Serv Cost (Sch 8, Part I, Line 25, Col 27)	\$ 47,059,276	\$ 45,093,563
22. Medicare NF Swing-Bed Cost through Dec 31 (L 5 x L 17)	\$ 0	\$ 0
23. Medicare NF Swing-Bed Cost after Dec 31 (L 6 x L 18)	\$ 0	\$ 0
24. Medi-Cal NF Swing-Bed Cost through July 31 (L 7 x L 19)	\$ 0	\$ 0
25. Medi-Cal NF Swing-Bed Cost after July 31 (L 8 x L 20)	\$ 0	\$ 0
26. Total Swing-Bed Cost (Sum of Lines 22 to 25)	\$ 0	\$ 0
27. Inpatient Routine Cost Net of Swing-Bed (L 21 minus L 26)	\$ 47,059,276	\$ 45,093,563

PRIVATE ROOM DIFFERENTIAL ADJUSTMENT

28. Gen Inpatient Routine Serv Charges (excl swing-bed charges)(Adj)	\$ 146,766,096	\$ 146,766,096
29. Private Room Charges (excluding swing-bed charges)(Adj 1)	\$ 0	\$ 0
30. Semi-Private Room Charges (excluding swing-bed charges)(Adj)	\$ 44,619,952	\$ 44,619,952
31. Gen Inpatient Routine Service Cost/Charge Ratio (L 27 / L 28)	\$ 0.320641	\$ 0.307248
32. Average Private Room Per Diem Charge (L 29 / L 3)	\$ 0.00	\$ 0.00
33. Average Semi-Private Room Per Diem Charge (L 30 / L 4)	\$ 1,092.21	\$ 1,073.19
34. Avg Per Diem Prvt Room Charge Differential (L 32 minus L 33)	\$ 0.00	\$ 0.00
35. Average Per Diem Private Room Cost Differential (L 31 x L 34)	\$ 0.00	\$ 0.00
36. Private Room Cost Differential Adjustment (L 35 x L 3)	\$ 0	\$ 0
37. Inpatient Rout Cost Net of Swing-Bed & Prvt Rm (L 27 minus L 36)	\$ 47,059,276	\$ 45,093,563

PROGRAM INPATIENT OPERATING COST

38. Adjusted General Inpatient Routine Cost Per Diem (L 37 / L 2)	\$ 1,151.92	\$ 1,084.58
39. Program General Inpatient Routine Service Cost (L 9 x L 38)	\$ 18,262,540	\$ 16,796,890
40. Cost Applicable to Medi-Cal (Contract Sch 4A)	\$ 15,824,186	\$ 15,321,659
41. Cost Applicable to Medi-Cal (Contract Sch 4B)	\$ 0	\$ 0
42. TOTAL MEDI-CAL ROUTINE COST (Sum of Lines 39, 40 & 41)	\$ 34,086,726	\$ 32,118,549

(To Contract Sch 3)

**COMPUTATION OF
MEDI-CAL INPATIENT ROUTINE SERVICE COST**

Provider Name:
KERN MEDICAL CENTER

Fiscal Period Ended:
JUNE 30, 2010

Provider No:
1376623538

SPECIAL CARE AND/OR NURSERY UNITS	REPORTED	AUDITED
NURSERY		
1. Total Inpatient Routine Cost (Sch 8, Line 33, Col 27)	\$ 893,686	\$ 834,870
2. Total Inpatient Days (Adj 23)	5,512	5,508
3. Average Per Diem Cost	\$ 162.13	\$ 151.57
4. Medi-Cal Inpatient Days (Adj 25)	3,703	3,782
5. Cost Applicable to Medi-Cal	\$ 600,367	\$ 573,238
INTENSIVE CARE UNIT		
6. Total Inpatient Routine Cost (Sch 8, Line 26, Col 27)	\$ 6,637,223	\$ 6,345,868
7. Total Inpatient Days (Adj 23)	2,275	2,191
8. Average Per Diem Cost	\$ 2,917.46	\$ 2,896.33
9. Medi-Cal Inpatient Days (Adj 25)	699	873
10. Cost Applicable to Medi-Cal	\$ 2,039,305	\$ 2,528,496
CORONARY CARE UNIT		
11. Total Inpatient Routine Cost (Sch 8, Line 27, Col 27)	\$ 0	\$ 0
12. Total Inpatient Days (Adj)	0	0
13. Average Per Diem Cost	\$ 0.00	\$ 0.00
14. Medi-Cal Inpatient Days (Adj)	0	0
15. Cost Applicable to Medi-Cal	\$ 0	\$ 0
NEONATAL INTENSIVE CARE UNIT		
16. Total Inpatient Routine Cost (Sch 8, Line 29.01, Col 27)	\$ 13,868,089	\$ 13,547,892
17. Total Inpatient Days (Adj 23)	9,414	9,182
18. Average Per Diem Cost	\$ 1,473.13	\$ 1,475.48
19. Medi-Cal Inpatient Days (Adj 25)	8,950	8,282
20. Cost Applicable to Medi-Cal	\$ 13,184,514	\$ 12,219,925
SURGICAL INTENSIVE CARE UNIT		
21. Total Inpatient Routine Cost (Sch 8, Line 29, Col 27)	\$ 0	\$ 0
22. Total Inpatient Days (Adj)	0	0
23. Average Per Diem Cost	\$ 0.00	\$ 0.00
24. Medi-Cal Inpatient Days (Adj)	0	0
25. Cost Applicable to Medi-Cal	\$ 0	\$ 0
26. Total Inpatient Routine Cost (Sch 8, Line___ , Col 27)	\$ 0	\$ 0
27. Total Inpatient Days (Adj)	0	0
28. Average Per Diem Cost	\$ 0.00	\$ 0.00
29. Medi-Cal Inpatient Days (Adj)	0	0
30. Cost Applicable to Medi-Cal	\$ 0	\$ 0
31. Medi-Cal Routine Cost (Sum of Lines 5,10,15,20,25,30)	\$ 15,824,186	\$ 15,321,659

(To Contract Sch 4)

Provider Name:
KERN MEDICAL CENTER

Fiscal Period Ended:
JUNE 30, 2010

TRIAL BALANCE EXPENSES	ALLOC COST 4.08	EMPLOYEE BENEFITS 5.00	ALLOC COST 6.01	ALLOC COST 6.02	ALLOC COST 6.03	ALLOC COST 6.04	ALLOC COST 6.05	ALLOC COST 6.06	ALLOC COST 6.07	ALLOC COST 6.08	ACCUMULATE COST	ADMINISTRATIVE & GENERAL 6.00
ANCILLARY COST CENTERS												
37.00 Operating Room	0	1,372,199	0	0	0	0	0	0	0	0	9,984,969	1,630,151
38.00 Recovery Room	0	0	0	0	0	0	0	0	0	0	0	0
39.00 Delivery Room and Labor Room	0	694,935	0	0	0	0	0	0	0	0	6,893,861	1,125,495
40.00 Anesthesiology	0	25,796	0	0	0	0	0	0	0	0	453,234	73,995
41.00 Radiology - Diagnostic	0	812,703	0	0	0	0	0	0	0	0	6,990,968	1,141,349
41.01	0	0	0	0	0	0	0	0	0	0	0	0
41.02	0	0	0	0	0	0	0	0	0	0	0	0
42.00 Radiology - Therapeutic	0	0	0	0	0	0	0	0	0	0	0	0
43.00 Radioisotope	0	0	0	0	0	0	0	0	0	0	0	0
44.00 Laboratory	0	552,177	0	0	0	0	0	0	0	0	7,822,231	1,277,062
44.01 Pathological Lab	0	0	0	0	0	0	0	0	0	0	0	0
46.00 Whole Blood & Packed Red Blood Cells	0	57,092	0	0	0	0	0	0	0	0	1,743,574	284,657
47.00 Blood Storing and Processing	0	0	0	0	0	0	0	0	0	0	0	0
48.00 Intravenous Therapy	0	0	0	0	0	0	0	0	0	0	0	0
49.00 Respiratory Therapy	0	289,431	0	0	0	0	0	0	0	0	3,170,833	517,672
50.00 Physical Therapy	0	70,516	0	0	0	0	0	0	0	0	1,088,819	177,761
51.00 Occupational Therapy	0	0	0	0	0	0	0	0	0	0	0	0
51.01 Cardiac Catheterization Laboratory	0	31,452	0	0	0	0	0	0	0	0	486,487	79,424
52.00 Speech Pathology	0	0	0	0	0	0	0	0	0	0	0	0
53.00 Electrocardiology	0	41,117	0	0	0	0	0	0	0	0	508,719	83,054
54.00 Electroencephalography	0	7,529	0	0	0	0	0	0	0	0	106,836	17,442
55.00 Medical Supplies Charged to Patients	0	0	0	0	0	0	0	0	0	0	7,730,506	1,262,087
55.30 Impl. Dev. Charged to Patient	0	0	0	0	0	0	0	0	0	0	2,782,220	454,227
56.00 Drugs Charged to Patients	0	0	0	0	0	0	0	0	0	0	6,277,001	1,024,787
57.00 Renal Dialysis	0	0	0	0	0	0	0	0	0	0	0	0
58.00 ASC (Non-Distinct Part)	0	0	0	0	0	0	0	0	0	0	0	0
59.00 Gastro Intestinal Services	0	103,940	0	0	0	0	0	0	0	0	1,158,334	189,110
59.03	0	0	0	0	0	0	0	0	0	0	0	0
60.00 Clinic	0	1,373,171	0	0	0	0	0	0	0	0	17,908,654	2,923,776
60.01 Other Clinic Services	0	0	0	0	0	0	0	0	0	0	0	0
61.00 Emergency	0	1,186,627	0	0	0	0	0	0	0	0	12,625,019	2,061,167
62.00 Observation Beds	0	0	0	0	0	0	0	0	0	0	0	0
63.00 Other Outpatient Service	0	65,678	0	0	0	0	0	0	0	0	871,750	142,322
71.00 Home Health Agency	0	105,843	0	0	0	0	0	0	0	0	1,245,248	203,300
83.00 Ambulatory Pharmacy	0	151,242	0	0	0	0	0	0	0	0	5,132,821	837,987
84.00	0	0	0	0	0	0	0	0	0	0	0	0
85.00	0	0	0	0	0	0	0	0	0	0	0	0
86.00	0	0	0	0	0	0	0	0	0	0	0	0
NONREIMBURSABLE COST CENTER:												
96.00 Gift, Flower, Coffee Shop & Canteen	0	7,136	0	0	0	0	0	0	0	0	95,783	15,638
97.00 Research	0	0	0	0	0	0	0	0	0	0	0	0
98.00 Physicians' Private Office	0	0	0	0	0	0	0	0	0	0	0	0
99.00 Nonpaid Workers	0	0	0	0	0	0	0	0	0	0	0	0
99.01	0	0	0	0	0	0	0	0	0	0	0	0
99.02	0	0	0	0	0	0	0	0	0	0	0	0
99.03	0	0	0	0	0	0	0	0	0	0	0	0
99.04	0	0	0	0	0	0	0	0	0	0	0	0
99.05	0	0	0	0	0	0	0	0	0	0	0	0
100.00 Other Nonreimbursable	0	1,208,249	0	0	0	0	0	0	0	0	17,382,470	2,837,871
100.01	0	0	0	0	0	0	0	0	0	0	0	0
100.02	0	0	0	0	0	0	0	0	0	0	0	0
100.03	0	0	0	0	0	0	0	0	0	0	0	0
100.04	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	16,933,301	0	224,907,807	31,565,215							

Provider Name:
KERN MEDICAL CENTER

Fiscal Period Ended:
JUNE 30, 2010

TRIAL BALANCE EXPENSES	MAINT & REPAIRS 7.00	OPER PLANT 8.00	LAUNDRY & LINEN 9.00	HOUSEKEEP 10.00	DIETARY 11.00	CAFE 12.00	MAINT OF PERSONNEL 13.00	NURSING ADMIN 14.00	CENTRAL SERVICE & SUPPLY 15.00	PHARMACY 16.00	MEDICAL RECORDS & LIBRARY 17.00	SOCIAL SERVICE 18.00
ANCILLARY COST CENTERS												
37.00 Operating Room	639,381	276,709	70,993	408,222	0	108,474	0	197,062	162,390	3,552	310,569	0
38.00 Recovery Room	0	0	0	0	0	0	0	0	0	0	0	0
39.00 Delivery Room and Labor Room	192,016	83,100	71,013	122,596	0	108,250	0	267,326	49,766	0	184,972	0
40.00 Anesthesiology	44,883	19,424	0	28,656	0	6,051	0	12,922	23,405	178,416	218,128	0
41.00 Radiology - Diagnostic	320,095	138,530	39,951	204,369	0	113,181	0	4,846	12,039	124,862	555,464	0
41.01	0	0	0	0	0	0	0	0	0	0	0	0
41.02	0	0	0	0	0	0	0	0	0	0	0	0
42.00 Radiology - Therapeutic	0	0	0	0	0	0	0	0	0	0	0	0
43.00 Radioisotope	0	0	0	0	0	0	0	0	0	0	0	0
44.00 Laboratory	240,943	104,275	2,396	153,833	0	106,457	0	0	150,555	20,762	464,085	0
44.01 Pathological Lab	0	0	0	0	0	0	0	0	0	0	0	0
46.00 Whole Blood & Packed Red Blood Cells	15,669	6,781	0	10,004	0	9,861	0	0	130,215	16,809	53,350	0
47.00 Blood Storing and Processing	0	0	0	0	0	0	0	0	0	0	0	0
48.00 Intravenous Therapy	0	0	0	0	0	0	0	0	0	0	0	0
49.00 Respiratory Therapy	60,981	26,391	0	38,934	0	52,668	0	0	22,290	246	202,657	0
50.00 Physical Therapy	78,419	33,938	5,339	50,068	0	13,895	0	0	814	0	55,582	0
51.00 Occupational Therapy	0	0	0	0	0	0	0	0	0	0	0	0
51.01 Cardiac Catheterization Laboratory	44,302	19,173	1,636	28,285	0	3,810	0	3,231	10,670	22,900	14,672	0
52.00 Speech Pathology	0	0	0	0	0	0	0	0	0	0	0	0
53.00 Electrocardiology	27,344	11,834	522	17,458	0	10,085	0	0	1,089	0	62,346	0
54.00 Electroencephalography	15,012	6,497	26	9,584	0	1,569	0	0	385	0	7,416	0
55.00 Medical Supplies Charged to Patients	0	0	0	0	0	0	0	0	28,395	0	166,747	0
55.30 Impl. Dev. Charged to Patient	0	0	0	0	0	0	0	0	0	0	27,308	0
56.00 Drugs Charged to Patients	0	0	0	0	0	0	0	0	0	4,582,623	302,372	0
57.00 Renal Dialysis	0	0	0	0	0	0	0	0	0	0	0	0
58.00 ASC (Non-Distinct Part)	0	0	0	0	0	0	0	0	0	0	0	0
59.00 Gastro Intestinal Services	45,919	19,873	13,692	29,318	0	13,671	0	38,766	20,002	198	32,624	0
59.03	0	0	0	0	0	0	0	0	0	0	0	0
60.00 Clinic	1,532,466	663,216	9,695	978,425	106,741	266,255	0	461,965	29,776	11,408	199,830	0
60.01 Other Clinic Services	0	0	0	0	0	0	0	0	0	0	0	0
61.00 Emergency	564,348	244,237	119,469	360,316	350,971	199,692	0	0	55,845	1,282	1,156,402	0
62.00 Observation Beds	0	0	0	0	0	0	0	0	0	0	0	0
63.00 Other Outpatient Service	162,120	70,162	568	103,508	209,729	16,809	0	0	319	1,259	0	0
71.00 Home Health Agency	58,580	25,352	0	37,401	0	18,602	0	23,421	4,191	79,925	0	0
83.00 Ambulatory Pharmacy	9,022	3,905	0	5,760	0	31,825	0	0	0	0	111,024	0
84.00	0	0	0	0	0	0	0	0	0	0	0	0
85.00	0	0	0	0	0	0	0	0	0	0	0	0
86.00	0	0	0	0	0	0	0	0	0	0	0	0
NONREIMBURSABLE COST CENTER:												
96.00 Gift, Flower, Coffee Shop & Canteen	67,906	29,388	0	43,355	0	2,017	0	0	65	0	0	0
97.00 Research	0	0	0	0	0	0	0	0	0	0	0	0
98.00 Physicians' Private Office	0	0	0	0	0	0	0	0	0	0	0	0
99.00 Nonpaid Workers	0	0	0	0	0	0	0	0	0	0	0	0
99.01	0	0	0	0	0	0	0	0	0	0	0	0
99.02	0	0	0	0	0	0	0	0	0	0	0	0
99.03	0	0	0	0	0	0	0	0	0	0	0	0
99.04	0	0	0	0	0	0	0	0	0	0	0	0
99.05	0	0	0	0	0	0	0	0	0	0	0	0
100.00 Other Nonreimbursable	585,400	253,348	6,200	373,757	74,950	0	0	476,502	5,164	500,823	0	0
100.01	0	0	0	0	0	0	0	0	0	0	0	0
100.02	0	0	0	0	0	0	0	0	0	0	0	0
100.03	0	0	0	0	0	0	0	0	0	0	0	0
100.04	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	7,416,966	3,184,694	991,594	4,572,324	2,043,393	2,254,878	0	3,544,693	857,324	5,545,748	6,316,564	621,375

Provider Name:
KERN MEDICAL CENTER

Fiscal Period Ended:
JUNE 30, 2010

TRIAL BALANCE EXPENSES	ALLOC COST 19.00	ALLOC COST 19.02	ALLOC COST 19.03	NON-PHYSICIAN ANESTH 20.00	NURSING SCHOOL 21.00	INT & RES SALARY & FRINGES 22.00	INT & RES PROGRAM 23.00	PARAMED EDUCAT 24.00	SUBTOTAL 25.00	POST STEP-DOWN ADJUSTMENT		TOTAL COST 27.00
										26.00	27.00	
ANCILLARY COST CENTERS												
37.00 Operating Room	0	0	0	0	0	677,301	113,112	0	14,582,885			14,582,885
38.00 Recovery Room	0	0	0	0	0	0	0	0	0			0
39.00 Delivery Room and Labor Room	0	0	0	0	0	278,546	46,518	0	9,423,461			9,423,461
40.00 Anesthesiology	0	0	0	0	0	76,907	12,844	0	1,148,865			1,148,865
41.00 Radiology - Diagnostic	0	0	0	0	0	0	0	0	9,645,653			9,645,653
41.01	0	0	0	0	0	0	0	0	0			0
41.02	0	0	0	0	0	0	0	0	0			0
42.00 Radiology - Therapeutic	0	0	0	0	0	0	0	0	0			0
43.00 Radioisotope	0	0	0	0	0	0	0	0	0			0
44.00 Laboratory	0	0	0	0	0	135,072	22,558	0	10,500,229			10,500,229
44.01 Pathological Lab	0	0	0	0	0	0	0	0	0			0
46.00 Whole Blood & Packed Red Blood Cells	0	0	0	0	0	0	0	0	2,270,919			2,270,919
47.00 Blood Storing and Processing	0	0	0	0	0	0	0	0	0			0
48.00 Intravenous Therapy	0	0	0	0	0	0	0	0	0			0
49.00 Respiratory Therapy	0	0	0	0	0	0	0	0	4,092,673			4,092,673
50.00 Physical Therapy	0	0	0	0	0	0	0	0	1,504,636			1,504,636
51.00 Occupational Therapy	0	0	0	0	0	0	0	0	0			0
51.01 Cardiac Catheterization Laboratory	0	0	0	0	0	0	0	0	714,590			714,590
52.00 Speech Pathology	0	0	0	0	0	0	0	0	0			0
53.00 Electrocardiology	0	0	0	0	0	0	0	0	722,452			722,452
54.00 Electroencephalography	0	0	0	0	0	0	0	0	164,767			164,767
55.00 Medical Supplies Charged to Patients	0	0	0	0	0	0	0	0	9,187,734			9,187,734
55.30 Impl. Dev. Charged to Patient	0	0	0	0	0	0	0	0	3,263,755			3,263,755
56.00 Drugs Charged to Patients	0	0	0	0	0	0	0	0	12,186,782			12,186,782
57.00 Renal Dialysis	0	0	0	0	0	0	0	0	0			0
58.00 ASC (Non-Distinct Part)	0	0	0	0	0	0	0	0	0			0
59.00 Gastro Intestinal Services	0	0	0	0	0	0	0	0	1,561,507			1,561,507
59.03	0	0	0	0	0	0	0	0	0			0
60.00 Clinic	0	0	0	0	0	1,110,308	185,425	0	26,387,942			26,387,942
60.01 Other Clinic Services	0	0	0	0	0	0	0	0	0			0
61.00 Emergency	0	0	0	0	0	1,568,520	261,948	0	19,569,217			19,569,217
62.00 Observation Beds	0	0	0	0	0	0	0	0	0			0
63.00 Other Outpatient Service	0	0	0	0	0	0	0	0	1,578,546			1,578,546
71.00 Home Health Agency	0	0	0	0	0	0	0	0	1,696,022			1,696,022
83.00 Ambulatory Pharmacy	0	0	0	0	0	0	0	0	6,132,344			6,132,344
84.00	0	0	0	0	0	0	0	0	0			0
85.00	0	0	0	0	0	0	0	0	0			0
86.00	0	0	0	0	0	0	0	0	0			0
NONREIMBURSABLE COST CENTER:												
96.00 Gift, Flower, Coffee Shop & Canteen	0	0	0	0	0	0	0	0	254,152			254,152
97.00 Research	0	0	0	0	0	0	0	0	0			0
98.00 Physicians' Private Office	0	0	0	0	0	0	0	0	0			0
99.00 Nonpaid Workers	0	0	0	0	0	0	0	0	0			0
99.01	0	0	0	0	0	0	0	0	0			0
99.02	0	0	0	0	0	0	0	0	0			0
99.03	0	0	0	0	0	0	0	0	0			0
99.04	0	0	0	0	0	0	0	0	0			0
99.05	0	0	0	0	0	0	0	0	0			0
100.00 Other Nonreimbursable	0	0	0	0	0	0	0	0	22,496,483			22,496,483
100.01	0	0	0	0	0	0	0	0	0			0
100.02	0	0	0	0	0	0	0	0	0			0
100.03	0	0	0	0	0	0	0	0	0			0
100.04	0	0	0	0	0	0	0	0	0			0
TOTAL	0	0	0	0	0	7,238,329	1,208,827	0	224,907,807	0	0	224,907,807

STATE OF CALIFORNIA

STATISTICS FOR COST ALLOCATION (W/S B-1)

SCHEDULE 9.1

Provider Name:
KERN MEDICAL CENTER

Fiscal Period Ended:
JUNE 30, 2010

	EMP BENE (GROSS SALARIES) 5.00 (Adj 16, 19-20)	STAT 6.01 (Adj)	STAT 6.02 (Adj)	STAT 6.03 (Adj)	STAT 6.04 (Adj)	STAT 6.05 (Adj)	STAT 6.06 (Adj)	STAT 6.07 (Adj)	STAT 6.08 (Adj)	ADM & GEN (ACCUM COST)	MAINT & REPAIRS (SQ FT) 7.00 (Adj 15)
ANCILLARY COST CENTERS											
37.00	Operating Room	9,458,203								9,984,969	25,300
38.00	Recovery Room									0	
39.00	Delivery Room and Labor Room	4,790,003								6,893,861	7,598
40.00	Anesthesiology	177,808								453,234	1,776
41.00	Radiology - Diagnostic	5,601,746								6,990,968	12,666
41.01										0	
41.02										0	
42.00	Radiology - Therapeutic									0	
43.00	Radioisotope									0	
44.00	Laboratory	3,806,010								7,822,231	9,534
44.01	Pathological Lab									0	
46.00	Whole Blood & Packed Red Blood Cells	393,517								1,743,574	620
47.00	Blood Storing and Processing									0	
48.00	Intravenous Therapy									0	
49.00	Respiratory Therapy	1,994,974								3,170,833	2,413
50.00	Physical Therapy	486,046								1,088,819	3,103
51.00	Occupational Therapy									0	
51.01	Cardiac Catheterization Laboratory	216,791								486,487	1,753
52.00	Speech Pathology									0	
53.00	Electrocardiology	283,408								508,719	1,082
54.00	Electroencephalography	51,896								106,836	594
55.00	Medical Supplies Charged to Patients									7,730,506	
55.30	Impl. Dev. Charged to Patient									2,782,220	
56.00	Drugs Charged to Patients									6,277,001	
57.00	Renal Dialysis									0	
58.00	ASC (Non-Distinct Part)									0	
59.00	Gastro Intestinal Services	716,432								1,158,334	1,817
59.03										0	
60.00	Clinic	9,464,908								17,908,654	60,639
60.01	Other Clinic Services									0	
61.00	Emergency	8,179,105								12,625,019	22,331
62.00	Observation Beds									0	
63.00	Other Outpatient Service	452,700								871,750	6,415
71.00	Home Health Agency	729,550								1,245,248	2,318
83.00	Ambulatory Pharmacy	1,042,470								5,132,821	357
84.00										0	
85.00										0	
86.00										0	
NONREIMBURSABLE COST CENTERS											
96.00	Gift, Flower, Coffee Shop & Canteen	49,185								95,783	2,687
97.00	Research									0	
98.00	Physicians' Private Office									0	
99.00	Nonpaid Workers									0	
99.01										0	
99.02										0	
99.03										0	
99.04										0	
99.05										0	
100.00	Other Nonreimbursable	8,328,140								17,382,470	23,164
100.01										0	
100.02										0	
100.03										0	
100.04										0	
TOTAL	116,716,780	0	0	0	0	0	0	0	0	193,342,592	293,486
COST TO BE ALLOCATED	16,933,301	0	0	0	0	0	0	0	0	31,565,215	7,416,966
UNIT COST MULTIPLIER - SCH 8	0.145080	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.163261	25.271958

Provider Name:
KERN MEDICAL CENTER

Fiscal Period Ended:
JUNE 30, 2010

OPER PLANT (SQ FT) (Adj 15)	LAUNDRY & LINEN (LB LNDRY) (Adj)	HOUSE-KEEPING (SQ FT) (Adj 15)	DIETARY (MEALS SERVED) (Adj 21)	CAFETERIA (PRODUCTIVE FTE'S) (Adj 22)	MAINT OF PERSONNEL (# HOUSED) (Adj)	NURSING ADMIN (NURSE HR) (Adj)	CENT SERV & SUPPLY (CST REQ) (Adj)	PHARMACY (COSTS REQUIS) (Adj 17)	MED REC (GROSS CHARGES) (Adj 18)	SOC SERV (TIME SPENT) (Adj)	STAT (Adj)
8.00	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	17.00	18.00	19.00

GENERAL SERVICE COST CENTERS

- 1.00 Old Cap Rel Costs-Bldg & Fixtures
- 2.00 Old Cap Rel Costs-Movable Equipment
- 3.00 New Cap Rel Costs-Bldg & Fixtures
- 4.00 New Cap Rel Costs-Movable Equipment
- 4.01
- 4.02
- 4.03
- 4.04
- 4.05
- 4.06
- 4.07
- 4.08
- 5.00 Employee Benefits
- 6.01 Non-Patient Telephones
- 6.02 Data Processing
- 6.03 Purchasing/Receiving
- 6.04 Patient Admitting
- 6.05 Patient Business Office
- 6.06
- 6.07
- 6.08
- 6.00 Administrative and General
- 7.00 Maintenance and Repairs
- 8.00 Operation of Plant
- 9.00 Laundry and Linen Service
- 10.00 Housekeeping
- 11.00 Dietary
- 12.00 Cafeteria
- 13.00 Maintenance of Personnel
- 14.00 Nursing Administration
- 15.00 Central Services & Supply
- 16.00 Pharmacy
- 17.00 Medical Records and Library
- 18.00 Social Service
- 19.00
- 19.02
- 19.03
- 20.00
- 21.00 Nursing School
- 22.00 Intern & Res Service-Salary & Fringes
- 23.00 Intern & Res Other Program
- 24.00 Paramedical Ed Program
- 25.00 Adults & Pediatrics (Gen Routine)
- 26.00 Intensive Care Unit
- 27.00 Coronary Care Unit
- 29.00 Surgical Intensive Care
- 29.01 Neonatal Intensive Care Unit
- 30.00 Other Special Care
- 31.00 Subprovider II
- 32.00
- 33.00 Nursery
- 34.00 Medicare Certified Nursing Facility
- 35.00 Distinct Part Nursing Facility
- 36.00 Adult Subacute Care Unit
- 36.01 Subacute Care Unit II
- 36.02 Transitional Care Unit

5,920											
1,887	32,768										
1,687		1,687									
7,601		7,601									
5,350		5,350		178							
2,973	2	2,973		148		137					
2,919	320	2,919		412			104,082				
8,587		8,587		461			741				
338		338		44							
1,856		1,856		1,092			1,097				
53,980	388,749	53,980	177,647	2,094		1,697	684,677	735	141,643,582	40,853	
6,825	59,341	6,825	5,361	207		176	333,095		14,475,849	2,275	
4,300	57,998	4,300		550		499	354,807		44,327,474	9,414	
792	6,517	792		42		40	15,165		5,122,514	5,512	

Provider Name:
KERN MEDICAL CENTER

Fiscal Period Ended:
JUNE 30, 2010

	OPER PLANT (SQ FT) 8.00 (Adj 15)	LAUNDRY & LINEN (LB LNDRY) 9.00 (Adj)	HOUSE-KEEPING (SQ FT) 10.00 (Adj 15)	DIETARY (MEALS SERVED) 11.00 (Adj 21)	CAFETERIA (PRODUCTIVE FTE'S) 12.00 (Adj 22)	MAINT OF PERSONNEL (# HOUSED) 13.00 (Adj)	NURSING ADMIN (NURSE HR) 14.00 (Adj)	CENT SERV & SUPPLY (CST REQ) 15.00 (Adj)	PHARMACY (COSTS REQUIS) 16.00 (Adj 17)	MED REC (GROSS CHARGES) 17.00 (Adj 18)	SOC SERV (TIME SPENT) 18.00 (Adj)	STAT 19.00 (Adj)	
ANCILLARY COST CENTERS													
37.00	Operating Room	25,300	59,592	25,300			244	1,617,611	3,826	29,138,806			
38.00	Recovery Room												
39.00	Delivery Room and Labor Room	7,598	59,609	7,598	483		331	495,732		17,354,800			
40.00	Anesthesiology	1,776		1,776	27		16	233,139	192,172	20,465,564			
41.00	Radiology - Diagnostic	12,666	33,535	12,666	505		6	119,927	134,489	52,115,736			
41.01													
41.02													
42.00	Radiology - Therapeutic												
43.00	Radioisotope												
44.00	Laboratory	9,534	2,011	9,534	475			1,499,718	22,363	43,542,261			
44.01	Pathological Lab												
46.00	Whole Blood & Packed Red Blood Cells	620		620	44			1,297,106	18,105	5,005,459			
47.00	Blood Storing and Processing												
48.00	Intravenous Therapy												
49.00	Respiratory Therapy	2,413		2,413	235			222,033	265	19,014,073			
50.00	Physical Therapy	3,103	4,482	3,103	62			8,108		5,214,960			
51.00	Occupational Therapy												
51.01	Cardiac Catheterization Laboratory	1,753	1,373	1,753	17		4	106,291	24,666	1,376,584			
52.00	Speech Pathology												
53.00	Electrocardiology	1,082	438	1,082	45			10,847		5,849,549			
54.00	Electroencephalography	594	22	594	7			3,833		695,826			
55.00	Medical Supplies Charged to Patients							282,846		15,644,813			
55.30	Impl. Dev. Charged to Patient									2,562,124			
56.00	Drugs Charged to Patients								4,935,934	28,369,697			
57.00	Renal Dialysis												
58.00	ASC (Non-Distinct Part)												
59.00	Gastro Intestinal Services	1,817	11,493	1,817	61		48	199,250	213	3,060,873			
59.03													
60.00	Clinic	60,639	8,138	60,639	15,015	1,188		296,611	12,287	18,748,783			
60.01	Other Clinic Services												
61.00	Emergency	22,331	100,283	22,331	49,370	891		556,284	1,381	108,498,093			
62.00	Observation Beds												
63.00	Other Outpatient Service	6,415	477	6,415	29,502	75		3,182	1,356				
71.00	Home Health Agency	2,318		2,318	83		29	41,751	86,087				
83.00	Ambulatory Pharmacy	357		357	142					10,416,740			
84.00													
85.00													
86.00													
NONREIMBURSABLE COST CENTERS													
96.00	Gift, Flower, Coffee Shop & Canteen	2,687		2,687		9			648				
97.00	Research												
98.00	Physicians' Private Office												
99.00	Nonpaid Workers												
99.01													
99.02													
99.03													
99.04													
99.05													
100.00	Other Nonreimbursable	23,164	5,204	23,164	10,543		590	51,439	539,435				
100.01													
100.02													
100.03													
100.04													
	TOTAL	291,182	832,352	283,375	287,438	10,061	0	4,389	8,540,020	5,973,314	592,644,160	58,054	0
	COST TO BE ALLOCATED	3,184,694	991,594	4,572,324	2,043,393	2,254,878	0	3,544,693	857,324	5,545,748	6,316,564	621,375	0
	UNIT COST MULTIPLIER - SCH 8	10.937125	1.191316	16.135241	7.108986	224.120686	0.000000	807.631086	0.100389	0.928421	0.010658	10.703398	0.000000

Provider Name:
KERN MEDICAL CENTER

Fiscal Period Ended:
JUNE 30, 2010

STAT	STAT	NONPHY ANESTH (ASG TIME)	NURSE SCHOOL (ASG TIME)	I&R-SAL & FRINGES (ASG TIME)	I&R-PRG COST (ASG TIME)	PARAMED EDUCAT (ASG TIME)
19.02 (Adj)	19.03 (Adj)	20.00 (Adj)	21.00 (Adj)	22.00 (Adj)	23.00 (Adj)	24.00 (Adj)
GENERAL SERVICE COST CENTERS						
1.00						
2.00						
3.00						
4.00						
4.01						
4.02						
4.03						
4.04						
4.05						
4.06						
4.07						
4.08						
5.00						
6.01						
6.02						
6.03						
6.04						
6.05						
6.06						
6.07						
6.08						
6.00						
7.00						
8.00						
9.00						
10.00						
11.00						
12.00						
13.00						
14.00						
15.00						
16.00						
17.00						
18.00						
19.00						
19.02						
19.03						
20.00						
21.00						
22.00						
23.00						
24.00						
INPATIENT ROUTINE COST CENTERS						
25.00				3,452	3,452	
26.00				1,580	1,580	
27.00						
29.00						
29.01				135	135	
30.00						
31.00						
32.00						
33.00				81	81	
34.00						
35.00						
36.00						
36.01						
36.02						

Provider Name:
KERN MEDICAL CENTER

Fiscal Period Ended:
JUNE 30, 2010

	STAT	STAT	NONPHY ANESTH (ASG TIME)	NURSE SCHOOL (ASG TIME)	I&R-SAL & FRINGES (ASG TIME)	I&R-PRG COST (ASG TIME)	PARAMED EDUCAT (ASG TIME)
	19.02 (Adj)	19.03 (Adj)	20.00 (Adj)	21.00 (Adj)	22.00 (Adj)	23.00 (Adj)	24.00 (Adj)
ANCILLARY COST CENTERS							
37.00						1,048	1,048
38.00							
39.00					431	431	
40.00					119	119	
41.00							
41.01							
41.02							
42.00							
43.00							
44.00					209	209	
44.01							
46.00							
47.00							
48.00							
49.00							
50.00							
51.00							
51.01							
52.00							
53.00							
54.00							
55.00							
55.30							
56.00							
57.00							
58.00							
59.00							
59.03							
60.00					1,718	1,718	
60.01							
61.00					2,427	2,427	
62.00							
63.00							
71.00							
83.00							
84.00							
85.00							
86.00							
NONREIMBURSABLE COST CENTERS							
96.00							
97.00							
98.00							
99.00							
99.01							
99.02							
99.03							
99.04							
99.05							
100.00							
100.01							
100.02							
100.03							
100.04							
TOTAL	0	0	0	0	11,200	11,200	0
COST TO BE ALLOCATED	0	0	0	0	7,238,329	1,208,827	0
UNIT COST MULTIPLIER - SCH 8	0.000000	0.000000	0.000000	0.000000	646.279406	107.930938	0.000000

TRIAL BALANCE OF EXPENSES

Provider Name:
KERN MEDICAL CENTER

Fiscal Period Ended:
JUNE 30, 2010

		REPORTED	ADJUSTMENTS (From Sch 10A)	AUDITED
	GENERAL SERVICE COST CENTERS			
1.00	Old Cap Rel Costs-Bldg & Fixtures	\$ 317,175	\$ 0	\$ 317,175
2.00	Old Cap Rel Costs-Movable Equipment	0	0	0
3.00	New Cap Rel Costs-Bldg & Fixtures	1,891,113	0	1,891,113
4.00	New Cap Rel Costs-Movable Equipment	4,379,535	(43,502)	4,336,033
4.01			0	0
4.02			0	0
4.03			0	0
4.04			0	0
4.05			0	0
4.06			0	0
4.07			0	0
4.08			0	0
5.00	Employee Benefits	1,489,899	15,420,243	16,910,142
6.01	Non-Patient Telephones		0	0
6.02	Data Processing		0	0
6.03	Purchasing/Receiving		0	0
6.04	Patient Admitting		0	0
6.05	Patient Business Office		0	0
6.06			0	0
6.07			0	0
6.08			0	0
6.00	Administrative and General	34,724,760	(6,902,266)	27,822,494
7.00	Maintenance and Repairs	6,388,701	(255,532)	6,133,169
8.00	Operation of Plant	2,659,467	0	2,659,467
9.00	Laundry and Linen Service	661,072	(104,264)	556,808
10.00	Housekeeping	4,286,003	(741,957)	3,544,046
11.00	Dietary	1,259,066	350,793	1,609,859
12.00	Cafeteria	2,240,413	(809,497)	1,430,916
13.00	Maintenance of Personnel		0	0
14.00	Nursing Administration	2,697,741	(220,958)	2,476,783
15.00	Central Services & Supply	1,004,964	(591,254)	413,710
16.00	Pharmacy	7,968,388	(3,938,780)	4,029,608
17.00	Medical Records and Library	5,071,237	(487,215)	4,584,022
18.00	Social Service	517,866	(56,822)	461,044
19.00			0	0
19.02			0	0
19.03			0	0
20.00			0	0
21.00	Nursing School		0	0
22.00	Intern & Res Service-Salary & Fringes	6,542,445	(1,136,478)	5,405,967
23.00	Intern & Res Other Program	636,649	(25,460)	611,189
24.00	Paramedical Ed Program		0	0
	INPATIENT ROUTINE COST CENTERS			
25.00	Adults & Pediatrics (Gen Routine)	28,589,676	(2,614,001)	25,975,675
26.00	Intensive Care Unit	3,555,451	(287,605)	3,267,846
27.00	Coronary Care Unit		0	0
29.00	Surgical Intensive Care		0	0
29.01	Neonatal Intensive Care Unit	10,023,630	(674,739)	9,348,891
30.00	Other Special Care		0	0
31.00	Subprovider II		0	0
32.00			0	0
33.00	Nursery	498,844	(60,535)	438,309
34.00	Medicare Certified Nursing Facility		0	0
35.00	Distinct Part Nursing Facility		0	0
36.00	Adult Subacute Care Unit		0	0
36.01	Subacute Care Unit II		0	0
36.02	Transitional Care Unit		0	0

TRIAL BALANCE OF EXPENSES

Provider Name:
KERN MEDICAL CENTER

Fiscal Period Ended:
JUNE 30, 2010

		REPORTED	ADJUSTMENTS (From Sch 10A)	AUDITED
	ANCILLARY COST CENTERS			
37.00	Operating Room	\$ 8,464,662	\$ (463,853)	\$ 8,000,809
38.00	Recovery Room		0	0
39.00	Delivery Room and Labor Room	6,650,853	(607,653)	6,043,200
40.00	Anesthesiology	328,120	(30,785)	297,335
41.00	Radiology - Diagnostic	5,676,427	(609,883)	5,066,544
41.01			0	0
41.02			0	0
42.00	Radiology - Therapeutic		0	0
43.00	Radioisotope		0	0
44.00	Laboratory	7,628,000	(596,351)	7,031,649
44.01	Pathological Lab		0	0
46.00	Whole Blood & Packed Red Blood Cells	1,730,131	(51,937)	1,678,194
47.00	Blood Storing and Processing		0	0
48.00	Intravenous Therapy		0	0
49.00	Respiratory Therapy	2,953,329	(248,229)	2,705,100
50.00	Physical Therapy	1,072,129	(74,213)	997,916
51.00	Occupational Therapy		0	0
51.01	Cardiac Catheterization Laboratory	331,781	(26,657)	305,124
52.00	Speech Pathology		0	0
53.00	Electrocardiology	461,438	(53,834)	407,604
54.00	Electroencephalography	93,548	(10,540)	83,008
55.00	Medical Supplies Charged to Patients	7,730,506	0	7,730,506
55.30	Impl. Dev. Charged to Patient	2,782,220	0	2,782,220
56.00	Drugs Charged to Patients	11,899,057	(5,622,056)	6,277,001
57.00	Renal Dialysis		0	0
58.00	ASC (Non-Distinct Part)		0	0
59.00	Gastro Intestinal Services	1,073,471	(77,681)	995,790
59.03			0	0
60.00	Clinic	12,048,481	4,085,496	16,133,977
60.01	Other Clinic Services		0	0
61.00	Emergency	12,135,093	(958,503)	11,176,590
62.00	Observation Beds		0	0
63.00	Other Outpatient Service	867,379	(99,796)	767,583
71.00	Home Health Agency	1,236,147	(110,650)	1,125,497
83.00	Ambulatory Pharmacy	0	4,979,437	4,979,437
84.00			0	0
85.00			0	0
86.00			0	0
	SUBTOTAL	\$ 212,566,867	\$ (3,757,517)	\$ 208,809,350
	NONREIMBURSABLE COST CENTERS			
96.00	Gift, Flower, Coffee Shop & Canteen	84,935	(12,409)	72,526
97.00	Research		0	0
98.00	Physicians' Private Office		0	0
99.00	Nonpaid Workers		0	0
99.01			0	0
99.02			0	0
99.03			0	0
99.04			0	0
99.05			0	0
100.00	Other Nonreimbursable	16,842,408	(816,477)	16,025,931
100.01			0	0
100.02			0	0
100.03			0	0
100.04			0	0
100.99	SUBTOTAL	\$ 16,927,343	\$ (828,886)	\$ 16,098,457
101	TOTAL	\$ 229,494,210	\$ (4,586,403)	\$ 224,907,807

(To Schedule 8)

Provider Name:
KERN MEDICAL CENTER

	TOTAL ADJ (Page 1 & 2)	AUDIT ADJ 2	AUDIT ADJ 3	AUDIT ADJ 4	AUDIT ADJ 5	AUDIT ADJ 6	AUDIT ADJ 7	AUDIT ADJ 8	AUDIT ADJ 9	AUDIT ADJ 10 - 12	AUDIT ADJ 13	AUDIT ADJ 14	AUDIT ADJ
ANCILLARY COST CENTERS													
37.00 Operating Room	(463,853)							(463,853)					
38.00 Recovery Room	0												
39.00 Delivery Room and Labor Room	(607,653)							(607,653)					
40.00 Anesthesiology	(30,785)							(30,785)					
41.00 Radiology - Diagnostic	(609,883)							(609,883)					
41.01	0												
41.02	0												
42.00 Radiology - Therapeutic	0												
43.00 Radioisotope	0												
44.00 Laboratory	(596,351)							(596,351)					
44.01 Pathological Lab	0												
46.00 Whole Blood & Packed Red Blood Cells	(51,937)							(51,937)					
47.00 Blood Storing and Processing	0												
48.00 Intravenous Therapy	0												
49.00 Respiratory Therapy	(248,229)							(248,229)					
50.00 Physical Therapy	(74,213)							(74,213)					
51.00 Occupational Therapy	0												
51.01 Cardiac Catheterization Laboratory	(26,657)							(26,657)					
52.00 Speech Pathology	0												
53.00 Electrocardiology	(53,834)							(53,834)					
54.00 Electroencephalography	(10,540)							(10,540)					
55.00 Medical Supplies Charged to Patients	0												
55.30 Impl. Dev. Charged to Patient	0												
56.00 Drugs Charged to Patients	(5,622,056)		(2,331,561)	(3,290,495)									
57.00 Renal Dialysis	0												
58.00 ASC (Non-Distinct Part)	0												
59.00 Gastro Intestinal Services	(77,681)							(77,681)					
59.03	0												
60.00 Clinic	4,085,496	1,367,184	3,902,662					(1,184,350)					
60.01 Other Clinic Services	0												
61.00 Emergency	(958,503)							(958,503)					
62.00 Observation Beds	0												
63.00 Other Outpatient Service	(99,796)							(99,796)					
71.00 Home Health Agency	(110,650)							(110,650)					
83.00 Ambulatory Pharmacy	4,979,437			4,979,437									
84.00	0												
85.00	0												
86.00	0												
NONREIMBURSABLE COST CENTERS													
96.00 Gift, Flower, Coffee Shop & Canteen	(12,409)							(12,409)					
97.00 Research	0												
98.00 Physicians' Private Office	0												
99.00 Nonpaid Workers	0												
99.01	0												
99.02	0												
99.03	0												
99.04	0												
99.05	0												
100.00 Other Nonreimbursable	(816,477)						120,313	(936,790)					
100.01	0												
100.02	0												
100.03	0												
100.04	0												
101.00 TOTAL	<u>(\$4,586,403)</u>	<u>0</u>	<u>(1,960,509)</u>	<u>(2,582,392)</u>	<u>(43,502)</u>	<u>0</u>							

(To Sch 10)

Provider Name							Fiscal Period			Provider NPI		Adjustments
KERN MEDICAL CENTER							JULY 1, 2009 THROUGH JUNE 30, 2010			1376623538		30
Report References							Explanation of Audit Adjustments			As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report	Cost Report										
		Work Sheet	Part	Title	Line	Col.						
<u>MEMORANDUM ADJUSTMENT</u>												
1	DPH 4	D-1	I	XIX	29.00	1	Private Room Charges To eliminate private room charges for presentation purposes. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$14,475,849	(\$14,475,849)	\$0		

Provider Name							Fiscal Period	Provider NPI	Adjustments	
KERN MEDICAL CENTER							JULY 1, 2009 THROUGH JUNE 30, 2010	1376623538	30	
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report	Cost Report								
		Work Sheet	Part	Title	Line	Col.				
<u>RECLASSIFICATIONS OF REPORTED COSTS</u>										
2	10A	A			6.00	7	Administrative and General	\$34,724,760	(\$1,367,184)	\$33,357,576 *
	10A	A			60.00	7	Clinic	12,048,481	1,367,184	13,415,665 *
							To reclassify clinic registration to the appropriate cost center for proper cost determination. 42 CFR 413.5, 413.20 and 413.24 CMS Pub. 15-1, Sections 2102.3, 2306 and 2328			
3	10A	A			16.00	7	Pharmacy	\$7,968,388	(\$1,571,101)	\$6,397,287 *
	10A	A			56.00	7	Drugs Charged to Patients	11,899,057	(2,331,561)	9,567,496 *
	10A	A			60.00	7	Clinic	* 13,415,665	3,902,662	17,318,327 *
							To reclassify Sagebrush Clinic pharmacy expense to the appropriate cost center for proper cost determination. 42 CFR 413.5, 413.20 and 413.24 CMS Pub. 15-1, Sections 2102.3, 2306 and 2328			
4	10A	A			16.00	7	Pharmacy	* \$6,397,287	(\$1,688,942)	\$4,708,345 *
	10A	A			56.00	7	Drugs Charged to Patients	* 9,567,496	(3,290,495)	6,277,001
	10A	A			83.00	7	Ambulatory Pharmacy	0	4,979,437	4,979,437
							To reclassify outpatient pharmacy expense to the appropriate cost center for proper cost determination. 42 CFR 413.5, 413.20 and 413.24 CMS Pub. 15-1, Sections 2102.3, 2306 and 2328			
5	10A	A			15.00	7	Central Services and Supply	\$1,004,964	(\$410,981)	\$593,983 *
	10A	A			6.00	7	Administrative and General	* 33,357,576	410,981	33,768,557 *
							To reclassify central transportation expense to the appropriate cost center for proper cost determination. 42 CFR 413.5, 413.20 and 413.24 CMS Pub. 15-1, Sections 2102.3, 2306 and 2328			

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
KERN MEDICAL CENTER							JULY 1, 2009 THROUGH JUNE 30, 2010	1376623538		30
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report	Cost Report								
		Work Sheet	Part	Title	Line	Col.				
<u>RECLASSIFICATIONS OF REPORTED COSTS</u>										
6	10A	A		6.00	7	Administrative and General	*	\$33,768,557	(\$263,818)	\$33,504,739 *
	10A	A		22.00	7	Intern & Res Services - Salary and Fringes To reclassify physician salaries to the correct cost center for proper rate determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		6,542,445	263,818	6,806,263 *
7	10A	A		6.00	7	Administrative and General	*	\$33,504,739	(\$120,313)	\$33,384,426 *
	10A	A		100.00	7	Other Nonreimbursable To reclassify expenses related to the Jamison Center for physician services for proper cost determination. 42 CFR 413.53(a) and 413.9(b)(1) CMS Pub. 15-1, Sections 2102.1, 2200.1, 2304 and 2328		16,842,408	120,313	16,962,721 *
8	10A	A		6.00	7	Administrative and General	*	\$33,384,426	(\$3,601,423)	\$29,783,003 *
	10A	A		7.00	7	Maintenance and Repairs		6,388,701	(255,532)	6,133,169
	10A	A		9.00	7	Laundry and Linen Service		661,072	(104,264)	556,808
	10A	A		10.00	7	Housekeeping		4,286,003	(741,957)	3,544,046
	10A	A		11.00	7	Dietary		1,259,066	(157,745)	1,101,321 *
	10A	A		12.00	7	Cafeteria		2,240,413	(300,959)	1,939,454 *
	10A	A		14.00	7	Nursing Administration		2,697,741	(220,958)	2,476,783
	10A	A		15.00	7	Central Services and Supply	*	593,983	(180,273)	413,710
	10A	A		16.00	7	Pharmacy	*	4,708,345	(678,737)	4,029,608
	10A	A		17.00	7	Medical Records and Library		5,071,237	(487,215)	4,584,022
	10A	A		18.00	7	Social Service		517,866	(56,822)	461,044
	10A	A		22.00	7	Intern & Res Services - Salary and Fringes	*	6,806,263	(1,400,296)	5,405,967
	10A	A		23.00	7	Intern & Res Other Program		636,649	(25,460)	611,189
	10A	A		25.00	7	Adults and Pediatrics		28,589,676	(2,614,001)	25,975,675
	10A	A		26.00	7	Intensive Care Unit		3,555,451	(287,605)	3,267,846
	10A	A		29.01	7	Neonatal Intensive Care Unit		10,023,630	(674,739)	9,348,891
	10A	A		33.00	7	Nursery		498,844	(60,535)	438,309
	10A	A		37.00	7	Operating Room		8,464,662	(463,853)	8,000,809

-Continued on next page-

Provider Name							Fiscal Period			Provider NPI		Adjustments
KERN MEDICAL CENTER							JULY 1, 2009 THROUGH JUNE 30, 2010			1376623538		30
Report References							Explanation of Audit Adjustments			As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report	Cost Report										
		Work Sheet	Part	Title	Line	Col.						
<u>RECLASSIFICATIONS OF REPORTED COSTS</u>												
-Continued from previous page-												
8	10A	A		39.00	7	Delivery Room and Labor Room			\$6,650,853	(\$607,653)	\$6,043,200	
	10A	A		40.00	7	Anesthesiology			328,120	(30,785)	297,335	
	10A	A		41.00	7	Radiology - Diagnostic			5,676,427	(609,883)	5,066,544	
	10A	A		44.00	7	Laboratory			7,628,000	(596,351)	7,031,649	
	10A	A		46.00	7	Whole Blood and Packed Red Blood Cells			1,730,131	(51,937)	1,678,194	
	10A	A		49.00	7	Respiratory Therapy			2,953,329	(248,229)	2,705,100	
	10A	A		50.00	7	Physical Therapy			1,072,129	(74,213)	997,916	
	10A	A		51.01	7	Cardiac Catheterization Laboratory			331,781	(26,657)	305,124	
	10A	A		53.00	7	Electrocardiology			461,438	(53,834)	407,604	
	10A	A		54.00	7	Electroencephalography			93,548	(10,540)	83,008	
	10A	A		59.00	7	Gastro Intestinal Services			1,073,471	(77,681)	995,790	
	10A	A		60.00	7	Clinic		*	17,318,327	(1,184,350)	16,133,977	
	10A	A		61.00	7	Emergency			12,135,093	(958,503)	11,176,590	
	10A	A		63.00	7	Other Outpatient Service			867,379	(99,796)	767,583	
	10A	A		71.00	7	Home Health Agency			1,236,147	(110,650)	1,125,497	
	10A	A		96.00	7	Gift, Flower, Coffee Shop and Canteen			84,935	(12,409)	72,526	
	10A	A		100.00	7	Other Nonreimbursable		*	16,962,721	(936,790)	16,025,931	
	10A	A		5.00	7	Employee Benefits			1,489,899	18,002,635	19,492,534 *	
						To reclassify health insurance expense in order to allow the expense to step-down for proper cost finding. 42 CFR 413.20, 413.24 and 413.50 CMS Pub. 15-1, Sections 2161, 2162, 2162.7, 2162.9, 2300 and 2304						
9	10A	A		12.00	7	Cafeteria		*	\$1,939,454	(\$508,538)	\$1,430,916	
	10A	A		11.00	7	Dietary		*	1,101,321	508,538	1,609,859	
						To reclassify cafeteria expenses to agree with the audited meals statistics for proper cost allocation. 42 CFR 413.20, 413.24 and 413.50 CMS Pub. 15-1, Sections 2300, 2302.4B, 2304 and 2306						

Provider Name							Fiscal Period			Provider NPI		Adjustments
KERN MEDICAL CENTER							JULY 1, 2009 THROUGH JUNE 30, 2010			1376623538		30
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted		
Adj. No.	Audit Report	Cost Report										
		Work Sheet	Part	Title	Line	Col.						
ADJUSTMENTS TO REPORTED COSTS												
	10A	A			6.00	7	Administrative and General	*	\$29,783,003			
10							To adjust the reported expenses to agree with the audited financial statements. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			(\$299,653)		
11							To eliminate coverage initiative consultant expense related to a prior period and not related to patient care. 42 CFR 413.5, 413.9(c)(3), 413.20, 413.24 and 460.204 CMS Pub. 15-1, Sections 2102.3, 2135.4(B), 2136.2, 2300, 2302.1 and 2304			(1,634,373)		
12							To eliminate political contributions/lobby fees not related to patient care. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Sections 2102.2, 2104 and 2139			<u>(26,483)</u> (\$1,960,509) \$27,822,494		
13	10A	A			5.00	7	Employee Benefits To adjust health insurance expense to actual cost as the provider does not meet the conditions of self insurance. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2161, 2162, 2162.7, 2162.9, 2300 and 2304	*	\$19,492,534	(\$2,582,392) \$16,910,142		

*Balance carried forward from prior/to subsequent adjustments

Provider Name			Fiscal Period				Provider NPI		Adjustments	
KERN MEDICAL CENTER			JULY 1, 2009 THROUGH JUNE 30, 2010				1376623538		30	
Report References										
Adj. No.	Audit Report	Cost Report					Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
		Work Sheet	Part	Title	Line	Col.				
<u>ADJUSTMENT TO REPORTED COSTS</u>										
14	10A	A			4.00	7	New Cap Rel Costs - Movable Equipment To adjust reported interest expense to agree with the provider's amortization schedules. 42 CFR 413.20, 413.24 and 413.153 CMS Pub. 15-1, Sections 202.2, 2300 and 2304	\$4,379,535	(\$43,502)	\$4,336,033

Provider Name			Fiscal Period				Provider NPI		Adjustments	
KERN MEDICAL CENTER			JULY 1, 2009 THROUGH JUNE 30, 2010				1376623538		30	
Report References										
Adj. No.	Audit Report	Cost Report					Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
		Work Sheet	Part	Title	Line	Col.				
ADJUSTMENTS TO REPORTED STATISTICS										
15	9	B-1	6.00	1, 3	Administrative and General	(Square Feet)	58,884	(610)	58,274	
	9	B-1	16.00	1, 3	Pharmacy		4,646	(1,727)	2,919	
	9	B-1	16.00	7, 8, 10	Pharmacy		4,646	(1,727)	2,919	
	9	B-1	60.00	1, 3	Clinic		58,659	1,980	60,639	
	9	B-1	60.00	7, 8, 10	Clinic		58,659	1,980	60,639	
	9	B-1	83.00	1, 3	Ambulatory Pharmacy		0	357	357	
	9	B-1	83.00	7, 8, 10	Ambulatory Pharmacy		0	357	357	
	9	B-1	7.00	7	Total Statistics - Square Feet		292,876	610	293,486	
	9	B-1	8.00	8	Total Statistics - Square Feet		290,572	610	291,182	
	9	B-1	10.00	10	Total Statistics - Square Feet		282,765	610	283,375	
To reclassify statistics in conjunction with adjustments 2, 3 and 4. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 2304 and 2306										
16	9	B-1	6.00	5	Administrative and General	(Gross Salaries)	732,235	(772,625)	(40,390) *	
	9	B-1	16.00	5	Pharmacy		5,205,179	(1,976,768)	3,228,411	
	9	B-1	60.00	5	Clinic		7,757,985	1,706,923	9,464,908	
	9	B-1	83.00	5	Ambulatory Pharmacy		0	1,042,470	1,042,470	
To reclassify statistics in conjunction with adjustments 2, 3 and 4. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 2304 and 2306										
17	9	B-1	56.00	16	Drugs Charged to Patients	(Costed Requisitions)	10,557,186	(5,621,252)	4,935,934	
	9	B-1	16.00	16	Total Statistics - Costed Requisitions		11,594,566	(5,621,252)	5,973,314	
To adjust statistics in conjunction with adjustments 2 and 3. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 2304 and 2306										
18	9	B-1	56.00	17	Drugs Charged to Patients	(Gross Charges)	44,958,814	(16,589,117)	28,369,697	
	9	B-1	60.00	17	Clinic		12,576,406	6,172,377	18,748,783	
	9	B-1	83.00	17	Ambulatory Pharmacy		0	10,416,740	10,416,740	
To adjust statistics to agree with adjustment 3. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 2304 and 2306										

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period		Provider NPI		Adjustments
KERN MEDICAL CENTER							JULY 1, 2009 THROUGH JUNE 30, 2010		1376623538		30
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Adj. No.	Audit Report	Cost Report									
		Work Sheet	Part	Title	Line	Col.					
ADJUSTMENTS TO REPORTED STATISTICS											
19	9	B-1			15.00	5	Central Services and Supply (Gross Salaries)	433,054	(186,181)	246,873	
	9	B-1			6.00	5	Administrative and General To reclassify statistics to agree with adjustment 5. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 2304 and 2306	* (40,390)	186,181	145,791 *	
20	9	B-1			6.00	5	Administrative and General (Gross Salaries)	* 145,791	13,781,087	13,926,878	
	9	B-1			7.00	5	Maintenance and Repairs	14,513,322	(13,425,302)	1,088,020	
	9	B-1			8.00	5	Operation of Plant	1,088,020	(1,088,020)	0	
	9	B-1			5.00	5	Total Statistics - Gross Salaries To adjust the gross salaries statistics to agree with the provider's records. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 2304 and 2306	117,449,015	(732,235)	116,716,780	
21	9	B-1			25.00	11	Adults and Pediatrics (Meals Served)	191,677	(14,030)	177,647	
	9	B-1			60.00	11	Clinic	0	15,015	15,015	
	9	B-1			61.00	11	Emergency	0	49,370	49,370	
	9	B-1			63.00	11	Other Outpatient Service	0	29,502	29,502	
	9	B-1			100.00	11	Other Nonreimbursable	0	10,543	10,543	
	9	B-1			11.00	11	Total - Meals Served To adjust the allocation of dietary expenses based upon meals served and the provider's supporting documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	197,038	90,400	287,438	
22	9	B-1			16.00	12	Pharmacy (Productive FTE's)	554	(142)	412	
	9	B-1			83.00	12	Ambulatory Pharmacy To reclassify statistics to agree with the adjustment 4. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 2304 and 2306	0	142	142	

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period			Provider NPI		Adjustments
KERN MEDICAL CENTER							JULY 1, 2009 THROUGH JUNE 30, 2010			1376623538		30
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted		
Adj. No.	Audit Report	Cost Report										
		Work Sheet	Part	Title	Line	Col.						
<u>ADJUSTMENT TO REPORTED PATIENT DAYS</u>												
23	DPH 4	D-1	I	XIX	1.00	1	Adults and Pediatrics	40,853	724	41,577		
	DPH 4A	D-1	II	XIX	42.00	2	Nursery	5,512	(4)	5,508		
	DPH 4A	D-1	II	XIX	43.00	2	Intensive Care Unit	2,275	(84)	2,191		
	DPH 4A	D-1	II	XIX	46.01	2	Neonatal Intensive Care Unit	9,414	(232)	9,182		
							To adjust total patient days to agree with the provider's patient census reports. 42 CFR 413.20, 413.24 and 413.50 CMS Pub. 15-1, Sections 2205, 2300 and 2304					

Provider Name							Fiscal Period		Provider NPI		Adjustments
KERN MEDICAL CENTER							JULY 1, 2009 THROUGH JUNE 30, 2010		1376623538		30
Report References							Explanation of Audit Adjustments		As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report	Cost Report									
		Work Sheet	Part	Title	Line	Col.					
<u>ADJUSTMENT TO REPORTED TOTAL CHARGES</u>											
24	DPH 5	C	I		56.00	8	Drugs Charged to Patients	\$44,958,814	(\$16,589,117)	\$28,369,697	
	DPH 5	C	I		60.00	8	Clinic	12,576,406	6,172,377	18,748,783	
							To adjust clinic and outpatient pharmacy revenue to the appropriate cost center in conjunction with adjustments 2, 3 and 4. 42 CFR 413.5, 413.20 and 413.24 CMS Pub. 15-1, Sections 2102.3, 2306 and 2328				

Provider Name							Fiscal Period	Provider NPI		Adjustments
KERN MEDICAL CENTER							JULY 1, 2009 THROUGH JUNE 30, 2010	1376623538		30
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report	Cost Report								
		Work Sheet	Part	Title	Line	Col.				
ADJUSTMENTS TO REPORTED MEDI-CAL SETTLEMENT DATA - DESIG PUB HOSP										
25	DPH 4	D-1	I	XIX	9.00	1	Medi-Cal Days - Adults and Pediatrics	15,854	(367)	15,487
	DPH 4A	D-1	II	XIX	42.00	4	Medi-Cal Days - Nursery	3,703	79	3,782
	DPH 4A	D-1	II	XIX	43.00	4	Medi-Cal Days - Intensive Care Unit	699	174	873
	DPH 4A	D-1	II	XIX	46.01	4	Medi-Cal Days - Neonatal Intensive Care Unit	8,950	(668)	8,282
26	DPH 6	D-4		XIX	37.00	2	Medi-Cal Ancillary Charges - Operating Room	\$4,824,347	\$3,254,223	\$8,078,570
	DPH 6	D-4		XIX	39.00	2	Medi-Cal Ancillary Charges - Delivery Room and Labor Room	9,991,023	(3,997,663)	5,993,360
	DPH 6	D-4		XIX	40.00	2	Medi-Cal Ancillary Charges - Anesthesiology	4,241,960	481,124	4,723,084
	DPH 6	D-4		XIX	41.00	2	Medi-Cal Ancillary Charges - Radiology - Diagnostic	5,070,841	2,480,095	7,550,936
	DPH 6	D-4		XIX	44.00	2	Medi-Cal Ancillary Charges - Laboratory	11,160,711	2,702,856	13,863,567
	DPH 6	D-4		XIX	46.00	2	Medi-Cal Ancillary Charges - Whole Blood and Packed Red Blood Cells	1,834,633	(742,996)	1,091,637
	DPH 6	D-4		XIX	49.00	2	Medi-Cal Ancillary Charges - Respiratory Therapy	8,177,883	889,478	9,067,361
	DPH 6	D-4		XIX	50.00	2	Medi-Cal Ancillary Charges - Physical Therapy	352,154	133,760	485,914
	DPH 6	D-4		XIX	51.01	2	Medi-Cal Ancillary Charges - Cardiac Catheterization Laboratory	98,488	(88,574)	9,914
	DPH 6	D-4		XIX	53.00	2	Medi-Cal Ancillary Charges - Electrocardiology	1,139,088	(280,740)	858,348
	DPH 6	D-4		XIX	54.00	2	Medi-Cal Ancillary Charges - Electroencephalography	51,647	357,886	409,533
	DPH 6	D-4		XIX	55.00	2	Medi-Cal Ancillary Charges - Medical Supplies Charged to Patients	4,371,352	1,280,078	5,651,430
	DPH 6	D-4		XIX	55.30	2	Medi-Cal Ancillary Charges - Impl. Dev. Charged to Patients	380,098	(380,098)	0
	DPH 6	D-4		XIX	56.00	2	Medi-Cal Ancillary Charges - Drugs Charged to Patients	9,431,684	2,593,526	12,025,210
	DPH 6	D-4		XIX	59.00	2	Medi-Cal Ancillary Charges - Gastro Intestinal Services	258,139	(69,822)	188,317
	DPH 6	D-4		XIX	60.00	2	Medi-Cal Ancillary Charges - Clinic	93,121	(93,121)	0
	DPH 6	D-4		XIX	61.00	2	Medi-Cal Ancillary Charges - Emergency	10,281,207	(3,373,804)	6,907,403
	DPH 6	D-4		XIX	101.00	2	Medi-Cal Ancillary Charges - Total	71,758,376	5,146,208	76,904,584
27	DPH 2	E-3	III	XIX	10.00	1	Medi-Cal Routine Service Charges - Total	\$0	\$98,754,232	\$98,754,232
	DPH 2	E-3	III	XIX	11.00	1	Medi-Cal Ancillary Service Charges - Total	71,758,376	5,146,208	76,904,584
28	DPH 3	E-3	III	XIX	36.00	1	Medi-Cal Coinsurance	\$0	\$278,997	\$278,997
29	DPH 1	E-3	III	XIX	57.00	1	Interim Payments	\$0	\$34,021,178	\$34,021,178

-Continued on next page-

Provider Name							Fiscal Period			Provider NPI		Adjustments
KERN MEDICAL CENTER							JULY 1, 2009 THROUGH JUNE 30, 2010			1376623538		30
Report References							Explanation of Audit Adjustments			As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report	Cost Report										
		Work Sheet	Part	Title	Line	Col.						
<u>ADJUSTMENTS TO REPORTED MEDI-CAL SETTLEMENT DATA - DESIG PUB HOSP</u>												
<p>-Continued from previous page-</p> <p style="margin-left: 300px;">To adjust Medi-Cal Settlement Data to agree with the following Fiscal Intermediary Payment Data:</p> <p style="margin-left: 300px;">Report Date: April 3, 2012</p> <p style="margin-left: 300px;">Payment Periods: July 1, 2009 and October 1, 2009 through March, 31, 2012</p> <p style="margin-left: 300px;">Service Periods: July 1, 2009 through September 30, 2009 and October 1, 2009 through June 30, 2010</p> <p style="margin-left: 300px;">42 CFR 413.20, 413.24, 413.50, 413.53, 413.60, 413.64 and 433.139</p> <p style="margin-left: 300px;">CMS Pub. 15-1, Sections 2304, 2404 and 2408</p> <p style="margin-left: 300px;">CCR, Title 22, Section 51541</p>												

Provider Name			Fiscal Period				Provider NPI		Adjustments	
KERN MEDICAL CENTER			JULY 1, 2009 THROUGH JUNE 30, 2010				1376623538		30	
Report References										
Adj. No.	Audit Report	Cost Report					Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
		Work Sheet	Part	Title	Line	Col.				
<u>ADJUSTMENT TO OTHER MATTERS</u>										
30	DPH 1	N/A					Medi-Cal Credit Balances To recover outstanding Medi-Cal credit balances. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 CCR, Title 22, Sections 50761 and 51458.1	\$0	\$101,489	\$101,489