

**REPORT  
ON THE AUDIT OF  
RATE DEVELOPMENT BRANCH SCHEDULES  
CENTURY CITY DOCTOR'S HOSPITAL  
LOS ANGELES, CALIFORNIA  
PROVIDER NUMBERS: HSP 30753F / NPI 1437201175**

**FISCAL PERIOD ENDED  
DECEMBER 31, 2007**

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

**Section Chief: Daniel J. Giardinelli  
Audit Supervisor: Henry Kwan  
Auditor: William Zhu**



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



EDMUND G. BROWN JR.  
GOVERNOR

September 28, 2011

Richard K. Diamond, Partner  
Danning, Gill, Diamond & Kollitz, LLP  
2029 Century Park East, 3<sup>rd</sup> Floor  
Los Angeles, California 90067

PROVIDER: CENTURY CITY DOCTOR'S HOSPITAL  
PROVIDER NOS. HSP 30753F / NPI 1437201175  
FISCAL PERIOD ENDED DECEMBER 31, 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](http://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 95814-2825  
(916) 322-5603

Richard K. Diamond  
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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—Burbank at (818) 295-2620.

**Original Signed By**

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

Certified

cc: Robert A. Oehlman  
Healthcare Financial Consultant  
640 Kenneth Road  
Glendale, California 91202

**RATE DEVELOPMENT WORKSHEETS**

**PROVIDER:** CENTURY CITY DOCTOR'S HOSPITAL  
**PROVIDER NOS.** HSP 30753F / NPI 1437201175  
**FISCAL PERIOD:** JANUARY 1, 2007 THROUGH DECEMBER 31, 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)	\$ 1,790,508		\$ -		\$ 1,790,508
B. Deductibles and Coinsurance (Third Party Liability) (Adj. )	\$ 64,900		\$ -		\$ 64,900
C. Medi-Cal Inpatient Days (Adjs. 2 & 3)					
1. Routine (Adults & Pediatrics)	252		-		252
2. ICU	206		-		206
3. CCU	-		-		-
4. Nursery	-		-		-
5. NICU	-		-		-
6. Other (Specify)					
a. n/a	-		-		-
b. n/a	-		-		-
D. Total Hospital Discharges (Adj. )	N/A		N/A		5,011
E. Total Medi-Cal Discharges (Adj. 4)	65		-		65
F. Total Medi-Cal Inpatient Charges (Adj. 5)	\$ 5,548,158		\$ -		\$ 5,548,158

## RATE DEVELOPMENT WORKSHEETS

**PROVIDER:** CENTURY CITY DOCTOR'S HOSPITAL  
**PROVIDER NOS.** HSP 30753F / NPI 1437201175  
**FISCAL PERIOD:** JANUARY 1, 2007 THROUGH DECEMBER 31, 2007  
**CONTRACT PERIOD:** N/A

A. EXPENSE PASS-THROUGH DATA	<u>REFERENCE</u>		
1. Depreciation Expense:	8810 - 8813, and/or .71, .72, .73 and .74	\$	1,541,172
2. Rent and Lease Expense:(Adj. 6)	8820, and/or .75 and .76	\$	13,269,566
3. Interest Expense:	8860, 8870	\$	6,156,934
4. Property Taxes and License Fees:	8850 and/or .83	\$	583,416
5. Utility Expense:	.77, .78, .79, and .80	\$	1,173,787
6. Malpractice Insurance Expense:(Adj. 7)	8830 and/or .81	\$	863,480
 B. GROSS OPERATING EXPENSES	 W/S A, Col 3, Line 101	 \$	 102,062,988
C. STUDENT AND PHYSICIANS COMPENSATION			
1. Salaries and Wages (include benefits)	.07, 8210.09 - 8290.09	\$	-
2. Professional Fees	.20	\$	-
D. PHARMACY NONLABOR EXPENSES	8390.37 and 8390.38	\$	2,274,771
E. FOOD SERVICES NONLABOR EXPENSES	8320, 8330 and 8340 and/or .42 and .43	\$	-
F. DIRECT OPERATING COSTS			
1. Salaries and Wages	.00 - .09, .91, .95	\$	28,359,005
2. Employee Benefits	.10 - .19, .92, .96	\$	6,743,903
3. Other Professional Fees	.21 - .29	\$	11,630,797
4. Purchased Services	.61 - .69	\$	12,666,931
5. Supplies	.31 - .36, .93, .97	\$	16,365,391
6. Other Direct Operating Expense	.85 - .90	\$	-

**RATE DEVELOPMENT WORKSHEETS**

**PROVIDER:** CENTURY CITY DOCTOR'S HOSPITAL  
**PROVIDER NOS.** HSP 30753F / NPI 1437201175  
**FISCAL PERIOD:** JANUARY 1, 2007 THROUGH DECEMBER 31, 2007  
**CONTRACT PERIOD:** N/A

A. DIRECT PAYROLL COSTS (Totals)	<u>REFERENCE</u>		
1. Management and Supervision			
a. Productive Salaries	.00	\$	6,388,364
b. Productive Hours			133,955
2. Technicians and Specialists			
a. Productive Salaries	.01	\$	7,194,645
b. Productive Hours			195,780
3. Registered Nurses			
a. Productive Salaries	.02	\$	6,288,199
b. Productive Hours			157,267
4. Licensed Vocational Nurses			
a. Productive Salaries	.03	\$	-
b. Productive Hours			-
5. Aides and Orderlies			
a. Productive Salaries	.04	\$	1,310,453
b. Productive Hours			61,781
6. Physicians (Salaried)			
a. Productive Salaries	.07	\$	-
b. Productive Hours			-
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	\$	3,579,487
b. Productive Hours			167,405
10. Other Salaries and Wages			
a. Productive Salaries	.09	\$	585
b. Productive Hours			21
11. All Nonproductive Salaries and Wages			
a. Productive Salaries	Labor Distribution	\$	3,629,589
b. Productive Hours	Report or Provider W/P		109,170
<b>B. SUBTOTALS DIRECT PAYROLL COSTS</b>			
1. Productive Salaries (lines 1a - 10a)		\$	<u>24,761,733</u>
2. Productive Hours (lines 1b - 10b)			<u>716,209</u>
<b>C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (11a + B1)</b>		<b>\$</b>	<b><u>28,391,322</u></b>
<b>D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (11b + B2)</b>			<b><u>825,379</u></b>

**AUDIT ADJUSTMENTS**

Provider: CENTURY CITY DOCTOR'S HOSPITAL		Provider No. HSP 30753F	Fiscal Period: JANUARY 1, 2007 THROUGH DECEMBER 31, 2007		No. of Adjs: 7	
Report Reference		Explanation of Audit Adjustments		Reported	Increase (Decrease)	Audited
Adj. No.	Form	Page	Line			
				<u><b>ADJUSTMENTS TO RATE DEVELOPMENT WORKSHEETS</b></u>		
1	DHS 3094	3	A	Medi-Cal Net Cost of Covered Services - Noncontract	\$ 1,574,136	\$ 1,790,508
2	DHS 3094	3	C-1	Medi-Cal Inpatient Days - Adults and Pediatrics - Noncontract	196	252
3	DHS 3094	3	C-2	Medi-Cal Inpatient Days - ICU - Noncontract	189	206
4	DHS 3094	3	E	Total Medi-Cal Discharges - Acute - Noncontract	77	(12)
5	DHS 3094	3	F	Total Medi-Cal Inpatient Charges - Noncontract	\$ 4,797,582	\$ 5,548,158
6	DHS 3094	4	A-2	Rent and Lease Expense	\$ 11,371,240	\$ 13,269,566
7	DHS 3094	4	A-6	Malpractice Insurance Expense	\$ 678,564	\$ 863,480
				To adjust the Rate Development Worksheets to agree with audit adjustments and/or Provider records. Title 22, CCR, Section 51536		

