

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

**EL CENTRO REGIONAL MEDICAL CENTER
EL CENTRO, CALIFORNIA
PROVIDER NUMBER: ZZT30045F
NATIONAL PROVIDER IDENTIFIER: 1861409823**

**FISCAL PERIOD ENDED
JUNE 30, 2007**

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

**Section Chief: Patricia M. Fox
Audit Supervisor: Sergio Gonzalez
Auditors: Bernadette Pantoya/Jing H. Zhang**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

September 28, 2012

Administrator
El Centro Regional Medical Center
1415 Ross Avenue
El Centro, CA 92243-4398

EL CENTRO REGIONAL MEDICAL CENTER
PROVIDER NUMBER ZZT30045F
NATIONAL PROVIDER IDENTIFIER (NPI) 1861409823
FISCAL PERIOD ENDED JUNE 30, 2007

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 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.

Administrator
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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—San Diego at (619) 688-3200.

Originally Signed by:

Patricia M. Fox, Chief
Audits Section—San Diego
Financial Audits Branch

Certified

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME EL CENTRO REGIONAL MEDICAL CENTER
PROVIDER NO., NPI ZTZ30045F, 1861409823
FISCAL PERIOD JULY 1, 2006 THROUGH JUNE 30, 2007
CONTRACT PERIOD

	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)	\$ 10,640,345	\$	\$ 10,640,345
B. Deductibles and Coinsurance (Third Party Liability) (Schedule 3, Lines 9 and 10) (Adj 2)	\$ 216,091	\$	\$ 216,091
C. Medi-Cal Inpatient Days (Adjs 3-6) (Schedules 4 and 4A)			
1. Routine (Adults and Pediatrics)	5,408		5,408
2. ICU	584		584
3. CCU			
4. Nursery	1,088		1,088
5. NICU	371		371
6. Other (Specify)			
a.			
b.			
D. Total Hospital Discharges***	N/A	N/A	6,180
E. Total Medi-Cal Discharges*** (Adj 7)	1,600		1,600
F. Total Medi-Cal Inpatient Charges (Schedule 2, Line 4) (Adj 8)	\$ 33,120,868	\$	\$ 33,120,868

* 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	EL CENTRO REGIONAL MEDICAL CENTER
PROVIDER NO., NPI	ZZT30045F, 1861409823
FISCAL PERIOD	JULY 1, 2006 THROUGH JUNE 30, 2007
CONTRACT PERIOD	

	<u>REFERENCE</u>		
A. EXPENSE PASS-THROUGH DATA			
1. Depreciation Expense:	8810 - 8813, and/or .71, .72, .73 and .74	\$	3,460,130
2. Rent and Lease Expense:	8820-8822, and/or .75 and .76	\$	1,805,901
3. Interest Expense:	8860, 8870	\$	1,927,227
4. Property Taxes and License Fees:	8850 and/or .83	\$	62,368
5. Utility Expense:	.77, .78, .79, and .80	\$	1,549,769
6. Malpractice Insurance Expense:	8830 and/or .81	\$	458,677
B. GROSS OPERATING EXPENSES (Adj 9)	Sch 10, line 101, col. 3	\$	71,264,096
C. STUDENT AND PHYSICIANS COMPENSATION			
1. Salaries and Wages (include benefits)	.07, 8210.09 - 8290.09	\$	
2. Professional Fees	.20	\$	2,282,084
D. PHARMACY NONLABOR EXPENSE	8390.37 and 8390.38	\$	2,693,277
E. FOOD SERVICES NONLABOR EXPENSE (Adj 10)	8320, 8330 and 8340 and/or .42 and .43	\$	511,246
F. DIRECT OPERATING COSTS			
1. Salaries and Wages	.00 - .09, .91, .95	\$	29,843,082
2. Employee Benefits	.10 - .19, .92, .96	\$	7,747,397
3. Other Professional Fees	.21 - .29	\$	3,932,243
4. Purchased Services	.61 - .69	\$	6,515,597
5. Supplies (Adj 11)	.31 - .36, .39 - .41 .44 - .50, .93, .97	\$	9,531,011
6. Other Direct Operating Expense (Adj 12)	.85 - .90	\$	2,038,778

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME	EL CENTRO REGIONAL MEDICAL CENTER
PROVIDER NO., NPI	ZZT30045F, 1861409823
FISCAL PERIOD	JULY 1, 2006 THROUGH JUNE 30, 2007
CONTRACT PERIOD	

A. DIRECT PAYROLL COSTS (Totals)	<u>REFERENCE</u>		
1. Management and Supervision (Adj 13)			
a. Productive Salaries	.00	\$	4,206,444
b. Productive Hours			111,823.00
2. Technicians and Specialists (Adj 14)			
a. Productive Salaries	.01	\$	6,172,034
b. Productive Hours			257,167.00
3. Registered Nurses (Adj 15)			
a. Productive Salaries	.02	\$	8,627,136
b. Productive Hours			270,773.00
4. Licensed Vocational Nurses (Adj 16)			
a. Productive Salaries	.03	\$	611,957
b. Productive Hours			31,329.00
5. Aides and Orderlies (Adj 17)			
a. Productive Salaries	.04	\$	2,493,319
b. Productive Hours			211,769.00
6. Physicians (Salaried)			
a. Productive Salaries	.07	\$	
b. Productive Hours			
7. Nonphysician Medical Practitioners (Adj 18)			
a. Productive Salaries	.08	\$	203,910
b. Productive Hours			5,228.00
8. Environmental and Food Services (Adj 19)			
a. Productive Salaries	.06	\$	1,353,308
b. Productive Hours			114,438.00
9. Clerical and Other Administrative (Adj 20)			
a. Productive Salaries	.05	\$	3,315,894
b. Productive Hours			267,126.00
10. Other Salaries and Wages (Adjs 21, 22)			
a. Productive Salaries	.09	\$	61,098
b. Productive Hours			5,126.00
11. All Nonproductive Salaries and Wages (Adjs 23, 24)			
a. Nonproductive Salaries	Labor Distribution	\$	2,797,983
b. Nonproductive Hours	Report or Provider W/P		140,543.00
B. SUBTOTAL DIRECT PAYROLL COST (Adjs 25, 26)			
1. Productive Salaries (lines A1a - A10a)		\$	<u>27,045,100</u>
2. Productive Hours (lines A1b - A10b)			<u>1,274,779.00</u>
C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (A11a + B1)		\$	<u>29,843,083</u>
D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (A11b + B2) (Adj 27)			<u>1,415,322.00</u>

Provider Name				Fiscal Period		PROVIDER NO., NPI		Adjustments
EL CENTRO REGIONAL MEDICAL CENTER				JULY 1, 2006 THROUGH JUNE 30, 2007		ZZT30045F, 1861409823		27
Report References				Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted	
Adj. 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	\$ 9,120,263	\$ 1,520,082	\$ 10,640,345	
	1	3	A	Medi-Cal Net Cost of Covered Services—Contract	\$	\$	\$	
2	1	3	B	Deductibles and Coinsurance—Noncontract	\$ 153,443	\$ 62,648	\$ 216,091	
	1	3	B	Deductibles and Coinsurance—Contract	\$	\$	\$	
3	1	3	C 1	Medi-Cal Inpatient Days—Adults and Pediatrics—Noncontract	4,669	739	5,408	
	1	3	C 1	Medi-Cal Inpatient Days—Adults and Pediatrics—Contract				
4	1	3	C 2	Medi-Cal Inpatient Days—ICU—Noncontract	497	87	584	
	1	3	C 2	Medi-Cal Inpatient Days—ICU—Contract				
	1	3	C 3	Medi-Cal Inpatient Days—CCU—Noncontract				
	1	3	C 3	Medi-Cal Inpatient Days—CCU—Contract				
5	1	3	C 4	Medi-Cal Inpatient Days—Nursery—Noncontract	0	1,088	1,088	
	1	3	C 4	Medi-Cal Inpatient Days—Nursery—Contract				
6	1	3	C 5	Medi-Cal Inpatient Days—NICU—Noncontract	240	131	371	
	1	3	C 5	Medi-Cal Inpatient Days—NICU—Contract				
	1	3	C 6 a	Medi-Cal Inpatient Days—_____ Noncontract				
	1	3	C 6 a	Medi-Cal Inpatient Days—_____ Contract				
	1	3	C 6 b	Medi-Cal Inpatient Days—_____ Noncontract				
	1	3	C 6 b	Medi-Cal Inpatient Days—_____ Contract				

Provider Name				Fiscal Period	PROVIDER NO., NPI	Adjustments	
EL CENTRO REGIONAL MEDICAL CENTER				JULY 1, 2006 THROUGH JUNE 30, 2007	ZZT30045F, 1861409823		27
Report References				Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted
Adj. No.	Audit Report Page	RD Schedule Page Line					
	1	3	D	Total Hospital Discharges			
7	1	3	E	Total Medi-Cal Discharges—Acute—Noncontract	1,628	(28)	1,600
	1	3	E	Total Medi-Cal Discharges—Acute—Contract			
8	1	3	F	Total Medi-Cal Inpatient Charges—Noncontract	\$ 27,598,749	\$ 5,522,119	\$ 33,120,868
	1	3	F	Total Medi-Cal Inpatient Charges—Contract	\$	\$	\$
	2	4	A 1	Depreciation Expense	\$	\$	\$
	2	4	A 2	Rent and Lease Expense	\$	\$	\$
	2	4	A 3	Interest Expense	\$	\$	\$
	2	4	A 4	Property Taxes and License Fees	\$	\$	\$
	2	4	A 5	Utility Expense	\$	\$	\$
	2	4	A 6	Malpractice Insurance Expense	\$	\$	\$
9	2	4	B	Gross Operating Expenses	\$ 75,246,706	\$ (3,982,610)	\$ 71,264,096
	2	4	C 1	Student and Physicians Compensation—Salaries and Wages	\$	\$	\$
	2	4	C 2	Student and Physicians Compensation—Professional Fees	\$	\$	\$
	2	4	D	Pharmacy Nonlabor Expense	\$	\$	\$

Provider Name				Fiscal Period		PROVIDER NO., NPI		Adjustments
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Report References				Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted	
Adj. No.	Audit Report Page	RD Schedule Page Line						
10	2	4	E	Food Services Nonlabor Expense	\$ 514,607	\$ (3,361)	\$ 511,246	
	2	4	F 1	Direct Operating—Salaries and Wages	\$	\$	\$	
	2	4	F 2	Direct Operating—Employee Benefits	\$	\$	\$	
	2	4	F 3	Direct Operating—Other Professional Fees	\$	\$	\$	
	2	4	F 4	Direct Operating—Purchased Services	\$	\$	\$	
11	2	4	F 5	Direct Operating—Supplies	\$ 10,149,452	\$ (618,441)	\$ 9,531,011	
12	2	4	F 6	Direct Operating—Other Direct Operating Expense	\$ 0	\$ 2,038,778	\$ 2,038,778	
	3	5	A 1 a	Management and Supervision—Productive Salaries	\$	\$	\$	
13	3	5	A 1 b	Management and Supervision—Productive Hours	113,660	(1,837)	111,823	
	3	5	A 2 a	Technicians and Specialists—Productive Salaries	\$	\$	\$	
14	3	5	A 2 b	Technicians and Specialists—Productive Hours	231,371	25,796	257,167	
	3	5	A 3 a	Registered Nurses—Productive Salaries	\$	\$	\$	
15	3	5	A 3 b	Registered Nurses—Productive Hours	278,687	(7,914)	270,773	
	3	5	A 4 a	Licensed Vocational Nurses—Productive Salaries	\$	\$	\$	
16	3	5	A 4 b	Licensed Vocational Nurses—Productive Hours	29,480	1,849	31,329	
	3	5	A 5 a	Aides and Orderlies—Productive Salaries	\$	\$	\$	
17	3	5	A 5 b	Aides and Orderlies—Productive Hours	211,082	687	211,769	

Provider Name				Fiscal Period	PROVIDER NO., NPI	Adjustments	
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Report References				Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted
Adj. No.	Audit Report Page	RD Schedule Page Line					
	3	5	A 6 a	Physicians (Salaried)—Productive Salaries	\$	\$	\$
	3	5	A 6 b	Physicians (Salaried)—Productive Hours			
	3	5	A 7 a	Nonphysician Medical Practitioners—Productive Salaries	\$	\$	\$
18	3	5	A 7 b	Nonphysician Medical Practitioners—Productive Hours	4,556	672	5,228
	3	5	A 8 a	Environmental and Food Services—Productive Salaries	\$	\$	\$
19	3	5	A 8 b	Environmental and Food Services—Productive Hours	115,118	(680)	114,438
	3	5	A 9 a	Clerical and Other Administrative—Productive Salaries	\$	\$	\$
20	3	5	A 9 b	Clerical and Other Administrative—Productive Hours	260,434	6,692	267,126
21	3	5	A 10 a	Other Salaries and Wages—Productive Salaries	\$ 61,074	\$ 24	\$ 61,098
22	3	5	A 10 b	Other Salaries and Wages—Productive Hours	5,133	(7)	5,126
23	3	5	A 11	Nonproductive Salaries and Wages	\$ 2,798,007	\$ (24)	\$ 2,797,983
24	3	5	A 11	Nonproductive Hours	178,223	(37,680)	140,543
25	3	5	B 1	Subtotal Productive Salaries	\$ 27,045,075	\$ 25	\$ 27,045,100
26	3	5	B 2	Subtotal Productive Hours	1,249,521	25,258	1,274,779
	3	5	C	Total Productive and Nonproductive Salaries	\$	\$	\$
27	3	5	D	Total Productive and Nonproductive Hours	1,427,744	(12,422)	1,415,322
<p>To adjust the Rate Development Schedules to agree with audit adjustments and/or provider records. CCR, Title 22, Section 51536</p>							