

**REPORT
ON THE AUDIT OF
RATE DEVELOPMENT BRANCH SCHEDULES
WEST HILLS REGIONAL MEDICAL CENTER
WEST HILLS, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER 1023065729
FISCAL PERIOD ENDED
DECEMBER 31, 2010**

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

**Section Chief: Daniel J. Giardinelli
Audit Supervisor: Celia Avina
Auditor: Yanique French**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

August 14, 2012

Ralph Struve
Managing Director
Hospital Corporation of America
Stone Tower
13760 Noel Road, Suite 430
Dallas, TX 75240

WEST HILLS REGIONAL MEDICAL CENTER
NATIONAL PROVIDER IDENTIFIER (NPI) 1023065729
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 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 Fee-For-Service Rates Development 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

Ralph Struve
Page 2

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—Burbank at (818) 295-2620.

Original Signed By

Daniel J. Giardinelli, Chief
Audits Section—Burbank
Financial Audits Branch

Certified

cc: Tony Lopez, CFO
West Hills Regional Medical Center
7300 Medical Center Drive
West Hills, CA 91307

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME WEST HILLS REGIONAL MEDICAL CENTER
NPI 1023065729
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) (Adj 1)	\$ 2,951,751	\$	\$ 2,951,751
B. Deductibles and Coinsurance (Third Party Liability) (Schedule 3, Lines 9 and 10) (Adj 2)	\$ 112,176	\$	\$ 112,176
C. Medi-Cal Inpatient Days (Adjs 3 &4) (Schedules 4 and 4A)			
1. Routine (Adults and Pediatrics)	720		720
2. ICU	317		317
3. CCU			
4. Nursery	14		14
5. NICU	16		16
6. Other (Specify)			
a.			
b.			
D. Total Hospital Discharges (Adj 5)	N/A	N/A	8,161
E. Total Medi-Cal Discharges (Adj 6)	282		282
F. Total Medi-Cal Inpatient Charges (Schedules 2, Line 4) (Adj 7)	\$ 19,001,885	\$	\$ 19,001,885

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME	WEST HILLS REGIONAL MEDICAL CENTER
NPI	1023065729
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	\$	6,168,978
2. Rent and Lease Expense: (Adj)	8820-8822, and/or .75 and .76	\$	2,361,513
3. Interest Expense: (Adj)	8860, 8870	\$	
4. Property Taxes and License Fees: (Adj)	8850 and/or .83	\$	2,038,157
5. Utility Expense: (Adj)	.77, .78, .79, and .80	\$	1,901,987
6. Malpractice Insurance Expense: (Adj)	8830 and/or .81	\$	183,143
B. GROSS OPERATING EXPENSES (Adj)	C/R W/S A, line 101, col. 3	\$	156,342,787
C. STUDENT AND PHYSICIANS COMPENSATION			
1. Salaries and Wages (include benefits) (Adj)	.07, 8210.09 - 8290.09	\$	
2. Professional Fees (Adj)	.20	\$	890,228
D. PHARMACY NONLABOR EXPENSE (Adj)	8390.37 and 8390.38	\$	
E. FOOD SERVICES NONLABOR EXPENSE (Adj)	8320, 8330 and 8340 and/or .42 and .43	\$	1,014,699
F. DIRECT OPERATING COSTS			
1. Salaries and Wages	.00 - .09, .91, .95	\$	57,213,680
2. Employee Benefits	.10 - .19, .92, .96	\$	24,399,810
3. Other Professional Fees	.21 - .29	\$	6,222,342
4. Purchased Services	.61 - .69	\$	30,143,140
5. Supplies	.31 - .36, .39 - .41 .44 - .50, .93, .97	\$	23,678,511
6. Other Direct Operating Expense	.85 - .90	\$	4,278,973

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME	WEST HILLS REGIONAL MEDICAL CENTER
NPI	1023065729
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	\$	6,831,140
b. Productive Hours			109,913.00
2. Technicians and Specialists (Adj)			
a. Productive Salaries	.01	\$	11,523,693
b. Productive Hours			256,028.00
3. Registered Nurses (Adj)			
a. Productive Salaries	.02	\$	27,791,466
b. Productive Hours			505,243.00
4. Licensed Vocational Nurses (Adj)			
a. Productive Salaries	.03	\$	314,863
b. Productive Hours			9,827.00
5. Aides and Orderlies (Adj)			
a. Productive Salaries	.04	\$	6,057,718
b. Productive Hours			225,443.00
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	\$	1,772,480
b. Productive Hours			90,433.00
9. Clerical and Other Administrative (Adj)			
a. Productive Salaries	.05	\$	2,541,137
b. Productive Hours			99,632.00
10. Other Salaries and Wages (Adj)			
a. Productive Salaries	.09	\$	200,534
b. Productive Hours			1,984.00
11. All Nonproductive Salaries and Wages (Adj)			
a. Nonproductive Salaries	Labor Distribution	\$	12,372,320
b. Nonproductive Hours	Report or Provider W/P		134,096.00
B. SUBTOTAL DIRECT PAYROLL COST			
1. Productive Salaries (lines A1a - A10a)		\$	<u>57,033,031</u>
2. Productive Hours (lines A1b - A10b)			<u>1,298,503.00</u>
C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (A11a + B1)		\$	<u>69,405,351</u>
D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (A11b + B2)			<u>1,432,599.00</u>

Provider Name		Fiscal Period		NPI	Adjustments		
WEST HILLS REGIONAL MEDICAL CENTER		JANUARY 1, 2010 THROUGH DECEMBER 31, 2010		1023065729	7		
Report References		Explanation of Audit Adjustments					
Adj. No.	Audit Report Page	RD Schedule Page	Line	Reported	Increase (Decrease)	Adjusted	
<u>ADJUSTMENTS TO RATE DEVELOPMENT SCHEDULES</u>							
1	1	3	A	Medi-Cal Net Cost of Covered Services—Noncontract	\$ 2,904,777	\$ 46,974	\$ 2,951,751
2	1	3	B	Deductibles and Coinsurance—Noncontract	\$ 106,670	\$ 5,506	\$ 112,176
3	1	3	C 1	Medi-Cal Inpatient Days—Adults and Pediatrics—Noncontract	622	98	720
4	1	3	C 2	Medi-Cal Inpatient Days—ICU—Noncontract	281	36	317
5	1	3	D	Total Hospital Discharges	0	8,161	8,161
6	1	3	E	Total Medi-Cal Discharges—Acute—Noncontract	270	12	282
7	1	3	F	Total Medi-Cal Inpatient Charges—Noncontract	\$ 14,307,318	\$ 4,694,567	\$ 19,001,885

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