

**REPORT
ON THE AUDIT OF
MEDI-CAL RATE DEVELOPMENT WORKSHEETS**

**ANAHEIM MEMORIAL MEDICAL CENTER
ANAHEIM, CALIFORNIA
PROVIDER NUMBER: ZYT 30226F**

**FISCAL PERIOD ENDED
JUNE 30, 2007**

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

**Section Chief: Margaret A. Varho
Audit Supervisor: Felipe Avila
Auditor: Billy Abishu**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

August 27, 2009

Donna Anglin, Executive Director
Corporate Reimbursement
Memorial Health Care Services
17360 Brookhurst Street
Fountain Valley, CA 92708

PROVIDER: ANAHEIM MEMORIAL MEDICAL CENTER
PROVIDER NO. ZZT 30226F
FISCAL PERIOD ENDED JUNE 30, 2007

We have examined the Rate Development Branch 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 Branch 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 Branch 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 Department's Rate Development Branch 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
Office of Administrative Appeals and Hearings
1029 J Street, Suite 200
Sacramento, CA 95814-2878
(916) 322-5603

Donna Anglin
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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 95899-7413

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 95814-5005
(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—Santa Ana at (714) 558-4434.

(Original signed by Henry Igboke)

for

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

Certified

RATE DEVELOPMENT WORKSHEETS

PROVIDER: ANAHEIM MEMORIAL MEDICAL CENTER
PROVIDER NO.: ZZT 30226F
FISCAL PERIOD: JULY 1, 2006 THROUGH JUNE 30, 2007
CONTRACT PERIOD: N/A

	Noncontract Cost Settlement	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 (Adj 1)	\$ 5,282,926	\$	\$ 5,282,926
B. Deductibles and Coinsurance (Third Party Liability) (Adj 2)	\$ 109,010	\$	\$ 109,010
C. Medi-Cal Inpatient Days (Adj 3 - 6)			
1. Routine (Adults & Pediatrics)	1,511		1,511
2. ICU	135		135
3. CCU			
4. Nursery	445		445
5. NICU	1,070		1,070
6. Other (Specify)			
a.			
b.			
D. Total Hospital Discharges **	N/A	N/A	
E. Total Medi-Cal Discharges** (Adj 11)	601		601
F. Total Medi-Cal Inpatient Charges (Adj 12)	\$ 21,818,217	\$	\$ 21,818,217

* Do not include data for NF or Administrative Days.
** Do not include newborns that were born in the hospital.

RATE DEVELOPMENT WORKSHEETS

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FISCAL PERIOD: JULY 1, 2006 THROUGH JUNE 30, 2007
CONTRACT PERIOD: N/A

A. EXPENSE PASS-THROUGH DATA	<u>REFERENCE</u>		
1. Depreciation Expense: (Adj 13)	8810 - 8813, and/or .71, .72, .73 and .74	\$	8,206,230
2. Rent and Lease Expense:	8820, and/or .75 and .76	\$	3,210,144
3. Interest Expense:	8860, 8870	\$	420
4. Property Taxes and License Fees:	8850 and/or .83	\$	536,989
5. Utility Expense:	.77, .78, .79, and .80	\$	1,635,953
6. Malpractice Insurance Expense:	8830 and/or .81	\$	367,148
 B. GROSS OPERATING EXPENSES	 W/S A, line 101, col. 3	 \$	 style="text-align: right;">184,451,654
C. STUDENT AND PHYSICIANS COMPENSATION			
1. Salaries and Wages (include benefits)	.07, 8210.09 - 8290.09	\$	286,945
2. Professional Fees	.20	\$	2,079,273
D. PHARMACY NONLABOR EXPENSES	8390.37 and 8390.38	\$	7,579,068
E. FOOD SERVICES NONLABOR EXPENSES	8320, 8330 and 8340 and/or .42 and .43	\$	250,121
F. DIRECT OPERATING COSTS			
1. Salaries and Wages	.00 - .09, .91, .95	\$	56,981,337
2. Employee Benefits	.10-.19,.92,.96	\$	17,738,934
3. Other Professional Fees	.21 - .29	\$	16,481,987
4. Purchased Services	.61 - .69	\$	28,638,796
5. Supplies	.31 - .36, .93, .97	\$	29,125,462
6. Other Direct Operating Expenses (Adj 14)		\$	11,332,758

RATE DEVELOPMENT WORKSHEETS

PROVIDER: ANAHEIM MEMORIAL MEDICAL CENTER
PROVIDER NO. ZZT 30226F
FISCAL PERIOD: JULY 1, 2006 THROUGH JUNE 30, 2007
CONTRACT PERIOD: N/A

A. DIRECT PAYROLL COSTS (Totals)	<u>REFERENCE</u>		
1. Management and Supervision			
a. Productive Salaries	.00	\$	7,270,644
b. Productive Hours			140,683.00
2. Technicians and Specialists			
a. Productive Salaries	.01	\$	7,565,611
b. Productive Hours			264,040.00
3. Registered Nurses			
a. Productive Salaries	.02	\$	25,058,621
b. Productive Hours			591,168.00
4. Licensed Vocational Nurses			
a. Productive Salaries	.03	\$	523,398
b. Productive Hours			23,858.00
5. Aides and Orderlies			
a. Productive Salaries	.04	\$	852,659
b. Productive Hours			62,819.00
6. Physicians (Salaried)			
a. Productive Salaries	.07	\$	285,070
b. Productive Hours			1,478.00
7. Nonphysician Medical Practitioners			
a. Productive Salaries	.08	\$	
b. Productive Hours			
8. Environmental and Food Services			
a. Productive Salaries	.06	\$	
b. Productive Hours			
9. Clerical and Other Administrative			
a. Productive Salaries	.05	\$	7,546,509.00
b. Productive Hours			441,785.00
10. Other Salaries and Wages			
a. Productive Salaries	.09	\$	8,104,682
b. Productive Hours			304,351.00
11. All Nonproductive Salaries and Wages			
a. Productive Salaries	Labor Distribution	\$	5,732,250
b. Productive Hours	Report or Provider W/P		172,707.00
B. SUBTOTALS DIRECT PAYROLL COSTS			
1. Productive Salaries (lines 1a - 10a)		\$	<u>57,207,194</u>
2. Productive Hours (lines 1b - 10b)			<u>1,830,182.00</u>
C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (11a + B1)		\$	<u>62,939,444</u>
D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (11b + B2)			<u>2,002,889.00</u>

AUDIT ADJUSTMENTS

Provider:		Provider No.	Fiscal Period:		No. of Adjs:	
ANAHEIM MEMORIAL MEDICAL CENTER		ZZT 30226F	JULY 1, 2006 THROUGH JUNE 30, 2007		14	
Adj. No.	Report Reference		Explanation of Audit Adjustments	Reported	Increase (Decrease)	Audited
	Form	Page				
13	A&I-2	2	A-1	\$ 8,123,068	83,162	\$ 8,206,230
14	A&I-2	2	F-6	\$ -	11,332,758	\$ 11,332,758

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