REPORT
ON THE AUDIT OF
RATE DEVELOPMENT SCHEDULES

MISSION HOSPITAL REGIONAL MEDICAL CENTER
MISSION VIEJO, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1992752315

FISCAL PERIOD ENDED
JUNE 30, 2010

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

Section Chief: Margaret A. Varho
Audit Supervisor: Stan Van Arsdale
Auditor: Nhung Tran

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

TOBY DOUGLAS
DIRECTOR

EDMUND G. BROWN JR.
GOVERNOR

Date: November 25, 2013

Aaron Neuharth, Controller
Mission Hospital Regional Medical Center
27700 Medical Center Road
Mission Viejo, CA 92691

MISSION HOSPITAL REGIONAL MEDICAL CENTER
NATIONAL PROVIDER IDENTIFIER (NPI) 1992752315
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.

605 West Santa Ana Blvd., Building 28, Room 830, Santa Ana, CA 92701-4036
(714) 558-4434 / (714) 558-4179 fax
Internet Address: www.dhcs.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

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—Santa Ana at (714) 558-4434.

(***Original signed by Margaret Varho***)

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

Certified

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME	**MISSION HOSPITAL REGIONAL MEDICAL CENTER**
NPI	**1992752316**
FISCAL PERIOD	**JULY 1, 2009 THROUGH JUNE 30, 2010**
CONTRACT PERIOD	**N/A**

ACUTE CARE ONLY*	Noncontract Cost Services	Medi-Cal For Contract Services	Medi-Cal Total For Fiscal Period
A. Medi-Cal Net Cost of Covered Services Plus Hospital-Based Physician Costs, Excluding Return on Equity (Schedule 1, Line 1) (Adj 1)	$ 8,018,952	$	$ 8,018,952
B. Deductibles and Coinsurance (Third Party Liability) (Schedule 3, Lines 9 and 10) (Adj 2)	$ 41,658	$	$ 41,658
C. Medi-Cal Inpatient Days (Adjs 3, 4, 5) (Schedules 4 and 4A)			
1. Routine (Adults and Pediatrics)	3,206		3,206
2. ICU	53		53
3. CCU			
4. Nursery	1,928		1,928
5. NICU			
6. Other (Specify)			
a.			
b.			
D. Total Hospital Discharges ** (Adj)	N/A	N/A	22,812
E. Total Medi-Cal Discharges** (Adj 6)	1,122		1,122
F. Total Medi-Cal Inpatient Charges (Schedules 2, Line 4) (Adj 7)	$ 24,453,664	$	$ 24,453,664

* 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	**MISSION HOSPITAL REGIONAL MEDICAL CENTER**
NPI	**1992752316**
FISCAL PERIOD	**JULY 1, 2009 THROUGH JUNE 30, 2010**
CONTRACT PERIOD	**N/A**

	REFERENCE		
A. EXPENSE PASS-THROUGH DATA			
1. Depreciation Expense: (Adj)	8810 - 8813, and/or .71, .72, .73 and .74	$	20,595,668
2. Rent and Lease Expense: (Adj)	8820-8822, and/or .75 and .76	$	9,458,391
3. Interest Expense: (Adj)	8860, 8870	$	12,096,254
4. Property Taxes and License Fees: (Adj)	8850 and/or .83	$	609,248
5. Utility Expense: (Adj)	.77, .78, .79, and .80	$	3,676,689
6. Malpractice Insurance Expense: (Adj)	8830 and/or .81	$	2,099,939
B. GROSS OPERATING EXPENSES (Adj)	Sch 10, line 101, col. 3	$	400,429,513
C. STUDENT AND PHYSICIANS COMPENSATION			
1. Salaries and Wages (include benefits) (Adj)	.07, 8210.09 - 8290.09	$	
2. Professional Fees (Adj)	.20	$	6,856,937
D. PHARMACY NONLABOR EXPENSE (Adj)	8390.37 and 8390.38	$	10,499,102
E. FOOD SERVICES NONLABOR EXPENSE (Adj)	8320, 8330 and 8340 and/or .42 and .43	$	3,233,753
F. DIRECT OPERATING COSTS			
1. Salaries and Wages	.00 - .09, .91, .95	$	140,538,080
2. Employee Benefits	.10 - .19, .92, .96	$	62,634,953
3. Other Professional Fees	.21 - .29	$	10,901,221
4. Purchased Services	.61 - .69	$	49,861,893
5. Supplies	.31 - .36, .39 - .41 .44 - .50, .93, .97	$	60,037,901

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CONTRACT PERIOD	**N/A**

A. DIRECT PAYROLL COSTS (Totals)	REFERENCE		
1. Management and Supervision (Adj)			
a. Productive Salaries	.00	$	23,851,332
b. Productive Hours			457,422.00
2. Technicians and Specialists (Adj)			
a. Productive Salaries	.01	$	30,910,325
b. Productive Hours			790,739.00
3. Registered Nurses (Adj)			
a. Productive Salaries	.02	$	55,018,298
b. Productive Hours			1,171,397.00
4. Licensed Vocational Nurses (Adj)			
a. Productive Salaries	.03	$	397,349
b. Productive Hours			15,268.00
5. Aides and Orderlies (Adj)			
a. Productive Salaries	.04	$	11,628,006.00
b. Productive Hours			597,321.00
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	$	5,532,687
b. Productive Hours			337,922.00
9. Clerical and Other Administrative (Adj)			
a. Productive Salaries	.05	$	11,795,649
b. Productive Hours			581,621.00
10. Other Salaries and Wages (Adj)			
a. Productive Salaries	.09	$	
b. Productive Hours			
11. All Nonproductive Salaries and Wages (Adj)			
a. Nonproductive Salaries	Labor Distribution	$	14,744,563
b. Nonproductive Hours	Report or Provider W/P		417,598.00
B. SUBTOTAL DIRECT PAYROLL COST			
1. Productive Salaries (lines A1a - A10a)		$	139,133,646
2. Productive Hours (lines A1b - A10b)			3,951,690.00
C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (A11a + B1)		$	153,878,209
D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (A11b + B2)			4,369,288.00

Provider Name	Fiscal Period	NPI	Adjustments
MISSION HOSPITAL REGIONAL MEDICAL CENTER	JULY 1, 2009 THROUGH JUNE 30, 2010	1992752316	7

Report References							
Adj. No.	Audit Report Page	RD Schedule Page	RD Schedule Line	Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted
				ADJUSTMENTS TO RATE DEVELOPMENT SCHEDULES			
1	1	3	A	Medi-Cal Net Cost of Covered Services—Noncontract	$ 8,211,295	$ (192,343)	$ 8,018,952
2	1	3	B	Deductibles and Coinsurance—Noncontract	$ 34,267	$ 7,391	$ 41,658
3	1	3	C 1	Medi-Cal Inpatient Days—Adults and Pediatrics—Noncontract	3,236	(30)	3,206
4	1	3	C 2	Medi-Cal Inpatient Days—ICU—Noncontract	61	(8)	53
5	1	3	C 4	Medi-Cal Inpatient Days—Nursery—Noncontract	1,958	(30)	1,928
6	1	3	E	Total Medi-Cal Discharges—Acute—Noncontract	1,154	(156)	1,122
7	1	3	F	Total Medi-Cal Inpatient Charges—Noncontract	$ 17,099,359	$ 7,354,305	$ 24,453,664

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

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MISSION HOSPITAL REGIONAL MEDICAL CENTER	JULY 1, 2009 THROUGH JUNE 30, 2010	1992752316	7

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