

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

**COLLEGE HOSPITAL - COSTA MESA  
COSTA MESA, CALIFORNIA  
PROVIDER NUMBER: HSP 30543K**

**FISCAL PERIOD ENDED  
DECEMBER 31, 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: Janie Lee**



DAVID MAXWELL-JOLLY  
*Director*

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



ARNOLD SCHWARZENEGGER  
*Governor*

August 8, 2009

Dale Bracy  
Chief Financial Officer  
College Hospital - Costa Mesa  
301 Victoria Street  
Costa Mesa, CA 92627

PROVIDER: COLLEGE HOSPITAL - COSTA MESA  
PROVIDER NO. HSP 30543K  
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 field audit.

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 95814-2878  
(916) 322-5603

Dale Bracy  
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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 Margaret Varho)***

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

Certified

**RATE DEVELOPMENT WORKSHEETS**

**PROVIDER:** COLLEGE HOSPITAL - COSTA MESA  
**PROVIDER NO.** HSP 30543K  
**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)	\$ 579,344			\$	579,344
B. Deductibles and Coinsurance (Third Party Liability) (Adj. 2)	\$ 2,776			\$	2,776
C. Medi-Cal Inpatient Days (Adj. 3)					
1. Routine (Adults & Pediatrics)	548				548
2. ICU					
3. CCU					
4. Nursery					
5. NICU					
6. Other (Specify)					
a.					
b.					
D. Total Hospital Discharges ** (Adj. 4)	N/A		N/A		4,188
E. Total Medi-Cal Discharges** (Adj. 5)	151				151
F. Total Medi-Cal Inpatient Charges (Adj. 6)	\$ 1,384,061			\$	1,384,061

(The previous Section D. Average Per Diem was eliminated. This information is not needed by RDB and has been removed from the Rate Development Branch Schedules that are sent by ARAS to the provider for completion.)

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

## RATE DEVELOPMENT WORKSHEETS

**PROVIDER:** COLLEGE HOSPITAL - COSTA MESA  
**PROVIDER NO.** HSP 30543K  
**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	\$	491,777
2. Rent and Lease Expense:	8820, and/or .75 and .76	\$	626,766
3. Interest Expense:	8860, 8870	\$	242,910
4. Property Taxes and License Fees:	8850 and/or .83	\$	46,023
5. Utility Expense:	.77, .78, .79, and .80	\$	342,695
6. Malpractice Insurance Expense:	8830 and/or .81	\$	41,858
 B. GROSS OPERATING EXPENSES		 \$	 36,226,585
C. STUDENT AND PHYSICIANS COMPENSATION			
1. Salaries and Wages (include benefits)	.07, 8210.09 - 8290.09	\$	0
2. Professional Fees	.20	\$	1,584,777
D. PHARMACY NONLABOR EXPENSES	8390.37 and 8390.38	\$	673,901
E. FOOD SERVICES NONLABOR EXPENSES	8320, 8330 and 8340 and/or .42 and .43	\$	0
F. DIRECT OPERATING COSTS			
1. Salaries and Wages	.00 - .09, .91, .95	\$	15,076,067
2. Employee Benefits	.10 - .19, .92, .96	\$	3,782,252
3. Other Professional Fees	.21 - .29	\$	2,527,277
4. Purchased Services	.61 - .69	\$	3,857,536
5. Supplies	.31 - .36, .93, .97	\$	910,837
6. Other Direct Operating Expense (Adj. 7)	.85 - .90	\$	6,021,912

**RATE DEVELOPMENT WORKSHEETS**

**PROVIDER:** COLLEGE HOSPITAL - COSTA MESA  
**PROVIDER NO.** HSP 30543K  
**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	\$	1,858,092
b. Productive Hours			44,775.00
2. Technicians and Specialists			
a. Productive Salaries	.01	\$	4,161,157
b. Productive Hours			162,306.00
3. Registered Nurses			
a. Productive Salaries	.02	\$	4,976,107
b. Productive Hours			131,392.00
4. Licensed Vocational Nurses			
a. Productive Salaries	.03	\$	1,431,009
b. Productive Hours			68,569.00
5. Aides and Orderlies			
a. Productive Salaries	.04	\$	1,237,257
b. Productive Hours			85,358.00
6. Physicians (Salaried)			
a. Productive Salaries	.07	\$	0
b. Productive Hours			0
7. Nonphysician Medical Practitioners			
a. Productive Salaries	.08	\$	0
b. Productive Hours			0
8. Environmental and Food Services			
a. Productive Salaries	.06	\$	156,698
b. Productive Hours			10,755.00
9. Clerical and Other Administrative			
a. Productive Salaries	.05	\$	827,208
b. Productive Hours			60,390.00
10. Other Salaries and Wages			
a. Productive Salaries	.09	\$	0
b. Productive Hours			0
11. All Nonproductive Salaries and Wages			
a. Productive Salaries	Labor Distribution	\$	1,535,092
b. Productive Hours	Report or Provider W/P		45,875.00
<b>B. SUBTOTALS DIRECT PAYROLL COSTS</b>			
1. Productive Salaries (lines 1a - 10a)		\$	<u>14,647,528</u>
2. Productive Hours (lines 1b - 10b)			<u>563,545.00</u>
<b>C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (11a + B1)</b>		<b>\$</b>	<b><u>16,182,620</u></b>
<b>D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (11b + B2)</b>			<b><u>609,420.00</u></b>

**AUDIT ADJUSTMENTS**

Provider: COLLEGE HOSPITAL - COSTA MESA		Provider No. HSP 30543K	Fiscal Period: JANUARY 1, 2007 THROUGH DECEMBER 31, 2007		No. of Adjs: 7	
Report Reference		Explanation of Audit Adjustments			Increase (Decrease)	Audited
Adj. No.	Form Page Line				Reported	
1	A&I-2 1 A	<b><u>ADJUSTMENTS TO RATE DEVELOPMENT WORKSHEETS</u></b> Medi-Cal Net Cost of Covered Services - Noncontract			\$ 592,182	\$ 579,344
2	A&I-2 1 B	Deductibles and Coinsurance - Noncontract			\$ 2,583	\$ 2,776
3	A&I-2 1 C-1	Medi-Cal Inpatient Days - Adults and Peds - Noncontract			540	548
4	A&I-2 1 D	Total Hospital Discharges			4,079	4,188
5	A&I-2 1 E	Total Medi-Cal Discharges - Acute - Noncontract			176	151
6	A&I-2 1 F	Total Medi-Cal Inpatient Charges - Noncontract			\$ 1,379,076	\$ 1,384,061
7	A&I-2 2 F-6	Other Direct Operating Expense			\$ 0	\$ 6,021,912

To adjust the Rate Development Worksheets to agree with audit adjustments and/or Provider records.

Title 22, CCR, Section 51536